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PROCEEDINGS AND DEBATES OF THE 99th CONGRESS, SECOND SESSION

HOUSE OF REPRESENTATIVES—*Friday, March 21, 1986*

The House met at 11 a.m. and was called to order by the Speaker pro tempore [Mr. WRIGHT].

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, DC,
March 20, 1986.

I hereby designate the Honorable JIM WRIGHT to act as Speaker pro tempore on Friday, March 21, 1986.

THOMAS P. O'NEILL, Jr.,
Speaker of the House of Representatives.

PRAYER

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

May Your blessing of peace be upon each one of us, O God, and may Your love surround any person with special need. We pray for those who look to You for healing, for strength, for assurance, and for comfort. Be with us, O God, and those we love this day and every day. Amen.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Hallen, one of its clerks, announced that the Senate had passed without amendment, a joint resolution of the House of the following title:

H.J. Res. 573. Joint resolution making a repayable advance to the Hazardous Substance Response Trust Fund.

ADJOURNMENT TO TUESDAY, MARCH 25, 1986

Mr. DOWNEY of New York. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at noon on Tuesday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

LET US END NUCLEAR WEAPONS TESTING

(Mr. DOWNEY of New York asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DOWNEY of New York. Mr. Speaker, we have just been told that tomorrow the Reagan administration will conduct a nuclear test at the Nevada test site. It will end the United States somewhat informal moratorium on nuclear tests. We have not tested since December 28 of last year in an attempt to reach some sort of understanding with the Soviet Union about testing. This will give, this U.S. test, the Soviets an excuse to end their moratorium; and it will, I am afraid, pave the way for the resumption of Soviet nuclear tests.

If this test proceeds, it will squander our best hope of containing the proliferation of nuclear weapons. It will squander our best hope of stopping the Russians from upgrading their nuclear warheads to U.S. standards. And it will squander our best hope of pulling down the weapons reliability the Soviets would need for a first strike.

In the name of national security, Mr. President, please delay this test.

You have an offer from six world leaders to end nuclear weapons tests on this planet forever. Let's take them up on it. Let's do it now.

BOOST PRICES UP, THEN BOOST PRICES DOWN

(Mr. DANNEMEYER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DANNEMEYER. Mr. Speaker, the wholesale price index has just registered its largest monthly decline since it was started almost 40 years ago. In this context we may recall the words of Stephen Leacock, the famous Canadian economist and humorist, who said in 1932:

The gold standard has fallen into opprobrium: a while ago it looked as safe as the rock of ages, and now it is being relegated to the age of rocks. We have been learning some new economic truths. Consider the regulation of the money supply. What does it mean? A lot of flowery words have grown up around this. But if that means anything at all, it means that there will be a board, a committee of people who will, as and when they like, expand money or contract money, and boost prices up or boost prices down. There will be three men in a room somewhere who will do that. If that time ever comes, I want to be one of the three, or at least a warm personal friend of all three.

Now I say in all sincerity that the three-men-in-a-room stuff will do for the Soviets; it will not do for us. You cannot have a system of social control dependent upon the will of three men in a room; you cannot have prices which can be moved up by a group in control; you cannot have wages which can be shifted down in their purchasing power by the good will of the people of the monetary caste. You must weigh that very, very carefully. The board, when it boosts prices up or down would follow, or be tempted to follow, all sorts of self-seeking ends. You cannot run society like that. If you try to have a money standard based on human interest or opinion, you have started the biggest human exploitation you can possibly imagine. (The Canadian Mining and Metallurgical Bulletin, August, 1932.)

NONSMOKERS' PROTECTION ACT OF 1986

(Mr. SCHEUER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SCHEUER. Mr. Speaker, for too long the Federal Government and Congress have been criticized for conducting critically important business

behind closed doors in smoke-filled rooms.

Many significant and weighty decisions have been made behind a veil of haze so thick from cigarette and cigar smoke that participants in such meetings have been unable to see their colleagues across the table.

Mr. Speaker, a majority of those who work in or visit our Federal buildings are nonsmokers.

Yet, these nonsmokers often are forced to inhale the noxious fumes created by those who have not kicked the destructive smoking habit—a habit which damages the health of smokers and nonsmokers alike.

In an effort to improve the environment of the Federal workplace and protect tens of thousands of nonsmokers from the hazards of second-hand tobacco smoke, today I am introducing the Nonsmokers' Protection Act of 1986.

This bill would prohibit smoking in Federal buildings except for designated smoking areas that would be determined by the Secretary of Health and Human Services in consultation with affected employee unions.

According to the Surgeon General, no single measure would do more to improve the public health than the elimination of cigarette smoking.

Furthermore, numerous studies have shown that nonsmokers suffer many of the health problems that afflict smokers when nonsmokers are subjected regularly to the poisonous gases found in tobacco smoke.

Mr. Speaker, I urge my colleagues to join me in sponsoring this important bill to protect the health of all those who use Federal buildings.

Until this year, Congress has never considered seriously legislation to protect nonsmokers in Federal buildings.

But the record is much better on the State and municipal level:

Twenty-one States restrict or ban smoking during public meetings or restrict smoking to certain areas within public buildings.

Thirty-seven States and more than 400 municipalities limit or restrict smoking in public places.

Eleven States require separate seating for nonsmokers in restaurants.

Ten States have enacted laws specifically addressing smoking in the workplace.

But State and local laws do not extend to Federal facilities.

The case against cigarette smoking is overwhelming.

Smoking is the major cause of lung cancer and a significant cause of heart attacks and other cardiovascular diseases.

Smoking is recognized widely as the greatest preventable cause of premature death and disability today.

Second-hand smoke creates a serious indoor air pollution problem that forces nonsmokers to be involuntary smokers.

The lungs, heart, and eyes of nonsmokers subjected to smoke are harmed just as if they smoked themselves.

Nonsmokers in smoking environments have no choice but to inhale the 60 known carcinogens, including carbon monoxide, ammonia, formaldehyde, and nicotine, that are found in tobacco smoke.

It is time to change the Federal Government's policies to protect the rights and health of nonsmokers.

Mr. Speaker, where there is smoke there is fire—and I intend to light a fire under my colleagues in the House and Senate to pass this long overdue bill to protect nonsmokers in the Federal work force.

THE EMERGENCY ENERGY ACT OF 1986

(Mr. ARCHER asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. ARCHER. Mr. Speaker, it may come as a surprise to some in this body—although it should not—that the health of our domestic oil and gas industry has been very much in question for the past several years. With the current drop in world oil prices, the industry's health is now clearly in jeopardy.

Exploration for new domestic reserves is grinding to a virtual halt. Marginally producing wells are being abandoned and permanently plugged, with the oil they could produce lost to America forever.

The result has been a rapid rise in unemployment throughout the industry and those industries which are dependent to varying degrees on oil and gas exploration and development.

We are seeing a staggering impact on banking, real estate, and all of the hundreds of service and manufacturing industries located in those regions of the country where oil and gas are significant factors in local and regional economies. Today, the problems indeed appear to be regional. In fact, however, they pose a very real threat to the national security of the United States.

Put simply, we are in danger of losing not only valuable proven domestic oil reserves, but also our ability to develop future reserves which we will need when OPEC once again cuts back production—as it did in the early 1970's—and holds an oil dependent world, and the United States, hostage.

The Emergency Energy Act of 1986, which I am introducing today with a bipartisan group of original cosponsors, addresses directly the most serious of the problems faced by the energy industry today so that the industry will be there when we need it tomorrow.

The question this Congress must ask itself is whether this vital industry, which is so critical to our national security and the economy of a large segment of America, can survive this period in a form which will allow it to do the job that will be expected of it in the future.

During the 1970's we decided, as a matter of urgent national policy, that we could not allow our Nation to be heavily dependent upon foreign sources for our energy needs. Energy independence was established as a national priority. A separate Cabinet department was created to underscore the issue's importance. A variety of legislative proposals were sped through Congress to reduce our foreign dependency. Never again would a cartel such as OPEC hold all of America hostage to its price and supply fixing. How soon we forget.

In recent months, we've seen OPEC, led by Saudi Arabia, release a flood of oil onto the world market—temporarily driving prices downward in an attempt to reestablish discipline among the member nations in controlling supply. In most respects the lower prices are a welcome sight. Unfortunately, however, the forces driving prices down are also driving domestic U.S. producers out of business.

This Congress will be shortsighted indeed if it fails to look beyond the current situation to what most certainly lies ahead once the Saudis have achieved what they set out to accomplish.

We owe it to our Nation to see that we do not lapse into a situation that is even worse than what existed just one short decade ago. We were completely unprepared for what happened in the early 1970's. We cannot afford to repeat that painful period of American history.

I urge my colleagues in the House from all regions of this country to look carefully at the following summary of the Emergency Energy Act of 1986, and the technical explanation of its tax provisions, and to join with the legislation's original cosponsors in sending a message both to the American people and to the OPEC nations that we remain committed to the principle of energy independence.

SUMMARY OF H.R. 4476, THE EMERGENCY ENERGY ACT OF 1986

1. Marginal Production Tax Credit: A tax credit, not to exceed $5 per barrel, would be provided for each barrel of high cost domestic crude oil produced from marginal domestic wells. The amount of the credit would vary from property to property, based on a formula involving the cost of production versus the gross income from an individual property.

2. Exploratory Tax Credit: Provide a 15% tax credit for expenses incurred in exploratory activities.

3. Repeal the Windfall Profit Tax: Since, in most cases, the WPT adjusted base price exceeds the sales price of domestic oil, little tax is currently being collected. This change largely eliminates an unnecessary, costly, administrative burden on both industry and the federal government. Repeal follows the same rationale as the return-free proposal for individuals in the House-passed tax reform bill.

4. Repeal the Fuel Use Act.

5. Deregulate Natural Gas.

6. Strategic Petroleum Reserve: Complete filling the strategic petroleum reserve with domestically produced oil.

7. Property Transfer Rules: Eliminate current transfer rules which prevent independent producers from taking percentage depletion on properties transferred to them by integrated companies. Also eliminate Windfall Profit Tax rule which requires oil from properties formerly held by integrated companies, but later transferred to independents, to be taxed at a higher rate (Not necessary if the WPT is repealed).

8. Intangible Drilling Costs: Expand the definition of IDCs to include geological, geophysical, and surface casing expenses as deductible items.

9. Capitalization of IDCs: Eliminate the requirement that integrated producers capitalize 20% of IDCs.

10. Net Income Limitation: Repeal the current law 50% net income limitation for the application of the percentage depletion allowance.

11. Alternative Minimum Tax for Insolvent Oil Producers: Extend the provision to insolvent oil and gas producers which was adopted in the House-passed tax reform bill to apply to insolvent farmers. As a result, insolvent producers would not be saddled with a tax liability as a result of the consequences of foreclosure, in particular, as a result of the forgiveness of indebtedness.

12. Abandoned Wells: Sense of the Congress Resolution urging (but not requiring) state governments to impose no less than one year waiting period before requiring permanent plugging of abandoned wells—and encourage the states to permit limited plugging so that wells can be reopened at minimal cost.

13. Retaining Certain Current Law Provisions: Sense of the Congress Resolution expressing the sense of Congress that current law should be maintained in those areas of oil and gas taxation not otherwise changed by the foregoing proposals, and in the bank loan loss reserve rules contained in the House-passed tax reform bill.

Detailed Description of the Tax Provisions of Bill

Section 1 provides the title for the legislation, the "Emergency Energy Act of 1986". Title I contains amendments to the Internal Revenue Code of 1954.

SECTION 101—PRODUCTION CREDIT FOR OPERATING ECONOMICALLY UNPRODUCTIVE WELLS

Section 101 provides a credit against the tax of crude oil producers that will encourage production from wells operated at an economic loss. By maximizing production from wells that are otherwise likely to be capped, it will secure part of our future energy needs from otherwise unavailable sources. The credit recognizes that it is in our national interest to assure that the most marginal of our existing reserves are not capped prematurely. The credit is determined with respect to each barrel produced and is equal to the excess of a well's operating costs allocable to the barrel over the price for which the barrel of oil is sold. In no event can the credit exceed $5 per barrel. In addition, special rules assure that the sales price can not be artificially reduced (either with sales between related parties or by using overstated transportation costs). For purposes of determining the qualified loss for a barrel of oil (the creditable amount) only certain production costs are taken into account, namely, lease operating expenses, severence taxes, and business overhead expenses (limited to 15 percent of the lease operating expense attributable to the barrel). The production credit will apply to production on or after date of enactment.

SECTION 102—EXPLORATION TAX CREDIT

Section 102 of the bill provides a 15 percent tax credit for certain exploration costs, recognizing that it is our national interest to reactivate our petroleum industry's efforts to expand domestic reserves for our future needs. The credit is limited to 15 percent of the costs of exploring for oil or gas in the United States. The costs taken into account are intangible drilling and development costs, geological costs, geophysical costs and surface casing costs, but only to the extent such costs are paid or incurred for the purpose of ascertaining the existence, location, extent, or quality of an oil or gas deposit. The exploration credit will apply to qualified costs paid or incurred on or after date of enactment.

SECTION 103—PROPERTY TRANSFERS BY INSOLVENT OIL PRODUCERS

Section 103 of the bill modifies the minimum tax rules so that insolvency proceedings of oil or gas producers will not trigger federal tax liability. This rule recognizes that it is inappropriate to impose tax on capital gains of insolvent producers realized in the course of liquidating their holdings to satisfy indebtedness. Under current law, minimum tax liability is calculated, in part, based on the net capital gain exclusion. The new rule provides that an insolvent taxpayer who transfers property used in the active conduct of a trade or business of exploring for or producing crude oil is not required to treat the net capital gain on a transfer as a tax preference if the transfer was made to a creditor in cancellation of indebtedness or to a third party under a threat of foreclosure. The amount of preference cutback is limited to the amount of the taxpayer's insolvency immediately prior to the transfer. The change applies only to persons who have derived at least 50 percent of their gross income from a trade or business of exploring for or producing crude oil and it will take effect with respect to transfers occurring on or after date of enactment.

SECTION 105—INTANGIBLE DRILLING AND DEVELOPMENT COSTS

Section 105 of the bill expands the definition of intangible drilling and development costs (IDCs), those costs which a taxpayer can expense when paid or incurred. Under the new rule, IDCs will include geological, geophysical and surface casing costs, paid or incurred for the purpose of ascertaining the existence, location, extent, or quality of any domestic deposit of oil or gas. This eliminates the anomaly of current law that provides the least favorable treatment for the riskiest costs associated with oil and gas production—the exploration costs—and will increase the pool of capital flowing to exploration activities.

SECTION 106—REPEAL OF PREFERENCE CUTBACK UNDER SECTION 291

Section 106 of the bill repeals Internal Revenue Code (IRC) sec. 291(b)(1)(A), which reduces the benefits of expensing IDCs by 20 percent applicable only to integrated oil and gas producers. As a result, integrated producers will no longer be required to capitalize 20 percent of their IDCs. The change will serve to increase the parity between integrated and nonintegrated producers and, by reducing the economic risk of drilling activities, enhance the flow of capital available for domestic production.

The changes regarding IDCs will apply to expenses paid or incurred on or after date of enactment.

SECTION 109—REPEAL OF THE SPECIAL OIL AND GAS TRANSFER RULES

Section 109 of the bill repeals the "so-called" transfer rules, which currently disqualify certain properties from IRC sec. 613A treatment (percentage depletion) and IRC sec. 4991(a) treatment (stripper oil exempt from the windfall profits tax). Denying percentage depletion treatment and stripper well treatment to transferred properties tends to stagnate property holdings. The rules were originally designed to limit the cost to the federal government of percentage depletion deductions and to maximize revenues from the windfall profit tax, objectives that are currently counter productive to the interest of encouraging continued production from marginal wells. Repealing those rules will eliminate one more barrier to the transfer of those properties to persons for whom they will be more productive investments. Failing to repeal those rules would effectively accelerate the point in time that many marginal wells will be economically unprofitable, and thus, accelerate the closure of those wells. The repeal of the transfer rules will apply to taxable years ending on or after date of enactment.

SECTION 107—OTHER CHANGES TO THE DEPLETION RULES

Section 107 of the bill would repeal the rule in IRC sec. 613(a) that limits percentage depletion for oil or gas properties to 50 percent of a taxpayer's net income from the property. The net income limitation operates to reduce the profitability of only the most marginal wells, the production from which should be encouraged rather than discouraged.

SECTION 108—MODIFICATION OF COMPUTATION OF BASIS FOR DEPLETION PURPOSES

Section 108 of the bill provides that interests in an oil or gas property received in separate transfers shall be treated as separate properties for purposes of determining the allowable depletion deductions. Thus, taxpayers will no longer be required to adjust the basis of an interest received by the negative basis in a pre-existing interest. This will eliminate an unnecessary impediment to the sale of oil or gas property interests to persons already holding an interest in the property, which in many cases, is the person most willing to maintain production from the property.

SECTION 104—MINIMUM TAX CLARIFICATION

Section 104 of the bill is intended to provide some clarity to the existing minimum tax rules. It provides an election permitting taxpayers to carry over any portion of a percentage depletion deduction to a later taxable year and indicates an intent of Congress that the Secretary will prescribe tax benefit rules to clarify that a similar result can be reached for taxable years ending prior to date of enactment (for purposes of determining a taxpayer's minimum tax liability). The modifications to the percent-

age depletion rules will be effective generally on date of enactment.

SECTION 111—WINDFALL PROFITS TAX

Section 111 of the bill repeals the "so-called" windfall profits tax, a tax originally designed in 1980 to assure that a substantial portion of the price increases attributable to the deregulation of crude oil, which would otherwise inure to the benefit of producers, has been paid to the Federal Treasury. The merit of the original policy is arguable at best; it has had the effect of denying domestic producers the profit incentives enjoyed by foreign producers. More importantly, due to the recent changes in oil prices, the original policy is no longer relevant. The tax currently generates little revenue for the Federal Treasury. It imposes a tremendous and unnecessary paperwork burden on the domestic producers and reduces their expectation for future profits from crude oil production. The repeal of the windfall profits tax will apply to production on or after date of enactment.

SECTION 110—CLARIFICATION OF STATUTE OF LIMITATIONS RULES APPLICABLE TO WINDFALL PROFITS TAX

Section 110 of the bill clarifies the limitation on the period during which the Treasury can reopen windfall profits tax returns for taxable years in which taxpayers have filed all the forms necessary to show that the windfall profits tax withheld equals or is in excess of their liability. Because of an Internal Revenue Service interpretation of a technical filing requirement, the IRS is under no duty to audit and close many past returns. The new rule, effective for return filings after February 29, 1980, does not limit the information available to Treasury as a basis to challenge windfall profits tax liability, it merely overrides IRS Revenue Ruling 85-37 and thus provides a limit on the period during which Treasury can assert additional liability. As a result, if Form 6248 has been properly filed with the IRS showing that the windfall profits tax withheld equals or exceeds a taxpayer's liability, no Form 720 is required. Thus, the statute of limitations on IRS assessments for windfall profits tax liability will begin to run concurrent with the statute of limitations on the taxpayer's income tax return.

□ 1110

CENTRAL AMERICA

(Mr. BARNES asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BARNES. Mr. Speaker, in a last-minute effort to get the majority of the votes in support of the Contra aid program, the administration made a commitment to an intensive negotiation effort, an intensive diplomatic initiative, to see if it is possible to achieve the results we seek in Central America without resort to further military action.

Now we have a brief window of opportunity for diplomatic initiatives to be tried because, as we all know, our body will not be voting on this issue again for some time.

I hope that the administration will demonstrate during this brief period its commitment to the suggestion that it made that it is prepared to engage in a strong diplomatic initiative.

Just last week, the countries of Nicaragua and Costa Rica entered into a border agreement that will call for observation teams from Brazil, Argentina, Peru, and other countries. The United States should strongly put its support behind that border agreement and behind the effort to negotiate a comparable agreement between Nicaragua and Honduras and all of the other efforts of the Contadora nations. This would demonstrate in this period the sincerity of the United States' commitment to a negotiated solution and it would put us in line with the majority of countries in the hemisphere which support the Contadora process.

I hope we will see a strong commitment to that from the administration during this period before we have the next vote.

YOUTH OPPORTUNITY WAGE ACT OF 1986

(Mr. ROBERTS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ROBERTS. Mr. Speaker, despite the recovery that is occurring in many sections of the country and sectors of the economy, the problem of youth unemployment lingers.

Overall unemployment has decreased from more than 10 percent to less than 7 percent. Youth, on the other hand, face unemployment rates of nearly 20 percent. More than 40 percent of our Nation's black youth are unemployed.

In order to provide needed jobs for youth, I am today introducing the Youth Opportunity Wage Act of 1986. This legislation creates a year-round opportunity wage for youths under 20 years of age and full-time students. By lowering the minimum wage requirement, employers, small and large, rural and urban, will have the added incentive they need to fill positions of marginal value and create jobs that would not have existed otherwise.

Under this legislation, young people would be employed at 75 percent of minimum wage for the first 180 days of employment and 90 percent of minimum wage for the second 180 days. Full-time students would be employed at not less than 75 percent of minimum wage.

The Youth Opportunity Wage Act of 1986 is designed to function with a minimum of redtape for both the business owner and the worker. In addition, the legislation strictly prohibits the substitution of youth employees for older workers and the termination of youth employees at the end of their eligibility in order to hire other youth employees and gain continual advantage of the opportunity wage rate.

I invite my collegues to join with me in assisting businesses large and small across the country to create employment opportunities with all the accompanying benefits to American's youth.

PAT BUCHANAN MADE THE DIFFERENCE IN VOTE ON AID TO CONTRAS

(Mr. GEKAS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GEKAS. Mr. Speaker, shame on you, Pat Buchanan. It is you who caused the negative vote on the aid package to the Contras; it is you who finally made the difference in that vote yesterday.

Why? Because it is widely circulated and acknowledged by many Members of the majority who voted "no" yesterday that they did so out of revenge for what you expressed on that issue. They set aside questions of national security because they wanted to get you, Pat Buchanan. They set aside questions of the viability of Central America as a democratic center of the Western Hemisphere and voted against you, Pat Buchanan. They set aside questions of border patrols and border security of the United States and the questions of illegal aliens flooding into this country because of you, Pat Buchanan. They wanted to get back at you.

It has been acknowledged that that is the case. It has been circulated that that is the case. So what is going to happen? I think that you, Pat Buchanan, ought to turn yourself into an inarticulate wimp and not express yourself on questions that are vital to the administration and vital to the people of the United States.

From now on, do not influence what the majority does by setting yourself up as a scapegoat. Pat Buchanan. Turn yourself into a weakling.

MODERNIZING PERMITTING OF SKI AREAS IN NATIONAL FORESTS

(Mr. WIRTH asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WIRTH. Mr. Speaker, today I am introducing legislation to modernize the process for issuance of special use permits to ski areas that operate within our national forests. Today, millions of Americans, from across the country, spend their weekends and vacation time skiing. This is not only one of the most popular sports in the country, but it also is a sport that entire familes can take part in.

Over 100 of the country's commercial ski areas, in 17 States, rely upon national forest land. Every year,

countless Americans are attracted to these resorts for a few days of skiing amidst spectacular mountain peaks and vistas that seem to stretch forever. However, the ski operators are burdened by an antiquated permit system that now also hinders their ability to raise the capital that is needed to maintain and operate these ski areas as safe and enjoyable retreats.

The bill that I am introducing today, with bipartisan support, will modernize that permitting process by providing for one rather than two separate permits, and by extending the permit term. At the same time, this legislation preserves the important role the Forest Service plays in managing and protecting the public lands.

Mr. Speaker, this is vitally important legislation, and I urge our colleagues to join me in supporting it.

NUCLEAR WINTER

The SPEAKER pro tempore (Mr. VISCLOSKY). Under a previous order of the House, the gentleman from New York [Mr. SCHEUER], is recognized for 5 minutes.

Mr. SCHEUER. Mr. Speaker, I was absolutely horrified to hear you tell us a few minutes ago that the administration is planning to send us down the road of more and more tests to develop more and more expensive bombs, nuclear bombs, that will never be used.

I cannot believe that our country could be doing something so utterly destructive and irrational, destructive of your hopes to balance the budget, destructive of our hopes of international peace and serenity.

Anybody who has studied the issues of international security knows that the specter of a major nuclear happening does not fall between the superpowers, as a practical matter of fact, because of the horror of the destruction that would be forthcoming, because of the essential conservatism and sanity, because of the phenomenon known as nuclear winter, which postulates that when there is a certain minimum megatonnage unleashed from a nuclear barrage by either of the superpowers, that there is so much dust and smoke and soot liberated into the atmosphere that, ultimately, it will block out the sun, first from the Northern Hemisphere, if the blast is between the two superpowers, and, ultimately 6 months or a year later in the Southern Hemisphere.

Now, what this means is that most vegetation if not all vegetation on Earth would be killed, most animals would be killed, there would be human starvation on a mass scale in Asia, Africa, and Latin America and perhaps in the developed world, too.

The Russians, whom we fear, have suffered a scorched-earth policy. They have suffered as victims of a scorched-earth policy on the part of the Nazis. They know what it is to have towns and cities and villages obliterated. They suffered 20 million dead in World War II. We have never had a bomb dropped on our country. We had 650,000 civilian casualties in World War II as compared to the Russians 20 million.

No rational person really feels that a major nuclear war between the two superpowers is likely. What is likely if we continue developing nuclear bombs is that sooner or later one of these bombs or more of them will get into the hands of one of the more psychopathic and totally irresponsible chiefs of state who unfortunately exist on Earth. In Africa, chiefs of state like Bokassa, like Idi Amin. In the Middle East, chiefs of state like Khomeini, like Qadhafi, like Assad. And nonstate organizations, terrorist organizations through and through that we have seen, the Baader-Meinhof gang and the Japanese counterparts. The PLO, the various ultra and radical and extremist and violent-prone elements in the PLO, if you can assume that anything is moderate about the PLO. This is where there is likely to be a nuclear happening if the United States and the Soviets continue this continuous systematic, utterly and destructive and wasteful escalation of nuclear production.

How can our country continue this madness of producing more and more bombs that are more and more expensive and that are miring our country further and further in this insane circle of doubling our national deficit in the last 5 years, miring our society in the outrageous restrictions and mandates of Gramm-Rudman, how can we do this if the Russians are holding out even a glimmer of hope of nuclear stabilization and a final process of denuclearizing the world?

We could afford the risk, Mr. Speaker, of the Russians perhaps tricking us, if that is their ultimate desire, we could afford to have a 10 percent, or 15 percent, or 20 percent reduction in our nuclear lead because at the present time both the Russians and the United States have the power to bomb each other back to the stone age with a fraction of 1 percent of our nuclear capability. It is insane not to test the Russians' bona fides and good will by continuing the ban on further nuclear tests and probing and testing their willingness to negotiate a nuclear peace.

□ 1125

MY ADVICE TO THE PRIVILEGED ORDERS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas [Mr. GONZALEZ] is recognized for 60 minutes.

Mr. GONZALEZ. Mr. Speaker, I rise today in continuation of the remarks that I uttered here yesterday and appearing in the printed version of the proceedings of the House today.

The reason I do so is because it is necessary to clarify some of the statements that I made in a very general sense. It is, of course, my hope and desire that the executive branch of the Government, which means President Reagan and his administrators, will realize that the hour is late. That whether the President wishes to believe otherwise or not, his words and his actions taken thus far with respect to what he believes should be the actions or the line or course of action of the United States of America with respect to the countries to the south of the border. That he realize that whatever it is he has said which is on record cannot be disputed, and that, as is brought out in an article in today's Washington Post in the editorial section by Richard Cohen, who, for the first time alludes to the President as a demagogue.

I offer for the RECORD at this point a copy of that article in today's Washington Post.

"THE PROPAGANDIST AT HIS BEST"

(By Richard Cohen)

During Ronald Reagan's first presidential campaign, I would read about his reputed ability to polarize and find it hard to believe. These reports came from California, and while Californians obviously knew the future president best, what they said lacked credibility. Ronald Reagan, say what you will about him, seemed to be a sweetheart of a guy.

Not any more. The secret held by some Californians is now shared by the rest of us. There is a touch of the demagogue to Ronald Reagan, a willingness to brush past the truth and go straight for the gut. He can be careless with facts, sly in the way he misuses words, willing to repeat a falsehood or disputed fact until it is buffed into rhetorical fool's gold. This is the propagandist at his best. It is a president at his worst.

Nicaragua is the issue where it has all come out. Here we have Reagan on communism, which, along with lower taxes and smaller government, is one of his core issues. Of course, communism is important, and Reagan is entitled to feel strongly about it. But he is also obligated to stick to the facts, to what he knows and to command the networks and the front pages of newspapers, if he must, but to do so with dignity. Nothing cheapens the presidency as much as cheap rhetoric.

The leaders of Brazil, for instance, wonder what in the world the president was referring to when he said their "radicals" were receiving training in Nicaragua. Never mind. It made for a good story. Another good story is the accusation that Nicaragua under the Sandinistas is an anti-Semitic state. That charge has been investigated by Jewish organizations, journalists, even the State Department, and found by most to be baseless. At best, the issue is in dispute.

Reagan charges that "top Nicaraguan officials are deeply involved in drug trafficking." But earlier this year a spokesman for the Drug Enforcement Administration said

there was no evidence to substantiate that claim. Reagan characterizes the Sandinistas as beasts, abusers of human rights—thugs and druggies. Nicaragua is not exactly Switzerland, but when it comes to human rights violations and the willingness to smuggle drugs, it's the contras who are the champs of the region. Reagan says the contras themselves admit they will spread their revolution, but the magazine article he cited actually said something different.

All these allegations are beside the point anyway. If drug smuggling is the issue, we should invade Colombia tomorrow. If state-sponsored anti-Semitism is the issue, then we should have destabilized Argentina under the generals. If human rights is our concern, we ought to put the cuffs on Ferdinand Marcos immediately and, at minimum, redirect the contras to Chile. Would you care to compare Managua's human rights record with Santiago's?

Reagan does not pause to consider such matters. He'll do the analysis; what he wants from us is emotion. Which side are you on—ours or theirs? Brother Buchanan, taking Joe McCarthy's old tar brush out of retirement, draws the line, and Donald Regan, smugly satisfied, praises Buchanan for getting everyone's attention—like yelling fire in a crowded theater. This time the fire is a cancer that's heading our way. Only the contras can stop it.

But what if the contras fell—as they most likely will? What then? Will the next test of Americanism be the willingness to send more aid and then more aid? Will it matter then that some Nicaraguans—but probably not the government—desecrated a synagogue? Will Buchanan roar yet again on the pages of The Post, defining loyalty as the willingness to send troops? And will the president produce another picture of a Nicaraguan official taking a crate from a plane? For one crate, we aid the contras; for two we go to war. Today the contras. Mañana Managua.

What should have been a momentous foreign policy debate degenerated into a brawl about communism and loyalty—not about what happens if, after millions are spent on the contras, nothing is gained. Questions about the future got lost in passions of the present. Yesterday's vote notwithstanding, someday, we may look back from a quagmire of Nicaragua and wonder how we got bogged down. The answer will be simple. The president said history would be the judge—and then framed the issue so it was hard for us to do the same.

I have said before that the President had either, out of exaggeration or in hyperbole, had in effect ended up in deceiving the American people. Whether or not it was one of those premeditated or wholly calculated remarks makes no difference, because if the President has not realized it by now, he is the Chief of State of one of the most powerful governments on the face of the Earth today. To those who are looking at it extraneously, from outside the domestic aspects of the United States, that his words are taken in the literal sense in which he has expressed himself.

For example, with respect to what he repeatedly referred to, the Russian state as the "Empire of Evil," stating that its leaders were absolutely guilty of falsehoods; deliberate falsehoods. That they would lie and resort to anything to carry out the nefarious intentions and purposes of a Communist.

He did not realize that the audience he was addressing these remarks to might have been sympathetic and that he was attuning his remarks to that particular audience. But that those remarks were being electronically reported instantaneously to every single corner of the globe, and that that included the very object of his remarks; the Union of Soviet Socialist Republics.

After all, we are not talking about a country that is sunk in the backwardness of peasantry that it was just 50 years ago. We are talking now about a country and its leaders who now outproduce us in petroleum products; who have satisfactorily completed and are delivering gas in this vast gas pipeline from the Siberian gas fields to western Europe, and which construction the President had tried to stop by trying to invoke an embargo thinking that what we call our allies, that is, West Germany, France, and the Central European countries would join, only to find that he had to retract; he had to very quietly crawl out of that hole that he had gotten himself into.

The same thing happened with respect to the, whether he intended it or not, creation of a war psychosis among us toward Russia. He had to crawl out of the hole somehow by the time he reached the point of arriving to the summit meeting in Switzerland late last year.

All of these things we may think have been successfully PR'd, and they might have in our country. Our citizens have no alternative. But remember that these words are being printed, scrutinized and evaluated by highly intelligent people living in other countries and also those that are erstwhile allies and who do not share that feeling and that thought that the President has expressed as the national leader and spokesman for our country.

With respect to Latin America, it has been obvious that the President has miscalculated; that he has only offered a bankrupt, stale and abandoned course of action since 1929. The President has, in his dealings with Latin America, turned the clock back and evoked the "gunboat diplomacy" of Calvin Coolidge of 1929.

I feel that either as an individual or as a collective group of individuals in any nation that we must learn from experience. We know that individually it is catastrophic for an individual not to learn from experience.

What does the record show? What is the record with respect to Mr. Reagan's utterances and decisions taken with respect to the countries south of the border? They are no different than those that were taken in the case of Cuba in 1960. Absolutely no different.

In fact, it is error compounded upon error in the case of some of the Central American countries, particularly El Salvador and Nicaragua. In the case of Cuba, we know the history. We know that in April 1960 what was called the special group, the CIA, and the State Department, incidentally, created actually in 1957, and which was charged with the responsibility of special operations that were supposedly to be nonmilitary in nature.

□ 1135

We know that on April 26, 1957, this body was created. We know also that in April of 1960 the group embarked upon a program that was supposed to provide guerrilla training for company sized groups; that is, 150 to 250 men, that would make incursions into the six Cuban Provinces, the idea being that Fidel Castro, who has recently taken over the power in Cuba as of 1 year before, in 1959, was very amenable to being knocked out through guerrilla tactics, because it was very solemnly established by the CIA that Castro was vulnerable, because the Cuban Army which had been more or less neutral during the active military phase of the Castro revolution would not be of any help to Fidel Castro, that Fidel Castro in effect had not been able to muster the popular support among the Cuban people.

It was also very definitely solemnly established by the CIA and this group that if this hard core of exiles, mostly in the Florida area, could be given the help through CIA funding, that such a course could successfully be carried out, as I say, in company sized, in simultaneous incursions into the six Cuban Provinces; so that by December 1960 the CIA had expended close to $3 million for this purpose in the Miami, FL, area alone. This did not include the simultaneous training camps and their cost, also sponsored by the CIA, in the then Somoza's Nicaragua and in other parts of Central America and one or two other countries; so that it was firmly believed and it was on the basis of this, even though to this day it is still a mystery and a puzzle, how this operation could have been approved without considering the fact that it would entail military type of action, because as I said initially, the group was formed for special purposes, special operations, and it was called a special operations group for activities involving supposedly nonmilitary action; but how anybody could fail to see that it would certainly be military to provide guerrilla training for company sized groups of the purpose of making incursion into Cuban territory is something that still puzzles the historians and the experts and those connected with the administration at the time.

The rest is history. Nothing fails like failure. If we do not know by now, that is I am speaking of we in the Congress, that President Reagan's policies or what passes for policies, which I assail as nonpolicies, but rather ad hoc spasm reactions to ad hoc situations.

No administration, even including President Kennedy's Alliance for Progress, has really announced a fundamental long-range American program or policy, both economic and diplomatic, but particularly economic, with respect to this world to the south of our borders, which like the rest of the world has changed dramatically in the last decade and a half and in which and during which the American private economic sector abandoned Latin America. They went after those lucrative incursions and investments in Korea, Japan, and overseas, with the tremendous exponential increase in the multinationals, most of which were American based, and which attracted the eyes of investors because they were talking in terms of 30 and 35 percent yields; so that the real substantial stake that was building up with respect to the United States in the countries south of the border were abandoned.

So there has been no real policy formulation of a creative constructive type since Franklin Roosevelt and his promulgation of the good neighbor policy.

Now, nothing fails like failure, but also nothing succeeds like success and the success of President Roosevelt's plan was clearly proven all during the time that we found ourselves totally committed in a global struggle known as World War II.

Instead of that intense anti-American sentiment which has always existed since the prior policies and tactics, including the Mexican War, the 14 invasions that we have conducted in Nicaragua alone between the last century and this century, the various others, Santo Domingo and Haiti, where we have actually occupied these countries, has produced what—it has produced a pervasive under the surface anti-American feeling; however, the good neighbor policy resulted in a creative and therefore productive of good for American interests, because when World War II broke out, despite the very heavy presence of pro-German sentiment in the ruling establishments in Latin America, including Mexico, where the outstanding publishing figures or families and those in control of the radio networks at that time were openly pro-Nazi, were in Argentina until the last day of the war all you had to do in Buenos Aires was pick up a phone, get long distance and communicate with Berlin, because those South Atlantic cables were never, never interrupted. We were worried and did concern ourselves with North America, and we should have.

I also want to remind my colleagues that the success of the policy that was created was not the result of an easy target. President Roosevelt was bitterly assailed by the vested interests, particularly the oil and gas interests in the United States, the heavy investment sector of our country, because the President did not invade Mexico or did not use strong arm tactics to pressure the Government of Mexico to refrain from expropriating the American oil companies' properties in Mexico.

So what did we end up with? We ended up with the Foreign Minister of Mexico, Padilla, coming to the United States right at the outset of the war, even before the United States had a declaration of war in 1941, and said, "We are your allies. We are on your side."

Then when the war did break out, the Foreign Minister came to the United States. We did not go to Mexico City. He said, "Look, we want to enter into an alliance. We want an understanding and we will give you jurisdiction to draft into the military any Mexican national residing in the United States.

So as I said yesterday, who knows now that all you have to do is cross the border, go to Nueva Laredo, go to the public cemetery there and you will see graves. On Armistice Day, what we used to call Armistice Day, you would see very, very humble people going to lay flowers and wreaths on these graves. These were men who died fighting in the United States Army, but were Mexican citizens.

Also, Mexico prided itself in what they called El Esquadron docientos, Squadron No. 200. This was an air wing that the Mexican Air Force gave to the United States and fought with us, flew with our warriers in the Pacific. Some of them died, too.

This was the result of a creative policy which Franklin Roosevelt announced as a counterpolicy to the destructive and corrosive policies of direct unilateral military intervention of Calvin Coolidge and some of the prior Presidents; in fact, going back to 1914 and the invasion of Vera Cruz by the American forces because we were going to demand respect for the American flag which had been disrespectfully treated in the port and harbor of Vera Cruz.

I say that surely we must learn. We must know that even with a flawed Alliance for Progress, which was the first creative attempt on the part of President Kennedy to counterarrest the abandonment that had taken place after the Roosevelt era, even as flawed as that was, because it was unilateral, if President Kennedy were President today and he were to try to float the Alliance for Progress, it would not take in today's Latin America. It is another world; but even that at the time was considered as a magnanimous, as an act of moral responsible leadership on the part of the United States.

Remember, I used the words "moral leadership." This is what the world most of all expects from the United States, more than it does its bombs, atomic or whatever. It really looks to this country for the moral quality of affirmative and creative human leadership.

This is what has been abandoned by this President. This is what has been abandoned by other Presidents. As a result, what do we have? We have failure.

We have invested in the smallest country in Latin America and Central America in 5 years $4 billion, directly and indirectly, undercover, above board, and we are no closer to a resolution in that tiny country's problems than we were 5 years ago.

Does that mean that there is something flawed in our policies? Absolutely. We are insisting on a military solution, but what we fail to see is that these are several struggles, some of them more complicated than others. They are no different than some of the civil strife in the Middle East, which is far more complicated because of historical antecedents, and because you find as in the case in Indochina, what used to be known as Indochina, a civil war within a religious war, within a religious civil war.

When we simplistically try to reduce it as an East-West confrontation, we are mis-assessing the dimensions of the problem and therefore cannot possibly as long as we based our activities on that false premise or predicate find the correct solution. In order to find a happy solution to any problem, we must first ascertain the cause and the nature of the problem in its real aspects. It may not be pleasant. It may not fit in with what we think it ought to be, but I think that those of us that have had some experience over the course of years in the public arena know that we cannot expect people to be like we want them to be.

□ 1150

People are people. We must take people as is, What are the realities in Latin America? The realities are that, one, we have had an awakening of a vast mass of people who for almost 300 years have been victims of the cruelest despotisms, of the cruelest tyrannies, of the cruelest class distinctions that you can find anywhere in the world.

When we call a friendly ally a democracy, we use that term, for instance, for our great neighbor, the Republic of Mexico, but when we use that word we really must take into account what it is that word means to a people who have never had 6 hours of democracy as we take it for granted, as we define it, as we understand it. It is really relative.

Sure, Mexico is much more of a democracy in our sense of the word than some of the less happy lands south of the border, but in no way whatsover, in fact, I would ask any American who may not fully grasp this to just go down and live for about 6 weeks or 6 months, and I mean live, and imagine having to live, and then see what the processes are that are defined as democratic processes and which, yes, in light of this tremendously complicated cultural-historical-religious development. Just the question of religion, for example.

Mexico, until 1857, had the Catholic Church as the official state church. That meant that all during that time, what is now part of the United States, but at one time was part of the Spanish colonies, and then with Mexican independence became part of the Mexican Republic, this is what the law was. For instance, in my home State of Texas, the American colonizers got their grants from the Mexican Government. In order to hold land, they had to declare that they were Mexican and that they were Catholic, because if you were not you could not own land. You could not hold legal title.

Then came the battle of the reform. When was that in Mexico? It was 20 years after Texas had gained its independence. My grandfather fought in the battle of the reform, which was reform for what? It was for separation of church and state. My grandfather was a great, great, reverent Catholic, but he did not believe that the faith needed the taxation, and forcible taxation, by the state in order to support the verities and the doctrines of the church. So he fought with Benito Juarez and Porfirio Diaz and the other leaders of that day in northern Mexico. He indeed was the northern Mexican leader of the so-called liberals for the separation of church and state, which did not come to Mexico until 20 years after the independence of Texas, and in 1847, 10 years after, the acquisition of the United States after the Mexican War of these vast realms and terrorities from Texas to California.

So we have to remember history. If we do not, we will continue to resort to outworn, rancid, bankrupt policies that can only pile up future complications for our coming generations. I do not think it is necessary.

I was asked the other day, when I announced that I was certainly not for the President's recommendation, and I never was from the beginning, for any kind of aid, covert or overt, for the purposes of the destabilization of the Nicaraguan regime, whatever it was. I was asked, "Well, what will you do?"

I said, "Well, all during Vietnam I was asked that. I never joined the dissidents who were doubling their fists and shouting 'Hey, hey, LBJ, how many babies have you killed today.'"

But it did not mean I was not raising questions.

I was the one who introduced the Senator Gruening resolution in the House. What was that resolution? That was in 1965 before the buildup. It was saying, "Mr. President, please withdraw unilateral intervention in Southeast Asia unless and until you can get the joinder of the United Nations," just like Mr. Truman did in Korea. I introduced that. We managed to get 72 cosponsors on that. That was 1965. I borrowed that resolution from Senator Gruening.

So finally some of the President's advisers became very upset when I began to challenge the President's constitutional right to draft an unwilling American conscript and send him, against his will, outside of the territorial United States. This was the wording of the first Peacetime Draft Act of 1940 and 1941. All I was saying was, "Hey, we have lost our perspective. We have failed to recognize that we had graduated and haven't perceived this graduation from a hot, shooting phase of warfare based on a declaration of war, constitutionally declared by Congress, into sequela wars now known and defined as Presidential wars, and we must make allowances because no country in the history of the world—Rome, at the height of its empire, never drafted a slave into the Roman army; you had to be a free-born Roman. England at the height of its empire never drafted a cockney off the streets in England and sent him to India to defend the empire. Why did not France have draftees in Indochina at the time they were fighting around Dien Bien Phu? What did the French have? The French had mercenaries, because French law prohibited sending conscripts into other than French territory.

But, no, the United States was going to keep up what should have been obvious to us in the waning hours of the hot, shooting phase of the Korean war. People forget, but I remember, that there toward the end, as we were approaching 1953, we were beginning to read little notices of groups of students blocking locomotives and railroad trains that had explosives that were supposed to be sent to Korea. They were protesting before draft boards, but it did not get the attention that the Vietnam war did because the Vietnam war was pervasive and longer than Korea.

But I want to remind my colleagues that those wars are not over with. World War II has not ended. There is no peace treaty. We have 300,000 military in Germany alone. In Korea we have 45,000. We have an armistice there, not a peace treaty, not a cessation of whatever it was we declared impelled us to intervene in the Korean Peninsula.

So we must keep in mind, because I think it is fatal not to do so. From each one of these experiences we should learn that there are limitations to power in today's world; that no matter how much we know we are in the right, we have to temper our judgment with the pragmatism of the reality of the situation.

What I am saying in the case of Central America, with particular reference to the sovereign, or supposedly sovereign nations of El Salvador and Nicaragua, is that we must recognize what it is that succeeds, as compared to that which fails. If the President is basing his request, for instance, as he did up until yesterday, for $100 million for the Contras, was that what he really wanted? If so, then why have a provision in the same suggested legislation that the Congress give him the imprimatur of approval to provide for the first time active-duty American servicemen as military advisers to the Contras.

□ 1200

Now in international law where does that place us? We like to accuse Soviet Russia of being a great violator of international law and treaties. But what is the record?

The record is that even right now the world tribunal, the World Court has got us in what is tantamount in legal jargon of a restraining order to cease and desist the acts of war against whom? Nicaragua. Why? Because we appeared before the Court in defense of the allegations raised by the Nicaraguan Government that we were directly responsible for the mining and bombing of harbors, post facilities, public buildings, and others such as attempted assassination of their leaders. The Court heard the case. When it announced its decision, we walked out of the World Court. Now I say that that is wrong. It is obviously wrong, and the President cannot obtain the moral support of any country as he has not up to now, even in the Western Hemisphere.

Now if the President is talking about how well, let us see if we can come up with a diplomatic solution, it is actually a little late for that. The United States is not going to be trusted, particularly by a country like Nicaragua whose very name of Sandinista group or the name of the revolution and the name of Sandino should evoke a very bitter feeling toward the United States. It evokes the one man that resisted the American invasions, and around whose banner the majority of the sentiment of the Nicaraguan has been all along. It has never been stamped out.

Now whether this is right or wrong or indifferent, that is a reality. So we have thwarted any attempt, even on the part of the major nations to the

south of the border, to arrive at a peaceful settlement.

Just a month ago, Nicaragua, the one that is supposed to be a threat to the neighbors, including Costa Rica whom we have militarized now for the first time in three decades, they do not want to be militarized, but we have, we have done it, but last month, those two nations, Costa Rica and Nicaragua, after a parlay and a conference, entered into an agreement for the formation of a bilateral commission to peacefully resolve their border disputes.

Now let us look at what did succeed for the United States, this time under President Eisenhower, a Republican. I alluded to President Roosevelt because he is, history shows he was the first to build an edifice of constructive, creative approaches and the result was good. We ended up in our time of difficulty and need with allies and not enemies on our front porch.

Now President Eisenhower was President in 1957, and you have the last flareup of the border dispute which had some violence attached to it between Honduras and Nicaragua. Again, the basic nations, with the exception of one, that we call the contadora group today got together and said, Mr. United States, Mr. Uncle Sam, we want to find a peaceful solution. Will you join us? And Eisenhower did. And what happened? Did they resent us? No, they made us the leader of the group. They actually wanted the moral leadership and the approval of the United States, and they got it, and once they did, they subordinated themselves to American leadership.

They are not dumb. They know that America is a leader. They know America has the power.

What they are scared of is the use of that power on a bully basis rather than on a big brother basis, or a father basis, or a partner basis, whatever you want to call it. So that what happened in that case, the United States joined that group of nations. They went to the World Court again. Well, they called it the International Tribunal for the Settlement of Disputes, and they resolved that border dispute. It has been resolved, and it has been in peace until we went in there under Secretary of State Haig who got a handful of Argentine militaries, because that is all we started out with, we started out with Argentine soldiers and put them in Honduras with the avowed purpose of destabilizing the Sandinistas. The militaries of Argentina were considered the most bitter anti-Castro people around.

Year before last, or maybe it was less than that time, these same military were in Havana, Cuba, toasting Fidel Castro. Does that mean that Fidel Castro is a great successful diplomat? Of course not. We are the ones that have made him. Just like our policies have ended up in solidifying, not disuniting, but solidifying the Sandinista front or the hard-core front in Nicaragua. We have given them justification. Instead of giving that moderate element that is there, we have actually aided and abetted in destroying that element.

In El Salvador, our policy has aided and abetted in the murdering and in the extinction of that moderate group that would be the only help anyway for some stabilization and some progress along what we call Democratic processes.

But let us go back. What happened with Secretary Haig's misbegotten notion that we could continue to divide and conquer processes that had been traditional in our handling of these with the exception of the Roosevelt era and even the Eisenhower era in which we ended up actually with more strengthened, moral and actual leadership and leverage for collective leadership in the new world than before. Instead of that, we have sown dragon's teeth, and it is inevitable that we will sow the harvest of bloodshed and war, an era of bad feelings. The reproduction in the new world of the ancient European rivalries and hatreds and traditional spirit of beligerency and hatred that even to this day still prevails in Europe.

I think that our leadership potential in our country is far greater than that. It has come forth in the past. I do not see it in the present, because I see very grave distortions in entering into our judgmentmaking processes.

All I am saying here as one individual, who is very conscious and aware of this heritage, both cultural, historical, it is interlacing throughout our historical development with Americas, though it has not been noted much in our conscious awareness, but that which now more than ever, where the world has contracted, where these leaders that could have been successfully isolated just 20 years ago, today in a half a day's time can travel in person across the world, and where, therefore, we have the greater responsibility of developing, and at no matter what pain, what time, what travail it takes an affirmative, a creative, short term and long term, because now what we have done here in the last 5 years is created an urgent necessity to approach on an ad hoc basis, but nevertheless we must have as a backdrop a long-term approach that will not reflect the spasmodic interruptions created by the external impact of events in other parts of the world where we have equally great stakes at risk.

What is the U.S. national interest? What is the proper role of our national leaders, diplomatic and otherwise, in assessing the limits of the reality of the extent of our national interests, both security as well as economic, which I think are inextricably linked anyway? I say, if we have the wit and we have the will to just do what? Just reclaim our heritage, what America has really stood for all through the decades. That one last solid hope of humanity still is the one last valid hope. But we are eroding that. We are outfoxed. We have even, from such use of phrases as space war, we have allowed what we say is our enemy, though I do not understand that either for there are only two major countries in the world today that for the last 250 years or so have not been at war with each other, and that is Russia and the United States. We have been at war even with the mother country, England, with France, with Spain, with Mexico. But we have never been at war with Russia. The historical development of Russia parallels ours.

I have never been to Russia, and yet, I have never, to my knowledge, met anybody who was a so-called card-carrying Communist. I have confronted some candidates who announced their candidacy against mine as Socialist Labor Party, whatever that might mean. And we can get lost in that jargon. But nevertheless, that did not keep the FBI in 1961, the day after my election to the Congress the first time, from having a local agent in charge send a memo to J. Edgar Hoover saying State Senator HENRY B. GONZALEZ, liberal Democrat, elected to the Congress yesterday, with Communist help. It took years finally to dig out that dossier, but there it was. And then I discovered that the FBI had a dossier on me since I had been a State Senator and had addressed the State convention of the AFL–CIO alongside then U.S. Senator Ralph Yarborough. I do not know why to this day, but where in the world was this notion that I had been elected to the Congress with Communist help? There is not a soul, including my opponents in San Antonio, that would have done anything but given a big horse laugh if they had seen that, because nobody in San Antonio, including the FBI, could show the existence of a card-carrying Communist except one fellow by the name of Sanford who proclaimed to all and sundry that he Marxist-Leninist or something. Now whether he was a card-carrying member of the Communist Party, that I do not know. But if Mr. Sanford was for me, I never heard of it. I never heard from him.

Let me tell you that if the Devil with pitchfork and tail and horns had come and said well, you know, I have a registration card and I want to vote for you, do you want my vote, then I would have said you are doggone right, go on and vote for me. That does not mean that I would communicate or would have done what the Devil said I should do, but I would say if you want to be for me, go to it. But I

never have found out who this fellow Sanford is or was. All I know is what the newspaper said in San Antonio.

□ 1215

Yet this is a dossier in the FBI files, so that when we then depend on such agencies as the FBI and the CIA, not in the United States, but in external territories to tell us who the Communists are; let me tell you, we are on awfully weak ground. Very poor ground.

Because I am still in touch with a good segment of Mexican establishment leadership, and I have been called from time to time by some of these leaders saying, "What are you all going to do about these Communists in our country?"

When I say "Which ones?" They point to a local labor leader that is shouting demands for improved conditions in wages and salaries, and I say "Well, why do you say he is a Communist?" Well, because he says he is a socialist.

I said, "Well, but what about his demands. Are they justified?" Well, of course not, not to them. I do not know of any employer south of the border that thinks or ever has thought any more than the ones up here in the United States, so that there is no framework of reference except in extreme actions in these societies.

This is the reason you have revolutions; because the processes for change are so impossible of access there is no way that the society structured south of the border have been able to provide.

Mexico, I think, is one reason it has been lauded properly as having been the first country to obtain civilian governments through regular election processes, but when we look at the processes, they are not what we would define as democratic electoral processes.

You have the one institutional party. Finally, about some 15 to 20 years ago they recognized a need for some reform, so they provided for a pro rata, 10 percent or less, membership in the Halls of their Congress for elements not belonging to the pre- or the institutional revolutionary party.

In Russia, anybody will tell you—the Russians will tell you—we have elections. But when they use the word "elections" to them, sure, it's democracy. It's people. To us we would hardly say that. Why? Because there is only one party and one candidate under one party in the election.

Yes, they will choose. But it is just like we used to have the one party system in the State of Texas. All of the big issues; liberal, conservative were resolved within the general framework of the Democratic Party. We did not have a viable two party system.

Well, in these countries such as in an institutionalized and inherited authoritarian-type of basis of societal structure, of course it is democratic compared to what maybe was the case under the czars; but certainly not at all anywhere near the definition we would consider of free, open election or electoral process.

Now they attack us on the—Fidel Castro makes speeches almost weekly saying, "What do you mean you have democratic elections? Why, if you do not have the money, if you don't come from the rich segment or have their approval, what are you going to get elected to in the United States?" That is their criticism.

We know differently because we know that you cannot generalize that way about this great country, but it ought to be apparent to us too that we cannot commit the same sin of overgeneralization with respect to all of these countries that constitute this generic name we give—Latin America. Each and every one of them has a very separate and unique history.

I am saying that we ought to evoke the constructive and creative type of approaches. Dismiss the military.

When I am asked: Well, what would you do? Well, it was the same thing that got the Johnson advisers and the President on one occasion pretty excited. In fact, I did not get invited to ride back home on Air Force One for 90 days because I was asked point blank: "Well, what would you do?"

I said "Well, that's begging the question. I didn't order our men, and I have a bunch of constituents over there fighting and dying"—my district is the most voluntary-ist people in the whole country; the first to fall in Korea was a San Antonian, and the greatest number of Congressional Medal of Honor winners out of Texas were people that came from the particular group that I come from.

There is no question—I mean, you do not—it is a patriotic group. I would say most every American, if not every American I have known of any extraction is very patriotic. That is not the issue.

The issue is, what is our approach to a changed world in our front and back porch in view of the fact that the policy of direct intervention, unilateral, rather, whether it is indirect or direct—unilateral military on the basis that a military solution is the answer.

Obviously, it should be to us obvious that it is a failed approach. It is not clear to me at times when I hear my national leaders talk about communism whether the main idea is to purify ideologically these countries.

If so, there are great contradictions that are written about in editorials and journals throughout the world, because we get into secret military agreements with the Communist People's Republic of China and do not bat an eye.

Yet we get alarmed if some radical, loudspoken individual who happens to be a member of a revolutionary group says, "I'm a Marxist-Leninist."

We do not think of invading France, because the French cabinet has two communists right now, live and kicking. I think that if Latin America were English-speaking, or these were peoples that had an Anglo-American heritage, we would never be thinking of approaching the problem the same way that we have been up to now, at all.

I really sincerely believe that. I hope I am wrong, but the evidence indicates otherwise. What I am appealing to is reason on the basis of the historical facts; on the basis of the policies that have worked and the policies that have not and are not working now.

If it is that we are seeking to blow people out of communism, let me say that never in the history of the world has violence killed an idea. We will never be able to bomb communism out of existence; it is impossible.

The only way I know that communism and every other -ism has been conquered has been through social justice, and siding on the side of social justice. Not on the side of the despots and the oppressors, who happen to say "we hate communism." Hitler was the greatest anti-Communist ever, but we must remember that Hitler came into power under what party label? The National Socialist Party of Germany.

Mussolini came to power—the Socialist Workers. They all came up piggyback on the workers, so-called.

Russia—it is not the United Soviet Communist Republics; it is the United Soviet Socialist Republics. So obviously we must be careful how we use words, and what our basic intention is.

Do we avow the policy in recognizing that a civil war that is indigenous, native, has not been imposed by any external influence—is such even though some of the leaders mouth Marxist-Leninist dialectics? And who necessarily are not enemies of the U.S. interest, or do we all lump them in and say, "Doggone it, as long as you keep pronouncing that you are a Marxist-Leninist, we are going to try to kill you."

Well, I think that has been the biggest unlearned lesson of America since 1918, when we invaded Russia. We lost 350 soldiers in that invasion, with England and France, to try to put down the Russian revolution.

How ridiculous that was, history shows us. We have not learned even from Vietnam, in which, whether we liked it or not, we were involving ourselves in a civil war. Whether it was that we were fighting communism or not.

I ask, in the name of just plain common sense and reason, learning of the experiences that have beset us,

that we just resort to the traditional American pragmatic, practical approach.

□ 1225

I think this is a big basic difference today. I think this is what the columnist Coyne is saying though he did not say it in those words in his article in today's Post that for the first time we have an ideolog in the office of the Presidency.

Franklin Roosevelt, for instance, when he ran for office, was ideologically committed to extreme conservatism, balanced budget. But no sooner was he installed than he realized he had to be pragmatic and he was pragmatic. He accepted the facts. They were not to his liking perhaps but he did accept them.

CEASE-FIRE PROPOSAL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Kansas [Mr. SLATTERY] is recognized for 5 minutes.

Mr. SLATTERY. Mr. Speaker, as the search for a Central American compromise continues, I would call on the President to support a cease-fire proposal that could halt the bloodshed and foster negotiations.

Mr. Speaker, Contadora faces a major problem.

The administration refuses to talk to the Sandinistas, until they agree to talk to the Contras.

The Sandinistas refuse to talk to the Contras.

So negotiations have failed to move.

On March 13, I and 10 other Members proposed a cease-fire, based on the proposal made by six major Nicaraguan political parties.

Arturo Cruz and Alfonso Robelo, two of the three leaders of UNO, have endorsed this proposal.

They will agree to a cease-fire based on negotiations between the Sandinistas and the six parties, without direct negotiations with the Contras.

If a cease-fire is achieved, the six parties would continue negotiating.

Under their proposal, they would seek:

A lifting of the state of emergency, and the full restoration of civil, political, religious, and economic freedoms for the people of Nicaragua.

Full amnesty for the Contras.

And an all-party agreement for honest, open, and fair elections.

Mr. Speaker, by accepting this proposal, Messrs. Cruz and Robelo have offered a new hope for Contadora, and a new hope for peace.

President Reagan can demonstrate his commitment to negotiations by adopting this proposal as his own, and thereby make a major contribution to the Contadora process.

I call on President Reagan, in a bipartisan spirit, to propose a 75-day cease-fire, based on the proposal of the six Nicaraguan political parties.

I call on the President to send a bipartisan delegation to meet with the leaders of the Latin democracies, to seek their active support for this proposal, and to solicit suggestions about how the United States can best support Contadora and respond to the problem in Nicaragua.

And I call on President Reagan to send Ambassador Habib to meet with the Latin democratic leaders, and with the six Nicaraguan political parties, to work to achieve a cease-fire and reopen direct negotiations with Nicaragua, if Nicaragua accepts internal negotiations based on the six-party proposal.

Mr. Speaker, the President can help demonstrate his commitment to negotiations by accepting this proposal.

Such an initiative would give a major boost to Contadora, and to our efforts to achieve a bipartisan policy.

It would place the United States with, not against, the leading Latin democracies. It would send a powerful message to skeptics in our country and to the world community that the United States is going the extra mile to achieve a peaceful solution, to the problems in Nicaragua.

It would also create a real possibility of achieving a cease-fire, which would be widely applauded throughout Latin America as the Easter season approaches.

Mr. Speaker, the letter to President Reagan proposing the cease-fire follows, along with the provisions of the six-party proposal which, again, provides a major opportunity for bipartisan support at home, democratic support abroad, and serious negotiations seeking to achieve human rights in Nicaragua.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, DC, March 13, 1986.

President RONALD REAGAN,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: We are writing to propose that you join with the internal polical parties of Nicaragua, in offering the Sandinistas a cease-fire proposal that would surely win bipartisan support.

Your appointment of Ambassador Habib, coupled with a cease-fire proposal of this sort, can create a realistic possibility of halting the violence, within a framework that is consistent with American security interests, the Contadora principles, and the worthy ambitions of Nicaraguan democrats.

We would urge you to support a 75-day cease-fire. We would urge you to support the proposal offered to the Sandinistas by six Nicaraguan political parties on January 30, 1986. We urge you to immediately authorize Ambassador Habib to travel to Managua, to meet with representatives of the six political parties, to explore the possibility of achieving a cease-fire, and to evaluate the merits of resuming direct negotiations with Nicaragua.

Under the six party-proposal, the Sandinistas would agree to a cease-fire, and agree to prompt negotiations with the parties designed to reach full agreement on a general amnesty, lifting of the the state of emergency and the restoration of all civic and political rights, and the signing of an agreement between the country's political parties for the preparation and fulfillment of a new electoral process that will lead to new general elections in which all of the parties or groups that desire to participate may do so, once they have obtained legal and political recognition.

As you know, the Contadora process has become tied in a Gordian knot: the Sandinistas refuse to talk with the contras, and the Administration refuses to talk with the Sandinistas until they do. However, in the Washington Post of March 9, Arturo Cruz presented an idea that could untie the knot and provide a strong impetus for the negotiating process. He suggested that he would support a cease-fire based on the six parties' proposal, without direct negotiations between the Sandinistas and the armed opposition.

We believe that Mr. Cruz has offered a solution to the dilemma of Contadora, and our proposal is based on the formulation he suggested in the Washington Post interview, which we believe is enormously significant.

The cease fire initiative, occurring as the Holy Week approaches, should be strongly acclaimed by the internal political parties of Nicaragua, who are fighting for democracy, and the democratic communities of Latin America and the world. It would provide the ultimate test of the Sandinistas' willingness to restore full political, religious, and civic rights upon a peaceful resolution to the conflict, based on the Contadora principles and the Carabellada Message.

Should the Sandinistas fail to respond constructively to a proposal of this sort, it would then be clear to all that the failure of Contadora should be attributed to their intransigence. At that point, you would unquestionably receive greater support, at home and abroad, for tougher options.

Mr. President, the six-party proposal has been endorsed by virtually every element of the Nicaragua opposition, internal and external, armed and unarmed. The Carabellada Message, which includes strong language in support of democratic institutions, as well as regional security, has the overwhelming support of democracies in Latin America and throughout the world.

We believe that Ambassador Habib, armed with a cease-fire proposal that has such widespread support, would have a major opportunity to use his considerable diplomatic skills to pursue a peaceful solution that serves the interests of our country and the democratic nations throughout the region.

We are, respectfully,

Sincerely,

Jim Slattery, Bill Richardson, Dan Glickman, Michael Andrews, Bill Hefner, Jim Cooper, Robin Tallon, Charlie Whitley, Bart Gordon, Ron Coleman.

POSITION PARTIES SEND PEACE PROPOSAL TO FSLN

MADRID, 8 Feb (EFE).—Mario Rappaccioli, president of the Nicaraguan Conservative Party, has published a six-point document which he says was presented to the Nicaraguan Government today to solve Nicaragua's crisis.

The full text of the document, titled "Proposal to the Nicaraguan Government for a Solution to the Crisis in Our Country," is

presented here just as Rappaccioli presented it at the Seventh Congress of the Popular Alliance, the Spanish Conservative Party, which is currently underway in Madrid:

The Political parties that have signed this document, inspired by the best and most constructive patriotic spirit to achieve Nicaragua's pacification and ensure its future development based upon the Nicaraguans' authentic wishes, declare their firm and public decision to make every effort to achieve these objectives.

Also supported are the Contadora Group's efforts recently reiterated in the Caraballeda message issued on 17 January 1986, especially Section II, Clause B.

For this purpose the government is urged to join the people in attaining the following goals within the shortest time possible:

1. An agreement to immediately suspend hostilities between the government forces and the irregular forces opposed to them as a preliminary step toward a definite peace agreement and the country's demilitarization.

2. Approval of an effective general amnesty law for political crimes and related common crimes that will result in an effective reconciliation of the Nicaraguan family.

3. Abolition of the state of emergency, and full reestablishment and implementation of the Nicaraguans' rights and guarantees.

4. Signing of an agreement between the country's political parties for the preparation and fulfillment of a new electoral process that will lead to general elections in which all of the political parties or groups that desire to participate may do so, once they have obtained political and legal recognition.

5. Effective fulfillment of international commitments in favor of Nicaragua's democratization.

6. The invitation to existing continental organizations and ad hoc groups that have demonstrated an interest in peace and justice in the Central American area, as well as to international political organizations, so they can express their concurrence with implementation of the points demanded.

Signed:

Independent Liberal Party: Virgilio Godoy, president.

Social Christian Party: Francisco Taboada.

Social Democratic Party: Luis Rivas Leiva, secretary general.

Constitutionalist Liberal Party: Rodolfo Mejia Ubilla, adjunct secretary general.

Democratic Conservative Party of Nicaragua (nonruling party): Enrique Sotelo B., national political secretary.

Nicaraguan Conservative Party: Mario Rappaccioli, national president.

FREEDOM'S FUTURE: THE FREE WORLD AND THE SOVIET EMPIRE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Georgia [Mr. GINGRICH] is recognized for 60 minutes.

Mr. GINGRICH. Mr. Speaker, this special order and one other which will follow is on freedom's future, the free world and the Soviet empire.

I want to focus on the reality of the Soviet empire, the Soviet transnational threat to freedom and security and the necessity for a sophisticated free-world response led by the United States.

There are three propositions to this analysis. First, the reality of the Soviet empire, the Cuban colonial army, and a transnational strategy for tyranny. Second, the need for revolution in American ideas, in American political understanding, in American policies, in American institutions to match on the side of freedom this transnational Soviet imperial threat. Third, the degree to which the Reagan administration as well as the Congress and the American people has failed to understand intellectually the scale of the Soviet transnational threat and has failed to develop a response of sufficient power.

Let me expand: First, on proposition 1 that there is a Soviet empire whose threat is real and whose transnational strategy has made obsolete our containment policies and has made ineffective and out-of-date our political, diplomatic, legal, and military doctrines and that our difficulty in recognizing and responding to this transnational reality is first intellectual and second psychological.

Second proposition, that it is possible to design a new transnational strategy of freedom to defeat the Soviet empire's transnational strategy of tyranny, that this new transnational strategy of freedom requires a revolution in ideas, in doctrine, and in institutions comparable to the 1945 to 1950 Truman-Marshall-Vandenberg cycle which defined the Soviet threat to freedom, filled the vacuum of power around the world to contain the Soviet empire, explained pro-democratic anti-communism to the American people so they accepted it, invented the Central Intelligence Agency, the Marshall plan, the Point Four Program, the North Atlantic Treaty Organization, created the unified Department of Defense, raised the most powerful peacetime forces in American history, began decolonizing the old Western European empires in the Third World, helped establish Israel, and helped lay the seeds of the European Common Market, developed a democratic Japan and West Germany, used American covert aid to defeat communism peaceably in Italy and in France and used American overt aid to help defeat communism militarily in Greece and the Philippines, helped integrate our World War II enemies into a pro-freedom, anti-Soviet alliance and recognized that there really were Soviet spies, that some people really were security risks, and that we really did have to protect ourselves from enemies within as well as without.

These enormous achievements, the achievements of the Truman-Marshall-Vandenberg team were immense and the conflict within American society was as vivid and emotional as one would expect for a change of that scale.

The saga of the Harry Truman-Hubert Humphrey-Ronald Reagan Democrats, as Reagan then was a Democrat, in recognizing and identifying leftwing radical elements in their own party, in labor unions, and in American life, and in fighting them overtly through arguments, through free democratic methods is a saga which the modern leftwing news media and academics seek to ignore. Yet it was a saga which helped save freedom in the Western World.

This proposition's corollary is that a response to transnational tyranny large enough to be successful will be as big, as complex, and as controversial as the rise of the containment in the Truman-Marshall-Vandenberg effort.

My second special order will outline a proposed transnational strategy for freedom and the institutional and doctrinal changes it will require. The central difficulties in proposition two are essentially intellectual, managerial, and political. That is, once we accept the reality in proposition 1 of the Soviet empire, the Communist Cuban colonial army, and a transnational strategy for tyranny, our problems in dealing with that, in responding to it are essentially problems of intellect, problems of management, and problems of policies.

Proposition 3, measured against the scale and momentum of the Soviet empire's challenge the Reagan administration has failed, is failing, and without a dramatic fundamental change in strategy will continue to fail.

Let me be clear: I have the greatest respect for President Reagan. I think he personally understands the threat of communism. He personally understands the history of Lenin's adaptation of czarist secret police oppression to the new purposes of a Soviet governing dictatorship.

President Reagan personally knows there is a Soviet empire and it is a global transnational threat to America and to freedom. President Reagan personally appreciates the threat to Israel in a more powerful Soviet empire, the threat to civilization in a more powerful Soviet-encouraged network of terrorism, the threat to African freedom in the Soviet use of the Cuban colonial army to impose Communist dictatorships, the threat to freedom in the Western Hemisphere through the Soviet empire's Cuban and Nicaraguan colonies, and finally that the long-term persistence, the massive dedication of resources, and the serious professionalism of the Soviet empire combined with its development of a transnational strategy makes it a mortal threat to the survival of America.

President Reagan knows all this. He ranks with Presidents Truman, Eisen-

hower, Kennedy, and Nixon in trying to focus attention on the Soviet empire and in trying to protect freedom. Yet President Reagan is clearly failing.

Whatever tactical successes he is winning in El Salvador, in Grenada, or in rebuilding our defenses, are successes built on the quicksand of his personal popularity. As he himself said last Sunday, he has less than 3 years left to serve. Yet there are not the institutional frameworks, the political movements, the massive public education that are the necessary permanent base for a true American response to the rising Soviet imperial challenge in the form of a transnational strategy of tyranny using Cuban colonial forces.

The fact is that George Will, Charles Krauthammer, Irving Kristol, and Jeane Kirkpatrick are right in pointing out the enormous gap between President Reagan's strong rhetoric, which is adequate, and his administration's weak policies, which are inadequate and will ultimately fail.

Sincere, decent, committed anti-Communist Members of the House and Senate who question $100 million in aid to the Nicaraguan freedom fighters and ask in vain for a strategy are fundamentally right. The Reagan administration has a huge gap between its President's correct visionary warnings of the transnational Soviet empire and the rest of the executive branch's incorrect, ineffective fumblings and inadequacies.

The burden of this failure frankly must be placed first on President Reagan; he is the President.

In addition, to making good speeches it is his job to ensure that others design good policies, that they implement them effectively, and that they reshape existing institutions and invent new ones as necessary. He is more than just the greatest communicator of our time, he is the President and therefore the head of the executive branch as well as the head of his political party.

Second, the burden must be on his White House staff, which has systematically failed again and again for 5 years now to understand that the real problems of developing a transnational strategy for freedom of confronting the Soviet empire and the Cuban colonial army are problems much more fundamental than a Reagan speech, much more difficult than a Pat Buchanan editorial, much more difficult than once again using the CIA to ineffectively manage to do the best it can when the best it can is simply not good enough. I say this not as in any way a comment on any personality but on an institutional crisis of the first order about American Government and the American Government's inability as an institution to meet the challenge of the Soviet empire.

Third, the failure must be borne by the senior executives in the Cabinet, the Department of State, Defense, and the Central Intelligence Agency; not as individuals, not because they do not mean well, I believe they do, not because they are not serious, I think they are, not because they do not work hard, they work terribly hard; it is reasonable for these three fine gentleman to wonder what it is that is being asked of them. But the answer is simple: They are the heads of great institutions. Those institutions currently do not have an understanding of the transnational Soviet empire, do not even use the language that describes that empire, have no strategies to defeat the empire in countries the President has identified.

The gap between Ronald Reagan's United Nations speech in which he courageously called for support for freedom fighters in Afghanistan, Cambodia, Ethiopia, Angola, and Nicaragua, the gap between that speech and the reality of our pathetically incompetent efforts is a gap that should be a scandal if only we took it seriously.

Fourth, the burden be borne by House and Senate Republicans who agree with President Reagan's vision and have not fought hard enough to force the changes in the executive branch. We can hardly expect our friends on the left who do not agree with this policy or our friends on the left who do not agree with this policy or our friends who are pressured because as Democrats they believe Reagan is right, they exist in a caucus whose majority clearly does not believe Reagan is right, to lead the way in forcing the executive branch to become competent or to lead the way in articulating the case to the American people.

□ 1240

The burden must be borne by House and Senate Republicans who agree with the President's vision, who are afraid of the transnational Soviet empire, who understand the Communist Cuban colonial army, and who understand that what we are doing today simply is not good enough.

Fifth, the burden of responsibility must be borne by our own political supporters who have not held our feet to the fire and who have not focused on results rather than intentions.

It is all too easy in this complex national capital to be so exhausted by daily crisis that we forget that good intentions are not good results, that meaning to do well is not the same as doing well, that thinking that doing today's speech is somehow achieving tomorrow's success. It is not necessarily true.

Our supporters across this Nation, the people who were aroused by GOLDWATER in the sixties, the people who, for generations, have believed in Reagan, the people who understand the terrible threat of the Soviet empire, those supporters should be tougher, firmer, harder on us, in insisting that we do a better job, that the measure is whether or not we are capable of defeating the Soviet empire in Angola, not whether we mean well for Savimbi. The challenge should be whether or not we can achieve a democratic pro-Western Government in Nicaragua, not whether we like the Contras.

The challenge should be whether or not we help the Afghans regain their country, whether we wish them well as they are butchered by the Soviet Army.

Sixth, the burden must be borne by the intellectual and cultural community in America, which has been unwilling to deal honestly with the Soviet empire.

It said a great deal about the American cultural intellectual community that the "Killing Fields" is a movie about Cambodia in which, according to one critic, the word "Communist" was never used. It was not easy to write an emotional, powerful screen play, to film a powerful movie about the Communist genocide of one-third of the population of Cambodia and manage to avoid the word "Communist."

Yet it is essential to understand why the "Killing Fields" had rave reviews from leftwing intellectuals, while "Rambo" was laughed at. The "Rambo" was overtly anti-Communist, while the "Killing Fields" managed to somehow pin the blame on America for what was clearly a Communist genocidal action in Cambodia.

The American intellectual and cultural communities are all too blind to the threat of communism, are all too willing, just as their predecessors were in the twenties and thirties, to apologize and excuse Communist atrocities, to somehow never quite understand or deal directly with the threat of the Soviet empire.

Just as H.G. Wells was taken in by Stalin, all too many American intellectuals and American academics are taken in by Gorbachev. Just as intellectuals in the twenties and thirties always found one more reason to apologize for the Soviet police state, so today all too many intellectuals and all too many academics find one more excuse to apologize for Castro's police state, for Nicaraguan Communist atrocities or for the Soviet empire's atrocities in Afghanistan.

Seventh, and finally, the responsibility must be borne by a news media which is critical if a dictatorship is pro-American, but tends to ignore a dictatorship which is anti-American, which uses Soviet language to explain Soviet behavior, which pretends that Jaruzelski is an independent leader of

Poland, when clearly Jaruzelski is the dictator imposed by the Soviet army, which ignores if possible the 35,000 pounds of Communist documents captured in Grenada when we liberated that island, and which ignores when it can the real nature of Ortega's Communist dictatorship.

All too often the news media itself is grotesquely uncritical and grotesquely willing to use Soviet language to explain Soviet behavior. Possibly it reached its epitome when ABC News put on a paid Soviet propagandist following the President of the United States.

The American news media stands, I believe, guilty all too often of failing to learn the lessons of 40 years of competition between freedom and the Soviet empire.

In the context of all of this, if the Reagan administration is to succeed, it will have to launch a fundamentally new effort of enormous proportions aimed, I think, at five steps: First, to establish right language; second, to establish right policies; third, to establish right institutions and strategies; fourth, to establish right public understanding; and fifth, to establish the right legislation. And I believe the steps come in that order.

If the State Department has no real knowledge of Leninism, it can hardly understand the Soviet empire. If as recently as last Friday, the Central Intelligence Agency was not aware that in its own files it had records about a Cuban general who had served in Syria against Israel and who then went to serve in Angola against the freedom fighters, and was now being assigned to Nicaragua—not, mind you, that the CIA did not know who he was and what he was doing—but it had not occurred to the Central Intelligence Agency that the fact that the Cubans had served against Israel was of rather considerable importance in explaining both the Soviet empire and in explaining to our friends who believe and are concerned deeply about Israel why the Soviet empire and its Communist Cuban colonial army is a threat for the very survival of Israel.

If the State Department, the Defense Department and the Central Intelligence Agency cannot think of using right language, then as George Orwell put it in his Essay on Politics and the English Language, it is impossible to think clearly about it. The failure of right words leads to failure of right policy.

Yet, I can say flatly on this floor, after 4 years of arguing and talking with three different National Security Advisers, after talking with the Secretary of State, of talking with the Assistant Secretary for Latin America, of talking with the Presidential speechwriters, that after 4 long years, it is virtually impossible to get the word "Sandinista," which is a propaganda word stolen by the Communists in Nicaragua to deliberately mislead nationalists, it is virtually impossible to get that word out of the current government language. So last Sunday night, Ronald Reagan, who understands better than anyone that he is dealing with a Communist dictatorship, used the word "Sandinista" 15 times.

Now, if the most anti-Communist articulator in this administration uses a Communist propaganda term, it should not surprise him that the bureaucracies of defense and diplomacy use old language and fail to think clearly. If the President of the United States cannot discipline himself to use the correct language, he can hardly expect those who understand less than he does to understand what is at stake.

Yet Sandino was a nationalist. He was repudiated by the Communist Party of Mexico in 1934 because he stood for Nicaragua and against the Soviet empire.

The true Sandinistas are precisely the freedom fighters who are nationalists who were in the countryside who were fighting against the Communist dictatorship.

So, first, before this administration can do anything else, it has to use the correct language, or else it has no hope of either articulating for the American people, for our allies or for our bureaucracies what it is we intend to do.

Second, we have to develop right policies. Right policies, I think, have to be fundamental. If you do not have right policies, you can hardly expect to develop the right solution. After all, policy is to solution what a cookbook recipe is to dinner. With a bad recipe you get a bad dinner; with a bad policy you are bad to get a bad solution.

The best case is Afghanistan. If one were to examine seriously the West's efforts to help the Afghan freedom fighters, the freedom fighters who are the most universally supported on this planet, the freedom fighters who have the best case for their activities, the freedom fighters who are most courageously standing up against the direct overt Soviet invasion of their country, if we were to look seriously at the West's efforts to help those freedom fighters, we cannot help but cry at the impotence, the incompetence and the effectiveness of the West.

Where is the Sony hand-held antihelicopter missile that is cheap, user friendly and can be trained so that anyone can use it while carrying it in a backpack? Where are the inexpensive radios that are easy to use that allow light infantry, which is all the guerrillas are, to communicate and stay out of the reach of the Soviets? Where is the light hand-carried radar that allows them to know when the helicopters are coming to set up the antihelicopter missiles to knock down the major Soviet advantage? Where are all the kinds of high-tech equipment which could be there if we had taken seriously in 1980 the job of inventing the computerized, light, high technology, the inexpensive user-friendly systems that would have driven the Soviet Army out of Afghanistan or made its stay there a thousand times more expensive? Where is the free world training academy to take young Afghan leaders and train them in light infantry tactics and train them in the habits and doctrine of the Soviet Army?

Oh, we have people in camps in Pakistan, we have irregulars, we have advisers; but the simple fact is that our response, just as in the Spanish Civil War in the thirties and the democracies were ineffective, our response in Afghanistan has been pitiful, and we should all be ashamed.

But then our policy has never been to be militarily good enough with regular light infantry that we could defeat the Soviet Army or drive up the cost dramatically.

Where is the diplomatic strategy, the public diplomacy, that knits together throughout the Islamic world a league for the protection of Islam freedom against the Soviet empire? Where are the public policy efforts that should be ongoing every day that focus people across the world on the fact that even as we speak, there are Soviet troops butchering Afghan. Even as we rest this evening, there will be Soviet helicopters butchering Afghans. Even as we have a nice weekend, there will be Soviet columns butchering Afghans.

We have simply been incompetent in Afghanistan, in Angola, in Ethiopia, in Cambodia and Nicaragua and we must confess it.

Third, we lack the right institutions and the right strategies. There is no institution in America today charged with developing irregular light infantry weapons. There is no institution in America today charged with designing the tactics and the strategy and the doctrine that will defeat Soviet forces or Communist Cuban colonial forces in the field. We do not have those institutions, we have not invented them, and without those institutions, we can hardly invent the strategies that will make them successful.

Fourth, how can you possibly have right public understanding of what we are doing if you do not have the right language, you do not have the right policies, if you don't have the right institutions and strategies?

When people listen to the President's strong language and look at the pitiful request for $100 million, can they be surprised that there is no sense of, "Oh, yes, this is urgent"? "This is like Franklin Roosevelt in World War II"?

When we look at our strong language about Afghanistan and our totally ineffective response, can we be surprised that there is no public understanding?

When we look at how little film comes out of Communist tyrannies, can we be surprised? Every night on American television, every night on European television, every night on Latin American television there should be footage of the barbarism of the Soviet empire, and we should pay higher prices to those courageous enough to go into the Soviet empire to get that footage, and it should become commonplace to develop documentaries and films about just how horrible the Soviet empire is.

Yet, American television does not do it. American commerical television does not do it. The U.S. Information Service does not do it. And then we wonder why our allies and ourselves are so ignorant of the truth about the Soviet empire and the Cuban Communist colonial forces.

Finally, only within the framework of right language, right policies, right institutions and strategies, right public understanding, can we expect to get right legislation.

For 6 long years now, the Reagan administration, day in and day out, has followed a fundamentally flawed strategy of dealing with the Congress, largely because the senior leadership of the Reagan administration remembered the Rayburn years. It has dealt tactically behind closed doors with people who either cannot deliver votes or will not deliver votes.

The fact is that the U.S. Congress is shifting from a Rayburn model, closed door, handful of leaders model to a grassroots Congress led by the Nation at large; whereas in Rayburn's day, a dozen men meeting in what they called the board of education, could make major decisions. Today it is millions of Americans across this country writing, telephoning, wiring, and visiting their Congressman to help make decisions. This is a much healthier body now that it has television, now that it is open, now that the citizens can participate by mail, by jet airplane, by telephone and by town hall meetings.

Yet there has been no adequate Reagan administration vision in strategy to develop the grassroots Congress. In the long run, we have to have long throughout, deliberate strategies in operation, focusing on educating the country at large, rather than focusing on just this Congress.

This morning at a press conference, we had an illustration of the gap between what I am describing and what this city is used to. One reporter asked me, "How could you want a more aggressive administration than Pat Buchanan's article in the Post the other week?" Yet, her question was exactly my point. With a long-term well-thought-out strategy, this administration would have had 30 to 50 people outside the administration writing that article. There would have been people across America writing that article. It would not have been tactical work to be done by the Director of Communications.

Because there is no strategy for the grassroots, there can be no effective strategy for the Congress. Congresses should follow the will of the people. If the administration cannot educate the Nation into understanding why it needs over time to develop a transnational strategy for freedom to counter the transnational strategy for tyranny of the Soviet empire and its Communist Cuban colonial forces, it should hardly expect the Congress month in and month out to be able to do that.

This is not to say that Congress should be cowardly or that Congress should have no role. It is simply to say flatly that if the Central Intelligence Agency will not declassify documents, if the State Department will not use the right language, if the Defense Department will not develop the right doctrines, if the White House will not develop the right legislative strategies, it can hardly then turn in a crunch and complain because Representatives and Senators cannot quite figure out how to do all that which the executive branch has failed to do.

As I said, I want to in these orders outline three propositions. First, the reality of the Soviet empire, the Cuban colonial Communist army and the transnational strategy of tyranny.

□ 1250

Second, the need for a free world strategy of a transnational campaign for freedom to match and then defeat the transnational campaign for tyranny.

And, third, the specific steps necessary for the Reagan administration to communicate the first and implement the second.

To understand the intellectual principles of strategic thinking and why we have been losing the struggle with the Soviet empire, the Communist Cuban colonial army and their transnational strategy of tyranny, it is necessary to focus for a moment on the basic system of thinking of our conflict.

I would suggest that the first place we lose is intellectually in the issue of thinking about the art of survival.

Sun T'zu, in "The Art of War," written 500 years before Christ, said, "Know the enemy and you have won half the battle; know yourself and the battle is yours."

He said that the process of survival is vital to the state and should be the first duty of study of every statesman.

The key to survival and thinking about survival is recognizing that competition occurs at four levels, and they are a hierarchy; that the top level is vision, the second level is strategy, the third level is operations or projects, and the bottom level is tactics. And they are a hierarchy in the sense that vision dominates everything else. Strategy, how you are going to implement your vision, dominates the other two, operations or projects. What are the definable tasks you can assign will dominate tactics, and tactics is at the base.

This is particularly important because in this country we think almost always at the tactical level. We ask about Nicaragua, not the Soviet empire; we ask about General Lopez only in Nicaragua, not about General Lopez in Syria fighting the Israelis, in the Soviet Union being trained, or in Angola dominating the freedom fighters to form another Soviet colony.

Let me give you an example of what I mean by hierarchy and use a common, everyday nonmilitary example. If you have the vision that you are going to cook a Thanksgiving dinner, you have a very different vision than if you have a vision that you are going to fix a picnic in July. That vision changes what kind of strategy you will have, in terms of what you will buy at the grocery store, how long it will take to fix it, whether or not you need to use the stove, how many people you are going to invite over, a whole range of issues, even what kind of silverware you may use.

If you think you are going to fix a Thanksgiving dinner but in fact you adopt the strategy of a picnic lunch, so you buy watermelon, you buy sliced ham, you buy lots of potato chips, you may confuse all of your friends who show up for what they thought was a Thanksgiving dinner.

On the other hand, if you think that you are going to go out on a picnic or your strategy is to set the table with the family's best China and best silver, you may confuse those who show up in their shorts and their bathing suits prepared to go to the local park.

Therefore, the strategy, operations, and tactics have to fit the vision. This is particularly important, because historically we need to study the vision, the strategy, operations and tactical framework of events to understand what is happening.

For example, the German Wehrmacht, the German Army in World War II, was brilliant at operations and tactics, probably the best army in World War II. But at the vision and strategy level, Germany lost the war. And because vision and strategy dominate operations and tactics, in the end the German Army was defeated even though it was a better operational army than any of its competitors.

The British Army in the American Revolution was clearly the superior

operational and tactical army. George Washington could never have built an American Revolutionary Army capable of defeating the British Army. In fact, it is the arrival of French regulars that made it possible, finally, for the British to be trapped at Yorktown. The British lost one army at Saratoga because of a massive strategical mistake, not because on any single day the Americans could tactically defeat General Burgoyne at Saratoga but because strategically the British Army at Saratoga had gotten too far out of touch with the rest of the army and, therefore, was defeated by the strategic mistakes, not by its operational or tactical skills. Yet clearly the British lost the war, they lost the war because at the vision-and-strategy level, the American Revolutionary Army was superior to the British Army.

Similarly, the table was turned on us in Vietnam. While the American Army in Vietnam was clearly operationally and tactically superior to the Communist North Vietnamese Army, we never had a vision or strategy of that war which would have enabled us to win it; so although we defeated the North Vietnamese Army every single time we met them in battle, in the end we did not succeed. Indeed, in Harry Sumners' brilliant study of the Vietnam war, he begins his book with a personal story as an Army colonel of having gone to Hanoi at the end of the war, and he said to a North Vietnamese officer, "You never defeated us on the battlefield." And the North Vietnamese officer said to him, "That is irrelevant." And in that one quote, I thought Sumners caught the central lesson of vision, strategy, operations, and tactics.

If you have the most brilliant tactic in the world but your opponent can defeat you operationally, you will lose. If you have the greatest operational and tactical skills in the world but your opponent beats you at the vision and strategy level, you will lose.

It is precisely at the vision and strategy levels that the Soviet empire today is superior to the free world in our concept of the competition we are engaged in.

In the late 1940's Harry Truman, George Marshall, Arthur Vandenberg, and others invented the containment strategy to contain Joseph Stalin and the Soviet empire. It was for its time a brilliant vision-and-strategy response. It required tremendous arguments in America, impassioned pleas by Republicans and Democrats alike, fierce fights over the future of this country, the definition of communism, the nature of spying, the threat to survival.

In the end, it created an answer which lasted I believe for about 20 years.

In the mid-1960's, the Soviet empire began to develop a new transnational strategy. Contained at the top by nuclear weapons, contained in Europe by the North Atlantic Treaty Organization, the Soviet empire began to hunt for new battlefields, for a new way of dealing at the vision-and-strategy level with Western freedom.

Beginning with what Khrushchev called wars of national liberation; that is, deliberately establish Communist efforts to train guerrillas, magnified in the 1970's by a deliberate networking of terrorist groups, many of them trained and supplied by the Soviet empire, the Soviets developed a new approach, a new threat.

With the death of John F. Kennedy, the Democratic Party lost its greatest articulator of the threat of communism. Throughout the 1960's and early 1970's, compounded by the chaos of Watergate, the American Nation lost its way, the free world failed to analyze what was happening, and a new, powerful Soviet transnational strategy emerged. It is the Soviets who have invented this transnational strategy while we cling to the 19th-century European models of sovereignty, clear-cut choices of war and peace, recognition or nonrecognition. It is the Soviets who have studied our system. They have invented disinformation systems of massive scale and remarkable sophistication. We have no defensive measures to protect us from $300,000 a year Washington law firms who take Communist money to repeat Communist lies to help Communist foreign policy.

We have no techniques to explain and deal with domestic front groups guided by Communist foreign governments. We are faced with a disinformation campaign of enormous sophistication, of great power, which the Grenada documents indicate clearly has impact on the U.S. Congress, on our own staffs, on the national news media and on our intellectual community.

It is the Soviets who have created a Communist Cuban colonial army of enormous power. Remember, Cuba is dangerous for many reasons. Cuba is dangerous as a Communist colony because it makes Castro a great puppet figurehead presumably independent of the Soviets, while his very survival depends every day on the Soviet empire's money, the Soviet empire's secret police, the Soviet empire's permission; yet Castro can posture as though he were independent.

The Soviet transnational system in Cuba gives them their largest spy base outside the Soviet empire. At Lourdes in Cuba they have more electronic equipment to spy on the United States than anywhere else outside of the Soviet Union. The Soviet colonial occupation of Cuba gives them 11 airfields, a set of aircraft carriers that are permanent and stationed in Cuba itself. The Soviet use of Cuba as a colony gives them additional trainers in the Cuban Communist secret police who work closely, as Claire Sterling and others have proven, with the terrorist networks of the Palestine Liberation Organization and with Qadhafi in Libya.

□ 1305

The Grenada documents document clearly and systemmatically for anyone willing to read them the degree to which the Grenadian Communists and the Cuban Communists were intimately tied to terrorists in Libya and elsewhere.

The Cuban colonial system the Soviets have established in their transnational method gives them a great training ground, for example, for the Nicaraguan Communists, most of whose leaders were training in Havana, most of whom met with Castro, most of whom who had worked with the Libyan terrorists, and most of whom who have a direct relationship in our allies to the Soviet empire's most anti-Israeli and anti-American activities.

Finally, it is the Soviet transnational system creating a Communist Cuban colonial army which has given them remarkable assets. Thirty-five thousand Cuban soliders occupying Angola in what is now a Cuban Communist, Soviet Communist imperial colony replacing the Portuguese colony. Thousands of Cuban soldiers occupying Ethiopia in what is now in effect a Soviet colony. Thousands of Cuban soldiers now in Nicaragua in what is a Communist Cuban colony. Again and again, the Soviets have developed a pretty inexpensive investment in a Cuban colonial army which helps them immensely.

Mr. WEAVER. Mr. Speaker, will the gentleman yield?

Mr. GINGRICH. I will yield just for a moment.

Mr. WEAVER. I was just wondering if you would oppose our own Government doing the same thing. I mean, do we not have the right to put bases in Turkey? Do we not have the right to send our warships on the high seas? Do we not have the right to use or would you oppose our using troops? Mercenary troops?

Mr. GINGRICH. I am glad you raised that; I was going to comment on that a little bit later. But I am glad you raised that issue, and I am only going to yield briefly because I want to finish this, then I will yield longer if I have time.

I had a gentleman the other day, when I was talking about Gen. Nestor Lopez who the Cubans have now sent to Nicaragua. General Lopez was sent to Syria to fight on the side of the Syrians against Israel in charge of a Cuban tank regiment. He was sent to Angola in charge of a division to

impose communism in Angola, and a colleague of mine on the left said to me, "But isn't that exactly like our generals?"

My answer was simple: If you do not believe there is slavery and freedom, there is no functional difference between those who use guns to impose slavery and those who use guns to protect freedom. Just as there is no difference between the criminal who uses a gun to rob a store and the policeman who uses a gun to protect a store.

If you are willing to say that a Cuban colonial army imposing a Soviet dictatorship on Angola is morally acceptable, then there is no difference. But in fact my dad was stationed in France and we moved out of France in 1959, and when Charles de Gaulle and the French said to us, "Take all of your troops and leave," we left.

When, on the other hand, the Polish people said in 1956–57, "Russians leave," the Russian Army came in harder. When the Hungarians rose in rebellion, the Russian tanks crushed Hungarian freedom fighters.

When the East Germans in 1953 rose in rebellion, Russian tanks crushed East Germans. When the Czechoslovakians tried to become free in 1968, Russian tanks crushed the Czechoslovakians.

I think that my good friend from Oregon raised exactly the difference between those of us who think there is a transnational strategy for tyranny on the part of the Soviet empire and who see the Cuban colonial army as a colonial army, and those on the left who in fact do not think it is an empire, do not see it as colonialism, and do not seem to understand the difference, the fundamental difference between tyranny and freedom.

Remember, recently when we talked about our bases in the Philippines, no one suggested, "Let us send an American army of occupation to kill Filipinos so we can keep Clark Field and we can keep Subic Bay." What we said was, "If a Philippine Government comes into power and asks us to leave, we will leave." Because, after all, we believe in freedom and in a free people being our allies, not our puppets.

Let the people of Poland tomorrow morning ask the Russians to leave, and they will be met by machineguns. Let the Cuban people tonight ask the Russians to leave, and they will be met by Hind helicopters with gatling guns.

My good friend from Oregon explained precisely the difference between those of us who fear tyranny and those of our friends on the left who do not seem to be able to understand the difference between John Brown who was trying to free the slaves and those who used rifles to keep the slaves in slavery.

Furthermore, it is the Soviets who have encouraged a worldwide network of terrorists who attack Israel, undermine the West, and threaten our security as individuals and our very survival as a civilization. Yet we do not even to this day have an adequate doctrinal strategy for transnational terrorism developed by states. Otherwise, how could Qadhafi recently have threatened us when he has a tiny dictatorship and we are the most powerful free country in the world.

It is the Soviets who have developed negotiations as a screen behind which to consolidate dictatorship, train the next cycle of guerrillas and terrorists, and it is the Soviets who have developed gradualism as a strategy. First, Castro took power in Cuba. Then he imposed a Communist dictatorship. Then he developed Communist secret police. Then he accepted a few Soviet trainers. Then a few helicopters. Then a few Mig fighters. Then a couple of submarines. Now he has an army in four different countries occupying colonies for the Soviet Empire.

Inch-by-inch, step-by-step we were told let us negotiate. What happened? The Communists grew stronger in Cuba. Then we were told let us draw the line, and what happened? A year later, 2 years later when we were not paying attention, the Communists crossed the line. What are we seeing in Nicaragua today? It is Cuba all over.

First comes the dictatorship, but let us negotiate. Then come the secret police, but let us negotiate. Then comes training guerrillas, but let us negotiate. Then come the Cuban advisers, but let us negotiate. Then come the Soviet advisers, but let us negotiate.

Then come the Hind helicopters, but let us negotiate. Then come the Czechoslovakian light fighter-bombers, but let us negotiate. Finally come the Mig-23's, but let us negotiate. Then comes the training brigade of Soviet troops, the heavy tanks, then come the missiles.

Not a single thing I have just described failed to happen in Cuba and two-thirds of it has happened in Nicaragua. What is the answer of our friends on the left? It is to not notice it, to explain it away; but frankly what is the effect of our executive branch? It is to fail to develop a diplomatic response, a political response or a military response that is effective.

Finally, it is the Soviets who have developed language into a war of words of great power. Lenin probably most brilliantly personified this when he and his faction lost a fight for control of the International around 1903, and immediately adopted the Russian word "Bolshevik" which means majority.

As Lenin said, "If we who are the minority, they had lost the vote, but they said if we call ourselves "Bolshevik" meaning majority, and we call our opponents "Menshevik" meaning minority, then after a year or two, everybody will believe that we are the majority and they are the minority.

So they were Bolsheviks ever since. It is Lenin who called the Soviet newspaper Pravda, which means truth. Because he said, "I will own truth." He meant by that not merely a pun, but the literal ability of a totalitarian state, as George Orwell told us in "1984," to redefine reality over and over again.

The Soviets believe very deeply in a war of words and in the power of language to shape reality. They understand George Orwell's essay on politics and the English language. They systemmatically use words which is why they call their armies "peoples' armies" even if they are dictatorships and thugs and terrorists. Which is why they told their Communists in Nicaragua to use "Sandinista" because they knew that if they were called Communists we would have understood it. Yet, we do not even realize that Leninism as a doctrine for the use of language exists.

All too often we use their words. Our Government uses their words. We sent, for example, last year congratulations on the coup de etat on the anniversary of the Soviet takeover of power illegally in the Soviet Union. A nonsensical concept intellectually if there is a Soviet Empire.

Again and again we forget that words in the long run define reality and that if you cannot think it, you cannot say it; and if you cannot say it, conversely you cannot think it. If we think of the Soviets as "Gorbachov is basically a nice guy," and I can find you quotes, the best of them by George McGovern, on Andropov as a reasonable man.

Now, Andropov was the head of the Soviet Secret Police. He helped invent using mental hospitals as a torture ground for people who dissented. He helped develop the Gulag Archepelago. He was the Ambassador who brought in Soviet tanks to crush the Hungarians. There are no adequate words in the West to describe what the horrible thug Andropov was functionally even if he drank scotch and pretended to be nice personally.

Because we lack the words, we all too often deceive ourselves. We are a little bit like the story of the "Three Little Pigs" in which, if the Little Pigs had said, "Oh, that is not a wolf, that is essentially a well-meaning mammal with a strange appetite for protein," they would, over a time, have decided that we would have, if the wolf had described himself in Leninist terms as a "hairy pig," and said, "Yes, I have nutrition problems, but do not think of me a wolf, wolves are those people over there. I am essentially a hairy pig, and yes, I eat protein, but I will not eat you today." You would understand then far better the nature of

Gorbachov, Andropov, Chernenko, and the Soviet Empire.

Vision must lead to words. Our vision cannot exist if we cannot say it. Strategy must lead to policies, to strategies, and they must lead to structures for implementation. Operations must be definable tasks for which we can hold people accountable.

□ 1315

The tactics on a daily basis must be a doctrine that fits our vision of strategy.

It was totally appropriate for this Congress to impose human rights limitations on the Government of El Salvador if we were going to support it. In my judgment, it is totally appropriate for us to impose human rights limitations on the freedom fighters in Nicaragua if we are going to support them. That is making a doctrine of freedom fit at a tactical level our vision of freedom, but I think you then have to be able to supply the trainers to make sure they are well trained. You must be willing to supply the kind of detailed help that is necessary if the forces of freedom are going to win.

That is why, frankly, I think we should declassify a lot more. If we in fact have, as the Central Intelligence Agency keeps claiming and the White House keeps claiming, if we have massive documentary proof of the existence of the Soviet disinformation network, then our vision of freedom should require our Government to declassify those arguments and let us talk it out here in public and let us look at them and let us learn which ones are important and which ones should worry us and which ones are relevant.

Let me within this framework of vision, strategy operations and tactics, go back to the first proposition. Is there a Soviet empire? Does it use a Communist Cuban army to extend its power, and has it developed a transnational strategy for imposing tyranny on people?

I think it is clear, the Soviet empire is real. It has developed a transnational strategy for tyranny. It does use the Communist Cuban colonial army as a colonial army around the world and it is helping terrorists so that they will undermine the free world.

Why if those are true, and I think it is almost impossible for a reasonable person to deny that at least at a fundamental level they are true, why then do so many people reject this reality so totally?

I would suggest that to an American in the late 20th century the central challenge of the reality of the Soviet empire is intellectual and psychological. Intellectually, many Americans simply do not want to believe in the weird and frightening reality of the Soviet empire. They refuse to read Russian history. They refuse to study Lenin. They refuse to study 40 years experience of Soviet colonialism in Eastern Europe. They refuse to study 26 years of Castro's communism in Cuba. They refuse to examine the emerging new historiography about the Vietnam war and the success of a Vietnamese colonial imperialism allied with the Soviet empire. They refuse to study the Grenada documents and their clear lessons about the nature of the Soviet empire. They refuse to study the true meaning of Marxism-Leninism as an instrument of tyranny and the deliberate ways in which the Grenadian Communists with Cuban and Soviet training and guidance were lying to the American Government and the American people and were manipulating our sincerity to mask their tyranny.

These Americans who intellectually hide from reality deny the over 16-year pattern of Nicaraguan Communist ties to Cuba and to Middle Eastern terrorism.

They also reject the clearly colonial nature of the Cuban occupation of Angola. They ignore or refuse to confront the gruesome terrible daily reality of a thousand people a day dying in Communist Ethiopia from deliberate actions by the Communist dictatorship designed to strengthen its grip on the country. They ignore or refuse to study the realities of military power and so they never read "Sun T'zu, the Art of War," Clauswitz on war, Mao Tse Tung on "Guerrilla Warfare," or Lenin on "Totalitarian Power."

This first weakness is the intellectual weakness of ignorance, a weakness which was described by James Madison, who said:

> Knowledge shall forever govern ignorance and a people who mean to be their own governors must forever arm themselves with the power which only knowledge can give.

But this first weakness of intellectual weakness is compounded by a second weakness, the psychological block on learning, which psychologists call cognitive dissonance, which is driven by an isolationism and a pacifism, the will to avoid knowledge which might be frightening.

Starting with the horrors of World War I, there has been a growing western world tendency toward pacifism and isolationism. Henry Wallace in America in World War II, George McGovern who campaigned for Henry Wallace, Jimmy Carter who in many ways accepted McGovernism, Walter Mondale who defended McGovernism; today there is a generation of politicians, intellectuals, and religious leaders on the left who I think in many ways find it very, very difficult to deal with the weird frightening reality of the Soviet Union and find it easier to be reassured by a fantasy that is pleasant, but simply does not conform to the real world.

The fact is that there is a Soviet empire of tyranny and there is a rational historical basis for its existence.

The key to understanding the Soviet empire is to recognize how different from us it is.

The key lesson of Charles Krauthammer's essay on "Mirror Images" in his new book "Cutting Edges" is that many of us on the left simply refuse to accept that Khomeini is different from us, Gorbachev is different from us, the Kremlin is different from us, the Soviet tyranny is different from us.

The key lesson of Theodore White's book "America in Search of Itself" in which he talks about how hard it was for the Carter administration to recognize that Khomeini was by Western standards a barbarian, that is, a man outside our culture, which is what the word means, is equally difficult for the rest of us in dealing with the Soviet Union.

Western civilization is a set of values, the importance of the individual, that no one is above the law, the right to private property, the right to a free press, the right to free elections, to give power to those in government and to take back that power, the right to freedom of religion and freedom of speech.

Note that in Western civilization these are rights and they limit and control the power of government over the individual citizen, as even Richard Nixon found when we proved once again that no one person is above the law.

A student at the University of Virginia Law School the other night asked me, "Aren't we and the Russians really sharing the same civilization? Don't we and the Russians really have the same heritage?"

The question was based on my discussion of Japan, and he said, "But isn't Russia more like us than Japan?"

My answer in a word is "No."

In fact, there is a form of shallow history and a kind of racism which suggests that because Russians are white and we are white and most Americans are white, that we must be more like the Russians; yet the fact is that Oriental Japanese, Asiatic Indians, Caucasians who happen to be Americans, have far more in common in political and legal values than any of us have with Caucasian Russians.

The fact is that in political values and government systems, India and Japan are more western than the Soviet Union. The fact is that while we have a deep cultural and societal difference with Hindu-Muslim and Buddhist Indians, we share with the people of India a deep reverence for the law, for the rights of the individual, for a free press, for elections.

The fact is that while we have deep differences in culture, history and ge-

ography with Japan, we share a similar process of law and government and society.

It is the Soviet Union which is a strange and barbaric country, a throwback to the Middle East, a medieval czardom with a computerized modern secret police.

The weird frightening uniqueness of the Soviet empire in the late 20th century is captured brilliantly in Paul Johnson's "Modern Times, a History of the 20th Century."

The tragedy of the Russian people and the even greater tragedy of the dozens of other nationalist nationalities, oppressed, colonized and exploited by this weird mutation of a great Russian medieval empire, the Duchy of Muscovy, into a 20th-century empire, shaped by Leninism and held together by terror, is something we have to confront directly.

Solzhenitsyn has explained brilliantly in fiction and nonfiction the grim ruthless savage reality of the Soviet empire. It is there in his books for all who will simply look: "One Day in the Life of Ivan Denisovich," the "Gulag Archipeligo," the "Cancer Ward," and others.

Can anyone read them without tears, think of them without deep sadness, ponder the nature of that evil empire without fear for freedom and humanity?

An American writer, Harrison Salisbury, caught the essence of Soviet tyranny, the savagery of the police state, the brutality of the system that Gorbachev heads in his novel "The Gates of Hell." It is a novel about two characters who resemble Solzhenitsyn and Andropov. Anyone who reads it will understand why President Reagan called the Soviet Union an evil empire.

The Soviet Union is not only terrible for human freedom and human decency, it is the last great colonial empire.

Ed Luttvak's book, "The Grand Strategy of the Soviet Union," makes clear how obvous the Soviet empire is if you simply ask straightforward questions. What is the Soviet domination of Poland but an empire?

What is the Soviet domination of East Germany, Hungary, Czechoslovakia, Romania, Bulgaria, if not an empire?

Our less sophisticated friends on the left will say, what is the difference between NATO and the Soviet empire in Eastern Europe? The difference is exactly the difference between slavery and freedom.

When De Gaulle left us to leave France, we pulled out.

When the East Germans rose in 1953, they were crushed.

When the Hungarians rose in 1956, they were crushed.

When the Czechs moved toward freedom in 1968, they were crushed.

When the Poles rose in Solidarity in 1980, the Soviet sent a simple message to Jaruzelski, "Either you crush the effort for freedom or Soviet troops will crush it."

Note the American confusion in the Gerald Ford-Jimmy Carter debate in 1976, because it illustrates the failure of vision and strategy in America. Technically, under the old rules of sovereignty, Poland is sovereign and Gerald Ford tried to say that, but he lost ground politically because Americans understood that it is dumb to think of Poland as a free country. While Poland may be technically sovereign by the most gruesome rules of law, it is clearly a colony of the transnational Soviet empire. So Jimmy Carter, who in fact favored George McGovern's policy, sounded tougher than Gerald Ford because the State Department had coached Ford to say that which was technically correct at a technical level, but at the vision level was clearly dumb and wrong.

Poland is not sovereign in any sense except in the most grotesque. Poland is a colony of the Soviet empire.

Similarly, the Ukraine today as we talk has a vote in the United Nations because it is theoretically free. There is a simple test. The United States, the Reagan administration, should ask the Soviet Union to allow us to open an embassy in Kiev, recognizing the Ukrainians. We should recognize the Ukraine as a separate country, or we should insist that the Soviet Union withdraw its phony puppet colony vote from the United Nations.

But note today how the Soviet empire wins both ways. It uses a transcendental strategy of lies and Western gullibility to get both. They get the vote in the United Nations for their colony and they get to keep the colony.

The weird frightening reality of the Soviet empire and the degree to which it is very different from Western values, the rule of law, free elections, freedom of religion and free press, can best be seen in the context of Russian history, Leninist ideology and the recent activities of the Soviet police state and the Soviet imperial effort through its Cuban colonial army.

Paul Johnson's brief description of czarist Russia and Lenin's adaptations of the 19th-century czarist secret police into a 20th-century totalitarian system is brief, concise and conclusive.

The Grenada papers, the 35,000 pounds of documents captured from the Communist dictatorship when Americans liberated Grenada and the 800 pages of documents published by the State Department proved conclusively that modern Leninist governments are systematically trained in Lenin's methods.

Since Gorbachev's wife is a professor of Marxism-Leninism, it should be obvious just how central Lenin's thoughts on power and tyranny are to the operations of the Soviet empire.

To try to understand the Soviet empire without studying Lenin is like trying to understand the U.S. Government with no knowledge of the American Constitution or American political parties; yet Lenin's writings are so ruthless, so savage, so antihuman, so alien to Western values, that most Americans shrug them off and refuse to take them seriously.

There is a real parallel between the psychological will to avoid reality and hide in the fantasy of pacifism and isolationism in the 1930's and the same determined psychological avoidance of reality on the religious left, the academic left, and the political left over the last 30 years.

No reasonable person can read the published open documents, Lenin's writings, the speeches of Brezhnev, Andropov, and Gorbachev, Castro's speeches, the "Seventy-two Hour Document of the Nicaraguan Communist Dictatorship," and their public statements, the published writings of the Vietnamese Communists since their victory, as cited by Fox Butterfield in his brilliant New York Times article, "The New Vietnam Historiography," the thousands of pages of documents from Grenada.

Given the consistent straightforward pattern of Soviet imperialism and its open published record of telling us what it will do, doing it, and then telling us it has done it, why is it so hard for the leftwing of American life to learn?

Eric Hofer's "The True Believer," John Francois Revel's, "How Democracies Perish," and Walter LeQuer's "The Terrible Secret" give us some of that understanding and perhaps of the three of them, Walter LeQuer's is the most powerful and the most frightening for LeQuer went back and looked at the annihilation of the Jewish people at Auschwitz, at the terrible holocaust of Nazi Germany, and he asked in his book, "How could westerners fail to have believed? How could they fail to have learned? How could they fail to have noticed?"

He cites perhaps most tellingly Felix Frankfurter, the great Justice of the Supreme Court, who when briefed by a European Jew on what was happening, said to the young man, "I cannot believe you."

And the young man started to object and he said, "Please, understand me. I believe the facts you say are true. It is simply impossible for me to believe it is possible for the world to be so horrible. I cannot in my soul, in my heart, believe the world could be so evil."

And yet as our troops walked through those concentration camps, it was clear the world was that evil.

□ 1330

TRIBUTE TO ISRAELI PRIME MINISTER SHIMON PERES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan [Mr. BONIOR] is recognized for 30 minutes.

Mr. BONIOR of Michigan. Mr. Speaker, I would like to talk a little bit this afternoon about the Peres government in Israel.

In the fall of 1984, the nation of Israel seemed deeply troubled. The war in Lebanon had polarized Israeli society internally, and damaged the country's prestige internationally. Severe economic difficulties were evidenced by an inflation rate for the month of September that, if projected on an annual basis, would have been a staggering 1,000 percent. The peace process, once symbolized by the Camp David accords, had deteriorated to the point where even relations with Egypt seemed near breaking, and expanding the peace process seemed far from reaching the goal of the political agenda.

The elections of that summer seemed to hold no promise of better times. They seemed, instead, to underscore the deep divisions and the many factions of Israeli politics, when Shimon Peres took the reins of a shaky coalition government, the obstacles before him looked virtually insurmountable.

Yet, in the year and a half that Prime Minister Peres has held office, he has won the respect of both allies and opponents with his political skill and decisive leadership. He has demonstrated the courage to tackle Israel's foreign and domestic crises head on. Despite the difficulties posed by Israel's contentious factions, he has clearly charted a new direction for his nation.

In doing so, he has restored the confidence of many of us who had wondered if the policies of the past government would mean that Israel had turned forever from the vision of its founders. Shimon Peres has not only revived Israel's ideals, he has tempered those ideals with the heavy dose of pragmatism required to tackle the formidable problems of Israel today.

Among Prime Minister Peres first priorities was to help his nation overcome the trauma of its experience in Lebanon. The Likud party still continues to throw barbs at each other for the excesses of that period. Peres, however, has never sought to cast blame. Instead, he has shown a determination to move the nation forward.

By achieving, albeit slowly and painfully, the withdrawal of Israeli troops from Lebanon, he has helped the nation heal the wounds of war. Speaking of the decision to withdraw Israeli troops last spring, Peres himself said:

> We have returned to our values as a nation, as a people, as a nation that has principles.

At the same time he has kept a vigilant eye on the security needs of his nation, reminding the Israeli people that the withdrawal was the key to reestablishing "our national consensus on defense policy."

In the economic realm, as well, Prime Minister Peres has shown an evenhandedness and a willingness to face very tough choices. During the 7 years of Likud rule, the inflation rate in Israel had jumped from 40 percent to more than 400 percent per year. The annual rate of growth of the country's economy had slipped from 9 to 10 percent in the early 1970's to between 1.8 and 1.1 percent in the final years of the Likud. Since 1977, the nation's budget deficits averaged 15 percent of its gross national product, that is three times higher than last year's deficit in the United States. The occupation of Lebanon alone cost Israel $1 million a day.

There will be no quick fixes to these deep-rooted economic problems. Yet Prime Minister Peres has shown the backbone to make the hard decisions Israel needs. He has imposed a strict austerity program, in spite of the protests of some of his closest supporters. He has called forth from a people who have already given so much for the good of their nation, new sacrifices on the economic front. As a result, the inflation rate was reduced to 182.5 percent last year, less than half the rate of the previous year. Budget cuts have been made, and the nation's balance-of-payment deficit has improved.

To those who had feared that Israel had become hopelessly addicted to American aid, Peres has shown not only that Israel intends to protect its economic independence but that it is sensitive to America's economic constraints as well. The decision of the Peres government to voluntarily return $51.6 million in U.S. economic aid for this fiscal year, is a welcome reminder that the ties of friendship between our nations run both ways.

Finally, on the most intractable issue of all—the frustrating search for peace between Israel and their neighbors, Shimon Peres has shown a willingness to extend the extraordinary leadership required to make progress. When Prime Minister Peres spoke at the U.N. last October, he issued a historic call for a "new phase in the Arab-Israeli peace process."

He set in motion a new dynamic, which has since sputtered but has not yet died. He offered new hope for talks between Israel and Jordan, and for progress on the Palestinian question. In his speech to the assembled delegates, he expressed a new determination to look our younger generation in the eye and vow to do all that is humanly possible so that never again will a young boy die in a war we failed to prevent.

The road to peace in the Middle East will be a rocky one; it has been a rocky one. We should have no illusions about that. The promise of last fall's diplomatic initiatives has since waned.

For Israel the question of peace is complex; the debate intense. As Thomas Ferguson of the New York Times has recently observed, "The debate involves much more than security arrangements alone. For many Israelis it is also a debate about the borders of land, the borders of heritage, the borders of history and the borders of dreams. That is what gives it its passion."

But it is initiatives such as those by Prime Minister Peres at the U.N.—by the leaders who have the personal courage to take the first step, to seek mutual understanding, and to build a frame work for communication between peoples—that give peace its promise.

Israel will continue to be a nation with special problems, and a special relationship to the United States. Because it is surrounded by hostile neighbors, the question of security will be a priority which overshadows all others. America needs to acknowledge this and to continue to provide what we can to ensure the security of our closest ally in the Middle East.

These extraordinary security concerns, combined with its commitments to social and economic equality, and its mission to open its doors for all Jews seeking a homeland, will continue to keep the Israeli economy in precarious condition. Americans need to realize this, and be ready to provide support to help Israel keep its economic house in order.

Our commitment to Israel as a nation and a people is deep and irrevocable. It is borne not only of our awareness of Israel's strategic importance, but of a profound moral obligation and an abiding sense of kinship.

We will still expect to criticize if certain leaders and policies seem to be misguided.

That is the strength of our democracy, the ability to criticize when warranted. We, in this body and in this Nation, should not be afraid to give just criticism where just criticism is due. We have a tendency here to be less critical than the opposition, frankly, in Israel itself.

Until the Palestinian question is resolved in a way that guarantees the full rights and dignity of all peoples in the Middle East, the people of Israel will neither find security from the threat of war, nor spiritual peace among themselves. Yet, we need to always keep in mind the vigors of Israeli democracy which guarantee that such debates will flow freely in Israel itself.

And we must take time to honor and applaud the leaders of Israel, like Prime Minister Shimon Peres, who remind us of that nation's noble traditions and who have held out new prospects for peace. Above all, we must not let this opportunity pass to renew our own commitment to peace in the Middle East. Now is the time for the United States to once again make peace in the Middle East a national priority.

□ 1340

CASE OF MYSTERY POISONINGS IN OREGON SOLVED

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oregon [Mr. WEAVER] is recognized for 60 minutes.

Mr. WEAVER. Mr. Speaker, 1 year ago on the 28th of February, 1985, I made a speech during a special order on the floor of the House. As a matter of fact, this is the CONGRESSIONAL RECORD containing that speech on February 28, 1985, a year ago in which I warned my fellow Oregonians and the Nation about a town that was poisoned. Let me read the opening of that speech. I quote from the CONGRESSIONAL RECORD:

Mr. Speaker, I have a strange and terrifying tale to tell the House. It is about a town that was poisoned. This town has a population of 10,000. When the poison struck, over 700 were taken violently ill. There were, in fact, 715 confirmed cases of poisoning. Another 117 had severe symptoms. Over 45 hospitalized. A pregnant woman and her husband were poisoned; her baby born soon after had the effects of the poison. Fortunately, no one died.

The poisoning was investigated thoroughly by county, State and Federal health authorities. The investigation pointed directly to the food from salad bars in eight restaurants in the town. Another two restaurants without salad were implicated, although fewer cases from these two restaurants were reported. The poisoning occurred in two waves in September of 1984, with an astronomical 450 cases reported on the weekend of September 23.

Continuing to quote from my speech in the CONGRESSIONAL RECORD of February 28, 1985:

The poison was salmonella typhimurium. The town was The Dalles, OR. To dramatize for you how unusual this outbreak of poisoning was, let me cite some figures:

The Dalles has not had a single case of reported salmonella poisoning since 1978. Before 1978, only one or two cases a year were reported.

The entire State of Oregon has reported salmonella cases ranging from 250 to 400 a year. The Dalles outbreak had 715.

Most significant of all—highly significant—The Dalles outbreak did not come from one food source from one site nor did it occur at one time. The sources of The Dalles outbreak were eight salad bars. And the outbreak came in waves.

Salmonella is not easy to catch, like the common cold or flu. It is difficult to pass from one person to another in ordinary encounters. It almost always occurs from eating food that has been contaminated, improperly cooked, or left out of the refrigerator too long. Salmonella feeds on protein and usually occurs in meat, poultry, eggs, fish, milk or cheese. Not green lettuce salad.

Mr. Speaker, that speech was the result of an investigation that I personally made on the salmonella outbreak in The Dalles. I had planned when I went to college to get a doctorate in biology. I have continued to read in biology most of my life. When I spotted the unusual occurrence of salmonella in the town on that September of 1984, I felt something was wrong. I had made a daily investigation, speaking with the health authorities of Oregon and of the Federal Government who were investigating it. I pored over their data. I analyzed their computer runs. I came to the conclusion that something very dangerous had occurred.

I went to the Federal Bureau of Investigation and I asked them to conduct an investigation. They felt that there was not enough cause to warrant an investigation.

I went to the health authorities and the health authorities said well, we do not think anything happened at all. We think it is just a common case of salmonella outbreak, perhaps the food handlers in the eight restaurants did it. I said to them at the time, the food handlers in eight restaurant salad bars at one time? That is not the way salmonella works, and you know it. But the health authorities maintained their position and, therefore, no investigation occurred.

I said to myself I know after my investigation that something very wrong is out there. I believe that my constituents, that my fellow citizens of Oregon, of Portland, of Eugene, of Cottage Row, of Ashland as well as the citizens of The Dalles could be in danger.

What would you do if you knew someone was poisoning the food in your town, in your neighborhood, that your children might be sickened, might die? Would you not go and do everything you could to try to stop it? I did. I made this speech trying to alert the authorities and the people of Oregon to the danger that might occur to them.

Here is how I concluded my speech that time of February 28, 1985, a year ago:

Who would do such a terrifying thing? Who would poison a whole town; or at least 715 of its citizens? Whoever did could not have known how many people they would poison, or whether someone might die from the poisoning. But the massive assault on the people of The Dalles was that: a massive assault, almost a war on the town. Who would want to do it? And who would have the capability to do it?

Is there a madman lurking in The Dalles? The poisoning was an insane act, an act of violent hatred, carried on with subtle means. There must be such a person or persons with the motive and ability to assault this town, for it actually happened.

That concluded the part of my speech about the poisoning and my investigation of the poisoning. But I went on in a new section of my speech. I had no concrete evidence leading me to believe who might have done this poisoning, but I wanted to show what was happening within a few miles of the towns where the poisonings took place and I began talking about a group of people who had arrived in Wasco County. The Dalles is the county seat of Wasco County, in 1981. They were followers of a native of India who called himself Bhagwan Shree Rajneesh.

I went on to describe the Rajneesh and I went on to describe in that speech how they had begun recruiting from throughout the United States down-and-outers who lived on skid rows of major cities, and they had transported these people, thousands of them, to Rajneeshpuram, the town they had built in Wasco County, as many of us believed, to influence the election that would occur in a month or so from the time of the bringing in of the State people and the poisoning of the people of The Dalles.

I said in my speech:

The person who spoke for the Rajneeshees most frequently was a woman called Ma Anand Sheela, the personal secretary of the Bhagwan. On September 18 press reports quoted Ma Anand Sheela saying to a rally:

You tell your Governor, your attorney general and all the bigoted pigs outside that if one person on Rancho Rajneesh is harmed I will have 15 of their heads, and I mean it. You have given me no choice. Even though I am a nonviolent person I will do that.

Ma Anand Sheela said that on TV the day the greatest wave of salmonella poisoning occurred in The Dalles. Remember, 715 people came down with virulently ill salmonella typhimurium poisoning. A baby born of parents who had the poisoning itself could have died. One man had to go through several operations to relieve himself of the problems he had incurred in the poisoning.

So I did this speech on the floor of the House. The press in Oregon took me to task for this speech and they said that I did not know what I was talking about, that it was, and I quote one press service report saying I made a "long, rambling speech on the floor to an empty Chamber." Well, the Chamber is empty today. My speech I do not believe is long and rambling. I can tell you the speech I made a year ago on the floor of the House was a carefully reasoned, carefully thought out speech, but the press seemed to feel that if they can criticize me in any way, they would take this instance to do it as well.

Two days ago, a Federal grand jury in Portland, OR, indicted Ma Anand Sheela for salmonella poisoning of The Dalles. They are not convicted, but a Federal grand jury has heard witnesses and has felt compelled to bring forth indictments against Ma Anand Sheela and her associate, Ma Anand Puja, who was connected with the medical laboratory.

I had pointed out in my speech a year previously that you not only had to have the motive to want to poison a whole town, you had the ability to do it. And I said that the Rajneesh had a bright new medical laboratory at the Rajneeshpuram capable of culturing the salmonella, and so it turns out this is the case. Ma Anand Puja was one of the directors of that medical laboratory.

The Associated Press carries the story, Portland OR, AP:

> Two former lieutenants of Bhagwan Shree Rajneesh have been charged with mastering a 1984 food-poisioning outbreak that sickened more than 750 restaurant customers in The Dalles. Ma Anand Sheela, the Indian guru's former secretary and Ma Anand Puja, the former head of the Rajneesh medical corps, were indicted Wednesday on a Federal charge of conspiring to tamper with consumer products. The women are accused of conspiring to place the bacteria, salmonella typhimurium, in food at several restaurants in the northern Oregon city of The Dalles.

Mr. Speaker, I do my best to represent the people of my congressional district and, of course, Oregon. And when I came to a conclusion that the town of The Dalles had been deliberately poisoned, and spelled this out in a carefully reasoned speech on the floor, first having asked the police and health authorities to do further investigation, and having their unwillingness to do that, I felt compelled to make that speech to alert the people of Oregon to the danger they were in.

□ 1355

I was taken to task by the press for doing so. I now ask the press, in all fairness, to print on the front pages of your newspapers and on your television stations and on your radios, the fact that JIM WEAVER was right, and he had cause to be right.

I did my best to alert the people and authorities of Oregon to the extreme danger we were in. Ourselves and our children, throughout Oregon, from mass poisoning of our food by people who were capable of such an act.

My own intensive investigation of the food poisoning in The Dalles pointed me to no other conclusion but that the Rajneesh did it. It is possible, and I can take comfort in this: That the Rajneeshis might have perpetrated other food poisonings, and who knows but maybe they did; there were food poisoning outbreaks in Portland, in Ashland, in Cottage Grove soon after. I have no idea whether they came from the same source or not.

I can say this, that by throwing the spotlight on the Rajneeshis and the salmonella poisoning in The Dalles by my speech on the floor a year ago, I may have prevented them from perpetrating any further such heinous and insane acts.

I conclude, Mr. Speaker, by saying that I do not take positions on issue as serious as a massive food poisoning in a town of 10,000 people or on the WPPS nuclear plant fiasco or on other issues of great moment unless I have conducted a careful, thorough, extensive investigation; have thought out every single ramification, and then I will make my conclusions known if I feel there is public purpose for it.

I did so a year ago, because I felt that the people of Oregon were in danger, and I wish that the press—although the press did its job; it carried my message. Unfortunately, the health authorities would not budge, but remained adamant in their position that somehow or other, foodhandlers in eight restaurants simultaneously had caused this outbreak of the salmonella, when everyone knows salmonella is seldom passed hand to hand, but must be cultured in food.

When the health authorities remained adamant, I could only take my case to the people to try to alert them to the danger we were in. I ask the press now to carry this vindication, and I do not feel all that gratified by this. I was simply doing my job, and I intend to continue to do my job. When I see danger facing my constituents, either economic danger, military danger, or danger from mad people who had poisoned an entire town, I will do my duty.

HELPING MILITARY FAMILIES ON HOUSEHOLD GOODS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. PANETTA] is recognized for 5 minutes.

Mr. PANETTA. Mr. Speaker, I rise today to draw my colleagues' attention to a problem facing our military families. My colleagues know that I am deeply concerned with the quality of life we provide to our military personnel and their dependents. I am pleased that I was able to join in efforts to ease the burdens on our military families in the last session and that many of my original proposals found their way into the Department of Defense authorization for fiscal year 1986. But this is an ongoing issue and there is much yet to be done.

Today, I would like to talk about the problems associated with limits on the temporary storage of a servicemember's household goods. It is a major financial problem for many of our military families, but it is a problem we can solve with very little effort and even less expenditure.

As all of my colleagues know, our service men and women are subjected to great financial burdens and hardships during a Government-ordered permanent change of station [PCS] move. A servicemember must move from one post to another, often at very high cost, and set up housekeeping at a new post. After finding housing and making first and last month's payments and deposits, it is not uncommon for a military family to find itself several thousands of dollars in debt upon reaching a new post. And the servicemember who finds housing is lucky indeed in certain areas, such as the one I represent.

The Government, in order to help out the servicemember, pays for the storage of a servicemember's household goods for 180 days in order to give the servicemember time to find adequate and affordable housing, either on- or off-post. If the servicemember needs his or her goods to remain in storage after the 180-limit has expired, the servicemember must pay the costs of storage.

In most areas of the country, a servicemember can find housing within the allotted 180 days. This is not the case, however, in my district. On the Monterey Peninsula—the home of Fort Ord, the Naval Postgraduate School, the Defense Language Institute, and Fort Hunter Liggett—on-post housing is scarce and off-post housing is both scarce and expensive. The vacancy rate on the Monterey Peninsula, in fact, is only 1.5 percent. Housing is so expensive that some military families are forced to share housing with other military families. Worse still, some families are forced to separate because housing for a family is simply too expensive.

This situation, which is all too common, forces many of our service men and women to require on-post housing. But there is not yet enough housing to meet the needs of our military families on the Monterey Peninula. At last count, in fact, there were 2,500 names on waiting lists for on-post housing. And the wait can be long indeed.

At Fort Ord, it is common for a junior enlisted officer to wait 1 full year for on-post housing. But the Government only pays for the storage of his or her household goods for 6 months. This means that the servicemember must pay the storage costs for the additional 6 months, or longer. Mr. Speaker, there is no reason why we should shift the burden of storage costs on the servicemember when it is not the servicemember's fault that we have not yet provided enough military housing.

Thankfully, this Congress has authorized funds that will enable Fort Ord to house more of its military personnel and their dependents. It is my hope that we may, in fact, reach a point in the not-too-distant future where the housing shortage at Fort Ord will be a thing of the past. But it will take time for this construction to be completed. And, in the meantime servicemembers at Fort Ord will continue to pay for the storage of their household goods, unless we act.

Current law allows for extentions beyond the 180-limit in only very limited circumstances. I think we need to broaden these allowed circumstances a bit. For this reason, I have been joined by my colleague, PAT SCHROEDER, in introducing legislation that

would allow for extensions beyond the 180-day limit when "the Secretary concerned determines that temporary storage in excess of 180 days is justified by reasons that are beyond the control of the member concerned." One of these uncontrollable circumstances would be an exceptionally long wait for on-post housing.

Passage of this legislation would mean that if, at the end of the allotted 180-day period, the servicemember has not yet been able to find on-post or adequate off-post housing, that the military will continue to pay the costs of storage.

The approval of this legislation would greatly ease the financial burdens on our military servicemen and women, and it would cost very little to enact. According to an Army estimate, the enactment of this legislation would only cost $800,000 a year over the next 5 fiscal years. It is a very small investment, when you consider the size of our defense budget, but it would mean a great deal to the quality of life available to our military personnel and their dependents.

We are talking essentially about fairness. Our military personnel enter the service to serve their country. They ask only that we provide them with a minimum standard of living. If we cannot yet provide enough housing for our military personnel, then the least we can do is ease their financial burdens while waiting for available on-post housing.

Mr. Speaker, this legislation will only clarify existing law. It will cost very little money. And it will make life a lot easier for our military personnel. I urge my colleagues to support this legislation.

A text of the bill follows:

H.R. 4484

A bill to amend title 37, United States Code, to provide increased authority for the temporary storage of household effects of members of the uniformed services in connection with a change of duty station

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. TEMPORARY STORAGE OF HOUSEHOLD EFFECTS.

(a) EXTENSION OF AUTHORITY.—The second sentence of section 406(b)(1)(A) of title 37, United States Code, is amended by striking out the period at the end and inserting in lieu thereof the following: "in accordance with the regulations in effect on January 1, 1986, or when the Secretary concerned determines that temporary storage in excess of 180 days is justified by reasons that are beyond the control of the member concerned.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply with respect to the storage of baggage and household effects after the date of the enactment of this Act.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. SLATTERY, for 5 minutes, today.

(The following Member (at the request of Mr. GINGRICH) to revise and extend his remarks and include extraneous material:)

Mr. GINGRICH, for 60 minutes, March 25.

(The following Members (at the request of Mr. GONZALEZ) to revise and extend their remarks and include extraneous material:)

Mr. BONIOR of Michigan, for 30 minutes, today.

Mr. WEAVER, for 60 minutes, today.

Mr. WEAVER, for 60 minutes, March 25.

Mr. SCHEUER, for 5 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

(The following Member (at the request of Mr. WEAVER) to revise and extend his remarks and include extraneous material:)

Mr. PANETTA, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. GINGRICH) and to include extraneous matter:)

Mr. MOORE.

Mr. PORTER.

Mr. BEREUTER.

Mr. DANNEMEYER in two instances.

Mr. CHENEY.

Mr. CONTE.

(The following Members (at the request of Mr. GONZALEZ) and to include extraneous matter:)

Mr. DONNELLY.

Mr. PEPPER.

Mr. MONTGOMERY.

Mr. YATRON in two instances.

Mr. LANTOS in two instances.

Mr. FAZIO.

Mr. LUKEN.

Mr. HAYES.

Mr. LEVINE of California.

Mr. ROWLAND of Georgia.

Mrs. SCHROEDER.

Mr. COLEMAN of Texas.

BILLS AND JOINT RESOLUTIONS PRESENTED TO THE PRESIDENT

Mr. ANNUNZIO, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, bills and joint resolutions of the House of the following titles:

On March 21, 1986:

H.R. 2453. An act to amend the Older Americans Act of 1965 to increase the amounts authorized to be appropriated for fiscal years 1985, 1986, and 1987 for commodity distribution, and for other purposes;

H.R. 4399. An act to designate the Federal building located in Jamaica, Queens, NY, as the "Joseph P. Addabbo Federal Building";

H.J. Res. 534. Joint resolution making an urgent supplemental appropriation for the Department of Agriculture for the fiscal year ending September 30, 1986, and for other purposes; and

H.J. Res. 563. Joint resolution to provide for the temporary extension of certain programs relating to housing and community development, and for other purposes.

ADJOURNMENT

Mr. WEAVER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 1 o'clock and 59 minutes p.m.) under its previous order, the House adjourned until Tuesday, March 25, 1986, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

3086. A letter from the Deputy Secretary of Defense, transmitting proposed changes to the selected acquisition reports [SAR's] and unit cost reports [UCR's]; to the Committee on Armed Services.

3087. A letter from the Auditor, District of Columbia, transmitting a report entitled "Fiscal Year 1985 Annual Report on Advisory Neighborhood Commissions," pursuant to Public Law 93-198, section 455(d); to the Committee on the District of Columbia.

3088. A letter from the Administrator, General Services Administration, transmitting a draft of proposed legislation to authorize the Administrator of General Services to convey property to the District of Columbia, and for other purposes; to the Committee on Government Operations.

3089. A letter from the Secretary of Transportation, transmitting a report on activities under the Freedom of Information Act, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

3090. A letter from the Office of Civilian Radioactive Waste Management, Department of Energy, transmitting reasons for not completing a written agreement within 6 months on the development of a nuclear waste repository with the Confederated Tribes of the Umatilla Indian Reservation, pursuant to Public Law 97-425, section 117(c); jointly, to the Committees on Interior and Insular Affairs and Energy and Commerce.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ARCHER (for himself, Mr. MOORE, Mr. LOEFFLER, Mr. ARMEY, Mr. BARTON of Texas, Mr. COMBEST, Mr. CRANE, Mr. EDWARDS of Oklahoma, Mr. FIELDS, Mr. GRAY of Illinois, Mr. LEATH of Texas, Mr. LIVINGSTON, Mr. ROBERTS, Mr. THOMAS of California, Mr. WILSON, Mr. BROOKS, Mr. DELAY, and Mr. SWEENEY):

H.R. 4476. A bill to encourage the continued exploration for and production of domestic energy resources, to remove certain Federal controls over domestic energy production and utilization, and for other purposes; jointly, to the Committees on Energy and Commerce and Ways and Means.

By Mr. BENNETT:

H.R. 4477. A bill to improve the conventional defense capabilities of the Armed Forces by providing research, development, and testing funds for vitally needed conventional weapons and equipment; to the Committee on Armed Services.

By Mr. DIOGUARDI (for himself, Mr. BIAGGI, Mr. GILMAN, Mr. MAVROULES, Mr. BORSKI, Mr. MCGRATH, Mr. MANTON, Mr. TRAFICANT, Mr KANJORSKI, and Ms. MIKULSKI):

H.R. 4478. A bill to amend the Immigration and Nationality Act to provide for additional immigrant visa numbers for natives of certain foreign states which have had a significant decrease in immigration to the United States; to the Committee on the Judiciary.

By Mr. FAUNTROY (for himself and Mr. DELLUMS):

H.R. 4479. A bill to amend the District of Columbia Self-Government and Governmental Reorganization Act to increase the amount authorized to be appropriated as the annual Federal payment to the District of Columbia; to the Committee on the District of Columbia.

By Mrs. LLOYD:

H.R. 4480. A bill to provide that the Internal Revenue Service may not before July 1, 1987, enforce its regulations relating to substantiation requirements for the deductions attributable to the business use of vehicles; to the Committee on Ways and Means.

H.R. 4481. A bill to increase the criminal penalties for the intentional poisoning or adulteration of food and drugs for human consumption; jointly, to the Committees on Energy and Commerce and the Judiciary.

By Mr. LUKEN:

H.R. 4482. A bill to amend the Federal Food, Drug, and Cosmetic Act to require the registration of certain nonprofit entities which provide health services and sell prescription drugs; to the Committee on Energy and Commerce.

By Mr. MARKEY:

H.R. 4483. A bill concerning United States policy toward Nicaragua; jointly, to the Committees on Foreign Affairs, the Permanent Select Committee on Intelligence, and Appropriations.

By Mr. PANETTA (for himself and Mrs. SCHROEDER):

H.R. 4484. A bill to amend title 37, United States Code, to provide increased authority for the temporary storage of household effects of members of the uniformed services in connection with a change of duty station; to the Committee on Armed Services.

By Mr. PEPPER:

H.R. 4485. A bill to amend the Social Security Act with respect to the standards for participation of skilled nursing facilities and intermediate care facilities under the Medicare and Medicaid programs, to amend the Older Americans Act of 1965 with respect to the ombudsman program, and for other purposes; jointly, to the Committees on Ways and Means, Energy and Commerce, and Education and Labor.

By Mr. RICHARDSON:

H.R. 4486. A bill to provide for the distribution of Amtrak of 50 percent of the funds received by the United States for any sale of Conrail; to the Committee on Energy and Commerce.

By Mr. ROBERTS:

H.R. 4487. A bill to amend the Fair Labor Standards Act of 1938 to authorize a youth minimum wage differential under that act, and for other purposes; to the Committee on Education and Labor.

By Mr. SCHEUER:

H.R. 4488. A bill to restrict smoking to designated areas in all buildings or building sections occupied by the U.S. Government; to the Committee on Energy and Commerce.

By Mr. WIRTH (for himself, Mr. RICHARDSON, Mr. STRANG, Mr. REID, Mr. BROWN of Colorado, Mr. LEHMAN of California, Mr. KRAMER, Mr. STALLINGS, Mr. PASHAYAN, Mr. MOODY, Mrs. VUCANOVICH, Mr. WILLIAMS, Mr. HANSEN, Mrs. BYRON, Mr. NIELSON of Utah, Mr. LEVINE of California, Mr. CRAIG, Mr. KILDEE, Mr. YOUNG of Alaska, Mr. CHENEY, Mr. MARLENEE, Mr. CHAPPIE, Mr. SWIFT, and Mr. JEFFORDS):

H.R. 4489. A bill to provide for ski areas on national forest lands, and for other purposes; jointly, to the Committees on Interior and Insular Affairs and Agriculture.

By Mrs. LLOYD:

H.J. Res. 576. Joint resolution to approve the President's request for assistance for the Nicaraguan democratic resistance with certain modifications and conditions; jointly, to the Committees on Appropriations, Foreign Affairs, Armed Services, and the Permanent Select Committee on Intelligence.

By Mrs. MEYERS of Kansas:

H.J. Res. 577. Joint resolution to designate the weekend of August 1, 1986 through August 3, 1986 as "National Family Reunion Weekend"; to the Committee on Post Office and Civil Service.

By Mr. MOLINARI:

H.J. Res. 578. Joint resolution to designate the week beginning November 17, 1986, as "Working Dog Awareness Week"; to the Committee on Post Office and Civil Service.

By Mr. FEIGHAN (for himself, Mr. BERMAN, Mr. SMITH of Florida, Ms. MIKULSKI, Mr. SIKORSKI, Mr. TORRICELLI, Mr. DURBIN, Mr. SOLARZ, Mr. LEVINE of California, Mr. FRANK, and Mr. FOGLIETTA):

H. Con. Res. 306. Concurrent resolution expressing the sense of the Congress that the Vatican should recognize the State of Israel and should establish diplomatic relations with that country; to the Committee on Foreign Affairs.

MEMORIALS

Under clause 4 of rule XXII,

319. The SPEAKER presented a memorial of the House of Representatives of the Commonwealth of Massachusetts, relative to the Freedom of Information Act; to the Committee on Government Operations.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

Mr. DANNEMEYER introduced a bill (H.R. 4490) for the relief of Joseph W. Newman; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 128: Mr. VENTO, Mr. BOULTER, Mr. MYERS of Indiana, and Mr. PACKARD.

H.R. 2943: Mr. CAMPBELL, Mr. O'BRIEN, Mr. SLATTERY, Mr. LAGOMARSINO, and Mr. DAVIS.

H.R. 3437: Mr. RICHARDSON.

H.R. 3521: Mr. MCKERNAN, Mr. MARTIN of New York, Mr. WHITEHURST, Mr. FOWLER, and Mr. STRATTON.

H.R. 3897: Mr. TALLON, Mr. BROOKS, Mr. OLIN, Mr. JONES of North Carolina, Mr. GUNDERSON, Mr. HATCHER, and Mr. WHITLEY.

H.R. 4003: Mr. KASTENMEIER, Mr. WHITTAKER, and Mr. CONYERS.

H.R. 4014: Mr. PANETTA, Mr. ROBERT F. SMITH, Mr. ROSE, Mr. HENDON, Mr. QUILLEN, Mr. WILSON, Mr. LIPINSKI, and Mr. LANTOS.

H.R. 4183: Mr. MORRISON of Connecticut, Mr. MONSON, Mr. MACKAY, Mr. CHAPPELL, Mr. PEPPER, Mr. HENRY, Mr. WALGREN, Mr. BENNETT, Mr. FASCELL, and Mr. BROOKS.

H.R. 4267: Mr. BRYANT.

H.R. 4321: Mr. KASTENMEIER, Mr. MRAZEK, Mr. TOWNS, Mr. MITCHELL, Mr. WORTLEY, Mr. CONYERS, Mrs. BENTLEY, Mr. SMITH of Florida, and Mr. WHITTAKER.

H.J. Res. 87: Mr. LOEFFLER.

H.J. Res. 167: Mr. MATSUI, Mr. SWEENEY, Mr. DELAY, Mr. CHAPMAN, Mr. LAGOMARSINO, Mr. MCGRATH, Mr. BEVILL, Mr. DARDEN, Mr. BUSTAMANTE, Mr. SKEEN, Mr. WYLIE, Mr. DORNAN of California, Mr. BURTON of Indiana, Mr. THOMAS of Georgia, Mr. MARTINEZ, Mr. RAHALL, Mr. FAZIO, Mr. WILSON, Mr. RALPH M. HALL, Mr. JACOBS, Mr. LIPINSKI, Mr. CARPER, Mr. ARMEY, Mr. EMERSON, Mr. DICKINSON, Mr. MAZZOLI, Mr. PANETTA, Ms. OAKAR, Mr. LEWIS of Florida, Mr. HORTON, Mr. DONNELLY, Mr. ANNUNZIO, Mr. WHITEHURST, Mr. FAUNTROY, Mr. GRAY of Pennsylvania, Mr. STANGELAND, Mr. MURPHY, Mr. ROE, Mr. GRAY OF Illinois, Mr. SUNIA, Mr. DE LA GARZA, Mr. NICHOLS, Mr. STENHOLM, Mr. HUCKABY, Mr. BLILEY, Mr. HENDON, Mr. RICHARDSON, Mr. BENNETT, Mr. KASICH, Mr. DIXON, Mr. GONZALEZ, Mr. KOSTMAYER, Mr. DANNEMEYER, Mr. HUTTO, Mr. SCHUETTE, Mr. EDWARDS of Oklahoma, Mr. VOLKMER, Mr. SCHEUER, Mr. TOWNS, Mr. JEFFORDS, Mr. DIOGUARDI, Mr. COLEMAN of Texas, Mr. SMITH of New Hampshire, and Mr. MCCAIN.

H.J. Res. 381: Mr. MCCAIN, Mr. COATS, Mr. KANJORSKI, Mr. ROWLAND of Georgia, Mr. PARRIS, Mr. LANTOS, Mr. BERMAN, Mrs. HOLT, Mr. RUDD, Mr. COYNE, Mr. DORNAN of Califoria, Mr. HENDON, Mr. LOWERY of California, Mr. FRANKLIN, Mr. DELLUMS, Mr. MURPHY, Mr. MONSON, Mr. KOLTER, Mr. ROYBAL, Mr. STRANG, Mr. TRAXLER, Mr. DASCHLE, Ms. KAPTUR, Mr. WALGREN, Mrs. MEYERS of Kansas, Mr. HAMMERSCHMIDT, Mr. GEPHARDT, Mr. SMITH of Iowa, and Mr. FRENZEL.

H.J. Res. 500: Mr. MOORHEAD, Mr. SMITH of New Jersey, Mr. COUGHLIN, Mr. PORTER, Mr. FISH, Mr. MILLER of Washington, Mr. YATRON, Mr. GREEN, Mr. KLECZKA, Mr. DENNY SMITH, Mr. MCHUGH, Mr. OBERSTAR, Mr. HALL of Ohio, Mr. COURTER, Mr. ECKART of Ohio, Mr. TORRICELLI, and Mr. MOAKLEY.

H.J. Res. 536: Mr. DERRICK, Mr. BROWN of California, Mr. HOYER, Mr. BURTON of Indiana, Mr. MURTHA, Mr. MONSON, and Mr. NIELSON of Utah.

H. Con. Res. 277: Mr. PETRI, Mr. GOODLING, Mr. FIELDS, Mr. GINGRICH, Mr. DICKINSON, Mr. LUNGREN, Mr. PORTER, Mr. ANDERSON, Mr. BONIOR of Michigan, and Mr. STENHOLM.

H. Res. 395: Mr. CROCKETT, Mr. MORRISON of Connecticut, Mr. LEVIN of Michigan, Mr. BATES, Mr. TOWNS, Mr. ROYBAL, Mr. WEISS, and Mrs. BOXER.

H. Res. 404: Mr. SENSENBRENNER, Mr. MOODY, and Mr. CARR.

SENATE—*Friday, March 21, 1986*

(Legislative day of Tuesday, March 18, 1986)

The Senate met at 10 a.m., on the expiration of the recess, and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

Let us pray.

Father in Heaven, it is easy to be critical of the press and media—until we stop to think what it would be like never to have any news coverage. Being as human as the people they report about in their stories, they are not above criticism—but we acknowledge with gratitude their dedication to their indispensable task, and the risk often faced in getting the story.

God of truth, help them to be objective, honest, and compassionate—save them from cynicism to which they are so vulnerable through their constant exposure to the insincerity, bloated egos, and deceit so common to human frailty. Keep them aware of the terrible power of words to destroy and the mighty power of words to inform and edify. Deliver them from all the temptations endemic in their profession, remind them constantly that they are as human as those they critique, strengthen and ennoble them in their task, and bless their families for the sacrifices they make that the news may be adequately and fairly covered. In the name of Him who was truth incarnate. Amen.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. The able majority leader, Senator DOLE, is recognized.

SCHEDULE

Mr. DOLE. Mr. President, under the standing order, the leaders have 10 minutes each, to be followed by special orders in favor of Senators HAWKINS, PROXMIRE, BAUCUS, and SARBANES for not to exceed 5 minutes each, then routine morning business not to exceed beyond the hour of 10:30 a.m.

Following routine morning business, the Senate will resume consideration of the motion to proceed to S. 1017, the regional airport bill. Under the provisions of rule XXII of the Standing Rules of the Senate, at 11 a.m., a live quorum will begin. Following the quorum, a cloture vote will occur on the motion to proceed to S. 1017, the regional airport bill.

If cloture is invoked, the Senate will remain on the motion for the remainder of the day. Therefore, rollcall votes could occur.

Also, the Senate could be asked to turn to any other legislative or executive items cleared for action.

The Senate will also be asked, I hope rather quickly, by voice vote to turn to the Superfund extension, which was passed by the House last night.

I indicate to my colleagues that I would anticipate votes throughout the day. I would anticipate votes on Monday, Tuesday, Wednesday, and Thursday of next week.

RECOGNITION OF THE MINORITY LEADER

The PRESIDENT pro tempore. The able Democratic leader is recognized.

ORDER OF PROCEDURE

Mr. BYRD. Mr. President, I would like to ask the distinguished majority leader if he could give us some hour beyond which we would not expect rollcall votes to occur today.

Mr. DOLE. Mr. President, I could do that probably immediately after the vote at 11:20 or 11:30. I hope not too late today, I say to my distinguished friend.

Mr. BYRD. Very well.

So, after the vote on the cloture motion, the majority leader would be in a better position, then, to state to his colleagues what we might expect with reference to rollcall votes today, and on Monday, if we could ask?

Mr. DOLE. Correct.

Mr. BYRD. I thank the Senator.

Mr. President, I yield to my distinguished colleague, Mr. CRANSTON, 5 minutes of my time and I ask unanimous consent that I may reserve the balance throughout the day.

The PRESIDING OFFICER (Mr. D'AMATO). Without objection, it is so ordered.

Mr. DOLE. Mr. President, I ask unanimous consent that 5 minutes of my time be given to the distinguished chairman of the committee, Senator STAFFORD, so that he may dispose of the Superfund legislation.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. Mr. President, I reserve the balance of my time.

A NO-CONFIDENCE VOTE

Mr. CRANSTON. Mr. President, yesterday's vote in the House was an even more overwhelming defeat for the administration's Nicaragua policy than is indicated by the 222 to 210 vote against $100 million in Contra aid.

Though technically the House vote was straight up-or-down on the $100 million, in reality it was more than that.

When House Members voted, they were aware that President Reagan had proposed a compromise.

The word from the White House was—and front page news stories proclaimed—that if the House approved the $100 million, the President would restrict use of the money for the first 90 days to defensive weapons, logistics and training.

During that promised lull in spending, the administration said it would seek a diplomatic settlement with the Sandinista government.

This was a totally meaningless so-called compromise. For one thing, if $100 million had been approved, no significant part of it could have been expended in the first 90 days. We all know that.

It is also worthy to note that of the money previously authorized and appropriated by the Congress for so-called humanitarian aid to the Contras, some $15 to $17 million has not yet been expended. So plainly, there is no great sense of urgency about money and there is no way of using money instantly.

Beyond that, some millions of the money previously authorized and appropriated and made available to the administration is totally unaccounted for. So this 90-day lull, obviously, had no significance of any sort.

Despite that 11th-hour attempt to sway undecided Congressmen, the administration's Contra aid package was voted down by a bigger margin than even the most optimistic among us had anticipated.

The House vote clearly was a vote of "no confidence" in the administration's Nicaragua policy.

I trust it will have a salutary impact on the Senate.

I trust that the House vote will strengthen the antidollars-for-Contras sentiment among those Senators who still have doubts about how they will vote—and that it will soften the stand of some Senators who had intended, reluctantly, to support the President on this issue.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

Mr. President, to govern is to choose. That is why we are here as the people's representatives in Congress—to make tough choices.

But the choice offered by the President's proposal to send another $100 million worth of American taxpayer dollars to fight a terrorist-type war against Nicaragua is not a valid one.

I think it is high time for those who embrace President Reagan's claims about Nicaragua to face up to the inevitable conclusion of such overblown rhetoric.

If indeed the Sandinistas are a spreading cancer of communism on the North American Continent—in short, if they are the threat to our freedom and survival the President says they are—why doesn't the President ask Congress to declare war?

Do those who want to ship another $100 million to the Contras really believe that a few more bandages and bazookas will do the job?

Do they really think that their fears of Sandinistas marching into Houston and San Diego can be taken care of with just a little more money for the Contra mercenaries?

When are proponents of Contra aid going to face up to the grim reality that the Contras are losers, that the Contras are infested by the same discredited gang of Somoza national guardsmen who were run out of the country 7 years ago?

When are Contra backers going to accept the fact that the Contras have failed in 7 years to seize and hold a square mile of Nicaraguan soil? That they have little popular support in the countryside? That they must rely on theft, kidnaping, and CIA money to keep even a resemblance of an army in the field?

Just as every Member of this body deplores communism, I do not think there is a single Member who truly believes that the Contras are going to overthrow the Sandinistas with or without another $100 million.

So why should we hide behind the smokescreen of an annual debate over just a little more American money to shed some more Contra and Sandinista blood?

Let us work for a strategy which involves all Latin nations in pressing for democratic development, in isolating the Sandinista cancer, but in rejecting self-defeating solutions for combating it.

Let us oppose administration efforts to have mercenaries do our dirty work for us.

Let us block any U.S. taxpayer funding for the Contras.

I am increasingly hopeful—after the House action—that we will prevail in rejecting the President's request for "just a little more money" for the Contras and their terrorist ways.

HAZARDOUS SUBSTANCE RESPONSE TRUST FUND

The PRESIDING OFFICER. The Senator from Vermont is recognized.

Mr. STAFFORD. Mr. President, I have conferred with the Democratic leader, and I ask unanimous consent that the Senate turn to the consideration of House Joint Resolution 573, the Superfund extension.

The PRESIDING OFFICER. The House joint resolution will be stated by title.

The assistant legislative clerk read as follows:

A joint resolution (H.J. Res. 573), making a repayable advance to the hazardous substance response trust fund.

The PRESIDING OFFICER. Without objection, the joint resolution will be considered as having been read the second time by title.

Is there objection to the immediate consideration of the joint resolution?

There being no objection, the Senate proceeded to consider the joint resolution.

Mr. STAFFORD. Mr. President, in the brief time available to us, let me say that it was a decision of the Environment and Public Works Committee members who met in my office informally day before yesterday to endeavor to get temporary funding for EPA, and the Superfund Program over a 60-day period at a level of $150 million which is what the legislation in front of us now does in order to keep the Superfund Program going for a time with sufficient funding so that contracts will not have to be terminated, and at the same time to make it a short enough time so that pressure would remain on the conferees for the House and Senate who have been working hard for the last 3 or 4 weeks to solve this problem once and for all by agreeing on a conference report.

We are having a difficult conference. We had 730-some pages of differences between the House and the Senate. We are about halfway through the easier part of that.

This legislation will give us a reasonable opportunity to complete the work on that conference.

Having said that, and urging the Senate to adopt the bill which the House has sent over to us, in the terms I have described, 60 days, $150 million for Superfund, let me say that the point man for our committee, the man who has worked the hardest and certainly deserves great credit for helping to bring this off—he worked with absolutely enormous effort yesterday—is Senator LAUTENBERG of New Jersey who will follow me here in speaking for a moment.

Mr. President, I simply want to say additionally that without the cooperation of Senator GARN, chairman of the appropriate subcommittee of the Appropriations Committee here in the Senate, Senator HATFIELD, chairman of the full Committee on Appropriations, Senator LEAHY, who is the ranking member of Senator GARN's subcommittee, and on the House side Congressman BOLAND of Massachusetts, and the most able chairman of the Appropriations Committee, Congressman WHITTEN, we would not have been able to reach the point we have reached this morning in bringing this legislation before the Senate.

So I want to express my personal gratitude to all of the Members of the House and Senate. Let me not forget the staff of the committee on both sides of the aisle who have worked very hard with members to enable us to provide 60 more days to try to resolve the differences between the House and Senate on Superfund. I believe in that time we can.

I yield the floor to my friend and colleague from New Jersey, Senator LAUTENBERG.

Mr. BYRD. Mr. President, I yield my time remaining under the running order to Mr. LAUTENBERG for his control.

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. LAUTENBERG. Thank you, Mr. President.

I thank my friend and chairman of the Environment and Public Works Committee very much for his continuous and constant support and guidance on many matters that concern each of us in terms of a better environment. I want to support House Joint Resolution 573, the bill that passed the House last night. It is a companion measure to S. 2212 which I introduced in the Senate yesterday.

Mr. President, this bill is very simple. It provides for interim funding for the Superfund Program through May 31 of this year. I was joined in introducing this bill by Senators STAFFORD and BENTSEN, chairman and ranking minority member of the Environment and Public Works Committee, Senator HATFIELD, chairman of the Appropriations Committee, Senator LEAHY, ranking minority member of the HUD-Independent Agencies Appropriations Subcommittee, and Senators CHAFEE, MITCHELL, DURENBERGER, BAUCUS, MOYNIHAN, HUMPHREY, BURDICK, BRADLEY, KENNEDY, and GORE.

Mr. President, I want to express my deep appreciation to the majority and minority leaders for making it possible to consider this measure so expeditiously.

I also want to take note of the cooperation, concern, hard work, and sensitivity displayed by the members who have joined me in this effort, particularly the leadership of the Appropriations and Environment and Public Works Committees.

I want to particularly mention Senator STAFFORD, Senator HATFIELD who is very helpful, Senator STENNIS, Sena-

tor GARN, Senator LEAHY, and Senator BENTSEN.

This proposal has been carefully considered and reviewed. After consultations, we arrived at a consensus that enjoyed widespread support in the Senate. I was deeply gratified last night, when Chairman WHITTEN and Congressman BOLAND moved this bill through the House of Representatives. I believe we can pass this measure here very quickly.

Taxing authority for the Superfund Program expired on September 30, 1985. The trust fund is virtually depleted. Without this bill, on April 1, the Environmental Protection Agency would have to begin to dismantle Superfund by terminating contracts with companies that are currently involved in clean up actions. Enforcement actions would be reduced by half and no new cases would be developed. Emergency removals would be curtailed by 80 percent. And, EPA would only be able to handle three or four major emergencies a month. Last month, EPA began the process of furloughing its own employees.

We cannot permit this dismantling of the program to occur. It is not possible to start and stop a program the size and complexity of the Superfund Program without irreparable damage.

The House of Representatives and the Senate last year approved legislation reauthorizing the Superfund Program. The House bill provides for slightly over a $10 billion program. The Senate bill calls for $7.5 billion. But, these and other controversial issues separate the two Houses and the administration on this complicated legislation.

A House-Senate Superfund conference has been meeting regularly to resolve differences between the House and Senate bills since it convened late last month. Nevertheless, there is no realistic prospect that the conference will be able to complete its work prior to the congressional Easter recess. This legislation is designed to keep pressure on the conference to complete its work, but provide enough funding to protect the integrity of the Superfund Program until a 5-year reauthorization bill is enacted into law.

Time is of the essence. We have literally only hours to pass this bill. Without action, we would be leaving EPA to dismantle the Superfund Program. Along with my cosponsors, I strongly support a 5-year reauthorization bill to enlarge and strengthen the Superfund Program. But, we feel that while the conference continues to work on this bill, it would be irresponsible to permit the dismemberment of this program. If we do not provide this interim funding, Superfund will suffer serious and, perhaps, irreversible harm.

This bill would provide $150 million for the Superfund Program for 2 months, a level consistent with the annual rate of funding provided in the fiscal year 1986 HUD-Independent Agencies appropriations bill. This legislation is necessary because that money remains fenced, pending a reauthorization bill or further action by the Congress. Our legislation would unfence $150 million of the $861 million provided by that bill after the March 1 Gramm-Rudman sequester order.

The bill provides an emergency supplemental appropriation of $150 million from the general fund into the hazardous substance response trust fund. Under the bill, funds would be available immediately as repayable advances.

The objective of the bill is to keep Superfund intact and functioning effectively without removing the incentive to complete action on reauthorization of the program. This measure will infuse enough money into the trust fund to release 2 month's worth of the fiscal year 1986 Superfund appropriation.

Mr. President, there is no way to replace the knowledge, technical skill, and experience embodied in contractor project teams at a moment's notice. It takes time to build organizational resources of this kind. EPA Administrator Thomas testified last Wednesday before the HUD-Independent Appropriations Subcommittee that it would take at least a full year to get contractors back on board once their contracts were terminated. And that assumes that they would want to come back on board after having been cut off—a questionable proposition at best.

Passage of this measure should send a strong signal to EPA's employees and Superfund contractors that the conferees are determined to finish this job by May 31, and that we anticipate an expanded and strengthened Superfund Program.

Mr. President, once again, I thank the majority and minority leaders for their assistance in this effort. And, I thank my two chairmen, Senators HATFIELD and STAFFORD, and Senators BENTSEN, STENNIS, LEAHY and GARN, all of whom were essential to this effort.

Mr. President, I urge adoption of the bill.

Mr. BRADLEY. Mr. President, 2 years ago I asked this body to vote on the reauthorization of the Superfund. The Senate failed to take that action. Many of my colleagues maintained that there was plenty of time to consider the reauthorization. Last year the Senate finally did act on a bill, but once more we had no Superfund law because there was no agreement with the House on legislation.

Today we are considering a temporary extension because all time has run out. The Environmental Protection Administrator, Lee Thomas, has indicated that he will begin to lay off employees working on Superfund actions on April 1 unless Congress acts. Cleanup activities have already ground to a halt in many places. And in my own State of New Jersey, where we have the greatest number of sites slated for action, cleanup has only continued because our State environmental programs are loaning money to the Federal Government. This is simply intolerable. If government cannot protect the health and safety of the public then what is government for?

I am sorry that we have reached the point that this Superfund extension is now critical. Both Houses have passed new Superfund bills which can effectively address the issue of toxic waste cleanup. But we have wasted time. It took over 2 months from House and Senate passage of separate bills just to name conferees. With the recent Supreme Court ruling striking down the use of New Jersey's spill fund at EPA cleanup sites, the need for the Superfund reauthorization becomes even more urgent.

We are now at the 11th hour. This extension is critical and necessary. It is a stop-gap solution to a critical national problem. But the failure to act tonight would bring unthinkable results. I urge my colleagues to support this bill.

Mr. GARN. Mr. President, we have before us a very critical supplemental appropriations measure to provide additional resources needed to prevent the effective termination of the EPA Superfund Program.

Last year Congress, through the appropriations process, provided this program $900 million for fiscal year 1986. Unfortunately, this authority is not available unless the authorization and tax legislation for the program clears conference and is enacted into law.

At the time that Congress acted on the appropriations bill last fall, we were assured that prior year balances could maintain the Superfund core activities and technical infrastructure for several months—providing ample time for completion of the conference consideration of the authorization bill. We were wrong in predicting the difficulties and delays facing that conference.

We find ourselves now, 4 months later, facing the imminent collapse of the program. Not only will EPA have to begin RIF procedures, but equally critical contractors who directly implement hazardous waste cleanups are being told that their contracts will be terminated and their work force disbanded.

The years of effort to establish and develop an effective and aggressive program to clean up these hazardous

waste dumps will all go down the drain unless additional funding is released immediately.

That is what the measure before us will do. House Joint Resolution 573 permits EPA to obtain a $150 million repayable advance from the Treasury to maintain program operations through May 31. This will allow the authorizing committees to conclude their conference on the necessary legislation.

Mr. President, I would also point out to my colleagues that we are confronting another very serious problem with respect to funding for the EPA Construction Grants Program. The underlying authorization bill for this program is also waiting conference action and funds we made available last year for the program are already being exhausted in some States.

I expect that we will be forced to address the construction grants issue shortly after we return from the recess and I would hope that the authorizing committees will have concluded their conference by that time so that we can relase the $1.8 billion appropriated last year.

Mr. GORE. Mr. President, I rise in support of S. 2212, legislation to provide stopgap financing for the Superfund Toxic Waste Cleanup Program. I joined Senator LAUTENBERG in sponoring the bill to keep Superfund alive long enough for Congress to work out a lasting compromise.

Superfund is in deep trouble. Funding expired last October, and the House and Senate have yet to agree on a bill to reauthorize the program. EPA has already had to curtail cleanup operations at 100 sites across the country, and may have to halt work at 200 others if it doesn't get more money by April 1. Lee Thomas, the EPA Administrator, said recently that the slowdown could turn into a shutdown, forcing him to furlough 1,500 Superfund employees.

This legislation makes a direct appropriation of $150 million as a repayable advance to keep the Superfund Program running for another 60 days. The bill would keep Superfund from going broke at a time when the country needs it more than ever. The temporary extension would prevent a short-term shortfall from causing long-term damage to the program.

At the same time, a 60-day extension will keep Congress and the Superfund conferees on a short leash. We want to maintain the pressure and momentum to pass a bill that will secure Superfund's financial security for the next 5 years.

Let me also take this opportunity to ask my colleagues to join me in urging the Superfund conferees to find a compromise funding alternative to the manufacturer's excise tax. There is substantial bipartisan support in both Houses for a tax on those responsible for the hazardous waste problem, instead of an across-the-board value-added tax. We in the Senate would like a choice on how to pay for Superfund.

I think my colleagues recognize that we cannot afford to put off a compromise any longer. The Nation has already waited too long to clean up thousands of dangerous waste sites. The time bomb keeps ticking.

Mr. SIMPSON addressed the Chair.

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. SIMPSON. Mr. President, may I just say I want to thank Senator LAUTENBERG for his patience last evening when we could have perhaps moved the measure from the House. I appreciate that. I want to particularly thank him for his work throughout the Superfund. And while the chairman of the Environment and Public Works Committee is on the floor, I think all should recognize his efforts with Superfund as one of the original sponsors. His great desire, drive, and energy to get a Superfund bill is matched only by the Senator from New Jersey. I appreciate that very much.

We always have a good bipartisan move in the Environment and Public Works Committee. That is one of the touchstones of that committee, and proven once again.

I thank Senator LAUTENBERG, Senator STAFFORD, and their staffs. We will get a Superfund out of that conference, but we have to compete with other business. So it will be something I believe we can produce in a very few weeks.

I thank both of the Senators on the floor.

Mr. LAUTENBERG. Mr. President, if I may have one moment I wish to say thanks not only for the patience but the wisdom of the assistant majority leader in supporting our effort. It is always a pleasure to work with him, and to find us in agreement on occasion is especially pleasurable.

I thank the assistant majority leader for his assistance and guidance.

Mr. STAFFORD. Mr. President, once again I want to thank my able colleague, Senator LAUTENBERG, for helping us so materially to get this important issue through the Senate, and through the Congress.

Mr. President, I am prepared to yield the floor.

Mr. LAUTENBERG. Mr. President, I urge adoption of this joint resolution.

The joint resolution (H. J. Res. 573) was ordered to a third reading, read the third time, and passed.

Mr. STAFFORD. Mr. President, I move to reconsider the vote by which the joint resolution was passed.

Mr. LAUTENBERG. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

RECOGNITION OF SENATOR HAWKINS

The PRESIDING OFFICER. Under the previous order, the Senator from Florida, Mrs. HAWKINS, is recognized for a period not to exceed 5 minutes.

THE NARCO-TERRORIST CONSPIRACY

Mrs. HAWKINS. Mr. President, most Americans do not have a very realistic understanding of drug abuse. They perceive it as personal behavior—either a defect of character or a community social problem. But two learned New York educators, Rachel Ehrenfeld of Columbia University's School of International Affairs and Michael Kahan of Brooklyn College, have a much broader and more accurate comprehension of what the illicit narcotics trade is all about. Writing in the February 10, 1986, Wall Street Journal Professors Ehrenfeld and Kahan observed that drug abuse is "an international problem in which the individual user-victim is actually the indirect financier of terrorist activities."

It is time that we came to grips with proper perceptions and put to bed any lingering misguided beliefs about the friendly neighborhood dope peddler. It may be that the dope peddler's motives do not go beyond making a few easy bucks. But unwittingly he is a cog in a wheel that starts in the opium growing fields of Southeast Asia or the marijuana beds of South America, rolls through a complex network of transportation, production, storage, and distribution systems, and spins off its deadly poison into the streets of villages and cities the world over. Woven into this web between the points where supply and demand are satisfied are corruption, political instability, and terrorism.

No one knows for sure the size of the drug trade. It simply staggers the imagination. However startling the figures turned out periodically by the Drug Enforcement Administration, the State Department, the National Institute on Drug Abuse, and various other agencies, as well as private organizations concerned with the drug problem, the known figures are just the tip of the iceberg. What is more measurable is the estimated economic cost of drug abuse—a whopping $60 billion a year, according to Time magazine.

Given the connection between narcotics and terrorism, it follows that whatever steps are taken to disrupt the international drug traffic will have a direct effect on international terrorism. They go hand in hand. Terrorists

use drug trafficking for two reasons—to finance their operations and to undermine the social, moral, and economic structure of target nations. In Latin America, for example, drug traffickers and guerrillas exchange arms and intelligence and share an apparatus for money laundering. The drugs are an immediate and reliable source of money and they serve as an international currency to fund terrorist activities and guerrilla warfare. Narco dollars finance arms and purchase phony passports for terrorists. Narco dollars pay for transportation, rent for safehouses for terrorists on the run, and a steady stream of American high technology out of the country.

Let me cite an example of how the narco-terrorism connection works. At a Senate hearing conducted by Senator JEREMIAH DENTON and me in Miami in April 1983, the role of Fidel Castro's Cuba in this nefarious business was unmasked. According to testimony we heard, Cuba benefited from drug shipments and sought to expand the drug market to gain even greater profits. Cuba supplied a safe haven for drug smuggling boats from South America with cargo bound for Western Europe and the United States. In return, Cuba got a slice of the drug profits and use of the boats to move arms to various points in Latin America for revolutionary activities.

The narco-terrorist conspiracy in South America is quite simple. Guerrilla organizations gain control over peasant populations in remote areas with rugged soil. The guerrillas persuade or intimidate peasants in countries such as Bolivia, Peru, Brazil, or Colombia to grow crops that are refined into cocaine or opium. Persuasion is not difficult when the farmer earns more money from these crops than others cultivated under uncertain market conditions. If persuasion does not work, fear does; guerrilla terrorists play rough.

It is standard practice for guerrillas to corrupt the local security forces with bribes, and the guerrillas then have the protection they need to operate and the money to buy arms and pursue their political objectives.

Guerrilla movements team up with terrorist groups and drug traffickers, each working separately for their own interest but working together when it is in their common interest. The end result is that legitimate structures are compromised, violence and terror are unleased, and human misery and degradation are left in the wake.

RECOGNITION OF SENATOR PROXMIRE

The PRESIDING OFFICER. Under the previous order, the Senator from Wisconsin [Mr. PROXMIRE] is recognized for not to exceed 5 minutes.

Mr. PROXMIRE. I thank the Chair.

WILL STAR WARS PROTECT AMERICA'S NUCLEAR DETERRENT? NO WAY!

Mr. PROXMIRE. Mr. President, what is the prime argument for star wars among those who support this program? Few informed advocates of the program contend that it can ever provide an impenetrable shield over America that can protect the millions of Americans who live in our cities from a nuclear attack. What purpose do the most optimistic supporters of star wars say it could serve? They say it could provide effective protection for America's nuclear deterrent. In doing so, they say, it would prevent the Soviets from launching a preemptive nuclear attack. As they see it, star wars would create at least a very strong doubt in the minds of the Soviets that they could expect to knock out America's capacity to respond to a nuclear attack with a devastating nuclear retaliatory strike that would finish off the Soviet Union as an organized society.

How about that? Could star wars give the United States the firm assurance that a sufficient number of our force of 10,000 stategic nuclear warheads would survive a Soviet attack, so that any such preemptive strike would be an act of certain suicide by the Soviets? Would the Soviets know that? Mr. President, if this were, in fact, the case, if star wars would provide such an essential protection for our deterrent, its proponents would, indeed, have a respectable argument for proceeding with this trillion-dollar project. So why is this argument for SDI or star wars not the clincher?

The answer is that right now, today, without star wars, the United States nuclear deterrent would survive any conceivable nuclear attack by the Soviet Union now—now. And it would survive such an attack in the foreseeable future. We do not need star wars. It adds absolutely nothing—zero—to our deterrent. And if this country has the wisdom to negotiate a mutual, verifiable agreement with the Soviet Union to halt the technological nuclear arms race by stopping the testing of nuclear weapons explosions, we can preserve that survival of our nuclear deterrent for the life of any such treaty.

This Senator is saying that we do not need star wars. We do not need it even in the unlikely event that it could be made to work reliably. It would not add any signficant degree of survivability to our nuclear deterrent. We have now, we can continue to have indefinitely, a nuclear capability the Soviets cannot conceivably destroy. If you doubt this, Mr. President, let me tell you why this is so.

First, if only 1 percent of the United States arsenal of more than 10,000 strategic nuclear weapons should be delivered on Russian cities, the National Academy of Science tells us the Soviet Union would be totally devastated with tens of millions instantly dead and their cities would be steaming, radioactive corpses. The Soviet Union knows this.

Second, there is absolutely no way the Soviets could knock out a substantial majority of America's nuclear deterrent let alone 99 percent of it. Here is why:

Third, 50 percent of the American nuclear deterrent is deployed on submarines. A substantial proportion of those submarines are at sea at all times. They are moving. They are invisible. They are so quiet they are hard to find and even harder to track. They are scattered throughout the immense areas of the world's oceans. Each one of our Trident submarines has the nuclear killing capacity over a period of months to destroy every major city in the Soviet Union. Those nuclear-armed American submarines that are in port could be at sea a very few minutes after a warning of a Soviet nuclear attack. Do these submarines need a star wars defense for protection? Of course, not.

Fourth, 25 percent of America's nuclear arsenal is carried on bombers that fly throughout the vast reaches of the Earth's air envelope at close to the speed of sound. Because of their mobility and the virtually unlimited areas in which they fly, the Soviets cannot possibly find and track this swiftly moving and devastating nuclear deterrent. Many of these bombers are in the air somewhere above the Earth at all times. Many more would be airborne within minutes in the event of a Soviet attack. Can anyone argue that this bomber deterrent would rely on a star wars defense to assure their invulnerability? Whom are we trying to kid? Star wars may or may not work. Most competent experts say it will not work. But the mobility and speed of our nuclear armed bomber force assures a substantial survival of this deterrent. Star wars at its very best would add nothing.

Fifth, how about our land based missiles? Presently our Minuteman missiles are stationary—nonmobile as well as land based. Star wars could provide some protection for this most vulnerable of our deployment that contains about one-fourth of our deterrent. But Congress has moved to make this deterrent mobile, with a "Midgetman" deployment that would increase the number of missiles and equip them with single warheads. So the Soviet attack would have to find these mobile Midgetman missiles and with each target hit, they would only take out a single warhead. Here is another reason why the 10-warhead stationary, land-based MX missile is such a vulnerable turkey.

Sixth, the American nuclear arsenal is certain to survive in very large part any Soviet preemptive strike without star wars for another reason. The Soviets would necessarily have to launch such an initial strike at different times. Seventy percent of the Soviet deterrent is located on stationary land-based missiles scattered throughout the vast recesses of the Soviet Union. If they were all launched at the same moment, they would arrive on their targets at different times because of the different distances. So the slowest and most distant weapon would have to be fired first and the time of the alert for U.S. submarines and bombers to leave base would be substantial.

Seventh, the coordination of such an attack by the Soviet Union would be immensely complicated. This is especially true because most of the American deterrent moving under the oceans in many separate submarines and through the air in many bombers would require marvels of Soviet communication technology—and computer technology to keep on track.

Do the Soviets have or is there any real prospect they will have in the foreseeable future such marvels of communication, tracking and computer coordination? Mr. President, if there is any absolute certainty in international military power, it is that the Soviets have an inferior communications technology and a truly primitive computer competence. Our Defense Department has estimated that the Soviets are far behind this country in computers and falling further behind all the time. One reason their industrial production is in such a shambles is their failure to master computer technology, either in the building of computers or their maintenance or their operation.

So does this country need to spend hundreds and hundreds of billions of dollars on star wars to protect our nuclear deterrent? No way. No possible way. This Senator has argued for years now that star wars will almost certainly not work. But even if it does work and work perfectly it will not do what its strongest supporters claim it will do. It will not provide any significance additional protection for America's nuclear deterrent.

FLEECE PROMPTING ARMY REFORMS

Mr. PROXMIRE. Mr. President, in January, I awarded my Golden Fleece of the month to the Army for losing more than $150 million the last 6 years because of military personnel leaving the service with unpaid bills.

Every year the Army discharges thousands of soldiers who owe the service tens of millions of dollars for everything from unpaid bar tabs to reenlistment bonuses they didn't deserve. A 4-month investigation I requested by the General Accounting Office uncovered that the Army is writing off or losing over $150 million in bad debts since 1980.

I am pleased to report, Mr. President, that the Army has informed me it is taking steps to correct this problem. For example, the Army reports that it is establishing more coordination between its military posts and its finance centers so fewer soldiers will leave the service owing money. The Army also believes that its collection rate will go up.

That is fine with me, Mr. President, because the Army's collection record could not have been much worse.

I hope the Army finally cleans up this debt collection problem, Mr. President. I will be monitoring very closely the reforms they make. I have also asked GAO to report on the debt collection programs the Navy and Air Force have.

Mr. President, I ask unanimous consent that my January Golden Fleece Award be printed in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

GOLDEN FLEECE—JANUARY 7, 1986

Senator William Proxmire (D-Wis.) Wednesday awarded his Golden Fleece for the month of January to the Army "for sleeping on guard duty and letting former service members skip away with over $150 million the last six years in unpaid bills."

"The Army's debt collection operation is so fouled up at this point, they'll need Rambo to rescue it," said Proxmire, who's a senior member of the Senate's Defense Appropriations Subcommittee. "Every year the Army discharges battalions of soldiers who owe the service tens of millions of dollars for everything from unpaid bar tabs to reenlistment bonuses they didn't deserve.

"A four-month investigation I requested by the General Accounting Office uncovered that the Army is marching backwards with these debts, writing off or losing over $150 million since 1980. But hold onto your collection plates, folks. Not only does the Army do little to retrieve tax dollars ex-service members have spirited away, but in many cases when a debtor comes back to the Army to pay off what he owes the Army refuses to take his money!

Proxmire awards a Golden Fleece monthly for the most wasteful, ridiculous or ironic use of the taxpayer's money.

"As far as debt collection goes," Proxmire said, "the Army's motto for this Sad Sack operation seems to be 'do not disturb.' Here's what the GAO found in reviewing a sample of Army debt collection cases this fall:

"A former service member, who owed the Army $942, mailed in an unsigned affidavit claiming he couldn't pay off the debt because he had no job, no money, no family, and no assets. The Army wrote off the debt even though it has in its hands a credit report showing the man had a wife, two kids, a job paying $23,000 a year, and a $70,000 house.

"One soldier, who was discharged because of drug use, left the Army with $973 in reenlistment bonus money that he owed back because he didn't serve his full term. Even though the ex-soldier had a low income as a stock clerk, he promised to pay $5 a month toward the debt. What did the Army do in response? It closed the case and relieved him of the debt.

"This one gets the 'Tough Negotiator Award.' An individual discharged for unsatisfactory performance owed the Army $3,800 for unearned re-enlistment bonus money and court martial fees. The debtor paid the Army $1,185 then wrote to ask if the service would compromise and thereafter require him to pay only $1,300 (for a total of about two-thirds of the debt) in ten monthly installments of $130 each. Hey, we'll go you one better, the Army responded. Seeing as how you're strapped for cash, pay us only $50 a month until things improve. What did the debtor do? Never paid the Army another dime. What did the Army do? Cancelled the debt.

"Before it decides whether to write off an uncollected debt, the Army is supposed to review a signed affidavit from the debtor detailing his financial condition. But GAO found that the Army was writing off many debts based on unsigned affidavits that were never even checked for authenticity. In one case, the Army wrote off an $822 debt from a former serviceman on a letter from his grandmother.

"And in the 'we'll-show-you category,' a former female service member, who owed the Army $545, remarried to an enlisted man currently in the Army. I'm a housewife with no income now, the woman told the Army, so take $50 a month out of my husband's Army paycheck to pay off the debt. No, we won't do that, said Army bureaucrats. So the couple made no more payments. And the Army eventually wrote off the debt.

"Instead of saying 'Be All You Can Be,' the Army's recruiting ads should say 'Steal All You Can Steal.' For example, for debts up to $600, if an ex-serviceman simply doesn't answer the Army's mail, Army collectors will eventually give up and wrote off the debt. GAO found all kinds of problems with the Army's debt collection operation: antiquated regulations, a sloppy management review system, and foot-dragging on solving the mess. The Army, for example, was told by GAO in 1981 it needed to reform its collections operation but so far the Army has sat on its hands.

"And to this day, most of the reforms the Army has made have been eyewash, such as writing off more debts and papering over the problem with accounting tricks to make the collection figures look better. But the bottom line is that over the last six years the amount of money escaping the Army through uncollected debts has more than doubled.

"The obvious solution to this problem is simply not letting service members leave the Army until they've worked off their debts. But the Army hasn't gotton off the dime to implement this major reform. Since these are taxpayer dimes that are missing, the Army doesn't seem to mind losing what amounts to loose change in its multibillion dollar budget. But $150 million is not loose change for the poor taxpayer."

MYTH OF THE DAY: WOMEN SHOULD BE BARRED FROM COMBAT

Mr. PROXMIRE. Mr. President, the myth of the day is that our armed services' combat exclusion policies en-

hance our national security. In reality, barring women from combat has resulted in complex and arbitrary restrictions that limit our military flexibility.

At the present time, each branch of the military has elaborate determinations for which specific assignments have high combat probability. These designations often change depending on the world situation so that in the Navy, for example, all assignments of women to ships in the 6th and 7th Fleets must be approved by the fleet commander. The fleet commander must review each case and use available intelligence resources to determine the likelihood of combat. Such time-consuming judgment calls may be manageable during peace-time, but they would be impossible in the crush of a war situation.

This became abundantly clear during the invasion of Grenada. A group of female military police deploying from Fort Bragg was sent back to the barracks three times before being allowed to deploy. Once in Grenada, they were recalled, and then, 3 days later, they were once again sent back to Grenada. That kind of confusion would only be magnified in a larger maneuver.

Women soldiers make up roughly 10 percent of our Armed Forces and are well integrated throughout. To keep tabs on all of them and try to restrict them from forward battle positions would not only be difficult, it would limit our flexibility and deprive the front-line of skilled female specialists.

This was underscored by Defense Secretary Weinberger in 1983 when he remarked to President Reagan that "what we've done is to say that until there is an actual imminence of war, (women) will be grease monkeys if they want to and things like that. But when it comes to actual combat, they will be substituted. It just makes it a little more difficult."

Not only would substituting women make things a little more difficult, it would be downright impossible. In fact, after Defense Secretary Weinberger's comment, Lawrence Korb, Assistant Secretary of Defense for Manpower, told reporters that men could not realistically be substituted for women in units preparing for combat. "Under many circumstances you just don't have that much warning. Women are an integral part of units," he said.

This was reinforced during the invasion of Grenada. A source in the Military Airlift Command said that female pilots, flight engineers and loadmasters were included in the Grenada crews because "to have excluded an aircraft simply because there was a woman on board would have lessened our reponse and reduced our effectiveness."

What's more, the combat exclusion policy is not burdensome only in times of war. It limits our flexibility now—each day that it is in effect. After terrorist attacks on several U.S. Embassies, the U.S. Marines decided that using female marines as Embassy guards is "inconsistent with national policy." Consequently, women were removed from guard posts despite the fact that their performance was said to be excellent. Can we afford to exclude competent female soldiers from every assignment that may be dangerous? These women are soldiers, after all. They knew the dangers involved when they chose the military as a career.

The fact is that we cannot afford to encumber our military commanders with combat restrictions that effect a large fraction of their troops. We must open up our combat billets to all qualified soliders in order to maximize our flexibility. The Pentagon proposed repealing the combat exclusion policies in 1979. Today women make up an even larger percentage of our Armed Forces and the need to lift the combat restrictions is that much greater. It is a matter of national security.

Mr. TRIBLE. Mr. President, I ask unanimous consent that the call for the quorum be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

METROPOLITAN WASHINGTON AIRPORTS TRANSFER ACT

The PRESIDING OFFICER. Under the previous order, the time until 11 o'clock shall be equally divided and controlled. The Senator from Virginia.

Mr. TRIBLE. Mr. President, over the past 2 days four Senators have voiced their opposition to the regional airports legislation. We have heard extended discussion about this measure, about the space program, and a lot of unrelated topics. The opposition to this bill is limited to a handful of Senators. They have sought to frustrate the will of the majority by filibustering the motion to proceed. That is, of course, their right. But now the time has come to invoke cloture so the Senate can work its will.

The reasons for this legislation are obvious and uncontroverted. The airports that serve our Nation's Capital, Washington National and Washington Dulles, are totally inadequate to meet the needs of the traveling public. They have been shackled by Federal control. In the environment of Gramm-Rudman-Hollings the Federal Government simply cannot and will not spend the hundreds of millions of dollars that are necessary to modernize these jetports. The only way to enhance these airports, to improve their services to all of our citizens, is to turn them over to an authority that can run them like all the other airports of our Nation and through the capital markets secure the huge sums of money—approaching $1 billion—that are necessary to improve these air gateways to our Nation's Capital.

Now, many aspects of this legislation have been criticized and certainly no bill is perfect. This measure reflects years of hard work, thought and compromise and received the support of a majority of Democrats and a majority of Republicans on the Commerce Committee. Indeed, the Commerce Committee voted 12 to 4 in support of this measure. I urge my colleagues to now permit us to proceed to the consideration of this legislation so that we can carefully consider the objections that have been raised.

Let me address the central argument advanced against this bill. It is alleged by some that this transfer is a giveaway and the Government should obtain huge sums of money for these properties. Well, first of all, under the terms of this bill, the regional airport authority would be required to pay $117 million, not an insubstantial sum by any means.

But why not more? Well, the properties at Washington National and Dulles would be priceless if, and only if, they could be put to their highest commercial use. But they cannot. These lands must be used as airports. They must be operated on a nonprofit basis to serve the public. Their bottom line is service, not profits. Let me repeat, these properties must be used as airports. They cannot be operated for profit. All air carrier airports in our country operate in that fashion.

How much then should the Government get? Well, market value is often based as an analysis of income. Here an income stream analysis would give the airports a value of zero. Well, that is not realistic, of course. So this legislation requires the authority to reimburse the Government for its hypothetical debt, $44 million. This sum represents the moneys the Federal Government has invested through the years in these airports and those dollars that have not yet been repaid. To require more would require the users of these airports to pay more than once for these facilities. That certainly is not fair.

In addition, the authority is required to assume a $37 million shortfall in the Federal pension fund for the airport employees and pay $36 million more to Maryland. All this adds up to over $100 million—$117 million to be exact. And be mindful that this transfer relieves the United States of a billion-dollar liability for necessary improvements at Dulles and National.

Finally, a higher sales price might bring more to the Treasury but it would make it difficult if not impossible for the authority to make the improvements that are essential and it

would simply amount to a tax on Washington travelers who will pay the airport costs through fares and user fees. The purchase price is not going to be exacted from Virginia or from the airlines but is going to come out of the pockets of our constituents, yours and mine, the travelers that use these airports.

I suggest to my colleagues the time has come for the Senate to move to the consideration of this measure. Let us debate the merits of this measure. Let us address the concerns that have been raised. Let us let the Senate work its will.

Mr. WARNER. Addressed the Chair.

The PRESIDING OFFICER. The Senator from Virginia.

Mr. WARNER. Mr. President, I join with my distinguished colleague in expressing our strongest sentiments that the time has come for the Senate to turn to the bill itself and work its wisdom. Senator TRIBLE has reviewed in some detail now on several occasions the major points. I have joined him as often as I could and will continue to do so throughout the consideration of this bill. In fairness, I say to my distinguished colleague from Maryland that he, too, has raised valid points and I think the Senate is now prepared to have both sides address these points in such a way that they can be resolved either through amendments, debate, or otherwise. I cannot think of any interests that the distinguished Senator from Maryland and perhaps others desire to protect that proceeding on the bill would not give equal protection. I think there is strong sentiment in the Senate now to minimize consideration of a motion to proceed and as often as possible we should go right to the bill and proceed to address the merits.

So, Mr. President, I encourage our colleagues to allow the Senate to work its will, since our colleague from Maryland and others have had adequate time now to raise those points which they think are germane to the issue on the motion to proceed.

Mr. President, I see the distinguished Senator from Maryland approaching his desk and I shall not at this time put in a quorum.

The PRESIDING OFFICER. Who yields time?

Mr. SARBANES. Mr. President, what is the time situation?

The PRESIDING OFFICER. The Senator from Virginia has 3 minutes remaining and the Senator from Maryland has 10 minutes remaining.

Mr. SARBANES addressed the Chair.

The PRESIDING OFFICER. The Senator from Maryland.

Mr. SARBANES. Mr. President, shortly we will be voting on the cloture motion on the motion to proceed to S. 1017, and I urge my colleagues to vote against it.

The argument has been made that we should get on to the bill and then try to amend it to address the problems that have been raised. The difficulty with that was set out yesterday by the junior Senator from Virginia when, in an exchange with one of our colleagues regarding an amendment to change the composition of the airport board authority, when he said "Well, this has been a very carefully-crafted arrangement, and if you change it, the arrangement will fall apart."

That is the difficulty here. This is an arrangement that involves local jurisdictions; and we, in effect, confront the situation that if we amend it in some "unacceptable" way to them on the floor of the Senate, they will no longer participate. So the notion that the Senate is "going to be able to work its will" is really within the framework of being very rigidly constrained.

There is a story in the morning paper of a private group that is prepared to offer up to a billion dollars for these two airports. This has just appeared. It is my first acquaintance with it. I do not know the merits of that. But it seems to me that, at a minimum, what it does is indicate that we need to take another look.

Mr. President, will the Chair inform me when I have 5 minutes remaining?

The PRESIDING OFFICER. Yes.

Mr. SARBANES. When you take another look, it may be that it does not appear as substantial as it does on its face. When you take another look, it may in fact be quite substantial. In any event, it underscores the point that these facilities are being disposed of below bargain basement sale prices.

Maryland paid the city of Baltimore, in 1972, $36 million for Friendship International Airport. At today's adjusted dollar figures—in other words, if you were to buy it today for that price in current dollars—you would pay just over $100 million.

That, of course, is only one facility, whose condition was markedly inferior to the condition of either of the two airports we are talking about here, and the availability of traffic was markedly inferior. Both National and Dulles are now turning a profit, a very substantial profit. In the instance of National, they have picked up flights. In 1985, Dulles showed a 47-percent jump.

The junior Senator from Virginia has approached this, unfortunately, as though there is some Maryland animus toward Virginia. I regret that, because that is not the case. We, in fact, want to see these airports improved and developed. Many of our residents use these airports, and many people coming into Maryland make use of them.

We are sensitive to the needs of the National Capital Airport. Maryland, in fact, has cooperated with Virginia on a range of issues. The senior Senator from Virginia has taken the lead in many of those efforts, including the one on the Chesapeake Bay, which I think is an outstanding example of intergovernmental cooperation.

The PRESIDING OFFICER. The Senator now has 4 minutes remaining.

Mr. SARBANES. I yield myself another 2 minutes.

Mr. President, there is no animus. We do believe that if these airports are to be devolved to the local level, it should be done in a way that is equitable to the States and that leaves open the possibility of fair competition. We do not think this bill does that, because both are placed in an authority, because Maryland has only 2 of 11 voices on the authority, because one airport can cross-subsidize the other.

We think the situation is so structured that over time it will result, obviously to all, in a grossly unfair competitive situation. We are happy to have a fair competitive situation.

I say to the junior Senator from Virginia that it is not correct that we are really trying to undercut our neighbor's efforts to engage in the same kind of development that Maryland undertook. In fact, we offered the proposition that Dulles should go to the State of Virginia comparable to BWI going to Maryland and then allow Virginia to proceed to develop it, and to develop it fully, both for airport purposes and in terms of economic development of northern Virginia and, indeed, of the entire State.

The PRESIDING OFFICER. The Senator's 2 minutes have expired.

Mr. SARBANES. I will continue on my time, Mr. President.

The article this morning about the offer to buy Dulles and National for up to $1 billion makes the point that we need to stop and take another look at this proposition. My assertion has been that enough questions have been raised, enough problems pointed out, that a wise and prudent approach to this issue would be to take another look at it, consider these objections, try to develop an approach which resolves them, and bring about a regional consensus.

Some might say, "Is that possible?" Well, I cannot guarantee it. I think that the makings of achieving that are here. I do not think you are going to be able to do it by amending this bill, because, as the junior Senator from Virginia has said, it has been carefully crafted, and if you change certain features of it, the participating parties are going to drop out. They are going to press for this current arrangement. That is not to say that if you went back and took another look, in light of the arguments that have been raised, the participating parties will not say, "Yes, those adjustments sound sensible, and we can handle them in the light of the changing circumstances."

We are confronting a different economic picture, a different financial picture. While perhaps the arrangement that is now being proposed is not quite as advantageous—and of course it is our assertion that what is contained in this bill is really close to a giveaway, it still makes sense.

I can understand my colleagues from Virginia pressing it. I would do the same thing if I were in their position. But it seems to me that there is some benefit that can be gained by a reexamination of this situation.

I gather that another cloture motion has been filed, to be considered the first of the week. If we do not invoke cloture today, there obviously will be no further votes on this matter today, because we would then be back in our current posture, with another motion to be considered the first part of next week, and I assume we would resume the debate that is taking place.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. HOLLINGS. Mr. President, we see again today in the Washington Post how the whole idea of selling National and Dulles Airports is wrong.

This legislation was prepared by a commission appointed by the Secretary of Transportation and told to come up with a "fix." They were not told to find alternatives or consider ways to improve upon the current situation at the airports.

The Holton Commission did not consider using the revenues of the airport and airway trust fund to improve the physical condition of National and Dulles. It did not consider alternative funding mechanisms.

Rather, it simply told Secretary Dole to give these airports away for $47 million.

How can anyone disagree that this legislation is a fix. We now see how a group of private investors are willing to put up more than $1 billion for these airports.

The value of these airports for exceed the sales price of $47 million. Private interests agree. The National Taxpayers Union agrees.

To give these airports away will in no way mandate the renovation that we all agree are necessary. The new authority could easily drag its feet in issuing any bonds.

Why, because it will cost a great deal of money to issue those bonds. And that money, which will be repaid by taxpayers and the traveling public, will not go to improve National and build the infield terminal at Dulles, but will go to lawyers and the like.

Of course, we have never considered any other course—such as changing the current law to allow the Metropolitan Washington airports to receive money from the aviation trust fund and use that money like other airports currently do.

We do not need to spin off our responsibilities to other political jurisdictions. Rather, we need to consider alternatives to this "fix."

We need to defeat S. 1017, and I urge my colleagues to vote no today.

The PRESIDING OFFICER. Who yields time?

The Senator from Virginia has 3 minutes.

Mr. TRIBLE. Mr. President, let me say, in conclusion, that there is no good reason for us not to proceed to the consideration of this measure. We have had 2 full days of discussion. The opponents have had an opportunity to raise their thoughts and concerns. Now the time has come for the Senate to work its will.

The suggestion has been made that there are offers outstanding to pay fabulous sums of money for this airport. The Senator from Maryland referred to an article in this morning's paper. There was no offer. The article says that if Congress is willing to look at privatization, then the group would begin to assemble the dollars necessary.

Does anyone think we are going to privatize our airports? If they do, then they must think, also, that we are going to privatize our interstate highway systems and let people set up tollbooths on those highways. That will not occur, because our airports are to serve the public and they are not intended to make a profit.

Let me put it very plainly. Any Senator concerned about his or her constituents traveling to Washington by air will find them experiencing growing difficulty, delay, and inconvenience. There is no Federal money to improve these important airports. In failing to enact this transfer, the air gateways to the Nation's Capital will become the bane of all travelers.

Our national interests require that these airports be enhanced and expanded so that they can provide quality service to all our citizens and the citizens of the world. That can be accomplished only by moving to the consideration of this measure, dealing with the concerns that have been raised, and then passing this measure.

I yield back the remainder of my time.

CLOTURE MOTION

The PRESIDING OFFICER. One hour having passed since the Senate convened, the clerk will report the motion to invoke cloture.

The legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, hereby move to bring to a close debate on the motion to proceed to the consideration of S. 1017, a bill to provide for the transfer of the Metropolitan Washington Airports to an independent airport authority.

Bob Dole, Paul Trible, Bob Kasten, Thad Cochran, Jake Garn, Mitch McConnell, Pete Wilson, Warren B. Rudman, Ted Stevens, Robert T. Stafford, John Danforth, Paul Laxalt, John Warner, Slade Gorton, Nancy L. Kassebaum, Dan Quayle, Pete V. Domenici, Al Simpson, Jesse Helms, and Chic Hecht.

CALL OF THE ROLL

The PRESIDING OFFICER. Pursuant to rule XXII, the Chair now directs the clerk to call the roll to ascertain the presence of a quorum.

The assistant legislative clerk called the roll and the following Senators answered to their names:

[Quorum No. 3]

Biden	Dixon	Johnston
Byrd	Durenberger	Sarbanes
Chiles	Evans	Trible
Cochran	Goldwater	Warner
D'Amato	Helms	

The PRESIDING OFFICER (Mr. DURENBERGER). A quorum is not present. The clerk will call the names of the absentees.

The legislative clerk resumed the call of the roll and the following Senators entered the Chamber and answered to their names:

Abdnor	Harkin	Nickles
Andrews	Hart	Nunn
Armstrong	Hatch	Packwood
Baucus	Hatfield	Pell
Bingaman	Hawkins	Pressler
Boren	Hecht	Proxmire
Boschwitz	Heflin	Pryor
Bumpers	Heinz	Quayle
Burdick	Hollings	Riegle
Chafee	Humphrey	Rockefeller
Cranston	Kassebaum	Roth
DeConcini	Kasten	Rudman
Denton	Kennedy	Sasser
Dole	Kerry	Simon
Domenici	Laxalt	Simpson
Eagleton	Levin	Specter
East	Lugar	Stafford
Exon	Matsunaga	Stennis
Ford	Mattingly	Stevens
Garn	McConnell	Symms
Glenn	Melcher	Thurmond
Gore	Metzenbaum	Wallop
Gorton	Mitchell	Weicker
Gramm	Moynihan	Wilson
Grassley	Murkowski	Zorinsky

The PRESIDING OFFICER. A quorum is present.

VOTE

The PRESIDING OFFICER. The question is, Is it the sense of the Senate that debate on the motion to proceed to consider S. 1017, a bill to provide for the transfer of Metropolitan Washington airports to an independent airport authority, shall be brought to a close.

The yeas and nays are automatic under the rule, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. SIMPSON announced that the Senator from Maine [Mr. COHEN], and the Senator from Missouri [Mr. DAN-

FORTH], the Senator from Idaho [Mr. MCCLURE] are necessarily absent.

I also announce that the Senator from Maryland [Mr. MATHIAS] is absent on official business.

Mr. CRANSTON announced that the Senator from Texas [Mr. BENTSEN], the Senator from New Jersey [Mr. BRADLEY], the Senator from Connecticut [Mr. DODD], the Senator from New Jersey [Mr. LAUTENBERG], the Senator from Vermont [Mr. LEAHY], and the Senator from Louisiana [Mr. LONG] are necessarily absent.

I also announce that the Senator from Hawaii [Mr. INOUYE] is absent because of death in the family.

I further announce that, if present and voting, the Senator from Vermont [Mr. LEAHY] would vote "nay."

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 50, nays 39, as follows:

[Rollcall Vote No. 43 Leg.]

YEAS—50

Armstrong	Gramm	Pell
Boren	Grassley	Quayle
Boschwitz	Hatch	Roth
Chafee	Hatfield	Rudman
Cochran	Hawkins	Simpson
D'Amato	Hecht	Specter
DeConcini	Helms	Stafford
Denton	Kassebaum	Stevens
Dixon	Kasten	Symms
Dole	Laxalt	Thurmond
Domenici	Lugar	Trible
Durenberger	Matsunaga	Wallop
East	Mattingly	Warner
Evans	McConnell	Weicker
Garn	Murkowski	Wilson
Glenn	Nickles	Zorinsky
Gorton	Packwood	

NAYS—39

Abdnor	Goldwater	Metzenbaum
Andrews	Gore	Mitchell
Baucus	Harkin	Moynihan
Biden	Hart	Nunn
Bingaman	Heflin	Pressler
Bumpers	Heinz	Proxmire
Burdick	Hollings	Pryor
Byrd	Humphrey	Riegle
Chiles	Johnston	Rockefeller
Cranston	Kennedy	Sarbanes
Eagleton	Kerry	Sasser
Exon	Levin	Simon
Ford	Melcher	Stennis

NOT VOTING—11

Bentsen	Dodd	Long
Bradley	Inouye	Mathias
Cohen	Lautenberg	McClure
Danforth	Leahy	

The PRESIDING OFFICER. If there are no other Senators who desire to cast their vote, then on this vote the yeas are 50, the nays are 39. Three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is not agreed to.

SCHEDULE

Mr. BYRD addressed the Chair.

The PRESIDING OFFICER. The Democratic leader.

Mr. BYRD. Mr. President, may we have order in the Senate. I wish to ask the majority leader about the program.

The PRESIDING OFFICER. May we have order in the Senate. Those Senators who are carrying on conversations in the well and in the aisles, please take those conversations to the respective cloakrooms.

Mr. BYRD. Mr. President, I wish to inquire of the distinguished majority leader what the schedule is for the rest of today and Monday and at what point today, if there are going to be any more rollcall votes, and beyond what time may we expect not to have rollcall votes and on Monday what the situation is? I believe a cloture motion has been introduced on yesterday which would mature on Monday for another vote.

Mr. DOLE. Mr. President, I do not think there will be any more votes today, I would say to my colleagues on both sides. We will continue to debate this issue. There will be a cloture vote. It is scheduled for Monday, but if we can get an agreement to have that vote come on Tuesday, I can accommodate Members on both sides. Otherwise, it will come on Monday. We will file another cloture motion today so we have another cloture vote on Tuesday.

Mr. BYRD. Would the distinguished majority leader be willing to put the request at this time for the cloture vote to occur on Tuesday? Mr. SARBANES and others are on the floor.

Mr. DOLE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. COCHRAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

FRANCES McMURTRAY NORRIS, ASSISTANT SECRETARY OF EDUCATION

Mr. COCHRAN. Mr. President, I am delighted that the President has nominated and the Senate has confirmed Frances McMurtray Norris as Assistant Secretary of Education for Legislation.

Frances Norris is a native of Jackson, MS. She graduated from the University of Mississippi and earned her masters degree from the University of Kentucky. She served as a staff assistant to two Members of our Mississippi congressional delegation, Congressman SONNY MONTGOMERY and Congressman TRENT LOTT. She impressed me during those years as one of the most capable and dependable staff members who worked in the House of Representatives.

Since joining the Department of Education as Director of the Office of Legislative Liaison, Frances Norris has proven to be an effective member of the administration's team. She has steadily moved up the ladder to become Deputy Assistant Secretary for Legislation, and now she is the Assistant Secretary.

Mr. President, I am very proud of the work and the accomplishments of my friend and constituent, Frances Norris.

I commend the chairman of the Labor and Human Resources Committee, Senator HATCH, for the prompt action on this nomination. I am pleased that the Senate has confirmed her as Assistant Secretary without objection from any Senator. I am confident she will serve in this new capacity with honor and distinction.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. SIMPSON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. GORTON). Without objection, it is so ordered.

FORMER PRESIDENTS FACILITIES REFORM ACT

Mr. SIMPSON. Mr. President, after conferring with the Democratic leader, I ask unanimous consent that the Senate turn to the consideration of calendar item No. 555, H.R. 1349, to reduce the cost of operating Presidential libraries.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The clerk will state the bill by title.

The assistant legislative clerk read as follows:

A bill (H.R. 1349) to reduce the costs of operating Presidential libraries, and for other purposes.

The Senate proceeded to consider the bill, which had been reported from the Committee on Governmental Affairs, with an amendment to strike out all after the enacting clause, and insert the following:

That this Act may be cited as the "Former Presidents Facilities Reform Act".

RESEARCH AND MUSEUM FACILITIES

SEC. 2. Section 2101(1) of title 44, United States Code, is amended by inserting before the semicolon a comma and "and may include research facilities and museum facilities in accordance with this chapter".

PRESIDENTIAL ARCHIVAL DEPOSITORIES

SEC. 3. (a) Section 2112(a) of title 44, United States Code, is amended to read as follows:

"(a)(1) When the Archivist considers it to be in the public interest, the Archivist may—

"(A)(i) accept, for and in the name of the United States, land, a facility, and equipment offered as a gift to the United States

for the purposes of creating a Presidential archival depository;

"(ii) take title to the land, facility, and equipment on behalf of the United States; and

"(iii) maintain, operate, and protect the land, facility, and equipment as a Presidential archival depository and as part of the national archives system;

"(B)(i) make agreements, upon terms and conditions the Archivist considers proper, with a State, political subdivision, university, institution of higher learning, institute, or foundation to use as a Presidential archival depository land, a facility, and equipment of the State, subdivision, university, or other organization, to be made available by it without transfer of title to the United States; and

"(ii) maintain, operate, and protect the depository as a part of the national archives system; and

"(C) accept, for and in the name of the United States, gifts offered for the purpose of making any physical or material change or addition to a Presidential archival depository.

"(2) The Archivist shall promulgate architectural and design standards applicable to Presidential archival depositories in order to ensure that such depositories (A) preserve Presidential records subject to chapter 22 of this title and papers and other historical materials accepted for deposit under section 2111 of this title and (B) contain adequate research facilities.

"(3) Prior to accepting and taking title to any land, facility, or equipment under subparagraph (A) of paragraph (1), or prior to entering into any agreement under subparagraph (B) of such paragraph or any other agreement to accept or establish a Presidential archival depository, the Archivist shall submit a written report on the proposed Presidential archival depository to the President of the Senate and the Speaker of the House of Representatives. The report shall include—

"(A) a description of the land, facility, and equipment offered as a gift or to be made available without transfer of title;

"(B) a statement specifying the estimated total cost of the proposed depository and the amount of the endowment for the depository required pursuant to subsection (g) of this section;

"(C) a statement of the terms of the proposed agreement, if any;

"(D) a general description of the types of papers, documents, or other historical materials proposed to be deposited in the depository to be created, and of the terms of the proposed deposit;

"(E) a statement of any additional improvements and equipment associated with the development and operation of the depository, an estimate of the costs of such improvements and equipment, and a statement as to the extent to which such costs will be incurred by any Federal or State government agency;

"(F) an estimate of the total annual cost to the United States of maintaining, operating, and protecting the depository; and

"(G) a certification that such facility and equipment (whether offered as a gift or made available without transfer of title) comply with standards promulgated by the Archivist pursuant to paragraph (2) of this subsection.

"(4) Prior to accepting any gift under subparagraph (C) of paragraph (1) for the purpose of making any physical or material change or addition to a Presidential archival depository, or prior to implementing any provision of law requiring the making of such a change or addition, the Archivist shall submit a report in writing on the proposed change or addition to the President of the Senate and the Speaker of the House of Representatives. The report shall include—

"(A) a description of such gift;

"(B) a statement specifying the estimated total cost of the proposed physical or material change or addition and the amount of the deposit in an endowment for the depository required pursuant to subsection (g) of this section in order to meet the cost of such change or addition;

"(C) a statement of the purpose of the proposed change or addition and a general description of any papers, documents, or historical materials proposed to be deposited in the depository as a result of such change or addition;

"(D) a statement of any additional improvements or equipment for the depository associated with such change or addition;

"(E) an estimate of the increase in the total annual cost to the United States of maintaining, operating, and protecting the depository that will result from such change or addition; and

"(F) a certification that the depository, and the equipment therein will, after such change or addition, comply with the standards promulgated by the Archivist pursuant to paragraph (2) of this subsection.

"(5) The Archivists may not—

"(A) accept or take title to land, a facility, or equipment under subparagraph (A) of paragraph (1) for the purpose of creating a Presidential archival depository;

"(B) enter into any agreement under subparagraph (B) of such paragraph or any other agreement to accept or establish a Presidential archival depository; or

"(C) accept any gift under subparagraph (C) of such paragraph for the purpose for making any physical or material change to a Presidential archival depository,

until the expiration of a period of 60 days of continuous session of Congress beginning on the date on which the Archivists transmits the report required under paragraph (3) of this subsection with respect to such Presidential archival depository or the report required under paragraph (4) of this subsection with respect to such change or addition, as the case may be.".

(b) Section 2112(g) of title 44, United States Code, is amended to read as follows:

"(g)(1) When the Archivist considers it to be in the public interest, the Archivist may solicit and accept gifts or bequests of money or other property for the purpose of maintaining, operating, protecting, or improving a Presidential archival depository. The proceeds of gifts or bequests, together with the proceeds from fees or from sales of historical materials, copies or reproductions, catalogs, or other items, having to do with a Presidential archival depository, shall be paid into an account in the National Archives Trust Fund and shall be held, administered, and expended for the benefit and in the interest of the Presidential archival depository in connection with which they were received, and for the same purposes and objects, including custodial and administrative services for which appropriations for the maintenance, operation, protection, or improvement of Presidential archival depositories might be expended.

"(2) The Archivist shall provide for the establishment in such Trust Fund of separate endowments for the maintenance of the land, facility, and equipment of each Presidential archival depository, to which shall be credited any gifts or bequests received under paragraph (1) that are offered for that purpose. Income to each such endowment shall be available to cover the cost of facility operations, but shall not be available for the performance of archival functions under this title.

"(3) The Archivist shall not accept or take title to any land, facility, or equipment under subparagraph (A) of subsection (a)(1), or enter into any agreement to use any land, facility, or equipment under subparagraph (B) of such subsection for the purpose of creating a Presidential archival depository, unless the Archivist determines that there is available, by gift or bequest for deposit under paragraph (2) of this subsection in an endowment with respect to such depository, an amount for the purpose of maintaining such land, facility, and equipment equal to—

"(A) the product of—

"(i) the total cost of acquiring or constructing such facility and of acquiring and installing such equipment, multiplied by

"(ii) 20 percent; plus

"(B)(i) if title to the land is to be vested in the United States, the product of—

"(I) the total cost of acquiring the land upon which such facility is located, or such other measure of the value of such land as is mutually agreed upon by the Archivist and the donor, multiplied by

"(II) 20 percent; or

"(ii) if title to the land is not to be vested in the United States, the product of—

"(I) the total cost to the donor of any improvements to the land upon which such facility is located (other than such facility and equipment), multiplied by

"(II) 20 percent; plus

"(C) if the Presidential archival depository will exceed 70,000 square feet in area, an amount equal to the product of—

"(i) the sum of—

"(I) the total cost described in clause (i) of subparagraph (A); plus

"(II) the total cost described in subclause (I) or (II) of subparagraph (B)(i), as the case may be, multiplied by

"(ii) the percentage obtained by dividing the number of square feet by which such depository will exceed 70,000 square feet by 70,000.

"(4) If a proposed physical or material change or addition to a Presidential archival depository would result in an increase in the cost of facility oprations, the Archivist may not accept any gift under subparagraph (C) of paragraph (1) for the purpose of making such a change or addition, or may not implement any provision of law requiring the making of such a change or addition, unless the Archivist determines that there is available, by gift or bequest for deposit under paragraph (2) of this subsection in an endowment with respect to such depository, an amount for the purpose of maintaining the land, facility, and equipment of such depository equal to the difference between—

"(A) the amount which, pursuant to paragraph (3) of this subsection, would have been required to have been available for deposit in such endowment with respect to such depository if such change or addition had been included in such depository on—

"(i) the date on which the Archivist took title to the land, facility, and equipment for such depository under subparagraph (A) of subsection (a)(1); or

"(ii) the date on which the Archivist entered into an agreement for the creation of

such depository under subparagraph (B) of such paragraph, as the case may be; minus

"(B) the amount which, pursuant to paragraph (3) of this subsection, was required to be available for deposit in such endowment with respect to such depository on the date the Archivist took such title or entered into such agreement, as the case may be.".

APPLICABILITY

SEC. 4. Paragraphs (3) and (4) of section 2112(g) of title 44, United States Code (as added by the amendment made by section 3(b) of this Act) shall apply with respect to any Presidential archival depository created as a depository for the papers, documents, and other historical materials and Federal records pertaining to any President who takes the oath of office as President for the first time on or after January 20, 1985.

STUDY OF MUSEUM OF THE PRESIDENTS

SEC. 5. (a) The Archivist of the United States, in consultation with the Secretary of the Smithsonian Institution and the National Capital Planning Commission, shall study the demand for, and the cost, and space and program requirements of, establishing a museum of the Presidents. With respect to such costs, the study shall examine the feasibility of establishing and operating such museum exclusively with non-Federal funds.

(b) Each Federal agency shall cooperate with the Archivist in conducting the study required by subsection (a).

(c) In the annual report for fiscal year 1986 required by section 2106 of title 44, United States Code, the Archivist shall include a statement of the results of the study required by subsection (a) and any recommendations of the Archivist with respect to establishing such a museum.

AMENDMENT NO. 1704

(Purpose: To revise the short title, and for other purposes)

Mr. SIMPSON. Mr. President, I send an amendment to the desk on behalf of Senator ROTH to the committee amendment in the nature of a substitute.

The PRESIDING OFFICER. The clerk will state the amendment.

The assistant legislative clerk read as follows:

The Senator from Wyoming [Mr. SIMPSON], for Mr. ROTH, proposes an amendment numbered 1704.

Mr. SIMPSON. I ask unanimous consent that further reading be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

In the first section, strike out "Former Presidents Facilities Reform Act" and insert in lieu thereof "Presidential Libraries Act of 1986".

On page 7, line 1, strike the word "purposes" and insert in lieu thereof "purpose".

On page 11, line 18, after the word "it" insert the word "to".

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 1704) was agreed to.

Mr. SIMPSON. I move the adoption of the committee substitute as amended.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment in the nature of a substitute as amended.

The committee amendment in the nature of a substitute as amended was agreed to.

Mr. ROTH. Mr. President, I rise in support of this legislation to stop and reverse the increasing costs of establishing, maintaining, and operating Presidential libraries for our Nation's former Presidents.

In fiscal year 1985 more than $15 million, according to GAO, was allotted for the maintenance and operation of the seven existing Presidential libraries housing the papers and memorabilia of Presidents Hoover, Franklin Roosevelt, Truman, Eisenhower, Kennedy, Johnson, and Ford, and the archival work related to the Nixon and Carter papers. While the initial construction costs of the libraries are provided by private funding, the escalating costs for maintenance of each of the libraries are borne by the National Archives.

Mr. President, it is not disputed that former Chief Executives should be treated fairly and with dignity. However, escalating costs in these times of necessary financial restraint mean it's time to tighten the management of benefits to former Presidents.

This bill is needed to reduce the taxpayer costs associated with Presidential libraries and to strengthen the role played by the Archivist of the United States in preserving, protecting, and sharing our Nation's heritage.

One purpose of this legislation therefore is to strengthen the Archivist's ability to assure that the building, equipment, and other facilities comply with minimum standards. The Archivist will set forth architectural and design standards applicable to Presidental libraries in order to ensure that such libraries: First, preserve Presidential records subject to chapter 22 of title 44 and papers and other historical materials accepted for deposit under section 2111 of title 44 and; second, contain adequate research facilities.

The terms "architectural" and "design" standards are not intended to imply the Archivist will rigidly set forth what a library facility will look like. They are intended to mean the Archivist will establish functional requirements for an archival depository and museum. The facade of a facility, for example, would not be dictated by the standards to be promulgated by the Archivist.

The provision regarding the Archivist's authority to promulgate minimum standards for Presidential libraries shall take effect upon enactment of this legislation and shall apply to all libraries past, present, and future.

This legislation is also needed to ensure that establishing Presidential libraries is well coordinated, that their operation is cost effective, and that the libraries are subject to some carefully defined limits.

Mr. President, Presidential libraries must be subject to strong cost discipline and effective controls. This illustrates a second purpose of this bill and that is to establish a new mechanism for funding the ongoing operational costs of future Presidential libraries.

Under the new mechanism, the Archivist cannot accept or take title to any land, facility, or equipment, or enter into any agreement to use any land, facility, or equipment, to create a Presidential library unless the Archivist determines an endowment equal to at least 20 percent of both (A) the total cost of acquiring and constructing the library facility and related equipment, and (B) the total cost of acquiring (or such other measure of value as is mutually agreed upon by the Archivist and the donor) the land on which the facility is situated if title to the land is to be vested in the United States or the cost to the donor of any (other than facility or equipment) improvements to the land on which the facility is situated if title is not vested. Income from the endowment will be earmarked and used to help pay for operating and maintenance costs of the library.

If the library facility exceeds 70,000 square feet in area, the Archivist must determine that a proportionately greater endowment be available for any space which exceeds 70,000 square feet. The additional endowment amount is to be determined as follows: The product of the total cost of acquiring and constructing the facility plus the total cost of acquiring or improving the land upon which the facility is located, multiplied by the percentage obtained by dividing by 70,000 the number of square feet exceeding 70,000.

The purpose of the additional endowment requirement is to reduce substantially taxpayer costs that would be associated with the operation and maintenance of space exceeding 70,000 square feet. A facility of 70,000 square feet is adequate for a Presidential library. While larger facilities are not precluded, an additional endowment would be necessary.

Additional endowment requirements are also imposed if a proposed change or addition to a Presidential library would result in an increase in the costs of facility operations. The Archivist may not accept any gifts or implement any provisions of law to make such a change or addition unless the Archivist determines there is available an additional amount for deposit in the respective endowment to help cover the additional costs. The additional amount shall be equal to the difference between the amount which would have been required for deposit in the initial endowment if the change or ad-

dition had been included as part of the facility, or the date the Archivist took title or entered into an agreement in order to establish the library and the amount which was actually required.

These space and endowment requirements will apply to any Presidential library pertaining to any President who takes the oath of office as President for the first time on or after January 20, 1985. These endowment and space requirements will reduce the taxpayer cost of operating future Presidential libraries.

Mr. President, I would also like to briefly discuss how the Senate bill differs from the House-passed bill. The differences are as follows:

First, future Presidential libraries with more than 70,000 square feet would require a larger percentage endowment for the amount in excess of 70,000;

Second, in his report to Congress on a proposed Presidential library, the Archivist would be required to provide additional and more specific information than is required under current law;

Third, the requirement that the Archivist promulgate minimum standards of archival suitability would be made explicit rather than implicit;

Fourth, proposed physical or material changes or additions to future Presidential libraries pertaining to any President who takes the oath of office as President for the first time on or after January 20, 1985, would be subject to all the requirements of the Presidential Libraries Act as amended by this legislation.

Mr. President, documents and papers of former Presidents are a legacy of infinite value. Each President's papers should be collected in a single location for the education of the public as a whole and as a tool of scholarly research.

Nevertheless, many Members, including myself, have argued in congressional hearings that the law pertaining to funding of former President's libraries has been inadequately monitored. This bill places a reasonable set of controls on Presidential libraries, saves tax dollars, and maintains the Congress' affirmation of a national policy that each former President be treated with due respect and dignity.

Mr. President, I am an original cosponsor and a strong supporter of this bill and I urge its immediate adoption.

Mr. CHILES. Mr. President, the Presidential Libraries Act of 1986, the bill before us today, amounts to title I of S. 1047, the Former Presidents Act of 1985.

That bill contains a comprehensive, three-pronged approach to end what I have termed the era of the "Imperial Former Presidency." It is sponsored by myself and 19 other Senators, including the distinguished chairman of the Governmental Affairs Committee, Senator ROTH.

Establishing reasonable limits on the Federal spending which goes to Presidential libraries is one of the three prongs; the other two deal with limits on office staff and allowances, and automatic—for life Secret Service protection.

We separated the libraries title from the comprehensive bill because the House has already acted upon that part. It is my expectation that amendments made by the Senate to H.R. 1349 will be acceptable to the House.

The administration has indicated support for similar legislation.

With Senate passage, I believe we can look forward to this bill becoming law very soon.

The Committee on Governmental Affairs has passed the rest of the former Presidents bill.

I hope the full Senate will consider shortly those parts of the overall strategy to reform this area of Federal spending.

Mr. President, this is the fourth Congress in which I have introduced and worked on legislation to reform the programs which provide benefits to former Presidents.

They are certainly entitled to live a dignified life as elder statesmen for our country. They are not entitled to commercialize the office of Presidency.

Today's action to pass the Former Presidents Libraries Act represents genuine progress. It looks like we will make it to homeplate with this part. That is a momentum builder. I am encouraged we can achieve the total legislative package this session.

Over the years, the laws providing benefits to our Nation's former Presidents have developed piecemeal and with little regard to their overall impact.

The levels of expenditures have exceeded original expectations, both in terms of the amounts and the purposes for which funds are spent. All together, the spending has ballooned from $63,745 in 1955 to over $26 million today. In the case of Presidential libraries, the cost has grown from $63,745 in 1955 to about $19 million last year.

Since 1981, the expense of former Presidents has cost more than the expense of running the White House itself for our incumbent President. That is a reason why I believe Congress has permitted an environment which allows for "An Imperial Former Presidency." Today's action will help effectively end the practice of contributing to this environment in the category of Presidential libraries. It is not appropriate for a Presidential library to resemble a mausoleum. It is appropriate that a library be an adequate facility to preserve our national heritage.

During hearings on the Old Library Act, it was estimated that each additional library would cost about $100,000 annually. With seven libraries now in existence, that cost approximates $2 million per year per library. It is roughly estimated that the new endowment and space requirements of this bill will halve taxpayer costs to future Presidential libraries.

For example, had the provisions of this bill been in effect since the inception of the Presidential library system, appropriated funds might have been reduced in fiscal 1984 from $15 million to less than $8 million.

Let me make clear this legislation will apply to Presidential libraries established for Presidents who follow President Reagan. While space and endowment requirements will not be binding on our sitting President. It is my hope he will take this opportunity to set the example for future Presidents. In brief, the bill:

Establishes the Archivist of the United States as responsible for managing Presidential libraries. The Archivist is to create architectural and design standards for the construction of Presidential libraries by private parties. The Archivist may accept—as private gifts or pursuant to agreements with State or local governments, institutes, or foundations—land, facilities and equipment as are needed to operate and maintain a Presidential library.

Prohibits the Archivist from making any agreement for a Presidential library unless he determines an endowment equal to 20 percent of the total cost of the facility is provided. Income from the endowment will be earmarked and used to help pay for the operating and maintenance costs of the library.

Requires all new libraries to be in a single facility whose size shall be limited to 70,000 square feet, unless an endowment is provided to pay for the operating and maintenance costs associated with any additional space beyond the limit.

Requires the Archivist to submit a library prospectus to Congess for a 60-day review period before the Archivist may act to accept responsibility to operate and maintain a library. The submission must include an estimate of all Federal costs associated with the library and an estimate of the annual cost to the Government for operation and maintenance. All modifications for new libraries will be subject to similar congressional review requirements.

Mr. President, I am delighted to see the statement in support of the bill by the distinguished chairman of the committee [Mr. ROTH]. I urge adoption of the bill.

The PRESIDING OFFICER. The question is on engrossment of the com-

mittee amendment and third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

Mr. SIMPSON. I move to reconsider the vote by which the bill was passed.

Mr. CHILES. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. SIMPSON. Mr. President, I thank the distinguished Senator from Florida for his assistance and indeed for the essence of the bill, which has very good bipartisan support. It is an excellent measure. I certainly concur in the remarks the Senator made.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. TRIBLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

METROPOLITAN WASHINGTON AIRPORTS TRANSFER ACT

The Senate continued with the consideration of the motion to proceed to consider the bill (S. 1017).

Mr. TRIBLE. Mr. President, today, the Senate declined to adopt cloture and cut off debate on the motion to proceed to the consideration of the airport legislation. A second cloture vote will be scheduled for Tuesday, and at that time it is my hope—indeed, my anticipation—that 60 Members of the Senate will agree to proceed, so that we can consider this important legislation.

I emphasize that we remain blocked from that consideration. We are attempting to proceed to a consideration of the legislation; and once the Senate agrees that that step should be taken, as I believe it will do early next week, we will have ample opportunity to debate and consider the concerns that have been expressed on this floor in the last several days.

It is the judgment of this Senator that it is important to all our citizens that we enhance the airports of National and Dulles, that those airports be modernized and expanded to provide better service to all. Given the limitations of Government to undertake that task, it is essential that these airports be spun off to an authority that will have the opportunity and the ability to effectively manage modern jetports in this day of deregulated air traffic and move into the capital markets to raise the substantial funds necessary to enhance, expand, and modernize the facilities.

My colleague from Maryland and others have raised concerns about the value of these properties and whether the taxpayers are being sufficiently compensated. Others have expressed concerns that the regional airport commission should be broader based and should have larger representation from other parts of the country. Other concerns have been raised. These concerns will be addressed and met fully by the proponents of this legislation.

I believe that once the Senate has an opportunity to work its will, once my colleagues in the Senate address the issues before us, they will be convinced that this is a necessary step; that by modernizing these airports, all people will be benefited; and that this legislation, which has been carefully crafted over many years—legislation which is the result of a long and difficult process—does fairly represent the interests of all our citizens, whether we live in Virginia or Maryland or the District of Columbia, or whether our citizens hail from other parts of the country.

At some point soon, I will proffer a unanimous-consent request on behalf of the leadership on both sides of the aisle, that would carry these proceedings over until next week and call for a vote on cloture at a time certain on Tuesday. I say that so that all my colleagues on both sides of the aisle will know that there will be no more votes today.

I see my distinguished colleague from Maryland in the Chamber, and I know that he, too, has some thoughts and perhaps concerns to share at this point. So I will yield the floor, so that the Senator from Maryland can address this issue and whatever else comes to his mind.

The PRESIDING OFFICER (Mr. HECHT). The Senator from Maryland.

Mr. SARBANES. Mr. President, I want to commend the Senate for the vote that was cast earlier today in refusing to invoke cloture on the motion to proceed to this regional airport legislation.

As we know, invoking cloture takes 60 votes, under the rules of the Senate. It is a long-established part of Senate procedure and is designed, as we know, to protect the right of Senators to debate at some length on matters that are sought to be brought before the Senate or on matters that have in fact come before the Senate.

The reasons for that are valid, in my view. I do not argue for unlimited debate, and of course the cloture motion offers a way of restraining debate. But I do think it is important to have this opportunity to lay out in some detail the defects that one may see in a proposal that is sought to be brought before the Senate.

I think that this legislation, in some respects, is a classic example, because it was legislation on which Members of the Senate were not focusing, and it was intended to be seen as a problem only local to this area. I think the full implications of the issues here are now more broadly appreciated than they were a couple of days ago, when this debate began.

The question has been put: Why debate the motion to proceed to the legislation? Why not let the legislation get before the Senate and then try to amend it?

The answer to that is that it could be contended that the difficulties inherent in the bill are such that what really should happen is that an effort should be made to go back—not to the drawing board, because much of the underlying preliminary work has been done—to addressing how to deal with these two airports, and to look again at the recommendations and how they should be put together.

Second, it is very clear that if the measure should be before us, we are going to run into an argument that it really cannot be amended because to amend it would be to alter the arrangements that have been reached and are embraced in this legislation.

That consideration came out yesterday in the debate, and I was in a sense pleased that it was laid before the Senate because I think it, to some extent, has been unspoken. It has been lying behind what has happened, resting behind it. It was part of the exchange the Senator from South Dakota and my colleague from Virginia had in which the Senator from South Dakota was talking about trying to change the nature of the members of the authority; in other words, to have more appointed by the President, less by the three jurisdictions.

He was told in response to that position—I am quoting now from page S3120 of the RECORD:

> I will say to the Senator the reason I suggested it would kill this bill is that this bill is based on a compact passed by the State of Virginia and city of the District of Columbia that reflects this carefully crafted balance arrived at.
>
> Each of us can disagree as to what kind of representation we would want for the various parties. But we have many different interests here. It is very difficult to reconcile those interests to everyone's satisfaction.
>
> It we undo this agreement, then this particular legislation is at an end, and it would be necessary to begin this long and difficult process once again.

I want to make two observations about that. First of all, in a sense the argument is being advanced that you cannot really amend this thing. On the one hand, we are being told, "Let us get the bill up. If we get it up, you can amend it in order to address a lot of these problems." But it is very clear to me, and I think this exchange which I just quoted demonstrates it, that if in fact the bill gets up, then we are going to be told, "You really

cannot amend the bill this way because if you do, these arrangements involving these local jurisdictions will fall apart."

Now, that, of course, means that Members who come and say, "I do not really think this is the way it should have been done; wouldn't it have been better to do it differently," or "I think this provision is overly generous, or too restrictive, whatever it may be, are going to run into the counterargument.

The proponents of S. 1017 will say, "Well, now, this was carefully crafted, balanced, and we might disagree as to what should have been done, but it had been difficult to reconcile these interests to everyone's satisfaction, so therefore, we really cannot accept your amendment."

It is in anticipation, in part, of that situation that the Senator from Maryland has presssed the issue substantively. I think at least as I considered this matter over the last couple of days my comments have been addressed to the substance of the legislation and to the substantive arguments with respect to it. I do not accept the assertion that has been made that this is simply procedural. In other words, I think there is substance here and the Senate has to weigh that before it even gets into the bill. Because if it wants to get to the bill it is going to run into the argument that you cannot really change it because you will undo the arrangements. Therefore, if the arrangements seem unsatisfactory to Members, what they need to do is to say so now so an effort will be made to go back and undo the arrangements.

That brings me to the next point that was made by my able colleague from Virgina yesterday in the exchange where he said, in effect, that if the arrangements were undone, if we did not go with these arrangements, this whole thing would end and you would have to begin the long and difficult process once again.

I do not agree with that. The long and difficult process involved a commission. It involves studies. It involves sorting out a lot of different proposals. It seems to me that you do not have to go back to the beginning of that process. What you have to go to is the point at which the recommendations were in a sense put together or the arrangements were determined as to what was to be put in place.

Obviously, that is in a sense a judgment call. What would be involved would be going back to the Secretary, consulting with the local jurisdictions involved and with Members of Congress in a way to address some of these questions and problems raised and to see if a different balance could be struck that would be satisfactory to all of the parties involved.

I have indicated on the floor that I do not perceive any of the concerns of difficulties raised as being of such a fixed character that there is no possibility to address it in the circumstances. In other words, my view of it is that these are in fact issues that can be worked out. I do not see them as irreconcilable. I do not see such a basic division on some of these questions that there is no way to work something out.

That is not to say that it can be worked out because people may take a very rigid position. But on most of these issues—we have talked about the sales price, cross-subsidy, the composition of the airport authority, protection from noise for those people living in the flight pattern at Washington National Airport, the terms of Federal access to the airports—all of those are issues that I think an objective observer or a professional mediator, someone really from outside, could look at and say, "I see ways to put this together that would address the problems that are confronted."

I am prepared to concede to my colleague from Virginia that that balance would not be, I would not anticipate, as favorable as the balance that is in S. 1017 for Virginia. But then, of course, this balance, as people have pointed out, is so heavily tipped that it is really very, very one-sided.

In one instance, it is at the expense of the Federal taxpayer on the disposal price. In another instance, it is unbalanced against a fair competitive environment for Maryland in dealing with these other regional airports. In another instance, it is unfairly balanced for constituents in Maryland and indeed to some degree in Virginia who would be impacted by noise from the operations at the Washington National Airport.

We have worked for years to get some limitations on the noise at that airport. It has not been easy to accomplish, and it should not be given away.

A number of our colleagues live outside of the area. There is a tendency for those of us here to see it as a more regional issue, and I recognize that, and of course it has fallen to me to make the case as seen from a Maryland view and I am quite comfortable in making that case, because I think the balance here is not a fair and equitable one.

I indicated earlier in the debate that, in my view, the Federal Government must, whenever possible, act with impartiality in affairs affecting individual States. The efforts of the Federal Government should favor no one State or jurisdiction at the expense of another.

And it is very clear to me that S. 1017 does not comply with what I think is a fair governing principle in terms of how the Federal Government relates to the States of the Union. In other words, it ought not to be tipping the balance, particularly in such a heavy and gross manner as occurred in this instance.

Now, other colleagues, though, have noted the broader national interests in the operation of these two airports. Actually, there is a broad national interest in the operation of three airports in the National Capital area: Washington National, which is really located within 10 minutes of downtown District of Columbia; Dulles International Airport, which is located in Virginia; and Baltimore-Washington International Airport, which is located between Washington and Baltimore; BWI and Dulles being roughly the same distance from downtown District of Columbia. So that they are positioned, in a sense, in a parallel posture with respect to Washington, DC, with respect to the Nation's Capital. Washington National, of course, is right here, just across the Potomac River.

Now, this question of access from elsewhere in the country to the Nation's Capital is not merely a local question. The able Senator from South Dakota, Senator PRESSLER, yesterday touched on the importance to his constituents of being assured of adequate flights into the National Capital area. And, if one stops and thinks about that for a moment, it seems to me an obvious concern that Members ought to have.

I think the debate thus far has been helpful in getting that point across. I think more and more Members are beginning now to say to themselves, "Well, we really need to take a more careful look at this legislation."

Some Members disagree with the premise of the legislation. In other words, they do not believe that the Federal Government should devolve itself of these two airports, which were federally built and have been federally operated from their inception. And they make strong arguments in that regard.

Other Members accept the proposition that they should be devolved, that the Federal Government should get out of the business of running these two airports, which, as it has been pointed out in the debate, are unique. So I do not make much of that point.

The fact the Federal Government operates these two airports is historically traced to the fact that they were built by the Federal Government, which, at the time of their building, was really the government of the District of Columbia. At that time, the District of Columbia did not have home rule and it was essentially governed by the Federal Government, which, of course, then, in a sense, as a local jurisdiction, had to concern itself with air access to the Nation's capital.

Now, there are a number of Members of this body who accept the proposition that the Federal Government should get out of the business of running the airports. However, the question of how you get out of that business, on what terms and conditions, is not an irrelevant question.

In other words, someone may agree with that proposition and yet disagree with a particular way of doing it, and, in fact, disagree with the particular way of doing it that is embraced in the legislation, S. 1017. In other words, you may accept a general concept, in this instance, that it is an objective to be sought for the Federal Government to cease to operate these two airports—in this instance own and operate these two airports—and yet disagree with a particular proposal put before you on how that is to be accomplished, because the framework for doing it and the terms and conditions for achieving it are unacceptable, are perceived as not being wise and just.

The National Taxpayers Union has taken just such a position. In a letter to Members of this body urging a no vote on this bill, they say:

> Although we agree that the Federal Government should get out of the business of owning and managing airports, we are appalled at the ridiculously low sale price placed on these valuable properties.

And further along, they say:

> In addition, the transfer and future improvements are to be financed with tax-exempt bonds over a 30-year period. This adds up to a double soaking of the taxpayer.

So what you have are some Members who have serious questions about changing the arrangement to begin with. And they have their own proposals as to how to improve the service at the airports. I do not know that there is any Member who is in disagreement with the desirability of upgrading the facilities and the service. Certainly, this Member is not in disagreement with that objective.

But some Members think that the question which Secretary Dole would not even allow to be examined, and that is whether the airports should be transferred, that question was ruled off limits for this Commission which she established. And, of course, there are some Members who regard that as being a legitimate question to be addressed at the very threshold.

There are other Members who accept the proposition that a transfer should take place, but have very strong differences with the method and the terms outlined in this legislation for accomplishing that.

I hope that those who do not find themselves in either of those two groups would look very carefully at the legislation, because I think the more you look at it, the more questions you ask about it, the more you think through the provisions of the legislation, the more Members will conclude that, even if transferring the properties away from the Federal Government is desirable—even if—the way of doing it that is contained in S. 1017 is not the way to do it.

This debate has been addressed very largely to that question, and, of course, it has covered a number of areas that are embraced under it.

Mr. TRIBLE. Will my colleague yield?

Mr. SARBANES. Surely.

Mr. TRIBLE. What does the Senator from Maryland propose that we should do in order to achieve improved service? My colleague says he has no disagreement over improving service and he has set forth a number of objections raised by a number of Senators operating from different viewpoints. What specifically does the Senator from Maryland suggest as being acceptable to him?

Mr. SARBANES. Well, there are a number of possibilities. The Senator from South Carolina in discussing the issue in fact said that users of the Washington airports have paid significant amounts of money into the Airport Trust Fund, that the fund has a very large surplus in it, that it is simply being held there although it is supposed to be pledged to and used for the purpose of airport improvements. That is why the money was raised, and that in fact it should be turned loose for this purpose.

He then goes on to point out that the indirect cost to the Treasury involved in a tax-free revenue bond approach for improving the facilities, which is what is provided for in this legislation, would become very close to balancing off what would be involved through the direct investment from the trust fund.

That is one approach.

Mr. TRIBLE. May I ask a question? Is that the Senator's view on what should be done? The Senator from South Carolina says we ought not to transfer these airports from the Government but that the Government should continue to manage and direct their affairs.

He then argues, as the Senator from Maryland has correctly noted, that there is a great fund of money that is potentially available for the upgrading of these airports.

Mr. SARBANES. My own view is it is worth looking at. The Maryland people who were on the Holton Commission—and I was one of them—were of course bound and constrained within the charge that the Secretary gave which has that we were to simply look at transferring them. The question of whether they should be transferred was not open for examination. The question was simply how it was to be done. We tried in that context to be positive and constructive about this matter, and put forward a number of suggestions—one that would have transferred Dulles to Virginia to be operated much the way Baltimore-Washington is operated, and then to transfer National to a multijurisdictional authority, including representation at the Federal level which is of course something that Senator PRESSLER from South Dakota has underscored is very important.

If one were to do that and have that separation, then the authority of the airport at National would have related to a financing mechanism much like what is in S. 1017. Dulles could have related in part to that but in addition would have had the support or the sustenance of the State of Virginia just as Baltimore-Washington International Airport has the support and sustenance of the State of Maryland.

In fact, the State of Maryland bought that airport in 1972 for $36 million. At today's dollars that will be just over $100 million for that facility.

Of course, here both of these facilities, Washington and Dulles, are vastly superior to the condition of BWI in 1972. BWI has come a long way now, but that is in part because the State has put in, in current dollars, another $180 million in investment over the intervening 14 years.

But both Dulles and National today are facilities superior to the condition of Friendship Airport in 1972. Yet, the price for them is less than what was paid for Friendship in current dollars 12 years ago.

Mr. TRIBLE. Will the Senator yield?

Mr. SARBANES. Surely.

Mr. TRIBLE. Perhaps we can work our way now through some of the smoke screens of arguments that have been advanced because there are a number of concerns expressed. But what I want to define precisely is what it is the Senator from Maryland is about.

He said I am not afraid of competition. I recognize the desire to improve Washington National and Washington Dulles. How do we go about that process?

Specifically, it seems now the Senator from Maryland is saying I am not opposed to the transfer of these airports but we ought to split Dulles and National up. Is that what the Senator is saying? Is that what the Senator seeks?

Mr. SARBANES. The Senator does not believe that both airports should be put in the same authority along with the ability to underwrite the expenses at one airport by the revenues from another.

Mr. TRIBLE. That is prohibited by the legislation.

Mr. SARBANES. It is not prohibited. There is language in S. 1017 designed to appear as a prohibition, but it is nothing of the sort. This is a very important point. I am grateful to the Senator from Virginia for raising it be-

cause I really want to talk about it a little bit.

Mr. TRIBLE. Let us talk about it. We have the balance of today.

Mr. SARBANES. It is a pretty critical issue. One of the very real difficulties with this legislation is this notion that in fact such activity is prohibited.

Mr. TRIBLE. I am prepared to talk about it.

Mr. SARBANES. I am prepared to go ahead.

The section I assume the Senator is referring to is on pages 41 and 42 of the bill. Would that be correct? I think this is the only provision. That says "notwithstanding any other provision of law" that you cannot use the landing fees or the parking revenues at one airport for maintenance or operating expenses at the other airport.

But it is very interesting because when it mentions operating expenses, it says in parentheses, to make it very clear that it is "excluding debt service, depreciation and amortization." So in effect you can use the parking revenues and the landing fees for capital costs at one airport on the basis of what is derived from the other airport.

That, of course, is an exception that swallows the rule. In other words, capital costs are such a significant part of the expenses at an airport that the prohibition against using these landing fees or parking revenues for maintenance or operating means knowing if in fact they can be used for capital costs.

Does the Senator wish to respond to that point?

Mr. TRIBLE. I think the Senator simply underscores his objection to any and all actions to improve and enhance these airports.

Mr. SARBANES. No, I am perfectly happy to have each airport stand on its own. I am even prepared to have Virginians take over Dulles and put into it a significant investment just as Maryland did with Baltimore-Washington International Airport. But I do not think you can call it fair competition to allow the revenues from one airport, in this instance National, which is highly profitable, to be used to underwrite the costs at another, Dulles, thus allowing unrealistically low charges and placing BWI at a competitive disadvantage.

That is not fair. You have three airports that serve the Metropolitan Washington area. It ought to be possible to structure an arrangement where they are in fair, reasonable and equitable competition with one another. This bill does not do that.

Mr. TRIBLE. Why is the Senator so afraid of competition?

Mr. SARBANES. I am not afraid of competition. I just do not want unfair competition. Let us compete without giving an unfair advantage to one of the competitors.

Mr. TRIBLE. There is no benefit to splitting up these airports. Indeed, no one does it. Other cities such as cities like New York, Chicago, Los Angeles, Kansas City, Houston do not divide their airports. They put them all together, and we proposed during the Holton Commission, and in the course of our discussions here, that all of these airports, including BWI, be encompassed by one airport authority. That idea was dismissed out of hand.

Mr. SARBANES. That was never fully examined by the commission. Let me simply take the New York example. The three airports there, LaGuardia, Kennedy, and Newark, which are under the New York-New Jersey Port Authority, are governed by a board of 12 commissioners, 6 each appointed by the Governors of New York and New Jersey. They have absolutely equal membership. These individuals serve without compensation for overlapping 6-year terms. The charter of the authority grants broad powers with one important check and balance mechanism. Either Governor may elect to block actions of the board by exercise of a veto. Either Governor may veto it.

Now, that is the regional consensus. That means that you are really not going to do anything if you do not have a consensus. I am searching to try to find a consensus.

The point I am trying to make is that that has not been developed here and you are having a structure and a scheme, as it were, imposed. I talked yesterday about the fact that the charter of this authority is by legislation of the Virginia General Assembly and the city council of the District of Columbia, period. Listen to this one. Under the Virginia statute, you do not even have to give notice that you are going to change these regulations, which may affect very important issues like noise and the curfew and the hours of flights. You have to give notice of that in two places. You have to post the notice in the office of the authority. Actually, it does not even say you have to post it. All it says is you have to make it available for public inspection. So it does not even say you have to post it in the office of the authority. You could simply have it there to be available. And the other place is in a newspaper of general circulation in the political subdivision where the authority's facilities are located. Contrast the Port Authority of New York and New Jersey and their arrangement with this arrangement.

Mr. TRIBLE. Will the Senator yield?

Mr. SARBANES. It is like day and night. I yield to the Senator.

Mr. TRIBLE. If Maryland chose to become a part of this regional approach by placing its airport along with these other two, then obviously the composition of the regional authority would be quite different.

Mr. SARBANES. That is something to be worked out in advance.

Mr. TRIBLE. That idea has been seriously advanced and the answer has always been a resounding no.

Mr. SARBANES. Governor Hughes was asked that question when he testified before the Senate Commerce Committee and he said Maryland would be prepared to look at that. He was not prepared to commit himself to it absolutely, which I think is sensible and prudent, because you do not know what it is you are being asked. It is like the very point I made earlier. There may be something to the concept, but whether it is something you want to do or not depends on the details and the fine print.

I dare say if someone says to the Senator, "Here is this business contract," he may think it is a good idea, but he does not commit to it until he reads what it is all about. That is my problem with this bill—I start reading what it is all about.

The earlier assertion of the Senator was that this cross-subsidy was not permitted. It is in fact permitted. Now the Senator is shifting his argument and saying even if it is permitted, what difference does it make. But that is a shift from the previous assertion that it is not permitted. It is clearly permitted here. And, second of all, even the revenues that can be used are not limited. It says landing fees and parking revenues. What about the money that comes from lease development with respect to property, which is now becoming an even more significant source of revenues for airport authorities all around the country? What about that money? The Senator from South Carolina pointed this out yesterday. He took some provisions and he said, now look, they start out as though they are providing in one direction and then the next thing you know there is an exception or a modifying clause and you discover that the provisions with which you started out have in effect been rendered meaningless. Listen to this one, just to take an example. This legislation says that the real and personal property constituting the metropolitan airports authority shall during the period of the lease, which is 35 years—after the period of the lease all restraints are off, which I think is a problem with this legislation, but during the period of the lease "be used only for airport purposes." The real and personal property shall be used only for airport purposes.

Well, that sound pretty good. That sounds like it is being restrained. We are seeking to guarantee that this real and personal property is only going to be used for airport purposes. Then later it says, "For the purposes of this paragraph, the term 'airport purposes'

includes a use of property interest for aviation business or activities."

Well, that sounds pretty good, too—for aviation business or activities, but it then goes on to say "or for nonaviation business or activities that provide revenue for the airports authority." So on the one hand you say it is restricted to airport purposes. Then you say airport purposes means aviation business or activities, which all sounds reasonable. And then you take it a step further and you say, "or for nonaviation business or activities providing revenues for the authority."

So you set out and you appear to be developing a limitation and then through a very careful use of language you discover that it is no limitation at all.

Now, that is not the only example. I talked earlier about the limitation on the use of the revenues, which I assert is no limitation at all because, among other things, captial costs are not covered and therefore if you can cross-subsidize the capital costs, it does not matter that you cannot cross-subsidize for operating costs. You simply pick up the problem on the capital cost side, and that section is very clear because it even says, to make it clear that these costs would not be part of operating expenses, "excluding debt service, depreciation, and amortization." So that is no restraint at all.

Let me give you another example of this sort of give with you one hand and take away with the other. On page 38, talking about the Federal use of these facilities, it says—this is at the top of page 38—"In addition, all airport facilities shall be available to the United States for use by Government aircraft in common with other aircraft at all times without charge."

Well, that sounds pretty good. You say, "Well, at least the Federal Government is transferring these two airports." It is doing it at a ridiculously low price, and that it is not really receiving a proper return, but it does say that "these facilities shall be available to the United States for use by Government aircraft at all times without charge."

But there is not a period there. It does not stop at that point. And this section goes on to say—the section which just seems to give you the use of the airport facilities for Government aircraft without charge—"except if the use by Government aircraft is substantial, a charge may be made for a reasonable share, proportional to such use of the cost of providing, operating, and maintaining the facilities used."

So once again you have the appearance of holding something out and then when you read the entire section, you realize it has been taken away. Here is the Federal Government, which owns and operates these facilities, has put huge sums of money into them, is about, under this legislation, to transfer them to this authority at a price far below any price that any appraiser, outside observer, has thought reasonable, and then even on this small matter of the use of the facilities, we are now told that the Government aircraft are going to pay a charge. So that is an instance, as I indicated earlier, where the exceptions to the rule swallow up the rule.

The same example on the previous page. It says:

> The airports authority shall furnish without cost to the Federal Government for use in connection with any air traffic control and navigation facilities, or weather reporting and communication activities related to air traffic control at these airports, such areas of land or water or rights in buildings at the airports as the Secretary considers necessary or desirable for these purposes.

So, in other words, it is saying that the authority has to furnish without cost to the Federal Government land or water or rights in buildings for these air traffic control and navigation facilities, which is, of course, important to the airport itself.

You say that is pretty good. They are doing it without cost. Except that the provision goes on to say: "including construction at Federal expense of additional space or facilities."

So, once again, you have in this instance the Federal Government, the very body that is transferring these airports, doing it at prices that are below the bargain basement—they are sub, sub, sub bargain basement prices—but in two instances here where it appeared that there was some sensitivity to the Federal concerns, it turns out that a further bill is being imposed on the Federal taxpayer: One, that they construct at Federal expense these air traffic control facilities and, two, that they pay for the use of the airport.

It is more difficult here, because these airports are different from the normal airports. They have been federally owned and federally controlled. They are not being transformed at anything that begins to approach their real value. So there is a tremendous subsidy being provided just in the very fact of the transfer and the figure at which the transfer is taking place.

That, in itself, is a tremendous subsidy which the Federal Government is furnishing at the very time when we are confronting extraordinarily difficult budget questions in Congress, the Federal deficit question; when we are searching for ways to avoid slashing programs or ways of diminishing the deficit. So it is not as though there is a lot of revenue at this level to spare. Just the contrary.

In that respect, we find that there was a story in the morning paper about private interests being willing to pay up to $1 billion for these facilities. I do not know the merits of that proposal. There are a lot of arguments that can be made both ways on it, I assume. But it gives an indication of what kind of valuation knowledgeable and informed people place on the value of these assets that are being transferred here.

Mr. TRIBLE. Mr. President, will the Senator yield for a question?

Mr. SARBANES. I yield.

Mr. TRIBLE. Does the Senator suggest that we should privatize these airports?

Mr. SARBANES. What the Senator is suggesting is that this offer makes it very clear that another look needs to be taken at the proposal before us.

As I said, I do not know the substance of that proposal, and therefore I am in no position to comment on its substance. But the fact that knowledgeable people believe they can pay this kind of figure, $1 billion, and still make it work financially, puts an enormous question mark, to put it mildly, over S. 1017, which proposes to transfer these facilities at figures well below $100 million, well below 10 percent of that figure. That is the point to be drawn. The real point to be drawn from that is that we had better stop and look at this thing again.

I say to my friend from Virginia that, in some respects, the analysis that was made on the financial situation of Dulles, which was used by the Holton Commission, is dated now. That analysis is not valid any more. The passenger usage at Dulles increased 47 percent in 1985. There is a whole new financial dynamic there.

We have a piece of legislation here resting upon the recommendations of a commission. The commission made its report 15 months ago. The studies it considered predated that by a considerable amount of time; and in a fast-changing business, what has happened is that a lot of events have changed. Dulles is showing a profit. Before, it was not showing a profit. It has had this tremendous increase in usage. So the financial analysis which to some extent was the underpinning for the Holton Commission's recommendations and led the majority, I think, to reach certain conclusions is no longer valid.

You would not make a business deal this way. You would be looking to see what the latest circumstances were, what changes have taken place, what was proper in the current climate—not referring back to something that was the case 18 months or 2½ years ago.

Mr. TRIBLE. Mr. President, will the Senator yield?

Mr. SARBANES. I yield.

Mr. TRIBLE. I have listened with special attention to the Senator's comments over the last several days. He has shown great courtesy to this Senator.

The establishment of Dulles Airport was vigorously opposed by the public officials in Maryland. Throughout the intervening decades, every effort to improve or expand the operation of that airport has likewise been opposed. I am struck by the fact that that tradition is carried on here in this debate today. My colleague from Maryland has artfully seized every possible argument against this transfer, and there is no way in the world they can possibly be satisfied, as is evidenced by our brief colloquies here today.

The purpose of transferring these airports was to improve and expand their operations, and the concept is that the airports that are part of one region should be operated in concert. There should be a regional approach. It is for that reason that Maryland was offered the opportunity to join and place BWI in that regional airport mix, and that opportunity was declined.

My colleague has said that the operations at Dulles had been growing, and indeed they have, at a rapid rate. But that simply underscores the need for action on our part, because it increases substantially the unmet needs of that airport. In order to accommodate growing traffic at Dulles, it is essential that those facilities be enhanced by better parking, an improved transportation system, the establishment of midfield terminals. Those terminals can only be built and those facilities can only be improved if these airports are unshackled from the Federal Government.

Let me take a moment to respond to some of the points my colleague has raised.

The Senator from Maryland has suggested that we ought to split up these airports, the idea being that Maryland has something that is working well at BWI; Maryland wants to hold on to that. Virginia, you can have Dulles, and we will let some other authority operate National. But that benefits no one.

If we are going to meet the concerns of this metropolitan area and realize the tremendous opportunities at hand, we have to begin speaking with one voice; we have to adopt a regional approach to our transportation requirements. That is what argues for the establishment of this airport commission.

Other cities approach it in the same way. I have enumerated some of those cities here today: Chicago, Los Angeles, Kansas City, Houston, New York City.

Once again, that regional approach was rejected by Maryland, just as Maryland now opposes this bill.

For the life of me, I cannot understand why there is this concern about increased competition. BWI is a marvelous facility. In the past 5 years it has had exploding growth—7 million passengers. It is a very successful enterprise, and for that, the officials of Maryland are to be applauded. But that hardly argues, it seems, for opposition to resist efforts to improve Washington National and Washington Dulles. These airports serve very discrete geographic and population areas. Dulles is not in competition with BWI, and BWI is not in competition with Dulles.

The Council of Governments survey showed that only 60 percent of the people using BWI would prefer Dulles, and 5 percent using Dulles would prefer BWI. These airports are not involved in some kind of zero sub-game. With slot allocation at National and dynamic growth of this region, the challenge is for all our airports to be able to meet the expanding requirements of our population.

The Senator has raised a number of other concerns. Let me just touch on some of them.

The argument is made that in some way the linking of these two airports will put BWI at some competitive disadvantage. The reality is that BWI is experiencing explosive growth and is viable today and will be viable for the long term.

Moreover, these airports are not in competition, as the Council of Governments survey illustrates. They draw from different areas.

Focus has also been placed on the question of cross-subsidy. That is an issue that was much debated in the Commerce Committee.

The Maryland concern at that point was that landing fees would be manipulated in such a way that BWI would be placed at a disadvantage. The truth is that carrier decisions are driven by the market price and not by landing fees.

But in order to try to meet the concerns of Maryland, Senator FORD offered an amendment which was adopted and is part of this legislation, which puts at an end the practice that Maryland has complained most about and that is subsidizing Dulles operation through a uniform landing fee at Dulles and National. This legislation says that that cannot be done.

Yet after thorough debate——

Mr. SARBANES. Mr. President, will the Senator yield on that point?

Mr. TRIBLE. I am happy to yield.

Mr. SARBANES. This legislation says that the landing fees at Dulles cannot be underwritten?

Mr. TRIBLE. The bill specifically says, and I refer to page 41 of the bill from which the Senator has referred heretofore:

> Notwithstanding any other provision of law, no landing fee imposed for operating an aircraft or revenues derived from parking automobiles—
>
> (A) at Washington Dulles International Airport may be used for maintenance or operating expenses including debt service—

Mr. SARBANES. "Excluding," not "including."

Mr. TRIBLE. I understand, and I will address that.

Mr. SARBANES. It is a very important point that the Senator said, "including" rather than, as the bill said, "excluding," because that really goes to the heart of the point that landing fees in one airport can in fact be used to underwrite capital costs at another.

If you underwrite the capital costs with the landing fees then it frees you up in terms of how you address your operating and maintenance. You do not have to use the landing fees to underwrite maintenance and operation because you are using the landing fees to underwrite the capital costs, so you get the benefit of it over there and then you just turn around and go ahead and do it as though you could do it directly. You accomplish indirectly what you appear to be prohibiting directly.

Mr. TRIBLE. Let me reclaim my time simply to complete the thought and then I will be happy to engage the Senator in animated discussion of this or any other issue.

Let me complete the reading of that provision.

> Notwithstanding any other provision of law, no landing fee imposed for operating an aircraft or revenues derived from parking automobiles—
>
> (A) at Washington Dulles International Airport may be used for maintenance or operating expenses (excluding debt service, depreciation, and amortization) at Washington National Airport; or
>
> (B) at Washington National Airport may be used for maintenance or operating expenses (excluding debt service, depreciation, and amortization) at Washington Dulles International Airport.
>
> (9) The Airports Authority shall compute the fees and charges for landing general aviation aircraft at the Metropolitan Washington Airports on the same basis as the landing fees for air carrier aircraft, except that the Airports Authority may require a minimum landing fee not in excess of the landing fee for aircraft weighing 12,500 pounds.

As I was indicating, the concern seems to be that somehow there will be some cross-subsidy here that will place BWI at some competitive disadvantage in terms of landing fees.

The first point is that landing fees do not influence carrier decisions but rather carrier decisions are driven by the marketplace. Landing fees represent less than 2 percent of carrier cost, I tell my colleague from Maryland.

In spite of the fact that landing fees at BWI are higher, BWI has had much more explosive growth over recent years that is the real-world example of the fact that the concern about landing fees is overstated at best.

But in order to try to meet that concern, Senator FORD put forth this provision which does in a fundamental way meet the cross-subsidy concerns

expressed by the Senator from Maryland.

There was an exclusion for debt service and depreciation, to simply permit the authority to pledge revenues for both airports when issuing bonds for projects. The reason for that is twofold: This bill directs the authority to undertake improvements at both airports at once and complete those within 5 years. It will be a monumental undertaking, a substantial capital cost, and we thought it was simply counterproductive to restrict the ability of this airport authority to undertake that tremendous capital investment which we are requiring them to take with dispatch.

So I think that section is a straightforward one. I think it is fair. I do not think in any stretch of the imagination it can be argued convincingly that this places BWI at some kind of competitive disadvantage.

Indeed, the only thing that would be accomplished by including debt service and depreciation would be to drive up costs to the users of that facility, and only marginally, but to drive them up and place a burden on the citizens of all our States who intend to use these facilities.

Let me touch on a couple of other issues while I have the floor. I do this not so much because I think people are listening but because the Senator and I have had so much fun over the last several days I kind of hate to see the week come to an end; I hate for either of us to have time to spend doing something else, but rather think perhaps we should focus our full time and attention on this particular enterprise.

The Senator has raised the question of noise. This is not a matter of far-reaching interest to the citizens beyond the metropolitan area, but for all of us, wherever we live in the metropolitan area, whether we live in Virginia, Maryland, or District of Columbia, it is a matter of surpassing interest because we are all impacted by the operations of Washington National and we are all concerned about the impact of noise on our lives.

Now, the Senator from Maryland has made much of the fact that the committee-adopted amendment would transfer to the new operating authority the very same responsibility for regulating aircraft nighttime noise as other airports enjoy around the country. As I pointed out in our debate, the committee added language that makes it very clear that although we believe that this authority should have some operational flexibility that if changes are made in the nighttime noise structure they should only be made in such a way that the overall noise burden is not increased.

Night flights are a highly controversial issue. Community groups would like to bar all the night flights. Carriers would like the right to operate new, quieter equipment after 10 p.m.

Because of that, the administration and the commission attempted to resolve the question by a statutory freeze of the nighttime rule.

One interesting thing happened: I found that both community groups and the carriers objected. Both argued that the authority should have the power to change the nighttime rule. Both community groups and the carriers were unsatisfied. Both wanted the right to argue their case. Both agreed to be fair to both sides, the authority should be able to adjust the rule in either direction.

And that was the genesis for the amendment.

Now, knowing as I do how these regional authorities work, knowing that the members of this authority will be residents of our metropolitan area, recognizing that they all will have experienced firsthand the noise problems, it is my sense that if changes are made that the noise burden will be reduced and not increased. If I were not convinced of that, I would not have offered the amendment. Indeed, the amendment would not have passed the committee.

We know, moreover, that if changes are made the authority cannot increase the noise burden on our metropolitan area.

There are a whole host of other issues and I hate to address them all today because I want to leave something for next week. We will have an opportunity to debate this more, I am sure, in the days ahead.

But I want to address one other item which has been discussed. The Senator from South Carolina has made the point that there really is no reason for us to transfer these facilities because the Federal Government has plenty of money and the Federal Government can undertake the modernization program which will require the expenditure of up to a billion dollars. That is simply not the case. Although that had been suggested here, I do not know of anyone who actually believes that.

There are dollars in the airport trust fund but in order to expend those dollars, it requires a specific appropriation and that expenditure of dollars is recorded on the unitary budget of the Federal Government. Can you imagine this body operating in the environment of Gramm-Rudman-Hollings adding hundreds of millions of dollars to the Federal deficit in order to improve these facilities?

Obviously not. It simply will not occur.

There has not been a major investment in either of these airports in over 20 years. And yet some Members literally suggested that the Congress will do better in the days ahead. The Congress will not, the Congress cannot, and it is time, I suggest, we get on with the job of enhancing these airports, making these airports worthy of serving the Nation's Capital.

Finally, I would simply point out there is absolutely no precedent for this kind of expenditure from the airline trust fund and in order for us to make this kind of investment we would have to change the rules of the game. That is simply not going to occur. So that argument, like so many arguments we have heard over the last few days, might sound mighty attractive on first blush but will simply not withstand critical attention.

Mr. President, I yield the floor.

(Mr. McCONNELL assumed the chair.)

Mr. SARBANES. Mr. President, I want to address just two or three of the points which the Senator from Virginia made.

First of all, I would say to him that landing fees are a part of the marketplace. Now, what percentage of the marketplace they are is a different question. But I do not think you could exclude them out of the marketplace, as the Senator said. They are clearly part and parcel of the marketplace and one of the costs a carrier encounters in the calculation they have to make when they are figuring where to put in service as between competing airports.

Second, the Senator from Virginia generously spoke about what has been done at BWI and its growth and so forth. I only want to note that the fastest growing airport, in terms of passenger usage, is Dulles International Airport. There is no airport in the country that came close last year to the 47-percent increase in passenger usage that took place at Dulles.

Finally, on the noise and the nighttime hours, it was my contention that what should have been worked out is a provision that carried over the current restriction on nighttime flights, leaving it possible to move in a direction of less noise but eliminating the possibility of moving in a direction of more noise. That has been fought about for years. It was only recently that we got any limitation in at all. And to simply give it up now is really just to start the battle all over again.

I do not know about the community groups in the Senator's State but the community groups in my State certainly do not agree with that. And I think if this ever happens, and if what I fear will happen on the noise front takes place, I think it is going to be traceable back to this amendment.

Let me just put into the RECORD the minority views in the committee with respect to the amendment on nighttime noise restrictions at National Airport.

The provision giving the new airport commission power to revise the nighttime noise

restrictions at National was added by the Committee as an amendment to S. 1017 a full 2 months after the bill was originally ordered reported. It will most certainly result in the eventual easing of those restrictions and an increase in late night flights into Washington's principal airport.

Why is this amendment needed in the first place? Current FAA regulations specify that all flights in and out of National after 10 pm and before 7 am are restricted by noise levels. The original approach endorsed by supporters of S. 1017 was to freeze these rules in place for the 35-year duration of the lease. Then the same people who claimed that the Holton Commission had worked out every detail of the bill, turned around and wanted to amend it. Since no one has proposed an earlier curfew at National, we can only conclude that the reason for giving the local authority this power is to pave the way for more late night flights.

Let me repeat that sentence.

Since no one has proposed an earlier curfew at National, we can only conclude that the reason for giving the local authority this power is to pave the way for more late night flights.

Originally, the Committee agreed to try to resolve this issue on the Senate floor. However, supporters of the bill panicked at the thought of 100 Senators, many of whom live in National's flight path, having the opportunity to debate this issue and discovering the truth about it. That's why the decision was made to schedule a second markup and add the amendment at the Committee level, thereby hoping to bury it from view.

This amendment is simply another reason why this bill should be defeated. And it should alert others in the Senate who are suspicious about the effect this legislation will have on air service in Washington.

Let me repeat that last paragraph because I think it is a very appropriate admonition as we consider this motion to proceed to this legislation.

This amendment is simply another reason why this bill should be defeated. And it should alert others in the Senate who are suspicious about the effect this legislation will have on air service in Washington.

Mr. President, I agree with the Senator from Virginia that the noise issue is not one that will engage the attention of a great many of our colleagues. In fact, in some respects the interests of their own constituents might be served by having flights all night long so people elsewhere in the country can fly into Washington National Airport at 3 o'clock in the morning, if they have to, or 1 a.m., and take a late-night flight from Miami or something.

But, on reflection, they face the same problems at their own local airports, and that is the concern of people living in the vicinity of airports and under the flightpath, about the imposition of this problem on them and their ability to lead anything approximating a normal life.

So I think they would understand the nature of the concern of the constituents that the Senator from Virginia and I represent, people in Virginia and Maryland, and the District of Columbia, for whom some of us, I think, must show some concern, particularly those of us from the adjoining States. Unfortunately, the District has no spokesman, direct spokesman, in the U.S. Senate. And, as a consequence, the concerns of its residents and citizens are, on occasion, overlooked. But they, too, share a concern here.

Mr. TRIBLE. Will the Senator yield?

Mr. SARBANES. I yield to the Senator.

Mr. TRIBLE. I thank the Senator for yielding. I would point out that not only did the government of the District of Columbia testify in support of this legislation before the Commerce Committee, but the Mayor and the government of the District of Columbia enthusiastically support this legislation today. Certainly, the Mayor and the members of the city council are as concerned as we are about noise in the region, and they do not share the Senator from Maryland's concern about this bill.

Mr. SARBANES. Where on the record does any government for that matter indicate its positions on the Senator's amendment?

Mr. TRIBLE. The District of Columbia supports this measure. The measure includes this amendment.

Mr. SARBANES. The District of Columbia supports the bill but the Senator's amendment was added in the committee 2 months after the markup in a 4-minute session.

Mr. TRIBLE. Indeed, the Senator's amendment was added in a second markup session.

Mr. SARBANES. Two months after.

Mr. TRIBLE. That is correct. But I would reject out of hand the characterization of the minority report of that session or the nature of the amendment. The amendment was discussed in the first session. The amendment was addressed again by the committee members after those members, including the Senator from Tennessee, Mr. GORE, the Senator from Louisiana, Mr. LONG, and others had had an opportunity to shape the amendment that is now part of the legislation. This was a thoughtful process. This was a process that took, as the Senator points out, a substantial period of time. It reflects not only a consensus on the part of the committee, but the work product of those few Senators on the committee that were concerned about noise.

Mr. SARBANES. Well, I simply say to the Senator that the proof of the pudding will be in the eating. If this legislation should become law—and of course, I very much hope that will not happen—we will then see how the noise amendment of the Senator from Virginia works out. And it is my prediction, which I am making now—in other words, I am raising the warning now—that the consequence of this amendment will be in the end to impact more heavily on the people in the Washington National Airport flightpath, particularly with respect to the late evening, than is now the case.

My concern in that is sharpened because the traffic routes into and out of National tend to put a heavier proportion of that noise on the D.C.-Maryland side than on the Virginia side. But it will be felt on both sides. If this measure should become law, we will have a chance to see how it works itself out. But I say to the Senator those concerned about this issue have been years trying to get some restraint, and some control. I have been in frequent meetings with DOT officials, with local officials, and with community groups about it.

And I agree with this minority view that says this amendment will most certainly result in the eventual easing of these restrictions—referring to the nighttime noise restrictions at National—and an increase in late night flights into Washington's principal airport. I think that is what is going to happen as a consequence of this amendment.

The Senator contends to the contrary. All I can say is that this legislation allows it to happen whereas the current regulation precludes it from happening. It allows it to happen. The Senator says it will not happen. I say it will happen. We will see over time.

But if you really wanted to be sure that it would not happen, you in effect would not permit it to happen. You would preclude it from happening. The fact that it is possible means that it may happen.

It is also true it may not happen. But I am simply saying it is my prediction that it will, and why would you trade that situation for one in which you have the assurance that it cannot happen, and that it is precluded from happening? The amendment lifted that restriction. And I think we are going to feel this noise impact.

As I said, it is an issue that more directly concerns those who represent people who live in the immediate area, and particularly in the vicinity of the flight paths in and out of the airport. But we struggled for years to get in place the curfew and the limitations that now exist. Now they have been taken out of place. In my own view that is a very bad development, Mr. President.

Mr. President, let me touch on just a couple of other points. The U.S. Department of Transportation has made it clear in the past that while it establishes policy for Washington National and Dulles International Airports and does not establish policy for Baltimore-Washington International, it recognizes that actions taken at National and Dulles may influence operations of Baltimore-Washington. And it goes on to say in its comments in the Federal Register of January 21, 1980,

"Therefore BWI's role is being considered in the development of a policy for the federally-owned airports."

In other words, there is an interrelationship between these airports because they do significantly overlap in the markets of which they serve.

Given that is the case, it is also pertinent to observe that the nature of the relationship or the structure between the three airports becomes very important in terms of their growth and development.

The distinguished Senator made reference to situations in other jurisdictions where more than one airport was under the same authority. One example used was the New York-New Jersey Port Authority.

Well, that is true; the Port Authority of New York and New Jersey has three airports in the same jurisdiction—Kennedy and LaGuardia in New York, and Newark in New Jersey. Kennedy and LaGuardia are owned by the city of New York and Newark is owned by the city of Newark. The port authority there does not own any of these facilities. But it is interesting to look at the structure of the Port Authority of New York and New Jersey.

It is governed by a board of 12 commissioners; 6 of the 12 commissioners are appointed by the Governor of New York, and the other 6 of the 12 commissioners are appointed by the Governor of New Jersey. The authority we are talking about here, Maryland, has 2 out of 11 members. And, further, and perhaps even more important, the authority's charter grants broad powers with one important check and balance mechanism. Either Governor may elect to block actions of the board by exercising a veto over the minutes of the meeting.

That is a very, very different situation than what we face here. As we have asserted consistently, the structure of the way these airports are to be governed is very important. As I said earlier, the possibility of putting all three airports in one authority was not fully examined by the commission. The Governor was asked about it when he testified before a congressional committee, and said that he would be prepared to look at that matter and to evaluate it on a fair basis.

Maryland did propose that Dulles be transferred to Virginia, and that Washington National be run by an authority composed of the membership from the three jurisdictions and representatives from the Federal level appointed by the President of the United States. That is not what the legislation contains. The legislation contains both airports in one authority, 11 members, 5 from Virginia, 3 from the District, 2 from Maryland, and 1 appointed by the President.

What this really means is that essentially it is a very dominated board because Virginia plus any one of the other three is a majority. So it is not one of those situations where the numbers are such that you might need three out of the four elements composing the board.

I have heard the Senator assert that once these people get on the board, somehow they are going to develop an attitude that is unrelated to the origins of their appointment. I think the Senator made that argument yesterday or the day before as I recall.

Mr. TRIBLE. Will the Senator yield?

Mr. SARBANES. Sure.

Mr. TRIBLE. That does not exactly express the sense of this Senator's comments.

Rather, what I said was the problems and the opportunities facing this metropolitan area are the same. Whether we live in Maryland or Virginia or the District of Columbia, once that board is duly constituted, then its members will act in concert and in cooperation and will advance our regional interests. I would assert that it is only in the preliminary discussions leading to that end that we get into these extended debates about the interests of Maryland the interests of Virginia or the interests of the District of Columbia. It is usually those of us in public office who engage in those kinds of debates. I believe experience shows that once a regional commission is established and people are appointed, they do reflect regional interests and concerns and work toward regional goals.

Moreover—one more point, if I may—the Senator from Maryland continues to point to the New York example of a regional transportation authority and suggests that Maryland has been underrepresented in the regional airport authority here. I do not believe that is the case. Indeed, if Maryland had decided to become a part of this regional approach and if the regional authority had responsibility for Baltimore-Washington International and Dulles International, the composition of that regional authority would be strikingly different, I would suggest. But the regional authority, as presently constituted, reflects the use of those airports. Indeed, roughly 20 percent of the passengers at National and Dulles hail from Maryland, and Maryland is given roughly 20 percent of the vote, and moreover reflects the inescapable reality that these two airports lie in Virginia. Throw in your airport. Let us have a real regional approach to our transportation problems, and then let us talk about reconstituting representation on the regional authority.

Mr. SARBANES. Let me point out to the Senator that in the New York-New Jersey instance, two of those airports are in New York and one is in New Jersey. New Jersey has six members, New York has six members, and the Governors of both States have a veto. The only point I am trying to make is that there has been a real effort to develop a regional consensus and to recognize regional interests. Now, my own view of the members who go on this authority is that you have to look at who the appointing authority is. The ones from Virginia are appointed by the Governor of Virginia. I do not share this sort of optimism of my colleague from Virginia that once on the authority they are going to have an attitude that is divorced from where they were appointed.

The invitation the Senator just made about looking at whether all three ought to go together is an interesting question. It is another reason why this bill ought not to be acted upon. If that is the best approach, the best possibility, it ought to be fully explored as to whether that is to be achieved.

Now, some Members here would not want to do that, either—those who do not want to transfer the airports in any event. But these matters have not been worked out. What has been worked out is that in effect an arrangement was made between Virginia and the District of Columbia.

That meant they could control the commission, which was, after all, chaired by a former Governor of Virginia. The commission then came forward with a proposal roughly paralleling what we see before us. The Secretary of Transportation was really desperate to get rid of these airports. It is perceived, I guess, that just doing that would be an achievement, although I think that is open to serious question because it really depends on how you do it and what the consequences are.

I talked about the noise problem. My prediction there, if this were to happen, is that the consequences would be very detrimental and will not be seen as an achievement, at least certainly not by those who live in the flight paths. It may be considered an achievement by the carriers, who may be able to, in effect, move in and out in a way that the current curfew does not allow them.

But proposing this proposition in a sense is only a beginning step, considering the fact that there is so much controversy around the proposition, the fact that so many Members have questions. And I concede that they come from different directions in putting their questions. In other words, those who are skeptical about this legislation are not all of the same mind as to what it is in the legislation that disturbs them and makes them skeptical. They in fact differ on that. There are differing views about that. There are a lot of crosscurrents at work in this body, a lot of differing perceptions as to what is wrong with this legislation.

The fact that that is the case, it seems to me, is a stronger argument

for not taking the legislation up than if all of the concern about it came from the same perspective, because then one could say, "Well, look, there is really this problem. It was considered. A judgment was made and either you are with that judgment or you are against it, and therefore we ought to go ahead and decide that."

That is not what is happening on the floor. Some Members look at this legislation. They say, "Oh, I have a lot of concern about it for this reason." Others look at it and say, "I have a lot of concern about it for that reason"—a very different perspective about what is wrong with the legislation. Yet another group has a third perspective.

The fact that that is the case shows to me that there is much to be done in terms of working out differing views. That has not been done.

The difficulty with going ahead is that once you get on the legislation, then people are going to say:

No, no; we can't take that amendment because it is going to disturb this finely crafted balance that has been achieved in this legislation. You really can't touch that. If you touch that, Virginia is going to drop out, or the District of Columbia is going to drop out, or somebody else is going to drop out, and the arrangement is going to come undone. So while there is a lot to your proposal–

I can hear it now. I can hear the Senator from Virginia now saying:

There is a great deal of merit in the proposal that the Senator has offered and it certainly deserves consideration, but that matter was looked at by the commission and this carefully crafted balance has been achieved.

Let me just find it. This was the response on an amendment to change the composition of the authority. The Senator from Virginia said:

I will say to the Senator the reason I suggested it would kill this bill is that this bill is based on a compact passed by the State of Virginia and the city of the District of Columbia that reflects this carefully crafted balance arrived at.

In other words, in a sense, it is take it or leave it. We have this compact and you have to consider it as it is. And then he goes on to say:

Each of us can disagree as to what kind of representation we would want for the various parties, but we have many different interests here. It is very difficult to reconcile those interests to everyone's satisfaction. If we undo this agreement, then this particular legislation is at an end.

Now, it is in light of that, that it seems to me reasonable that this attention has been paid to the motion to proceed, because, if you look at this legislation and conclude to yourself, "Well, there are a lot of problems here, a different sort of balance needs to be struck, there are questions that need to be addressed and answered," then the way to do it is to refrain from bringing the matter up and in effect say to those who are involved, reformulate, look again at how this thing can be put together, and try to come back with a proposal that we can address and that meets many, many, many of the complaints which have been raised.

Frankly, I think that would be a more positive and sensible way to proceed.

To some extent, it takes on this character: Well, we have put this bill in, and we have to get it passed.

I am sure Governor Holton feels that he put in a lot of work, and he did. He gave a great deal of dedicated effort. He is a very fine gentleman. I am sure he would not sort of welcome the assignment of going back, maybe as a special representative of the Secretary, to talk with the jurisdictions—with the Governors and with the Mayor and with Members of the Senate—and with affected parties as to how a different balance could be put together.

That is a lot of work, and he would probably say, "Who wants the headache?" He would rather take this product and try to move it on through. But it is no criticism of the Governor or of the Secretary of Transportation to simply say:

Well, this was an effort. A lot was brought together in this legislation. There is much of it that could be the basis of a revised approach. But you ought to make the effort at a revised approach and see whether you may, in fact, be able to achieve a regional consensus which would be relevant in this body and relevant in the other body.

That, perhaps, would open up an opportunity to achieve something that then all parties would look back on and say that a good piece of work was done. In fact, it might open up the possibility that, in the end, a piece of work would be done. The current course, it seems to me, raises the very real question of whether a piece of work will be done at all. Beyond that, if it is done, the fact is that, at least on the part of many, it will be criticized as not being a reasonable and balanced response to the situation.

That is what is before us. We will be addressing it again, I take it, from what the Senator said, on Tuesday, when the next cloture vote on this measure will occur.

I do not agree with the Senator from Virginia that failure to take up this measure—in other words, to approve the motion to proceed—means an end to this process. It might well, in fact, open up an opportunity to address this issue in a way that would meet some of the goals people have talked about here—improved service, better facilities, a strengthened regional air transportation network for the entire Washington metropolitan area, which would of course include all three of the major airports—Washington National, Dulles, and Baltimore-Washington International.

Once you get committed to a course of action, it is very difficult for people to see other possibilities that perhaps can move them in a different direction. They also tend to take on an attitude of perceiving that in terms of winning or losing. But there is really a broader and larger issue involved here, and that is, How do we work out the air transport question in the Washington metropolitan region? In my judgment, this legislation does not work it out, and clearly many Members of this body share that attitude.

Therefore, the real issue is whether it would not be more advisable, in a sense, to defer this, provide an opportunity to address some of the defects, consider carefully whether we could not achieve a greater degree of consensus and support, and then, in effect, try again.

If that were achieved, it would obviously enhance the prospects for this legislation in the Senate and, I assume, enhance the chances of its prospects in the other body. But in its present framework, this legislation has raised many questions, a number of which still remain unanswered.

I am still not satisfied as to what happens to the employees after this 2-year period. There are many precautions written into this legislation, but most of them are limited to a 2-year period commencing on the date of transfer, and it says hardly anything about what will take place after that period terminates.

One of the concerns of the Holton Commission was that the very dedicated employees who had been at National and Dulles for years—and in my judgment have done a fine job—one of the concerns was to insure that they would be protected in terms of their benefits and in terms of their jobs, since they would cease, over a period of time, to be Federal employees. At the current moment, they are Federal employees. If they are transferred to the regional authority, they will cease to be Federal employees. That, in and of itself, is a major change in status.

To address the problem of that change in status, the legislation has a number of transition provisions, but they are limited to a 2-year period. For example, it says: "Not later than the date of transfer, the Secretary shall ensure"—this is the Secretary of Transportation—"that the Airports Authority has established arrangements to protect the employment interests of employees during the 2-year period commending on the date of transfer." But it says nothing about what happens after the 2-year period. In other words, the arrangements for this protection of the employment interests of the employees is limited to that 2-year period after the date of transfer.

Then there is a further provision: "For payment by the Airports Authority of basic and premium pay of transferred employees except in cases of separation for cause, resignation, or retirement, for 2 years, commencing on the date of transfer, at or above the rates of pay in effect for such employees on the date of transfer."

Once again, this protection for rates of pay is limited to this 2-year period.

The same thing applies for credit for accrued annual and sick leave and seniority rights.

So all these dedicated employees, who have done a find job, often under very difficult circumstances, at these facilities, are not going to be transferred to this Airports Authority. Their fine past service obviously requires that their future welfare be very carefully considered, and they find that the provisions designed to do that are limited to a 2-year period commencing on the date of transfer.

The current labor agreement which is in effect on the date of transfer is carried over and continues in effect for a 2-year period unless the parties agree earlier before its expiration but after the 2-year period. Then it is up to the parties themselves.

Listen to this provision, Mr. President. In a sense I am getting at a point I was making earlier. Many provisions of this bill seem to do one thing when in fact they do another:

> Any transferred employee whose employment with the Airports Authority is terminated during the 2-year period commencing on the date of transfer shall be entitled, to rights and benefits to be provided by the Airports Authority that are similar to those such employee would have had under Federal law if termination had occurred immediately before the date of transfer.

So, in other words, if you are terminated in the 2-year period you get the rights and benefits you would have had under Federal law. But what happens to you after the 2-year period? All bets are off, just like these other protections.

I am concerned that the employees, many of them, will find all of a sudden, once the 2-year period after the date of transfer has expired, that they are standing there exposed without the protections that are set out in this legislation. These protections are for a 2-year period and then they end.

Mr. President, that is yet another item which I think should be of very serious concern to Members of this body and to the current employees at these two airports, men and women who I think have done an outstanding and dedicated job.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. HEFLIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

BALANCED BUDGET CONSTITUTIONAL AMENDMENT

COLLOQUY ON MEANING OF "OUTLAYS"

Mr. HEFLIN. Mr. President, on March 13, a unanimous-consent agreement was entered into by the Senate involving Senate Joint Resolution 225, which is the joint resolution proposing an amendment to the Constitution relating to a Federal balanced budget.

In that unanimous consent agreement it is stated that a colloquy be placed in the CONGRESSIONAL RECORD to be prepared by Senators HATCH, THURMOND, DECONCINI, SIMON, METZENBAUM, MELCHER, and HEFLIN. At this point I offer this proposed colloquy which will be finally entered into the debate on Tuesday, March 25, before the vote on Senate Joint Resolution 225.

This colloquy has now been tentatively agreed to by Senators HATCH, THURMOND, DECONCINI, SIMON, METZENBAUM, MELCHER, and myself. I think each would reserve the right to review the colloquy again, before it is finally entered. But at this stage we see no areas of disagreement.

One of the purposes of placing a draft of a colloquy in the RECORD on Friday in advance of its final entrance on Tuesday of next week is to provide the Members of the Senate an opportunity to review the colloquy, and review the definitions contained in the colloquy prior to the final vote. It is hoped that this tentatively agreed colloquy will not be changed, and that the colloquy will be entered into the debate on Tuesday, March 25, as it is presently written, and as I am offering it today.

The unanimous-consent agreement also states that in the event that the Senators named above which were Senators HATCH, THURMOND, DECONCINI, SIMON, METZENBAUM, MELCHER, and HEFLIN could not agree on the colloquy, then the Senator from Alabama [Mr. HEFLIN], is to be recognized to offer a technical amendment on behalf of himself and the Senator from Montana [Mr. MELCHER], which would add to the joint resolution a definition section.

I do not anticipate that I will have to make any technical amendments because I believe agreements will be worked out in compliance with this unanimous-consent agreement which appears on page S2700 of March 13, 1986, of the CONGRESSIONAL RECORD, Senate side,

So at this time I ask unanimous consent that this proposed colloquy, appear in the RECORD in this form, as I submit it.

There being no objection, the colloquy was ordered to be printed in the RECORD, as follows:

COLLOQUY ON MEANING OF "OUTLAYS"

Senator HEFLIN. The proposed constitutional amendment uses several important terms, including "outlays" and "receipts." The Senate Judiciary Committee report, particularly pages 42-3 and 46-53, set certain parameters for understanding these terms. During the floor debate, however, the Senate agreed unanimously to an amendment proposed by Senator Domenici, chairman of the Budget Committee, which added the word "total" before "outlays" and "receipts." Was the Domenici amendment intended to alter the explanation of those terms in the Senate Judiciary Committee report?

Senator HATCH. At the outset, I would like to express my appreciation to the Senator from Alabama both for his significant contribution to the drafting of S.J. Res. 225 and for his interest in clarifying any remaining questions about the intent of this constitutional amendment proposal. The direct answer to the Senator's question is "No." As I stated at the time of that amendment and in response to questions posed afterwards, the addition of the intensifying modifier "total" was intended only to underscore the principles contained in the committee report. In particular, the Domenici amendment underlines the language of the report on page 54 (and implicit in the definition of "outlays" on pages 42 and 49 and elsewhere throughout the report) that "all Federal spending and taxing programs be included under the constraints of the amendment. The recourse of taking programs off the budget should not be available as a way to avoid these constraints, and using a comprehensive measure of all governmental receipts and outlays eliminates that recourse."

Thus, the term "outlays" was not changed by the Domenici amendment and is meant to be understood precisely as described by the committee report. The addition of "total" was intended only to give textual support to the principles contained in the committee report describing the term "outlays." This intent was reiterated by Senator Thurmond on the Senate floor and is shared by the other prime sponsors of S.J. Res. 225.

Senator THURMOND. I, too, would like to express my appreciation to the Senator from Alabama for his contribution to S.J. Res. 225 throughout Judiciary Committee consideration and on the Senate floor. When we accepted this amendment, it was not our intent to deviate from the explanation given the terms "outlays" and "receipts" by the Senate Judiciary Committee report. In responding to questions about the intent of the Domenici amendment, I have quoted directly from the committee report on the pages mentioned earlier.

Senator DECONCINI. I agree completely with the views expressed by the chairman of the Judiciary Committee, the Senator from Utah, and the author of the amendment adding "total" to "outlays" and "receipts." I would note as well that at the time the Senator from Utah accepted the amendment on behalf of the sponsors of S.J. Res. 225, he quoted verbatim the language from page 42 of the Judiciary Committee report explaining the term "outlays" as indicative of our intent to uphold the report's language.

Senator SIMON. At the time the Domenici amendment was accepted, I concurred with the description of this change as making the

committee report "explicit." I continue to share the views of my colleagues on this intent in adopting this addition to S.J. Res. 225. The addition of "total" was not meant to alter, but to guarantee, the principles contained in the report.

Senator HEFLIN. Is it correct to state that the addition of the word "total" was not meant to change the meaning of "outlays," but only to clarify that what was already in the report would apply to the term "outlays?"

Senator THURMOND. That is correct. I would note further that S.J. Res. 13, the other version of a constitutional amendment to require a balanced budget that was reported from the Senate Judiciary Committee on the same day as S.J. Res. 225, contains the terms "total outlays" and "total receipts," as did the balanced budget amendment that passed the Senate in 1982. The modifier "total" was not included in S.J. Res. 225 in the interest of an economy of words, but no different meaning was intended when S.J. Res. 225 emerged from committee. The addition of this term on the floor does not alter the understanding expressed in the committee report.

Senator HATCH. I share the view of the President pro tempore. Immediately prior to adoption of the Domenici amendment, I expressed that precise thought by stating that the addition of "total" would "make the amendment more clear." The Domenici amendment was meant to clarify, rather than alter, the meaning of "outlays." It merely clarifies and makes explicit the intent of the proposed constitutional amendment as expressed in the Judiciary Committee report.

Senator HEFLIN. I thank my colleagues for restating and clarifying their intent in offering and accepting the Domenici amendment. Since the committee report is authoritative on the meaning of "outlays" and "receipts," I would like to question my colleagues further on their understanding of the report.

On pages 42 and 49, "outlays" are described as including "all disbursements from the Treasury of the United States, either directly or indirectly through Federal or quasi-Federal agencies created under the authority of acts of Congress, and either 'on-budget' or 'off-budget'. With certain notable exceptions, outlays are those withdrawals subject to article 1, section 9, which provides that 'no money shall be drawn from the Treasury, but in consequence of appropriations made by law.'" The first sentence of this description seems all-inclusive; the second uses the word "exceptions." Reading the two sentences in conjunction suggests that the sentence containing the work "exceptions" should be read to mean that "outlays" encompasses more than just appropriations, not that it creates any exception in the concept of what constitutes an outlay. Is that correct?

Senator HATCH. The Senator is correct. Outlays are generally appropriated funds, but there are exceptions to that general rule. For instance, outlays includes as well entitlement payments to eligible beneficiaries, which are non-appropriated disbursements of Federal funds. Social Security benefits, for instance, are "outlays." It is appropriate to note at this juncture that the Senate confirmed this principle by rejecting an amendment which would have exempted Social Security from the terms of section 1 of S.J. Res. 225. The effect of this Senate vote was to ensure that no program, not even such a highly valued entitlement program as Social Security, would be exempt from coverage under the terms of S.J. Res. 225. As was stated during the debate on that amendment, S.J. Res. 225 would not harm Social Security or any other program in the slightest. Those programs would merely be brought within the terms of the proposed constitutional amendment. This means that S.J. Res. 225 would not alter Social Security in the slightest. Only Congress could, as it is free to do currently, change the laws governing Social Security—an extremely unlikely prospect.

Returning to the Senator's question, however, he is correct that this inclusive description of "outlays" notes only that the term includes more than just appropriated funds. It includes all disbursements—direct or indirect, "off-budget" or "on-budget"—made by any Federal or quasi-Federal entity or agency.

Senator SIMON. This is also my reading and understanding of this portion of the Judiciary Committee report. If outlays were described otherwise than in all-inclusive terms, any loophole in the coverage of S.J. Res 225 would invite Congress to recast all new spending programs and perhaps many existing programs in terms that would fit the loophole. This could defeat the basic objective of bringing some accountability to the budgetary process.

Senator HEFLIN. This raises a further question concerning a sentence of the glossary definition of "outlays" found on page 49. That sentence states that "total budget outlays are stated net of offsetting collections, and exclude outlays of off-budget Federal entities." This implies that some off-budget outlays are not included in total Federal outlays. Could my colleagues explain this passage?

Senator HATCH. As the Senator's question suggests, there is no conflict between this sentence on page 49 and the principles we have just discussed. Some Federal entities engage in business-like endeavors that produce income. For instance, the Government Printing Office makes collections for supplying publications to citizens; the Postal Service charges for stamps. Under current accounting procedures described by the glossary, these entities are permitted to combine their collections and their outlays; only the difference is figured into the total budget outlays amount. In other words, the collections of these entities are offset against their outlays and only the net figure is computed as part of total outlays or receipts. Thus, these outlays are excluded from total outlays, but only because total budget outlays include the stated net of offsetting collections and off-budget outlays. Off-budget fiscal activities are covered by, and completely subject to, the terms of S.J. Res. 225 through this netting procedure. Offsetting collections and outlays are accounted for in the budget aggregates of S.J. Res. 225 just like any other Federal spending or taxing program. S.J. Res. 225 is flexible enough, however, to accomodate current accounting procedures which acknowledge that off-budget entities may net their collections and outlays before including their activities within the budget aggregates.

It is important to note that the sentence to which the Senator referred should not be misleading in context. On page 47, two pages before the sentence in question, the report defines and discusses the meaning of "offsetting collections." That definition states plainly that "offsetting collections are deducted from disbursements in calculating total outlays. Corresponding offsets are made in arriving at total budget authority and net obligations incurred."

Senator THURMOND. The Senator from Utah has correctly stated my understanding of this portion of the committee report. There should be no confusion about the term "offsetting receipts." This generally means that a Federal entity which raises money through its activities—like the Government Printing Office—can net its receipts or intake against its outlays or outgo. This permits easier accounting because only the net is counted within the budget aggregates. This does not mean that those incomes or outlays of the agency escape the budget process at all, but only that they are netted before being considered within the terms of S.J. Res. 225.

Senator HEFLIN. I am glad to have that explanation of the committee report by the chairman of the Senate Judiciary Committee and the chairman of the Constitution Subcommittee. It seems to me, however, that the report mentions a few exceptions to the concept of offsetting collections or offsetting receipts. Would the Senator elaborate on this distinction?

Senator HATCH. Some current receipts from proprietary activities undertaken by the Federal Government are offset directly against total outlays, without any netting operation. The report on pages 47 and 48 explains this concept under the heading "proprietary receipts from the public." This notes that offsetting receipts are generally offset against outlays by agency and by function and only the net is counted within budget aggregates. In a few narrow categories, however, such as rents and royalties for outer continental shelf lands, the receipts of Government proprietary activities are deducted directly from total outlays.

Senator HEFLIN. What is the status of borrowing and retirement of debt principal with respect to the terms "outlays" and "receipts?"

Senator HATCH. This was examined in a colloquy between Senator Simon and me earlier in this debate and is explained on pages 49 and 51 of the report. The gist of this discussion is that borrowing and retirement of debt are neither outlays or receipts.

Senator HEFLIN. The explanations in the report specifically refer to "present usage" of the terms "outlays" and "receipts" as found in "a glossary of terms used in the budget process (1984)." What if accounting procedures change, can the explanations offered by the committee report accommodate the future?

Senator HATCH. Page 53 notes that these terms are "defined by or to be defined by statute and, as such, have no constitutional standing apart from these statutory definitions. The intentions of the committee with respect to current concepts have been set forth (in the report). At the same time, the committee is sensitive to the likelihood that such concepts will undergo modification through time. Provided such modifications are not designed to subvert the restrictions on the Congress imposed by the amendment, but rather are designed to further those purposes, there is no intention that the meanings given here be immutable through time."

Thus, the committee report outlines in detail how the proposed constitutional amendment would accommodate current budgetary and accounting techniques by, among other things, permitting some Federal entities to net their receipts and outlays before reporting the effect of their fiscal activities on the budget aggregates. A future

Congress, however, could elect by statute to alter some of these accounting techniques as long as the effect of that change would not allow some Federal entities or programs to escape the terms of S.J. Res. 225.

Senator HEFLIN. Could the Senator provide an example of how these explanations might be altered by future implementing statutes?

Senator HATCH. Yes, although I hasten to add that any alteration could be made by a future Congress. I can suggest some alternatives that future Congresses might consider. Under current budgetary practices, a loan guarantee is not an outlay in the year in which the loan is guaranteed. Only in the event of default on that loan would it come within the term "outlays" because then the Federal Government would be making an expenditure. Irresponsibility in the extension of loan guarantees by a prior Congress could present a successor Congress with difficult budgetary decisions. In the future, however, as mentioned on page 53 of the report, "Budgetary decisions with respect to loan guarantees might be enhanced by including in outlays the present value of such obligations in the fiscal year of obligation, rather than in the fiscal year of discharge." This change would have to be a statutory change. S.J. Res. 225 does not require the adoption of new guidelines and procedures for the Federal "credit budget," but it would accommodate such future policies.

Similary, Congress could, as mentioned on page 53, elect to switch its budget and accounting operations to an accrual system. S.J. Res. 225 would accommodate that option.

Senator HEFLIN. On further point of clarification: On page 52, the term "total outlays" is described as the "total of all outlays, exclusive of debt repayment and certain other classes of outlays, for which the Congress reasonably can expect payment to be made by the Treasury . . ." could my colleagues provide and explanation of this sentence.

Senator HATCH. In the first place, it is important to note that the report on S.J. Res. 225 should not contain the term "total outlays." Although that term "total outlays" did appear in S.J. Res. 13, it did not appear in S.J. Res. 225 at the time the committee report was written. This misstatement, however, does not affect the validity of the passage quoted by my colleague because, as my colleagues and I have stated, "total outlays" and "outlays" are both adequately explained by the same language of the committee report. As we have noted earlier, some classes of outlays, under current budgetary practices, are not included within total outlays because they are offset by some proprietary collections or receipts and only the net is accounted for in the terms "total outlays" or "total receipts." This is the meaning of the sentence referred to by the Senator from Alabama. As his question suggests, the three pages prior to that sentence make clear that these are the classes of outlays mentioned as excluded from total outlays. Again, these classes of excluded outlays are in no sense divorced from accountability under the terms of S.J. Res. 225. Instead they are fully covered by those terms, but current netting practices are accomodated.

Senator DECONCINI. I concur in descriptions given by the Senator from Utah of these passages of the report. I might add, however, that these particular explanations only describe current budget practices and are designed to show that S.J. Res. 225 can accomodate current budgetary terminology and techniques. If Congress should perceive a need to alter these techniques, it would be free to do so as long as that reordering does not offend the basic principle that all Federal financial transactions must remain within the ambit of S.J. Res. 225. Otherwise Congress would once again lose control of the Federal budget. Restoring this control with the specific norm that outlays shall not exceed receipts, except in extradordinary circumstances, is the purpose of S.J. Res. 225.

Senator THURMOND. The Senator from Arizona has concisely summarized this matter. I agree with his statement.

Senator SIMON. I, too, would like to express my agreement with what has been said.

Senator MELCHER. The Commodity Credit Corporation offers non-recourse loans. I would like to discuss with my colleagues the effect of S.J. Res. 225 on this valuable tool for our farm policy. The CCC loans money to our farmers who pledge their crops as collateral for those loans. In the event of default, the Federal Government has no recourse against any other property of the farmer other than the commodity or crop pledged at the time the loan is obtained. Thus, when farm prices are lower than the loan amount, the farmer may retain the loan amount rather than redeeming and selling his crop. The CCC is then free to sell the crop on the market to recover as much of the loan amount as possible. How would these transactions be counted, as "outlays," "receipts," "offsetting receipts," or otherwise within the terms of S.J. Res. 225?

Senator HATCH. That would be entirely up to Congress. As long as the activities of CCC were accounted for within the budgetary process, as they are today, S.J. Res. 225 would be satisfied. For instance, Congress could count the initial loan amount as an outlay and the subsequent sale of the commodity as an offsetting receipt. Thus, only the difference would appear within the term "total outlays." To the extent that farmers sell their crops and pay off the loans, there would be no difference and CCC would have no outlays to include with budget aggregates. On the other hand, if CCC came to Congress and requested an appropriation, this could be included within the general term "outlays."

This is not the only way that CCC could be handled. It could be treated much as loan guarantees are currently handled, meaning that the loan amount would not be counted as either an outlay or a receipt unless default occurred. In the event of default, the loan would become an outlay which would be reduced by the amount of any offsetting receipts when the collateral was sold on the market. Congress would have several options for dealing with CCC under S.J Res. 225. The amendment itself does not prescribe how Congress treats this type of Federal credit transaction. Moreover S.J. Res. 225 itself does not and could not alter CCC in the slightest; only Congress could, as it is free to do now, change the laws governing CCC or Social Security or any other vital Federal program. That is an extremely unlikely prospect.

Senator MELCHER. On page 53, the committee report states: "With respect to the exclusion from receipts and outlays of those transactions involving 'proprietary sales to the public,' the consensus of the committee is that such transactions represent voluntary relationships between the Government and the people. As such, there is a presumption that these relationships reflect the individual's own determination that purchases of Federal goods and services offer to him a preferred alternative." CCC could fit this description. Farmers voluntarily pledge their crops to the CCC as collateral for a loan. Would this exclude CCC from "outlays" and "receipts?"

Senator HATCH. The term "proprietary sales to the public" is explained on pages 47 and 48 of the report: "such collections are not counted as budget receipts, and . . . are offset against total budget authority and outlays by agency and by function." In other words, these transactions are covered by S.J. Res. 225, but outlays by these are offset by income or collections generated by the service the agencies provide the public. The net of these agencies' outlays and receipts would then be included in the budget aggregates. This is precisely one of the options Congress could choose when accounting for CCC under S.J. Res. 225. This option would also still permit the CCC some measure of budgetary independence.

Senator MELCHER. It seems to me that many Government lending programs could be characterized as "voluntary relationships between the Government and the people" so as to "exclude from receipts and outlays" those transactions. Would these voluntary relationships be excluded from the terms of S.J. Res. 225?

Senator HATCH. The exact amount of voluntary collections and outlays involved in "proprietary sales to the public" would be excluded from "total outlays" and "total receipts" under current budget practices, but the net of those collections and outlays would be included either within "total outlays" (in the event outlays are greater than offsetting collections) or within "total receipts" (in the event offsetting collections are greater than outlays). Thus, these voluntary governmental proprietary transactions are still completely subject to the terms of S.J. Res. 225, but the voluntariness permits these agencies to use the alternative accounting processes involving netting. This is not an exception to the basic concept that all Federal spending and taxing programs are to be subject to the budgetary disciplines of S.J. Res. 225. There are no exceptions to that basic principle as further indicated by the Senate's vote to deny Social Security an exclusion from the terms of section 1 of S.J. Res. 225.

Senator SIMON. Having read the report, I concur completely with the explanation just given concerning the intent of both the report and S.J. Res. 225. The specific definition of "proprietary sales to the public" on page 47 makes clear that the principle of offsetting receipts governs these transactions. When the report uses the word "exclusion", it is certainly correct in context, but it would have been better to have said "separate computation" or some other term suggesting that the transactions of these off-budget entities are simply figured into "total outlays" at a different stage of the process, namely, after a netting function.

Senator MELCHER. I thank my colleagues for this clarification. I seek only one more explanation. In the paragraph immediately following the one I have just read, the report notes that "such an exclusion is an invitation to the Congress to subvert the intentions of the amendment." Since offsetting collections and outlays are included within S.J. Res. 225, albeit at a different stage of computation, how could this accounting technique ever be abused? Why

does the report include this next paragraph?

Senator HATCH. The intent of this paragraph is to ensure that Congress does not fall prey to the temptation of setting up elaborate procedures to escape "normal budgetary procedures." Let me give a hypothetical example. After ratification of S.J. Res. 225, Congress could set up a federal entity with the exclusive right to launch satellites. Due to its monopoly on this service, the Federal entity could levy exorbitant fees that would essentially amount to taxes. Congress could then direct the satellite entity to use its revenues to fund a veteran's program or to subsidize an industry or for some other purpose. The entity's collections would still be offset against its outlays for the purpose of arriving at budget aggregates. If Congress had planned carefully, the net might even be near zero and these massive programs would not be scrutinized as part of the budgetary process at all. Nothing in the terms of S.J. Res. 225 prohibits this subterfuge, but it would nonetheless be a subterfuge employed to fund a veteran's program or to subsidize an industry in a manner that would otherwise be subject to normal appropriations and authorizations. Congress would have successfully shifted to a quasi-Federal entity the responsibility to care for programs that Congress ought to monitor itself. The intent of this paragraph is to counsel Congress not to evade regular budgetary accountability by throwing Federal programs into elaborate Federal charter funding arrangements.

The paragraph speaks about "exclusive franchises" and "operating without the discipline of competition" and "implicit taxing powers" because the only type of entity that could be used as a subterfuge for normal taxing and spending programs would be a Government monopoly. Any Federal entity subject to market forces would not be likely to generate sufficient surplus revenues to fund a program that otherwise "would have been organized within the Federal Government."

Senator HEFLIN. How would TVA be treated under S.J. Res. 225?

Senator HATCH. The Electric Power Program of TVA would not be covered by S.J. Res. 225. Since 1959, the financing of that program has been the sole responsibility of its own electric power ratepayers—not the U.S. Treasury and the Nation's taxpayers. Consequently, the receipts and outlays of that program are not part of the problem S.J. Res. 225 is directed to solving.

Senator THURMOND. I have listened carefully to this discussion and wish to express my complete endorsement of the explanations given. They represent my views about these matters as well.

Senator DECONCINI. I would like to commend my colleagues for raising these important points. They have helped to clarify the intent of S.J. Res. 225 and set in place a binding legislative history about the interpretation of the terms "outlays" and "receipts." I, too, agree with the answers given in response to these difficult, yet essential, questions.

Senator SIMON. Permit me as well to commend my colleagues and express my support for the answers given to these questions. We should all be grateful that these issues were raised and clarified.

Mr. HEFLIN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. HECHT). The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that I may proceed for a period of time as if in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE ILLINOIS DEMOCRATIC PRIMARY

Mr. MOYNIHAN. Mr. President, several weeks ago, I went before the annual dinner of the Democratic State Party in New York to speak about the problem of corruption of our party. I rise now on the Senate floor to speak of the problem of the corruption of our party.

These are issues of a wholly different order and magnitude and consequence. The Nation, I think it is fair to say, has been shocked to awake as we did on Wednesday morning to learn that in Illinois, two members of the faction associated with Lyndon LaRouche had won the nomination of the Democratic Party for the position of Lieutenant Governor and secretary of state respectively of the State of Illinois.

These persons are Mr. Mark Fairchild, who won the Democratic nomination for the office of Lieutenant Governor, and Ms. Janice Hart, who won the Democratic nomination for Illinois secretary of state.

Mr. President, I think it fair to say that this is the first time in the history of the United States that arguably Fascist candidates have won nominations for major State offices in a State of the American Union.

I would like to think I use the term "Fascist" with care, and I do use it with a measure of caution owing to the difficulty of finding precise analogies to the particular doctrines of the "National Democratic Party Committee" As it is called. "The National Democratic Party Committee" is the sponsor of these candidates and is in turn controlled by Lyndon LaRouche.

I state that difficulty in spite of what I would like to think is some sensitivity to political colorations on the extremes of right and left in the 20th century, the totalitarian movements of our time, and a very large personal experience with this element, a matter to which I will return.

LaRouche is a man who has made a familiar journey in the history of totalitarian extremist politics in the Nation. He was originally, as best we understand, a Trotskyite, which is to say a Communist, a follower of Leon Trotsky, one of the major figures of the second Russian revolution of 1917. Trotsky was a major figure in the triumph of Leninism. After Lenin's death he joined in the rivalry for power with Stalin, and eventually fled to exile in Mexico. In time he was assassinated by Stalin, but not before a major split took place in the Marxist community around the world between those who supported Trotsky and those who supported Stalin.

In 1968, in the course of the student disturbances at Columbia University that surrounded the wholly spurious issue of a university plan to build a gymnasium in Morningside Heights, a fashionable and a ephemeral radicalism of the time was very much in place. LaRouche made his way there and attracted a following of young radicals who entered a very personalized cult, a cult not different from that of Hitler, who was a socialist.

"Nazi" is a German elision of the German words for national socialist. Mussolini began on the left. The word "fasces" is an Italian term. You heard of fasces and I do not think we find them here, but in the House Chamber the fasces are there as a Roman symbol. "Nazism" is, as I say, an elision of national socialists.

"Communist" is a term that goes back to Marx himself and is a term by which we refer to the movements that took power first in Russia, then Italy, and then Germany.

All have a combination of original Marxist or semi-Marxist leanings making their way over through a cult of personality in the case of Mussolini and Hitler to a totalitarianism we came to designate as fascism. It was something of that migration that seems to have taken place in the case of Mr. LaRouche.

His party became as the Nazi Party in Germany. His group became virulently anti-Semitic. It is an anti-Semitic group. In the code language of his movement, the word "British" is to be translated "Jewish."

The constant reference to "British conspiracies" and the somewhat odd implication of the "Queen of England" almost always refer to the Jewish people and Jewish leaners. I have sometimes thought that Golda Meir was the "Queen of England" in this code language.

The Nazis were virulently anti-Communists. In communism, there is often said to be a Jewish conspiracy against national ideas and strengths and racial myths.

As with the Nazis in Germany, LaRouchites make a great cult of masculine dominance and purity, racial purity, blood purity, blood demonology, although we know that in the German Nazi Party, homeosexuality was rife at the top.

The candidates in Illinois—who, as I say, are the first, in my view, Fascist candidates ever to win the nomination

of the national party in a State of the Union—are Fascists of this time, proto-Fascists. They are not Fascists of 1929 or 1934. They are unto this time.

They made the AIDS epidemic—if epidemic is a correct term—a central proposition of their campaign for racial purity. LaRouche has been much given to sort of semi-, or shall I say mock-scientific discourses on mathematics and physics and history, tracing back to the Guelf-Ghibellines conflict of the Middle Ages in Italy. I believe there have been references to Masonic influences, to conspiracy, the trilateral commission, the Rockefellers, the Harrimans, and a conspiracy of wealth; always translating into a conspiracy of Jewish wealth.

The Communist conspiracy was somehow involved in the same thing. The Nazis never had any difficulty in Germany in the 1930's saying that rich Jewish Communists were behind the nation's difficulties.

And so this movement was founded and grew. It found sources of money. Some understand that different companies were founded by students who had been at Columbia, acquired skills in their professsions and simply incorporated firms, the profits of which have gone to the LaRouche movement, which was, until 1983, located in New York City. The members were armed, not all of them, but there would be armed guards in their offices. They were threatening, and they threatened.

Early in this decade, they began to move into politics and made a decision, to move into the Democratic Party, establishing themselves in various modes, most recently and most enduring now as the National Democratic Policy Committee. And they began to appear at our conventions and gatherings with leaflets and booklets. They also began to appear in airports with propositions about nuclear power and various other issues which they took very seriously.

In 1981, a LaRouche candidate filed as a Democratic candidate for mayor of New York City. No effort was made to take this man off the ballot on the ground that he had not adequately filed his petitions, which almost certainly he had not done, or, as is the case, if I understand the election law adequately, for grounds of radical incompatibility with the positions of the particular party involved, in our case the Democratic Party. We did not do it. We did not do it partly out of a wicked calculation that one more "nut" in the race—a nut like Mussolini and a nut like Adolf Hitler—would not matter.

Remember, Adolf Hitler came to power in a free election. Mr. President, I am forced to restate that. Adolf Hitler came to power in a free election in 1933, something we rather conveniently forget, those of us who have lived securely in a democracy.

And so Mr. Melvin Klenetsky was given the legitimacy of a position as a candidate of the Democratic Party. This representative of an antisemitic, conspiratorial, proto-Fascist party was welcomed, in effect, into the ranks of the legitimate contenders for the office of mayor of New York. He was never heralded for what he was. No effort was made to prevent this running—as an independent candidate, yes; as a candidate of our party, no. A man representing some of the most vicious doctrines we have heard on the streets of New York since the 1930's was a legitimate member of the company of persons contending for that mayoralty

I mean, I do not have to say to you the degree of depravity of these people.

Well, Mr. Klenetsky did not do that badly and he won that legitimacy. And everyone thought it was just an aberration: "Another nut. Aren't they interesting?" But they said that about the Brownshirts; they said that about the Bolsheviks.

I have spent enough time at this table speaking of the defects of my friends on the other side of the aisle. They in no way approach this, a wholly different order of disagreement. We speak in this body within a spectrum of fundamental agreement on principle and practices. That which I am thinking now is beyond anything we know in our ordinary politics. Yet I am talking about people who are now the candidates of the Democratic Party for the Secretary of State and Lieutenant Governor in Illinois.

The year 1982 was a somewhat unusual year of peace in the New York State Democratic Party, which is the oldest political party in the world, if I might say. We have run candidates continuously since the time of Aaron Burr and the visit of Thomas Jefferson in the 1790's.

I was nominated to run again as a Democratic candidate for the Senate by our State convention, and no other Democrat chose to contest that nomination. And I set about getting ready for the general election.

(Mr. WILSON assumed the chair.)

Mr. MOYNIHAN. Then out of nowhere, I found myself challenged by a candidate from Lyndon LaRouche's organization, the very same man who had run for mayor, having achieved that legitimacy. The New York State Legislature had had difficulty redistricting the State after the 1980 census. We lost five seats in the House, and there was a painful exercise. It had worked out the way it did, but late. As a consequence, the legislature cut back very sharply on the number of signatures required to qualify as a candidate in a primary. In our State, you can be put on the ballot by a State convention, or by collecting a sufficient number of legitimate signatures. You can place yourself on the ballot as you might say, or a fellow citizen can do it for you.

The LaRouchites went out, and they collected signatures in front of Bloomingdale's and such like in Manhattan. New Yorkers are good folks. They will usually sign for anybody who is asking for a petition to run for office. The people will usually sign it.

We challenged every signature. We knew there was no possibility that I was going to lose that primary election. But the people who put together our campaign back in New York said we have a moral responsibility to fight these neo-Fascists as if it were the ultimate test of American demoracy.

We challenged every signature for 72, or 96 hours without break. Unfortunately there are those New Yorkers who know what election district they live in, and can fill out the other simple information adequately. I say, unfortunately. Unfortunately, in this case, it represents a measure of civic virtue that otherwise should be commended. And in the end, the LaRouche candidate had just barely enough signatures—about 111 more than necessary. We continued to fight the challenge. But then we thought of the practice of New York judges. When someone comes pretty close to the number of signatures required, the judges will say,

> Come on now, this gentleman or this lady wants to run in a democratic election. Give him a chance to do so. Do not use the technicalities of the election laws to deny people a place in the ballot. Let the people decide whether they want them to be candidates.

So we proceeded in the summer of 1982 to fight this man on the streets, in the valleys, and in the hills of New York as if it were the general election itself because it mattered more. I was running against a neo-Fascist candidate for the office of the nomination of my party for the U.S. Senate.

Mr. President, in that year we spent twice as much money in a primary which we could not lose as we did in the general election which we could very easily have lost. I am speaking not to my own virtues. These were not my decisions. These were the decisions of Chester Straub, Dan Rose, Tom Schwarz, John Westergaard, Steve Mann, and above all Elizabeth B. Moynihan who really ran that campaign.

I will not impress the Senate, and I make it a practice not to reveal the fact about how little we had. But what we had we spent. We spent in that primary campaign $1,332,903. During the general election we spent $712,307. We spent $1.3 million in the primary, and $0.7 million in the general election.

We beat Kletnetsky. He got 15 percent of the vote. That was a lot. We consoled ourselves that in Arizona

that year Bruce Babbitt ran against a poor man who filed to oppose him, and then died. The man got 15 percent even though he was dead. He was in the grave. But still the man got 15 percent of the vote.

We went on in the general election. I would like to think it may be a little bit because we made an issue of the LaRouchites in the primary. We did very well. Our campaign carried 50 counties which is more than any Democrat has ever carried in New York State. In 1836, Martin Van Buren carried 42 counties. That was before the Republican Party made its alarming appearance in upstate New York. If you can do a little bit better than Martin Van Buren, you have earned the gratitude of your party historians, at least. But that was not the end of the LaRouchites.

They did not think, well, that is it, we lost two in a row, and no more. The very next year they were back running for school board. School board elections have a great attraction to an extremist group. Quite frankly, not many people vote in them in New York City. You go outside of the city where the school boards are actually school boards where they have the power to levy taxes, and they run the school systems. And you are voting quite appropriately to the responsibilities of the office. In New York City the school boards are sort of advisory. The city runs its actual education system from an appointive body that has groups appointed by the mayor and others. It is an administrative agency of the city government, as you might say, with measured independent powers. But school board officials have work to do. They are elected.

In 1983, the LaRouche party, now called the U.S. Labor Party, filed nine candidates in the school board elections for upper Manhattan.

Here was an opportunity to say, "Oh, it does not matter, it is only one school district, the offices do not make that much difference, and who are they anyway. They are nuts." But we didn't. Having disgraced ourselves in 1981, and acquitted ourselves well enough in 1982, in 1983 we had matured to some understanding of this issue in the politics of our party.

I cannot say too much for City Councilman Stanley Michels, a Democratic liberal from that district—not on the school board, a councilman—who called this group "a Fascist cult," and asked me and Mayor Koch and others to come to a gathering on the steps of city hall and say, "Don't support those people, they are neo-Nazis. They are everything we want nothing of in this society."

If I may say, the Daily News, which is the largest general interest paper in the Nation and follows New York City, chose to report what we had done. It said:

> A host of political and labor leaders, led by Senator Moynihan and Mayor Koch, met at City Hall yesterday to lash out against followers of Lyndon LaRouche who are running for positions in the District 6 Community School Board elections to be held next Tuesday.

It spoke of Mr. Michels, and went on to say:

> Local school board candidates do not usually attract even the attention of U.S. senators—never mind such outspoken criticism—but the slightest possibility that followers of LaRouche could win even one seat has mobilized an impressive array of opposition.

The New York Daily News got it right. James Harney and Paul LaRosa wrote that:

> • • • the slightest possibility that followers of La Rouche could win even one seat has mobilized an impressive array of opposition.

Remember, Mr. President—I am now quoting an editorial from the Daily News of this morning:

> This sinister little cult advocates compulsory nationwide testing for AIDS and quarantines for victims—quarantine anybody with an AIDS virus.
>
> It has promoted anti-Semitism, argued that the United States is controlled through the narcotics trade among other things by the Rockefellers, Henry Kissinger, Queen Elizabeth, and the elders of Zion allied to the KGB.

It was funny. Adolf Hitler was funny. He was so funny, Adolf Hitler, the funny things he would say about Jewish Communist millionaires and the international conspiracy. Now they are on the ballot of the oldest political party in the world, for the Lieutenant Governor and the secretary of state of Illinois.

Mr. President, there is a lesson here. I should say to you that in the interval, Mr. LaRouche had what looked to be a serious setback.

NBC, the National Broadcasting Corporation, which, like the Daily News, has recognized what this was about, did a 1-hour documentary on LaRouche some 2 years ago. I went on that documentary to say what I had encountered in that nasty campaign.

Let me tell you, Mr. President, I have been through 33 years of American politics, and I know no such thing as nasty as running against a Fascist sect. I have an understanding of Europe in the 1930's which I surely never had before, and I thought I knew about that kind of thing. When they go after your family, when they go after you, and when violence is threatened and not very far from real, you know you have had a new experience.

I went on NBC and I said that. I appeared on the documentary. Little did I know that in the very classic manner of this group, they had engaged in a little conspiracy to keep me from appearing on the show.

Oh, it was not much, but they called NBC and said I had canceled and, I do not doubt, adding some things about why would I go on a Zionist-controlled, KGB Commie outfit like NBC.

Then they called our office and said NBC had canceled, they did not want some Democrat who would give offense to their rich Zionist millionaire Rockefeller Trilateral Commission board of directors. That was their general tone.

I see our distinguished Senator from Virginia is on the floor. By this time, Mr. LaRouche had moved his headquarters from New York City to Virginia, where he maintains a compound behind barbed wire and with armed guards. I believe that is the case. My very good friend [Mr. TRIBLE] nods agreement. LaRouche sued NBC for their documentary. NBC took a countersuit charging harassment in the case of the effort to prevent my appearance.

A Virginia jury in a Federal court, to its great credit, dismissed LaRouche's charge and then awarded NBC several million dollars in damages for its countersuit. That has been appealed. I do not want to state the precise legal situation because I am not really aware of it, but as I understand, although the judgment has been reduced somewhat, the money award, it has been confirmed and Mr. LaRouche owes NBC a very large sum of money for his illegal efforts. If he does not pay it, I guess he loses one armed compound or something. I would wish him no misfortune in that regard. In regard to personal wealth, that would not be welcome to me.

I would like to close now simply by saying that something is at stake. We are not going to be taken over by the politics of Lyndon LaRouche. What we are seeing abroad in the State of Abraham Lincoln is a capacity for Fascists—anti-Semitic, conspiratorial, thuggish Fascists—to win the votes of members of my party in the party primary and win nomination for office with very large consequences at stake. It is our fault that they did because we did not fight them back.

We proved in 1981 in New York City that if you do not fight them, they prosper. We showed in 1982 that if you do fight them, you beat them. We showed in 1983 that no fight is too small where issues this large are at stake. This is not a matter that will go away. Those two candidates have been in Washington today and they have announced that when elected that tanks will roll down State Street. We have not heard that kind of talk in this country and I can imagine that people do not know what I am talking about here. But I am telling you I have fought these people on the streets of New York and in the hamlets and the valleys and the countryside. They are vicious. They are capable of anything. Truth, facts, stand-

ards of argument mean nothing, and when they are not opposed they win. They can formulate arguments that win them the right, the opportunity to office and legitimacy beyond anything they have dreamed. I blame much of it on our failing to resist in 1981 in New York City, but I say we did learn our lesson. Maybe in some sense we drove LaRouche out of New York. I cannot imagine the Senator from Virginia would think we did Virginia any favor. But we did give them a taste of defeat. But now he has victory. And it is not him, not them. It is this kind of politics, this kind of pronouncement, this standard of argument, this kind of appeal that we have got to understand is abroad in the land. It was said in the 1930's in a great play by Sherwood Anderson, "It can't happen here," speaking of totalitarianism, fascism in New York. Well, Mr. President, in a small way it has already happened here and it would do my party, the Democratic Party, a world of good to wake up and meet the responsibilities of the oldest, organized Democratic Party on the face of the Earth.

Mr. President, I ask unanimous consent that at this point in the RECORD you might reprint an article from the New York Daily News of Tuesday, April 26 1983, entitled "Pols Lash LaRouche Candidates," an editorial from the New York Daily News this morning entitled, "The LaRouche Cult Mocks Illinois' Pols," and then a column by the distinguished writer Lars-Erik Nelson from this morning's Daily News, "What They Got May Not Be What They Wanted."

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

POLS LASH LAROUCHE CANDIDATES

(By James Harney and Paul La Rosa)

A host of political and labor leaders led by Sen. Moynihan and Mayor Koch assembled at City Hall yesterday to lash out against followers of Lyndon LaRouche who are running for positions in the District 6 Community School Board elections to be held next Tuesday.

Moynihan got the ball rolling by labeling the followers of LaRouche "bigots," City Councilman Stanley Michels (D-L-Upper Manhattan) called them "a fascist cult," labor leader Victor Gotbaum called them "slobs," and Koch simply added: "I can best sum it up by saying I have seen them before and they are the pits."

Local school board candidates do not usually attract even the attention of U.S. senators—never mind such outspoken criticism—but the slightest possibility that followers of LaRouche could win even one seat has mobilized an impressive array of opposition.

LaRouche, who founded the U.S. Labor Party, is backing nine candidates for the school board elections in upper Manhattan. Over-all, 35 candidates are contesting nine seats.

Although LaRouche at one time was considered to be at the far left of the political spectrum, he is now thought to be at the far right.

His followers have abandoned the label of the U.S. Labor Party and instead say they are with the National Democratic Policy Committee. They are running with the idea that a more classical education should be taught in the public schools—including Greek, Shakespeare and the violin—according to the campaign literature.

Earlier yesterday, Melvin Klenetsky, a LaRouche follower who ran unsuccessfully against Moynihan for the Democratic nomination for the U.S. Senate race in 1980, showed up at City Hall and said: "What Moynihan has said about the LaRouche group is slander that goes back to 1978 when LaRouche began a major war on drugs."

The politicians and labor leaders who spoke out yesterday were united in their belief that LaRouche's followers should not be allowed to win even one seat on the school board.

Councilman Michels said: "Community leaders of Manhattan have joined together to urge a huge turnout for the election on May 3 because of the threat to our community and our schools by a slate of candidates fielded by the LaRouche fascist cult."

Michels added that the candidates represent "an organization that is known to be anti-minority, anti-Semitic, anti-Catholic, anti-black and anti-Hispanic."

Gotbaum, head of District 37 of the American Federation of State, County and Municipal Employes, said he believes that the final vote will bear out the criticism of the assembled leaders. "I'm sure the community will show good judgment and reject these slobs," he said.

Klenetsky defended the educational ideas of the group, saying: "The classics are the very best way of teaching reading . . . they explore poetry and a sense of what it means to be a citizen."

Albert Shanker, head of the United Federation of Teachers, also appeared at the press conference. He said of the LaRouche group: "They don't represent people in the district and the more people know about them, the more horrified they would be to think that they (the candidates) have any support in the city.

"In other places there are just differences of opinion as to what ought to happen about the schools. Here are people who, in terms of everything we value, are just way out. We're doing everything we can to get a big voter turnout. We know that if people come out, these people will be defeated."

THE LAROUCHE CULT MOCKS ILLINOIS' POLS

Two Lyndon LaRouche supporters have won the Illinois Democratic primaries for lieutenant governor and secretary of state. That doesn't mean the state's Democrats have gone crazy or fascist. Most of them just didn't know what they were voting for—though there is a suggestion some of the votes were swung by the Chicago machine, which has no great affection for Adlai Stevenson 3d.

He's the candidate for governor, and the LaRouche fiasco is chiefly his fault. He's a former senator and son of you-know-who. He had no opposition in the primary, so he didn't bother to campaign. He didn't even distribute palm cards naming his own slate.

Voters had no guidance, and chose nice, English-sounding Mark Fairchild, the LaRouchie, over Germanic George Sangmeister for lieutenant governor, and Janice Hart over Aurelia Pucinski for secretary of state. Pucinski's father is a former member of the old Daley machine—and that didn't help, either in Chicago or downstate.

The LaRouchies were out pulling votes, telling people they were against drugs, AIDS and Russians and in favor of bailing out bankrupt farmers.

Voters didn't realize this sinister little cult advocates compulsory, nationwide testing for AIDS and quarantines for victims. It has promoted anti-Semitism. It argues that the U.S. is controlled through the narcotics trade, among other things, by the Rockefellers, Henry Kissinger, Queen Elizabeth and the Elders of Zion, allied to the KGB. LaRouche says Africa's problems can be ended with a railroad across the Sahara.

That's one of the more obviously harebrained schemes preached by LaRouche and his hardworking zealots. Some are much more dangerous.

In New York last year, LaRouche candidates won a handful of votes running for mayor and controller. They have sometimes been more successful running for local bodies like school boards when few people bother to vote.

A LaRouchie ran in at least one community school district in New York last time around and was soundly beaten when exposed. There are more school board elections next month. Smart voters will check every candidate's credentials to make sure none is a LaRouche nut in disguise.

Meanwhile in Illinois, Adlai the Third will try to get out of the mess he had created for himself, probably by running on a third-party ticket against the official Democratic ticket. He says he will never run with "the hate-filled folly" of a LaRouche candidate.

Right he is. But a bit late. The decision sounds like a political career winding down—but it's clearly not the end of Lyndon LaRouche. He must be watched for. And stopped.

WHAT THEY GOT MAY NOT BE WHAT THEY WANTED

(By Laas-Erick Nelson)

WASHINGTON.—At last, a Democratic candidate the average American working man can identify with: Mark Fairchild of Illinois.

He is a 28-year-old white male with an attractive North Country English name. He believes the nation has embarked on a disastrous course by shutting down its basic industries, like steel mills, and living off imports from abroad. He believes young people are being turned into zombies by illegal drugs—and that big banks should be prosecuted for laundering drug dealers' profits.

He favors a harder line toward the Soviet Union, return to the gold standard, deployment of the Star Wars defense system advocated by President Reagan and the development of nuclear power to make America independent of foreign oil producers. He believes the national Democratic Party has betrayed the interests of ordinary Americans by its liberalism and tolerance of moral evils like homosexuality.

Espousing these positions, Fairchild won the Democratic nomination for lieutenant governor in Illinois last Wednesday, picking up more than 330,000 votes and the right to be listed on the November ballot just below one of the party's most revered names, Adlai Stevenson 3d.

Stevenson promptly denounced Fairchild as a "bizarre and dangerous extremist" and declared he would not run on the same ticket with him. That means that Stevenson, son of the 1952 and 1956 Democratic candidate for the Presidency, must leave the

Democratic ticket if he intends to run for governor in November. Fairchild is the Democratic nominee for lieutenant governor, and can take the nomination away from him.

Fairchild is a member of the "National Democratic Policy Committee," the cuckoo's egg in the nest of the traditional Democratic party. The committee—some describe it as a cult—was created by Lyndon LaRouche, the one-time Trotskyite who goes beyond the traditional definitions of left-wing or right-wing extremism.

LaRouche, 64, lives in his own world of paranoid seclusion, surrounded by armed and uniformed guards, at a Virginia estate. He fears assassination at the hands of Zionist agents, drug dealers, the Rockefellers, the Queen of England and the Trilateral Commission.

Assassination plots are all too real to LaRouche, who has made three runs at the Democratic presidential nomination. One of his publications, Executive Intelligence Review, has written that President Lincoln was murdered by a joint team of Jesuits and British Secret Service agents and that President McKinley was assassinated by Venetians. In a March 1984 television broadcast, LaRouche charged that from 1946 to 1983, U.S. strategic and foreign policies had been under the controlling influence of "the most evil man of the 20th century, the late (British mathematician) Bertrand Russell."

Two LaRouche associates confronted Henry and Nancy Kissinger at Newark Airport in 1982, and charged Nancy with assault when she grabbed one of them by the throat for asking her then-ailing husband, "It is true that you sleep with young boys at the Carlyle Hotel?"

The chief suspect arrested by Swedish police after the assassination of Prime Minister Olof Palme was a former member of LaRouche's European Workers Party. The charges, since dropped, had some plausibility because of the party's hatred of Palme, who, it said, was a crypto-Nazi.

And now a LaRouche disciple is the Democratic nominee for lieutenant governor of Illinois. Just a fluke, surely. But, no: Another LaRouche disciple, Janice Hart, won the Democratic nomination for Illinois Secretary of State.

How does this happen? Partly it is pure chance. When two people are on a ballot, and the voter knows neither, the odds are that one of them will win by a 51 percent-49 percent margin. That's just statistics.

But more importantly, it is a protest: Illinois Democrats, fed up with both the Republican and Democratic policies, decided to vote for "None of the above."

As it happened, "None of the above" was on the ballot, with a plausible name, a plausible Democratic label and plausible positions. The voters who gave the nomination to Fairchild and Hart may not have known they were getting Lyndon LaRouche but they knew what they didn't want—the traditional Democratic candidate.

There's a message in there somewhere.

Mr. MOYNIHAN. Mr. President, I thank the Chair for its patient attention to my remarks. I yield the floor.

ROUTINE MORNING BUSINESS

Mr. TRIBLE. I ask unanimous consent there now be a period of routine morning business not to extend beyond 6 p.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

BERNARD MALAMUD

Mr. MOYNIHAN. Mr. President, the death of Bernard Malamud, the Pulitzer Prize-winning novelist, came as sad and unexpected news to all of us this week. His books and short stories vividly depicting the lives of everyday men and women have captivated America's interest and imagination ever since his first work, "The Natural," was published in 1952.

In 1959, Bernard Malamud won the Pulitzer Prize for "The Fixer," an absorbing novel—later a popular film—about a murder trial and the accused killer of a 13-year-old boy.

Through all of Bernard Malamud's writing, we are fascinated—and frequently inspired—by his themes of human dignity, spirituality, and morality in stories about people involved in the struggles of common existence.

Mr. President, the sense of loss at Bernard Malamud's death is especially intense for this Senator. I regret, as so many will, that a creator of great literature is gone. I also mourn because Bernard Malamud was a personal friend of many years. He was a man of rare creativity, thoughtfulness, and most of all imagination. As part of the tribute I mean to pay him today, I ask that an article from the Style section of Wednesday's Washington Post along with obituaries from the Washington Post and New York Times be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

MALAMUD: VOICE OF A NATURAL

(By David Remnick)

Bernard Malamud died in New York yesterday. Heart surgery a few years ago left him weak at times but, bless the man, he was just about finished with another novel before his gentle voice and tough spirit gave out at the age 71.

When a writer as fine and mysterious as Malamud dies after a long and productive life, his readers lose almost nothing, really. What is lasting about the man remains. Still, if you loved a writer—and Malamud was the sort of writer you could love, not just admire—you feel almost angry at his passing.

The work is complete, sealed. Death put a lid on the magic barrel. What was in that last novel? We'll wonder a few days, then return to the old gifts that still provide and provide.

Malamud gave a magnificent, singular voice to all that is strange and magical in his characters' lives. Those lives, of course, were mainly Jewish lives. For some odd critical and journalistic reasons, he was lumped together with a more comic spirit (Philip Roth) and a more cerebral one (Saul Bellow). All three produced a Jewish-American literature, but they never comprised a literary yeshiva. Malamud's stories—and he was best in shorter work—are little miracles that cannot be jammed into any critical duffel bags. They are elusive; so simple at first, then as dark and awesome as genuine spiritual experience. Full of humanity, even sentimentality at times, but full of strangeness and concrete wonder, too. Malamud believed deeply that "art tends toward morality":

"It values life. Even when it doesn't, it tends to. My former colleague Stanley Edgar Hyman used to say that even the act of creating a form is a moral act. That leaves out something, but I understand and like what he was driving at. It's close to Frost's definition of a poem as 'a momentary stay against confusion.' Morality begins with the awareness of the sanctity of one's life, hence the lives of others—even Hitlers, to begin with—the sheer privilege of being, in this miraculous cosmos, and trying to figure out why. Art, in essence, celebrates life and gives us our measure."

Malamud's best work—the stories in "The Magic Barrel" and "Rembrandt's Hat" as well as "The Assistant" and the better parts of "The Natural" and "The Fixer"—will always delight and stun because of the way they both portray and transcend a particular character and world: a shopkeeper and spiritual crisis, an aging ballplayer and his secret.

As surely as his Roy Hobbs was a natural home run hitter, Malamud was a natural storyteller, and to an interviewer from The Paris Review, he made a little narrative of his own life. It is worth listening to:

"My father was a grocer; my mother, who helped him, died after a long illness, died young. I had a younger brother who lived a hard and lonely life and died in his fifties.

"My mother and father were gentle, honest, kindly people, and who they were and their affection for me to some degree made up for the cultural deprivation I felt as a child. They weren't educated but their values were stable. Though my father always managed to make a living, they were comparatively poor, especially in the Depression, and yet I never heard a word in praise of the buck. On the other hand there were no books that I remember in the house, no records, music, pictures on the wall. On Sundays I listened to somebody's piano through the window. At age 9 I caught pneumonia, and when I was convalescing my father bought me the Book of Knowledge, 20 volumes where there had been none. That was, considering the circumstances, an act of great generosity.

"When I was in high school he bought a radio. As a kid, for entertainment I turned to the movies and dime novels. Maybe 'The Natural' derives from Frank Merriwell as well as the adventures of the Brooklyn Dodgers in Ebbets Field.

"Anyway my parents stayed close to the store. Once in a while, on Jewish holidays, we went visiting, or saw a Jewish play—Sholom Aleichem, Peretz and others. My mother's brother, Charles Fidelman, and their cousin, Isadore Cashier, were in the Yiddish theater.

"Around the neighborhood the kids played chase the white horse, ringo-levio, buck-buck, punchball and one o'cat. Occasionally we stole tomatoes from the Italian dirt farmers, gypped the el to ride to Coney Island, smoked in cellars and played blackjack. I wore sneakers every summer. My education at home derived mostly from the presence and example of good, feelingful, hard-working people. They were worriers, with other faults I wasn't much conscious of until I recognized them in myself. I learned from books, in the public schools.

"I took to literature early and wanted to be a writer. At eight or nine I was writing little stories in school and feeling the glow."

Though Malamud's sensibility was clearly shaped by his experience as a Jew, his stories seemed to derive as much from Chekhov, Hawthorne and other non-Jewish masters of the short story.

"I'm an American, I'm a Jew, and I write for all men. A novelist has to, or he's built himself a cage. I write about Jews, when I write about Jews, because they set my imagination going. I know something about their history, the quality of experience and belief, and of their literature, though not as much as I would like."

Think of those stories and you think of a figure in a painting by Chagall, a man with his feet on the dusty sidewalks and his head in heaven. If that makes Bernard Malamud a kind of giant, so be it.

[From the Washington Post, Mar. 19, 1986]

PULITZER PRIZE-WINNING NOVELIST BERNARD MALAMUD DIES AT 71

(By Eve Zibart)

Bernard Malamud, Pulitzer Prize-winning novelist and two-time recipient of the National Book Award, died yesterday, apparently of natural causes, at his New York apartment. He was 71.

One of a group of Jewish-American authors, including Philip Roth and Saul Bellow, whose work has focused on the Jew as outsider in society, Malamud once wrote that "All men are Jews"—that is, all men are solitary.

His protagonists often represent a kind of Jewish Common Man—a laborer, perhaps a small shopowner, rarely successful but acutely, inchoately sensitive to beauty and injustice—but he quarreled with the label "Jewish writer," saying it diminished his creations.

Born April 26, 1914, Malamud, the son of Yiddish-speaking Russian immigrants who owned a grocery store in Brooklyn, became interested in language after a childhood bout with pneumonia.

His father bought him a 20-volume Book of Knowledge to while away his convalescence; and he developed his storytelling technique by reworking for his friends the plots of current movies "to save them a dime."

He was not fascinated by his father's stories of Czarist Russia, an era he evoked so lucidly in the 1966 novel "The Fixer" that it brought him the Pulitzer and his second National Book Award (the first, in 1959, was presented for a short story collection, "The Magic Barrel").

"The Fixer," his fictionalized account of the murder trial of Mendel Beiliss, who was accused of the ritual murder of a 13-year-old boy, was made into a film starring Alan Bates.

His very first novel, "The Natural," published in 1952, belatedly became one of his best known after the release of the 1984 film version starring Robert Redford and Glenn Close. Ironically, though the film version transformed Malamud's darkly critical parable about the corrupting power of the American dream into a sunny fantasy in which the sinned-against Redford is saved by the grace of true love.

Like Roth, Bellow and Yiddish fablist Isaac Bashevis Singer, Malamud was preoccupied with the role of the Jewish author as creator. In his 1971 novel "The Tenants," a Jewish writer who has been struggling for a decade to finish his third novel becomes intellectually entangled with a black revolutionary who is struggling to perfect his own manifesto; the two ultimately die, drowned in their own words.

The protagonist of his 1979 novel, "Dubin's Lives," is also a writer, but this time a biographer, whose profession turns him into a kind of voyeur. His last novel, "God's Grace," published in 1982, turns the protagonist into perhaps the broadest recreator of all: The only survivor of a thermonuclear apocalypse, he mates with a female chimpanzee named Mary Madelyn and founds a whole new evolutionary Eden.

Other books by Malamud include "A New Life," 1961; "Pictures of Fidelman," 1969; "The Assistant," 1957; and the short story collections "Idiots First," 1963, and "Rembrandt's Hat," 1973.

The author was also a teacher, spending the years 1940 to 1949 teaching English in New York City high schools, and had been a member of the faculty of Bennington College since 1961.

He is survived by Ann de Chiara, his wife since 1945; a son, Paul, and a daughter, Janna.

[From the New York Times, Mar. 20, 1986]

BERNARD MALAMUD, AUTHOR, DIES AT 71

(By Mervyn Rothstein)

Bernard Malamud, the novelist and short story writer who won two National Book Awards and the Pulitzer Prize for his chronicles of human struggle, died Tuesday at his Manhattan apartment. He was 71 years old.

Mr. Malamud's work showed a regard for Jewish tradition and the plight of ordinary men, and was imbued with the theme of moral wisdom gained through suffering.

Mr. Malamud was considered by many critics to be one of the finest contemporary American writers. The critic Robert Alter said that stories like "The First Seven Years," "The Magic Barrel," "The Last Mohican," "Idiots First" and "Angel Levine" will be read "as long as anyone continues to care about American fiction written in the 20th century."

The author once described himself as a chronicler of "simple people struggling to make their lives better in a world of bad luck." One of his last appearances was at the PEN Congress in New York in January when he read from his works.

COMBINED FANTASY AND REALITY

In his work, Mr. Malamud often combined fantasy and reality to create a world that was both the same and different from the one we live in.

In "Angel Levine," a black, rather seedy-looking angel appears to a retired Jewish tailor; in "The Jewbird," a Yiddish-accented vagabond makes his way into an urban Jewish household in the form of a crow; in "Idiots First," the Angel of Death, alias Ginzburg, pursues a desperate Jew trying to scrape together money to send his idiot son to California on the midnight train.

"Malamud has been in the fable business, so to speak," the critic Alan Lelchuk wrote.

Mr. Malamud's first novel, "The Natural," an allegory about the rise and fall of a baseball player, was published in 1952. It is different from most of his work in that there are no Jewish characters. After the book was made into a movie starring Robert Redford in 1984, Mr. Malamud said in an interview that he was grateful for the film because it allowed his "to be recognized once more as an American writer" as opposed to a Jewish writer. But "The Natural" is similar to his later novels and stories in that it lies in the realm of a morality play.

"Malamud has always had a fondness for telling tales arranged for the purpose of a specific moral lesson," Mr. Lelchuk wrote.

"Neither realism nor surrealism has been his forte through the years," he continued, "but the fable, the parable, the allegory, the ancient art of basic storytelling in a modern voice; through this special mode he has earned his high place in contemporary letters."

"The Assistant," his second novel, and the one many critics consider his best, was published in 1957. Set in the Depression, it tells of a Jewish grocery-store owner and his Italian assistant, and it, too, is much like a morality play.

"The Fixer" (1966) was inspired by the ordeal of Mendel Beiliss, a Jew tried and acquitted of ritual murder in Kiev in czarist Russia of 1913. "The Magic Barrel," the author's first collection of short stories, was given the National Book Award in 1959.

On the basis of "The Assistant" and "The Fixer," critics began to think of Mr. Malamud as a "Jewish writer" along with Saul Bellow and Philip Roth.

Mr. Malamud, however, said that he found the label of "Jewish writer" inadequate. He said that the three writers shared more differences then similarities, and that, in his case, Jewishness was more a spiritual than a cultural or a religious quality.

"I was concerned with what Jews stood for," he said, "with their getting down to the bare bones of things. I was concerned with their ethicality—how Jews felt they had to live in order to go on living.

And at another time he commented: "Jewishness is important to me, but I don't consider myself only a Jewish writer. I have interests beyond that, and I feel I'm writing for all men."

Mr. Roth agreed with Mr. Malamud. "The Jews of 'The Magic Barrel' and the Jews of 'The Assistant' are not the Jews of New York City or Chicago," Mr. Roth wrote. "They are Malamud's invention, a metaphor of sorts to stand for certain possibilities and promises."

LATER WORKS CRITICIZED

Mr. Malamud's later works—"Pictures of Fidelman," "The Tenants," "God's Grace" and to a lesser extent, "Dubin's Lives"—got mixed reviews. Many critics cited a growing bleakness in his work, saying that as he left his Jewish milieu for academic and other settings his work took on a flinty emptiness without the poignance and meaning that characterized his earlier novels. His argument with God, they said, seemed to wither into a seminar.

Others, however, saw a growth in these works—his handling in "The Tenants" of the cultural and psychological upheaval among blacks caused by the rise of nationalism, separatism and racial pride; the powerful presence of nature in "Dubin's Lives," something new for an author whose works for the most part had urban settings, and the concern with man's survival in the nuclear age in "God's Grace."

Bernard Malamud was born April 26, 1914, in Brooklyn, the elder of two sons of Russian Jewish immigrants, Max Malamud and the former Bertha Fidelman.

His father ran a small grocery, working 16 hours a day—he served as a model for the Jewish grocer in "The Assistant." Looking back on his childhood, Mr. Malamud would recall that there were no books in his home, no cultural nourishment at all except that on Sundays he would listen to someone

else's piano through the living-room window.

He attended Erasmus Hall High School in Brooklyn, and in 1936 he received his B.A. from the City College of New York. After graduation, he worked in a factory, in various stores and as a clerk in the Census Bureau in Washington, writing in his spare time.

BEGAN TEACHING HIGH SCHOOL

In 1940, he got a job teaching at Erasmus Hall Evening High School and he would continue to teach in New York City evening high schools until 1949. While he was teaching, he earned an M.A. at Columbia University in 1942.

Mr. Malamud often said that the advent of World War II and the Holocaust first made him sure that he had something to say as a writer. Until then, he said, he had not given much thought to what it meant to be Jewish, but the horror of the war—as well as the fact that he married a gentile woman, Ann de Chiara, in 1945—made him question his own identity as a Jew and compelled him to start reading about Jewish tradition and history. He knew then, he said, that he really wanted to write.

"The suffering of the Jews is a distinct thing for me," he once explained. "I for one believe that not enough has been made of the tragedy of the destruction of six million Jews. Somebody has to cry—even it it's a writer, 20 years later."

In 1949, he got a job teaching English at Oregon State University, where he stayed until 1961, becoming an associate professor. He wrote four books there—"The Natural," "The Assistant," "The Magic Barrel" and his third novel, "A New Life" (1961), which is set in the Pacific Northwest at a college not unlike Oregon State.

In 1961, he went to teach at Bennington College in Vermont, where he taught for more than 20 years, with the exception of two years he spent as a visiting lecturer at Harvard from 1966 to 1968.

In 1963, he published "Idiots First," another story collection. That was followed by "The Fixer" (1966), "Pictures of Fidelman," stories about one central character (1969); "The Tenants," a novel about the conflict between two writers, one Jewish and the other black (1971); "Rembrandt's Hat," more stories (1973); "Dubin's Lives," a novel about a biographer in midlife that many critics consider one of his best (1979); "God's Grace," a novel (1982), and "The Stories of Bernard Malamud" (1983).

STORY, STORY, STORY

Mr. Malamud was a firm believer that a story should tell a story. "With me, it's story, story, story," he once said. "Writers who can't invent stories often pursue other strategies, even substituting style for narrative. I feel that story is the basic element of fiction though that ideal is not popular with disciplines of the 'new novel.' They remind me of the painter who couldn't paint people, so he painted chairs.

"The story will be with us as long as man is. You know that, in part because of its effect on children. It's through story they realize that mystery won't kill them. Through story they learn they have a future."

He did not find writing an easy task. "The idea is to get the pencil moving quickly," he said. "Once you've got some words looking back at you you can take two or three—or throw them away and look for other. I go over and over a page. Either it bleeds and shows it's beginning to be human, or the form emits shadows of itself and I'm off. I have a terrifying will that way."

In his writing, he prized the idea of swift transition—changing a scene in one sentence between paragraphs—and he thought he might have achieved that talent by studying intercutting in motion pictures. "I was influenced very much by Charlie Chaplin movies," he said, "by the rhythm and snap of his comedy and his wonderful, wonderful mixture of comedy and sadness."

He acknowledged that sadness was one of his prime topics. "People say I write so much about misery," he said, but added, "you write about what you write best."

He described the essential Malamud character as "someone who fears his fate, is caught up in it, yet manages to outrun it; he's the subject and object of laughter and pity."

LEFT UNFINISHED NOVEL

In addition to the Pulitzer and the National Book Awards, Mr. Malamud won the Rosenthal Award of the National Institute of Arts and Letters, Vermont's 1979 Governor's Award for Excellence in the Arts and the 1981 Brandeis Creative Arts Award. He was a member of the American Academy and institute of Arts and Letters, which in 1983 presented him its Gold Medal in Fiction. From 1979 to 1981 he was president of the PEN American Center.

Yesterday his publisher, Farrar, Straus & Giroux, announced the establishment of a Bernard Malamud literary award, to be administered by PEN. An official at the publishing house also said it will decide at a later date whether to publish separately the novel on which Mr. Malamud was working at the time of his death, or whether to publish parts of it in a posthumous collection.

For many years, Mr. Malamud did not become involved in social issues, arguing that for an author writing was involvement enough. But as president of PEN, he protested the repression of writers in the Soviet Union and South Africa and the curtailing of First Amendment rights.

Although he granted occasional interviews, Mr. Malamud led an intensely private life. In "The Ghost Writer," Philip Roth created a character named E.I. Lonoff, a novelist "deeply skeptical of the public world," whose ideas of work and esthetic purity obliged him to live a life of solitude. A number of critics have suggested that Lonoff was a portrait of Mr. Malamud.

Mr. Roth was a good friend of Mr. Malamud, and it is perhaps he who best summed up Mr. Malamud's work. Noting that Mr. Malamud was once supposed to have remarked that "all men are Jews," Mr. Roth said:

"What it is to be human, and to be humane, is his deepest concern."

He is survived by his wife and by a son, Paul, and a daughter, Janna. Funeral services will be private, and plans for memorial services in April will be announced at a later date.

DR. KENNETH B. CLARK

Mr. MOYNIHAN. Mr. President, Dr. Kenneth Clark has dedicated his life to children, social justice, and academic excellence. He is a man of integrity and compassion. I mention this, Mr. President, because today is Kenneth Clark's last day on the New York State Board of Regents, that body which governs education policy in the State of New York. Governor Averell Harriman first proposed Kenneth Clark for the board of regents in 1956, but it was 10 years before Clark actually joined the board as its first black member. He has served on the board ever since, including 5 years of service as chancellor from 1975 to 1980.

Dr. Clark has said that "the blending of the social scientist and the political officer offers hope for a future social policy and social stability that can have human values and compassion as a foundation." Clark should know. He has been practicing just such a blend for 20 years.

Dr. Clark has earned a reputation as an advocate for excellence and equality in education second to none. As a young scholar he worked on Gunnar Myrdal's landmark study on race relations, "An American Dilemma"; his research figured prominently in the 1954 Supreme Court decision, Brown against the Board of Education. Long ago he recognized the role of the stable family in breaking "the self-perpetuating pathology of the ghetto." When asked to what he is loyal, Clark is fond of responding: "The facts." It is not surprising, then, that with characteristic courage and foresight Clark recently suggested that the regents supersede the authority of local school boards in order to raise the quality of chronically poor schools.

Mr. President, I ask unanimous consent that an article from the New York Times about Dr. Kenneth Clark be inserted in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times, March 21, 1986]

CLARK URGING SHIFT IN CONTROL TO AID FAILED URBAN SCHOOLS

(By Edward B. Fiske)

With newly enacted academic reforms "unlikely to reach the inner-city students who need it most," Dr. Kenneth B. Clark has called on the New York State Board of Regents to supersede the authority of local school boards and put public schools with chronically low test scores into "receivership."

"We can no longer permit the people who have failed to improve inner-city schools to continue to run them," Dr Clark, the 71-year-old psycologist, educator and advocate for human rights, said in an interview. "Let's get busineesmen, church leaders, professors and other outsiders to come in and turn things around."

He spoke on the eve of his retirement, after 20 tumultuous years, as a member of the Board of Regents. He planned to repeat the appeal at a testimonial dinner for him in Albany last night.

Dr. Clark praised the Regents Action Plan—a comprehensive package of educational reforms adopted two years ago—as an "excellent plan." It calls for new tests and stiffer requirements for high school students in science, foreign languages and other core academic courses.

"The plan will work well in middle-class suburbs," he said, "but we have yet to address the issue of how to make it work in inner-city schools. It's one thing to raise standards. It's another to provide the remedial and other programs to make sure that every child—black or white—can meet them."

One possible approach, he said, would be for the Regents to supersede the authority of local school boards and place "chronically underachieving" schools in some sort of "receivership."

"It sounds like a wild idea, but you could form commissions of outside citizens to bring in new managers and hold them responsible for gains in achievement," he said.

Today, Dr. Clark will attend his final session of the 202-year-old Board of Regents, whose members frequently describe him as "our conscience." Earlier this week he relaxed in his office on East 86th Street in Manhattan and reflected on a career dedicated to improving the lot of children who, like himself, grew up in what he characterized in his best-known book as the "Dark Ghetto."

Surrounded by the mementos of success—from letters of appreciation from a generation of American Presidents to photographs with the boxer Muhammad Ali—he spoke in his familiar quiet and measured manner, and recalled some of his hopes, his struggles and his many still unfulfilled dreams.

There was the Supreme Court's Brown v. Topeka decision in 1954, which cited his research on the destructive effects of segregation on the self-esteem of black children as a reason for barring separate-but-equal public schools. And there was the long aftermath, as the focus of desegregation efforts shifted from the South to the North. Dr Clark joined the Regents in 1966 as its first black member, just as mandatory busing was becoming a volatile political issue in New York State.

"In Buffalo, I was in a peculiar position," he said. "The regents were defendants in a lawsuit, and I testified as a witness for the plaintiffs. People say to me, 'Kenneth, what are you loyal to?' I always answer: the facts. In the end, Buffalo came up with a successful magnet-school policy that the Regents endorsed."

A native of Panama, where his father was a passenger agent for the American Fruit Company, he earned his doctorate in social psychology at Columbia University and became the first black scholar to become a tenured professor at City College. In his research, Dr. Clark devised experiments in which he showed white and black dolls to children. He found that many ghetto children as young as 3 years old "reject the dark-skinned dolls as 'dirty' and 'bad.'"

A POWERFUL EFFECT

Out of his scholarship grew his social commitment and his low-keyed political style. "I'm the antithesis of a realistic politician." he said. "On any issue I would try to ask myself: what do I believe and why?"

Colleagues say that once he decided what he thought, the effect tended to be powerful. "He would listen carefully to both sides, and then I would always wait to hear whether he would say something," said Theodore Black, who became a member of the Board of Regents in 1966 and served as its Chancellor from 1975 to 1980. "He would never come out with all guns blazing. Instead, he relied on his mastery of the art of language."

Although his efforts to promote school desegregation generated the most headlines, Dr. Clark was an equally zealous backer of high of academic standards. In the mid-1970's he pushed hard for minimum competency tests for high school graduates but publicly charged that an easy early version of the test would "institutionalize retardation."

The psychologist concedes that he was not always right. "I fought hard for decentralization of the New York City schools because I thought it would improve the quality of schools, but I turned out to be wrong as hell," he said.

BAD FOR EVERYONE

He also readily admits that this is not a happy time for the causes to which he has dedicated his life. In recent years his mood has been one of melancholy.

"I still believe that segregated schools are bad for everyone, whites as well as blacks," he said. "But there's been a functional repeal of the Brown decision—even civil-rights organizations have backed away."

Though he is leaving the Board of Regents, Dr. Clark said he still has things to do, including the completion of his latest book, a study of residents of inner-city areas of Newark and White Plains.

"Its a continuation of 'Dark Ghetto,' only it's not as optimistic," he said. "You can see that things are deteriorating. You don't need a book; just take a ride. Abandoned buildings are only concrete symbols of abandoned human beings. If there is any hope, it lies in the realization that we can't destroy these children without affecting the whole city."

RULES OF THE COMMITTEE ON THE JUDICIARY

Mr. THURMOND. Mr. President, pursuant to paragraph 2, rule XXVI, of the Standing Rules of the Senate, which requires the publication of the rules of each Senate committee in the CONGRESSIONAL RECORD, I submit the procedural rules of the Committee on the Judiciary and ask unanimous consent that they be printed.

The procedural rules are as follows:

RULES OF THE COMMITTEE ON THE JUDICIARY

I. MEETINGS OF THE COMMITTEE

1. Meetings may be called by the Chairman as he may deem necessary on three days notice or in the alternative with the consent of the Ranking Minority Member or pursuant to the provision of the Standing Rules of the Senate, as amended.

2. Each witness who is to appear before the Committee or any Subcommittee shall file with the Committee, at least 48 hours in advance of the hearing, a written statement of his testimony in as many copies as the Chairman of the Committee or Subcommittee prescribes.

3. On the request of any member, a nomination or bill on the agenda of the Committee will be held over until the next meeting of the Committee or for one week, whichever occurs later.

II. QUORUMS

1. Ten members shall constitute a quorum of the Committee when reporting a bill or nomination; provided that proxies shall not be counted in making a quorum.

2. For the purpose of taking sworn testimony, a quorum of the Committee and each Subcommittee thereof, now or hereafter appointed, shall consist of one Senator.

III. PROXIES

When a record vote is taken in the Committee on any bill, resolution, amendment, or any other question, a quorum being present, a member who is unable to attend the meeting may submit his vote by proxy, in writing or by telephone, or through personal instructions. A proxy must be specific with respect to the matters it addresses.

IV. BRINGING A MATTER TO A VOTE

The Chairman shall entertain a non-debatable motion to bring a matter before the Committee to a vote. If there is objection to bring the matter to a vote without further debate, a rollcall vote of the Committee shall be taken, and debate shall be terminated if the motion to bring the matter to a vote without further debate passes with ten votes in the affirmative, one of which must be cast by the Minority.

V. SUBCOMMITTEES

1. Any member of the Committee may sit with any Subcommittee during its hearings or any other meeting, but shall not have the authority to vote on any matter before the Subcommittee unless he is a member of such Subcommittee.

2. Subcommittees shall be considered de novo whenever there is a change in the Subcommittee chairmanship, and seniority on the particular Subcommittee shall not necessarily apply.

3. Except for matters retained at the full Committee, matters shall be referred to the appropriate Subcommittee or Subcommittees by the Chairman, except as agreed by a majority vote of the Committee or by the agreement of the Chairman and the Ranking Minority Member.

SENATOR BOSCHWITZ' COMMON SENSE

Mr. HELMS. Mr. President, the able and distinguished Senator from Minnesota [Mr. BOSCHWITZ] is one of the Senate's most knowledgeable and informed Members in matters relating to agriculture.

During debate on last year's farm bill, Senator BOSCHWITZ proved himself remarkably knowledgeable about the intricacies of farm policy and its effect upon the American farmer. His ability to analyze the implications of policy proposals on the welfare of farmers in Minnesota, and the rest of the Nation, was most helpful as the Agriculture Committee waded through the enormity of that task.

In fact, Mr. President, those who follow agriculture policy will recall that Senator BOSCHWITZ introduced a farm bill that was a unique attempt to restore common sense to Federal farm policy. His bill represented truly innovative thinking, a commodity which is often in short supply in the Senate and in the area of agriculture policy generally. I was impressed by many aspects of his bill, and in retrospect I wish that more of his ideas could have been included in the final version of the bill.

One of Senator BOSCHWITZ' special abilities is to cut through rhetoric and obfuscation and thereby uncover and expose the truth of what is being pre-

sented. That ability is demonstrated in a letter he wrote recently to various farm groups who had been bemoaning what they called the tremendous hardship that farmers would experience as a result of the Gramm-Rudman-Hollings cutbacks. Senator BOSCHWITZ noticed that spokesmen for these organizations emphasized that the fiscal year 1986, 4.3 percent cutback would mean a loss of $57 million to Minnesota farmers. Why not point out, Senator BOSCHWITZ asked, that if 4.3 percent is $57 million, that 100 percent is $1,325,000,000—meaning that even after the cutback, the total amount of aid going to Minnesota farmers is an enormous $1,268,000,000?

Mr. President, there's no doubt about it, difficulties do confront those engaged in farming and ranching these days. One is a deep sense of pessimism. The reasons for pessimism have passed. The Carter embargo has been over for 5 years, the dollar is becoming decidedly more balanced in its relationship to foreign currencies, inflation is under control, interest rates are falling, expensive inputs from petrochemicals are falling in cost, our farm policies have been reformed to allow us to begin to enter new export markets once again. Federal assistance to farmers will be at an all time high for the next 3 years while these changes in policy are worked into the system.

In short, Mr. President, it's time for farmers to look at the glass as half-full, not half-empty. I thank Senator BOSCHWITZ for pointing this out in relation to the Gramm-Rudman-Hollings reductions in Federal spending. It is a balance that is long overdue, and one that is helpful to farmers.

Mr. President, America's farmers are fortunate to have a man of Senator BOSCHWITZ's dedication and abilities representing them in the U.S. Senate. He is a credit to this body and to the people of his State of Minnesota, and I ask unanimous consent that the letter by Senator BOSCHWITZ be printed in the RECORD.

The being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, DC, March 5, 1986.

NATIONAL WHEAT GROWERS,
Suite 300, Washington, DC.

GENTLEMEN: I noticed in my clippings an article that stated that your organization has estimated that the loss to Minnesota farmers "could be" $250 million next year under the Gramm-Rudman bill. From reading the article it appears your release says domestic programs might take up to a 25 percent cut next year. I see you stated that Minnesota farmers would lose as much as $57 million because of the 4.3 percent cut. Just think what 100 percent is if 4.3 percent is $57 million. Put another way, this means that Minnesota farmers would have received $1,325,000,000, and now that's reduced to $1,268,000,000. I suppose it would be too much for us to expect you to note the enormity of the aid rather than the $57 million loss.

I would appreciate your sending me the release that you sent out (mark it to the attention of my secretary, Kay Humphrey so I'll be sure to get it).

I am surprised to find your organization contributing to the general malaise and scare tactics that seem to abound in rural areas. You appear to believe that there is not enough pessimism and fear out there and that you must augment it.

I hope you'll also keep in mind that you have to deal with this Senator (and others) who try to be fair-minded and who don't appreciate these actions. Perhaps you could also give me some recommendations on how I should address these exaggerations (25 percent cut, indeed!) to my constituents? Or shall I just tell them that these difficult technical corrections bills that we are now considering are largely the result of oversights and fumbling by their organizational representatives?

Very truly yours,

RUDY BOSCHWITZ,
U.S. Senator.

[Letter also sent to: National Corn Growers, National Assn. of Wheat Growers, National Wheat Growers and National Milk Producers Federation.]

CAPITAL PUNISHMENT

Mr. LEVIN. Mr. President, the Senate Judiciary Committee recently voted to report S. 239, legislation to reinstitute the death penalty for a broad range of Federal crimes. I want to call to the attention of my colleagues a letter from the Legal Defense Fund [LDF] in opposition to S. 239. In its letter, the LDF summarizes the primary reasons why the Senate should reject this effort to reinstitute capital punishment at the Federal level.

Modifications in State death penalty statutes following the Supreme Court's decision in Furman versus Georgia have not eliminated unjust aspects of capital punishment such as its discriminatory application against minorities and those who are poor and uneducated. Post-Furman studies of capital sentencing show that the supreme penalty is up to 10 times more likely to be applied when the victim is white than when the victim is black. Additionally, as the letter from the Legal Defense Fund points out, reinstituting capital punishment will waste limited Federal resources without providing commensurate benefits to society by reducing the violent crime rate. Finally, the risk that innocent persons will be executed cannot be eliminated. For these reasons and others, lengthy debate is appropriate if S. 239 is scheduled for floor action.

Mr. President, I ask unanimous consent that a letter from the Legal Defense Fund dated March 17, 1986, appear in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

LEGAL DEFENSE FUND,
New York, NY, March 17, 1986.

DEAR SENATOR: I am writing to urge your opposition to S. 239, a bill to establish a federal death penalty.

The NAACP Legal Defense Fund has been engaged in the fight against capital punishment for over 20 years. It has been our experience that the death penalty is often imposed in an arbitrary manner: those sentenced to death are not necessarily those who commit the most heinous crimes, but rather those whose skin is black, whose victims are white or whose poverty, lack of education or inadequate legal representation make them unable to mount a vigorous defense. Moreover, because of the seriousness of the penalty and the attendant close judicial scrutiny of all capital convictions, the death penalty has proven to be expensive and cumbersome, thus nullifying any possible positive values it might seem to promise. Finally, we know from first-hand experience that no matter how closely each case is examined, there remains the very real possibility of executing innocent people, a risk we must certainly avoid.

I ask that you vote against S. 239. The death penalty, a vestige of a more primitive past, has no place in our society.

Sincerely,

JULIUS L. CHAMBERS,
Director-Counsel.

DEATH OF FORMER REPRESENTATIVE JIMMY VANZANDT

Mr. SPECTER. Mr. President, I should like to take this opportunity to honor an outstanding veteran, Representative Jimmy VanZandt, who recently passed away.

Mr. James E. VanZandt was a former Congressman from Pennsylvania, and a Navy veteran of World War II and the Korean war. Congressman VanZandt, a native of Altoona, was a 50-year member of the Charles R. Rowan American Legion Post 228 there. He was a strong supporter of veterans' affairs, served three terms as national commander of the VFW and two terms as State commander. In 1984, because of his devotion to veterans, the Altoona VA medical center was renamed the James E. VanZandt Medical Center.

Congressman VanZandt, first elected to Congress in 1938, served as senior member of the House Armed Forces Committee. In 1943, he announced his resignation to reenter the Navy. He was elected again in 1946.

After losing a bid for the U.S. Senate in 1962, Congressman VanZandt was named by Gov. William W. Scranton as secretary of the Pennsylvania congressional delegation, a position he held until 1984. For a number of years, he arranged for the Pennsylvania Legion's luncheon for U.S. Senators and Congressmen from Pennsylvania, held in conjunction with the Legion's Washington conference.

Congressman VanZandt enlisted as an apprentice seaman in the Navy in 1917 and retired in 1959 as a rear ad-

miral in the Naval Reserve, a most notable achievement.

Congressman VanZandt deserves the gratitude of the Nation and of his native State, Pennsylvania. As a Senator from Pennsylvania, I am honored to have the chance to recognize his contributions.

MESSAGES FROM THE HOUSE

At 10:07 p.m., a message from the House of Representatives, delivered by Mr. Berry, one of its reading clerks, announced that the House agrees to the amendment of the Senate to the amendment of the House to the amendment of the Senate to the amendment of the House to the amendment of the Senate to the bill (H.R. 3128) to make changes in spending and revenue provisions for purposes of deficit reduction and program improvement, consistent with the budget process.

The message also announced that the House has passed the following joint resolution, without amendment:

S.J. Res. 226. Joint resolution to designate the week of April 6, 1986, through April 12, 1986, as "World Health Week," and to designate April 12, 1986, as "World Health Day."

The message further announced that the House has passed the following joint resolution, in which it requests the concurrence of the Senate:

H.J. Res. 573. Joint resolution making a repayable advance to the Hazardous Substance Response Trust Fund.

The message also announced that the House has agreed to the following concurrent resolutions, in which it requests the concurrence of the Senate:

H. Con. Res. 304. Concurrent resolution providing for a conditional adjournment of the House from March 25 to April 8, and a conditional adjournment of the Senate from March 26 or March 27 to April 8, 1986; and

H. Con. Res. 305. A concurrent resolution to make technical corrections in the enrollment of the bill H.R. 3128.

ENROLLED JOINT RESOLUTION PRESENTED

The Secretary of the Senate reported that on today, March 21, 1986, she had presented to the President of the United States the following enrolled joint resolution:

S.J. Res. 272. Joint resolution to authorize and request the President to issue a proclamation designating March 21, 1986, as "Afghanistan Day," a day to commemorate the struggle of the people of Afghanistan against the occupation of their country by Soviet forces.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. DANFORTH, from the Committee on Commerce, Science, and Transportation, with an amendment:

S. 2179. A bill to amend the Communications Act of 1934 to provide for reduction in the term of office of members of the Federal Communications Commission, and for other purposes (Rept. No. 99-263).

By Mr. THURMOND, from the Committee on the Judiciary, with amendments:

H.R. 3570. A bill to amend title 28, United States Code, to reform and improve the Federal justices and judges survivors' annuities program, and for other purposes.

By Mr. DANFORTH, from the Committee on Commerce, Science, and Transportation, without amendment:

S. Res. 298. Resolution expressing support and encouragement of the Senate for the United States Disabled Ski Team at the 1986 World Disabled Ski Championships to be held in Salem, Sweden, on April 6 through April 17, 1986.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second times, by unanimous consent, and referred as indicated:

By Mr. WARNER (for himself, and Mr. HART) (by request):

S. 2218. A bill to authorize for the Department of Energy for national security programs for fiscal year 1987 and fiscal year 1988, and for other purposes; to the Committee on Armed Services.

By Mr. KERRY:

S. 2219. A bill to amend the Immigration and Nationality Act to provide for additional immigrant visa numbers for natives of certain foreign states which have had a significant decrease in immigration to the United States; to the Committee on the Judiciary.

By Mr. CRANSTON (for himself and Mr. HATFIELD, Mr. KERRY, Mr. SIMON, and Mr. HARKIN):

S. 2220. A bill to provide for a mutual, verifiable moratorium on the testing of nuclear warheads, and for other purposes; to the Committee on Foreign Relations.

By Mrs. KASSEBAUM (for herself, Mr. ABDNOR, Mr. MCCONNELL, Mr. BOREN, and Mr. NICKLES):

S. 2221. A bill to amend section 108 of the Internal Revenue Code of 1954 to provide that the discharge of certain farm indebtedness shall not be included in gross income; to the Committee on Finance.

By Mr. GORTON:

S. 2222. A bill to amend the Tariff Schedules of the United States to clarify the duty treatment of certain types of plywood; to the Committee on Finance.

By Mr. COHEN (for himself and Mr. Levin);

S. 2223. A bill to amend the Contract Disputes Act of 1978 to require selection of members of boards of contract appeals of Federal Government agencies pursuant to a competitive examination process and to provide the members of such boards the same protections against certain administrative actions as are provided for administrative law judges of the Federal Government; to the Committee on Governmental Affairs.

By Mr. HUMPHREY (for himself, Mr. HELMS, Mr. HECHT, Mr. EAST, Mr. DENTON, and Mr. SYMMS):

S. 2224. A bill to limit the uses of funds under the Legal Services Corporation Act to provide legal assistance with respect to any proceeding or litigation which relates to abortion; to the Committee on Labor and Human Resources.

By Mr. SIMON (for himself and Mr. PELL):

S.J. Res. 304. A joint resolution to designate the week of November 16, 1986, through November 22, 1986, as "National Arts Week"; to the Committee on the Judiciary.

By Mr. SIMON (for himself and Mr. PELL):

S.J. Res. 305. A joint resolution to designate the week of April 27, 1986, through May 3, 1986, as "National Arts in the Schools Week."

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mrs. KASSEBAUM (for herself, Mr. ABDNOR, Mr. MCCONNELL, Mr. BOREN, and Mr. NICKLES):

S. Con. Res. 119. Expressing the sense of the Congress relating to an amendment to the Internal Revenue Code of 1954 excluding the discharge of qualified agricultural indebtedness from cancellation of indebtedness income; to the Committee on Finance.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. WARNER (for himself and Mr. HART) (by request):

S. 2218. A bill to authorize appropriations for the Department of Energy for national security programs for fiscal year 1987 and fiscal year 1988, and for other purposes; to the Committee on Armed Services.

NATIONAL SECURITY PROGRAMS AUTHORIZATION ACT

● Mr. WARNER. Mr. President, by request, for myself and the senior Senator for Colorado [Mr. HART], I introduce, for appropriate reference, a bill to authorize appropriations for the Department of Energy for national security programs for fiscal year 1987 and fiscal year 1988, and for other purposes.

I ask unanimous consent that a letter of transmittal requesting consideration of the legislation and explaining its purpose be printed in the RECORD immediately following the listing of the bill.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 2218

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "National Security Programs Authorization Act for Fiscal Years 1987 and 1988."

TITLE I—NATIONAL SECURITY PROGRAMS

OPERATING EXPENSES

SEC. 101. Funds are authorized to be appropriated to the Department of Energy for fiscal year 1987 for operating expenses incurred in carrying out national security programs (including scientific research and development in support of the Armed Forces, strategic and critical materials necessary for the common defense, and military applica-

tions of nuclear energy and related management and support activities) as follows:

(1) For weapons activities, $3,752,554,000.

(2) For materials production, $1,596,390,000.

(3) For defense waste and byproducts management, $455,050,000.

(4) For verification and control technology, $95,500,000.

(5) For nuclear safeguards and security, $61,100,000.

(6) For security investigations, $33,300,000.

(7) For naval reactors development, $529,800,000.

PLANT AND CAPITAL EQUIPMENT

SEC. 102. Funds are authorized to be appropriated to the Department of Energy for fiscal year 1987 for plant and capital equipment (including planning, construction, acquisition, and modification of facilities, land acquisition related thereto, and acquisition and fabrication of capital equipment not related to construction) necessary for national security programs as follows:

(1) For weapons activities:

Project 87-D-101, general plant projects, various locations, $29,000,000.

Project 87-D-121, general plant projects, various locations, $32,000,000.

Project 87-D-102, environmental compliance and cleanup, Lawrence Livermore National Laboratory, Livermore, California, and Site 300, California, $7,000,000.

Project 87-D-104, safeguards and security enhancements, Phase II, Lawrence Livermore National Laboratory, Livermore, California, $4,300,000.

Project 87-D-122, short-range attack missile II (SRAM II) warhead production facilities, various locations, $5,000,000.

Project 87-D-123, protective clothing decontamination facility, Rocky Flats Plant, Golden, Colorado, $500,000.

Project 87-D-127, environmental, safety, and health upgrade Mound Plant, Miamisburg, Ohio, $2,400,000.

Project 87-D-130, receiving and shipping facility, Pinellas Plant, St. Petersburg, Florida, $300,000.

Project 86-D-103, decontamination and waste treatment facility, Lawrence Livermore National Laboratory, Livermore, California, $5,300,000, for a total project authorization of $9,000,000.

Project 86-D-104, strategic defenses facility, Sandia National Laboratories, Albuquerque, New Mexico, $13,000,000, for a total project authorization of $17,000,000.

Project 86-D-105, instrumentation systems laboratory, Sandia National Laboratories, Albuquerque, New Mexico, $5,800,000, for a total project authorization of $12,000,000.

Project 86-D-106, laboratory data communications center, Los Alamos National Laboratory, Los Alamos, New Mexico, $12,000,000, for a total project authorization of $15,000,000.

Project 86-D-122, structural upgrade of existing plutonium facilities, Rocky Flats Plant, Golden, Colorado, $2,420,000, for a total project authorization of $5,420,000.

Project 86-D-123, environmental hazards elimination, various locations, $16,840,000, for a total project authorization of $25,540,000.

Project 86-D-124, safeguards and site security upgrading, Phase II, Mound Plant, Miamisburg, Ohio, $1,880,000, for a total project authorization of $4,880,000.

Project 86-D-125, safeguards and site security upgrade, Phase II, Pantex Plant, Amarillo, Texas, $8,410,000, for a total project authorization of $9,910,000.

Project 86-D-130, Tritium loading facility replacement, Savannah River Plant, Aiken, South Carolina, $29,700,000, for a total project authorization of $34,700,000.

Project 85-D-102, nuclear weapons research, development, and testing facilities revitalization, Phase I, various locations, $29,950,000, for a total project authorization of $130,750,000.

Project 85-D-103, safeguards and security enhancements, Lawrence Livermore National Laboratory and Sandia National Laboratories, Livermore, California, $6,500,000, for a total project authorization of $27,600,000.

Project 85-D-105, combined device assembly facility, Nevada Test Site, Las Vegas, Nevada, $9,400,000, for a total project authorization of $24,000,000.

Project 85-D-106, hardened engineering test building, Lawrence Livermore National Laboratory, Livermore, California, $330,000, for a total project authorization of $3,030,000.

Project 85-D-112, enriched uranium recovery improvements, Y-12 Plant, Oak Ridge, Tennessee, $19,000,000, for a total project authorization of $38,800,000.

Project 85-D-113, power plant and steam distribution system, Pantex Plant, Amarillo, Texas, $1,790,000, for a total project authorization of $24,790,000.

Project 85-D-115, renovate plutonium building utility systems, Rocky Flats Plant, Golden, Colorado, $13,440,000, for a total project authorization of $34,040,000.

Project 85-D-121, air and water pollution control facilities, Y-12 Plant, Oak Ridge, Tennessee, $9,160,000, for a total project authorization of $28,160,000.

Project 85-D-125, tactical bomb production facilities, various locations, $12,800,000, for a total project authorization of $28,800,000.

Project 84-D-102, radiation-hardened integrated circuit laboratory, Sandia National Laboratories, Albuquerque, New Mexico, $3,000,000, for a total project authorization of $40,500,000.

Project 84-D-107, nuclear testing facilities revitalization, various locations, $13,300,000, for a total project authorization of $79,240,000.

Project 84-D-112, TRIDENT II warhead production facilities, various locations, $14,500,000, for a total project authorization of $155,200,000.

Project 84-D-113, antisubmarine warfare/standoff weapon warhead production facilities, various locations, $42,000,000, for a total project authorization of $52,000,000.

Project 84-D-124, environmental improvements, Y-12 Plant, Oak Ridge, Tennessee, $9,280,000, for a total project authorization of $38,280,000.

Project 84-D-211, safeguards and site security upgrading, Y-12 Plant, Oak Ridge, Tennessee, $27,220,000, for a total project authorization of $50,220,000.

Project 82-D-107, utilities and equipment restoration, replacement, and upgrade, Phase III, various locations, $97,904,000, for a total project authorization of $838,304,000.

Project 82-D-144, simulation technology laboratory, Sandia National Laboratories, Albuquerque, New Mexico, $6,000,000, for a total project authorization of $40,000,000.

(2) For materials production:

Project 87-D-146, general plant projects, various locations, $35,980,000.

Project 87-D-149, reduced chemical discharges to process sewers, Richland, Washington, $3,150,000.

Project 87-D-150, radioactive liquid effluent treatment facility, partial design only, Richland, Washington, $4,000,000.

Project 87-D-152, environmental protection plantwide, Savannah River, South Carolina, $1,500,000.

Project 87-D-156, reactor effluent cooling water thermal mitigation, Savannah River, South Carolina, $5,000,000.

Project 87-D-159, environmental, health, and safety improvements, Phase I, Feed Materials Production Center, Fernald, Ohio, $10,000,000.

Project 86-D-149, productivity retention program, Phase I & II, various locations, $71,625,000, for a total project authorization of $95,825,000.

Project 86-D-150, in-core neutron monitoring system, N reactor, Richland, Washington, $2,760,000, for a total project authorization of $7,220,000.

Project 86-D-151, PUREX electrical system upgrade, Richland, Washington, $3,780,000, for a total project authorization of $6,280,000.

Project 86-D-152, reactor electrical distribution system, Savannah River, South Carolina, $8,410,000, for a total project authorization of $10,410,000.

Project 86-D-153, additional line III furnace, Savannah River, South Carolina, $7,605,000, for a total project authorization of $9,105,000.

Project 86-D-154, effluent treatment facility, Savannah River, South Carolina, $15,650,000, for a total project authorization of $18,150,000.

Project 86-D-156, plantwide safeguards systems, Savannah River, South Carolina, $13,610,000, for a total project authorization of $16,610,000.

Project 86-D-157, hydrofluorination system—FB-line, Savannah River, South Carolina, $2,310,000, for a total project authorization of $4,510,000.

Project 85-D-139, fuel processing restoration, Idaho Fuels Processing Facility, Idaho National Engineering Laboratory, Idaho, $36,530,000, for a total project authorization of $58,530,000.

Project 85-D-140, productivity and radiological improvements, Feed Materials Production Center, Fernald, Ohio, $23,500,000, for a total project authorization of $41,500,000.

Project 85-D-145, fuel production facility, Savannah River, South Carolina, $33,500,000, for a total project authorization of $59,300,000.

Project 84-D-134, safeguards and security improvements, plantwide, Savannah River, South Carolina, $7,515,000, for a total project authorization of $34,415,000.

Project 84-D-135, process facility modifications, Richland, Washington, $34,475,000, for a total project authorization of $66,975,000.

Project 84-D-136, enriched uranium conversion facility modifications, Y-12 Plant, Oak Ridge, Tennessee, $1,000,000, for a total project authorization of $20,600,000.

Project 82-D-124, restoration of production capabilities, Phases II, III, IV and V, various locations, $3,511,000, for a total project authorization of $352,045,000.

(3) For defense waste and byproducts management:

Project 87-D-171, general plant projects, interim waste operations and long-term waste management technology, various locations, $26,535,000.

Project 87-D-172, WESF K-3 filter upgrade, Richland, Washington, $500,000.

Project 87-D-173, 242-A evaporator crystallizer upgrade, Richland, Washington, $2,800,000.

Project 87-D-174, 241-AQ tank farm, Richland, Washington, $2,100,000.

Project 87-D-175, steam system rehabilitation, phase I, Richland, Washington, $900,000.

Project 87-D-177, test reactor area liquid radioactive waste cleanup system, phase III, Idaho National Engineering Laboratory (INEL), Idaho, $700,000.

Project 87-D-180, burial ground expansion, Savannah River, South Carolina, $6,300,000.

Project 87-D-181, diversion box and pump pit containment buildings, Savannah River, South Carolina, $1,360,000.

Project 86-D-172, B-plant F-filter, Richland, Washington, $2,949,000, for a total project authorization of $3,949,000.

Project 86-D-174, low-level waste processing and shipping system, Feed Materials Production Center, Fernald, Ohio, $9,872,000, for a total authorization of $12,372,000.

Project 86-D-175, Idaho National Engineering Laboratory security upgrade, Idaho National Engineering Laboratory (INEL), Idaho, $7,258,000, for a total project authorization of $9,258,000.

Project 85-D-158, central warehouse upgrade, Richland, Washington, $1,044,000, for a total project authorization of $6,744,000.

Project 85-D-159, new waste transfer facilities, Savannah River, South Carolina, $7,318,000, for a total project authorization of $27,318,000.

Project 85-D-160, test reactor area security system upgrade, Idaho National Engineering Laboratory, (INEL), Idaho, $2,703,000, for a total project authorization of $6,953,000.

Project 81-T-105, defense waste processing facility, Savannah River, South Carolina, $123,967,000, for a total project authorization of $721,467,000.

(4) For verification and control technology:

Project 85-D-171, space science laboratory, Los Alamos, New Mexico, $2,000,000, for a total project authorization of $7,500,000.

(5) For naval reactors development:

Project 87-N-101, general plant projects, various locations, $4,800,000.

Project 87-N-102, Kesselring site facilities upgrade, Knolls Atomic Power Laboratory, West Milton, New York, $5,000,000.

Project 87-N-103, computation laboratory addition, Bettis Atomic Power Laboratory, West Mifflin, Pennsylvania, $2,300,000.

(6) For capital equipment not related to construction—

(A) for weapons activities, $322,870,000;

(B) for materials production, $126,090,000;

(C) for defense waste and byproducts management, $37,805,000;

(D) for verification and control technology, $4,200,000;

(E) for nuclear safeguards and security $4,800,000; and,

(F) for naval reactors development, $51,700,000.

TITLE II—GENERAL PROVISIONS

REPROGRAMMING

SEC. 301. Except as otherwise provided in this Act—

(1) no amount appropriated pursuant to this Act may be used for any program in excess of 105 percent of the amount authorized for that program by this Act or $10,000,000 more than the amount authorized for that program by this Act, whichever is the lesser, and

(2) no amount appropriated pursuant to this Act may be used for any program which has not been presented to, or requested of, the Congress,

unless the Secretary of Energy (hereinafter in this title referred to as the "Secretary") transmits to the appropriate committees of Congress a full and complete statement of the action proposed to be taken with respect to the program and the facts and circumstances relied upon in support of the proposed action.

LIMITS ON GENERAL PLANT PROJECTS

SEC. 202. (a) The Secretary may carry out any construction project under the general plant projects provisions authorized by this Act if the total estimated cost of the constructon project does not exceed $1,200,000.

(b) If at any time during the construction of any general plant project authorized by this Act, the estimated cost of the project is revised because of unforeseen cost variations and the revised cost of the project exceeds $1,200,000, the Secretary shall immediately furnish a complete report to the appropriate committees of Congress explaining the reasons for the cost variation.

LIMITS ON CONSTRUCTION PROJECTS

SEC. 203. (a) Whenever the current estimated cost of a construction project, which is authorized by section 102 of this Act, or which is in support of national security programs of the Department of Energy and was authorized by any previous Act, exceeds by more than 25 percent the higher of (1) the amount authorized for the project, or (2) the amount of the total estimated cost for the project as shown in the most recent budget justification data submitted to Congress, construction may not be started or additional obligations incurred in connection with the project above the total estimated cost, as the case may be, unless a period of thirty calendar days (not including any day in which either House of Congress is not in session because of adjournment of more than three days to a day certain) has passed after receipt by the appropriate committees of the Congress of written notice from the Secretary containing a full and complete statement of the action proposed to be taken and the facts and circumstances relied upon in support of the action.

(b) Subsection (a) shall not apply to any construction project which has a current estimated cost of less than $5,000,000.

FUND TRANSFER AUTHORITY

SEC. 204. To the extent specified in appropriation Acts, funds appropriated pursuant to this Act may be transferred to other agencies of the Government for the performance of the work for which the funds were appropriated, and funds so transferred may be merged with the appropriations of the agency to which the funds are transferred.

AUTHORITY FOR EMERGENCY CONSTRUCTION DESIGN

SEC. 205. In addition to the advance planning and construction design authorized by section 102, the Secretary may perform planning and design utilizing available funds for any Department of Energy national security program construction project whenever the Secretary determines that the design must proceed expeditiously in order to meet the needs of national defense or to protect property or human life.

FUNDS AVAILABLE FOR ALL NATIONAL SECURITY PROGRAMS OF THE DEPARTMENT OF ENERGY

SEC. 206. Subject to the provisions of appropriation Acts, amounts appropriated pursuant to this Act for management and support activities and for general plant projects are available for use, when necessary, in connection with all national security programs of the Department of Energy.

AVAILABILITY OF FUNDS

SEC. 207. When so specified in an appropriation Act, amounts appropriated for "Operating Expenses" or for "Plant and Capital Equipment" may remain available until expended.

TITLE III—AUTHORIZATION OF APPROPRIATIONS

FOR FISCAL YEAR 1988

SEC. 301. There are authorized to be appropriated to the Department of Energy to be available not earlier than October 1, 1987, such sums as may be necessary for fiscal year 1988 for programs set forth in this Act.

DEPARTMENT OF ENERGY,
Washington, DC, March 10, 1986.

Hon. GEORGE BUSH,
President of the Senate,
Washington, DC.

DEAR MR. PRESIDENT: Enclosed is proposed legislation entitled the "National Security Programs Authorization Act for Fiscal Years 1987 and 1988". This bill would authorize specific appropriations for FY 87 and such sums as may be necessary for fiscal year 88. The total amount that would be authorized in title I for FY 1987 is $8,098,400,000, of which $6,523,694,000 is for operating expenses, $1,027,241,000 is for construction projects, and $547,465,000 is for capital equipment.

Title II sets forth general provisions that would govern reprogramming of funds, general plant projects, construction projects, fund transfers, construction designs, and availability of funds.

The Office of Management and Budget advises that enactment of this legislative proposal would be in accord with the program of the President.

Sincerely,

J. MICHAEL FARRELL,
General Counsel.●

By Mr. KERRY:

S. 2219. A bill to amend the Immigration and Nationality Act to provide for additional immigrant visa numbers for natives of certain foreign states which have had a significant decrease in immigration to the United States; to the Committee on the Judiciary.

WESTERN EUROPEAN IMMIGRATION

Mr. KERRY. Mr. President, for some time now there have been concerns that the 1965 Immigration and Naturalization Act, which replaced the country quota system with a preference system, has been inequitable. Many of my constituents are concerned that the current system has not treated immigrants of Western European descent fairly.

Therefore, I am introducing legislation today which would amend the Immigration and Naturalization Act to allow additional immigrants from most countries in Western Europe, Canada,

Mexico, and Australia. Congressman JOSEPH J. DIOGUARDI will be introducing companion legislation in the House today as well.

I want to take this opportunity to commend Congressman DIOGUARDI for the time and effort he has devoted to fashioning this legislation. However, I want to commend, particularly, the work of Congressman BRIAN DONNELLY of my own State of Massachusetts, who introduced similar legislation last year to deal with this issue. I believe Congressman DONNELLY has paved the way for a serious consideration of this matter and, hopefully, eventual enactment of this or similar legislation.

In an effort to restore parity to the immigration system our legislation looks at the levels of immigration before the current preference system was established. In order to correct the inequities of the system we have devised a new formula for granting visas as follows:

First, take the gross number of visas that were issued to natives from each country for the 10-year period beginning July 1, 1956.

Second, from this 10-year period, the 2 years with the highest levels are dropped. This is done to avoid aberations such as the one that occurred as a result of the unrest in Hungary in 1956.

Third, the sum of the remaining 8 years is then divided by 8 to come up with a yearly average for that designated period.

Fourth, in an attempt to set as realistic levels as possible, our legislation would then multiply this yearly average by 0.75. This is the number which becomes the new base for all countries under the Immigration and Naturalization Act.

Fifth, the difference between this new base number and the number of visas that were issued in fiscal year 1984 for a foreign state of chargeability under the preference system is then taken. If the base number is greater than the fiscal year 1984 number, that nation will be entitled to additional visas equal to the difference.

For example, if Italy's base number is 5,000 under the new formula and 1,000 visas were issued in fiscal year 1984 under the current prefrence system Italy would be entitled to up to 4,000 additional visas.

The next step, under the proposed legislation, entails the distribution of these additional visas. This is handled as follows:

First, the number of additional visas would be distributed to each of the preference categories as they are now distributed under current law.

Second, if additional visas remain after clearing out the various preference categories, under the formula in current law, the remaining visas will be used to clean out preference one to as great an extent as possible, and so on down the line through all six preference categories.

Third, if all six preference categories are cleaned out, any remaining visas would be issued on a nonpreference, first-served basis.

Two restrictions would apply to nonpreference visas. First, there would not be any more than 5,000 nonpreference visas which could be issued to any country in a single year. Second, the nonpreference visas would have to be used in the year they are issued. There will not be any carry-over of nonpreference visas.

While most countries in Western Europe, Canada, Mexico, and Australia would be the primary beneficiaries of this new formula, I want to emphasize that all other countries in the world would not be penalized. Immigration levels would remain the same as it is under current law.

Mr. President, for some time now the Irish and other Western Europeans, most notably the West Germans and Italians, have been concerned that since the implementation of the worldwide preference system in 1966, there has been a precipitous decline in the number of individuals allowed to enter the United States when compared to the level preceding the preference system. While this bill increases the allowable immigration from a number of countries, it should be pointed out that Irish emigration to the United States, which averaged 7,000 individuals in each of the 10 years prior to the implementation of the preference system, has averaged less than 1,000 in the past few years. Last year, under this system, only 514 Irish received preference visas.

I raise the issue of Irish immigration not only because of the traditional ties we have had with Ireland, but also because of the significant and vital contributions those of Irish descent have made to building our Nation. The Irish have brought to the United States a cultural tradition which has enriched significantly our entire society.

And because of the inestimable contributions Irish-Americans have made to the United States, I am deeply concerned over the problems confronting the Republic of Ireland and Northern Ireland as well. I was particularly struck by the January 18, 1986, New York Times op-ed piece written by Tim Pat Coogan, the editor of the Irish Times. In commenting on the American aid program for Northern Ireland, Coogan pointed out:

. . . the aid, though a welcome boost to the recently concluded Anglo-Irish accord giving Dublin a limited voice in Northern Ireland, is not likely to include what many Irish officials privately say would be the best form of assistance Washington could offer Ireland, north and south: permission for more Irish to go to work in America—legally.

Coogan points out that the Irish constitute one of the growing categories of "wetbacks" in the United States.

Coogan goes on to note that:

The Irish are besieging the American Embassy in Dublin for visas, but the criteria for getting legal emigrant status are set so high that Ronald Reagan himself, were he a boy, probably would not get in.

Mr. Coogan makes a good case for relaxing the quota for Ireland where "unemployment denied the safety valve of emigration, stands at some 17.5 percent in the Irish Republic and at more than 22 percent in Northern Ireland, rising in Roman Catholic ghettos there to more than 60 percent."

This provides a nearly inexhaustible pool of educated, frustrated young men and women for paramilitary organizations and disaffection of all kinds. That frustration finds an outlet in an anti-Americanism, evidenced by the burning of an American flag in Dublin during the Reagan visit.

Mr. President, I believe we have a responsibility not to ignore this volatile situation. We have benefited greatly by the Irish tradition in America. Irish Americans have come to the aid of the United States in times of crisis. I think we now have a responsibility to come to the assistance of our forebears in their time of crisis.

I ask unanimous consent that the op-ed piece be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

RELAX THE IRISH QUOTA

(By Tim Pat Coogan)

DUBLIN.—Irish officials returned home this week from a visit to Washington jubliant at the prospect of American aid to Northern Ireland's economy. But the aid, though a welcome boost to the recently concluded Anglo-Irish accord giving Dublin a limited voice in Northern Ireland, is not likely to include what many Irish officials privately say would be the best form of assistance Washington could offer Ireland, north and south: permission for more Irish to go to work in America—legally.

Those who look no further than the St. Patrick's Day parades might be surprised to learn that the Irish constitute one of the fastest growing categories of "wetbacks" in the United States. Not long ago, a jet chartered in Northern Ireland flew from Shannon with two Gaelic football teams and their supporters. When the return flight took off from Kennedy, 80 remained behind. They joined the hordes of young boys and girls working in bars, restaurants and at building sites in New York, Boston, San Francisco, Pittsburgh—where the Irish cluster. They are illegal imigrants working on expired visitors' visas, with all the disabilities this entails: vulnerability to employer victimization, no welfare, the permanent threat of expulsion and of being refused re-entry should they return home for a wedding or funeral. Thus, to such Irish the term "green card" has a special irony.

President Reagan put the official—and incorrect—American position to me on the eve of his visit to Ireland in 1984. He said that

"the Irish quota is 20,000 annually" but that "there are no queues of Irish lining up to get into the States." In fact, there are, and during his visit the Irish Government sought to clarify the situation.

Irish politicians hestitate to encourage emigration publicly and thus be seen as shirking their own responsibilities. But recently the opposition leader, Charles J. Haughey, came out publicly in favor of immigration quota reform in the United States. So has Thomas P. O'Neill Jr., Speaker of the House, who is seeking sponsorship for a bill that would increase the total number of legal Irish immigrants to 4,500 per year—a far cry from Mr. Reagan's claim of 20,000 but a step in the right direction. Only some 500 people from the Republic of Ireland are legally admitted each year as a results of the 1985 immigration law.

The Irish are besieging the American Embassy in Dublin for visas, but the criteria for getting legal emigrant status are set so high that Ronald Reagan himself, were he a boy, probably would not get in.

Since the 1965 law was passed, talk of favorite treatment for any nation raises the specter of racism, but the Irish case is different. The Irish numbers involved pose no threat to America. Mr. Reagan's mythical 20,000 would make a gigantic difference to Ireland, where the population has gone up by 25 percent in the last 20 years but where unemployment, denied the safety valve of emigration, stands at some 17.5 percent in the Irish Republic and at more than 22 percent in Northern Ireland, rising in Roman Catholic ghettos there to more than 60 percent.

This provides a nearly inexhausible pool of educated, frustrated young men and women for paramilitary organizations and disaffection of all kinds. That frustration finds an outlet in anti-Americanism, evidenced by the burning of an American flag in Dublin during the Reagan visit.

Sean and Mary, with their university qualifications, far from becoming a drain on America, could contribute to the economy; at home, they would work on the lower rung of the blue collar ladder. Letters they might send to Ireland, north and south, bringing dollars as well as news, would not only quench the fires of anti-American hostility but also give other young people hope for a better life—indeed, the prospect of emigrating and then returning with enough money in their pockets to buy their own farms and businesses.

But as things now stand, if the United States does not relax its quota, the Irish tradition in America, which has contributed significantly both to the church and state, is in danger of becoming just that—a tradition. Meanwhile, the Emerald Isle itself, the ranks of its workforce reduced by recession, its morale weakened by the cost of Northern Ireland violence, tilts every closer toward becoming Western Europe's Cuba.

By Mr. CRANSTON (for himself, Mr. HATFIELD, Mr. KERRY, Mr. SIMON, and Mr. HARKIN):

S. 2220. A bill to provide for a mutual, verifiable moratorium on the testing of nuclear warheads, and for other purposes; to the Committee on Foreign Relations.

MUTUAL NUCLEAR WARHEAD TESTING MORATORIUM ACT

Mr. CRANSTON. Mr. President, I deeply regret the administration's unwise and imprudent decision to continue U.S. nuclear testing.

With a mutual United States-Soviet warhead testing halt we would have a chance, a real chance to do something that would halt the arms race.

Talk is cheap. And while the superpowers have been talking over the years, they have continued to build up their arsenals. The history of the arms race shows that weapons developments forever outpace the efforts of negotiators to contain them.

But a mutual testing halt offers us a chance to cut through all the rhetoric and propaganda spewed out by both the Kremlin and the White House and to take a concrete step to halt arms escalation.

The Soviets have challenged us by observing a moratorium. The U.S. Government—with our superior technology and more reliable warheads—should not shy away from that challenge.

Because the President has abandoned efforts to negotiate a test ban, I am joining today with my friend, the distinguished chairman of the Senate Appropriations Committee, MARK HATFIELD, to introduce legislation in the Senate which would cut off funds for all United States nuclear warhead testing so long as the Soviets do not test. Senator HATFIELD and I are joined as original cosponsors by Senators SIMON, KERRY, and HARKIN. A similar measure, introduced in the House by Representative PAT SCHROEDER, already has more than 80 cosponsors.

Our measure would permit money to be expended for every step short of actual testing. We could prepare to test. We could be ready to test instantly if there was a Soviet breakout.

History has taught us that we must be prepared to act for arms control rather than run the enormous risks inherent in the unrestrained growth of the superpowers' bloated nuclear arsenals.

Mr. President, I ask unanimous consent that the complete text of my legislation along with a summary of the measure be printed in the RECORD.

There being no objection, the material ordered to be printed in the RECORD, as follows:

S. 2220

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Mutual Nuclear Warhead Testing Moratorium Act".

SEC. 2. FINDINGS.

The Congress finds—

(1) that a mutual and simultaneous moratorium on the testing of nuclear warheads by the United States and the Soviet Union would be a crucial first step by both nations toward mutual arms reductions;

(2) that the Soviet Union has observed a moratorium on the testing of nuclear warheads since August of 1985, and has stated that if the U.S. joins in the moratorium it will remain in effect indefinitely.

SEC. 3. SENSE OF CONGRESS.

(a) CESSATION OF NUCLEAR TESTING.—(1) It is the sense of Congress that the President, should declare that the United States will cease the testing of nuclear warheads and will invite the Soviet Union to meet with the United States to enter into negotiations for the conclusion of a Comprehensive Test Ban Treaty at the earliest possible date.

(2) If such a cessation of the testing of nuclear warheads takes effect, the United States should continue the cessation of the testing of nuclear warheads so long as the Soviet Union refrains from the testing of nuclear warheads and substantive Comprehensive Test Ban Treaty negotiations are in progress.

(b) RESUMPTION OF COMPREHENSIVE TEST BAN TALKS.—It is the sense of Congress that during a cessation of the testing of nuclear warheads described in subsection (a) the President should actively seek resumption of the comprehensive test ban talks between the United States, Great Britain, and the Soviet Union in order to achieve a Comprehensive Test Ban Treaty.

SEC. 4. LIMITATIONS ON USE OF FUNDS.

(a) IN GENERAL.—If the President does not declare a cessation of testing nuclear warheads as described in section 3(a), then during the six-month period beginning thirty days after the passage of this bill, no funds appropriated or otherwise made available by Congress may be obligated or expended by the United States for the testing of nuclear warheads.

(b) AUTHORITY IF SOVIET UNION TESTS.—(1) If the President certifies to Congress that the Soviet Union has on or after that date tested a nuclear warhead, then beginning on such date funds may be obligated or expended by the United States for such testing.

(2) The President shall include with any certification under subsection (b).

(A) an unclassified report summarizing the basis for the certification; and

(B) a classified report describing in detail the activities of the Soviet Union that are the basis for the certification under subsection (b).

SEC. 5. VERIFICATION OF CESSATION OF TESTING.

The Congress determines that—

(1) existing national technical means of verification are adequate to provide confidence during the six-month period of the cessation of nuclear testing referred to in section 4(a) that no nuclear test can be conducted that would lead to a military advantage for either participant;

(2) the comprehensive test ban talks referred to in section 3(b) can build upon verification procedures already developed and incorporated in previous treaties and agreements to provide long-term mutually acceptable verification measures; and

(3) these verification measures would include, at a minimum, provisions for on-site inspection, cooperative measures for the exchange of seismic data, and the establishment of a monitoring committee of experts.

SEC. 6. ANNUAL REPORT.

Three months after a cessation of the testing of nuclear warheads takes effect under this Act and annually thereafter while such cessation remains in effect, the President shall report to Congress—

(1) on the progress being made by the United States in negotiating nuclear arms control agreements with the Soviet Union; and

(2) on whether the President believes that continuation of the cessation of nuclear testing is in the national security interest of the United States.

SEC. 7. DEFINITION.

For purposes of this Act, the term "testing of nuclear warheads" means the detonation of a nuclear explosive device.

S. 2220—MUTUAL NUCLEAR WARHEAD TESTING MORATORIUM ACT

Prohibits use of funds for the testing of nuclear warheads for six months following passage of the bill contingent upon the Soviet Union continuing to exercise similar restraint.

Allows testing to resume immediately upon Presidential certification to Congress of a Soviet test during the mutual test ban period.

Conveys sense of Congress that if the U.S. moratorium takes effect, the United States should continue the cessation of the testing of nuclear warheads so long as the Soviet Union refrains from testing and substantive Comprehensive Test Ban Treaty negotiations are in progress.

Permits use of funds for preparations for testing, including all necessary steps short of actual tests, so that we would be ready for immediate resumption of tests if necessary.

By Mrs. KASSEBAUM (for herself, Mr. ABDNOR, Mr. MCCONNELL, Mr. BOREN, and Mr. NICKLES):

S. 2221. A bill to amend section 108 of the Internal Revenue Code of 1954 to provide that the discharge of certain farm indebtedness shall not be included in gross income; to the Committee on Finance.

AGRICULTURAL CREDIT STABILIZATION ACT

Mrs. KASSEBAUM. Mr. President, I am introducing today, along with Senators NICKLES, ABDNOR, MCCONNELL, and BOREN, a needed piece of legislation. This bill would exclude the discharge of certain farm indebtedness from a farmer's gross income. Such legislation is needed if we are to encourage successfully the renegotiation of agricultural debt.

In addition, Mr. President, I am submitting a concurrent resolution which I intend to offer as an amendment to the agricultural bank credit package soon to be considered by the full Senate. The resolution will demonstrate congressional understanding of this problem and will emphasize the need for this tax reform measure if meaningful restructuring of farm debt is to occur. Finally, the resolution will commit Congress to consider, at the earliest opportunity, a legislative remedy.

The bill I am introducing is vital if we are serious about assisting America's farmers in obtaining necessary credit. In addition, it will provide increased stability to financial institutions across this country. It is a critical component of any Farm Credit Assistance Program, and it deserves to be considered by the Senate in conjunction with whatever legislation is proposed to assist agricultural banks. We must take this step, now or in the near future, if we are to stop the downward economic spiral which is gripping rural America.

Mr. President, everyone has begun to realize the wisdom of allowing agricultural banks some breathing room. Financially sound and ably managed banks with commitments to agricultural lending can and will survive these troubled times. Some banks will be able to help some farm borrowers. However, we can assist more banks and more troubled farm borrowers by recognizing the realities of renegotiation.

The Senate Banking Committee will complete action soon on a package intended to provide a cushion for agricultural banks. Federal regulators have recognized the same need and announced last week regulatory changes which were long overdue. I am fully supportive of these efforts, and I look forward to supporting the package which the Banking Committee will offer to the full Senate.

Mr. President, the most important part of any assistance package is the deferral of loan losses. Loan loss deferral is not a radical departure from standard accounting practices. It simply recognizes that smaller agricultural banks cannot absorb 100 percent of loan losses in a single year. It also recognizes that spreading out the hurt will encourage bankers to sit down with and talk to their farm borrowers to see if a renegotiated loan will enable that farmer to survive.

A loan loss deferral program will benefit the farmers by granting to banks a new incentive for restructuring farm loans. The bank will benefit from an accounting practice which takes into consideration the longer term strength of the institution rather than a one-time snapshot of the bank's financial position which overemphasizes a single bad year. Finally, the local community will benefit from the increased solvency of its farm customers and from the stable flow of credit.

In hearings before the Senate Banking Committee, in meetings among farm State senators, and in visits with my constituents, I have heard repeatedly of the wonders of restructuring and renegotiating agricultural loans. Certainly there is widespread support for voluntary restructuring of farm debt. Simple economics tells us that we should not encumber the entire credit of a farmer, a bank, and a community by resorting to foreclosure or bankruptcy proceedings if it is possible to work out a mutually satisfactory solution between the bank and the farmer.

Unfortunately, many of the discussions on renegotiation have ignored the implications of the Internal Revenue Code for a farmer who seeks to renegotiate his debt. Any effort to encourage renegotiation must provide incentives for both parties to restructure. It is critical to distinguish between loan loss deferral, relaxation of capital requirements, and modified reporting requirements, which provide incentives for the lender to renegotiate, and the removal of a farm borrower's tax liability, which provides the farmer a similar incentive. To try one without the other is to doom the effort.

The legislation I am introducing will help ensure that renegotiation is in the farmer's best interest, not just the bank's. It is the flip side of the renegotiation coin. Indeed, unless we remove a farmer's tax liability for any debt write-down, we will discover that our efforts to assist banks have had little or no impact. For those who have studied all aspects of this problem, it is crystal clear that meaningful and desirable renegotiations will occur only if both sides of the coin are minted.

This problem in the Tax Code can be easily understood. Under the Internal Revenue Code of 1954, the amount of any forgiven debt is considered taxable income to the debtor. Thus, if I borrow $100,000 during 1986 and my creditor forgives that debt in 1987, I must add $100,000 to my 1987 taxable income.

This is vitally important to a farmer seeking to renegotiate his debt. If a farmer owes his banker a certain sum in principal and accrued interest, and he renegotiates that debt to reflect a lower interest rate, reduced principal, or a longer payment period, he will find himself subject to an unexpected and possibly large income tax liability.

Why is this a problem? Because the very reason the farmer sought renegotiation, insufficient cash-flow, leaves him unable to satisfy a Federal income tax liability. A responsible effort to work out a voluntary debt reduction agreement is undermined by a provision of the Federal Tax Code.

The code recognizes that treatment of canceled debt is unfair and counterproductive in certain situations. Section 108 of the code contains exclusions from tax liability for the cancellation of indebtedness income. One of those exclusions is for "insolvent" taxpayers. Under this exclusion, if a taxpayer's assets are exceeded by liabilities—the taxpayer has a negative net worth—the taxpayer is relieved of any income tax liability for forgiven debt. Another excludes from income the discharge of qualified business indebtedness.

Unfortunately, in today's farm economy, the section 108 exclusions are largely irrelevant. First, a balance sheet test of insolvency does no good for the farmer facing a cash-flow insolvency. For farmers with a positive

net worth, no matter how small, debt write-down income will mean income tax liability for which he lacks the resources to pay.

Second, the qualified business indebtedness exclusion favors businesses and trades which utilize depreciable assets. The exclusion is limited to the amount of depreciable assets held by the taxpayer. For a farmer whose assets and debt are mainly in real estate, a nondepreciable asset, the exclusion is virtually worthless. Farmers simply do not have enough depreciable assets to offset the debt write-down income.

The farmer does have a way to avoid this debt write-down income dilemma. He can file for bankruptcy, satisfying his creditors through the bankruptcy code and court and extinguishing his Federal income tax liability. No longer will he have to worry about a tax liability, since his debt service renegotiation occurred under the protection of the Federal Bankruptcy Code.

What a dilemma for rural America. Lenders and farmers want to renegotiate loans to the extent that a farmer can meet his payment obligations. Other farm creditors want to help a farmer by stretching out his payments and hanging onto him through another growing season. No one wants to suffer the humiliation and delays and confrontations involved in bankruptcy proceedings. Yet, under current law, there is no alternative. Every well-advised farmer who has cash-flow problems will file for bankruptcy and avoid facing tax liability for debt write-down income.

This should not be and cannot be how Congress intended the tax and bankruptcy codes to mesh. No farmer should be forced into bankruptcy by a provision of the Federal Tax Code. Bankruptcy destroys farmers and their families, it tears apart communities, it delays decisions, and it dampens credit availability. Bankruptcy courts, especially in Kansas, Iowa, Nebraska, and other Midwestern States are littered with filings that are taking years to process.

This legislation adds an additional exclusion to section 108. Under my legislation, agricultural indebtedness which is written down as part of the Loan Loss Amortization Program would not be taxable to the farmer. The exclusion would only be available for taxpayers who gain more than 50 percent of their gross income from farming operations and would be limited to debt forgiven on qualified agricultural loans from qualified agricultural banks.

Mr. President, I cannot overemphasize the importance of this tax provision. Without it, our efforts to encourage renegotiation of agricultural debt will fail. It still takes two to tango. Loan loss deferral will encourage bankers to attend the dance. Unless we change our Tax Code, though, the farmer will forgo the dance and visit instead the bankruptcy attorney.

For those of us dedicated to helping the farmer and his family most directly, this reform of the Tax Code represents the most effective solution. Farm country has suffered enough. Congress should not pretend to offer a loan loss amortization or other lender incentives as the sole ingredients in our grand solution. Such action would ignore the root of the problem. An effective proposal must address both sides of the negotiating process.

I urge my colleagues to consider the need for this program of relief from the Tax Code. Talk to farmers, creditors, and bankruptcy attorneys in your State. I believe their story will be convincing. Federal law is leading to artificial, uneconomic bankruptcies which take families off the farm and destroy the economic network which binds together our farm communities. We can do better for our farmers and our farm heritage.

For months we have heard of the problems in farm country. We have seen and heard the stories of farmers unable to find credit, unable to make ends meet, and unable to keep their farms. We have seen implement dealers, hardware stores, grain elevators, and other rural retailers forced out of business by the recession that is rippling through the Midwest. We have experienced, for the first time since the 1930's, widespread bankruptcies, newspaper notices of foreclosures, and an expanding list of closed banks.

Small towns and rural Americans cannot withstand much more. It is time we, in Congress, band together with the farmer, the fertilizer salesman, the grocer, and the banker to help agriculture survive.

Mr. President, I intend to push for the inclusion of these proposals in any agricultural credit bill which is considered by the Senate. We have the opportunity to enact two proposals which make economic sense and which are wise farm policy. Let's not miss this chance.

●Mr. ABDNOR. Mr. President, I'm happy to join my distinguished colleague and good friend from Kansas, Senator KASSEBAUM, in cosponsoring legislation which addresses a serious discrepancy in the Tax Code.

Mr. President, we are all well aware of the many problems facing this country's farmers and ranchers. In many cases, these problems stem from circumstances which are beyond their control. The bill we are introducing today deals with a provision in the Tax Code over which Congress does have control.

This is an issue which has been brought to my attention, not only by farmers and ranchers, but also by a host of tax accountants and lawyers in South Dakota who handle farm and ranch clients.

The need for this legislation is more apparent now than ever. Foreclosures and bankruptcies are becoming increasingly commonplace in the farm sector. And the ripple effect is far reaching. Small communities and the entire agricultural economy are suffering immensely as a result of depressed agricultural earnings.

Mr. President, this bill attempts to improve agricultural earnings by rectifying a glaring shortcoming in the Bankruptcy Code as it affects farmers and ranchers faced with bankruptcy. It gives farmers and ranchers an incentive to do the honorable thing and avoid bankruptcy without fear of adverse tax consequences.

In addition, in the event of a negative cash-flow but positive balance sheet, it gives both farm borrowers and lenders an incentive to develop a workout plan for the borrower which will allow him to cash-flow.

The discrepancy is the result of a peculiar inconsistency between the cash-flow insolvency test of the Bankruptcy Code and the balance sheet insolvency test of the Internal Revenue Code.

Currently, a borrower may be technically insolvent under the Bankruptcy Code and eligible for bankruptcy by virtue of his inability to meet current liabilities. However, he may have a solid balance sheet, have considerable net worth, and therefore be solvent under the Internal Revenue Code.

This is where the discrepancy alluded to earlier comes in to play. Because the Internal Revenue Code taxes any cancellation of indebtedness as long as the borrower has a positive balance sheet, the borrower is encouraged to take bankruptcy before he normally would under the Internal Revenue Code insolvency test.

The tragedy is that he and his lender have no incentive to restructure debt when doing so would intensify his cash-flow problem by giving him a immediate tax liability. The only way the borrower may escape taxation on cancellation of indebtendess is to take bankruptcy.

Mr. President, I hope this body will give serious consideration to this proposal in conjunction with its deliberations over farm credit. This legislation is a cost-effective method of assisting farmers, ranchers, and lenders in developing meaningful debt work-out plans.●

By Mr. GORTON:

S. 2222. A bill to amend the Tariff Schedules of the United States to clarify the duty treatment of certain types of plywood; to the Committee on Finance.

TARIFF TREATMENT OF CERTAIN TYPES OF PLYWOOD

● Mr. GORTON. Mr. President, today I am introducing legislation to correct an erroneous Customs Service interpretation of what constitutes plywood.

Although this may seem like a highly technical dispute over obscure subcategories within the Tariff Schedule of the United States, it is in fact a commonsense issue that ought to be resolved before it becomes a serious problem.

Here is what's happening: Softwood plywood imported into the United States from Canada is subject to a 20-percent duty. Because there also is a duty on United States-made plywood going into Canada, there is little exchange of plywood between the two countries. However, the Canadians discovered some time back that when they take a piece of plywood and machine a groove along each long edge so that the panels overlap slightly when put into place, the product no longer is considered plywood. It is called building boards by the U.S. Customs Service, and is subject to a duty amounting to only about 6 percent. The savings in duty are more than enough to offset the cost of the edgework.

One company in my home State of Washington which manufactures cedar plywood for exterior and interior uses found that its product was being underpriced by Canadian product in direct relation to the difference in the tariff rates for plywood versus building boards.

Although the Canadian product is being imported under the "building boards" TSUS number, the product literature distributed by its Canadian manufacturer refers to the product as "plywood panels." If it looks like plywood, works like plywood and its maker calls it plywood, it seems to me that means it's plywood—and ought to be dutied as such.

So far, the volume of this product entering the United States is not so great as to cause general dislocation, although as I have noted, it can be a significant problem for a particular producer. In 1975, essentially nothing entered the United States under the building boards category, TSUS item No. 245.80. By 1980, the dollar value entering was one-third that of plywood, which enters under TSUS No. 245.21. Now, for each of the past 4 years, the value entering has been about 1½ times the value of plywood, although the quantity of each has been volatile.

The American Plywood Association, on behalf of the Nation's plywood producers, petitioned the Customs Service in 1982 requesting a revision in the practice which allows importers to use the building boards category for what is really plywood. Customs denied the APA petition, claiming that only Congress can change tariff schedule definitions. In 1983, APA appealed the Customs Service decision to the U.S. Court of International Trade. The case is still pending before that court.

Legislation like that which I am introducing today nearly passed in 1984, but finally was left out of broader trade legislation because of questions from the administration.

Now, it is time to make this clarification before the situation envolves into major economic dislocation. The President's free trade initiative with Canada, and United States-Canadian negotiations concerning the separate issue of softwood lumber imports from Canada, are all proceeding. This issue of commonsense definitions should be resolved now so that it is not left to fester and become a sore point in these other, broader negotiations. Moreover, there should be an opportunity to actually move this legislation this year because of the congressional focus on omnibus trade legislation.

I urge my colleagues to join me in cosponsoring this bill to correct an aberration that must not go on.●

By Mr. COHEN (for himself and Mr. LEVIN):

S. 2223. A bill to amend the Contract Disputes Act of 1978 to require selection of members of boards of contract appeals of Federal Government agencies pursuant to a competitive examination process and to provide the members of such boards the same protections against certain administrative actions as are provided for administrative law judges of the Federal Government; to the Committee on Governmental Affairs.

BOARD OF CONTRACT APPEALS INDEPENDENCE ENHANCEMENT ACT

● Mr. COHEN. Mr. President, today, Senator LEVIN and I are introducing legislation to enhance the independence of administrative judges on the Boards of Contract Appeals. BCA's, as my colleagues may know, are authorized under the Contract Disputes Act of 1978 to serve as administrative forums for resolving contract disputes.

This legislation would provide BCA judges with the same selection and removal protection as administrative law judges are afforded under the Administrative Procedure Act. The objective is to eliminate the perception that BCA judges are not sufficiently insulated from agency control.

BCA judges are required by statute to be "selected and appointed to serve in the same manner as administrative law judges." There are, however, significant differences. Unlike ALJ's, a BCA judge is selected by the individual agencies, rather than from a Government-wide register established by the Office of Personnel Management, and may be summarily removed without any independent review. ALJ's, by comparison, may only be removed for good cause after a hearing before the Merit Systems Protection Board.

These differences, according to the General Accounting Office, contribute to the perception—if not the reality—that BCA judges are not as independent as ALJ's. In a September 1985 report, the GAO found that:

> Because no independent body, like the OPM, issues Government-wide regulations for the selection and appointment of board members, and because the [Contract Disputes Act] is unclear concerning any removal protections, members of boards of contract appeals are not as insulated as they could be from agency control.

Arbitrary removal is of particular concern to me, since the threat alone could potentially compromise the independence of BCA judges. While arbitrary removal is by no means common practice, it apparently has happened. In December 1978, after passage of the Contract Disputes Act but before its effective date, the chairman and vice chairman of the General Services Board of Contract Appeals were discharged without satisfactory explanation. While this may have been an isolated case, the threat nonetheless exists.

The selection and appointment procedures for BCA members, while demonstrably similar to the OPM procedures for ALJ's, are also of concern to me. According to the legislative history underlying the Contract Disputes Act, the ALJ system was to be used as a model for developing and implementing a system to ensure the independence of the BCA judges. The fact remains, however, that the Contract Disputes Act does not require that a separate agency, such as OPM, select, administer, and maintain a register of persons qualified for appointment to the BCA's. Instead, the individual agencies select candidates for their own boards.

Any criticism of the present BCA system should not be interpreted as an indictment against those judges now serving on the various boards. Clearly, the decisional history of these boards demonstrate the integrity of the judges who serve on them. It is my belief, however, that the perceived independence of BCA judges would be enhanced if the agencies were not involved in the selection process.

To alleviate this perception problem that BCA judges are "not as insulated as they could be from agency control," the GAO recommended in its September 1985 report that:

> If Congress wants to assure that members of boards of contract appeals are insulated from agency control to the same degree as ALJs in their selection and removal, the Congress may want to consider amending the Contract Disputes Act of 1978 * * * to give the Office of Personnel Management and the Merit Systems Protection Board roles in these processes.

The legislation we've introduced would effectively implement the GAO's recommendation by proposing the following two changes to the Contract Disputes Act:

First, the bill would require that BCA judges be subject to the competitive examination process presently applicable to ALJ's. The purpose is to have the Office of Personnel Management, rather than the agencies themselves, examine the candidates and establish the register from which BCA judges are appointed. Considering the qualification criteria under the Contract Disputes Act, for example, that BCA judges have 5 years public contract law experience, we do not necessarily intend that prospective BCA candidates be given the same examination as ALJ's are given.

Second, the bill would extend to BCA judges the protection that they may be removed only for good cause after a hearing before the Merit Systems Protection Board.

Together, these relatively simple changes to the Contract Disputes Act would provide the security needed to ensure the independence of the BCA judges. This proposal is consistent with my reading of the legislative history of the Contract Disputes Act, which emphasizes Congress' intent to ensure the independence of BCA members so "that in conducting proceedings and deciding cases, they would not be subject to direction or control by procurement agency management authorities."

In addition to the GAO, the American Bar Association and several procurement experts have recommended that the Contract Disputes Act should be amended along the lines proposed in my legislation to enhance the independence of the BCA judges. I urge my colleagues to lend their support to this endeavor.●

By Mr. HUMPHREY (for himself, Mr. HELMS, Mr. HECHT, Mr. EAST, Mr. DENTON, and Mr. SYMMS):

S. 2224. A bill to limit the uses of funds under the Legal Services Corporation Act to provide legal assistance with respect to any proceeding or litigation which relates to abortion; to the Committee on Labor and Human Resources.

PROHIBITING ABORTION ACTIVITIES BY THE LEGAL SERVICES CORPORATION

● Mr. HUMPHREY. Mr. President, on behalf of my distinguished colleagues from North Carolina [Mr. HELMS and Mr. EAST], from Nevada [Mr. HECHT], from Alabama [Mr. DENTON], and from Idaho [Mr. SYMMS], I am introducing a bill that would limit the use of funds provided under the Legal Services Corporation Act. The limitation I am proposing will prohibit the provision of legal assistance by the Legal Services Corporation and its grantees with respect to any proceeding or litigation which relates to abortion.

Mr. President, while there are numerous opinions on abortion, most Americans oppose the use of their tax dollars to fund abortions. In addition, the Supreme Court in its wisdom has decreed that funds extracted from Americans do not have to be used to pay for abortions. And the Congress since 1976 has consistently refused to obligate taxpayer money for this purpose.

In addition, Mr. President, we have listened to the American people and refused to fund abortions under various Federal employee insurance programs for Treasury, Postal, and Defense employees. This is a wise decision, and one that is popular among voters and taxpayers.

The purpose of this bill, a similar version of which was passed by the Congress just last year as a rider to the Commerce, Justice, State appropriations bill, is consistent with these past restrictions on funding for abortion and abortion-related activities—that is, the American taxpayer will not be forced to pay for abortions or fund activities that are designed to obtain abortions. This bill will restrict the use of Federal and private, but not other public funds concerning abortion-related legal activities by LSC grantees. It provides that: No funds made available by the Corporation under this subchapter, either by grant or contract, may be used "to provide legal assistance with respect to any proceeding or litigation which relates to abortion."

Now, I realize language already exists in the Legal Services Corporation Act of 1974 that restricts some litigation of abortion. That language reads:

> No funds made available by the Corporation under this subchapter, either by grant or contract, may be used * * * to provide legal assistance with respect to any proceeding or litigation which seeks to procure a nontherapeutic abortion or to compel any individual or institution to perform an abortion, or provide facilities for the performance of an abortion, contrary to the religious beliefs or moral convictions of such individual or institution.

In the past, legal services and its grantees have interpreted very, very narrowly the act's restrictions. So narrowly that one wonders just what restrictions some of the grantees would recognize as binding. Indeed, I suspect that for some grantees, the ambiguous language now in the 1974 act is viewed as a back-door opportunity to engage in almost unlimited abortion litigation.

There is, then, a pressing need for an expansion of current restricting language to ensure that no back-door abuse occurs. The House of Representatives and the Senate have recognized this and acted on the need, periodically attaching annual riders, such as the 1985 Humphrey-DeWine amendment, to appropriations legislation. It is high time that we make such expanded restrictions permanent, as this bill will do.

Let me be specific about the effects of this bill. This bill applies to any person or entity receiving any funds made available by the Corporation under the act.

The restriction applies to any form of assistance or participation in any legal matter where abortion is an issue. Under the language I am proposing, abortion would be treated by legal services and its grantees in the same manner as criminal matters presently are. That is, once it becomes known to the prospective legal services provider that the request for legal assistance pertains to abortion, the request must be refused and staff cannot render any additional assistance whatever. This is consonant with the current prohibition on criminal matters, as specified in section 1007(b)(2) of the Legal Services Corporation Act (42 U.S.C. 2996(f)b(ii) and LSC regulations, 45 CFR 1613.1.

The bill applies to any form of proceeding or litigation involving abortion—legal assistance in preparation for or during administrative or other hearings, amicus briefs, actual litigation, and the like.

In the past, the abuse of then-current restrictions on abortion involvement by Legal Services Corporation grantees has been intolerably rampant. The somewhat porous restrictions were essentially rendered useless and ineffective by zealous attorneys with an eye for exploiting exceptions in the restrictions, rather than respecting and abiding by the statutory provisions.

Consequently, LSC grantees engaged in litigation against statutes limiting abortion funding, against parents seeking to retain their rights to consult with their children, against laws limiting the number of abortions a State should be forced to fund, and more.

I cite several cases where Legal Services grantees have violated past provisions in the act which prohibited abortion litigation: In the late 1970's, grantees launched a number of attacks on statutes limiting State and Federal funding of abortions. In *Preterm* v. *Dukakis*, a Boston grantee challenged a Massachusetts law limiting State funding of abortions. In *Zbaraz* v. *Quern*, a Chicago grantee helped overturn a similar Illinois statute and force abortion funding. In *Stopczynski* v. *Milliken*, a Michigan grantee filed an amicus brief in favor of a veto of a Michigan statute limiting abortion funding. In *Planned Parenthood* v. *Leo Hegstrom*, an Oregon grantee litigated to overturn a State law limiting the

number of abortions for any one woman that would be publicly funded. Similar abortion-funding cases have been litigated in Ohio, Idaho, California, Louisiana, and Pennsylvania. In addition, in *Valley Family Planning* v. *North Dakota*, grantees litigated to allow family-planning clinics receiving title X funds to refer for abortions. And in *Doe* v. *Jennings*, a Pittsburgh grantee acted to force a local jail to transport an inmate to a hospital for an abortion.

There is no doubt that these LSC grantees and programs are not engaging in abortion litigation to the extent they were several years ago. But it is equally clear that this reduction is due to a change in tactics on the part of these grantees. With the exception of appropriation riders, the applicable law has remained the same throughout this period. With this bill, grantees and other LSC recipients will no longer be able to go into court or any legal proceeding at the expense of the American taxpayer if abortion is involved. Although I am certain it would never happen, even litigation and legal proceedings opposing the abortion "right" is prohibited.

Mr. President, the reasons for acting to tighten the abortion involvement restriction are clear. One important reason is that LSC grantees have in the past abused the prohibition on abortion litigation already present in the 1974 act. I have already detailed some of these abuses.

The primary reason, however, concerns the very principle on which the Legal Services Corporation was founded—service to the poor, the helpless, the needy. It is laudable that legal services grantees express commitment to those in our society who cannot represent themselves in a court of law. But I suggest to my colleagues that there are none so poor, so helpless, so needy as those unborn children who face termination by abortion. It would seem to me that the compassionate, dutiful and proper response would be to represent these children who have no one to defend them. Mr. President, I suggest that the Legal Services Corporation grantees have repudiated the very contract we established with them in 1974.

As an example of the callousness to the situation of the poor, I submit for the RECORD an article appearing in the December 1976 issue of Clearinghouse Review entitled "Congress Restricts Medicaid Payment for Abortion," and ask unanimous consent that the article be printed at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

CONGRESS RESTRICTS MEDICAID PAYMENT FOR ABORTION

When the Supreme Court accepted for review this term two Medicaid abortion cases challenging states refusal to reimburse for the costs of abortion under state Medicaid programs,[1] it appeared that the three-year controversy surrounding this issue would soon be over. However, at the end of its session in September 1976, Congress adopted the "Hyde Amendment" to the HEW-Labor Appropriations Bill which provides that:

"None of the funds contained in this Act shall be used to perform abortions except where the life of the mother would be endangered if the fetus were carried to full term."[2]

While this amendment limits only the availability of federal Medicaid funds and does not directly mandate or prohibit state action, its presence immediately confused state administrators and physicians who were uncertain about its impact. Three cases were filed challenging the provision as it went into effect on October 1, 1976; each has had a different outcome thus far, and it appears that the Supreme Court will have to rule on the constitutionality of the amendment before the matter is finally resolved.

Sixteen federal court cases have been filed,[3] and 13 decided. All but one court[4] has held unconstitutional state policies which limit Medicaid payment for abortion to situations where the mother's life or health are endangered by pregnancy or where a physician terms the abortion "medically necessary."[5] The courts' reasoning has uniformly been that since the Supreme Court established in *Roe* v. *Wade*, 410 U.S. 113 (1973) and *Doe* v. *Bolton*, 410 U.S. 179 (1973) that the right to choose the manner of terminating pregnancy (whether by abortion or delivery) is a fundamental right, states may not discriminate between pregnant Medicaid eligible women who choose to carry their pregnancies to term and those who choose to terminate their pregnancies by abortion. The courts have also held that states cannot advance a compelling state interest to overcome this fundamental right to choose, since moral reasons (usually the rationale for the restrictive state policies) are not sufficient to outweigh a fundamental interest. In addition to this equal protection analysis, courts have also applied the "unconstitutional conditions" doctrine which prohibits states from conditioning the receipt of a statutory entitlement (Medicaid benefits for pregnancy) upon the forfeiture of a constitutional right (the right to choose abortion).

The Hyde Amendment presents an additional issue to the equal protection problem posed by the restrictive state Medicaid policies since it is not a mandatory federal law, but merely a prohibition on states receiving federal funds. In the three cases challenging the amendment, HEW has argued that Medicaid recipients have no standing because they are not harmed by the amendment—states still must provide abortions under the constitutional analysis discussed above. In *Doe v. Mathews*[6] Judge Sirica of the federal court for the District of Columbia accepted that position, found that there was no evidence that the District of Columbia or the state of Virginia would not continue to pay for abortions, and held that there was no "case or controversy" within the meaning of Article III of the Constitution. Plaintiffs have appealed that decision to the D.C. Court of Appeals.

The federal court in the New Jersey case, *Doe v. Mathews*,[7] held that the state would be an indispensable party to the action, but actually based its decision (refusing to issue an injunction) upon a reading of article. I, clause 9, section 7 of the Constitution which prohibits federal expenditures without congressional authorization. The court held that an injunction invalidating an appropriations bill provision would, effectively, be ordering a federal appropriation in violation of that provision.

The federal court for the Eastern District of New York, however, issued a temporary restraining order and then a preliminary injunction, disagreeing with the decisions of the other two lower courts to decide the issue. In *McRae v. Mathews*,[8] Judge Dooling refused to accept HEW's position that since Medicaid is a state-administered program, federal payments do not significantly influence state policy. Although the federal Medicaid law does give states considerable latitude in designing their programs, Judge Dooling correctly recognized that in reality the federal government's involvement in Medicaid is pervasive and extensive. The court held that:

"[I]n the federal society of today the federal government is not a grantor of voluntary bonfications to the states, but a representative government discharging through state agencies its responsibilities to provide from the public revenues (the sources of which it has so largely preempted) for its own needy in the states of their residence, and with the administrative and fiscal assistance of the states . . . The states are not the beneficiaries of Title XIX, but the agencies through which the national government secures medical assistance to the needy."

The court also recognized that even if states might pay for abortions voluntarily or under court order, Congress could not authorize states to perform unconstitutional acts. This position is consistent with dictum in *Shapiro v. Thompson*, 394 U.S. 618, 641 (1969), where the Supreme Court said of a congressional authorization for states to impose the durational residence require-

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[1] Beal v. Doe, No. 75-554, *cert. granted.* 44 U.S.L.W. 3757 (U.S. Sup. Ct. 1976); Maher v. Roe, No. 75-1440, *prob. juris, noted* 44 U.S.L.W. 3757 (U.S. Sup. Ct. 1976).

[2] §209, Pub. L. No. 94-439.

[3] Doe v. Beal, 523 F.2d 611 (3d Cir. 1975); Roe v. Norton, 408 F. Supp. 660 (D. Conn. 1975), *appealed sub. nom.* Maher v. Roe; Roe v. Ferguson, 515 F.2d 279 (6th Cir. 1974); Wulff v. Singleton, 508 F.2d 1211 (8th Cir. 1974), *aff'd in part, rev'd in part*, 44 U.S.L.W. 5213 (U.S. Sup. Ct. 1976); Doe v. Westby, 402 F. Supp. 140 (D. S.D. 1975); Coe v. Hooker, 406 F. Supp. 1072 (D. N.H. 1975); Doe v. Rose, 499 F.2d 1112 (10th Cir. 1974); Klein v. Nassau County Med. Ctr., 409 F. Supp. 731 (E.D. N.Y. 1976); Doe v. Rampton, 366 F. Supp. 189 (D. Utah 1973); Smith v. Tinder, No. 75-0380CH (S.D. W.Va., Aug. 8, 1975); Doe v. O'Bannon, No. 4-74-Civ. (D. Minn., Aug. 1, 1975); Doe v. Myatt, No. 43-74-48 (D. N.D., Oct. 30, 1975); Planned Parenthood Assoc. v. Fitzpatrick, 401 F. Supp. 554 (E.D. Pa. 1975); Doe v. Stewart, No. 74-3197 (E.D. La., Jan. 26, 1976); Doe v. Bowen, No. IP74-187C (N.D. Ind. 1976); Doe v. Klein, Civ. No. 76-74 (D. N.J. 1976); Doe v. Klein, (D. Idaho 1976).

[4] Doe v. Stewart, No. 74-3197 (E.D. La., Jan. 26, 1976).

[5] For an analysis of the unconstitutionality of the use of the term "medically necessary" with respect to abortion, *see* briefs of Jane Doe, amicus curiae in Beal v. Doe, No. 75-554,44 U.S.L.W. 3757 (1976), Clearinghouse No. 11,3611, and Maher v. Roe, No. 75-1440, 44 U.S.L.W. 3757 (U.S. Sup. Ct. 1976).

[6] No. 76-1835 (D.D.C., Oct. 21, 1976). Clearinghouse No. 19,534A TRO(1 p); 19,534B Opinion (14 pp).

[7] No. 76-1912 (D. N.J., Oct 1, 1976).

[8] 76 Civ. 1804 (E.D.N.Y., Oct. 22, 1976), Clearinghouse No. 19.535A Order to Show Cause & TRO (3pp.); 19,535B Memo and Order (29pp.).

ments which the Court invalidated in that case:

"Congress may not authorize states to violate the Equal Protection Clause. Perhaps Congress could induce wider state participation in school construction if it authorized the use of joint funds for the building of segregated schools. But could it seriously be contested that Congress would be constitutionally justified in such authorization? Congress is without power to enlist state cooperation in a joint federal-state program by legislation which authorizes the States to violate the Equal Protection Clause."

The federal government has not demonstrated a compelling interest to justify the anti-abortion discrimination. Nor could it advance a rational basis, since abortion is far less costly than prenatal care plus delivery, not to mention the cost of supporting the resulting child on AFDC. Thus, the New York court found the Hyde amendment unconstitutional. HEW is appealing the case to the U.S. Supreme Court, which refused a stay of the order on November 8, 1976. Hopefully, the Court will decide *McRae* along with the other two state Medicaid abortion cases currently before it and resolve these issues once and for all.●

Mr. HUMPHREY. Mr. President, in this article, the true concerns of at least some grantees is exposed when the author writes:

The Federal Government has not demonstrated a compelling interest to justify the antiabortion discrimination. Nor could it advance a rational basis, since abortion is far less costly than prenatal care plus delivery, not to mention the cost of supporting the resulting child on AFDC.

Such a statement plumbs the depths of insensitivity. It exposes the all-too-common sentiment that because an abortion is relatively cheap by financial standards, it is acceptable, necessary, and even to be encouraged. Such a view is not acceptable from any citizen, and especially from one committed to serving the poor and disadvantaged.

Mr. President, I refer my colleagues to several excellent essays on the nature of the Legal Services Corporation. These essays appear in a book entitled "Legal Services Corporation: The Robber Barons of the Poor?" Compiled and printed by the Washington Legal Foundation. Among the authors are the distinguished gentlemen from Alabama [Mr. DENTON], who is an original cosponsor of this bill, and from Utah [Mr. HATCH]. The essays point out, as I have, that Legal Services Corporation grantees have abused their congressional mandate and have in fact not advanced the condition of the poor and needy.

Not only do these grantees repudiate those very unborn persons they should be representing, but they also turn against the very government that funds them. It is a travesty that the Congress should annually appropriate over $306 million of its constituents' dollars, and then have the ultimate recipients of those funds turn around and thwart the very will of the taxpayers who provide the funds, and of the Congress that appropriates them.

We have seen legal services grantees embrace a radical and extreme leftist agenda, and forcefully promote that agenda with the hard-earned money of American taxpayers. As with other issues, the so-called right to abortion has been promoted and expanded against the traditional and current views of the vast majority of Americans. Indeed, that right has been advanced right under our noses, by our own progeny. With this bill we have the opportunity, if only on this most important of issues, to correct the abuses that we oppose, close the loopholes we never imagined could exist and end the use of taxpayer funds to support abortion litigation.

By Mr. SIMON (for himself and Mr. PELL):

S.J. Res. 305. Joint resolution to designate the week of April 27, 1986, through May 3, 1986, as "National Arts in the Schools Week"; to the Committee on the Judiciary.

NATIONAL ARTS IN THE SCHOOLS WEEK

● Mr. SIMON. Mr. President, today Senator PELL and I are introducing a joint resolution to designate the last week of April in 1986 as "National Arts in the Schools Week." The joint resolution is a companion to House Joint Resolution 470, introduced in the last session by Mr. WEISS of New York.

The value of arts education is unquantifiable. The ability to create, to appreciate and to learn about the arts is the ability to appreciate and learn about ourselves and others. We need to nurture this ability so that we can become better people and a better nation.

I ask unanimous consent that the joint resolution be printed in the RECORD, and invite my colleagues as cosponsors.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 305

Whereas, even before formal education begins, children communicate their own experiences in a number of artistic ways, including singing, dancing, drawing, painting, sculpting, role playing, and storytelling; and

Whereas these basic forms of expression must be encouraged through formal arts education; and

Whereas schools are perhaps the ideal forum for introducing formal arts programs to children; and

Whereas incorporating the arts into the teaching of other subjects has been very successful in enhancing achievement levels, and increasing motivation and attitude of both students and teachers; and

Whereas school arts programs open the minds of children to creativity which can be applied to problem solving in other educational activities; and

Whereas many of the same practices used in the study of the arts are used in the study of math and the sciences, including observing, describing, comparing, classifying, measuring, inferring, and drawing conclusions; and

Whereas school arts program promote a unique understanding and appreciation of history and culture; and

Whereas the arts enable disabled children to demonstrate abilities and skills that may not be uncovered in the study of academic subjects; and

Whereas school arts programs provide economically disadvantaged children with an important creative outlet; and

Whereas practice and mastery of an artistic form builds self-confidence and pride; and

Whereas the confidence gained through the arts by disabled and disadvantaged students can help them achieve in academic areas as well; and

Whereas the Ninety-eighth Congress formally recognized the importance of the arts to a complete education; and

Whereas the national arts competition, sponsored by the Congressional Arts Caucus, has recognized and promoted the outstanding artistic creativity of our Nation's youth and provides an example of the Federal Government's commitment to arts education; and

Whereas the strong commitment of Federal, State, and local governments to strengthen and promote arts education must continue: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the week of April 27, 1986, through May 3, 1986, is designated as "National Arts in the Schools Week", and the President is requested to issue a proclamation calling upon the people of the United States to observe such week with appropriate activities.●

ADDITIONAL COSPONSORS

S. 951

At the request of Mr. GORTON, the name of the Senator from South Carolina [Mr. THURMOND] was added as a cosponsor of S. 951, a bill to amend the Fair Debt Collection Practices Act to provide that any attorney who collects debts on behalf of a client shall be subject to the provisions of such act.

S. 1900

At the request of Mr. ROTH, the names of the Senator from Kentucky [Mr. FORD] and the Senator from Illinois [Mr. DIXON] were added as cosponsors of S. 1900, a bill to amend the Foreign Agents Registration Act of 1938 by providing for the 5-year suspension of exemptions provided to an agent of a foreign principal convicted of espionage offenses.

S. 1901

At the request of Mr. ROTH, the names of the Senator from Kentucky [Mr. FORD] and the Senator from Illinois [Mr. DIXON] were added as cosponsors of S. 1901, a bill to amend the Foreign Missions Act regarding the treatment of certain Communist countries, and for other purposes.

S. 1938

At the request of Mr. METZENBAUM, the names of the Senator from North Dakota [Mr. BURDICK] and the Senator from Michigan [Mr. RIEGLE] were added as cosponsors of S. 1938, a bill to make permanent the requirements of the manufacturing clause of the copyright law.

S. 2069

At the request of Mr. QUAYLE, the name of the Senator from Nebraska [Mr. ZORINSKY] was added as a cosponsor of S. 2069, a bill to amend the Job Training Partnership Act.

S. 2079

At the request of Mr. NICKLES, the name of the Senator from Iowa [Mr. GRASSLEY] was added as a cosponsor of S. 2079, a bill to amend the Legislative Reorganization Act of 1946 to reduce the compensation of Members of Congress for any fiscal year in which outlays for nondefense programs are required to be reduced under an order issued by the President for such fiscal year pursuant to section 252 of the Balanced Budget and Emergency Deficit Act of 1985 by the uniform percentage by which outlays for such programs are required to be reduced under such order.

S. 2081

At the request of Mr. STAFFORD, the names of the Senator from Arizona [Mr. DECONCINI] and the Senator from Tennessee [Mr. SASSER] were added as cosponsors of S. 2081, a bill to reauthorize the Head Start Act, the Low-Income Home Energy Assistance Act of 1981, the Community Services Block Grant Act, for deferred cost care programs, and for other purposes.

S. 2114

At the request of Mr. PROXMIRE, the names of the Senator from Hawaii [Mr. INOUYE] and the Senator from Tennessee [Mr. GORE] were added as cosponsors of S. 2114, a bill to amend title XVIII of the Social Security Act to provide for research with respect to the outcomes of specific medical treatments and surgical procedures.

S. 2168

At the request of Mr. THURMOND, the names of the Senator from Pennsylvania [Mr. SPECTER], the Senator from Mississippi [Mr. COCHRAN], and the Senator from Oklahoma [Mr. BOREN] were added as cosponsors of S. 2168, a bill to amend title 38, United States Code, to improve veterans' benefits for former prisoners of war.

S. 2193

At the request of Mr. BOREN, the name of the Senator from North Dakota [Mr. ANDREWS] was added as a cosponsor of S. 2193, a bill to change the basis for computation of emergency compensation whenever the Secretary of Agriculture adjusts the level of loans and purchases for the 1986 through 1990 crops of wheat under the Agricultural Act of 1949.

S. 2198

At the request of Mr. TRIBLE, the name of the Senator from Rhode Island [Mr. PELL] was added as a cosponsor of S. 2198, a bill to provide that the full cost-of-living adjustment in benefits payable under certain Federal programs shall be made for 1987.

S. 2209

At the request of Mr. DOLE, the names of the Senator from Delaware [Mr. ROTH] and the Senator from Rhode Island [Mr. CHAFEE] were added as cosponsors of S. 2209, a bill to make permanent and improve the provisions of section 1619 of the Social Security Act, which authorizes the continued payment of SSI benefits to individuals who work despite severe medical impairment; to amend such act to require concurrent notification of eligibility for SSI and Medicaid benefits and notification to certain disabled SSI recipients of their potential eligibility for benefits under such section 1619; to provide for a GAO study of the effects of such section's work incentive provisions, and for other purposes.

SENATE JOINT RESOLUTION 252

At the request of Mr. PELL, the names of the Senator from North Dakota [Mr. ANDREWS], the Senator from California [Mr. CRANSTON], the Senator from Minnesota [Mr. DURENBERGER], the Senator from Missouri [Mr. EAGLETON], the Senator from Washington [Mr. GORTON], the Senator from Hawaii [Mr. MATSUNAGA], the Senator from Vermont [Mr. STAFFORD], and the Senator from North Dakota [Mr. BURDICK] were added as cosponsors of Senate Joint Resolution 252, a joint resolution requesting the President of the United States to negotiate controls upon and the early prohibition of nuclear explosions.

SENATE JOINT RESOLUTION 267

At the request of Mr. HEINZ, the name of the Senator from Arizona [Mr. DECONCINI] was added as a cosponsor of Senate Joint Resolution 267, a joint resolution designating the week of May 26, 1986, through June 1, 1986, as "Older Americans Melanoma/Skin Cancer Detection and Prevention Week."

SENATE JOINT RESOLUTION 280

At the request of Mr. HEINZ, the names of the Senator from Minnesota [Mr. DURENBERGER] and the Senator from Ohio [Mr. METZENBAUM] were added as cosponsors of Senate Joint Resolution 280, a joint resolution designating the month of November 1986 as "National Alzheimer's Disease Month."

SENATE JOINT RESOLUTION 282

At the request of Mr. MOYNIHAN, the names of the Senator from Hawaii [Mr. INOUYE] and the Senator from Tennessee [Mr. GORE] were added as cosponsors of Senate Joint Resolution 282, a joint resolution to express the disapproval of the Congress with respect to the proposed rescission of budget authority for the General Revenue Sharing Program.

SENATE JOINT RESOLUTION 284

At the request of Mr. METZENBAUM, the names of the Senator from North Dakota [Mr. ANDREWS], the Senator from North Dakota [Mr. BURDICK], the Senator from Rhode Island [Mr. CHAFEE], the Senator from Minnesota [Mr. DURENBERGER], the Senator from Iowa [Mr. HARKIN], and the Senator from Pennsylvania [Mr. SPECTER] were added as cosponsors of Senate Joint Resolution 284, a joint resolution to designate the Month of May 1986 as "Better Hearing and Speech Month."

SENATE JOINT RESOLUTION 286

At the request of Mr. HATFIELD, the names of the Senator from New Jersey [Mr. BRADLEY], the Senator from Tennessee [Mr. GORE], the Senator from West Virginia [Mr. ROCKEFELLER], and the Senator from Louisiana [Mr. JOHNSTON] were added as cosponsors of Senate Joint Resolution 286, a joint resolution to designate the week of April 20, 1986, through April 26, 1986, as "National Reading Is Fun Week."

SENATE JOINT RESOLUTION 287

At the request of Mr. BOREN, the names of the Senator from Nevada [Mr. LAXALT] and the Senator from Oklahoma [Mr. NICKLES] were added as cosponsors of Senate Joint Resolution 287, a joint resolution designating September 29, 1986, as "National Teachers Day."

SENATE JOINT RESOLUTION 289

At the request of Mr. ROTH, the name of the Senator from South Dakota [Mr. PRESSLER] was added as a cosponsor of Senate Joint Resolution 289, a joint resolution to designate 1988 as the "Year of New Sweden" and to recognize the New Sweden 1988 American Committee.

SENATE JOINT RESOLUTION 294

At the request of Mr. DECONCINI, the names of the Senator from New Jersey [Mr. BRADLEY], the Senator from Connecticut [Mr. DODD], the Senator from Florida [Mrs. HAWKINS], the Senator from Oklahoma [Mr. NICKLES], the Senator from Georgia [Mr. NUNN], the Senator from North Dakota [Mr. BURDICK], the Senator from South Carolina [Mr. HOLLINGS], the Senator from Mississippi [Mr. STENNIS], the Senator from Nebraska [Mr. ZORINSKY], the Senator from Louisiana [Mr. JOHNSTON], the Senator from Alabama [Mr. DENTON], the Senator from Hawaii [Mr. MATSUNAGA], the Senator from Illinois [Mr. DIXON], the Senator from Tennessee [Mr. GORE], the Senator from Ohio [Mr. METZENBAUM], the Senator from South Carolina [Mr. THURMOND], the Senator from Mississippi [Mr. COCHRAN], the Senator from Kansas [Mr. DOLE], the Senator from New Hamp-

shire [Mr. HUMPHREY], the Senator from North Dakota [Mr. ANDREWS], the Senator from Oregon [Mr. PACKWOOD], the Senator from South Dakota [Mr. ABDNOR], the Senator from Nevada [Mr. LAXALT], the Senator from New York [Mr. MOYNIHAN], the Senator from Michigan [Mr. LEVIN], the Senator from Arkansas [Mr. PRYOR], and the Senator from New Jersey [Mr. LAUTENBERG] were added as cosponsors of Senate Joint Resolution 294, a joint resolution to designate the month of April 1986 as "National Child Abuse Prevention Month."

SENATE JOINT RESOLUTION 296

At the request of Mr. DANFORTH, the names of the Senator from South Carolina [Mr. HOLLINGS], the Senator from Ohio [Mr. GLENN], and the Senator from Iowa [Mr. HARKIN] were added as cosponsors of Senate Joint Resolution 296, a joint resolution to designate October 16, 1986, as "World Food Day."

SENATE RESOLUTION 303

At the request of Mr. HEINZ, the names of the Senator from West Virginia [Mr. BYRD] and the Senator from Hawaii [Mr. INOUYE] were added as cosponsors of Senate Resolution 303, a resolution to express the sense of the Senate with respect to proposals currently before the Congress to tax certain employer-paid benefits and other life-support benefits.

SENATE CONCURRENT RESOLUTION 119—RELATING TO TAX TREATMENT OF QUALIFIED AGRICULTURAL INDEBTEDNESS

Mrs. KASSEBAUM (for herself, Mr. ABDNOR, Mr. MCCONNELL, Mr. BOREN, and Mr. NICKLES) submitted the following concurrent resolution; which was referred to the Committee on Finance:

S. CON. RES. 119

Whereas farmers throughout this Nation are facing difficulty in receiving adequate and affordable credit and are struggling to service their existing financial responsibilities;

Whereas the Congress, the administration, federal banking regulators, farm borrowers, and agricultural banks recognize the benefits which flow from the voluntary restructuring and renegotiation of agricultural loans;

Whereas current Federal policy discourages agricultural banks from renegotiating agricultural loans by requiring the banks to reflect the entire loss in a single year and, further, discourages farm borrowers from renegotiating the terms of an agricultural loan by including any amount of cancelled debt in the farmer's taxable income;

Whereas current Federal policy encourages farm borrowers with cash flow difficulites to extinguish any cancellation of indebtedness income tax liability by filing for protection under the Federal bankruptcy code;

Whereas bankruptcy proceedings are an inefficient, time-consuming, and unnecessary method for resolving the agricultural credit problems;

Whereas legislation assisting agricultural banks through a loan loss deferral program, increased flexibility in capital requirements, or reporting requirements cannot be successful until and unless farm borrowers are relieved of the burden of income tax liability resulting from a debt write-down;

Whereas any Federal policy to ensure the meaningful renegotiation of agricultural debt must include provisions protecting farm borrowers from the cancellation of indebtedness income tax liability and permitting farm borrowers to restructure their debt burdens without resorting to bankruptcy protection;

Whereas Congress believes agricultural borrowers and agricultural lenders should be encouraged to renegotiate voluntary agricultural debt and agricultural borrowers should be encouraged to forego bankruptcy proceedings;

Resolved by the Senate, the House of Representatives concurring, That, to remove the disincentives to renegotiation imposed by current tax law, the Congress will consider, at the earliest opportunity, an amendment to the Internal Revenue Code of 1954 excluding the discharge of qualified agricultural indebtedness from cancellation of indebtedness income.

AMENDMENTS SUBMITTED

METROPOLITAN WASHINGTON AIRPORT TRANSFER

PRESSLER (AND OTHERS) AMENDMENT NO. 1703

(Ordered to lie on the table.)

Mr. PRESSLER (for himself, Mr. EXON, Mr. HOLLINGS, and Mr. SPECTER) submitted an amendment intended to be proposed by them to the bill (S. 1017) to provide for the transfer of the Metropolitan Washington airports to an independent airport authority; as follows:

Line 7, page 10, strike the word "Five" and insert in lieu thereof the word "Two".

Line 8, page 10, strike the word "three" and insert in lieu thereof the word "two".

Line 11, page 10, strike the word "one member" and insert in lieu thereof the word "five members".

Lines 6 and 7, page 11, strike the following: "in the case the commonwealth of Virginia and the District of Columbia,".

Lines 8 through 10, page 11, strike the following: "The Governor of Virginia shall make the final two Virginia initial appointments for one two-year and one four-year term."

● Mr. PRESSLER. Mr. President, Wednesday I filed three amendments dealing with the proposed transfer of Dulles and National Airports. One of those amendments dealt with the issue of the composition of the Airport Authority Board. My concern was that the governing authority of these truly national airports would be dominated by one or two States. The interests of the rest of the country would quickly become a distant priority.

After discussing this issue with a number of my colleagues from States outside the immediate Washington region, we have decided to modify the amendment slightly, and I am filing that amendment today. Very simply, it would provide that the Airport Authority be compromised of two members from Virginia, Maryland, and the District of Columbia, respectively. Five would be appointed by the President with advice and consent of the Senate.

I should point out that this amendment is substantially the same as that offered in the Commerce Committee by the distinguished Senator from Nebraska, Senator EXON. Senator EXON argued this issue most eloquently in the Commerce Committee, and has been a leader in the fight to provide some measure of equity to this transaction. What we are concerned about is the adverse impact this proposal could have on States outside the immediate area. This is not just a local issue.●

PRESIDENTIAL LIBRARIES ACT

ROTH AMENDMENT NO. 1704

Mr. SIMPSON (for Mr. ROTH) proposed an amendment to the bill (H.R. 1349) to reduce the costs of operating Presidential libraries, and for other purposes; as follows:

In the first section, strike out "Former Presidents Facilities Reform Act" and insert in lieu thereof "Presidential Libraries Act of 1986".

On page 7, line 1, strike the word "purposes" and insert in lieu thereof "purpose".

On page 11, line 18, after the word "it" insert the word "to".

ADDITIONAL STATEMENTS

THE "CHALLENGER" INVESTIGATION

● Mr. GOLDWATER. Mr. President, what is the price of a headline? It has become increasingly disturbing to me that several of my colleagues in Congress have put aside a search for truth, diligent investigation, and a need for reflection. Instead, they have acted unseemingly in search of a news headline. You may surmise that I am talking about the shuttle tragedy. Only a few days after that terrible explosion was forever etched in our memory, the wolves came sniffing. Banner headlines and frontpage stories are not the stuff of caution, careful probing and proven veracity. I am ashamed for Congress because several Members, and you know who you are, have made attacks on NASA as an entity and worse yet on NASA employees—all without any factual substantiation. Laying blame is always far

easier than summoning the quiet courage needed for a reasoned approach to seeking the facts.

I would, also, caution all of us not to let the media headlines be the driving factor in reaching any conclusions. If we allow the media to establish conclusions, then, the hope of factual, data-induced answer will never be found.

A time-honored principle in aircraft accident investigations is to avoid speculation. This is sensible and I urge my colleagues to refrain from being party to conjecture. The principal task before the Commission is to identify the technical sequence and then to assess the environment in which it occurred. For the information of my quick-to-point-the-finger colleagues, I would like to advise you of the actions taken by NASA to uncover the reasons for the *Challenger* accident and to restore our national space effort.

Rear Adm. Richard H. Truly, Associate Administrator for Space Flight, NASA, recently announced the formation of the NASA 51-L—*Challenger*—Data and Design Analysis Task Force. The task force is collecting and analyzing information to conduct a thorough review of all aspects and potential causes of the accident in support of the Rogers' Presidential Commission assigned to perform the investigation. The task force, designed to parallel closely the structure of the Presidential Commission, will facilitate transfer of information from the NASA task force to the Commission.

This NASA task force is divided into four teams: Project analysis team; launch systems and processing analysis team; failure analysis team; and mission operations analysis team; and two support teams not involved in the actual analysis of information, salvage support team and photo and TV support team). With personnel assignments having been made, much data and analysis have already flowed to the Commission. I ask simply that NASA and the Presidential Commission be granted a decent time period in which to ascertain the cause of the *Challenger* accident; the Commission has 120 days since its creation on February 3 to complete its investigation.

On the replanning front, NASA recently announced that it is engaged in a comprehensive project to evaluate the implications of the January 28 *Challenger* accident on the Space Program.

Already the postponements of the Ulysses mission to observe the poles of the Sun and the Galileo mission to orbit Jupiter and send a probe into its atmosphere have been announced. Both were scheduled to be launched in May; the earliest they can be launched is July 1987 when Earth, the Sun and Jupiter will be in the proper alignment. Further, the postponement of the launch of Astro—1, a space shuttle astronomical laboratory that was to do ultraviolet studies of quasars, hot stars, galaxy centers and Halley's Comet has been announced.

These decisions by Acting NASA Administrator, Dr. William R. Graham, resulted from an analysis prepared by a headquarters replanning task force set up to study program alternatives in the wake of the accident. Being consulted are congressional committees, the Department of Defense and other branches of Government, commercial launch customers, joint endeavor agreement development partners, the international community, contractors and others involved in the space shuttle.

There are several highly complex matters that are being considered by the Replanning Task Force; reviewing the requirements for an orbiter and ancillary equipment to replace the *Challenger*; producing a new launch schedule for the fleet of three orbiters, possibly supplemented by expendable launch vehicles; evaluating the role that expendable launch vehicles [ELV] can play in recovering launch capability through commercial ELV production and operation; deciding on retention of ground communications stations; and, identifying cost impacts of the accident in addition to the equipment destroyed. Once the Rogers' Commission report is complete, all of this will be incorporated into the recovery program.

In conclusion, I reiterate my personal strong support for the Civilian Space Program. Like many of you, I have watched it grow from a fledgling in the days of the Echo satellite to a strong, strapping youth. Everywhere, the returns from our space investment are evident. We must press ahead and allow our space efforts to mature. The world is watching. Let us show America's resolve to remain a spacefaring power.●

THE 40TH ANNIVERSARY OF THE STRATEGIC AIR COMMAND

● Mr. WARNER. Mr. President, I wish to acknowledge that today marks the 40th anniversary of the Strategic Air Command, and the 25th consecutive year that the command has operated the Looking Glass Airborne Command Post.

I cannot help but make the connection with events last year that marked 40 years of peace in Europe. The men and women who have served in the Strategic Air Command over the years, and those dedicated men and women who serve today, have made a direct contribution to the deterrence of war, both conventional and nuclear. Peace has been and remains their profession, and we, as a Nation, are grateful for their service.

Mr. President, I ask that remarks made by the very able commander in chief of the Strategic Air Command, Gen. Larry D. Welch, be printed in the RECORD.

The remarks follow:

STRATEGIC FORCE ASSESSMENT

(Statement of Gen. Larry D. Welch, Commander in Chief, Strategic Air Command, and Director, Strategic Target Planning)

Mr. Chairman and Members of the Committee: I welcome this opportunity to appear before you today to discuss important strategic issues of mutual interest. As Commander in Chief of the Strategic Air Command, I am responsible for the day-to-day readiness of the bomber and ICBM legs of the strategic nuclear TRIAD. As the Director of Strategic Target Planning, I am also charged with building the integrated operations plan for employment of all three legs of the TRIAD. It is from this perspective that I offer an assessment of military capabilities to support the strategy of deterrence.

For over 40 years, deterrence based on credible nuclear forces has been the cornerstone of our national security posture. Soviet military power remains the principal threat to this nation's security and it is the Soviets we must deter. Thus, the overriding national security objective is to deter nuclear conflict by ensuring no Soviet leader could expect to gain from attacking the United States or our allies. Should deterrence fail, we are to counter the ongoing attack with an appropriate response to limit damage to the United States and our allies, and force termination of hostilities on terms that best protect U.S. interests.

The U.S. nuclear strategy of deterrence has necessarily evolved in response to a changing strategic balance and a better understanding of Soviet war aims and force objectives. During the sixties and much of the seventies, maintaining the capability to inflict massive damage on relatively vulnerable forces and economic structure was thought by the United States and, presumably, the Soviets to be sufficient to ensure deterrence. Weapons of limited accuracy, effective against relatively soft military and economic targets, were deemed adequate to implement that strategy of assured destruction. While there was an increasing understanding through the seventies of the need for flexible U.S. forces to include counterforce capability, there was not a corresponding commitment to acquisition of those capabilities to a sufficient degree . . . especially in light of Soviet efforts to erode our counterforce capabilities by silo hardening.

Beginning in the early seventies, it became apparent that the Soviets were developing forces to support a substantially more ominous set of objectives. They aggressively expanded and modernized their strategic offensive and defensive capabilities far beyond that necessary to support a strategy of assured destruction. The Soviets were and are fielding forces more appropriate to a counterforce first-strike capability.

In a few short years, the Soviets improved their nuclear capabilities relative to those of the United States from a position of inferiority to one of essential equivalence, and finally to the point where they have achieved a substantial advantage in counterforce capability and force survivability. Advances in accuracy and throw weight give the large Soviet ICBM force a significant edge over United States forces in the prompt capability to attack hardened targets. This advantage is at the core of the current strategic

force imbalance. Moreover, a massive program to harden Soviet nuclear forces, command and control, and leadership facilities greatly improve their survivability against a U.S. retaliatory response. Continuing improvements to active defenses included a proliferation of Soviet radars, control centers, surface-to-air missile sites and manned interceptors to counter U.S. bombers.

Confronted with this evolution of Soviet capabilities and objectives, the United States formulated a more effective, realistic and clearly stated strategy of flexible response to ensure deterrence by denying the Soviets any reasonable expectation of achieving their war aims. Of more importance, with support of the U.S. Congress, we embarked on acquisition programs to underwrite that strategy.

Our task is to provide and operate the forces necessary to assure both the fact and the Soviet perception that we have the capability to deny their objectives. This strategy requires nuclear forces capable of retaliating against those assets most essential to Soviet objectives—their offensive nuclear forces, hardened command control structures, other military capabilities, and their war-supporting industries. The evolving Soviet target structure calls for U.S. weapons with greatly improved accuracy and ability to penetrate advanced defenses and strike hardened targets while minimizing collateral damage.

We are fortunate that a significant portion of the TRIAD acquired in the sixties and seventies had the growth potential and flexibility to contribute to this strategy. Upgrades to the existing missile and bomber forces leveraged the already significant investment in these assets and provided increased capability to support our strategy of deterrence. For example, the $1.5 billion spent on B-52G upgrades over the past five years has more than doubled the near-term capability of this bomber and extended its useful life into the nineties. Specifically, these upgrades include modernizing B-52 offensive and defensive systems and deploying the air-launched cruise missile with the bomber. We are currently deploying the cruise missile on the B-52H. Similarly, the investments in Minuteman III accuracy and reliability improvements have significantly increased this missile's capability against hardened Soviet targets.

Additionally, several readiness programs to enhance the capabilities of our existing bomber and missile forces are paying off. We have greatly leveraged the existing bomber force through increased spare parts support, enhanced maintenance and supply productivity, and decentralized support organizations. These innovations have brought B-52 readiness to an all-time high by increasing the fully mission capable rates from an average of 40 percent in the early eighties to over 65 percent today. Our bomber aircrews are flying more realistic and comprehensive training sorties and participating in a wider variety of exercises to refine their combat skills.

These initiatives contribute to aircrew combat readiness. To continue to provide the most deterrence for the dollar, it is imperative that we provide the needed flying hours in all SAC aircraft to produce well-trained aircrews. We have also capitalized on our investment in the existing ICBM force through reliability and maintainability upgrades that will extend the life of the Minuteman weapon system to at least the year 2000 and provide continued high alert rates. Minuteman alert rates have historically averaged over 98 percent. Further, we are maximizing the productivity of the most critical element of deterrence—people—by decentralizing authority and responsibility, promoting competition and encouraging initiative and innovation. Our people are working more effectively to get the most from our current systems. Although investments in B-52 and Minuteman upgrades, and readiness have made a substantial difference in effectiveness against hardened Soviet nuclear forces, they leave us far short of the required capability. These efforts—system upgrades and increased readiness—are reaching their limit in improving our ability to address the Soviet threat.

At the same time, the Soviets continue to upgrade, modernize and otherwise improve their strategic forces. The Soviet buildup includes specific programs to reduce their offensive forces' vulnerability to a U.S. retaliatory response. They are making the silos containing their most powerful ICBMs the hardest operational silos in the world. They have hardened the associated command control network while constructing large numbers of hardened facilities for the Soviet leadership. They are placing increased emphasis on the mobility of their strategic assets to enhance survivability. They are deploying a new mobile ICBM, the SS-25, testing a second new mobile ICBM, the SS-X-24, and developing mobile command control facilities to match. All this is part of a relentless continuing effort to reduce the effectiveness of U.S. retaliation. Additionally, the Soviets continue to modernize and expand what is already the most extensive strategic defensive system in the world. They are fielding modern, highly capable look-down/shoot-down figher interceptors with a supporting airborne warning and control system capable of detecting low level penetrating bombers. They are now deploying a new surface-to-air missile, the SA-10, and flight testing another, the mobile SA-X-12. Finally, the Soviets are modernizing the ABM system around Moscow.

If we are to maintain an effective deterrent into the future, we must certainly build strategic forces capable of holding at risk increasingly hard, mobile, dispersed and well defended Soviet strategic offensive forces. The only viable approach to that task is the planned family of accurate, responsive weapons in all three legs of the TRIAD. The ongoing strategic nuclear modernization program is squarely aimed at fielding the needed capabilities across the TRIAD to accomplish that task.

To put the progress of the modernization program in perspective, the first B-1B and the first Peacekeeper missile go on alert in September of this year. The 100 B-1B program is funded, we are partially funded for the missiles required to field and sustain the first 50 peacekeepers, and we are fielding the first elements of the improved command and control system. It has taken strong Congressional support to bring us to this point. However, the rest of the essential strategic modernization program is still in front of us.

Currently, the greatest and most destabilizing shortfall in our nuclear force structure is in capability to hold at risk hardened Soviet ICBM sites and command centers. The shortfall in prompt, hard-target capability is particularly significant since some 75 pecent of Soviet nuclear force structure resides in their ICBM's. With the existing imbalance, many of the Soviet's most valued assets could not be damaged to the level required for high confidence deterrence during the critical first hours of a nuclear conflict. That imbalance is highly destabilizing and requires first priority attention.

High confidence deterrence demands that the Soviet war planner be convinced that we possess the forces necessary to promptly disrupt a Sovet attack and preclude successful follow-on attacks. When viewed in this context, quickly improving the prompt hard-target capability of our forces is of paramount importance. Presently, the only near-term solution lies in our Peacekeeper ICBM. Acquiring the capability inherent in this highly successful and precise weapon is essential to redressing the shortfall in prompt, hard-target capability. It is this perspective that makes clear the requirement for a full complement of 100 Peacekeepers. Until we possess that level of prompt retaliatory capability, the disparity in the military capability of U.S. and Soviet nuclear forces will continue.

To complement Peacekeeper deployment, the Small ICBM continues on schedule for deployment in the early 1990s. This missile will add prompt capability to strike the full range of Soviet targets throughout the spectrum of nuclear conflict. Deployment in a survivable basing mode will complicate Soviet planning and targeting, and provide added deterrence with the capability to endure through even a prolonged nuclear attack.

Our enduring strategic forces will be further enhanced by modernization of the sea-based leg of the TRIAD. When the Trident D-5 missile is fielded later in this decade it will add much needed counterforce capability and strategic force planning flexibility.

Turning to bomber modernization, the President's strategic modernization program directed a dual-track approach. The bomber is clearly the most flexible strategic asset and contributes over 40 percent of the total attack capability of the TRIAD. It can readily perform the essential tasks of real-time damage assessment, striking relocatable targets and providing follow-on coverage to achieve required damage levels.

The dual-track bomber program calls for deployment of the B-1B and aggressive development of the Advanced Technology Bomber (ATB). The first B-1B bombers have been delivered to SAC within cost and schedule. The B-1B's small radar cross section, high speed, excellent defensive systems and low penetration altitude provide high effectiveness against improving Soviet defenses. It will be able to penetrate Soviet defenses of the nineties and strike hard targets which are less time-sensitive and other targets throughout the Soviet Union. In the longer term the B-1 will be equipped with cruise missiles as the ATB assumes the high threat penetration role.

The ATB will be an effective penetrating bomber well into the twenty-first century—assuring continuing ability to penetrate even the most sophisticated defenses. Combining low observable features with advances in propulsion technology and lightweight materials will ensure ATB's penetration capability and survivability. Incorporating the latest improvements in sensors and avionics will provide this bomber with the adaptability needed for the future. Fielding the ATB will ensure a highly credible capability against the full spectrum of Soviet targets—fixed, hardened and mobile. The ATB is the most promising weapon system to counter the relocatable target threat. Additionally, the ATB will greatly stress Soviet defenses and force continuing Soviet expenditures on improved defenses. Soviet in-

vestment in defenses would otherwise be available for offensive forces.

Greatly improved strategic command and control is essential to deterrence today and in the future. Our current command and control network is undergoing an extensive technological update to ensure a robust capability in the face of more capable Soviet forces. The current modernization program is overdue. Since initiation of the President's modernization program, we have made substantial gains in correcting command control system shortfalls but the highest payoffs are yet to come. To ensure these payoffs, we must sustain progress and continue to modernize strategic command and control. Robust command and control—systems that are as survivable as the weapon systems they support—enhances deterrence by providing reliable and timely warning and assured strategic connectivity between the leadership and nuclear forces.

Finally, professional, well trained, high quality people are the most essential ingredient of our deterrent capability. It is vital that we continue to adequately compensate our people for the unique demands of military service and continue the full range of programs that attract, retain and motivate quality people.

In summary, since the initiation of the strategic modernization program we have made much progress toward building a strategic force capable of ensuring long-term deterrence. The strategic modernization program was conceived as the minimum needed to restore the nuclear balance. The threat has increased since the program was conceived and the need is even greater than before. This comprehensive program is still several years from completion and it will not be quickly or easily completed. But, the most certain, lowest cost path to adequate deterrence remains a commitment to seeing the program through to completion. Much of the investment has already been made and we are seeing the early new systems delivered now while development of follow-on systems is progressing well. With the continued support of Congress we can build a stable deterrent posture that promotes a safer and more peaceful world. ●

THE FEDERAL INSECTICIDE, FUNGICIDE, AND RODENTICIDE ACT AMENDMENT OF 1986

● Mr. MITCHELL. Mr. President, I am pleased to join Senator LUGAR, Senator PROXMIRE, and others in sponsoring amendments to the Federal Insecticide, Fungicide, and Rodenticide Act.

Before speaking to the substance of the amendments, I would like to commend the representatives of both the pesticide industry and environmental groups who worked over a period of months to forge the agreement on which this legislation is based.

Without the efforts of Jack Early of the National Agricultural Chemicals Association, Nancy Drabble of Public Citizen's Congress Watch, Al Meyerhoff of the National Resources Defense Council, and many others, it is unlikely that we would have a bill to reauthorize the pesticide law before us today.

Mr. President, the Pesticide Control Program in this country is in need of comprehensive review and substantial reform. Most Americans assume that all pesticides, so widely used in our society, have been fully reviewed by the EPA and have been proven safe. Unfortunately, this is not the case.

About 85 percent of pesticides now on the market lack complete data concerning health and safety. We do not know with certainty whether or not these pesticides cause cancer, result in genetic mutations, or cause birth defects. While efforts to gather this vital data are underway, it is estimated that, at the current rate, assessments of existing chemicals will not be completed until after the year 2000.

One of the most significant provisions of the Lugar-Proxmire bill would reform and streamline the process for assessment of the health and safety of pesticides. The bill sets deadlines for identification of data gaps and requires manufacturers to submit needed data within 4 to 5 years in order to avoid suspension of the chemical's use. In addition, manufacturers will pay a registration fee to support EPA review and processing of health data.

Other important provisions of the bill would provide for the regulation of inert ingredients, streamline the process for cancellation of a pesticide, expand citizen's right-to-know about pesticide products, and strengthen import and export requirements. These provisions, along with many others in the proposed legislation, are a major step toward reforming our pesticide control program.

The Lugar-Proxmire bill provides an excellent foundation for the comprehensive analysis and debate of our pesticide programs. As we consider this legislation, we will need to hear different perspectives on specific provisions of the bill. And, we will need to hear proposals for amendments to the pesticide statute which are not included in the proposed legislation. Such amendments might address topics such as farmworker protection, pesticide spray drift, and ground water protection.

Another aspect of pesticide programs which I hope can be considered is the safe disposal of pesticide containers. My home State of Maine is fortunate to have an innovative and successful program providing for the safe disposal of containers. The Maine program may provide a starting point for discussion of ways to reduce the risks of pesticide container disposal.

I urge my colleagues to support this important legislation and to join in the discussion of other needed reforms to our pesticide programs.●

BLOCKAGE OF CUBAN ARMS

● Mr. GOLDWATER. Mr. President, as we approach a vote on Contra aid, I ask my colleagues to recognize the resistance movement in Nicaragua in its proper relationship to the present worldwide struggle of nationalist movements against the Marxist-Leninist empire.

The interesting fact about Nicaragua, Aftghanistan, Ethiopia, Angola, Mozambique, and others, is that they each represent areas in which challenges are being made to Marxist-Leninist regimes. At the end of World War II, Western colonies served as the target of independence movements. Today, these movements are a reaction against the Soviet sponsored empire.

Mr. President, we should also remember that much of the armed aggression and subversion being conducted against democracies and those who are seeking democracy in this part of the world stems from Cuba. There are 2,500 to 3,500 Cuban military advisers in Nicaragua alone, with 3,500 to 4,000 additional Cuban civilian advisers. These Cubans are playing an increasing military operational role and are found down to company level. They pilot aircraft and coordinate air support.

The Arizona Republic of Phoenix recently singled out Cuba as "The Revolution Factory" of Soviet expansionist policy. In a major editorial, the Republic identified Castro as "the spigot of Central American trouble" and proposed that "the arms supply should be cut off at its source."

The editorial has a vision which deserves the consideration of my colleagues, and I ask that it be printed in the RECORD.

The editorial follows:

[From the Arizona Republic, Mar. 14, 1986]

CUBA—THE REVOLUTION FACTORY

The real problem in Central America is not the Sandinista commandantes in Nicaragua, it is the Cuban anti-American sugar daddy Fidel Castro on whom the Soviet Union has bestowed control of leftist insurgencies in Latin America.

If President Reagan succeeds in pulling off yet another congressional coup d'etat and gets $100 million in aid for the contras, then the United States should consider an arms blockade against resupply from Cuba if the Nicaraguan opposition is to have any hope of victory.

According to a report in National Review, during the 1970s the Soviet Union annually delivered an average of 15,000 tons of military equipment to Cuba.

Then the 1979 popular uprising in Nicaragua drove Anastasio Somoza out and by 1981, despite two years of massive foreign aid from the Carter administration, it was clear the Marxist-Leninist wing of the Sandinista front had consolidated its hold on the revolution.

In 1981, the Soviet Union dramatically increased to 66,000 tons its supply of military equipment to Cuba. The supply has since leveled off to a yearly average of 55,000 tons.

In the 20 years before the Sandinista revolution the total Soviet economic aid to Cuba totaled $16 billion. In the three years after Ortega & Co. came into power, the Soviets supplied Cuba with $14 billion.

This sharp increase in Soviet military and economic aid to Cuba has nothing to do with any change in the security needs or external threats to Castro's island. It is because Castro's strategy of spreading revolution throughout Central and South America had produced, after 20 years of failure, a success in Nicaragua and the Soviets want to exploit the beachhead.

Castro actively supports 31 leftist insurgencies in 11 Latin American countries ranging from the Mantoveros in Argentina to the M-19 guerrillas in Colombia He is also responsible for creating joint oversight committees to coordinate the activities of the various insurgencies.

These insurgencies are not fueled by widespread Latin anti-Americanism, but by a small, hard-core cadre of committed revolutionaries. They are the same in each country, and are virtually identical to the leadership of terrorist groups such as Italy's Red Brigades or Germany's Reeder Meinhof Gang—a vanguard of upper-middle-class, university trained terrorists elevated by Castro's support into "national liberation movements."

One of the leaders of the Nicaraguan opposition captured the Sandinista character when he caustically observed; "Do you think a single one of them—the nine commandantes—could get a job and earn a living?"

It would be self-defeating to supply the contras with military aid only to have Castro make up any loss the Sandinistas might suffer. An aid package to the contras should be accompanied by a naval blockade against Cuban arms to be effective.

Castro is the spigot of Central American trouble, and the arms supply should be cut off at its source. This is widely opposed, however, on the theory that the Cubans are Soviet surrogates and to strike at Castro is to strike at the Kremlin.

Nonsense. Cuba is a Soviet ally, but the Kremlin is as important in the Caribbean as the United States is in Afghanistan, Except as a source of Castro's money and weapons, Soviet influence and power do not extend to the region, and it is time U.S. policy recognized that fact and enforced an embargo against the factory of Latin American revolution.

A MEMORIAL TO BLACK PATRIOTS

● Mr. GORE. Mr. President, during the past 6 years, a remarkable human interest story about courage, unity, and understanding unfolded in Washington. I wanted to share a recent episode with my colleagues.

The Wall Street Journal this morning published a feature editorial by Lena Santos Ferguson, a black woman who, in 1984, was the center of a national controversy over her 4-year battle for membership in a local chapter of the Daughters of the American Revolution. Last month, she appeared on an episode of "60 Minutes," but the show did not explore the many positive results of her successful struggle. She talks about what she and the DAR achieved in "A Memorial to Forgotten Black Patriots."

Now an active member of the DAR, Mrs. Ferguson and her nephew, Maurice A. Barboza, turned adversity into something positive and stirring. Through the Black Revolutionary War Patriots Foundation, a group they founded, the two are working with the DAR and more than a dozen other prominent organizations to establish a memorial in Washington to honor the more than 5,000 black Revolutionary War patriots, just three blocks from Constitution Hall.

This effort culminated on November 6, 1985, when the House of Representatives passed unanimously legislation to authorize the Patriots Memorial, as it is called. Introduced by Representatives NANCY L. JOHNSON and CHARLES B. RANGEL, the measure attracted 115 cosponsors and national press attention. I am proud to say that I am the Senate sponsor of Senate Joint Resolution 143, the companion bill, and that nearly 40 of our colleagues have joined me as cosponsors.

The memorial, which would be established at no expense to the Government, has been endorsed in concept by the Department of the Interior's National Memorial Advisory Committee and the Commission on Fine Arts. It is awaiting action in the Subcommittee on Public Lands, Reserved Water and Resource Conservation. An important hearing was held on October 29, 1985 (S. Hrg. 99-424, p. 133) under the leadership of Chairman MALCOLM WALLOP and Senator FRANK MURKOWSKI.

A diverse coalition has endorsed the Patriots Memorial, including the DAR, Prince Hall Masons, National Education Association, Sons of the American Revolution, American Jewish Congress, American Bar Association, National Urban League, Vietnam Veterans of America, National Association of Black State Legislators, Sons of the Revolution in the State of New York, National Forum Foundation, Society of the Cincinnati, the city council of the District of Columbia, and the AFL-CIO.

Mrs. Ferguson's inspirational crusade for membership in the DAR and the impressive effort to establish the Patriots Memorial have pointed out how, with patience and dedication, Americans can find—in our hearts and in our history—creative ways to bring us together as one people. The memorial will inspire unity and dedication to freedom, as well as remind us of the early beginnings of the black struggle for equality, which is truly one of the most extraordinary stories in American history. The memorial will light the way for future generations that must know the price their black and white forebears paid for freedom in order to understand the sacrifices necessary to sustain it.

Mrs. Ferguson's editorial, and a March 31, 1985, Washington Post oped, "A Memorial to Black Patriots," by Mr. Barboza, when read together, make a compelling case for the establishment of the Patriots Memorial and give every Senator reason to be a consponsor of Senate Joint Resoluton 143 and to work for its prompt passage. There are 111 outdoor memorials in Washington, but only one that honors a black person, Educator Mary McLeod Bethune. The Patriots Memorial is long overdue.

Mr. President, I ask unanimous consent to have Mrs. Ferguson's and Mr. Barboza's excellent pieces printed in the RECORD.

The material follows:

[From the Wall Street Journal, Mar. 21, 1986]

A MEMORIAL TO FORGOTTEN BLACK PATRIOTS

(By Lena Santos Ferguson)

The Jan. 6 editorial feature in the Journal titled "Revolutionary Daughters in Racial Time Warp" and a Feb. 16 segment of "60 Minutes," "Three Daughters of the DAR," made me wonder whether my four-year battle for membership in the Daughters of the American Revolution had accomplished anything. They reopened old wounds and neglected to examine the positive and sweeping reforms that I forced the DAR to institute.

The meaning of my successful battle hit home last Fourth of July, as I marched three blocks from Constitution Hall to the proposed site of a memorial to black Revolutionary War patriots. This important event points to a future for the DAR that is quite different from the past it left behind when I was admitted to full membership.

My nephew, Maurice A. Barboza, who had organized the march, was beside me, as he had been during the entire ordeal. Mrs. Sarah M. King, president general of the DAR, was with us. After much controversy, she had broken the DAR's grip on racism and set it on a new course.

Side by side, young and old DAR members and others marched with us carrying flags tagged with the names of black patriots. The spirits of these patriots and those of my mother and Revolutionary War ancestor had sustained me in my struggle for membership. Knowing the price that black patriots paid for freedom, I felt that my quest for simple justice and opportunity was a small price to pay.

The thought that I might be eligible for DAR membership had occurred to me as a child when I thought about the picture on our living room wall of my mother's grandfather who had died on a Civil War battlefield. When I heard about the DAR's refusal to let black contralto Marian Anderson perform at Constitution Hall in 1939, I realized how ironic it would be if I could actually join it. Many years later, my nephew, after researching our black and white ancestry, suggested I apply for membership.

Despite knowing that I had a Revolutionary War ancestor and was qualified to join, starting in 1980 the DAR threw up a succession of roadblocks in front of me. It refused to tell me how to obtain application papers, meet potential sponsors and identify a convenient chapter to visit. Once I found a sponsor and was introduced at various meetings and social events as a prospective member, no one would agree to be the second sponsor.

Finally, after I found a second sponsor (30-year chapter member), the Mary Washington Chapter refused to accept my application. Officials admitted candidly to my sponsors that it was because of my race.

The chapter regent, the state regent and the then-president general were told and did nothing. No doubt embarrassed by unfavorable publicity, DAR members then suggested that I apply as a member-at-large, a category set aside for women who cannot travel to meetings.

March 12, 1984, was the day that most changed my life. A Washington Post front-page headline read "Black Unable to Join Local DAR—Sponsors Claim Race is a Stumbling Block." Fireworks ensued. The chairman of the District of Columbia Council threatened to withdraw the DAR's tax exemption. The news media championed my cause. Rep. Nancy L. Johnson (R. Conn.), the sponsor of the Patriots Memorial legislation, got Congress to pass a resolution honoring the contributions of blacks to the Revolution.

This support put tremendous pressure on the DAR. I could have sued the organization and tried to destroy it. But I wanted it to change and to make up for its past. When the DAR was finally prepared to offer me full membership in one of the 39 chapters in the District, I demanded an apology and a sweeping settlement agreement. Prior to the April 1984 DAR Continental Congress, I received my written apology. The DAR endorsed Rep. Johnson's resolution and began to implement a settlement agreement.

The DAR promised to bar discrimination in membership; establish an ethics committee to ensure that no minority woman is ever again treated as I was; distribute a pamphlet saying that any woman, regardless of race, might be eligible for membership based upon descent from a white, native American or black patriot; and research and publish the names of every black partriot of the Revolution.

After a questionable beginning, Mrs. King, who had inherited the "Lena Ferguson problem," showed compassion and a will to confront DAR rascism. She has gone beyond the terms of our agreement and testified before congressional committees about the involvement of blacks in the Revolution; published a book on black patriots; became a member of the advisory council of the Partiots Foundation (the organization my nephew founded to establish the memorial), and established scholarships for District of Columbia students.

Because Mrs. King has encouraged my full participation in the work of the DAR and of my chapter—the Elizabeth Jackson Chapter—we have had many opportunities to get to know each other and for me to get to know my fellow members. My warm welcome in the DAR must have something to do with the universal admiration that people have for courage, whatever color may be associated with it.

When we arrived at the proposed memorial site on a small lake between the Lincoln Memorial and the Washington Monument and began to read aloud the names of 200 of the 5,000 black patriots, I looked around in amazement at a scene I had never thought I would see in my lifetime. A smiling and flag waving crowd of both blacks and whites, including members of the DAR, was honoring the courage and heroism of forgotten black Revolutionary soldiers—just around the corner from the building where the most accomplished black opera singer of her time could not perform 46 years before.

The legislation authorizing (at no government expense) the establishment of the Patriots Memorial recently passed the House unanimously. We are hoping that the Senate will promptly pass S.J. Res. 143, introduced by Sen. Albert Gore Jr. (D., Tenn.). The memorial will be especially important to black children who have few heroes of their own race. It will encourage them to take a deeper interest in American history by raising in their minds the possibility that their ancestors may have participated in the struggle to create the U.S. The inspiration of these heroes can give people of all races the courage to do extraordinary things.

[From the Washington Post, Mar. 31, 1985]

A MEMORIAL TO BLACK PATRIOTS

(By Maurice A. Barboza)

There is a movement now under way to construct a memorial in Washington to black patriots of the American Revolution. If the sponsors get their way, the memorial will be built on land visible from the steps of both Constitution Hall (the meeting place of the Daughters of the American Revolution) and the Lincoln Memorial. These sites, tinged with irony, are key factors in the instigation of this project, second only to the bravery and deeds of the men and women who will be honored.

Between 1775 and 1783, more than 5,000 black slaves and free persons fought in the revolution. Serving side-by-side with whites in all of the major battles from Lexington and Concord to Yorktown, blacks were wounded, disabled and captured, just as were white patriots.

There were many heroes. Most black patriots, regardless of when they enlisted, were in the war for the duration. That was generally the agreement they reached with their masters in exchange for personal freedom. And thousands of slaves ran away or filed petitions with courts and legislatures demanding their freedom. This activity weakened the institution of slavery and made a mockery of it. Responding to this black "declaration of independence" (as historian Benjamin Quarles refers to the Revolution), several New England and Middle Atlantic states, by the turn of the 19th century, had banned slavery; other states passed laws to make it easier to free slaves.

Families, churches and self-help organizations that black soldiers and freedom-seekers founded nurtured the struggle against slavery and become the rock upon which the modern civil rights movement sits. Yet two generations after the revolution, these patriots and their deeds were erased from memory and degraded by discrimination against their descendants.

On April 9, 1939—155 years after these black patriots returned home as free men and second-class citizens—a chilly breeze whipping in from behind the Lincoln Memorial carried the words of the spiritual, "Nobody Knows the Trouble I've Seen"—as if from generations beyond—in the voice of black contralto Marian Anderson. Eyes closed and standing erect in front of the statue of Lincoln, she appeared to be almost in its embrace. The spiritual continued, "Nobody knows my sorrow."

A sea of 75,000 people stretched outward to the Washington Monument. The good will was flowing, the dignitaries were abundant. They came to listen to the voice that Arturo Toscanini said "one hears once in a hundred years" and to protest the fateful decision of the DAR to bar Anderson from the use of Constitution Hall for this Easter Sunday concert.

A controversy of international proportions arose. America's affliction with racism and hypocrisy was laid bare before world opinion, much like South Africa's is today. The DAR was condemned, and people wondered how the republic could allow itself for so long to treat blacks—even of Marian Anderson's stature—as something less than Americans.

Unwittingly, the DAR (because it honors Revolutionary War patriots) made her a bridge between six generations of blacks who had struggled to win American independence and end slavery and the next two generations that would struggle to end segregation and discrimination. She returned to the Lincoln Memorial in 1963 to sing the national anthem during the March on Washington for Jobs and Freedom, the modern equivalent of a black "declaration of independence." But the irony of the 1939 concert and the DAR's action would not became apparent until 1984, when the DAR would again rebuff a black woman because of her race.

Last spring, when Lena Santos Ferguson's four-year struggle with the DAR over membership became public, it received national attention. Few people realized that any black woman could be a descendant of a Revolutionary War patriot.

Ferguson waged a quiet campaign to gain acceptance into a local chapter and to force the DAR to honor the role blacks played in winning American independence. On Feb. 28, 1984—45 years and one day after Eleanor Roosevelt announced her resignation from the DAR in protest over its treatment of Marian Anderson—Lena Ferguson was instrumental in getting the House of Representatives to pass a resolution (now Public Law 98-245) honoring the contributions of blacks to the American Revolution. The DAR passed a similar resolution last April.

When the pressure became too great and the DAR was finally ready to accept Ferguson into a local chapter, she refused to join unless they would agree in writing to bar discrimination in membership (which they will do this April) and to identify each and every black patriot who served in the American Revolution and to publish their names.

When Marian Anderson was introduced that Easter Sunday, credit for her being a free person was given to Washington, Jefferson and Lincoln. Now—thanks to Lena Ferguson and contemporary black historians—we know that substantial credit should go to the black patriots and freedom-seekers of the revolutionary period.

The memorial to them will tell us something about the trouble these patriots saw in their lifetimes, and how it inspired them to shape the struggle for freedom. Together with the memorial, the project being undertaken by the DAR will reveal hundreds of unknown heroes who will serve as an example and a reminder to Americans. And tens of thousands of their black descendants will be able to trace their ancestry back to the Revolution.

Like Marian Anderson's concert of 1939 and appearance of 1963, the memorial will bring Americans of all races and religions together—this time in a common understanding of our nation's racially diverse history.●

DOLLARS FOR SCHOLARS

● Mr. QUAYLE. Mr. President, allow me to draw the Senate's attention to a program currently in operation, entitled "Dollars for Scholars."

Created in response to the increasing cost of higher education and the

financial obstacle this oftentimes poses, this initiative is about people helping people, neighbors helping neighbors, and private citizens helping each other. I commend the various local community-based groups for endeavoring to establish a source of financial assistance for scholars who wish to attend institutions of higher education.

The Federal Government provides almost $7 billion in financial aid to students. Most of these programs are needs-based and go to lower income students. A program similar to Dollars for Scholars helps those students who may not qualify for the needs-based aid, but have significant educational costs anyway.

I again want to commend all of the individuals who have made this program such a success and ask to have placed in the RECORD an article that details the generous efforts of private citizens to establish these community scholarships.

The article follows:

DOLLARS FOR SCHOLARS—NEIGHBOR HELPING NEIGHBOR

In the face of rising college costs and reductions in federal financial aid, communities are becoming an increasingly important source of financial assistance for local students. The challenge has been made at the highest levels of government for cities and towns to become responsive to local needs. Communities throughout Indiana have been accepting this challenge through a unique scholarship program—Dollars for Scholars.

Dollars for Scholars is a volunteer-run, nonprofit community scholarship foundation. The purposes of the foundation are to increase local scholarships and provide a means for selecting recipients in a fair and non-discriminatory manner. A community-based, volunteer Board of Trustees sets policy, makes decisions, and performs the other functions of Dollars for Scholars—publicity, fundraising, and recipient selection.

Funds for local distribution are raised through a variety of Dollars for Scholars-sponsored activities, such as auctions, phone-a-thons, and booths at local affairs. As a nonprofit organization, Dollars for Scholars encourages small or large donations from individuals, area clubs, businesses, and industries, often as named scholarships. In addition, Dollars for Scholars programs may be named as beneficiaries in wills and insurance policies. All gifts to Dollars for Scholars are deductible for income tax purposes.

Any individual, group, club, or school interested in starting Dollars for Scholars in their community will receive help from Citizens' Scholarship Foundation of America (CSFA). CSFA is a national, nonprofit scholarship service organization dedicating its charitable purpose to assisting communities in organizing Dollars for Scholars. CSFA has helped over 250 cities and towns establish these worthwhile programs, including 11 in Indiana. For more information on how to start Dollars for Scholars in your community, write of call: Charles A. Rickett, Volunteer Director of Dollars for Scholars in Indiana, P.O. Box 132, Hartford City, IN 47348, (317) 348-0110.●

HALT UNDERGROUND TESTING

● Mr. SIMON. Mr. President, the United States has an excellent opportunity to show the Soviet Union and the world it is serious about peace. We should join the Soviets in stopping all testing on nuclear weapons. It is time to back up our words with action. In a column I write for newspapers in my State, I call on President Reagan to immediately halt all underground testing. The time is now.

I ask that the column be printed in the RECORD.

PREACHING PEACE WHILE TESTING WEAPONS

(By U.S. Senator Paul Simon)

All of us are somewhat inconsistent.

I support efforts to save the whale or other endangered species, but if someone found a way to rid the earth of cockroaches I would support that.

I enjoy a hamburger, but killing a steer is not for me. Yet I kill mosquitoes and flies. I fish too. What makes one acceptable for me and not the other?

I like the song "White Christmas," but when the Ku Klux Klan in Commerce, Ga., wants to use it as a theme for a float in a parade, I bristle.

Flying in a plane does not bother me, but to stand on the roof of a building and look over or to get up very high on a ladder bothers me a great deal.

In my Senate voting pattern I'm sure there are inconsistencies that you see better than I.

I am inconsistent, and I expect some inconsistency in government, in part because those of us in government—and outside of government—change our minds from time to time. We should. Sometimes that means growth.

But there is a gargantuan inconsistency in an administration that says it is for a remote goal of eliminating nuclear weapons from the face of the earth, but objects to an immediately obtainable goal of stopping the testing of all nuclear weapons.

Above-ground testings stopped when the United States and the Soviet Union agreed on that in 1963. The world has less radiation exposure because of that, less cancer, and less threat to all life.

But the United States is continuing underground testing. There is no question that we can now verify and detect all but the tiniest underground testing the Soviets might do. And they have offered to let us place sensing devices in the Soviet Union to monitor even the tiny ones.

The Soviets have called off all testing for several months and have said they will stop testing entirely if we will. Former Presidents Ford and Carter say we should.

Why don't we agree? Why do we let the Soviets come off in world opinion as the peacemakers on this while we play the role of villain?

The reason given is that we want to make sure our nuclear warheads work. We need to continue to perfect and improve them, we are told. We also want to test nuclear warheads in connection with X-ray lasers.

Personally, I'd like to see both the Soviets and the United States less sure the hateful things work. I want to see some barriers in the way of perfecting and improving them.

Stopping the testing would be a significant step toward control of these monsters.

Now that we finally have the chance to do this, for the first time in U.S. history we have an administration that opposes such an agreement, while it mouths pious talk about outlawing all nuclear weapons.

I am less interested in pious talk than I am concrete action. It is far worse than idiotic not to enter such an agreement with the Soviets; it is downright dangerous to all of humanity.

I am sure there are environmental dangers unknown to all of us when we have these underground tests. But the great danger of continuing the tests is that we continue the nuclear arms race.

We cannot continue that arms race without ultimately destroying humanity.

A little inconsistency I can tolerate; I see it in myself.

But for an administration to preach and not enter an agreement to stop all nuclear testing is such a gross inconsistency that it is beyond my understanding.

This administration somehow must be forced to see the danger it is creating.

THE SANDINISTAS AND THE JEWISH QUESTION

● Mr. QUAYLE. Mr. President, last Sunday President Reagan spoke to the American people on the threat Sandinista rule in Nicaragua poses to the development of democracy in Latin America. One manifestation of this threat, which President Reagan noted in his speech, is the oppression of the Jewish community in Nicaragua.

There are no longer any Jews left in Nicaragua. Sandinista gunmen firebombed the Managua synagogue early on and hounded the Jews living there until they all left the country.

These points recently were emphasized in a letter I received signed by 19 prominent American Jewish leaders including the chairman of the Zionist Organization of America, the president of the Herut Zionists of America, and the former chairmen of the United Jewish Appeal, and the Conference of Presidents of Major Jewish Organizations. They also were made in an editorial by Kenneth J. Bialkin, chairman of the Conference of Presidents of Major American Jewish Organizations and national chairman of the Anti-Defamation League of B'nai B'rith.

Mr. President, in the hope that wider distribution of these items will help underscore the correctness of President Reagan's request to put military pressure on the Sandinistas to move toward true democracy, I ask that the full text both of the letter and the editorial be entered at an appropriate place in the RECORD.

The material follows:

March 18, 1986.

Hon. DAN QUAYLE,
U.S. Senate, Washington, DC.

DEAR SENATOR QUAYLE: We write to you as Americans concerned about the growing threat to U.S. strategic interests in Central America. Our concern is heightened by the increasing Soviet-supplied arsenal being accumulated by the Sandinista government of Nicaragua, and by the Sandinistas' willingness to export this weaponry to anti-democratic forces throughout Latin America.

We watched as the Sandinistas joined enemies of the West to provide a beachhead for the Soviet Union in Central America. We have also witnessed the Sandinistas' support for revolutionaries in Latin America and beyond.

We watched with dismay as Nicaragua's Jewish community suffered under Sandinista rule. In 1978, Sandinista gunmen firebombed Managua's synagogue. Individual Jews were hounded until, by 1981 they had fled the country, fearing for their lives. The anti-Semitism continued even after the Jews had left. Jewish-owned property was seized, and in July, 1982, the government-approved press referred to "synagogues of Satan" and resurrected the calumny that "the world's money, banking and finance are in the hands of descendants of Jews."

Prominent among the Sandinistas' allies are the PLO's Yasir Arafat and Libya's Muammar Qadhafi. In a 1980 speech, Interior Minister Tomas Borge praised the relationship between Nicaragua and the PLO, pledging that "the PLO cause is the cause of the Sandinistas." In addition, over the past four years, Libya has provided the Sandinistas with $400 million in aid, and now helps to train the Sandinistas' political police.

The anti-Semitism in Nicaragua is a reflection of the repression inherent in the Marxist-Leninest society the Sandinistas seek to establish. Furthermore, the Sandinistas' ties to Libya and the PLO exemplify the support that the Managua regime gives to the world's terrorist groups.

We cannot remain silent as Nicaragua denies human rights at home while attempting to undermine democracy abroad. Many victims of this government have taken up arms in the hope of wrestling power from the Sandinistas and of establishing freedom and democracy where dictatorship now rules.

We support a negotiated settlement to this conflict. But we recognize that, at this time, unless the United States aids the democratic forces, the Sandinistas will continue to resist the establishment in Nicaragua of a pluralistic, democratic society. We therefore urge that, in the interests of freedom, democracy and our own security, you support the administration's request for aid to the anti-Sandinista resistance.

Sincerely,

Signed in formation: [1]

Max M. Fisher, Former Chairman, United Jewish Appeal; Morris Abram, Attorney, New York, NY; David Bar Illan, New York, NY; Adel E. Berland, Chicago, Ill.; Julius Berman, Former Chairman, Conference of Presidents of Major Jewish Organizations; Samuel H. Dresner, Rabbi, Riverdale, NY; Samuel Eisenstat, New York, NY; Richard J. Fox, Philadelphia, PA; Mendy Ganchrow, M.D., Monsey, NY; Joshua O. Huberman, Rabbi, Washington Hebrew Congregation, Washington, DC; Hart Hasten, President, Herut Zionists of America; George Klein, New York, NY; William J. Lowenberg, San Francisco, CA; Ivan Novick, Chairman of the Board, Zionist Organization of America; Stanley Rabinowitz, Rabbi, Adas Israel Congregation, Washington, DC; Fritz A. Rothschild, Rabbi, New York, NY; Morris Sherer, Rabbi, Agudath Israel of America, New York, NY; Jack Stein, Former Chairman, Conference of Presidents of Major Jewish Organizations; Gordon Zacks, Columbus, OH.

[1] Organization and affiliation listed for identification only.

BIALKIN: JEWS SUPPORT REAGAN ON CENTRAL AMERICA

(By Walter Ruby)

The chairman of the umbrella group of leading American Jewish organizations appeared to endorese President Reagan's Central American policy and his request for aid for Nicaraguan contras last Wednesday, engendering controversy among other members of the group. But in later comments to the Jewish World, Kenneth J. Bialkin said his remarks should not necessarily be construed as support for the President's proposal for $100 million in military and logistical aid for the contras.

Bialkin, chairman of the Conference of Presidents of Major American Jewish Organizations, made his comments appearing to support the President's stand at the White House, in response to a presentation by Reagan to Jewish leaders on the issue.

Addressing a foreign policy briefing for the Presidents' Conference, a group which includes the heads of 40 Jewish organizations, Reagan strongly appealed for support for his efforts to help the contras, who have been fighting to overthrow the Sandinista government in Nicaragua. As he has on earlier occasions, Reagan claimed that government had persecuted the Nicaraguan Jewish community. He also accused it of being allied with Libya and the Palestine Liberation Organization.

Bialkin responsed, "I would lose my job if I said the whole Conference of Presidents speaks as one in supporting you." But he added, "I believe that the overwhelming sympathy and support of the American Jewish community rides with freedom, rides with the defense of those who wish to fight for their freedom and would support you in your interested and objective and principled effort in that area."

Bialkin, who is also national chairman of the Anti-Defamation League of B'nai B'rith, an organization that has outspokenly denounced the Sandinista, said later, "While I was not speaking on behalf of anyone but myself, I think my comments were a general reflection of the sentiments of the people in the room," referring to members of the President's Conference. "After I uttered those words, I was interrupted by applause."

A top leader who asked not to be identified said, "A number of participants felt that when Bialkin made the statement on Central America he was extending the role of the President's Conference into areas it is not supposed to go. The Presidents' Conference is supposed to focus on one issue—Israel."

But Bialkin remarked, "It is true that Central America is not within the purview of the President's Conference. I made clear that I was not speaking on behalf of the President's Conference, but reflecting a mood which I believe has resonance in the Jewish community."

He added, "My statement simply expressed support for the President's stated determination to support freedom in Central America. It was not meant to suggest support for aid to the contras. My statement was not meant to be an endorsement of contra aid by the Jewish community. The attitudes of the Jewish community on this issue are all over the lot."

Asked whether his remarks would not be construed by the press and by many in the Jewish community as support for the President's position, Bialkin replied, "I can only reassert that my statement was not meant as an endorsement of the contras. I do believe, however, that most of our community and most of the leaders of the Presidents' Conference are with the President in his spirit and approach when he talks of the importance of trying to preserve freedom in Central America."●

NATIONAL AGRICULTURAL DAY

● Mr. BOREN. Mr. President, yesterday was National Agriculture Day, a day officially recognized by the President and the Congress as a day of "observance and celebration" of American agriculture.

Mr. President, on this, the sixth National Agriculture Day, I "observe" that there is very little to "celebrate."

Agriculture is in the worst crisis since the Great Depression of the thirties. In some ways, conditions are worse. Just 35 years ago, net farm income for 1 year would have more than paid off total farm debt. This past year the debt was over 16 times as much as annual income. In 1950, net farm income was $19 billion and total farm debt was $12.5 billion. In 1983, net farm income had fallen to $5.4 billion while total farm debt had skyrocketed to $216.3 billion. This past year, net farm income fell 20 percent; 1986 net farm income is expected to be 33 percent lower than net farm income for 1981. For the past 6 years, American farmers have had very little cash income with which to attempt to service a huge debt. At the same time, the farmer's ability to borrow is declining because so many farms are being forced onto the market.

The value of agricultural land has fallen 38 percent in the last 4 years. It is important to note that this percentage decline necessarily includes land near urban areas which are being converted from farmland to land for other uses, such as apartments and shopping centers. The inclusion of this land in the estimate, though unavoidable, blankets the fact that in many countries, dependent totally upon agriculture, land values have fallen over 50 percent in the past couple of years. As land values have fallen, more and more farmers find their equity eroded to unacceptable levels. In the past 5 years, we have seen more than a 200-percent increase in farm bankruptcies and forced liquidations.

As equity has eroded, many farmers who are completely current on their debt payments are being threatened with foreclosure. I would like to be able to say that this is not happening, that farmers who are current will not be foreclosed upon. Regretfully, I am aware of two cases this past year where farmers were foreclosed on even though they were current with their payments. Many farmers' equity has eroded to the point of being unable to support the amout of debt owed, de-

spite being current on their payments. Before a farmer can borrow money, he must show that he has sufficient collateral to cover the amount of the loan. In some areas of the country, land values have fallen so drastically that the present value of the land will not cover the current debt-load, much less cover the amount of an operating loan needed to put in this year's crop.

At the present time, it appears very likely that we have yet to reach the bottom of the decline in land values. The further the value declines, the more farmers, current on debt payments, that enter foreclosure status. The more farmers that are foreclosed upon, the more land that goes on the market. Mr. President, we are at the edge of a vicious downward spiral which threatens to bring down the entire economy of this country.

There are many who claim that we are merely getting rid of "inefficient" farmers. I assure you, we got rid of the inefficient farmers years ago. The farmers that are going out of business today are farmers who have been successful for 20 years or more. The farmers that are being forced out of farming today, are family farmers, those who get up at 4 in the morning during calving season, those who work until 2 or 3 in the morning to get their crops harvested before rain. These are the farmers that are going under today.

Twenty-nine percent of all farm debt, approximately $62 billion, is owed by farmers with debt-to-asset ratios over 70 percent. Thirty-three percent of all farm debt, approximately $71 billion, is owed by farmers with debt-to-asset ratios of 40 to 70 percent.

Twenty percent of all farms, 129,000 farms, show financial stress. About 320,000, or 18.9 percent of all farms, have a debt-to-asset ratio of 40 percent; 196,000 farm, 11.6 percent, had debt-to-asset ratios of 40 to 70 percent; 123,000, or 7.3 percent, were highly leveraged and technically insolvent with debt-to-asset ratios greater than 70 percent; 51,000 operators, or 3 percent of all farms, had debt-to-asset ratios over 100 percent.

Twenty-seven percent of outstanding commercial bank debt was held by borrowers with debt-to-asset ratios over 70 percent.

In 1982, there were 4,112 commercial banks classified as agricultural banks having more than 25 percent or more of their portfolio in agricultural loans. In June 1985, there were only 3,930. In 1983, there were 133 potentially vulnerable agricultural banks. By 1985, there were 302. In June of 1983, there were 106 problem agricultural banks. By October 1985, the number of problem agricultural banks had increased by over 400 percent, to 413 banks.

The percentage of bank failures that are agricultural increased dramatically from 15.9 percent in 1983 to 59.5 percent in the first 10 months of 1985. Fifty-two of the 62 agricultural banks that failed in 1985 were located in a six-State area including Nebraska, Iowa, Kansas, Oklahoma, Minnesota, and Missouri. In 1982, only 7 agricultural banks failed; in 1983, there were 7, and in 1984 there were 25.

By the end of 1985, nearly 40 percent of problem commercial banks were agricultural banks, up from 24 percent 2 years earlier. Under a low-medium loss scenario, about 70 agricultural bank failures could be expected in 1986 and 60 in 1987. Under a high-loan-loss scenario, it is estimated that about 150 farm banks would fail in each of the next 2 years.

Under present conditions, it would take average price increases of over 30 percent to restore all family size commercial farms to positive net cash flows. Given the tremendous increase in surplus stocks and rapidly declining level of exports, it is doubtful that we will experience any increase in income this year and possibly not even next year.

Mr. President, the news from Oklahoma is not encouraging. Real farm income continues to decline, along with farmland values which decreased 14 percent in 1985 and 38 percent from the high in 1982. Prices received by farmers continue to decline relative to prices paid by farmers, further eroding profitability. Commodity prices for 1985 fell 10 percent, the worst since 1953. Real interest rates remain high. The value of total farm assets will continue to decline, but perhaps at a slower rate.

The Federal Reserve Bank of Kansas City reports banking estimates indicating 3.1 percent of the farmers and ranchers in the district went out of business last fall, three times what bankers consider "normal." Partial liquidations were up by nearly five times the norm. Some 25 Oklahoma banks have failed since 1982, many of them rural banks with large farm loan portfolios.

An estimated 25 percent of Oklahoma's farm and ranch families are in financial difficulty. Per county, about 100 are in severe condition and 120 are approaching severe problems. Farm foreclosures and bankruptcies are 9 to 10 times "normal" in the banking region that includes Oklahoma.

Farm population in the United States declined 7 percent in 1985, the sharpest drop in a decade, and Oklahoma shared in that decline. As of January 1986, 9,400, or 18.1 percent of FmHA borrowers in Oklahoma were delinquent on payments.

Why has the crisis reached this point? In part, I believe it is because many Americans do not understand the economics of agriculture or the importance of the farm sector to them personally. They do not know that to start an average family farm today requires over $425,000 in capital. The majority of the American people believe that they are subsidizing the farmer. In one sense, the taxpayers have subsidized farmers through programs which have cost far more than they should due to shortsighted farm policies.

In the larger sense, it is the farm sector which is subsidizing the rest of the country. The facts are clear. Agriculture is the most productive and most efficient sector of our Nation's economy. Additionally, our farmers have been giving Americans the greatest food bargain in the world. Americans spend only 15 percent of their income for food. The average Russian spends 45 percent for food. Even in Great Britain the average is about 28 percent. American food consumers get more for their money today than in 1950.

In great part, American consumers have received these benefits due to the dramatic increases in the productivity of our farmers. At the beginning of this century, one farmworker could only feed seven persons. By 1970, this one farmworker supplied enough food and fiber for 73 people. In the past 15 years, the productivity of this one farmworker has skyrocketed. A farmer in America now feeds 116 people. This increased agricultural productivity, the rise in output per unit of input, has been a major contributor to improved living standards for Americans. As agricultural productivity has increased, consumers have been able to upgrade their diets at a lower cost.

The economic activity of agriculture employs 21 million people and accounts for 20 percent of the Nation's gross national product.

It is consistently one of the few sectors of our economy where we have a favorable trade balance.

Farmers are so productive that they produce food for the U.S. population, about a third larger than a quarter century ago, and do it with the output from fewer farm acres. Meanwhile, farmers have increased the acres planted for export by nearly 75 percent in those 25 years.

Farmers have a big stake in farm exports, but so do nonfarmers. Every additional $1 billion of farm exports creates another $1.37 billion of economic activity in the United States, for a total of $2.37 billion. Each additional $1 billion in farm trade makes jobs for 30,000 to 35,000 or more people.

The jobs are on farms—as well as in supplying farm production inputs for farmers; in local and long-distance transportation by truck, rail, river barges, and ocean-going ships; providing financing all along the way, along with warehousing and inspection; processing; and other activities. In 1984, 1.1 million full-time U.S. jobs related to agricultural exports.

Even if you do not have an export-related job, you have a stake in agricultural exports. Farm exports have exceeded farm imports continuously since 1960. That helps offset the growing U.S. negative balance of trade from nonfarm foreign trade, which has had a continuous deficit since 1971. The dollars from the favorable balance of trade in farm exports are used to pay for imports of consumer goods.

Farmers, however, have been absorbing the cost of providing these benefits to the rest of the Nation usually selling below their actual cost of production and by going broke in record numbers. Farmers only receive 27 cents of the consumers' food dollar spent for food raised on U.S. farms, down from 33 cents 20 years ago.

When we have record numbers of farmers going bankrupt, our entire economic system is threatened. When land values collapse, banks whose loans are secured by the land get in trouble, and small businesses start to fold. This possible domino effect is chillingly reminiscent of that which began on the farms in the late 1920's and spread across the Nation in the Depression of the 1930's. History has shown that the Great Depression of the thirties was "farm led and farm fed." Right now, we are faced with a repeat of that national disaster.

Last year, we lost about 4 percent of our farmers. As a result, land values in the Farm Belt fell over 10 percent. If we lose 10 to 15 percent in 1 year, as some predict could happen this year, it is not hard to imagine what will happen to land values and subsequently to the economy at large.

What can be done? No one can pretend to have all the answers, but some steps clearly must be taken. First of all, we simply must improve farm income. The best way to prevent foreclosures and mass liquidations of assets is to improve a farmer's ability to repay his debts. More credit, more loans to farmers will not resolve the problem; rather, it will only delay an inevitable crisis. The only way to avoid the crisis is to raise farm income. It is also the cheapest and most efficient way to help farmers stay in business.

Second, we must enact a credit program that helps farmers restructure the debt they already have. With land values declining rapidly, many farmers won't be able to stay in business unless they eliminate a portion of their debt. In most cases, it is cheaper for the lenders to write off a portion of the borrower's debt than it is to foreclose on the borrower when land values have fallen dramatically.

Third, we must bring down Federal budget deficits so that farmers can borrow money at a reasonable rate of interest. Additionally, bringing down Federal budget deficits will improve our ability to export more agriculture commodities by combating the overvalued dollars.

Finally, we should develop a long-range, multiyear policy aimed at preserving our family farmers by allowing them to receive a fair price for their products. We did enact some improvements in farm policy last year as part of the 1985 farm bill. However, Congress failed to adequately address the current problems of improving income for farmers today. Before the long-range policies of the farm bill are implemented, most of the family farmers will not be around. The Food Security Act of 1985 will lower farm income for the first 3 or 4 years. Most farmers cannot survive the transition period.

Mr. President, for many of us, the problems of agriculture seem too difficult to resolve. However, we have faced challenges in this country before and we have always risen to meet the challenges successfully. Maintaining family farms is not impossible, but it will require determined action and bipartisan work. It is my hope that all of us can band together and tackle the problems of the family farmer.●

RULES OF THE COMMITTEE ON SMALL BUSINESS

● Mr. WEICKER. Mr. President, pursuant to rule XXVI, paragraph 2 of the Standing Rules of the Senate, I submit for printing in the CONGRESSIONAL RECORD the current rules of the Committee on Small Business for the 99th Congress.

The rules follow:

COMMITTEE RULES

1. GENERAL

All applicable provisions of the Standing Rules of the Senate and of the Legislative Reorganization Act of 1946, as amended, shall govern the Committee and its Subcommittees. The Rules of the Committee shall be the Rules of any Subcommittee of the Committee.

2. MEETINGS AND QUORUMS

(a) The regular meeting day of the Committee shall be the first Wednesday of each month unless otherwise directed by the Chairman. All other meetings may be called by the Chairman as he deems necessary, on three days notice where practicable. If at least three Members of the Committee desire the Chairman to call a special meeting, they may file in the office of the Committee a written request therefor, addressed to the Chairman. Immediately thereafter, the Clerk of the Committee shall notify the Chairman of such request. If, within three calendar days after the filing of such request, the Chairman fails to call the requested special meeting, which is to be held within seven calendar days after the filing of such request, a majority of the Committee Members may file in the Office of the Committee their written notice that a special Committee meeting will be held, specifying the date, hour and place thereof, and the Committee shall meet at that time and place. Immediately upon the filing of such notice, the Clerk of the Committee shall notify all Committee Members that such special meeting will be held and inform them of its date, hour and place. If the Chairman is not present at any regular, additional or special meeting, the ranking majority Member present shall preside.

(b)(1) Ten Members of the Committee shall constitute a quorum for reporting any legislative measure or nomination.

(2) Seven Members of the Committee shall constitute a quorum for the transaction of routine business, provided that one minority Member is present. The term "routine business" includes, but is not limited to, the consideration of legislation pending before the Committee and any amendments thereto, and voting on such amendments.

(3) In hearings, whether in public or closed session, a quorum for the taking of testimony, including sworn testimony, shall consist of one Member of the Committee or subcommittee.

(c) Proxies will be permitted in voting upon the business of the Committee by Members who are unable to be present. To be valid, proxies must be signed and assign the right to vote to one of the Members who will be present. Proxies shall in no case be counted for establishing a quorum.

3. HEARINGS

(a)(1) The Chairman of the Committee may initiate a hearing of the Committee on his authority or upon his approval of a request by any Member of the Committee. The Chairman of any subcommittee may, after approval of the Chairman, initiate a hearing of the subcommittee on his authority or at the request of any member of the subcommittee. Written notice of all hearings shall be given, as far in advance as practicable, to Members of the Committee.

(2) Hearings of the Committee or any subcommittee shall not be scheduled outside the District of Columbia unless specifically authorized by the Chairman and the Ranking Minority Member or by consent of a majority of the Committee. Such consent may be given informally, without a meeting.

(b)(1) Any Member of the Committee shall be empowered to administer the oath to any witness testifying as to fact if a quorum be present as specified in Rule 2(b).

(2) Any Member of the Committee may attend any meeting or hearing held by any subcommittee and question witnesses testifying before any subcommittee.

(3) Interrogation of witnesses at hearings shall be conducted on behalf of the Committee by Members of the Committee or such Committee staff as is authorized by the Chairman or Ranking Minority Member.

(4) Witnesses appearing before the Committee shall file with the Clerk of the Committee a written statement of the prepared testimony at least 24 hours in advance of the hearing at which the witness is to appear unless this requirement is waived by the Chairman and the Ranking Minority Member.

(c) Witnesses may be subpoenaed by the Chairman with the agreement of the Ranking Minority Member or by consent of a majority of the Members of the Committee. Such consent may be given informally, without a meeting. Subpoenas shall be issued by the Chairman or by any Member of the Committee designated by him. Subcommittees shall not have the right to authorize or issue subpoenas. A subpoena for the attendance of a witness shall state briefly the purpose of the hearing and the matter or matters to which the witness is expected to testify. A subpoena for the production of memoranda, documents and records shall

identify the papers required to be produced with as much particularity as is practicable.

(d) Any witness summoned to a public or closed hearing may be accompanied by counsel of his own choosing, who shall be permitted while the witness is testifying to advise him of his legal rights.

(e) No confidential testimony taken, or confidential material presented to the Committee, or any report of the proceedings of a closed hearing, or confidential testimony or material submitted voluntarily or pursuant to a subpoena, shall be made public, either in whole or in part or by way of summary, unless authorized by a majority of the Members of the Committee.

4. AMENDMENT OF RULES

The foregoing rules may be added to, modified or amended: provided, however, that not less than a majority of the entire Membership so determine at a regular meeting with due notice, or at a meeting specifically called for that purpose.●

FRANKLIN COLLEGE

● Mr. QUAYLE. Mr. President, today, I would like to bring to the attention of my colleagues Franklin College. Franklin College is a small liberal arts college that enrolls approximately 540 students in Franklin, IN.

Two fires recently swept through parts of the college campus, damaging a dormitory, an administrative building, and classrooms. These disasters have not, however, undermined the determination, spirits, and good will of students, faculty, administrators, and friends of Franklin College. Despite recent catastrophes and the logistical and financial difficulties that ensued, Franklin College continues to provide quality education and is today a thriving intellectual community.

I ask to have printed in the RECORD an article that appeared Sunday, March 9, 1986, in the Indianapolis Star, highlighting the recent troubles and successes at Franklin College.

The article follows:

FRANKLIN COLLEGE

For the past decade, gloom-and-doom prophets in educational circles have been predicting the disappearance of many, if not all, of the nation's small private colleges.

Undoubtedly some are in trouble. But others are weathering adversity well. Franklin College is a good example.

Disastrous fires hit the 152-year-old campus in March and April of 1984. Bryan Residence Hall was completely destroyed in the March fire. Less than a month later, Old Main, the dominant building on the campus and headquarters for administration and instruction, was the scene of a second major fire.

Only those closely involved know the hours, days and months of trial and tribulation that followed. Emergency housing, emergency classrooms, necessary decisions about future planning, a multitude of day-to-day actions.

The end result could easily have been a school that couldn't survive. But Franklin College has.

Despite the many problems, enrollment is up and students, faculty, alumni and administration have cooperated. And a determined board of trustees has embarked on a program of reconstruction and construction. They've also embarked on a fund raising campaign to make the college even better.

Judging from past performance, they'll succeed, another example of the staying power of private higher education.

AFRICAN FAMINE RECOVERY AND DEVELOPMENT FUND

● Mr. KENNEDY. Mr. President, on Wednesday, Senator KASTEN and I introduced a major new initiative to establish an African Famine Recovery and Development Fund.

Due to an error, the text of the bill, S. 2208, was not printed at the time in the RECORD. So that our colleagues and other readers of the RECORD may read the text, I submit the bill for the RECORD.

The bill follows:

S. 2208

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Africa Famine, Recovery and Development Fund Act of 1986".

AFRICA FAMINE, RECOVERY, AND DEVELOPMENT INITIATIVE

SEC. 2. Part I of the Foreign Assistance Act of 1961 is amended by adding after chapter 6 the following new chapter:

"CHAPTER 7—AFRICA FAMINE, RECOVERY, AND DEVELOPMENT INITIATIVE

SEC. 471. STATEMENT OF POLICY.—(a) The Congress finds that—

"(1) the human tragedy and suffering existing in Africa requires a global initiative which must be undertaken in the context of a long-term commitment to addressing Africa's fundamental development problems;

"(2) there is, for the first time in the history of independent Africa, a consensus on the problems and probable solutions to Africa's basic development needs which is shared by the independent nations of Africa and the industrialized countries alike;

"(3) these problems include—

"(A) the need to develop more appropriate economic policies which foster growth, restore balance in the roles of the public and private sectors, and establish a favorable environment for individual enterprise and self-sustaining development;

"(B) the need to expand agricultural production through, among other things, agricultural structural reforms in such areas as pricing policy and privatization of parastatals, the expansion of agricultural research and the development of more effective extension services so that the benefits of research are disseminated as widely as possible, the growth (on a country or regional level) of an indigenous capability to develop and make available technology appropriate to the many cultures that comprise sub-Saharan Africa, and to develop and improve needed production related infrastructure;

"(C) the need to reverse the gradual degradation of the land on which the livelihood of most Africans depends and to address the pressures that a rapidly expanding population places on the land and the resource base of African countries;

"(D) the need to introduce and expand self-sustaining health programs to improve the quality of life of the people and increase their ability to contribute to economic growth;

"(E) the need to find employment in both the rural and urban sectors for the ever-increasing numbers of working-age Africans; and

"(F) the need to improve the productive capability of the people through improved and expanded education and training.

"(4) the world community has contributed significant amounts of resources in the past with mixed results; however, there is now increased realization that the problems faced in Africa can be most effectively met by African governments themselves to—

"(A) develop and promote economic policies which are growth oriented, which encourage the indigenous private sector to play a leading role in development, and which stimulate agricultural production;

"(B) expand the institutional framework within which agricultural research can be conducted and its results made available to the African farmer including the development and improvement of necessary infrastructure;

"(C) promote sound land management systems which take into account the need to increase agricultural production without damaging the fragile environment in Africa;

"(D) expand the benefits of improved health technologies by developing a self-sustaining capability to meet health needs so that children and adults can live longer lives and contribute more significantly to the economic development; and

"(E) expand the availability of vocational and other education and training to enable Africans to better handle the challenges of development.

"(b) It is the purpose of this chapter to establish the statutory framework and to authorize the appropriations necessary to carry out the policy described in this section and to assist African countries to address the problems and achieve the objectives contained in this section.

"SEC. 472. RELIEF, REHABILITATION AND RECOVERY.—(a) The Congress recognizes that the people of sub-Saharan Africa have been repeatedly threatened and affected by disasters. Drought, flood, and famine have caused countless deaths and untold suffering, as well as severely affecting long-term development as resources are devoted to meeting immediate survival needs at the expense of investment for the future. The Congress also recognizes that the effects of disasters can be magnified by, or may be the result of, policies and practices which degrade the land and foster environmentally unacceptable land use patterns. In recognition of the humanitarian concern and tradition of the people of the United States for the victims of disasters, as well as the relationship between such disasters and the inability of countries with limited resources to meet both immediate survival needs and long-term growth requirements, the President is authorized, in addition to amounts otherwise available for such purposes, to provide assistance, on such terms and conditions as he may determine, for relief, rehabilitation, and recovery activities in Africa. Such assistance for relief, rehabilitation, and recovery activities for the victims of disasters may include the furnishing of seeds for planting, fertilizer, pesticides, farm implements, farm animals and vaccine and veterinary services for livestock, blankets, clothing, and shelter, disease prevention and health care activities, water and small-scale agricultural projects and food protection and storage activities. Where appropri-

ate, recovery activities should serve as the foundation for long-term development activities undertaken pursuant to the authority contained in section 473 of this chapter.

"(b) Private and voluntary organizations are encouraged to continue their significant role in providing assistance for relief, rehabilitation, and recovery activities.

"(c) Amounts allocated to carry out the provisions of this section may be used for operating expenses of the Agency for International Development for management support activities associated with the planning, monitoring and supervision of assistance provided under this section.

"(d) Assistance under this section shall be furnished in accordance with the policies of this section and the general authorities contained in section 491 of this Act.

"SEC. 473. LONG-TERM DEVELOPMENT.—(a) The President is authorized to provide assistance, on such terms and conditions as he may determine, for long-term development in Africa. The objectives of such assistance include the following:

"(1) Increasing agricultural production, especially of food, in significant measure through agricultural policy changes at the macro-economic and sector levels. Furthermore, efforts to increase production should include agricultural research and extension, development and promotion of agriculture marketing activities and production packages, and the construction and improvement of needed production related infrastructure. Significant increases with equity should be sought in rural income, with emphasis placed on the small producer, the majority of whom are women, and the farm family. In view of the central role of women in African food systems, gender roles need to be analyzed and taken into account in order to ensure the integration of women into development activities.

"(2) Africa's natural resources base should be maintained and restored in orders to increase and sustain agricultural productivity. Where appropirate, efforts should promote small-scale, affordable, resource-conserving projects, using appropriate technologies and methods suited to the local environment and featuring close consulation with and involvement of local people during the design and implementation of projects.

'(3) Improvement of the quality of life of mothers and children should be sought primarily through the establishment of self-sustaining primary health care systems which are capable of providing adequate health, family planning and nutrition services. Funds made available under the Child Survival Fund described in section 104(c) should be used to the maximum extent practicable in furnishing assistance under this paragraph.

"(4) Improvement in the relevance and productivity of educational institutions should be made a high priority, with substantial attention given to improving primary education. Emphasis should also be placed on expanding the numbers of qualified middle and senior level professionals, managers and technicians.

"(5) Attention should be directed toward the development and generation of income generating opportunities in urban and rural areas. Off-farm employment by means of small-scale enterprises, especially such enterprises which relate to processing increased agricultural production and adding to the value of that production, should be encouraged, as well as the fostering of other appropriate industries.

"(b) The President shall carry out the authorities contained in this section, through the provision of program and project assistance, in accordance with the policies contained in section 102.

"(c) Assistance under this section shall be provided, to the maximum extent practicable, in achieving the objectives of this section, through private and voluntary organizations.

"SEC. 474. AFRICA FAMINE, RECOVERY AND DEVELOPMENT FUND.—(a) There are authorized to be appropriated to the President for each of the fiscal years 1988 through 1991, in addition to funds otherwise available for such purposes, such amounts as may be necessary to carry out the purposes of this chapter. Amounts appropriated under this subsection are authorized to remain available until expended.

"(b) Funds appropriated for the fiscal year 1987 to carry out the purposes of chapter 1 of this part which are allocated for assistance for Africa shall be transferred to, and consolidated with, funds appropriated under subsection (a) and may be used for any of the purposes of this chapter.

"(c) To the maximum extent practicable, funds available to carry out chapter 4 of part II (relating to the economic support fund), title IV of chapter 2 of this part (relating to the Overseas Private Investment Corporation), the Export-Import Bank Act of 1945, the Peace Corps Act, and the African Development Foundation Act shall be used to carry out the purposes of this chapter. To the maximum extent practicable, the Agency for International Development should use resources and authorities available under the Agricultural Trade Development and Assistance Act of 1954 and the Food for Progress Act of 1985 to complement the assistance provided under this chapter.

"(d) Amounts made available pursuant to this section may be referred to as the 'Africa Famine, Recovery and Development Fund'.

"SEC. 475. POLICY ON PROCUREMENT.—It is the sense of the Congress that the achievement of the objectives of this chapter will, to a considerable extent, depend on the ability of the United States to provide goods and services from assistance furnished under this chapter as effectively and expeditiously as possible and to avoid overburdening the capability of African governments to effect such procurements. It is further the sense of the Congress that, for purposes of this Act, special circumstances exist which are critical to the achievement of the objectives of this chapter and if not addressed, would seriously impede attainment of those objectives. Therefore, the Agency for International Development is authorized, in light of those circumstances, to take whatever administrative steps it deems appropriate to provide such goods and services (either directly or procured by the recipient country), on an expedited basis and to finance, where appropriate and without limitation, goods and services normally found in the recipient country.

"SEC. 476. INTERNATIONAL ORGANIZATIONS.—(a) The Congress finds that international organizations, because of their broad political acceptability and their Africa-wide network of offices, have provided significant and critical support for development and humanitarian efforts in Africa. These efforts have complemented those undertaken by the United States to achieve the objectives described in this chapter, especially in support of macro-economic policy change. Of particular importance have been programs to assist Africans in their recovery from the effects of the recent drought, including assistance for the rehabilitation of agriculture, the provision of health care and nutrition services, and the coordination of emergency relief and recovery activities. The Congress further finds that international organizations must continue to play a significant role in addressing issues of critical importance to the development of Africa: agricultural production and research, maternal and child health care, family planning, primary and technical education, and the maintenance of Africa's natural resource base.

"(b) In recognition of the significance of international organizations in the long-term development of Africa, including the Special Program for Drought Rehabilitation in Sub-Saharan Africa of the International Fund for Agricultural Development, the President may make available from such amounts under section 474 as he deems appropriate for activities for such organizations, undertaken in coordination with the Agency for International Development, consistent with the purposes of this chapter. Such amounts shall be in addition to amounts authorized to be made available to such organizations pursuant to this or any other Act.

"SEC. 477. MULTILATERAL DEVELOPMENT INSTITUTIONS.—(a) The Congress finds that the African Development Bank and the African Development Fund, as the region's own most prominent development institutions, have a unique role as molders of African opinion on economic issues and as sources of training for the continent's future development leaders. These institutions have become important sources, as well, of needed development financing for African countries unable to borrow on private capital markets. The Congress further finds that the sectoral priorities of these institutions, which include lending for activities to help African countries meet their basic food requirements, to develop their human resource potential through education and health programs, and to construct basic infrastructure, are consistent with the objectives of this chapter. The Congress recognizes that the Special Facility for Africa of the International Development Association has the potential for further increasing the amount and effectiveness of development resources available to Africa.

"(b) In recognition of the importance of these multilateral institutions in the development process in Africa, the Agency for International Development and these institutions are encouraged to cooperate, wherever practicable, on activities in support of the objectives of this chapter. Any amounts that are made available under section 474 may be used in conjunction with resources provided by the multilateral institutions to finance development activities consistent with such objectives. Whenever possible, activities financed under the preceding sentence should be coupled with efforts to effect significant policy reforms on the part of aid-recipient countries.

"SEC. 478. DEFINITIONS.—For purposes of this chapter the terms "Africa" and "sub-Saharan Africa" shall not be construed to include North Africa.".

POLICY ON DEVELOPMENT COORDINATION

SEC. 3. It is the sense of the Congress that the President should—

(1) encourage the Organization for Economic Cooperation and Development (OECD), the International Bank for Reconstruction and Development, and the United Nations to take a leading role in coordinat-

ing development efforts in Africa, including the establishment of equitable burden sharing among donors, and, if appropriate, the establishment of an international coordinating mechanism; and

(2) assist the efforts of the agencies referred to in paragraph (1), if necessary.

POLICY ON TRADE

SEC. 4. It is the sense of the Congress that the Secretary of State, in cooperation with the United States Trade Representative, should coordinate a special effort to reduce trade barriers and encourage economic interchange with the developing countries of Africa.

REPORTS

SEC. 5. (a) Section 634(a) of the Foreign Assistance Act of 1961 is amended—

(1) by striking out "and" at the end of paragraph (11);

(2) by striking out the period at the end of paragraph (12) and inserting in lieu thereof "; and"; and

(3) by adding at the end thereof the following new paragraph:

"(13) a description of the progress made in carrying out chapter 7 of part I (relating to the African Famine, Recovery and Development Initiative).".

(b) Section 11 of the Peace Corps Act is amended—

(1) by striking out "and" at the end of paragraph (1);

(2) by striking out the period at the end of paragraph (2) and inserting in lieu thereof "; and"; and

(3) by adding at the end thereof the following new paragraph:

"(3) a description, including the amount of funds obligated and expended, of the activities undertaken during the preceding twelve months to carry out the purposes of chapter 7 of part I of the Foreign Assistance Act of 1961 (relating to the African Famine, Recovery and Development Initiative).".

REPEALS

SEC. 6. Sections 120, 121, and 495K of the Foreign Assistance Act of 1961 are repealed.●

THE NEED TO SPEAK RUSSIAN

● Mr. SIMON. Mr. President, some weeks ago, Frederick Starr, the president of Oberlin College, had an article published in the Washington Post about our foreign language studies, and particularly our study of Russian.

I regret that I put the article aside, intending to insert it in the RECORD sooner than I did. But it is as timely today as it was a few weeks ago when it was published in the Post.

Fred Starr is a linguish himself and speaks fluent Russian. He has contributed significantly toward greater understanding between the Soviet Union and the United States.

And I should add, I am personally indebted to him. The recent Commission on Foreign Languages and International Studies, appointed by President Carter, was appointed as the result of a suggestion that Fred Starr made to me and that I passed along to the President.

Among other things, he points out that 1 out of 5 American high school students is studying a foreign language of any kind, while 5 out of 5 Soviet students are.

I urge my colleagues to read his fine article.

The article follows:

WE CAN'T TALK TO THE RUSSIANS—EXCHANGING STUDENTS IS FINE, BUT WHO SPEAKS THEIR LANGUAGE?

(By Frederick Starr)

The proposal to open up large-scale youth exchanges between the U.S.A. and the U.S.S.R. was, according to President Reagan, "one of the most exciting achievements" of the Geneva Summit. Addressing a joint session of Congress on his return from Geneva Nov. 21, Reagan affirmed that people-to-people exchanges "will help break down stereotypes, build friendships and, finally, promote an alternative to propaganda."

Skeptics have rightly pointed out that the Soviets are unlikely to permit thousands of their most impressionable young people to gain firsthand exposure to American life. But not all the impediments are on the Soviet side. If a large-scale program of exchanges of high-school-aged youths were opened tomorrow, Americans would be unable to participate. The reason? To few young Americans are able to communicate in the Russian language.

The most recent data from the schools makes this deficiency abundantly clear. Only one out of five American high school students is studying any foreign language today as contrasted to five out of five in the U.S.S.R. Those Americans studying Russian number a mere 5,702 from coast to coast.

In each of 32 states, fewer than 50 students are learning the Russian language at any level today. In spite of the importance of the U.S.S.R. in our lives, seven times more American school children study Italian than Russian, the number of Latin students is 32 times greater, and of those learning French fully 150 times larger.

It takes several years of study to gain a solid foothold in Russian. Yet among all young Americans in grades seven through 12 only 1,136 were above the second-year level in 1983, the most recent year for which complete data is available. In other words, only a few hundred high school students in the entire country have any practical competence in Russian.

Didn't Sputnik change all this, one might ask? Not really, for the post-Sputnik boom was both limited and brief. Even in the peak year of 1965, only 35,000 American high school students were studying Russian. By 1985 the number had plummeted to a seventh of that.

Surely, though, the situation is better in the colleges and universities? Not really. In 1983 only 30,000 American college students were studying Russian. A much-touted "recovery" since then has been, in actuality, very limited. At present rates it will take a decade and a half to catch up even to the level of the late '60s.

Even if that humble goal were attained, it would leave Russian language studies lagging far behind French, Spanish, and German in U.S. colleges. Moreover, only a handful of college students of Russian persist beyond the introductory courses. Like their counterparts in high school, most college students of Russian get all of the agony and none of the usable rewards.

It is all but impossible to participate in meaningful cultural exchanges without knowledge of the other side's language. Language, after all, is at the heart of culture. Soviet youths are at a disadvantage in that their government prevents them from traveling freely in the United States. Nonetheless, millions of them study English.

Our young people are at an even greater disadvantage because, for all their freedom to travel, they lack the essential linguistic skills to participate in intercultural contact. The fault is not their own. It is due, rather, to the failure of American educators in colleges, universities, and especially in secondary schools to provide the opportunity and encouragement for Russian language study.

The U.S. is the only industrialized country without a universal foreign language requirement in its high schools, and the only one that would allow its population to remain almost wholly ignorant of the language in which its chief adversary thinks.

Can the situation be improved? Possibly, but only if some mistakes from the past are corrected. First, it is impossible to build a corps of Americans fluent in Russian by starting at the college level. The attempt to do so has failed over 20 years, and for an obvious reason: College is too late. The center of language teaching must be in the schools—high school if necessary, but preferably the middle schools or even grade schools. To start later is like trying to build a house from the roof down.

Second, no progress will be made until we back the classroom teachers of Russian (and of foreign languages generally). Few state school boards or teachers' colleges value fluency in a foreign language and the ability to teach it. As a result, many of those who know Russian best—including recent immigrants from the USSR—cannot easily become certified to teach, while those with the necessary certification all too often lack the requisite fluency.

Without a larger group of Russian language teachers, President Reagan's dream can never become a reality.

There is a simple solution to this teacher shortage. Let's send a few hundred prospective teachers of the Russian language to the USSR to polish their fluency and build their pedagogical skills. They can make themselves useful by teaching American English in Soviet classrooms.

Meanwhile, let's open up a hundred or more positions in American classrooms for Soviet exchange teachers who can teach Russian for a couple of years each. While they do so, they can sharpen up their English for later use in classrooms back home.

Through such an effort, we would be in a position three years from now to send large numbers of well-prepared American high school students to participate in exchanges in the USSR. Meanwhile, those in each country most immediately involved with introducing the other country's culture and values to young people—the language teachers—would approach their task with a degree of knowledge commensurate with their responsibilities. Only in this way will cultural exchanges live up to the high expectations of the Geneva summit.●

SOVIET ATROCITIES IN AFGHANISTAN

● Mr. HUMPHREY. Mr. President, the brutal Soviet occupation of Afghanistan, now in its seventh tragic year, has hardly attracted the attention such savagery demands. According to the latest report of the U.N.'s special rapporteur, nearly 5 million Af-

ghans—approximately one-third of the country's population—are refugees in neighboring countries. Civilian casualties numbered 35,000 in 1985 alone. Nevertheless, the American public has been strangely silent on this issue, largely because of Moscow's "media curtain" around Afghanistan.

This is, however, beginning to change, as evidenced by the reaction of Americans to a recent article in Reader's Digest, entitled "Agony in Afghanistan." Written by Jean-Francois Revel and Rosanne Klass, and condensed from National Review, the piece portrays the Soviet war in stark terms. The authors state that Moscow's message is clear from its "systematic campaign of butchery: Submit, get out, or die hideously." Slowly, Americans are realizing the true nature of the war. My office has received literally thousands of letters expressing these and similar sentiments:

These people have no hope, barely any help, and certainly no place to go.

I cannot believe that we would sit back and let this happen to humanity at any place in the world.

I was appalled that our country in particular could turn the other way and allow this terrorism to happen!

I ask that the full text of the Reader's Digest article and two letters reflecting the public's outrage be printed in the RECORD.

The material follows:

MARCH 7, 1986.

SENATOR HUMPHREY: This is the first letter of this type I have ever written. I certainly don't see myself as some type of flaming nut. But the item "Agony in Afghanistan" got to me. I find it hard to look at myself in the mirror or try to lead and teach my kids if I don't do whatever small thing I can to try to correct situations like this.

What can I do? What can we as a nation do?

FEBRUARY 21, 1986.

HON. GORDON J. HUMPHREY,
U.S. Senate,
Washington, DC

My two daughters Gena and Georgia, ages 10 and 7, read with horror a Reader's Digest article entitled "Agony in Afghanistan" (March 1986 issue).

They came to me asking how we as a nation and as individuals can allow such atrocities to be happening.

They both decided to write letters to you as the chairman of the Congressional Task Force in Afghanistan.

My children are concerned about the way in which we are contributing to the Soviet campaign by not vocally and forcefully condemning it—by ignoring these atrocities—by not wanting to add more "discomfort" between the U.S. and the Soviet Union.

Obviously, I add my voice of concern to that of my children in the defense of their innocent brothers and sisters in Afghanistan.

We must support the brave people in Afghanistan in any way we can. As individuals, my daughters have decided that they can write letters of concern, they can pray for the Afghans, and they can also pray for their tormenters. As a nation, we must now take a stronger stand.

AGONY IN AFGHANISTAN

(Condensed from National Review—Jean-François Revel and Rosanne Klass)

Afghanistan is being turned into a charnel house.

It is not only that the Soviets and their Afghan puppets have executed or tortured to death thousands of political prisoners. It is not only that they attack civilian targets—wedding parties, farmers in their fields, villagers in the bazaars—or that they single out medical facilities for destruction. It is not only that they pursue, rocket and strafe the slow, plodding caravans of refugees—women and children, mostly—fleeing to sanctuary in Pakistan and Iran. And it is not only that they burn crops, destroy granaries, and kill flocks and herds, or that they smash irrigation systems, pushing rural Afghanistan ever closer to the edge of famine.

These are not the sporadic actions of uncontrolled troops gone berserk. This is the deliberate, calculated Soviet forces into the villages of Afghanistan to rape, to loot, to burn, and to murder most horribly, leaving the mutilated dead as a warning and an omen to survivors. The message of this systematic campaign of butchery is clear: submit, get out, or die hideously.

The policy began with the Soviet invasion in 1979. Three years ago, in Oslo, an Afghan from the Panjsher Valley told a human-rights panel about a Soviet attack on his village in June 1980. Many villagers were killed, including his own father and grandmother, decapitated by Soviet soldiers who, with grisly cynicism, put the men's heads on the women's bodies, the women's on the men's.

Now, the number, ferocity and frequency of these atrocities are increasing as the Russians move methodically to crush and empty out the country. Last April in a single district in the Laghman Valley in eastern Afghanistan, nearly 800 people were slaughtered, from pregnant women and newborns to the aged—shot, burned alive, hanged, bayoneted, tortured or beaten to death, killed with grenades, decapitated, mutilated.

Only five months before, Soviet soldiers entered the village of Bilwom at Issa Kehl in northern Afghanistan, searching houses for young men to impress into the Afghan army. During the search, several women were raped, and a grenade was thrown into their house as the soldiers left the village. Hearing of this, mojahedin guerrillas ambushed the returning Soviet troops. Seven tanks were destroyed by rocket fire; one hit a mine and exploded.

Five days later, 400 Soviet soldiers circled the nearby villages of Rarao Keshlok Payan, Rarao Keshlok Bala, Tal Gouzar, Sar-e-Ocia and Tut Mazar and systematically entered every house, killing more than 600 people, including women and children, often shooting them in the head. Three pregnant women were disembowled. The houses were put to the torch, and the fires burned for five days.

Such atrocities are becoming commonplace. Yet one sees little about them in the media. The Soviet occupation continues to provoke a deliberate neglect of the facts. Information on Afghanistan is scarce, to be sure, because of Soviet censorship.[1] But even with censorship, there are still enough stories in the Western press—if they were taken seriously—to alert world opinion to the situation of the Afghan people. If the free world ignores this information, it is because it fears it will have to start questioning certain soothing interpretations of Soviet behavior and be forced to face the gravity of the crimes committed against the Afghan people.

The first reason for our voluntary ignorance about Afghanistan is our desire to interpret the invasion as an accident of Soviet foreign policy. Reread how it has been described by some of our oracles: It was mistake, a marginal act unrepresentative of the fundamental thinking of the Soviet leaders. Consequently, the Western powers should help them to get out of it, "to save face." How? By not bullying them, by not reawakening their well-known "sense of insecurity."

According to some analysts, we must abstain from arming the Afghan resistance, for fear of provoking the Soviets. Any threat of foreign intervention, they tell us, will only delay the spontaneous departure of the Red Army. In view of the inadequacy of our military aid to the Afghan resistance, one wonders how much further this would have to be reduced to "reassure" the Soviets, and how long it will take for their supposed desire to evacuate the country to be demonstrated. And, once gone, will they permit the local Communist regime to be swept out of Kabul, as undoubtedly it would be after the withdrawal of the Soviet military?

The second reason the West resists information about Afghanistan is the scale of human-rights violations by the Soviets in that counry. These violations are so widespread that our governments are afraid even to raise the question, knowing very well that Moscow will, in its usual humiliating manner, refuse to discuss it.

In a recent issue of the quarterly Politique Internationale, Michael Barry, a leading expert on Afghanistan, reports that between April 27, 1978 (the date of the pro-Soviet coup that preceded the invasion), and January 5, 1980, 27,000 people were executed in the Poli Charki concentration camp, six miles east of Kabul. "This is not an estimate," writes Barry. "This is the simple addition of the names of the victims posted in public places to discourage the families from crowding around the gates of the prison with packages of clothing and food." A sizable portion of the educated elite, the author adds, perished in this carnage: diplomats, doctors, professors, engineers, non-Communist army officers, spiritual leaders. While noting that the Afghan government's published list of those executed was "only" 12,000, a United Nations report corroborates the basic story.

The U.N. report cites several massacres of civilians. On September 13, 1982, in Padkhwab, Soviet troops tried to dislodge some people hiding in an underground irrigation channel by pouring a whitish mixture into the channel and setting fire to it; the 105 corpses were said to include 14 children.[2] On October 12, 1983, in the village squares of Kulchabat, Bala Karz and Mushkizi, 360 persons were executed, including 20 young girls and about 20 old people. In March 1984, several hundred civilians were mass-

[1] "Afghanistan: The Secret Terror," Reader's Digest, May '84.

[2] See "Massacre in the Tunnel," Reader's Digest, August '83.

sacred in the villages of Dash-e-Bolokhan and Dash-e-Asukhan.

The devastation of the country-side and the villages has brought the expected and desired result: near-famine conditions. According to Médecins sans Frontières, the French humanitarian organization that has been sending medical teams clandestinely into Afghanistan since 1980, infant mortality caused by malnutrition reached 85 percent in the Panjsher Valley in the winter of 1985.

Another result is the exodus. Four and a half million Afghans have fled their country since 1978, mostly to Pakistan. Since there are more than ten million displaced persons worldwide, that means that nearly one of every two refugees on this planet today is an Afghan. If you add the estimated half-million resistance fighters killed and civilians massacred or starved to death, this means that there remain today on Afghan soil only 10 million of the 15 million inhabitants of the country in 1978. Put another way, about 35 percent of the population is either in exile or dead.

When the first reports of the Nazi slaughter of the Jews emerged from Occupied Europe in 1942, they, too, were dismissed as "unsubstantiated," their sources labeled as hysterical and unreliable. A decade ago, nobody was willing to believe what was happening in Cambodia until more than a million people were killed. We hear constant regrets that nothing was known about these events until it was too late. We hear the slogan, "Never again."

But Afghanistan is "again," and it is hapening now. The killing continues every day.

EASIER THAN WOOD

(In September 1984, a team from the U.S. Helsinki Watch Committee went to the Afghan border and interviewed more than 100 Afghan refugees on the Soviet human rights violations in Afghanistan. "Just about every Afghan has a story to tell," the team reported. "Our interpreters, out guides, people we met accidentally had personally experienced atrocities as great as those of the victims we had interviewed. An Afghan doctor who interpreted for us in a hospital had a sudden outburst as we were leaving: What's the point of all this? People should know by now. There are no human rights in Afghanistan. They burn people easier than wood.' " The following excerpts from the Helsinki Watch interviews and report present horrifying glimpse of Soviet atrocities in Afghanistan.)

Mohammad Eshaq, a resistance leader from the Panjsher Valley, describing the fate of two brothers—ages 90 and 95— from his ancestral village of Mata who, old and blind, had stayed behind when the rest of the villagers fled during an offensive: "The Russians came, tied dynamite to their backs and blew them up. They were very respected people.

Mike Hoover, a CBS television producer, filmed an interview with an Afghan who had formerly worked as a translator for the Soviet army. The translator was "extremely disturbed." He told how, in one village, the Russians held a child over a fire while they asked questions about the mojahedin.

Mohammad Amin Salim, a former professor of Islamic law from a village in Shomali: "I was in a village when the Soviets came to search the houses. They locked [up] the village's seven elders. They asked [the elders], 'Where are your sons?' The old men said they had no sons. Immediately, they killed two of the men with automatic-rifle blasts. They put a third person against a tree, and with a big nail [apparently a detached bayonet] a soldier stabbed him in the chest and nailed him to the tree. Another Russian stabbed a fourth old man in the mouth with a big nail, unhinging his jaw."

A French doctor, telling how the Russians punished an entire village after some Afghan troops defected: "They tied them up and piled them like wood. Then they poured gasoline over them and burned them alive. They were old and young, men, women and children. Forty people were killed."

A member of the resistance, who was tortured two to four hours a day, every day for a year, explaining Soviet interrogation methods: "The torture was always with electric-shock batons. they gave the shocks between the toes, between the fingers, on the temple. I often fell unconscious. One day they hung me up on a wall, where there were big hooks. They didn't let me sleep eat or drink for 48 hours. My arms were stretched out wide, my hands were tied to the hooks, and there were rings around my feet. This caused great pain in the stomach and kidneys. The next moring they took me down and brought me a piece of bread and some water. Then they hung me upside down by the feet all day."

SEAFOOD IS GOOD FOR US

● Mr. STEVENS. Mr. President, seafood is a healthful and nutritious source of protein. Recent studies have shown that two to three servings a week in the diet can greatly reduce the risks of coronary heart disease, high blood pressure, and possibly arthritis, psoriasis, and cancer. Publicizing these facts not only promotes the products of an ailing but vital American fishing industry, but alerts the American people to a proven, enjoyable means to achieve good health and well being.

According to the Year of the Ocean Foundation, the Omega-3 fatty acids found in fish are very effective in lowering blood cholesterol levels. This makes it far superior to red meats and poultry, which contain more high cholesterol saturated fats. Avoiding cholesterol is recommended to prevent heart disease. Besides this, fish and other seafoods have healthy amounts of vital nutrients, ranging from the B vitamins, potassium, iron, zinc, to calcium, phosphorus, and low fat protein. Fish protein is easily digested and almost completely absorbed by the body.

Americans are plagued by high blood pressure, high cholesterol levels, and the correspondingly large number of heart attacks. A diet that contains seafood several times per week, replacing red meat, can improve the blood cholesterol number and result in better overall health. Today Americans, on the average, eat less than 14 pounds of seafood a year, compared with over 150 pounds of red meat. There is room in the American diet to increase seafood purchases, and slowly we are realizing the need to do so. At last, documented studies have confirmed the benefits of eating low-calorie nutrient-rich fish.

I must emphasize that the lifesaving attributes of seafoods apply to fish taken from every part of our country. The miraculous Omega-3 fatty acids are found in saltwater, freshwater, cold and warm water species of fish. Every fisherman and seafood producer will benefit from the fact that promotion of their product is linked to documented effects on human health. What is more significant is that people from every State have access and room in their diets for this newly recognized delicious health food, fish.

Seafood promotion is one component of efforts to support our struggling fishing industry. Seafood is healthful, but our seafood industry itself needs a shot in the fin. Facing high vessel insurance rates, rising costs, unfair foreign competition and product quality misperceptions, fishermen and seafood producers often find it difficult to make a profit. However, we can help by developing alternative, untapped markets for seafood within the United States. I have recently submitted a bill, S. 2129, to establish a National Fisheries Marketing Council to help promote our seafood industry. This is a much needed way to supplement regional marketing activities, help areas without promotional resources, and provide a national focus to efforts on behalf of the growing seafood marketing needs.

In addition, the U.S. Government can include more seafood purchases in its own food commodity purchase programs. Such purchases represent millions of dollars of potential business for the seafood industry. American products have an advantage over subsidized, lower cost foreign competition because of the Government's "buy American" policy. We are now working on ways to eliminate barriers that exist in these programs to seafood purchases.

This is a way for the Government to combine and fulfill goals to provide healthful, nutritious food in its programs with supporting economic growth in an important, deserving industry. I am happy to announce that program administrators and participants have been highly receptive to the addition of new fisheries products, and our efforts to reduce institutional barriers are being met with success.

To help secure public notice of the exciting conclusions about seafood in the diet, I would like to submit an article which appeared in the Harvard Medical School Health Letter. The article is a concise explanation of the recent studies and conclusions about seafood and health. In addition, I would like to share a recipe for salmonburgers. This dish can be used in sandwiches, hors d'oeuvres, snacks and breakfast cakes, and is a delicious, eco-

nomical, and easy way to include America's newly recognized health-food in the diet. Please note that the breadcrumb variation of the recipe is my own recipe, a personal favorite, and has been enjoyed for years in the great State of Alaska.

Mr. President, I request that the article from the Harvard Medical School Health Letter and the recipe for salmonburgers be printed in full in the RECORD.

The material follows:

FISH STORY

WHY ARE WE HEARING SO MUCH ABOUT FISH OIL?

Evidence is rapidly mounting that fish oil in the diet can help prevent hardening of the arteries and, therefore, heart attacks. This story began in the early 1970s, with a study of the Eskimos living in Greenland. Danish researchers found that about 40 percent of the calories in the Eskimo diet come from animal fat. This is a high level—comparable to the amount consumed by urban Danes or Americans. Yet, at any given age the Eskimos have a much lower rate of heart attacks than would be expected from such a high fat intake. A reasonable guess would have been that Eskimos simply are genetically resistant to heart attacks. But those few who move to Denmark and shift to the local diet appear to be as prone to heart disease as native Danes, so that's probably not the explanation.

As the research progressed, another trait provided a clue to the mystery of the Eskimos' resistance to arterial disease: a peculiar tendency to bruise easily. The reason for this proved to be that their platelets (fragments of cells floating in the blood stream to help with clotting) are less sticky than is typical of Americans or Europeans. This finding suggests the arteries of Greenland Eskimos are being protected by something that alters the way their platelets function.

And this explanation makes sense. We now know that platelets help to initiate so-called hardening of the arteries, or *atherosclerosis.* The process begins with a bit of microscopic damage to the inner lining of the artery, usually caused by rapid, turbulent flow of blood near a bend or fork in the artery. Ideally, the injured spot would just repair itself and the problem would go away. But in many people, the damaged inner surface of the artery attracts platelets, which stick to the injured surface and then release chemical signals. These, in turn, stimulate muscle cells in the artery wall to duplicate themselves and also attract circulating white blood cells to collect at the site of injury. The proliferating muscle cells and white blood cells begin to accumulate abnormal deposits of cholesterol and become even bulkier. In this process, a once healthy area of artery wall is turned into a fatty *plaque.* The artery is narrowed as a result, and blood flow is reduced.

With this background in mind, the researchers surmised that the Eskimos were doing something to protect themselves from their own platelets. That "something" appears to be eating a type of oil that comes mainly from marine sources—fish, seal, walrus, and whale.

All the oils we eat are made up of subunits known as *fatty acids.* It has long been recognized that the proportion of saturated to unsaturated fatty acids in the diet makes a difference to the way the body controls levels of blood fat. Eating saturated fatty acids (which predominate in red meat and dairy products) leads to high cholesterol levels in the blood, and a high proportion of that cholesterol is of the LDL (or "bad") type. Eating unsaturated fatty acids (which come from various vegetables or seeds) encourages the body to lower the level of cholesterol in the blood. Fish oils are unsaturted, like vegetable oils, but they have one major structural difference that influences how the body responds to them.

HOW DOES FISH OIL WORK?

Oils taken in the diet find their way into the membranes of many of the body's cells, including platelets. When the content of fish oil in a platelet's membrane becomes high, there is a change in the way the platelet functions.

A platelet draws on the reservoir of fatty acids carried in its membranes to produce chemicals used to signal both other platelets and cells in the artery lining. These chemicals, known as *prostaglandins,* play a crucial role in the clotting of blood. One in particular, *thromboxane,* makes platelets sticky, and it encourages them to aggregate at sites where the cells lining artery walls are damaged. This action of thromboxane is one of the earliest events in the complex sequence known as atherosclerosis.

Our bodies can't make thromboxane "from scratch." We have to get the raw material, *arachidonic acid* (or AA), in our diets. Grains and seeds are, ultimately, the main sources of this substance. Fish oils provide a very similar, but crucially different material, *eicosapentaenoic acid.* or EPA, which cannot be readily converted into thromboxane. Essentially by getting in the way of AA, the EPA reduces production of thromboxane and thus makes platelets less "sticky."

In itself, this effect would probably be sufficent to limit the ability of platelets to initiate a clot. But the EPA of fish oil has yet another effect. It is also accumulated in the cells lining artery walls. These cells normally produce a chemical signal of their own, but one that *inhibits* platelets for clotting. EPA is readily converted into this material, *prostacyclin.* Thus, fish oils work in two ways, tilting the balance of signals so that stickiness of platelets is diminished. The importance of eating fish oil may be that it acts at such an early stage to inhibit the process of atherosclerosis.

IS THAT THE WHOLE STORY?

No, it really isn't. So far, studies with fish oil, or EPA, have indicated that it has a variety of beneficial effects, although the influence on platelets may be one of the most critical. Increasing fish oil in the diet leads to a lowering of cholesterol (of the unfavorable LDL type), and it reduces blood pressure as well. In individuals with a hereditary tendency to very high levels of triglyceride in the blood, fish oil leads to a dramatic reduction in the level of this form of blood fat.

In a way, the fish oil story seems almost too good to be true. Not only does this type of oil favor the health of arteries, but it also appears to act against inflammation, and so it may prove useful in a class of diseases, such as arthritis, in which inflammation gets out of hand.

The basis of this effect may be very similar to the action on platelets. Again, the EPA in fish oil, by competing with the AA in vegetable oil, alters production of chemical messengers. In this case, the compounds that are affected are called *leukotrienes,* which promote inflammation and some immune processes. Animal studies suggest that EPA can improve at least some illnesses that result from excessive inflammatory or immune reactions. The success of animal experiments has led to clinical trials of EPA in arthritis, psoriasis, lupus, nephritis (inflammation of the kidneys), and even some cancers in which leukotrienes are thought to play an important role. Because current treatment for these common diseases is generally inadequate, trials of fish oil are generating a lot of interest.

As usual, one has to say at the outset that much more research and development are needed before firm conclusions can be drawn. The beneficial effects of fish oil are probably increased by reducing the amount of other fats in the diet. Nevertheless, on the basis of a study conducted in the Netherlands (and widely publicized last summer), it seems that eating fish, even just a couple of times a week, can lead to a significant reduction in the risk of heart attack.

But I think we should put the subject in perspective. Our understanding of artery disease is still limited, and the major approach to preventing it is through lowering blood cholesterol levels. Now, however, we are discovering that there are several key points in the process by which arteries become narrowed. We will probably find ways to intervene at each of these points and thus lower the total risk of developing heart disease and strokes. Reducing dietary fat, cutting out cigarettes, and getting adequate exercise are still important; these measures lower cholesterol and shift it into the HDL form. Eating fish oil, which seems to work mainly at an early stage of the process, may well make an independent contribution to the health of the heart and blood vessels. It should be remembered, all the same, that the point of reducing saturated fats and total dietary fats is not only to protect from cardiovascular disease but also to avoid cancers of bowel and breast.

ARE SOME FISH BETTER THAN OTHERS?

The types of fish that are richest in EPA are those that live in deep, cold waters: salmon, mackerel, bluefish, herring, menhaden. These are also fish that carry fat in their muscles and under the skin. Other fish with a similar habitat, such as cod, tend to have rather dry flesh and store oil in their livers. Thus, cod meat is not a very good source of EPA, but cod liver oil is. However, one must be very careful here. Cod liver oil is also high in vitamins A and D, which can become toxic if taken in large quantities. So it's not a good idea to start taking cod liver oil—at least not in an amount greater than 1-2 tablespoons a day—to obtain EPA; one may get too much vitamin A and D at the same time. It is unlikely that EPA itself will produce serious side effects unless taken in extremely large quantities.

Shellfish also have EPA in them, and the good news is that they are not, as was once believed, high in cholesterol. An error in the measurement method incorrectly led food chemists to identify a different (and harmless) substance as cholesterol. On the whole, I think it is prudent for people to consume fish, instead of red meat, at least twice a week, I am not taking supplements of EPA and am inclined to think it's premature to do so until we know how much is needed to achieve benefits and whether the EPA can be simply added to a usual Western diet or whether it is necessary to reduce intake of other fats.

In this country, a great deal of fish oil is produced from menhaden—some 100,000

tons. However, it cannot be sold as a food because it is not on the "generally recognized as safe" (GRAS) list. So the menhaden oil is exported to Europe, where it is partially hydrogenated, making it similar to ordinary vegetable oil. Then it is made into margarine and other substances. A certain amount of fish oil is marketed in the U.S. in capsule form. But it exists in a kind of regulatory limbo—not listed as a drug, in that no therapeutic claims are made for it, and not sold as a food.

If fish oil proves to be as beneficial as now appears to be the case, there would be several ways to maintain an adequate supply. Our current production of menhaden oil could be consumed in its natural form instead of being converted into margarine. There may also be other abundant fish species that aren't much favored for cooking but could supply oil.

Ultimately, though, the source of this oil isn't fish but the microscopic plants of the sea, or *plankton.* The Greenland Eskimos don't get their EPA from fish so much as from whale, seal, and other large sea mammals, which have in turn eaten fish, and the fish have obtained their supply from plants. In the long run, the most practical way to develop a supply of this oil may be to short-circuit this process and extract it directly from plankton, or to synthesize it.

SALMONBURGERS

One 15½ ounce can of salmon; or two 7½ or 7¾ ounce cans of salmon; 1 egg, beaten [1] (see variation below); ¾ cup quick-cooking rolled oats [1] (see variation below); ½ cup chopped onion; 1 tbs chopped parsley; 1 tbs lemon juice; 1 tsp prepared mustard; ¼ tsp salt; dash of pepper; and oil.

If you grill the salmonburgers on the back yard barbecue, it is a good idea to place a piece of foil over the grill, under the salmonburgers.

Drain Salmon; combine with egg, oats, onion, parsley, lemon juice, mustard, salt and pepper. Form into four patties. Pan-fry in small amount of oil until golden brown on both sides. Serve on hamburger buns which can be spread with salmonburger sauce (recipe below)

SALMONBURGER SAUCE

Combine 1 cup of mayonnaise with ½ cup spicy brown mustard and 1 tablespoon chopped parsley.●

CONGRATULATIONS TO VITO MARZULLO

● Mr. SIMON. Mr. President, Vito Marzullo, a venerable figure in Chicago politics for 66 years, is being honored by the Chicago City Council as he prepares to retire. At age 89, I expect Vito Marzullo will remain an active and vital force in city politics.

His story crystallizes the ideal we all share of America as the land of opportunity. An immigrant from his native Italy, Marzullo came to this country alone as a boy in 1910. From 1920 to 1953, he was a star precinct captain, delivering huge majorities for candidates like Franklin D. Roosevelt, Harry S Truman, and fellow immigrant Anton Cermak.

He was elected to the Illinois House of Representatives in 1940 and served until 1953. He returned to Chicago politics, serving as ward alderman, and in 1960 also was elected ward committeeman.

Marzullo is best known for his skillful leadership of campaigns—his own and those of other Democrats. In 22 consecutive elections, he won huge victories and never knew defeat.

He has been a good friend to me and to a host of Illinois citizens.

Today, the Chicago City Council is meeting in special session to honor its longest-serving member. I extend my congratulations to Vito Marzullo and wish him all the best.●

THE IMPORTANCE OF THE NEXT APPOINTMENT TO THE TENNESSEE VALLEY AUTHORITY BOARD OF DIRECTORS

● Mr. HUMPHREY. Mr. President, this is the second in a series of speeches that I will deliver on importance of the next appointment to the Tennessee Valley Authority [TVA] Board of Directors. A few weeks ago, Mr. Richard M. Freeman resigned his position as one of the three members of the Board, a vacancy which, in my view, creates an enormously important opportunity to effect change at the agency.

Under the Tennessee Valley Authority Act of 1933, members of the Board of Directors are to be appointed by the President, confirmed by the Senate and are to serve a term of 9 years. Because the tenure of their terms are so long and because their authority is so great, Directors have the opportunity to leave a lasting legacy at TVA. In a February 1977 article in American Heritage, "The TVA: It Ain't What It Used To Be," James Branscome describes the importance of the Board of Directors well:

For a Government agency, the [Tennessee Valley Authority] Act allowed a very flexible program. Other than the general development mandate, the act's most explicit requirements were that the new authority—in fact, a Government corporation—would be ruled by three Presidentially appointed Directors, one to be designated Chairman, who would serve for 9-year terms with the consent of the Senate. The act dictated that the agency locate its headquarters in the region, excluded it from the civil service laws, and required the three Directors to believe in the "feasibility and wisdom of the act." The Directors would report to the President, consult Congress on appropriations not covered by power revenues, and otherwise be free to develop the "model" that [Senator George] Norris and [President Franklin] Roosevelt wanted to spill across the American landscape. Depending on the point of view of the observer, the power of the Board of Directors of TVA was either the most ideal arrangement ever devised by Government for grassroots input, allowing three men to bend to the demands of their constituencies and the wiles of a river; or it was the first Washington-imposed dictatorship that blanketed an entire region. No one at the time of TVA's creation or since has doubted the validity of either of these views depends on the caliber and character of the three Directors.

At a hearing before the Subcommittee on Regional and Community Development last summer, one witness, Mr. William U. Chandler, observed:

TVA has been an experiment, and it has primarily tested a unique—in the United States—governmental arrangement. It has tested the merits of "technocracy," that idea of placing resources in the hands of disinterested experts. • • •

TVA'S TECHNOCRACY AND THE NUCLEAR POWER PROGRAM

Well, how well has this "Washington-imposed dictatorship of technocracy" fared? Any examination of recent history at TVA must conclude that the arrangement has not worked well. Consider the record of TVA's Nuclear Construction Program. In the late 1960's, the Tennessee Valley Authority Board of Directors committed the agency to building "the free world's largest nuclear power system." TVA decided to construct 17 nuclear powered reactors, an enormous undertaking by any standard. This represented a huge expansion of TVA's existing capacity, which consisted of both coal-fired and hydroelectric facilities. TVA justified this expansion on the basis of what proved to be devastatingly poor projections of electricity demand.

To be sure, during the period, other utilities made investment decisions based on faulty electric demand projections. But at TVA, they seemed particularly bad. As Mr. Chandler testified before the subcommittee last summer, "During (TVA Board of Directors) Chairman Aubrey Wagner's era of control at TVA, power demand projections were simple extrapolations made on a part-time basis by one employee." And for many years, TVA persisted in the belief that substantially additional capacity would be needed. It was on this basis that the TVA Board proceeded with the plans to construct 17 nuclear power reactors. The freedom of authority granted under the TVA Act precluded the Board's decision from being reviewed by any oversight body, either in the Congress, State commission, the marketplace, or even within the agency.

It is important to note that a great portion of the nuclear construction program was financed through borrowings from the Federal Financing Bank [FFB]. Created in 1974 in an effort to rationlize and consolidate the securities sales of the several Federal agencies which engage in that activity, the FFB finances other programs within the Government by purchasing their debt securities, making direct loans on their behalf, or purchasing their loan assets. FFB obtains the

[1] Variations: Fine dry bread crumbs can be substituted for rolled oats. If substituting with the bread crumbs, use an additional egg and add ¼ cup of the liquid from the can in which the salmon is packed.

funds for these transactions by borrowing an equal amount from the Treasury, which in turn borrows from the public. The operation of the assisted programs remains with the agencies that FFB finances. It was never intended for the FFB to make judgments as to the need for the agency activity or the underlying quality of these obligations.

Ms. Katheryn Eickhoff, Associate Director for Economic Policy at the Office of Management and Budget, testified last summer:

TVA enjoys automatic approval of its requests to borrow funds. This easy access to money occurs without any of the credit reviews that would normally be applied in the private market. This blank check policy leaves TVA vulnerable to judgmental errors that could ultimately result in the necessity of refinancing debt or seeking congressional assistance in restructuring it.

The judgmental errors at TVA proved to be enormous. Of the 17 reactors originally planned, 9 had to be canceled. Today, four reactors are still under construction. However, construction has been delayed because of unprecedented concerns expressed by the Nuclear Regulatory Commission [NRC]. In addition, all five completed and operable have been shut down, again because of safety related concerns.

All this has, of course, cost billions of dollars. Costs associated with the four canceled reactors are estimated to be $4 billion. TVA is now estimating that the total costs for the Bellefonte plant, now under construction, will be over $8 billion. And, TVA's present debt to the Federal Government is $14.3 billion.

As bad as this enormous problem is, the ultimate indictment against the technocracy of TVA came several months ago. The TVA Board, apparently unable to cope with the incredible problems facing its power program, abdicated authority over the nuclear plants to an outside contractor. The contractor, Stone & Webster, will be paid well over $300,000 per year to provide the services of Mr. Steven White, who is now called the TVA Chief of Nuclear Power. Mr. White's charge is turning the nuclear program around. As TVA Director John B. Waters recently said, "I'm supporting (White) 100 percent, because the only alternative is to bring in (a major contractor) and say, 'fellas, run the damn plant and send us a bill every month.'" As the Knoxville Journal reported, "such a move, Waters said, 'would be hard for TVA to swallow . . . if you turn them over (to a private contractor), there's no way you ever get them back. You become a captive.'"

Mr. Chandler in his book, "The Myth of TVA," writes:

One can ask, "Does leadership matter?" Aubrey Wagner, more than anyone else, plunged TVA into the coal and nuclear investments of the 1960's and 1970's. What if someone else had been in charge? What if TVA had ealier instituted conservation policies? Was TVA's course so determined by history, politics, events, that little would have been different? Questions such as these reflect the tenacity with which many hold to belief in the philosopher-king, the benevolent dictator, or simply, the expert. TVA's performance throughout its history has done violence to such belief.

Senators will be asked to consider the next appointment to the Tennessee Valley Authority Board of Directors in the near future. I urge them to consider the appointment in light of the enormous problems facing this unique Washington-imposed dictatorship, entrusted with a monopoly of expertise.●

INNA AND NAUM MEIMAN

● Mr. SIMON. Mr. President, Inna and Naum Meiman are Soviet Jews who have been refuseniks for over 10 years. Naum has been refused permission to emigrate on the pretext of his being in possession of secret information. When he appealed the decision, Naum produced a character reference from the Institute of Theoretical and Experimental Physics, where he worked as a senior scientist from 1955 until July 1975. This certificate confirmed that he dealt only with abstract mathematics. Naum poses no security threat to the Soviets. It is clear that Naum is being used as an example, a warning to deter others from applying to emigrate.

What adds to this tragic situation is that Naum is 74 years old and his wife, Inna, has cancer. Frankly, the Meimans have very few years left. With their remaining time, they want what every human being is entitled to—the chance to live in freedom.

I implore the officials in the Soviet Union to let the Meimans emigrate to Israel.●

TEST BAN RESOLUTION

● Mr. PELL. Mr. President, on December 18 the Senator from Missouri [Mr. DANFORTH] and I introduced a joint resolution (S.J. Res. 252) designed to chart a course toward a complete cessation of nuclear testing.

I have asked unanimous consent that the Senators from North Dakota [Mr. ANDREWS], California [Mr. CRANSTON], Minnesota [Mr. DURENBERGER], Missouri [Mr. EAGLETON], Washington [Mr. GORTON], Hawaii [Mr. MATSUNAGA], Vermont [Mr. STAFFORD], and North Dakota [Mr. BURDICK] be added as cosponsors, for a current total of 15.

We hope other Senators will join us in cosponsoring this legislation, which we intend to pursue vigorously this year. In this connection, I should note that we expect to hold hearings on test ban issues in the Foreign Relations Committee next month.●

PAID DIVERSION PROGRAM FOR 1986 WHEAT CROP

● Mr. BOREN. Mr. President, the Food Security Act of 1985 was not approved until December 23, 1985, 3 months after wheat producers in my home State of Oklahoma had planted the 1986 crop. The provisions of the 1986 Wheat Program were included in the Food Security Act. Wheat producers in Oklahoma, Texas, and Kansas were forced to make planting decisions without having any clue as to the details of the 1986 program.

By the time our wheat producers were required to plant, there were basically two alternatives pending in Congress. In September, the House and Senate Agriculture Committees had reported out the farm bill. The House version stated that wheat producers would be required to set aside 30 percent of their acreage to be eligible for the 1986 Wheat Program; 10 percent of the 30 percent would be paid diversion. The Senate Agriculture Committee, on the other hand, reported out a bill that required no more than 20 percent of the acreage to be set aside.

In good faith, wheat producers in Oklahoma compared the two provisions and assumed that the set-aside percentage would be no more than 30. Consequently, most of the producers did not plant wheat on 20 to 30 percent of their acreage.

By the time the farm bill was reported out of conference, there was no mention of 20 percent or 30 percent. The Food Security Act gave the Secretary the authority to have a maximum 25-percent acreage reduction program, with 2.5 percent of that amount paid with PIK commodities. The conference recognized that many producers had already planted their crop and consequently the law requires the Secretary to provide an additional 10-percent paid diversion to producers who had planted the 1986 crop prior to the announcement of the program.

For producers who idled 30 percent of their acreage, the only options they had were to plow up an additional 5 percent to be eligible for the diversion program or not participate in the diversion, thereby losing all benefits from 5 percent of their acreage. Either way, producers lose money.

Earlier this year, when we were considering modifications to the farm bill, several of us attempted to include provisions which would allow producers who planted wheat prior to the announcement with an optional paid diversion of either 5 or 10 percent. Regretfully, we were unable to get this in the package that passed the Senate.

I was pleased to learn that earlier today the Secretary announced that producers who had planted wheat prior to the announcement of the program would have an option of choos-

ing between a 5-percent paid diversion or a 10-percent paid diversion. I commend the Secretary for his actions.●

TENNESSEE GENERAL ASSEMBLY DESIGNATES JULY 1986 "BUY AMERICA" MONTH

● Mr. GORE. Mr. President, it is an honor for me to submit for the RECORD a resolution by the General Assembly of the State of Tennessee. This resolution designates July 1986 as "Buy America" month.

Tennessee, like most of the States in this Nation, is directly affected by America's dangerously large international trade deficit and the growing difficulty for American industry to compete with inexpensive foreign products. America is at a crucial economic crossroad. Our national debt has hit the astronomical level of $2 trillion and, for the first time since our emergence as an industrial power, we are a net debtor nation—just 4 years after becoming the world's largest creditor.

The causes of this abrupt role reversal are many, and almost invariably linked. At the root of the problem is the huge Federal deficit. Excessive Government borrowing clearly contributed to an overvalued dollar, which in turn fueled our dangerous trade imbalance. Although the value of the dollar has declined, our trade imbalance has continued to coast upward. In short, we have a crisis on our hands that can be brought into control only through sound economic leadership and the development of an effective trade policy.

Free trade is essential to America's continued economic well-being. The best way to deal with our trade difficulties in the long run is to expand international commerce, not contract it. America's future prosperity depends upon correcting our mistaken current policies and inaction, and setting out to smooth and widen the two-way street of foreign trade.

Even so that fundamental philosophy must be flexible enough to accommodate the realities of the international marketplace. Few, if any, nations can boast a pure free trade policy. Some products are protected; some are not. It is, however, necessary to create a set of guidelines for the world trading community and for the members to abide by those agreements if any semblance of order is to be preserved.

The Congress must occasionally resort to its own devices to provide equitable relief in cases of extreme hardship. At times, we must come to grips with the difficult choice between direct intervention in order to salvage a certain sector of our economy, or the adoption of a hands-off policy which would almost certainly result in the demise of an important industry. In certain cases, intervention may be necessary and desirable.

So, while industry-specific relief is sometimes necessary, it is important to bear in mind that if we are to achieve long-term economic stability we must attack the causes of the illness—not just grapple with its symptoms. We must deal with our Federal deficit, stabilize exchange rates at an appropriate value for the dollar, and enforce the international trade laws already in existence.

On behalf of the General Assembly of the State of Tennessee, I am pleased to introduce this resolution designating July 1986 as "Buy America" month. This resolution helps bring into focus a matter of vital importance to Tennessee and to the entire Nation.

The resolution follows:

SENATE JOINT RESOLUTION No. 231

Whereas the United States of America emerged from the aftermath of World War II as the dominant world power with the most powerful industrial base on the face of the earth; and

Whereas that productive capacity in the manufacturing sector of our economy has declined and even the percentage of the available capacity being utilized is presently declining; and

Whereas our once dominant agriculture, automobile, steel, rubber, textile and leather industries which became successful with a combination of rich resources, skillful management and high productivity are no longer the sole leading forces in our economy; and

Whereas the world economy involved more than two trillion dollars in global trade in 1985; and

Whereas the present trade deficit is a product of many factors, the net effect of which has been to make our nation a net importer of goods; and

Whereas many entities, formal and informal, public and private, for profit and not for profit, may influence their colleagues, members and employees to recognize the importance of the purchase of American made goods; and

Whereas these entities include organized labor, manufacturing associations, chambers of commerce, civic clubs, state departments of economic and community development, and cities and counties; and

Whereas an appreciation for the purchase of American made goods is within our reach, and such an appreciation may be engendered with a specially designated time period; and

Whereas it is fitting that our state elected officials attempt to broaden the perspective of our citizenry on vital issues with such special designations: Now, therefore,

Be it resolved by the Senate of the Ninety-Fourth General Assembly of the State of Tennessee, the House of Representatives concurring, That we hereby designate July, 1986 as "Buy America" month.

Be it further resolved, That a copy of this resolution be forwarded to each speaker of each state legislative body for distribution to its membership and to each member of the Tennessee Congressional Delegation.●

TIBET FOR THE TIBETANS, NOT THE CHINESE

● Mr. PELL. Mr. President, a stimulating article entitled, "Tibet for the Tibetans, Not the Chinese," appeared in the New York Times of Sunday, March 16.

It is an excellent piece and brings to our attention the hardship that the Tibetans have suffered and are suffering in preserving their national identity.

I believe this article would be of interest to my colleagues and, therefore, ask that it be printed in the RECORD.

The article follows:

[From the New York Times, Mar. 16, 1986]

TIBET FOR THE TIBETANS, NOT THE CHINESE

(By John Doe)

(John Doe is an American academic who asked that his name be withheld to protect his associates in Tibet.)

Each March, in sad rituals that go largely unnoticed outside the scattered cities and towns that serve as hosts to small numbers of Tibetan refugees, those Tibetans commemorate the day in 1959 when they rose up against the Chinese annexation of Tibet. On March 10, refugees stage small demonstrations, short marches and in some places a quiet presentation of petitions to local officials of the People's Republic of China. Then they peacefully go home.

That few countries in the West have shown any moral support for the Tibetans only makes more tragic the destruction and death resulting from decades of Chinese domination. Perhaps it is because we find ourselves more quickly drawn to issues that provide an opportunity to exorcise our own demons. The Tibetan issue, by contrast, cannot easily be used to publicly separate ourselves from the West's racist and colonialist past.

But such attitudes betray the liberal values that ought to guide us. Whether Tibet was in need of drastic change that China forced on it ought to have been a matter for the Tibetan people, not their Chinese neighbors, to decide. Moreover, the attention that we give to this tragedy should be based on its magnitude.

Seen against this background, the Tibetan situation seems even more tragic and pathetic. Not only is China's domination of Tibet based on a continuing refusal to allow the Tibetan people to exercise their right to self-determination (a right vouch-safed to them by the United Nations in 1961), but it has wrought suffering on a scale so broad as to make much of the repression and violence used by dictatorial regimes elsewhere seem insignificant by comparison.

After China moved into Tibet in 1951, it imposed progressively autocratic and repressive measures aimed at totally subordinating the country to Chinese social and political control. Large-scale resistance followed, most notably the 1959 uprising in Lhasa, the Tibetan capital, that led to the flight into exile of Tibet's spiritual leader, the Dalai Lama. Succeeding years brought continued tyranny, resistance and slaughter. By the later 1970's, scores of Tibetan exile communities formed in countries bordering Tibet. The exiles estimate that more than a million Tibetans have died in the struggle.

Yet China has for the most part avoided censure. The human rights organization Amnesty International has documented po-

litical imprisonment of Tibetan nationalists, but few governments or world bodies, including the United Nations, have questioned China about these transgressions.

Visitors to Tibet are often startled to discover that Tibetans still demonstrate a strong will to resist, handing out pamphlets that declare allegiance to the Dalai Lama and calling for help from the world community.

Today, internal resistance to Chinese domination is symbolized by one man in particular: Lobsang Wangchuk. A geshe, or doctor of theology, Lobsang Wangchuk, was educated at the monastery of Drepung, on the outskirts of Lhasa. He has been arrested many times but has managed to survive and has continued to write small tracts, which are circulated clandestinely, calling for independence. it is ironic that one of his last pamphlets drew on the writings of Mao Zedong to argue against China's hold on Tibet. Lobsang Wangchuk's strong spirit has made him a signal figure in the Tibetan struggle.

Not unexpectedly, however, this reputation has also brought him into serious danger. In the autumn of 1983, during a roundup of "criminal elements," Lobsang Wangchuk was arrested again. He still has not been formally tried for any offense, and there is no indication that his release is contemplated. He remains incarcerated in Drapchi, one of five notorious prisons maintained by the Chinese authorities near Lhasa.

Lobsang Wangchuk is in his early 70's, and because of the abysmal prison conditions he may never leave Drapchi alive. But he represents for Tibetans far more than a solitary old man in a Chinese cell. The Tibetans who whisper his name in Lhasa and those refugees who on March 10 each year mark the Tibetan bid for freedom all refuse to let his work and his ideals be destroyed. They cling to the thin hope that their cause may yet elicit the understanding and world support that seem to evade it.●

EXECUTIVE SESSION

Mr. TRIBLE. Mr. President, I ask the distinguished Democratic leader if he is in a position to confirm any of the following nominations on the Executive Calendar: Calendar No. 710, John R. Wall; No. 711, Truman McGill Hobbs; No. 712, Donald Barr; No. 713, James Harvey Harrison, Jr.; No. 714, Robert H. Mattson; No. 715, Joan M. Gubbins; No. 716, Robert Lee McElrath; No. 717, David Alan Heslop; No. 718, Marilyn Logsdon Mennello; No. 719, James H. Duff; No. 720, David B. Gray; No. 721, C. Ronald Kimberling; No. 724, Henry K. Oncken; No. 725, Thomas E. Dittmeier; No. 726, Harry Connolly; No. 727, Thomas K. Turnage.

Mr. BYRD. Mr. President, all the nominations identified by the distinguished acting majority leader have been cleared on this side, and there is no objection to taking them up and confirming them, if the distinguished acting leader would like to do so en bloc.

Mr. TRIBLE. I thank the Democratic leader.

Mr. President, I ask unanimous consent that the Senate go into executive session to consider the nominations just identified and that they be considered en bloc and confirmed en bloc.

There being no objection, the Senate proceeded to the consideration of legislative business.

The PRESIDING OFFICER. Without objection, the nominations are considered en bloc and confirmed en bloc.

The nominations considered and confirmed en bloc are as follows:

OCCUPATIONAL SAFETY AND HEALTH REVIEW COMMISSION

John R. Wall, of Ohio, to be a member of the Occupational Safety and Health Review Commission for the term expiring April 27, 1987, to which position he was appointed during the last recess of the Senate.

HARRY S TRUMAN SCHOLARSHIP FOUNDATION

Truman McGill Hobbs, of Alabama, to be a member of the Board of Trustees of the Harry S Truman Scholarship Foundation for a term expiring December 10, 1991. (Reappointment)

NATIONAL COUNCIL ON EDUCATIONAL RESEARCH

Donald Barr, of Connecticut, to be a member of the National Council on Educational Research for a term expiring September 30, 1988. (Reappointment)

James Harvey Harrison, Jr., of Virginia, to be a member of the National Council on Educational Research for a term expiring September 30, 1988. (Reappointment)

Robert H. Mattson, of Oregon, to be a member of the National Council on Educational Research for a term expiring September 30, 1988.

Joan M. Gubbins, of Indiana, to be a member of the National Council on Educational Research for a term expiring September 30, 1988. (Reappointment)

Robert Lee McElrath, of Tennessee, to be a member of the National Council on Educational Research for a term expiring September 30, 1987.

David Alan Heslop, of California, to be a member of the National Council on Educational Research for a term expiring September 30, 1986.

NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES

Marilyn Logsdon Mennello, of Florida, to be a member of the National Museum Services Board for a term expiring December 6, 1989.

James H. Duff, of Pennsylvania, to be a member of the National Museum Services Board for the remainder of the term expiring December 6, 1986.

NATIONAL INSTITUTE OF HANDICAPPED RESEARCH

David B. Gray, of Maryland, to be Director of the National Institute of Handicapped Research.

DEPARTMENT OF EDUCATION

C. Ronald Kimberling, of Virginia, to be Assistant Secretary for Postsecondary Education, Department of Education.

DEPARTMENT OF JUSTICE

Henry K. Oncken, of Texas, to be United States Attorney for the Southern District of Texas for the term of four years.

Thomas E. Dittmeier, of Missouri, to be United States Attorney for the Eastern District of Missouri for the term of four years. (Reappointment)

Harry Connolly, of Oklahoma, to be United States Marshal for the Northern District of Oklahoma for the term of four years. (Reappointment)

VETERANS' ADMINISTRATION

Thomas K. Turnage, of California, to be Administrator of Veterans' Affairs.

THOMAS K. TURNAGE

Mr. THURMOND. Mr. President, I am pleased to rise in support of the nomination of Maj. Gen. Thomas K. Turnage to be Administrator of the Veterans' Administration.

General Turnage has a fine record of military service. He served his country for 39 years in the U.S. Army. General Turnage participated in combat as an infantry officer during World War II, and again in Korea. He knows well the sacrifices required of our fighting men and women, and will, I believe, work diligently to fulfill our commitment to the veterans of the Nation.

Mr. President, General Turnage has also held several administrative posts. Prior to being appointed to his present position as Selected Service Director, General Turnage served with the Deputy Assistant Secretary of Defense for Reserves Affairs. In that capacity, he worked on matters relating to the Selected Reserve of our Armed Services. He has also served as executive officer of the President's Task Force on Military Manpower.

Mr. President, the distinguished service record of General Turnage speaks for itself. I believe that he will make a superb Administrator. He is a fine and capable man who has, and will, serve with distinction. I urge my Senate colleagues to approve the nomination of General Turnage to be Administrator of the Veteran's Administration.

Mr. MURKOWSKI. Mr. President, on Tuesday, the Senate Veterans' Affairs Committee unanimously voted in support of the administration's nomination of Maj. Gen. Thomas K. Turnage to be the next Administrator of Veterans' Affairs. Today, I rise to report that nomination to the Senate and to urge my colleagues to join in support of the nomination.

The Veterans' Administration has had many fine chiefs—most recently Harry Walters, who guided the VA with dedication and strength. I have little doubt that Tom Turnage will more than live up to Harry's record of selfless duty to America's veterans. During my committee's nomination hearing, I said that Tom Turnage was truly a soldier's soldier. His 39 years of Active, Reserve, and National Guard duty included two combat tours as an infantry officer, spanning the Second World War and the Korean conflict.

He received many of this Nation's highest awards and decorations, including the Legion of Merit, the Bronze Star, the Distinguished Service Medal, and the Defense Superior Service Medal. From the battlefields of two wars to service as the President's ap-

pointee as the Director of the Selective Service, Tom Turnage has developed an invaluable knowledge of the dynamics of military duty—a knowledge that will undoubtably stand him in good stead when dealing with the equally dynamic population of 28 million veterans.

Mr. President, my colleagues on the Senate Veterans' Committee echo my endorsement of General Turnage to be the next VA Administrator. I believe we were all impressed with Tom's initial grasp of the VA's organization, he is clearly comfortable with the challenge facing him, and he obviously looks forward to serving this country in yet one more key role.

I have long been an advocate of elevating the Veterans' Administration to a Cabinet-level office. Our veterans deserve to be heard and represented in the Cabinet room; veterans, their families, and all other Americans touched in some way by VA programs, comprise some 80 million citizens, and that is a number certainly worthy of the President's direct consideration. Tom Turnage, should he be so chosen, would be an outstanding Secretary of Veterans' Affairs; all the more reason why today's vote means so much to America's veterans.

Mr. President, it gives me great pleasure to report the nomination of Thomas K. Turnage as Administrator of Veterans' Affairs, to the Senate, and I urge my colleagues to join with me in confirming this nomination.

Mr. CRANSTON. As the ranking Democratic member of the Committee on Veterans' Affairs, I am delighted to join with the distinguished chairman of the committee [Mr. MURKOWSKI] in urging the Senate to approve the nomination of Thomas K. Turnage to be Administrator of Veterans' Affairs.

The previous Administrator, Harry Walters, resigned as of January 31, 1986. I believe that it is vitally important that there be a fully functioning, confirmed Presidential nominee serving as Administrator in order to provide stable, effective leadership for the VA and strong advocacy for veterans' programs within the administration—especially at this critical point in the budget and appropriations cycle.

As a new Administrator takes office, he will face a number of very important challenges. Probably the greatest of these is maintaining the integrity of the VA and of the programs of benefits and services it provides to veterans, their survivors, and dependents during this period of tremendous fiscal constraints. Many veterans' programs are facing particularly difficult problems in fiscal year 1986 because of requirements of the Gramm-Rudman legislation to reduce the Federal budget deficit to zero incrementally by fiscal year 1991.

I believe strongly that drastic steps must be taken to reduce the deficit and achieve a balanced budget, but I believe just as strongly that keeping our commitments to our Nation's veterans must continue to be a top priority.

In my mind, among the most critical factors that needed to be examined during the committee's consideration of this nomination were the commitment the nominee was prepared to make in terms of being an advocate for veterans, especially with respect to matters affecting the VA's budget, and the commitment that the administration would be willing to make to involve the nominee once he became Administrator in all administration decisions affecting VA policies and resources.

After the President's budget was submitted for fiscal years 1982, 1983, 1985, and 1986, the administration, without consulting with the Administrator of the VA, proposed or supported budget revisions making deep cuts in VA programs. The administration made these decisions to cut VA funds on each of those occasions without the person then serving as Administrator having had any opportunity to present his views before the decisions were made—and this occurred despite certain assurances from Mr. Turnage's two predecessors with respect to their personal access to the President or his top White House advisers regarding VA budget matters.

Thus, I urged Mr. Turnage to obtain very specific assurances from the President that, as Administrator, he will be consulted and his views taken into account before any significant administration decisions on, or revisions of, the VA's budget are made or agreed to—at any point in the budget and appropriations processes. Mr. Turnage's letter of March 12 in response to my February 20 letter deals with these assurances in a generally forthcoming manner.

Mr. President, I ask unanimous consent that the letters to which I referred be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. CRANSTON. Mr. President, the critical paragraph in Mr. Turnage's March 12 letter was:

> To allay any further concerns in this matter, you should know that I have recently met with President Reagan and members of his staff as well as Mr. Miller of OMB and members of his staff. In all instances, I received personal, explicit assurances that I will have every opportunity to present my view regarding policy decisions affecting the Nation's veterans and the resource needs of the Veterans' Administration. They could not have been more supportive.

At the committee's April 18 hearing on Mr. Turnage's nomination, I further explored these assurances with him, particularly with respect to his opportunity, and plans, for involvement in budgetary issues that arise after the administration's budget is submitted to the Congress. Mr. Turnage confirmed that he interpreted the assurances as covering post-budget-submission activities and stated that he would expect to be involved in "anything that affects the formulation of the budget, anything that affects subsequent decisions relating to it, and anything that affects the opportunity to change some of the decisions that were made which [he] would find to be antithetical to the interest of the veterans."

These assurances are particularly significant and important at the present time. Yesterday the Senate Budget Committee ordered reported a concurrent resolution on the budget for fiscal year 1987. For function 700, Veterans' Benefits and Services, the committee is recommending $27.2 billion in budget authority and $26.6 billion in outlays. These totals are consistent with the recommendation supported at our committee's February 25 meeting by six members of the committee—myself and Senators MATSUNAGA, DECONCINI, MITCHELL, ROCKEFELLER, and SPECTER. Thus, despite the fact that the administration submitted the worst budget for veterans' programs that I have seen in my 17 years in the Senate, the formulation of the congressional budget for the VA for fiscal year 1987 is off to a very good start.

I want to express my deep appreciation to the distinguished chairman [Mr. DOMENICI] and ranking minority member [Mr. CHILES] for their excellent work in rectifying the many very serious shortcomings in the President's budget for the VA.

At this point, my principal concern regarding the VA's fiscal year 1987 budget is that the President, whose strong disagreement with the Budget Committee's recommendations has been announced by the White House, will seek to reach an agreement with a group of Senators—such as the Republican leadership of the Budget Committee or of the full Senate, or both, as he has done on three occasions in the past; namely, in connection with the budgets for fiscal years 1983, 1985, and 1986—making deep cuts in veterans' programs.

To help guard against the possibility that such an effort to undermine the Budget Committee's recommendation for the VA might succeed, as soon as Mr. Turnage is confirmed I will send him a letter to alert him to this possibility and to urge that, upon taking office, he contact OMB Director James C. Miller and appropriate key White House staff in order to ensure that he will be fully consulted before any efforts to reach any such agreement are undertaken.

Mr. President, I ask unanimous consent that a copy of this letter be printed in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

COMMITTEE ON VETERANS' AFFAIRS,
Washington, DC.

HON. THOMAS K. TURNAGE,
Administrator of Veterans' Affairs-Designate, Washington, DC.

DEAR TOM: Congratulations on the Senate's confirmation of your nomination to be Administrator of Veterans' Affairs.

I want once again to extend to you my pledge of cooperation as you strive to meet the great challenges that lie before you as the head of the Veterans' Administration.

I also want to follow up on a matter that I stressed in connection with the March 18 hearing on your confirmation—your active involvment in all Executive Branch decision-making relating to the budget for the VA. Two days ago, on March 19, a bipartisan majority of the Senate Budget Committee ordered reported a concurrent resolution on the FY 1987 budget that made fair and adequate provision for veterans' programs. In particular, the Budget Committee's proposal corrects the very serious deficiencies in the President's budget with respect to funding for VA health-care facilities and rejects the Administration's unwise proposals to increase the VA home loan guaranty fee and restrict eligibility for the plot allowance.

Thus, the formulation of the Congressional budget for the VA is off to a very good start.

My principal concern regarding the VA's FY 1987 budget at this point is that the President, whose strong disagreement with the Senate Budget Committee's recommendations has been announced by the White House, will seek to reach an agreement with a group of Senators—such as the Republican leadership of the Budget Committee or the full Senate, or both—on a budget that would make deep cuts in veterans' programs. As I wrote you on February 20, such agreements have been entered into three times during this Administration (in connection with the budgets for FYs 1983, 1985, and 1986) without the views of the Administrator of Veterans' Affairs being sought with respect to the portions of those budget agreements that affected veterans' programs.

In view of the apparent likelihood that Administration/Senate Republican leadership budget negotiations may now take place, I urge that, upon taking office, you contact OMB Director Jim Miller and appropriate key White House officials in order to ensure that you will be fully consulted insofar as the budget for the VA is concerned before any efforts to reach such an agreement are undertaken.

In connection with the substantive aspects of your participation in any such process, you stated at our Committee's March 18 hearing, and in your written response to questions I submitted to you, that you had not had time to become familiar with all of the ramifications of the Administration's FY 1987 budget proposals and you made a commitment to conduct a thorough examination of the FY 1987 budget for the VA's Department of Medicine and Surgery.

I urge that you undertake that examination, including particularly a review of the impact on VA health-care workloads and staffing levels, as quickly as possible. I also urge that, in keeping with the strong commitment you have expressed to serve as the veterans' advocate within the Administration, you make every effort to persuade the Administration to support a new position, in line with the fair and adequate bipartisan recommendations of the Senate Budget Committee, that would rectify the shortcomings in its current FY 1987 budget for the VA. Given the harsh, inequitable treatment afforded the VA in the President's original budget submission, your efforts in this regard may be among the very most important tasks that you undertake in your tenure as Administrator.

Again, Tom, my congratulations on your confirmation. Please let me know whenever you believe I can be of help to you in carrying out the extremely important responsibilities of your new office.

With best personal regards,

Cordially,

ALAN CRANSTON,
Ranking Minority Member.

CRANSTON. Mr. President, it is my hope that, in connection with any such negotiations, Mr. Turnage will advocate strongly the position that a bipartisan majority of the Budget Committee has proposed in order to provide for fair and adequate funding for veterans' programs.

At his confirmation hearing, Mr. Turnage made clear that he understands and fully appreciates the responsibility of the Administrator of Veterans' Affairs to be an advocate for veterans. In response to my question as to whether he considered advocacy on behalf of veterans an important responsibility of the Administrator and whether he plans to serve as "an advocate for veterans" within the Administration and before the Congress, he stated:

> Indeed. Not simply [to] do so because I consider it to be either a statutory or another requirement, but morally and in spirit I feel very comfortable with that position because, as they say, I are one. I feel firmly that someone must defend their interests, and I am comfortable with that.

At the confirmation hearing, Mr. Turnage also provided a number of specific, positive assurances that I wish to note. He committed to conducting a thorough examination of the VA's budget plans for the VA's Department of Medicine and Surgery in fiscal year 1987 and the 4 out-years; I consider the budget request and out-year projections for DM&S to be grossly deficient.

Mr. Turnage further committed to a reexamination of the issue of the administration's proposal—not accepted in the Senate Budget Committee's recommendations—to sell off certain lands at two VA medical centers in southern California and to making his own independent judgment regarding this proposal after receiving the results of the new land-use reviews now being made by the VA.

Finally, he noted that he shares my frustration about the length of time the VA presently plans to take to open a new national cemetery in northern California. This new cemetery—the establishment and location of which I strongly supported—was approved by then-Administrator Harry Walters last September, but it is not scheduled to open until April 1991. Mr. Turnage suggested that if there is a realistic way to open that cemetery earlier than 1991 he would take steps to accelerate the completion of this project.

Before closing, I want to reemphasize my view that repaying the debts we owe to those who gave of themselves in the Armed Forces is a continuing cost of our Nation's defense and a fundamental national obligation. The challenges that we all face are great and the answers are not easy, but Tom Turnage has pledged to do his utmost to meet those challenges. I, in turn, have pledged to him my cooperation in this effort.

Mr. President, I urge the Senate to approve the nomination of Thomas K. Turnage to be Administrator of Veterans' Affairs, which the Veterans' Affairs Committee unanimously ordered favorably reported on March 18.

EXHIBIT 1

COMMITTEE ON VETERANS' AFFAIRS,
Washington, DC, February 20, 1986.

HON. THOMAS K. TURNAGE,
Administrator of Veterans' Affairs-Designate, Washington, DC.

DEAR TOM: I am writing in order to communicate directly with you regarding a position that I will take with regard to your nomination to be Administrator of Veterans' Affairs.

Before discussing the specifics, however, I first want to give you my full and personal assurance that this position is not intended to reflect any judgment regarding your personal or professional qualifications for the position. Rather, it is purely the result of events in recent years that have adversely affected the budget of the Veterans' Administration.

After the submission of the President's budget for fiscal years 1982, 1983, 1985, and 1986, the Administration, without consulting with the Administrator of Veterans' Affairs, proposed or supported budget revisions making deep cuts in VA programs. In anticipation of the possibility that the Director of the Office of Management and Budget or White House staff members might exercise such undue control over the VA budget, I sought and obtained, during this Committee's consideration of your two predecessors' nominations, certain assurances with respect to their personal access to the President or his top White House advisors regarding VA budget matters.

In retrospect, however, it is clear that nothing less than the specific personal assurances of the President himself can provide any guarantee that the Administrator will be consulted and his views taken into account before the Administration positions on the VA's budget are taken.

Thus, in light of the repeated frustrations of past efforts to ensure that the Administrator has appropriate opportunities to play an active role in all matters relating to the VA's budget, I have decided to announce that I will oppose your confirmation unless the President provides explicit assurance regarding your full participation in VA budget matters. I will be seeking the President's assurance both that you will be fully involved

and consulted while any major issue regarding the VA's budget is under Executive Branch consideration and that the President will insist that, before he or anyone acting for him makes a decision on that issue, your views will be obtained and taken into account.

It is my hope, Tom, that this letter will reassure you that my position in this matter is, as I have stated, not in any way related to your qualifications for this position and will help enable you to bring with you to your confirmation hearing clear and specific documentation that the assurances I am seeking have in fact been given.

You have my personal best wishes for success in your new endeavor.

With warm regards,

Cordially,

ALAN CRANSTON,
Ranking Minority Member.

DIRECTOR OF SELECTIVE SERVICE,
Washington, DC, March 12, 1986.

Hon. ALAN CRANSTON,
Committee on Veterans' Affairs,
U.S. Senate, Washington, DC

DEAR SENATOR CRANSTON: Reference is made to your letter of February 20, 1986, in which you expressed concern about the role I would play in the budget process as Administrator of Veterans' Affairs and the opportunity I would have to influence decisions affecting the Veterans' Administration budget request as it is incorporated into the President's Budget Request to Congress. I would like to address these concerns briefly.

One primary responsibility of the head of any government agency, in my view, is the analysis of the mission of the agency and the identification and justification of those resources required to fulfill that mission. Moreover, in the presentation of those resource requirements to the Office of the President, the appointee has the added responsibility and right to defend his estimates in all subsequent forums which may effect mission accomplishment of his agency. Finally, he is ultimately charged with the efficient use of the funds and personnel allocated to the agency by the Congress and the President. I have followed this pattern for the last four years with the Selective Service System and found it to be completely successful.

Consistent with the foregoing, I intend to be fully involved not only in the development of initial budget requests within the Veterans' Administration, but also in the subsequent deliberations at the Office of Management and Budget as the President's Budget is being prepared for submission to Congress.

To allay any further concerns in this matter, you should know that I have recently met with President Reagan and members of his staff as well as Mr. Miller of OMB and members of his staff. In all instances, I received personal, explicit assurances that I will have every opportunity to present my view regarding policy decisions effecting the Nation's veterans and the resource needs of the Veterans' Administration. They could not have been more supportive.

In Title 38 of the United States Code, the Administrator is charged, under the direction of the President, with the responsibility for ". . . the control, direction and management of the Veteran's Administraiton." In keeping with this responsibility, I will participate in every major aspect of the budget formulation and implementation as well as all other activities which impact on the agency's ability to perform its mission.

I hope that these reassurances meet your expectations and that we have the opportunity to work together in the interest of the Nation's veterans.

Sincerely,

THOMAS K. TURNAGE.

Mr. BAUCUS. Mr. President, I am pleased to concur in the confirmation of Gen. Thomas K. Turnage as Chief Administrator of the Veterans' Administration.

I have met with General Turnage and told him of my deep concern about the difficult situation surrounding the proposed "mission change" at the VA Medical Center in Miles City, MT. General Turnage has assured me that he understands my concern and that as VA Administration he will give special attention to the Miles City center to ensure its continued service to the veterans of Montana.

I wish General Turnage wisdom, understanding, and stamina in his new position. It would be a tough job under ordinary circumstances. It will be even more difficult in the next few years, as each budget within the Federal Government undergoes intense scrutiny and reductions.

Mr. President, I extend my sincere congratulations to General Turnage and wish him the best as Chief Administration of the Veterans' Administration. I look forward to working closely with General Turnage and his staff to provide Montana's veterans with the best possible service, and toward an effective resolution of the Miles City center controversy.

Mr. TRIBLE. Mr. President, I move to reconsider the vote by which the nominations were confirmed.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. TRIBLE. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of these nominations.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. TRIBLE. Mr. President, I ask unanimous consent that the Senate return to the consideration of legislative business.

The PRESIDING OFFICER. Without objection, it is so ordered.

CALENDAR

Mr. TRIBLE. Next, Mr. President, I inquire of the Democratic leader if he is in a position to pass any or all of the following Calendar Nos.: Calendar No. 562, Senate Joint Resolution 251; Calendar No. 563, Senate Joint Resolution 263; Calendar No. 564, Senate Joint Resolution 264; Calendar No. 565, Senate Joint Resolution 267; Calendar No. 566, Senate Joint Resolution 279; Calendar No. 567, Senate Joint Resolution 286; Calendar No. 568, Senate Joint Resolution 296; Calendar No. 569, Senate Joint Resolution 297; Calendar No. 570, Senate Joint Resolution 105; and Calendar Item No. 571, House Concurrent Resolution 278?

Mr. BYRD. Mr. President, all of the calendar orders identified by the distinguished acting leader have been cleared on this side. We are ready to proceed and ready to act en bloc, if it is the desire of the assistant leader to do so.

Mr. TRIBLE. I thank the Democratic leader. I ask unanimous consent that the calendar items just identified be considered en bloc, passed en bloc, and that all committee amendments and preambles be considered and agreed to en bloc.

The PRESIDING OFFICER. Without objection, it is so ordered.

NATIONAL SCIENCE WEEK, 1986

The joint resolution (S.J. Res. 251) to designate the week of May 11 through 17, 1986, as "National Science Week, 1986"; was considered, ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was agreed to.

The joint resolution, and the preamble, are as follows:

S.J. RES. 251

Whereas science and technology are considered to be critical in the long-term economic development and international competitiveness of the Nation;

Whereas the rate of scientific discovery and the application of high technologies have an immediate and profound impact on the quality of life;

Whereas the scientific and technological leadership of the Nation continues to be challenged on an increasing basis from members of the international community;

Whereas it is vital to build and maintain a highly dedicated and motivated workforce with scientific and technological skills;

Whereas it is important that scientific research be made more interesting and accessible to youth as a potential career option;

Whereas in order to take advantage of the opportunities and meet the challenges, the Nation must provide all citizens, particularly young people, with a quality educational experience in science and technology;

Whereas it is in the national interest to stimulate and encourage the most talented and promising students to pursue careers in science and technology; and

Whereas schools, universities, museums, the media, and professional, educational, and voluntary organizations, together with industry, labor, government, and private citizens, should be encouraged to work cooperatively to develop programs, events, and materials that will contribute to an increased public awareness of the importance of science and technology to the well-being and long-term prosperity of the Nation; Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the week of May 11, 1986, through May 17, 1986, is designated as "National Science Week, 1986"

and the President is authorized and requested to issue a proclamation calling upon the people of the United States to observe the week, with appropriate conferences, programs, ceremonies, and activities, including programs designed to further the awareness of all citizens, particularly the youth of the Nation, of the importance of science and technology.

NATIONAL INDEPENDENT RETAIL GROCER WEEK

The joint resolution (S.J. Res. 263) to designate the week of September 7 through September 13, 1986, as "National Independent Retail Grocer Week," was considered, ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was agreed to.

The joint resolution, and the preamble, are as follows:

S.J. RES. 623

Whereas the independent retailer has served the American consumer for over two hundred years;

Whereas independent retail grocers account for 64 per centum of all grocery stores in the United States and are responsible for nearly one-half of the grocery product distributed;

Whereas the independent retail grocer exemplifies the small business entrepreneur, the backbone of the American free enterprise system; and

Whereas the independent retail grocer offers a wide array of services to the community where the grocer lives and does business: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That September 7 through September 13, 1986, be proclaimed as "National Independent Retail Grocer Week".

NATIONAL NURSING HOME RESIDENTS DAY

The joint resolution (S.J. Res. 264) designating April 28, 1986, as "National Nursing Home Residents Day," was considered, ordered to be engrossed for a third reading, read the third time and passed.

The preamble was agreed to.

The joint resolution, and the preamble, are as follows:

S.J. RES. 264

Whereas over one million older Americans reside in nursing homes and one in five older Americans likely will reside in a nursing home at some time;

Whereas nursing home residents have contributed to the growth, development, and progress of this Nation and, as elders, offer a wealth of knowledge and experience;

Whereas Congress recognizes the importance of the continued participation of these institutionalized senior citizens in the life of our Nation;

Whereas in an effort to foster reintegration of these citizens into their communities Congress encourages community recognition of and involvement in the lives of nursing home residents;

Whereas the Congress recognizes the importance of safeguarding the rights of nursing home residents; and

Whereas it is appropriate for the American people to join in support of nursing home residents to demonstrate their concern and respect for these citizens: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That April 28, 1986, is designated as "National Nursing Home Residents Day", a time of renewed recognition, concern, and respect for the Nation's nursing home residents. The President is authorized and requested to issue a proclamation calling upon the people of the United States to observe this day with appropriate ceremonies and activities.

OLDER AMERICANS MELANOMA/SKIN CANCER DETECTION AND PREVENTION WEEK

The joint resolution (S. J. Res. 267) designating the week of May 26, 1986, through June 1, 1986, as "Older Americans Melanoma/Skin Cancer Detection and Prevention Week" was considered, ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was agreed to.

The joint resolution, and the preamble, are as follows:

S. J. RES. 267

Whereas skin cancer, including melanoma and nonmelanoma types, is the most common cancer in the United States, accounts for between 30 and 40 per centum of all cancers, and is increasing at a significant rate;

Whereas the incidence of skin cancer increases throughout adult life, the highest age-specific incidence rates for melanoma and other skin cancers occur in the United States population over the age of fifty years;

Whereas specific causes for the prevalence of the disease in this population are not entirely known, and more research is required on the causes, it is nevertheless clear that early detection and early treatment of melanoma and nonmelanoma skin cancers result in high cure rates;

Whereas older Americans should become aware that melanoma and nonmelanoma skin cancers are major health problems, and education about detection and prevention of such cancers should become a national concern;

Whereas the American Academy of Dermatology and State and local dermatologic organizations are committed to heightening the awareness and understanding of melanoma and nonmelanoma skin cancers among older Americans; and

Whereas the Second Annual National Melanoma and Skin Cancer Detection and Prevention Program, a coordinated national voluntary effort of professional dermatologic organizations to reduce the increasing incidence of melanoma and nonmelanoma skin cancers and to better control such cancers, will occur during the week of May 26, 1986, through June 1, 1986: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the week of May 26, 1986, through June 1, 1986, is designated as "Older Americans Melanoma/Skin Cancer Detection and Prevention Week", and the President is authorized and requested to issue a proclamation calling upon all Government agencies and the people of the United States to observe the week with appropriate programs and activities.

LUPUS AWARENESS MONTH

The joint resolution (S.J. Res. 279) to designate the month of October 1986, as "Lupus Awareness Month" was considered.

Mr. GORE. Mr. President, I would like to take this opportunity to thank my colleagues who cosponsored this bill with me. They recognized as I did the importance of calling attention to a terrible debilitating illness.

I would also like to say a special word of thanks to two women who deserve special recognition in drawing attention to the plight of Lupus patients. Goldie Simon of Philadelphia, has worked with Members of this body for the past 5 years to see to it that Lupus patients receive the recognition they deserve. This is Goldie's last year working on this project. Beginning next year she will turn over the reins to Marlene Monroe of Memphis, TN. It is in the long tradition of Tennessee, as the Volunteer State, that Marlene has eagerly taken on this task.

I know I can speak for many of my colleagues in thanking Goldie Simon for a job well done, and in wishing Marlene Monroe the same success in the coming year.

Most people have heard of Lupus. It is thought that Lupus attacks the body by causing allergic reaction. A majority of individuals affected by Lupus erthymatosus are women in their childbearing years. With prompt attention, 80 to 90 percent of Lupus victims can look forward to a normal life span. Proven treatment and therapy techniques can improve the quality of life for all. But treatment must begin promptly. All too often, delays resulting from the difficult diagnosis of this multifaceted and little-known disease results in the death of the Lupus victim.

Even when prompt diagnosis takes place, physicians can only treat the symptoms of Lupus. No cure is possible. This lack is one of the most important arguments in favor of a national awareness project. Increased awareness is instrumental in securing the early diagnosis that is essential to saving Lupus victims from extreme pain or untimely death. More importantly, awareness points the way to a redoubling of research efforts. Only in this way can we hope to find a cure.

The tragedy of Lupus erythematosus speaks strongly for a concerted effort to eradicate the disease. I believe that a national awareness month is a vital step in embarking on that important work.

The joint resolution was ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was agreed to.

71-059 O-87-4 (Pt. 5)

The joint resolution, and the preamble, are as follows:

S.J. RES. 279

Whereas Lupus Erythematosus is a disease of unknown cause that affects over five-hundred thousand people in the United States, 90 percent of whom are women in their childbearing years;

Whereas Lupus Erythematosus, though not a rare disease, is unfamiliar even to some physicians which may result in the disease being misdiagnosed or diagnosed too late;

Whereas Lupus Erythematosus in the most severe form can be fatal;

Whereas The Lupus Foundation of America, Inc., its constituent chapters, and other voluntary health organizations are established throughout the United States to serve and support victims of lupus and their families, encourage funding for research, and increase public awareness; and

Whereas the public and the Federal Government are not sufficiently aware of the incidence of Lupus Erythematosus: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the month of October 1986, is designated as "Lupus Awareness Month" and the President is authorized and requested to issue a proclamation calling upon the people of the United States to observe the month with appropriate programs, ceremonies, and activities.

NATIONAL READING IS FUN WEEK

The joint resolution (S.J. Res. 286) to designate the week of April 20, 1986, through April 26, 1986, as "National Reading Is Fun Week" was considered, ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was agreed to.

The joint resolution, and the preamble, are as follows:

S.J. RES. 286

Whereas reading for pleasure contributes to the development of lifelong reading and learning skills;

Whereas the lack of those skills is a pervasive and destructive force in America, and millions of adults cannot read well enough to function in our society;

Whereas it is essential that the sixty-six million youngsters in American under the age of 18 grow up reading in order to become literate, informed adults; and

Whereas "National Reading Is Fun Week" will be a nationwide literacy effort encouraging millions of young people to read: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress, assembled, That week of April 20, 1986, through April 26, 1986, is designated as "National Reading Is Fun Week" and the President is authorized and requested to issue a proclamation calling upon Federal, State, and local government agencies and the people of the United States to observe the week with appropriate programs, ceremonies, and activities.

WORLD FOOD DAY

The joint resolution (S.J. Res. 296) to designate October 16, 1986, as "World Food Day" was considered, ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was agreed to.

The joint resolution, and the preamble, are as follows:

S.J. RES. 296

Whereas hunger and malnutrition remain daily facts of life, for hundreds of millions of people throughout the world;

Whereas the children of the world suffer the most serious effects of hunger and malnutrition, with millions of children dying each year from hunger-related illness and disease, and many others suffering permanent physical or mental impairment because of vitamin or protein deficiencies;

Whereas the United States and the American people have a long tradition of demonstrating humanitarian concern for the hungry and malnourished, recently manifested in their response to African famine;

Whereas the United States, as the world's largest producer and trader of food, has a key role to play in assisting countries and people to improve their ability to feed themselves;

Whereas efforts to resolve the world hunger problem are critical to the maintenance of world peace and, therefore, to the security of the United States;

Whereas although progress has been made in reducing the incidence of hunger and malnutrition in the United States, certain groups, notably Native Americans, migrant workers, the elderly, and children, remain vulnerable to malnutrition and related diseases;

Whereas there is growing recognition that improved agricultural policies, including farmer incentives, are necessary in many developing countries to increase food production and economic growth;

Whereas the United States has always supported the principle that the health of the nation depends on a strong agriculture based on private enterprise and the primacy of the independence family farmer;

Whereas national policies concerning food, farmland, and nutrition require continuing evaluation and should consider and strive for the well-being and protection of all residents of the United States and particularly those most at health risk;

Whereas there is widespread concern that the use and conservation of natural resources required for food production throughout the United States ensure care for the national patrimony we bequeath to future generations;

Whereas Congress is acutely aware of the paradox of immense farm surpluses and rising farm foreclosures in the United States despite the desperate need for food by hundreds of millions of people throughout the world;

Whereas participation by the private voluntary and business sectors, working with national governments and the international community, is essential to the search for solutions to food and hunger problems;

Whereas the member nations of the Food and Agricultural Organization of the United Nations unanimously designated October 16 of each year as World Food Day because of the need to increase public awareness of world hunger problems;

Whereas past observances of World Food Day have been supported by proclamations by the fifty states, the District of Columbia, the Commonwealth of Puerto Rico, and the territories and possessions of the United States, by resolution of Congress, by Presidential proclamations, by programs of the United States Department of Agriculture and other Government departments and agencies, and by the governments and peoples of many other nations; and

Whereas more than three hundred and fifty private and voluntary organizations and many thousands of community leaders are participating in the planning of World Food Day observances for 1986: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That October 16, 1986, is hereby designated as "World Food Day", and the President is authorized and requested to issue a proclamation calling upon the people of the United States to observe that day with appropriate programs and activities.

CRIME VICTIMS WEEK

The joint resolution (S.J. Res. 297) to designate the week of April 20, 1986, as "Crime Victims Week", was considered, ordered to be engrossed for a third reading, read the third time and passed.

The preamble was agreed to.

The joint resolution, and the preamble, are as follows:

S.J. RES. 297

Whereas more than thirty-five million Americans were victims of crime last year and almost six million of these Americans were raped, robbed, beaten, or murdered;

Whereas crime victims are too often devastated by the financial, physical and psychological burdens imposed by crime.

Whereas our criminal justice system does not always lend support to victims of crime and may even further victimize these citizens;

Whereas the President's Task Force on Victims of Crime three years ago presented an agenda to correct these injustices and much progress is being made in recognizing and acting upon the needs of victims; and

Whereas State and local governments, private organizations and concerned citizens must be encouraged to continue their efforts to assure the fair treatment of innocent victims of crime: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the week of April 20, 1986, is designated as "Crime Victims Week", and the President is authorized and requested to issue a proclamation calling upon the people of the United States to observe such week with appropriate programs, ceremonies, and activities.

HENRY OSSIAN FLIPPER DAY

The resolution (S. Res. 105) to designate March 21, 1986, as "Henry Ossian Flipper Day", was considered, and agreed to.

The preamble was agreed to.

The resolution, and the preamble, are as follows:

S. RES. 105

Whereas March 21, 1986 marks the one hundred and thirtieth anniversary of the birth of Henry Ossian Flipper;

Whereas Henry Ossian Flipper was born into slavery in Georgia;

Whereas Henry Ossian Flipper attended the United States Military Academy from 1873 until 1877 where, in the face of the ostracism and racial prejudice of his fellow students, he exhibited extraordinary courage, dignity, and perseverance;

Whereas, in 1877 Henry Ossian Flipper became the first black graduate of the United States Military Academy;

Whereas Lieutenant Flipper was an officer in the army until 1882 and served with distinction in the Victorio campaign of 1880;

Whereas he continued to serve his Nation for the next fifty years, in spite of the fact that his military career was terminated in 1882 by a court martial which was later proved erroneous;

Whereas, on December 13, 1976, the Army Board for Corrections, upon reconsidering the court martial of Lieutenant Henry Ossian Flipper, directed that records be corrected to show that he was separated from the Army on a certificate of honorable discharge as of June 30, 1882;

Whereas Henry Ossian Flipper held important positions in the Federal civil service, including special agent for the Court of Private Claims for the Department of the Interior;

Whereas Henry Ossian Flipper's engineering accomplishments, including "Flipper's Ditch", now a national historic landmark at Fort Sill, Oklahoma, are credited with improving life in the Southwest;

Whereas Henry Ossian Flipper was also an author, newspaper editor, cartographer, interpreter, translator, surveyor, and authority on Mexican laws; and

Whereas Henry Ossian Flipper's life exemplified the United States Military Academy motto of "Duty, Honor, Country", and his accomplishments were remarkable in an era when blacks were denied certain rights: Now, therefore, be it

Resolved, That the Senate declares March 21, 1986 as "Henry Ossian Flipper Day", and encourages the people of the United States to observe this day with appropriate ceremonies and activities.

NATIONAL TRIO DAY

The concurrent resolution (H. Con. Res. 278) expressing the sense of the Congress that February 28, 1986, should be designated "National TRIO Day" and that the achievements of the TRIO programs should be recognized, was considered, and agreed to.

The preamble was agreed to

Mr. TRIBLE. Mr. President, I move to reconsider the vote by which the various resolutions were passed or agreed to.

Mr. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. TRIBLE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DOLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. Mr. President, is there pending business?

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is closed.

METROPOLITAN WASHINGTON AIRPORT TRANSFER ACT

The PRESIDING OFFICER. The pending business is the motion to proceed to the consideration of S. 1017, the Airport Transfer Act.

CLOTURE MOTION

Mr. DOLE. I send a cloture motion to the desk.

The PRESIDING OFFICER. The cloture motion having been presented under rule XXII, the Chair directs the clerk to read the motion.

The assistant legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of Rule XXII of the Standing Rules of the Senate, hereby move to bring to a close debate on the motion to proceed to the consideration of S. 1017, a bill to provide for the transfer of the Metropolitan Washington Airports to an independent airport authority.

Bob Dole, Paul Trible, J. Warner, John East, Slade Gorton, Jake Garn, Daniel J. Evans, Jeremiah Denton, Arlen Specter, Dave Durenberger, Jesse Helms, Mark Hatfield, Nancy Kassebaum, Al Simpson, Thad Cochran, and Bob Kasten.

ORDERS FOR MONDAY, MARCH 24, 1986

RECESS UNTIL MONDAY

Mr. DOLE. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until the hour of 12 noon on Monday, March 24, 1986.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECOGNITION OF CERTAIN SENATORS

Mr. DOLE. Mr. President, I ask unanimous consent that following the recognition of the two leaders under the standing order there be special orders in favor of the following Senators for not to exceed 5 minutes each: Senators HAWKINS, NUNN, PROXMIRE, CHILES, and CRANSTON.

The PRESIDING OFFICER. Without objection, it is so ordered.

TRANSACTION OF ROUTINE MORNING BUSINESS

Mr. DOLE. Following the special orders just identified, I ask unanimous consent that there be a period for the transaction of routine morning business not to extend beyond the hour of 1 p.m., with Senators permitted to speak therein for not more than 5 minutes each.

PROGRAM

Mr. DOLE. Mr. President, at 1 p.m., a live quorum will begin, to be immediately followed by a cloture vote on the motion to proceed to the consideration of S. 1017, the regional airport bill. Therefore, there will be at least one rollcall vote that can be expected on Monday, March 24. If cloture is invoked, I assume there will be additional amendments. We do have the agreement that will be honored that there will be no votes after 6 p.m.

RECESS UNTIL MONDAY, MARCH 24, 1986

Mr. DOLE. Mr. President, I move the Senate stand in recess until 12 noon Monday, March 24.

The motion was agreed to; and at 6:30 p.m., the Senate recessed until Monday, March 24, 1986, at 12 noon.

CONFIRMATIONS

Executive nominations confirmed by the Senate March 21, 1986:

OCCUPATIONAL SAFETY AND HEALTH REVIEW COMMISSION

John R. Wall, of Ohio, to be a member of the Occupational Safety and Health Review Commission for the term expiring April 24, 1987.

HARRY S. TRUMAN SCHOLARSHIP FOUNDATION

Truman McGill Hobbs, of Alabama, to be a member of the Board of Trustees of the Harry S. Truman Scholarship Foundation for a term expiring December 10, 1991.

NATIONAL COUNCIL ON EDUCATIONAL RESEARCH

Donald Barr, of Connecticut, to be a member of the National Council on Educa-Educational Research for a term expiring September 30, 1988.

James Harvey Harrison, Jr., of Virginia, to be a member of the National Council on Educational for a term expiring September 30, 1988.

Robert H. Mattson, of Oregon, to be a member of the National Council on Educational Research for a term expiring September 30, 1988.

Joan M. Gubbins, of Indiana, to be a member of the National Council on Educational Research for a term expiring September 30, 1988.

Robert Lee McElrath, of Tennessee, to be a member of the National Council on Educational Research for a term expiring September 30, 1987.

David Alan Heslop, of California, to be a member of the National Council on Educational Research for a term expiring September 30, 1986.

NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES

Marilyn Logsdon Mennello, of Florida, to be a member of the National Museum Services Board for a term expiring December 6, 1989.

James H. Duff, of Pennsylvania, to be a member of the National Museum Services Board for the remainder of the term expiring December 6, 1986.

NATIONAL INSTITUTE OF HANDICAPPED RESEARCH

David B. Gray, of Maryland, to be Director of the National Institute of Handicapped Research.

DEPARTMENT OF EDUCATION

C. Ronald Kimberling, of Virginia, to be Assistant Secretary for Postsecondary Education, Department of Education.

The above nominations were approved subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

DEPARTMENT OF JUSTICE

Harry Connolly, of Oklahoma, to be U.S. marshal for the Northern District of Oklahoma for the term of 4 years.

Henry K. Oncken, of Texas, to be U.S. attorney for the Southern District of Texas for the term of 4 years.

Thomas E. Dittmeier, of Missouri, to be U.S. attorney for the Eastern District of Missouri for the term of 4 years.

VETERANS' ADMINISTRATION

Thomas K. Turnage, of California, to be Administrator of Veterans' Affairs.

EXTENSIONS OF REMARKS

DO WE NEED MUSIC COPYRIGHT REFORM?

HON. JOHN BRYANT
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES

Friday, March 21, 1986

Mr. BRYANT. Mr. Speaker, American music is dominant in its art form; its popularity transcends continents, cultures, and political systems—it is heard over the global air waves. Our music is in such global demand that it remains one of the dwindling number of winners in our balance-of-payments equation.

This music springs from the creativity of our people, and that creativity is genuinely all-American, a product of our ethnic and geographic diversity and the demands of our youth. What is critical, however, is that this all-American creativity takes place within the framework of the copyright law that encourages and nurtures it. The copyright system gives free reign to creativity, encourages competition, and rewards success. In music, success is popularity, and American music is the most popular in the world.

Now that copyright system is under assault. In October of 1985, the so-called source licensing bill, H.R. 3521, was introduced. This bill will benefit fhose who profit from selling the creative efforts of others. It would inflict a staggering blow on the copyright system which has helped make the success of American music possible.

Mr. Speaker, none of the arguments advanced by the proponents of the so-called music copyright reform legislation are new. They all have been made before impartial U.S. courts. These courts have found them wanting.

The most recent, and the most definitive, of these court decisions was handed down by a unanimous Second U.S. Circuit Court of Appeals in September 1984. If space permitted, I would insert the entire opinion for the review of my colleagues. But as this is not possible, I would like to cite certain relevant findings here refuting the key arguments advanced by the proponents of music copyright reform.

BLANKET LICENSE

Mr. Speaker, the supporters of H.R. 3521 claim that the blanket license, which is the method used throughout the world for music licensing, is somehow unfair, unreasonable, and monopolistic. In answer to these charges, the court stated the following:

Once again we consider the lawfulness under section 1 of the Sherman Antitrust Act of the blanket license offered by the American Society of Composers, Authors, and Publishers (ASCAP) and Broadcast Music, Inc. (BMI). The license permits the licensee to perform publicly any musical composition in the repertory of the licensor. In this litigation the blanket license is challenged by a class of licensees comprising all owners of "local" television stations in the United States, i.e., stations not owned by any of the three major television networks, ABC, CBS, and NBC. . . . We conclude that the evidence is insufficient as a matter of law to show that the blanket license is an unlawful restraint of trade. . . . The blanket license has been challenged in a variety of contexts. It has been upheld for use by nightclubs and bars, BMI v. Moor-Law, Inc., 527 F. Supp. 758 (D. Del. 1981), aff'd mem., 691 F. 2d 490 (3d Cir. 1982), by radio stations, K-91, Inc. v. Gershwin Publishing Corp., 372 F.2d 1 (9th Cir. 1967), cert. denied, 389 U.S. 1045 (1968), and by a television network, CBS-remand, supra. Without doubting that the context in which the blanket license is challenged can have significant bearing on the outcome, we hold that the local television stations have not presented evidence in this case permitting a conclusion that the blanket license is a restraint of trade in violation of section 1.

SOURCE LICENSING

Mr. Speaker, the supporters of H.R. 3521 claim that alternatives to the blanket license are not truly available. Yet the court found that there are three legitimate alternatives to the blanket license. The legislation seeks to mandate one of those—source licensing—as the only way to license music to the exclusion of the blanket license and the other two alternatives. Here is what the court said about source licensing:

As Judge Gagliardi noted, the "current availability and comparative efficiency of source licensing has been the focus of this lawsuit." Id. at 291. The availability of source licensing is significant to the inquiry as to whether the blanket license is a restraint because so much of the stations' programming consists of syndicated programs for which the producer could, if so inclined, convey music performing rights. Most of these syndicated programs use composer-for-hire music. As to such music, the producer starts out with the rights of the copyright, including the performing right, by operation of law . . . unless the hiring agreement otherwise provides. Thus it becomes important to determine whether the stations can obtain from the producer the music performing right, along with all of the other rights in a syndicated program that are conveyed to the stations when the program is licensed. As to "inside" music, source licensing would mean that the producer would either retain the performing right and convey it to the stations, instead of following the current practice of assigning it to the composer and publishing company, or reacquire the performing right from the composer and publisher for conveyance to the stations. As to "outside" music, source licensing would mean that the producer would have to acquire from the copyright proprietor the performing right, in addition to the "synch" right now acquired.

Plaintiffs sought to prove that source licensing was not a realistic alternative by presenting two types of evidence: "offers" from stations and analysis of the market. Prior to bringing this lawsuit, the stations had not sought to obtain performing rights via source licensing. Perhaps prompted by the evidentiary gap emphasized in our decision in CBS-remand or by the taunting of defendants in this litigation, plaintiffs began in mid-1980, a year and one-half after the suit was filed, to create a paper record designed to show the unavailability of source licensing.

Various techniques were used. Initially, some stations simply inserted into the standard form of licensing agreement for syndicated programs a new clause specifying that the producer has obtained music performing rights and that the station need not do so. No offer of additional compensation for the purchase of the additional rights was made. Not surprisingly most producers declined to agree to the proposed clause. A vice-president of MCA Television Limited ("MCA"), one of the major syndicators, replied to KAKE-TV, "It is surprising to me that the station would attach a Rider of such magnitude without previously discussing it with us . . . [Y]ou are apparently asking us to undertake the clearance of the music performance rights in [the 'Rockford Files' TV series] without offering any additional payment . . . [W]e are unable to accept the amendment . . . This does not mean, of course, that a different approach is unacceptable. It does, however, mean that a change of this magnitude should be discussed well in advance so that our respective concerns can be addressed."

Another approach, evidenced by King Broadcasting Co.'s letter to MCA, attached a music performing rights rider to the standard syndication licensing agreement and added, "If [sic] and additional fee is in order, we would certainly consider favorable any such reasonable fee." Another approach, adopted by Chronicle Broadcasting Co. in letters to various syndicators, was a request for source clearance of music performing rights with the comment, "Chronicle recognizes that this contemplated change . . . may [sic] in some instances require an adjustment in the basic program license fees." Metromedia, Inc., owner of several stations, went further and asked Twentieth Century-Fox Television ("Fox"), "Since you are the 'seller', what is the price you would affix to the altered product [the syndication license including music performing rights]?" In reply Fox made the entirely valid point that since syndication licensing without music performing rights had been the industry practice for years, it was Metromedia's 'responsibility to advise us in what manner you would like' to change the current arrangements. Notably absent from all of the correspondence tendered by the plaintiffs is the customary indicator of a buyer's seriousness in attempting to make a purchase—an offer of a sum of money.

Judge Gagliardi properly declined to give any probative weight to the plaintiff's transparent effort to assemble in the midst of litigation evidence that they had seriously tried to obtain source licensing. He found "plaintiffs" source licensing foray so darkened by the shadow of the approaching trial that its results may not be relied upon to support either side. 546 F. Supp. at 292.

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

Nevertheless the District Court concluded that source licensing was not a realistic alternative because the syndicators "have no impetus to depart from their standard practices and request and pay for television performing rights merely in order to pass them along to local stations." *Id.* This conclusion does not follow from some of the Court's factual findings and rests on a view of the syndication market that is contradicted by other findings.

The District Court viewed the syndication market as one in which the balance of power rests with the syndicators and the stations have no power to "compel" a reluctant syndicator to change to source licensing. *Id.* Yet the Court found that there are eight major syndicators, *id.* at n.13, and that they distribute only 52% of all syndicated programs, *id.* at 281, hardly typical of a non-competitive market. Moreover, the Court characterized production of syndicated programs as a "risky business," *id.* at 282, a finding fully supported by the evidence. It may be that the syndicator of a highly successful program has the upper hand in negotiating for the syndication of that program and would not engage in source licensing for music in that program simply to please any one station, but it does not follow that the market for the wide range of syndicated programs would be unresponsive to aggregate demand from stations willing to pay a reasonable price for source licensing of music performing rights.

The District Court recognized that, even under its view of a syndication market weighted in favor of the syndicators, source licensing could be said to be unavailable only if stations would not offer "premium prices." *Id.* at 292. There is no subsidiary finding as to what prices the Court thought stations would have to offer to obtain source licensing. That is not surprising in view of the failure of the plaintiffs to present evidence to show either what such prices might be or that they would be "premium" in the sense of significantly exceeding an objectively reasonable value of the rights obtained. Nor is the alleged unwillingness of the producers to undertake source licensing established by the fact that some producers own music publishing companies that receive royalties as their distributive share of the fees stations pay for the blanket license. The undisputed evidence shows that these fees are far too small to persuade syndicators to refuse to undertake source licensing in the face of reasonable offers. BMI, for example, typically distributes to a publisher between $.50 and $.85 for theme and background music in a half-hour episode of a syndicated program shown on a single station; by contrast, the syndication licensing fee can exceed $60,000 for a single episode of a popular series shown in a major television market. Though some of the major producers that own music publishing companies have received more than $1 million in annual television distributions of music royalties, those royalties are a small fraction of their syndication revenue.

PROGRAM LICENSING

Mr. Speaker, with respect to the alternative to the blanket license known as the program license, the proponents of H.R. 3521 claimed that this was not realistically available to them because the rates charged for this license were too costly. Here is what the court found regarding the television broadcasters' arguments about the cost of the program license:

First, the rates are charged against different bases. The blanket license rate is applied to a station's total revenue; the program license rate is applied only to revenue from a particular program. . . .

Second, the degree of difference between the two rates is largely attributable to the stations themselves. In negotiating a revision of license rates in the *Shenandoah* proceeding in 1969, the All-Industry Committee elected not to press for reduction of the program license rate, believing, as it informed the broadcasters it represented, that "the critical matter at this time was to get the best possible blanket license." Having preferred to win a lower price for only the blanket license, the stations are in no position to point to the widened differential between rates to show that program licenses are not realistically available.

Third, the only valid test of whether the program license is "too costly" to be a realistic alternative is whether the price for such a license, in an objective sense, is higher than the value of the rights obtained. But plaintiffs presented no evidence that the price of the program license is "high" in terms of value received . . . .

Fourth, even if there were evidence that showed the program license rate to be too "high," that price is always subject to downward revision by Judge Conner, who currently supervises the administration of the Amended Final Judgment. The aspects of that judgment are especially pertinent to any claim that the price of the program license is too "high." In a proceeding to redetermine rates, the burden is on ASCAP to prove the reasonableness of the rates charged, and the judgment expressly requires ASCAP "to use its best efforts to avoid any discrimination among the respective fees for the various types of licenses which would deprive the licensees or prospective licensees of a *genuine choice* from among such various types of licenses," Amended Final Judgment . . . (emphasis added). The availability of a judicially enforceable requirement of a "reasonable" fee precludes any claim that the program license rate is too high, especially in the context of television stations regularly represented by a vigorous committee with the demonstrated resources, skill, and willingness to invoke the rate-adjustment process. . . .

The lack of evidence that the program license is not realistically available has a twofold significance in determining whether the blanket license has been shown to be a restraint. First, the program license itself remains as an alternative to the blanket license for the local stations to acquire performing rights to the music on all of their syndicated programs . . . . the availability of the program license has a second and more significant consequence: The program license provides local stations with a fallback position in the event that they forgo the blanket license and then encounter difficulty in obtaining performing rights to music on some syndicated programs either by direct licensing or by source licensing.

DIRECT LICENSING

Mr. Speaker, I have already cited the court's findings on the television broadcasters' arguments regarding blanket, source and program licensing. There is one final alternative to the blanket license which the proponents of H.R. 3521 claim was unavailable to them, and that is direct licensing. This is what the court had to say about direct licensing:

The alleged infeasibility of direct licensing is . . . undermined by the acknowledged ability of the stations to secure direct licensing of music needed for their locally produced programming . . . if the stations can realistically obtain direct licenses for local programming by offering reasonable amounts of money, they can avoid double payment by forgoing the blanket license. Their response is that they dare not do so because they will then be unable to secure performing rights to music on syndicated programs, which constitute the bulk of their program day. But, as we have previously noted, the availability of the program license enables them to forgo the blanket license and still obtain music rights for any program for which direct licensing proves infeasible. Alternatively they can pursue source licensing. . . .

CONCLUSION

Mr. Speaker, the court in its September 1984 decision dissected each of the arguments made today by the proponents of H.R. 3521. This was an impartial body with no ax to grind. The language is clear and devastatingly powerful. Supporters of this legislation are asking this Congress to believe what they have been unable to prove before an impartial tribunal, and that is that they are the hapless victims of a system stacked against them. Nothing could be further from the truth. The truth is that if H.R. 3521 succeeds, our country's songwriters would become financially victimized, and the American copyright system, which has led to the preeminence of American music throughout the world, would be shattered.

STUDENTS MEMORIALIZE HENRY CLAY LOUDENSLAGER

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, March 21, 1986

Mr. FLORIO. Mr. Speaker, I wanted to bring to the attention of my colleagues a commendable initiative undertaken by the fifth grade students of Loudenslager School in Paulsboro, NJ. For the past few months, the students, under the direction of their teacher, Christine Smith, have been researching the history of Henry Clay Loudenslager, who served in the Congress at the turn of the 20th century, representing the First District of New Jersey. Their school, built on land donated by the Loudenslager family, was named in honor of Congressman Loudenslager and, in an effort to promote school pride and a sense of history, the fifth grade students have been involved in hard work and research to focus attention on this fine legislator. A culminating project will include a ceremony next month in his honor.

On the event of the 75th anniversary of Congressman Loudenslager's death, the fifth grade students have issued a report on his life and his achievements. I would especially like to commend the efforts of the seven student members of the Loudenslager Committee. I hope my colleagues will join me in congratulating Marquishia Campbell, Amy Foster, Mary Lou Jones, Robin Montgomery, Scott Raively, Nicole Ruffin, and John Woodards for their diligence and dedication. Special praise

should also go to Mrs. Smith and Mr. J. Crawford who acted as advisers to the students.

As a successor to Henry Clay Loudenslager representing the First District of New Jersey, I would like to insert the text of the Loudenslager Report and express my pride in representing these students and my hope that they will continue to demonstrate interest in our country's legislative process for years to come. The report follows:

LOUDENSLAGER REPORT

PERSONAL LIFE

Henry Clay Loudenslager was born in Mauricetown, Cumberland County, N.J., on May 22, 1852. His parents were Sara and Samuel Paul Loudenslager. His father was a farmer and a preacher. Henry's father was also the county clerk for ten years. Young Henry was an assistant to his father.

Henry's parents moved to Paulsboro in 1856 when he was four. Henry helped work his father's farm during the growing season and attended public school in the winter. In 1872, he entered the produce commission business in Philadelphia and later headed that commission until 1882. In 1883, he was elected the County Clerk of Gloucester County. He served as county clerk for ten years until he entered Congress in 1893. He remained in Congress for ten terms. He died during his tenth term in 1911.

Henry Clay Loudenslager married Kate L. Salisbury on December 9, 1872. Kate Salisbury was raised in Gloucester County and her father owned the land in Gibbstown where the Dupont plant is now located. They made their home at "Claylock", the Loudenslager Mansion, which is located at 5th and Beacon Avenue in Paulsboro.

Henry and Kate had three children. Their oldest son, Harry Howard, was born in 1884. He was a very popular and had a promising future. He graduated from Yale University in 1907 and was to enter Michigan University to study law. But, his health weakened that year and his mother took him to Florida hoping he would recover. After a time, he returned to Paulsboro. It was here he caught a cold which became serious and ended in his death when he was 23 years old. Mr. Loudenslager was visiting the West Indies on a Congressional tour when Harry died.

Henry's second child was a daughter, Elizabeth S. Loudenslager. Elizabeth married A. Sheldon Clark on October 21, 1897, in New York. Sheldon Clark was the president of the St. Clair Oil Company. They had three children. Their first son, Sheldon A. Clark became the vice president of the Sinclair Oil Company. At the age of 36, he was shot and killed by his wife, Audrey Smith Clark, at the Loudenslager Mansion in Paulsboro. Their second child, a daughter, Catherine, died at 6 years old. Their last child, a son, Harry A. Clark, graduated from Alton Military School. He graduated from Michigan University and then attended Harvard Law School.

Henry and Kate had a third child, Mabel, who died at the age of six.

Kate Loudenslager died in 1930. Both Henry and Kate are buried in Eglington Cemetery in Clarksboro. There is a massive Loudenslager family headstone along with footstones for Henry, Kate, their two children Harry and Mabel, and their grandson, Sheldon A. Clark.

In the horse and buggy days, the Loudenslager family erected a monument on the corner of Delaware Street. This was used as a horse trough and drinking fountain. It was later moved in front of "Claylock" in Billingsport. In later years, the Paulsboro Woman's Club moved it next to the library on the Commerce Street side. When Commerce Street was widened, it was moved to the other side of the Gill Memorial Library, where it stands today.

POLITICAL LIFE

Henry Loudenslager was selected as a clerk of Gloucester County from 1882-1892. In 1892, he was elected to Congress and, in 1893, he began serving in the House of Representatives from the First District, comprised of Camden, Cumberland, Gloucester, Salem, and Cape May counties. Until this time, Congressmen of the first District only served two terms. But, when Henry Loudenslager became Congressman, he broke tradition and served for ten terms. Christopher Bergen was the First District Congressman before Loudenslager.

Loudenslager won uneventful elections in 1894, 1896, 1898, and 1900. But in 1902, he ran against J. Alpheus Vansant who was backed by David Baird. The contest was a hot, bitter fight but Loudenslager won. Felings were so intense that two men were shot to death at the polls. Loudenslager was re-elected in 1906 and 1908 with close votes.

In the election of 1910, Loudenslager spent most of his time at Republican National Committee headquarters in New York. Because of this, he endangered his own re-election. By 2:00 A.M. on Election Night, he seemed to be losing, but by 3:00 A.M. he received news that he won the election by about 900 votes. Members of his family, along with close friends, were gathered at headquarters to congratulate him.

When Mr. Loudenslager was first elected into Congress, he was put on the Committee on Coinage, Weights and Measures. Then he transferred to the Naval Committee. On this committee, he was connected with the new navy. Loudenslager felt that we should have a strong navy to protect us from all of our enemies.

He was responsible in a large part for the building up of the American Navy. When he first became a member of the Naval Committee, we had a very small navy, probably not over 300,000 tons. He took delight in building it up to a tonnage of about 1,300,000 tons and contributed his thought and labor to that end.

A quote by Mr. Loudenslager, in April, 1900, about his beliefs in the navy:

"I deem it an honor to be a member of the Committee on Naval Affairs, whose work forms so important a part of the duties of the House of Representatives, which has to do, perhaps, more than any other committee with providing means for defending the national honor and protecting the vast business interests of the United States, both at home and abroad.

I derive no little pride from the fact that since I have been associated with that committee I have stood at all times with those of my colleagues who have steadfastly pursued the policy of building up a navy for the United States that will be adequate to the needs of so great and glorious a Nation; for if ever a public policy has been vindicated; if ever the foresight of man in providing for the exigencies of the future has by subsequent events been demonstrated to have been wise, the history of the year 1898 can not be truthfully written without according honor and credit to those public men who since 1883 have planned or aided in the schemes for the construction of a navy for the United States that would be commensurate with the urgent needs of this, the most important branch of the public defense."

During the war with Spain, he gave valuable service in the making of legislation for strengthening our fleets for the fight.

Loudenslager was the chairman of the House Committee on Pensions. He was often called the veteran's greatest friend because of his helpfulness and fairness in giving veterans, or their widows, their pensions. He cared for people that deserved the pensions. He fought against anyone that didn't deserve the pensions. When the Commissioner of Pensions made decisions that were not fair, Mr. Loudenslager and his committee would try to change them to make them fair. When Mr. Loudenslager challenged the decisions of the Commissioner, he was always guided by the law and established precedents.

Henry Loudenslager was a strong believer in the principle of a protective tariff which would help American industries and bring better times to American workers. A protective tariff is a tax to make foreign goods more expensive so people will buy American made goods.

In his first term, he became a member of the Republican Congressional Committee. In 1895, he was put on the executive committee. In 1906, he became the secretary of the committee. He was elected secretary of the R.C.C. because of his talent for business and a genius for organization. In 1906, 1908, and 1910, he had full charge of the committee's eastern headquarters in New York City.

On July 23, 1908, Mr. Loudenslager was elected chairman of the Republican Congressional Committee.[1] That afternoon, he held a conference with Speaker Cannon of the House of Representatives and Representative Sherman. The conference was about the chairmanship of the Congressional Committee.

Representative Loudenslager was one of the strictest regular party men in Congress. He always voted along with his Republican Party.

Loudenslager was a very hard-working Congressman who always answered every letter people sent to him. Loudenslager was always loyal to his friends and he was fair to his opponents. He was always kind and helpful to new members of the House. It didn't matter if they were Republicans or Democrats; he was ready anytime to aid younger members in any way he could.

Mr. Loudenslager was a very good speaker in small groups. He rarely spoke in the House, but when he did address Congress, he always received close attention. Loudenslager spoke in very clear terms; he expressed his ideas well, and always got right to the point.

At the time of his death in 1911, there were less than ten people in the House of Representatives who had served longer then Loudenslager. His long service showed the confidence that the people had in him.

ILLNESS AND DEATH

Despite the fact that he was not well in the fall of 1910, Loudenslager entered upon his duties as secretary of the Congressional Campaign Committee. He had little chance to rest after the campaign and the extra session of Congress found him badly run down.

When he first got sick, he left Washington for French Lick Springs, Indiana, where he hoped to regain his health. He didn't want

[1] Other sources state that Mr. Loudenslager was acting chairman of the committee.

to leave Washington because he believed his duty to his District required his presence there.

After staying for some time at French Lick Creek, he returned home to Paulsboro to continue his battle with illness. On July 27, 1911, the doctor said Mr. Loudenslager was suffering from a complication of diseases and several days ago was attacked by typhoid fever.

On August 8, Mr. Loudenslager was reported again in critical condition. Mr. Loudenslager had been attacked with kidney trouble early in June. Just as he was beginning to recover, he was seized with typhoid fever.

On August 11, 1911, Loudenslager had a sinking spell and he did not regain consciousness. Dr. L.P. Smittmatter of Philadelphia was called into Loudenslager's home and found out that he was suffering with uremic poisoning.

Henry Loudenslager died at his home at 10:30 a.m. on August 12, 1911. His family doctor was Dr. George C. Laws. He had suffered from typhoid fever, kidney trouble and uremic poisoning. His wife was at his bedside when he died.

Shortly after noon on August 12th, Representative Gardner told the House of Representatives about Loudenslager's death. The

The Federal bureaucracy has had its committee of 20 members of the House, with such members of the Senate as may be joined, be appointed to attend the funeral. To honor Mr. Loudenslager, the House adjourned at 2:58 P.M. that afternoon.

LOUDENSLAGER'S FUNERAL

The funeral of Henry C. Loudenslager took place on Wednesday, August 16, 1911, in Paulsboro. Loudenslager was laid out at Claylock, his home in Paulsboro. He was dressed in a full dress suit and laid in a San Domingo mahogany casket with mahogany bond handles and plates to match. There were many flowers including some from the Secretary of the Navy, the Republican National Congressional Committee, and the House of Representatives. Starting at 9:00 A.M., people visited his home to show their respect.

Many members of Congress attended the funeral. They left Washington that morning at 7:25 A.M. They traveled in a private train car. At noon, they reached Camden and their car was hooked onto a special train. This train held all the leading Republicans of Camden County. After stopping to pick up others in Woodbury, the special train reached Paulsboro at 12:45 P.M.

Congressional members who attended the funeral included:

Representatives: Bates and Butler of Pennsylvania, Roberts of Massachusetts, Padgett of Tennessee, Cannon, McKinley, Rodenberg of Illinois, Floyd of Missouri, Aiken of South Carolina, Cravens of Arkansas, Campbell of Kansas.

Senators: Briggs and Martice of New Jersey, Brandegree of Connecticut, Curtis of Kansas, Oliver of Pennsylvania, Nixon of Nevada, Williams of Mississippi, Hitchcock of Nebraska.

After the Congressmen had paid their respects, funeral services were started just after one o'clock. The minister at the service was the Rev. Alexander Corson of the Paulsboro Methodist Church. Following the services, Mr. Loudenslager was taken to Eglington Cemetery in Clarksboro for burial.

The cemetery was crowded since more than 2,000 people attended the funeral. Nearly all kinds of businesses in Paulsboro were closed for the day and nearly every resident joined the distinguished visitors in attending the funeral.

LOUDENSLAGER'S WILL

It was reported that Loudenslager left an estate of $250,000 to $300,000. William J. Browning, Frank Barto, and the Woodbury Trust Company were the executors. Mr. Loudenslager left all his estate to his wife, Kate L. Loudenslager, except for the following:

$2,000 for the care of his lot in Eglington Cemetery and that of the lots of his parents in Paulsboro.

$40,000 to be held in trust for two free scholarships to be known as the "Elizabeth Loudenslager-Clark Scholarship" and the "Harry H. Loudenslager Scholarship" in rememberance of his decreased children.

$300 was to be annually given to Cooper Hospital and the West Jersey Hospital in Camden after the death of his wife.

SCHOLARSHIPS

Mr. Henry Loudenslager left $20,000 for the Harry H. Loudenslager Scholarship for Young Men. This money is to be used for the purpose of attending Yale University in New Haven. Connecticut. This scholarship is to be solely for the use of residents of the counties of Camden, Cape May, Cumberland. Gloucester and Salem. These counties comprised the First Congressional District of New Jersey during the time of Loudenslager's service in the Congress. This was his way of showing, posthumously, his affection for his constituents. No two scholarships may be held by residents of any one county at the same time. The continuation of each scholarship throughout the entire undergraduate course shall be dependent upon the student making a satisfactory record at the university.

The conditions under which the scholarships will be awarded to the applicant selected by the First Fidelity Bank, the Corporate Trustee, or an appointed committee, are:

The award will be made only to the applicant who has satisfied the requirements for admission to Yale University. Selection will be based on the intellectual promise, personality, and character of the applicants, as shown in credentials they submitted. Applications for admission should be submitted as early as possible in the last semester of the school course to the Admissions Officer of Yale University. Each applicant for a scholarship must secure from and file with the trustee, not later than March 15th, a form of application for scholarship. With this application must be the secondary school records including the first semester of the senior year.

The second scholarship is the Elizabeth Loudenslager-Clark Scholarship for Young Women. This scholarship may be used for the purpose of attending any recognized university in the United States where women are received. All other requirements and conditions are the same as the Harry Loudenslager Scholarship. The scholarships are currently administered at the First Fidelity Bank in Woodbury.

We have been over the records from 1932 and found that 11 men have gone to Yale and that 19 women have gone to the colleges listed below:

Wilson College, Johns Hopkins College, Conn. College for Women, Denison University, University of Penn., Douglass College, David Lipscomb College, New England Conservatory Drexel University.

Gettysburg College, Lynchburg College, Glassboro State College, Duke University, Immaculata College, Griswell College, William and Mary College, Barnard College, Marywood College.

THE MURDER MYSTERY

Sheldon A. Clark, Jr., Henry Loudenslager's grandson, was shot on November 20, 1933, after he hit his wife, Audrey Smith Clark. He came into the dining room where Audrey was sitting and reading the newspaper. He hit her over the head with a pool cue. It put a deep slash in her head for which she was hospitalized. Audrey claims she didn't remember anything after being hit. It is reported that she shot him, but she didn't know if she did or not.

LOUDENSLAGER SCHOOL

Our school is located on Swedesboro Avenue in Paulsboro, New Jersey. It was built in 1926. The school was named after Henry C. Loudenslager. In interviews with several long time residents of Paulsboro, they indicated that the land the school is built on was donated by the Loudenslager family.

THE HENRY CLAY LOUDENSLAGER REPORT

Researched and written by the 5th grade Loudenslager Committee: Marquishia Campbell, Amy Foster, Mary Lou Jones, Robin Montgomery, Scott Raively, Nicole Ruffin, John Woodards.

Advisers: Mr. J. Crawford and Mrs. C. Smith.

ACKNOWLEDGEMENTS

We would like to thank the following people for their assistance in helping the students gather information for the report: Gill Memorial Library Staff, Paulsboro, New Jersey; Philadelphia Public Library—Newspaper Room Staff, Phila., Pa.; Gloucester County Historical Society Staff, Woodbury, N.J.; Congressman James Florio, 1st Congressional District, N.J.; Mrs. Blum, Paulsboro High School Librarian, Paulsboro, N.J.; Rev. R. Britton, St. Paul's Church, Paulsboro, N.J.; First Fidelity Bank, Woodbury, New Jersey; Mrs. Kosuh, Board Secretary, Paulsboro Board of Education; President A. Bartlett Giamatti, Yale Univ., New Haven, Conn.

We would also like to extend our thanks to the following people as their cooperation and approval was needed to do the report: Mr. J. Banks, Principal of Loudenslager School; Mr. E. Weinhofer, Superintendent of Schools; and The Paulsboro Board of Education.

Our thanks also to Mrs. D. Winegardner for her help in proofreading and research attempts.

MILITARY RECRUITERS SUPPORT NEW GI BILL

HON. G.V. (SONNY) MONTGOMERY

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Friday, March 21, 1986

Mr. MONTGOMERY. Mr. Speaker, as you are well aware, the administration's fiscal year 1987 budget proposal contains a recommendation that the new GI bill be terminated. There is simply no logic to this recommendation; it makes no sense.

In its 8½ months of operation, the new GI bill has proven once again that a meaningful education assistance program is the right incentive to attract smart, high-quality young

people into the Active and Reserve Forces. Military recruiters agree.

I offer the following letters, written by M.Sgt. Mary E. Tinkle, an Air National Guard recruiter in Washington State, as confirmation of the program's demonstrated success. Her comments are indicative of what I am hearing from recruiters and recruits around the Nation.

Mr. Speaker, when the administration sends its legislation to terminate the new GI bill to Capitol Hill, I urge my colleagues to consider Master Sergeant Tinkle's comments.

WASHINGTON AIR NATIONAL GUARD,
Bellingham ANG., WA, February 28, 1986.
Hon. G.V. MONTGOMERY,
House Office Building,
Washington, DC.

DEAR REPRESENTATIVE MONTGOMERY: The Washington Air National Guard recruiters thank you for your continued support of the reserve forces. Your concern and effective support of our veterans and service members is greatly appreciated.

I wish you continued success especially in your efforts to convince President Reagan to continue funding of the New GI Bill. Enclosed is a copy of my letter to President Reagan in that regard.

Sincerely,
MARY E. TINKLE, MSGT., WA ANG,
Recruiter.

Enclosure.

WASHINGTON AIR NATIONAL GUARD,
Bellingham ANG., WA, February 28, 1986.
Hon. RONALD REAGAN,
Commander-in-Chief,
The White House, 1600 Pennsylvania Avenue, Washington, DC.

DEAR PRESIDENT REAGAN: From July 1985 through February 1986 I have enlisted or reenlisted 25 individuals in the Washington Air National Guard, 262 Combat Information System Squadron, whose final impetus was the implementation of the New GI Bill.

As I'm sure you're aware, the Veterans Education Assistance Program (VEAP) did not apply to reservists and participation by eligible active duty members was at a 6 percent rate.

The 262 CISS is a high technology squadron in a low technology area of the country. I must get out and really "beat the bushes" for the quality recruit that I require for the electronic mission. This also is a high unemployment area. Most of my recruits who would like to further their education cannot do so without help of the New GI Bill.

As a Washington Air National Guard recruiter, I urge you to continue funding for the new GI Bill so that I can continue to enlist quality recruits for our demanding mission.

Sincerely,
MARY E. TINKLE, MSGT, WA ANG,
Recruiter.

ANTI-UNITA FUNDING

HON. CHARLES A. HAYES

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, March 21, 1986

Mr. HAYES. Mr. Speaker, as many of our colleagues continue to prepare themselves for the critical debate of aid to Jonas Savimbi and his national union for the total independence of Angola [UNITA], I would like to share with them an article written by Dr. Conrad W. Worrill which appeared recently in the Chicago Defender newspaper.

Dr. Worrill's article paints a clear picture as to why we should not give aid to UNITA, whether it is covert, overt or otherwise. As he points out, "The Angolan people have a right to determine the destiny of their country." I agree with his viewpoint and I am confident that many of my colleagues feel likewise. Hopefully, the following article will help those Members who are yet undecided in coming to the realization that funding UNITA is not in the best interests of Angola, the southern region of Africa or the United States. The article follows:

SAVIMBI, REAGAN, AND AFRICA

(By Dr. Conrad W. Worrill)

In 1884 the former slave trading nations such as France, England, Germany, Portugal, Spain, etc. called a meeting in Berlin, Germany, to deal with the issue of dividing up Africa among themselves. After over 2,000 years of invasions, intrusions and foreign intervention in Africa, African people had virtually lost control of this great continent to the former European slave traders. The Berlin Conference gave the Europeans an opportunity to debate with each other over who would control which part of Africa. This is called the colonial period in African history.

The Portuguese were granted the territories of what is called Angola, Mozambique and Guinea-Bissau. Through the revolutionary spirit and self-determination of the African people in these territories, an armed resistance movement unfolded in the 1960's culminating in the defeat of the Portuguese by the mid-1970's in Guinea-Bissau, Mozambique and Angola.

The people of Mozambique, Guinea-Bissau and Angola chose their own leadership through their liberation movement organizations when they reclaimed their countries back from the Portuguese.

The United States' involvement in Angola has been in the news in recent weeks. On January 28, Jonas Savimbi, head of the National Union for the Total Independence of Angola (UNITA) arrived in the United States to seek support for his continued counter-revolutionary war against the new government of Angola (By the way, for those of you who don't know, Savimbi is a Black man).

During the war against the Portuguese in Angola there were three liberation movement groups that fought for the reclaiming of their country. They were the MPLA (Popular Movement for the Liberation of Angola), FMLA (National Front for the Liberation of Angola), and UNITA. When the war was over and the Portuguese were forced to flee Angola, the majority of Angolans backed the MPLA to become the new government.

It has become generally known that even before the Angolan people won their country back that UNITA was receiving aid from the United States through the CIA. Progressive world opinion was mounted against UNITA and its leader Savimbi as a reactionary force in Angola.

The Angolan people since 1976 have been in the process of rebuilding their nation. One of the major problems has been the fact that UNITA, who at one point had their guns pointed toward the Portuguese during the war, has now been turning their guns against their own people, backed by the CIA.

It is clear that Savimbi represents a tool of the United States in its efforts to maintain influence in the southern region of Africa. The red carpet treatment extended to Savimbi in his 10 day trip to the U.S. by the Reagan administration indicates the severity of U.S. involvement in this region of Africa.

The National Black United Front (NBUF) views Savimbi and UNITA as part of a network of right wing supported movements, which include Contra forces in Nicaragua, that are hoping to receive covert aid from the Reagan administration, with congressional approval. These forces are attempting to topple governments who fought valiantly for many years to oust U.S. supported dictatorship and colonial powers.

The Reagan administration told Congress last week that it has decided to provide UNITA with an estimated $15 million for anti-aircraft and anti-tank missiles.

African people worldwide must unite firmly behind the efforts of the Angolan people to continue their fight for self-determination. The Angolan people have a right to determine the destiny of their own country.

Dr. Savimbi has been shunned by African heads of state and most recently by the Congressional Black caucus, whose actions we overwhelmingly applaud.

No amount of material aid from this country will stop the Angolan people from rebuilding their society in their own image and interests. We must support them. Call 268-7500 ext. 144 for more information.

NURSING HOME RESIDENT PROTECTION ACT OF 1986

HON. CLAUDE PEPPER

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Friday, March 21, 1986

Mr. PEPPER. Mr. Speaker, I am introducing today legislation which I believe will afford our Nation's 1.5 million nursing home residents the protection they so rightfully deserve.

Over the past 20 years, numerous congressional and State investigations have revealed case after shocking case of nursing home conditions in which frail elderly residents are subject to neglect, abuse, and denial of rights. The findings of these investigations have recently been independently confirmed by a 2-year study performed by the National Academy of Science's Institute of Medicine. The study panel had a diverse membership including nursing home operators, nursing home resident advocates, State inspection officials, and medical and health policy experts. The study is the first ever independent national review of nursing home care and the role of Government in assuring quality.

Along with my distinguished colleagues, the Honorable JOHN DINGELL, chairman of the House Energy and Commerce Committee and the Honorable HENRY WAXMAN, chairman of the Subcommittee on Health and the Environment of that distinguished committee, I called for this study in 1983 in response to attempts by the Reagan administration to dismantle the Government's system to protect nursing home residents. This report sends a clear and unified answer from consumers, providers, and regulators that the current system is grossly

inadequate and that it must be significantly strengthened rather than diluted.

The Nursing Home Resident Protection Act of 1986 is a comprehensive legislative package to carry forth and expand upon the National Academy of Science's recommendations. I am pleased to see that the Institute of Medicine recognized the need for better enforcement. It must be recognized that there are six essential ingredients for effective reform: specific and uniform resident-centered standards of nursing home care; a full range of applicable penalties for poor care with specific criteria as to how and when they should be applied; reliable methods of inspection; properly trained professional inspectors; aggressive action against identified poor providers; and, increased consumer and community involvement in nursing homes.

I've based my legislative reform package on my fundamental belief that it is the responsibility of Government to guarantee the protection of the rights of the frail vulnerable people who reside in nursing homes primarily supported by the Federal dollar.

A summary of the major provisions of the Nursing Home Resident Protection Act of 1986 follows:

I. ESTABLISH EFFECTIVE AND UNIFORM STANDARDS OF NURSING HOME CARE

(1) Today there exists a strictly paper distinction between levels of care offered in nursing homes. "Intermediate" level nursing homes in most cases are providing the same level of care as "skilled" nursing homes, yet are required to meet fewer and less demanding standards. Recognizing this unfair fabricated distinction, the Pepper proposal would require all nursing homes seeking government approval to meet the same federal standards.

(2) Current federal laws allow many nursing homes to leave the sole supervision of frail ill nursing home residents during the nighttime in the hands of untrained nurse aides. Congressional investigations have revealed that the lack of round the clock trained supervision has lead to many unnecessary resident deaths and injuries. To address this problem, all nursing homes would be required to have a registered nurse on duty at all times.

(3) Nurse aides provide nearly 90 percent of all direct care to nursing home residents. Nurses spend less than one-half an hour caring for resident each day, while doctors provide less than half a minute daily with residents. Despite this, nurse aides are typically untrained and poorly educated. Therefore Chairman Pepper is proposing that all nurse aides complete a federally prescribed 60 hour preemployment training program in a state accredited institution.

(4) Recent investigations by the Subcommittee on Health and Long-Term Care of the House Select Committee on Aging revealed that frequently the perpetrators of nursing home resident abuse have previous criminal or psychiatric records. To address this problem the Pepper proposal would require that all nursing home employees providing direct care to residents clear a background check (similar to that required of child care providers) for criminal violations.

(5) One of the persistent criticisms of federal nursing home regulations is that they measure only the capacity to provide adequate care and not the actual provision of care. A review by Chairman Pepper indicates that fewer than one percent of all federal standards measure the actual performance of nursing homes. Under the Pepper proposal current federal standards would be rewritten to emphasize the measurement of actual nursing home performance and not just the capacity to perform.

(6) It is the consensus of national experts that regular assessments of residents are essential to proper care and could serve as the future basis of regulation. Pepper's package requires all nursing homes to provide for regular assessments of an individual patient's medical and social condition and needs.

II. MANDATE THE ESTABLISHMENT OF A FULL RANGE OF PENALTIES FOR UNACCEPTABLE NURSING HOME CARE

(1) Many poor nursing homes which are "home" to abuse and neglect go unpunished and continue providing unacceptable care. One cause for this inaction is the very limited nature of penalties available to the federal and state governments. Currently, the the only options available to the federal government are to either close a nursing home or let it go unpunished. Because of the critical shortage of nursing homes, the federal government has chosen to take the latter approach. In 1984, only 32 of the 154,000 nursing homes in the nation were closed. Most of these 32 nursing homes were closed only temporarily and were back in business a few days later. Therefore, Pepper would require that both the federal and state governments have at their disposal a set of graduated intermediate sanctions which would include at a minimum civil fines, ban on new admissions, receivership, and monitorship. These sanctions would have uniform wording and federally specified criteria for their application. For states, this would be required as a condition for approval of state Medicaid plans.

(2) Pepper's investigations have found that those charged with the responsibility for providing care in nursing homes, owners and operators of these facilities, bear little personal or legal liability when abuse is uncovered or death is due to questionable circumstance (such as death from malnutrition or starvation). Owners often simply sell the "problem" nursing home and buy another. Pepper's plan would make nursing home owners and operators criminally liable for harm to residents of their facilities caused by facility negligence or other wrongdoing.

(2) Establish a private right of action under the Medicare and Medicaid programs to facilitate nursing home residents and their advocates to sue nursing home providers for the provision of care which does not meet federal minimum standards.

(3) Many inspections are performed by nurses and social workers not trained in investigative procedures or the documentation of cases for legal action. Also, neither the states or the federal government specifically target bad nursing homes for legal action. Pepper's plan would require and provide 100% federal funding for special state inspection teams made up of lawyers, physicians, investigators, and other health professionals to monitor, inspect, and prepare cases against targeted chronically substandard nursing homes.

III. MANDATE RELIABLE METHODS OF INSPECTION

(1) Numerous Congressional and state investigations have revealed that nursing homes often know of impending inspections and "straighten up" just for the review by hiring temporary staff and borrowing linens from other facilities. Pepper's plan would require that all nursing home inspections be unannounced and on a random basis. Inspections could be from 9-15 months apart, but the average interval for all homes in a state could not exceed 12 months. This would allow problem nursing homes to be inspected more frequently and provide incentives for good performance while assuring that inspections are truly unannounced.

(2) It is frequently following such a change in owners and/or key staff of nursing homes that facilties encounter serious management and/or patient care problems. The Pepper proposal would require that nursing homes receive an additional short inspection following a change in its ownership or in key staff (e.g., administrator, director of nursing or medical director).

(3) Require that all inspections be focused on the quality of care provided residents and the physical environment of the nursing home.

(4) Require that inspectors interview residents and community representatives privately about the quality of care they receive and that this information be used in determining compliance with standards. Resident and community representatives would be allowed to participate in the "exit conference" between inspectors and facility officials to discuss inspection findings.

(5) State inspectors are now required to act both as consultants policemen. This creates an obvious confict of interest. Pepper would require that states' inspection and consulting responsibilities be strictly separate.

V. PROVIDE PROPER RESOURCES FOR INSPECTIONS AND ENFORCEMENT ACTIONS

(1) There are no federal requirements as to the background or qualifications of nursing home inspectors and those hired receive little training. Pepper would require that inspections be conducted by a multidisciplinary team of professionals which must include a nurse, dietician, and sanitarian who have passed a federally designed and administered competency exam. Pepper would also mandate and provide 100 percent federal funding of initial and ongoing inspector training. This training would be specifically geared toward improving uniformity of findings among inspectors and to documentation of problems to be used in enforcement actions against facilities.

(3) Last year the federal government inspected only 278, or less than 2 percent, of the nation's 15,000 nursing homes. This is not an adequate validation of the findings of the states. Pepper would require that the federal government perform "look behind" inspections of at least 5 percent of all nursing homes annually. This will require the hiring of additional federal inspection staff.

V. PENALIZE STATES WHICH DO NOT ADEQUATELY PROTECT NURSING HOME RESIDENTS

(1) Although the federal government pays nearly $12 billion dollars for nursing home care, it often finds itself powerless to act against states which fail to adequately protect nursing home residents. Pepper would give the federal government authority to withold survey and certification funding from states which do not carry out enforcement actions against noncompliant nursing homes.

VI. INCREASE CONSUMER AND COMMUNITY INVOLVEMENT IN PROTECTING NURSING HOME RESIDENTS

(1) The protection of residents' rights, which should be the focal point of all nursing home requirements, shares the same

level of importance in current federal standards as does the requirement that nursing homes have a written plan of action for natural disasters. The only formal action required by the federal government for the violation of residents' rights is that offending nursing homes submit a piece of paper saying that they will not allow violations to recur. Pepper's plan would require that the protection of residents' rights be a fundamental goal of federal regulation and thus be raised to a condition of participation for all nursing homes, the violation of which would trigger the application of specific penalties.

(2) Require all nursing homes to establish community advisory boards to assist in facility planning and to coordinate interaction between the community and the nursing home.

(3) Often those designated by the government to advocate and protect nursing home residents are not even allowed entrance to facilities. Pepper would significantly strengthen the long-term care ombudsman program by assuring certified ombudsman complete access to nursing homes and increasing federal financial support and administration of the program.

(4) Inspection reports are often the only written information on the quality and past performance of nursing homes. However, these reports are often not made available to the very people who need them. Chairman Pepper recommends that nursing homes be required to post inspection reports in a location accessible to nursing home residents and their families and advocates as well as those comparing nursing homes for future use.

Mr. Speaker, I believe that we have a fundemental obligation to ensure the protection of those in our society who cannot protect themselves. We now have the opportunity to achieve meaningful reforms which are long overdue.

I strongly urge my colleagues to join me in supporting this timely and much needed reform legislation.

EMERGENCY ENERGY ACT OF 1986

HON. W. HENSON MOORE

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Friday, March 21, 1986

Mr. MOORE. Mr. Speaker, today I am introducing, with my colleague from Texas [Mr. ARCHER] emergency legislation designed to assist the survival of the domestic energy industry. Our bill, H.R. 4476, offers tax incentives and the repeal of laws that discourage exploration, production, and marketing of oil and natural gas in the United States.

My home State of Louisiana has been blessed with an abundance of natural resources. For many years, the oil and gas industry has served as the backbone of our economy. These were good years and our people prospered.

Times are tougher now. Crude oil prices are dropping. Rigs are stacked. Gas producers can't sell their product. Companies are going bankrupt. People are out of work. While the rest of the economy is improving, the domestic oil and gas industry is in a depression.

Now is the time for action. The energy industry of this country is crucial to national security and economic growth. One need only look back to the energy crisis of the 1970's to see what can happen if we allow our domestic production to drop to a level where we are overdependent on foreign imports.

My bill includes a package of tax incentives for production and exploration. The first is marginal production tax credit. Currently, the market price for domestic crude is lower than the cost of production. Production costs are particularly high for low-volume tertiary and stripper wells. In order to keep these wells producing until prices stabilize at a normal level, this tax credit will serve to keep marginal production profitable.

The credit would be for the net loss to integrated or independent producers incurred after applying the costs of production to gross income and would be limited to $5 per barrel.

One of the most serious long-term consequences of the current drop in crude oil prices is that many exploration companies are being forced out of the industry permanently. In the future we may face a critical lack of exploratory capability. Therefore, to encourage continued exploration activity, I propose a 15-percent tax credit for domestic exploration expenses.

My bill would also repeal the windfall profit tax. I have opposed this tax since it was first proposed. Currently, virtually no windfall profits are being made. Little tax is being collected. Only the administrative burden of compliance remains.

Repeal of the tax will remove this burden which is oppressive, not only on the oil industry, but on the Federal Government as well.

The Fuel Use Act would also be repealed under my bill. Natural gas producers are having great difficulty reaching domestic markets. Repeal of the Fuel Use Act will allow natural gas to compete in all markets, including electric generating plants.

The deregulation of natural gas is another feature of my bill. This change is a long time coming. Natural gas regulation has not worked. Now is the perfect time to allow market incentives to straighten out the regulatory mess that has resulted in gross distortions in natural gas markets.

I also propose the continuation of construction and filling of the strategic petroleum reserve. The Saudis are partially responsible for current market conditions in their hope of regaining a larger share of the United States market. If, because of a loss of production and exploratory capability, we become dependent again on foreign imports, SPR could be crucial to our national security. Now is not the time to stop buying oil to fill SPR.

The Department of Energy should take advantage of low prices, while at the same time providing another market for domestic producers. Therefore, my proposal includes the condition that SPR be completed with domestically produced oil.

Other provisions of the bill include: eliminating property transfer rules that prevent independent producers from taking percentage depletion on properties transferred to them by integrated energy companies; repealing the 50-percent net income limitation on the application of percentage depletion allowances; permitting full deductibility of intangible drilling costs and expansion of the definition of IDC's to include geological, geophysical, and surface casing costs as deductible; and extending to insolvent oil and gas producers the favorable tax provisions that apply to insolvent farmers in the House-passed tax bill.

There is no single cause of the current decline in the domestic energy industry, so I have not offered a single solution. This is a comprehensive bill that will do a great deal to solve the short and long range difficulties of the energy industry. With energy prices at an unrealistically and unexpectedly low level, the time could not be more opportune to offer such a far-reaching proposal.

VOICE OF DEMOCRACY ESSAY

HON. DICK CHENEY

OF WYOMING

IN THE HOUSE OF REPRESENTATIVES

Friday, March 21, 1986

Mr. CHENEY. Mr. Speaker, I am honored to share with you Renee Annette Paravecchio's award winning Voice of Democracy essay. Renee is from Cheyenne, WY, and submitted her entry entitled "New Horizons for America's Youth" to the annual VFW competition. She shares with us the idea that the youth of our country are eager to work to see changes made in our Nation and the world. She compares the tactics for change employed by the youth of the 1960's and 1970's to those used today and expresses her opinion that today's methods are more constructive. Renee is able to convey the excitement and enthusiasm of today's youth and I'd like to urge my colleagues to read this fine essay.

NEW HORIZONS FOR AMERICA'S YOUTH

The summer of 1985 was filled with the musical echo of millions of people joining together. The words, "We are the World" became the trademark of a generation unified by a cause. The climax of the USA for Africa drive came at the beginning of the Live Aid concert, when folk singer Joan Baez proclaimed: "This is your Woodstock". But was it really? The purpose of Woodstock was individual gratification. The youth of the late 60's and early 70's had adopted the attitude of "if it feels good, do it". Woodstock was a pleasure seeking experience, Live Aid was a giving experience, an example of the new unselfish attitude expressed by the youth of the 80's. Once the youth acted in this manner, the mainstream of society followed along.

The young people of America are known for their driving, influential force on the world. Not just the youth of the eighties, but the flappers of the twenties, the hippies of the sixties. An Irish proverb states, "Praise youth and it will prosper". The young people of America have proven this to be true before. But what about the future? What are the new horizons for America's youth.

Examining the past is one of the best ways to predict the future, and what the youth of the past did is very influential to us today. According to Dr. Morris Massey of the University of Colorado, "you are what you were, when". His analysis explains that the environment a person is living is at age 10 directly affects the way a person reacts

and controls what they value for the rest of their lives.

Using this analysis, look at what was influencing teenagers of today when they were 10 years old. That would put us to the time period around 1977 to 1978.

Jimmy Carter was the President of the United States, and we witnessed his pardoning of Vietnam draft evaders, the signing of the Panama Canal treaty, and his deferring production of the neutron bomb. We experienced disaster, severe winter weather, international terrorism, and the crunch of the energy crisis and the worst airplane crash in history. Elvis Presley died, and Gary Gilmore was the first man executed since 1967.

These occurrences showed those impressionable 10 year olds that our world was crumbling. In fact, this attitude was carrying over from what the youth of the 1960's felt. They saw the threat of the nuclear age, the Vietnam war, racial turmoil, and our ecosystem polluted. But examine the way they responded. Lock in's, protests, pickets, riots. These actions became immortalized in the history books that my generation read. We saw that the youth accomplished little from these methods of expressing themselves.

The effects of these influences are already immersing in the 1980's. Look again at the example of USA for Africa. The young people could have easily protested, like prior generations, that the government do something. Instead, they took action, started local drives and contributed to the cause. I believe the youth of today have learned to work with the system to accomplish great things. We are a unique group in that we have explored varied options of expressing ourselves, we are creating new horizons.

I feel that my generation is one that is aware of our world, and wants to better it. Unlike the past, we are not waiting for action, instead, we are an instrumental force in change. I see examples of this everyday in my peers, students that are giving, accomplishing and promoting change. We have learned from looking at the past, that we are responsible for the world, that we are the leaders of the future. I also see a great desire by my age group to set a good example for the young children that are impressionable now. Many of us didn't like the world we lived in when we were ten. Thus, the reason we are ambitious to change now and not wait for when we are adults.

The future holds the excitement of seeing how these changes will progress. The youth of today are taking control of their horizons. We are creating new horizons.

CARL JOHNSON III

HON. BRIAN J. DONNELLY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Friday, March 21, 1986

Mr. DONNELLY. Mr. Speaker, local government in most communities runs on the energy and commitment of public-spirited citizens who serve part time. They devote long hours to town government, receiving little or no compensation beyond the satisfaction of helping their neighbors and seeing an important job well done.

I rise today to take a moment to recognize the decade of service Carl Johnson III has provided to Braintree, MA. Carl has just stepped down after serving as town selectman, a post his father held before him.

Those of us who have worked with Carl will miss his contribution at town hall. But we also recognize that his departure represents only an interruption, not an end, to his public service.

A reflection on his work on behalf of the town was published recently in the Patriot Ledger of Quincy, MA, and I would like it read into the RECORD at this point:

JOHNSON: TOWN HAS GROWN, MATURED IN LAST 10 YEARS

(By Kevin Bears)

BRAINTREE.—Ten years ago, when his father was sick and had lost his seat on the board of selectmen, Carl Johnson III made his first bid for the office. It was his father's defeat in 1975 that launched the younger Johnson's career in politics.

Soon afterward, his father—a former state representative, selectman, moderator and town clerk—died.

"There was a good deal of emotional involvement in that campaign. Through his example, he excited me," Johnson said in his Quincy law office last week. "He was a very astute politician. He was a professional. I don't know if I was or ever will be a professional politician. The room (selectmen's chambers) is named after my father and that was a sort of a responsibility.

Johnson, who stepped down last week after a decade of service, reflected on his years as a second-generation selectman and commented on the town's future. He said business concerns and the need to spend more time with his wife, Margaret, and their two sons prompted his decision to quit.

"My youngest son used to say to me, 'Oh, it's Monday night.' It's a way of life I grew up with and I can empathize with them," said Johnson.

But business commitments also convinced him it was time to step down.

Johnson's involvement in converting the Duane salvage yard in Quincy into a condominium development, as well as his law practice, factored into his decision.

"The opportunity was there (in the Duane project) for me to be involved in a significant development," he said.

Looking at the town's future, Johnson predicts Braintree will be an expensive community in which to live. "It was a blue-collar town and it has changed a lot in the past 25 years and a lot more in the past 10," Johnson said, adding that the town is unlikely to face massive development in the future.

"We've reached a point where we're a mature town. The question now will be 'What should the town do to reuse its old buildings?' " Johnson said. While truck traffic will moderate as the town shifts from heavy industry to more service-oriented companies, he predicts traffic in general will increase. "People make planned visits to Braintree, whether to work or shop."

Calling himself a moderating influence on the board in recent years, Johnson said his experience as a lawyer was a big contribution. He said he considered himself an independent voice on the board.

"People could never say they could count on my vote one way or the other," said Johnson.

On the subject of town government, Johnson admits there are problems.

"The present system is cumbersome and not conducive to the expeditious handling of things," Johnson said. But he called Braintree's slow response to issues and problems an asset as well as a liability. Despite its weaknesses, Johnson feels major changes in town government are unlikely.

"The town has had representative town meeting since 1939. I don't think town meeting will ever do anything with that," Johnson said. One change that could centralize town government, he said, would be to give more responsibilities to the executive secretary and planning director.

Johnson has no immediate political plans.

Having unsuccessfully run for state representative twice, Johnson rules out serving in the Legislature. But the 37-year-old former selectman may yet make another bid for his old job, though not in the next three years.

"There's probably still 30 more years for me to run for selectman."

JOSEPH NEWMAN

HON. WILLIAM E. DANNEMEYER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, March 21, 1986

Mr. DANNEMEYER. Mr. Speaker, I am proud to be the sixth Member of Congress to introduce a private bill for the relief of Joseph Newman. For nearly 7 years Joseph Newman, an inventor from Lucedale, MS, has been unjustly denied a pioneer patent by the U.S. Patent and Trademark Office for a truly revolutionary machine. Mr. Newman believes his machine can safely and inexpensively create more usable energy than it consumes. If his claims are true, Mr. Newman's perpetual motion machine can provide enough energy to enable all the people in the world to light, heat, cool, or power their homes, businesses, automobiles, airplanes, tractors, ships, trains, space crafts, and so forth.

Mr. Newman applied for a patent in 1979 and was rejected in 1982. Since then he has appealed his case to the U.S. district court and the U.S. court of appeals to no avail. It seems to me that Mr. Newman has received arbitrary and unfair treatment from the Patent Office and the courts. No harm is done by immediately granting Newman a patent. If his machine works then no more wars need to be fought over our limited fuel supply. There will be limitless, efficient and nonpolluting energy available to everyone.

The Federal bureaucracy has had its chance, now let's give Mr. Newman a try!

The article follows:

[From Regardie's magazine, December 1985]

PERPETUAL NOTION

(By Rebecca Pittman)

So far, inventor Joseph Westley Newman, Route 1, Box 52, Lucedale, Mississippi, has spent upwards of $250,000 and nearly seven years of his life at war with the U.S. Patent and Trademark Office. For the past three years, Newman has duked it out with the PTO before a federal district court in Washington, which he hopes will, once and for all, order a patent on his Revolutionary Energy Machine.

At this point, it seems likely that nothing short of an order by a federal judge will persuade the PTO to protect Joe Newman's device. Through years of administrative appeals and litigation, the Patent Office has held fast to its belief that his energy ma-

chine "smacks of perpetual motion." And page three of its handbook clearly states that "alleged inventions of perpetual motion machines are refused patents"—even, it seems, if they work.

Not that Newman would ever pin a shady, derisive label like "perpetual motion" on his invention. What he claims is that his amazing machine operates with vastly greater efficiency than your standard electromagnetic engine—so much so that it puts out more energy than it takes in, up to 25 times as much. Strict adherents of the First Law of Thermodynamics needn't take exception, however; Newman doesn't claim to be creating energy. He says his machine captures subatomic "gyroscopic" particles orbiting in a magnetic field, and simply releases electromagnetic energy that's already in the system. The net effect, he claims, is the conversion of mass to energy, a la $E=mc^2$.

If Newman's Revolutionary Energy Machine does indeed generate the cheap, nonpolluting, virtually unlimited energy he says it can, its impact could be profound. Homes, cars, even entire factories could be powered by self-contained, one-time-purchase units. Nuclear reactors and internal combustion engines would become as archaic as the wood-burning stove. And since Newman claims that his machine represents the mechanical unification of the gravitational, nuclear, and electromagnetic fields, a lot of physics textbooks would need revising.

All this may sound farfetched, but the fact remains that some 30 engineers and scientists, including a NASA aerospace engineer, a nuclear physicist, and an electrical engineer who worked on the Saturn 5 project, have tested Newman's energy generator and swear it works. Roger Hastings, a physicist for the Sperry Univac Corporation, states in an affidavit: "Every experiment that I have performed shows that the energy output of the device is indeed larger than the energy input." He adds, "The future of the human race may be dramatically uplifted by the large-scale commercial development of this invention."

But before Newman starts mass-producing anything, he wants a patent to protect himself from potential competitors. Patent Office officials, however, have stood their ground and refuse to even comment on the matter while it is in litigation—except for one PTO spokesman, who claims that "Mr. Newman's case isn't any more unusual than anyone else's."

L'affair Joe Newman might be run-of-the-mill stuff over at the Patent Office, but it's turned some heads on Capitol Hill. This past summer Newman's attorney, John P. Flannery—a young, aggressive former federal prosecutor and an unsuccessful Virginia Democratic candidate for the U.S. House in 1984—asked every member of Congress to help his client. In October, Republican Representative Dan Burton of Indiana introduced a bill to grant Newman a pioneering patent. Burton says he would like to see a congressional investigation of the PTO's manhandling of Newman's patent application, and at least 10 other senators and representatives have taken up Newman's cause with Donald Quigg, the commissioner of the PTO.

"It is my understanding," wrote Democratic Representative Norman Dicks of Washington, "that despite physical evidence to the contrary, your office has taken the position that Mr. Newman's invention cannot be scientifically possible." He added that "it is disconcerting to me to find that the Patent Office, although charged with encouraging and protecting scientific study and inquiry, would refuse to consider an application on its merits simply because it is revolutionary."

Congressmen aren't the only ones wondering why the Patent Office, under no onus to guarantee what it protects, appears hellbent on thwarting the development of an invention that might someday put Pepco out of business and turn the Middle East into one of the world's more superfluous spots. "After everything is said and done, they should find a way to put Joe's work out to public scrutiny," says retired Washington patent attorney Paul Gomory, a consultant to Newman, "If he has something that works we ought to find out and do something with it. If it doesn't work we ought to find out about it and go on. We can't hobnob on this thing for the next 15 years."

Between Hattiesburg, Mississippi, and Mobile, Alabama, as the crow flies stretches 100 miles of two-lane highway clogged by log trucks and lined with spread-eagled armadillos stiff with rigor mortis. Considered outlandish even by Southern standards, southeast Mississippi never has been much more than some place you have to drive through to get to Alabama and Florida Gulf Coast resorts.

Smack-dab in the middle of this outback, just past a stark black-and-white billboard announcing GOD MAKES HOUSE CALLS, is Lucedale, Mississippi, population 2,500. A while ago its main claim to fame was the public backscratching post at the Coffee Pot Restaurant, upon which the likes of Tennessee Ernie Ford, Dizzy Dean, and Ronald Reagan have abraded themselves. But for several years now a procession of outsiders has come to Lucedale and, instead of blowing through town loaded with Coppertone and six-packs, stayed on to meet the man who made the Revolutionary Energy Machine.

Newman lives beyond the edge of Lucedale proper, down a mile of deeply rutted dirt road through the piney woods, past a gate and a few mildly intimidating KEEP OUT signs. The term "backwoods inventor" is an accurate one for Newman, but forget Tobacco Road. Newman, his wife, Ellen, and their two-year-old son, Gyromas (named for his daddy's gyroscopic theories), live in a comfortable, brick ranch-style house guarded by a misanthropic Doberman pinscher named Night. "I live secluded because I like to be secluded," says Newman. "I like people, I like to help people, but I really don't like them to make a whoop-de-do over me. That's not my cup of tea."

In a clearing behind the main house is a brand-spanking-new pine-board building identified by a brass plaque as the "Research Center for the Energy Machine of Joseph Newman." Inside is a conference table and some chairs, pieces of electrical equipment, and a 75-pound punching bag, which Newman uses to let off steam. "I beat the hell out of it," he says. Across one wall hang paper banners with quotes from the two men Newman credits with inspiring his work: 19th-century English scientist Michael Faraday ("How Few Understand the *Physical* Lines of Force!"), and mathematician James C. Maxwell ("The Energy in Electromagnetic Phenomena is *Mechanical* Energy").

At the far end of the room stands the Revolutionary Energy Machine. This, the largest prototype of Newman's invention, looks like a hot tub mounted on an oak platform. It weighs 9,000 pounds and cost him $23,000 to build. An overhead mirror reflects its innards, which are downright simple: eight miles of copper wire coiled around a bundle of six magnetic rods, each four feet long. Newman says, "Poor Ellen, it took us weeks to install all that copper wire. She had blisters on top of blisters."

The machine is hooked up to 150 six-volt and nine-volt batteries lined up in neat rows, which Newman turns on before giving the magnets a shove. Slowly they begin to rotate on their own, picking up speed with a rhythmic clanking. A row of light bulbs around the top begins to blink. An orange fan attached to the machine by a belt starts to turn. Soon the clanking turns into a din, as the furiously whirling magnets reach a speed of 260 revolutions per minute.

Before there was investor money, a crowded, dilapidated garage made do as Newman's research center. Newman is a full-time professional inventor who has designed and patented several inventions, including plastic-coated barbells, a gadget that sucks juice from oranges still hanging on the tree, and a rain deflector that keeps car windshields clear at drive-in movies. The profits from those inventions kept food on the table, but the energy machine is different. Newman calls it "foremost in my life, above all else. All my family know this comes first."

Newman seems younger than he is, more like 39 than 49 years old. Crowned with a straight, slicked-back pompadour, he resembles an incongruously healthy Jerry Lee Lewis. His sturdy frame tells of all those rounds with the punching bag, as well as Ellen's widely acclaimed ways with black-eyed peas and sweet potatoes. The tip of Newman's right index finger is gone, crushed in an accident that happened when he was a teenager roughnecking on an oil rig.

Newman is an engaging, straightforward man whose rough-hewn way of talking reflects his lack of formal education. Nonetheless, a growing flock of true believers claims Newman is a genius, a modern-day Faraday whose academic credentials are irrelevant. "Joe has gone beyond what you can read in textbooks," says Milton Everett, an engineer with the Mississippi State Department of Geology and one of the first to believe in Newman's work. "He's an original thinker and there's not many of those. I think Einstein's going to have to take a second seat to Joe Newman."

It took 15 years for Newman to develop his radical theory of electromagnetism and then turn it into a working prototype of the Revolutionary Energy Machine. He has been trying since the midsixties to get the scientific community to pay serious attention to his ideas, with less successful results. "I was very naive, and I went to many universities to debate," he says. "I'd go in good faith thinking that if I'm wrong, they'll show me I'm wrong—that's fine. I'll take that knowledge and utilize it. Then I started noticing that something's bad wrong here; these people are intimidated by my questioning."

But tenacity will win out, says Newman: "I'm like a bulldog. I'm going to win that fight. You've got to kill me or I'm going to win it. One of the two."

That kind of fierce determination is not new; Newman remembers constantly getting into scrapes with neighborhood bullies when he was young. "I'd fight automatically; not premediated. I'd just see somebody getting picked on and it would offend me so much that I'd have to step in. And that's the same feeling I have when I fight the Patent Office: they can't whip me, but I

know they could step on people who don't have that type of feeling."

Newman also points out that this is not the first time the Patent Office has clashed with an inventor making a wild claim; back around the turn of the century, the PTO was battling with the Wright brothers, who kept insisting that heavier-than-air machines could fly. Only after three years and as many PTO rejections were Wilbur and Orville finally allowed to patent the "inoperative" contraption they were already flying at Kitty Hawk.

Hostilities between Joe Newman and the Patent Office commenced on March 22, 1979, the date he first filed for a patent on the technical explanation of his Revolutionary Energy Machine (a prototype had not yet been built). Assigned to evaluate Newman's 130-page application was the Patent Office's primary examiner, Donovan F. Duggan. This was not his first experience with alleged inventions of suspiciously prodigious energy efficiency. Several years earlier he nixed the patent application of Ralph E. Lindsey, who had his own version of the electromagnetic engine. Lindsey subsequently sued the Patent Office for negligence in a Texas federal district court, which in 1983 ruled in his favor.

In its decision, the court was particularly critical of Donovan Duggan: "Examiner Duggan's knowledge of electrical theory may have been inadequate for his responsibilities. In any event, the examiner carelessly and incorrectly perceived the Lindsey design to be a 'perpetual motion machine.' Once convinced of that, Examiner Duggan seemed unable to consider the design on its own merits. . . . The actions of the Patent Office—from the officious manner and careless processing of Examiner Duggan to the slothlike response of the Board of Appeals—are deplorable. A citizen deserves better treatment from his government."

It took two and a half years for Newman to receive a 44-word handwritten rejection from Duggan, who summed up his decision with these words: "More output than input attained smacks of 'perpetual motion.'"

Newman quickly responded, submitting a more detailed explanation of his invention, along with a sworn statement from Robert E. Melton, a former Saturn 5 project electrical engineer now with the CIBA-GEIGY Corporation in McIntosh, Alabama. In his affidavit Melton stated he had carefully evaluated Newman's device "to present arguments against it" and "found none." Said Melton: "As a result of discussion, research, and observation, I believe he has a valid disclosure."

Newman also offered Duggan an all-expense-paid trip to Lucedale to personally examine the machine. Ignoring this invitation, Duggan issued a second thumbsdown, this time speculating the "possibility" of a hidden outside power source—even though he added that "the applicant's character is not at issue here, only his disclosure." Newman disagrees: "It was quite obvious that he had deliberately attacked my honesty and integrity."

Newman asked for and got a personal interview with Duggan, referred by Duggan's supervisor. At that meeting. Newman says, Duggan "told me to my face he doubted he would ever allow a patent on my machine no matter what proof I submitted." Duggan has denied this in court documents; other than that, all he will say is, "Newman's made a lot of charges, but I'm forbidden to talk about it."

After exhausting every other administrative avenue of redress, Newman requested a hearing before the PTO's Board of Appeals. He brought his two pieces of evidence to the hearing, which was held in the fall of 1982: the 800-pound prototype of his energy generator and Roger Hastings. But both Hastings and Newman feel that no serious effort was made at that hearing to determine the validity of the machine. "One of the examiners stood behind a pillar the whole time," says Hastings. "He was afraid that 100-pound magnet being rotated by Joe's machine was going to fly off and hit him."

"They sat over there like a bump on a log," Newman recalls angrily. "When we got through with the testing procedures, *then* they went over there and looked at the machine. Didn't touch it; no way could they verify anything. Their actions were totally unlike what you would expect of professional persons who were going to investigate something that was supposed to put more energy out than in." At the close of the hearing, says Newman, "They gave me two minutes—*two minutes*—to try to discuss about 17 years of work."

A few days after presenting his machine to the appeals board, Newman arranged to have it examined at the National Bureau of Standards. Hastings, who had gone home to Minnesota, flew back to Washington to attend the NBS testing, believing that there would finally be an expert, impartial, conclusive evaluation of Newman's machine. "I was expecting a bunch of people in white coats to come out, take the machine in, and give it a whole series of tests," says Hastings. "But they didn't have the equipment or the facilities to do anything."

Instead, NBS officials suggested that Newman stop on his way back home at Auburn University in Alabama and have his machine tested there. So Newman, another friend, and Hastings crammed into the cab of a pickup truck and lugged the 800-pound prototype on what amounted to a 20-hour joyride. "The worst part was they wouldn't let me smoke," recalls Hastings.

When they got to Alabama, Newman refused to allow his invention to be tested. Neither Auburn University nor the professor at Auburn could assure Joe of security or confidentiality," says John Flannery. "Nor was the Auburn professor associated with the NBS in any way—and that was the point of the whole exercise."

As it turned out, the hearing before the Patent Office's appeals board was equally pointless; the board sustained the rejection of Newman's request for patent protection, maintaining in its report that "such a machine is impossible." Among the attachments to its decision were some pages photocopied from a 1911 college physics textbook stating that "perpetual motion is a delusion." And two of the three examiners at the appeals hearing turned out to be the same ones who sat on the "slothlike" appeals board in the Lindsey case.

"The Patent Office set itself up to deviate from procedure," insists patent attorney Gomory. "It set itself up to say, 'This is impossible.' The Board of Appeal's decision in effect took the position. 'We will defeat this application no matter what.' It kept saying there was no evidence. Of course there was evidence—there was Roger Hasting's affidavit. They never mentioned the affidavit."

Flannery blames Newman's rejection on institutionalized incompetence at the PTO. "This office is overworked, it has no ability to search the documents, and who in their right mind who has scientific ability—whether it's a Donovan Duggan or anybody else—goes to examine patents at the U.S. Patent Office? " he says.

Gomory is kinder to the PTO: "I emphasize that, on the whole, to examine some 110,000 patent applications each year, and of those to issue some 80,000 patents, is quite a Herculean job," he says. But he calls the Patent Office's handling of the Newman case "not only wrong, but one could say outrageously wrong."

Joe Newman filed suit against the Patent Office in U.S. District Court in Washington on January 3, 1983; the case was assigned to Judge Thomas Jackson. During the pretrial period Patent Office lawyers submitted a report on the tests run on Newman's machine—at Newman's invitation—by two Mississippi State University electrical engineers. "But the Patent Office admitted in its own papers that MSU had characterized the tests as 'inconclusive,'" says Flannery. The PTO also asked a National Bureau of Standards engineer named Jacob Rabinow to review and criticize various test results submitted in support of Newman; his report was also offered as "contradictory" evidence.

Meanwhile, a Texas engineer named S. Mort Zimmerman who had met and talked with Newman, independently built a prototype of the Revolutionary Energy Machine that, Zimmerman said, did indeed run at greater than 100 percent efficiency. Soon after submitting to the court an affidavit to that effect, Zimmerman got a phone call from a NASA scientist, Larry Wharton, who quizzed him on his machine. Wharton never mentioned to Zimmerman that he was acting on behalf of the PTO. Later, when a statement by Wharton Debunking Zimmerman's testimony was introduced as evidence, Wharton recanted, saying he had made clear to PTO lawyers that there was a possibility that Zimmerman's prototype operated at 600 percent efficiency. Wharton says he was told that such information wasn't necessary.

"First Rabinow comes up with his description, and after that, almost to answer it, an independent inventor creates a Newman device and it works," says Flannery. "Then the Patent Office lawyers get desperate and come up with a guy from NASA who says it doesn't work—and then he recants his testimony. There's something going on here that just ain't right."

Faced with a muddle of conflicting evidence, Judge Jackson decided to appoint a special master to investigate Newman's claims. Over the objections of Newman's attorney, he gave that job to William E. Schuyler, Jr., a former head of the Patent Office and prominent Washington patent attorney who is an electrical engineer to boot. Jackson called Schuyler's credentials "superb."

The report of the special master was issued in late September 1984. While refusing to endorse Newman's theories, Schuyler found that the "evidence before the Patent and Trademark Office and this court is overwhelming that Newman has built and tested a prototype of his invention; there is no contradictory factual evidence." The report called "clearly erroneous" the Patent Office Board of Appeals's contention that Newman's machine is "impossible," and stated Newman "is entitled to a patent based upon his experiments and results provided he otherwise complies with the requirements of the Patent Statute; it is not necessary that he be able to state the scientific principles underlying his invention . . ."

Jere Sears, a PTO attorney, responded to the report by insisting that it be rejected.

Sears asked the court to "exercise some common sense and refrain from believing in those who apparently still believe in the tooth fairy." Newman's attorney, in turn, asked Jackson to order the PTO to grant Newman's machine a pioneering patent based on the master's findings.

The judge declined both suggestions. "I am not prepared at this point to conclude that there is no factual dispute and that it can be said as a matter of law that . . . Newman has produced a truly pioneering invention of the order of magnitude of the atomic and hydrogen bomb," Jackson said in a hearing held on Halloween 1984. "Nevertheless," he added, "I am also equally unprepared to say on this record, as the defendant would have me say, that Mr. Newman is a crackpot as a matter of law and that his invention cannot possibly, as a matter of physical principles, operate under any circumstances."

So Newman's patent application was bounced back to the Patent Office, with instructions from the court to expeditiously reexamine his case "in light" of the special master's recommendations. Incredibly, Newman was also ordered to cough up $11,602.20 to pay for the report.

Such a financial imposition would have left Newman sorely strapped, but at that point, like the U.S. cavalry coming to the rescue of a beleaguered wagon train, bigtime investor money suddenly appeared. A Sacramento, California real estate broker and developer named Dan Benvenuti, whose family owns the Sacramento Kings (formerly the Kansas City Kings) professional basketball team, heard of Newman, went to see him, and became convinced of the importance of his work. In December 1984, Benvenuti became the principal investor in Energy Resources Unlimited, which gave Newman $500,000.

Benvenuti says that his motives are altruistic. "I'm not in this thing for money," he says. "I'm in this thing to see what we can do to help the world." It irks Benvenuti that he, and not the government, is Newman's principal backer. "If senior citizens didn't have to pay $400 a month for electricity, they wouldn't need as much from the government to live on. But why is our government behind every armament somebody can come up with? Sure we need protection, but we're spending hundreds of billions of dollars in war and destruction. Why not some money for a man who's got something good for the world?"

Benvenuti claims that major investment firms in Japan and Canada are already interested in the licensing and manufacturing rights for Newman's machine. "And here we are in the United States worried about the trade deficit."

So richer, but essentially back at square one, Newman got a new examiner—and soon after, in spite of the special master's report, another rejection of his application. This time however, the PTO finally decided that it wanted a first-hand look at Newman's machine and got a court order for him to surrender it to the NBS for testing.

Newman refused. He did, however, bring his machine to Washington last May and display it at a press conference at the Capital Centre—much to the consternation of Judge Jackson, who noted in a hearing that the Capital Centre is not all that far from the NBS facilities in Gaithersburg. Why did Newman haul his machine all the way up here again without the slightest intention of letting officials from the Patent Office or NBS get anywhere near it?

"The judge was saying he would draw the conclusions that he was entitled to draw if I didn't turn my device over to the Patent Office to give to the Bureau of Standards," say Newman. "What I did was carry it to Washington and give a public demonstration showing I had nothing to hide—that I put myself up to public ridicule. And that's not something somebody would do who has something to hide. So we exposed it, had other scientists there. This took away the judge's grounds that I had something to hide."

Patent Office lawyers have since asked the court to declare Newman's patent application abandoned. Jackson instead agreed to give Newman his "day in court," a nonjury trial scheduled for late February next year. But he also insisted, again, that Newman hand over his machine to the NBS. And the Patent Office told Newman he would have to post a $50,000 bond to cover the cost of the testing.

"The special master's report comes down and bang!—the thing works, you guys are all wet, you've ignored your own procedures, that examiner is no good, a patent should be issued," says Flannery. "Then, all of a sudden, these guys scramble around. Now they want to test it. But they don't want to just test it. They want to seize it; they want to dismantle it; they want to destroy it; they want to hold off until after the trial starts, and then they're going to put their expert witnesses on the stand.

"That's not fair. It's not common sense. It violates the civil rules procedure. It's an unconstitutional seizure of property. And to add insult to injury, they want Joe Newman to foot the bill—$50,000! For what? To quote Joe: 'Not no, but hell no!' "

This fall Joe Newman significantly refined the Revolutionary Energy Machine, turning what looked like a 9,000-pound, battery-powered hot tub that lit a few light bulbs into a 130-pound device that he believes will ultimately be capable of powering a home. Hastings is impressed by Newman's progress. "It appears to me," he says, "that the Newman motor can be readily scaled to power levels that will make it practical for commerical and home energy needs, and this should be accomplished in the very near future."

Just two months ago, Newman gave a public demonstration of the new, improved Revolutionary Energy Machine in New Orleans. The event drew 1,500 people, many of whom stood in line hoping to get a glimpse of it. Testimonials to Newman's work were given by a panel of scientists and engineers; even actor Eddie Albert showed up to declare his support for the cause.

In three separate demonstrations in a darkened Hilton ballroom, Newman did not disappoint the crowds; he used his energy generator to light several 40-watt fluorescent bulbs and a green neon sign that glowed "Gyro Power." "This is my Christmas gift to you," he told the cheering audience. One writer who witnessed the event described it as "surreal, like something out of a grade-B Hollywood movie starring Vincent Price or Bela Lugosi."

Newman also recently published a vanity book, The Energy Machine of Joseph Newman, which details his theories and explains the mechanics of his machine. And he has filed for patents on the controversial device in countries all over the world, including the Soviet Union. Already, he says, it is patented in Spain and South Africa.

"So in a way, it doesn't matter what the court or the Patent Office decide," says Newman. "Whether I'm dead or alive doesn't make any difference: this invention is going forward, and no power on this earth is going to stop it."

THE URGENT NEED TO ATTACK "CRACK"

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, March 21, 1986

Mr. RANGEL. Mr. Speaker, as chairman of the Select Committee on Narcotics Abuse and Control, I wish to bring to the attention of our colleagues an article by Peter Kerr that appeared in the March 20, 1986, New York Times, entitled "Extra-Potent Cocaine: Use Rising Sharply Among Teen Agers."

This dramatic piece confirms what many of us in the Congress who have the responsibility for reviewing Federal drug abuse policy have known for some time; that the availability of "crack"—cocaine in its purest state—at low street prices will only expand the abuse of cocaine nationwide.

Increasingly, Mr. Speaker, Members are inquiring of the select committee; What is crack? How is it different from cocaine? Where is it all coming from? Mr. Kerr answers these questions very succinctly.

Crack is purified cocaine in pellet form that sells in vials for as little as $5. Users smoke it, creating a powerful stimulating effect on the nervous system. Unlike regular cocaine, crack takes effect in seconds and induces a greater high, experts say. Compared with users of regular cocaine, crack users experience a stronger yearning for the drug and become addicted more quickly.

What is most frightening about crack is that it has made cocaine widely available and affordable for abuse among our youth. The Times reports the easy access to crack at New York schools. The select committee has heard similar reports from other areas around the country.

Mr. Speaker, I am afraid that the crack epidemic will only get worse, before it gets better. A review of the international narcotics control strategy report, issued by the State Department on February 21, 1986, yields the inescapable conclusion that we can expect bumper crops of coca in the major cocaine-producing nations of South America this year. The select committee estimates that at least 150 tons of cocaine will enter the United States in 1986.

As the select committee has urged the administration for quite some time, we need to seriously rethink our present narcotics control strategy. Our existing efforts are clearly falling short, and, as a result, our children are being severely injured. We must begin to make effective use of existing sanctions against drug producing nations which fail to cooperate with us on narcotics control, and at the same time, provide adequate funding to State and local drug enforcement, treatment, prevention and education programs, as I have proposed in H.R. 526, the State and Local Narcotics Control Assistance Act.

Passage of H.R. 526 can insure a comprehensive community response to the problem of "crack." Our failure to do so could lead to the loss of a whole generation to "crack."

Mr. Speaker, at this point I insert Mr. Kerr's article in the RECORD:

EXTRA-POTENT COCAINE: USE RISING SHARPLY AMONG TEEN-AGERS

(By Peter Kerr)

In dramatically rising numbers in the last five months, teen-agers in New York City and its suburbs have been using "crack," an especially potent and addicting form of cocaine, according to state and local drug officials, educators and experts on drug abuse.

From the wealthiest suburbs of Westchester County to the Bedford Stuyvesant section of Brooklyn, drug experts and community groups say the growth of crack use has been so great that it is fast outpacing the ability of educational efforts and rehabilitation programs to cope with the problem.

"It's all over the place," said John French, the chief of research and evaluation for the New Jersey Health Department's alcohol, narcotics and drug abuse unit. "There are simply not enough treatment programs to handle the demand."

In recent weeks, reports of growing use of crack among youth has also brought statements of concern from officials of the New York City Board of Education, the New York State Division of Substance Abuse Services and the county drug-control agencies in Nassau and Westchester. The agencies say they are looking for new ways to educate young people about the dangers of crack addiction.

Cocaine treatment programs around the area are reporting a rise in serious addiction, together with a wide range of physical and psychological problems and criminal behavior, in youths between 13 and 19 years old.

As recently as last fall, government officials who monitor drug abuse warned of the growing popularity of crack among cocaine users generally. But the speed with which crack use spread to teen-agers, including youths who had little or no previous involvement with drugs, has alarmed experts.

"It's growing much more rapidly than we had thought," said William Hopkins, the director of the street-research unit of the State Divison of Substance Abuse Services.

"We are seeing kids who are college-bound, with 85 averages or better," said Dr. Arnold M. Washton, the director of addiction research and treatment at Regent Hospital on East 61st Street in Manhattan and Stony Lodge Hospital in Ossining, N.Y.

Crack is purified cocaine in pellet form that sells in vials for as little as $5. Users smoke it, creating a powerful stimulating effect on the nervous system. Unlike regular cocaine, crack takes effect in seconds and induces a greater high, experts say. Compared with users of regular cocaine, Dr. Washton said, crack users experience a stronger yearning for the drug and become addicted more quickly.

A 15-year-old boy, now in treatment at the Stony Lodge Hospital, recalled how he first tried crack last November and found it far more addicting than powdered cocaine.

"My friends said, 'What do you want to do on your birthday?' I said, 'Lets do crack,'" said the youth, a resident of a middle-class neighborhood in the Bronx. "You get a head rush and your ears pop and you get a real up. But when you run out of crack, you get this feeling of want that just takes over your body."

Within a week, the youth said, he was smoking $50 worth of crack a day. Soon, he said, he stole money from his parents to support his habit. He began staying out of school, he said, and, together with friends, began breaking into houses to take jewelry, cash and video cassette recorders. Recently, he said, he was arrested on robbery charges and entered the treatment program.

"You are willing to do anything to get it," he recalled. "We just had to get more."

MOVING TO THE SUBURBS

Experts say few statistics are available on the use of crack. But drug hot lines in the area have recorded a steady rise since November in the proportion of callers who say they use crack.

Another recent change is the proliferation of crack in the suburbs.

"It was pretty much a city problem until four to six months ago," said Harold E. Adams, the Commissioner of the Nassau County Division of Drug and Alcohol Addiction. "Now it is a Long Island problem. It is steadily increasing and we are very, very concerned."

Between 65 and 70 crack users a month are now being treated at the Nassau County Medical Center, he said.

"In the morning these days the phone doesn't stop ringing," said James P. O'Hanion, director of alcohol and substance abuse programs for Westchester County. Mr. O'Hanion said he feared there would not be enough programs to treat the wave of people addicted to crack.

WOEFULLY SHORT OF RESOURCES

"We have a large methadone treatment network that responds to opiate problems," he said. But for cocaine, which is not an opiate, he said, "We are woefully short of resources and we are short throughout the state."

The proliferation of crack has presented a burgeoning problem for the New York City school system as well, according to Levander Lilly, an assistant to the school chancellor.

"A lot of kids are playing hooky and staying out in the crack houses," Mr. Lilly said, referring to apartments where crack is sold and smoked. Girls are turning to prostitution and boys are resorting to robberies and burglaries to get the money to buy crack, he said.

In Community District 16 in Bedford Stuyvesant, crack is being sold openly from dozens of storefronts and apartments, many less than a block from elementary and junior high schools, according to Walter Johnson, the treasurer of the district school board.

He said sellers of the drug stand on street corners and offer business cards advertising $5 and $10 vials. The cards read "Jumbo Crack, nickels and dimes."

NEW HORIZONS FOR AMERICA'S YOUTH

HON. JOHN J. DUNCAN

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Friday, March 21, 1986

Mr. DUNCAN. Mr. Speaker, I wish to highlight the winner of the Voice of Democracy scriptwriting contest from the Second District of Tennessee, Deborah Marie Shahid. The contest was conducted by the Veterans of Foreign Wars of the United States and its Ladies' Auxiliary.

NEW HORIZONS FOR AMERICA'S YOUTH

It all started one night in March of 1983. I was comfortably seated in front of the television set, contentedly feeding myself oreo cookies, when suddenly my father walked into the room. "Family", he says, "we're moving overseas!" I couldn't believe it. We were actually leaving the continent of North America, leaving behind the United States—leaving McDonald's, MTV, and the Boston Celtics. I cried, I screamed, I even ran away, but to not avail. Two months later we were on the plane heading for our new destination.

In time, I came to accept my new home, but I'm ashamed to say, it wasn't for awhile later that I realized I had missed the United States for all the wrong reasons. Oh, sure in the beginning I longed for a Burger King or even K-Mart, but as I grew older, I found there was also the American Flag, freedom of speech, and a democracy. Also, what became most important to me as an inspired American youth, was the wide spectrum of opportunities available to me only in America.

New windows and new scopes can be found in all endeavors of American life. Since we're aided not only by the awesome advances in techology, but also by the democracy of our government, we youth of today are faced with ever-expanding challenges—and unbridled horizons. Horizons available only in America.

For instance, there is the opportunity of education. In the United States today there are thousands of colleges, all willing to cater to aspiring young students. The colleges even offer help for those in financial trouble, through scholarships and literary contests.

There are work study programs, and community involvement programs, all designed to support the rising young scholar. Athletic programs promoted by schools project the "sound mind and body". Contests sponsored by Universities and Corporations encourage healthy competitiveness between young people, a necessary ingredient for the growth of our nation.

And there are still more opportunities for us youth in other varied professions. In the world of science, there is no end to the swirl of questions surrounding our world. A young mind is always welcome. In the world of physiology, the studies made on the brain everyday increase the questions, therefore the horizons. In the world of computers the introduction of technology has made this field perhaps one of the greatest potentials for youth.

Another of the many admirable attributes of the United States is the heavy emphasis placed on human individuality. Only in America can we be what we want to be, say what we feel and do as we say—no restrictions, no limitations. As built into the American tradition, the horizons offered in the United States are available to all of us regardless of race, creed, or color. There are young people in such professions as law, medicine, sports, and even politics.

But there are still many horizons that are yet untouched. That most mysterious frontier ever—space—has still to be fully explored. Perhaps, it is time for my generation to begin our own explorations. I have a suggestion.

To increase the ever-expanding numbers of opportunities available only in America, I hope the United States will add one more to

its list. That is, allow the next civilian in space to be an American youth! In this way, could the United States show how far the American youth are able to go, how much they can achieve. The sky is no limit. I know I'd gladly volunteer myself! It would be a small step for me, but a giant significant step for the young people of America. It seems like a million years since I first boarded the plane that took me overseas. But I can say of my beloved nation, what Robert Emmet once said of his Irish Homeland, "My country is my idol".

I have come to realize that everything I do or have stems from my American roots—my ideas, my rights, my golden opportunities, my choice of horizons. Everything I live for comes only from America. I will give something back.

HONORING DOUG DeYOUNG

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, March 21, 1986

Mr. LANTOS. Mr. Speaker, the beautiful San Francisco Peninsula is a magnet that has drawn interesting and talented people from around our Nation and around the world. Ten years ago, one of those talented individuals who came to San Mateo County and who has contributed to the caliber and diversity of our area is Douglas DeYoung.

A native of Manhattan, KS, Doug has always been on the cutting edge of life. He began is professional career with the Owens-Illinois and was a pioneer in their computer program. Politics and public service, however, have always been among Doug's first loves. He took an early retirement from Owens-Illinois to start his own business as a computer consultant for political parties, communities, and numerous candidates in the bay area. In the process he has become an acknowledged expert and innovator in computerized politics.

Doug's involvement with public life has not been simply a professional consultant, however. He is a caring and committed individual who has worked to improve the quality of life in his community and in our Nation. In Belmont, where Doug has lived for 10 years, he has been a leader of the Central Homeowners' Association, a member of the Belmont Finance Committee, and a member of the Steering Committee of Citizens for Orderly Growth.

Doug is also a man of deeply held personal convictions. He was a founder of the Metropolitan Community Church in San Francisco and later a founder of the Metropolitan Church in Redwood City. Like his father, he is also a Mason. On the State level, Doug was the founder and president of the Society for Individual Rights, and he has been actively involved in operation concern, Concerned Voters of California, the Alice B. Toklas Memorial Democratic Club, and the Human Rights Fund.

But Doug is also human. He is an avid motorcyclist. He has ridden in competitions with a number of clubs, particularly the Recon Motorcycle Club. Often his arrival for a serious political meeting is heralded by the roar of his motorcycle.

Mr. Speaker, Douglas DeYoung is an individual who cares enough about our world to take the time and effort to make a difference for all of us. I salute him for his commitment and dedication.

THE THIRD PILLAR OF SOUND MONEY

HON. WILLIAM E. DANNEMEYER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, March 21, 1986

Mr. DANNEMEYER. Mr. Speaker, the American Economic Foundation was established in 1939 for the purpose of explaining economic theory to the general public in simplified, understandable language. Soon after, it brought out a booklet entitled "How We Live—The Ten Pillars of Economic Wisdom," which became a bestseller, as it was sold and distributed at home and abroad in millions of copies. It is still in print.

The present chairman of the foundation, Mr. Homer W. Giles, commissioned Prof. Antal E. Fekete of the Memorial University of Newfoundland to write a new series with the title "The Ten Pillars of Sound Money and Credit." The first four parts of this series have already been inserted in the CONGRESSIONAL RECORD (Vol. 131, No. 156, p. E 5158; No. 159, p. E 5254; No. 160, p. E 5283; Vol. 132, No. 35, p. E 889.)

The next part of this series follows.

THE THIRD PILLAR OF SOUND MONEY AND CREDIT: THE PRINCIPLE OF REDEEMABILITY

(By Antal E. Fekete)

A CHINESE TALE

Once upon a time a revolution of lasting import took place in China: the invention of paper and the simultaneous invention of paper money. Silk products had long been used as the material on which documents and contracts could be written. The revolutionary character of paper to be seen in the fact that it was a thousand times cheaper than silk, and it could still carry the same message just as efficiently.

The most potent message that paper was capable of carrying was the promise of the Imperial Treasury to pay the bearer a stated sum of silver coins on demand. The Treasurer, Ding, discovered that he could pay the suppliers of goods and services to the Celestial Court with such paper promises. People trusted the Treasury and accepted its promise to pay as equivalent to payment in silver coin. Paper money was thus born virtually the same day on which paper itself was invented.

Soon afterwards the Treasury ran out of free silver, as it found that all the silver coins in its coffers had been mortgaged in the form of outstanding promises. Ding refused to issue more paper money, except in exchange for silver coins paid into the Treasury. In his view, any other course of action would compromise not only the integrity of the promises of the Treasury, but also that of all the contracts in the Celestial Empire, affecting a value far greater than the value of paper money in circulation. Contracts made by third parties in good faith would be rendered impossible of fulfilment and the standard, or measuring rod, of honest dealing among the populace would be destroyed. A decline in prosperity would follow in due course, as the cornerstone of economic well-being is the integrity of promises men live by.

But the Deputy Treasurer, Dong, was an ambitious man and he saw that Ding had painted himself into a corner. Dong threw himself at the feet of the Emperor, pleading thus: "Sire! Let me issue further promises to pay silver coins against the cutlery, candelarba, and other silveware of the Celestial Court! The Emperor promptly fired Ding, and rewarded Dong for his resourcefulness by making him Treasurer.

Dong could not enjoy his newly found glory and power long. Other ambitious men in the Court took careful note of what happened at the Treasury. They got the ear of the Emperor in suggesting that even more paper money could be issued against silver that had not yet been brought out of the imperial mines, as well as against the silver in the Moon. Since the Moon was considered a province of the Celestial Empire, and it was thought to consist of silver 95% pure, a belief confirmed by a recent scientific study released by the Heavenly Research Council, there was a plausible case for expanding the issue of paper money. The Emperor fired Dong, and thereafter a change of the guard at the Treasury became a frequent ritual, each time a more unscrupulous adventurer succeeding a less unscrupulous one. The promises of the Treasury to pay silver coins on demand have lost all their remaining value.

In the aftermath of the depreciation of paper money, a Great Cultural Revolution engulfed the Celestial Empire. People took to the streets, purged the Heavenly Research Council, and hanged all the past Treasurers on makeshift gallows erected along the Square Heavenly Peace, stuffing their mouths with the paper promises that they had signed.

NOT WORTH A CONTINENTAL

The United States, in its infancy, attempted the same process by the issuance of Continental currency. Their currency collapsed in the same way as its ancestor in China. One of the greatest orators of all times, Daniel Webster, denounced irredeemable paper money on the floor of the Congress in 1832 in these words: "Of all the contrivances for cheating the laboring classes of mankind, none have been more effectual than that which deludes them with paper money. Ordinary tyranny, oppression, excessive taxation . . . these bear lightly on the happiness of the mass of the community compared with fraudulent currencies and the robberies committed by depreciated paper." Today we reject the dictum of Daniel Webster, and indulge in the same national sin which promises to exact, some day, severe penalties for our belief that we can challenge with impunity such fundamental truths as those involved in the maintenance of standards of common honesty in the fulfilment of our promises.

THE BALLOT BOX IS NOT ENOUGH

The principle of redeemability of the currency asserts that, if a citizen believes that there is too much money in circulation, he must have the right to do something about it. He should be allowed to hoard, melt, or export the gold coins in his possession, thereby redeeming the commodity value of the monetary standard. It also asserts that the citizen should be allowed to withdraw the gold reserves which form the basis of the monetary system, to the extent of his holdings of paper money or bank deposits. When a currency is redeemable in standard

gold coins, any individual disturbed by the behavior of the government or banks can attempt to protect himself by presenting for redemption such paper currency as he may command. It is this power of individuals that holds, or tends to hold, banks and government in check. Without this power the people, as individuals, are helpless insofar as control over their banks and government is concerned. The power of the ballot box provides no protection, after the government has freed itself from the obligation to redeem its promissory notes, and acquired power to expand the volume of paper money without fear of adverse public reaction. The people have lost control of the public purse. The way to government dictatorship has been opened up. Human freedom has been endangered. The variety of ways in which freedom could be impaired or destroyed is practically countless as the government takes more and more power from the people and to itself. Limited government is not possible unless the principle of redeemability of the currency is respected.

A NURSERY OF TYRANNY, CORRUPTION AND DELUSION

In his classic monograph "Fiat Money Inflation in France," the distinguished scholar Andrew D. White, joint founder and first president of Cornell University, quoted Mirabeau of France as saying in 1789 that irredeemable currency is "a nursery of tyranny, corruption and delusion; a veritable debauch of authority in delirium." His contemporaries ignored the admonition, issued the assignats and the mandats—and history has attested the accuracy of Mirabeau's prophecy.

The manner in which the corruption involved in the use of irredeemable currency has permeated the political, economic and social fabric of the nation has received little attention and apparently is poorly understood. The act of inflicting an irredeemable currency on a people is an act of dishonesty by the government, and the influence of that dishonesty spreads through an endless number of channels and in an endless number of forms to the mass of people who are then corrupted in countless ways. To use White's words: such corruption grows "as naturally as fungus on a muck heap. It was first felt in business operations, but soon began to be seen in the legislative body and in journalism." As to the corruption among legislators, he stated that "there was enough to cause widespread distrust, cynicism and want of faith in any patriotism or any virtue. Worse still was the breakdown of morals of the country at large, resulting from the sudden building up of ostentatious wealth and from the gambling, speculative spirit, spreading from large towns to small, and to rural districts. The disgraceful result was the decay of national good faith." White stated that "there came cheatery in the nation at large and corruption among officials and persons holding public trusts. . . . Faith in moral considerations, or even in good impulses, yielded to general distrust. National honor was thought a fiction cherished by hypocrites. Patriotism was eaten out by cynicism."

"It ended in the complete financial, moral and political prostration of France—a prostration from which only a Napoleon could raise it."

White concluded, in his "Fiat Money Inflation in France," that "every other attempt of the same kind in human history, under whatever circumstances, has reached similar results in kind if not in degree."

No doubt the authors of the assignat and mandat thought that they were acting on firmer scientific basis than the Treasurers of the Celestial Empire. Yet, from the perspective of the 20th century observer, the only breakthrough was the replacement of the gallows by the more efficient guillotine.

THE TRUE STORY OF SOVIET JEW YULI EDELSTEIN

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Friday, March 21, 1986

Mr. LEHMAN of Florida. Mr. Speaker, I was recently visited by members of the Student Coalition for Soviet Jewry from the 17th Congressional District of Florida. Roni Leff, Alan Friedman, Michael Farbrowitz, Wayne Firestone, Louis Eisen, and Sharon Weiss of North Miami Beach are part of an important lobbying effort founded in response and protest to the arrest of Anatoly Shcharansky on March 15, 1977. Since that time, students in colleges across the United States have come to Washington to meet with their representatives and other officials to focus attention on the plight of refuseniks.

Even though Anatoly Shcharansky has been freed from the Soviet Union, many more longtime refuseniks such as Vladimir Slepak continue to languish in internal exile, labor camps, and prisons. Another prisoner of conscience that the Soviets have punished is Juli Edelstein, a Soviet Jew whose insistence on religious observance landed him in prison on trumped-up charges. Wayne Firestone, one of the members of the group visiting me recently, has written and produced an extraordinary production about Yuli Edelstein. The Play, "Trial and Error," performed in Miami on February 11, is in its second year of production after its premiere in Tel Aviv last year.

I would like to share with my colleagues a Miami News article about student and playwright Wayne Firestone that appeared in the Lifestyle section on February 10, 1986.

The article follows:

TRIAL INSPIRES STUDENT PLAYWRIGHT

(By Jeff Benkoe)

It was the oppression, the particular nastiness of it, that struck Wayne Firestone, a senior at the University of Miami. All that Yuli Edelstein, a Soviet Jew, had wanted was to live his religious convictions: To wear a yarmulke, to be able to teach other Jews, to have his wife, Tatiana, light candles on the Sabbath. The government would have none of it. They were especially interested in Edelstein because he had taught in an underground Hebrew school.

According to American activists and officials familiar with the case, Soviet authorities planted opium and marijuana in his apartment, arrested him, tried him in December 1984, then sentenced him to three years in prison. There was nothing extraordinary about Yuli Edelstein, says Firestone, a 21-year-old Miamian, who has an intense manner and dark eyes.

Other Soviet refuseniks have received similar treatment. "We're not looking at the treatment of two and a half million Jews in the Soviet Union, or the fact that 300,000 refuseniks have applied to emigrate to Israel," says Firestone. "I was curious about how it affects one person. It could be anyone. It's so arbitrary. If anything, his story is the story of many people."

Firestone has written a short one-act play based on a transcript of Edelstein's trial. In the play, Firestone focuses on the railroading of the defendant, and the shoddy work of the judge, prosecutor and detective.

One performance will be given at the Beaumont Cinema on the UM campus tomorrow, 7:30 p.m., $10 admission. A second performance is scheduled for Feb. 23 at Temple Sinai, 18801 NE 22nd Ave., and another will be presented Feb. 25 at the Jewish Community Center in Ft. Lauderdale.

Firestone, the recipient of a Harry S. Truman Scholarship, a prestigious $20,000 grant for university students, is producing his own work. Most of the $4,000 for the two Dade performances was raised through local law firms.

Firestone was studying at Tel Aviv University in Israel last year, interning at the Soviet Jewry Information and Education Center in Jerusalem. The center had received a copy of a transcript of the four-hour trial, mailed from the United States. An American tourist, whose identity remains known only to a handful of people, had sat in the courtroom and secretly scribbled the trial proceedings in shorthand.

Edelstein's appeal was only weeks away, so Firestone locked himself away for 24 hours, and distilled the 20-page transcript in a one-act documentary play. It was staged last year in Tel Aviv, Boston and Washington.

Firestone has been an activist on behalf of Soviet Jews since high school and has spoken before groups. "There are only so many lectures that people are willing to listen to," he explained. "You can only bang on the table so long and say there's a crisis. People get tired of it. I guess what gripped me was finding a new medium of expression. Theater worked."

Firestone may have been shown some positive proof of that. About 2½ months ago, after a performance in Boston, the mother of a cast member visited the Soviet Union and met with Tatiana Edelstein and told her of the play. Shortly after that, she visited him in prison for the first time. The beatings stopped. "Things have calmed down," said Firestone. "He's been allowed to get mail in jail. (The production of the play) might have helped a little bit."

At the end of performances, Firestone and the cast hand out aerogrammes, urging the audience to write their support to Edelstein.

Firestone retells a terrifying story—told by someone who had just gotten out of Russia, a refusenik—as evidence that those letters can mean the difference between life and death:

"A Soviet Jew was in prison. Every day a Soviet guard taunted him by showing him letters. He would never let him read them. The guard said to him: 'When these stop coming, you're dead.' The moral of the story is the story."

FIGHTING AGRICULTURE'S PLIGHT

HON. VIRGINIA SMITH

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Friday, March 21, 1986

Mrs. SMITH of Nebraska. Mr. Speaker, we have by now become accustomed to little besides tales of woe regarding the persistently desperate plight of agriculture. Yet, hope springs eternally.

Recently, an article with this theme appeared in the North Platte Telegraph on January 2, 1986, by Marianne Beel.

This is such a significant column that I urge my colleagues to read this timely and informative article.

The article follows:

GOOD RIDDANCE, '85: STRENGTH WILL BRING A BRIGHTER END TO '86

(By Marianne Beel)

Time and again we've heard the phrase, "When the going gets tough, the tough get going," and we have seen examples of that in agriculture.

Very few extremely stressful situations in our area during 1985 made the news, but that doesn't mean they didn't exist.

We know of too many younger operators who experienced the misfortune of seeing their bank close. The lack of a new credit put them out of business.

We know of cattlemen who were forced to sell their herd because a drought cut their feed supply into half. When the brutal, early winter depleted that hay supply by December, some could not get financed in time to buy feed for their animals.

We've seen bred cows sell at auction for $375 that were purchased for $650 only two short years ago. It simply is not fair.

Animals cannot be put back on the shelf to wait for an adequate feed supply or a better market. When the owner reaches a point of no return, he is forced to sell. Then he feels guilty and takes it as a personal inadequacy that he couldn't continue to provide for his animals.

We know of a few instances when such men suffered indignities at the hands of callous officials who were in command. Thank goodness those instances were rather rare.

The reason we've mentioned the above is to explain the basis of a deep pride we feel for the people in our area who have come under dreadful stress. They've confronted their problem with quiet dignity, not violence or destructive protest. Some have drawn upon a strength they didn't know they had to maintain that dignity.

That doesn't say that they weren't torn apart inside from the frustration of helplessness. That doesn't say that unshed tears didn't choke away any attempt at speech. That doesn't mean that dispair wasn't voiced within the privacy of their homes.

This does not present the situation of all who are in agriculture. This is just to say that so far, there has been a tremendous strength shown by a lot of people during stressful situations. We are extremely proud of those people.

Our few New Year's resolutions are very simple, but we'd like to share: Make a concerted effort to find the positive side of every situation; greet all whom we meet with a smile and a hello; deal logically with the real problems, and try not to manufacture imaginary ones; walk barefoot through the green grass of spring and pick more daisies; let the soothing music of singing streams calm our nerves; and amid confusion to seek calmness in the everlasting hills.

Most of all we intend to voice the pride we feel . . . pride in the strength of our people who chose agriculture as their lifetime business. It is that strength that will persevere and bring a brighter ending to 1986.

A TRIBUTE TO JUDGE PERRY B. JACKSON

HON. EDWARD F. FEIGHAN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, March 21, 1986

Mr. FEIGHAN. Mr. Speaker, it is with a great deal of sadness that I inform my colleagues in the House of the death last night of Judge Perry B. Jackson, a man whose quality of character and devotion to service have enriched the lives of all he knew and will long be remembered in the Greater Cleveland area.

Judge Jackson, for over four decades, epitomized the highest standards of commitment to judicial excellence and community involvement. From 1928, when he was first elected to the Ohio State Legislature, to his death last night at the age of 90, Judge Jackson embodied a sense of responsibility and service to his community, State, and country that will be difficult to surpass.

In 1942, he became the first black ever to be appointed to the Cleveland Municipal Court. He was elected three times to the municipal court, and later became the first black to serve on the court of common pleas. Judge Jackson retired from the bench in 1973, but even in retirement he continued to work long hours and sustained his devotion to the court. Until January of this year, he continued to serve on the court as a visiting judge and as an arbiter.

Yet, surpassing his accomplishments as a jurist, Judge Jackson will long be remembered for his intense involvement in community affairs and service organizations. The range of his involvements can only be described as stunning—encompassing organizations from the Boy Scouts to the Republican Party. From 1936 onward, he was an active member of the Elks. For 14 years, he served as exalted ruler and president of the Ohio State Association. He was elected general treasurer of the Grand Lodge of the Elks until 1983, when he was named grand trustee emeritus.

During the 1930's, Judge Jackson helped the legendary Father Flannagan in the development of Boy's Town. He was active in the Masons and in the A.M.E. Church. He served on the board of the Red Cross, and was active in the Urban League, the NAACP, Big Brothers, Goodwill Industries, and a host of other community and national organizations.

Judge Jackson's wife of 50 years, Fern Josephine Jackson, died in 1983. Her strength and support were as known and respected as her husband's. Together, the Jacksons made a remarkable contribution to countless men and women of every race, creed, and class. Surviving the judge are three of his sisters, Thelma Estell, Doris Grant, and Mildred Nelson.

Mr. Speaker, I know that all the House will join me in extending our condolences to them in this time of loss. Their brother's life and accomplishments stand as a guiding beacon of light for countless of others who looked to him for leadership and guidance. His achievements and his standards have enriched our lives, and his passing is a time of sadness and regret for the Greater Cleveland area, the State of Ohio, and the Nation.

TRIBUTE TO CHARLIE BURKHARDT

HON. SILVIO O. CONTE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Friday, March 21, 1986

Mr. CONTE. Mr. Speaker, I rise today to pay tribute to Charlie Burkhardt, the president of the New England Fuel Institute, who is retiring next month after 25 years of service to New England and to America.

Mr. Speaker, NEFI is considered by many to be one of the most effective of all oil trade associations and one of the most effective groups in any industry in representing the interests of its members. Composed of heating oil dealers from all over New England, NEFI really represents the interests of the millions of oil consumers in homes and businesses across the region. Yet these ultimate consumers are often unaware of the need for Federal involvement or restraint. Without NEFI's vigorous and astute political action, many bad decisions affecting oil consumers might be made and millions of America's consumers would suffer.

As president of NEFI, Charlie has overseen tremendous challenges and changes to the oil industry over the past 25 years. From the gasoline and oil shortages in the 1970's to renewed calls for oil import fees, Charlie has represented NEFI ably and well. I will personally miss him, and I think I speak for the entire New England delegation to Congress when I say that our offices will all miss him as a source of information and as an able defender of his industry's interests.

Charlie became associated with the fuel industry back in 1983 as a dispatcher with an oil company in New York and has been involved in the oil industry for 40 years. Throughout that time, Charlie has taught at the college and vocational level in courses on the petroleum industry, including issues such as mechanical technology and engineering, petroleum marketing and distribution. A prolific author in this field, Charlie has had six books published, several of which are standard texts in school courses. He is also known in the United States and abroad as a lecturer, and has had over 300 articles published.

In 1962, he became the executive vice president of NEFI, which has grown to over 1,000 heating oil distribution companies. Because of his work in the industry, he worked closely with the Government in the 1970's to study energy problems. He was a member of the U.S. Department of Energy's Fuel Oil Marketing Advisory Committee. He was a delegate to the 1980 White House Conference on Small Business and was also the chairman of

the Small Business Administration's fuel oil dealer economic viability task force. That task force developed longrange plans for the SBA that would assist cash flow needs of small oil dealers. He has been commended for his efforts by both Presidents Carter and Reagan.

On a civil level, Charlie is actively involved on the Board of Directors of the Massachusetts Multiple Sclerosis Society. He has also received numerous public service awards, including the Distinguished Service Award from the New England Fuel Institute. Last year, I was honored to receive this award myself. Charlie and other members of the NEFI family were with me the night I received it.

Over the years, Charlie has been of invaluable assistance to me. When I first came to Congress and was assigned to the Small Business Committee, one of my major legislative initiatives was energy. There were many times that Charlie's efforts, hard work, phone calls and visits helped me sort out these complex legislative issues. For example, in the 1960's and 1970's, I fought against the mandatory oil import program. Because of Charlie's and my efforts—and those of my colleagues from New England—we were successful in gaining an exemption from the quota system for fuel oil in the Northeast.

Another issue on which I have always looked for Charlie's help and advice is oil import fees—a misguided proposal that has surfaced time and again since I came to Congress in 1985. I have taken the lead in the House of Representatives in opposing this proposal, and will continue to do so. In fact, my maiden speech on the floor of the House was in opposition to oil import fees. Since then, as the issue has surfaced time and again, Charlie has assisted me in providing data on the deleterious impact of oil import fees. I've valued his advice and counsel.

Charlie was also of great help last year in working to achieve passage of legislation I introduced to designate 1985 as "Oil Heat Centennial Year." Last year marked the 100th anniversary of the oil heat industry, and I thought it was important to recognize the contributions that the industry has made to American society. With Charlie's help, we got that resolution passed and signed into law.

Mr. Speaker, Charlie will be missed as he leaves his long and distinguished career. I'm sure that I will still want to seek his advice and counsel in the months and years ahead. I salute him as a great friend, a great administrator, and a great American.

DRUG TESTS FOR ALL?

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Friday, March 21, 1986

Mrs. SCHROEDER. Mr. Speaker, the proposal by the President's Commission on Organized Crime that all Federal agencies test their employees for drug use is ridiculed and discredited at every turn. The Washington Post agrees with the Wall Street Journal, the Washington Times, the New York Times, and the Philadelphia Inquirer in calling for this crazy proposal to be junked.

The full text of the Post editorial follows:

[From the Washington Post, Mar. 14, 1986]

DRUG TESTS FOR ALL?

We have been waiting to see the clarification of the crazy proposal set forth by The President's Commission on Organized Crime concerning illegal drug use. But the back and forth conversation, the hedging and reconfirming and so forth that have gone on have pretty much left the proposal in question in place. The commission urged that all federal employees and all employees of federal contractors should be tested for drug use. It also urged private employers and state and local governments to adopt similar policies. Can the commission be serious? Does it really want to go this far?

Drug testing—with prior notification—in certain categories of high-risk jobs is acceptable. And even in cases where the public safety and national security are not immediately at risk, employers have a right to expect employees to perform their work with diligence and efficiency. So there should be no serious objection to an employer's focusing on a worker whose job performance or behavior indicates that he may be a drug user, just as an employer would question someone who is chronically late or drunk by 3 in the afternoon. Many private companies require suspected drug users to submit to tests and offer counseling and rehabilitation services to those who want to reform. Good programs also take into account the possibility of lab error and offer retests when initial results are challenged.

But all this is a far cry from blanket mandatory tests of millions or even tens of millions of workers. The crime commission's wide net would encompass the 67-year-old postmistress in a rural town, the secretary of state and the tailor who has just won a superior service award for sewing patches on army uniforms. Does this make sense? No less important, will the millions of workers affected stand still for it?

Drug use is a serious problem in the work place. Employers, including the government, are under no obligation to hire or keep users on the payroll. But the widespread mandatory testing recommended by the commission violates dignity, legal rights and common sense. It is a terrible, intrusive idea and should be junked.

H.R. 4455, THE EMERGENCY LIVESTOCK FEED ASSISTANCE ACT OF 1986

HON. THOMAS A. DASCHLE

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Friday, March 21, 1986

Mr. DASCHLE. Mr. Speaker, I have joined with my colleagues RICHARD STALLINGS of Idaho, BYRON DORGAN of North Dakota, and PAT WILLIAMS of Montana to introduce H.R. 4455, the Emergency Livestock Feed Assistance Act of 1986.

It is a testimonial to the operation of the current disaster assistance programs that introduction of legislation is even necessary. Each of my colleagues represents regions of the country where natural disasters have affected family farming and ranching operations. Like the livestock producers in South Dakota, each of these Members have constituents who have felt the effects of the manner in which the administration manages current disaster assistance programs.

On January 21, 1986, I wrote then-Secretary Block to relay to him my observations having traveled across South Dakota. I stressed the urgency of the situation and impressed upon him the importance of cutting through the USDA redtape and immediately establish a disaster task force to make certain assistance was provided in a timely and effective manner.

Almost 2 months later, I have received their response. The answer was "no." They rejected the wide range of programs that could be activated by administrative authority. "We have done enough" was the answer provided to South Dakota's ranchers.

That will come as a surprise to the thousands of ranchers who have been struggling daily with ASCS disaster assistance regulations. First there was no feed. Then they were told that there might be wheat available for cattle feed. Finally they were advised that different programs were operating in different regions.

Ranchers and farmers deserve better treatment. They deserve a complete and timely response to their requests. They need to be advised of the range of programs available to the administration, and which programs will be used to mitigate the impact of disasters. That is exactly what H.R. 4455 will force USDA to do.

This legislation will make a USDA response mandatory, by spelling out a strict timetable within which the Secretary of Agriculture must respond to disaster assistance requests. For the first time. H.R. 4455 will force the Secretary of Agriculture to tell ranchers not only what disaster assistance he intends to provide, but also what programs he has at his disposal that he intends not to use.

This legislation eliminates the argument that "we don't have the authority to activate that Emergency Assistance Program." This is an argument often used as an excuse for not activating the range of disaster assistance programs. In fact, this USDA response uses this excuse for not using the Feed Grain Donation Program. "Because the President hasn't declared South Dakota counties as 'disaster counties' we cannot use that program.' " H.R. 4455 will eliminate this excuse by centralizing all the tools necessary to provide comprehensive disaster assistance under the USDA's roof. If H.R. 4455 were adopted, no longer would USDA be able to hide behind another agency of the Federal Government as the reason why total disaster assistance is not made available.

Mr. Speaker, farmers and ranchers know that this legislation will not be adopted in time to help offset current disaster losses. For many, the damage has already been done and is not repairable. However, they know that something must be done for future disasters, and that the Secretary of Agriculture must be held accountable for management of disaster programs. This legislation will do just that.

The USDA letter, and a summary of this bill follows:

SUMMARY OF THE EMERGENCY LIVESTOCK FEED ASSISTANCE ACT OF 1986

Section Two:

The Secretary of Agriculture must establish emergency feed and transportation assistance programs for the preservation and maintenance of livestock in any state where a natural disaster is the direct cause of an emergency.

Section Three:

The Governor of the affected state shall make the request to the Secretary of Agriculture.

Each request shall state: the nature of the disaster; the extent of the assistance required; a justification for the request; and information on the involvement of state and local governments in alleviating the emergency.

The Governor shall make this request after consulting with the state emergency board, comprised of representatives from ASCS, FmHA, SCS and the Governor.

Mandatory Department of Agriculture Response:

Within 14 calendar days after receiving the Governor's request, the Secretary must either: deny the request for assistance because an emergency does not exist; or notify the Governor that the request is under consideration and identify the programs being considered.

Within 25 calendar days after receiving the Governor's request, the Secretary must: agree that an emergency does exist; identify emergency assistance programs that will be activated; and provide justification on why other authorized programs are not appropriate and will not be activated.

ELIGIBILITY FOR ASSISTANCE

Eligible farmer or rancher has suffered at least a 30 percent feed loss, and does not have sufficient feed for the rancher or farmer's livestock.

Farmer or rancher is not able to obtain through normal means without undue financial hardship livestock feed.

ASSISTANCE PROGRAMS

The Secretary of Agriculture shall operate emergency feed programs, hay and cattle transportation assistance programs, and emergency feed donation programs through financing provided by the Commodity Credit Corporation.

Currently, these programs are activated through different levels of disaster declarations, and in coordination with other federal agencies, including Presidential declarations, FEMA, and the Department of the Interior.

DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SECRETARY,
Washington, DC., March 14, 1986.

Hon. TOM DASCHLE,
House of Representatives,
Washington, DC.

DEAR CONGRESSMAN DASCHLE: Thank you for your recent letter requesting additional measures to provide disaster assistance to South Dakota ranchers and farmers.

The Herd Preservation Feed Grain Donation Program can be authorized only in counties declared to be a major disaster area by the President under the Disaster Relief Act of 1974. No South Dakota counties are currently designated as such a disaster area.

You have suggested that a disaster task force be established in Washington, D.C., within the Department of Agriculture (USDA), to make certain disaster assistance requests are acted upon promptly. We do not agree there is need for such a task force. It is a practice of USDA to give high priority to Governors' requests for disaster assistance. However, there are occasions when inadequate or inconclusive information is submitted by local and State officials or it is too early in the production year to accurately assess the actual loss. Under these types of situations a decision must be deferred until an accurate assessment of the losses can be made. Often that cannot be accomplished until all or most of the crops have been harvested. We assure you that once the necessary information for evaluating and making a decision on a Governor's request is available, our decision is made promptly and the Governor and appropriate Congressional members are notified immediately thereafter.

We realize that a combination of low prices and unfavorable weather conditions is putting stress on agricultural producers in many areas of the nation, and that livestock producers have been particularly plagued by cold temperatures and heavy snowfalls. In response to these problems, a number of emergency authorities have been implemented to help livestock producers through this difficult period, including a recent expansion of the Emergency Feed Assistance Program (EFAP). Enclosed is a copy of the press release announcing these expanded EFAP provisions.

While your concern is appreciated in this matter, we have concluded we cannot justify implementing additional programs at this time.

Sincerely,

RICHARD W. GOLDBERG,
Acting Under Secretary for International Affairs and Commodity Programs.

A CALL FOR FREE ELECTIONS IN CHILE

HON. DOUG BEREUTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Friday, March 21, 1986

Mr. BEREUTER. Mr. Speaker, the regime of Chilean strong man Gen. Augosto Pinochet is in its 13th year. Despite a ban on political activity, members of the democratic opposition in that country are now working together to formulate policies which will guide their future activities. In the meantime, the United States appears to be evaluating the nature of its relations with the Chilean Government. We recently have condemned human rights abuses in Chile and are poised to change our policy of routinely voting for Multilateral Development Bank loans to Chile. My colleague from New York [Mr. LUNDINE] the chairman of the Subcommittee on International Development Institutions and this member, as the ranking member of that subcommittee, have urged approval of this course of action by the State Department, supporting a favorable view of it by the Treasury Department.

Our ultimate goal for Chile is the restoration of democracy. This means free elections in 1989, when the next elections are scheduled, or sooner. In this regard, Mr. Speaker, I would like to call to the attention of my colleagues a Wall Street Journal editorial of March 17, 1986, which reminds Mr. Pinochet of the risks of trying to cling too long to power and urges free elections in 1989.

The article follows:

PINOCHET'S PROBLEM

For Chile's aging autocrat, Augusto Pinochet, the news from abroad may be looking more and more like the writing on the wall. In February, the U.S. helped relieve Ferdinand Marcos and Jean-Claude Duvalier of their power. Then, last week, the Reagan administration took the unusual step of condemning Chile's military regime before the United Nations Commission on Human Rights. Jeane Kirkpatrick's distinction between friendly authoritarians and unfriendly totalitarians is under sniper fire from hidden positions at State.

But the aim of Mrs. Kirkpatrick's distinction was never to inflict dictatorship on allied countries just for old time's sake. The crucial issue has been—and still is—how to avoid a move from authoritarianism, which is bad, to communism, which is worse—and usually permanent. This is a concern that President Pinochet should understand quite well. When he took power in a 1973 coup d'etat, Chile's democracy was being throttled by Salvador Allende, who set out on the strength of a scant 36.2% plurality to remake the basic institutions of the society by deliberately wrecking the economy. The Pinochet coup saved Chile from a far darker fate than it suffers today.

But that's history, and if Mr. Pinochet continues to cling to power until he dies or is forced out, Chile could face the kind of turmoil that would offer the far left another chance. As the recent bombings in Santiago and some other cities attest, the country has a number of radical factions that endorse violent revolution. It also has a relatively large, well-organized Communist party that takes orders directly from Moscow.

Fortunately, there is still time to develop a solid, moderate alternative, though this will require more cooperation from Mr. Pinochet than he has provided so far. Chileans have long experience with democracy; they made it work for many decades before Allende. Today, despite a ban on political activity, the numerous factions of the democratic opposition are struggling to set aside their differences and offer a concrete alternative to Mr. Pinochet. Last August, 11 of these factions compromised on a loose set of policy guidelines. But lacking any real power, these groups haven't had to display much responsibility in their prescriptions. The main point of agreement—removal of Mr. Pinochet—will go when he does.

Right now, Chile is fairly calm. The economy is growing again, and protests have died down. But the recent exercise of popular will in the Philippines is a reminder that a long fuse is burning. Although Mr. Pinochet has not set up a vast, corrupt political machine along the lines of Ferdinand Marcos, there are some incipient similarities. The last few years have seen increased grumbling about economic privileges enjoyed by his family and clout wielded by his intimates on the far right. And Pinochet's dictatorship looms all the larger because democracy—however fragile—has returned to neighboring Peru, Bolivia and Argentina.

In 1989, Chileans are scheduled to hold a loaded "election" of their own, a constitutionally mandated plebiscite in which the sole candidate, barring a change, of course, will likely be Mr. Pinochet. If he "wins" an eight-year term without giving the opposition a fair chance to organize and campaign against him, it will not sit well.

The best chance for Chile would be a fair election in 1989, or earlier. To achieve this,

Mr. Pinochet would have to lift the ban on political parties very soon. Most useful of all would be an exercise in electoral politics, such as local elections.

Of course, such an opening would carry its risks. But, as the recent fate of Mr. Marcos suggests, an authoritarian who tries to hold on too long faces even larger risks. Mr. Pinochet came to power with the laudable aim of saving his country from totalitarianism. He should remember that this aim now will be best served by preparing for a return of democracy.

INTRODUCTION OF NICARAGUAN CONTRA LEGISLATION

HON. EDWARD J. MARKEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Friday, March 21, 1986

Mr. MARKEY. Mr. Speaker, for 5 years this administration has supported a band of rebels, led by former Somocista National Guardsmen, in their fight to overthrow the Sandinista government of Nicaragua. At the same time, the administration has found it politically expedient to claim that they desire a negotiated settlement with the Sandinista government.

Yesterday the House of Representatives told the President that he can't have it both ways. As much as he tried to cloak his military policy with a diplomatic rationale—"forcing the Sandinistas to the bargaining table"—the American people, and their elected Representatives, wouldn't buy it.

Our Government cannot pursue a full-fledged Contra war, on the one hand, and serious negotiations, on the other. They are mutually incompatible.

Faced with such a choice, my colleagues rejected a policy of military escalation. I was proud to be a part of that majority, and my hat goes off to the Democratic leadership.

But yesterday's vote will be a hollow victory if we cannot put forward a positive long-term policy for Central America.

The danger is that in the aftermath of yesterday's vote, we will spend the next several weeks arguing about what is the best blueprint for war. We should be debating a blueprint for peace.

I believe that the vast majority of my colleagues, on both sides of the aisle, would support a solution that protects our legitimate security interests, while pursuing a negotiated peace in Central America. There is a consensus among our Latin American allies that ending the Contra war is the essential first step toward such a solution.

Therefore I am introducing a bill today which would set the stage for successful Contadora negotiations by legislating an end to U.S. support for the Contra war.

On March 31 funding for the Contras through the so-called "Nicaraguan Humanitarian Assistance Office" will run dry. Under my bill, this office would not be reauthorized, and most certainly, no Pentagon or CIA support would be given to the Contras.

But it is not enough to turn off the faucet; we must take care of the swamp we've created. If the Contras were to be completely cut off from all aid, we would be leaving approximately 15,000 armed, angry, and violent men high and dry in the hills of Honduras. Without large amounts of American support, they would be utterly incapable of fighting their way back into Nicaragua. They would quickly run out of food and medicine. They would have no jobs. They would have no income.

But they would have their guns. And they would have their bullets. And they would have their Honduran neighbors to prey on. And they would create enormous problems for the innocent peasants who live in southern Honduras.

If such a scenario sounds implausible to you, please read the brandnew report of the Washington Office on Latin America, entitled, "The Contra Human Rights Abuses Against Honduran Civilians."

That the Contras use systematic terror as their prime means of warfare against Nicaraguans in Nicaragua is a well-known fact, documented by many international human rights groups. But the Contras' repeated atrocities toward the people of Honduras, one of our closest Latin allies, is particularly revealing.

The Contras have forced at least 2,000 Honduran men, women, and children to leave their villages near the Nicaraguan border.

Only 6 weeks ago, Ricardo Aviles, a married farmer and the father of a 1-year-old son, was kidnaped by the Contras. His body was found 5 days later with his hands and feet bound, his face beaten, and knifewounds in his face, neck, and back. The man who discovered his body was subsequently kidnaped by the Contras just last Wednesday, March 12.

According to two Catholic priests—one Honduran and one Canadian—Contra abuses in Honduras have included killings, rapes, mutilations, theft, and destruction of property.

Last October, even the landowners and coffee growers publicly complained and petitioned the Honduran National Congress to help redress the devastating effect of the Contra presence.

And the Honduran military is becoming increasingly concerned, too. Armed forces spokesman Napoleon Santos says the army is "aware of the problem, and a little fearful of it." He says that in the long term, the Contras cannot "stay here armed. They would have to accept being disarmed, or they would be acting against our security."

For these reasons, I cannot agree with those who would simply cut and run. To abandon the Contras at this point is to abandon our friends in Honduras and Costa Rica. Therefore, the second section of my bill calls upon the United States to take the responsibility to disband, disarm, and disperse the Contra forces.

Most of the Contras would not be where they are today were it not for U.S. policies. Our tax dollars and our CIA were essential in building the Contra army. We have been stringing them along, telling them that some day they would triumph. They have suffered enough from our Government's deceit, and now we must take a responsible stand. If we've created a Frankenstein, I think we're obligated to protect our friends from its destructive power.

My bill would transfer $10 million from the bloated Pentagon budget, for the safe and orderly relocation and resettlement of the Contras. Until they're relocated, a sufficient amount of truly humanitarian assistance will be provided through the Red Cross and the United Nations.

The bill which I am introducing today is not, in and of itself, a comprehensive Central America policy. But I think it is an essential—perhaps the essential—component of any decent, thoughtful, and humane policy for our neighbors to the south.

H.R. 4483

A bill concerning United States policy toward Nicaragua

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. PROHIBITION RELATING TO MILITARY OR PARAMILITARY OPERATIONS IN NICARAGUA.

(a) PROHIBITION.—No funds may be obligated or expended by any agency of the United States Government for the purpose of or which would have the effect of supporting, directly or indirectly, overtly or covertly, military or paramilitary operations in Nicaragua or against the Government of Nicaragua by any nation, group, organization, or individual.

(b) RELATION TO OTHER PROVISIONS.—Subsection (a) supersedes section 105(a) of the Intelligence Authorization Act for Fiscal Year 1986 (relating to restrictions on support for military or paramilitary operations in Nicaragua), but does not apply with respect to the $27,000,000 appropriated under the heading "HUMANITARIAN ASSISTANCE FOR NICARAGUAN DEMOCRATIC RESISTANCE" by the Supplemental Appropriations Act, 1985, or to the funds made available for assistance in accordance with section 2 of this Act.

SEC. 2. RELOCATION ASSISTANCE FOR NICARAGUANS IN HONDURAS AND COSTA RICA.

(a) RELOCATION ASSISTANCE.—The funds transferred pursuant to subsection (c) shall be used to assist in the safe and orderly relocation and resettlement of Nicaraguans who are currently in Honduras or Costa Rica (regardless of whether they have been associated with groups opposing the Government of Nicaragua by armed force). Although resettlement should be expedited, those funds may also be used to provide food, medicine, and similar humanitarian assistance for those Nicaraguans until they are resettled.

(b) LIMITATIONS.—Assistance pursuant to subsection (a) may be provided only through the International Committee of the Red Cross or the United Nations High Commissioner for Refugees, and only upon its determination that such assistance is necessary for the relocation and resettlement of those Nicaraguans or to meet their humanitarian needs. To the maximum extent feasible, assistance to meet humanitarian needs should be provided to those organizations in kind rather than in cash. Assistance may not be provided under this section with the intent of provisioning combat forces.

(c) TRANSFER OF FUNDS.—In order to carry out this section, the President may transfer up to $10,000,000 of the funds appropriated by the Department of Defense Appropriations Act, 1986 (as contained in Public Law 99-190), to the "Migration and Refugee Assistance" account of the Department of State.

(d) WAIVER OF CERTAIN AUTHORIZATION REQUIREMENTS.—Funds transferred to the "Migration and Refugee Assistance" account pursuant to subsection (c) may be obligated

and expended notwithstanding section 10 of Public Law 91-672 or section 15 of the State Department Basic Authorities Act of 1956 (prohibiting the use of funds in excess of the amounts authorized to be appropriated for foreign assistance or for the Department of State, respectively).

JOSE H. CARREON DEDICATED HISPANIC LEADER

HON. EDWARD F. FEIGHAN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, March 21, 1986

Mr. FEIGHAN. Mr. Speaker, on March 12, 1986, the Greater Cleveland area lost one of its most respected and appreciated Hispanic leaders, Jose H. Carreon. Mr. Carreon's untimely death of a heart attack, leaves the city of Cleveland and the Hispanic community with a profound loss that cannot be calculated.

Jose H. Carreon was born in Edcouch, TX, near the Mexican border. He moved to Cleveland in the late fifties to accept a job with the Pennsylvania Railroad. Upon his arrival, Mr. Carreon immediately became involved with the Hispanic community, bring his patience and understanding to a variety of projects. It is said that "Joe" Carreon was liked by everyone, and it is hard to doubt it. One could only watch in appreciation and gratitude for the energy and enthusiasm that Joe brought to the various causes for social justice, ethnic pride and political progress for which he cared so deeply.

Along with his wife Zulema (Sue), his greatest love was their work for the Azteca Club, the oldest Mexican club in Ohio. The club, a social and civic organization, became their voluntary, part-time devotion. And for their service, Mr. and Mrs. Carreon were honored with a Certificate of Achievement in 1984, from the mayor of Cleveland, George Voinovich.

Mr. Carreon served on Governor Celeste's task force coalition of Hispanic leaders and was an organizer director for the Midwest voter registration project of Ohio. More recently, he assisted in fundraising efforts for Mexican and Puerto Rican families suffering after the tremendous devastation of floods and earthquakes. Whenever there was a need, Joe Carreon was lending assistance. His caring and concern for others will not soon be forgotten. For these reasons—his spirit of giving, kindness and quiet uncomplaining temperment—Joe Carreon will be sorely missed by everyone who had the great privilege of knowing him.

Mr. Speaker, I know that my colleagues will join me in extending our sincere condolences and prayers to Mr. Carreon's family, his wife and children, his father and his brothers and sister. Their loss at this time can not be calculated. Yet they can be satisfied in knowing that through his life of service and concern for others, Jose H. Carreon exemplified what is finest in the American character and left a lasting model of character for others to emulate and strive to achieve.

MODERNIZE PERMITTING OF SKI AREAS IN NATIONAL FORESTS

HON. TIMOTHY E. WIRTH

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Friday, March 21, 1986

Mr. WIRTH. Mr. Speaker, today I am introducing legislation to modernize and consolidate the process for issuance of permits to ski areas that operate within our national forests. My bill, titled the "National Forest Ski Area Permit Act of 1986," has broad and bipartisan support. I urge all of our colleagues to join as sponsors and to support swift action on this vital legislation.

A few statistics illustrate how many Americans take to the slopes every winter, and the need to insure that ski areas are not hindered by redtape in making the capital investments that are needed to keep this a safe and exhilarating pastime. At last count, there were 526 ski areas in 40 States across the country. More than 21 million Americans, from literally every State, are downhill skiers, and another 6 million or more enjoy cross-country, or Nordic, skiing. And just last year, the country's downhill ski areas recorded more than 51 million skier visits. Clearly, skiing is one of the Nation's growing participation sports—a sport that fosters an appreciation of the outdoors and enriches the human spirit.

Many commercial ski areas, which provide opportunities for both downhill and cross country skiing as well as many other recreational opportunities for entire families, are located on national forest land. In fact, 114 resorts in 17 States rely upon national forest lands. The operators of these areas must secure special use permits from the Forest Service. That requirement is both appropriate and reasonable, and my bill would not change that requirement. The legislation I am introducing today, however, would modernize and consolidate the process for issuing permits. Currently, under two laws that literally date from the turn of the century, ski area operators can get one 30-year permit for up to 80 acres, but almost all areas are larger than that. As a result, the ski area operators have to get a second, year-to-year permit for the part of the operation not covered by the 30-year permit.

This simply doesn't make good sense. While we must be wise stewards of the public lands, we ought not create unnecessary obstacles to management of ski areas, especially in an era when Americans increasingly are searching for opportunities to enjoy the splendor of our natural heritage. My bill would authorize the Forest Service to issue one consolidated permit for the entire area that is necessary to operate a ski resort within our national forests. It would also reflect the current financial realities of raising the capital needed to maintain these recreational areas by extending the combined term of the permits to 55 years.

Mr. Speaker, we have the responsibility to manage these lands in a way that protects the fish and wildlife resources and the clean air and water that attracts us all to these sanctuaries in the first place. My bill does not make it any easier or more difficult to get a permit for a new ski area or to expand an existing ski area. Neither does this bill in any way affect the environmental laws that must be satisfied before the Forest Service can issue a permit for a ski area. And my bill certainly does not short cut the consultation that must take place between the ski area operator and the responsible officials from State and Federal agencies.

My bill does recognize that skiing is one of the most popular uses of our national forests. By modernizing and consolidating the permitting process, this legislation would make it easier for ski area operators to obtain the long-term financing they need to provide an enjoyable and safe experience for the millions of Americans, from my home State of Colorado and from every other State, who choose to ski amidst our Nation's spectacular mountain lands. I encourage our colleagues to join me in supporting this legislation.

The text of the bill follows:

H.R. 4489

A bill to provide for ski areas on national forest lands, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "National Forest Ski Area Permit Act of 1986".

SEC. 2. FINDINGS AND PURPOSES.

(a) FINDINGS.—The Congress finds and declares that:

(1) Commercial alpine and nordic skiing operations are among the fastest growing and most popular multiple uses of national forest lands.

(2) Alpine and nordic skiing are healthful activities which promote physical well-being, contribute to the enrichment of the human spirit, and foster an appreciation of the outdoor environment and the aesthetic and other outdoor recreation values which constitute prime uses of national forest lands.

(3) Commercial alpine and nordic ski operations occupy less than five one-hundredths of one percent of all national forest lands, but account for almost six percent of current overall national forest visitor use days.

(4) Commercial nordic, and particularly alpine, ski operations are distinguishable from most other multiple use activities on national forest lands in that they generally entail a far greater degree of construction of large-scale and permanent or semi-permanent facilities (including ski lifts, trails, access roads, warming shelters and restaurants), and require long-term private investments and other long-term operating commitments.

(5) Existing and proposed changes in congressional budget procedures and tax laws may reduce Forest Service personnel available for ski area permitting and planning activities and may limit traditional methods of ski area financing and investment absent remedial legislation.

(6) Current laws governing and permitting and operation of commercial nordic and alpine ski activities on national forest land, while they have in most cases sufficed to adequately permit ski area and facility development in the past, are in need of consolidation and modernization.

(b) PURPOSES.—The purposes of this Act are to—

(1) consolidate existing laws pertaining to ski areas on national forest lands and provide a unified and modern nordic and alpine ski area and facility permitting process;

(2) provide for ski area permits which more closely reflect the acreage and other physical requirements of modern ski area and facility development; and

(3) provide a permit which will be more commensurate with the long-term construction, financing, and operation needs of ski areas on national forest lands.

SEC. 3. SKI AREA PERMITS.

(a) LAW APPLICABLE TO PERMITS.—The provisions of the Acts of June 4, 1897 (30 Stat. 34) and March 4, 1915 (16 U.S.C. 497) notwithstanding, the issuance of permits for the operation of commercial nordic and alpine ski areas and facilities on National Forest System lands shall henceforth be governed by this Act and other applicable law.

(b) AUTHORITY.—The Secretary of Agriculture (hereinafter referred to as "the Secretary"), subject to such reasonable terms, conditions, and permit fees as he deems appropriate, is hereby authorized to issue permits (hereinafter referred to as "ski area permits") for the use and occupancy of suitable lands within the National Forest System for commercial nordic and alpine skiing operations and purposes. A ski area permit shall—

(1) ordinarily be issued for a term of 55 years (unless the Secretary determines that the facilities or operations are of a scale or nature as are not likely to require long-term financing or operation);

(2) shall encompass such acreage as the Secretary determines sufficient and appropriate to accommodate the permittee's needs for ski operations and ancillary facilities;

(3) may be renewed at the discretion of the Secretary; and

(4) may be cancelled by the Secretary in whole or in part for any violation of the permit terms or conditions or for nonpayment of permit fees.

The acreage under permit may be increased or decreased from time to time by the Secretary to accommodate changes in plans or operations as the Secretary deems appropriate in consultation with the permittee.

(c) RULES AND REGULATIONS.—Within one year of the date of enactment of this Act, the Secretary shall promulgate rules and regulations to implement the provisions of this Act, and shall, within 2 years of the date of enactment of this Act, convert all existing ski area permits or leases on National Forest System lands into ski area permits which conform to the permit term and other provisions of this Act.

THE COLLEGE OF MOUNT ST. VINCENT—75 YEARS OF EXCELLENCE

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, March 21, 1986

Mr. BIAGGI. Mr. Speaker, I have the privilege and honor of attending the gala 75th anniversary dinner for the College of Mount St. Vincent at the Waldorf Astoria Hotel on April 19. I would like to take this opportunity to congratulate the College of Mount St. Vincent on their 75th anniversary, and to commend them for 75 years of dedicated service to the Bronx community which I represent.

Mount St. Vincent, the first Catholic women's college in New York City, has conferred approximately 8,500 baccalaurate degrees since its founding in 1911. A 4-year coeducational, liberal arts college, Mount St. Vincent is a private, independent institution with a total enrollment of approximately 1,000 students representing various religious, racial, and ethnic backgrounds. Nestled on 70 wooded acres overlooking the Hudson River, the college offers an integrated liberal arts program based on traditional values. While Mount St. Vincent has retained its firm commitment to the liberal arts as the basis for an education providing breadth and depth, it has developed selected career-oriented majors, such as business, communications, nursing, computer science, and special education. During its 75 years, the college has sent numerous students to prestigious medical and law schools; many of its graduates have enhanced civic, professional, and religious activities in communities around the world. Emphasizing the integration of classroom knowledge with practical experience, Mount St. Vincent offers a program of nearly 250 established internships, available in such areas as accounting, advertising, biological science, computers, film, health education, journalism, museum work, public relations, publishing, television, theater, and video.

Mount St. Vincent serves about 760 men and women full time; this provides for the excellent student-faculty ratio of 12:1. Students have a variety of opportunities that are not possible in larger institutions, opportunities for involvement in student government, service organizations, and clubs, including a better chance to influence others and make a difference.

Mount St. Vincent has planned a variety of activities to commemorate this historic occasion, beginning with a birthday celebration last September, including a 400-pound, six-tier birthday cake. During this ceremony the freshman, sophomore, junior, and senior classes, along with the faculty and various departments donated a number of gifts to the college. During November, Mount St. Vincent held a Thanksgiving mass at St. Patrick's Cathedral, where Sr. Doris Smith, S.C., the president of the college, summed up the feeling of all those present: "* * * We celebrate, with utmost joy, the passage of time and the fulfillment of dreams * * * we exult in our tradition and rejoice in our vision of the future * * * we give thanks to and for all who have ever been a part of the College of Mount St. Vincent * * *." Other celebrations include a four-part lecture series with programs entitled "The Teacher," "The Volunteer," "The Healer," and "The Business Professional." Photographs and other memorabilia, illustrating the college's presence in Riverdale, has been on exhibit.

Mount St. Vincent's presence and contributions are strongly felt and appreciated by the Riverdale and the entire Bronx/Yonkers communities. Therefore, I call upon my colleagues in the House of Representatives to pay tribute to the College of Mount St. Vincent on their 75th anniversary. We wish you many more joyous and successful years of delivering quality education to our students of all ages.

PROMISES, PROMISES

HON. AL SWIFT

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Friday, March 21, 1986

Mr. SWIFT. Mr. Speaker, 3 weeks ago the Energy Conservation and Power Subcommittee received a bit of seemingly good news from Secretary of Energy John Herrington. When I asked the Secretary about the fairness of the administration's plans to unilaterally increase electric power rates for consumers of federally marketed power, he responded as follows:

I think one thing we are not doing is doing it unilaterally. I have a commitment not only to this committee, but to the Senate committee, that we will not do it administratively. That is why we are putting in legislation on repayment, and we will act in concert with Congress on this issue.

This commitment by the Secretary of Energy seemed to be good news until the Deputy Director of OMB, Joseph R. Wright, Jr., testified before the Subcommittee on Northwest Power the following week. My understanding is that Mr. Wright went out of his way to imply that the Secretary's commitment was not administration policy. He said, I am told that if Congress doesn't approve of the administration's rate increase proposal, the administration might just increase the rates anyway.

What happened in a week's time that accounts for Mr. Wright's apparent repudiation of the Secretary of Energy's commitment? I have been impressed with Secretary Herrington's personal integrity, so I know that he was trying his best to be frank and honest with the subcommittee on which I sit. On the other hand, if we have learned one thing about OMB in recent years, it is their total disregard for anything other than achieving their ideological goals.

I can see two possible explanations, both of which are disturbing: Either Mr. Wright was implying a false threat in order to put pressure on Congress to support the administration proposal, or the Deputy Director of OMB has been given veto power over the Secretary of Energy's decisions on energy policy.

Actually, there is one more possible explanation, and it is the one that I hope represents the real reason for Mr. Wright's contradiction of Secretary Herrington's commitment. Perhaps the administration simply got its signals crossed, and Mr. Wright was unaware that Secretary Herrington has given his assurances to act in concert with congressional will on this matter.

Any other explanation would bring into question the administration's good faith and credibility on this issue of such fundamental importance to the economies of the Pacific Northwest and other areas served by Federal power marketing administrations.

RETIREMENT HOUSING FOUNDATION

HON. EDWARD R. ROYBAL

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, March 21, 1986

Mr. ROYBAL. Mr. Speaker, I recently had the privilege of attending the 25th anniversary celebration of the Retirement Housing Foundation—a California-based organization dedicated to meeting the housing needs of senior citizens.

I was very impressed by the work of this remarkable organization and believe their success can serve as a model for other organizations thoughout the Nation.

Over the past 25 years, the foundation has provided dignity and comfort to the elderly. With dedication, aggressive work and tireless energy, the founders of the Retirement Housing Foundation have grown since 1961 from an organization with a mere $7,000 in property holdings to a major provider of elderly housing, health care, nutrition and support services with more than 50 facilities located in 13 States. But the most impressive thing about the foundation is not its size—or even the range of quality services it provides. The Retirement Housing Foundation is worthy of such special notice because as they have housed and served the elderly, they have nurtured dignity and independence. They have remained true to and deepened their commitment to enrich the lives of senior citizens.

While we are all concerned with meeting the growing need of caring for an aging population, the Retirement Housing Foundation is busy building solutions.

I sincerely hope their next quarter century is as successful as their first and that their standard for improving the quality of life for the elderly is widely emulated.

HONORING HANK SCIARONI

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, March 21, 1986

Mr. LANTOS. Mr. Speaker, during the last 38 years, the agricultural community of San Mateo County has benefited from the guidance and help of a dedicated individual. Hank Sciaroni is a tireless specialist who is recognized, not only as one of California's leading experts, but also as an international leader in his field.

Hank Sciaroni is the author of 462 articles on such topics as California agriculture, floriculture, and the agriculture industry. His special efforts to encourage greenhouse farming have contributed significantly to the economy of San Mateo County and helped to make California one of the leading States in greenhouse farming.

Hank's efforts have not been limited to narrow technical matters. He has generously given of his time and shared his experience with organizations and individuals throughout San Mateo County. He has been active politically in issues of importance to the agricultural community. With customary energy and skill, he lobbied for the successful passage in 1965 of California's Williamsom Act, which is a major program to prevent the loss of agriculture land to urban development. In addition, Hank has supplied artichokes for the California delegation's annual picnic here in Washington, DC. Thanks to his generosity, San Mateo artichokes have a fine reputation in our Nation's Capital.

Hank has shown great ability to master whatever problems face him. While serving in the U.S. Air Force during World War II, his B–24 was shot down while on a bombing raid over Munich. As navigator, Hank guided the plane to a safe crash landing on an Italian beach. Hank, the son of Swiss-Italian immigrants, used his Italian to help the crew evade a German search party, that was so close that Hank could smell the German cigarettes.

Hank Sciaroni is truly an outstanding and dedicated American. I am delighted to join in a tribute to this man, who has not only enriched so many individuals, but also contributed so much to San Mateo County.

CONTINENTAL GRAIN COMPANY SHORTCHANGES AMERICAN FARMERS

HON. BYRON L. DORGAN

OF NORTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Friday, March 21, 1986

Mr. DORGAN of North Dakota. Mr. Speaker, Continental Grain Co. plans to import about 1.4 million bushels of New Zealand feed barley into the United States on Friday, March 21, 1986. The grain is scheduled to arrive at the Port of Stockton in California.

I am absolutely appalled that one of our Nation's grain companies would import foreign-produced barley at a time when American farmers face severe economic woes and increasing grain surpluses. Furthermore, these imports will only encourage other foreign nations to take advantage of our domestic grain markets.

I join Mr. COELHO from California and other colleagues in urging the Secretary of Agriculture to immediately use his existing authority and institute temporary duties or take emergency action to prevent the import of this barley. I cannot stress enough that the United States must take affirmative action in disallowing foreign grain imports in this country and curtail the shortchanging of the American family farmer.

How can Continental Grain ignore the traumas that our Nation's farmers are facing? May I remind them that prices farmers get for raw products dropped 2.4 percent in February, falling to 10 percent below the level of 1 year ago. Net farm income dropped sharply in 1985, probably totaling $25 billion to $29 billion, according to USDA estimates, and for 1986, USDA economists project another decline.

As a result of domestic shipping rates being reduced in the Northwest, North Dakota has become quite competitive in grain sales to California. In fact, North Dakota has marketed 1.5 to 3.6 million tons into the California-Arizona markets within the last year. But, as a result of this large import, that market is now lost and chance of recovery are dismal.

North Dakota has a 100-million bushel larger carryover supply than it had last year at this time. The State has the available stock to fill California's requirements. While Continental Grain could profit as much as $600,000 on this venture, the State of North Dakota stands to lose up to $5 million in revenue.

I want the Secretary of Agriculture to take action to stop this sort of thing.

SALUTE TO THE 21ST CENTURY INSTITUTE FOR POLITICAL ACTION

HON. WILLIAM H. GRAY, III

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, March 21, 1986

Mr. GRAY of Pennsylvania. Mr. Speaker, I rise today to salute a select group of young black Americans, professionals from the legal, business, medical, and academic communities. This group, the 21st Century Institute for Political Action, was organized in July 1983, to help the black community develop an independent intellectual and financial resource base, from which to support accountable black candidates for State, local, and Federal office.

Most important, this group of men and women are the direct beneficiaries of the Martin Luther King, Jr., and civil rights era, the "Children of the Sixties." Unlike some of their counterparts, they have retained a sense of their responsibility for the well-being of the black community and its place in the future of this great Nation.

The institute's vision is unique in both a short- and long-term sense. It's one of the few black groups discussing the 1990 census and redistricting. It's one of the few young black organizations developing a concrete program, over the long term, to increase black congressional representation in the South. Already, in addition to making financial contributions, it has developed a resourceful and long-overdue candidates training program to help candidates and their staffs.

This group is special because it is a product of the labors of my father's generation and my own. Its intellectual and political potential is unprecedented and desperately needed in today's black America.

Mr. Speaker, I am particularly proud when young black men and women become involved in the American political process and assume some responsibility for the future of their communities. To do so with deep vision of its place in the next century deserves commendation. Its theme says it all: "Everyone to whom much is given, of him (and her), will much be required. * * * "—Luke 12:48.

THE OMNIBUS DIPLOMATIC SECURITY AND ANTI-TERRORISM ACT OF 1986

HON. J. ROY ROWLAND

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Friday, March 21, 1986

Mr. ROWLAND of Georgia. Mr. Speaker, I rise in strong support of the Diplomatic Security and Anti-Terrorism Act of 1986. In our military history, we, as Americans have always believed that war, while the final and most destructive solution to conflict, should be conducted with respect for innocent civilians. However, today, we have found ourselves involved in a war in which all respect for humanity has been disregarded, and the innocent have become direct targets.

Acts of terrorism have sadly become a commonplace occurrence. The number of terrorist acts directed at our citizens has increased dramatically. None of us are safe in overseas travel, and our Embassies can easily fall prey to terrorists.

When terrorist acts occur, as in the Rome airport attack in which an 11-year-old American girl was murdered, the Nation's attention is riveted on the horror of the incident and for a period of time we are caught up in the media accounts. For some, however, the anguish does not end. I am speaking of the families of those killed, injured or held hostage.

Recently, Mr. Speaker, I spoke again with a constituent of mine who is related to Father Lawrence Martin Jenco. As you know, Father Jenco is one of the six Americans who is being held captive in Lebanon. Even though I represent a predominantly rural district, and one in which I would not expect to be touched by terrorist acts, Father Jenco's situation confirms that none of us are safe from the threat of international terrorism. I urge the administration to rededicate itself to achieving the swift release of Father Jenco and the other innocent victims, and the prosecution of those responsible.

The legislation we are considering today is certainly not the ultimate solution to this frustrating and complex problem. It is, however, a step that must be taken in the continuing battle against this scourge of terrorism.

SENATE—*Monday, March 24, 1986*

(Legislative day of Tuesday, March 18, 1986)

The Senate met at 12 noon, on the expiration of the recess, and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

Let us pray.

O the depth of the riches both of the wisdom and knowledge of God! How unsearchable are his judgments, and his ways past finding out! For who hath known the mind of the Lord? Or who hath been his counsellor? Or who hath first given to him, and it shall be recompensed unto him again? For of him, and through him, and to him, are all things: to whom be glory for ever.—(Romans 11:33-36).

The heavens declare the glory of God; and the firmament sheweth his handiwork. Day unto day uttereth speech and night unto night sheweth knowledge. There is no speech nor language, where their voice is not heard . . . The law of the Lord is perfect, converting the soul: the testimony of the Lord is sure, making wise the simple. The statutes of the Lord are right, rejoicing the heart: the commandment of the Lord is pure, enlightening the eyes. The fear of the Lord is clean, enduring for ever: the judgments of the Lord are true and righteous altogether. More to be desired are they than gold, yea, than much fine gold: sweeter also than honey and the honeycomb. Moreover by them is thy servant warned: and in keeping of them there is great reward.—(Psalms 19:1-3, 7-11).

Amen.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. The able majority leader, Senator DOLE, is recognized.

SCHEDULE

Mr. DOLE. Mr. President, under the standing order, the leaders have 10 minutes each, to be followed by special orders in favor of Senators for not to exceed 5 minutes each. I ask unanimous consent that the special order in favor of the Senator from Florida [Mrs. HAWKINS] be vitiated.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. DOLE. The special orders will be in favor of Mr. NUNN, Mr. PROXMIRE, Mr. CHILES, and Mr. CRANSTON, for not to exceed 5 minutes each.

There will be routine morning business, not to extend beyond 1 p.m., with Senators permitted to speak therein for not more than 5 minutes each.

I also ask unanimous consent that the cloture vote and the live quorum scheduled for today be vitiated.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. DOLE. Mr. President, following morning business, the Senate will resume the motion to proceed to S. 1017, the regional airport bill.

The cloture vote scheduled for today has been vitiated, and therefore I do not expect any rollcall votes to occur during today's session. We will probably adjourn or recess fairly early—late afternoon or early evening—probably before 6.

AID TO THE CONTRAS

VOTE ON CONTRA AID CRUCIAL

Mr. DOLE. Mr. President, the middle of this week, the Senate will vote on whether to provide aid to the democratic resistance forces in Nicaragua, the so-called Contras. That vote may well be the most important "foreign policy action" we take this session. Let us be clear about what is at stake.

SANDINISTAS ARE REAL THREAT TO U.S. INTERESTS

The Sandinista regime does represent a real threat to the peace and the stability of Central America.

It does attack and support subversion against its immediate neighbors—El Salvador, Costa Rica, Honduras—countries which are among our closest allies and friends in the region.

It has opened its doors to a large influx of Soviet and Cuban advisers; accumulated a massive store of Soviet arms; and imported foreign terrorists and terrorist methodology, to threaten and intimidate other free nations in the region.

It has suppressed its own people: It has executed hundreds, imprisoned thousands and forcibly relocated tens of thousands; it has made a mockery of the concept of free elections, nearly eliminated the free media, driven out the Jewish community, and cracked down on the Catholic Church.

The bottom line is this: The Sandinistas run a radical Marxist regime, aimed at political and military dominance of Central America; based on a one-party dictatorship; and allied with the Soviet and Cuban Communists.

That is the record. After all we have seen and with all the evidence we have, it is a crystal clear picture of a "human rights nightmare."

VOTE THIS WEEK WILL SEND IMPORTANT MESSAGE

What should we do about this? That is the question we will confront on Tuesday, Wednesday, and Thursday of this week.

Should we make clear to the Sandinistas, and to their mentors in Havana and Moscow, that the free ride is over; that we are not going to stand by and watch them consolidate their totalitarian control over yet another country on our own doorstep, while reaching out to new conquests?

Or should we send a different message—a message of surrender to intimidation; abandonment of our responsibility to our allies and friends in Central America, of acquiescence to dictatorship within Nicaragua.

SEARCH FOR A NEGOTIATED SOLUTION

A "yes" vote on the President's request is the best chance—maybe the only chance—to achieve what we want in Nicaragua. And let us be equally clear about that.

What we want is a negotiated settlement of the problems in Nicaragua: A negotiated settlement that will lead to an end to Nicaraguan threats against its neighbors, an end to the Soviet and Cuban presence in Central America, and a chance for democracy within Nicaragua.

I do not claim, and the President does not claim, that we are going to be able to force that kind of solution solely through aid to the Contras. But it is abundantly clear that we have no chance at all to achieve such a solution unless we have some way to induce the Sandinistas to accept it.

SANDINISTAS DO NOT WANT REAL NEGOTIATED SOLUTION

Because that is not the result the Sandinistas want. They are going to accept that result only if they have no other choice; only if we make it impossible, or too costly, to achieve the end they really want—the one I described earlier: A strong alliance with Russia and Cuba, a dominant military and political position in the region, a one-party Marxist state.

This bottom line is clear, too. In the absence of some form of pressure—real pressure—there is not a reason in the world for the Sandinistas to give up these goals.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

"NEGOTIATIONS, SANDINISTA STYLE"

And what about those who claim that we could get negotiations if we really tried? I am certain we could get some kind of negotiations. The Sandinistas would probably be happy to engage us in new, endless rounds of talk, where they could mislead, propagandize, stall—while they continued the full-scale pursuit of their goals at home, and throughout Central America.

But could we get real negotiations? Where the Sandinistas sit down with other elements of the political spectrum within Nicaragua, to try to work out a system of free elections and just government; where we sat down with the Sandinistas, to discuss directly our grievances—and theirs—with an aim to finding a solution with which both countries could live.

We have tried to get those kinds of real negotiations going before, not once but many times. We have talked directly with the Sandinistas, without precondition, not once but many times. We have urged them to talk to their own opposition, with the only precondition being a cease-fire, not once but many times. And they have either refused to talk at all, or stonewalled once they did, not once but many times.

PRESIDENT WILL GO EXTRA MILE, TAKE EXTRA STEPS

But despite that record, we remain willing to try once again. The President is ready. He has instructed our most experienced and credible diplomat, Ambassador Phil Habib, to explore the chances for real negotiations. His instructions to Ambassador Habib are clear—consider anything, talk about anything, with anybody—as long as it offers some real prospect for real progress toward a real solution.

And the President has already agreed, in a letter to the Congress last week, to give this peace process one more real chance, even at the risk of some tactical disadvantage through delaying some of our aid to the Contras. The President long since took us the extra mile in pursuit of a peaceful solution. Now he is adding some extra steps to that extra mile, to make clear he wants peace—and to make equally clear who does not.

NATIONAL SECURITY ISSUE, NOT PARTISAN ISSUE

Mr. President, this is not a partisan issue. When the House voted last week, many Democrats stood with the President. When we vote in the Senate this week, I am confident we will have Democratic votes with us, too.

And it is not an issue of anyone's patriotism. We all love our country. We want to see it strong, and we want to see it do the right thing. And I am confident this body will. This issue demands bipartisan support and cooperation.

It is an issue which directly affects our national security. It is an issue which will have a great deal of impact on the future of the Central American region, which is so critical to our own security. And it is an issue where the choice we make now will shape our future options.

Perhaps, as some on the other side are saying, we do have the same ends. Perhaps this is just a debate over methods. But it is a crucial debate.

Somebody's "methods" are going to get us to the right ends; somebody's are not. Somebody's "methods" rely on the good faith of our President; other's "methods" seem to put a great deal of faith on the good intentions of Sandinista President Ortega.

I know in whom I put my confidence. I hope all my colleagues will agree with me and will vote in support of the President's request.

RECOGNITION OF THE MINORITY LEADER

The PRESIDING OFFICER (Mr. GORTON). Under the previous order, the minority leader is recognized.

AID TO THE CONTRAS

Mr. BYRD. Mr. President, I have listened with keen interest to the distinguished majority leader's speech.

I think it comes at a timely point. I think that Senators on both sides of the aisle agree with the distinguished majority leader when he states that what we want is a government in Nicaragua that is not exporting revolution to other countries in the area, a government that cuts the ties with the Soviet Union and Castro regime in Cuba insofar as receiving weapons and advisers are concerned; also, that there be a regime in Nicaragua that will allow democratic principles to guide the decisions and policies of the government there, that will allow political opposition and that will allow democratic processes to work.

I also agree and feel that others would likewise agree with the distinguished majority leader when he says that we need a bipartisan approach.

As long as I have been leader either in the majority or in the minority, I do not believe that I have ever yet—I will not say that I may not change in the future—in our Senate Democratic Conferences attempted to develop a Democratic party position on international matters. It may be that my recollection is playing tricks on me, but I do not think so.

I said to the President this morning in a discussion, that what we really need is a bipartisan policy, because only a bipartisan policy can work for long, only a bipartisan policy can be effective, and only a bipartisan policy can have the support of the American people.

We saw, to our chagrin and sorrow, that without the support of the American people, our military forces cannot always prevail, as we saw in Vietnam. No one wants to see a Marxist government in a Central American country. No one wants to see the Soviets and the Cubans establish another Cuban-like base in any Central American country.

Our differences, I think, have to do with the means to achieve our ends.

I would personally like to see the Sandinistas and ourselves engage in negotiations. I would like to see an observer group or a commission—call it whatever you will—one that would be bipartisan in nature, just as we agreed, on a bipartisan Senate observer group would attend the meetings in Geneva during the arms talks there with the Soviets. I would like to see a bipartisan commission or observer group, or whatever, in the Nicaragua situation.

I would like to go ahead with some aid to the Contras now.

I think one of the big differences in the viewpoints as between the White House position and ourselves—and when I say "ourselves," I am talking about myself and many Senators on this side of the aisle—is that I think there ought to be a second vote down the road, whether it is 90 days, 120 days, or 6 months. As I said to the President this morning, I think with a second vote down the road, the Sandinistas might be more interested in negotiations with our own Government. I would hope that the President would take into consideration the viewpoints of some of us who believe that we should have bilateral negotiations with the Sandinistas.

If that were done and if there were a second vote at some point down the road, it seems, as I said to the President this morning, that the Sandinistas would then be under greater pressure to negotiate with the United States.

There are many of us who do not believe that the Contras are in a position at the present time—and it appears unlikely that they will be in the near future—to negotiate effectively with the Sandinistas. But although the President promised many months ago in writing that the United States would enter into negotiations with the Sandinistas or that every effort would be made to that end, that has never resulted. So, to this day, I do not know of any negotiations that have occurred between our Government and the Sandinistas in that context and in that spirit.

So we, on our side, may I say to the distinguished majority leader, and as I said to the President, will continue to try to work for an approach that is bipartisan in nature.

I think that is important if we are going to achieve any success whatso-

ever, and we are willing to talk with anyone.

I think that Senator SASSER of Tennessee has demonstrated great leadership along this line. He has come forth with ideas that appear to me to be workable and reasonable, and he will continue to work with us and with those on the Republican side, if there be those who would like to discuss a bipartisan approach. I would place considerable confidence and dependence in Senator SASSER and his efforts and his viewpoint.

I hope that we would have an opportunity to sit down and talk and try to work out some way before the final vote that will offer a hope of success that I think can only come as I have already indicated, with a bipartisanship approach.

How much time do I have remaining, may I ask the Chair?

The PRESIDING OFFICER. The majority leader has 3 minutes remaining.

Mr. DOLE. Mr. President, if the distinguished minority leader will yield, I first wish to thank him for his statement. I, too, am hopeful that we can work together. I know that there are differences and I know there will always be some shades of difference with Members on either side.

But, based on the minority leader's statement and his visit with the President this morning, I intend to pursue it personally to see if there might be some common ground where we could come together. I will be getting back to the distinguished minority leader later in the afternoon.

BALANCED BUDGET CONSTITUTIONAL AMENDMENT

Mr. DOLE. Mr. President, I ask unanimous consent that, notwithstanding provisions of rule XXII of the Standing Rules of the Senate, that the agreement entered into on March 13 and March 18 with respect to the constitutional amendment to balance the budget be carried out.

The PRESIDING OFFICER. Without objection, it is so ordered.

METROPOLITAN WASHINGTON AIRPORTS TRANSFER ACT

Mr. DOLE. Mr. President, I also ask unanimous consent that the cloture vote relative to the motion filed on Friday occur at 12 noon on Tuesday, March 25, and that the mandatory quorum under rule XXII be waived.

Mr. BYRD. Mr. President, reserving the right to object on the second request, and I shall not, at what time does the distinguished majority leader plan to bring the Senate in on Tuesday? The vote, as I understand the request, would occur at 12.

Mr. DOLE. If there was some desire for debate, we could come in at 10. I have us coming in at 11 now because there are three or four special orders.

Mr. BYRD. Very well. I have no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. I thank the distinguished minority leader.

Mr. BYRD. I thank the distinguished majority leader.

THE LIBRARY OF CONGRESS

Mr. BYRD. Mr. President, 200 years ago this year, one of this Nation's foremost Founding Fathers, Thomas Jefferson wrote:

> The most important bill in our whole life code is that for the diffusion of knowledge among the people. No other sure foundation can be devised for the preservation of freedom and happiness.

From the earliest days of our Republic, the leaders of this Nation have recognized the importance of knowledge and the need to have it available to Government officials and accessible to the people.

For this reason, in 1800, while this Nation was still in its infancy, Congress established the Library of Congress by appropriating $5,000 for "the purchase of such books as may be necessary for the use of Congress."

The Library of Congress eventually developed into an institution that serves the entire Nation and its governmental establishment, not just the Congress—thus becoming a national library for the United States. And it became a great symbol of a great democratic society and the right it conveys to the people to avail themselves of all knowledge and opinion.

On October 1, 1898, the Library of Congress took a major and important step in this direction—it opened its doors to the public in the evenings. With this step, the Librarian of Congress declared that the institution had become "a bureau of information consulted by people from all sections."

And so it had, for the Library's doors remained opened in the evenings and on Sundays through a Great Depression and two World Wars. During the Second World War, when books were being burned and banned in other countries, the Librarian of Congress appropriately called the Library a fortress of freedom.

Now the computerized meat ax known as Gramm-Rudman is forcing the largest library in the world to do what war and depression could not—namely, to close its doors to a large segment of the American public.

As of March 9 of this year, the reading rooms of the world's best and the Nation's most important library were closed to the public at 5:30 each evening and on Sundays and holidays; the Library's open hours have been reduced by a third, from 77.5 to 54.5 hours a week.

All those who use the Library's resources—students, scholars, researchers, artists, scientists and Americans of dozens of other walks of life—but most especially Americans who work 9-5 in jobs not related to their interests in the Library—are finding it more and more difficult to utilize this vast depository of knowledge which contains over 81 million items on 535 miles of shelves. The Librarian of Congress, Dr. Daniel Boorstin, was certainly correct to label the Library's budget reductions as being "antidemocratic," as well as "antiknowledge."

The Gramm-Rudman wreckage of this Nation's foremost library, this treasured symbol, involves more than simply limiting the hours of its availability to the public, although that alone should be a cause of grave concern.

The $9.9 million Gramm-Rudman budget cut, along with previous budget cuts imposed upon the Library, has forced the Nation's Library to reduce its staff by 300, to reduce its purchases of books and materials by 13 percent, and to reduce its preservation work by 16 percent.

The denial or restriction of knowledge is a rare event in American history. The Members of this Chamber have often castigated its occurrence in other lands, whether in the form of book burning, censorship of the press, or the denial of freedom of speech. While what is now occurring with the Library of Congress is not deliberately hostile, nonetheless, in a way, we too have now participated in restricting knowledge.

Permit me to finish by again quoting Dr. Boorstin:

> This is * * * a time of crisis in * * * Congress' library, in the Nation's library. * * * Threats from without and problems within demand every shred of the most ancient wisdom and the most recent information—to cope with the challenges of a nuclear war, to seize the opportunities of unprecendented technological progress, to enrich the resources of freedom. We, the greatest library on earth, serving the greatest republic, are needed as never before by an imprisoned humanity. * * * A Nation that undervalues knowledge [cannot] hope to remain free.

Mr. President, I hope the Congress has the vision to recognize what we have done, and to make the decisions and judgments necessary to enable the Library of Congress to renew the services it was providing until it and we collided with Gramm-Rudman.

RECOGNITION OF SENATOR PROXMIRE

The PRESIDING OFFICER. Under the previous order, the Senator from Wisconsin, Mr. PROXMIRE, is recognized for not to exceed 15 minutes.

WHAT WILL A TRILLION DOLLAR STAR WARS PROGRAM DO TO THE AMERICAN ECONOMY?

Mr. PROXMIRE, Mr. President, what effect will a trillion dollar star wars have on the American economy? Of course, that depends on whether the star wars expenditures constitute an add-on or are balanced by corresponding reductions in other Government spending and especially in other military expenditures. In the next few years, while star wars absorbs $5 or $6 or $7 billion annually in research, the overall economic effect will be limited. But there will be a serious adverse effect on one phase of the American economy. The consequence for research projects, especially in the military area but also in other Government and private sectors of the economy, could be significant. The thousands of scientists and engineers at work on star wars will necessarily come from other research projects. That will mean a diminution in the quality of American research. That could damage our competitive position internationally. It could reduce the rate of improvement in the Nation's productivity. It could in the long run increase costs and add to the rate of inflation.

Oh, sure, there might be some useful technological fall-outs. When billions of dollars are spent on any scientific research, no matter how irrelevant the prime objective of the research may be, there is some random and unpredictable scientific progress. The boost given to civilian aviation by the intensive military research in avionics in World War I and World War II are examples. But this is undoubtedly the most wasteful and costly conceivable way to achieve scientific progress. In aggregate the net effect of star wars research will surely be decisively negative on American economic progress.

The real SDI spending will not begin until research and development have been completed and star wars enters its production and deployment stage. What effect will this spending have on the American economy? Of course, no definitive or even roughly accurate estimates can be made until the research is much farther along. But the most optimistic estimates of star wars costs—at least the most optimistic, realistic estimates—are in the hundreds of billions of dollars. The costs could easily reach the trillions in 1986 dollars.

Even when the research has developed to the point where the decision to produce and deploy the system is made, estimates of the ultimate cost will be only guesses. In fact, the congress that appropriates the funds will never know how much or have any real notion of ever estimating how much the star wars system will cost. Why is this? Because we can certainly expect that the Soviet Union will use its full technological and economic resources to research, develop, produce, and deploy an offensive nuclear arsenal that can penetrate star wars. Possibly we could estimate how much it will take to fully deploy and maintan a star wars system that could prevent 75 or 90 percent of the present—I repeat, present; that is the 1986—arsenal from reaching targets in the United States.

But how do we calculate the degree of Soviet improvement in the penetration capability by their offensive nuclear arsenal, say, in the year 2005 when star wars might be actually deployed? The cost of that advanced star wars to stop the advanced Soviet arsenal would be much greater. And even in the year 2005 the estimates will be guesses. This is because the Russians can be expected to continue on into the future continuously improving the penetration capability of their offensive arsenal. So as the years go on the heavy burden of this economically sterile military spending will go up and up. Fewer American resources will go into educating our children, healing the sick, and improving both the private and public segments of our economy.

Some will argue the United States cannot lose this race. After all do we not have the far stronger economy? Our gross national product is nearly twice that of the Soviet Union. And do we not have an overwhelming advantage over Russia in technology, especially in relevant military technology? We do. And does the United States not have a special advantage estimated as at 30 years or more over the Soviet Union in computer technology? Yes. That is true. And is it not true that the computer technology is at the very heart of star wars? It is. So does this mean that if the Soviets choose to run this race against this country, we can surely expect to win? The answer is a resounding "no."

The reason the answer is "no" was documented in spades at the time of the debate over ratification of the antiballistic missile treaty in 1972. It is the same today. This body—the U.S. Senate—agreed by an 89 to 2 vote in 1972 that a star wars system would not serve the interests of our country. Why? And why was the vote so decisive? After all, the antiballistic missile treaty had the single and simple purpose of preventing a race to produce a star wars antimissile defense by either superpower. That ABM vote was so decisive because Senators reached the overwhelming conclusion that an antimissile defense would cost $10 or more to produce and deploy the star wars defense for every $1 it would cost to overcome it. Is that principle still true? Will it still cost far, far more to defend against a nuclear attack than to instigate an attack against that defense? Absolutely. The principle still holds. It is even more true in 1986 than it was in 1972, and the advantage for the offense will be even greater 20 years from now and on into the future.

That means that the United States is engaging in exactly the wrong kind of race with the Soviet Union. We do have the superior economy. We do have the decisive technological advantage. But because the Soviet Union will rely on defeating star wars by building a far less costly offensive nuclear system, it will need far less in economic resources and far less in technology to overcome whatever star wars system we deploy. To date the overall arms race between the Soviet Union and the United States has hurt the economies of both countries, but it has had a far more severe effect on the less productive and less technologically advanced Soviet economy.

To date that has been the case. How about the future? As the star wars program continues in this country, as the United States begins its heavy spending for the production of the hardware and the deployment and maintenance of the system, the burden on the American economy from this trillion dollar plus military increase will become far greater than the much lighter burden the Russians will bear to build the offensive nuclear arsenal to overcome our star wars defense. After all, much of that Russian nuclear offense is in place right now.

Some of the refinements to penetrate star wars are already underway in the Soviet Union with the Soviet's greatly stepped up cruise missile and submarine program. That program would underfly star wars with missiles launched from right off American shores. The missiles hug the ground, carry a map in their brain to fly around objects on land, have a range of 1,500 miles and fire warheads, each of which has an explosive force of up to 200,000 tons of TNT. If the arms race is massively stepped up by our star wars project, the Soviet Union will for the first time gain economic advantage from the arms race as well as military advantage from the easy superiority their nuclear offense can achieve over the star wars defense.

MYTH OF THE DAY: FEMALE SOLDIERS CAN BE PROTECTED

Mr. PROXMIRE. Mr. President, the myth of the day is that barring female soldiers from combat somehow protects them. The fact is that it results in a situation in which women can be shot at but cannot shoot. It is time to drop the combat exclusion policy and stop tying the hands of our women soldiers.

First of all, the range and effectiveness of modern weapons have made previous combat/noncombat distinc-

tions obsolete. Women have served in a temporary additional duty capacity off the coast of Lebanon, and now serve at various munitions storage sites, including such dangerous assignments as the Peacekeeper and Minuteman launch sites. They also serve at important command and control positions like the EC-130E Airborne Battlefield Command and Control Center.

These are not frontline assignments, but they would obviously be dangerous targets in the event of a war. A recent Congressional Research Service brief stated that:

> Women are now serving in positions where they will certainly become casualties in substantial numbers in any future war.

It is generally agreed that, were there to be a war, women would die in proportion to their numbers. Women now make up 10 percent of our Armed Forces and are well-integrated throughout them. Their numbers are too big and their skills are too important to try to insulate them from danger. The women do not want to be insulated, and we need them too much to try to contain them at low-risk positions.

Why is it then that the combat exclusion policy still exists? Contrary to popular belief, it is not out of some sentimental desire to spare women from harm. The actual reason is that defense policymakers fear a public backlash against any female casualties in a war. The American public must be made aware that some heroines will lose their lives along with the heroes. Women in the military is no longer a theoretical issue. It is a realty now, and one which our present policies should reflect. That means eliminating the combat exclusion policy.

Our women are capable soldiers. They have proven their competence over the years. The Air Force has listed women officers as capable of accomplishing 100 percent of their job description skills. The Army, 96 percent. The Department of Defense described the increase in the number of female soldiers as a "significant improvement." And Secretary of Defense Caspar Weinberger, in a 1983 memo, directed that combat exclusion rules be interpreted to allow as many possible career opportunities for women to be kept open. All this points to the fact that women have been tested in the field and have proven their ability.

What is more, women soldiers want to be able to volunteer for combat positions. Most think they should be required to serve in combat billets. Since we have allowed these women to risk their lives in becoming part of the All Volunteer Force, perhaps we should also let them volunteer for combat. We cannot just use women to bolster the numbers of our AVF while keeping them in the sitting duck positions. That is not the best way to protect our women or our Nation.

Mr. President, I yield the floor.

RECOGNITION OF SENATOR CRANSTON

The PRESIDING OFFICER. Under the previous order, the Senator from California, Mr. CRANSTON, is recognized for not to exceed 5 minutes.

IS UNITED STATES POLICY IN CENTRAL AMERICA WORKING?

Mr. CRANSTON. Mr. President, I for one do not believe President Reagan deliberately wants to get us into war in Nicaragua.

But I do believe that the policy he is following is likely to get us into war, whether he wants it or not, and whether he realizes it or not.

The road to war, no less than the road to Hell, is often paved with good intentions.

It seems that in military matters in particular, there is a certain momentum, a certain inner drive in the course of events which, once past a critical point, propels us farther than anyone may originally have intended to go.

History is replete with examples of nations tinkering with other people's wars and ending up engulfed themselves.

The last example in our own history was Vietnam.

Once a nation has committed itself to military action, direct or indirect, to achieve political objectives, the operative word becomes "victory."

And the codeword for victory is "more";

We are told that more money, more guns, more ammunition, more planes, more bombs, more approved targets, more men will bring us victory.

And when, for all that, victory continues to elude us, the operative words become "still more":

Still more money, still more weapons, still more men. But, as we found to our sorrow in Vietnam, still no victory.

After paying a heavy price in lives and money, we got out of the war in Vietnam.

We must beware getting ever more deeply into the warfare in Nicaragua.

We have already spent $27 million there, not counting undisclosed millions in covert aid.

President Reagan says we should spend $100 million more.

What happens next?

President Reagan says he is the last one in the world who would ever want to put American troops into Latin America.

I believe him.

But history has shown that once the Nation is embarked on a military course, what an American President wants and what the American people get may be two different things.

Mr. President, President Reagan has requested a 400-percent increase in United States funding of the forces attacking Nicaragua. Since the summer of 1983, when the Reagan administration's plans to fund the war against Nicaragua first emerged, I have repeatedly and consistently spoken out against this policy.

In the past, I opposed the program on the grounds of both morality and practicality. United States taxpayer dollars should not be used to hire mercenaries and to sponsor acts of international terrorism against the people, the villages, and harbors, and the cities of Nicaragua.

By funding military efforts to overthrow a government we recognize, we violate both the Charter of the United Nations and of the Organization of American States.

We all deplore the Sandinista's curbs on civil liberties and their support from Havana and Moscow. But no matter how we deplore these actions we must not adopt the attitude that our ends justify our means. America's mission of democracy is ill-served when we emulate our adversary's worst tactics.

The President and some of his supporters have declared that a vote for or against Contra aid is a vote for or against communism. This is a false statement of the issue. If we really want to combat communism—and we do—the issue is: What works? Is present United States policy toward Nicaragua working? Has the policy of funding a war against the Government of Nicaragua furthered our interests or promoting security and democracy in the region?

It has not. On the contrary, it is clear that this effort has undermined our basic interests. The presence of counterrevolutionary rebels in Honduras coupled with the United States military buildup poses a threat to democracy in Honduras. The Government of Costa Rica has been under a great deal of pressure to move away from its neutral stance in the region. The administration's present strategy makes Nicaragua more and more dependent on the Soviet Union and Cuba, and is all to likely to drag us into war.

The United States has been supporting the Contra effort for more than 4 years now. Our Government has nurtured it. We have orchestrated it. We have manipulated it.

Yet the Contras are failing.

Why? Contrary to the President's portrayal of the Contras as freedom fighters, the Contra military leadership is composed, for the most part, of former members of Anatasio Somoza's National Guard.

The Contras lack the support of the people of Nicaragua. Contra terrorist tactics, of attacking civilian, industrial,

and community facilities—including the mining of Nicaraguan harbors—the impressment of Nicaraguan peasants into their ranks, and the indiscriminate murder of civilians have alienated the hearts and minds of Nicaraguans—even those who oppose the Sandinista regime.

President Reagan seeks support for his $100 million request in aid for the Nicaraguan rebels by characterizing the Sandinista regime as drug traffickers who are subverting virtually the entire hemisphere.

But even the Reagan administration's own spokesmen refute some of his more extravagant claims.

The Drug Enforcement Administration released a statement saying it had no information implicating the Minister of Interior of other Nicaraguan officials in drug-related activity.

The Brazilian Government has repeatedly expressed surprise and puzzlement at being included by the Reagan administration among countries in the Western Hemisphere potentially threatened by Nicaragua.

It would be great to see democracy given a chance in Nicaragua. The Sandinista regime is, of course, not democratic. It is a harsh, repressive, Marxist dictatorial regime. We deplore its betrayal of the promises of an open, democratic society after the revolution and the restraints it has placed on civil liberties.

But is the Nicaragua Government a threat to our security as the President claims?

Does the Reagan administration truly believe that the Contras will protect America's security? Or are we being led down the path—step by step and dollar by dollar—toward United States military intervention in Nicaragua?

The President and his supporters have tried to frame the debate in such narrow terms so that it will appear that funding the counterrevolutionary rebels is the only answer for a patriotic American who supports democracy.

The fact is that there are other, better answers. We should do more to help strengthen the democracies in Honduras and Costa Rica.

Gradually, democracy is beginning to take root in Latin America. Our democratic neighbors do not support the regime in Nicaragua, but they also oppose the war against Nicaragua. The Contra war perpetuates the dangerous and unpopular precedent of United States intervention in the hemisphere. The image of a great power trying to force its will on smaller neighboring nations does not help to foster the evolution of democratic institutions. What will help are American policies designed to bring about growth in the developing countries in the hemisphere. The resolution of the inequalities in these countries will help the growth of democracy.

We must support our Latin American neighbors in their efforts to negotiate a solution to the Central American conflict. Their security interests are at stake, too.

The House vote against the President's request was a positive step. I hope my Senate colleagues will follow suit and not allow themselves to be led by smokescreen compromises which can lead to direct U.S. military involvement.

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, there will now be a period for the transaction of routine morning business not to extend beyond the hour of 1 p.m., with Senators permitted to speak therein for not to exceed 5 minutes each.

Mr. SARBANES. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. NUNN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

"WE ARE THE WORLD"

Mr. NUNN. Mr. President, 1 year ago, on Good Friday 1985, more than 8,000 radio stations in the United States, and thousands more in 27 various countries, as well as the Voice of America and the Armed Forces Radio, simultaneously played a recording of USA for Africa's musical hit, "We Are the World." This international broadcast was initiated, organized and coordinated by Bob Wolfe and Don Briscar of radio stations WROM/WKCX in Rome, GA. Their purpose was to promote world unity and peace. By broadcasting this internationally recognized song, millions of people were able to listen together in a demonstration of global unity, even if for just a few minutes. As Mr. Wolfe states so clearly, "It was the first time in history anything like this had ever happened. We brought peace for 6 minutes and 22 seconds."

Bob Wolfe has scheduled a repeat performance of the broadcast this year. On Good Friday, March 28, 1986, radio stations around the world will join together and play the "We Are the World" recording at exactly 10:50 a.m. eastern standard time. Already this year more than 40 countries have pledged their participation in the simulcast—with additional countries joining every day. I understand the song has even been translated into 14 different languages.

Bob Wolfe's idea for this special simulcast of "We Are the World" represents a genuine effort to draw international attention to the need for world peace. As individuals, we may not be able to end hunger or war in the world, but each has an opportunity to be an instrument of concern for our fellow man. That is what this broadcast is all about. I commend Bob Wolfe and his supporters in the worldwide radio community for their sincere efforts to encourage a deeper understanding of the brotherhood of man. I believe the closing lines of this special song symbolize this effort:

Let us realize that a change can only come
When we stand together as one.

Mr. President, I commend this worldwide effort to my colleagues here in the Senate and I encourage active support of this special project throughout the country and the world.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. WARNER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. If there is no further morning business, morning business is closed.

METROPOLITAN WASHINGTON AIRPORTS TRANSFER ACT

The PRESIDING OFFICER. The clerk will state the pending legislation by title.

The bill clerk read as follows:

A bill (S. 1017) to provide for the transfer of the Metropolitan Washington Airports to an independent airport authority.

Mr. WARNER. Mr. President, in the absence of the junior Senator from Virginia [Mr. TRIBLE] let me say Senator GOLDWATER has asked me to Chair a hearing of the Armed Services Committee, but I have agreed to be here to hear the Senator from Maryland.

I understand my distinguished colleague from Maryland [Mr. SARBANES] desires to address the airport transfer legislation. I am prepared to be present in the Chamber. Again, it is the wish of Senator TRIBLE and myself that the Senate turn to this legislation and begin to work its will. However, the Senator from Maryland is within his rights to discuss the motion to proceed.

Mr. SARBANES. Mr. President, is the motion to proceed now pending before the Senate, the motion to proceed to S. 1017?

The PRESIDING OFFICER (Mr. BOSCHWITZ). The Senator is correct.

Mr. SARBANES. Mr. President, I know my colleagues have been involved in this issue now for some days. I would like to speak just a bit about the necessity for that before I turn to review the substantive arguments with respect to this legislation, which I trust will continue to influence Members as they make a judgment when the next cloture motion which is now pending, is voted on at noon on tomorrow, Tuesday, pursuant to unanimous-consent request entered today.

What is involved in this legislation is transferring Washington National and Dulles International Airports to an Airports Authority with a disproportionate membership from the State of Virginia—5 of the 11 members, with only 2 from the State of Maryland—and transferring it under terms and conditions which are enormously advantageous to Virginia. I am frank to say this is a less-than-bargain-basement price. It is really a sub-sub-bargain-basement price.

There are a number of issues involved in this airports bill which I think we need to try to separate out and there are a number of concerns that Members of the body have already expressed in the course of debate on this legislation. One is the selling price.

In other words, the Government is to transfer these two facilities, the Dulles access road—built by the Federal Government at a cost of $60 million just for the road itself, let alone 10,000 acres at Dulles International Airport—all of the facilities there and all of the facilities and acreage at Washington National Airport for $47 million. You do not have to know much about the value of property or the value of these facilities or, indeed, the cash flow into these facilities—the airports made some close to $20 million in profit, the two of them, last year; in fact, Dulles itself was profitable, which was a turnaround from previous experience. You are getting a profit flow of about $20 million a year and yet the facilities are going to be transferred under this proposal for $47 million.

Well, that does not sound very sensible on its face, and in fact toward the end of last week a group of private investors backed by the British Banking firm of N.M. Rothschild and Associates, according to a newspaper account at least—and this is the basis of my knowledge of this proposal—offered up to $1 billion to buy Washington and Dulles International Airports from the Federal Government. They in effect said, "Will the lawmakers allow the market to be tested?" And they argue they will have no trouble raising the money. I do not know about the bona fides of this proposition. Some Members question whether airports ought to be run by the private sector. Others have strongly asserted that it should be.

In effect, you could hedge about their operation of it with conditions and terms which would guarantee the service that was necessary and realize a much larger price. Apparently this group is prepared to start talking at $500 million in terms of bidding.

What I do say about that proposition is it seems to me to make it fairly clear that this is a matter which needs to be reexamined and looked at again. Now, the Holton Commission, on which much of this proposal is based, really concluded its deliberations about 18 months ago. Its report came in about 15 months ago, but for all intents and purposes in terms of reviewing the factual situation it concluded its work about 18 months ago.

A great deal has happened in the interim, including a 47-percent increase in passenger usage at Dulles International Airport in 1985, the largest jump by far of any of the Nation's airports. There is a huge difference then between the increase at Dulles and the next airport elsewhere in the country.

Now, of course that kind of increase changes an argument that was advanced to the commission that Dulles was really something of an albatross and unable to stand on its own, which was part of the basis of putting Dulles and National into the same pot and permitting under the proposal a cross-subsidy to take place between National and Dulles, National being, of course, very profitable.

Now, I appreciate that it is not in the normal course to debate the motion to proceed to legislation, although it is done and it is certainly permitted under the rules of the Senate. In fact, a recent proposal that would have changed that rule was dropped from a package of rules changes which was presented to the Senate. That package contained in it a limitation on debate on the motion to proceed to a particular piece of legislation, and in fact leaving the Senate with the existing rule, which is, of course, that there is extended debate possible to the degree that it has to be closed down by cloture motion.

A cloture motion, of course, is a standard procedure here to bring debate to a close, and the effort to invoke it on last Friday did not succeed, since 60 affirmative votes are necessary and the motion had 50. We will take another vote on another cloture motion on tomorrow, Tuesday, at noon.

Now, why was a thorough discussion on the motion to proceed necessary? Well, Mr. President, I want to submit two perspectives on that score. First of all, there is a very important issue induced as to how the Federal Government ought to operate and how it ought to be involved, and that issue is that when it is deciding matters which involve the interests of States in the federal system, the Federal Government should seek to act in an equitable manner, in effect in a neutral manner as between States. The Federal Government ought not to take a position with respect to some issue, regional perhaps in character, as this one is perceived by many to be, although a very strong argument has been made by some of my colleagues that there is a very strong Federal interest in the operation and activities of these two airports since they serve the Nation's Capital. But to the extent that the Federal Government takes a position on a regional issue, it should not tip the scales heavily in the direction of one State at the expense of another.

I submit that is what has been done in S. 1017, and for that reason it is imperative that we seek to make Members understand this is not an equitable proposal; that it does not command regional consensus; that, in fact, an effort is being made to impose it upon one of the significant jurisdictions in the region, and Members need to understand and realize that.

Now, focusing this issue I think with the benefit of the debate over the last few days has been helpful in that regard. Second, it has been very important to do that because an argument is being made, and I have every confidence will be made if we should reach the substance of this legislation—in other words, actually have the bill itself before us for amendment and for consideration—that you cannot amend it in any significant way because the bill represents a carefully crafted arrangement.

In fact, the junior Senator from Virginia said as much in the course of the debate on this bill last Thursday. When it was suggested that another of our colleagues was interested in an amendment that would alter the composition of the airport authority, he responded—and I quote now from S. 3115, Senator TRIBLE:

> The practical problem with that suggestion is that this compromise is a very carefully crafted political agreement. If we are going to change fundamental provisions at this point, then we defeat the proposition.

Later in the discussion with another Member of this body, the Senator responded in the same vein.

Now, in effect, what is being asserted in that exchange is that this thing has been "worked out" amongst the parties, the regional parties, at least some of the regional parties, not Maryland. I am careful to point out that we have been left outside of this arrangement, and that is one of the reasons I am here talking right now.

And, of course, the enabling legislation for this is the Virginia-passed measure by the general assembly, and it is really treated as a Virginia regional authority. In fact, the Arlington Journal in a comment earlier in the

month calls it Virginia's Regional Airport Authority.

Actually, the bill does not say that. The bill just says "an airport authority," and then it talks about its composition. But at least one important Virginia paper is calling it Virginia Regional Airport Authority.

So, one of the reasons why I think it has been necessary to discuss the substance is because of the assertion that this has been a finely crafted political arrangement; and therefore, if we were to reach the substance of the bill, we would run into the argument, as amendments were offered, where you cannot really do that because you are upsetting the arrangement.

For that reason, I think it has been important to try to make Members understand that perhaps the better course is not to go to the bill—in effect, to send it back to—not exactly to the drawing board, because we have come well beyond that; the junior Senator from Virginia asserted, in fact, that that is what might happen—but to open up the possibility of an effort to rework this approach in this legislation.

The junior Senator from Virginia, for example, stated, in response to the proposal or proposition put forth by the able Senator from South Dakota about changing the composition of the Airports Authority to give it much heavier Federal representation and much less regional representation:

> I will say to the Senator the reason I suggested it would kill this bill is that this bill is based on a compact passed by the State of Virginia and the city of the District of Columbia that reflects this carefully crafted balance arrived at. Each of us can disagree as to what kind of representation we would want for the various parties, but we have many different interests here. It is very difficult to reconcile those interests to everyone's satisfaction. If we undo this agreement, then this particular legislation is at an end, and it would be necessary to begin this long and difficult process once again. So whether it is the intention of my colleague or not, it would be the end of this initiative.

I think that makes two points. First of all, considering the substance of the bill and its desirability, before we actually get to it, that is pertinent and relevant, because if we should get to it, it is then going to be argued that you cannot change the substance because it will undo the carefully crafted arrangement, and you will then be into a catch-22 situation.

This has been an effort to show the weaknesses in this legislation, to underscore some of the questions and problems connected with it, so that Members might consider whether it would be better not to turn to it at all and let an effort be made to adjust it—in other words, to arrive at a different carefully crafted arrangement—and then come back to the Senate, having, it is hoped, met many of the problems and many of the criticisms which have been raised with respect to this legislation.

I am in a sense fortified in making this argument because I think that the provisions in our rules provide for a considerable degree of debate. The rules do not provide unlimited debate. The rules have a very specific way of bringing debate to a close. It requires more than a simple majority. In other words, there has to be 60 Members out of 100 who are prepared affirmatively to vote that enough time has been spent and now there is a need to close debate.

Maryland put forth a proposition before the Holton Commission which, in effect, would have sought to transfer Dulles Airport to the State of Virginia, which is comparable to Baltimore-Washington being operated by the State of Maryland, and would have placed Washington National Airport in an equally balanced authority; three members from Virginia, three from the District of Columbia, three from Maryland, and some Federal representation, one or two, or whatever it was felt was appropriate to represent the Federal interest.

I am interested in a comment in the Post that appeared Saturday. Martha Pennino, the vice chairman of the Fairfax County Board of Supervisors, an able member of the Holton Commission, said:

> Frankly, the way things are going right now in the Congress, I think we should forget it. The State of Virginia should just go ahead and buy Dulles.

There are 10,000 acres at Dulles, which opens up lots of possibilities, and that is one of the points I will turn to shortly, when I talk about whether this is not unfair competition.

As I have indicated, the Rothschild Bank has stated that they were prepared to make a bid for these airports starting at $500 million. As I said, I do not know the substance of that, and I did not know that proposal was in the works until I read about it in the paper. That is the extent of my knowledge about it, and I am not prepared to comment on the substance of it. I know that Members have raised questions about it. But what it indicates, it seems to me, is that there is a business judgment being made here that the economics of these airports are such that they can sustain that kind of purchase price and yet function profitably. This, it seems to me, at a minimum, ought to persuade the Secretary of Transportation that this issue should be reexamined; that the $47 million is clearly inadequate; and that it should be looked at again in terms of fairness to the Federal Treasury.

What one would conclude after doing that, I do not know. But it seems to me that you just cannot ignore this, ignore the almost 50 percent increase in passenger usage at Dulles, the sharp improvement in Dulles' financial position, the increase in the profitability of National Airport, and keep plunging ahead in seeking to dispose of these things at this incredibly low price, particularly at a time when the Federal Government faces severe budget difficulties and is trying to address the deficit problem.

Mr. WARNER. Mr. President, will the Senator yield for a question?

Mr. SARBANES. I yield.

Mr. WARNER. We have listened here several days very patiently to the point being made again today by the Senator on this concern over the pricing structure.

Let us share with our colleagues and see if we do not have at least a common understanding on these following points; namely, that if we are to increase the price, I mean, if it were the judgment of Congress that this price in fact was too low and that the legislation incorporated an amendment which raised the price, and I certainly do not advocate that, but I am speaking hypothetically, see if we cannot agree on where these additional dollars would come?

In the first place, I know no one who is going to be enriched by this transfer. A certain amount of money goes to the Federal Government, roughly $47 million; another $37 million goes to the State of Maryland; and $30-plus million to a pension fund.

I presume it is the Senator's thought that this airport should sell for roughly, just to use simple mathematics, $100 million. The difference between the prices that I have just discussed and, say, $100 million would simply be made up by passengers coming through, utilizing the airport. That cash-flow has to be generated by the persons who use the airport.

I point to my distinguished colleague's statement of a day or two ago when I think he quite accurately described the usage as probably 40 percent by Virginians, 30 percent by citizens of the District of Columbia, and 30 percent by the citizens of Maryland. The question precisely, one, Do we agree that that is where the additional revenue would come; namely, through increased ticket prices, and is the Senator from Maryland prepared to go to his constituents, roughly the 30 percent who use the airport, and say, "I staunchly advocate a higher price, the Senate agreed with me, and now you are going to pay for it as you, the citizens of Maryland, utilize this airport through higher ticket prices"?

Mr. SARBANES. The Senator put a good question. It gets to the heart of the competitive disadvantage involved with this bill and why it is unfair competition and why it violates what I think should be a cardinal rule in Federal policy, that is, not to deliberately

seek to advantage one State at the expense of another.

The fact is, first of all, there is a question of Federal recovery to the Federal Treasury at a difficult time, what these assets would bring and whether, in fact, the Federal Government should not seek to recoup a much fairer value. The Grace Commission had three figures ranging from $290 million to $415 million and settled at $341.5 million. That is what they thought should be paid to the Federal Government for the transfer of these airports. That is the figure that they put out.

When the State of Maryland bought Baltimore-Washington International in 1972 from the city of Baltimore, it paid $36 million. In today's dollars, $36 million would be just over $100 million, which it would be paying.

So, you have those broader questions and a number of our colleagues have been focused on that. In other words, they think this is a give-away; it ought not to happen. Some believe the Federal Government should continue to own and operate the airports. Others think that, at least if they are going to transfer them, there should be a better price paid in return for the assets and facilities that are being received.

I respect both those arguments.

I, of course, being a Senator from Maryland, have to try to present to this body the perception in Maryland that what you are doing is providing unfair competition.

If you accept the proposition that Baltimore-Washington International Airport and Dulles compete with one another, I think that is a reasonable proposition. They both serve Washington and the Metropolitan Washington area, and in fact one can gain access to downtown Washington as quickly from BWI as from Dulles. So they are really roughly equidistant or access time at least is roughly comparable.

If, in fact, you turn Dulles over to an authority at well below its value, well below in fact what Maryland paid for Friendship, then you give to Dulles at the very outset as it were a capital underwrite—that is what it amounts to—from the Federal Government. Therefore, it is an airport that does not really have to confront its costs the way the normal airport has to do.

Mr. WARNER. Mr. President, I say to my distinguished colleague who is the beneficiary then of this windfall profit? It is not the State of Maryland.

Mr. SARBANES. The beneficiary would be anyone who in effect got the benefit of Dulles charges or fees at below what otherwise would be market value. The other problem then is what you have done if you underwrite that, if you subsidize that by setting it up, and I am going to develop further how there is a further underwrite subsidy because of the ability to have a cross-subsidy from National Airport, in effect, you have a tie-in arrangement here as it is normally known in antitrust law.

This bill allows the highly profitable National Airport to, in effect, underwrite costs at Dulles and, therefore, even sharpens this competitive disadvantage. We are prepared to compete, "we" being Maryland, and I regret the sharpness of the Maryland-Virginia exchange because our two States have worked together on a range of issues. It is something to be devoutly sought, in my opinion.

I must say the senior Senator from Virginia has been very sensitive, I think, on a whole range of issues in that regard and has really exerted very strong constructive leadership. I regret in a very real sense finding ourselves on opposite sides of this matter and engaged in this give and take. But I think it is necessary, as I perceive it, under the circumstances.

Mr. WARNER. Mr. President, I thank my distinguished colleague. I certainly share similar sentiment with the distinguished Senator from Maryland who has worked indeed with me and others on the common problems between our two States.

I think, in fact, we are going to be able to resolve this one.

We have, however, it seems to me, a special trusteeship, the Senator from Maryland, myself, and Senator TRIBLE, in that our colleagues are busily engaged with a wide range of legislative matters. They are listening from time to time to this debate. They are legitimately concerned about several issues that have been raised by the distinguished Senator from Maryland and, of course, we are anxious to get on with the bill.

But putting the procedural matters to one side, in that trusteeship we have to explain to them, first, what is the impact of an added cost, if it were the will of the Senate, and I hope it were not, to this transfer? Where would the dollars go?

Would the Senator suggest that their share to the Federal Government of $47 million be increased, the share of $37 million to Maryland be increased?

I think there is adequate funding for the pension fund.

First, where should this money go and who should pay for it? Where should the dollars come from? That was my first question.

Do we not agree that any added cost, indeed costs that have been established in this bill are to be borne by the travelers, many of them the Senator's constituents?

Mr. SARBANES. As I said, not necessarily the travelers because part of the things are parking revenues which may or may not be travelers.

Mr. WARNER. They are associated.

Mr. SARBANES. Anyone who pays the charges at the airports if the charges are higher than they otherwise would be because of the cost of acquiring the facilities—the capital cost to begin with is higher—that is in fact who will have to make the payments.

But the real question I put to the Senator is why should the Federal Government dispose of it at a price which enables the setting of charges that are far below the industry norm, which is exactly what would happen here and exactly what would provide an opportunity for unfair competition to the State of Maryland.

Mr. WARNER. Mr. President, will the Senator yield?

Mr. SARBANES. I yield.

Mr. WARNER. Mr. President, if I may just respond to that point, I would like to use the conversation that I had not more than an hour ago with a distinguished senior Member on this side of the aisle who frequently uses Dulles for purposes of transportation and quite a knowledgeable individual in aviation himself, having been a pilot one time.

He said to me, "Senator, I am astonished by the improvements now being put up at Dulles in terms of the quality, the location; it does to me conform to the best that is being put in America. Why are you allowing this airport to run down?"

And I said, "Simply because it is owned by the Federal Government. There are insufficient dollars in the Treasury today and for the foreseeable future to provide the improvements. Indeed, the airport is degenerating."

And who suffers? It is not necessarily the State of Virginia—we supply the infrastructure around the airport—it is the American traveler coming to and from the Capital City of the United States, primarily, and those constituents, citizens of Virginia, the District of Columbia, and Maryland that have to rely on these two airports with BWI for their hub of transportation.

I hope at some point in the RECORD the distinguished Senator from Maryland would put into this debate the fact that BWI is experiencing one of the strongest years of growth that it has had. It posted record profits this year. I think we have to look at that in the context of the overall regional transportation system and the inadequacy of the Federal Government to provide the necessary funding for the improvements of the two airports which, coincidentally, are located in the Commonwealth of Virginia.

Mr. SARBANES. Well, I would say to the Senator that I do not differ with the assertion of the necessity for improvements at these airports. And I think that is a highly desirable thing to achieve.

What I am contending, though, is that it is unfair competitively, since BWI and Dulles, in particular, are in direct competition of one another, to set it up in such a way that Dulles has a highly competitive advantage.

Now, that relates to my broader point that the Federal Government ought to act in a way not to advantage one State over another. I am not arguing to try to disadvantage Virginia or this authority dominated by Virginia. I am just arguing, set the thing up on a fair basis.

Now, obviously I have the responsibility to vigorously oppose a measure which would not honor this principle of equality as between the States and would in effect structure an arrangement in which BWI was placed in a highly unfair competitive position. And I think the terms of the proposed transfer here do exactly that.

Let me outline why.

Mr. WARNER. Before the Senator proceeds with this contribution—and I say this most respectfully—would you address my question, which colleagues are quite interested in: If the Senate were to fix a price higher than the one established in this bill, how and who would pay?

Mr. SARBANES. Well, the Airports Authority would have to recover, then, in effect a higher price than they paid. I gather the Airports Authority proposes to sell bonds in order to do this, tax-free revenue bonds. That is the financial scheme that is laid out. And they would then have to structure a revenue flow that would be able to service a higher level of revenue bond. If they got them for free, if they got the facilities for free—let us get almost in fact where I think we are—if they got them for free, then they would not have any costs associated with the acquisition of the facilities. No cost at all.

Now, to the extent they have a cost, they have to set it up and they have to service it. How can they service it? Well, to some extent you have the question of landing fees, which, as the Senator earlier pointed out, would be incorporated I assume into ticket prices. You have parking revenues. You have, under this legislation, the possibility of very significant real estate development—and I want to underscore that—very significant real estate development which would allow the revenues from such development to be used to underwrite the airport.

So that, in effect, the higher cost might be paid by real estate developers or by those who leased offices or other commercial enterprises on the Dulles land. There is 10,000 acres out there. A couple of thousand of it, as I understand, is prime development property conservatively valued at $100,000 per acre, which would represent a $200 million asset.

Mr. WARNER. Mr. President, I beg my distinguished colleague again—I look upon ourselves as trustees of this little isolated piece of legislation—let us get the facts accurate to our colleagues. There is roughly 2,000 acres of excess land at Dulles that can be developed but nearly all the land it holds is necessary for future runways, or terminals to be built, clear zones, noise buffer zones. In fact, the authority will almost immediately have to acquire more land for a third parallel runway.

So I think we are being misleading when we talk in terms of 10,000 acres worth hundreds of millions of dollars as any source of revenue. That simply is not the case under this pending legislation.

Mr. SARBANES. What about the 2,000 acres of prime development land conservatively estimated at $100,000 an acre?

Mr. WARNER. That land is restricted to the development for purposes directly necessary for the conduct of the airport in its aviation function. Again——

Mr. SARBANES. Let me interrupt the Senator right at that point because I think it is important to try to lay out this legislation. I refer the Senator to pages 36 and 37 of the bill.

Now, at the bottom of page 36 it says:

> The real and personal property constituting the metropolitan Washington airports shall, during the period of the lease, be used only for airport purposes.

So that sounds as though what the Senator has just said is correct. In other words, this property can be used only for airport purposes.

But then if you go over to page 37, in the third line, it says:

> For the purposes of this paragraph, the term 'airport purposes'

Which is the phrase that was just used——

> Includes a use of property interests (other than a sale) for aviation business or activities,

Which is, of course, what the Senator just alluded to——

> Or for nonaviation business or activities that provide revenue for the Airports authority.

So, under this language, you can use the real and personal property for nonaviation business or activities, that is, for office buildings or commercial ventures, providing they bring revenue to the authority.

Of course, that revenue can then be used to address the Authority's expenses including the servicing of the revenue bonds.

Mr. WARNER. Mr. President, I would be more than pleased to work with the distinguished Senator to tighten up any language present in this bill that would enable that type of development. It has always been represented to me that the development of the remaining land would be in a form directly associated with aviation needs, not high-rise apartments, or lucrative office buildings or the like.

So let us not leave our colleagues with any impression that there is 10,000 golden acres out here, not unlike what we are talking about at the Statue of Liberty, all ready to be developed and all sorts of magnificent things.

Mr. SARBANES. Let me say to the Senator, I will not assert there is 10,000 at Dulles. Some of that acreage obviously has to be used for an airport, if you are going to have an airport.

Mr. WARNER. Yes.

Mr. SARBANES. I recognize that. But some of that 10,000 is clearly perceived by everyone under current circumstances—and the figure of 2,000 has been used—as in effect not tied up either in the current or future plans for the airport itself, and therefore available for development. Of course, this permits development for nonaviation business or activities.

Let me show the Senator how skillfully this legislation has been written in this regard to in effect permit the kind of underwrite that I am talking about. The first point I am making to the Senator in response to his question as to who would bear the cost of a higher transfer price—and it is a lease, not a sale—actually at the end of 35 years the restriction to the use for an airport drops out of this legislation, I say to the Senator.

Mr. WARNER. I am familiar with that. Let us go back again and define who would pay the price.

Mr. SARBANES. That is what I am about to go to.

Mr. WARNER. Let us say we can agree on who the various elements would be which pay legally within the authority. Let us agree that it would be from the following sources: landing fees, the rental of terminal facilities to airlines, and parking. And I dispute my distinguished colleague on whether there is any land out there subject to development, which development would be looked at solely as a source of revenues of the magnitude necessary that the Senator portrays in behalf of raising costs. We would have to build the buildings. It takes years to build the buildings.

It is not present in the bill, and I will work with the Senator to tighten the bill if necessary to preclude that type of development.

Mr. SARBANES. Let me take the Senator a step further.

Another way that the cost could be met would be to use the revenues or profits at one airport to underwrite the costs at another.

We think—"we" being Maryland feels—that is highly unfair. There is a provision in the bill which supposedly

restricts this. I want to advise the Senator of that up front. But I am prepared to show that it is no restriction at all, that it does not in fact accomplish what it purports to do, and, therefore, what can happen here—again I talked earlier about the fact that you have these two regional airports, Baltimore-Washington may be 30 to 40 minutes from downtown Washington and Dulles roughly the same time distance, competing with one another. But when you put both airports, Dulles and Washington National, into the same authority, it is possible for the profits at National—which is, of course, a very lucrative airport, and highly sought after—to be used in effect to underwrite the costs at Dulles.

That is not fair competition. Let Dulles stand on its own. Let there be a fair price for acquiring it. Let it then have to generate the revenues through the host of activities in order to service its acquisition costs, and service its capital improvements and operation—exactly the same situation that prevails at BWI. And then let us see how that competition works. That is all we are asking for. In this regard on the financial aspect of the thing, that at least would put them in an equally competitive posture.

There is a provision in here that perhaps the Senator is going to refer to on pages 41 and 42 that supposedly says that landing fees and revenues of one airport cannot be used to underwrite maintenance or operating expenses at the other airport. It does not say anything of course about the property development. But the other thing it does not say—in fact, it says just the contrary when it says that these fees and revenues cannot be used for maintenance or operating expenses. It very carefully puts in parentheses "excluding debt service, depreciation, and amortization."

So in effect you can use the landing fees and the revenues at one airport to underwrite the debt service, depreciation and amortization at the other.

So in response to the Senator's question about who would pay, you may well have the costs at Dulles being paid by landing fees or parking revenues at National. And, of course, there is no restraint, and not even an effort to restrain the use of property development at either facility.

What you have done, therefore, is you have these two airports competing, and you are setting one of them up with an unrealistic capital cost with a possibility of extending property development and with the possibility of being underwritten by the profits of the other airport.

Give Maryland National Airport. Let us put them together and then let us draw the proceeds of National to underwrite the cost at BWI in competition with Dulles. The Senator would not regard that as fair competition. The Senator would be saying, Look, let Dulles compete with BWI. Why should BWI have National included in the same pot, draw the profits from that in order to underwrite its costs, set them below the industry norm, and gain a competitive advantage vis-a-vis Dulles? We have asserted again and again, and I mean it. We are prepared to have these airports compete. I think that is healthy. I think the region would benefit. The interested parties would have to become more involved in it, including probably the State of Virginia, just like the State of Maryland has become involved in BWI.

But this sets it back up in a way that I think is unfair. I think it is imperative upon me to try to outline this problem to my colleagues.

I know they tend to see it as sort of a Maryland-Virginia problem only. But I do think the principle involved is one that ought to concern every Member in this body; that is, that the Federal Government, when it acts vis-a-vis a regional problem involving States, it ought not to significantly advantage one State to the disadvantage of another. That is the problem here between BWI and Dulles Airport in their competition.

Mr. WARNER. Mr. President, if I may say to my distinguished colleague who well knows we offered the opportunity to BWI to be a full participating member of this authority but it declined to do so.

With respect to this transfer of funds, the distinguished Senator from Kentucky at the specific request, so I am told, of various members of the Maryland delegation put in the provision to end the practice that the Maryland people thought was most unfair, namely subsidizing Dulles operations through a uniform landing fee at Dulles and National.

Now if the Senator has an amendment which can further tighten that up, let us see the amendment. Let us proceed to the bill, and consider the amendments on this and a variety of other issues.

Mr. SARBANES. If and when we get to the bill——

Mr. WARNER. Now we are getting to the point.

Mr. SARBANES [continuing]. I propose to come forward with some amendment. But as I indicated earlier to the Senator, the necessity of making this argument at this point in time was really clearly indicated.

I am very frank to tell the Senator that I am glad that exchange took place because in my own view that was really what we were going to run into if we got to the substance of the bill, and that was the argument made by the Senator's colleague from Virginia who in responding to other Members of this body putting forward ideas they had about changing some provision or other of this bill came along and said, well, you know, this thing has been put together very carefully.

"The practical problem of that suggestion," talking about an amendment, "is that this compromise is a very, very carefully crafted political agreement. If we are going to change fundamental provisions at this point, then we defeat the proposition."

Later on, he said, at S3120, March 20:

I will say to the Senator, the reason I suggested it would kill this bill—

This was an amendment to change the composition of the authority, putting forth an argument.

is that this bill is based on a compact passed by the State of Virginia and the City of the District of Columbia that reflects this careful balance arrived at. Each of us can disagree as to the kind of representation we would want for the various parties. But we have very different interests here. It is very difficult to reconcile those interests to everyone's satisfaction. If we undo this agreement, then this particular legislation is at an end, and it would be necessary to begin this long and difficult process once again.

Of course, I do not believe you would have to begin the process once again. I am very frank to say to the Senator I think if the Secretary said, "Look, there is this new factor that has come into the thing," in terms of the argument over the price. We have this private proposal now for a lot more; you have the Grace Commission recommendation. We clearly do not have a regional consensus and maybe we ought to really take this legislation, bring the Governors in, and see whether some of these issues can be addressed.

I think there are enough problems set out here in terms of this body, as I understand it, and problems in other bodies.

Let me go back to the question of the competition because I think its very important to develop that point. It is a point that this Senator has to meet with the Maryland Senate. Other Members of this body have broader points they are making, whether the Federal Government ought to lose its control over these airports, or whether, in fact, if it does transfer them, the price is sufficient; whether, even if there is a transfer, the composition of the authority is adequate to protect the Federal interest.

On the competitive view, unfair competition between particularly Dulles and BWI. That is a point that calls for Maryland to make, although I do submit to my colleagues that the broader principle I am talking about ought to be one that every Member of this body is sensitive to. That is that when the Federal Government moves on a regional issue it ought not to do it in such a way as to significantly ad-

vantage a competitive situation of one State at the expense of another. In order words, it ought to do it in a way that, in effect, is equitable between the two jurisdictions.

Let me just view that point for a minute.

The legislation has a transfer price of only $47 million for both airports. It also includes the transfer of the Dulles access road and new buses for ground transportation, with no cost to the authority. Those are items that Maryland taxpayers have had to finance for similar service at BWI. So you are going to have these two airports competing. One is getting these things almost gratis and the other one had to pay for them.

Second, the $47 million is paid over a 35-year lease period. It is not even paid up front. At the end of that time, the new authority would own the two facilities. An interest rate of 4.9 percent, the so-called imputed interest rate, would be applied to the outstanding balance during the lease period.

So you have a ridiculously low balance, you pay it over 35 years, and you have an inputed interest of 4.9 percent.

You are relinquishing two highly valuable public assets at these incredibly low prices. It really raises the question, given our deficit budget reduction decisions, why should we be doing this?

(Mr. McCONNELL assumed the chair.)

Mr. WARNER. Mr. President, if the Senator will yield, we must repeat that we will add onto those costs up to perhaps 1 billion dollars' worth of improvements that have to be serviced by these same sources of revenue in order to make these airports comply with modern safety standards and to compete with BWI, which has absolutely first-class facilities and has had first-class facilities uninhibited from the first day it began to operate.

Also, I want to point out the fact that BWI uniquely serves two major Metropolitan Washington areas, that is the great city of Baltimore as well as the Nation's Capital and the greater metropolitan area.

It is hardly my view that Baltimore would look to Dulles-National as to transportation.

I see the distinguished Senator from Maryland [Mr. MATHIAS] is now in the Chamber.

We must not overlook the fact that Baltimore is a major source of revenue and traffic for BWI.

Mr. SARBANES. I would say to the Senator in response to that that Friendship did not have first-class facilities when it was acquired, as the senator said, from the very beginning. That was not the case. Maryland has made significant investments to bring it up to the higher standard. As I said, they paid, in 1972, for an airport that was not of first-class caliber, $36 million, and they have invested over $100 million that they invested, and, at today's prices, almost another $200 million.

As I said, the Grace Commission estimated a value for National and Dulles ranging between $292 million and $414 million. So this price tag of $47 million bears little relation to the real value of the two facilities.

I mentioned earlier the development value of this at least 2,000 acres of potential development property, very highly valued, being turned over, of course, to this authority, in a sense at no cost.

It was earlier argued that the land at Dulles would have to be used for airport purposes. But, as I indicated, airport purposes was defined to include nonaviation business or activities that returned revenue to the authority.

So it is not adequate to say, "Well, this land has to be used for the airport, for airport purposes."

It can, in fact, be used for nonairport purposes, in other words, real estate development, if the revenues are returned to the authority. So the authority could lease this land for development and use the resulting revenues to subsidize airport operations.

Let me develop how the disposition of these two airports at an unjustifiably low value would adversely affect the competitive situation.

First, it would allow the new authority to proceed without having to pay for the fair value of the property which it obtains.

I agree that these two airports need substantial improvement. However, I object to them being given an unfair advantage by receiving the Federal properties at this giveaway price, far less than anything approaching market value, far less than even what Maryland paid in 1972 adjusted to current dollars for Friendship.

Having obtained the facilities at a bargain price, the new authority would be free to keep landing fees and rental fees far below the industry norm.

In other words, given that advantage, because they are not operating with market forces, they can set landing fees and rental fees far below the industry norm. Should the Federal Government indirectly subsidize the new authority's fees by disposing of the airports at this ridiculously low price? That is, in effect, what will happen.

Mr. WARNER. Mr. President, will the Senator say what is the price he thinks should be charged?

Mr. SARBANES. Mr. President, that is a good question and I must say to the Senator I am not sure I fully know the answer. I know this price is far inadequate. I know that the Grace Commission says $341 million. I know the State of Maryland came in and said, "Look, we will pay twice what the authority is required to pay under this legislation, right up front." I know that the State of Maryland in current dollars paid just over $100 million for Friendship 14 years ago, a facility far inferior to the two facilities that we are talking about here.

Mr. WARNER. But I point out to the Senator the report of the Committee on Commerce of the U.S. Senate that went into this question, analyzed it, and I have to presume that the members of that committee, on both sides of the aisle—with a strong vote as the Senator well knows, 12 yeas and 4 nays—looked into this price. I cannot imagine that these Members of the U.S. Senate would have let such an extraordinary windfall occur as implied and, in some ways, indeed, represented by my distinguished colleague from Maryland.

Mr. SARBANES. I say to the Senator that I am not sure that the committee fully looked at this particular issue. I notice that the minority says in this report:

> BWI in Maryland is in keen competition with Washington Dulles and National. The State of Maryland has invested millions at BWI to develop airline service. With the Dole transfer to an Authority controlled by the State of Virginia, the State of Virginia would get two airports along with thousands of acres of prime real estate for virtually nothing. It would be able to use the revenues from National to subsidize fees at Dulles, allowing it to effectively draw traffic away from BWI. Maryland's inadequate representation on the new Authority would make the State helpless to stop such decisions.

The first thing you have is by transferring it at this unrealistically low price, it is unfair to the Federal Treasury and the Federal taxpayer and it does confer a strong competitive advantage because they gained this facility at little or no cost. It enables them, having obtained them at a bargain price, to keep landing fees and rental fees below the industry norm, which is a competitive advantage. It can also, of course, engage in real estate development since it gets it at virtually no cost, and would be able, then, to use these moneys to underwrite airport activities. So on this point, by disposing of National and Dulles Airports to this Virginia-chartered corporation at far, far less than fair market value, the Federal Government is conferring unfair advantage upon the owners of these facilities, to the detriment of a competitor—namely, Baltimore-Washington International Airport.

Let me move on to the next aspect of the legislation that is unfair. In addition to undervaluation, financial cross-subsidization of National and Dulles provides unfair competition. This allows them, in effect, to use the more profitable revenues at National

to subsidize Dulles. Where BWI had to set fees to reflect the cost to operate the airport, Dulles could set fees artificially low because of the subsidy they are receiving from National revenues.

The standard practice in the country is that major airports are run as a separate business center and the fees at each airport are based on the cost of the operation of that airport. Why should Dulles be any different?

I think that it is clear that the Federal Government can reasonably obtain a better return on its investment and that the ability to allow a cross subsidy to flow from one to the other ought not to take place. They both violate fair competition, they both violate the principle that the Federal Government ought not, in a regional matter, to act in such a way as to place one State at a substantial competitive disadvantage with another State. I think that is a pretty important point.

I dare say that the Senator from Virginia, if the situation were reversed, if National were going to be put in with an authority with BWI and BWI could then draw the revenues from National to underwrite the charges at BWI as it competed with Dulles, would say "That is not fair; they ought to compete on their own, BWI and Dulles, not allow BWI to draw these benefits from National to provide a highly significant advantage."

Mr. WARNER. Mr. President, we continually talk in terms of—at least the Senator from Maryland does—two States. Let us not overlook the Nation's Capital, the District of Columbia. That is very much a party to this whole Authority. The distinguished mayor and members of the city council worked hard to effect this package for the Authority. Therefore, I urge my colleague, as we address the points under the bill, let us not overlook the fact that the Nation's Capital is very much involved and it is not simply a Maryland versus Virginia competitive struggle.

Mr. President, I wonder if my distinguished colleague would also allow me at this point to introduce the Baltimore Sun editorial or November 30, 1985, entitled "Soaring Business at BWI."

The boom in business continues at Baltimore-Washington International Airport. But the explosive growth in passengers, air flights and freight could boomerang on state aviation officials unless there is a major expansion at the airport. Any enlargement of that magnitude, though, could set off a massive chorus of community complaints over noise and air polution issues.

Last year, passenger growth at BWI neared 29 percent—to 6.7 million—and BWI's share of the regional market jumped to 27 percent. By New Year's Eve, the number of people arriving or departing from BWI in 1985 should reach 8.1 million—an increase of another 20 percent. The latest projections put BWI's passenger volume at 20 million two decades from now. The airport's present facilities were never designed to handle that kind of congestion.

On top of that, BWI is one of the fastest-growing international gateways in the country, now ranking No. 14. Last year, its 478,000 international passengers exceeded the number going abroad by way of either Dulles or Philadelphia airports. And BWI's share of the Baltimore-Washington air-freight market has grown from 48 percent in 1979 to 59 percent. The airport's popularity is soaring.

I wonder if I am hearing the old cry "wolf, wolf."

Mr. SARBANES. I say to the Senator business is increasing at BWI and it is also increasing at Dulles. As I said, last year Dulles had a 47-percent increase in passenger usage, the highest in the country. I ask unanimous consent to include in the RECORD at this point the Sun editorial from last week sharply criticizing the proposal that is now before the Senate.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Baltimore Sun, Mar. 21, 1986]

FEDERAL FIRE SALE

The Senate would be wise to heed the admonitions of Paul Sarbanes, D-Md., and forget about giving away National and Dulles airports for a ridiculously low price. Not only would this amount to a fire sale of valuble federal property, it could set off a new civil war between Virginia and Maryland. It is not the job of Congress to sanction deals that boost the fortunes of one state (Virginia) at the expense of another (Maryland).

As proposed by the Reagan administration, both National and Dulles would be turned over to a regional authority heavily loaded with Virginians. The cost would be a mere $47 million, spread over 35 years. Yet annual profits at National exceed $17 million and the land around Dulles is worth an estimated $1.2 billion. What a steal!

Such a low sale price would make it easy for the new authority to finance a major expansion of Dulles with its National profits and sell off the land around Dulles at below-market rates to lure business development away from Maryland. Meanwhile, safety and capacity restrictions at National would be eased, permitting even more dangerous overcrowding by noisy, oversized jets arriving and departing at all hours.

All this would put Maryland's Baltimore-Washington International Airport at a competitive disadvantage. Congress would, in effect, be subsidizing Virginia's economic development efforts to Maryland's detriment—not to mention the taxpayer's detriment. The $47 million sale price is totally unrealistic; deficit-reduction efforts alone should dictate a price 10 times higher.

Mr. Sarbanes has delayed Senate action by engaging in a filibuster, aided by Ernest Hollings, D-SC., and Larry Pressler, R-S.D., who see the bill as a giveway. Should he lose on a cloture vote today. Mr. Sarbanes will continue the fight to make this bill less odious. The Senate could start by raising the sale-price dramatically and making the authority a true regional body.

Or better yet, the Senate could adopt the position we share with Charles Mathias. R-Md., (who, unfortunately is in Europe) for a single authority to run all three airports. This makes the most sense. Population growth in the Baltimore-Washington region is exploding and will increase by 3 million in the next two decades to a total of 8.7 million. Meeting air-transport needs will require intensive, coordinated planning by the three local airports. That can't be done if Congress strikes a sweetheart deal with Virginia.

Mr. SARBANES. So I say to the Senator the fact that business at the airports is on the increase ought to be welcomed by everybody, and the fact that that is the case is all the more reason why this authority ought to pay a reasonable price to acquire these facilities and why a cross-subsidy ought not to be permitted between the two airports. The competitive position is very different in terms of Washington National, which is virtually in downtown Washington, and the competitive position between Dulles and BWI.

Mr. WARNER. Mr. President, I say to my distinguished colleague that the Committee on Commerce, and the distinguished Senator from Kentucky [Mr. FORD], put in the provision. If that provision is of concern to the Senator, then let us turn to the bill and see what amendments he might have. The point is that the committee struggled with the very proposition, and indeed a Member from the Senator's side of the aisle put in an amendment to correct it. I presume, by virtue of the vote of 12 to 4 in the committee, the correction was satisfactory to those who had spent so much time on it.

Mr. SARBANES. With all due respect to the committee, I am not sure that they struggled at length with some of these issues. Just on that point, to move to a different area, I should like to note that the amendment on noise put forward by the Senator's colleague from Virginia was adopted by the committee 2 months later in a 4-minute meeting. And I said to his colleague the other day on the floor, it was my prediction that if this legislation ever should become law, the noise problem associated with the Trible amendment will come back to be a very large issue. So I do not accept the proposition that all the items we are now laying out here have been thoroughly explored.

The Sun editorial that I quoted refers to this whole thing as a "Federal fire sale." It points out that these two airports are being given away at a ridiculously low price. It goes on to say—and I think this is the broader point I was trying to make—"It is not the job of Congress to sanction deals that boost the fortunes of one State at the expense of another." I must say to the Senator I think if the situations were reversed, the arguments would be reversed.

It is regrettable in a sense we have reached this posture. I commented earlier about the Senator's efforts in terms of cooperation. I simply say—

and my distinguished colleague from Maryland is with us, and this is an issue near and dear to his heart—that the Senator from Virginia has been most effective in cooperating with us on problems involving the Chesapeake Bay, where, I am frank to say, I think the two States, joined with Pennsylvania and the District and the Federal Government, have established a cooperative relationship and framework that is unprecedented, and it did not simply happen. My very able colleague from Maryland has had a long interest in that issue, as has the Senator from Virginia, who is with us on the floor. That was a good example of cooperation, a good example of regional consensus and working together.

The fact is that the Holton Commission never really looked carefully at alternatives other than essentially the one that was followed here. Maryland had another proposition which the chairman actually did not even want to consider at the beginning of the deliberations. Eventually, he proceeded to do so. The proposition I think of putting the three airports in one authority was never fully explored. That might in fact have offered a different approach and a different opportunity. In fact, that has received some editorial endorsement in my State.

So I think what in effect happened here is, the commission, in a sense, had its marching orders from Secretary Dole, and she was anxious to get rid of these airports, perhaps for understandable reason. My colleague from South Carolina the other day said, and I quote from his minority report, "The best I could learn was the Secretary feels like the old woman who lived in the shoe; she has Conrail, airports, the Coast Guard, hijacking—so many problems, she doesn't know what to do." And then he went on to say that she was seeking an opportunity to get rid of the responsibilities.

Actually, Maryland accepted the premise of defederalizing the airports. The real question is, how do you do it and on what terms and conditions, and that is the case we have been trying to make on the floor. You have to do it, I think, on terms and conditions that are fair to the Federal Government and the Federal taxpayer with the budget and deficit problems which we have.

I think you have to do it in a way that one looks at it and says the competitive situation that is being set up here is a fair one as between the three regional airports. There are three regional airports. BWI is an important part of serving the metropolitan Washington region.

Mr. WARNER. Mr. President, I would have to say in fairness to the distinguished Secretary of Transportation, a very beautiful woman in her own right, as opposed to living in a shoe, having served on that commission and having met the Secretary on several occasions along with all the other commission members, at no time did she in any way try to exert overt influence, covert influence, or any other type of influence on that commission.

Mr. SARBANES. Overt-covert or covert-overt.

Mr. WARNER. That is correct. There was no Contadora process. There was nothing but openness and fairness. I attended all the hearings. They were in public and under scrutiny of the press and others. At no time did our distinguished Secretary of Transportation try in any way to influence the judgment of that bipartisan and independent group.

Mr. SARBANES. Well, it was in terms of reference, I say to the Senator. The question first of all was not whether they should be transferred. The premise was that they would be transferred, and it was also in effect assumed that they would be transferred to a single authority.

The Maryland proposition, of course, was to transfer National to an authority in which the jurisdictions would share. The Senator is obviously correct to point out that the District of Columbia has an important interest in this; and as yet, of course, the District of Columbia does not have someone in the Senate directly to speak for the District. The District of Columbia has an important interest in this as well; and, as I pointed out the other day with respect to the noise question, they really were being dealt with here in a way that they would not be able to address the problem.

My point is that those other possibilities which might have formed the basis for a regional consensus were never explored adequately. We went this route. We got an asymmetrical authority in terms of representation on it.

There are provisions here which are unfair in terms of the financial competitive position, and it seems to me that a situation that might have been worked out in a way that there was a regional consensus has not been.

Mr. WARNER. Mr. President, at the moment, I am searching for the full membership of the commission. I ask unanimous consent that at an appropriate place in the record of this colloquy with my distinguished colleague from Maryland, I be permitted to put in the RECORD the full membership of the commission. Having served on it, I remember most of the members, but there are two whose names and titles I want to make certain of.

The PRESIDING OFFICER. Without objection, it is so ordered.

(Subsequently Mr. WARNER submitted the following statement for the RECORD:)

The members of the Advisory Commission on the Reorganization of the Metropolitan Washington Airports are as follows:

Honorable A. Linwood Holton, Jr., Honorable Harry Hughes, Honorable Charles S. Robb, Honorable Marion Barry, Jr., Honorable John W. Warner, Honorable Paul S. Sarbanes, Honorable Frank Wolf, Honorable Steny H. Hoyer, Paul Ignatius, Duane H. Ekedahl, John H. Winant, Honorable Scott Fosler, Honorable Betty Ann Kane, Honorable Martha Pennino, and William J. Ronan.

Mr. SARBANES. Mr. President, let me underscore to the Senator the Holton Commission charter:

The charter establishing the Advisory Commission on the Reorganization of the Metropolitan Washington Airports (the "Commission") directed the Commission to "develop a comprehensive proposal for the transfer of the Metropolitan Washington Airports to an appropriate state, local, or interstate governmental body * * *.

That was in the Federal Register on July 10, 1984.

Mr. WARNER. The Senator is correct.

Mr. SARBANES. At the initial public session of the Commission on the July 25, this charter language was given a strict construction by the Commission chair, former Governor of Virginia, Linwood Holton, a very able individual, I must say. He said:

I would like to emphasize as part of my remarks the very narrow charter that this Commission has. [T]his Commission is charged with making a recommendation to carry out a decision that Secretary Dole has made. That decision is that the airports will be transferred from the FAA jurisdiction to the jurisdiction of a local, regional, or state governmental entity.

At the second session of the commission in August, several Maryland members and some D.C. members conceptually explored alternate organization schemes, focusing on the bifurcation of National and Dulles. At the time, they were rejected as being procedurally outside the scope of the commission's charter and financially unworkable.

Later, Governor Holton's strict construction was given a more elastic interpretation, and he then said:

* * * The Chair may be . . . giving you a little bit too much leeway to start talking about splitting (National and Dulles) but I think it's closely enough related to what we're talking about . . . It's not the principal consideration of this Commission to divide these two airports because that's not going to be done.

So there is that proposal sort of set aside.

As I said to the Senator, in my own view, the proposal of putting all three airports into one regional authority was never really on the agenda of this commission, either, because the commission's charge from the Secretary of Transportation, the narrow charge, was that the two airports would be transferred from the FAA jurisdiction to the jurisdiction of a local, regional, or State governmental entity.

So you have two other possibilities that, in a sense, were set aside, and we went down this path with all the problems that I think are inherent in it.

Mr. WARNER. I say to my distinguished colleague that he is accurate, as he has been throughout most of this debate, in his description of the charter and the directions of the chairman, the distinguished former Governor of Virginia.

I also point out to my good friend that the Commission exercised its own opinion freely and could well have rejected the charter by the Secretary and sent back a report that, in the judgment of the Commission, it was unfeasible within the framework to come up with a workable plan. But it elected not to send such a report back to the Secretary. On the contrary, the report was on the feasibility of the plan, which plan was developed through a series of careful hearings by a committee of the U.S. Senate.

Mr. President, I note the presence on the floor of our distinguished senior Senator from Maryland, and at this time it is my privilege to yield the floor to our colleague.

Mr. MATHIAS. Mr. President, I thank the distinguished Senator from Virginia. I take it that he anticipates some of the things I will say, so it is with great credit to his courtesy that he is willing to let me say them at this time.

A moment ago, there was some discussion about what is the fair price and the real price of the facilities that are about to be alienated if the Senate should agree. My colleague from Maryland, I think, gave a very succinct analysis of that, and I should like to associate myself with his remarks in that respect.

As he pointed out, the Grace Commission found the properties to be worth $341 million, and even that seems to be a rather low estimate, given the marked interest in these properties. There was another figure that can be thrown into the hopper. That is the figure which is determined by the accounting method that has been employed by the administration, which is known as hypothetical indebtedness. I would hate to have to explain the operation of hypothetical indebtedness to the Senate. At any rate, those who claim to understand it have arrived at a figure of $108 million as the fair market value that they would assign to this property.

So, whether you are talking about the billion dollars which the Rothschild firm has suggested, or whether you are talking about the $341 million as the Grace Commission has suggested, or whether you are talking about $108 million as arrived at by the hypothetical indebtedness method, under any circumstances it is a great deal more than $47 million.

It seems to me that at some point during these proceedings, the Senate will have to look at the pricetag; because, after all, we are dealing with the sale of property belonging to the people of the United States and held in trust for the people of the United States by the U.S. Government.

Above and beyond all that, which is a serious consideration, there is the simple proposition which President Reagan has been reminding the country of so often, and that is the fact that we need the money. If we need the money—and there is no doubt that anybody who has dealt with the budget would not question that we need the money—we should get at least a fair market value for this property and not a small percentage of that market value.

The distinguished Senator from Virginia said that this proposal has been approved by the commission which was led by former Governor Holton of Virginia, as being feasible and, of course, the Senator from Virginia is exactly right. That is judged to be feasible by this commission.

But the question really is not one of feasibility. The question is whether this action is in the public interest. It is not merely a question of whether it can be done. It is a question of whether it is in the public interest.

There are a great many things that can be done which perhaps should not be done, and this may be one of them.

The conclusion that I have reached after grappling with the thorny aspects of this legislation for more than a year is that it is not in the public interest. I think the test of that conclusion is to ask how it could be in the public interest when 1 of the 3 airports that serves the Washington metropolitan area has been excluded from the plan.

When we ask the question is it in the public interest, then, of course, it raises the question of what public are we talking about. In this case, the public is a very complex and extended one. It includes the population of the huge Chesapeake-Potomac megapolis, extending from Richmond all the way to the Mason-Dixon Line, westward to the Appalachian Mountains, and as the Senator from Virginia has just suggested, it includes those Americans who come to their National Capital, who come from all across the country, some for sightseeing, some for education, some for business. This group merits the special attention of Congress because this is national in character and it includes those international travelers who come to the capital of the free world and who are important to us as an element of international commerce and as links with other peoples around the world. So this is the public in whose interest we must work and for whose interest we must be vigilant.

Three private, busy airports, Washington National, Dulles International, and Baltimore-Washington International, serve this complex public. And what we really need is to have harmony and cooperation among the airports so that they can better serve this local, national, and international constituency.

Under the current arrangement, BWI stands apart from the other two airports because it is operated by the State of Maryland, while National and Dulles are operated by the Federal Government.

Unfortunately, the bill which is before the Senate codifies the isolation of BWI and gives Dulles an unfair competitive advantage over BWI, as was explained to the Senate so clearly and lucidly by my distinguished colleage, the Senator from Maryland [Mr. SARBANES].

Instead of encouraging coordination of service among the three airports, it threatens to promote a disquieting discord.

I think it should be recognized that there is nothing wrong with the general concept of a regional authority. There is nothing wrong with thinking about ways to put airports within a regional authority. Perhaps the time has come to work on some such plan.

But the only way to accomplish this goal of divesting the Federal Government of two airports and at the same time to ensure a balanced air transport system in the Washington metropolitan area is to include all three airports under one general kind of proposition. The plan before the Senate clearly does not do that.

It goes without saying that the public should have the safest and most convenient air travel system that can be devised. Flight schedules at the three airports should be complementary. The competition, and I am not suggesting that there should not be some competition, because competition is very vital in the development of the most economical and efficient system, but the competition should be between the air carriers and not between airports.

Bringing the three airports into this kind of cooperative relationship would, it seems to me, serve the public interest.

The organizational framework and the philosophy that created the Port Authority of New York and New Jersey provides a useful and instructive model for the Baltimore-Washington region for the operation of its three airports. The Holton Commission recognizes the virtue of this regional approach. It took testimony from officials representing New York and New Jersey, testimony with respect to the history of the operation of the authority, testimony that was important, I think, in the delibera-

tions of the Holton Commission over a year ago.

After World War II, New York and New Jersey, which were compelled by growth of air traffic to respond to the growing importance of aviation, both to their local economies and national and international economies, placed responsibility for the region's three airports in the hands of the New York Port Authority. As Senators from New York and New Jersey can relate better than I, the Authority essentially took over the control, operation, and development of LaGuardia and Newark Airport and of what is known as John F. Kennedy International Airport.

In doing so, the port authority introduced cooperation where there had been competition among the airports and coordination where there had been disjointed, ad hoc decisions.

As a result, that region boasts of having one of the most efficient air transportation systems today, serving the traveling and shipping public with extraordinary efficiency.

In the same manner, we must continue to look for ways to foster cooperation among the three Washington airports.

The Committee on Commerce, Science, and Transportation, during its deliberations on the bill, made a good faith attempt to address the equity problems within the context of the legislation. There were amendments that were advanced by the distinguished Senator from Kentucky [Mr. FORD], and the distinguished Senator from Hawaii [Mr. INOUYE], amendments that were accepted by the committee, which had the effect of diminishing to some degree the competitive advantage afforded to Dulles International over Baltimore-Washington International. But these refinements, while taking some of the tilt out of the table, still fell short of correcting the inherent inequity in the bill, as my distinguished colleague from Maryland just pointed out.

The answer, Mr. President, I am afraid, is not to be found in the legislation now pending in the Senate. The solution rests with a regional authority that includes all three airports.

One of the changes made by the Commerce Committee would allow Baltimore-Washington International to enter the authority at some later date. But the legislation is rigidly constructed to provide specifically for the transfer of only Dulles and National. So a tripartite authority is, therefore, in practical terms beyond the scope of this legislation.

For this concept to become a reality, Virginia, Maryland, and the District of Columbia would have to go back to the drawing board and negotiate and frame a new cooperative relationship.

I personally hope that somewhere down the runway this solution will take off and fully, but, Mr. President, the bill before us today should not be allowed to leave the gate.

Mr. SARBANES. Will the Senator yield?

Mr. MATHIAS. I am happy to yield.

Mr. SARBANES. I want to thank my colleague for a very thoughtful and persuasive statement. One of the reasons, I must say, that I felt compelled to discuss the motion to proceed before we even get to the bill is the point that the Senator outlined that a solution does not lie within this legislative framework. There may, in fact, be a solution there that would be acceptable in terms of a regional consensus, that would really offer the path for providing absolutely first-class coordinated service to this broad regional area, and my colleague from Maryland has suggested one such approach.

It seems to me that if the Senate could indicate we think this issue should be revisited with an effort in effect to achieve this regional consensus and achieve an arrangement that really is going to meet the air travel needs of the entire region in a balanced and sensible way, that that in itself would be an achievement without moving forward on this legislation. That would be an achievement. It would take some hard work. A lot of people would have gone back—I do not think you have to go back to the "drawing board." A lot of that has been done and a lot of the basic materials are there. But it would offer the opportunity to work something out which, over time, I think would be seen as fair, as equitable, and as really providing the framework for addressing what I am prepared to concede is an air travel problem. Improvements are needed at these facilities. Coordination is needed. A certain degree of fair competition is beneficial. But I do not think that is present in this legislation and I do not see how you achieve it within the framework of what we are confronted with here.

Mr. MATHIAS. I think the Senator is exactly right. It seems to me that there is a special importance to be right about this decision, which is driven by the projections of the growth of airline traffic in the next few years.

I am astounded when I look at the projections of growth of airline traffic. The number of Americans who are expected to travel by air, the percentage growth and the absolute growth, are astounding, which puts the whole importance of this subject in a different dimension. Air travel is obviously important today. Air travel to the National Capital area is of obvious importance today.

But when you consider that it may be 100 percent larger within a relatively few years, then it puts a different dimension on this whole problem. It increases the importance of figures, it increases the dollar values, it increases the cost values. The whole thing becomes magnified. And that is really the kind of magnifying glass we have to look through, because these are very firm projections of growth in air travel in this country. And that means that if we make a mistake at this time, it is going to be twice as big a mistake as we think it is.

So, I urge that the kind of caution that has been called for by the Senator from Maryland would become the guiding principle of the Senate in proceeding in this matter, and that we take the time to rework the ground, and come up with a decision that can be generally agreed, because we are dealing here with a very serious subject.

Mr. WARNER. Mr. President, I respect my colleague's viewpoints on this issue, the senior Senator from Maryland, as I do those of the junior Senator. And at this time I should point out that, with the presence of the three of us on the floor, we have worked many, many times on different projects relating to our States and it is indeed that we have what I hope is a temporary misfortune that at the present time we have not as yet been able to reconcile our viewpoints and objectives to this piece of legislation.

Mr. MATHIAS. If the Senator will yield, let me say that I am sure that this is no more than a passing cloud floating over the Sun.

Mr. WARNER. But let us make certain that, when the cloud does pass and the Sun shines again, Dulles and National Airports will be given the opportunity to grow and flourish in an uninhibited way, as does BWI.

I do want to say—and I think the junior Senator from Maryland would agree—that the leadership which our distinguished senior colleague from Maryland has provided on these many issues through the years will be sorely missed when he takes his well-deserved and tough decision for all of us to accept and no longer will be with us here in the U.S. Senate. He has been a friend of the greatest consequence to me.

Mr. SARBANES. I say to the Senator, I do agree with his sentiments; very much so.

Mr. WARNER. From the very first day I have been in the Senate, it has been a privilege to serve with him. On many occasions he has helped me with my Senate career in a broad way and I wish to acknowledge that.

But back to the battle.

I would like to explain the actions that were taken by the Commerce Committee that respond to the State of Maryland's claim that S. 1017 would put the Baltimore-Washington International Airport at a competitive disadvantage.

The committee has made certain—that is the committee of the U.S.

Senate, not the Holton Commission—has made certain that there will be the "level playing field" for future competition among the airports that all parties seek. Senator FORD, as has been mentioned several times in the colloquy today, undertook the task of assuring this. The resulting committee action resulted in several beneficial additions to the bill.

It is important to point out first that the Holton Commission did not recommend any particular protection for Maryland in the bill—even though the Governor was a member of the Holton Commission, as was a Member of Congress from the great State of Maryland—because Maryland was represented on the commission, will be represented on the new Authority, and chose to go it alone rather than join in the new entity on a fully regional basis with all three airports a part of one single authority. This could well be because there is widespread agreement that the explosive growth in the Baltimore-Washington area will easily support the future plans of all three airports. Furthermore, the patterns of reliance on the various airports suggest that BWI only relies on District of Columbia and Virginia for 12 percent of its traffic and the total Washington area for only 21.4 percent. Thus, it seems to have a large market of its own in the Baltimore area and the Maryland suburbs of the District of Columbia, a market that has indicated it prefers BWI to the other airports.

Senator FORD's amendments add several assurances to the bill for Maryland's benefit. First, the Comptroller General will review the determination of what "hypothetical indebtedness" remains outstanding and due the U.S. Treasury upon transfer. This ensures that fair compensation, generally projected to be about $47 million at transfer, will be paid by the new Authority as lease payments. Second, property at Dulles that has been set aside for future runways or as a perimeter noise buffer must be used only for airport purposes, and specifically cannot be used for commercial building development that would subsidize lower than justified landing fees. Third, a financial barrier is created between National and Dulles operations such that facility fees imposed at the popular National Airport cannot be misused to subsidize development at Dulles. Fourth, the importance of BWI Airport to the region is acknowledged in the bill and it is made explicit that BWI may join the new Authority in the future on any terms mutually agreeable to the parties involved.

Taken together, Senator FORD's amendment is a valuable contribution to strenghtening the bill and providing for special concerns of the citizens of the great State of Maryland, and taken together, Senator FORD's amendments to the bill will ensure that the transfer of the two airports from Federal control will not provide any opportunity to take unfair advantage of traffic growth throughout the region.

In sum, the Commerce Committee and in particular Senators FORD and INOUYE have acted to fully assure that the three major airports in the region are evenhandedly treated by S. 1017 and can compete fairly for the substantial traffic growth generated throughout the region in upcoming years.

Mr. SARBANES. Mr. President, in response to the Senator, I simply associate myself with the remarks of my colleague from Maryland who said that those changes improve the tilt of the table somewhat but they did not correct the basic problem with this legislation. Those we have tried to outline at great length. On careful examination, while they seem to create a separation, there are enough ways to go around the separation that they in fact can be completely done in. That is particularly the case with the financial cross-subsidy which the Senator, and I discussed at some length earlier with the extensive quotations from the legislation itself.

I want to observe that there is this very basic point; that is, that the Federal Government should not act in a way as between the States so that one State significantly disadvantages the other and at the expense of the other. I think that should be a governing principle in the operation of the Federal system. Unfortunately, this legislation positioned as it is before us does in fact do that. It is in part for that reason that I have spoken so strongly against it, and hope that the Senate will reach the judgment that it ought not to take up the matter, and ought to allow the interested parties then to go back to work to develop an approach, framework, and financial arrangements and so forth that will be supported by a regional consensus that will address the real problems that exist with air traffic in the Washington region, and the problems of upgrading and modernizing the facilities, and providing absolute first-class air service, but will do it in a way that is fair, equitable, and has the strong support of all the interested parties in the region.

Mr. MATHIAS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. HATFIELD). The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PROXMIRE. Mr. President, I understand that the Pastore rule providing for germane speeches has expired. Is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. PROXMIRE. Mr. President, I have a speech I would like to deliver on the proposed military assistance to the Contras in Nicaragua.

THE CASE FOR AND AGAINST MILITARY ASSISTANCE TO THE CONTRAS IN NICARAGUA

Mr. PROXMIRE. Mr. President, what is the case for and against providing military assistance to the so-called Contras on the assumption that American assistance will enable the Contras to force the Nicaraguan Government to do one or more of the following:

First. Ease up on the repression of the church, the press and the Ortega government's all-out hostility to America and the government's support of Cuba and the Soviet Union.

Second. Call new elections that would permit opposition parties to have some representation in the government.

Third. Negotiate first with the Contras and then with other Central American governments and eventually the American Government to agree not to export their pro-Russian communism to other Central American countries and to stop their "revolution without boundaries" policy.

Fourth. Stop the spread of communism at its inception before it engulfs other countries and becomes a threat to the security of the United States.

Fifth. Overthrow the Sandinista Communist government of Daniel Ortega and install a "free democracy" in Nicaragua.

Here is the case against such aid:

First. The so-called Contras are losers. They have been in the field fighting the Ortega government for 5 years. They have made no progress. One hundred million dollars or $500 million or more would not give the Contras the strength they need to overthrow the Sandinistas.

Second. The Contras have actually lost, not won, the support of the people of Nicaragua or any significant group in Nicaragua during their revolution. So the Contras will continue to lose. What is worse they will raise the level of violence; the killing will certainly increase. U.S. guns and ammunition will take thousands of additional lives.

Third. There is no evidence that the Contras represent any real democratic force in Nicaragua. The Contras have engaged in roughly the same amount and the same degree of torture, terrorism and atrocities as the Sandinistas. If the Contras should take control of Nicaragua, the repression would in all likelihood go on. The free press would

continue to be suppressed. There would continue to be little or no dissent.

Fourth. Whatever gain the United States might make in Nicaragua as a result of the overthrow of pro-Communist, anti-United States Ortego government would be lost because of the resentment against "Yankee imperialism" and the alleged United States bullying tactics in Nicaragua.

Fifth. If our $100 million of aid is not enough, we will certainly be called on to put in more. Major military aid will require American advisers. Those advisers will need protection. That means American troops. The American troops will find they cannot succeed by relying on the Contras to fight as proxies. That will require American soldiers, sailors, marines, and airmen to fight and die.

Sixth. United States military forces, if they are numerous enough, undoubtedly can prevail in Nicaragua. We can have overwhelming command of the sea and the air in Central America. We can certainly land a force in Nicaragua—in our back yard—that can throw out the Ortega government and install a pro-American government at the point of a bayonet. But would it be worth it? To do so would stir up the deepest kind of resentment in Nicaragua and throughout Central America for many years to come.

Seventh. The resentment would not be confined to Nicaragua. It would spread through El Salvador, Costa Rica, Honduras, Panama, Mexico, and into South America. With few significant exceptions, the pro-American and anti-Communist democracies in Central and South America opposes our military entry into Nicaragua or our providing military weapons against the Sandinistas in Nicaragua.

We ought to ask ourselves, why do our friends oppose the Reagan proposal? Because they know the adverse long-term reaction of Central and South Americans to these strong-arm tactics by this colossus of the north. They know that, in the long run, the Communist movements in these democracies will gain from United States intervention in Nicaragua.

So who's right? We have to consider what is at stake here. The issue is: Will Central and South America be more likely to support the United States and democratic government rather than communism within their borders if the United States provides military assistance to the Contras in Nicaragua or if it first accepts the advice of our democratic friends in Central and South America and presses for negotiations with the Ortega government? The answer is simple. This country has a long record in Central and South America.

It is a record that has followed two distinctly different courses. One is the so-called good-neighbor policy of Franklin Roosevelt that was given its brightest meaning by the Peace Corps policy that the United States has pursued since the administration of John Kennedy. Here were the policies that succeeded.

The other is the "send-in-the-marines" policy that characterized this Nation's Central American program in the early part of this century. These were the American policies that failed.

In the long run, over the next century or so, there is no question which policy will best serve the interest of this Nation. We will certainly foster democracy and freedom far better in South and Central America by listening to our friends and allies in this hemisphere who ask for negotiations that we will by sending in the planes and tanks, the torpedoes and bombs, or the Marines.

Mr. President, I yield the floor.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. WARNER. Mr. President, I ask unanimous consent the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

FAIR HOUSING MONTH

Mr. MATHIAS. Mr. President, April is the 18th anniversary of the enactment of the Fair Housing Act—title VIII of the Civil Rights Act of 1968.

The Fair Housing Act marked the beginning of our Government's role in assuring that all Americans have the opportunity to live in the community of their choice regardless of their race, color, religion, sex, or national origin. Enacted a week after the assassination of Dr. Martin Luther King, Jr., this act reflects our deep and abiding commitment to basic human rights.

This past January, we joined together in celebrating the birthday and the achievements of Dr. King. But in April, we mourn this great leader's death and reflect upon our own failure to realize his dream.

Unfortunately, the protections of the Fair Housing Act are less than meet the eye. It broadly outlaws discrimination, but it lacks a workable enforcement mechanism to provide swift justice for individual housing discrimination complaints. The Fair Housing Act amendments (S. 2040), which I have introduced with a bipartisan group of cosponsors, will create such a mechanism to remedy the estimated 2 million acts of racial housing discrimination which occur each year, as well as uncounted instances of discrimination against the disabled and against families with children.

Some people think that enacting the "April is Fair Housing Month" resolution (S.J. Res. 303) and embarking on a public relations campaign with posters and leaflets will solve the problem of housing discrimination. The Department of Housing and Urban Development, in promoting Fair Housing Month, has stated:

> If each and every American made a personal commitment to justice and fairness, then the issue would no longer exist.

History teaches us to be skeptical of this claim. Similar reasoning lay behind the signing of the Kellogg-Briand Pact of 1928, which proclaimed the desire of the United States and the other major powers to end all wars. These nations signed their names to a document in which they agreed not to wage war against each other. Shortly thereafter, the seeds of World War II were germinating.

By itself, Fair Housing Month is about as effective in preventing housing discrimination as the Kellogg-Briand Pact was in preventing World War II. More realistic measures are needed to accomplish noble ends. The private marketplace, voluntarism, and public relations initiatives will not suffice to guarantee equal access to housing for all citizens. Nor can we rely only on the Fair Housing Act as it is currently written. We have tried all these methods during the past 18 years and, still, housing discrimination on a widespread basis persists.

The Fair Housing Act needs sweeter carrots and sharper sticks to back up HUD's gentle words of moral suasion. The Government should be given cease-and-desist authority to hold a housing unit off the market while conciliation efforts are made. The time period in which a person may file a complaint of housing discrimination with HUD or a certified State or local agency needs expansion. Penalties for violations of the fair housing law must be strengthened. Disabled persons and families with children need protection against discrimination. And we need a fair, speedy, and inexpensive enforcement process which does not further swamp our courts.

Recognizing April as Fair Housing Month will be an impetus for the Congress to act on these needed reforms. "April is the cruelest month," wrote T.S. Eliot almost a half century ago. It is the month when the desires and hopes stirred by the promise of spring mock those who cannot share in the regeneration of life and spirit. Fair Housing Month is a painful reminder that Dr. King, who inspired so much hope, was killed in April.

It would be a shame to enact this Fair Housing Month resolution without also providing the tools to translate its lofty sentiments into real progress and real justice. Let us dedicate ourselves to the task of ensuring that this resolution is not a false, mocking promise, but a true harbinger of good to come. Let this resolution

affirm our commitment to see that 1986 is remembered as the year that we in Congress strengthened the Fair Housing Act for the benefit of all Americans.

KENTUCKY'S BASKETBALL TRADITION

Mr. FORD. Mr. President, I wish to express pride in the fact that Kentucky's winning basketball tradition is clearly alive today.

Both the University of Kentucky Wildcats and the University of Louisville Cardinals were in the final eight of the National Collegiate Athletic Association Tournament. This week Louisville will play in the final four for the third time in 5 years. They won the championship in 1980, led by guard Darrell Griffith.

Western Kentucky University's Hilltoppers, coached by Clem Haskins, this year made their sixth NCAA tournament appearance since 1971. During that 1971 tournament they defeated UK in the mideast region. This year's NCAA tournament game was the first time the two teams had met since then, with University of Kentucky turning the tables to defeat Western Kentucky University in the southeast region. Still, Western's 23-7 season cannot go unhearalded.

While the Hilltoppers were eliminated from the NCAA tournament, Western Kentucky University's womens' team, the Lady Toppers, is the only team from last year's final four to win that honor again this year. The Western Kentucky University women had an impressive 32-3 season.

Kentuckians love their basketball.

University of Kentucky fans were disappointed by the loss to the Louisiana State University team of Dale Brown on Saturday. However, the exceptional season was a pleasant surprise to all. Coach Eddie Sutton, in his first year, won the hearts and minds of both fans and players alike. With his coaching ability and the God-given talent of Kenny Walker, Kentucky was the champion of the Southeastern Conference with a 32-4 season. This was UK's 31st NCAA tournament appearance.

This is the sixth time that University of Louisville Coach Denny Crum has led his Cardinals to the national semifinals. Coach Crum first took the Cardinals to the final four in 1972 during his first year as head coach there. During his 15 years as University of Louisville's coach, all but one of his players has been on an NCAA final four team. Chances are good that the Cardinals will win it all again this year.

The spirit and enthusiasm generated by Kentucky's basketball teams spills over into other areas of our lives. For that we are both grateful and proud. Mr. President, I want to compliment these coaches and players. And I challenge them to continue to strive for excellence, both on and off the court.

A TRIBUTE TO JUDGE REG ALBRITTON

Mr. HEFLIN. Mr. President, I rise today to pay tribute to Judge Reg Albritton, who for 37 years, has done a tremendous job serving the people of Wilcox County.

An indication of the judge's success is evident in his popularity. He is now in his second term as the probate judge, but his public service began when he was 26 and was elected town councilman of Camden, AL. Later, after serving in that capacity for 16 years, he was elected both mayor and sheriff for two terms each. Thus, the judge has great experience in dealing with the problems that come before him. He also believes that it is important to maintain a close rapport with those who elected him.

Judge Albritton is from a family that has provided leadership to Wilcox County for some time. His father, grandfather, great-grandfather, and his great-great-grandfather all served as sheriff. And both his father and his uncle served as probate judges.

The judge has continued this great leadership especially in his present office, the office of probate judge. It is one of the most important positions I know of because it directly affects the lives of so many people. The probate judge of a county settles disputes, questions, conflicts, and organizes affairs on a daily basis. Judge Albritton has demonstrated his great abilities. Throughout his public service, he has provided a great example while enhancing the conditions of those he has served.

Mr. President, an article recently appeared in the Mobile Press that recognizes the efforts of Judge Albritton. I ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WILCOX COUNTY JUDGE IN 37TH YEAR AS PUBLIC SERVANT

(By Sharron McClure)

CAMDEN, AL.—Wilcox County Probate Judge Reg Albritton will probably be recorded in history as "a born politician."

Now in his second term as probable judge, Albritton also enters his 37th year as a public servant to the people of Wilcox County.

"Born politician" or not, Albritton's family influence was a major factor in his decision to enter public service.

In the early 1930s, his grandfather, George Lee Albritton, served as sheriff of Wilcox County and was followed by his son, Felix "Reg" Albritton. In 1940, Albritton's father was elected probate judge, but served only one year before he was killed in an automobile accident.

Then, there was his Uncle Clifford Albritton who served as probate judge, and both his great-great-grandfather and his great-grandfather who served as sheriff.

Albritton's first political venture began at the age of 26 when he was elected Camden town councilman. He served as councilman for 16 years before he was elected mayor, and was mayor for two terms.

His next bid for public office was for sheriff, when he ran against Lummie Jenkins. Jenkins had been sheriff for 30 years.

"Lummie was a close family friend" said Albritton. "He had decided not to run again and I signed up for the office. Some of Lummie's friends talked him into running at the last minute. I didn't like the idea of compaigning against a good friend but I had already committed myself to run. A few days after the election, Lummie came by to congratulate me as the new sheriff and told me I had done him a great favor by winning the race."

Albritton said Jenkins left big shoes to fill.

"But I had been close to Lummie for many years and had observed some of his techniques. I just continued on in his ways, adding a few of my own as time went on in my two terms as sheriff," said Albritton.

But life as a sheriff was not the answer to Albritton's ultimate goal on the political ladder. He aspired to be probate judge.

To reach the post for which he aimed, Albritton ran against another Wilcox County legend, Roland Cooper.

Albritton said, "Campaigning for public office is something everyone ought to experience. House-to-house campaigning is a Southern custom. In a large city you can't go from door to door. But in the country, you do."

"If you miss one person, you've got to go back and see him. If the other candidate was lucky enough to see him and you didn't, they'd vote for the other candidate."

Albritton said he loves his job as probate judge, although there are some aspects of the job, like insanity hearings, which are distasteful. But, as he puts it, "no two days are the same."

"You can pin our responsibilities down by calling our office the recorder of the county," said Albritton. "Of course, we do many other things but the largest part of our job is recording such things as deeds, wills and mortgages. We also are the licensing department for the state conservation department, drivers license, store license and marriage license."

Even though Wilcox County is relatively small, with an estimated population of 14,500 residents, it is not exempt from unusual occurrences. Albritton recalled one of the most bizarre incidents in the probate office.

"About a year ago a couple came into the probate office to get married. From the moment they walked in we thought something wasn't right. After a few questions we learned they were both women. Surprised, I asked for their blood tests and they said they did not have them. I informed them they would have to have blood tests before I could marry them. Fortunately, they never returned. If they had come back I had decided I would not marry them. Legally, by Alabama law, two women can be married, but not by me. I'm not a very religious person, but it would have been against my religion to marry those two women. We just don't do things like that in Wilcox County."

Albritton, a native of Greensboro, moved to Camden when he was 11 years old. He is a graduate of Wilcox County High School and went to Auburn University for two

years as a student in aeronautical engineering. He served three and a half years in the Air Corps before he went to work for the federal government at Craig Air Force Base in Selma as an aircraft rescue firefighter.

He served as a firefighter for two years before he decided to go back home to Camden.

"There weren't many jobs in Camden and certainly nothing for someone trained in engineering, so I bought me some cows and went into the cow business."

After he got his cattle business going he went to work with the state on the Veterans Training Board. He worked with the state out of its Camden office for 13 years.

Albritton married his wife, Peggy, in 1949. They have four children: Reg Jr. of Tampa, Fla., Peggy Terry of Camden, Bill of Camden and Dollie, a student at Judson College.

During his administration as mayor of Camden, Albritton played an important role in securing municipal bonds for the construction of MacMillan Bloedel, Inc., a wood plant which is the largest employer in the area. According to Albritton, in 1965 the Camden Industrial Board issued a $75 million bond issue to MacMillan Bloedel, Inc. to finance its plant near Camden. At the time, it was the largest bond issue ever to have been issued by any municipality, including New York City.

Albritton said there have been a lot of changes in Wilcox County in the last 30 years and he was proud to have been a part of the change.

"I feel if I decide to run again for re-election, I would win because I am a public servant to all the people of the county, not just a select few, and the people of Wilcox County know this," said Albritton.

Albritton is an avid sports fan, and particularly likes ball sports.

"I was born and bred on Alabama football but for some reason, I decided to go to Auburn," he said. He also likes boating and fishing and says surf fishing is his favorite.

A TRIBUTE TO DR. JOSEPH B. MORTON

Mr. HEFLIN. Mr. President, I rise today to recognize the outstanding efforts and accomplishments of Sylacauga City Schools Superintendent Joseph B. Morton. Superintendent Morton was recently chosen by the Executive Educator magazine as one of 100 outstanding school managers in North America. Additionally, two Sylacauga schools, East Highland Middle and Sylacauga High, were selected by the U.S. Department of Education as two of our Nation's model schools.

In the 8 years that he has been superintendent, Morton has helped to foster a great sense of pride in the Sylacauga community for the school system. In this way, he has insured that education is placed in its proper place, and that it receives its rightful recognition. The only way to guarantee that all doors and avenues are open to our children is to provide them with a sound education. In this way, they will know no bounds. They will not be limited.

Additionally, by working to capitalize on academic achievements, Morton's 141 high school seniors earned $293,000 worth of college scholarships in 1985—an average of over $2,000 per person. In this time of escalating tuitions, Joseph Morton has helped to secure a valuable commodity for his students, a college education. I commend the successes of Superintendent Morton in providing our young men and women with an outstanding education. Because of his contributions, the futures of our communities, our State, and our Nation will be in good hands.

I have personal knowledge of the success of his school system. I spoke to a teacher institute and held a high school town meeting at Sylacauga High School.

Mr. President, I ask unanimous consent that both an article from the Birmingham News and the article entitled "Meet the Big Stars of Little School Systems" which appeared in the February 1986 issue of the Executive Educator be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Birmingham News]

MAGAZINE REPORT HAILS SYLACAUGA SCHOOLS CHIEF

Sylacauga City Schools Superintendent Joseph B. Morton is one of 100 outstanding school managers in North America, according to The Executive Educator, a magazine for school professionals.

The 39-year-old Morton is cited this month in the Executive Educator 100, a blue-ribbon listing for school management similar to the Fortune 500 or the Forbes 400 for business and industry, according to the magazine's editor.

Morton could not be reached for comment.

This year's 100 educators are recognized for "excellent leadership of school systems with enrollments of 2,500 or fewer." Morton, a Jefferson County native, was chosen by an independent panel of 11 nationally-recognized experts on school administration, said Gregg W. Downey, the editor.

The story in Executive Educator says Morton has "encouraged students and staff members to set higher goals and to turn academic achievements into concrete results." In 1985, the Sylacauga system's 141 graduating seniors picked up more than $293,000 in college scholarships.

Morton "nurtures community pride in the school system and lets the public know that school funds are being spent wisely."

He has been superintendent since 1978 of the Sylacauga system, which has 2,450 students enrolled in kindergarten through 12th grade.

Two Sylacauga schools, East Highland Middle and Sylacauga High, were named models for the nation in 1985 by the U.S. Department of Education. The two were among 200 schools nationwide and four in Alabama chosen for awards for excellence last year.

In choosing the "stars of little school systems," Executive Educator asked last spring for nominations from readers of the magazine and of the American School Board journal, and from major national school associations in Canada and the United States. More than 500 people were nominated.

Judges looked at 11 areas such as a superintendent's success in putting into effect improvements in academic programs and the administration of the system.

[From the Executive Educator, February 1986]

MEET THE BIG STARS OF LITTLE SCHOOL SYSTEMS

Broken Bow, Battle Mountain, Prairie View, Blue Earth, Pearl River, Silver Lake: Small-town names such as these ring unfamiliar in most ears. Small school systems, too, tend to be overshadowed by the larger-than-life problems and successes of giant school systems. But size is little indication of quality, as you'll agree when you meet our 100 big stars from little school systems in the following 22 pages. Each of these school executives administers a school system of 2,500 students or fewer—and all of them have accomplished things in their school systems that are worthy of your recognition. These men and women—The Executive Educator 100 for 1986—have been singled out for recognition through a comprehensive nomination process and by a knowledgeable and respected panel of jurors.

Here's how The Executive Educator 100 for 1986 were selected:

Last spring, The Executive Educator invited nominations from readers of this magazine as well as of The American School Board journal. In addition, we invited nominations from every major national association representing school management or governance in the U.S. and Canada—and from similar organizations at the state or provincial level. The only requirement was that each nominee be an administrator working in a school system of 2,500 students or fewer as of May 15, 1985—the nomination deadline.

The response to these requests for nominations—as in previous years' searches for the EE 100—was remarkable. Each of the more than 500 persons nominated—whether selected for the 100 or not—rightly can take pride in the honor of the nomination itself.

In September 1985, our panel of independent jurors convened for the final selection process. The panel was composed of the following preeminent educators: George Brain, professor emeritus, School of Education, Washington State University, Pullman; Anne Campbell, retired Commissioner of Education in Nebraska; Luvern Cunningham, professor of educational administration, Ohio State University, Columbus; Will D. Davis, former president of the National School Boards Association and attorney with Heath, Davis & McCalla, Austin, Texas; Robert Heller, professor of educational administration, State University of New York at Buffalo; Floretta Dukes McKenzie, superintendent, District of Columbia Public Schools; Scott Thomson, executive director, National Association of Secondary School Principals; Kenneth Underwood, professor, College of Education, Virginia Tech, Blacksburg; Mildred Walton, elementary school principal, Atlanta, and president of the National Association of Elementary School Principals; and Edward Whigham, professor, School of Education, University of Alabama, Birmingham. The chairman of the panel was Carroll F. Johnson, professor emeritus of education, Columbia University, New York City.

During two intensive days (and nights) of screening, the panel examined each nomination and its accompanying material. Nominations were assessed according to the 11

criteria of excellence the panel established for selecting the EE 100 in previous years (see the accompanying article below). During the first round of screening, each nomination and its accompanying material was scrutinized by one or more of the panelists; no nominee was eliminated at that stage except by unanimous consent of the assembled panelists. During several successive rounds of careful screening, the panelists winnowed the list down to some 150 candidates. Finally, after thoroughly familiarizing themselves with the papers of each nominee still in contention, the jurors began the arduous process of selecting the final 100—each of whom was selected on the basis of a majority vote.

The EE 100 for 1986 and brief descriptions of their achievements are presented—in purely random order—on pages 17-38. (An alphabetical listing appears below.)

The Executive Educator trusts this project, as in years past, will bring positive attention to the field of public education—and especially to little school systems and their dedicated school executives. And when that happens, someone is bound to ask, "Are these 100 the best school executives from little school systems?

To that, as in previous years, we answer: Quite possibly. No one really can say for sure, of course, in a field of some 300,000 working school executives. What we do know for sure is that these are 100 of the best—and they quite likely would be outstanding in any size school system.

To you, readers of this magazine, these 100—as in years past—are a tribute: These 100 are both the reality and the reflection of all the dedicated school leaders working across the continent—in school systems of all sizes.

THESE ARE HALLMARKS OF EXCELLENCE

In selecting the Executive Educator 100 for 1986, the independent panel of jurors limited consideration to persons nominated who were administrators in school systems of 2,500 students or fewer as of May 15, 1985. In reviewing materials submitted with the nominations, the panel used the following criteria to assess each nominee's record of accomplishments and leadership in educational administration:

1. Competence in fulfilling the responsibilities of administrative assignments.
2. Effectiveness in maintaining and improving the academic achievement of students, especially in difficult or unusual circumstances.
3. Success in conceiving and implementing innovations and improvements in educational programs and administrative practices.
4. Leadership in developing the professional competence of staff members, in identifying persons with the potential for administration, and in promoting careers in education for persons with outstanding potential.
5. Excellence in creating links to the community and in leading the community through difficult social problems.
6. A record of stable and consistent executive leadership.
7. Evidence of contributions to the profession at large.
8. Success in developing and maintaining constructive relationships with other members of the administrative team and with the school board.
9. Effectiveness in working with the political system.
10. Excellence in human relations, especially as demonstrated by garnering the respect of peers, school staff members, and members of the community.
11. The ability to anticipate and analyze emerging problems and opportunities and the capability to address them constructively.

Joseph B. Morton, 39, superintendent (since 1978), Sylacauga City (Alabama) School District (K-12; enr.: 2,450), southeast of Birmingham.

As superintendent, Joseph Morton has encouraged students and staff members to set higher goals and to turn academic achievements into concrete results. It's no wonder, then, he's happy with last year's 141 graduating seniors, who earned $293,000 worth of college scholarships—an average of more than $2,000 for each student. "That's something we started several years ago, working for those scholarships," he says. "It's become a tradition." But students aren't the only ones who work hard, he says. With the help of 40 teachers, the school system accepted a state grant to research and publish A Model Continuum of Skills, a guide listing mastery levels for Alabama students in each grade and course. Morton says he nurtures community pride in the school system and lets the public know that school funds are being spent wisely. This public relations groundwork helped persuade the city government to approve a one-cent sales tax increase to be used exclusively to finance local schools.

A TRIBUTE TO JUDGE HARRY D'OLIVE

Mr. HEFLIN. Mr. President, looking back through the history of the State of Alabama, the county probate judges have been essential in providing leadership, order, and justice to the people they serve. They have molded the characters of communities. In their duties, in their daily business, they have had a tremendous effect in enhancing lives and conditions because of their influence in settling conflicts and problems which may arise. For more than 20 years, Judge Harry D'Olive has continued this tradition.

Since 1965, Judge D' Olive has served Baldwin County with the greatest equity and integrity. While providing this leadership, he has also given friendship, solace, and sympathy to those he helps, knows, and meets. He does not administer justice with a deaf ear, but hears the pleas of all who appear in his court. Such qualities are rare, indeed, and are especially valuable when they appear together in a judge. I believe they are assets which contribute to the sound, fair decisions for which Judge D'Olive is known.

The judge is known throughout Baldwin County as a friend who is available to anyone for advice or counsel, but his assistance is also sought by others throughout the State. Probate judges from other counties and public officials hold his opinion in great regard.

In addition to upholding the traditions of the court, Judge D'Olive is responsible for changing the recordkeeping procedures of Baldwin County to a computerized system. He is a man who anticipates the future. This foresight is apparent in his duties on the bench. Furthermore, because of his efforts, Baldwin County is now a pioneer in recordkeeping. The judge has established a faster, more efficient system.

As long as Alabama has citizens like Harry D'Olive, we will never lack leadership, and we will always strive to do great things. He is truly a man to be held in the highest esteem.

Judge D'Olive was recently recognized in an article in the Mobile Press, and I now ask unanimous consent that it be printed in the CONGRESSIONAL RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

JUDGE LOOKS BACK OVER PAST 20 YEARS

(By Buddy Smith, Press Register Reporter)

BAY MINETTE, ALA.—Baldwin County Probate Judge Harry D'Olive has seen many changes in the probate office during the 20 years he has served as judge, initiating many of the changes himself.

Prior to assuming the office in 1965, D'Olive served as chief clerk in the probate office for 12 years for the late Judge Ramsey Stuart. Born in Bromley in 1921, D'Olive grew up in Baldwin County and graduated from Baldwin County High School where he starred in football as a triple-threat runner, passer and kicker.

D'Olive married the former Betty Winn of Mobile and they have four children and seven grandchildren.

The judge said one of the most difficult tasks of his job is handling people with mental illness. "This is an emotional job for a probate judge. But it is the most gratifying to see someone recover from a mental disorder and become a stabilized, productive and useful citizen," he said.

D'Olive said the Baldwin County Mental Health Department has made tremendous progress in helping people with mental problems in the past five years. He noted that persons with mental disorders are often unmanageable and must be held in jail for five days as required by law before a commitment hearing. If the person does not hire a lawyer for the hearing, as is the case most of the time, the judge appoints one to represent the patient.

If a patient is committed the mental-health department takes over. The probate judge is involved again if a patient must be readmitted once discharged.

D'Olive said he travels to Searcy for some hearings, as in cases where a patient has been violent.

Other duties of the probate judge include his presiding over hearings to settle estates, probating wills and conducting inquisitions of lunacy to determine if an adult is mentally incompent. If so, a guardian is appointed.

The probate judge also handles adoption proceedings. "It is very satisfying and emotional to see a couple who wants a child get one through adoption." D'Olive said. "On the other hand, it's sad to see a child embroiled in an emotional dispute between the natural parents and the persons seeking adoption."

The probate judge also handles condemnation proceedings on property, mostly for highway construction, D'Olive said. Some hearings last several days.

The judge said condemnation cases are often lengthy. One unusual, lengthy such hearing was the condemnation of property to build the jetties at Perdido Bay Pass, he said. That hearing included condemnation of property for a spoil area for channel dredging.

All papers and documents required by law to be recorded are recorded in the probate office. "We have records of all the land transactions in the county dating back to 1810 when Baldwin County was part of the Mississippi Territory," the judge noted. Baldwin became a county of Alabama in 1819.

D'Olive persuaded the legislature to pass a local bill making the probate judge the ex-officio license commissioner for Baldwin County so that licenses could be bought by mail and with one payment.

The judge said Robert Rabon, as chief clerk, handles all license transactions for business, drivers and marriage licenses.

D'Olive changed the record-keeping procedures of the probate office to a computerized system. His efforts resulted in Baldwin being a pioneer county in streamlining the procedure of buying licenses and computerizing records. Previously, people had to go from office to office in the courthouse to pay various parts of their overall tax costs and license fees.

The Baldwin probate judge is an active Shriner and a past Potentate of Abba Temple. He is a past president of the Alabama Probate Judges Association and an honorary lifetime member of the Baldwin County Bar Association. He was a charter member and served as director of the Baldwin County Wildlife Federation.

D'Olive's hobbies are hunting and fishing. His favorite is deer hunting. He is a member of the Antler Lodge Club in Monroe County where he does most of his hunting. For years his favorate hunting was for ducks in the Mobile-Tensaw River Delta. However, he said, "duck hunting became too much work and the Delta became too crowded."

TRIBUTE TO RICHEBOURG G. McWILLIAMS, SR.

Mr. HEFLIN. Mr. President, I am filled with great sadness as I rise today to note the recent passing of my dear friend, Richebourg Gaillard McWilliams, Sr. I first knew Professor McWilliams when I was an undergraduate student at Birmingham-Southern College in Birmingham, AL. At that time, he was my English professor, and in the years since then, we became close friends.

Mr. McWilliams was above all else a great gentleman. His manner was gracious, his appearance was flawless. The example he set both in and out of class was a great influence to all who came within his reach. In this way, he provided students with more than an academic education. He gave us lessons in manner, in attitude, and in outlook. He instilled in his students a proper sense of priority. He contributed to the total learning experience that every college and university endeavors to provide to its students.

Mr. McWilliams was born in Oak Hill, AL. Throughout his life he possessed a never-ending desire to learn. This academic curiosity enabled him to gain expertise in a variety of different fields. In 1922 he graduated Phi Beta Kappa and was a member of Omicron Delta Kappa honor society from the University of Alabama with a bachelors degree in biology. After teaching in Puerto Rico for a year, he returned to Alabama to earn a masters degree in English. Then, when he had been with the faculty of Birmingham-Southern for just a short time, he took a leave of absence and attended Harvard University where he earned a masters in literature and completed curriculum requirements for his Ph.D. Later, his continuing thirst for knowledge led him to pursue graduate work in German, Spanish, and French at the University of Munich, Columbia University, and at the University of Wisconsin.

The contribution of Richebourg McWilliams to education in Alabama is immense. Throughout his life he selflessly committed himself to the education and betterment of generations of students. He served on the faculty at Birmingham-Southern from 1928–72 where at different times he served as chairman of the Department of English, head of the division of humanities, and was the Mary Collett Munger professor of English. After leaving Birmingham-Southern, Mr. McWilliams helped to establish the School of Humanities at the University of South Alabama where he also taught for 3 years.

Mr. McWilliams was wonderfully effective in the classroom because he required that his students pursue greater accomplishments and successes than they ever believed possible. He knew how to demand excellence from his pupils. He helped to show how much you could learn and how hard you could drive yourself. This discipline has been invaluable to me throughout my life. He also had the ability to bring to life the material he taught. In this way, the study of literature and fiction was not a duty, but, rather, a delight. He made learning exciting.

Throughout his life, Professor McWilliams contributed to the English language by teaching students the proper way to communicate. He stressed the fundamentals of writing as well as the need for revision. As an attorney, as a judge, and as a Senator, I have constantly used the tools he taught whether I was writing a brief, rendering a decision, or writing a bill. His intruction has been indispensable. The skills he taught have greatly contributed to my success.

In addition to his teaching abilities, Richebourg McWilliams was a recognized author of fiction and literature. He spend several years writing full time prior to teaching. And throughout his teaching career, he was always hard at work on some essay, article, or story. These often deal with the gulf coast and carry great aesthetic, literary, and historical value. His fiction has appeared in journals of creative writing, in the Yale Review, and in Story magazine. Additionally, he received awards for his translations of two books. For "Fleur de Lys and Calumet: Being the Penicaut Narrative of French Adventure in Louisiana" he was awarded the Palmes Academiques of the French Government in 1953; and for "Iberville's Gulf Journals" he won an award from the National Endowment of Humanities in 1983.

All of Alabama mourns the loss of this great educator. His death is a sad blow to those of us who owe our educations to his guidance and instruction, for we owe him a great debt. His gifts are, indeed, the most valuable assets which one can possess. However, his name will live on in his works, and he will be remembered by those many colleagues and students with whom he shared his life, his efforts, and his knowledge. I am grateful to have known his friendship.

Mr. President, I ask unanimous consent that both an article from the Birmingham News and an article from the Birmingham Post Herald be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Birmingham News, Feb. 15, 1986]

SOUTHERN'S McWILLIAMS DIES THURSDAY IN MOBILE

Richebourg Gaillard McWilliams, 85, of Mobile, a professor of English at Birmingham-Southern College from 1928 until 1972, died Thursday.

Graveside services were at 3 p.m. today at Elmwood Cemetery, Elmwood Chapel directing.

Born in Oak Hill, south of Selma, he taught several generations of Birmingham-Southern students English composition.

"He was more than an educator," said Charles Gaines, the author of Stay Hungry and other works. "He was a real force in the lives of a lot of people who studied under him. He had such an enthusiasm about the English language, and making that language into art."

"He was my mentor in many ways that went beyond simply being a teacher," said Howell Raines, deputy Washington editor of the New York Times. "He didn't teach students, he taught people."

McWilliams received a bachelor's degree in biology in 1922 from the University of Alabama, where he received Phi Beta Kappa and Omicron Delta Kappa honors. After a year of teaching in Puerto Rico, he returned to Alabama to earn a master's degree in English.

He then wrote fiction for several years before joining the faculty at Southern in 1928. Shortly afterward, he took a leave of absence and earned a masters in literature at Harvard University and completed course work for a Ph.D.

Subsequently, he completed graduate work in German, Spanish and French at the University of Wisconsin, Columbia University and the University of Munich.

His fiction appeared in the Yale Review, Story Magazine, and other jounals of creative writing. His translation interests resulted in two books: Fleur de Lys and Calwmet: Being the Penicaut Narative of French Adventure in Louisiana in 1953, for which he was awarded the Palmes Academiques of the French governments; and Iberville's Gulf Journals in 1983, which won an award from the National Endowment of the Humanities.

He was a member of Bethel Presbyterian Church, Oak Hill.

Survivors include his wife, Mrs. Dorothy Schultz McWilliams, and three sons, Richebourg Gaillard McWilliams, Tallahassee, Fla., Tenant McWilliams, Birmingham, and Edward Burk McWilliams, Houston.

[From the Birmingham Post-Herald, Feb. 15, 1986]

BSC PROFESSOR EMERITUS DIES—RICHEBOURG G. MCWILLIAMS, SR.

Richebourg Gaillard McWilliams, Sr., 86, a longtime Birmingham-Southern College faculty member and professor emeritus, died Thursday in Mobile.

Born in Oak Hill, Ala., the multilingual scholar taught generations of Birmingham-Southern College students English composition.

He was a fiction writer for several years before joining the faculty at Birmingham-Southern College in 1982.

"He was the greatest teacher I've ever known," said Howell Raines, New York Times Deputy Bureau Chief and former student of Mr. McWilliams. Raines acknowledged his debt to Mr. McWilliams, the man he called his mentor, in the dedication of his book "Whiskey Man." Mr. McWilliams set the tone for classroom teaching at BSC, Raines said. "He was dramatic, almost theatrical, in the classroom." Raines said he showed how literature related to the realities of life. For the serious writer, Mr. McWilliams instructed not only the technical aspects of writing, but the need to stay with one's craft—"to plow to the end of the row."

For many of his 42 years at Birmingham-Southern, where he held the title of Mary Collett Munger professor of English, Mr. McWilliams served as chairman of the department of English and head of the division of humanities.

Mr. McWilliams received a master of arts degree in English from the University of Alabama and a master of arts in literature from Harvard University.

His fiction appeared in the Yale Review, Story Magazine and other journals. His translations of two books earned him the Palmes Academiques from the French government for one and an award from the National Endowment for the Humanities for the other.

His articles and essays related to the literature and history of French exploration along the Gulf Coast appeared in numerous journals and collections.

Upon retirement from Birmingham-Southern, Mr. McWilliams helped establish the School of Humanities at the University of South Alabama and taught in the English department of that institution for three years.

He is survived by his wife, Mrs. Dorothy Schultz McWilliams, and three sons, Richebourg G. McWilliams Jr., Tallahassee, Fla., Tennant S. McWilliams, Birmingham, and Edward Burk McWilliams, Houston, Texas.

The graveside service will be 3 p.m. today at Elmwood, with Elmwood Chapel directing.

The family requests that memorials be made to the Richebourg Gaillard McWilliams Scholarship Fund at Birmingham-Southern College.

A TRIBUTE TO JUDGE FRED L. HUGGINS

Mr. HEFLIN. Mr. President, today, I would like to share with my colleagues an account of the efforts of Judge Fred Huggins, probate judge of Clarke County.

Judge Huggins is now in his third term and has done a wonderful job serving his constituents. Probate judges in Alabama deal with a wide variety of cases, for example, judging the mentally ill and handling adoption procedures. Judge Huggins has performed these duties with foresight and sensitivity. He has brought to the bench both professionalism and expertise. In my opinion these qualities are essential in a great judge. He is a great judge.

In the State of Alabama, the probate judge has historically taken an active role in the leadership of his entire area. I am pleased to see that Judge Huggins has reinforced this tradition. In addition to his contributions as a jurist to the welfare of the people of Clarke County, Judge Huggins has been very active in bringing new industry into the county. He organized the Clarke County Industrial Board which is already responsible for over 450 new jobs. He has labored to better his community, his country, and his State. He is recognized by public officials and State leaders as a man of strong counsel, sound advice, integrity and industry.

I commend the judge for all he has accomplished. Because of his efforts, Alabama will be better able to meet the future.

Mr. President, not long ago the attached article appeared in the Mobile Press which recognizes Judge Huggins' activities. I ask unanimous consent that it be printed in the CONGRESSIONAL RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

CLARKE COUNTY JUDGE SAYS HE FINDS HIS JOB REWARDING

(By Sharron McClure)

GROVE HILL, AL.—The office of probate judge is no easy job, but Fred L. Huggins, probate judge of Clarke County, finds his job rewarding.

Huggins said his political career began in 1966 when he served as county campaign manager in Albert Brewer's race for lieutenant governor. Campaign work was in his blood, but Huggins said running for political office entered his mind only after friends began to encourage him to seek the probate judgeship. It was in 1970 that he campaigned for and won that office.

Now in his third term as probate judge of Clarke County, Huggins said the greatest sense of accomplishment he finds in his job is trying to solve problems.

Huggins said the duties of the probate office today vaguely resemble the original duties that originated in England in 1066 during the Norman Conquest. The court was originally established to ensure fairness for widows and orphans.

When Clarke County was formed in 1812, the court was named the Orphans Court. In 1851, the Alabama Constitution Committee established the probate system for all 67 counties. In 1901, the system was revised to include more responsibilities.

Huggins says he finds the two most difficult aspects of his job are working with cases involving the mentally ill person, who must be committed to an institution, and working with people who have major financial or family problems.

"You would not believe some of the problems that people have," said Huggins. "The worse part is when I can't help in anyway. Often, in the case of financial hardships, I can make possible suggestions and in some cases refer them to certain agencies for help." But, he said, "there are some cases that all I can do is listen and let them know I am concerned."

"It is tough to have a crying mother sit across from you saying, 'if you don't call the doctor and tell him the county will pay for my son's operation, he is going to die.' It is very hard to explain to a hurting mother there are no funds for indigent health care. Yet, at the same time, you know the anguish she is feeling. These are the cases which are difficult. You can't just forget the crying mother's face when she walks out the door."

Huggins, a native Clarke Countian, was born in the Bedsole Store community, now known as New Prospect. He is the son of the late Eddie Huggins and Nora Brown Huggins. His first few years of school were spent in the one-room school in the Bedsole Store community. When he was 11 years old, the Huggins family moved to Grove Hill. He is a graduate of Clarke County High School.

Huggins' childhood ambition was to be a sports announcer. Although he never made it to "big time sports announcing," he worked in broadcasting at Clarke County's two radio stations for 10 years. With the broadcasting background, Huggins became publisher of the weekly newspaper in Jackson. "The South Alabamian." As publisher, he worked mainly in management and advertising, but also wrote a weekly column.

"There were too many hassles and too many deadlines in the weekly newspaper business," quipped Huggins.

After several years there as publisher, he joined the staff at Merchant Bank in Jackson as public relations officer. He held this position for only a short time before being elected probate judge.

Huggins is married to the former Gloria Newsom of Jackson. She operates convenience stores in Jackson and Coffeeville. The Huggins have three children, Eddie who lives in Livingston, Steve of Birmingham, and Mollie Frances, a student at Mobile College.

Huggins is a record collector of traditional and country music. He reads a lot, but when time permits, he said his favorite pastime is "sitting on the porch of our beach house just watching the water."

Huggins has been involved in community activities for many years. He said he was pleased to have served as charter president

of the Jackson Rotary Club that organized in 1963. He was also appointed chairman of the Jackson School Board. He is past president of the Alabama Probate Judge Association and served two years as chairman of the Alabama Tombigbee Regional Development Commission. He is on the board of directors of the Cossa-Alabama Improvement Association and is chairman of the board of directors of First Southern Bank in Jackson.

Huggins said his greatest achievement as probate judge was organization of the Clarke County Industrial Board. The board was organized with a full-time director. It works to bring new industry to the County.

The industrial board was responsible for attracting Teledyne Brown Engineering to the county. The company now employs 450 workers.

Huggins said. "My biggest disappointment has been my failure to convince state officials that we need money for county road construction."

Regardless of the disappointment and the difficult decisions, Huggins says he loves serving the people of Clarke County.

WESTINGHOUSE TAKES A LEAP FORWARD WITH PHOTOVOLTAICS

Mr. SPECTER. Mr. President, on March 26, 1986, the Westinghouse Electric Corp.'s advanced energy systems division, located just outside Pittsburgh, PA, will announce its construction of a solar cell [photovoltaic] manufacturing demonstration plant. This announcement marks an historic moment in the development of our Nation's energy technology.

Through assistance from the Department of Energy and other resources, Westinghouse has committed itself to pioneering this remarkable and revolutionary industry. Photovoltaics, which convert free fuel directly into electricity, have the potential to reduce significantly the environmental costs of electric conversion in this country in the near future. Even more importantly, however, this exciting technology may have applications in providing energy sources for developing Third World nations.

Westinghouse's photovoltaic manufacturing demonstration facility represents a unique opportunity for government and industry to work together on an important technological initiative. If adequately supported and successful, it is easy to envision the long term success of this program.

In addition to its bright prospects as an energy resource, the new facility could mean a tremendous economic asset for the Pittsburgh area. If the demonstration program is successful, a commercial plant with a much larger output and capacity could become a reality. For an area that has not fully benefited from the Nation's economic recovery, this represents a chance for increased employment and all that comes with it.

I congratulate Westinghouse for its strong commitment to the development of photovoltaics and other advanced energy systems. This commitment commands and deserves a commensurate spirit from its partner in this program, the Government.

MARYLAND DAY

Mr. MATHIAS. Mr. President, this is the 26th time that I have spoken in the Congress on the subject of Maryland Day, and it will be the last occasion I shall have to do so. Therefore it may be appropriate to talk more about the future than about the past, more about what I hope and expect for Maryland and from Maryland than about the successes and failures in our history.

Every pupil in Maryland schools knows that on March 25, 1634 the first colonists landed on St. Clement's Island and began a history that now stretches for 352 years. In that period of time many heroic deeds and noble actions have provided subjects for speeches, books and songs. It still is easy to talk about Maryland as a place of ideas and ideals, where dreams came true, where mankind made measurable progress and where land, sea, and climate join together to make life sweet and pleasant. But it is also a good time to draw the lessons that can be learned from that history.

The men and women who left England in the *Ark* and the *Dove* could not know what lay ahead of them except that life would be hard and dangerous. They came in spite of that uncertain prospect, not because they were ignorant of it. Without their courage we would not be able to enjoy Maryland today as we know it, and without courage in confronting today's uncertainties our children might not have the advantages bequeathed to us.

But courage is an abstract virtue until we need it in specific circumstances. How may it be demanded of us?

Maryland was the birthplace of the great American tradition of toleration. The adoption of the Act of Toleration in 1649, the first step taken in America for freedom of conscience and worship, was a proud moment in Maryland history. Yet occasionally today there is some lapse in practice with respect to this principle; a cross is burned in hatred or a religious shrine defaced. We must be prepared to stand up to prevent such outrages and to renew the pledges of religious freedom given so long ago.

The story of the Maryland General Assembly's ratification of the fourteenth amendment to the Constitution of the United States illustrates a different kind of courage. The general assembly did not ratify the amendment until 1961, almost a century after the rest of the Union. As a member of the assembly at that time, I considered it an honor to vote to ratify the 14th amendment. The reasons for delay were complex, but reflected a deep-seated concern about the power of government and a skepticism about the competence of law to embody and reflect principle accurately. It takes a special courage to have the strength to hold back and consider when the rest of the world is caught up in some rush to judgment. The 14th amendment should have been ratified and ultimately was, but our predecessors were endowed with the courage of their convictions, even if history finally resolved their doubts.

The story of Frederick Douglass is another Maryland example of courage that is timeless. He was born in slavery, lived in freedom and died greatly honored. By his courage and determination he changed his own life and created a vision of opportunity for millions of his countrymen. His kind of courage will always be necessary for men and women to make progress under adverse conditions.

Finally, there is the kind of courage necessary to preserve our heritage, both the natural environment and the monuments of human achievements. This seemingly simple task can require enormous strength of leadership and character because it may require standing in the way of progress. But whether it is the restoration of the quality of water in the Chesapeake Bay or the preservation of a neighborhood in Annapolis, it is a duty that we owe both to our predecessors and our successors. We fail them both if we fail to demand that time and care be expended on solving the problems that an urban society creates for itself. The work of the Chesapeake Bay Foundation and of historic Annapolis is an example of success as well as courage.

So my wish on Maryland Day 1986 is a simple one, though perhaps not an easy one. It is that the virtues that have guided the people of Maryland for 352 years be remembered and respected so that our future will be worthy of our history.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Saunders, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

PRESIDENTIAL APPROVALS

A message from the President of the United States announced that on March 21, 1986, he had approved and signed the following joint resolutions:

S.J. Res. 205, Joint Resolution to designate March 21, 1986, as "National Energy Education Day".

S.J. Res. 272, Joint Resolution to authorize and request the President to issue a proclamation designating March 21, 1986, as "Afghanistan Day", a day to commemorate the struggle of the people of Afghanistan against the occupation of their country by Soviet forces.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-2769. A communication from the Executive Associate Director of the Office of Management and Budget transmitting, pursuant to law, a report on the reapportionment of appropriations to the Internal Revenue Service, indicating the necessity for a supplemental appropriation; to the Committee on Appropriations.

EC-2770. A communication from the Director of Procurement and Assistance, Department of Energy, transmitting, pursuant to law, a report on Site Stabilization Agreements relative to Davis-Bacon Act provisions; to the Committee on Armed Services.

EC-2771. A communication from the Acting Administrator of NASA transmitting, pursuant to law, a report on actions under certain contracts made under sec. 4(a) of PL 85-804; to the Committee on Armed Services.

EC-2772. A communication from the Administrator of the Environmental Protection Agency transmitting, pursuant to law, the 1985 Toxic Substances Control Act report; to the Committee on Environment and Public Works.

EC-2773. A communication from the Records Officer, U.S. Postal Service, transmitting, pursuant to law, a report on a Privacy Act computer matching program between the USPS and HHS; to the Committee on Governmental Affairs.

EC-2774. A communication from the Secretary of the Army transmitting, pursuant to law, a report that the Pershing II missile program has breached its unit cost baseline by more than 25 percent; to the Committee on Armed Services.

EC-2775. A communication from the Assistant Secretary of the Army transmitting, pursuant to law, a report on the disposal of an unexploded chemical bomb found at Dugway Proving Ground, Utah; to the Committee on Armed Services.

EC-2776. A communication from the Acting Assistant Secretary of State transmitting, pursuant to law, the annual report on the Panama Canal Treaties; to the Committee on Armed Services.

EC-2777. A communication from the Deputy Secretary of Defense transmitting, pursuant to law, a report on proposed changes in the selected acquisition reporting process; to the Committee on Armed Services.

EC-2778. A communication from the First Vice President and Vice Chairman of the Export-Import Bank of the U.S. transmitting, pursuant to law, a report on bank transactions with Communist countries during January of 1986; to the Committee on Banking, Housing, and Urban Affairs.

EC-2779. A communication from the Director of the Federal Home Loan Bank Board transmitting, pursuant to law, the Board's 1985 annual report on efforts to prevent unfair and deceptive trade practices; to the Committee on Banking, Housing, and Urban Affairs.

EC-2780. A communication from the General Counsel of the Department of the Treasury transmitting a draft of proposed legislation to authorize appropriations for the U.S. Mint for FY 1987 and 1988; to the Committee on Banking, Housing, and Urban Affairs.

EC-2781. A communication from the Administrator of the Energy Information Administration transmitting, pursuant to law, the EIA's 1985 annual report; to the Committee on Energy and Natural Resources.

EC-2782. A communication from the Secretary of Health and Human Services transmitting, pursuant to law, a report on the study of home respiratory therapy; to the Committee on Finance.

EC-2783. A communication from the Secretary of Health and Human Services transmitting, pursuant to law, a report on the exclusion from income of certain payments to individuals under home energy assistance; to the Committee on Finance.

EC-2784. A communication from the Acting Attorney General transmitting, pursuant to law, the Department's annual competition advocacy report; to the Committee on Governmental Affairs.

EC-2785. A communication from the D.C. Auditor transmitting, pursuant to law, the FY 1985 report on Advisory Neighborhood Commissions; to the Committee on Governmental Affairs.

EC-2786. A communication from the Deputy Assistant Secretary of Defense transmitting, pursuant to law, a report on a new Privacy Act system of records; to the Committee on Governmental Affairs.

EC-2787. A communication from the Director of the Office of Management and Budget transmitting, pursuant to law, a supplemental report to Special Analysis D; to the Committee on Governmental Affairs.

EC-2788. A communication from the Secretary of Health and Human Services transmitting, pursuant to law, the Annual Report on the Indian Health Care Improvement Act; to the Select Committee on Indian Affairs.

EC-2789. A communication from the Acting Director of the CIA transmitting a draft of proposed legislation to authorize intelligence appropriations for FY 1987; to the Select Committee on Intelligence.

EC-2790. A communication from the Director, Office of Congressional Affairs, Nuclear Regulatory Commission, transmitting, pursuant to law, the Commission's 1985 Freedom of Information report; to the Committee on the Judiciary.

EC-2791. A communication from the Solicitor of the Commission on Civil Rights transmitting, pursuant to law, the Commission's 1985 Freedom of Information report; to the Committee on the Judiciary.

EC-2792. A communication from the Secretary of Transportation transmitting, pursuant to law, the annual Freedom of Information report; to the Committee on the Judiciary.

EC-2793. A communication from the Secretary of Health and Human Services transmitting, pursuant to law, the 1985 Radiation Control for Health and Safety report; to the Committee on Labor and Human Resources.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. DANFORTH, from the Committee on Commerce, Science, and Transportation; without amendment:

S. Con. Res. 95. Concurrent resolution to recognize and honor the contributions of Consumers Union.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. HEFLIN:

S. 2225. A bill to prohibit the Federal Energy Regulatory Commission from issuing a permit or license for certain facilities to be located at Lake Tuscaloosa, Alabama; to the Committee on Energy and Natural Resources.

By Mr. BENTSEN (for himself, Mr. DANFORTH, Mr. BAUCUS, Mr. BINGAMAN, Mr. BYRD, Mr. DIXON, Mr. DODD, Mr. GLENN, Mr. HARKIN, Mr. HOLLINGS, Mr. LAUTENBERG, Mr. LONG, Mr. MELCHER, Mr. METZENBAUM, Mr. RIEGLE, and Mr. SIMON):

S. 2226. A bill to prevent unfair international trading practices, including unfair trade concessions requirements, which undermine United States international trade agreements, from burdening United States trade and commerce; to the Committee on Finance.

By Mr. HATCH (for himself, Mr. BENTSEN, Mr. BOREN, Mr. CRANSTON, Mr. DENTON, Mr. DIXON, Mr. DOLE, Mr. DOMENICI, Mr. DURENBERGER, Mr. GARN, Mr. GRASSLEY, Mrs. HAWKINS, Mr. HELMS, Mr. HOLLINGS, Mr. HUMPHREY, Mr. INOUYE, Mr. JOHNSTON, Mr. LAXALT, Mr. LUGAR, Mr. MATSUNAGA, Mr. METZENBAUM, Mr. NICKLES, Mr. NUNN, Mr. THURMOND, Mr. TRIBLE, and Mr. WARNER):

S.J. Res. 306. A joint resolution to designate the week beginning November 23, 1986, as "National Adoption Week"; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. HEFLIN:

S. 2225. A bill to prohibit the Federal Energy Regulatory Commission from issuing a permit or license for certain facilities to be located at Lake Tuscaloosa, AL; to the Committee on Energy and Natural Resources.

LAKE TUSCALOOSA PRESERVATION ACT

Mr. HEFLIN. Mr. President, I rise today to introduce the Lake Tuscaloosa Preservation Act which is a bill to protect Lake Tuscaloosa in my home State of Alabama and the citizens who live on this lake.

The purpose of this legislation is to prohibit the Federal Energy Regulatory Commission [FERC] from issuing a preliminary permit, exemption or li-

cense for the construction of a hydroelectric project at the dam on Lake Tuscaloosa in Tuscaloosa County, AL. The legislation is intended to be narrow in scope and nonprecedential in nature. I am introducing this bill in response to the unifide and intense local concern or individual constituents and of the city of Tuscaloosa.

The dam impounding Lake Tuscaloosa was built in 1971 so that a water supply for west Alabama including Tuscaloosa, would be assured. Lake Tuscaloosa is 5,885 acres in size and 27.7 miles in length. The dam itself is 1,280 feet long and 125 feet high. The dam and lake are wholly owned by the city of Tuscaloosa. Because the lake is located within the city limits, a substantial number of primary residences, as well as some second homes, have been constructed around or near the lake. Many residents of west Alabama use the lake for recreational purposes.

After the passage of the Public Utilities Regulatory Policies Act of 1978 and during the period of high energy costs in that decade, the city of Tuscaloosa conducted a study of the financial feasibility of constructing a hydroelectric facility on the Lake Tuscaloosa Dam. The report indicated that the project was marginal at best unless the water level was drawn down to an unacceptably low level during a large part of the year. A drawdown of more than 2 feet would make many public and private dock facilities unusable. Further, a drawdown of as much as 15 feet during some parts of the year might be necessary for substantial economic benefit to be derived from the project's operation. Because the project would not be on a cost-benefit basis, the city rejected the idea of constructing a hydroelectric project at Lake Tuscaloosa.

However, an outside party headquartered far from Alabama stimulated intense local concern when it made a development proposal to the FERC several years ago. Although the FERC rejected its preliminary permit application, my constituents remain concerned about this or any other outside party obtaining permission to construct a hydroelectric project at Lake Tuscaloosa. The city of Tuscaloosa and my constituents on the lake simply do not want control of the lake to fall into the hands of someone who might not have the best interest of Lake Tuscaloosa at heart.

In order to ensure local control of a Lake Tuscaloosa hydro project, if the FERC were to issue such a license, the city of Tuscaloosa is currently pursuing its own preliminary permit application for the site. However, several Tuscaloosa elected officials have requested this legislative measure so that the city will not have to pursue its application any further. Local opposition to hydroelectric development at Lake Tuscaloosa is united and firm. It ranges from the mayor and city council members to individuals who have organized a group called the Concerned Citizens for Lake Tuscaloosa.

I am not an opponent of hydroelectric energy development. The power produced by falling water is an inexpensive and clean energy source. However, because of the infeasibility of this particular project and the united local opposition, I firmly believe that a hydroelectric development at Lake Tuscaloosa should clearly be prohibited. We should listen to the people who live near the lake and are benefited or harmed by a development there.

Mr. President, this is a matter which is vitally important to my constituents who live in the city of Tuscaloosa and on Lake Tuscaloosa. I urge my colleague's support and aproval of the Lake Tuscaloosa Preservation Act.

By Mr. BENTSEN (for himself, Mr. DANFORTH, Mr. BAUCUS, Mr. BINGAMAN, Mr. BYRD, Mr. DIXON, Mr. DODD, Mr. GLENN, Mr. HARKIN, Mr. HOLLINGS, Mr. LAUTENBERG, Mr. LONG, Mr. MELCHER, Mr. METZENBAUM, Mr. RIEGLE and Mr. SIMON):

S. 2226. A bill to prevent unfair international trading practices, including unfair trade concessions requirements, which undermine U.S. international trade agreements, from burdening U.S. trade and commerce; to the Committee on Finance.

UNFAIR TRADE CONCESSIONS REQUIREMENTS ACT

Mr. BENTSEN. Mr. President, I am pleased today to introduce, with Senators DANFORTH, BAUCUS, BINGAMAN, BYRD, DIXON, DODD, GLENN, HARKIN, HOLLINGS, LAUTENBERG, LONG, MELCHER, METZENBAUM, RIEGLE, and SIMON, a bill on unfair trade concessions requirements. This bill is a result of the work of the Democratic Working Group on Trade Policy, of which I am the chairman.

The Democratic Working Group has recently been studying the national trade estimate issued pursuant to the Trade and Tariff Act of 1984 and administration responses to questions propounded by the Democratic Working Group last summer on the trade practices of seven different countries.

According to the administration responses to the Democratic Working Group's questions, Korea has issued regulations that computers may not be imported into their country unless the Minister of Commerce and Industry improves a computer import plan, which as a practical matter must include, among other things, the foreign producer's willingness to transfer technology and produce computers or computer parts in Korea. According to the responses the Democratic Working Group has gotten from the administration, four United States firms that received approval under this law invested $23 million in Korea.

Here is the effect the administration said this practice has in the United States:

> The impact of the (Korean) policy is greatest in smaller suppliers and suppliers of small computers, peripherals and parts because such firms do not have the necessary capital or scale of production to license Korean firms. . . . even the importation of medium and large-scale systems, however, depends on the foreign producer's willingness to transfer technology, produce computer parts locally and provide the know-how for producing . . . printers, terminals and disk and tape devices. The principal U.S. private sector interest . . . is comprised of young, highly innovative firms (predominantly small and medium-sized firms) that export approximately 40 percent of their U.S. manufactured products. More than 90 percent of these firms manufacture all of their products in the United States; as a group, they employ more than 200,000 American workers.

Such unfair trade concessions requirements are not unique to Korea. We found evidence of such requirement in West Germany and Brazil, among others.

Unfair trade concessions requirements are not new. Consider the following statement about the practices of Japan from the recent book, "Comeback," by the distinguished Japan scholar, Ezra Vogel:

> One logical way to deal with IBM was to encourage alliances between Japanese companies and IBM's foreign rivals. Within several years, virtually all Japanese computer firms found foreign allies with whom to share technical assistance and licensing arrangements. . . . As in other industrial sectors, foreign partners were not allowed to have substantial equity participation or any control over domestic computer production. A customer wishing to buy a foreign computer had to explain why the computer was needed and get MITI's (the Japanese Government Ministry of Trade and Industry) approval to import. If MITI judged a domestic system adequate to perform the task, it advised the customer to purchase a domestic machine.

It is time we put a stop to these unfair trade practices, Mr. President. Twenty-five years of foreign unfair trade concessions requirements on U.S. exports is enough.

Under this bill, it would be an explicit basis under section 301 of the Trade Act of 1974—the President's wideranging power to retaliate against foreign unfair trade practices—that a foreign government is levying an unfair trade concessions requirement on a U.S. private company. Nothing in this bill forbids a U.S. corporation from complying with an unfair trade concessions requirement. Moreover, since many such requirements have already been met by U.S. corporations, this remedy is prospective, a notice to other countries that in the future we will retaliate for unfair trade concessions requirements that limit our exports.

This bill would also set a high priority on the President's pressing for international consensus to control

these practices in new multilateral trade negotiations. Finally, it would give the President authority to reduce benefits to developing countries under such programs as the Caribbean Basin Initiative and the Generalize System of Preferences if they levy unfair trade concessions requirements on U.S. companies, unless these requirements are temporary and are required by the International Monetary Fund.

This country's trade deficit in manufactured goods grew from $88.7 billion in 1984 to $112.8 billion in 1985. Yet the President's economic report says: "Increases in the trade deficit and the import share of the domestic market do not indicate a weakened domestic industrial capability." In other words, don't worry.

But I am worried by our hugh deficit in manufactured goods.

Foreign conditions upon importation of U.S. products and services violate international trade agreements.

Such conditions may cause U.S. firms to relocate their American plants to foreign soil. They deprive us of exports, by giving foreign competitors cheap access to hard-won U.S. technology.

These conditions cripple the ability of small but efficient, high technology firms in America to export, because they are not able to meet these conditions.

I urge Senators to support this bill to fight unfair trade concessions requirements.

I ask unanimous consent that the text of the bill and a section-by-section description of the bill be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 2226

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Unfair Trace Concessions Requirements Act".

SEC. 2. FINDINGS.

The Congress finds that unfair trade concessions requirements—

(1) nullify and impair existing United States international trade agreements,

(2) impede attainment of the objectives of such agreements,

(3) constitute a failure in the carrying out of obligations under such agreements by those foreign governments which impose such requirements,

(4) burden and impede United States commerce,

(5) distort costs of production and unfairly place the United States at a competitive disadvantage,

(6) encourage diseconomies that may result in lost business opportunities and in the loss of jobs in the United States,

(7) create uncertainties and undermine confidence in the system of open and reciprocal trade,

(8) impair the ability of United States firms to compete on an equitable basis, and

(9) unreasonably limit freedom of choice for foreign consumers and for United States firms by restricting or conditioning trade through market-distorting practices.

SEC. 3. RELIEF FROM UNFAIR TRADE CONCESSIONS REQUIREMENTS.

Subsection (e) of section 301 of the Trade Act of 1974 (19 U.S.C. 2411(e)) is amended by adding at the end thereof the following new paragraphs:

"(7) DENIES BENEFITS.—An act, policy, or practice of a foreign country or instrumentality denies benefits to the United States under a trade agreement if the act, policy, or practice—

"(A) nullifies, impairs, or impedes attainment of the objectives of such trade agreement, or

"(B) constitutes an unfair trade consessions requirement with respect to any product or service within the purview of such trade agreement.

"(8) UNFAIR TRADE CONCESSIONS REQUIREMENT—

"(A) IN GENERAL.—The term 'unfair trade concessions requirement' means any act, practice, or policy of a foreign government or instrumentality which, as a practical matter, constitutes a requirement that—

"(i) substantial direct investment in such foreign country or instrumentality be made,

"(ii) intellectual property be licensed to such foreign country or instrumentality or to any firm of such foreign country or instrumentality, or

"(iii) other collateral concession be made, as a condition for the importation of any product or service of the United States into such foreign country or instrumentality or as a condition for carrying on business in such foreign country or instrumentality.

"(B) DETERMINATIONS.—The existence of an unfair trade concessions requirement may be inferred from existing circumstances if direct evidence of any act, practice, or policy of a foreign country or instrumentality constituting a requirement described in subparagraph (A) is not otherwise available.".

SEC. 4. NEGOTIATIONS TO REMOVE UNFAIR TRADE CONCESSIONS REQUIREMENTS.

(a) IN GENERAL.—In any negotiations authorized under section 102 of the Trade Act of 1974 (19 U.S.C. 2111), the President shall seek specific commitments to—

(1) remove existing unfair trade concessions requirements, and

(2) avoid future use of unfair trade concessions requirements,

on the grounds that unfair trade concessions requirements deny United States exports benefits anticipated under existing international trade agreements.

(b) DEVELOPING COUNTRIES.—The commitments the President is required to seek under subsection (a) may provide for the use of unfair trade concessions requirements by any developing country on a temporary basis if such unfair trade concessions requirements are necessary to meet conditions placed upon such country by the International Monetary Fund or any other international monetary authority.

(c) DEFINITION.—For purposes of this Act, the term "unfair trade concessions requirements" has the remaining giver to such term by section 301(e)(8) of the Trade Act of 1974 (19 U.S.C. 2411(e)(8)).

SEC. 5. MODIFICATION OF CERTAIN UNILATERAL TRADE BENEFIT PROGRAMS.

(a) GENERALIZED SYSTEM OF PREFERENCES.—Subsection (b) of section 502 of the Trade Act of 1974 (19 U.S.C. 2462) is amended—

(1) by striking out "and" at the end of paragraph (7),

(2) by striking out the period at the end of paragraph (8) and inserting in lieu thereof "; and",

(3) by inserting after paragraph (8) the following new paragraph:

"(9) if such country imposes unfair trade concessions requirements (within the meaning of section 301(e)(8)) with respect to products of the United States that are within the purview of any agreement which is in effect between the United States and such country.", and

(4) by striking out "and (8)" in the last sentence thereof and inserting in lieu thereof "(8), and (9)".

(b) CARIBBEAN BASIN INITIATIVE.—Subsection (b) of section 212 of the Caribbean Basin Economic Recovery Act (19 U.S.C. 2702(b)) is amended—

(1) by striking out "and" at the end of paragraph (6),

(2) by striking out the period at the end of paragraph (7) and inserting in lieu thereof "; and",

(3) by inserting after paragraph (7) the following new paragraph:

"(8) if such country imposes unfair trade concessions requirements (within the meaning of section 301(e)(8) of the Trade Act of 1974) with respect to products of the United States that are within the purview of any agreement which is in effect between the United States and such country.", and

(4) by striking out "and (5)" in the last sentence thereof and inserting in lieu thereof "(5), and (8)".

SECTION-BY-SECTION DESCRIPTION OF THE UNFAIR TRADE CONCESSIONS REQUIREMENTS ACT, MARCH 24, 1986

This is a bill to provide relief for U.S. exporters from unfair trade concessions requirements. The motive for the legislation is to provide specific legislation in response to unfair trade practices disclosed in Administration responses to requests for information (the Responses) propounded by the Senate Democratic Working Group on Trade Policy in 1985, information provided to Congress in the 1985 National Trade Estimate (the Estimate) prepared pursuant to section 181 of the Trade and Tariff Act of 1984, and in other sources. Examples of these practices are as follows:

(1) The Korean program is the most obvious instance of unfair trade concessions requirements. Under a Korean law promulgated in 1983, the Minister of Commerce and Industry of Korea decides whether to allow the importation of computers into Korea. According to the Responses: "Even the importation of medium- and large-scale systems, however, depends on the foreign producer's willingness to transfer technology, produce computer parts locally and provide the know-how for producing plug-compatible peripherals (i.e., printers, terminals, and disk and tape devices)." The four U.S. firms approved under these policies have invested $23 million in Korea, according to the Responses.

(2) German procedures for regulating telecommunications equipment procurement are developed by an Association of Telecommunications Suppliers, which only companies producing in Germany can join. Therefore, if American firms want standards that they can meet, they must produce telecommunications products in Germany. As a result, they export fewer products from the United States than would otherwise occur.

In 1984, according to the Responses, U.S. firms located in West Germany sold the West Germany publicly owned telecommunications company $589.5 million worth of products they manufactured in West Germany; U.S. exports of such equipment in 1984 amounted to only $11.2 million.

(3) In the 1970's, American producers of light aircraft sold up to 600 units a year to Brazil. Then Brazilian licensing restrictions cut imports of finished aircraft almost to zero to protect the fledgling, state-owned light aircraft industry. However, one American company managed to keep a reduced export market in Brazil; it agreed to provide the assembly in Brazil of kits for single and multiple engine, non-pressurized aircraft, according to the Responses.

(4) Mexico's 1982 Law on the Control and Registration of the Transfer of Technology and the Use and Exploitation of Patents and Trademarks gives the Mexican Government broad jurisdiction to control the terms and conditions under which Mexico acquires technology, and its import licensing system—moderated last July but still in existence for many important U.S. exports—gives equally broad power to restrict imports. Although the Responses indicate no U.S. firm has complained, the potential exists of bargaining technology licenses for import access in such an arbitrary system.

Section 1 states the short title of the bill.

Section 2 of the bill makes findings with regard to unfair trade concessions requirements. The first three findings amount to a legislative determination that unfair trade concessions restraints are actionable under the General Agreement on Tariffs and Trade (the GATT), which is the principal U.S. trade agreement.

Finding (4), which is based upon the information in the Estimate, the Responses, and other sources, represents a legislative determination that unfair trade concessions requirements damage U.S. firms and workers to the extent necessary to justify action under U.S. law, including but not limited to, section 301 of the Trade Act of 1974.

Findings (5) through (7) set forth the adverse impacts of unfair trade concessions requirements on U.S. exporters, the U.S. economy, and on foreign economies.

Section 3 of the bill would provide specifically for relief from unfair trade concessions requirements under section 301 of the Trade Act of 1974 (section 301), which authorizes the President to retaliate for foreign acts, practices, and policies that burden or restrict U.S. commerce and that are unreasonable or unjustifiable. Specifically, section 2 defines the phrase, "denies benefits," which is one of the bases for section 301 action. Section 301 provides:

"If the President determines that action by the United States is appropriate . . . to respond to any act, policy, or practice of a foreign country or instrumentality that is inconsistent with the provisions of, or otherwise denies benefits to the United States, under any trade agreement . . . (then) the President shall take all appropriate and feasible action within his power to enforce such rights or to obtain the elimination of such act, policy, or practice."

While section 301 is broad enough in its current form to cover unfair trade concessions requirements, legislation is necessary to give other countries and the Administration notification that in the future Congress intends this aspect of American trade agreements to be vigorously enforced. (It is intended this section 301 provision be applied prospectively only.)

Section 3 also defines unfair trade concessions requirements in pragmatic terms as, generally, collateral concessions private U.S. firms are required to make as a condition for the importation of any product or for carrying on business. While Congress acted in 1984 to bring concessions required for investment (called "performance requirements") within the scope of section 301, it has not acted to bring concessions for trade access (in the form of investments and licensing that would not otherwise be made) within the scope of the law. As the Business Roundtable declared in its 1983 Statement on International Investment: "An important corollary to the 'right of establishment' must be the 'right not to invest'."

The term "collateral" has its ordinary meaning of "accompanying, but extrinsic to a main consideration." Unfair trade concessions requirements undermine the value of concessions given to the United States to reduce tariffs or eliminate quotas by adding a condition U.S. exporters should not have to overcome because it is beyond the scope of existing trade agreements, i.e., it is "collateral."

Unfair trade concessions requirements are frequently not publicly declared, even though they are made known clearly to U.S. exporters, and therefore it is necessary to make it explicit that such policies are subject to section 301 action even if they are not formally declared. The definition reaches unfair trade concessions requirements that "as a practical matter" fit the terms of the definition. This is intended to reach informal as well as formal conditions, the former being more often the case. It is also intended to justify an inference of unfair trade concessions requirements from the surrounding circumstances, including but not limited to circumstances where the Administration finds a foreign country imposes a collateral condition upon the importation of products produced in or services originating in the United States.

Section 4 of the bill requires the President to obtain agreements to remove existing unfair trade concessions requirements and avoid the future use of such requirements. This provision is placed in the existing authority for the President to negotiate reductions in nontariff trade barriers, section 102 of the Trade Act of 1974, but it is intended that the President make the elimination of such requirements a high priority in all trade agreements he may negotiate in bilateral, regional, or multilateral trade negotiations; therefore, the cosponsors urge the Administration to add such an objective to any new negotiating authority they may propose. Moreover, it is intended that there be no compensation given or concessions made in return for such commitments, since current trade agreements plainly prohibit unfair trade concessions requirements already.

Subsection (b) of section 4 anticipates that some developing countries may take the position that unfair trade concessions requirements are necessary to development. The provision limits the circumstances under which U.S. law would not require action against such requirements, *i.e.*, when they are temporary and are necessary to meet conditions placed upon the country by the International Monetary fund or similar authority.

Section 5 of the bill requires the President to take the existence of unfair trade concessions requirements into account in making various determinations of unilateral trade benefits to developing countries, including determinations under the Generalized System of Preferences and the Caribbean Basin Economic Recovery Act.

Mr. DIXON. Mr. President, I am pleased to join my colleagues in introducing this important piece of legislation which is a result of several months of study by the Democratic Working Group on Trade.

Last July, we filed a request with the U.S. Trade Representative for information on foreign acts and practices which we believed placed unfair restrictions on American trade abroad. We had specific questions about specific countries and industries which were answered by the U.S. Trade Representative in October of last year. Our suspicions were confirmed and the practices which we believed were occurring are, indeed, occurring, causing American jobs to be our largest export.

The legislation we are introducing today has one basic message: The restrictions that many nations impose as a condition of allowing us to export to them are unfair trade practices and should be actionable under the GATT and section 301 of the Trade Act.

For example, a 1983 Korean law provides that the Minister of Commerce decides whether to allow the importation of computers into the country. The Minister's decision is based on the foreign producer's willingness to transfer technology, produce computer parts locally and provide the knowhow for producing compatible components. According to the information we received from the Trade Representative, four American firms which have been approved by the Minister of Commerce have invested $23 million in Korea.

Similar requirements exist in Germany, Brazil, Mexico, Canada, Japan and the European Community. We limited our request for information to these examples. Many more probably exist. The basic message is simple and exemplifies a very serious problem. Our competitiveness and industrial base is eroding, and it is based in part on foreign blackmail to do business with them. We have no such requirements in the United States. One of the most recent examples of legislation which would have come close to that sort of activity was the domestic content legislation proposed several years ago, which would place a requirement on foreign automobile producers to use a particular percentage of American components.

That legislation has not been enacted into law, nor has similar protectionist legislation. However, unless we can address these inequities in a manner which assures that our interests are addressed, the political pressures to enact these more restrictive policies will become even stronger, and

the arguments against them will become much weaker.

This bill will do just that. It will address one of the primary causes of job loss in this country. Not every company in this country is capable of investing huge amounts of capital in foreign countries as the entry fee for trading with another country. It would be in the best interests of the United States, if such investments were able to be made here, so that we could improve our productivity and keep jobs here. However, unless the reasons for this are addressed and solutions found, the money will continue to be spent abroad. The jobs will continue to move from Springfield to Seoul, from Rockford to Rio, from Wood River to Oaxca, from Rock Island to the Rhine, from Joliet to Japan.

The impact of this reality is greatest on small companies which are often the most innovative. This is especially true in the field of computers, where young, small, and medium-sized firms export about 40 percent of their American-manufactured products, and employ more than 200,000 people in this country. They are not in a position to make millions of dollars worth of investments in Korea in order to do business there, and they should not have to. We will only lose whatever technical advantage we have by selling the store in order to sell the goods.

I hope my colleagues will consider the implications of our current dilemma, and join us in this responsible, effective effort to give American businesses and workers a fair shake.

By Mr. HATCH (for himself, Mr. BENTSEN, Mr. BOREN, Mr. CRANSTON, Mr. DENTON, Mr. DIXON, Mr. DOLE, Mr. DOMENICI, Mr. GARN, Mr. GRASSLEY, Mrs. HAWKINS, Mr. HELMS, Mr. HOLLINGS, Mr. HUMPHREY, Mr. INOUYE, Mr. JOHNSTON, Mr. LAXALT, Mr. LUGAR, Mr. MATSUNAGA, Mr. METZENBAUM, Mr. NICKLES, Mr. NUNN, Mr. THURMOND, Mr. TRIBLE, and Mr. WARNER):

S.J. Res. 306. Joint resolution to designate the week beginning November 23, 1986, as "National Adoption Week"; to the Committee on the Judiciary.

NATIONAL ADOPTION WEEK

Mr. HATCH. Mr. President, it is again my privilege to sponsor the Senate joint resolution proclaiming Thanksgiving week, November 23–29, 1986, as "National Adoption Week." Adoption is an important part of the lives of millions of American families. In many ways, our country's unequalled record in adoption, loving, and caring for those who would otherwise be bereft of God's greatest gift, that is a "family' of their own, is one of the most important testaments in the annals of America's history.

We have unanimously approved this legislation over the past 4 years. We in the Senate recognized then, as we do now, that many children in this country need and long for a permanent home with a family. In America today, there are estimated to be 50,000 adoptable children who are legally free for adoption. These children, however, remain in foster care or institutions due to various public and private barriers. There also remains a lack of awareness by prospective parents who don't know that these children are available.

The majority of these children have "special needs." They may have physical, emotional or mental handicaps, or they may be children who have already reached school age. They may be children from various ethnic backgrounds. They may be children with brothers and sisters. What they all share in common is a basic right and a fundamental need for a permanent, secure, and loving home.

We all have heard stories about families who have come together through adoption. I would like to tell you about a couple from Bountiful, UT, who say nothing is more important to them than having happy, well adjusted children. Beckie and Larry King currently have 8 adopted children, all with physical or other problems, and have provided care for almost 30 children in foster and shelter care. The couple say they appreciate the challenges presented by their children and wouldn't trade the experiences they've gained for anything. They have learned through these experiences that there are few difficulties they can't cope with if they exercise enough patience and faith. The Kings are just one couple out of many who believe they have benefited by adopting children with "special needs."

During National Adoption Week we applaud and acknowledge the benefits of adoption. President Reagan, stated in his proclamation on National Adoption Week, 1985:

National Adoption Week should remind us that no woman need fear that the child she carries is unwanted. It is a sad paradox that while thousands of American couples desperately desire to adopt a baby, many women who undergo abortions every year in the United States are unaware of all the couples eager to share their home with a newborn and to give that child all the love and care they would give if they had been its natural parents. Adoption is an alternative that provides family life for children who cannot live with their biological parents, and it is especially fitting that at Thanksgiving time we emphasize the importance of family life through the observance of "National Adoption Week."

Let us join in a celebration for families who are uniting through adoption. Let us celebrate the increased attention to adoption and commend those institutions working to find permanent homes for all adoptable children. I urge you to join me by cosponsoring and enacting this joint resolution. I ask unanimous consent that the text of the joint resolution be printed in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 306

Whereas the week of November 23 has been commemorated as National Adoption Week for the past ten years;

Whereas we in Congress recognize the essential value of belonging to a secure, loving permanent family as every child's basic right;

Whereas approximately fifty thousand children who have special needs—school age, in sibling groups, members of minorities, or children with physical, mental, and emotional handicaps—are now in foster care or institutions financed at public expense and are legally free for adoption;

Whereas the adoption by capable parents of these institutionalized or foster care children into permanent, adoptive homes would insure the opportunity for their continued happiness and long-range well being;

Whereas public and private barriers inhibiting the placement of these special needs children must be reviewed and removed where possible to assure these children's adoption;

Whereas the public and prospective parents must be informed of the availability of adoptive children;

Whereas a variety of media, agencies, adoptive parent and advocacy groups, civic and church groups, businesses, and industries will feature publicity and information to heighten community awareness of the crucial needs of waiting children; and

Whereas the recognition of Thanksgiving week as "National Adoption Week" is in the best interest of adoptable children and the public in general: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the week of November 23 through November 29, 1986, hereby is designated "National Adoption Week", and the President of the United States is authorized and requested to issue a proclamation calling upon the people of the United States to observe such week with appropriate ceremonies and activities.

ADDITIONAL COSPONSORS

S. 15

At the request of Mr. MOYNIHAN, the name of the Senator from Florida, [Mr. CHILES] was added as a cosponsor of S. 15, a bill to authorize the Secretary of Health and Human Services to make grants to States for the purpose of increasing the ability of States to provide drug abuse prevention, education, treatment, and rehabilitation, and for other purposes, to authorize the Attorney General to make grants to States for the purpose of increasing the level of State and local enforcement of State laws relating to production, illegal possession, and transfer of controlled substances.

S. 1209

At the request of Mr. CHILES, the names of the Senator from New Mexico [Mr. DOMENICI] and the Sena-

tor from Virginia [Mr. WARNER] were added as cosponsors of S. 1209, a bill to establish the National Commission to Prevent Infant Mortality.

S. 1766

At the request of Mr. MATHIAS, the names of the Senator from Utah [Mr. HATCH] and the Senator from Florida [Mr. CHILES] were added as cosponsors of S. 1766, a bill to designate the Cumberland terminus of the Chesapeake and Ohio Canal National Historical Park in honor of J. Glenn Beall, Sr.

S. 1900

At the request of Mr. ROTH, the names of the Senator from Virginia [Mr. WARNER] and the Senator from California [Mr. WILSON] were added as cosponsors of S. 1900, a bill to amend the Foreign Agents Registration Act of 1938 by providing for the 5-year suspension of exemption provided to an agent of a foreign principal convicted of espionage offenses.

S. 1901

At the request of Mr. ROTH, the names of the Senator from Virginia [Mr. WARNER] and the Senator from California [Mr. WILSON] were added as cosponsors of S. 1901, a bill to amend the Foreign Missions Act regarding the treatment of certain Communist countries, and for other purposes.

S. 2193

At the request of Mr. BOREN, the name of the Senator from Oklahoma [Mr. NICKLES] was added as a cosponsor of S. 2193, a bill to change the basis for computation of emergency compensation whenever the Secretary of Agriculture adjusts the level of loans and purchases for the 1986 through 1990 crops of wheat under the Agricultural Act of 1949.

SENATE JOINT RESOLUTION 241

At the request of Mr. DOLE, the names of the Senator from Maine [Mr. MITCHELL] and the Senator from Pennsylvania [Mr. SPECTER] were added as cosponsors of Senate Joint Resolution 241, a joint resolution designating the week beginning on May 11, 1986, as "National Asthma and Allergy Awareness Week."

SENATE JOINT RESOLUTION 274

At the request of Mr. GRASSLEY, the name of the Senator from Michigan [Mr. LEVIN] was added as a cosponsor of Senate Joint Resolution 274, a joint resolution to designate the weekend of August 1, 1986, through August 3, 1986, as "National Family Reunion Weekend."

SENATE JOINT RESOLUTION 286

At the request of Mr. HATFIELD, the name of the Senator from Maine [Mr. MITCHELL] was added as a cosponsor of Senate Joint Resolution 286, a joint resolution to designate the week of April 20, 1986 through April 26, 1986, as "National Reading Is Fun Week."

SENATE JOINT RESOLUTION 300

At the request of Mr. GLENN, the names of the Senator from South Carolina [Mr. HOLLINGS], the Senator from Nevada [Mr. HECHT], the Senator from Kansas [Mr. DOLE], the Senator from Georgia [Mr. NUNN], the Senator from New Jersey [Mr. BRADLEY], the Senator from Minnesota [Mr. DURENBERGER], the Senator from Minnesota [Mr. BOSCHWITZ], the Senator from South Dakota [Mr. ABDNOR], the Senator from Oklahoma [Mr. NICKLES], the Senator from North Dakota [Mr. ANDREWS], the Senator from Mississippi [Mr. COCHRAN], and the Senator from Hawaii [Mr. MATSUNAGA] were added as cosponsors of Senate Joint Resolution 300, a joint resolution to recognize and honor 350 years of service of the National Guard.

SENATE CONCURRENT RESOLUTION 115

At the request of Mr. TRIBLE, the names of the Senator from Mississippi [Mr. COCHRAN], the Senator from Tennessee [Mr. GORE], and the Senator from Indiana [Mr. QUAYLE] were added as cosponsors of Senate Concurrent Resolution 115, a concurrent resolution expressing the opposition of the United States to the forcible resettlement and systematic oppression of the Ethiopian people.

NOTICES OF HEARINGS

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. McCLURE. Mr. President, I would like to announce for the information of the Senate and the public the scheduling of a public hearing before the Committee on Energy and Natural Resources to consider the following nominations:

William F. Martin, of the District of Columbia, to be Deputy Secretary of Energy and David B. Waller, of the District of Columbia, to be an Assistant Secretary of Energy for International Affairs and Energy Emergencies.

The hearing will take place Monday, April 14, 2 p.m., in room SD-366 of the Senate Dirksen Office Building in Washington, DC.

Those wishing to testify or who wish to submit written statements should write to the Committee on Energy and Natural Resources, U.S. Senate, room SD-358, Dirksen Senate Office Building, Washington, DC 20510. For further information, please contact David Doane or Gerry Hardy at (202) 224-5305.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON ARMED SERVICES

Mr. WARNER. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet during the session of the Senate on Monday, March 24, 1986, in closed executive session, in order to conduct a hearing on Army tactical programs.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

BUDGET SCOREKEEPING REPORT

● Mr. DOMENICI. Mr. President, I hereby submit to the Senate the budget scorekeeping report for this week, prepared by the Congressional Budget Office in response to section 5 of the first budget resolution for fiscal year 1986. This report also serves as the scorekeeping report for the purposes of section 311 of the Congressional Budget Act, as amended.

The report follows:

CONGRESSIONAL BUDGET OFFICE,
Washington, DC, March 24, 1986.

Hon. PETE V. DOMENICI,
Chairman, Committee on the Budget, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: The attached report shows the effects of Congressional action on the budget for fiscal year 1986. The estimated totals of budget authority, outlays, and revenues are compared to the appropriate or recommended levels contained in the most recent budget resolution, S. Con. Res. 32. This report meets the requirements for Senate scorekeeping of Section 5 of S. Con. Res. 32 and is current through March 21, 1986. The report is submitted under Section 308(b) and in aid of Section 311 of the Congressional Budget Act, as amended.

Since my last report Congress has completed action on the Consolidated Omnibus Budget Reconciliation Act of 1985, H.R. 3128, changing budget authority, outlay, and revenue estimates. Congress also cleared H.J. Res. 534, Agriculture Urgent Supplemental and H.J. Res. 573, making provision for a repayable advance to the Hazardous Substance Response Trust Fund, which do not affect the report totals.

With best wishes,

Sincerely,

RUDOLPH G. PENNER,
Director.

FISCAL YEAR 1986 CBO WEEKLY SCOREKEEPING REPORT FOR THE U.S. SENATE AS OF MARCH 21, 1986

[In billions of dollars]

	Budget authority	Outlays	Revenues	Debt subject to limit
Current level [1]	1,057.1	980.7	778.6	1,969.0
Budget resolution, S. Con. Res. 32	1,069.7	967.6	795.7	[2] 2,078.7
Current level is:				
Over resolution by		13.1		
Under resolution by	12.6		17.1	109.7

[1] The current level represents the estimated revenue and direct spending effects (budget authority and outlays) of all legislation that Congress has enacted in this or previous sessions or sent to the President for his approval. In addition, estimates are included of the direct spending effects for all entitlement or other programs requiring annual appropriations under current law even though the appropriations have not been made. The current level excludes the revenue and direct spending effects of legislation that is in earlier stages of completion, such as reported from a Senate Committee or passed by the Senate. The current level of debt subject to limit reflects the latest U.S. Treasury information on public debt transactions.

[2] The current statutory debt limit is $2,078.7 billion.

FISCAL YEAR 1986 SUPPORTING DETAIL FOR CBO WEEKLY SCOREKEEPING REPORT, U.S. SENATE, AS OF MARCH 21, 1986

[In millions of dollars]

	Budget authority	Outlays	Revenues
I. Enacted in previous sessions:			
Revenues			777,794
Permanent appropriations and trust funds	723,462	629,773	
Other appropriations	525,774	544,943	
Offsetting receipts	−188,561	−188,561	
Total enacted in previous sessions	1,060,676	986,156	777,794
II. Enacted this session:			
Commodity Credit Corporation urgent supplemental appropriations, 1986 (P.L. 99–243)			
Federal Employees Benefits Improvement Act of 1986 (P.L. 99–251)		4	
VA home loan guarantee amendments (P.L. 99–255)		−51	
Total		−47	
III. Continuing resolution authority			
IV. Conference agreements ratified by both Houses:			
Omnibus Budget Reconciliation Act of 1986 (H.R. 3128)	−4,259	−6,006	765
Department of Agriculture urgent supplemental, 1986 (H.J. Res. 534)			
Advance to Hazardous Substance Response Trust Fund, H.J. Res. 573			
Total	−4,259	−6,001	765
V. Entitlement authority and other mandatory items requiring further appropriation action:			
Veterans compensation	272	185	
Veterans readjustment benefits	91	91	
Compact of free association	205	205	
Special benefits (Federal employees)	14	14	
Family social services	100	75	
Guaranteed student loans	6		
Payment to the civil service retirement	(37)	(37)	
Total entitlements	688	570	
Total current level as of March 21, 1986	1,057,105	980,677	778,559
1986 budget resolution (S. Con. Res. 32)	1,069,700	967,600	795,700
Amount remaining:			
Over budget resolution		13,077	
Under budget resolution	12,595		17,141

Note.—Numbers may not add due to rounding.

NICARAGUA

● Mr. SIMON. Mr. President, U.S. policy in Nicaragua just does not make sense. I hope there are enough voices of complaint and reason around this country that will get us to modify that. And I hope we do it before we vote any further money that simply kills the people of that area.

Washington Post columnist Colman McCarthy had a column recently that tells of what a Catholic priest, the mayor of Burlington, VT, and a 77-year-old retired labor organizer from Florida, are doing.

I hope we listen to these voices as well as the voice of the administration.

I ask that the Colman McCarthy article appear in the RECORD.

The article follows:

IN NICARAGUA, AN EX-MARINE'S CAMPAIGN OF CONSCIENCE

(By Colman McCarthy)

Some people have a conscience; others, a conscience has them. Bill Gandall, 77, a retired labor organizer who lives in Juno Beach, Fla., is in the second group. He spent eight days recently in Nicaragua as part of a delegation of North Americans that presented 15 ambulances to the Sandinista government. Gandall helped raise $200,000 for the ambulances, which were shipped from Japan to Managua.

It was Gandalls's second stay in Nicaragua. The first came in 1928 when, as a teenaged Marine, he spent two years fighting Augusto Ceasar Sandino, the leader for whom the Sandinistas are named. "We never caught him," Gandall recalls, "because no matter how we tortured, we could never get people to inform."

As a Marine in Nicaragua, Gandall remembers the fervent way the corps spread U.S. democracy: "I shot a guy at the polls," in the fraudulent election of 1928. After that, I was "taking part in rapes, burning huts, cutting off genitals. I had nightmares for years. I didn't have much of a conscience while I was in the Marines. We were taught not to have a conscience."

The teaching didn't last long. Gandall left the Marines in his early twenties and went into union organizing. "That woke me up," he says. Another jolt was realizing the uselessness and destructiveness of current U.S. military intervention in Nicaragua: "It's a disaster to support the contas because they are mostly led by former Somoza people. I saw some of the atrocities committed by them. They learned from the Marines and carried on our work."

The efforts of Gandall—a man prodded by his conscience to make reparations—are a positive contrast to the drive by the Reagan administration to rearm and refund the contras. As much as $130 million is expected to be requested. The significance of someone like Bill Gandall is that he represents the third—and usually hidden—side in the debate. He is one of a large number of North Americans who, while opposing the waste of money on the contras, is working to increase personal nongovernmental aid to the Nicaraguan government.

The breadth of the movement is seldom reported.

A freighter is now sailing from a port in New Brunswick, Canada, to Nicaragua loaded with 560 tons of clothing, medical supplies, corn, grain, books, fishing equipment and other goods. A major force behind the shipment is Bernard Sanders, the socialist mayor of Burlington, Vt. About two years ago, wanting to go beyond mere complaining that funding the contras was neither moral nor practical, Sanders persuaded the citizens of Burlington to commit themselves to their own foreign-aid program.

The mayor, stating the obvious, which seems to keep being forgotten, said: "Instead of invading Nicaragua and spending tremendous amounts of tax dollars on a war there, money which could be much better used at home, it seems to me that it would be worthwhile for us to get to know the people of Nicaragua, understand their problems and concerns, and see how we can transform the present tension-filled relationship into a positive one based on mutual respect."

In addition to $300,000 worth of goods from Burlington, the freighter is carrying 75 tons of clothing and food from Church World Services, 30 tons of clothing from Catholic Relief Services, 127 tons of food from the Mennonite church and 300 tons of corn and beans from the Canadian foodgrain bank. The boat is sailing from New Brunswick because no U.S. firm was willing to buck the embargo.

On land, coordinators of "Quest for Peace" announced last week they are halfway toward their goal of collecting $27 million in humanitarian aid for Nicaraguans. "Quest for Peace" is a national campaign based in Mount Rainier, Md., and cosponsored by an ecumenical coalition of religious groups. It was formed in December 1985. The Rev. William Callahan, a Jesuit preist, echoes the thoughts of the mayor of Burlington: "U.S. citizens are fed up with the illegal policy of our government toward Nicaragua which has made the United States an international outlaw. They are determined to act in the true democratic and Judeo-Christian ways to heal the wounded, clothe the naked and help shelter Nicaraguans attacked by the U.S.-backed 'contra' terrorists."

The $27 million is an unofficial matching grant for what Congress voted the terrorists in June 1985. Last week, Reps. James Jeffords (R-Vt.) and Peter Kostmayer (D-Pa.) released an investigative report commissioned by the Washington office on Latin America. About the contras, the report documented "a pattern of indiscriminate attacks against civilian targets, kidnappings, rapes, assassinations, mutilations and other forms of violence."

According to Bill Gandall, that's the story of the Marines in 1928. The difference between then and now is that the United States paid American kids to brutalize Nicaragua. Now we pay Nicaraguans directly. Either way, Gandall's conscience won't be still.

NATIONAL INDEPENDENT RETAIL GROCER WEEK

● Mr. BOSCHWITZ. Mr. President, I am extremely pleased that my colleagues have joined me in honoring the independent retail grocers of this Nation by passing Senate Joint Resolution 263, "National Independent Retail Grocer Week."

Senate Joint Resolution 263 exemplifies the spirit of commemorative resolutions by identifying and paying tribute to independent retail grocers, typically small business persons who provide needed services to the communities in which they live and work.

As I have stated before, independent retail grocers are the backbone of the food distribution system in the United States. They account for 64 percent of all grocery stores in this country and are responsible for nearly one-half of all grocery products sold. They provide employment for over 1 million people. Independent retail grocers know no socioeconomic or geographical boundaries, with locations as diverse as a small country store at a crossroads in rural America, to an expensive store in the hub of a large city.

Senate Joint Resolution 263 is a fitting tribute to this fine group of entrepeneurs. As one of the few entrepen-

eurs in the Senate, I have a special respect and appreciation for the work and dedication it takes to make a business successful. I urge my colleagues in the House to act expeditiously and join the Senate in honoring independent retail grocers.●

NAUM AND INNA MEIMAN: EMIGRATION IS A MEDICAL NECESSITY

● Mr. SIMON. Mr. President, Naum and Inna Meiman, a Soviet Jewish couple, applied to emigrate from the Soviet Union to go to Israel over 10 years ago. Time after time, the Soviet Government has denied permission for the Meimens to leave.

Now, the situation is dire. Inna has had four operations to remove cancerous tumors on the back of her neck. I am sorry to report that a fifth tumor is growing and Soviet doctors have told her there is nothing more they can do.

Naum, now 74, has been denied permission to leave because of alleged secret work performed for the Soviet Government. This work was done over 25 years ago. Any secret work is, by now, completely outdated.

Why is the Soviet Union continuing to deny permission to a sick woman and an elderly man to seek medical treatment and live in the country of their choice—Israel? The result is a life of excruciating pain for Inna and Naum and bad public relations for the Soviet Government.

Mr. President, I strongly urge the Soviet Government to allow the Meimans to emigrate to Israel.●

TRIBUTE TO PAKISTAN

(By request of Mr. DOLE, the following statement was ordered to be printed in the RECORD:)

● Mrs. HAWKINS. Mr. President, today the nation of Pakistan is celebrating its national day, and I rise to wish the people of Pakistan the very best for the future.

The nation of Pakistan is a close ally of the United States. It has been stalwart in its stand against the Soviet threat to the subcontinent of Asia posed by the Soviet Union's brutal invasion of Afghanistan. It has taken in millions of innocent Afghan refugees driven from their homeland by the Soviet Army. Pakistan, with much needed assistance from the United States, is a strong protector of security and stability on the subcontinent.

It is also important to note the Pakistan Government's moves toward democratic rule. Elections in the national and provincial assemblies were held in February and March of last year. Political parties, which were banned in earlier years, have been allowed to register and operate. Most significantly, at the end of last year martial law was lifted and the 1973 constitution was restored by President Mohammed Zia-ul-Haq. President Zia now shares power with Prime Minister Mohammad Khan Junejo. I applaud President Zia for the important and significant steps he has taken toward evolutionary political reform in Pakistan.

Finally, Mr. President, President Zia's leadership in combating the drug trade should serve as a model for other countries to follow. He has taken strong action to eradicate opium-poppy production and interdict drug trafficking. These actions serve to protect the security of people of the United States as much as Pakistan's stand against Soviet hegemony in the subcontinent.

Again, Mr. President, I salute President Zia and the people of Pakistan for their courage, tradition, strength, and vitality. I am sure that they will continue to prosper and develop in 1986 as they have in 1985. I believe I speak for the people of the United States in wishing Pakistan the best for our continued good relationship.●

AMERICANS FOR SUBSTANCE ABUSE PREVENTION

(By request of Mr. DOLE, the following statement was ordered to be printed in the RECORD.)

● Mrs. HAWKINS. Mr. President and distinguished colleagues, today I am very pleased to announce the recent move, to Washington, DC of a highly respected organization and one that is so vital to our society today. The Americans for Substance Abuse Prevention, or some of you may know them as ASAP, are now located near the Capitol in Washington.

In just 2 short years, this organization has grown significantly and now represents 20,000 parents, nurses, physicians and other individuals deeply concerned about the problem of drug and alcohol abuse among our Nation's youth. The organization is nonprofit and consists mainly of volunteers devoting their time and energy to seeking some viable solutions to the terrible problem of drug and alcohol abuse in this country. A problem which, as you know, exacts an enormous toll on our society both in terms of human suffering and social costs.

The Americans for Substance Abuse Prevention are committed to the idea that a solution to substance abuse problems in this country should be a national priority. They have developed a national agenda to serve as a reference point for the planning of national legislation and policies in this area. Also, ASAP is engaged in a number of useful activities to accomplish this goal, one of which is to make the American public more aware and better educated about the dangers and warning signs of alcoholism and drug addiction. Some of their other endeavors include initiating and supporting educational efforts aimed at the prevention of substance abuse, encouraging research dealing with alcohol- and drug-related issues, and helping to remove the barriers to treatment of the diseases of alcoholism and drug addiction.

I believe these are very worthwhile endeavors, and I wish to congratulate the Americans for Substance Abuse Prevention on the fine work they are doing. All of the over 20,000 ASAP members should be commended for their strong support for, and commitment to, rectifying this devastating problem in our country. They have my strong support, and I look forward to working even more closely with the Americans for Substance Abuse Prevention, now that they are in Washington. DC.●

ADJOURNMENT OF THE TWO HOUSES UNTIL APRIL 8, 1986

Mr. WARNER. Mr. President, seeing no other Senators seeking recognition, the leadership has asked the distinguished Senator from Maryland and myself to ask the Senate to turn to the adjournment resolution. I ask unanimous consent that the Senate now turn to the consideration of House Concurrent Resolution 304, the adjournment resolution.

The PRESIDENT OFFICER. Without objection, it is so ordered. The resolution will be stated by title.

The assistant legislative clerk read as follows:

A resolution (H. Con. Res. 304) providing for a conditional adjournment of the House from March 25 to April 8 and a conditional adjournment of the Senate from March 26 or March 27 to April 8, 1986.

The Senate proceeded to consider the concurrent resolution.

The PRESIDENT OFFICER. The question is on agreeing to the concurrent resolution.

The concurrent resolution (H. Con. Res. 304) was agreed to.

The concurrent resolution reads as follows:

H. CON. RES. 304

Resolved by the House of Representatives (the Senate concurring), That when the House adjourns on Tuesday, March 25, 1986, and that when the Senate adjourns on Wednesday, March 26, 1986, or on Thursday, March 27, 1986, pursuant to a motion made by the Majority Leader, or his designee, in accordance with this resolution, they stand adjourned until 12 o'clock meridian on Tuesday, April 8, 1986, or until 12 o'clock meridian on the second day after Members are notified to reassemble pursuant to section 2 of this concurrent resolution whichever occurs first.

SEC. 2. The Speaker of the House, after consultation with the Minority Leader of the House, and the Majority Leader of the Senate, after consultation with the Minority Leader of the Senate, acting jointly, shall

notify the Members of the House and the Senate, respectively, to reassemble whenever, in their opinion, the public interest shall warrant it.

Mr. WARNER. Mr. President, I move to reconsider the vote by which the concurrent resolution was agreed to.

Mr. SARBANES. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

REPORT ON BUDGET RESOLUTION

Mr. WARNER. Mr. President, I ask unanimous consent the Committee on Budget have until 7 p.m. today to file a report to accompany the budget resolution.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDERS FOR TOMORROW

RECESS UNTIL 10:30 A.M.

Mr. WARNER. Mr. President, in terms of the requests for Tuesday, March 25, 1986, I ask unanimous consent that once the Senate completes its business today it stand in recess until 10:30 a.m. on Tuesday, March 25.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECOGNITION OF CERTAIN SENATORS

Mr. WARNER. Further, I ask unanimous consent that following the recognition of the two leaders under the standing order, there be special orders in favor of the following Senators not to exceed 5 minutes each: MATHIAS, CRANSTON, HAWKINS, STENNIS, and PROXMIRE.

The PRESIDING OFFICER. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

Mr. WARNER. Following the special orders just identified, I ask unanimous consent there be a period for the transaction of routine morning business not to extend beyond 11:30 a.m., with Senators permitted to speak therein for not more than 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

METROPOLITAN WASHINGTON AIRPORTS TRANSFER ACT

Mr. WARNER. I ask unanimous consent at the hour of 11:30 a.m. tomorrow, the Senate begin 30 minutes of debate on the motion to proceed to S. 1017, the airport transfer bill, to be equally divided between the junior Senator from Maryland [Mr. SARBANES] and the two Senators from Virginia [Mr. TRIBLE and Mr. WARNER].

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WARNER. The distinguished Senator from Maryland has asked that this order be amended to read that the time be equally divided between the two Senators from Maryland and the two Senators from Virginia.

The PRESIDING OFFICER. Without objection, the order will be so amended.

RECESS UNTIL 2 P.M.

Mr. WARNER. Mr. President, following the 12 noon cloture vote, I ask unanimous consent the Senate stand in recess until the hour of 2 p.m. in order for the weekly party caucuses to meet.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. WARNER. Mr. President, at 12 noon, by previous unanimous consent, a cloture vote will occur on the motion to proceed to S. 1017, the airport transfer bill, with a mandatory quorum under rule XXII being waived.

Mr. President, under a previous unanimous consent, the Senate will resume consideration of Senate Joint Resolution 225, the constitutional amendment calling for a balanced budget. At 6 p.m., a vote will occur on final disposition of Senate Joint Resolution 225.

Mr. President, following final disposition of Senate Joint Resolution 225, the balanced budget amendment, the Senate will turn to the consideration of Senate Joint Resolution 283, the Contra aid resolution, under a statutory time limitation of 10 hours.

Mr. President, there will be rollcall votes throughout Tuesday, March 25, and the Senate is expected to continue its work into the evening of Tuesday, March 25.

RECESS UNTIL 10:30 A.M. TOMORROW

Mr. WARNER. Mr. President, I move that the Senate stand in recess in accordance with the previous order.

The motion was agreed to, and at 4:39 p.m. the Senate recessed until tomorrow, Tuesday, March 25, 1986, at 10:30 a.m.

NOMINATIONS

Executive nominations received by the Senate March 24, 1986:

CENTRAL INTELLIGENCE

Robert M. Gates, of Virginia, to be Deputy Director of Central Intelligence, vice John N. McMahon, resigned.

FEDERAL LABOR RELATIONS AUTHORITY

Henry Bowen Frazier III, of Virginia, to be a member of the Federal Labor Relations Authority for a term of 5 years expiring July 1, 1990. (Reappointment.)

IN THE MARINE CORPS

The following-named officer, under the provisions of title 10, United States Code, section 601, to be assigned to a position of importance and responsibility designated by the President under title 10, United States Code, Section 601:

To be general

Lt. Gen. Thomas R. Morgan, xxx-xx-xxxx, U.S. Marine Corps.

IN THE AIR FORCE

The following students of the Uniformed Services University of the health sciences class of 1986, for appointment in the regular Air Force, effective upon their graduation under the provisions of section 2114, title 10, United States Code, with grade and date of rank to be determined by the Secretary of the Air Force:

Thomas E. Applegate, xxx-xx-xxxx
Craig N. Bash, xxx-xx-xxxx
William E. Bolger, xxx-xx-xxxx
Paul E. Boor, xxx-xx-xxxx
Thomas P. Bradley, xxx-xx-xxxx
Patrick I. Burns, xxx-xx-xxxx
John B. Campbell, xxx-xx-xxxx
Suzanne M. Cecconi, xxx-xx-xxxx
Douglas J. Chadbourne, xxx-xx-xxxx
Joseph A. Cook, xxx-xx-xxxx
Kory G. Cornum, xxx-xx-xxxx
Peter F. Demitry, xxx-xx-xxxx
Walter L. Dillard, xxx-xx-xxxx
Robert W. Dodson, xxx-xx-xxxx
Michael W. Fraley, xxx-xx-xxxx
Daniel C. Ginsberg xxx-xx-xxxx
Richard M. Goddard, xxx-xx-xxxx
Michael K. Gowesky, xxx-xx-xxxx
Joyce Grissom, xxx-xx-xxxx
Thomas E. Grissom, xxx-xx-xxxx
Lori J. Heim, xxx-xx-xxxx
John V. Ingari, xxx-xx-xxxx
Eric D. Jacobson, xxx-xx-xxxx
Walter R. Jaussi, xxx-xx-xxxx
Theodore F. Jordan, xxx-xx-xxxx
Stephen A. Knych, xxx-xx-xxxx
Kristine R. Lynch, xxx-xx-xxxx
Robert D. Lynch, xxx-xx-xxxx
Peter B. Mapes, xxx-xx-xxxx
Albert J. Martins, xxx-xx-xxxx
Scott D. McLean, xxx-xx-xxxx
Robert J. Medell, xxx-xx-xxxx
Reed G. Panos, xxx-xx-xxxx
Theodore W. Parsons, xxx-xx-xxxx
Robert C. Pedersen, xxx-xx-xxxx
Anthony Pellegrino, xxx-xx-xxxx
Mary M. Pelszynski, xxx-xx-xxxx
Marcus L. Peterson, xxx-xx-xxxx
Daniel J. Quenneville, xxx-xx-xxxx
Lawrence L. Rentschler, xxx-xx-xxxx
Arie T. Riley, xxx-xx-xxxx
Jane E. Sasaki, xxx-xx-xxxx
Andrew J. Satin, xxx-xx-xxxx
Robert N. Schaller, xxx-xx-xxxx
Frank J. Shelton, xxx-xx-xxxx
William H. Sneeder, xxx-xx-xxxx
Sharon D. Thomas, xxx-xx-xxxx
Donald F. Thompson, xxx-xx-xxxx
Steven M. Topper, xxx-xx-xxxx
Thomas W. Travis, xxx-xx-xxxx
Phillip A. Wolfe, xxx-xx-xxxx
Christopher M. Zahn, xxx-xx-xxxx

IN THE NAVY

The following-named lieutanant commanders in the line, lieutenants in the Staff Corps, and chief warrant officer, W-2 of the Navy for promotion to the permanent grades of commander, lieutenant commander, and chief warrant officer, W-3, as indicated, pursuant to title 10, United States Code, sections 628 and 555, subject to qualifications therefor as provided by law:

UNRESTRICTED LINE OFFICER (11XX/13XX)

To be commander

Timothy Higgins
Anthony G. Quartano

MEDICAL CORPS (21XX)

To be lieutenant commander

David M. Harlan

CHAPLAIN CORPS (41XX)

To be lieutenant commander

Ronald G. Wilkins

To be chief warrant officer, W-3

David D. Buckley

The following Naval Reserve officers' training corps candidate to be appointed permanent ensign in the line of the U.S. Navy, pursuant to title 10, United States Code, section 531:

Jeffery J. Iovine

The following-named Navy enlisted commissioning program candidates to be appointed permanent ensign in the line or Staff Corps of the U.S. Navy, pursuant to title 10, United States Code, section 531:

Scott D. Bohman
Rudolfo R. Cantu
Frank J. Delgado
David W. Dwiggins
Randall B. Genners
Temijiun H. Glass
Paul E. Karlsson
Tamela S. Stout
Catherine J. Varela
Kevin M. Weir
Dan H. Young

The following named Naval Reserve officers to be appointed permanent lieutenant commander in the Medical Corps of the U.S. Navy, pursuant to title 10, United States Code, section 531:

Frederick V. Bauer
Charles M. Collins
Neil F. Gibbs
Thomas W. Grossman, Jr.
Laverne R. Lovell

The following named Navy enlisted candidates to be appointed permanent chief warrant officer, W-2, in the U.S. Navy, pursuant to title 10, United States Code, section 531:

Barry L. Hunter

EXTENSIONS OF REMARKS

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Tuesday, March 25, 1986, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

MARCH 26

9:00 a.m.
Armed Services
To resume closed hearings on S. 2199, authorizing funds for fiscal year 1987 for the Department of Defense, focusing on Navy tactical programs.
SR-222

9:30 a.m.
Appropriations
District of Columbia Subcommittee
To hold hearings to review the overcrowding issue of the District of Columbia prison system.
SD-124

Appropriations
Commerce, Justice, State, the Judiciary, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for the Federal Trade Commission, the U.S. Commission on Civil Rights, and the U.S. Arms Control and Disarmament Agency.
S-146, Capitol

Energy and Natural Resources
Business meeting, to consider pending calendar business.
SD-366

Finance
Business meeting, to continue markup of proposed legislation providing for revisions in Federal tax laws.
SD-215

Judiciary
To resume hearings on S. 2046, to place a cap on pain and suffering awards in litigation cases.
SD-226

Labor and Human Resources
To hold hearings on S. 2184, authorizing funds for fiscal year 1987 for the National Science Foundation.
SD-430

Small Business
To hold hearings on S. 2147, to extend the authorization for nonprofit organizations operated in the interest of handicapped and blind individuals to receive procurement contracts under the Small Business Act.
SR-428A

Select on Intelligence
To resume closed hearings on proposed legislation authorizing funds for fiscal year 1987 for the intelligence community.
SH-219

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To continue hearings to review the National Aeronautics and Space Administration's overall accomplishments in their space program.
SD-192

Appropriations
Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for Interstate Commerce Commission and the Office of the Secretary of Transportation.
SD-138

2:00 p.m.
Appropriations
Defense Subcommittee
To hold joint hearings to discuss the National Aeronautics and Space Administration's alternatives to sending satellites into space.
SD-192

Armed Services
Manpower and Personnel Subcommittee
Closed briefing to consider options to reform the military retirement system.
SR-232A

Armed Services
Strategic and Theater Nuclear Forces Subcommittee
To continue closed hearings on S. 2199, authorizing funds for fiscal year 1987 for the Department of Defense, focusing on strategic command, control and communication and warning assessment.
SR-222

Labor and Human Resources
Employment and Productivity Subcommittee
Business meeting, to mark up S. 2069, to improve Job Training Partnership Program stability and lessen burdensome administrative requirements, improve services to youth and the hard-to-serve, and strengthen enforcement.
SD-430

5:00 p.m.
Rules and Administration
Business meeting, to consider the procurement of a new telephone system for the U.S. Senate.
SR-301

MARCH 27

9:00 a.m.
Armed Services
Defense Acquisition Policy Subcommittee
To resume hearings on S. 2082, to improve the management of major defense acquisition programs, to establish a Defense Acquisition Service, and to limit employment contracts between senior officials of the Department of Defense and defense contractors, S. 2151, to establish within the Office of the Secretary of Defense an Office of Defense Acquisition for the centralized procurement of all property and services for the Department of Defense and to provide for an Under Secretary of Defense Acquisition, and S. 2196, to improve procedures for the acquisition of spare and repair parts for the Department of Defense.
SD-342

9:30 a.m.
Armed Services
Sea Power and Force Projection Subcommittee
To resume hearings in closed session on S. 2199, authorizing funds for fiscal year 1987 for the Department of Defense.
SR-232A

Finance
Business meeting, to continue markup of proposed legislation providing for revisions in Federal tax laws.
SD-215

Rules and Administration
To resume hearings on S. 59, S. 1787, S. 1806, and S. 1891, and related measures to amend the Federal campaign finance laws.
SR-301

Small Business
To hold hearings on H.R. 2787, to extend through fiscal year 1988 SBA Pilot Programs under section 8 of the Small Business Act.
SR-428A

10:00 a.m.
Appropriations
Treasury, Postal Service, and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for the U.S. Customs Service, Department of the Treasury.
SD-124

Judiciary
Business meeting, to consider pending calendar business.
SD-226

2:00 p.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for fiscal

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● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.
Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

year 1987 for the Bureau of Mines, Department of the Interior.
SD-138

Armed Services
Military Construction Subcommittee
To resume hearings on S. 2132, authorizing funds for fiscal year 1987 for military construction programs, focusing on military base closures.
SR-222

Armed Services
Preparedness Subcommittee
To resume open and closed hearings on S. 2199, authorizing funds for fiscal year 1987 for the Department of Defense, focusing on Army, Army National Guard, and Army Reserve readiness, operation, and maintenance.
SR-232A

Small Business
Entrepreneurship and Special Problems Facing Small Business Subcommittee
To hold hearings on entrepreneur spirit in America.
SR-428A

APRIL 8

9:30 a.m.
Finance
Business meeting, to resume markup of proposed legislation providing for revisions in Federal tax laws.
SD-215

2:00 p.m.
Appropriations
Agriculture, Rural Development and Related Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1987 for the Department of Agriculture, focusing on the Federal Crop Insurance Corporation, and the Rural Electrification Administration.
SD-124

Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for energy conservation programs.
SD-138

APRIL 9

9:30 a.m.
Appropriations
Labor, Health and Human Services, Education, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for the Office of the Secretary of Education, Departmental Management (salaries and expenses), Office for Civil Rights, and Office of Inspector General, all of the Department of Education.
SD-116

Appropriations
Commerce, Justice, State, the Judiciary, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for the Office of Attorney General, Department of Justice.
S-146, Capitol

Finance
Business meeting, to continue markup of proposed legislation providing for revisions in Federal tax laws.
SD-215

Labor and Human Resources
Business meeting, to consider pending calendar business.
SD-430

Select on Intelligence
To resume closed hearings on proposed legislation authorizing funds for fiscal year 1987 for the intelligence community.
SH-219

10:00 a.m.
Appropriations
Defense Subcommittee
To hold closed hearings on proposed budget estimates for fiscal year 1987 for the strategic defense initiative.
S-407, Capitol

Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1986 for the Department of Housing and Urban Development.
SD-124

Appropriations
Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for the Federal Railroad Administration, Department of Transportation, and the National Railroad Passenger Corporation (AMTRAK).
SD-138

2:00 p.m.
Appropriations
Treasury, Postal Service, and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for the Office of Personnel Management, and the Federal Elections Commission.
SD-124

Select on Indian Affairs
To hold hearings on S. 1452, to settle certain Wampanoag Indian land claims in Gay Head, Massachusetts.
SD-538

APRIL 10

9:30 a.m.
Appropriations
Agriculture, Rural Development and Related Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1987 for the Department of Agriculture, focusing on the Food and Nutrition Service, and the Human Nutrition Information Service.
SD-138

Appropriations
Labor, Health and Human Services, Education, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for the Department of Education, including compensatory education for the disadvantaged, special programs, and impact aid.
SD-116

Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold hearings on proposed legislation authorizing funds for the National Bureau of Standards, Department of Commerce.
SR-253

10:00 a.m.
Appropriations
Defense Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for the strategic defense initiative.
SD-192

Appropriations
Treasury, Postal Service, and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for the Office of Management and Budget.
S-126, Capitol

10:30 a.m.
Finance
Business meeting, to continue markup of proposed legislation providing for revisions in Federal tax laws.
SD-215

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for the Office of Inspector General, Agency for International Development, Peace Corps, Inter-American Foundation, and the African Development Foundation.
S-126, Capitol

Veterans' Affairs
To hold hearings to review Veterans' Administration policies relating to the construction of major medical facilities.
SR-418

APRIL 11

9:30 a.m.
Energy and Natural Resources
Public Lands, Reserved Water and Resource Conservation Subcommittee
To hold hearings on S. 977, to establish the Hennepin Canal National Heritage Corridor in Illinois, S. 1374, to establish the Blackstone River Valley National Heritage Corridor in Massachusetts and Rhode Island, S. 1413 and H.R. 2067, bills to validate conveyances of certain lands in California that form part of the right-of-way granted by the United States to the Central Pacific Railway Company, S. 1542, to designate the Nez Perce Trail in Oregon and Montana, as a component of the National Trails System, H.R. 3556, to provide for the exchange of land for the Cape Henry Memorial site in Fort Story, Virginia, and S. 2029, to establish the Big Cypress National Preserve Addition to the State of Florida.
SD-366

Finance
Business meeting, to continue markup of proposed legislation providing for revisions in Federal tax laws.
SD-215

10:00 a.m.
Appropriations
Defense Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for the strategic defense initiative.
SD-192

APRIL 14

9:30 a.m.
Finance
Business meeting, to resume markup of proposed legislation providing for revisions in Federal tax laws.
SD-215

10:00 a.m.
Appropriations
Energy and Water Development Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for energy and water development programs.
SD-192

2:00 p.m.
Appropriations
Energy and Water Development Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for energy and water development programs.
SD-192

Energy and Natural Resources
To hold hearings on the nominations of William F. Martin, of the District of Columbia, to be Deputy Secretary of Energy, and David B. Waller, of the District of Columbia, to be an Assistant Secretary of Energy for International Affairs and Energy Emergencies.
SD-366

APRIL 15

9:30 a.m.
Appropriations
Agriculture, Rural Development and Related Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1987 for the Department of Agriculture, focusing on the Animal and Plant Health Inspection Service, Agricultural Marketing Service, and the Food Safety and Inspection Service.
SD-138

Appropriations
Labor, Health and Human Services, Education, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for the Department of Education, including education for the handicapped, rehabilitation services and handicapped research, and special institutions (including Howard University).
SD-116

Commerce, Science, and Transportation
Aviation Subcommittee
To hold hearings to review safety issues relating to an aging commercial airline fleet.
SD-628

Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold hearings on proposed legislation authorizing funds for National Oceanic and Atmospheric Administration, focusing on funds for satellite and atmospheric programs.
SR-253

Finance
Business meeting, to continue markup of proposed legislation providing for revisions in Federal tax laws.
SD-215

10:00 a.m.
Appropriations
Energy and Water Development Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for energy and water development programs.
SD-192

Energy and Natural Resources
Energy Regulation and Conservation Subcommittee
To hold hearings on S. 1302, proposed Natural Gas Regulatory Reform Act of 1985, S. 1251, proposed Natural Gas Utilization Act of 1985, and S. 2205, to eliminate certain restrictions on the use of natural gas and petroleum.
SD-366

Select on Indian Affairs
To hold hearings on S. 1991, to authorize funds for fiscal years 1987-1990 for Native American programs, and S. 1988, to establish a program for the prevention and control of diabetes among native Americans.
SR-385

1:00 p.m.
Select on Intelligence
Closed business meeting, to mark up proposed legislation authorizing funds for fiscal year 1987 for the intelligence community.
SH-219

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for the Agency for International Development.
S-126, Capitol

Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for the National Endowment for the Arts and the Institute of Museum Services.
SD-138

Appropriations
Energy and Water Development Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for energy and water development programs.
SD-192

APRIL 16

9:00 a.m.
Veterans' Affairs
To hold joint hearings with the House Committee on Veterans' Affairs to review the legislative priorities of AMVETS, Vietnam Veterans of America, World War I Veterans, Jewish War Veterans of the U.S.A., and Atomic Veterans.
SD-106

9:30 a.m.
Appropriations
Labor, Health and Human Services, Education, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for the Department of Education, including student financial assistance, guaranteed student loans, higher education, higher education facilities loans and insurance, college housing loans, and educational research and training.
SD-116

Appropriations
Commerce, Justice, State, the Judiciary, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for the National Oceanic and Atmospheric Administration, Department of Commerce, and the Marine Mammal Commission.
S-146, Capitol

Energy and Natural Resources
Business meeting, to consider pending calendar business.
SD-366

Finance
Business meeting, to continue markup of proposed legislation providing for revisions in Federal tax laws.
SD-215

Labor and Human Resources
To hold hearings on Acquired Immune Deficiency Syndrome.
SD-430

Select on Intelligence
To hold closed hearings on intelligence matters.
SH-219

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for the National Aeronautics and Space Administration.
SD-124

Appropriations
Energy and Water Development Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for energy and water development programs.
SD-192

Appropriations
Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for the U.S. Coast Guard, Department of Transportation.
SD-138

2:00 p.m.
Appropriations
Energy and Water Development Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for energy and water development programs.
SD-192

Appropriations
Treasury, Postal Service, and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for the Department of the Treasury, Postal Service, and general government programs.
SD-124

APRIL 17

9:30 a.m.
Appropriations
Labor, Health and Human Services, Education, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for the Department of Education, including bilingual education, vocational and adult education, education research and improvement, and libraries.
SD-116

Finance
Business meeting, to continue markup of proposed legislation providing for revisions in Federal tax laws.
SD-215

10:00 a.m.
Commerce, Science, and Transportation
To hold hearings with the National Ocean Policy Study on S. 2138 and

H.R. 2935, bills to establish a National Marketing Council to enable the United States fishing industry to establish a coordinated program of research, education, and promotion to expand markets for fisheries products.
SR-253

Energy and Natural Resources
Water and Power Subcommittee
To hold hearings on S. 1319, to relieve the Washoe County Water Conservation District, Nevada, of certain Federal repayment obligations, and S. 1772, to convey certain real property to the Pershing County Water Conservation District.
SD-366

Select on Indian Affairs
To hold hearings on S. 2118, to provide for the distribution of funds appropriated to pay a judgment awarded to the Sisseton and Wahpeton Tribes of Sioux Indians in Indian Claims Commission dockets numbered 142 and 359.
SD-485

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for foreign assistance programs.
S-126, Capitol

Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for the U.S. Fish and Wildlife Service, Department of the Interior.
SD-192

4:00 p.m.
Select on Intelligence
To hold closed hearings on intelligence matters.
SH-219

APRIL 18

9:30 a.m.
Commerce, Science, and Transportation
Business, Trade, and Tourism Subcommittee
To hold hearings on proposed legislation authorizing funds for the U.S. Travel and Tourism Administration.
SR-253

Finance
Business meeting, to continue markup of proposed legislation providing for revisions in Federal tax laws.
SD-215

APRIL 22

9:30 a.m.
Appropriations
Agriculture, Rural Development and Related Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1987 for the Department of Agriculture, focusing on the Soil Conservation Service, Agricultural Stabilization and Conservation Service, Office of the General Sales Manager, Foreign Agricultural Service, Office of International Cooperation and Development, and the Food for Peace program (P.L. 480).
SD-138

Appropriations
Labor, Health and Human Services, Education, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for the Soldiers' and Airmen's Home, Prospective Payment Commission, Railroad Retirement Board, National Labor Relations Board, National Mediation Board, Occupational Safety and Health Review Commission, Federal Mediation and Conciliation Service, and the United States Institute of Peace.
SD-116

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for the Department of State, focusing on international narcotics control, migration and refugee assistance, and anti-terrorism programs.
S-126, Capitol

Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for the Navajo-Hopi Indian Relocation Commission, and the Office of Surface Mining, Reclamation and Enforcement, Department of the Interior.
SD-192

APRIL 23

9:30 a.m.
Appropriations
Labor, Health and Human Services, Education, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for ACTION (domestic programs), Corporation for Public Broadcasting, National Council on the Handicapped, Mine Safety and Health Review Commission, National Commission on Libraries and Information Science, and National Center for the Study of Afro-American History and Culture.
SD-116

Appropriations
Commerce, Justice, State, the Judiciary, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for the Federal Bureau of Investigation and Drug Enforcement Administration, Department of Justice, and the Equal Employment Opportunity Commission.
S-146, Capitol

Labor and Human Resources
To hold hearings on S. 1815, to prohibit any employer from using any lie detector test or examination in the work place, either for pre-employment testing or testing in the course of employment.
SD-430

Select on Intelligence
To hold closed hearings on intelligence matters.
SH-219

10:00 a.m.
Appropriations
Defense Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for Navy aircraft procurement programs.
SD-192

Appropriations
Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for the United States Railway Association and Conrail.
SD-138

Energy and Natural Resources
Business meeting, to consider pending calendar business.
SD-366

2:00 p.m.
Appropriations
Energy and Water Development Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for energy and water development programs, focusing on atomic energy defense activities.
SD-116

APRIL 24

9:30 a.m.
Appropriations
Agriculture, Rural Development and Related Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1987 for the Department of Agriculture, focusing on Farmers Home Administration, and the Farm Credit Administration.
SD-192

Appropriations
Labor, Health and Human Services, Education, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for the Departments of Labor, Health and Human Services, and Education, and certain related agencies.
SD-116

Labor and Human Resources
Labor Subcommittee
To hold hearings on S. 1018, to clarify the meaning of the term "guard" for the purpose of permitting certain labor organizations to be certified by the National Labor Relations Board as representatives of employees other than plant guards.
SD-430

10:00 a.m.
Appropriations
Defense Subcommittee
To hold closed hearings on proposed budget estimates for fiscal year 1987 for intelligence programs.
S-407, Capitol

Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for the Department of State, focusing on voluntary contributions to international organizations programs, and for the Office of the U.S. Representative to the United Nations.
SD-138

Energy and Natural Resources
Natural Resources Development and Production Subcommittee
To hold hearings on S. 1322, proposed Geothermal Steam Act Amendments of 1985.
SD-366

Labor and Human Resources
Education, Arts, and Humanities Subcommittee
To hold hearings on S. 1662, proposed Training Technology Transfer Act of 1985.
SD-628

2:00 p.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for the Energy Information Administration and the Economic Regulatory Administration, Department of Energy.
SD-192

APRIL 25

9:30 a.m.
Appropriations
Labor, Health and Human Services, Education and Related Agencies Subcommittee
To hold hearings on the impact of proposed budget estimates on health research programs.
SD-138

APRIL 29

9:30 a.m.
Appropriations
Labor, Health and Human Services, Education and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for the Departments of Labor, Health and Human Services, and Education, and certain related agencies.
SD-116

10:00 a.m.
Appropriations
Defense Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for certain defense programs.
SD-192

Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for the Department of Housing and Urban Development and certain independent agencies.
SD-124

2:00 p.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for the Bureau of Indian Affairs, Department of the Interior.
SD-192

APRIL 30

9:30 a.m.
Appropriations
Commerce, Justice, State, the Judiciary, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for the Office of U.S. Trade Representative, and the Federal Communications Commission.
S-146, Capitol

Labor and Human Resources
To hold oversight hearings on the human resources impact of reentry of women into the labor force.
SD-430

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for the Department of Housing and Urban Development and certain independent agencies.
SD-124

Energy and Natural Resources
Business meeting, to consider pending calendar business.
SD-366

2:00 p.m.
Appropriations
Agriculture, Rural Development and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for the Food and Drug Administration of the Department of Health and Human Services, and the Commodity Futures Trading Commission.
SD-138

MAY 1

9:30 a.m.
Appropriations
Labor, Health and Human Services, Education, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for the Departments of Labor, Health and Human Services, and Education, and certain related agencies.
SD-116

10:00 a.m.
Appropriations
Defense Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for certain defense programs.
SD-192

2:00 p.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for territorial affairs, Department of the Interior.
SD-192

MAY 6

9:30 a.m.
Appropriations
Labor, Health and Human Services, Education, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for the Departments of Labor, Health and Human Services, and Education, and certain related agencies.
SD-116

10:00 a.m.
Appropriations
Defense Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for Air Force aircraft procurement programs.
SD-192

MAY 7

9:30 a.m.
Appropriations
Commerce, Justice, State, the Judiciary, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for the Supreme Court of the United States, U.S. District Courts/Courts of Appeals, and the Commission on the Bicentennial of the U.S. Constitution.
S-146, Capitol

Labor and Human Resources
To hold oversight hearings on medical malpractice.
SD-430

10:00 a.m.
Appropriations
Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for the Urban Mass Transportation Administration, Department of Transportation, and the Washington Metropolitan Area Transit Authority.
SD-138

Energy and Natural Resources
Business meeting, to consider pending calendar business.
SD-366

MAY 8

9:30 a.m.
Appropriations
Labor, Health and Human Services, Education, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for the Departments of Labor, Health and Human Services, and Education, and certain related agencies.
SD-116

10:00 a.m.
Appropriations
Defense Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for strategic systems.
SD-192

Appropriations
Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for the Federal Aviation Administration, Department of Transportation.
SD-138

2:00 p.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for the Holocaust Memorial Council and the Smithsonian Institution.
SD-192

MAY 13

9:30 a.m.
Appropriations
Labor, Health and Human Services, Education, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for the Departments of Labor, Health and Human Services, and Education, and certain related agencies.
SD-116

MAY 14

9:30 a.m.
Appropriations
Labor, Health and Human Services, Education, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for the Health Resources and Services Administration, Department of Health and Human Services.
SD-116

Appropriations
Commerce, Justice, State, the Judiciary, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for the Legal Services Corporation, and the Securities and Exchange Commission.
S-146, Capitol

Labor and Human Resources
To hold hearings to review barriers to health care.
SD-430

10:00 a.m.
Appropriations
Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for the Department of Transportation and certain related agencies.
SD-138

Governmental Affairs
Energy, Nuclear Proliferation and Government Processes Subcommittee
To hold hearings on S. 525, to provide for the transfer to the Secretary of Health and Human Services the authority of the Secretary of Energy to conduct epidemiological studies of radiation effects.
SD-342

MAY 15

9:30 a.m.
Appropriations
Labor, Health and Human Services, Education, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for the Departments of Labor, Health and Human Services, and Education, and certain related agencies.
SD-116

2:30 p.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for fossil energy and clean coal technology.
SD-192

MAY 20

2:00 p.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for the Indian Health Service, Department of Health and Human Services.
SD-192

MAY 21

9:30 a.m.
Appropriations
Commerce, Justice, State, the Judiciary, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for the U.S. Information Agency, and the National Endowment for Democracy.
S-146, Capitol

Labor and Human Resources
To resume oversight hearings on medical malpractice.
SD-430

MAY 29

2:00 p.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for the Office of the Secretary and Office of the Solicitor, Department of the Interior.
SD-192

JUNE 3

10:00 a.m.
Governmental Affairs
Energy, Nuclear Proliferation and Government Processes Subcommittee
To hold hearings on statistical policy for an aging America.
SD-342

JUNE 4

9:30 a.m.
Appropriations
Commerce, Justice, State, the Judiciary, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for the Departments of Commerce, Justice, and State, the Judiciary, and certain related agencies.
S-146, Capitol

Labor and Human Resources
To hold oversight hearings to review the imposition of user fees in FDA approval procedures for new drugs.
SD-430

JUNE 11

9:30 a.m.
Labor and Human Resources
To hold hearings on pending nominations to the National Advisory Council on Women's Educational Programs.
SD-430

JUNE 17

9:30 a.m.
Labor and Human Resources
To hold hearings on food safety issues.
SD-430

JUNE 18

9:30 a.m.
Labor and Human Resources
Business meeting, to consider pending calendar business.
SD-430

JUNE 25

9:30 a.m.
Labor and Human Resources
To hold hearings on the administration of the Mine Safety and Health Review Commission.
SD-430

JULY 16

9:30 a.m.
Labor and Human Resources
To hold hearings on the establishment of generic drug procedures and patent term restoration for animal drugs.
SD-430

JULY 30

9:30 a.m.
Labor and Human Resources
Business meeting, to consider pending calendar business.
SD-430

AUGUST 13

9:30 a.m.
Labor and Human Resources
To hold hearings to review the private sector initiatives in human services.
SD-430

SEPTEMBER 10

9:30 a.m.
Labor and Human Resources
To hold hearings to review the human resources impact on drug research and space technology.
SD-430

SEPTEMBER 16

9:30 a.m.
Labor and Human Resources
To hold hearings on pending nominations.
SD-430

SEPTEMBER 24

9:30 a.m.
Labor and Human Resources
Business meeting, to consider pending calendar business.
SD-430

CANCELLATIONS

MARCH 26

10:00 a.m.
Foreign Relations
To hold oversight hearings on aid to Ireland and the U.S. foreign assistance program.
SD-419

2:00 p.m.
Judiciary
To hold hearings on pending nominations.
SD-226

MARCH 27

9:30 a.m.
Veterans Affairs
Closed meeting to discuss reported sightings of live military personnel missing in action in Southeast Asia.
SR-418

HOUSE OF REPRESENTATIVES—*Tuesday, March 25, 1986*

The House met at 12 noon.

Rev. George P. Wertin, chaplain, College of St. Benedict, St. Joseph, MN, offered the following prayer:

O God of all creation and Spirit of love, breathe new life into us who are Your people. You have made this Nation rich in resources and endowed Your people with so many gifts.

Inspire us to live as brothers and sisters who find You mirrored in the faces of people around the Earth. Empower Your human family to respect those whose heritage and traditions are different from our own.

Bless this assembly as it faces the needs of the women and men whom it represents—and of peoples beyond our borders as well. Empower these leaders to speak honestly, reflect wisely, and vote with integrity as they continue to extend the rule of justice.

We seek Your guidance for today, and we look forward, in hope, to a world of peace with justice. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Hallen, one of its clerks, announced that the Senate had passed without amendment concurrent resolutions of the House of the following titles:

H. Con. Res. 278. Concurrent resolution expressing the sense of the Congress that February 28, 1986, should be designated "National TRIO Day" and that the achievements of the TRIO programs should be recognized; and

H. Con. Res. 304. Concurrent resolution providing for a conditional adjournment of the House from March 25 to April 8, and a conditional adjournment of the Senate from March 26 or March 27 to April 8, 1986.

The message also announced that the Senate had passed joint resolutions of the following titles, in which the concurrence of the House is requested:

S.J. Res. 251. Joint resolution to designate the week of May 11, 1986, through May 17, 1986, as "National Science Week, 1986";

S.J. Res. 267. Joint resolution designating the week of May 26, 1986, through June 1, 1986, as "Older Americans Melanoma/Skin Cancer Detection and Prevention Week";

S.J. Res. 286. Joint resolution to designate the week of April 20, 1986, through April 26, 1986, as "National Reading Is Fun Week"; and

S.J. Res. 297. Joint resolution to designate the week of April 20, 1986, as "Crime Victims Week."

MINIMUM WAGE

(Mr. BIAGGI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BIAGGI. Mr. Speaker, in 1981 the Congress passed the minimum wage law. At the time, it was adequate. But the Congress has not done anything since, not accounting for the inflation nor the booming economy that this country currently enjoys. The minimum wage law today does not provide dignity nor economic security. All it requires is that the employer pay $3.35 an hour. Six million people now earn the minimum wage. Clearly, that provides for a family of three an income level of $2,000 below the poverty threshold.

There is something terribly wrong with our wage system, and it does not provide the kind of income that would permit people to barely exist. In my judgment, it is a national disgrace, and something should be done. What I am doing this morning is introducing legislation that would have a phased-in acceleration over a 3-year period to accommodate for the vast disparity that has developed in the past 5 years.

THE CRISIS IN CENTRAL AMERICA

(Mr. MICHEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MICHEL. Mr. Speaker, the Communist Nicaraguan invasion of Honduras heightens the sense of urgency many of us feel concerning aid to the Contras.

We do not yet know enough details to make any hard and fast judgments about the situation in Honduras. But we know that the Communist decision to go 15 miles within the Honduran border presents us with a grave situation.

I want to take this opportunity therefore, to ask the Speaker to reconsider using the supplemental appropriation bill on April 15 as a vehicle for possible Contra aid.

The supplemental is going nowhere. The urgency of the situation demands that we rethink our various strategies for helping the Contras, and that we do so quickly.

I strongly urge the Speaker to rethink his plan of using the supplemental. What we need is agreement among us as to the nature of the situation in the Nicaragua-Honduras region and a consensus as to what we can do about it.

I want the Speaker to know we on our side of the aisle stand ready to discuss realistic alternatives to the current plans for a vote on the supplemental.

It is clear that such a vote is now irrelevant to our situation.

VIOLATION OF THE RIO TREATY

(Mr. WRIGHT asked and was given permission to address the House for 1 minute.)

Mr. WRIGHT. Mr. Speaker, in view of the reports of a Nicaraguan armed incursion into its neighboring country Honduras, we wish to advise the distinguished minority leader who has just spoken that no effort will be tolerated which would prevent this House from taking appropriate action with respect to the matter involving Nicaragua and Central America.

If it should appear that the supplemental appropriation bill has no destination in law, then other vehicles would be considered in order that the will of the House may be implemented.

The Speaker announced today in his press conference that he supports the action which the President of the United States is taking to assist the sovereign country of Honduras at its request in defending its territorial integrity against the marauding expansion of invaders.

This, of course, presents an entirely different dimension to the problem. Last week we were discussing the proposition of using United States dollars to finance an incursion into the territory of Nicaragua. This week we are speaking of something entirely different, a clear violation of the Rio Treaty. As signatories to that treaty, we have a clear and unequivocal responsibility. We shall discharge that responsibility.

Mr. MICHEL. Mr. Speaker, will the gentleman yield?

Mr. WRIGHT. I yield to the gentleman from Illinois.

Mr. MICHEL. Mr. Speaker, I thank the gentleman for that consideration. As the gentleman says, we have a dimension here that ought to be treated special, and I am happy to hear the gentleman's response.

Mr. WRIGHT. We are indeed prepared to treat it specially. As the

Speaker announced publicly in his press conference just moments ago, this is not a partisan matter in any sense. All of us are supportive of our commitments under the Rio Treaty. We hope that it will result in multinational action to deter aggression and to restrain any in our hemisphere who would intrude militarily upon the territorial integrity of their neighbors.

COLLISION ON CONSTITUTION AVENUE

(Mr. DANNEMEYER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DANNEMEYER. Mr. Speaker, according to press reports, the Federal Reserve Board is deeply split on the question of how far and how fast interest rates can be allowed to fall. Vice Chairman Preston Martin wanted a decisive move to lower rates immediately, and his stand cost him his job. Chairman Paul Volcker, who also put his job on the line, argued against a cut, as it might trigger a run, causing the dollar to lose its remaining value in a crash.

Who is right, and who is wrong? Paradoxically, both men are right, but one man is blind, while the other is deaf. Mr. Martin is blind to the very real dangers haunting Mr. Volcker. On the other hand, Mr. Volcker is deaf whenever the gold standard is mentioned on Capitol Hill.

Mr. Speaker, interest rates must come down immediately, as suggested by Mr. Martin; and the specter of a dollar crash should be banned for good, to the relief of Mr. Volcker, through the resumption of a gold standard. If we convert the public debt into long-term debt by issuing gold bonds that carry 2¼-percent interest coupons, then we will have the best of both worlds. We will enjoy the benefit of a low and stable interest rate, as well as the benefit of a stable dollar which is free from the threat of runs and crashes.

By the Constitution, fixing a gold standard is the responsibility of the Congress. To prevent future collisions, we should remember that it is our duty to set the traffic lights on Constitution Avenue.

LIBYAN HOSTILITIES

(Mr. HUBBARD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HUBBARD. Mr. Speaker, yesterday's actions involving United States naval ships, planes, and personnel with the nation of Libya are in my opinion totally justified. Our Nation's freedom to navigate the world's oceans free from interference cannot be compromised.

Libyan terrorist leader Col. Mu'ammar Qadhafi violated international law by imposing an unlawful territorial boundary in the Gulf of Sidra. The United States 6th Fleet, while exercising peaceful operations in that region, came under attack through Libyan missile firings. Fortunately, our efficiently trained military personnel were able to thwart the missile attack with no U.S. casualties or damage. When our ships were threatened by Libyan patrol boats, the correct and precise course of action was to remove the hostile attackers.

We must not allow our forces to be subjected to hostile fire and fail to permit them to defend themselves. Under the Navy's rules of engagement, this Gulf of Sidra incident appears to have been provoked by the threatening actions of Libya. The world should not view this military exercise to be linked with previous Libyan terrorist activity. Our retaliatory air strikes were in response to hostile fire and was not done in retribution for Libya's past misdeeds. I support our President for his careful but decisive actions. The United States must remain unhindered to sail the world's oceans while maintaining the internationally recognized 12-mile coastal limits. I congratulate the men of the 6th Fleet for their exemplary performance during this hostile incident. Their constant training and superior equipment have allowed them to carry out their assigned task with excellence.

DESIGNATION OF HON. JIM WRIGHT TO ACT AS SPEAKER PRO TEMPORE TO SIGN ENROLLED BILLS AND JOINT RESOLUTIONS UNTIL APRIL 9, 1986

The SPEAKER laid before the House the following communication:

WASHINGTON, DC,
March 25, 1986.

I hereby designate the Honorable JIM WRIGHT to act as Speaker pro tempore to sign enrolled bills and joint resolutions until April 9, 1986.

THOMAS P. O'NEILL, Jr.,
Speaker of the House of Representatives.

The SPEAKER pro tempore (Mr. PENNY). Without objection, the designation is agreed to.

There was no objection.

□ 1215

COMMENDING THE ADMINISTRATION FOR ITS HANDLING OF THE LIBYAN SITUATION

(Mr. COLEMAN of Missouri asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. COLEMAN of Missouri. Mr. Speaker, I want to commend the administration on its handling of the situation off the Libyan coast. America cannot allow a dictator like Mu'ammar Qadhafi to define what our rights are under international law. Today, he says we are not allowed in the Gulf of Sidra. Tomorrow, he might say we are not allowed in the entire Mediterranean Sea.

An international thug like Qadhafi cannot be the one to determine what our rights and our privileges are under international law. Our response has been appropriate. It has been measured, it has been surgically done; it has been in response to hostile fire on our own forces.

I want to commend the President and the gentlemen of his Cabinet who are involved in the policymaking decisions as well as the individuals and our armed services who are in the Gulf of Sidra.

A MESSAGE THAT THE SOVIET-CUBAN-NICARAGUAN COMMUNISTS WILL UNDERSTAND

(Mr. GINGRICH asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GINGRICH. Mr. Speaker, last Thursday this House voted against helping the freedom fighters in Nicaragua. Many Members of this House said they voted "no" because they wanted negotiations. Today, we have the Communist Nicaraguan answer to those who voted "no." The Communist Nicaraguans responded to a vote against helping the freedom fighters by undertaking what the majority leader has called, an invasion of neighboring Honduras.

Communist Nicaragua has engaged in what the majority leader called marauding expansion, and a clear violation of the Rio Treaty.

Communist Nicaragua is using Soviet helicopters piloted by Communist Cuban colonial troops. The answer to the Soviet-Cuban Communist threat in our own backyard is to help the freedom fighters.

Last week, this House sent a signal of uncertainty to Central America. The Nicaraguan Communist are now sending a clear signal to the United States. Mr. Speaker, the other body will pass aid to the freedom fighters tomorrow. Only the House will stand between the freedom fighters and the help they need.

Mr. Speaker, I ask you to call the House into extraordinary session on Friday and pass the aid bill. That is a message the Soviet-Cuban-Nicaraguan Communist will understand.

MURDER, VIOLENCE, AND INTIMIDATION

(Mr. FRANK asked and was given permission to address the House for 1 minute.)

Mr. FRANK. Mr. Speaker, to date I believe the administration has behaved very appropriately in Libya. The regime of Qadhafi has been using terror, violence, and murder as a tool of policy. They are killing people in Chad, they have boasted about their efforts to murder people in Egypt.

Some have questioned whether or not we were guilty of a provocation by exercising our legal rights. I think it is an important point, both internationally and domestically to establish that the exercise of one's legal rights, if that causes a violent and unlawful reaction by someone else, is a perfectly legitimate action, and in fact, it may, in some cases, be necessary to demonstrate that one will not be bullied out of exercising those lawful rights.

The administration, I believe, is appropriately proceeding; its responses have been appropriate and measured. I hope from this Qadhafi will learn that there is a limit to the extent to which his policy of murder, violence, and intimidation can get its way.

A CONTINUING SUCCESS STORY

(Mr. REGULA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. REGULA. Mr. Speaker, an event of recent weeks that did not get the national attention it deserves was the decision by the people of Spain to remain as members of NATO. Given the location of Spain, the cooperation of this country is a vital part of having a strong and unified NATO to face the threat of communism in Europe.

Events of this day and yesterday are eloquent testimony to the importance of having Spain as a member of the NATO alliance. With its relationship to the Mediterranean, it is important to have Western Europe speaking with one voice when it comes to preserving the freedoms of all people.

I commend the people of Spain for the support they gave to the Prime Minister. All of us should be appreciative of the fact that they have remained a part of this alliance.

NATO is one of the great success stories of the postwar era. It has succeeded in keeping peace in Europe for over 40 years. It has succeeded in preserving the freedoms of people for this period of time, and the fact that Spain is remaining a member will be part of continuing this success story.

THE NICARAGUAN INVASION OF HONDURAS

(Mr. KEMP asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KEMP. Mr. Speaker, last week there was a vote on whether or not this country would materially aid the Nicaraguan freedom fighters, and the answer the majority in the House gave the American people and Central America was "no."

Yesterday, the fruits of that victory for the Sandinistas was expressed by their invasion of Honduras. Not only are there 1,500 Sandinista Communists in Honduras today, there are troops massing on the border of Nicaragua for further incursions into Honduras.

We have now seen the pattern the Sandinistas are intent on following. In 1985, when aid to the Contras by Congress was defeated, Ortega's impulse was to celebrate with the trip to Moscow. Now, in 1986, when the majority in the House denied President Reagan's request for aid to the Contras, Ortega crossed the sovereign border of Honduras in violation of the Rio Treaty to wipe out freedom fighters in Honduras.

It is clear that the Sandinistas will continue their unlawful activities unless the U.S. Congress acts and acts now. This is why I am calling today upon President Reagan to bring the House of Representatives back into session and force a vote, up or down, on aid to the freedom fighters that will send that message to the Communists in Nicaragua, that this unlawful destabilization of their neighbors will not be tolerated by the United States or their neighbors, particularly as the majority leader pointed out, "In violation of the Rio Treaty."

It is nice to take up aid to the Contras in 2 or 3 weeks in the appropriations process; it could be too late. We should do it this week and today, as I said, I am calling upon President Reagan to call an emergency session of the Congress and suggest, indeed ask, the Congress to vote that assistance to the Contras that is very much needed, particularly in view of this invasion of Honduras by the Sandinistas.

A SCREECHING HALT TO COMMUNISM IN CENTRAL AMERICA

(Mr. STRANG asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. STRANG. Mr. Speaker, what does it take to get the attention of this body that we really do have a problem in Central America? Not a problem of an agrarian reform going on in a small nation of 3 million people, but a problem of an aggressive, Communist-financed, Communist-committed military enclave now waging war on its neighbors.

Last spring, it took a visit by Ortega to pursuade this body that we had erred. Ortega again came to our rescue; he invaded his neighbors. Mr. Speaker, how long is this going to go on until we understand in this body that it is our obligation to call a screeching halt to communism in Central America.

BEFORE IT IS TOO LATE

(Mr. LUNGREN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LUNGREN. Mr. Speaker, last week when we discussed the question of aid to the Contras, there appeared to be a consensus on this floor on both sides of that yes, that region of the world was important to our national security; yes, it was important that we make sure that communism not be allowed to expand without limit; yes, it is important for us to try and make sure that the Sandinistas understand that we mean business.

The difference appeared to be those of us who were responding to the President's call that aid needed to be given right away, that we could not wait, and others who said, "Well, we can wait until we come back after the Easter break; we can wait until a month after that; we can wait 90 days; we can wait, we can wait, we can wait, we can wait.

Mr. Speaker, I must ask now: How much longer can we wait? The Sandinistas have obviously taken account of what we did last week. They have moved into a neighboring country. As has been said before, last time they responded by sending their top Communist to the Soviet Union. The U.S. Congress then responded, almost because it was insulted.

This time, we are not talking about an insult; this time we are talking about a military action taken against a neighboring country with the aim, apparently, of wiping out the Contras.

The U.S. Congress needs to set the record straight. We need to undo the action we did last week. We need to support the President's request.

I would hope that we can come back in this week and not come back next week or the week after and say: It is too little, it is too late. It is too bad, we should have done something. It is too bad we did not do something. Let us come back in the next couple of days, Mr. Speaker. Let us act before it is in fact too late.

□ 1225

BIPARTISAN SUPPORT FOR PRESIDENT'S POLICY OVER LIBYA

(Mr. SCHUMER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SCHUMER. Mr. Speaker, the President's reaction to Mu'ammar Qadhafi, the lunatic leader of Libya, is altogether appropriate and fitting. Mr.

Qadhafi feels that international law should be disregarded completely. He has done so in Chad. He has done so in the Gulf of Sidra. He has done so by supporting terrorism in all four corners of the globe.

So simply to say the Nation should ignore Qadhafi and allow him to expropriate waterways, decency, and land in a way he feels fit is not consistent with the kind of fair and measured foreign policy that we should be having.

Thus, Mr. Speaker, many Members of this side of the aisle join those on the other side of the aisle in congratulating the President on his stand. Indeed, when the President's reactions are appropriate, fair, and measured, a bipartisan foreign policy does indeed reemerge in this body and in this Nation.

The American people will fully support the President's actions to hem in the outlaw Qadhafi.

CONCERN OVER RECENT INCIDENTS IN GULF OF SIDRA

(Ms. MIKULSKI asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. MIKULSKI. Mr. Speaker, I rise today to add my voice of concern over recent incidents in the Gulf of Sidra.

This is a time for soberness and seriousness. This is a time for us to be steady. This is not a time to second-guess the President and engage in armchair analysis.

The U.S. Navy followed international law and procedures when they sailed into the Gulf of Sidra. Those are international waters. We and every nation have a right to be there and that is why we went, to prove that point.

No tyrant can set an artificial line of death to keep us out.

When we were fired on, not once, but six times, we again followed the international norm of self-defense.

To prevent further confrontation, I hope our intelligence networks will be on full alert to provide the means necessary to protect our men at sea against further military action and to protect civilians against acts of terrorism.

Now that we have proven our point, I urge the President to use neutral nations and also through the prudent positioning of our ships at sea to protect our men.

Later today I will be joining my colleagues in the House at National Security briefings so that I can be in touch and see how I can be of help.

There are many questions to be answered, but right now the safety of our men and the protection of civilians are paramount in all our minds.

SANDINSTAS INVADE WHILE THEY TALK

(Mr. MONTGOMERY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MONTGOMERY. Mr. Speaker, three Members on the Democratic side of the aisle from this House have returned from Nicaragua. I do not think the trip changed any of our minds as far as our vote is concerned that we made last week and we will just have to look at the situation when we do get a vote again on Contra aid for the freedom fighters. I did support Contra aid.

I think we were all shocked, though, that in Nicaragua there is not freedom of the press. There is no freedom of choice of religion. There are no plans that we can see for that government, that Communist government, to have any type of free elections in the near future.

We did meet with the Vice President of the Sandinistas, Mr. Ramirez. He talked to us in a low key manner and in effect he said that he would like to work in some way with the United States.

During the time that he was talking to us, it seems that the Sandinista military were making plans to invade Honduras and the morning we left, that Sunday morning, the Sandinistas did invade Honduras, if our information is correct from that part of the hemisphere. They did invade Honduras and tried to destroy the freedom fighters' camp in Honduras.

Certainly as has been said on the floor here today, that is a clear violation of the Rio agreement. Certainly our Nation just cannot stand by and take no serious action pertaining to this situation.

I hope we all on both sides of the aisle can pull together on this matter and come up with the right solutions about the Sandinistas. There is no question about it. It is a Marxist-Communist type of government and we have real problems in Central America.

NATIONAL IMMIGRANTS DAY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois [Mr. LIPINSKI] is recognized for 5 minutes.

Mr. LIPINSKI. Mr. Speaker, it is my pleasure today to inform my colleagues that I, and 12 cosponsors, have introduced a resolution to designate July 4, 1986, as "National Immigrants Day."

America has been a nation of immigrants since the first colonists came here to find a new home of promise on these shores. This July 4 we will relight the flame on the Statue of Liberty in celebration of 100 years of her standing at the door of that promise to welcome all who desired a new beginning, a new opportunity, a new life of freedom and liberty.

We are all proud of the contribution which those men and women who left home and heritage have made to the greatness of this country. The impact of immigrant influx on the rapid industrialization of America around the turn of the century cannot be denied or ignored. Likewise, the influence of immigrant workers has been felt in the agribusiness of America. While not all of the immigrants coming to this country seeking a new life have come through the door by which Miss Liberty stands, she is still the symbol of their hopes, their dreams, their aspirations.

If you feel a degree of indebtedness to these courageous pioneers, or would just like to honor an important segment of our growth and development as a nation, I would welcome your cosponsorship of this joint resolution. The text of the resolution follows:

H.J. RES. 581

Whereas on July 4, 1986, the restored Statue of Liberty will be unveiled at the centennial celebration of the erection and dedication of the Statue;

Whereas the Statue of Liberty has been the symbol of freedom, hope, and opportunity for millions of immigrants over the past 100 years;

Whereas the Statue of Liberty serves as a reminder to all that the United States is a Nation of immigrants, a Nation of nations;

Whereas Statue of Liberty is a lasting memorial to the immigrants who have made America great;

Whereas millions of immigrants settled throughout the vast territory of the United States, and supported the ideals of independence and liberty;

Whereas the torch held by the Statue of Liberty serves as a beacon of freedom that lives in the soul of every American; and

Whereas it is only fitting that the relighting of the torch also be a time to honor the immigrants who were welcomed by the burning torch of the Lady of Liberty to a land of freedom where any dream was and is achievable: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That July 4, 1986, the centennial of the erection and dedication of the Statue of Liberty, is designated as "National Immigrants Day". The President is authorized and requested to issue a proclamation calling upon the people of the United States to observe such day with appropriate ceremonies and activities.

SISTER MARY REGINETTA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois [Mr. ANNUNZIO] is recognized for 5 minutes.

Mr. ANNUNZIO. Mr. Speaker, I rise to call to the attention of my colleagues the untimely passing of Sister Mary Reginetta, admissions director and registrar at the Felician College located in the 11th Congressional District of Illinois which I am privileged to represent.

Sister Reginetta passed away on Valentine's Day, after 20 years of devoted, dedicated, and inspired service to Felician College. She will be sorely missed by those who had the opportunity to know her and to work with her. The students at Felician College especially were enriched by her guidance and wise counsel.

Mr. Speaker, at this point in the RECORD I would like to include an obituary for Sister Mary Reginetta, as well as the tribute to her by Sister Mary Chrysantha Rudnik, director of development at the Felician College, which follow:

OBITUARY FOR SISTER MARY REGINETTA MACKIEWICZ, CSSF

Felician Sister Mary Reginetta Mackiewicz, 69, died Fri., Feb. 14, at Columbus Hospital, Chicago. She was the Director of Student Services, Admissions and Registrar of Felician College, Chicago, for the past 23 years.

Her term of service was marked by an intense concern for each student. She was adept in guiding students in programs of study that developed their potential. In her years of service she personally guided every student of Felician College since 1963. These students are now living in all parts of the country, but especially in the Chicago area.

In addition to her responsibilities of admissions and registrar, Sister Reginetta served as physical plant manager. She knew how to use space and equipment to its fullest. The computer room and faculty office area are examples of how she creatively recycled two dormitories. During the years she also filled the positions of Business Officer, Recruiter, Financial Aid Officer, Cafeteria and Bookstore Managers. As she relinquished these duties because of the growth of the college, she served as mentor to those who assumed these responsibilities.

Sister Reginetta delighted in the students. She showed concern and interest in each one, always being available to them. She encouraged and prodded them to work hard and to achieve their goals. They learned to expect success because they learned to believe in themselves. Sister Reginetta participated in all student activities. She enjoyed seeing students having a good time.

She was a gracious hostess to visitors to the College and at College events. She often prepared meals for college guests, because of the limited cafeteria service. A hard and meticulous worker, she had a whimsical bent which is reflected in her office filled with her collection of clowns.

Born Harriet Mackiewicz in Chicago, she became a Felician Sister in 1935. She graduated from St. Wenceslaus Elementary and Good Counsel High Schools, receiving her Bachelor's degree from Loyola University in Chicago. She held certificates for teaching business skills.

Before joining Felician College, Sister Reginetta was an elementary and high school teacher in Chicago, Joliet, Posen, Downers Grove, and Centralia, Ill., and Milwaukee. In the Chicago area, she taught at St. Helen, St. John of God, St. Joseph elementary schools; St. Joseph and Good Counsel High Schools in Chicago; St. Jude in Joliet, St. Stanislaus in Posen, and Our Lady of Gostyn in Downers Grove.

"Sister Reginetta was deeply loved and appreciated for her dedication to students and her gracious manner," commented Sister Mary Bonita Willow, President of Felician College. "She will be sadly missed, but we are confident she is at peace with the Lord. He took her for his valentine."

Sister Bonita announced that all contributions received by the College in memory of Sister Reginetta will be used to establish an endowed scholarship in her honor. Contributions are welcome and can be sent to Felician College.

Sister Reginetta is survived by Carol Hart, a niece of Hanover Park and Terrance, Richard, and Cindy Mark, nephews and niece, of California.

Visitation will be Sun. and Mon. at the Felician Sisters, Motherhouse, 3800 W. Peterson Ave. from 10 a.m. Wake services will be Mon. at 7 p.m. Funeral Mass will be Tues. at 10 a.m. from the Motherhouse Chapel, 3800 W. Peterson Ave. Interment will be in St. Adalbert Cemetery, Niles.

REFLECTIONS ON THE LIFE OF SISTER MARY REGINETTA

We gather tonight to remember and give thanks for Sister Mary Reginetta. We thank God for having created her and called her to serve him as a Felician Sister. We thank Him for the person she was and for all the good she has done for so many.

We remember her life among us. We remember the many things she did, her untiring efforts for students and for Felician College.

Sister Mary Reginetta Mackiewicz was a Felician Sister for almost 51 of her 69 years. A native of Chicago, she was the youngest and only daughter born to Bruno and Sophie. Her parents and three brothers preceded her in death. She treasured her two nieces and two nephews.

After graduation from Good Counsel High School she entered the postulancy in 1935, made her first profession in 1937 and her final profession in 1943. Before joining Felician College, Sister Reginetta was an elementary and high school teacher in Chicago, Joliet, Posen, Downers Grove, Centralia and Milwaukee. She worked in the business office at St. Francis Hospital for several years.

At Felician College she was the Director of Student Services, Admissions Director, Registrar, and Physical Plant Manager.

Her term of service was marked by an intense concern for each student. Since 1963, she was adept in guiding students in programs of study that developed their potential. These students are now living in all parts of the country, but especially in the Chicago area.

She delighted in the students. She showed concern and interest in each one, always being available to them. She encouraged and prodded them to work hard so as to achieve their goals. They learned to expect success because they learned to believe in themselves. "She really worked with me to get me through successfully." "She went way out of her way to help me." These comments of alumni and students are heard repeatedly. She participated in all student activities. She enjoyed seeing students having a good time. She, more than anyone else watched the tremendous progress the students made. She interviewed uncertain and faltering freshmen. At graduation she saw these same students have a sense of self-worth and self-confidence. She believed in the mission and apostolic ministry of the College. She saw what could happen to students here.

As physical plant manager, she knew how to use space and equipment to its fullest. The computer room and faculty office suite are examples of how she recycled two dormitories.

Through the years, she also filled the positions of Business Officer, Recruiter, Financial Aid Officer, Cafeteria and Bookstore Managers. As she relinquished these duties because of the growth of the college, she served as mentor to those who assumed these responsibilities.

Sister Reginetta was a person of many talents. Her reports were always illustrated with graphs and tables that she designed. Program and liturgy booklets were always prepared in the best of taste and care. She often prepared meals for college guests. For advisory board meetings she would plan and set up the meal for members. Although she would obtain prepared dishes, she would always tease the members that she had worked all day cooking. This bit of whimsy in her came through frequently, and is evident in the collection of clowns in her office.

Her health was not the best in the last number of years, suffering from heart problems. Two weeks ago Sunday, she asked to be taken to Columbus Hospital where she was admitted. After a week of tests, she had a carotid artery repaired last Monday. She felt very good after this and was looking forward to open heart surgery on Friday with the utmost confidence, expecting to return to her office in a few weeks. But the Lord had other plans for her. She suffered a heart attack in the recovery room. It was Valentine's Day—and the Lord took her for His valentine.

Sister Reginetta will be sadly missed, but she is in the hands of her beloved. She short circuited Lent, moving from Ash Wednesday to Resurrection in less than a week. To her niece Carol and her nephew Terrance who are here today and to Cindy and Richard who are in California, we extend our heartfelt sympathy and prayers. We also extend our love and sympathy to her darling grand nephew Joey, who was one of her greatest joys.

Sister Reginetta, we will miss you. We are grateful for all you have been to us. We expect you to continue to watch over us and the students of Felician College. Our lives have been enriched in knowing you. Sister Reginetta, just as you would say to us on many occasions, "Have fun," so may you now in Heaven "Have Fun."

Sister MARY CHRYSANTHA RUDNIK.

FEBRUARY 17, 1986.

HOUSE JOINT RESOLUTION 540

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas [Mr. COLEMAN] is recognized for 60 minutes.

Mr. COLEMAN of Texas. Mr. Speaker, I rise in opposition to House Joint Resolution 540, and I would like to note at the outset that there are significant and large areas of agreement between the Congress and the President on Central America and, specifically, Nicaragua.

First of all, growing out of the Kissinger Commission and its important work, there is an increasing consensus that the United States has important interests in Central America which need to be both promoted and protected. There is also a consensus and wide congressional support for economic and security assistance for friendly democratic states throughout the region. We, as a nation, have a vital stake in helping our neighbors address serious problems of economic and social deprivation.

Second, there are also many large areas of agreement on the serious and deteriorating situation in Nicaragua.

President Reagan spoke for a vast majority of Americans in what he said about Nicaragua:

We all oppose Nicaragua's efforts to support and topple its democratic neighbors;

We also would oppose giving the Soviet Union a beachhead in North America;

We all, of course, would oppose Nicaragua threatening Mexico;

We all would oppose creating a situation where people by the millions might begin fleeing north into the cities of the southern United States.

We all would oppose the creation of a second Cuba or a second Libya on the doorsteps of the United States.

We all would oppose Nicaragua's effort to sponsor terror in El Salvador, Costa Rica, Guatemala, and Honduras.

We all oppose the Sandinistas' efforts to repress the Nicaraguan people and establish totalitarian rule in Nicaragua.

And we all oppose the role of Nicaragua in international drug trafficking.

In short, there is a general national consensus on our broad national goals in Nicaragua and Central America. We are all patriotic Americans and we all share common goals of promoting democracy, human rights, freedom, opposition to totalitarian rule, and Communists' efforts to export revolution.

Today, however, the crux of the debate is not about the goals we share, but rather about the means by which to achieve those goals. It is here that we have major and legitimate differences with the administration.

The choice before us is not between aid to the Contras and the triumph of communism. If it were, the choice would be easy, because we cannot allow the triumph of communism in Central America. The choices before us include better alternatives to protect U.S. interests—and these are choices that the administration has either ignored or failed to follow.

Mr. Speaker, we disagree with the President's imprecise rhetoric. He has not spoken with precision on the goals of U.S. policy, on his reasons for funding the Contras, or on a comprehensive U.S. strategy in the region.

We disagree with the administration's assessment of the threat posed to Nicaragua to United States vital interests. If the danger is not exaggerated, and our shores are indeed truly threatened, then why are we relying on an ineffective, uncoordinated group of Contras to defend these vital interests? Why haven't we sent the marines to Managua? Why does the administration still maintain full diplomatic relations with the Sandinista government and a full-service U.S. Embassy in their capital? A mere $100 million will not achieve our purposes if the threat is actually what the President says it is.

We disagree with the President's diplomatic strategy because it will not work. His Central American policy is isolated in this hemisphere and around the world. No democratic government in Latin America and no democracy in the world supports U.S. policy because it cannot be sustained over time and cannot in the end succeed. The European Community and Japan are on record in support of the regionally based Contadora peace process that I have advocated, and neither of them support United States military aid to the Contras.

Especially, Mr. Speaker, we disagree with the President's policy because it rests the defense of the U.S. national interest on the Contras. There are simply too many questions about them relating to their political viability, adherence to democracy, military performance, respect for human rights, and regional support to invest heavily in them.

There is a preoccupation of United States policy on Nicaragua that causes neglect of other serious policy concerns. It is a gross distortion of U.S. priorities. We are neglecting relations with the Soviet Union; we are neglecting arms control, and we are neglecting other priorities in the hemisphere. The debt crisis, poverty, and the impact of falling oil prices are of extraordinary importance for U.S. policy in Latin America, yet these issues are receiving precious little attention of our top policymakers.

Mr. Speaker, as I stated before, there is a third alternative to develop a more balanced policy.

First, we should seek to isolate Nicaragua and contain the harmful effects of its present policies. We should prevent the Soviet Union and its allies from developing or deploying an offensive military capability that threatens the United States, a capability that does not currently exist. The United States should state clearly its intent to remove such a threat, if necessary, by military action. Furthermore, we should protect the security and territorial integrity of any state in Central America that is threatened by Nicaragua, acting in conformance with the Charter of the Organization of American States and the Inter-American Treaty of Reciprocal Assistance.

We should pursue a strong regional policy of providing economic and military assistance to the democracies of Honduras, Costa Rica, El Salvador, and Guatemala to provide their people with an opportunity for better lives and to enable them to resist any attempt by Nicaragua to threaten or destabilize them. We need to provide consistent diplomatic support on behalf of the observance of human rights, and support for freely elected political institutions throughout the region, in recognition of the fact that subversion feeds on repression.

Second, United States policy toward Nicaragua should be based on a long-term strategy of carrots and sticks to wean that country from the Cubans and the Soviets.

If Nicaragua takes positive steps, such as agreeing to a ceasefire, removing the foreign military presence in Nicaragua, stopping its support of insurgencies, agreeing to reduce the size of its armed forces, respecting human rights, or making progress toward national reconciliation and a pluralistic democratic system, the United States should be prepared to take simultaneous steps in response. Appropriate steps might include:

Suspending U.S. military exercises in the region;

Resuming normal trade, including the resumption of nondiscriminatory trade treatment;

Supporting multilateral and bilateral economic assistance; and

Supporting Nicaraguan participation in a regional development organization.

On that other hand, if Nicaragua does not take positive steps to do these things that we and Nicaragua's neighbors want, we should consider the following:

Get our allies in Japan and Western Europe, Nicaragua's largest trading partners, to cut their trade with Nicaragua;

Get our allies to cooperate in stopping all bilateral assistance and blocking multilateral assistance to Nicaragua;

Impose tougher economic sanctions, including an assets freeze and a prohibition on financial transactions, such as bank lending or those involving travel to Nicaragua;

Break diplomatic relations; and

Work with our Latin American allies, especially our Central America neighbors, to isolate Nicaragua in regional affairs.

Mr. Speaker, a policy of negotiation with Nicaragua offers a better means of protecting United States interests than current policy. The United States should pursue a policy of strong support for the Contadora negotiations and bilateral talks with Nicaragua in support of Contadora, as the Contadora nations have requested.

But there are two caveats concerning a successful negotiating posture.

First, negotiations and the Contra war effort cannot be pursued simultaneously because the negotiating process will be undermined.

Second, negotiations and the Contadora process cannot succeed in the absence of wholehearted U.S. support; rhetoric alone is no measure of U.S. support for Contadora diplomacy.

Mr. Speaker, one of the premises of the President's proposal is that if we do not vote to escalate the war in Nicaragua, United States policy will fail. But U.S. policy has already failed, or we would not have such a choice before us. The Congress and the country are just too divided on this one aspect of Central American policy to sustain the war, and a policy that is not sustainable cannot succeed.

Mr. Speaker, the administration's policy lacks constancy, which is both inconceivable and incorrect. Last year, we were promised, if we supported a $27 million aid package to the Contras, that the United States would move forcefully toward negotiations in lieu of a military solution. Yet, since the administration walked away from the Manzanillo talks on January 17, 1985, there has been no negotiation. I supported that aid package, and instead of abiding by the compromise, we are now requested to send another $100 million, for more promises of negotiations.

There is a better way. In January, 30 colleagues and I, who had all supported the $27 million aid package in June 1985, wrote the President requesting that he withhold his aid request and participate in the Contadora process. We received no response. Then, just last week, several colleagues and I again wrote Mr. Reagan and requested that he accept the proposal put forth by Nicaraguan exile and former Contra, Arturo Cruz, which called for an immediate ceasefire and negotiations between U.S. Ambassador Philip Habib and the Sandinista leadership in conjunction with the six opposition parties in Nicaragua. Again, unfortunately, there was no response.

Mr. Speaker, we have gone the distance. We have provided aid with the promise of

talks. We have received no response. And today, Mr. Speaker, we are asked again to spend $100 million on a undefined and unsure policy under the cloaked guise of possible negotiations in the future. Mr. Speaker, what will the American people be told next year, and the year after that? What will we be told when American boys are on their way down south, that if we go along, we will negotiate? No, Mr. Speaker, enough is enough. Put the Sandinistas to the test, and use the skill and strength which is the base of our diplomacy, that same diplomacy that solved the missile crisis in 1963. The American people want nothing less.

We cannot pursue a unilateral policy of promoting the Contra war and thereby trying to make Central America safe for democracy if those same democracies do not support us. I urge a vote against House Joint Resolution 540.

THE HAWKS AND DOVES ONCE AGAIN

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oregon [Mr. WEAVER] is recognized for 60 minutes.

Mr. WEAVER. Mr. Speaker, we are entering an age of hawks and doves once again. The issues of war that divided us during the Vietnam years are dividing us once again into those who want to meet world problems by military attack and those who would, while remaining strong, seek negotiations and cooperation with other nations.

I believe that we have as a President a constitutional hawk who responds to any situation with attack. There are times when such leadership is essential. Certainly World War II was such a time and the great leadership of another pure hawk, Winston Churchill, proved the key to stopping the real urgent and grave threat that Hitler's Germany posed to England and to the world.

Today, emotions are running high in our Nation. Those of a hawkish bent commend President Reagan for his actions against the terrorist regime of Qadhafi, and those with a hawkish bent are outraged by the Nicaraguan incursion into Honduras. The flames of passion are heating up. War talk rhetoric rises.

Even those of a cooperative bent are impassioned, but against the warlike acts of the President.

I remember my own reactions to the threats our Nation has faced during my lifetime. I was a 17-year-old during World War II. I could not wait to get into the military service. I enlisted at 17 in the U.S. Navy toward the end of the war and was most anxious to defend my Nation against the threats of Nazi Germany and warlike Japan.

I served on an aircraft carrier in the South Pacific, the U.S.S. *Kitcun Bay.* I did so proudly.

Then on June 25, 1950, I remember the emotions going through me as I heard on the radio that North Korean divisions had crossed the 38th Parallel and invaded South Korea. I felt that was a threat to our security and I commended President Truman for sending in American troops under the U.N. aegis to stop invasion of South Korea by North Korea. It was a coldhearted, brutal act, fomented by Stalin and the North Koreans, and it had to be stopped.

So my reaction both to the threats of Nazi Germany and warlike Japan in World War II were to fight to defend my country.

My reaction to the invasion of South Korea by North Korea at the behest of the brutal dictator, Stalin, was to defend South Korea.

If my country were threatened as it was then, again I would be the first to enlist. I would be the first to offer my services in the military to help defend my Nation.

But I also remember my emotions when our troops, after valiantly throwing back the North Korean invaders, crossed the 38th Parallel to the north and went into North Korea; not that we did not have the right to do that; North Korea was the invader and should be punished, but I felt it was wrong. I felt that once that attack had been repulsed and the borders were back—and there never should have been any border there; the only reason there was is that at the end of the Second World War, Stalin had sent Russian troops down into Korea to take over and divide that country; but even so, there was now a territorial boundary at the 38th Parallel, and I felt our troops should have stopped there.

I felt very badly about this. I wrote letters and sent telegrams to my Congressman and to the President, saying, "Let's stop at the 38th Parallel."

I had no desire to carry on the attack. Once the threats to my Nation were done, I felt that we should then find negotiated settlements.

Instead, our hawks went ahead, led by General MacArthur, and advanced our troops all the way to the Yalu River and indeed threatened China, which brought in the hordes of Chinese soldiers, as I recall almost 2 million of them, and they drove our valiant Marines back and thence began a 3-year bloody war fighting over bleak hills called Pork Chop Hill and others, killing and maiming thousands, until finally the fighting was stopped by General Eisenhower, then as President of the United States.

Had we stopped at the 38th Parallel after repulsing the North Koreans, the war would have been over in 3 months with very little loss of life.

□ 1240

So my reaction again was to attack those who were attacking my Nation in World War II, to attack those who were threatening our security as they attacked across the border, but not to go on the attack ourselves.

During the Vietnam war years, I adamantly opposed that war, as I did not feel our national security was threatened. Not seeing a threat to our national security from that nation 12,000 miles away, I felt that we were wrong in sacrificing our men, our wealth, and dividing our Nation for that effort.

Those who said that Vietnam would be a domino and that all Communists were the same, monolithic worldwide Communists, did not read history and did not read events of the times. China was to break away and become an enemy of the Soviet Union. Today in the Indochina peninsula, all the Communist regimes are fighting each other. China fights North Vietnam, North Vietnam fights in Cambodia and Laos, the Cambodian-Laotian Communists are fighting the North Vietnamese and others.

We should learn from that, but have we? Now we have the threat of terrorism by Libya and others attacking innocent people in airports, threatening the very lifelines of transportation by their willingness to pervert law and order.

We have the incursion by Nicaragua in Honduras. I assume the Nicaraguans are attempting to attack not Honduras but those Contra troops that are using Honduras as a base to attack Nicaragua. But I make no definition of this.

What concerns me here is our actions—the actions of the United States, of our leadership, of our President, balanced and weighed against the threats we face, or are we playing a dangerous child's game? That is the question it is imperative to answer before our emotions carry us to extremes, before we become once again a nation divided into camps of hawks and doves, unable to talk to each other, with warlike rhetoric carrying us ever closer to possible disaster.

There is a book written by a University of Michigan professor named Axelrod called "the Evolution of Cooperation." In it, he defines, among other things, the various responses that animals, people, anyone makes to conflict situations. There are essentially four different responses.

One is the response of the hawk to attack. You meet with a problem, you attack. You have a situation, your response is to attack, to take.

The other hawkish response is to attack, but if attacked back, to cooperate.

There are two hawkish responses. There are two dovish responses.

One is to cooperate. You have a problem in the world, you cooperate. That obviously risks being run over by the hawks, whoever they are, Russian hawks, Libyan hawks, anybody's hawks.

So there is another kind of response, a fourth response, a dovish response, and that is to cooperate to meet problems and threats with cooperation and negotiation, but if the attack continues, to attack back.

Axelrod, in his book, calls these strategies, and he says that last response is the strategy of tit-for-tat, that you will cooperate with anyone so long as they cooperate with you, but if they attack you, you will attack back.

After running these strategies through a computer, testing them against each, he calls tit-for-tat the most successful strategy, just simply because it scores the highest points in games against the hawk and the chicken hawk. That is the hawk that will attack, but will cooperate if attacked back, and the dove who cooperates all the time.

The reason that the dove who will cooperate but will respond but will attack if attacked—what I call the stinging dove—is so successful is that if we were all hawks, we would bloody each other up all the time. Axelrod's computer finds that hawks tend to bloody each other up, and it is a much more successful strategy to cooperate, but as I said before, the cooperator faces the danger of the hawks who will attack him and demolish him.

So being just a pure dove, a pure cooperator, is not enough in this world. If the world were all doves, cooperation obviously would be the best strategy, the only strategy, more successful, more fruitful. We would spend our time helping ourselves, keeping ourselves healthy, taking care of our children, growing our food, instead of spending our money on war materiel and defending ourselves against others.

The reason that we are not all doves is that there are hawks in the world of all stripes and, therefore, we must be prepared to defend ourselves against them.

But the stinging dove, the dove that will cooperate until someone attacks him is, Axelrod finds, the most successful strategy because while the hawks are bloodying each other up, the stinging dove is cooperating with people and find a fruitful existence. But if a hawk comes along and attacks the stinging dove, the stinging dove will attack back.

There is a situation in the history of our Nation that brought these four strategies into play and embodied the four main characters in that situation, and that was the Cuban missile crisis.

In 1961, President John Kennedy met with Soviet Premier Nikita Khrushchev in Vienna. The blustering Khrushchev sized up the young President and concluded he was an easy mark. Kennedy, who had hoped the two of them could be open with each other, confessed that the Bay of Pigs invasion had been a mistake. The cagey Khrushchev was used to confessing the sins of Stalin, but not his own grievous faults, which included carrying out Stalin's vicious orders.

He decided that Kennedy could be pushed around, and that Cuba was the very place to start. By the summer of the next year, Russian military personnel were assembling missile sites in Cuba, with nuclear warheads, aimed at cities in the United States. U.S. intelligence agencies soon learned of this aggressive act and informed the White House.

A deeply troubled Kennedy called together his top advisers in an informal group called the Ex-Comm and they began deliberating what to do. More Russian ships were approaching. An Air Force U-2 reconnaissance plane was shot down by ground-to-air missiles.

It was a tense situation. The Cuban missile crisis was on. The crisis brought out the keenest instincts of all those involved. The fate of the world was in their hands, and they knew it. One misstep or further aggression by either side could set off a chain reaction leading to nuclear holocaust. Attorney General Robert Kennedy, brother to the President, wrote of the meetings of the Ex-Comm members:

> They were men of the highest intelligence, industrious, courageous. None was consistent in his opinions from the very beginning to the very end. For some, there were only small changes, perhaps varieties of a single idea. For others there were continuous changes of opinion each day. So we argued and so we disagreed, all intelligent and dedicated men disagreeing and fighting.

□ 1250

The Russians, too, had their meetings and they must have disagreed among themselves as vigorously as did the Americans. Construction of the missile sites in Cuba stopped and started with jerks, tugged by conflicting strings from Moscow. Soviet Ambassador Dobrynin, called to his office by Robert Kennedy, lied with a bland face about the Russian activities in Cuba to the disbelieving Attorney General; but Robert was sure that Dobrynin too was caught in the cross fire of the debate and perhaps disagreed with what his Government was doing.

Different men saw things differently. Their arguments seemed more like reactions than reason. A look at four of the key figures shows how each brought to the Cuban missile crisis their individual sets of reactions.

Khrushchev began it all by ordering the placement of the missiles in Cuba. It was an aggressive act consistent with his character. He had been useful to Stalin as a hatchet man, but his aggressive stance would not have survived Stalin's paranoic purges had he not soothed his master by groveling to him. Khrushchev was known for this kind of behavior. His blustering, bumbling demeanor disguised an aggressive man who also yielded to authority or attack.

Now I have just described in Khrushchev's character, who I call the chicken hawk, the hawk that attacks, that if attacked back cooperates, yields.

President Kennedy was seen by Khrushchev as something of a patsy. But he did not turn out that way. He resisted the aggressive acts of the Russians and lashed back.

Now that description of President Kennedy is the shrinking dove or tit-for-tat strategy. President Kennedy was willing to cooperate, try to get along with the Russians. But when they attacked the United States by placing the Cuban missiles in Cuba, that was an attack and so Kennedy attacked back.

Faced with an adamant Kennedy who had called out the U.S. Navy to stop the Russian ships, Khrushchev wrote a long, emotional letter pleading for a way out of the nuclear showdown: If you will take your missiles out of Turkey, we will take ours out of Cuba. Kennedy saw hope. Just as he had responded to attack with attack, Kennedy was equally inclined to meet conciliation with conciliation. Again, Axelrod's tit-for-tat strategy.

Gen. Curtis Le May, the Air Force Chief of Staff, was not so inclined. He was all out for war. The enemy could understand only force. Wipe out the Russian missile sites. Invade Cuba, he urged. Le May did not ponder the consequences. What would happen if we attacked Cuba? he was asked at an Ex-Comm meeting. The Russians would do nothing, he replied. They would be frightened of our power. Le May was a cock-sure man, in love with the might of the weapons at his command. Confronted by the recalcitrant North Vietnamese resistance during the Vietnam war, his strategy was simple: "Bomb them into the stone age."

The fourth player was Adlai Stevenson, our Ambassador to the United Nations, and he approached the situation altogether differently. For him, our placement of our own missiles in Turkey near the Russian border had been an aggressive act just as much as the installation of Russian missiles in Cuba near our mainland. Fair is fair, he counseled.

So we have here in Stevenson a dove who is willing to cooperate at any time. He sees his own faults and his country's faults as much as he sees the faults of other nations and other persons. He was a person ready to cooperate just as Gen. Curtis Le May was a pure hawk ready to attack at any time, seeing no consequences other than the use of force. Stevenson's idea of cooperation, of trading Turkish missiles for the Cuban missiles, our Turkish missiles for the Russian Cuban missiles was met with contempt by those in the Ex-Comm who, like Le May, saw only our side of the argument, and who quite rightly felt that the offer would be seen by the Russians as weakness.

All through the Cuban missile crisis nuclear war was a very close call. Our ships threatened theirs on the high seas. Russian diplomats in New York were burning their papers. The U-2 plane was shot down. Khrushchev's letter was left dangling as Le May and his colleagues scorned conciliation and urged, minute by minute, air strikes and invasion. A second letter came in from the Kremlin, this one more formal—not written by Khrushchev personally—more stern, more threatening. The State Department took it as an ultimatum and prepared an answer in kind: no trades of our missiles for theirs. Push was coming to nuclear shove.

Only then did the instincts of President Kennedy come to the fore. He had always considered our missiles in Turkey to be provocative, had taken steps earlier to remove them, although now we could not do so under the Russian threat of their missiles in Cuba.

But his brother, Robert, suggested they respond to Khrushchev's instincts in the most emotional letter that Khrushchev had written. The President approved. Again, here is not a person who is bent on attack, but one who will cooperate with an offer of cooperation. The Russian ships swung around and retreated. The situation/tragedy ended peacefully.

I cite this story as an example in our history when the strategies of hawk and dove, cooperation and attack, are once again in the fore of our thinking. I urge all of my colleagues in the Congress to consider which strategy will serve us best as war talk heightens, as ships steam on the high seas, as people of other nations make provocative acts that we do not like, to ask is a hawkish strategy the best for us today, the best for this Nation. Is this strategy to attack, attack and attack going to provide us in the end with fruitful results.

I myself, remembering my own behavior, enlisting at 17 in the U.S. Navy in World War II, and serving on an aircraft carrier, and always feeling good about that because we faced a real threat, and remembering the Korean war when we rightly stopped the invasion of South Korea by North Korea, but then proceeded to cross the 38th Parallel and go to the Yalu River, the boundary with China, and then faced devastation of our own troops by the hordes of Chinese military in a 3-year-old war. I think also the Vietnam war which I believe was against our own military and national security interests. I ask what steps we should take today and what strategy we should use today. I ask my colleagues, and I ask the American people to ponder this, and I ask the President, who perhaps acts as a constitutional hawk, and cannot help himself, or perhaps acts rationally and feels that attack is the best policy, to examine what he is doing.

I am fully aware that there are are grave threats in the world today, not only from insane terrorists such as Qadhafi, but from rational beings in other nations. But I wonder how advantageous it is for the world, for hawks to be in the forefront of the Soviet Union, and hawks to be in the forefront of the United States when we have the ability to destroy ourselves and all life on Earth.

I yield back the balance of my time.

HAPPENINGS IN LIBYA AND CENTRAL AMERICA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Georgia [Mr. GINGRICH] is recognized for 60 minutes.

Mr. GINGRICH. Mr. Speaker, I want to talk today on what is happening in Libya and Central America, and the events of this last week which have led me to postpone a special order on how to develop a vision and a strategy in response to the Soviet Empire, the Communist Cuban colonial forces and the Soviet national strategy to extend tyranny. Instead I want to focus on two specific test cases in which the United States is currently face to face with allies in the Soviet Union and with a real threat to our long-term survival and to the freedom we cherish.

□ 1300

First, I want to explain the linkage between Libya and Central America. While they are geographically separate, it is no accident that the Dictator Qadhafi in Libya has sent arms and personnel to Nicaragua; because he sees that Communist dictatorship as an ally against America.

As Qadhafi himself has explained, that particular fight in Central America is in our back yard and is a chance to defeat America in our neighborhood. From Qadhafi's standpoint, any enemy of America is a friend of his, and he sees himself as a direct ally of the Nicaraguan Communist government.

That is why several years ago there were several airplane loads of equipment, some 40 tons of military equipment from Libya which were on the way to the Nicaraguan Communist when they were stopped in Brazil.

Furthermore, there are practical reasons why for example the head of the secret police, Thomas Borge of Nicaragua, went to Qadhafi's anniversary party to celebrate his time in power; because the Nicaraguan Communists see Libya as a real ally. That is an example of why there is a deeper relationship between the two military activities, described on page 1 of the Washington Post today, and the United States, and why, while they may seem geographically separate, Libya and Nicaragua are in factor very tied together.

Indeed, I would suggest that the vote last Thursday, in which the United States House of Representatives voted down aid to the freedom fighters was seen by both the Nicaraguan Communists and by Qadhafi as a sign that the United States still did not have its foreign policy together and that it was possible to bully and browbeat the United States.

If you watched Qadhafi over the last 12 or 15 months, every time the Reagan administration has acted fairly tough, he has begun to back down. Most Americans will remember, for example, in January when he held the press conference on a tractor, explaining that he really did not mean anything and he really did not intend to do anything to confront the United States, every time an element of the American Government has looked weak, Qadhafi has grown bolder.

Last Thursday's vote against helping the freedom fighters had to be seen by Soviet analysts in the Kremlin, by Qadhafi, and by the Nicaraguan Communists as an example of how the United States continued to fail to deal with the real world.

It was interesting today to notice the Democratic House leadership basically trying to use strong language now that they are confronted with the consequence of last week's vote. The majority leader described the Nicaraguan invasion of Honduras and said that it was a violation of the Rio Treaty.

You know, it does make one wonder how long it will take to learn certain basic lessons. Two years ago a number of decent, well-meaning, patriotic American Members of this House signed a letter to Comandante Ortega, asking him to act reasonably.

Last year, immediately after this House voted against helping the freedom fighters, Ortega went to Moscow; literally announced it the morning after this Congress had voted against helping the freedom fighters.

Many Members of this House, particularly Democrats who voted no, expressed great shock; could not believe that "he would have such bad timing" as one of them put it. Saying, "How could he go to Moscow when we're trying to negotiate?"

This year, once again for the third year in a row, our friends on the left found themselves surprised as they first voted "No, let's not help the freedom fighters," and then had the Nicaraguan Communists doing something they had not expected.

In this particular case, frankly, I would have to ask "What did the leadership of the left in this House think would happen?"

There was clear evidence last week that the Nicaraguan Communist

forces were massing on the Honduras border. There was clear data available to anyone who would look at it that the minute they had a signal they could attack, they would. There was a clear indication that Nicaraguan Communists were planning not to negotiate, but to massacre the freedom fighters.

There is a book by Frank Gregorsky entitled: "What's the Matter With Democratic Foreign Policy?" Its subtitle is: "How the Modern Democratic Party Has Abandoned the Traditions of Harry Truman and John Kennedy and What That Might Mean for America's Safety in a Dangerous World."

I recommend this book to every person who voted no last week, because I think they really ought to look at their own record. They ought to read the 2 days of debate; 10 hours of debate in this House, and see person after person on the left; well-meaning, sincere patriots, say again and again and again: "I'm going to vote no against helping the freedom fighters, because I think we should negotiate."

The question I would ask of those who said last week "I'm going to vote no because I think we should negotiate." What lesson do they think they have learned out of the fact that with only a few days' lapse between their voting no, we can negotiate, the Nicaraguan Communists have now launched an offensive 15 miles inside Honduras; they are apparently close to 2,000 Communist troops, using Soviet equipment, with Cuban colonial troops manning the helicopters—I would say to all of my friends who voted no last week: "What did you think would happen? Did you actually vote no thinking they would invade?" I am certain virtually every one of them would say, "No, I didn't think they'd invade. I'm shocked that they're invading."

My question then would be, "What is it you would do differently if you had a chance now?" What lesson have you learned out of this third straight year of Nicaraguan Communists lying to us? And how would you relate the display of weakness by the U.S. House last week to Qadhafi's having the courage yesterday to fire on the U.S. 6th Fleet?

What signals in the age of television do you think there might be in a small world of an electronic neighborhood, in which Qadhafi can watch the videotape of the debate in the Congress, chuckle as people on the left explain that we do not really want to be militaristic, and say to himself: "I'm glad the Americans don't want to be militaristic. Let's see if I can't shoot at a few of their airplanes."

Now, our friends on the left, frankly, do not stand alone. The Reagan administration has still not articulated a clear vision and a clear strategy, both for dealing with Qadhafi and the problems of systematic terrorism and for dealing with the Nicaraguan Communists and the problems of the Soviet Empire and the transnational strategy to extend tyranny using a Cuban colonial army.

The fact is that all too often this administration has been tied up in tactical ad hocracy, going from crisis to crisis, from vote to vote, from problem to problem, without an overall strategy; without an overall vision, without a clear track to what they want to accomplish.

The fact is that Qadhafi is a threat to civilization as we know it. Qadhafi is a threat in Chad, where the Libyans have been causing trouble and trying to take over the country; he has been a threat in the Sudan where they have been causing trouble. Qadhafi is a threat in Egypt where we have clear proof of assassination attempts; Qadhafi is a threat to Israel where he has systematically helped terrorists; Qadhafi is a threat, with terrorists in training camps in Libya. Qadhafi is a threat in trying to kill his opponents in Europe against all international law; Qadhafi's agents have killed a British policewoman. Qadhafi is a threat to America in helping the Nicaraguan Communists.

He sees himself at war with America, but it is a war on his terms. When we are soft, he is militant; when we are tough, he says "Oh, I don't mean anything by all this." On the one hand he has said this year he has suicide squads in the United States, a clear act of war.

Then he holds a press conference on a tractor, offering to negotiate. He attempts to play the American news media, the American political system, as though it were an orchestra—first being tough when he can get away with it, then being an appeaser when we realize what he is doing.

The question I would ask of the Reagan administration is, "What is our vision of how we're going to deal with Qadhafi? What is our strategy to get to a Libya that does not have a terroristic, pro-Soviet Qadhafi dictatorship?

The fact is that the Soviets arm and train Libyans, that Libya is the largest single depot for Soviet equipment outside the Soviet Union, that the Soviets sell the weapons to Qadhafi because it is useful to them; that the East Germans and others train Qadhafi's security police because he is useful to the Soviet bloc; that Qadhafi is functionally an ally of the Soviet empire; that he is a threat to Western civilization as we know it; he is a threat to the world of freedom, and he is a threat to Israel and America.

Yet, we have currently no clear, decisive strategy. Firing back at a radar site is a tactical skirmish of the lowest order. Qadhafi can afford violence far longer than the United States can; Qadhafi can afford to trade lives far longer than we can.

It would suit his purposes to get engaged in a long-running skirmish. The last thing we can afford is another intervention like Lebanon where there was no strategy, no decision, no clear-cut choice.

What we need to know is, what is the American purpose in dealing with Qadhafi and how can we be effective in moving Libya out from under his dictatorship?

□ 1310

Similarly what is the Reagan administration vision and strategy in Central America? The fact is that because the Reagan administration did not want to offend our friends on the left, it has never been as clear, as candid as it should be.

On an occasion recently I think Secretary Shultz and Assistant Secretary Abrams have come closer. But I think the reality is fairly obvious. We want a Nicaragua that does not have Soviet and Cuban troops in it, we want a Nicaragua which is not anti-American, we want a Nicaragua which has met the agreement of the Organization of American States, that it is a pluralistic government, that it has a free press, and free elections, and that is the Nicaragua we intend to somehow get to. We would prefer to get there by negotiations. But I think that there is no grounds for believing that there is any reasonable negotiations with a Leninist-style dictatorship using a Cuban Communist neighborhood block model with training by East German and Bulgarian and North Korean specialists in secret police activity, with a Cuban colonial army and Soviet colonial advisers.

The fact is that kind of a Nicaraguan Communist government uses negotiations only as a pretext to buy time to impose a more firmly controlled dictatorship and to build up its ability to threaten its neighbors.

For every hour we have spent on this floor talking about the need to negotiate with Nicaraguan Communists, it should now be obvious since they have 2,000 troops 15 miles inside Honduras that they have spend many hours planning how to use the time that we gave them by voting "no" last week in order to try to wipe out the freedom fighters.

One of the rules of poker or chess or any other game is when your opponent makes a mistake you need to maximize your gains. Now is the psychological moment in this House and in this country to maximize our gains in educating the American people about what has been happening. First of all to make sure people understand that there is a direct relationship between Nicaraguan communism in Honduras and last Thursday's vote in this

House. The fact is last Thursday the U.S. House of Representatives sent a message to communism around the world that we were not prepared to help freedom fighters.

Three or four days later we find 2,000 Communist troops with Cuban colonial forces manning Soviet helicopters inside Honduras.

Now does anybody in this House reasonably believe there is no relationship between those two? Does anyone reasonably believe that the Communists did not look at how this House voted and decided they had a green light to go ahead? Does anyone reasonably believe that our display of reasonableness has not been met by a Communist display of aggression?

Second, we have to recognize that there is a relationship between Libya and Nicaragua. A number of our friends got up today, people who cheerfully voted "no" last week, and focused their anger on Libya, "how bad Qadhafi is." Well, Qadhafi is the direct ally of the Nicaraguan Communists. Why is it some of our friends on the left can worry about Libya, which is close to Israel, but they can't worry about Nicaragua, which is close to America? Why is their anger focused only on the guy over there when in fact Libya is just as dangerous in this hemisphere where there are terrorists being trained by the Libyans, where there is equipment being given by the Libyans, and where the Palestine Liberation Organization and the Libyans are both recognized and close allies of the Nicaraguan Communists?

Third, this is an opportunity to focus on the systematic self-deception of the American left about the Soviet empire, terrorism, and the use of Cuban Communist colonial forces as part of a transnational strategy to impose tyranny. It is eerie how frequently and how systematically good, sincere Americans on the left manage to avoid facing the truth about Qadhafi, about Nicaraguan communism, about Castro and Cuban communism, about the Soviet empire and about the nature of the Communist system.

There is an article in this month's Commentary by Doan Van Toai. Doan Van Toai was a member of the student opposition of the Thieu regime in South Vietnam, a supporter of the National Liberation Front during the Vietnam war. After the fall of Saigon in 1975 he served briefly in the provisional revolutionary government before being suddenly arrested and held in prison for 28 months without charge. He was released in November 1977 and was later allowed to leave the country. He has just written a book called "The Vietnamese Gulag." He wrote an article for Commentary which just came out this month entitled "Vietnam, How We Deceived Ourselves."

Let me make it clear, Doan Van Toai was against America during the Vietnam war. He was in favor of the Communists winning in Vietnam. He then suffered the consequences of the Communist victory. Let me read his description of his effort to tell Americans at Berkeley, people who had been applauding him when he was here in 1970 as being pro-Communist, and their reaction. He began by talking about the fact that he worked with a man named Nguyen Cong Hoan, who was a Buddhist opposition assemblyman under Thieu. This particular member was chosen as one of the southern delegates to the 1976 Unified Assembly in Hanoi. That is, he actually served as part of an effort working with the North Vietnamese Communists.

He was sickened by the dictatorship and he came to the West. He thought he could talk to people, as he put it, and I quote:

> The West must be told about the monumental deception being carried out by the Communist regime. Specifically the Western antiwar movement with all its energy and commitment to the cause of Vietnamese freedom must be educated to what was really taking place. Once they knew, he had thought, they would begin pressuring Vietnam's leaders back inside the pale of human conduct. Hoan smiled wanly as he told me this. "Believe me," he said, "you will get nowhere substantial with these people. Vietnam to them was a fad, or something they did out of anger at their own government. Now they don't care, I doubt if they ever did. It's not their fight."

He goes on to say:

> As if to reinforce Hoan's remarks, my reception at Berkeley, while not unfriendly, was a good deal cooler than it had been in 1970 when, as a delegate from the Vietnamese student opposition, I was shouting about self-determination and getting the United States out of the war.

He goes on to talk about the fact that he did have an impact on Joan Baez and that Joan Baez came out along with 78 other former antiwar activists and appealed in an open letter to the New York Times to North Vietnam to stop being a Communist dictatorship. She urged North Vietnam to establish human rights. Let me read now his report on what happened to Joan Baez:

> For her efforts, Baez was attacked by Jane Fonda in a letter circulated among a large number of former antiwar movement people. She was also excoriated in an open letter entitled "The Truth About Vietnam" (New York Times, June 24, 1979), and signed by another group of antiwar people who "recognize and acknowledge the remarkable spirit of moderation, restraint, and clemency with which the reeducation program was conducted."

This letter continues, and he quotes the letter:

> "Vietnam now enjoys human rights as it has never known in history as described in the International Covenant on Human Rights: the right to a job and safe, healthy working conditions, the right to join trade unions, the right to be free from hunger, from colonialism and racism. Moreover, they receive—without cost—education, medicine, and health care, human rights we in the United States have yet to achieve."

He goes on to say, and I quote,

> When I saw this letter some months later, I was especially taken by the absolute conviction of the writers, although to my knowledge none of them had ever seen the inside of a Vietnamese reeducation camp or prison, and none had ever experienced the "free health care" or the "right to be free from hunger" guaranteed by the Socialist Republic of Vietnam.
>
> Even more striking in the letter was the burning hatred the signers evinced for their own government. And it was this emotion, still red-hot 6 years after the 1973 pullout of American troops from Vietnam, that got me to thinking about the psychological consequences of Vietnam for future "nationalistic" conflicts. The letter combined an utterly simplistic understanding of Vietnamese issues with a deep antagonism toward American motives—obviously a potent mixture. I wondered how pervasive that orientation was in American public opinion and whether it would permanently debilitate United States policy toward Vietnam.

In other words, the reason I am quoting an article by a Vietnamese about how we deceived ourselves about communism in Vietnam is because anyone who read the United States House of Representatives debate last Wednesday and Thursday and anyone who watched some of the people who voted "no" last week stand on this floor today can understand we are still deceiving ourselves. The American left seems to have an unending capacity for avoiding the truth about communism and for avoiding the linkage between a Qadhafi terrorism in the Middle East, the Soviet empire, and Cuban and Nicaraguan communism in Central America. The fact is that there is a style of transnational strategy the Soviet empire is using that it involves training Libyans with Soviet equipment, training Cubans with Soviet equipment, using them to start trouble elsewhere, having the Libyans fire on Americans in a way that the Soviets are safe while it is our boys who are at risk, constantly maneuvering on the chessboard of world politics to put us at a disadvantage.

The longer we refuse to recognize the relationship between the Soviet empire, Cuban communism, Qadhafi's dictatorship, and Nicaraguan communism and state terrorism, the greater our danger will be.

Consider again what Doan Van Toai said:

> Motivated by my hatred of the dictators and by my view of myself as a Vietnamese nationalist, I had played a role in weakening the American-backed regime and isolating it from domestic and international support. Now I understood that the passion of my ideals, combined with a belief in my own political intelligence, had led me down a trail at whose unforeseen end lay terror and destitution for my country. And I had walked that trail in company with millions of other

passionate idealists, Vietnamese, French, and American.

Together we had been caught in a "people's war," the kind of struggle that gave precedence to the techniques of psychological warfare. As the American military had belatedly recognized, the battlefield was also the minds and hearts of those who created public opinion in Vietnam and in the West. And the way to those minds and hearts, the Communists saw, was through their ideals: a hatred for colonialism, an abhorrence of violence, a belief in social welfare and liberal democracy.

That was why, from the beginning, the Vietnamese Communist party had built its strategy, not on the forthright social promises of Marxism (the rock upon which the Russian and Chinese parties had built their revolutions), but one the Vietnamese people's fierce desire for national independence. That was why in two wars the Vietnamese Communist party had hidden itself in the background and created in its place two "fronts," the Vietminh and the NLF, whose appeal was to the grass-roots longings of the Vietnamese—and to the ingrained ideals of the very Western nations that were the party's bitterest enemies. (In 1945 Ho Chi Minh had proclaimed the independence of the Vietnamese people in the following words: "We hold the truths that all men are created equal, that they are endowed by their creator with certain inalienable rights, among which are Life, Liberty, and the Pursuit of Happiness."

He goes on to say:

All of us, Vietnamese and Americans alike, could see the venal habits, political suppression, and common brutality of the Saigon regime, along with the war's human carnage and the grotesque social impact of the American army. But the heart of the other side remained hidden. Neither young nationalists like me in South Vietnam nor most Americans reading their newspapers and watching television could see the secret strategy that made the American people themselves the chief target of this "people's war" or the iron social theories and alien disregard for human decency that animated those whose target they were.

I now realized that Vietnam was not an isolated incident on the stage of world affairs, that the "people's war" techniques that had been developed there were applicable to every Third World conflict in which the West had an interest. Vietnam was a casebook for revolutionary strategy—a case book to be studied with the greatest care by the world's democracies and by the world's emerging nations, for whom the Communist road to national liberation is in fact a road to national desolation.

The point that Doan Van Toai is making and that I am making is that those millions of passionate idealists and the people last Thursday who voted "no" in this House were idealists, those people are simply wrong. The consequence of their idealism is tyranny, the consequence of idealism on the floor of the House last week, those who voted "no" to help the freedom fighters, is that there are 2,000 Communist Nicaraguan troops in Honduras today, there are Soviet helicopters manned by Cuban colonial troops killing freedom fighters today in blatant disregard, as even the Democratic majority leader has admitted, of the Rio Treaty. We are faced with what the Democratic majority leader today called an invasion. Well, what should our reaction be?

We are faced in Libya with an outlaw terrorist dictatorship allied with the Soviet empire which has illegally set its own rules of the game. Yet in this morning's paper there are serious men of the left in both the Democratic and Republican parties quoted as saying we provoked it.

□ 1325

The International Law of the Sea is clear. The United States as a maritime nation has every right for its fleet to sail in the Mediterranean. For Qadhafi to say he will shoot at us if we sail in international waters is like someone in your neighorhood standing there with a rifle saying if you walk on the public pavement in front of my house, I will shoot you, and then having you labeled the provocateur if you walk on the public sidewalk because clearly you provoked him. After all, if you were not standing on the sidewalk, he would not have a target to shoot at. Qadhafi is an outlaw and we have not yet had the guts to face the consequences of that particular fact. He is outside the law as we know it in the West.

There is a chance, I think, to learn a fourth lesson, which is the schizophrenia of the pro-Israeli left as compared to the pure left. You saw it here today.

Those who would never say a word condemning Nicaraguan communism feel that is not a major concern of theirs, not because they are pro-Communist, but because there just is not a major concern, are nonetheless eager to be outraged about Qadhafi. There is a difference. The pure left, the people who do not frankly care about Israel either, never say a bad word about Syria, never say a bad word about Qadhafi, never say a bad word about the Soviet empire, never say a bad word about Nicaraguan communism. They are ideologically consistent. They have less difficulty than those of our friends who are schizophrenically forced to condemn those who directly enagage in anti-Israeli behavior while ignoring those whose major activity is that they engage in activities to undermine the United States.

But the challenge ought to be to communicate that those of our friends who are on the pro-Israeli left reject the reality of Leninism of the Soviet empire of systematic terrrorism of a Communist Cuban colonial force. They reject the appeal of Doan Van Toai. They do not want to learn any of the lessons of the last 16 years. And to say to them again and again, but how do you explain Qadhafi? Why do you think Qadhafi thinks we are weak enough to shoot at? What do you think that might have to do with last Thursday's vote? Why do you think Qadhafi is sending equipment to Nicaragua? If you are so mad at Qadhafi, what does that say to you about the Nicaraguan Communists who are among his most enthusiastic supporters?

Those of our friends on the pro-Israeli left ignore the linkages. They ignore the signals of weakness to Qadhafi. They ignore the need for strategy and for military power.

The real challenge of the next 10 days, though, may surprise most of us. The real challenge is not Qadhafi. We know who Qadhafi is. He is behaving normally. He is a tyrannical dictator allied with the Soviet Union, eager to undermine Israel and America. We know who Ortega and the Nicaraguan Communists are. Despite the misunderstandings of our friends on the left last Wednesday and Thursday in this House, Ortega and the Nicaraguan Communists are acting normally. They are invading a neighbor, they are trying to kill the freedom fighters, they are doing what we expect.

We even know, frankly, who the liberal Democrats are. Now that they are embarrassed, they are scrambling quickly to get back and prove that they are eager to do something to stop the Communists in Nicaragua.

The real question for the next 10 days is the Reagan administration. Here is the President's chance to seize the moment to educate the Nation to force responsibility in Congress and to change history. Here is a chance for the President to be involved directly, and to say, "All right, now that the Communists have shown who they are in Nicaragua, now that Qadhafi has shown who he is in Libya, what should we do?"

Let me suggest eight steps the President should take immediately.

First, he should address the Nation. I suspect he might have one of the highest audiences of all time if tonight or tomorrow night he were to explain what is going on in Libya and what is going on in Nicaragua and Honduras. He should explain in clear, simple English the Soviet empire and the fact that it is an empire, the transnational strategy to impose terrorism using Cuban colonial troops and working systematically with terrorism. He should take the case of Cuban General Nestor Lopez, a career soldier who was trained in the Soviet Union, who then was sent to Syria where he had a Cuban regiment fighting the Israelis, who then was sent to Angola where he headed a division imposing a Communist dictatorship, who now has been sent to Nicaragua as the head of the Cuban colonial army in Nicaragua.

He should point out that in the Yemen and South Yemen last month when there was a civil war, the Soviets used Cuban troops to make sure that

the side the Soviets wanted to win won in South Yemen.

He should point out on a map that with Cuban troops in Ethiopia and Cuban troops in South Yemen, there are now Cuban colonial forces on both sides of the Red Sea.

One might say, "How can this be? Isn't Cuba thousands and thousands of miles from the Middle East?" That is true. That is why it is important to understand the nature of a Soviet empire.

He should point out the linkages between Libya and terrorism. He should systematically walk through the relationship between Libyan terrorism, Soviet training, Soviet equipment, Soviet money, Nicaraguan communism, and the threat to Israel and America.

In addition to the speech, the President should establish clear civilized standards for the survival of the Qadhafi regime. The time has come to draw the line. Not to say, "Boy, if you ferret us, we will ferret you," or, "If you launch terrorism, we will launch bombers"; but to say flatly, "It is not possible for civilization to survive with an outlaw regime that kills people whenever it wants to."

Americans need to remember that this is not a new problem, that Thomas Jefferson dealt with pirates on the Barbary Coast, that the Marine Corps hymn begins with, "from the shores of Tripoli," talking about a very similar problem in almost exactly the same area. Civilization cannot exist if it makes it easy or inexpensive for outlaws and barbarians to engage in terrorism without suffering the consequences.

The President should talk not about this tactic, not about this operation. The President should establish the clear standards at the vision level for the kind of legal regime that is acceptable, and should indicate clearly what his strategy will be if Qadhafi refuses to accept the rules of law and to survive as a civilized regime.

Third, the President should outline our minimum conditions in our backyard. The Nicaraguan Communists came to power because they lied, just as Doan Van Toai cites the lies of Ho Chi Minh in 1945 and warns us that we can expect Communist lies. In 1979, the Nicaraguan Communists promised that they would not attack their neighbors. They promised they would have elections. They promised that they would have a pluralist government with a free press, free elections, and the rule of law.

Our conditions should be simple. We will not accept a Cuban colonial army on the North American continent. We will not accept Soviet colonial advisers. We will not accept an extension of the Soviet empire on the North American continent.

Furthermore, we will insist on a pluralistic regime that has elections. We will insist on free press. We will insist on the rule of law. They got into power by lying. Those lies were made directly to us. We have every right to insist that those promises be kept, and that that regime either meets those standards or that it cease to be there.

We prefer to achieve that by negotiation. Our argument is not with Ortega, if Ortega is willing to stand an election. Our argument is with Ortega if he is determined to be a Soviet and Cuban Communist puppet imposing a dictatorship.

Fourth, the President should call the House into special session to vote the $100 million in aid to the freedom fighters with no strings attached. Yes, I know it will be inconvenient for the Speaker who will be in Latin America. But what better example of American strength and American capacity to respond could there be than to turn around in 1 week and have this House vote for the very aid which it failed to vote for last week, to have those who last week talked to negotiations recognize that they now have the Communist Nicaraguan answer in an invasion of Honduras.

I doubt very much if there would be more than 150 Members willing to vote against aid to the freedom fighters on a day when there are 2,000 Communist Nicaraguans and Cubans flying Soviet helicopters inside Honduras. I think nothing could send a clearer signal to the Soviet Union and Cuba than to have that aid pass the Congress this week; not in April, not later on, not when it is convenient, but when the Nicaraguan Communist offensive calls for it.

□ 1335

Fifth, the President should establish in the Defense Department a special command for assisting and training freedom fighters, with subcommands for Nicaragua, Angola, Ethiopia, Afghanistan, and Cambodia.

It is an outrage that 6 years after the Soviet invasion of Afghanistan we still do not have the kind of equipment, the kind of training and the kind of help which will allow the Afghan freedom fighters to be effective. It is absurd that we have so many different cooks in the kitchen and we still do not have a clear line of authority in the Pentagon. I think it should be in the Pentagon, and the President should ask the Congress to ratify it.

Sixth, the President should announce a crash program in the Defense Department to develop a very simple to maintain, very easy to use, high technology, inexpensive antihelicopter and antitank weapons and inexpensive and like equipment for the field.

The problem of being a guerrilla is not a complex problem intellectually. It is a problem of irregular light infantry. People have to have very light equipment and an ability to maneuver constantly, to stay in the field, to avoid regular forces. Those problems can be solved. The British played a significant role in undermining Napoleon by helping the Spanish guerrillas—which is where the word "guerrilla" comes from—in the war between 1800 and 1815. We can play a similar role in helping undermine the Soviet empire in Ethiopia, Angola, Cambodia, Afghanistan, and Nicaragua. But to do so we should make sure that the freedom fighters who are willing to risk their lives for their country have the finest equipment and the finest training in the world.

Seventh, the President should establish a freedom fighters academy to teach Cuban and Soviet doctrine.

Again, we know how the Cubans and Soviets fight, because they fight the same way. We know how a Cuban division will behave in Angola because it will behave like a Soviet division in Afghanistan. We know the techniques they will use with the Hind helicopter. All of that can be studied, all of that can be trained, we can dramatically increase the power of the freedom fighters to defeat Soviet and Cuban colonial armies.

Eighth, finally, in a major strategic shift the President should announce a program to raise the cost of colonialism for the communist Cubans. We should establish a Radio Marti for the Communist Cubans. We should establish a Radio Marti perhaps in Africa to beam to the colonial Cuban troops in Africa, in Ethiopia, Mozambique, South Yemen and Angola. We should establish a branch in Central America to beam to the Cuban colonial troops in Nicaragua and now in Honduras. We should establish a bonus for desertion so that every Cuban who wants to desert knows that we will help them. We should establish a big bonus, if you bring along a Hind helicopter or a jet fighter plane.

The amount of nervousness we will establish in the Cuban system just by letting them know we will reward people who desert to the West and flee to freedom, bringing a helicopter or a jet plane, will increase substantially their own secret police efforts.

Finally, people will say this is raising the ante, this is creating tension. Let me suggest that our real goal is to begin to move toward a post-Soviet Union Russia, that we really want to establish the kind of cultural exchanges, the kind of openness that will allow the Soviet people to learn what freedom is like, to learn that they do not have to be afraid of us.

As a gesture toward a peaceful world, I would suggest that the ninth thing the President might propose is a student exchange program on a mas-

sive scale. I think the President should propose that we send 10,000 college sophomores to the Soviet Union for a year, and that we invite 10,000 Soviet sophomores to the United States for a year, and that we do so every year. Many people have said that Gorbachev may be in power for 20 years. Would it not be wonderful if, 20 years from now, there were 200,000 Soviets who had lived a year in the United States, who had lived outside of a police state, who had lived outside of Pravda, who had lived in a world where they could look at us and get to know us, where they could go to the movies, where they could relax, where they could enjoy life, where they could see what it is like to be in a truly free society?

And, similarly, would not America be dramatically more sophisticated if, 20 years from now, there were 200,000 Americans who had lived in a police state, who had lived in the fear of the Soviet empire, who had learned what it was like to be in a country which has an epidemic of alcoholism?

I say that because I think nothing would do more in the long run to establish freedom on this planet than to make sure that every American truly understood Leninism and the Soviet police state and make sure that everybody understood that America in fact is as open society with the rule of law, with a free press, and with freedom.

The President should announce these nine points and should take the gamble of trying to have real change because we are still trapped in the post-Vietnam era, as the article in Commentary suggests, because we still have many friends on the left deceiving themselves, because the American Nation still has not been educated into understanding the Soviet empire, because there are still great inhibitions about the looking at Leninism and the threat to our survival.

We have a moment when the country's attention is beginining to focus. We have a moment when our opponents in Libya and Nicaragua are so obvious, so bold, so out of touch with reality, that now is the time to educate the American people. Now is the time to crystalize the lessons and seize the opportunity.

I would like to suggest, in closing, as I said earlier, we know who Qadhafi is. He is an anti-American dictator who uses terrorism to hurt both Israel and America and Western Europe. He is a dictator who is for the Soviet empire and against freedom.

We know who the Nicaraguan Communists are. They are allies of the Cuban Communists, they are allies of the Soviet empire, they are against America, they are against freedom.

We know who Castro in Cuba is. The current tragedy in Cuba is that a revolution that might have led to freedom has led to a pro-Soviet colony that exports its children in armies around the world so the Soviets can use them as colonial forces.

We know that our friends in America on the left are now confused and embarrassed. We know that they are irritated by Qadhafi but they cannot advocate anything effective. We know that they are embarrassed by the Nicaraguan Communists but cannot advocate anything effective. We know that they wish this would all pass away so that by Easter we can forget about this and go back to business as usual, once again, for the fourth time, trusting the Nicaraguan Communists and talking about negotiations.

The only element we do not know about is the Reagan administration. President Reagan and his administration have an opportunity right now to establish decisively the conditions of debate for the era after the post-Vietnam era, to move us into an era when we talk openly about the Soviet Empire, when we talk openly about Cuban Communist colonialism, openly about the transnational strategy of tyranny, openly about systematic terrorism.

President Reagan and his administration have an opportuntity to outline strategies that would help the West, the free world, survive and prosper. President Reagan and his administration have an opportunity now to teach the bureaucracies of defense and state that the time has come for the free world to go back on the offensive, the time has come for the free world to be effective in helping freedom fighters, the time has come for the free world to begin to encourage those who want freedom.

The real question for the next 10 days is whether or not President Reagan and his administration will have the courage, the daring, the boldness, to seize this opportunity to decisively change history, to crystallize this moment, so that as historians look back in the future they will be able to say, "That was when Qadhafi, the Nicaraguan Communists, the Cuban Communists, and the Soviet Communists made their mistake. That was when they overextended and overreached and overexposed themselves. That was when America regained its nerve, that was when the U.S. House of Representatives was led to a decisive change."

The opportunity is here. My only hope is that the President will seize it.

REAUTHORIZATION OF THE EXPORT-IMPORT BANK

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from North Carolina [Mr. NEAL] is recognized for 10 minutes.

Mr. NEAL. Mr. Speaker, today I am introducing the Export-Import Bank Act Amendments of 1986. This bill reauthorizes the Eximbank for 2 years, through the end of fiscal 1988. Though the administration has requested a 6-year reauthorization, I have always believed it advisable to have the Bank come before the Congress at more frequent intervals. Our oversight of the Bank is then more meaningful, and we can more effectively bring about changes we deem desirable.

In addition to simple reauthorization, this bill incorporates a number of innovations. The most important is the authority it gives the Bank to launch a so-called pilot I-Match Program. I-Match—or interest rate matching—is the administration's proposal to finance exports with a combination of guarantees and interest subsidy payments. The Bank would, under I-Match, issue a complete and unconditional guarantee for the repayment of loans made by private lenders to finance U.S. exports, and would make a subsidy payment to the lender sufficient to induce him to match the interest rate on similar loans being offered by the official export finance agencies of other OECD countries. Under those conditions, the private lender could offer financing fully equivalent to the export finance loans offered by the Bank.

In the administration's budget proposal, I-Match would completely replace the Bank's own direct loan program. The administration is requesting the authority to make interest subsidy payments sufficient to support $1.8 billion in private export financing under I-Match. It is requesting no funding for direct loans from the Export-Import Bank. Its principal reason for wanting to switch from direct loans to I-Match is budgetary. Under OMB conventions on budget scoring, the switch would generate significant budgetary savings. Under I-Match, budget authority for the Eximbank would drop to zero, and net outlays would be substantially less than they would be under a direct loan program that offered the same amount of export financing on the same terms as I-Match. By this simple switch in technique, with no real change in the amount or quality of export financing supported by the Bank, we could, apparently, reap a budgetary windfall.

I have long argued that I-Match's budgetary savings were spurious, a consequence of accounting conventions, not of a reduction in real spending. The Congressional Budget Office agrees. In its estimate of the President's budget, it scored I-Match just as it would have scored direct loans. Under CBO scoring, I-Match would yield no reduction in BA or net outlays, compared to an equivalent amount of direct loans. CBO testimony before the Subcommittee on International Finance underscored the fact that I-Match represents no substantive change in Eximbank support for U.S. exports and generates no real savings. In fact, it is likely to be somewhat more costly than an equivalent amount of direct loans, since the subsidy Exim would have to pay private lenders would probably exceed the cost of the direct loan program.

The CBO scoring of I-Match demolishes the basic purpose of the program. With no budgetary savings, however spurious, to be garnered, there would certainly be no justification in an immediate, wholesale switch from direct loans to I-Match. Nonetheless, some attractive features of I-Match did emerge from the

subcommittee's extensive hearings. For instance, the guarantees it would offer are considerably superior to the guarantees now available from the Bank. It would, moreover, attempt to enlist many types of financial institutions, not just a few large commercial banks, in the financing of U.S. exports. This wider scope for the participation of private capital in export finance could be an important long-run consequence of a program like I–Match, quite apart from their budgetary impact.

For these reasons, this legislation gives the Bank the authority to launch a "pilot" I–Match, to test it, refine it and perfect it, and then justify it on the basis of its real demonstrated merits, if any, instead of selling it on phony budgetary grounds. By squashing the phony budgetary argument for I–Match, the CBO scoring will enable us to judge I–Match properly, that is, on the basis of a demonstrated potential for enhancing official export finance.

A pilot I–Match should be large enough to represent a real test of the program, but not so large that, over the test period, it shoulders aside Exim's continuing direct loan program. We know the latter works very well. It should be well funded and fully utilized while the pilot is proceeding.

Accordingly, this bill defines a "pilot" I–Match by imposing two kinds of limitations. First, it will be limited in duration. Authority for I–Match would lapse after 2 years. To renew it, perhaps on a grander scale, the Bank would have to come back to the Congress and argue its merits on the basis of demonstrated results. Second, it would be limited in amount. This is achieved by tying the amount of loans the Bank could support through I–Match to the level of its direct loan budget. For each fiscal year the Congress sets a limitation, in an appropriations act, on the amount of new loans the Bank may obligate. My bill permits the Bank to support private export loans, through I–Match, up to, but not in excess of, 25 percent of its direct loan ceiling for fiscal year 1987 and 50 percent of its direct loan ceiling for fiscal year 1988. If, for example, the limitation on Exim direct loans were set at $1 billion in each of those years, this bill would give the Bank the authority to support $250 million in private export loans under I–Match in the first year, and $500 million in the second. These numbers are illustrative only. In fact, the Bank needs considerably more than a $1 billion annual loan budget. My recommendation to the Budget Committee is a direct loan ceiling in fiscal 1987 of $1.8 billion. The authority to implement I–Match would not be tied to the amount of direct loans the Bank actually extended during the year, but to the amount that it could extend, under its direct loan limitation, during that year.

The CBO testimony before the Subcommittee on International Finance led directly to the second important innovation I am proposing in this legislation. Everyone, it seems, tends to agree that our budgetary concepts fail to do justice to Government loan and guarantee programs, such as those of the Export-Import Bank. Our scoring of loans and of guarantees is faulty. By scoring net lending as outlays, we overstate the cost of a direct loan program. Its real cost is the subsidy it conveys, not its net cash flow in any given year. Accordingly, it has been argued that only the subsidy component of a direct loan should enter the budget.

In principle, budgeting only for the subsidy is quite defensible. CBO's testimony concluded that it would be superior to the current budgetary treatment of direct loans. Implementing it would, however, require an amendment to the Budget Act. And it would, no doubt, have to be extended to all loan programs, not just to the Eximbank. That would be a formidable undertaking, unwisely attempted in the midst of our present budgetary chaos. Accordingly, I am suggesting that we take, at present, only the first step in that direction. Without altering the budgetary scoring of Exim programs, we can put into place the budgetary control over subsidies which would be the centerpiece of a fully reformed budgetary process.

It is important to bear in mind the important distinction between budgetary scoring and budgetary control. Scoring refers to what is written down, for BA and outlays. Control refers to the variable on which Congress acts, to restrain or expand a program. At present, Congress controls Exim lending by placing a limitation on its authority to obligate new loans. That limitation is not the same thing as BA or outlays. Neither of the numbers in the budget—BA or outlays—is the variable on which Congress acts to control Exim lending.

A shift of control from a limitation on direct lending to a limitation on the subsidy conveyed in that lending would not, in and of itself, necessarily imply or dictate any change in scoring. Without an amendment to the Budget Act to redefine BA and outlays, Congress could shift control from a limitation on new loans to a limitation on the subsidies contained therein without affecting scoring at all. That is, BA and outlays would be the same, regardless of the particular mechanism by which Congress controls the program.

Even though control is not necessarily the same thing as scoring, a shift in control can be a first step toward a shift on scoring. If we can now put in place a mechanism to control subsidies, that can lead more easily to an eventual shift in scoring. The argument that subsidies should replace net cash flow in scoring is more persuasive if Congress acts directly to control subsidies. That is what this bill proposes. It establishes, for the first time, a requirement that funds be appropriated to the Bank to cover the subsidy cost of its loans.

Under this legislation, the Bank could commit new loans only up to the point that the subsidy component of those loans was covered by funds appropriated for that purpose. This ceiling on subsidies would not, under the language of this bill, replace the ceiling on direct loans. The two ceilings would operate simulateneously, the lower of the two being the one that binds. An effort to phase out the ceiling on direct loans, in conjunction with a shift in scoring from net cash outlays to subsidy costs, might then be appropriate.

Some Members might be alarmed at the proposal that we now, in the midst of general budgetary scalebacks, commence the appropriation of funds to the Export-Import Bank. There is, however, no cause for alarm. An appropriation of funds would have absolutely no effect on the Bank's BA or net outlays. It would only mean that the Bank's total funding requirement, which would otherwise be met entirely by borrowing from the Federal Financing Bank, would be met, in part, by an appropriation of funds. There would be no impact whatsoever on the Federal deficit or on the Government's borrowing requirements, since the Treasury would have to borrow the same amount of funds for the use of the Eximbank whether those funds were then transferred to the Bank entirely as a loan or partly as a loan and partly as an appropriation. The only impact will be on the books of the Bank itself. By receiving appropriations to cover estimated subsidy costs, the Bank's capital would be increased by just enough to offset the losses it incurs from the subsidies it conveys. The general depletion of the Bank's capital would thereby be arrested.

Thus, this appropriation of funds would represent a minor recapitalization of the Eximbank. More importantly, it would give the Congress an improved control mechanism, a subsidy budget for the Bank. If subsidies remain quite modest, as they are at present, the argument for permitting the Bank to expand its gross amount of lending will be much more persuasive. Who could object to a rising level of Eximbank lending, as long as the real cost of that lending, its subsidy component, were directly under the control of the budgetary process, and were seen by all to be quite modest? This change in perception, this focusing on the subsidy cost rather than on the gross amounts of lending, is the major purpose of my proposal.

One of the innovations introduced by I-Match is the significant upgrading of the guarantees the Bank would issue under that program. To attract wide participation by financial institutions and to minimize subsidy costs, the Bank is prepared to make its I-Match guarantees transferable, or assignable to thief parties, with only minor restrictions. Its regular guarantees, outside of I-Match, can, however, only be transferred under severe restrictions. Transferability renders the guaranteed loans a very liquid asset, and makes them much more attractive to private lenders. This legislation instructs the Bank to provide for the unrestricted transferability of all its guarantees, not just those under I-Match.

In the last reauthorization of the Bank, we wrote into law the requirement that the Bank establish a medium-term program fully competitive with similar financing available from other export credit agencies. The Subcommittee on International Finance has received a number of suggestions from the exporting community calling for important changes in the structure and administration of the Bank's medium-term financing. The Bank itself has indicated a willingness to review medium-term financing, and to make a serious effort to enhance its competitiveness. This bill urges them on in that review by requiring a report to the Congress analyzing the competitiveness of medium-term financing, the administrative burdens it imposes on users, and measures which would attract wider participation by sources of private capital. If, in the light of this report, we judge the Bank's commitment to providing fully competitive medium-term fi-

nancing to be inadequate, we will be prepared to insist on new legislative remedies.

Finally, this bill incorporates some minor improvements in the legislation that permits the Eximbank to offer domestic financing to match foreign subsidized financing in the United States. If a foreign country offers to finance exports to the U.S. with official export finance, the Treasury is directed to determine if the credit offer violates any official export credit agreements to which we are a party. If it does, the Secretary of the Treasury may authorize the Export-Import Bank to offer equivalent financing to a competing U.S. seller.

The existing law on this issue—section 1912 of the Export-Import Bank Act Amendments of 1978—was thought by some not to pertain to countries which had not accepted any of the export credit agreements governing the type of credit offer being made to finance exports to the United States. That reading was incorrect. The language always applied to any country, whether signatory to an export credit agreement or not. The Department of the Treasury now accepts this interpretation of section 1912, as evidenced by its recent authorization for Eximbank to match a Brazilian credit offer to finance a Brazilian export to the United States on terms that violate the OECD Arrangement, even though Brazil is not a party to that arrangement.

This legislation rewrites the whole of section 1912 in order to make quite clear that it should apply to any country offering subsidized export credit to a U.S. importer in violation of an export credit agreement to which we are a party, whether the country offering the credit is a party or not. The whole of 1912 is rewritten to make it more comprehensible and to remove other ambiguities in the existing language. A new element is also introduced, requiring the Secretary of the Treasury to recommend to the Secretary of Commerce that he initiate an investigation to determine whether countervailing duties should be imposed on imports into the United States financed by subsidized foreign export credits. The imposition of countervailing duties should be the proper defense against such unfair credit practices.

Exim domestic financing to match foreign subsidized credit may at times be necessary, but it is surely an expensive shield against unfair credit competition, and open to flagrant abuse. In the long run, nothing could more erode the support Exim has enjoyed in its effort to boost U.S. exports than a diversion of its resources into domestic financing. To avoid any such diversion, we should rely primarily on countervailing duties to ensure fair credit competition in our domestic markets.

A section-by-section analysis of the Export-Import Bank Act Amendments of 1986 follows:

SECTION-BY-SECTION ANALYSIS

Section 1: Short Title, the "Export-Import Bank Act Amendments of 1986."

Section 2: Provides for the establishment of a 2-year pilot I-Match program. The amount of loans supported by I-Match could not exceed 25% of the principal amount of direct loans that Exim could obligate in FY87, and 50% in FY88.

Section 3: Clarifies Exim's authority to defray the costs of Exim-sponsored activities through "reasonable" fees. Exim can offset the costs for marketing activities to inform and counsel U.S. businesses and banks about its export assistance programs. These efforts have involved Exim-sponsored seminars, conferences, and publications describing its programs and activities.

Section 4: Requires that Exim's Competitiveness Report to Congress include a list of each request for funding from an American exporter that the Bank has rejected during that period, with a brief explanation of the reasons for refusal.

Section 5: Directs the Bank to allow any credit application fee to be paid by either the borrower or the exporter at either the outset of the loan or over the life of the loan.

Section 6: Requires Exim to permit guarantees to be fully transferable, without restriction, thereby making loans guaranteed by Exim highly liquid assets.

Section 7: Permits a director whose term has expired to serve until a successor is appointed, thus insuring no interruption in Exim's operation.

Section 8: Authorizes an appropriation of $145 million for FY87 to cover the subsidy costs of Exim direct lending and I-Match, and further stipulates that Exim cannot make any subsidized direct loans or interest payments (through I-Match) except when covered by appropriations.

Section 9: Extends the Charter for 2 years, until September 30, 1988.

Section 10: Provides that within 60 days of learning that any country is offering official export credit to finance exports to the U.S., the Secretary of Treasury shall determine whether the credit is inconsistent with any agreements on export credit. If so, the Secretary determines whether the credit would be a "significant factor" in the sale. If so, he may authorize the Eximbank to provide equivalent financing to a competing U.S. seller, and he shall recommend that the Secretary of Commerce investigate whether countervailing duties should be imposed on imports financed by the foreign subsidized credit.

This section is a rewrite of the existing law authorizing Exim to offer domestic matching credit. It is rewritten to clarify several ambiguities in the existing law. The only novelty introduced in this rewrite is the requirement for a Treasury recommendation on a countervailing duty investigation.

Section 11: Requires Exim to report to Congress on its medium-term program, including: (1) the competitiveness of Exim's medium-term financing in comparison with that of foreign competitors, and with its other programs; (2) the administrative burdens imposed on medium-term users; and (3) measures which would enhance competitiveness and administrative ease, and make Exim medium-term financing as supportive of U.S. exports as is its Direct Loan Program.

HANDICAPPED CITIZENS IN AMERICA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Georgia [Mr. RAY] is recognized for 30 minutes.

Mr. RAY. Mr. Speaker, I have for many years had a strong interest in exposing young college students to the legislative process through an academic intern program.

A student each quarter is selected by an impartial and nonpolitical entity, strickly on an academic basis.

My goals have been since 1973, as a chief of staff in the Senate and during my time in the House of Representatives, to send young people back to their schools with a better understanding and an appreciation for the legislative process. These students earn credits also at their respective schools and in my opinion their one quarter in Washington is equal to a year in college.

My most recent intern has been a young man from the Fort Valley State College, one of Georgia's two landgrant colleges. His name is Anthony J. Norman, and he is a very capable, very confident, handicapped young man.

He has written his intern and college paper on "Handicapped Citizens in America."

Mr. Speaker, his paper is my message to the Congress today:

HANDICAPPED CITIZENS IN AMERICA

Mr. Speaker, I am pleased to say that through legislation during the past few years we are making strides toward providing for our handicapped citizens.

We have an obligation to conitnue this support, if only for the simple reason that the handicapped and the poor are synonymous in the sense that they will always be with us.

Mr. Speaker, the initial concern for handicapped rehabilitation began with the returning veterans of World War I. The proposals were first directed to soldier rehabilitation, but the bills introduced into Congress in 1917 and 1918 also contained provisions for the rehabilitation of the industrially disabled.

The growing concern for the veteran and civilian industrially disabled led to the Vocational Rehabilitation Program enacted on June 2, 1920. On this day President Woodrow Wilson signed into law the Smith-Fess Act (Public Law 66-236).

Thanks to the Smith-Fess Act, the rehabilitation program is one of the Nation's oldest grant-in-aid programs. It is with great pleasure that I stand before you and say that the basic concepts have continued almost unchanged, with substantial enlargement of scope and effectiveness in legislative authority. In the beginning, this program offered a limited service for the physically handicapped. But, in 1935 the program became permanent with the passage of the Social Security Act of that year. Congress authorized annual appropriations which continue even in 1986.

World War II brought forth the next major step in the rehabilitation program.

In 1943 Congress authorized provisions of surgical, medical and other physical restoration services to reduce or eliminate an individual's disability, thus expanding beyond physical disability to provide services for mentally ill and mentally retarded individuals. Along with this came a redefining of rehabilitation. In this provision the law redefined vocational rehabilitation and vocational rehabilitation services as any service necessary to render a disabled individual fit to engage in remunerative occupation.

Mr. Speaker, Congress recognized the fierce urgency to aid its handicapped and

disabled citizens, for the purpose of the Government is to assist all of its citizens.

In FY 1971 over one million handicapped individuals were provided vocational rehabilitation services.

In FY 1972 agencies aided 1,110,046 physically and or mentally disabled persons and rehabilitated 326,138 persons to productive and meaningful lives.

The numbers have continued to increase over the years proving that the Government is willing to meet the challenge.

The Rehabilitation Act of 1973 might be considered as a momentous decree for our handicapped citizens. This act alone with its many amendments has enabled the growing minority of handicapped citizens to gain access to colleges in order to acquire a better education. It has also opened job employment opportunities in Federal, State and local government.

I must commend Congress for its noble deeds.

In 1970, 11,265,000 persons reported a work disability. This was 9.4 percent of the 120,228,000 Americans aged 16 to 64 and not in institutions.

4,607,000 of the 11,265,000 disabled persons were prevented from working completely by their disability or disabilities.

Mr. Speaker, the most shocking thing about the above-mentioned figures is that those numbers only represent those aged 16 to 64. They exclude the two out of five Americans under age 16 or over age 64 with disabilities.

We learned from the Social Security Administration, the National Center for Health Statistics, and other Government studies that several million children under age 16 are disabled and that several million over age 65 are disabled. These statistics were taken in 1970, more that 15 years ago.

Mr. Speaker, today in nineteen hundred and eighty-six the numbers continue to rapidly increase. Today there are more than forty-four million persons with handicap disabilities.

I am proud to stand before you today and say that we have provided, and we will continue to provide aid for those disabled persons. Even through our efforts to balance the budget we must not forget those who need us the most.

Mr. Speaker, do you know that disabled persons are much less well-educated than are others citizens of working age? Only one adult in every five has attended college, compared with one in three nondisabled individuals in the 16 to 64 age range.

Disabled and handicapped persons are four times as likely to have fewer than eight years of schooling compared to nondisabled working-aged adults.

In some ways, Mr. Speaker, it is a continuing cycle. Those persons who are less well-educated and less well-off financially are the ones most susceptible to the loss of an arm or leg through manual labor. Thus, they are more susceptible to disabilities.

Today, we are winning the battle.

Education through Government programs has enabled our handicapped citizens to take a more active and responsible role in America.

A study compiled in 1982 by the Rand Corporation estimated the total cost of educating handicapped children through the State grant program in school year 1982-1983 to be 23.6 million dollars.

States and their local school districts have the primary responsibility for the education of handicapped children of elementary and secondary age. Fedreal involvement is due primarily to legislation enacted over the past 15 years. There are approximately 4.1 million handicapped children participating in State and local education programs.

Generations of our handicapped children have been educated through various State and local programs. But we can not stop there.

There are great efforts being placed on adequate teacher preparation for our handicapped children. Adequately training classroom teachers continues to be the key ingredient for successfully educating the handicapped.

Mr. Speaker, we must continue to strive forward to assist our handicapped veterans and industrial workers. But just as importantly, we must satisfactorily assist our handicapped children, because through education they too can be placed into the mainstream of our society.

Mr. Speaker, I ask the question, Are they not our future as well?

Mr. Speaker, I don't hesitate to say that the Government cannot work alone.

After they are educated we must work with the private sector to ensure the employment of our handicapped citizens.

We must now be concerned with matching skills with the proper job. And today, we are doing exactly that through partnership programs with industry. Through these programs many organizations are finding good handicapped employees and making use of their potential.

Today, private industries and rehabilitation agencies cooperatively administer the projects, and in almost all cases help the handicapped adjust the attitudes and behaviors of work requirements. They also train them in the skills they need and finally place them in the appropriate job.

The partnership between rehabilitation service agencies and industry is very simple and works on four basic assumptions.

First, the actual work setting provides the most reliable arena for evaluating the skills and attitudes of potential employees and preparing them for competitive employment.

Second, employers need and want help in hiring and training handicapped workers.

Third, the employer can best identify jobs for the handicapped workers, defining the qualifications for those jobs, and designing training programs to enable handicapped applicants to meet those qualification.

And fourth, instituting programs to employ the handicapped is in industry's best interest.

Through these types of continuous efforts, the handicapped becomes employable.

A job that once took great physical strength might now take very little strength because of technological advances. Therefore, Mr. Speaker, there is no longer a need for managers to needlessly screen out handicapped persons who are willing to work, but work together to place them in those jobs they can perform.

I know that there are companies that are willing and waiting to help us employ our handicapped citizens. There are companies in this Nation that are willing to make the necessary accommodations for the handicapped. These accommodations can be provided at little cost and inconvenience.

Companies are making accommodations such as equalizing the applicant's chances, having company personnel read questions to the blind, and writing answers for applicants who have difficulty using their hands.

To enable the handicapped to work, managers can rearrange files, widen access areas, add braille labels, adapt equipment controls for hand or foot operation, and install touch-tone telephones.

Companies provide ramps and handrails to make getting to work and moving around in buildings easier.

Companies adjust the work hours of handicapped personnel to help the disabled avoid the heavy traffic.

Managers help disabled employees get to work by providing parking spaces closer to their facilities, organizing car pools, and calling on local transportation authorities for efficient, accessible bus service.

Mr. Speaker, I applauded these companies for their efforts to make our handicapped citizens fit into business as well as society.

Mr. Speaker, on April 9 through the 13th there will be a national conference held by Very Special Arts, an organization that has been known for the past twelve years as the national committee, arts with the handicapped. This organization provides opportunities for disabled individuals to become part of the mainstream of society through the arts. It is believed that through art even retarded citizens along with other handicapped individuals can better express themselves. Very Special Arts provides a medium that is conducive to learning. Very Special Arts is a nonprofit organization that has invited two individuals from each State to participate in this conference.

Mr. Speaker, this is the type of program that gives the handicapped and disabled citizens a chance to live, appreciate, and enjoy life here in America.

SOLUTIONS TO THE LIABILITY INSURANCE CRISIS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York [Mr. LAFALCE] is recognized for 30 minutes.

Mr. LAFALCE. Mr. Speaker, it is not often that a problem reaches crisis proportions, but thousands of businesses, municipalities and individuals across the country will attest to the existence of an insurance liability crisis. Without insurance, many segments of our society cannot function. Yet, during the past year, premium costs have escalated to the point where liability insurance has become unaffordable to many. And, even those who can afford liability insurance find that they cannot buy it at any price. Unless this crisis, and that is exactly what it is, of affordability and availability is resolved, we will soon find ourselves in a state of economic paralysis.

Crises in the insurance industry are neither new to me, nor surprising. As early as 1978, I stated that "we have seen severe problems with medical malpractice insurance; today we are having difficulties with product liability insurance. Tomorrow, we are likely to have problems in other lines of insurance." Tomorrow is today. The next crisis in the insurance industry has arrived.

Our constituents are demanding relief, and rightfully so. They are caught in an insurance crunch, which leaves them either completely without coverage, or coverage that is obtainable only at astronomical premiums. There is no single solution to a problem of this magnitude. Rather, what is required is a comprehensive multifacted approach which acknowledges the complexity of the problem. The

package of reforms that I am introducing today offers precisely such an approach.

During my time today, I would like to address the following topics: my previous involvement with this issue as chairman of a Small Business Subcommittee, the problems within the insurance industry which my subcommittee uncovered, and proposed solutions which I am introducing in this Congress.

A. SUBCOMMITTEE INVESTIGATION INTO THE INSURANCE CRISIS—LATE 1970'S

If we put these issues into a historical perspective, it quickly becomes apparent that what we are facing today is essentially a replay of a similar insurance crisis that occurred a decade ago. Indeed, it was during the fall of 1976 that I first became aware of the problem of product liability insurance, and insurance coverage generally, when I started receiving complaints concerning unbelievably high premium increases from small businesses within my congressional district in western New York.

Several months later, in February 1977, I was elected chairman of the Small Business Subcommittee on Capital, Investment and Business Opportunities. In that capacity, I started receiving complaints similar to that which I had been receiving from my constituents regarding premium increases, only this time not just from western New York, but from across the country. I then decided to initiate a series of hearings regarding the impact that the product liability insurance shortage was having on the small business person. I did so, and to make a long story short, conducted 16 days of hearings, gathering 5 volumes of testimony from over 75 witnesses.

During the course of this investigation, I also worked very closely with the interagency task force on product liability, led by the Department of Commerce, whose chairman was Prof. Victor Schwartz.

My subcommittee heard testimony from trade associations representing all types of businesses, and the story was always the same: Their members were experiencing not 100-percent increases, but very often 500-percent increases, 1,000-percent increases, and even 10,000-percent increases in their premiums. Many companies were simply unable to afford the extraordinary high premiums for product liability insurance, and chose to "go bare," that is, without coverage. If these stories sound familiar, they should.

Invariably, these trade associations claimed that premiums charged were arbitrary, capricious and unfairly high; and that they bore no relationship either to historical experience or to quality control standards. They also proposed "the solution." In a unanimous vote, they stated, "we need tort reform, we must have drastic changes in our tort laws."

Although certain changes in tort law, for example, uniform product liability standards, seemed to make sense, tort reform alone did not seem likely to achieve a solution. The premiums being charged were unfair, arbitrary and capricious, and this situation could not be rectified through tort reform, but rather required an indepth examination of the insurance industry itself.

B. PITFALLS OF THE INSURANCE INDUSTRY

My inquiry took me through the looking glass, so to speak, because I quickly found out that in the insurance industry appearances can often be deceiving. I quickly found out that the vocabulary of the insurance industry differs markedly from the vocabulary that you and I ordinarily use. Their definition or use of a word would often differ from our definition of that same word. For example, the word "losses." You and I might think that we know what a loss is: It means something that has been lost, rather simple. Well, not so within the insurance industry.

In the insurance industry, the definition of "loss" varies depending upon the context in which it is used. If you use the word "loss" in connection within financial reporting to the States, it means one thing. If you use the word "loss" in connection with ratemaking, it means something quite different. Thus, when the insurance industry for purposes of State financial reporting uses the word "loss," it means that which it paid out in settlement of a given claim or jury verdict. But the industry also means that which it has set aside as reserves for those claims that have been reported to it. In other words, "loss" in this context includes not just what is actually paid out, but estimates of future pay outs as well.

Furthermore, the insurance industry also includes within its definition of "loss," reserves that have been set aside for claims that it says probably have occurred, but of which it has absolutely no knowledge whatsoever. It calls these losses IBNR (incurred but not reported). However, when it uses the word "loss" within the context of ratemaking, it does not include IBNR because it is deemed statistically unreliable—and that's putting it mildly. We'll get back to IBNR a little bit later, but I merely wanted to set the stage for the importance of examining with a critical eye and ear virtually every piece of information you get from the insurance industry.

Gaining an appreciation of insurance industry vocabulary was not all that my subcommittee learned from its exhaustive hearings. We also learned that less than 10 percent of all product liability premium dollars were manually derived—that is, based upon a manual for which there is some actuarial predicate for the rates. This means that in excess of 90 percent of the premium dollars for product liability insurance were not primarily based on actuarially determined rates. Of this 90 percent, a substantial portion were based on the subjective judgment of the individual insurance underwriter. Now that's a fact, and a disturbing one at that.

In determining whether premiums not based primarily on actuarial data are fair or arbitrary and capricious, we have to look at whether the insurance industry's subjective judgment that is both adequately and appropriately informed.

Hopefully, our perception of reality and reality itself are one. Subjective judgments can often be good judgments, informed judgments, even appropriate judgments. If there is a difference, however, between our perception of reality and the reality itself, then the judgment may be erroneous, perhaps arbitrary, even capricious.

One of the most important factors that the underwriter must consider is the frequency of claims—the number of claims that are occurring per exposure unit. Any literature you read circa 1976 and 1977, contains within it the truism that we had gone from a handful of claims in the late 1960's and early 1970's, to the point where we then had 1-million product liability claims per year. Information put out by the Insurance Information Institute and the testimony of many of the trade associations that came before my subcommittee, started out with the fact that there were now 1-million product liability claims per year. That was the perception of reality. But what was reality?

The Insurance Services Office [ISO], a ratemaking and service organization with 4,000 employees, owned by all the major insurance companies—they're able to do this because of the antitrust exemption for the insurance industry under the McCarran-Ferguson Act—made a closed-claim study. It studied approximately 24,000 claims that were closed during an 8½-month period spanning 1976 and 1977. It said that in its judgment this study represented 70 percent of all claims that were closed in the United States during that timeframe. And it was the best judgment of the Insurance Services Office that the range of product liability claims per year was from 60,000 to 140,000. The insurance underwriter's perception of reality was inflating reality by anywhere from 700 to 800 percent.

About 4 months after ISO testified before my subcommittee on this point, two insurance companies—Aetna and Crum Forster—ran advertisements in national journals still using the 1-million figure. However, when you look to the number of claims, you can see that the perception of reality and reality itself differed markedly. And it is on the basis of reality, not anecdotal conjecture, that the insurance industry should set rates and Congress should legislate.

A distinction between reality and the insurance industry's perception of reality regarding the fairness or unfairness of the law also exists. Even though I favor a uniform Federal product liability law because the present law is too murky, I do not subscribe to the view that tort law as presently construed is responsible for escalating premium costs. Indeed, of all claims going through to verdict, in 75 percent of the cases where the law was applied to the facts by a jury, the plaintiff got no recovery. And this was not based on conjecture, but upon the insurance industry's own ISO closed-claim study.

The amount of the award constitutes another factor that goes into the judgmental process. In the national media, we read continually about multimillion dollar settlements and verdicts. Yet, the ISO reported in its testimony before my subcommittee that of all those 24,000 claims that were closed, the average payment for bodily injury claims is $13,911. That's a tremendous difference from millions of dollars, or even hundreds of thousands of dollars. This $13,911 figure did not receive widespread publicity, so few people even knew of it. But even this low figure was, upon very close analysis by my subcommittee, most misleading.

Although the study was a closed-claims one, that $13,911 did not prepresent the average payment that was made. It was a figure that used trended data. That is, what would be paid in the future as if the accident hap-

pened today. In determining their trended data, the insurance industry also used an inflation factor of 25 percent per year. The use of these statistical devices greatly inflated the so-called "average" payout figure. Not only did statistical gimmickery create a misleading average, but the ISO also failed to factor in unsuccessful claims which were closed without any payment by the insurer whatsoever.

If you use the true facts, you would see that the average payment for a bodily injury claim was not in the millions, nor even $13,911. In a study that included 70 percent of all the product liability claims closed in the United States, 24,000 during an 8½-month period, the average payment for bodily injury claims was in reality, $3,592. If you compared the amount that was actually paid out in claims with the total amount of premiums paid in to purchase product liability insurance policies, you would find an excessively large spread in favor of the industry.

The insurance industry's IBNR figures—losses incurred but not reported—also require close scrutiny. In this area, there is no effective way to monitor the insurance industry. Formerly, the IRS was able to do at least some monitoring of the reserves since they were audited on a line-by-line basis. When, however, the IRS did this subsequent to the medical malpractice crisis, it discovered that the insurance industry was overreserving its medical malpractice line by approximately 30–45 percent.

Regrettably, the IRS procedure has now changed. It no longer audits on a line-by-line basis so it can make no determination as to the validity of reserves for any given line—including that with the product liability experience, an area which no State insurance department in the entire United States monitors. Finally, in a detailed questionnaire that I sent out to the insurance industry, I discovered wide variations in IBNR among insurers. The lowest percentage of losses attributable to IBNR was 32 percent by Trawclers, whereas Crumm and Foster was the highest, with its IBNR accounting for 71.4 percent of all its reported losses.

In short, the frequency of claims, the size of the payouts, the misleading use of statistics and various accounting devices which overstate actual loss experience all indicated that the premiums you and I were being charged were unfair, arbitrary and capricious and should have been lowered.

C. THE INSURANCE CRISIS TODAY

History really does repeat itself—but this time it has done so with a vengeance. The crisis which I addressed years ago was primarily centered on problems identified with product liability insurance. Today, those problems remain, but the crisis has now spread throughout the liability insurance industry.

The parameters of the 1986 crisis are boundless. Far more than manufacturers are affected this time. The unavailability or unaffordability of insurance coverage has permeated every sector of society. It determines whether our children can participate in after-school activities; whether we will have day care centers open to care for the young of working parents; and even whether doctors will be able to deliver babies.

This litany does not even come close to describing the disaster that this situation has created for small businesses across America. Because these companies are forced to "go bare," they are extremely vulnerable to big lawsuits or jury awards. Large corporations are also experiencing dramatic increases in premium costs or outright cancellation of coverage. Service sector businesses such as restaurants, bars and ski resorts are also feeling the insurance crunch.

Across the country, businesses of all sizes are facing premium increases ranging from 25 percent to more than 1000 percent for property and casualty insurance—if they can get any coverage at all. Experts predict that the escalating crisis in the availability of insurance will considerably worsen in the months ahead.

Surveys of members of small business organizations reveal high percentages of business owners who have had their policies canceled or have been refused coverage—30 percent of NSB members. Ninety-two percent of the companies surveyed which were able to renew their policies had their rates increased. All this despite the fact that 81 percent of the respondents have never had a case against them.

The picture is indeed bleak. Unfortunately, based on my previous experience with this issue, I am not confident that State insurance commissioners will be able to adequately handle the problem. Generally, state regulatory schemes focus principally on assuring the solvency of insurers; they are not designed to deal with overpricing, or the unavailability of insurance for consumers or businesses. In fact, in 1979, officials from the General Accounting Office testified before my subcommittee, citing their study of the State regulation of the insurance industry. The study found "serious shortcomings in state laws and regulatory activities with respect to protecting the interest of insurance consumers." Nothing has happened in the intervening period to alter this conclusion that a State-by-State approach to the insurance crisis simply is not adequate, and that a Federal response is warranted.

D. PROPOSED SOLUTIONS

The package of bills which I am introducing today is aimed at the many components of the insurance crisis. This comprehensive approach, much of which is based on reforms which I advocated 8 years ago, will serve to stimulate debate as to what Federal response is required to aid the businesses and individuals that are so desperately in need of assistance.

1. FEDERAL INSURANCE COMMISSION

First, to address the inadequacies of State regulatory schemes in dealing effectively with this issue, many of which were revealed by the GAO several years ago, I have proposed the establishment of an agency within the Federal Government with expertise in insurance that can adequately guard against future difficulties. A Federal Insurance Commission will, in general, defer to continued State regulation of the insurance industry, but would retain the power and duty to act in those instances where State regulation is deficient. The Commission will be structured along lines similar to the Federal Trade Commission, and will be given the broad grant of powers needed to perform its role.

Under this legislation, the FIC would be able to prevent persons from engaging in unfair insurance practices. More specifically, the Commission will have the authority to issue cease and desist orders to those insurance companies whose activities are not in the public interest and not necessary to promote their solvency. These powers will prevent insurers from charging excessive premiums and from canceling insurance contracts without justification. As such, the Commission will be able to address directly the principal factors that have contributed to the current crisis of unaffordability and unavailability.

S. REEXAMINATION OF THE MCCARRAN-FERGUSON ACT

Second, I am also calling for a reexamination of the McCarran-Ferguson Act, which exempts the insurance industry from Federal anti trust laws and oversight. The 1945 act was hastily conceived and was enacted with scant legislative history. Thus, the McCarran-Ferguson Act has been the source of much justified criticism. I am introducing five alternative bills which merit careful scrutiny. The bills would: First, repeal the McCarran-Ferguson Act; second, amend the act to require effective State regulation to quality for an exemption from Federal oversight; third, clarify that the exemption from Federal regulation pertains only to insurance matters—not to extraneous matters such as advertising, investment, and so forth; fourth, eliminate those portions of the McCarran-Ferguson Act that exempt the insurance industry from Federal oversight, but retain the part of the act that permits State taxation of the industry; and fifth, define the business of insurance.

The broad-based exemption from the antitrust laws accorded the insurance industry has long been subject to serious criticism. In 1978 and 1979, the National Commission for the Review of the Antitrust Laws and Procedures concluded that the immunity granted by the McCarran-Ferguson Act is overly broad and should be repealed.

As the Commission noted, "where members of a competitively structured industry are allowed collectively published industrywide rates—often without effective State supervision—in an regulatory environment that encourages uniform pricing, insurance premiums are likely to be higher than under a system that relies more heavily on independent pricing decisions." My proposed legislation will bring the antitrust laws to bear upon the insurance industry, thereby permitting competition to drive down the exhorbitant premiums which have so contributed to the current crisis.

3. FEDERAL PRODUCT LIABILITY ACT

Third, equitable tort reform will also promote a resolution of the insurance crisis. However, I am fearful that this cannot be brought about at the State level, where any changes are likely to be overly restrictive of the rights of injured persons. My proposal for Federal Product Liability Law would achieve equity, but not at the expense of an injured party, by creating a much needed single cause of action.

Right now a plaintiff can proceed on theories of breach of warranty, negligence, strict liability, absolute liability, and any of a number of different defenses might or might not be applicable. A single cause of action distinguishes among liability arising out of a defect

in construction—that is, where a product is not manufactured in accordance with the manufacturer's own specifications—and liability arising out of other unsafe conditions or situations where appropriate warning or instructions were allegedly not given.

In all three classes, liability will result for bodily injury proximately caused by a defect. In the latter two cases, however, where liability arises from unsafe conditions or the failure to provide appropriate warnings, the trier of fact will be required to balance the foreseeability and seriousness of the injuries proximately caused, with the utility of the product to society, and the cost that would have been incurred by the manufacturer to have avoided the risk.

My bill also calls for a statute of limitation that would expire 3 years after the time the claimant discovered or should have discovered harm. Some industry spokesmen have agrued that the statute should run from the date of manufacture or sale, rather than the date of injury. In my judgment, such an approach would be harsh and unreasonable. However, in order to alleviate what is a real problem, I have proposed an amendment to the statute of limitations that would provide that 10 years after the product has been in use, the burden of proving fault should rest exclusively on the plaintiff, without the benefit of any presumptions such as the failure to comply with ordinances on statutes, and such doctrines as res ipsa loquitor.

Finally, my proposal would clarify that the state of the art at the time of manufacture is relevant to the unsafe condition of the product. Moreover, we would clarify that the court would have the power to appoint its own expert witnesses. It would also provide for pure comparative responsibility. Responsibility would be apportioned among plaintiff and all defendants. These proposed reforms will provide a needed degree of rationality, coherence and balance to our tort laws. They recognize the need to provide uniformity and certainly to those manufacturers whose products are sold, not locally, but in interestate commerce. They do not, however, unfairly restrict the rights of individuals to seek redress through the courts for injuries caused by the negligent conduct of a manufacturer.

4. EXPANSION OF THE PRODUCT LIABILITY RISK RETENTION ACT

Fourth, in 1981, President Reagan signed into law the Product Liability Risk Retention Act of 1981, a bill based on one I had introduced in past Congresses. The stated purposes of this law were to ensure the prompt payment of legally valid claims, to promote competition among providers to product liability coverage, and to reduce the outflow of capital to offshore captive insurance companies. One additional feature of the act was that it had the effect of preempting State laws which prohibited selling product liability insurance to fictitious groups. Removing this impediment greatly facilitated the ability of groups of manufacturers to obtain insurance in the commercial marketplace.

In light of our current liability insurance crisis, we need to enact amendments to this law which will expand its coverage to general liability insurance rather than exclusively product liability, and I am introducing a bill that will do just that.

E. CONCLUSION

Mr. Speaker, the liability insurance crisis will continue to haunt us if we don't act responsibly and take action now. The insurance crisis which I investigated during the late 1970's has returned, and will continue coming back unless something is done to bring effective accountability to the insurance industry.

My proposed reforms are a starting point. For example, the Federal Insurance Commission will ensure, for the first time, effective regulation of the insurance industry. Repeal of or amendments to the McCarran-Ferguson Act will stimulate much needed competition in the industry. A uniform Federal product liability statute along the lines I have suggested will provide predictability and certainty to business, while not unfairly infringing upon the rights of injured individuals. Finally, expansion of the Product Liability Risk Retention Act to cover all lines of liability insurance will create new options for those businesses that are unable to obtain insurance in the current market.

I hope that my colleagues have the courage necessary to stand up for their constituents in the face of admittedly heavy opposition. I invite each of you to join with me in a search for lasting solutions to the liability insurance crisis.

Congress must be willing to admit that this problem is beyond the ability of the States to handle, and initiate debate on the subject.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. WEAVER) to revise and extend their remarks and include extraneous material:)

Mr. FRANK, for 5 minutes, today.
Mr. LIPINSKI, for 5 minutes, today.
Mr. ANNUNZIO, for 5 minutes, today.
Mr. NEAL, for 10 minutes, today.
Mr. RAY, for 30 minutes, today.
Mr. LAFALCE, for 30 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. MILLER of Ohio) and to include extraneous matter:)

Mr. GINGRICH.
Mr. RUDD.
Mr. BILIRAKIS.
Mr. PETRI.
Mrs. ROUKEMA in two instances.
Mr. LAGOMARSINO.
Mr. DIOGUARDI in two instances.
Mr. CHAPPIE.
Mr. GEKAS.
Ms. SNOWE.
Mr. JEFFORDS.

(The following Members (at the request of Mr. WEAVER) and to include extraneous matter:)

Mr. HOYER in two instances.
Mr. RICHARDSON.
Mr. FOWLER.
Mr. BRYANT.
Mr. FAZIO.
Mr. WALGREN in two instances.
Mr. YATRON in two instances.
Mr. STARK.
Mr. HERTEL of Michigan.
Mr. KLECZKA.
Mr. COLEMAN of Texas.
Mr. UDALL.
Mr. STAGGERS.

SENATE JOINT RESOLUTIONS REFERRED

Joint resolutions of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S.J. Res. 251. Joint resolution to designate the week of May 11, 1986, through May 17, 1986, as "National Science Week, 1986"; to the Committee on Post Office and Civil Service.

S.J. Res. 267. Joint resolution designating the week of May 26, 1986, through June 1, 1986, as "Older Americans Melanoma/Skin Cancer Detection and Prevention Week"; to the Committee on Post Office and Civil Service.

S.J. Res. 286. Joint resolution to designate the week of April 20, 1986, through April 26, 1986, as "National Reading Is Fun Week"; to the Committee on Post Office and Civil Service.

S.J. Res. 297. Joint resolution to designate the week of April 20, 1986, as "Crime Victims Week"; to the Committee on Post Office and Civil Service.

ENROLLED JOINT RESOLUTION SIGNED

Mr. ANNUNZIO, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a joint resolution of the House of the following title, which was thereupon signed by the Speaker:

H.J. Res. 573. Joint resolution making a repayable advance to the hazardous substance response trust fund.

SENATE ENROLLED JOINT RESOLUTIONS SIGNED

The SPEAKER announced his signature to enrolled joint resolutions of the Senate of the following titles:

S.J. Res. 226. Joint resolution to designate the week of April 6 through April 12, 1986, as "World Health Week," and to designate April 7, 1986, as "World Health Day," and

S.J. Res. 262. Joint resolution to authorize and request the President to issue a proclamation designating June 2 through June 8, 1986, as "National Fishing Week."

ADJOURNMENT TO TUESDAY, APRIL 8, 1986

Mr. RAY. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to.

The SPEAKER pro tempore. Pursuant to the provisions of House Concurrent Resolution 304 of the 99th Congress, the House stands adjourned until Tuesday, April 8, 1986, at 12 o'clock noon.

Thereupon (at 1 o'clock and 56 minutes p.m.) pursuant to House Concurrent Resolution 304, the House adjourned until Tuesday, April 8, 1986, at 12 o'clock noon.

CONTRACTUAL ACTIONS, CALENDAR YEAR 1985, TO FACILITATE NATIONAL DEFENSE

The Clerk of the House of Representatives submits the following report for printing in the CONGRESSIONAL RECORD pursuant to section 4(b) of Public Law 85-804:

DEPARTMENT OF ENERGY,
Washington, DC, March 14, 1986.

Hon. THOMAS P. O'NEILL, Jr.,
Speaker of the House of Representatives, Washington, DC.

DEAR MR. SPEAKER: The following information is submitted pursuant to the provisions of Public Law 85-804, and implementing instructions contained in Federal Acquisition Regulation Part 50.

For the calendar year ending December 31, 1985, the following actions, under the subject Act, are reported for the Department of Energy.

1. Actions Approved: Residual Powers.

The Department of Energy manages and operates several national laboratories and production facilities in support of the nation's nuclear security programs and the pursuit of energy research and development. To maintain these facilities and provide enhancements as necessary to support the Department's mission, several on-site construction contractors are employed under long-term contracts.

The major construction contractors at the Idaho National Engineering Laboratory (Idaho Falls, Idaho) and at the Department's Hanford Site (Richland, Washington) have negotiated and executed Site Stabilization Agreements (SSA's) with the Building and Construction Trades Department of the AFL-CIO, the International Unions affiliated therewith, and the International Brotherhood of Teamsters, Chauffeurs, Warehousemen and Helpers of America. Two determinations, each dated January 16, 1985, were issued by the Secretary of Energy in order to require all Richland and Idaho contracts and subcontracts which are subject to the Davis-Bacon Act to contain a clause mandating all such contractors and subcontractors to adhere to the economic provisions of the SSA's in order to facilitate the national defense. The SSA's provide for uniform overtime provisions and work hours among all crafts. Travel pay has been greatly reduced under both SSA's. The SSA's also contain strong no-strike, no lockout language, thus minimizing the risk of interruptions of work due to labor disputes.

The requirement to adhere to the economic provisions of the SSA's is deemed to be in the best interests of the Department, inasmuch as it results in uniformity of labor rates, fringe benefits, and working conditions, thus promoting labor stability and productivity at those sites.

2. Actions Denied: None.

Sincerely,

BERTON J. ROTH,
Director, Procurement and Assistance Management Directorate, Management and Administration.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

3091. A letter from the Administrator, Energy Information Administration, Department of Energy, transmitting EIA's 1985 annual report, pursuant to FEAA, section 57(a)(2) (90 Stat. 1139; 91 Stat. 572); to the Committee on Energy and Commerce.

3092. A letter from the Secretary of Health and Human Services, transmitting a report on the administration of the Radiation Control for Health and Safety Act during calendar year 1985, pursuant to 42 U.S.C. 263l(a); to the Committee on Energy and Commerce.

3093. A letter from the Secretary of Health and Human Services, transmitting a report on the Department's assessment of the adequacy of the new programs and services initiated to meet the alcohol and drug abuse treatment needs of women and the mental health needs of severely disturbed children and adolescents, pursuant to 42 U.S.C. 300X-4(g); to the Committee on Energy and Commerce.

3094. A letter from the Acting Chairman, Federal Trade Commission, transmitting the Commission's 70th annual report covering its accomplishments during the fiscal year ended September 30, 1984, pursuant to the act of September 26, 1914, chapter 311, section 6(f); to the Committee on Energy and Commerce.

3095. A letter from the Acting Attorney General, Department of Justice, transmitting the annual competition advocacy report, pursuant to 41 U.S.C. 419; to the Committee on Government Operations.

3096. A letter from the Acting Director, Institute of Museum Services, transmitting the Freedom of Information Act report for calendar year 1985, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

3097. A letter from the Chairman, Securities and Exchange Commission, transmitting a report on the Commission's activities under the Freedom of Information Act during calendar year 1985, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

3098. A letter from the Director, Procurement and Assistance Management Directorate, Management and Administration, Department of Energy, transmitting a report on contracts entered into, amended, or modified, to facilitate the national defense during calendar year 1985, pursuant to Public Law 85-804, section 4; to the Committee on Government Operations.

3099. A letter from the Deputy Assistant Secretary of Defense, transmitting notification that the Department of the Air Force has submitted a proposed altered record system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

3100. A letter from the Solicitor, U.S. Commission on Civil Rights, transmitting a report on the Commission's activities under the Freedom of Information Act during calendar year 1985, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

3101. A letter from the Secretary of the Interior, transmitting the first national plan for research in mining and mineral resources, pursuant to Public Law 98-409, section 9(e); to the Committee on Interior and Insular Affairs.

3102. A letter from the Director, Community Relations Service, Department of Justice, transmitting a report on the activities of the community relations service for fiscal year 1985, pursuant to 42 U.S.C. 2000g-3; to the Committee on the Judiciary.

3103. A letter from the Chairman, Board of Directors, Future Farmers of America, transmitting a report on the audit of the accounts of the Future Farmers of America for the period ending August 31, 1985, pursuant to Public Law 88-504, section 3 (36 U.S.C. 1103); to the Committee on the Judiciary.

3104. A letter from the Secretary of Health and Human Services, transmitting a report on the exclusion of certain home energy assistance (and support and maintenance assistance) from income under the Supplemental Security Income Program and the Program of Aid to Families with Dependent Children, pursuant to Public Law 97-424, section 545(d); to the Committee on Ways and Means.

3105. A letter from the U.S. Trade Representative, transmitting the second triennial report on the agreement on technical barriers to trade, approved under section 2(a) of the Trade Agreement Act of 1979 (January 1983 to December 1985), pursuant to 19 U.S.C. 2573; to the Committee on Ways and Means.

3106. A letter from the Staff Director, Commission on the Bicentennial of the United States Constitution, transmitting a sequestration report, pursuant to Public Law 99-177; jointly, to the Committees on Appropriations and Post Office and Civil Service.

3107. A letter from the Chairman of the Board, U.S. Synthetic Fuels Corporation, transmitting a report on the Corporation's activities, progress, and financial statements, pursuant to Public Law 96-294, section 177(d)(1); jointly, to the Committees on Banking, Finance and Urban Affairs and Energy and Commerce.

3108. A communication from the President of the United States, transmitting notification of his intention to exercise his authority under section 506(a) of the Foreign Assistance Act in order to authorize the furnishing of up to $20 million in emergency military assistance to Honduras, purusant to 22 U.S.C. 2318(b)(2) and 22 U.S.C. 2411; jointly, to the Committees on Foreign Affairs and Appropriations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mrs. SCHROEDER: Committee on Post Office and Civil Service. H.R. 3002. A bill to provide for the establishment of an experimental program relating to the acceptance of voluntary services from participants in an

executive exchange program of the Government; with an amendment (Rept. 99-505). Referred to the Committee of the Whole House on the State of the Union.

Mrs. SCHROEDER: Committee on Post Office and Civil Service. H.R. 917. A bill to amend title 5, United States Code, to extend to certain employees in the excepted service the same procedural and appeal rights as are afforded to employees in the competitive service with respect to certain adverse personnel actions; with an amendment (Rept. 99-506). Referred to the Committee of the Whole House on the State of the Union.

Mr. DINGELL: Committee on Energy and Commerce. H.R. 44. A bill to amend the Federal Power Act to provide for more protection to electric consumers; with an amendment (Rept. 99-507). Referred to the Committee of the Whole House on the State of the Union.

Mr. HAMILTON: Permanent Select Committee on Intelligence. H.R. 4276. A bill to require that any U.S. Government support for military or paramilitary operations in Angola be openly acknowleged and publicly debated; (Rept. 99-508, Pt. 1). Ordered to be printed.

Mr. FUQUA: Committee on Science and Technology. Report on assured access to space during the 1990's (Rept. 99-509). Referred to the Committee of the Whole House on the State of the Union.

Mr. WHITTEN: Committee on Appropriations. H.R. 4515. A bill making urgent supplemental appropriations for the fiscal year ending September 30, 1986, and for other purposes; (Rept. 99-510). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. AUCOIN:

H.R. 4491. A bill to amend the Export Administration Act of 1979 with respect to exports of goods and technology subject to export controls for national security purposes; to the Committee on Foreign Affairs.

By Mr. BEDELL:

H.R. 4492. A bill to permit the transfer of certain airport property in Algona, IA; to the Committee on Public Works and Transportation.

By Mr. BIAGGI:

H.R. 4493. A bill to amend the Fair Labor Standards Act of 1938 to increase the minimum wage and to index it to 50 percent of the average hourly wage in the private sector; to the Committee on Education and Labor.

By Mr. BIAGGI (for himself and Mr. LEHMAN of Florida):

H.R. 4494. A bill to establish a task force to examine the issues associated with abuse of the elderly; jointly, to the Committees on Education and Labor, Energy and Commerce, and the Judiciary.

By Mr. DIOGUARDI (for himself and Mr. BOULTER):

H.R. 4495. A bill to establish the Office of the Chief Financial Officer of the United States in the Executive Office of the President to direct and coordinate Federal financial management, and to establish an Office of the Assistant Secretary for Financial Management within each executive department and an Office of the Comptroller in each executive agency; to the Committee on Government Operations.

By Mr. DORGAN of North Dakota:

H.R. 4496. A bill to amend the Federal Reserve Act to provide that the Chairman of the Board of Governors of the Federal Reserve System may be removed from such position by the adoption of a joint resolution of the Congress; to the Committee on Banking, Finance and Urban Affairs.

H.R. 4497. A bill to modernize the Federal Reserve System and to provide for prompt disclosure of certain decisions of the Federal Open Market Committee; jointly, to the Committees on Banking, Finance and Urban Affairs and Government Operations.

By Mr. FOGLIETTA:

H.R. 4498. A bill to amend the Regional Rail Reorganization Act of 1973 to provide for the transfer of ownership of the Consolidated Rail Corporation [Conrail] to the private sector, and for other purposes; jointly, to the Committees on Energy and Commerce and Ways and Means.

By Mr. LAFALCE:

H.R. 4499. A bill to establish a Federal Insurance Commission to regulate the insurance industry; jointly, to the Committees on Banking, Finance and Urban Affairs and Energy and Commerce.

H.R. 4500. A bill to repeal the McCarran-Ferguson Act; to the Committee on the Judiciary.

H.R. 4501. A bill to amend the McCarran-Ferguson Act to require effective State regulation of the business of insurance to obtain exemption from certain Federal laws; to the Committee on the Judiciary.

H.R. 4502. A bill to amend the McCarran-Ferguson Act to remove the present exemption from certain Federal laws which would otherwise relate to regulating the business of insurance; to the Committee on the Judiciary.

H.R. 4503. A bill to repeal the current broad antitrust immunity granted by the McCarran-Ferguson Act, and substitute in lieu thereof a grant of rulemaking authority to the Federal Trade Commission to affirm the legality under the antitrust laws of certain essential collective activities by the insurance industry; to the Committee on the Judiciary.

H.R. 4504. A bill to amend the McCarran-Ferguson Act to define the business of insurance; to the Committee on the Judiciary.

H.R. 4505. A bill to provide uniform standards for Federal product liability tort laws; jointly, to the Committees on Energy and Commerce and the Judiciary.

H.R. 4506. A bill to facilitate the ability of organizations to establish risk retention groups, to facilitate the ability of such organizations to purchase liability insurance on a group basis, and for other purposes; to the Committee on Energy and Commerce.

By Mr. LUNDINE (for himself and Mr. BEREUTER) (by request):

H.R. 4507. A bill to provide for membership for the United States in the Multilateral Investment Guarantee Agency, and for U.S. acceptance of the merger of the capital resources of the Inter-American Development Bank; to the Committee on Banking, Finance and Urban Affairs.

By Mr. MICA:

H.R. 4508. A bill entitled: "The High Technology Antidumping Act of 1986"; jointly, to the Committee on the Judiciary and Ways and Means.

By Mr. MONTGOMERY (by request):

H.R. 4509. A bill to amend title 38, United States Code, to authorize Veterans' Administration police officers to enforce State and local traffic laws on Veterans' Administration property; to the Committee on Veterans' Affairs.

By Mr. NEAL:

H.R. 4510. A bill to amend the Export-Import Bank Act of 1945, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

By Mr. PETRI:

H.R. 4511. A bill to provide for the sale of the common stock of Conrail held by the United States, and for other purposes; to the Committee on Energy and Commerce.

By Mr. RIDGE (for himself, Mr. EDGAR, Mr. SHELBY, Mr. GRAY of Illinois, Mr. SMITH of New Jersey, Mr. ROWLAND of Connecticut, Mr. EVANS of Illinois, Ms. KAPTUR, and Mr. STAGGERS):

H.R. 4512. A bill to amend the Internal Revenue Code of 1954 to allow a credit against tax for expenses incurred in the care of elderly veterans; to the Committee on Ways and Means.

By Mr. ROBERTS:

H.R. 4513. A bill to amend the Federal Insecticide, Fungicide, and Rodenticide Act to insure safer pesticides and to better protect the public and the environment, and for other purposes; to the Committee on Agriculture.

By Mr. WEAVER:

H.R. 4514. A bill to amend the Federal Election Campaign Act of 1971 to change certain contribution limits for congressional elections and to amend the Communications Act of 1934 regarding the broadcasting of certain material relating to candidates for Federal elective office, and for other purposes; jointly, to the Committee on House Administration and Energy and Commerce.

By Mr. GARCIA:

H.J. Res. 579. Joint resolution to designate the week beginning May 18, 1986, as "National Children's Accident Prevention Week"; to the Committee on Post Office and Civil Service.

By Mr. KLECZKA (for himself, Mr. ENGLISH, Mr. HORTON, Mr. SAVAGE, Mr. FAUNTROY, Mr. CONYERS, Mr. TOWNS, Mr. MILLER of Washington, Mr. ROE, Mr. MARTINEZ, Mr. FUSTER, Mr. SOLARZ, Mr. LEVIN of Michigan, Mr. BRYANT, Mr. FAZIO, Mr. VENTO, Mr. MATSUI, Mrs. BOXER, Mr. ERDREICH, Mr. ALEXANDER, Mr. BOSCO, Mrs. BURTON of California, Mr. DELLUMS, Mr. COELHO, Mr. PANETTA, Mr. ROYBAL, Mr. LEVINE of California, Mr. TORRES, Mr. BATES, Mr. GEJDENSON, Mr. BENNETT, Mr. SMITH of Florida, Mr. FASCELL, Mr. STALLINGS, Mr. EVANS of Illinois, Mr. GRAY of Illinois, Mr. JACOBS, Mr. PERKINS, Mr. FRANK, Mr. MAVROULES, Mr. MOAKLEY, Mr. WOLPE, Mr. KILDEE, Mr. BONIOR of Michigan, Mr. LOWRY of Washington, Mr. SIKORSKI, Mr. RICHARDSON, Mr. MRAZEK, Mr. MANTON, Mr. SCHUMER, Mr. WEISS, Mr. BIAGGI, Mr. ROSE, Ms. KAPTUR, Ms. OAKAR, Mr. COOPER, Mr. CHAPMAN, Mr. COLEMAN of Texas, Mr. WISE, Mr. ASPIN, Mr. MOODY, Mr. DE LUGO, Mr. STARK, Mr. WAXMAN, Mr. MORRISON of Connecticut, Mr. MACKAY, Mr. FOWLER, Mr. BARNARD, Mr. AKAKA, Mr. RUSSO, Mr. MCCLOSKEY, Mr. STUDDS, Mr. NEAL, Mr. MURTHA, Mr. DE LA GARZA, Mr. BUSTAMANTE, Mr. ORTIZ, Mr. MINETA, and Mr. HUGHES):

H.J. Res. 580. Joint resolution to designate the week beginning September 7, 1986 as "National Freedom of Information Act Awareness Week"; to the Committee on Post Office and Civil Service.

By Mr. LIPINSKI (for himself, Mr. MANTON, Mr. NOWAK, Mr. DWYER of New Jersey, Ms. OAKAR, Mr. BORSKI, Mr. BUSTAMANTE, Mr. DURBIN, Mr. FASCELL, Mr. LAGOMARSINO, Mr. FUSTER, Mr. DYMALLY, and Mr. WALGREN):

H.J. Res. 581. Joint resolution to designate July 4, 1986 as "National Immigrants Day"; to the Committee on Post Office and Civil Service.

By Mr. MICHEL (for himself and Mr. WRIGHT):

H.J. Res. 582. Joint resolution to designate April 20, 1986 as "Education Day U.S.A."; to the Committee on Post Office and Civil Service.

By Mr. NEAL:

H. Con. Res. 307. Concurrent resolution to express the sense of the Congress that interest on State and local bonds shall not be included in determining any Federal alternative minimum income tax; to the Committee on Ways and Means.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

320. By the SPEAKER: Memorial of the Senate of the Commonwealth of The Mariana Islands, relative to the termination of the trusteeship agreement; to the Committee on Interior and Insular Affairs.

321. Also, memorial of the Legislature of the State of Alaska, relative to maintaining air service to Cordova, Yakutat, Petersburg, Wrangell, and Gustavus, AK; to the Committee on Public Works and Transportation.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 1213: Mr. HUBBARD.

H.R. 1626: Mr. WILSON and Mr. DEWINE.

H.R. 2210: Mr. MILLER of Washington.

H.R. 2295: Mr. GALLO.

H.R. 2504: Mr. WILSON and Mr. YATES.

H.R. 2620: Mr. MONSON and Mr. DORNAN of California.

H.R. 2684: Mr. WILSON.

H.R. 3006: Mr. BARNARD and Mr. DARDEN.

H.R. 3247: Mr. FORD of Michigan and Mr. WILLIAMS.

H.R. 3646: Mr. BROWN of California.

H.R. 3647: Mr. BROWN of California.

H.R. 3662: Mr. DAVIS, Mrs. BENTLEY, Mr. WILSON, Mr. TOWNS, and Ms. KAPTUR.

H.R. 3747: Mr. MONTGOMERY, Mr. EDWARDS of California, Mr. APPLEGATE, Mr. DOWDY of Mississippi, Mr. SHELBY, Mr. PENNY, Mr. STAGGERS, Mr. HAMMERSCHMIDT, and Mr. MOLLOHAN.

H.R. 3800: Mr. LIGHTFOOT, Mr. MCCLOSKEY, Mr. WYLIE, Mr. SMITH of Iowa, Mr. ZSCHAU, Mr. DIXON, Mr. KOLBE, Mr. STUMP, Mr. MILLER of Ohio, Mr. TORRICELLI, and Mr. BEREUTER.

H.R. 3817: Mr. SPENCE, Mr. HERTEL of Michigan, Mr. WORTLEY, Mr. ANDERSON, Mr. JONES of North Carolina, Mr. DUNCAN, Mr. MCDADE, Mr. EVANS of Illinois, Mr. OWENS, Mr. FAZIO, Mr. KOLTER, Mr. WHEAT, Mr. RITTER, Mr. DIXON, Mr. SUNDQUIST, Mr. ORTIZ, Mr. CARPER, Mr. ROE, Mr. YATRON, Mr. HEFNER, Mr. BLILEY, Mr. YOUNG of Missouri, Mr. RINALDO, Mr. BILIRAKIS, Mr. BATEMAN, and Mr. MACK.

H.R. 3937: Mr. COLEMAN of Missouri.

H.R. 3950: Mr. FAWELL, Mr. WOLPE, Mr. STUDDS, and Mr. PACKARD.

H.R. 4003: Mr. FROST.

H.R. 4056: Mr. EDWARDS of Oklahoma.

H.R. 4057: Mr. ROSE, Mr. SHELBY, Mr. QUILLEN, Mr. SMITH of Florida, Mr. HOWARD, Mr. STARK, Mr. HENDON, Mrs. BENTLEY, Mr. LENT, Mr. MCCLOSKEY, and Mr. STRANG.

H.R. 4119: Mr. STARK and Mr. WEISS.

H.R. 4175: Mr. FOGLIETTA, Mr. DAVIS, Mr. ORTIZ, Mr. CARNEY, Ms. MIKULSKI, Mr. BOSCO, Mr. STUDDS, Mr. OBERSTAR, Mr. CHAPPIE, Mrs. BOXER, Mr. SCHEUER, Ms. OAKAR, and Mr. TRAXLER.

H.R. 4194: Mr. WOLPE.

H.R. 4195: Mr. BRYANT.

H.R. 4223: Mr. COURTER, Mr. FRANK, Mr. LEVINE of California, Mr. FORD of Tennessee, Mr. LELAND, and Mr. MANTON.

H.R. 4299: Mr. SLAUGHTER, Mr. BLILEY, Mr. HANSEN, Mr. DORGAN of North Dakota, Mr. STRANG, Mr. BILIRAKIS, Mr. WATKINS, Mr. LIVINGSTON, Mr. ARMEY, Mr. GINGRICH, Mr. EMERSON, Mr. SKELTON, Mr. MONTGOMERY, Mr. LEATH of Texas, Mr. IRELAND, Mr. COBEY, Mrs. VUCANOVICH, Mr. BARTLETT, Mr. MONSON, Mr. CHAPPIE, Mr. SCHAEFER, Mr. SAXTON, Mr. GALLO, Mr. RITTER, Mr. MCMILLAN, Mr. WALKER, Mr. DE LA GARZA, Mr. LAGOMARSINO, Mr. SMITH of New Hampshire, Mr. TAUKE, Mr. HYDE, Mr. SPENCE, Mr. TAYLOR, Mr. SKEEN, Mr. EDWARDS of Oklahoma, and Mr. PASHAYAN.

H.R. 4419: Mr. DAUB.

H.R. 4421: Mr. AKAKA, Mrs. BURTON of California, Mr. TALLON, Mr. HALL of Ohio, Mr. MURPHY, Mr. MCHUGH, Mr. LELAND, Mr. FRANK, Mr. SAVAGE, Mr. MILLER of California, Mr. ATKINS, Mr. FUSTER, Mr. SEIBERLING, Mr. KANJORSKI, Mr. EDGAR, Mr. ROE, Mr. MITCHELL, Mrs. LONG, Mr. BEDELL, Mr. KASTENMEIER, Mr. HAYES, Mr. GEJDENSON, Mr. LUNDINE, Mr. WEAVER, Mr. WILLIAMS, Mr. RODINO, Mr. TOWNS, Mr. MORRISON of Connecticut, Mr. DAVIS, Mr. WHEAT, Mr. OLIN, Mr. PANETTA, Mr. MARTINEZ, Mr. DE LUGO, Mr. BIAGGI, Mrs. BOGGS, Mr. MINETA, and Mr. TRAXLER.

H.R. 4442: Mr. KINDNESS, Mr. LAGOMARSINO, Mr. RITTER, and Mrs. SMITH of Nebraska.

H.R. 4476: Mr. SKEEN.

H.J. Res. 49: Mr. BILIRAKIS.

H.J. Res. 234: Mr. WIRTH, Mr. COYNE, Mr. DIXON, Mr. RODINO, Mr. UDALL, Mr. BOSCO, Mr. CALLAHAN, Mr. CHAPPIE, Mr. BOLAND, Mr. KASTENMEIER, Mr. DIOGUARDI, Mr. HEFNER, Mr. MCDADE, Mr. JENKINS, Mr. GEPHARDT, Mr. MILLER of Washington, Mr. WEAVER, and Mr. LAGOMARSINO.

H.J. Res. 297: Mr. WIRTH, Mr. FISH, and Mr. LEACH of Iowa.

H.J. Res. 381: Mr. DICKS, Mr. MARTIN of New York, Mr. CHAPMAN, Mr. MONTGOMERY, Mr. YOUNG of Missouri, Mr. YOUNG of Florida, Mr. COUGHLIN, Mr. MARKEY, Mr. KEMP, Mr. PANETTA, Mr. BLAZ, Mr. LEHMAN of California, Mr. DONNELLY, Mr. GREEN, Mr. GINGRICH, Mr. HAYES, Mr. GEJDENSON, Mr. HUTTO, Mr. HARTNETT, Mr. WALKER, Mr. SPENCE, Mr. CARR, and Mr. FASCELL.

H.J. Res. 435: Mrs. BENTLEY.

H.J. Res. 480: Mr. MURPHY, Mr. LEVIN of Michigan, Mr. KEMP, Mr. DWYER of New Jersey, Mrs. BENTLEY, Mr. HORTON, Mr. FAZIO, Mr. FLIPPO, Mr. MONSON, Mr. VANDER JAGT, Mr. WAXMAN, and Mr. COURTER.

H.J. Res. 492: Mr. BROOKS, Mr. WILSON, Mr. MATSUI, Mr. ORTIZ, Mr. WYDEN, Mr. FOGLIETTA, Mr. WOLPE, Mr. SHUMWAY, Mrs. BURTON of California, Mr. MARKEY, Mr. GRAY of Pennsylvania, Mr. KLECZKA, Mr. KOLTER, Mr. MICHEL, Mr. SMITH of New Jersey, Mr. LAGOMARSINO, Mr. KOSTMAYER, Mr. ANDREWS, Mr. MOAKLEY, Mr. SMITH of Iowa, Mr. VALENTINE, and Mr. LOWRY of Washington.

H.J. Res. 521: Mr. RANGEL, Mr. BIAGGI, Mr. FOLEY, Mr. LAFALCE, Mr. DONNELLY, and Mr. DOWNEY of New York.

H.J. Res. 527: Mr. BOLAND, Mr. BATEMAN, Mr. DORNAN of California, Mr. DWYER of New Jersey, Mr. LIPINSKI, Mr. MCCLOSKEY, Mr. WORTLEY, Mr. MOORHEAD, Mr. WOLF, Mr. DANIEL, Mr. BEILENSON, Mr. MINETA, Mr. LANTOS, Mr. SMITH of Florida, Mr. IRELAND, Mr. MCGRATH, Mr. MCEWEN, Mr. ROSE, Mr. WILSON, Mr. YOUNG of Florida, Mr. MATSUI, Mr. RUDD, Mr. ALEXANDER, Mr. LEVIN of Michigan, Mr. HUGHES, Mr. LIVINGSTON, Mrs. HOLT, Mr. REID, Mr. MCCAIN, Mr. RANGEL, Mr. ROE, Mr. MONSON, Mr. MCHUGH, Mr. UDALL, and Mr. FROST.

H.J. Res. 529: Mr. DORNAN of California and Mr. LOWERY of California.

H.J. Res. 531: Mr. BERMAN, Mr. MORRISON of Connecticut, Mr. TAUKE, Mr. NATCHER, Mr. MONSON, Mr. MAZZOLI, and Mr. SNYDER.

H.J. Res. 539: Mr. SILJANDER, Mr. MCCAIN, Mr. HENRY, Ms. OAKAR, Mr. SKELTON, Mr. JEFFORDS, and Mr. DORNAN of California.

H.J. Res. 552: Mr. TOWNS, Mr. HORTON, Mr. DYMALLY, Mr. HOYER, Mr. GINGRICH, Mr. MARTINEZ, Mr. MRAZEK, Mr. TRAFICANT, Mr. WORTLEY, Mr. VALENTINE, Mrs. HOLT, Mr. SKELTON, Mr. DWYER of New Jersey, Mr. BEDELL, Mr. LEVIN of Michigan, Mr. DAUB, Mr. DE LUGO, Mr. BOEHLERT, Mr. HOWARD, Mr. FAZIO, Mr. WAXMAN, Ms. KAPTUR, Mr. DOWDY of Mississippi, Mr. HUGHES, and Mr. DORNAN of California.

H.J. Res. 556: Mr. DAUB, Mr. MONSON, and Mr. DORNAN of California.

H.J. Res. 560: Mr. SKELTON, Mr. VOLKMER, Mr. BEREUTER, Mr. DAUB, Mrs. SMITH of Nebraska, Mrs. VUCANOVICH, Mr. GREGG, Mr. HOWARD, Mr. DWYER of New Jersey, Mr. RINALDO, Mr. ROE, Mr. RODINO, Mr. GALLO, Mr. GUARINI, Mr. LUJAN, Mr. SKEEN, Mr. RICHARDSON, Mr. DOWNEY of New York, Mr. MRAZEK, Mr. LENT, Mr. MCGRATH, Mr. SOLARZ, Mr. MOLINARI, Mr. GREEN, Mr. RANGEL, Mr. FISH, Mr. BOEHLERT, Mr. MARTIN of New York, Mr. HORTON, Mr. VALENTINE, Mr. WHITLEY, Mr. NEAL, Mr. MCMILLAN, Mr. BROYHILL, Mr. LUKEN, Mr. GRADISON, Mr. OXLEY, Mr. LATTA, Mr. KINDNESS, Mr. MILLER of Ohio, Mr. KASICH, Mr. REGULA, Mr. CALLAHAN, Mr. DICKINSON, Mr. BEVILL, Mr. FLIPPO, Mr. SHELBY, Mr. UDALL, Mr. RUDD, Mr. ANTHONY, Mr. CHAPPIE, Mr. MATSUI, Mrs. BURTON of California, Mr. STARK, Mr. ZSCHAU, Mr. SHUMWAY, Mr. COELHO, Mr. PANETTA, Mr. PASHAYAN, Mr. LAGOMARSINO, Mr. THOMAS of California, Mr. BEILENSON, Mr. DIXON, Mr. MARTINEZ, Mr. TORRES, Mr. LEWIS of California, Mr. BROWN of California, Mr. DORNAN of California, Mr. LOWERY of California, Mr. LUNGREN, Mr. PACKARD, Mr. HUNTER, Mr. STRANG, Mr. BROWN of Colorado, Mrs. KENNELLY, Mr. MCKINNEY, Mr. ROWLAND of Connecticut, Mrs. JOHNSON, Mr. MCCOLLUM, Mr. GIBBONS, Mr. YOUNG of Florida, Mr. SHAW, Mr. SMITH of Florida, Mr. SWINDALL, Mr. GINGRICH, Mr. JENKINS, Mr. BARNARD, Mr. STALLINGS, Mr. HAYES, Mr. SAVAGE, Mr. O'BRIEN, Mr. PORTER, Mr. ANNUNZIO, Mr. CRANE, Mr. FAWELL, Mrs. MARTIN of Illinois, Mr. PRICE, Mr. HILER, Mr. HILLIS, Mr. BURTON of Indiana, Mr. TAUKE, Mr. LIGHTFOOT, Mr. ROBERTS, Mr. NATCHER, Mr. SNYDER, Mr. ROGERS, Mrs. BOGGS, Mr. BREAUX, Mr. MCKERNAN,

MS. SNOWE, Mr. HOYER, Mr. BARNES, Mr. HENRY, Mr. TRAXLER, Mr. VANDER JAGT, Mr. SCHUETTE, Mr. DAVIS, Mr. BONIOR of Michigan, Mr. LEVIN of Michigan, Mr. FRANKLIN, Mr. MONTGOMERY, Mr. TAYLOR, Mr. LOTT, Mr. EMERSON, Mr. TRAFICANT, Ms. OAKAR, Mr. JONES of Oklahoma, Mr. SYNAR, Mr. ROBERT F. SMITH, Mr. DENNY SMITH, Mr. SCHULZE, Mr. MCDADE, Mr. COYNE, Mr. WALKER, Mr. WALGREN, Mr. GOODLING, Mr. GAYDOS, Mr. CLINGER, Mr. CAMPBELL, Mr. TALLON, Mr. QUILLEN, Mr. DUNCAN, Mr. COOPER, Mr. SUNDQUIST, Mr. JONES of Tennessee, Mr. WILSON, Mr. BARTLETT, Mr. RALPH M. HALL, Mr. BARTON of Texas, Mr. FIELDS Mr. PICKLE, Mr. BOULTER, Mr. STENHOLM, Mr. LOEFFLER, Mr. DELAY, Mr. BUSTAMANTE, Mr. FROST, Mr. ORTIZ, Mr. NIELSON of Utah, Mr. JEFFORDS, Mr. OLIN, Mr. SLAUGHTER, Mr. PARRIS, Mr. SWIFT, Mr. BONKER, Mr. FOLEY, Mr. LOWRY of Washington, Mr. CHANDLER, Mr. GUNDERSON, Mr. PETRI, Mr. CHENEY, Mr. HAMILTON, Mr. MAZZOLI, Mr. DE LA GARZA, and Mr. MCCAIN.

H.J. Res. 561: Mr. GREEN, Mr. DREIER of California, Mr. CARNEY, Mr. COOPER, Mr. PANETTA, Mr. YOUNG of Alaska, Mr. COUGHLIN, Mr. REGULA, Mr. MCCANDLESS, Mr. WILSON, Mr. STRATTON, Mr. WHEAT, Mr. DASCHLE, Mr. LELAND, Mr. COELHO, Mr. BORSKI, Mr. PACKARD, Mr. KEMP, Mr. LEWIS of California, Mr. YOUNG of Florida, and Mr. STANGELAND.

H. Con. Res. 271: Mr. MANTON.

H. Res. 386: Mr. FAZIO, Mr. IRELAND, Mrs. JOHNSON, Mr. COELHO, Mr. MRAZEK, Mr. MAVROULES, Mr. MARTINEZ, Mr. NIELSON of Utah, and Mr. NEAL.

PETITIONS, ETC.

Under clause 1 of rule XXII,

295. Mr. SCHUETTE presented a petition of Judyth J. Shurkey, et al, Midland, MI, relative to the distribution of funds to the Saginaw-Chippewa Indians; which was referred to the Committee on Interior and Insular Affairs.

SENATE—*Tuesday, March 25, 1986*

(Legislative day of Tuesday, March 18, 1986)

The Senate met at 10:30 a.m., on the expiration of the recess, and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

Let us pray.

Almighty God, today we celebrate Purim—the remembrance of Your deliverance of the people of God through their queen, Esther. We praise and thank You for Your sovereign overrule at that time in history, and we pray for Your overrule at this time in history.

Gracious Father in Heaven, these next 3 days will be heavy for the Senate. The issues are compelling, complex, controversial, confusing, and critical. About these issues, there has been much dogmatism, little certainty, and a great deal of emotion. Many have enjoyed the privilege of speaking without the responsibility of deciding. Now 100 men and women in this body bear the burden of decision. As debate heightens and heats, guide the Senators in their speech, so they will say all they will wish they had said and refrain from saying anything they will wish they had not said. As the moment of decision arrives, make Your presence known and felt, Dear Lord, work Your will here in spite of us, if necessary, in His name whose life purpose was to do Your will. Amen.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. The able majority leader, Senator DOLE, is recognized.

SCHEDULE

Mr. DOLE. Mr. President, under the standing order the leaders will have 10 minutes each.

ORDER VITIATING SPECIAL ORDER

Mr. President, I ask unanimous consent that the special order in favor of Senator MATHIAS be vitiated.

The PRESIDING OFFICER (Mr. PRESSLER). Without objection, it is so ordered.

Mr. DOLE. So there will be special orders in favor of the following Senators for not to exceed 5 minutes after the leaders: Senators CRANSTON, HAWKINS, STENNIS, and PROXMIRE; routine morning business not to extend beyond the hour of 11:30 a.m. with Senators permitted to speak therein for not more than 5 minutes each.

At 11:30 a.m., by previous unanimous consent, the Senate will begin 30 minutes of debate on the motion to proceed to S. 1017, the airport transfer bill, the time equally divided between the Senator from Maryland, Senator SARBANES, and the remainder of time to be equally divided between the two Senators from Virginia.

At 12 noon the cloture vote will occur on the motion to proceed to S. 1017, the airport transfer bill, with the mandatory quorum under rule XXII being waived.

Following the vote, the Senate will stand in recess until 2 p.m. in order for the weekly party caucuses to meet. By unanimous consent at 2 p.m., the Senate will resume consideration of Senate Joint Resolution 225, the constitutional amendment calling for a balanced budget. A vote on final disposition will occur at 6 p.m. this evening.

Mr. BYRD. I believe the agreement said "at."

Mr. DOLE. "At." It says at 6 p.m. Maybe by agreement we might make it earlier.

CONTRA AID

Perhaps we could begin consideration of the Contra aid resolution under a statutory time limitation of 10 hours. In regard to that there may be some real possibility of working out a truly bipartisan resolution that I believe addresses the concerns many of us have in this body on each side and particularly the concerns expressed by the President in the past several days.

If that is the case, if we could do that, it may be we could start debate tomorrow rather than this evening on that matter.

Mr. President, I will just take a couple minutes on another matter that has happened just since yesterday.

LIBYAN PROVOCATIONS AND THE AMERICAN RESPONSE

NEW CRISIS IN GULF OF SIDRA

Mr. DOLE. Mr. President, yesterday, we discussed the serious situation in Central America and characterized our vote on Contra aid as perhaps the most important foreign policy decision we will take this session. It is in the nature of foreign relations in our volatile world that today I rise to discuss a new crisis, in a different part of the world, where important national interests are again at stake, and where American resolve is again being tested.

LIBYAN ATTACKS AND OUR RESPONSE

The renegade regime of Colonel Qadhafi, in violation of international law, and in direct challenge to our will and our power, has launched a series of missile attacks—the court this morning has reached a dozen—on U.S. aircraft in the region of the Gulf of Sidra. The first such attacks were against American planes operating not only in international airspace, but outside the so-called line of death that Qadhafi has illegally claimed as within Libya's control.

Our response has been swift, effective and measured. We have struck twice against the missile installation from which the Libyan SAM's were launched, and we have attacked—and apparently sunk or seriously damaged—four and perhaps five missile-bearing fast patrol boats which were threatening our naval forces in the Gulf of Sidra. And I should add the threat from those patrol boats is real—they are the same type involved in sinking an Israeli destroyer during an earlier engagement in the region.

QADHAFI'S NEW THREATS

The situation remains extremely tense. Qadhafi has lashed out with his usual array of threats, including a threat to launch terrorist assaults on our interests around the world. It is unclear whether he will follow through on these threats, or launch additional military attacks in the gulf. But it is clear that, if he does, we will respond, as we should, and as we have—with focused force, in defense of our rights and our interests, and with full regard for avoiding unnecessary damage to civilians or nonmilitary installations.

AT STAKE: OUR RIGHTS AND OUR RESOLVE

What is at stake in the Gulf of Sidra? First, our right—and, indeed, the right of any sovereign nation—to send our ships through international waters. That is a right we must protect if we are to remain a credible military power in the world, and if we are to retain the ability to protect our far-flung interests. It is a right we insist on, and we test, in waters around the globe; wherever it is or might be challenged. By testing this right, we are not challenging or provoking Qadhafi. By attacking us when we are exercising this right, Qadhafi is challenging and provoking us.

And so, a second, and even more important, thing is at stake—our national resolve: our resolve to insist on our rights; to defend our interests; to re-

spond to attack. We have for a long time—perhaps too long a time—suffered Libyan attacks; Libyan-sponsored terror; Libyan threats, and Libyan insults. We have shown enormous patience and forbearance. But it is now clear that Qadhafi has misinterpreted our forbearance as a lack of will or determination. As he counts his losses this morning, he should no longer doubt our ability and our willingness to respond when he gives us no other choice.

And if he follows through on his threats—whether to continue attacks on our forces in the gulf or to launch terrorist assaults on our installations and personnel elsewhere—he should now know that we will respond—in kind, at the source, and with effect. From now on, if Qadhafi wants to play, he will pay.

AMERICANS ARE UNITED

And let one final message go out to Qadhafi today, loud and clear. On this issue, Americans are united; Republicans and Democrats alike. We will not yield our rights; we will not tolerate attacks; we will not give in to threats and intimidation; we will defend our interests. We support our President; we applaud his action; and we will continue to act with unity and determination, until this crisis is resolved and until our rights and interests are again secure.

RECOGNITION OF THE MINORITY LEADER

The PRESIDING OFFICER. The Democratic leader is recognized.

ORDER OF PROCEDURE

Mr. BYRD. Mr. President, I have listened to the distinguished majority leader, especially with respect to his comments concerning what is going on in the Gulf of Sidra.

Before I proceed on this line, may I ask the distinguished majority leader what he anticipates with respect to rollcall votes, let us say, beyond 6 o'clock this afternoon? There is a vote scheduled for 6 p.m., as the majority leader has reminded us. Will there be any rollcall votes following that vote?

Mr. DOLE. I do not anticipate any votes after 6, because if we did start the Contra resolution, there would be considerable debate, I assume, before we have amendments. I would think if we came in early tomorrow, we might be able to finish the Contra aid either late tomorrow or sometime early Thursday.

Mr. BYRD. Would it not depend, to some extent, on what happens on the cloture vote on the airport bill?

Mr. DOLE. I do not believe so. Contra aid, as I understand, is privileged and I can bring that up at any time.

Mr. BYRD. The majority leader is correct in that regard, but whether or not we stay beyond 6 and have rollcall votes beyond 6, might it not, to some extent, be influenced by the outcome on the cloture vote, even though the order has been entered that rule XXII be waived at that point so that the earlier unanimous-consent agreement that was entered into with respect to the constitutional amendment will be carried out regardless of what happens on cloture?

What I am trying to do is get a clear understanding, if I may, of what the Senators on both sides may expect after 6 o'clock.

Mr. DOLE. I would expect, after 6, after we have a vote on the constitutional amendment, we would move to Contra aid for debate only, but not go back on the airport bill in any event. So I would think it would be safe to assume that after 6 o'clock—and, again, we will make that announcement hopefully by 3—that Senators will be free to keep other engagements that I know many have.

Mr. BYRD. I thank the distinguished majority leader.

LIBYA

Mr. BYRD. Mr. President, it is accurate that, in the minds and eyes of about all nations of the world, Colonel Qadhafi's claims that territorial waters out as far as 125 miles are Libyan waters are not supported in international law. Even the Soviet Union, at least we are told, agrees with that.

Mr. President, ours is a major maritime nation and it does have some responsibilities to assist in keeping international waters open and not allowing some kind of theory that might be equated to "squatter's right" govern in this instance. The United States, as the leading maritime nation of the world has a right, to carry out normal and routine naval exercises in that area.

The United States has had its ships in the area before. It has gone south of the so-called "line of death" on several occasions. The United States is, I think, not only fulfilling a responsibility here; it is also doing a service to the other countries of the world. I would hope that our European and other allies would be supportive of this effort.

These are exercises that the United States carries out from time to time. It has a perfect right to be where it is today, and it certainly has a right and a duty to counter any attacks that are made upon it while it is acting legally in international waters.

Our country has no duty to turn tail and run if it is attacked in international waters. It has a duty to withstand those attacks, and it has done so.

As to the War Powers Act, I personnally do not believe that that act seizes at this point.

Now to argue that we expected to be attacked, I do not think we had any reason to expect these attempted attacks upon our ships and planes. This is international airspace as well as international waters. So I hope that we would continue to do what is our right, what is in our national interests, what is in accordance with international law, and if Qadhafi thinks otherwise and acts otherwise, we should act accordingly to meet forces with force.

CONTRA AID

Mr. BYRD. Mr. President, as to the Contra vote which will be coming before too many days, our staffs are working together—Senator SASSER's staff, my staff, Senator DOLE's staff, and other Senators' staffs on both sides of the aisle—working in an effort to develop, hopefully, what can became bipartisan approach.

Only with bipartisan support in this body and on the part of the American people can this Nation be successful in its endeavors to promote democracy and peace and stability in Central America. I am glad that the rhetoric has cooled somewhat lately. I doubt that the prospects for bipartisanship are promoted when hot rhetorical, emotional, unreasonable statements are made from either end of the avenue, and more particularly, in this case, those that have come forth from the other end of the avenue, not by the President so much as by others at the White House.

Mr. President, if I have any remaining time, I ask unanimous consent that I may reserve it for later use.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. I yield the floor.

RECOGNITION OF SENATOR CRANSTON

The PRESIDING OFFICER. The Senator from California is recognized.

LIBYA

Mr. CRANSTON. Mr. President, this is a day of storm and stress—and potential danger—for our United States.

There are suggestions that the incident in the seas offshore from Libya result from a provocation by the United States. Let us remember that the first provocation came from Colonel Qadhafi of Libya.

It is clear that terrorists are trained in Libya.

It is clear that terrorists are dispatched from Libya on their missions of death elsewhere in the world.

So I believe that our naval presence in the Gulf of Sidra had less to do

with freedom of the seas than it had to do with finding a way to retaliate against a terrorist leader—if he chose to carry out his threats if we crossed his so-called line of death.

Qadhafi has now learned that he can neither act illegally on international waters, nor with impunity in resorting to terrorism.

Through this day we will be scanning the news reports as they tumble in from the Gulf of Sidra and from Honduras. And perhaps we will commence a serious discussion of aid to the so-called Contras tonight, and, if not tonight, probably tomorrow.

But first the Senate is locked into consideration on the issue of who should run the two local airports, Dulles and National. And if the Senate votes for cloture at noon today, we will not be able to consider any other matter no matter how important until that matter is disposed of.

I assume the Senate will not vote cloture today in view of these circumstances and because of the merits and demerits of the airport proposition.

But when we manage to set aside that issue, the Senate is then committed to winding up debate and then voting late today on yet another diversion—the proposed constitutional amendment that would require a balanced budget.

BALANCED BUDGET CONSTITUTIONAL AMENDMENT

Mr. CRANSTON. Mr. President, balancing the budget is a serious matter and Congress and the President should be up and doing, not diddling.

Later today we will diddle with a so-called balanced budget constitutional amendment if we get to it—which could not possibly go into effect for years and probably will never go into effect at all.

What we and the President should be doing instead is agreeing on how we are going to meet the Gramm-Rudman deficit target for the fiscal year that is breathing down our necks.

The day of reckoning is just a little over 6 months away. And we are wasting precious time playing Trivial Constitutional Pursuits.

Although a Federal district court in Washington overturned a key provision of Gramm-Rudman, it did not upset the part of the law that requires Congress to reduce the deficit to $144 billion in fiscal 1987, $108 billion in 1988, $72 billion in 1989, $36 billion in 1990, and zero in 1991.

Those deficit targets still stand—and so they should.

Beyond any shadow of doubt, the $200 billion deficits of the past 4 years have hurt the economy, contributing to high interest rates, trade deficits, plant shutdowns, and business bankruptcies.

The deficits must and will be cut and the budget balanced. That is the law.

The only real question now is: How?

How do we achieve the enormous cuts in the deficit mandated by Gramm-Rudman in the relatively short time that the law allows without enfeebling our economy and undercutting our national security?

If the Supreme Court reverses the lower court and declares Gramm-Rudman constitutional in all respects, a continuation of the current budget deadlock between Congress and the President will result in automatic and indiscriminate across-the-board cuts—perhaps amounting to as much as 25 percent—in almost all domestic and military programs.

Domestically, that would mean cuts in such basic programs as the number of air controllers and air safety inspectors—at a time when air safety is a major concern of the American public—reductions in the Border Patrol, customs agents, the Coast Guard, the FBI, the Drug Enforcement Agency, and the Justice Department as a whole—at a time when the hard drugs that come across the border and the consequent crime worries us all.

It would mean cutbacks in cancer research; and in education—the font of our future engineers, physicists, mathematicians, and civic and cultural leaders.

Militarily, the enormity of the reductions that would be required by Gramm-Rudman under a continued Presidential-congressional deadlock could seriously jeopardize our combat readiness and our basic national defense.

That is what we and the President should be focusing on.

That is the real world of the balanced budget—not the chimera of a constitutional amendment.

Mr. BYRD. Mr. President, I compliment the distinguished Senator from California, the senior Senator, the assistant Democratic leader, on his statement with regard to the funding cuts that will be enforced.

I was talking only yesterday here in this spot about the cuts that are being forced by the Gramm-Rudman legislation on the Library of Congress. It has now cut its hours in the evenings. It has cut out Sundays, as I understand. There are a good many people in this area—students, scholars, scientists, whatever—who have only Sundays perhaps or some evenings in which to go to the greatest library in the world.

Education is the first line of defense. That is what I have maintained for years. I have had no one to attempt to refute that statement. I personally believe in it very strongly. Education is our first line of defense.

The distinguished Senator mentioned Japan. The Japanese are turning out half as many again engineers and scientists as this country is turning out, and they have only half the population of this country.

We marvel at the economic ingenuity of the Japanese people as demonstrated time and time gain. We are concerned because they are better than we are in manufacturing this or that and being able to sell their products at lower prices.

So for us to take actions that reduce the opportunities of scholars, students, and others to study—as I say, in the greatest library in the world, where there are resources, where there are books and other materials that are not available to our people elsewhere—it really adds up to a reduction in our defense effort. It adds up to a loss of brainpower. And it adds up, in the final analysis, to a foolish decision which impacts and will continue to impact upon the future economic and security well-being of this country. Education is an investment in the future.

I thank the distinguished Senator for what he has said with respect to the constitutional amendment. Look at what is going on right now in the Gulf of Sidra. This is a volatile situation. One of my great concerns about this amendment is that it only mentions a declared war. As we all know, we have engaged in undeclared wars, and they have been real wars, just as serious and as lethal as if the Congress had openly declared war in Vietnam and in Korea.

Suppose the Libyans sink one of our big ships. Suppose they bring about the destruction of an aircraft carrier with a lot of lives lost. I do not assume the United States would turn around and sail away. No one can predict what the monetary costs would be or what the military costs would be in terms of casualties.

Depending upon the outcome, it might very well mean that there would have to be considerable funding beyond what we expect for this fiscal year or next fiscal year. As this constitutional amendment is written, it could become an impediment to our military efforts.

It seems to me that the constitutional amendment that the Senator is talking about does not address that situation. I am more concerned about the undeclared wars than I am about declared wars.

The Senator from California may wish to respond to my comments.

Mr. CRANSTON. Mr. President, I thank our leader for his comments. He has zeroed in on two of the very important issues that relate to matters we are considering today.

Education has been cut 18 percent, Federal aid to education, in the past 5 years. We got into a 25-percent cut this year because of Gramm-Rudman and a further cut next year because of

Gramm-Rudman. We could really destroy our investment in our future, the investment that comes about through education. We would make it almost impossible to compete with Japanese and other nations economically, and we could make it virtually impossible to compete with the Soviet Union militarily. It can be very dangerous.

There are like dangers in the constitutional amendment that could hamstring us militarily, as the Senator from West Virginia pointed out, at a time of crisis, but undeclared war.

There are grave problems with these propositions that are before us. I hope that we will have an opportunity to get to them soon, rejecting the constitutional amendment, as I predict we will do this afternoon if the vote comes as scheduled at 6 o'clock, and then, if we are not stuck with debating local airports, we ought to get on with discussing the broader issue of aid to the Contras.

Mr. President, I trust that the President will not be granted $100 million right now, instantly, most of it for further military intervention that will lead us down the road eventually, almost surely, to American boys fighting in Nicaragua.

RECOGNITION OF SENATOR HAWKINS

The PRESIDING OFFICER. Under the previous order, the Senator from Florida [Mrs. HAWKINS] is recognized for not to exceed 5 minutes.

CUBA AND THE DRUG CONNECTION

Mrs. HAWKINS. Mr. President, while we wrangle day after day on whether to give $100 million in aid to the Contra forces, or $25 million, or $50 million, or so much in military aid and so much in economic aid, the sands in the hourglass are running out for the Nicaraguan "freedom fighters." Whatever hopes there are for turning the tide against communism in Central America, whatever hopes there are for putting Nicaragua on the road to democracy or improving the lot in life for the impoverished Nicaraguan people, lies with the Contras. Of the dissident elements in that troubled land, the Contras seem to be in the best hope of consolidating opposition to the Communist-led Sandinista government.

You may be sure Fidel Castro is watching the outcome of the struggle in Nicaragua with great concern. At stake is entrenchment of yet another Marxist regime in the Western Hemisphere and a vehicle for terrorism and narcotics smuggling.

Castro's game of footsie with drug traffickers is well established by this time. Cuba is a safe haven for smugglers who move in and out of Caribbean waters with their nefarious cargo bound for Western Europe and the United States. Cuba provides protection and trouble-free transit for drug boats in return for a cut of the drug profits and use of the boats to move arms to Central and South America. Cuba has trained more than 15,000 Latin Americans in revolutionary tactics and they have to be supplied with weapons and supplies to carry out terrorist acts in countries whose legitimate governments they are trying to overthrow.

Through congressional hearings, the Federal court indictment of four senior Cuban Government officials and reports by the State Department and Justice Department, Cuba's track record in drug smuggling has been well documented. The conclusions of these various sources can be summarized as follows: First, Fidel Castro's government is directly involved in the production and trafficking of drugs with the goal of promoting addiction, crime, corruption, and obtaining hard currency. Second, Cuba's drug profits are used to promote terrorism throughout the Americas. Third, Cuban intelligence operatives came to the United States during the Mariel boatlift in 1980 and set up a drug trafficking network.

Senator DENTON, chairman of the Subcommittee on Terrorism, and I, as chairman of the Senate drug enforcement caucus, held a hearing in Miami on April 30, 1983, on the Cuban Government's involvement in the international drug traffic. One of the witnesses, Mario Estevez-Gonzalez, testified that he entered the United States as part of the Mariel boatlift to infiltrate groups opposed to Castro. At the time, he was a Cuban agent. Later, he infiltrated drug dealers' rings in the Bahamas with instructions to learn how to buy and sell drugs in the United States. Estevez testified that he ran a veritable shuttle service between Cuba and the United States, taking thousands of dollars back to Cuba and returning with a fresh supply of drugs. He related that he had carried more than $2 million in drug proceeds back to Cuba.

One bizarre scheme disclosed by Estevez and confirmed by another witness at the hearing, David Perez, a Cuban-American drug trafficker, involved plans to ship 23,000 pounds of Colombian marijuana and 10 million methaqualone tablets from Cuba to Florida, with the proceeds to be split between the smugglers and the Cuban Government. Difficulties arose, with the profit potential declining, and a Cuban agent told the smugglers the loss could be covered by shipping guns from Cuba to a guerrilla group in Colombia.

The indictment of four high ranking Cuban Government officials on November 15, 1982, by a Federal court in Miami points to Cuban implication in drug smuggling at the highest levels of government. The Cuban officials named in the indictment included a vice admiral in the Cuban Navy, the former Cuban Ambassador to Colombia, and key aide, a former minister-counsel of the Cuban Embassy in Bogotá, and a ranking official of the Cuban Communist Party Central Committee, who was a senior official of the DGI, the Cuban Intelligence Service. These four were charged with a host of actions centered on importing drugs into the United States and circumventing the interdiction efforts of our authorities.

Estevez and Perez, as well as the quartet indicted, were part of the notorious, infamous Jaime Guillot-Lara drug operation. Guillot-Lara, a Colombian national, is a major trafficker of cocaine, marijuana, and methaqualone, he owned, or operated, many seagoing vessels with the capability of carrying drugs by the ton. Guillot-Lara had many friends in high places, connections which enabled him to sail his vessels directly into Cuban waters, offload the cargo into smaller boats, and take the drugs to the Bahamas. The drugs then would be transferred to speedboats for the run to south Florida. Guillot-Lara is believed to be responsible for shipping 2.5 million pounds of marijuana, 25 million methaqualone tablets, and 80 pounds of cocaine to the United States in a 4-year period, 1977-81.

Admittedly, it is difficult for our law enforcement agencies to determine exactly to what extent Fidel Castro and his lieutenants are currently involved in drug trafficking. But it would be naive to suppose they have mended their ways. It takes money to run revolutions, and there is a lot of money in drugs.

RECOGNITION OF SENATOR PROXMIRE

The PRESIDING OFFICER (Mr. ABDNOR). Under the previous order, the Senator from Wisconsin [Mr. PROXMIRE] is recognized for not to exceed 5 minutes.

REAGAN RECORD ON ARMS CONTROL—"NO" EVEN TO U.S. PROPOSALS

Mr. PROXMIRE. Mr. President, hooray for Tom Wicker. And a double hooray for Paul Warnke. Wicker writes a regular column in the New York Times. On March 21 he wrote the most revealing commentary this Senator has seen anywhere on the utter futility of the Reagan administration's arms control policy. Now, Tom Wicker is a superb columnist. He is a bull dog in pursuing inconsistencies by elected officials on arms con-

trol and other matters. In his March 21 column he relied very largely on a speech recently delivered by Paul Warnke. And who is Paul Warnke? Warnke was the last head of the U.S. Arms Control and Disarmament Agency to show any genuine interest or support for arms control. In a speech in Philadelphia to a meeting of Physicians for Social Responsibility, Warnke nailed to the mast the reasons why the administration has made no progress in its more than 5 years in office in slowing or stopping the arms race.

Again and again and again an overwhelming majority of Americans have shown their support for arms control and their fervent desire for an end to the arms race. In poll after poll in every part of our country, in both political parties, huge majorities have supported proposals to negotiate arms control treaties with the Soviet Union. For example, the nuclear freeze had its strong critics. It was consistently opposed by the Reagan administration. But time after time when placed before Americans in town meetings, in statewide referenda, and in the most widely respected professional public opinion polls, it was not just supported. It was overwhelmingly approved.

President Reagan himself has frequently claimed that he favors arms control. And yet he opposed every single arms control agreement this country has ever negotiated with the Soviet Union. The President most emphatically showed his feelings with regard to arms control when he named Kenneth Adelman as head of the Arms Control and Disarmament Agency. Mr. Adelman is a responsible and intelligent man. But he has had a long and consistent record of opposition to arms control. As head of the Arms Control Agency he has maintained that record of opposition to arms control with meticulous dedication.

So what is new in the Reagan administration's faithful and consistent record of opposition to arms control while the President's rhetoric pledges vigorous negotiations with the Soviets at Geneva? The Wicker-Warnke analysis tells the shocking story. And it is a shocking story. Over and over again Gorbachev has taken proposals that our own country has initiated and agreed to accept them. And what has been the Reagan administration response? Here is the record:

First. From 1967 to 1972, United States negotiators hammered away month after month to persuade the Soviets to agree to stop the construction of a Soviet star wars or strategic defense initiative. What was the basis of the American opposition to a Russian star wars? Listen: The United States told the Russians that if they went ahead with their star wars we would not agree to any reduction in our offensive nuclear arms. After 5 years, the Russians understood the logic of the United States position. Result: The ABM Treaty which stopped the Russian star wars. So we are now making the same argument back to the Soviets that the Soviets made to us in 1968 and in 1969 and in 1970. The Soviets were wrong then. But the administration has renounced that winning U.S. position that achieved the ABM Treaty. They have adopted the losing Soviet viewpoint that makes it impossible for the superpowers to agree to limiting offensive nuclear arms. The Soviets want to continue to say "yes" to the ABM Treaty, the administration will not take "yes" for an answer.

Second. The Reagan administration has flatly and emphatically rejected the Soviet proposal for a comprehensive test ban treaty. Whose idea was this originally? Answer: the United States. The Russians have accepted the principle of onsite inspections and have said they will accept "any other form of verification." This has been the U.S. position since the Eisenhower administration. Here again, the Soviets are finally saying "yes" to the American proposal. But the Reagan administration says "no."

Third. How about the Reagan opposition against an arms control agreement to stop the race to develop and produce advanced antisatellite weapons? Was that not a high American arms control goal? It sure was. In his Philadelphia speech, Mr. Warnke recalled he was the one who led "the American delegation on the first antisatellite weapons ban talks in 1978." Warnke says that the negotiators spent a lot of time trying to persuade the Russians that they should not develop an antisatellite capability. He conluded, "Apparently we persuaded them." But now the Reagan administration opposes a ban on antisatellite weapons. Reason given by the administration: The Russians already have an antisatellite weapon. Sure they do. It is primitive and useless.

If we do not agree to negotiate an end to further antisatellite development, both sides will develop weapons that will destroy the satellites essential to arms control verification as well as the administration's own star wars. Again the administration will not take "yes" for an answer. Again, the Soviets are accepting the original American proposal. But we won't.

Fourth. It gets worse. The Russians have now accepted the prime arms control proposal of the Reagan administration itself. That is for a 50-percent cut in intercontinental strategic weapons. This was not only an American idea. It was the idea of this administration. It was a Reagan administration idea. But now the Defense Department says "nix." They say it would reduce the number of targets for the Soviets to strike. Once again, when the Russians accept our own—that is, right our own—arms control proposal, when they say "yes," we say "no."

Fifth. And then there is the "zero option." President Reagan proposed that the Russians remove all their intermediate missiles in Europe. In return the United States would eliminate its Pershing and cruise missiles in Europe. That was the Reagan proposal. In 1983, the Soviets rejected that proposition. Now Gorbachev has agreed to the Reagan proposal with two reasonable modifications. Condition 1—the British and French would not increase their nuclear forces. Condition 2—the United States would not transfer its missiles to our NATO allies. That sounded like a reasonable condition to Wicker and Warnke. It sounds reasonable to this Senator, but the Reagan response once again to the Russians "yes" is "no."

Of course, none of this repeated and consistent refusal to advance even our own arms control proposals with the Soviet Union should surprise us. President Reagan and the top arms control officials he has appointed to office have a long career of opposing arms control at every turn.

Mr. President, this is a serious tragedy. Here is why: The President of the United States is the name of the game in the progress of arms control. The Congress plays a minor secondary role. The President decides whether to negotiate at all. He and he alone determines the instructions for the negotiators. Only the President can accept or reject whatever agreement the negotiators reach.

So what does this mean for the future of arms control? This means that at least until January 20, 1989, superpower arms control will go nowhere. We live in a deadly world in which the nuclear arms race will go on and on. It will only be limited by its enormous cost. Those economic costs will be immense. The terrible danger of a superpower nuclear war will increase. We are kicking away a golden opportunity.

Mr. President, I ask unanimous consent that the column to which I have referred by Tom Wicker in the March 21, 1986, New York Times be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

"YES" FOR AN ANSWER

(By Tom Wicker)

Has the Reagan Administration been unwilling "to take 'yes' for an answer" in its arms control exchanges with the Soviet Union? A former American negotiator, Paul Warnke, thinks so and charges that as a result the Administration may be missing an "opportunity to make very major steps toward minimizing the nuclear risks."

When, for example, Mikhail Gorbachev made public in mid-January an extensive series of arms control proposals, the U.S. response was little more than "ho-hum"—although President Reagan, to his credit, did say he found parts of the proposals "constructive." But the Administration's arms control experts saw little new in Mr. Gorbachev's ideas. The Department of Defense called them a reiteration of old Soviet proposals; others referred to a "repackaging" of Moscow's familiar ideas.

But Mr. Warnke pointed out that Mr. Gorbachev's January message actually was "a repackaging of American proposals—American ideas," and urged: "Now that Mr. Gorbachev has come around on . . . key points that we have been pushing for all of these years, let's not turn it down."

Addressing the Annual National Awards banquet of Physicians for Social Responsibility in Philadelphia, Mr. Warnke cited five of Mr. Gorbachev's points:

Restrictions on strategic defense. "Not a Soviet idea," Mr. Warnke said, recalling that from 1967 to 1972 U.S. negotiators "spent a great deal of time trying to persuade the Russians that going ahead with strategic defense was an absolutely stupid move" because it meant "there could be no reduction in offensive arms." The effort culminated in the ABM treaty because "the Soviets learned their lesson."

But, Mr. Warnke said, "we have forgotten ours. We are now making the same arguments back to the Soviets that the Soviets made to us . . . in 1968, '69, '70."

A comprehensive test ban. "Again, this is an American idea that has now been rejected" by the Reagan Administration and taken up by Moscow. The Russians have accepted the principle of on-site inspections, which the U.S. has insisted upon since the Eisenhower Administration, and "have said they will accept any other form of verification." But the Administration has not only refused to join Moscow in a moratorium on testing; it is unwilling even to enter negotiations for a test ban.

Banning anti-satellite weapons. Mr. Warnke pointed out that he "led the American delegation on the first anti-satellite weapons ban talks in June of 1978. We spent quite a period of time trying to persuade the Russians that it was a poor idea to develop an anti-satellite capability. And again, apparently, we persuaded them."

But now the Reagan Administration opposes such a ban, ostensibly because the Russians have an operating anti-satellite weapon—although it is known to be primitive to the point of uselessness. Yet, Mr. Warnke observed, the anti-satellite weapons both sides are thus permitted to develop would be able to destroy the space stations that are necessary to Mr. Reagan's proposed strategic defense.

Deep cuts. The Russians "have now accepted the idea of a 50 percent cut in intercontinental strategic weapons. That was a Reagan Administration proposal." But now that Mr. Gorbachev has read back the idea to the U.S., the Defense Department rejects it on grounds that it would "encourage instability" because it would leave "fewer targets for the Soviets to strike." So cutting in half the number of nuclear weapons on both sides is a bad idea after all.

The zero option. Mr. Reagan originally proposed this idea, too—that the Russians should remove all their European-based intermediate-range missiles, in return for which the U.S. would not deploy Pershing and cruise missiles in Western Europe. Moscow rejected the plan; U.S. deployment began in 1983, and continues.

But in January Mr. Gorbachev repackaged this idea too, proposing that the Russians eliminate their intermediate-range missiles in Europe, provided that the U.S. eliminate its Pershing and cruise missiles. He did add the conditions that the British and French not increase their nuclear forces and that the U.S. not transfer title to its missiles to its allies—"Two very reasonable conditions for a major step forward," Mr. Warnke said, and most analysts outside the Administration probably would agree.

But the Reagan men, not taking "yes" for an answer, picture all this as just the same old Soviet stuff. No wonder the latest round of arms talks has come to a fruitless, almost unnoticed end.

MYTH OF THE DAY: THE COMBAT EXCLUSION POLICY ENHANCES NATIONAL SECURITY

Mr. PROXMIRE. Mr. President, the myth of the day is that the combat exclusion policy enhances national security. I have spoken several times here on the importance of opening up combat assignments to women in the military. The first consideration in any issue of military personnel must always be national security, and, indeed, that is my primary concern. The combat exclusion policies deprive our forward battle areas of available personnel resources and limit our flexibility.

In the two decades since women have been able to serve in the military in substantial numbers, they have proven that they are capable soldiers. What is more, a greater portion of female soldiers have high school diplomas, and women pose fewer disciplinary problems. They are a valuable resource and one that we should utilize to the fullest.

I am not saying that every position should be open to every soldier. Of course no soldier should be assigned to a position for which he or she is not qualified. There are some legitimate concerns about the upper body strength of most women, for example. Jobs which require heavy lifting should not be open to anyone who could not complete the required tasks. Gender-neutral physical requirements would address this concern without arbitrarily excluding qualified candidates.

In the Marine Corps, it has been certified that female enlisted personnel are capable of completing 86 percent of Marine job skills, yet, because of the law prohibiting women from combat missions, only 18 percent of total positions are open to them. There is too wide a discrepancy between the abilities of female Marines and their utilization. We are wasting our personnel resources. Can it be in the interest of national security to exclude qualified soldiers from combat positions?

Another way that the combat exclusion policy inhibits the national defense is by lowering morale among an important 10 percent of our troops. Women have become a crucial part of our Armed Forces. The Air Force projects that female applicants will soon make up 18.6 percent of all their enlisted accessions. It is important that those women feel that they are a valued part of our armed services and that they be rewarded with ample opportunities for advancement. We owe them that. The women in the military serve our country faithfully, and, despite the combat exclusion policy, many women risk their lives each day at dangerous posts like the MX and Minuteman launchsites. They must not be treated like second-class soldiers.

The Navy determined that due to the combat exclusion policy there would not be a sufficient number of leadership positions in the future to accommodate the number of women entering the lower ranks. Consequently, they have introduced a new specialists' career path for nonwarfare personnel in the general unrestricted line classification. This alternate career path emphasizes specialty development through repeat tours in a particular field. This will enhance the career opportunities for women in specialized and high technology areas so that in the future women will be able to rise even to the rank of admiral without a warfare specialty.

I have some reservations about this alternate career path. While I commend the Navy's efforts to open advancement opportunities for women, I question whether this will be helpful to women in the military or whether it will hurt them in the long run. What value is there in being a high-ranking military officer with no warfare capacity? Will these women be as highly respected as their male peers? One young male soldier told me that he does not think it is fair for women to be able to advance to the top without sharing the same risks as men.

Dividing the military with alternate career paths is just another example of how the combat exclusion policy places elaborate and cumbersome qualifications on how we can use our military personnel. It is only right that women who devote their lives to the defense of our Nation should have adequate advancement opportunities, but the result will be a situation in which there are career Navy admirals who are not allowed to get near combat.

The bottom line is that combat is the defining role of the military, and until women can be trained in the warfare specialties their status will be that of a protected subclass. This can only lessen the esteem from their male counterparts and hurt their morale.

Using qualified female soldiers wherever they are competent to serve will be good not only for the morale of women in the military but for the cohesion and flexibility of our Armed Forces in general. In short, it will enhance our national security. Should that not be our primary concern?

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. STENNIS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE BALANCED BUDGET AMENDMENT

Mr. STENNIS. Mr. President, as I could not be here at another time during today, I have decided to make my comments now. I wanted to say another word regarding the voting on the consitutional amendment to require a balanced budget.

I am pleased that the Senate will soon be voting on a constitutional amendment to require a balanced budget. As I see it, we simply have no other choice. We must make this directly a part of or Constitution so the people can protect themselves.

I voted for the budget bill, Gramm-Rudman-Hollings, not because I thought it was the best method, but because, as a practical matter, it was the only approach we had before us. But Gramm-Rudman-Hollings does not claim to be a permanent solution to our problem. It is only temporary. Its life, according to its own terms, is only for 3 or 4 years, which is certainly temporary. A constitutional amendment is the only way I know of that will full address this matter.

This is not a new concern of mine. Over 15 years ago, I was one of the first Senators to sponsor a similar amendment requiring a balanced Federal budget. At that time I did so primarily because I thought it made good, sound common sense, because I felt that we should manage the financial affairs of Government in the same way we manage our own.

At that time, it just seemed reasonable to me to require the budget to be balanced, except in certain limited circumstances. But now it is more than just good government. Now it is a matter of absolute necessity.

I regret that we find ourselves in a situation where we have to have such an amendment. But the record of our financial habits over the past quarter-century shows how much we need this amendment. I am not trying to blame someone else for these conditions. I was here during that period and I say that I am as much to blame as anyone else. But we have had a balanced budget only once, one time in the last 25 years—almost an unbelievable fact. In fact, in the last 38 years that I have been in this body, the Federal budget has been balanced a total of 8 years.

During this time, the Federal Government has been subjected to ever-growing demands for more and more funds from larger and larger groups. Almost every day there are different groups in my office regarding further Federal support. They have the right to come, they have a right to argue for their position, but fundamentally there are certain necessities that underline our entire system of government and demand a managed financial structure that will support our system of government and thereby afford this individual freedom to our millions and millions of people. Most of those who come in are fine people, and I emphasize they have legitimate needs. I am not finding fault with them. I just use this as a practical example of how the demands on our Government have grown.

This morning, I have attended a hearing regarding a new, expanded, additional military weapon, with vast, extensive research and development and at a huge cost. There is no firm estimate yet, but it will be added to our current military needs which now have extended beyond $300 billion per year. I cannot realize it. Right here on this floor some 20 years ago, when another Senator was ill, I handled the military appropriation bill along with several others. We wound that year up just inside of $100 billion to operate all the departments of the Federal Government, all the Federal Government, the military included. Now we appropriate the astronomical amount of $300 billion a year for the entire Department of the Defense alone. I believe something can be done and I know it must be done, if at all possible with better control, but it takes time. We must not let fear control. We must take the time and the effort and bring these matters in line.

If we do not change our ways, Mr. President, our Government will fail in a financial way and we shall lose our freedom; our debts will of necessity be left to be paid by our children, and grandchildren. We will be just like an individual or family that keeps getting more and more in debt without getting our affairs in order.

I am completely convinced, therefore, that in order to protect and save our free enterprise system, we must put definite and firm controls on the amount of money we spend each year, and we must make sure that those expenditures are directly tied to our income for the year. A constitutional amendment does just that and will continue to hold firm.

Arrangements can be made and will be made, of course, to take care of any extraordinary, extended emergency of any kind relating to the protection of our people.

A constitutional amendment by itself, Mr. President, is not enough to solve our problems. We must elect dedicated representatives who will stand firm in their commitment to carry out the amendment. I am not referring to any individual. I believe by and large we have such men and women. I know we do. We have such men and women of that character and that purpose who will to do this very thing. The constitutional amendment will arouse the people and get them and their legislators to work together and then pass and follow the course of the amendment.

So, Mr. President, I am therefore delighted that the Senate is now preparing to pass this amendment. It is long overdue. We greatly need a strong show of support so that we can then take it to the American people for their approval and for their adoption.

Mr. President, I thank the Chair and the body for this time, and I now yield the floor.

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, there will now be a period for the transaction of routine morning business not to extend beyond 11:30 a.m. with statements therein limited to 5 minutes each.

JAPANESE TOBACCO MONOPOLY TREATMENT OF UNITED STATES COMPANIES

Mr. McCONNELL. Mr. President, during last year's August recess, I visited Japan to see firsthand what many of my colleagues characterized as "excessive and unwarranted protectionism by the Japanese" with respect to trade between our two countries. As Japan purchases some Kentucky burley tobacco, I had a particular interest in the operation of the Japanese tobacco monopoly, Japan Tobacco, Inc. I met with representatives of JTI during my visit, and I was assured that a market liberalization for tobacco products manufactured by American cigarette manufacturers was just around the corner. This was clearly good news for my Kentucky tobacco growers and I felt that my visit had been productive and helpful in the effort to liberalize the Japanese tobacco market.

It now appears, Mr. President, that I had obviously been mislead. JTI has succeeded in perpetuating its monopoly on the sale of cigarettes even while portraying itself to be on a massive liberalization effort. A few months ago, as foreign tobacco companies were considering introducing new cigarette brands into the Japanese market, they discovered that the Government com-

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pany had applied for Japanese trademark rights to as many as 50 foreign brands that currently are not sold in Japan. So much for market liberalization.

This is not the first time U.S. cigarette companies have been the object of dirty tricks by JTI. What is particularly infuriating about this latest scheme is that the Japanese would pass off their attempts to confiscate United States companies trademarks as simply standard operating procedure. It obviously is not. There is something that offends the basic sense of justice when a government entity would attempt to take over the trademarks of the very brands of products to which it has refused to allow equal market access.

The United States Trade Representative recently initiated a section 301 action against the Japanese because of their blatant protectionist attitude toward imported tobacco products. In response to this action, the Japanese "liberalized" their cigarette markets. Mr. President, the kinds of egregious actions to which I earlier referred are completely uncalled for in what is supposedly an improved trading environment. I call on the Japanese Government to fulfill its promise to open up its tobacco and tobacco products markets. Failure to do so will demonstrate a lack of good faith on the part of the Japanese in trying to deal with the huge trade problems which exist between our two countries.

Mr. President, I ask unanimous consent that a Wall Street Journal article entitled "Japanese Government Company Stymies Imports of Tobacco Into 'Open' Market," which more fully describes this situation, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Wall Street Journal, Mar. 7, 1986]

JAPANESE GOVERNMENT COMPANY STYMIES IMPORTS OF TOBACCO INTO "OPEN" MARKET

(By E.S. Browning)

TOKYO.—In 1982, officials of Japan's government tobacco company were caught playing dirty tricks on their foreign competitors. The company president admitted that some of his employees had set up a program to tear down foreign tobacco posters and to keep foreign cigarettes—which are distributed by the Japanese company—in short supply.

The tobacco-company president apologized to Japan's finance minister, offered to resign (he was asked to stay) and said it wouldn't happen again.

Evidence has emerged that dirty tricks are continuing. A few months ago, as foreign tobacco companies were considering introducing new brands, they discovered that the government company had applied for Japanese trademark rights to as many as 50 foreign brands that aren't sold here, names such as Newport, Sterling, Dorchester, Century, even Skoal Bandits, a U.S. chewing tobacco.

By making it hard for foreigners to use these new brand names in Japan, the government company could hope to hold on to its massive market share—which amounted to 98% of all cigarettes sold. Ironically, the government company made its applications on March 29, 1985, just as government trade officials were implementing a highly publicized program to "open" the market to a variety of products, including tobacco.

The tobacco case provides a rare concrete example of how Japanese institutions sometimes can continue blocking imports for years, even after government officials have announced an end to official barriers.

"I'm convinced that Prime Minister (Yasuhiro) Nakasone really wants Japan to import more," says one foreign tobacco-company official. "Unfortunately, not everyone agrees with him.

Japan's tobacco market supposedly was freed on April 1, 1985, ending what had been near-monopoly rights for the government-owned tobacco company in a market worth $20 billion a year. Foreign concerns no longer were required to distribute cigarettes through the government company, their biggest competitor here. They were allowed to set their own prices, and plans were made to gradually lift a rule that had forbidden most tobacco stores to sell foreign brands.

William Brock, then the U.S. trade representative, hailed the new tobacco law as "a significant market opening for U.S. producers" that could "mean billions in sales."

But foreign companies realized it would take them years and millions of dollars to set up independent distribution channels to Japan's 250,000 specialized tobacco stores. Meanwhile, they had to continue using the country's lone existing tobacco distribution network, a subsidiary of the government tobacco company, Japan Tobacco Inc., or JTI.

Today the foreign makers have about 2.3% of Japan's cigarette market, up from 2% a year ago. The government still has the rest.

"It is as if Pepsi Cola were distributed by Coca Cola." says Guy Aelvoet, president of Philip Morris Inc.'s Japan subsidiary.

Perhaps the greatest shock the foreign cigarette companies have had since the market was "opened" last year was the effort to grab their trademarks.

"The filing of numerous R.J. Reynolds Tobacco Co. trademarks by JTI, as well as those of other foreign manufacturers, will raise serious concern regarding JTI's desire for fair and equal market competition," says David Guilfoile, a Reynolds official here.

"Trademarks are the lifeblood of any consumer-products company," says Joel Silverstein, who heads Brown & Williamson Tobacco Corp., Tokyo office. Mr. Silverstein says Brown & Williamson (owned by Britain's B.A.T. Industries PLC) holds Japanese rights to all his company's marks—notably Barclay, Tareyton and Newport—that JTI applied for. The trademark office claims Newport isn't owned by anyone here, but Mr. Silverstein says his company "will vigorously defend our rights to all of them in Japan.

The foreign companies admit that they are partly to blame for the problem; some of them have been slow to register trademarks. Reynolds, for instance, hadn't protected such relatively new brands as Century, Sterling and Bright. Registering new brands, says Mr. Guilfoyle, "involves filing applications in more than 130 markets world-wide, (so that) all filings can't be completed at the same time. In this case, the JTI preempted RJR filings by several months."

The government company, however, sees nothing wrong in its efforts to gain the rights to foreign brands. Officials say they may do it again.

"It isn't cheating," says Kinya Katsukawa, JTI's general manager for marketing. "This is a kind of fair business game. We aren't trying to take any discriminatory action against foreign tobacco makers." Anyone, he notes, has the right to apply for trademarks in Japan. If foreign companies didn't protect their brands here, "maybe they were idle or lazy," he says.

Shigeru Suwa, who heads the Finance Ministry office in charge of supervising the tobacco industry, says the trademark dispute is a business matter that doesn't concern his office.

One reason the Japanese tobacco market is hard to penetrate is that tobacco is a political issue here. Japan's tobacco farmers, although their numbers aren't large, have strong ties to leaders of Japan's ruling Liberal Democratic Party. By law, JTI must buy the tobacco farmers' entire output—which is the main reason it still is a government company.

Foreign companies admit that they have been slow to set up their own distribution systems and reluctant to cut their prices once they had the chance. And they acknowledge that fights over brand names, sometimes involving dirty tricks, aren't unheard of in their business. Philip Morris's Marlboro brand belongs to B.A.T in Canada, and Reynolds's Winston belongs to another competitor in England .

Philip Morris's Mr. Aelvoet recalls that when his company introduced its Merit cigarettes in Japan in 1982, it discovered that the Japanese government company owned the Merit trademark. No matter. To protect itself from just such a problem, Philip Morris already had "defensively" registered one of the Japanese company's brands-Cabin-in the U.S., Mr. Aelvoet says. The two companies simply traded.

ILLITERACY

Mr. GOLDWATER. Mr. President, I respectfully submit the following statement for the record with respect to the hearing held in the House Education and Labor Committee on the causes of illiteracy last Thursday, March 20, at the request of Senator ZORINSKY.

This hearing has already received my strong support as I was a cosponsor with nearly 30 of my colleagues on Senator ZORINSKY's amendment to DOD authorization in fiscal year 1985. This amendment was designed to identify the causes of illiteracy in the early years of education, K-3 grades. It is my firm belief that a discussion on illiteracy is without the heart of the argument if the prevention of illiteracy is not a major focus of the discussion. Unfortunately, there are over 23 million Americans who are considered illiterate. I do not deny the tremendous need for remedial reading programs to help these people. My concern is to prevent this incredible statistic from increasing by even one more American.

We cannot continue to talk about illiteracy without asking the question:

"How is beginning reading being taught in our schools?" Our young Americans start school eager and ready to learn and for many of these children the healthy spirit of adventure into the world of school and learning quickly changes. Many are labeled learning disabled and placed in classes apart from their homeroom. Parents need to question whether a child has a true learning problem or has the child been taught by an ineffective and inefficient reading program? It is one of the most baffling situations I know of that schools readily seek Federal funds for remedial programs. To my way of thinking, the need for such programs indicates a lack of success in the instructional program of the school. Now, I grant you that some students will need special assistance through a remedial program, but the percentage of students in these programs I hope would be relatively low.

For a concrete example, I give you the Gallego School in the Sunnyside School District of South Tucson in Arizona. The principal of Gallego, Mrs. Musgrave, chose to receive no Federal funds for the school. It is a K–6 basics school with an intensive phonics program for its mostly Hispanic lower socioeconomic student body. Many of the households do not have a working parent, but the school, with its dress and discipline code, are fully supported by the parents. Many of these parents, themselves, do not speak fluent english; however, they want no special treatment for themselves or their children.

Gallego uses the Iowa test of basic skills and it is No. 1 out of 16 schools in the Sunnyside District with reading, grammar, and math above grade levels in all six grades. It should be noted that there are 522 students and 22 teachers. There are no specialists on the Gallego faculty. The morning schedule is core time which translates into 3 hours of uninterrupted classroom instruction with a concentration on phonics skills in the lower grades. The phonics program of choice by the Gallego School is the Spalding Phonics Program. The teachers at Gallego were taught by Mrs. Spalding, herself. Also the Spalding Phonics Program is the program of choice of the Reading Reform Foundation of Scottsdale, AZ. I am proud to report the foundation has chapters across the country and the Scottsdale facility is the national headquarters. Each chapter has an opportunity to utilize a phonics program of their own choosing, so not every program uses the Spalding method of teaching phonics. The Spalding method has been repeatedly shown to be both cost-effective and time efficient. The cost can be considered nominal as there are few materials needed and it is easily taught to lay people as well as teachers who do not feel they can teach effectively beginning reading. One of the major functions of the foundation, founded by parents and educators in 1961, is to provide a systematic, multisensory phonics program for beginning reading instruction.

In November 1985, Reader's Digest carried an editorial on illiteracy entitled: "Why Children Aren't Reading." At the close of the editorial, as Reader's Digest is known to do, the postscript stated: "For more information about teaching reading by the phonics method," and gave the address of the Reading Reform Foundation in Scottsdale, AZ. I am told by Mrs. Bettina Rubicam, president of the foundation, a dear friend and tireless worker in the fight for literacy, the foundation received over 25,000 letters as a result of the Reader's Digest editorial. These letters had not only been sent by concerned individuals from across the country, but also from around the world. This kind of response tells me there are many individuals who are deeply concerned with the problems of illiteracy and they want to learn what beginning reading programs work. They aren't looking for gimmicks and extensive materials; just give them what works.

The Reader's Digest editorial stated a beginning reading program needs to have an intensive phonics component. The Reader's Digest phonics recommendation supported and gave credit to "Becoming a Nation of Readers: The Report of the Commission on Reading" which was sponsored by the Department of Education. This report stated in its own recommendations that: "Teachers of beginning reading should present well-designed phonics instruction." It went on to state: "Though most children today are taught phonics, often this instruction is poorly conceived." According to Richard C. Anderson, chairman of this commission, "the report contains the most thoughtful, scholarly, and comprehensive statement that has ever been made about the nature of reading and the practices in the home and the school that promote literacy."

In addition to this strong recommendation for the need for intensive phonics instruction in beginning reading programs, the Department of Education, on March 4, 1986, released its latest report entitled: "What Works: Research About Teaching and Learning." I would like to quote the section on phonics in its entirety as it gives not only research findings, but also provides important background information on how we arrived at our present reading dilemma:

> Children get a better start in reading if they are taught phonics. Learning phonics helps them to understand the relationship between letters and sounds and to "break the code" that links the words they hear with the words they see in print.
>
> Until the 1930's and 1940's, most American children learned to read by the phonics method, which stresses the relationships between spoken sounds and printed letters. Children learned the letters of the alphabet and the sounds those letters represent. For several decades thereafter, however, the "look-say" approach to reading was dominant: Children were taught to identify whole words in the belief that they would make more rapid progress if they identified whole words at a glance, as adults seem to. Recent research indicates that, on the average, children who are taught phonics get off to a better start in learning to read than children who are not taught phonics.
>
> Identifying words quickly and accurately is one of the cornerstones of skilled reading. Phonics improves the ability of children both to identify words and to sound out new ones. Sounding out the letters in a word is like the first tentative steps of a toddler: It helps children gain a secure verbal footing and expand their vocabularies beyond the limits of basic readers.
>
> Because phonics is a reading tool, it is best taught in the context of reading instruction, not as a separate subject to be mastered. Good phonics strategies include teaching children the sounds of letters in isolation and in words (s/i/t), and how to blend the sounds together (s-s-i-i-t).
>
> Phonics should be taught early but not overused. If phonics instruction extends for too many years, it can defeat the spirit and excitement of learning to read. Phonics helps children pronounce words approximately, a skill they can learn by the end of second grade. In the meantime, children can learn to put their new phonics skills to work by reading good stories and poems.

At this time, I would like to say, I do not always find myself in favor of the reports put out by the Department of Education; however, I feel compelled to commend the efforts of Secretary Bennett and Assistant Secretary Finn for these reports. I believe the reports achieved their goals of gathering pertinent and tested knowledge on education and of widely disseminating the information in laymen's terms. Now, I challenge the Department of Education as I have the Department of Defense to find waste and abuse and to stop funding programs that do not work. The American public deserves a fair return on its tax dollars. Concrete results in reading scores and a reduction in the number of children being placed in remedial reading programs would be a step in the right direction.

Our schools should not be turning out losers, but rather making every child a winner. Many of us are constantly stating how valuable our children are, but they are also extremely vulnerable. At a time when they are both young and vulnerable, it seems unfair to expect so much from them. They are repeatedly tested, but our society seems to demand these tests. Well, if we are going to test our young, at least give them a chance to succeed by using proven programs that are both effective and efficient in the transfer of knowledge. It is my hope the above reports on phonics and education and the upcoming hearing on

the prevention of illiteracy will be the necessary forces to require all local educational agencies to provide an intensive phonics component in beginning reading instruction. Our children deserve the best we have to offer. What better gift to give our young people than the ability to decode the written word.

BUDGET CUTS SHOULD NOT START WITH MILITARY

Mr. GOLDWATER. Mr. President, with the President only having the ability to control 30 percent of the money that the Congress votes to spend, it is more or less natural that one would expect the first cuts in the budget to come out of the military. The military happens to be a part of this 30 percent the President can control. He has absolutely no control over all the payments made under the welfare system, Social Security, retirement, and so forth.

Already we have heard from some of the people in the Budget Committee, Appropriations Committee, and so forth, to the effect that they are going to cut the military. I would remind them, and remind my colleagues in the Senate, that the military took over a $30 billion cut last year while we have increased other areas of expenditures that are rather questionable. The big thing I like about the Gramm/Rudman approach is its going to force, both the President and the Congress, to show a little courage relative to the budget. Anyone who thinks that the budget is going to approach balancing or that we can even meet the President's budget on the present income has another thing coming. On the other hand, who wants to raise taxes?

As chairman of the Armed Services Committee, I am, naturally, worried about the effects that the announcements made already could have upon the personnel of the armed services. Never in my life have I known such a high quality of enlisted men or officers as we now have. But let the people who apportion money or budget money start making noises like we're going to cut the retirement pay, the income, and so forth, of the man in uniform and you are going to see that standard jump out the window.

This is no time and it's not the year for the Appropriations Committee or the Budget Committee to be threatening to cut the military. If those people need a little guidance in where to cut, I suggest there are a lot of things we've been doing lately, like more money for agriculture, and so forth, that we could easily begin with. Let's preempt the use of Gramm/Rudman by showing the courage necessary to take the cuts where cuts can be made, but for safety sake and the sake of freedom, let's not start with the armed services.

I ask that two articles may be inserted in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

CUTTING MILITARY RETIRED PAY—IT COULD WEAKEN OUR FIGHTING STRENGTH

In its latest attempt to play games with military retirement benefits, Congress has now painted itself into a corner where drastic action must be taken before May 1st or the Armed Forces will be forced to "lay off" 330,000 active and 176,000 reserve military personnel.

The 1986 Military Authorization Bill directed the DoD to submit legislation to achieve $2.9 billion savings by changing the military retirement system for new people entering military service. The Appropriations Bill which followed deleted the $2.9 billion from the DoD budget, but provided temporary authority to transfer up to that amount from prior year balances to cover costs incurred until Congress actually enacted retirement changes.

That relief is only temporary since the bill requires that after 1 May, the services must revert to the Authorization Act spending limits. In other words, unless Congress acts promptly, the military personnel account will be $241 million in the red for each month since the start of the fiscal year last October.

The DoD submitted its report on military retirement on schedule, but Congress has not yet acted. Unless it either enacts changes to the retirement law or lifts the cap on obligations, the services have no recourse but to separate large numbers of people involuntarily. In the Army's case, Chief of Staff Gen. John A. Wickham, Jr., reported to Congress that he would have to fire 120,000 active and 112,000 reserve soldiers. Such a loss would cripple Army readiness.

The best move Congress can make is to permit the Armed Forces to use the prior year money to cover obligations incurred during Congressional procrastination. This could be easily done by revoking the requirement that they revert to the lower authorization level on 1 May. This would eliminate the serious impairment of recruiting and retention of our Armed Forces which will almost certainly result from hasty, ill-considered legislative action.

The worst thing Congress could do is to do nothing. To allow these draconian military personnel cuts would be even more devastating than the erosion of benefits embodied in the proposed retirement changes.

CAREER VETERANS OF THE MILITARY—GRAMM-RUDMAN'S FIRST CASUALTIES

The federal district court ruling that says a key provision of the Gramm-Rudman deficit reduction law is unconstitutional came too late to aid the first casualties of the draconian budget cuts mandated for 1986 and beyond. An immediate result of the legislation passed in December is the elimination of the cost-of-living allowance adjustment (COLA) for military and other federal retirees that was to have appeared in their January 1 paychecks.

COLAs for Social Security and Veterans' disability recipients are specifically protected by Gramm-Rudman, causing the four million federal and military retired people to feel discriminated against. Adding to their frustration is the fact that the federal budget for fiscal year 1987 proposes a 3.7 percent COLA for veterans and survivors who receive their payments from the Veterans' Administration while recommending zero COLA for military retirees. If Gramm-Rudman is allowed to run its course, these COLA freezes would reduce the lifetime value of military retired pay by 20.5 percent by 1991.

The impact of the no-COLA provisions of Gramm-Rudman on present and future military retired people and their survivors is devastating. The average retired enlisted man, a Sergeant First Class with 23 years in the service, receives approximately $1,000 monthly in retired pay. Without the purchasing power protection of the COLA program, and at a minimal inflation rate of three percent per year, that would shrink to an annuity for his widow of only $270 a month in twenty years. That prospect is frightening.

These individuals and their families have paid and are still paying a high price for the privilege of serving a full career in the uniform of their country. Now it seems they are to be treated differently than other veterans with respect to cost of living adjustments to their earned entitlements.

Military retirees are veterans in every sense of the word and yet this fact seems to have been ignored by Congress. These career veterans and their survivors have earned and should receive equitable treatment with other veterans when the difficult decisions regarding federal budget cuts are being made.

CONCLUSION OF ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

METROPOLITAN WASHINGTON AIRPORTS TRANSFER ACT

The PRESIDING OFFICER. Under the previous order, the time until 12 noon shall be equally divided and controlled by the Senators from Maryland [Mr. SARBANES and Mr. MATHIAS], and the Senators from Virginia [Mr. WARNER and Mr. TRIBLE].

Mr. SARBANES addressed the Chair.

The PRESIDING OFFICER. The Senator from Maryland.

Mr. SARBANES. Mr. President, how much time does the Senator from Maryland have?

The PRESIDING OFFICER. Sixteen minutes.

Mr. SARBANES. I yield 4 minutes to the distinguished Senator from Michigan.

The PRESIDING OFFICER. The Senator from Michigan.

Mr. RIEGLE. Mr. President, I thank the distinguished Senator from Maryland for yielding me time. I thank him for the very important, strong leadership he has given on this issue. I think it is very important that we understand what is happening here and oppose this transfer of two airports and their adjacent lands to the State of Virginia.

Now, I strongly opposed this proposal in the Senate Commerce Committee and after listening to the debate on the floor now over several days my opposition is even stronger.

There is no question but that this is an extraordinarily good deal for the State of Virginia but it is a terrible deal for the taxpayers of the United States of America. We own these assets. In a sense, it is sort of a repeat of the Conrail sale in a different form, namely unloading very valuable national assets at a fraction of their true value.

Secretary Dole has said to us that the total purchase price for the two airports if sold as this bill is recommending would be approximately $47 million but over a period of 35 years. We now know that the real value of these properties is many times that amount of money.

There is an offer floating around from a British investment consortium of $1 billion, but I think even that is understating the worth of these properties.

It is not just the two airports. The two airports are exceedingly valuable in and of themselves, but it is the adjacent land. For example, the land around Dulles which is called the buffer zone consists of 10,000 acres, and of that land, 2,000 acres are available for development. If you get into the fine print here, you will find that the best estimates are that the value per acre of that land is on the order of $100,000.

We are talking about incredibly valuable land owned by this Government and by the people of the United States which ought not be given away or sold for anything less than full, fair value, particularly at a time when we have extraordinary national deficits.

In that respect, some people think that the deficits are somehow going away magically this year, that they are self-liquidating. That is not the case.

I say to the Senator from Mississippi [Mr. STENNIS]—because he is particularly concerned about deficits, as we all are—that through the first 5 months of this fiscal year, our deficit is substantially larger than it was for the first 5 months of last year. Our deficit through the first 5 months of this year is $106 billion. Last year, through the same 5 months, it was $100 billion. So our deficit problem is more severe this year than last year. There is absolutely no justification for giving away at bargain basement prices very valuable national assets which, if they are to be sold, should be sold at full value.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. SARBANES. I yield the Senator 1 additional minute.

Mr. RIEGLE. I thank the Senator.

If you read the fine print here, the covenants that would protect the disposition of the adjacent lands are not sufficient. In fact, the exact language is that the lands can be developed not just for aviation business and activities but for nonaviation business and activities that provide revenue for the airport authorities. They would be fools not to develop the land commercially. I think that there is every intent to do that over a period of time. The State of Virginia will make the windfall gain, but the American taxpayers will be the losers. There is no excuse for this. It is a giveaway of valuable national assets at a time when that is improper and the moneys are needed for the other activities of our Government.

I thank the Senator from Maryland for his leadership and for yielding the time.

Mrs. KASSEBAUM. Mr. President, as a proponent of this issue, I yield myself 5 minutes.

The PRESIDING OFFICER. The Senator is recognized for 5 minutes.

Mrs. KASSEBAUM. Mr. President, as chairman of the Subcommittee on Aviation, I support S. 1017, the Metropolitan Washington, Airports Transfer Act of 1985, a bill which will improve the facilities and management of Washington National and Dulles International Airports. I have unquestioning faith that this legislation will improve the facilities and management of Washington National and Dulles International Airports.

I think we have heard some very interesting debate on the floor over the last couple of days, and the Senator from Maryland has been very thoughtful and very persuasive in many of the arguments he has made.

The legislation is simple in concept. It proposes that the Federal Government lease National and Dulles Airports to an independent regional operating authority for a period of 35 years. It has been questioned whether we were doing it too cheaply, whether we could get a better price. Perhaps that question is open. A careful study has been made, and the proposal in this legislation is the conclusion that has been reached. During those 35 years, Congress and the administration would have the responsibility to oversee the new authority's activities, after which period ownership transfers to the authority. The administration, the airlines, and affected community groups believe this to be the best available means to achieve a stable airports operating policy, and to provide improved facilities to serve the needs of both the traveling public and the local citizens. I think this is an eminently sensible point of view. We have an extraordinary situation developing at National and Dulles, with National a high-density airport and the demands at Dulles escalating in the last year.

The problems which this legislation is intended to address are obvious to all those who use the two airports. Under Federal control, budgetary concerns have meant that improvements to the facilities—financed through the appropriations process—have been slow in coming. National is known for its traffic and terminal congestion, and Dulles has been criticized for years for its disfavored mobile lounge system, and quickly shrinking parking facilities. While any other airport in the country could easily remedy these problems with the proceeds of revenue bonds and grants from the FAA's Airport Improvement Program, National and Dulles—the only two air carrier airports owned and operated by the Federal Government—must depend on the uncertainties of appropriations.

These deficiencies are a direct result of the anomaly of Federal ownership. All other U.S. air carrier airports are operated by State or local public authorities that are best able to respond to local needs. Washington deserves the same for National and Dulles.

During the Aviation Subcommittee's hearings on this legislation, and during subsequent Commerce Committee consideration, two questions have been regularly heard. I think a brief discussion of them might allay some concerns.

First, service: Most Members are intensely interested in the amount of service to and from certain cities, from both National and Dulles. The cities an airline serves is a matter of that carrier's choice, except insofar as it may be limited by other regulations. For the most part, this issue is outside the scope of the legislation. Under the terms of the bill, however, the airports must be maintained as primary airports, meaning that there is no likelihood that they could be transformed into all-commuter or general aviation airports. Likewise, the number of operations at National, regulated by the Department of Transportation under the high density rule, would be frozen, ensuring a consistency of operations there. Although the passenger cap at National would be removed by this legislation, freezing slots at the current level, as provided in the bill, should prove to be an effective way to maintain traffic control.

Mr. President, I hope to offer an amendment later, as we proceed with this measure, in an effort to remedy the buying and selling of slot allocations, about which I have serious reservations, and I hope to address them in a way different from buying and selling.

Second, Baltimore Washington International Airport: Throughout the hearing process, the State of Maryland has argued that S. 1017 would

put BWI at a competitive disadvantage. While it is doubtful whether the bill, even in its original form, disadvantaged BWI, after the committee's action on the bill, there can be no question but that a "Level playing field" has been achieved. At the committee's executive session on the bill, Senator FORD undertook the task of assuring that BWI was protected. He proposed and the committee adopted, amendments to the bill which; first, allow BWI to join National and Dulles in the new operating authority if ever it should choose to do so; second, prohibit the cross-subsidization of National or Dulles by the other airports landing fees or parking revenues; third, greatly restrict the development of land at Dulles; and fourth, provide for an audit of the transfer cost of National and Dulles to ensure that it fairly represents their value. If BWI needed any protection other than its own strong market position—and all indications are that it is enjoying explosive growth and has more than enough traffic—these amendments would assure it.

Mr. President, this legislation would ensure that National and Dulles Airports, long subject to benign Federal neglect, will enjoy a new, stable, policy of operation, and that they will be able to finance needed improvements in the manner and at the speed they choose. This is a reasonable, long-needed plan. I think the Senators from Virginia [Mr. TRIBLE and Mr. WARNER] have made an excellent case for this legislation, which I heartily endorse, and I urge my colleagues to support it.

Mr. HOLLINGS. Mr. President, we are about to vote for the second time on the petition to invoke cloture on the motion to proceed to S. 1017, legislation to transfer Washington National and Dulles Airports to the Virginia-dominated authority. Last Friday, the Senate overwhelmingly rejected a similar attempt to limit debate by a 50–39 margin.

I applauded that vote, for it showed that this debate has been one of substance and education. When the Secretary of Transportation first unveiled her proposal to sell off the airports, I listened carefully to her. I agreed with her decision to sell Conrail to the Norfolk Southern. But shortly after I learned what this proposal entailed, I knew it was flawed and had to be rejected.

This legislation envisions taking two Federal facilities that are generating significant amounts of employment and revenue, and selling them off, all in the name of taxpayer savings. Only in the last 4 days, have the Senator from Maryland, myself, and several others begun to break down those assertions, exposing this legislation for what it really is—a "fix."

To begin with, this fire-sale, which is strongly opposed by the National Taxpayers Union, has been proven to be just that. Within days of the public learning about the undervalued sale price, a group of private investors came forward with a proposal to offer up to $1 billion for the purchase of these airports. And, from my understanding of the offer, it is not their intention to turn these airports into foreign trade zones, as this legislation would allow. Rather, they have made the commitment to operate these facilities as public airports.

In response, the Secretary of Transportation and my distinguished colleagues from Virginia have argued that increasing the sale price will only mean higher parking fees and ticket prices for airport users. I agree 100 percent with them on that score. In fact, I have been arguing that same logic for months, with respect to the cost of bonds needed to renovate the two airports.

I ask my friends from Virginia, who would pay for these bonds—some $366 million in bonds needed for just $250 million in capital development? Why the air travelers, of course. And who will pay for the $346 million revenue drain on the Treasury that those bonds will create? The very same ones the Secretary and my colleagues from Virginia are claiming to be so concerned about when it comes to increasing the sale price.

How can we consider legislation that is supposedly in the public interest, yet which is going to cost taxpayer, the traveling public, and the U.S. Treasury hundreds of millions of dollars?

As an aside, I cannot help but to ask the distinguished Secretary of Transportation—if she is so concerned about not selling these airports to private interests, then why is she giving away the landing rights at National Airport for nothing, only to allow the airlines to then profit from their sale? How can she be so concerned about maintaining these airports as public use facilities, when she is allowing the private sector to capitalize on the "slots" at those airports? This contradiction deeply concerns me, as it should my colleagues.

This costly legislation should be rejected today. I therefore strongly urge my colleagues in the Senate to join me in voting against cloture on the motion to proceed.

Mr. TRIBLE. Mr. President, at this point I yield to my distinguished colleague and chairman of the Commerce Committee, the Senator from Missouri, such time as he may require.

The PRESIDING OFFICER. The Senator from Missouri.

Mr. DANFORTH. Mr. President, first, let me express to Senator TRIBLE my appreciation and the appreciation of the Commerce Committee for the excellent job that he has done in managing this bill.

He and Senator WARNER have been deeply involved in the bill. They have been here by the hour ever since this debate started.

I think that it is important, however, to recognize that while with the Senators from Virginia and Senator SARBANES participating at such length in this debate, it gives it a regional gloss, this is really not a regional piece of legislation at all. This is a bill which does have national concerns. We are the Nation's Capital. And we, Americans from all over the country, are dependent on good, modern, safe, up-to-date airports in our Nation's Capital.

We have now been at this debate for 5 days. I commend Senator SARBANES for an excellent job in presenting his point of view. It seems to me that after 5 days of debate the time has come to at least move on to the bill so that Senators who have concerns are able to offer whatever amendments they choose.

We have talked so much about quality of life in the Senate. We have talked so much about the difficulty we have in coming to grips with any issue. There has been 5 days now on a motion to proceed and I think that the time has come to proceed.

Mr. President, I understand the position of the Senator fom Maryland. Obviously, when there are three airports in an area, the health of one of those airports is improved I suppose if the other two falter. I think that it is clear that the other two are faltering, especially National.

I have to say, as a matter of personal use, I use National Airport much more often than I use Dulles to get to and from both St. Louis and Kansas City. The usual way to do it is to go through National Airport.

I think any Senator who has gone through National Airport, and that is all of us in the last week or two, recognizes that something is seriously wrong with that airport.

There is no airport that I know of in the country in the decrepit state that National Airport is in, and yet this is the Nation's Capital. This is where people come from all over the country, from all over the world, right into National Airport.

Mr. President, if the Senate thinks that things are going to get better at National Airport consider Gramm-Rudman. Will we in fact, as Congress, be appropriating significant sums of money in the future for National or Dulles? I do not think so.

It seems to me that the way to treat National and Dulles is the same way that every other commercial airport in the country is handled, and that is to allow local officials to assume responsibility for the airport. It is local officials who are going to care for the air-

port, who are going to modernize the airport, who are going to make sure that it is competitive and the best airport available.

So, my hope is that we would get on with this important legislation. It is important. It is not just regional legislation. At the very least, I would hope that Senators who voted against cloture on Friday would now reconsider their vote to get on with this bill, vote at least to proceed to the consideration of the bill so that those who do have concerns can offer amendments.

The PRESIDING OFFICER. Who yields time?

Mr. SARBANES. Mr. President, what is the time situation?

The PRESIDING OFFICER. The Senator from Maryland has 11 minutes and the Senator from Virginia has 5 minutes.

Mr. SARBANES. Mr. President, I yield myself 4 minutes.

The PRESIDING OFFICER. The Senator from Maryland.

Mr. SARBANES. Mr. President, I do not know that there is any argument in the body that the airports need to be improved. When I say "the airports" I mean all three airports serving the Washington regional area: National, Dulles, and BWI.

The real question is how is that to be accomplished and on what terms and conditions and what framework.

My able colleague from Michigan earlier made a very strong point that these very valuable Federal assets are being disposed of at bargain basement prices, fire sale prices, at a time when the Federal Government needs to realize the maximum amount on its assets in order to help to address the budget situation. That is a question of reasonableness. What is a reasonable price for the disposal of these assets?

Clearly, it seems to me that the price that is involved here is not reasonable. It is really a giveaway to this authority.

Second, much has been made of the fact that this extended discussion has been with respect to the motion to proceed. I want to underscore to my colleagues why that is important. It was really indicated by the junior Senator from Virginia earlier in debate when he indicated when an amendment was offered or when the Senator from South Dakota inquired about an amendment that he wished to offer, in the response to it the junior Senator said in saying he would oppose it:

> I will say to the Senator the reason I suggested it would kill this bill is that this bill is based on a compact passed by the State of Virginia and the city of the District of Columbia that reflects this carefully crafted balance arrived at.
>
> Each of us can disagree as to what kind of representation we would want fot the various parties. But we have many different interests here. It is very difficult to reconcile those interests to everyone's satisfaction.

What we are arguing is in order to reconcile these differences, there is one crosscurrent moving through the Chamber that says from a Federal perception what is being paid is not adequate; others, who feel that the airport should in fact continue to be done by the Federal Government and financed out of the airport trust fund for the improvements where there is a very great deal of money simply being held there. There is another crosscurrent that says if you are going to transfer them, you at least ought to do it on a fair and equitable basis between the States.

I think a guiding principle should be that the Federal Government, when it takes an action with regard to the States, ought to seek to be neutral and not to advantage one State and disadvantage another. This bill clearly does that because it permits a cross-subsidy between the two airports to take place.

The PRESIDING OFFICER. The Senator's 4 minutes have expired.

Mr. SARBANES. I yield 2 minutes to the distinguished Senator from South Dakota.

Mr. PRESSLER. Mr. President, I ask unanimous consent to proceed for 2 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PRESSLER. Mr. President, last week I made several speeches on the need to have more Presidenital appointments to the Metropolitan Washington Airports' board of directors. I am very concerned that under the present proposal there would be five members from Virginia, three from the District of Columbia, two from Maryland, and only one appointed by the President.

The Senator from Nebraska, the Senator from South Carolina, the Senator from Pennsylvania, and I have an amendment, which other Senators are joining, which will authorize two members to be appointed by Virginia, two by the District, two by Maryland, and five by the President. The reason for this is that there is a national interest in these two airports. For example, at present a direct flight from my State of South Dakota is frequently not given prime landing time. We do not know if there will be reregulation of the airlines or what the rules will be in the future. But other States in the Union have an interest in these two airports because constituents need to come to Washington, DC, to petition the Federal Government, to petition Congress. Indeed, there are some constituents waiting to see me at this moment who traveled here to talk to me about problems facing the elderly.

But under this plan a vote of seven is required for capital improvements or increases in the annual budget. So basically Virginia and the District of Columbia or Virginia and Maryland, either one or the other, mostly Virginia, would control the whole thing.

I commend my two colleagues from Virginia because they have done an excellent job. If they succeed in passing this bill in its present form it is a great deal for Virginia. But there may be unforeseen events that occur down the road, and constituents from various States in this Union will come to their Senators and say, "Why don't you do something about this?" We will have to say we gave away all the authority, we transferred it to a metropolitan board.

The PRESIDING OFFICER. The Senator's 2 minutes have expired.

Mr. WARNER. Mr. President, will the Senator yield on my time for a question?

Mr. PRESSLER. Yes.

Mr. WARNER. I have been here with my colleague, Mr. TRIBLE, and other Senators for several days on this bill.

Now, the Senator raises a good question. My question to the Senator—let us let the full Senate turn to this bill, consider the amendments, and get right to the heart of the matter. I, therefore, ask if he could not join us on this cloture motion such that we could move to the bill?

Mr. PRESSLER. Could I ask my good friend if he would join as a cosponsor of my amendment at this point as a way of indicating the importance of getting national representation. We are seeking cosponsors. Let me say that some of the small States——

Mr. WARNER. Will that get your cloture vote?

Mr. PRESSLER. Let me say that some of the lesser populated areas in the country are struggling to get some equal treatment. It is true these big airports like the jumbo jets.

Mr. TRIBLE. Mr. President, I must regrettably reclaim my time.

Mr. PRESSLER. May I finish answering the question?

The PRESIDING OFFICER. The Senator from Virginia has the floor.

Mr. PRESSLER. Would he join as a cosponsor of my amendment?

Mr. WARNER. We shall discuss the amendment.

At this time, I yield to my distinguished colleague from Virginia.

Mr. TRIBLE. Mr. President, I regret I have to take back the time, but time is passing very quickly. I want to give my two colleagues an opportunity to pursue their colloquy. Let me say, Mr. President, the Senate has been treated now to 4 days of extended debate. Only a handful of Members have cared to come here and express their concerns about this measure. This legislation addresses a significant national interest—improving air transportation to our Nation's Capital.

Mr. President, it is time for the Senate to act so we can meet those needs. We cannot permit delaying tactics to deter us from achieving that goal. We cannot allow the voice of particularity to tyrannize the Senate. Several Senators have expressed their concerns—some about the price of this transaction, others about the composition of the regional board, still others about the competitive aspects in terms of the airports in our region. Those concerns can be met if the Senate will permit us to turn to a debate on the merits. Let us proceed. Let us consider the thoughts and concerns that have been raised to date.

The bill before us is a reasonable and constructive measure to ensure that we can make needed improvements at National and Dulles. Failure to proceed virtually guarantees growing inconvenience, delay, and frustration for all travelers, from Virginia, from Mississippi, from Maryland, from all the States of this great Union.

The issue before the Senate is: Will we maintain the status quo and watch these airports slowly strangle because of Federal ownership, or will we take the necessary steps to make National and Dulles modern jetports?

This is not a vote for or against one party. This is not a vote for or against one State. Rather, it is a vote to begin the process of ensuring air access to our Capital for all of our citizens. I urge my colleagues to vote to invoke cloture on this second round so we can proceed to the merits, to a thoughtful debate and discussion of the important issues before us.

The PRESIDING OFFICER. Who yields time?

Mr. SARBANES. Mr. President, what is the time situation?

The PRESIDING OFFICER. The Senator from Virginia has 1 minute and the Senator from Maryland has 5 minutes.

Mr. SARBANES. Mr. President, I yield myself 3 minutes.

Mr. President, I think it is important to understand that if cloture is not invoked, it provides the opportunity for the Secretary of Transportation then to revisit this issue with the various affected parties in order to try to work out a balancing of interests that takes care of the concerns that have been raised and diminishes the controversy that surrounds this legislation.

Mr. President, I reserve my time and yield 1 minute to the distinguished Senator from New Hampshire.

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. HUMPHREY. Mr. President, I want to utter a word that I hope we will hear increasingly in this Chamber over the next several years, and that is "privatization." The proposal now before us or which would be before us if cloture is invoked is not a privatizing option. This does not involve privatization. It simply involves transferring these properties from one governmental entity, namely, the Federal Government, to another governmental entity, namely, a regional airport commission. So I think I am probably grinding an ax somewhat different than that of the Senator from Maryland.

But I want to say to those Senators, particularly of a fiscal conservative and privatization orientation, that this is not privatization. And the irony is that just yesterday an agent of the Rothschild banking interests in England extended a preliminary feeler extending a preliminary indication of interest to buy these airports; that is, this would be a sale to private parties. That would be true privatization, allowing the charging of market clearing prices and the most efficient use of valuable resources and the greatest return to the taxpayers of this country. So I urge Senators who favor privatization to vote against cloture.

The PRESIDING OFFICER. The Senator's 1 minute has expired.

Mr. SARBANES. Mr. President, I yield myself 2 minutes.

Mr. President, I think it is very clear there are a number of crosscurrents in this body with very substantial doubts about this legislation and people come at it from differing points of view. Some do not think the Federal Government should dispose of it at all; others believe it is being disposed of at prices that are ridiculously low; others believe that if it is to be disposed of the private sector alternative should be considered; others of us have asserted very strongly that it is being disposed of in such a way it is not competitively fair as between the States. And I feel very strongly that a guiding principle at the Federal level ought to be equity and neutrality as between States and that the Federal Government ought not to take action which clearly advantages one State to the disadvantage of another when they are in a competitive posture, which is exactly what is happening here with this legislation.

Now how are all of these things going to be worked out? The Senator from Virginia has said that you cannot really change the structure because you have got, in effect, a compact with the State of Virginia and the District of Columbia and therefore you would undo it. It is almost like a treaty. You cannot amend it because the parties have entered into the treaty and, therefore, you have to go back to them.

Yes, you would have to go back and discuss it with them, and what ought to be done here is to engage in that discussion first. Given the serious questions that have been raised, given the extended difficulties Members have brought forward with respect to this legislation, it seems clear to me that what ought to be done——

The PRESIDING OFFICER. The Senator's 2 minutes have expired.

Mr. SARBANES. How much time do I have remaining?

The PRESIDING OFFICER. One minute.

Mr. SARBANES. I yield myself the balance of my time.

Mr. President, it is clear to me, as my distinguished colleague from Maryland pointed out yesterday in the course of the debate, that the structure is not here in this legislation to work out a solution. In other words, a solution is needed. I do not quarrel with that. And we are not trying to, in effect, beggar our neighbors. We want improvements in these airports and we recognize they are necessary.

Mr. President, I reserve any time in order to yield the balance of it to the Senator from South Carolina.

The PRESIDING OFFICER. The Senator's time has expired.

The Senator from Virginia has 1 minute.

Mr. TRIBLE. Mr. President, I yield my remaining time to my distinguished colleague from Virginia.

Mr. WARNER. Mr. President, I say to my distinguished colleague from Maryland, the junior Senator, that we were together on this floor yesterday afternoon for nearly 3½ hours and I repeatedly gave you the assurances, if the Senate is allowed to turn to this bill, that we would address the inquiries, each and every one that you have raised, and in that manner the Senate can work its will and this legislation can be moved forward.

So, Mr. President, I urge our colleagues to allow the Senate now to move forward with full consideration of this bill.

Mr. President, as we prepare to vote on the question of whether or not to invoke cloture on the motion to proceed to S. 1017, I hope that Senators will closely examine the proposal to transfer the Metropolitan Washington airports to a regional authority.

Over the past several days our colleague from Maryland has time and again made points that in my judgment cloud the issue.

The most often repeated objection to this legislation by the Senator from Maryland is that this transfer is in effect a "fire sale" of the airports to the Commonwealth of Virginia.

Mr. President, nothing could be further from the truth.

First of all these airports will be controlled by a regional authority on which, even though the airports are located in Virginia, Virginians will not even hold a majority of membership. Furthermore, in order to ensure regional and national interest a supermajority vote of seven will be required to take major action such as approval

of the budget and major construction programs.

The idea that somehow Virginians would be in favor of restricting access to the National Capital is absurd. In fact, the entire reason for this transfer is to increase the ability of our airports to handle the growing demand for traveler access to the Washington, DC, area.

These airports both need major capital expenditures.

In light of our present deficit problems it is unnecessary to expect the Federal Government to take on the burden for these costs that could reach as high as $1 billion. We, in the Washington metropolitan area are willing to accept this burden in return for adequate airports, something we have been denied and will continue to be denied as long as these airports are under the control of the Federal Government and dependent on the Congress for appropriations to make capital improvements.

It would seem to me that the Congress would welcome this opportunity to turn this liability of $1 billion to the local authority.

Another point that I believe needs to be made is the fact that any increase in the price paid by the authority would decrease the amount available for capitol improvements, but it would be borne by the air traveling public. The price of flying into National and Dulles Airports would increase because these funds would have to be raised by increasing fees on air carriers using the airports.

In summation, Mr. President, the point must be made that this issue has been carefully considered by the Holton Commission as well as the Commerce Committee which voted 12 to 4 to report S. 1017 favorably. This is a good bill. It is the best way to ensure that necessary improvements to these airports can be made. It is the best way to ensure that all air travelers who wish to have access into the Washington, DC, area will have that opportunity. It is important that we agree to the motion to proceed to this bill. If Senators shave amendments we will be able to consider them once we move to consideration of this bill. I hope Senators will vote to end what has obviously been a dilatory action delaying the consideration of the airport transfer bill.

CLOTURE MOTION

The PRESIDING OFFICER. The clerk will report the motion.

The assistant legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of Rule XXII of the Standing Rules of the Senate, hereby move to bring to a close debate on the motion to proceed to the consideration of S. 1017, a bill to provide for the transfer of the Metropolitan Washington Airports to an independent airport authority.

Bob Dole, Paul Trible, J. Warner, John East, Slade Gorton, Jake Garn, Daniel J. Evans, Jeremiah Denton, Arlen Specter, Dave Durenberger, Jesse Helms, Mark Hatfield, Nancy Kassebaum, Al Simpson, Thad Cochran, and Bob Kasten.

VOTE

The PRESIDING OFFICER. The question is, Is it the sense of the Senate that debate on the motion to proceed to the consideration of S. 1017, a bill to provide for the transfer of the Metropolitan Washington airports to an independent airport authority, shall be brought to a close? The yeas and nays are automatic under the rule. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. SIMPSON. I announce that the Senator from Maine [Mr. COHEN] is necessarily absent.

Mr. CRANSTON. I announce that the Senator from Maine [Mr. MITCHELL] is necessarily absent.

The PRESIDING OFFICER (Mr. HECHT). Are there any other Senators in the Chamber who desire to vote?

The yeas and nays resulted—yeas 66, nays 32, as follows:

[Rollcall Vote No. 44 Leg.]

YEAS—66

Abdnor	Gorton	Murkowski
Andrews	Gramm	Nickles
Armstrong	Grassley	Nunn
Bentsen	Hart	Packwood
Boren	Hatch	Pell
Boschwitz	Hatfield	Pryor
Chafee	Hawkins	Quayle
Cochran	Hecht	Rockefeller
D'Amato	Heflin	Roth
Danforth	Helms	Rudman
DeConcini	Inouye	Simpson
Denton	Kassebaum	Specter
Dixon	Kasten	Stafford
Dodd	Kerry	Stevens
Dole	Lautenberg	Symms
Domenici	Laxalt	Thurmond
Durenberger	Long	Trible
East	Lugar	Wallop
Evans	Matsunaga	Warner
Garn	Mattingly	Weicker
Glenn	McConnell	Wilson
Gore	Moynihan	Zorinsky

NAYS—32

Baucus	Ford	McClure
Biden	Goldwater	Melcher
Bingaman	Harkin	Metzenbaum
Bradley	Heinz	Pressler
Bumpers	Hollings	Proxmire
Burdick	Humphrey	Riegle
Byrd	Johnston	Sarbanes
Chiles	Kennedy	Sasser
Cranston	Leahy	Simon
Eagleton	Levin	Stennis
Exon	Mathias	

NOT VOTING—2

Cohen	Mitchell

The PRESIDING OFFICER. On this vote, the yeas are 66, the nays are 32. Three-fifths of the Senators duly chosen and sworn having voted in the affirmative, the motion is agreed to.

RECESS UNTIL 2 P.M.

The PRESIDING OFFICER. The Senate is now in recess until 2 p.m.

Thereupon, at 12:22 p.m., the Senate recessed until 2 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer [Mr. WALLOP].

BALANCED BUDGET CONSTITUTIONAL AMENDMENT

The PRESIDING OFFICER. Under the previous order, the hour of 2 p.m. having arrived, the Senate will now resume consideration of Senate Joint Resolution 225, with the time equally divided and controlled by the majority and minority leaders, or their desginees.

The clerk will report.

The assistant legislative clerk read as follows:

A joint resolution (S.J. Res. 225) proposing an amendment to the Constitution relating to a Federal balanced budget.

The Senate resumed consideration of the joint resolution.

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. DOLE. Mr. President, the managers on each side will be here momentarily to take up the final debate on the balanced budget amendment.

Under the order, the vote should come at 6 o'clock. There may be an agreement that everybody will be present at an earlier time to move that vote up. But I doubt that we will need 4 hours for the final debate.

My understanding is that there may not be any amendments offered. The colloquy may satisfy Members on each side who have reservations.

So I know the managers will be here in the next few minutes. We can then take up that matter.

I would like, if possible, to finish the water resources bill today. We might be able to do that yet this afternoon.

Then the next item will be the Contra aid resolution.

Mr. President, I suggest the absence of a quorum, and ask unanimous consent that the time be equally divided.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. SIMON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. (Mr. QUAYLE). Without objection, it is so ordered.

Mr. SIMON. Let me just take a few minutes to reiterate a couple of points, and let me address particularly my colleagues of the progressive bent in this body who are not sure how they want to vote on this constitutional amendment.

To those who say we should not pass a balanced budget amendment because it is alien to the Constitution, I would point out, again, it was for decades regarded as an unwritten amendment to the Constitution. Up to and through the year 1917, when we accumulated a $3 billion indebtedness, we abided by that unwritten constitutional amendment. An enterprising member of my staff, Chris Wilson, came across this quote from Thomas Jefferson.

The PRESIDING OFFICER. Will the Senator from Illinois suspend for one moment? The Chair has to ascertain who is yielding time to the Senator from Illinois.

Mr. DECONCINI. The minority side will yield whatever time the Senator from Illinois desires.

Mr. BYRD. Mr. President, under the agreement, the time is divided between the two leaders or their designees; is that accurate?

The PRESIDING OFFICER. The Senator is correct.

Mr. BYRD. I believe the managers on both sides are for the amendment, so there would need to be a designation of time to the opponents. I have no problem with that, I will yield my time on this side to Mr. DECONCINI, and I know that he will yield to those who oppose the amendment as well as those who support it. I have no question but that it will be as equal under his control as it would under mine.

The PRESIDING OFFICER. The Senator from Illinois is recognized.

Mr. SIMON. I thank the Chair, and I thank both the minority leader and my colleague, Senator DECONCINI.

Let me read this quote from Thomas Jefferson in 1796. Thomas Jefferson wrote:

> I wish it were possible to obtain a single amendment to our Constitution. I would be willing to depend on that alone for the reduction of the administration of our Government to the genuine principles of its Constitution. I mean an additional article taking from the Federal Government the power of borrowing.

If there is one person who was the philosophical founder of our Nation—and obviously it was more than one person, but if we were to credit one person—it would be Thomas Jefferson.

Three other points very briefly. One is the redistribution effect of what we are doing right now. This year we will pay out $181 billion in gross interest. Next year it is going to be $207 billion approximately. Who pays the money? By and large, it is the working people of America. Who gets the money? By and large, it is the more fortunate economically. It is, as our colleague, Senator DALE BUMPERS, has said, the most massive redistribution of wealth in the history of humanity. We can at least slow that process down.

Second, I would say to those of my colleagues who believe that we ought to be doing more for education, for health delivery, for health research, for many things that are in great need in our Nation—job creation and other things—so long as we continue to have this massive growth of interest, we are simply not going to be able to do what we should for education, for jobs, for health research, for health delivery. The greatest growth, by far, in this Federal Government during the last 6 years has been interest payment—240-percent growth. We are at the point where we are going to double it every 4 or 5 years. And then finally I remember vividly in the Gramm-Rudman-Hollings debate many Members go up and said, "Oh, let's balance the budget, but don't balance it this way."

Here, my friends, you have the opportunity to say, on the record, we must balance the budget. We do not say how it should be done, but we just say it must be done unless there is a three-fifths vote of Congress to the contrary.

It seems to me it is eminently sound, and if there are Members of this body of either side who are still on the fence, I hope they come over to the side of fiscal responsibility. I hope they come over to the side of hope for the future of this Nation.

Two weeks ago Senator THURMOND placed into the RECORD the names of the staff members who have worked so hard on this amendment. I applaud him and join him in thanking those staff members. I extend that list of thank you's to organizations who have worked very hard on behalf of this amendment. I have several letters I would like to place into the RECORD by way of a thank you and as a memorialization of their efforts.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

TAX LIMITATION/BALANCED BUDGET AMENDMENT COALITION,
Washington, DC, March 3, 1986.

Hon. PAUL SIMON,
U.S. Senate, Washington, DC.

DEAR SENATOR SIMON: The Tax Limitation/Balanced Budget Amendment Coalition strongly urges you to support S.J. Res. 225, as Senators DeConcini, Hatch, Simon and Thurmond propose to amend it. S.J. Res. 225, with the aforementioned amendment, would provide that outlays of the United States shall not exceed receipts unless three-fifths of the House and Senate specifically authorize such a deficit. It also will contain an essential tax limitation feature as well as an "accountability provision."

The Coalition believes that no issue is more important to the health of this country than getting our financial house in order. We believe that the time to permanently lock in balanced budgets is now.

We urge you to cosponsor and vote for this compromise proposal.

Thank you for your consideration.

Respectfully,

WAYNE H. NOLIX.

COALITION MEMBERS AS OF MARCH 3, 1986

American Bakers Association.
American Council for Capital Formation.
American Electronics Association.
American Farm Bureau Federation.
American Federation of Small Business.
American Feed Manufacturers Association.
American Furniture Manufacturers Association.
American Mining Congress.
American Soybean Association.
American Supply Association.
Amway Corp.
Armco, Inc.
Armstrong World Industries, Inc.
Associated Builders & Contractors.
Association of the Wall & Ceiling Industries, International.
Chamber of Commerce of the United States.
Chesterfield Energy Corp.
Citizens For A Sound Economy.
W.R. Grace & Co.
Independent Petroleum Association of America.
Mobil Oil Corp.
National Association of Brick Distributors.
National Association of Home Builders.
National Association of Manufacturers.
National Association of Plumbing, Heating & Cooling Contractors.
National Association of Realtors.
National Association of Wholesale-Distributors.
National Cattlemen's Association.
National Electrical Manufacturers Association.
National Federation of Independent Business.
National Small Business Association.
National Tax Limitation Committee.
National Taxpayers Union.
Potlatch Corp.
Society of American Wood Preservers.
Sterling Petroleum Corp.
TRW, Inc.
United Telecommunications, Inc.
West Central Texas Gas Association.

CHAMBER OF COMMERCE OF THE UNITED STATES OF AMERICA,
Washington, DC, March 13, 1986.

Hon. PAUL SIMON,
Hart Senate Office Building, Washington, DC.

DEAR SENATOR SIMON: The U.S. Chamber of Commerce strongly supports the amended version of S.J.R. 225—the balanced budget amendment to the constitution—sponsored by yourself and Senators Hatch (R-Ut), Thurmond (R-SC) and DeConcini (D-Ar).

While the Gramm-Rudman-Hollings Act will produce a balanced budget by fiscal year 1991, Congress needs permanent restraints on it's ability to engage in deficit spending. The balanced budget amendment provides a stringent check on deficit spending by requiring a three-fifths vote of both Houses of Congress to approve a specific amount of deficit spending. More importantly, the amended version of S.J.R. 225 provides a sufficient limitation on tax increases by requiring a constitutional majority to raise taxes and a roll call vote to guarantee direct accountability of members of Congress for raising taxes.

The Chamber believes that the basic prerequisite for a viable economy is a healthy incentive structure. It is an economic system that rewards work, creativity, savings and investment. This cannot be achieved with a budget policy that feeds runaway spending by putting the pinch of American workers

and businesses through rising taxation. The tax limitation feature in S.J.R. 225 provides a strong and meaningful check against tax increases.

We applaud you and your colleagues for devising a balanced budget amendment to the constitution that will put the nation's fiscal house in order, and we will devote much of our resources to assist you in securing it's passage in the U.S. Senate and the House of Representatives.

Sincerely,

ALBERT D. BOURLAND.

NATIONAL ASSOCIATION OF WHOLESALER-DISTRIBUTORS,
Washington, DC, March 4, 1986.

DEAR MR. SIMON: This afternoon the Senate will begin consideration of S.J. Res. 225, the Balanced Budget Constitutional Amendment. Senator Thurmond will offer a substitute for S.J. Res. 225 which would mandate balanced federal budgets and provide that any bill to raise revenues shall be approved by constitutional majorities in both Houses of Congress by rollcall vote.

On behalf of the National Association of Wholesaler-Distributors (NAW), its 120 member national trade associations (list enclosed) and aggregate 45,000 member companies, I urge your support for the substitute.

As you know, NAW has long believed that an amendment to our Constitution merging the balanced budget requirement with a strong tax limitation feature offers the best hope of securing a future of federal fiscal responsibility; i.e., balanced budgets produced through spending restraint, not tax increases.

However, we are convinced that S.J. Res. 225 amended is a well-balanced compromise that constitutes a sound approach for the achievement of that objective.

The principle that government should spend no more than it takes in is clearly established.

Of equal importance is the principle established in Section 2 of the substitute, that legislation to raise taxes shall become law only when absolute majorities in both Houses vote for such an increase in full public view.

Finally, the substitute provides an important measure of flexibility, preserving Congress' ability to run a deficit or increase taxes whenever the national interest compels it to do so.

Again, NAW is pleased to support this compromise and respectfully urges your support for S.J. Res. 225 amended.

Sincerely,

JAMES A. ANDERSON, Jr.,
Director-Government Relations.

NATIONAL WHOLESALER-DISTRIBUTOR ORGANIZATIONS AFFILIATED WITH THE NATIONAL ASSOCIATION OF WHOLESALER-DISTRIBUTORS

Air-conditioning & Refrigeration Wholesalers.
American Dental Trade Association.
American Jewelry Distributors Association.
American Machine Tool Distributors Association.
American Supply Association.
American Traffic Safety Services Association, Inc.
American Veterinary Distributors Association.
Appliance Parts Distributors Association, Inc.
Associated Equipment Distributors.
Associated Wire Rope Fabricators.
Association of Footwear Distributors.
Association of Steel Distributors.
Automotive Service Industry Association.
Aviation Distributors & Manufacturers Association.
Bearing Specialists Association.
Beauty & Barber Supply Institute, Inc.
Bicycle Wholesale Distributors Association, Inc.
Biscuit & Cracker Distributors Association.
Ceramic Tile Distributors Association.
Ceramics Arts Federation International.
Copper & Brass Servicenter Association.
Council for Periodical Distributors Association.
Council of Wholesale-Distributors.
National Kitchen & Bath Association.
Door & Hardware Institute.
Electrical-Electronics Materials Distributors Assn.
Explosive Distributors Association, Inc.
Farm Equipment Wholesalers Association.
Flat Glass Marketing Association.
Fluid Power Distributors Association, Inc.
Food Industries Suppliers Association.
Foodservice Equipment Distributors Association.
General Merchandise Distributors Council.
Health Industry Distributors Association.
Hobby Industry Association of America.
Independent Medical Distributors Association.
Institutional & Service Textile Distributors Association, Inc.
International Sanitary Supply Association.
Irrigation Association.
International Truck Parts Association.
Jewelry Industry Distributors Association.
Machinery Dealer National Association.
Material Handling Equipment Distributors Association.
Monument Builders of North America-Wholesale Div.
Motorcycle Industry Council.
Music Distributors Association.
National-American Wholesale Grocers' Association.
National Appliance Parts Suppliers Association.
National Association for Hose & Accessories Distributors.
National Association of Aluminum Distributors.
National Association of Chemical Distributors.
National Association of Container Distributors.
National Association of Decorative Fabric Distributors.
National Association of Electrical Distributors.
National Association of Fire Equipment Distributors.
National Association of Floor Covering Distributors.
National Association of Manufacturing Opticians.
National Association of Marine Services, Inc.
National Association of Meat Purveyors.
National Association of Plastics Distributors.
National Association of Service of Merchandising.
National Association of Sporting Goods Wholesalers.
National Association of Textile & Apparel Distributors.
National Association of Tobacco Distributors.
National Association of Writing Instrument Distributors.
National Beer Wholesalers Association.
National Building Materials Distributors Association.
National Business Forms Association.
National Candy Wholesalers Association.
National Commercial Refrigeration Sales Association.
National Electronic Distributors Association.
National Fastener Distributors Association.
National Food Distributors Association.
National Frozen Food Association.
National Grocers Association.
National Industrial Belting Association.
National Industrial Glove Distributors Association.
National Lawn & Garden Distributors Association.
National Locksmith Suppliers Association.
National Marine Distributors Association.
National Paint Distributors, Inc.
National Paper Trade Association, Inc.
National Plastercraft Association.
National Sash & Door Jobbers Association.
National School Supply & Equipment Association.
National Solid Wastes Management Association.
National & Southern Industrial Distributors Associations.
National Spa and Pool Institute.
National Truck Equipment Association.
National Welding Supply Association.
National Wheel & Rim Association.
National Wholesale Druggists' Association.
National Wholesale Furniture Association.
National Wholesale Hardware Association.
North American Heating & Airconditioning Wholesalers.
North American Wholesaler Lumber Association, Inc.

Optical Laboratories Association.
Outdoor Power Equipment Distributor Association.

Pet Industry Distributors Association.
Petroleum Equipment Institute.
Petroleum Marketers Association of America.
Power Transmisson Distributors Association, Inc.

Safety Equipment Distributors Association, Inc.
Scaffold Industry Association.
Shoe Service Institute of America.
Specialty Tools & Fasteners Distributors Association.
Spring Service Association.
Steel Service Center Institute.

Textile Care Allied Trades Association.
Toy Wholesalers' Association of America.

United Pesticide Formulators & Distributors Association.

Video Software Dealers Association.

Wallcovering Distributors Association.
Warehouse Distributors Association for Leisure & Mobile Products.
Water and Sewer Distributors Association.
Wholesale Florists & Florist Suppliers of America.
Wholesale Stationers' Association, Inc.
Wine & Spirits Wholesalers of America, Inc.
Wood Heating Alliance.

Woodworking Machinery Distributors Association.

AMERICAN MEDICAL ASSOCIATION,
Washington, DC, March 4, 1986.

Hon. PAUL SIMON,
U.S. Senate, Dirksen Senate Office Building, Washington, DC.

DEAR SENATOR SIMON: The American Medical Association strongly supports a constitutional amendment for a balanced budget.

We hope the Senate will actively consider legislation leading toward this goal and support this important step toward Fiscal integrity.

Sincerely,

WAYNE W. BRADLEY.

NATIONAL TAXPAYERS UNION,
Washington, DC, March 4, 1986.

Hon. PAUL SIMON,
U.S. Senate, Washington, DC.

DEAR SENATOR SIMON: The Senate is expected to begin debate this week on the Balanced Budget Amendment to the U.S. Constitution. A compromise between the two proposed balanced budget amendments (S.J. Res. 13 and S.J. Res. 225) that were reported by the Judiciary Committee last July will be offered.

The National Taxpayers Union, representing 150,000 members, strongly supports this compromise Balanced Budget Amendment. We compliment Senators DeConcini, Hatch, Simon, and Thurmond for working out this agreement.

The federal budget has been balanced only once in the last 25 years. Today's special interest politics make it clear that we need new checks and balances to prevent the federal government from accumulating excessive debt that threatens our nation and imposes unfair burdens on future generations. The Balanced Budget Amendment would establish, as a constitutional principal, the presumption that Congress must balance the federal budget, except in special situations. It would reestablish a direct link between spending and taxing decisions.

The compromise proposal would require a balanced budget, unless Congress, by a three-fifths vote in both chambers, authorized a specific amount of deficit spending. The proposal can be waived during a declared war. It also requires a constitutional majority vote to approve increases in revenues.

The proposed amendment would take effect the second fiscal year after ratification, or 1991, whichever is later. Faced with a constitutional balanced budget deadline which would take effect after the Gramm-Rudman-Hollings deficit reduction law expires, Congress and the President will find it much harder to ignore the deficit reduction timetable.

If a balanced budget amendment had passed ten years ago the interest payments on the national debt would have been half what they are today. More important, this country would not be transferring a massive debt burden to our children and grandchildren.

Every year we postpone action will drain more private capital away from productive investments, and put added financial strain on the federal government. We strongly urge you to support the compromise Balanced Budget Amendment to be offered by Senators Hatch, DeConcini, Thurmond and Simon.

Sincerely,

JAMES D. DAVIDSON,
Chairman.

The PRESIDING OFFICER. Who yields time?

Mr. DECONCINI. Mr. President, how much time does the Senator from Alabama desire?

Mr. HEFLIN. About 8 minutes.

Mr. DECONCINI. Mr. President, for the proponents, I yield 10 minutes to the Senator from Alabama.

The PRESIDING OFFICER. The Senator from Alabama is recognized for 10 minutes.

Mr. HEFLIN. Mr. President, today I rise in strong support of the constitutional amendment to balance the budget. It would be impossible to describe the journey that has brought us to this historic vote today, but there have been many individuals who have played significant roles in developing this constitutional amendment.

I would like to commend the distinguished chairman of the Senate Judiciary Committee, Senator STROM THURMOND, for his outstanding leadership. No one has been more diligent in their efforts to bring this Nation back to fiscal responsibility. I would also like to recognize the efforts of the chairman of the Subcommittee on the Constitution, Senator HATCH, and the ranking minority member, Senator DECONCINI, for the leadership they have provided throughout the years.

I can recall nearly 8 years ago when Senator DECONCINI and I were among the first to start talking about a constitutional amendment requiring a balanced budget. It was the first bill I introduced. Senator DECONCINI was then introducing similar legislation, and he has been in the forefront of the battle for fiscal responsibility since coming to the Senate. I would also like to recognize the leadership provided by Senator PAUL SIMON. There are many others, and my failure to recognize each one should not detract from their individual contributions. This has truly been a joint effort, and one of which we can all be proud.

For much of the history of this great Nation, a balanced Federal budget was part of our "unwritten constitution." In the first 100 years of this Republic, a balanced or surplus budget was the norm. There have been periods in our history when the exigencies of war or recession have necessitated operating the budget with a deficit—but initially there were always attempts to balance the lean years with the more prosperous ones. In the past two decades, however, Americans have seen higher and higher levels of deficits, taxes, and spending. Legislators tend to look at each program separately, not realizing that every dollar appropriated becomes part of a large debt—a debt that is threatening the economic stability of our Nation.

When our Constitution was adopted, Thomas Jefferson warned, "the public debt is the greatest of dangers to be feared by a republican government." Somewhere, we have lost sight of our forefathers' admonitions.

I think that Senator SIMON's quotation of Thomas Jefferson, stating that if he could adopt one amendment it would be that there could be no public borrowing by the Federal Government, would be the best he could offer. That was an excellent quotation from Thomas Jefferson.

I am convinced that the Congress of the United States and the administration do not have the willpower to cut Government spending and balance the Federal budget without a constitutional amendment providing the discipline to do so. Maybe, as some argue, there is no need for a constitutional amendment—but the helter skelter fiscal irresponsibility demonstrated within the past 25 years indicates otherwise.

The Federal budget has been balanced one time in the past 25 years. In 1963, the national debt was $300 billion. Today, it is far larger. It has taken less than 25 years to more than triple our national debt. Currently, on an annual basis, we are operating at a deficit of approximately $208 billion. If we continue our current course, it will take less than 5 years to double the existing debt.

The Congressional Budget Office estimates the amount of interest paid on the debt held by the public, net interest, for fiscal year 1986, is approximately $139 billion. This represents about 17 percent of the unified budget expenditures.

I believe there is only one answer, a constitutional amendment. An amendment that requires two-thirds vote in each House of Congress and most importantly, ratification by three-fourths of the States of this great Nation. A constitutional amendment will truly be a united effort, bringing together a united nation. Many of my colleagues argue that if we possessed a stronger discipline then a constitutional amendment would be unnecessary. I do not disagree with the sentiment of this statement—just the reality. The problem is deeper than individual resolve. It is the institutional structure that encourages response to individual need, without counting the costs to the greater good.

I know there are those who feel Gramm-Rudman-Hollings is sufficient to address our fiscal concerns, but Gramm-Rudman-Hollings is a statutory response to a crisis that demands constitutional resolve. Gramm-Rudman-Hollings is a 5-year response to our fiscal past. It requires a zero deficit by the year 1991. A constitutional amendment will secure our fiscal future and require a balanced budget as a fiscal norm.

As I have said earlier, the first bill I introduced as a U.S. Senator was to propose a constitutional amendment

to balance the Federal budget. The amendment before us today represents years of formulation and symbolizes a bipartisan effort.

No one would claim this is a perfect amendment. It is not. But it is a reasonable amendment, and it is a sincere attempt to address the spending bias which has threatened the U.S. fiscal security from within.

During the debate on Senate Joint Resolution 225, I offered an amendment which would have permitted a waiver in the event of undeclared war. I still believe this flexibility should be part of the constitutional amendment, but I respect the opinion of my colleagues who feel Senate Joint Resolution 255 contains the necessary flexibility. I am pleased, however, that my colleagues adopted the provision requiring Presidential participation in the budget process.

I am also grateful to the principal sponsors of the amendment, Senators THURMOND, HATCH, DECONCINI, and SIMON, for responding to the concerns raised during the debate concerning the definition of some of the terms, particularly with the acceptance of the Domenici amendment, adding the word "total" before outlays and receipts in section 1. I am satisfied that such an addition did not alter the meaning of the terms within the committee report to Senate Joint Resolution 255 and I appreciate the clarification provided by the sponsors.

We will enter into the debate a colloquy which will finalize this matter during the debate this afternoon.

Mr. President, today we have a chance to turn our rhetoric into reality and to draw upon the potential of the leaders and citizens of this Nation to adopt an amendment of which we can all be proud. The States have indicated their willingness to take over this responsibility if we are unsuccessful. Thirty-two of our States have petitioned Congress under a provision of article V of the Constitution, to call a constitutional convention to consider a balanced Federal budget. With the addition of two more States, Congress will have abdicated its responsibility to another body—something which has never occurred in the history of our Nation.

I believe that a convention would be unwise and certainly would be unnecessary if this body fulfills its own duties for providing the leadership in this area.

There is little question what our responsibilities are. There is little question what the American people deserve. The only question is whether we are willing to respond affirmatively and accept, not an easy task, but a necessary task.

The vote I cast today represents not only my vote in support of this amendment, but the support of citizens from Alabama that have through the years indicated their support of a balanced Federal budget. I am proud to have played a small part in this process and I am pleased to have the chance to fulfill a pledge I made to the people of Alabama some 8 years ago. I hope that today begins the process which will eventually be about the addition of the 27th amendment to the U.S. Constitution, and a sound financial future for our Nation.

I recently found a quotation that points out where we are today: "The worst thing about history is every time it repeats itself, the prices goes up." Today, we have the chance to make our own history.

From a number of colloquys during the debate on Senate Joint Resolution 225, it is clear that revenues received by TVA from the sale of electric power are neither "revenues" nor "receipts" for the purpose of this constitutional amendment and that bond proceeds realized from the sale of power bonds are not "receipts." This is consistent with the Judiciary Committee's report on Senate Joint Resolution 225.

I think it is now crystal clear that expenditures of TVA power system funds would not be "outlays" for the purpose of the proposed constitutional amendment. The committee report clearly states that TVA's electric power program would not be covered by Senate Joint Resolution 225 because the financing of that program is the sole responsibility of its own electricity ratepayers and therefore is not part of the problem the constitutional amendment is directed to solving. It is clearly the intent to adopt this interpretation as set forth in the committee report—even if the annual budget documents show, as they do now, the difference between total power system expenditures and total power program revenues as "outlays."

Given its statutorily established self-financing basis, the TVA power program's expenditures would not be outlays under Senate Joint Resolution 225. Moreover, it would not make sense to include TVA's use of its power program borrowing authority within the scope of this constitutional amendment, since those borrowing are not obligations of or guaranteed by the United States or the taxpayers.

I think it is further clear that the language of section 1 about the increase in the "public debt of the United States" does not apply to any debt or borrowing of TVA.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. Does the Senator from Arizona yield for the purpose of suggesting the absence of a quorum?

Mr. DECONCINI. Mr. President, I ask unanimous consent that the absence of the quorum time be equally divided.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DECONCINI. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DECONCINI. Mr. President, on behalf of the opposing side of this constitutional amendment, I yield 15 minutes to the Senator from Colorado in opposition to the amendment.

The PRESIDING OFFICER. The Senator from Colorado is recognized for 15 minutes.

Mr. HART. Mr. President, each of us in this Chamber took office with an oath to uphold and defend the Constitution. That pledge obligates us to defend not just the letter of our national charter but also its intent. We are obligated to be constitutional conservatives; to conserve the spirit the framers breathed into the Constitution; to alter its principles and its purpose not at all.

I oppose Senate Joint Resolution 225, the so-called balanced budget amendment, because it defies that spirit.

Set aside the economic arguments against this resolution, as persuasive as they are. Put aside whether exact budgetary balance is the best fiscal strategy in all circumstances. Never mind that today's ruinous deficits were created by the same President who is this amendment's leading advocate. My objection is simply that this amendment violates the fundamental principles that have sustained for nearly 200 years what Madison called our "paramount Constitution."

First, this amendment is inconsistent with the Constitution's purpose. That purpose is not to dictate the hourly managment of our Government but to enshrine the larger, underlying ideals which must guide it and guide this Nation.

Chief Justice John Marshall put it best:

> A Constitution, to contain an accurate detail of all the subdivisions of which its great powers will admit, would partake of the prolixity of a legal code. It would probably never be understood by the public. Its nature, therefore, requires that only its great outlines should be marked. We must never forget that this is a Constitution we are expounding.

That concern for broad principles explains why we have amended our Constitution only 16 times since our forebears ratified its text and its Bill of Rights in 1791. It explains why only 1 of the 11 amendments adopted in this century addressed a purely substantive issue, as this proposed amendment would. And it explains why that one amendment—Prohibition—was re-

pealed 14 years later and ridiculed ever since.

Yet today's fiscal prohibitionists ignore this lesson of history. They ignore Justice Holmes' injunction that "a Constitution is not intended to embody a particular economic theory." And they propose that we plaster a temporal economic equation onto the Constitution's grand architecture of processes and rights.

Worse: The amendment's 100 or so words are a Trojan Horse for a legion of minutiae that would wage war on the Constitution's majestic simplicity. Consider all the questions of economics, accounting, budgeting, and statistics which this amendment begs. What constitutes total outlays and receipts? Should we rely on year-end totals or estimates? Whose estimates? Do those of the Congressional Budget Office overrule the Office of Management and Budget? We need to answer each of these questions and many more besides in detail to make the amendment workable. An alternative version of this amendment, Senate Joint Resolution 13, tried to grapple with just a few of these questions and, by doing so, more than doubled the number of words it proposed to add to our Constitution.

As we resolved each of these complex issues through Congress or the courts, the effect of this amendment would be to straitjacket our Constitution into an inflexible doctrine—despite changes in economic conditions or public opinion—until the end of our Nation's days. Is that consistent with the Constitution's spirit? Thomas Jefferson would have thought not; he said:

> Laws and institutions must go hand in hand with the progress of the human mind. We might as well require a man to wear still the coat which fitted him as a boy, as civilized society to remain under the regimen of their barbarous ancestors.

It is in fact one set of barbarous ancestors that seek to tie future generations to the size of the coat which fits today.

Second, the proposed amendment is directly at odds with the Constitution's doctrine of the separation of powers. It would require the abdication of legislative authority to either the executive, the judiciary, or both.

This becomes clear as we consider how the amendment would be enforced. What if Congress violated the amendment by passing an unbalanced peacetime budget? One possibility is the President would block certain Federal expenditures. The Supreme Court ruled a decade ago that such an "impoundment" process violated the Constitution's letter, and—even with this amendment—it would violate the Constitution's spirit still.

The other possibility is that the courts would be asked to rule on the constitutionality of an unbalanced budget. Suddenly, it would be up to our judges to say whether estimates of receipts and outlays were accurate; whether we must cut the budget across-the-board, or only change certain spending programs and taxes.

U.S. Court of Appeals Judge Robert Bork said, considering that possibility:

> The result would likely be hundreds, if not thousands, of lawsuits around the country, many of them on inconsistent theories and providing inconsistent results. By the time the Supreme Court straightened the whole matter out, the budget in question would be at least 4 years out of date.

There is an odd paradox here commented on by both our colleagues from the State of Washington. Many of the most bitter critics of judicial activism on social issues, such as abortion and busing, actively support this amendment, which would virtually mandate judicial activism on Federal taxing and spending.

Third, the amendment would ride roughshod over the central constitutional principle of majority rule. The Constitution hallows this principle by carefully circumscribing the occasions that require "supermajorities." It limits these to matters of highest importance, such as impeachment, ratification of treaties, overriding vetoes, Presidential succession, and the expulsion of a Member of Congress.

The proposed amendment, by contrast, would impose the highest order of supermajority—three-fifths of the whole number of both Houses of Congress—on the lowest order of fiscal detail. War could be declared by simple majority; a 1 percent increase in unemployment benefits would require greater scrutiny.

The result would be tyranny by minority. Indeed, the amendment would enable Senators representing only 10 percent of America's population to control all budget and tax policies for all Americans, as the Senator from Washington [Mr. EVANS] has commented.

Fourth, the proposal violates what constitutional scholar Laurence Tribe identifies as one of the key tests of appropriateness for amendments: Whether it is an effective and essential last resort. It is certainly not effective. The amendment could easily be circumvented through at least six major loopholes, including the use of tax expenditures, offbudget spending authority, regulatory authority, and phony economic forecasts.

Nor is this proposal an essential last resort. Its proponents claim we need the amendment to remedy the tendency of well-organized interest groups to secure Federal spending beyond what the broader public supports. But we have yet to try a simpler cure to that malady: Strict limits on campaign contributions by the "PAC's" that lobby for these vocal interest groups. Indeed, a good "first resort" would be for some of the amendment's sponsors to drop their longheld opposition to such limits on PAC's.

Ultimately, this amendment would erode Government of, by, and for the people. Those who long for the kind of responsible governance the Constitution envisioned should consider just one point: Even if Congress were to approve the amendment today, it would still await ratification by 38 States—a process that would take 2 years at a bare minimum. Thus, Congress would not need to balance the budget until at least fiscal year 1991. By then, a good many of us would be out of office and beyond the amendment's reach.

Considerations such as these prompted one Member of Congress to remark:

> The budget-balancing frenzy that has been underway in this institution for some weeks now is mainly an exercise in symbolism, political desperation, and political gimmickry.

The statement was made in 1980 by a former Congressman from Michigan named David Stockman.

Mr. President, the only real cures for today's radically unbalanced budgets are public outrage in the voting booth and political courage in Congress and the Oval Office. And, as the Federal district court recently ruled with regard to Gramm-Rudman, these are probably the only cures fully consistent with the letter and spirit of our Constitution.

Mr. President, it seems to me regrettable when a large number of Senators take the floor to say that this body and they themselves are no longer responsible; they must be placed within a constitutional straitjacket because they are unable any longer to control themselves or to say no to their constituency groups. That, indeed, is a dark day for this Republic.

From 1789 to 1981, no constitutional amendment was necessary to keep deficit spending from getting seriously out of hand. All it took was firm public and official disapproval of such spending when it was not required by economic or military circumstances. To restore that attitude today, all we need are a President with the courage to submit a balanced budget, a Congress with the courage to cut spending and restore revenues, and a public understanding that the fault for runaway deficits hardly lies in the most magnificent Constitution humankind has ever known.

The PRESIDING OFFICER. Who yields time?

Mr. DECONCINI. Mr. President, the Senator from New York has asked for some time in opposition. I yield him up to 15 minutes.

The PRESIDING OFFICER. The Senator from New York is recognized for up to 15 minutes.

Mr. MOYNIHAN. Mr. President, my distinguished and learned friend, the senior Senator from Colorado, spoke about a criterion that a constitutional scholar has set forth with respect to constitutional amendments, which is that they should be an effective and essential last resort. It is precisely to this point that I would like to speak today in these closing hours as we approach what could very well be a momentous decision. I rise to question whether we face a crisis in public expenditures that we are institutionally incapable of dealing with, and in consequence of which we need to amend the basic law of the land.

I stand to say to the Senate that this is not so. We are in the midst of a protracted fiscal crisis. It has been with us most of this decade and will be with us the rest of this decade.

But, Mr. President, it was a deliberately contrived crisis. It was a crisis created by persons knowing full well what they were doing, for the purpose of putting us into just such exercises as we have been through this last year and as we are going through this last month—a crisis to bring about a great shrinkage of American Government under the force of deliberately created budget deficits. It might have been beyond the expectations of the handful of unelected and at the time almost nameless persons who did this. It may have been beyond their immediate purpose to attain to a constitutional amendment, but certainly not beyond the scope of the enterprise they set afoot.

The situation, Mr. President, is simple. The history books will tell all about it, and there is no reason we should vote on a matter of such profound consequence without telling ourselves what we know as well. In the months of November and December 1980 and over into the early weeks of January 1981, 10 weeks, a small group of persons, who had come to the position of being responsible for the formation of fiscal policy, got together on a proposal to create a new American revolution. They used the word "revolution;" they intended nothing less. And it had two elements: First, there would be a massive reduction in the revenues of the Federal Government through the tax cut that we enacted the following July. And in order to maintain a semblance of balance, there would thereafter have to follow a massive reduction in outlays. They addressed themselves not to the inconvenience of one program or the undesirability of another. They wanted the size of the American Government radically reduced. These were radicals. They were planning a revolution. They spoke the word "revolution."

By the time they had successfully adopted their tax cut and they began to contemplate what they had done, they realized, while they were talking of shrinking the American Government, that they were also simultaneously talking of continuing a large increase in Federal outlays in defense, commended under the previous administration, and that it was difficult to dissociate the armed services from Government. For when you do, you have great difficulties in the world. They faced incredible deficits—triple-digit deficits, the first in history, nothing like it ever encountered even in the Second World War.

Now, Mr. President, a choice had to be made at that moment. The moment was literally the months of, say, November and December 1981 when the first full budget of this administration was formed. The previous President had sent up the budget for fiscal 1982, now the fiscal budget for fiscal 1983 which came to us on February 8, 1982, was being put together. They knew what they had done. They had created a triple-digit deficit. Impossible; they had overcalculated. Their revolution has gone terribly wrong, partly because the economy was moving in a different direction, but partly because four young men should not plot revolutions against the American public and its Government and its Constitution, which is how it was ending up.

And so what did they do, Mr. President? Did the administration come to us and say "we have made a bad mistake"?

They did not. They did not say the young men miscalculated, as young men will; the palace coups did not go off. Instead, they misrepresented the numbers. And history will prove it.

They sent up a budget which, I recall included an estimated deficit of $91.5 billion for fiscal year 1983; the actual deficit was $195 billion. That was the magnitude of their error.

(Mr. ARMSTRONG assumed the chair.)

By not coming forward and avowing that a great miscalculation had been made that could be fixed—it was well within our range—they decided to let the error work its way though the system. Let it press away at a kind of philistine diminishment of all the large purposes of this Government that it affects.

And if we do not recognize it as having been a bad miscalculation by a small group of punitive and self-defying revolutionaries, four people, it could easily be mistaken for an institutional crisis when it was merely a personal act of great hubris.

Let me say that the men involved were honorable men, and their views were perfectly ethical views. They did not think Government could or should do certain things. But when they withheld their purposes, their intent, and their knowledge from us, they ceased to be ethical. And beyond that, they commenced to be more than a threat to our system because they let us think that we are dealing here with an institutional incapacity to order our affairs. That is not so, Mr. President.

There are pressures. The senior Senator from Colorado spoke of the question of interest groups that repeatedly deplete the resources of this Government. I recall that he and I were on the floor discussing one of the more recent aberrations in this regard, the deficit reduction legislation that the Senators from Texas, New Hampshire, and South Carolina introduced.

We discovered, as he will recall, one merry Sunday afternoon that the stern and unyielding insistance on balancing the budget regardless of anything, and cutting whatever had to be done, such as wiping out the 6th Fleet—my heavens, where would we have been yesterday if it had not been for the 6th Fleet—somehow exempted the Commodity Credit Corporation. We said, but this does not seem to cover a large agriculture program. "Oh, yes, it does," was the response. "Well, does it?" "Well, no." "Would you mind putting agriculture in?" "Yes."

And the first time we decided to deal with the effects of Gramm-Rudman-Hollings, we changed the effect on dairy price supports because of the milk lobby and the milk PAC's. But there is no institutional crisis here.

I think the U.S. Government has run a deficit in nearly one-half of the fiscal years of its existence.

I see the Senator from Colorado.

Mr. HART. Will the Senator yield for a question?

Mr. MOYNIHAN. I am happy to.

Mr. HART. I ask the Senator as a historian of at least political American history, is it not the case that the great peaks of deficits have occurred on four occasions in the 20th century: on the occasion of World War I, World War II, the Korean conflict, and Vietnam?

Mr. MOYNIHAN. Exactly. And the other peaks have been associated with sharp economic recessions in 1975 and 1983, and the same way in the War of 1812, the Spanish-American War, the Mexican War, and of course the Civil War.

Mr. HART. If the Senator will yield further, it seems to the Senator from Colorado, the Senator from New York is making rather serious allegations here which the Senator from Colorado has no doubt he can support. And they certainly comport to the facts of the last 5 or 6 years, and the suspicions that a lot of us have had over the last 5 or 6 years of what was up. Is it not the case historically that the revolutionaries set out to change a national system or set of priorities? At the very least they announced to the populace of that jurisdiction what their intentions are if not what their methods were going to be?

Mr. MOYNIHAN. I would say in that respect, yes. We come to associate revolutionaries with a flag. So you knew where they were. We had no flag. We have no proclamation. We had nothing but conspiracy.

Mr. HART. Does the Senator believe there was ever a referendum in this country either in 1980, 1982, 1984 on this kind of revolution? Did the American people vote for this revolution?

Mr. MOYNIHAN. They voted for no such thing. They heard no such measure proposed. They were not aware when they were being put in place.

Mr. HART. One final question. How can the Senator from New York account for what he alleges to be conscious and purposeful deception of the Congress of the United States?

Mr. MOYNIHAN. I can account for it by the terror with which young men recognize what they had done, and the unwillingness of their superiors to discipline them even so.

But I will make one further point about what the Senator from Colorado makes. We have had great deficits during time of great wars. We have had sharp deficits during the time of the recessions. President Ford had a great deficit in 1975, owing to the normal working of the economy and the countercyclical mechanisms such as unemployment insurance built into the economy. We now have had a deficit without a single major military operation, and the recessions that are always associated with them—one recession to be sure. But otherwise instead of inexplicable events which can be explained if you would only face the facts. The fact is this, Mr. President, about the normal workings of our fiscal system: It is that we no longer work on an agricultural cycle of 12 months, a lunar cycle. We no longer plant in the spring, reap in the fall, and get through the winter somehow or other to get to planting again in the spring. We no longer round up the cattle and send them to Dodge City. We no longer bring in the annual crop of potatoes. We are an industrial nation. And we live with a business cycle.

Will the Senator from Arizona yield 4 more minutes to the Senator from New York?

Mr. DECONCINI. The Senator from Arizona will be glad to yield 4 more minutes.

Mr. MOYNIHAN. I thank the Senator from Arizona.

We are on a business cycle which, after many long centuries of dealing with, we have finally recognized as a normal duration, or average duration, of about 33 months.

The one last point, and I wonder if my friend from Arizona would not hear me on this, because it is a point of law, and it is with respect to the Judiciary Committee that I would address it: In the current issue of The New Republic, which he may have seen, Professor Dellinger, of the Duke University Law School, makes a very important point. I would like to ask if the Senator might not agree; that is, we are all aware that 32 States have applied for a constitutional convention, most of them with the specific proposal that the constitutional convention meet to consider an amendment to deal with the balanced budget. Several of these applications say only a balanced budget, and no other amendments of any kind.

The Colorado petition, for example, states that, "This application and request be deemed null and void and rescinded and of no effect in the event the convention not be limited to such specified and exclusive purpose."

It is my clear reading of the Constitution that it is not possible to have a convention that will deal with one amendment. Article V says that Congress, whenever two-thirds of both Houses shall deem it necessary, shall propose amendments to this Constitution or, on application of the legislatures of two-thirds of the several States, shall call a convention for proposing amendments—plural.

Professor Dellinger suggests that the applications we have received from States that have confined themselves to one amendment be returned as unacceptable and unconstitutional.

I do not ask my friend from Arizona to answer me unless he chooses, but does it not suggest to him that this is an argument that needs to be considered?

Mr. DECONCINI. Certainly, Mr. President, as the Senator from New York quoted from the article—I have not had a chance to see it—one can come to that conclusion by voting the Constitution. We have yet to amend the Constitution of the United States, as the Senator knows, through that process, so it is a little bit uncertain exactly how we would do it. We have accomplished amendments to the Constitution under this process a number of times so we pretty well know how that goes about.

It seems to me a quick answer to that is the reference to amendments in the plural could mean any number of amendments dealing with the constitutional balance-the-budget amendment. I could talk at some point that there may be two or three different amendments to the Constitution that deal with a balanced budget that would satisfy the point of the Senator from New York. That could be debated, I am sure, by the Senator from New York. But that to me is a very specific myopic point to raise today in opposition to a process that we are not following. We are following the other process to amend the Constitution.

That is all I would have to say to the Senator.

Mr. MOYNIHAN. No, it is the legislatures who shall call a convention for proposing amendments. I simply make the point that we would really, I think, be stretching the clear intention of the word "amendments" to say more than one amendment on the same subject and we do have an argument here that we think we are operating under the threat of an imminent convention. I think we are not and I hope this resolution will be rejected.

I thank the Chair for his courtesy and patience.

Would the managers allow a unanimous consent request? I ask unanimous consent that the article by Professor Dellinger be printed in the RECORD at the conclusion of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

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Spurred by the desire for a balanced-budget amendment, 32 state legislatures have petitioned Congress to call a constitutional convention. If these applications are valid, we are only two states short of the 34 state petitions that would force Congress to call a convention.

Congress is now taking the matter quite seriously, and is contemplating two responses. Both are inappropriate. Fearing that a convention would propose amendments on subjects other than the budget, many in Congress are inclined to have Congress itself propose a balanced-budget constitutional amendment—the course urged by President Reagan in his State of the Union address. Then there is the proposed "Constitutional Convention Procedures Act." Because the legislation holds out the hope of exerting some control over a constitutional convention by limiting it to one subject, the procedures bill is supported not only by those who seek a convention, but also by many who are wary of a "runaway" convention. In fact, neither of these steps is necessary because most of the state petitions are invalid, and impose no obligation on Congress.

This whole movement for a convention "limited to proposing the balanced-budget amendment" flies in the face of the constitutional guarantee that any properly called constitutional convention be free to set its own agenda. Those drafting the Constitution in 1787, having provided one amendment method (proposal by Congress and ratification by state legislatures), wanted an additional guarantee that amending the Constitution wouldn't be dependent on the will of Congress. On the other hand, many delegates, including Alexander Hamilton, feared giving state legislatures the power to both propose and ratify amendments. The Constitution thus provides an alternative: "on application of the Legislatures of two-thirds of the several States," Congress "shall call a Convention for proposing Amendments." The very essence of this convention is that it is free of the control of both Congress and the state legislatures.

If a constitutional convention would in fact be free to determine what amendments to propose, what is the status of the pending state applications, which are based upon the erroneous theory that there can be a "limited" convention shackled in advance?

The short answer is that almost all the applications, by their own terms, self-destruct and impose no obligation upon Congress.

These applications were passed by the state legislatures after they were incorrectly advised that a convention could and would be narrowly limited. Fortunately, many state legislatures were careful to state explicitly in their applications that they desired a convention only if it could be limited to voting on a precisely worded "balanced-budget amendment." Twenty-three states specified that they seek a convention limited to the purpose of considering a particular amendment. Eleven states went further, insisting that their applications not be counted toward the calling of a convention if it would have the authority to propose an amendment that varied from the one described in the applications. The Colorado petition, for example, states that "this application and request be deemed null and void, rescinded, and of no effect in the event that the Convention not be limited to such specific and exclusive purpose."

The proposed procedures legislation simply ignores these state legislatures' demands. The bill would allow the convention to propose any amendments that generally addressed whatever broad "subject matter" Congress had defined. (If the procedures legislation had purported to limit a convention to a single amendment, as these state legislatures required, the current count of applications would be nowhere near 32, since different legislatures proposed different amendments.) Convention proponents are now subtly expanding the permissible scope of a convention to include such "budget" matters as federal funding of abortion. What about the state legislatures' requirement that their applications be deemed null and void if a convention can go beyond the particular amendment they specified? Convention proponents now say that this legislative language is mere "surplusage" and should be disregarded by Congress.

It is ironic that those who speak so warmly of the states' role in a constitutional convention would have Congress flatly ignore the state legislatures' express language in order to come up with an inflated count of valid applications. This constitutional "bait-and-switch" scheme should be treated by Congress as a sham, not as a serious call for a constitutional convention.

Virtually everyone—supporters as well as opponents of a convention—now concedes that it would be either impractical or unconstitutional to limit the convention to one proposal. Many state legislatures have clearly instructed Congress what to do in this event. Congress should respectfully return to the state legislatures any petitions that call for a convention shackled by constraints that are beyond the power of Congress to impose. Congress may then consider the balanced-budget amendment wholly on its own merits.—WALTER DELLINGER

Mr. GORTON. Mr. President, will the Senator from Arizona yield?

Mr. DECONCINI. May I ask the Senator how much time he wants? I have to balance the time among the opponents.

I would be glad to yield to the Senator from Washington for no more than 10 minutes in opposition.

Mr. GORTON. Mr. President, when the debate on Senate Joint Resolution 225 began, my comments on two separate occasions related to objections to the substance of the proposal, most of which still are valid and all of which resulted in discussions with the sponsors of this proposal here, on the floor. I do not intend today to reiterate those objections other than to state that in my own view, they remain valid, but I do want to add to the list an objection which has developed in the course of the process by which we have arrived today at a final vote on Senate Joint Resolution 225. That additional objection is to the process itself.

During the course of the past month, we have debated the wisdom of amending the Constitution of the United States, the most fundamental of our laws, the consideration of which is an awesome responsibility, as if we were dealing with nothing more harmful than a sense of the Senate resolution.

We were first presented with two distinct resolutions from the Judiciary Committee. Next, we were told that there would be a consensus amendment melding the two into one. After that, we adopted a one-word change to accommodate the concerns of a single Senator. Then we adopted a provision imposing a new obligation on the President of the United States.

When we had completed considering that amendment, we added an implementing provision; and finally, at the behest of the distinguished present occupant of the chair, a proposal on an entirely different subject, the method by which we increase the debt limit of the United States.

We have before us as a result, Mr. President, something which can be described no more eloquently than as a cut-and-paste project. In short, the opponents of the substance of the amendment have had to spend as much time trying to ascertain its content as they have in addressing the profoundly important constitutional questions about whether or not this should be a part of our fundamental law.

Compare, Mr. President, the elegant and general language of the Preamble to the Constitution adopted in 1787. Compare the direct and specific language of article I. Compare the soaring policies adopted by Congress in the 14th amendment.

Mr. President, when we look at the balance of the Constitution, we should be embarrassed even to suggest to the citizens of this Nation that we take the notion of amending the Constitution so lightly that we are content to make up that amendment as we go along. Apparently, however, we are not easily embarrassed, for this evening, we are about to vote on a proposed amendment to the Constitution of the United States which no Member had ever seen prior to the adoption of the final amendment to this proposed amendment, a proposal which has never been considered by the Judiciary Committee of the Senate of the United States in anything like its current form, an amendment with respect to which we have received no testimony from learned academics with regard to its consequences. I might add parenthetically, Mr. President, that the fact that parts of this amendment may have been reviewed by the committee or by academics as independent provisions is not a sufficient answer to this concern. We are all aware that a combination of the various provisions may in and of itself have unintended consequences.

In conclusion, Mr. President, the Constitution of the United States is the embodiment of the most enduring constitutional principles of our people, our Government, and our common experience. The Constitution is no place for congressional graffiti. This proposal should be emphatically rejected.

Mr. DECONCINI. Mr. President, I suggest the absence of a quorum and that it be equally divided.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. METZENBAUM. Mr. President, I ask unanimous consent the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. METZENBAUM. Mr. President, I ask the Senator from Arizona for about 15, 20 minutes.

Mr. DECONCINI. Mr. President, I am more than pleased to yield some time to the Senator from Ohio. I have promised the majority leader to save 15 minutes for him, so if the Senator would be satisfied with 15 minutes at this time, I think we will balance out the time.

Mr. METZENBAUM. No problem.

Mr. DECONCINI. I so yield 15 minutes to the Senator from Ohio.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. METZENBAUM. Mr. President, I thank the Senator from New Mexico.

Let us be straight about this proposal. It is a gimmick. It is the free lunch proposal. Vote for the balanced budget Constitutional amendment and then you do not have to stand on the floor, in committee and vote to cut back on spending or do whatever is necessary as pertains to revenue. This is a fraud on the American people. It sounds good but it is not that good. In fact, it is not any good at all. The President, I am afraid, has used it to hide the facts and Members of Congress have done the same. It is an excuse for not doing our job.

Now every Member of the U.S. Senate can vote for the constitutional amendment today and go home and tell your constituents you balanced the budget. The very same people who

are on the floor arguing for the constitutional amendment are the people who refused to vote for the proposal of the Senator from New Mexico, Senator DOMENICI, chairman of the budget Committee, to save $40 billion, $40 billion in conformity with the Gramm-Rudman Act.

Now, I did not vote for the Gramm-Rudman Act. I do not think it is good legislation, but I think as long as it is the law we have an obligation to comply with the law. The principal sponsors of this amendment had an opportunity to vote to conform with that law, to really do something about balancing the budget and they did not do that.

You can tell the people of the country you have solved the Nation's problems without cutting spending or raising taxes $1; just vote for the constitutional amendment. You do not have to emphasize the fact that it will not take effect until 1991 and you do not have to tell them either that there is no way to make it self-enforcing. You do not have to tell them that most of the Members of this body originally voted so that the President would not have to comply with the constitutional amendment to submit a balanced budget. Do not tell them that, because the very next day you turned around in order to buy some votes and unanimously agreed to accept the very amendment that you had refused to take of mine the day before.

Do not tell them those kinds of details. Tell them that this proposal is a free lunch. Tell them it is something for everybody and that nobody pays.

Members of this body, let us quit kidding the public. We are playing games with the Constitution to avoid doing that which we should be doing. Today is a perfect example. We put off a vote on the budget resolution because it is painful and because the President does not like it. It is going to make some people mad, but it is responsible. It makes a difference now and we put off that vote and vote on this gimmick instead.

I walked into the Finance Committee hearing this morning. It is interesting what is going on over there. The very same people who are going to come on the floor and vote to balance the budget are refusing to bite the bullet when it comes to closing tax loopholes. No; they would rather play the games that they do in the Finance Committee so that people do not have to pay the taxes who have the money in this country and see to it instead that somehow we pass a broad-based tax to increase the cigarette taxes, increase liquor taxes—"Pass it on to the little guy; he won't know the difference. He doesn't have any high-paid lobbyist down here; he or she don't have any PAC's to contribute funds to campaigns."

I can understand how much of the public supports this proposal. It sounds good. They have been told for years that it is the solution. They have been led to believe it really requires a balanced budget, that it really is workable. But they have not been given the facts. I remember that old TV program where one of the characters used to say, "Just the facts, just the facts."

Well, the facts are that the balanced budget constitutional amendment will not balance the budget. We will balance the budget when the Members of the U.S. Senate and the U.S. House of Representatives do that which they ought to do under the law. They ought to meet their responsibilities.

There comes a time when Members of Congress who do know the facts have to vote for what is responsible even if the polls go the other way. This is one of those times. I ask my colleagues, do you really believe it is responsible to add this to the Constitution? Do you really believe it is right to put this country in a constitutional straitjacket and risk the financial integrity of the Federal Government in order to go home and tell your constituents you did something about the deficit?

You have heard the debate. You know the flaws in this amendment. It does not really require a balanced budget at all. If Congress does not have the political will to do what is responsible, it can get out of it with a 60-percent vote.

It will not work during a recession because it risks economic disaster if we try to balance the budget at those times. It will not work when we have a military emergency without a declaration of war. We are risking putting this country in a situation where we cannot fund our Armed Forces in an emergency. It uses the Constitution to set economic policy. The Constitution sets out our basic principles for how our Government works. It protects our most precious liberties. It is an affront to the dignity of the Constitution to clutter it up with a particular set of budget and spending rules.

Now, the original version of the amendment was bad enough. Now it has been modified to include a provision that creates a direct threat to the ability of the Government to function, a requirement for a three-fifths vote to raise the allowable debt level. Let me quote the principal sponsor of this legislation, the distinguished Senator HATCH, who is a friend of mine, from Utah. This is what he said about it in 1982. He said this type of amendment would be "totally inconsistent with sound and responsible countercyclical economic policy and require taxes to be raised in the face of a recession or depression."

Said he, "If the Armstrong amendment is adopted, then Congress really has only one choice and that is to increase taxes because it will take three-fifths of the membership of both Houses to lift the debt ceiling." And the distinguished chairman of the Senate Budget Committee said at that time, "In this constitutional amendment, one vote more than 50 percent is necessary in order to raise taxes. Under the Armstrong amendment," said Senator DOMENICI, "three-fifths of the Members of each body would have to vote to increase the debt limit."

Mr. EVANS assumed the chair.

Mr. ARMSTRONG. Mr. President, will the Senator yield?

Mr. METZENBAUM. "I shall tell my colleagues what that is going to do. If that is built into the organic law, we are going to raise taxes every time because we are not going to get the three-fifths vote to raise the debt ceiling."

Mr. ARMSTRONG. Mr. President, will the Senator yield for a question?

Mr. METZENBAUM. "So we will do the easier thing; we will vote to raise taxes."

I say to my very good friend from Colorado that just as soon as I finish these eloquent remarks, I will be very happy to yield for a question from him.

Mr. ARMSTRONG. Mr. President, with that understanding, I shall resume the dais, but before the Senator leaves the Chamber, I do have a brief question which would not take over 10 seconds to propound and just let the Senator answer.

Mr. METZENBAUM. The Senator has my word and I will be here for just such purpose.

Mr. ARMSTRONG. In fact, if the Senator will do it now I can dispose of it.

Mr. METZENBAUM. I will be happy to.

Mr. ARMSTRONG. My question is, in light of what he said, did the Senator from Ohio vote for the Armstrong amendment?

Mr. METZENBAUM. I certainly did not. Excuse me.

Mr. ARMSTRONG. I believe the RECORD will show that the Senator voted for the amendment which he is so earnestly criticizing—not once but twice.

Mr. METZENBAUM. In 1982, I did vote for it because——

Mr. ARMSTRONG. Twice.

Mr. METZENBAUM. Because we knew then——

Mr. ARMSTRONG. Two times.

Mr. METZENBAUM [continuing]. That it was a killer amendment and that if the amendment was adopted the constitutional amendment was going to be defeated. And that was a very low price to pay in order to defeat the constitutional amendment. And I hope——

Mr. ARMSTRONG. I thank the Senator for yielding.

Mr. METZENBAUM [continuing]. That is also a killer amendment in this instance.

Mr. HATCH. Will the Senator yield for just one moment?

Mr. METZENBAUM. Mr. President, without losing my right to the floor, I will yield for a question.

Mr. HATCH. The Senator is willing to do anything he can think of to win.

Mr. METZENBAUM. The Senator asked me to yield for a question, not a speech.

Mr. HATCH. I just wanted to compliment the Senator for his tenacity and using any tool, no matter how bad it may be, to win on his side.

Mr. METZENBAUM. Mr. President, the fact is that this amendment can grind the Government to a halt: Everything from Social Security checks to weapons procurement to insurance claims for bank deposits to farm loans, to TVA loans—to everything.

If the money is not there—and there is a good chance that it will not be there on some particular occasion—then you just cannot go forward with the operation of Government, unless you have a three-fifths vote or you pass a tax increase.

Let me give an example. Let us assume that TVA decides that it is going to add to its facilities and spend $400 million and that it is in the process of building. Those moneys will be on an outgoing basis. The new moneys cannot come in until such time as the new construction is completed. They need to borrow more money. The moneys have run out. We have reached the debt limit, and you cannot do anything about it without a three-fifths vote in the Senate. As a matter of fact, you cannot do anything about it if a bank comes along and says: "Look, we insured a student loan, and now we would like redemption."

The Government says: "We don't have the money."

The bank says: "Next time, go to somebody else. I don't want to do business with you."

Or, maybe it has to do with the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation. They have some bad economic times, and they come to the Government for the money and you cannot get the money. Under the advice we have received from the Office of Management and Budget, we would not actually learn when the trigger had occurred, when there was not going to be sufficient money, until 24 days before the end of the fiscal year. If there were a $50 billion shortage at that time, somehow that money would have to be found. You could not cut expenditures by that amount, and there would be no alternative but to increase taxes.

I think everybody who votes for the constitutional amendment ought to understand that they should stand very proud, they should stand tall, because they have had the courage to come on the floor and vote for an indirect way of raising taxes. Senator HATCH said that. Senator DOMENICI said that. This ought to be called the "increase your taxes by a backdoor route constitutional amendment." That is exactly what is involved.

In order to raise the debt limit, it takes three-fifths. In order to have an excess over the revenues—excess of expenditures over revenues—it takes three-fifths. But if you want to raise taxes, it takes only 51 votes.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. METZENBAUM. Mr. President, I ask the distinguished manager of the bill for another 5 minutes.

Mr. DECONCINI. I yield 5 additional minutes to the Senator.

Mr. METZENBAUM. Mr. President, this debt limitation provision amendment takes all flexibility out of the proposed constitutional amendment. It creates a set of circumstances under which the Government could default on its own obligations to creditors. It casts a cloud of doubt over the financial integrity of the United States, something that the financial markets all over the world depend upon.

Adopting this amendment is the equivalent of cocking a gun and pointing it at ourselves. At some point, it will go off, and we will have ourselves to blame.

The argument is made that the States have a balanced budget; why can't the Federal Government?

That is an absurd argument, because it is not in accordance with the facts. There are two reasons. First, the States have two separate budgets. They have a regular budget having to do with income and expenditures, and they have a separate budget having to do with capital budgets. The Federal Government has no capital budget. In fact, of $249 billion in State spending in 1980, $106 billion, 43 percent, was off budget spending, and local and State debt grew $200 billion for 1980 to 1984. So the argument about the fact that the States have it and they are able to balance their budgets tells not half the story; it tells about 25 percent of the story. The States are able to live with balanced budget amendments because they do not really have to balance their budget.

Second, the States do not have the responsibility of preventing this country from going into a full-scale depression or going into an undeclared war. If we are in a recession or in some military engagement without actually being at war, the States do not cut taxes or increase spending to put the economy back on track; nor do they take any other action when such an occurrence would occur. But the Federal Government, in such an instance, has to do just that.

We have all voted for tax cuts or spending increases as a way of getting the economy going. It would be foolish not to. No one would now seriously advocate attempting to balance the budget in a serious recession because it would throw millions of people out of work. This responsibility to get the economy moving is a national one; only the national Government can do it.

All of us know we have let this country drift into a financial crisis over the past 5 years. We have continued to run up the tab, and we have not had the guts to pay for it. We are like children who only want dessert. We want the good things, but shun the painful and necessary.

It is time to start acting responsibly. This amendment is unworthy of the Constitution. It is unworthy of the U.S. Senate. It is unworthy of the American people.

Let us put it behind us and do the hard work that has to be done. Let us not inflict this fraud on the American public.

(During Mr. METZENBAUM's remarks the following occurred:)

Mr. HATCH. Mr. President, I ask unanimous consent that as soon as the distinguished Senator from Ohio is finished with his statement, Senator DECONCINI be permitted to take the floor, and I yield such time as he shall yield from our side; and immediately after he speaks, I yield such time as Senator EVANS needs, as long as it does not exceed 15 minutes, from my side.

The PRESIDING OFFICER (Mr. ARMSTRONG). The Chair points out that the Senator from Arizona and the Senator from Utah control the time.

Mr. HATCH. The Senator from Arizona's time is almost up, and I have to leave the floor briefly.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. EVANS. Mr. President, a parliamentary inquiry. How much time has been assigned to each side, and how much time remains on each side?

The PRESIDING OFFICER. Each side began with 2 hours. At this moment, the Senator from Arizona has remaining to him just under 53 minutes, and the Senator from Utah has slightly more than 105 minutes.

Mr. EVANS. I thank the Chair.

The PRESIDING OFFICER. The Senator from Ohio has the floor and may continue.

Mr. METZENBAUM. Mr. President, I ask unanimous consent that all the remarks having to do with the unanimous-consent request be included in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(Conclusion of earlier proceedings.)

The PRESIDING OFFICER. Who yields time?

Mr. DECONCINI. Mr. President, as usual the Senator from Ohio has made an outstanding statement. He and I agree on many issues, yet I regret to say that this is not one of them. I think this balanced budget constitutional amendment is long overdue.

Mr. President, as we wind down the debate on this issue, there are many people who have done a great deal and deserve recognition. The Senator from South Carolina, Senator THURMOND, and his staff, Joe Buzhardt, have worked long and hard. Senator THURMOND has been here many years, long before this Senator came to this body, and it is a great joy for him, I am sure, to see this vote, after the many years he has put in it.

Of course, the Senator from Utah, whom I have already praised, and Randy Rader of his staff are to be commended for their diligent work that they have continuously done and are doing right now as we attempt to move toward a vote.

The work that the Senator from Illinois and Laurie Westley of his staff have done really contributed a great deal to bring this together in a most scholarly way.

And as the Senator from Alabama pointed out a few minutes ago, he and I have been working on this since the day he came to the Senate. He introduced an amendment I think the same day I did. We have since joined together on this issue. And Karen Kremer of his staff has worked so well.

George Pieler, of the majority leader's staff, has worked with us as has the majority leader who has spent hours and hours both on the phone and traveling around this country in behalf of the constitutional amendment.

Without Bob Feidler on my staff we could not have possibly taken this to successful conclusion in 1982. Hopefully we will do so again today with Bob's assistance and that of Tara McMahon also with us this year who has worked long and hard on this issue.

There are so many groups who have been behind this effort, the National Taxpayers Union, the National Tax Limitation Committee, the National Realtors, the National Home Builders and many, many others.

There are people to be thanked for the time and I understand, of course, President Reagan has been a strong supporter of this and recently has been involved as he was in 1983 of attempting to persuade some people.

Just under 200 years ago, in 1789 when the Constitution was adopted, Thomas Jefferson warned us. The Senator from Illinois quoted him just recently as did the Senator from Alabama. Jefferson said:

> The public debt is the greatest of dangers to be feared by a republican form of government.

As in so many other things Jefferson spoke and wrote of—he was absolutely right.

I think it is important to be blunt today. We are here today considering an amendment to the supreme law of the land, the Constitution, because a sizable number of this body feel that a very real danger to our existence as a free and prosperous country exists. The threat comes not from Soviet missiles or Libyan terrorism, but from a monstrous Federal debt that could economically crush this and future generations.

We are not Pollyannas crying "wolf." The House of Representatives has pending before them a constitutional amendment with over 220 cosponsors, more than half of that body. The States have recognized the danger and 32 of the required 34 States have made application to Congress, under article V of the Constitution, to convene a second constitutional convention to consider the issue of a balanced budget amendment. The people of the United States, 73 percent of them, rate the Federal deficit as the No. 1 economic problem in this country; a recent survey showed that 90 percent of the people surveyed felt the accumulation of debt, as we know it, was morally wrong to pass on to future generations. Boy, are we doing it in grand style.

Our debt now exeeds $2 trillion, and even by the time of Gramm-Rudman and if it is completely implemented with the targets, it would be close to $2.5 trillion. Gross interest alone on the debt is estimated at just under $200 billion for fiscal year 1986. This is more than the entire budget was in 1970. It is the third largest item in the budget today. It represents 98 percent of all OASDI payments. It represents a charge of $3,290 for a family of four. It represents 59 percent of all tax revenue. In sum, it represents a potential disaster. That is the interest on this $2 trillion debt.

We are here today facing a vote in just a few hours on whether to add an amendment to the Constitution. In the past 195 years we have found it necessary to make only 16 amendments to the original Constitution and the Bill of Rights. We find ourselves in the position we are in today because as a Government we have failed the people of this country. Despite our best efforts in this body, despite the good intentions of so many Members of Congress, and despite the high expectations and glowing predictions of past and present Presidents, we have a Federal budget that is utterly out of control and serving as a drag to all sorts of potential economic initiatives in our land.

We have gotten into this mess because we have not had the willpower to say "no" when constituents and interest groups have come to us with requests, good requests for the most part. These requests are not bad or phony requests—a new veterans hospital is needed and we should do something about it; a school for Indian children is necessary and a commitment to those native Americans of our land; a new dam or water project, a courthouse, a weapons system, Medicare, education, housing, aid for the disabled—the list goes on and on—health care, aid and assistance to research aids and other dreaded diseases. The problem is the money doesn't go on and on as do the requests and permitting to fund them. And as we have built up and expanded the Federal programs and tax revenues we require from the people, we have tried to fool ourselves and the public by not paying for the benefits we provide. Instead, we have borrowed money or expanded the money supply. The result is the $2 trillion public debt and searing memories of the inflation of the early 1980's and the high-interest rates that ravaged the land today.

During the past few days and couple weeks of debate, we have heard over and over that the problem of the debt can be solved if only the Members would act responsibly on each bill each time we came to the floor. Well, that may be true but it has not worked and, in fact, will not work. It is like the story about Will Rogers. He was asked what he would do about the threat of German submarines to North Atlantic shipping during World War I. His response was that he would set the oceans of the world to boiling and thereby cook anybody who happened to be in a submarine in the ocean. Asked how he would set the oceans to boiling, he replied that he did not know, but that was one solution.

Well, we did not boil the oceans, the Sun does not rise in the West, and Members and the President will not bring about balanced budgets if all we have to rely on is their best efforts when they come to the floor and when they sit in the oval office. We have heard a lot about the institutional bias of the present legal and political framework that leads inevitably toward deficits, more and more deficits. Some have disputed that such a bias exists. I can only point to the fact of deficits in 25 of the past 26 years and 47 of the past 55 years to make my point. Members of Congress are honorable, hard-working people. We pride ourselves in representing our constituents. We do not want to pile deficit upon deficit. No one runs for office saying I am going to see how much deficit I can vote for. But we can not boil oceans and we can not balance

budgets unless we develop some new technology or have a different legal framework in which to legislate.

Others have said that simply mandating the norm of a balanced budget in the Constitution will not necessarily get you there, where we want to be, and that is a balanced budget. Of course, they are right. I conceded as much in my opening statement when I made clear that this amendment was not a panacea for our Nation's economic problems, it is not a cure-all, it will not stop ingenious legislators and people with green eyeshades down at OMB from manipulating the process occasionally. But what a constitutional amendment will do is create a fiscal and legal environment in which it will be possible for Congress to make responsible budget decisions. This amendment will also require the President to make those decisions. I, as one Member of the Senate, will be able to point to the highest law of the land when an interest group comes in with a request, explain my duty to honor it, and ask that interest group how they propose to help me honor that law of the land. Not only will Members be brought up short in some of our more profligate moments, but interest groups will have to make balanced and thoughtful requests to Members of Congress and ignore just their personal gain or interest that day. They will have to come up with solutions. If we need a new housing program, and indeed we do in this country with the homeless situation what it is, interest groups are interested in that and Members of Congress who promote that will have to come forward with a way to pay for it, with a way to fund it.

And is that not really what we should have been doing long before today?

On this general point of enforcement, I believe I also have history on my side. Many amendments to the Constitution don't have specific enforcement provisions any more than this amendment provides in section 5. But they are obeyed. They are obeyed, and the statutes that implement them are obeyed, because the Constitution has set out that governing principle in our lives and we as a people are steeped in the tradition of "rule of law," and specifically, we as Members take an oath to uphold the Constitution. If this amendment is in it, that will be part of that oath that we solemnly take. We as a people, or Members of this body, have never willfully ignored the dictates of the Constitution. We err now and then and the Supreme Court sets us straight or we set the Supreme Court straight, perhaps, by changing some of their laws. But we never waiver in our efforts to uphold the general principles of constitutional mandates.

Some say Gramm-Rudman-Hollings has solved the budget issue. While I applaud the effort and good intentions that went into that statutory provision, it can only be considered a good start. It has already run into difficulties in the courts, bills have been introduced to repeal it, and, in any event, it is only a temporary solution, expiring in 1991. We must legislate for the long haul. We can legislate aspects of due process and equal protection, and rights to counsel, and rights against illegal search and seizure, but that fact that these rights exist in the Constitution is what has given them—and us—a framework, a solid foundation on which to order our lives. No less reasoning applies to the need for a balanced budget mandate in the Constitution—because it is there we will obey it.

Our agonies over Gramm-Rudman-Hollings, reconciliation, and budget resolutions over the past months have been preludes to the decision we are about to make on amending the Constitution. If it were easy to balance the budget we would not need this amendment—but it has proven impossible and we desperately need this amendment. It is a simple amendment: It requires total outlays to equal total receipts unless three-fifths of both Houses of Congress decide that outlays may exceed receipts. It dictates a modest degree of accountability by requiring that bills to increase revenues—that means taxes—be passed by a majority of the Members of Congress. Debt to fund excess of outlays over receipts must also be approved by a three-fifths vote. These principles are straightforward and reflect the basic principles under which we as individuals, cities, States, and other entities are to conduct our fiscal affairs.

Our action today will affect all Americans, but perhaps most importantly it will affect the legacy we leave to future generations. As we prepare to vote on adding to the Constitution these provisions to require the norm of a balanced budget and to make us accountable to the American people when we go to them for tax dollars to fund our Federal programs, I ask each Member to especially consider our children and their children who will be saddled with the debt we have created and resolve that with the vote on this amendment we will begin the long and difficult road back to fiscal sanity.

Mr. President, in accordance with the unanimous-consent request, I yield the floor to the Senator from Washington.

The PRESIDING OFFICER. The Senator from Washington is recognized.

Mr. EVANS. Mr. President, we are drawing to a close debate on perhaps the most important issue we will face this year, and we are going to face some exceedingly important ones.

Let me begin by first saying I join enthusiastically with the sponsors of this proposed amendment in my desire to appropriately balance our budget, to appropriately carry forward our economic affairs in a responsible and reasonable manner, and to ensure that future generations are not saddled with undue debts from profligate spending of this generation. In that respect we have no disagreement. But as to methods, there are substantial and deep divisions.

Let me first respond to comments made by several of my colleagues a little earlier. The Senator from Illinois and others have no occasion mentioned the so-called unwritten amendment to the Constitution, that illusory wraithlike amendment which some can apparently see but which does not exist on any paper. Now, that is an interesting way to interpret the Constitution—to just say that if there is not something you can see; if there is not something you would like to depend upon in the Constitution, just call it an unwritten amendment. And then suggest that all we are doing is putting into words what our forefathers had in mind as if we somehow could read the minds of those long since deceased.

We have to deal with the Constitution as it is now written, the Constitution as it has been interpreted for almost 200 years; and to try to make a conscious decision as to whether this indeed is an appropriate addition to it.

The Senators from Arizona and Illinois both referred to Thomas Jefferson and quoted his abhorrence of public debt, which was not exactly matched by his willingness to assume private debt. And, in fact, he built one of the grandest homes in the United States, Monticello, partially through borrowing as a long-term investment.

I am not going to stand here, and it is not the point of the argument today, to embrace debt, especially the size of the national debt as it has grown. I join again with the proponents in saying that we are indeed out of control. But no debt; moving to a completely cash budget; doing what virtually no private citizen does, virtually no corporation does, and virtually no State or local community does? We would be virtually unique among all the private and public entities of this Nation if we were to suddenly and radically decide that we would embark on a direction that brooks no investment whatsoever in our long-term future through debt.

As I say, it is not my purpose to embrace debt as a direction we ought to move, at least in the amount we have. But let's face it, that $2 trillion debt, immense as it is, has bits and pieces of it which helped preserve freedom during World War II. It has helped support farmers from being driven

from their land. It has hepled our poor from going hungry. It has helped build highways and bridges and the America we know today. It has helped to provide aid for students to go to college and universities and become the educated next generation leadership of this country. It has insured banks and, to a degree, an investment in our own future.

Now, of course, it is out of control in terms of its size and, of course, it ought to be brought under control. But we hear too often people on this floor talking about the absolute of a balanced budget, of no debt, of all cash, and I am not certain that that is the appropriate direction. In fact, I am quite certain it may not be.

The Senator from Arizona also mentioned that we cannot rely on the President and on the Members of Congress to do a responsible fiscal job.

If we cannot rely on those Representatives, if we cannot rely on ourselves as citizens of this Nation, then the words of a constitutional amendment are indeed a thin reed on which to lean.

Whether we have a constitutional amendment or not, it still takes the will of people elected to office, and the vigilance of the voters who put them there to ensure that appropriate action is taken.

The Senator from Arizona correctly mentioned that each of us in taking office swear to uphold the Constitution. It is part of the oath we all take, and suggested that with that oath we would by definition enforce any constitutional amendment or any section of the Constitution.

Well, I would suggest to him that has not always been the case. We passed the 18th amendment to the Constitution which prohibited transportation, sale, and in all respects the distribution of alcohol.

I suspect—although I would hate to point to any single Member—that in those days Members at the beginning of a congressional session would hold up their hands, swear to uphold the Constitution of the United States, and hasten out some place close by to celebrate with a quick drink. You simply cannot, unless there is the will, ensure that everyone is going to live up to the Constitution.

As we have moved along on this debate in the last half-dozen years, we have seen a significant change in the attitude of the American people toward a balanced budget amendment to the Constitution. On the one hand, an increasing desire toward moving a more responsible way on budgeting but a decreasing support for the specific balanced budget amendment to the Constitution.

The Gallup Poll has most consistently asked the question and produced the results. In 1978, 81 percent favored a balanced budget amendment to the Constitution. Essentially, the same question was asked in 1982 when it was down to 75 percent. Essentially, the same question was asked this last year when it was down to 49 percent. There was a drive a few years ago for States to seek a constitutional convention for a balanced budget amendment because the Congress would not act.

Few States have been added to that list in the last couple of years. That too has faltered with the recognition not only of the danger of opening up a constitutional convention, but a growing recognition that the balanced budget amendment is not the real answer.

I have said before, and I say again, that to approve this amendment would be irresponsible. I believe debate over the last several weeks has shown this, and if one needs more proof, Mr. President, I ask unanimous consent that the statement of 217 distinguished economists, including seven Nobel laureates of economics and four former chairman of the Presidents Economic Advisers be printed in the RECORD, who said the following:

We do not believe that the quality of our economic policies will be improved by amending the Constitution. Rather, they will be improved only through better and wider public understanding of the economic elements in national policy, and by electing public officials who are competent, responsible, and responsive to the will of the electorate.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

ECONOMISTS' OPEN LETTER OPPOSING A CONSTITUTIONAL AMENDMENT REQUIRING BALANCED FEDERAL BUDGET AND LIMITING FEDERAL TAX RECEIPTS

The undersigned professional economists, who hold a variety of views regarding national economic policies, nevertheless are united in opposing enactment of the proposed constitutional amendment embodied in Senate Joint Resolution 13 or the Simon Substitute. Our reasons are given below. We are not all equally impressed by each of these reasons; and some of us have still other reasons for opposing the Amendment. But we are unanimous in our conviction that such an amendment is not in the national interest.

1. Whether a given expenditure budget and set of tax provisions will produce a deficit or a surplus depends to an important degree on the state of the economy over a period that will end considerably more than year from the time when appropriations and tax laws are enacted. This future state of the economy will be significantly influenced by the budget itself; but it also depends on many other events and circumstances that cannot be foreseen. Achieving the purpose of the proposed Amendments—i.e., avoiding deficits—thus implies an impossible accuracy in economic forecasting. Of course, Congress could deliberately evade the purpose of an Amendment by making economic assumptions that its members knew or suspected were unlikely to be realized. Such devious procedures clearly should not be encouraged by an unworkable Constitutional provision.

2. Even if Congress were able accurately to foresee the state of the economy, and able accurately to predict the revenues and expenditures associated with any economic forecast and any set of tax laws and appropriations, it is bad public policy to enact a budget that would be balanced in a fiscal year foreseen to be characterized by excessive unemployment and deficient sales, production, and incomes. Such a balanced budget could, in those circumstances, itself markedly increase unemployment and further depress production and incomes.

3. Similarly, if the fiscal year for which the budget and tax rates were being determined were expected to be a year of strong demand, high production and employment, and rising inflation, the provision of S.J.R. 13, that would limit the percentage rise in tax revenues to the previous year's percentage increase in national income could require tax rate reductions that would further increase demand and further fuel inflation, leaving tight money and high interest rates as the principal weapons for attempting to stabilize demand and prices.

4. Precise definitions of "expenditures", "revenues", "deficit", "national income" and related concepts are not included in the present draft amendments. Thus, an Amendment would need to contain (or the Courts would need to supply) such definitions. The relevance of any particular set of precise definitions changes materially over time. The Constitution cannot be periodically amended or reinterpreted to keep up with changing fiscal concepts and practices.

5. Constitutional limits on the use of budgetary policy for purposes of economic stabilization could in many cases be evaded by the use of regulatory policies or tax differentials designed to achieve the same ends. Regulatory provisions are normally far less efficient than economic incentives, and regulations or tax differentials seriously distort private economic choices. Inventing new forms of "off-budget" expenditures or financing would be another easy but undesirable means to frustrate the intention of an Amendment.

6. Interpretation of the Constitution—including an Amendment, if approved—is a function of the judiciary. We believe it unwise to involve the courts in the interpretation of economic theory and economic policy. It often take years to develop a judicial construction sufficiently thorough to comprehend the full range of issues, arguments, and conflicts inherent in a new legal situation. Moreover, it often takes years to adjudicate the cases that arise to test the scope and application of a new legal concept. To be effective, economic policy must be flexible, and respond to changing economic conditions, insitutions, and relationships; bringing the courts into the policy process would severely undermine the necessary flexibility.

7. The proposed Amendments demand a three-fifths vote of the full membership of each House of Congress in order to permit a Federal deficit under any circumstance other than a formal declaration of war. A special majority would also be needed to raise tax revenues by more than the previous year's increase in National Income (which might be a decrease). In a national emergency other than war, a prohibition of deficits or tax increases might make it impossible adequately to protect the national interest. A national-security emergency does not always (or, in recent history, even generally) involve a formal declaration of war; and a threat to national security may not

always be so obvious that three-fifths of the members of each House will perceive it and actually vote that it exists. Further, acknowledgement of such a threat by so explicit an action might be highly inappropriate or even dangerous. The debate and confusion involved in such a major and unprecedented policy decision could preclude immediate response to an imminent danger.

8. Most of us agree that Federal budget deficits can be and often have been incurred unwisely—at the wrong times, or in the wrong amounts. However, we do not believe that the quality of our economic policies will be improved by amending the Constitution. Rather, they will be improved only through better and wider public understanding of the economic elements in national policy, and by electing public officials who are competent, responsible, and responsive to the will of the electorate.

The motivation for Congress' sudden interest in amending the Constitution to prohibit deficits appears mainly to reflect frustrations associated with its inability to enact a fiscal-year 1985 budget that would be balanced in a year that it officially predicts will be marked by vigorous economic recovery. As the Washington Post noted editorally on June 21, 1982, "It is grotesque for senators and a president who cannot get their current deficit under $100 billion to support, piously, constitutional language putting it at zero."

The undersigned are all professional economists, engaged in research, teaching, consulting, or staff capacities. We sign this statement as individuals, our institutional affiliations are provided only for purposes of identification, with no implication that we represent anyone's views other than our own.

ECONOMISTS IN OPPOSITION TO SENATE JOINT RESOLUTION 13 AND THE SIMON SUBSTITUTE

Nobel Prize winners in economics: Kenneth J. Arrow, Lawrence R. Klein, Wassily Leontief, Franco Modigliani, Paul Samuelson, Herbert Simon, and James Tobin.

Former Governor of Federal Reserve Board: Andrew Brimmer, and Sherman J. Maisel.

Former president of National Association of Business Economists: Richard W. Everett.

Former Chairman of the Council of Economic Advisers: Gardner Ackley, Walter W. Heller, Leon Keyserling, and Charles Schultze.

Former presidents, American Economic Association: Kenneth J. Arrow, William J. Baumol, Kenneth E. Boulding, Walter Heller, Lawrence R. Klein, Wassily Leontief, Franco Modigliani, Paul Samuelson, Robert Solow, and James Tobin.

President, National Economic Association: Bernard E. Anderson.

President, Conference of Economic Progress: Leon Keyserling.

Former Chairman, Council on Wage and Price Stability: Alfred Kahn.

Former Chief Economist, U.S. Department of Commerce: Courtenay Slater.

John Bates Clark Medalists: Kenneth J. Arrow, Kenneth E. Boulding, Franklin M. Fisher, Lawrence R. Klein, Paul Samuelson, Robert Solow, and James Tobin.

Henry Aaron, Brookings Institution.

Moses Abramovtiz, Stanford University, former president, American Economic Association.

Gardner Ackley, University of Michigan, Former Chairman of the Council of Economic Advisers.

William James Adams, University of Michigan.

Irma Adelman, University of California—Berkeley.

M.A. Adelman, Massachusetts Institute of Technology.

Daniel S. Ahearn.

Clopper Almon, University of Maryland.

Bernard E. Anderson, president, National Economic Association.

Ronald Anderson, Columbia University Graduate School of Business.

Albert Ando, University of Pennsylvania.

Kenneth J. Arrow, Stanford University, Nobel Memorial Prize in Economics, 1972, formal president, American Economic Association, John Bates Clark Medalist.

Gerald E. Auten, Bowling Green State University.

Martin Neal Baily, Brookings Institution.

Harold Barger, Columbia University.

V. Lewis Bassie, emeritus, University of Illinois.

Francis M. Bator, Kennedy School of Government, Harvard University.

Ronald W. Batchelder, University of California, Los Angeles.

William J. Baumol, Princeton University and New York University; former president, American Economic Association.

Carolyn Shaw Bell, Wellesley College.

Arthur Benavie, University of North Carolina, Chapel Hill.

Abram Bergson, Harvard University.

Joseph S. Berliner, Brandeis University.

Ernst R. Berndt, Massachusetts Institute of Technology.

Robert L. Bishop, Massachusetts Institute of Technology.

Alan S. Blinder, Princeton University.

Ernest Bloch, New York University.

Roy Blough, emeritus, Columbia College.

Francis M. Boddy, emeritus, University of Minnesota, Minneapolis.

Roger Bolton, Williams College.

James T. Bonner, Michigan State University.

Kenneth Boulding, emeritus, University of Colorado, Boulder; former president, American economic association, John Bates Clark Medalist.

Samuel Bowles, University of Massachusetts, Amherst.

D.O. Bowman, dean emeritus and consultant, California State University.

Mary Jean Bowman, emeritus, University of Chicago.

David Bradford, Princeton University.

David W. Breneman, Brookings Institution.

Daniel H. Brill, former Assistant Secretary of the Department of the Treasury.

Andrew Brimmer, Andrew Brimmer & Co., Inc., former Governor, Federal Reserve Board.

Roger E. Brinner, group vice president and chief economist, International Energy and Utilities Divisions, Data Resources, Inc., Lexington, MA.

Arthur L. Broida.

Martin Bronfenbrenner, Duke University.

E. Cary Brown, Massachusetts Institute of Technology.

Henry J. Bruton, Williams College.

Ralph C. Bryant, Brookings Institution.

Edward C. Budd, Pennsylvania State University.

John F. Burton, Jr., Cornell University.

Lester V. Chandler, Princeton University.

Carl F. Christ, Johns Hopkins University.

Christopher Clague, University of Maryland.

Robert M. Coen, Northwestern University.

Richard N. Cooper, Harvard University.

Paul N. Courant, University of Michigan.

Paul A. David, Stanford University.

Paul Davidson, Rutgers University; editor, the Journal of Post Keynesian Economics.

Sidney Davidson, University of Chicago.

Gerard Debreu, University of California, Berkeley.

Robert F. Dernberger, University of Michigan.

Thomas F. Dernburg, American University.

Dudley Dillard, University of Maryland.

David P. Doane, Oakland University.

Evsey D. Domar, Massachusetts Institute of Technology.

Robert Dorfman, Harvard University.

James S. Duesenberry, Harvard University.

John T. Dunlop, Harvard University.

George C. Eads, University of Maryland.

James S. Earley, University of California, Riverside.

Richard Easterlin, University of Southern California.

Robert J. Eggert, Eggert Economic Enterprises, Inc.

Robert Eisner, Northwestern University.

Richard Everett, former president, National Association of Business Economists.

George R. Feiwell, University of Tennessee.

Franklin M. Fisher, Massachusetts Institute of Technology; John Bates Clark Medalist.

Robert J. Flanagan, Stanford University.

Murray F. Foss.

Irwin Friend, University of Pennsylvania.

George M. von Furstenberg.

Daniel R. Fusfeld, University of Michigan.

James H. Gapinski, Florida State University.

Arthur S. Goldberger, University of Wisconsin, Madison.

Stephen M. Goldfeld, Princeton University.

Richard Goode.

David M. Gordon, the New School of Social Research.

Robert J. Gordon, Northwestern University.

Roger H. Gordon, National Bureau of Economic Research.

Edward M. Gramlich, University of Michigan.

Jerry Green, Harvard University.

Karl D. Gregory, Oakland University.

Joseph Grunwald, Brookings Institution.

Jack M. Guttentag, University of Pennsylvania.

William Haber, emeritus, University of Michigan.

Bernard F. Haley, emeritus, Stanford University.

Burton C. Hallowell, president emeritus, Tufts University.

Daniel S. Hamermesh, Michigan State University.

Bruce Hamilton, the Johns Hopkins University.

Albert Gallord Hart, Columbia University.

Robert H. Haveman, University of Wisconsin, Madison.

Walter Perrin Heller, University of California, San Diego.

Walter W. Heller, University of Minnesota; former Chairman of the Council of Economic Advisers; former president, American Economic Association.

William F. Hellmuth, Virginia Commonwealth University.

Donald D. Hester, University of Wisconsin, Madison.

Bert G. Hickman, Stanford University.

Clifford Hildreth, University of Minnesota.
C. Elton Hinshaw, Vanderbilt University.
Werner Z. Hirsch, University of California, Los Angeles.
Albert O. Hirschman, Institute of Advanced Study, Princeton University.
Donald R. Hodgman, University of Illinois, U.C.
Robert S. Holbrook, University of Michigan.
Charles C. Holt, University of Texas at Austin.
Leonid Hurwicz, University of Minnesota.
Saul H. Hymans, University of Michigan.
James C. Ingram, University of North Carolina at Chapel Hill.
F. Thomas Juster, Institute for Social Research, University of Michigan.
Alfred Kahn, Cornell University; former Chairman, Council on Wage and Price Stability.
Masahiro Kawai, the Johns Hopkins University.
Carl Kaysen, Massachusetts Institute of Technology, director, program in science.
David Kendrick, University of Texas.
Peter B. Kenen, Princeton University.
Joseph A. Kershaw, Williams College.
Leon Keyserling, former Chairman, Council of Economic Advisers; president, Conference of Economic Progress.
Charles P. Kindleberger, emeritus, Massachusetts Institute of Technology.
Lawrence R. Klein, University of Pennsylvania; Nobel Memorial Prize in Economics, 1980; former president, American Economic Association, John Bates Clark Medalist.
Alvin K. Klevorick, Yale University.
J. Kmenta, University of Michigan.
Heinz Kohler, Amherst College.
Richard F. Kosobud, University of Illinois at Chicago.
Lawrence B. Krause, Brookings Institution.
Mordechai E. Kreinin, Michigan State University.
Mordcai Kurz, Stanford University.
Robert J. Lampman, University of Wisconsin-Madison.
Robert Z. Lawrence, Brookings Institution.
Robert Lekachman, City University of New York, Lehman College and Graduate Center.
Wassily Leontief, New York University, Nobel Memorial Prize in Economics, 1973; former president, American Economic Association.
John M. Letiche, University of California, Berkeley.
Charles E. Lindblom, Yale University.
Robert L. Lindsay, New York University, Graduate School of Business.
Glenn C. Loury, University of Michigan.
Michael C. Lovell, Wesleyan University.
Frank Lysy, the Johns Hopkins University.
Louis Maccini, the Johns Hopkins University.
Sherman J. Maisel, University of California, Berkeley; former Governor, Federal Reserve Board.
Thomas Mayer, University of California, Davis.
Campbell R. McConnell, University of Nebraska-Lincoln.
Raymond F. Mikesell, University of Oregon.
Charles Miller, the Johns Hopkins University.
Jerry Miner, Syracuse University.
Hyman P. Minsky, Washington University.
Franco Modigliani, Massachusetts Institute of Technology; former president, American Economic Association.
James N. Morgan, University of Michigan.
Peggy B. Musgrave, University of California at Santa Cruz.
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Robert R. Nathan, Robert Nathan & Associates, Inc.
Peter Newman, the Johns Hopkins University.
Donald A. Nichols, University of Wisconsin.
Roger Noll, Stanford University.
Mancur Olson, University of Maryland.
Joseph A. Pechman, Brookings Institution.
Mark Perlman, University of Pittsburgh.
George L. Perry, Brookings Institution.
Wallace C. Peterson, University of Nebraska-Lincoln.
Edmund Phelps, Columbia University.
Almarin Phillips, University of Pennsylvania.
Robert S. Pindyck, Massachusetts Institute of Technology.
Mark W. Plant, University of California-Los Angeles.
Richard C. Porter, University of Michigan.
Lee E. Preston, University of Maryland.
Fredric Raines, Washington University.
Gordon C. Rausser, University of California-Berkeley.
Margaret G. Reid, University of Chicago.
Robert D. Reischauer, the Urban Institute.
Robert W. Resek, University of Illinois, U.C.; director, Bureau of Economic and Business Research.
Lloyd G. Reynolds, Yale University.
Earl R. Rolph, University of California-Berkeley.
Hugh Rose, the Johns Hopkins University.
Michael Rothschild, University of Wisconsin-Madison.
Daniel L. Rubinfeld, University of Michigan.
Vernon W. Ruttan, University of Minnesota.
Walter S. Salant, senior fellow emeritus, Brookings Institution.
Steven S. Salop, Georgetown University Law Center.
Paul Samuelson, Massachusetts Institute of Technology; Nobel Memorial Prize in Economics, 1970; former president, American Economic Association.
Isabel V. Sawhill, the Urban Institute.
Thomas C. Schelling, Harvard University.
F.M. Scherer, Northwestern University and Swarthmore College.
Joseph Scherer, Hofstra University.
Richard Schmalensee, Massachusetts Institute of Technology.
Charles L. Schultze, Brookings Institution; former Chairman, Council of Economic Advisers.
Rashi Sein, Harvard University.
Harold T. Shapiro, president, University of Michigan.
Herbert A. Simon, Carnegie-Mellon University; Nobel Memorial Prize in Economic, 1978.
Courtenay Slater, former Chief Economist, U.S. Department of Commerce.
Irvin Sobel, Florida State University—Tallahassee.
Robert Solomon, Brookings Institution.
Robert M. Solow, Massachusetts Institute of Technology; former president, American Economic Association; John Bates Clark Medalist.
Peter O. Steiner, University of Michigan.
Anita A. Summers, University of Pennsylvania.
Robert Summers, University of Pennsylvania.
Paul Taubman, University of Pennsylvania.
Lester D. Taylor, University of Arizona.
Ronald L. Telgen, University of Michigan.
Peter Temin, Massachusetts Institute of Technology.
Lester C. Thurow, Massachusetts Institute of Technology.
James Tobin, Yale University; Nobel Memorial Prize in Economics, 1981; former president, American Economic Association; John Bates Clark Medalist.
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Hal R. Varian, University of Michigan.
Raymond Vernon, Harvard University; Center for International Affairs.
William Vickery, Columbia University.
Phyllis A. Wallace, Massachusetts Institute of Technology.
Harold A. Watts, Columbia University.
Steven B. Webb, University of Michigan.
Sidney Weintraub, LBJ School, University of Texas at Austin.
Burton A. Weisbrod, University of Wisconsin—Madison.
Thomas E. Weisskopf, University of Michigan.
Gordon C. Winston, Williams College.
Sidney G. Winter, Yale University.
James S. Worley, Vanderbilt University.
Gavin Wright, Stanford University.
Frank C. Wykoff, Pomona College.

Mr. EVANS. Mr. President, I also have the statements of 266 distinguished constitutional lawyers and professors of constitutional law who said in their summary:

* * * it is our opinion that amending the Constitution to include budgetary and economic doctrine would undermine the flexibility and diminish the integrity of the document under which this nation was born and has prospered for almost 200 years.

And I ask unanimous consent that their statement be included in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

OPEN LETTER OF LAWYERS AND PROFESSORS OF CONSTITUTIONAL LAW OPPOSING A CONSTITUTIONAL AMENDMENT REQUIRING BALANCED FEDERAL BUDGET AND LIMITING FEDERAL TAX RECEIPTS

The undersigned lawyers and professors of law, who hold a variety of views regarding national economic policies, are united in opposing enactment of the proposed constitutional amendment embodied in Senate Joint Resolution 13 or the Simon Substitute (the "Balanced Budget" amendment). Among the reasons for our opposition are:

1. One of the chief strengths of our Constitution resides in its flexibility. Changing social-economic conditions demands changing approaches to economic policy and budgetary outlays. A constitutionally required balanced budget would severely limit the government's ability to fashion such economic policies as may be needed in particular, and often unforeseeable, circumstances. To elevate a balanced budget to

permanent constitutional status is unwise and historically unsound.

2. Under Section 1 of the proposed amendment a three-fifths vote is needed to "unbalance" the budget. While more than a majority of those present and voting is now constitutionally required for certain matters (conviction on impreachment and proposed amendments) the principle most firmly embedded in the Constitution is one of majority rule. The potential for a tyranny of the minority in regard to budget votes under Section 1 of the proposed amendment is clear, and would inevitably have a paralyzing effect on the way Congress works.

3. Section 2 of the proposed amendment, furthermore, would create a permanent bias in the legislative process against federal programs as such, by requiring constitutional majorities of both Houses to approve any programs that increase the proportion of the "national income" represented by federal revenues above that of the previous year. Whatever the merits of the political philosophy behind this provision, it is wrong to thrust the political decisions it entails on future generations through writing it into the Constitution.

4. As attorneys and law professors, we are most concerned over the prospect of increasing the role of the judiciary in the budget process. Problems of definition of terms such as "national income" are not the only points on which judicial review may be expected. To take just one example, the Congress may wish to put certain types of outlays "off-budget"; in each such case, the constitutionality of the decision would be subject to judicial review. The review process is not only time-consuming; it is also unpredictable and uncertain. Therefore the certainty required for the smooth operation of the government would be seriously eroded.

Finally, it should not be forgotten that Congress and the President already have the power to balance the budget, without a constitutional amendment. The discipline required for a balanced budget must come from within the political process, and cannot, without serious disruptions, be imposed from without.

In conclusion it is our opinion that amending the Constitution to include budgetary and economic doctrine would undermine the flexibility and diminish the integrity of the document under which this nation was born and has prospered for almost 200 years.

We sign this statement as individuals; our institutional affiliations are provided only for purposes of identification, with no implication that we represent anyone's views other than our own.

Barbara Bader Aldave, University of Texas, School of Law at Austin.

Larry Alexander, University of San Diego, School of Law.

Alfred C. Aman, Jr., Cornell Law School.

Joe E. Anderson, St. Mary's University of San Antonio, School of Law.

Kenneth F. Antley, Mercer University Law School.

Charles E. Ares, University of Arizona, College of Law.

Michael Asimow, University of California at Los Angeles, School of Law.

Frank Askin, Rutgers, The State University of New Jersey, Law School, S.I. Newhouse Center for Law and Justice.

Carl A. Auerbach, University of Minnesota Law School.

C. Edwin Baker, University of Pennsylvania Law School.

Gordon B. Baldwin, University of Wisconsin Law School.

Milner S. Ball, University of Georgia, School of Law.

John J. Barcelo III, Cornell Law School.

Robert L. Bard, University of Connecticut, School of Law.

Robert A. Barker, Union University, Albany Law School.

Stephen R. Barnett, University of California at Berkeley, School of Law.

Edward L. Barrett, Jr., University of California at Davis, School of Law.

Dean Jerome A. Barron, George Washington University National Law Center.

Dean Richard J. Bartlett, Union University, Albany Law School.

Dean Florian Bartosic, University of California at Davis, School of Law.

Robert M. Bastress, West Virginia University, College of Law.

William M. Beaney, University of Denver, College of Law.

Paul Bender, University of Pennsylvania, Law School.

Arthur L. Berney, Boston College Law School.

Daniel O. Bernstine, University of Wisconsin Law School.

Donald L. Beschle, John Marshall Law School.

Norman Birnbaum, Georgetown University of Law Center.

Boris I. Bittker, Yale Law School.

Vincent A. Blasi, University of Michigan Law School.

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Lee Bollinger, University of Michigan Law School.

Henry J. Bourguignon, University of Toledo College of Law.

Paul A. Brest, Stanford Law School.

Abner Brodie, Emeritus, University of Wisconsin Law School.

Alan E. Brownstein, University of California at Davis School of Law.

Barbara Brudno, Brooklyn Law School.

John C. Bullitt, Shearman & Sterling, New York, New York.

John M. Burkoff, University of Pittsburgh, School of Law.

Robert A. Burt, Yale Law School.

Burton Caine, Temple University, School of Law.

Robert S. Catz, Cleveland State University, Cleveland Marshall College of Law.

Martha Chamallas, University of Iowa, College of Law.

Dean Johnathan B. Chase, Vermont Law School.

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David M. Cobin, Hamline University, School of Law.

Neil H. Cogan, Southern Methodist University, School of Law.

Robert H. Cole, University of California at Berkeley, School of Law.

Thomas M. Cooley II, University of Pittsburgh, School of Law.

Robert M. Cover, Yale Law School.

David P. Currie, University of Chicago Law School.

Melvin G. Dakin, Emeritus, Louisiana State University Law Center.

Joseph L. Daly, Hamline University, School of Law.

Anthony D'Amato, Northwestern University, School of Law.

Robert P. Davidow, George Mason University, School of Law.

Richard A. Daynard, Northeastern University, School of Law.

Orlando E. Delogu, University of Maine, School of Law.

Rodolphe J. A. deSeife, Northern Illinois University, College of Law.

Michael DeVito, Golden Gate University, School of Law.

C. Thomas Dienes, George Washington University, National Law Center.

David Dittfurth, St. Mary's University of San Antonio, School of Law.

Charles E. Donegan.

Patricia Dore, Florida State University, College of Law.

Donald W. Dowd, Villanova University, School of Law.

Robert F. Drinan, S.J., Georgetown University Law Center.

Melvyn R. Durchslag, Case Western Reserve University, The Franklin Thomas Backus School of Law.

Harold Edgar, Columbia University, School of Law.

Nancy S. Erickson, Ohio State University, College of Law.

Samuel Estreicher, New York University, School of Law.

Jack Etheridge, Emory University School of Law.

Charles Fairman, Emeritus, Harvard University, Law School.

Daniel A. Farber, University of Minnesota Law School.

Tom J. Farer, Rutgers, The State University of New Jersey, School of Law—Camden.

David B. Filvaroff, University of Texas, School of Law.

Ted Finman, University of Wisconsin Law School.

David B. Firestone, Vermont Law School.

Thomas C. Fischer, New England School of Law.

John J. Flynn, University of Utah, College of Law.

Jefferson B. Fordham, University of Utah, College of Law.

G. W. Foster, Jr., University of Wisconsin Law School.

Teree E. Foster, University of Oklahoma Law Center.

Thomas Franck, New York University, School of Law.

Monroe H. Freedman, Hofstra Law School.

Brian A. Freeman, Capital University Law School.

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Paul A. Freund, Harvard University Law School.

Howard M. Friedman, University of Toledo, College of Law.

James Friedman, University of Maine School of Law.

Lawrence M. Friedman, Stanford Law School.

Gerald E. Frug, Harvard University Law School.

Edward McGlynn Gaffney, Notre Dame Law School.

Marc Galanter, University of Wisconsin Law School.

Stephen W. Gard, Cleveland State University, Cleveland Marshall College of Law.

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Roger Goldman, St. Louis University, School of Law.
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Edward Gordon, Union University—Albany Law School.
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Joseph D. Grano, Wayne State University, School of Law.
Eric D. Green, Boston University, School of Law.
Eugene Gressman, University of North Carolina, School of Law.
Peter W. Gross, California Western, School of Law.
H.E. Groves, University of North Carolina, School of Law.
Gerald Gunther, Stanford Law School.
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Robert W. Hallgring, Northwestern University, School of Law.
Richard S. Harnsberger, University of Nebraska, College of Law.
Leora Harpaz, Western New England College, School of Law.
J. Marinda Harpole, Antioch School of Law.
Hendrik Hartog, University of Wisconsin Law School.
Francis H. Heller, University of Kansas, School of Law.
Arthur D. Hellman, University of Pittsburgh, School of Law.
Richard W. Hemstad, University of Puget Sound, School of Law.
Louis Henkin, Columbia University, School of Law.
Lawrence Herman, Ohio State University, College of Law.
Richard A. Hesse, Franklin Pierce Law Center.
Donald D. Hester, University of Wisconsin School of Law.
Jack A. Hiller, Valparaiso University, School of Law.
Bill Ong Hing, Golden Gate University, School of Law.
W. William Hodes, Indiana University, School of Law—Indianoplis.
L. Lynn Hogue, Georgia State University, College of Law.
James L. Houghteling, Boston College Law School.
Jacob D. Hyman, State University of New York at Buffalo, Law School.
Stanley Ingber, University of Florida, Spessard L. Holland Law Center.
Max Isenbergh, University of Maryland, School of Law.
George Roberts Johnson, Jr., George Mason University, School of Law.
Peter D. Junger, Case Western Reserve University, The Franklin Thomas Backus School of Law.
Yale Kamisar, University of Michigan Law School.
Leo Kanowitz, University of California, Hastings College of the Law.
Stephen Kanter, Lewis and Clark College, Northwestern School of Law.
Katheryn D. Katz, Union University, Albany Law School.
Robert B. Keiter, University of Wyoming, College of Law.
Frank R. Kennedy, University of Michigan Law School.
Ronald E. Kennedy, Northwestern University, School of Law.
Robert B. Kent, Cornell Law School.
James C. Kirby, University of Tennessee, College of Law.
Philip C. Kissam, University of Kansas, School of Law.
Laurence W. Knowles, University of Louisville, School of Law.
Majorie Fine Knowles, University of Alabama, School of Law.
Milton R. Konvitz, Cornell Law School.
John R. Kramer, Georgetown University Law Center.
Thomas G. Krattenmaker, Georgetown University Law Center.
Robert E. Krinock, Thomas M. Cooley Law School.
Paul M. Kurtz, University of Georgia Law School.
James A. Kushner, Southwestern University, School of Law.
Judith A. Lachman, University of Wisconsin Law School.
Arthur R. Landever, Cleveland State University, Cleveland Marshall, College of Law.
Douglas Laycock, University of Texas, School of Law.
Bruce S. Ledewitz, Duquesne University, School of Law.
Wilbur R. Lester, University of Cincinnati, College of Law.
Leon Letwin, University of California at Los Angeles, School of Law.
Dean Betsy Levin, University of Colorado, School of Law.
Sanford Levinson, University of Texas Law School.
Martin R. Levy, Louisville, Kentucky.
Peter Linzer, University of Detroit, School of Law.
Arnold H. Loewy, University of North Carolina, School of Law.
Merle W. Loper, University of Maine, School of Law.
Ann Lousin, John Marshall Law School.
Ira C. Lupu, Boston University, School of Law.
Louis Lusky, Columbia Law School.
H. C. Macgill, University of Connecticut, School of Law.
Joan Mahoney, University of Missouri-Kansas City College of Law.
R. Kenneth Manning, Jr., Samford University Cumberland School of Law.
Patricia H. Marschall, North Carolina Central University, School of Law.
William E. Marsh, Indiana University School of Law—Indianapolis.
Burke Marshall, Yale Law School.
David A. Martin, University of Virginia, School of Law.
Christopher N. May, Loyola Law School, Los Angeles.
Dean Michael Meltsner, Northeastern University, School of Law.
Maurice H. Merrill, General Counsel, Oklahoma Association of Municipal Attorneys.
Arthur S. Miller, George Washington University, National Law Center.
Charles J. Morris, Southern Methodist University School of Law.
William P. Murphy, University of North Carolina, School of Law.
Barry Nakell, University of North Carolina, School of Law.
Gene R. Nichol, West Virginia University, College of Law.
Melville, B. Nimmer, University of California at Los Angeles, School of Law.
Harold Norris, Detroit College of Law.
Christopher Osakwe, Tulane University School of Law.
James C. N. Paul, Rutgers, The State University of New Jersey, S. I. Newhouse Center for Law and Justice.
Robert Popper, University of Missouri-Kansas City, School of Law.
John J. Potts, Valparaiso University, School of Law.
Peter E. Quint, University of Maryland, School of Law.
Dean Norman Redlich, New York School of Law.
Donald H. Regan, University of Michigan, School of Law.
John J. Regan, Hofstra University, School of Law.
Herbert O. Reid, Howard University, School of Law.
Steven Alan Reiss, New York University, School of Law.
Doug Rendleman, College of William and Mary, Marshall-Wythe School of Law.
William Rich, Washburn University, School of Law.
William D. Rich, University of Akron, C. Blake McDowell Law Center.
Robert E. Riggs, Brigham Young University, J. Rubin Clark Law School.
Rhonda R. Rivera, Ohio State University, College of Law.
Rand E. Rosenblatt, Rutgers, The State University of New Jersey, School of Law—Camden.
Victor G. Rosenblum, Northwestern University.
D. L. Rosenhan, Stanford Law School.
Dean Albert J. Rosenthal, Columbia University in the City of New York School of Law.
Ronald D. Rotunda, University of Illinois, College of Law.
Thomas D. Rowe, Jr., Duke University, School of Law.
David Rudenstine, Yeshiva University, Benjamin N. Cardoza School of Law.
Albert M. Sacks, Harvard University School of Law.
Barbara J. Safriet, Lewis and Clark College, Northwestern School of Law.
Stephen A. Saltzburg, University of Virginia, School of Law.
Richard B. Saphire, University of Dayton, School of Law.
Arpair G. Saunders, Jr., Franklin Pierce Law Center.
Paul N. Savoy, Southwestern University, School of Law.
George Schatzki, University of Washington, School of Law.
Benno C. Schmidt, Jr., Columbia University, School of Law.
Rodric B. Schoen, Texas Tech University, School of Law.
Peter W. Schroth, Hamline University, School of Law.
Peter H. Schuck, Yale Law School.
Steven C. Schwab, Northern Illinois University, School of Law.
Robert L. Schwartz, University of New Mexico, School of Law.
Maimon Schwarzschild, University of San Diego, School of Law.
Richard A. Seid, University of Detroit, School of Law.
Louis Michael Seidman, Georgetown University Law Center.
Herbert Semmel, Antioch, School of Law.
Michael P. Seng, John Marshall Law School.
Jeffrey M. Shaman, DePaul University, College of Law.
Peter Shane, University of Iowa, College of Law.

Richard E. Shugrue, Creighton University, School of Law.
James F. Simon, New York Law School.
Michael E. Smith, University of California at Berkeley, School of Law.
Aviam Soifer, Boston University, School of Law.
James H. Stark, University of Connecticut, School of Law.
Sheldon Elliott Steinbach, American Council on Education, Washington, D.C.
Geoffrey R. Stone, University of Chicago Law School.
Victor J. Stone, University of Illinois College of Law, President, American Association of University Professors.
Irwin P. Stotzky, University of Miami, School of Law.
Peter L. Strauss, Columbia University, School of Law.
Dean Leonard P. Strickman, Northern Illinois University, College of Law.
Allen Sultan, University of Dayton, School of Law.
Roderick Surratt, Syracuse University, College of Law.
Michael Swygert, Steston University, College of Law.
Naudine Taub, Rutgers, The State University of New Jersey, S.I. Newhouse Center for Law and Justice.
Dean Leigh H. Taylor, Southwestern University, School of Law.
Gerald J. Thain, University of Utah, College of Law.
Samuel D. Thurman, University of Utah, College of Law.
James W. Torke, Indiana University, School of Law—Indianapolis.
Laurence H. Tribe, Harvard University, School of Law.
David M. Trubek, University of Wisconsin Law School.
Mark V. Tushnet, Georgetown University Law Center.
Jon M. Van Dyke, University of Hawaii School of Law.
Jonathan D. Varat, University of California at Los Angeles, School of Law.
Heathcote W. Wales, Georgetown University of Law Center.
Burton Wechsler, American University, Washington College of Law.
Philip Weinberg, St. John's University, School of Law.
Dean Harry H. Wellington, Yale Law School.
Malcolm E. Wheeler, University of Kansas, School of Law.
Michael Wheeler, New England, School of Law.
Welsh S. White, University of Pittsburgh, School of Law.
Christina, Whitman, University of Michigan Law School.
Robert F. Williams, Rutgers, The State University of New Jersey, School of Law.
Michael B. Wise, Willamette University, College of Law.
Albert M. Witte, University of Arkansas, School of Law.
Larry W. Yackle, Boston University, School of Law.
James W. Zirkle, Yale Law School.

Mr. EVANS. Mr. President, when debate began on the balanced budget amendment, I believe the proposal was not only inappropriate but also unnecessary and unworkable.

With the addition of the Hatch-Armstrong amendment which requires a three-fifths vote of both Houses to increase the public debt, the proposal, I believe, has become an even more dangerous threat to the financial integrity and stability of the country. In today's terms, this means that if we reach our debt ceiling, and like death and taxes we most assuredly will, the U.S. Government could be forced by a minority in Congress to renege on an endless list of Federal financial obligations. Programs such as Federal guarantees for student loans, Commodity Credit Corporation, Federal deposit insurance, veterans' pensions, Social Security, public entities like the TVA, or the Bonneville Power Administration. All it takes is the simple majority to approve such guarantees, and approve such borrowing authority. This new provision, however, could require support of a supermajority in Congress to keep the promise when it comes to delivering the goods.

The present legal and constitutional structure focuses on the creation of an obligation that will result in spending. This usually comes in the form of budget or spending authority.

Nowhere, however, does Congress appropriate outlays. Outlays are the spending that result from the original obligation.

So actually, the emphasis of the constitutional amendment on receipts and outlays does not even deal with what we appropriate.

The report of the committee which many of the proponents have assiduously referred to takes 12 pages to describe definitions of outlays and receipts and actions to be taken.

The colloquy which is in the CONGRESSIONAL RECORD took three pages of the RECORD to again identify the complexity of outlays and receipts.

Let me only read a couple of the more interesting definitions.

Outlays, receipts, fiscal years, are all terms defined by or to be defined by statute, and as such have no constitutional standing.

They go on to say at the same time the committee is "sensitive to the likelihood that such concept will undergo modification through time." In other words, there is no great constitutional protection when you go down to the detailed definitions.

Then further, we have a most fascinating discussion which I am delighted to find of what constitutes budget balance. What in their terms is a de minimus balance. In other words, if you get to the end of the year and you are close but not quite there, how much is close? They say what is de minimus is subject to interpretation given present-day monitoring abilities and the size of the Federal budget. It would be fair to say that a $10 billion imbalance or roughly 1 percent of the Federal outlays would mean balance.

They may say that $10 billion is de minimus. I suggest that $10 billion is a lot of money, and does not come close to the kind of balance they have advocated so strenuously.

The balanced budget amendment with this three-fifths requirement to raise the debt ceiling does as both the Senator from New Mexico, and the Senator from Utah stated 4 years ago. It causes some enormous problems and tilts the balance strongly toward raising taxes which only takes 51 votes, as opposed to increasing the debt limit which would take 60 votes.

For the Federal Government to pay off the guarantees of loans for crops, for students, for any other purpose; as you reach the debt ceiling, if you ran into problems, the choice then is difficult. You raise taxes—the easiest way out—or, if you insist on raising the debt, you would have to do it with a three-fifths vote. And we then put this in the hands of a relatively small minority, unusual strength from which they would extract a very large price.

Mr. President, I suggest that in referring to these 1982 statements that the choice is to increase taxes rather than to increase the debt limit. The response from the proponents was best displayed by my colleague from Illinois, who last night was on the McNeil-Lehrer program with me. His response to that question in the 1982 statements said, "Frankly, I think we need additional revenue."

Well, we may indeed need additional revenue at some point in our efforts of deficit reduction.

The PRESIDING OFFICER. The Senator is informed that the time remaining to oppose the amendment is believed less than 70 minutes, which is the amount formerly agreed to.

Mr. EVANS. I would ask unanimous consent for 5 more minutes, but I do not see any managers on the floor.

Mr. WEICKER. Mr. President, may I make a parliamentary inquiry as to how much time is left to the opponents of the amendment?

Mr. GORTON. Slightly under 41 minutes.

Mr. WEICKER. Is it proper to suggest that of such time, 5 minutes be used?

The PRESIDING OFFICER. The Chair would suggest that since the only Members on the floor are opponents, any unanimous consent request should relate to their time.

Mr. WEICKER. I ask unanimous consent that the Senator from Washington [Mr. EVANS] be permitted 5 minutes, which time would be taken off the time belonging to the opponents of the business before the Senate.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. EVANS. I thank the Senator from Connecticut.

Mr. President, we may indeed need additional revenue at some point, but do we indeed need a permanent constitutional revenue machine—a machine which would be created under this

amendment? It would give undue effort to the raising of taxes rather than leaving it balanced as it is now, where the choice can be made with full understanding of the economic characteristics of the time and the needs of our people whether to cut spending, raise taxes, or to engage in an unbalanced budget.

Mr. President, there are many ways. I have a detailed report which I ask unanimous consent to have printed in the RECORD, a report of a distinguished former House Budget Committee chief counsel, Wendell Belew.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

MATHIS, BELEW & ASSOCIATES,
Washington, DC, March 19, 1986.

Senator DANIEL J. EVANS,
U.S. Senate,
Washington, DC.

DEAR SENATOR EVANS: On Tuesday, March 25, the Senate is scheduled to vote on S.J. Res. 225, the Balanced Budget Constitutional Amendment. If approved this amendment will radically alter the financial structure of the United States Government. Uncertainties created by the amendment will increase interest costs, inhibit the efficient execution of government contracts and undermine domestic and international confidence in the credit of the United States.

The attached document examines some of the specific problems created by S.J. Res. 225. I hope you find it useful in considering this important matter.

Sincerely,

WENDELL BELEW,
Partner,
Mathis, Belew & Associates.

ANALYSIS OF PROBLEMS ASSOCIATED WITH THE BALANCED BUDGET CONSTITUTIONAL AMENDMENT

(Prepared by Wendell Belew)

The Hatch-Armstrong amendment to the proposed Balanced Budget Constitutional Amendment (S.J. Res. 225) introduces a new element of uncertainty in a wide variety of programs, ranging from Commodity Credit Corporation price supports to Guaranteed Student Loans and FDIC/FSLIC insurance. The new provision of the constitutional amendment provides that "the public debt of the United States shall not be increased to fund any excess of outlays over receipts for any fiscal year, unless three-fifths of the whole number of both houses of Congress shall provide, by law, for such an increase".

The provision is intended to supplement the requirement elsewhere in Section 1 of the Amendment that "total outlays of the United States for any fiscal year shall not exceed total receipts to the United States for that year, unless three-fifths of the whole number of both houses of Congress shall provide for a specific excess of outlays over receipts." Rather than controlling the obligation of new debt these provisions place a major stumbling-block on Congress's ability to satisfy legal and moral obligations already incurred.

The present legal and constitutional structure focuses on the creation of an obligation that will result in spending. In technical terms Congress and the President create "budget authority" or "spending authority" by law. This authority may take the form of an appropriation bill, a veterans pension, a non-recourse CCC loan, or a commitment to pay the interest on the national debt. Congress and the President may also create contingent obligations, in the form of loan guarantees, which pledge the full faith and credit of the United States behind a certain enterprise. Nowhere, however, does Congress appropriate or create "outlays". Outlays are the spending that results from the original obligation (usually in the form of budget authority) created by law. Thus, Social Security or unemployment benefits are paid out according to whether or not the claimant satisfies the standards set forth in law, not by virtue of what the outlay level may be.

Under our present system, actual spending is controlled by reducing the extent to which the United States is obligated to make payments. For example, outlays could be reduced by cutting CCC price support or loan levels, changing federal retirement benefits, or eliminating the Social Security cost of living adjustment. Stricter eligibility requirements will reduce the cost of a program by limiting the number of individuals eligible to receive benefits. It is not appropriate under current practice, however, to undertake an obligation—to promise to buy wheat at a certain price, for example—and then refuse to pay up when the contract comes due.

The modified Balanced Budget Constitutional Amendment would change all this. By focusing on the level of outlays and the public debt and by ignoring the very obligations and authorizations that generate those outlays, the revised amendment would say to the prospective beneficiary of some federal program, "No matter that we promised to guarantee the loan, buy the crop or provide a disability payment, you won't get your money until three-fifths of the whole number of both houses and the President agree that you will." It takes little imagination to conjecture the effect of such a half-hearted promise on participation rates in CCC programs, the inclination on the part of lenders to participate in the Guaranteed Student Loan program or even the cost of interest on the public debt itself.

Specific examples show the effect of the proposed amendment on important federal programs:

Commodity Credit Corporation. Under present law CCC programs typically operate in a number of ways. Under the soybean loan program, for example, the farmer plants his crop in the spring, harvests it in late summer, then faces the necessity of paying off his short-term debt. One option is to sign a contract for a short-term non-recourse CCC loan, whereby the farmer stores the crop, gets a warehouse receipt and then has the choice of selling his crop on the market or defaulting on the loan, leaving the crop with the CCC. If the constitutional amendment is adopted, the farmer may face a situation where he harvests a crop, expecting to pay off his short-term debt with a CCC loan, only to find that there is no federal money left to borrow. Similarly, producers of some crops (such as feed grains) are eligible to participate in income support programs under which the farmer signs a binding contract to control production in exchange for income support. Under S.J. Res. 225, a scenario could develop whereby the farmer signs a contract, reduces his production, harvests the crop, and finds the CCC till empty due to the failure of a Congressional super-majority to raise the debt limit. Under these circumstances, many farmers would be reluctant to participate in CCC programs.

Tennessee Valley Authority. The Tennessee Valley Authority, like other power producers, derives income from the charges its consumers pay and spends money for operations and expansion. When new power production facilities are being built, expenditures will exceed receipts—at least until the new facilities start producing power. Under the proposed constitutional amendment, once the public debt limit had been reached—or when total outlays would exceed total receipts for a given fiscal year—TVA could be forced to either drastically increase rates or dramatically cut construction so that receipts exactly equal outlays.

Guaranteed Student Loans. The federal government subsidizes student loans in two ways: (1) payments are made to the lender to provide for a slightly higher interest rate than the student pays and (2) the government guarantees the payment of the loan if the student defaults. Under the proposed constitutional amendment both the interest subsidy and the payment of the guaranteed loan would be at risk if Congress and the Administration were unable to agree on raising the debt limit or waiving the balanced budget requirements. The prospect of failing to receive payment for a given obligation would understandably make lenders less willing to participate in the GSL program and increase the cost of student loans to student and taxpayer alike. Lenders would also be more inclined to seize upon technical reasons to declare a loan in default, anticipating that funds to pay off a default may not be assured in the future.

FDIC/FSLIC Insurance. The Federal Deposit Insurance Corporation and the Federal Savings and Loan Insurance Corporation insure the deposits of member institutions. If the debt limit were reached or outlays were to exceed receipts for a given fiscal year, payments to depositors could not be made under these authorities unless there were sufficient income generated from insurance premiums and interest revenues to offset them. One can easily imagine a situation where regional economic factors result in both a deficit and financial institution failure. Under the proposed constitutional amendment, depositors in federally-insured institutions would have to wait until a super-majority of both houses and the President resolve their differences before receiving their money.

Social Security and Other Trust Funds. Federal government trust funds are characterized by having earmarked receipts flowing into the fund to finance its obligations. Federal law usually requires that receipts coming into the fund be invested in government instruments. If the proposed constitutional amendment were to be adopted and if the debt limit were reached, disinvestment of those trust funds might result. That is, the Treasury might "cash in" the investments of the Social Security and other trust funds in order to make room for more federal borrowing. Last year, disinvestment of the Social Security trust fund occurred due to the delay in approving an increase in the public debt limit.

Whatever the merits of the Balanced Budget Amendment prior to adoption of the Hatch-Armstrong amendment, the modified version of S.J. Res. 225 poses a substantial threat to the financial integrity of the United States government. Due to the uncertainties created by the amendment, interest rates would rise, contractors would demand "cash up front", and the holders of government guarantees would be motivated to join a run on the federal bank. These fac-

tors demonstrate the difficulty in solving specific economic problems through general provisions of law or the Constitution.

Mr. EVANS. He points out that under many circumstances—the difficulty with which farmers could finally collect on their crop loans under a whole series of elements where there would be difficulty in carrying on the business of the country. He adds one other situation which has not been mentioned so far.

Under a debt ceiling crisis, defense would be equal to all other programs—procurement, pay and benefits, and readiness could all suffer. Just imagine, in anticipation of that fact, the military would be required to adjust its stockpiles not only in anticipation of war, but in anticipation of the conflict generated over the debt limit.

Mr. President, the purpose of all this is to show that the protection of a constitutional amendment is illusory. No one seeks to be obstinate and no one seeks to be tricky. But if, in fact, there is not the personal will to reach a responsible budget, whether or not we have a constitutional amendment, that job is not likely to be done.

As I said earlier, a constitutional amendment will not provide a miracle cure. We need political courage, brains, and heart, because responsible budgets are balanced by leaders, not law. Are we going to turn over much of our decisionmaking to the courts, which a constitutional amendment would almost assuredly require? Will we set our economic machine on automatic pilot where we could not make effective and responsible decisions? Are we to turn over major decisions that would affect all the people of the country to a minority—a 40-percent minority—which in the Senate could be a minority representing slightly over 10 percent of the population of the Nation?

Mr. President, I suggest that this amendment is not needed. What is needed is the continued devotion to the start which we have made with Gramm-Rudman and an opportunity to show this year that we can indeed move toward a balanced and responsible budget. We do not need the crunch of a constitutional amendment to get there.

The PRESIDING OFFICER. Who yields time?

Mr. HATCH. Mr. President, I yield 10 minutes to the distinguished Senator from Connecticut.

The PRESIDING OFFICER. Is the Senator from Utah yielding his time?

Mr. HATCH. Yes, Mr. President, on my time.

Mr. WEICKER. I thank the distinguished Senator from Utah.

Mr. President, I rise to oppose the amendment before the Senate. Let me review two recent happenings in the course of Government during the past several months. The first was the President of the United States delivering his State of the Union Address, in which he called for a balance-the-budget constitutional amendment while, at the same time, presenting an unbalanced budget to the Congress. I would suggest that it would be far better than requesting a balance-the-budget constitutional Amendment in his State of the Union Address for the President of the United States to present a balanced budget to the Congress.

Second was that moment on the Senate floor when, immediately after the passage of Gramm-Rudman, which was a macrostatement by the Senate of the United States that we had to balance our budgets, there were the three votes. The three votes that followed that were as follows: One, an amendment to reduce defense spending by 5 percent received seven votes.

The second was to raise the gasoline tax 18 cents to provide for lowering the deficit. Nine of us voted for that. The third was to include Social Security in the budget process and 27 of us voting for that. So how do you make the macrostatement that we want to balance the budget when the Senate cannot vote to do that and the President of the United States presents an unbalanced budget at the same time he calls for a balance-the-budget amendment?

I suppose what I submit to my colleagues in the Senate is if those in our generation, be they in the executive or the legislative branches of Government, do not have the courage to do what this resolution calls for, I do not think we have the right to saddle future generations with the consequences of our inadequacies.

All the power in the world exists in Presidents and Senators and Congressmen to balance the budget. Not one more word need be written into any law or the Constitution on that subject. Literally what needs doing is more than one vote to accomplish that end. I suppose what bothers me the most in the course of this debate is exacting the price for our lack of courage from the people of the United States and from future generations.

Every one of these constitutional amendments that comes up, be it religious freedom, be it the independence of the courts, every one of these proposes that the American people have just a little bit of their freedom and their rights eroded. Right now there is the unlimited opportunity to choose what the priorities of this Nation will be. Why does anybody want to trade that in? Why would a citizen of this Nation want to trade that in for a mechanism which in one way or another is going to tell him or her what they can or cannot do? Why do I stand out here and fight on the religious issue? Not because I am being given any more rights when we try to amend the Constitution but, rather, somebody is trying to take away from me one of my rights, the rights that I and 250 million other people have.

Why do we want the Congress to tell the courts what do do? How dos that impact on the average citizen in the sense that right now they have the courts and the Congress and the President to protect their rights? Maybe all three will, maybe two will, maybe one will, but they have the total right to choose what the national priorities will be at this juncture. Why would anybody want to trade that in for something less? That is what is being offered on the floor of the Senate when it comes to fiscal affairs. But more importantly, forget that terrifying word "fiscal." Think of what it is we want to do as a Nation and how we are going to pay for it.

This is a clearcut diminution of my right as a citizen—never mind as a Senator, my right as a citizen—to choose what the priorities will be, and it may very well be that subsequent generations will seek to unbalance the budget and maybe for very good reason. I have to point out that those who are ringing their hands and gnashing their teeth as to the imbalance of the budget are at least in this generation the ones who were the greatest advocates of the defense spending which unbalanced it.

Now, I have no criticism of that. That is not the issue here, because indeed the American people have chosen Ronald Reagan and his philosophy. The American people want to emphasize defense. Fair enough. But understand what you have done to achieve that defense superiority. You have unbalanced the budget.

That was a conscious choice. I am not complaining about it, but why screw up the Constitution when you have achieved the very result that was inevitable from the start? I like to think there may be a worthier objective to unbalance the budget sometime in the future. Maybe we will come to our senses and realize that the business of life is more important, such as health, science, education, and maybe we will unbalance the budget in the name of those causes. Then I will be happy.

But in all of this process, there is nothing wrong with the Constitution of the United States. It is just that somebody is trying to achieve their particular end in a painless way—and there is no such animal.

I certainly believe in abiding by the results of debates on the various matters of national priority which come before the U.S. Senate. I have no difficulty living with a budget that I think is completely out of whack. The majority does rule and that is what the majority wants.

So this matter before us then is clearly something separate and apart from the opinions and the passions of

the times. What I say is, because of a particular situation created in our time, do not destroy the Constitution. Let it remain constant. Whether in terms of the right to choose, whether in terms of religious freedom, whether in terms of the independence of the judiciary, let the Constitution remain constant so that all generations can look to the one thing that does not change.

Now, as far as the American people are concerned, if they want to know what is wrong, I will tell them exactly what is wrong. They are sitting on their duffs, they are not voting, and they do not care about this political system in the United States. The reason we have an unbalanced budget is because they do not vote, period. Nobody will be glad to amplify on that statement more than the Democratic candidate for Governor of the State of Illinois. You cannot put the political system onto automatic pilot either. The American people have to involve themselves through the political process and vote and say what it is they want. And if a balanced budget is important, then they should elect those who believe in a balanced budget and kick out those who have created the imbalance, for whatever reason.

The PRESIDING OFFICER. The time yielded to the Senator has expired.

Mr. WEICKER. I ask for 1 more minute.

Mr. HATCH. I yield 1 more minute and then I will ask for recognition.

Mr. WEICKER. Mr. President, I hope this resolution fails. I hope we focus on ourselves and that the American constituency focuses on us. The fault lies not in the stars, dear Brutus, but in ourselves. That is where the fault for the unbalanced budget is. So leave that magnificant statement of principle and of ideals alone and let the Congress and the President do the work for which it was elected, and then come election day let the factor of accountability move us in one direction or another. Under this resolution we remain in a fog, and no one in a fog ever moved anywhere, nor could they be seen. When the voters demand it under the political system existing under our Constitution, there wil be a clear-cut direction to follow because it will be enunciated by the clear-cut words of the Nation's elected representatives. I yield the floor.

Mr. HATCH addressed the Chair.

The PRESIDING OFFICER. The Senator from Utah.

Mr. HATCH. Mr. President, as I understand, the distinguished Senator from Florida wants to speak. Could I take a minute and I will turn to the distinguished Senator from Florida.

Mr. President, we intend the term "public debt" to mean that debt held by the public which is incurred to finance a deficit. Indeed the language of the amendment I proposed explicitly limits the sweep of this provision to public debt incurred "to fund any excess of outlays over receipts." Accordingly this term does not apply to debt held by Government trust funds, revolving funds, and off-budget Federal borrowing entities, like the Federal Financing Bank. The committee report reinforces this limited definition of the term "public debt":

> Debt held by Government trust funds (e.g., Social Security trust funds, revolving funds, and off-budget Federal entitites is excluded from debt held by the public. * * * Federal financing bank borrowing from the Treasury is not included in public debt.—Pages 51-52.

The FFB does not borrow from the public, it borrows from the Treasury.

Other off-budget entities that borrow from the Treasury would not be covered by this amendment. Only that entity which borrows from the public to finance deficits—the Treasury of the United States—is covered.

Thus, public debt must be distinguished from gross Federal debt. Gross Federal debt includes public debt and agency debt and debt held by trust funds. The latter two categories are not within "public debt." Agency debt is debt that certain agencies of the Federal Government are authorized to incur on their own. These debts are generally subject to an independent statutory limit. This agency debt is not included within public debt.

The effect of these definitions and the additional clarifying terms of Senate Joint Resolution 225 is to ensure that the three-fifths supermajority requirement does not apply to any Federal borrowing except that necessary to "fund an excess of outlays over receipts for any fiscal year." The additional clause "for any fiscal year" clarifies further that this amendment does not affect credit transactions within a fiscal year, but only those at the close of a fiscal year necessary to fund a deficit.

Some of my colleagues have argued that this provision means that "Defense, Social Security, and medicare programs" would cease if some debt limit were reached. They go on to contend that the Government could not make payments on defaulted loans or make payments to its own creditors if this debt limit were exceeded. These arguments overlook the fact that the language of Senate Joint Resolution 225, unlike an entirely different amendment adopted during 1982, contains no language regarding a debt "limit." Moreover this overlooks the new language of Senate Joint Resolution 225. Because of these differences, Senate Joint Resolution 225 does not place any three-fifths limits on farm loans or student loans or lending beyond a certain limit. Those are not the terms of 225. We do not issue CCC loans or student loans "to fund an excess of outlays over receipts for any fiscal year," we make those loans to help farmers and students. If these programs or other agency programs that are authorized to incur debt must borrow within a fiscal year to meet their obligations, this proposed constitutional amendment does not interfere in the slightest with that obligatory activity. This proposed constitutional amendment only prevents increases in the limited category of public debt—a term which excludes agency borrowing. Moreover it only affects those increases in that limited category that are necessary to fund deficits which must themselves be authorized by a three-fifths vote under this amendment. Moreover it only affects those deficits authorized by three-fifths and incurred to cover a fiscal year deficit. It does not affect within-year borrowing necessary to run necessary programs.

CCC and student loan programs, just like every other program of the Federal Government, are not directly affected by Senate Joint Resolution 225. 225 changes no programs. It limits no borrowing authority—except borrowing necessary to fund a deficit authorized by a three-fifths vote of Congress for any fiscal year. Any change in CCC or student loan programs could not be caused by Senate Joint Resolution 225, which sets no statutory priorities and mentions no programs. Only Congress can change those programs by changing the law.

Finally I would note that some opponents of Senate Joint Resolution 225 have published my speeches against Senator ARMSTRONG's 1982 amendment to the 1982 constitutional amendment proposal. This was like comparing apples to aardvarks. The 1982 Armstrong amendment was significantly different; the 1982 constitutional amendment was significantly different; and the economic effect of these in 1982 was completely different than the current language.

I have already mentioned a few ways that this 1986 language is different from the 1982. The 1982 Armstrong amendment talked about putting the current statutory debt "limit" into the Constitution. The dollar amount of the current debt limit would have been frozen into the Constitution by this language. This amendment is much different. It does not employ the concept of a debt limit, but only requires three-fifths to authorize a specific kind of borrowing to fund a deficit which must itself be authorized by three-fifths. These two actions are likely to occur simultaneously.

It is also important to note that the 1982 constitutional amendment was completely different than Senate Joint Resolution 225. The 1982 constitutional amendment did not require an actual balanced budget, but only a

planned balance. It permitted deficit spending without a three-fifths vote when unanticipated revenue shortfalls caused an actual deficit despite a planned budget that was in balance. Since these revenue shortfalls would be most likely in a recession, the Armstrong amendment of 1982 would have required Congress to either vote to raise the debt limit by three-fifths or raise taxes by a majority vote. In that context, I made my arguments concerning tax increases.

Senate Joint Resolution 225, on the other hand, never creates this problem. It states forthrightly that outlays shall not exceed receipts without three-fifths authorization. Accordingly, 225 creates no dichotomy between planned and actual balance. The budget will always be balanced or Congress must vote to explain why. Under 225, therefore, a vote on increasing the public debt to accommodate a deficit will only occur in the wake of all earlier authorization to incur a deficit. Thus, this current language about public debt increases does not operate in any way to increase the likelihood of tax increases, spending cuts, or general borrowing freezes. It only operates as further assurance that Congress will do as required in section 1; namely, only allow outlays to exceed receipts when specifically authorized by Congress. The vote to authorize a specific excess of outlays over receipts and the vote to permit funding of that deficit by borrowing will most likely be simultaneous, but the conjunction of the two provisions ensures that Congress will indeed be required to authorize a deficit.

In conclusion, I would only note that the Senator who published my 1982 remarks against the Armstrong amendment and mistakenly applied those comments to Senate Joint Resolution 225 actually voted for the Armstrong amendment in 1982. It is clear that the only intent here is to defeat the balanced-budget amendment regardless of the accuracy of the arguments used to achieve that end.

Mr. President, on behalf of myself and the following Senators, I ask unanimous consent to have printed in the RECORD an explanation of a colloquy and the colloquy which was inserted in the RECORD by Senator HEFLIN on March 21, 1986, at page 5922. Senator METZENBAUM consents to entering the colloquy into the RECORD, but does not necessarily subscribe to each statement included. The following Senators have signed this request: Senator DECONCINI, Senator METZENBAUM, Senator HEFLIN, Senator THURMOND, and Senator HATCH. Senator MELCHER has not signed it, but has indicated that he would sign it.

The PRESIDING OFFICER. Without objection, it is so ordered.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

EXPLAIN COLOQUY

At the request of Senator HEFLIN of Alabama, the authors of S.J. Res. 225 entered into a colloquy to discuss the meaning of the terms used by the proposed constitutional amendment. As the Senator from Alabama noted, S.J. Res. 225 does not contain a definition section. This is, of course, not unusual. The first Congress did not append to the Bill of Rights a section to explain the meaning of the terms "speech" or "establishment" or "search and seizure" or any other words. Their objective was not to define with the precision of a statute whether the term "speech" would extend to wearing armbands or other forms of symbolic expression. Instead they meant to incorporate into the Constitution a basic principle protecting those forms of expression necessary for free exchange of political ideas, for informing the electorate, and for the preservation of an independent republic. They accomplished this magnificently with the first amendment.

The basic principle enunciated by S.J. Res. 225 is that outlays shall not exceed receipts in any fiscal year unless three-fifths of Congress vote otherwise. A necessary corollary of this principle is that all Federal spending and all Federal taxing must fall within the terms of the amendment. If S.J. Res. 225 excluded some forms of spending or taxing, the balanced budget norm would be compromised by Congressional efforts to define all favored spending programs within the exclusion. For this reason, the Senate rejected an amendment to exempt Social Security from the terms of S.J. Res. 225. The colloquy reemphasizes these axioms.

The committee report accompanying S.J. Res. 225 contains a section which discusses the contemporary meanings of the terms "outlays" and "receipts." The report states that these terms are now and in the future could continue to be defined by statute. The report, however, does not conflict with the basic principles of S.J. Res. 225. Congress would retain its authority to define certain budgetary terms after ratification as long as those definitions are consistent with the principles enunciated by S.J. Res. 225. Congress would not have discretion to define certain kinds of spending as outside the terms of the constitutional amendment, but it could switch our budget and accounting operations to an accrual system. Congress could also retain the current practice of allowing some income-producing Federal agencies to meet their income against their expenditures before counting their net outlays or receipt as part of the constitution's budget aggregates. This kind of statutory alteration would be accommodated by S.J. Res. 225 because no Federal programs would escape accountability under the terms of the Constitution. In fact, the entire section of the report discussed in this colloquy is designed to demonstrate that S.J. Res. 225 would accommodate current accounting procedures and definitions.

COLLOQUY ON MEANING OF "OUTLAYS"

Senator HEFLIN. The proposed constitutional amendment uses several important terms, including "outlays" and "receipts." The Senate Judiciary Committee report, particularly pages 42-3 and 46-53, set certain parameters for understanding these terms. During the floor debate, however, the Senate agreed unanimously to an amendment proposed by Senator Domenici, chairman of the Budget Committee, which added the word "total" before "outlays" and "receipts." Was the Domenici amendment intended to alter the explanation of those terms in the Senate Judiciary Committee report?

Senator HATCH. At the outset, I would like to express my appreciation to the Senator from Alabama both for his significant contribution to the drafting of S.J. Res. 225 and for his interest in clarifying any remaining questions about the intent of this constitutional amendment proposal. The direct answer to the Senator's question is "No." As I stated at the time of that amendment and in response to questions posed afterwards, the addition of the intensifying modifier "total" was intended only to underscore the principles contained in the committee report. In particular, the Domenici amendment underlines the language of the report on page 54 (and implicit in the definition of "outlays" on pages 42 and 49 and elsewhere throughout the report) that "all Federal spending and taxing programs be included under the constraints of the amendment. The recourse of taking programs off the budget should not be available as a way to avoid these constraints, and using a comprehensive measure of all governmental receipts and outlays eliminates that recourse."

Thus, the term "outlays" was not changed by the Domenici amendment and is meant to be understood precisely as described by the committee report. The addition of "total" was intended only to give textual support to the principles contained in the committee report describing the term "outlays." This intent was reiterated by Senator Thurmond on the Senate floor and is shared by the other prime sponsors of S.J. Res. 225.

Senator THURMOND. I, too, would like to express my appreciation to the Senator from Alabama for his contribution to S.J. Res. 225 throughout Judiciary Committee consideration and on the Senate floor. When we accepted this amendment, it was not our intent to deviate from the explanation given the terms "outlays" and "receipts" by the Senate Judiciary Committee report. In responding to questions about the intent of the Domenici amendment, I have quoted directly from the committee report on the pages mentioned earlier.

Senator DECONCINI. I agree completely with the views expressed by the chairman of the Judiciary Committee, the Senator from Utah, and the author of the amendment adding "total" to "outlays" and "receipts." I would note as well that at the time the Senator from Utah accepted the amendment on behalf of the sponsors of S.J. Res. 225, he quoted verbatim the language from page 42 of the Judiciary Committee report explaining the term "outlays" as indicative of our intent to uphold the report's language.

Senator SIMON. At the time the Domenici amendment was accepted, I concurred with the description of this change as making the committee report "explicit." I continue to share the views of my colleagues on this intent in adopting this addition to S.J. Res. 225. The addition of "total" was not meant to alter, but to guarantee, the principles contained in the report.

Senator HEFLIN. Is it correct to state that the addition of the word "total" was not meant to change the meaning of "outlays," but only to clarify that what was already in the report would apply to the term "outlays?"

Senator THURMOND. That is correct. I would note further that S.J. Res. 13, the other version of a constitutional amendment to require a balanced budget that was reported from the Senate Judiciary Committee on the same day as S.J. Res. 225, contains the terms "total outlays" and "total receipts," as did the balanced budget amendment that passed the Senate in 1982. The modifier "total" was not included in S.J. Res. 225 in the interest of an economy of words, but no different meaning was intended when S.J. Res. 225 emerged from committee. The addition of this term on the floor does not alter the understanding expressed in the committee report.

Senator HATCH. I share the view of the President pro tempore. Immediately prior to adoption of the Domenici amendment, I expressed that precise thought by stating that the addition of "total" would "make the amendment more clear." The Domenici amendment was meant to clarify, rather than alter, the meaning of "outlays." It merely clarifies and makes explicit the intent of the proposed constitutional amendment as expressed in the Judiciary Committee report.

Senator HEFLIN. I thank my colleagues for restating and clarifying their intent in offering and accepting the Domenici amendment. Since the committee report is authoritative on the meaning of "outlays" and "receipts," I would like to question my colleagues further on their understanding of the report.

On pages 42 and 49, "outlays" are described as including "all disbursements from the Treasury of the United States, either directly or indirectly through Federal or quasi-Federal agencies created under the authority of acts of Congress, and either 'on-budget' or 'off-budget'. With certain notable exceptions, outlays are those withdrawals subject to article 1, section 9, which provides that 'no money shall be drawn from the Treasury, but in consequence of appropriations made by law.' " The first sentence of this description seems all-inclusive; the second uses the word "exceptions." Reading the two sentences in conjunction suggests that the sentence containing the work "exceptions" should be read to mean that "outlays" encompasses more than just appropriations, not that it creates any exception in the concept of what constitutes an outlay. Is that correct?

Senator HATCH. The Senator is correct. Outlays are generally appropriated funds, but there are exceptions to that general rule. For instance, outlays includes as well entitlement payments to eligible beneficiaries, which are non-appropriated disbursements of Federal funds. Social Security benefits, for instance, are "outlays." It is appropriate to note at this juncture that the Senate confirmed this principle by rejecting an amendment which would have exempted Social Security from the terms of section 1 of S.J. Res. 225. The effect of this Senate vote was to ensure that no program, not even such a highly valued entitlement program as Social Security, would be exempt from coverage under the terms of S.J. Res. 225. As was stated during the debate on that amendment, S.J. Res. 225 would not harm Social Security or any other program in the slightest. Those programs would merely be brought within the terms of the proposed constitutional amendment. This means that S.J. Res. 225 would not alter Social Security in the slightest. Only Congress could, as it is free to do currently, change the laws governing Social Security—an extremely unlikely prospect.

Returning to the Senator's question, however, he is correct that this inclusive description of "outlays" notes only that the term includes more than just appropriated funds. It includes all disbursements—direct or indirect, "off-budget" or "on-budget"—made by any Federal or quasi-Federal entity or agency.

Senator SIMON. This is also my reading and understanding of this portion of the Judiciary Committee report. If outlays were described otherwise than in all-inclusive terms, any loophole in the coverage of S.J. Res. 225 would invite Congress to recast all new spending programs and perhaps many existing programs in terms that would fit the loophole. This could defeat the basic objective of bringing some accountability to the budgetary process.

Senator HEFLIN. This raises a further question concerning a sentence of the glossary definition of "outlays" found on page 49. That sentence states that "total budget outlays are stated net of offsetting collections, and exclude outlays of off-budget Federal entities." This implies that some off-budget outlays are not included in total Federal outlays. Could my colleagues explain this passage?

Senator HATCH. As the Senator's question suggests, there is no conflict between this sentence on page 49 and the principles we have just discussed. Some Federal entities engage in business-like endeavors that produce income. For instance, the Government Printing Office makes collections for supplying publications to citizens; the Postal Service charges for stamps. Under current accounting procedures described by the glossary, these entities are permitted to combine their collections and their outlays; only the difference is figured into the total budget outlays amount. In other words, the collections of these entities are offset against their outlays and only the net figure is computed as part of total outlays or receipts. Thus, these outlays are excluded from total outlays, but only because total budget outlays include the stated net of offsetting collections and off-budget outlays. Off-budget fiscal activities are covered by, and completely subject to, the terms of S.J. Res. 225 through this netting procedure. Offsetting collections and outlays are accounted for in the budget aggregates of S.J. Res. 225 just like any other Federal spending or taxing program. S.J. Res. 225 is flexible enough, however, to accommodate current accounting procedures which acknowledge that off-budget entities may net their collections and outlays before including their activities within the budget aggregates.

It is important to note that the sentence to which the Senator referred should not be misleading in context. On page 47, two pages before the sentence in question, the report defines and discusses the meaning of "offsetting collections." That definition states plainly that "offsetting collections are deducted from disbursements in calculating total outlays. Corresponding offsets are made in arriving at total budget authority and net obligations incurred."

Senator THURMOND. The Senator from Utah has correctly stated my understanding of this portion of the committee report. There should be no confusion about the term "offsetting receipts." This generally means that a Federal entity which raises money through its activities—like the Government Printing Office—can net its receipts or intake against its outlays or outgo. This permits easier accounting because only the net is counted within the budget aggregates. This does not mean that those incomes or outlays of the agency escape the budget process at all, but only that they are netted before being considered within the terms of S.J. Res. 225.

Senator HEFLIN. I am glad to have that explanation of the committee report by the chairman of the Senate Judiciary Committee and the chairman of the Constitution Subcommittee. It seems to me, however, that the report mentions a few exceptions to the concept of offsetting collections or offsetting receipts. Would the Senator elaborate on this distinction?

Senator HATCH. Some current receipts from proprietary activities undertaken by the Federal Government are offset directly against total outlays, without any netting operation. The report on pages 47 and 48 explains this concept under the heading "proprietary receipts from the public." This notes that offsetting receipts are generally offset against outlays by agency and by function and only the net is counted within budget aggregates. In a few narrow categories, however, such as rents and royalties for outer continental shelf lands, the receipts of Government proprietary activities are deducted directly from total outlays.

Senator HEFLIN. What is the status of borrowing and retirement of debt principal with respect to the terms "outlays" and "receipts?"

Senator HATCH. This was examined in a colloquy between Senator Simon and me earlier in this debate and is explained on pages 49 and 51 of the report. The gist of this discussion is that borrowing and retirement of debt are neither outlays or receipts.

Senator HEFLIN. The explanations in the report specifically refer to "present usage" of the terms "outlays" and "receipts" as found in "a glossary of terms used in the budget process (1984)." What if accounting procedures change, can the explanations offered by the committee report accommodate the future?

Senator HATCH. Page 53 notes that these terms are "defined by or to be defined by statute and, as such, have no constitutional standing apart from these statutory definitions. The intentions of the committee with respect to current concepts have been set forth (in the report). At the same time, the committee is sensitive to the likelihood that such concepts will undergo modification through time. Provided such modifications are not designed to subvert the restrictions on the Congress imposed by the amendment, but rather are designed to further those purposes, there is no intention that the meanings given here be immutable through time."

Thus, the committee report outlines in detail how the proposed constitutional amendment would accommodate current budgetary and accounting techniques by, among other things, permitting some Federal entities to net their receipts and outlays before reporting the effect of their fiscal activities on the budget aggregates. A future Congress, however, could elect by statute to alter some of these accounting techniques as long as the effect of that change would not allow some Federal entities or programs to escape the terms of S.J. Res. 225.

Senator HEFLIN. Could the Senator provide an example of how these explanations might be altered by future implementing statutes?

Senator HATCH. Yes, although I hasten to add that any alteration could be made by a future Congress. I can suggest some alterna-

tives that future Congresses might consider. Under current budgetary practices, a loan guarantee is not an outlay in the year in which the loan is guaranteed. Only in the event of default on that loan would it come within the term "outlays" because then the Federal Government would be making an expenditure. Irresponsibility in the extension of loan guarantees by a prior Congress could present a successor Congress with difficult budgetary decisions. In the future, however, as mentioned on page 53 of the report, "Budgetary decisions with respect to loan guarantees might be enhanced by including in outlays the present value of such obligations in the fiscal year of obligation, rather than in the fiscal year of discharge." This change would have to be a statutory change. S.J. Res. 225 does not require the adoption of new guidelines and procedures for the Federal "credit budget," but it would accommodate such future policies.

Similary, Congress could, as mentioned on page 53, elect to switch its budget and accounting operations to an accrual system. S.J. Res. 225 would accommodate that option.

Senator HEFLIN. On further point of clarification: On page 52, the term "total outlays" is described as the "total of all outlays, exclusive of debt repayment and certain other classes of outlays, for which the Congress reasonably can expect payment to be made by the Treasury . . ." could my colleagues provide an explanation of this sentence.

Senator HATCH. In the first place, it is important to note that the report on S.J. Res. 225 should not contain the term "total outlays." Although that term "total outlays" did appear in S.J. Res. 13, it did not appear in S.J. Res. 225 at the time the committee report was written. This misstatement, however, does not affect the validity of the passage quoted by my colleague because, as my colleagues and I have stated, "total outlays" and "outlays" are both adequately explained by the same language of the committee report. As we have noted earlier, some classes of outlays, under current budgetary practices, are not included within total outlays because they are offset by some proprietary collections or receipts and only the net is accounted for in the terms "total outlays" or "total receipts." This is the meaning of the sentence referred to by the Senator from Alabama. As his question suggests, the three pages prior to that sentence make clear that these are the classes of outlays mentioned as excluded from total outlays. Again, these classes of excluded outlays are in no sense divorced from accountability under the terms of S.J. Res. 225. Instead they are fully covered by those terms, but current netting practices are accommodated.

Senator DECONCINI. I concur in descriptions given by the Senator from Utah of these passages of the report. I might add, however, that these particular explanations only describe current budget practices and are designed to show that S.J. Res. 225 can accomodate current budgetary terminology and techniques. If Congress should perceive a need to alter these techniques, it would be free to do so as long as that reordering does not offend the basic principle that all Federal financial transactions must remain within the ambit of S.J. Res. 225. Otherwise Congress would once again lose control of the Federal budget. Restoring this control with the specific norm that outlays shall not exceed receipts, except in extradordinary circumstances, is the purpose of S.J. Res. 225.

Senator THURMOND. The Senator from Arizona has concisely summarized this matter. I agree with his statement.

Senator SIMON. I, too, would like to express my agreement with what has been said.

Senator MELCHER. The Commodity Credit Corporation offers non-recourse loans. I would like to discuss with my colleagues the effect of S.J. Res. 225 on this valuable tool for our farm policy. The CCC loans money to our farmers who pledge their crops as collateral for those loans. In the event of default, the Federal Government has no recourse against any other property of the farmer other than the commodity or crop pledged at the time the loan is obtained. Thus, when farm prices are lower than the loan amount, the farmer may retain the loan amount rather than redeeming and selling his crop. The CCC is then free to sell the crop on the market to recover as much of the loan amount as possible. How would these transactions be counted, as "outlays," "receipts," "offsetting receipts," or otherwise within the terms of S.J. Res. 225?

Senator HATCH. That would be entirely up to Congress. As long as the activities of CCC were accounted for within the budgetary process, as they are today, S.J. Res. 225 would be satisfied. For instance, Congress could count the initial loan amount as an outlay and the subsequent sale of the commodity as an offsetting receipt. Thus, only the difference would appear within the term "total outlays." To the extent that farmers sell their crops and pay off the loans, there would be no difference and CCC would have no outlays to include with budget aggregates. On the other hand, if CCC came to Congress and requested an appropriation, this could be included within the general term "outlays."

This is not the only way that CCC could be handled. It could be treated much as loan guarantees are currently handled, meaning that the loan amount would not be counted as either an outlay or a receipt unless default occurred. In the event of default, the loan would become an outlay which would be reduced by the amount of any offsetting receipts when the collateral was sold on the market. Congress would have several options for dealing with CCC under S.J Res. 225. The amendment itself does not prescribe how Congress treats this type of Federal credit transaction. Moreover S.J. Res. 225 itself does not and could not alter CCC in the slightest; only Congress could, as it is free to do now, change the laws governing CCC or Social Security or any other vital Federal program. That is an extremely unlikely prospect.

Senator MELCHER. On page 53, the committee report states: "With respect to the exclusion from receipts and outlays of those transactions involving 'proprietary sales to the public,' the consensus of the committee is that such transactions represent voluntary relationships between the Government and the people. As such, there is a presumption that these relationships reflect the individual's own determination that purchases of Federal goods and services offer to him a preferred alternative." CCC could fit this description. Farmers voluntarily pledge their crops to the CCC as collateral for a loan. Would this exclude CCC from "outlays" and "receipts?"

Senator HATCH. The term "proprietary sales to the public" is explained on pages 47 and 48 of the report: "such collections are not counted as budget receipts, and . . . are offset against total budget authority and outlays by agency and by function." In other words, these transactions are covered by S.J. Res. 225, but outlays by these are offset by income or collections generated by the service the agencies provide the public. The net of these agencies' outlays and receipts would then be included in the budget aggregates. This is precisely one of the options Congress could choose when accounting for CCC under S.J. Res. 225. This option would also still permit the CCC some measure of budgetary independence.

Senator MELCHER. It seems to me that many Government lending programs could be characterized as "voluntary relationships between the Government and the people" so as to "exclude from receipts and outlays" those transactions. Would these voluntary relationships be excluded from the terms of S.J. Res. 225?

Senator HATCH. The exact amount of voluntary collections and outlays involved in "proprietary sales to the public" would be excluded from "total outlays" and "total receipts" under current budget practices, but the net of those collections and outlays would be included either within "total outlays" (in the event outlays are greater than offsetting collections) or within "total receipts" (in the event offsetting collections are greater than outlays). Thus, these voluntary governmental proprietary transactions are still completely subject to the terms of S.J. Res. 225, but the voluntariness permits these agencies to use the alternative accounting processes involving netting. This is not an exception to the basic concept that all Federal spending and taxing programs are to be subject to the budgetary disciplines of S.J. Res. 225. There are no exceptions to that basic principle as further indicated by the Senate's vote to deny Social Security an exclusion from the terms of section 1 of S.J. Res. 225.

Senator SIMON. Having read the report, I concur completely with the explanation just given concerning the intent of both the report and S.J. Res. 225. The specific definition of "proprietary sales to the public" on page 47 makes clear that the principle of offsetting receipts governs these transactions. When the report uses the word "exclusion", it is certainly correct in context, but it would have been better to have said "separate computation" or some other term suggesting that the transactions of these off-budget entities are simply figured into "total outlays" at a different stage of the process, namely after a netting function.

Senator MELCHER. I thank my colleagues for this clarification. I seek only one more explanation. In the paragraph immediately following the one I have just read, the report notes that "such an exclusion is an invitation to the Congress to subvert the intentions of the amendment." Since offsetting collections and outlays are included within S.J. Res. 225, albeit at a different stage of computation, how could this accounting technique ever be abused? Why does the report include this next paragraph?

Senator HATCH. The intent of this paragraph is to ensure that Congress does not fall prey to the temptation of setting up elaborate procedures to escape "normal budgetary procedures." Let me give a hypothetical example. After ratification of S.J. Res. 225, Congress could set up a federal entity with the exclusive right to launch satellites. Due to its monopoly on this service, the Federal entity could levy exorbitant fees that would essentially amount to taxes. Congress could then direct the satellite

entity to use its revenues to fund a veteran's program or to subsidize an industry or for some other purpose. The entity's collections would still be offset against its outlays for the purpose of arriving at budget aggregates. If Congress had planned carefully, the net might even be near zero and these massive programs would not be scrutinized as part of the budgetary process at all. Nothing in the terms of S.J. Res. 225 prohibits this subterfuge, but it would nonetheless be a subterfuge employed to fund a veteran's program or to subsidize an industry in a manner that would otherwise be subject to normal appropriations and authorizations. Congress would have successfully shifted to a quasi-Federal entity the responsibility to care for programs that Congress ought to monitor itself. The intent of this paragraph is to counsel Congress not to evade regular budgetary accountability by throwing Federal programs into elaborate Federal charter funding arrangements.

The paragraph speaks about "exclusive franchises" and "operating without the discipline of competition" and "implicit taxing powers" because the only type of entity that could be used as a subterfuge for normal taxing and spending programs would be a Government monopoly. Any Federal entity subject to market forces would not be likely to generate sufficient surplus revenues to fund a program that otherwise "would have been organized within the Federal Government."

Senator HEFLIN. How would TVA be treated under S.J. Res. 225?

Senator HATCH. The Electric Power Program of TVA would not be covered by S.J. Res. 225. Since 1959, the financing of that program has been the sole responsibility of its own electric power ratepayers—not the U.S. Treasury and the Nation's taxpayers. Consequently, the receipts and outlays of that program are not part of the problem S.J. Res. 225 is directed to solving.

Senator THURMOND. I have listened carefully to this discussion and wish to express my complete endorsement of the explanations given. They represent my views about these matters as well.

Senator DECONCINI. I would like to commend my colleagues for raising these important points. They have helped to clarify the intent of S.J. Res. 225 and set in place a binding legislative history about the interpretation of the terms "outlays" and "receipts." I, too, agree with the answers given in response to these difficult, yet essential, questions.

Senator SIMON. Permit me as well to commend my colleagues and express my support for the answers given to these questions. We should all be grateful that these issues were raised and clarified.

Mr. HATCH. Mr. President, I yield such time as he may need to the distinguished Senator from Florida.

Mr. CHILES. I thank the distinguished chairman, the Senator from Utah.

Mr. President, this is an argument that has been going on for some time. There are great merits, I suppose, to arguing this on either side.

For a number of years, I felt as my good friend from Connecticut says today—that we should not change the Constitution to do this; that we should not need to provide in the Constitution that we should have a balanced budget; that it is an obligation and a duty of the elected representatives of the people; and that we should honor that obligation and that duty.

Mr. President, I think back to my earlier career as a creature of the State legislature of the State of Florida, where we did have to operate under a balanced budget.

Mr. President, may we have order in the Senate?

The PRESIDING OFFICER. The Senate will be in order.

Mr. CHILES. As we would decide what we thought the priorities for spending should be, we could not leave the capital before we had faced up to the situation of how we were going to meet the funding for the programs we decided on. That meant in many instances that we had to raise taxes.

There was a certain constraint about that. If you were willing to vote the money to provide for additional spending, you had to be willing to pay for that additional spending before you could leave.

I remember coming to the Senate and thinking I was leaving the minor leagues and coming to the major leagues, and finding out here that you could spend for a program and you could leave and go home and you did not have to raise the money, because we had a little printing press up here and we sort of cranked out some bonds, some Treasury bills, and the Government would go into debt.

I recall that that concerned people when I was here in the early 1970's, because we were facing a deficit of $4 or $5 billion, and it went up one time to $16 billion, and the bond market almost collapsed. Goodness knows, there was a pressure, or it seemed like there was a pressure, to try to do something. But we never did balance it in those years.

However, lo and behold, if you look back to 1981, you see what began to happen.

Mr. SIMON. Mr. President, will the Senator yield?

Mr. CHILES. I yield.

Mr. SIMON. Mr. President, I commend the Senator. No one in this body had done more than my colleague from Florida in trying to move us in a sensible direction. He and our colleague from New Mexico have done that.

The Senator from Florida just made a point that I think has been forgotten in this debate, and that is our ability to print money. If we do not have this kind of restraint, what we are likely to do is to keep on piling up these deficits, and then the pressure is on the Federal Reserve Board to print money to solve the situation.

Mr. CHILES. Absolutely.

Mr. SIMON. It is the worst possible answer.

Mr. CHILES. We have seen the results of that when we went into double-digit inflation, when we went into double-digit interest rates, and we saw what that did to the economy, and we saw what the Fed finally did to correct that situation. They stopped the printing press, and when they did, we went into a recession and it almost became a depression.

Mr. SIMON. I commend the Senator from Florida. As usual, he makes eminent good sense.

Mr. CHILES. Seeing that happen and seeing the failure of discipline on the part of Congress has changed my mind. I will have to say that it has been persuasive to see what was happening in the States, when we see State legislature after State legislature calling for a constitutional convention to require a balanced budget.

I can think of nothing worse than finding ourselves in a constitutional convention, if we think of the Constitution as a hallowed, sacred document, which I do. If we think it should not be tampered with, we should not get into a constitutional convention, which legal scholars believe might well open up every subject for that constitutional convention, as opposed to having a narrowly constructed amendment that says you must balance your budget.

Mr. President, I think that is terribly important, also, because for the first time it would require us to set our priorities on a better basis.

When we passed the Budget Act, I thought that was going to be the provision that would give us the discipline we need, would allow us to assess at the beginning of the year how much revenue we were going to take in, would allow us to look, at the beginning of the year, at the sources of money and where we should be spending that money, and come up with a blueprint to guide us toward a balanced budget.

I will say that while I think the act has been persuasive, it has not brought about the discipline, because the will was not there. We also were working at times with an administration that did not care whether they balanced the budget, and that worked against us.

Mr. President, I think the time has come. We should take this additional step. If we want to preserve the Constitution, if we want to preserve the Republic, we have to do something. We cannot have another trillion dollars added to the national debt every 4 or 5 years, as we have seen happen now. I think this discipline needs to be taken; we need to take it now. I urge the adoption of this amendment.

The one thing I was concerned about was to make sure we would do it. The committee and the chairmen have accepted an amendment I have that requires that we implement this. The worst thing we could do is to have a constitutional amendment such as the

Byrd amendment, which was passed some years ago but was honored in its breach rather than following through. So, with the adoption of the amendment that requires that Congress do this, I support the constitutional amendment. Congress must implement it. I think it will be the discipline we must have if we are going to put our fiscal house in order.

Mr. MATTINGLY. Mr. President, I rise to support the balanced budget amendment. Let me first pay tribute to the President pro tempore of this body for his many years of hard work to pass this amendment. Others deserve praise for their important contributions to this effort including Senator HATCH, the chairman of the Constitution Subcommittee, and several Senators from across the aisle including the Senators from Arizona, Alabama, and Illinois.

We need to restore fiscal sanity to the spending practices of the Federal Government. It is obvious to every reasonable observer that the Government's current methods of operating are a failure. Change must come and will come. The public will no longer tolerate the failure of Congress to balance the books of the Federal Government.

The answer to our deficit problem is to hold the line on Government spending until our steadily increasing revenues catch up. There is no need for huge tax increases. We are spending more this year than last year. We are hearing the usual cry about budget cuts this year. But when the budget resolution is finally adopted later this year, Government spending will still have increased.

The balanced budget amendment is not the panacea for all our spending woes. There is still a need for a line-item veto to give the President a tool to root out waste in our huge appropriations bills. There is still a need for the President to be given an enhanced recision process. These are just a few of the changes that we need to make. The one course of action that is indefensible is to maintain the status quo.

So, I strongly support the balanced budget amendment and urge my colleagues to vote for it. I believe the States will ratify it in record time because of its overwhelming support at the grass roots level. It is time we stopped paying lip service to the deficit spending problem we have here in Washington. It is time to begin taking action to restore order and sanity to the Government spending process.

Mr. DENTON. Mr. President, I rise today to voice my support for Senate Joint Resolution 225, the Balanced Budget Constitutional Amendment, as amended by the substitute amendment offered by my distinguished colleague, Senator THURMOND of South Carolina, for himself and others, whom I have joined as a cosponsor.

As support for the amendment has grown, I have been impressed by the urgency and the importance that millions of Americans attach to its passage. On the whole, I believe that American taxpayers are disappointed and frustrated that, year after year, the Congress has failed to balance the Federal budget. Their frustration is shown by the 32 State legislatures that have adopted resolutions urging the Congress and the President to bring the Nation's budget into balance.

At long last, the moment has come when the Congress can respond to the frustrations of American taxpayers by thoroughly debating, and then passing, the Balanced Budget Constitutional Amendment.

Senate Joint Resolution 225, as amended, would amend the Constitution to require that expenditures of the Federal Government for any fiscal year shall not exceed receipts for that year, unless three-fifths of both Houses of Congress approve of a specific excess of expenditures over receipts. Additionally, the amendment would require that before taxes could be increased, a majority of the whole number of both Houses would have to vote for the tax increase. This latter provision would make Senators and Representatives accountable to their constituents for any tax increase.

Mr. President, those who question the efficacy of a balanced budget amendment have raised two primary arguments in opposition to it. First, they argue that it would incorporate into the Constitution a rigid, and therefore economically unsound, fiscal policy. Second, they argue that amending the Constitution is too drastic a way to address the problem of spending.

I believe, however, that both arguments fail because they do not take into account the dual crises that our Nation faces: The economic crisis that threatens to destroy our historic high levels of productivity, and the crisis of confidence that results when average citizens lose faith in the ability of their government to exercise discipline in matters of taxing and spending.

I recognize that men and women of good will can disagree about specific provisions of the amendment. I also realize that there are wide philosophical and political differences about the question of how much spending the Federal Government can and should undertake.

The notion, however, that it is improper to reestablish the principle that Federal expenditures should be no greater than the Federal revenue is preposterous. It is only in recent years that the Congress abandoned the requirement of our "unwritten constitution" for a balanced budget. I do not believe that the American people will continue to tolerate the near tyranny of higher and higher rates of Government spending and taxation.

From a practical standpoint, we should recognize that the amendment is not an attempt to write a particular theory of economics into the Constitution. As Professor Scalia of the University of Chicago has pointed out, the legislative requirements of the amendment "do not require any particular economic course," such as a balanced budget with no increase in taxes, "but merely specify the procedures to be followed when that course is abandoned." I believe, however, that it is clear that this amendment rightly establishes a bias in favor of a balanced budget with no increase in taxes. That is an appropriate national goal, which happens to be a popular one as well. It is one that the amendment can help us to attain without placing our public budget in the straitjacket of inflexible economic theory.

I must emphasize again that I believe that we face a crisis of confidence on the part of the American public. Most taxpayers simply do not believe that the Congress has the willpower to cut spending and balance the Federal budget. The mistrust appears well founded when one reviews the history of statutory efforts to reform the budget process and restrain spending. Alvin Rubushka of Stanford University presented such a review in a monograph prepared for the Taxpayers' Foundation. He said:

> In the Humphrey-Hawkins Full Employment Act, a balanced budget was declared to be a national public policy priority. An amendment by Rep. (now Senator) Charles Grassley and Senator Harry Byrd, Jr., to an IMF loan program measure was enacted into law and requires that, beginning with FY 1981, total budget outlays of the Federal government "shall not" exceed its receipts (P.L. 95-435). In 1979, a provision in a measure to increase the public debt limit stated that "Congress shall balance the Federal budget" (P.L. 96-5), which required the congressional budget committees to propose balanced budgets for FY 1981 and subsequent years. None of these measures has effectively constrained deficits.

I strongly believe that the prudent and responsible management of public funds is a fundamental governmental and political requirement. The reestablishment of the balanced budget principle is a "broad and enduring ideal" that is worthy of inclusion in the document that establishes the basic structure of our Government. I am afraid that simple statutory approaches to reasserting that important principle will fail like their predecessors. Only the enactment of a constitutional amendment will explicitly mandate fiscal responsibility and be enforceable by and on future Congresses.

I urge my colleagues to join in the effort to balance our national budget by placing a requirement to that effect in the fundamental law of our land.

We need to do that for our benefit and for succeeding generations who will otherwise bear the burden of our profligacy and irresponsibility.

Mr. HATCH. Mr. President, I want to compliment Senator SIMON for his wonderful article in the St. Louis Post Dispatch on March 23, 1986, entitled "To Compel A Responsible Fiscal Policy." I ask unanimous consent to have this excellent article by Senator SIMON printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the St. Louis Post-Dispatch, Mar. 23, 1986]

TO COMPEL A RESPONSIBLE FISCAL POLICY

(By Paul Simon)

Three-digit budget deficits are garish evidence of flawed fiscal policies. But the real harm done by our massive federal deficits shows up in other figures: the alarming sums we now spend on interest to finance that debt.

It is painfully and acutely clear that Congress and the president need the discipline of a balanced budget amendment to the Constitution to make responsible fiscal policy the rule and not the exception.

For the first time in more than three years, and probably for the only time in the 99th Congress, the U.S. Senate will vote on a balanced budget amendment in the days ahead. Two Republican senators and a Democratic colleague have joined me in offering a simple, clear and direct balanced budget amendment that is a great improvement over earlier versions. I also found broad, bipartisan support for it in more than 140 town meetings last year across Illinois.

Our amendment is not burdened with language tying federal income to a percentage of national income—a serious flaw in an earlier version that now has been shelved by the Senate. Once enacted, our plan would take effect in five years, when Gramm-Rudman-Hollings expires, and would require roll-call votes on tax increases.

The danger of our huge interest payouts cannot be overstated. Consider these facts:

This year the gross expenditure on interest will be $181 billion. That is $500 million each day. I can remember back to fiscal 1962 when we had a total federal *budget* of $100 billion.

Interest expenses have risen 240 percent since fiscal 1980, climbing to third place in the budget, behind Social Security and defense. Economists predict that interest will top the list in just a few years, doubling every four or five years after that and squeezing out our ability to respond to domestic needs, to defense needs, to our entire national agenda.

The national debt stands today at $2 trillion, half of that added in the last four years alone.

We have moved in three years from being the No. 1 creditor nation to being the No. 1 debtor nation. This year 60 percent of the deficit is going to have to be purchased by people and groups outside the borders of the United States.

To pay $181 billion for interest this year, we are taking primarily from people of limited income and giving to those of substantial income, a government-sanctioned redistribution so immense that no feudal lord of the Middle Ages could have dreamed of anything like it.

We are also shifting our burden to future generations. When we run deficits of this size we are living on a giant credit card and sending the bill to our children and grandchildren. Our children will pay not only for the programs we did not want to pay for ourselves, but they will also have to pick up the interest tab. Spending half or two-thirds of the budget on interest for their parents' debts means we and our children will not have adequate resources for education or health care or defense or other needs.

One of the ironies of the present situation is that people who call themselves liberals have somehow been moved into a position of supporting huge deficits and a policy that will make it less and less likely that this government can respond to the real needs of our people and their future. I am sometimes tagged with the term "liberal," but it certainly does not include supporting policies that rob hope from the future of our country.

And for people to oppose a constitutional amendment that stops a practice of redistributing wealth—taking from those least able and giving to those most wealthy—is totally inconsistent for those who call themselves liberal.

We can't continue these trends for long. You can argue that someone could be better off one year from now through deficits of this size, but no one can argue that 10 years from now any of us are going to be better off. Whatever your political party or philosophy, it does not make sense to spend an increasing share of our tax dollars on interest rather than on goods and services.

We need a constitutional amendment that would prevent us from wading, year-by-year, into the kind of fiscal thicket that has brought us triple-digit deficits and more ominously, the flush of more and more budget dollars down the interest drain.

BALANCED BUDGET AMENDMENT

Section 1. Outlays of the United States for any fiscal year shall not exceed receipts to the United States for that year, unless three-fifths of the whole number of both Houses of Congress shall provide for a specific excess of outlays over receipts.

Section 2. Any bill to increase revenue shall become law only if approved by a majority of the whole number of both Houses of Congress by roll-call vote.

Section 3. The Congress may waive the provisions of this article for any fiscal year in which a declaration of war is in effect.

Section 4. This article shall take effect in 1991 or for the second fiscal year beginning after its ratification, whichever is later.

Mr. KERRY. Mr. President, I oppose Senate Joint Resolution 225, the proposed constitutional amendment for a Federal balanced budget. In my judgment, this legislation is unwise and unnecessary.

I have listened with great interest to the debate on this proposal over the past days. I have been particularly impressed with the reasoning presented by two of my distinguished colleagues who are themselves former Governors of their respective States—the distinguished Senator from Washington, Senator EVANS, and the distinguished Senator from West Virginia, Senator ROCKEFELLER. Both Senators bring a wealth of experience to this discussion, and a perspective which is valuable to all of us in this body.

I must add that I have also listened with great interest to the arguments put forward by my distinguished colleague from Illinois, Senator SIMON, in favor of this amendment. I have great respect for the Senator from Illinois. As he well knows, we very often agree on the issues which we are called upon to conside in the U.S. Senate. We usually agree more than we disagree. PAUL SIMON is indeed a voice of reason in the U.S. Senate, and I know that all of my colleagues share in my respect for him. And I am in agreement with my distinguished colleague from Illinois on the desirability of an effort to move towards a balanced budget on the Federal level, and on the danger of uncontrolled deficits. But, in this case, we disagree on the best means of achieving our common goal.

Several questions have been raised with regard to the current proposal for a constitutional amendment to balance the budget. One of the most fundamental questions is: Since State and local governments have to live by the rule of a balanced budget, why should the Federal Government not have to abide by the same rules? I believe that the answer to this question has been ably provided by Senators EVANS and ROCKEFELLER, speaking from their experiences as former State Governors. I do not have that experience to draw upon, but I do have some experience of my own as Lieutenant Governor of the State of Massachusetts from 1983 to 1984. And I would like to add some observations to those that have already been offered by my colleagues.

To compare State and local government balanced budget requirements to the balanced budget requirement in the present legislation is, in a sense, like comparing apples and oranges. This is true because the accounting procedures used by State and local governments are very different from those used by the Federal Government. State and local balanced budget requirements apply only to operating expenses. Capital outlays are not covered by these requirements, and State and local governments usually borrow to meet these expenses. Many businesses and municipalities have two budgets—an operating budget and a capital budget. Salaries, interest payments, and other current expenses offset by sales or tax revenues are part of the operating budget, while expenditures which are financed by long-term borrowing are placed in a separate capital budget. If local governments and municipalities used the Federal accounting practices, many local governments would in fact be guilty of deficit financing.

In fact, from 1960 to 1980, State and local governments increased their borrowing at a faster pace than did the Federal Government. During that period, State and local debt outstand-

ing rose at a rate of 8.3 percent per year, while Federal debt outstanding rose at a rate of 7.4 percent per year.

There is another major difference between the budgets of State and local governments, and those of the Federal Government. This lies in the nature of the Federal budget. The Federal Government cannot be oblivous to the effects on the economy of its budgetary actions. Whereas a State or local government can bring its budget into balance through a rise in taxes, or a cut in expenditures, without jolting the entire economy, the Federal Government cannot do so. If the economy begins to decline, unemployment rises, and incomes go down, and the Federal budget deficit increases as revenues decline and spending increases. Under these conditions, attempts to balance the budget by raising taxes or cutting spending will draw needed purchasing power from an already weak and slowing economy. An economic slowdown could turn into a recession, and a recession into a depression.

Because the Congress has already taken steps to reduce the deficit in a measured and resonsible way through the passage of the Gramm-Rudman-Hollings legislation, I do not believe that these conditions will come about in the forseeable future. But precisely because we have already taken steps to deal with the deficit through Gramm-Rudman-Hollings, the present legislation to require a constitutional amendment to balance the budget is unnecessary.

No Member of this body feels more strongly than I do about the necessity to reduce the Federal deficit. It was for this reason that I cosponsored, and voted for, the Gramm-Rudman-Hollings legislation last year. I did so because it is vital that we take action immediately to begin to reduce the Federal deficit. But I do not believe that passing a constitutional amendment is the way to reduce the deficit, or to balance the budget.

Under President Reagan, the Federal Government has run up the biggest deficit in our Nation's history. That deficit now stands at over $200 billion. During the same period, President Reagan has also doubled the national debt. By adding $1 trillion in deficits to the Federal debt, President Reagan has done in 5 years what it took 39 previous Presidents 190 years to do.

Since President Reagan took office, almost $500 billion in outlays has gone to pay interest on the national debt. This money comes right off the top of the budget. It is money that is unavailable to pay for meals for the elderly, or protecting the environment, or education, or nutrition for infants, or for other worthwhile programs which have lost ground under the current administration.

We can no longer tolerate the build-up of the Federal debt by spending $200 billion more per year than we take in through revenues. The burden of Federal deficits, and the necessity of financing the Federal debt, threatens the quality of life in this Nation not only for our generation, but for our children as well.

Let us be clear about it—we need to reduce the Federal deficit, and prove our ability to manage the budget. That is why we passed Gramm-Rudman-Hollings, and that is the direction in which we are now moving. By passing Gramm-Rudman-Hollings, Congress has shown its resolve to deal with the deficit. We have recognized the reality that we need to make hard choices, and set national priorities. We are now making those choices, and establishing those priorities. We have taken action to reduce the deficit, and the economy has already begun to respond. Interest rates are down, the stock market is up, the trade balance is becoming more favorable, and the deficit shows signs of declining.

Most important of all, we have restored confidence in the American people that we in the Congress are serious about reducing the Federal deficit, and we have begun to take concrete action to do it. We have started a process of reducing the deficit responsibly, while protecting those who need help, maintaining a strong national defense, and preserving flexibility in our economic planning for the future.

Unhappily, Congress was forced to take the drastic measures contained in Gramm-Rudman-Hollings to deal with the problem of the Federal deficit. But I do not believe that the answer to the problem lies in the passage of a constitutional amendment to balance the budget.

The question could be asked—if you support Gramm-Rudman-Hollings, why do you not also support a constitutional amendment to achieve the objective of a balanced budget. Let me point out several of the differences between the two measures. First, Gramm-Rudman-Hollings is a statute which is amendable by future Congresses. It can be adapted as circumstances require. Senate Joint Resolution 225 cannot be amended without initiating the long process of ratification by the states, which can take a decade or longer.

Second, Gramm-Rudman-Hollings, as passed by the Congress, is a complex piece of legislation which is 70 pages long. It deals with a myriad of problems which necessarily occur in the process of reducing the Federal deficit by approximately $200 billion over a period of 5 years. By contrast, Senate Joint Resolution 225 is only four paragraphs long. As a constitutional amendment, it is necessarily vague, and provides no guidance as to how deficit reduction is to occur, and how the process is to be enforced. The legislation which we passed last year creates a fine-tuned and orderly process for reducing the deficit. The legislation which is before us today creates no such process, gives us no guidance as to how to go about reducing the deficit, and is an invitation to chaos in the budget process.

Third, Gramm-Rudman-Hollings sets priorities by providing exemptions for certain programs while providing special protections for others. It totally exempts Social Security, and the basic low-income safety net programs such as nutrition for women, infants, and children. These exemptions were a fundamental condition of my support for Gramm-Rudman-Hollings. I insisted that these vital programs be fully protected before I agreed to give my support as a cosponsor of the legislation. The bill also limits cuts in Medicare and cost-of-living programs such as black lung, student loans, and Federal civil service retirement.

By contrast, Senate Joint Resolution 225 makes no such exemptions. Social Security would be cut, and programs such a black lung and Medicare could be gutted. There are some who believe that part of the reason that some of my colleagues are supporting this legislation is that they would like to be able to make cuts in these protected programs in the future, if the present bill were to pass and become law. I am determined to ensure that we in this body keep our covenant with the American people, to protect Social Security, to preserve Medicare, and to maintain the social safety net programs which have already been ravaged by President Reagan over the past 5 years. This is an additional reason why I oppose the present legislation.

Fourth, Gramm-Rudman-Hollings is enforced by action of the executive through a sequester order, or, if that procedure is held unconstitutional, through congressional passage of a package of across-the-board cuts. In either case, enforcement is still left to the elected branches of the Federal Government that have the expertise and flexibility to deal with budgetary matters. By contrast, a constitutional amendnent would be eventually enforced and interpreted by the judicial branch.

Balancing the budget is the responsibility of the President, and of the Congress. It is not properly the responsibility of the judiciary, which is unelected, and unequipped to deal with those issues.

We in the Congress took responsibility for reducing the deficit and balancing the budget last year when we passed Gramm-Rudman-Hollings. It would be a mistake for us to turn around now and abdicate that responsibility by turning over responsibility to the judicial branch, and asking them to do our work for us. If we pass

a constitutional amendment to balance the budget, all sorts of spending measures may become the subject of lawsuits and injunctions, with a disruptive effect on the budget process. This is an undesirable and unnecessary result.

In addition, a constitutional amendment to require a balanced budget is unwise, because it removes a necessary element of flexibility from our economic planning. If such an amendment had been in existence in 1933, when President Franklin D. Roosevelt took office, he would have been unable to take emergency measures to strengthen and restore the economy.

I believe that we in the Congress have a responsibility to preserve the economic tools necessary to deal with changing economic cycles, with national emergencies, and with times of war. I do not believe in deficit spending as a way of life. But it would not be wise policy for us to tie our hands in such a way as to remove all flexibility from the budget process. I am concerned that the proposal before us today would be inflexible and unworkable, and would cause more problems than it would solve.

I am also concerned by this amendment because I believe that it is a mistake to attempt to make the Constitution into a piece of legislation, which is what this bill in effect would do. The nature and length of this amendment is an indication of what happens when we attempt to tamper with the Constitution. The result is neither sound legislation, nor is it consistent with the nature of our Constitution.

It is ironic that many of those who are fond of urging adherence to the "original intent" of the framers of our Constitution are the same people who are quick to urge that the Constitution be amended. Many of the same people who are proponents of this particular amendment are also advocates of constitutional amendments to deal with issues such as busing, abortion, and school prayer. I, for one, am a conservative when it comes to the U.S. Constitution. I like the Constitution the way it is. I do not believe that it needs to be amended to deal with every social problem which confront us. We do not need a constitutional amendment to balance the budget. The Constitution already provides us with the authority to balance the budget. What has been lacking is the political will to do so. Now that Congress has shown that will, there is less reason than ever for us to tamper with the U.S. Constitution in a misguided effort to require a balanced budget. The Constitution has served us well for 200 years Let us leave it intact, and get on with the business of reducing the deficit in a responsible manner.

Mr. MITCHELL. Mr. President, I will oppose this proposal to amend the Constitution in a way that purports to require a balanced budget.

The appeal of this and other proposals which are supposed to result in a balanced budget is obvious. All of us, supporters and opponents of the proposal alike, want to see our budget in balance. Amending the Constitution to proclaim that result is the kind of simple, dramatic step which seems to say that Congress is serious about the matter. That is its appeal.

But many proposals which are appealing in their simplicity are bad in practice. This is one.

The amendment would require that any budget in which outlays are higher than receipts be approved by three-fifths of the Members of each body of Congress, elected and sworn. This is, or course, a different and higher standard than three-fifths of the Members who are present and voting.

It would require that a majority of the Members of each body of Congress, elected and sworn, be required to pass any law that raised receipts.

It would permit these requirements to be automatically waived in any fiscal year in which a declaration of war was in effect.

And last, it would require a three-fifths vote of the Members of each body of Congress, elected and sworn, to increase the public debt of the United States.

During a week of debate, all of these provisions were exhaustively examined, and each of them raises more questions than it answers.

First is the enduring and insurmountable problem of all balanced budget constitutional amendments, which is that any budget is an estimate of future events.

A budget is, in essence, our best guess of how much money the tax system will raise, how much different programs will cost, and how expensive any natural disasters might be in the coming year.

It is based on our best estimate of how many people will be employed and paying taxes, how many people will be out of work and collecting unemployment insurance or taking early retirement and their Social Security benefits, and how or where a flood or earthquake or other disaster may occur. All of these events dictate how much money will come into the Federal Government in taxes and how much will be spent. But none of these factors can ever be known with precision before the event.

Congress cannot predict these things with accuracy. Nor can anyone else. All budgetary and economic projections of the past decade have been wrong.

Even a small error—an error of 1 percent—in a trillion dollar budget produces a deficit of $10 billion dollars. In most cases, budget projections have been wrong by much more than 1 percent.

The proposed amendment says nothing about how such a mistake or miscalculation is to be rectified. Supporters have said that this is a detail to be worked out in the future, by a future Congress.

Also in common with similar proposals, this proposed constitutional amendment uses words that must be legislatively defined. Words such as outlays, receipts, and fiscal year have no constitutional definition. Congress can and has changed the fiscal year in the past. A future Congress can change it again.

Outlays and receipts are also to be defined by the Congress. But what one Congress defines another Congress can redefine by simple majority vote.

For example, under current budgetary usage, outlays are not something that Congress controls at all. Outlays are the spending result of budget authority that Congress has previously enacted. Indeed, under the present structure, Congress has no power to slow the speed at which the Defense Department, for example, decides to spend its funds. So an unbalanced budget could come about as a result of spending decisions made by the executive branch.

Under the terms of this proposal, receipts are intended to include all funds, from whatever source, that are raised by any public authority, whether it is the Treasury Department, the Social Security trust funds, or public power authorities such as the Tennessee Valley Authority.

So under this balanced budget proposal, receipts to the Social Security trust funds, which cannot by law be spent for any purpose except Social Security benefits, would nonetheless be counted as "receipts" against which spending could take place.

This is particularly significant, because by the 1990's, the Social Security trust funds are expected to be running surpluses in the area of $70 billion and perhaps more. These are intentional long-range surpluses designed to be accumulated in order to offset the revenue drop that will occur when the baby-boom generation starts to retire and collect its own Social Security benefits.

Current law now calls for the Social Security program to be removed from the unified budget in 1991 so as to ensure that those long-range surpluses do not become a means to offset other spending on paper. But under the balanced budget proposal, it is questionable if Social Security trust funds could be treated separately, even though the money is earmarked for future benefits.

These definitional ambiguities alone make this proposal unacceptable. In addition, because each Congress could

define and redefine the meaning of the various terms, it is an invitation to dishonest budgeting. That is not something we should write into the Constitution.

The language in this proposal which requires a majority of all elected Members, referred to be some as a "supermajority," for any vote to raise revenues does not contain a similar requirement for any vote that loses revenues. If this proposal were, in fact, intended to prevent unbalanced budgets, then proposals that reduce taxes as well as those which increase them should require equally high majorities.

In practice, however, this language means that the Congress could pass an immense special interest tax loophole by a voice vote, but it could not raise the price of duck stamps without a recorded vote of an absolute majority of all those elected and sworn to office.

That is not a sound approach to balancing the budget.

The provision in this proposal that would allow a waiver of the requirement in the case of a declared war fails to recognize that, since World War II, no military emergency has resulted in a formal declaration of war. Under this amendment, the Korean war and the Vietnam war were not wars. There were, however, indisputably costly military conflicts.

Under this language, therefore, Congress would be in the position of voting declarations of war for such military operations—and the national security implications of such an approach are self-evident—or we would be in the position of requiring an absolute three-fifths of both Houses to agree to finance the military emergency by waiving the budget requirement.

It is not hard to see how a relatively small group of votes could be used in such a situation. The three-fifths voting requirement has the effect of giving each absent vote the same weight as a negative vote. The Constitution does not now allow any Member of Congress to affect the deliberations when he or she is not present. But under this proposal, absentees would count as much as negative votes.

It has been calculated that because Senators represent States, not population, 40 Senators from the low-population States, whose total population is barely over 10 percent of the national population, could dictate budget policy for the entire country.

Whether or not an outcome is likely, the structure of voting that grants disproportionate weight to absentees makes it clear that a relatively small number of Members could exert substantial influence over the workings of the Congress on an annual basis.

I also question the logic of a proposal which makes it more difficult to raise revenue or approve a deficit than to declare war. There are few actions as serious to the fate of a nation than the declaration of war, a fact acknowledged by the seriousness with which Congress has always treated such declarations and the rarity with which they have been approved.

Granting to the annual budgeting exercise a standing that sets it above the seriousness of a declaration of war trivializes the Constitution.

The additional requirement of a three-fifths majority to raise the public debt ceiling is not, as its supporters claim, a means of enforcement. It is simply another hurdle to responsible fiscal operations. Raising the debt ceiling, after all, is an action taken after the fact.

Congress increases the debt ceiling to finance the commitments that have been made—not to provide for future commitments. If we enact this hurdle to rational fiscal operations, we will cast doubt on the validity of virtually every public commitment of the Federal Government.

Banks which now provide guaranteed loans to farmers and students will be forced to question whether Congress will maintain the funding levels required to make good on the loan guarantees. They will either get out of the business of making such loans, or they will increase the costs of those loans to insure against the risk of congressional failure to muster the necessary three-fifths vote.

The final question which this proposal does not answer is the question of enforcement. During the debate, some of its supporters indicated that the Federal courts would become the final arbiters of actions taken by Congress under this constitutional provision, just as the courts now determine the constitutionality of other congressional enactments.

Other supporters claimed that the courts would not become involved because of questions of standing, justiciability, and the fact that budgetary questions are, by their nature, political questions, which the courts have traditionally not attempted to adjudicate.

But the amendment's supports cannot have it both ways. Either this language is enforceable or it is not—and to be enforceable it must be enforceable against the Congress, since Congress retains the taxing and spending powers. If it is not enforceable against the Congress, then it is not enforceable at all, but simply a statement of intent. We should not be writing statements of intent into the Constitution.

But on reading the proposal in conjunction with the Constitution, of which it would be part if it were ratified, it seems to me that aspects of it may well be enforceable against Congress in one way, and that is through Presidential veto.

The language of the proposal requires that any budget deficit be approved by both Houses of Congress by a three-fifths vote. There is no question that the three-fifths requirement would force this to be a rollcall vote. There is no doubt on the face of it that this vote would be constitutionally required—that is, a necessary vote. It could not be waived. The requirement to balance the budget could be waived, but the need to do so by vote and to provide for the amount of the deficit could not be waived.

Although supporters have said that this vote would take the form of a concurrent resolution, it seems to me that they are granting to a concurrent resolution, which is essentially an internal congressional housekeeping form of enactment, a standing that it does not have. The concurrent resolution is nowhere described in the Constitution. It has no constitutional sanction. And its historic use as a vehicle for the transaction of matters solely within the prerogative of both Houses of Congress lends weight to that conclusion.

But although the Constitution is silent on concurrent resolutions, it is not silent on the command that:

> Every order, resolution or vote to which the concurrence of the Senate and House of Representatives may be necessary shall be presented to the President of the United States; and before the same shall take effect, shall be approved by him, or being disapproved by him, shall be repassed by two-thirds of the Senate and House of Representatives . . .

The first section of the proposal before us, therefore, commands an outcome, a balanced budget, provides for a waiver of that outcome by a three-fifths vote, and does so in terms that appear to mandate something like a budget resolution because it asks for a specific excess of outlays over receipts. As a practical matter, the only way to achieve such a specific excess is to measure outlays and receipts against each other. That is, practically speaking, what a budget resolution does.

But further, because this would be a constitutional requirement, either that fact would make the vote a necessary vote, requiring the outcome to be presented to the President, or the language of article I, which requires presentment as a constitutional prerequisite to take effect seems to me to give rise to a strong case for a Presidential assertion of a right to veto any budget deficit proposed by the Congress.

Whether this is intentional or not, nothing in the debate so far has persuaded me it could not occur. And of course the President's veto power is bridled only by a requirement that he accompany his veto with an explanation. No further requirement is placed on him.

It does not take a great deal of imagination to wonder if a budget developed by Congress which included, for instance, too little in the way of defense spending, or too much for dis-

cretionary domestic spending, or raised revenues, or cut revenues too much for the preference of a President, could be vetoed, since nothing in this constitutional amendment affects the veto power.

I do not believe it is adequate to enact a constitutional amendment that may entail such a potentially massive shift in the balance of powers between the executive and legislative branches without far more assurance that such an outcome would not occur.

I will, accordingly, vote against this proposal.

Mr. LEVIN. Mr. President, this debate on the constitutional amendment to balance the budget is a debate about methods and not about goals.

I supported and actively participated in the formulation of the Gramm-Rudman balanced budget law because I believe that huge Federal deficits present a serious threat to our long-term economic prosperity and to vital programs. We must take firm and disciplined action to get a hold on those deficits and to eliminate them. Gramm-Rudman is a process by which we can accomplish that. We can do it in a way which has the discipline to keep us on the right path, but which still retains the flexibility to act expeditiously and make a detour if that is what the national interest requires. It is a good balance, and it is such a balance which is necessary for practical governing.

If the Gramm-Rudman law turns out to be flawed in its current form, then it can be amended through the normal legislative process. We all know that the process itself can be tortuous and long. But, when faced with an overriding national need, it can work within a matter of hours or days.

Now, we have before us a constitutional amendment relative to a balanced budget. I doubt there is anyone here today in this body who would claim to be certain that there will not be a need to further change this amendment once it is ratified and is made part of the Constitution. The average time it takes to ratify a constitutional amendment is about 2 years, where the amendments have been successful. Are the Members of this body really ready to write into the Constitution a provision affecting an issue as fluid as economic policy, knowing that if there is a need to modify that provision it could take longer than events and the national interest would allow?

The problems with this constitutional amendment are not limited to the fact that it seeks to do by a constitutional provision something which should be done by statute. Under its own terms, this amendment is flawed.

First, it puts in the hands of Senators representing a tiny minority of the population the power to determine decisions on spending which affect the entire Nation. According to the amendment, outlays could not exceed receipts unless three-fifths of both Houses of the Congress agreed. In the case of the Senate, this means that 41 Senators—representing as little as 10 percent of the population—could have a veto over whether spending will exceed revenues. We all know that our political system seeks to balance majority rule and minority rights, and this is appropriate. However, this three-fifths requirement tilts that balance too far in the direction of minority rule over crucial spending decisions.

Second, this amendment has far too narrow a view of the national interest and what constitutes a threat to it. This amendment allows the balanced budget requirement to be waived by a simple majority vote for any year in which there has been a declaration of war. This waiver provision, therefore, implicitly assumes that a threat to our national security so extreme as to allow this amendment to be suspended by a simple majority vote can emanate only from a state of declared war. But it is clear from our history that a threat to the security of this Nation can also emanate from an economic situation which threatens the very livelihood of millions of Americans. It is in recognition of this reality that the preamble of the Constitution speaks not only of "providing for the common defense" but also of "insuring domestic tranquility" and of "promoting the general welfare."

Just as our national strength is not derived solely by looking to our military might, dangers to our national well-being are not only to be found in some failing of our defense posture. This constitutional amendment which we are considering today should reflect that reality and provide for it, but, unfortunately, it does not.

In fact, under the terms of this amendment, it would be possible to waive the amendment by a simple majority if the United States had declared war against Uruguay, but it would not be possible to waive the amendment by majority rule if unemployment rose to 15 percent. Such an absurd possible result is a clear sign that this amendment is fundamentally flawed.

Third, the debate on this amendment has made clear that implementing legislation will be necessary to enforce the constitutional requirement for a balanced budget. For instance, in a colloquy which I had with one of the principal sponsors, Senator SIMON, it was clear that basic questions such as what is a receipt and an outlay, how would the receipts and outlays be monitored to assure that they are in balance, who would definitively determine how budget authority is translated into outlays, and who would determine whether a bill is "a bill to increase revenues" would all require answers provided by subsequent implementing legislation.

It is not appropriate to go forward and approve an amendment to the Constitution with fundamental questions unresolved and which requires implementing legislation to resolve them. Amending the Constitution is too important an undertaking to be done in the dark.

The Library of Congress could find no precedent in which the Congress had passed a constitutional amendment which imposed a mandatory requirement on the Congress but which required subsequent implementing legislation to enforce that requirement. To pass this amendment in its current form is to write a goal into the Constitution and then to rely on a leap of faith that the Congress will be able to legislate all the enforcement mechanisms to achieve that goal. We have never done it before. We should not start now.

Fourth, toward the end of the debate a modification was made to this constitutional amendment which made it even more onerous. This modification requires that there be a three-fifths vote to raise the public debt limit. This was a dangerous modification because it will make it more difficult for the Federal Government to pay the debts it has already incurred. People do not have to be Members of Congress too long to learn how difficult it can be to get a simple majority to vote to increase the debt limit and, thereby, honor the obligations this Government has already incurred. Raising that requirement from a simple majority to three-fifths would make it even more difficult.

People may differ on whether we should limit future obligations and by how much. But I don't think anybody in the Senate believes that we should not honor the obligations we have already incurred. By raising the hurdle necessary to raise the debt limit, we are making it more difficult to honor those obligations. We are making it more uncertain that those obligations will be honored. But, if we should honor those obligations, and we should honor them, then why, as this amendment provides, are we making it more difficult to honor them? Why are we making it more uncertain? Yet, that is exactly what this constitutional amendment does.

It is argued by those who support increasing the margin from a simple majority to a three-fifths vote that such an increase is necessary in order to put teeth in this constitutional amendment. It certainly does. But, they are teeth that bite the wrong people. They may be designed to put pressure on Members of Congress, but that is not where the real bite is felt. They are, in fact, biting the banker who makes a loan to a student based on the full

faith and credit of the United States, or biting the person who provides goods to the United States, or biting somebody who is working in the Social Security Administration and sends out Social Security checks. To these people who have provided goods and services to or on behalf of the Federal Government will come the rude awakening that the full faith and credit of the United States is followed by a question mark and not an exclamation point.

I hope the Senate will consider all these fundamental defects with the balanced budget constitutional amendment and reject it.

Mr. ARMSTRONG. Mr. President, today could be a historic day in the U.S. Senate—one which may be remembered as the day the Senate finally caught up with the wishes of the American people and adopted a balanced budget constitutional amendment. The American people overwhelmingly favor this amendment. They want order restored to the chaos that has existed in Federal fiscal policy for the past 50 years. This amendment will compel Congress to do so.

I have supported the adoption of a tough and enforceable constitutional amendment to balance the budget since my first day in Congress. It was one of the first proposals I introduced in 1973 as a Member of the House, and one which I worked for throughout my service in Congress. So I am especially grateful that today we again have the chance to move this amendment a step closer to enactment. I believe there are few reforms, if any, which will have as salutory and important an effect on Federal fiscal policy and the future of this country than this amendment.

Mr. President, one of America's greatest Founding Fathers, Thomas Jefferson, noted that while frequent changes in our Constitution are not desirable, changes must in fact be made when the times urgently demand it. Jefferson was, as usual, precisely right. Amending the Constitution should not be done lightly. Nor should it be done to place in the Constitution one parochial political ideology. Rather, amendments to the Constitution should add enduring principles that experience has compelled be enshrined in that document.

I am convinced that the balanced budget amendment is such a principle. After reviewing the landscape of Federal fiscal policy of the past 50 years, I am frankly bewildered that some still do not recognize the necessity of so fundamental a change.

Balanced budgets at one time were the norm in American policy. Jefferson and all our founders consistently rejected the evils of Federal debt and resorted to borrowing primarily when the necessities of war required it. Soon thereafter, the public debt was quickly and routinely paid back. In fact, for a period of 28 years following the Civil War, the Federal Government ran budget surpluses.

But over the past 50 years, that heritage has been tarnished. Federal spending, deficits, and the national debt have exploded out of control. Consider these facts.

Since 1940, the Federal Government has run a deficit in 38 out of 46 years. Since 1960, we've run deficits in 25 of 26 years.

In 1940, the public debt of the United States was $43 billion. In 1986, the public debt exceeded $1.7 trillion—an increase of over 3,800 percent in 46 years.

Under current spending and revenue policies, another $714 billion will be added to the debt between fiscal year 1987 and 1991—raising the public debt in excess of $2.3 trillion.

This debt crisis has been driven by an unabated explosion in Federal spending:

Federal spending has increased nearly 1,000 percent since 1960—from $92 billion to $986 billion in projected fiscal year 1986 outlays.

In the last 10 years, spending has increased $615 billion—$400 billion since 1980 alone. The Federal Government is on the threshold of its first $1 trillion outlay level in history in fiscal year 1987.

One of the fastest growing components of Federal spending is driven by deficits themselves, namely interest on the debt. As Federal debt has increased, interest costs rise, driving up overall outlays and helping to create still more deficits. Federal fiscal policy has been on a constant treadmill of paying off the irresponsibility of past decades while producing more today.

In 1965, interest on the debt cost $9 billion and consumed 1.4 percent of GNP. By 1980, interest payments increased to $52 billion, or 2 percent of GNP.

In 1984, interest costs broke the $100 million barrier, reaching $111 billion that year. This fiscal year, 1986, interest payments will be $143 billion. This exceeds the sum of all Federal spending since the founding of the Republic in 1789 to 1936, total Federal outlays in 1966, the amount spent for defense in 1980, and is twice the level of Medicare spending today. Interest costs have increased 1,488 percent since 1965.

But if you remember one statistic, let it be this: between 1981 and 1990, the Federal Government will spend $1.3 trillion in interest payments alone. This equals the entire amount of public debt accumulated from 1789 to 1984.

How can anyone contemplate this sorry state of affairs and argue that fundamental reform is not called for? What magnitude of fiscal chaos is necessary before the Congress outlaws it in the Constitution? Surely in light of all this, Congress would be amending the Constitution, not on a whim, but only after years of failed policy.

The need is surely great. The appeal of the amendment is simple: the Federal Government shall spend only what it has. If it seeks to spend more than current revenues provide, it must raise revenues or approve a deficit by a three-fifths vote of both Houses of Congress. Otherwise, the Federal Government must set priorities and choose among them. I believe that is the art of governing in a free country. I believe it is the kind of enduring principle upon which our Nation was founded and which appropriately belongs in our Constitution. I also believe that it is simply common sense.

Moreover, the American people believe that it's common sense, and they support it overwhelmingly. Isn't it time the Congress of the United States got as smart as those who elected it and passed this amendment to the States? The time has long since passed that we do so. History will not be kind to the 99th Congress should it fail once again to send this proposal to the States. I earnestly urge my colleagues to support this amendment.

Before I conclude my comments on the amendment, Mr. President, I would like to take a moment to salute its sponsors in the Senate. I believe the Senate owes a special thanks to the distinguished Senator from South Carolina [Mr. THURMOND] and the distinguished Senator from Utah [Mr. HATCH] for their relentless efforts to perfect this amendment and bring it to a vote. They have both worked many long hours in committee and on the floor to advance this legislation. I salute them for it.

Over the past year, I have suggested a change in the amendment which I believe was necessary to strengthen the way in which it is to be enforced. I am referring, of course, to my amendment adopted by the Senate on March 13 which will require a three-fifths vote to increase the public debt after the balanced budget amendment is ratified. I believe this addition embodies the most effective way to enforce the constitutional amendment, and is perfectly consistent with the underlying amendment's requirement that a deficit be approved by a three-fifths vote of both Houses of Congress. I appreciate the assistance and support of the distinguished Senator from Utah [Mr. HATCH] in guiding this amendment to its adoption.

Let me also acknowledge the good efforts of the Senator from Arizona [Mr. DECONCINI] and the Senator from Illinois [Mr. SIMON]. Thanks in particular to these two distinguished Members on the other side of the aisle, this measure can truly be called

bipartisan. I salute them also for their achievement.

Mr. BURDICK. Mr. President, shortly this body will be voting on the amendment to the Constitution requiring a balanced budget. This is not the first time this body has considered such an amendment.

During the 97th Congress, the Senate passed a similar resolution. Our Nation was facing prospective annual deficits of $200 billion. At that time drastic action was necessary to eliminate these deficits and, therefore, I supported the resolution. I believe today, just as I believed then, that balancing our Nation's budget is a goal shared by a majority of my colleagues. The case may be made that during the past 4 years congressional support for balancing the budget has increased.

In 1982 with future annual deficits expected to reach $200 billion, the Senate demonstrated its commitment to fiscal responsibility by passing a balanced budget amendment.

However, the amendment did not receive consideration by the House of Representatives. During the 98th Congress, in spite of the warnings of looming deficits, we were unable to achieve significant progress on deficit reduction.

At the end of the first session of this Congress, we found ourselves again facing an annual deficit in the $200 billion range. As the deadline approached for raising the debt ceiling, we became bogged down addressing the landmark Gramm-Rudman-Hollings Balanced Budget and Emergency Deficit Control Act. During the initial consideration of Gramm-Rudman-Hollings, I supported the bill because of a desire to keep congressional attention focused on a mechanism which would establish deficit reduction and provide for a balanced budget. Although in the final analysis of the legislation I could not support it, Gramm-Rudman-Hollings is now on the books as a statutory plan for balancing the budget.

Unlike 1982, a constitutional amendment requiring a balanced budget is no longer the only game in town. Just a few months ago Congress overwhelmingly demonstrated its desire to control and eliminate deficits by passing the historic Gramm-Rudman-Hollings legislation. Before we address a constitutional amendment, we must allow ourselves the chance to balance the budget by working within the statutory framework provided by Public Law 99-177, the Gramm-Rudman-Hollings Act.

The circumstances have changed since 1982. During the 97th Congress, a constitutional amendment requiring a balanced budget was needed because we did not have a statutory mechanism for balancing the budget. Should Congress demonstrate the fiscal responsibility required under the guidelines of Public Law 99-177, an amendment to the Constitution will be unnecessary. It would be a mistake to pass this amendment without providing ourselves the opportunity to balance the budget under current statutory law.

CLARIFICATION OF COLLOQUY ON OUTLAYS

Mr. HATFIELD. Mr. President, last Friday Senator HEFLIN asked that a draft colloquy on the meaning of "outlays" as used in the context of Senate Joint Resolution 225 be printed in the RECORD. After reading that colloquy, which included remarks by Senators THURMOND, HATCH, HELFIN, DECONCINI, SIMON, MELCHER, and METZENBAUM, I would like to put in my own 2 cents' worth, even though I will not vote for Senate Joint Resolution 225 and hope it is defeated.

In his remarks on page S3200 of the RECORD, Senator HATCH stated that:

> Outlays are generally appropriated funds, but there are exceptions to that general rule. For instance, outlays includes [sic] as well entitlement payments to eligible beneficiaries, which are non-appropriated disbursements of Federal funds.

Without taking issue with the overall intent of the colloquy, and with all due respect to my friend from Utah, Senator HATCH, I believe some clarification and correction of his statement is in order.

First of all, outlays are never appropriated. Outlays result form appropriations, which are generally in the form of budget authority. Once agencies have been granted that budget authority in appropriations acts, they can obligate the Government to make outlays. But the appropriations themselves are in terms of budget authority, not outlays.

Second, all funds, without exception, are appropriated. As the Constitution states in article I, section 9, clause 7: "No money shall be drawn from the Treasury, but in consequence of Appropriations made by Law * * *" There is a distinction, however, between funds appropriated in regular annual appropriations acts and those provided in permanent appropriations. And, in fact, most of the budget authority requested in the President's budget does come from permanent appropriations. Let me quote from page 6a-1 of the President's budget:

> For 1987, $1,102.0 billion of new budget authority is proposed for the Federal Government. Of this amount, $887.7 billion is for agencies included in the budget and $214.3 billion is for off-budget Federal entities. Of this total new budget authority, both on-budget and off-budget, $564.2 billion will require congressional action. New budget authority of $732.5 billion will be available through permanent appropriations under existing law. This consists mainly of trust fund receipts, which in most trust fund programs are automatically appropriated under existing law, and interest on the public debt, for which budget authority is automatically provided under a permanent appropriation enacted in 1847.

Again, Mr. President, I offer these comments with no criticism of my colleagues, but in an effort to correct what I believe to be a misperception of certain technical points.

Mr. SPECTER. Mr. President, I am voting in favor of the balanced budget amendment to the United States Constitution for the following reasons. The constitutional amendment mandating a balanced budget is one of the toughest issues which has confronted the U.S. Senate in my tenure here.

My considered judgment to vote in favor of the amendment results from weighing the burdens of the existing national debt and continuing deficits; the disadvantages from restricting majority rule; and the serious potential problems posed by a prospective constitutional convention.

Deficits in 23 out of the last 24 years have been a major factor in the economic problems facing our Nation today. We have a national debt in excess of $2,000,000,000,000. The interest on the debt this year exceeds $139,000,000,000. These figures are persuasive of the need for strong action to halt the growth of the national debt.

A nation, like a family, should live within its means. It is unfair to saddle future generations with our failure to pay for what we spend. While we should be able to limit spending without constitutional constraints, the historical fact is that the Congress has not done so.

A compelling consideration is the potential for disaster from the convening of a constitutional convention on the vote of 2 additional States to join the 32 which have already called for a convention on this issue. Once convened, such a convention might rewrite the entire Constitution. In the only precedent, the Constitutional Convention of 1787 was convened to deal with the limited issues of amending the Articles of Confederation on regulation of interstate trade and the taxation of citizens of the various States. Ignoring that limited mandate, an entirely new Constitution emerged.

That precedent provides authority for a convention with a limited call to rewrite the entire Constitution. If our Constitution were to be reconsidered today, the Bill of Rights would not emerge unscathed and the jurisdiction of the Federal courts would be drastically limited. Those are dangers which must be avoided.

In voting for this amendment, I am mindful if the special problems confronting my State. Pennsylvania has never benefited fully from the economic recovery and continues to face severe economic problems. Numerous Federal programs are critical tools in bringing about a recovery in Pennsylvania, and must be preserved until that recovery occurs.

In the long run, however, neither Pennsylvania nor any other part of the country will remain prosperous if we fail to address the intolerable Federal deficit. The sluggish performance of the national economy in 1985 must be taken as an early warning that, if we fail to address the deficit, declines in interest rates and oil prices will not be enough to keep our economic machinery in top form.

Some have cited the passage of the Gramm-Rudman-Hollings legislation last year as a reason for abandoning the balanced budget amendment now. But no mere statute such as Gramm-Rudman-Hollings is as durable as a constitutional amendment. We have already considered waiving Gramm-Rudman-Hollings on more than one occasion, and as the pain inflicted by the Federal Government's financial constraints grows this year, demands for waivers will probably become more insistent. The virtue of a constitutional amendment is that it cannot be waived by a mere majority of the Congress. Furthermore, if the Supreme Court upholds the lower court decision which decided that Gramm-Rudman-Hollings is largely unconstitutional, the country will be left without any legal mechanism for enforcing fiscal self-restraint. Therefore, the balanced budget amendment remains necessary.

A vote for the balanced budget amendment is not a vote for the budget priorities that the administration has proposed for fiscal year 1987, or for the priorities currently being observed by the Government. So long as we have States like Pennsylvania where economic problems abound, it is my sense that any fair budget must direct resources to those States as a priority matter. The Defense Department will have to take its proportionate share of cuts, and other, more prosperous States that are heavily subsidized for water and other projects will have to contribute. Economic development programs such as urban development action grants, the Economic Development Administration, the Small Business Administration, community development block grants, and mass transit subsidies, and programs such as student loans that invest in human capital, must be preserved above all until such time as there is economic prosperity in all parts of the country.

I have fought successfully for these programs each year during my service in the Senate, and will continue to fight for them. The balanced budget amendment will help assure that, even after Pennsylvania and similar States have been rebuilt, the national economy will remain on a fiscally sound footing. In the final analysis, the benefits of the amendment outweigh the very real burdens it imposes.

Mr. TRIBLE. Mr. President, last year, Congress dramatically demonstrated its concern about budget deficits by passing Gramm-Rudman which when fully implemented will eliminate the Federal deficit. Today we can take action to make a balanced budget a permanent requirement of American law.

For far too long our Nation has been on an unconscionable spending spree. In the past quarter of century we have had a budget surplus only once. Every other year we have spent more than we collect.

We cannot continue this profligacy. Budget deficits raise interest rates and divert national saving from investment in productive projects. As a result, economic growth is reduced. Real wages and living standards grow more slowly and we experience unnecessary unemployment and poverty. In all, because of these deficits, all of us are poorer.

And this slower economic growth will continue to burden our children and grandchildren. Our national debt now exceeds $2 trillion and future generations will be forced to forego the advantages of economic growth in order to pay for unpardonable spending habits.

Budget deficits not only curb economic growth. They act as the engine for inflation. Massive deficits create overwhelming pressure for excessive money creation which feeds significant inflation. This inflation not only retards growth and productivity but it places intolerable burdens on working men and women.

Budget deficits also contribute to our massive trade deficits. The demands of Federal borrowing drive up interest rates which, in turn, drive up the value of the dollar. Consequently, goods made in America must not only face unfair trade barriers, but the price of American goods is artificially high.

Mr. President, there can be no doubt that, unless we act to make a balanced budget a permanent constitutional requirement our Nation will be poorer, our children and grandchildren will be faced with a crushing burden of debt and the costs of debt service will rise so stratospherically that we will be able to provide only the most minimal governmental services.

Why is a constitutional amendment necessary? Because, Mr. President, my tenure in the Congress has convinced me that Congress is incapable of saying no. All of us in Congress are under immense pressure to expand Federal programs. We all are exhorted to provide resources for a host of Federal activities.

The political imperative for spending can only be limited by fundamental institutional change. A constitutional amendment would not permit Congress to increase spending as a matter of course. Rather, Congress can only increase spending in one area by reducing it in another, or by raising taxes.

In other words, the amendment will alter the political demands and change the present calculus of Federal spending.

As we now do business deficit financing allows Congress to respond to demands for increased spending without making difficult decisions about taxing or spending. Therefore, deficit spending allows Congress to increase spending and reap political benefits without incurring any immediate political cost.

Well I believe we must have the ability to say no to ever increasing demands for Federal spending. And the only means by which we can say no is a constitutional amendment requiring a balanced Federal budget.

Mr. President, the vast majority of our States are required by law to balance their budgets. The Federal Government, too, must learn to live within its means. I believe this amendment is essential to ensuring the economic well-being of our Nation and I urge my colleagues to support it.

Mr. HEINZ. Mr. President, as one who has authored and sponsored a constitutional amendment, to limit Federal spending, I am on record as one who supports the principle of a constitutional amendment to ensure greater fiscal responsibility. I not only believe that the unchecked growth of Government and Government spending poses an inherent threat to freedom, opportunity, and enterprise, but also I subscribe to the imperative that, absent the effect of what economists call the business cycle, the Federal budget should be balanced. Federal deficits, if not offset by equal surpluses, increase the national debt. I am strongly opposed to spending money the Government doesn't have, won't get back and will have to borrow. Any increase in the national debt is nothing less than a burden passed on by this generation to future generations—our children and grandchildren—so that some special interest group or groups, including politicians, can have it good today. To my mind, and to the minds of most Americans, piling up deficits and the national debt is just plain immoral.

The amendment we are considering, Senate Joint Resolution 225, started as a well-thought-out amendment that merited broad support. It has undergone substantial modification in the course of the Senate's consideration. Often those perfecting modifications have been useful and justifiable. However, one amendment has now been adopted to require a supermajority of three-fifths of the Senate to change the national debt that I cannot support. This is the second time we have been through the same frustrating exercise.

In 1982, we considered a balanced-budget amendment similar to the original Senate Joint Resolution 225. As my colleagues will recall, I worked closely with the sponsors of the amendment and Senator DOMENICI to perfect the amendment. I was concerned with the implementation of the amendment and the effect of the operations of the Social Security trust funds. I have spoken earlier in this debate about the need to properly address this issue.

Also in 1982, I joined the sponsors in opposing the amendment of the Senator from Colorado, Senator ARMSTRONG, to require a supermajority three-fifths vote of both the House and Senate to raise the national debt ceiling. Regrettably this amendment has once again been offered and incorporated in Senate Joint Resolution 225. The arguments against it today are as strong now as in 1982. As I said, "requiring a supermajority every time we encounter a debt ceiling bill, as we do not just once but often several times a year, is going to make government unworkable and will result in bringing government to a halt time and again when there is a recession. Inviting all the uncertainties of on-again-off-again, stop-and-go government is simply contrary to common sense and sound public policy." The only way out of such a dilemma would be to raise taxes.

Two of the major proponents of Senate Joint Resolution 225, the Senator from Utah, Senator HATCH, and the Senator from New Mexico, Senator DOMENICI, not only opposed the amendment as I did but agree with my analysis.

Let me quote Senator HATCH, who said that the Armstrong amendment "would render—the resolution—totally inconsistent with sound and responsible countercyclical economic policy and require taxes to be raised in the face of a recession or a depression * * * If the Armstrong amendment is adopted, then Congress really has only one choice, and that is to increase taxes, because it will take three-fifths of the membership of both Houses to lift the debt ceiling."

Similarly, Senator DOMENICI stated, "Under the Armstrong amendment, three-fifths of the Members of each body would have to vote to increase the debt limit. I shall tell my colleagues what that is going to do. If that is built into the organic law, we are going to raise taxes every time, because we are not going to get the three-fifths vote to raise the debt limit. So we will do the easier thing, we will vote to raise taxes."

I do not believe that raising taxes is the result the American people want. I do not believe that bringing Government to a halt, particularly in a recession, is responsible public policys. Yet those are the two alternatives we face if we pass this amendment in its current form.

When I introduced Senate Joint Resolution 54, the original National Tax Limitation Committee amendment authored by Nobel Laureate Milton Friedman during the 96th Congress some 6 years ago, I felt as keenly then as now about strengthening our national commitment to fiscal responsibility. But that should not obligate us to pass any version of my or this amendment without careful consideration of the public policy resulting from amendments or changes.

Mr. President, as I stated at the outset, I support the principle of a constitutional amendment to limit Government spending or balance the budget. But it must be a responsible, workable amendment if it is to become a part of our Constitution. Unfortunately, Senate Joint Resolution 225 as now amended fails that test.

Mr. LEAHY. Mr. President, I rise today to urge my colleagues to vote against the flawed concept of balancing the budget by amending our Constitution and to get on with the legislative task of balancing the Federal budget.

We already have the ability and the tools to balance the Federal budget, so we must see this proposed amendment to the Constitution for what it really is. It is a political gimmick, a gimmick that ignores what our Constitution is.

Our Constitution is the document embodying our national guiding principles. It sets forth our fundamental rights and liberties and the organization and structure of our Government. Those principles have served us well for over 200 years. We cannot let gambits designed for short-term political gain taint our Constitution.

The Constitution should not include economic theories or budget formulas. The Founding Fathers never intended that. Furthermore, including such hypotheses in our Constitution is dangerous and misguided.

The danger and folly of trying to balance the Federal budget by amending our Constitution is superbly illustrated by the process through which we arrived at this version of the balanced budget amendment.

First, the Judiciary Committee, unable to agree on a single formulation, reported two separate balanced-budget amendment proposals to the Senate. Then, hastily drafted amendments and last-minute political maneuverings during the Senate debate earlier this month resulted in this version of the constitutional amendment to balance the Federal budget. The result is a lack of careful analysis and well-thought-out legislative history that any proposed amendment to our Constitution not only deserves, but requires. It is no longer even clear whether, or to what extent, the Judiciary Committee's report applies.

It would also be misguided and dangerous to adopt this amendment when the mechanics of its enforcement are unknown. For example, the proponents concede that questions of who has standing to enforce the amendment are yet to be resolved. Similarly, the proponents assert that the amendment does not grant the President impoundment authority. But their assertions ignore the reality that ultimately it is the Supreme Court which will serve as the arbiter of these questions.

Congress can and should stand up to its responsibility to balance the Federal budget legislatively. By doing so, we would not run the risk—inherent in this proposed amendment to the Constitution—that Federal courts will be reviewing all of our budget and tax decisions line by line, item by item.

Mr. President, let me close by emphasizing that I want a balanced budget. But we don't need a constitutional amendment to balance the budget. What we need is for Congress to bite the bullet and make difficult choices. We can do that by adopting a rule I have followed in every budget decision I have made. It is a simple rule. It is called "pay-as-you-go." For every new dollar in Federal spending I have supported, I have voted for a $1 cut in spending. If Congress wants to increase spending, we must find a way to pay for it, either through offsetting spending cuts in other programs or through revenues.

I also cosponsored the Hallings-Leahy freeze on all Government spending for the last 3 years. That budget plan called on Congress to spend $136 billion less than President Reagan requested himself.

And, I supported the Gramm-Rudman-Hollings deficit-reduction law which, despite its shortcomings, requires Congress to balance the Federal budget by 1991.

Reducing the deficit will not be easy; nor is it impossible.

An amendment to the Constitution is not the answer.

Mr. WEICKER. Mr. President, Carl Becker once said that:

> Economic distress will teach men, if anything can, that realities are less dangerous than fancies, that factfinding is more effective than faultfinding.

Unfortunately, as is too often the case, the Senate is once again long on blame and short on solutions. The problem of course is the budget deficit that has this generation reaching into the inheritance of the next to meet the needs of society.

Late last year, the constantly shifting focus of blame centered on the congressional budget process. We were told—and we agreed by a wide majority—that deficits are the fault of a process, unwieldy and inefficient, that binds Congress to deficit spending. I repeat what I have said before about

these "automatic pilot" reforms: They are nothing but hypocrisy. And when this conflict between word and deed threatens the Constitution, it is nothing but recklessness.

The steady decline in the political courage of the Congress has made this recklessness seem attractive to many in this body and many in this Nation. Perhaps the people have given up hope that the politicians can make tough choices, perhaps many people have forgotten how clear the Constitution has been for 199 years about fiscal authority and the power of Congress and the President to exercise. In the same way, I hope in this election year that the American people have not forgotten how to use their ballots to support those who uphold the Constitution; those who use the power they have right now to balance the budget.

That power has nothing to do with stuffing a few hastily drawn paragraphs of economic policy into the Constitution. That power has everything to do with the hard choices of budget reforms and reductions and revenue increases needed to pay for our priorities. This is the job entrusted us in the Constitution and there's nothing automatic about it.

If we are serious about balancing the budget, then we have to raise revenue, reduce defense spending, and reform entitlements. Everyone knows that, but politically, it is a very difficult admission to make.

From their writings we know that the Founding Fathers intended the Constitution to be a broad and enduring statement of our rights and liberties as Americans. To craft it as a Christmas tree on which to hang ornaments of the passing political majority—even supermajority—is not worthy of our political heritage.

The Constitution was never intended to be the vehicle for advancing the beliefs of any subset of the American people. Rather, it was intended to protect all Americans against the tyranny of the few or the many.

It may well be said that the American people look anxiously to Congress to do anything possible to gain control of the budget. We in the Senate already said no in the three votes I mentioned earlier that followed passage of Gramm-Rudman-Hollings; no to the range of choices that the American people expect us to make as their representatives. President Reagan already said no in submitting a budget that has been out of balance each year. He had the choice to submit a balanced budget each year just as we have had a choice to pass a balanced budget. Congress and the executive branch have refused to make the choice and this amendment marks the path of our retreat with a shredded copy of the Constitution.

Accountability will not be achieved by throwing some switch and putting the economy on automatic pilot. Accountability depends upon individuals who have the strength of their convictions. It depends on individuals willing to legislatively tackle the tough issues, not try to hide behind a constitutional amendment. Accountability also depends upon people willing to vote and otherwise participate in our democracy, not abandon it to apathy.

Robert Hutchins once said that:

> The death of democracy is not likely to be an assassination from ambush. It will be a slow extinction from apathy, indifference and undernourishment.

Surely our democracy is malnourished when 29 percent of the registered voters becomes a majority to elect a President, 25 to elect a Senator, or 20 percent a Congressman. Do we believe the majority of Illinois Democratic primary voters meant to choose two right-wing extremists as candidates for lieutenant governor and secretary of state as they did 2 weeks ago? It really doesn't matter what the 21 percent of eligible voters who actually voted meant to do. What matters is the 79 percent who failed to even show up. None of us dare say with certainty in any part of the Nation that it can't happen in a general election or that it can't happen anywhere in the Nation.

The greatest danger in this sort of apathy is not the elevation of extremism, not the threat that the worst can occur, but rather the promise that the best cannot. In this context, the balanced budget amendment is an incentive to mediocrity, a reward for the spectators, not the players. It promises a future that will not be the result of choice, but rather the product of default.

Let us—each of us—make an admission and call off this assault on the Constitution. The inability we have shown in dealing with the realities of the budget is the fault of constitutional officers who are responsible for choices never made or politically off limits. To say it is the fault of the Constitution is to mislead the American people.

Next year we celebrate the 200th anniversary of the Constitution. In 1887, during the celebration of the Constitution's first 100 years, British leader William Gladstone wrote, "I have always regarded that Constitution as the most remarkable work known to me in modern times to have been produced by the human intellect, at a single stroke, in its application to political affairs." In the midst of our current "political affairs," I would ask my colleagues to reflect on this anniversary. And I would ask that we stand together and refuse to have this "remarkable work" of the Founding Fathers marred by the inclusion of this manifesto of political failure called the balanced budget amendment.

Mr. BINGAMAN. Mr. President, I rise in support of Senate Joint Resolution 225, proposing an amendment to the Constitution of the United States to require a balanced Federal budget.

Amending the Constitution is an important step, one that none of us should not take lightly. The fact that our Constitution has needed to be amended so infrequently is a testimony to the wisdom of its drafters, the Founding Fathers.

Although I must admit some reservations in this current effort to amend the document, I think the need to reduce our $200 billion deficit, and the realization that the President and Congress lack the discipline to do it, are overriding considerations. This appears to me to be an appropriate issue for the Constitution to address. I further think that careful consideration has been given to this effort and important modifications have been made in the resolution that is before us today.

It is important to note that the Framers of the U.S. Constitution envisioned that each generation of Americans would pay its own bills. Thomas Jefferson said:

> We should consider ourselves unauthorized to saddle posterity with our debts, and morally bound to pay them ourselves.

Unfortunately this sound principle of not saddling future generations with our debt is not being adhered to. We have not had a balanced budget in 16 years, and only one in the last 25 years. Moreover, our deficits continue to grow larger with each fiscal year. When President Reagan came into office, 8 percent of our annual Federal budget went to pay interest on the national debt. Today 15 percent of our annual budget goes to that purpose. We can no longer turn our back on the deficit. We must now begin the process of dealing with it. In my opinion the resolution before us is carefully crafted to require a balanced budget except in extraordinary circumstances.

The amendment has several key features. Most importantly it does not mandate economic policy, but it merely outlines a procedure for approving a budget. The resolution provides that outlays for any fiscal year shall not exceed receipts for that year, unless three-fifths of the House and Senate provide for a specific excess of outlays over receipts. Its provisions could be waived by Congress during a fiscal year in which a declaration of war is in effect.

I believe these provisions embody the flexibility needed for Congress to perform its appropriate function of examining spending levels and making needed changes in spending as well as taxing. I would, however, have pre-

ferred that the resolution not specifically address the matter of taxing.

Nevertheless, important other changes have been made. The most important, in my opinion, which makes the bill more acceptable to me, is the amendment by my distinguished colleague and friend, Senator METZENBAUM, requiring the President annually to submit a balanced budget to Congress, and if he supports an unbalanced budget, to submit that as an alternative and explain why. This is an essential element. It requires the President as well as the Congress to participate in the balanced budget process. Several other important additions have also been made, and other more harmful amendments have been wisely rejected.

Let me conclude by saying that I feel the resolution before us represents a fair and workable compromise. It recognizes the need to reduce our budget deficits and not pass them on to future generations.

Thank you, Mr. President.

Mr. BRADLEY. Mr. President, the issue of balanced budgets has been before this body many times. It seems that we spend more and more of the Senate's time debating Federal budget policy. Just last year, the Congress enacted the Gramm-Rudman legislation. In 1982, the Senate adopted a constitutional amendment to balance the budget. The constitutional amendment now before the Senate is very similar to the measure adopted by the Senate in 1982, but rejected by the House.

Mr. President, as with so many of the issues debated in the U.S. Senate, Members are deeply divided over this issue. But we all agree that deficits must be reduced. We all agree that we cannot afford to continue to accumulate the biggest budget deficits in our history.

And we all agree on the problem. The problem, as we all know, is that Congress and the President—in our desire to meet the many needs of the American people—find it easier to expand programs and to cut taxes than to eliminate programs and to increase taxes.

The consensus disappears, Mr. President, when we debate how to bring down deficits. Although I do not concur, I recognize that most Members in this body are convinced that we need to be bound to a balanced budget. The longer we debate these issues the more I am convinced that we don't need procedural or constitutional answers to the deficit problem. The Senate has all the procedures it needs to reduce deficits. It lacks the will.

I believe that a constitutional amendment is not the answer. Enactment of this legislation would be bad economic policy, would be bad public policy, and would be bad constitutional policy.

First and foremost, Mr. President, a constitutional amendment requiring a balanced budget is flawed thinking about economics. Indeed, adoption could pose a very serious threat to the economic health of the Nation. Establishing a constitutional requirement for a balanced budget drastically reduces the flexibility which the Constitution now gives to the President and Congress to pursue policies which promote economic growth and stability.

Mr. President, a study was recently conducted by Data Resources, Inc., simulating the economic impact of a balanced budget in fiscal year 1983, when the economy had not yet recovered from the recession. According to their projections, the effects would have been devastating. In 1983, real GNP would have declined by 4 percent rather than growing by 3.4 percent. By the end of 1985, had the budget been required to be balanced in 1983, real GNP would still be below its 1981 level. The unemployment rate in 1985 would have been 12.4 percent. Now maybe these projections are too pessimistic. But I remain convinced that it would not have been good economic policy to balance the budget in 1983.

Mr. President, after ratification of this constitutional amendment, what if we find out that we were wrong? It takes years to amend the Constitution. And it can also take years to repeal an amendment to the Constitution.

What we enact today in this body by statute can be removed tomorrow by statute. This is not the case for a constitutional amendment. If a majority in this body wants a balanced budget, then let us pass statutes requiring it; but let us not tie the hands of future Congresses by including this travesty in the U.S. Constitution.

Mr. President, I also want to discuss the impact of inflation on real deficit spending. Some economists would say the inflation premium built into government payments on the public debt should not be matched by revenue. With interest rates at 8 percent and inflation at about 4 percent, the Government pays about $80 billion a year just to help Treasury bill holders keep up with inflation. But under a balanced budget amendment, the Government would have to raise that $80 billion through additional taxes. That means that the public gets taxed twice—once through an inflation tax on the real value of Treasury bills, and once through direct taxes. Yet the public receives only enough to cover the inflation-tax. So under a balanced budget regime, the Government will actually drain resources from the public as long as inflation stays above zero. If this is so, then this is so, then this is a good deal for the Government, but a terrible one for constituents.

Mr. President, there is one last point I would like to make on the economic consequences of the balanced budget proposal now before us. This amendment has a strong bias toward increased taxes. Under the amendment, it takes 60 votes for Government to spend more than it takes in, but only a constitutional majority—51 votes—to raise Government's revenues. Imagine a year at the start of a recession when a deficit looms up after we are already into the fiscal year. The Constitution requires a balanced budget and Congress cannot marshall 60 votes for deficit spending. But only 51 Senators are needed to raise revenues.

What will happen, Mr. President? Taxes will be raised. Is that good economic policy, Mr. President? Of course not. Raising taxes during a recession is widely accepted by almost all economists as precisely the wrong thing to do—a prescription for worsening economic conditions.

Mr. President, I also oppose the balanced budget amendment because of the devastating effects it could have—particularly during a recession—on defense and nondefense Federal priorities.

In January 1981, President Carter projected that the 1982 budget deficit would be $28 billion; the actual 1982 deficit was $111 billion. In January 1982, President Reagan projected that the 1983 deficit would be $92 billion; the actual 1983 deficit was $195 billion. A significant share of the disparity in these projections was directly related to a miscalculation of the magnitude of the 1982 recession. What would have happened if the balanced budget amendment had been the law of the land in 1983? We would have had to drastically cut programs or raise taxes almost $100 billion more than anticipated at the beginning of the year.

We currently have in place many programs that operate as automatic stabilizers. These programs—such as unemployment insurance, food stamps, and AFDC—assist those people who are most directly affected by a sagging economy. While Congress has never been very good at fashioning effective, recession-specific countercyclical spending programs, these automatic stabilizers do provide needed benefits in time of need.

Under the proposed constitutional amendment, unless 60 Senators agreed, these automatic stabilizers would have to be curtailed or other programs would be sacrificed to keep them going. Spending automatically increases during times of recession to protect people in need; having to balance the budget during times of recession hurts people in need.

Finally, Mr. President, what about defense spending? How would it fare if we enacted the balanced budget

amendment? Since defense spending is the largest discretionary component of Federal spending, it is the area that would probably suffer the greatest disruptions. Roy Ash, the OMB Director under Presidents Nixon and Ford, recently pointed out:

> The provision in the proposed amendment waiving its effect if war is declared is too blunt an instrument to deal with real defense needs. It is much more desirable to manage defense policy so as to avoid the declaration of war. That usually involves the build up of forces to deter others and, if absolutely necessary, to prepare for war. It is ironic that the proposed amendment would require a 60-percent vote to override budget balance so as to avoid war, yet only a 50-percent vote is required to declare war.

Finally, Mr. President, I object to this amendment on constitutional grounds. Since the adoption of our Constitution in 1789, the amendment process has been used very sparingly. Twelve of the 26 amendments to the Constitution protect the rights of individuals: These include the Bill of Rights, the prohibition of slavery, and the guarantee of due process and equal protection. Five of the 26 amendments extend the right to vote: To all races, to both sexes, to the District of Columbia, to all income classes—that is, prohibiting a poll tax—and to 18-year-olds. Seven of the 26 amendments deal with how our Government should be structured: Judicial power, the electoral college, counting former slaves in apportionment of the House of Representatives, the income tax, popular election of Senators, fixing dates of congressional sessions and Presidential inaugurations, tenure, disability, and succession.

Of the 26 amendments enacted, all but two have been drafted to correct a flaw in the original structure of the Constitution or to protect the fundamental rights of American citizens. Care has been taken to avoid endorsing specific programs or to impose restraints on the Government's need to act beyond the minimum necessary to assure individual liberties and preserve a Federal system. The only two exceptions are the amendments which were passed to establish prohibition and then to repeal it.

Prohibition—established by the 18th amendment and repealed by the 21st amendment—was a scar on the face of our Constitution. Its proponents screamed, "Keep us from drinking!" only to find there was not the will equal to the words.

Mr. President, I find a parallel between the prohibition amendment and the balanced budget amendment. Proponents of the amendment scream, "Keep us from spending!" only to find that there must be the will to equal the words.

In my opinion, and in the judgment of many noted legal scholars, the proposed balanced budget amendment is more like the prohibition amendments than any of the 24 others dealing with individual liberties or Government structure. Like the prohibition amendments, the balanced budget amendment reflects more transitory concerns. Our experience in the case of prohibition should not be ignored now.

The Constitution is our most important public document, the foundation of our democracy. There is no need to change it in any way in order to achieve a balanced budget. Nothing in the Constitution stands in our way. We can have a balanced budget whenever enough Members of Congress are ready to vote for one, and it is either an illusion or a self-revealing admission to say that Senators have so little discipline that we need to change the fundamental law of the land to force us to do what we have the power to do now.

In conclusion, Mr. President, the balanced budget amendment makes no sense. In fact, while I believe that reducing the deficit is absolutely essential, balancing the budget is not. Contrary to the sponsors' favorite analogy, the national government is not similar to a household. Nor is it similar to a State government. The national government has national economic responsibilities that madate money be spent under certain economic conditions. That is the price of humane government in the 20th century.

Mr. President, sizable deficit reduction will not occur until members have the will to make the difficult political choices that we all know have to be made. And it is those tough choices we are elected to decide. Just as we exercise our judgment on other legislative issues, the public has a right to expect their elected officials to exercise judgment and moderation in responding to our serious fiscal and economic problems.

Instead of making tough choices, we are putting in place a lengthy process to absorb the attention of Congress and the States in an effort which at best will not be timely enough to solve our current economic problems and at worst will create new ones.

I urge my colleagues to join me in opposing the balanced budget amendment.

Mr. HARKIN. Mr. President, the Senate has before it today a proposal to amend the Constitution of the United States.

Let us consider for a moment the gravity of amending the Constitution. Thomas Jefferson wrote that "a permanent constitution must be the work of quiet, leisure, much inquiry, and great deliberation."

Jefferson had great respect for the Constitution and understood its function as the guarantor of our democracy and our liberties. I hope today that the Senate will show a similar respect.

Four years from now, our Nation will celebrate the 200th anniversary of the Constitution's ratification by the Thirteen Original States. Since that time, the Constitution has been amended only 26 times.

An amendment is not a matter to be taken lightly or approved hastily. An amendment is a fundamental change in the permanent law of our land.

Jefferson defined a constitution as "an act above the powers of the ordinary legislation."

It is incumbent upon the Senate then to justify, clearly and beyond doubt, why it is necessary to "act above the powers of the ordinary legislation."

I am aware of objections voiced by some that a balanced budget amendment would lead to cuts in those essential programs which are least able to care for themselves—programs for the handicapped, the poor, our older citizens.

Others fear a balanced budget amendment will lead to insufficient funding for defense.

I share both of these concerns. It is clear that this amendment will create a different climate toward Government spending—a climate that needs to be created.

Nevertheless, I will fight to preserve funding for those programs which I believe must be continued. I am committed to real opportunity and justice in our society. But the greatest threats to these goals today are the looming deficits. All who share these concerns must make this their top priority.

I will fight to increase funding for those programs—particularly education—which I believe must be expanded.

And I will fight to eliminate those programs which have outlived their usefulness. I expect that my colleagues will do the same.

Some will lose, others will gain.

But at least decisions will be made in this body, as the framers of the Constitution intended them to be.

I believe this is what Jefferson, Madison, Franklin, and the other framers of the Constitution would want us to do at this crucial moment in our Nation's history.

This is a very heated, emotional issue, but let us remember Jefferson's advice and act not out of emotion or political considerations, but out of "much inquiry and great deliberation."

For a number of years, I have struggled with the question of a balanced budget amendment to the Constitution.

In 1982, I voted for a balanced budget amendment—the Alexander substitute—that was a very straightforward proposal which would have simply required the President to submit a balanced budget and the Congress to pass a balanced budget.

On other occasions, I have voted against balanced-budget amendments which were not as straightforward and threatened the clarity of the Constitution.

My concern with a balanced budget amendment stems from my concern that it would not be appropriate to incorporate into our Constitution a particular economic philosphy or plan.

But the risk posed by the deficits—both to our Nation's economic viability and to our ability to create a just and fair society—have now convinced me otherwise.

In the past 5 years, the national debt has doubled to more than $2 trillion.

Twelve percent of our budget goes to paying the national debt.

In effect, this national debt represents the most massive transfer in our Nation's history of wealth from the poor and the middle-class to the wealthy here and abroad who have bought up Federal bonds.

These deficits keep real interest rates high and this hurts our small businesses, our consumers, and our Nation's farmers.

The overvaluation of our exports caused by the deficits is exporting American jobs and causing an influx of imports.

In the long term, inflation is likely to be the only way to recover these deficits and this will cause even greater hardship for the average American.

And so it is, Mr. President, after great deliberation, I urge my colleagues to join with me in voting for the balanced budget amendment.

Mrs. HAWKINS. Mr. President, this is the responsible way to deal with the realities of the Federal budget. Too often rhetoric dealing with the intentions of Senators attempting to impose automatic mandates on the budget process ignore the very real neccessities of specific Government programs. This amendment would force the Members of Congress to face the tough votes they were sent here to make. Instead of providing them with rhetorical sanctuary behind an unaccountable budget process.

This amendment allows Congress to deal with the unexpected. Once the balance budget is in place and set into law, few Senators will be unwilling to risk breaking the law to deal with emergency situations. This amendment provides for just such an unforseeable event, without unduly labeling Senators as budget breakers and allows Congress a second chance.

We should all remember that the balanced budget amendment passed this body in 1982. Senate Joint Resolution 225 is similar to that proposal in that it calls for a balanced budget each year unless three-fifths of the House and Senate agree to deficit spending or in the case of war or times of national emergency.

Certain situation may arise that would require and justify an exception to the balanced budget, as for example childhood vaccines. The Federal Government currently purchases over 50 percent of childhood vaccines for its national immunization effort. The program is extremely cost effective given the tremendous cost in both terms of finances and human terms of not adequately immunizing our children against these deadly and contagious childhood diseases. I am sure that no Member of this body wants to see a return of the iron lung and destruction caused by rubella and polio outbreaks.

Once again Mr. President, I would like to commend Mr. THURMOND for introducing this amendment. This amendment is responsible government and allows us to deal with the unexpected should the need arise.

Mr. BYRD. Mr. President, I will vote against the pending substitute, the so-called Hatch-Simon version of a balanced budget constitutional amendment, because I believe it is unworkable, unclear, and dangerous to our national security.

I am in favor of a constitutional amendment which would require a balanced Federal budget. I offered my own version almost 2 weeks ago. Unfortunately, the authors of the pending Hatch-Simon substitute had already drawn the horses' round, so to speak, and a majority was unwilling to accept the formulation which I proposed.

I believe that my proposal would have accomplished the goal of constitutionally mandating a balanced Federal budget, and it would have done so in a manner that was workable and without endangering our national security.

The pending Hatch-Simon version is simply unacceptable in its present form. I will vote against it primarily because it does not adequately provide for our national defense. It could put us into a straitjacket in the event we were to become involved in an unforeseen conflict. The pending substitute also could require drastic budgetary cuts—perhaps including defense cuts—even when out Nation is involved in a war.

Although the pending proposal provides for a waiver "for any year in which a declaration of war is in effect," it does not adequately address the problem of undeclared wars, or our potential involvement in another South Korean or Vietnam-type conflict. It does not deal with another Grenada-type operation, or a potential unforeseen emergency in Central America.

If such circumstances were to arise when this amendment was in effect, it might be impossible for the President to respond appropriately, or to protect the lives of America's Armed Forces or safeguard our national security. Proponents may suggest that it is possible to waive the requirements by a three-fifths vote in each House. However, Mr. President, that would allow a minority in either body to prevent such action. If such a minority were to oppose the President's request, we could find our fighting men and women in the field victimized by political posturing at home.

I for one refuse to tie our Government's hands in such a manner that we might be unable to defend our Armed Forces and protect our vital national interests whenever they might become threatened. I might point out to my colleagues that the forumulation of a balanced budget amendment which I proposed addresses these concerns, providing an automatic exception for war, whether declared or undeclared, and for any other type of military conflict.

Let me, Mr. President, for the sake of example with immediate application, raise the circumstances in which we now find our Nation invovled in the Gulf of Sidra. On Sunday of this week—just 2 days ago—ships of the U.S. 6th Fleet were involved in a peaceful nonprovocative exercise in international waters off the coast of northern Africa. This Nation should not have needed to anticipate that anyone or any nation would object to our sailing and flying in this area, and certainly not that any attempt would be made to impede such activities by our naval forces.

Today, not 48 hours later, the situation has changed radically. Several deadly surface to air missiles were fired at our fleet's aircraft flying in international airspace over international waters from an installation on the Libyan coast of the Gulf of Sidra. In reprisal for this blatant and blatantly illegal effort to restrict access to these international areas—an effort which could have cost American lives as well as millions of dollars in destroyed equipment—American forces attacked and disabled the surface to air missile installation and two Libyan missle patrol ships which were moving in a threatening manner toward our surface vessels.

I expect I join 99 other Members of this body, and the great majority of Americans, in the fervent hope that this exchange will mark the end of this very unfortunate episode—and that Libyan strongman Mu'ammar Qadhafi forthwith will cease his illegal and dangerous attempts to restrict the access of the United States, or the citizens or vessels of any other nation, to the international waters and airspace off Libya's coast.

I raise the example of the current circumstances in the Mediterranean simply to illustrate how rapidly and unpredictably a situation embroiling

this Nation in military conflict can occur. And yet the amendment before us would make no exceptions in the case of any conflict that began as rapidly and unpredictably as events have unfolded in the past several days—until and unless such a conflict proceeded to the point of a declaration of war. As I have pointed out, two major conflicts extending over several years each, not to mention a number of lesser military actions, just since World War II, never led to a declaration of war. I can only speculate, but I can speculate that our ability to properly supply and protect the lives of our forces in several of those conflicts easily could have been jeopardized had a constitutional amendment such as the one before us today been the law of the land at the time of those conflicts.

The national security issue I have just discussed is the most serious problem which could arise under the pending substitute. Other examples are readily obvious:

In section 1, the balanced budget requirement applies to any fiscal year. What would happen if we were to go on a 2-year fiscal cycle?

The amendment also refers to both receipts and revenues. Are they the same? Must a bill that increased receipts also be subject to the voting requirements in section 2?

Mr. President, I raise these issues not because I oppose a balanced budget, but because the amendment before us holds the potential to do more harm than good. That is why I offered my budget proposal last year—to put the Government on the path to a balanced budget in a more responsible fashion than that proposed by the majority.

And that is why I offered my own constitutional amendment earlier this month—to mandate a balanced budget in a more responsible and workable manner than is proposed in the pending substitute. As I have noted, that amendment failed. Unfortunately, this body is now left with a vote on what I consider to be a fundamentally unsound and flawed proposition. The pending measure creates a potential straitjacket on this Nation's ability to defend itself and its vital economic and security interests. As such, I cannot support it.

Mr. President, as I complete my remarks, I would like, once again, to recall the admonition of Alexander Hamilton which I quoted at the time I offered my own balanced budget formulation:

> Constitutions of civil government are not to be framed upon a calculation of existing exigencies, but upon a combination of these with the probable exigencies of ages . . . nothing, therefore, can be more fallacious than to infer the extent of any power to be lodged in the National Government from an estimate of its immediate necessities. There ought to be a capacity to provide for future contingencies as they may happen; and as these are illimitable in their nature, so it is impossible safely to limit that capacity.

Mr. President, it is in the context of Hamilton's warning that I have expressed my concerns about the pending substitute. It was in that same spirit that I offered my own version of a balanced budget amendment.

I intend to vote against the pending substitute for the reasons I have expressed, and I ask unanimous consent that the balanced budget amendment which I offered on March 12, 1986 be printed at this point in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

> In lieu of the matter proposed to be inserted, insert the following: "That the following article is proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution if ratified by the legislatures of three-fourths of the several States within seven years after its submission to the States for ratification:
>
> ARTICLE —
>
> "'SECTION 1. The Congress shall ensure that expenditures of public money by the Federal government do not exceed its receipts, except in time of war or military conflict; or when by an affirmative vote of three-fifths of the whole number of each House, the Congress provides for a specific excess of expenditures over receipts.'.
>
> "'SECTION 2. The Congress shall have the power to enforce this article by appropriate legislation.'.
>
> "'SECTION 3. This Article shall take effect in 1991 or for the second fiscal year beginning after its ratification, which ever is later.'.".

RECESS UNTIL 5:30 P.M.

Mr. HATCH. Mr. President, I ask unanimous consent that the Senate stand in recess, until 5:30 p.m., in order for all Senators to attend the briefings in S-407 on the recent events in Libya.

I further ask unanimous consent that when the Senate reconvenes at 5:30 p.m. today, there be 30 minutes of debate on Senate Joint Resolution 225, to be equally divided between the majority and minority leaders or their designees.

The PRESIDING OFFICER. Without objection, it is so ordered.

Thereupon, at 4:38 p.m., the Senate recessed until 5:30 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer [Mr. COHEN].

Mr. HATCH. Mr. President, I suggest the absence of a quorum with the time divided equally on both sides.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. HATCH. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HATCH. Mr. President, I ask unanimous consent that 3 minutes be yielded to the distinguished Senator from Oregon from the opponents' side of the balanced budget amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HATFIELD. Mr. President, I thank the Senator from Utah.

Mr. President, I have wrestled with few items longer and with greater sobriety than this one. I cosponsored the first balanced budget amendment in 1981, and I come to a change in that position at this time with great reluctance, not only because I have such great respect for my leadership both in the Senate and in the White House but that leadership has been very persuasive and very diligent in its pursuit of this objective, and I know with great purpose and with great objectivity.

> No one is more committed to significant deficit reduction and the return to sound fiscal management than this Senator.

We have all heard that statement made on this floor many times. It represents a goal each Member of Congress shares and a declaration each Senator, including myself, has made at one time or another.

It is with that declaration in mind that I historically have supported the concept of a constitutional balanced budget amendment. In 1981, our national debt stood at a little over $1 trillion and the annual budget deficit for that year was calculated to be $58 billion. At that time, there were no alternatives being discussed by Congress to help alleviate this problem. The only game in town was Senate Joint Resolution 58, the constitutional balanced budget amendment. I believed affirmative steps should be taken to reduce the deficit and so supported that resolution with the high expectation that adoption of such an amendment would be a major step in a cooperative effort with the President toward fundamental budget reform and deficit reduction. To say the least, that expectation has not been satisfied.

Since 1981, the President has suggested and endorsed a number of proposals which, although appearing as methods to help reduce the deficit and ultimately establish a stronger fiscal policy, have been used as tools to advance a political agenda which places military growth before domestic needs, and ignores budgetary realities.

Attempts by this body to adopt a budget which reduces the deficit by properly allocating the necessary cuts have been repeatedly frustrated by administration policies. For example, it is no secret that entitlement spending comprises the largest portion of the Federal budget, a percentage which has increased from 26 percent in 1967

to an estimated 43.8 percent this year. Yet last August, as Congress was formulating a fiscal year 1986 budget, the administration retreated from its proposal to eliminate the Social Security COLA for fiscal year 1986.

The President's proposed fiscal year 1987 budget, accompanied by almost $25 billion in proposed recisions and deferrals, is merely a different rendition of the same song. This administration is now using the mandates of Gramm-Rudman to legitimize a near trillion-dollar budget proposal which seeks to reduce the deficit without any increases in revenues or cuts in defense spending or meaningful reform of entitlement programs.

Through its support of the constitutionally doubtful line item veto, the magnitude of the proposed recisions and deferrals of budget authority for numerous domestic programs, and the introduction of a proposed fiscal year 1987 Federal budget that would substantially reduce or eliminate some 90 programs, sell numerous income-producing Federal assets and yet provide for a 12-percent growth in defense spending, the administration has clearly shown how it would reduce the deficit and balance the budget: on the backs of the poor and middle-income citizens of this country.

Apparently the administration operates using two sets of books, and only one set causes the deficit: domestic spending. Such a perception is contrary to budgetary realities. In fact, domestic spending as a percentage of the Federal budget has declined by almost 43 percent since 1967, from 24.3 percent in that year to 13.9 percent in 1986.

These are but a few examples of how, in the name of budget reform and deficit reduction, the President has used several proposals as legislative Trojan Horses: they appear to be gifts to the people of this country to help achieve fiscal stability, yet once let in and adopted, they're used as vehicles to promote the continued procurement of questionable military hardware at the expense of countless human service programs. And all the while the administration ignores the need for entitlement reform and for additional revenue sources.

Yes; Mr. President, much has happened in the past 5 years, the cumulative effect of which leads me to oppose adoption of Senate Joint Resolution 225. I will not sit back and let an amendment to our Constitution be used by the White House as the next, and most serious, subterfuge to advance budgetary priorities which I am adamantly opposed to.

As I stated on this floor as the Senate was considering Gramm-Rudman, I am convinced that our current predicament lies not with the Constitution or the budget process but with our will to make the process work. Congress has all the power and procedures necessary to reduce the deficit and balance the budget. Meaningful deficit reduction leading to a balanced Federal budget will occur only when each Member of Congress becomes less influenced by the narrow political interests of the day and more willing to make the hard choices to cut entitlement and defense spending, along with cuts in nondefense domestic spending, and to also institute methods to increase revenues.

Mr. President, I sense a new acknowledgment of this need and a greater commitment to this goal in the Senate and believe that, with continued economic growth, our deficits will be significantly reduced without the need to amend our Constitution.

Mr. President, again, as I say, I reluctantly rise at this time to shift my position to turn from a supporter to one who will have to cast his vote today against this proposed constitutional amendment. I do so with great reluctance, but in light of the current budget proposal and the obvious priorities that I totally disagree with, in selling the capital stock of this country, in not looking at 55 percent of the budget but eliminating it from the application of Gramm-Rudman, forcing Gramm-Rudman upon the backs of 45 percent of the rest of the programs to me is inequitable and unfair.

Mr. HATCH. I will be happy to yield 3 minutes to the distinguished majority leader.

The PRESIDING OFFICER. The majority leader is recognized for 3 minutes.

Mr. DOLE. Mr. President, for this Senator, it is extremely gratifying to have the opportunity to state the case for a balanced budget amendment to the Constitution of the United States. I know my colleagues are aware of my conviction that this constitutional change is essential to the long-term fiscal health of this Nation. I hope at least two-thirds of them share my conviction.

The Senate would not be considering this critical issue at all, were it not for the extraordinary efforts of the Judiciary Committee, led by my good friend, STROM THURMOND. Senator THURMOND has worked tirelessly for this kind of fundamental fiscal reform, and he has been a true believer on this issue, literally for decades. He deserves our congratulations for producing the compromise amendment we now have before us.

Mr. President, the leadership of the distinguished chairman of the Constitution Subcommittee, ORRIN HATCH, has been equally critical to this struggle. Senator HATCH has been constantly in the trenches on behalf of the balanced budget amendment and has not wavered for one moment from his devotion to this cause. Together with his colleagues on the Judiciary Committee, DENNIS DECONCINI and HOWELL HEFLIN, Senator HATCH has forged a compromise that I believe will gain overwhelming bipartisan support, particulary in view of the support this compromise has won from the distinguished Senator from Illinois, PAUL SIMON.

A SINGLE PRINCIPLE

Mr. President, the compromise amendment we are supporting embodies a simple principle. In the normal situation, outlays of the Federal Government should not exceed receipts. Our amendment just requires that to allow deficit, Congress must by three-fifths vote authorize a specific excess of outlays over receipts. In addition, the Senate has adopted a provision imposing a similar vote requirement to raise the debt ceiling. To preserve a bias in favor of controlling spending, we say that tax increases cannot be passed except by a majority of all Members of the House and Senate, not just those present and voting.

So the Senate is being presented with an historic opportunity. This proposed constitutional amendment would restore a proper balance to the way we conduct the fiscal affairs of the Government. The proposal before us is not a quick fix, a response to a sudden shift in public opinion, or an attempt to evade our assigned duties under the Constitution with regard to decisions on taxing and spending. This is an idea that has been around for quite some time, but that has gained momentum in recent years because of the growing realization that there is something fundamentally wrong with the way we conduct fiscal policy.

Fundamental problems demand fundamental solutions. Those of us who have worked to develop a responsible constitutional amendment over the years have not taken lightly our duty to respect the form and the spirit of the basic law of the land. The language of this amendment is appropriate to the Constitution. It is not premised on any particular economic philosophy, but rather on the belief that Congress ought to make specific decisions on fiscal policy and be held accountable for those decisions. The amendment requires that we follow consistent procedures in setting fiscal policy, and establishes firm parameters to govern those procedures. That is all there is to it, and it is something we very much need.

A POPULAR MANDATE

The American people clearly are convinced that our fiscal house is not in order. Popular concern over runaway budgets is the reason why the drive for a constitutional convention to draft a fiscal restraint amendment is only a few States short of its goal. Polls consistently show that 70–80 percent of the American people support a

balanced budget amendment. No one should maintain that we ought to take certain steps just because they are popular; but in this case it seems that the people are ahead of the politicians. They understand that congressional spending habits have to be put under a firm limitation, and that only new procedures, externally imposed, can do the job.

Mr. President, for these and many other reasons I urge my colleagues to support this amendment. The language of this proposal has been developed over a number of years. There has been a conscious effort to draft an amendment that could enjoy broad bipartisan support while having sufficient force to make a real difference in our national life. I believe this effort has been successful.

I also suggest that this amendment, if approved by Congress, is not the end of the story. It is the beginning. Legislative implementation and compliance will be a complex and difficult matter—we should not deceive ourselves on that point. And we are learning from the experience of the Gramm-Rudman-Hollings law that enforcement is not a simple matter. But it can and will be done once we have a clear constitutional obligation to fulfill. We can demonstrate our willingness and ability to follow through on this amendment by moving swiftly to meet the fiscal 1987 targets for Gramm-Rudman.

Serious action on the deficit will convince the American people that we are serious about the budget problem and that this constitutional amendment will be given full force and effect. Our actions on each of these matters will have a major impact now and for years to come. Let us be sure that we make the right choice.

Mr. President, we are going to be voting very quickly, and I think it will be a fairly close vote. I do not know precisely how it will shake out but I think it ought to be kept in mind that we are going to need 67 votes. I assume that all 100 Senators are here, and so whether we have 67, 68, 69, or 66, 65, 64, it is well to keep in mind that a clear majority of this body will vote for a balanced budget amendment—and nearly two-thirds, maybe more than two-thirds.

I want to take this time to commend the Members on both sides—this is a bipartisan effort and I congratulate Senators HATCH, SIMON, and DECONCINI and Senator THURMOND and others who have been leading the effort. This amendment may not be perfect, but in the view of this Senator, we need all the discipline we can find, all we can muster.

We are not talking about fiscal restraint just this year or next year. We are probably looking at 1991 before this amendment would be effective. So whether it is this year's budget or next year's budget or Gramm-Rudman, I assume that by 1991 there will be a different set of circumstances and a different leadership, different Members of the Senate in many cases.

So this really is a vote for the future of America, not a vote for what is happening today, what is happening with Gramm-Rudman, what is happening with the President's budget. We are looking ahead to what may happen to our children, our grandchildren, if we do not find some way to control the appetite of any Congress and any administration to spend your tax dollars.

I have thought a lot about this, but never really thought before about a point made by the distinguished Senator from Illinois at a press conference in the last week where he said that he found no reason to spend money on interest payments that we might be spending on other things that are worthwhile in this country.

The debt is now $2 trillion. We paid $140 billion in interest this year. We need everything we can put our hands on to get control of the debt.

So I hope we will have the two-thirds vote. I would like to see it go to the House. I would like to see a bipartisan majority there send it to the States. I believe that the States have exercised pretty good judgment, for the most part—Democrats, Republicans, State legislators. It is going to take three-fourths of the States to ratify the amendment.

We ask our colleagues to send this to the House, start the process, keep the process alive, so that we can give the States a shot at an opportunity to bring about a certain amount of order. Thirty-two States have petitioned Congress for a constitutional convention—only two States short. Whatever may happen today, it is not going to end. I assume that the principal sponsors are going to continue their efforts, as are many States.

I congratulate my colleagues on both sides of the issue. The debate has been extraordinarily good and constructive. My hope is that we provide the 67 votes.

Mr. HATCH. Mr. President, I yield 1 minute to the distinguished Senator from California.

Mr. WILSON. Mr. President, I have already spoken at length on this matter, and I will attempt to keep my remarks brief.

The reaction of Congress to the enactment of Gramm-Rudman-Hollings—the agonizing, the writhing, the roiling to escape the toils of that legislation—merely but clearly reaffirms the inability of Congress, without legal compulsion, to live within its income.

It is natural that we all hate to cut spending because it offends or disappoints some constituency.

The point the majority leader made is the essential point. In 1991, even as we reduce the budget to zero and in the process add almost $600 billion more to the national debt, we will need a permanent guarantee for the people of the United States that future Congresses, no less than those that have preceded them, will have the kind of compulsion without which they seem congenitally unable to forge the kind of consensus that averts our spending for everything in the absence of that consensus.

Mr. President, I urge my colleagues to vote for this amendment. It may not be all we would like it to be. It is essential.

Mr. THURMOND. Mr. President, how much time remains?

The PRESIDING OFFICER. Six minutes remain.

Mr. BUMPERS. Mr. President, a parliamentary inquiry. How much time is left for the opponents?

The PRESIDING OFFICER. Nine minutes.

Mr. THURMOND. I yield myself 4 minutes.

The PRESIDING OFFICER. The Senator is recognized for 4 minutes.

Mr. THURMOND. Mr. President, this is one of the most important issues that will come before Congress this year or any year.

We have not balanced the budget but one time in 26 years—two times in a third of a century.

Someone said: "Well, we have Gramm-Rudman-Hollings now, so therefore that takes care of the situation." The Gramm-Rudman-Hollings amendment is merely to try to balance this budget by 1991. That is a statute. A constitutional amendment, if we can get this budget balanced, under Gramm-Rudman-Hollings, will then keep it balanced.

In my opinion, we need to do this for the sake of our economy. We need to do it for the sake of our children and their children and generations to come.

There is no question in my mind that there is no more important issue that Congress can act on this year. Why would anybody be against this? Where is there an individual or a corporation that can stay in business that does not balance its budget but once in 26 years? This Government cannot do it, either. That is the reason why now the interest on the debt is the third largest item in the budget. It is time we reflect and take action.

The Senate passed an amendment similar to this 3 years ago. This is a simpler amendment. It is more direct, and we think it has greater appeal. It is difficult to understand why some people are hesitating about voting for it.

In my opinion, the people are going to remember this vote for a long time, because this is the year, this is the day, this is the chance, this is the op-

portunity to take a permanent step to bring a balanced budget to this country.

Congress has not shown the fortitude to balance the budget, and that is the reason why we have gone for 26 years without balancing the budget but once. Therefore, this will be the opportunity to do that. This is the opportunity to show the people that we stand for a sound financial structure in this country.

This is an opportunity to show the people of this country, the taxpayers, that we favor keeping expenditures within income. If we do not do that, we will continue to go more and more in debt, and finally the Government will become bankrupt.

Mr. President, it is necessary that we take this step. It is important to our people. It is important to our Nation. I sincerely hope that the Senate will see fit to pass this amendment. If we pass it here, I believe we have a fine chance to pass it through the House. I think the House will go with us this time. I hope we will not hesitate to pass this amendment. It is important to the financial structure of this country and the backbone of the economy of this Nation.

Mr. President, as all of my colleagues are aware, amendment of our supreme law is a very serious endeavor. It is an action which should be reserved for those instances when it becomes necessary to protect the fundamental rights of our citizens or to ensure the survival or effectiveness of our system of government.

Mr. President, I believe that the effectiveness, indeed, the very survival of our system of government has become jeopardized by an irrational and irresponsible pattern that has developed and become entrenched in Federal fiscal policy over the last half century. Because of this fiscal policy, those liberties and opportunities of our present and future citizens, which we have come to regard as sacred, are seriously threatened.

For many years, I have believed, as have many other Members of Congress, that the way to reverse the misguided fiscal direction of the Federal Government is by amending the Constitution to mandate, except in extraordinary circumstances, balanced Federal budgets. The threat posed to our Nation's security by the ever-worsening Federal budgetary condition is, I believe, a distinct danger. It makes appropriate, indeed, necessitates a solution in the form of a constitutional amendment.

During the debate on Senate Joint Resolution 225, we have been told by its opponents that self-imposed congressional restraint is what is needed to solve our fiscal woes—not a constitutional amendment. The fact is, however, that in the face of frightening deficits, Congress has not proven that it is capable of such restraint.

Again, some of my colleagues have pointed to the Gramm-Rudman-Hollings balanced budget statute as evidence that a balanced budget constitutional amendment is unnecessary. I supported Gramm-Rudman-Hollings. I remain optimistic that it can succeed. However, we must remain cognizant of the fact that, even if executed to the letter, Gramm-Rudman-Hollings will result in only one balanced Federal budget—that in fiscal year 1991. While a balanced budget in fiscal year 1991 would be cause for celebration, it is sobering to remember that it would be the first balanced Federal budget in 21 years and only the second in nearly a third of a century.

Unfortunately, even if Gramm-Rudman-Hollings is successful, it will not have conclusively reversed the now-entrenched pattern of deficit spending by the Federal Government. Once again the Congress would be unrestrained in its ability to borrow on the credit of future generations.

What is needed today—indeed, what is long overdue—is an addition to our most basic and supreme law which establishes balanced budgets as a fiscal norm, rather than a fiscal abnormality.

Additionally, we cannot ignore the reality that Gramm-Rudman-Hollings is statutory law and nonbinding on any Congress which wishes to alter or abolish its provisions. Regrettably, in the past, self-imposed limitations in the form of statutes or budget resolutions have failed to provide sorely needed fiscal responsibility. Already, press accounts and some of our colleagues have suggested that prospending and antitaxing pressures could cause Congress to look for ways to avoid compliance with Gramm-Rudman-Hollings.

A balanced budget constitutional amendment is necessary because only such an amendment can exert the sort of external constraint and limitation upon Congress which will enable it to resist those pressures. No Congress could ignore its dictates, reverse its effect, or dodge its intent.

Mr. President, the recent history of the Federal Government is, by now, all too well known:

Congress has balanced the Federal budget only once in the last 25 years.

The level of annual budget deficits has grown enormously over this period of time. Since 1970, the United States has incurred the 12 largest peacetime deficits in the history of the Nation.

Last year, the total national debt of the United States soared to more than $2 trillion and continues to increase rapidly.

As a result of a quarter-century of virtually unchecked deficit spending, this Nation has suffered periods of historically unprecedented levels of unemployment, periods of double digit levels of inflation, periods of catastrophically high interest rates, and periods of declining levels of national investment and productivity.

Mr. President, continued deficit spending by the Federal Government will undoubtedly lead the Nation to new periods of economic stagnation and decline. The tax burdens which today's deficits will place on future generations of American workers is staggering. We must reverse the fiscal course of the Federal Government, and I believe that a constitutional amendment is the best way to do it.

The PRESIDING OFFICER. Who yields time?

Mr. BUMPERS. Mr. President, will the manager of the bill for the opponents yield me 2 minutes?

Mr. DECONCINI. Mr. President, I yield 2 minutes to the Senator from Arkansas.

Mr. BUMPERS. Mr. President, there is not one Member of this body who does not understand the politics of this vote. If you vote aye, you do not ever have to explain. In the art of politics, that is the vote that normally prevails around here. But the fact of the matter is that nobody can tell you what an outlay is; nobody can tell you what a receipt is.

We are not talking about waiving this amendment in case of a declared war. We have had five declared wars in the history of this country and many times that number of undeclared wars—including Vietnam and Korea.

You have to have a 60-vote margin, three-fifths of the U.S. Senate, in order to raise the debt ceiling. Let us assume for the purpose of argument that there are 53 Republicans and 47 Democrats. Let us assume that the Republicans want to raise the debt ceiling and the Democrats do not want them to, because we want to force them to raise taxes. All we have to do is vote as a party, and you will have to raise taxes.

There is nothing about this, nothing in this amendment, that permits majority rule. We start off saying that, as a matter of principle, we should balance the budget. Who is opposed to that? Not one person in the U.S. Senate. Everybody agrees with that as a principle. But then what do we do? We follow that by saying, "Except, except, except." It will be waived in this case; it will be waived in that case.

I found one amendment had been dressed up here to make it acceptable, and I find it really is not at all. Under this amendment, you will still have cases of guaranteed loan programs where there can be misjudgments as to how many of those loans are going to be in default. Farmers, small business, students—all get guaranteed loans.

If you misjudge in the budgetary process how many of those loans go into default, the banker who accepted the full faith and credit of the U.S. Government——

The PRESIDING OFFICER. The time has expired.

Mr. BUMPERS. One minute?

Mr. DECONCINI. Mr. President, I yield 30 seconds to the Senator from Arkansas.

Mr. BUMPERS. The banker is going to have to come up here and plead with Congress to vote by a three-fifths majority of both Houses to please pay off his defaulted loan.

When I first came to Congress I supported a very simple constitutional amendment to balance the budget. If you are going to adopt one it ought to be very, very simple.

This one is amazingly complex. You are going to have more lawsuits filed challenging this amendment than you will ever be able to handle.

Mr. President, if every Member of Congress had voted as I have over the last 4 years, our budget would be in balance this year. For the last 3 years, I have championed budget proposals by Senators HOLLINGS and CHILES to freeze spending across the board. These proposals, had they been adopted, would have balanced the budget much sooner than a constitutional amendment would.

In 1981, I voted for the President's massive cuts in spending, but against the 1981 tax cut because I thought $750 billion was too much revenue to lose without sending the Federal deficit out of control. That turned out to be correct. The nonpartisan Congressional Budget Office says that the 1981 tax cut is responsible for 45 percent of our deficits since then and will account for an even higher percentage of our deficits in the next 5 years. In 1982, David Stockman admitted that the whole supply side tax cut notion was drawn up on the back of an envelope, and since then we have doubled the national debt accumulated over the years from George Washington to Jimmy Carter.

Our trillion-dollar national debt, which President Reagan rightly said in 1980 was a national disgrace, is now a two-trillion-dollar debt. Now, we have passed a Balanced Budget Act called Gramm-Rudman. I voted for it, and I believe that even though it isn't perfect, it is forcing Congress to discipline itself as never before. I think it can work, and work now. Bear in mind that this proposed constitutional amendment may never be ratified by the States, and even if it is, will not become effective for years. We need action now, not in 1991. We can have a balanced budget by 1991 under Gramm-Rudman.

For the last 3 years, some of us here have argued until we were blue in the face for a budget freeze—an actual, concrete proposal—which the Congressional Budget Office certified would have balanced the Federal budget by fiscal year 1987. I think the high-water mark for our budget was 36 votes, and I think a lot of other Senators knew in their hearts that we were right and would have voted with us had the President's men not been here working the floor of the Senate in opposition. Our budget freeze even exempted defense.

Mr. President, I do not argue with the intent of this amendment. I firmly believe that the Federal Government—barring war or some national calamity—should have a balanced budget. When I came to the Senate in 1975 after 4 years as Governor of my State, a State which requires a balanced budget, I felt that we should require no less of the Federal Government.

At the time, I even believed that a balanced budget was best accomplished by a constitutional mandate. In the 95th Congress (1977), I sponsored Senate Joint Resolution 2, a very simple constitutional amendment which provided that except in times of war or economic emergency, expenditures of the Federal Government may not exceed revenues in any fiscal year. I still believe in the policy expressed by that amendment, and in the policy expressed by the amendment we are considering today. But it is now clear to me that this amendment, as now worded, should not be part of the Constitution of the United States. We should only amend the Constitution when we are agreed on the purpose of the amendment and further agree that the wording of the amendment accomplishes that purpose. Here I agree with the purpose, but the wording falls far short of implementing the purpose.

I said in 1982:

> This document we call the Constitution is so dear and sacred to me, it is second only to the Holy Bible. Of about 1,900 proposals over a 200-year history, the people of this country in their infinite wisdom have seen fit to tinker with it only 26 times.

When I read Senate Joint Resolution 225 as a part of the Constitution I find it extremely troublesome; I find it a cynical amendment; I find it a hypocritical amendment. This amendment first enshrines the principles of the balanced budget as a fundamental law of the land, and then in the same breath says that this high principle will not always represent wise or appropriate Government policy so it immediately sets up ways to abrogate this principle. The first thing this amendment does is recognize that it won't always be possible—either because of unforeseen national or international crises, economic conditions beyond our control, or simply policy choices made by future Presidents and Congresses—for the U.S. Government to have a zero deficit. So the amendment provides for "flexibility" in application by allowing the balanced-budget mandate to be waived by a three-fifths vote of the Congress.

Mr. President, I know why this waiver is in the resolution. It is there to answer criticisms that the amendment would otherwise be unworkable, and that it would turn future recessions into depressions, that it would hamstring the country in time of war, and so forth. I want to emphasize here that the amendment is self-contradictory. If achieving a balanced budget is such an important and immutable principle, why is half of the amendment taken up with the procedure for abrogating or circumventing this principle?

I want my colleagues to look at this amendment from the standpoint of the Constitution, that sacred document that all of us have sworn to uphold. It is the most brilliant note ever struck off by the mind of man, and I ask you, if this proposal becomes the supreme law of the land, becomes a part of our hallowed Constitution, to consider how this amendment is likely to be implemented and enforced in the way that other constitutional rights and power are enforced.

Incidentally, I heard the Senator from Colorado [Mr. ARMSTRONG], say that he may vote against this amendment because there is no way to enforce it in the courts. Well, Mr. President, I'm not sure I want the Federal judges enforcing this amendment. Does the Senator seriously want the Supreme Court to have the power to raise taxes or to veto defense spending bills. Or would he prefer that the Court enforce the amendment by holding the President and Congress in contempt of court? I, for one, Mr. President, do not want to give any such power to the judiciary.

The sponsors of this amendment openly admit that there will be numerous occasions when receipts and outlays will be out of balance. Incidentally receipts and outlays aren't designed either. Do we really want to create a situation where Congress must vote to waive the Constitution every time we cannot meet the balanced-budget mandate? I know I am painting with a broad brush here. Technically we would not be waiving the Constitution, we would be voting on a constitutional waiver procedure. But does anyone in this Chamber really believe that the public will perceive our actions as technical corrections? I can see the newspaper headlines now: "Congress Waives 27th Amendment; Congress: Thumbs Down on Constitution;" or, perhaps in the New York Post, "Congress to Constitution; Drop Dead."

This amendment says we can waive the amendment in case of a "declaration of war." Defending the Nation is

an absolutely unimpeachable rationale for unbalancing the budget. But we have fought five declared wars in our history and many times that in undeclared wars. Some of our undeclared wars, Korea and Vietnam of late, were just as surely wars as the declared ones, yet they wouldn't qualify, and a 60-percent vote would be required.

And this amendment requires a three-fifths majority to raise the debt ceiling. That means that if one party has 45 Members in the Senate and wants a tax increase, they simply vote against a debt ceiling increase and force the majority party to raise taxes. The most ardent proponents of this amendment vigorously opposed this provision 4 years ago, but now, in order to pick up two or three votes here today, they approve this change. Farmers, small businessmen and students couldn't get guaranteed Government loans because, if there were a default, the banks would have to wait for a three-fifths vote of both Houses to get their money.

I believe that in 1991, when Gramm-Rudman is fully implemented, Congress and the President will work together to maintain a balanced budget, with the flexibility to respond to economic, domestic, and international crises along the way. I hope we have learned our lesson about the impact of excessive deficits on the economy, and I venture to say that we will not willingly sail in those hazardous waters again, with or without a constitutional amendment.

Another aspect of this constitutional amendment proposal which concerns me, as I indicated earlier, is enforcement. I have listened to the debate on this issue and I am not convinced by the sponsors' arguments to the effect that the Federal courts will not be able to review the implementation of this amendment by Congress and the executive branch because of such court-created legal doctrines as "standing" and "political questions." The Judiciary Committee has given its opinion that judicial involvement would be rare because citizens will lack standing to bring suit on violations. If the committee is correct, then the amendment is meaningless because it cannot be enforced.

If the committee is incorrect, then as my good friend the Senator from Maryland, Senator MATHIAS, and others have pointed out, Federal judges could become involved in every detail of Federal spending, in every decision on taxation—either ordering tax increases or sequestering appropriated funds. It is obvious that judicial enforcement of a balanced budget amendment could be a nightmare for the country. And bear in mind that this doctrine of standing, which is supposed to restrain the courts, is partly a matter of judicial philosophy and subject to change. The courts have been increasingly inclined, it seems to me, to hear what are known as taxpayer suits.

I want to commend to all of my colleagues a recent OP-ED piece in the Washington Post by Roy L. Ash, the Director of the Office of Management and Budget in the Nixon and Ford administrations. His arguments against this constitutional amendment are cogent and compelling. First, he points out that a constitutional amendment can be circumvented by a variety of bookkeeping subterfuges. Most States know this. Forty-eight States have constitutional amendments requiring balanced budgets, but they manage to operate because they have placed more than half their debt off budget. In other words, the States can live with a balanced budget requirement because they finance programs and capital expenditures off budget. And, Mr. President, I dare say that Congress would do the same.

Mr. Ash also points out that a constitutional amendment would cause rather dramatic problems at year's end. Suppose 60 days before the end of the year, at which time the budget would have to be in balance, it was projected that spending would be $20 billion over revenues. How can $20 billion be cut out within 60 days? It would be virtually impossible to do so, because it would require a cut in the magnitude of an annual rate of $120 billion to actually remove $20 billion in outlays in a 2-month period.

He also points out an incontrovertible fact. Our defense capability has the most to lose under a constitutional amendment because it is by far the largest discretionary spending program, and the quickest way to get outlay cuts in the defense budget is to reduce our readiness capability—manpower, operations and maintenance.

I ask unanimous consent that Mr. Ash's piece entitled "Worse Than Gramm-Rudman" appear in the RECORD immediately following my remarks.

The PRESIDING OFFICER. Without objection, so ordered.

Mr. BUMPERS. Mr. President, the distinguished Senator from Pennsylvania [Mr. HEINZ], has already pointed out to this body the disastrous consequences a balanced budget constitutional amendment could have on the Social Security Program. That program structures its funding to meet long-term needs. For example, it is currently building up a large surplus in preparation for the retirement of the baby boom generation, beginning around the year 2012. This surplus could be an attractive target under a balanced-budget requirement, but tapping it would only exacerbate future deficits. Moreover, tampering with the long-term integrity of Social Security would breach the faith which currently exists between generations, and would destroy the balancing of the interests of the young and old, rich and poor which lie at the heart of the Social Security Program.

I know the politics of this vote. An aye vote would never have to be explained. One reason we're in this predicament right now, is because the votes that require no explanation prevail so often. But we have a solemn duty to talk to our people as both the popular and the unpopular. I have always placed my faith in the innate common sense of my people. I do so again today. So I will continue voting to balance the budget, but not to place uncertain language in our precious Constitution.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, March 7, 1986]

WORSE THAN GRAMM-RUDMAN

(By Roy L. Ash)

The Gramm-Rudman "bad idea whose time has come" pales beside the specter of the proposed constitutional amendment to balance the federal budget. The amendment's goal of forcing fiscal discipline is no less noble than the Gramm-Rudman objective. Yet the amendment would do just the opposite of what is intended and result in fiscal chaos. Why?

A constitutional amendment can be negated readily, and undoubtedly would be, by resort to the many bookkeeping subterfuges available. Proponents of the amendment say that our lawmakers are to principled to do this. Yet, 48 states operate under constitutional requirements to balance their budgets. And, upon imposition of such restrictions, they invented ways to remove more than half their aggregate debt from their budgets.

Putting aside the use of bookkeeping artifice, the amendment, if applied, would create operating turmoil by its requirement that actual annual outlays not exceed actual receipts. Every year, the flow of outlays and receipts varies from estimates at the beginning of the year by many billions of dollars for unavoidable, yet acceptable, reasons.

At the end of the year, under the amendment, there must be no deficit. A likely scenario would be to find, four months from year's end, that $20 billion of expenditures must be eliminated during the remaining portion of the year. That's an annual rate of $60 billion.

Who would have the authority to decide what to cut? The president? Congress couldn't act in time for effective implementation. Even if Congress could reach the necessary consensus in a month, and the president would agree, the annual rate of required outlay reductions would then be not $60 billion but $80 billion. Such decisions would have to be made and immediately acted upon.

The consequences to the economy from the annual budget balancing act would be counterproductive. Not only would the short-term flip-flops wreak havoc but the longer-term stabilizing function of fiscal policy would be sacrificed.

The budget's role in balancing the economy is more important than balancing federal bookkeeping. Were the amendment operative, economic decline in any year, which

automatically reduces revenues and generates higher unemployment and other outlays, would force offsetting and Herculean cuts in other programs, further exacerbating the decline.

Conversely, strong economic growth in other years would invite undue federal stimulus. In either case, fiscal management would add to and exaggerate both the growth and slow periods of the economy.

Our defense capability has the most to lose under the proposed amendment. Because it is by far the largest "discretionary" program in the budget, it would suffer the greatest disruptions from expenditure rate changes. And because so much defense spending is for long lead-time weapons purchases, the brunt of the disruption would fall on our readiness capability—manpower, operations and maintenance.

Furthermore, the provision in the proposed amendment waiving its effect if war is declared is too blunt an instrument to deal with real defense needs. It is much more desirable to manage defense policy so as to avoid the declaration of war. That usually involves the buildup of forces to deter others and, if absolutely necessary, to prepare for war. It is ironic that the proposed amendment would require a 60 percent vote to override budget balance so as to avoid war, yet only a 50 percent vote is required to declare war.

Finally, the Constitution is not a trivial document. Violations of it are not inconsequential. Any citizen could bring suit in the courts challenging federal taxing, spending and even bookkeeping actions, asserting his own ideas of how the books should be kept and fiscal policy implemented.

The Gramm-Rudman legal actions so far should give us pause before adopting the even more embracing constitutional amendment. Do we want the courts to make taxing, spending and bookkeeping decisions?

Deficits of the size we've been incurring are unacceptable. But it's not enough just to deplore them in colorful language and then, with an unsupported leap of logic, assert that the only response is a constitutional amendment.

The antidote for a severe headache is not a lobotomy. Almost none of the congressional hearing time spent over recent years has been given to discussion either of alternative responses to the need or of the very practical problems such an amendment would have.

Now that the bill is on the floor, let's seriously discuss the workability of the idea before we enshrine in the Constitution the primacy of bookkeeping, and probably bad bookkeeping at that, over all other national goals, priorities and values.

Mr. DECONCINI. I yield 1 minute to the Senator from Kansas.

The PRESIDING OFFICER. The Senator from Kansas is recognized for 1 minute.

Mrs. KASSEBAUM. Mr. President, I have never believed and I do not today that a procedural mechanism can solve our budget problems. It is a political question and that is why I would urge my colleagues to think seriously about what would be a comforting solution in a constitutional amendment to balance the budget but which I believe has grave consequences for us.

Mr. President, for the second time since I have been privileged to serve in this body, we are debating a measure designed to fundamentally change the Constitution in our quest to balance the Federal budget. Today's debate continues a recent trend that I find alarming. I am speaking of this body's growing preoccupation with finding constitutional solutions to economic and social problems.

Mr. President, I am not, and have never claimed to be, a constitutional scholar. My technical understanding of the finer legal implications of the Constitution, is, I am sure, surpassed by many in this body. However, I choose to believe that relying on my instinctive historical reverence toward the Constitution has served me well on questions of constitutional change.

From my less-than-perfect perspective, I must say I find much about this debate deeply disturbing. It troubles me greatly that Members of this body appear to approach amending the Constitution with the same degree of reverence that city councils approach amending local zoning ordinances. It further troubles me that we appear to be unwilling to give those who authored the Constitution the benefit of the doubt in questions of wisdom and foresight. And finally, it troubles me that we are willing to consider changing the fundamental constitutional allocation of government power for purposes of political expediency.

I cannot count the number of times we have been told that the much-maligned Founding Fathers couldn't have foreseen $200 billion deficits, or a $2 trillion debt, or entitlement spending, or a myriad of other acts of alleged economic irresponsibility. I find those arguments less than compelling. Of course the Founding Fathers couldn't anticipate specific economic, political, or social trends of the distant future. Much to their credit they didn't try. Rather, they anticipated the need for general safeguards against specific acts of government irresponsibility. Those safeguards include public accountability and popular elections.

In the case of Federal spending and the Federal budget, I believe the Founding Fathers displayed exceptional judgment. They laid down no rigid guidelines for governmental fiscal policy in future generations. Instead, they provided for public accountability on the part of those in future generations charged with executing fiscal policy.

First, they vested the power to lay and collect taxes with the Congress and prescribed specific rules for the consideration of all bills raising revenue. Second, they provided that no money shall be drawn from the Treasury unless authorized by Congress through appropriations. Third, they stipulated that a regular statement and account of the receipts and expenditures of all public money shall be made public. And finally, they provided for the regular public election of all those in whom these exclusive powers are vested.

Mr. President, I may be missing something, but the elegant simplicity of this arrangement suggests to me that the Founding Fathers were lacking in neither vision nor judgment. Rather than attempting to prejudge the policy decisions of elected officials from generations yet unborn, the authors of the Constitution provided the framework by which future generations could judge themselves.

The ultimate judge of our fiscal responsibility, or the lack thereof, will be the American electorate. That is as it should be. For us to suggest that a constitutional amendment is necessary to impose fiscal responsibility on an irresponsible Congress is to suggest that the American public is incapable of discharging the most fundamental duty of citizenship in a representative democracy—informed voting. If that is, in fact, the case, then we need more than a constitutional amendment to address the ills of democracy.

Those who are the most vocal in espousing the need for a balanced budget amendment tend to be those whose arguments I find least persuasive and whose motives I find most suspect. I consider particularly puzzling the advertising extravaganza supported by the W.R. Grace Co. proclaiming that we are callous and irresponsible in laying a national debt on future generations.

Let me explain—

All Federal spending can be roughly divided along the lines of spending for investment and spending for current consumption. Investment type outlays range from lending, which yields a monetary return; to the acquisition of physical assets, which yield a stream of services over a period of years; to expenditures for human capital in the form of research, education, and training which also provides for long-term national benefits.

On the other hand, spending for current consumption consists of outlays for operating expenses and personal benefits. The largest and most expensive of programs for current consumption are those paying retirement benefits, medical benefits, veterans benefits, and unemployment benefits.

To the extent that we spend the process of Federal taxing and borrowing for investment purposes, we are providing benefits for future generations. We are leaving our children an extensive system of interstate highways, waste water treatment plants, agricultural watersheds, an air traffic control system, and an extensive military establishment for the continued defense of democracy—to name a few items that come to mind. In addition, we are providing Federal funds for their education, medical reesearch for

their health, and public assistance for their welfare.

Yet to hear, W.R. Grace tell the story, all we are leaving is massive debt. By that logic, any parent who bequeathed his eldest son a controlling interest in General Motors is guilty of child abuse, because GM carries a multimillion dollar debt.

Those who argue that a constitutional amendment will benefit future generations have not examined recent history. We are now in our sixth year of forced budget austerity. The pattern of spending restraint we have followed in the quest for deficit reduction does not lead me to believe that the massive budget cuts required to comply with a constitutional amendment will benefit our children.

Since 1981, Federal deficit reduction efforts have concentrated heavily on investment spending. Major current spending programs have continued to grow. The spending-trend lines for education, research and development, infrastructure programs, job training programs, and nondefense capital assets are going down. On the other hand, spending for retirement programs, medical assistance for the elderly, and other middle-income transfer programs continues to grow.

Our past efforts at spending restraint have not been evenhanded. I suggest that trend will continue and grow if we enact the pending measure. Does anyone really believe that enactment of a balanced budget amendment will lead to major reductions in Social Security, Medicare, veterans pensions, or other middle-class income transfer programs? I doubt it.

If we are to be honest about this legislation, I suggest we begin by ceasing to proclaim it is for the benefit of future generations. We have established a well-defined hierarchy of budget priorities. These priorities will not be easily changed. However, changes will come by political procedures not by a constitutional amendment mandating a balanced budget.

The PRESIDING OFFICER. Who yields time?

Mr. DECONCINI. Mr. President, how much time remains on this side?

The PRESIDING OFFICER. Five minutes is remaining to the side in opposition.

Mr. DECONCINI. I am now controlling the time of the opponents.

Mr. EXON. Will the Senator from South Carolina yield to me for just a few moments to put an appropriate matter in the RECORD?

Mr. DECONCINI. I yield 30 seconds to the Senator from Nebraska.

Mr. EXON. Mr. President, the deficit crisis is the most important economic issue facing the Nation. The accumulated national debt has doubled in the last 5 years and will soon top $2 trillion. The interest expense budget for 1987 alone will exceed the entire 1965 Federal budget.

The supplyside spending binge of the last 5 years has had a devastating effect on rural America. Huge deficits and reckless economic policies have brought high interest rates, the overvalued dollar, low commodity prices, and falling land values. These factors have pushed the Nation's farmers, ranchers, and rural businessmen and women into an economic crisis matched only by the conditions of the Great Depression.

It is time to swim out of our sea of red ink and put our economic ship on course. The balanced budget constitutional amendment will not magically balance the budget or cure our Nation's economic ills. It must be combined with tough action to cut spending and restore fairness to the Nation's Revenue Code.

Mr. President, I have been a long time proponent of the balanced budget constitutional amendment. As the Governor of the great State of Nebraska, I had the benefit of a similar provision in the Nebraska State Constitution. This constitutional mandate forced discipline on the executive and legislative branches of government. Nebraskans take pride in the fact that their State government pays its bills and will not mortgage the future of the next generation.

Certainly, the Federal Government should come under the same discipline. In 1976, while I was Governor of the State of Nebraska, the Nebraska State Legislature overwhelmingly passed a resolution calling on Congress to pass the constitutional amendment to require a balanced budget and, in the alternative, to call a constitutional convention for that purpose.

It was with special satisfaction that I voted in favor of the balanced budget constitutional amendment in the summer of 1982. Unfortunately, the 1982 effort stalled in the House of Representatives. I dare to say that if the 1982 amendment had been sent to the States, it would have been swiftly ratified and the fiscal condition of this Nation would be in a much sounder state.

I was an original cosponsor of Senate Joint Resolution 13, the balanced budget and spending limitation constitutional amendment which was introduced on the first day of the 99th Congress. I am now pleased to have played a role in our current effort to take a giant step toward fiscal sanity.

Mr. President, I am especially grateful to the managers of the balanced budget amendment for their help and cooperation in securing language to involve the President in the budget process. This is a provision I have been promoting for several years. The Metzenbaum-Exon-Gore amendment which requires the President to submit a balanced budget makes the proposed constitutional amendment strong and effective.

As a longtime fiscal conservative, I sincerely believe that a government, like a family or a business, cannot continue to spend more than it has without facing financial ruin. Passage of this constitutional amendment is vital to the future of the Nation.

Mr. President, I urge my colleagues in the strongest terms to support the proposed constitutional amendment to require a balanced budget.

Mr. THURMOND. Mr. President, I yield 1 minute to the distinguished Senator from Oklahoma and remaining time to the distinguished Senator from Utah.

Mr. NICKLES. Mr. President, one, I wish to thank my good friend and colleague, Senator THURMOND, and I compliment Senator THURMOND and also Senator HATCH for the leadership that they have shown in this critical issue.

Mr. President, we have heard people say that the constitutional amendment will not work. It can work. It works in most States. It works in my State of Oklahoma.

Mr. President, we need a constitutional amendment to make us balance the budget. We know, as politicians, we are a lot more popular giving to people than taking it away from them.

I think that is primarily the reason why we have had these deficits for all these years.

Mr. President, I think it is vitally important that we do amend the Constitution, the Constitution that we are sworn to uphold, to make us balance the budget. I hope that our colleagues will support it today.

I thank my good friend and colleague from South Carolina.

The PRESIDING OFFICER. The Senator from Utah is recognized for the remainder of the time.

Mr. THURMOND. I yield the remainder of the time to the senior Senator from Utah.

Mr. HATCH. Mr. President, I get the impression around here that Congress, including this body, has the impulses of Imelda Marcos at a red-dot sale at Shoe Town, that really we have been spending this country blind for most of the last 50-some years. As a matter of fact, for 25 of the last 26 years, we have failed to balance the budget—for 48 of the last 56 years.

You know we can all come up with all the arguments we want and all the excuses we want, but in all honesty, Congress is the problem with this country because we are unwilling to put in the restraints to have to live within our means.

I call Congress 50 percent splendor and 50 percent spender because literally that is what we have done for most of the last 50-some years. If this amendment were put into the Constitution, every Member, whether con-

servative or liberal, every Member would have to live within his means just like every family has to try to live within their means.

I think you know you can say many things about this, and we have said a lot of things throughout the debate.

In a few minutes, the Senate will take a vote destined to be counted among a handful of votes that shaped the 99th Congress and the history of the Nation.

As we approach that pivotal vote, I would like to pause to thank and congratulate my colleagues who have participated on both sides of this momentous debate. At the top of anyone's list of credits on this issue must be the President pro tempore and chairman of the Judiciary Committee. His leadership on this issue only enhances his reputation as one of the giants in the history of this body. Without his leadership, there would be no vote today.

I must also mention the majority leader both for his influence in bringing this resolution to the floor and for his contributions to every decision made about the language and directions of this effort. Senator DECONCINI deserves to be known as one of the chief fathers of this movement. He has brought great stature and leadership to this debate throughout this arduous process. Senator SIMON should be remembered for his courage and dedication. Without him, this amendment may still be stalled in committee. I would be remiss to overlook Senator GRASSLEY, a member of my Constitution Subcommittee, or Senators HEFLIN and DENTON from Alabama, or Senator SPECTER. Each of them has played key roles in this process.

And, of course, I would be remiss in not paying tribute to Senator EVANS and those associated with him. They deserve credit for honorably ensuring a full airing of all the issues involved.

I do not think that any of these good friends and colleagues would disagree with the primary issue: We can't go on this way. No nation can go on borrowing hundreds of billions of dollars each and every year and expect to remain strong—strong economically, strong politically, strong militarily.

Already, our children are shackled with a national debt of over $2 trillion. Already, we face a $170 billion bill each year just to pay the interest on that debt. Our children face even greater burdens in the future. A recent poll showed that 90 percent of Americans agree that "our children and our children's children [should not be] saddled with an enormous national debt."

The opponents of Senate Joint Resolution 225 suggest that the answer to this moral dilemma is that Congress should simply exert its will to balance the budget. Congress has exerted its will, yet we have had deficits for 25 of the last 26 years and 48 of the last 56.

Moreover, we cannot pin this national crisis on past Congresses. The 12 largest deficits in our Nation's history have occurred since 1970, since many of us came to this body. We have run up nearly half of our national debt in just the last 9 years. This congress and its predecessors and successors simply cannot overcome the spending bias without a constitutional tool.

Some of my colleagues would argue that we've already got a tool to balance the budget with the passage of the Gramm-Rudman-Hollings Act. Gramm-Rudman was an important first step down the road to fiscal responsibility. But Gramm-Rudman is only a statute—a statute already undergoing statutory revision as Congress moves toward larger deficits in its recent budget proposals.

Gramm-Rudman avoids the real problem behind Congress' largess. It declares much of the budget off limits entirely—including Social Security and other huge entitlement programs. As a result, Congress is on the road to missing the first-year deficit reduction target by as much as $36 billion. Already, we are beginning to hear complaints that the required cuts would be, well, just too painful. Maybe, we hear, we should just learn to live with hefty deficits well into the 1990's and poke some more holes in Gramm-Rudman's leaky bucket. A Federal court has already declared the law's key enforcement mechanism unconstitutional.

The track record of other statutory restraints on excessive Government spending is not anything to write home about, either. How about Public Law 95-435, requiring a balanced budget for fiscal year 1981? It did not prevent us from ending that fiscal year with a deficit of $50 billion. These statutory restraints just have not worked because they simply can't bind subsequent Congresses.

But even if Gramm-Rudman works—and really, I hope it does—all Gramm-Rudman guarantees is one balanced budget, in fiscal year 1991. It gets the congressional spendaholics back on the wagon, but it doesn't do anything to keep them on.

It is clear that we need something more to ensure that our Nation does not enslave its children with fiscal, if not real, chains. We need the constitutional safeguards in Senate Joint Resolution 225, which the Judiciary Committee approved by the overwhelming vote of 14-4.

Now opponents have charged that Senate Joint Resolution 225 would "trivialize" the Constitution by writing economic policy into it. But it is they who have trivialized the Constitution by knocking out one of its vital underprintings—the unwritten "constitutional" requirement that we not spend more than we take in, absent a war or other emergency.

The reason this rule was left unwritten was that our Founding Fathers and those who followed couldn't imagine any other way of running a government. Thomas Jefferson, Alexander Hamilton, John Adams, James Madison, James Monroe, John Quincy Adams, Andrew Jackson, Andrew Johnson, William McKinley, Benjamin Harrison, Woodrow Wilson, Calvin Coolidge—even Franklin Roosevelt, when he was first elected President—were among those enunciating the unwritten constitutional command for a balanced budget.

The abandonment of this principle has resulted in a decided bias in favor of deficits. Although the potential beneficiaries of a spending program are often a numerical minority, they have a stronger incentive to keep informed, to organize and to lobby for their favorite program than the majority of Americans have in avoiding a few dollars in additional taxes.

Once the restraint and accountability provided by the unwritten balanced requirement were removed, the price of opposing such spending became higher than the price of supporting—and the floodgates of Federal spending were opened. If this process of buying votes with our children's money—and that's really what it is—is not trivializing our constitutional system, then I ask my colleagues to tell me what is.

Senate Joint Resolution 225 is not an attempt, as some charge, to write economic policy into our Constitution. It does not specify any particular level of Federal expenditures, how those expenditures should be apportioned, or how the revenues to pay for those expenditures should be raised.

Senate Joint Resolution 225 does not affect in the slightest the Rural Electrification Program or any other program. Only Congress can change those laws; 225 does not change a single law. It does not require a single spending cut. It does not mandate taxes. It certainly does not require a cut in REA. Only Congress can make changes in REA or any other program.

Moreover, as I have stated numerous times, the Armstrong-Hatch public debt language does not affect REA in the slightest. The public debt language only applies to public debt. Public debt does not include, according to the explicit language of the committee report, Government trust funds, revolving funds—like REA—and agency borrowing. Moreover, as a second level of protection, the Armstrong amendment only applies to borrowing necessary "to fund an excess of outlays over receipts in any fiscal year." REA loans fund rural electrification, not the deficit. This constitutional amendment only affects borrowing by one entity—the U.S. Treasury—and for one purpose—to fund a yearly

deficit. There are three reasons REA is not covered: First, REA is not within Treasury. Second, REA does not fund the deficit. Third REA's borrowing, by the terms of the "Special Analysis of the Budget," is not within the meaning of the term "public debt." REA, CCC, or other agency borrowing and lending are simply not covered by the language of Senate Joint Resolution 225. For three separate reasons, these programs are not covered.

On this point, I would add further that this constitutional amendment should not be appraised on the basis of its impact on one program or another because it does not affect these programs. No language in 225 affects Social Security; indeed the Senate rejected an amendment to exempt that single program. All decisions on how 225 affects programs are left to future Congresses.

Senate Joint Resolution 225 says only that spending should not, in ordinary times, exceed the level of revenues raised. And by requiring a majority, on-the-record vote to raise taxes, it provides accountability for tax increases.

The fact is, Mr. President, the debate over a balanced budget amendment isn't a debate about economics at all. And although Senate Joint Resolution 225 is a political response to a political problem, the debate really isn't about politics, either. It is a debate about the future and survival of our constitutional system of government. If we keep going on this way—and force the collapse of our economy under a mountain of debt—liberty and democracy are likely to be crushed by the falling rocks and boulders.

This debate, then, is really about our freedoms. James Madison, Father of our Constitution, advocated a balanced budget to "liberate the public resources by an honorable discharge of public debt." But this amendment liberates more than the public sources. No man can truly be free when he wears around his neck a millstone of $8,000 in debt incurred against his wishes and outside of his control. No nation can long remain free if its strength is mortgaged for millenia into the future.

In the spirit of the great document created just under 200 years ago, Senate Joint Resolution 225 liberates the American people by limiting the powers of their Government. I urge my colleagues to join me in guaranteeing the rights and liberties our Founding Fathers hoped to preserve in that document, by voting for this vital, liberating amendment.

Mr. President, if I were to end this debate on one thought that I think really makes a lot of sense, it is one my dear colleague from Illinois gave to me just a few seconds ago. I am familiar with this but I did not have the quote with me and I am indebted to him that he gave it to me.

Senator SIMON walked up to me and said this quote by Thomas Jefferson really says it all and I think it does. Jefferson in 1796 said:

> I wish it were possible to obtain a single amendment to our Constitution. I would be willing to depend on that alone for the reduction of the administration of our government to the genuine principles of its Constitution; I mean an additional article, taking from the federal government the power of borrowing.

This amendment would not take away the Federal Government's right to borrow. But it would certainly put upon every Member of Congress the obligation of living within our country's means, especially during times of plenty, something that was absolutely assumed by almost all early Founding Fathers of this country and by almost every political leader in this country's history up until the last 56 years.

Mr. President, this is our chance to turn around the difficulties that this country has undergone.

You have to say the purpose Gramm-Rudman is to take us literally to a balanced budget. Whether it works or not is a real, real question.

The PRESIDING OFFICER. All remaining time has now expired.

Mr. DECONCINI. Mr. President, I note the minority leader is here and he wanted some time. I yield the remainder of our time to the minority leader.

I know eventually that the Senator from Washington did have unanimous consent to enter a statement into the RECORD.

Mr. BYRD. Mr. President, I thank the distinguished Senator from Arizona. I ask unanimous consent that I may revise and extend my remarks in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. Mr. President, I shall vote against the amendment.

I offered an amendment to the amendment sometime ago which I thought at the time, and still believe, was an improvement over the amendment that is before us. I do compliment, however, those Senators on both sides who have labored so diligently to adopt a constitutional amendment on a balanced budget.

I am confident that every Member in this body approves of a balanced budget, but I do not think that this amendment, worded as it is, will be effective or workable.

I am concerned that it refers to a declaration of war while, as a matter of fact, this country has not fought a declared war since the Second World War. Meanwhile, we have engaged in two undeclared wars, in Vietnam and Korea, and I am concerned that this amendment, the way it is phrased, will possibly make it difficult for this country to deal with an undeclared war or even with "military activities" which may not really come within the definition of a full-blown war.

I understand the distinguished Senator from Washington wishes to insert some remarks in the RECORD.

I yield the floor.

Mr. BAUCUS. Mr. President, for 200 years, Congress has considered amendments to the Constitution. But only 26 have been approved. Americans are very cautious when it comes to changing the document that sets forth the fundamental principles of our republic, and rightfully so.

Once again, however, a constitutional amendment is being advocated. This one, now being considered by the Senate, would require Congress to balance the budget each year.

The Government could operate in the red only if three-fifths of Congress voted to spend more than the Treasury collects. If Congress needed to raise revenues, a majority of Members would be required to approve the revenue bill.

This is an appealing proposal. The current budget system actually encourages the Government to increase spending and taxes. It is time to eliminate this bias.

Budget deficits are choking the economy. Federal borrowing to finance this year's deficit, estimated to top $200 billion is drying up credit for private business and helping to keep interest rates high.

But we should not let ourselves be hoodwinked into amending the Constitution to correct these problems.

The substantive provisions of the amendment can make a real difference in the way the Government conducts its business. I support requiring a three-fifths majority for the approval of a budget deficit. I support the principle of avoiding hidden tax increases. I support making Members of Congress vote on all tax increases.

But the real question is whether these provisions should be in the Constitution. I don't believe they should be.

The Constitution was not designed to include specific rules to respond to short-term problems. A constitutional amendment would put the Supreme Court and the lower Federal courts in the business of enforcing the balanced budget provisions and to interpret the economic terms in the amendment. Congress should heed the words of Justice Oliver Wendell Holmes who cautioned, "The Constitution should not embody any particular economic theory."

The constitutional amendment raises another problem. The ratification process can take up to 7 years. Americans can't wait that long. This amendment is little comfort to those suffering today because U.S. jobs are

going overseas and while unemployment here at home remains far too high.

Congress and the President must regain control of the economy. But the constitutional amendment to balance the budget is not the appropriate tool for that task. During the 1982 debate on the balanced budget amendment, I offered an alternative which the Senate rejected: Put the provisions of the amendment in statute, not the Constitution. Since then, I have twice offered an across-the-board budget freeze and I voted for the Balanced Budget Act of 1985, also called the Gramm-Rudman-Hollings bill.

The point is that if Congress is really serious about having a balanced budget, let us roll up our sleeves and start working on one now, not 7 years down the road. Let us stop talking about reducing the deficit and start making the tough decisions on what we can afford and what we need in our Federal budget, and what we can live without.

I am strongly committed to balanced budgets. I am willing to make the tough choices involved in cutting Federal spending. But let's not be stampeded into approving the constitutional amendment because it's the politically popular thing to do. People balance budgets, not constitutional clauses.

Mr. EVANS. Mr. President, is there any time remaining?

The VICE PRESIDENT. There are 2 minutes remaining.

Mr. EVANS. Will the Senator from Arizona yield 1 minute to the Senator from Rhode Island?

Mr. DECONCINI. I am glad to yield a minute to the Senator from Rhode Island.

Mr. CHAFEE. Mr. President, no domestic problem facing this Nation is in greater need of a solution than the Federal deficit. No problem has been discussed more thoroughly here in the Senate in the past year, and no Senator is more anxious than I am to find a solution. Though the idea of eliminating deficits by simply making them unconstitutional has some appeal, I believe it is the wrong approach, and I must oppose it.

Enactment of a constitutional requirement for a balanced budget would represent a false promise to the American people, set a bad constitutional precedent, and establish a rigid budgetary framework which could be harmful to our economy.

The biggest domestic problem facing us today is not that the budget is out of balance. It is the extent to which it is out of balance. Now the whole economy is out of balance because of these horrendous deficits, still hovering around $200 billion. They threaten our economic recovery and will lead to higher interest rates and skyrocketing unemployment if left unchecked. They are adding to a growing debt which continues to compete with other pressing problems for scarce Federal resources.

Approving a constitutional amendment to require a balanced budget in 1991 will do nothing to address this problem. The deficit is a problem today. The consequences of ignoring the deficit are damaging today. And the tools for resolving the problem are in our hands today if we have the will to use them.

I believe there is cause for optimism that Congress is ready to use those tools. Passage of the Gramm-Rudman-Hollings Balanced Budget and Emergency Deficit Control Act last year has imposed new discipline on our budget process. It has established binding targets for reducing the deficit which, if not met, will trigger across-the-board cuts which none of us would welcome. And it has strengthened the budget process by placing the debate on a pay-as-you-go basis: those who would spend more in any area will have to show how their ideas will be paid for elsewhere in the budget. This will make Members of Congress accountable today for decisions to increase spending.

In adopting the Gramm-Rudman-Hollings plan we recognized that we cannot and need not wait for a mandate from the States to reduce Federal deficits. Congress and the administration can cut the deficits if both are willing to make choices. We now have a law in place which will force such choices. Our challenge this year is to meet the law's deficit reduction targets and at the same time shape a responsible budget. I am optimistic that we can do both.

If precisely balanced budgets were judged to be a realistic and desirable goal, Congress could amend its rules today to make unbalanced budgets out of order. But the measure we are debating today would enshrine this economic theory in the Constitution of the United States. This would be both an unnecessary and inappropriate use of the Constitution, which up until now has functioned to establish the framework of government and to protect basic individual freedoms, goals for which the regular legislative process is inadequate.

The Gramm-Rudman-Hollings plan is the embodiment of an economic theory that high deficits are a threat to our economy. This theory is widely shared today. But Congress will have the power to alter the law if necessary to make it work more effectively in the future. A change would be harder to accomplish if Gramm-Rudman-Hollings were part of the Constitution. As fiscal doctrine, it does not belong in the Constitution and neither does a balanced budget requirement.

The balanced budget amendment embodies the same theory, admittedly a popular one at the moment. But will it withstand the changes of events and shifts of opinion through decades to come? It does not meet the test laid down by Alexander Hamilton in the Federalist No. 34, when he wrote:

> Constitutions of civil government are not to be framed upon a calculation of existing exigencies, but upon a combination of these with the probable exigencies of ages * * *. Nothing, therefore, can be more fallacious than to infer the extent of any power proper to be lodged in the national government for an estimate of its immediate necessities. There ought to be a capacity to provide for future contingencies as they may happen; and as these are illimitable in their nature, so it is impossible safely to limit that capacity.

Reducing the deficit is an immediate necessity for which no constitutional amendment is needed. But adopting a constitutional requirement for a balanced budget would hinder our capacity to provide for future contingencies, and would therefore be unwise.

Even if it was appropriate to include an economic theory in the Constitution, a rigid requirement for a balanced budget would be the wrong theory. Such a requirement could create unintended, dangerous economic dislocations during recessionary periods. We are just now starting to recover from a recession whose effects—high unemployment and a stagnating economy—would have been worse if a balanced budget amendment were in place.

In a time of recession, the massive outlay reductions and revenue increases needed to keep the budget precisely in balance would hinder economic growth and prolong the recession. And the programs in place to fight the effects of recessions, such as unemployment compensation and social welfare programs, could be weakened by cuts just when they are most needed.

The measure before us today is not the true test of where the Senate stands on the deficit problem. That test will come in the weeks and months ahead as we use the tools at hand to bring the deficit under control. Will we adopt a fair and responsible budget which meets the Gramm-Rudman-Hollings goals? Will we work to ensure that these goals are adhered to in the appropriations process?

These are the tests that count. If we succeed, great things are ahead for our Nation. If we fail, it will take more than a balanced budget amendment to solve our problems.

We have the capacity to limit it in this Nation if we would only act upon them. It seems to me it is not necessary to have this very convoluted as I see it, constitutional amendment. So for those reasons, I will vote against it. I thank the distinguished Senator from Washington.

Mr. DECONCINI. Mr. President, how much time remains?

The VICE PRESIDENT. All time has expired.

The question is on Senate Joint Resolution 225. The yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk called the roll.

The PRESIDING OFFICER (Mr. STEVENS). Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 66, nays 34, as follows:

[Rollcall Vote No. 45 Leg.]

YEAS—66

Abdnor	Gore	Nunn
Andrews	Gramm	Packwood
Armstrong	Grassley	Pell
Bentsen	Harkin	Pressler
Bingaman	Hatch	Proxmire
Boren	Hawkins	Pryor
Boschwitz	Hecht	Quayle
Chiles	Heflin	Roth
Cochran	Helms	Rudman
D'Amato	Hollings	Sasser
Danforth	Humphrey	Simon
DeConcini	Johnston	Simpson
Denton	Kasten	Specter
Dixon	Laxalt	Stennis
Dole	Long	Stevens
Domenici	Lugar	Symms
Durenberger	Mattingly	Thurmond
East	McClure	Trible
Exon	McConnell	Wallop
Ford	Melcher	Warner
Garn	Murkowski	Wilson
Goldwater	Nickles	Zorinsky

NAYS—34

Baucus	Glenn	Mathias
Biden	Gorton	Matsunaga
Bradley	Hart	Metzenbaum
Bumpers	Hatfield	Mitchell
Burdick	Heinz	Moynihan
Byrd	Inouye	Riegle
Chafee	Kassebaum	Rockefeller
Cohen	Kennedy	Sarbanes
Cranston	Kerry	Stafford
Dodd	Lautenberg	Weicker
Eagleton	Leahy	
Evans	Levin	

The PRESIDING OFFICER. On this vote, there are 66 yeas, and 34 nays. Two-thirds of the Senate not having voted in the affirmative, the joint resolution is rejected.

Mr. BYRD. Mr. President, I move to reconsider the vote by which the resolution was rejected.

Mr. EVANS. I move to lay that motion on the table.

The motion to the lay on the table was agreed to.

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER (Mr. STEVENS). The majority leader.

ORDER OF PROCEDURE

Mr. DOLE. Mr. President, there will be no further votes tonight.

The PRESIDING OFFICER. Will the leader say that louder? There will be less noise in the Senate.

Mr. DOLE. There will be no further votes this evening.

Mr. BYRD. Mr. President, may we have order so that the majority leader may be heard?

The PRESIDING OFFICER. Will the Senate please come to order?

Mr. BYRD. Mr. President, while the majority leader has the floor, and has indicated there will be no more rollcall votes today, may I ask the distinguished majority leader if he might tell us what the program will be for tomorrow, for Thursday, if possible, and whether we will have votes tomorrow.

Mr. DOLE. Mr. President, it would be my hope that we could complete the water resources bill this evening. That would take unanimous consent because we are still on a motion to proceed on the airports compact. I think we could obtain that unanimous consent. However, we are not quite ready yet to complete the water resources bill.

I am advised we might be able to do that tomorrow morning and do it probably in 30 minutes to 1 hour.

If that were the case, I would do that in the morning and then move to the Contra aid resolution, which we have been attempting to put together in a bipartisan way. We may not be able to do that. In any event, as soon as we complete the water resources bill, then we would move to the Contra resolution and try to complete action on that tomorrow evening. There are 10 hours allowed under the statute.

If we could finish tomorrow night, we would have to make a decision on whether or not we would go back to the airports compact bill on Thursday.

Mr. BYRD. Mr. President, I thank the distinguished majority leader. He does foresee a session for Thursday?

Mr. DOLE. Based on the uncertainty about the Contra resolution, whether we will finish it tomorrow night, I would say there would be a session.

Mr. BYRD. Would the distinguished majority leader indicate the hour——

Mr. STENNIS. Mr. President, it is impossible to hear because of the noise in the Chamber.

The PRESIDING OFFICER. The Senator from Mississippi is absolutely correct. The Senate will please be in order.

Mr. BYRD. Mr. President, would the distinguished majority leader indicate his intentions with respect to a convening hour tomorrow?

Mr. DOLE. If we come in about 9 o'clock, there would be special orders and, hopefully, we could get on the water resources bill by 10 o'clock and complete it by 11 o'clock. But if we cannot get consent to proceed to the water bill, then we would go to the Contra aid bill.

Perhaps the distinguished Senator from Maryland can answer whether we would be able to complete action on the water bill tomorrow.

Mr. President, what would be the pending business?

The PRESIDING OFFICER. The motion to proceed would be the pending business.

Mr. DOLE. I would need his consent to go to the water bill.

Mr. KERRY. Mr. President, is it the intention of the majority leader to complete the Contra resolution tomorrow night, no matter what?

Mr. DOLE. It would depend on the debate.

Mr. KERRY. There are 10 hours.

Mr. DOLE. If we were on the Contra aid resolution by 11 o'clock tomorrow, and quorum calls and rollcall votes do not come out of the 10 hours, it is conceivable we could complete action on the Contra measure by 9 o'clock tomorrow evening, with the cooperation of all Members.

Mr. SARBANES. Mr. President, I will say to the majority leader I am anxious to help cooperate and clear the program for Senate consideration that he is talking about, the water resources bill and the Contra aid bill. I do think, frankly, that the airports bill ought to go over until after the recess. I think there should be a legitimate substantive period to consider amendments, and so forth, that will be needed on that bill. Those are not just my own amendments but amendments that others have as well. I would expect at some point after the recess, when the majority leader would want to, we could return to it.

Mr. DOLE. Mr. President, if we could agree when we come back that we would be on the bill rather than on a motion to proceed, it would be fine with this Senator, if we complete action, to go out tomorrow night rather than meet on Thursday.

Mr. SARBANES. I think that would be all right. I would like to discuss it with some of my colleagues. I certainly want to cooperate concerning consideration of the water resources bill and the Contra aid issue.

Mr. DOLE. I yield to the Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I look forward to debate on Contra aid. I want to indicate to the leader and others that we are quite prepared to offer an amendment that would terminate all military assistance, including humanitarian assistance, and I hope we could get started with the matter at an early hour. I would be happy to lay down my amendment as the first amendment, and to confer with others as to the allocation of time.

Mr. CRANSTON. Will the Senator yield?

Mr. DOLE. I yield to the Senator from California.

Mr. CRANSTON. Is it the leader's intention to have debate tonight on Nicaragua?

Mr. DOLE. I do not think that is possible. I have not had an opportunity to discuss that with the distin-

guished minority leader. I do not think we can do it this evening. In fact, I am prepared to wrap this up.

APPOINTMENTS BY THE PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. On behalf of the majority leader and minority leader, in accordance with Public Law 96-114, as amended by Public Laws 98-33 and 99-161, I appoint the following members of the Congressional Award Board:

Senator MALCOLM WALLOP, Senator PAUL SIMON, Mr. Ben H. Love, Mr. Joshua Miner, Sir Gordon White, Miss Cathy Lee Crosby, Mr. Donald R. Keough, Mr. S. Lee Kling, the Honorable Shirley A. Chisholm, and Mr. Phillip V. Sanchez.

APPOINTMENTS BY THE VICE PRESIDENT

The PRESIDING OFFICER. On behalf of the Vice President, in accordance with 10 U.S.C. 9355(a), I appoint the following Members to the Board of Visitors, U.S. Air Force Academy: Senator TED STEVENS and Senator BARRY GOLDWATER.

On behalf of the Vice President, in accordance with title 46, section 1295(b) of the United States Code, I appoint the following Members to the Board of Visitors, U.S. Merchant Marine Academy: Senator ROBERT KASTEN and Senator JOHN DANFORTH.

On behalf of the Vice President, in accordance with title 14, section 194(a) of the United States Code, I appoint the following Members to the Board of Visitors, U.S. Coast Guard Academy: Senator JOHN DANFORTH and Senator BOB PACKWOOD.

On behalf of the Vice President, in accordance with 10 U.S.C. 4355(q), I appoint the following Members to the Board of Visitors, U.S. Military Academy: Senator LOWELL WEICKER and Senator PHIL GRAMM.

On behalf of the Vice President, in accordance with 10 U.S.C. 6968(a), I appoint the following Members to the Board of Visitors, U.S. Naval Academy: Senator MARK O. HATFIELD and Senator JEREMIAH DENTON.

ORDER OF PROCEDURE

Mr. BYRD. Mr. President, there is still some lack of understanding on this side of the aisle, perhaps because of the confusion in the Chamber, as to whether or not the distinguished majority leader will attempt to drive for a final vote on the Contra aid tomorrow, and, if that is achieved, I believe I understood the distinguished majority leader to indicate the Senate would not be in Thursday.

Mr. DOLE. If I can work out something with the Senator from Maryland, Senator SARBANES, so that when we come back after the recess we will be on the bill itself rather than a motion to proceed to consider the bill, then I would be prepared to say we would not have a session on Thursday if we complete action on Contra aid. Otherwise, I would want the clock to start running on Thursday.

Mr. SARBANES. Mr. President, will the majority leader yield?

Mr. DOLE. I yield.

Mr. SARBANES. It seems to me something could be worked out. Since the Senate voted cloture today on the motion to proceed, the next phase will be to consider substantive amendments to the airports bill which a number of Members have. That could reasonably be undertaken after the recess.

Mr. DOLE. I think there is a good chance tomorrow evening to be able to leave 1 day early and when we come back the airports bill will be pending. I do not want to deprive the Senator from Maryland of his right, but I hope we could come back and be on the bill.

Mr. STENNIS. Mr. President, does that mean that tomorrow we will begin the water bill?

Mr. DOLE. There has been an indication by the Senator from Maryland [Mr. SARBANES] that he would not object to that. I believe we may be very near working out some of the final problems. If that is the case, I am advised by the managers that that bill can be disposed of in about an hour.

Mr. STENNIS. That is very fine indeed. I shall certainly be here for the water measure.

I thank the Senator.

Mr. BYRD. Mr. President, I thank the distinguished majority leader.

THE DEBATE ON THE BALANCED BUDGET AMENDMENT

Mr. DOLE. Mr. President, I want to indicate for the record that we considered the balanced budget amendment Senate Joint Resolution 225, on March 6, 7, 10, 11, 12, 13, 18, and 25, a total of 8 days. We consumed 34 hours as of 6:10 p.m. today. There were 8 rollcall votes and 12 amendments and motions considered: 5 agreed to, 2 rejected and 4 tabled. One was withdrawn.

I also want to again thank the distinguished chairman of the committee [Mr. THURMOND]; the distinguished manager on the Democratic side [Mr. DECONCINI]; Senator SIMON, who played an important role on the Democratic side; and, of course, Senator HATCH, who has been in the forefront of this issue for a long, long time.

I regret that we railed by one vote—one vote—to indicate to the American people that we are still concerned about deficits in 1991 and beyond by submitting to the States or at least sending to the House a constitutional amendment for a balanced budget.

The debate was good. The votes were not there. I commend my colleagues on both sides of the argument. It was very close, and could not have been closer. One more vote, would have changed the outcome.

I assume that we will not revisit this matter this year, but we will continue to work in the States—in the State of Michigan, the State of Kentucky, the State of West Virginia, and other States where there may be an opportunity to have the State legislature petition the Congress for a constitutional convention. Other States in which there may be a chance are Connecticut, and the State of Washington. There are a number of States that have this under consideration.

Again, I thank my colleagues. I hope that when it is debated again we shall be successful. In the interim, maybe the States will be successful in calling the constitutional convention. We have demonstrated that we are almost there, but not quite.

For those who supported the measure, I extend my appreciation. To those who opposed it, I congratulate them for a victory and a very effective debate.

Mr. HELMS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HELMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

GREEK INDEPENDENCE DAY

Mr. HELMS. Mr. President, on behalf of Senator SPECTER, and other Senators, I send a resolution to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The resolution will be stated by title.

The assistant legislative clerk read as follows:

A Senate joint resolution (S.J. Res. 308) designating March 25, 1986, as Greek Independence Day: A National Day of Celebration of Greek and American Democracy.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Mr. SPECTER. Mr. President, today I am introducing a joint resolution to designate March 25, 1986, as Greek Independence Day and a Celebration of Greek and American Democracy.

One hundred and sixty-five years ago the Greeks began the revolution that would free them from the Ottoman Empire and return Greece to its

democratic heritage. It was, of course, the ancient Greeks who developed the concept of democracy in which the supreme power to govern was vested in the people. Our Founding Fathers drew heavily upon the political and philosophical experience of ancient Greece in forming our representative democracy. How fitting, then, that we should recognize the anniversary of the beginning of their effort to return to that democratic tradition.

This democratic form of government is only the most obvious of the many benefits we gained from the Greek people. The ancient Greeks contributed a great deal to the modern world and particularly to the United States of America, including art and philosophy, science, and law. Today, Greek Americans continue to enrich our culture and to make valuable contributions to American society, business, and government.

In the next few days, Secretary of State Shultz will be going to Greece to reaffirm our links with that country. It is my hope that the strong support for this joint resolution in Congress will serve as a clear goodwill gesture to the people of Greece with whom we have enjoyed such a close bond throughout history.

I am pleased to sponsor this joint resolution today, along with my distinguished colleague from New Jersey, Senator FRANK LAUTENBERG, and Mr. BOSCHWITZ, Mr. D'AMATO, Mr. THURMOND, Mr. MURKOWSKI, Mr. HATCH, Mr. WARNER, Mr. PRESSLER, Mr. HEINZ, Mr. ROTH, Mr. TRIBLE, Mr. BIDEN, Mr. BRADLEY, Mr. BURDICK, Mr. CRANSTON, Mr. DECONCINI, Mr. DIXON, Mr. DODD, Mr. EAGLETON, Mr. GORE, Mr. HARKIN, Mr. JOHNSTON, Mr. KENNEDY, Mr. KERRY, Mr. LEAHY, Mr. LEVIN, Mr. METZENBAUM, Mr. PELL, Mr. MOYNIHAN, Mr. RIEGLE, Mr. ROCKEFELLER, Mr. SARBANES, Mr. SIMON, Mr. SASSER, Mr. ZORINSKY, and Mrs. HAWKINS, to designate March 25, 1986, "Greek Independence Day: A National Day of Celebration of Greek and American Democracy."

Mr. LAUTENBERG. Mr. President, I am pleased to introduce, along with Senator SPECTER, this resolution to designate March 25, 1986, as Greek Independence Day: A National Day of Celebration of Greek and American Democracy. This resolution also asks the President to issue a proclamation calling upon the people of the United States to observe the designated day with appropriate ceremonies and activities.

March 25, 1986, marks the 165th anniversary of the beginning of the revolution which freed the Greek people from the Ottoman Empire. It is fitting that we celebrate this day together with Greece in order to reaffirm the common democratic heritage of Americans and Greeks.

The ancient Greeks forged the very notion of democracy, in which the ultimate power to govern was vested in the people. As Aristole said:

If liberty and equality, as is thought by some, are chiefly to be found in democracy, they will be attained when all persons alike share in the government to the utmost.

Because the concept of democracy was born in the age of the ancient Greeks, all Americans, whether or not of Greek ancestry, are kinsmen of a kind to the ancient Greeks. Indeed, our own Founding Fathers drew heavily upon the political and philosophical experience of ancient Greece in forming our representative democracy.

Constitutional democracy has made the American way of life possible. It established the precious freedoms of speech, religion, and assembly which Americans cherish, and which are so fundamental to American democracy. For that contribution alone, we owe a heavy debt to the Greeks. The common heritage which we share has forged a close bond between Greece and the United States, and between our peoples. And it is reflected in the numerous contributions made by present day Greek Americans in New Jersey and across the country to our American culture.

I urge my colleagues to pass this resolution as a tribute to those contributions, past and present, which have greatly enriched American life.

Mr. SARBANES. Mr. President, on this day, 165 years ago, the Greek nation began an arduous struggle to reestablish its independence after nearly four centuries of tyrannous Turkish Ottoman rule. Struggling for nearly a decade against tremendous odds, the Greek patriots ultimately succeeded in reaffirming both the independence of Greece and the freedom and integrity of the individual.

Regarded skeptically by the monarchial governments of Europe, the uprising in Greece nonetheless captured the imagination and commanded the admiration of many of the European people. In the preface to his poem "Hellas" Shelley wrote: "Our laws, our literature, our religion, our arts have their roots in Greece;" he concluded the poem with "The world's great age begins anew, The golden years return."

Nowhere was there greater enthusiasm for the Greek struggle, however, than in the young American Republic, where the recent experience of colonial domination overthrown and democratic republic established was very vivid. State legislatures and town meetings across the Nation passed resolutions in support of the Greek effort, and Congressman Daniel Webster put the Greek case to his House colleagues in the 18th Congress.

He said on the floor of the House of Representatives in 1823:

The Greeks a people of intelligence, ingenuity, refinement, spirit, and enterprise, have been for centuries under the most atrocious, unparalleled Tartarian barbarism that ever oppressed the human race.

He continued:

They look to us as the great Republic of the Earth and they ask us by our common faith, whether we can forget that they are now struggling for what we can now so ably enjoy? I cannot say, sir, that they will succeed: that rests with heaven. But for myself, sir, if we tomorrow hear that they have failed—that their last phalanx had sunk beneath the Turkish scimitar—that the frames of their last city had sunk in ashes and that naught remained but the wide melancholy waste where Greece once was, I would still reflect with the most heartfelt satisfaction, that I had asked you, in the name of seven millions of freemen, that you would give them at least a cheering of one friendly voice.

The ties which join the two nations and the two peoples were thus forged in the early days of the American Republic, as the war in Greece for Greek independence was being waged. For more than 150 years they have been reinforced in countless ways, the enduring ties of history reaffirmed by the very personal ties which join the American and Greek peoples, and by the role Americans of Greek background play in our own national life.

As nations and peoples, Americans and Greeks were steadfast allies in World War I. In the bleak early days of World War II the Greek defeat of Mussolini's army gave the besieged free world its first victory over the Axis powers, forcing Hitler to despatch his own armies to occupy Greece. Nowhere was the Nazi occupation more brutal than in Greece; and nowhere, in turn, was the resistance more determined or heroic than in Greece. In the postwar period, the commitment of President Harry Truman and the American people helped the people of Greece to turn back a Communist insurgency and to rebuild their country, ravaged by years of armed conflict. Today Greece is a stable democracy, a member of the NATO alliance and of the European Community.

Throughout their long history, often in the face of great adversity, the Greeks have maintained their abiding commitment to freedom; and they remain deeply concerned, therefore, over the situation on Cyprus, where for nearly 12 years Turkish occupation, imposed by force, has routed several hundred thousand Greek Cypriots from their homes and communities divided the island Republic. The Greeks know from their own experience that freedom is not divisible; and like lovers of freedom everywhere they seek the restoration of peace, justice, and national integrity to Cyprus.

Mr. President, it is fitting today to mark Greek Independence Day, because the Greek War of Independence

has significance for all of us. It is not only an inspiring chapter in the long history of Greece's steadfast devotion to the principles we also cherish; it is a milestone in the struggle for freedom in the modern world.

The PRESIDING OFFICER. The resolution is open to amendment. If there be no amendments to be proposed, the question is on the engrossment and third reading of the resolution.

The Senate joint resolution was ordered to be engrossed for a third reading, was read the third time, and passed.

The preamble was agreed to.

The resolution with its preamble, is as follows:

Whereas the ancient Greeks developed the concept of democracy, in which the supreme power to govern was vested in the people;

Whereas the Founding Fathers of the United States of America drew heavily upon the political and philosophical experience of ancient Greece is forming our representative democracy;

Whereas March 25, 1986, marks the one hundred and sixty-fifth anniversary of the beginning of the revolution which freed the Greek people from the Ottoman Empire;

Whereas these and other ideals have forged a close bond between our two nations and their people; and

Whereas it is proper and desirable to celebrate with the Greek people, and to reaffirm the democratic principles from which our two great nations sprang: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That March 25, 1986 is designated "Greek Independence Day: A National Day of Celebration of Greek and American Democracy", and that the President of the United States is authorized and requested to issue a proclamation calling upon the people of the United States to observe the designated day with appropriate ceremonies and activities.

Mr. HELMS. I move to reconsider the vote by which the joint resolution was passed.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

REMOVAL OF INJUNCTION OF SECRECY

Mr. HELMS. Mr. President, as in executive session,

I ask unanimous consent that the injunction of secrecy be removed from the following six bilateral investment treaties transmitted to the Senate today by the President of the United States:

Investment Treaties with Panama (Treaty Document 99-14), Senegal (Treaty Document 99-15), Haiti (Treaty Document 99-16), Zaire (Treaty Document 99-17), Morocco (Treaty Document 99-18), and Turkey (Treaty Document 99-19).

I also ask that the treaties be considered as having been read the first time; that they be referred, with accompanying papers, to the Committee on Foreign Relations and ordered to be printed; and that the President's messages be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The messages of the President are as follows:

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith the Treaty between the United States of America and the Republic of Panama concerning the Treatment and Protection of Investments, with Agreed Minutes, signed October 27, 1982, at Washington. I transmit also, for the information of the Senate, the report of the Department of State with respect to this treaty.

This treaty is among the first six treaties to be transmitted to the Senate under the Bilateral Investment Treaty (BIT) program that I initiated in 1981. The BIT program is designed to encourage and protect U.S. investment in developing countries. The treaty is an integral part of U.S. efforts to encourage Panama and other governments to adopt macroeconomic and structural policies that will promote economic growth. It is also fully consistent with U.S. policy toward international investment. That policy holds that an open international investment system in which participants respond to market forces provides the best and most efficient mechanism to promote global economic development. A specific tenet, reflected in this treaty, is that U.S. direct investment abroad and foreign investment in the United States should receive fair, equitable, and nondiscriminatory treatment. Under this treaty, the parties also agree to international law standards for expropriation and compensation; free financial transfers; and procedures, including international arbitration, for the settlement of investment disputes.

I recommend that the Senate consider this treaty as soon as possible, and give its advice and consent to ratification of the treaty, with agreed minutes, at an early date.

RONALD REAGAN.

THE WHITE HOUSE, *March 25, 1986.*

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith the Treaty between the United States of America and the Republic of Senegal concerning the Reciprocal Encouragement and Protection of Investment, with Protocol, signed December 6, 1983, at Washington. I transmit also, for the information of the Senate, the report of the Department of State with respect to this treaty.

This treaty is among the first six treaties to be transmitted to the Senate under the Bilateral Investment Treaty (BIT) program that I initiated in 1981. The BIT program is designed to encourage and protect U.S. investment in developing countries. The treaty is an integral part of U.S. efforts to encourage Senegal and other governments to adopt macroeconomic and structural policies that will promote economic growth. It is also fully consistent with U.S. policy toward international investment. That policy holds that an open international investment system in which participants respond to market forces provides the best and most efficient mechanism to promote global economic development. A specific tenet, reflected in this treaty, is that U.S. direct investment abroad and foreign investment in the United States should receive fair, equitable, and nondiscriminatory treatment. Under this treaty, the parties also agree to international law standards for expropriation and compensation; free financial transfers; and procedures, including international arbitration, for the settlement of investment disputes.

I recommend that the Senate consider this treaty as soon as possible, and give its advice and consent to ratification of the treaty, with protocol, at an early date.

RONALD REAGAN.

THE WHITE HOUSE, *March 25, 1986.*

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith the Treaty between the United States of America and the Republic of Haiti concerning the Reciprocal Encouragement and Protection of Investment, with Protocol, signed December 13, 1983, at Washington. I transmit also, for the information of the Senate, the report of the Department of State with respect to this treaty.

This treaty is among the first six treaties to be transmitted to the Senate under the Bilateral Investment Treaty (BIT) program that I initiated in 1981. The BIT program is designed to encourage and protect U.S. investment in developing countries. The treaty is an integral part of U.S. efforts to encourage Haiti and other governments to adopt macroeconomic and structural policies that will promote economic growth. It is also fully consistent with U.S. policy toward international investment. That policy holds that an open international investment system in which participants respond to market forces provides the best and most efficient mechanism to promote global economic development. A specific tenet, reflected in this treaty, is that U.S. direct investment

abroad and foreign investment in the United States should receive fair, equitable, and nondiscriminatory treatment. Under this treaty, the parties also agree to international law standards for expropriation and compensation; free financial transfers; and procedures, including international arbitration, for the settlement of investment disputes.

I recommend that the Senate consider this treaty as soon as possible, and give its advice and consent to ratification of the treaty, with protocol, at an early date.

RONALD REAGAN.

THE WHITE HOUSE, *March 25, 1986.*

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith the Treaty between the United States of America and the Republic of Zaire concerning the Reciprocal Encouragement and Protection of Investment, with Protocol, signed August 3, 1984, at Washington. I transmit also, for the information of the Senate, the report of the Department of State with respect to this treaty.

This treaty is among the first six treaties to be transmitted to the Senate under the Bilateral Investment Treaty (BIT) program that I initiated in 1981. The BIT program is designed to encourage and protect U.S. investment in developing countries. The treaty is an integral part of U.S. efforts to encourage Zaire and other governments to adopt macroeconomic and structural policies that will promote economic growth. It is also fully consistent with U.S. policy toward international investment. That policy holds that an open international investment system in which participants respond to market forces provides the best and most efficient mechanism to promote global economic development. A specific tenet, reflected in this treaty, is that U.S. direct investment abroad and foreign investment in the United States should receive fair, equitable, and nondiscriminatory treatment. Under this treaty, the parties also agree to international law standards for expropriation and compensation; free financial transfers; and procedures, including international arbitration, for the settlement of investment disputes.

I recommend that the Senate consider this treaty as soon as possible, and give its advice and consent to ratification of the treaty, with protocol, at an early date.

RONALD REAGAN.

THE WHITE HOUSE, *March 25, 1986.*

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith the Treaty between the United States of America and the Kingdom of Morocco concerning the Encouragement and Reciprocal Protection of Investments, with Protocol, signed July 22, 1985, at Washington. I transmit also, for the information of the Senate, the report of the Department of State with respect to this treaty.

This treaty is among the first six treaties to be transmitted to the Senate under the Bilateral Investment Treaty (BIT) program that I initiated in 1981. The BIT program is designed to encourage and protect U.S. investment in developing countries. The treaty is an integral part of U.S. efforts to encourage Morocco and other governments to adopt macroeconomic and structural policies that will promote economic growth. It is also fully consistent with U.S. policy toward international investment. That policy holds that an open international investment system in which participants respond to market forces provides the best and most efficient mechanism to promote global economic development. A specific tenet, reflected in this treaty, is that U.S. direct investment abroad and foreign investment in the United States should receive fair, equitable, and nondiscriminatory treatment. Under this treaty, the parties also agree to international law standards for expropriation and compensation; free financial transfers; and procedures, including international arbitration, for the settlement of investment disputes.

I recommend that the Senate consider this treaty as soon as possible, and give its advice and consent to ratification of the treaty, with protocol, at an early date.

RONALD REAGAN.

THE WHITE HOUSE, *March 25, 1986.*

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith the Treaty between the United States of America and the Republic of Turkey concerning the Reciprocal Encouragement and Protection of Investments, with Protocol, signed December 3, 1985, at Washington. I transmit also, for the information of the Senate, the report of the Department of State with respect to this treaty.

This treaty is among the first six treaties to be transmitted to the Senate under the Bilateral Investment Treaty (BIT) program which I initiated in 1981. The BIT program is designed to encourage and protect U.S. investment in developing countries. The treaty is an integral part of U.S. efforts to encourage Turkey and other governments to adopt macroeconomic and structural policies that will promote economic growth. It is also fully consistent with U.S. policy toward international investment. That policy holds that an open international investment system in which participants respond to market forces provides the best and most efficient mechanism to promote global economic development. A specific tenet, reflected in this treaty, is that U.S. direct investment abroad and foreign investment in the United States should receive fair, equitable, and nondiscriminatory treatment. Under this treaty, the parties also agree to international law standards for expropriation and compensation; free financial transfers; and procedures, including international arbitration, for the settlement of investment disputes.

I recommend that the Senate consider this treaty as soon as possible, and give its advice and consent to ratification of the treaty, with protocol, at an early date.

RONALD REAGAN.

THE WHITE HOUSE, *March 25, 1986.*

MEASURES INDEFINITELY POSTPONED

Mr. HELMS. Mr. President, I believe these have been cleared with the other side. I ask unanimous consent the following calendar items be indefinitely postponed: Calendar Order 11, S. 469; Calendar 351, S. 1776; Calendar 379, S. 1816; Calendar 387, Senate Resolution 241; Calendar 428, S. 1912.

Mr. BYRD. Mr. President, those items have been cleared on this side of the aisle for postponement.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HELMS. I thank the Chair.

THE CALENDAR

Mr. HELMS. Mr. President, I inquire of the minority leader if he is in a position to pass the following calendar items: Calender 573, Senate Resolution 298; Calendar 575, Senate Concurrent Resolution 95.

Mr. BYRD. Mr. President, the two measures identified by the distinguished acting leader have been cleared on this side of the aisle. We are ready to proceed.

Mr. HELMS. I thank the able Senator.

Therefore, Mr. President, I ask unanimous consent that the calendar items just identified be considered en bloc and passed en bloc and that the committee-reported preamble will be considered agreed to.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXPRESSING SUPPORT AND ENCOURAGEMENT OF THE UNITED STATES DISABLED SKI TEAM

The resolution (S. Res. 298) expressing support and encouragement of the Senate for the United States Disabled Ski Team at the 1986 World Disabled Ski Championships to be held in Salen, Sweden, on April 6 through

April 17, 1986, was considered and agreed to.

The preamble was agreed to.

The resolution, with its preamble, is as follows:

S. RES. 298

Whereas the United States Disabled Ski Team is a very special group of fine athletes who have displayed the courage, dedication, and perseverance needed to qualify for competition on a national and international level;

Whereas the commitment and determination exhibited by these superior athletes is an inspiration to all people;

Whereas the United States Disabled Ski Team will travel to Salen, Sweden, to represent the United States in international competition;

Whereas the United States Disabled Ski Team has exhibited outstanding performance and has promoted full participation of disabled persons in athletic competition; and

Whereas the United States Disabled Ski Team has been instrumental in changing perceptions of society about persons with disabilities: Now, therefore, be it

Resolved, That the Senate—

(1) commends the achievements of the United States Disabled Ski Team; and

(2) encourages and supports the United States Disabled Ski Team in the competition at the 1986 World Disabled Ski Championships to be held in Salen, Sweden, on April 6 through April 17, 1986.

Mr. HELMS. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

HONORING THE CONTRIBUTIONS OF CONSUMERS UNION

The Senate proceeded to consider the concurrent resolution (S. Con. Res. 95) to recognize and honor the contributions of Consumers Union.

Mr. METZENBAUM. Mr. President, Consumers Union of United States, Inc., the nonprofit organization that publishes Consumer Reports, is celebrating its 50th anniversary in 1986. As part of that celebration, I have introduced Senate Concurrent Resolution 95, commemorating the organization's efforts on behalf of American consumers. This resolution is cosponsored by Senators PACKWOOD, MOYNIHAN, FORD, PROXMIRE, HOLLINGS, DECONCINI, ZORINSKY, THURMOND, ABDNOR, SARBANES, HEINZ, GARN, MATSUNAGA, GLENN, and KASTEN.

Since its founding in February 1936, Consumers Union has spoken out for consumers through a wide range of activities, including product-testing and service evaluation, publication of magazines, books, and newsletters, television productions, educational programs, and legislative and legal efforts.

Through Consumer Reports, Consumers Union has helped bring equity and order to the marketplace. For 50 years consumers have been able to rely on an expert, independent source of information when they were in the market for consumer goods and services. The magazine has warned us of fraud, misleading advertisements, and worthless products. When products deserved commendations, the magazine told us that as well.

We all owe a debt of gratitude to this outstanding organization. Consumers Union has helped make the marketplace a better, safer place for people in this country and throughout the world. I urge my colleagues to join with me in honoring Consumers Union and to adopt this resolution.

The concurrent resolution was considered and agreed to.

The preamble was agreed to.

The concurrent resolution, with its preamble, is as follows:

S. CON. RES. 95

Whereas Consumers Union of United States, Inc., was formed in February of 1936, to provide consumers with information and counsel on consumer goods and services and matters relating to the expenditure of the family income, and to initiate and cooperate with individual and group efforts seeking to create and maintain decent living standards;

Whereas for the past fifty years Consumer Union has provided consumers with necessary facts to participate in an increasingly complex marketplace, through the publication Consumer Reports;

Whereas Consumers Union has become a widely respected source of impartial information about consumer products and services, and legislation and regulations affecting consumers;

Whereas Consumers Union has crusaded for fifty years for improvements in product safety, and has played an important role in reducing hazards to consumers;

Whereas Consumers Union has pursued reforms to make the marketplace more fair for consumers, and has been a leader in helping advance the consumer interest in the United States and around the world; and

Whereas Consumers Union is celebrating its fiftieth anniversary in 1986, with plans that include providing increased services; Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That the Congress recognizes and honors the Consumers Union for the continuing contributions made in informing, protecting, and aiding consumers in the Nation.

Mr. HELMS. Mr. President, I move to reconsider the vote by which the concurrent resolution was agreed to.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Saunders, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations and treaties which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGES FROM THE HOUSE

ENROLLED JOINT RESOLUTIONS SIGNED

At 2:01 p.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the Speaker has signed the following enrolled joint resolutions:

S.J. Res. 226. Joint resolution to designate the week of April 6, 1986, through April 12, 1986, as "World Health Week," and to designate April 7, 1986, as "World Health Day",

S.J. Res. 262. Joint resolution to authorize and request the President to issue a proclamation designating June 2, through June 8, 1986, as "National Fishing Week"; and

H.J. Res. 573. Joint resolution making a repayable advance to the Hazardous Substance Response Trust Fund.

The enrolled joint resolutions were subsequently signed by the President pro tempore [Mr. THURMOND].

ENROLLED JOINT RESOLUTIONS PRESENTED

The Secretary of the Senate reported that on today, March 25, 1986, she had presented to the President of the United States the following enrolled joint resolutions:

S.J. Res. 226. Joint resolution to designate the week of April 6, 1986, through April 12, 1986, as "World Health Week", and to designate April 7, 1986, as "World Health Day"; and

S.J. Res. 262. Joint resolution to authorize and request the President to issue a proclamation designating June 2, through June 8, 1986, as "National Fishing Week";

REPORTS OF COMMITTEES SUBMITTED DURING RECESS

Under the authority of the order of the Senate of March 24, 1986, the following reports of committees were filed on March 24, 1986, during the recess of the Senate:

By Mr. DOMENICI, from the Committee on the Budget, without amendment:

S. Con. Res. 120. An original concurrent resolution setting forth the congressional budget for the U.S. Government for the fiscal years 1987, 1988, and 1989 (with additional and minority views) (Rept. No. 99-264).

REPORTS OF COMMITTEES

The following reports of committees were submitted:

71-059 O-87-9 (Pt. 5)

By Mr. McCLURE, from the Committee on Energy and Natural Resources, with an amendment in the nature of a substitute and an amendment to the title:

H.R. 3113. A bill providing for the Coordinated Operation of the Central Valley Project and the State Water Project in California (Rept. No. 99-265).

By Mr. HATCH, from the Committee on Labor and Human Resources, without amendment:

S. 1895. A bill for the relief of Marlboro County General Hospital Charity, of Bennettsville, South Carolina.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. DANFORTH, from the Committee on Commerce, Science, and Transportation:

James Eugene Burnett, Jr., of Arkansas, to be a Member of the National Transportation Safety Board for the term expiring December 31, 1990;

Joseph Trippe Nall, of North Carolina, to be a Member of the National Transportation Safety Board for the remainder of the term expiring December 31, 1987;

Robert Ortner, of New Jersey, to be Under Secretary of Commerce for Economic Affairs;

Pursuant to the provisions of 14 U.S.C. 729, the following named captain of the Coast Guard Reserve to a permanent commissioned officer in the Coast Guard Reserve in the grade of rear admiral (lower half):

Daniel J. Murphy.

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to appear and testify before any duly constituted committee of the Senate.)

Mr. DANFORTH. Mr. President, for the Committee on Commerce, Science, and Transportation, I also report favorably a list of U.S. Coast Guard Academy cadets for appointment as ensigns in the Coast Guard (list printed in the CONGRESSIONAL RECORD of March 12, 1986) and, to save the expense of reprinting them on the Executive Calendar, I ask unanimous consent that they lie at the Secretary's desk for the information of Senators.

By Mr. HELMS, from the Committee on Agriculture, Nutrition, and Forestry:

John William Bode, of Oklahoma, to be a member of the Board of Directors of the Commodity Credit Corporation.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. McCLURE (by request):

S. 2227. A bill to authorize appropriations to carry out the programs of the U.S. Holocaust Memorial Council; to the Committee on Energy and Natural Resources.

By Mr. ZORINSKY:

S. 2228. A bill to provide for the equitable tax treatment of certain foreign expropriation losses; to the Committee on Finance.

By Mr. DODD:

S. 2229. A bill to amend the Impoundment Control Act of 1974 to provide that deferrals of budget authority by the President shall not take effect unless within 45 legislative days Congress completes action on a deferral bill, and for other purposes; to the Committee on the Budget and the Committee on Governmental Affairs, jointly, pursuant to the order of August 4, 1977, to the Committee on the Budget and Governmental Affairs with the instructions that if one committee reports, the other committee has 30 days of continuous session to report or to be discharged.

By Mr. MATTINGLY:

S.J. Res. 307. A joint resolution to designate the week of April 18 through April 27, 1986, as "National Carpet and Floorcovering Week"; to the Committee on the Judiciary.

By Mr. HELMS (for Mr. SPECTER (for himself, Mr. LAUTENBERG, Mr. BOSCHWITZ, Mr. D'AMATO, Mr. THURMOND, Mr. MURKOWSKI, Mr. HATCH, Mr. WARNER, Mr. PRESSLER, Mr. HEINZ, Mr. ROTH, Mr. TRIBLE, Mr. BIDEN, Mr. BRADLEY, Mr. BURDICK, Mr. CRANSTON, Mr. DECONCINI, Mr. DIXON, Mr. DODD, Mr. EAGLETON, Mr. GORE, Mr. HARKIN, Mr. JOHNSTON, Mr. KENNEDY, Mr. KERRY, Mr. LEAHY, Mr. LEVIN, Mr. METZENBAUM, Mr. PELL, Mr. MOYNIHAN, Mr. RIEGLE, Mr. ROCKEFELLER, Mr. SARBANES, Mr. SIMON, Mr. SASSER, Mr. ZORINSKY, and Mrs. HAWKINS)):

S.J. Res. 308. A joint resolution designating March 25, 1986, as "Greek Independence Day: A National Day of Celebration of Greek and American Democracy"; considered and passed.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. KENNEDY (for himself and Mr. PELL):

S. Con. Res. 121. A concurrent resolution expressing the sense of the Congress concerning representative government, political parties, and freedom of expression on Taiwan; to the Committee on Foreign Relations.

STATEMENTS OF INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. McCLURE (by request):

S. 2227. A bill to authorize appropriations to carry out the programs of the U.S. Holocaust Memorial Council; to the Committee on Energy and Natural Resources.

U.S. HOLOCAUST MEMORIAL COUNCIL

● Mr. McCLURE. Mr. President, pursuant to an executive communication referred to the Committee on Energy and Natural Resources, at the request of the U.S. Holocaust Memorial Council I send to the desk a bill to authorize appropriations to carry out the programs of the U.S. Holocaust Memorial Council.

Mr. President, this draft legislation was submitted and recommended by the U.S. Holocaust Memorial Council, and I ask unanimous consent that the bill, and the executive communication which accompanied the proposal from the Acting Executive Director be printed in the RECORD.

There being no objection the bill and letter were ordered to be printed in the RECORD, as follows:

S. 2227

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That part of section 8 of the Holocaust Memorial Council Act (Public Law 96-388, as amended; 36 U.S.C. 1408) which precedes the proviso is amended to read as follows: "There is authorized to be appropriated to carry out the purposes of this Act $2,057,000 for the fiscal year 1987 and such sums as may be necessary for fiscal year 1988."

U.S. HOLOCAUST MEMORIAL COUNCIL,
OFFICE OF EXECUTIVE DIRECTOR,
Washington, DC, March 13, 1986.

Hon. GEORGE BUSH,
President of the Senate,
Washington, DC.

DEAR MR. PRESIDENT: Enclosed is a draft bill to authorizing appropriations to carry out the programs of the United States Holocaust Memorial Council.

We recommend that the bill be referred to the appropriate committee for consideration, and that it be enacted.

Public Law 96-388, October 7, 1980 (36 U.S.C. 1401), provides for the establishment of the United States Holocaust Memorial Council to provide appropriate ways for the Nation to commemorate Days of Remembrance, plan, construct, and oversee the operation of a permanent living memorial museum to the victims of the Holocaust, and develop a plan for carrying out the recommendations of the President's Commission on the Holocaust. Section 8 authorized $722,000 for Fiscal Year 1981; $800,000 for Fiscal Year 1982; and $850,000 for Fiscal Year 1983, to carry out the purposes of this Act. Public Law 99-190 provided net appropriations in the amount of $2,112,000 for Fiscal Year 1986.

The enclosed draft bill would amend the appropriation authorization in Section 8 of the United States Holocaust Memorial Council Act (Public Law 96-388, as amended; 36 U.S.C. 1401) to authorize an appropriation of $2,057,000 for Fiscal Year 1987, and such sums as are necessary for Fiscal Year 1988.

Such an authorization and appropriation would enable the Council to carry out its responsibilities through September 30, 1987, as provided in the President's 1987 budget. The amended authorization is necessary to the planning of the living memorial museum, continued observance and expansion of Days of Remembrance, as well as the preservation and development of research and documentation of the Holocaust.

The Council has made measurable progress in carrying out its mandated responsibilities since its inception in 1981. It is anticipated that the requested funding level for 1987 will allow each of its components to proceed with their program responsibilities to meet the ultimate objectives of the Council.

The Office of Management and Budget advises that enactment of this proposal would be in accordance with the program of the President.

A similar letter is being sent to The Honorable Thomas P. O'Neill, Jr., of the House of Representatives.

Sincerely,

MICAH H. NAFTALIN,
Acting Excutive Director.●

By Mr. ZORINSKY:

S. 2228. A bill to provide for the equitable tax treatment of certain foreign expropriation losses; to the Committee on Finance.

PERUVIAN EXPROPRIATION TAX RELIEF

● Mr. ZORINSKY. Mr. President, the bill I am introducing today would provide equitable tax treatment for a Nebraska constituent that suffered substantial foreign expropriation loss late last year.

HNG/InterNorth, Inc., which is headquartered in Omaha, NE, in 1983 acquired Belco Petroleum which has been engaged in oil and gas exploration and development in northwest Peru since 1959. Despite the fact that Belco was a model corporate citizen in Peru and employed over 2,500 Peruvians, in 1985 Belco's relations with the Peruvian Government soured.

In August 1985, the Peruvian Government unilaterally rescinded the contracts under which Belco had been conducting petroleum operations in Peru. After its contracts were rescinded, Belco negotiated in good faith with Peruvian officials but on the evening of December 27, 1985, soldiers surrounded Belco's Lima office and nationalized its operations. The next morning, the general manager of PetroPeru, accompanied by soldiers and press, arrived at Belco's operational headquarters at Talara and read a Presidential decree that nationalized Belco's Peruvian assets.

Since that time HNG/InterNorth officials have negotiated with the Peruvian Government for the return of its assets or just compensation for the confiscation, but without any success.

FINANCIAL IMPACT

This arbitrary seizure by the Peruvian Government obviously dealt HNG/InterNorth a significant financial blow. The company's actual investment in assets seized by the Peruvian Government was approximately $393 million. This amount, however, does not reflect the full value of the properties confiscated since it does not take into account the actual worth of Belco's proven oil and gas reserves.

The company's loss might be offset by a recovery of up to $175 million from all sources, including the Peruvian Government. There is, however, presently no assurance that any recovery will be realized.

THE TAX PROBLEM

Even though HNG/InterNorth had $393 million of actual cash investment in the Belco Peruvian operations that were confiscated, existing tax rules seem to permit no relief to the company.

When InterNorth acquired Belco Petroleum in August 1983, the acquisition was structured in such a way that the company carried over Belco's old tax basis, which was substantially below the actual purchase price. Thus, under the current Tax Code, the company is stuck with a basis for loss deduction purposes which is not only far below the actual value of the property lost, but far below the company's actual cash invested since 1983.

Consequently, when the amount of any potential recovery is netted out, the company will be permitted little or no deduction for tax purposes even though it has just suffered a serious financial hardship.

Moreover, at the time the company's Peruvian assets were expropriated, it had $27 million in unrecovered foreign tax credits for tax paid to Peru. Without some legislative relief, there is virtually no likelihood that the company will be able to utilize these unrecovered tax credits even though it could have utilized them in the future if its Peruvian operations were continued.

PROPOSED LEGISLATION

The bill I am introducing today would provide relief from this unfair result. The bill would permit the company to claim an expropriation loss on the full value of its unrecovered financial investment in its Peruvian assets reduced, of course, by the amount of any potential recovery. This is consistent with the loss reported on the company's Form 10k filed with the Securities and Exchange Commission.

Also, the legislation would waive the limitations on the use of foreign tax credit to permit the company to utilize its unrecovered Peruvian tax credits against this domestic tax liability. This relief would be limited to the actions under this specific Peruvian Presidential decree.

I am hopeful that the Senate Finance Committee will promptly take up this matter as part of the tax reform bill it is presently considering. In my view the operation of the present tax rules operates to impose an unjustified hardship on a company already injured by the arbitrary actions of a foreign government.

Mr. President, I ask unanimous consent that a copy of the bill be printed at the conclusion of my remarks.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2228

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That in the case of a seizure of the assets of a corporation in December 1985 pursuant to Peruvian Presidential Decree No. 035-85-EM,—

(a) For purposes of section 165 of the Internal Revenue Code of 1954, any loss shall be considered to have been sustained during the taxable year including December 1985.

(b) Notwithstanding the provisions of section 165(b) of the Code, the basis for determining the amount of the deduction for any loss shall be the amount of the net loss from the seizure set forth in the parent corporation's Form 10-K filed with the securities and Exchange Commission for calendar year 1985 increased by the estimated recoveries by insurance or otherwise.

(c) For purposes of determining the foreign tax credit allowable under section 27(a) of the Code, sections 901(e), 904(a), and 907 of the Code shall not apply to the taxes imposed by Peru on the corporation whose assets were seized.●

By Mr. DODD:

S. 2229. A bill to amend the Impoundment Control Act of 1974 to provide that deferrals of budget authority proposed by the President shall not take effect unless within 45 legislative days Congress completes action on a deferral bill, and for other purposes; pursuant to the order of August 4, 1977, referred jointly to the Committee on the Budget and the Committee on Governmental Affairs.

VETO OVER DEFERRAL LEGISLATION

● Mr. DODD. Mr. President, I am introducing today a bill which amends the Impoundment Control Act of 1974 to provide that deferrals of budget authority proposed by the President shall not take effect unless Congress approves the deferral within 45 days. A substantially similar bill was just recently introduced in the House by my good friend and colleague from Connecticut, Representative BRUCE MORRISON.

This bill is necessitated by a 1983 U.S. Supreme Court decision and continuing action by President Reagan which flies in the face of that decision. Under section 1013 of the original act, Congress may override any deferral by the President by passing an impoundment resolution disapproving the deferral in either the House or the Senate. In 1983, the Supreme Court, in Immigration and Naturalization Service versus Chadha, held that this "one-House veto" violated the principle of separation of powers and the lawmaking requirements of article I of the Constitution.

Because this unconstitutional veto provision was not intended to be severable from the rest of section 1013, the President has no remaining power under the law to defer budget authority. As the legislative history of the Impoundment Control Act clearly shows, Congress would not have vested the President with the power to defer spending without retaining the power to override those deferral decisions, if necessary.

Notwithstanding the Chadha decision and clear congressional intent, however, President Reagan, on February 5, 1986, sent an impoundment notice to Congress setting forth $32 billion worth of proposed rescissions and deferrals. Pursuant to this notice, the President seeks to defer budget authority for several housing and com-

munity development programs, such as the Community Development Block Grant Program, the "Section 202" Program, "Section 8" housing, and the "Section 312" Rehabilitation Program.

The bill I am introducing today is simple and straightforward. It says that no proposed deferral by the President would go into effect unless both Houses of Congress pass a bill approving it within 45 legislative days after receiving the impoundment notice from the President. The bill would establish a procedure for deferral which is identical to the rescission procedure presently in place under the Impoundment Control Act.

It is my hope today that Congress will take swift action on this bill in order to restore a necessary "check" on the President's exercise of the deferral power—a check which was intended from the beginning to accompany the deferral power. This bill would allow us to reclaim that power over appropriations which the original Impoundment Act—and the Constitution—intended for us to have.

Mr. President, I ask unanimous consent that the text of this legislation be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2229

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled.

SECTION 1. DEFINITION OF DEFERRAL BILL.

(a) DEFINITION OF DEFERRAL BILL.—Paragraph (4) of section 1011 of the Impoundment Control Act of 1974 is amended to read as follows:

"(4) 'deferral bill' means a bill or joint resolution which only authorizes the deferral of budget authority proposed to be deferred in a special message transmitted by the President under section 1013, and upon which the Congress completes action before the end of the first period of 45 calendar days of continuous session of the Congress after the date on which the President's message is received by the Congress;".

(b) CONFORMING AMENDMENT.—Paragraph (5) of section 1011 of the Impoundment Control Act of 1974 is amended by—

(1) inserting "or (4)" after "paragraph (3)" each place it appears; and

(2) inserting "or section 1013" after "section 1012" each place it appears.

SEC. 2. DEFERRAL OF BUDGET AUTHORITY.

(a) AMENDMENT OF SECTION HEADING.—The heading of section 1013 of the Impoundment Control Act of 1974 is amended to read as follows: "Deferral of Budget Authority".

(b) REQUIREMENT TO MAKE AVAILABLE FOR OBLIGATION.—Subsection (b) of section 1013 of the Impoundment Control Act of 1974 is amended by striking out "if either House of Congress passes an impoundment resolution disapproving such proposed deferral" and by inserting in lieu thereof the following: "unless, within the prescribed 45-day period, the Congress has completed action on a deferral bill authorizing the deferral of the amount proposed to be deferred".

SEC. 3. TECHNICAL AMENDMENTS RESPECTING PROCEDURE IN THE HOUSE AND SENATE.

(a) REFERRAL.—Subsection (a) of section 1017 of such Act is amended by striking out "impoundment resolution" and inserting in lieu thereof "deferral bill".

(b) DISCHARGE OF COMMITTEE.—

(1) Paragraph (1) of subsection (b) of section 1017 of such Act is amended—

(A) by striking out "impoundment resolution" each place it appears and inserting in lieu thereof "deferral bill"; and

(B) by striking out "or resolution".

(2) Paragraph (2) of subsection (b) of section 1017 of such Act is amended by striking out "or resolution" each place it appears.

(c) FLOOR CONSIDERATION IN THE HOUSE.—Subsection (c) of section 1017 of such Act is amended—

(1) by striking out "or impoundment resolution" each place it appears and inserting in lieu thereof "or deferral bill";

(2) by striking out "or resolution" each place it appears;

(3) by striking out "an impoundment resolution" in paragraph (2) and inserting in lieu thereof "a deferral bill";

(4) by striking out "the resolution" in such paragraph and inserting in lieu thereof "the bill"; and

(5) by striking out "and resolutions" in paragraph (5).

(d) FLOOR CONSIDERATION IN THE SENATE.—Subsection (d) of section 1017 of such Act is amended—

(1) by striking out "or impoundment resolution" each place it appears in paragraphs (1) and (2) and inserting in lieu thereof "or deferral bill";

(2) by striking out "an impoundment resolution" each place it appears in paragraphs (2) and (3) and inserting in lieu thereof "a deferral bill";

(3) by striking out "or resolution" each place it appears in paragraph (2);

(4) by striking out "concurrent resolution" in paragraph (3) and inserting in lieu thereof "bill"; and

(5) by inserting "or deferral bill" and "rescission bill" each place it appears in paragraphs (4) and (5).

SEC. 4. TECHNICAL AMENDMENT TO TABLE OF CONTENTS.

The item relating to section 1012 in the table of contents set forth in section 1(b) of the Congressional Budget and Impoundment Control Act of 1974 is amended to read as follows:

"Sec. 1012. Deferral of budget authority.".●

By Mr. MATTINGLY:

S.J. Res. 307. Joint resolution to authorize and request the President to designate the week of April 18, 1986, through April 27, 1986, as "National Carpet and Floorcovering Week"; to the Committee on the Judiciary.

NATIONAL CARPET AND FLOORCOVERING WEEK

● Mr. MATTINGLY. Mr. President, my colleagues are by now familiar with my, and others, outspoken concern over the current crisis in the U.S. textile industry. Cheaper foreign-made textile products have flooded our markets, forcing mill closings in the hundreds and unemployment in the tens of thousands. As the only industry in a given area, a mill closing can threaten an entire community. I rise today to bring to my colleagues' attention a sector of the U.S. textile industry that remains as one of its few bright spots—I am referring to our carpet and floorcovering manufacturers.

The first carpet mill was established in 1791 in Philadelphia, PA. Today there are over 370 carpet and rug manufacturing plants located in 23 States. In 1950 the U.S. carpet industry shipped 97 million square yards. Currently shipments are in the range of 1 billion square yards annually and have a mill dollar value of $6 billion. Today's export market is over 48 million square yards with a dollar value of $264 million, compared to 7.4 million square yards in 1970 with a dollar value of $25 million. This industry is especially important to my State of Georgia, home of Dalton, GA, the carpet capital of the world, and where 66 percent of all carpet and rugs manufactured in the United States are produced. Yet this American industry, like so many others, is feeling the pressure of increased competition.

U.S. carpets, rugs, and other floor coverings are competitive. The industry is technologically advanced employing the latest in automated looms, tufting, and backing machinery. Over roughly a 30-year period, the price of U.S. carpet has increased by only 52 percent. Compare this to new car prices which rose 172 percent or all commodities which experienced price increases of over 267 percent. In 1978 square yard exports accounted for 2.8 percent of total U.S. production while imports accounted for 1.3 percent of total U.S. production. However, in 1985 square yard exports represented 2.6 percent of total U.S. production while imports represented 4.6 percent of total production. It has been argued that this shift in export/import percentages is the result of U.S. imports of handmade, expensive Oriental or Persian style rugs. This is not so. The dollar value per square yard of U.S. carpet and rug imports has fallen from $12.60 in 1978 to $10.08 in 1985.

The U.S. carpet and floorcovering industry is well aware that competition is, and will continue, to increase. They are looking to the future and beginning to adapt to the changing global environment. The backbone of their strategy is a self-help philosophy that is best evidenced by the industry's redoubled efforts to market American carpet and floorcovering products. For the second year in a row the U.S. industry will sponsor the national carpet and floorcovering floor show during the week of April 18, 1986. This is a nationwide promotional event designed to showcase U.S. carpet and floorcovering products. To recognize the importance of this textile industry, today I am introducing legislation designating April 18, 1986, through April 27, 1986, "National Carpet and Floorcovering Week." Mr. President, I ask unanimous consent that a copy of

the joint resolution be printed in the RECORD. I urge my colleagues to join me in cosponsoring this joint resolution and recognize the determination of this important industry to maintain its competitive position.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 307

Whereas, since its founding more than two hundred years ago, this nation has promoted the concept of prosperity through a free enterprise system;

Whereas American business has traditionally prospered and flourished through fair pursuit of free enterprise, but finds itself now beset by increased unfair competition from overseas;

Whereas American carpet and floorcovering producers represent one of the last remaining areas of strength for the U.S. textile industry;

Whereas, in the spirit of marketing and promotion that has helped make the United States the world's premier industrial power, an unprecedented national promotional effort is to be made in conjunction with National Carpet and Floorcovering Week, April 18 through April 27, 1986;

Whereas this annual event has become known as the United States' largest carpet and floorcovering event showcasing the enormous variety and excellent quality of goods offered by American fiber producers, mills, distributors, and retailers;

Whereas these efforts have been specifically designed to bring to the consumers' attention the vast array of American floorcovering products on the market and to heighten public awareness as to the design and fashion uses of American floorcoverings; and

Whereas it is only with resourcefulness, determination, and perserverence similar to that shown by the American carpet and floorcovering producers that U.S. industry can continue to meet the demands and needs of the world's consumers in what are increasingly competitive national and international marketplaces; Now, therefore, be it

Resolved by the Senate and the House of Representatives of the United States of America in Congress assembled, That the President of the United States is authorized and requested to issue a proclamation designating April 18, 1986 to April 27, 1986, as "National Carpet and Floorcovering Week", and calling upon the people of the United States to observe that week with appropriate programs and activities.●

ADDITIONAL COSPONSORS

S. 8

At the request of Mr. CRANSTON, the names of the Senator from Georgia [Mr. NUNN], and the Senator from Hawaii [Mr. INOUYE] were added as cosponsors of S. 8, a bill to grant a Federal charter to the Vietnam Veterans of America, Inc.

S. 558

At the request of Mr. MOYNIHAN, the name of the Senator from South Carolina [Mr. HOLLINGS] was added as a cosponsor of S. 558, a bill to amend the Internal Revenue Code of 1954 to permanently exclude educational assistance programs from gross income, and for other purposes.

S. 1569

At the request of Mr. BINGAMAN, the name of the Senator from Mississippi [Mr. STENNIS] was added as a cosponsor of S. 1569, a bill to amend title XVIII of the Public Health Service Act to encourage health promotion and disease prevention through the implementation of a coordinated national nutrition monitoring system.

S. 1687

At the request of Mr. MATSUNAGA, the name of the Senator from Nevada [Mr. HECHT] was added as a cosponsor of S. 1687, a bill to develop a national policy for the utilization of fuel cell technology.

S. 1980

At the request of Mr. THURMOND, the name of the Senator from Wyoming [Mr. WALLOP] was added as a cosponsor of S. 1980, a bill to amend title 17, United States Code, regarding the conveyance of audiovisual work, and for other purposes.

S. 2004

At the request of Mr. ROTH, the names of the Senator from Missouri [Mr. EAGLETON], and the Senator from Florida [Mr. CHILES] were added as cosponsors of S. 2004, a bill to require the President to submit to the Congress an annual report on the management of the executive branch of the Government.

S. 2005

At the request of Mr. ROTH, the name of the Senator from Missouri [Mr. EAGLETON] was added as a cosponsor of S. 2005, a bill to amend the Inspector General Act of 1978.

S. 2080

At the request of Mr. RIEGLE, the names of the Senator from Illinois [Mr. SIMON], the Senator from Connecticut [Mr. DODD], the Senator from Ohio [Mr. GLENN], and the Senator from Oklahoma [Mr. BOREN], were added as cosponsors of S. 2080, a bill to amend title 3, United States Code, and the Uniform Time Act of 1966 to establish a single poll closing time in the continental United States for Presidential general elections.

S. 2081

At the request of Mr. STAFFORD, the name of the Senator from Missouri [Mr. EAGLETON] was added as a cosponsor of S. 2081, a bill to reauthorize the Head Start Act, the Low-Income Home Energy Assistance Act of 1981, the Community Services Block Grant Act, for deferred cost care programs, and for other purposes.

S. 2083

At the request of Mr. STAFFORD, the name of the Senator from Rhode Island [Mr. PELL] was added as a cosponsor of S. 2083, a bill to amend the Toxic Substances Control Act to require the Environmental Protection Agency to set standards for identification and abatement of hazardous asbestos in the Nation's schools to mandate abatement of hazardous asbestos in the Nation's schools in accordance with those standards, to require local educational agencies to prepare asbestos management plans, and for other purposes.

S. 2087

At the request of Mr. GRASSLEY, his name was added as a cosponsor of S. 2087, a bill to amend part B of title XIX of the Public Health Service Act to specify the method of determining State allotments.

S. 2108

At the request of Mr. KASTEN, the names of the Senator from Pennsylvania [Mr. SPECTER] and the Senator from Oklahoma [Mr. BOREN] were added as cosponsors of S. 2108, a bill to provide that Federal tax reform legislation shall not take effect before January 1, 1987.

S. 2115

At the request of Mr. THURMOND, the name of the Senator from Virginia [Mr. WARNER] was added as a cosponsor of S. 2115, a bill to recognize the organization known as the 82d Airborne Division Association, Inc.

S. 2181

At the request of Mr. D'AMATO, the name of the Senator from Montana [Mr. BAUCUS] was added as a cosponsor of S. 2181, a bill entitled the "Construction Industry Labor Law Amendments of 1986."

S. 2186

At the request of Mr. MURKOWSKI, the name of the Senator from Montana [Mr. MELCHER] was added as a cosponsor of S. 2186, a bill to exempt any amounts available to provide certain benefits to veterans with service-connected disabilities from any requirement for sequestration of funds under part C of the Balanced Budget and Emergency Deficit Control Act of 1985.

S. 2191

At the request of Mr. ROTH, the name of the Senator from Wisconsin [Mr. KASTEN] was added as a cosponsor of S. 2191, a bill to amend the Federal Aviation Act of 1958 so as to prohibit reprisals against certain officers, employees, or contractors of air carriers.

S. 2195

At the request of Mr. GORTON, the name of the Senator from Arizona [Mr. DECONCINI] was added as a cosponsor of S. 2195, a bill to amend the Internal Revenue Code of 1954 to provide tax-exempt status for organizations which assist in introducing into public use technology developed by operating research organizations.

S. 2198

At the request of Mr. TRIBLE, the names of the Senator from Mississippi [Mr. COCHRAN] and the Senator from Hawaii [Mr. INOUYE] were added as cosponsors of S. 2198, a bill to provide that the full cost-of-living adjustment in benefits payable under certain Federal programs shall be made for 1987.

S. 2203

At the request of Mr. D'AMATO, his name was added as a cosponsor of S. 2203, a bill to establish a program to reduce acid deposition and for other purposes.

S. 2216

At the request of Mr. STEVENS, the name of the Senator from Mississippi [Mr. STENNIS] was added as a cosponsor, of S. 2216, a bill to designate September 17, 1987, the bicentennial of the signing of the Constitution of the United States, as "Constitution Day," and to make such day a legal public holiday.

S. 2221

At the request of Mrs. KASSEBAUM, the names of the Senator from Nebraska [Mr. ZORINSKY] and the Senator from Wisconsin [Mr. KASTEN] were added as cosponsors of S. 2221, a bill to amend section 108 of the Internal Revenue Code of 1954 to provide that the discharge of certain farm indebtedness shall not be included in gross income.

SENATE JOINT RESOLUTION 251

At the request of Mr. HATCH, the names of the Senator from Missouri [Mr. DANFORTH] and the Senator from Hawaii [Mr. MATSUNAGA] were added as cosponsors of Senate Joint Resolution 251, a joint resolution to designate the week of May 11, 1986, through May 17, 1986, as "National Science Week, 1986."

SENATE JOINT RESOLUTION 261

At the request of Mr. MOYNIHAN, his name was added as a cosponsor of Senate Joint Resolution 261, a joint resolution to designate the week of April 14, 1986, through April 20, 1986 as "National Mathematics Awareness Week."

SENATE JOINT RESOLUTION 264

At the request of Mr. PRYOR, the names of the Senator from Maine [Mr. MITCHELL] and the Senator from Kentucky [Mr. FORD] were added as cosponsors of Senate Joint Reolution 264, a joint resolution designating April 28, 1986, as "National Nursing Home Residents Day."

SENATE JOINT RESOLUTION 274

At the request of Mr. GRASSLEY, the names of the Senator from Kansas [Mr. DOLE], and the Senator from Nebraska [Mr. ZORINSKY] were added as cosponsors of Senate Joint Resolution 274, a joint resolution to designate the weekend of August 1, 1986, through August 3, 1986, as "National Family Reunion Weekend."

SENATE JOINT RESOLUTION 280

At the request of Mr. HEINZ, the names of the Senator from Tennessee [Mr. GORE], the Senator from Kansas [Mr. DOLE], the Senator from South Dakota [Mr. PRESSLER], the Senator from Indiana [Mr. LUGAR], the Senator from Hawaii [Mr. MATSUNAGA], the Senator from Maine [Mr. COHEN], and the Senator from Maryland [Mr. SARBANES] were added as cosponsors of Senate Joint Resolution 280, a joint resolution to designate the month of November 1986 as "National Alzheimer's Disease Month."

SENATE JOINT RESOLUTION 281

At the request of Mr. NUNN, the names of the Senator from California [Mr. CRANSTON], the Senator from Florida [Mrs. HAWKINS], the Senator from Maine [Mr. MITCHELL], and the Senator from Virginia [Mr. WARNER] were added as cosponsors of Senate Joint Resolution 281, a joint resolution to designate the week of May 11, 1986, through May 17, 1986, as "Senior Center Week."

SENATE JOINT RESOLUTION 284

At the request of Mr. METZENBAUM, the names of the Senator from Minnesota [Mr. BOSCHWITZ], the Senator from Arkansas [Mr. BUMPERS], the Senator from Alabama [Mr. DENTON], the Senator from Nebraska [Mr. EXON], the Senator from Alabama [Mr. HEFLIN], the Senator from Michigan [Mr. LEVIN], the Senator from Massachusetts [Mr. KERRY], and the Senator from West Virginia [Mr. ROCKEFELLER] were added as cosponsors of Senate Joint Resolution 284, a joint resolution to designate the month of May 1986 as "Better Hearing and Speech Month."

SENATE JOINT RESOLUTION 286

At the request of Mr. HATFIELD, the names of the Senator from Arizona [Mr. DECONCINI], and the Senator from Michigan [Mr. LEVIN] were added as cosponsors of Senate Joint Resolution 286, a joint resolution to designate the week of April 20, 1986, through April 26, 1986, as "National Reading Is Fun Week."

SENATE JOINT RESOLUTION 290

At the request of Mr. DECONCINI, the names of the Senator from Wyoming [Mr. SIMPSON], the Senator from Indiana [Mr. LUGAR], the Senator from Iowa [Mr. GRASSLEY], the Senator from Alabama [Mr. DENTON], the Senator from Pennsylvania [Mr. SPECTER], and the Senator from New Jersey [Mr. LAUTENBERG] were added as cosponsors of Senate Joint Resolution 290, a joint resolution to designate July 4, 1986, as "National Immigrants Day."

SENATE JOINT RESOLUTION 303

At the request of Mr. MATHIAS, the names of the Senator from Oregon [Mr. PACKWOOD], the Senator from South Carolina [Mr. HOLLINGS], the Senator from New York [Mr. D'AMATO], the Senator from Minnesota [Mr. DURENBERGER], the Senator from Virginia [Mr. TRIBLE], and the Senator from Missouri [Mr. DANFORTH] were added as cosponsors of Senate Joint Resolution 303, a joint resolution to designate April 1986, as "Fair Housing Month."

SENATE CONCURRENT RESOLUTION 116

At the request of Mr. KASTEN, the name of the Senator from Illinois [Mr. SIMON] was added as a cosponsor of Senate Concurrent Resolution 116, a concurrent resolution concerning the ongoing famine in Ethiopia and the Ethiopian Government's resettlement policy.

SENATE CONCURRENT RESOLUTION 119

At the request of Mrs. KASSEBAUM, the names of the Senator from Nebraska [Mr. ZORINSKY] and the Senator from Wisconsin [Mr. KASTEN] were added as cosponsors of Senate Concurrent Resolution 119, expressing the sense of the Congress relating to an amendment to the Internal Revenue Code of 1954 excluding the discharge of qualified agricultural indebtedness from cancellation of indebtedness income.

SENATE RESOLUTION 365

At the request of Mr. GLENN, the name of the Senator from North Dakota [Mr. ANDREWS] was added as a consponsor of Senate Resolution 365, a resolution to implement rule XLII of the Standing Rules of the Senate, relating to employment practices.

SENATE CONCURRENT RESOLUTION 121—CONCERNING REPRESENTATIVE GOVERNMENT, POLITICAL PARTIES, AND FREEDOM OF EXPRESSION ON TAIWAN

Mr. KENNEDY (for himself and Mr. PELL) submitted the following concurrent resolution; which was referred to the Committee on Foreign Relations:

S. CON. RES. 121

Whereas prosperity and educational progress on the island of Taiwan have created conditions in which a democratic system of government can thrive;

Whereas stability and peace prevail on the island of Taiwan and in the Western Pacific region;

Whereas the people on Taiwan, primarily in elections at the local level, have shown themselves fully capable of participating in a democratic political process;

Whereas in spite of this, only a small minority of the seats in the central legislature and central electoral college are filled through periodic election, with the vast majority of seats still being held by individuals who took office in the late 1940's;

Whereas the system of martial law imposed in 1949 and other emergency provisions prevent the democratic opposition on Taiwan from organizing a genuine opposition party and constrain it from exercising the constitutionally mandated freedom of the press and freedom of expression;

Whereas the system of martial law provides the authorities broad latitude in

charging political dissidents with the crimes of sedition and treason;

Whereas the preservation and enhancement of human rights of all the people on Taiwan are objectives of the United States;

Whereas section 806 of the Foreign Relations Authorization Act, Fiscal Years 1986 and 1987, states the sense of the Congress that "one important element of a peaceful future for Taiwan is greater participation in the political process by all the people on Taiwan" and that "accordingly, the United States should encourage the authorities on Taiwan to work vigorously toward this end"; and

Whereas a more free and open Taiwan, with full respect for human rights, would have an even stronger claim to the moral support of the American people: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That it is the sense of the Congress that the authorities on Taiwan should continue and accelerate progress toward a fully democratic system, in particular by—

(1) allowing the formation of genuine opposition political parties;

(2) ending censorship and guaranteeing freedom of speech, expression, and assembly; and

(3) moving toward full representative government, including the free and fair election of all members of all national legislative bodies, and direct Presidential elections.

Mr. KENNEDY. Mr. President, I rise to introduce a resolution with my good friend Senator PELL calling for democracy in Taiwan. This May will mark the 37th year the people of Taiwan have lived under a political system which denies them the freedom to fully express their civil rights. For 37 years, the people of Taiwan have lived under a martial law—and it is high time that true democracy was brought to the people of Taiwan.

The thriving economy of Taiwan has been the envy of the developing world. By hard work and ingenuity, the people of Taiwan have created an educated citizenry, a prosperous society, and a respected body of able local leaders. Stability and peace have prevailed on the island of Taiwan and in the Western Pacific region and the citizens of Taiwan have repeatedly demonstrated the will and the capacity to participate fully in the democratic political process.

Yet, the Government of Taiwan continues to deny the people of Taiwan the right to a democratic system of government. Under martial law and associated legislation, the Government has suspended civil liberties, controls most of the media and heavily censors the handful of independent magazines it permits to exist. Independent organizations must register with the Government and only one legal organization per function may exist. The Government tightly controls labor unions and has outlawed strikes. In addition, the Government has outlawed new political parties in order to maintain their virtual monopoly on political activity.

Those who challenge this restrictive system are subject to harsh treatment by the Taiwanese authorities. Many citizens—some whose only crime is peaceful protest—face courts-martial for charges of sedition, the death penalty or long terms in military prisons. Internationally recognized rules of trial procedure are often not followed and there are many reported incidents of torture of those held in prison.

The political structure in Taiwan has shut out participation by the majority of the population. Only 8 percent of the members of the national legislative bodies represent Taiwan and are elected by the people. According to the State Department, "Effective power resides with the aging KMT leadership which fled the mainland in 1949." The vast majority of the leadership was elected on mainland China 30 years ago; their average age is 80 and when they vacate their seats, their offices remain vacant or are filled by appointment.

The resolution I am introducing calls on the Government of Taiwan to take steps to bring a full democratic system to the people of Taiwan. It calls for the Government to permit the formation of genuine opposition political parties, to end censorship, to guarantee freedom of speech, expression and assembly and for the Government to move toward full representative government, including the free and fair election of all members of the national legislative bodies and for direct Presidential elections.

The time has come for Taiwan to follow the same path of the Philippines. The time is now for a truly democratic Taiwan. I urge my colleagues to give careful consideration to this resolution and hope it is expeditiously and swiftly approved by the U.S. Congress.

AMENDMENTS SUBMITTED

METROPOLITAN WASHINGTON AREA AIRPORT TRANSFER

PRESSLER (AND OTHERS) AMENDMENT NO. 1705

(Ordered to lie on the table.)

Mr. PRESSLER (for himself, Mr. EXON, Mr. HOLLINGS, and Mr. SPECTER) submitted an amendment intended to be proposed by them to the bill (S. 1017) to provide for the transfer of the Metropolitan Washington Airports to an independent authority; as follows:

On page 35, line 7, strike "Five" and insert in lieu thereof "Two".

On page 35, line 8, strike "three" and insert in lieu thereof "two".

On page 35, line 11, strike "one member" and insert in lieu thereof "five members".

On page 36, lines 5-6, strike ", in the case of the Commonwealth of Virginia and the District of Columbia,".

On page 36, lines 8-10, strike "The Governor of Virginia shall make the final two Virginia initial appointments for one 2-year and one 4-year term.".

MATHIAS AMENDMENT NOS. 1706 THROUGH 1708

(Ordered to lie on the table.)

Mr. MATHIAS submitted three amendments intended to be proposed by him to the bill (S. 1017) to provide for the transfer of the Metropolitan Washington Airports to an independent airport authority; as follows:

AMENDMENT No. 1706

On page 30, line 6, strike out the period and insert in lieu thereof "within six months after the date of enactment of this Act. In no event shall the determination of hypothetical indebtedness by the Federal Aviation Administration pursuant to this paragraph be an amount which is less than the greater of—

"(A) the audit finding of the Comptroller General of the United States; or

"(B) $108,600,000.".

AMENDMENT No. 1707

On page 37, line 5, strike out all through the period on line 8 and insert in lieu thereof "means use of an airport for any of the activities described pursuant to subparagraphs (A), (B), and (C) of paragraph (2) of section 503(a) of the Airport and Airway Improvement Act of 1982 (49 U.S.C. 2202(a)(2)(A), (B), and (C)). Nothing in this subsection shall prohibit the Airports Authority from financing any aviation-related capital improvement project approved by the Authority board and identified in the Facilities Planning Guide for Washington National Airport and the Washington Dulles International Airport Master Plan. Fifty percent of any revenue provided to the Authority by such nonaviation business or activities shall be deposited in the general fund of the United States Treasury.".

AMENDMENT No. 1708

On page 41, strike out lines 17 and 18 and insert in lieu thereof "and in conformance with section 511 of the Airport and Airway Improvement Act of 1982 (49 U.S.C. 2210), no landing fee, automobile parking concession, terminal area or other building rental, land lease, or any other concession, rent or user charge providing operating revenue to the authority—".

On page 41, line 19, insert "generated" after "(A)".

On page 41, line 23, insert "generated" after "(B)".

On page 42, insert between lines 2 and 3 the following new paragraph:

(9) To further the intent of paragrapah (8), the Airports Authority shall—

(A) maintain separate financial records for Washington National Airport and Washington Dulles International Airport;

(B) prepare an annual report on the operation of the Metropolitan Washington Airports in accordance with the audit procedures set forth in paragraph (6) of this subsection; and

(C) submit such report to the Congress.

On page 42, line 3, strike out "(9)" and insert in lieu thereof "(10)".

NOTICES OF HEARINGS

COMMITTEE ON RULES AND ADMINISTRATION

Mr. MATHIAS. Mr. President, I wish to announce that the Committee on Rules and Administration will meet in SR-301, Russell Senate Office Building, on Wednesday, March 26, 1986, at 5 p.m., to hold an administrative business meeting. The committee will be considering the schedule for the receipt of vendor responses to the amended request for proposal for the procurement of a new telephone system for the Senate.

For further information concerning this meeting, please contact John Swearingen of the Rules Committee staff on extension 49078.

AUTHORITY FOR COMMITTEES TO MEET

SUBCOMMITTEE ON PREPAREDNESS

Mr. DOLE. Mr. President, I ask unanimous consent that the Subcommittee on prepardness of the Committee on Armed Services, be authorized to meet during the session of the Senate on Tuesday, March 25, 1986, in open later to become closed session, in order to receive testimony on Navy and Marine Corps readiness, operations, and maintenance,

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON STRATEGIC AND THEATER NUCLEAR FORCES

Mr. DOLE. Mr. President, I ask unanimous consent that the Subcommittee on Strategic and Theater Nuclear Forces, of the Committee on Armed Services, be authorized to meet during the session of the Senate on Tuesday, March 25, in open, later to become closed executive session, in order to conduct a hearing on SDI.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. DOLE. Mr. President, I ask unanimous consent that the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate on Tuesday, March 25, to hold an oversight hearing on domestic and international petroleum situation and the implications of fees on imported oil.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON THE JUDICIARY

Mr. EVANS. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet during the session of the Senate on Tuesday, March 25, in order to conduct a hearing on the issue of white collar crime.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS

Mr. DOLE. Mr. President, I ask unanimous consent that the Committee on Banking, Housing and Urban Affairs be authorized to meet during the session of the Senate on Tuesday, March 25, at 6 p.m., in order to hold a markup on the following provisions of the Garn-St Germain bill: titles I and II; to impose a moratorium on nonbank banks; and farm, oil, and gas lending banks language.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

RENEWAL OF THE PRICE-ANDERSON ACT

● Mr. McCLURE. Mr. President, one of the issues that the 99th Congress will hopefully complete action on by the end of the session is the renewal of the Price-Anderson Act, which provides for liability coverage in the event of a nuclear incident at a facility either licensed by the Nuclear Regulatory Commission or operated under contract with the Department of Energy.

The renewal of the Price-Anderson Act has been the subject of the business meetings of the Committee on Energy and Natural Resources for the past several weeks. The bill that Senator SIMPSON and I introduced last year—S. 1225—is the focus of my committee's markup.

Mr. President, it is important to note that, to date, many national organizations have issued formal position statements with respect to Price-Anderson renewal. Among these groups, there are several declarations worth noting as they relate to S. 1225.

The National Governors' Association supports:

First, a liability ceiling for commercial reactors of $2 billion, based on a one-time retrospective premium assessment of no more than $15 million per reactor per incident. If an accident caused damages in excess of the $2 billion, the Federal Government should step in to provide additional means for compensation of victims.

Second, broadening Price-Anderson coverage to explicitly cover nuclear waste activities, and precautionary evacuations.

Third, revising the statute of limitations for extraordinary nuclear occurrences from the present 20 years to a several-year-long discovery rule.

Resolutions of the National Association of Regulatory Utility Commissioners with respect to Price-Anderson renewal endorse:

First, preservation of an upper limit to liability;

Second, adjustment of the liability limit to account for inflation; and

Third, a clear commitment by Congress to fully compensate victims of a nuclear incident.

The National Conference of State Legislatures state in their energy committee resolutions that:

The Federal Government should be responsible for protection of the public against damages and personal injury incurred as a result of an accident in the transportation or disposal of high-level nuclear waste, and that the States should be held harmless for any such accidents.

The American Bar Association supports renewal of Price-Anderson provisions that authorize Federal indemnification of all contractors engaged in Department of Energy work with respect to nuclear activities.

The AFL-CIO fully supports the extension of the Price-Anderson Act beyond its 1987 expiration date.

Given that the interests of these national organizations are often widely divergent, it may seem surprising that their concerns are so similar with respect to Price-Anderson. Let me assure my colleagues that this is no coincidence. Furthermore, it is no coincidence that S. 1225, as written and as it is further evolving during committee markup, closely parallels the positions of these various groups. The explanation for this remarkable consistency can be found by examining the single most important motivation driving the issues: That is, the desire to maximize the protection to the public afforded by the Price-Anderson scheme, while at the same time preserving the key elements of that scheme that allow it to work so well.

I might add that it is also not just a coincidence that movement in the House on Price-Anderson renewal is very clearly in the direction of S. 1225. Given the many varying options, the many different bills, and the many creative proposals floating in the Halls of Congress concerning Price-Anderson renewal, the fact that all these interested parties that I've mentioned are converging on one final target gives me real hope that we will see this bill through Congress this year.

Whereas we are far from finished with the job of fine tuning the Price-Anderson bill, I am confident that the progress we have made so far will continue to drive the process toward a reasonable, balanced, and workable final product.●

NOTICE OF DETERMINATIONS BY THE SELECT COMMITTEE ON ETHICS

● Mr. RUDMAN. Mr. President, it is required by paragraph 4 of rule 35 that I place in the CONGRESSIONAL RECORD notices of Senate employees who participate in programs, the principal objective of which is educational,

sponsored by a foreign government or a foreign educational or charitable organization involving travel to a foreign country paid for by that foreign government or organization.

The select committee has received a request for a determination under rule 35, for Ms. Patricia L. Lynch, a member of the staff of Senator DENNIS DECONCINI, to participate in a program in Taipei, Taiwan, sponsored by Tamkang University, from March 28–April 6, 1986.

The committee has determined that participation by Ms. Lynch in the program in Taiwan, at the expense of Tamkang University, is in the interest of the Senate and the United States.

The select committee has received a request for a determination under rule 35, for Ms. Jean Huffer, a member of the staff of Senator DONALD W. RIEGLE, JR., to participate in a program in Taipei, Taiwan, sponsored by Tamkang University, from March 28–April 6, 1986.

The committee has determined that participation by Ms. Huffer in the program in Taiwan, at the expense of Tamkang University, is in the interest of the Senate and the United States.

The select committee has received a request for a determination under rule 35, for Mr. John Dukakis, a member of the staff of Senator JOHN F. KERRY, to participate in a program in Taiwan, sponsored by Tamkang University, from March 29 to April 6, 1986, and in a meeting with United States and Thai officials in Bangkok, Thailand, sponsored by Refugees International, from April 6 to April 10, 1986.

The committee has determined that participation by Mr. Dukakis in these programs in Taiwan, at the expense of Tamkang University, and in Thailand, at the expense of Refugees International, is in the interest of the Senate and the United States.

The select committee has received a request for a determination under rule 35, for Mr. Ray Bramucci, State director for Senator BILL BRADLEY, to participate in a program in Taiwan, sponsored by Tamkang University, from March 28 to April 5, 1986.

The committee has determined that participation by Mr. Bramucci in the program in Taiwan, at the expense of Tamkang University, is in the interest of the Senate and the United States.

The select committee has received a request for a determination under rule 35, for Ms. Marilyn Yager, a member of the staff of the Labor and Human Resources Subcommittee of the Handicapped, to participate in a program in Taiwan, sponsored by the Chinese Cultured University, from March 26 to April 5, 1986.

The committee has determined that participation by Ms. Yager in the program in Taiwan, at the expense of the Chinese Culture University, is in the interest of the Senate and the United States.

The select committee has received a request for a determination under rule 35, for Mr. C. Randall Nuckolls, a member of the staff of Senator SAM NUNN, to participate in a program in Taiwan, sponsored by Tamkang University, from March 29 to April 6, 1986.

The committee has determined that participation by Mr. Nuckolls in the program in Taiwan, at the expense of Tamkang University, is in the interest of the Senate and the United States.

The select committee has received a request for a determination under rule 35, for Mr. Jonas K. Bobelis, a member of the staff of Senator PAULA HAWKINS, to participate in a program in Taiwan, sponsored by the Chinese Culture University, from March 29–April 5, 1986.

The committee has determined that participation by Mr. Bobelis in the program in Taiwan, at the expense of the Chinese Culture University, is in the interest of the Senate and the United States.

OUR NUCLEAR INDUSTRY

● Mr. McCLURE. Mr. President, commercial nuclear power in the United States reached a milestone this month when the Perry One plant in North Perry, OH, went on line, becoming the Nation's 100th commercially operable nuclear powerplant.

In light of that occasion, I would like to spend a few moments to discuss the past, present, and future of our nuclear industry.

For 25 years, nuclear powerplants in this country have operated efficiently, safely, and economically. They provide an alternative to oil and independence from the unstable countries that hold most of the world's reserves.

Despite the exemplary record and obvious benefits to a stable, self-directed future, I am concerned the nuclear power industry in the United States faces a cloudy future.

By 1990, about 120 nuclear powerplants are expected to be operating in this country. But beyond that, there is no new plant construction planned.

While energy supplies are plentiful now, it is well-chronicled that the United States will need more generating capacity in the next decade. In hearings last summer before the Senate Energy and Natural Resources Committee, featuring 32 of the Nation's foremost authorities on electricity demand and energy economics, the majority of witnesses agreed that the country is likely to need new generating capacity early in the next decade. Without it, the Nation could face a shortage of electricity and a return to widespread dependence on oil and gas.

A number of factors have contributed, and continue to contribute, to the uncertain future of nuclear power.

Many plants were planned and started to meet the huge energy demands that grew out of the 1950's and 1960's. The 1973 Arab oil embargo unexpectedly slowed energy growth and caused drastic increases in energy costs, which in turn touched off runaway inflation and higher interest rates. The interest rates hurt large-scale construction projects, including nuclear plants.

In addition, hundreds of new regulations affecting nuclear plant construction have been imposed in recent years. Many of these were imposed retroactively, requiring many utilities to tear out and rebuild already completed systems.

The cost increases that resulted from this one-two punch led some State regulatory commissions to withhold all or parts of nuclear plant investment allowances from utility ratebases, effectively punishing utilities that have already invested to meet future demands. This, in turn, has undermined investor confidence in utility investment and dampened utility incentive to undertake large-scale construction.

The problems of the current generation of nuclear units in the United States, in the words of the Edison Electric Institute Task Force, arise not from the nature of the technology but from the way we have chosen to regulate and manage the country's nuclear enterprise.

Nuclear power is thriving in France, Japan, Sweden, and other countries. It can thrive here too. We must work together to correct the problems that threaten this country's most promising energy option. Letting the industry wither away would be a tragedy of immense proportions.

Let the celebration of the opening of the North Perry plant be the dawn of a resurgence in our nuclear industry, not the swan song of an important technology that can lead the world out of the age of fossil fuels.●

REPORT OF THE SURGEON GENERAL'S ADVISORY COMMITTEE ON THE HEALTH CONSEQUENCES OF USING SMOKELESS TOBACCO

● Mr. LUGAR. Mr. President, I would like to share with all of my colleagues the statements of Surgeon General C. Everett Koop, Senator HATCH, and myself in response to the release of the "Report of the Surgeon General's Advisory Committee on the Health Consequences of Using Smokeless Tobacco." These statements bring to light important information as to the health hazards of smokeless tobacco

use and I ask that the statements be printed in the RECORD.

The statements follow:

STATEMENT OF SURGEON GENERAL C. EVERETT KOOP

This Report on the Health Consequences of Using Smokeless Tobacco completes the Public Health Service's initial examination of smokeless tobacco's role in the causation of cancer, noncancerous and precancerous oral diseases or conditions, addiction, and other adverse health effects. The final copy of the report will be available for distribution on April 1, 1986. Almost 30 years after the Public Health Service's first statement of the health effects of cigarette smoking, it is now possible to issue the first comprehensive, indepth review of the relationship between smokeless tobacco use and health.

Ironically, while cigarette smoking has declined during the past 20 years, the production and apparent consumption of smokeless tobacco products have risen significantly. These increases are in marked contrast to the decline in smokeless tobacco use in the United States during the first half of this century. Indeed, smokeless tobacco products, particularly chewing tobacco and snuff, have recently emerged as popular products for the first time since the turn of the century. National estimates indicate that at least 12 million Americans used some form of smokeless tobacco during 1985 with use increasing especially among male adolescents and young male adults.

The report constitutes a comprehensive review by an Advisory Committee to the Surgeon General of the available scientific literature to determine whether using smokeless tobacco increases the risk of cancer and noncancerous oral diseases, leads to addiction and dependence, and contributes to other health consequences.

After a careful examination of the relevant epidemiologic, experimental and clinical data, the committee concludes that the oral use of smokeless tobacco represents a significant health risk. It is not a safe substitute for smoking cigarettes. It can cause cancer and a number of noncancerous oral conditions and can lead to nicotine addiction and dependence.

The major overall conclusions of this report are the following:

(1) It is estimated that smokeless tobacco was used by at least 12 million people in the United States in 1985 and that half of these were regular users. The use of smokeless tobacco, particularly moist snuff, is increasing, especially among male adolescents and young male adults.

(2) The scientific evidence is strong that the use of snuff can cause cancer in humans. The evidence for causality is strongest for cancer of the oral cavity, wherein cancer may occur several times more frequently in snuff dippers compared to nontobacco users. The excess risk of cancer of the cheek and gum may reach nearly fiftyfold among long-term snuff users.

(3) Some investigations suggest that the use of chewing tobacco may also increase the risk of oral cancer, but the evidence is not as strong and the risks have yet to be quantified.

(4) Experimental investigations reveal potent carcinogens in smokeless tobacco. These include nitrosamines, polycyclic aromatic hydrocarbons, and radiation-emitting polonium. The tobacco-specific nitrosamines often have been detected at levels 100 or more times higher than Government-regulated levels of other nitrosamines permitted in foods eaten by Americans.

Animals exposed to these tobacco-specific nitrosamines, at levels approximating those thought to be accumulated during a human life-time by daily smokeless tobacco users, have developed an excess of a variety of tumors. The nitrosamines can be metabolized by target tissues to compounds that can modify cellular genetic material.

(5) Smokeless tobacco use can lead to the development of oral leukoplakias (white patches or plaques of the oral mucosa), particularly at the site of tobacco placement. Based on evidence from several studies, a portion of leukoplakias can undergo transformation to dysplasia and further to cancer.

(6) Gingival recession is a commonly reported outcome of smokeless tobacco use.

(9) All commonly marketed and consumed smokeless tobacco products contain substantial quantities of nicotine. The nicotine is delivered to the central nervous system in addicting quantities when used in the fashion that each form is commonly used (or as recommended in smokeless tobacco marketing campaigns).

(10) A number of studies have shown that nicotine exposure from smoking cigarettes can cause addiction in humans. In this regard, nicotine is similar to other addictive drugs such as morphine and cocaine. Since nicotine levels in the body resulting from smokeless tobacco are similar in magnitude to nicotine levels from cigarette smoking, it is concluded that smokeless tobacco use also can be addictive. Besides, recent studies have shown that nicotine administered orally has the potential to produce a physiologic dependence.

(11) Since the exposure to nicotine from smokeless tobacco is similar in magnitude to nicotine exposure from cigarette smoking, the health consequences of smoking that are caused by nicotine also would be expected to be hazards of smokeless tobacco use. Areas of particular concern in which nicotine may play a contributory or supportive role in the pathogenesis of disease include coronary artery and peripheral vascular disease, hypertension, peptic ulcer disease, and fetal morality and morbidity.

This report is the work of numerous experts within the Department of Health and Human Services and in the non-Federal scientific community. I express my gratitude for their contributions.

STATEMENT OF SENATOR ORRIN G. HATCH

I am pleased to be here today, along with Senator Lugar and the Surgeon General, Dr. C. Everett Koop, to release the "Report of the Surgeon General's Advisory Committee on the Health Consequences of Using Smokeless Tobacco." I believe this report is must reading for the 12 million users of these potentially deadly products.

We have suspected that smokeless tobacco presented serious health risks for more than 250 years, ever since Dr. John Hill described an association between snuff use and cancer. More recently, the National Institutes of Health confirmed those suspicions concluding that "human data provides convincing evidence for an increased risk of oral cancer as the result of smokeless tobacco use" and went on to conclude "that tobacco by the oral route has substantial addicting properties."

This report buttresses the NIH findings. It concludes that oral use of smokeless tobacco represents a "significant health risk." It is not a safe substitute for smoking cigarettes. It can cause cancer. And it can lead to nicotine addiction. These conclusions are based on an extensive review of the relevant epideniologic, experimental, and clinical data by some of this country's most prominent scientists and researchers. This report represents the most extensive review of the health risks of smokeless tobacco products to date.

When most of us think of smokeless tobacco, we think of the professional athletes who endorse them. But we'd better think again—because today it is or children who are using this product. Studies have shown that in some areas up to 21 percent of kindergarteners—I repeat kindergarteners—have tried smokeless tobacco products.

Fortunately, my own state of Utah has set an example for the rest of the country. I'm thankful that we have the lowest rate of smokeless tobacco use and, in fact, the lowest rate or tobacco use in general. This is one of the factors which has lead to Utah having the lowest cancer-related death rate in the country. I hope the rest of the nation will profit from our example.

In response to the consensus on the part of the scientific community as to the health risks of smokeless tobacco products, Senator Lugar and I introduced legislation August 1st last year to place three strong health warnings on smokeless tobacco products and advertisements. Our bill also bans smokeless tobacco advertisements from radio and television, establishes a public education program, and requires that manufacturers make available to research scientists a list of chemical ingredients they use in smokeless tobacco products. I am delighted to say that the President signed our bill into law on February 27, 1986 (P.L. 99-252).

Now that the endorsements by athletes that hooked our children on these poisonsous products are fading from public view, I would like to give equal time some advice given by the Hall of Fame quarterback from the New York Jets, Broadway Joe Namath. During this year's Pro Bowl telecast, Joe confided that he had used smokeless tobacco products for seventeen years. He finally was able to quit, but described it as the hardes thing he had ever done. He then advised others not to repeat the mistake he made by starting. Joe, I know Dr. Koop, Senator Lugar, and so many others are glad to have you on our side as we take the field against these potential killers. I hope your sound advice scores points with young people across America.

STATEMENT OF SENATOR RICHARD G. LUGAR

I am very pleased that the Report of the Surgeon General's Advisory Committee on the Health consequences of Using Smokeless Tobacco has now been presented. I commend the Surgeon General, Dr. Koop, for his forthright leadership on this issue. This report does much to further identify and bring to public attention the unmistakable scientific evidence that oral use of smokeless tobacco represents a significant health risk to our nation and our young people, specifically.

This critical report presents a comprehensive review of the scientific literature and highlights that the use of smokeless tobacco, particularly moist snuff, can cause cancer and that these products contain potent carcinogens at levels 100 times higher than permitted government-regulated levels. The report examines the addictive qualities of smokeless tobacco and cites recent studies indicating that nicotine ad-

ministered orally has the potential to produce a physiologic dependence.

As the original sponsor of the Comprehensive Smokeless Tobacco and Health Education Act of 1986, P.L. 99-252, I am acutely aware of the need to educate the public as to the health risks associated with the use of smokeless tobacco products. I introduced this measure and worked for its passage because I feel strongly that American citizens, particularly our young people, must be warned about the health hazards of smokeless tobacco use. The bill contains three strong and accurate health warnings:

Warning: This product may cause mouth cancer.

Warning: This product may cause gum disease and tooth loss.

Warning: This product is not a safe alternative to cigarettes.

These warnings are required on packages of smokeless tobacco as well as on print advertising of these products. The bill also bans smokeless tobacco advertisements from radio and television and requires that the ingredients, particularly chemical additives, must be made available to research scientists in order to determine whether they might cause harmful effects in addition to the well documented toxic effects of tobacco. In addition, the bill provides for the development of public education programs to aid in warning the public as to the dangers associated with smokeless tobacco use.

There are currently about 12 million Americans who regularly use smokeless tobacco. Of these 12 million, 3 million are under the age of 21. However, a shocking fact is that a large proportion of our children use this product. A Texas study found that 88 percent of regular smokeless tobacco users started before the age of 15, and 55 percent started before the age of 13. A Louisiana study found that 50 percent of 14 year old youths regularly use smokeless tobacco products. An Arkansas study found that more than 21 percent of the kindergarten children have tried smokeless tobacco products. In Indiana, my home, a survey of 8th to 12th graders indicate that in some classes, up to 47 percent of the male students are users of smokeless tobacco.

These statistics are particularly alarming when examined in the face of the known health risks of smokeless tobacco use. According to the Surgeon General's Report and the National Institutes of Health Consensus Development Statement, "The human data provide convincing evidence for an increased risk of oral cancer as the result of smokeless tobacco use" and the risk increases with increasing duration of snuff use. Moreover, the use of smokeless tobacco is associated with receding gums, periodontal bone destruction, tooth abrasion, and precancerous lesions such as leukoplakia. Finally, most snuff and chewing tobacco contain significant levels of nicotine which is associated with a rise in blood pressure and heart rate, and addiction.

The unquestionable health risks associated with the use of smokeless tobacco products, coupled with the increased use of this product, especially among our young people, can no longer be ignored. I commend Dr. Koop for his timely report outlining the scientific evidence documenting these significant health risks.●

ON THE 100TH ANNIVERSARY OF THE BIRTH OF ATHENAGORAS I

● Mr. SARBANES. Mr. President, today marks the 100th anniversary of the birth of Athenagoras I, ecumenical patriarch of Constantinople from his enthronement on January 26, 1949, until his death more than 23 years later on July 6, 1987, and from 1931 to 1949, archbishop of the Greek Orthodox Church of North and South America. It is an occasion well worth marking, for to this day, Athenagoras is remembered and revered as a wise and holy man, a devoted servant of God and shepherd to his flock whose teaching and example reached round the world.

Born in the little town of Vassilikon, in the Epirus region in northwestern Greece, Athenagoras, as a young man, left home to study theology at the Patriarchal Theological School of Halki, near Istanbul. Upon completion of his training in 1910, he was ordained a deacon and appointed to serve as archdeacon of the diocese of Peagonia in Macedonia, where he served until 1918. The following year, he was named archdeacon to Archbishop Meletios of Athens, who subsequently became ecumenical patriarch of Constantinople, and shortly thereafter first secretary of the Holy Synod of Greece. At the same time, he was ordained a priest and began his illustrious service in the Orthodox priesthood that was to span more than half a century.

Three years later, in 1922, he was elevated to the rank of bishop and named metropolitan of Corfu and Paxos. His fame spread throughout Greece during the 8 years he served the Corfu diocese, for in addition to being a spiritual leader, he proved to be an administrator of unusual skill and, in the face of Mussolini's bombardment of Corfu in 1923, a courageous spokesman for his people. His elevation in 1931 to be archbishop of the Greek Orthodox Church of North and South America reflected the admiration and trust which he inspired.

The bright promise of his earlier years was fully realized in his 18 years' devoted service as primate in the Americas. Athenagoras brought new life and spirit to the Orthodox Church in this country, and indeed to the Greek-American community. He traveled the length and breadth of the archdiocese, using his great energy and diplomatic skills to organize Greek Orthodox communities, and enlisting the support of existing Greek-American societies whose friend he became. He devoted special attention to the establishment of eductional institutions: parochial schools where none had existed; the Holy Cross Greek Orthodox Theological School, now a division of the Hellenic College; the Academy of St. Basil; the Ladies' Philoptohos Sisterhood, to function as the philanthropic agency for the archdiocese. At the same time, he reached out beyond the Greek Orthodox community to leaders of other religious faiths and, becoming a U.S. citizen, to the adopted country which welcomed him.

In view of his great accomplishments as archbishop, Athenagoras' election to be ecumenical patriarch of Constantinople, with responsibility for all Greek Orthodoxy outside of Greece itself, was not surprising. Nor was it surprising, in view of the respect and affection which Athenagoras had earned, that President Truman should provide a special plane for the flight of the patriarch-elect to Istanbul in January 1949.

Enthroned as ecumenical patriarch, Athenagoras brought to his great tasks a new vision of peace, harmony, and renewal. Seeking to promote great unity among the world's Orthodox churches, he arranged for an exchange in 1954 between delegations of the patriarchate and those of the Churches of Alexandria, Antioch, Bulgaria, Rumania, Russia, Serbia, and Greece; he himself visited the Holy Land and Egypt in 1959 and met personally with the patriarchs of Antioch, Jerusalem, and Alexandria. In 1963, he made his first visit to Greece as ecumenical patriarch.

In his striving for greater unity the world's Orthodox churches, Athenagoras convened the first Pan-Orthodox Conference in 1961 and the second in 1963, always carrying out with tact and wisdom the sensitive role of the ecumenical patriarch as "first among equals." But his concerns extended beyond the limits of the Orthodox world. Shortly after his election as ecumenical patriarch, Athenagoras had arranged for the partriarchate to join the newly organized World Council of Churches; at the 1961 conference and more specifically in 1963, he raised the question of closer relations between the Orthodox and Roman Catholic churches. In December 1963, having received a cordial message from the newly elected Pope Paul VI, Athenagoras proposed that the two meet in Jerusalem.

The historic meeting took place on January 5 and 6 on the Mount of Olives and marked an important step toward the reconciliation of the two ancient churches, who, the following year, annulled the excommunication which each had placed upon the other at the time of the schism in 1054 A.D. In 1967, the two leaders met again, first in Constantinople and later in Rome. Athenagoras then went on to London for talks with the leader of the Anglican Church, the archbishop of Canterbury, to continue the work, which had begun with their meeting several years earlier in Constantinople, of drawing the two churches closer together.

In the last years, Athenagoras continued the great work to which he had devoted his life. It was said of him

that "what was considered impossible and utopian became the purpose of his activities and his goal." Beloved by the millions whose spiritual leader he was, revered and respected everywhere, he was truly a visionary leader and a prophet of reconciliation and peace. On the occasion of the 100th anniversary of his birth, he is remembered with deep gratitude.●

BIELORUSSIAN INDEPENDENCE DAY

● Mr. SIMON. Mr. President, today is the 68th anniversary of Bielorussian Independence Day. I am pleased to recall this anniversary in honor of the brave Bielorussian people who are still fighting for their national and cultural independence.

When we think of the Soviet Union, too often we focus on the major power struggles between Moscow and Washington, or between top Communist Party officials vying for control. Many of us still use "Russia" interchangeably with "Soviet." But of the 15 republics comprising the Soviet Union, 14 are non-Russian. There are hundreds of different languages and nationalities, and we must never forget that the non-Russian peoples' traditions and liberties are sharply curtailed and in some cases forbidden by Moscow.

We ought to pay particular attention to the American Bielorussian community's suggestions for easing the plight of their compatriots under Soviet control. We ought to try and get an American consulate opened in Minsk, the capital of Bielorussia. We should encourage the United States Information Agency to include Bielorussian and other non-Russian groups in the new Cultural Exchange Agreement. And we should broadcast in the Bielorussian language to the 10 million Bielorussians over the Voice of America, a decision long overdue.

We must not forget the captive nations under Soviet domination. We must continue to bring attention to their yearnings for freedom. Mr. President, I ask that the letter from the Bielorussian Congress Committee of America be printed in the RECORD.

The letter follows:

BYELORUSSIAN CONGRESS
COMMITTEE OF AMERICA,
Queens, NY, March 14, 1986.

Hon. PAUL SIMON,
U.S. Senate,
Washington, DC

GENTLEMAN: The American citizens of Byelorussian origin will celebrate on March 25, 1986 the 68th anniversary of the declaration of independence of the Byelorussian Democartic Republic. This event reflects the desire of the Byelorussian people for freedom and national independence. The following presentation gives a short historical background of the events that led to the declaration of independence with the present day implications.

The Tsarist Russian Empire collapsed at the end of World War I, in March, 1917. At the favorable moment simultaneously with other Captive Nations, Byelorussia restored its natural soverignty.

After extensive preparatory activities by many organizations, the First All-Byelorussian Congress assembled in Minsk on December 14, 1917. The Congress consisted of 1,872 delegates democratically elected from all regions of Byelorussian ethnographic lands. This Congress was a national constituents whose goal was to establish the statehood of Byelorussia Bolshevik-Russian delegates were in small minority and were not able to influence the congressional decision. After the Congress had chosen independence for the Byelorussian state, the Soviet Russian troops dispersed it on December 18, 1917.

The next day, the Congress reconvened and delegated its rights and authority to the Council of Congress. On March 25, 1918, this enlarged Council proclaimed independence of the Byelorussian Democratic Republic. This Republic was recognized de jure by Austria, Estonia, Czechoslovakia, Finland, Georgia, Latvia, Lithuania, Poland, and the Ukraine. It was recognized de facto by Bulgaria, Denmark, France and Yugoslavia.

In direct opposition to this independent Byelorussian state, the Soviet Russian government created the Byelorussian Soviet Socialist Republic (BSSR). This puppet state was created and its government was selected in Moscow. Proclamation of the BSSR rook place in the conquered, at that time, city of Smolensk, on January 1, 1919. Subsequently, the Soviet Russian Army engaged in aggression against Byelorussia. In the northeastern part of the country, armed fighting against Soviet Russian armies was directed by Major-General Bulak-Balakhovich. But, his armed forces finally were defeated by the Russians and he retreated to Estonia in 1920.

The severe fighting developed in the southeastern part of the country, directed from the city of Slutsk. However, without any outside help, the Byelorussian division of Slutsk was not able to stop the invasion of the Red Russian armies and on December 28, 1920, it retreated to the west, crossing the Polish border.

This was the time when Soviet Russia tried also to occupy Poland. But after being defeated at Warsaw on August 17, 1920, Russia concluded a peace treaty with Poland in Riga on March 18, 1921. The Moscow government, with representatives from the BSSR, partitioned the territory of Byelorussia as follows: the BSSR was alloted a territory of six counties of the Minsk district only, with a population of approximately 1.2 million; Poland received around 100,000 sq. km. of Byelorussia with a population of approximately 4.0 million; approximately 250,000 sq. km of Byelorussian territory with a population of over 9.0 million was annexed directly to the Russian SFSR. In this way the Soviet Russian government brutally suppressed the desire of the Byelorussian people for self-determination and independence.

After all non-Russian independent republics were conquered and destroyed by Soviet Russian armies and the Kremlin created the puppet Soviet Socialist Republics, the Moscow government started the campaign for a formal unification of these national republics and for a complete administrative subordination to the centralist government in Moscow. Lenin and Stalin were instrumental in accomplishing this goal. The session of the Central Committee of Russian Communist Party (Bolsheviks) on October 6, 1922 adopted the draft by Lenin formulating the creation of the USSR. The 4th Assembly of the Soviets of Byelorussian SSR, as an obedient body to Moscow rule, adopted the declaration for the necessity of creation of the USSR. On December 30, 1922, the Moscow selected representatives of the BSSR, together with similar representatives of other Soviet Republics, signed the Declaration and Agreement formally establishing the USSR.

Economic chaos and internal resistance to the communist policies in 1921-1922 forced the Moscow government to deviate from communist program and introduce a more liberal New Economic Policy (NEP). The NEP also included substantial concessions to the national culture, education, etc. for non-Russian nations. According to this, in 1924, a number of districts from Homel, Smalensk, and Vitsebsk provinces were ceded by Russia to the BSSR. In 1926 the counties of Homel and Rechytsa were ceded by Russia to the BSSR. At that time, the population of the BSSR reached 5 million. However, about half of the Byelorussian ethnographic territory still remained inside of the Russian SFSR.

Having established its power in the USSR, the Bolshevik government of Moscow in 1929 drastically changed its relatively liberal NEP into a communist policy of severe national persecution and economic exploitation. The first Five Year Plan inaugurated in 1928 signalized this basic change. It started with the annihilation of Byelorussian leaders. In 1928 J. Adamovich was removed from the post of Chairman of the Soviet People's Commissars and sent into banishment. In 1929 A. Balicki was removed from the post of Commissar of Education, D. Pryshchepav was removed from the post of Commissar of Agriculture, the known scientist V. Lastouski was removed from the post of Secretary of the Byelorussian Academy of Sciences, and Prof. S. Nekrashevich was removed from the post of Vice President of the Academy. Thousands of scholars, writers, teachers, state officials, and even students, were arrested, murdered in jails, or deported to concentration camps. Subsequently, Byelorussians were constantly removed from all leading posts in the country and replaced by non-Byelorussians.

At that time, forced collectivization of agriculture was introduced into BSSR. The Byelorussian peasants were distinguished by their traditional attachment to private property. They offered firm resistance to collectivization. The Moscow government applied mass and ruthless terror. The more prosperous peasants, over 1.5 million, were arrested and deported to the concentration camps in the forests of Siberia and deserts of Kazakhstan. In this way the collectivization of the individual farms was conducted in BSSR over several years and completed only in 1937, four years later than projected in the 1930 plan.

The waves of mass arrests, executions and deportations were systematically occurring all over Byelorussia. In 1930-1932 the countless intellectuals were arrested, among them Dr. A. Cvikievich, former Prime Minister of the Byelorussian Democratic Republic; the scholar V. Lastouski; the geographer A. Smolich; agronomist D. Pryshchepav; the scientist S. Niekrashevich. They were charged with belonging to an illegal organization (in reality nonexistent), the League

for the Liberation of Byelorussia from Soviet domination.

In 1933-1934, among the many arrested, all were former Byelorussian members of the Polish Parliament who sought political asylum in the BSSR. They were accused of belonging to the nonexistent Byelorussian National Center, of cooperating with the Polish General Staff and the Ukrainian National Center.

In 1936-1937 over 90 poets, writers, composers, dramatists, artists, and professors were arrested. Among them were such great talents as U. Dubouka, Ya. Pushcha, M. Zaretski, C. Dudar, U. Zhylka, M. Hatetski, B. Klashtorny, M. Charot, and many others. Among the most famous Byelorussian scientists, professors, and academicians arrested were Epimakh-Shypila, Douna Zapolski, G. Haretski, Krutalevich, Dydyrka, J. Zamotsin, Piatukhovich, and many others, altogether over 50 men. At that time, tens of thousands of Byelorussian teachers, agronomists, physicians, engineers, lawyers and students were arrested, executed or deported to concentration camps.

In 1938 arrests were carried out on a large scale among the Byelorussian Communist high officials. A. Charviakov, President of BSSR; M. Haladzied, Chairman of the Council of People's Commissars of BSSR; I. Ubarevich, Commander of the Byelorussian Military District; B. Sharanhovich, the First Secretary of the Central Committee of the Byelorussian Communist Party were all arrested and killed. The entire Central Committee of the Byelorussian Communist Party was purged in 1938. Many thousands of Byelorussian government officials were liquidated. They were replaced by non-Byelorussians.

Religious life was attacked by Bolsheviks ruthlessly. The Assembly of the Clergy and Laymen on July 23, 1923 in Minsk, proclaimed formation of the Autocephalic Byelorussian Orthodox Church to secure independence from Moscow Patriarchate. However, the elected Head of the Church, Metropolitan Melkhisedek, was summoned to Moscow, imprisoned and died under mysterious circumstances. Bishop Ioan of Mazyr died in a concentration camp, Bishop Filaret of Babruysk and Bishop Mikalai of Slutsk died in prison. Subsequently, all 2,000 clergymen were executed or deported to concentration camps. 2,500 churches and 23 monasteries were ruined or closed. By 1937, the Orthodox Church in BSSR was destroyed completely. A similar fate had met the religious life of all other demoninations and church organizations.

After the liquidation of the NEP, the Moscow government started an intensified campaign for Russianization of the Byelorussian people and their country. To bring the Byelorussian literary language closer to Russian, on August 26, 1933, changes in Byelorussian grammar and orthography were introduced.

The Moscow government removed from circulation and destroyed all ethnographic and patriotic Byelorussian books and periodic publications. For this purpose in 1935, a secret catalogue was printed, "Joint Control List of Publications of the Byelorussian State Publishing House", in an edition of 500 copies for use only by the Communist Party members. According to this publication, in the year 1935 alone there were destroyed 1,778 listed titles of books and magazines in a total amount of 12 million copies. Instead, Byelorussian was flooded with Russian publications of classical literature and Communist propaganda.

On March 13, 1938 by a Moscow governmental decree, the study of the Russian language was made obligatory in the schools of Byelorussia and the other national republics of the USSR. Immediately a final Russianization of schools was pursued. The language of instruction in all universities and in almost all high schools and grammar schools was made Russian. The Russian language was introduced into cultural life, administrative offices, commerce, communications, armed forces, etc.

The Moscow government commenced to liquidate the cultural achievements of the Byelorussian people created in the historical past. Many architectural and religious monuments, cathedrals, churches, and monasteries, were ruined completely. Even after World War II at the Freedom Place in Minsk, the Roman Catholic Cathedral and a medieval city hall tower of the specific Byelorussian architecture were destroyed. Buildings in Byelorussia were erected in the uniform present Russian style.

The names of towns, streets, institutions, schools, etc., are dedicated to the Russians or international Communists. The university in Minsk is dedicated to the Russian Communist Lenin; the military school in Minsk is dedicated to the Russian czarist General Syvorov; the prospect in Minsk is dedicated to the Russian poet Pushkin. In Byelorussian towns and cities many monuments were erected and dedicated to the Russian personalities.

After the occupation of Western Byelorussia in 1939, the Soviet government of Moscow immediately deported more than half a million of its population to the concentration camps of Siberia and Kazakhstan.

During World War II, the Soviet Russian guerrillas were murdering, as a rule, Byelorussian teachers, officials, writers, farmers, priests, and all relatives of those who held any position in national Byelorussian life.

Despite mass terror and huge devastation of Byelorussian population by Soviet Russia, the Second All-Byelorussian Congress held, at the time of the German departure on June 27, 1944 in Minsk, the activities of the Byelorussian Central Council, and the armed fight of the Byelorussian National Guard against Soviet Russia for independence for native country, gave the best proof for the real desire of the Byelorussian people. Therefore, after the occupation of Byelorussia in 1944, the Russian government used its mass deportations, public hangings, and executions by shooting of the Byelorussian national and cultural leaders, workers, and peasants.

During World War II, the All-Byelorussian Orthodox Church Assembly convened in Minsk on August 30, 1942. This Assembly, composed of bishops, priests, and laymen, restored the Autocephalic Byelorussian Orthodox Church and requested the Patriarch of Constantinople to grant the required Thomos. The believers in Eastern Byelorussia began to repair and restore churches and to renew services as well as the entire religious life. However, after the occupation of Byelorussia in 1944, the Soviet Russian government liquidated the Byelorussian Church. Byelorussian bishops were forced to leave the country, many priests were executed or deported to concentration camps, and many parishes were closed. All existing churches in Byelorussia were subordinated to the Patriarch of Moscow and Russianized.

During 68 years of occupation, the Moscow government has annihilated over 6 million of the Byelorussian population. The barbarian massacre of 35,000 Afghan civilians during 1985 by Soviet Russian troops, according to the United Nations report of February 26, 1986, represents only a small part of the mass annihilation perpetrated by Russian Bolsheviks on the Byelorussian people. Nearly 5 million Afghans were able to flee from the Soviet Russian terror and presently are living abroad, according to the same report. Byelorussians, however, being encircled by Russian occupiers, have not had such a lucky possibility and were murdered or deported to concentration camps for exploitation or an early death.

The desire for freedom of oppressed by Soviet regime nations and nationalities is a common phenomenon. The latest refusniks, arriving to the Free World, are persistently stating that "this is the ecumenism of the Gulag, the universal solidarity of the yearning for freedom" (Chicago Tribune, Feb. 25, 1986). Two youths from Minsk, the Byelorussian capital, tried to flee the USSR in a dinghy via Estonia to Finland. However, they were caught by Soviet Russian Coast Guard patrols (Chicago Tribune, Jan. 29, 1986). Their future will be very sad.

It is hard to believe that the genocidal policies of the present Soviet Russian government will be able to eradicate the desire of the Byelorussian people for national independence. The historical past is convincing that at the suitable opportunity, Byelorussians will again commence the military fight for their liberation.

Very truly yours,

MICHAEL SIENKO,
Secretary.

JOHN KOSIAK,
President.●

GREEK INDEPENDENCE DAY

● Mr. SIMON. Mr. President, today we celebrate the 165th anniversary of Greek independence. After the fall of the Byzantine Empire in 1453, the Greek people lived for almost 400 years under Turkish domination. With determination and courage, the Greek people kept the spirit of freedom alive and finally regained their independence in 1827.

In 1814, Greek merchants formed a secret organization to plan an uprising of all Greeks of the European section of the Sultan's empire. In 1821, a revolution began in the Piloponnese, Central Greece, and the Aegean Islands. Europeans, as well as Americans, joined in the fight for Greek independence. Many of them went to Greece to fight with the Greek armies. Special committees were established in various European countries to collect money and supplies for the Greek army. Thousands of people backed the Greek cause.

With the attack of a Turkish fleet at the Battle of Navarino on October 20, 1827, the Sultan was forced to concede national political independence to Greek revolutionaries. The struggle by the Greek people to regain their freedoms and values was finally over. As Americans, we pay tribute to the Greeks for their dedication and perseverance.

Greek Americans have made significant contributions to our society. In early history, the Greeks established the basis of our present-day form of democracy. The Greek people have enhanced all areas of our lives, including art, architecture, literature, and science. They continue to contribute to the growth and prosperity of our country.

During a recent trip to Greece, I met with Prime Minister Andreas Papandreou, as well as several other Greek officials. I discussed possible solutions to the Cyprus situation with Prime Minsiter Papandreou and opposition leader Constantine Mitsotakis. We agreed that the problems between the Turkish-Cypriots and the Greek-Cypriots are not insoluble. A solution can be reached if both parties are willing to negotiate, and the United States can offer its support for peace in Cyprus.

In the spirit of Greek Independence Day, it is appropriate that we give thanks for our freedoms and independence in America and recognize the significant contributions to our society by the Greek people.

Mr. President, I would also like to take this opportunity to commemorate the late Patriarch Athenagoras I on the 100th anniversary of his birth. Greek Orthodox communities all across America are also celebrating this anniversary today.

The late patriarch was beloved by his followers. As patriarch, he met with Pope Paul VI and what followed was the end of 933 years of mutual excommunication between the two Sees of Christendom. During the years 1931–48, when he was archbishop of the Americas, the Greek Orthodox communities organized systematically. In that period, several eminent organizations were founded in the United States, including the Ladies Philoptochos Society, the Holy Cross School of Theology, and St. Basil's Academy.

On March 25, the 100th anniversary of the birth of the late patriarch, it is indeed proper that we recognize the tremendous faith and vision of the late patriarch and join in the celebration of the Greek Orthodox communities of America.●

NAUM AND INNA MEIMAN

● Mr. SIMON. Mr. President, I would like to call my colleagues' attention to the case of Naum and Inna Meiman, Soviet Jews who want desperately to leave the Soviet Union.

The Meimans are a warm, compassionate couple, who have done nothing which is illegal under Soviet law, yet they are treated like criminals. In the past, Naum's phone has been cut off, and almost all his mail continues to be confiscated. He has been kept from pursuing his profession as a scientist, and has been isolated from the scientific community. Inna has been subjected to inhumane treatment. She has had to endure four painful operations to remove cancerous growths on her spine. Modern, more sophisticated medical treatment is available in the West which could help Inna's condition. However, the Soviets continue to refuse to allow her to travel to the countries which offer this advanced treatment. The Meimans deserve to live the rest of their lives as comfortably and peacefully as possible.

I implore the officials in the Soviet Union to let the Meimans emigrate to Israel.●

THE ENDURING MYSTERY OF MIDDLETON PLACE

● Mr. HOLLINGS. Mr. President, the April 1986 issue of Historic Preservation, the monthly magazine of the National Trust for Historic Preservation, features an excellent article by Charles Fenyvesi entitled, "The Enduring Mystery of Middleton Place." This beautiful Charleston plantation, along the Ashley River, was laid out in 1741 and, as Mr. Fenyvesi notes, "Quickly earned a reputation on both sides of the Atlantic as the premier garden of the 13 colonies." The core of the Middleton estate has never been deeded out of the family that founded it 10 generations ago.

Let me remind the Senate of the Middletons of South Carolina. The founder of the Middleton Place, Henry Middleton, was President of the first Continental Congress. His son Arthur signed the Declaration of Independence. Two generations later, Williams Middleton signed the Ordinance of Secession, and then fled the plantation as General Sherman's troops advanced and destroyed most of the great house of the estate. Later, Judge Henry Augustus Middleton Smith resolved the Middleton Place would not be sold when many of the surrounding large holdings were broken up.

Charles Duell took over Middleton Place in 1969 and has continued the restoration started in 1925 by his grandparents, Mr. and Mrs. J.J. Pringle Smith. Over the last 17 years he has further restored the house, rebuilt the gardens to their original specifications, and the stableyards are now alive with farm animals and authentic farm implements of a South Carolina rice plantation. We are all indebted to Charles Duell for his uncompromising efforts in maintaining a meticulous, balanced, and systematic program of reclaiming Middleton's glory that attracted more than 100,000 visitors in 1985.

Mr. President, I wish my colleagues could see the lovely pictures that accompany this fine article about a South Carolina treasure. Mr. Fenyvesi's text paints vivid pictures in our mind as he describes the plantation, and I ask that the article be printed in the RECORD for the information and enjoyment of my colleagues.

The article follows:

THE ENDURING MYSTERY OF MIDDLETON PLACE

AT THIS ANCESTRAL CHARLESTON PLANTATION, CHARLES DUELL UPHOLDS AN UNBROKEN TRADITION OF STEWARDSHIP

(By Charles Fenyvesi)

By all the rules of financial wisdom, the North American continent's first great French-style formal garden should have been wiped off South Carolina's map long ago.

The elaborately geometrical garden of the Charleston plantation known as Middleton Place was laid out in 1741, when George Washington was 9 years old, and it quickly earned a reputation on both sides of the Atlantic as the premier garden of the 13 colonies.

But the garden became an anachronism after the Civil War. Without slaves to do the tedious work of planting and harvesting rice, the vast Ashley River plantation was no longer profitable, and its owners could not afford such extravagances as maintaining a formal garden on close to a hundred acres. Furthermore, fires set by General Sherman's troops had destroyed most of the great manse that presided over the estate.

Over the next several decades, many southern planters in similar predicaments sold old family properties, some of them to Yankee industrialists. Amazingly, however, the core of the Middleton estate has never been deeded out of the family that founded it 10 generations ago, in the 1690s. And the garden, though at times neglected and often out of fashion, escaped the bulldozers of progress.

When Charles Duell took over Middleton Place in 1969, some of his friends and business associates suggested he sell what had by then become a choice suburban location. One counseled that, given his business expertise, he himself ought to turn his unproductive ancestral domain into a goldmine of a housing development. Another suggested he build a prestigious residential community with the famous garden as an inviting centerpiece. One early offer he declined was $7.5 million for 700 of the 6,545 acres he inherited. Indeed, more than one of his neighbors along historic Ashley River Road had turned acreage into housing—causing great concern among preservationists and planners alike.

Instead, Duell, then 31, took up where his maternal grandparents had left off in renovating the garden and the buildings, beginning a meticulously balanced, systematic program of reclaiming the glory that was Middleton.

"We were land poor then, and we are still land poor," he says. "Most of our wealth is in land. We have to keep borrowing and begging. We have to be careful how we spend our funds."

He shrugs when asked if it had ever occurred to him to listen to the siren song of real estate profits. "It sounds corny," he says, "but I have a strong sense of history, which I think is essential to our psyche, to a happy way of life, because it provides a continuum instead of a vacuum. We mustn't lose where we are coming from. I don't want any aspect of Middleton Place to lie fallow. We should let the various parts of the Middleton story unfold. I believe in the idea of

stewardship—and I am now the steward of Middleton Place."

His role models were both numerous and illustrious. Founder Henry Middleton served as royal commissioner of Indian Affairs and became president of the first Continental Congress. His son Arthur signed the Declaration of Independence. Two generations later, Williams Middleton signed the Ordinance of Secession and had to flee Middleton Place in the face of the Union Army, which sacked and burned his plantation in 1865.

Soft-spoken, reticent and almost shy, Duell is an activist rather than a promoter—an "American squire," one writer called him. He is that, with appropriate interests in riding, foxhunting, French civilization and the pursuit of excellence.

At 47 he is slender, handsome and athletic, and the image of a successful businessman. He serves on the executive boards of a number of corporations and nonprofit organizations includng the National Trust. Although he is very much a businessman, he identifies his occupation as "historic preservation."

His speech has just a suggestion of a South Carolina drawl, which he acquired during the summers he spent with his grandparents at Middleton Place and through his residence in the state for the past 20 years. He was born in New York, where his father had been in publishing. His mother, Josephine Smith, was the belle of Middleton Place when she met C. Halliwell Duell, then touring with the Yale Glee Club.

Charles Duell, too, was educated at Yale, where he majored in English. After a tour around the world and two years of studying history and international law in Paris, he embarked on a career in banking, estate planning and investment. He earned his stripes at Morgan Guaranty Trust in New York City.

He says that the decision to hold on to Middleton no matter what was made by his great-grandfather, Henry Augustus Middleton Smith—a Greek and biblical scholar and a federal judge. "He was my hero, though I didn't know him," says Duell. "He was a 19th-century character, a vast landowner, a historian, a distinguished federal judge and a man of vision."

Restoration of the garden and the southern flank of the great house—all that remained after Sherman's visit—began under Judge Smith's son, J. J. Pringle Smith, and his Virginia-born wife, Heningham Lyons Ellett. In 1924 the young couple moved from a Charleston townhouse to Middleton Place, which was then in disrepair and virtually out in the wilderness. The house had no electricity, no telephone. There was no mail delivery, and the dirt roads were often impassable. The garden was in a pitiful state of neglect. Acres of honeysuckle had to be rooted out, and the prunings from the overgrown ornamental shrubbery amounted to a forest. The Smiths replaced some of the shrubs, reseeded the lawns and rebuilt the artificial ponds.

"My grandparents did a lot," says Duell, "particularly my grandmother. By occupational necessity, she was a pruner. We live in a climate where you are required to be a pruner, and you get more experience cutting vegetation than in planting it."

After his grandparents died, Duell's first move was to keep improving the garden, open to the public since the 1930s. Visitors were impressed with the spectacular views of the river and the ponds, and they enjoyed looking at the gardens built at various levels. The allees of magnolia, camellia and crepe myrtle were irresistible. Even without the circles, triangles and rectangles outlined in the tourist brochures, visitors could sense the grand design which united all the elements.

But there was plenty of work left for Duell. The house needed more repairs. In the garden a good number of the original pathways had to be found, cleared and sometimes rebuilt. Planting several of the self-contained gardens had yet to be completed.

Duell recalls the disappointed faces of visitors walking to the garden through the empty stableyards. There were no farm animals and no farm implements. What had once been the kitchen garden was now a weed patch.

Duell consulted with scholars to identify the authentic elements of a South Carolina rice plantation. He began collecting old ploughs and flails, carpenter's hand tools and blacksmith equipment, carriages once pulled by horses and mules, and cypress dugouts used in paddling through rice fields and marshes.

Now, two decades later, the stableyards are alive with sheep, goats chickens, ducks, pigs, horses and cows. Whenever possible, they are authentic. The cattle for instance, are Devons and Jerseys. The shortlegged Devons were the first breed imported from England; the Jerseys came a little later to improve the milk.

The sheds are now filled with preindustrial agricultural implements found in or around various buildings of the estate, bought at auctions or borrowed from museums.

Studying old farm textbooks, Duell came to realize "the incredible number of things made on the plantation—like nails, hinges, candles, cloth." He decided to recruit craftspeople—a weaver, blacksmith, cooper, carpenter and potter—to make use of the tools and to give craft demonstrations in the sheds of the stableyards. They agreed to work with pre-industrial material and technology—without electricity and without synthetics.

"We don't miss electric motors or plastic pails," said Kurt Krucke, manager of the stableyards. "I wish we could be even more self-sufficient." Weaver-in-residence Holly Retter calls the plantation "a refuge for craft people."

In 1983 Duell deeded over the garden and the buildings—110 acres—to a not-for-profit charitable institution he created, called Middleton Place Foundation. He is president and general manager.

The foundation has been instrumental in retrieving a large number of original artifacts from Middleton descendants throughout the country, such as a pierced cake basket of silver, made in 1810, and a pair of mahogany side chairs. Duell takes great pride in the fact that today 95 percent of the objects exhibited in the old manor—furniture and china, books, paintings, etchings, letters and clothing—are original family possessions.

The donations are tax-deductible, and every year brings more of them. Antique dealers from as far as Baltimore and New Orleans are on the lookout for Middleton pieces—anything with the Middleton coat-of-arms—any letter or note written by a Middleton. "We keep finding things," Duell says. "The search is like looking for pieces of a puzzle."

He has been able to track down more than 400 Middleton descendants, now living throughout the country, and 300 of them are foundation members.

Restoring the garden posed the biggest and most complex puzzle of all for Duell. Should he be faithful to the original 18th-century grand design of French formality and throw out new plantings and design changes made in the 19th century? Should he dilute the pure classicism of Louis XIV's century with the romanticism of Queen Victoria's time or with the informality of American plantings? Should he seek to cater to our contemporary sensibility? Or, going a step further, should he not restyle the garden to suit his own preferences?

Of all the building arts, gardens are the most open to change. Every spring brings planting fever, and it is no plagiarism to adopt a neighbor's way of massing daffodils and squills, or arranging epimediums and hostas. Gardening invites imitation. There is nothing sacred or even permanent about the shape or the location of a flowerbed, and there are no gardening rules that can't be guiltlessly violated.

Gardeners question whether a garden ever needs to be kept as unchanging, as static as a museum. Gardens are displays of what is the best and the latest in plant breeding, and it seems strange—almost unnatural—to limit one's choices to one historical period. Why did the Middleton gardens never change?

No one knows the answer, but it never occurred to Duell to update the garden of his ancestors.

In most cases, he loyally returned to what he acknowledges as "the stilted formality of 18th-century France." And he cheerfully accepted what he calls "the almost reactionary love for the geometric form." He has removed much 19th-century plant material, particularly azaleas, replacing them with what was in vogue in the 18th century.

In the rose garden his goal was to concentrate on varieties popular in the 18th century. No modern hybrids grow there, and the result is a fragrant garden—an evocation of the perfumed South.

In a similar vein, the flowers planted—tulips, marigolds, ageratum, periwinkle and begonia—are in masses of either white or blue or yellow. There are no mixed borders—the hallmark of a contemporary garden.

On the other hand. Duell left intact an entire hillside of azaleas, in shades of pink and red, planted in the 19th and 20th centuries. There is no pat answer to the question whether to restore to one point in time or to reflect the entire evolution of a place." he says. "At one time people thought that we must restore everything as it was at one particular time. Then the pendulum swung to the view that you have to preserve the total evolution.

"We looked at the soul of the property and found that broad period that mattered most. The house didn't just serve one generation but enjoyed an evolution.

"But I can also envisage the opposite: a house that screams for the period in which it was built. If people try to follow one rule, they can lose the guts of a place."

Duell's ultimate goal is "to unfold all aspects of the story of a self-sustaining economy and a unique way of life." Still on the drawing board are plans to demonstrate how rice was cultivated and harvested, but he is undecided about rebuilding the great house.

Duell feels the need for more research and more financial preparation. This past year the foundation hired an ornithologist

to survey the wildlife, as well as a nationally known chef, Edna Lewis, to prepare authentic early American dishes at the restaurant next to the stableyards. The foundation's budget has grown to $1 million, generated from admission charges and private donations. In 1985 there were more than 100,000 visitors.

Colonial Williamburg is the closet thing to a model Duell has had in mind. But perhaps more critical is the negative model: to avoid creating a Disneyland.

"We have no petting zoo and no period costumes," says spokeswoman Rosemary Hertel. "Nobody here is playing Scarlett O'Hara."

Duell disregarded the advice of some of his preservationist friends in building a thoroughly contemporary 55-room inn on his property, a stone's throw away from the 110-acre historical core he donated to the foundation. Overlooking the river, the inn consists of four clusters of guest rooms, a lodge and a conference center. The boxy style features plenty of decorative flourishes, lots of concrete, but combined almost playfully with Italian marble. The interiors are of oak, cypress and pine.

Duell opted for modern design instead of Jacobean or Georgian styles because Middleton "cried out for the best of the 20th century." A winding path connects the inn to the garden; the transition from the 20th to the 18th century is pleasant, with the timeless river in constant view.

Duell says that while he does not intend to make a financial killing, he does want to earn enough money to pay his taxes and to help keep up the foundation. The inn is a money maker, and the plans to build "a small neighborhood of well-built houses" in another part of his estate. There are still more than 6,000 acres left—land now even more desirable than it was 20 years ago.

The homesites, ranging from an acre to 2½ acres, are not visible from the historic core of the property and are priced between $75,000 and $100,000. The density is one house for every six acres. Architectural guidelines call for simple design and colors that blend with the surrounding woods, and all plans must be approved by an architectural review board. No more than five sites are scheduled to be sold in a year for the next five years.

And so, gently, Charles Duell is adding his own imprint to Middleton Place. But the sprawling ancestral home remains essentially intact, and still full of mystery.

Why would a plantation owner spend vast sums of money to carve out of the South Carolina wilderness an exquisitely formal French garden? Then, one wonders, why didn't the founder's 19th-century descendants follow fashion in replacing the relentlessly symmetrical 18th-century design with the so-called natural landscape advocated by Capability Brown and other English landscapers? Finally, why did the family so stubbornly refuse for so many years to sell or develop the land?

Surely such questions confronted every generation at Middleton. The answers may be lost forever, yet the tradition lives on.

Getting There: Middleton Place and the Middleton Inn are located 14 miles northwest of Charleston, S.C., on Scenic Highway 61. The gardens are open every day from 9 to 5. For information call (803) 556-6020.

(Charles Fenyvesi is a writer with U.S. News and World Report. His gardening column appears weekly in the Washington Post.)●

CONGRESSIONAL CALL TO CONSCIENCE

● Mr. KERRY. Mr. President, I am surely not the only one of my colleagues who was deeply moved by the Soviet Union's release of prisoner of conscience Anatoly Shcharansky. When Mr. Shcharansky walked across the Kleinicke Bridge last month, he breathed freedom after suffering for 3 years in prison and 5 years in a labor camp.

While Anatoly's step to freedom was a giant one, it represented only a small step forward for Soviet Jewry as a whole: Some 20,000 refuseniks have yet to take that precious walk across the Kleinicke Bridge. Their lives in the Soviet Union continue to be filled with harassment, isolation, loss of employment and inability to practice freely the laws and customs of the Jewish religion.

Rather than viewing Mr. Shcharansky's release as the ultimate triumph for the Soviet Jewry movement, we must mark the beginning of our renewed struggle on behalf of all prisoners of conscience. In the words of my friend and colleague, Prof. Alan Dershowitz, who was Shcharansky's American attorney, "We must take no more than one moment to celebrate and then get back to the struggle."

I rise today to call attention to the tragic plight of the Latinsky family. Iosif and Olga Latinsky, and their 10-year-old daughter Anna, have applied for and been denied exit visas numerous times since 1979. Their crime? The Latinsky family wants to exercise two rights guaranteed them by the Helsinki accords: The right to practice freely their religion and the right to emigrate to the country of their choice.

As a result of the Latinskys' application to emigrate, Iosef was fired from his job as an illustrator of children's books. Olga lost her job as a high school mathematics teacher, and was forced to take another one which pays only 100 rubles a month. After appealing their case before Soviet officials, the Latinskys received typical refusenik treatment: their telephone was cut off; they are continually harassed, and subject to intense scrutiny.

I ask you Mr. President, how can the Soviet Union oppress their citizens like this, and continue to claim that the treatment of Soviet Jewry is an "internal matter"? I join with my colleagues in claiming that we will continue to condemn these intolerable conditions until our voices are not only heard, but heeded, in the Soviet Union.

My letters may go unanswered and my requests may be denied. But as long as families such as the Latinskys continue to be denied their basic human rights, I will not cease to struggle on their behalf.

So long as the Soviet Union cannot provide its own people with the human rights they are entitled to, there will continue to be many people in that land who wish to emigrate and are kept there solely by government restrictions and repression.

It is our mutual responsibility to work for the day when all men and women will be free to live where they wish, and as they wish, to worship how they wish, under a government that they have chosen.

Until the day they are free, let us not forget the Latinskys.●

CONTROLLING ACID RAIN

● Mr. D'AMATO. Mr. President, I rise today in support of S. 2203, legislation to control acid rain. I commend my distinguished colleague, Senator STAFFORD, chairman of the Committee on Environment and Public Works, for his leadership on this issue.

I am also a cosponsor of two other acid rain bills, S. 52 and S. 283. Both of these would require a ten-million-ton per year reduction in sulfur dioxide emissions. As I have stated on several occasions, I am willing to support any reasonable proposal to address the acid rain problem. It is an urgent problem which demands immediate attention.

S. 2203 is stronger than previous acid rain proposals in several respects. In the past, attention has been focused specifically on sulfur dioxide. Although recent research on this issue has made the case against sulfur dioxide even more convincing, it has implicated other airborne chemicals as well. Therefore, I am pleased that S. 2203 proposes reductions in not only sulfur dioxide, but also oxides of nitrogen, ozone, hydrocarbons, and carbon monoxide.

I am also pleased that S. 2203 expands our focus. Acid rain is a growing concern in the State of New York, not only for its detrimental effects on aquatic chemistry and life, but also for the increasing appearance of problems with our forests, crops, and even our drinking water.

As I regularly visit the beautiful Adirondack region, I have been particularly concerned over the damage in that area. As a rule, the Adirondack lakes do not have enough natural buffering capacity to neutralize the detrimental effects of acid rain. The combined effect of the damage to the forests and the loss of sport fisheries has cost the region millions of dollars in lost tourism.

Although scientists speak in cautious words, it is clear that acid rain is a disaster. It has even scarred the Statue of Liberty.

Mr. President, I do not believe, as some would propose, that we should simply study this problem over and over before taking action. Without prompt action, this problem will grow.

A lake can take only so much acid; after a point, it loses its fish and plant life forever. Some of our lakes have passed that point; others are drawing dangerously close. Once acid rain has laid waste a forest, it takes decades for the trees to grow back.

Worse yet, acid rain may do harm we are only starting to understand. If enough acid gets into a reservoir, it might release aluminum and mercury from the bottom, with serious implications for our drinking water supplies. Also, acid might leak lead from the pipes in water delivery systems. The health effects are still unknown, but the possibilities are disturbing.

I know that the Environmental Protection Agency has made a commitment this year to place a priority on acid rain research. With all due respect to Mr. Thomas, I would like to point out that we already have technology to address this problem. We could take immediate steps. We know about scrubbers. We know about low-sulfur coal. We know that 25 percent of all cars now being sold in the United States already contain state-of-the-art emissions controls. We could begin our improvement right now.

The citizens of New York are extremely concerned about acid rain. The overwhelming majority of New Yorkers who have contacted me on this issue have indicated that they support strong acid rain legislation—even if it means slightly higher utility bills. I think we all understand the cost. There is the possibility that S. 2203 may result in higher prices for new cars. We understand that. But the cost of ignoring the problem will be greater, and the losses may be irreplaceable.

New Yorkers agree. They do not want to see Congress delay action through more hearings. They do not want to see Congress delay action through more discussions. They do not want to see us authorize more studies which do nothing to actually accomplish a reduction in emissions. They want a solid, strong acid rain control program, and they want it now.●

MANAGING THE ECONOMY

● Mr. BIDEN. Mr. President, it is important that we in the Senate remind ourselves from time to time how little anyone understands what makes the economy work. Our failures to foresee or influence a variety of economic events over the past 10 years, and more, make this most evident. From the stagflation of the 1970's, to the trade deficits today, we have experienced a wide variety of unexpected economic events.

This problem was examined in a March 12 article in the Washington Post by Robert J. Samuelson, entitled "The Interest-Rate Mystery." As he said in that article:

Our mastery of business cycles or changes in specific industries is illusory. Economic policies are blunt instruments that, in a complex economy, have unintended side effects.

Congress has much to do to put sound, basic economic policies in place. We must take positive action to reduce budget deficits. We must adopt a real tax reform bill, which will lessen government interference in private markets. We must adopt sound trade policies.

We may disagree on precisely how to accomplish these goals. But if we refuse to be diverted into quick fixes—short term efforts to bolster some segment of our economy—we should be able to make good progress in setting fundamental policies that will guide us toward a healthy, growing economy.

Mr. President, I ask that the entire article appear in the RECORD at this point.

The article follows:

[From the Washington Post, Mar. 12, 1986]

THE INTEREST-RATE MYSTERY

(By Robert J. Samuelson)

For economic wallop, what compares with collapsing oil prices? Well, declining long-term interest rates. Since early 1985, they've dropped roughly 3 percentage points. Lower rates have ignited the stock market, stimulated housing construction and favored business investment. If the economy is improving—and February's rise in the unemployment rate to 7.3 percent and still leaves some doubt—lower interest rates are a main reason.

What happened? No one really knows. With hindsight, it's easy to say that lower long-term rates reflect lower inflation. And they do. But this broad generalization slides over the reality that the sharp drop in interest rates was neither predicted nor, in any direct way, caused by the Federal Reserve, Congress or the White House. As recently as last October, a group of 50 economists forecast an average 1986 rate of 11.2 percent on high-quality corporate bonds; by March, the rate was 9 percent.

The basic lesson is how little we understand and control the economy. Sound economic policies—an efficient tax system, a balanced budget, stable prices—can promote confidence and long-term economic growth. But our mastery of business cycles or changes in specific industries is illusory. Economic policies are blunt instruments that, in a complex economy, have unintended side effects. Looking back, the 1980s have been full of surprises. No one foresaw the severity of the 1981-82 recession, inflation's steep decline or huge trade deficits.

For all their importance, interest rates remain a subject of immense confusion and mystery. The idea that high rates resulted from big government deficits now seems, at best, an oversimplification. The general notion that long-term rates represent expected inflation plus some "real" return to investors has obvious appeal. But, in practice, it provides a poor guide for prediction. "Expectations" are an elusive concept, and there's no evidence that the "real" return stays constant.

HOW LITTLE WE UNDERSTAND AND CONTROL THE ECONOMY

The striking aspect of the current decline is that long-term interest rates have dropped far more than short-term rates. Compared with the 3-percentage-point drop of long-term Treasury bonds, rates on short-term Treasury bills have declined roughly 1 percentage point. Other interest rates have followed this pattern—though often with a delay—so that average rates of fixed-rate conventional mortgages fell from 12.3 percent in January 1985 to 10.7 percent in February 1986. In some areas, they are now below 10 percent.

The implication is that the Federal Reserve has played a secondary role so far in lowering rates. Its direct influence is concentrated on short-term rates. For example, the Fed lends to banks (which makes mostly short-term loans) at the so-called discount rate. In May 1985, the discount rate was lowered from 8 to 7.5 percent. The next cut—to 7 percent last Friday—followed the decline of long-term rates. At most, the Fed's influence over short-term rates might explain one-third of the reduction of long rates.

And the rest?

One popular theory is that dropping oil prices and lower prospective budget deficits have improved investors' expectations of inflation and future interest rates. This makes sense but, examined closely, is not totally convincing. For starters, about half the decline in long-term rates had occurred by last November—before the steep fall in oil prices or the passage of the Gramm-Rudman balanced-budget law. In addition, there's been conflicting economic news. A depreciating dollar (which makes imports more expensive) darkens the inflation outlook; and one court already has ruled Gramm-Rudman unconstitutional.

Nor is it clear how much expectations have changed. Consider a regular survey of 462 financial professionals by Richard Hoey of the brokerage firm of Drexel Burnham Lambert. In January 1985, the respondent forecast average inflation of 5.2 percent over the next decade. Last month, the forecast for the decade still exceeded 5 percent, even though the inflation forecast for 1986 had declined. Likewise, the forecast in June 1985 for the fiscal 1990 budget deficit was $166 billion; last month, the estimate was $142 billion. These are not startling changes.

To be sure, it's possible to quibble over details. Since last month's survey, oil prices have declined further. (The respondents predicted an average of $19 a barrel for 1986; by early March, some "spot" prices had dropped to $12.) And of course, the survey may not reflect broad investor expectations. But that's the point. The economy is not a finely calibrated machine, but the result of millions of individual decisions. Crowd psychology influences interest rates just as it does the stock market. If people think rates are going down, they will—at least temporarily.

Small investors have flocked into bonds, raising their prices and reducing their interest rates. Last year, sales of bond mutual funds increased more than $70 billion. In January, the figure was $8.7 billion, or an annual rate exceeding $100 billion, according to economist Edward Yardeni of Prudential-Bache Securities. As high-yielding bank certificates of deposit matured and could be replaced only at much lower interest rates, investors switched to bonds. "This tremendous demand for bonds by 'mom and pop' explains why so many professional money managers, technicians and economists have been flabbergasted" by the bond market, Yardeni argues.

No one doubts the importance of interest rates. Kept too low, they encourage inflation by promoting excessive borrowing. Kept too high, they kill investment and economic growth. For the moment, lower rates promise to be a tonic. In January, housing starts (at an annual rate) exceeded 2 million, the highest monthly level since February 1984. Two recent surveys show that businesses have raised their investment plans since last fall. The stimulus may be needed; the higher unemployment rate and lackluster retail sales indicate some economic weakness.

But our ignorance is unsettling. In the end, lower rates may be a delayed reaction to lower inflation. But who knows? We do not know what is precisely the "right" level of interest rates—low enough to promote healthy expansion, but high enough to contain inflation. Even as lower rates help the economy today, could they be laying the ground for higher inflation tomorrow?

THE YIELD CURVE

Long term interest rates have declined more than short-term rates. The table compares rates on three-month Treasury bills with those on 10-year Treasury bonds. Other long-term rates change (usually with a delay) in parallel with these bond rates. The third column shows that the difference (in percentage points) between the short and long rates has narrowed. Economists refer to the difference between long-term and short-term rates ("yields") as the "yield curve."

	3-month T-bill rate (percent)	10-year T-Bond rate (percent)	Difference
January 1985	8.03	11.38	+3.35
November 1985	7.44	9.78	+2.34
March 10	6.75	7.77	+1.02

Sources: Joint Economic Committee, Council of Economic Advisers.

FAIR HOUSING MONTH

● Mr. D'AMATO. Mr. President, I rise today to join as a cosponsor of Senate Joint Resolution 303, which designates the month of April as "Fair Housing Month." Fair housing is something we should be concerned about, not just during the month of April, but throughout the year as well.

The promise of decent shelter has been an enduring dream for all Americans, but unfortunately the reality is sometimes otherwise. The Fair Housing Act protects the right of free choice in the housing market. It prohibits housing discrimination on the basis of race, color, religion, sex, or national origin. Housing discrimination must not, and will not, be tolerated.

A continuing commitment to this principle that we promote the intention of the Fair Housing Act—title VIII of the Civil Rights Act of 1968. Therefore, I urge my colleagues to join me in support of Senate Joint Resolution 303 which exemplifies the intent of the Fair Housing Act and shows a continuing commitment to the elimination of housing discrimination during the month of April and beyond.●

ORDERS FOR WEDNESDAY

RECESS UNTIL 9:30 A.M. TOMORROW

Mr. HELMS. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until 9:30 a.m. on Wednesday, March 26, 1986.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECOGNITION OF CERTAIN SENATORS

Mr. HELMS. Mr. President, I ask unanimous consent that following the recognition of the two leaders under the standing order on tomorrow, there be special orders in favor of the following Senators for not to exceed 5 minutes: Mr. DOMENICI, Mr. CRANSTON, Mrs. HAWKINS, Mr. PROXMIRE, and Mr. MURKOWSKI.

The PRESIDING OFFICER. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS TOMORROW

Mr. HELMS. Mr. President, following the special orders just identified, I ask unanimous consent that there be a period for the transaction of routine morning business, not to extend beyond 10 a.m., with Senators permitted to speak therein for not more than 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. HELMS. Mr. President, at the conclusion of routine morning business on tomorrow, the Senate could turn to the consideration of S. 1567, Water Resources, and complete action, if possible.

Also, the Senate will turn to the consideration of Senate Joint Resolution 283, the Contra resolution.

The Senate can expect rollcall votes throughout the day, and will likely continue late into the evening.

TECHNICAL CORRECTIONS TO THE RECONCILIATION BILL

Mr. BYRD. Mr. President, the enrolling resolution House Concurrent Resolution 305, making technical corrections to the reconciliation bill, has been cleared for action on this side of the aisle.

I hope that this resolution will clear the Senate. I just want the record to show that we are prepared to proceed tonight on House Concurrent Resolution 305 on this side.

Mr. DOLE. Mr. President, I thank the distinguished minority leader. I share his view, and I indicate for the record that there is one minor problem—we hope it is minor—on this side of the aisle. We hope to have it cleared by tomorrow morning; and perhaps even before turning to any legislation tomorrow, we can pass this, because it is needed to get the resolution bill signed by the President.

Mr. BYRD. Mr. President, I thank the distinguished majority leader.

RECESS UNTIL 9:30 A.M. TOMORROW

Mr. DOLE. Mr. President, there being no further business to come before the Senate, I move that the Senate stand in recess until 9:30 a.m. tomorrow.

The motion was agreed to, and at 6:55 p.m., the Senate recessed until tomorrow, Wednesday, March 26, 1986, at 9:30 a.m.

NOMINATIONS

Executive nominations received by the Senate March 25, 1986:

DEPARTMENT OF ENERGY

Marshall A. Staunton, of California, to be Administrator of the Economic Regulatory Administration, vice Rayburn D. Hanzlik, resigned.

EXTENSIONS OF REMARKS

MAYOR CISNEROS COMMENTS ON STATE OF U.S. CITIES

HON. JAMES J. FLORIO
OF NEW JERSEY
IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 25, 1986

Mr. FLORIO. Mr. Speaker, I would like to direct the attention of my colleagues to a very thoughtful statement concerning the plight of American cities made by Mayor Henry Cisneros of San Antonio, TX. Henry Cisneros is the current president of the National League of Cities and his remarks were delivered at the league's annual congressional-city conference held here in Washington earlier this month.

Any of my colleagues who has a major urban area in his or her constituency should read the mayor's remarks with great interest. The First Congressional District of New Jersey, which I have the privilege of representing, includes one of New Jersey's largest cities—the city of Camden. What Mayor Cisneros is describing on a national level is also common to Camden on a local level.

Mr. Speaker, I ask that Mayor Cisneros' remarks to the National League of Cities Conference be included in todays' RECORD. I urge my colleagues to examine this insightful statement by the mayor of San Antonio. His efforts on behalf of our Nation's cities have not gone unnoticed or unappreciated.

FULL TEXT OF CISNEROS' ADDRESS: AT STAKE IS A "VISION OF OUR COUNTRY"

Representatives of America's cities have been gathering at this conference, in this very room for over 15 years. If these walls could speak, they would tell a powerful story of America and of its city leaders.

In these seats where you sit now, have sat leaders of the big cities and of the small communities, from the Northeast and from the Midwest, and the South and the West, from all across America. Recounting the history of this conference would tell a story of the places that we love and the dramatic story of America's cities.

Over the last 15 years since this room has been used in this way every year, we have seen miraculous turnarounds: stories such as that of Baltimore and Boston, and Indianapolis and Cleveland. We've seen smaller communities that have succeeded and that have given us leaders to the national organization, like Scotland Neck, N.C., and Sunnyvale, Calif. Communities like Lincoln, Neb., and Lancaster, Pa., Lowell, Mass., Topeka, Kan., Nitro, W.Va., and Vancouver, Wash.

We've seen cities that were sort of in the second rung of cities and now are national powers like Tampa and Seattle and Atlanta, Minneapolis, Denver and Houston and San Jose and the second largest city in the country now—Los Angeles. We see the same cities that were struggling, work to forge new roles for themselves to completely convert their economies and perform in this new era. Cities like Akron, Fort Wayne, Fort Worth, Rochester, Beaumont and Tucson.

All in all, what we have seen are the performances of the finest public officials in American life. The jobs that they have done have been masterful, tough, independent, resourceful, financially responsible and competent. All across those years that they have been here, you have been here. Sometimes, it was to build new partnerships as in the early 1970s when in this room, this organization met to celebrate the passing of revenue sharing signed by President Nixon. The mood then was excited and exuberant, optimistic and appreciative of the respect extended by the federal government.

Sometimes we met in years when the mood was more one of commiseration over the black clouds that loomed on the horizon far away—as in the Carter years—when the theme was high inflation. Or, in the early years of the Reagan presidency when we heard the first language of the New Federalism. The mood then was anxious and cautious.

But always we have been city officials first, Republicans and Democrats second, liberals, conservatives somewhere else, but city officials first.

This year all of us together face a new problem that none of those who sat in these chairs has faced before. It is a disastrous dismantling of the federal-local partnership. It is a meat-axe chopping of the domestic obligations of government.

These are not in the category of threats or distant storm clouds, but the realities of the next 90 to 120 days. The mood, our response must not be gloom, or timidity, or uncertainty, or hang-dog apologetics.

We must be determined to stand up for what is right in the face of what I can only call disrespect: a disrespect for our cities, disrespect for the people who govern them, and disrespect for the people who live in them.

Now, if you think that the word "disrespect" is too strong, then I don't know any other word that describes what is happening.

"Miscommunication" or "misunderstanding" doesn't explain it. The only word that I can find that fits the bill is disrespect.

How else can one account for the fact that since 1980 when urban programs were $69 billion in our nation's budget, that today they are $17 billion, a dramatic cut? Yet over that same period of time, the deficit has grown from $27 billion to $200 billion. Picture that for a minute: a deficit that has grown from $27 to $200 billion, our programs have gone from $69 billion to $17 billion, and it is we who are blamed for the deficit! It is just not true, and don't you believe it!

I'll tell you what is true, though. What is true is that the loopholes in the tax codes are up 8 percent, while housing programs are down 67 percent. What is true is that foreign aid is up 8 percent, but job training is down 16 percent. What is true is that defense is up 12 percent, but municipal wastewater grants are down 25 percent.

Where is the balance, where is the equal sacrifice, where is the fairness in that? People of our cities will lose—not because there is a deficit—but because the way the rules of the game have been set by the administration and the Congress.

When the rules of the game are set in this way, when you increase defense by 12 percent, when you leave the entitlements untouched so that they grow by 8 percent, when there are no new revenue sources at all, and when you hold tax reform revenue neutral and still try to balance the budget on the Gramm-Rudman timeframe, there is no way that you can win in the ball game.

The fact of the matter is that the numbers don't work. The only course when the rules of the game are set that way is to dismantle the domestic side of government, which may in fact have been the intent of some of those in the Congress and the administration all along.

In 1981, we had what was called the Gramm-Latta tax cut. It cut taxes on upper incomes with the supposed knowledge that it would invigorate the economy so that we would have a balanced budget in a few short years. Instead, we ended up with the worst deficits in the history of our country: $200 billion. So we now have Gramm-Rudman, which is supposed to solve what Gramm-Latta didn't, by dismantling the domestic side of government.

You may have seen a listing of some of the programs that are slated to be eliminated. It is a long list, and it includes a whole host of programs such as EDA, programs related to senior citizens' housing, FHA and the Small Business Administration and countless others. Many of you have said that you want to know what we stand for. Before this meeting is out, we hope to set before you a priority list that indicates what programs this organization is going to fight for, recognizing that we can't fight for them all. But even as we are losing programs, we are also losing the capacity to generate revenues because of what is happening on the other side of the discussion—not the spending side, not the budget side, but with tax reform.

Tax reform [legislation] involves some $400 billion of incentives and credits in the tax code, and right now there is a Berlin Wall, if you will, placed between a tax code that is intended to be revenue neutral and the budget cuts that are being made.

You end up with some really unfair contrasts.

For example, accelerated depreciation for office buildings went up from $10 billion in 1984 to $15 billion in 1986 in the tax code, while CDBG was slated for a 32 percent reduction on the budget side.

Special capital gains treatment for timber went up by 150 percent in the tax code, while low income housing will be down 67 percent in the budget.

Corporate tax breaks and subsidies are running at $140 billion in the tax code, while general revenue sharing will be cut out, aced out 100 percent in the budget.

The purchase price of a corporate plane can be recouped entirely through tax credits and deductions in the tax code, while city mass transit monies will be down 31 percent in the budget.

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.
Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

Again, where is the equality of sacrifice when we leave the tax code side alone with some $400 billion and make all the cutting that needs to be made on the budget side?

But if that were not enough, tax reform goes even further and goes to the heart of the ability of cities to finance the selfreliance that is intended.

Of course the attack on state and local tax deductibility is one of those. We must remember that before there was a federal income tax, there were state and local taxes. These taxes already existed before there was a federal tax, and when the federal tax came into existence, it recognized the fact that people were paying state and local taxes.

So don't allow ourselves to be "walked into" the logic that says that we are just one other lobby group on the question of the tax code. Unlike other incentives built into the tax code to encourage some kind of spending or buying activity on the part of the American public, this is a fundamentally different thing.

The same thing is true of tax exempt bonds. We've gotten ourselves into a situation where the enormity exists right now that the Federal government mandates us to do clean water, but yet calls the bonds that we'll need to do sewage treatment plants as nonessential. That's the craziness, if you will, of this present situation, and so when I use the word "disrespect," that's exactly what I mean. There is no other way to describe it except as disrespect that is thoughtless and will result in years of damage.

The shape of our governmental system for 15 years is going to be set in the next 180 days, and I honestly don't believe that we can allow the dismantling of such a system that has been so productive. The breakup of working relationships that have been put together on a bipartisan fashion year in and year out, the closing of day care centers, the termination of housing initiatives, the closing of senior citizen nutrition centers, the reduction of manpower training centers.

I honestly believe that you don't deserve to be portrayed as the inept managers who cut, slashed and chopped people programs because you didn't know how to manage. But that's the picture that will be facing urban America in another 180 days.

No matter what size of city you come from, you have got to see that the homeless, the poor, and the old will not be going to the oak-panelled committee rooms in the Rayburn House Office Building to make their case.

They're not going to be going to take their case to the white-gloved gentility of the West Wing of the White House. They are not going to penetrate the upper office suites of HUD or the Treasury Department.

But they will be at your council offices. They will be at your offices at City Hall. And they will be even at your house.

You are the ones that are going to have to cut the parks in your community because there is no more revenue sharing. You are the ones that are going to have to cut day care because there is no more community services block grant. You are the ones that are going to have to cut job training because there is no nore Job Training Partnership Act.

You are the ones that are going to have to cut housing programs because CDBG has been reduced. You are the ones that are going to have to let sewer moratoria run a risk in your community because the Clean Water Act monies have been eliminated. You are the ones that are going to have to let traffic become congested because transportation programs are reduced.

And you are going to be the ones who raise taxes, because in 1986 the federal government decided to get out of the business of domestic America.

I've sensed some reluctance on the part of some of you over the course of the last days and weeks, some ambivalence, a sense even on the part of some that says, "I care about this program but not that program, and I'm here to work on mine and I'll make my arrangement with my congressmen, and as soon as we cut our deal then we'll sort of break away from the rest of the organization."

I understand some of that sense, because I come from a region where it is very difficult to articulate the kind of message that I'm trying to convey to you today. But this is one of those cases, ladies and gentlemen, where, if we don't hang together, then we'll hang separately.

This is a time when we need to address some questions of attitude even before we get into tactics. I say one of the first things we need to address together and understand together is that there is no need to apologize because you run cities.

There is no need to apologize because you are sworn to uphold a city charter. It is an honorable place in our system; the cities of America are where 80 percent of the people of this country live. The cities of America are where the essential dynamics of modern American life occurs.

When the cure for cancer is found in this country, it is going to be found in the hospital of a great American city. When new ideas of government are advanced, it's in the neighborhood movements of American cities and towns. When new forms of art are advanced, it's in the galleries that exist in the cities. When new books and ideas in literature are contributed, it's in the universities' complexes that exist in your cities and towns.

All in all, the cities of America are important to this country, and as a result the city governments of America are important.

When people stop and think every night as they go to sleep, whether there is going to be somebody that they can depend on if their spouse should be walking across the bedroom floor and collapses of a heart attack, it's not some esoteric argument at that stage. It's a question of whether they can pick up the telephone and find that emergency medical service on the other end of that line that can get there in a reasonable span of time.

Or as one sleeps at night and worries about crime and burglary problems in the neighborhood, is there a police officer on hand that the city government put in place?

One sends one's children off to school in the morning in the knowledge that they are walking on sidewalks, through traffic signalizations systems, on decent streets where the traffic flows safely, that the city made possible.

Even as they leave for their jobs, often it's to jobs in a restaurant or a retail center adjacent to something that the city government helped put in place.

The point I'm making simply is that you have absolutely nothing to apologize for in fighting for these programs, nor for standing up for the place of cities in the American system of government.

This is not just another lobby group. The truth of the matter is that not one of you in this room will make one more penny next year in terms of what the charter salary is in your city, because you have fought to save CDBG.

This in not like someone who gets a bonus in their salary or who gets stock savings or stock options if they are successful in running their cities better. All you're trying to do is advocate for a place for people in the American system.

So there is no need to be defensive; in fact, we have a very good offense. Think about the business of running cities as defense and offense. Defense means protecting our cities against these kinds of incursions, whether they be budgetary or tax reform. On the other hand we have an offense which means what we do with our own capability in our respective towns.

We have one hell of an offense. We have an offense that includes Charley Royer and what he has managed to do to make Seattle an international city by developing that port capability and marketing that city. We have an offense that includes Bill Hudnut and what he's managed to do in Indianapolis, rebuilding that downtown and bringing back an older industrial city, and what Kathy Whitmire has done in Houston—despite the fact that the city is ravaged by the decline of oil and gas prices.

We have an offense that includes Mayor Schaefer in Baltimore and what he has been able to do with an old port city, or Buck Rinehart, mayor of Columbus, Ohio, and his unique relationships with the university there, and Bob Bolen in Fort Worth. And in the small communities, places like Lowell, Lancaster and Fort Wayne, there are countless examples of people who have been competent and self-reliant. There is nothing to apologize for on that scale.

But at the same time, when we're called upon to play defense, we have a defense as well. It begins with the priorities on the national agenda for the Nation's cities.

Top of the list, General Revenue Sharing reenactment, and after that, other priority program reenactments: Community Development Block Grants, Urban Development Action Grants, environmental programs, transportation programs and the housing assistance programs.

Our priority is to try also to educate our people about the Gramm-Rudman-Hollings process, and so that is listed as a priority for this year. Other priorities include: tax reform, tax expenditures (which is that $400 billion that I described earlier that's available, but at the moment not being used for deficit reduction), federal mandates (which require that we clean water, but gives us no revenues to clean it), and the liability insurance issues. Stated in one succinct format, these are the priorities of the National League of Cities in 1986.

In preparation for testimony recently, Mayor Voinovich and I asked the staff to prepare the 10 toughest questions that we were likely to encounter. We have reproduced those questions and some answers for your use in meetings with your congressmen and senators.

Question 1: Isn't it hypocritical for you to express concern about the federal deficit and then to oppose Gramm-Rudman because it will cut city programs?

No. Gramm-Rudman substitutes nonelected officials to make critical budget priority decisions affecting our taxpayers in place of the accountability and responsibility on the part of people who are elected to make those decisions. Gramm-Rudman is not fair. It applies to only 13 percent of the budget. That portion could be cut out 100

percent, and the budget will still not be balanced. Congress and the administration need to adopt fair and balanced deficit reduction budgets. The NLC board has adopted a budget priority statement that would reduce the deficit, but without increasing your property taxes or cutting your services.

Question 2: Aren't you really calling for a tax increase?

No. Tax reform would lead to increased revenues to reduce the deficit. The federal budget includes federal tax subsidies, benefits and loopholes totalling more than $500 billion next year. Just freezing federal tax expenditures would reduce the deficit over $50 billion.

Question 3: Won't a tax increase or increased revenues cause a recession, as the President insists?

No. There is no general rule on that question, a recession depends on many economic variables. In fact, in 1981 there was a tax cut but a recession followed a tax cut. In 1982 Federal taxes rose, but we have had a steady building of the economy since then.

Question 4. What really has happened to federal aid in the last five years or so?

Federal aid to cities has been cut from $69 billion in 1980 to about $17 billion proposed this last year. Gramm-Rudman and the new budget will likely result in the elimination of the federal partnership with cities and towns over its five-year life. Having rigged the game the way I described, the only outcome can be elimination of all Federal programs over time.

Question 5. What will happen to and in cities if Gramm-Rudman operated for five years without a major Federal tax increase?

If Gramm-Rudman continues for five years all federal aid to local governments will likely be eliminated. But because such a small portion of the federal deficit is subject to Gramm-Rudman (only 13 percent), the federal deficit itself will remain after the dismantlement of the working relationship that has been so arduously and carefully built up over all these years.

Question 6. How do you reconcile your call for closing tax expenditures and your vigorous lobbying to retain the deductibility of state and local taxes and the tax exemption for interest on bonds?

Tax expenditures are incentives built into the federal tax code to encourage certain types of activities, but the deductibility of state and local taxes and the tax-exempt bonds were not put into the code to encourage constituents to pay property taxes. They were already paying property taxes. It was a constitutional recognition of a partnership, of a relationship; not an incentive device as all of the other provisions in the code, but a recognition of another level of government.

Question 7. Federal aid is down, local taxes may go up. You call that passing the buck, but isn't that really the best way to finance these activities so they address local need?

No. Federal spending of money coming from our cities and towns is up, but aid back to our municipalities is down. There is a question of priorities. Why should we be spending more in foreign aid and eliminating domestic aid? Second, not all cities and towns have the same capacity to raise their own local taxes. Some cities and towns have to provide a disproportionate level of services, because they have a very poor community and also a poor tax base. So the structure of the tradeoff is just not fair. We will force, for example, people to rely less on a progressive income tax and more on regressive local fees.

Question 8. More than a majority of cities seem to be doing all right. Why then are you so insistent about the dire effects of Gramm-Rudman and the loss of federal aid? Aren't you exaggerating and painting an unnecessarily bleak picture just in order to rationalize keeping federal aid programs for your constituency?

The cities have sacrificed, have cut, and have raised taxes, year after year. Some cities are in good shape, but many (especially in regions beset by economic turndowns) are at the end of their ropes. Poverty is up in America, unemployment is up in America, and tax caps have been thrown in place. Cities truthfully, honestly have a more difficult time; and I think that point needs to be gotten across.

Question 9. How can you support General Revenue Sharing, when there is no revenue to share—especially when General Revenue Sharing goes to so many wealthy jurisdictions?

General Revenue Sharing was not created to share methodical federal revenues or surpluses. It was created to help comply with federal mandates, but it is shared according to need. The lower the average income of your city's taxpayers, the greater the revenue sharing amount. When President Nixon signed Revenue Sharing into law there was a federal deficit then. Since 1972, when revenue sharing was enacted, federal funding for revenue sharing has been cut, but the deficit has grown by 1,000 percent.

Question 10. Finally, are the governors right when they say that the federal role should be basically national defense and Medicaid, but all other programs such as housing, environment, education and transportation should be left to the states?

The answer, we feel, is no. Providing a decent, safe and sanitary house for all Americans has been a federal goal since 1937. Cleaning the nation's air and water is a national problem; we can't have 50 different sets of laws and standards for bodies of air and water that don't respect state borders because of their natural layout. Giving our children a quality education must be a national priority for the future of our country. Providing the American people access to schools and jobs and health care on the waters highways, rails and air is a fundamental to a national economy. So the states have an important role to play but so does the federal government. The proof of the need for federal aid is the costly mandates in each and every area imposed upon us.

In other words, the federal government cares enough about these questions to set down regulations and laws thereby defining its interest in the subject—defining a role for the federal government, but withdrawing from the financing of those activities.

As I said to you this morning, I think we have a tremendous opportunity. I came away from Seattle [the 1985 Congress of Cities] totally depressed, beset by a feeling of gloom. I didn't see a sliver of daylight in an otherwise solid wall of obstruction and opposition. But it seems to me that as we get closer to the day of reckoning on these questions there is some reason for some measure of, if not open optimism—then at least a hard sense of determination.

First of all, I think we are going to get some movement on the re-enactment date on the bonds, on that effective date of the bonds as you heard Mr. Rostenkowski suggest this morning, but we have to work on that.

I think we will see some movement on state and local tax deductibility, but you have to work on that.

I think we'll see some movement on the tax exempt bond question, but you can determine whether that actually happens. And on the question of the programs, I think that as the congressmen realize what is actually going to happen, I think you are going to see some opening of daylight for compromise.

But it's got to be in a spirit of clear determination on our part. There is not one moment that can be wasted, not one iota of energy wasted on apologizing for the cities' role in this country or for their place in this system.

We have a place to roam, to play, it is an honorable one and I cannot tell you in words just how important. Because what I think is at stake here is a lot more than just the cities, as important as that is. I think what is at stake here is a lot more than some federal titles in a law, as important as that is. I think what is at stake is a lot more than some budgetary appropriations.

What's at stake here is an American way of life, in which we have set some ideals. This country works so that all its people have a measure of justice and opportunity, prosperity and, yes, equality.

We teach little children at five years of age their first day in school to recite words that they don't even understand, at that point, and that's the Pledge of Allegiance. We teach them as they say that to close that phase, "one nation under God, indivisible, with liberty and justice for all."

One nation, not the Sunbelt against the Frostbelt, not the big cities against the little cities, not the defense industry pitted against the needs of the homeless or daycare.

One nation under God—a God who can see just as easily into the homes of those senior citizens, who wait in the cold scared about whether or not the programs that they depend on are going to continue—just as easily as he can see into the skybox suites of the modern stadiums.

Indivisible, not divided, white against black, rich against poor, with liberty and justice for all and if we lose that sense in this country. A country that fundamentally believes in a sense of equality, so that people are willing to work their hearts out now knowing that there's something better out there for them and their children.

If we lose that quality of people sacrificing now for the future, then we will end up no more than a nation in a constant adversarial hostility, as people have to demand right this minute everything because there is no faith in the future.

Ladies and gentlemen, the stakes here are a lot bigger than our individual cities, or even laws, or even grant programs. The stakes are a vision of our country, and the cities have had and will continue to have a place in that system. A lot of how it comes out is up to you and what you do over the course of the next 24 hours. Thank you very much.

NORTH CAROLINA OPPOSITION TO CONTRA AID

HON. STEPHEN L. NEAL

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 25, 1986

Mr. NEAL. Mr. Speaker, last week the House voted down the President's request for

$100 million in additional aid to the Nicaraguan Contras. However, the debate continues. The Senate is taking up the measure today and I understand that the House will again consider aid to the Contras next month. To contribute to the ongoing debate, Mr. Speaker, I am inserting into the RECORD two editorials opposing further military assistance to the Contras, as well as a brief news article about a Southern Baptist volunteer working in Nicaragua, who felt compelled to speak out against United States support for the Contras.

The editorial entitled "Break the Stick," is taken from the Elkin Tribune, a weekly newspaper published in Elkin, NC, and the editorial, "'No' to Contra Aid," was published in the Greensboro News & Record. Both editorials were published on March 19, 1986.

I urge my colleagues to pay close attention to these southern views of the administration's Nicaraguan policy.

[From the Elkin (NC) Tribune, Mar. 19, 1986]

BREAK THE STICK—CONGRESS SHOULD REJECT MILITARY AID FOR CONTRAS

A vote is scheduled in Congress Thursday afternoon on President Reagan's request for $100 million in military aid for the Contras, the right-wing forces fighting the Marxist Sandinista government in Nicaragua.

It's expected to be close, but with a determined stand by such congressmen as our own Steve Neal and Bill Hefner it should be consigned to the dustbin it deserves.

The Big Stick approach to foreign policy just won't work. We've proven that repeatedly. Somehow we have to shed ourselves of our overweening faith in our own omnipotence.

Support for the Contras does us more harm than good in that area where we fear the domino effect most, Central and South America. By and large our Latin American friends, many gradually emerging as democracies, oppose Reagan's plans. We are risking turning them against us.

The problems plaguing Latin America—the same problems that led to the Sandinista overthrow of the American-backed Somoza dictatorship—are economic. Hunger, debt, poverty and unemployment won't be defeated by M-16s and a helicopter or two.

We have tried economic sanctions. We have sunk $100 million in earlier Contra aid into this quagmire. These have failed and there's no reason to expect anything other than failure from the president's military aid package.

What we need to try is diplomacy, something we've lost our touch in. We're not dreamers; holding out a flower to the Sandinistas isn't going to reverse their direction overnight.

But it will do much to quell the fears of our Latin American friends that we will turn against them, too, if they don't toe our line. These friends have an even greater interest in the peace and eventual prosperity of their region. They are working diplomatically to curb the excesses of the Sandinistas.

Supporting these democracies, and renouncing the Big Stick, won't be easy, but it will win.

[From the Greensboro (NC) News & Record, Mar. 19, 1986]

"NO" TO CONTRA AID

The hour of decision on Nicaragua has come. The House of Representatives is to vote tomorrow on President Reagan's request for $100 million in aid for the Nicaraguan contras. The Senate will quickly follow.

The president's televised speech last Sunday does not appear to have changed many congressional votes, nor has it apparently altered public opinion, both of which are running counter to the president's request. That calculus may change; Reagan has proved to be an impressive changer of minds.

But there are reasons for this resistance to the president's package, and not all of them are rooted in the administration's charge that opponents either don't care about the spread of communism in Central America or don't understand it.

Part of the problem lies in the hyperbole surrounding the administration's case. To listen to the president and his advisers, if this aid isn't approved, Nicaragua will fall to the communists and a sea of red will spread from Managua through Mexico to the Rio Grande.

Most Americans understand it isn't that simple. The Sandinistas may be bad guys, but they are not yet the hideous totalitarians the Reagan administration has labeled them. And while the administration has an obligation to contain the Sandinistas and push them toward democratic pluralism, one must question whether that obligation translates into arming a resistance force headed in part by members of the hated Somoza regime, orchestrated by the Central Intelligence Agency and opposed by leading Latin American nations.

It is not an impressive formula for success, especially when you consider that the United States has a history of intervening in the region. If the threat posed by the Sandinistas is as menacing as the administration claims, it's also worth wondering whether $100 million in aid, of which $70 million is to be used for military purposes, is really enough. The suspicion remains that this is only the beginning of a longer and deeper involvement in a war that the contra guerrillas cannot hope to win.

Now let's examine the consequences of not granting the aid now. It is true that the contras will become less of a nuisance for the Sandinistas. But it seems unlikely that they will fade from sight. The contras have proven resourceful in winning aid fom private sources. Some of their most impressive gains have come at times when U.S. aid has been curtailed or cut off.

At the same time, it is reasonable to assume that a cutoff of U.S. aid will lead to another round of negotiations to bring an end to the conflict. President Reagan contends that only a wider civil war will bring the Sandinistas to the negotiating table, but there is no evidence of that. If anything, the war has hardened negotiating positions and given the Sandinistas an excuse to clamp down on their opposition.

Perhaps a cutoff of aid will only further the Sandinistas' regional ambitions. But there is little evidence that current U.S. policy toward Nicaragua is working. Another serious try at negotiation, it seems to us, is well worth the effort. It need not mean an end to the contras, who say negotiation is their main goal as well.

If negotiations fail because of clear bad faith on the Sandinistas' part, then the burden of that failure will fall squarely on them, and U.S. policy will be reassessed. But until that time arrives, the United States is taking grave risks by immersing itself in a dirty Central American civil war that can't be won.

[From the Greensboro (NC) News & Record, Mar. 18, 1986]

BAPTIST CONDEMNS AID TO CONTRAS

NASHVILLE, TENN.—A Southern Baptist volunteer working in Nicaragua condemned U.S. support for the contra movement in a letter to church officials, claiming the guerrillas have killed Baptists and closed churches and clinics.

Douglas Sullivan, 29, a Chattanooga, Tenn., native, charged in his open letter that officials of the Nashville-based Southern Baptist Convention have "politely evaded any direct, prophetic challenge" to U.S. government policy in Nicaragua.

"I am moved as a volunteer representative of our mission work in Nicaragua to personally condemn any further assistance to the counterrevolutionaries because to continue that aid violates our national law and international law, (and) it continues sustained persecution of our Baptist family," Sullivan wrote in the March 10 letter.

Sullivan claimed at least five Baptists have been killed by the contras, who he says are responsible for closing four Baptist churches and destroying several Baptist health clinics in Nicaragua.

President Reagan is involved in a personal lobbying effort to gain Congressional approval of a $100 million aid package to the contras. Debate is scheduled to begin in the House Wednesday.

Sullivan's letter was addressed to Don Kammerdiener, director of the Southern Baptist Foreign Mission Board's work in Central America and the Caribbean.

Responding in a letter dated last Thursday. Kammerdiener acknowledged Sullivan's feelings are shared by many people in both Nicaragua and the United States and said "I have no doubt they are a sincere indication of your commitments in the cause of Christ."

But Kammerdiener told Sullivan that political neutrality for Southern Baptist missionaries worldwide is "more than mere tradition and more than simply evading the realities of our day."

"In point of fact, it is clearly stated policy of the Foreign Mission Board not to become involved in political controversy," Kammerdiener wrote.

Sullivan said he had remained silent as long as he could in an effort to honor the board's "tradition" of political neutrality.

But the volunteer said he had "long since tired of participating in the memorial services of innocent children and parents who have become victims to the horrible criminals which our government supports."

Sullivan first went to Nicaragua independently at the invitation of Nicaraguan Baptists and later was accepted into the Foreign Mission Board's Mission Service Corps volunteer program, the church aid. His original one-year term was extended through July.

SOUTHERN PINE BEETLE EPIDEMIC

HON. JOHN BRYANT

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 25, 1986

Mr. BRYANT. Mr. Speaker, I oppose the U.S. Forest Service response to the southern pine beetle epidemic when it is encountered in wilderness areas. I recently testified about this matter before the Public Lands Subcommittee

of the House Committee on Interior and Insular Affairs in opposition to the control method used by the Forest Service which is devastating the newly established, federally protected wilderness tracts in east Texas and other wilderness areas. The following statement explains my position:

Honorable Chairman and members of the Subcommittee: I am shocked and saddened every time I have seen the devastation that the U.S. Forest Service is causing in the Texas Wilderness in the name of controlling Southern pine beetles.

The Forest Service buffer cuts not only fell huge, healthy pine trees, but in the process knock the limbs and tops off the oaks and hickories and smaller pine trees as the big pines fall through them.

And it galls me to see the ruts of the heavy equipment that enters the wilderness when the felled pines are commercially sold.

Other Congressmen and I, with support of thousands of our constituents, worked for years to save these beautiful areas for wildlife and recreation and to preserve them intact for our children. Congress passed the East Texas Wilderness Act to stop the Forest Service from methodically and indiscriminately cutting the trees. We never expected that the Forest Service would immediately find an excuse to resume logging operations as they have done.

Today, I would like to assist this subcommittee in seeing through the sophistry that the Forest Service is dispensing to justify its pine bettle cutting program.

Dr. David L. Wood of the University of California, and other nationally respected forest entomologists have presented sworn statements that there is no scientific proof that buffer cutting controls the population or movement of Southern pine beetles. In reply, the Forest Service entomologists have said many times that they were not cutting to control the population or movement of Southern pine beetles. I quote from an affidavit of Forrest L. Oliveria, U.S. Forest Service, Pineville, Louisiana, a witness for the Forest Service in the Texas Southern pine beetle case and again in the Washington, D.C. case:

"The affidavit by David L. Wood indicates that he is of the opinion that no direct control methods for the treatment of Southern pine beetle infestations have scientifically been proven successful in either controlling population size or in preventing population movement. It is my opinion that control of Southern pine beetle populations on an area-wide basis has not yet been adequately researched. However, controlling population size or preventing population movement as suggested by Wood is not the purpose of the United States Forest Service Southern pine beetle control program. The Forest Service control program is for the control of Southern pine beetle populations in an individual spot and, in my opinion, the control of Southern pine beetle populations in an individual spot can be effectively accomplished."

That statement by the Forest Service raises the logical question: If the cuts are not known to control populations on an area-wide basis nor movement of beetles from one spot to a different spot, then why should the Forest Service be allowed to cut in wilderness at all?

My answer to that question is that they should not cut in wilderness.

The Forest Service has stated many times its two over-all objectives of cutting inside wildernesses: to contain infestations to wilderness areas, and to prevent infestations from spreading to Red-cockaded woodpecker colonies. I attach to my statement a paper listing twelve Forest Service statements to that effect.

It seems very clear to me that, in the absence of proof of controlling larger areas, the control of individual spots can not be accepted as preventing Southern pine beetles from infesting pines outside wildernesses. Yet the Forest Service implies that control of spots must somehow aid in the protection of totally distinct and separate spots elsewhere.

The Forest Service position might not be so obviously phony if all their cuts in wilderness were on the boundary line. But that is not the case. They are cutting as deep within wilderness areas as possible. In Upland Island, that is up to a mile and a half inside boundaries which are only three miles apart. They are cutting even further away from Red-cockaded woodpecker colonies.

Here is what is happening. The Forest Service is not able to hire entomologists who are willing to claim proof that cutting in one or more spots will stop the beetles in other places. Their entomologists will not challenge the independent experts head-on. But they will, and do, try to leave the impression that their cutting actually has the effect that they admitted they could not prove. That is misleading at best or just downright deceptive.

Here is what the Forest Service witnesses go on to say. They say that their cutting is effective. When pinned down, they mean that, by their own definition, they control individual spots. But their definition is highly self-serving.

To the Forest Service, control or success means that, after a spot has been cut once or more, the beetles no longer infest any of the pines immediately adjacent to the cut. If the beetles fly to other pines twenty-five yards away, or a half-mile away, as they can and often do, the Forest Service counts that as a fresh spot, and counts the former cut as a success. They say they have controlled the first spot because that is all they mean by control. By their definition, it is inevitable that they will claim a very high rate of success. And the more destructive cutting they do, the greater successes they will claim.

Another way they put it is that control is achieved when there are not more break-outs from a spot they have cut. They define a break-out as follows:

"* * * when Southern pine beetles emerging from a treated spot attack neighboring, immediately adjacent trees. * * * When uninfested host trees are located between the treated spot and the new infestation, when the new infestation is considered a separate spot. The breakout must occur within thirty days of treatment of the spot."

There again I have quoted the testimony of the Forest Service's own expert, Oliveria, in the Washington, D.C. beetle case now pending.

In Forest Service bureaucratese, all they have to do to succeed is to keep on cutting break-outs until the beetles fly a short distance outside the buffer. Mind you, beetles are still boring away, but they had to move to do it.

Imagine a quail hunter who defined one-hundred percent success as where he shot some of the birds and forced the rest to fly to a new spot!

The Wilderness Act of 1964 calls for areas to be left unmarred, except as may be "necessary in the control of fire, insects, and disease". The definition of "necessary" is: "essential to a desirable or projected end."

As to buffer cutting, in wilderness, the Forest Service's end is to protect commercial pine timber outside the wilderness. There is no proof that the cutting achieves that end; therefore, it is not essential to that end. Therefore, it is not necessary. Since it is not necessary, the Wilderness Act, in my opinion, does not allow it.

I ask the subcommittee to put a stop to the buffer cutting for Southern pine beetles in all federally protected wilderness areas where they exist.

Last summer during an inspection of beetle cutting conducted by this subcommittee, I stood in a clearing of about 100 acres. It was in what had been a deep and shady forest well inside Upland Island Wilderness. The Forest Ranger told our group that after a small infestation of beetles months earlier, they had cut buffer after buffer, and each time the beetles had broken out, until finally, after 27 cuts, the Forest Service had achieved control. I pointed out there were three new spots, just outside the wilderness boundary which we had observed en route, and asked:

"How can you claim to have controlled the beetles if they flew outside the boundary and started new spots?"

To which he replied, "There haven't been any new infested trees adjoining this cut for thirty days."

"But you did not keep the beetles from infesting the lands outside the boundary," I pointed out.

To which he insisted, "But we kept them from enlarging this spot."

We have already lost 100 acres of forest in this one wilderness area alone. Yet the beetles had infested the pines outside our wilderness anyway—exactly what the Forest Service said it was attempting to prevent. But, by Forest Service standards, the cutting was a success. I say that those standards are ridiculous and in no one's interests.

Throughout the wilderness areas, the Forest Service has been cutting for beetles, yet there were about as many spots per square mile along the outside of the wilderness boundary as inside the boundary. The beetles during this epidemic have been everywhere where there were many pines. For 2½ years, the Forest Service has cut as fast as they could. They brought in crews from other states to cut more and more. But their unproven and unprovable policy did not prevent the epidemic from becoming the largest in recorded history.

It is clear to me that when the beetles are infesting trees throughout the forest, we do not protect any part of the forest by cutting spots, any more than we could protect part of a child's body during a case of the measles by cutting the spots as they broke out.

The experts agree that when pine trees become too dense, pine beetles will periodically peak and destroy some of them. We can not curb the epidemic by cutting spots. In wilderness areas cutting does not just cause tremendous harm. It defeats the purpose of establishing the wilderness in the first place. I have heard the Forest Service claim that the beetles, if left uncontrolled, would damage the wilderness anyway.

I have stood in a remote place in the wilderness where beetles had killed many pines but the Forest Service had not intruded and cut. Most of the dead pines had lost their needles, bark, then twigs, then limbs, then 90 percent of their water content, but were still standing. The few that had finally fallen were so light that they caused little damage to surrounding oaks, hickories, and gums.

All around the dead pines stood healthy hardwood trees, providing pleasant shade. The forest floor was cool and moist. Turkeyberries and occasional wildflowers provided patches of color. Birds sang. It was still wilderness—the living woodland where death nurtures life.

In contrast, out where the Forest Service had cut buffers of green pines, crashing pines had blasted the hardwoods. Vehicles had completed the scarification of the soil. It was like a clearcut, a war zone, a desert.

That frightening sort of contrast needn't exist in our wilderness. I do not want to see it happen anymore. Neither does anyone who honestly wants to preserve a little bit of today's natural heritage for tomorrow.

I am confident that this subcommittee will take prompt action to stop the buffer cutting in wilderness that promises only devastation.

VERMONTERS ADVISE CONGRESS ON CUTS AND TAX REFORM

HON. JAMES M. JEFFORDS

OF VERMONT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 25, 1986

Mr. JEFFORDS. Mr. Speaker, I'm pleased today to be able to announce the results of my 12th annual Vermont questionnarie.

The 10,487 Vermonters who responded to this year's survey have provided some sound advice on the issues that dominate nearly every debate in this Chamber, budget cuts and tax reform

I believe that as in the past, the results of this year's Vermont questionnaire will be of interest to my colleagues.

CONGRESS ON THE RIGHT TRACK BUT SHOULD STAY IN THE DRIVER'S SEAT

An overwehlming majority of Vermonters said we did the right thing when we passed the Gramm-Rudman-Hollings Deficit Reduction Act. As agonizing as that issue has been here in Washington, Vermonters support the decision to follow a strict schedule in the direction of financial sanity. In fact, only 3.8 percent said the legislation should be repealed.

But at the same time, only a minority, 26.9 percent, said we should proceed on cruise control by simply allowing the mandatory budget cuts to go into effect automatically.

The largest number, 34.1 percent, said we should "Adopt an alternative plan to meet the deficit reduction targets by budget cutting, with more cuts in the military budget than the domestic budget." Only 8.6 percent said we should "Adopt a plan with more cuts in the domestic budget than in the military budget."

Meanwhile, 22.1 percent said we should "meet the budget targets with a combination of selective budget cuts and revenue increases," and 4.5 percent said the targets should be met with revenue increases alone.

CONTINGENCIES FOR RAISING REVENUES

Although only a minority thought we should raise taxes, all respondents expressed opinions on where a tax increase should occur if it is needed.

The numbers add up to well over 100 percent, because many people checked more than one area.

The largest number by far, 66.3 percent, said if revenue increases are needed they should include "higher taxes for corporations." Responses for other potential revenue sources were as follows: A new tax on imported oil, 23.1 percent; a value added tax, 20.7 percent; higher income taxes for individuals, 20.3 percent; and higher taxes on gasoline, 18 percent. Another 18.3 percent said we should enact "no new taxes under any circumstances whatever."

AREAS FOR BUDGET CUTS

To determine where Vermonters feel the Federal budget should be cut, I listed 26 budget areas. That's a pretty arbitrary number, but I ran out of alphabet letters.

Interestingly, of the 26 budget areas, there were only four in which a majority of Vermonters said cuts should be made. They are foreign economic aid, foreign military aid, SDI, and weapons systems other than SDI.

Following is the list, and the percentages of Vermonters who said budgets should be cut in each area:

Public education, 9.9 percent.
Aid to college students, 19.5 percent.
Foreign economic aid, 60.3 percent.
Foreign military aid, 78.8 percent.
Social Security, 7.4 percent.
Veterans benefits, 9.9 percent.
Food Stamps, 17.1 percent.
Job Training, 13.5 percent.
Military Retirement, 44.7 percent.
Civil Service Retirement, 37.3 percent.
SSI for elderly, blind and disabled, 1.6 percent.
Aid to Families with Dependent Children, 7.4 percent.
Civil Service salaries, 37.7 percent.
Military salaries, 27.5 percent.
Women, Infants and Children nutrition program, 8.9 percent.
Dairy price supports, 30 percent.
Farm supports other than dairy, 32 percent.
SDI ("Star Wars"), 58.6 percent.
Weapon systems other than SDI, 55 percent.
Amtrak, 29.8 percent.
Highway aid, 12.5 percent.
Water projects, 20.5 percent.
Military troop strength, 24 percent.
Small business loans, 17.9 percent.
Farm ownership loans, 14.6 percent.
Misc. assistance to states and municipalities, 23.5 percent.

TAX REFORM

The tax reform bill we passed late last year won general approval from 84.5 percent of those who answered the questionnaire. Only 12.9 percent expressed opposition to the general concept of the bill.

But because some features of the bill could be revised when it comes back to us, I also asked Vermonters for their opinions on a very significant aspect of the legislation, deductibility of State and local taxes. Respondents chose among three options.

The largest number, 48.1 percent, endorsed the decision we made in the House by saying we should—

Continue to allow the Federal tax deduction for tax payments to State and local governments, as under the present tax law.

Another 31.2 percent said we should—

Restrict all deductions in excess of $1,000, including the state and local deduction, to 70 percent of the itemized amount. Use the "savings" to raise the personal tax exemption from $1,500 to $2,000 for each dependent.

Meanwhile, 15.7 percent said we should—

Eliminate the state and local deduction. Use the $32 billion in "savings" to reduce the deficit.

Mr. Speaker, I'm well aware that none of us would want to rely solely on questionnaire responses for advice from our constituents. No survey can convey all the shades of opinion, the individual insights or the intensity of feeling we get from letters, phone calls or personal visits.

But over the last 12 years, the Vermont questionnaire has proven to be an essential complement to those other forms of communication. It is a valuable guide to the views of my constituents on many of the major issues we face in Congress.

As in past years, I'll be referring to it regularly throughout the year.

THE GARRISON DIVISION UNIT IRRIGATION PROJECT

HON. BERKLEY BEDELL

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 25, 1986

Mr. BEDELL. Mr. Speaker, shortly after the Easter break, the House will consider H.R. 1116, legislation to reauthorize the Garrison Diversion Unit irrigation project in North Dakota. At that time, I intend to offer an amendment to make clear the intent of Congress that this project not subsidize the production of more surplus crops.

My amendment would simply provide that, if an irrigator chooses to use the irrigation water he gets from this project to grow more of crops that are already in surplus, he must pay the full cost to the taxpayers of that water.

THE PROBLEM

Mr. Speaker, the old saying that, "If you're not part of the solution, you are part of the problem," seems especially appropriate on this issue. Two of the biggest economic problems confronting Congress are the budget deficit and the problem of surplus agricultural commodities. The deficit is such a big problem that we have had to cut from programs many of us support, including national parks, certain defense programs, farm programs and others. None of us seriously believes that the deficit problem will go away easily or quickly.

Second, we are awash in a world of surplus agricultural commodities. As a member of the Agriculture Committee who has wrestled with the farm problem, I can assure you that no serious agricultural analyst believes that the surpluses will disappear soon. Any action based on that notion is pure speculation. World agricultural production is increasing so rapidly that it is extremely difficult for the United States to sell its commodities on the glutted world markets. The United States spends millions just to store surplus commodities, and we pay our farmers more and more not to grow these crops in the first place. In fact, under the farm bill's long-term conservation reserve, we will pay farmers to take 40 million acres out of

production over the next 5 years, in addition to millions of acres of annual set-asides that will take additional land out of production.

Is there any logical reason why taxpayers should now grant huge new irrigation subsidies to grow more of crops, such as corn, that taxpayers are already paying farmers not to grow? If ever the United States could afford this wasteful luxury, the world has changed permanently and we never will be able to again.

THE GARRISON PROJECT

The primary justification for the Garrison project in North Dakota is that North Dakota gave up a number of acres of farmland which became reservoirs during construction of the large dams on the Missouri River that control flooding downstream. I believe North Dakota deserves some compensation in exchange for giving up the land. In deciding exactly what that compensation should be, we must of course consider current realities. I have no objection to trying to furnish water to communities as needed—in fact, the project's enhanced municipal and industrial water supply features are admirable—nor do I object to seeking other ways to help the State, including irrigation if it makes economic sense.

However, my common sense tells me that it seems to be the poorest possible use of Federal dollars for us to heavily subsidize the growing of crops which are already in surplus, and then have to pay farmers more money to further restrict their production. There must be some way to spend money to help North Dakota without adding to our other problems. My proposed amendment to this bill is the very least that Congress can require if we are to claim that we are fiscally responsible.

LEGISLATIVE HISTORY

The Reclamation Act of 1902 set the policy of providing opportunities to settle and develop arid western lands by making irrigated water available. One goal of this 1902 legislation was that water rates be set so that Federal costs to construct projects could be recovered. Over the years, various changes in law have resulted in enormous subsidies for irrigation. In recent decades, recognizing that our reclamation policies must be brought into line with today's budget and agricultural realities, Congress has sought to modify reclamation policy in order to end the conflict between reclamation and agricultural policies.

In fact, section 5 of the original 1965 Garrison authorization legislation contained a concept similar to the amendment I am proposing. Section 5 provided that no water from the project should be delivered to grow surplus crops on newly irrigated lands. The text of this section follows:

SEC. 5. For a period of ten years from the date of enactment of this Act, no water from the project authorized by this Act shall be delivered to any water user for the production on newly irrigated lands of any basic agricultural commodity, as defined in the Agricultural Act of 1949, or any amendment thereof, if the total supply of such commodity for the marketing year in which the bulk of the crop would normally be marketed is in excess of the normal supply as defined in section 301(b)(10) of the Agricultural Adjustment Act of 1938, as amended, unless the Secretary of Agriculture calls for an increase in production of such commodity in the interest of national security.

Unfortunately, this language will not work as intended. First, the absolute prohibition in section 5 contained an escape clause in that it was written to apply only for a period of 10 years, beginning with the date of enactment of authorizing legislation.

Congress again tried to address the issue during debate on the comprehensive Reclamation Reform Act of 1982. The House adopted an amendment of mine which again would have flatly prohibited the delivery of irrigation water to grow surplus crops. This amendment was watered down in conference to a study. But this study ("Production of Surplus Crops on Irrigated Land Served by the U.S. Bureau of Reclamation", U.S.D.A. Economic Research Service, February 1984) confirms the problem and supports the solution I propose today. In addition, a 1985 study by the Natural Resources Defense Council and the California Rural Legal Assistance Foundation also recommended disincentives to irrigating more surplus crops.

My amendment to require full cost for water used to grow surplus crops is a better way to approach the problem than past proposals to use an absolute prohibition on delivery of water to a project. The absolute prohibition was unenforceable and punitive because it stated that "no water . . . shall be delivered" to grow surplus crops on newly irrigated lands. In order to enforce this provision, the Secretary of the Interior would have to actually turn off the water. As has been pointed out in hearings before the House Interior Subcommittee on Water and Power, the pressures against turning off the water are so strong that the concept doesn't work.

This modest amendment would merely increase the fairness and workability of existing provisions of law intended to end this wasteful conflict between reclamation and agricultural policies.

Furthermore, applying the concept of full cost pricing to surplus crops is consistent with reclamation law. The Reclamation Reform Act of 1982 requires that irrigators repay the full cost of providing them the water, unless they qualify for a subsidy. The act allowed subsidies to family farmers and small corporate farmers, but denied subsidies to those who do not deserve them. My amendment would simply extend the concept of full-cost pricing to those who choose to work against the goals of our farm programs.

SUBSIDIES IN THE BILL

The Garrison project's irrigation features would cost $700 million to irrigate 130,000 acres of farmland. Although the project will cost more than $5,000 per acre, it would increase the average market value of an acre of farmland by only about $600 at most.

If farmers were required to repay the full cost to the taxpayers of this irrigation project, they would have to pay back about $500 per acre per year. As reported by the Interior Committee, the bill would require repayment of 10 percent of full cost for water used to grow surplus crops. This means that that bill would reduce the annual repayment required of farmers to about $70 per acre per year, granting an annual subsidy of more than $400 per acre. My amendment would simply say that the Government will not grant this $400 subsidy to those farmers who choose to work against government policy by using the water to grow more of the very same crops that the Government is already paying these and other farmers not to grow.

FAIRNESS AND PRACTICALITY

The concept of charging full cost for water used on surplus crops is fair and practical. It is fair to the irrigator who can decide whether he is willing to pay for the subsidy if he chooses to use it for no productive purpose. Second, it is fair to other farmers who do not receive irrigation subsidies and who must now compete against those who do, and who must now suffer the consequences of a glutted market. Third, it is fair to the taxpayers, because they shouldn't have to pay for both farm programs and irrigation subsidies.

The amendment is practical because it would be no harder to administer than the bill as written. Because the bill provides for payment of 10 percent of interest costs, it already requires the writing of appropriate contracts, the administrative determination of the percentage of water used for surplus crops, the computation of interest charges, and so forth. The only difference is that the Government would not have to divide by 10 at the end of the calculation.

Mr. Speaker, this amendment is not a new idea, nor is it unfair to apply it to the Garrison project. The amendment embodies concepts that have been recognized by Congress for decades, and which were included in the original 1965 Garrison Act.

I attach a factsheet describing the amendment.

EXPLANATION OF EXCESS CROPS AMENDMENT

GENERAL

The amendment requires that irrigators who choose to use project water to grow surplus crops sign a contract with the government agreeing to pay the full cost of that water.

REQUIRES REPAYMENT OF INTEREST

Under current reclamation law, irrigators are frequently only required to repay a small part of the full cost of providing them the water (i.e. only principal & operation/maintenance expenses). Repayment of interest costs, by far the largest cost to the government, is often not required, due to various provisions in the Reclamation Reform Act of 1982. The amendment requires repayment of interest costs for that portion of the water used to irrigate surplus crops.

DEFINITION OF SURPLUS CROPS: APPLIES TO ANY BASIC AGRICULTURAL COMMODITY

Like the bill's Section 7, the amendment applies to any basic agricultural commodity if the total supply of that commodity is determined to be in surplus by the Secretary of Agriculture. In agriculture law, "normal supply" includes sufficient carryover stocks.

FARM PROGRAM PARTICIPATION IRRELEVANT

For purposes of this excess crops section, it does not matter whether or not an individual irrigator himself participates in farm programs. An irrigator who pays full cost, grows corn and does not participate in farm programs still worsens the problem of the corn surplus for everyone. The amendment seeks to reconcile national reclamation and agricultural policies.

DEFINITION OF FULL COST

The definition of "full cost" used in the amendment is the current standard, and the same definition used in the bill. It is the definition in the Reclamation Reform Act of 1982, the most recent comprehensive congressional revision of reclamation policy law.

PAYMENT CALCULATED ANNUALLY

The actual amount of interest costs to be repaid annually by the irrigator is determined year-by-year, based on what percentage of project water is obtained for irrigating surplus crops. On July 1 of each year, the Secretary of the Interior announces the amount of the full cost payment for the following year.

REPAYMENT INCREASES MAY NOT BE OFFSET ELSEWHERE

The amendment does not permit any increase in interest cost repayments under this section to offset other payment obligations required under reclamation law, such as repayment of principal or of operation and maintenance expenses. Nor does the amendment permit any increases in interest cost repayments under this section to increase the amount of project costs to be repaid from revenues of sales of federal power.

H.R. 4407, A BILL TO LIMIT THE LIABILITY OF FISHING VESSEL OWNERS THAT COMPLY WITH IMPROVED SAFETY REQUIREMENTS

HON. WALTER B. JONES

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 25, 1986

Mr. JONES of North Carolina. Mr. Speaker, on March 13, 1986 I introduced H.R. 4407, a bill to limit the liability of fishing vessel owners and operators if the fishing vessels owners meet certain obligations and the vessels they operate meet certain safety standards.

Nearly every Member of this body is aware of the current liability insurance crisis. Many industries cannot afford or even find liability insurance. Our municipal, county, and State governments are in the same dire situation as private industry. This crisis has also extended its tentacles to the U.S. fishing industry.

Fishing vessel owners and operators are faced with skyrocketing insurance costs, rapidly shrinking insurance coverage, and in the worst cases, the complete unavailability of fishing vessel insurance.

To add insult to injury, our fishermen are faced with a number of other problems: They have lost traditionally important fishing grounds, such as a portion of Georges Bank, as a result of a recent World Court ruling, and United States access to shrimp fishing grounds off Mexico as a result of Mexico's declaration of a marine exclusive economic zone; they face a rising tide of cheap foreign fish imports which depresses the price paid for the fish they catch; many fish stocks are at all time lows because of adverse environmental conditions, such as El Nino on the west coast and severe freezes in the gulf and South Atlantic; and last, profits have been reduced because the number of vessels participating in many fisheries has exceeded the capacity of the fishery resource.

A remedy to the current fishing vessel insurance crisis is urgently needed. The fact of the matter is that the U.S. fishing industry needs the insurance industry far greater than the insurance industry needs our fishermen. This makes the U.S. fishing industry captive to the whims of the insurance industry. In some cases, fishermen are forced to keep their vessels tied to the dock because of the lack of affordable insurance. In other situations, fishermen are operating without insurance, at the risk of losing their life savings in the event of an accident. If our fishing vessels do not carry adequate insurance, crewmen will not be adequately compensated if they are injured aboard fishing vessels.

While the regulation of the insurance industry at large is a matter for each State, the U.S. Constitution places the activities of the merchant marine and seamen under Federal jurisdiction. Liability for fishing vessel owners and operators centers around three areas. First, the employers of fishing vessel crewmen are subject to the doctrine of maintenance and cure. Under this doctrine, the employer is financially responsible to provide for the cure of seamen who become ill, injured or disabled while in the service of a vessel and for maintaining the seamen through remuneration for room and board until a cure is achieved. Second, under the 1920 Jones Act, seamen are guaranteed the right to bring action in Federal court if an injury, illness, or disability results from the negligence of the employer. Third, the vessel owner is subject to the doctrine of seaworthiness, whereby the seaman can bring court action if an injury is sustained as a result of the vessel being unseaworthy.

To be sure, this is not the first time the fishing vessel insurance crisis has arisen. There have been similar crises in 1965, 1975, and the latest which began in the mid-1980's. These cycles are closely tied to interest rates. During times when interest rates are high, the underwriters of marine insurance pay little or no attention to loss rates, for they can make a handsome profit from the investment of insurance premiums. During these times, the insurance companies compete for premiums through lower and lower insurance rates. When interest rates drop, the industry awakens to the fact that losses are exceeding income from the investment of premium payments and it then responds by increasing premium rates to lofty heights.

The current situation appears to be different from past crises in that never before has the dilemma reached such proportions. Many persons in the fishing industry contend that factors other than interest rates have played a large role in the skyrocketing cost of fishing vessel insurance. Many fishing vessel owners and insurance industry spokesmen contend that there has been an excessive payment of claims filed for injuries incurred aboard fishing vessels. Examples are often cited in which $500,000 may be awarded for a broken arm. While these cases gain notoriety, they are far from the norm; however, these cases do serve to erode the confidence of the insurance industry in the profitability of fishing vessel insurance. The confidence of the insurance industry has also been eroded by a number of suspicious sinkings in the North Pacific king crab fleet and the New England groundfish fleet.

The number of cases where suits have been brought and awards made have risen. A study carried out by Prof. Dennis Nixon of the Sea Grant Program at the University of Rhode Island points out that statistically, large awards represent a very small number of injury cases. The real problem appears to be short-term injury awards between $20,000 and $100,000. Many in the industry have also asserted that the development of a plaintiff's bar at the dockside has resulted in an unprecedented number of claims and subsequent awards. Many fishermen believe that attorneys representing seamen have reaped unreasonable profits and have served only to fuel the problem.

Fishing vessels have traditionally been exempt from any governmental regulation for purposes of providing minimum safety standards. Under current law the only statutory requirements for fishing vessels are for the vessel to carry a fire extinguisher, a life preserver for each individual, vents for fuel tanks, and a flamearrester. Many believe that enhanced safety standards may reduce the number of fatalities and injuries experienced by the fishing industry. The U.S. Coast Guard has provided my committee with data showing that the fatality rate for commercial fishermen is approximately seven times the overall U.S. industry average. A 1983 Coast Guard study points out that fishing vessel loss rates are on the order of five times that of U.S. oceangoing cargo ships—vessels that are required to meet more stringent safety equipment and seamen training standards. In addition, it is apparent that some Federal fishery management plans have the effect of encouraging fishermen to operate under weather conditions they would normally avoid and to load vessels with excessive amounts of fishing gear and catch.

My bill, H.R. 4407, is an atttempt to remedy some of the outstanding problems that have apparently led to the current fishing vessel insurance crisis and in doing so to be fair to fishing vessel owners, fishing vessel crewmen, and attorneys. The bill I have introduced addresses four broad areas: First it would limit fishing vessel owners' liability, but only if certain conditions are met; second, it would mandate that fishing vessels built after 1987 would be required to meet certain fishing vessel safety standards; third, it would authorize the courts to review and if appropriate, reduce attorneys fees for handling injury claims; fourth, it would amend the Fishery Conservation and Management Act to require fishing vessel and crew safety to be taken into consideration in developing and implementing fishery management plans.

H.R. 4407 would limit liability under current doctrine and law as follows: First, seamen would be prohibited from bringing an action under General Maritime Law and the Jones Act if an injury or disability is less than 1 year in duration; second, the statute of limitation for bringing an action under the Jones Act or General Maritime Law would be reduced from the current 3 years to 2 years; and third, non-

pecuniary awards would be capped at $350,000.

In order to qualify for the limitation of liability, fishing vessel owners or operators would be required to meet certain obligations: First, as under current law they would have to provide a cure for any injured, disabled, or ill seamen; second, they would be obliged to provide maintenance at the rate of $15,000 per year or 80 percent of average wages, whichever, is greater, until the injured seamen is recovered; last, the fishing vessel would have to meet certain safety standards. If these conditions are not met, the limited liability scheme would not apply.

H.R. 4407 would require the Secretary of Transportation to develop safety regulations governing: Navigation equipment, life saving equipment, fire protection and fire fighting equipment, the use and installation of insulation materials, fuel ventilation systems and vessel stability. These regulations would be mandatory for vessels built after 1987 and voluntary for existing vessels. In addition, the managing operator of a fishing vessel would be required to hold a special operators training certificate and fishing vessel owners and operator's would be required to inform crewmen of safety and emergency procedures.

Two marine accident reports recently issued by the National Transportation Safety Board [NTSB] on the sinking of the fishing vessels *Americus, Altair,* and *Atlantic Mist* clearly demonstrate how new vessels complying with this legislation can avoid problems encountered by older vessels. In the case of the *Americus* the Board found the probable cause of the capsizing was "inadequate intact stability caused by improper loading and the addition of trawling gear;" and the contributing factor was the "owners' failure to determine the stability characteristics of the *Americus* and to amend the vessel's stability information after the trawling gear was installed." In the case of the *Atlantic Mist* the NTSB determined that the probable cause of the sinking was the "failure of the master to lock the covers on the circular deck openings" and the contributing factor was the "clogging of the fish hold drains by loose clams" and the "non-watertight bulkhead penetrations into the engine room which allowed progressive flooding of the vessel." In these three disasters, a total of 16 fisherman died needlessly.

This legislation also requires the insurance companies to supply periodically to the Secretary of Transportation information on casualties aboard fishing vessels. it is my hope that this information will ultimately provide a basis for marine insurers to decrease their insurance rates for those classes of vessels possessing safe operating histories rather than the current practice of across-the-board increases or decreases.

Mr. Speaker, H.R. 4407 is an attempt to resolve a very complex and dire situation. In doing so, it will require sacrifices on the part of fishing vessel owners and operators, crewmen, the insurance industry, and attorneys. Through each party making a sacrifice it is my ardent hope that all parties will benefit by having a predictable market for fishing vessel insurance and by a system that adequately protects seamen and compensates them in the event that they are injured. Through the hearing and markup process, I am hopeful that any outstanding problems or areas where the bill may fall short can be resolved. With that, I urge my fellow members to support H.R. 4407 at such time as it or a modified bill comes before the full House of Representatives.

USE OF CHRYSOTILE ASBESTOS

HON. ELDON RUDD

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 25, 1986

Mr. RUDD. Mr. Speaker, Hubert F. Wood and Alvin W. Gerhardt live in Globe, AZ, which is in my congressional district. These gentlemen have spent half of a century involved in the mining, production, and use of chrysotile asbestos, which differs from other types of carcinogenic asbestos such as crocidolite and amosite.

Mr. Wood and Mr. Gerhardt disagree with the Environmental Protection Agency's proposed rules, which were published in the Federal Register on January 29, 1986, restricting the mining, manufacturing, processing, and importing of all types of asbestos, with no differentiation between the minerals such as chrysotile, because they are hazardous to one's health.

I would like to share with my colleagues the following statements of these two gentlemen as presented in testimony before the EPA meeting on March 6, 1986 in Tucson, AZ.

My name is Alvin Gerhardt, I am 79 years of age. I am a 1933 graduate of the University of Arizona with a Mining Engineering Degree and have been active in the mining industry ever since. Beginning in 1951, I worked for 21 years in the asbestos industry in Gila County at a time when dust control measures were very inadequate.

Thank you for the opportunity to offer comments on the E.P.A. report number 530-SW-033.

E.P.A. continues to use the generic term "Asbestos" in reference to health effects and regulations. Other countries differentiate between the commercial asbestos minerals.

E.P.A. says asbestos poses a serious risk to human health, but let's talk about chrysotile which furnishes 95% of the asbestos uses and which is the best substitute for most of the other 5%. The other fibrous asbestos minerals are not mined commercially in North America.

Chrysotile is less carcinogenic to humans than other asbestos minerals. Chrysotile has not been shown to cause ill health, cancer or mesothelioma in low concentrations to the occupational or non-occupational in mining communities where only chrysotile is encountered. Chrysotile is more readily expelled from the lungs and more readily dissolved in the lungs than other types of asbestos. How else would my lungs be clear after 21 years exposure to high concentration? Chrysotile is less carcinogenic than many man-made fibers which are being used as substitutes.

E.P.A. says suitable substitutes are available and can be developed. A suitable substitute does not mean equal in strength, flexibility, acid and fire resistance. According to several scientific sources, man-made fibers including fiberglass and glass wool are more carcinogenic than chrysotile. (Saracci et al; British Journal of Medicine Vol. 48 Pages 425-436, 1984): (Enterline and Marsh; WHO-EURO, BIOL. "Effects; man-made fibers").

On page 4-31 from the E.P.A. Report to Congress, E.P.A. again fails to recognize asbestos differences. It states that E.P.A. chose to evaluate asbestos as a potentially hazardous waste constituent because of the well documented inhalation danger that asbestos fibers, even in small quantities, pose to human health. It should be noted that only crocidolite and amosite danger has been documented in small quantities and not chrysotile.

On page 4-34, E.P.A. calls mesothelioma a "Signature Disease" for asbestos. Most mesothelioma cases related to asbestos are caused by crocidolite and amosite. A cause for one third of mesothelioma cases is unknown. Chrysotile seldom, if ever, causes mesothelioma.

On page 4-34, setting the emission standards for friable asbestos does not take into account the material may be chrysotile, the least harmful of the asbestos minerals.

From the E.P.A. news releases to the public, using the all inclusive word "asbestos", the public has been whipped into such hysteria, they are demanding asbestos-containing materials be ripped out of public buildings, particularly school buildings. The ambient air outside the buildings has been found to contain more asbestos than inside the buildings. No mention is made by E.P.A. that over 95% of the asbestos in the buildings may be chrysotile.

A large percentage of the rocks and soil, which cover the earth, contain asbestiform minerals which emit particles to the air during weathering processes. Carcinogens are in the air we breathe, the water we drink and even in plant food we eat. We cannot eliminate cancer risk from our lives but with a little caution we can reduce risk to where it becomes insignificant.

To attack asbestos in metal mines where only a very small amount of fibrous minerals may be present is expanding the bureaucracy on work projects and not on health projects. Usually waste from mining and beneficiation are placed on the surface where they cover other rocks and soils which may contain fibrous minerals. The asbestos in these wastes have a specific gravity of about 2.6 so it does not migrate to the surface. The asbestos does not add any more acidity to the ground water than other silicate minerals. The added asbestos to our present atmospheric background would be negligible.

J.C. McDonald and others have carefully documented the relationship between lung cancer and incidence from cumulative exposure to chrysotile. For men exposed over 20 years in dust categories averaging approximately 20 fibers per cc, total mortality rate was less than for the general population of Quebec.

Studies were conducted on the female population of two large chrysotile mining towns of Quebec where the women were exposed 24 hours a day, 7 days a week, most of them since childhood, to an environment in the vicinity of mines and dumps which were about a hundred times more polluted with chrysotile than most major cities. The women have not experienced mortality rate significantly in excess of that for the general population.

Such studies make it doubtful that chrysotile waste piles are a significant health hazard. Liddell in 1981 stated, "Miners

working a lifetime at 2 fibers per cc are not expected to present any significant health problems relative to those in other mining industries."

Since 1970 the risk from exposure to mining and milling of chrysotile has been greatly reduced. With the present standard of 2 fibers per cc of air for chrysotile, I believe, like Liddell, we have reached that insignificant risk. It is a standard that is realistic, attainable, and allows us to continue to use a valuable strategic mineral for which there is no equal substitute.

Ingestion of asbestos in food and water has not been found to be a health hazard. In the chrysotile mining areas of Canada the population was drinking water that contained 172,000,000 to 1.3 billion fibers per liter without evidence of ill effects.

The U.S. Health Department conducted a study of golden hamsters in which one group was fed 1% asbestos in its food. The group that was fed asbestos grew larger, was healthier and lived longer than those without asbestos in the diet.

The E.P.A. has been negligent in not bringing to the attention of the Resource and Recovery Act, the Congress and the public that the word asbestos as used in the law is a generic term for a large group of minerals of different chemical compositions and morphology which are not equally health hazardous or carcinogenic.

This negligence has cost this nation billions of dollars, frightened the public into hysteria and closed down businesses and industries. It has deprived this nation of a very useful, strategic and life preserving commodity without an equal substitute.

This law was passed on the basis of a government financed study of 17,800 shipyard and insulation workers who were exposed to various types of asbestos, principally the most harmful types that were specified for shipbuilding. This study was severely criticized by a number of scientists for not having the proper control groups or peer review. It was also noted that only three of those who died did not smoke. It has been estimated that the incidence of cancer in smokers who breathe asbestos is sixty to ninety times that of non-smokers.

In 1978, because of that study, Califano who was then Secretary of the Department of Health, Education and Welfare, predicted 67,000 deaths per year for the next 30 to 35 years due to asbestos. In the same year, Dr. Irving Selikoff, Director of that study, estimated 40,000 deaths per year. By 1981 Dr. Selikoff had reduced that figure to 20,000, 10,000 and then 8,500.

In 1982 two separate scientists made estimates from statistics of actual illnesses and both estimates were less than 600 deaths per year. Could the difference have been because over 95% of the population was breathing chrysotile?

If the full truth about asbestos is not presented to Congress and the public, the mechanism of going through one hearing after another is a farce.

This hearing, we hope, will not be just a formality like the ones in Globe, Arizona which were orchestrated to accomplish a goal for political purposes.

MIKE WOOD REPORT

I am Mike Wood, Age 78, A graduate of Boston University with a BS degree in Education. I have been a resident of Globe since 1944 and during that time sold life and Health Insurance. I have never had a claim for illness or death which was related to asbestos.

I appreciate the opportunity to talk on asbestos which has been a major contributor to the health, welfare and security of this nation.

I consider the E.P.A. report in the Federal Register as a complete fraud. Why? Because the generic term, "Asbestos" classifies all asbestos minerals equally hazardous to the health in humans. Chrysotile rarely, if ever, causes mesothelioma or lung cancer to the non-occupational. It furnishes about 96% of the asbestos used. Amosite and crocidolite have furnished about 2% each and they are imported. These two have had bad histories of causing mesothelioma and lung cancer.

The Federal Register outlines plans to phase out all asbestos in 10 years. No mining: No manufacturing; No use without the E.P.A. permission. The E.P.A. may approve importation for special purposes. I ask, "Where from?" Russia is the greatest producer of chrysotile today. This strategic material must not be put into the hands of the Russians to supply us in times of conflict.

The need for maintaining our production was driven home during the last war. The U.S. Government sent a man to Globe in 1943 to get out 5 tons of chrysotile for each of 100 ships that were under construction. This fiber was needed in the filtering systems of our new baby aircraft carriers and other ships. They could not sail without it. Globe supplied this strategic fiber and the carriers were launched in time to prevent the Japanese from invading our West Coast. You may recall that our three great carriers were disabled or sunk in early action. Globe supplied the navy with 3,000 tons and the pharmaceutical industry the fiber to use in filters for germproofing pharmaceuticals and to process blood plasma.

The E.P.A. had the generic term "Asbestos" placed in the Federal Statutes. This controls the laws they operate under. Thus, chrysotile has been condemned by innuendo. Until these Statutes are changed by our Congressmen, havoc will continue in our industries and in our schools at a tremedous sacrifice to the economy and to the security of our nation.

In 1981, the importation of the amphiboles increased 15.1% while chrysotile importation decreased 32%. The E.P.A. must be wrong somewhere, for other nations have banned the use of amosite and crocidolite.

On pages 4-66 and 1-10 in the Report to Congress, 115,000 cubic meters (or 150,405 cubic yards) of tailings were said to be used to level the Mountain View Mobile Home Estates site. Where did the E.P.A. get those figures? No tailings were ever dumped on that property! This would bury the 17 acres to a depth of over 5 feet. Where did they get the 78 fibers per cc in the air samples? The Health Department Study made in 1979 showed .001 to .004 fibers per cc. Another fabrication. These levels, as measured, are background levels in all countries and cities. It is hard to believe that Governor Babbitt would declare the mountain View Mobile Home Estates—"The most health hazardous place in Arizona".

Several studies and reports were made to determine the health hazards to human health in Gila County. They are listed below.

1970—The U.S. Public Health Services made a medical study.

1973—The Jaquays Asbestos Corp. made a medical study.

1981—NIOSH made a medical and mortality study.

1982—Wood-Gerhardt team made a tape-recorded health study.

1957—Dr. Thomas B. Jarvis, Pathologist, made a report.

1980—U.S. Vital Health Statistics made a State report showing Gila County ranked 8th among 14 Counties for cancer.

1985—A report from the Arizona Workmen's Compensation Fund.

All of these studies and reports did not reveal one case of asbestosis, mesothelioma, lung cancer or death from the Gila County chrysotile asbestos.

The E.P.A. turned their big guns on Globe in 1983 following Governor Babbitt's ability to get Superfunds. A Feasibility Study was made and hearings were held as prescribed by law. The hearings were merely a formality, testimonies were ignored by the E.P.A. and also the news media. The Ontario Research Foundation reviewed the Feasibility report of the fiber count in the air at the Mountain View Mobile Home Estates. They said, "The great variations in the analytical sensitivity do not allow conclusions to be drawn and the statistical evaluations of the data is clearly erroneous."

In view of the above information 4,300 people of the Globe area signed a petition to Governor Babbitt with the following:

The people of Globe and Gila County have suffered great and economic loss from the fear generated by innuendo with no actual proof that human cancer or mesothelioma can be due to Arizona chrysotile asbestos.

"Therefore we, the undersigned, request that if there are known cases of these diseases in Gila County during the 68 years of mining and milling of asbestos, they be presented. Otherwise, we request a public statement be made to remove the health stigma by stating there are no known cases and assuring the public that Globe and Gila County are not hazardous places in which to live."

The Governor became angry when presented with the petitions and after several weeks, when pressure was brought, he reluctantly sent the petitions to the U.S. Surgeon General to get himself off the hook. The petitions were ignored by the Governor and the Surgeon General. The ignoring of the petitions combined with the studies and reports was evidence enough to show that Arizona chrysotile is not hazardous to the health of humans.

Chrysotile has been condemned on the basis of being associated under the generic term with crocidolite and amosite in the Congressional laws. Other slightly carcinogenic substances are not called hazardous. We appeal to the E.P.A. and Congress to confess their sins and work toward the removal of Arizona chrysotile from the list of hazardous minerals.

ARROW AIR CRASH: QUESTIONS STILL LINGER

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 25, 1986

Mr. FLORIO. Mr. Speaker, we were shocked last December to learn of the deaths of 248 members of the 101st Airborne Division in the crash of a chartered airliner in Canada. Some us have become even more shocked with the increasingly alarming reports which have come to light since the crash. I

refer specifically to the reports surrounding the credibility of Arrow Air Lines.

Mr. Speaker, I urge my colleagues to read the following article by Sandy Grady of the Philadelphia Daily News. The thought of U.S. servicemen, or for that matter anyone, being transported under such conditions leads to a demand for answers.

Mr. Speaker, our distinguished colleague Congressman CHARLES BENNETT of Florida has introduced legislation which would obtain both those answers which we seek and insure the quality of air safety we need for military troop charters. H.R. 4014 which concerns military air charter safety requirements is a bill which I am proud to cosponsor. I commend Mr. BENNETT on his initiative on this matter and urge my colleagues to read the attached piece and then examine H.R. 4014.

The article follows:

[From the Philadelphia Daily News]

BITTER LESSON FROM ARROW AIR

(By Sandy Grady)

She said she was a stewardess for Arrow Air Lines. Her roommate, another Arrow stewardess, had been killed in the Newfoundland crash that wiped out 248 servicemen. Her voice on the phone was choked with anger and tears.

"All of us were afraid to fly those damn planes." she said.

She was one of several Arrow employees who called me after I'd written about Arrow's scandalous service record. All had similar horror stories but were afraid to let their names be used.

The tearful stewardess's words are unforgettable, though:

"It's a disgrace the government flies kids all over the world in planes like that . . . Once we took off with a rear door jammed open six inches. I told the pilot who said, 'Don't worry, pressure will close it.' . . . Another time we landed at night in New York with a malfunctioning engine. There was nobody to check it but a 21-year-old mechanic. We flew on to Iceland. . . .

"I think the pilots were scared by the equipment, too. I saw one guy drunk in his hotel room two hours before a flight. The good ones were exhausted, flying 18 to 24 hours a stretch. I've gone to the cockpit and found the whole crew asleep, the plane on automatic."

I didn't write that or similar horror tales at the time. First, the accounts were anonymous. Second, I wasn't sure they weren't exaggerations.

After the heart-wrenching story told to a Senate committee Thursday by ex-Arrow pilot Dan Hood, I believe every word.

Hood, who now flies for Pan Am, says he quit Arrow in the spring of 1985 because the maintenance was dangerously shoddy and the flying hours brutal.

But he had one tie to Arrow—his fiance, Ruthie Vargo Phillips, was a stewardess.

Four days before the ill-fated Arrow DC-8 was to fly its load of GI's from the Middle East, she telephoned Hood.

"The plane has a bad engine. Something called 'compressor stall.'" Phillips said. "They're not going to fix it until we get back to the States."

"Why don't you just quit, get off the airline right now?" asked Hood.

"I'll make one last flight and resign," said Phillips.

They would have been married in May.

Nobody's sure why the Arrow plane went down. But we do have some cruel facts—the Pentagon kept flying GI's on Arrow after the Federal Aviation Administration had loads of evidence Arrow was cutting safety corners. And—bad news for the future—budget cuts may limit FAA watchdogs from keeping an eye on cut-rate lines such as Arrow.

"Maintenance on Arrow planes was the worst I've experienced," another former Arrow pilot, Michael Sanjenis, told senators. "Pilots had to fly 18 or 20 hours at a time. Sometimes the whole crew was asleep in the cockpit."

Mechanic Randy Stirm verified that the doomed Arrow DC-8 had a troublesome engine. He recalled a Green Beret captain waving a pistol and threatening to shoot the pilot if the plane wasn't fixed.

But George Batchelor, Arrow's chairman, didn't believe any of it. "Arrow was and is a safe airline," insisted Batchelor, who also questioned a new FAA report on Arrow's lousy maintenance.

"Do you just look at the balance sheets?" snapped Sen. Albert Gore Jr., D-Tenn.

"I'd like to see inspectors all over you like flies," said ex-astronaut Sen. John Glenn, D-Ohio, bitterly.

But Glenn may not have his way. After the Gramm-Rudman guillotine slams down, the FAA may have fewer safety inspectors to ride herd on non-sheduled airlines such as Arrow.

Despite the flock of new airlines after deregulation, Reagan budgeteers cut aircraft inspectors from 674 to 569. Transportation Secretary Elizabeth Dole restored the full force in 1984. Now—despite one of the worst years for U.S. air crashes—automatic budget cuts may again gut the safety teams.

You can rail at Big Government. But when you're white-knuckled at 30,000 feet, you don't want anybody cutting corners on airline safety.

If there's anything learned from the Arrow crash, Three Mile Island, or the space-shuttle explosion, it's that technology is only as good as the humans who operate it.

The poignant testimony of Dan Hood brings home the message about the Arrow catastrophe: A lot of people screwed up.

Somebody should put up a sign at FAA headquarters and the Pentagon: No More Arrows.

BIAGGI INTRODUCES BILL TO ESTABLISH SPECIAL TASK FORCE ON ELDER ABUSE

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 25, 1986

Mr. BIAGGI. Mr. Speaker, as chairman of the House Select Committee on Aging's Subcommittee on Human Services, I am proud today to introduce legislation called the Task Force on Elder Abuse Act of 1986. I am joined by the distinguished gentleman from Florida Mr. [LEHMAN], as an original cosponsor of this legislation.

I would note at the outset that this is identical to S. 1919, a bill which passed the Senate on February 19.

The problem of elder abuse is growing in terms of both incidences and consequences. Today in our Nation as many as 1 million seniors may be victims of elder abuse whether in their homes, the homes of relatives, or in institutions. Elder abuse can and does take four distinct forms. It can be physical, psychological, material, or involve basic loss of rights to the elderly individual.

The House Select Committee on Aging and my Subcommittee on Human Services have been involved in the elder abuse issue this entire decade. Our committee held the first hearing on this subject in 1980 and developed the first legislation specifically dealing with elder abuse.

I was proud to be a coauthor of the Family Violence Prevention and Treatment Act which became law in 1984. This was incorporated as title III of the Child Abuse Prevention and Treatment Act Amendments of 1984. The legislation authorized $65 million over 3 years to programs providing services to victims of family violence including elder abuse. After a lengthy delay, the Department of Health and Human Services did announce last week the formal release of the first appropriated funds from this act—$8.4 million.

I offer this legislation as a compliment to ongoing efforts to curb the problem of elder abuse. The task force that would be created under my bill would have among its duties: To assess the nature and extent of public and private efforts that are needed to report, monitor, and redress the incidence of elder abuse in the United States.

The task force would be comprised of 17 members including the Secretary of Health and Human Services and 10 individuals appointed by the Secretary, the Director of the National Insititute on Aging and 5 individuals appointed by the Attorney General and the Secretary.

The task force will be vested with sufficient authority to conduct hearings and conferences as well as obtain "information necessary to enable it to carry out this act." Finally the task force will be responsible for submitting a report to the President and Congress not later than 9 months after its first meeting.

It is my fervent hope that we will join the Senate and pass this legislation. Elder abuse is a problem which we know exists yet we need to know a great deal more about so that when we shape out legislative and regulatory proposals we have the full benefit of the kind of information and recommendations of an entity such as this task force. I call on my colleagues for their support.

At this point in the RECORD, I wish to insert the full text of the legislation.

H.R. 4494

An act to establish a task force to examine the issues associated with abuse of the elderly.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Task Force on Elder Abuse Act of 1985".

ESTABLISHMENT

SEC. 2. There is established a task force to be known as the Task Force on Elder Abuse (hereafter in this Act referred to as the "Task Force").

DUTIES

SEC. 3. (a) The Task Force shall assess the nature and extent of public and private ef-

forts that are needed to report, monitor, and redress the incidence of elder abuse in the United States. Task Force shall—

(1) define and analyze the factors that cause elder abuse;

(2) specify and clarify mechanisms that exist or can be developed in the private sector to alleviate elder abuse;

(3) examine and assess methods of educating and training health professionals, the general public, the clergy, law enforcement officers, and other agencies and individuals that may be instrumental in caring for those who are victims of elder abuse and also those who may be instrumental in alleviating elder abuse; and

(4) make recommendations for the conduct and coordination of continuing research concerning elder abuse.

(b) For purposes of this Act, the term "elder abuse" means abuse of an individual over 65 years of age involving—

(1) deliberate physical injury;

(2) negligence;

(3) financial injury;

(4) sexual abuse; or

(5) violation of rights.

MEMBERSHIP, APPOINTMENT, PAY, AND MEETINGS

SEC. 4. (a) The task Force shall be composed of 17 members as follows:

(1) the Secretary of Health and Human Services (hereinafter referred to as the "Secretary") or the designee of the Secretary;

(2) five individuals appointed by the Attorney General and the Secretary who are not officers or employees of the United States and who represent health and senior citizen organizations and who have experience in handling elder abuse matters;

(3) the director of the National Institute on Aging; and

(4) ten individuals appointed by the Secretary, consisting of one individual responsible for administering State services regarding aging from each of the ten regions of the United States administered by the regional offices of the Department of Health and Human Services.

(b) A vacancy in the Task Force shall be filled in the manner in which the original appointment was made.

(c) Members of the Task Force shall be appointed for the life of the Task Force.

(d)(1) Except as provided in paragraph (2), members of the Task Force shall each be paid at a rate equal to the daily equivalent of the annual rate of basic pay in effect for grade GS-18 of the General Schedule for each day (including travel time) during which they are engaged in the actual performance of the duties of the Task Force.

(2) Members of the Task Force shall be paid per diem and reimbursed for travel and transportation expenses in connection with the performance of the functions and duties of the Task Force as provided in sections 5702 and 5703 of title 5 United States Code.

(3) Members of the Task Force who are officers or employees of the United States or Members of the Congress shall receive no additional pay, allowances, or benefits by reason of their service on the Task Force.

(e) Eleven members of the Task Force shall constitute a quorum but a lesser number may hold hearings.

(f) Not later than 15 days after the effective date of this Act, the Secretary of Health and Human Services shall designate the Chairman of the Task Force from among members of the Task Force. The Chairman shall not be an officer or employee of the United States.

(g) The first meeting of the Task Force shall be held not later than 30 days after the designation of the Chairman pursuant to subsection (f). The Task Force shall meet at least five times during the existence of the Task Force. The date and time of all meetings of the Task Force shall be at the call of the Chairman or a majority of its members.

EXECUTIVE DIRECTOR AND STAFF

SEC. 5. (a) The Task Force shall have an Executive Director who shall be appointed by the Chairman of the Task Force and who shall be paid at a rate determined by the Chairman. The rate of pay may not exceed the annual rate of basic pay payable for GS-18 of the General Schedule.

(b) Subject to such rules as may be prescribed by the Task Force, the Chairman of the Task Force may appoint and fix the pay of five professional staff members and two support services staff members. A rate of pay fixed pursuant to the first sentence may not exceed the annual rate of basic pay payable for GS-18 of the General Schedule.

(c) The Executive Director and staff of the Task Force may be appointed without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and may be paid without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates.

(d) Subject to such rules as may be prescribed by the Task Force, the Chairman of the Task Force may procure temporary and intermittent services under section 3109(b) of title 5 of the United States Code, but at rates for individuals not to exceed the daily equivalent of the annual rate of basic pay payable for GS-18 of the General Schedule.

(e) Upon request of the Task Force, the head of any Federal agency is authorized to detail, on a reimbursable basis, any of the personnel of such agency to the Task Force to assist the Task Force in carrying out its duties under this Act.

POWERS

SEC. 6. (a) The Task Force may, for the purpose of carrying out this Act, hold such hearings and conferences, sit and act at such times and places, take such testimony, and receive such evidence, as the Task Force considers appropriate.

(b) Any member or agent of the Task Force may, if so authorized by the Task Force, take any action which the Task Force is authorized to take by this section.

(c) The Task Force may secure directly from any department or agency of the United States information necessary to enable it to carry out this Act. Upon request of the Chairman of the Task Force, the head of such department or agency shall furnish such information to the Task Force.

(d) The Task Force may accept, use, and dispose of gifts or donations of services or property.

(e) The Task Force may use the United States mails in the same manner and under the same conditions as other departments and agencies of the United States.

(f) The Administrator of General Services shall provide to the Task Force on a reimbursable basis, such administrative support services as the Task Force may request.

(g) The Task Force, through its Chairman, may enter into any contract which the Task Force considers necessary to carry out this Act.

REPORTS

SEC. 7. (a)(1) The Task Force shall transmit to the President and to each House of the Congress—

(A) an interim report five months after the first meeting of the Task Force is held pursuant to section 4(g);

(B) such interim reports as it considers appropriate; and

(C) a final report not later than nine months after the first meeting of the Task Force.

(2) The final report shall contain a detailed statement of the findings and conclusions of the Task Force, together with its recommendations for such legislation and administrative actions as it considers appropriate.

(b) After the final report is transmitted to the President and each House of the Congress pursuant to subsection (a), each executive department and agency affected by the final report, as determined by the President, shall submit to the President recommendations for implementing the final report.

TERMINATION

SEC. 8. The Task Force shall terminate thirty days after its final report is transmitted to the President and each House of the Congress pursuant to section 7(a).

AUTHORIZATION OF APPROPRIATIONS

SEC. 9. There is authorized to be appropriated for the fiscal year ending on September 30, 1987, the sum of $350,000 to carry out this Act. Any sums appropriated under the authorization contained in this section shall remain available until expended.

INTRODUCTION OF THE HIGH TECHNOLOGY TRADE PROMOTION ACT

HON. LES AuCOIN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 25, 1986

Mr. AuCOIN. Mr. Speaker, next to reducing the Federal budget deficit, the most important problem facing the U.S. Congress today is the U.S. trade deficit.

Last year, our trade imbalance hit an all-time high of $148.6 billion. And things aren't looking any better. In December, we hit a new monthly record of $17.4 billion which translates to an annual rate of $208 billion.

Things have been a little different in my home State of Oregon where we have historically enjoyed trade surpluses. But the picture is even getting a little dismal back in the Northwest. It was reported in February that, for the first time since Federal trade records began to be kept in 1924, imports going through Oregon's Columbia/Snake River Customs District exceeded exports in 1985.

What are the reasons for our trade deficit and what are the solutions?

The Federal Government's $210 billion Federal budget deficit is the major cause of our trade woes. That deficit drives up interest rates which, in turn, cause the U.S. dollar to become artificially overvalued overseas. And an overvalued dollar is tantamount to imposing a U.S. tax on imports. In fact, some economists have suggested that the overvalued dollar is responsible for almost three-fourths of our trade deficit.

Thus, the current fiscal crisis is at the core of our trade deficit. It's my hope that the Gramm-Rudman balanced budget proposal will put us back on a glidepath toward budget deficit reduction. That, in turn, will reduce the value of the dollar and help wipe out that hidden tax.

Another cause of our trade imbalance is unfair trading practices. It's a fact of life that some of our trading partners don't play by the same open rules that we do. Although these practices account for only a fraction of our deficit, it is still an issue that must be addressed. We have to insure that U.S. exporters who are damaged by unfair trading practices can obtain swift and effective relief. And our trading partners must learn that if they want to play by unfair rules, then we can change our rules to defend our industrial base from such practices.

There's one other problem that contributes to our trade deficit. It's a problem that does not generate headlines. It's a problem that does not have the impact of the overvalued dollar or unfair trading practices. But it is a problem that is faced on a daily basis by many U.S. exporters.

I am referring to the U.S. system of export controls.

The purpose of the U.S. export control system is to insure that high technology products designed and manufactured in the United States are not used in a manner that would undermine our national security or that would run counter to U.S. foreign policy objectives. The bulk of these controls can be found in the Export Administration Act (EAA).

In 1985, the Congress reviewed and reauthorized this law with an eye toward eliminating some of the unnecessary redtape that had been spawned as a result of these controls. For years, I had been hearing horror stories from my local exporters who had to wait 8 or 9 months before getting permission to ship some low-technology item to even our closest allies. These delays resulted in lost sales and, in some cases, a loss of our technological innovative edge. Last year, the Congress, after a tremendous struggle, took several steps to streamline this unnecessarily burdensome export license process. And, as a former cochairman of the House Democratic Task Force on Trade and a member of the House Subcommittee on International Economic Policy and Trade, I was deeply involved in these efforts.

But despite our efforts, America's high technology and electronics industries still face a myriad of hurdles when trying to export the simplest of technologies. In too many cases, exporting has become a privilege instead of a right. And this continues to contribute to lost sales and lost profits.

The U.S. electronic industry is already going through some difficult times. Between 1980 and 1985, U.S. worldwide electronics trade fell from a surplus of $7.4 billion to a deficit of $8.6 billion. And although I don't mean to suggest that export controls are entirely responsible for this problem, it is a fact that in many cases, the Federal Government has become an obstacle to trade, rather than a facilitator.

Last year, after listening to the continuous complaints of Oregon high tech companies, I formed an informal task force to come up with some legislative solutions to their problems. The members of this task force are mainly export licensing managers in Oregon's "Silicon Forest." They are the ones who deal on a daily basis with our export control laws, and they're the ones who continue to have problems with shipping their products.

They've convinced me that the time is appropriate to re-address the issue of U.S. export controls.

Therefore, today I am introducing the "High Technology Trade Promotion Act." My bill will cut unnecessary redtape and bring down some of the barriers to trade that have been erected by our own Government—barriers that have no relation whatsoever to our national security or foreign policy concerns.

My bill would:

(1) Eliminate the requirement for licenses on exports to and re-exports from countries that participate in the "Coordinating Committee" (Cocom).

Cocom is the 15 member-organization of Western nations that constitutes the multilateral strategic control system for trade with Communist countries. It includes allies such as France, Great Britain, and Japan.

In 1982, the General Accounting Office issued a report entitled "Export Control Regulation Could Be Reduced Without Affecting National Security." That report found that our Government required export licenses for more items than was necessary to protect our national security. This resulted in "a licensing system characterized more as a paper exercise than as an instrument of control."

A quick glance at some startling numbers tells the whole story: In fiscal year 1983, the Department of Commerce approved 26,341 licenses on shipments to Cocom countries—they denied 45. In fiscal year 1984, they approved 32,315 licenses—they denied 74. In fiscal year 1985, they approved 32,500 licenses—they denied 49.

And, according to the Department of Commerce, 99 percent of those licenses that were denied were not denied because of national security concerns. They were denied because of unreliable consignees. And this unnecessary paperwork cost American industry an estimated $6.1 million.

A review of the above numbers makes you wonder why we still require licenses for shipments to our allies.

But there are other reasons why we should reconsider eliminating license requirements for exports to Cocom countries:

Most Cocom members do not require export licenses of any kind for high-technology exports to other Cocom members. This again puts our high tech companies behind the eight ball in their competition with overseas products;

From 1979 to 1982, the Justice Department obtained only five criminal convictions involving export control violators; and

The United States does not require export licenses for shipment of high-technology items to Canada. Is Canada any less of a security risk than our European allies?

The issue of decontrolling exports to Cocom nations has arisen in the past. In 1983, Congressman DON BONKER held hearings on this and other related issues and the vast majority of industry representatives agreed that licenses should be eliminated when shipping items to Cocom countries. The Department of Defense, on the other hand, cited national security claims in opposing the decontrol of these shipments. A compromise was finally reached last year when the Congress established a new "G-Com" procedure as part of the reauthorization of the Export Adminsitration Act. This procedure allows "low technology" items to be shipped to Cocom countries without a license.

Unfortunately, G-Com is not working as originally intended. The Commerce Department has cast a narrow definition of these "low technology" items to the point where even the most basic of technologies is still being subjected to costly and time-consuming controls.

Let me share with you an example of how the new G-Com license isn't working:

The Commerce Department recently declared that a 250-megahertz oscilliscope ready for export was not a "low technology" item and, therefore, not eligible for shipment under the G-Com process. A certain high tech company in Beaverton, OR, which has the product, has been waiting several months for approval to ship this item, to a friendly European country, no less!

Meanwhile, the People's Republic of China has the same machine with a capacity of 300 megahertz. And the Soviet Union has a 350-megahertz oscilliscope!

And we're telling struggling U.S. exporters that they have to wait months on end before they can ship these products to our allies?

Another common problem is the difficulty in understanding which items are available for G-Com treatment. Several companies in my district tell me that they have hired technical experts to pore over the lists, but often to no avail. The lists produced by Commerce are still to confusing and, therefore, offer no practical guidance as to what can be shipped without a license.

Overregulation, unnecessary paperwork, and massive confusion have made the G-Com process unworkable.

Meanwhile, export licenses for shipments to Cocom countries that do not qualify for G-Com treatment are still facing unnecessary delays. Every other week I'm visited by Oregon high tech managers who are in Washington to track down another lost license. That's because they haven't been able to get an accurate update over the phone, assuming that they can get through to someone on the phone.

My bill tears down unnecessary trade barriers imposed on our own Federal bureaucracy. My bill simply states that an exporter will not have to get a license when shipping an item to a Cocom country. They would merely have to notify the Department of Commerce that the item has been shipped.

My bill also addresses the issue of re-exports by Cocom countries. Cocom nations generally report back to the Department of Commerce before they re-export a U.S. item to a third country. This procedure also adds unnecessary time and effort to the export process.

My bill eliminates the re-export controls on shipments to Cocom countries.

To those who would raise the appropriate question of our national security, I'd remind them that any shipment that goes to a Cocom country would still be subject to controls imposed by Cocom. In other words, the United States exporter would be able to ship an item to France, and France would not have to get permission from the Department of Commerce to re-export the item. But France would still have to adhere to the export controls imposed by Cocom—and the United States sits on Cocom. Therefore, there would always be controls on sensitive items.

Requiring foreign nations to obtain permission from Commerce before an item is re-exported is just another unnecessary burden that is being borne by our high technology firms, and it is a burden that other competitors do not have to bear.

It's time to remove these shackles.

(2) Changes in the use of foreign availability.

One of the main reasons for U.S. export controls is to prevent militarily critical technologies from falling into the hands of our adversaries. The national security of this country is of paramount concern to all Americans and no one opposes any controls designed to meet that objective.

There's a point, however, where these controls have gone too far. I'm referring to cases where an item is readily available to a controlled country from a non-U.S. source.

The United States has a so-called "foreign availability" provision in the law whereby a U.S. exporter may ship an item to a Communist country if it can be proven that that item is available from another source.

This is how the current process works: The exporter who wants to ship an item to a Communist country sends a request to Commerce with some evidence that the item is available in a foreign country. If Commerce determines that the item is, in fact, available from another country, then the item will be decontrolled and freed for shipment after a certain period of time. The item will not be decontrolled, however, if the President determines that removing controls would prove "detrimental to the national security of the United States" and he begins negotiations with the non-U.S. source to remove the item from their market.

The purpose of this law is simple: If an item is already available from a foreign competitor, why shouldn't our exporters get in on the action?

There are two problems with current law:

(A) Commerce may ask the exporter to provide additional "evidence" that the item is available from a foreign source before decontrolling it. Commerce can ask the exporter to provide foreign manufacturers' catalogues, brochures, operation or maintenance manuals, articles from reputable trade publications, photographs, and depositions based upon eyewitness accounts. And Commerce is asking for such documentation.

Satisfying these demands from Commerce can take a lot of time and money. It is a particularly burdensome process for the smaller exporters who do not have the resources to provide the reams of documentation that is often asked for. In an industry where new technologies are being developed on almost a weekly basis—and a lot of that innovation is being developed by these small high tech firms—requiring our exporters to come up with as much information as they seem to be requiring is tantamount to shutting them out of the sale altogether. And our failure to acknowledge the realities of the marketplace too often results in a situation where U.S. products are released after they become economically competitive.

We're asking the little guy to incur big expenses, just to try to ship an item that is already on the world market.

These overly broad controls can have a negative impact on the international competitiveness of U.S. industry. They also weaken our ability to remain innovative technological leaders. I believe we should relieve our exporters of this unnecessary burden. I therefore propose a new "foreign availability" test:

If an exporter wishes to ship an item to a Communist country, he/she would send the necessary paperwork to Commerce with "any evidence" that the item is available in another country. The Commerce Department would have 4 months to deny the license on the basis that it is not available from the foreign source cited in the exporter's statement. If the exporter does not hear from Commerce within that time period, the item will be decontrolled.

Meanwhile, the President still has the option to trying to negotiate with a foreign country to impose controls on that product if he believes its control is in our national security interest. He would have 4 months to pursue this objective and that period would be triggered with the submission of the exporter's allegation of foreign availability.

To discourage exporters from making false statements of foreign availability, current penalties regarding untrue representations to the Government would apply.

The concept of "foreign availability" was created to provide a dynamic tool for reform. But the evidence suggests that its actual impact has been virtually nil.

It's time to let U.S. exporters compete with those foreign markets.

(3) Reshaping the Cocom negotiating team.

The United States has a permanent delegation that conducts negotiations with Cocom countries for the purpose of deciding which items should be controlled. Unfortunately, there is no one on the Cocom delegation who represents American industry. The team is composed entirely of representatives from the Department of Defense, Department of State, and the Department of Commerce.

I believe it makes sense for our negotiators to have the benefit of the advice of someone who is in the trenches of international high tech competition on a daily basis. I believe it makes sense to have someone who is familiar with the new developing technologies. I believe it's time to add someone to our Cocom team who has relevant experience in the high tech and electronics field.

My bill requires the President to appoint a member of the U.S. electronic industry to the Cocom negotiating team.

(4) Technical advisory committees changes.

The Technical Advisory Committees (TAC's), which are made up of representatives from industry and the Federal Government, are responsible for making recommendations regarding items that should or should not be on the Controlled Commodity List. There are dozens of TAC's which evaluate many kinds of technologies.

(A) For the most part, these committees are dominated by representatives from the Department of Defense and the Department of Commerce. This imbalance often results in decisions being made that are not necessarily in touch with the real world of high-technology. Much like the Cocom negotiating team, I believe that every TAC should have an equal number of representatives from industry as there are from DOD and DOC. My bill requires that equal representation. It is, after all, advisory.

(B) All of the work done by the committees is done in secret. U.S. exporters therefore have no idea of what items are being considered for decontrol. My bill would require that the minutes of these meetings be published in the Federal Register. Any information that would impair our national security would be exempt from this requirement.

ROUKEMA LAUDS NEWTON YOUTH

HON. MARGE ROUKEMA

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 25, 1986

Mrs. ROUKEMA. Mr. Speaker, each year, the Veterans of Foreign Wars of the United States and its Ladies Auxiliary conduct the Voice of Democracy scriptwriting contest. This year, more than 250,000 secondary school students participated in the contest competing for the six national scholarships which are awarded as top prizes. The winning contestant from each State is brought to Washington, DC, for the final judging as a guest of the Veterans of Foreign Wars.

I am proud to announce that the winning script from the State of New Jersey was delivered by Thomas Frank Klein, of Newton. Thomas attends North Warren Regional High School in Blairstown, where he is currently a junior. The son of Max and Ingrid Klein, Thomas' hobbies include skiing, hiking, writing, and sailing. He plans to pursue a career in writing and communications, and from the quality of his winning essay, I would say that Thomas' prospects are bright.

The theme for this year's Voice of Democracy contest was "New Horizons for America's Youth." I commend to your reading Thomas Klein's excellent essay.

NEW HORIZONS FOR AMERICA'S YOUTH

(By Thomas Klein)

As we, today's youth of America, look on to the horizon, we see many paths. The question, therefore, is which to take. To help us with this decision, we must study our forefathers' mistakes and accomplishments, and from them find guidance in the fashioning of our own future.

The horizon we look to is both bright and gloomy. Only our actions will determine which will prevail. But to succeed, we must first have clearly stated goals and anticipate pitfalls. We cannot let our determination be compromised as has been done so often in the past, until nothing of substance remains. But what task must my generation

take on. What should be our goal? It should be something so universal that it influences every aspect of human life, yet so simple that man has trouble addressing it.

Peace. That, I feel, must be our goal. True peace is a concept that eludes man; at any given time about twenty wars are being waged on this planet. This great civilization that mankind has created is just a facade underneath which lurks the specter of our great weapons, the proof that man is the same barbarian he was a thousand years ago. After all, we are creatures of conditioning. Having heard enough body counts and having seen enough photographs, even wars seem not so horrible, or newsorthy.

Peace. Global peace. It requires only that we throw down our guns and join hands, yet it is its very simplicity that makes it so breathtaking in scope. It is much easier to make an enemy than it is to make a good friend. And it is far more difficult to make enemies into friends. This is the greatest obstacle in creating worldwide peace. When two nations enter into war, their rift in friendship does not end with the war's end. From then on, hatred runs deep, and is passed on from generation to generation almost like heredity. The Arabs and the Israelis. Africa's blacks and whites. These are all examples of century-old racial hatred, a hated which can only end when people's intellect can overcome their emotions.

Unfortunately, in this day in age when nuclear weapons are coming into the hands of more and more nations, the potential for a war to end all wars becomes more credible. Enraged men act rashly, but in our Nuclear Age there is little room for error, and none for redemption. One man's rage can leave the world in ashes.

Peace. By this word, I don't just mean a military alliance between nations. This type of peace leads only into war. I mean genuine love and friendship between the nations, not just a sense of being allies or government declared peace, but true peace in which the people actually know, love, and understand one another. There must be widespread youth exchange and a trade and appreciation of cultures. The nations of this world must band themselves together and form a sort of international nation of nations united by the concept of love and peace. Remaining divided, we will surely fall. And this is the reason it is so urgent we take action. One way or another, the world's people will be united. Whether it be in the mass grave of the ultimate war or true global peace, only our actions will determine.

What mankind is engaged in is a race, a race against time to unite ourselves in peace before our division destroys us. It is a race my generation is forced to compete in. It is a race we must win.

VOICE OF DEMOCRACY ESSAY

HON. HARLEY O. STAGGERS, JR.

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 25, 1986

Mr. STAGGERS. Mr. Speaker, Susan Jennings, an 11th grade student at Central Preston High School in my district, was the West Virginia winner of the Veterans of Foreign Wars Voice of Democracy essay contest this year.

Ms. Jennings, the daughter of Maurice and Iris Jennings of Tunnelton, is very active in school and community activities. Along with the residents of the Second Congressional District, I am very proud of Susan. Her essay clearly states the challenges for our youth and for America as well. I would like to make Susan's essay now a part of the public record, so that all involved in shaping the future of America may benefit from its wisdom. The essay follows:

NEW HORIZONS FOR AMERICA'S YOUTH

Any acceptable dictionary can tell its reader that a horizon is the intersection where earth meets sky; such an intersection is called the "apparent horizon" or "visible horizon". But did you know there also exists; a "sensible horizon," a "rational horizon" and a "celestial horizon".

I didn't, until I began work on this speech. I did know who America's youth is, though. We are the children of the flower children. The flower children, you may recall, were somewhat infatuated with the celestial horizon. And if I remember my American history, the founders of our country were governed by a "rational horizon" and passed on to us a government founded on principles so reasonable that they have remained pretty much intact to our present day.

The rationalists and the celestials share with my group certain challenges that come with being a member of the human race; these are the challenges of work, family and citizenship. What is new about these challenges for America's youth is the way they are presented to us, and this way is at a rapid pace indeed.

The American youth that face these challenges are as unique as the way they are presented.

First of all, there aren't very many of us; there were a great many flower children, they were called Baby Boomers, but they didn't have many children.

As American youth, we are highly competitive, and we are nearly all employed; at least part of our year is spent working at a part-time job. This industry and competition will be an asset to us in our choice of careers, but we had better be highly versatile and receptive to change, for the workplace we wish to enter is very different from any that has come before. Without anyone's consulting us, the technological world has become the work world, and to survive in it and not become a victim of its speed, we must prepare, so that we can control its haste and not be swept along by its acceleration.

We face different family lives too. Working mothers, and daycare centers, and harassed fathers trying to keep pace can cause broken homes, not whole sanctuaries that in past times were comfortable retreats.

The information that clouds our horizons has become such a glut that we will find it difficult to distinguish the important from the trivial, the truth from the false. In order to become good citizens we must sort out our information carefully to make the right choices.

How can we meet a horizon that promises more stress than rest, more confusion than clarity? One way to do this is to look at our own health. Good physical programs can be a first step toward avoiding mental fatigue. Recreation too, and especially that which families can enjoy together should be a large part of our horizons.

We should make our parks, playgrounds, and natural environment our first priorities, for if ours is a fast work—we need someplace to retreat from its stress. Our theaters and museums should be available to all to sooth our wearied minds and tired spirits.

The rational horizon people set out to do and solve; the people of the celestial horizon insisted on rest and introspection. Let us take the best of both of their philosophies and become the sensible horizon who ride our rockets to the stars.

SALE OF CONRAIL

HON. THOMAS E. PETRI

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 25, 1986

Mr. PETRI. Mr. Speaker, today I am introducing a bill to provide a new competitive process, approximating the normal process for private sector sales of large companies, to dispose of the Federal Government's interest in Conrail.

It has been a characteristic of the rail problem in the Northeast and Midwest that events overtake the legislative mechanisms established to deal with them. The changes in the regional economy following World War II overwhelmed the existing railroad regulatory scheme. Similarly, the continued erosion of the traffic base of the railroads in the region undermined the plans established under the 3R Act and the 4R Act. Now, the structure established in the Northeast Rail Services Act of 1981 for returning Conrail to the private sector has been overtaken by events.

The principal event that requires modification of the Northeast Rail Services Act is the remarkable success of Congress' previous efforts to create a viable and profitable rail system in the region. Conrail's profitability owes much to the efforts of Conrail's management and employees, and this committee which was largely responsible for the regulatory and procedural reforms that were essential to Conrail's revival. Under current regulatory and market conditions, there is little doubt that Conrail will continue to be a profitable carrier, and not simply a viable carrier, but a very strong competitor in the market. The extent of this transformation, which far exceeds any that even the most vigorous supporters of Conrail contemplated, simply could not have been foreseen in 1981.

There have been other changes in the environment that could not have been fully taken into account in the 1981 legislation for returning Conrail to the private sector. The process of rail regulatory reform has moved very rapidly in removing regulatory control of the rail industry and replacing it with the discipline of the competitive market. Accordingly, it has now become critical that careful attention be paid to any proposed changes in the structure of the rail industry that might have the effect of removing or substantially reducing the discipline of the competitive market.

A third change in the environment is closely related to the concern that we pay careful attention to the effect of structural changes on competition. The structure of the rail industry has undergone substantial changes in the years since Congress began the process that led to the enactment of the Northeast Rail Services Act in 1981. The CSX merger and

the Burlington Northern-Frisco mergers have been fully implemented. The Norfolk & Western and the Southern Railway have merged; the Southern Pacific and the Santa Fe are seeking approval to merge; the Milwaukee has disappeared entirely, partly abandoned and partly acquired by the Soo; and the Rock Island has disappeared from the map.

Last but not least, there have also been substantial changes in the Federal budget situation since Congress began consideration of the Northeast Rail Services Act. In order to meet the deficit reduction targets of the Gramm-Rudman-Hollings legislation without harming essential programs, Congress will have to ensure that each dollar of spending is as productive as possible, and that sales of assets yield the maximum possible return to the taxpayer.

The processes contemplated by the Northeast Rail Services Act were predicated upon a fragile Conrail, and even envisioned its possible breakup. At that time the focus was on ensuring that rail service in the region would be preserved to the maximum extent possible. It was simply not possible or desirable to establish a vigorous competitive bidding and negotiation process to maximize the price for the Government's stock. Today, the continued viability of Conrail and the preservation of rail service in the region appears to be ensured, and the challenge is to obtain the maximum possible price for the Government's stock and to preserve rail competition in the region. It is significant that the latter objective is not even mentioned in the Northeast Rail Services Act provisions relating to the sale of the Conrail stock.

Mr. Speaker, the proposal presented to Congress by the Department of Transportation is the product of a process that has been superseded by events and does not take account of these changed conditions.

First, let us consider the price the Government would receive—$1.2 billion. After the sale Conrail will have $800 million in cash, and its pension plan is overfunded by approximately $300 million. Also, as a result of the Government's investments in the late 1970's, and Conrail's own investments in the 1980's, Conrail's 14,000 mile physical plant is in excellent condition and is carried at a tax basis of about $3 billion. I for one have difficulty believing that $1.2 billion is the best price we can get for an 85-percent interest in a company with cash or near cash assets of $1.1 billion, and with a first class 14,000 mile physical plant with gross revenues exceeding $3 billion annually.

Insofar as profits are concerned, Conrail is doing very well. In 1985 Conrail's profits were approximately $440 million, and 1985 was not a particularly good year for railroad traffic levels. Over the past year or so, the stock market has substantially increased the price earnings multiples of the stocks of the major railroad companies. While these companies are not completely comparable to Conrail, it is significant that they are selling at price earnings multiples around 10. I find it hard to believe that $1.2 billion is the best price we can get for an 85-percent interest in a company with almost half a billion in annual earnings.

Second, I am not satisfied that the competitive consequences of Norfolk Southern's acquisition of Conrail have been adequately considered. Further, I have serious doubts that this essential matter can receive adequate consideration under the processes of the Northeast Rail Services Act. Careful analysis of the competitive impact of such a transaction requires a great deal of detailed information about the planned merger and about the parties' intentions after the merger. It also requires that there be an opportunity to test and explore these matters in adversarial proceedings. The Congress simply is not structured to give this matter the detailed and searching review it deserves. I do not believe this is an appropriate way to proceed in a matter of such importance.

The overriding difficulty with the process established by the 1981 act is, of course, that the Secretary chose Norfolk Southern as her candidate to purchase Conrail for a price of $1.2 billion. Since that choice a little more than 1 year ago, an extensive record has been developed that demonstrates that selling Conrail to Norfolk Southern should not be a preferred option.

Even under the existing arrangement there are other choices. Both Morgan Stanley and the Allen/First Boston Group have come forward with more substantial financial offers for Conrail which would keep the railroad independent and free of the anticompetitive consequences of a Norfolk Southern takeover. Thus, we in the House of Representatives are confronted with choosing between the administration's choice of Norfolk Southern, with all its problems, or two competing bids from Wall Street. We are ill-equipped to make that kind of a choice.

Mr. Speaker, I am introducing a bill which will establish a new process for returning Conrail to the private sector by July 1, 1987, in a manner that realizes the full value of the Government's stock and ensures the protection of the public interest. The bill's general approach is to try to conform the Government's sale of the Conrail stock as closely as possible to the process that would occur in a private sale. Let me describe it briefly.

The bill establishes a "Conrail Sale Board" to be chaired by the Secretary of Transportation and consisting of the Secretaries of Transportation, Treasury, and Labor, the Attorney General, and the Chairman of the Board of the U.S. Railway Association. This Board brings together the Government's expertise in the areas principally involved, transportation, finance, labor, antitrust, and special knowledge of the regional rail problem. The Board would control the sale process. However, it would be required to retain an investment banker to assist it in its functions.

The bill next requires that a request for bids be prepared by the Board and that bids for the Government's interest in the Conrail stock be solicited from responsible bidders. The Board is authorized to set conditions in the request for bids to ensure that the bidders can close the transaction on the date called for, and that the bids meet certain minimum conditions with respect to price, form of payment, regulatory compliance, and such other conditions as the Board believes appropriate. Following receipt of bids, the Board, through its investment banker, is authorized to negotiate with the bidders who have met the minimum conditions to obtain the highest possible price for the Government's stock.

The bill contemplates that the public interest will be protected in the same manner as occurs in a sale between private parties—by subjecting the sale to regulatory review if the successful bidder is an entity, such as a railroad, that under existing law needs regulatory approval to acquire control of Conrail. In the event that a railroad is the successful bidder, and regulatory approval has not been obtained prior to the closing date on the stock sale, the bill would follow current procedures and permit the transfer of the stock to an independent voting trustee operating under a voting trust agreement approved by the regulatory agency pending regulatory approval of the railroad's acquisition of control. The existing regulatory agencies are in a much better position than Congress to undertake the type of thorough and detailed review of a proposed acquisition of control of Conrail by another railroad that is needed to protect the public interest; and the availability of judicial review will ensure that the regulatory agency follows appropriate procedures and bases its decision on substantial evidence produced at an adversary hearing.

In order to structure Conrail's balance sheet to improve the marketability of the common stock, the Board is authorized to cause a recapitalization of Conrail, eliminating, if it deems desirable, existing Conrail securities. The Board is also authorized to cancel Conrail's investment tax credit carryforwards and net operating loss carryforwards, and to enter into appropriate agreements with the Commissioner of Internal Revenue regarding the tax consequences of the recapitalization. The bill would also require Conrail to pay a dividend of at least $400 million to its common stockholders prior to the closing date for the stock sale transaction unless the Board deems such a dividend to be imprudent under the circumstances. This provision is intended to compensate for the additional time a new bidding process will require as opposed to a rush to judgment by Congress on the three bids before it.

Mr. Speaker, it is time to return Conrail to the private sector. I am convinced that this can be done in a manner that both protects the public interest and maximizes the return to the Government. It is time to update the the Northeast Rail Services Act. A stronger and more appropriate foundation is needed that I think my bill will provide.

I recognize that the bill I have introduced can be improved. I am anxious to work with the appropriate committee, interested Members, the administration, Conrail, and potential bidders for the Conrail stock to improve it.

TREAT URBAN PROGRAMS FAIRLY IN FISCAL YEAR 1987 DEFICIT REDUCTION EFFORTS

HON. BILL RICHARDSON

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 25, 1986

Mr. RICHARDSON. Mr. Speaker, I would like to share a report with my colleagues

which was given to me by the major and city councillors of Albuquerque, NM. This report is thoughtful and well organized—it explains the hardships our local governments are experiencing due to current Federal budget cuts. While I agree that budget cuts are necessary, the priorities of the current administration have been irresponsible.

The city of Albuquerque has not asked for an increase in Federal funding for the past 7 years—the city has continually accepted lower levels of Federal assistance. At the same time, defense spending has increased dramatically. The cuts proposed in urban programs for fiscal year 1987, as with many other domestic programs, are too much of a burden on these programs. Mr. Speaker, I believe this report shows the needs of our local communities. I have inserted it in the RECORD for the consideration of my colleagues.

GENERAL REMARKS—ALBUQUERQUE CITY OFFICIALS, WASHINGTON VISIT, MARCH 1986

We are asking that urban programs be treated fairly in FY87 budget deficit reduction efforts. In the past seven fiscal years, cities have accepted cuts in all major urban assistance programs.[1] We estimate that these urban programs have been reduced by 71% since FY81.

The City of Albuquerque has not asked for an increase in the funding for federal programs over the past seven years. We have been supportive of the Administration's and Congress' efforts to reduce the federal deficit. During this period the City has maintained local service by increasing sales tax from 1% to 1.85%. Water and Sewer rates have been increased three times. Other charges have been increased as needed. As this indicates we are straining local taxpayers to maintain current programs.

We have been responsive to requests from Washington to accept a lower level of federal assistance. However, we do not see the benefits of our sacrifice. The estimated 71% cuts in our programs have not had a corresponding effect on the federal deficit which has increased by 64% over the same period (FY81-87).

While nondefense discretionary spending has decreased, defense spending has increased 80% since 1981 from $151.5 billion to $282.2 billion. We are for a strong defense, it is essential, and it is important to New Mexico's economy. We wonder if a commitment to a strong national defense means no urban programs. The President's budget proposal would decrease the state and local share of total federal outlays for FY87 from 11.7% to 4.0% in FY91. At the same time, defense spending would increase it's share of federal outlays from 22.8% in FY87 to 32.6% in FY91. Defense and entitlement programs should take a fair share of cuts to achieve deficit targets.

Congressional efforts to reduce the deficit by looking for additional revenues is an option that should be pursued. We urge Congress to earmark all new revenue for deficit reduction. We are not asking for any new revenue to be used for expanding federal programs.

We recognize that one of the President's principal objectives is to shrink the size of the federal government by calling for deficit reduction. We support his efforts to make government more manageable and responsive and believe his program has succeeded in establishing a lean federal government. However, further deficit reduction at local government expense is excessive.

You have a difficult job. We are asking for fair treatment. We think that additional revenues and careful examination of defense and entitlement spending can help minimize the need for further domestic program cuts.

ALBUQUERQUE PRIORITIES PROGRAMS

1. CDBG—Maintain FY86 level with 15% reduction from FY85 level. Do not approve additional 15% cut from $500 million deferral request in President's FY87 budget. Cuts of this magnitude (33%) will diminish ability to maintain commitments to infrastructure, housing and economic development projects. Over $258,000 of Albuquerque CDBG funds are being used for elderly nutrition programs in FY86.

Albuquerque uses 2.0M on housing rehabilitation loans which could not be made otherwise.

Many economic development projects are funded with CDBG which could not be funded with local resources because of the "Anti Donation Clause."

Housing Modernization—HUD is talking about zeroing out $760,000 in funding. The city has some $30,000,000+ in housing to maintain, if HUD is going to zero out this funding, rules and regulations should not be a burden on the local tax payer.

2. Older Americans—Agree with Presidents FY87 budget to freeze program at FY85 levels of $669 million.

If Gramm Rudman FY87 forces across the board cuts of 20% Senior Centers will reduce outreach, transportation, preventive health, legal services, daycare, nutrition, and employment programs. The state is withholding 20% of FY87 funds until the federal budget deficit picture is clear.

3. Housing—FY87 Budget eliminates Rental Rehabilitation funds—Albuquerque has 2,600 substandard units which qualified for this program.

FY87 Budget eliminates Section 312—commercial and residential loans used for renovation. In FY86, 19 units on Broadway and Coal took advantage of loan program.

Section 8 Existing Housing Assistance will not increase thus not keeping up with inflation or demand. There are 2,018 families in Albuquerque using Section 8 assistance and 1400 families on a waiting list.

Public housing construction—President's proposal would eliminate all new public housing construction, Albuquerque has 1,087 units and a demand for 500 more.

Housing regulations

Relax Public Housing regulations to allow more local flexibility—this would help offset some of the reductions and improve program operations.

Relax Section 8 regulations to allow more flexibility at the local level as well.

Provide local Housing Authorities incentives to sell public housing units to tenants.

4. Transit.—Albuquerque must replace 58 buses over the next three years. The bus system relies on federal assistance for operations and capital. The budget proposal reduces mass transit assistance by 67% and eliminates operating assistance.

LEGISLATION

Tax reform—Tax legislation should not impose further restrictions on the use of tax exempt bonds. Specifically, H.R. 3838 contains six provisions that the City of Albuquerque opposes. They are:

1. H.R. 3838 creates two categories of bonds: *governmental* and *non-governmental.* Municipal bonds which fail to meet the new test of "governmental bonds" will be ineligible for tax exempt financing. Other bonds which retain their tax exempt status under the government purpose test will require an allocation of bonding authority under a state volume cap.

Albuquerque's bonding authority volume cap per year is currently $36 million. If the state volume cap in H.R. 3838 becomes law, it is estimated that the City's volume cap will be reduced to between $15 and $18 million. The City used $25 million of its allotment in calendar year 1985.

2. If 5% of the bond proceeds are not spent in 30 days from the delivery date of the bonds, the interest on bonds are taxable. Current law calls for at least $100,000 of proceeds to be spent in 6 months. DFM reports that the more restrictive provisions in H.R. 3838 would have affected the City's December 1985 G.O. bond issue.

3. H.R. 3838 requires a city to spend all bond proceeds from an issue in 3 years. If the issuer does not, the bonds are taxable. In cases where Albuquerque uses its bond proceeds as a match with state money such as for road construction, the tax exempt status of the bonds is in jeopardy if there are delays which extend the project spending beyond the 3 year period. This provision would affect the airport bond issue. The airport project is expected to take five years to complete.

4. The paperwork required to keep track of arbitrage in accordance with H.R. 3838 would offset any savings.

5. Congress should indicate that the effective date of any tax legislation will be January 1, 1987 or later.

6. Provisions that make municipal bonds taxable on a retroactive basis penalizes all issuers. The present sanction of prohibiting a municipality of issuing tax exempt bonds in the future if rules are violated is more than adequate to police wrongdoers.

MUNICIPAL LIABILITY

Congress needs to develop a comprehensive solution to the municipal insurance and liability problem.

1. The City's Police liability policy for the period 7/1/84-6/30/85 was basically "all risk" and carried a premium of $349,552. Upon renewal, the premium dropped to $182,026, but coverage was reduced to $500,000 aggregate subject to a $50,000 per occurrence deductible. In addition, coverage for punitive damages and injunctive relief was excluded. The largest awards are made for punitive damages.

2. Albuquerque's property damage policy has increased from $62,000 with a $5,000 deductible to $260,000 with a $25,000 deductible. The City's current policy does not include coverage for flood or earthquake damage, so the City was forced to get limited separate coverage at an additional cost of $44,000. The deductible for this policy is $5 million with a $10 million limit of liability.

3. Albuquerque is concerned with potential liability from hazardous waste pollution. Insurance coverage is not available. Of particular concern is the Comprehensive Environmental Response, Compensation and Liability Act of 1986.

4. City endorses the Administration's efforts to encourage tort reform as part of the solution for the liability issue.

[1] (CDBG, General Revenue Sharing UDAG, EDA, Subsidized housing, transit, wastewater, job training, work incentive, education, child nutrition, community service, and emergency food and shelter programs.)

5. We request that Congress initiate a review of the existing system of insurance regulation. The federal state partnership in this area should be strengthened by establishing minimum federal requirements for the regulation of the insurance industry.

6. Congress should consider establishing a federal reinsurance program for providers of essential services who cannot obtain insurance.

7. Barriers which present new capital from being brought into the insurance industry should be relaxed.

8. Your staff should contact the American Tort Reform Association and the National League of Cities for further information. We particularly support the following:

a. eliminate or at least limit the requirement that Cities pay for Plaintiff's Attorney's fees in Civil Rights Actions;

b. limit the scope of the Federal Civil Rights Act by eliminating federal court jurisdiction for tort claims which belong in State court;

c. limit or eliminate punitive damages in Civil Rights Actions;

d. provide specifically that a State Tort Claims Act statute of limitations applies to Civil Rights Actions;

e. prevent a plaintiff from bringing both a Federal Civil Rights Action and a State Tort Claims Action.

Also of great concern is the potential liability of Cities for land disposal facilities. Of particular concern is the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (CERCLA).

TRANSPORTATION—URBAN SYSTEMS FUNDS

In order for municipalities to be able to utilize their scarce Urban Systems Funds more appropriately, administrative requirements for project development now imposed by the Federal Highway Administration on the State and on the City by the State should be simplified or done away with altogether.

POLICE

The Firearms Owner Protection Act, commonly known as McClure-Volkmer Act is a cleverly disguised piece of legislation. The name of the Act is a misnomer because instead of protecting firearms owner it makes it easier for criminals, mental defectives, terrorist, and others to obtain firearms which can and will be used against law enforcement officers.

The 1968 Gun Control Act preserves the ability of states and localities to regulate guns by prohibiting the interstate sale of guns. Except for certain limitations a resident of one state cannot travel to another state and purchase a firearm. S-49 would overturn this provision and specifically authorize dealers to make face-to-face firearms sales to out-of-state customers, *if* the sale would be lawful under the laws of the seller's and the buyer's jurisdiction.

S-49 would take away the ability of BATF to conduct surprise visits and instead would require that a dealer be given reasonable notice before an inspection.

S-104 Senators Thurmand/Moynihan.

HR-3132 passed the House of Representatives on December 17, 1985. As you are aware this bill would ban armor piercing ammunition.

WATER

Continue funding by EPA for Sewer Water Treatment Plants: We would also urge that the Clean Water Act be passed so that we can continue construction of planned projects.

WHAT REALLY WORKS?

HON. AUGUSTUS F. HAWKINS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 25, 1986

Mr. HAWKINS. Mr. Speaker, last week President Reagan and Education Secretary William Bennett displayed another example of this administration's emphasis on ceremony over substance and rhetoric over responsibility in its education policy by holding a ceremony at the White House to release to the public a new education booklet called "What Works."

It's an interesting enough little booklet that can provide parents and teachers with some good tips on how best to teach children. But, as the following letter from a Wisconsin mother, and the news clipping from the March 11 USA Today quoting educators so strongly point out, it contains nothing new. What was the reason for the ceremony?

Mr. Speaker, perhaps the Reagan administration's ploy to distract attention from the real education issues and its lack of Federal support for schools didn't work this time.

The letter and news clipping follows:

RICE LAKE, WI,
March 1, 1986.

Mr. AUGUSTUS F. HAWKINS,
House of Representatives,
Washington, DC.

DEAR MR. HAWKINS: I was aghast to read the enclosed article, titled "Agency Says Tips Can Teach Teachers About Teaching," in the March 1, 1986 issue of the St. Paul Pioneer Press Dispatch.

The article states that Education Secretary William Bennett "unveiled" a list of tips on how best to teach children. These recently "unveiled" tips were "distilled from years of research." According to Webster's New World Dictionary, unveil means to reveal something that is unknown or secret.

Is taxpayer money really spent for something so utterly ridiculous as research which concludes that "young children learn arithmetic more easily when they have blocks or other real objects to help them"? Did we need research to tell us that "children improve their reading ability by reading a lot" or that "the best way for parents to help their children become better readers is to read to them"?

These are not revolutionary ideas. I already read to my five-month old son, as my parents did to me as a child 36 years ago. I already use objects to count out loud to my son. Counting blocks have been around for years. Why do you think children's blocks are numbered 1, 2, 3 etc.? Haven't we always known that accomplishment is dependent on hard work? Does anyone really believe that simply because they have above average "innate ability" success will magically appear without the benefit of hard work and self-discipline?

Bennett states that he had been unaware before reading the reports that experts have found "that a good way to teach children arithmetic is to use objects." What kind of qualifications does this man have to hold the position of Education Secretary? Does he really believe our teachers need to be informed of these basic common sense ideas?

I can only conclude by stating that this is a gross misuse of government funding for research. I recently read that a cancer research project was cancelled at University of Wisconsin because of budget cuts. Can we afford to cut something so important and continue to spend money on frivolous research?

Sincerely,

JACQUE SCHAFFER.

[From USA Today]

BENNETT SCOLDED—TEACHING GUIDE "SMOKESCREEN"

WASHINGTON.—Portland, Ore., School Superintendent Matthew Prophet doesn't think very much of Education Secretary William Bennett's teaching guide—and told him so at lunch Monday.

Bennett's guide to teaching, said Prophet, is "shallow" and a "smokescreen" for a lack of federal support for schools.

"You're sacrificing public education on the altar of political expediency," Prophet said at a luncheon for leaders of 37 urban school systems.

Prophet said that school leaders "out there every day working our buns off with all of these kids" did not need "to be told that the more one studies the more one learns."

Bennett's What Works booklet unveiled Feb. 28 includes "common-sense advice." Example: Students who read a lot and do more homework perform better in school.

"To give our children a good education, we're going to have to do the things described in this book," Bennett told the educators. "You can spend all the money in the world, and if you don't do these things, you'll get bad education. We proved that in the '60s and '70s. We spent and spent and we dumbed and dumbed."

Fresno, Calif., Superintendent John Stemple responded:

"Where we put the money, the test scores improved significantly. . . . The government ought to stand up and say that and take credit" for gains in reading scores among minority youngsters in the past decade.

Prophet advised Bennett to stop rehashing "findings that have been known since the history of mankind."

ROUKEMA PRAISES TENAFLY VOLUNTEER

HON. MARGE ROUKEMA

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 25, 1986

Mrs. ROUKEMA. Mr. Speaker, each year during the holiday season, volunteers from across America join with the U.S. Marine Corps Reserve in the Toys for Tots campaign to produce an enormous amount of new toys, games, and other gifts for disadvantaged children who would otherwise be forgotten during the holiday season.

This year, I would like to draw attention to the efforts of one particular volunteer, Ms. Sharon Amy Levinsohn of Tenafly, NJ. Sharon's tireless efforts on behalf of the Toys for Tots charity have won her a nomination for the President's Volunteer of the Year Award. Sharon's voluntarism was recognized recently in the February 2 edition of Today, in an article written by Joseph J. Murphy, president of Murphy Realty/Better Homes and Gardens.

The article follows:

The recent Toys for Tots campaign that we at Murphy Realty/Better Homes and Gardens successfully held for the fifth con-

secutive year with the U.S. Marine Corps Reserve produced an enormous amount of new toys, games and other gifts for disadvantaged children who would otherwise be forgotten during the holiday season.

It also produced many wonderful stories of caring and sharing by warm-hearted people, some of whom we were privileged to meet, who joined our sales and management staff in bringing a bit of much-needed joy into the hearts of the unfortunate youngsters.

One of the extraordinary individuals was Sharon Amy Levinsohn, daughter of Mr. and Mrs. Jay Levinsohn of Tenafly.

A concern and willingness to help others has always been a part of Levinsohn's lifestyle. Some say it stems back to her great-grandmother, Ann Levinsohn, who with the late Mrs. Dwight Morrow, was a leading philanthropist in Englewood of her time.

Five years ago, while a student at Goucher College, Levinsohn started buying toys and donating them to the U.S. Marine Corps Toys for Tots campaign. Since graduation, she continued giving her contributions to collection points in Boston and New York City.

This year, while living back home with her family in Tenafly while being unemployed, she purchased three toys to donate to the drive.

She was about to contact the U.S. Marine Corps to find the location of the nearest collection center when she read a story in her local newspaper noting that the Murphy Realty/Better Homes and Gardens branch office in Tenafly was an official collection site.

When she arrived at the start of the drive at the Murphy Realty/Better Homes and Gardens' Tenafly office, she expected to see donations of toys piled up to its ceiling. She was disappointed at the time, because despite the firm's advertising, publicity and efforts to encourage contributions to the campaign, she felt there was a certain amount of apathy from the public. If some people might be hesistant about bringing toys into the Murphy Realty collection depot, she decided to go out on her own, seek contributions and bring them in herself.

Her first step was to have Marianne Contino, one of our sales executives at the Tenafly office, give her a letter stating she was an unpaid volunteer and another official letter explaining Murphy Realty's role in the campaign.

For six days, using up two tanks of gas, Levinsohn visited 93 merchants in seven Bergen County towns appealing for and picking up toys donated by warm-hearted retailers.

Most of the merchants shared Levinsohn's feelings. While being brought up in a comfortable home where she was never deprived of necessities, it always seemed to trouble her that there are many disadvantaged children in the world.

Although Levinsohn is Jewish, she felt it extremely important that any underprivileged child who might not otherwise receive any gifts for Christmas not be forgotten. Almost all the merchants she contacted seemed to share her Judeo-Christian philosophy.

After more than 40 hours of pounding the pavement, knocking on doors and even occasionally meeting with a discourteous retailer, Levinsohn described her toy collecting experience as very rewarding.

"On several occasions, I had to return to the stores when the managers or owners would be in. Some retailers offered me coffee or tea while they were assembling toys for me to take back. Most of the people thanked me for giving my time and effort to contact them and pick up the toys," she said.

"I thank my parents, who have been unequalled role models in caring and sharing throughout my life as well for their total support, generosity and helpfulness in my effort. I am also very grateful to Murphy Realty/Better Home and Gardens, the U.S. Marine Corps Reserve, my friends and the 58 retailers who donated more than 30 toys so that Christmas would be brighter for many disadvantaged boys and girls."

Merchants in Bergenfield, Closter, Cresskill, Englewood, Teaneck, Tenafly and Westwood donated gifts to Levinsohn's campaign.

In a time where "volunteerism" is deparately needed on society, Levinsohn has set an example of this virtue that other can follow. He dedication and devotion to help others earned her the praise, admiration, affection and respect of many people, including Mayor Richard K. Van Nostrand of Tenafly and the borough council.

PITTSBURGH RIVERBOAT EXECUTIVE NEW PRESIDENT OF THE NATIONAL ASSOCIATION OF PASSENGER VESSEL OWNERS

HON. DOUG WALGREN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 25, 1986

Mr. WALGREN. Mr. Speaker, I am delighted to bring to the attention of the House of Representatives the election of Zack J. D'Alesandro, Jr., as president of the National Association of Passenger Vessel Owners.

Mr. D'Alesandro, general manager and vice president of the Gateway Clipper Fleet in Pittsburgh, has been a personal friend of mine for many, many years. Few men have as much experience, knowledge, or love for our rivers and waterways as Zack. I know that the National Association of Passenger Vessel Owners will thrive under Zack's leadership. An active member of the South Hills community where Zack serves on our school board, he brings to this new position the intelligence, commitment, and warmth of a very fine individual.

I know my colleagues will join me in saluting Zack D'Alesandro and wishing him well in his new position.

The text of the announcement of his election follows:

PITTSBURGH RIVERBOAT EXECUTIVE NEW PRESIDENT OF NATIONAL ASSOCIATION OF PASSENGER VESSEL OWNERS

WASHINGTON, DC, MAR. 11, 1986.—Zack J. D'Alesandro, Jr., general manager and vice president of the Gateway Clipper Fleet, Pittsburgh, PA, was elected President of the National Association of Passenger Vessel Owners (NAPVO) at their annual meeting at Lake Tahoe, Nevada.

As NAPVO's President and Chief Executive Officer, D'Alesandro will be responsible for coordinating and supervising the organization's public relations efforts, as well as overseeing the functions of NAPVO's Washington-based Office of the Executive Secretary.

The new NAPVO President will also direct the organization's development of national legislation promoting the interests of passenger vessel owners and the public they serve.

D'Alesandro has served as general manager of the Pittsburgh recreational riverboat fleet for the past 15 years.

He was first elected as a board member of the National Association in 1982.

NAPVO was created in 1971, with Pittsburgh's Gateway Clipper Fleet a charter member. From the outset, the organization has comprised of passenger vessel companies from coast to coast.

"The National Association was formed to foster closer relations between owners of passenger vessels, and to facilitate the exchange of ideas and information," D'Alesandro says.

"The beautiful waterways traversing America are truly one of our Nation's most valuable national resources, both for recreational and commercial reasons," the new NAPVO president adds. "As passenger vessel owners and operators, it is our responsibility to see that the full recreational potential of these waterways be realized and that the comfort and safety of the passengers we carry remain our foremost concern."

Toward that end, NAPVO acts as an important liaison to the United States Coast Guard and plays a major role in developing the high level of respect and safety-conscious performance the passenger vessel business enjoys in America today.

Also elected were Jim Cross of West Palm Beach, Fl. as vice president, James Rooney of Washington, D.C. as treasurer, Tom Bourdo of Toledo and Alan Bernstein of Cincinnati as directors.

THE MEDICARE PROGRAM

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 25, 1986

Mr. STARK. Mr. Speaker, I would like to include at this point in the RECORD an announcement from the Ways and Means Health Subcommittee seeking information for a future hearing on "Lessons for Medicare From the Private Sector: Opportunities and Problems":

The Honorable Fortney H. (Pete) Stark (D., Calif.), Chairman of the Subcommittee on Health, Committee on Ways and Means, U.S. House of Representatives, today announced that the Subcommittee on Health is soliciting information on the operation of health plans in the private sector which hold lessons—or warnings—for the medicare program. Chairman Stark said that he expects the most interesting, attractive, and controversial private sector developments would be discussed at a hearing later this year.

"When medicare was created two decades ago, it mimicked the insurance practices that were then prevalent in the private sector," said Chairman Stark. "Since then, these practices have changed significantly, but medicare has not. Perhaps it should.

"I am very interested in reports about private employers who have actually reduced their insurance costs without restricting benefits or imposing a bigger financial burden on beneficiaries. How have they done this, and can medicare adopt some of

these methodologies? If large companies or unions can obtain quality, low-cost services through bidding and utilization review processes, could medicare do the same thing?

"I am equally interested in examples of private sector 'cost savings' and restrictions which may be having an adverse impact on the quality of care. Some self-insured private sector plans may be creating problems through restrictions on 'freedom of choice' of providers and enrollees' ability to choose providers. Others may be pushing people out of hospitals 'quicker and sicker,' or providing incentive payments to physicians to contain costs to such an extent that medical judgment is being clouded.

"Some say the private sector does things better than the government does," Stark said. "Whether that's true in providing quality, low cost health care is a question worth exploring."

Those who wish to suggest ideas should mail their recommendations to the Subcommittee on Health, 1114 Longworth House Office Building, Washington, D.C. 20515, to the attention of Erica Mozer, no later than close of business Friday, May 2, 1986.

AVOID ANOTHER CUBA

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 25, 1986

Mr. LAGOMARSINO. Mr. Speaker, I would like to call to the attention of my colleagues an editorial which appeared in the March 17, 1986, edition of the Santa Maria, California Times, a prominent newspaper in my district. The editorial describes the proposal for renewed military assistance to the democratic resistance in Nicaragua as necessary to avoid another Cuba.

The editorial concludes:

The one certainty in all this is that abondoning the Nicaraguans, Reagan rightly calls freedom fighters guarantees defeat. Any hope for democracy in Nicaragua would be forfeited. The Cubans and Soviets would win by default, consolidating a forward base for future subversion in Central America. The least Congress can do to avoid this debacle is approve aid for Nicaraguans willing to die to prevent it.

I urge my colleague to consider carefully this commentary.

AVOID ANOTHER CUBA

President Reagan is posing the question of renewed military aid to the Nicaraguan contras just the way it should be posed. Does Congress want to prevent or permit the establishment of a second Cuba in the Western Hemisphere?

If the former, Reagan insists that Congress has no alternative to aiding the insurgent army of Nicaraguans fighting against a Sandinista regime that is unambiguously pro-Soviet and pro-Cuban.

Most members of Congress, including many Democrats and liberals, agree that the United States has legitimate security interests in Central America. Most agree that the consolidation of a second Cuba would endanger these interests, not least by posing a permanent threat to those neighboring Central American states friendly to the United States. And, let it be noted, almost no one in Congress still attempts to defend the Sandinistas. Even liberals now acknowledge that the regime in Managua is a one-party Marxist dictatorship that muzzles the press, harasses the Catholic Church, denies Nicaraguans all basic civil and political rights and make common cause with Moscow and Havana.

So why is Reagan having such trouble persuading Congress to resume military aid to the contras after a two-year hiatus? Partly, of course, it is the isolationist impulse, the hope that if only a problem is ignored it will go away. But it is also true that Reagan's policy of backing the contras strikes many in Congress as leading in uncertain directions.

The administration's stated objective in Nicaragua is not to overthrow the Sandinistas but to help the Nicaraguan resistance pressure the Sandinista regime into granting a measure of democracy. Trouble is, few in Washington, including officials at the Pentagon and the Central Intelligence Agency, believe the contras are strong enough to accomplish this any time soon, even with $100 million in arms and logistical help during the next year.

This discouraging outlook leaves some congressional moderates, who might otherwise vote for contra aid, looking to diplomacy for an alternative policy. But diplomacy unsupported by force or the threat of force offers even fewer prospects for success than relying on the contras alone. Why should the Sandinistas, good Leninists that they are, relinquish power through negotiations when they seem to possess more than enough Soviet arms to hold it exclusively? Until someone provides a convincing answer to this question, congressional opponents of renewed aid for the contras won't be able to offer more than wishful thinking as a rationale for their negotiating option.

The likelihood, then, is for an eventual compromise between the White House and Congress. Rather than $100 million in aid for the contras, Reagan might get, say, $60 million or $75 million with much of that placed in escrow for a few months while diplomacy is given another try. The incentive for the Sandinistas to negotiate in earnest would be the knowledge that without a show of good faith, the aid would be released to the contras and perhaps even increased.

But whichever way Congress goes, it seems more and more that the Sandinistas, bolstered by $500 million in Soviet armaments since 1981 plus several thousand Soviet-bloc military advisers, are already too strong to be ousted or forced to grant democratic concessions by the contras alone. That means the United States could eventually find itself pressed to intervene more directly, perhaps by recognizing the anti-Sandinista resistance as a government in exile and then enforcing an air and sea blockade against further shipments of Soviet-bloc arms to Nicaragua.

The one certainty is all this is that abandoning the Nicaraguans Reagan rightly calls freedom fighters guarantees defeat. Any hope for democracy in Nicaragua would be forfeited. The Cubans and Soviets would win by default, consolidating a forward base for future subversion in Central America. The least Congress can do to avoid this debacle is approve aid for Nicaraguans willing to die to prevent it.

VOTING RECORD

HON. MORRIS K. UDALL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 25, 1986

Mr. UDALL. Mr. Speaker, it has become my practice from time to time to list my votes in the CONGRESSIONAL RECORD. I strongly believe that the people of the Second Congressional District of Arizona have a right to know where I stand on the issues decided by this body, and I have found that printing my record here is the best way to provide that information.

This is not an all inclusive list. I have omitted noncontroversial votes such as quorum calls, motions to resolve into the Committee of the Whole House, and motions to approve the Journal of the previous day.

The descriptions are necessarily somewhat short, and I am sure that some of my constituents will have additional questions about the issues described here. So I invite them to write me for more specifics.

The votes are described as follows:

KEY

1. Rollcall Number;
2. Number of the bill or resolution;
3. Title of the bill or resolution;
4. A description of the vote;
5. The outcome of the vote;
6. The vote total;
7. My vote, in the form Y=yes, N=no, and NV=not voting;
8. The vote totals of the Arizona delegation (yes—no—not voting);
9. The date.

301. H.R. 2100. Farm Programs Reauthorization, Fiscal 1986-90. Madigan, R-Ill., amendment to strike the wheat and feed grain farmer referendum section from the bill. The farmer referendum would have been on the question of establishing a marketing certificate and export subsidy program for domestic wheat and feed grain production. Adopted 251-174: N(4-1-0), October 3, 1985.

302. H.R. 2100. Farm Programs Reauthorization, Fiscal 1986-90. Lundine, D-N.Y., amendment to phase out the price-support and national quota program for peanut producers by 1989, gradually limiting the size of the peanut crop that would come under the national poundage quota, lowering the price support level and allowing growers not holding a quota to compete for the domestic market in order to meet demand. Rejected 195-228: N(3-2-0), October 3, 1985.

303. H.R. 2100. Farm Programs Reauthorization, Fiscal 1986-90. English, D-Okla., amendment to exempt agriculture export credit programs from the cargo-preference requirements that half of all government-generated exports be shipped on U.S. flag vessels. Rejected 179-245: Y(4-1-0), October 3, 1985.

304. H.R. 2100. Farm Programs Reauthorization, Fiscal 1986-90. Bereuter, R-Neb., amendment to require the Maritime Administration to pay the costs of subsidies incurred by applying cargo-preference requirements to agricultural export programs. Rejected 151-269: N(4-1-0), October 3, 1985.

305. H.R. 2100. Farm Programs Reauthorization, Fiscal 1986-90. Glickman, D-Kan., amendment to bring highly erodible crop land farmed in 1981-85 under the sanctions of the bill's "sodbuster" provisions by 1995,

or two years after completion of soil maps, whichever is later, with the requirement that such land must be planted under an approved conservation plan by 1990. Adopted 313-90: NV(2-1-2), October 3, 1985.

306. H.R. 2100. Farm Programs Reauthorization, Fiscal 1986-90. Emerson, R-Mo., amendment to eliminate the expanded benefit and eligibility levels for food stamps contained in the bill. Rejected 171-238: N(4-1-0), October 7, 1985.

307. H.R. 2100. Farm Programs Reauthorization, Fiscal 1986-90. Gingrich, R-Ga., amendment to require states to set up employment and training ("workfare") programs for food stamp recipients, and to require 75 percent of eligible recipients to be enrolled in a work program over three years. Rejected 183-227: N(4-1-0), October 7, 1985.

308. H.R. 2100. Farm Programs Reauthorization, Fiscal 1986-90. Frank, D-Mass., amendment to place a cap on honey price-support loans available to commercial bee keepers. Adopted 340-65: Y(5-0-0), October 7, 1985.

309. H.R. 3174. Military Medical Malpractice. Glickman, D-Kan., motion to suspend the rules and pass the bill to allow active-duty members of the armed services to sue the government for medical and dental malpractice at government facilities. Motion agreed to 317-90: Y(3-2-0), October 7, 1985.

310. H.R. 2100. Farm Programs Reauthorization, Fiscal 1986-90. Petri, R-Wis., amendment to repeal tobacco price-support programs, effective in 1986. Rejected 195-230: N(1-4-0), October 8, 1985.

311. H.R. 2100. Farm Programs Reauthorization, Fiscal 1986-90. Stangeland, R-Minn., substitute for the Alexander, D-Ark., substitute, to establish separate referendums on mandatory production control programs for grain farmers, soybean farmers, dairy farmers and cotton farmers, with approval for each crop program based on a 60 percent majority vote. If grain farmers disapprove of the mandatory controls, the agriculture secretary would be required to allow farmers to repay their wheat and feed grain crops at no higher than state average market prices; target prices for wheat would be set at $4.50 a bushel for the first 15,000 bushels, and at $4.00 a bushel for the remainder; target prices for corn would be set at $3.25 a bushel for the first 30,000 bushels, and $2.75 a bushel thereafter. Rejected 52-371: N(0-5-0), October 8, 1985.

312. H.R. 2100. Farm Program Reauthorization, Fiscal 1986-90. Alexander, D-Ark., substitute to establish a mandatory production control program for wheat, feed grains, rice, cotton and soybeans if approved by a majority of farmers in a national referendum to be held every four years. If the referendum were disapproved, the Agriculture Department would establish programs for all major commodities. If it were approved, crop-support non-recourse loan rates would be set at 70 percent of parity (a formula based on farmers' purchasing power during the years 1910-14) for the 1986 crop and increased 2 percentage points a year thereafter until 1996. Farmers would be required to idle 15 percent of their normal crop acreage. Rejected 59-368: N(0-5-0), October 8, 1985.

313. H.R. 2100. Farm Programs Reauthorization, Fiscal 1986-90. Miller, D-Calif., amendment to deny any type of federal farm assistance to any farmer with 10 or more field hand employees who fails to provide drinking water and sanitation facilities to his employees. Rejected 199-227: Y(1-4-0), October 8, 1985.

314. H.R. 2100. Farm Programs Reauthorization, Fiscal 1986-90. Passage of the bill to extend and revise agricultural price-support programs; to provide for agricultural export, soil conservation, farm credit and agricultural research programs; and to continue food assistance to low-income persons through fiscal 1990. Passed 282-141: Y(1-4-0), October 8, 1985.

315. H.R. 3008. Federal Pay Equity Study. Burton, R-Ind., amendment to establish a 14-member commission, rather than the 11-member commission established by the bill, composed of seven members appointed by Democrats and seven appointed by Republicans, to oversee the study of the federal pay and classification system. Rejected 150-272: N(4-1-0), October 9, 1985.

317. H.R. 3008. Federal Pay Equity Study. Burton, R-Ind., substitute to require a study of whether federal pay and classification complies with the Civil Rights Act of 1964 and the Fair Labor Standards Act of 1938, and with trends in promotion and hiring. Rejected 142-277: N(3-1-1-), October 9, 1985.

318. H.R. 3008. Federal Pay Equity Study. Passage of the bill to establish a commission to oversee a study of the federal work force to determine whether differences in pay and classification have arisen because of discrimination on the basis of sex, race, or national orgin. Passed 259-162: Y(1-4-0), October 9, 1985.

319. H.R. 1562. Textile Import Quotas. Adoption of the rule (H Res 286) to provide for House floor consideration of the measure to impose new quota restrictions on textile imports. Adopted 277-139: Y(1-3-1), October 10, 1985.

320. H.R. 1562. Textile Import Quotas. Passage of the bill to impose new quota restrictions on textile imports. Passed 262-159: N(0-4-1), October 10, 1985.

321. H.R. 3248. Arts and Humanities Endowments Authorizations, Fiscal 1986-87. Passage of the bill to authorize $167 million for the National Endowment for the Arts, $140 million for the National Endowment for the Humanities and $22 million for the Institute of Museum Services in fiscal year 1986, and 4 percent more for each agency in fiscal 1987. Passed 349-57: NV(2-1-2), October 10, 1985.

322. H.J. Res. 372. Public Debt Limit. Rostenkowski, D-Ill., motion to disagree to the Senate amendments to the joint resolution and to request a conference with the Senate on the measure to raise the ceiling on the federal debt to $2.079 trillion. Motion agreed to 327-50: Y(4-0-1), October 11, 1985.

323. H.J. Res. 372. Public Debt Limit. Michel, R-Ill., motion to instruct the House conferees on the joint resolution to raise the ceiling on the federal debt to report promptly amendments to the 1974 Congressional Budget and Impoundment Control Act (PL 93-344) that would provide mechanisms for reducing the federal budget deficit, including specific, mandatory goals for achieving a balanced budget in six years (by fiscal 1991). Motion agreed to 354-15: Y(4-0-1), October 11, 1985.

325. H.R. 1409. Military Construction Authorization, Fiscal 1986. Passage of the bill to authorize $9.2 billion in fiscal 1986 for certain construction at military installations, and for other purposes. Passed 354-38: Y (5-0-0), October 16, 1985.

326. H.R. 3327. Military Construction Appropriations, Fiscal 1986. Adoption of the rule (H Res 282) to waive certain points of order against the bill to provide $8,372,730,000 in fiscal 1986 appropriations for military construction for the Department of Defense. Adopted 369-33: Y(4-1-0), October 17, 1985.

327. H.R. 3327. Military Construction Appropriations, Fiscal 1986. Passage of the bill to provide $8,372,730,000 in fiscal 1986 appropriations for military construction for the Department of Defense. Passed 373-36: Y(5-0-0), October 17, 1985.

328. H.R. 2095. Daylight-Saving Time Extension. Adoption of the rule (H Res 288) to provide for floor consideration of the bill to change daylight-saving time to run from the first Sunday in April to the first Sunday in November. Adopted 352-43: Y(3-2-0), October 17, 1985.

329. H.R. 463. Topsoil Preservation. Udall, D-Ariz., motion to suspend the rules and pass the bill to establish topsoil preservation guidelines for federal or federally assisted construction projects larger than 100,000 square feet, and to authorize $6 million annually to carry out the program in each fiscal year after September 30, 1986. Motion rejected 225-185: Y(2-3-0), October 22, 1985. A two-thirds majority of those present and voting (274 in this case) is required for passage under suspension of the rules.

330. HR 2095. Daylight-Saving Time Extension. Passage of the bill to change daylight-saving time to run from the first Sunday in April to the first Sunday in November. Passed 240-157: N(0-4-1), October 22, 1985.

332. H.R. 3500. Omibus Budget Reconciliation, Fiscal 1986. Adoption of the rule (H Res 296) to provide for House floor consideration of the bill to make changes in law to achieve the deficit-reduction targets of the fiscal 1986 budget resolution (S Con Res 32), and to allow amendments by Latta, R-Ohio, to strike certain provisions; Fazio, D-Calif., to strike a provision placing transportation trust funds off off budget; and Florio, D-N.J. to insert a House-passed Amtrak authorization bill (HR 2266). Adopted 230-190: N(1-4-0), October 23, 1985.

333. H.R. 2409. National Institutes of Health Authorizations, Fiscal 1986-88. Adoption of the conference report to authorize $2.4 billion in fiscal 1986, $2.6 billion in 1987 and $2.7 billion in 1988 for certain research activities of the National Institutes of Health, and to create a new institute for research on arthritis. Adopted (thus cleared for the president) 395-10: Y(4-1-0), October 23, 1985.

334. H.R. 3500. Omnibus Budget Reconciliation, Fiscal 1986. Latta, R-Ohio, amendment to eliminate new programs and increased spending authorized in the bill, to remove transportation trust funds from the budget in fiscal year 1989, and to reduce proposed salary increases for federal civilian employees. Rejected 209-219: N(4-1-0), October 24, 1985.

335. H.R. 3500. Omnibus Budget Reconciliation, Fiscal 1986. Fazio, D-Calif., amendment to strike a provision of the bill that would have removed two transportation trust funds from the budget. Adopted 222-205: N(4-1-0), October 24, 1985.

336. H.R. 3500. Omnibus Budget Reconciliation, Fiscal 1986. Passage of the bill to make changes in law to reduce spending by $60.9 billion over fiscal years 1986-88, to conform with the fiscal 1986 budget resolution (S Con Res 32) that called for $276 billion in spending cuts and higher revenues over three years. Passed 228-199: Y(1-4-0), October 24, 1985.

337. H.R. 3606. Defense Cost Reporting. Aspin, D-Wis., motion to suspend the rules and pass the bill to require the Department of Defense to keep certain data on manufac-

turer's labor costs. Motion agreed to 397-18: Y(3-1-1), October 29, 1985.

338. H. Con. Res. 201. Handicapped Children Education Anniversary. Williams, D-Mont., motion to suspend the rules and adopt the concurrent resolution to commemorate the 10th anniversary of the enactment of the Education for All Handicapped Children Act (PL 94-142), which was signed into law on November 29, 1975. Motion Agreed to 404-1: Y(4-0-1), October 29, 1985.

339. S. 1160. Department of Defense Authorization, Fiscal 1986. Adoption of the rule (H Res 299) to provide for House floor consideration of the conference report on the bill to authorize $222,992,600,000 for military programs in fiscal 1986. Adopted 320-91: Y(4-0-1), October 29, 1985.

340. H.R. 2942. Legislative Branch Appropriations, Fiscal 1986. Adoption of the conference report on the bill to appropriate $1,598,293,800 in fiscal 1986 for Congress and related agencies. Adopted 251-164: Y(2-2-1), October 29, 1985.

341. H.R. 3629. Department of Defense Appropriations, Fiscal 1986. Frank, D-Mass., amendment to delete from the bill $1.7 billion for procurement of 12 MX missiles. Adopted 211-208: Y(1-3-1), October 30, 1985.

342. H.R. 3629. Department of Defense Appropriations, Fiscal 1986. Frank, D-Mass., amendment to delete from the bill $1.7 billion for procurement of 12 MX missiles. Rejected 210-214: Y(1-3-1), October 30, 1985.

343. H.R. 3629. Department of Defense Appropriations, Fiscal 1986. Passage of the bill to appropriate $268,850,600,000 in new budget authority and $7,747,700,000 in transfers from other accounts for Defense Department programs in fiscal 1986. Passed 359-67: Y(3-1-1), October 30, 1985.

345. H.R. 3128. Deficit Reduction Amendments. Derrick, D-S.C., motion to order the previous question (thus ending debate and the possibility of amendment) on the rule (H Res 301) to provide for House floor consideration of the bill to reduce the deficit by $19.5 billion over fiscal 1986-88 through spending reductions in the Medicare program; tax increases on tobacco products, imports, coal manufacturers and employers participating in a federal pension plan; and user fees for Customs inspections. The bill would also make changes in the Aid to Families with Dependent Children program, and reauthorize the Trade Adjustment Assistance program and related trade agencies. Motion agreed to 219-205: Y(1-4-0), October 31, 1985.

346. H.R. 3128. Deficit Reduction Amendments. Gradison, R-Ohio, motion to recommit the bill to the Ways and Means Committee with instructions to delete eight provisions that would require $954 million in new spending over fiscal 1986-88. Motion rejected 183-238: N(4-1-0), October 31, 1985.

347. H.R. 3128. Deficit Reduction Amendments. Passage of the bill to reduce the deficit $19.5 billion over fiscal 1986-88 through spending reductions in the Medicare program; tax increases on tobacco products, imports, coal manufacturers and employees participating in a federal pension plan; and user fees for Customs inspection. The bill would also make changes in the Aid to Families with Dependent Children program and reauthorize the Trade Adjustment Assistance program and related trade agencies. Passed 245-174: Y(1-4-0), October 31, 1985.

349. H.J. Re.s 372. Public Debt Limit. Rostenkowski, D-Ill., motion to recede from the disagreement with the Senate amendment to the bill to increase the public debt limit. Motion agreed to 288-134: N(4-1-0), November 1, 1985. This was a procedural move clearing the way for a house vote on the Democratic alternative to the budget amendment sponsored by Gramm, R-Texas, Rudman, R-N.H., and Hollings, D-S.C.

350. H.J. Res. 372. Public Debt Limit. Rostenkowski, D-Ill., motion to recede from the House position and concur with the Senate amendment to the bill to increase the public debt limit, with a substitute amendment to provide for declining annual statutory limits on the federal debt, automatic deficit reduction and, under certain circumstances, procedural revisions in the congressional budget process. Motion agreed to 249-180: Y(1-4-0), November 1, 1985.

A TRIBUTE TO THE 50TH ANNIVERSARY OF McCLELLAN AIR FORCE BASE

HON. VIC FAZIO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 25, 1986

Mr. FAZIO. Mr. Speaker, I rise today to pay tribute to the 50th anniversary of McClellan Air Force Base. For the last 50 years, McClellan has played an integral role in our Nation's defense and an important part in the growth and prosperity of Sacramento, CA. The history of McClellan is long and proud. Recognition of this fine base would not be complete without a capsulation of the events which have shaped this prestigious Air Force installation.

In 1935, Arthur S. Dudley, secretary-manager of the Sacramento Chamber of Commerce, initiated efforts to obtain an Army-Air Force base for Sacramento. At the time, Rockwell Air Depot in San Diego had become obsolete because of technical advances in aviation. After substantial lobbying by Dudley, Congress passed and President Roosevelt on June 22, 1936, signed a bill appropriating money for a depot in the Sacramento area. Arthur S. Dudley, who lived to see McClellan grow to its maturity as an air logistics center, is considered the "Father of McClellan."

September 8, 1936, marked the groundbreaking ceremony for the newly named Sacramento Air Depot. Three years later, under the able supervision of Lt. John A. Austin, the basic construction of the depot was completed. Maintenance and operations hangers, an equipment building, and a depot supply building were all part of the original plan. On April 29, over 50,000 people attended the dedication ceremony. Distinguished guests included the Chief of Army Air Corps, Maj. Gen. Henry H. Arnold, and the Army Deputy Chief of Staff, Brig. Gen. George C. Marshall.

Later that year, the War Department officially changed the name from Sacramento Air Depot to McClellan Field to honor Hezekiah McClellan. A true Californian with a degree in military aeronautics from the University of California at Berkeley, Major McClellan was an Army aviation pioneer who died while testing a consolidated PB-2A aircraft. The Army awarded the Distinguished Flying Cross to Major McClellan posthumously.

As America prepared for an impending war, McClellan bore the responsibility for the logistical support of the west coast. At this time, the work force numbered 373. By September 1939, when the Germans invaded Poland, the number of employees had doubled.

In the early years of the war, planes stationed at McClellan ferried supplies to Alaska and the Panama Canal Zone. New employees moved rapidly through training classes which allowed them to advance quickly through the civil service hierarchy. After the bombing of Pearl Harbor, McClellan became key in providing air logistics support in the Pacific.

During the war, McClellan AFB was instrumental in the first successful Allied bombing raid of Tokyo. Known as the "Doolittle Raid," Americans in B-25B's lead by Lt. Col. James Doolittle, attacked Tokyo. Prior to the attack, Lieutenant Colonel Doolittle personally visited McClellan to oversee the special modifications on the B-25B's that were needed for the secret mission. The "Doolittle Raid" ended the string of early setbacks suffered by the Allies.

By June 30, 1943, there were 17,652 civilians and 4,250 military working at McClellan, but Sacramento's workload declined as the other west coast depots opened. At the end of the war, the civilian work force shrank to only 7,004 employees and these workers were relegated to storing surplus aircraft and supplies. However, in 1947, when the Air Force was established as a separate service, activity increased at McClellan.

Two years later, war began on the Korean peninsula. Once again, McClellan provided vital air logistic support for the Pacific, repairing and maintaining the F-80c, F-51, and the F-86. Decentralization of the Air Material Command resulted in more duties to McClellan. By the end of the conflict, responsibilities had increased to include management of the F-80, T-33, F-94, F-51, and the F-82.

The workload was reduced at the end of the Korean conflict in 1952, but the arrival of the F-104 Starfighter and the F-100 Super Sabre—the first supersonic aircraft in history—assured the continued importance of McClellan. An airborne early warning control [AEWC] was established after the introduction of the RC-121 Constellation at McClellan. By 1953, McClellan was providing 45 percent of the logistical support for all aircraft flown by the USAF, Air National Guard, and the Air Force Reserve.

The early fifties was also a time when McClellan was assigned many vital large projects. In 1954, "Project Pull Out" was responsible for the modification of over 650 F-86's. "Project Milk Bottle," upgrading the B-47 and a later Air Force project to repair the F-106 *Delta Dart,* were essential in order to maintain technological supremacy in fighter planes. These large undertakings prepared McClellan for the onset of the Space Age.

McClellan was the prime support manager for the Air Force Discoverer satellite, and the Agena space vehicle and satellite system. However, the contributions of McClellan to the exploration of space were temporarily suspended with the onset of the Vietnam conflict.

Once again, McClellan was called upon to provide logistical support in the Pacific. At the beginning of American involvement, McClellan prepared and shipped all the material and equipment necessary to establish an entire Air

Force base at Tuy Hoa on the Vietnamese coast, 300 miles from Saigon. Next, McClellan pioneered the rapid area maintenance [RAM] concept, which was responsible for fast and efficient repair of aircraft damaged in crashes or battles. McClellan also sent highly skilled AFLC workers to Indochinese combat theaters to perform maintenance beyond the capabilities of bases in that part of the world. Further, McClellan provided logistical support to the AIE, F-105, FB-111, and the F-111C.

In the midsixties, McClellan diversified its activities. In 1966, the base began extensive inspection and repair of the KC-135 jet tankers as well as installing inflight refueling capability, liquid oxygen capabilities, and camouflaging for the F-102. Another first for McClellan included using laser equipment for aircraft system alignment and bore sighting aircraft guns. These are just a few of the many valuable projects and systems developed at McClellan.

Not only was the Sacramento base known for its technical capabilities, but it was also known for innovative concepts in management. Claude Farinha, civilian assistant to AFLC's directorate of maintenance Brig. Gen. William A. Jack, proposed altering the role of the depot to allow AFLC specialization which would encourage competition with private industry. Adopted by the AFLC Command in 1971, the technology repair center [TRC] concept induced many changes in the AFLC system. McClellan became the TRC for ground communications, electronics equipment, flight control accessories, and hydraulics.

In spite of the many innovations that McClellan brought to the forefront in the late 1960's and early 1970's, this was a period of scaling back. The Air Force had to close 9 of its 14 air logistics centers. While McClellan remained open, there was a great concern in the community that this base could be next on the list. As a result, there was a lack of investment in the industrial base which thereby impeded McClellan's ability to attract high-technology missions. But with the arrival of Maj. Gen. Dewey K.K. Lowe as commander of the Sacramento ALC, in the mid-1970's, things took a turn for the better. The superb work force, the community at large, and the congressional delegation joined together to assist the base's leadership. We made tremendous strides in getting Congress to approve funds for modern new facilities. And General Lowe was extremely effective in attracting high-technology missions to the base. The business and civil communities have gone all out to show their support for McClellan. Pulling together has paid off.

McClellan is now one of the premier maintenance facilities in the United States. Further, McClellan's work in the fields of fiber optics, advanced composites, electronics, communications, and space systems, have made it one of the Armed Forces' leaders in high technology. It's known far and wide as the "smart ALC." In fact, in 1984, McClellan was designated program manager for the advanced tactical fighter, also known as "stealth" which is expected to be operational by the mid-1990's. And, last week, McClellan was chosen as the long-term maintenance facility for the F-15—the Air Force's top fighter plane. These two acquisitions reveal the confidence that our U.S. Air Force has in McClellan's military and civilian work force.

In the past 15 years, ALC units at McClellan have earned almost 20 Department of Defense awards. Two of the most recent awards have included the Eugene M. Zuckert Air Force Management Award to Gen. Dewey K.K. Lowe in 1984 and the Hennessy Trophy for the best Air Force dining hall, also received in 1984. Today, McClellan AFB encompasses 2,700 acres and is home to 23 tenant units and 15,000 civilian employees and 4,000 military personnel. I would like to salute each of these outstanding units along with the Sacramento Air Logistic Center and all the men and women who are an integral part of McClellan's USAF mission: The 2049th Communication Group of the Air Force Communications Command, the 1849th Electronics Installation Squadron of the Air Force Communications Command, the Fourth Air Force (Reserve), the 406th Combat Logistics Support Squadron of the Air Force Reserve, the 41st Rescue and Weather Reconnaissance Wing of the Military Airlift Command, the 41st Aerospace Rescue and Recovery Squadron of the Military Airlift Command, the 41st Consolidated Aircraft Maintenance Squadron of the Military Airlift Command, the 55th Weather Reconnaissance Squadron of the Military Airlift Command, the Technical Operations Division, the Defense Property Disposal Office at McClellan, the Northern California Complex Air Force Commissary Service, the McClellan AFB Commissary, the Field Training Detachment 510 of the Air Training Command, the Detachment 950 of the Air Force Audit Agency, the Detachment 5 of the 3025th Management Engineering Squadron, the Air Force Office of Special Investigation of the Detachment 1905, the Royal Air Force Detachment, the Canadian Forces Logistics Liaison Unit Detachment, the Coast Guard Air Station of Sacramento, and the 431st Test and Evaluation Squadron of the Tactical Air Unit.

Above all, McClellan is nationally recognized for the skill and quality that it brings to the Air Force Logistic Command. Under the competent leadership of Maj. Gen. Lee V. Greer, his vice commander, Brig. Gen. James W. Hopp, and base commander, Col. David S. Whitman, McClellan ALC will continue to enjoy an outstanding reputation.

Mr. Speaker, for the last 50 years, McClellan Air Force Base has been an essential part of this Nation's defense. With the thousands of dedicated employees, strong support from the Sacramento community, and the able command of the Air Force, McClellan has and will continue to be at the forefront in developing technologies to meet the challenges of the 21st century.

PROTECT THE FAMILY UNIT IN AMERICA

HON. WILLIAM O. LIPINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 25, 1986

Mr. LIPINSKI. Mr. Speaker, as we quickly move through the second half of this decade, it has become apparent that a serious and harmful trend is taking place across this country—the disintegration of the family unit. A recent study has indicated that 60 percent of the children born in 1984 can expect to live in a one-parent family before reaching age 18. Unfortunately, this type of family disorganization has become commonplace in American society and not just a statistic of a sensitive and stigmatized minority.

Clearly based upon the nature of an industrial society, no government can avoid having policies that influence the family unit. However, the key issue is whether these policies reach to the heart and soul of strengthening the American family.

There are two basic assumptions we must follow in order to adequately address this problem: the first being that the family structure has been the cornerstone for stability and understanding in our society and second, the Government has the tools necessary to preserve that structure.

To be sure, the processes of change in the family foundation can be attributed to a number of policies and programs, and one could make a very strong case that government at all levels must take into account the actual or potential effects these programs have upon our families.

The absence of an indepth national industrial policy addressing plant closings and job loss has contributed to the destructiveness of family harmony and stability. Many case studies of plant closings have identified serious strains on the families of unemployed workers. Undoubtedly, the stress, anxiety, and depression realized by the displaced worker is magnified in the overall family setting where the spouse and children become highly vulnerable victims to this emotional fallout.

Of all the policies that have affected family growth and stability, none has been more inequitable than our current tax policy. The exemption for dependents, "a children's allowance" built into the Tax Code, has risen from $600 in 1948 to only $1,040 in 1985. To maintain the value of the personal exemption based upon an inflation index over 27 years would mean that the exemption today should be valued at approximately $5,000. Although to some extent, this country has pursued a national family policy that exempted most of the cost of child-rearing from taxation, it has also followed an equally powerful policy that is for all practical purposes antifamily.

What we generally value as a society and what we generally think is conducive to the things we value is self-efficiency. People in this country are affected by poverty and it follows that we should not tax individuals, much less families to the point where they are statistically poor and virtually dependent. It is, therefore, necessary to show a willingness on a national level to act both in a positive and compassionate manner and develop a comprehensive plan that will seriously address the needs of the American family. We need a sweeping national plan that will:

First, adjust the tax policy to incorporate a more realistic dependency allowance figure in our Tax Code.

Second, provide tax incentives to subsidize those families who are financing their child's

higher education. This could be done by having a tuition exemption built into our Tax Code.

Third, institute a national industrial policy that will not only address plant closing consultation and mass layoffs but will assist in providing counseling and other social services for the spouse and children of the unemployed worker.

Fourth, allow the first time home buyer family reasonable interest rates and financing incentives such as drawing on established IRA accounts without financial penalties to purchase a home.

Fifth, establish a more comprehensive Drug and Alcoholic Abuse Program in this country. The increased use of drugs and alcohol has had, to say the least, a detrimental effect on family stability.

The current hardships confronting the American family are basically an indictment of this country's leadership for permitting it to fall into such a state of disrepair. Over the past 100 years we, as a country, have prided ourselves on being a nation of families but yet we have pursued a course without design or direction that has discouraged the establishment of a strong family unit. We certainly cannot stand by and watch the family structure crumble before our eyes. The future of this Nation will remain contingent on protecting the health and spirit of the American family who have been the bastion of strength of our society.

FIFTY YEARS OF SERVICE BY IITRI

HON. STENY H. HOYER

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 25, 1986

Mr. HOYER. Mr. Speaker, on the occasion of the 50th anniversary of the IIT Research Institute, I would like to pay tribute to the outstanding work and services provided by this independent, not-for-profit, research organization. Among the divisions of this company is the Maryland Technology Center located in Lanham, MD.

Originally started by a handful of professors from the Armour Institute of Technology, now the Illinois Institute of Technology, on April 6, 1936, this firm today employs more than 850 scientists, researchers, and support personnel at two offices in the State of Maryland. Across the country, through its four divisions, the IIT Research Institute undertakes research for industry and government in such diverse fields as electronics, microwave and electrooptics, chemistry and chemical engineering, life sciences, energy, explosion science, railroad technology, manufacturing technology, surface engineering, software engineering, and information sciences.

The Maryland Technology Center in Lanham, MD, which contributes to the growing attractiveness of Prince Georges County as a center for high technology and advanced research, provides services for the Defense Mapping Agency and the Engineering Topographic Laboratories among other Federal and corporate clients. The IIT Research Institute has found a favorable business climate in the State of Maryland since 1961.

Based on its half century of experience, a rich diversity of professional and scientific resources and employees, and a solid record of technological accomplishments, it is fair to say, in the words of David L. Morrison, the president of IIT Research Institute,

From a small research organization with a handful of employees, we have evolved into one of the world's largest, independent, not-for-profit organizations performing vital scientific and engineering research and development. During our next half century, we will build on that foundation by combining technology with added service, knowledge of the opportunities technology can provide, and an unwavering commitment to doing more things in a better way.

The IIT Research Institute will indeed continue to make things better for us all. On the golden anniversary of this research organization, I wish the IIT Research Institute further success and achievement.

ATHENAGORAS I

HON. GUS YATRON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 25, 1986

Mr. YATRON. Mr. Speaker, giant of a man in stature and spirit, Athenagoras the first, late ecumenical patriarch of Constantinople would have been 100 years old today. His leadership of the Greek Orthodox Church of North and South America and subsequent assumption of the leadership of the Eastern Orthodox Church will remain indelibly etched in the annals of church history.

He was born in a small village of northern Greece called Vasilikon, which means "kingly." Indeed, he lived up to that description in the manner he carried himself and exercised his religious duties as a representative of his God and a servant of his people.

His service in America created an organized church for Greek emigrants and gave impetus to the organization of other branches of the Eastern Orthodox Church in this country. When he left America to go to Instanbul, Turkey on Harry Truman's Presidential plane, he carried with him the vision of an extraordinary accomplishment in America and a desire to apply his experiences in this unique country of ours on a wider and ecumenical plane of action.

He set a new tone for the church in Turkey and achieved good relations with the Turkish Government. He forged new ties with the Pope of the Roman Catholic Church and succeeded in meeting with him for the first time in centuries on the holy soil of Jerusalem.

We remember him as a visionary who fleshed out his faith and as a churchman whose example should be emulated by all people of whatever faith. His example and love transcend time and will remain as a mark of Christian commitment and spiritual acuity. We are grateful for the life and the remembrance of Athenagoras the first, a true churchman. We are especially thankful for his personification of Christian ideals and the vivid expression of his Greek heritage on this significant day when Greeks the world over commemorate Greek independence day.

NATIONAL SOCIAL WORK MONTH

HON. OLYMPIA J. SNOWE

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 25, 1986

Ms. SNOWE. Mr. Speaker, I am pleased to join with my colleagues in the House in observance of March 1986 as National Social Work Month. With the theme, "Aging Parents: Return the Gift of Caring," the National Association of Social Workers—NASW—is launching its public service campaign stressing the importance of the family caregiver. Emphasizing quality of life for the older family member, this yearlong effort by the NASW will focus on the role of the family in caring for the aging parent and the special problems this may present for the whole family.

Recent research has shown that between 80 and 90 percent of the medically related care, personal care, household maintenance, transportation and shopping needed by older persons is provided by caregiving family members. While for many the role of the family caregiver is rewarding, the responsibility is not assumed without sacrifice. Many family caregivers face a variety of stressful situations as they seek to provide quality care for their elderly family members. They often find themselves caught between the competing demands of their children and their parents. Many face the tension of stretching already limited financial resources. Still others are trying to cope with the emotional demands of caring for an ailing parent in addition to maintaining a job. Thus, many individuals are finding that meeting the needs of the family, working, and fulfilling the caregiving role combine to create both emotional and financial stress.

Caregivers need education on how best to care for a disabled person, they need respite care to give them temporary relief from the strains of their task, and they need information about the resources available to them in the community. But most of all, they need our support and recognition of their difficult, understated, and often underappreciated role. To this end I have introduced House Joint Resolution 555, a bill to designate the week beginning November 24 as "National Family Caregivers Week." In this way, we can begin to recognize the contribution of the family caregivers who care for the disabled or frail and through whose efforts our responsibility and commitment to the family is embodied. In the decision between home care and institutional care, the family is the crucial difference.

In all of this, social workers play a key role in helping both the aging parent and the family cope with the burdens inherent in this stressful time. They offer counseling to help individuals and families understand the emotional conflicts that often arise in the caregivers relationship; they provide information and referral, connecting persons with sources of economic aid, community resources, socialization, support groups and helping networks; they help families to make informed decisions

about how best to care for an aging parent. At all stages of care, social workers seek to enrich the lives of older persons and their caregivers.

Thus, as the National Association of Social Workers celebrates the family caregiver in conjunction with National Social Work Month, the most fitting salute to their efforts is summed up in their own words:

How we as individuals and as a society react to our aging population will be a measure of our humanity and our ability to care for those who brought us into the world and nurtured us as we grew. For all of us there comes a time to return the gift of caring.

NATIONAL FISHING WEEK

HON. WALTER B. JONES

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 25, 1986

Mr. JONES of North Carolina. Mr. Speaker, I would like to express my thanks to the leadership of the Committee on Post Office and Civil Service, and in particular, Subcommittee Chairman GARCIA for bringing this resolution to the floor.

I initiated the effort to establish National Fishing Week by introducing H.J. Res. 433 on October 29, 1985. The policy of the House Committee on Post Office and Civil Service is not to report such measures until they are supported by at least 218 cosponsors. House Joint Resolution 433, requesting the President to proclaim June 2–8, 1986 as National Fishing Week, now has some 225 cosponsors and I would like to extend my gratitude to my fellow Members who chose to join me in honoring our Nation's fishermen.

On January 30, 1986, Senator WALLOP introduced an identical measure, Senate Joint Resolution 262, which was passed by the Senate on March 4, 1986. Although I will not have the pleasure of passing House Joint Resolution 433 and sending that measure on to the Senate and ultimately to the President, I would like to point out that the effort to recognize the importance of fishing, both sport and commercial, was initiated here in the House.

Mr. Speaker, fishing is a tradition deeply rooted in the history of our great Nation. Fishing provided our ancestors, the pioneers and settlers of our coastal communities, with an immediate and steady food supply. Many of the early coastal communities in my district depended on fishing for food and sustenance. These same communities, like many others in America, now rely on fishing as a major source of income and employment and as the basis of a growing tourist industry.

It is estimated that well over 200,000 commercial fishermen ply the oceans in search of seafood to fill the plates of millions of Americans. Our fishery resources not only enter the channels of commerce, but they also provide a source of pleasure for many anglers. Over 54 million Americans are sport fishing enthusiasts. In addition to providing enjoyment for many Americans, sport fishing is also an important industry, encompassing tackle, boat, and motor manufacturing, as well as service industries, such as hotels, motels, bait shops, groceries, and the like. Together, the sport and commercial fishing industries employ over 1 million Americans and generate over $27 billion in economic activity.

For the consumer, fishing provides healthful, protein-rich food. Recent scientific research shows that the consumption of seafood reduces the probability of heart disease. Perhaps this is one of the many reasons why fishing will grow as America continues to grow.

Whether fishing is family-oriented outdoor recreation, or commercial fishing carried out on the high seas, the result will be a healthier and stronger America. I urge my colleagues to honor our fishing industry and the fishing public of the United States by supporting the passage of Senate Joint Resolution 262. I also urge the President to sign this measure with all due speed and to lend his support to activities designed to honor and recognize the importance of fishing to America.

A TRIBUTE TO THE UNION HILL CONGREGATIONAL CHURCH OF RICHMOND HILL

HON. GARY L. ACKERMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 25, 1986

Mr. ACKERMAN. Mr. Speaker, I rise today in tribute to the Union Hill Congregational Church of Richmond Hill, NY, on the momentous occasion of its 100th anniversary.

Located at 115th Street and 86th Avenue in Queens County, the Union Hill Congregational Church of Richmond Hill had its beginnings when Richmond Hill was still a peaceful country village. In 1884, a group of men and women met at the Association Hall—a loft over a store on the northwestern corner of Myrtle and Hillside Avenues—and established the Richmond Hill Christian Association, which was later to become the Union Congregational Church and Society of Richmond Hill.

By 1946, the church had an active membership of 1,640 that included among its local luminaries the American journalist, author, and social reformer Jacob Riis and his wife, and Elizabeth and Clarissa Van Ingen—whose family members still attend the church. Today, the congregation has a membership of over 300, and is an active member of the United Church of Christ and the Queens Federation of Churches. The Union Hill Congregational Church is a well-established landmark of Richmond Hill and Queens County, a spiritual center with a distinguished legacy and a proud future.

Mr. Speaker, a communal feeling of religious devotion is especially demonstrated by the congregants of this church through their charitable works. The men's club and the women's fellowship are two church organizations whose main concerns focus on the welfare of the membership and the community. Their faith and good works are a source of inspiration to people of all faiths.

In celebration of its centennial, the church has organized a yearlong series of events which will culminate with a special anniversary service on April 13. The service will be a reunion of all former members of the church and will feature several speakers and former ministers of the church.

Mr. Speaker, throughout its distinguished history, the Union Hill Congregational Church has been a source of comfort for its congregation and strength for the entire Queens community. I would particularly like to commend the Reverend Nevin M. Kirk, the dedicated pastor; Robert K. Stower, chairman of the board of trustees; and Herman Thiene, chairman of the board of directors. Their contributions, as well as the commitment of the other fine officers and members, have made the Union Hill Congregational Church such an outstanding institution.

Mr. Speaker, I call on all of my colleagues in the U.S. House of Representatives to join with me now in congratulating the Union Hill Congregational Church of Richmond Hill on the auspicious occasion of its 100th anniversary.

A MISSION OF DREAMS

HON. NEWT GINGRICH

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 25, 1986

Mr. GINGRICH. Mr. Speaker, Katherine Dailey of Newnan wrote a poem titled, "A Mission of Dreams." Mrs. Dailey was so shocked, as all of us were, when the space shuttle *Challenger* exploded just after takeoff. She wrote this poem in honor of the seven astronauts who gave their lives while serving their country. I strongly urge all of my colleagues to read Mrs. Dailey's poem.

A MISSION OF DREAMS

(By Katherine B. Dailey)

Ten miles into outer space
High up in Heaven's skies
God reached out His loving arms
To enfold those precious lives.

We would be less than human
If we did not question why
Those seven gallant heroes
High above the earth would die.

There was mission Commander Scobee
And Pilot Michael Smith
Whose hopes and dreams and visions
Were much more than just a myth.

The lovely Judith Resnik
And smiling Ronald McNair
Who with hopes and aspirations
Soared serenely through the air.

Greg Jarvis and Ellis Onizuka
Waited patiently to see
If their boyhood dreams and wishes
Would finally come to be.

Then Sharon Christa McAuliffe
Filled with goals yet to achieve
Of lessons taught from outer space
To help us all believe.

Those precious children left behind,
Mothers, fathers, husbands, wives
And the grief and sorrow we all feel
For that tragic loss of lives.

The void they left cannot be filled
But we know they live in Heaven
So let's keep alive the hopes and dreams
Of those "Brave and Gallant Seven".

JACOB JAVITS

HON. WILLIAM F. GOODLING

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 18, 1986

Mr. GOODLING. Mr. Speaker, I would like to take this opportunity to pay tribute to Jacob Javits, an outstanding legislator.

I had the privilege of working with Senator Javits in his capacity as a member of the Committee on Labor and Human Resources.

By far, he was the most organized and knowledgeable Senator that I have ever met with in a House/Senate conference. He not only knew in detail all of the issues we were discussing, but he already had alternatives in mind to present to the conference. Very seldom did he turn to get information from his staff.

For 24 years Senator Javits gave service to his country as a U.S. Senator. I am saddened by his death, but feel he will never truly leave us. He will always be remembered as the laws he worked so hard to enact remain a living legacy to his work and dedication—and to the man himself.

I wish to express my heartfelt sympathy to the family of Senator Javits.

TRIBUTE TO JACOB JAVITS

HON. SILVIO O. CONTE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 18, 1986

Mr. CONTE. Mr. Speaker, I rise today in tribute to Jacob Javits, a dedicated and distinguished former colleague in the Senate who was called from us Friday, March 6 after a long battle with Lou Gehrig's disease.

During his 24 years in the Senate, as an outstanding representative of the people of New York and all Americans, Jacob Javits earned the respect of all who knew him. This was a man of tremendous courage, a man who fought for civil rights, a man who believed that his place as a Senator was one of supreme importance in the quest for a better world.

And yet, this man was humble and consumed not with the limelight of public office but with the hard work and persistence that won him distinction and honor time after time.

We will remember Jacob for authoring the Pension Reform Act, the War Powers Act, his fight for civil rights in the 1950's and 1960's, and fair labor laws. But most important, we will remember Jacob for showing us all the tremendous contribution one can make in the face of adversity.

Jacob Javits fought his disease until the end—never letting up in his persistent battle for what he felt was just in American society and world affairs. Despite the crippling effects of Lou Gehrig's disease, Jacob continued to testify before congressional committees, speak publicly, and work long hours on the volumes of papers he compiled during two and a half decades in the Senate.

Jacob Javits' contribution to the Senate will long be heralded as one of historic proportion.

His contribution to the betterment of life for all Americans will outlive us all, and his courage, wit, and inspiring deduction will drive us on to find new and better answers to the questions of our time.

PERSONAL EXPLANATION

HON. DOUG WALGREN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 25, 1986

Mr. WALGREN. Mr. Speaker, on March 18, I am recorded as not voting on several votes before the House of Representatives. Since I was in my congressional district at the time, I would like the record to show how I would have voted had I been present:

Rollcall No. 56, budget reconciliation, to table a motion to disagree to the Senate amendment and request a further conference, yes;

Rollcall No. 57, budget reconciliation, to disagree to the Senate amendment and return the measure to the Senate, yes;

Rollcall No. 58, diplomatic security (antiterrorism), to change the compensation program from an entitlement program to one subject to the appropriations process, no;

Rollcall No. 59, diplomatic security, to pass H.R. 4151, to provide for the security of the U.S. diplomatic personnel, facilities, and operations, yes; and

Rollcall No. 60, Older Americans Act, to agree to the conference report on commodity distribution, yes.

MARY MARSH

HON. JOSEPH J. DioGUARDI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 25, 1986

Mr. DIOGUARDI. Mr. Speaker, I rise today to honor Miss Mary Marsh of Scarsdale, NY. On April 9, 1986, the Fox Meadow School of Scarsdale will pay tribute to Miss Marsh for her 50 years of service in the Scarsdale School District.

Upon graduating from Colby Junior College in 1936, Miss Marsh began working at the central business office of the Scarsdale School District. Seven years later Miss Marsh transferred to the Fox Meadow Elementary School. She has been the Fox Meadow School secretary for the past 43 years. Over the past four decades, Miss Marsh has greatly assisted the administrators and faculty of Fox Meadow by providing assiduous and loyal service.

However, Miss Marsh's service to the administrators and faculty is secondary to her love for the community's future leaders: the children of Scarsdale. She has not only provided these children with love, but she has served as a model to the children of Scarsdale. Miss Marsh personifies hard work, loyalty, and dedication. Who could be a better example for our children?

Miss Marsh does not limit herself. Aside from her dedication to Fox Meadows, she makes time to dance, garden, paint in watercolor, and ski. On top of these hobbies, Miss Marsh has a prized collection of miniatures acquired for a dollhouse built by her father. Perhaps Miss Marsh's most unique possession is her special collection of foxes which she maintains in her office at Fox Meadow School.

Indeed, Miss Marsh is a unique lady. She is loved by her family which includes her brother, Joel, and her sister, Louise. She is admired and respected by students and staff members, both past and present. She has touched the hearts of thousands of Scarsdale residents. Needless to say, Scarsdale and the Scarsdale public school system have been blessed by Miss Marsh's presence.

I wish Miss Marsh continued success in her various endeavors. It has been my great privilege to have this opportuntiy to speak in honor of this outstanding lady. Thank, you, Mr. Speaker.

THE HELLENIC REVOLUTION

HON. GUS YATRON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 25, 1986

Mr. YATRON. Mr. Speaker, March 25, 1821, is a historic date for the Greek people. On that day, after four centuries of Ottoman rule, Greeks rose up in arms, fought valiantly for several years, and finally achieved a dream centuries old: liberation from the Turkish yoke.

At the time, the Greek revolution was looked at in askance by reactionary forces prevailing in Europe in the aftermath of the Napoleonic wars. Outnumbered and outgunned, thousands fought and thousands died singing the poem of Rigos Fereos that began, "Better that I live for one hour as a free man instead of living 40 years as a slave."

The struggle of the Greek people and their cry for freedom was heard throughout the world and captured the imagination of freedom-loving people everywhere. According to newspaper reports of the period, hundreds of volunteers from Europe and America flocked to Greece and joined the ranks of the revolutionaries.

In commemorating the Hellenic revolution, Americans of Greek descent feel particularly proud they are also getting ready to celebrate the centennial of the Statue of Liberty—a monument dedicated to freedom. For Greek-Americans, this double anniversary could not be more fitting. On both occasions they are celebrating freedom, a value that their ancestors gladly fought and died for.

ANNIVERSARY OF THE BURNING OF THE TRIANGLE SHIRTWAIST FACTORY

HON. THOMAS J. MANTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 25, 1986

Mr. MANTON. Mr. Speaker, today is the 75th anniversary of the tragic fire at the Triangle Shirtwaist Co. in New York City that took the lives of 147 young women. This fatal fire brought to national attention the hazardous working conditions in sweatshops. The tragedy provided a major impetus for the growth of the International Ladies Garment Workers Union and the development of Federal and State laws to ensure safe working conditions and stringent building codes.

Most Americans today would find the conditions of sweatshops at that time incomprehensible. In the Triangle Shirtwaist factory the workers were crowded, the lighting was poor, there was little ventilation, fire exits were blocked or nonexistent. In fact, the stairway exit door was locked and the one fire hose in the building was inoperative. Although 200 women escaped down unlighted staircases, many plunged to their deaths as they jumped from windows or in panic, jumped down the elevator shafts in hope of escaping the inferno. Furthermore, there were few, if any, inspections to monitor the working conditions in the factory. The building was declared unsafe after the fire.

For the past 75 years the International Ladies Garment Workers Union has worked tirelessly to remove the existence of sweatshops and replace them with a safe workplace. However, under the Reagan administration the clock has been turned back. The President's antilabor bias is well known. However, the President and the executive branch have a responsibility to enforce the law of the land. The Occupational Safety and Health Act provides for safe working conditions. However, the Reagan administration has cut back funding for inspectors and been lax in its enforcement of existing law. The administration has refused to closely monitor compliance. Frequently, when an employer has been cited for safety violations, the employer has been given several repeated time extensions to make the changes necessary to comply with the law. Some of these extensions have lasted for years while employees continue to work in hazardous environments.

Mr. Speaker, today, we remember the tragic, unnecessary deaths of 147 young women. I urge the administration to step up its enforcement of existing health and safety laws. If the administration fails to do so, we may again experience similar tragedies, as well as the permanent return of sweatshops. American workers deserve a safe workplace. We can and we must guarantee it.

THE POLISH CENTURY CLUB, INC. OF DETROIT

HON. DENNIS M. HERTEL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 25, 1986

Mr. HERTEL of Michigan. Mr. Speaker, last month marked the 70th year of service to the community of the Polish Century Club, Inc., of Detroit.

This benevolent organization was founded when a group of 21 spirited American citizens of Polish descent met at Skrzycki's Hall. Originally this group met to discuss supporting and perpetuating the valued customs and traditions of their forefathers, and to espouse the cause of Polish peoples. Not only has this goal been realized, it has expanded. One example of this is the Polish American Museum which is a large exhibit in the club building which tells the story of Polish Americans by way of arts, crafts, photographs, stories, and other examples of traditional Polonia.

Originally, as its name suggests, the club was limited to 100 members, although its contribution and devotion to community service has always remained unlimited. Today the membership, both dues paying and retired, lists 260 concerned community leaders. The club's work, however, extends far beyond its membership roster. The Polish Century Club has hosted many other leaders, from the local level to the international level, and from all professions and backgrounds.

Through the years, the Polish Century Club has increased the scope of its activities. It regularly sponsors patriotic, political, and social affairs and is very generous with its resources by supporting worthwhile ethnic and community causes. Every year since 1927, the club has distributed Christmas baskets to disadvantaged families in our community. It also regularly sponsors scholarships for many deserving young people. These are only two examples of this organization's dedication to the enhancement of our spiritual and cultural lives.

I ask that my colleagues join me in commending this fine example of community involvement and commitment. I encourage the Polish Century Club to continue in the fine tradition of its founders for many years to come.

HONORING THE 100TH ANNIVERSARY OF THE BIRTH OF THE ECUMENICAL PATRIARCH ATHENAGORAS

HON. EDWARD F. FEIGHAN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 25, 1986

Mr. FEIGHAN. Mr. Speaker, I join Greek Americans everywhere today in celebration of the 100th anniversary of the birth of the Ecumenical Patriarch Athenagoras. His Eminence, Archbishop Iakovos, Primate of the Greek Orthodox Church of the Americas, has designated this year as the Athenagoras Year in honor of the patriarch.

Athenagoras I was enthroned as the 262d Ecumenical Patriarch of Constantinople in 1949. Prior to that time he served for 17 years as Archbishop of the Americas. In this position he organized the Greek Orthodox communities in the United States, Canada, and throughout the Western Hemisphere.

He preached Christian unity throughout his years in the church. In 1967, he made history when he met with Pope Paul VI and ended the 933-year-old mutual ex-communication between the Churches of Rome and Constantinople.

Patriarch Athenagoras was a person of extraordinary ability and holy achievement and I send Greek Orthodox communities my heartfelt prayers of a joy-filled anniversary year.

ATHENAGORAS I

HON. GEORGE W. GEKAS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 25, 1986

Mr. GEKAS. Mr. Speaker, I am pleased to report that the Greek Orthodox Archdiocese of North and South America is commemorating today the 100th anniversary of the birth of the late Ecumenical Patriarch Athenagoras I. The importance of Athenagoras I to the Greek Orthodox Church is signified by the declaration of 1986 as the Athenagorian Year to honor the late religious leader.

Athenagoras I served as the archbishop of the Americas from 1931 to 1948, and during that time he organized the Greek Orthodox communities in the Western Hemisphere. He was responsible for the founding of St. Basil's Academy, the Ladies Philoptochos Society, and the Holy Cross School of Theology. After his tenure in that position, Athenagoras I was enthroned as the Ecumenical Patriarch of Constantinople on January 26, 1949, in Instanbul. He was the 267th person to serve in that position.

During the first meeting between a Greek Orthodox Bishop and the Pope in 350 years, Athenagoras I delegated Archbishop Iakovos as his special emissary in a private audience with Pope John XXIII in 1959. He later proposed meeting with Pope Paul VI, which then took place on the Mount of Olives in the Holy Land in 1964. As a result of that meeting, the "anathema" between Rome and Constantinople was lifted, ending a 933-year-old mutual excommunication.

Because of the hard work by Patriarch Athenagoras I to realize his dream that all Christians would worship as one, and his devotion to the welfare of mankind, it is indeed appropriate that the 100th anniversary of his birth be commemorated today in the House of Representatives. His example of love and devotion to God will live on for those persons of the Greek Orthodox faith, and for every man, woman, and child who came into contact with the late Ecumenical Patriarch Athenagoras I.

TRIBUTE TO FRANK HUMPERT, JR.

HON. GENE CHAPPIE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 25, 1986

Mr. CHAPPIE. Mr. Speaker, I'd like to bring to my colleagues' attention a special person from the Second Congressional District of California who is retiring from the Napa Unified School District after 35 years. His name is Frank Humpert, Jr., and recently he was honored by his colleagues and friends at a special dinner in recognition of his lifelong service to Napa and to his country.

Frank is a respected community member who successfully combined two careers as an educator and as a "citizen soldier." Born and raised in California, Frank maintained close ties to the community for which he dedicated so much of his life. Before transferring to the University of California, where he was a member of the starting lineup of the 1950 Rosebowl team, he attended Napa Junior College. After graduation, he returned to Napa where he was a history and social studies teacher at Ridgeview Junior High School and Napa High School; the dean of students at Napa High School and Silverado High School; the principal for Silverado High School and Napa High School; and finally, the educational administrator for the Napa Valley Unified School District. In addition to teaching, Frank coached and trained the football teams for Napa and Vintage High Schools.

Frank's distinguished military career earned him the Legion of Merit Medal, one of the highest honors awarded to Air Force personnel. He began his military career in World War II in the South Pacific as a U.S. merchant marine cadet; in 1948 he enlisted in the U.S. Air Force Reserve as a private and rose to the rank of major general. While in the Reserve, he saw active duty during the Korean and Vietnam wars. His last Air Force asssignment was as the mobilization assistant to the Superintendent of the USAF Academy, from which he retired in January.

Frank is an outstanding citizen whose life has been dedicated to the growth and enrichment of young people, and to the preservation of the freedom that we enjoy in this country. I know I speak for many northern Californians when I express my appreciation for his achievements. I wish him the best as he begins his well-earned retirement.

TRIBUTE TO MAYOR CARL F. DEL VECCHIO

HON. ROBERT J. MRAZEK

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 25, 1986

Mr. MRAZEK. Mr. Speaker, I rise today to pay tribute to Mayor Carl F. Del Vecchio of Williston Park, NY. Mayor Del Vecchio is being honored for over two decades of service to his community. It is my pleasure to bring the accomplishments of Mayor Del Vecchio to the attention of my colleagues in the U.S. House of Representatives.

Mayor Del Vecchio was elected village trustee in 1961. By 1968, he assumed the office of mayor which he has held ever since. As mayor he has been responsible for the introduction of many innovative programs and services to his constituents. He has been actively involved in the Nassau County Village Officials Association serving as president in 1961 and 1982 and on the Legislative and By-Laws, Revenue Sharing, and Police and Narcotics Committees.

In addition to his political activities, Mayor Del Vecchio has been heavily involved in various community activities. These activities include membership in American Legion Post 144, the Chamber of Commerce, Kiwanas Club, Rotary Club, and the Nassau County Heart Fund Committee. He is also former chairman of the United Fund for 1971–76 and former director of the Williston Park/Albertston Cancer Society.

Mr. Speaker, Mayor Del Vecchio truly represents the spirit of service to one's community which has made this country great. I ask my colleagues to join with me and the people of Williston Park, and Nassau County in paying tribute to this special man.

INTRODUCING A JOINT RESOLUTION TO DESIGNATE THE WEEK OF SEPTEMBER 7, 1986, "NATIONAL FREEDOM OF INFORMATION ACT AWARENESS WEEK"

HON. GERALD D. KLECZKA

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 25, 1986

Mr. KLECZKA. Mr. Speaker, 1986 marks the 20th anniversary of the Freedom of Information Act (FOIA). Today I am introducing a resolution to recognize this anniversary by proclaiming the week of September 7, 1986, to be National Freedom of Information Act Awareness Week. I urge all my colleagues to join me in focusing attention on this milestone of open government.

The Freedom of Information Act has been important for many reasons. First and foremost, it has enabled journalists, scholars, and private citizens to learn more about how Federal decisions are made, and to participate in the political process. The law has also allowed the public to keep its Government honest. As the columnist William Safire wrote last April:

The FOIA has done more to inhibit the abuse of Government power and to protect the citizen from unlawful snooping and arrogant harassment than any legislation in our lifetime.

It is fitting that Congress commemorate the FOIA's anniversary because the original act was very much a product of this body. The original FOIA proposal was met coolly by the executive agencies, and President Johnson initially objected to the bill. It took strong bipartisan cooperation to get the bill enacted in 1966, and to strengthen it in 1974.

Perhaps the most productive result of a FOIA Awareness Week will be education. For this reason, I have chosen a week at the beginning of the school year, September 7–13, to mark the anniversary.

Included below is a list of the resolution's original cosponsors, and the resolution's text:

ORIGINAL COSPONSORS

Mr. English, Mr. Horton, Mr. Savage, Mr. Fauntroy, Mr. Conyers, Mr. Towns, Mr. Miller of Washington, Mr. Roe, Mr. Martinez, Mr. Fuster, Mr. Solarz, Mr. Levin of Michigan, Mr. Bryant, Mr. Fazio, Mr. Vento, Mr. Matsui, Mrs. Boxer, Mr. Erdreich, Mr. Alexander, Mr. Bosco, Mrs. Burton of California, Mr. Dellums, Mr. Coelho, Mr. Panetta, Mr. Roybal, Mr. Levine of California, Mr. Torres, Mr. Bates, Mr. Gejdenson, Mr. Bennett, Mr. Smith of Florida, Mr. Fascell, Mr. Stallings, Mr. Evans of Illinois, Mr. Gray of Illinois, Mr. Jacobs, Mr. Perkins, Mr. Frank, Mr. Mavroules, Mr. Moakley, Mr. Wolpe, Mr. Kildee, Mr. Bonior of Michigan, Mr. Lowry of Washington, Mr. Sikorski, Mr. Richardson, Mr. Mrazek, Mr. Manton, Mr. Schumer, Mr. Weiss, Mr. Biaggi, Mr. Rose, Ms. Kaptur, Ms. Oakar, Mr. Cooper, Mr. Chapman, Mr. Coleman, Mr. Wise, Mr. Aspin, Mr. Moody, Mr. De Lugo, Mr. Stark, Mr. Waxman, Mr. Morrison of Connecticut, Mr. MacKay, Mr. Fowler, Mr. Barnard, Mr. Akaka, Mr. Russo, Mr. McCloskey, Mr. Studds, Mr. Neal, Mr. Murtha, Mr. de la Garza, Mr. Bustamante, Mr. Ortiz, Mr. Mineta, and Mr. Hughes.

TEXT OF A JOINT RESOLUTION DESIGNATING THE WEEK OF SEPTEMBER 7, 1986, NATIONAL FREEDOM OF INFORMATION ACT AWARENESS WEEK

Whereas a fundamental principle of the American system of government is that the people of the United States should participate in the governing process;

Whereas the people of the United States, in order to participate effectively in the governing process, require free access to information about the activities and decisions of Federal agencies;

Whereas section 552 of title 5, United States Code, commonly known as the Freedom of Information Act, helps provide the people of the United States with free access to such information;

Whereas the Freedom of Information Act became law in 1966, and 1986 is the 20th anniversary of the Act;

Whereas the commemoration of the Freedom of Information Act should include efforts to educate the people of the United States with respect to the substance and principles of the Act;

Whereas such efforts should be made by schools in the United States; and

Whereas the week beginning September 7 is the week in which many students begin the academic year: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the week beginning September 7, 1986, is designated "National Freedom of Information Act Awareness Week," and the President of the United States is authorized and requested to issue a proclamation calling upon Federal, State, and local government officials and the people of the United States to observe such week with appropriate ceremonies and activities.

TWENTY-FIFTH ANNIVERSARY OF CALIFORNIA STATE UNIVERSITY-DOMINGUEZ HILLS

HON. AUGUSTUS F. HAWKINS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 25, 1986

Mr. HAWKINS. Mr. Speaker, I would like to extend a special tribute to California State University-Dominguez Hills who this year mark their 25th anniversary.

In 1977 the name of California State College, Dominguez Hills was changed to California State University-Dominguez Hills. Through the years the university has greatly served the needs of the South Bay area, one of the Nation's most diverse socioeconomic and cultural communities.

Through their outstanding commitment to academic achievement California State University-Dominguez Hills has significantly enriched the educational community in southern California.

I am proud as chairman of the House Education and Labor Committee to be a part of that unique partnership that has evolved between the Federal Government and higher education. This partnership is best expressed in its agenda to advance key national objectives: social justice, economic growth, civic and cultural enrichment, and security for the Nation.

Throughout its history America has linked its strength to knowledge. By expanding opportunities for both high school and college education we can continue to work toward this goal. California State University-Dominguez Hills shares this lofty goal. The exemplary tradition of their university continues to serve as a beacon of hope for our future youth who will greatly benefit from their commitment to excellence.

LET OUR PEOPLE GO

HON. STEPHEN J. SOLARZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 25, 1986

Mr. SOLARZ. Mr. Speaker, at sundown on April 23, Jews throughout the world will celebrate the first night of Passover, commemorating the flight of the ancient Israelites from Egypt over 3,000 years ago to escape the oppression of the Pharaoh.

Unhappily, elsewhere in the world, other Jews must celebrate their Seder in secret or, at best, in a hostile land that makes their religion an object of discrimination and persecution.

In the Soviet Union thousands of Jews can only cling to a small hope of celebrating next year in Jerusalem since most of their petitions to leave have been denied. In recent years, the number of Jews allowed to emigrate from the Soviet Union has fallen to abysmally low levels. Those who are forced to remain must endure the inhumane treatment of the Soviet authorities—treatment that includes forced institutionalization in mental hospitals, prohibition from working in the fields in which they were trained, and an absence of religious freedom.

The atmosphere of state-sponsored anti-Semitism in the Soviet Union is pervasive, working not only to wear down the resistance of individual dissidents, but also to effectively weaken the morale of all Jews who want to leave the Soviet Union.

As the Jewish people prepare for Passover this year, few of us have to face the grim prospects of our courageous brethren held captive in the Soviet Union. Here in the United States the Jewish community is able to enjoy the full meaning of Passover, since freedom is the keystone of our national heritage.

But so long as Jews—or others—anywhere in the world are denied their most fundamental human rights and the opportunity to be free, the Passover holiday and the Seder service will continue to serve as a message of hope and inspiration for those who, like the ancient Israelites, still yearn to be free. We will not relinquish our fight until we no longer must repeat the words of Moses: "Let my people go."

AMID CRITICISM

HON. STEPHEN L. NEAL

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 25, 1986

Mr. NEAL. Mr. Speaker, Charles McDowell, Washington columnist for the Richmond Times-Dispatch and a panelist on the PBS program "Washington Week in Review," spoke not long ago at the fall convocation at the University of Virginia. His topic was politics, and the theme of his remarks was "in defense of politicians."

It is not often, Mr. Speaker, that we hear or read kind words about us as a group. I was heartened by Mr. Dowell's speech, which was printed in the University of Virginia Alumni News, and want to commend it to my colleagues.

Mr. McDowell, a distinguished journalist, has been a Washington correspondent since 1965. He is a graduate of Washington and Lee University and the Columbia University Graduate School of Journalism.

The article follows:

[From the University of Virginia Alumni News, Jan./Feb. 1985]

A GOOD WORD FOR POLITICIANS

The mission that I invented for myself is to say a good word for politicians—generic politicians—and I can see faces falling all the way back to the Rotunda. Why would anyone want to come out on a beautiful day in October to probably the single most beautiful man-built place on this continent and say a good word about politicians. It just seems gratuitous.

I'll tell you why I'm going to do it, and I feel moderately deeply about it. I think my mission is to remind those of you young enough to accept advice that you really can take pride in the free government that has worked for 200 years and to suggest to you that politicians must have had something to do with it. I would like to encourage you to consider public service or at least to become involved in political affairs.

Anyway, I'd like for you to be aware enough—to learn enough—to be wary of "anti-politics" as the philosophy of government in America. By "anti-politics," I mean a moralist, rigid, ideological approach to government and a contempt for politicians who believe in a spirit of compromise and consensus as what's necessary to hold a diverse country together.

The American tradition is reverent toward our free institutions but skeptical and often contemptuous of the politicians who maintain our institutions. Political humorists built on that contempt. And it's a wholesome skepticism. It's a populist kind of thing—not to be very reverent toward our masters of government. That's good stuff. That's where Mark Twain and Will Rogers came from. What worries me is when the contempt becomes ritualized and turns into something people take seriously.

Mark Twain said maybe the meanest and best sentence ever said about Congress, which is sort of my college of politicians. He said "There is no distinctively native American criminal class except Congress," and that sets the tone for much of our comic and even serious literature. Our newspaper cartoons are founded on the one-joke principle that politicians are less than ordinarily moral and decent. One can assume from the Johnny Carsons down through 200 years that politicians generally are dumb, self-serving, probably crooked, and almost surely moral illiterates.

Well, I confess that in 30 years or more of trying to cover politics I've seen some crooks, and I've seen some fools. The astonishing thing is relatively how few—enough. As for crooks, reaching for some hope of less corruption all the time is the history of government in America, for the last half century anyway.

And remember, when you think about political corruption, that political corruption is not something politicians tend to do alone. Consider Watergate. That's about the largest one we ever had. It made Teapot Dome look pretty petty, because Watergate was constitutional corruption. Nearly two dozen people were convicted and sentenced for serious crimes in the Watergate scandal, and not one was an elected official. Not one. These were lawyers, executives, advertising men, public relations experts, believers in morality in America. It was they who came into a political campaign and into Washington full of contempt for politics and politicians, and their contempt for politics and politicians lies at the root of the Watergate scandal.

One elected politician was involved. His name was Nixon, and he was not convicted of anything. The heroes of Watergate were politicians—politicians who rose to the occasion as few have in the history of our country, particularly Republican and conservative Democratic politicians who saw constitutional crime for what it was, who had a sense of proportion and morality and outrage and who brought down a corrupt administration.

Here are some of my own observations of politicians after 20 years in Washington and 10 in the Virginia legislature:

Politicians as a profession are at least as honest, intelligent, hard working and morally reliable as the cross-section of doctors, lawyers, farmers, college professors, newspaper people or anybody else.

Politicians as a profession do care about their duty and their country and they particularly care about their constituencies, which I think Mr. Jefferson understood, and I wonder if many of us still do. We elect

politicians out of constituencies, and those constituencies vary.

The good politician comes not only to know his own constituency but to respect the constituency of his opponent and to get some notion of how his opponent's motives tend to lie with that constituency's interests. It's an obvious matter, but an amazing number of people don't care about it.

The really good politicians, and there are many of them, develop a broader and more enlightened and more compassionate view of our society than most of the rest of us ever do.

Sure there are oftentimes narrow ones, self-righteous ones, and I mentioned fools earlier. But the narrow ones, the self-righteous ones and the simpletons are to some degree self-correcting. They tend not to be effective. They tend not to achieve much influence. They tend not to last as long as the good ones. Those are all tendencies; don't bet on them.

For all I say that is noble about politicians, I have to remind you that a poll shows that people rate politicians among the least trusted professions, down with used car salesmen and news reporters. Polls on the reliability, honesty and competence of Congress shows that only about 30 percent of the American people give only a vaguely positive rating to members of Congress as a whole.

But listen to the other side of that. When the same respondents are asked about their own congressmen, 65 to 70 percent give a positive judgment. Even if they don't agree politically with the congressman, they rate him fine for being reliable and reasonably fair minded and not a crook.

So what it shows us is that it is all those other members of Congress who are so bad. It's all those politicians we don't know. They're the ones who are so shameless in voting for special interest legislation and a pork barrel project for the district. Our congressmen tend to be pretty good, our mayor, our whatever. It's everybody else's that we just assume are not so hot.

Why are we so hard on politicians? Why do we go beyond what I would consider a healthy skepticism and really warp our view of something that should mean so much to us? I think one thing we do is put down politicians as a way of simplifying our own lives. If you just put the politician down as a fool and a nut and probably an idiot, then you don't have to think about the difficult issues he is dealing with anymore. You don't have to think about democracy itself, if you're willing to put down politicians hard enough.

If we don't put down all politicians, we tend to try to sort them out and label them—the good guys and the bad guys. Now we're learning to say the good women and the bad women. We don't have to judge the issues or understand them at all if we've got everybody sorted out as the good ones and the bad ones, and we're with the good ones.

When was the last time that you remember being with a good one that you thought the other one was other than a bum? Amazingly few people have an election day in their lives where they think they are choosing between two good candidates. We flatter ourselves and deceive ourselves by picking the one we like, through our self-interest or through knowing something, and we won't settle for the fact that the other one might also be a very responsible, decent citizen. We ease our minds by saying he or she is a bum, worthless.

Another thing we do is commit ourselves to an ideology, a strict set of righteous beliefs that don't allow for another view at all. We make a religion of politics, or to be timely, politics of a religion.

I suggested that anti-politics is on the rise as a philosophy of government in America, and I think it is. Television as the medium of politics probably promotes that phenomenon. TV draws us to personality. TV draws us to impressionistic judgments about leadership. It draws us to a simplistic treatment of complex issues in terms of right and wrong.

Probably it's no coincidence that political parties have lost coherence and influence in the age of television. For more than a century political parties have been the basic mechanism of consensus, compromise and moderation in American politics. Now they are being supplanted, in advocacy and in fund raising, by political action committees devoted to single issues or narrow, hard ideological positions.

Many Americans find it somehow patriotic to brag that they vote for the person and have an inestimable kind of contempt for the parties themselves. I also think that's a sad development.

All of this contributes to the rising theme of anti-politics in America. The last two presidents—Carter, Reagan—have run against Washington. They have dealt distantly with Congress as if offended by its processes and by its folkways. They have tried to demonstrate that they are not really politicians. That's too bad. For still it's the politicians that have to do the job of balancing competing interests in this country, who have to do the job of promoting great principles through compromise, and who have to do the job of making government work. To make government work, we have to bring majorities together. That requires flexibility. To make government work fairly, and in some hope of true glory, we have to understand the rights of minorities. That requires wisdom and compassion. We are a diverse people, geographically, religiously, ethnically, economically—in other words, politically. We have a thousand factions in this country.

What holds us together in this diversity is nothing more nor less than the practice of politics under a Constitution drawn by politicians. That's the strength of the United States.

LET'S MAKE THE "FED" MORE DEMOCRATIC

HON. BYRON L. DORGAN

OF NORTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 25, 1986

Mr. DORGAN of North Dakota. Mr. Speaker, I am introducing today two proposals to begin the reform of the process by which monetary policy is made in our country. The Federal Reserve Reform Act of 1986 and the Federal Reserve Accountability Act of 1986 are needed today to make monetary policy more open and responsive to the interests of the American people.

The Federal Reserve Board currently developes this country's monetary policies. Decisions made by the Fed have an impact on every farmhouse, business, and home in America. Monetary policy and fiscal policy are the twin pillars of Government economic activity. Interest rates rise and fall with the Fed's decisions; inflation, productivity, and economic growth are all heavily influenced by actions of the Federal Reserve Board.

While the Fed's influence is immense, its responsiveness to the public is minimal. It covers itself with a cloak of secrecy matched only by the intelligence agencies. Its debates on policy take place behind closed doors, and its decisions are not announced until long after they have been made. The architects of our Government's fiscal policy—the administration and the Congress—have no direct impact on or even knowledge of the decisions made by the Fed.

The effect of this process is predictable. One of the Government's economic hands often does not know what the other is doing. As a result, coordination of our fiscal and monetary policies is rarely attained, for Congress must create fiscal policy in a vacuum. Meanwhile the financial markets react to the uncertainty of monetary policy in a predictable way; interest rates are increased to hedge against what the Fed might have done weeks earlier.

Paul Volcker understands what he is doing, even if he is unwilling to tell the rest of us. When a group of farm State legislators came to tell the Fed Chairman what monetary policy was doing to their farms and their towns, Volcker summed up the situation neatly. "Your constituency is unhappy," he is said to have told the legislators. "Mine is not." Volcker's constituency is not the family farmers or small businesses; it is the big banks and the financial establishment.

Volcker gets away with what he does because he hides behind an impenetrable wall of silence. When the Fed makes decisions in secret, when they do not announce those decisions until weeks after they are put into effect, when there is little coordination with other economic policies, then Volcker can say anything he wants. No one knows whether to blame him because no one knows what he has done.

Fiscal policy makers and market traders are left searching for signs in the smoke rings Volcker puffs at congressional hearings. Secrecy at the Fed is so deep, and its decisions are so important, that one investment advisory firm is said to have hired a private, counterintelligence service to analyze a tape of Volcker's voice, looking for indications of stress that might provide some clue on the direction of monetary policy. An innovative approach, certainly, but not how information should be disclosed in a democracy.

The lawmakers who wrote the original Federal Reserve Act in 1913 labored to ensure the Fed would never become what, in fact, it has become—a powerful central bank accountable to no one. While the act was under consideration, President Wilson emphasized: "The control of the system of banking and of (issuing money) must be public, not private * * * it must be vested in the Government itself so that the banks may be the instruments, not the masters of individual initiative and enterprise."

It is time that we followed President Wilson's advice.

Our democracy is governed by the will of the people. But not monetary policy. It's time to make some changes. We must find ways to

make the Fed more responsive to those it is supposed to serve. No matter what Paul Volcker thinks, his constituency should be all citizens of this country, not just the big banks.

The Federal Reserve Act of 1986 takes some steps in the right direction. First, the Secretary of the Treasury would become a voting member of the Federal Open Market Committee. Second, the term of the Fed's Chairman would parallel that of the President, to better coordinate monetary with fiscal policy. Third, monetary policy decisions would be announced on the day made, to end this absurd secrecy and regain rationality in the financial markets. Fourth, Fed Governors would have terms of 7 years, rather than 14, to enable more frequent public scrutiny of the monetary policy czars without impairing continuity. Fifth, the General Accounting Office would be required to conduct an annual financial audit of the Federal Reserve System. Finally, the Federal Reserve System would be required to submit a budget to the President in the same manner as the judicial and the legislative branches to be subject to the congressional budget process.

The Federal Reserve Accountability Act of 1986 provides for necessary and appropriate congressional review of the Chairman of the Federal Reserve Board. It would allow for his removal as Chairman, but not from the Board itself, upon the adoption of a joint resolution of the Congress.

These are modest steps, fully supported by a broad range of economists. We need to take these steps, to put the Federal Reserve Board on the road to being a full participant in our democracy.

A TIME FOR BIPARTISAN SUPPORT OF U.S. MILITARY ACTION AGAINST TWO THREATS

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 25, 1986

Mr. BIAGGI. Mr. Speaker, I wish to indicate my full support for the actions of the President to quell the dual threats which Libya and the Sandinistas of Nicaragua pose to our national security.

In the case of Libya, the United States is entirely warranted in the military response we were forced to launch following the attack by Libya at United States warplanes on maneuvers in the internationally recognized waters of the Gulf of Sidra. The Qadhafi regime fired six Soviet built SA-5 and SA-2 surface-to-air missiles. The United States retaliated by sinking a Libyan high speed patrol boat, damaged a second Libyan ship and other actions. These all occurred yesterday. Libya's aggression continues today and the United States has again responded in a decisive fashion.

The United States must never allow any nation to dictate where we may or may not go in international waters. It was the provocation of the madman Qadhafi who invented the so-called line of death and it was the madman Qadhafi who initiated military action when the United States crossed this line. This line is a figment of his imagination; it has no legal sanction so an attack such as yesterday's is both unwarranted and tantamount to an act of war.

The United States use of military force in this instance is entirely justified and should be supported. We are gratified that we have succeeded in our mission without loss of life. We also hope that our upholding our rights under law will produce a humiliating defeat for Libya.

The situation is an extremely fluid one that requires constant monitoring. The time is now for all of us in the Congress and the Nation to back our Commander in Chief.

I also endorse the President's call for an emergency $20 million appropriation to ward off another act of aggression by the Sandinistas against the sovereign nation of Honduras. Two elite Sandinista battalions numbering more than 1,600 troops crossed the Honduran border in pursuit of anti-Communist resistance forces, also known as Contras. The intended target of the Sandinista invasion appeared to be the rebels' principal training camp, El Centro De Instruccion Militar, located 10 miles into Honduras.

This is a matter of grave concern. Not only does the invasion violate the so-called Rio treaty, it poses a direct threat to the security of United States military personnel stationed in Honduras. It is vital that we provide the full degree of protection for our personnel while also ensuring that the Contras are capable of mounting an effective challenge to this brazen act of aggression.

It is obvious that the complexion has changed dramatically in Nicaragua by virtue of this invasion. It is obvious that the Sandinistas not only want to impose a totalitarian state in Nicaragua—they want to destabilize Honduras. We cannot allow this. We should support the President's emergency request and must schedule an early vote on a legislative package to provide aid to the Contras.

H.R. 4486, PROCEEDS OF CONRAIL SALE TO FUND AMTRAK

HON. BILL RICHARDSON

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 25, 1986

Mr. RICHARDSON. Mr. Speaker, I would like to direct the attention of my colleagues to a bill I introduced last week. I believe this bill, H.R. 4486, is important to both Amtrak and to the future of rail passenger service in this country.

My district is well served by Amtrak; and while I have a local interest and commitment to seeing this service continued, I am not alone—Amtrak serves over 500 communities nationwide, more than all the major airlines combined. Amtrak directly and indirectly employs over 25,000 people. Amtrak serves 161 communities that have no air service, 52 communities that have no bus service, and 29 communities that have neither air nor bus service. Amtrak riders are disproportionately poor and elderly. In the event of a national security emergency, Amtrak could provide up to 76,000 seats to transfer military personnel.

Even given all these statistics about the service Amtrak provides the Nation, funding for Amtrak has again come under fire from this administration, which has recommended zero funding for the second year in a row. While I too support a balanced budget—I supported the Gramm-Rudman amendment along with a majority of my colleagues—I did so because I believe we need reasonable, across-the-board cuts in both domestic and defense spending. I do not however support the singling out of important programs, such as rail passenger service, for elimination.

In his State of the Union Address, the President made the development of a supersonic passenger plane to Tokyo one of his highest transportation priorities. He then turned around and asked Congress to eliminate rail service for over 1 million commuters who rely on Amtrak to get to work each day and for 20 million travelers who rely on Amtrak for transportation each year. It is difficult for me to understand why travel from Washington to Tokyo should be more important than travel from Boston to Baltimore.

While no one supports a balanced budget more than I, I also believe that the rail passenger service provided by Amtrak is vital to our economy, to our security, and to our national health and well-being. I do not advocate unlimited and indiscriminate funding of Amtrak—in fact I advocate just the opposite. I support the judicious use of the Federal dollar, evidence of a willingness to save taxpayer's dollars, the need to cut back on funding for Amtrak and support for alternatives to Amtrak subsidies.

For these reasons, I have introduced H.R. 4486, a bill which would take half of the proceeds the Federal Government will receive from the sale of Conrail to be used for the continued funding of Amtrak. These funds would be placed in a separate Amtrak account to be used to keep Amtrak "on track" for the next 5 years. While I do not intend for Conrail proceeds to be the only funds Amtrak receives during this time, my bill would ensure two things: One, that the ongoing financial commitment to Amtrak from the Treasury will be substantially reduced and; two, that the taxpayer's investment in Conrail will continue to be used for a good and much-needed purpose—the continuation of rail passenger service in this country. It is my sincere hope that during this 5-year period, Amtrak's performance will continue to improve and that alternative sources of funding can be found for its continued operation.

I urge my colleagues to join with me in support of Amtrak by adding their name to this legislation.

TRIBUTE TO THE MARY LOUIS ACADEMY

HON. GARY L. ACKERMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 25, 1986

Mr. ACKERMAN. Mr. Speaker, I rise today to commend and congratulate the Mary Louis Academy of Jamaica Estates, NY, on the occasion of its 50th anniversary, which will be celebrated on April 19, 1986.

During the pessimistic era of the Great Depression, building a school was a heroic act of faith, and a statement of confidence for the place of Catholic education in a better future. Yet it was at this time that the Mary Louis Academy was established, reflecting the founders courageous commitment to young women and their faith that those who graduated from the academy would be a force for good in society.

Mr. Speaker, in 1936 the academy opened with 57 students and a simple but eloquent goal—to educate women to take their places in society. Today, with more than 10,000 alumnae, the Mary Louis Academy enjoys the reputation of providing an outstanding college preparatory education for young women. From its small beginnings, the Mary Louis Academy has expanded to keep up with new demands and changing educational needs. In the 1950's, a new music complex and biology lab opened, joined by an art center and resource centers in the 1960's; recently, a computer room opened to meet the challenges of the 1980's.

The vision of Mother Mary Louis and the sisters, to prepare youth so that they may expand and enhance the world of the future, is central not only to Catholic ideology, but to American philosophy as well. The academy has dedicated itself to enriching life by means of education, and over the last half century, it has exposed thousands of Queens youngsters to both the joy and value of learning. The Mary Louis Academy will celebrate this tradition with a special dinner-dance at Leonard's of Great Neck on April 19.

Mr. Speaker, I would like to ask all of my colleagues in the U.S. House of Representatives to join with me now in paying tribute to the Mary Louis Academy's accomplishments upon the momentous occasion of its 50th anniversary.

ATHENAGORIAN YEAR

HON. NICHOLAS MAVROULES

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 25, 1986

Mr. MAVROULES. Mr. Speaker, I would like to call my colleagues' attention to the fact that this year has been proclaimed by Archbishop Iakovos, Primate of the Greek Orthodox Church for North and South America, Athenagorian Year in honor of the birth of the late Ecumenical Patriarch Athenagoras I 100 years ago today.

Perhaps one of Patriarch Athenagoras' most noted achievements since he was elected Ecumenical Patriarch in 1949 was his visit in 1967 with Pope Paul VI. This visit is viewed by many as one of the most important ecclesiastical events of the last 10 centuries. It represented an end to the 933-year-old mutual excommunication between the churches of Rome and Constantinople.

I join in celebration with Greek Americans everywhere in honor of this devout man and his distinguished achievements.

ECUMENICAL PATRIARCH ATHENAGORAS I

HON. MICHAEL BILIRAKIS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 25, 1986

Mr. BILIRAKIS. Mr. Speaker, I wanted to take a moment to bring to the attention of my colleagues the significance of March 25 to those of the Greek heritage and Greek Orthodox faith.

March 25, as many already know, is Greek Independence Day, the 165th anniversary of Greece's independence from the yoke of the Ottomon Empire. The long and arduous struggle of the Greeks against their Turkish oppressors is no less than a perfect example of the ability to overcome obstacles that appear insurmountable if the will to persevere is strong enough. The example of the Greeks is the example that oppressed people throughout the world today should look to and gain strength from in their struggle to overcome their oppressors and the odds against them. The example of the Greeks overcoming their Turkish oppressors is the ultimate example of justice and right prevailing over might. I hope, Mr. Speaker, that it will give inspiration to those who may currently be despondent and without hope.

While the importance and significance of March 25 as Greek Independence Day must never be overshadowed or overlooked, Mr. Speaker, it also hold religious significance for millions of faithful throughout the world. March 25 is the Day of the Annunciation—the day when Mary was given the news that she would bear the Christ child who would come to save mankind from sin.

The Greek Orthodox faithful, however, have still further reason for celebration, for March 25 also marks the birth date of the late Ecumenical Patriarch Athenagoras I, who was born exactly one century ago today.

Athenagoras I was a man of God in the truest sense. He devoted a lifetime to the service of his Lord and his church and lived and struggled for one ideal—that of bringing Christianity back to unity.

Athenagoras I reigned as Archbishop of the Americas from 1931 to 1948 and systematically organized the previously sporadic Greek Orthodox communities in the Western Hemisphere to where Orthodoxy is, today, recognized as one of the major religions in the United States. Among his many notable accomplishments as archbishop, Athenagoras I founded the philanthropic organization known as the Ladies Philoptochos Society, the Holy Cross School of Theology, and St. Basil's Academy.

Patriarch Athenagoras' accomplishments, however, do not end there. He was enthroned as the 262d Ecumenical Patriarch of Constantinople on January 26, 1949, at the Patriarchal Church of St. George in Istanbul and continued his struggle to bring peace, unity, and harmony to the Christians of the world. Patriarch Athenagoras delegated Archbishop Iakovos as his special emissary in private audience with Pope John XXIII in 1959—the first Greek Orthodox Bishop to visit the Pope in 350 years. Furthermore, this man of vision proposed the historic meeting with Pope Paul VI in the Holy Land in 1964—a meeting which resulted in the lifting of the 933-year-old mutual excommunication which existed between Rome and Constantinople—the two Sees of Christendom.

Athenagoras I was a man who wanted to see the love of Christ reign first and foremost throughout the world. He fought separation wherever it existed and struggled to replace it with love and devotion to God among all people of the world.

For these, and numerous other reasons, Mr. Speaker, Archbishop Iakovos, leader of the Greek Orthodox Church in North and South America, has proclaimed 1986 as "The Athenagorian Year." It will be marked with educational, ecumenical, civic, and cultural programs throughout North and South America that will enable the Greek Orthodox faithful, as well as all peoples, to know and understand the great ministry of this holy and prophetic man—the late beloved Ecumenical Patriarch Athenagoras I.

I would hope, Mr. Speaker, that each of us will gain some inspiration for the improvement of our own lives through learning of the noble ways of this truly unique individual.

FEDERAL FINANCIAL MANAGEMENT IMPROVEMENT ACT

HON. JOSEPH J. DioGUARDI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 25, 1986

Mr. DioGUARDI. Mr. Speaker, today I am introducing Financial Management Improvement Act. This act would:

First, establish an independent Office of the Chief Financial Officer of the United States within the Executive Office of the President for the purpose of providing Governmentwide direction and coordination of financial management activities;

Second, establish an Office of the Assistant Secretary-Financial Management within each executive agency; and

Third, create a Federal Financial Management Council chaired by the Chief Financial Officer and composed of the Assistant Secretaries-Financial Management of major executive agenices.

Today, as never before, the task of reducing our enormous Federal deficit is commanding this body's utmost attention.

"Whether the automatic mechanism of Gramm-Rudman is upheld, or whether we have to go to the back-up procedure, tough decisions on what to cut and what to keep—decisions that affect our constituents' lives and livelihoods—will have to be made. And those decisions will be based on faulty financial information produced by totally inadequate accounting systems.

As Comptroller General Charles Bowsher recently remarked:

Gramm-Rudman is reminding us of the poor quality of accounting in the government. Some systems are not in very good shape, and many don't tell us if we're really making good decisions on cutting programs.

There is nothing new about this state of affairs. For years the GAO's famous blue-covered reports have been telling the same story. Our departments and agencies are a veritable jungle of special purpose, incompatible, antiquated accounting systems producing unreliable, incompatible and often irrelevant financial information. One of the latest GAO studies, moreover, reports that 53 percent of agency accounting systems do not conform to GAO accounting principles, standards and related requirements.

The GAO is certainly an authoritative spokesman on this issue. Whom can Congress believe if it can't believe its own watchdog? But other voices as well have called attention to the inadequacy of Government accounting systems. The Grace Commission dealt at length with the problem, and we can also look to a September 1985 study by the systems committee of the President's Council on Management Improvement concerning a "Strategic Plan for Federal Financial Management."

That study is unique in that it does not depend on the assessments of outside critics. Its results come from those on the firing line—financial management executives in Federal departments and agencies. Those interviewed for the study regarded less than 50 percent of governmental accounting and financial reporting systems as capable of producing timely, accurate and relevant information for management decisionmaking: 61 percent of the systems cannot provide the data necessary for assessing management performance; 35 percent of the systems were considered incapable of providing sufficient data to support the allocation of funds; and 33 percent do not provide effective control over and accountability for assets.

The extent to which the Government as a whole departs from basic accounting textbook requirements—to say nothing of common sense—defies logic. An earlier GAO study, Managing the Cost of Government, pointed out for example, that agency budgeting and accounting for program costs are largely done on different bases, and are isolated from one another. Budgets are requested and justified in terms of programs and projects, such as infant health care or dams for flood control. Accounting and other financial reports, however, often focus on appropriations and categories of expenses such as travel or personnel, without relating them to the particular programs or projects for which the money was requested and approved.

As well as producing bad financial information, inadequate accounting systems are certainly a pervasive source of waste. But countless other instances of costly financial mismanagement abound. The Grace Commission found 47 volumes' worth.

This is not to say that Congress and the administration have been idle in confronting financial managment issues. The rollcall of initiatives is, in fact, quite impressive: The Inspector General Act of 1978; The Federal Managers' Financial Integrity Act of 1982; Reform '88; Debt Collection Act of 1982; The Grace Commission; The President's Council on Integrity and Efficiency; The President's Council on Management Improvement; and Financial management improvement initiatives in over 30 executive branch departments and agencies.

Congress, in particular, can credit its achievements on financial management in part to the leadership of Representative JACK BROOKS, the distinguished Member from Texas, and chairman of the House Government Operations Committee on which I am privileged to serve, and to Representative FRANK HORTON of my own State of New York, the distinguished ranking minority member of that committee.

President Reagan clearly recognizes the importance of sound financial management. He specifically called for passage of Grace Commission waste reduction measures in his State of the Union message, noting that the deficit problem cannot be solved by budget cuts alone. The administration also recently sent Congress a package of management improvement bills for consideration.

In the case of both faulty internal control evaluations and faulty accounting system compliance assessments, the GAO has cited OMB's failure to develop adequate guidelines as a principal cause. But something more fundamental is at issue. Despite OMB's best intentions, the development of such guidelines may require more time, resources and expertise—and the actual process more leadership—than OMB can provide, or is likely to provide under the current system. OMB's lack of resources, and frankly, the secondary role of financial management to budgetary considerations, hampers the Office's ability to give adequate emphasis to financial management matters.

The management which administration officials say is alive and well in OMB is administrative management, and they can justly take credit for helping to revive it. Whether financial management is equally alive and well is an entirely different question. It is a highly specialized area which deserves independent, top-level attention in its own right.

It does not now have that status. Despite the number of financial management improvement initiatives that have been undertaken, no structure or mechanism has been developed to improve financial management on a governmentwide basis and assure not only continuity of effort across successive administrations, but systematic progress toward a set of established, long term financial management goals.

Instead, almost the opposite is true. As the Grace Commission and the PCMI study among others, have pointed out, financial management leadership responsibilities and functions are seriously fragmented and disorganized, resulting in inconsistencies, overlap and duplication.

Federal Government financial management Functions are split among three central agencies in the executive branch—OMB, OPM, and Treasury; the various executive branch agencies; and the GAO in the legislative branch. None of these entities has clear cut responsibility for oversight and direction of the Federal Government's financial management operations and activities. In addition, financial management responsibilities have frequently been shifted from one central agency to another; and in each central agency financial management functions must compete with a number of other assigned responsibilities for their fair share of attention.

There is a missing link in the Federal Government. The linchpin of financial discipline is nowhere to be found.

The financial management leadership void must be filled. That is why I am proposing the creation of a chief financial officer for the Federal Government, an assistant-secretary level controllership in all executive departments and agencies, and a Federal Financial Management Council.

I would like to briefly highlight several key aspects of this legislation.

First, creation of an independent office for the CFO. A great deal of thought has been given to the difficult question of where a CFO function should be placed. At one time or another OMB, the Treasury Department, or a new Office of Federal Management have all been considered as alternatives.

We decided that the best organizational approach would be a new, and independent office in the Executive Office of the President. History has shown that financial management functions placed in other organizations do not receive the attention they deserve. We do not want history to repeat itself.

Second, duties of the CFO. The CFO will have responsibility for operational financial management leadership—comparable to the responsibility accorded a controller in the private sector.

Third, term of office of the CFO. Financial management improvements have a long gestation period. Progress cannot be interrupted by changes in priorities and direction from administration to administration. Obviously, a certain amount of that will take place in any case, but we have attempted to ensure maximum, long-term continuity by making the tenure of the CFO 10 years.

Fourth, creation of the position of Assistant-Secretary, financial Management. The establishment of this position will ensure top level, departmentwide attention to the implementation of financial management initiatives and activities at the agency level; eliminate inconsistencies that exist among agencies in the status and structure of financial management operations; and eliminate internal agency overlap, duplication, and inconsistency in financial management activities.

Finally, creation of a Federal Financial Management Council. This Council will be composed of the CFO and the agency-level Assistant Secretaries for Financial Management. The Council will provide an important avenue of communication and interchange between the central financial management function and its counterparts in the departments and agencies—resulting in more effective implementation and coordination of financial management initiatives.

Mr. Speaker, Gramm-Rudman has been called a bad idea whose time has come. A Chief Financial Officer for the Federal Government is a good idea whose time is long overdue.

The idea for a Chief Financial Officer first began to be proposed seriously in the early part of 1980 by leaders in financial management in both the public and private sectors. Mr. Roland W. Burris, the comptroller of the

State of Illinois, and Mr. Joseph E. Connor, the chairman of the accounting firm of Price Waterhouse, have both assumed a key role in promoting the need for a CFO in the executive branch of the Federal Government.

Through their leadership, other individuals and groups have studied the concept of a Federal Government CFO and have concluded that it is an idea whose time has come. These include the Grace Commission, the Financial Executives Institute, the National Association of State Auditors, Comptrollers and Treasurers, the Association of Government Accountants, and the National Association of Public Administration. Isn't it about time we took advantage of all the work and thought that has gone into developing this concept?

I have often been accused by my colleagues of looking at the world through green eyeshades. As I have commented before, I believe the Government would be better off if there were more sets of green eyeshades around here and fewer pairs of blinders.

Sound financial management is not just an accountant's issue. It is not just a Republicans' issue. It is not just a Democrats' issue. I believe that my colleagues on both sides of the aisle can agree on the clear need for action in this vital area.

We have taken a first, although very painful step toward getting the Federal Government back in control of itself. But if we do not give our efforts to build fiscal discipline into the system a solid foundation of valid financial information and genuine financial discipline, the entire structure is going to collapse around everyone's ears. The American taxpayers deserve better of us.

HALLEY'S COMET AND THE NEXT STEP

HON. WYCHE FOWLER, JR.

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 25, 1986

Mr. FOWLER. Mr. Speaker, recently, the world witnessed its first close encounter with that famed cosmic traveler known as Halley's Comet. Returning again to our region of the solar system—after 30 or more previous visits and the first since 1910—Halley's Comet was met this time by an international armada of robot explorers.

These explorers—named Suisei, Sakigake, Vega 1 and 2, and Giotto—completed stunningly successful missions. The five automated spacecraft are the products of years of planning, research, and development. They sprang from impressively diverse orgins—Suisei and Sakigake from Japan, the twin Vega probes from the Soviet Union, and the Giotto spacecraft from Europe. We salute the responsible governments and agencies for their skill, daring, and vision in undertaking these missions.

Already, these missions have told us much about Halley's Comet. The very dark, dirty snowball that composes the comet's core, or nucleus, was photographed for the first time, appearing to be potato-shaped, 15 by 6 to 8 kilometers. The region surrounding the nucleus was very dusty, as expected, but also contained larger chunks of debris as well. Geysers of dust erupt from the nucleus and extend, in some cases, to distances of thousands of miles.

In the coming weeks and months, as scientists continue their analysis, we will no doubt hear much more about the structure and composition of the comet and its various parts: the nucleus; the tenuous atmosphere, or coma, that surrounds the core; and, of course, the luminous tail that most of us associate with Halley's Comet and other comets.

The international effort in space and here on Earth will result in the most thorough characterization, to date, of any comet. But the results, no matter how thorough, will be limited by their context—that is, by the nature of quick spacecraft flybys during only one brief period of the comet's evolution.

The findings of the Halley spacecraft armada will lay a basis for more detailed explorations. At present, NASA is designing just such an exploration, an actual rendezvous in which an American spacecraft could meet a comet and fly in formation with it for 3 years.

The mission is called the Comet Rendezvous Asteroid Flyby. As its name states, the CRAF mission would also provide an opportunity for closeup study of another mysterious class of body, the asteroid.

Under plans being developed at NASA's Jet Propulsion Laboratory, a new spacecraft known as the Mariner Mark II would be launched in September 1992 from a space shuttle and upperstage rocket.

Nine months later, in June 1993, the spacecraft would fly past the asteroid Malautra—and conduct a historic first encounter with one of the small rocky bodies of the asteroid family. A swing back toward, and then past, our Earth would give the Mariner Mark II a needed "gravity assist" toward its encounter with the asteroid Hestia in January 1995.

The spacecraft would continue on to the comet Tempel 2 and rendezvous with it in December 1996—fully 1,000 days before the comet reaches its perihelion, or closest approach to the Sun, and begins its most active phase. Unlike the recent flyby missions, CRAF would study its target comet over a long duration—before and during perihelion passage and perhaps beyond. This allows the diverse time varying phenomenon to be studied. The spacecraft will study the nucleus from a 50-kilometer orbit for more than 1 year providing 50 centimeter resolution coverage of the whole body and infrared reflectance spectral maps with 10 meter resolution. A nucleus penetrator will be ejected from the spacecraft that will study the subsurface material. This penetrator will determine the physical strength, temperture, and chemical composition—up to 20 elements—of that location.

The coma, dust tail, and ion tail will be studied at perhaps 5,000 kilometer and periodically from very close—possibly 100 kilometer. These close periods will allow dust samples to be collected for analysis when the spacecraft is back out at a safer distance. The spacecraft will also perform an excursion down the tail to approximately 75,000 kilometer and back. These coma and tail studies will allow both time and spatial varying phenomena to be studied. The solar wind and its interaction with all aspects of the comet will be extensively studied.

Although the flyby missions of 1985 and 1986 revealed new coma and tail information about Giacobini-Zinner and Halley, only limited characteristics of the relatively tiny nucleus could be ascertained during the brief encounters. Obtaining detailed data on the chemical and physical properties of a comet's nucleus remains for the future.

Understanding the all important nucleus comes with the next step—a mission in which the spacecraft can travel along with the comet, observe it at close range from a variety of vantage points and watch its activity grow and diminish as the comet first approaches and then speeds away from the Sun. Better-defined coma and tail measurements also will be produced with the time-varying multiple-location observation of a rendezvous mission.

An ambitious and important mission such as this can be accomplished with available technology and at relatively low cost. Even as we salute our international colleagues for their successes of the past several days, we must begin to look ahead to taking this next step in cometary study.

SENATE—*Wednesday, March 26, 1986*

(Legislative day of Tuesday, March 18, 1986)

The Senate met at 9:30 a.m., on the expiration of the recess, and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

Let us pray.

The heavens declare the glory of God; and the firmament sheweth His handiwork * * *.—Psalm 19:1.

Eternal Father, spring breaks upon us demonstrating the inexorable power and resilience of life—the beauty and fragrance, the diversity and harmony of nature. We rejoice in the bounty which You have lavished upon our Earth—the unfailing provision of light and warmth, of sound and color.

With profound sorrow we view our troubled world—the violence, injustice, inhumanity, tragedy, and suffering—its darkness in such stark contrast to the gracious euphoria of spring. Infuse the Senate with Your presence that the promise of Passover deliverance and Easter resurrection may fill all hearts with love and hope—that the burden of critical legislation may be discharged with truth and righteousness, to the glory of God and the welfare of all. Amen.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. The able majority leader, Senator DOLE, is recognized.

Mr. DOLE. Mr. President, I thank the distinguished President pro tempore, Senator THURMOND.

SCHEDULE

Mr. DOLE. Mr. President, the leaders have 10 minutes each under the standing order and we have special orders for Senators DOMENICI, CRANSTON, HAWKINS, PROXMIRE, and MURKOWSKI not to exceed 5 minutes each; routine morning business not to extend beyond the hour of 10 a.m., with Senators permitted to speak for 5 minutes each.

Mr. President, I ask unanimous consent to make that 10:30 a.m. instead of 10 a.m.

The PRESIDING OFFICER (Mr. PRESSLER). Without objection, it is so ordered.

Mr. DOLE. Following morning business, the Senate hopefully will turn to S. 1567, the water resources bill, and complete action, if possible. I am told again by the managers that if we can reach some agreement it should not take over 1 hour. Then the Senate will turn to the Contra resolution, Senate Joint Resolution 283. Rollcall votes can be expected throughout the day and late into the evening and possibly tomorrow on that resolution.

A SEARCH FOR COMMON GROUND

Mr. DOLE. Mr. President, over the past several days I have been in touch with the White House, the chairman of the Foreign Relations Committee, the minority leader and with other Senators on his side, in a effort to determine if we could find common ground on a program of support for the Contras, as part of our broader strategy in Central America.

I am pleased to advise the Senate that we are very near agreement—we have not reached any agreement yet, but it is possible we can agree on language in an amendment acceptable to the President and which should draw wide support on both sides of the aisle and across the political spectrum.

If we can iron out some of the remaining details, it would probably expedite the business today, and I know that a number of Senators on each side are hoping that would be possible.

I did want to take a moment now, though, to explain—especially to those who have been prepared all along to support the President's request—why we have worked so hard to find this common ground because, as I have indicated, there are a number of Members who say why are we doing anything, why compromise, why not just have the vote, no compromise. And there are a number of Senators who feel strongly about that, including the Senator now presiding.

POLICY MUST BE LONG TERM AND SUSTAINABLE

I would indicate that the problem we confront in Central America is not a short-term problem. It is not going to be resolved this month or this year. Although passage of the bill we are working on is an essential element in solving the problem, this bill alone is not going to do the job.

For this long-term problem, we need a policy which is credible and sustainable—and which is seen by everyone, including both the Sandinistas and the Contras, as sustainable—over the long term. By far the best chance we have of fashioning such a policy is by finding common ground on which the large majority of us—President and Congress alike—can stand together.

MUCH ON WHICH WE AGREE

In fact, there is a great deal on which most of us agree. Most important, almost all of us—Republicans and Democrats alike—agree that the Sandinista regime is bad news. The normal standards of decorum in the Senate prevent me from quoting fully the comments of Speaker O'NEILL yesterday about Sandinista President Ortega, but I trust most of you read TIP's remarks. On this occasion, he was the speaker for us all.

The events of the past few days, especially the Sandinista invasion into Honduras, have given us a real opportunity to take a giant step toward broadening the base of support and understanding for our policy toward Nicaragua. If we can get a large vote here, and then in the House, for this package, we can send a clear, strong message to Managua. We can let the Sandinistas know that all Americans—President and Congress, Republicans and Democrats, leaders of Government and the population at large—we are moving together on this issue, we are in it for the long haul and we are going to achieve our goals. That would represent a major contribution to a successful resolution of the situation in Central America.

NOT A "LEAST COMMON DENOMINATOR" COMPROMISE

And let me add one final word. What we are fashioning is not a "least common denominator" compromise. It encompasses the essential elements of the President's request. It will be fully acceptable to the President and the administration. It will not hamstring the President or limit our future options. It will provide the wherewithal the Contras need, when they need it, so that they can be an effective pressure point in pursuit of our broader objectives. It is a solid, strong program, that can do the job.

This is our chance. Let us all join together to pass this legislation and pursue our national goals in Central America.

LETTER ON SAUDI ARMS SALE

Mr. DOLE. Mr. President, on March 11, Congress was notified by the administration that it intended to press ahead with the sale of an arms package to Saudi Arabia. Yesterday, I received a letter from President Reagan

emphasizing how critical he believes the sale is to peace in the Middle East.

In his letter, the President points out that the escalation in the Iran-Iraq war, and the unsettled situation in South Yemen heighten the need for the arms sale. I quote from the President: "Our support for Saudi Arabia at this time is the key to deterrence and to protecting vital American interests in the region."

Mr. President, I know providing weapons to the Saudis is a highly charged and controversial issue in Congress. What the President has asked for is a full hearing, the opportunity for the administration to plead its case. And I believe that is fair. Reserving judgment about the Saudi package, especially in light of this week's activities in the Middle East, until we have heard all the facts seems the sensible and wise course to follow.

All of us remain totally committed to preserving the security of the State of Israel. The President, in his letter, states that the Saudi arms sale package is consistent with the administration's support of Israel. Giving the President, and his military and foreign affairs advisers, the chance to explain the rationale for the timing and scope of the Saudi arms sale, will only enhance our ability in Congress to make the most prudent decision.

Mr. President, I ask unanimous consent to have printed in the RECORD the letter, to which I have made reference, that I received from the President yesterday concerning the Saudi arms sale.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE WHITE HOUSE,
Washington, March 25, 1986.

Hon. ROBERT J. DOLE,
Majority Leader,
U.S. Senate, Washington, DC.

DEAR BOB: I am deeply concerned about a foreign affairs issue now before Congress that directly affects global U.S. strategic, political, and economic interests. I am referring to the United States Government's support for our moderate Arab friends at a time when Western strategic interests and the individual Gulf states are threatened by a hostile aggressor.

Recent Iranian gains in the Iran-Iraq war have alarmed Saudi Arabia and other Gulf states, not the least because Iran has followed its battlefield successes with explicit threats against its Arab neighbors. The danger of escalation is real and more immediate than at any time since the spring of 1984, when our support for the Saudis caused Iran to stop its threats. Additionally, the current unstable situation in South Yemen, exacerbated by Soviet interference, further raises the potential of a renewed threat to Saudi Arabia's southern border. Saudi Arabia has once again turned to the United States for reassurance. I strongly believe that the United States must make clear its support for the self defense of our friends, particularly in periods of heightened threat. Our support for Saudi Arabia at this time is the key to deterrence and to protecting vital American interests in the region.

On March 11, the Administration gave advanced notification to Congress of its intention to sell Saudi Arabia a limited supply of air-to-air, air-to-sea, and ground-to-air missiles. We had originally planned to pursue these sales later this year. In view of the intensified threat to Gulf states and oil shipments, however, we have forwarded this limited request now. A clear demonstration of U.S. willingness to support Saudi self-defense is essential to deter Iran from expanding the war.

By acting now, the U.S. sends the clear message that we stand with our friends. Moreover, we reduce the chances that U.S. forces would be required later to protect our vital interests in the Gulf. In short, approval of these sales is essential both to the security of Saudi Arabia and to our own national interests.

I have reviewed this sale carefully and am fully convinced it will serve these vital interests without in any way derogating the security of Israel. I remain committed to maintaining Israel's decisive military advantage over any foreseeable combination of potential adversaries. These sales are fully consistent with that fundamental policy.

I understand that some members of Congress have indicated their intention to seek legislation disapproving these sales. Given the importance of these sales to our national interest, I want to make my support very clear. It will be necessary for me to veto any resolution of disapproval intended to block these sales. For the sake of our national interest, I hope we can work together to achieve approval of the sales.

Sincerely,

RON.

RECOGNITION OF THE MINORITY LEADER

The PRESIDING OFFICER. Under the previous order, the minority leader is recognized.

CONTRA AID

Mr. BYRD. Mr. President, I share with the distinguished majority leader the feeling that without strong bipartisan support, out there in the country, no foreign policy of our Government can be successful for long in its implementation. We saw that in Vietnam, we saw it in Lebanon, and we will see it in Central America.

I hope that we may develop a proposal that will have strong bipartisan support. Up to this point, as far as I am concerned, our staffs have been working to try to develop a common approach, and I have been encouraged by the distances that have been narrowed in respect to several controversial points.

I personally feel as of now that the possibility is there for agreement. However, we are just beginning this morning—Senator DOLE and I, Senator SASSER, Senator LUGAR—to sit down and talk among ourselves as to the points that have been agreed to thus far by staff people and as to points that have not been agreed to, because the staff people, of course, in the final analysis, are not authorized to agree on behalf of any of us to an entire package or to anything at this point.

One of the sticking points is as to whether or not there will be a second vote. That has been one of the main sticking points all along. I personally believe there should be an opportunity for an affirmative up or down vote by the Congress down the road. Personally, I have no problem with advancing some of the $100 million early on, but I do feel that the Senate ought to have the opportunity, in the meantime, to evaluate the developing situation, and then have another vote as to the remainder of the $100 million.

There have been those who have advocated what one might refer to as a "negative" vote down the road; in other words, a vote on a resolution of disapproval. The problem with that is, in essence, that it requires a two-thirds vote of both Houses, because two-thirds would be needed to override any Presidential veto of a disapproval resolution. Maybe we can reach accord on this and other sticking points.

I have said from the beginning that I do not seek a Democratic proposition. It is not a party matter with me. Obviously, I feel that this legislation must be discussed in my party caucus for the edification of all of us. But as to saying that we in our caucus should develop a party position on this matter, I do not believe we should do that. We should approach this from the standpoint of trying to determine what is in the best interest of the United States and how we achieve what is in the best interest of the United States. There will be differing viewpoints.

Again, I do not seek a party position on this issue. We Democrats do seek to edify and educate and inform ourselves the best we can with open and full discussions in our conference. We will continue to do that. There are times and there are subjects that I feel we should try to develop a party position on, but not on this legislation.

Mr. President, I ask unanimous consent that I may reserve the balance of my time.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. I thank the Chair and I yield the floor.

RECOGNITION OF SENATOR MURKOWSKI

The PRESIDING OFFICER. Under the previous order, the Senator from Alaska, Mr. MURKOWSKI, is recognized for not to exceed 5 minutes.

THE HOLLOW CORPORATION

Mr. MURKOWSKI. Mr. President, recently, the Department of Commerce announced that GNP growth for the fourth quarter of 1985 was

only 0.7 percent. This downward revision was tied to a higher than expected trade deficit. A deficit that was $150 billion in 1985, and one which may grow to $200 billion in 1986.

We are all familiar with imports such as: Toyota, Sony, Cannon. Now these imports are being joined by new foreign brands—General Electric, General Motors, Schwinn, American names that we have all revered.

U.S. manufacturing companies are becoming hollow shells as production is transferred overseas. For example, by mid-1986, only 10 percent of GE's consumer electronics employees in the United States will be engaged in manufacturing versus 60 percent in 1984. Our manufacturing corporations are slowly becoming big service outlets.

Of the 11 million jobs created since the 1981-82 recession, 80 percent are in services. However, these jobs are lower paying, and have lower productivity rates than their counterparts in manufacturing. Some economists have expressed concern that a big drag on future growth will be the limited income generating power of services.

The transfer of manufacturing jobs overseas is a dangerous development, unless we are sure that we are aware of what is going on. It is also very likely that high paying design and technical jobs will eventually follow. When Motorola decided to build a plant in the United States, it had to import engineers from the Third World because U.S. engineers no longer had the skills to meet their requirements. If this trend continues, we must ask ourselves, "Where will we find decent employment for large sector of our population?" This trend is particularly ominous for minority males, whose unemployment rate is twice that of their white counterparts. Factory jobs, where minorities have been able to make significant progress in the job market, is past.

The United States also faces many barriers to services trade. In Japan alone, my subcommittee has found significant barriers to United States services exports: High cube containers, tobacco shipping, JAL com computer, difficulties in getting on other countries interairline computers, and I plan to hold additional hearings on other Japanese barriers to trade in services.

However, Japan is not the only country where we face barriers to trade in services, we face significant obstacles in our attempts to penetrate markets in Europe, Latin America, and other parts of the Far East.

It is naive to think that we will be able to make up in services trade what we lose in manufacturing. Our surplus in services trade is also declining. For the first time since we became involved heavily in trade, we are running a $1.1 billion deficit in services with Japan alone.

However, it is possible to reverse this disturbing trend, and we can start by removing self-imposed barriers in export competition:

We must continue to urge stronger cooperation between management and labor. We can remove tax disadvantages which encourage U.S. manufacturers to move their operations overseas. We can work to reduce the Federal deficit, and we can give greater support to research and development which is necessary to remain a productive, innovative, manufacturing economy.

I would like to call to my colleagues' attention an important article on the decline of manufacturing in the United States which appeared in the March 3 issue of Business Week. That article is called "The Hollow Corporation, the Decline of Manufacturing Threatens the Entire U.S. Economy." I ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE HOLLOW CORPORATION

"American companies have either shifted output to low-wage countries or come to buy parts and assembled products from countries like Japan that can make quality products at low prices. The result is a hollowing of American industry. The U.S. is abandoning its status as an industrial power."—Akio Morita, Sony Corp. chairman and co-founder.

While economists engage in an eerily detached debate about whether the U.S. is losing its industrial base—and even whether it matters—Sony's 64-year-old chief affirms what American business leaders have been seeing for more than a decade: In industry after industry, manufacturers are closing up shop or curtailing their operations and becoming marketing organizations for other producers, mostly foreign.

Autos, steel, machine tools, videorecorders, industrial robots, fiber optics, semiconductor chips—these are some of the markets in which the U.S. is losing dominance or has been driven out. More markets are destined to feel the bite of foreign competition.

The result is the evolution of a new kind of company: manufacturers that do little or no manufacturing and are increasingly becoming service-oriented. They may perform a host of profit-making functions—from design to distribution—but lack their own production base. In contrast to traditional manufacturers, they are hollow corporations.

Unchecked, this trend will ultimately hurt the U.S. economy. The traditional industrial sector has long been the leader in U.S. growth in productivity, the wellspring of innovation, and the generator of a rising standard of living. The spectacular rise in employment in the fast-growing service sector will continue to offset the loss of jobs in manufacturing. But services, on average, do not measure up well against manufacturing in productivity growth or in personal income. In short, the idea that a post-industrial America can become increasingly prosperous as a service-based economy appears to be a dangerous myth.

No one who finds this threat a bit remote right now will be accused of economic myopia. The U.S. economy appears to be enjoying a period of unusually well-balanced growth. The collapse of oil prices has revived a three-year-old expansion that seemed to be winding down only a few months ago. Economists are scurrying to raise their forecasts for growth, employment, and personal income. The oil plunge, along with a general weakness in commodity prices, has blown away the specter of inflation for the forseeable future. The dollar continues to soften against most foreign currencies. Interest rates, reflecting the improved inflation outlook, are declining. And the stock market is just wild about all of the above.

Unfortunately, however, this is only part of the story—the short-term chapter. Beneath this shiny surface, U.S. industry is undergoing fundamental changes whose full impact on the economy may not be seen for a decade. If the hollowing process continues in industrial America, the economy of the mid-1990s will look vastly different from the one that is generating the current prosperity. And there are serious reasons to doubt that the long-term picture will be as bright as today's.

It may be some consolation that Sony, Honda Motor Co., and other foreign producers make many of their products in the United States. That keeps some jobs in this country and may help to defuse protectionist pressures in Congress. Indeed, foreign companies are now pouring money into their U.S. operations faster than American companies are investing abroad. Ironically, however, as foreign producers move into the U.S., American manufacturers continue to take their operations oveseas. Low wage bills in South Korea, Taiwan, and other Asian countries clearly are part of the attraction, but all too often it appears that American companies are simply giving up on the U.S. as a suitable place to make their goods. Says Sony's Morita: "We are not taking away your manufacturers' business. They are giving it up. If they move out factories and depend on the Far East, that means the hollowing of American industry."

Indeed, U.S. manufacturers are pursuing a strategy of outsourcing—buying parts or whole products from other producers, both at home and abroad—with a vengeance. Outsourcing breaks down manufacturers' traditional vertical structure, in which they make virtually all critical parts, and replaces it with networks of small suppliers. Even such proud giants as International Business Machine Corp. and General Electric Co. are doing it to varying degrees. In the short run, the new system may be amazingly flexible and efficient. In the long run, however, some experts fear that such fragmented manufacturing operations will merely hasten the hollowing process.

NEW FOUNDATION?

What is happening to the U.S. economy, some futurists and economists say, is simply progress. It reflects the adaptation of a mature industrial economy to the realities of international competition. According to this view, the U.S. is undergoing a transition to a new foundation of services and information-based high technology—a changeover potentially as sweeping and beneficial as the industrial revolution or the mechanization of agriculture. What survives of manufacturing will be done in the totally computerized and robotized factory of the future,

where employment will be so low that wage costs become irrelevant.

But to others, all of this is wishful thinking. They consider it a given that the U.S. cannot prosper without a strong manufacturing base. "The growth of manufacturing has historically paralleled that of the overall economy," says Roger E. Brinner, chief U.S. economist for Data Resources Inc. "It's useless to ask which is the chicken and which is the egg. They go together, and if manufacturing keeps slipping, it may drag down the rest of the economy." Adds DRI's Sara Johnson: "Past gains in manufacturing are what enabled our economic system to afford to increase its demand for services."

Another Japanese industrialist, Tsutomu Ohshima, senior managing director of Toyota Motor Corp., puts it even more strongly: "You can't survive with just a service industry." Ohshima finds it hard to understand that U.S. policymakers are not talking about what he and many other foreigners see as a clear need for America to reindustrialize.

Is concern over deindustrialization, or a hollowing of industry, justified? By most measures, manufacturing is a disaster area. In current dollars, the sector has plunged from a peak of 30% of U.S. gross national product in 1953 to about 21% in 1985, with much of the decline coming in the last decade (chart). Durable goods production alone has tobogganed from 17.8% of GNP in 1953 to about 12% last year. That's a drop of 30% or more in both cases. In 1953, one of every three nonfarm workers was in manufacturing; today the ratio is roughly one out of five.

Some economists complain that it is torturing the data to look at manufacturing's side only in current dollars. Says Robert Z. Lawrence of the Brookings Institution: "If you look at manufacturing's share in real dollars, using 1972 as a price base, the numbers are virtually trendless until the last couple of years, and that decline is just a function of the strong dollar." As for the drop in current dollars, Lawrence says that it largely represents productivity gains and technological improvements, particularly in computers and other office equipment, and therefore is nothing to worry about.

But this view is not shared by the nonpartisan Congressional Budget Office. The CBO examined the measurement problem as it prepared a study on industrial policy two years go and decided that the current-dollar numbers are the ones that count. Explains one CBO economist: "Those are the dollars we care about. They tell you what business has to invest today, what income and value-added you are creating, and whether business can increase employment now. They give you the social value of your output."

U.S. manufacturers doubt the dollar's realignment and the plunge in world oil prices will bail out American industry. They note that their major foreign competitors are even more dependent on imported oil than are American manufacturers—and therefore benefit even more from the price slide. The drop in the dollar gives the foreigners a further bonus since everyone pays for oil in dollars. The perception remains that the tide of foreign competition is inexorable, and U.S. manufacturers must continue to position themselves to live with the new realities. For many producers, the answer will continue to be to manufacture less.

One way or another, U.S. industry has been engaged for the past decade in a massive drive to lower the costs of doing business, whether through outsourcing, squeezing concessions out of unions, closing inefficient plants, or opening plants abroad. Companies long identified with making goods of all sorts now often only produce the package and the label.

Says economist Nestor Terleckyj of the National Planning Assn.: "For corporate managers the central question is not necessarily what product their companies make but whether their companies make profits. If Ford Motor, for example, can make money by making loans, it will become a bank and let the Japanese make more and more of its cars."

Robert E. Lipsey of the City University of New York cites U.S. multinationals as an example of successful adaptation to international competition, with business moving abroad to take advantage of lower wages and capital costs. "These firms prove that American business can compete on a firm-by-firm basis," says Lipsey, though he concedes the resultant job losses in the U.S. and other macroeconomic effects "may not be beneficial for the economy in the aggregate."

Lipsay's concern about the aggregate is a masterpiece of understatement. Yes, individual companies can adjust to Asian competition by making their products in Taiwan or South Korea. They may revitalize domestic operations through infusions of Japanese management and production technology. They can also hammer down wage costs by farming out production jobs and buying services from outside vendors. And others find it pays better to ride the merger wave and shuffle existing assets than to raise capital to invest in new plants and equipment.

But does all this add up to a healthier U.S. economy? Probaby not. It is true that the growth of the service sector has been phenomenal in recent years. The retail and wholesale trades, transportation, communications, finance, and personal services have added almost 10 million jobs to the U.S. economy since 1979, in contrast to 1.5 million lost in manufacturing. Just since 1960, services have grown from 60.4% of GNP to more than 68% in 1985.

COUNTER JOBS

What's more, the service tide shows no sign of ebbing. In the next 10 years, services will provide roughly 90% of all new jobs, according to Labor Dept. projections. But economists, political scientists, and other experts raise serious questions about how much punch that growth will carry when it comes to keeping the U.S. competitive in world markets and raising Americans' standard of living.

For one thing, the new service jobs will, on average, pay less than the median wage for U.S. workers. Highly valued jobs in leading-edge technologies, finance, and the professions will be a large part of that market, but so will jobs for janitors and clerks. As one economist puts it: "The McDonald's counter jobs will offset the McKinsey consultant jobs."

Nor can the U.S. count on services for the growth in productivity that is essential for a rising standard of living. Services have historically trailed manufacturing in gains in output per hour by a wide margin. They are likely to continue lagging behind for at least a decade until automation becomes more widespread in offices and shops. And judging by experience to date, such productivity gains are not immediately reflected in the income of service workers.

But the greatest shortfall in services is a basic inability to fill the void in trade that is being left by manufacturing. Right now the U.S. holds a powerful edge in high technology. But Lester C. Thurow of Massachusetts Institute of Technology asks: "If U.S. industries lose their production base, how can their engineers and scientists keep coming up with the software to sell overseas?" Most advances in technology are generated along the learning curve of an ongoing production process, not in the vacumm of a university laboratory.

Private U.S. research and development expenditures in nondefense industries already have slipped behind those of the country's keenest competitors as a share of GNP. Business and, more important, government, may be reluctant to keep funding R&D even at present rates if the resultant products wind up being produced in Taiwan or Brazil.

Finally, there is no reason to think the U.S. has an invulnerable advantage in services any more than it had one in making steel or autos. Foreigners are playing all sorts of trade-barrier games to limit inroads by U.S. service companies while they nurture their own. Indeed, the rapid growth of telecommunications is making it as easy to farm out such service jobs as keypunching as it is to outsource hardgoods production.

A NICHE ECONOMY

In short, the U.S. still needs a strong and growing industrial base. And the need may be greater than ever because that base is so vitally linked to the most promising service and high-tech businesses. Says economist Stephen Cohen of the Berkeley Roundtable on the International Economy at the University of California: "If you lose your industrial base, you can't be a prosperous service economy. The U.S. is too big to be a niche economy."

Cohen cites a vast variety of services—from trucking to banking to computer programming—that have a "direct linkage" to the goods-producing industries. And he notes that "to sustain U.S. incomes and productivity, it really matters who does the manufacturing. In a global input-output model, it may not matter where the goods come from, but a huge core of this economy depends on what's made on these shores."

The manufacturing-vs.-services debate comes down to competitiveness. And if lowering wages is the only way for the U.S. to regain its edge, then the solution may be worse than the problem. This clearly is the answer for many less developed countries, which can easily sell their wares on the world market by keeping wages at subsistence levels. But American business has long known—at least since Henry Ford made it an economic axiom—that its welfare ultimately depends on having workers who make enough to buy its products.

Says political scientist Bruce R. Scott of the Harvard business school: "U.S. competitiveness means the ability to employ U.S. resources, both human and capital, so that Americans earn increasing returns while in open competition with other countries." The U.S. can temporarily meet the competition by lowering the wage base, by outsourcing, by literally turning its industries inside out—in short, by hollowing. But enduring prosperity will require investment in human and physical resources, in innovation, and in raising productivity in both manufacturing and services. The first step is to take careful look at the phenomenon of the hollow corporation.—*By Norman Jonas in New York*

EVEN AMERICAN KNOWHOW IS HEADED ABROAD

Not so long ago, Caterpillar Tractor Co. was perhaps the single biggest customer of the U.S. forging industry. No more. Last year, the heavy equipment manufacturer shopped overseas for 16% of the components it buys for its vehicles—four times the level in 1981. Within a few more years, Chairman George A. Schaefer expects foreign-made components to account for a quarter of all purchased parts. "What's the alternative?" asks Robert E. Ranney, Caterpillar's product availability manager. "If our major concern is whether we're gonna be around next year, we'd better make a dollar."

Caterpillar is indeed making a buck again, thanks largely to the cheaper goods it has found offshore. Last year, Cat netted $198 million, on sales of $6.7 billion. That's quite a turnaround for a company that had been wallowing in red ink since 1982, as Japan's Komatsu Ltd. and other foreign competitors applied severe pricing pressures. Now some of those same rivals are aiding the Peoria (Ill.) manufacturer's comeback: South Korea's Daewoo Heavy Industries Ltd. builds lift trucks that Cat covers with its familiar yellow paint, while Germany's Franz Eder and Norway's Kaldnes Verksted supply hydraulic excavators.

While such moves may make perfect sense for an individual company, they could spell ultimate disaster for the U.S. economy as a whole. By shifting production overseas or shopping abroad for parts and components, U.S. companies are whittling away at the critical mass essential to a strong industrial base. And Cat is far from the only industrial company to conclude that the best way to shore up the bottom line against low-price foreign rivals is, quite literally, to join them. Other examples:

General Electric Co. spent $1.4 billion last year to import products sold in the U.S. under the GE label. Virtually all of its consumer electronics goods are already made in Asia. By the end of summer, the company plans to shut down its last domestic color-TV plant. In appliances, GE now buys its microwave ovens from Japan and will begin going offshore for room air conditioners in 1987.

Eastman Kodak Co. is counting on foreign-made products to fuel much of its growth. To diversify from the stagnant film business, Kodak is buying video camera-recorders and videotape from Japan, along with its midsize copying machines. It also imports floppy disks from a Kodak factory in Britain.

Honeywell Inc. gets the central processing "brain" for its biggest mainframe computer from a Japanese manufacturer, and two other mainframes that Honeywell sells in the U.S. are imported as finished products from Europe. The Minneapolis company also goes abroad for a host of components used in its factory-automation equipment and commercial air-conditioning systems.

If this trend continues, warns Jack D. Kuehler, senior vice-president of International Business Machines Corp., companies will gradually become less adept at understanding how new technology can be exploited and eventually "lose the ability to design." Adds Robert A. Lutz, chairman of Ford of Europe Inc.: "You're seeing a substantial deindustrialization of the U.S., and I can't imagine any country maintaining its position in the world without an industrial base."

The deindustrialization that Lutz speaks of has a new, sinister meaning. In the 1960s and early 1970s, many companies exported blue-collar jobs to low-wage countries. That trend continues. Only now U.S. companies are also shifting far more valuable things overseas: fundamental technology, management functions, and even the design and engineering skills that are crucial to innovation.

In a takeoff on Detroit's once-touted "world car" concept, U.S. manufacturers are pushing ahead with what is euphemistically dubbed "globalization." This involves searching the world for the best factory site—lax government regulations and favorable tax policies are the chief criteria—and building a factory, often highly automated, that supplies worldwide markets. Or worse, they are throwing in the towel, closing domestic factories, and simply shopping the globe for the best bargains made by foreign companies.

LONG-RANGE DAMAGE

Yet the world-car strategy, now abandoned, didn't bail out the auto makers. Despite spending $9 billion a year to cut costs with new manufacturing technology and slashing their domestic work force by one-third since 1979, the Big Three still cannot build a car as inexpensively as the Japanese. So now the auto makers are gearing up to buy massive numbers of foreign-made cars. By 1988, the Commerce Dept. estimates, 17% of the cars sold by Detroit will be produced by the likes of Toyota, Nissan, and Honda. That will lift the total market share of foreign-made autos to 40%—and cost 90,000 more jobs, even though the Japanese are cranking up the capacity to make a million or more cars on U.S. soil by 1990.

Even the cars Detroit assembles here will carry a huge proportion of imported parts. According to a recent survey by Arthur Andersen & Co., 29% of the parts in domestically produced autos may be imported by 1995, up from 18% last year. Carmakers are also beefing up their overseas capabilities in research and development, engineering, and design. Senior Detroit executives are aware of the long-range damage this can cause to the U.S. economy. "We're all doing it with a great deal of sadness," says Lutz of Ford. "But we have come to regard our primordial duty as the preservation of the company and the shareholders."

DRUBBINGS

Unable to cut dometic costs enough to offset Japan's structural advantages, the move offshore is a last recourse. At least it preserves U.S. ownership of some manufacturing technology. That way, Detroit hopes to forestall complete capitulation. The Japanese already own an alarming number of U.S. markets where domestic producers can no longer compete in price, quality, technology, or all three. Calculators, cameras, hi-fi equipment, motorcyles, watches, and videorecorders come quickly to mind.

But those well-known drubbings mask the fact that the same thing is happening in industrial and commercial markets, too—in machine tools and robots, typewriters and copying machines, semiconductors and fiber-optic communications. Ten years ago, says John J. Murphy, chairman of Dresser Industries Inc., 90% of power shovels for the mining industry were made in the U.S. "Today," he says, "it is actually reversed."

Manufacturing expertise is slipping away in other areas as well. Take bearings. U.S. industry is relying more and more on foreign sources for all types of bearings, from the huge swivels for mounting construction cranes to the minature roller bearings in computer disk drives. In fact, three-quarters of all the miniature bearings used in the U.S. are now imported.

Tote up all the imports, and the dependency of the U.S. economy is staggering. Finished goods sold to U.S. companies now account for $5 billion of the swelling U.S. trade deficit with Japan, notes Yohei Mimura, president of Mitsubishi Corp. Japanese-made parts used by U.S. factories add $8 billion more. Finally, Japan ships $4 billion of products that simply are not made here, such as 35mm cameras and videocassette recorders. All told, reports Data Resources Inc., imports last year took 21% of total sales of manufactured products—more than twice the 1970 figure.

The spillover of this influx cascades down through the economy, all the way to basic industries. An imported car, for example, not only robs American steel makers of the metal content in that one car but also of the steel in the machine tools that won't be needed to stamp the body panels or grind the engine parts in some U.S. factory. Then there are the trucks and railcars that won't be needed to haul those machines to a user or to bring iron ore from a mine to a steel mill (table). The steel industry's lobbying in Washington, focused on quotas for the basic material, "is aimed at the wrong end," says Stanley J. Feldman, DRI's vice-president for interindustry services.

Similarly, Caterpillar's decision to buy its forgings offshore is driving another nail into the coffin of the forging industry, which has lost some 40% of its market to foreign companies over the past decade. To keep its customers, a U.S. forger may be forced to switch to low-cost imported steel. Or it may supply U.S. customers in part from a foreign plant, as Cleveland's Sifco Industries Inc. does.

INSTANT REWARDS

But locating a plant overseas often has unforeseen complications. Foreign plants spawn their own competition by creating a local pool of managers and skilled technicians. General Instrument Corp.'s Taiwan subsidiary now competes with 11 local companies founded by former employees. Also in Taiwan, Hewlett-Packard Co. is training local engineers to use computer-assisted systems to design printed-circuit boards that are produced in a factory that HP helped lay out. And Apple Computer Inc. recently transferred production of its familiar Apple II personal computers to a Singapore plant. "We're building somebody else's skill base, not our own," says Stephen R. Rosenthal, professor of operations management at Boston University. "If you add it all up, it's quite severe."

Moreover, such plants inevitably draw the service jobs that surround manufacturing. "As time goes on, local banks handle the payroll, the insurance is carried locally, legal services are done there," notes Robert W. Galvin, chief executive officer of Motorola Inc. And once skills have been transferred out of the U.S., that knowhow can wither within the parent company. Intel Corp. had to call in Malaysian experts from its Penang factory to help set up the chip assembly line at an automated chipmaking factory it started building in Arizona three years ago. None of its U.S. employees had that expertise any longer.

The hollowest option of all, though, is to ax manufacturing altogether and instead serve as the marketing arm for a foreign-

owned factory. Yet more and more industrial giants, from Kodak to RCA Corp., are choosing this course for its almost instant rewards. Firestone Tire & Rubber Co. turned red ink into black for its radial truck-tire business by selling the plant to Bridgestone Corp., its Japanese archrival, and buying tires made in the same factory.

OUT OF TOUCH

In the short term, exploiting another company's manufacturing investments can be a winning strategy. IBM, for example, used it with devastating effect to launch its personal computer quickly by building it from many purchased components. Thus, it was able to saturate the market far more rapidly than if it had first taken time to install the necessary production capacity. But then the company plowed hundreds of millions of dollars into automated factories to make the key components in the U.S. "Unless you own the technology," explains Patrick A. Toole, IBM's vice-president for manufacturing, "you can't be in the game for long."

For proof of that, look no further than the hi-fi business. The U.S. is so out of touch with audio technology that no American company is producing a popularly priced compact-disk player, which is breathing new life into the market. Sales of CD players topped 750,000 units last year, and 1986 sales are projected to hit 2.5 million units. And the manfacturing efficiencies that Japan's electronics giants are gaining in mass-market CD players may well presage a takeover in optical-disk computer memories, too, because the technologies are similar.

BACKING AWAY

The same thing is already happening in the videorecorder market. When Sony Corp. unveiled the first VCRs in 1975, they carried price tags of more than $1,000, so most U.S. companies dismissed them as too expensive and complex ever to command a major market. Besides, they were already backing away from tape recorders, the source of the technology that went into the VCR. Now, with product simplication and automated production, VCRs are selling—like hotcakes—at less than $300.

Here, too, not one is made in the U.S., although Sony plans to start building a U.S. VCR factory this year. And now it has spun off its VCR technology into the so-called camcorder, a combination video camera-recorder that promises to be the last straw for movie cameras and film. Alarmed, Kodak has jumped into the video market—with a camcorder made by Matsushita Electic Industrial Co.

However, as RCA has learned, selling goods made by a foreign competitor can be a rocky partnership. RCA has leveraged its name and distribution resources to grab the biggest share of domestic VCR sales, an estimated 20%. Its machines now get stamped with the RCA logo in a Hitachi Ltd. factory. Matsushita used to do that for RCA. But in 1984, with Matsushita gaining market share by undercutting RCA's prices with Panasonic VCRs that were clones of RCA's units, RCA turned to Hitachi. RCA suspects the deal with Hitachi will also prove temporary. "You can only source for a limited time," admits Jack K. Sauter, an RCA group vice-president. But RCA, GE, and Zenith are compelled to endure the situation. Not only do the profits from VCRs help subsidize their manufacturing losses on color TV sets, but also they lack the expertise to produce competitively.

Parallels of RCA's ordeal turn up time and again. 3M Co. markets plain-paper copy machines from Toshiba Corp. Now Toshiba is pushing its own brand name and charging 20% less than 3M. In 1981, with Chrysler Corp. financially on its knees, Mitsubishi Motors Corp. prevailed on the U.S. company to scrub the exclusivity clause in their contract so that Mitsubishi could set up its own network of U.S. dealers. "The Japanese pattern is very clear. Get an American involved to build the business, then get rid of the American," says Donald N. Frey, chief executive of Bell & Howell Co. In the 1950s and 1960s, when Japan's camera makers sought the help of American partners, Bell & Howell took on Canon Inc.'s line. Then came a 1971 meeting that Frey recalls vividly. Canon's CEO canceled the arrangement, explaining that Bell & Howell had "raised his children, but now he wanted his family back."

To many American managers, this smacks of underhandedness. But in fairness, even before trade tensions became sticky, many senior Japanese executives were politely cautioning their American counterparts about abandoning too much manufacturing too fast. More recently, Sony Chairman Akio Morita has warned that unless U.S. industry shores up its manufacturing base, "It could lose everything."

WAITING IN THE WINGS

For U.S. companies, the problem is that competitive pressures are certain to intensify. Emboldened by Japan's successes, other nations are using the same ploys. Samsung, Korea's largest electronics company, currently sells most of its TV and VCR exports through U.S. companies. However, now that its exports have reached sufficient volume to warrant investing in its own distribution network, Samsung is promoting its own brand name. And waiting in the wings is China. Joseph D. Romano, vice-president of A.T. Kearney Inc., recently toured China's factories, where machinists earn roughly $1 a day, and came away astonished at the variety, quality, and creativity of Chinese manufacturing. "They're going to make the Japanese invasion look like a tea party," he predicts.

Not all companies are oblivious to the implications of deindustrialization. A small but growing band is feverishly working to develop the technologies that will usher in the totally automated factory. Even Caterpillar has launched a major effort to automate production, both in the U.S. and abroad. And Cat is encouraging managers to think long term, planning 10 years ahead. "That's a dramatic difference" in philosophy, says Caterpillar's Ranney.

But far too many chief executives are reluctant to make such a commitment. Only a third of the nation's 278 industrial largest companies even bother to invite the senior manufacturing executive to top management meetings, according to a study by the Conference Board.

Motorola CEO Galvin worries more than most about these issues. Motorola has been running full-page ads in major business publications to discuss America's competitiveness. But with survival of the company his father founded increasingly at risk, even Galvin is laying plants to move fully half of Motorola's jobs, including some product development positions, overseas within 5 to 10 years, up from a third now. Unless the trend is reversed, warns Harley Shaiken, a specialist in industrial restructuring at Massachusetts Institute of Technology the U.S. economy could end up as solid as "a skyscraper built on mud."—*By Kenneth Dreyfack in Chicago and Otis Port in New York.*

AND NOW, THE POST-INDUSTRIAL CORPORATION

Lewis Galoob Toys Inc. is obviously a successful company. It sold $58 million worth of its sword-wielding Golden Girls "action figures" and other trendy toys last year—10 times the 1981 total. Its stock, issued in 1984 at 10, has soared as high as 15 and now sells for 13½. Yet by traditional standards of structure, strategy, and management practice, Galoob is hardly a company at all.

A mere 115 employees run the entire operation. Independent inventors and entertainment companies dream up most of Galoob's products, while outside specialists do most of the design and engineering. Galoob farms out manufacturing and packaging to a dozen or so contractors in Hong Kong, and they, in turn, pass on the most labor-intensive work to factories in China. When the toys land in the U.S., they're distributed by commissioned manufacturers' representatives. Galoob doesn't even collect its accounts. It sells its receivables to Commercial Credit Corp., a factoring, company that also sets Galoob's credit policy. In short, says Executive Vice-President Robert Galoob, "our business is one of relationships." Galoob and his brother, David, the company's president, spend their time making all the pieces of the toy company fit together, with their phones, facsimile machines, and telexes working overtime.

DYNAMIC NETWORKS

Galoob is just one of a crowd of companies emerging in toys, garments, electronics, sporting goods, and other industries that are as different from today's industrial giants as early mammals were from dinosaurs. In management jargon, these new corporations are "vertically disaggregated," relying on other companies for manufacturing and many crucial business functions. They are industrial companies without industrial production. And they just may be the organizational model for businesses in the post-industrial era. As the U.S. increasingly exports the production of commodity goods, these companies, will become more and more common, says Raymond E. Miles, dean of the School of Business Administration at the University of California at Berkeley. "What you'll have is a switchboard instead of a corporation," Miles predicts.

That may be overstating things. But there are strong forces pushing U.S. companies in this direction. These new corporations—Miles calls them "dynamic networks"—can take advantage of low-cost foreign labor and foreign technology. They can pounce more quickly on new markets or new technologies. With less bureaucracy, they are well-suited to an era in which managers and workers are demanding a bigger say in their jobs. At a time when U.S. companies find it harder and harder to earn a living manufacturing domestically, these corporations offer a way to exploit some of the same advantages foreign companies have.

In a 1984 book, The Second Industrial Divide, economist Michael J. Piore and political scientist Charles F. Sabel come to similar conclusions. The Massachusetts Institute of Technology professors forecast a new international economy in which mass production shifts to the Third World, while developed countries turn increasingly to "flexible specialization." Piore and Sabel believe "solar-system organizations," with external suppliers orbiting small central headquarters, will be prominent players in this scheme of things.

STAGE THREE

In such a universe, vertically integrated companies won't disappear altogether. Few large corporations, so far, have turned completely into network organizations. But even many big companies that continue, for now, to do most of their own manufacturing are edging toward disaggregation. Forced by the high cost of developing products and penetrating world markets, many are turning to foreign sources for finished products. Others are forming joint ventures and temporary alliances overseas. General Motors Corp., a prototypical vertically integrated company, does all of the above. Industrial giants such as Firestone, 3M, and General Electric all sell finished products bought from foreign companies. Says Henry Wendt, president of Smith Kline Beckman Corp.: "We'll see more collaborative arrangements rather than less."

The network model, if it is broadly adopted, would be only the third real organizational innovation since the corporation evolved in the mid-19th century. Around 1850, as industrial processes grew more complex and as national markets developed, businesses grew larger. They took on more managers—each assigned to oversee a phase in the commercial chain from raw material to finished product—and the vertically integrated industrial company was born.

The first important change came in the 1920s: GM pioneered the divisional structure still typical of U.S. industry, where vertical chains of command for each operating division exist in parallel. Then, after World War II, aerospace companies started the trend toward the "matrix" system. Matrices, with workers reporting to various supervisors depending on the task they performed, make it easier to assemble temporary teams for big projects.

Now network companies may have their day. They are not entirely new—publishers, garment makers, and construction companies have contracted out work for years. But the network structure is spreading, pushed in part by communication breakthroughs that make it easy to coordinate suppliers and customers around the world.

Academics and consultants are divided about the future of disaggregated companies. They are only now beginning to study the impact on corporate structure of recent changes in technology, work force, and competition. MIT's Sloan School of Management, for example, has launched a multidisciplinary research program on management in the 1990s. Michael Scott-Morton, the professor who heads the program, says it's too early to draw conclusions—but he adds that the trend toward increased flexibility and away from vertical hierarchies is clear. Others doubt that networks will be the wave of the future. "It may be a transitory stage," says Robert J. Cardinal, director of SRI International's Manufacturing Consulting Practice.

Indeed, no one knows whether disaggregation is a brave new world or a blind alley, leading U.S. companies further astray from improving their competitiveness. Because network companies typically ride waves of fashion or technology, their earnings can be extremely volatile—and their existence precarious. Nike Inc, the sports-shoe giant that has used offshore contract manufactures since it started in 1964, lost money for two quarters last year when its designers guessed wrong, and 22 million pairs of shoes went unsold. Galoob, too, dipped into the red in the fourth quarter of 1985 when it failed to meet sales projections.

TURNCOATS

Network companies may be more vulnerable to attack from integrated companies, from new network companies that need to put up very little capital to join the competitive fray, and—cruelest of all—from their manufacturing suppliers. Several U.S. sporting-goods companies, for example, turned to Taiwan's Kunnan Enterprises to make rackets. Now, Kunnan is invading the U.S. market with its own rackets. Japan's Seiko Instruments & Electronics Ltd., which makes a 20-in. color-graphics display terminal for Tektronix Inc., now offers its own comparable model priced 20% below the Tektronix unit. At one recent trade show, Seiko salespeople were sniping at the Tektronix model, trying to woo buyers to Seiko.

Diversified and integrated companies, meanwhile, tend to have more staying power in the marketplace: With a broader base, they can better afford to subsidize unprofitable parts of their operations. "I question whether in the long run [network companies] will be competitive against integrated Japanese and European operations," says SRI's Cardinal. Japanese companies would seem to agree. In fact, some of Japan's big, traditional trading companies—in some ways similar to the new network companies—are moving into manufacturing.

Longer-term, there's an even bigger worry. Without the ability to manufacture, companies can lose the capacity to design innovative products, some experts say. Others, however, downplay this as a drawback. They counter that technological advances usually come from outside established companies, which have a vested interest in extending the life of their products. What's more, they note that network companies are flourishing in areas such as toys and garments, where fashion is more important than innovation.

FIXED-ASSET FREEDOM

In any case, many U.S. companies are convinced that a network structure works best for them. Nike thinks of itself not as a manufacturer but as a research, development, and marketing corporation that, like other companies in labor-intensive industries, probably could not compete any other way. A pair of shoes that it buys in Korea and sells in the U.S. for $45 would have to be priced at $65 or more if manufactured at home.

Pitney Bowes Inc. had other reasons for going overseas when its Dictaphone Corp. subsidiary discovered demand for a super-small dictating unit. Dictaphone could design it, but it had little experience making very small components in high volume. Recalls President James L. Bast: "That said we've got to find a competent vendor who has worked with small components. It was a technology decision." Dictaphone chose Victor Co. of Japan as its supplier.

Emerson Radio Corp. designs and engineers its TVs, stereos, and other consumer electronics items, but it contracts out production to Asian suppliers, largely for cost reasons. Now, Emerson cites other advantages to the arrangement: Besides having greater flexibility, the company can spend more money on research and advertising than it otherwise might, since there is less need to invest in fixed assets. In fact, President Stephen L. Lane cannot think of a single disadvantage Emerson has compared with an integrated company. "Reliability of supply is a fear, but it has never worked out as a problem," he says.

Even International Business Machines Corp., which used to pride itself on making virtually everything it sold, adopted a disaggregated format when it decided in 1981 to enter the personal computer market. In Boca Raton, Fla.—far from its Armonk (N.Y.) headquarters—IBM set up its Entry Systems Div., which relied heavily on off-the-shelf components and contract manufacturers to get its popular PC to market quickly and keep costs down. ESD provided another plus, too: It fostered the entrepreneurial spirit so prized but so hard to cultivate at large corporations.

General Electric has followed suit. To stay in the cutthroat consumer-electronics market, it is buying TV's and videocassette recorders, based on its own designs, from the Far East. By mid-1980, only 10% of the employees in GE's consumer-electronics unit will be engaged in manufacturing vs. 60% in mid-1984. "The value added [in consumer electronics] is in marketing, sales, and distribution—not manufacturing," argues Vice-President Jacques A. Robinson. He concedes that return on sales will decline, but he says investment declines faster. "You're working your capital much harder," so return on investment goes up "most noticeably."

All in all, the network structure allows companies to zero in on what they do best and leave the rest to other experts. U.S. companies most often focus on design or marketing—but not always. A cadre of American specialists has sprung up to do manufacturing for electronics companies. California's Flextronics Inc., for example, counts only 50 or so of its 1,400 employees in sales, marketing, administration, or finance jobs. "Everybody else is in manufacturing, purchasing, and customer service," says President Robert G. Todd Jr. "We are dedicated to doing one thing and doing it well."

LOSS OF CONTROL

Schwinn Bicycle Co. is more typical. It decided that it was really a design, distribution, and merchandising company, not a manufacturer. "The leverage of the business was no longer in manufacturing," explains President Edward R. Schwinn Jr. Now Schwinn imports most of its bikes from Asia. "When you are a manufacturing company, your mind-set tends to be to sell what you can make," says Jay Townley, a Schwinn vice-president. "We're market-driven now."

Ocean Pacific Sunwear Ltd., meanwhile, is thriving by licensing the Op name to other companies, who also do much of the design work. Chairman Larry Ornitz sees his mission as cultivating the Op mystique. He does that by fielding a common sales force, advertising, and sponsoring special events such as surfing contests and Beach Boys concerts. Sales of Op clothing have bloomed from $7 million to $270 million in 10 years. Yet Ocean Pacific has only its name at risk: If a line of shorts or shirts bombs, the licensees swallow the losses.

If there is one managerial drawback to the network organization, it's the lack of close control over operations. George Morrow's San Leandro (Calif.) company, Morrow Designs Inc., relies heavily on outsiders to develop and manufacture its microcomputers, and he recalls the frustration of watching 5,000 unneeded machines pour in from contractors in the Far East. "We tried to turn the spigot off," he says, "but it kept running."

SUPPLIER SYMBIOSIS

Even slight misunderstandings can be expensive, as Caterpillar Tractor Co. learned

when it transfered manufacturing of some undercarriage parts to a supplier in Scotland. "We assumed when they machined the product, they'd use essentially the same [machining] location points as we used," recalls Robert E. Ranney, Cat's product-availability manager. "It didn't turn out that way. We ended up with more than $100,000 worth of a product that wouldn't work." And IBM restructured ESD along traditional lines when the unit rushed ill-conceived, low-cost, and portable versions of the PC to market.

Information technology solves only part of the control problem. Nike product managers still fly the Pacific on occasion with a pair of hot prototype shoes to rush a product change or to press for a tricky manufacturing detail. Designers at San Francisco's Esprit de Corp, a fast-growing apparel company with ties to more than 150 outside factories around the world, spend six months a year on the road. "No matter how great your specification is, it will be changed by the manufacturer if you aren't standing there," says Roger Kase, president of the Esprit Div.

Often, relationships with suppliers grow to be almost as close as internal corporate ties. TIE Communications Inc. relies on Japan's Nitsuko Ltd. for most of the telephone equipment it sells, and the two companies' engineers work side-by-side to develop products. Isamu Watanabe, president of Nitsuko America Corp., whose factory is just down the street from TIE's Shelton (Conn.) headquarters, sometimes wanders the halls at TIE. Emerson Radio once had to help pay a supplier's payroll. When price competition heats up, Emerson's management quickly teams up with its Asian suppliers. "We help them find ways to reduce the cost of products," says Lane. Such symbiotic relationships do much to reduce the risk of having a supplier turn into a rival.

These situations demand management skills far different from those commonly valued today. At network companies, strong financial, operations, or legal skills may well take a back seat to the ability to spot trends quickly, to set an entrepreneurial example, and to develop strong outside relationships. Says GE's Robinson: "It's partnership management, not the classic pyramid where you issue orders every day."

As a result, different kinds of executives are likely to rise to the top. Doug Tompkins, a prep-school dropout and avid outdoorsman who co-founded Esprit, considers himself a corporate "image director." The Galoob brothers, who hold degrees in cinematography and psychology, pride themselves on the strength of their relationships with outside manufacturers. Scott McNealy, president of Sun Microsystems Inc., has presided over a meteoric rise in computer workstations though he barely comprehends the work of his systems and software designers. He feels that a central part of his role is setting a tone and sense of urgency for Sun. "Companies take on the character of their top managers," he says. These ebullient managers probably wouldn't function well in traditional corporations.

Some large companies are, however, finding that they may have to function as networks. Disaggregation helped save a big chunk of business for Sulzer Brothers Ltd., a Swiss company that once was a world leader in manufacturing big, low-speed marine diesel engines. Years ago, Sulzer turned to licensing its designs and servicing engines made by licensees. Otherwise, says President Pierre Borgeaud, Sulzer would have been squeezed out of the market entirely by low-cost Asian rivals and by developing countries intent on building their own manufacturing base. These days, Sulzer still claims 45% of its market.

ONSHORE REMEDY

In other mature businesses, too, the network structure might help keep some of the action—and the jobs—onshore. Some experts argue that America's big steel companies, which control steelmaking from the coal and iron mines to finished slab steel, could have stemmed their decline by disaggregating. Rival "minimills," which make their raw steel from cheap steel scrap, have grabbed nearly 20% of the U.S. steel market, and they're still gaining. But for big producers to disaggregate now, by using more scrap, would mean huge writeoffs of investments in integrated mills. And, having lobbied for stiff import quotas, they have reduced their chances to buy a lot of cheaper foreign slab, at least until 1989, when current restraints end.

Some companies that still have the network option are turning to outsiders to fill out their product lines, to stanch losses in tough markets without giving up a brand franchise, or to focus on more profitable products. New companies may want to organize as networks to gain agility and cost advantages. What's good for them, however, may not be good for the economy as a whole. If it goes too far, the U.S. could be left without a vibrant manufacturing base. That would leave the nation more dependent than ever on the fewer and lowerpaying jobs in the service economy.—*By John W. Wilson in San Francisco, with Judith H. Dobrzynski in New York*

HOW AUTOMATION COULD SAVE THE DAY

(Alarmed by the snakes that were devouring many of his contemporaries, a young frog consulted the wise old owl. "What can I do to avoid being eaten by a snake?" asked the frog. The wise owl pondered and then advised: "Fly away." The frog was delighted with this simple solution—until he tried to flee from an approaching snake. "Sorry," said the owl as the frog disappeared down the snake's gullet. "I only deal with concepts, not reality.")

That fable drew appreciative chortles from an audience of engineers and managers when Joseph D. Romano, vice-president of A.T. Kearney Inc., suggested that it describes the state of computerized manufacturing. He spoke at last November's Autofact '85 in Detroit, a showcase for the latest developments in factory automation. The meeting certainly highlighted the stark contrast between concept and reality. The exhibit halls brimmed with robots and flashy computerized equipment designed to save America's croaking manufacturers from being swallowed whole by foreign competitors. But a walk through most U.S. plants would quickly show that the much-heralded "factory of the future" remains just that.

And that's unfortunate. Rapid exploitation of existing automation technology could halt—and even reverse—the hollowing of domestic manufacturing by preparing the way for fully automated factories. But the sad fact is that most American companies are dragging their feet. At the same time, some experts are concerned that foreign corporations are more aware of the strategic implications of advanced manufacturing and are moving rapidly to implement it.

TRYING TO LEAPFROG

They can do so because the fully automated factory is finally emerging from the mists of theory and conjecture. One of the toughest problems—getting disparate computers and machines to communicate with each other—is well on the way to being solved. That will make way for the ultimate factory technology: computer-integrated manufacturing. With CIM, the U.S. can "compete favorably with any offshore manufacturer," declares Patrick J. Zilvitis, president of Martin Marietta Data Systems. "We're not trying just to catch up with the Japanese," adds Joel A. Schnur, manager of computer-aided manufacturing at Hughes Aircraft Co.'s Electro-optical & Data Systems Group. "We're trying to leap-frog them."

The basic premise behind CIM is that by totally automating and linking all of the functions of the factory and the corporate headquarters, a manufacturer would be able to turn out essentially perfect, one-of-a-kind products—at the lowest possible cost and almost overnight (drawing). With a computerized factory, greased liberally with expert systems and other forms of artificial intelligence, a company could:

Conceive new products on a computerized design (CAD) system that would allow designers to optimize their ideas.

Pass the CAD data electronically to a computer-aided engineering (CAE) system to verify that the design will do the job intended and can be made economically.

Extract from the CAE data the information needed to make the product. The information would be sent to a computer-aided manufacturing (CAM) system. The CAM system would send electronic instructions for making the product to computer-controlled machine tools, robotic assembly stations, and other automated equipment on the shop floor.

Coordinate with computerized management systems, such as manufacturing-resource planning, which keeps a running tab on the consumption of parts and materials, and manufacturing-process planning, which helps schedule production for optimum efficiency. In addition, the mainframe computer in the factory would continuously update the corporate data banks used by marketing, finance, purchasing, and other headquarters functions.

This facile factory will have a profound impact on how manufacturers do business. "No part of the entire company will be untouched by the change," says Thomas G. Gunn, director of the manufacturing consulting group at Arthur Young and former vice-president for CIM at Arthur D. Little Inc.

For starters, a CIM factory will be so flexible that it will be able to make the first copy of a product for little more than the cost of the thousandth. As a result, says Erich Bloch, who left International Business Machines Corp. in 1984 to become director of the National Science Foundation, "organizations optimized for economies of scale may become obsolete."

SLASHING LABOR COSTS

With a CIM factory that can be reprogrammed to switch from making one product to another at the drop of a hat, companies would have the ability to respond instantly to changing market conditions, tailor products for each buyer, cultivate a wider mix of customers, and introduce new products at will. CIM will thus haul down the capital and market-share barriers now

guarding many markets, notes Booz, Allen & Hamilton Inc. As a result, marketing and customer service will assume much greater importance. Indeed, companies expect to run their future factories as Johnny-on-the-spot servants of sales: Nothing will be produced without an order in hand.

Moreover, the new technology would bring a crashing halt to the madcap chase after cheap foreign labor. Because labor costs would be virtually zero and other offshore savings—cheaper materials and lower overhead—would be overwhelmed by the benefits of quick turnarounds and low inventories, the computerized factory could produce things in Indiana for less than they cost to import from India. "So the ideal location for the factory of the future," says Patrick A. Toole, vice-president for manufacturing at IBM, "is in the market where its products are consumed."

The strategic implications of all this will reverberate throughout industry, uprooting cherished precepts in marketing, finance, business planning, and other headquarters functions. The benefits of CIM will be so overpowering, says L. Serwood Lannarston, director of new business development at Westinghouse Electric Corp., that any shrinking violets "will just disappear."

What worries many industrialists is that, although the U.S. currently enjoys a technological edge in CIM, overseas rivals are closing the gap. Among American companies, the hang-up is partly cost, because CIM doesn't come cheap. Partly it's technological, since the pieces are not yet all in place. Partly it's a shortage of good people, because the brightest engineers have shunned manufacturing for the glamor of design. But mostly it's management inertia. Implementing CIM demands a long-range commitment and entails wrenching changes in organization and culture. That intimidates many managers.

Only about two dozen U.S. companies have factories that even come close to the goal of total automation. Add up all the companies making more than token investments in computer integration and the number falls short of 250, estimates International Data Corp., a market researcher. Nor is this state of affairs apt to change soon, despite a coming surge in capital spending. Yankee Group, another market research firm, projects that sales of factory computers will soar 2½ times, to nearly $13 billion, in 1990. Add in robots and other equipment, and Westinghouse pegs the total CIM market in 1990 at more than $38 billion—nearly triple last year's figure. However, Yankee Group notes that the bulk of these investments will come from only 2% of the manufacturers. The big spenders will continue to be giants such as General Electric Co., which plans to invest roughly $1 billion over five years to automate six appliance plants.

That leaves the vast majority of U.S. manufacturers sitting on the sidelines. Too many chief executives have a "Band-Aid mentality," charges Dennis S. Bray, director of integrated manufacturing systems at Ingersoll Milling Machine Co. They think they can wait for CIM to happen and then jump in. But that could backfire. Bray warns. Installing CIM will take three to five years, so companies that put off a decision risk being left in the dust of more farsighted competitors.

America's cash-strapped small companies are in particular peril. These operations are the lifeblood of American industry. Some 100,000 so-called job shops, each with fewer than 50 employees, account for fully three-quarters of all U.S.-manufactured items. Small companies employ the majority of blue-collar workers, create the lion's share of new jobs, and generate most innovations. Yet these companies have little choice but to wait until turnkey CIM systems are available. Most can't afford the custom-engineered systems that dot the aerospace and defense industries.

Even a flexible manufacturing system (FMS), which is a sort of CIM factory in miniature, can run $5 million or more. An FMS consists of machine tools, robots, and other programmable devices under the integrated control of a computer. So far there are 30 to 35 such systems in the U.S., says Kearney & Trecker Corp., with only 30 each in Japan and Europe. But the U.S. Commerce Dept. paints a grimmer competitive picture: 47 FMSs in America, compared with 50 in Japan and 84 in Europe.

The main development tugging CIM into the light of reality is the Manufacturing Automation Protocol (MAP) that General Motors Corp. began developing in 1982 and will eventually require for the factory equipment it buys. The immediate goal is to allow a factory's various "islands of automation" to talk with each other. But a decade hence, General Motors even wants different computers to be able to process each other's data.

As it stands now, the designs from a CAD system normally can't be fed directly to, say, a numerically controlled milling machine. First the data must be translated into the special commands that the particular machine understands—and each machine is different. It's as if the poor user must try to play a piano with instructions that give the fingering for a flute. Researchers are working to develop computer software that would give factory equipment the equivalent of a standard musical scale. For example, the Automated Manufacturing Research Facility, a lab run by the National Bureau of Standards, has developed a "smart" milling machine. When given the CAD data for a part, the machine's controller translates that data into the control codes needed to make the desired part.

However, even if all the technological holes were plugged, it probably would still be tough to persuade top management to make major investments in CIM technology. First, management has to rethink the way it justifies capital investments. In the past, manufacturing costs could be divided roughly in thirds: labor, materials, and overhead. Labor was the chief elastic factor, so investments tended to be justified on the basis of labor savings. But labor costs have now been trimmed to the point where they represent as little as 5% and usually no more than 15% of total costs. So management must look elsewhere for savings.

INTO THE BACKSEAT

Moreover, nearly all financial yardsticks ignore the benefits of such intangibles as flexibility, better quality, and shorter lead times in getting new products to market. Yet these intangibles provide the most concrete reasons for automating. The cost of bad quality, for instance, is a major drain. In some plants, close to a third of all workers are engaged in finding and fixing errors.

The handful of companies that have made a boardroom commitment to automation are showing some spectacular successes. LTV Aerospace & Defense Co.'s Vought Aero Products Div. has one of the more advanced FMS installations. Its $10.1 million, 8-machine system interchangeably makes 564 parts for the B-1B bomber—and could produce almost anything that can be carved out of a block of metal up to 32 in. on a side. The system has run 24 hours a day, six days a week since July 2, 1984, without mishap—"an unqualified success," says A.J. Roch, Vought's director of industrial modernization.

So proponents are confident that the factory of the future is on the way. Leonard H. Magnuson, a marketing manager at Intel Corp., believes we are at "the turning point in the next era of the Industrial Revolution." But that shining new era may not help the U.S. unless more manufacturers are willing to commit themselves to the new technology. Otherwise, CIM could end up as a painful example of yet another technology that was developed in the U.S., only to be put to work by America's competitors—By Richard Brandt in San Francisco and Otis Port in New York, with bureau reports.

THE FALSE PARADISE OF A SERVICE ECONOMY

Manufacturers may be fighting for their lives, but service industries have never been riding higher. Hopes are high that prospering service businesses will keep the U.S. economy chugging along. "We will look back on the late 1980s as the 'booming '80s,'" futurist John Naisbitt confidently predicts, with a record number of new companies and jobs emerging from what he calls the "information services" sector.

But some economists caution that these gains will not do much to boost the nation's standard of living or restore its economic supremacy. A service-driven economy, they argue, must count on sales to basic industry to survive. Vast support networks—including utilities, distributors, and financial, accounting, and consulting firms—will inevitably be hurt if manufacturing continues to atrophy. Experts point to weak productivity in services and lower wage levels than in manufacturing. And, just as worrisome, services are expected to face aggressive competition from abroad, not only in export markets but also at home.

Despite the incredible growth in service employment—25 million new service jobs since 1970—economists voice concern that the pace cannot be kept up if manufacturing is allowed to wither. "Both sectors suffer together," observes Roger E. Brinner, chief U.S. economist for Data Resources Inc. "People like to think that business services such as consulting are not cyclical because, when times are tough, the need for business information expands. That may be true, but the ability to pay for it falls off even more rapidly." Even health care, which has doubled as a share of gross national product since 1960, is starting to come under pressure as hard-pressed manufacturing companies struggle to contain medical benefit costs. Courtenay M. Slater, former chief economist at the Commerce Dept., advises: "We should not look to services to take up all the slack of a weak manufacturing sector."

HISTORY REPEATS

The manufacturing-service linkage is pervasive. In fact, many of the highest-flying service industries depend on manufacturing for a major share of their business. Follow the wires of any major manufacturing company, and you will find them hooked up to a network of service companies ranging from financial factors to ad agencies. General Motors Corp.'s largest single supplier is not a steelmaker or tire manufacturer but Blue Cross/Blue Shield.

True, expanding financial services helped bring New York City back from the brink of fiscal disaster in the last decade. But worldwide telecommunications links make it possible to perform such services almost anywhere on the globe, and foreign governments want the business for their own institutions. According to the Bank for International Settlements, Japan's banks recently jumped ahead of American banks in holdings of international lending assets.

Robert Reich, a professor at Harvard's Kennedy School of Government and an ardent proponent of government-sponsored industrial policy, worries that the U.S. economy will go the way of Britain's. Once the center of international banking and finance, Britain held on to its leadership position for a half century after its manufacturing sector started to decline. Then New York took center stage. "Now," says Reich, "we're seeing it happen all over again, as financial services grow and move to Japan. If your goods-producing sector declines, it is virtually inevitable."

No doubt, the service economy has supplied tremendous thrust to the present expansion. Of the 11 million jobs created since the 1981-82 recession, nearly 80% were in services. Today, service enterprises deliver paychecks to 70% of private-sector workers. And no letup is in sight. The Labor Dept. forecasts that 9 of 10 new jobs between now and 1995 will be in services.

Moreover, many service jobs are not even counted in the official tallies, because they are buried in the figures for manufacturing employment. While word processing, computer programming, and secretarial jobs, for example, are clearly service occupations, the Labor Dept. includes a portion of them with manufacturing employment, since these positions contribute to the production of physical, not intangible, output. And more and more, old-line companies are moving into service operations. General Electric Co. and Borg-Warner Corp. now derive a third of their revenues from service businesses, and the figure for Westinghouse Electric Corp. is nearly 50%.

MARKET OF MIDGETS

However, the shift to services and the resulting employment surge have yet to usher in a higher standard of living or recoup lost purchasing power. Even after three years of economic recovery, the average hourly wage, adjusted for inflation, is lower today than 10 years ago. One big reason: The continuing shift of jobs to the service sector drags down the average. The pay gap between industrial and service sector workers remains wide: Average hourly pay is 11% lower in services in the private sector than in manufacturing (chart page 81). This earnings disparity is made even worse by short workweeks, because many service employees in retailing, finance, and health care work only part-time.

Future wage gains will be restrained, say economists, because the fast-growth industries are more competitive than the traditional manufacturing industries and can't afford premium wages. No company in the new go-go industries will come anywhere near the monopoly status that the giants in steel, rubber, and autos attained—nor will any earn similar monopoly profits. The fast-growing software area, for example, "is a market of midgets," notes Gerald R. Faulhaber, director of the Wharton School's Center for the Study of the Service Sector. "There are thousands of firms, highly specialized, scattered across the country."

In such a fragmented environment, the unions that once drove manufacturing wages up are easily held at bay. Except for the regulated utilities and transportation sector, organized labor has barely gained a toehold in the private workplace, where fewer than 10% of employees carry union cards, compared to 25% in manufacturing. "It's difficult to find a strong union that's not in a cartelized or monopolized industry," says Michael Drury, economist at the consulting firm of A. Gary Shilling & Co.

Furthermore, monopolies in old-line service industries, such as transportation and communications, are being frayed by deregulation and spirited price competition. In the long run, these companies will become more efficient, and the improvements in productivity will translate into higher wages. Meantime, unions that once were firmly entrenched are now being thrown off balance by deregulation. The disappearance of pass-along pricing is putting a cap on wages and forcing workers to submit to two-tier salary agreements. Says Drury: "You won't see premium wages except where there are premium profits. Anyone newly hired by American Airlines will get People Express wages."

LOWER STANDARDS?

Service-sector enthusiasts counter that high-paying jobs in engineering and data processing will be among the fastest-growing in the next decade. But many of these fields are expanding from a narrow base, so they are not the ones that will generate the most new jobs. According to the Labor Dept.'s latest employment outlook, the 10 occupations that will supply the largest number of jobs through 1995, amounting to roughly a quarter of the openings, are all in services—but none is high tech (chart). The top gainer is cashiers, whose wages are less than 60% of the average.

Of course, plenty of well-paying jobs will open up for lawyers, accountants, and other professionals. But that won't change the underlying trend. "More and more workers are being channeled into low-wage occupations," observes, forecaster Lawrence Chimerine, chairman of Chase Econometrics. "A larger portion of workers in services work at lower-paying jobs than in manufacturing or the commodities sector. As the shift is made to services, we can except it to put pressure on living standards."

Thus, a flourishing service sector will not snap the economy out of its "slow-growth mode," says Chimerine. Chase predicts that the GNP will grow by an average of less than 3% a year through 1995, with per capita income gaining only 1½% a year. The big drag on growth, according to Chimerine, will be the limited income-generating power of services.

Only sizable gains in productivity could move incomes much higher, and services so far have been unable to deliver on this front. The Amerian Productivity Center (APC) in Houston estimates that total productivity in the service-producing sector improved at a rate of only 0.1% a year from 1979 through 1983, while goods-sector productivity rose five times as fast—despite two recessions in the period. A few service industries, such as communications and business services, have outperformed manufacturing, but they are offset by declining productivity in utilities, transportation, and finance. Adds APC Senior Vice-President Carl Thor: "Service industries are in a state of unusual disruption because of changing regulation and new competition from strange places, like Sears in banking."

These businesses are hoping that the information revolution will help them regain lost ground and do for the service economy what mass production did for manufacturing: drive down costs and expand output. The McGraw-Hill winter capital spending survey estimates that service businesses spent close to $40 billion on new computer and office equipment technology in 1985. But the productivity payoff has yet to be realized.

The push to automate services will stimulate the need for labor that is "compatible" with the new technology and will dry up demand for workers who are undertrained. "Employers will place a greater premium on literacy, 'numeracy,' and deftness with computers," predicts New York University economist Thomas M. Stanback Jr.

The economy's tilt toward services may worsen the already dire employment outlook for black adult males, whose 13% jobless rate is more than twice as high as for white adults. Notes Stanback: "Black males did well if they could find a job in a factory. The part of the economy they succeeded in, in the greatest numbers, is the part being phased out. They are the one having the hardest time in the transition."

Women, who landed the bulk of the new service jobs, should have benefited most from the boom in these industries, yet they have made little progress. Their growing participation in the labor force has fueled the growth in jobs, but they have not broken through the barriers that limit their wages. Five of the 10 largest growth areas identified by the Labor Dept. are sex-segregated jobs, with three-fourths or more of these jobs held by women. The National Academy of Sciences concludes that sex discrimination in such occupations is a major cause of the 40% pay gap between men and women.

PLAYING ROUGH

A further threat to the long-run growth of service jobs comes from abroad, where government-backed companies are capturing a larger share of the services that U.S. companies were providing. Artfully concocted barriers stymie U.S. service companies' efforts to exports. The U.S. share of global trade in special business services, such as engineering, consulting, brokerage, and deals for licensing rights, has fallen from 15% in 1973 to 8% in 1983, putting it behind France, West Germany, and Britain. As far off as Korea and as close to home as Canada, discriminatory rules abound. Brazil bars foreign-owned investment banks from dealing in currency exchange. Branches of U.S. accounting firms in France are not permitted to use their internationally recognized company names. In Japan, they must submit all audit reports to a Japanese company for approval. In Korea, foreign-owned banks cannot acquire title to real estate and other property.

Businesses wanting to move information also come up against legal hurdles: Customer account data that originate in West Germany are supposed to be processed first in that country. Bank account data from Canada must be stored in duplicate within Canadian borders, raising costs from non-Canadian vendors.

Washington has made little headway in lowering foreign barriers to U.S. service companies. The U.S. is working to persuade its trading partners to put the issue on the table for the 1987 round of trade talks sponsored by the General Agreement on Tariffs & Trade.

So far, other countries are determined not to be shut out by the U.S. technological lead in services. "We are in the position we once had in manufacturing, when we had a technology that wasn't shared," says Brinner. "We're smarter in creating insurance packages, we have a more flexible, well-developed capital market, and we're smarter at building computer data bases." But all that may not be enough.

The rest of the world has learned a lesson and is resisting U.S. service companies' efforts to expand oveseas—whether it's by blocking the transmission of time-share data or restricting membership on the Tokyo Stock Exchange. They have adopted the "infant industry" argument that is often pleaded by startup companies before regulators, adds Brinner.

KEYPUNCH EXPORTS

What's more, service jobs already in the U.S. are not necessarily here to stay. Dogged by the same competitive pressures that face manufacturers, managers are scanning the globe for cheaper labor. Denver-based National Demographics & Lifestyles, which conducts market research for Zenith, GE, and Minolta, among others, opened up shop in Barbados in 1978. Its 104 workers keypunch the results of consumer questionnaires and process 10 million documents a year.

Executive Vice-President Rob Johnson figures that his Barbados workers, whose wages are "30% of what we pay here," save his firm up to $1 million a year, about 10% of its revenues. Johnson is searching the horizon for his company's next keypunch center, possibly in Britain or Western Europe, to service future research operations there.

So far, it's only the low value-added jobs that are being shipped out. Data entry and clerical work are the natural candidates. Fears that these jobs will be eliminated by outsourcing or automation leads Executive Director Karen Nussbaum of 9 to 5, a national association of working women, to predict that clerical employees will make up "the next generation of dislocated workers."

To keep jobs and bolster incomes, the U.S. will have to make better use of its competitive advantage in creating technology. To nurture services, Brinner advises, "we should export jobs that require simple training, since they will find their cheapest home anyway, and build on jobs that require education. The creation of technology requires education. That's where we can build a base."

The U.S. can urge its service sector on with more forward-looking education policies, but this still leaves open the question: How prosperous can it be if it relinquishes manufacturing? A services boom will not lessen the pressures from low-wage foreign rivals and sluggish U.S. productivity growth. Economic resurgence will depend on more than this sector's expansion. For what ails this economy, don't look to services for the cure-all.—By Joan Berger in New York.

IS THE FINANCIAL SYSTEM SHORTSIGHTED?

(Any elementary economics textbook will tell you that finance exists to serve industry; now we're busy making industry into a plaything for finance.—Lester C. Thurow, professor of economics, Massachusetts Institute of Technology)

To many, Thurow's assessment would seem unfair. For one thing, the U.S. has what is undoubtedly the most efficient financial system in the world. With the stroke of a key, millions of dollars can be lent across borders. With a phone call or two, an investor can line up partners and a commitment for billions of dollars to buy a company. Furthermore, this ready credit has helped fuel the strongest economic recovery of the postwar period. Investors have poured about $10 billion into high-tech and other startup ventures since 1982. And last year, mergers and acquisitions valued at a record $138.8 billion were completed.

Still, there is a nagging problem. It may be that our highly efficient financial system is not serving the best economic interests of the nation. The deals that make financial sense to individual investors and companies may, in fact, be detrimental to the country's long-term economic health and competitiveness, especially with such nations as Japan.

"We've comforted ourselves for years that we have the broadest and deepest capital markets in the world, and that no one can touch us," says Roger C. Altman, an Assistant Treasury Secretary in the Carter Administration and managing director at Shearson Lehman Brothers. "But that's no longer the case—in terms of competitive benefits to industry—when you compare us with Japan."

Critics of the financial system point to a number of problems. The system is too tightly focused on the short term, they say. In the U.S., hot money chases short-term yields, often playing havoc with long-term planning and growth. In Japan, by contrast, capital is "patient." It is invested for the long haul and nurtures industry through extended periods of low returns or even losses.

In the U.S., some critics charge, the financial system encourages executives to reshuffle assets through takeovers rather than build new ones. The tax code encourages excessive borrowing for such deals, others say. And a few iconoclasts argue that U.S. businesses aren't borrowing nearly enough and should be more highly leveraged. The cost of capital, almost everyone agrees, is too high. The system needs more deregulation, some argue, while others warn that deregulation has gone too far.

THE SHORT-TERM BIAS

Any blue-blooded Wall Streeter will argue that there's nothing wrong with aiming for the highest return and the quickest profit. After all, the primary mandate for any corporation is that it increase shareholder wealth. But shareholder wealth has acquired the very narrow meaning of high short-term yields, where once it encompassed long-term gains, as well.

A comparison of Japanese and U.S. stock performance over 16 years yields a startling result: U.S. shareholders have been short-changed. The value of U.S. stocks, in local currency, doubled during the period. By contrast, Japanese stocks grew sixfold in value (chart). This means that even while U.S. management has paid homage to the notion of benefiting shareholders, the stocks of U.S. companies have far underperformed Japanese rivals, who put little emphasis on rewarding shareholders.

U.S. investors won't sit still for such long-term commitments—at least that's what corporate management usually says. Investments are made for the fast payback. Even more troublesome, some ventures fail early, and others never see the light of day because they are unlikely to reward investors soon enough. "There are new businesses where Americans know they simply can't match Japanese competitors in terms of the cost of capital and the patience of capital," says economist Stephen Cohen, co-director of the Berkeley Roundtable on the International Economy at the University of California at Berkeley.

The billions of dollars that flowed into Silicon Valley, Route 128, and other hothouses of innovation and entrepreneurial dynamism would appear to dispute Cohen's assessment. But even venture capital may not be so patient anymore. Altman, who lectures at Yale School of Organization & Mangement, says that most U.S. venture capitalists have a relatively short time horizon. Some of them now want to liquefy an investment—by taking the company public or merging it—within three to five years, hardly enough time for many important new industries to show a positive cash flow.

Indeed, new businesses in the U.S. may face some of their biggest hurdles as they approach maturity, after they have exhausted venture capital support and have already gone public. Altman cites Unimation Inc., which only four years ago was the leading robotics manufacturer in the U.S. and one of the largest in the then-fledgling industry worldwide. In 1982, with meager earnings and rising debt, Unimation needed a capital infusion of $30 million to $40 million to expand, retool, and improve its technology over the next three years.

No commitments from bankers or equity investors were forthcoming, however, and Unimation was bought by Westinghouse Electric Corp. It floundered under its new owner, and the Japanese now dominate the industry. Special financing deals, a government commitment to the industry, and other incentives spurred robotics in Japan. Similar commitments are behind the development of other leading-edge industries in Japan. Short-term profit is not a priority.

The U.S. financial system not only puts short-term results ahead of long-term development but also seems to favor the reshuffling of existing assets over the creation of new ones. Most takeovers, of course, are touted for the financial and economic sense they make. Marking up asset values and redepreciating them cuts an acquirer's tax bill. So does financing the deal with debt, whose interest cost is tax-deductible. Some mergers even pay off in greater operating efficiency. But for all that, the long-term value for the economy at large of the biggest recent business combinations is uncertain.

"Most of Corporate America is worrying about buying existing assets rather than investing in the future," says Lawrence Chimerine, chairman of Chase Econometrics. "We may be making some companies more efficient, but we're not getting a stronger industrial base."

That base may be weakening, many economists argue, because rising debt burdens are financing this asset reshuffling. "Today interest costs account for about 26% of corporate cash flow, up from 19% in the 1976–78 period," says Henry Kaufman, executive director of Salomon Brothers. MIT's Thurow believes that heavy debt loads will make many companies much more vulnerable during the next recession, as they strain to meet interest payments.

Not everyone agrees. Some Wall Streeters are beginning to argue in favor of more leverage, and they don't see it as dangerous for Corporate America to take on more debt. "German and Japanese companies are much more highly leveraged," says Frederick H. Joseph, chief executive officer of Drexel Burnham Lambert Inc. "U.S. companies are underleveraged, and I think our fi-

nancial system can stand more intelligently applied debt." Joseph's firm has been the dominant force in the high-yield, or junk-bond, financing of takeovers—a business now threatened by the Federal Reserve Board's recent restrictions.

Joseph is not alone in this argument. "Managers are afraid that if they take on too much debt, even if it's the strategically correct thing to do, it will appear that they aren't good financial stewards," says Richard R. Ellsworth, associate professor of strategic management at the Claremont Graduate School. "I'm not sure that any particular amount of leverage is a given."

COST OF CAPITAL

The argument in favor of higher leverage is an outgrowth of the debate about the relative cost of capital here and in Japan. U.S. companies pay about twice as much for capital as their Japanese competitors do, according to some studies. The key factor seems to be the high cost of equity financing relative to debt financing. In selling new stock, most manufacturing companies incur a far larger claim on future earnings than they would if they simply borrowed the money, especially since interest is tax-deductible. Since U.S. companies use more equity relative to debt than Japanese companies do, the cost of capital is higher in the U.S.

Does this mean that American companies should take on more debt? Not necessarily. There are big structural and institutional differences between the U.S. and Japan. In Japan, the large banking chains operate in a cartel-like environment; banks are owners as well as lenders to Japanese industry. Large private-sector loans are implicitly guaranteed by the government. In the U.S., financial control is not concentrated among a very few banks, lenders are not owners of industry, and the U.S. government comes through with guarantees rarely and only on an ad hoc basis. Says Albert M. Wojnilower, managing director at First Boston Corp.: "The argument for more leverage in the U.S. is a treacherous one. To match what is happening overseas without matching the sociopolitical backdrop is dangerous."

DEREGULATION

It is precisely this kind of institutional difference that prompts some economists to argue that the U.S. financial system should be reformed. Salomon's Kaufman argues that the nation should "resurrect the primacy of equity capital" by eliminating the capital gains tax and double taxation of dividends. At the same time, he urges more conservative standards for financial institutions and a far more judicious use of leverage.

Thurow favors a revival of merchant banking, which was prohibited by the Glass-Steagall Act of 1933. This would allow banks to become owners of industry as well as lenders. By strengthening the links between finance and industry, the U.S. would give financiers an incentive for providing emerging industries with "patient capital" and foster stronger economic growth.

The critical point in the arguments of Thurow and Kaufman is that somehow incentives for investment must be targeted toward new capital rather than the shuffling of old assets. No one is urging that the U.S. wholeheartedly embrace Japan's financial system. But the U.S. economy's performance—and the opportunities lost to American industry—are forcing a reappraisal of a financial system once believed to be unassailably the best in the world.—*By Karen Pennar in New York*

A STRATEGY FOR REVITALIZING INDUSTRY

A Japanese banker and a member of Japan's Ministry of International Trade & Industry had a quiet talk recently. The man from MITI was trying to persuade the banker to grant a loan for a long-range industrial development. The bank was balking. The MITI man asked the banker: "Do you expect your bank to be around longer than Japan?" End of argument.

This illustrates a familiar point: The Japanese are fiercely competitive, but cooperation takes precedence when the issue is national economic survival. Americans are no strangers to the idea of national purpose, especially in wartime. Where they differ from the Japanese is that national unity and long-range thinking do not extend to the economic front.

Can the U.S. afford to be so cavalier about its future when its trade rivals are playing a different game? Trade was only 8% of gross national product in the early 1970s. Today, exports and imports total almost 15% of GNP. The trade gap is almost $150 billion a year, and, according to a study by the Institute for International Economics, a continuation of current trends would put the U.S. $1 trillion in debt to the rest of the world by the end of 1990.

The cost of servicing that debt would exceed $90 billion a year. At some point, foreigners are likely to tire of sinking their dividends and interest payments back into the U.S. and will want to be paid in goods and, to a lesser extent, services. The U.S. had better have something to sell.

This means that the U.S. must regain its competitive edge in manufacturing, and to do so it must revitalize its industrial base. The plunge in oil prices and the decline in the value of the dollar may help somewhat. A serious effort by Washington to cut the budget deficit would also help. And a handful of companies have proved that computer-integrated manufacturing could someday make U.S. factories competitive again. But these actions do not add up to a solution.

INSTANT GRATIFICATION

The U.S. will continue to lose markets and see its industrial base shrink if business persists in the process of hollowing its own manufacturing capability and focusing only on short-run returns. This is an economics of instant gratification, an abdication of responsibility to future investors, workers, and consumers.

If globalization of industry means that U.S. manufacturers will wind up simply licking the labels and sticking them on products that are made abroad, the nation can look forward to a declining standard of living. Nor can services save the day. Our ability to market cookies and hamburgers in inventive ways and our propensity to sue each other will in no way help us pay our debts.

What is the answer? Let's look at one that's been rejected: industrial policy. The idea of a national policy to spur new industries revive the old, and use government to coordinate the private sector's response to the foreign challenge became a hot option for the Democrats just before the 1980 and 1984 Presidential campaigns. Each time, they quietly sidled away from the issue because no one could conceive of a way to do it without slipping into a type of central planning and capital allocation that would be anathema to this society.

Nonetheless, the U.S. already has dozens of industrial policies, ranging from tax laws that favor one industry over another to spending programs that redistribute income among individuals, sectors, and regions in a helter-skelter fashion. There must be an alternative to this ad hoc approach and the state-directed strategies used abroad. To paraphrase Leo Durocher, we can't beat something with nothing.

Perhaps what is needed is simply to get U.S. policymakers, business leaders, and labor to start thinking strategically about U.S. competitiveness. The late Otto Eckstein, founder of Data Resources Inc., called for a "stronger representation of an industrial viewpoint in general economic policy." Even conservative guru Kevin P. Phillips advocates trade and industrial strategies to meet the foreign competition Business Week has culled a list of such suggestions and offers its own menu of ideas for revitalizing U.S. industry:

ECONOMIC POLICY

Until Washington stops sopping up the bulk of private savings to finance the federal debt, the U.S. will continue to trail its foreign rivals in investment growth. The Gramm-Rudman Act, if it is ever implemented, would move in the right direction but would cut the deficit so fast that it is likely to cause a recession by 1988. That would guarantee further erosion of U.S. industry. Congress should modify Gramm-Rudman to require a deficit below 2% of GNP by fiscal 1990 rather than a balanced budget.

With the cooperation of the Federal Reserve Board, a realistic budget program would free capital for private investment and trim real interest rates. This would lower the dollar and improve U.S. manufacturers' chances for regaining markets at home and abroad.

TAX REFORM

The House-Passed tax revision plan, like President Reagan's before it, is a halfhearted shot at reform. The sharp reduction in benefits for capital investment would increase incentives to stop manufacturing in the U.S. and buy or make products overseas. The proposed reduction in corporate income taxes is welcome but falls far short of offsetting the potential damage to investment. Congress and the White House should eliminate the corporate tax entirely. This would end the double taxation of dividends and cancel the advantage of debt over equity investment. It would allow investment decisions to be made on the basis of business rather than tax considerations.

If this idea is too earthshaking, Congress should find some way of revamping the depreciation system other than going back to pre-1981 write-off schedules that short-changed industry on recovering its capital costs. An alternative: first/year expensing. This approach has been tried in Britain and has not done its industry much good. But the U.S. isn't Britain—yet.

Under a perfect income tax, capital gains would be taxed as ordinary income. Under a perfect consumption tax, they wouldn't be taxed at all. But since we are unlikely to get such radical reform, why not lower the capital-gain tax rate but lengthen the holding period for long-term gains? This would help steer venture capital into promising small enterprises and keep it there until they can go public.

PATIENT CAPITAL

It's also time to repeal or at least rewrite the Glass-Steagall Act to permit merchant banking in the U.S. If banks or other institutions could take large equity positions in the companies they lend to, it would be in their interest to stick with projects that

might take four or five years to reach a payoff. Many such ventures now run to Japanese and other foreign companies for funding—turning over vital technology in return. The U.S can't afford to lose leading-edge industries this way. The law could still prohibit 1920s-style abuses, but it should foster productive links between finance and industry.

HUMAN CAPITAL

The U.S. can no longer afford a large pool of undereducated and even illiterate workers. "Smart" machines in the workplace will call for workers who are better educated and more highly trained than today's work force. The U.S. simply is not spending enough for education and job training. We are at serious risk of running short of highly skilled workers while creating a large underclass of unemployable dependents. Human capital requires at least as much nurturing as currently favored financial investments.

LABOR ROLE

Management and unions can no longer afford old-style adversarial relations. They do seem to agree on one thing: They want to combat low-wage foreign competition with protectionism. That's the wrong way to go. What they should be agreeing on is a new system of labor-management relations and compensation that links new technology with a fundamental restructuring of work practices.

This approach would replace the traditional division of work into narrow tasks requiring little training or commitment with a system of production teams with broader jobs, rotating assignments, and considerable self-management. Union work rules would be wiped out, but managerial supervision would be held to a minimum, and employees would have a strong voice in decision-making. Team members would be constantly retrained for new technology, and basic wages would be supplemented by productivity bonuses. This system is being tried at the plants of Procter & Gamble, General Motors, General Electric, Cummins Engine, Goodyear, Weyerhaeuser, and a handful of other companies. Early evidence points to productivity gains of 25% to 45% over traditional plants.

INNOVATION

The U.S. has increased spending on nondefense research and development in the last decade, but such outlays trail those of its top trade rivals as a share of national output. This is a mistake. R&D is the clearest case of subsidization making sense, since the innovations produced by private research generally yield large benefits to the public and not just to the companies footing the bill.

At the same time, congressional tax reformers want to target the R&D tax credit more sharply to research and experimentation and exclude the development stage. This is a penny-pinching blunder. Basic research is not innovation. Real innovation occurs when research is turned into marketable products. This is why the Japanese are now buying technology from U.S. biotechnology concerns while expanding their lead in fermentation processes that will use these innovations.

To keep harping on what Japan is doing right and what the U.S. is doing wrong is of limited utility. Cultural and institutional differences account for much of the disparity, and Americans aren't about to become Japanese in their work and saving habits. Warns Charles E. Sporck, chief executive officer of National Semiconductor Corp.: "Long-term, we have to do something about Japan's structural advantage, or we'll all end up as sharecroppers on Japanese-owned farms."

The U.S. cannot do much about Japan's structural advantage, but it can do a great deal to eliminate its own self-imposed disadvantages in world competition. It must start by clearing away governmental impediments to capital formation and maintaining a nurturing climate for innovative small businesses. It must focus its best thinking on where U.S. industry wants to be 5, 10, or even 20 years from now, not just on the next annual report. And it must get back to its own basic strengths. As Sony Corp.'s Akio Morita says: "Just do what you used to do so well"—invest in American enterprise.—By Norman Jonas in New York.

RECOGNITION OF SENATOR PROXMIRE

The PRESIDING OFFICER. Under the previous order, the Senator from Wisconsin [Mr. PROXMIRE] is recognized for not to exceed 5 minutes.

HOW BIG WILL THE STAR WARS BURDEN BECOME? ANSWER: PLENTY

Mr. PROXMIRE. Mr. President, what will be the cost of SDI or star wars? We have general estimates from experts. But no one knows for sure. Secretary Weinberger and General Abrahamson have told the Congress that they cannot give a responsible and realistic estimate of the cost now. They say that several more years of research will be required to provide an understanding of the hardware that will be necessary. When asked to estimate the general range of cost for this antimissile system, former Under Secretary of Defense for Research and Development DeLauer, a supporter of star wars simply said "the cost will stagger you."

We do know that the program has already become the most rapidly rising and most costly research program this Government has ever engaged in. In the past 3 years the cost of this project has tripled. If the Congress provides the funds requested by the administration for 1987 that will mean the program has quadrupled in 4 short years. The Congress has already appropriated more than $6 billion. Congress has been told that the 5-year cost of research alone for star wars in the 5 years that began in 1985 will be $25 billion. We have also been told that the Defense Department expects to spend some $50 billion on research before the research and development portion of the program are completed. Keep in mind, this is just for research.

What will the production of the hardware and deployment cost? The Defense Department has begged off on that one. They say they cannot even make an educated guess until the early 1990's. At that point the Paul Nitze criteria will apply as to whether the costs justify a go-or-no-go decision. The Nitze criteria would require that star wars cost less to deploy than the cost of producing an offensive system that would overcome it. Of course, at that point this country would have expended as much as $50 billion simply to get the answer to how much more the program will cost. What will be the answer? This Senator knows the answer now. The answer is completely predictable. There is no suspense. The way this question is framed star wars cannot lose. Why cannot star wars lose? Because not one estimate will be required, but two. Both will be largely guesses even 5 or 6 years from now. The first guess will attempt to estimate how much it will cost to produce, to deploy and to maintain a system that the Pentagon will have already expended up to $50 billion for research on. It will be a freezing day in July in Washington when the Defense Department over estimates the cost of any project they want. The estimates will cover 10 to 15 years at least. The discipline span of the Congress is rarely more than 2 years—the time until the next election. Defense knows it will suffer little penalty for a 10- or 15-year underestimate. So the star wars cost estimate will be below, and probably far below, the actual cost. Now how about the other estimate the Defense Department must make to meet the Nitze criteria? What kind of estimate will the star wars boys make of the cost of building an offensive system that could overwhelm their star wars pet or spoof it, or dodge it, or deceive it, or destroy it? On this one, the sky is the limit. Whatever estimate these star wars aficionados make for the cost of constructing their system they will double or maybe triple in estimating the cost of overcoming their baby. And how can any Member of the Congress or any critic prove they were wrong until the day of Armageddon when the adversary penetrates star wars like Niagara Falls flooding through a sieve? That will be years from now, and if the attack comes there will be few if any survivors any way.

Mr. President, the job of this Congress is to control the public purse. This is our prime power. It is our basic responsibility. We have a duty to do all we can to get the most expert independent opinion we can get about the ultimate cost of the biggest expenditures this or any government has ever undertaken. So let us consider the judgments of two former Secretaries of Defense. Both are highly competent and highly respected. One served in a Democratic administration. One served in a Republican administration. Former Secretary Dr. Harold Brown tells us the cost of star wars "could approach a trillion dollars." Former Secretary Dr. James Schlesinger has

made the flat estimate: $1 trillion. Another independent and expert authority, Physics Today magazine has said the project "might cost as much as $2 trillion."

These estimates are for research, production of the hardware, and deployment. But that is not all. Once deployed the cost of maintaining the system would be a substantial continuing and additional burden on the Nation. The Federation of American Scientists has found that "the additional cost to the DOD budget of maintaining an SDI system would be between $50 billion and $200 billion a year." This would mean an increase in the defense budget ranging from more than 15 percent per year to more than 50 percent per year, a truly colossal annual increment. The maintenance cost could according to this estimate be as much as the entire Federal deficit in the deficits peak year. This permanent cost would come on top of the trillion dollar production and deployment cost.

Even these vast sums are far more likely to be underestimates rather than overestimates. Here is why: A star wars defense is absolutely certain to provoke a feverish rush by the Soviets to develop a nuclear offensive that could penetrate the defense. Why the feverish rush by the Soviets? Because a successful star wars would put their credibility as a nuclear superpower at stake. And because the Communist Party in Russia has a total control over the Russian economy and over its political decisions. They do not have to worry about public opinion. They can spend as much as they want to maintain their superpower status, and they will.

So the star wars route not only means that for generations our country will suffer the constantly increasing danger of an all-out arms race. Star wars also will bring the immense burden of dedicating increasing shares of our overburdened economy to the sterility of military competition.

MYTH OF THE DAY

Mr. PROXMIRE. Mr. President, in the past few years, the Japanese have constructed several automobile manufacturing facilities in the United States. That came in response to American concerns about a rising tide of imported automobiles, the rumbles of trade protectionist feeling, and the legislative calls for producing a percentage of foreign cars and parts in the United States.

Building those Japanese-owned plants stem some of the calls for trade barriers. It has shown the Japanese to be responsive to well-founded concerns about unemployment in the United States auto industry. It also has been good for Americans. Hundreds of jobs have been created in the Japanese-owned plants. Our automakers have watched and learned from the Japanese examples of efficiency and quality auto production. Moreover, U.S. suppliers have had an opportunity to bid on lucrative parts contracts to supply the thousands of cars and trucks that roll out of these factories.

But Mr. President, the myth of the day is that these valuable parts contracts will continue to remain open to United States suppliers as the Japanese-owned plants succumb to the pressures of sweetheart deals and insider competition. What do I mean? Well, let us take a look at what is happening.

In 1982, the Japanese automaker Honda led the auto invasion by building an assembly plant in Marysville, OH. In the years since, other Japanese carmakers have followed that same path, or else signed contracts with United States automakers to bring their cars to our country.

By 1990, according to a United States auto industry analyst, there will be 1 million to 1½ million United States-built Japanese autos cruising American boulevards. And if you are an auto parts supplier, your eyes should gleam. Why? Simple: all those cars will need everything from wiper blades to tires to exhaust valves. So the incentive is there to compete for valuable parts contracts.

But look at what is happening. In the case of the Ohio Honda plant, managers say U.S. produced auto glass is not the quality they require. So what have they done? They have invited Honda's traditional Japanese auto glass supplier to establish its own manufacturing plant in this country. The object? To supply U.S.-built Hondas with glass from the Japanese-owned company. The result naturally will be to say, "so long, United States glass producer," and "hello, Japanese glass manufacturer."

Now, what does this mean? People who follow the auto industry are warning about the start of a big automotive trend. Lured by the assurance of access to a steady, reliable market, more and more traditional Japanese suppliers will open factories in this country. They will be gaining a foothold in the United States by producing glass, seats, filters, and hundreds of other components for Japanese automakers already here. It is not too hard to imagine these foreign suppliers knocking on the doors at Ford, General Motors, or Chrysler, offering their wares.

Let me hasten to say that competition is all well and good. It can increase quality while holding down prices, which are both very good and very desirable goals. But this action by Honda, and presumably by extension the other Japanese automakers, should raise a few questions in our minds.

The folks at Honda say the decision to turn to their traditional Japanese supplier was based on quality. The Japanese product, their argument goes, is higher quality than that of United States supplier, the century-old PPG Co. of Pittsburgh. And perhaps it is. But there might be something else involved. And what is it? Namely one company dealing with an old and trusted traditional supplier; two business friends working out a mutually advantageous arrangement. And what is the result? The U.S. supplier loses out. Matter of fact, it never even had a competitive chance.

Another question is one of technology. If a new Japanese plant opens in the United States to compete against existing American suppliers, who do you think will possess the latest technology? Will it be the brand, spanking new Japanese-owned firm, or the established U.S. company? If having access to the latest technical marvels lowers costs, boosts productivity and quality, who would you buy from? Would it be the United States supplier or the shining Japanese plant?

Who are the winners and losers in this case? U.S. car buyers certainly win if better quality parts help produce higher quality automobiles. And if, as predicted, more Japanese-based companies start production in the United States, another positive benefit will be the creating of more new jobs for Americans.

But it will not be so wonderful if those new jobs come at the expense of already existing U.S. jobs. And we will definitely be the losers if the gains come at the cost of losing established American companies that have been unfairly locked out of competing for important parts contracts.

RECOGNITION OF SENATOR HAWKINS

The PRESIDING OFFICER. Under the previous order, the Senator from Florida [Mrs. HAWKINS] is recognized for not to exceed 5 minutes.

DEKKER DELIVERS THE DOPE

Mrs. HAWKINS. Mr. President, this morning, I would like to introduce the Senate to "Dekker." Dekker is the code name used by a witness in my April 1985 hearing on the role of Nicaragua in drug trafficking. Dekker testified under oath before my subcommittee with a hood over his face and a voice scrambler to disguise his identify and prevent possible retaliation. He is an international fugitive and a drug trafficker who currently is doing time in Federal prison. What I want to remind the Senate this morning is Dekker's direct dealings with Robert Vesco, who was operating out of Cuba, and with Frederico Vaughn, aide to

Tomas Borge, Nicaragua's Minister of the Interior.

I would like to quote Mr. John Keeney, Deputy Assistant Attorney General for the criminal division at the Department of Justice, who, in his opening statement before the same subcommittee, said,

We believe Dekker to be credible in this case because so much of his testimony is corroborated by the independent testimony of other witnesses and by the tangible evidence which the investigation has gathered.

Today, I would like to tell the Senate the story that Dekker told my subcommittee. Dekker had known Robert Vesco since 1978. They had engaged initially in various smuggling efforts in violation of the U.S. trade embargo with Cuba, but later they turned their attention to drug trafficking. The original contacts between Dekker and the Nicaraguans had been established by Angelo, a top associate of Vesco's. These contacts led to the establishment of a trading company in Brussels that was to serve as a front for illegal Cuban and Nicaraguan transactions that would include cocaine trafficking to Europe.

Arrangements were made to move the cocaine to Europe. After the transactions were completed, Dekker and Angelo paid Frederico Vaughn $100,000 and promised him another 300,000 Dutch guilders. At the time, Frederico Vaughn expressed concern about how he would get so much money back to Nicaragua. Dekker suggested that he try to take it out via France, Italy, or Spain. Dekker described what followed by saying, and I quote from testimony:

he (meaning Vaughn) said he got a better suggestion, picked up the phone, called the Nicaraguan Embassy, made an appointment with the Ambassador for lunch at Les Brasseries by the next day, 2 o'clock. So at 2 o'clock, the next day, Mr. Angelo—Mr. Vaughn went downstairs to have lunch with the Ambassador. I was to stay in my room, and when they were finished with lunch, he would call me. The money was in the box; I went downstairs, picked up the money out of the box, walked in Les Brasseries, was introduced to the Ambassador, gave the money to Frederico who handed it to the Ambassador.

Thus we have an eyewitness account of a high level Nicaraguan diplomat involved in the shipment of money that had been earned by trafficking in cocaine.

Later in his testimony, Dekker told of spending considerable time with Frederico Vaughn and during that time, Dekker expressed his reservations about trafficking in cocaine, and they discussed getting started with marijuana. According to Dekker's sworn testimony, he said:

I was not too happy with the cocaine trade profitwise or difficultywise; it was not an interesting position. He (that is, Frederico Vaughn) said marijuana; I said convert it into hashish would be much better. After some phone calls to Nicaragua, that would be made possible for me any amount of land, labor, if I would deliver the expertise to produce the plants, convert it into hashish, which is much easier for shipping than marijuana.

This Senator asked Dekker why he thought the Nicaraguans were getting involved in drug trafficking, and he testified:

We had a long discussion about their government and what they were doing, and their major point of saying why they would go heavily in the drug trade was that, as well as not only the U.S. Government, but most European governments, except Spain and France, I think, were cutting their foreign aid to minimal amounts.

So according to Vaughn, Nicaragua was in desperate need of hard currency so they turned to drug trafficking to make their money.

I was curious about Mr. Vaughn and his relationship with the Nicaraguan Government so I asked Mr. Dekker if he thought Mr. Vaughn represented the Nicaraguan Government, to which he replied,

Oh, yes, that was made clear on all trips as well as to Cuba, whoever was sent never had to enter customs, immigration, would be picked up directly from the airplane.

Subsequently, he reinforced this testimony by asserting that the drug trafficking effort was the direct result of Nicaraguan Government policy. As regarded his plans to begin trafficking in hashish, he said,

The government provided everything. I was offered the total shipping from Europe to Nicaragua for my company, and Mr. Vaughn could not do that on his own, I imagine.

In introducing Dekker and the other witnesses to my subcommittee, John Keeney of the Justice Department concluded his remarks by saying,

. . . Let me say that this investigation did not set out to implicate the Nicaraguan Government in any illegal activity. The Nicaraguans were not targeted. Nevertheless, we feel that we have uncovered strong evidence that high officials of the Nicaraguan Government were indeed involved in the international cocaine traffick.

Mr. President, I agree. There is strong evidence of high level Nicaraguan involvement in drug trafficking. How else can you explain that airplanes and airfields were available to Vaughn, or why Nicaraguan army soldiers, customs and immigration officials, and Nicaraguan Ambassadors all obeyed orders issued by Frederico Vaughn in connection with his drug trafficking efforts, orders that were witnessed by independent witnesses who corroborate one another's testimony?

Mr. President, I believe that, overall, the evidence is persuasive, and I hope we will bear this in mind as we consider the vote on aid for the Nicaraguan freedom fighters.

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, there will now be a period for the transaction of routine morning business not to extend beyond the hour of 10:30 a.m., with statements therein limited to 5 minutes each.

SENATOR CHAFEE WARNS OF THE GREENHOUSE EFFECT

Mr. STAFFORD. Mr. President, last Sunday, my good friend and colleague, JOHN CHAFEE, the distinguished chairman of the Subcommittee on Environmental Pollution, of the Committee on Environment and Public Works, delivered an address at the eighth annual New England Environmental Conference. That conference was sponsored by the Lincoln Filene Center for Public Affairs at Tufts University.

About 1,000 environmentalists attended 2 days of lectures and workshops on issues ranging from nuclear war to toxic waste. By all reports, the address by Senator CHAFEE was a high point in the 2-day event. After receiving the New England Environmental Network Award "for outstanding contributions to New England's environmental leadership," our colleague spoke on "Our Global Environment and the Greenhouse Effect—the Next Challenge."

This speech includes some serious warnings and a call for action before we have an environmental disaster on our hands. The Senator has an important message to deliver, and I ask unanimous consent that his speech be printed in the RECORD so that we might all take note and rise to the challenge he has identified.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

OUR GLOBAL ENVIRONMENT AND THE GREENHOUSE EFFECT—THE NEXT CHALLENGE

(Speech by Senator John H. Chafee)

It is a pleasure to be here today with so many concerned and dedicated individuals. Too often, lately, one hears people say that the environmental movement peaked in the 1970's and is now moribund; that environmentalism is passe. Well, I've never believed that. If anyone did, take a look around this room! What a marvelous gathering, dedicated to giving nature a fair chance.

Environmentalism is well and thriving. We continue to make progress. For example:

In 1982 we enacted the Coastal Barriers Resources Act, a law to protect our fragile beaches and islands; it passed the entire Congress with only four dissenting votes;

In 1984 we rewrote and improved the law controlling the management of toxic wastes; it passed both houses of Congress unanimously;

This year we will finish important work on bills to strengthen the Clean Water and the Safe Drinking Water Acts and to increase by five times the funding for the Superfund toxic waste clean-up program;

All across the country, people are approving bond issues to preserve open spaces and

to pay the waste management facilities. A good example of this is my own state of Rhode Island where the voters last November approved by 65 percent a large bond issue to fund the purchase of development rights on farm land.

The challenges this forum has been dealing with are of immense importance—toxic waste, acid rain, wetlands preservation and others. Each is thankfully receiving some attention. I would like to discuss with you briefly a problem that has not been elevated to high visibility, yet has extraordinary ramifications for the world we inhabit: the problems of ozone depletion and the greenhouse effect.

INTRODUCTION

Most of you probably remember back to the late 1970's when concerns were first raised about depletion of the atmosphere's ozone layer from the use of chemicals called chlorofluorocarbons (CFC's) in aerosol spray cans. More recently, you have probably seen articles in the papers or heard about the "greenhouse effect"—how the world is becoming warmer and the polar ice caps might melt.

Muted cries of alarm have been heard and then we all moved on to more immediate problems that seemed solvable. In Congress, we have done little to add to our understanding of the possible magnitude, timing, and implications of either ozone depletion or the greenhouse effect. Our efforts necessarily tend to focus on the environmental crisis of the day—toxic waste clean-up, safe drinking water and the struggle for clean air. While these are critical issues demanding immediate action, we have to do a better job of anticipating and responding to today's new environmental warnings before they become tomorrow's environmental tragedies.

If we knew at the time what would happen when toxic waste was dumped at Love Canal in New York or at the Picillo Pig Farm in Rhode Island, we would have put a stop to such practices. Not only would such foresight have resulted in a safer environment, but preventing such disasters in the first place would have been millions of dollars cheaper than paying to clean them up many years after the fact.

OZONE DEPLETION

Let me first focus briefly on the problem of ozone depletion. Ozone in the upper part of our atmosphere acts as a shield that absorbs most of the sun's harmful ultraviolet rays. There is convincing evidence that without such protection: There would be an increased incidence of skin cancer and cataracts; our immune systems would be suppressed, making us more susceptible to illness; and some species of plants and aquatic organisms would be destroyed.

Now what is the problem? The problem is chlorofluorocarbons (CFC's), man-made chemicals that are used in a wide range of consumer goods. When these chemicals are released into the environment, they migrate upward. When they reach the upper atmosphere, they are exposed to ultraviolet radiation, their molecules break down, and their chlorine is released. Once released, chlorine acts as a catalyst and converts ozone (O_3) into diatomic oxygen (O_2). In short, CFC's are destroying the ozone layer of our atmosphere. The sun's ultraviolet rays thus come through in unrestrained fashion with all their harmful effects.

Many people assume that we solved the problem, when, in 1978, the United States prohibited the use of CFC's in aerosol spray cans. Unfortunately, many nations of the world have not enacted such a prohibition and still use CFC's in spray cans. In addition, these same chemicals are used in the United States and throughout the world: as the coolant in air conditioners and refrigerators; as a solvent to remove impurities in manufacturing high-tech equipment; and as a foamblowing and insulating agent in a wide variety of goods.

Because of the substantial health and environmental risks from continued and expanded use of these chemicals, the United Nations, through its Environment Program, initiated negotiations in 1980 on a treaty that would provide for international cooperation aimed at developing a better understanding of the problem. This treaty was adopted in April of last year and is currently before the Senate for ratification.

While I fully support this treaty and will work for its approval, I do not believe that it goes far enough. We need more than continued studies.

What we need is action to limit, on an international basis, the growth of CFC use. Given the enormous risks from ozone depletion, a treaty that limits the availability of CFC's for essential uses only would seem to be the sensible course to pursue. The good news is that, under the leadership of the United Nations Environment Program, negotiations aimed at developing an international agreement to limit future growth in CFC's—to impose controls—are currently underway. The not so good news is that we don't have an agreement yet.

A recent report by NASA warns that future growth in CFC emissions is likely to lead to substantial depletion of the ozone layer over the United States. Evidence like this tells us that controls are needed. Delaying action will only mean that more substantial and costly cutbacks in the use of CFC's will be required in future years.

THE GREENHOUSE EFFECT

This is the second aspect of atmospheric pollution that I will briefly discuss. Carbon dioxide, which is given off when coal, oil and other fossil fuels are burned, is the most commonly referred to greenhouse gas. However, the same problems that stem from increased levels of carbon dioxide also come from CFC's and other atmospheric gases, such as methane and nitrous oxides.

These gases do not interfere with the sun's energy coming through our atmosphere to warm the planet, but the gases do prevent the escape into space of some of the energy rebounding from the earth. In effect, these gases form a thermal blanket around our planet.

We can thank greenhouse gases for the temperate conditions that now exist on earth. Without them, based solely on our distance from the sun, the earth's temperature would be 59 Farenheit degrees colder. At the other extreme, we know from recent satellite excursions to Venus that its atmosphere contained 97 percent carbon dioxide and its temperature is about 789 degrees Farenheit.

Thus, some amount of greenhouse gases in the atmosphere are essential, but more in this case is definitely not better. As these gases increase in the atmosphere, the thermal blanket becomes less and less easy to penetrate from the earth upwards, thus upsetting the careful atmospheric balance under which our civilization has flourished.

Let me briefly review the scientific evidence behind my concerns about climate change from the greenhouse effect.

We have careful measurements showing that the amount of these gases in the atmosphere has increased over time. For example, carbon dioxide has grown by 25 percent since the 1850's. This increase coincides with the onset of the Industrial Revolution which brought with it the expanded use of fossil fuels.

Despite enormous complexities, we are beginning to better understand the likely timing and magnitude of a global warming. Key questions here are: How fast is the earth likely to warm and how much hotter is it likely to get?

Unfortunately, these are very difficult questions to answer. We cannot simply ask one of the government's research labs to run an experiment that gives us answers—there is no "experimental earth" to use for these purposes. Instead, by continuing to alter the chemical make-up of our atmosphere we are conducting a dangerously uncontrolled experiment on ourselves and on our planet.

Despite limitations, global climate models are beginning to provide answers. They suggest that early in the next decade, the 1990's, we are likely to see the earth's climate deviating from its historic course. By the early part of the next century—for example, 25 years from now—increases in greenhouse gases could result in a warming of two to six degrees Fahrenheit. If we continue to pollute the atmosphere with these greenhouse gases over the next 50 to 75 years, a warming of three to nine degrees is likely before the end of the next century.

To put the magnitude of these temperature changes in perspective, when this city was under a thick sheet of ice about 12,000 years ago during the last Ice Age, the temperature was approximately nine degrees cooler than it is today. A change of this same magnitude from increases in greenhouse gases is being predicted for the future by climate models. Only these changes are likely to occur over the next 100 years, not over 12,000 years.

These models also predict that extraordinary changes in climate are likely to accompany increases in temperature. For example, rainfall and snow patterns are likely to change. Some regions will become considerably drier while others will become wetter. Storm patterns, growing seasons, and hurricane tracks are also likely to be altered.

As the earth warms, some ice at the poles is likely to melt. This will lead to increases in global sea level by as much as three feet by the middle of the next century.

Last October, a meeting on the effects of climate change was organized by the United Nations Environment Program, the World Meteorological Organization, and the International Organization of the National Academies of Sciences.

They concluded, ". . . There is little doubt that a future change in climate of the order of magnitude obtained from climate models . . . could have profound effects on global ecosystems, agriculture, water resources, and sea ice."

For example, the Dust Bowl droughts of the 1930's which caused mass migrations resulted from shifts in rainfall far smaller than the amount that could occur from the greenhouse effect. The "Little Ice Age" during the Middle Ages was also a period of widespread starvation and disease, in part due to a few degrees of temperature change.

More recently, the droughts in Africa provide disturbing evidence of the fact that large populations are vulnerable to changes

in climate conditions—particularly in developing nations.

Yet these examples only begin to suggest the consequences of our actions if we continue to add greenhouse gases to our atmosphere. What might happen with a climate change?

First, predicted shifts in rainfall, growing season and temperature in our Midwest could dramatically alter our ability to continue as a world leader in food production. Assuming that the grains we now grow in the U.S. could be grown elsewhere when the climate changes—a major assumption that is of doubtful validity—I'm not sure that we should be comforted by the thought of the wheat or corn belt moving northward into Canada.

Second, many of us place considerable emphasis on protecting our nation's wetlands and coasts. A rise in sea level of the magnitude projected to occur would cause untold damage to these ecologically fragile and extremely fruitful areas. Coastal New England would be particularly hard hit by such changes.

Third, it is the effect such changes would have on thousands of plants and animals. Think for a moment about the consequences of a rapid change in climate on the survival of thousands and thousands of plant and animal species. Could they evolve quickly enough or find suitable new environments fast enough to keep pace with our changing climate? Many, I fear, would perish.

THE CHALLENGE

This view of global warming offers a bleak future. We cannot simply shrug our shoulders and say that this is a problem for others to handle.

But what can be done to preserve the integrity of our atmosphere and climate system? I believe that we need to move aggressively on several fronts.

First, we should seek to know what changes are taking place in our atmosphere. NASA is doing some work in this area. This must be given higher priority by NASA.

Second, we need to know what will be the effect on climate if the atmosphere does change.

Lacking an experimental earth to use as a basis for testing what might happen to climate as we change our atmosphere, we are going to have to rely on computer simulation models to serve as our guide—so we had better do as good a job as possible of gathering the necessary data and advancing the development of these models.

To begin addressing these issues I intend to conduct Congressional hearings within the next few months to make certain that the energies of the responsible government agencies are properly focused on these issues and that timely answers are forthcoming.

Third, we must step up our efforts to involve the global community in dealing with this challenge. As the standard of living improves throughout the globe, growth in greenhouse gases from energy consumption, use of chlorofluorocarbons, and other chemicals is inevitable. We need to seek ways to ensure that future improvements in the quality of life can occur for all nations of the world without increasing the risks of climate change. We must start by working through the United Nations Environment Program and similar world bodies to place this issue high on their agendas.

In addition to supporting an international treaty that controls future growth in CFC's, I believe two additional opportunities exist to move forward on the international front. The State Department should be encouraged to support the recent international convention which focuses and accelerates research efforts related to climate change among the international scientific community.

I will be speaking with officials at the White House about placing the issue of climate change on the agenda for the next summit meeting between our President and Mr. Gorbachev. This issue represents an area of mutual dependence and an opportunity for our nations to work together to safeguard the future of our planet.

Finally, we need to begin evaluating opportunities, in addition to limits on CFC's, for reducing the growth in emissions of greenhouse gases. One obvious direction would be to renew efforts for energy conservation and the development of safe and inexpensive nonfossil fuels—programs that may now be losing out to falling oil prices. The need to find nonfossil fuels may even make us swallow hard and move toward nuclear energy.

CONCLUSION

It seems that the problems man creates for our planet are never ending. But we have found solutions for prior difficulties and we will for these I have mentioned as well.

What is required is the same dedication and commitment that each of you have demonstrated in such magnificent fashion for so many years. We thank you for what you have done in the past, what you are doing now and what you will do in the future!

CONSOLIDATED OMNIBUS BUDGET RECONCILIATION ACT

TECHNICAL CORRECTIONS

(The following occurred later in the day:)

Mr. STAFFORD. Mr. President, I am happy to yield to the majority leader.

Mr. DOLE. Mr. President, we have another matter that we could dispose of in about 30 seconds if it is all right with the manager of the bill. We have technical corrections to the reconciliation bill which we need to adopt quickly. It has been approved by the House. We need to do this before we can send the enrolled, the reconciliation bill for signature to the President. It has been approved on both sides.

I would, therefore, ask unanimous consent that the pending matter and also the motion to proceed be set aside and we turn to the consideration of House Concurrent Resolution 305, the technical corrections to reconciliation.

Mr. BYRD. Mr. President, reserving the right to object, and I do not object, will the distinguished Senator put a 5-minute, 2-minute, or 3-minute limitation on this matter?

Mr. DOLE. Yes. I ask unanimous consent for 5 minutes debate equally divided.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will report the concurrent resolution.

The assistant legislative clerk read as follows:

A concurrent resolution (H. Con. Res. 305), to make technical corrections in the enrollment of the bill H.R. 3128.

The Senate proceeded to consider the concurrent resolution.

Mr. METZENBAUM. I wish to call to the attention of the Senator from Oklahoma section 11008(d) of the Single-Employer Pension Plan Amendments Act of 1986, which is included in the budget reconciliation bill. Under that provision, which applies only to standard terminations, plan administrators of certain plans may not make final distribution of plan assets until they have received a notice of sufficiency from the Pension Benefit Guaranty Corporation. By its terms, this provision applies to plans that, among other conditions, "filed a notice of intent to terminate with the Pension Benefit Guaranty Corporation" either before January 1, 1986, and no notice of sufficiency was issued prior to the date of enactment of SEPPAA, or after January 1, 1986, and before 60 days after enactment and no notice of sufficiency was issued before enactment.

After the date of enactment, plan administrators will be required to file "notices of intent to terminate" with parties affected by the termination but not with the PBGC. Nevertheless, it is my understanding that section 11008(d) applies to plans that file notices of intent to terminate after the date of enactment and otherwise satisfy the requirements of that section, notwithstanding the fact that the notice is filed only with parties other than the PBGC. I would ask my friend from Oklahoma whether this is also his understanding.

Mr. NICKLES. Yes. After the enactment date, the operative requirement will be the filing of a notice of intent to terminate with affected parties. I understand that the PBGC will administer section 11008(d) in the manner described by the Senator from Ohio.

Mr. DOLE. Mr. President, I yield back my time.

The PRESIDING OFFICER. Is all time yielded back?

Mr. BYRD. Yes. I yield back my time.

The PRESIDING OFFICER. All time is yielded back.

The question is on agreeing to the concurrent resolution.

The concurrent resolution (H. Con. Res. 305) was agreed to.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the concurrent resolution was agreed to.

Mr. STAFFORD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

THE NEW THREAT OF FASCISM IN THE UNITED STATES

Mr. MOYNIHAN. Mr. President, last Friday I spoke to the Senate about a disturbing presence in the Democratic Party. Members of the Lyndon H. LaRouche organization, as we are all aware, won the Democratic nomination for Lieutentant Governor and secretary of state in Illinois last week.

In today's New York Post, my friend Max Lerner had some particularly incisive thoughts on the troubling news from Illinois—and the problems behind what has happened there. Mr. President, I ask unanimous consent that the New York Post article "The New Threat of Fascism in the U.S." be included in the RECORD, and an address I gave in Washington Heights, NY, on Sunday.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the New York Post, Mar. 26, 1986]

THE NEW THREAT OF FASCISM IN U.S.

(By Max Lerner)

This is the face American fascism will wear.

There is more than one moral to the ugly, dismaying results of the Democratic primaries in Illinois, where two Lyndon LaRouche followers captured the nominations for lieutenant governor and secretary of state.

The first response of Democrats, in their shock, is that they weren't looking. But what this says about the Illinois Democratic post-Daley organization is that, in its faction-ridden amnesia, it is in shambles.

Adlai Stevenson III, nominee for governor and honorable gentleman to the end, says he won't run with these gutter teammates, one of whom is "a heartbeat away from the governor's seat." He will form a new and "true" Democratic ticket if he can.

Alas, it will be all but impossible. The Democrats—and the nation too—are somnolent on more than a ticket-watchers level.

The theory is that if local communities will spot the LaRouchites on the ballot, and expose their true nature as kooks, extremists and proto-fascists, they will be swamped and all will be well.

Fine. This is needed, but it falls into the necessary-but-not-adequate category.

We have to ask why the LaRouche candidates got the votes they did, and what corrosions their poison will spread when they appear on national TV, as Janice Hart (nominee for Illinois secretary of state) did on Ted Koppel's "Nightline".

I like the way an Illinois pollster, J. Michael McKeon, puts it. What the vote reflects, he says, is "the mood of working-class people who are tired of the way the two political parties handled their problems."

LaRouche is no unknown, suddenly thrusting up into the media, He has had one of those volative careers, from the Communist left to the fascist right, that marks an erratic political mind.

He qualifies as a kook with paranoid conspiratorical obsessions—about Henry Kissinger, the TriLateral Commission, the Ford Foundation, Israeli intelligence, Queen Elizabeth as (of all things) a drug pusher.

Other men who have similar fantasies have been classified as borderline personalities. But this one is fielding 700 candidates for local and statewide election as Democrats and will doubtless again run for the presidential nomination in 1988.

What makes LaRouchism dangerous is its leader's propagandist shrewdness in reading and exploiting the popular discontents in working-class areas. The issues he wants to capture for himself are the pockets of smokestack unemployment, the sense of outrage over widespread drug use, the panic fear about being infected by AIDS.

Hence the militant metaphors the LaRouche warriors use—"Nuremberg-style" (death penalty) trials for drug traffickers, compulsory AIDS tests for everyone, "tanks rolling down" the main streets, in Janice Hart's phrase that revealed so much of the mental terrain of the LaRouche fanatics.

I talk of the Democrats because LaRouche clearly regards them as the capturable party. They have been asleep at the switch of the popular mind, as the Social Democrats were in the early years of another "kook"—Adolph Hitler.

The lesson of Illinois is that neither party can take for granted how the people feel at the base of the culture, or ignore their passionate sense that both major parties are cut away from the realities of their lives.

If fascism ever comes to America it will be by this route of sustained absence of mind about the deep discontents at the base of the culture. And LaRouche's rages and paranoia will be the face that fascism will wear.

LYNDON H. LAROUCHE AND THE DEMOCRATIC PARTY

(Remarks of Daniel P. Moynihan)

Two weeks ago, I spoke at the annual dinner of the New York State Democratic Committee on the subject of corruption within the New York Democratic Party.

Today I wish to talk about the corruption of the party. Specifically, the infiltration by the neo-Nazi elements of Lyndon H. LaRouche's National Democratic Policy Committee.

The nation, or parts of it, woke on Wednesday morning to learn that this neo-Nazi group had won the party's nomination for Lieutenant Governor and Secretary of State in Illinois, and also the nomination for two Congressional seats in the 13th and 15th Districts. Things, would change, said the new candidate for Secretary of State: Tanks will roll down State Street.

Subsequently, it was learned that LaRouche candidates are in Democratic primary races for local, state, and national office across the land. NBC News reported Friday night that LaRouchites have qualified for U.S. Senate races in 12 states, for Governor and other statewide races in five others. NBC then said the LaRouche organization claims to have supporters running in 29 Congressional districts. Today's New York Times reports that local Democratic leaders in Santa Ana, California, "were surprised to discover that a LaRouche supporter . . . is running unopposed in the Democratic primary for the 40th District Congressional seat."

I would like to talk a little bit about how this came about, dwelling on what I see as the responsibility of traditional democrats—I am one—for allowing this to happen.

I won't spend too much time on LaRouche or his movement. This is not my subject. (In passing, may I say that with the exception of William Dennis King, it has been almost nobody's subject. The first American journalist to get on to this group, in 1979–80, he wrote a brilliant series of articles for "Our Town," a weekly circulated mostly on the East Side of Manhattan. To its credit, the League for Industrial Democracy collected and reprinted the series. To its discredit, the Pulitzer Prize Committee seems never to have noticed. All honor, then, to NBC News for its willingness in 1984 to air a documentary on LaRouche and his movement.)

LaRouche, if until recently an unfamiliar person, is nonetheless a familiar type, at least to New Yorkers of my generation. In 1949 (I draw entirely from King here) he jonied the Socialist Workers Party, a Trotskyite communist sect. He lived in Greenwich Village and began formulating his theory of the "third stage of imperialism," thus presumedly taking this theory another stage beyond Lenin's revision of Marx. It gets a little creepy when he introduces the Guelphs and Ghibbelines as still-active influences, but there you are. I never did undestand the Trotskyites either. No matter. In these days he called himself Lyn Marcus, from Lenin and Marx, and in King's words:

"His first moment of glory came in 1968, when his followers, operating under the name "SDS Labor Committee," helped to lead the Columbia University student strike and LaRouche himself lectured on Hegelian philosophy at a "free university" improvised in a Columbia fraternity house."

He soon broke with the Students for a Democratic Society and began drifting to the right. (Why do we use these terms?) Fascism and Nazism both began as leftists groups—National Socialists—and in what sense did they change? He took followers with him, and soon had an organization. This organization was notable for its erratic views, but consistent in its belief in the existence of a world conspiracy in which Jews and Capitalists play a central role and the United States is placed in maximum danger.

Even here there are ambiguities. A story in the LaRouchite newspaper, "New Solidarity," of September 15, 1978, is headlined:

ZIONISM'S NAZI GUILT IN FALANGIST LEBANON

The connection between Zionism and Nazism was, of course, a Soviet propaganda theme which first appeared in Pravda in 1970 and which culminated in the infamous United Nations resolution of 1975. Nothing simple about these folk!

At all events, in 1981, the LaRouchites felt strong enough to mount a direct assault on the New York Democratic Party itself. Why they chose us is hard to say. They could as well have tried to take over portions of the Republican Party. But they did choose us.

Specificially, in 1981, they entered a candidate, Mel Klenetsky, in the primary campaign for the Democratic nomination for Mayor of New York City.

As I said on the Senate floor Friday afternoon, to the disgrace of our party—the oldest political party on earth, and from the first a democratic party—no effort (or none that I know of) was made to keep these fascists out of our ranks and off our ballot. To the contrary, rumor had it that in some circles they were welcomed: The more confusion the better.

In any event, Mr. Klenetsky was treated throughout as a legitimate candidate in a Democratic contest, and the corruption commenced.

The next year, 1982, I was up for reelection. On June 21, I was unanimously renominated by the Democratic Convention in Syracuse, and set about tinkering with our campaign organization and resting up a bit prior to the fall campaign. (Nominations in New York are not finally confirmed until the primary election in mid-September.)

Of a sudden, without warning (not that you are entitled to warning in politics, but you usually pick up something), I was challenged by the very same, now much-legitimated, Klenetsky.

The crucial event here was that the State legislature had had great difficulty redistricting our Congressional seats after the 1980 census, and ran over into the time normally allotted for the primaries of the 1982 elections. To make up for this, the number of signatures required to qualify for a primary contest was greatly reduced. In our State of 18 million people, 10,000 valid signatures would get you on the ballot as a Democratic or Republican candidate for the United States Senate.

All of a sudden, our campaign faced a wholly unexpected problem. If for a moment I am going to seem congratulatory, please bear in mind that I am not talking about myself. I am talking about the persons who ran the campaign. They say that a lawyer who tries his own case has a fool for a client. So also a candidate who runs his own campaign. Long before 1982, specifically back in 1976, I was able to enlist the counsel and support of some extraordinary New Yorkers and in matters such as the one we now face, I asked for and took their advice. Let me list them. First of all my campaign manager, Timothy J. Russert; my campaign chairman, Chester J. Straub; Counsel, Thomas J. Schwarz; Treasurer, John Westergaard; my principal fundraiser, Steve Mann; the indefatigable Nina Rosenwald; Joe Crangle, of Erie County. Above all, my wife, Elizabeth, and daughter, Maura.

We had a simple and not unsual problem. We were short of money.

Specifically, we had about $1.5 million. Not much for a Congressional campaign these days: dangerously little for a Senate campaign in a state with a population nearly that of Canada.

And, so we faced a temptation.

There was no way Mel Klenetsky could win the Democratic nomination from me. Even if we did nothing.

I fear this temptation was present in Illinois. I fear it will be present eleswhere.

And this is what we did.

We decided that while it was a nice thing to be in the Senate, it would be a hollow victory if we got there by allowing a fascist, anti-Semitic conspiratorial element to be further legitimated as a element in our party.

We decided to fight.

Klenetsky had handed in 29,857 signatures. We challenged every one. Melvin L. Schwitzer, Counsel to the New York State Democratic Committee managed the effort which went night and day for weeks. The Board of Elections ruled that 18,607 signatures were invalid. (Have you ever tried to prove 18,607 signatures, one by one, are fraudlent or otherwise ineligible?) It reserved decision on 1,203 we had also challenged. But this left 10,047 still presumedly valid. Forty-seven more than necessary. The activist in the U.S. Labor Party once again entered a Democratic primary.

Granted, the LaRouche campaign wasn't all that compelling. The chief charge against me was that I was a tool of Averell Harriman (my wife and I did indeed work for him when he was governor in the 1950s), that Harriman was a tool of Adolf Hitler. I offer a sample.

MEL KLENETSKY SAYS: MOYNIHAN FOLLOWS NAZI HARRIMAN IN HITLERITE POLICIES AND TACTICS!

Harriman's Nazi Record

FACT: Throughout the 1910s and 1920s, the Harriman family tried to turn the United States into what they called a "Nordic race state," and succeeded in closing the door to many immigrants they considered "racially inferior."

FACT: The Harrimans conducted a drive for decades to have America's poor sterilized as "genetically inferior." Mary Harriman Rumsey, Averell's sister, advocated forced sterilization as a cost-cutting measure, saying: "There is a direct relationship between a large ungoverned feebleminded population and the amount of taxation you pay each year."

FACT: After 1915, when it was proved by Dr. Joseph Goldberger that the disease pellagra was caused by a vitamin deficiency, the Harriman "Eugenics Lobby" conducted a nationwide campaign of systemic lying that pellagra was hereditary. As a result, it is conservatively estimated tht 6 million Americans, half of them black, died of untreated pellagra.

FACT: In 1932 Averell's mother brought Nazi doctors to the American Museum of Natural History to address a "Conference on Eugenics," the science of extermination they promoted. That year, the Harrimans and their retainers hailed the coming to power of Adolf Hitler as their "personal achievement."

And so on.

But note at the bottom of the page:

DEMOCRAT MEL KLENETSKY FOR SENATE

And so we commenced to spend the whole of our campaign treasury in a primary against a candidate who could not beat us, but could destroy our party.

Specifically, The Moynihan Campaign spent $1,334,903 in the primary campaign, I suppose we had a bit left over, and obviously we raised some more. But in the end all we could raise for the general election was $712,307.

It came out all right. The LaRouche candidate only got 15 percent of the vote. But note: three times his showing of the year before. In the general election I carried 50 of New York's 62 counties. (The previous record for a New Yorker was set by Franklin Delano Roosevelt who carried 47 counties when he ran for Governor in 1930. Martin Van Buren carried 42 in his 1836 Presidential race.)

Even so, I don't think we made our point. The LaRouchites still were dismissed as kooks. Looking through the clipping files I can only find editorials from the Binghamton Evening Press and the Buffalo Courier-Express commenting on just who Klenetsky was and what he stood for.

The fact is we didn't make much of an impression if you consider the hideous nature of our opposition.[1]

In point of fact, such notice as our efforts did receive came from a group of New Yorkers who had banded together as a Committee on Decent Unbiased Campaign Tactics (Conduct) to ensure that every candidate behaved properly that year. Mr. Peter Straus was chairman, and the board contained such eminences as Rabbi Balfour Brickner, Hodding Carter, Bishop Paul Moore, Jr., Stewart R. Mott, and Howard M. Squadron.

Guess who was the first to complain?

Klenetsky.

The New York Post had run a short item reporting that we intended to challenge Klenetsky's petition signatures. (Almost two out of three, recall, would be ruled invalid.) Tim Russert, explaining this, said the National Democratic Policy Committee was: "A fanatical sect" attempting to use the Democratic primary "as a forum to preach blatant anti-Semitism."

The worthies of Conduct demanded to know just how we could defend such a statement. (By this time a New York State Supreme Court judge had found that it was fair comment to label these people anti-Semitic.) To cite their letter of August 26, 1982, Conduct was concerned "that issues of bigotry would become an issue in anyone's campaign."

Tom Schwarz stopped everything, and prepared a brief two inches thick.

On September 18, just days before the general election campaign, we were acquitted in a letter from R. Peter Straus. But it was close.

Did New York learn anything? Well, something. The following year LaRouche candidates filed candidates for each of the nine positions on the District 6 Community School Board election in Upper Manhattan. State Senator Franz Leichter, Assemblyman John Murtaugh, and City Councilman Stanley Michels, who represents the area, spotted this. The School District election turnout is light. A determined and organzied minority could easily get in. They called me. We arranged a press conference on the steps of City Hall. We were joined by labor leaders Victor Gotbaum and Albert Shanker, and most importantly Mayor Koch. I made it a national issue. Michels and Koch a City issue. Gotbaum and Shanker an education issue. And we won. Every LaRouche candidate lost. They got just 475 votes of some 14,500 cast.

But that did not stop them. As we saw in Illinois; as we see around the nation.

It comes to this, or so I believe. In an age of ideology, in an age of totalitarianism, it will not suffice for a political party to be indifferent to and ignorant about such movement.

Democrats have been. It is part of the general decline in interest in political ideas that I have been watching for years, and writing about of late. In 1980, I wrote in the Washington Post that the Republicans had become a "party of ideas" and asked if we had ceased to be. I want to be careful in what I say. I don't know how I could demonstrate that there has been a decline of such interest in our Party. But surely there has been a decline in the prestige of intellect. Else how to explain Illinois in 1986? How to explain the New York City mayoral campaign of 1981?

Last October in the Sol Feinstone lecture at West Point I speculated a bit on the seeming inability of our foreign policy leaders to read the underlying ideological messages that were coming out of Asia during the period of the Vietnam War, specifically

[1] Here, if you can stomach it, is a sample of "jokes" from an earlier column in New Solidarity:

Ethnic Studies:

Q: What potion do Zionists use in the mass-suicide ritual known as the "Masada complex? A: No poisons, just a massive overdose of chicken soup. It works every time.

Sociology: Q: What's the meaning of "gay rights movement"? A: A Nazi faggot dancing the hora.

Koalas Beware: Q: What are Rupert Murdoch's sexual preferences? A: Strictly from down under.

the indications of huge tensions, even conflict between the Soviet Union, the Peoples Republic of China, and North Vietnam. I sense something the same here. I suppose LaRouche explaining that the World Council of Churches, itself controlled by British (their code word, incidentally, for Jewish) intelligence, and its U.S. branch, the National Council of Churches, are in turn controlled by the "Anglo-Jesuit penetration" using Georgetown University as a base, sounds nutty.

Yet in troubled times there are troubled people who will listen. A year ago, January 31, 1985, Mike McKeon of McKeon & Associates of Joliet, Illinois, in a poll of trade union households in Illinois found a distinct "movement away from traditional voting trends by union members and their families." Mr. McKeon warned of "the growth of the LaRouche party in areas plagued by crime and unemployment." He noted that among those who expressed a willingness to vote for LaRouche party candidates, "most had no idea of what the party stood for, but were fed up with the way the two major parties were handling crime and unemployment issues."

We know of the current appeals by the LaRouchites—Nuremberg trials for drug pushers, the takeover of the Continental Bank where the money "is laundered"; quarantine for AIDS victims. What will they seek in the future, and end to the British-Jesuit-Zionist-KGB connection?

The future of the Democratic Party is threatened. It is our party that has been tarnished in Illinois. Where next? If we don't think about the LaRouchites, and talk about them, we could lose to their like. And lose much more.

I close with this excerpt from an editorial in today's Washington Post:

"The Democratic Party, the press and the voters who now claim to have been hideously surprised all bear some responsibility for what happened, if what we are talking about here really is, as we devoutly hope, a failure of information. If it turns out that such candidates continue to win even when voters realize who they are and what they stand for, this country is in much bigger trouble than the returns from Illinois seem to signify at the moment."

KENNEDY FARM ADVISER CALLS FOR END TO FARM PROGRAMS

Mr. HELMS. Mr. President, among the most helpful sources of advice to the Congress in formulating the 1985 farm bill was the input provided by former Secretaries of Agriculture and other distinguished agricultural policy experts from previous administrations.

At one stage of the debate in 1985, four former Secretaries, including Secretary Freeman from the Kennedy and Johnson Administrations, Secretary Hardin from the Nixon Administration, Secretary Butz from the Nixon and Ford Administrations, and Secretary Bergland from the Carter Administration, met in Washington to express their views on the legislation pending before the Congress. While these four former Secretaries of Agriculture—two Democratic and two Republican—perhaps did not totally agree as to an ideal farm bill, they did share a consensus that the legislation should provide for a transition to a market-oriented agriculture, including significantly lower loan rates.

Mr. President, this policy input process has continued since the farm bill was enacted in December 1985. Recently, in the premiere edition of the American Agricultural Economics Association's magazine entitled Choices, Dr. Willard Cochrane, professor emeritus at the University of Minnesota and former policy adviser to President Kennedy and Secretary Freeman, spelled out his position regarding current farm commodity programs. Specifically, he recommends that the programs be eliminated immediately.

In the Choices article, Professor Cochrane articulates his reasons for abolishing the current commodity programs. He explains that the structure of farming has changed dramatically since the current programs were originally enacted and that the benefits of the farm programs generally accrue to a more concentrated group of landholders.

Because Professor Cochrane's views are widely respected by members of the agricultural economics profession and many public officials, including Members of the Senate, I ask unamous consent that the article be printed in the RECORD so that Senators may have an opportunity to read it.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From Choices magazine premiere issue]

A NEW SHEET OF MUSIC: HOW KENNEDY'S FARM ADVISER HAS CHANGED HIS TUNE ABOUT COMMODITY POLICY AND WHY

(By Willard W. Cochrane)

The displeasure with present-day farm policy is apparent wherever you go—among farmers, urban consumers and taxpayers, politicians and policy-oriented economists. They're all unhappy with farm policy in general and with the commodity programs in particular.

This is particularly true with respect to agricultural economists of my generation—many of whom were once strong supporters of the commodity programs. They now feel those programs no longer serve their intended purpose—namely, to provide income support and protection to all farmers.

Speaking specifically for myself, I have become so disenchanted with the commodity programs, as they operate in the 1980's, that I'm now convinced we should do away with those programs completely. In fact, they should be eliminated immediately.

WHY I'VE CHANGED MY THINKING

Why has my position changed so drastically since I was policy adviser to President John F. Kennedy and Secretary of Agriculture Orville Freeman? Certainly not because the food and agricultural sector has become more stable. The same basic forces—that is, the interactions between a severely inelastic aggregate demand for farm food products and unpredictable shifts in aggregate supply—are generating instability in the 1980's that were at work from 1900 to 1980. And with the integration of the U.S. farm economy into the world economy, that instability has become sharper, wider and more unpredictable.

However, I would eliminate the commodity programs—immediately—for three important and inter-related reasons.

First, the structure of farming has changed substantially over the past 40 years. Through a massive decline in the total number of farms and the concentration of productive resources into the hands of fewer and fewer and larger and larger farms, 12 percent of U.S. farmers now produce and sell about 70 percent of the total national farm product. There are some 300,000 farmers, each of whom grosses over $100,000 per year, in this grouping.

It should come as no surprise then to learn that these large farmers benefit most from commodity programs by receiving some 45 percent of direct government payments for participating in the programs.

The indirect income benefits from these programs to the large farmers are far more important than the direct government payments. Recent studies have shown that income benefits of the commodity programs in the 1980's appropximate $6 to $7 billion per year because market equilibrium levels through such devices as acreage controls commodity additions to the Farmer-owned Reserve and commodity take-overs under the loan program. Since 300,000 large farmers produce and sell 70 percent of the total farm products, it is reasonable to deduce that those same farmers receive some 70 percent of such income benefits.

I see no reason why I or other urban income earner should be called upon to pay taxes and higher-than-equilibrium prices on farm food products to provide an income subsidy to these large farmers. And these are large farms—controlling, on the average, assets that were valued in 1983 prices at over $1.5 million per farm.

FARMERS ON A TREADMILL

My second reason for wanting to eliminate commodity program is to me more important than the first. Any innovator who adopts a new practice which reduces his cost structure will, as a result, either reduce his losses or increase his profits. But as more and more farmers adopt the practice, total supplies are increased and the gains of the early adopters are eroded away under a free market system through failing prices in the competitive process. This is the familiar Treadmill Theory.

But how do the gains of the early adopters and those that follow get competed away where the commodity programs hold market prices above free market equilibrium prices?

Not by failing market prices—the commodity programs were designed to prevent just such an unpleasant experience. With price-supporting commodity programs in place, the early-bird innovators who adopt a cost-reducing practice, and those who follow, see their profit positions maintained. Thus they seek to expand their farming operations and increase their total profits.

But with a fixed land base, these innovative operators can expand their operations only by acquiring land from their neighbors. This they do by using their favorable profit position to bid land away, through purchasing or renting, from the less aggressive, less capable farmers in their local areas.

The early adopters thus become larger operators, and the total number of farmers declines in a situation of rapid technological, managerial and commercial advances cou-

pled with price and income support under the commodity programs.

The competitive end result of a no-profit position for the early adopters is not avoided, however. As the competition for scarce land increases it drives up land prices for the early adopters as well as for everyone else.

In this competitive process the early adopters become large operators and wealthy land owners, and their less capable neighbors fall by the wayside. Borrowing the term from my friend, Phil Raup at the University of Minnesota, I have described this whole process under the shelter of the commodity programs as a *cannibalistic process.*

In a situation of rapid and important technological, managerial and commercial advances, the early adopters of those practices will have an important advantage over their laggard neighbors in expanding their operations with or without the commodity programs. But the commodity programs provide a perfect protective cover for expansion, since it is not until a significant number of operators actually expand their operations that land prices begin to rise and the profit position of the early adopters is eroded away.

By that time many early adopters will have already become large operators. Thus, we see that the commodity programs developed originally to support and protect the incomes of all farmers have become a vehicle for doing in the laggard farmer.

In this connection it is not my position that roadblocks should be placed in the way of aggressive, innovative farm operators. But neither do I believe that all of American society should be required to pay in one way or another for the now very expensive commodity programs which help concentrate productive farm resources into the hands of fewer and fewer and larger and larger farmers.

A CATCH-22 SITUATION

Thirdly, the benefits from each commodity program level are quickly bid into higher land values through the dynamic and competitive process described above. And these higher land values become increased costs which must be met in succeeding production periods.

The increased price of land, as a cost, thus forms the basis of an argument to increase program benefits in succeeding years. Benefits must rise, so the argument goes, to enable "average" farmers to break even and stay in business.

The commodity programs, coupled with rapid and signficant technological, managerial and commercial advances, thus have created a Catch-22 situation with a built-in self-propelling dynamic for further increasing farm program benefits and thus farm program costs.

A a result, commodity program expenditures for supporting farm prices and incomes rose to almost $19 billion in fiscal 1983 (with another $10 billion of commodities for PIK payments). They declined to a "mere" $7 billion in fiscal 1984 and rebounded to $18 billion in fiscal 1985. Rising land values in a situation involving substantial commodity program benefits, coupled with rapid and signifcant technological, managerial and commercial advances, constitute a real phenomenon. But the concept of an average or typical farmer is a fiction.

What we have had in American agriculture for 30 to 40 years is a relatively small group of innovative, aggressive farmers who, at the existing level of price and income support, have made good to excellent profits and have used those strong profit positions to expand their operations by acquiring the land and other productive assets of their less capable neighbors.

Increasing price and income supports to assist "average" farmers who are in financial difficulties has, in reality, improved the profit position of the innovative, aggressive farmers. This, in turn, has increased the innovative, aggressive farmers' capacity to cannibalize the very farmers that the higher price and income support were supposed to help.

Meanwhile, many, if not most, farm politicians, farm leaders and farm economists have been standing on the sidelines—wringing their hands over the demise of the family farm. It is time to stop this foolishness. It is time to get rid of the commodity programs!

THE OBSTACLES

It might seem wise, in light of the substantial commodity program benefits that now flow to the farm sector, to phase out the commodity programs gradually, say over a 5-year period. This phase-out would give farmers an opportunity to make financial and production adjustments to an uneven decline in farm prices, the loss of government payments and an almost certain decline in land values.

In a rational world that would be the best solution. But, unfortunately, we don't live in a rational world.

The commodity programs are held in the vice-like grip of two closely related groups: the commodity trade associations that represent farmer-producers in Washington, D.C., and their corresponding commodity subcommittees of the House and Senate Agricultural Committees.

These two groups are controlled, or influenced if you prefer, by the same constituents, namely, the large, affluent producers who get 70 percent of commodity program benefits. Consequently, these two groups work as a team to achieve the legislative goals of their large, affluent producer constituents.

Over the years the two groups working together hand in glove have learned how to obtain the most that is attainable in the legislative process for their producer constituents. Hence, they are not about to acquiesce in any action that would terminate the commodity programs either immediately or gradually.

THE MYTHS THAT BIND US

Buttressing the power politics which protect and support the commodity programs on Capitol Hill are two beliefs widely held by the American public. These beliefs are deeply imbedded in the conventional political wisdom of the nation.

The first belief holds that there is an average or typical farmer of moderate size and moderate means who does not receive a fair return for his labor, management and capital invested, and that the commodity programs are necessary to help that farmer earn a fair return.

The second belief holds that, if this average or typical farmer should fail in the absence of commodity programs, his productive resources would go out of production, supplies would be reduced and food prices would rise.

Neither of these beliefs are grounded in reality as of 1985 and have not been for many years. They are myths. But they are myths with the force of reality, because they are accepted as the truth by much of American society.

Today, we have fewer than 300,000 large farm operators each of whom gross over $100,000 per year. Many of these farmers have become wealthy landowners. Some of them are innovative, aggressive operators who are prospering and expanding the size of their operations in the mid 1980's. Some portion of them will go out of business in 1985–86 as the result of bad investment decisions made in the late 1970's and early 1980's.

Below this class in size are nearly 400,000 farm operators who gross between $40,000 and $99,000 per year. A few of these operators are making it financially and moving up in size. But many are failing and going out of business each year, and most are struggling to survive with the aid of off-farm employment.

Then there are nearly 1.5 million "farmers" who gross less than $40,000 per year off the land. These are farmers in name only; most of their net income comes from working full-time off the farm.

In summary, there is no such thing as an average or typical farmer in the 1980's, and the earnings of these farm families range from huge down to the poverty level.

With regard to the second belief, when a farmer fails and goes out of business, his productive assets do not stand idle. His land will be quickly acquired through purchasing or renting by an aggressive neighboring farmer who is seeking to expand his operation. The livestock and equipment will be purchased at a farm sale by thrifty neighbors looking for good buys.

In all likelihood the land acquired by the aggressive neighbor will be incorporated into a more efficient operation than the one from which it came, be farmed more intensively than it was previously, and turn out a greater total product. In the usual case, the demise of a struggling farmer and the reorganization of his assets among his neighbors will increase the total supply of farm products, not diminish them. Our conclusion, then, is that commodity programs will not be terminated easily or readily. Substantial obstacles stand in the way: erroneous beliefs about the structure of farming and the behavior of farmers, a powerful coalition of forces at the Congressional level working to protect and strengthen the commodity programs, and fallacious analyses regarding the consequences of the programs in the dynamic farm economy.

CAN IT BE DONE?

Then what could terminate the commodity programs? In my judgment, it will require an urban revolt against farm legislation or some crisis such as the current budget deficit to terminate the commodity programs. It can be hoped that the deficit crisis in combination with an urban revolt will eventually produce a farm bill minus the commodity programs in 1985. (This article was written in September, 1985).

But such a development seems unlikely since urban dissatisfaction with the commodity programs is far from a white heat, and the deficit crisis is being overwhelmed by the farm crisis. It should further be recognized that an urban revolt in Congress, if and when it occurs, is not likely to produce a gradual, orderly phase-out of the commodity programs.

The revolt could be hastened up, however, by disseminating the right information in the right places. That, of course, is one purpose of this essay.

I admit that the essay will have little or no influence on those people in Washington

(administration officials, legislators and lobbyists) who presently control and manage the commodity programs or on the large farmers who are the principal program beneficiaries.

But this article might help sway three groups who have mistakenly believed that commodity programs serve to keep small to medium-sized farmers in business:

—Those few farm leaders who are genuinely interested in keeping as many farmers on the land as possible.

—Congressional leaders who really want to reduce government expenditures.

—Those urban leaders in Congress and within the Administration who would like to lead a revolt against conventional political wisdom.

IS NOW THE TIME?

If you accept my arguments regarding the need to eliminate the commodity programs, you might reasonably question whether now is the time to take such drastic action. After all, the farm economy is depressed and many farmers are going out of business. Would not the complete elimination of commodity programs now put an additional and severe burden on our already hard-pressed farmers?

The answer to that question is "yes". The farm sector and the farmers in it would lose both the direct and indirect benefits flowing from the commodity programs. And that action alone would probably push a few more farmers over the brink and into business failure.

The farmers who seem destined to fail over the the next two years made wrong investment decisions in the late 1970's and early 1980's. They bet that inflation would continue, farm exports would remain high, farm product prices would soar and the real rate of interest would remain close to zero.

With this expectation they mortgaged their existing assets, borrowed all the money they could and expanded their operations by buying very high-priced land and expensive modern machinery. Farmers, large and small, turned speculators in the late 1970's.

Their expectations were not realized. Inflation was tamed, exports declined, farm prices declined modestly and the real rate of interest soared. Now these farmers cannot meet their loan payments, and they are losing—or are in danger of losing—their entire operations to their creditors.

Continuing the commodity programs at their present level of benefits will not save those farmers who bet wrong in the 1970's and early 1980's. They cannot make it financially at the 1985 level of farm prices and the interest rates they are obliged to pay.

And if by some miracle the level of commodity program benefits could be raised enough to save those farmers making wrong investment decisions, that level of benefits would create a bonanza for that small percentage of farmers who are currently prospering. It would further cost American taxpayers and and consumers many, many billions of dollars in the form of direct payments to farmers and increased food prices.

Further, and in line with the arguments of this essay, it would create the incentive and the profit position for the prospering farmers to buy out their less prosperous neighbors who were and are just barely surviving economically.

WHAT'S NEEDED NOW

What the farmers about to go out of business need is not a continuance of the commodity programs. What they need is a credit program that would refinance them at much lower rates of interest and more favorable repayment terms than were a part of their original loans.

But this raises an important set of questions. In a reasonably free economic society such as ours, should the government be expected to bail out each and every business person who made a wrong investment decision? And if the answer is "no" as a general proposition, why should the government be expected to do this for farmers?

I am inclined to doubt that the government should assume the responsibility of bailing out those farmers who made bad investment decisions in the late 1970's and early 1980's unless it can be shown that the government caused their investment decision to turn sour.

In the case of farmers who are about to go broke as a result of investment decision made back in the 1970's, the situation is somewhat ambiguous. They were not advised by the government to expand their operations, although they may have received such free advice in the local coffee shops.

But those farmers are suffering now from effective public policies to curb inflation and ineffective public policies which have resulted in an overvalued dollar and a decline in farm product exports.

Thus, the government's responsibility in this case is debatable. And it has been debated and will continue to be debated. It is my guess that the government will assume a part of the responsibility, but will take the wrong corrective action.

The current farm depression and the imminent danger of many thousands of farmers failing will be used as an excuse in Congress to maintain commodity program benefits at or near recent levels in spite of the national deficit crisis.

In such an event the federal deficit will not be reduced by as much as would be desirable, and the current strong incentive for the large, innovative, aggressive farmers who made the right investment decisions to gobble up their less-able neighbors will remain—and the resource concentration process in agriculture and be expected to continue and perhaps speed up.

GOVERNMENT INTERVENTION STILL NEEDED

Some of you who have known me for decades may be saying "the old codger is becoming conserative in his old age." That is not the case. I remain an unreconstructed New Deal Democrat. The ideal farm economy, in my view, is one with many, many relatively small family producting units; where the monopololistic elements in the distributions system are at a minimum; where those farmers who produce abundantly and efficiently are rewarded with a fair and stable return; and where consumers are assured of an adequate, healthful food supply, fairly distributed.

But such an economic world requires direction and intervention from the governing body (as with the National Football League) to make the economic game reasonably efficient and tolerably acceptable to all participants (producers, middlemen and consumers).

There are some large, difficult problems in the food and agricultural sector that are beyond the capacity of a single farmer—a group of farmers or—the affected consumer groups to cope with. Hence, there is a need to take collective action at the state or federal level to deal with these problems.

Thus, I still see the need for governmental intervention in the food and agricultural sector in numerous ways. I will tick off a few of them. Each of them merits separate articles in this magazine.

1. Supporting agricultural research.

2. Providing food assistance to the poor and the down-trodden at home and abroad.

3. Protecting the consumer through food inspection and regulation.

4. Protecting and conserving this nation's soil and water resources.

5. Expanding farm exports by coping with the overvalued dollar problem and reducing foreign trade barriers.

6. Operating a grain reserve program with the capacity to dampen world grain price fluctuations and thereby help stabilize the U.S. grain/livestock economy.

7. Targeting medium-sized farmers (those grossing $40,000 to $100,000 per year) for special assistance. This could take various forms, such as management assistance, subsidized production credit, and plans and credit to modernize and possibly expand the operation's size.

8. Possibly developing a special program to help farmers, large and small, who are caught in the current credit crunch to refinance their farming operations and survive.

So I would not walk away from the food and agricultural sector and leave it and its participants to swing in the unpredictable breezes of the free market. The production and distribution of food in every civilized nation is considered too important to be left to the unseen hand of Adam Smith.

U.S. MANUFACTURING SACRIFICED ON ALTER OF FREE TRADE

Mr. THURMOND. Mr. President, recently an editorial entitled "U.S. Manufacturing Sacrificed on Alter of Free Trade" appeared in the State newspaper in South Carolina. This insightful commentary was written by Roger Milliken who is the chairman and chief executive officer of Milliken & Co., a Spartanburg, SC, based manufacturing concern. Mr. Milliken also serves as chairman of the Crafted With Pride in the U.S.A. Council.

In this editorial, Mr. Milliken points out that a wholesale transfer of American economic strength to other nations is underway. He warns that as the industrial base of our Nation declines, we stand to lose our status as a world power. To support that conclusion, Mr. Milliken discusses the experiences of Spain in the 17th century and of Great Britain in the 19th century. Both of these nations lost their world preeminence when they allowed foreign products to dominate their markets.

Mr. Milliken sees the same thing, unfortunately, happening to America. As he points out, "the American industrial base is the strategic core of the free world's defenses."

Mr. President, we must assure the survival of our manufacturing sector if we are to remain a world power. I commend my good friend Roger Milliken for this timely piece and urge all of my colleagues to read it carefully.

Mr. President, I ask unanimous consent that the full text of the article

from the State be included in the RECORD.

There being no objection the article was ordered to be printed in the RECORD, as follows:

U.S. MANUFACTURING SACRIFICED ON ALTAR OF FREE TRADE

(By Roger Milliken)

Questions of trade policy have moved to the top of the list of issues that preoccupy government policy makers. Unfortunately, this country does not have a consistently sound and accepted trade policy or framework for determiming what is in the national interest. Therefore, in the eyes of many people, America's trade problem is no more than a traditional confrontation between free traders on one side and protectionists on the other.

Nothing could be further from the truth. Trade policy questions today are different. The stakes have never been this high before. We are not talking today about the loss of imports of a few percentage points in market share. We are talking about the wholesale transfer of economic strength to other nations and the resulting decline in American power. This transfer is well under way. How much longer can we afford to watch as out policymakers, guided by an inappropriate theoretical framework, permit this transfer to continue?

Under our current reckless application of the "free trade" model, the American economy will continue to move away from manufacturing, and with the decline of its industrial base, will lose its status as a world power. History suggests that this is no idle threat, as the earlier examples of Spain and England illustrate.

THE SPANISH EXPERIENCE

Spain at the height of its power was the first true world empire and for about 100 years the dominant power in Europe. Interestingly, it took Spain a century, from 1480 to 1580, to attain political preeminence and another century to lose it. By the end of the 17th Century, Spain had fallen back into the ranks of the second-rate powers. For a time, Spain, like us, had one of the higher standards of living. It had plenty of gold and silver with which to buy imports.

Spain had intellectuals and government officials who had many of the same ideas, particularly on international trade issues, as their counterparts in the United States have today. For example, the idea that the United States can continue to import indefinitely larger and larger quantities of manufactured goods, without worrying about the declining exports and the demise of domestic manufacturing, corresponds very closely to the views of Spanish officials in the 17th Century.

Although it required considerably more effort to mine and transport gold from Spanish mines in Central and South America than it takes to print paper dollars, the living was easy, especially for those who were part of the system. Members of the aristocracy, administrators, merchants, "information processors," and others in the service economy of Spain, were pleased with themselves. So pleased, in fact, that laws were passed which placed a stigma of social dishonor on the manufacturing occupations. Eventually, as one contemporary observer said, "any no-good wretch would die of hunger before he would take up a trade."

Others saw in Spain the "spectacle of a nation which is dependent on foreigners not only for its manufactured goods, but also for its food supply; while its own population goes idle, or is absorbed into economically unproductive occupations."

As imported products carried in foreign ships poured into Spain, the increasingly larger trade imbalances were made up in gold and silver, and the unsatisfactory state of trade, which involved the transfer of Spanish raw materials and precious metals for higher value-added foreign manufactured goods, caused much concern to Spain's economic writers.

They identified the root causes of Spain's troubles as:

1. High taxes.
2. Love of luxuries.
3. Pursuit of idleness.
4. Diversion of the population into unproductive occupations.
5. Mania to attain the status of knight or hidalgo.
6. Aristocratic and religious ideals which held manufacturing occupations in contempt.

The leading writers agreed on both the diagnosis of their country's problems and the principal features of the cure: A change in economic relations with the rest of the world and extensive internal reforms.

They demanded special incentives and tax concessions to "labourers and married men, so that the fields might be brought back to cultivation, and the countryside be repopulated." Unfortunately for Spain, they were largely ignored.

As Spain's economy deteriorated, beggars and displaced workers crowded the roads and cities. The excessive reliance on imports to supply the country's needed manufactured goods did not produce employment for Spanish labor. As in the United States today, the displaced workers did not all find acceptable employment in the service sector of the economy.

When the gold finally ran out, Spain's import-supplied world empire collapsed. Long-term wealth went to those in other countries who produced and exported. To this day, Spanish living standards are low for Europe.

THE BRITISH DECLINE

By the middle of the 19th Century, approximately 150 years after the final collapse of Spanish power and influence, the British Empire's preeminence in the world was unquestioned. The British Empire was built and prospered under a highly protected economic system. For some historians, it is, therefore, all the more surprising that Adam Smith launched his attack on protectionism from England, the leading economic power of its day and the most successful practitioner of mercantilism.

It was under the imperial system of trade management that the British began to industrialize. A half-century after Adam Smith, the highly protected British industries had achieved technological and managerial advantages over their rivals in the rest of the world. With the competitive superiority of British manufacturers taken for granted, the government then embraced and implemented the model of free trade.

At first, perhaps because it was fashionable to copy British ideas and institutions, the power of the new free trade theory was persuasive enough to be considered by other nations. But these other nations soon found that they could not compete with the more advanced English manufacturing industries.

Emerging industries in other countries needed protection. France, Germany, the United States and, later Japan, protected their industries.

As England's competitors rose to economic power behind their own walls, the relative position of England declined. Hit hard by foreign competition, the open British Empire was flooded by imported manufactured goods by the beginning of the 20th Century. Like the Spanish experience, 200 years earlier, Englands's economic and military power declined relative to that of its rivals.

U.S. PARALLELS

How relevant are the Spanish and British case histories to us today? For the moment, imported products are easily obtained from eager sellers for paper dollars that cost next to nothing to create. The defenders of this practice seem to have forgotten that the causes of wealth are different from wealth itself. Only those nations that protect their ability to produce wealth through a healthy manufacturing sector can count on a high standard of living in the future.

For the United States, the gold will probably run out when the dollar ceases to be an overvalued international trading and reserve currency. Would it not be prudent to make sure today that when gold runs out, our manufacturing sector is intact? The Spanish example suggests that long-term wealth does not belong to consumption-oriented and import-supplied service economies.

I suggest there is a need to reject the free-trade dogma which conditions Americans to accept the decline of our manufacturing sector as a natural process in the evolution of economic systems which should not be resisted.

Smaller nations may be free to abandon whole sectors of their economies on purely economic grounds. But the United States cannot follow this practice. Whether we like it or not, the American industrial base is the strategic core of the free world's defenses.

An intelligent trade policy which assures the survival of our manufacturing sector would not solve all our problems. But I believe that whatever a nation's problems, they are made worse by the displacement of domestic industry by foreign competition.

The United States must stop sacrificing its manufacturing infrastructure on the altar of free trade—a god no other nation worships.

Thomas Jefferson said, "To be independent, for the comforts of life, we must fabricate them ourselves—manufacturers are now as necessary to our independence as to our comfort.' This was in 1816. Is it any less true today?

Mr. STAFFORD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. STAFFORD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is closed.

WATER RESOURCES DEVELOPMENT ACT

Mr. STAFFORD. Mr. President, I ask unanimous consent that the Senate temporarily lay aside the motion to proceed to S. 1017 and proceed to the consideration of S. 1567, the water resources bill.

The PRESIDING OFFICER. Is there objection?

Mr. SARBANES. Mr. President, reserving the right to object—and I will not object—as I indicated last night to the majority leader, I am anxious to cooperate with him in moving forward with the matters ahead of us—the water resources bill and the Contra aid provision. The majority leader and I have discussed the airport bill, and I hope we can work out an agreement to take up the airport bill after the recess, at an appropriate time, and then proceed to consider it in a reasonable manner with respect to the amendment process.

The water resources legislation for which permission to proceed to S. 1567 is sought, is very important, and I commend the chairman, the ranking minority member, and the other members of the committee for the very fine work they have done. We have been a long time without a water resources bill, and it is very important that we take up and pass this legislation. Therefore, I do not object to the request. In fact, I very strongly support it.

Mr. BYRD. Mr. President, reserving the right to object—and I will not object—I just want to commend and to thank Senators STAFFORD, MOYNIHAN, ABDNOR, and BENTSEN and others for the consideration they have shown with respect to the bill. I thank them for the patience they have demonstrated, and I deeply appreciate, personally, the consideration they have given to matters that were of some concern. They have been patient, cooperative, and understanding, and I am grateful for that.

I have no objection.

Mr. STENNIS. Mr. President, if the Senator will yield, I want to thank and highly commend the Senators for the hearings they have held, the patience they have shown, and for their skill and know-how over a period of years—9 years as I understand it. This bill is very far reaching.

Soon after I came to the Senate, I was on a subcommittee, an ex officio member, in public works, and I learned about the country and its problems.

I thank the Senators.

Mr. STAFFORD. Mr. President, I thank the able minority leader and the most distinguished Senator from Mississippi, Senator STENNIS, for their kind remarks, and the Senator from Maryland as well.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

A bill (S. 1567) to authorize the Secretary of the Army to construct various projects for improvements to rivers and harbors of the United States, and for other purposes.

The Senate resumed consideration of the bill.

Pending:

Stafford (for Armstrong) amendment No. 1688, to modify a project for flood control on the Platte River, in Colorado.

Mr. BENTSEN addressed the Chair.

Mr. STAFFORD. Mr. President, will the Senator withhold a minute?

Mr. BENTSEN. Yes.

Mr. STAFFORD. We need to make another motion here.

I now ask unanimous consent that the committee amendment to S. 1567 may be set aside and the Armstrong amendment called up.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 1688

(Purpose: To modify a project for flood control on the South Platte River, Colorado)

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Vermont [Mr. STAFFORD], for Mr. ARMSTRONG, proposes an amendment numbered 1688.

Mr. STAFFORD. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 65, between lines 5 and 6, insert the following:

SEC. 337. Section 88(c) of the Water Resources Development Act of 1974 is amended by—

(1) inserting after "encroachments" the following: "(other than the Mineral Avenue/Ken Caryl Road extension and associated transmission lines)"; and

(2) inserting "significantly" after "areas which would".

Mr. BENTSEN. Mr. President, I would like to thank my distinguished friend, the Senator from Mississippi. I know that much work that has been done by this committee has been due to him and that he has been helpful to each of us when we have problems in our States.

This bill, S. 1567, implements a major transformation in the way water projects will be built in the future.

What we had in the past was a situation where power plays were used to authorize water projects based on the exercise of political muscle and influence. Sometimes legislation was enacted in the dark of the night, and sometimes it was enacted when practically no one was on the floor.

With passage of S. 1567 there will be little incentive for that kind of activity. With this bill financial participation by the local communities will be required. Unless they are willing to put up their share of project costs, the project will not be built. The Federal Government will still play a very major role in the infrastructure of our country. Our infrastructure is in serious trouble; it has not been adequately maintained and it has not met the growing demands of the population of this country. Under the provisions in S. 1567 we will begin to construct and maintain projects based on a Federal determination that each project has merit and based on the local determination that the project is worth paying for.

What we have before us is a very major piece of legislation. I am delighted to have been able to participate in it.

The distinguished chairman of the full committee, Senator STAFFORD, has made a very major commitment and contribution to this legislation, as has Senator ABDNOR, the chairman of the subcommittee, and my good friend, Senator MOYNIHAN from New York, who, like me, represents a State of great population and geographical size. New York has some major projects in this bill, but Senator MOYNIHAN participated in the development of this legislation with the kind of judgment necessary to insure that we will be able to totally justify the projects that we are authorizing.

I congratulate each and every one of these distinguished Senators for their work.

Mr. MOYNIHAN. Mr. President, I will just add a few remarks. I, too, wish to thank our revered senior statesman from Mississippi for his kind remarks, and the minority leader, Senator BYRD, who spoke of our patience during the past week.

In reply I say to the distinguished Senator from West Virginia that I am now in my 10th year on this committee, and this is the first bill we have brought to the floor. We have learned patience. I assure him that 7 days' delay is of no consequence whatever. On the contrary, the bill is strengthened by a well-reasoned agreement.

I would like very much to join with the ranking member of our committee, the Senator from Texas, to say that the Senate in this act is transforming the approach to the first major internal activity of the U.S. Government—water resources development. The Federal role began with a decision by Justice John Marshall which allowed New York State to regulate steamboat traffic on the Hudson River. This case, decided in 1824, was Gibbons versus Ogden. There ensued a great battle between the Jacksonians and the Whigs during the 1830's and 1840's over internal improvements. Finally, those who sought this responsibility for the Fed-

eral Government prevailed, and the result was development of the Ohio, Mississippi, and Missouri water systems. The Government continued to build the great reclamation systems in the West hydroelectric projects, and more elaborate navigation improvements. These have always been wholly federally funded projects.

The day came when the optimum projects had been built, and Senators began to regard water projects as free goods. Thus many inefficient allocations were authorized piecemeal in the manner which the Senator described—sometimes in the middle of the night or when few were in attendance on this floor.

What the Water Resources Development Act of 1986 introduces is a market test and a Federal principle. The Federal Government will share in activities with State and local governments, and together we will make a judgment whether it really is worth deepening a harbor or building a flood control project. In this fashion we will resume a major national enterprise. I think the sooner we get on with it the more likely it is to happen. We do not want to press our luck.

Mr. BENTSEN. Just press our locks.

Mr. MOYNIHAN. That's right—just to press our locks.

Mr. STAFFORD. Mr. President, unless there is debate, I move the adoption of the Armstrong amendment. I believe it has been cleared.

Mr. MOYNIHAN. Mr. President, I would like particularly to thank Senators STAFFORD and ABDNOR for allowing us to hold that amendment over. The Senator from Colorado was gracious in making sure that his colleagues agreed to the matter. I move the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 1688) was a agreed to.

Mr. STAFFORD. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. MOYNIHAN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. LONG. Mr. President, when the Senate considered this measure on March 14, 1986, approval was given to an amendment offered by the Senator from Missouri [Mr. DANFORTH] to establish the jurisdiction of the U.S. district courts over the imposition, computation, or collection of user fees by non-Federal sponsors. I supported this amendment, as did the chairman of the Finance Committee, and it was agreed to without objection.

While I supported the Danforth amendment when it was offered, I also noted that concerns had been raised by public port authorities and bond counsel about the impact of the amendment on the issuance of revenue bonds to finance the local share of project requirements. At that time, I expressed hope that the concerns raised by port authorities and others could be addressed and resolved in conference.

Since the amendment was offered, I have heard from industry representatives who have informed me that they are discussing this issue and will continue to do so in an effort to resolve the outstanding issues to the satisfaction of all parties concerned. I would like to ask the chairman of the Finance Committee if he agrees with the need to seek a resolution of this issue in conference.

Mr. PACKWOOD. I, too, have heard from port authorities, barge interests and liner operators who have expressed a number of concerns about this issue. I would encourage them in their efforts to reach an accord and would agree with the Senator from Louisiana that we should try to resolve this issue in conference.

Mr. LONG. I thank the chairman.

The PRESIDING OFFICER. The question before the Senate if the committee amendment.

Mr. BYRD. Mr. President, will the distinguished manager of the bill momentarily delay?

Mr. STAFFORD. Yes.

Mr. BYRD. Mr. President, based on the assurances that have been given me by committee staff people on both sides of the aisle, I have no problems with this amendment.

The PRESIDING OFFICER. If there be no further debate on the committee amendment, the question is on agreeing to the committee amendment.

The committee amendment was agreed to.

Mr. STAFFORD. Mr. President, I move to reconsider the vote by which the committee amendment was agreed to.

Mr. MOYNIHAN. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ABDNOR. Mr. President, if I may, I just want to say how much I appreciate all the kind remarks that have been made about the leadership on this bill. I will say it does represent 5 years of struggle, 5 years plus several months. But every moment of it has been worth it. We come before the Senate with a bill that has been well thought out. We have tried to deal individually with everyone's problems and worked out the problems the best we could. Because of that, we made some real progress here a little over a week ago when we spent a few hours on the bill, and today we hope we can bring it to a conclusion.

I am very pleased to say it has had the support and cooperation of everyone on our committee and just about everyone we had to deal with on the floor.

As was stated when this bill was considered on the floor last week, this is a carefully crafted compromise bill that resolves longstanding controversies surrounding the Water Resources Program of the Army Corps of Engineers. This bill breaks the decade-long impass on corps projects and will allow this program to go forward in a way that is both fair and responsible. It maintains the Federal commitment to wise water resources development without putting an unacceptable burden on the Federal Treasury or on local project sponsors.

The water resources work authorized by this bill is extremely important to this Nation. It includes vitally important and long overdue navigation improvements, sorely needed flood control projects, and a variety of other essential water resources work. These projects will make an important contribution to the economies of our cities, our States, and to the Nation.

This is good legislation, and it is obviously long overdue. I urge my colleagues to support its swift passage.

I yield the floor to my good friend from New York, the ranking minority member of the Water Resources Subcommittee, Senator MOYNIHAN.

Mr. MOYNIHAN. Mr. President, I see that our learned and distinguished colleague, the chairman of the Appropriations Committee is on the floor. I believe he would like to speak on this matter and we would very much like to hear him.

Mr. HATFIELD. Mr. President, I thank the Senator from New York. I would be happy to yield to the Senator for his remarks, as the cosponsor of this bill and one who has labored for 10 years in the vineyard, along with Senators ABDNOR, STAFFORD, and others, to bring it about. I would be happy to yield to him.

Mr. MOYNIHAN. Mr. President, my opening remarks welcome the Senator from Oregon to the floor and thank him for the opportunity to hear him on this matter.

Mr. ABDNOR. Mr. President, if the Senator will yield for 1 second, I question very seriously whether this bill would have ever been on the Senate floor without the leadership and strong support of the Senator from Oregon, who has an interest in water and a great concern for this country. I just wish to thank him for his help. Without it we would not have this bill before us today.

Mr. HATFIELD. Mr. President, I thank the Senator from South Dakota and the Senator from New York for permitting me to make a few brief remarks at this time on a bill that has been journeying down a very long, long road and finally has now been

brought to the Senate and will hopefully be acted upon shortly.

In fact, it has been more than a decade since Congress has been able to develop an acceptable omnibus water resources bill.

Let me say, Mr. President, that this delay is not the fault of my distinguished colleagues at all, especially the leadership that has been demonstrated over the years by the Environment and Public Works Committee. They have worked tirelessly over the last four Congresses to produce legislation that would strike a balance between the needs of our infrastructure and the imperative of our budget deficit. I believe this legislation meets this goal and I congratulate their effort.

The time has come to move forward with this legislation and establish a new era in water resources policy. S. 1567 in its current form makes profound changes in the way we fund operations and maintenance and new construction for our Nation's waterways. It provides a new foundation for replacement of crumbling facilities and provides needed development of our ports to allow us to remain competitive in the next century.

I would like to comment on a few of the navigation provisions.

First, we establish priorities for new development, both on the inland system and at our ports. We acknowledge that not all worthy projects can be included in this legislation, but that some must go forward. We set up a new cost sharing formula that reflects the "market-test" philosophy which meets the administration's concerns while keeping the level of cost sharing reasonable to ensure that development may move forward.

Second, we set up a reasonable user fee for our Nation's ports. The ad valorem fee of 40 cents per $1,000 value has proven through analysis to be the most equitable basis to assess all commodities at all ports on a nationally uniform basis. This is the fee concept I proposed in my bill. S. 865, in the 98th Congress. Ad valorem fees acknowledge the differences in ports' needs and commodity mixes. This is a good step toward balance and equity. We also have placed these funds in a trust fund similar to the highway trust fund.

Last, we have made changes to the inland waterway fuel tax which will guarantee adequate funding for authorizations like the Bonneville lock.

Mr. President, this legislation is a milestone and I believe the committees deserve a great deal of thanks. They have persevered through many difficulties and they should be congratulated. The staff too should be congratulated. I have come to know some of the staff people who worked on this every bit as well as the Members for whom they worked. They have put in hundreds of hours and have helped to make this day possible.

I would like to also pay tribute to my colleague, Senator PACKWOOD, from Oregon, who, through the role the Finance Committee played in the development of this legislation, was very fundamental to its reality coming to a reality, as well.

Mr. HEINZ. Mr. President, I first wish to commend the managers of the bill, particularly Senator ABDNOR and Senator MOYNIHAN, who worked so long and hard on this legislation. This is quite a significant day—after some 10 years of watching and waiting, seeing our navigation system on the rivers, our ports and harbors, literally deteriorate before our eyes. The Senator from South Dakota, together with his colleague from New York, has performed such an important public service to the country in bringing this legislation to the Senate, particularly with the great support that it has behind it.

I can safely say that the Water Resources Development Act that we have before us, S. 1567, marks the culmination of some 9 years of work, effort, and negotiation, both within the Congress and between the Houses of Congress, with the waterways industry, and with several administrations. So this really is an important day in our recent legislative history as we pass this legislation.

S. 1567 authorizes many long-awaited water projects of vital importance to this Nation's citizens, to our natural resources, and to our ports and inland waterways. Like many such efforts, this bill is the product of compromise and is not perfect. But on the whole, I believe that we can take great pride in accomplishing what four previous Congresses have not been able to do—namely, reaching agreement on a responsible omnibus water bill.

Why is passage of this bill so important? First, the bill addresses crying needs in our Nation's navigation system. Water transportation is the lifeblood of America's economy. It is essential for the import and export of many manufactured goods, and the inland transportation of many commodities—coal, steel, and grain among them—that are essential to our prosperity.

I am particularly pleased that the bill authorizes construction of three navigation projects of critical importance to commerce in my State of Pennsylvania—locks 7 and 8 on the Monongahela River, and the Gallipolis Lock and Dam on the Ohio River. Construction of these projects will greatly improve the transportation network that the coal and steel industries rely upon to market their goods both in the United States and abroad, and given the problems plaguing these industries, let me tell you that any improvement is good news.

Let me take just a moment of my colleagues' time to illustrate what this bill will mean to the Pennsylvania coal industry.

It currently takes 45 minutes for a coal barge to move through lock 8 on the Monongahela River. This is hardly surprising, since the lock was built roughly 60 years ago, when people still flew in zeppelins. Following the replacement of lock 8 as authorized in the water resources bill, however, the time it takes for a barge to move through this lock should be cut in half. And with coal barge transportation rates hovering around $150 per hour, this time savings will translate into significantly reduced costs to the industry.

Mr. President, authorization of these three navigation projects will bring $420 million in new investment to western Pennsylvania and the Ohio River Valley. In addition, this legislation will create thousands of new jobs, jobs in our construction industry for those who will work directly on the lock rehabilitation projects, and jobs in all of those industries that rely on water transportation. And I can assure my colleagues that new jobs will be mighty welcome in an area that has not shared in our national economic resurgence.

Mr. President, in addition to navigation projects, S. 1567 provides for many important flood control projects that will help protect citizens and businesses in flood-prone areas. As in the case of locks and dams, these flood control projects represent many years of hard work on the part of State, local, and Federal officials. Of particular significance to me are four important Pennsylvania flood control projects—projects for Harrisburg, Saw Mill Run in Pittsburgh, the Wyoming Valley in Luzerne County, and Lock Haven. In addition, the bill provides further authorization for the shoreline erosion project at Presque Isle in Erie, PA. Finally, I am pleased to report that enactment of this bill would represent the first step toward construction of the Rowlesburg Dam, a project that would have prevented 90 percent of the more than $80 million in damages sustained in western Pennsylvania's Monongahela Valley following last November's disastrous flooding. In all, this bill will bring some $900 million of needed work and improvements to projects directly vital to the Commonwealth of Pennsylvania.

As we all know, one reason we are now able to enact this water resources bill is that we have reached an agreement with the administration and the waterways industry on cost-sharing for the construction and maintenance of these projects. I remain philosophically opposed to such user fees, especially at a time when most barge companies

are struggling just to survive. I believe that the maintenance of our Federal navigation system is truly a national responsibility. Nevertheless, I am willing to compromise in this case because the inland and deep-draft user charges imposed in this bill are tolerable and, in any event, a necessary price to pay to enable and ensure construction of these projects.

I do have one outstanding concern, however, with regard to the cost-sharing provisions in S. 1567 regarding reallocation of storage in existing reservoir projects. H.R. 6 provides that in cases in which a non-Federal interest enters into a cost-sharing agreement with the Corps of Engineers, it should have to pay the cost of original construction project plus the interest rate at the time of construction. I believe that this is a sensible cost-sharing arrangement, which would enable the best use of our existing reservoir system, and that the Senate should seriously consider this approach in the conference.

I am also concerned that S. 1567 does not include a project that is of vital importance to Pennsylvania—the Schuylkill River basin flood control project in Pottstown, PA. This project, which is included in H.R. 6, would deepen and remove obstructions in the channel of the Schuylkill, thus reducing the potential for flooding damages in nearby communities. I would strongly urge the conferees to consider inclusion of this project in the final version of the bill. In addition, I would like to urge the conferees to authorize the Corps of Engineers to continue with studies necessary at the Milton flood control project on the West Branch of the Susquehanna River. Such an authorization is included in H.R. 6, and is important to the citizens of the Borough of Milton and surrounding communities.

Mr. President, if this water bill represents anything, it is the ability of concerned parties—government officials and private organizations—to work together toward a common goal. This bill is as much the product of local initiatives—of employers and affected workers in waterway-dependent industries, of local waterway associations, of mayors and of city councilmen—as it is the product of all of our hard work in Washington. In my area of the country, people like Art Parker of McKeesport, Barry Palmer of Pittsburgh, and Bob Yowell of Lock Haven, and many, many others have played pivotal roles in shaping this bill. To those many citizens with whom I and others have worked for many years in anticipation of this moment, I would like to express my full gratitude and deepest appreciation.

Mr. President, I believe commendation is in order for the majority and minority leaders who have helped immeasurably in shepherding this important bill to passage.

Also, Mr. President, I believe that commendation is in order, as I said at the outset, for the managers of this bill. The Senator from South Dakota, and the Senator from New York really have made this a historic occasion. I join the rest of my colleagues in saluting their very shrewd, wise, and farsighted statesmanship.

I thank the Senator from South Dakota, and the Senator from New York specifically in that regard.

I urge my colleagues to adopt the water resources development bill.

Mr. ABDNOR. Mr. President, I certainly want to thank the Senator from Pennsylvania, my colleague, for his kind words. We believe we have a bill that addresses many of the water resources problems in this country.

Mr. MOYNIHAN. Mr. President, I join with my indefatigable chairman in thanking the Senator from Pennsylvania.

The Senator from Pennsylvania may wonder sometimes how it is that the French discovered Pittsburgh, and Pennsylvania began its westward movement. I would like to say that in this instance that the Pennsylvanians are so much indebted to the State of New York. But it is part of the whole hydrosystem of the United States.

I am sure he knows that in the little hamlet of Barcelona on Lake Erie there is to this day a portage, in the form of a street that leads to a very gentle portage up 15 miles into Lake Chautauqua from which you can swim to the Gulf of Mexico. The Iroquois took the French up the portage, and down to the junction of the Allegheny and Monongahela, and hence the French and Indian wars. And they finally got over the mountains. Without us they might still be there in the lowlands of the Atlantic around Philadelphia.

May I say that I particularly appreciate his remarks about the lock and dam improvements on the Monongahela, and at Gallipolis. If any Member of this body has seen those two installations, they will know why we need this bill. Some of them are almost hopeless. I do not want to exaggerate. But it is terrible to see the Corps of Engineers personnel working with 70-year-old electric motors, trying to keep them going somehow or other, patching them up, and dealing with concrete that is collapsing. The whole enterprise is very much in need of elemental repair, and in this case, reconstruction.

The outdated condition of these locks creates choke points in major commerce. It is in the fundamental interest of the U.S. economy to attend to these repairs. If it redounds to the benefit of Pennsylvania, so be it.

Mr. HEINZ. May I say to my colleague from New York that I think his remarks are as usual insightful, enlightening, and wise. I am glad he has seen those locks and dams. To say that they are in a state of disrepair is to somewhat understate the case.

Mr. MOYNIHAN. They are in a state of dangerous disrepair.

Mr. HEINZ. Dangerous disrepair is adequate.

I thank him for his understanding, together with Senator ABDNOR, to whom we are deeply indebted.

Mr. MATTINGLY. Mr. President, I want to urge my colleagues to support this important piece of legislation. It represents a great stride forward in the essential job of modernizing our Nation's capability to compete in world commerce and trade. It has been far too long since projects were authorized by Congress which will increase the capacity of our inland waterways and deepwater ports and thus allow us to facilitate the efficient movement of both domestic and foreign cargo. This is a subject which has occupied a great deal of my time over the past 5 years, and I want to congratulate the distinguished Senator from South Dakota for his determined pursuit of this matter. The Senator and I have not always agreed on several elements and concepts which were contained in the many previous versions of various water resources bills which we have studied. I am happy to say that the measure before us today addresses most of the major elements upon which we previously disagreed, and upon which we now have reached accommodation.

This legislation also marks a major new initiative in the creation of a stronger partnership between the Federal Government and local sponsors and beneficiaries of water development projects. At a time when we in the Senate are struggling with a horrendous budget deficit, we embark today on a new cost-sharing philosophy wherein the States and localities will assume a greater role in funding these vitally needed projects. We have come to realize that—although these facilities generally benefit the Nation as a whole—they also provide specific and identifiable benefits of a somewhat greater magnitude to the area or region in which they are located. I think that we are recognizing this fact by adopting this measure and the various cost-sharing formulas it contains.

We have come a long way, Mr. President. I remember that back in 1981 there was a great division over the question of whether or not we should mandate cost sharing at all. Many of our colleagues were of the opinion that the Federal Treasury should continue forever to bear the cost of these projects, ignoring the reality of the greater value bestowed upon the immediate project situs and its surrounds. In 1982 the debate shifted to

the question of how best to raise the moneys which would represent the local sponsors' share of the costs, and we then spent another 2 years attempting to craft the legislative vehicle in a manner which would not in and of itself create competitive differences among the Nation's ports, both large and small. Earlier suggestions that all or part of port operations and maintenance fees be levied on a port specific basis which would have created immediate competitive disadvantages for many facilities, thus effectively destroying the national network of waterborne commerce. In today's version, we have settled upon a nationally uniform levy which will allow the continued operation of all deep draft seaports with their diverse capabilities serving distinctly differing cargo needs.

Working as a team, several of us examined all of these factors with great scrutiny. This group included the distinguished senior Senator from Oregon [Mr. HATFIELD]; the esteemed President pro tempore of the Senate, [Mr. THURMOND]; the learned minority leader, Mr. BYRD; our colleagues from Virginia, Mr. WARNER, and from Ohio, Mr. GLENN. We also tried to include features which would make our Great Lakes ports more fully a part of the overall network of facilities which serve the needs of commerce. Well, all those efforts—the prolonged involvement of numerous Senators and the literally thousands of staff hours which were invested finally resulted in raising the issues to a level where they were seriously considered by the Senate Committee on Environment and Public Works, with the Senator from South Dakota [Mr. ABDNOR], serving as chairman of the Subcommittee on Water Resources. Subsequently, it was also given thorough scrutiny by the Senate Finance Committee under the leadership of the Senator from Oregon [Mr. PACKWOOD], with the knowledgeable ranking member from Louisiana [Mr. LONG], providing a steady hand at the helm. I think the measure now pending satisfactorily addresses the major concerns of a great many Senators and offers a reasonable opportunity to proceed with the modernization of America's water transportation facilities in a responsible manner.

Well, Mr. President, I could stand here all day—probably many days—relating the endless efforts which have been devoted to this issue by a multitude of dedicated individuals. I guess 5 years is enough to imbue one with a fairly thorough knowledge of the needs, the conflicts, the concerns, and the compromises which surfaced throughout the somewhat tortured history of this legislation. While I will certainly not take that much of the Senate's time, Mr. President, it would certainly be remiss if we did not recognize the dedicated, professional staff who literally ate, slept, and drank the subject of this bill over the past years. I sometimes wonder if we really know the lengths to which our staff will go, or if we truly appreciate the sometimes sacrifice they make in order to further the objectives of the U.S. Senate. Let me just acknowledge the tireless efforts of those staff who worked with my office the most closely. These would include Tom McGinnis and his successor, Jeff Arnold from Mr. HATFIELD's office; Susan Magill and Roger Sindilar with Mr. WARNER; Randy Ihara from the minority leader's office; Mark McKnight and Pete Kalmala from Mr. THURMOND's staff and John Loftus with Mr. GLENN. These and others, I think, deserved our gratitude and praise for their tireless efforts on our behalf, Mr. President.

I will conclude by again congratulating the committee, committee staff, and urging in the strongest manner that we act expeditiously this evening in adopting this landmark legislation.

AMENDMENT NO. 1709

Mr. MOYNIHAN. Mr. President, I send an amendment to the desk, and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from New York [Mr. MOYNIHAN] proposes an amendment numbered 1709.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place in the bill insert the following: The Congress directs the Corps of Engineers to study offshore monitoring systems as described below.

ENVIRONMENTAL ENHANCEMENT

INFRASTRUCTURE FOR THE NEW YORK BIGHT

A Hydro-Environmental Monitoring and Information System in the New York Bight is required in the form of a system using computerized buoys and radio telemetry that allows for the continual monitoring (at strategically located sites throughout the New York Bight) of: wind, wave, current, salinity and thermal gradients and sea chemistry, in order to measure the effect of changes due to air and water pollution, including changes due to continued dumping in the Bight.

In addition, there is also the need for a proper Physical Hydraulic Model of the New York Bight and for such an offshore Model to be tied into the existing inshore Physical Hydraulic Model of the Port of New York and New Jersey operated by the US Army Corps of Engineers.

Such sums necessary for this purpose are authorized.

Mr. MOYNIHAN. Mr. President, this is simply a recommendation that a study take place of the tidal, thermal, and the wind systems outside of the New York Bight which is an area of Federal waters that joins State waters. The Corps of Engineers has a model of the tides, currents, and thermal changes within the harbor. This suggests that a complementary study of the offshore waters be made. This study will examine state-of-the-art development of the buoys that will transmit to the computers, and different modules.

I believe this is acceptable by my chairman. I move its adoption.

The PRESIDING OFFICER. Is there further debate on the amendment? If not, the question is on agreeing to the amendment of the Senator from New York.

The amendment (No. 1709) was agreed to.

Mr. MOYNIHAN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. ABDNOR. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from South Dakota.

Mr. ABDNOR. Mr. President, at the time this bill was considered on March 14, 1986, a number of amendments were adopted. Subsequent evaluation revealed that three of these items needed to be clarified.

I ask unanimous consent of the Senate to make three changes in the amendments that were adopted to S. 1567 on March 14, 1986.

Each of these changes has been cleared with other interested Members and should pose no problem whatsoever.

The initial item simply clarifies the language that was inserted on page 35 of the bill after line 16 modifying 301(b) of the Water Supply Act.

I send to the desk the language that was included in the bill as item 1, and ask unanimous consent that the language I now send to the desk, item 1A, be substitued.

The PRESIDING OFFICER. Is there objection to the unanimous-consent agreement?

Mr. MOYNIHAN. Mr. President, I would like to associate myself fully with the statement of the chairman of the subcommittee. These amendments have been cleared. They are useful and desirable additions to our bill. I move their adoption.

The PRESIDING OFFICER. The unanimous-consent request has been made. Is there objection? Without objection, it is so ordered.

The material follows:

ITEM 1—MARCH 14, 1986, LANGUAGE

"SEC. . (a) Section 301(b) of the Water Supply Act of 1958 (72 Stat. 319), as amended (43 U.S.C. 390b.(b)), is amended further as follows:

"(1) In the third proviso, after the word "demands" appears the first time delete the remainder of that proviso.

"(2) Strike the fourth proviso and insert in lieu thereof: *'And provided further,* That the Secretary of the Army may permit the full non-Federal contribution to be made, without interest, during construction of the project, or, with interest, over a period of not more than thirty years from the date of project completion. Repayment contracts shall provide for recalculation of the interest rate at five-year intervals.'.

"(3) After the first sentence insert the following: 'All annual operation, maintenance, and replacement costs for municipal and industrial water supply storage under the provisions of this section shall be reimbursed from State or local interests on an annual basis.'.

"(4) Strike the second sentence and insert in lieu thereof: 'Any repayment by a State or local interest shall be at a rate to be determined by the Secretary of the Treasury, taking into consideration the average market yields on outstanding marketable obligations of the United States with remaining periods of maturity comparable to the reimbursement period, during the month preceding the fiscal year in which costs for the construction of the project are first incurred (or, in the case of recalculation, the fiscal year in which the recalculation is made), plus a premium of one-eighth of one percentage point for transaction costs.'.

"(b) Nothing in this section shall be deemed to amend or require amendment of any valid contract entered into pursuant to the Water Supply Act of 1958 and approved by the Secretary of the Army or the Secretary of the Interior prior to the date of enactment of this Act.

ITEM 1A—MARCH 26, 1986, SUBSTITUTE

On page 35, after line 16, insert:

"SEC. . (a) Section 301(b) of the Water Supply Act of 1958 (72 Stat. 319), as amended (43 U.S.C. 390b.(b), is amended further as follows:

"(1) In the third proviso, after the word "that" appears for the first time, insert the following: '(1) for Corps of Engineers projects, not to exceed 30 per centum of the total estimated cost of any project may be allocated to anticipated future demands, and, (2) for Bureau of Reclamation projects,"

"(2) In the fourth proviso, after the word "that" appears for the first time, insert the following: 'for Corps of Engineers projects, the Secretary of the Army may permit the full non-Federal contribution to be made, without interest, during construction of the project, or, with interest, over a period of not more than thirty years from the date of completion, with repayment contracts providing for recalculation of the interest rate at, five-year intervals, and for Bureau of Reclamation projects,"

"(3) After the first sentence insert the following: 'For Corps of Engineers projects, all annual operation, maintenance, and replacement costs for municipal and industrial water supply storage under the provisions of this section shall be reimbursed from State or local interests on an annual basis."

"(4) After the first sentence insert the following: 'For Corps of Engineers projects, any replacement by a State or local interest shall be at a rate to be determined by the Secretary of the Treasury, taking into consideration the average market yields on outstanding marketable obligations of the United States with remaining periods to maturity comparable to the reimbursement period, during the month preceding the fiscal year in which costs for the construction of the project are first incurred (or, in the case of recalculation is made), plus a premium of one-eighth of one percentage point for transaction costs.).

"(5) In the second sentence, strike the word "the" where it appears for the first time, and insert in lieu thereof: 'For Bureau of Reclamation projects, the'."

"(b) Nothing in this section shall be deemed to amend or require amendment of any valid contract entered into pursuant to the Water Supply Act of 1958, and/or Federal reclamation law and approved by the Secretary of the Army or the Secretary of the Interior prior to the date of enactment of this Act."

Mr. ABDNOR. Second, the amendment adopted on March 14 added language on line 6 at page 118 of the bill authorizing several new flood control projects that had been approved by the Chief of Engineers. One of those items was conditioned on anticipated action by the Chief of Engineers on March 17, 1986.

That action has occurred. Therefore, I ask unanimous consent that we delete language that I send to the desk as item 2 and insert in lieu thereof language that I now send to the desk as item 2A.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request made by the Senator from South Dakota? If not, without objection, it is so ordered.

The material follows:

ITEM 2—MARCH 14, 1986, LANGUAGE

"(80) Pearl River Basin, Mississippi: Report of the Chief of Engineers dated March 17, 1986, at a total cost of $80,100,000 (October 1985): Provided, That if the Chief of Engineers fails to sign such report on such date, this paragraph shall be void.

ITEM 2A—MARCH 26, 1986, SUBSTITUTE

On page 118, on line 6, inset:

"(80) Pearl River Basin, Mississippi: Report of the Chief of Engineers dated March 17, 1986, at a total cost of $80,100,000 (October 1985);"

Mr. ABDNOR. Finally, Mr. President, the Senate also adopted, at the suggestion of the Senator from Ohio [Mr. METZENBAUM], amendment No. 1677, which occurred on March 14, 1986. The change I will propose has been approved by Senator METZENBAUM. I send to the desk the language to the original amendment as item 3 and ask unanimous consent that it be deleted and I now send to the desk language in item 3A which I ask be substituted in its stead.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request?

Without objection, it is so ordered.

The material follows:

ITEM 3—MARCH 14,1986, LANGUAGE

On page 65, between lines 5 and 6 insert the following:

"SEC. 337. (a) The Congress finds and declared that—

(1) the Great Lakes are a most important natural resource to the eight Great Lakes States and two Canadian provinces, providing water supply for domestic and industrial use, clean energy through hydropower production, an efficient transportation mode for moving products into and out of the Great Lakes region, and recreational uses for millions of United States and Canadian citizens.

(2) the Great Lakes need to be carefully managed and protected to meet current and future needs within the Great Lakes Basin;

(3) any new diversions of Great Lakes water for use outside of the Great Lakes Basin will have significant economic and environmental impacts, adversely affecting the use of this resource by the Great Lakes States and Canadian provinces; and

(4) four of the Great Lakes are international waters and are defined as boundary waters in the Boundary Waters Treaty of 1909 between the United States and Canada, and as such any new diversion of Great Lakes water in the United States would affect the relations of the Government of the United States with the Government of Canada.

(b) It is therefore declared to be the purpose and policy of the Congress in this section—

(1) to take immediate action to protect the limited quantity of water available from the Great Lakes system for use within the Great Lakes Basin and in accordance with the Boundary Waters Treaty of 1909;

(2) to prohibit any diversion of Great Lakes water by any State, Federal agency, or private entity for use outside of the Great Lakes Basin unless such diversion is approved by the Governor of each of the Great Lakes States; and

(3) to prohibit any Federal agency from undertaking any studies that would involve the transfer of Great Lakes water for any purpose for use outside of the Great Lakes Basin.

(c) As used in this section, the term 'Great Lakes States' means each of the States of Illinois, Indiana, Michigan, Minnesota, Ohio, Pennsylvania, New York and Wisconsin.

(d) No water shall be diverted from any portion of the Great Lakes within the United States, or from any tributary within the United States of any of the Great Lakes, for use outside of a Great Lakes Basin unless such diversion is approved by the Governor of each of the Great Lakes States.

(e) No Federal agency may undertake any study, or expend any Federal funds to contract for any study, of the feasibility of diverting water from any portion of the Great Lakes within the United States, or from any tributary within the United States of any of the Great Lakes, for use outside of the Great Lakes Basin, unless such study or expenditure is approved by the Governor of each of the Great Lakes States. The prohibition of the preceding sentence shall not apply to any study or data collection effect performed by the Secretary or other Federal agency under the direction of the International Joint Commission in accordance with the Boundary Waters Treaty of 1909."

ITEM 3A—MARCH 26, 1986, SUBSTITUTE

On page 65, after line 5, insert:

"SEC. . (a) The Congress finds and declares that—

"(1) the Great Lakes are a most important natural resource to the eight Great Lakes States and two Canadian provinces, providing water supply for domestic and industrial use, clean energy through hydropower production, an efficient transportation mode for products into and out of the Great

Lakes region, and recreational uses for millions of United States and Canadian citizens;

"(2) the Great Lakes need to be carefully managed and protected to meet current and future needs within the Great Lakes Basin;

"(3) any new diversions of Great Lakes water for use outside of the Great Lakes Basin will have significant economic and environmental impacts, adversely affecting the use of this resource by the Great Lakes States and Canadian provinces; and

"(4) four of the Great Lakes are international waters and are defined as boundary waters in the Boundary Waters Treaty of 1909 between the United States and Canada, and as such any new diversion of Great Lakes water in the United States would affect the relations of the Government of the United States with the Government of Canada.

"(b) It is therefore declared to be the purpose and policy of Congress to prohibit any Federal agency, without an Act of Congress or the concurrence of the Governors of the Great Lakes States, from undertaking any studies for the purpose of the transfer of waters of the Great Lakes for use outside the Great Lakes Basin. This section does not apply to studies conducted at the direction of the International Joint Commission, in accordance with the Boundary Waters Treaty of 1909.".

Mr. GARN. Mr. President, it is my understanding that the intent of the committee's amendment No. 20, which was offered on March 14, 1986, was to amend the Water Supply Act of 1958 as it pertained to Corps of Engineer's project only.

Mr. STAFFORD. The Senator from Utah is completely correct. The provision was intended to affect only the Corps of Engineers, and not affect work of the Bureau of Reclamation.

Mr. GARN. It is also my understanding that clarifying amendment the Senator from Vermont is offering, and that I am cosponsoring in response to concerns expressed by some members of the Energy Committee, would clarify certain ambiguities which remain and have the possibility of affecting the Bureau of Reclamation's projects. Does the chairman of the Environment and Public Works Committee now agree that with these further technical clarifications, the provisions of amendment No. 20 will have absolutely no effect on the Bureau of Reclamation and the provisions of the Water Supply Act of 1958 as it pertains to reclamation projects?

Mr. STAFFORD. The Senator is correct. This clarifying amendment will show that the Bureau is not affected at all by the earlier amendment.

Mr. President, I am pleased the committee leadership amendment includes language that brings the Water Supply Act, as it affects the Corps of Engineers, into line with the new authorities of S. 1567.

These changes follow closely the language contained in S. 968, which I was honored to introduce a year ago.

Mr. President, I ask unanimous consent that a letter to me regarding the water supply provisions of the bill and my own legislation, S. 968, be printed at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF THE ARMY,
OFFICE OF THE CHIEF OF ENGINEERS,
Washington, DC, May 30, 1986.

Hon. ROBERT T. STAFFORD,
Chairman, Committee on Environment and Public Works, Washington, DC.

DEAR MR. CHAIRMAN: I read with interest your bill (S. 968) which would amend the Water Supply Act of 1958, and accompanying remarks, as contained on pages S. 4465 and S. 4466 of the April 22, 1985, Congressional Record. Recognizing your remarks were based on an August 7, 1981, report of the General Accounting Office, I would like to take this opportunity to present you with the current status of the Corps "Municipal and Industrial" (M&I) water supply program.

The Corps Tulsa District has 23 percent of the Corps nationwide total M&I water supply. The District currently has 1.41 million acre-feet of M&I storage space in 28 operational projects; 69 percent of which is under contract. There is an additional 65,000 acre-feet of M&I storage space in two projects which are under construction; 100 percent of which is under contract.

Nationwide, as of May 1, 1985, there was 7.80 million acre-feet of M&I storage space in 105 operational projects; 86 percent of which is under contract in 162 separate agreements. We also have an additional 1.43 million acre-feet of M&I storage space in seven projects under construction; 99 percent of which is under contract in nine separate agreements. This total M&I storage space of 9.23 million acre-feet represents a Federal investment of $1.159 billion; 88 percent of which is under contract for repayment.

While we are encouraged that 88 percent of the storage space included in Corps projects for M&I water supply is under contract, we recognize this is not good enough. Therefore, in response to a directive from Mr. Robert K. Dawson, the Acting Assistant Secretary of the Army (Civil Works), we have within this past year instituted a two phase water marketing program. This program addresses only that 1.13 million acre-feet not under contract. In the first phase, we contacted the non-Federal sponsors who had provided the original letters of assurance to determine their plans for using such storage. This exercise was very rewarding, indicating that by the year 2000 only about eight percent of the total 9.23 million acre-feet would not be under contract and that there was no apparent demand for less than three percent of the total.

We have now initiated the second phase of the water marketing initiative. Under this phase we are contacting governors, state agencies, local government entities, industries, and other potential buyers and informing them of this unused space. Hopefully, some of this remaining storage will shortly be placed under contract. The results of this phase are still being collected.

Regarding your specific amendments to the Water Supply Act, Administration cost sharing proposals and recent changes to our regulations move in the same direction of your bill. These items are as follows:

Cost sharing proposal to require non-Federal sponsors to repay all investment costs allocated to water supply during the period of construction;

Regulation change to require that interest expense on the investment cost on storage under future use contract be paid annually after expiration of the ten-year interest free period rather than accrued and added to the principal;

Regulation change to require that annual operation and maintenance expense allocated to future use storage under contract be paid annually after expiration of the ten-year interest free period rather than becoming a Federal expense which is never reimbursed;

Regulation change to limit the repayment period in water supply contracts to 50 years from the first water supply storage contract in each project rather than 50 years from the date of each contract; and

Regulation change to require that non-Federal shares of major replacement and major rehabilitation costs be paid during construction rather than repaid over 25 years.

If I may be of further assistance in this area, please do not hesitate to contact me. Your interest in Corps of Engineers activities is very much appreciated.

Sincerely,

JOHN F. WALL,
Major General, U.S. Army,
Director of Civil Works.

Mr. PRYOR. Mr. President, in August of 1984 the Senate approved H.R. 71. This bill established a program of study and demonstration projects to examine the potential for artificial recharge of aquifers in a region of our country known as the High Plains States. This legislation provided an authorization of $20.5 million to be used for this purpose.

I recognize the need that exists in this region, although I come from a State that is water rich. Because Arkansas has an abundance of water it has, from time to time, been looked at as a potential supplier of water for States that are in need of additional water. This has given rise to very serious concerns in Arkansas about the interstate transfer of water, and previous studies financed through grants from the Department of Commerce to the High Plains Council have fueled the fires of this concern.

In the 1984 bill, an amendment I offered was accepted by the Senate Committee on Energy and Natural Resources on the Senate floor. My amendment simply provided that no authorized funds could be used for activities associated with the interstate transfer of water, or the study of such transfer. This amendment would have ensured that the future of Arkansas' water resources would be determined by Arkansans.

In the pending bill, S. 1567, I have a similar concern with section 219. While I do not intend to offer an amendment, I did want to point out to the members of the committee that I have serious concerns over any study relating to the proposed interstate transfer of water. In this regard, I would appreciate any remarks the dis-

tinguished Senator from New Mexico [Mr. DOMENICI] might make on this issue.

Mr. BUMPERS. Mr. President, I want my colleagues from the High Plains States to know that I am sympathetic with their concern over their region's long-term water supply needs, and I certainly recognize the vital importance of research in adequately addressing this critical issue. However, I want to take this opportunity to satisfy myself that the supporters of this study have no intention for the study to lead to the examination of water supplies in surrounding States. Specifically, I would like to have assurances that this research will not lead to the study of the potential for Arkansas' water supply being transported from Arkansas to meet the needs of other States. Water is one of the natural riches that my rural, economically depressed State can claim, but it is not limitless. Its protection and enhancement for present and future use by the citizens of Arkansas are critically important to our future, and we must take whatever steps are necessary to ensure its long-range availability for the citizens of Arkansas.

Two years ago, similar legislation providing funding for the Plains States for water research was amended to include this protection we are seeking again today. I want to state my strongest opposition to any study or other proposal which might lead to the transfer of Arkansas' water into surrounding States. I hope that the chairman can provide his assurances that the Ogallala aquifer research project authorized by this legislation is not intended to study and will not study the potential or possibility for such a transfer. If I can get such assurances, then I will not offer legislative language.

Mr. DOMENICI. Mr. President, my colleagues from Arkansas have raised an issue with respect to section 219 of this legislation that is a valid concern, and one which we should address here and now. I appreciate their willingness to allow me to respond in this manner so that we may avoid any protracted discussions and/or possible rollcall votes on amendments on this issue.

Let me assure my colleagues that there is no intent in this section to authorize the expenditure of any funds for research or for anything else that would lead to the diversion of water from the State of Arkansas. The problem that this section addresses is a problem within the High Plains States and should be resolved utilizing the resources of the High Plains States. I want to assure my colleagues that this committee held no hearings or discussions that implied, or in any way could be construed, that diversion of Arkansas water was an alternative to be considered in resolving our very difficult problem with water in the High Plains States.

As one of the leading proponents of the authorization contained in section 219 of this legislation, I can state categorically that this program will not impact in any way on the water resources of the State of Arkansas.

TIME LIMITATION FOR CONTESTING FEE SCHEDULES

Mr. BENTSEN. Mr. President, port authorities located within the State of Texas have recently brought to my attention significant concerns regarding section 606 of S. 1567, which authorizes the non-Federal sponsor to collect user fees in order to recover its share of a project's cost.

In my opinion the current language in section 606 will make it extremely difficult, if not impossible, for a port to meet the financial obligations imposed by section 602(a). Success in providing the required local share of a project's costs will be subject to the local sponsor's ability to issue bonds and secure loans. Their success in securing bond issues or loans will be subject to the ability to establish user fee schedules providing sufficient income to assure creditors of their ability to repay outstanding credit. Therefore, it is imperative that the user fee be predictable, longstanding, and not subject to unforeseen challenge beyond a reasonable time limitation.

Currently, each State has its own law establishing a statute of limitations varying in length of time up to 4 years. As long as there is a possibility of suit being filed, bond attorney will not recommend that bonds be issued. As a result, under existing law, ports will have to wait several years after their fee schedule has been proposed, until their State's statute of limitations has run, to actually issue bonds and initiate construction. It is extremely vital that conferees address this issue and establish a reasonable time limitation which will serve the public's best interest.

Mr. LAUTENBERG. Mr. President, I rise in support of the Water Resources Development Act, which authorizes long-delayed and badly needed water resource development projects. If approved, S. 1567 will be the first omnibus water resources bill enacted since 1970. In the last 10 to 15 years, many projects vital to maritime commerce or to protect our shorelines and flood prone communities have been delayed. It is past time that we get moving on these projects.

Over the last 2 years, the Congress has been engaged in a lengthy and often frustrating set of negotiations between the House and Senate, between the authorizing and appropriating committees, and with the White House trying to fashion a new method of approving and paying for water resources improvements. S. 1567 is an attempt, and, on balance a quite good attempt, to resolve the controversies which have surrounded water resource development and get on with this important work.

Mr. President, among the 170 projects authorized by this legislation are a number of projects of vital concern to New Jersey. In 1984, New Jersey was hit with devastating flooding which cost millions of dollars in property damage and several lives. S. 1567 contains seven important projects to address flood control in New Jersey.

A $101.8 million project will control flooding in the lower Green Brook subbasin communities of Bound Brook, Green Brook, Bridgewater, North Plainfield, Dunellen, South Plainfield, Piscataway, and Middlesex. This project involves the construction of levees, floodwalls, pumping stations, and the realigning of some streams and the replacement of bridges.

S. 1567 contains two projects to control flooding along the Rahway River at Robinson's Branch and Van Winkles Brook. The $25.9 million Robinson's Branch project will consist of the construction of levees and floodwalls and the replacement of one bridge. The project will serve the city of Rahway in Union County. The $17.5 million Van Winkles Brook project would serve Springfield, NJ, and Union Township through the construction of levees and floodwalls.

Mr. President, S. 1567 contains four vital projects to control flooding in the Passaic River basin of northern New Jersey. It was this area in which the devastating 1984 floods hit hardest. The projects included in this bill will relieve flooding along tributaries of the Passaic River. As the Chief of Engineers of the Army Corps of Engineers has approved these interim projects, certifying that they were environmentally sound and cost effective, I have introduced legislation to authorize their construction. The projects listed in this bill and in the committee amendment are: 6.2 million for the Ramapo and Mahwah Rivers project in Mahwah, NJ; $36.8 million for the lower Saddle River in Bergen County; $21.8 million for Molly Ann's Brook in Paterson, Haledon, and Prospect Park; and $6.6 million for the Ramapo River at Oakland, NY.

Mr. President, S. 1567 contains an authorization for one of the most important projects to be undertaken by the Army Corps of Engineers this year. The project to correct the deficiency in the design of the jetties at Barnegat Inlet addresses the most dangerous shoaling problem on the east coast. Numerous deaths have been attributed to the shoaling in the inlet, which results from the design of the jetties in 1940. The effort to resolve the Barnegat Inlet problem has been long and exacting. I have fought for this project and, as a member of

the Appropriations Committee, I will continue to work to insure that the construction schedule is maintained.

S. 1567 addresses the acute need for ameliorating beach erosion in the historic seaside resort of Cape May. Cape May has long been an important tourist attraction for New Jersey. The beautiful Victorian structures in Cape May and the ocean draw millions of tourists each year. The economy of Cape May has long been threatened by the erosion of its beaches. According to the Army Corps of Engineers, this erosion is caused by the construction and operation of the Cold Spring Inlet.

Mr. President, not only is Cape May threatened by beach erosion, but the Coast Guard training facility located just south of Cold Spring Inlet is threatened as well. Unless something is done soon to arrest this erosion, the economy of Cape May and the property of the training facility itself will be further damaged. S. 1567 contains a $17 million mitigation project to compensate Cape May for the destruction of its beaches. I sought and strongly support this project.

Mr. President, south of Cape May City is Cape May Point. This area also is threatened by beach erosion and coastal storms. S. 1567 authorizes a $6.6 million to address the need for storm protection and beach erosion at Cape May Point.

In the area from Third Avenue in Cape May City to Cape May Point lies an area which has suffered serious sand erosion over time. The Army Corps of Engineers maintains that some 37 percent of the erosion in this area can be attributed to the Cold Spring Inlet construction. For that reason, as part of the $17 million mitigation project, sand will be pumped into this area and the potential future erosion will be monitored. Hopefully, the serious erosion of the beaches fronting a State park and wildlife preserve can be arrested. If the monitoring indicates that more extensive measures are called for, I will seek authorization for the construction of the necessary work.

Finally, Mr. President, S. 1567 authorizes critically important port dredging projects. These projects, including the dredging of the Kill Van Kull channel along the New Jersey waterfront, are essential if the United States is to remain competitive in maritime commerce. The $248.1 million project to deepen the Kill Van Kull will provide a 45 foot channel capable to handling the larger ocean-going vessels now being employed by shipping companies worldwide.

S. 1567 does not contain an authorization for the Arthur Kill channel. This project is equally critical to the New York/New Jersey port community. The Arthur Kill project did not meet the committee's criteria that projects included in this legislation have a Chief of Engineers report. Arthur Kill project has now been reviewed by the Corps of Engineers and is awaiting approval by the Chief of Engineers. Should the chief of Engineers approve this project, as is expected, I would hope the conferees on this legislation would include the Arthur Kill as an authorized project in conference.

Mr. President, in any bill of this size and complexity, there will be provisions with which Senators will not be in complete accord. Certainly that is my feeling about this bill. There was substantial opposition in New Jersey to charging a user fee for the operation and maintenance of ports, particularly in the Philadelphia region. Year to year, Philadelphia faces a massive job of maintaining the channel in the Delaware River. At times, the operation and maintenance of this channel has consumed up to 10 percent of the Corps of Engineers O&M budget.

Because I share the reservations of the Philadelphia port community regarding user fees, I sought to limit such charges. The .04 percent ad valorem tax on cargo, while undesirable, is a vast improvement over past proposals. During committee consideration of this provision, I sought to clarify the nature and duration of this tax. I am pleased to note that in reviewing this provision, the Finance Committee specifically indicated that this fee will not escalate over time. The Finance Committee report states:

> The Committee believes that the rates established in the Committee amendment are at the appropriate level currently and for the foreseeable future.

Mr. President, the Finance Committee has clearly stated that escalating the .04 percent ad valorem tax would do harm to the competitiveness of American products and commodities. I strongly agree with that view.

Mr. President, during review of S. 1567 by the Environment and Public Works Committee, I supported an amendment to exempt fisheries from paying the newly established ad valorem tax. I am pleased to note that the Finance Committee, in preparing its amendment to this bill, has clearly exempted fish from the list of cargoes to which this new fee will apply.

In summary, Mr. President, it is time to get on with the job of protecting our economy by dredging our harbors, providing protection to our shoreline communities from the erosion of our beaches, and buffering our citizens from the ravages of floods. This legislation is long overdue and I urge its adoption.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. COCHRAN. Mr. President, let me make some preliminary comments about some concerns I have in spite of my general support for this legislation.

I compliment those who are bringing the bill to the Senate for their hard work and for their consideration of the request of Senators of projects which are very important in their individual States.

There is one provision that concerns me greatly, however. That is the Mississippi River and tributaries project, which was authorized by the Congress in 1982 as a result of the most devastating floods this country has ever witnessed. In 1927, Senators may recall that the entire Lower Mississippi River Valley was devastated because of a flood on the Mississippi River.

Because of that tragic event, Congress reacted and declared that it was a matter of national priority and responsibility that the Lower Mississippi River Valley be protected by a series of flood control projection measures.

Over the course of time there have been projects that are a part of this overall Mississippi River and tributaries project which have been planned, engineered, and constructed. Many of the planned features of this project, however, have not been completed. In some areas, construction may not be considered by some to have technically begun.

It concerns me that in the bill there are certain terms used which describe circumstances that would require separate portions of these projects to have the local sponsor provide a substantial part of the cost. That is my concern.

In our part of the country, Mr. President, we have States that are least able to sustain some of these cost-sharing provisions. In my State of Mississippi, for example, to require each individual part of the Mississipi River and tributaries project to be paid for by local sponsors would mean that there would not be any more of this project completed, ever. There are going to be floods in the future and there will be damage and devastation in the future if the Federal Government now decides to abandon its responsibility for the completion of this Mississippi River and tributaries project.

I am not going to offer an amendment. I am not going to obstruct final passage of this bill. But I do want to express this concern and urge that the managers of this bill, in conference with the House, make sure that the language that is finally worked out takes into account the very real problems that are going to exist in the Lower Mississippi River Valley if each separate part of this Mississippi River and tributaries project is going to come under the requirement for cost sharing.

I feel very strongly about this. I have had some opportunity to discuss

it with the committee members. I appreciate their understanding of this special problem. I hope that this understanding carries forward so that we can see in the final analysis a bill that will continue to show the Federal Government's concern and its acknowledgment of the responsibility to complete this project.

There is one other area of concern, Mr. President, and I will not take a long time. It is that in the bill there is an expression that for communities that cannot really come up with their share of local costs that may be required under the bill, there can be some adjustments made in the administration of this legislation. But this does not apply to harbor projects. Those are flood control projects, as I understand it from my review of the bill.

I feel very strongly that there can be situations—and I have one in my State in mind, Gulfport Harbor, where they are trying to deepen the channel—that if the enormous cost-sharing requirements are imposed there, we can find that the project just is not going to be accomplished, it is not going to be completed because of the way the bill is written.

I hope the managers will take another look at that in conference with the House, and that consideration will be given to including some provision, maybe in the statement of managers, that would allow the Corps of Engineers to relax flood control cost-sharing requirements for communities that cannot afford to meet them and that that apply also to harbor projects. I think it is very important to have that flexibility in the legislation, Mr. President.

Mr. President, as I have said, I am in general support for Senate bill 1567, the Water Resources Development Act of 1986. As has been indicated previously, there has been no major water resources development bill signed into law since 1976. As a result, authorization of new projects has been accomplished via other legislation on a case-by-case basis. I express my appreciation to Senator JIM ABDNOR, the capable chairman of the Water Resources Subcommittee of the Senate Environment and Public Works Committee, ably assisted by Senator MOYNIHAN, his counterpart from the other side of the aisle, as well as the committee chairman and ranking member, Senators BOB STAFFORD and LLOYD BENTSEN. Serving on the appropriations subcommittee that deals with these matters, I am thoroughly familiar with the amount of effort that has resulted in this vital price of legislation being brought before you today. As a result of their efforts, we have the opportunity to define a comprehensive water resources program for the first time in 10 years.

No legislation of this size and complexity can be all things to all people. In this vein, I would like to take a few minutes to discuss one area of this bill in particular which concerns me a great deal. This piece of legislation increases the non-Federal share of construction, operation, and maintenance costs for new Corps of Engineers projects, including not only those projects authorized by this bill, but also those previously authorized projects which are not yet under construction. I fully recognize the need for cost sharing in general. The Federal deficit, and ongoing efforts to address it, will inevitably mean less funds being available for water resource projects nationwide. The cost-sharing provisions in this bill will permit the construction of more projects with the available funding, while at the same time, by virtue of the requirement for State and local funding, it is expected that only those essential projects will be proposed for construction. Both of these results will serve to ensure the optimum use of Federal funds.

In certain cases, this bill carries the cost sharing too far. As many of my colleagues are aware, the Mississippi River drains 41 percent of the continental United States, including 31 States and two Canadian Provinces. In the spring of 1927, a combination of factors resulted in a flood which saw the levee system broken in 13 places and 23,000 square miles of the alluvial plain flooded. Then Secretary of Commerce Herbert Hoover described this flood as, "* * * the greatest disaster of peace times in our history." As a result of this flood, and nationwide public outcry, President Coolidge signed the Jones-Reid bill on May 15, 1928. This act established the Mississippi River and tributaries flood control project and made flood control for the Mississippi Valley a national responsibility.

In the intervening years, as part of this project, billions of Federal dollars have been spent on this massive system of rivers. As you can imagine, the amount of flood control effort required to protect the 1¼ million square miles of property along this system was not accomplished overnight. A systematic construction of necessary elements of the project has been underway since 1928, and in general, the impact of those upstream adjustments on the lower Mississippi require continual planning and construction. In other words, if the floods don't occur upstream, the water comes downstream. My State of Mississippi and the States of Louisiana and Arkansas are at the end of the pipe.

The cost-sharing provisions of this bill, rather than apply to new projects, now will apply to "separable elements" of existing projects on which construction has not commenced. As a result, those portions of the Mississippi River and tributaries project on which, by reason of cost, construction has not begun, will be subject to a different set of cost-sharing rules than were the completed portions. Much of the incomplete work is in the area of the country which can least afford the cost. While I do not intend to offer an amendment, nor do I intend to obstruct the passage of this vital bill, I would like it to be crystal clear that I oppose any cost sharing on the MR&T project.

Another area of this bill that concerns me is the method of funding harbor improvements. While the bill includes a provision that allows the Corps of Engineers to relax flood control cost-sharing requirements for communities that cannot afford to meet them, no such provision exists for harbor projects. Gulfport Harbor, for example, is faced with a local share of as much as $28 million to deepen their channel. The home of the Navy's Construction Battalion Center, and Keesler Air Force Base, the Port of Gulfport is the largest seaport in the poorest State in the Union. It has been faced with the cost of recovery from hurricanes, and is extremely limited by law in the amount of local funds that it can raise. I would like to see the "ability-to-pay" provision in the bill be applicable not only to flood control, but also to other projects as well.

Mr. President, I am not totally satisfied with this bill, and I hope that conference will produce an act which is more equitable in its treatment of those areas least able to afford essential flood control and harbor projects. I do support passage of this vital piece of legislation, and appreciate the efforts of all involved in its formulation.

Before I yield the floor, I would like to address a question to the managers of the bill if I might, particularly as it relates to the definition in the bill of "separable elements." Senators have heard my concern about the Mississippi River and tributaries project, but the bill refers to "separable elements" in several locations in the bill. I wonder if someone could tell me what is meant by "separable elements."

Mr. ABDNOR. I shall certainly attempt to give an answer to that question, because it is one that we have given considerable consideration to. This is a major part of our bill. To us, I would say a separable element is a portion of a project on which a decision to program funds has not been made. Heretofore, no decision has been made on programming the funds.

Mr. COCHRAN. I thank the distinguished Senator for providing the answer to my question. I have one other question. That is, on page 23 of the committee report accompanying this bill, it is stated that construction is determined to begin when construction funds are appropriated. In the

bill, "physical construction" is referred to in several locations. I wonder if the managers could respond to my question: When does construction begin?

Mr. ABDNOR. They are really intended to say the same thing; that is, physical construction begins when there is a contract awarded for construction.

Mr. COCHRAN. Is the language in the report that construction is determined to begin when construction funds are appropriated not accurate?

Mr. ABDNOR. It is not accurate, that is correct.

Mr. COCHRAN. It is not accurate?

Mr. ABDNOR. Construction begins when the Federal agent—the Corps of Engineers—awards a contract for construction.

Mr. COCHRAN. I appreciate very much the assistance of the distinguished Senator from South Dakota to my understanding of the different terms and what is meant by the committee. I continue to have serious problems with some features of this bill, but I am going to vote for it.

I compliment again the efforts that have been made to bring the bill forward and get its approval by the Senate.

Mr. ABDNOR. Mr. President, I thank my distinguished colleague from Mississippi for what he just said. I know of his deep, deep interest in this bill. He has been one of the major players in our efforts to pass a water projects bill. We appreciate his understanding because it has been problems such as his that have taken us this long to resolve. We have tried to be fair with the cost sharing called for in this bill. Flood control projects could not possibly go forward in the future without increased cost sharing. We know that when we get this bill all set in place we will have a document that is going to work to the advantage of everyone, treat everyone fairly and we think it will be good for America.

Mr. MOYNIHAN. Mr. President, I join my chairman in thanking the Senator from Mississippi for his remarks. I assure him that we have listened to them with great care and will keep them closely in mind as the conference committee commences its work.

COST SHARING PROVISIONS

● Mr. PRYOR. Mr. President, this legislation contains provisions in section 701 establishing new and far-reaching cost-sharing policies which will impact on our communities for years to come. These cost-sharing provisions, while reflecting the President's position on Federal participation in civil works projects, are radically different from the provisions contained in the companion legislation passed in the House of Representatives last year.

While I believe that local sponsorship and local cost sharing are integral parts in the composition of a major civil works project involving a multimillion-dollar Federal investment, I am particularly concerned about the future of our flood control projects under this policy, if it indeed becomes the law of the land. Many of our more important and more expensive flood control projects are located in rural areas where farming and food production are the primary beneficiaries. In Arkansas this is particularly true in our eastern delta region, where the Nation's leading rice and soybean production lands are situated.

The problem with these new cost-sharing policies is that in the rural areas, there are fewer benefited parties to make up the local sponsor group, and the amounts they would have to tax themselves to pay 25 to 35 percent of construction costs are onerous. If they are unable to pay and there is therefore no flood control project constructed, all of us, taxpayers and consumers alike, will suffer at the checkout line in our Nation's food stores. Simply put, in these desperate times in our Nation's breadbasket, can we afford not to invest in projects that make sense with our food supply?

Mr. President, there are many issues besides the agriculture issue addressed in this legislation. But I think it is critical that we stop to think about what we are about to do to an already depressed segment of our economy—the farm economy.

There are three such rural flood control projects in Arkansas specifically authorized in this bill, and I am grateful to the committee for including them. They are the Eight-Mile Creek project in Greene and Craighead Counties, the Fifteen-Mile and Ten-Mile Bayou in St. Francis and Crittenden Counties, and the Helena Flood Control project in Phillips County. In addition, a previously authorized but not yet constructed flood control project on the L'Anguille River in eastern Arkansas would be affected, as would many of the "separable elements" of the St. Francis basin project which are not yet under construction.

Mr. President, I seriously doubt that any of these projects will be constructed if these cost-sharing provisions are allowed to stand. I realize the committee has tried to address this question in subsection 701(h) with a provision that allows the Secretary to establish a procedure whereby a non-Federal sponsor's ability to pay is considered and the local sponsor share of the project is reduced if justified. This is a good-sounding and well-intentioned provision, and I hope it can be made to work. I envision numerous problems with it as we change administration to administration, and Secretary to Secretary. I have even known Secretaries who change their own policies on occasion.

What we have to have is a consistent and fair policy on which local sponsor groups can rely.

Mr. President, I am going to support this bill. However, In want all of our Senate conferees who will meet with the House conferees to understand that I am reserving my right to oppose this legislation on passage if we cannot compromise to a more reasonable position in the conference committee. I respect what the committee has had to do in moving a very tough and tenuous piece of legislation to the point we have reached. I hope and believe we can go further forward with the right approach from our leadership on the committee.●

Mr. DOMENICI and Mr. GLENN addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I shall not be long. I am going to talk for a few moments about this issue.

First, I want to indicate my strong support for the passage of S. 1567. Second, I want to commend to the highest extent possible the chairman of the subcommittee [Mr. ABDNOR] and the ranking minority member [Mr. MOYNIHAN]. This bill is long overdue. Our country needs it. I commend them for the diligent effort that they have exercised and the patience that they have suffered under. The fact that they are now here is a testimonial to the fact that both of them are fully aware that this country needs some new water policy.

Each Member of this body is familiar with the fact that we have had no new omnibus water resources development law since 1976.

During that span, I have had the honor to serve as a member of the Subcommittee on Water Resources. That has been a period when we have struggled with the difficult issue of bringing the program of the Army Corps of Engineers up to date.

We have struggled with the need to develop reforms—not for the sake of reforms, but for the sake of reviving a program that has continued to decline over the past two decades.

It is my hope that we can, in this bill, move aggressively on several issues related to water resources development.

These are matters that are very important to our country's future, obviously related to water resource development. We must authorize new, up-to-date projects.

We must work to resolve the issues of cost sharing on harbor and waterway development projects.

We must move toward more realistic cost sharing on flood control and other types of projects

Each of these items, admittedly, since they run against the tide of past history pose some difficult choices.

Much of our problem grows from the chaotic methods Congress has used historically to authorize and fund water resource projects. We simply have lacked any rational approach for the development of projects.

To meet that challenge, the Committee on Environment and Public Works wrestled with the need for continued development of our Nation's water resources. We wrote and passed several innovative bills.

Sadly, the full Congress has failed to act upon any of these bills.

Mr. President, we again face that challenge.

Thankfully on my part at least, and I am confident from the country's standpoint, we are in a position and at a time in the Senate when we are going to change this past history.

The toughest issues before us involve commercial navigation.

Title 5 involves inland waterways and is quite controversial. It authorizes six big inland lock projects, at a cost of $1 billion. These include Bonneville, Gallipolis, Oliver, and a second chamber at lock and dam 26 on the Mississippi River.

Title 6 concerns harbor development. Traditionally, Federal expenditures have been spread broadly, but thinly, among the Nation's ports. Rather than target the Federal investment, construction funds and work have been distributed widely among many ports, in most cases, achieving far less than we ever intended.

Until Federal policy is altered to recognize and encourage local initiative, the slow and often fruitless pace which development has taken in the past two decades will continue. Unless we change, the opportunities for increasing export trade will be lost.

A system of partial local funding, where a port authority or local government must go to the bond market and potential users to test the economic viability of the project, provides a reasonable and responsible market test.

Harbor dredging projects will achieve their desired results in a much more timely manner and an economically significant fashion when interested parties are involved more directly in the project. So as one might suspect, if these were the problems, this bill will set new standards for cost sharing on harbor construction.

They are as follows:

Projects of less than 20 feet: A 10-percent non-Federal cash contribution, during construction.

Projects of more than 20 feet but less than 45 feet: A 25-percent non-Federal cash contribution, during construction.

Projects deeper than 45 feet: A 50-percent in cash contribution during construction.

Such cash payments during construction are essential to focus Federal investment where it will return commercial benefits to the economy.

Those who will share in the fruits and the benefits will have to begin at the local level to pay part of the costs. There is no better clearinghouse for projects of this type than some kind of cost sharing. We can continue to say that we will decide, as Members of Congress, in committees or on the floor or we will leave it up to the Corps of Engineers or similar type entities to make the selections, in which event we will drag these projects on indefinitely, and there is more than a 50-50 chance that the projects will be unneeded, that they will be built and then there will be no need for them.

I was amazed in the early days of efforts on this committee with my friend from New York when we were discussing new deep ports there was a real rage here to build three or four of them. It came before the committee and the parochial flags went up, "Build mine, build his, build the other one." And sure enough, in came somebody who sells bonds on big projects like this. It happened to be one of the constituents of the distinguished Senator from New York because that is where they do all this. This man came before us and said, "I will tell you how to make sure you build the right one. Let the marketplace decide." Was that not interesting? Was that not interesting? Who else should have decided. The marketplace means those who are going to use it and pay something for it. We listened, the Senator from New York and myself and a few others, for hours as this gentleman said:

> Very simple. Pass a law that says they have to pay for part of it, give them some authority to issue some bonds on their own and the one who gets here first will be the one who needs it most. And the one who gets here second will be the one who needs it second most.

Sure enough, it was like a new light coming on the committee. The process of a few Members of Congress deciding whether Baltimore should have the first deep port of Louisiana or, as I recall, one of the west coast cities sort of left the scene and we started talking about changing the authority at the local level to finance and pay part of these projects. I am very pleased that we made that decision and we did not proceed to pick and choose the first five or six that came before us. Good intentions, expressed by their respective Senators and chambers of commerce from the area, "Build ours, we need it," sort of left the scene.

I close by saying not only with reference to deep ports but with reference to the future of the inland waterway system, we have begun to cut into this gigantic process—chaotic and willy-nilly, parochial, who got there first with the strongest delegation, who was running for election closest in time could get something through. We had hundreds and hundreds of projects languishing, authorized because somebody got there and got them authorized and lo and behold that was the last we saw of them. I even remember there is one 24 years old that makes Dallas a seaport; is that correct?

Mr. MOYNIHAN. That is correct.

Mr. DOMENICI. Somebody came through at one point in time and said, "Houston is not enough. We ought to make Dallas one." So there is an authorizing bill here, never been revoked, that says in due course we will begin that project.

Well, times have changed. If somebody has to pay 15, 20 percent at the local level with their own resources, and as you study this bill and as it works its way through Congress, we will find that not only is this the right way to do it, but as my friend from New York, the distinguished senior Senator concluded when we first introduced the bill 8 years ago together, trying to move toward cost sharing, unless this program is made into a national program, where the fruits of these resources are spread across the land where need exists, and unless those who are going to benefit from it pay some portion of it, the program, instead of going up in dollars as the need grows, will continue downward as it has for the past 15 years, both in terms of resources and new project starts.

This may be the beginning of a new era for water projects. I do not think any one here ought to have a false sense of security, however. The cost sharing was negotiated out over months, and for those even in the other body to think that when we go to conference we can just wipe those cost-sharing provisions out and add hundreds and hundreds of new projects, much the same way that we did for previous 20 years, except we put them all in one bill now, I hope there is not the euphoria sufficiently out of balance that they think we will just give away these processes and that the President will sign such a bill. I do not believe that such is the case. I believe in the struggle for a little bit of marketplace clearing, a little bit more local initiative in selecting the projects and a little bit more of the resources going where the need really is because the need is defined by ability, by desire to pay, and a marketplace clearing mechanism. For those who think that this is going to go away and we are going to get a new dawn of water resource development, I believe that is not the case. I think without those kinds of provisions we will be back to where we were 8 years ago, I say to my friend from New York, when we had the first hearings on a national water policy with some cost-sharing ingredients.

Title 7 involves cost sharing, affecting only corps projects. This title makes no change in existing law or hydropower or agricultural water projects. The significant area of change involves flood control, where the new standard is 25 percent—including lands, easements, and rights of way—providing at least 5 percent is contributed in cash.

Title 7 also authorizes a great number of new corps projects—138 of them, at a cost of $7.3 billion.

Among the projects is authorization for an extension of the Albuquerque levees in New Mexico, at a cost of $39,200,000. This is an important project. It is the intent of the Senate to move forward on this project, despite any debate over whether the bed of the Rio Grande in this location is on the rise or on the decline.

The proposal by the Chief of Engineers should go forward in any event, recognizing that if further studies show the bed is declining, that will simply provide greater flood protection for Albuquerque than previously.

Section 701(a)(39) authorizes a flood control project on the Rio Puerco in Gallup, NM, at a cost of $3,220,000. I also support this project.

Title 8, as redrawn by the Committee on Finance, imposes taxes on two specific areas: It doubles the existing tax on the inland barge industry, and imposes a new ad valorem tax on cargoes moving through U.S. harbors to help offset the cost of future port maintenance.

The ad valorem tax recognizes, for the first time, the fact that harbor maintenance offers benefits to direct commercial beneficiaries of these programs.

While I regret that the increase in the inland fuel tax will barely keep up with inflation over the next 12 years, the increase recognizes that we must bring new money into this program.

Now let me move on to discuss several provisions that have less national impact, but remain significant.

All too often Federal funds will be spent to provide flood protection for a community, and provide a windfall benefit to one or two landowners. Section 201 requires that such windfalls must be shared with the taxpayers.

Section 202 involves the Agriculture Department's Soil Conservation Service [SCS] projects. This section requires that SCS report on recreational benefits, including data on all public recreation facilities in the project area, and include the impact of the new project on the usage of those other areas.

Section 203 creates a new deauthorization procedure for corps projects. Any project which has not received appropriations in the preceding 10 years would automatically be deauthorized, unless the Secretary of the Army determines, in consultation with affected State Governors, that the project should remain authorized. This procedure becomes effective 1 year after the date of enactment.

Section 204 provides a similar deauthorization process for corps studies that have not received funds for 5 years.

Section 205 provides that new SCS projects submitted to the Committee on Environment and Public Works of the Senate and the Committee on Public Works and Transportation of the House, with costs in excess of $10 million, must be authorized by act of Congress. Presently, all SCS projects, no matter how costly, are authorized by committee resolution.

Section 206 requires that SCS projects submitted to the Committee on Environment and Public Works of the Senate and the Committee on Public Works and Transportation of the House must have at least 20 percent of their benefits related directly to agriculture. This is a section designed to maintain the rural integrity of the SCS Program.

Section 207 requires the Secretary of Agriculture to report to the Congress on the advisability of opening to the public all impoundments with recreation potential which have been built under the SCS Programs.

I am particularly anxious that my colleagues in the Senate recognize the value of section 219, the provision creating a research program for the six-State area of the Ogallala Aquifer.

The Ogallala is the largest aquifer in the United States, providing an important source of water to the six High Plains States. These six States produce 15 percent of our wheat, corn, grain, sorghum, and cotton, as well as producing 38 percent of the total value of livestock, a critical part of the national and international agriculture market.

In all, there are 14.3 million acres of irrigated land with more than 170,000 irrigation wells. More than 21 million acre-feet of water were pumped annually from the aquifer. Monitoring of the aquifer over past years has revealed, however, that recharge is not keeping pace with the rate at which water is being pumped out of the aquifer.

It is estimated that the aquifer is being overdrawn by over 3 million acre-feet annually. Taking into consideration the projected growth in the area, it is clear that action is needed now to reverse this serious trend.

This section amends the Water Resources Research Act to add a comprehensive research and development program to reverse the depletion of the Ogallala Aquifer. Under this section, $9.5 million in grants are available annually to the six States within the High Plains region—Colorado, Kansas, Nebraska, New Mexico, Oklahoma, and Texas—to enable them to perform critical research on water resources needs and demonstrate new water and solid conservation techniques.

This is a sound approach.

Section 222 seeks to augment the value of corps projects by requiring that outside studies of corps engineering be undertaken to assure the best value on each project.

I am also in support of the language in section 224, which establishes a system for automatic wildlife mitigation authority at existing corps projects, with requirements for simultaneous mitigation, where appropriate, on new projects.

Mr. President, there are also a number of sound initiatives in title 3, notably ones that affect directly the State of New Mexico.

Section 303, for example, authorizes $2.5 million for construction of emergency gates at the existing Abiquiu Dam, NM, in line with the original design of the dam. The Abiquiu provision in no way alters Federal law regarding the size of the permanent pool of Abiquiu, or the status of that dam. This is simply a provision to carry out the original design of the Abiquiu project.

Section 304 modestly expands the size of the corps' Albuquerque district. The State of New Mexico once was divided among five corps districts. We get fine service from the Albuquerque district. But frankly, other sections of the State feel shortchanged. The corps has already transferred eastern portions of the State under the responsibility of Albuquerque. Section 304 brings the western portions of the State of New Mexico under the direction of the Albuquerque district.

Section 311 concerns the city of Truth or Consequences, NM, which experienced significant flooding in 1972 and again in 1976. Another flood poses a serious danger of loss of life. Section 311 modifies the Truth or Consequences flood control project, which was authorized in 1948.

When authorized, the project consisted of a series of levees along the Rio Grande. However, because of urban development in the area since 1948, that project is no longer feasible. Therefore, the corps has reformulated the project and has determined that the best alternative would be to detain flood flows on Cuchillo Negro Creek. This section modifies the authorization to reflect this change, authorizing a dam on that creek.

Section 313 concerns New Mexico's acequias, which are community irrigation ditches dating back to the 18th century. They have historic, as well as economic, significance. However, many of the diversion structures and associated canals of the acequia systems are in need of repair.

The section declares that the acequia systems have cultural and histor-

ic value and authorizes the corps to undertake whatever measures are necessary to protect and restore those structures. The sum of $40 million is authorized for this purpose, to be matched by $13.3 million from the State of New Mexico or other non-Federal sponsors.

One of the first areas to be reviewed under this program, I anticipate, would be ditch systems in the area of Springer, NM.

Mr. President, I have simply skimmed over a few of the highlights of this legislation.

It is a good bill, a sound bill. This bill deserves the support of the Senate.

I urge passage of S. 1567, and commend Senator ABDNOR and others for their strong and effective leadership in bringing this important bill to the Senate floor.

Mr. MOYNIHAN addressed the Chair.

The PRESIDING OFFICER. The Senator from New York.

Mr. MOYNIHAN. The Senator from New Mexico is no doubt going to have to leave the floor as he has so many other duties, but before he does, I say to the Senate that this bill would not be on the floor were it not for him. He has been characteristically modest. He is that. The things he was describing as to the process of development of this bill were ideas and measures which he initiated. He was the energy behind them. If I joined with him, it was at his invitation.

He describes very clearly and dramatically the hearing where a financier, Joel Price, vice president of Rotan Mosle, Inc., testified, "You want to know how to decide how many 60-foot coal ports to build? Find out who will pay part of the cost of building them."

Our problem is very simple, classic economics. Ports were free goods, and as free goods, they were wasted. In time however, the competition for these free goods became so great that by the beginning of this decade we, in the United States, had the clear imprimatur to produce at least three 60-foot coal ports. We needed to have access to a European market that the Australians and South Africans were preparing for with supertankers. We had a system in place that, by the year 2030, would have given us twenty 60-foot ports but we needed them 40 years sooner. The decade is almost over but it is not too late, and we are starting to make the right decisions. It is to be wished that one could speak loudly enough to be heard in the other body, so that they would hear what the Senator from New Mexico has just said. We have 181 major projects in this bill, and that is enough. Cost sharing is the absolute minimum condition. Absent that, there will be no legislation, and we will lose another decade. I have put 10 years in on this bill, for my part. But perhaps others must have the experience of how to get nothing, which is to ask for too much.

Mr. DOMENICI. Mr. President, I know that the Senator from Ohio wants to speak, and I will be one moment.

This has been a very interesting 13 years, so far as the Senator from New Mexico is concerned. I vividly recall that just before the Senator from New York [Mr. MOYNIHAN] came to the committee, Mr. Gravel, of Alaska, was chairman of the subcommittee.

I am not embarrassed to say that I had only one legislative success of any significance in the first 8 or 9 years I was here, and that had to do with the inland barges paying a fuel tax. That was a very historic event. I was able to say that I passed at least one major piece of legislation, as that worked its way through here.

I should like to share with Senators how that happened. It is interesting to put in on the record. We were having a hearing about 10 o'clock in the morning on lock and dam 26. I am from New Mexico. Obviously, we do not have any inland waterways.

We were discussing how we ought to go on the users paying for a little of lock and dam 26, and somebody made a slight mistake at the witness table. They were from the lock and dam area.

The decorum of the committee room was broken when the person stood up and said: "Who are you?" He said this to me. "What business is it of yours as to what we do with our lock and our dam and our river?"

I thought, "Isn't that interesting?" I said: "What do you mean?"

He said,

Well, you shouldn't have anything to say about it. We know what we're doing, and we're going to decide how we're going to run these. And you all are going to pay for them. Just as you have been paying for them for a long time. I kind of wish, young man, you would mind your own business.

That set the stage for a very interesting 3 years for me. I had a great deal of fun. I enjoyed immensely the final day when that mode of transportation started paying a little tax on the fuel, so as to defray a little of the taxpayers' burden.

I note that in this bill there is a continuation of that process, with another tax on those using it going into effect in future years. It is not what we have desired, because it is not sufficient to pay the costs.

However, I do commend those in the inland waterway business—in the industry, those who represent them here—for the good common sense to add some more to that very minimal tax, and that is provided in this bill.

I was part of that compromise. I said they should have a lot more, because that is not enough. I, too, compromised.

I think it is a very good sign for the future of the inland waterways that those who use them will at least reimburse the taxpayers of America by a small portion, 10 or 15 percent of the cost.

Mr. ABDNOR. Mr. President, I was in the House at the time the Senator is speaking of, when all this started. Now I have a better understanding of it.

I used to hear about the Senator from New Mexico, who was trying to change the whole history of water development and about terrible "user charges." I wondered what kind of mean, ornery individual he was. I found out what the Senator was like when I came to the Senate. There is no person in this Chamber who deserves greater credit for bringing this about, even though many of its provisions do not go as far as he would like. This bill is still a great step forward in water development for America, and we all thank him for supporting it.

Mr. DOMENICI. I thank the Senator.

Mr. GLENN. Mr. President, I realize that bringing up any new amendments would be futile in this environment. I realize that the floor managers of the bill have made it clear that they will strongly oppose any floor amendments to the bill, adding projects that have not cleared the whole Corps of Engineers process. Realizing what the situation is, I will not offer amendments for the matters about which I wish to speak briefly. But I hope that with what I put forward here, the conferees on this bill will look favorably upon the House position in conference on these two measures—which, I might add, comply completely with what the distinguished Senator from New Mexico and the distinguished Senator from New York just discussed about users paying a portion, and local political entities, be they State, county, municipal, or whatever, sharing in the burden of whatever the project may be.

The two items I wish to bring to the attention of the floor managers and other Senators and those who will be conferees on this bill are two that affect my home State of Ohio, and they are two in which the State and local communities are willing to share in the burden.

First, I wish to discuss briefly the Cleveland Harbor project. It is a commercial navigation project.

The components stress the importance of river, as well as harbor, actions necessary to correct navigation hazards, and foster safe, profitable commercial shipping through the Port of Cleveland. I urge my colleagues to adopt the House provision in conference.

The Cleveland Harbor project, for which $36 million in Army Corps of Engineers participation is requested, consists of the following actions:

First. Deepening and widening of the East Harbor entrance. This provision, for $4.3 million, is included in the leadership amendment to the bill and has a chief's report from the Corps of Engineers.

Second. Bulkheading and other necessary repairs to pier 34.

Third. Sheeting, bulkheading, and necessary repairs to docks 20, 24, 32, and 36.

Fourth. Construction of a basin south of pier 34, with related protective structures and approach channels.

Fifth. Removal or correction of navigation impediments at specific bridges crossing the navigation channel of the Cuyahoga River, and correction of "bow thruster" and other infrastructure problems at Cleveland Harbor.

Sixth. Report of Cuyahoga River bank—sheeting, bulkheading.

Seventh. Sheeting, bulkheading, and necessary repair of approach to the U.S. Coast Guard Station in Cleveland Harbor.

Total cost of the Cleveland Harbor project is $65.3 million, with participation, which was just discussed on the floor, as follows: Army Corps of Engineers, $36 million; State of Ohio, $8.45 million; local and other, $20.85 million.

A Federal investment of $36 million is fully appropriate and in the national interest when you consider the importance of the Cleveland area to our Nation's economy. The Cleveland area is the ninth largest industrial market in shipments nationwide, shipments for the seven-county Cleveland area average more than $33 billion annually, and two-thirds of U.S. industrial production is located within 600 miles of Cleveland.

I also note that startup funds for the Cleveland project were included in the 1985 supplemental appropriation bill. The House water resources bill, H.R. 6, authorizes up to $36 million for Cleveland Harbor.

The Cleveland project has the unanimous support of the public and private sector. This support for the project is backed up with financial commitments from all parties. Local and State participants are prepared to act on a cost-sharing agreement for the project as soon as we give them the go-ahead in this authorization bill.

The components of the Cleveland Harbor project have been studied by the Corps of Engineers and are referenced in various corps documents related to Cleveland Harbor and the Cuyahoga River. In fact, some bridge-related corps recommendations date back to 1937.

The Cleveland project includes action by the corps to prepare a safe harbor basin, at a total cost of $5.1 million. Federal share for corps action on the basin is only $3.7 million. The need for such safe harbor is referenced in both corps and Coast Guard studies related to the frequency of sudden and severe weather on Lake Erie. The State of Ohio has committed funds to develop the recreational potential of the land surrounding the basin—corps participation is limited to construction of the safe harbor basin, related protective structures, and approach channels only.

Certainly any shipping facilities of the size and economic importance of Cleveland Harbor warrants a $36 million Federal sharing of the cost or investment, as I view it.

So I urge my colleagues when they consider the House provision in conference that they look with favor upon this because I believe it is one that is most worthwhile and one that benefits us nationally as well as just the State of Ohio and the Cleveland area.

Mr. President, the second element of consideration for the conference that I wish to address briefly, is the Lake Milton Dam near Youngstown, OH. The Lake Milton Dam is in Mahoning County. Shortly, unless emergency repairs are done, that dam must be breached and the lake drained, and that lake has been there many, many years. The lake must be drained unless these emergency repairs are done.

The rehabilitation of this dam is of utmost importance to the area around Youngstown and Mahoning County.

I do not have to recount here today the economic difficulties that have beset that part of our State, that part of our Nation, as our steel mills have gone down and some single-industry towns have come upon hard times.

Mr. President, this is a beautiful recreation area. It is a tourist attraction. Other businesses and economic development can occur around that area which can help the northeast Ohio recovery.

The total cost of repairs for the dam is estimated as $6.75 million but, lest the managers of the bill take too much umbrage to that, let me say that there is significant State cost sharing for this project. The State of Ohio will contribute $4.3 million or 63 percent of the cost of the repairs. What we need is Federal authorization for the gap of only $2.5 million.

Repairing the dam is cost effective. The estimated cost of reconstructing a structure of this size we estimate would be more than $100 million today.

In the House bill legislation is provided to take care of this problem. There is a loan in the House bill. We hope that that could be perhaps changed into a grant in the conference committee. But this is a beautiful area. It is of benefit to the economically devastated area of Youngstown and northeastern Ohio.

Mr. President, I urge my colleagues and hope the conferees on the conference committee that we will be in touch with will look with great favor on the legislation already in the House bill for this Lake Milton Dam as well as the Cleveland Harbor project that I have already mentioned.

Mr. President, today we take an important step forward in continuing the development of this Nation's waterways and flood control efforts. With the passage of S. 1567, the Senate has ensured that America will develop and maintain a modern infrastructure capable of handling the demands of our modern industrial society. And I am proud to say that Ohio will share in the benefits of this far-reaching and long overdue program.

S. 1567 contains funding for a number of projects of great importance to my State of Ohio. Maumee Bay State Park will receive $15.8 million for shoreline protection. The potential benefits of this expenditure are several: Industrial development, increased job opportunities in a depressed area, expanded recreation facilities, and environmental protection. As such, the project will substantially enhance the quality of life in the area on the south shore of Lake Erie near Toledo.

This bill also authorizes $256 million to replace and modernize the Gallipolis locks and dam. I sponsored legislation to authorize this work several years ago and I am pleased that our efforts are finally paying off. The existing facilities are obsolete after nearly 50 years of service and present a serious danger to commerce on the Ohio River. Even when the locks are operating at full capacity, Gallipolis is a bottleneck. When there is an accident, which is a common occurrence, the delays can last for days or even weeks. The funding for this work will correct a worsening condition on the Ohio River transportation corridor and benefit the commerce of several States.

The Lorain Harbor will receive $5.5 million for necessary improvements. Lorain has suffered from severe economic distress in recent years. The proper maintenance of Lorain Harbor, along with the development of the Lorain Small Boat Harbor which we funded in October of last year, will help improve the economy of the Lorain area.

The Cleveland Harbor will be authorized to receive $4.3 million for deepening and widening of the East Harbor entrance. These improvements are necessary to correct navigation hazards and foster safe, profitable commercial shipping through the Port of Cleveland.

This bill provides additional authorization for the comprehensive plan for the development of the Ohio River

Basin. This project was originally authorized in 1936 and has proven extremely valuable in building a viable Ohio River transportation system. I am pleased to see that this important work will continue.

This legislation includes several important flood control projects for Ohio. The citizens of southwestern Ohio will be happy to see a substantial Federal effort to control the flooding of the Miami and Little Miami Rivers. S. 1567 sets aside $23.3 million to provide relief of those who have been plagued with property damage resulting from high waters on these rivers over the years.

In addition, the citizens of North Chillicothe, OH, will receive $10.7 million to control the flooding from the Scioto River. The bill also includes authorization for a flood control project at the Hocking River, at Logan and Nelsonville, in the amounts of $7.7 million and $8.0 million respectively.

As the cochairman of the Great Lakes Task Force for the Northeast-Midwest Senate Coalition, I also want to note that S. 1567 contains several provisions of significance to the Great Lakes region. The legislation authorizes five Great Lakes harbor improvement projects, including Lorain Harbor and Cleveland Harbor in Ohio; Duluth-Superior Harbor, in Minnesota and Wisconsin; Grand Haven Harbor, in Michigan; and Monroe Harbor, in Michigan.

Title VIII, "Navigation Taxes," includes an important provision for Great Lakes shipping interests; Rebate of St. Lawrence Seaway tolls paid to the St. Lawrence Seaway Department Corporation. Also included in title VIII is a provision directing the Secretary of State, in consultation with the Secretary of Transportation, to initiate negotiations with the Canadian Government with the objective of reducing or eliminating all tolls on the international Great Lakes and the St. Lawrence Seaway. The ultimate elimination of seaway tolls, both Canadian and American, would make the ports of the Great Lakes region competitive, for the first time, with ports on the other three U.S. coastlines. These two provisions in title VIII constitute an important first step toward elimination of seaway tolls.

S. 1567 also establishes a harbor maintenance trust fund for the purpose of providing operation and maintenance for commercial channels and harbors. It authorizes 100 percent of the eligible operation and maintenance costs of the St. Lawrence Seaway Development Corporation to be appropriated out of this harbor maintenance trust fund.

Mr. President, we have waited a decade for a new water resources authorization bill. I urge my colleagues to adopt this legislation.

Mr. MOYNIHAN. Mr. President, may I thank the distinguished Senator from Ohio for his very cogent and careful remarks.

It is the case that we have not been able to accept any substantive amendments but we will go to conference and we will have carefully in mind his cogent thoughts.

Mr. ABDNOR. I assure the Senator we will give it every consideration in the conference.

Mr. GLENN. I thank the Senator very much.

Mr. METZENBAUM. Mr. President, I want to urge the chairman of the committee and the ranking democratic member to support in conference the project to repair Milton Dam in Youngstown, OH.

Milton Lake has been a prime recreation area for the city of Youngstown and the surrounding region for more than 60 years.

Unfortunately Milton Dam is in a state of serious disrepair. A 1980 report of the Army Corps of Engineers concluded that an "emergency situation may ultimately result" if steps were not taken to repair it.

Following a new study of the dam last month, the Ohio Department of Natural Resources concluded that the dam is unsafe, and recommended that the dam be breached and the lake drained.

This would be a tragedy for Youngstown and the entire region.

Mr. President, the economy of Youngstown is severely depressed. The city simply does not have the $6.7 million needed to repair Milton Dam. As a matter of fact, the mayor of Youngstown says that the city cannot even afford to pay back a loan if such a loan to repair the dam is provided.

H.R. 6, the House passed measure would loan Youngstown 80 percent of the funds needed to repair the dam. Recognizing that a loan would not save Milton Dam, the State of Ohio recently offered to provide a $4 million grant to help pay for the needed repairs. That still leaves Youngstown $2.6 million short.

Mr. President, I was prepared to offer an amendment to provide the additional needed funds. However, the bill managers have indicated that no amendments for new projects would be accepted.

Therefore, I would hope that the conferees see fit to provide the additional $2.6 million grant needed to complete the repair project. I believe the State of Ohio clearly has demonstrated its commitment to solving this crucial problem. It is a worthwhile investment, and many people in Youngstown are depending on it.

AMENDMENT NO. 1710

(Purpose: To make certain technical and other modifications to the bill)

Mr. ABDNOR. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The bill clerk read as follows:

The Senator from South Dakota [Mr. ABDNOR] (for himself, Mr. STAFFORD, Mr. BENTSEN, and Mr. MOYNIHAN) proposes an amendment numbered 1710.

Mr. ABDNOR. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

(Amendment 1). On page 3, line 1, after the word "reimbursed", insert the following: "during each such fiscal year".

(Amendment 2). On page 5, line 7, delete the figure "$250,000" and insert in lieu thereof "$5,000,000".

(Amendment 3). On page 5, line 20, after the word "Representative" insert the following: "after July 1, 1987,".

(Amendment 4). On page 65, after line 5, insert the following and number accordingly:

"SEC. (a)(1) Congress is concerned about the impact that the century-high water level of the Great Lakes is having on shoreline along the Great Lakes and connecting channels.

"(2) Congress recognizes scientific findings that indicate the level of the Great Lakes will continue to rise if, as expected, the current long term weather cycle of cooler temperatures and higher precipitation prevails.

"(b) The Secretary, in cooperation with the National Oceanic and Atmospheric Administration, the Federal Emergency Management Agency, the International Joint Commission, and other appropriate Federal, State, and local agencies and the private sector, is authorized to conduct a study of shoreline protection and beach erosion control policy and related projects of the Secretary, in view of the current situation and long-term expected increases in the levels of the Great Lakes. Such study shall include, but is not limited to—

"(1) a study to determine the magnitude and extent of current and expected future shoreline erosion on the Great Lakes and connecting channels occurring as a result of high water levels. The study shall examine the impacts of the long term cold weather cycle on lake levels and shoreline damage. The study shall also examine the relationship of shoreline damage to the regulation of outflows from Lake Superior and Lake Erie in accordance with approved regulation plans of the International Joint Commission;

"(2) an economic and hydrologic analysis to determine whether changes in the inflows and outflows of the existing structures may be desirable to reduce shoreline damages, and whether further regulations of the outflow of Lake Erie may be warranted to achieve better regulation of the water levels of the Great Lakes;

"(3) a summary of the legal and institutional impacts of rising lake levels on riparian lands; and,

"(4) recommendations for new or additional criteria for Federal participation in shore-

line protection projects along the Great Lakes and connecting channels.

"(c) Within three years after the date of enactment of this Act, the Secretary shall transmit the studies prepared pursuant to subsection (b) of this section, together with supporting documentation and the recommendations of the Secretary, to the Committee on Environment and Public works of the Senate and Committee on Public Works and Transportation of the House of Representatives.

"(d) For the purposes of this section, there is authorized to be appropriated to the Secretary for the fiscal year ending September 30, 1987, or thereafter, the sum of $3,000,000, such sum to remain available until expended.

"SEC . The Secretary is directed to include in the feasibility study of Sunset Beach Harbor, Bolsa Chica Bay, California, an assessment of the feasibility of non-Federal cost sharing for the Sunset Beach Harbor project, utilizing the provisions of section 215 of this Act, in consultation with the appropriate non-Federal sponsors: Provided, That no such assessment shall be considered as an alternative to any non-Federal cost sharing otherwise required during the period of construction of any possible project. The assessment under this section will examine whether, and to what extent, the provisions of section 215 of this Act can be used by the non-Federal sponsors of the Sunset Beach Harbor project to support non-Federal cost-sharing for this project.

"SEC. The project for navigation, Cape Charles City Harbor, Virginia, authorized by the River and Harbor Act approved March 2, 1945 (59 Stat. 15), is modified to provide that the local interests shall not be required—

"(1) to provide bulkheads, or

"(2) to reserve berthing space for general public use, along a great distance of the shoreline than such bulkheads are provided or such berthing space is reserved on the date of the enactment of this Act.

"SEC. The Secretary is directed to expedite the hydroelectric power studies of the Red River Basin Comprehensive Study, Arkansas, Texas, Louisiana, and Oklahoma (authorized by Public Law 98-63), with a particular view of investigating the feasibility of adding hydroelectric power generating facilities at the Tuskahoma Lake, Oklahoma, project.".

(Amendment 5). On page 102, line 11, delete the semicolon and insert in lieu thereof the following: ": *Provided*, That after the date of enactment of this Act, the Secretary shall not submit to Congress any proposal for the authorization of any water resources project that has a hydroelectric power component unless such proposal contains the comments of the appropriate Power Marketing Administrator designated pursuant to section 302 of the Department of Energy Organization Act (Public Law 95-91) concerning appropriate Power Marketing Administration's ability to market the hydroelectric power expected to be generated and not required in the operation of the project under the applicable Federal power marketing law, so that, 100 per centum of operation, maintenance and replacement costs, 100 per centum of the capital investment allocated to the purpose of hydroelectric power (with interest at rates established pursuant to or prescribed by applicable law), and any other costs assigned in accordance with law for return from power revenues can be returned within the period of such costs by or pursuant to such applicable Federal power marketing law;".

(Amendment 6). On page 119, line 16, delete the semicolon and insert in lieu thereof the following: ": *Provided*, That this authorization shall not preclude development of hydroelectric power by a non-federal interest if, within three years of the date of enactment of this Act, such non-federal interest obtains a license from the Federal Energy Regulatory Commission for non-federal development of hydroelectric power at the Blue River Lake project;".

Mr. ABDNOR. Mr. President, Because we have had over a week since the Senate set aside S. 1567, we have had time to carefully review a few minor technical amendments and amendments which our colleagues had planned to offer to S. 1567.

Six of these amendments are sound additions and should be noncontroversial. So, rather than deal with these amendments one by one here on the floor, we have decided to offer these amendments en bloc on behalf of our colleagues. I therefore have sent to the desk a package of six amendments for the Senate's consideration.

The first amendment clarifies the obligation ceilings on Corps of Engineers construction spending in title I of S. 1567. This amendment makes it clear that if reimbursement occurs during the same year in which construction occurs, reimbursed funds would not be counted toward the construction cap.

The second amendment simply makes a technical correction to section 205 of the bill. As originally reported, section 205 references the figure "$250,000." However, this figure does not reflect public law 83-566 as it has been subsequently amended. The figure that is now in that law, and hence the figure which should be referenced is "$5,000,000."

The third amendment modifies section 206 of the bill which requires that Soil Conservation Service small watershed projects sent for authorization to the Public Works Committees of the House and Senate must have a least 20 percent agriculture benefits. This modification makes this requirement effective beginning on July 1, 1987. This will permit a phase-in period for this change.

The fourth amendment is being offered on behalf of Senators DURENBURGER, SIMON, BOSCHWITZ, RIEGLE, KASTEN, and METZENBAUM. It authorizes a study of Corps of Engineers shoreline protection projects and policy with respect to the continuing rise in the water level in the Great Lakes. This is a serious problem which is already resulting in millions of dollars of damages to property bordering the lakes.

A total of $3 million is authorized to be spent on this study which is meant to examine a number of factors related to the rising lake levels. The study is meant to be completed and transmitted to Congress within 3 years after the date of enactment of this act.

This amendment also modifies the study authorization for the Sunset Harbor project in California. This change is being offered on behalf of the two Senators from California, Senator WILSON and Senator CRANSTON. The amendment would allow the Corps of Engineers to study the Sunset Harbor project as a demonstration of the workability of section 215 of S. 1567. Section 215 allows local project sponsors to form project repayment districts for the purpose of repaying to the Federal Government their share of a water project's cost.

This change is in no way meant to replace the need for non-Federal cost sharing required during and/or after the period of construction. It simply authorizes a feasibility study of the payment or recovery of an appropriate share of the costs of a project through a Federal project repayment district.

On behalf of our able colleague from Virginia, Senator TRIBLE, amendment 4 also modifies the authorization for Cape Charles Harbor in Virginia. This modifies the requirement in Public Law 79-14 that local project sponsors are to provide 1,000 feet of berthing space along a bulkhead. Since the need for all of this berthing space never arose, the town only constructed 650 feet. This amendment merely reduces the required length of the dock from 1,000 feet to 650 feet. The Corps of Engineers has no objection to this change and it costs the Federal Government no money.

In addition, amendment 4 also directs the Secretary to expedite the hydroelectic power studies of the Red River basin comprehensive study. This change, which was included at the request of the distinguished Senators from Oklahoma, Senator BOREN and Senator NICKLES, specifically instructs the Secretary to investigate the feasibility of adding hydroelectric capability at the Tuscahoma Lake project in Oklahoma.

Amendment 5 is offered on behalf of our distinguished colleague from Montana, Senator BAUCUS. This amendment requires that future reports on proposed corps hydroelectric projects include the comments of the appropriate power marketing administrator on the ability of that power marketing administration to market the power produced by the project. This reporting requirement would better enable Congress to judge the viability of the project with respect to the repayment of construction, operation, maintenance, and replacement costs. This information will be valuable in future congressional consideration of Corps of Engineers' hydroelectric projects.

Finally, amendment 6 modifies section 702(b)(8), which authorizes the Blue River Lake hydroelectric project in Oregon. This change, offered on behalf of Senator PACKWOOD, would

simply allow a 3-year period for non-Federal development of this project to begin before any Federal Development could take place.

This modification is necessary because the Eugene Water & Electric Board [EWEB] in Eugene OR, has applied for a Federal Energy Regulatory Commission [FERC] license to construct this hydroelectric project on its own.

Normally, congressional authorization for the Corps of Engineers to construct a project will preclude non-Federal project development. Since it is fully expected that the EWEB will construct this project, this amendment is intended to ensure that authorization for Federal development will not prejudice EWEB's license application.

Thus, this amendment will allow the EWEB to construct this project if they receive a FERC development license within 3 years of the date of enactment of this act. If, by the end of this period, FERC license has not been received by the Eugene Water & Electric Board, the Corps of Engineers could then proceed with construction of this project.

Mr. MOYNIHAN. Mr. President, these are amendments that have been thoroughly examined and agreed to on both sides. I move their adoption.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 1710) was agreed to.

Mr. MOYNIHAN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. ABDNOR. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from Montana is recognized.

AMENDMENT NO. 1711

(Purposes: To add recreation to the purposes of Fort Peck Reservoir)

Mr. MELCHER. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The bill clerk read as follows:

The Senator from Montana [Mr. MELCHER] proposes an amendment numbered 1711.

Mr. MELCHER. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Add a new section to Title III which reads as follows:

Sec. . The project for navigation and Power generation, Fort Peck, Montana, authorized by the Act entitled "An Act to Authorize the completion, maintenance, and operation of the Fort Peck project for Navigation and for other purposes" Approved May 18, 1938 (16 U.S.C. 833), shall include recreation as a purpose of such project."

Mr. MELCHER. Mr. President, when Fort Peck Dam was built, one of the first dams built on the Missouri, apparently nobody thought about recreation being one of the purposes of the construction of the dam. This was in the early 1930's. The last time that I know of when this matter was thought of was an act of 1938 which authorized the completion and the maintenance and operation of the project for navigation and other purposes.

It was primarily thought it was for some power development and for navigation, if possible, and flood control, but never recreation.

All the other dams that have been built later on the Missouri have always mentioned recreation.

The House of Representatives seeks to correct that by an amendment offered by the Congressman from the eastern district of Montana which was accepted.

I offer an amendment picking up the same language, simply stating that recreation will be one of the purposes of Fort Peck. I think that just brings it into conformity with how the dams of the Missouri are used.

I hope the managers of the bill will accept it because it merely picks up an oversight and corrects it.

I point out that there might have been some confusion whether the Corps of Engineers agrees with this amendment. They have added it in the House bill. They had a great amount of time to look at it. They see nothing wrong with it.

If that is concurrence, then they concur.

The PRESIDING OFFICER. The Senator from New York.

Mr. MOYNIHAN. Mr. President, I thank my able friend from Montana for his amendment.

The Corps of Engineers already has the authority to add recreation as a project purpose at its facilities. That amendment would merely reinforce the sense of Congress that recreation should be a project purpose at Fort Peck. It adds no new money.

We find it a worthy amendment and we are happy to support it on this side.

Mr. ABDNOR. I am glad the Senator was able to work out this situation, and I think he has come up with a good amendment. We are very happy with it.

Mr. MELCHER. I thank the managers.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 1711) was agreed to.

Mr. MOYNIHAN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. ABDNOR. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. GORE. Mr. President, I wish to commend the authors and managers of this legislation for the excellent job they have done. I call particular attention to the 3-year study of the greenhouse effect and its impact on coastal areas which is contained in this legislation.

Earlier, I had published in the RECORD a proposed amendment to expand the study of the greenhouse effect and I wish to explain to my colleagues the reasons for not introducing it at this time.

Some members of the committee have expressed interest in further studying the approach that I have suggested. I look forward to working with members of the committee.

But let me point out, Mr. President, that I believe the greenhouse effect will be recognized in the next decade as the most significant environmental issue facing all mankind.

We have tended to pay far too little attention to this issue.

The February 18, 1986, issue of the New York Times contained the article "Significant Rise in Sea Level Now Seems Certain." The story pointed out that many scientists predict a rise in sea level of 1 foot within the next 30 to 40 years. Even this relatively small increase could push the coastline inland, in some areas, by 100 feet.

This could be felt on the beaches and marshes from Long Island to Florida and throughout the gulf and Pacific coasts. These fragile lands would shrink in size and decline in number. Louisiana's shore, for example, which now loses 50 square miles annually, would suffer even greater erosion. Fish and shrimp would lose growth habitat, while saltwater intrusion would make farmland useless for agricultural purposes.

Even more alarming would be the increase in both frequency and extent of coastal flooding and erosion due to storms. This in turn could destroy buildings and roads. As a result, the cost of maintaining infrastructures in coastal communities would increase.

As many of you are aware, the lifetime of large-scale projects such as buildings and bridges is assumed to be 30 years. Therefore, a building constructed in a coastal area today could be expected to face impact of a 1-foot rise in sea level.

Other countries could suffer even more severe consequences. Highly populated areas near sea level could experience extensive loss of life and property from storms, made worse by the increased sea levels. Most vulnerable are the river deltas in Bangladesh, Pakistan, China, Egypt, and Colombia.

All these dire predictions are based on a 1-foot sea level rise within the next 30 or 40 years. Yet the predictions by scientists for the next 100 years suggest an even greater rise. Some projections for increased levels range from 2 to 5 feet. By comparison, the sea level rise over the last century was only 4 inches. Needless to say, the long-range impact of a 5-foot rise could be catastrophic.

I have been concerned about the effects of the greenhouse phenomenon for some time. In the other body, I chaired a subcommittee that held three hearings over a period of 4 years. The views of the scientists have evolved from doubts about the importance of the greenhouse effect in 1981 to a consensus by 1984 that it is real and must be studied extensively.

This past December I testified on the greenhouse effect at a hearing before a subcommittee chaired by the distinguished Senator from Minnesota, Mr. DURENBERGER. The conclusions that I drew from that outstanding hearing was that it is more critical now than ever before that we move ahead with studies of the greenhouse effect.

What I have suggested on several occasions is an international year of scientific study on the greenhouse effect. I remember very well the International Geophysical Year of 1957 and the tremendous benefits which came from that year of international study.

Insofar as the greenhouse effect is a global problem and insofar as measures to ameliorate its impact will require action on a global basis, it seems to me that our urgent priority should be to increase the level of confidence we have in the scientific predictions about what the greenhouse effect will mean for mankind. As a result, an international year of scientific study seems to me to be a good way to proceed.

Out of respect for members of the committee, I will not offer this amendment at this time, but I do urge my colleagues to give serious consideration to this idea. In the future I will offer it to another bill that perhaps may be a more appropriate vehicle.

I am absolutely convinced, Mr. President, that we in this body must begin to turn our attention to the greenhouse effect. The problem is not only the burning of fossil fuels, it is the accumulation of trace gases, like methane and fluorocarbons in the atmosphere and also deforestation, which is one of the major contributors to this problem.

I will elaborate in my statement for the RECORD, because I know we need to proceed with this bill, but I did want to explain why I am not offering the amendment that I had earlier published in the RECORD.

Mr. MOYNIHAN. Mr. President, may I express, I am sure, on behalf of myself and Senator ABDNOR, our appreciation to Senator GORE, not for withdrawing his amendment but for bringing this matter to the Senate floor. I think his idea of an international year modeled on the International Geophysical Year is an exceptionally compelling one. As Senator GORE well knows, if anyone thinks we have flood control problems in the United States today, just wait until the level of the Atlantic and Pacific Oceans rises 3 feet and we will have nothing but flood control projects here. I know he will pursue this matter and encourage him to so do.

Mr. GORE. I thank my colleague for his comments. I would only add we are talking about an effect which could be felt in our lifetime.

Mr. ABDNOR. Mr. President, I thank the Senator from Tennessee for what he is attempting to do here and for the work and time he spent on this. It is something that the Committee on Environment and Public Works will be devoting its attention to. We thank him very much for his involvement, and look forward to working with him on this important matter.

Mr. GORE. I appreciate the chairman's kind words. Once again, Mr. Chairman, I commend the chairman and ranking member for the outstanding jobs they have done in bringing this historic bill to the floor. I yield the floor.

SCHUYLKILL RIVER BASIN FLOOD CONTROL PROJECT

Mr. SPECTER. Mr. President, at the outset, I join my colleagues who have commended the distinguished Senator from South Dakota, [Mr. ABDNOR], the manager of the bill, and the ranking member, the distinguished Senator from New York [Mr. MOYNIHAN], on a very prodigious effort. I thank them further for careful consideration and inclusion of projects very important to my State of Pennsylvania.

There are two matters which I would like to address, and I shall do so briefly this morning. One is on a project which the Senate water resources bill does not include, which is very important to Pennsylvania, and that is the Schuylkill River Basin flood control project near Pottstown, PA. The Schuylkill River basin is subject to flooding even from summer thunderstorms. Manatawny Creek is also subject to flooding from Schuylkill River backwaters, as well as from the runoff from smaller localized storms in the Manatawny Creek watershed.

Pottstown suffers with flooding two or three times a year. Property damages from these recurring floods have been heavy. In 1972, Hurricane Agnes caused over $25 million in property damage in the town, ruining residences, commercial, industrial, and public property.

Currently, most of the town's jobs are located in a commercial/industrial area along the river. When floods occur, this area and the industrial highway serving these businesses are incapacitated. In addition to the direct damages to buildings, inventories, and other property, the losses from lost work time and lost business orders are substantial. With over 1,000 employees working in businesses along the industrial highway, flooding results in wage losses of $50,000 to $75,000 per day. Generally, floodwaters shut down this area for 2 days, creating wage losses of $100,000 to $150,000 per flood.

Because flooding occurs regularly in both the old downtown area and the industrial area of the town, businesses have been reluctant to lease space in this area. The city has a number of abandoned buildings which they are trying to rehabilitate for new businesses. Their success in this endeavor is directly related to reducing the likelihood of flooding.

I believe, Mr. President—and I know my distinguished colleague, Senator HEINZ, has spoken on this matter, as well—that the Pottstown flood control project is urgently needed to ensure the future protection and economic development of the area.

I appreciate the fact that the Corps of Engineers has not given final approval to this project and that it strains the standards which the managers of the bill have established. But there is more to consider here than simply the cost-benefit ratio.

I have discussed this with the manager of the bill, who has been very accommodating. The project is in the House bill and I am very optimistic that the matter can be accommodated in conference.

Mr. ABDNOR. Mr. President, if my friend and colleague from Pennsylvania will yield, we have had an exchange on this subject and I certainly understand the importance of this Pottstown project to him and to the people of Pennsylvania, and particularly in that area.

As he said, it is in the House bill. In conference with the House, I can assure him we will give the Pottstown project favorable consideration, but subject to the overall objective of what we are trying to do here—get a bill that we can get signed by the President. That is our biggest single goal.

Mr. MOYNIHAN. Mr. President, I wish to associate myself wholly with the remarks of our chairman. We have listened with care and will do what we can do in the conference.

Mr. SPECTER. I thank the manager of the bill and the distinguished ranking member for those assurances.

AMENDMENT NO. 1712

(Purpose: To carry out further studies for engineering and design for a flood control project at Milton, PA)

Mr. SPECTER. Mr. President, I have one other matter on which I shall be brief. It is a short amendment, which I send to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Pennsylvania [Mr. SPECTER] proposes an amendment numbered 1712.

Mr. SPECTER. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment reads as follows:

The Secretary of the Army, acting through the Chief of Engineers, has been conducting a study of the feasibilty of providing flood protection along the West Branch of the Susquehanna River for the Borough of Milton, Pennsylvania. The Secretary is directed to undertake further studies for engineering and design for a flood control project at Milton, Pennsylvania.

Mr. SPECTER. Mr. President, the amendment has been marked up, but I can read it briefly to state the purpose as follows:

The Secretary of the Army, acting through the Chief of Engineers, has been conducting a study of the feasibility of providing flood protection along the West Branch of the Susquehanna River for the Borough of Milton, Pennsylvania. The Secretary is directed to undertake further studies for engineering and design for a flood control project at Milton, Pennsylvania.

There have been discussions with the distinguished manager of the bill and among staff.

Mr. President, the need for this important flood control project has been thoroughly demonstrated by history. The Borough of Milton has been subject to periodic devastation by floods from the west branch of the Susquehanna River. Over the past 40 years, the borough has experienced six major floods: 1936, 1946, 1951, 1964, 1972, and 1975. Tropical storm Agnes in 1972 caused the greatest amount of hardship, inflicting almost $40 million in flood damages. During the June 1972 flood, the depth of flood water in parts of the borough was as much as 15 feet, and between 4 and 8 feet through the central business district. According to the Army Corps of Engineers, approximately one-third of the borough was inundated during the flood, with about 800 homes, 120 commercial establishments, and 13 industries incurring flood damage. Almost the entire population of Milton was directly or indirectly affected by the flood.

Without this badly needed flood control project, Milton will continue to exist under the threat of severe destruction from future storms. The heavy development in the flood plain area and the adverse physical flow conditions at Milton have made it very susceptible to flood damage. Milton's river channel is constricted by several large islands, the Route 642 highway bridge, and a railroad bridge and embankment. Furthermore, the flood problem is heightened by the existence of Limestone Run, a small stream with a 15-square-mile drainage area which flows through the center of the borough. Flood flows on the west branch back up Limestone Run and flood the low-lying flood plain.

Citizens of Milton have alerted me to another problem that is caused by the flooding: stream-bank erosion of the east bank of the west branch. The east bank of the river averages from 20 to 30 feet high in areas of Milton and has eroded to a point where several buildings along Front Street are being endangered.

Mr. President, various flood control plans for Milton have been examined by the Corps of Engineers. The best approach, according to the corps, however, is a series of levees and flood walls which are designed to confine flood flows to a designated channel or floodway. This flood control method has been proven for providing a high degree of protection around concentrated urban areas, such as Milton.

Having suffered through six severe floods and the ravages of tropical storm Agnes, Milton needs substantive protection to prevent the possibility of future destruction. My sense is that now is an opportune time to proceed on this important public works program, given current economic conditions and the need for infrastructure improvements.

It is estimated that the Milton project will cost $87 million. While this is a considerable amount of money, I believe it is a necessary expenditure that will protect property and prevent the recurrence of previous devastation. That the Army Corps of Engineers has not recommended construction for Milton does not convince me that inaction is appropriate. We have already witnessed severe damages reflecting present conditions and potential for further destruction. The possibility of future destruction from flooding and the capability of providing valuable jobs to this region make the Milton flood control project important to central Pennsylvania.

Further studies for engineering and design are necessary steps in obtaining this important project.

Mr. President, I believe this amendment is acceptable.

Mr. ABDNOR. Mr. President, I say to my colleague from Pennsylvania that I certainly recognize the problem. I think he has taken the proper steps by calling for the study. We are happy to accept the amendment on this side of the aisle.

Mr. MOYNIHAN. We are happy to accept it on this side.

The PRESIDING OFFICER. The question is on the amendment.

Mr. SPECTER. Mr. President, if I may add, before the amendment is acted upon, I do understand there are problems with going beyond the study at this time because of the lack of approvals. I think that the study will advance the cause and ultimately lead to the appropriate resolution for Milton, PA.

I thank the manager and I thank the ranking minority member.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Pennsylvania [Mr. SPECTER].

The amendment (No. 1712) was agreed to.

Mr. ABDNOR. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. MOYNIHAN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. SYMMS. Mr. President, in the past, there have been some questions about the Corps of Engineers authority to dredge the Clearwater River at Lewiston, ID, in order to keep the Port of Lewiston navigable. I had planned to introduce an amendment to S. 1567 to make it clear that the corps has the authority to maintain the Port of Lewiston. However, I have contacted Assistant Secretary of the Army, Robert K. Dawson on this issue. In a letter dated March 17, 1986, Mr. Dawson states, "The corps would pursue the desired dredging as a part of its normal operation and maintenance program." Senator ABDNOR, would you agree that the Assistant Secretary does have the authority to dredge the Clearwater River?

Mr. ABDNOR. Yes, I think that is quite clear.

Mr. SYMMS. Do you also feel that the Assistant Secretary also intends to do the desired dredging?

Mr. ABDNOR. I think that is also clear.

Mr. SYMMS. The corps and the Port of Lewiston are in agreement that navigation should be maintained at least to the Memorial Bridge, River Mile 2. Senator ABDNOR, is it your understanding that the corps has the authority to maintain the river for navigation to at least River Mile 2?

Mr. ABDNOR. That is my understanding.

Mr. SYMMS. Thank you, Senator. I also want to commend you for your excellent work on this legislation and your cooperation on this particular issue.

Mr. President, I ask unanimous consent that the full text of the letter

from Mr. Dawson, dated March 17, 1986, be entered in the RECORD. I also ask that the full text of a letter from Col. Richard M. Connell of the Corps of Engineers, dated March 22, 1971, and the response from Brig. Gen. Roy S. Kelly of the Corps of Engineers dated, June 25, 1971, be also entered into the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

DEPARTMENT OF THE ARMY,
OFFICE OF THE ASSISTANT SECRETARY,
Washington, DC, March 17, 1986.

Hon. STEVEN D. SYMMS,
U.S. Senate,
Washington, DC.

DEAR SENATOR SYMMS: The purpose of this letter is to clarify the Department of the Army's position on dredging the Clearwater River in the vicinity of Lewiston, Idaho. In 1983, the Corps of Engineers, in response to concerns expressed by the Port of Lewiston, initiated studies under the authority of Section 107 of the 1960 River and Harbor Act to determine the feasibility of dredging the Clearwater River to depths adequate for safe navigation.

These efforts resulted in a Reconnaissance Report under Section 107, dated October 1985, which contained an analysis of several alternatives and a recommendation for further studies. The Detailed Project Report which would contain final plan recommendations is scheduled for completion in the near future.

However, additional information recently obtained by the Corps indicates that navigation on the Clearwater River at Lewiston is already authorized. Upon confirmation of this information, the Corps would discontinue its efforts under Section 107 and pursue the desired dredging as a part of its normal operation and maintenance program as budget priorities and funding permit.

If you have further questions regarding this matter, please do not hesitate to contact me.

Sincerely,

ROBERT K. DAWSON,
Assistant Secretary of the Army
(Civil Works).

DEPARTMENT OF THE ARMY,
WALLA WALLA DISTRICT,
CORPS OF ENGINEERS,
Walla Walla, WA, March 22, 1971.

Subject: Modification of the Camas Prairie Railroad Bridge, Lower Granite Lock and Dam Project.

To: Division Engineer, North Pacific.

1. Design Memo No. 9.3, Modification of Camas Prairie Railroad Bridge, was submitted to higher authority on 19 September 1966 and approved by OCE 4th Indorsement dated 11 July 1967. This report proposed reactivation of the existing navigation swing span, removal of the south truss span, and raising the bridge and adjoining track to provide clearance above Lower Granite Pool and Lewiston Levee. The reactivated swing span would provide openings with a horizontal clearance of 100 feet and unlimited vertical clearance. The clearance over normal pool elevation, 738 feet m.s.l., with the swing span closed would be 6.7 feet. A hearing was not held in connection with the proposed bridge raising, since there were no changes in the navigation clearances and existing traffic did not warrant declaring the bridge restrictive. A vicinity map showing Lewiston area and the section of relocated line is provided as inclosure 1.

2. The estimated design memorandum cost for raising the bridge under operating traffic was $564,000, July 1966, and the estimated escalated July 1973 cost for bridge modification is $990,000. The railroad company's shares of modification costs for July 1966 and July 1973 are $126,000 and $221,000, respectively. A letter of agreement has been negotiated with the railroad company to assure the fulfillment of this modification plan and their operation of the swing span. The plan for raising the existing bridge is shown on Plate 6, inclosure 2.

3. Public Law 14, approved 2 March 1945, authorized improvement of Snake River to Lewiston. The improvement was to be accomplished by a series of dams and channel improvements to provide a depth of 9 feet. The 1962 Flood Control Act authorized the navigation channel project depth to be increased to 14 feet at minimum flow and provided a width of 250 feet.

4. Since the submittal of General Design Memo No. 3, the Lewiston Port District has selected an area on the north bank of the Clearwater River just upstream of the railroad bridge for port terminal development. It has purchased land for the development and made studies on a proposed rail spur to this area. The proposed rail spur embankment would encroach upon the narrow channel of the Clearwater River at the site of bridge crossing and reduce the available opening on one side of the swing span to about 50 feet. Subsequent to completion of our bridge studies, the Coast Guard has assumed responsibility for bridge permits over navigable water. The railroad has submitted a permit application to the Coast Guard at this District's urging, based upon the bridge modification as previously described; and the Coast Guard issued a public notice on the proposed modification. Letters of objection to the proposed plan were received from shippers, the port district, the Inland Empire Waterways Association, and the Northwest Rivers and Harbors Congress. Some objectors requested that a larger navigation span opening, 400 feet horizontal and 60 feet vertical clearance, be incorporated in the modified plan. Other objectors requested that we use a plan similar to an alternate studied for DM 9.3 (inclosure 3), which provided a 320-foot horizontal opening with lift span. However, a 600-foot-long guide wall on one side was also requested. The cost of such bridge modification would be about $5,950,000, without guide wall, based on estimated 1973 construction costs. Railroad interests objected to the new span and cited the large expenditure of public funds for the bridge to provide the unjustified enlargement of navigation span opening. However, the railroad interests have indicated that they have no strong objections, since their share of cost in either plan of modification would be about the same, assuming that their cost for the enlarged opening would be based on the Truman-Hobbs formula.

5. In a recent meeting, representatives of the Coast Guard, Union Pacific Railroad, and Walla Walla District reviewed the objections to the railroad's permit application and the present construction schedule needs for the Lower Granite Project pool raising. The Coast Guard considers that they have authority for ruling on this bridge, since the plan of modification was not approved by the Chief of Engineers until 11 July 1967. Informally, they have indicated that they may recommend a wider navigation span to the Commandant and leave the decision of a hearing to that office. They have further indicated that they could not apply the Truman-Hobbs Act for many years because of national priorities and the fact that there is no traffic at the present time. The Coast Guard's decision on the permit will undoubtedly be delayed for 6 to 12 months. If the bridge is to be rebuilt within a period of only about 10 years after pool raising, it would be desirable to include the construction within the present project construction schedule. Since pool raising is to be in the spring of 1975, track laying needs to start by mid-September 1973, levee construction in June 1972, and bridge construction no later than January 1973. To meet this schedule, preparation of plans and specifications should start in July 1971.

6. Alternative plans of action available to the Corps are as follows:

a. Proceed with design of the railroad relocation as presently approved in Design Memo No. 9.3. This decision would, in general, ignore the views of the Coast Guard. The other points to which we should address ourselves are the views of navigation interests, Port of Lewiston, State of Idaho, Inland Empire Waterways Association, Northwest Rivers and Harbors Congress, senators, and local newspapers, all of whom would be strongly against this plan of development. This plan could also reduce the water competitive advantages creditable to the Port of Lewiston where barge tows would need to be moved as single units into the Clearwater River Arm. The limited bridge opening could ultimately prove to be unsafe for future heavy barge traffic.

b. Proceed with raising the bridge as approved in DM No. 9.3, with the addition of guide walls to provide improved passage. Guide walls would reduce the channel capacity and necessitate further raising of the levees and the railroad bridge to pass flood flows. This plan would not satisfy local interests' objections to the narrow navigation span.

c. In order to keep the project on schedule with pool raising in 1975, it would also be possible to limit the pool height to elevation 723 feet m.s.l. and continue the efforts toward solution of bridge construction before raising to elevation 738 feet m.s.l. Such a plan would require the relocation and raising of the rail line crossing in two steps. The plan would also result in loss in power production including no opportunity for power peaking of the Lower Granite Project. This is not an acceptable alternative.

d. Modify the bridge to provide standard clearance as now exists on the Snake River. This now appears to be the only alternative which would satisfy all interests, and it is believed that public opinion and the continued Congressional urging will force us to go this route.

7. If this office proceeds with standard bridge clearance plans on the waterway reach, the economic justification for the added expenditure would be speculative. In order to justify this increased capital cost of $4,960,000, annual benefits of $157,000 would be required. It is not readily possible for us to establish such benefits, nor can port or shippers provide such benefit. The Truman-Hobbs Act is not now applicable because there currently is no commercial river traffic moving on or through the lower 2 miles of Clearwater River. It appears that the railroad company could be expected to participate in the cost of activation of the swing span, but to require the railroad to

pay the total added capital cost is unrealistic and unfair. The possible provision that the Port of Lewiston bear the increased cost of a widened navigation span as special benefit to the Port is reasonable, but the investment cost is beyond the Port's ability to bear financially. Consideration might also be given to a plan to have Port of Lewiston secure a special act of Congress providing that funds for this modification be assigned to Lower Granite Project construction. It might also be possible to interpret the authorization act as providing for improvement of navigation to the Port of Lewiston, rather then limiting improvement to the Snake River. This office believes that we will eventually be forced by the public, Congress, and the Coast Guard to plan for the standard clearance for the Camas Prairie Bridge at project expense. We should, therefore, sstart searching for means now without waiting for others to direct us to do it.

8. There would be several political and social implications if we should continue to sponsor the approved bridge plan and ignore the problems of the Port of Lewiston resulting from that action. Segments of local interests and some Federal and State agencies concerned with open-river boating, pollutants which might concentrate near the head of pool in Lewiston, and migratory fish problems are very vocal about urging that Lower Granite Pool be reduced to elevation 726 feet or even to elevation 710 feet. If such a movement continues to gain prominence and prevails, the revision to the project will be far reaching, since it would have the effect of radically modifying the present contracts. It would prevent carrying out the authorization of a 14-foot channel to Lewiston or would alternatively require extensive dredging at great cost to provide the necessary channel depth and width. It would also probably prevent any future feasibility for waterway extension to the limestone deposits on Snake River near mile 170, which may be a source of this product in the future. The levees would not be eliminated by reducing the pool level to elevation 720 feet ± because flood flows would create a backwater nearly as high as that of the planned project pool elevation of 738 feet at the confluence of the rivers. We sincerely believe that if we do not provide a bridge opening considered adequate by navigation interests, we will lose some of our remaining support for the present project to the detriment of development of the area.

9. If the Corps accepts responsibility for complete rebuilding of the Camas Prairie Railroad Bridge, it is quite possible that local interests may then further request that we modify the Interstate Highway lift bridge over Snake River between Lewiston and Clarkston and the fixed Memorial Bridge over the Clearwater River near mile 2. Since the Lower Granite Pool does not affect these latter two structures except for minor bankline and levee adjustments around the approaches and reduction of vertical clearance, there is no real reason to charge the cost of such modifications to the Lower Granite Project when or if they should also be found obstructive by the Coast Guard. The barge traffic above Interstate Highway Bridge is predicted as a small percentage of the traffic reaching Lewiston area for the next ten to twenty years. The prospect for commercial traffic extending above the Memorial Highway Bridge is confined to lumber shipments and supply needs of the Potlatch Forests Mill. The fixed highway bridge would allow some barge movements of light draft to move above the bridge, although channel depth is generally less than about ten feet with project pool at 738 feet m.s.l. Provisions are not currently being made for shipping to or from the industrial area above the highway bridge.

10. In summary, there is already adequate information to make a decision on the physical scope of the bridge relocation, although the financing methods are very indeterminate and probably cannot be settled in the time available before design should start. If the various administrative and financing problems are not solved by 1 July 1971, I propose to start on design of a bridge with a 320-foot span similar to that in alternate plan 2-A in DM 9.3 (inclosure 3, Plate 8) or such other span as we can develop with the Coast Guard. This action will be a risk which must be taken if we are to meet our construction schedules. It is considered to be a better risk than designing according to the approved plan.

11. It is recommended that this letter be forwarded to OCE to assist the staff when the problem is referred to them by the Coast Guard within the next few weeks. We believe that a Coast Guard decision to hold a public hearing on the present application would only add to our public relations problem in this severely impacted area. If the Commandant decides the present application provides inadequate clearances, it is hoped he will reject it without a hearing and give us the minimum standards he would accept as a basis for a new application.

RICHARD M. CONNELL,
Colonel, CE, District Engineer.

DA, North Pacific Division, Corps of Engineers, 210 Custom House, Portland, Oregon 97209, 25 June 1971.

To: District Engineer, Walla Walla

1. References:

a. The River and Harbor Act of 2 March 1945, Public Law 14, 79th Congress, 1st Session (S. 35).

b. Your letter, subject as above, dated 8 June 1971.

2. I have made an examination in depth of the circumstances bearing on the proposal to modify the Camas Prairie Railroad Bridge so as to increase horizontal clearances for navigation. My study included detailed review of the basic letter, of supplemental information in reference 1.b., of Coast Guard correspondence pertaining to the bridge and their ruling on its restrictive nature, and of the plans of the Port of Lewiston. Also, I have consulted with the General Counsel, Office Chief of Engineers. Legislation basic to development of the lower Snake River, reference 1.a., provides authorization adequate to permit modification of the Camas Prairie Railroad bridge, as part of the Lower Granite Project, to meet Coast Guard requirements and to serve the needs of the Port of Lewiston.

3. As a basis for preparing your recommendation for bridge modification, I suggest, as did the Coast Guard, a meeting of interested agencies including the Port of Lewiston, the railroad and waterway users. The following guidelines should be observed in establishing an agreement as to the nature of the eventual modification and the extent of work to be undertaken at this time:

a. The modification should be the minimum that will meet the needs of the Port and the Coast Guard, and that will be licensed by the Coast Guard.

b. Any features not an essential part of the immediate modification as, for example, manning the movable structure or installing operating equipment, should be deferred.

4. Please prepare and submit for review a supplemental Design Memorandum which should include your analysis and recommendations.

ROY S. KELLEY,
Brigadier General, USA,
Division Engineer.

AMENDMENT NO. 1713

(Purpose: to prohibit certain studies on the Wabash River)

Mr. ABDNOR. Mr. President, I send an amendment to the desk on behalf of Senators LUGAR, QUAYLE, and SIMON, and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from South Dakota [Mr. ABDNOR] for Mr. LUGAR, Mr. QUAYLE, and Mr. SIMON, proposes an amendment numbered 1713.

Mr. ABDNOR. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 65, after line 5, insert the following and number appropriately.

SEC. . "No monies shall be appropriated or obligated for a feasibility study of navigation improvements on the Wabash River, Indiana and Illinois, pursuant to the authorized Wabash River Comprehensive Study."

Mr. ABDNOR. Mr. President, this amendment would prohibit the appropriation or obligation of funds for a feasibility study of navigation improvements on the Wabash River, Indiana and Illinois.

The purpose of this amendment is to ensure that the Corps of Engineers does not proceed with the feasibility study of making the Wabash River navigable. It does not affect any other authorities under the Wabash River Comprehensive Study.

Mr. LUGAR. I appreciate the Senator's support for this amendment. The Wabash Canal project is more than a century and a half old. Arguments for its construction, perhaps once valid, are no longer defensible. The rising costs of this project, coupled with the potential damage to the environment, far exceed any foreseeable benefits that might come from it.

Mr. ABDNOR. Mr. President, I move adoption of the amendment.

Mr. MOYNIHAN. Mr. President, I would like to express the strong desire that the moonlight should continue to shine on the Wabash, and I also move adoption of the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 1713) was agreed to.

Mr. MOYNIHAN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. ABDNOR. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ABDNOR. Mr. President, I would note an error in the CONGRESSIONAL RECORD of Friday, March 14. It listed on page S. 2863 of the language on amendment 30, which involves section 504 of the committee leadership amendment.

The correct version of subsection (j) should read:

(j) None of the funds appropriated pursuant to the authorization contained in subsections (f) and (g) of this section shall be considered to be attributable to commercial navigation.

The correct version was presented to the desk, and is in the hands of the enrolling clerk. It is now part of the bill.

TREATMENT AND CONVEYANCE FACILITIES FOR PARKER LAKE

Mr. NICKLES. Mr. President, water, as we all know, is a resource which is essential for the growth and future development of all communities. Planning and working toward the future is a key to water development, particularly since there is so much lead time required before new projects become operational.

Today, along with my good friend and Oklahoma colleague, Senator BOREN, I want to demonstrate strong Senate support for language in the House bill which would include water treatment and conveyance facilities for the Parker Lake project.

Parker Lake is proposed for construction approximately 20 miles east of Ada, OK. The Army Corps of Engineers does not now have the authority to include treatment and conveyance facilities in the construction of Parker Lake.

Parker Lake is a multipurpose project planned for the upper Muddy Boggy Creek area about 20 miles east of Ada, OK. The lake would have a total capacity of 237,000 acre-feet and would yield 42 million gallons of water per day for municipal and industrial water supply. It is important to note that the project would provide needed flood control benefits. The authorization for construction of Parker Lake is found in S. 1567, the legislation before us today.

In the House version of the Water Resources Development Act of 1985, H.R. 6, the Secretary of the Army is authorized and directed to construct treatment and conveyance facilities to treat and convey water from Parker Lake to municipalities and rural water systems within the jurisdiction of the RedArk Development Authority in the State of Oklahoma.

This project is an important element to central Oklahoma's future. I have discussed this project with the chairman of the Water and Power Subcommittee, Senator ABDNOR, and request his support of the House language during conference.

Mr. BOREN. Mr. President, I would like to join Senator NICKLES in expressing concern about the future of the Parker Lake project in Oklahoma. This project was designed primarily for water supply and flood control. It will have the capacity to yield 42 million gallons per day for municipal and industrial water supply. This project is in my home area of Oklahoma and I know from personal knowledge that it is badly needed. Much of the surface water supply in the area was badly contaminated by oilfield pollution several years ago. There is only one problem. Currently, in S. 1567, there is no authorization to construct treatment or conveyance facilities necessary to get the water from Parker Lake to municipalities and rural water systems.

I urge the Senate conferees to address this omission when they meet with the House. It makes very little sense to design and construct a project whose stated purpose is water supply and then stand in the way of final completion. The communities to be served by Parker Lake cannot afford to fund the additional construction, yet they desperately need the additional water supply.

I would like to thank Senator ABDNOR and his staff for their previous help and I hope that they will pursue this issue further at conference.

Mr. ABDNOR. Mr. President, I appreciate the time and effort given to this project by my Oklahoma colleagues, Senator NICKLES and Senator BOREN. During our discussions, they have clearly pointed to the importance of this project and others to the State of Oklahoma and its resident. This matter will be considered in conference with the House. The efforts of the Oklahoma Senators will demonstrate their is support for inclusion of the House language authorizing construction of treatment and conveyance facilities for the Parker Lake project. I thank my colleagues.

OKLAHOMA HYDRO POTENTIAL

Mr. NICKLES. Mr. President, for some time I have been interested in developing the hydroelectric potential of my State. As you know, Oklahoma is blessed with an abundance of water power and it is an inexpensive and clean form of power.

A while ago I contacted Robert Dawson, Assistant Secretary of the Army for Civil Works, about the possibility of studying the development of Lake Tuskahoma from a standpoint of the addition of hydropower.

When we contacted Bob Dawson and urged him to go forward with this project, we received his commitment to study the matter on an expedited basis.

Mr. President, I would ask unanimous consent that our exchange of letters on this subject be inserted in the CONGRESSIONAL RECORD at this point.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, DC, March 13, 1986.

Hon. ROBERT K. DAWSON,
Assistant Secretary of the Army for Civil Works, the Pentagon, Washington, DC.

DEAR MR. DAWSON: I have been told that the authorized Tuskahoma Lake Project in Oklahoma does not include hydropower as one of its purposes. It is my firm belief that this project will eventually be needed for water supply, flood control, and recreation and that if hydropower facilities are installed, generation of power would be feasible using storage eventually needed for municipal and industrial purposes.

In view of the above, I strongly request that the Tulsa District study in an expedited manner the feasibility of adding hydropower as a project purpose. A favorable report would be the first step in obtaining Congressional authorizations and could lead to early approprations to initiate construction.

Sincerely,

DON NICKLES,
U.S. Senator.

DEPARTMENT OF THE ARMY,
OFFICE OF THE ASSISTANT SECRETARY,
Washington, DC, March 26, 1986.

Hon. DON NICKLES,
U.S. Senate,
Washington, DC.

DEAR SENATOR NICKLES: In response to your request for study of the feasibility of adding hydropower to the Tuskahoma project, I have asked the Corps to include this investigation in its comprehensive study of the Red River Basin. The reconnaissance phase of this study will be done at 100 percent Federal cost.

If the reconnaissance report shows that it would be feasible for a non-Federal entity to construct the power facilities, the Corps will stop the study and will make this information available to potential public and private power interests so they can pursue construction under the Federal Energy Regulatory Commission license procedure. If it would not be practical for a non-Federal entity to construct power facilities, and power appears feasible, the Corps would proceed with a cost-shared feasibility study. This could lead to a recommendation for construction with non-Federal financing.

Please let me know if I can be of further assistance in this matter.

High regards,

ROBERT K. DAWSON,
Assistant Secretary of the Army (Civil Works)

Mr. NICKLES. Mr. President, in the legislation we are considering today, the Senate has the opportunity to develop and improve our Nation's vital water resources. During the first session of Congress, the House passed H.R. 6 which is its version of an omnibus water resources bill. The Water Resources Development Act, S. 1567, represents the Senate's version of legislation which would make some im-

portant policy changes in the area of water resources.

I support S. 1567 because I believe this bill will advance the development and restoration of this country's water resources. However, S. 1567 can be improved.

A number of issues will be discussed with the House Members during conference. One issue which needs addressing is the cost-sharing arrangements for storage reallocation is existing reservoir projects. Language to correct a current inequity in this issue is contained in H.R. 6.

Many local areas in our country have expressed a vital need for new or expanded water supply sources. Yet, it has been proven that a substantial amount of underused or unused storage is available under Federal management in existing reservoirs. Reallocation of such storage would result in a number of economic and environmental benefits by prompting both State and local governments to acquire this storage for supply use. Reallocation of such shortage would allow the Federal Government to regain its share of the original construction costs and to balance its part in future operations and maintenance expense.

My strongest concern, however, is with a policy recently adopted by the executive agencies. This policy involves the Federal Government charging State and local governments prices which reflect costs much higher than the Federal Government's original construction costs. This policy allows these agencies to reap income on public investments by charging water users above the appropriate cost. It should be noted, however, that this policy was never reviewed or approved by Congress.

Mr. President, section 628 of the House bill addresses this problem. The legislation requires that the Secretary of the Army study the arrangements for storage reallocation in existing water projects along with cost-sharing and financing arrangements for these reallocations. The House bill also requires the Secretary to uphold the intent of the 1958 Water Supply Act, which limits cost-sharing requirements to 100 percent of the real costs of the reallocated storage without a profit or loss by the Federal Government.

Mr. President, I realize that the House language dealing with storage reallocation may need some fine tuning. With this in mind, I urge the conferees to work toward a solution which will reallocate existing storage in an equitable manner.

Mr. WILSON. Mr. President, at the outset, I want to commend the Senator from South Dakota, Mr. ABDNOR, for his untiring efforts and commitment which have resulted in a solid and responsible omnibus water bill. The distinguished subcommittee chairman, the committee and its staff have delivered an omnibus bill which includes initiatives and reforms, particularly the new cost-sharing requirements, which will restore credibility to the Nation's Water Development program.

Mr. President, because this legislation will have a significant impact in my State, I would like to take this opportunity to bring some concerns to the committee's attention. I commend and support the committee's efforts to keep the costs of this bill in check, by only including projects which have a favorably reviewed report of the Chief of Engineers. However, should some modification to this rule be made in conference, I would ask the Senate conferees to give serious consideration to the Los Angeles and Long Beach harbors, San Pedro Bay, CA, water development and port expansion project—the "2020 plan."

As the distinguished chairman knows, this project meets the new cost-sharing requirements. The House water resources bill, H.R. 6, authorizes a $230 million Federal commitment. The commitment of the local sponsor to the balance of the $4 billion 2020 plan exemplifies local support and financial commitment.

The benefits of this major port expansion are great. The construction and operating of the projects resulting from this proposal will create 779,800 job years nationally, an average annual increase of 21,000 jobs per year for each of the 37 years of the program.

At present, the Los Angeles and Long Beach Harbors handle a total tonnage of approximately 83 million which will increase to 223 million tons by 2020 and should yield cumulative tax receipts of $7.7 billion.

Aside from these tax benefits, the port's annual custom receipts into the Federal Treasury will rise from $2 billion to more than $6 billion in 2020. Again, it is important to note that the only Federal expense in this $4 billion port expansion project is this request for $230 million.

For all of these reasons, I strongly support the 2020 plan. While the final Report of the Chief of Engineers is not yet complete, it is clear that the 2020 plan warrants serious consideration. Therefore, if the conferees accept projects without an approved Report of the Chief of Engineers, I am asking that the 2020 plan be included.

Mr. ABDNOR. Mr. President, I thank my friend, the Senator from California, for his thoughtful remarks. I am especially appreciative of his continued support for this legislation and particularly his support for the requirement of a final report of the Chief of Engineers prior to authorization.

Mr. President, it is my firm hope that this benchmark will indeed be upheld by the conferees as it is a central element of responsible Federal water policy. However, I want the Senator from California to know that I am well aware of the significance of the 2020 project at the local, State, and Federal levels.

Mr. WILSON. I thank the distinguished subcommittee chairman for his remarks.

Mr. President, at this time, I would also like to thank Senator ABDNOR and the leadership of the Committee on Environment and Public Works for offering the Sunset Harbor amendment, on behalf of myself and Senator CRANSTON. This amendment was adopted earlier today.

Mr. President, the amendment authorizes a feasibility study of Sunset Beach Harbor, Bolsa Chica Bay, CA, to investigate the feasibility of non-Federal cost sharing for ports and harbors through the establishment of a Federal repayment district, under the revised provisions of section 215 of this act.

The intent of the amendment is to allow for a creative financing mechanism whereby, local sponsors will be better able to pay the non-Federal cost sharing for ports and harbors. This amendment does not alter any of the upfront non-Federal cost sharing provisions required in the bill. Rather it will evaluate an alternative financing mechanism—a Federal project repayment district—to determine its feasibility in aiding local sponsors to meet the non-Federal share of this and other port and harbor projects.

Mr. ABDNOR. On behalf of my colleagues on the committee, I would just say we were pleased to offer the amendment. Let me reiterate however, that this amendment does not replace any non-Federal cost sharing requirements required during the period of construction of any possible project but simply authorizes a feasibility study of the payment or recovery of an appropriate share of the costs of a project through a Federal project repayment district.

Mr. WILSON. Mr. President, I would like to call the distinguished chairman's attention to the San Lorenzo River, Santa Cruz County, CA. This flood control project was authorized by the Flood Control Act of 1954 and was intended to provide 100-year flood protection to the city of Santa Cruz.

Unfortunately, Mr. President, since construction in 1959, the carrying capacity of the project has been reduced substantially due to inadequate maintenance and to the accumulation of sediments in the river bed. The Corps of Engineers reports that under present conditions, should a flood larger than a 35-year event occur, Santa Cruz would sustain serious damage with possible loss of life. I might add that the river peaked at flood level during last month's flood-

ing which devastated much of northern California.

Language has been included in H.R. 6 which modifies the authorization in an effort to bring the project up to its original 100-year protection level. It is my hope that the conferees will recognize the inherent flaw in this project and its pending threat to the city of Santa Cruz and thus give serious consideration to modifying the original authorization so the project can meet its intended objectives.

Mr. ABDNOR. Again Mr. President, I appreciate the Senator's remarks. While I cannot make any promises, I know that this project will be considered in conference committee.

Mr. WILSON. Mr. President, there has been some concern by constituents in my State that the Big Dry Creek Reservoir element of the Redbank and Fancher Creek, Fresno County, CA, flood control project may exceed the real need.

Mr. President, I have asked Assistant Secretary Dawson to investigate these concerns. Mr. Dawson has assured me that this project is not overdesigned and in fact meets the existing need. Therefore, I want to reiterate my continued support for the Redbank and Fancher Creek flood control project as approved in the report of the Chief of Engineers, dated May 7, 1981.

Mr. President, I am pleased that the committee amendment includes language for the authorization of the Santa Ana River mainstem flood control project. The Santa Ana River has been consistently recognized as one of the greatest, if not the greatest, flood damage threats in the Nation. The Corps of Engineers states that "over 2 million people would be affected by a major flood, which would cause $12 billion in damages in 15 cities."

I am pleased that the controversy regarding the Mentone Dam portion of the project has been completely resolved. All parties support the Corps of Engineers alternative which is both viable and cost-effective. This alternative has been included in the authorization language in the committee amendment as has language to investigate the feasibility of including water supply and conservation storage at Prado Dam. I am pleased with the progress that has been made on this important project and hope it is constructed in a timely manner.

Additionally, Mr. President, I want to call the committee's attention to a request by the Imperial Irrigation District, Imperial County, CA, for the Corps of Engineers to undertake flood control studies in the county. The county presently has a sophisticated irrigation system however, there are times when the area receives rain in large quantities which causes flooding. Because recent judicial decisions indicate that the irrigation district has an inherent responsibility to provide flood control and because of the agricultural importance of the Imperial Valley, the district is asking for this study.

I know the distinguished chairman, Mr. STAFFORD, has contacted Assistant Secretary Dawson regarding this proposed project. It is my hope that if the Corps of Engineers responds favorably to the chairman's inquiry, that the Environment and Public Works Committee will approve a resolution authorizing the Corps of Engineers to study flood control problems in Imperial County, CA.

Again, Mr. President, I want to extend my congratulations and thanks to the managers of this legislation that have made its passage a reality. The committee, particularly Mr. ABDNOR, Mr. STAFFORD, Mr. BENTSEN, and Mr. MOYNIHAN are to be commended for their unending commitment to restoring the credibility of Federal water policy. Additionally, I want to take this opportunity to thank the committee staff for the responsiveness and assistance they continue to afford my office. Their help is very much appreciated.

Mr. CHAFEE. Mr. President, I would like to ask the distinguished chairman and ranking minority member of the Water Resources Subcommittee to make a clarification with respect to section 223 of S. 1567, which implements a new cost-sharing procedure for Corps of Engineers feasibility studies.

It is my understanding that the administration has gone forward on its own and has entered into agreements with several non-Federal sponsors to share the costs of project feasibility studies in much the same way as would be required by section 223.

It is also my understanding that the language of section 223 and the corresponding language in the committee report on S. 1567 could be interpreted to mean that cost sharing would not be required for the feasibility phase of any study, if any part of that study was initiated prior to the enactment of this legislation. If this interpretation was correct, it might jeopardize the cost-sharing agreements on feasibility studies into which the administration has already entered.

I must say to my colleagues on the Committee on Environment and Public Works, that in committee, when I proposed the amendment which was to become section 223, I in no way intended it to preclude cost sharing for studies for which cost-sharing agreements have already been signed, or for which reconnaissance reports were initiated in fiscal year 1984 or later.

I would therefore inquire of my good friends, the chairman and ranking minority member of the Water Resources Subcommittee, their opinion of the committee's intent with respect to this aspect of section 223.

Mr. ABDNOR. The distinguished Senator from Rhode Island has raised an important point. I would just say to the Senator, that I believe the intent of the committee was in harmony with his intent. There was in no way any intent to jeopardize any agreements the Secretary of the Army has entered into requiring non-Federal cost sharing for feasibility reports or for reconnaissance reports initiated in fiscal year 1984 or later.

Mr. MOYNIHAN. Mr. President, I fully agree with the Senators from South Dakota and Rhode Island in their interpretation of the committee's intent with respect to section 223.

Mr. CHAFEE. I thank the Senators for helping to clarify this matter. Mr. President, I yield back the floor.

Mr. GRASSLEY. Mr. President, I would like to bring to the attention of the committee and my colleagues a project to provide flood control for the city of Muscatine. Since 1969, the Corps of Engineers has been working with the city of Muscatine, the Muscatine Island Levee District and Muscatine-Louisa county Drainage District No. 13 to develop a feasible flood protection plan from the Mississippi River for the city of Muscatine and the area south of the city.

The corps originally approved a 500-year protection plan at a cost of $15 million. This plan was accepted by the House in its water resources bill, H.R. 6. The corps, however, is now in the process of revising the Muscatine flood protection to provide for 200-year protection which will only cost $6.022 million. The corps report for the revised, lower-cost project is expected to be completed in the near future.

Inclusion of this project in the water resources authorization bill at this time should not be based on the fact that the revised plan is not yet approved, when the previous plan did get approval. To hold up this important project while we wait for the downsized plan approval, which should be completed shortly, would be unfair to the city of Muscatine.

Mr. HARKIN. May I interrupt my colleague from Iowa to say I would like to associate myself with the comments and add that this situation has serious ramifications in case of a major flood. Such major industries as Grain Processing Corp. and Monsanto are both located in the flood area. These firms are essential to the Iowa farm economy. Also, the Muscatine municipal powerplant and the Iowa-Illinois generating plants are located in the flood plain and are very important to eastern Iowa's economic health.

The city of Muscatine is well aware of the financial problems of the Federal Government and efforts to reduce

our national deficit. I can assure you the city of Muscatine, along with all other cities in Iowa, are already feeling the substantial reduction in Federal assistance. The House and Senate bills both propose to change the traditional contribution formula by increasing the local share to 25 percent in the House bill and to 35 percent in the Senate version. This would obviously increase the local share substantially. But even under those conditions, the city is prepared to move ahead with the project if approved by Congress.

Mr. GRASSLEY. I appreciate the Senator bringing up these important facts regarding the need for this project. As was stated earlier, this project started over 17 years ago and still hasn't been completed. I agree with my fellow Senator from Iowa that we need to move ahead with this project to insure that these major companies in Iowa are not closed or damaged due to flooding in that area.

We would hope that when this measure goes to conference committee, the Senate will look seriously at the inclusion of this authorization for the Muscatine project in the final bill.

Mr. ABDNOR. I thank the Senators from Iowa for bringing the Muscatine project to the attention of the committee and assure them that we will carefully review the project during the conference committee.

Mr. GRASSLEY. I thank the Chairman for his consideration.

Mr. HARKIN. I also want to thank the distinguished subcommittee chairman.

Mr. GRASSLEY. Mr. President, I would like to share with the committee and my colleagues a problem with a flood protection project in Waterloo, IA, which I feel deserves attention in this authorization bill.

The city of Waterloo experienced two of the most serious floods in its history in June and July 1969. Heavy flooding damaged millions of dollars worth of property and the city was placed in serious economic jeopardy.

In 1961, 1962, 1964, 1965, and again in 1968, the city of Waterloo was declared a major disaster area by Presidents Kennedy, Johnson, and Nixon. Millions of dollars in emergency Federal financing poured into the city during these years to supplement the local expenditures involved in the flood recovery effort. During these tragic experiences, the morale of our people was high and the cooperation of the Federal and State officials was outstanding. The events of the summer of 1969 brought home the necessity of accelerating public works and capital improvements programs to be coordinated with the local flood control program.

In comprehensive discussions carried on with the U.S. Army Corps of Engineers and with other experts in the field of flood control, the city concluded that the most successful route in carrying out a flood control program would be to combine it with an urban renewal program, extensive water and sewer installations, a flood plain management program, an increased park and open spaces project, and revitalization of the center city on either side of the Cedar River.

The city advanced the two programs of flood abatement and urban renewal simultaneously because it was cost-effective and prevented duplication of efforts. The development of both programs permitted a level of planning and execution that provided for the best utilization of local and Federal funds.

The Waterloo local flood protection project was authorized by the Flood Control Act of 1965, Public Law 89-298. The estimated cost of the project at the time of authorization was: Federal $14 million; city $3,750,000; with a total project cost of $18,665,000. The Corps of Engineers have revised their estimates upward periodically. On January 13, 1969, the estimated Federal cost was $16,500,000; city $5,650,000 for a total project cost of $22,150,000. On April 30, 1973, the Federal cost was estimated to be $21,400,000; city $6,850,000; total cost $28,250,000. By October 1979 the estimated cost was Federal $32,260,000; city $10,140,000; total cost $42,400,000.

With construction of the flood protection devices nearing completion, $42,192,328 has been spent or obligated by the Corps of Engineers for construction. The city has spent over $11,555,000 on land acquisition and related relocation. Six flood producing vehicular bridges have been demolished and rebuilt at an elevation in excess of the 100-year flood requirements at a cost to the city of $7,267,073. Costs in addition to the above have made the city's total expenditures to date in excess of $20 million.

One of the tributaries to the Cedar River is Blowers Creek. Major flooding in the Blowers Creek watershed has occurred in 1968, 1979, and 1980 and caused significant property damage and hardship to the affected property owners. In the past, rescue operations during the flooding have been required to prevent potential loss of life. The Blower's Creek portion of the Waterloo flood control project is completed with the exception of two bridges located on U.S. Highway 20 near the outlet of the watershed.

The city of Waterloo presently is having an economic crisis unprecedented in the city's history and it will be very difficult for the community to contribute more funding for the completion of these bridges. The two major industries in the city are Rath Packing Co. and John Deere's tractor works. Rath has gone bankrupt and closed. John Deere's factories are working at less than a third of their capacities causing a tremendously high rate of unemployment.

Mr. ABDNOR. I want to say to my colleague from Iowa that I am aware of the Waterloo, IA, local flood control project and the problems surrounding it.

Mr. GRASSLEY. The House of Representatives has included in its water resources authorization bill a direct authorization not to exceed $1.7 million for the reconstruction of the bridge on U.S. Highway 20 and the Lafayette Street Bridge. I recognize that the Senate's authorization bill does not include this type of project in its bill. I would hope, however, that when this measure goes to conference committee, the Senate will look seriously at the inclusion of this authorization for Waterloo in the final bill.

Mr HARKIN. I would like to associate myself with the comments of the colleague from Iowa. Clearly, Waterloo, without Federal help, will be unable to replace these bridges. If they are not replaced, the narrow waterway will back up causing major flood damage. Water from moderately heavy rains back up behind the bridges now. In anything approaching a 100-year flood, we will see major flooding and would even see the bridges go.

Waterloo is suffering from major unemployment. The unemployment rate is now 16.4 percent. The city property valuations have fallen by over 10 percent and the cities tax revenues have fallen as well. Its largest employer, John Deere, makes farm equipment. What used to be a major employer, Rath Packing, is bankrupt. This city cannot afford to build these bridges.

It is true that the original plan called for the city to build the bridges. However, the original plan called for the city to carry out work that amounted to 21 percent of the estimated project cost. Even if the Federal Government pays for these two bridges, the city share will be around 33 percent—one-third rather than one-fifth of the total cost of the flood control project.

I would like to note that the city has put in a pumping station which was totally unforeseen when the flood control plan was first develolped and the division of work established.

I would also note that these two bridges are completely tied to the flood control project. Under each of the two present bridges, we only have two box culverts which are totally inadequate for the water flow.

Mr. ABDNOR. I thank the two Senators from Iowa for bringing this to the attention of this body. I assure you that the Senate conferees will carefully review the Waterloo project.

Mr. GRASSLEY. I want to thank the distinguished subcommittee chairman for his consideration.

Mr. HARKIN. I would like to raise a specific concern with my colleagues concerning the Rathburn watershed in Iowa. The Rathburn Regional Water Association made its first request that a portion of the water in the reservoir be reserved as a water supply for its members in 1973. The Army Corps of Engineers undertook a study of the availability of water for that purpose under the terms of the Water Supply Act before such a request could be granted.

Water was sold to the Rathburn Water Association during the interim as allowed under the Flood Control Act of 1944 while the study was completed. At the time the Rathburn Association started to withdraw water, they were led to believe that the corps would enter into a standard 50-year contract. Unfortunately, the corps did not complete the study until 1985. At that point, last August, the corps sent the Association a contract for signature.

The association believes that the price of the water should be based on the costs of the reservoir updated to 1975, the year in which the study should have been completed. The corps is insisting that the water be sold using the cost of the impoundment updated to the year when the contract is let, that is fiscal year 1986.

I would note that the Army Corps of Engineers have signed memorandum of understanding in other cases where they have accepted the principle that they will sell water at a cost calculated at a basis of original cost as opposed to updated costs.

The Rathburn system is in the most depressed area of the State of Iowa. It is an area where banks have closed and many farmers are losing their land. Even the small extra costs involved would cause a hardship on the systems water users.

Mr. GRASSLEY. I would like to associate myself with the comments of my colleague from Iowa. We recognize the validity of the policy of requiring customers to pay a reasonable portion of the costs of the goods and services they receive from the Government. However, penalizing the customers of the Rathburn Regional Water Association for the failure of the corps to complete the storage allocation study in a timely manner is patently unfair. It is doubly so because the years over which this delay occurred were ones of high inflation and rising interest rates occurred. Both of those factors make the penalty that the corps is attempting to impose that much greater.

Mr. ABDNOR. I want to say to my colleagues from Iowa that I am aware of the circumstances that you have raised. I appreciate the impact of the increased price for water in an area experiencing economic difficulty. I assure you that the Senate conferees will take a close look at this issue and will review it carefully.

Mr. MOYNIHAN. I share the concerns expressed by the Senators from Iowa over the increased price that will have to be paid by their constituents in southern Iowa. I assure my colleagues that the conferees will most carefully consider the case for requiring that contract prices be based on the 1975 date when the corps was expected to have finished the study.

CAPE CHARLES HARBOR AMENDMENT

Mr. TRIBLE. Mr. President, I would like to thank the leadership of the Committee on Environment and Public Works for offering on my behalf an amendment to make a small technical change involving the langauge of a 1942 corps report for a project in Cape Charles Harbor, VA.

Public Law 79-14 authorized expansion of a harbor project at Cape Charles City, VA. That authorization required the local sponsor to provide 1,000 feet of berthing space along a bulkhead. However, the town only constructed a 650-foot bulkhead because there was no need for more space.

The corps is now negotiating local cooperation agreements in order to conduct maintenance dredging next year. The corps cannot proceed because the 1942 chiefs report requires 1,000 feet of bulkhead and the town has only built 650 feet.

Mr. President, this amendment merely reduces the required length of public dock from 1,000 feet to 650 feet. The corps has no objection to this amendment, and there will be no cost. I thank my colleagues for adopting it.

Mr. BOREN. Mr. President, my distinguished colleagues have worked long and hard to develop the language of S. 1567, the omnibus water resources bill. We need policy that will address the growing needs of our country in the ongoing development of conservation and restoration programs. The process of writing this bill has taken years, drafting sessions in the Environment and Public Works Committee, recommendations going back and forth between this Congress and the administrations. Many people have worked diligently to get this bill ready for final consideration by this body.

In this time of stress in our Nation's economy, especially considering the enormous debt of our Federal budget, we must be very careful that every dollar entrusted to us is spent wisely. Every investment must be carefully made. Many constituents often feel more directly affected by water policy than by foreign policy, or constitutional amendments, or whatever. The overall policy that we have been developing and that we will accept soon on the floor of this body of Congress will effect the lives of many many persons, both in urban and rural areas all over our great Nation.

This is no easy task. I respect and appreciate the job that my colleagues and many of their staffs have undertaken and completed. Obviously, every policy issue cannot be definitively answered in one piece of legislation. However, there must be room for workable understandings. This is the time for discussion to pinpoint the parts of this bill that may have been overlooked and that can afford to be strengthened. There are a few areas that should be brought up for final examination here on the floor and in the conference committee.

Mr. President, the Water Supply Act of 1958 provided that when storage space is reallocated to water supply storage at a Federal reservoir, non-Federal interests should pay the proportionate share of the project's original cost, plus the accrued interest at the rate in effect at the time the project was constructed. However, in recent years the Assistant Secretary of the Army for Civil Works has changed the legislated terms and intent of the Water Supply Act of 1958.

This new policy requires repayment of escalated costs including interest at the current interest rate. This not only contradicts the provisions of the applicable law, but it is also applied arbitrarily and inconsistently. We need language to reaffirm the original intent of the Water Supply Act of 1958 as passed by the U.S. Congress. The House version of S. 1567, H.R. 6, included language for repayment of allocated storage. I strongly urge that this revised language be adopted in the Senate version of the bill as well. I feel that this inclusion will be responsive to the Federal Government's interest in recovering past construction costs as well as to the States' responsibilities in efficient utilization of water resources.

I would like to share one example in my home State of Oklahoma where this has adversely affected our water resources. The economic growth in northeastern Oklahoma has been dependent on the water resources in this area. Originally spurred by the oil industry, the Tulsa area now supports a diversified regional economy. The primary sources of water are two city-owned lakes, Eucha and Spavinaw, and Lake Oologah constructed by the Corps of Engineers. A pipeline connection to Lake Hudson is also available as an emergency supply source. The 1971 opening of the Tulsa-Rogers County Port of Catoosa, which is the head of navigation for the McClellan-Kerr Arkansas River navigation system, further strengthened the economy in this area.

However, studies have recently indicated that demands could exceed ex-

isting supplies in this area as early as 1990. While alternative strategies for future water supply development are being analyzed, the expenses are prohibitive and the obstacles are numerous. Existing reservoir yield has been fully allocated. Access to potential sources of available existing supply would require conveyance from great distances.

An interim agreement was set up by the city of Tulsa to sell raw water from Oologah to Public Service Co. [PSO] of Oklahoma. PSO was planning to expand its generating capability by building two additional units and constructing the Black Fox Nuclear Generating Station near Inola, thus a substantial amount of additional water was needed. Since that time, PSO has indicated that instead, a coal-fired generating plant may be constructed on the same site, which reduces the amount of water to be reserved by Tulsa for their use. After several other considerations, PSO was willing to release the contract provided water rights and a storage contract at Skiatook could be obtained to supplement water needed for their power generation facilities.

Skiatook Lake was impounded by the Corps of Engineers in November 1984 to provide the additional water supply and water quality storage for municipal and industrial water. The Oklahoma Water Resources Board approved water rights applications for the full water supply yield of Skiatook. About the same time, PSO asked that the Corps of Engineers determine if any water quality control storage in Skiatook could be reallocated to water supply. Comments were attained from the Oklahoma Water Resources Board and the Environmental Protection Agency. One possible consideration was for Skiatook Lake to release water to serve both water quality requirements and PSO's water supply needs. All parties saw a workable solution at hand, but in January 1985 PSO was notified that additional agreements had to be made. Throughout this process, PSO was led to believe that the cost of water from the reallocated water storage would equal what the Corps quoted as the price for water from the original water supply storage in Skiatook, or 11.4 cents per 1,000 gallons. In March however, PSO learned that the price was considered to be 25.7 cents per 1,000 gallons! That is a 125-percent increase! This higher price was based on updated construction costs for the reallocated storage plus interest at fiscal year 1985 rates! Thus, the higher costs have made Skiatook an uneconomical alternative.

Mr. President, there must be a clarification of intent in this legislation to protect the agreement regarding Skiatook Lake. All parties involved are losing here, involving the PSO of OK, the city of Tulsa, the Corps of Engineers and the U.S. Treasury. The Corps of Engineers' reallocation cost policies have been detrimental to the entire economic structure affecting water policy. I strongly recommend legislative language to reaffirm the intent of the Water Supply Act of 1958 as included in the House version of this measure. This is a necessary correction to this bill, and I urge its inclusion.

Mr. President, I would like to thank Senator ABDNOR and his staff on the subcommittee for their help in addressing some of my concerns with S. 1567. I have been working with Senator NICKLES and Representative WATKINS to insure a healthy future for water resource development in Oklahoma. Together we have been in contact with Assistant Secretary Dawson and we have worked out a compromise that will expedite a feasibility study for the addition of hydroelectric facilities at the proposed Tuskahoma Reservoir.

I am confident this expedited study will show the growing need for hydroelectric capacity in eastern Oklahoma, and I remain hopeful that we will soon be able to authorize hydroelectric production as a project purpose at Tuskahoma. I will continue to work to accomplish that goal.

Mr. STAFFORD. Mr. President, I wish to again urge that the Senate pass S. 1567, the omnibus water resources bill.

I commend my colleagues on their careful work on this bill.

This is landmark legislation. It is legislation, I am confident, the President will sign in its present form.

This bill contains three key components:

First, new, up-front cost sharing for flood control and harbor construction projects.

Second, a new ad valorem harbor maintenance tax, and an increase in the existing barge fuel tax.

Third, no major new programs or projects lacking adequate study by the Chief of Engineers.

If we are to obtain a bill the President will sign, I am convinced we must send him legislation that holds to the cost sharing principles in this bill, as well as to its $12 billion cost.

In closing, Mr. President, I wish again to commend our subcommittee chairman [Mr. ABDNOR], who has worked so hard and effectively in developing this bill, the first in a decade. His unstinting work, plus the hard work of the distinguished Senator from New York [Mr. MOYNIHAN], has been essential to the bill before the Senate. They deserve the full praise of each and every Member of the Senate.

Mr. CHAFEE. Mr. President, the Water Resources Development Act of 1985, Senate bill S. 1567, is a well-crafted piece of legislation which revives the Federal Water Resources Development Program and makes it more efficient. No major water resources development bill has been passed since 1978. Despite the need for improvements and new projects in many parts of the country, an average water development project currently takes 26 years to move from the study stage to actual construction.

This bill authorizes a number of new projects, including three in Rhode Island, and creates new cost-sharing methods for harbor and flood control projects, as well as a new user-fee system to help pay for harbor and inland waterway maintenance. The projects authorized in my home State are: the Big River Reservoir, which will receive $39.9 million; an improvement project at Gorton's Pond in Warwick, which will receive $730,000; and the demolition—for safety reasons—of the India Point Railroad Bridge in Providence, at a cost of $500,000.

The new cost-sharing procedures for projects, and the user fee system created to finance a portion of Federal operation and maintenance, make this a fiscally responsible bill. I support these provisions wholeheartedly, and was especially pleased to play a role in making sure we fairly applied the 0.04 percent ad valorem user fee on cargo loaded or unloaded at Federal harbors.

When the bill was before the Committee on Environment and Public Works, I urged adoption of a special exemption from this fee for fishermen. Imposing such a tax on our fishermen would be unfair since no other food source is subject to a tax at the point of harvest. The exemption includes all unprocessed fish and aquatic animals brought in to port for the first time. However, fish reloaded for transport would be subject to the fee. The committee adopted this amendment.

When the Finance Committee on December 11 considered this same user fee, I proposed an amendment broadening the exemption for fishermen to include those who process their catch at sea before bringing it in. The processing of fish at sea is a fairly new procedure among U.S. fishermen, although foreign fishing ships have used it for years. It involved the packaging and freezing of the catch on board, so that it is ready for sale when it is unloaded. With less than 10 so-called freezer-trawlers operating in the Northeast, and a small number in the rest of the country, this industry is still in the startup stage. Four of these ships are based in Davisville, RI. I believe that processed fish landed for the first time should also be exempted from the 0.04-percent tax since the ability to process fish on board is an innovation which is helping modernize the U.S. fishing industry in the face of foreign competition. The Finance Committee agreed that we should not

impose a new tax on this fledgling industry, and adopted my amendment.

In addition, I urged the Finance Committee to adopt another amendment exempting from the user fee any ports which have received no Federal funds for operation and maintenance since 1977, when the Army Corps of Engineers began keeping records on such assistance. Since we have attempted to adopt a genuine user fee, and not merely a tax, it seemed unfair to impose the fee on users of harbors which receive no Federal funds.

The amendment, which the committee passed, exempts 33 ports, including Providence, RI, and Newport, RI. If any of these ports receive Federal funds in the future, cargo passing through them would automatically, and permanently, be subject to the 0.04 percent ad valorem fee. The adoption of this exemption makes the user fee system fairer, and ensures that the users of two important Rhode Island ports do not have to pay for services which do not benefit them.

With this bill, Mr. President, we commence a new era of cost-efficient modernization and operation of our harbors and inland waterways. It was a pleasure to work on this bill with the distinguished chairman of the Subcommittee on Water Resources, Senator ABDNOR, without whose expertise we would not have such an outstanding piece of legislation. At this point, I would also like to commend Senator HATFIELD, who worked long and hard to craft a water resources bill which was acceptable to both Congress and the administration.

I hope that after we pass this bill the House and Senate are able to work together in conference to reach a satisfactory compromise. Considering the significant differences between the two pieces of legislation, this will require no small amount of work. But if they keep in mind our overall goal of putting into operation this excellent new system of financing for water project, I am sure that the conferees will act quickly and responsibly.

WINFIELD LOCKS AND DAM

Mr. BYRD. Mr. President, I would like to engage in a colloquy with the distinguished chairman of the Environment and Public Works Committee, Senator STAFFORD. As the Senator knows, I am very interested in authorizing construction of a new lock at the Winfield Locks and Dam on the Kanawha River in West Virginia. The Corps of Engineers projects that traffic at the present Winfield facility will reach 24 million tons by the year 2000. This is a substantial increase over the 1984 level of 15.3 million tons. Even with the present volume of traffic, the average delay per tow in 1984 was 3.9 hours and the average tow required nearly four lockages to pass through the small and inefficient 360-foot long lock chambers. Given the delays and increased shipping expenses which are already occurring, the Corps of Engineers projects tremendous and unacceptable delays averaging nearly 3 full days for each tow by the year 2000 if nothing is done to improve the present locks and dam facility.

The Corps of Engineers now recommends construction of a new 800-foot long lock beside the existing small locks at Winfield at a total cost of $128 million. Under the cost-sharing provisions in S. 1567, as I understand them, one-half of this expense would be provided from fuel taxes deposited in the inland waterway trust fund. The Corps of Engineers estimates that the new lock would have a benefit cost ratio of 6.2 to 1.

At the present time, coal makes up 64 percent of the traffic through the existing Winfield Locks and Dam. This region of West Virginia produces excelent high Btu, low-sulphur coal. Coal represents this Nation's energy future with new clean-burning technologies on the way to improve the emissions from existing facilities and provide substantially better performance at newly constructed large coal-burning installations. In addition, the Kanawha Valley is a major world center for the production of chemicals. More than 20 chemical plants are located in this region, and 16 percent of the traffic through the Winfield Locks in 1984 was chemical products.

So, Mr. President, I am very interested in seeing a modern, and efficient, new lock constructed on the Kanawha River at Winfield. The proposal by the corps is clearly a superior project. I am told that the only reason why it has not been included in this Water Resources Development Act, S. 1567, is that it does not yet have a completed Chief's report. Can the chairman of the committee confirm my understanding on this point?

Mr. STAFFORD. The Senator from West Virginia is correct. By all accounts, the new lock facility which the corps is studying for the Winfield site appears to be a sound project. However, we have been unable to include it here in this bill because the Chief of Engineers has not completed his study.

Mr. BYRD. Are there any projects that will be authorized in this bill that do not have a completed chief's report at this time?

Mr. STAFFORD. No, there are no such projects included in this bill.

Mr. BYRD. I note that the Winfield Locks and Dam would be authorized in the House-passed bill, H.R. 6. This will be a conference matter. The chairman has made it clear to me that he is unwilling to accept any amendments for projects that do not have completed chief's reports; but I wonder if I could receive his assurances that the Winfield Locks and Dam, because of its urgent need, will receive favorable consideration in conference.

Mr. STAFFORD. I thank the Democratic leader for bringing this project to our attention today. He has written me in the past indicating his support for it, and I know his support will continue in the future. I can assure him that we will give the Winfield Locks and Dam project every consideration once we meet with the House in conference on this bill.

GALLIPOLIS AND LOCKS AND DAMS 7 AND 8 ON THE MONONGAHELA RIVER

Mr. BYRD. Mr. President, the Senate has before it the first omnibus water resources bill in 10 years. It is particularly important, to my State of West Virginia, that included in this legislation is the full authorization of $256 million for the Gallipolis locks replacement.

I have spoken, on the Senate floor many times on the importance of this project to the Ohio River navigation system. The replacement of the Gallipolis locks will complete a series of modern, efficient locks from near Pittsburgh to Smithland locks and dam at river mile 918.5. At the present time, the locks at Gallipolis are the only ones in the region that have not been expanded to 1,200 feet by 110 feet, enabling them to handle the larger barges that navigate the Ohio River. Because the existing locks at Gallipolis are only one-half the modern size locks in use elsewhere, a large bottleneck is created, causing a backlog along the entire Ohio River navigation system. The severity of this problem is clearly reflected in the benefit cost ratio of 11.3 to 1 favoring construction of two new locks.

The Gallipolis project, consists of two new locks, one 1,200 feet by 110 feet, and one 600 feet by 110 feet, which will be located in a channel on the West Virginia side of the Ohio River. This design is not only more efficient due to the larger locks, but by straigtening out the approach to the locks, the design also incorporates an important safety feature.

In the past, the Congress has consistently supported authorization for construction of the Gallipolis project. I am particularly pleased that the committee recognized the immediate need for improvements at Gallipolis, and authorized the total amount needed for the completion of this vital Ohio River navigation system project.

In addition, this legislation contains the authorization of $163.1 million for the replacement of locks and dams 7 and 8 on the Monongahela River in Pennsylvania, near the West Virginia—Pennsylvania State line. Historically, coal shipments have accounted for 85 percent of the traffic on the Monongahela River. The replacement and rehabilitation of these inefficient and outdated locks and dams will substan-

tially aid economic development in West Virginia, particularly our northern coal fields.

I would like to thank the subcommittee chairman, Senator ABDNOR, and the ranking Democratic subcommittee member, Senator MOYNIHAN, as well as the committee chairman, Senator STAFFORD, and ranking Democratic committee member, Senator BENTSEN, for their diligent efforts on this legislation.

Mr. BENTSEN. Mr. President, it is with a sense of real achievement that I witness Senate passage of the first water resources authorizing legislation to win approval of both Houses of Congress since 1976.

I am proud to have taken an active role in the development of this measure. It contains major new initiatives in the procedures under which water resources projects are planned, constructed, operated, and maintained. These new procedures will require non-Federal project sponsors to participate more fully in the development and the financing of water projects. I believe that the policy changes outlined in this legislation will result in the implementation of projects which are truly needed and economically viable.

As I stated when S. 1567 was first brought up in the Senate on March 14, the other members of the Committee on Environment and Public Works are to be complimented on their years of hard work which have culminated in the measure passed today. I pay particular tribute to Chairman BOB STAFFORD and the chairman and ranking member of the Water Resources Subcommittee, JIM ABDNOR and DANIEL PATRICK MOYNIHAN.

I look forward to working with the Committee on Public Works and Transportation of the House in the development of a measure which will be acceptable to the President. If is my hope that we can go to conference in a timely fashion so that these much-needed reforms can be implemented and the projects authorized by this measure can be built.

Mr. SYMMS. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The Senator has sent a resolution to the desk. The resolution is not in order.

Mr. SYMMS. Mr. President, I ask unanimous consent that it be in order.

Mr. BYRD. Mr. President, reserving the right to object.

The PRESIDING OFFICER. The preamble and the resolving clause are not in order.

Mr. SYMMS. I withdraw the amendment.

The PRESIDING OFFICER. The Senator has a right to withdraw his amendment.

AMENDMENT NO. 1714

Mr. McCLURE. Mr. President, the Senate has already adopted amendment No. 20. There is a need for modification of the language contained in a portion of that amendment.

On page 35, line 16, of amendment No. 20, it struck and inserted language.

I ask unanimous consent that the provision with respect to section 8 of the public law be amended pursuant to the amendment which I send to the desk at this time.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request?

Without objection, it is so ordered.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Idaho [Mr. MCCLURE] proposes an amendment numbered 1714 to amendment numbered 1676 previously agreed to.

Mr. McCLURE. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Strike:

"On page 35, after line 16, insert and number appropriately the following:

"SEC. . Section 8 of Public Law 78-534, approved December 22, 1944 (58 Stat. 891; 43 U.S.C. 390), is hereby amended by adding the following at the end thereof: 'In the case of any reservoir project constructed and operated by the Corps of Engineers, the Secretary of the Army is authorized to contract with water districts, irrigation districts, conservancy districts, and any other such entities, with individuals, and with appropriate state agencies, at such prices and on such terms and for such periods as he may deem reasonable, for the interim use for irrigation purposes of storage provided in the project for municipal and industrial water supply purposes until such storage is required for municipal and industrial water supply. No contracts for the interim use of such storage shall be entered into which would significantly affect then-existing uses of such storages.' "

And insert:

"SEC. . Section 8 of Public Law 78-534 approved December 22, 1944 (58 Stat. 891; 43 U.S.C. 390), is hereby amended by adding the following at the end thereof;

" 'In the case of any reservoir project constructed and operated by the Corps of Engineers, the Secretary of the Army is authorized to allocate water which was allocated in the project purpose for municipal and industrial water supply and which is not under contract for delivery, for such periods as he may deem reasonable, for the interim use for irrigation purposes of such storage until such storage is required for municipal and industrial water supply. No contracts for the interim use of such storage shall be entered into which would significantly affect then-existing uses of such storages.' "

Mr. McCLURE. Mr. President, I am asking unanimous consent to substitute some language for the language contained in the designated portion of amendment No. 20.

The PRESIDING OFFICER. Is there objection?

Mr. MOYNIHAN. Mr. President, reserving the right to object, and I will not object, do I understand it is the purpose of the distinguished Senator from Idaho to simply see that this legislation does not affect current reclamation?

Mr. McCLURE. If the Senator will yield, the intent of the amendment is to facilitate the contracting for temporary water supplies authorized pursuant to amendment No. 20. The intent of this amendment will clarify the contracting for such temporary water supplies for those water projects which lie in the reclamation shall be done by the Secretary of the Interior.

Certainly, the experience of the Secretary of the Interior with regard to the sale of agricultural water supplies will be of great benefit to those seeking temporary water supplies pursuant to amendment 20.

In addition, the adoption of this clarification will assure that those seeking such contracts will know with whom they should deal. This amendment removes any question.

Mr. MOYNIHAN. Mr. President, I have no objection.

The PRESIDING OFFICER. Without objection, the language is substituted.

The question is on agreeing to the amendment.

The amendment (No. 1714) was agreed to.

Mr. MOYNIHAN. I move to reconsider the vote by which the amendment was agreed to.

Mr. ABDNOR. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. McCLURE. Mr. President, I thank the managers and their staffs for having accepted this clarification of a problem which only became apparent after the amendment was adopted. It has been corrected in a satisfactory manner and I certainly do appreciate it.

AMENDMENT NO. 1715

(Purpose: Expressing the sense of the Senate that actions to control the deficit should take precedence over tax reform legislation during the Second Session of the Ninety-Ninth Congress)

Mr. SYMMS. Mr. President, I send the amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will state the amendment.

The assistant legislative clerk read as follows:

The Senator from Idaho [Mr. SYMMS] proposes an amendment numbered 1715.

The Congress finds that as recently as February 4, 1985, the Office of Management and Budget projected that deficits for fiscal

years 1986 through 1990 would increase the Federal debt by $697,289,000,000;

Congress sought to remedy this problem of escalating debt by enacting the Gramm-Rudman-Hollings, deficit reduction program, which was passed by both Houses of Congress and signed into law by the President on December 12, 1985;

Even under Gramm-Rudman-Hollings, the Federal debt is projected to grow to $2,323,100,000,000 in fiscal year 1987, $2,523,000,000,000 in fiscal year 1988, and $2,697,700,000,000 in fiscal year 1989;

As a result, even Gramm-Rudman-Hollings will produce a Federal debt which, by fiscal year 1989, will represent well over $10,000 for every man, woman, and child in the United States;

The financial markets of the United States and the other industrialized nations of the world look to the Government of the United States for leadership in the resolution of its deficit crisis; and

The consideration of tax reform by the Senate of the United States without first making serious efforts to control the deficit will only succeed in enhancing the uncertainty in financial markets which those deficits create:

It is the sense of the Senate that tax reform should not be considered or debated by the United States Senate until a firm, definite budget agreement has been reached between the President and the Congress of the United States.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The Senator from Idaho is recognized.

Mr. SYMMS. Mr. President, this amendment is very self-explanatory. It really requires no debate. It is a nonbinding sense-of-the-Senate resolution. What this Senator seeks is a quick resolution of the amendment and a vote on it.

Mr. MOYNIHAN. Mr. President, I yield to my distinguished chairman.

Mr. ABDNOR. Mr. President, I was not aware that this amendment was going to be offered. Philosophically, I agree with much of what he is trying to do. The Senator offering this amendment knows this is true. As a matter of fact, I signed a letter earlier this year to the President calling attention to the fact that we should take care of the deficit before we proceed on tax reform. But, Mr. President, we have been 5 years developing a water bill and I know what will happen when we start considering amendments which clearly cannot be taken up by unanimous consent. This is not the time, the last hour and minute of the consideration and passage of this bill, to start loading everyone's favorite subject onto the water bill.

Please, let us move the water bill to clear the way for the policy reforms which will permit the building of new water projects, which has nothing to do with the amendment being offered by my friend, the Senator from Idaho.

Please do not to push this amendment.

Mr. STAFFORD. Mr. President, I urge the very able Senator from Idaho [Mr. SYMMS] to withdraw this amendment at this time. It has no place on this bill. As we all know, the managers of this bill, the ranking member of the full committee, and the chairman of the committee, have all worked for years bringing the water projects legislation to this point. We are at a point where we can pass this bill and ask for a conference with the House. We know that other pressing matters are awaiting the consideration of the Senate and time is running out to get this done. So we urge the able Senator to set aside his amendment at the present time and let us get this bill passed.

Mr. SYMMS. Mr. President, I share the concern to pass the bill and I thank the distinguished chairman for his effort, and I thank the distinguished Senators from South Dakota and New York. I see the distinguished majority leader is on the floor, as is the distinguished minority leader. I wonder if there is any way this amendment could come before the Senate for a vote in the future as a free-standing resolution. I see this as the only vehicle for the majority to bring this up today. I would like to see the Senate make a statement on this problem. It would not be binding but it would be at least a statement of the sense of the direction in which we should go. I should be happy to yield to the majority leader or the minority leader for a comment.

Mr. DOLE. Mr. President, if the Senator will yield, I have not discussed this with either the chairman of the Budget Committee or the chairman of the Finance Committee. I do not know whether they would have any problem with it or not.

I do not disagree with the Senator from Idaho, first. But obviously, it does not have much of a place on this bill. As to whether or not we could bring it up at some future time, I would first need to consult with at least the Budget Committee chairman, I would think, and the Finance Committee chairman.

Mr. SYMMS. Mr. President, if the distinguished majority leader would yield, I would simply say this Senator would be willing to have 5 minutes' time on this, enter into a 5-minute time agreement, then to vote on it up or down. It would not have to be voted on, necessarily, on this bill. I just think it is appropriate, the language in the sense-of-the-Senate amendment speaks for itself. Disruptions are being caused, dislocations of what we may or may not do. I think they are very important. I think that is all I would like to do, have a statement on the part of the Senate as to the position the Senate takes on this.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

Mr. MOYNIHAN. Mr. President, as a member of the Committee on Finance and knowing that my ranking member of the Committee on Environment and Public Works, Senator BENTSEN, is also a member of the Finance Committee, I find this amendment inappropriate. I cannot imagine that our chairman, Mr. PACKWOOD, would feel that he had had an opportunity to consider this.

I do have a suggestion, in a cooperative spirit as our distinguished majority leader might say, that there is a bill coming up later in the afternoon that has to do with spending where we might consider this resolution.

Mr. DOLE. There will be a little bill later on, Mr. President, on Contra aid.

Mr. MOYNIHAN. If we ever get to it, but we shall never get to it if we have to do this.

Mr. DOLE. Mr. President, if I could make a suggestion, if the Senator from Idaho would yield——

Mr. SYMMS. I would be happy to yield.

Mr. DOLE. Mr. President, we can table it right now and vote on it, and I think we can probably table it, or second, let me consult with the distinguished chairmen of the Budget and Finance Committees. I do not have any problem with its being a separate, freestanding resolution. I guess particularly the Finance Committee chairman would have some concerns with it. I just cannot say until I have met with him. This resolution, I would assume, would go to the Finance Committee.

A parliamentary inquiry, Mr. President: Where would this resolution go if it were referred?

The PRESIDING OFFICER. The resolution would go to the Committee on Finance.

Mr. DOLE. I wonder if we could not offer this in the Finance Committee as an amendment to the tax bill.

Mr. SYMMS addressed the Chair.

The PRESIDING OFFICER. The Senator from Idaho has the floor.

Mr. SYMMS. If the minority leader has not made a comment on this, and he may not wish to, I would hope that the majority leader could give this Senator some opportunity in the future to offer this. Because of all the agenda we have today and because of the hard work our colleagues and myself and others on the Public Works Committee have done to pass this bill, I withdraw the amendment.

The PRESIDING OFFICER. The amendment is withdrawn.

Mr. DURENBERGER. Mr. President, at long last the Senate is finally poised to pass the Water Resources Development Act (S. 1567). This bill, which enjoys the administration's strong support, is truly a creature of compromise. In return for the President's signature on the first water re-

source development legislation in 15 years, the Senate has agreed to a doubling of the existing 10-cent-a-gallon barge diesel fuel excise tax, the institution of the first port use fee in our Nation's history, sharp increases in cost-sharing for flood control, beach erosion and other corps projects, and, finally, an overall $1.3 billion annual obligation ceiling on all corps activities. As a result of these reforms in existing water policy, the bill has also garnered the support of the environmental community.

In general, the bill authorizes over 170 projects at a total Federal and non-Federal cost of $11.1 billion. Included among these projects are 6 inland navigation projects, 77 flood control projects, 32 harbor projects, 10 hydropower development projects, 18 shoreline protection projects, 11 fish and wildlife mitigation projects, 10 inland and recreational harbor projects, 1 bank stabilization project and 2 demonstration projects. And, with virtually no exceptions, every one of these projects has received a chief's final report from the corps, which is approved only after completion of a cost/benefit analysis and an environmental impact statement. If this and future Congresses adhere to the cost sharing requirements and water resource development policy reforms established by this legislation, this country will have seen the last of the environmentally damaging and economically inefficient pork barrel water projects of the past.

Mr. President, prompt approval of this historic legislation will bring Congress one step closer to enacting a water resource development and policy reform program to guide the Nation's future investments in our water resource infrastructure.

Like every other Member of this body, I have my own parochial interests reflected in this bill, including the authorization of the St. Paul, Marshall, Houston, and Rochester flood control projects, the Duluth-Superior Harbor project, the authorization for an environmental program and second chamber at lock and dam 26 and the rebate on tolls paid by shippers using the U.S. portion of the St. Lawrence Seaway. However, though these projects are beneficial to the State of Minnesota, they have important national benefits as well.

Mr. President, had it not been for the dogged determination of JIM ABDNOR, PAT MOYNIHAN, BOB STAFFORD, and LLOYD BENSTEN, we would not be discussing this issue today. Many are the obstacles which have prevented adoption of similar measures in the past, and it is a minor miracle that most of them have now been cleared. Without the bipartisan efforts of all the members of the Environment and Public Works Committee and the Finance Committee there is no doubt in any mind that we would continue to set this Nation's water resource policy in the appropriations process.

Mr. President, as I indicated earlier, there are many projects in this bill which are extremely important to the State of Minnesota. For example:

INLAND WATERWAY PROJECTS

Section 504 of this bill authorizes the construction of a 600-foot second chamber at lock and dam 26 to complement the existing 1,200-foot chamber, as well as the bulk of the environmental components contained in the Upper Mississippi River Master Plan.

The 600-foot second chamber, which would cost an estimated $220 million, will be financed 50 percent from the Inland Waterways Trust Fund and 50 percent from general revenues.

The environmental program, which would be administered by the corps with the cooperation of the Department of the Interior and the Upper Mississippi River System States, contains the following components:

The planning, construction, and evaluation, of a series of measures for fish and wildlife habitat rehabilitation and enhancement, at a cost of $124,000,000 over the next 10 years.

A long-term resource monitoring program, at a cost of $53,400,000 over the next 10 years; and

A computerized inventory and analysis program, at a cost of $8,365,000 over the next 10 years.

The cost sharing requirements of section 224 of this legislation would be applied to the environmental programs in the following manner:

The habitat rehabilitation and enhancement projects which have national benefits or are located on lands managed as national wildlife refuge lands would be 100 percent federally funded. Projects benefiting a single State would be financed 33⅓ percent non-Federal.

Recreation projects would be financed 50 percent Federal, 50 percent non-Federal.

The long-term resource monitoring program and computer inventory and analysis system would be 100 percent federally funded.

The costs of the recommended traffic monitoring system would be 100 percent Federal.

HARBORS-DEEP DRAFT NAVIGATION PROJECTS

Duluth Superior: The westerly portions of the North and South Channels, the Upper Channel and the Minnesota Channel all vary from 21 to 23 foot depths. The bill authorizes the deepening of channels to 27 feet, providing a turning basin of 1,500 feet, and constructing an upland confined disposal facility. The total project cost is $12,200,000.

FLOOD CONTROL PROJECTS

St. Paul: Located on the Mississippi River opposite downtown St. Paul, the bill authorizes the raising of the existing levees and flood walls by 4 feet. Floods in 1965 and 1969 overwhelmed the capacity of the original 1964 project, and a future recurrence would pose a serious threat to the existing levees. Total cost of the project in $8,454,000.

Marshall: Located on the Redwood River, the existing project channels lack the capacity to convey the design flow to the existing diversion channel without damaging overbank and backwater effects. The bill authorizes channel widening levees, construction of an overflow diversion structure with control and outlet works and recreational facilities. The total cost is $4,280,000.

Houston: There is extensive flooding in the Root River Basin which adversely affects the city of Houston and surrounding farmland. The bill authorizes construction of 3 miles of levee at the town and an interior drainage pumping station. The total project cost is $8,195,000.

Rochester: Over one-third of the city lies in the Zumbro River flood plain. A recurrence of a 100-year flood would cause over $100 million in damages. The bill authorizes the deepening and widening of the Zumbro River Channel, Bear Creek and Cascade Creek and the construction of two short levees. The total project cost is $64,470,000.

GREAT LAKES-ST. LAWRENCE SEAWAY

Perhaps one of the greatest inequities in our Nation's water navigation infrastructure has been the tolls levied on the users of the St. Lawrence Seaway. Nowhere else in this country must shippers using a water resource development facility pay tolls sufficient to cover 100 percent of the facilities operations, maintenance, and, until Congress forgave the seaway debt in 1982, construction expenses. With passage of this legislation, that anomaly will come to an end.

Under section 805 of this legislation, shippers using the St. Lawrence Seaway will now receive a rebate of the tolls paid for those tolls attributable to the U.S. portion of the seaway. Under section 806 of this legislation, the Secretary of State would be directed to enter into negotiations with the Government of Canada for the purposes of eliminating the remaining Canadian tolls. By doing so, this bill lifts the burden of seaway tolls from the shoulders of Great Lakes shippers and, for the first time since 1954, places the users of Great Lakes ports on equal footing with other coastal ranges.

Mr. LONG. Mr. President, the legislation before the Senate today is very important to the continuation of work on the Mississippi River and tributaries project. While some may view the MR&T project as a regional project,

this project has major national implications.

The Mississippi River and its tributaries is the third largest drainage basin in the world. The system drains roughly 41 percent of the continental United States and parts of Canada. The river systems of the MR&T are vital to interstate and international commerce. These systems provide water, power, recreation, and the transportation of food, fuel, and manufactured goods.

Millions of Americans in every State of the Union, not just those bordering the Mississippi, directly or indirectly benefit from the river and its tributaries.

After the devastating flood of 1927, the 70th Congress recognized its larger Federal responsibility for flood control in the lower Mississippi Valley. The Flood Control Act of 1928 authorized the Mississippi River and tributaries project to mitigate damages from future floods. While the Federal Government provided the lion's share of support for the MR&T, the project included substantial local contributions of funds, rights-of-way, and easements.

The financial responsibility of the Federal Government for work on the MR&T project has not been significantly altered since 1928. The bill before us today, however, seeks to drastically change the cost-sharing requirements for the continuation of work on the MR&T.

Mr. President, it is my view that the cost-sharing requirements of S. 1567 place a disproportionate burden on those residents at the southern end of the project. These residents and local governments have already made significant financial contributions. It is unfair to ask these residents to bear an increased share of the burden of protecting the interests of all Americans. This is an unsound policy, and one which places undue hardships on localities which are already facing budget crisis. Additionally, because more than half of the work on the MR&T has been completed, Congress should not change the rules of the game at this late date.

Such a change in policy would be of great harm to my home State of Louisiana. Those sections of the MR&T project which have been completed under existing law will have provided other States with a better deal in terms of financial contributions to MR&T construction. Mr. President, if we would change the flow direction of the Mississippi, then all work on the southern end would have been completed first. If that were the case, I feel confident, Mr. President, that my colleagues from Illinois and other Mississippi River States would be adamantly opposed to the imposition of new cost-sharing requirements, especially in view of the inequity of the financial burden.

Mr. President, while many new segments have been added to the original MR&T project, the intent of the authorizing legislation was to consider all aspects of MR&T as one project which enjoyed the same cost-sharing provisions. S. 1567 would change this provision. S. 1567 would exempt only authorized mainstem work on the Mississippi and Atchafalaya Rivers. All other work needed in conjunction with mainstem work would be subject to the newer and more rigid cost-sharing requirements.

S. 1567 would also treat segments of the Mississippi River and tributaries project as separable elements of the original project, thereby subjecting projects previously authorized, but where construction had not commenced, to new stringent cost-sharing requirements.

The inclusion of the word "separable" in various sections of S. 1567 has caused much concern among levee districts and flood control associations across the country, and especially those who have worked many years in the development of the Mississippi River and tributaries project. Mr. President, I would like to name a few of the levee districts and flood control associations who have contacted me relative to this issue—the Lower Mississippi Valley Flood Control Association, the Association of Levee Boards of Louisiana, the Fifth Louisiana Levee District Board of Commissioners, and the West Jefferson Levee District Board of Commissioners.

I ask unanimous consent that a letter from the Assistant Secretary for Civil Works, Mr. Dawson, be placed in the RECORD. Mr. Dawson's letter provides helpful information in the form of several tables which identify flood control work on the Mississippi River and tributaries project authorized for construciton and scheduled during the period of this authorization bill.

Mr. President, while I have serious concerns about the impact of the new cost-sharing requirements of S. 1567, as well as the effect of the "separable" element on future development of the MR&T, it is more important to enact this legislation which continues the vital construction work on MR&T—a project which is essential to the economic well-being of all Americans.

Therefore, Mr. President, I will support final passage of S. 1567, with reservations as noted.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF THE ARMY,
OFFICE OF THE ASSISTANT SECRETARY,
Washington, DC, February 20, 1986.

HON. RUSSELL B. LONG,
U.S. Senate,
Washington, DC.

DEAR SENATOR LONG: The purpose of this letter is to discuss S. 1567, the Water Resources Development Act, and to specifically address its effect on flood control features of the Mississippi River and Tributaries (MR&T) project. We are encouraged that the bill has been reported by the Committee on Environment and Public Works and the Committee on Finance and that floor consideration appears likely in the very near future. The minimal impacts on the MR&T project set out below are more than offset by the opportunity to break the decade-long drought for a water project authorization bill.

The new cost sharing provisions of S. 1567 would apply to authorized but unstarted separable elements of the MR&T project, as well as MR&T elements that would be authorized by the bill and future authorizations. We agree that all regions of the nation should be treated equitably and that any new project cost sharing requirements should be applied uniformly by extending those requirements to the as-yet unstarted separable elements of all projects, including the MR&T project.

Over the past several weeks there have been discussions on the impacts of S. 1567 on elements of the MR&T project related to flood control. Therefore, I believe it would be helpful to provide an estimate of those impacts. We recognize and S. 1567 recognizes that there are special considerations to be given the MR&T project, and we believe the bill strikes the proper balance between the uniqueness of MR&T and the need to get a signable bill that grasps the present budgetary realities.

First, let me address the impacts of S. 1567 on previously authorized elements. Table 1 lists the authorized project elements related to flood control under the MR&T. That portion of the project which is not yet constructed is referred to as "balance to complete" and is represented by the sum of the last two columns. Of the approximately $5.1 billion balance to complete, $4.4 billion is either included in the President's budget for Fiscal Year 1987 or is likely to be included in future budgets. The $4.4 billion is comprised of all non-separable elements of the MR&T project as well as all separable elements under construction. Only authorized separable elements of the MR&T project on which construction has not been initiated, such as the principal features of the Yazoo Backwater Pumping Plant, are included in the "unscheduled balance to complete" column. Therefore, about $725 million, or just over 14% of the total balance to complete of the presently authorized flood control elements of the MR&T project would be subject to new cost sharing. I should point out that a large proportion of this amount may not have a real likelihood of being built in the years ahead because of lack of economic justification under current standards, environmental problems, loss of local support, and so on. In summary, almost 86% of the balance of construction would be exempt from additional cost sharing, an even larger percentage when you consider just the work likely to be implemented in the foreseeable future. Work exempted from new cost sharing requirements includes construction on the Mississippi River levees, Mississippi River channel improvement, the Upper Yazoo project, main stem Yazoo River work, and flood control work in the Atchafalaya Basin.

Now let me move to MR&T flood control elements that are presently contained in S. 1567. Table 2 lists eight MR&T flood control projects and two mitigation plans for MR&T flood control projects along with the estimated Federal and non-Federal shares

in accordance with S. 1567 and traditional policies. The total cost of these ten features is $265 million. The non-Federal share for the projects would increase from $52 million to $105 million under S. 1567 or from 20% to 40% of total cost.

In conclusion, we believe that all flood control projects across the nation must be treated evenly and should pay according to the same cost sharing principles if we can expect to get a bill enacted into law which will enable the Army Civil Works program to continue to serve the Nation's needs. We urge your support in resisting amendments to S. 1567 that would give preferential cost sharing treatment to any project, thereby seriously weakening the bill's chances for ultimate success.

The Office of Management and Budget advises there is no objection to the presentation of this letter from the standpoint of the Administration's program. I hope this information has been helpful to you and look forward to working together to obtain a workable bill that can be enacted into law. If I may be of further assistance, please let me know.

Sincerely,

ROBERT K. DAWSON,
Assistant Secretary of the Army (Civil Works).

TABLE 1.—FC, MR&T PROJECTS AUTHORIZED FOR CONSTRUCTION

Project	Total estimated Federal cost, (Oct. 1, 1983)	Amount allocated to date (Sept. 30, 1985)	Scheduled balanced to complete	Unscheduled balance to complete
Mississippi River Levees	$1,227,000,000	$541,422,000	$607,558,000	$0
Channel Improvement	3,010,000,000	1,442,521,000	1,567,479,000	0
Section S Levees	3,745,000	3,745,000	0	0
Mud Lake Pumping Station	4,470,000	457,000	0	4,013,000
Old River	301,300,000	246,066,000	54,434,000	0
St. Francis Basin	361,000,000	239,763,000	121,237,000	0
Lower White Rivers:	54,800,000	13,331,000	0	41,469,000
Augusta-Clarendon	(4,601,000)	(1,780,000)	(0)	(2,821,000)
Big Creek & Tribs	(37,998,000)	(365,000)	(0)	(37,633,000)
Clarendon Levee	(1,576,000)	(561,000)	(0)	(1,015,000)
White River Backwater	(10,625,000)	(10,625,000)	(0)	(0)
Reelfoot Lake—Lake No. 9, TN-KY	10,400,000	8,365,000	0	2,035,000
Reelfoot Lake (completed)	(440,000)	(440,000)	(0)	(0)
Reelfoot Lake—Lake No. 9	(9,960,000)	(7,925,000)	(0)	(2,035,000)
Cache River Basin	157,000,000	8,335,000	0	148,665,000
L'Anguille River Basin	26,400,000	1,555,000	1,345,000	23,500,000
West Tennessee Tribs	104,000,000	32,441,000	71,559,000	0
Grand Prairie-Bayou Meto	130,900,000	0	0	130,900,000
Flood Control	(30,500,000)	(0)	(0)	(38,500,000)
Water Supply	(92,400,000)	(0)	(0)	(92,400,000)
Lower Arkansas	35,000,000	22,726,000	0	12,274,000
South Bank	(21,000,000)	(15,676,000)	(0)	(5,324,000)
North Bank	(14,000,000)	(7,050,000)	(0)	(6,950,000)
Tensas Basin	471,000,000	223,019,000	160,518,000	87,463,000
Boeuf & Tensas Rivers	(154,400,000)	(39,536,000)	(51,450,000)	(63,414,000)
Tensas River	66,400,000	2,123,000	863,000	63,414,000
Lake Chicot Pumping Plant	(92,300,000)	(87,745,000)	(3,682,000)	(873,000)
Recreation	3,000,000	2,563,000	372,000	873,000
Red River Backwater	(169,900,000)	(50,616,000)	(96,108,000)	(23,175,000)
Below Red River	24,500,000	714,000	610,000	23,176,000
Tensas-Cocodrie Pumping Plant	(54,400,000)	(45,122,000)	(9,278,000)	(0)
Tensas National Wildlife Refuge	40,000,000	40,000,000	0	0
Yazoo Basin	1,820,240,000	416,067,000	795,892,000	108,201,000
Arkabutla Lake	(10,207,000)	(18,207,000)	(0)	(0)
Enid Lake	(23,575,000)	(23,593,000)	(−18,000)	(0)
Grenada Lake	(50,500,000)	(46,879,000)	(18,000)	(3,605,000)
Sardis Lake	(20,097,000)	(20,097,000)	(0)	(0)
Greenwood	(12,100,000)	(11,630,000)	(470,000)	(0)
Upper Yazoo Projects	(361,950,000)	(46,355,000)	(315,605,000)	(0)
Main Stem	(169,000,000)	(27,407,000)	(141,593,000)	(0)
Tributaries	(242,000,000)	(3,195,000)	(158,805,000)	(0)
All Work Except Ascalmore-Tippo and Oppossum Bayous	204,100,000	60,513,000	143,507,000	0
Ascalmore-Tippo & Opossum Bayous	37,900,000	22,682,000	15,218,000	0
Big Sunflower River, Etc.	(108,000,000)	(34,199,000)	(73,801,000)	(0)
Yazoo Backwater	(264,240,000)	(62,865,000)	(96,697,000)	(104,678,000)
Pumping Plant	100,000,000	4,730,000	4,950,000	70,320,000
Rocky Bayou	18,240,000	2,773,000	1,109,000	16,358,000
Streambank Erosion Control Evaluation and Demonstration	(14,767,000)	(14,767,000)	(0)	(0)
Demonstration Erosion Control	(13,700,000)	(5,399,000)	(8,301,000)	(0)
Will M. Whittington Auxiliary Channel	(11,573,000)	(10,951,000)	(622,000)	(0)
Belzoni	(317,000)	(317,000)	(0)	(0)
Yazoo City	(2,206,000)	(2,206,000)	(0)	(0)
West Kentucky Tributaries	23,800,000	1,169,000	450,000	22,181,000
Harris Fork Creek	21,500,000	870,000	0	20,630,000
Lower Red River—South Bank Levees	28,700,000	18,495,000	0	10,205,000
Bayou Cocordrie & Tribs	26,500,000	4,774,000	425,000	21,301,000
Atchafalaya Basin	1,433,000,000	503,512,000	929,488,000	0
Mississippi Delta Region	35,700,000	1,655,000	0	34,045,000
Teche-Vermillion Basin	35,700,000	34,928,000	722,000	0
Eastern Rapides-South Central Avoyelles	62,300,000	1,217,000	3,183,000	57,960,000
Sardis Dam (Dam Safety Assurance)	9,000,000	100,000	8,900,000	0
Completed Work	165,432,000	165,432,000	0	0
Total	9,100,887,000	3,972,785,000	4,403,240,000	724,826,000

TABLE 2.—MRC FLOOD CONTROL & MITIGATION REPORTS CONTAINED IN S. 1567 (COST SHARING SUMMARY) [1]

[Dollar amount in thousands]

Project name and purpose	Total	Traditional				S. 1567			
		Appropriation reqs		Ultimate		Appropriation reqs		Ultimate	
		Non-Fed	Federal	Non-Fed	Federal	Non-Fed	Federal	Non-Fed	Federal
Bushley Bayou, Red River, LA (PH I)—FDP	$44,700	$0	$44,700	$0	$44,700	$12,662	$32,038	$12,662	$32,038
Eight Mile Creek, Paragould, AR—FDP	14,950	0	14,950	50	14,900	10,700	4,251	10,750	4,201
Helena and Vicinity, AR—FDP	13,700	1,800	11,900	1,800	11,900	3,425	10,275	3,425	10,275
Horn Lake Creek, TN & MS—FDP	3,400	1,160	2,240	1,201	2,200	1,326	2,074	1,366	2,034
Louisiana State Penitentiary Levee, Miss River, LA—FDP	22,646	1,159	21,487	1,159	21,487	5,662	16,985	5,662	16,985
Nonconnah Creek, IN & MS—FDP	25,900	7,073	18,828	7,600	18,301	8,227	17,673	8,754	17,146
St. Johns Bayou and New Madrid Floodway, MO—FDP	108,900	40,071	68,829	40,100	68,800	45,513	63,387	45,542	63,358
West Memphis and Vicinity, AR—FDP	20,600	0	20,600	0	20,600	15,047	5,553	15,047	5,553
Obion Creek (West KY Tribs), KY—MIT	4,900	926	3,974	926	3,974	1,225	3,675	1,225	3,675

TABLE 2.—MRC FLOOD CONTROL & MITIGATION REPORTS CONTAINED IN S. 1567 (COST SHARING SUMMARY) [1]—Continued

[Dollar amount in thousands]

Project name and purpose	Total	Traditional				S. 1567			
		Appropriation reqs		Ultimate		Appropriation reqs		Ultimate	
		Non-Fed	Federal	Non-Fed	Federal	Non-Fed	Federal	Non-Fed	Federal
Yazoo River Mitigation, MS—MIT	4,993	0	4,993	0	4,993	1,248	3,745	1,248	3,745
Total	264,689	52,189	212,501	52,835	211,854	105,034	159,655	105,680	159,009

[1] October 1984 prices.

Mr. BRADLEY. Mr. President, I rise to support Senator GORTON's amendment on cargo diversion which was adopted earlier by the Senate. This amendment exempts from the water resources bill's proposed harbor maintenance tax any bonded cargo passing through U.S. ports on the way to and from any foreign country. Basically, this means that United States ports competing with Canadian ports for cargo originating in or destined for Canada will not have to pay a tax that would put them at a competitive disadvantage. Without the exemption, this user fee would become a self-imposed trade barrier against our own port services and transportation industries.

About 45,000 jobs at United States ports depend partly on Canadian cargo. For example, the Port of New Jersey/New York handles $1.8 billion of the $12 billion in Canadian cargo going through United States ports on the way to or from Canada. Roughly 6,700 jobs in the New Jersey-New York metropolitan area depend on Canadian cargo handling. All these jobs are put at risk by a harbor maintenance tax that effectively raises the costs to shippers of using ports like Newark or Seattle rather than Montreal or Vancouver.

Some people have asked me how a fee amounting to only 9.4 percent of cargo value could have dramatic effects on the share of shipping that United States ports competing with Canada can maintain. The reason is that an 0.04-percent cargo fee can amount to a substantial proportion of shipping costs. And shippers make their routing decisions on the basis of shipping costs, not overall cargo values. The average value per container for Port New Jersey/New York containerized shipments is $3,122; the average value of a container at Seattle is $7,000. These are the shipments that would be lost to Canadian ports under the proposed harbor maintenance tax. What kinds of cargo travel through these ports? Take photo supplies: the tax would amount to $67.44 per container, ordinarily 2 percent of the transportation cost—close to the entire profit margin for some shippers. The tax would come to $51 per container for certain specialized machinery, or 2.7 percent of shipping costs. This tax would deal a staggering blow to the ability of United States ports to compete on a fair basis with Canadian ports. Why do it?

The amendment that Senator GORTON and I are offering is designed to be perfectly fair to Canada. Imposing the tax would be a unilateral United States move putting United States ports at a competitive disadvantage to Canadian ports. Refraining from imposing the tax on Canadian or Mexican cargo keeps the ports competing on a level sea. If Canada imposes a similar tax, then this exemption would no longer have effect.

There is a broader issue at stake here, one of overall competitive strategy. The Nation as a whole benefits from ports that keep open our windows on the world. Many businesses can compete internationally only if they have access to efficient, inexpensive port services. Ports, like many businesses, experience economies of scale. If we force U.S. port cargo traffic to dwindle, we will see our shipping costs increase and the competitiveness of our export industries fall. We must not be shortsighted as we look for new ways to raise revenue. A maintenance tax that raises the cost of United States ports for cargo that could be diverted to Canadian ports will kill the business on which the tax is based.

Mr. BRADLEY. Mr. President, I would like to take this opportunity to emphasize my strong support for this bill; its passage is of great concern to the citizens of New Jersey.

My colleagues are well aware that it has been nearly 10 years since the Senate last passed a water projects bill. And yet, evidence of the need for this legislation can be found throughout the country. Our reservoirs, waterways, harbors, and coastal areas are in serious disrepair. Because of this, we are jeopardizing our ability to provide water to our cities and farms, protect our people and their homes from floods, improve ports for commercial shipping and fishing, and provide safe recreational areas to all Americans.

The Federal Government's traditional role in the development and maintenance of our Nation's water resources infrastructure should not be viewed as something that can be left for another day. In October of 1984, the provisions of both the House and Senate water projects authorization bills were stricken from the general appropriations bill that occupied the 98th Congress during most of the last 2 weeks of the session. Last fall, the need for a water projects authorization bill was clearly expressed by the inclusion of 45 projects in the fiscal 1985 Supplemental Appropriations Act (H.R. 2577, Public Law 99-88). However, funding of these projects will depend on whether or not new cost sharing formulas are enacted into law by May 15 of this year, or whether the Federal Government and the non-Federal sponsor can agree on terms acceptable to the Secretary of the Army. I am concerned that important projects included in H.R. 2577—like the Liberty State Park seawall—will be placed in a precarious position if Congress does not act to pass S. 1567. Although there still may be some minor difficulties to be worked out by the conferees, it appears that the sharp disagreements over port user fees and new cost sharing schedules that have blocked passage of previous authorization efforts appear to have been laid to rest.

The committee's recognition of the growing needs in this area indicates that further inaction will only increase costs in the future. On one particular project in New Jersey, failure to act could result in the loss of life. The passengers of the 800,000 boats that pass through New Jersey's Barnegat Inlet can attest to the dangerous shoaling and sand build up which occur at the inlet. As recently as 1984, Barnegat's shifting shoals, dangerous currents, submerged rock jetties, and narrow channels contributed to the deaths of eight people.

I would like to thank the committee for acknowledging that the original Barnegat Inlet project, authorized by section 1 of the River and Harbor Act of August 30, 1935, was seriously flawed. Despite the Federal Government's obligation to correct this deficiency, the State of New Jersey and the Federal Government recently reached a compromise on cost sharing for this project. This compromise is similar to the committee's new approach to financing all future projects. The Barnegat Inlet authorization will allow for the construction of a new south jetty that will deepen the channel and correct the dangerous conditions which have plagued commercial and recreational boaters for over 30 years.

Inadequate channel depths also have caused navigation problems in one of

the Nation's greatest commercial shipping areas—the Kill Van Kull and Newark Bay Channels. Although S. 1567 classifies it as a "New York" project, this project is of great economic importance to the massive Port Newark/Port Elizabeth Marine Terminal Complex which has an annual payroll exceeding $130 million. Widening and deepening of the existing channels will help make passage through this area safer and more efficient in the future.

Many of New Jersey's most serious flooding problems are addressed by S. 1567. Residents living near the Rahway River in Union County or within the Green Brook Subbasin of the Raritan River in Somerset, Middlesex, and Union Counties are well aware of the need for these projects. Recurrent flooding in these towns has caused tremendous economic and personal hardship for thousands of residents.

Two tremendous floods that struck northern New Jersey in 1984 caused heavy damages. Residents of towns in the Passaic River basin suffered both loss of property and life. In drafting S. 1567, the committee only included projects which had a final report from the Army Corps of Engineers. The Mahwah and Ramapo Rivers channel modification was one such project. Recently, final reports were filed on other projects in this region. I am very pleased to cosponsor with my friend and colleague from New Jersey an amendment to S. 1657 that will authorize flood control projects for the Saddle River, the Ramapo River at Oakland, Wayne, and Pompton Lakes; and Molly Ann's Brook near the city of Paterson, Haledon, and Prospect Park. These projects will help to alleviate the past flooding problems that residents have endured in recent years.

Finally, the committee's addition of nearly $24 million for shoreline protection at and along the Cape May Point and Inlet is greatly appreciated by New Jerseyans and out-of-State visitors who frequent this scenic area year after year.

The continued maintenance of our Nation's coastline and waterways is vitally important. Economic concerns cannot, of course, be overlooked. New Jersey's shore communities have experienced unparalled economic success in recent years. Furthermore, commercial fishermen and recreational boaters in New Jersey and throughout the Nation rely upon the continued operation and maintenance of our waterways for their safety.

Although budgetary constraints and other considerations have made cost-sharing agreements a necessity for water projects, S. 1567 will reestablish the Federal Government's traditional role in water resources development. Further delay in passing a water project authorization bill will not only jeopardize those projects included in H.R. 2577, but may cause serious damage to some of our Nation's most beautiful and precious resources. I would like to again commend the committee for its efforts, and urge my colleagues to support this bill.

Mr. HEFLIN. Mr. President, I am pleased to see that all of the water resources development projects that I have worked on since my first year in the U.S. Senate are included in this final version of S. 1567. There is no doubt that projects such as the replacement of the Bacon Oliver lock and dam on the Black Warrior River near Tuscaloosa are truly needed. The Oliver lock replacement study conducted by the Army Corps of Engineers reveals that the replacement is economically feasible. The benefit-cost ratio is, I might emphasize, an impressive 2 to 1.

In this time of economic transition and recovery, we cannot afford to ignore any feasible opportunity for economic growth. The complete modernization of the great Warrior-Tombigbee waterway offers such an opportunity. With replacement of the Oliver lock, we shall have moved an important step closer to the fulfillment of this important objective.

Mr. President, there are two stream bank erosion projects included in this bill that results from legislation I introduced several years ago. Section 301 authorizes bank stabilization efforts to preserve two invaluable historical sites in Alabama. One is the Fort Toulouse National Historical Landmark located in Elmore County and the other is Mound State Park near Moundville, AL.

Authorization for improvements in the existing channel of Mobile Harbor is also contained in section 609. The Port of Mobile is Alabama's only seaport and is one of the Nation's great natural harbors. Deepening the existing channel to 55 feet and widening it to 550 feet is essential if the Port of Mobile and the Tennessee-Tombigbee waterway are to achieve their potential benefits to the people of Alabama and the entire Nation.

Title VII of the bill includes two major flood control projects that will correct two problem areas in my State. I have worked with the people of Birmingham for several years to insure that the Village Creek flood control project would be authorized to remedy the serious flooding in the older residential sections of Birmingham. Another flood control project will enlarge the inadequate channel capacity of Three Mile Creek that frequently results in major flood damage to the urbanized area of Mobile. I am grateful that my colleagues on the Environment and Public Works Committee agreed with my recommendation to also include authorization for recreational facilities in this project, so long as these facilities are compatible with flood plain use.

There is one project that is not included which has to be addressed in the near future—that being bank erosion on the Tombigbee River near Gainesville, AL. Unfortunately the Secretary of the Army hasn't finished the study of this matter at this time. Hopefully it can be taken care of in the near future without legislation.

Mr. President, I have worked on all of the projects for the past 7 years and I am supportive of the efforts to authorize the construction of the projects. However, I am disappointed that the Committee on Environment and Public Works and the Committee on Finance has imposed a port-user charge and increased the inland waterway excise tax to fund the construction or rehabilitation of specified navigational lock and dams or harbors.

While these new sources of revenues are disguised as "user charges," it is evident that these charges are new taxes. It is ridiculous to impose a new tax on a faultering industry such as the barge and towing industry. Last year alone over 90 barge companies went out of business. These new changes are in direct conflict with the philosophy of reducing taxes to stimulate economic growth of a depressed industry.

Mr. President, let me state again that I am supportive of legislation to authorize the construction of new water resource development projects, but I am not supportive of the concept to impose new taxes on an industry that is barely surviving and to drastically increase the cost-sharing responsibilities of non-Federal sponsors.

HELENA HARBOR FLOOD CONTROL

Mr. PRYOR. Mr. President, the legislation before us contains authorizations for two of the most important public works projects ever developed in the Arkansas Delta counties of Phillips and Lee. I refer to the Helena Harbor project and the Helena flood control project.

The Helena Harbor project has been under development for several years and has been awaiting congressional authorization since 1979.

Mr. President, this project has been hailed, for as long as I have been in the Senate, as the most important development in Phillips County, and a large portion of eastern Arkansas, to come along in the last decade. I have supported it since its' inception, and have had numerous opportunities during my tenure in the Senate to meet with project sponsors and local civic and community leaders to push the Army along in its study and review process. I am grateful that this process has reached the point it has, and that the committee had the foresight to include it in this bill.

I want also, at this time, to express a special thanks to Chairman STAFFORD. In 1984, Assistant Secretary of the Army Robert Dawson, who was Acting Assistant Secretary at that time, wrote a letter to the committee indicating that the administration no longer supported the Helena Harbor project and did not consider it to be a development with a Federal interest. I wrote to Chairman STAFFORD at that time and strongly disagreed with Secretary Dawson. I thought he selected a poor time to change the administration's policy. It had been several months by then since he had had the opportunity to testify before the committee. It had been several months since the committee had included the Helena Harbor in its authorization bill.

Chairman STAFFORD wrote back to me and assured me that the Helena Harbor did indeed fit the criteria established by the committee for inclusion in the authorizing legislation. He assured me the project would be in this legislation, and he has been true to his word. I am grateful for his leadership.

The flood control project for Helena is extremely important as well. Helena has experienced three major floods in the last 10 years. Two of those floods exceeded the 100 year frequency flood. This project will cost $13.7 million and I can assure you the damages this project will protect against far out weigh the costs. I am excited that we are about to see progress on this very serious and life threatening problem.

FOURCHE CREEK FLOOD CONTROL PROJECT

Mr. President, it is with relief and pleasure that I acknowledge one of the more important civil works projects contained in the committee's original text of this bill—the Fourche Creek flood control project in Pulaski County, AR.

Relief, that we have finally gotten this project to the point where authorization appears imminent, and construction within sight. Pleasure, from the knowledge that Little Rock and Pulaski County will finally gain relief from serious flood threats.

Mr. President, this project has been ready for authorization and construction for several years now. The failure of the Congress to enact a comprehensive water resources bill in the last several years has held it back. This year the President has requested $760,000 in his proposed fiscal year 1987 budget to initiate construction.

I was Governor of Arkansas in 1978 when devastating flood waters ripped through Little Rock and killed 13 people. With the exception of my colleague, Senator BUMPERS, no one here today knows better than I of the need for this very important civil works project. I want to thank the committee for its diligence and the Army Corps of Engineers for its thoroughness in planning and developing the project.

Mr. QUAYLE. Mr. President, I commend my colleagues on the Environment and Public Works Committee for their diligent work on this legislation, the Water Resources Development Act. Its consideration on the Senate floor today is of significant importance for our Nation's commerce which relies on our inland waterways and coastal ports. Unfortunately, we have witnessed a deterioration of our water resources and a delay of new projects, while we debated the role of the Federal Government in addressing infrastructure costs.

I commend especially the diligent work of the Senator from South Dakota [Mr. ABDNOR], chairman of the Subcommittee on Water Resources, who skillfully negotiated with many interested parties on this water resources bill during the last several years. The bill we have before us today contains a workable, realistic agreement on cost sharing for water project construction and calls for new navigation cost sharing and fees. It limits the amount of money the Secretary of the Army can obligate for civil works construction to $1.3 billion annually through fiscal year 1990. For flood control projects, a minimum 25 percent is required of non-Federal sponsors, which may include the necessary lands, easements, and rights-of-way. I strongly endorse the committee's meticulously crafted cost-sharing provisions and I am pleased to note the participatory role and accord of the administration.

The Water Resources Development Act also contains important deauthorization language. Those projects on which no construction has begun within 10 years of authorization will be terminated automatically, unless further justified by the Secretary of the Army to the public works committees. This automatic deauthorziation would affect over 675 projects, including some in my State of Indiana which date back over 50 years, which would cost the Federal Government $26.4 billion if constructed. In addition, the bill would rescind the Army Corps' authority to conduct studies when no funds have been spent within the last 5 years. This provision will affect some 309 studies which if pursued would cost an estimated $366.5 million. I commend the committee for adopting these stringent guidelines to remove unnecessary and dubious water projects which in all probability will never be funded nor completed.

I also wish to thank the Senator for his consideration of my request for inclusion of two meritorious projects of particular importance to northwest Indiana, a heavily populated, industrialized area which also enjoys some of nature's finest assets, particularly the scenic dunes area along the southern tip of Lake Michigan. The Indiana shoreline erosion project will help protect against further loss of shoreline at the Indiana Dunes National Lakeshore, the Indiana Dunes State Park and the community of Beverly Shores, caused in part by a federally built harbor structure.

The Little Calumet flood control project addresses the flooding problems, navigation, and recreation needs along the Little Calumet River between the Illinois-Indiana State line and the eastern city limits of Gary. The plan calls for the development of a flood warning system and the development of hiking trails. It is the State of Indiana's highest water project priority and enjoys a favorable cost-benefit ratio of 2.5 to 1. The flood control project will provide economic benefits to the entire Calumet region which is a crossroads of the Midwest.

I regret the committee did not include authorization for the Lake George demonstration project in Hobart, as included in the House-passed measure, H.R. 6. Lake George is located in the center of this town of approximately 20,000 people and provides boating, fishing, and swimming activities. Because of continual build-up of sediment brought into Lake George from outside sources including the Deep River, the lake's condition has deteriorated. This authorization would direct a demonstration project for the removal of silt, aquatic growth, and other sediment and for the construction of silt traps to prevent future buildup. The planning and findings of the project are to be coordinated with the Environmental Protection Agency and would be helpful to that Agency in improving the environmental quality of other freshwater lakes throughout the country. I urge my Senate colleagues who will be conferees on this water resources bill to support the Lake George demonstration project as proposed by the House.

Mr. SIMPSON. Mr. President, I am pleased to support S. 1567—the Water Resources Development Act of 1985.

Passage of this legislation is crucial in order to bring about structural reform to the funding of the Army Corps of Engineers and its massive array of water projects thoughout the country.

This omnibus Corps of Engineers legislation will finally implement meaningful cost sharing as a key element in the financing of the water projects. It only makes sense that those who benefit directly from the projects authorized by the bill should financially support the projects. This has always made sense—but it is an inescapable conclusion in the face of the massive Federal deficits and the Gramm-Rudman-Hollings deficit reduction legislation.

Additionally, this legislation will place spending constraints upon the system of corps project authorization and obligation of funds to pay for the projects. As a consequence the bill will limit the corps' construction program and restrict the ability of the corps to alter projects without further review by Congress.

Another structural reform is the shift from the General Treasury of the costs for development, maintenance, and operations of ports—with more of the tab to be picked up by the direct beneficiaries of such expenditures.

Mr. President, I do want to take a moment to comment on the proposed Exon-Zorinsky amendment No. 1694, which I understand was withdrawn on Friday, March 14. I have some very strong concerns over this amendment and if you will indulge me briefly I will explain why I do oppose it.

This amendment purports to control flood damage along the Platte River drainage in the State of Nebraska through a series of "demonstration projects" to be financed by the Federal Government for the purpose of erosion control and prevention.

The amendment is far too limited to fully address the chronic flooding along the Platte River drainage. Flood damage over the years has been along the entire Platte River encompassing parts of Wyoming, Nebraska, and Colorado.

This amendment affects only a small portion of a large flood ravaged area. By attempting to solve the problem in such a piecemeal fashion, we in Congress merely foster the belief of the general public that we are only concerned about Federal spending when it occurs inside of our own political districts.

In addition the measure calls for the complete financial burden of construction to be borne by the Federal Government. We can no longer afford to do that. Indeed, the original legislation from which this amendment came—S. 539—introduced by my colleagues from Nebraska, would have initially authorized $25 million to carry out the provisions of the legislation.

This is even more remarkable when one considers that the extreme erosion problems along this river have at least been partly caused by unwise farming and cultivation techniques. Cost sharing and user fees are at the heart of S. 1567—the underlying measure. This amendment flies in the face of these needed structural reforms. For these reasons I oppose the amendment.

Despite my opposition to this particular amendment, I do support the Water Resources Development Act and commend the very fine work of Senators ABDNOR and MOYNIHAN—for their hours of effort to bring this crucial legislation to the floor for debate. I urge my colleagues to support the bill and vote for its passage.

Mr. DOLE. Mr. President, first of all I would like to thank the members of the Environment and Public Works Committee for their hard work on S. 1567, the Water Resources Development Act. The distinguished chairman of the Committee on Environment and Public Works, Senator STAFFORD; the chairman of the Subcommittee on Water Resources, Senator ABDNOR; and the ranking minority members, Senators BENTSEN and MOYNIHAN, are to be commended for developing a bipartisan compromise on this important piece of legislation—one which has the support of the administration.

COST SHARING AND USER FEES

Mr. President, Congress has been unable to write a new water bill for nearly a decade because of an impass over how costs were to be shared by the Federal Government, States, and local communities. Shifting a larger portion of the costs associated with a water resource project to the localities is consistent with our deficit reduction efforts. This policy encourages States and local communities to more accurately assess the need for, and feasibility of building these projects. No longer will the Federal Government simply write a blank check to cover all the costs of these expensive projects.

In addition, this bill also contains provisions mandating user fees for our Nation's port facilities. Those shipping concerns which directly benefit from the use of ports should not get a wrong signal just because the Federal Government is asking them to share the cost of providing services. After all, their businesses benefit because the Federal Government has underwritten a large portion of the costs. It is only fair that the costs of operating and maintaining our ports should be shared by those who profit from these services.

COST CONTAINMENT FOR SPECIAL PROJECTS

Mr. President, we all know that many of the water projects authorized over the years will never—and should never—be built. The funding process followed by past Congresses has imposed no limits on construction costs or on the price of subsequent operations and maintenance. Appropriations bills have primarily served as a vehicle to fund special projects in Members' home districts, regardless of merit. Particularly in the House, it became a real game to see whose special project would survive the process after a bill was loaded up.

This bill will place an annual obligation ceiling at $1.3 billion for 5 years—another appropriate restraint on congressional spending. It also contains provisions for the deauthorization of old, unnecessary projects. It is my hope that this type of approach will help insure that the merits and needs of these projects will be thoroughly evaluated.

OGALLALA AQUIFER RESEARCH

Of particular concern to this Senator and several of my colleagues is a section amending the Water Resources Act to establish a comprehensive research and development program on the depletion of the Ogallala Aquifer. This aquifer is the largest in the United States and is an important source of water to the High Plains States of Colorado, Nebraska, New Mexico, Oklahoma, Texas, and my home State of Kansas.

All together, there are 14.3 million acres of irrigated land dependent upon the Ogallala Aquifer. Monitoring over the last few years has indicated that the natural recharge is not keeping pace with the rate at which the water is being pumped from the aquifer. In fact, it is estimated that the aquifer is being overdrawn by over 3 million acre-feet annually. If this situation continues, these States will be soon be faced with a critical water shortage.

KANSAS PROJECTS

Mr. President, this legislation authorizes the construction of several important water projects in Kansas.

The city of Halstead, KS, has been plagued for years by flooding from the Little Arkansas River. The city has virtually no protection from a 100-year flood, a flood estimated to occur every 100 years that would inundate the entire city. This bill authorizes construction of a 21,000-foot levee and floodwall along the Little Arkansas River and allows for straightening the river channel.

In 1977 the Kansas City metropolitan area suffered over $66 million in damages due to the flooding of Brush Creek. This bill authorizes $15,770,000 to provide for the deepening of the Brush Creek channel and the replacement of two bridges.

Farmers living along the upper Little Arkansas watershed in central Kansas will receive some protection from the devastating flooding they have suffered in the past. This highly developed agricultural area has suffered from overbank flooding for years. S. 1567 would authorize the building of 18 small dams along the river in an effort to protect this valuable farmland.

Of special interest to southeast Kansas is a section authorizing $3 million for the construction of a paved road to the Pearson-Skubitz Big Hill Reservoir. Since water was impounded at this reservoir in 1981, it has become a popular recreation site. However, the roads leading to this area are unpaved. This legislation authorizes the construction of a safe and paved access road to the reservoir in order to accommodate traffic demands in the area.

CONCLUDING REMARKS

Mr. President, I urge my colleagues to adopt this important piece of legislation and bring some semblance of orderliness to a process that has been left unaddressed by the past four Congresses.

Mr. BOSCHWITZ. Mr. President, today we are taking the second step toward signing into law an omnibus water resources authorization bill. It has been 10 years since the last water bill became law and it is a great tribute to the Senators involved in this legislation that they were able to work out the contentious issues and bring this bill to the floor.

Past disagreements over user fees, local cost-sharing levels, and which projects should be included have kept this legislation from moving. Thus, I believe Senators ABDNOR and MOYNIHAN, Chairmen STAFFORD and PACKWOOD and ranking members BENTSEN and LONG, deserve all the accolades we can heap upon them. Without their persistence and tireless efforts we would again be saying, "Well, maybe next year."

Mr. President, having waited so long for this opportunity, I would like to take a little time to share the background on a few of the projects included in this bill.

The city of Rochester, MN, has been struggling with its flood plain problems for years. In 1978, a massive flood caused millions of dollars of damage and made controlling the flood plain the community's number one priority. So by May 1979, the final EIS was filed with the EPA and in 1982 a Soil Conservation Service project to construct seven dams around Rochester was approved. Since then, the SCS has completed plans and specs for the first reservoir and provided the local sponsor with work maps for the acquisition of needed lands for the first three dams.

The local sponsors have acquired the land needed for the first reservoir and some of the land for the others. So far, they have spent $1.2 million for the 1,300 acres. In addition, the city of Rochester began, in 1983, to collect a 1-percent local sales tax to fund its share of the project. Collections started in September 1983 and will continue until they meet the cost-share requirements of S. 1567. Clearly the city and its citizens are ready for actual construction to begin.

Mr. President, this legislation would authorize construction of two short levees as well as the deepening and widening of the Zumbro River channel, Bear Creek, and Cascade Creek. The total cost of the project would be $60,470,000. This construction is necessary because more than one-third of the city of Rochester lies in the Zumbro River flood plain, and estimates of damages if a 100-year flood were to occur are over $100 million.

For the sake of the citizens of Rochester, I hope this bill will quickly become law.

Mr. President, a second project, smaller in scope but equally as important to the community, is located about 80 miles southeast of Rochester, in the corner of the State. Here the problem is nearly annual flooding of the agricultural basin by the Root River. The bill would authorize construction of a 3-mile levee near Houston, MN, as well as a drainage pumping station. The total cost of this project is $8,195,000.

Mr. President, the third authorization I wish to mention is the provision dealing with the Upper Mississippi River Basin Commission Master Plan. The Inland Waterways Authorization Act (Public Law 95-502) directed the commission, in 1978, to develop a comprehensive plan for the management of the river. The commission struggled to develop a master plan that balanced the needs of environment, navigation and recreation. The result was a plan that, while not completely satisfying any of the interests, did indeed balance those interests, as a true compromise must do.

I then introduced legislation in the beginning of the 98th Congress that followed the recommendations of that plan. My legislation, S. 449, authorized funding for a second 600-foot lock at locks and dam 26, Alton, IL; a habitat rehabilitation and enhancement program; a long-term resource monitoring program; and recreation projects for the Upper Mississippi.

Mr. President, the Upper Mississippi is really a unique resource and the locks and dam system that spans it is also unique. For those of you unfamiliar with a lock and dam system, let me spend a moment explaining. A lock and dam system is really a staircase of water which allows river tows to climb or descend as they travel up or down stream. This system keeps the water depth consistent enough to facilitate uninterrupted commercial use. These staircases of water work by having the dams create a series of pools—or lakes—and the locks acts as steps to raise or lower vessels from one pool to the next.

This is important to Upper Mississippi because 699-mile stretch of river from Minneapolis to Granite City, IL, has a very uneven depth and navigation has been impossible during lower water periods. However, with the lock and dam system, the river is kept at a minimum depth of 9 feet and uninterrupted navigation can occur.

The system was first studied by the Corps of Engineers in the 1920's and in 1930 they recommended that work on the 9-foot channel begin as soon as possible. Congress agreed and the system was built between 1930 and 1940.

Locks and dam 26 itself is located in Alton, IL, a strategic position only 15 miles south of the confluence of the Mississippi and Illinois Rivers. Together, the two rivers have sent as much as 75 tons of cargo a year through locks and dam 26. Unfortunately, the practical capacity of No. 26 is only 65 million tons. And at 70 million tons a year, tows often have to wait at least 1 day and sometimes as long as 4 or 5 days to clear locks and dam 26.

Today the Corps of Engineers is trying to correct this bottleneck by constructing a 1,200-foot replacement lock 2 miles south of the existing locks. The new lock will immediately increase the practical capacity to 85 million tons, but does not solve the long-term problem. In the meantime, Minnesota farmers are shouldering the burden of millions of dollars in excess costs whenever traffic is held up by the bottleneck, because transport costs are determined by the hour. This means money, and a 2-day delay is not unusual.

The Corps of Engineers recognized the need for new locks at Alton, IL, in 1969, but Congress did not authorize construction until 1978—and then only authorized one lock instead of two. That the second lock must be immediately authorized is clear.

First, it will take 10 years to fund and build the second lock and navigation projections show the second lock will be needed in the early 1990's. Second, substantial cost savings could occur if the second lock is built at the same time as the first is being constructed; and third, a single lock system will stop all traffic if the one lock is damaged. If you will recall, Mr. President, the Great Lakes and St. Lawrence Seaway shippers suffered a great deal this past fall when the accident and subsequent damage to the Welland Channel occurred. With no auxiliary lock, no river tows would move until repairs are completed. Thus, locks and dam 26 will continue to be a barrier to foreign trade until the second lock is built.

But while the Upper Mississippi River is an important navigational corridor, it is more than that. It is the only inland river in the United States which is both a Federal commercial navigation project and a major national wildlife refuge. Because of that, it has unique demands as well.

The wildlife refuge spans 560 miles, from Wabasha, MN, to St. Louis, MO. Along the banks of this refuge are 290,000 acres of wooded islands, waters, and marshes all largely untouched. The value of this refuge system cannot be over-emphasized. Not only is the Mississippi "flyway" vital to 75 percent of the Nation's migrating waterfowl, but the refuge also plays host to 270 species of birds, 50 species of mammals, 123 species of

fish, and 35 species of reptiles and amphibians.

Unfortunately, the backwater areas, the invaluable breeding areas, are slowly being destroyed by sediment deposits. The natural process of heavy rains, spring runoff, and snow melts wash sediment from fields into streams and tributaries. At the same time, deteriorating riverbanks create more sediment. Eventually the sediment is deposited on the inside of river bends and the backwater areas. In fact, since 1939, sediment has changed 25 percent of the open backwater areas to marshland.

We cannot allow this valuable resource to continue to deteriorate unchecked. That is why this bill also contains authorization for a habitat rehabilitation and enhancement program. This program will help to protect and rehabilitate aquatic and terrestrial habitats that may be lost or threatened because of the continuing deterioration of the river.

The program or recreational projects is also authorized as suggested in the master plan and an assessment of the economic benefits generated by recreational activities in the Upper Mississippi River system is also included.

Mr. President, my bill, S. 449, was subsequently attached to the omnibus water legislation that the Environment and Public Works Committee reported out in 1984. However, that bill was not dealt with in the closing days of the 98th Congress. So we were faced with it again this session. I was a cosponsor of Senator ABDNOR's and Senator MOYNIHAN's initial water resources bill, introduced on January 31, 1985, as they had retained and incorporated the provisions of my bill from the previous session into their comprehensive package.

So, Mr. President, it is with a great deal of pleasure that I commend my colleagues for their diligence and patience in moving a water bill, putting us in a position where we may, in fact, get a conference report that the President will sign.

Mrs. HAWKINS. Mr. President, the 11 authorities serving the State of Florida have recently brought to my attention a provision of S. 1567 which could cause the ports some very serious difficulties. As you know, section 606 of this bill deals with the ability of ports to impose user fees. As currently drafted, section 606 will make it extremely difficult if not impossible for the ports to meet the new cost-sharing financial obligations required by the legislation.

In order to meet the local cost-sharing requirements of section 602(a) many ports intend to establish a schedule of port user fees. These user fees would secure bond issues which would pay for the upfront local share of dredging costs.

Typically, ports secure bond issues by pledging anticipated revenues from land and facility leases. There are no leases involved in the use of a public navigation channel. Unless a port is able to guarantee to an investor that after a specific period of time, between 30 and 120 days, that the integrity of fee schedules will not be contested in court, investors will be unlikely to issue bonds or will do so only at an extremely high interest rate.

The alternative would be to delay bond issuance until the State statute of limitations expires which, in the case of Florida, extends as long as 4 years.

I commend the chairman of the Finance Committee and the chairman of the Environment and Public Works Committee for moving ahead on this important piece of legislation; however, I do not believe that it is either committee's intent that these necessary port improvement measures be delayed.

A statute of limitations providing a reasonable and finite period of time for the proposed fee schedules to be contested would provide a measure of certainty to port operations and alleviate many of the financial community's concerns.

I reiterate the comments made by my distinguished colleague from the State of Louisiana, Senator LONG, on March 14, and I urge that a reasonable time limitation agreeable to all interested parties be worked out in conference. I trust that I may have the assurances of the chairman that the Senate conferees will consider this issue and work toward a reasonable solution.

Mr. MITCHELL. Mr. President, it has been many years since Congress enacted comprehensive water resources development legislation. This measure, the Water Resources Development Act of 1986 has many provisions which I support and which are important to me and other Members of the Senate.

I am particularly pleased that the measure includes a number of amendments which I introduced on behalf of Maine.

First, $3.43 million is authorized for a project to demonstrate sound farming practices in the St. John River basin. An irrigation system would provide a constant source of water to crops resulting in increased yields and improved quality of produce.

Second, $10 million is authorized to study the effects of potential tidal power projects in the Bay of Fundy. Such projects could increase the tidal fluctuation along the Maine coast resulting in incresed storm damage and altered fisheries and shellfish production.

Third, $21.7 million would be provided for improvements to Portsmouth Harbor. These changes would address unsafe and inefficient navigation conditions at Portsmouth.

Fourth, fresh fish would be exempt from a new ad valorem tax on cargo entering U.S. ports. In addition, cargo entering ports which do not receive Federal operations funding would be exempt from the tax.

Title VII of the Water Resources Development Act pertains to non-Federal cost sharing for operation and maintenance of federally authorized ports. This provision is intended to recover up to 40 percent of the nationwide costs for port operations and maintenance. The funds would be provided through an ad valorem tax equal to 4 cents for every $100 worth of cargo being transported.

As originally proposed, the tax, or user fee, would have been imposed on cargo entering all ports, regardless of whether such ports are federally authorized and eligible for Federal maintenance money. Even small fishing villages in Maine and other States would have been included.

In addition, the tax would have been imposed on cargo entering all Federal ports, regardless of whether such ports receive Federal maintenance money.

I am very pleased that the bill would now apply the tax only to federally authorized ports which have received Federal funds since 1977. Thus, ports such as Eastport, which have been deauthorized, and ports such as Searsport, which have never received Federal funds, would not be subject to the tax. These restrictions greatly enhance the fairness of the proposal.

Again, I am pleased that this measure is receiving long-awaited consideration by the Senate. It is an important bill which addresses the water development needs of many States including Maine and I urge its adoption.

Mr. CHILES. Mr. President, the legislation before us today, the Omnibus Water Resources Act of 1986, S. 1567, contains an important provision dealing with the Cross-Florida Barge Canal. When the Senate passes this bill it will mark the third time this body has voted in favor of stopping the construction of this economically and environmentally unsound public works project. Until recently, however, our efforts in the Senate to deauthorize the project have met strong opposition in the House.

Last year, though, we saw a major breakthrough in longstanding efforts to kill this canal project. This breakthrough came when the House of Representatives included in their version of water resources legislation a compromise proposal on the Cross-Florida Barge Canal.

As a long time proponent of barge canal deauthorization, I was pleased to see the House act favorably on the legislation. Although the compromise was

not exactly what I had originally envisioned, it did meet the primary objective. The proposal puts to rest once and for all the idea that the Cross-Florida Barge Canal will be built. For this reason I requested that the Senate committee include this proposal in the water resources bill before us today, S. 1567.

The barge canal compromise deauthorizes the portions of the canal project not yet completed. The completed portions of the canal would remain under the jurisdiction of the Corps of Engineers. The legislation also establishes the Cross-Florida Conservation Area which would include the State-held lands acquired for canal purposes. The proposal calls for the Federal Government to pay the State $32 million for these lands. These funds would then be passed through to six Florida counties—Duval, Clay, Putnam, Marion, Levy, and Citrus, in amounts proportional to the counties' original contributions to the canal project.

While the committee has recommended minor technical amendments for clarification purposes, the provision in the bill before us is identical in purpose to that which has cleared the House of Representatives. For this reason I am confident this proposal will move quickly through Congress and set the stage for resolving the many and complex issues surrounding the Cross-Florida Barge Canal project.

The controversy over the barge canal project dates back to the late 1960's when concerns surfaced about the adverse environmental impacts associated with completing the construction of the canal. In 1976 the Governor and members of the elected Florida cabinet agreed to a resolution opposing completion of the project and requested that Congress deauthorize the project. The State's strong support for deauthorization prompted my introduction of legislation in 1977 and led ultimately to Senate passage of legislation in 1978. The past 10 years have seen studies and restudies of the barge canal, but through it all we have seen an intense and continual outpouring of public interest and concern about the water quality and environmental problems associated with the canal's completion.

The Senate vote on this proposal marks the beginning of a new chapter of the lengthy stage of the Cross-Florida Barge Canal. The enactment of this compromise proposal into law will be the final chapter and will satisfy the overriding concerns people in Florida have had regarding the Cross-Florida Barge Canal.

Mr. SIMON. Mr. President, I want to thank the chairman, Senators BENTSEN, ABDNOR, and MOYNIHAN for their work in getting this water resources bill to the floor for consideration. I understand that it has been 16 years since the Senate passed a comparable bill and I, for one, look forward to passing S. 1567.

I would further like to commend the committee staff for their cooperation in language pertaining to the protection of the Great Lakes, both in clarifying the role of the Great Lakes States and Congress with regard to diversion and most specifically with regard to the authorization of a study to address the rising lake levels and the shoreline erosion that has resulted. The rising levels of the Great Lakes is quickly reaching crisis proportion. The impacts are pronounced and painfully evident. At Indiana Dunes National Lakeshore on Lake Michigan, a major scenic road has been closed and lakefront homes are threatened. On Lake Erie's Sandusky Bay in Ohio, farm fields are flooded, threatening their use for 27,000 acres of corn, soybeans, wheat, and oats. In Algonac, MI, homeowners are filling their basements with sand and sealing them off, moving their furnaces and water heaters to the first floors, hoping to avoid the loss of their homes. And near Chicago on Lake Michigan, homeowners are desperately trying to prevent further damage to property that is occurring due to the encroaching lake.

On March 6, 1986, the New York Times published an Army Corps of Engineers graph that clearly portrays the problem. Lakes Michigan, Huron, and Erie are at record height. Lake Superior is only 1.9 inches below record and Ontario, 7 inches below record.

A section of the committee amendment will address this problem. The amendment authorizes the Secretary of the Army to work with the National Oceanic and Atmospheric Administration, the Federal Emergency Management Agency, the International Joint Commission, and other appropriate Federal, State, and local agencies, as well as the private sector, to study shoreline protection and beach erosion control policies and to address the problems of current and expected future shoreline erosion damage on the Great Lakes and connecting channels as a result of abnormally high water levels.

The study would do three things. First it would assess shoreline damages occurring on the Great Lakes and connecting channels as a result of record high water levels. This analysis would examine the impact of existing and anticipated shoreline erosion losses and damages to coastal property. It would also examine National Flood Insurance Program policies relating to shoreline erosion and flooding to determine if changes should be recommended.

Second, the study would continue scientific investigations aimed at analyzing the impact that long-term weather cycles might have on Great Lakes water levels. It will be extremely important to determine whether our brief record of Great Lakes water levels is sufficient to predict future water levels or if additional investigation is warranted. Will these current record high water levels be considered average in the future?

Third, this study will we examine if changes in inflows and outflows of existing structures on the Great Lakes system may be desirable to reduce shoreline damages during high lake levels. I am aware of various proposals that would legislate increased diversion at various Great Lakes locations. It is my sense that authorizing such diversions without knowing the potential impacts would be foolish.

Mr. President, the shoreline and beach erosion which is occurring along the Great Lakes must be addressed immediately. The rising levels of the Great Lakes threatens not merely the recreation in that area, but the actual safety of homeowners along the shores of the Great Lakes. The committee's actions will allow us to take steps to address the situation. I appreciate that a good amount of time is necessary to complete these studies. But I would urge the corps and the various agencies involved to speed up that process in consideration of the urgency and timeliness of this problem. To the extent to which it is possible for the corps to report back to Congress in a fashion more timely than the 3 years indicated in this language, I would strongly urge them to do so. It would be my hope that the quality and substance of the study would not be compromised by such expediency.

Mr. BYRD. Mr. President, an aspect of section 701 which concerns me is the retroactive application of these cost-sharing principles to "separable elements" of the Tug Fork Flood Protection Program. This program was authorized and directed to be completed at "full Federal" expense by the fiscal year 1981 energy and water development appropriation bill. Congress recognized at that time that the local communities in the Tug Fork Valley needed expensive flood control measures but did not have the ability to pay for the construction of these measures such as flood walls and relocation efforts. In fact, the 14 major floods which have occurred in the Tug Fork Valley in this century are largely responsible for hampering economic development which might otherwise permit these communities to cost share. So, we have a chicken and egg situation. If these communities were not flooded regularly, the large recoverable coal reserves of more than 8 billion tons in the Tug Fork Valley alone would probably support an economic infrastructure that could afford some degree of flood protection. But, Mr. President, that is not the case. These communities have been severely flood-

ed on an average of once every 5 years and for that reason are unable to afford the very flood protection which they so desperately need.

Now, as I have said, Congress made a commitment to construct these flood protection measures in the Tug Fork Valley and other 202 program areas at full Federal expense. I think it is unfair and unreasonable to have retrospective provisions, such as section 701 of this bill, which could be used to void a specific commitment which we in Congress had previously made. During the past 2 weeks, I have met with Office of Management and Budget Director James Miller on this subject as well as held extensive meetings with Mr. Robert Dawson, Assistant Secretary of the Army for Civil Works, and officials of the Corps of Engineers, and also with a number of my colleagues and local officials from the Tug Fork Valley in an effort to resolve this issue.

Mr. President, I would like at this time to include in the RECORD a letter from Mr. Dawson which identifies those communities in the Tug Fork Valley "grandfathered" under the old legislation which does not require cost sharing.

In summary then, Mr. President, I am not entirely satisfied with this bill, but I understand that a number of my colleagues want this bill to go forward quickly because of the 180 some projects which it authorizes. I know that Mr. Dawson is a man of his word, and that he will do what he can to see that the people of the Tug Fork Valley and other 202 program areas are treated fairly with respect to future cost-sharing requirements.

I ask unanimous consent that the letter addressed to me by Mr. Dawson be included in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF THE ARMY,
OFFICE OF THE ASSISTANT SECRETARY,
Washington, DC, March 26, 1986.

Hon. ROBERT C. BYRD,
U.S. Senate, Washington, DC.

DEAR SENATOR BYRD: This is in response to your request for our evaluation of Section 701, S. 1567 as it pertains to the Section 202 Flood Damage Prevention Program in West Virginia, Kentucky and Virginia. Specifically you inquired as to which communities would not be subject to the new cost sharing prescribed in S. 1567.

The Section 202 program will be affected to the extent that separable elements are not under physical construction by May 15, 1986. Based on our detailed analysis of the various separable elements, we find the following are, or will be, under physical construction by May 15, 1986.

WEST VIRGINIA

Williamson—Structural/nonstructural proj- ect and adjacent channel work, including West Williamson, the Central Business District, Fairview, East Williamson and the Valley View relocation site.

Matewan—Structural/nonstructural project including the downtown business district, Mate Creek area, nonstructural relocations and flood proofing and necessary relocation sities.

KENTUCKY

Pineville—Structural/nonstructural project including levees, floodwalls, joint highway relocations with the Kentucky Department of Transportation, and nonstructural relocations and flood proofing.

South Williamson—Structural/nonstructural project including levees, floodwalls and nonstructural relocation and flood proofing measures.

In addition to these projects, we have completed a major stream channel cutoff at Barbourville, Kentucky which in conjunction with the existing levee/floodwall, provides protection for the April 1977 flood level.

We recognize, as did Congress in previous Acts, that some of the remaining communities covered by the Section 202 program may have difficulty in paying their full share that would normally apply under Section 701(a) and intend to fully consider the ability to pay provisions prescribed in Section 701(h).

The Office of Management and Budget advises that there is no objection to the presentation of this letter from the standpoint of the Administration's program.

Sincerely,

ROBERT K. DAWSON,
Assistant Secretary of the Army (Civil Works).

Mr. STAFFORD addressed the Chair.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. STAFFORD. I know of no further amendments to the bill. I do not believe there are any.

Mr. MOYNIHAN. Mr. President, there are no amendments on this side.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

Mr. STAFFORD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 425, H.R. 6.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The bill will be stated by title. The assistant legislative clerk reads as follows:

A bill (H.R. 6) to provide for the conservation and development of water and related resources, and the improvement and rehabilitation of the Nation's water resources infrastructure.

Mr. STAFFORD. Mr. President, I move to strike all of H.R. 6 after the enacting clause and substitute the language of S. 1567, as amended.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Vermont.

The motion was agreed to.

The PRESIDING OFFICER. The question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

The bill (H.R. 6), as amended, was passed.

S. 1567

That this Act may be cited as the "Water Resources Development Act of 1986".

TITLE I

Notwithstanding any other provision of law, the Secretary of the Army (hereinafter in this Act referred to as the "Secretary"), shall, from funds appropriated, obligate no sums in excess of the sums specified in this title for the combined purpose of the "Construction, General" account and the "Flood Control, Mississippi River and Tributaries" account:

(1) For the fiscal year ending September 30, 1987, the sum of $1,300,000,000.

(2) For the fiscal year ending September 30, 1988, the sum of $1,300,000,000.

(3) For the fiscal year ending September 30, 1989, the sum of $1,300,000,000.

(4) For the fiscal year ending September 30, 1990, the sum of $1,300,000,000.

(5) For the fiscal year ending September 30, 1991, the sum of $1,300,000,000.

Nothing contained herein limits or otherwise amends authority conferred under section 10 of the River and Harbor Act of September 22, 1922 (42 Stat. 1043; 33 U.S.C. 621). Any amounts obligated against funds furnished or reimbursed during each such fiscal year by Federal or non-Federal interest shall not be counted against the limitation on obligations provided for in this Act.

TITLE II—GENERAL PROVISIONS

SEC. 201. (a) Prior to the initiation of construction of any water resources project authorized prior to this Act, in this Act, or subsequent to this Act, which is under the jurisdiction of the Secretary and which can be anticipated to provide flood control benefits, more than 10 per centum of which can be attributed to an increase in anticipated landvalues to a land owner, the non-Federal sponsor shall agree to pay, for deposit into the Treasury, during the period of construction, 50 per centum of that portion of the project's costs allocated to such land owner's benefit. Such payment is in addition to any other requirements on the non-Federal sponsor for the sharing of project costs.

(b) For any study initiated by the Secretary subsequent to the enactment of this Act, the Secretary shall, if appropriate, include information in such study report on the likelihood that the requirements of subsection (a) of this section are applicable.

SEC. 202. Any report describing a project having recreation benefits that is submitted subsequent to the enactment of this Act to the Committee on Environment and Public Works of the Senate or the Committee on Public Works and Transportation of the House of Representatives by the Secretary, or by the Secretary of Agriculture under authority of Public Law 83-566, as amended, shall describe the usage of other, similar public recreational facilities within the general area of the project, and the anticipated impact of the proposed project on the usage of such existing recreational facilities.

SEC. 203. (a) Any project, or separable element thereof, that is under the responsibility of the Secretary, and for which construction has not commenced within ten years following the date of the authorization of such project, shall no longer be authorized after such ten-year period unless the Secretary, after consultation with the affected State or States, notifies the Committee on Environment and Public Works of the Senate and the Committee on Public Works and Transportation of the House of Representatives that continued authorization of such project, or separable element thereof, remains needed and justified.

(b) Any project, or separable element thereof, qualifying for deauthorization under the terms of this section upon enactment of this Act or which will qualify within one year of enactment of this Act, shall not be deauthorized until such one year period has elapsed.

SEC. 204. Any study authorized by any resolution of a committee or Act of Congress to be undertaken by the Secretary is automatically rescinded and is no longer authorized if no funds are appropriated for such study within five full fiscal years following its approval.

SEC. 205. The second sentence of the definition of "work of improvement", contained in section 2 of Public Law 83-566, as amended, is further amended by adding after $5,000,000" the following: "but not more than $10,000,000, for any projects submitted to the Committee on Environment and Public Works of the Senate and the Committee on Public Works and Transportation of the House of Representatives after January 1, 1986: *Provided,* That any such project with an anticipated Federal cost exceeding $10,000,000 must be authorized by Act of Congress.".

SEC. 206. Section 2 of Public Law 83-566, as amended, is further amended by deleting the period and inserting a colon at the conclusion of the proviso, and adding the following: *"And provided further,* That each such project submitted to the Committee on Environment and Public Works of the Senate and the Committee on Public Works and Transportation of the House of Representatives after July 1, 1987, must contain benefits directly related to agriculture that account for at least 20 per centum of the total benefits of the project.".

SEC. 207. The Secretary of Agriculture, acting through the Administrator of the Soil Conservation Service, shall study and report to the appropriate committees of the Senate and the House of Representatives April 1, 1987, on the feasibility, the desirability, and the public interest involved in requiring that full public access be provided to any or all water impoundments that have recreation-related potential and that were authorized pursuant to Public Law 83-566, as amended.

SEC. 208. Subsection (a) of section 134 of Public Law 94-587 is amended to read as follows:

"(a) The Secretary of the Army, as expeditiously as possible, shall institute a procedure enabling the engineer officer in charge of each district under the direction of the Chief of Engineers to certify, at the request of non-Federal interests, that particular local improvements for flood control can reasonably be expected to be compatible with a specific, potential project then under study or other form of consideration. Such certification shall be interpreted to assure interests that they may go forward to construct such compatible improvements at non-Federal expense with the understanding that such improvements can be reasonably expected to be included within the scope of the Federal project, if later authorized, both for the purposes of analyzing the cost and benefits of the project and assessing the local participation in the noncash contribution toward such project. In no event shall this section be utilzied to overturn agreements made prior to the enactment of the Water Resources Development Act of 1985.".

SEC. 209. (a) The Secretary shall undertake a program of research for the control of river ice, and to assist communities in breaking up such ice, which otherwise is likely to cause or aggravate flood damage or severe streambank erosion.

(b) The Secretary is further authorized to provide technical assistance to local units of government to implement local plans to control or break up river ice. As part of such authority, the Secretary shall require necessary ice-control or ice-breaking equipment, which shall be loaned to local units of government together with operating assistance, where appropriate.

(c) For the purposes of subsections (a) and (b) of this section, the sum of $5,000,000 is authorized to be appropriated to the Secretary in each of the fiscal years ending September 30, 1987, through September 30, 1991, such sums to remain available until expended.

(d) To implement further the purposes of this section, the Secretary, in consultation and cooperation with local officials, is authorized and directed to undertake a demonstration program for the control of river ice at Hardwick, Vermont. The work authorized by this subsection shall be designed to minimize the danger of flooding due to ice problems in the vicinity of such community. In the design, construction, and location of ice-control structures for this project, full consideration will be given to the recreational, scenic, and environmental values of the reach of river affected by the project, in order to minimize project impacts on these values. Full opportunity shall be given to interested environmental and recreational organizations to participate in such planning. For the purposes of this subsection, the sum of $900,000 is authorized to be appropriated to the Secretary for the fiscal year ending September 30, 1987, or thereafter, such sum to remain available until expended.

(e)(1) The Secretary is directed to complete an experimental program placing screens in the Salmon River in the vicinity of Salmon, Idaho, to trap frazzle ice, and thus eliminate flooding caused by ice dams in the river. Within one year of the enactment of this Act, the Secretary shall report to the Congress of the feasibility of such experiment, including consideration of any adverse environmental or social effects that could result from such experiment. If, in the Secretary's judgment, such experiment is not feasible or acceptable, the Secretary is authorized to consult with local public interests to develop a plan that is workable and practical, then submit such plan to Congress.

(2) For the purposes of this subsection, there is authorized to be appropriated to the Secretary the sum of $1,000,000 for the fiscal year ending September 30, 1987, or thereafter, such sum to remain available until expended.

(b) No later than March 1, 1989, the Secretary shall report to the Congress on activities under this section.

SEC. 210. (a) The Secretary shall, upon the request of local public officials, survey the potential and methods for rehabilitating former industrial sites, millraces, and similar types of facilities already constructed for use as hydroelectric facilities. The Secretary shall, upon request, provide technical assistance to local public agencies, including electric cooperatives, in designing projects to rehabilitate sites that have been surveyed, or are qualified for such survey, under this section.

(b) There is authorized to be appropriated to the Secretary, to implement this section, the sum of $5,000,000 for each of the fiscal years ending September 30, 1987 through September 30, 1991, such sums to remain available until expended.

SEC. 211. (a) Section 221(a) of the Flood Control Act of 1970 (Public Law 91-611) is amended by inserting the words ", or an acceptable separable element thereof" immediately after "water resources project"; and the words "or the appropriate element of the project, as the case may be" immediately after "for the project.".

(b) Section 221(b) of the Flood Control Act of 1970 (Public Law 91-611) is amended by deleting the period at the end thereof, inserting a colon, and adding the following: *"Provided,* That where the non-Federal interest is the State itself, or a body politic of the State which derives its powers from the State constitution, or a governmental entity created by the State legislature, the agreement may reflect that it does not obligate future legislative appropriations or other funds for such performance and payment when obligating future appropriations or other funds would be inconsistent with State constitutional limitations.".

(c) (1) The Secretary, in consultation with the Secretary of the Treasury, shall promulgate by rule provisions governing penalties and interest for any payments by non-Federal interests required pursuant to section 221(b) of the Flood Control Act of 1970 that may fall delinquent.

(2) The interest rate to be charged on any such delinquent payment shall be at a rate, to be determined by the Secretary of the Treasury, equal to 150 per centum of the average bond equivalent rate of the thirteen-week Treasury bills auctioned immediately prior to the date on which such payment became delinquent, or auctioned immediately prior to the beginning of each additional three-month period if the period of delinquency exceeds three months.

(d) The Secretary is authorized to determine that no funds appropriated to the Corps of Engineers for operation and maintenance, including operation and maintenance of the project for flood control, Mississippi River and Tributaries, are to be used for the particular benefit of projects within the jurisdiction of any non-Federal interest when such non-Federal interest is in arrears for more than twenty-four months in the payment of charges due under an agreement entered into with the United States pursuant to section 221(b) of the Flood Control Act of 1970 (Public Law 91-611).

SEC. 212. (a) Notwithstanding any other provision of law, construction or modification of any project, or separable element thereof, authorized in this Act and under the responsibility of the Secretary shall not commence until the project has been studied by the Chief of Engineers and reported favorably thereon.

(b) No work on any project, or portion thereof, authorized by this Act shall be initiated by the Secretary unless development of the project complies with the terms of

the National Environmental Policy Act (42 U.S.C. 4341), as amended.

SEC. 213. Subject to the provisions and requirements of titles V, VI, and VII of this Act, the sums to be obligated for any project authorized by this Act shall not exceed the sum listed in this Act for the specific project, as of the month and year listed for such project (or, if no date is listed, the cost shall be considered to be as of the date of enactment of this Act), plus such amounts, if any, as may be justified solely by reason of increases in construction costs, as determined by engineering cost indices applicable to the type of construction involved, and by reason of increases in land costs; plus no more than 10 per centum of the base figure if attributable solely to cost increases resulting from modifications due to engineering, economic, and environmental considerations which the Secretary determines are advisable and which do not violate any of the parameters established in Section 218 of this Act.

SEC. 214. The Secretary shall not require, under section 4 of the Flood Control Act of December 22, 1944 (58 Stat. 889), and the Federal Water Project Recreation Act, non-Federal interests to assume operation and maintenance of any recreational facility operated by the Secretary at any water resources project as a condition for the construction of new recreational facilities at such project or any other water resources project.

SEC. 215. (a) The Secretary may enter into a contract providing for the payment or recovery of an appropriate share of the costs of a project under his responsibility with a Federal Project Repayment District or other political subdivision of a State prior to the construction, operation, improvement, or financing of such project. The Federal Project Repayment District shall include lands and improvements which receive identifiable benefits from the construction or operation of such project. Such districts shall be established in accordance with State law, shall have specific boundaries which may be changed from time to time based upon further evaluation of benefits, and shall include the power to collect a portion of the transfer price from any transaction involving the sale, transfer, or change in beneficial ownership of lands and improvements within the district boundaries.

(b) Prior to execution of an agreement pursuant to subsection (a) of this section, the Secretary shall require and approve a study from the State or political subdivision demonstrating that the revenues to be derived from a contract under this section, or an agreement with a Federal Project Repayment District, will be sufficient to equal or exceed the cost recovery requirements over the term of repayment required by Federal law.

SEC. 216. Section 202 of the Flood Control Act of 1968 (Public Law 90-483) shall apply to all projects authorized by this Act.

SEC. 217. Section 111 of the River and Harbor Act of 1968 (82 Stat. 735, 33 U.S.C. 426i) is amended to read as follows:

"The Secretary of the Army is authorized, at his discretion, to investigate, study, plan, and implement structural and nonstructural measures for the prevention or mitigation of shore damages attributable to Federal navigation works: *Provided*, That a non-Federal public body agrees to operate and maintain such measures, and, in the case of interests in real property acquired in conjunction with nonstructural measures, to operate and maintain the property for public purposes in accordance with regulations prescribed by the Secretary. The costs of implementing measures under this section shall be cost-shared in the same proportion as the cost-sharing provisions applicable to the project causing the shore damage. No project shall be initiated without specific authorization by Congress if the Federal first cost exceeds $1,000,000.".

SEC. 218. (a) Notwithstanding any other provision of law, the Secretary shall not initiate the construction of any water resources project, or separable element thereof, if such project has been modified to increase any of the following project parameters by more than 25 per centum:

(1) acreage of land acquisition;

(2) reservoir capacity;

(3) width or depth of any navigation channel;

(4) hydroelectric generating capacity; or

(5) linear miles of stream channelization.

(b) Not later than one hundred and eighty days after a water resource project is proposed by the Secretary to be modified in excess of the limitation described in subsection (a) of this section, the Secretary shall prepare and transmit to Congress a report identifying such project and describing the extent of the proposed modification, together with his recommendations thereon, accompanied by the views of other appropriate Federal and non-Federal agencies.

SEC. 219. (a) The Congress finds that—

(1) the Ogallala aquifer lies beneath, and provides needed water supplies to, the six States of the High Plains, Region: Colorado, Kansas, Nebraska, New Mexico, Oklahoma, and Texas;

(2) the High Plains region has become an important source of agricultural commodities and livestock for domestic and international markets, providing 15 per centum of the Nation's supply of wheat, corn, feed grains, sorghum, and cotton, plus 38 per centum of the value of livestock raised in the United States; and

(3) annual precipitation in the High Plains region ranges from fifteen to twenty-two inches, providing inadequate supplies of sourface water and recharging of the Ogallala aquifer needed to sustain the agricultural productivity and economic vitality of the High Plains region.

(b) It is, therefore, the purpose of this section to establish a comprehensive research and development program to assist those portions of the High Plains region dependent on water from the Ogallala aquifer to—

(1) plan for the development of an adequate supply of water in the region;

(2) develop and provide information and technical assistance concerning water-conservation management practices to agricultural producers in the region;

(3) examine alternatives for the development of an adequate supply of water for the region; and

(4) develop water-conservation management practices which are efficient for agricultural producers in the region.

(c) The Water Resources Research Act (Public Law 98-242) is amended by adding at the end thereof the following new title:

"TITLE III—OGALLALA AQUIFER RESEARCH AND DEVELOPMENT

"SEC. 301. (a) There is hereby established the High Plains Study Council composed of—

"(1) the Governor of each State of the High Plains region (defined for the purposes of this title as the States of Colorado, Kansas, Nebraska, New Mexico, Oklahoma, and Texas, and referred to hereinafter in this title as the 'High Plains region'), or a designee of the Governor;

"(2) a representative of the Department of Agriculture; and

"(3) a representative of the Secretary.

"(b) The Council established pursuant to this section shall—

"(1) review research work being performed by each State committee established under section 302 of this Act; and

"(2) coordinate such research efforts to avoid duplication of research and to assist in the development of research plans with each State of the High Plains region that will benefit the research needs of the entire region.

"SEC. 302. (a) The Secretary shall establish within each State of the High Plains region an Ogallala aquifer technical advisory comittee (hereinafter in this title referred to as the 'State committee'). Each State committee shall be composed of no more than seven members, including—

"(1) a representative of the United States Department of Agriculture;

"(2) a representative of the Secretary; and

"(3) at the appointment of the Governor of the State, five representatives from agencies of that State having jurisdiction over water resources, the agricultural community, the State Water Research Institute (as designed under this Act), and others with a special interest or expertise in water resources.

"(b) The State committee established pursuant to subsection (a) of this section shall—

"(1) review existing State laws and institutions concerning water management and, where appropriate, recommend changes to improve State or local management capabilities and more efficiently use the waters of such State, if such a review is not already being undertaken by the State;

"(2) establish, in coordination with other State committees, State priorities for research and demonstration projects involving water resources; and

"(3) provide public information, education, extension, and technical assistance on the need for water conservation and information on proven and cost-effective water management.

"(c) each State committee established pursuant to this section shall elect a chairman, and shall meet at least once every three months at the call of the chairman, unless the chairman determines, after consultation with a majority of the members of the committee, that such a meeting is not necessary to achieve the purposes of this section.

"SEC. 303. The Secretary shall annually allocate among the States of the High Plains region funds authorized to be appropriated for this section for research in—

"(1) water-use efficiency;

"(2) cultural methods;

"(3) irrigation technologies;

"(4) water-efficient crops; and

"(5) water and soil conservation.

Funds distributed under this section shall be allocated to each State committee for use by institution of higher education within each State. To qualify for funds under this section an institution of higher education shall submit a proposal to the State committee describing the costs, methods, and goals of the proposed research. Proposals shall be selected by the State committee on the basis of merit.

"SEC. 304. The Secretary shall annually divide funds authorized to be appropriated

under this section among the States of the High Plains region for research into—

"(1) precipitation management;
"(2) weather modification;
"(3) aquifer recharge opportunities;
"(4) saline water uses;
"(5) desalinization technologies;
"(6) salt tolerant crops; and
"(7) ground water recovery.

Funds distributed under this section shall be allocated by the Secretary to the State committee for distribution to institutions of higher education within such State. To qualify for a grant under this section, an institution of higher education shall submit a research proposal to the State committee describing the costs, methods, and goals of the proposed research. Proposals shall be selected by the State committee on the basis of merit.

"SEC. 305. The Secretary shall annually allocate among the States of the High Plains region funds authorized to be appropriated under this section for grants to farmers for demonstration projects for—

"(1) water-efficient irrigation technologies and practices;
"(2) soil and water conservation management systems; and
"(3) the growing and marketing of more water-efficient crops.

Grants under this section shall be made by each State committee in amounts not to exceed 85 per centum of the cost of each demonstration project. To qualify for a grant under this section, a farmer shall submit a proposal to the State committee describing the costs, methods, and goals of the proposed project. Proposals shall be selected by the State committee on the basis of merit. Each State committee shall monitor each demonstration project to assure proper implementation and make the results of the project available to other State committees.

"SEC. 306. The Secretary, acting through the United States Geological Survey and in cooperation with the States of the High Plains region, is authorized and directed to monitor the levels of the Ogallala aquifer, and report annually to Congress.

"SEC. 307. Not later than one year after the date of enactment of this title, and at intervals of one year thereafter, the Secretary shall prepare and transmit to the Congress a report on activities undertaken under this title.

"SEC. 308. (a) For each of the fiscal years ending September 30, 1987, through September 30, 1991, the following sums are authorized to be appropriated to the Secretary to implement the following sections of this title, and such sums shall remain available until expended:

"(1) $500,000 for the purposes of section 302;
"(2) $3,000,000 for the purposes of section 303;
"(3) $1,500,000 for the purposes of section 304;
"(4) $4,000,000 for the purposes of section 305; and
"(5) $500,000 for the purposes of section 306.

"(b) Funds made available under this title for distribution to the States of the High Plains region shall be distributed equally among the States.".

SEC. 220. Whenever the Secretary transmits a report to Congress recommending implementation of a water resources development project and the Secretary determines that proceeding with advance engineering and design pending authorization of the project is in the public interest, the Secretary may initiate advance engineering and design of the project.

SEC. 221. (a) The Congress finds that increasing scientific evidence indicates the level of the oceans will rise significantly over the next seventy-five years.

(b) The Secretary, in cooperation with the National Oceanic and Atmospheric Administration, the Federal Emergency Management Agency, and other appropriate Federal, State, and local agencies and the private sector, is authorized to conduct a study of shoreline protection and beach erosion control policy and related projects of the Secretary, in view of the prospect for long-term increases in the levels of the ocean. Such study shall include, but is not limited to—

(1) an assessment of the probability and the extent of coastal flooding and erosion;
(2) an appraisal of various strategies for managing relocation, disinvestment, and reinvestment in coastal communities exposed to coastal flooding and erosion;
(3) a summary of the legal and institutional impact of rising sea level on riparian lands; and,
(4) recommendations for new or additional criteria for Federal participation in shoreline protection projects.

(c) Within three years after the date of enactment of this Act, the Secretary shall transmit the study prepared pursuant to subsection (b) of this section, together with supporting documentation and the recommendations of the Secretary, to the Committee on Environment and Public Works of the Senate and the Committee on Public Works and Transportation of the House of Representatives.

(d) For the purposes of this section, there is authorized to be appropriated to the Secretary for the fiscal year ending September 30, 1986, or thereafter, the sum of $3,000,000, such sum to remain available until expended.

SEC. 222. During the design of each water resources project which has a cost in excess of $10,000,000 and which was authorized prior to, in, or subsequent to this Act and undertaken by the Secretary, on which construction has not been initiated as of the date of enactment of this Act, the Secretary shall require a review of the cost effectiveness of such design. The review shall employ cost control techniques which will ensure that such project is designed in the most cost-effective way for the life of the project.

SEC. 223. (a) In the case of any water resources preauthorization study undertaken by the Secretary, the Secretary shall prepare a feasibility report. Such feasibility report shall describe, for each alternative analyzed, the national economic development benefits and costs, the environmental quality impacts, and other impacts of concern to Federal, State, local, and international entities, including appropriate levels of non-Federal financing and the ability of non-Federal interests to contribute such levels. The feasibility report shall also include the views of other Federal agencies and non-Federal agencies with regard to the recommended plan. This subsection shall not apply to any study with respect to which a report has been submitted to Congress before the date of enactment of this Act, or for a study related to any project authorization in this Act.

(b) Before initiating any feasibility study under subsection (a) of this section, if such study had not been initiated prior to enactment of this Act, the Secretary shall first perform, at Federal expense, a reconnaissance of the water resources problem in order to identify potential solutions to such problem in sufficient detail to enable the Secretary to determine whether or not planning to develop a project should proceed to the preparation of a feasibility report. Such reconnaissance shall include a preliminary analysis of the Federal interest, costs, benefits, environmental impacts of such project, and an estimate of the costs of preparing the feasibility report. The duration of a reconnaissance shall normally be no more than twelve months, but in all cases is to be limited to eighteen months.

(c)(1) The Secretary shall not initiate any feasibility study after the date of enactment of this Act until appropriate non-Federal interests agree, by contract, to contribute 50 per centum of the cost for such study during the period of such study. Not more than one-half of such non-Federal contribution may be made by the provision of services, materials, supplies, or other inkind services necessary to prepare the feasibility report.

(2) This subsection shall not apply to any water resources study primarily designed for the purposes of navigational improvements in the nature of dams, locks, and channels on the Nation's system of inland waterways.

SEC. 224 (a)(1) In the case of any water resources project authorized to be constructed by the Secretary in this Act, or authorized to be constructed by the Secretary prior or subsequent to the date of enactment of this Act, construction of which has not commenced as of the date of enactment of this Act, and which necessitates the mitigation of fish and wildlife losses, including the acquisition of lands or interests in lands to mitigate losses to fish and wildlife, as a result of such project, such mitigation, including acquisition of the lands or interests (A) shall be undertaken or acquired before any construction of the project (other than such acquisition) commences, or (B) shall be undertaken or acquired concurrently with lands and interests in lands for project purposes (other than mitgation of fish and wildlife losses), whichever the Secretary determines is appropriate: *Provided*, That any physicial construction required for the purposes of mitigation may be undertaken concurrently with the physical construction of such project.

(2) For the purposes of this subsection, any project on which more than 50 per centum of the land needed for the project, exclusive of mitigation lands, has been acquired shall be deemed to have commenced construction under this subsection.

(b)(1) After consultation with appropriate Federal and non-Federal agencies, the Secretary is authorized to mitigate damages to fish and wildlife resulting from any water resources project under his jurisdiction whether completed, under construction, or to be constructed. Such mitigation may include the acquisition of lands, or interests therein: *Provided*, That acquisition under this paragraph shall not be by condemnation in the case of projects completed as of the date of enactment of this Act or on which at least 10 per centum of the physical construction on the project has been completed as of the date of enactment of this Act; *Provided further*, That acquisition of water, or interests therein, under this paragraph, shall not be by condemnation. The Secretary, shall, under the terms of this paragraph, obligate no more than $30,000,000 in any fiscal year.

(2) Whenever after his review the Secretary determines that such mitigation features under this subsection are likely to require condemnation under a proviso in paragraph (1) of this subsection, the Secretary shall transmit to Congress a report on such proposed modification, together with his recommendations.

(c) Costs of implementation and operation, maintenance, and rehabilitation incurred to mitigate damages to fish and wildlife under the terms of this section shall be allocated among authorized project purposes in accordance with applicable cost allocation procedures, and shall be subject to cost sharing or reimbursement to the same extent as such other project costs are shared or reimbursed: *Provided*, That when such costs are covered by contracts entered into prior to the date of enactment of this Act, such costs shall not be recovered without the consent of the non-Federal interests or until such contracts are complied with or renegotiated.

(d) After the date of enactment of this Act, the Secretary shall not submit any proposal for the authorization of any water resources project to the Congress unless such report contains (1) a recommendation with a specific plan to mitigate fish and wildlife losses created by such project, or (2) a determination by the Secretary that such project will have negligible adverse impact on fish and wildlife. Specific mitigation plans shall ensure that impacts to bottomland hardwood forests are mitigated in-kind, to the extent possible. In carrying out this subsection, the Secretary shall consult with appropriate Federal and non-Federal agencies.

(e) In those cases when the Secretary, as part of any report to Congress, recommends activities to enhance fish and wildlife resources, the costs of such enhancement shall be a Federal cost when such enhancement provides benefits that are determined to be national, including benefits to species that are identified by the National Marine Fisheries Service as of national economic importance, species that are subject to treaties or international convention to which the United States is a party, anadromous fish, or when such enhancement is designed to benefit species that have been listed as threatened or endangered by the Secretary of the Interior under the terms of the Endangered Species Act, as amended (16 U.S.C. 1531, et seq.), or when such activities are located on lands managed as a national wildlife refuge. When benefits of enhancement do not qualify under the preceding sentence, 25 per centum of such enhancement costs shall be provided by non-Federal interests under a schedule of reimbursement determined by the Secretary, except that when benefits are limited to a single State, such non-Federal interests shall provide 33½ per centum of such costs. Operation, maintenance, and rehabilitation costs shall be shared in accordance with the cost sharing applicable to implementation.

(f) The provisions of subsections (a), (b), and (d) shall be deemed to supplement the responsibility and authority of the Secretary pursuant to the Fish and Wildlife Coordination Act, and nothing herein is intended to affect that Act.

(g) The project for the mouth of the Colorado River, Texas, authorized pursuant to section 101 of the River and Harbor Act of 1968 (82 Stat. 732), is hereby modified to provide that the diversion features of the authorized project, to divert Colorado River flows into Matagorda Bay, shall be constructed in accordance with the cost sharing described in subsection (e) of this section for activities providing enhancement benefits to species identified as having national economic importance by the National Marine Fisheries Service, with operation and maintenance cost sharing at the same percentage as construction cost sharing. The Secretary is directed to construct the remaining navigation features and diversion features concurrently.

SEC. 225. (a) The Secretary is authorized to plan, design, and construct streambank erosion control projects not specifically authorized by Congress when, in the opinion of the Secretary, such work is economically justified and environmentally acceptable. Prior to construction of any projects for this purpose, non-Federal interests shall agree to provide, without cost to the United States, all lands, easements, and rights-of-way necessary for construction and subsequent operation of the project; hold and save the United States free from damages due to construction, operation, and maintenance of the project, except damages due to the fault or negligence of the United States or its contractors; and operate and maintain the project upon completion.

(b) For the purposes of this section, the sum of $15,000,000 is authorized to be appropriated to the Secretary for each of the fiscal years beginning with the fiscal year ending September 30, 1987, through the fiscal year ending September 30, 1991. Not more than $2,000,000 shall be allotted for the construction of a project under this section at any single locality and such amount shall be sufficient to complete Federal participation in the project.

SEC. 226. In the interest of efficient and cost effective operations by the Secretary, the Comptroller General of the United States shall conduct a study of the Secretary's contracting procedures for civil works projects. Such study shall examine whether potential bidders or offerors, regardless of their size, are allowed to compete fairly in the interest of lowering cost on contracts for construction. Within two years of the date of enactment of this Act, the Comptroller General shall report his findings to Congress together with an assessment of whether contract procedures are applied uniformly among the various field offices under the Secretary's jurisdiction. The report shall also provide recommendations on improving contracting procedures, including (1) how the Secretary can prepare proposals for construction that assure, to the greatest extent reasonable, that no potential bidder or offeror is precluded from competing fairly for contracts, (2) whether recordkeeping requirements imposed by the Secretary on contractors are appropriate in the interest of competition, and (3) the extent to which the private sector can be used more efficiently by the Secretary in contracting for construction, architecture, engineering, surveying, and mapping.

SEC. 227. (a) Section 15 of the River and Harbor Act of 1899 (30 Stat. 1152; 33 U.S.C. 409) is amended as follows:

(1) by deleting the words "voluntarily or carelessly";

(2) by deleting the words "accidentally or otherwise,"; and

(3) by inserting the words ", lessee, or operator" immediately after the word "owner" in each place it appears.

(b) Sections 19 and 20 of the River and Harbor Act of 1899 (30 Stat. 1154; 33 U.S.C. 414 and 415) are amended by inserting "(a)" in front of the first word of each section and adding the following new subsection at the end of each section:

"(b) The owner, lessee, or operator of such vessel, boat, watercraft, raft, or other obstruction as described in this section shall be jointly and severally liable to the United States for the cost of removal or destruction and disposal as described which exceeds the costs recovered under subsection (a). Any amount recovered from the owner, lessee, or operator of such vessel pursuant to this subsection to recover costs in excess of the proceeds from the sale or disposition of said vessel shall be deposited in the general fund of the Treasury of the United States.".

SEC. 228. Section 3036(d) of title 10, United States Code, is amended by deleting the words "and may provide" and inserting in lieu thereof the following: "and, on a reimbursable basis, to a State or political subdivision thereof. Services provided to a State or political subdivision thereof shall be undertaken only on condition that—

"(1) the work to be undertaken on behalf of non-Federal interests involves Federal assistance; and

"(2) the department or agency providing Federal assistance for the work does not object to the provision of services by the Chief of Engineers. The Chief of Engineers may provide."

SEC. 229. (a) In the event of a declaration of war or a declaration by the President of a national emergency in accordance with the National Emergencies Act (90 Stat. 1255; 50 U.S.C. 1601) that requires or may require use of the Armed Forces, the Secretary, without regard to any other provision of law, may (1) terminate or defer the construction, operation, maintenance or repair of any Department of the Army civil works project that he deems not essential to the national defense, and (2) apply the resources of the Department of the Army's civil works program, including funds, personnel, and equipment, to construct or assist in the construction, operation, maintenance, and repair of authorized civil works, military construction, and civil defense projects that are essential to the national defense.

(b) The Secretary shall immediately notify the appropriate committees of Congress of any actions taken pursuant to the authorities provided by this section, and cease to exercise such authorities not later than one hundred eighty calendar days after the termination of the state of war or national emergency, whichever occurs later.

SEC. 230. Section 111 of the Act of September 22, 1922 (42 Stat. 1043; 33 U.S.C. 555), is amended by (1) inserting "no more than $5,000" in lieu of "$100"; and, (2) inserting a new sentence at the end thereof as follows: "In addition, the Secretary may assess a civil penalty of up to $2,500, per violation, against any person or entity that fails to provide timely, accurate statements required to be submitted pursuant to this section by the Secretary.".

SEC. 231. (a) The California Debris Commission is hereby abolished and the Act of March 1, 1893, ch. 193, (27 Stat. 507; 33 U.S.C. 661-685), as amended is hereby repealed.

(b) All of the remaining authorities, powers, functions, and duties of the California Debris Commission shall be transferred to the Secretary.

(e)(1) The assets, liabilities, contracts, property, and records of the California Debris Commission, the unexpended balance of appropriations, authorizations, allocations, and other funds employed, held, used, arising from, or available to the Commission, and any funds to be made available pursuant to section 202 of the Budget and

Accounting Procedures Act of 1950 (31 U.S.C. 581c) in connection with the functions transferred by this Act, shall be transferred to the Secretary.

(2) Unexpended funds transferred pursuant to this subsection shall be used only for the purposes for which the funds were originally authorized and appropriated or as provided by contract.

(3) The Secretary is hereby authorized to retain all real property interests presently under the jurisdiction of the California Debris Commission and to take such actions as are necessary to consolidate holdings and perfect title.

SEC. 232. (a) In addition to previous authorizations, there is authorized to be appropriated for the prosecution of the comprehensive plan of development of each river basin or project, that is referred to below by name and date of basic authorization, such sums as are necessary for the Secretary to complete the comprehensive plan of development.

Basin	*Act of Congress*
Alabama-Coosa River Basin.	March 2, 1945
Arkansas River Basin	June 28, 1938
Arkansas-Red River Basin.	November 7, 1966
Baltimore Harbor	December 31, 1970
Blue River Basin	December 31, 1970
Brazos River Basin	September 3, 1954
Central and Southern Florida.	June 30, 1948
Columbia River Basin	May 17, 1950
Connecticut River Basin	June 22, 1936
Cottonwood Creek, California.	December 31, 1970
Gulf Intracoastal Waterway, St Marks, Tampa.	August 13, 1968
Mississippi River and Tributaries.	May 15, 1928
Missouri River Basin	June 28, 1938
North Branch Susquehanna River Basin.	July 3, 1958
Ohio River Basin	June 22, 1936
Ouachita River Basin	May 17, 1950
Red Run Drain and Lower Clinton River.	December 31, 1970
Red River Waterway	August 13, 1968
Sabine River Basin	December 31, 1970
Sacramento River Basin	December 22, 1944
San Joaquin River Basin	December 22, 1944
Santa Ana River Basin	June 22, 1936
South Platte River Basin.	May 17, 1950
Tampa Harbor	December 31, 1970
Trinity River Basin	October 27, 1965
Upper Mississippi River Basin.	June 28, 1938
Wabash River Basin	August 13, 1968
White River Basin	June 28, 1938

(b) The sums authorized by this section include those necessary for the Secretary to complete local flood protection in the Columbia River Basin, as authorized by section 204 of the Flood Control Act of 1950 (64 Stat. 178).

SEC. 233. If any provision of this Act or the application thereof to any person or circumstance is held invalid, neither the remainder of this Act nor the application of such provision to other persons or circumstances shall be affected thereby.

SEC. 234. Notwithstanding any provision of law, the Administrator of the General Services Administration, pursuant to the provisions of sections 202 and 203(j) of the Federal Property and Administrative Services Act of 1949, as amended, may dispose of any Corps of Engineers vessel used for dredging that is declared to be in excess of Federal needs by the Secretary, together with related equipment owned by the United States and under the control of the Chief of Engineers, through sale or lease to a foreign government as part of a Corps of Engineers technical assistance program, or to a Federal or State maritime academy for training purposes, or to a non-federal public body for scientific, educational, or cultural purposes, or through sales solely for scrap to foreign or domestic interests. Any such vessel shall not be disposed of under this section or any other provision of law for use within the United States for the purpose of engaging in dredging activities: *Provided*, That the General Services Administration shall make one such dredge available to the State of Utah, and that such dredge may be utilized by such State for purposes of dredging within the State of Utah: *And provided further*, That if such dredge is used for dredging outside the State of Utah, ownership of the dredge shall revert to the United States. Amounts collected from the sale or lease of any such vessel or equipment shall be deposited into the revolving fund authorized by section 101 of the Civil Functions Appropriations Act, 1954 (67 Stat. 199; 33 U.S.C. 576), to be available, as provided in appropriations Acts, for the operation and maintenance of vessels under the control of the Corps of Engineers.

SEC. 235. Unless otherwise specified, the costs of any project or program authorized in this Act and not assigned to the purposes of commercial navigation shall be subject, as appropriate, to the cost sharing and financing provisions of titles V, VI, or VII of this Act.

SEC. 236. Section 8 of Public Law 78-534 approved December 22, 1944 (58 Stat. 891; 43 U.S.C. 390), is hereby amended by adding the following at the end thereof: "In the case of any reservoir project constructed and operated by the Corps of Engineers, the Secretary of the Army is authorized to allocate water which was allocated in the project purpose for municipal and industrial water supply and which is not under contract for delivery, for such periods as he may deem reasonable, for the interim use for irrigation purposes of such storage until such storage is required for municipal and industrial water supply. No contracts for the interim use of such storage shall be entered into which would significantly affect then-existing uses of such storages.".

SEC. 237. Section 5 of the Act of March 4, 1915 (38 Stat. 1049; 33 U.S.C. 562), is amended by inserting the words "and after the project becomes operational" after the word "Acts" and before the comma.

SEC. 238. (a) Section 301(b) of the Water Supply Act of 1958 (72 Stat. 319), as amended 43 U.S.C. 390b. (b), is amended further as follows.

(1) In the third proviso, after the word "that" appears for the first time, insert the following: "(1) for Corps of Engineers projects, not to exceed 30 per centum of the total estimated cost of any project may be allocated to anticipated future demands, and, (2) for Bureau of Reclamation projects,",

(2) In the fourth proviso, after the word "that" appears for the first time, insert the following: "for Corps of engineers projects, the Secretary of the Army may permit the full non-Federal contribution to be made, without interest, during construction of the project, or, with interest, over a period of not more than thirty years from the date of completion, with repayment contracts providing for recalculation of the interest rate at, five-year intervals, and for Bureau of Reclamation projects,",

(3) After the first sentence insert the following: "For Corps of Engineers projects, all annual operation, maintenance, and replacement costs for municipal and industrial water supply storage under the provisions of this section shall be reimbursed from State or local interests on an annual basis.",

(4) After the first sentence insert the following: "For Corps of engineers projects, any repayment by a State or local interest shall be at a rate to be determined by the Secretary of the Treasury, taking into consideration the average market yield on outstanding marketable obligations of the United States with remaining periods to maturity comparable to the reimbursement period, during the month preceding the fiscal year in which costs for the construction of the project are first incurred (or, in the case or recalculation is made), plus a premium of one-eighth of one percentage point for transaction costs).".

(5) In the second sentence, strike the word "the" where it appears for the first time, and insert in lieu thereof: "For Bureau of Reclamation projects, the".

(b) Nothing in this section shall be deemed to amend or require amendment of any valid contract entered into pursuant to the Water Supply Act of 1958, and/or Federal reclamation law and approved by the Secretary of the Army or the secretary of the Interior prior to the date of enactment of this Act.

"SEC. 239. In the case of any water resources project which is authorized to be constructed by the Secretary before, on, or after the date of enactment of this Act, construction of which was not commenced prior to the date of enactment of this Act, and which involves the acquisition of lands or interests in lands for recreation purposes, such lands or interests shall be acquired concurrent with the acquisition of lands and interests in lands for other project purposes.

"SEC. 240. Upon the request of the governor of a State, or the appropriate official of local government, the Secretary is authorized to provide designs, plans, and specifications, and such other technical assistance as he deems advisable, to such State or local government for its use in carrying out projects for renovating navigable streams and tributaries thereof by means of predominantly nonstructural methods judged by the Secretary to be cost-effective, for the purpose of improved drainage, water quality, and habitat diversity: *Provided*, That non-Federal interests contribute half the cost of the designs or other assistance.

SEC. 241. (a) Section 208 of the Flood Control Act of 1954 (68 Stat. 1266; 33 U.S.C. 701g) as amended, is hereby amended by striking out "$250,000" and inserting in lieu thereof "$500,000".

(b) Section 14 of the Act of July 24, 1946 (60 Stat. 653; 33 U.S.C. 701r), as amended, is hereby amended by striking out "$250,000" and inserting in lieu thereof "$500,000".

(c) Section 205 of the Flood Control Act of 1948 (62 Stat. 1182; 33 U.S.C. 701s), as amended, is amended by striking out

$4,000,000" and inserting in lieu thereof "$4,500,000".

(d) Subsection 107(b) of the River and Harbor Act of 1960 (74 Stat. 486; 33 U.S.C. 577), as amended, is amended by striking out "$2,000,000" and inserting in lieu thereof "$3,500,000".

(e) Section 3 of the Act approved August 13, 1946 (60 Stat. 1056; 33 U.S.C. 426g), as amended, is amended by striking out "$1,000,000" and inserting in lieu thereof "$2,000,000".

TITLE III—PROJECT PROVISIONS

SEC. 301. (a) The Secretary is authorized and directed to take such action as may be necessary at a cost of $4,118,000, and substantially in accordance with the study directed by the Mobile district engineer and dated July 20, 1981, to correct erosion problems along the banks of the Warrior River in order to protect Mound State Park, near Moundville, Alabama.

(b) The Secretary is authorized to preserve and protect the Fort Toulouse National Historic Landmark and Taskigi Indian Mound in the county of Elmore, Alabama, by instituting bank stabilization measures, in accordance with alternative B contained in the Mobile district engineer's design supplement report entitled "Jones Bluff Reservoir, Alabama River, Alabama, Fort Toulouse, Design Report, National Historic Landmark," dated July 1975, at a cost of $15,400,000 (October 1982).

(c) The Secretary in order to protect the cultural, economic, environmental, and historical resources of Tangier Island, Virginia, located in Chesapeake Bay, is authorized and directed to design and construct a structure approximately eight thousand two hundred feet in length on the western shore of Tangier Island, adequate to protect such island from further erosion at a cost of $5,400,000.

(d) Prior to any construction under this section, non-Federal interests shall provide without cost to the United States all necessary lands, easements, rights-of-way, and relocations, agree to operate and maintain the structures after construction, and hold and save the United States free from damages due to the construction works.

(e) Notwithstanding the provisions of this section, the Secretary shall give priority in the allocation of funds for design and construction of projects for the purposes of erosion control to projects authorized prior to the enactment of this Act.

SEC. 302. The project for hurricane-flood protection and beach erosion control along the Delaware Coast from Cape Henlopen to Fenwick Island at the Delaware-Maryland State Line, authorized by section 203 of the Flood Control Act of 1968 (Public Law 90-483), is hereby modified by deleting hurricane-flood protection and authorizing the construction of sand bypass facilities and stone revetment erosion control measures at Indian River Inlet, Delaware, as described in the reevaluation report of the Philadelphia district engineer, dated January 1984, at a Federal cost for such additional facilities of $4,000,000 (October 1983): *Provided*, That project costs shall be allocated under the terms of section 111 of Public Law 90-483, if that is determined by the Secretary to be appropriate.

SEC. 303. (a) The Secretary is authorized to construct, at Federal expense, a set of emergency gates in the conduit of the Abiquiu Dam, New Mexico, to increase safety and enhance flood and sediment control: *Provided*, That such feature, which was eliminated during original construction due to cost constraints, shall be considered as completing the original design concept for the project.

(b) For purposes of this section, the sum of $2,500,000 is authorized to be appropriated to the Secretary for the fiscal year ending September 30, 1987, or thereafter, such sums to remain available until expended.

SEC. 304. The Secretary shall promptly transfer to the responsibility of the Corps of Engineers district engineer in Albuquerque, New Mexico, those portions of the State of New Mexico that, as of the date of enactment of this Act, are under the responsibility of the district engineers in Sacramento, California, and Los Angeles, California.

SEC. 305. The Waterbury, Vermont, project in the Winooski River Basin, authorized for modification in section 10 of the 1944 Flood Control Act, approved as Public Law 78-534 of December 22, 1944, is hereby further modified to provide that restoration to the concrete work on such dam shall be undertaken by the Secretary. Nothing in this section shall be construed as altering the conditions established in the Federal Power Commission license numbered 2090, issued on September 16, 1954.

SEC. 306. The city waterway navigation channel project, Tacoma Harbor, Washington, authorized by the first section of the River and Harbor Act of June 13, 1902 (32 Stat. 347), is hereby modified to direct the Secretary to redefine the boundaries of such project in accordance with the recommendations contained in the report of the Chief of Engineers dated May 3, 1983.

SEC. 307. The second paragraph under the center heading "BRAZOS RIVER BASIN" in section 10 of the Flood Control Act of 1946 (60 Stat. 641) is amended by inserting "or water supply" after "irrigation".

SEC. 308. The Pick-Sloan Missouri Basin Program shall be prosecuted, as authorized and in accordance with applicable laws including the requirements for economic feasibility, to its ultimate development on an equitable basis as rapidly as may be practicable, within the limits of available funds and the cost recovery and repayment principles established by Senate Report Numbered 470 and House of Representatives Report Numbered 282, Eighty-ninth Congress, first session.

SEC. 309. The project for Jackson Hole Snake River local protection and levees, Wyoming, authorized by the River and Harbors Act of 1950 (Public Law 81-516), is hereby modified to provide that the operation and maintenance of the project, and additions and modifications thereto constructed by non-Federal sponsors, shall be the responsibility of the Secretary: *Provided*, That non-Federal sponsors shall pay the initial $35,000 in cash or materials of any such cost expended in any one year, together with inflation as of the date of enactment of this Act.

SEC. 310. The project for flood protection for the Rio Grande Floodway, Truth or Consequences Unit, New Mexico, authorized by the Flood Control Acts of 1948 and 1950, is hereby modified to provide that the Secretary is authorized to construct a flood control dam on Cuchillo Negro Creek, a tributary of the Rio Grande, in lieu of the authorized floodway.

SEC. 311. (a)(1) The Congress finds that the irrigation ditch systems in New Mexico, known as the Acequia systems, date from the eighteenth century, and that these early engineering works have significance in the settlement and development of the western portion of the United States.

(2) The Congress, therefore, declares that the restoration and preservation of the Acequia systems has cultural and historic values, as well as economic values, to the region.

(b) The Secretary is authorized and directed to undertake, without regard to economic analysis, such measures as are necessary to protect and restore the river diversion structures and associated canals attendant to the operations of the community ditch and Acequia systems in New Mexico that are declared to be a political subdivision of the State of New Mexico: *Provided*, That the State of New Mexico, or other non-Federal sponsors, shall pay 25 per centum of the cost of any work undertaken under this section.

(c) For the fiscal year ending September 30, 1987, and thereafter, the sum of $40,000,000 is authorized to be appropriated to the Secretary for the purposes of subsection (b) of this section, such sums to remain available until expended.

(d) The Secretary is further authorized and directed to consider the historic Acequia systems (community ditches) of the Southwestern United States as public entities, if these systems are chartered by the respective State laws as political subdivisions of that State. This public entity status will allow the officials of these Acequia systems to enter into agreements and serve as local sponsors of water-related projects of the Secretary.

SEC. 312. (a) The Secretary is authorized to implement a program of research in order to demonstrate the cropland irrigation and conservation techniques described in the report issued by the New England division engineer, dated May 1980, for the Saint John River Basin, Maine.

(b) For the purposes of this section, there is authorized to be appropriated to the Secretary the sums of $1,825,000 in the fiscal year ending September 30, 1987, $820,000 in the fiscal year September 30, 1988, and $785,000 for the fiscal year ending September 30, 1989, such sums to remain available until expended.

SEC. 313. (a) Bank protection activities conducted under the Rio Grande Bank protection project pursuant to the Act of April 25, 1945 (59 Stat. 89), may be undertaken in Starr County, Texas, notwithstanding any provision of such Act establishing the counties in which such bank protection activities may be undertaken.

(b) Any bank protection activity undertaken in Starr County, Texas, pursuant to subsection (a) of this section shall be—

(1) in accordance with such specifications as may be prepared for such purpose by the International Boundary and Water Commission, United States and Mexico; and

(2) except as provided in subsection (a) of this section, subject to the terms and conditions generally applicable to activities conducted under Rio Grande Bank protection project.

SEC. 314. The section pertaining to Transfer of Federal Townsites, the Supplemental Appropriation Act, 1985, Title I, Chapter IV (Public Law 99-88; 99 Stat. 293) is amended as follows:

(a) Subsection (a)(1)(A) is amended by—

(1) inserting "(i)" immediately after the letter "(A)", and

(2) adding the following new subsections (ii) and (iii) at the end of the subsection:

"(ii) The land utilized as a sanitary landfill by Riverdale, North Dakota, consisting of approximately 96 acres.

"(iii) The peripheral utility improvements at Riverdale, North Dakota, developed for, or being utilized as, sewage lagoons; the sewer pipeline extending from the townsite boundary to said lagoons; any outfall facilities or control structures in conjunction therewith; the water pipeline extending from the exterior boundaries of the power plant to the townsite; and appropriate easements of right-of-way for the access to, and operation and maintenance of said improvements.".

(b) Subsection (a)(1)(B) is amended by—

(1) inserting "(i)" immediately after the letter "(B)", and

(2) adding the following new subsections (ii) and (iii):

"(ii) The land utilized as a sanitary landfill by Pickstown, South Dakota, consisting of approximately 23 acres.

"(iii) The peripheral utility improvements at Pickstown, South Dakota, developed for, or being utilized as, sewage lagoons; water treatment plant; water intake structure; the sewer pipeline extending from the townsite boundary to the sewer lagoons; any outfall facilities or control structures in conjunction therewith; the water pipeline extending from the water intake to the water treatment plant and to the townsite boundary; and appropriate easements of right-of-way for access to, and operation and maintenance of, said improvements.".

(c) Subsection (a)(1)(C) is amended by—

(1) inserting "(i)" immediately after the letter "(C)", and

"(2) adding the following new subsection (ii):

"(ii) The peripheral utility improvements at Fort Peck, Montana, developed and being utilized as a water storage reservoir; the water pipelines extending from the exterior boundaries of the power plant to the townsite boundary; the water pipeline extending from the townsite boundary to the water reservoir; and appropriate easements of right-of-way to the municipal corporation for access to, and operation and maintenance of, said improvements.".

(d) Subsection (c) is amended by adding at the end thereof: "Nothing in this provision prohibits the Secretary from placing reasonable covenants in those deeds transferring improvements having significant historical, cultural, or social value in Fort Peck, Montana.

(e) The Administrator of the Western Area Power Administration is authorized to allocate power from the Pick-Sloan Missouri Basin Program (P-SMBP) to the municipal corporations of Riverdale, North Dakota, Pickstown, South Dakota, and Fort Peck, Montana, or to such other preference entity as the Administrator may designate to provide electrical service to said municipal corporations. Such allocations shall be in the amount required to meet the annual loads established prior to the date of enactment of this Act, and under terms and conditions for marketing firm power from the P-SMBP: Except, That upon request of a municipal corporation specified in this subsection, the Secretary shall continue to operate municipal or community owned facilities for a period not to exceed three years from the date of incorporation of such municipal corporation.

SEC. 315. (a)(1) To improve water quality and fulfill the goals of the Clean Lakes Program established in section 314 of the Clean Water Act, the Secretary is authorized to initiate a demonstration program to remove excess silt from Lake Herman, Lake County, South Dakota.

(2) For the purpose of this subsection, there is authorized to be appropriated to the Secretary for the fiscal year ending September 30, 1987, or thereafter, the sum of $5,000,000, such sum to remain available until expended.

(b) The Secretary is authorized and directed to undertake a demonstration project for the removal of silt and aquatic growth, in Lake Worth, Tarrant County, Texas, to construct silt traps and to provide other devices or equipment to prevent and abate the further deposit of sediment in Lake Worth, and to use the dredged material in the reclamation of despoiled land, and other actions necessary to the success of the demonstration, at a cost of $1,750,000 (October 1983).

(c) The Secretary is authorized and directed to conduct mitigation activities recommended in the 1982 Environmental Protection Agency diagnostic feasibility study for Gorton's Pond in Warwick, Rhode Island. Activities will inciude the installation of retention basins, the dredging of inlets and outlets in recommended areas and the disposal of dredge material, and weed harvesting and nutrient inactivation. For purposes of this subsection, there is authorized to be appropriated to the Secretary for the fiscal year ending September 30, 1987, or thereafter, the sum of $730,000, such sum to remain available until expended.

SEC. 316. (a) The Secretary, after consultation with the National Oceanic and Atmospheric Administration, the National Marine Fisheries Service, the United States Fish and Wildlife Service, and other appropriate governmental agencies, and the National Research Council of the National Academy of Sciences, is authorized and directed to undertake studies to identify the impacts on the United States of potential Canadian tidal power development in the Bay of Fundy, and submit such studies to the appropriate committees of the Congress.

(b) The Secretary shall conduct the studies authorized in subsection (a) of this section in two phases:

(1) Studies to be completed not later than October 1, 1988, to (A) identify effects of any such projects on tidal ranges and resulting impacts to beaches and estuarine areas, and (B) identify further studies which would be needed to meet the requirements of paragraph (2) of this subsection; and

(2) Studies to be completed not later than October 1, 1990, to (A) determine further environmental, social, economic, and institutional impacts of such tidal power development, and (B) determine what measures could be taken in Canada and the United States to offset or minimize any adverse impacts of such development on the United States.

(c) In the fiscal year ending September 30, 1987, or in any fiscal year thereafter, there is authorized to be appropriated to the Secretary the sum of $1,100,000 for the purposes of subsection (b)(1) of this section, and the sum of $8,900,000 for the purposes of subsection (b)(2) of this section, such sums to remain available until expended.

SEC. 317. (a)(1) Downstream recreation on the Gauley River is declared to be an additional project purpose of the Summerville Lake project, West Virginia, under the direction of the Secretary. Releases at times and levels (minimum two thousand four hundred cubic feet per second) suitable for such recreation shall commence on the first weekend after Labor Day of each year and continue during each weekend thereafter (and during such weekday periods as the Secretary finds appropriate) for approximately five weeks.

(2) Releases shall also be made at other times during the year as appropriate: *Provided*, That such releases are not injurious to other purposes of the Summerville Lake project. The Secretary shall schedule such releases as early as practical and provide adequate advance public notice of such whitewater release.

(b) The Secretary may temporarily suspend (for such period as may be necessary) or modify any release required under subsection (a)(1) of this section or scheduled under subsection (a)(2) of this section when necessary for purposes of flood control or any other project purpose, or for reasons of public health and safety.

SEC. 318. The three flood water control structures on the Johns Creek tributary and the program of land treatment for erosion and sediment control in the Nonconnah Creek Basin, Tennessee, are authorized to be constructed in accordance with the recommendations contained in the joint report of the district engineer and the State conservationist contained in Senate Document 95-96, at a total cost of $24,065,300 (June 1984).

SEC. 319. The Secretary is authorized to participate with appropriate non-Federal sponsors in a project to demonstrate, on an expedited basis, the feasibility of non-Federal cost sharing for rural flood protection under the provisions of sections 212 and 215 and title VII of this Act and section 134 of Public Law 94-587, as amended. Such project shall consist of channel restoration and improvements on the James River in South Dakota, and may include consideration of offstream storage, small impoundments on tributaries, and other features identified by the Secretary to alleviate flood damage and to regulate flows on such river, at a total cost not to exceed $20,000,000: *Provided*, That the Secretary shall report to Congress no later than September 30, 1989, on the extent to which additional features may be required to alleviate flood damage and regulate flows on such river.

SEC. 320. The last sentence under the center heading "ARKANSAS-RED RIVER BASIN" in section 201 of the Flood Control Act of 1970 (84 Stat. 1825) is amended to read as follows: "Construction shall be initiated in the Red River Basin in accordance with the recommendations regarding general design memorandum numbered 25 by the director of civil works on behalf of the Chief of Engineers, dated August 8, 1977. Based on such recommendations, the Chief of Engineers shall issue a Report no later than December 31, 1986: *Provided*, That for the purposes of this Act, general design memorandum numbered 25 shall be considered the Report of the Chief of Engineers if no such Report has been issued by December 31, 1986. Cost sharing for construction initiated under this section shall be the same as the cost sharing for area VIII of this project.".

SEC. 321. The project on Milk River for local flood protection at Havre, Montana, authorized by section 10 of the Flood Control Act approved December 22, 1944 (58 Stat. 897), is hereby modified to authorize the Secretary to reconstruct or replace, whichever he determines necessary and appropriate, the water supply intake weir of the city of Havre, Montana, at a cost of $1,400,000.

SEC. 322. The Secretary is authorized and directed to improve public access to, and lessen a health and safety hazard, at Pearson-Skubitz Big Hill Lake, Kansas, by upgrading existing roads to the extent feasible acquiring additional rights-of-way, and constructing new roads as required, at a cost of $3,000,000.

SEC. 323. That portion of the Hudson River in the New York Bay lying within the area described in the Congressional Record as of the date of the submission of this amendment is hereby declared to be not a navigable water of the United States within the meaning of the Constitution and the laws of the United States, except for the purposes of the Federal Water Pollution Control Act.

SEC. 324. (a) The portion of the flood control project for the Illinois River and tributaries, Illinois, Wisconsin, and Indiana, authorized by section 203 of the Flood Control Act of 1962 (76 Stat. 1189), which is to be located on the Sangamon River, Illinois, about one mile upstream from Decatur, Illinois, and which is known as the William L. Springer Lake project is not authorized after the date of enactment of this Act.

(b) Notwithstanding section 203 of the Federal Property and Administrative Services Act of 1949 and any other provision of law, before any lands acquired by the United States for the William L. Springer Lake project referred to in subsection (a) of this section are sold or otherwise disposed of or used for any purpose other than to carry out such project, such lands shall first be made available for purchase by the city of Decatur, Illinois, at the price at which such lands were acquired by the United States: *Provided*, That such lands remain in public ownership for use for public purposes, and that if any of such lands are not so owned or used, then such lands shall revest in the United States.

SEC. 325. Section 108(k) of Public Law 93-251, as amended, is amended further by striking the figure "$103,522,000" and inserting in lieu thereof "$156,122,000".

SEC. 326. For purposes of the Act entitled "An Act to provide for the alteration of certain bridges over navigable waters of the United States, for the apportionment of the cost of such alterations between the United States and the owners of such bridges, and for other purposes", approved June 21, 1940 (33 U.S.C. 551 et seq.), the Port of Houston Authority bridge over Greens Bayou approximately two and eight-tenths miles upstream of the confluence of Greens Bayou, Texas, and the Houston Ship Channel is hereby declared to be a lawful bridge for all purposes of such Act. The Secretary of Transportation is authorized to reimburse the bridge owner for work done prior to the date of enactment of this section which work, under the Act of June 21, 1940 (33 U.S.C. 511 et seq.), would be the responsibility of the United States if performed after the date of enactment of this section: *Provided*, That any reimbursement under this section shall not exceed $450,000.

SEC. 327. (a) The Secretary is authorized to undertake the following reconnaissance studies in the State of Utah in order to determine if improvements for the purposes of flood control and related purposes are economically and environmentally justified, then report on such studies to Congress:

(1) the Provo River, from the mouth of Provo Canyon to Utah Lake;

(2) the existing levees along Utah Lake from the Provo River south along Interstate Highway 15;

(3) Interstate Highway 15, adjacent to Utah Lake;

(4) Rock, Little Rock, and Slate Canyons in the city of Provo;

(5) the Bear River, its tributaries and outlets;

(6) the Weber River, its tributaries and outlets; and

(7) the Sevier River, its tributaries and outlets.

(b) For the purposes of this section, the sum of $1,600,000 is authorized to be appropriated to the Secretary for the fiscal year ending September 20, 1987, or thereafter, such sums to remain available until expended.

SEC. 328. Section 110(f) of the River and Harbor Act of 1958 (72 Stat. 303), as amended, is amended further by striking the figure "$6,528,000" and substituting the figure "$13,195,000".

SEC. 329. (a) The comprehensive plan for the control of floodwaters in the Connecticut River Basin, Vermont, New Hampshire, Massachusetts, and Connecticut, authorized by section 5 of the Flood Control Act of 1936 (49 Stat. 1570, 1572), as amended, is amended further to authorize and direct the Secretary to design, construct, operate, and maintain facilities at Townshend Dam, West River, Vermont, to enable upstream migrant adult Atlantic salmon to bypass that dam and Ball Mountain Dam, Vermont, and to provide at both Townshend and Ball Mountain Dams facilities as necessary for the downstream passage of juvenile Atlantic salmon.

(b) Prior to construction of the work authorized by this section, non-Federal interests shall agree to hold and save the United States harmless for any damages incurred in the construction and operation of such fish-passage facilities, and provide all lands, easements, rights-of-way, and relocations as may be reasonably necessary for the construction and operation of the fish-passage facilities.

(c) There is authorized to be appropriated to the Secretary in the fiscal year ending September 20, 1987, or thereafter, the sum of $1,000,000 for the construction of facilities authorized by this section, such sums to remain available until expended.

SEC. 330. The Secretary is authorized, and upon the request of any appropriate State or local authority in the Washington metropolitan area in Maryland, to permit the delivery of water from the District of Columbia water system at the Dalecarlia filtration plant, or at any other point on such water system, to any such appropriate State or local authority. All of the expenses of installing a connection or connections and appurtenances thereto, and any subsequent changes therein, as may be necessary to make such delivery of water, shall be paid by the requesting entity, which shall also pay those charges for the use of such water as may be determined from time to time, in advance, by the Secretary. Payments shall be made at such time and under such regulations as the Secretary may prescribe. The Secretary may revoke at any time any permit for the use of water which may have been granted.

(b) The Secretary is authorized to purchase water from any appropriate State or local authority in the Washington metropolitan area in Maryland which has completed a connection with the District of Columbia water system. The Secretary is authorized to pay charges as may be agreed upon, for the use of such water by the Secretary.

SEC. 331. The authorization for the Lake Brownwood modification project, Pecan Bayou, Texas, contained in the Flood Control Act of 1968 (Public Law 90-483), is hereby terminated.

SEC. 332. (a)(1) On behalf of the United States, the Secretary, in consultation with the Secretary of State, is authorized to cooperate with governments in Canada to study and to construct reservoir projects for storage in the Souris River Basin in Canada to provide flood control benefits in the United States.

(2) The Secretary is authorized further to participate in financing the storage referred to in paragraph (1) of this subsection to a maximum contribution of $26,700,000, in the event that only one reservoir, known as the Rafferty project, is constructed in Canada, or to a maximum of $41,100,000, in the event two reservoirs, known as the Rafferty and Alameda projects, are constructed in Canada. The amount of any such contribution shall be determined by an allocation of costs, based on the proportionate use of these projects for flood control in the United States and water supply in Canada.

(b) Upon completion of the structure or structures in Canada, as agreed upon between the United States and governments in Canada, the construction of Burlington Dam, North Dakota, as authorized by Public Law 91-611, and modifications at Lake Darling, North Dakota, to raise the level of the dam structure, as authorized by section 111 of Public Law 97-88 (95 Stat. 1138), shall no longer be authorized. Should the Secretary determine that an agreement between the United States and governments in Canada cannot be consummated, he shall proceed with the work authorized by section 111 of Public Law 97-88, including raising the dam structure and including storage capacity for flood control purposes, with such work to be considered a nonseparable element of the flood control project for Minot, North Dakota, authorized under section 201 of the Flood Control Act of 1965.

(c) The Secretary is authorized further to make such modifications as necessary to the existing Lake Darling, exclusive of the modifications authorized by section 111 of Public Law 97-88, for the purpose of effective operation of the project for flood control, with such work considered to be a nonseparable element of the flood control project for Minot, North Dakota, authorized under section 201 of the Flood Control Act of 1965, and to operate and maintain the project with such modifications in a manner compatible with the migratory waterfowl refuge purpose of the project.

(d) The non-Federal share of the cost of contributions to governments in Canada, as authorized by this section, shall be in accordance with Title VII of this Act for the amount over $23,600,000. The total Federal cost of work authorized by this section and by section III of Public Law 97-88, as modified herein, and including related dam safety measures, is $69,100,000 (October 1985): *Provided*, That this cost is subject to section 213 of this Act.

SEC. 333 (a)(1) For the multiple purposes of preserving, enhancing, interpreting, and managing the water and related land resources of an area containing unique cultural, fish and wildlife, scenic, and recreational values and for the benefit and enjoyment of present and future generations and the development of outdoor recreation, there is hereby established the Cross Florida National Conservation Area (hereinafter in this section referred to as the "Conservation Area").

(2) The Conservation Area shall consist of all lands and interests in lands held by the Secretary within that portion of the high-level lock barge canal project from the Saint Johns River across the State of Florida to the Gulf of Mexico, authorized by the Act of July 23, 1942 (56 Stat. 703) (which shall in this section be referred to as the "barge canal project") that is located between the Eureka Lock and Dam and the Inglis Lock (exclusive of structures), plus all lands and interests in lands held by the Canal Authority of the State of Florida between such structures.

(b) Those portions of the barge canal project located between the Gulf of Mexico and the Inglis project structure and located between the Atlantic Ocean and the Eureka Lock and Dam, inclusive, shall be operated and maintained by the Secretary for the purposes of navigation, recreation, and fish and wildlife enhancement.

(c) In order to further the purposes set forth in paragraph (a)(1) of this section, that portion of such barge canal project located between the Eureka Lock and Dam and the Inglis Lock (exclusive of such structures) is not authorized for the purposes described in 56 Stat. 703 after the date this subsection becomes effective.

(d) The State of Florida shall retain jurisdiction and responsibility over water resources planning, development, and control of the surface and ground waters pertaining to lands cited in subsections (b) and (c) of this section, except to the extent that any uses of such water resources would be inconsistent with the purposes of this section.

(e)(1) Not later than one year after the date of the enactment of this Act, the Secretary, in consultation with the United States Forest Service, the United States Fish and Wildlife Service, and the State of Florida, shall develop and transmit to Congress a comprehensive management plan for lands (including water areas) located within the Conservation Area.

(2) Such plan shall, at a minimum, provide for—

(A) enhancement of the environment;

(B) conservation and development of natural resources;

(C) conservation and preservation of fish and wildlife;

(D) preservation of scenic and enhancing recreational values;

(E) a procedure for the prompt consideration of applications for easements across Conservation Area lands, when such easements are requested by local or State governmental jurisdictions or by a regulated public utility for a public purpose; and

(F) preservation and enhancement of water resources and water quality, including ground water.

(3) Such plan shall establish, among the Secretary, the Forest Service, the Fish and Wildlife Service, and the State of Florida, the responsibilities for implementation of such plan.

(4) Until transmittal of such plan to Congress, the Secretary shall operate, maintain, and manage the lands and facilities held by the Secretary under the terms of subsection (c).

(5) Upon submission of such plan to Congress, the Secretary and other agencies, pursuant to the agreement under paragraph (3) of this subsection, are authorized to implement such plan.

(f) The Secretary shall operate the Rodman Dam, authorized by the Act of July 23, 1942 (56 Stat. 703), in a manner which will assure the continuation of the reservoir known as Lake Ocklawaha. The Secretary shall not operate the Eureka Lock and Dam in a manner which would create a reservoir on lands not flooded on January 1, 1984.

(g)(1) As soon as possible, the Secretary shall acquire, for the sum of $32,000,000, all lands and interests in lands held on the date of the enactment of this Act by the Canal Authority of the State of Florida for the purposes of the barge canal project. In the event the sums available to the Secretary in any fiscal year are insufficient to purchase all such lands and interests, the State of Florida shall transfer to the Secretary that percentage of the total number of acres to be transferred that is proportionate to the sums received by the State compared with $32,000,000.

(2) From amounts received under paragraph (1) of this subsection, the Canal Authority shall as soon as possible make payments to the Florida counties of Duval, Clay, Putnam, Marion, Levy, and Citrus. Such payments shall, in the aggregate, be equal to $32,000,000. The amount of payment under this paragraph to each such county shall be determined by multiplying such aggregate amount by the amount of ad valorem taxes paid to the Cross Florida Canal Navigation District by such county and dividing such product by the amount of such taxes paid by all such counties.

(h) Subsection (c) shall become effective—

(1) ninety days after the Governor of Florida has certified to the Secretary that the State has met the conditions set out in subsection (i) of this section: *Provided*, That the Secretary does not determine within such period that the State has failed to comply; or

(2) on the date of the final order in a declaratory judgement action, brought by the State of Florida in a Federal District Court within Florida, finding that the State has met the conditions.

(i) Subsection (c) shall not become effective until the State of Florida enacts a law or laws which assures that—

(1) On and after the date on which construction of the portion of the barge canal project referred to in subsection (c) is no longer authorized, all lands and interests in lands held for the project by the State of Florida or the Canal Authority of such State, including those acquired pursuant to the River and Harbor Act of 1960 (Public Law 86-645), and including any State lands contained in the area proposed to be added to the Ocala National Forest by the boundary change shown on the map dated July 1978, on file with the Chief of the Forest Service, Department of Agriculture, Washington, District of Columbia, will continue to be owned by such State or canal authority pending transfer to the Secretary, for consideration, as provided in this section; and

(2) The State of Florida has fee simple title to lands acquired from the Federal government pursuant to Public Law 86-645, and will transfer such title to the Secretary, for consideration, as provided in this section.

SEC. 334. In order to alleviate a navigational hazard in the Seekonk River in Providence, Rhode Island, the Secretary is authorized to demolish and remove the center span of the India Point Railroad Bridge. For the purpose of this section, there is authorized to be appropriated to the Secretary for the fiscal year ending September 30, 1987, or thereafter, the sum of $500,000, such sum to remain available until expended. Revenue derived from the sale of scrap from this structure shall be deposited to the general fund of the Treasury.

SEC. 335. That portion of the project for navigation, Tampa Harbor and Hillsborough Bay, Florida, authorized by the Act of August 8, 1917, which portion consists of the turning basin at the junction of Garrison Channel, Seddon Channel, and Hillsborough River, is deauthorized upon enactment of this Act.

SEC. 336. Bloomington Lake located on the North Branch of the Potomac River near Bloomington, Maryland, and Keyser, West Virginia, is named and designated as the "Jennings Randolph Lake." Any reference in a law, map, regulation, document, record, or other paper of the United States to such lake shall be held to be a reference to the "Jennings Randolph Lake."

SEC. 337. Calion Lock and Dam located on the Ouachita River near Calion, Arkansas, is named and designated as the "H.K. Thatcher Lock and Dam." Any reference in a law, map, regulation, document, record, or other paper of the United States to such lock and dam shall be held to be a reference to the "H.K. Thatcher Lock and Dam".

SEC. 338. The project for Denison Dam (Lake Texoma), Red River, Texas and Oklahoma, authorized by the Flood Control Act approved June 28, 1938 (52 Stat. 1219), as amended, is hereby modified to provide that the Secretary is authorized to reallocate from hydropower storage to water supply storage, in increments as needed, up to an additional 150,000 acre-feet for municipal, industrial, and agricultural water users in the State of Texas and up to 150,000 acre-feet for municipal, industrial, and agricultural water users in the State of Oklahoma. For that portion of the water storage reserved for users in the State of Oklahoma, the Secretary may contract, in increments as needed, with qualified individuals, entities, or water utility systems for use within the Red River Basin; except that for any portion of that water to be utilized outside the Red River Basin, the Secretary shall contract with the RedArk Development Authority. For that portion for the water storage reserved for users in the State of Texas, the Secretary shall contract, in increments as needed, for 50,000 acre-feet with the Greater Texoma Utility Authority and 100,000 acre-feet with other qualified individuals, entities, or water utility systems. Nothing in the preceding sentence shall supersede any requirement of State law with respect to the use of any water subject to a contract. All contracts entered into by the Secretary under this section shall be under terms in accordance with section 301(b) of the Water Supply Act of 1958 (Public Law 85-500), as amended. No payment shall be required from and no interest shall be charged to users in the States of Oklahoma or Texas for the reallocation authorized by this section until such time as the water supply storage reserved under such reallocation is actually first used. Any contract entered into for the use of the water received under this section shall require the contracting entity to begin principal and interest payments on that portion of the water allocated under the contract at the time the entity begins the use of such water. Until such time, storage for which reallocation is authorized in this section may be used for hydropower production. With respect to any water supply contract entered into by the Secretary under this section after June 1, 1985, the Secretary shall determine (1) the amount of hydropower lost, if any, as a result of the implementation of such contract, and (2) the replacement cost of the hydropower lost (where replacement cost is

defined as the cost to purchase power from existing alternative sources). If hydropower is lost as a result of the implementation of such contract, the Secretary shall provide credits to the Southwestern Power Administration of amounts equal to such replacement costs. Such credits shall be against sums required to be paid by the Southwestern Power Administration for costs of the project allocated to hydropower. In each such case the Southwestern Power Administration shall reimburse each preference customer for an amount equal to the customer's actual replacement cost for hydropower lost as a result of the implementation of such contract, less the cost such customer would have had to pay to the Southwestern Power Administration for such hydropower. The Secretary may not increase payments of water users under a water supply contract under this section on account of the credits and reimbursement required to be provided under this section. Nothing in this section shall be construed as amending or altering in any way the Red River Compact. In consideration of benefits in connection with such reallocation and usage of municipal, industrial, and agricultural water, all benefits that can be assigned to the Red River chloride control project, Texas and Oklahoma, or the Red River and tributaries multipurpose study, Oklahoma, Texas, Arkansas, and Louisiana, and any individual projects arising from such study, shall be reserved for such projects. Nothing in this section shall affect water rights under the laws of the States of Texas and Oklahoma.

SEC. 339. (a) The existing irrigation projects known as the Hilltop Irrigation District, Brule County, South Dakota, and the Gray Goose Irrigation District, Hughes County, South Dakota, are authorized as units of the Pick-Sloan Missouri Basin Program. As so authorized, the Hilltop Unit and the Gray Goose Unit shall be integrated physically and financially with the other Federal works constructed under the comprehensive plan approved by section 9 of the Flood Control Act of December 22, 1944 (58 Stat. 887, 891), as amended and supplemented, and subject to Federal reclamation law (Act of June 17, 1902, 32 Stat. 388 and Acts amendatory thereof and supplemental thereto).

(b) Pick-Sloan Missouri Basin Program power shall be made available as soon as practicable for the Hilltop Unit and the Gray Goose Unit on the same basis as for other units of the Pick-Sloan Missouri Basin Program. The suballocated costs of the Pick-Sloan Missouri Basin Program assigned to the Hilltop Unit and the Gray Goose Unit shall be reimbursed by the water users as determined by the Secretary of the Interior in accordance with Federal reclamation law (Act of June 17, 1902, 32 Stat. 388 and Acts amendatory thereof and supplemental thereto).

SEC. 340. (a) Except as otherwise provided in this section, all rights, title, and interests of the Untied States in the lands described in subsection (b), including all improvements thereon, are hereby declared to be held in trust by the United States for the benefit and use of the Three Affiliated Tribes of the Fort Berthold Reservation and to be part of the Fort Berthold Reservation.

(b) The lands held in trust under subsection (a) are—

(1) approximately 136.44 acres lying above elevation 1850 feet (mean sea level) and the probable ultimate erosion line (other than those portions which lie north of North Dakota State Highway 23) in the following sections of Township 152 North, Range 93 West of the Fifth Principal Meridian McKenzie County, North Dakota:

Section 15: south half of the southwest quarter,

Section 21: northeast quarter and northwest quarter of the southeast quarter, and

Section 22: north of the half northwest quarter; and

(2) approximately 16.40 acres lying above elevation 1850 feet (mean sea level) situated in the west half southwest quarter, Section 15, Township 152 North, Range 93 West of the Fifth Principal Meridian, McKenzie County, North Dakota, and more particularly described as follows:

Commencing at the quarter corner common to Sections 15 and 16; thence East along the quarter line a distance of 1,320.0 feet to the true point of beginning; thence North 45 degrees 0 minutes East a distance of 891.0 feet; thence South 0 degrees 3 minutes East a distance of 1,518.0 feet; thence to a point on a line which bears South 0 degrees 3 minutes East from the point of beginning; thence North 0 degrees 3 minutes West to the point of beginning.

(c) In consideration for the transfer in trust described above, the Secretary of Interior shall transfer to the United States lands of equal value held in trust for the Three Affiliated Tribes of the Fort Berthold Reservation which are required for the maintenance and operation of the Garrison Dam and Reservoir Project: Provided, That the Tribes shall retain the right to use such lands for grazing purposes when such lands are not subject to flooding. The United States shall not be responsible for damages to property or injuries to persons which may arise from, or be incident to, the use of said lands.

(d) The United States hereby retains a flowage and sloughing easement for the purpose of flood control and related Garrison Dam and Reservoir project purposes over that portion of the lands described in subsection (b) that lie below the greater elevation of—

(1) 1860 feet (mean sea level), or

(2) any alignment the Secretary determines to be necessary for such project operations.

(e) All the rights, title, and interests of the Economic Development Administration, U.S. Department of Commerce (EDA), as evidenced by three EDA projects designated as 05-01-00676 (closed on October 8, 1971, as 06-1-00676, 05-01-0077 (closed on June 30, 1971, as 06-1-00677), and 05-02-00675 (closed on October 8, 1971, as 06-2-00675) shall remain in full force and effect for the full terms thereof, including any and all extensions and shall not be subordinated in any manner whatsoever to any other interests.

SEC. 341. (a) The project for navigation for Honolulu Harbor, Hawaii, authorized by section 101 of the River and Harbor Act of 1954, is modified to authorize and direct the Secretary to maintain a 23-foot project depth in the Kalihi Channel portion of such project.

(b) The consent of Congress is hereby given to the State of Hawaii to construct, operate, and maintain a fixed-span bridge in and over the water of the Kalihi Channel, Honolulu Harbor, Hawaii.

"SEC. 342. The Secretary is authorized to pay the Federal share of the settlement amount, and any associated interest, resulting from the decision of the Engineer Board of Contract Appeals in ENC BCA Docket Number 4650 (June 28, 1985), notwithstanding the Federal cost limitation set out in Section 84(c) of the Water Resources Development Act of 1974 (Public Law 93-251).

"SEC. 343. The project for navigation, New York Harbor Collection and Removal of Drift, New York and New Jersey, authorized by section 91 of the Water Resources Development Act of 1974, as amended, is amended further by deleting the period following the phrase "Office, Chief of Engineers" and the following sentence, and inserting in lieu thereof the following: ": Except, That the project area is expanded to include the western shore of Hempstead Harbor, New York, and the Secretary of the Army is authorized and directed to remove derelict vessels from the western shore of Hempstead Harbor. There is authorized to be appropriated to the Secretary of the Army not to exceed $30,725,000 for the purposes of this section.".

SEC. 344. (a) The Congress finds and declares that—

(1) the Great Lakes are a most important natural resource to the eight Great Lakes States and two Canadian provinces, providing water supply for domestic and industrial use, clean energy through hydropower production, an efficient transportation mode for products into and out of the great Lakes region, and recreational uses for millions of United States and Canadian citizens;

(2) the Great Lakes need to be carefully managed and protected to meet current and future needs within the Great Lakes Basin;

(3) any new diversions of Great Lakes water for use outside of the Great Lakes Basin will have significant economic and environmental impacts, adversely affecting the use of this resource by the Great Lakes States and Canadian provinces; and

(4) four of the Great Lakes are international waters and are defined as boundary waters in the Boundary Waters Treaty of 1909 between the United States and Canada, and as such any new diversion of Great Lakes water in the United States would affect the relations of the Government of the United States with the Government of Canada.

(b) It is therefore declared to be the purpose and policy of Congress to prohibit any Federal agency, without an Act of Congress or the concurrence of the Governors of the Great Lakes States, from undertaking any studies for the purpose of the transfer of waters of the Great Lakes for use outside the Great Lakes Basin. This section does not apply to studies conducted at the direction of the International Joint Commission, in accordance with the Boundary Waters Treaty of 1909.

SEC. 345. (a) The project for improvement at Racine Harbor, Wisconsin, authorized by section 2 of the act entitled "An Act authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes", approved March 2, 1907 (59 Stat. 19), as amended, is hereby deauthorized.

(b) The Secretary shall transfer without consideration to Racine County, Wisconsin, title to any facilities constructed by the United States (as part of the project described above).

SEC. 346. The navigation project for Lynnhaven Inlet, Bay and connecting waters, Virginia, authorized by section 101 of the River and Harbor Act of 1962 (76 Stat. 1173, 1174) is hereby modified to provide that the United States shall pay for the remedial work to Long Creek Canal which the City of Virginia Beach, Virginia, was required to

carry out as a result of such navigation project, at a cost not to exceed $1,660,000.

SEC. 347. (a) The Secretary of the Army, acting through the Chief of Engineers, shall—

(1) construct under section 205 of the Flood Control Act of 1948 (33 U.S.C. 701s) a project for flood control on the San Francisco River at Clifton, Arizona, for the purpose of protecting residential and commercial properties on the east side of the river downstream of the State Highway 666 Bridge, for an estimated total cost of $3,500,000: *Provided*, That such work shall be considered to complete all studies and proposals of the Secretary for such area.

SEC. 348. For purposes of future studies undertaken pursuant to section 223 of this Act, the Secretary is authorized to consider benefits which may accrue to Indian tribes as a result of a project resulting from such a study.

SEC. 349. The Dickey-Lincoln School project, Saint John River, Maine, as authorized by section 204 of the Flood Control Act of 1965, is hereby deauthorized.

SEC. 350. Section 88(c) of the Water Resources Development Act of 1974 is amended by—

(1) inserting after "encroachments" the following: "(other than the Mineral Avenue/Ken Caryl Road extension and associated transmission lines)"; and

(2) inserting "significantly" after "areas which would".

SEC. 351. (a)(1) Congress is concerned about the impact that the century-high water level of the Great Lakes is having on shoreline along the Great Lakes and connecting channels.

(2) Congress recognizes scientific findings that indicate the level of the Great Lakes will continue to rise if, as expected, the current long term weather cycle of cooler temperatures and higher precipitation prevails.

(b) The Secretary, in cooperation with the National Oceanic and Atmospheric Administration, the Federal Emergency Management Agency, the International Joint Commission, and other appropriate Federal, State, and local agencies and the private sector, is authorized to conduct a study of shoreline protection and beach erosion control policy and related projects of the Secretary, in view of the current situation and long-term expected increases in the levels of the Great Lakes. Such study shall include, but is not limited to—

(1) a study to determine the magnitude and extent of current and expected future shoreline erosion on the Great Lakes and connecting channels occurring as a result of high water levels. The study shall examine the impacts of the long term cold weather cycle on lake levels and shoreline damage. The study shall also examine the relationship of shoreline damage to the regulation of outflows from Lake Superior and Lake Erie in accordance with approved regulation plans of the International Joint Commission;

(2) an economic and hydrologic analysis to determine whether changes in the inflows and outflows of the existing structures may be desirable to reduce shoreline damages, and whether further regulation of the outflow of Lake Erie may be warranted to achieve better regulation of the water levels of the Great Lakes;

(3) a summary of the legal and institutional impacts of rising lake levels on riparian lands; and,

(4) recommendations for new or additional criteria for Federal participation in shoreline protection projects along the Great Lakes and connecting channels.

(c) Within three years after the date of enactment of this Act, the Secretary shall transmit the studies prepared pursuant to subsection (b) of this section, together with supporting documentation and the recommendations of the Secretary, to the Committee on Environment and Public Works of the Senate and Committee on Public Works and Transportation of the House of Representatives.

(d) For the purpose of this section, there is authorized to be appropriated to the Secretary for the fiscal year ending September 30, 1987, or thereafter, the sum of $3,000,000, such sum to remain available until expended.

SEC. 352. The Secretary is directed to include in the feasibility study of Sunset Beach Harbor, Bolsa Chica Bay, California, an assessment of the feasibility of non-Federal cost sharing for the Sunset Beach Harbor project, utilizing the provisions of section 215 of this Act, in consultation with the appropriate non-Federal sponsors: Provided, That no such assessment shall be considered as an alternative to any non-Federal cost sharing otherwise required during the period of construction of any possible project. The assessment under this section will examine whether, and to what extent, the provisions of section 215 of this Act can be used by the non-Federal sponsors of the Sunset Beach Harbor project to support non-Federal cost-sharing for this project.

SEC. 353. The project for navigation, Cape Charles City Harbor, Virginia, authorized by the River and Harbor Act approved March 2, 1945 (59 Stat. 15), is modified to provide that the local interests shall not be required—

(1) to provide bulkheads, or

(2) to reserve berthing space for general public use, along a great distance of the shoreline than such bulkheads are provided or such berthing space is reserved on the date of the enactment of this Act.

SEC. 354. The Secretary is directed to expedite the hydroelectric power studies of the Red River Basin Comprehensive Study, Arkansas, Texas, Louisiana, and Oklahoma (authorized by Public Law 98-63), with a particular view of investigating the feasibility of adding hydroelectric power generating facilities at the Tuskahoma Lake, Oklahoma, project.

SEC. 355. The project for navigation and power generation, Fort Peck, Montana, authorized by the Act entitled "An Act to Authorize the completion, maintenance, and operation of the Fort Peck project for navigation and for other purposes", approved May 18, 1938 (16 U.S.C. 833), shall include recreation as a purpose of such project.

SEC. 356. The Secretary of the Army, acting through the Chief of Engineers, has been conducting a study of the feasibility of providing flood protection along the West Branch of the Susquehanna River for the Borough of Milton, Pennsylvania. The Secretary is directed to undertake further studies for engineering and design for a flood control project at Milton, Pennsylvania.

SEC. 357. No monies shall be appropriated or obligated for a feasibility study of navigation improvements on the Wabash River, Indiana and Illinois, pursuant to the authorized Wabash River Comprehensive Study.

SEC. 358. (a) Notwithstanding any other provision of law, the Cherokee Nation of Oklahoma is authorized to design and construct hydroelectric generating facilities at the W.D. Mayo Lock and Dam on the Arkansas River in Oklahoma, as described in the report of the Chief of Engineers dated December 23, 1981: *Provided*, That, the agreement described in subsection (d) of this section is executed by all parties described in subsection (b) of this section.

(b) Conditioned upon the parties agreeing to mutually acceptable terms and conditions, the Secretary and the Secretary of Energy, acting through the Southwestern Power Administration, may enter into a binding agreement with the Cherokee Nation of Oklahoma under which the Cherokee Nation of Oklahoma agrees—

(1) to design and initiate construction of the generating facilities referred to in subsection (a) of this section within three years after the date of such agreement,

(2) to reimburse the Secretary for his costs in—

(A) approving such design and inspecting such construction, and

(B) providing any assistance authorized under subsection (c)(2) of this section, and

(3) to release and indemnify the United States from any claims, causes of action, or liabilities which may arise from such design or construction.

Such agreement shall also specify:

(1) the procedures and requirements for approval and acceptance of such design and construction are set forth,

(2) the rights, responsibilities, and liabilities of each party to the agreement are set forth, and

(3) the amount of the payments under subsection (f) of this section, and the procedures under which such payments are to be made, are set forth.

(c)(1) No Federal funds may be expended for the design construction of the generating facilities referred to in subsection (a) of this section prior to the date on which such facilities are accepted by the Secretary under subsection (d) of this section.

(2) Notwithstanding any other provision of law, the Secretary is authorized to provide, on a reimbursable basis, any assistance requested by the Cherokee Nation of Oklahoma in connection with the design or construction of the generating facilities referred to in subsection (a) of this section.

(d) Notwithstanding any other provision of law, upon completion of the construction of the generating facilities referred to in subsection (a) of this section, and final approval of such facilities by the Secretary—

(1) the Cherokee Nation of Oklahoma shall transfer title to such facilities to the United States, and

(2) the Secretary shall—

(A) accept the transfer of title to such generating facilities on behalf of the United States, and

(B) operate and maintain such facilities.

(e) Pursuant to any agreement under subsection (b) of this section, the Southwestern Power Administration shall market the excess power produced by the generating facilities referred to in subsection (a) of this section in accordance with section 5 of the Act of December 22, 1944 (58 Stat. 890; 16 U.S.C. 825s).

(f) Notwithstanding any other provision of law, the Secretary of Energy, acting through the Southwestern Power Administration, is authorized to pay to the Cherokee Nation of Oklahoma, in accordance with the terms of the agreement entered into under subsection (b) of this section, out of the revenues from the sale of power produced by the generating facilities of the

interconnected systems of reservoirs operated by the Secretary and marketed by the Southwestern Power Administration—

(1) all costs incurred by the Cherokee Nation of Oklahoma in the design and construction of the generating facilities referred to in subsection (a) of this section, including the capital investment in such facilities and interest on such capital investment, and

(2) for a period not to exceed fifty years, a reasonable annual royalty for the design and construction of the generating facilities referred to in subsection (a) of this section.

(g) Notwithstanding any other provision of law, the Secretary of Energy, acting through the Southwestern Power Administration, is authorized—

(1) to construct such transmission facilities as necessary to market the power produced at the generating facilities referred to in subsection (a) of this section with funds contributed by non-Federal sources, and

(2) to repay those funds, including interest and any administrative expenses, directly from the revenues from the sale of power produced by the generating facilities of the interconnected systems of reservoirs operated by the Secretary and marketed by the Southwestern Power Administration.

(h) There are authorized to be appropriated to the Secretary for the fiscal year in which title to the generating facilities is transferred and accepted under subsection (d) of this section, and for each succeeding fiscal year, such sums as may be necessary to operate and maintain such facilities.

TITLE IV—DAM SAFETY

SEC. 401. (a) Section 1 of Public Law 92-367 (86 Stat. 506) is amended by replacing the final period with a comma and inserting the following after the comma: "unless such barrier, due to its location or other physical characteristics, is likely to pose a significant threat to human life or property in the event of its failure.".

(b) Public Law 92-367 is further amended by inserting after section 6 the following sections:

"SEC. 7. There is authorized to be appropriated to the Secretary of the Army (hereafter in this Act referred to as the 'Secretary'), $13,000,000 for each of the fiscal years ending September 30, 1987, through September 30, 1991. Sums appropriated under this section shall be distributed annually among those States on the following basis: One-third equally among those States that have established dam safety programs approved under the terms of section 8 of this Act, and two-thirds in proportion to the number of dams located in each State that has an established dam safety program under the terms of section 8 of this Act to the number of dams in all States with such approved programs. In no event shall funds distributed to any State under this section exceed 50 per centum of the reasonable cost of implementing an approved dam safety program in such State.

"SEC. 8. (a) In order to encourage the establishment and maintenance of effective programs intended to assure dam safety to protect human life and property, the Secretary shall provide assistance under the terms of section 7 of this Act to any State that establishes and maintains a dam safety program which is approved under this section. In evaluating a State's dam safety program, under the terms of subsections (b) and (c) of this section, the Secretary shall determine that such program includes the following:

"(1) a procedure, whereby, prior to any construction the plans for any dam will be reviewed to provide reasonable assurance of the safety and integrity of such dam over its intended life;

"(2) a procedure to determine, during and following construction and prior to operation of each dam built in the State, that such dam has been constructed and will be operated in a safe and reasonable manner;

"(3) a procedure to inspect every dam within such State at least once every five years, except that such inspections shall be required at least every three years for any dam the failure of which is likely to result in the loss of human life;

"(4) a procedure for more detailed and frequent safety inspections, when warranted;

"(5) the State has or can be expected to have authority to require those changes or modifications in a dam, or its operation, necessary to assure the dam's safety;

"(6) the State has or can be expected to develop a system of emergency procedures that would be utilized in the even a dam fails or for which failure is imminent together with an identification for those dams where failure could be reasonably expected to endanger human life, of the maximum area that could be inundated in the event of the failure of such dam, as well as identification of these necessary pubilic facilities that would be affected by such inundation;

"(7) the State has or can be expected to have the authority to assure that any repairs or other changes needed to maintain the integrity of any dam will be undertaken by the dam's owner, or other responsible party; and

"(8) the State has or can be expected to have authority and necessary emergency funds to make immediate repairs or other changes to, or removal of, a dam in order to protect human life and property, and if the owner does not take action, to take appropriate action as expeditiously as possible.

"(b) Any program which is submitted to the Secretary under the authority of this section shall be deemed approved one hundred and twenty days following its receipt by the Secretary unless the Secretary determines that such program fails to reasonably meet the requirements of subsection (a) of this section. If the Secretary determines such a program cannot be approved, he shall immediately notify such State in writing, together with his reasons and those changes needed to enable such plan to be approved.

"(c) Utilizing the expertise of the Board established under section 9 of this Act, the Secretary shall review periodically the implementation and effectiveness of approved State dam safety programs. In the event the Board finds that a State program under this Act has proven inadequate to reasonably protect human life and property, and the Secretary agrees, the Secretary shall revoke approval of such State program and withhold assistance under the terms of section 7 of this Act until such State program has been reapproved.

"SEC. 9 (a) There is authorized to be established a National Dam Safety Review Board (hereinafter in this Act referred to as the 'Board'), which shall be responsible for reviewing and monitoring State implementation of this Act. The Board is authorized to utilize the expertise of other agencies of the United States and to enter into contracts for necessary studies to carry out the requirements for this section.

"(b) The Board shall consist of seven members selected for their expertise in dam safety, to represent the Department of the Army, the Department of the Interior, the Tennessee Valley Authority, the Federal Emergency Management Agency, and the Department of Agriculture, plus two members, selected by the President, from employees or officials of States having an approved program under section 8 of this Act.

"SEC. 10. The head of any agency of the United States that owns or operates a dam, or proposes to construct a dam in any State, shall, when requested by such State, consult fully with such State on the design and safety of such dam and allow officials of such State to participate with officials of such agency in all safety inspections of such damn.

"SEC. 11. The Secretary shall, at the request of any State that has or intends to develop a dam safety program under section 8 of this Act, provide training for State dam safety inspectors. There is authorized to be appropriated to carry out this section $500,000 during each of the fiscal years ending September 30, 1987, through September 30, 1991.

SEC. 12. The Secretary, in cooperation with the National Bureau of Standards, shall undertake a program of research in order to develop improved techniques and equipment for rapid and effective dam inspection, together with devices for the continued monitoring of dams for safety purposes. The Secretary shall provide for State participation in such research and periodically advise all States and the Congress of the result of such research. There is authorized to be appropriated to carry out this section $1,000,000 for each of the fiscal years ending September 30, 1987, through September 30, 1991.

SEC. 13. The Secretary is authorized to maintain and periodically publish updated information on the inventory of dams authorized in section 5 of this Act. For the purpose of carrying out this section, there is authorized to be appropriated to the Secertary $500,000 for each of the fiscal years ending September 30, 1986, through September 30, 1990.".

SEC. 14. No funds authorized in this Act shall be used to construct or repair any Federal or non-Federal dam."

SEC. 402. Any report that is submitted to the Committee on Environment and Public Works of the Senate or the Committee on Public Works and Transportation of the House of Representatives by the Secretary, or the Secretary of Agriculture acting under Public Law 83-566, as amended, which proposes construction of a water impoundment facility, shall include information on the consequences of failure and geologic or design factors which could contribute to the possible failure of such facility.

SEC. 403. (a) After the date of enactment of this Act, costs incurred in the modification by the Secretary of dams and related facilities constructed or operated by the Secretary, the cause of which results from new hydrologic or seismic data or changes in state-of-the-art design or construction criteria deemed necessary for safety purposes, shall be recovered in accordance with the provisions of this subsection.

(1) Fifteen percent of the modification costs shall be assigned to project purposes in accordance with the cost allocation in effect for the project at the time the work is initiated. Non-Federal interests shall share the cost assisgned to each purpose in accord with the cost sharing in effect at the time of initial project construction *Provided*, That the Secretary of the Interior shall recover

costs assigned to irrigation in accordance with repayment provisions of Public Law 98-404.

(2) Repayment under this subsection, with the exception of costs assigned to irrigation, may be made, with interest, over a period of not more than thirty years from the date of completion of the work. The interest rate used shall be determined by the Secretary of the Treasury, taking into consideration average market yields on outstanding marketable obligations of the United States with remaining periods to maturity comparable to the applicable reimbursable period during the month preceding the fiscal year in which the costs are incurred, plus a premium of one-eighth of one percentage point for transaction costs. To the extent that more than one interest rate is determined pursuant to the preceding sentence, the Secretary of the Treasury shall establish an interest rate at the weighted average of the rates so determined.

(b) Nothing in this section affects the authority of the Secretary to perform work pursuant to Public Law 84-99, as amended (33 U.S.C. 701n) or cost sharing for such work.

SEC. 404. This title shall be known as the "Dam Safety Act of 1985".

TITLE V—INLAND NAVIGATION

SEC. 501. One-half of the cost of construction of the navigation lock and dam projects authorized in sections 502 and 504(e)(1) of this title, shall be paid only from amounts appropriated out of the general fund of the Treasury. One-half of such cost shall be paid only from amounts appropriated out of the Inland Waterways Trust Fund established pursuant to section 203 of Public Law 95-502.

SEC. 502. The following works of improvement to the inland waterways of the United States are hereby adopted and authorized to be prosecuted by the Secretary in accordance with the plans and subjects to the conditions recommended in the respective reports hereinafter designated: Provided, That the figures listed in this title shall be subject to the limitations provided under sections 212, 213, and 218 of this Act:

(1) Oliver lock replacement, Black Warrior-Tombigbee River, Alabama: Report of the Chief of Engineers, dated September 26, 1984, at a total cost of $147,211,000 (October 1984);

(2) Gallipolis locks and dam replacement, Ohio River, Ohio and West Virginia: Report of the Chief of Engineers dated April 8, 1982, at a total cost of $256,000,000 (October 1984);

(3) Bonneville lock and dam, Oregon and Washington-Columbia River and Tributaries Interim Report: Reports of the Chief of Engineers dated March 14, 1980, and February 10, 1981, at a total cost of $191,020,000 (October 1984);

(4) Lock and dam 7 replacement, Monogahela River, Pennsylvania: Report of the Chief of Engineers, dated September 24, 1984, at a total cost of $95,100,000 (October, 1984); and

(5) Lock and dam 8 replacement, Monogahela River, Pennsylvania: Report of the Chief of Engineers, dated September 24, 1984, at a total cost of $68,000,000 (October, 1984).

SEC. 503. (a) The Secretary is authorized to reimburse the State of New York for 50 per centum of the cost of operating, maintaining, and rehabilitating the New York State Barge Canal: *Provided*, That control and operation of such canal shall continue to reside with the State of New York: And provided further, That the Federal contribution to the costs of rehabilitating the New York State Barge Canal shall be limited in any fiscal year to $5,000,000, or 50 per centum of the expenditures in that fiscal year, whichever is the lesser.

(b) For the purpose of this section, the New York State Barge Canal is defined to be—

(1) the Erie Canal, which connects the Hudson River at Waterford with the Niagara River at Tonawanda;

(2) the Oswego Canal, which connects the Erie Canal at Three Rivers with Lake Ontario at Oswego;

(3) the Champlain Canal, which connects the easterly end of the Erie Canal at Waterford with Lake Champlain at Whitehall; and

(4) the Cayuga and Seneca Canals, which connect the Erie Canal at a point near Montezuma with Cayuga and Seneca Lakes and through Cayuga Lake and Ithaca and through Seneca Lake with Montour Falls.

SEC. 504. (a)(1) This section may be cited as the "Upper Mississippi River Management Act of 1986".

(2) To ensure the coordinated development and enhancement of the Upper Mississippi River system, it is hereby declared to be the intent of Congress to recognize that system as a nationally significant ecosystem and a nationally significant commercial navigation system. Congress further recognizes that the system provides a diversity of opportunities and experiences. The system shall be administered and regulated in recognition of its several purposes.

(b) For purposes of this section—

(1) the terms "Upper Mississippi River system" and "system" mean those river reaches having commercial navigation channels on the Mississippi River main stem north of Cairo, Illinois; the Minnesota River, Minnesota; Black River, Wisconsin; Saint Croix River, Minnesota and Wisconsin; Illinois River and Waterway, Illinois; and Kaskaskia River, Illinois;

(2) the term "Master Plan" means the comprehensive master plan for the management of the Upper Mississippi River system dated January 1, 1982, prepared by the Upper Mississippi River Basin Commission and submitted to Congress pursuant to Public Law 95-502;

(3) the term "GREAT I, GREAT II, and GRRM studies" means the studies entitled "GREAT Environmental Action Team—GREAT I—A Study of the Upper Mississippi River", dated September 1980, "GREAT River Environmental Action Team—GREAT II—A Study of the Upper Mississippi River," dated December 1980, and "GREAT River Resource Management Study", dated September 1982; and

(4) The term "Upper Mississippi River Basin Association" means an association of the States of Illinois, Iowa, Minnesota, Missouri, and Wisconsin, formed for the purposes of cooperative effort and united assistance in the comprehensive planning for the use, protection, growth, and development of the Upper Mississippi River System.

(c)(1) Congress hereby approves the Master Plan as a guide for future water policy on the Upper Mississippi River system. Such approval shall not constitute authorization of any recommendation contained in the Master Plan.

(2) Section 101 of Public Law 95-502 is amended by striking the last two sentences of subsection (b), striking subsection (i) in its entirety, striking the final sentence of subsection (j), and renumbering subsection "(j)" as subsection "(i)".

(d)(1) The Secretary is authorized to enter into cooperative agreements with the Upper Mississippi River Basin Association (hereinafter referred to as the "Association") established under paragraph (1) of this subsection to promote and facilitate active State government participation in river system management, development, and protection.

(2) For the purpose of insuring the coordinated planning and implementation of programs authorized in subsection (f) and paragraph (i)(2) of this section, the Secretary shall enter into an interagency agreement with the Secretary of the Interior to provide for the direct participation of, and transfer funding to, the fish and Wildlife Service and any other agency or bureau of the Department of the Interior for the planning, design, implementation, and evaluation of such programs.

(3) Any changes in the master plan recommended by the Secretary shall be submitted to the Association for comment. The Association may make comments with respect to such recommendations or initiate other recommended changes as the Association deems appropriate and shall transmit such comments or recommended changes to the Secretary. The Secretary shall transmit his recommendations, together with the comments and recommended changes of the Association to Congress for approval within ninety days of the receipt of such comments or recommended changes.

(e) The Secretary is authorized to provide for the engineering, design, and construction of a second lock at locks and dam 26, Mississippi River, Alton, Illinois and Missouri, at a total cost of $220,000,000 (October 1984). Such second lock shall be one hundred and ten feet by six hundred feet and shall be constructed at or in the vicinity of the location of the replacement lock authorized by section 102 of Public Law 95-502.

(f)(1) The Secretary, in concert with the Secretary of the Interior and the States of Illinois, Iowa, Minnesota, Missouri, and Wisconsin, is authorized to undertake, as identified in the master plan, a program for—

(A) the planning, construction, and evaluation of measures for fish and wildlife habitat rehabilitation and enhancement;

(B) the implementation of a long term resource monitoring program; and

(C) the implementation of a computerized inventory and analysis system.

(2) Each program referred to in paragraph (1) of this subsection shall be carried out for ten years. Within ten years from the date of enactment of this Act, the Secretary, in consultation with the Secretary of the Interior and the States of Illinois, Iowa, Minnesota, Missouri, and Wisconsin, shall conduct an evaluation of the programs and submit a report on the results of such evaluation to Congress. Such evaluation shall analyze each such program's effectiveness, strengths, and weaknesses, and contain recommendations for the modification and continuance or termination of such programs.

(3)(A) For purposes of carrying out paragraph (1)(A) of this subsection, there is authorized to be appropriated to the Secretary the sum of $8,200,000 for the first fiscal year beginning after the date of enactment of this Act, the sum of $12,400,000 for the second fiscal year beginning after the date of enactment of this Act, and the sum of $13,000,000 for each of the next eight fiscal years.

(B) For purposes of carrying out paragraph (1)(B) of this subsection, there is authorized to be appropriated to the Secretary the sum of $7,680,000 for the first fiscal

year beginning after the date of enactment of this Act, and the sum of $5,080,000 for each of the next nine fiscal years.

(C) For purposes of carrying out paragraph (1)(C) of this subsection, there is authorized to be appropriated to the Secretary the sum of $40,000 for the first fiscal year beginning after the date of enactment of this Act, the sum of $280,000 for the second fiscal year beginning after the date of enactment of this Act, the sume of $1,220,000 for the third fiscal year beginning after the date of enactment of this Act, and the sum of $775,000 for each of the next seven fiscal years.

(4)(A) Notwithstanding the provisions of subsection (a)(2) of this section, the costs of each project carried out pursuant to paragraph (1)(A) of this subsection shall be allocated between the Secretary and the appropriate non-Federal sponsor in accordance with the provisions of section 224 of this Act.

(B) Notwithstanding the provisions of subsection (a)(2) of this section, the cost of implementing the activities authorized by paragraphs (1)(B) and (1)(C) of this subsection shall be allocated in accordance with the provisions of section 224 of this Act, as if such activity was required to mitigate losses to fish and wildlife.

(g)(1)(A) The Secretary, in consultation with any agency established under subsection (d)(1) of this section, is authorized to implement a program of recreational projects for the system substantially in accordance with the recommendations of the GREAT I, GREAT II, and GRRM studies and the master plan reports. The cost of each such project shall be allocated between the Secretary and the appropriate non-Federal sponsor in accordance with section 701 of this Act.

(B) The Secretary, in consultation with any agency established under subsection (d)(1) of this section, shall at Federal expense conduct an assessment of the economic benefits generated by recreation activities in the system.

(2)(A) For purposes of carrying out the program of recreational projects authorized in paragraph (1)(A) of this subsection, there is authorized to be appropriated to the Secretary the sum of $500,000 for each of the ten fiscal years beginning after the date of enactment of this Act.

(B) For purposes of carrying out the assessment of economic benefits of recreational activities authorized in paragraph (1)(B) of this subsection, there is authorized to be appropriated to the Secretary the sum of $300,000 for the first fiscal year beginning after the date of enactment of this Act, the sum of $300,000 for the second fiscal year beginning after the date of enactment of this Act, and the sum of $150,000 for the third fiscal year beginning after the computerized inventory and analysis system implemented pursuant to phrase (f)(1)(C) of this section is fully functional.

(h) The Secretary shall, in his budget request, identify those measures developed by the Secretary, in consultation with the Secretary of Transportation and any agency established under subsection (d)(1) of this section, to be undertaken to increase the capacity of specific locks throughout the system by employing nonstructural measures and making minor structural improvements.

(i)(1) The Secretary, in consultation with any agency established under subsection (d)(1) of this section, shall monitor traffic movements on the system for the purpose of verifying lock capacity, updating traffic projections and refining the economic evaluation so as to verify the need, if any, for future capacity expansion of the system.

(2) The Secretary, in concert with the Secretary of the Interior and the States of Illinois, Iowa, Minnesota, Missouri and Wisconsin, shall determine the need for river rehabilitation and environmental protection based on the condition of the environment, project developments, and projected environmental impacts from implementing any proposals resulting from recommendations made under subsection (h) and paragraph (1) of this subsection.

(j) None of the funds appropriated pursuant to the authorization contained in subsections (f) and (g) of this section shall be considered to be attributable to commercial navigation.

(k) This section shall not be subject to the provisions of section 212 of this Act.

SEC. 505. The navigation lock authorized by the River and Harbor Act of 1956, Public Law 84-455, provides for replacement of the navigation lock connecting the Mississippi River Gulf Outlet with the Mississippi River. Inasmuch as this new lock will provide substantial benefits to shallow draft navigation (inland waterway), the costs should be allocated between deep draft and shallow draft navigation, and the Secretary is authorized to utilize the Inland Waterways Trust Fund to pay for one-half of the costs allocated to shallow draft navigation with the remaining half of such allocated costs to be paid only from amounts appropriated out of the general fund of the Treasury.

TITLE VI—HARBOR CONSTRUCTION

SEC. 601. (a) Following the date of enactment of this Act, feasibility studies of any proposed commercial channel or harbor project or plan undertaken by the Secretary shall be initiated only in accordance with the provisions of section 223 of this Act.

(b)(1) A non-Federal sponsor may on its own undertake such a study and submit it to the Secretary. To assist non-Federal sponsors, the Secretary shall, as soon as practicable, promulgate guidelines for studies of commercial channels or harbors to provide sufficient information for the formulation of studies.

(2)(A) The Secretary shall review all such studies submitted by non-Federal sponsors under paragraph (b)(1) of this subsection for the purpose of determining whether or not such studies were carried out in accordance with the guidelines promulgated under such paragraph and developed in compliance with Federal laws and regulations applicable to Federal navigation projects.

(B) Not later than one hundred and eighty days after receiving any study under the terms of paragraph (b)(1) of this subsection, the Secretary shall transmit to the Congress in writing the results of such study and any recommendations the Secretary may have concerning the possible authorization of the project described in such study.

(3) The costs of any study under this subsection shall be a non-Federal responsibility, except that whenever such a study results in the construction of a project by the Secretary, 50 per centum of the cost of such study shall be credited toward the non-Federal sponsor's cost-sharing requirement for construction under the terms of section 602(b) of this title.

SEC. 602(a) For the purposes of cooperative financial development of projects, or separable elements thereof, for any commercial channel or harbor construction, the Secretary shall initiate no such construction project unless an appropriate non-Federal sponsor agrees to construct at its own expense all project facilities other than those for general navigation and by contract to provide during the period of construction of such project, or separable element thereof, the following percentages of the construction cost for general navigation facilities of the project, or separable element thereof, assigned to commercial navigation based on the depths below mean low water listed herein:

(1) no deeper than twenty feet: 10 per centum;

(2) deeper than twenty feet but less than, or equal to, forty-five feet: 25 per centum; and

(3) deeper than forty-five feet: 50 per centum.

(b)(1) In addition to the sums required to be paid during the period of construction under the terms of subsection (a) of this section, each non-Federal sponsor shall contract with the Secretary to repay to the United States, over a period not to exceed thirty years following completion of the project, or separable element thereof, 10 per centum of the total cost of construction of general navigation facilities for the project assigned to commercial navigation, with interest at a rate determined by the Secretary of the Treasury. In determining such rate of interest, the Secretary of the Treasury shall consider the average market yields on outstanding marketable obligations of the United States with remaining periods to maturity comparable to the reimbursement period during the month preceding the fiscal year in which costs are incurred, plus a premium of one-eighth of one percentage point for transaction costs: Provided, That the Secretary of the Treasury shall recalculate the rate of interest every five years. Funds paid under this paragraph shall be deposited into the general fund of the Treasury.

(2) Under the terms of this subsection, the Secretary may permit a non-Federal sponsor to include toward sums to be reimbursed all or part of the value of any lands, easements, rights-of-way, and dredged material disposal areas and relocations contributed or expended by the non-Federal public sponsor as a part of such project.

(c) For purposes of this section, a project shall be deemed to have commenced construction if, as of December 31, 1984, the non-Federal sponsor entered into a written contract with the Secretary to provide local cooperation required pursuant to the project authorization, including, where applicable, an agreement under section 221 of Public Law 91-611, as amended.

(d) Prior to initiation of construction pursuant to this section, the Secretary and the non-Federal sponsor shall enter into a cooperative agreement according to procedures set forth in section 221 of the Flood Control Act of 1970 (Public Law 91-611), as amended. The non-Federal sponsor shall agree to—

(1) provide to the Federal Government lands, easements, and rights-of-way, and to provide dredged material disposal areas and perform the necessary relocations required for construction, operation, and maintenance of such project;

(2) hold and save the United States free from damages due to the construction or operation and maintenance of such project except for damages due to the fault or negligence of the United States or its contractors;

(3) provide to the Federal Government the non-Federal share of all other costs of construction of such projects; and

(4) on projects constructed by the Secretary to depths greater than forty-five feet below mean low water following enactment of this Act, be responsible for 50 per centum of the incremental maintenance below forty-five feet below mean low water.

(e) Notwithstanding the provisions of section 212 of this Act, the project for navigation at the Houston Ship Channel (Greens Bayou), Texas, authorized pursuant to section 301 of the River and Harbor Act of 1965 (79 Stat. 1091), the project for navigation at the Houston Ship Channel (Barbour Terminal Channel), Texas, authorized pursuant to section 107 of the River and Harbor Act of 1960 (74 Stat. 486), and the project for navigation at the Houston Ship Channel (Bayport Ship Channel), Texas, authorized by section 101 of the River and Harbor Act of 1958 (72 Stat. 298), are modified to authorize and direct the Secretary to assume responsibility for maintenance to forty-foot project depths, as constructed by non-Federal interests prior to enactment of this Act.

(f) For the purpose of demonstrating the potential advantages and efficiencies of non-Federal management of projects, the Secretary may approve as many as two proposals pursuant to which the non-Federal interests will undertake part or all of the project as the agent of the Secretary by utilizing its own personnel or by procuring outside services, so long as the cost of doing so will not exceed the cost of the Secretary undertaking the project.

SEC. 603. (a) Nothing in this title shall be construed to prohibit or otherwise interfere with the Secretary or other Federal authority to operate, maintain, or improve any harbor for purposes of Coast Guard navigation requirements, Department of the Navy navigation requirements, or requirements for vessels carrying military personnel and material.

(b) Whenever the Secretary undertakes improvements to a habor, the Secretary may reduce proportionally the percentage share required by the non-Federal sponsor relating to the portion of traffic that provides direct benefits to such national defense requirements of the United States.

SEC. 604. (a) In addition, to projects undertaken pursuant to section 602. (a) In addition, to projects undertaken pursuant to sectoin 602 of this title, any non-Federal sponsor is authorized to undertake navigational improvements in commercial channels or habors of the United States, subject to obtaining any permits required pursuant to Federal and State laws in advance of the actual construction of such improvements. The responsibilities authorized under subsection (f) of this section shall not apply to such improvements unless the Secretary determines, prior to construction, that the improvements, or separable elements thereof, are economically justified, environmentally acceptable, and consistent with the purposes of this title.

(b) When requested by an appropriate non-Federal sponsor the Secretary is authorized to undertake all necessary studies and engineering for any construction to be undertaken under the terms of subsection (a) of this section, and assist in obtaining all necessary permits: *Provided*, That the non-Federal sponsor contracts with the Secretary to furnish the United States funds for such studies and engineering during the period that they are conducted.

(c) The Secretary is authorized to complete and transmit to the appropriate non-Federal sponsor any study for improvements to commercial channels or harbors of the United States which were initiated prior to the date of enactment of this Act, or, upon the request of such non-Federal sponsor, to terminate such study and transmit such partially completed study to the non-Federal sponsor. Studies under this subsection shall be completed without regard to the requirements of subsection (b) of this section. Any non-Federal sponsor which has requested and received from the Secretary pursuant to this subsection, or subsection (b) of this section, the completed study and engineering for an improvement to a commercial channel or harbor, or separable element thereof, for the purpose of constructing such improvement and for which improvement a Final Environmental Impact Statement has been filed, shall be authorized to carry out the terms of the plan for such improvement. Any plan of improvement proposed to be implemented in accordance with this provision shall be deemed to satisfy the requirements for obtaining the appropriate permits required under the Secretary's authority and such permits shall be granted subject to the non-Federal sponsor's acceptance of the terms and conditions of such permits: *Provided*, That the Secretary determines that applicable regulatory criteria and procedures have been satisfied. The Secretary shall monitor any project for which permits are granted under this subsection in order to ensure that such project is constructed (and, in those cases where such activities will not be the responsibility of the Secretary, operated and maintained) in accordance with the terms and conditions of such permits.

(d) On any activity undertaken pursuant to subsection (a) of this section or section 602(a)(3) of this Act, the non-Federal sponsor shall provide 50 per centum of the costs expended on any relocation and alteration of existing pipelines, cables, and related facilities (but not to include any cost for upgrading or improvements to such pipelines, cables, and related facilities necessary for the construction of harbors), and the owner of such existing portion of pipeline, cables, and related facility shall provide 50 per centum.

(e) Subject to the enactment of appropriation Acts, the Secretary is authorized to reimburse any non-Federal sponsor an amount equal to the estimate of Federal share, without interest, of the cost of any commercial channel or harbor improvement, or separable element thereof, constructed under the terms of this subsection if, subsequent to authorization of the project and prior to initiation of construction of the project or separable element thereof, the Secretary approves the plans of construction of such project by such non-Federal sponsor and if such non-Federal sponsor enters into an agreement to pay the non-Federal share, if any, of the cost of operation and maintenance of such project:*Provided*, That prior to such approval the Secretary does not find that the project, or separable element thereof, is no longer economically justified or environmentally acceptable. In reviewing such plans, the Secretary shall consider budgetary and programmatic priorities, potential impacts on the cost of dredging projects nationwide, and other factors that the Secretary deems appropriate. The Secretary shall regularly monitor and audit any project for a commercial channel or harbor constructed under this subsection by a non-Federal sponsor in order to ensure that such construction is in compliance with the plans approved by the Secretary, and that costs are reasonable. No reimbursement shall be made unless and until the Secretary has certified that the work for which reimbursement is requested has been performed in accordance with the approved plans.

(f) Whenever a non-Federal sponsor constructs improvements to any commercial channel or harbor, the Secretary shall be responsible for maintenance to forty-five feet below mean low water, and 50 per centum of the costs of incremental maintenance below forty-five feet below mean low water: Provided, That the Secretary certifies that the project is constructed in accordance with the appropriate engineering and design standards: And provided further, That the Secretary does not find that the project, or separable element thereof, is no longer economically justified or environmentally acceptable.

SEC. 605. (a) The Secretary, upon receipt from an appropriate non-Federal sponsor of a written notice of intent to construct improvements in the commercial channels or harbors, shall initiate procedures to establish a schedule of compliance for the purpose of joint processing of all Federal permits required prior to initiation of such construction activities.

(b)(1) Within fifteen days of the receipt of correspondence under the terms of subsection (a) of this section, the Secretary shall publish such notice in the Federal Register. The Secretary shall also notify in writing all State and local agencies that may be required to issue permits for construction of such improvements and related activities that such construction is proposed. The Secretary shall solicit the cooperation of such agencies and request that they also become parties to a memorandum of agreement (hereinafter in this Act referred to as the "agreement"). If within thirty days following publication of notice in the Federal Register any such agency advises the Secretary in writing of its willingness to become a signatory to the agreement, the Secretary shall include such agency in the agreement.

(2) Within ninety days of the Secretary's receipt of the correspondence described in subsection (a) of this section, the Secretary of the Interior, the Secretary of Commerce, the Administrator of the Environmental Protection Agency, and any State or local agencies which have notified the Secretary in writing shall enter into the agreement with the Secretary to establish a schedule of compliance with the necessary Federal permits required for undertaking such improvements. The schedule of compliance shall not exceed two years from the date of the agreement except that a time period in excess of two years may be included if necessary to meet the requirments of the National Environmental Policy Act (Public Law 91-190), as amended.

(c)(1) The agreement shall, to the extent possible, consolidate hearing and comment periods, procedures for data collection and report preparation, and the environmental review and permitting process with data collection and analysis associated with the feasibility study conducted by the non-Federal sponsor. The agreement will also detail the non-Federal sponsor's responsibilities with respect to data development, and information necessary to process each permit, including a schedule of dates when such information and data will be provided to the appropriate Federal, State, or local agency.

(2) Such agreement shall also include a scheduled date by which the Secretary, taking into consideration the views of all the affected Federal agencies, shall determine whether there is reasonable likelihood the necessary permit or permits will not be issued, in which case the Secretary shall so notify the appropriate non-Federal sponsor. The Secretary may revise the agreement only once to extend the schedule of compliance for a period not to exceed one hundred and twenty days for the purpose of allowing the non-Federal sponsor to revise the original application to meet the objections of the Federal agencies.

(d) Six months prior to the final day of the schedule the Secretary shall provide to Congress a written progress report. The report shall be transmitted to the Committee on Environment and Public Works of the United States Senate and the Committee on Public Works and Transportation of the United States House of Representatives. The report will summarize all work completed in accordance with the agreement and shall include a detailed work plan which shall assure completion of all remaining work in accordance with the agreement.

(e) Not later than the final day of the compliance schedule, the Secretary shall notify the non-Federal sponsor as to whether the permit or permits are issued.

(f) Not later than December 31, 1987, the Secretary shall prepare and transmit to the Congress a report describing the amount of time required to issue Federal environmental permits related to construction of improvements to commercial channels or harbors. The Secretary shall include in such report recommendations for reducing the amount of time required to issue such permits, including any proposed changes in existing law.

SEC. 606. (a) Notwithstanding any other provision of law, any appropriate non-Federal sponsor, upon enactment of this Act and in accordance with the provisions of this section, is authorized to recover its obligations for construction under the terms of section 602 or 604 of this title, together with its costs for incremental maintenance work undertaken pursuant to section 602(d)(4) or 604(f) of this title, and associated administrative expenditures, by the collection of fees for use of such projects by vessels in commercial waterway transportation. Such fees shall be established after a public hearing held pursuant to applicable law or procedure, shall reflect to a reasonable degree the benefits provided by the project to a particular class or type of vessel, and shall be used only for the purposes of paying for the non-Federal share of the cost of construction and any incremental maintenance work under the terms of section 602(d)(4) or 604(f) of this title, or for the purpose of retiring debt of the non-Federal sponsor to the extent incurred for such purpose, including payment of principal and interest on obligations issued by the non-Federal sponsor for such purpose to the extent issued for such purpose.

(b) Fees authorized by this section shall not imposed on—

(1) vessels not engaged in commercial activity which are owned by, or under bareboat charter or time charter to, or for any purpose under the control or custody of the United States, or any of its officers, agents, employees, or of any corporation wholly owned by the United States;

(2) vessels not engaged in commercial activity that are owned by, or under bareboat charter or time charter to, any other nation, or any of its officers, agents, employees, or of any corporation wholly owned by such other nation;

(3) vessels used by a State, or political subdivision thereof, transporting persons or property in the business of the State or political subdivision and not engaged in commercial service;

(4) vessels engaged in dredging activities or in intraport movements; and

(5) vessels with design drafts of fourteen feet or less when utilizing projects within the terms of sections 602(a) (2) and (3) of this title.

(c) The United States district court for the district in which is located a non-Federal sponsor that imposes fees subject to this section shall have original and exclusive jurisdiction over any matter arising out of, or concerning, the imposition, computation, or collection of such fees by a non-Federal sponsor under this section and, upon petition of the Attorney General or any party subject to such fees imposed by the non-Federal sponsor—

(1) may grant appropriate injunctive relief to restrain any act by that non-Federal sponsor that violates the conditions in this section;

(2) shall order that refunds be paid to the extent it is found that fees were collected in violation of this section; and

(3) may grant such other relief or remedy as may be appropriate.

Before the start of construction of a project subject to section 602 or 604, the non-Federal sponsor shall notify the Secretary that it consents to the jurisdiction of the district court as set forth in this subsection.

SEC. 607. (a) There are authorized to be appropriated out of the Harbor Maintenance Trust Fund, established pursuant to section 803 of title VIII of this Act, for each fiscal year such sums as may be necessary to pay—

(1) 100 per centum of the eligible operations and maintenance costs of those portions of the Saint Lawrence Seaway operated and maintained by the Saint Lawrence Seaway Development Corporation for such fiscal year; and

(2) not more than 40 per centum of the eligible operations and maintenance costs assigned to commercial navigation of all commercial channels or harbors within the United States.

(b) There are authorized to be appropriated out of the General Fund of the Treasury of the United States for each fiscal year such sums as may be necessary to pay the balance of all eligible operations and maintenance costs not provided by payments from the Harbor Maintenance Trust Fund, as provided in this section.

SEC. 608. For the purposes of this Act, the terms—

(1) "commercial channel or harbor" shall mean any channel or harbor (inland, coastal, or Great Lakes), or element thereof, capable of being utilized in the transportation of commercial cargo in domestic or foreign waterborne commerce by commercial vessels: *Provided*, That such term shall not include: (A) any navigational improvement designed to provide channel depths of 14 feet or less, other than a harbor (which is used principally for the accommodation of commercial vessels and the receipt and shipment of waterborne cargoes), on any inland or intracoastal waterway as described in Section 206 of the Inland Waterways Revenue Act of 1978 (33 U.S.C. 1804), as amended, (B) the Saint Lawrence Seaway, (C) local access or berthing channels, or (D) channels or harbors constructed or maintained by non-public interests: *And provided* further, That such term shall be considered for the Columbia River, Oregon and Washington, to include the channels only up to the downstream side of Bonneville lock and dam, Oregon and Washington;

(2) the term "non-Federal sponsor" means, with respect to a commercial channel or harbor improvement project, a non-Federal public body which has entered into a written agreement with the Secretary to provide the non-Federal share of operation and maintenance costs or construction costs for the project has the meaning such term has under section 221 of Public Law 91-611, as amended;

(3)(A) except as provided in subparagraph (B), the term "eligible operations and maintenance" shall mean all operations, maintenance, repair and rehabilitation, including maintenance dredging reasonably necessary to maintain the nominal depth and width of any commercial channel or harbor, including any commercial channels or harbors located within the Great Lakes;

(B) as applied to the Saint Lawrence Seaway, the term "eligible operations and maintenance" shall include all operations, maintenance, repair and rehabilitation, including maintenance dredging, reasonably necessary to keep such Seaway or navigation improvements operated or maintained by the Saint Lawrence Seaway Development Corporation in operation and reasonable state of repair;

(C) for purposes of subparagraphs (A) and (B), the term "eligible operations and maintenance" does not include providing any lands, easements, right-of-way or dredged material disposal areas, or performing relocations required for project operations and maintenance;

(4) the term "nominal depth" shall mean, in relation to the stated depth for any navigation improvement project, such depth, including any greater depths which must be maintained for any channel or harbor or element(s) thereof included within such project in order to ensure the safe passage at mean low tide of any vessel requiring the stated depth: *Provided*, That with respect to operations and maintenance of channels authorized prior to the date of enactment of this Act, the term "nominal depth" shall include such anchorages necessary to ensure safe passage of vessels utilizing such channels; and

(5) the term "United States" shall mean all areas included within the territorial boundaries of the United States, including the several States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, the Virgin Islands of the United States, the Commonwealth of the Northern Marianas, the Trust Territory of the Pacific Islands, and any other territory of possession over which the United States exercises jurisdiction.

SEC. 609. Subject to the provisions of sections 212, 213, 218, and 602 of this Act, the following works for improvement of commercial harbors are hereby adopted and authorized to be prosecuted by the Secretary in accordance with the plans and subject to the conditions recommended in the respective reports hereinafter designated:

(1) Mobile Harbor, Alabama: Report of the Chief of Engineers dated November 18, 1981, at a total cost of $388,000,000 (October 1984);

(2) Kodiak Harbor, Alaska: Report of the Chief of Engineers dated September 7, 1976, at a total cost of $14,641,000 (October 1984);

(3) Saint Paul Island Harbor, Alaska: Report of the Chief of engineers dated August 10, 1983, at a total cost of $24,756,000 (October 1984);

(4) Oakland Outer Harbor, California: Report of the Chief of Engineers dated January 7, 1980, at a total cost of $42,400,000 (October 1984);

(5) Richmond Harbor, California: Report of the Chief of Engineers dated August 8, 1982, at a total cost of $43,800,000 (October 1984);

(6) Sacramento River, deepwater Ship Channel, California: Report of the Chief of Engineers dated November 20, 1981, at a total cost of $125,300,000 (October 1984);

(7) New Haven Harbor, Connecticut: Report of the Chief of Engineers dated July 26, 1982, at a total cost of $25,900,000 (October 1984);

(8) Manatee Harbor, Florida: Report of the Chief of Engineers dated May 12, 1980, at a total cost of $16,115,000 (October 1984);

(9) Tampa Harbor, East Bay Channel, Florida: Report of the Chief of Engineers dated January 25, 1979, to assume maintenance;

(10) Savannah Harbor, widening, Georgia: Report of the Chief of Engineers dated December 19, 1978, at a total cost of $19,175,000 (October 1984);

(11) Hilo Harbor, Hawaii: Report of the Chief of Engineers dated December 4, 1984, at a total cost of $4,390,000 (October 1984);

(12) Mississippi River Ship Channel, Gulf to Baton Rouge, Louisiana: Report of the Chief of Engineers dated April 9, 1983, at a total cost of $456,000,000 (October 1984);

(13) Grand Haven Harbor, Michigan: Report of the Chief of Engineers dated October 9, 1979, at a total cost of $17,200,000 (October 1984);

(14) Monroe Harbor, Michigan: Report of the Chief of Engineers dated November 25, 1981, at a total cost of $139,400,000 (October 1984);

(15) Duluth-Superior Harbor, Minnesota and Wisconsin: Report of the Chief of Engineers dated August 16, 1984, at a total cost of $12,200,000 (October 1984);

(16) Gulfport Harbor, Mississippi: Report of the Chief of Engineers dated January 16, 1978, except that the Chief of Engineers is authorized to construct the project in the most cost effective and environmentally sound manner at a total cost not to exceed $78,968,000 (October 1984);

(17) Wilmington Harbor, Northeast Cape Fear River, North Carolina: Report of the Chief of Engineers dated September 16, 1980, at a total cost of $9,718,000 (October 1984);

(18) Portsmouth Harbor and the Piscataqua River Basin, Maine and New Hampshire: Report of the Chief of Engineers dated February 25, 1984, at a total cost of $21,700,000 (October 1984);

(19) Barnegat Inlet, New Jersey, phase I GDM: Report of the Chief of Engineers dated January 20, 1983, as modified by the Supplemental Chief of Engineers Report dated May 21, 1984, at a total cost of $36,435,000 (October 1984);

(20) Gowanus Creek, Channel, New York: Report of the Chief of Engineers dated September 14, 1982, at a total cost of $3,440,000 (October 1984);

(21) Kill Van Kull and Newark Bay Channels, New York and New Jersey: Report of the Chief of Engineers dated December 14, 1981, at a total cost of $248,100,000 (October 1984);

(22) Lorain Harbor, Ohio: Report of the Chief of Engineers dated February 5, 1985, at a total cost of $5,500,000 (October 1984);

(23) San Juan Harbor, Puerto Rico, phase I GDM: Report of the Chief of Engineers dated December 23, 1982, at a total cost of $86,334,000 (October 1984);

(24) Charleston Harbor, South Carolina: Report of the Chief of Engineers dated August 27, 1981, at a total cost of $84,032,000 (October 1984);

(25) Wando River, Charleston Harbor, South Carolina: Report of the Chief of Engineers dated May 1, 1985, at a total cost of $3,561,000 (October 1984);

(26) Brazos Island Harbor, Texas, Brownsville Channel: Report of the Chief of Engineers dated December 20, 1979, at a total cost of $31,417,000 (October 1984);

(27) Hampton Roads and vicinity, Virginia (drift removal): Report of the Chief of Engineers dated October 19, 1983, at a total cost of $6,870,000 (October 1984);

(28) Norfolk Harbor and Channels, Virginia: Report of the Chief of Engineers dated November 20, 1981, at a total cost of $538,000,000 (October 1984);

(29) Crown Bay Channel-Saint Thomas Harbor, Virgin Islands: Report of the Chief of Engineers dated April 9, 1982, at a total cost of $8,124,000 (October 1984);

(30) Blair and Sitcum Waterways, Tacoma Harbor, Washington: Report of the Chief of Engineers dated February 8, 1977, at a total cost of $35,816,000 (October 1984);

(31) Grays Harbor, Washington: Report of the Chief of Engineers, dated May 5, 1985, at a total cost of $93,187,000 (October 1984);

(32) Oakland Inner Harbor, California: Report of the Chief of Engineers dated January 21, 1986, at a total cost of $28,000,000 (October 1985);

(33) Palm Beach Harbor, Florida: Report of the Chief of Engineers dated December 10, 1985, to assume maintenance;

(34) Pascagoula Harbor, Mississippi: Report of the Chief of Engineers dated February 14, 1986, at a total cost of $59,112,000 (October 1985);

(35) Cleveland Harbor, Ohio: Report of the Chief of Engineers dated August 27, 1985, at a total cost of $4,308,000 (October 1984);

(36) Galveston Bay Area, Texas City Channel, Texas: Report of the Chief of Engineers dated March 11, 1986, at a total cost of $182,013,000 (October 1985); and

(37) East, West, and Duwamish Waterways Navigation Improvement Study, Seattle Harbor, Washington: Report of the Chief of Engineers dated May 31, 1985, at a total cost of $57,400,000 (October 1984).

TITLE VII—COST SHARING AND PROJECTS

SEC. 701. (a) Excluding all commercial navigation projects, the construction of Corps of Engineers water or related land resources projects (including small projects not specifically authorized by Congress), or separable elements thereof as determined by the Secretary, on which physical construction has not been initiated prior to May 15, 1986, or the date of enactment of this Act, whichever first occurs, shall be initiated only after non-Federal interests have entered into binding agreements with the Secretary, agreeing to pay 100 per centum of the operation, maintenance, and rehabilitation costs, and agreeing to share in the assigned joint and separable costs of construction as follows:

(1) urban and rural flood protection and rural drainage control: not less than 35 per centum, including a cash payment amounting to at least 5 per centum of the assigned costs to be made during the construction period; except—

(A) for local flood protection projects, the non-Federal sponsor shall agree to: provide all lands, easements, and rights-of-way required for the project; perform all necessary relocations required for the project; and, hold and save the United States free from damages due to the construction, operation, or maintenance of the project except where such damages are due to the fault or negligence of the United States or its contractors. Where the value of the required lands, easements, rights-of-way, and relocations is—

(i) greater than 20 per centum of the assigned costs, the required non-Federal contribution shall be the provision of the required lands, easements, rights-of-way, and relocations, plus 5 per centum of the assigned costs to be paid in cash during the construction period;

(ii) less than or equal to 20 per centum of the assigned costs, the Secretary shall consider a non-Federal contribution of 25 per centum, which includes payment by the non-Federal sponsor of not less than 5 per centum in cash of the assigned cost in addition to provision of the required lands, easements, rights-of-way, and relocations, if made during the construction period, to constitute fulfillment of this paragraph; and

"(iii) less than or equal to 20 per centum of the assigned costs, the non-Federal sponsor may elect to make a cash payment of 5 per centum of the assigned costs during the construction period, in addition to the provision of required lands, easements, rights-of-way, and relocations, and to repay in accordance with the terms of this title the additional amount necessary to equal a total non-Federal contribution of 35 per centum.

"(B) For major reservoir projects providing flood control, the non-Federal sponsor's contribution shall be—

(i) 25 per centum of the costs assigned to flood protection if paid during the construction period, including no less then 5 per centum, in cash, or

(ii) 35 per centum of the costs assigned to flood protection, including a cash payment of at least 5 per centum paid during the construction period, if repaid in accordance with the terms of this title.

(C) For relocation or evacuation nonstructural flood control measures involving the acquistition of land, the value of such lands and other costs associated with development of the intended benefits therefrom shall be excluded from the computation of the 5 per centum cash contribution required from the non-Federal sponsor and the non-Federal sponsor's contribution for such nonstructural measures shall be—

(i) 25 per centum of the costs assigned to such measures if paid during the construction period, or

(ii) 35 per centum of the costs assigned to such measures if repaid in accordance with the terms of this title.

(2) hydroelectric power: 100 per centum, except that the marketing of such power and the recovery of costs of constructing, operating, maintaining, and rehabilitating such projects shall be in accordance with existing law: *Provided*, That after the date of enactment of this Act, the Secretary shall not submit to Congress any proposal for the authorization of any water resources project that has a hydroelectric power component unless such proposal contains the comments of the appropriate Power Marketing Administrator designated pursuant

to section 302 of the Department of Energy Organization Act (Public Law 95-91) concerning appropriate Power Marketing Administration's ability to market the hydroelectric power expected to be generated and not required in the operation of the project under the applicable Federal power marketing law, so that, 100 per centum of operation, maintenance and replacement costs, 100 per centum of the capital investment allocated to the purpose of hydroelectric power (with interest at rates established pursuant to or prescribed by applicable law), and any other costs assigned in accordance with law for return from power revenues can be returned within the period of such costs by or pursuant to such applicable Federal power marketing law;

(3) municipal and industrial water: 100 per centum;

(4) agricultural water supply: 35 per centum;

(5) recreation, including recreational navigation: 50 per centum;

(6) hurricane and storm damage reduction: 35 per centum; and

(7) aquatic plant control: 50 per centum;

(b) The agreement required pursuant to subsection (a) of this section shall be in accordance with the requirements of section 221 of the Flood Control Act of 1970 (84 Stat. 1818) and shall provide for the rights and duties of the United States and the non-Federal sponsor with respect to the construction, operation, and maintenance of the project, including, but not limited to, provisions specifying that, in the event the project sponsor fails to provide the required non-Federal share of costs for such work, the Secretary—

(1) shall terminate or suspend work on the project unless the Secretary determines that continuation of the work is in the interest of the United States or is necessary in order to satisfy agreements with non-Federal sponsors in connection with the project; and

(2) may terminate or adjust the rights and privileges of the non-Federal sponsor to project outputs under the terms of the agreement.

(c) Costs of constructing projects or measures for beach erosion control, water quality enhancement, and fish and wildlife mitigation shall be assigned to appropriate project purposes listed in subsection (a) and shall be shared in the same percent as the purposes to which the costs are assigned: *Provided*, That all costs assigned to benefits to privately owned shores or to prevention of losses of non-Federal land shall be borne by non-Federal interests.

(d) Costs of constructing projects or measures for the prevention or mitigation of erosion or shoaling damages attributable to Federal navigation works shall be shared in the same proportion as the cost sharing provisions applicable to the project causing such damage: *Provided*, That a non-Federal public body agrees to operate and maintain such measures.

(e) Except as otherwise provided in this title, the Secretary may permit the full non-Federal contribution to be made, without interest, during construction of the project, or, with interest, over a period of not more than thirty years from the date of project completion. Repayment contracts shall provide for recalculation of the interest rate at five-year intervals.

(f) Any repayment by any non-Federal sponsor under this title shall include the rate of interest determined by the Secretary of the Treasury, taking into consideration the average market yields on outstanding marketable obligations of the United States with remaining periods to maturity comparable to the reimbursement period, during the month preceding the fiscal year in which costs for the construction of the project are first incurred (or in the case of recalculation the fiscal year in which the recalculation is made), plus a premium of one-eighth of one percentage point for transaction costs: *Provided*, That such rates for hydroelectric power shall be in accordance with existing law.

(g) At the request of any non-Federal sponsor the Secretary may permit such non-Federal sponsor to delay the initial payment of any non-Federal contribution under this title for up to one year after the date when construction is begun on the project for which such contribution is to be made. Any such delay in initial payment shall be subject to interest charges for up to six months at a rate determined by the Secretary of the Treasury taking into consideration the average market yields on outstanding marketable obligations of the United States with remaining periods to maturity comparable to the period of delay, during the month preceding the fiscal year in which costs are incurred.

(h) At the request of any non-Federal sponsor, the Secretary shall consider the cost of work undertaken in accordance with section 134(a) of Public Law 94-587, as amended, by a non-Federal sponsor to be in satisfaction or partial satisfaction of the requirements of subsection (a) of this section if—

(1) the work undertaken has been previously approved in accordance with procedures established by the Secretary; and

(2) the credit sought is only for non-Federal funds expended for such work.

(i) Any cost-sharing agreement under the terms of this title for flood control, rural drainage, or agricultural water supply shall be subject to the ability of a non-Federal sponsor to pay. The ability of any non-Federal sponsor to pay shall be determined by the Secretary in accordance with procedures established by the Secretary.

SEC. 702. Section 73(b) of the Water Resources Development Act of 1974 (Public Law 93-251) is hereby repealed.

SEC. 703. Subject to the provisions of sections 212, 213, 218, and 701 of this Act, the following works of improvement of rivers and harbors and other waterways for flood control and other purposes are hereby adopted and authorized to be prosecuted by the Secretary in accordance with the plans and subject to the conditions recommended in the respective reports hereinafter designated:

(a) FLOOD CONTROL.—

(1) Village Creek, Jefferson County, Alabama: Report of the Chief of Engineers dated December 23, 1982, at a total cost of $28,100,000 (October 1984);

(2) Threemile Creek, Mobile, Alabama: Report of the Chief of Engineers dated April 20, 1984, at a total cost of $19,070,000 (October 1984);

(3) Eight Mile Creek, Paragould, Arkansas: Report of the Chief of Engineers dated August 10, 1979, at a total cost of $14,950,000 (October 1984);

(4) Fourche Bayou Basin, Little Rock, Arkansas: Report of the Chief of Engineers dated September 4, 1981, at a total cost of $32,400,000 (October 1984);

(5) Helena and vicinity, Arkansas: Report of the Chief of Engineers dated June 23, 1983, at a total cost of $13,700,000 (October 1984);

(6) West Memphis and vicinity, Arkansas: Report of the Chief of Engineers dated September 7, 1984, at a total cost of $20,600,000 (October 1984);

(7) Little Colorado River at Holbrook, Arizona: Report of the Chief of Engineers dated December 23, 1981, at a total cost of $11,700,000 (October 1984);

(8) Cache Creek Basin, California: Report of the Chief of Engineers dated April 27, 1981, at a total cost of $30,700,000 (October 1984): *Provided*, That the Secretary acts in coordination with the State of California to assure that such project poses no danger to any component of its State park system;

(9) Redbank and Fancher Creeks, California: Report of the Chief of Engineers dated May 7, 1981, at a total cost of $84,100,000 (October 1984);

(10) Sanata Ana River mainstem, including Santiago Creek, California: Report of the Chief of Engineers dated January 15, 1982, at a total cost of $1,087,600,000 (October 1985): *Provided*, That in lieu of the Mentone Dam feature of the project and subject to the provisions of Section 212, 213, and 701 of this Act, the Secretary is authorized to plan, design, and construct a flood control storage dam on the upper Santa Ana River, if such modification is approved by the Chief of Engineers: *Provided further*, That the Secretary shall not proceed on any alternative to the Mentone Dam until the Secretary determines such alternative is within all parameters in Section 218 of this Act, and so reports to Congress: And provided further, That if a non-Federal sponsor agrees to pay at least 50 per centum of the cost of such investigation, the Secretary is authorized to investigate the feasibility of including water supply and conservation storage at Prado Dam.

(11) Fountain Creek, Pueblo, Colorado, phase I GDM: Report of the Chief of Engineers dated December 23, 1981, at a total cost of $8,400,000 (October 1984);

(12) Metropolitan Denver and South Platte River and tributaries, Colorado, Wyoming, and Nebraska: Report of the Chief of Engineers dated December 23, 1981, at a total cost of $10,563,000 (October 1984);

(13) Oates Creek, Georgia: Report of the Chief of Engineers dated December 23, 1981; at a total cost of $13,500,000 (October 1984);

(14) Agana River, Guam: Report of the Chief of Engineers dated March 14, 1977, at a total cost of $9,530,000 (October 1984);

(15) Alenaio Stream, Hawaii: Report of the Chief of Engineers dated August 15, 1983, at a total cost of $7,860,000 (October 1984);

(16) Big Wood River and tributaries, Idaho, interim report—Little Wood River, vicinity of Gooding and Shoshone, Idaho: Report of the Chief of Engineers dated November 2, 1977, at a total cost of $4,420,000 (October 1984);

(17) North Branch of Chicago River, Illinois: Report of the Chief of Engineers dated October 29, 1984, at a total cost of $14,390,000 (October 1984);

(18) Rock River at Rockford and vicinity, Illinois, Loves Park interim: Report of the Chief of Engineers dated September 15, 1980, at a total cost of $27,720,000 (October 1984);

(19) South Quincy Drainage and Levee District, Illinois: Report of the Chief of Engineers dated January 24, 1984, at a total cost of $11,688,000 (October 1984);

(20) The project for flood control, Little Calumet River, Indiana: In accordance with plan 3A contained in the Report of the

Chief of Engineers dated July 2, 1984, provided that all of the features of the plan 3A as recommended by and described in the report of the District Engineer are included, at a total cost of $83,460,000 (October 1984);

(21) Des Moines River Basin, Iowa and Minnesota: Report of the Chief of Engineers dated July 22, 1977, at a total cost of $15,340,000 (October 1984);

(22) Mississippi River, Coon Rapids Dam to Ohio River Green Bay Levee and Drainage District No. 2, Iowa: Report of the Chief of Engineers dated October 21, 1981, at a total cost of $6,770,000 (October 1984);

(23) Interim report on Perry Creek, Iowa: Report of the Chief of Engineers dated February 4, 1982, at a total cost of $44,200,000 (October 1984);

(24) Halstead, Kansas: Report of the Chief of Engineers dated May 8, 1979, at a total cost of $7,100,000 (October 1984);

(25) Upper Little Arkansas River Watershed, Kansas: Report of the Chief of Engineers dated December 15, 1983, at a total cost of $12,200,000 (October 1984);

(26) Atchafalaya Basin Floodway system, Louisiana: Report of the Chief of Engineers dated February 28, 1983, at a total cost of $245,398,000 (October 1984): *Provided*, That fish and wildlife enhancement benefits provided by this project shall be considered to be national for the purposes of section 224 of this Act;

(27) Bushley Bayou, Louisiana, phase I GDM: Reports of the Chief of Engineers dated April 30, 1980, and August 12, 1982, at a total cost of $44,700,000 (October 1984);

(28) Louisiana State penitentiary levee, Mississippi River: Report of the Chief of Engineers dated December 10, 1982, at a total cost of $22,646,000 (October 1984);

(29) Quincy Coastal Streams, Massachusetts, Town Brook interim: Report of the Chief of Engineers dated December 14, 1981, at a total cost of $26,500,000 (October 1984);

(30) Roughans Point, Revere Massachusetts: Report of the Chief of Engineers dated May 4, 1985, at a total cost of $8,200,000 (October 1984);

(31) Mississippi River at St. Paul, Minnesota: Report of the Chief of Engineers dated June 16, 1983, at a total cost of $8,454,000 (October 1984);

(32) Redwood River at Marshall, Minnesota: Report of the Chief of Engineers dated November 16, 1981, at a total cost of $4,280,000 (October 1984);

(33) Root River Basin, Minnesota: Report of the Chief of Engineers dated May 13, 1977, at a total cost of $8,195,000 (October 1984);

(34) South Fork Zumbro River Watershed at Rochester, Minnesota: Report of the Chief of Engineers dated February 23, 1979, at a total cost of $60,470,000 (October 1984);

(35) Horn Lake Creek and tributaries, Including Cow Pen Creek, Tennessee and Mississippi: Report of the Chief of Engineers dated January 4, 1983, at a total cost of $3,400,000 (October 1984);

(36) Sowashee Creek, Mississippi: Report of the Chief of Engineers dated February 25, 1985, at a total cost of $17,500,000 (October 1984);

(37) Brush Creek and tributaries, Missouri and Kansas: Report of the Chief of Engineers dated January 3, 1983, at a total cost of $15,770,000 (October 1984);

(38) Maline Creek, Missouri: Report of the Chief of Engineers dated November 2, 1982, at a total cost of $61,900,000 (October 1984);

(39) Saint Johns Bayou and New Madrid Floodway, Missouri phase I GDM: Report of the Chief of Engineers dated January 4, 1983, at a total cost of $108,900,000 (October 1984);

(40) Cape Girardeau, Missouri: Report of the Chief of Engineers dated December 8, 1984, at a total cost of $24,600,000 (October 1984);

(41) Robinson's branch of the Rahway River at Clark, Scotch Plains, and Rahway, New Jersey: Report of the Chief of Engineers dated October 10, 1975, at a total cost of $25,907,000 (October 1984);

(42) Rahway River and Van Winkles Brook at Springfield, New Jersey: Report of the Chief of Engineers dated October 24, 1975, at a total cost of $17,500,000 (October 1984);

(43) Green Brook Subbasin, Raritan River Basin, New Jersey: Report of the Chief of Engineers dated September 4, 1981, at a total cost of $101,832,000 (October 1984);

(44) Ramapo and Mahwah Rivers, New Jersey and New York: Report of the Chief of Engineers dated November 27, 1984, at a total cost of $6,200,000 (October 1984);

(45) Middle Rio Grande flood protection, Bernalillo to Belen, New Mexico: Report of the Chief of Engineers dated June 23, 1981, at a total cost of $43,900,000 (October 1984): *Provided*, That the Secretary is authorized also to increase flood protection through the dredging of the bed of the Rio Grande in the vicinity of Albuquerque, New Mexico, to an elevation lower than existed on the date of enactment of this Act;

(46) Puerco River and tributaries, Gallup, New Mexico: Report of the Chief of Engineers dated September 4, 1981, at a total cost of $4,160,000 (October 1984);

(47) Cazenovia Creek Watershed, New York: Report of the Chief of Engineers dated September 8, 1977, at a total cost of $3,025,000 (October 1984);

(48) Mamaroneck and Sheldrake Rivers Basin and Byram River Basin, New York and Connecticut: Report of the Chief of Engineers dated April 4, 1979, at a total cost of $63,070,000 (October 1984);

(49) Tonawanda Creek Watershed, New York: Report of the Chief of Engineers dated July 2, 1984, at a total cost of $32,000,000 (October 1984);

(50) Sugar Creek Basin, North Carolina and South Carolina: Report of the Chief of Engineers dated February 1, 1985, at a total cost of $29,100,000 (October 1984);

(51) Park River, at Grafton, North Dakota: Report of the Chief of Engineers dated April 17, 1984, at a total cost of $18,790,000 (October 1984);

(52) Sheyenne River, North Dakota: Report of the Chief of Engineers dated August 22, 1984, at a total cost of $55,400,000 (October 1984): Provided that such project shall include a dam and reservoir of approximately thirty-five thousand acre-feet of storage for the purpose of flood protection on the Maple River; and provided further that modification of the Baldhill Dam for dam safety considerations shall not preclude the implementation of those project features not dependent on such safety modifications;

(53) Hocking River at Logan and Nelsonville, Ohio: Report of the Chief of Engineers dated June 23, 1978, at a total cost of $7,760,000 for Logan and $8,020,000 for Nelsonville (October 1984);

(54) Miami River, Fairfield, Ohio: Report of the Chief of Engineers dated June 23, 1980, at a total cost of $14,360,000 (October 1984);

(55) Miami River, Little Miami River, interim report numbered 2, West Carrollton, Holes Creek, Ohio: Report of the Chief of Engineers dated December 23, 1981, at a total cost of $8,910,000 (October 1984);

(56) Scioto River at North Chillicothe, Ohio: Report of the Chief of Engineers dated September 4, 1981, at a total cost of $10,740,000 (October 1984);

(57) Fry Creeks, Oklahoma: Report of the Chief of Engineers dated September 7, 1983, at a total cost of $13,000,000 (October 1984);

(58) Mingo Creek, Tulsa, Oklahoma: Report of the Chief of Engineers dated November 16, 1981, at a total cost of $133,000,000 (October 1984);

(59) Parker Lake, Muddy Boggy Creek, Oklahoma: Report of the Chief of Engineers dated May 30, 1980, at a total cost of $43,000,000 (October 1984);

(60) Harrisburg, Pennsylvania, phase I GDM: Report of the Chief of Engineers dated May 16, 1979, at a total cost of $132,900,000 (October 1984);

(61) Lock Haven, Pennsylvania, phase I GDM: Report of the Chief of Engineers dated December 14, 1981, at a total cost of $79,225,000 (October 1984);

(62) Saw Mill Run, Pittsburgh, Pennsylvania: Report of the Chief of Engineers dated January 30, 1978, at a total cost of $7,853,000 (October 1984);

(63) Wyoming Valley, Pennsylvania, phase I GDM: Report of the Chief of Engineers dated October 19, 1983, at a total cost of $234,700,000 (October 1984);

(64) Big River Reservoir, Rhode Island: Report of the Chief of Engineers dated March 9, 1983, at a total cost of $84,700,000 (October 1984);

(65) Nonconnah Creek, Tennessee and Mississippi: Report of the Chief of Engineers dated December 23, 1982, at a total cost of $25,900,000 (October 1984);

(66) Buffalo Bayou and tributaries, Texas: Report of the Chief of Engineers dated June 13, 1978, at a total cost of $90,670,000 (October 1984);

(67) Boggy Creek, Austin, Texas: Report of the Chief of Engineers dated January 19, 1981, at a total cost of $21,300,000 (October 1984);

(68) Lake Wichita, Holliday Creek, Texas: Report of the Chief of Engineers dated July 9, 1979, at a total cost of $27,300,000 (October 1984);

(69) Lower Rio Grande, Texas: The project for flood control, Lower Rio Grande Basin, Texas: Report of the Chief of Engineers, dated February 13, 1986, at a total cost of $195,304,000 (October 1984);

(70) Sims Bayou, Texas: Report of the Chief of Engineers, dated April 17, 1984, at a total cost of $123,979,000 (October 1984);

(71) James River Basin, Richmond, Virginia, phase I GDM: Report of the Chief of Engineers dated November 16, 1981, at a total cost of $101,200,000 (October 1984);

(72) Chehalis River at South Aberdeen and Cosmopolis, Washington: Report of the Chief of Engineers dated February 8, 1977, at a total cost of $21,940,000 (October 1984);

(73) Yakima Union Gap, Washington: Report of the Chief of Engineers dated May 7, 1980, at a total cost of $8,789,000 (October 1984);

(74) Centralia, Chehalis River and tributaries, Washington: Report of the Chief of Engineers dated June 20, 1984, at a total cost of $19,500,000 (October 1984);

(75) Wisconsin River at Portage, Wisconsin: Report of the Chief of Engineers dated May 20, 1985, at a total cost of $6,300,000 (October 1984);

(76) O'Hare System, Chicagoland Underflow, Illinois: Report of the Chief of Engi-

neers dated June 3, 1985, at a total cost of $8,502,000 (October 1984);

(77) Arkansas City, Kansas: Report of the Chief of Engineers dated September 9, 1985, at a total cost of $14,270,000 (October 1984);

(78) Pearl River Basin, Mississippi: Report of the Chief of Engineers dated March 17, 1986, at a total cost of $80,100,000 (October 1985);

(79) Lower Saddle River, New Jersey: Report of the Chief of Engineers dated January 28, 1986, at a total cost of $36,850,000 (October 1985);

(80) Molly Ann's Brook, New Jersey: Report of the Chief of Engineers dated December 31, 1985, at a total cost of $21,860,000 (October 1985);

(81) Ramapo River at Oakland, New Jersey: Report of the Chief of Engineers dated January 28, 1986, at a total cost of $6,610,000 (October 1985); and

(82) Roanoke River Upper Basin, Virginia: Report of the Chief of Engineers dated August 5, 1985, at a total cost of $21,000,000 (October 1984).

(b) HYDROPOWER DEVELOPMENT.—

(1) Scammon Bay, Alaska (hydropower): Report of the Chief of Engineers dated August 9, 1983, at a total cost of $1,600,000 (October 1984);

(2) South Central Railbelt Area, Alaska, hydroelectric power, Valdez and Copper River Basin: Report of the Chief of Engineers dated October 29, 1982, at a total cost of $44,000,000 (October 1984);

(3) Metropolitan Atlanta area water resources management study, Georgia: Report of the Chief of Engineers dated June 1, 1982, at a total cost of $26,445,000 (October 1984);

(4) Fort Gibson Lake, Powerhouse Extension, Oklahoma: Report of the Chief of Engineers dated August 16, 1984, at a total cost of $24,100,000 (October 1984);

(5) Blue River Lake, hydroelectric power, Willamette River Basin, Oregon: Report of the Chief of Engineers dated August 9, 1983, at a total cost of $30,101,000 (October 1984): *Provided*, That this authorization shall not preclude development of hydroelectric power by a non-federal interest if, within three years of the date of enactment of this Act, such non-federal interest obtains a license from the Federal Energy Regulatory Commission for non-federal development of hydroelectric power at the Blue River Lake project;

(6) McNary lock and dam second powerhouse, Columbia River, Oregon and Washington, phase I GDM: Report of the Chief of Engineers dated June 24, 1981, at a total cost of $649,000,000 (October 1984); and

(7) Gregory County hydroelectric pumped storage facility, stages I and II, South Dakota: Report of the Chief of Engineers dated April 26, 1983, together with such additional associated multipurpose water supply and irrigation features as are generally described in the final feasibility report of the District Engineer, at a total cost of $1,380,000,000, not to exceed $100,000,000 of which may be used to construct such associated water supply and irrigation features: *Provided*, That the additional associated multipurpose water supply and irrigation features shall be undertaken concurrently by the Secretary of the Interior in accordance with the Federal reclamation laws (Act of June 17, 1902, 32 Stat. 388, and Acts amendatory thereof and supplemental thereto), as a unit of the Pick-Sloan Missouri River Basin Program: *Provided further*, That the Secretary of the Interior is authorized to undertake a feasibility study of the additional associated multipurpose water supply and irrigation features of the Gregory County hydroelectric pumped storage facility and that construction of the Gregory County hydroelectric pumped storage facility and such additional associated multipurpose water supply and irrigation features shall not be undertaken until the Secretary of the Interior has completed the feasibility report on such additional features and submitted such report to the Congress along with his certification that, in his judgment, the benefits of such features will exceed the costs and that such additional features are physically and financially feasible, and the Congress has authorized the appropriation of funds for the construction thereof.

(c)(1) SHORLINE PROTECTION.—

(A) Charlotte County, Florida: Report of the Chief of Engineers dated April 2, 1982, at a total cost of $2,255,000 (October 1984);

(B) Indian River County, Florida: Report of the Chief of Engineers dated December 21, 1981, at a total cost of $4,934,000 (October 1984);

(C) Panama City Beaches, Florida: Report of the Chief of Engineers dated July 8, 1977, at a total cost of $41,731,000 (October 1984);

(D) Saint Johns County, Florida: Report of the Chief of Engineers dated February 26, 1980, at a total cost of $9,679,000 (October 1984);

(E) Dade County, North of Haulover Beach Park, Florida: Report of the Chief of Engineers dated December 27, 1983, at a total cost of $15,605,000 (October 1984);

(F) Monroe County, Florida: Report of the Chief of Engineers dated April 27, 1984, at a total cost of $3,142,000 (October 1984);

(G) Sarasota County, Florida: Report of the Chief of Engineers dated February 28, 1986, at a total cost of $12,536,000 (October 1985);

(H) Jekyll Island, Georgia: Report of the Chief of Engineers dated March 3, 1976, at a total cost of $10,450,000 (October 1984);

(I) Casino Beach, Illinois Shoreline, Illinois: Report of the Chief of Engineers dated September 26, 1984, at a total cost of $5,370,000 (October 1984);

(J) Indiana Shoreline Erosion, Indiana: Report of the Chief of Engineers dated November 18, 1983, at a total cost of $7,920,000 (October 1984);

(K) Atlantic Coast of Maryland and Assateague Island, Virginia: Report of the Chief of Engineers dated September 29, 1981, at a total cost of $35,200,000 (October 1984);

(L) Cape May Point, New Jersey: Report of the Chief of Engineers, for beach erosion control and storm protection, dated September 30, 1975, at a total cost of $6,600,000 (October 1984), subject to the completion of Phase I Advanced Engineering and Design;

(M) Atlantic Coast of New York City from Rockaway Inlet to Norton Point, New York: Report of the Chief of Engineers dated August 18, 1976, at a total cost of $7,910,000 (October 1984);

(N) Wrightsville Beach, North Carolina: Report of the Chief of Engineers dated December 19, 1983, to extend the period of Federal participation in the periodic nourishment of the existing project;

(O) The project for shoreline protection for the southeast shore of Maumee Bay, Lake Erie, Ohio, from Cedar Point National Wildlife Refuge to West Bay Shore Road, Oregon, Ohio: Report of the Chief of Engineers, dated July 9, 1984, at a total cost of $15,800,000 October 1984: *Provided*, That the Secretary is further authorized to contract with the State of Ohio on the items of local cooperation for such project, which are to be assumed by the State, notwithstanding that the State may elect to make its performance of any obligation contingent upon the State legislature making the necessary appropriations and funds being allocated for the same or subject to the availability of funds on the part of the State;

(P) Presque Isle Peninsula, Erie, Pennsylvania: Report of the Chief of Engineers dated October 2, 1981, at a total cost of $28,100,000 (October 1984);

(Q) Folly Beach, South Carolina: Report of the Chief of Engineers dated March 17, 1981, at a total cost of $3,335,000 (October 1984);

(R) Willoughby Spit and vicinity, Norfolk, Virginia: Report of the Chief of Engineers dated April 17, 1984, at a total cost of $4,230,000 (October 1984); and

(S) Virginia Beach, Virginia: Report of the Chief of Engineers dated May 22, 1985, at a total cost of $36,500,000 (October 1984);

(2) Construction of the projects authorized in this subsection shall be subject to determinations of the Secretary, after consultation with the Secretary of the Interior, that the construction will be in compliance with the Coastal Barrier Resources Act (Public Law 97-348).

(d) MITIGATION.—

(1) Fish and Wildlife Program for the Sacramento River Bank Protection project, California, first phase: Report of the Chief of Engineers dated September 1, 1981, at a total cost of $1,415,000 (October 1984);

(2) Jacksonville Harbor, Mill Cove, Florida: Report of the Chief of Engineers dated February 12, 1982, at a total cost of $6,575,000 (October 1984);

(3) Richard B. Russell Dam and Lake, Savannah River, Georgia and South Carolina, Fish and Wildlife mitigation report: Report of the Chief of Engineers dated May 11, 1982, at a total cost of $20,160,000 (October 1984);

(4) Davenport, Iowa local protection project, fish and wildlife mitigation plan: Report of the Chief of Engineers dated July 9, 1979, at a total cost of $497,000 (October 1984);

(5) Missouri River, fish and wildlife mitigation; Iowa, Nebraska, Kansas, and Missouri: Report of the Chief of Engineers dated April 24, 1984, at a total cost of $50,500,000 (October 1984);

(6) West Kentucky tributaries projects, fish and wildlife mitigation plan, Obion Creek, Kentucky: Report of the Chief of Engineers dated September 16, 1980, at a total cost of $4,900,000 (October 1984); *Provided*, That the mitigation requirements shall be adjusted to reflect any decrease in the scope of the basic flood control project as authorized in the Flood Control Act of 1965 (Public Law 89-298);

(7) Red River Waterway Fish and Wildlife Mitigation Plan, Louisiana: Report of the Chief of Engineers dated December 28, 1984, at a total cost of $11,200,000 (October 1984);

(8) Yazoo Backwater project, Mississippi, fish and wildlife mitigation report: Report of the Chief of Engineers dated July 12, 1984, at a total cost of $4,993,000 (October 1984);

(9) Downstream Measures as Harry S. Truman Dam and Reservior, Missouri: Report of the Chief of Engineers dated December 21, 1981, at a total cost of $2,100,000 (October 1984);

(10) Smithville Lake, Little Platte River, Missouri, plan for replacement of the Trim-

ble Wildlife Area: Report of the Chief of Engineers dated September 22, 1977, at a total cost of $1,569,000 (October 1985): Except, that the Secretary shall participate with the State of Missouri in the development of wildlife management measures and facilities on State lands rather than the acquisition of lands and the development of Jackass Bend;

(11) Cape May Inlet to Lower Township, New Jersey, phase I GDM: Report of the Chief of Engineers dated December 23, 1981, including construction of measures at Lower Township to mitigate for the erosion attributed to the existing navigation project generally in accordance with mitigation features for Lower Townshop of Plan B of the Phase I General Design Memorandum, titled: "Cape May Inlet to Lower Township, New Jersey," dated August 1980, at a total cost of $17,300,000 (October 1984);

(12) Cooper Lake and Channels project, Texas, Report on Fish and Wildlife Mitigation: Report of the Chief of Engineers dated May 21, 1982, at a total cost of $14,743,000 (October 1984); and

(13) Tennessee-Tombigbee Waterway Wildlife Mitigation, Alabama and Mississippi: Report of the Chief of Engineers dated August 31, 1985: except, that the 34,000 acres of bottomland hardwoods lost as a result of the construction of the navigation project shall be replaced in-kind at a total cost of $60,200,000 (October 1985)."

(e) INLAND AND RECREATIONAL HARBORS.—

(1) Helena Harbor, Phillips County, Arkansas: Report of the Chief of Engineers dated October 17, 1980, at a total cost of $56,403,000 (October 1984);

(2) White River Navigation to Batesville, Arkansas: Report to the Chief of Engineers dated December 23, 1981, at a total cost of $27,000,000 (October 1984): *Provided*, That the Secretary shall deposit no spoil from such project onto lands of the White River National Wildlife Refuge without the approval of the Secretary of the Interior and without mitigating fully the adverse impacts of such spoil;

(3) Lake Pontchartrain, North Shore, Louisiana: Report of the Chief of Engineers dated February 14, 1979, at a total cost of $1,264,000 (October 1984);

(4) Greenville Harbor, Mississippi: Reports of the Chief of Engineers dated November 15, 1977, and February 22, 1982, at a total cost of $42,600,000 (October 1984);

(5) Vicksburg Harbor, Mississippi: Report of the Chief of Engineers dated August 13, 1979, at a total cost of $77,700,000 (October 1984);

(6) Saint Louis Harbor, Missouri and Illinois: Report of the Chief of Engineers dated April 30, 1984, at a total cost of $30,340,000 (October 1984);

(7) Olcott Harbor, New York: Report of the Chief of Engineers dated June 11, 1980, at a total cost of $12,445,000 (October 1984);

(8) Memphis Harbor, Memphis, Tennessee: Report of the Chief of Engineers dated February 25, 1981, at a total cost of $106,105,000 (October 1984);

(9) Disposition of Kentucky River, Kentucky, Locks and Dams 5 through 14: Report of the Chief of Engineers dated July 2, 1984, for disposition purposes without any construction cost; and

(10) Atlantic Intracoastal Waterway Bridges, North Carolina: Report of the Chief of Engineers dated October 1, 1975, at a total cost of $8,800,000 (October 1984).

(f) BANK STABILIZATION.—

(1) Bethel, Alaska: Report of the Chief of Engineers dated July 30, 1983, at a total cost of $16,110,000 (October 1984).

(g) DEMONSTRATION.—

(1) Cabin Creek, West Virginia, Demonstration Reclamation project: Report of the Chief of Engineers dated March 1, 1979, at a total cost of $43,000,000 (October 1984).

SEC. 704. (a) A Hydro-Environmental Monitoring and Information System in the New York Bight is required in the form of a system using computerized buoys and radio telemetry that allows for the continual monitoring (at strategically located sites throughout the New York Bight) of: wind, wave, current, salinity and thermal gradients and sea chemistry, in order to measure the effect of changes due to air and water pollution, including changes due to continued dumping in the Bight.

(b) In addition, there is also the need for a proper Physical Hydraulic Model of the New York Bight and for such an offshore Model to be tied into the existing inshore Physical Hydraulic Model of the Port of New York and New Jersey operated by the U.S. Army Corps of Engineers.

(c) Such sums necessary for this purpose are authorized.

TITLE VIII—REVENUE PROVISIONS

SEC. 801. SHORT TITLE.

This title may be cited as the "Harbor Maintenance Revenue Act of 1985".

SEC. 802. IMPOSITION OF HARBOR MAINTENANCE CHARGE.

(a) GENERAL RULE.—Chapter 36 of the Internal Revenue Code of 1954 (relating to certain other excise taxes) is amended by inserting after the chapter heading the following new subchapter:

"SUBCHAPTER A—HARBOR MAINTENANCE CHARGE

"Sec. 4461. Imposition of charge.
"Sec. 4462. Definitions and special rules.

"SEC. 4461. IMPOSITION OF CHARGE.

"(a) GENERAL RULE.—There is hereby imposed a charge on—

"(1) any port use, or

"(2) any port maintenance use.

"(b) AMOUNT OF CHARGE.—The amount of the charge imposed by subsection (a) on—

"(1) any port use shall be an amount equal to 0.04 percent of the value of the commercial cargo involved, and

"(2) any port maintenance use shall be an amount equal to $0.005 multiplied by the number of net registered tons of the commercial vessel involved.

"(c) LIABILITY AND TIME OF IMPOSITION OF CHARGE.—

"(1) LIABILITY.—

"(A) PORT USE CHARGE.—The charge imposed by subsection (a)(1) on a port use shall be paid by—

"(i) in the case of cargo entering the United States, the importer,

"(ii) in the case of cargo to be exported from the United States, the exporter, or

"(iii) in any other case, the shipper.

"(B) PORT MAINTENANCE USE CHARGE.—The charge imposed by subsection (a)(2) on a port maintenance use shall be paid by the vessel owner.

"(2) TIME OF IMPOSITION.—

"(A) PORT USE CHARGE.—The charge imposed by subsection (a)(1) on a port use described in section 4462(a)(1)(A) shall be imposed--

"(i) in the case of cargo to be exported from the United States, at the time of loading, and

"(ii) in any other case, at the time of unloading.

"(B) OTHER CHARGES.—Any charge imposed by this subchapter not described in subparagraph (A) shall be imposed at the time prescribed by the Secretary in regulations.

"SEC. 4462. DEFINITIONS AND SPECIAL RULES.

"(a) DEFINITIONS.—For purposes of this subchapter—

"(1) PORT USE.—The term 'port use' means—

"(A) the loading or unloading of commercial cargo on or from a commercial vessel at a port, or

"(B) the use of any Great Lakes navigation improvement, including any use described in subparagraph (A).

"(2) PORT MAINTENANCE USE.—The term 'port maintenance use' means the use of any port or Great Lakes navigation improvement for—

"(A) the purpose of bunkering, refitting, or repair of a commercial vessel,

"(B) the convenience of a commercial vessel, or

"(C) any similar purpose in connection with a commercial vessel.

"(3) PORT.—

(A) IN GENERAL.—The term 'port' means any channel or harbor (or component thereof) in the United States, which—

"(i) is not an inland waterway or Great Lakes navigation improvement, and

(ii) is open to public navigation.

"(B) EXCEPTION FOR CERTAIN FACILITIES.—The term 'port' does not include any channel or harbor with respect to which no Federal funds have been used since 1977 for construction, maintenance, or operation, or which was deauthorized by Federal law before 1985.

"(C) SPECIAL RULE FOR COLUMBIA RIVER.—The term 'port' shall include the channels of the Columbia River in the States of Oregon and Washington only up to the downstream side of Bonneville lock and dam.

"(4) GREAT LAKES NAVIGATION IMPROVEMENT.—

"(A) IN GENERAL.—The term 'Great Lakes navigation improvement' means any lock, channel, harbor, or navigational facility located in the Great Lakes of the United States or their connecting waterways.

"(B) CONNECTING WATERWAYS.—The connecting waterways of the Great Lakes of the United States include, but are not limited to, the Detroit River, the Saint Clair River, Lake Saint Clair, and the Saint Marys River.

"(C) SAINT LAWRENCE SEAWAY.—The term 'Great Lakes navigation improvement' shall not include the Saint Lawrence Seaway (or any component thereof).

"(5) COMMERCIAL CARGO.—

"(A) IN GENERAL.—The term 'commercial cargo' means any cargo transported on a commercial vessel, including passengers transported for compensation or hire.

"(B) CERTAIN ITEMS NOT INCLUDED.—The term 'commercial cargo' does not include—

"(i) bunker fuel, ship's stores, sea stores, or the legitimate equipment necessary to the operation of a vessel, or

"(ii) fish or other aquatic animal life caught on a United States vessel and not previously landed on shore.

"(6) COMMERCIAL VESSEL.—

"(A) IN GENERAL.—The term 'commercial vessel' means any vessel used—

"(i) in transporting cargo by water for compensation or hire, or

"(ii) in transporting cargo by water in the business of the owner, lessee, or operator of the vessel.

"(B) EXCLUSION OF FERRIES.—

"(i) IN GENERAL.—The term 'commercial vessel' does not include any ferry engaged primarily in the ferrying of passengers (including their vehicles) between points within the United States, or between the United States and contiguous countries.

"(ii) FERRY.—The term 'ferry' means any vessel which arrives in the United States on a regular schedule at intervals of at least once each day.

"(7) VALUE.—

"(A) IN GENERAL.—the term 'value' means, except as provided in regulations, the value of any commercial cargo as determined by standard commercial documentation.

"(B) TRANSPORTATION OF PASSENGERS.—In the case of the transportation of passengers for hire, the term 'value' means the actual charge paid for such service or the prevailing charge for comparable service if no actual charge is paid.

"(b) SPECIAL RULE FOR ALASKA, HAWAII, AND POSSESSIONS.—

"(1) IN GENERAL.—No charge shall be imposed under section 4461(a)(1) with respect to—

"(A) cargo loaded on a vessel in a port in the United States mainland for transportation to Alaska, Hawaii, or any possession of the United States for ultimate use or consumption in Alaska, Hawaii, or any possession of the United States,

"(B) cargo loaded on a vessel in Alaska, Hawaii, or any possession of the United States for transportation to the United States mainland for ultimate use or consumption in the United States mainland, or

"(C) the unloading of cargo described in subparagraph (A) or (B) in Alaska, Hawaii, or any possession of the United States, or in the United States mainland, respectively.

"(2) CARGO DOES NOT INCLUDE CRUDE OIL WITH RESPECT TO ALASKA.—For purposes of this subsection, the term 'cargo' does not include crude oil with respect to Alaska.

"(3) UNITED STATES MAINLAND.—For purposes of this subsection, the term 'United States mainland' means the continental United States.

"(c) COORDINATION OF CHARGES WHERE TRANSPORTATION SUBJECT TO TAX IMPOSED BY SECTION 4042.—No charge shall be imposed under this subchapter with respect to the loading or unloading of any cargo on or from a vessel if any fuel of such vessel has been (or will be) subject to the tax imposed by section 4042 (relating to tax on fuel used in commercial transportation on inland waterways).

"(d) NONAPPLICABILITY OF CHARGES TO CERTAIN CARGO.—

"(1) IN GENERAL.—Subject to paragraph (2), the charge imposed pursuant to Section 4461(a)(1) shall not apply to bonded commercial cargo entering the United States for transportation and direct exportation to a foreign country.

"(2) IMPOSITION OF CHARGES.—Paragraph (1) shall not apply—

"(A) after the date on which the Secretary determines that the Government of Canada has imposed a substantially equivalent fee or charge on commercial vessels or commercial cargo utilizing Canadian ports: *Provided*, That subject to subparagraph (B), paragraph (1) shall apply after the date on which the Secretary determines that such fee or charge has been discontinued by the Government of Canada.

"(B) with respect to a particular United States port (or to any transaction or class of transactions at any such port) to the extent that the study made pursuant to section 807(a) of the Water Resources Development Act of 1985 (or a review thereof pursuant to section 807(b) of such Act) finds that—

"(i) the imposition of such charge at such port (or to any transaction or class of transactions at such port) is not likely to divert significant amount of cargo from such port to a port in a country contiguous to the United States, or that any such diversion is not likely to result in significant economic loss to such port; or

"(ii) the nonapplicability of such charge at such port (or to any transaction or class of transactions at such port) is likely to result in significant economic loss to any other United States port.

"(e) EXEMPTION FOR UNITED STATES.—No charge shall be imposed under this subchapter on the United States or any agency or instrumentality thereof.

"(f) EXTENSION OF PROVISIONS OF LAW APPLICABLE TO CUSTOMS DUTY.—

"(1) IN GENERAL.—Except to the extent otherwise provided in regulations, all administrative and enforcement provisions of customs laws and regulations shall apply in respect of the charge imposed by this subchapter (and in respect of persons liable therefor) as if such charge were a customs duty. For purposes of the preceding sentence, any penalty expressed in terms of a relationship to the amount of the duty shall be treated as not less than the amount which bears a similar relationship to the value of the cargo.

"(2) JURISDICTION OF COURTS AND AGENCIES.—For purposes of determining the jurisdiction of any court of the United States or any agency of the United States, the charge imposed by this subchapter shall be treated as if such charge were a customs duty.

"(3) ADMINISTRATIVE PROVISIONS APPLICABLE TO TAX LAW NOT TO APPLY.—The charge imposed by this subchapter shall not be treated as a tax for purposes of subtitle F of this title or any other provision of law relating to the administration and enforcement of internal revenue taxes.

"(g) LIMITS ON NUMBERS OF CHARGES.—For purposes of this subchapter—

"(1) only 1 charge shall be imposed under section 4461(a)(1) with respect to—

"(A) the transportation of the same cargo on the same vessel, and

"(B) the loading and unloading of identical cargo at 1 port, and

"(2) the charge imposed by section 4461(a)(2) shall not be imposed more than 3 times in any calendar year upon any vessel.

"(h) REGULATIONS.—The Secretary may prescribe such additional regulations as may be necessary to carry out the purposes of this subchapter including, but not limited to—

"(1) regulations providing for the manner and method of payment and collection of any charge,

"(2) regulations providing for the posting of bonds to secure payment of any charge,

"(3) regulations exempting any transaction or class of transactions from the charge imposed by this subchapter where the collection of such charge is not administratively practical, and

"(4) regulations providing for the remittance or mitigation of penalties and the settlement or compromise of claims.".

(b) CLERICAL AMENDMENT.—The table of subchapters for chapter 36 of the Internal Revenue Code of 1954 is amended by inserting the following before the item relating to subchapter D:

"SUBCHAPTER A. Harbor maintenance charge.".

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on April 1, 1986.

SEC. 803. CREATION OF HARBOR MAINTENANCE TRUST FUND.

(a) IN GENERAL.—Subchapter A of chapter 98 of the Internal Revenue Code of 1954 (relating to establishment of trust funds) is amended by adding after section 9504 the following new section:

"SEC. 9505. HARBOR MAINTENANCE TRUST FUND.

"(a) CREATION OF TRUST FUND.—There is hereby established in the Treasury of the United States a trust fund to be known as the 'Harbor Maintenance Trust Fund', consisting of such amounts as may be—

"(1) appropriated to the Harbor Maintenance Trust Fund as provided in this section,

"(2) transferred to the Harbor Maintenance Trust Fund by the Saint Lawrence Seaway Development Corporation pursuant to section 13(a) of the Act of May 13, 1954, or

"(3) credited to the Harbor Maintenance Trust Fund as provided in section 9602(b).

(b) TRANSFER TO HARBOR MAINTENANCE TRUST FUND OF AMOUNTS EQUIVALENT TO CERTAIN CHARGES.—There are hereby appropriated to the Harbor Maintenance Trust Fund amounts equivalent to the charges received in the Treasury under section 4461 (relating to harbor maintenance charge).

"(c) EXPENDITURES FROM HARBOR MAINTENANCE TRUST FUND.—Amounts in the Harbor Maintenance Trust Fund shall be available, as provided by appropriation Acts, for making expenditures for—

"(1) payments described in section 607 of the Water Resources Development Act of 1985 (as in effect on the date of enactment of this section), and

"(2) payments of rebates of tolls or charges pursuant to section 13(b) of the Act of May 13, 1954 (as in effect on the date of enactment of this section).".

(b) CLERICAL AMENDMENT.—The table of sections for subchapter A of Chapter 98 of the International Revenue Code of 1954 is amended by adding after the item relating to section 9504 the following new item:

"Sec. 9505. Harbor Maintenance Trust Fund.".

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on April 1, 1986.

SEC. 804. INLAND WATERWAYS TAX.

(a) IN GENERAL.—Subsection (b) of section 4042 of the Internal Revenue Code of 1954 (relating to tax on fuel used in commercial transportation on inland waterways) is amended to read as follows:

"(b) AMOUNT OF TAX.—The tax imposed by subsection (a) shall be determined from the following table:

"(1) USES BEFORE 1988.—

"If the use occurs—	The tax per gallon is—
After September 30, 1983, and before October 1, 1985..	8 cents
After September 30, 1985, and before January 1, 1988.	10 cents.

"(2) USES AFTER 1987.—

"If the use occurs during calendar year—	The tax per gallon is—
1988	11 cents
1989	12 cents
1990	13 cents
1991	14 cents

1992 ..... 15 cents
1993 ..... 16 cents
1994 ..... 17 cents
1995 ..... 18 cents
1996 ..... 19 cents
1997 and thereafter ..... 20 cents.".

(b) FUEL USE ON TENNESSEE-TOMABIGBEE WATERWAY SUBJECT TO INLAND WATERWAY TAX.—Section 206 of the Inland Waterways Revenue Act of 1978 is amended by adding at the end thereof the following:

"(27) Tennessee-Tombigbee Waterway: From its confluence with the Tennessee River to the Warrior River at Demopolis, Alabama.".

(c) EFFECTIVE DATE.—The amendment made by subsection (b) shall take effect on April 1, 1986.

SEC. 805. INLAND WATERWAYS TRUST FUND.

(a) IN GENERAL.—Subchapter A of chapter 98 of the Internal Revenue Code of 1954 (relating to establishment of trust funds) is amended by adding at the end thereof the following new section:

"SEC. 9506. INLAND WATERWAYS TRUST FUND.

"(a) CREATION OF TRUST FUND.—There is hereby established in the Treasury of the United States a trust fund to be known as the 'Inland Waterways Trust Fund', consisting of such amounts as may be appropriated or credited to such Trust Fund as provided in this section or section 9602(b).

"(b) TRANSFER TO TRUST FUND OF AMOUNTS EQUIVALENT TO CERTAIN TAXES.—There are hereby appropriated to the Inland Waterways Trust Fund amounts equivalent to the taxes received in the Treasury under section 4042 (relating to tax on fuel used in commercial transportation on inland waterways).

"(c) EXPENDITURES FROM TRUST FUND.—Amounts in the Inland Waterways Trust Fund shall be available, as provided by appropriation Acts and subject to the provisions of section 501 of the Water Resources Development Act of 1985 (as in effect on the date of enactment of this section), to the Secretary of the Army to be expended for construction, rehabilitation, modification, and post-authorization planning of navigation lock and dam projects (or any component thereof) on the inland and intracoastal waterways of the United States which are authorized in sections 502, 504(e), and 505 of such Act (as in effect on the date of enactment of this section).".

(b) CONFORMING AMENDMENTS.—Sections 203 and 204 of the Inland Waterways Revenue Act of 1978 (relating to Inland Waterways Trust Fund) are hereby repealed.

(c) CLERICAL AMENDMENT.—The table of sections for subchapter A of chapter 98 of the Internal Revenue Code of 1954 is amended by adding at the end thereof the following new item:

"Sec. 9506. Inland Waterways Trust Fund".

(d) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall take effect on April 1, 1986.

(2) INLAND WATERWAYS TRUST FUND TREATED AS CONTINUATION OF OLD TRUST FUND.—The Inland Waterways Trust Fund established by the amendments made by this section shall be treated for all purposes of law as a continuation of the Inland Waterways Trust Fund established by section 203 of the Inland Waterways Revenue Act of 1978. Any reference in any law to the Inland Waterways Trust Fund established by such section 203 shall be deemed to include (wherever appropriate) a reference to the Inland Waterways Trust Fund established by this section.

SEC. 805. SAINT LAWRENCE SEAWAY EXPENDITURES AND REBATES OF TOLLS.

(a) IN GENERAL.—The Act of May 13, 1954 is amended—

(1) by striking out "and" at the end of paragraph (11) of section 4(a),

(2) by striking out the period at the end of paragraph (12) of section 4(a) and inserting in lieu thereof "; and",

(3) by adding at the end of section 4(a) the following new paragraph:

"(13) shall accept such amounts as may be transferred to the Corporation under section 9505(c)(1) of the Internal Revenue Code of 1954, except that such amounts shall be available only for the purpose of operating and maintaining those works which the Corporation is obligated to operate and maintain under subsection (a) of section 3 of this Act.", and

(4) by adding at the end thereof the following new section:

"REBATE OF CHARGES OR TOLLS

"SEC. 13. (a) The Corporation shall transfer to the Harbor Maintenance Trust Fund, at such times and under such terms and conditions as the Secretary of the Treasury may prescribe, all revenues derived from the collection of charges or tolls established under section 12 of this Act.

"(b)(1) The Corporation shall certify to the Secretary of the Treasury, in such form and at such times as the Secretary of the Treasury shall prescribe, the identity of any person who pays a charge or toll to the Corporation pursuant to section 12 of this Act with respect to a commercial vessel (as defined in section 4462(a)(6) of the Internal Revenue Code of 1954).

"(2) Within 30 days of the receipt of a certification described in paragraph (1), the Secretary of the Treasury shall rebate, out of the Harbor Maintenance Trust Fund, to the person described in paragraph (1) the amount of the charge or toll paid pursuant to section 12 of this Act.".

(b) EFFECTIVE DATE.—The amendments made by this section shall take effect on April 1, 1986.

SEC. 806. REPORT ON REDUCTION OR ELIMINATION OF TOLLS ON THE GREAT LAKES AND THE SAINT LAWRENCE SEAWAY.

Not later than 2 years after the date of enactment of this Act, the Secretary of State, in consultation with the Secretary of Transportation, shall initiate discussions with the Government of Canada with the objective of reducing or eliminating all tolls on the international Great Lakes and the Saint Lawrence Seaway, and the Secretary of Transportation shall report to the Congress on the progress of such discussions and on the economic effects upon waterborne commerce in the United States of any proposed reduction or elimination in tolls.

SEC. 807. STUDY OF CARGO DIVERSION.

(a) INITIAL STUDY.—The Secretary of the Treasury, in consultation with United States ports, the Secretary of the Army, the Secretary of Transportation, and other appropriate Federal agencies, shall conduct a study to determine the impact of the port use charge imposed under section 4461(a)(1) of the Internal Revenue Code of 1954 on potential diversions of cargo from particular United States ports to any port in a country contiguous to the United States. The report of the study shall be submitted to the Ways and Means Committee of the House of Representatives and the Committee on Finance of the United states Senate not later than 1 year from the date of the enactment of this Act.

(b) REVIEW.—The Secretary of the Treasury may, at any time, review and revise the findings of the study conducted pursuant to subsection (a) with respect to any United States port (or to any transaction or class of transactions at such port).

(c) IMPLEMENTATION OF FINDINGS.—For purposes of section 4462(d)(2)(B) of title 26, United States Code, the findings of the study or review conducted pursuant to subsections (a) and (b) of this section shall be effective sixty days after notification to the ports concerned.

Mr. MOYNIHAN. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. STAFFORD. I move to lay the motion to reconsider on the table.

The motion to lay on the table was agreed to.

Mr. STAFFORD. Mr. President, I now move to indefinitely postpone S. 1567.

The motion was agreed to.

Mr. STAFFORD. Mr. President, I now move the Senate insist on its amendments to H.R. 6 and ask the Chair to appoint conferees.

The motion was agreed to, and the Presiding Officer [Mr. KASTEN] appointed, on behalf of the Committee on Environment and Public Works, Mr. STAFFORD, Mr. ABDNOR, Mr. DOMENICI, Mr. DURENBERGER, Mr. BENTSEN, Mr. MOYNIHAN, and Mr. BAUCUS, and on behalf of the Committee on Finance, Mr. PACKWOOD, Mr. ROTH, Mr. DANFORTH, Mr. LONG, and Mr. MATSUNAGA conferees on the part of the Senate.

Mr. STAFFORD. Mr. President, I now ask unanimous consent to have printed for the use of the Committees on Environment and Public Works and Finance 250 copies of the version of H.R. 6 as passed by the Senate.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. MOYNIHAN. Mr. President, before we leave this matter, on our side of the aisle I express our great appreciation to the staff who worked so indefatigably, led by Hal Brayman and aided by Tom Skirbunt and Mark Haynes, and on our side to Ann Garabrant and Nan Stockholm. Nan is a newcomer to these ancient battles. These people have proven themselves indispensable to this Senator and I believe to this legislation. If it is as historic as we think it is, they will surely deserve to be part of that history.

Mr. STAFFORD. Mr. President, I simply express my very deep appreciation to Senator ABDNOR and Senator MOYNIHAN for all of the hard work they have done over the years in finally bringing this legislation to fruition, and my colleague Senator BENTSEN for all of his help, particularly to the staff of the committee and Members who have worked through the years to finally get a water projects bill through the Senate. I yield the floor.

Mr. ABDNOR. Mr. President, this has been quite an experience for me, to see a bill like this finally coming to fruition. It just goes to show you that by keeping all lines of communication open, solutions can be found to problems. That has happened here. We have what we all agree is a good bill. It took an awful lot of doing. I certainly thank my chairman, Senator STAFFORD, and Senator BENTSEN, the ranking member of the committee for their support. Above all, I just want to say what a pleasure it has been to work with the ranking member of the subcommittee from New York, Senator MOYNIHAN. If all subcommittees worked together as closely as we did, there would be nothing but sound policy coming forth.

Of course, it is easy to take credit here, both the Senator from New York and myself, but we both know our committee staff worked day after day and were involved with ironing out the many differences we had. We had to work hard to keep up with the progress they were making. Certainly Hal Brayman, Tom Skirbunt, and Mark Haynes worked hours and hours and hours, as did Ann Garrabrant and Nan Stockholm on the other side. I say to all of them they did a job for which we are all very proud.

Mr. BURDICK. Mr. President, this is indeed a historic moment in the U.S. Senate, particularly for those of us who have worked for water projects and water development these many, many years. Bear in mind, this is the first water bill we have passed in 10 years, so it could be historic. I join with what was said here this morning about the cooperation we have had in the committee. Partisanship has not raised its head. We have worked together as a team. I think this water development legislation bodes well for the future of the country.

Mr. MOYNIHAN. Mr. President, I know I speak for myself and the Senator from South Dakota when I thank Senator BURDICK for his gracious remarks. His equanimity has added greatly to the bill's passage. He has been nonpartisan and public-spirited in all of these matters.

I thank the Senator from Vermont, who has been such a paternal figure in all this, and an encouraging one, and Senator BENTSEN, my colleague from Texas. One thing I do not understand; if one Lebanese in the United States can bring peace to the warring tribes of this body, why is it not possible in the Middle East?

I congratulate the peacemaker on this side of the Atlantic, Senator ABDNOR. I thank the Chair.

Mr. DOLE. Mr. President, I thank all my colleagues. We have considered this bill for 2 days. We consumed about 5½ hours as of 12:46 p.m. We considered 28 amendments and agreed to 24. Four were withdrawn.

As has been stated before, it has been 9 or 10 years, so hopefully we can work something out in conference. There are a number of outstanding projects in this legislation. Again, I commend the managers of the bill, certainly Senator ABDNOR and Senator MOYNIHAN, and the committee chairman, Senator STAFFORD, and the distinguished Senator from North Dakota, Senator BURDICK, and all others who have worked on this. It is an indication that when we put our mind to do something in the Senate, we can make things happen. Nine years is a long time, but it took 37 years for the Genocide Convention so, by comparison, we have speeded this through. We appreciate it very much. We hope we will have a successful conference; that we will be able to resolve some of the differences.

We know the House has a propensity in this type of bill to want to go about 90 to 10 their way. There is no way a bill like that would be signed by the President, so I hope that our colleagues will consider that.

I thank my colleagues. I indicate to all Members that we would hope to move to the Contra resolution a little after 1 o'clock. We were not able to reach an agreement, but there is still time for that. There are a couple of issues which still have not been resolved. There may be others. I assume there will be a number of amendments on the floor. But I would like to complete action on that bill this evening. If we go right to it at 1 o'clock, I should think by 8 o'clock or 8:30, we might be able to complete the resolution. If that is the case, we would not be in session tomorrow, if that is any incentive.

METROPOLITAN WASHINGTON AIRPORTS TRANSFER ACT

Mr. DOLE. Mr. President, what is the pending business?

The PRESIDING OFFICER. The pending business is the motion to proceed to S. 1017.

The question is on agreeing to the motion.

The motion was agreed to.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. HELMS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The clerk will report Senate bill S. 1017.

The assistant legislative clerk read as follows:

A bill (S. 1017) to provide for the transfer of the Metropolitan Washington airports to an independent airport authority.

Mr. DOLE. Mr. President, I ask unanimous consent that the Senate resume consideration of S. 1017, the airport transfer bill, no earlier than 10 a.m. on Wednesday, April 9, 1986.

The PRESIDING OFFICER. Is there objection?

Mr. BYRD. Mr. President, reserving the right to object, I will not object. I have discussed this matter with the distinguished Senator from Maryland [Mr. SARBANES]. He is here on the floor. I understand he does not have any objection to this request.

I have no objection.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request?

Mr. SARBANES. I have no objection to the request. I have discussed this with the majority leader. I think this is a reasonable way to deal with this matter.

The PRESIDING OFFICER. Is there objection?

Mr. DOLE. I might indicate, reserving the right to object, it may be that we would want to take it up the following week, and that is why I said no earlier than 10 a.m. on Wednesday.

Mr. SARBANES. I understand the majority leader might have other matters he might want to schedule at that time. I assume that if and when that happens, we would get some sort of reasonable notice when the majority leader is planning to go to it.

Mr. DOLE. That is correct.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. DOLE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DOLE. Mr. President, I ask unanimous consent that further proceedings under the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL 1:30

Mr. DOLE. Mr. President, since we are drafting some changes on the Contra resolution, and they will not be ready until probably 5 or 10 after 1, if the minority leader has no objection, I would move the Senate stand in recess until 1:15.

The PRESIDING OFFICER. Is there objection?

Mr. DOLE. Mr. President, let me revise that to 1:30.

The motion was agreed to, and at 12:43 p.m., the Senate recessed until 1:33 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer [Mrs. KASSEBAUM].

The PRESIDING OFFICER. The Chair, in her capacity as a Senator from Kansas, suggests the absence of a quorum.

The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HATFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. NICKLES). Without objection, it is so ordered.

Mr. HATFIELD. Mr. President, I ask unanimous consent that I may be permitted to speak as if in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE GULF OF SIDRA

Mr. HATFIELD. Mr. President, I am concerned that insufficient consideration was given to the far-reaching regional and international consequences of conducting U.S. freedom of navigation exercises in the Gulf of Sidra at this time. The United States is not only playing a dangerous game of "dare and double dare" but also undermining the precarious stability of our moderate Arab allies as we elevate the stature of Col. Mu'ammar' Qadhafi.

Justification for conducting these freedom of navigation exercises in the Gulf of Sidra seems to rest entirely on the discrepancy between the internationally recognized 12-mile offshore territorial limit and Colonel Qadhafi's so-called line of death drawn 150 miles off the Libyan coast. Simply stated, the United States is proving a point. With international law on our side, how could anyone dissent from the policy?

Mr. President, I dissent from the policy. I dissent because I believe there is a clear difference between what the United States has a right to do and what is in our best long-term interest. Wisdom, not technical rights, must dictate U.S. policy at all times.

Colonel Qadhafi has made his country a haven for terrorists and would-be terrorists. He is like a leach, sucking his lifeblood from regional and international tensions. While his "line of death" flies in the face of international law, his behavior flies in the face of international morality. But daring him to fight, at this time and in this way, threatens to further undermine U.S. influence in the region as the proverbial Goliath goes against David.

Publicity is power for Colonel Qadhafi. The presence of the 6th Fleet in the Gulf of Sidra at this time serves to focus the international spotlight on him. And the recent military actions taken against Libya, whether they were defensive or not, provide increased credibility for Qadhafi in his call to arms throughout the Arab world. By engaging in the same belligerent acts of which Colonel Qadhafi has been accusing the United States for several years, the United States simply proves the madman's point in the minds of many disillusioned and bitter Arab people.

The ability of the United States to negotiate peaceful settlements of conflicts in the region and throughout the world will be seriously undermined by our actions in the Gulf of Sidra. On one hand, the administration talks of peace and diplomacy in the Middle East, and on the other hand, they engage in untimely and hostile acts off the coast of Libya. How can the United States be taken seriously when its rhetoric and practice are contradictory?

Men like Egypt's President Mubarak, Jordan's King Hussein and Tunisia's President Bourguiba have put themselves and their nations on the line by calling for moderation and diplomatic solutions to regional problems. They are beacons of hope in a region torn apart by violence and instability. Are we prepared to reward their courage with moves which may erode their political stability? I suggest that we may well be doing just that.

There very well may come a time when U.S. national security is at stake in the Arab world. But if the United States cries "wolf" too often, the international community will ignore us when that time comes. Unnecessary confrontation now jeopardizes international support for the United States in the future.

We all know that international terrorism has become a serious global problem. Since the TWA hijacking last summer, a number of well publicized terrorist acts have taken the lives of innocent people. Moral outrage and fear have risen to a dangerous level largely because of the frustration the world community has experienced in seeing the perpetrators of this violence go unpunished. Because recent information points to the culpability of Qadhafi in at least the Rome and Vienna airport attacts, that frustration now has an outlet. Entice Libya into a fight, the rationale goes, and we will put Colonel Qadhafi in his place.

If only the solution to international terrorism were so simple. Unfortunately, Mr. President, the roots of international terrorism run far deeper than personalities and ideologies. Legacies of hunger and poverty, of economic inequity and social injustice, fuel the fires of international terrorism. Picking an unnecessary fight with Colonel Qadhafi at this time belittles that reality. The "eye for an eye" approach to international relations has proven counterproductive throughout history. The nature of international relations is such that retaliation begets retaliation in an unending spiral of violence while the roots of the underlying problem only grow deeper.

If we are lucky, the United States will emerge from this unfortunate confrontation without casualties. In the short term, we will have proven our point and shown Colonel Qadhafi that we are willing to challenge his bizzare and violent conduct. But in the long term, the consequences of our poor judgment will only cause more problems both for the United States and our courageous allies in the already troubled region.

Mr. LEAHY addressed the Chair.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. LEAHY. Mr. President, in listening to the Senator from Oregon discussing another part of the world, I realized it is not the part of the world we will be discussing this afternoon. The Senator from Oregon has, in his usual extraordinarily sane and accurate fashion, portrayed the concerns held by many about the actions in the Middle East.

I would like to speak, if I might, on Central America.

AID TO THE CONTRAS—THE ROAD TO WAR

Mr. LEAHY. Mr. President, this is a solemn moment. The Senate, this evening or tomorrow morning, is about to cast one of the most important foreign policy votes of the decade.

I think this body knows that I am not one inclined to overstate issues. I say that with great care—the most important foreign policy vote of the decade.

The issue we are facing is no more nor no less than whether the United States should take a major step toward direct engagement in a war in Central America. No smoke about "compromises" or rhetoric about giving negotiations a "chance" for a few months can disguise that stark fact.

The American people should know what their Government is doing. They have a right. It is, after all, their sons who may be asked to fight and die in the jungles and mountains of Central America before this is over.

For the last 4 years, Congress has gone along with more and more military aid to the Contra insurgents who are trying to overthrow the Nicaraguan Government. Official justification for supporting the rebels has never been constant or clear. At different times, we have been told our aim was to block the flow of arms to El Salvador, to force the Sandinistas back to "pluralism," to make them negotiate seriously, to "cry uncle," and so on. The only thing that is unchanged is the Contras' inability to drive the Sandinistas out of Managua or to gain any significant political support among the Nicaraguan people. Meanwhile, with the Contras as a justification, the Sandinista radicals cement their hold on Nicaragua.

What are we really voting on in this resolution? Let us not deceive our-

selves: What we have before us is the President's original plan for $100 million for the Contras dressed in the clothes of compromise. Today we are voting for the first time on sending American military advisers and trainers into this insurgency. We are voting to allow the President to send the CIA back into the war. We are voting to give the Contras money to continue to violate human rights, to murder Nicaraguan peasants, and to kill and be killed in a hopeless rebellion.

The compromise proposal has some language about negotiations and some of the money will be delayed several months. There are soothing words about "independent" bipartisan observers. But there is nothing in any of the compromises this Senator from Vermont has seen that explains why the United States—this great, decent Nation—is getting deeper and deeper into a squalid insurgency against an impoverished country of less than 3 million people, mostly illiterate peasants who do not have the remotest idea of what communism is, and who have never had a chance at real democracy.

What are we trying to do? If we want to pressure the Sandinistas into negotiating themselves out of power, Daniel Ortega and the Commandantes are not going to do it. If we want to drive them out of power, the Contras cannot do it.

The President, in the most extravagant words, tells us this wartorn little backwater nation—which has never known anything but dictatorships, war, and military occupation by U.S. Marines—is a deadly threat to U.S. security. If Nicaragua is the terrible menace he claims, the President should ask for a declaration of war and send in American troops. These patchwork "compromises" of the last 3 years only postpone the inevitable day when we must face the awesome decision to commit American military power to destroy the Sandinistas. Or, perhaps, after thousands more die vainly, we will finally recognize that there are other ways to deal with the upheavals in Central America.

Almost 3 years ago, after a trip to Central America, I came to this floor and warned about the dangers of the growing Contra program. Then we were being told support for the Contras was to stop arms going from Nicaragua to the Salvadoran rebels. The Contras themselves had very different ideas, which they made clear to anyone who asked, including myself. Three years ago, I asked, "If the clear and unshakeable aim is simply to interdict the flow of arms, how can we arm, train, and advise people who are entering Nicaragua to fight and die for some totally different objective?"

By 1984, the explanation changed from arms interdiction to pressuring the Sandinistas to loosen their grip on the Nicaraguan people. Supposedly, we wanted to frighten the Sandinistas to the bargaining table. But, in moments of frankness, administration officials let slip that the real aim was to throw out the Sandinistas. On April 15, 1984, I said: "I am not convinced the administration or its Senate supporters really know where this policy is leading, or how to shift from fighting to negotiating if that opportunity arises."

Two years later, little has changed. The war drags on. The killing continues. The Sandinistas' hold on Nicaragua tightens. The buildup of Soviet and Cuban military equipment continues. Our friends in the region watch with growing alarm the militarization of Central America and warn of the dangers to their fragile democracies of an escalation of conflict. Yet, the declared policy of the administration is as convoluted as ever. Now we are told the goal of the insurgency is to force Sandinistas to agree to a "national reconciliation," with the Contras. Anyone who thinks this is how the insurgency will end is deceiving himself.

Mr. President, none of our allies in the region support the administration's policy of military pressure on Nicaragua. Last month, the foreign ministers of eight Latin American nations—those making up the Contadora nations and the Contadora support group—publicly called on the President to stop any further support for the Contras. They want to give their negotiations a chance—which will not happen while a bitter, protracted civil war rages between mortal enemies. The newly elected President of Costa Rica said of the President's $100 million request:

> I would give that money to Guatemala, El Salvador, Honduras, and Costa Rica for economic aid, and not military aid to the Contras. I don't think that with that aid he is going to obtain what he wants.

Our Government is in the strange situation of officially and piously endorsing the Contadora peace process, while simultaneously ignoring the pleas of the very countries who are looking for a diplomatic settlement that would stop the fighting and defuse regional tensions.

After 4 years—4 years—it is clear that the President's policy of pressure and military confrontation through proxies simply is not working. The choice is clear: Either we use our own military power to crush the Sandinistas or we search for a new policy toward the problem of Central America. I would take the latter road. There are other constructive alternatives that could form a new approach to the region.

The United States has four fundamental interests in Central America: First, to prevent Nicaragua from becoming a military threat to our security and that of the hemisphere by becoming a base for Soviet or Cuban forces; second, to assist in the negotiation of a political settlement that ends conflicts and strengthens stability; third, to prevent subversion and communist revolutions aimed at destroying democracy; and fourth, to promote, to the extent we can, pluralism, freedom, and democracy in Nicaragua itself.

Let me outline an alternate course that could serve these interests:

U.S. support for the Contras should stop immediately. Since we created the Contras, we cannot now leave them, armed, angry, and disperate, to menace Honduras and Costa Rica. But only aid to feed and maintain those rebels who have stopped fighting should go forward while we assist their relocation and resettlement.

Congress and the President should reach a clear understanding that the United States will act to prevent a Cuban or Soviet threat in Central America. This includes a prohibition on Soviet or Cuban military bases and on the introduction of advanced offensive weaponry from the Soviet bloc. The United States should provide congressionally approved security guarantees to Nicaragua's neighbors of assistance in repelling unprovoked Sandinista attacks on them.

The United States should finally become serious about supporting the Contadora negotiations and about engaging in bilateral talks with Nicaragua. The goal should be a regional settlement which provides for a complete termination of external support for insurgencies and noninterference in the internal affairs of the countries of the region. A mixture of economic, diplomatic, and political pressures on Nicaragua would provide the administration diplomatic leverage in seeking a settlement that prevents Nicaragua from posing a military threat to its neighbors.

The United States should provide full political, economic, and, where necessary, military support to the emerging democracies of the region, in recognition of the fact that the strongest defense against subversion and communism is democratic governments. It should be made clear to Central American military establishments that coups against democratically elected governments will mean the immediate cessation of all United States support.

It has become fashionable in this administration to equate diplomacy and negotiations as a soft and unacceptable substitute for military pressure. This is dangerous nonsense. We are a great and good nation with immense material and moral resources at our disposal—if we do not squander them in support of groups like the Contras.

When the history books of this time are written, historians will surely cite

today's vote as a major turning point in United States involvement in the Nicaraguan war.

I ask the Senate not to be blinded by Sandinista folly, such as the recent attack on Contra camps in Honduras. For Senators to use this latest example of Daniel Ortega's stupidity as cover to vote for this aid is to be swept away by war fever. Our task is to serve the best interests of the United States—not to punish a third-rate revolutionary who repeatedly plays right into the hands of those who want to intervene in Nicaragua.

We are now at a point much as in the early 1960's, when debate raged about deepening United States involvement in Vietnam. People who dared question had their patriotism questioned—just as now. They were labeled "soft on communism"—just as now. Yet, day by day, step by step, we inched into the Vietnam morass.

My constituents in Vermont do not want their country to step into this Nicaragua quagmire. This past year, I have received more mail and telephone calls from Vermonters about Central America than on any other issue. The message is overwhelming: No support of the Contras, no American war in Nicaragua.

I urge my colleagues to listen to the American people and not to be carried down the path of least resistance. Let us today put an end to this hopeless, pointless, and futile struggle, and get on with developing a policy worthy of the United States of America.

Mr. President, the U.S. Senate has often been described as the conscience of the Nation. I can think of really no time in the 12 years I have been here when our Nation has called out to us more to use that conscience. The people of this great and good Nation are saying: There has to be a better way. We all know and we all understand that throughout this Nation, the American people are saying, no, no, do not send money, do not use the Contras as surrogates for the United States, which in some way equates us with them and equates the interests of our Nation with the interests of the Contras.

If we are not able to stand up, as we should more often these years, and lead as the conscience of the Nation, can we not at least listen to the collective conscience of our fellow Americans and, at least in our vote, reflect that conscience and say, no, no, there really is a better way?

Mr. President, I yield the floor.

AID TO CONTRAS

Mr. KENNEDY. Mr. President, in a few short moments, we shall have before us the administration's proposal for support for the Contras. At the earliest possible time, I shall ask consideration for that amendment, which I shall offer in behalf of myself and the Senator from New Mexico [Mr. BINGAMAN].

The amendment itself is very simple, Mr. President. It says that notwithstanding any other provision of law, no funds may be obligated or expended for the purpose or which would have the effect of supporting directly or indirectly, military or paramilitary operations in Nicarauga by any nation, group, organization, movement, or individual.

It is a complete and effective denial of American taxpayers' funds for the support of the Contras in Nicarauga or in the nations outside of Nicaragua. I shall offer that, Mr. President, as I mentioned, in behalf of myself and Senator BINGAMAN and look forward to a debate on the policy of the administration. Also, I would hope that we can gain support for that particular proposal.

Mr. President, we hold no brief for the Sandinistas, but those of us who oppose the administration on this issue do so because President Reagan's policy of shooting first and talking later will only lead to greater and wider war. Sending more guns and more bullets to Contras will only expand and escalate the conflict. Sadly, the latest escalation is obvious to all of us. On Monday, Nicaraguan troops invaded Honduras. Today, the war is wider, the weapons are more lethal, and the killing goes on and on—with greater ferocity now than ever before. Instead of spoiling for a fight, the United States ought to leave no stone unturned in the search for peace.

But that is not what we hear from the administration. President Reagan is asking for $100 million for the Contras. This is not a new debate for the Members of this body. It is, however, a turning point.

Before plunging ahead down the path of more war and more bloodshed, let us ask ourselves the fundamental questions:

First, what do we hope to accomplish by providing additional assistance to the Contras of Nicaragua? President Reagan has said that support for the Contras is necessary to prevent Central America from going Communist and to restore democracy to Nicaragua.

But the record shows that President Reagan's policy has achieved just the opposite. After 5 years of United States military "pressure," after 5 years of mined harbors and Contra killings, the people of Nicaragua are farther away from democracy than ever before, and the influence of the Soviets and Cubans have grown by leaps and bounds. U.S. policy has made a bad situation worse. Wrapped in the banner of Nicaraguan nationalism, the Sandinistas continue to crackdown on the church, the press, the labor unions, the opposition parties, the private sector—all of whom have witnessed the steady stripping away of civil liberties and fundamental freedoms. In the name of Nicaraguan "national security," the state of emergency continues.

Rather than reducing the influence of the Soviets and the Cubans, the administration's policy has had the opposite effect. The flow of arms has increased, and the Nicaraguan military is now the most powerful in the region.

Support for the Contras will not contain communism in Central America and the administration's belief that the Contras can restore democracy in Nicaragua is refuted by their lack of support by the Nicaraguan people, by their serious violations of human rights, and by their utter failure to pressure the Sandinistas into meaningful reforms.

If the purpose of the assistance is to oust the dictatorial Sandinistas, the administration's request is far too little. Effective military pressure on the Sandinistas would require vastly greater amounts of U.S. assistance and direct involvement of U.S. military personnel.

If the goal of the administration's proposal is to pressure the Sandinistas into reform, a lifting of the state of emergency, a restoration of human and civil rights and free and fair elections, then the administration's proposal is totally misdirected. Our policy has not and cannot achieve these goals. Adoption of the administration's request will not bring Nicaragua any closer to democracy. The Contras enjoy little popular support; Their military leaders are former members of Somoza's national guard who have committed numerous atrocities against the Nicaraguan population. Attempting to impose the Contras on the people of Nicaragua would be like attempting to reimpose Ferdinand Marcos on the people of the Philippines.

The only result of our misguided policy over the past 5 years has been a disruption of the Nicaraguan economy, murdered civilians, political prisoners, and a pretext for further Sandinista repression and closer ties to Cuba, the Soviet Union and international terrorists.

Escalation of our current policy will only further entrench the Sandinistas in power and further polarize the hemisphere.

The United States clearly has vital security interests in Central America. But we also have the resources and the political will to defend ourselves and our region against any threat to that security. Any attempt by the Soviet Union to place bases or Mig's in Nicaragua would be prevented by the President of the United States, with

the full support of the American people.

The people of the United States are not united behind President Reagan and his freedom fighters. UNO is a creation of the White House, without popular support in Nicaragua and without hope of overthrowing the Sandinistas.

After 5 years of failed policy, it is time to change course. The United States must remain committed to the restoration of democracy in Nicaragua. But it is time we realized the Contras will never achieve that goal. Conceivably, we could work over the next few years to purge them of their Somoza ties and their human rights abuses but no amount of American aid can buy popular support for the Contras. No matter how harsh the administration's rhetoric, the Contras do not now have and will probably never have the true support of the Nicaraguan people.

It is time for the United States to halt support for the Contras and start negotiating with Nicaragua and the other nations of Latin America for an end to the violence.

Last March 5, a group of leading Nicaraguan businessmen issued a strong denunciation of the Sandinista government saying they feared for their lives and liberty. They called on democratic governments to "act vigorously to defend and protect our existence, before you have to lament a sin of omission." But no one listened.

Last February, a coalition of six democratic parties inside Nicaragua joined together in signing a significant peace proposal to the Nicaraguan Government. It called for a cease fire, general amnesty for political crimes, abolition of the state of emergency, reestablishment of citizen's rights and guarantees, signing of agreements among the political parties for general elections, for fulfillment of international commitments in favor of Nicaragua's democratization and invited the regional organizations to support their proposal. But no one listened.

Thirteen Latin American nations, including Nicaragua, have supported the recent efforts of the Contadora groups to reach an end to the crisis. Their most recent proposal called for an end to support for the Contras, a removal of all foreign military advisers and installations from the region, a freeze on the procurement of armaments and respect for self-determination, territorial integrity, political pluralism and human rights. But the administration is not listening.

Last January, I visited each of the four nations that make up the Contadora Support Group—Argentina, Brazil, Peru, and Uruguay. Each of the leaders of those nations expressed dismay that U.S. policy was prolonging the civil war and enabling the Sandinistas to create a totalitarian state.

We should be providing our full support—diplomatic, economic, and political—to these efforts. We should be meeting with them and encouraging other nations to meet with them. The Contras will never topple the Sandinistas, but the people of Nicaragua—the true democratic opposition—just might.

The Contadora nations—with the support of 13 Latin American countries—have repeatedly called for an end to U.S. support for the Contras and a negotiated solution in the region. I urge my colleagues to give negotiations a fair chance—by denying aid to the Contras.

Unless the administration—and the U.S. Congress—revises dramatically its approach to the Nicaraguan crisis, we will be revisiting this issue each year and for increasing United States involvement. The time to act to reverse our dangerous course is now and I urge my colleagues to support this amendment.

Mr. President, I ask unanimous consent that additional statements in support of this proposal be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

MONDAY, APRIL 22, 1985.

We urge you to vote against release of the $14 million for the contras in Nicaragua. Provision of this aid will serve neither our interests nor our ideals.

McGeorge Bundy, Special Assistant to the President for National Security Affairs, 1961-66; Clark Clifford, Secretary of Defense, 1968-69; Robert McNamara, Secretary of Defense, 1961-68; Edmund Muskie, Secretary of State, 1980-81; Elliot Richardson, Secretary of Defense, 1973; Cyrus Vance, Secretary of State, 1977-80.

HEADS OF PROTESTANT DENOMINATIONS

A moral appeal to Congress to reject the administration's request for renewed funding for the Contras from Bishop John Hurst Adams, African Methodist Episcopal Church; Dr. James E. Andrews, Stated Clerk, Presbyterian Church (U.S.A.); Dr. Robert C. Campbell, General Secretary, American Baptist Churches in the U.S.; Dr. Will L. Herzfeld, President, Association of Evangelical Lutheran Churches; Dr. C.J. Malloy, Jr., General Secretary, Progressive National Baptist Convention, Inc.; Dr. Robert W. Neff, General Secretary, Church of the Brethren; Dr. Eugene Pickett, President, Unitarian Universalist Association of Churches in North America; Dr. Avery D. Post, President, United Church of Christ; Vern Preheim, General Secretary, General Conference Mennonite Church; Dr. Kenneth L. Teegarden, President, Christian Churches (Disciples of Christ).

As leaders and representatives of ten national churches, we appeal to Congress on moral grounds to reject the Administration's request for more funds for the Nicaraguan contras, as it rejected a similar request last year. It was morally wrong for our government through the CIA to recruit, organize, train, equip and finance the contras in the first place; it would be morally wrong for our government to resume such activity now.

Supporting or seeking support for the contras is but one aspect of U.S. policy that disturbs us. In addition to supporting the contras in their terrorism and economic sabotage the United States has also engaged in military exercises near Nicaraguan borders and naval maneuvers off Nicaraguan shores; mined Nicaraguan harbors; damaged the Nicaraguan economy through reducing the quota for Nicaragua's sale of sugar to the United States; blocked loans for Nicaragua by international financial institutions; insisted, in negotiations, on radical changes in Nicaraguan domestic and foreign policies without offering comparable changes in U.S. policies; broken off bi-lateral talks; effectively blocked the consummation of the Contadora negotiations process; and announced that it will not accept the jurisdiction of the World Court in Nicaragua's legal charges against the United States. It seems increasingly clear that the Administration will be content with nothing less than the demise of the Sandinista government. Its very existence seems to affront.

We are concerned with all these dimensions of our government's policy toward Nicaragua, and are particularly disturbed by the lack of evidence of good-faith efforts on the part of our government to negotiate its differences with Nicaragua. We believe that a negotiated settlement is both morally imperative and politically feasible. However, in this statement we address only the moral issue of resuming United States funding for the contras.

We believe it would be morally wrong for the Congress to resume supporting the contras for these reasons:

1. To support the contras would be to seek a morally objectionable goal: to impose Washington's will on the people of Nicaragua. "The real issue in Central America," as political scientist William M. LeoGrande has observed, "(is) whether the United States is prepared to live with revolutions on its periphery, or whether it will continue to insist, as in the past, that Washington holds veto power over the right of Central Americans to govern themselves as they see fit." The Administration's position is clear: it is determined to exercise veto power. But this determination to impose Washington's will on Managua is wrong because no nation, no matter how powerful, has the moral right to impose its will by force on another nation except under the most extreme and limited circumstances (eg., Hitler's genocide against the Jews) that are not present here. We do not agree with everything the Nicaraguan government has done. But one does not have to defend every Nicaraguan policy to insist that the United States has no moral right to seek through military means to force Nicaragua to change its policy. We Americans would certainly not grant to any other nation the moral right to impose its will by military force on us. We cannot claim for ourselves a moral right we deny to others.

2. To support the contras would be to use Nicaraguans in a morally outrageous way for an ulterior motive: to demonstrate to the Soviets and others that we are tough. All the Administration's talk about U.S. credibility makes it clear that this is its primary motive behind its policy toward Nicaragua. But it is morally outrageous for the United States to provide arms so that some Nicaraguans can kill other Nicaraguans in order to show Russians half way around the

world that we North Americans have resolve.

3. To support the contras would be to comply with their morally repugnant means: kidnapping, terrorism, atrocities. Stores in the New York Times, the Washington Post and other papers have made clear that the contras have killed, tortured, raped, mutilated and abducted hundreds of civilians they suspect of sympathizing with the Sandinistas. Here is a report from the May 1984 national newsletter of Witness for Peace, a group of North American Christians and others, now numbering over 1,000, who have traveled to the war zones of Nicaragua to stand with the people of Nicaragua under attack by the contras, to pray for peace, and to present an obstacle to what was, until Congress' decisive action last year, a U.S. government-sponsored war: "Contras kidnap to impress Nicaraguans into the mercenary army. They also kidnap to terrorize villages. A number of Witness for Peace teams have talked with families of kidnapped men, women or children. Some of these loved ones have been found by the families: dead, sometimes burned, sometimes dismembered so that they cannot be given a decent burial. . . . A contra saying is, 'We cannot win, but we can kill.' Again and again Witnesses for Peace have talked, prayed, and mourned with families whose members have been taken away, tortured in unspeakable ways, or shot before their very eyes. A frequent act of the contras is beheading."

4. To support the contras would be to share responsibility for the morally evil consequences of their activity: the killing of thousands of Nicaraguans. The government of Nicaragua announced in November 1984 that since 1981 the contras have assassinated 910 state officials, and that the war has caused a total of eight thousand civilian deaths. Private sources, including the Latin America Studies Association, report similar figures.

5. To support the contras would be to accept the Administration's morally outrageous assumptions: that propinquity in location somehow gives us proprietory rights: that Central America is ours to win or lose; that might makes right. We find these assumptions abhorrent when the Soviet Union acts on them: its location and power does not give it the right to oppress the people of Poland or to invade Afghanistan. But if it is wrong for the Soviets to act on the basis of these assumptions, how can it be right for the United States to act on them? Might does not make right when exercised by either superpower—or anyone else. The prophet Nathan made that clear centuries ago in his encounter with ancient Israel's great King David. Our nation needs to remember the word of the prophet to the king. We need also to remember the One for whom the prophet spoke.

6. Finally, to support the contras would be to violate our nation's own moral integrity. An editorial in commonweal put it well: "The fundamental question facing the United States in Central America concerns not what the region should be, but what kind of country the United States should be." Because of our love of our nation and its moral integrity we do not want our nation once again to seek to impose its will on Nicaragua in order to impress the Soviets by supporting a mercenary army of terrorists who have already killed or caused the death of thousands of Nicaraguans.

Our churches are in close contact with sister churches in Nicaragua. The constant plea that we hear from these churches is: Stop U.S. assistance for the killings! We cannot in conscience ignore their appeal.

Thus, in solidarity with the people and churches of Nicaragua and in concern for the moral integrity of our own nation, we appeal to Congress:

Do not provide new funding for the Nicaraguan contras. Do not involve our nation further in their morally evil ways. Do not make us as American citizens unwilling accomplices to the death and destruction they sow. Stop the killing and terrorism. For the sake of life, decency, and peace with justice, support the negotiations of the Contadora nations, not the aggression of the Nicaraguan contras.

MARCH 1, 1985.

DEAR REPRESENTATIVE: We, the undersigned American Rhodes Scholars currently studying in Oxford, England, wish to register our strong opposition to any renewal of United States aid—covert or otherwise—to the contra forces fighting the Nicaraguan government.

An objective of the Rhodes Scholarship is to foster peace and understanding among nations. In this spirit, we feel the Administration's current policy toward Nicaragua is dangerous and counter-productive. Of course, we each have our own views of the present Nicaraguan government. But we are of one mind in believing that President Reagan's policies damage the prospects for democracy in Nicaragua. And we are of one voice when we say that the President's policies damage the prospects for peace in Central America.

As United States citizens, we urge you, in the strongest possible terms, to oppose any renewal of aid to the contra forces. We urge you to work toward a more constructive foreign policy in Central America.

We do not speak for all Rhodes Scholars who are citizens of the United States. Nor do we speak for the Rhodes Trust as an institution. We speak as 46 individual Americans who are profoundly concerned that our nation's support for the contra war is harmful to US national interests as well as to the interests of Central Americans.

Please send all responses c/o Wade Buchanan, Magdalen College, Oxford OX1 4AU,, England, or 2808 S. Lakeridge Trail, Boulder, Colorado, 80302.

Sincerely yours,

Wade B. Buchanan, Boulder, CO; Claudena M. Skran, Saginaw, MI; David Vitter, New Orleans, LA; John W. Fanestil, La Jolla, CA; Daniel Porterfield, Towson, MD; Carlton Long, Gary, IN.

Brenda Buttner, Watsonville, CA; Barbara J. Toman, Crown Point, IN; Maureen E. Freed, Salt Lake City, UT; Christopher Hedrick, Olympia, WA; Jerri-Lynn Scofield, Newton, NJ; Charles R. Conn III, Cambridge, MA; Elizabeth H. Kirkland, Charleston, SC; Lawrence J. Vale, Chicago, IL.

Heather A. Wilson, Keene, NH; Lois Quam, Marshall, MN; David Noever, Oklahoma City, OK; Catherine J. Kissee-Sandoval, Montebello, CA; Kelley H. Kirklin, New Orleans, LA; Katherine R. Richards, Missoula, MT; Jean McCollister, Iowa City, IA; Raymond Paretzky, New York City, NY.

William H. Bender, Rutland, VT; Hunter Monroe, Chapel Hill, NC; David Duncombe, Boulder City, NV; Brian R. Greene, New York City, NY; George R. Stephanopoulos, Cleveland, OH; Kevin L. Thurm, Merrick, NY; Lawrence Ellis, Skillman, NJ; Storrs Hoen, Baltimore, MD.

Christopher L. Eisgruber, Corvallis, OR; Elizabeth Kiss, Alexandria, VA; Marvin Krislov, New Haven, CT; Sarah B. Sewall, Medomak, ME; Donald W. Hawthorne, Lakewood; OH; John M. MacLeod, North Sutton, NH; Richard Sommer, Morgantown, WV; Jonathan Hay, Nampa, ID.

Michael E. Hasselmo, Golden Valley, MN; Kathrin Day Lassila, Ames, IA; Richard Klingler, Cincinnati, OH; Craig G. Kennedy, Clearwater, FL; Patricia E. Connelly, Belleville, NJ; Terrence Tehranian, Honolulu, HI; Daniel Bloomfield, New York City, NY; Judith Stoddart, East Lansing, MI.

CALL TO MEMBERS OF CONGRESS BY NOBEL LAUREATES ON THE QUESTION OF U.S. COVERT AID FOR USE AGAINST NICARAGUA

We, the undersigned Nobel Laureates, are opposed to any military action, overt or covert, by the United States government against the Republic of Nicaragua. Aggression against Nicaragua constitutes a violation of that country's territorial integrity and national sovereignty, a violation of treaties already approved by the U.S. Congress and sanctioned by international law, as well as a violation of the Charter of the United Nations.

We call upon the Congress to refuse its consent to any request by the Reagan Administration for funds, troops, training or materiel to be used either by the armed forces of the United States directly or by the "contras" or other forces in attacks upon the people and government of Nicaragua; and we call upon the Congress to urge negotiations with Nicaragua in order to improve the relations between the two countries.

We further call upon the Congress to stop the increasing militarization of Central America by the Reagan Administration.

Philip W. Anderson, Princeton University (Physics).

Christian Anfinsen, Johns Hopkins University (Biology).

Kenneth J. Arrow, Stanford University (Economics).

Julius Axelrod, National Institutes of Health (Physiology or Medicine).

John Bardeen, University of Illinois (Physics).

Baruj Benacerraf, Harvard School of Medicine (Physiology or Medicine).

Paul Berg, Stanford University (Chemistry).

Owen Chamberlain, University of California, Berkeley (Physics).

Subrahmanyan Chandresekhar, University of Chicago (Physics).

John F. Enders, Harvard School of Medicine (Physiology or Medicine).

Walter Gilbert, Harvard University (Chemistry).

Sheldon Lee Glashow, Harvard University (Physics).

Ronald Hoffman, Cornell University (Chemistry).

Robert W. Holley, Salk Institute (Physiology or Medicine).

David H. Hubel, Harvard School of Medicine (Physiology or Medicine).

Gar Gobind Khorana, Massachusetts Institute of Technology (Physiology or Medicine).

Wassily Leontief, New York University (Economics).

Salvador E. Luria, Massachusetts Institute of Technology (Physiology or Medicine).

Edwin M. McMillan, Lawrence Berkeley Laboratory (Physics).

Severo Ochoa, Hoffman LaRoche, Inc. (Physiology or Medicine).

Linus Pauling, Palo Alto (Chemistry, Peace).

Herbert A. Simon, Carnegie-Mellon University (Economics).

Albert Szent-Gyorgi, Woods Hole Marine Biological Laboratory (Physiology or Medicine).

Henry Taube, Stanford University (Chemistry).

Howard M. Temin, University of Wisconsin, Madison (Physiology or Medicine).

James Tobin, Yale University (Economics).

APRIL 18, 1985.

AN OPEN LETTER TO THE U.S. CONGRESS

(By Catholic and Protestant Religious in Nicaragua Managua, Nicaragua; February 11, 1985) [1]

We are priests and pastors and men and women religious, both Catholic and Protestant. Some of us are Nicaraguans; others come from other Latin American countries and from Europe and the United States. We are united in a common bond: we all live and work in the war zones of Nicaragua. We all know well, from close contact, the death, destruction and grief that the war is producing in this country.

We are writing to you because we know that in a way the continuation of this war depends on you. We are asking you to help stop it.

Nicaragua is a small sparsely populated country with a history closely linked to that of the United States during this century. This impoverished country has been occupied on several occasions by U.S. Army troops. Many U.S. visitors know us and we have had the opportunity to share experiences and perhaps a cup of Nicaraguan coffee with them.

With the hope that our message will help you better to understand the meaning of the four-year-old war that drenches this soil with blood and takes the lives of four people a day, on the average, through combat or assassination, we relate what we are seeing here.

We know thousands of Nicaraguan campesinos who with the triumph of the Revolution have begun to live a new life. They own land; they have learned to read and write; they have electricity in their homes for the first time. Many of them have begun to work together in cooperatives, or have made their first visit to a medical doctor. They have come to understand that they are persons with dignity and rights; and they rejoice that their dreams of a better future for their children are coming true.

We also know that due to the country's limitations there are other campesinos who did not receive so many good things, campesinos who were afraid of the changes or did not understand them, campesinos who were relatives of members of the National Guard with which Somoza defended his interests.

President Reagan, since the beginning of his mandate, has sought to obstruct Nicaragua's revolutionary process. Beginning in 1981 the decision was made to covertly finance the training, the military equipment and the organization of the Somoza Guardsmen who had fled to Honduras in 1979. Mercenaries joined them, as did some campesinos like those we just described. Some were kidnapped and carried off to the counterrevolutionary bases in Honduras. Some who joined the counterrevolution did so because of family connections or because of the great confusion that prevailed. This latter case was especially true among the Miskito population of the Caribbean Coast. The Miskitos were little known by most Nicaraguans until these years of revolutionary change.

The counterrevolutionaries, whom President Reagan calls "Freedom Fighters," have been organized, supplied and backed by the U.S. Government, openly, publicly and continuously, and they have been active in Nicaraguan territory since 1983.

We have endured a war which in different forms has been waged since 1981. Its intensity and cruelty steadily increase. Even though there are Nicaraguans on both sides, this is not a civil war. It is a premeditated publicized war where one side is supplied with arms and communication materiel by the United States and makes use of bases in Honduras and Costa Rica.

This war does not have its roots in an internal conflict, although it takes advantage of problems—big and little—such as exist in any society. The errors in the Nicaraguan Revolution should be corrected by Nicaraguans; they do not justify foreign intervention. This is not a war to free a part of the Nicaraguan people, as if a tyrannical totalitarian Government were installed here. The best proof of the participation and pluralism of political options existing here is the electoral campaign which culminated in the elections of November 1984. Observers from around the world were present and reported on the elections.

This war originated in the political will of the Republican Administration of the U.S. which is determined, at any cost, to destroy the Nicaraguan Revolutionary model, a model that is adequate for this country and which has achieved notable successes on the road to development.

The contras bring a scenario that disturbs us. We remember what happened in Chile in 1973 and Guatemala in 1954. Fearful of changes in those countries U.S. Administrations helped to overthrow those governments. The alleged liberators, however, brought indiscriminate repression, not democracy.

Because the contras are not gaining any military victories they are terrorizing the civilian population. They focus their aggression on killing people and destroying everything we have painstakingly built to improve this country.

During four years of war, 2,767 civilians have been killed, including 132 children under twelve years of age. During 1984 the "Freedom Fighters" murdered 98 campesino teachers. In the four years we have had to close 359 schools and 41 health posts in areas which are under constant attack. Campesino cooperatives are being destroyed by rockets and mortars. Within hours enterprises have disappeared that cost great effort to build. In these four years the counterrevolutionaries have attacked 97 campesino villages, leaving many people dead and wounded. They have also abducted a number of people. Nearly 150,000 Nicaraguan campesinos have had to leave land and home and relocate elsewhere because of the war; and 6,236 children have been orphaned.

These may seem to be very small numbers, but in proportion to Nicaragua's meager population they are enormous. It is the same as if the U.S. had suffered 232,000 deaths in the Vietnam war instead of 58,000.

We sometimes hear that the Reagan Administration and the U.S. Congress have chosen to maintain pressure on Nicaragua through a low-intensity war, instead of by direct intervention of troops. For us who see all this from the standpoint of Nicaragua, with its limited human and material resources, this is a very high-intensity war. How long will it take Nicaragua to train new technologists, teachers and nurses to replace those who were killed? Who will erase from the memory of these thousands of orphans the grief of the loss of father or mother? How do we construct houses and schools from the rubble. And how do we care for the mutilated victims—those without arms or legs?

Members of the Congress, we write to you as men and women religious. We believe in God and we cannot fail to see this situation through the eyes for our Christian faith. Because of this faith and because we accompany the campesino people of Nicaragua who want peace, we must tell you that this U.S.-financed war is unjust and immoral. This war is a sin. It is not the fault of the Revolution, a Revolution which though still immature is full of possibilities.

The United States is using its force and enormous power, as well as money and propaganda, to impose its will on us and is making people suffer unspeakably, a people which only wants to live in peace and construct a dignified nation.

In the name of the God in whom we believe and of the people with whom we work and for whom we are willing to live and give our lives, we ask you to stop helping, by any means or in any way, the counterrevolutionary groups. Put your laws at the service of justice and treat this nation with respect.

Hear the cry of the people: "We want peace!" Peace here depends on you.

Signed by: 42 priests, religious and pastoral agents working in the war zones; and by 46 in other parts of the country.

(Translated by James and Margaret Goff, Antonio Valdivieso Ecumenical Center, Apartado 3205, Managua, Nicaragua.)

NATIONAL ORGANIZATIONS IN OPPOSITION TO COVERT INTERVENTION IN NICARAGUA WHO HAVE FORMALLY PASSED RESOLUTIONS OR SIGNED STATEMENTS AGAINST COVERT PROGRAM IN NICARAGUA

Agricultural Missions, Inc.

Amalgamated Clothing & Textile Workers Union, AFL-CIO.

American Association of Jurists, U.S. Section.

American Baptist Churches, USA.

American Christians for the Abolition of Torture.

American Civil Liberties Union.

American Ethical Union.

American Federation of Federal, State, County & Municipal Employees (AFSCME), AFL-CIO.

American Federation of Government Employees, AFL-CIO.

American Friends Service Committee.

American Lutheran Church.

Americans for Democratic Action.

Americans for Indian Opportunity.

Americans for Peace in the Americas.

Artists for Nuclear Disarmament.

Association for Community Based Education.

Association of Arab-American University Graduates, Inc.

Black American Law Students Association.

Catholic Peace Fellowship.

Center for Constitutional Rights.

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[1] Translated from "A los congresistas de los Estados Unidos de América," Managua, Feb. 11, 1985, 2 pp. (Mimeographed).

Center for Development Policy.
Center for International Policy.
Center for National Security Studies.
Center for Third World Organizing.
Center of Concern.
Chile Committee for Human Rights.
Chile Legislative Center.
Christian Church (Disciples of Christ).
Christic Institute.
Church Coalition for Human Rights in the Philippines.
Church of Scientology.
Church of the Brethren.
Church Women United.
Citizens' Energy Project.
Clergy and Laity Concerned.
Coalition of Latin American Trade Unionists.
Coalition of a New Foreign & Military Policy.
Commission on U.S.-Central American Relations.
Commission on Social Action of Reform Judaism.
Committee Against Registration and the Draft.
Committee for Health Rights in El Salvador.
Committee in Solidarity with the People of El Salvador.
Common Cause.
Conference of Major Superiors of Men.
Congregation of the Sisters of the Holy Cross.
Congress Task Force.
Council on Hemispheric Affairs.
Democratic Socialists of America.
Development Group for Alternative Policies.
DISARM Education Fund.
Dominican Sisters of the Poor.
Ecumenical Program for Interamerican Communication & Action.
Environmental Group.
Environmental Action Foundation.
Environmentalists for Full Employment.
Episcopal Peace Fellowship.
Fellowship of Reconciliation.
Franciscan Federation of Brothers and Sisters of the United States.
Friends Committee on National Legislation.
Friends of the Filipino People.
Fund for Constitutional Government.
Fund for New Priorities in America.
Fund for Open Information & Accountability.
Fur, Leather and Machine Joint Board, New York City Grand Jury Project.
Greensboro Justice Fund.
Haitian Refugee Project.
Humanitas International Human Rights Committee.
Indian Law Resource Center.
Institute for Food & Development Policy.
Institute for Secular Missionaries.
Interfaith Action for Economic Justice.
International Association of Machinists, AFL-CIO.
International Longshoremen & Warehousemen's Union.
International Union of Electrical Workers, AFL-CIO.
Interreligious Task Force on El Salvador & Central America.
Jubilee Fund.
Leadership Conference of Women Religious.
League of United Latin American Citizens.
Libertarian Party.
Maryknoll Fathers and Brothers.
Maryknoll Sisters.
Methodist Federation for Social Action.
Middle East Research and Information Project.
Middle East Resource Center.
Mobilization for Survival.
Moravian Church in North America.
Nation Institute.
National Alliance Against Racist & Political Repression.
National Assembly of Women Religious.
National Black United Front.
National Center for Immigrants' Rights.
National Coalition of American Nuns.
National Conference of Black Lawyers.
National Committee Against Repressive Legislation.
National Council of Churches of Christ.
National Education Association.
National Federation of Priests' Councils.
National Indian Youth Council.
National Interreligious Board for Conscientious Objectors.
National Labor Committee in Support of Human Rights and Democracy in El Salvador.
National Lawyers Guild.
National Network in Solidarity with the People of Guatemala.
National Network in Solidarity with the Nicaraguan People.
National Office of Jesuit Social Ministries.
NETWORK, A Catholic Social Justice Lobby.
New Jewish Agenda.
Newspaper Guild, AFL-CIO.
North American Congress of Latin America.
North American Federation of Temple Youth.
Organizing Media Project.
The Other Side/Jubilee, Inc.
Oxfam America.
Palestine Human Rights Campaign.
Pax Christi, U.S.A.
PUSH.
Quixote Center.
Rainbow Coalition.
The Redemptionists, Western Province.
Religious Task Force on Central America.
Riverside Church Disarmament Program.
SANE.
School Sisters of St. Frances Generalate.
Service Employees International Union, AFL-CIO.
Sisters of St. Joseph of Peace.
Society of Missionaries of Africa W.F.
Southern Christian Leadership Conference.
Sojourners.
TransAfrica.
Unitarian Universalist Association of Churches in North America.
Unitarian Universalist Service Committee.
United Automobile, Aerospace, Agricultural Implement Workers of America.
United Church of Christ.
United Church Board of World Ministries.
United Electrical Workers.
United Methodist Church.
United States Farmers Association.
U.S. Catholic Mission Association.
U.S. Out of Central America.
U.S. Peace Council.
United States Student Association.
Vietnam Trial Support Committee.
Vietnam Veterans' Peace Campaign.
War Resisters League.
Washington Office on Africa.
Washington Office on Latin America.
Witness for Peace.
Women for Racial and Economic Equality.
Women Strike for Peace.
Women USA.
Women's International League for Peace & Freedom, U.S. Section.
World Peacemakers.
Young Ideas, Inc.
Young Women's Christian Association of the USA.

(Compiled by SANE & the Coalition for a New Foreign & Military Policy.)

[From the New York Times, Mar. 30, 1985]

DON'T FUND THE "CONTRAS"

(By Adolfo Pérez Esquivel)

It must be clear to everyone that the confrontation between the Reagan Administration and the Sandinista Government has neared a breaking point. Both the Sandinistas and American policy makers seem unwavering in their determination to survive each other. Only Congress can defuse this time bomb.

Soon Congress is to decide whether to support the Administration's war against Nicaragua by voting an expected $14 million Administration request for covert aid to the "contras," or to seek a peaceful solution to the region's problems. Latin Americans hope common sense and a healthy awareness of self-interest will move the lawmakers to end the war against the tiny Central American republic.

The Reagan Administration has done its best to create an atmosphere conducive to deepening the conflict. It has waged an undeclared war through the contras, who, if given sufficient support, hope to topple the Sandinista regime. For Nicaragua, one of the world's poorest nations, this unrelenting aggression has resulted in postponement of economic development.

Material damages, inflicted with United States taxpayers' money, are estimated at more than $400 million. The fighting has killed more than 2,300 people, among them many women, children, students and workers. The Administration's rationale for its policy has been the Nicaraguan Government's alleged totalitarianism, its denial of basic freedoms and the menace it poses to its regional neighbors and, ultimately, to United States security interests.

During several trips to Nicaragua and the United States, I have grown convinced that these arguments are, at best, overstatements designed to justify an essentially unjustifiable policy of aggression. The debate on Capitol Hill will, I hope, reveal the distortion and manipulation of fact by high Administration officials.

Yes, the Sandinistas have made mistakes—but they have also registered remarkable achievements that far outweigh their shortcomings. Certainly, their mistakes do not justify the terrible punishment Washington is meting out. My conversations with Nicaraguan leaders in virtually all sectors of society made it clear that the Sandinistas recognize that a better understanding should be developed with the Roman Catholic Church, the opposition party, the press and the Miskito Indians.

But common sense dictates that we all take into account the dramatic social changes that Managua has implemented. The revolutionary Government has outlawed capital punishment and demonstrated extraordinary restraint in dealing with defeated adversaries, the deposed forces of Anastasio Somoza Debayle.

While the Sandinistas must divert a large portion of their financial and physical resources to defense, they have carried out policies that have resulted in a sharp decline in infant mortality rates and have greatly increased medical care for the population. Their health program caused the World Health Organization to select Nicaragua as one of the five model countries for

primary health care. These successes are mirrored by advances in education, with marked declines in the national illiteracy rate following one of the most effective literacy campaigns in Latin America.

The Administration ignores these accomplishments in its need to escalate the conflict. Through its support for the contras and direct intervention by the Central Intelligence Agency, it has bombed and mined Corinto, the main port, in violation of international law. It has disregarded the International Court of Justice while advocating terrorism against a sovereign state. It unilaterally withdrew from talks with the Sandinistas in Manzanillo, Mexico, and undermined the peace initiatives of the Contadora countries—Colombia, Mexico, Panama, Venezuela—when it failed to manipulate that initiative toward its own desired ends.

These acts of hostility and terrorism, far from breaking the Sandinistas' spirit, have only galvanized them in their resolve and rallied much of Latin America to their support. Even high Pentagon officials acknowledge that further assistance to the contras will not bring about military defeat of the Sandinistas.

Existing evidence, a feeling for history and common sense should enable Congress to reject the Administration's counterproductive policies.

At this critical moment, it seems the Sandinistas are ready to support a policy of nonintervention in the region by any external power and an end to arms shipments and use of military advisers in Central America.

The Congress should make clear its respect for self-determination of all peoples and reject the Administration's proposal for continued aid to the contras. At the same time, it must implement measures that would make it virtually impossible to circumvent that decision.

The Reagan Administration should resume talks with the Sandinistas, and seriously support the Contadora peace initiative. The choice is clear: the Administration either continues its policy of destruction and death or chooses one of cooperation and life.

A Better Way to Peace in Nicaragua

(By Sol M. Linowitz)

The president's new peace proposal for Nicaragua may mark a significant turning point in the administration's attitude toward the struggle in that country. In recent weeks, the administration has been indicating that its objective is the capitulation of the Sandinistas. But in his current proposal, the president emphasizes negotiation as the course to be followed in trying to deal with the problems, and implies willingness to support a negotiated solution that might be worked out between the parties. If it does nothing else, the proposal puts emphasis on a negotiated rather than a military solution to the fighting in Nicaragua. To that extent, it is a welcome move.

As to the specifics of the president's new plan, however, the fact is that it really isn't new and it isn't really his. The plan was previously put forward by the contras and rejected by the Sandinistas several weeks ago. The only truly new part of the plan has to do with the use of the $14 million in aid to be made available by the United States to the contras.

Here the problem is that the proposal would offer much to the contras and little to the Sandinistas. Indeed, the contras can't lose. The Sandinistas are called upon to negotiate based on the offer made by the contras a month ago. If the Sandinistas persist in their refusal to do so, then, under the plan the United States would be able to resume military aid to the contras. If the Sandinistas do undertake to negotiate but don't reach agreement with the contras within 60 days, then the contras can refuse to prolong the negotiations, and the United States will be free to resume military aid to them.

It is not too difficult to see why the Sandinistas would hesitate to enter into negotiations that promise legitimization of military aid to the contras if, within a designated time, the Sandinistas have not come to agreement with them.

Second, the president is asking Congress to approve indirectly what it has indicated it would not approve directly. It is obvious that while the president's proposal would make $14 million available to the contras for humanitarian purposes, this would free up other contra funds for the acquisition of military equipment and supplies.

It is also worth noting that in El Salvador, the United States has strenuously objected to "power sharing" between the government and the opposition group. But in the current proposal, the plan is for the government of Nicaragua to engage in negotiations with the contras that would seem to call for precisely the kind of "power sharing" previously denounced by the United States.

Is there another way to approach the situation that might have a greater prospect for success and also advance the administration's announced objectives?

The Contadora nations—Colombia, Mexico, Panama and Venezuela—have been trying to find a basis for peaceful settlement of the fighting in Nicaragua and elsewhere in Central America. It is regrettable that the United States did not consult with the Contadora group prior to the announcement of the new approach in Nicaragua. It is not too late, however, for the United States now to join with the Contadora group in calling for a dialogue in Nicaragua between the Sandinistas and the contras, under the aegis of Contadora and with the mediation of the Catholic Church.

There would be no preconditions for such a dialogue, and both sides would be given a full opportunity to state their positions in order to advance the prospect for national reconciliation and a fair and free election under international supervision. At the end of a designated period, the United States could reexamine the situation and determine whether humanitarian or other aid to the contras would be appropriate and necessary in the light of the facts as they have evolved.

The difference between this approach and the one set forth in the president's proposal is that the discussions between parties in Nicaragua would take place under the auspices of the Contadora nations, which have won the respect of both sides, and the United States will not hold the threat of military support for the *contras* over the negotiations. The Sandinistas would know, however, that if they refuse to participate in such a dialogue, they will have strengthened the case for aid to the *contras* in a way that the administration itself has not been able to do.

April 16, 1985.

Dear Member of Congress: In the coming days, Congress will consider a request from President Reagan to renew funding for a covert aid program against the Government of Nicaragua.

Attempts to destabilize the elected government of Nicaragua and support of the bombings, burning of villages and crops, murder of civilians, mining of harbors and assassination of officials offends American principles and is contrary to American desires.

We, the undersigned, are firmly opposed to any renewal of covert aid funding and want you to vote against any request to appropriate funds for the covert aid program against Nicaragua. This would include any request that would make available funds to the Central Intelligence Agency, the Department of Defense or any other agency or entity of the United States involved in intelligence activities which would have the effect of supporting directly or indirectly military or paramilitary operations in Nicaragua by any nation, group or individual.

We want you to oppose and vote against all efforts to any so-called economic options, humanitarian aid or any open and overt support funds to the "contras", as such aid only serves to support military operations against the government and people of Nicaragua.

Further, we urge an investigation of private sector funds for same activities, as these funds only serve to support military operations against the Government of Nicaragua.

Sincerely,

Tony Adams, producer; Julie Andrews, actress; Edward Asner, actor; Rene Auberjonis, actor; Ned Beatty, actor; Tinker Beatty; Tyne Daly Brown, actor; Georg Stanford Brown, actor/director; Jackson Browne, musician; Alan Burns, writer; Carol Caldwell, writer; David Clennon, actor; Sean Daniel; Michael Douglas, actor/producer.

Richard Dreyfuss, actor; Blake Edwards, director/producer; Shelly Fabares, actress; Mike Farrell, actor; Jack X. Fields, agent; Robert Foxworth, actor/director; Bonnie Franklin, actress; Robert Greenwald, director/producer; Stephanie Hagen, actress; Daryl Hannah, actress; Howard Hesseman, actor; Margot Kidder, actress; Barry Frost, producer; Dianthe Lebezon, attorney/producer; Edward and Mildred Lewis, producers; Martha Luttrell, agent; Paul Mazursky, director; Marc Merson, producer.

Marvin Minoff, producer; Elizabeth Montgomery, actress; Michelle Phillips, musician/actress; Mark Rosenberg, producer; Eugenie Ross-Leming, writer/producer; Susan Sarandon, actress; Pepe Serna, actor; Bert Schneider, producer; Timothy R. Sexton; Stanley K. Sheinbaum; Robert Singer, producer; Paul L. Tucker; Jeff Wald, producer; Paula Weinstein, producer; Julia Winston, curator; Bill Zimmerman, political consultant; David Soul, actor/director.

Inter-American Dialog Urges Policy Changes To End Nicaraguan Crisis

Members of the Inter-American Dialogue, a private, non-partisan group of prominent leaders from Latin America and the Caribbean, the United States, and Canada, today called on the U.S. government to "renounce plans—overt or covert, direct or indirect—to renew support for the military and paramilitary activities of the Nicaraguan insurgents" (the contras). In a statement released by Dialogue co-chairmen Sol M.

Linowitz and Galo Plaza, the group also called on the Nicaraguan government to renounce support for the insurgents in El Salvador. "There will be no peace in Central America as long as the norm of non-intervention is flouted by any country."

Declaring that the tensions between the United States and Nicaragua threaten the Hemisphere's security "more than any situation in 20 years," the Dialogue statement proposed five steps to achieve peace in Nicaragua. It urged the United States to "recognize, as did the Kissinger Commission, that an indigenous revolution in the Americas can be compatible with U.S. national security, and to refrain from interfering in the internal affairs of Nicaragua."

The statement on Central America (full statement attached) was issued by members of the Dialogue's newly-formed Executive Committee after an all-day meeting in Washington. Members present were: Sol M. Linowitz, former U.S. Ambassador to the Organization of American States and principal U.S. negotiator of the Panama Canal Treaties; Galo Plaza, former President of Ecuador and Secretary-General of the Organization of American States; Peter Bell, former President of the Inter-American Foundation; Rodrigo Botero, former Finance Minister of Colombia; McGeorge Bundy, former U.S. National Security Advisor; Jose Maria Dagnino Pastore, former Finance Minister of Argentina; Ivan Head, President of the Canadian International Development Research Centre; Daniel Oduber, former President of Costa Rica; and Elliot Richardson, former Secretary of Defense and Attorney General. Other Committee members are Fernando Henrique Cardoso, the Senate leader of Brazil's governing party, and Ralph Pfeiffer, chairman of IBM World Trade Americas/Far East Corporation.

Chairmen Linowitz and Plaza also announced the Committee's decision to launch a five-year program of activities for the Inter-American Dialogue. The Dialogue will meet again in plenary in November and expects to issue its third report on U.S.-Latin American relations early in 1986. The Dialogue has a membership of approximately 50 persons, drawn equally from North America and Latin America. Participants include former presidents and cabinet secretaries; bankers, industrialists, and labor leaders; scholars, media executives, and foundation heads; and religious, political, and military leaders.

CURRENT U.S.-LATIN AMERICAN RELATIONS, EXECUTIVE COMMITTEE, INTER-AMERICAN DIALOGUE, APRIL 4, 1985

The crisis of economic growth, debt, and trade remains the most important problem in Latin America today. Recent progress toward restructuring the external debt of several major countries is significant, but it should not obscure the fact that the region's fundamental economic problems are unresolved; indeed, they may be worsening.

The next session of the Inter-American Dialogue will consider proposals to deal with regional economic problems. It will examine the proper role of international financial institutions, of foreign investment, and of national policies—both of the Latin American countries and of the industrial countries, including the United States. The Dialogue will also take up other major issues, including narcotics, immigration and refugees, and arms control. We will continue our strong focus on how to strengthen democracy and help assure the protection of human rights throughout the Hemisphere.

We are compelled today to address the most urgent issue in the Americas: the dangerous tension between Nicaragua and the United States that threatens the region's security more than any situation in 20 years.

Only a few months ago, the diplomatic initiative of the four Contadora nations to fashion a settlement in Central America seemed promising. We welcomed the start of direct U.S.-Nicaraguan talks at Manzanillo, Nicaragua's positive response to the second Contadora draft treaties, and the Nicaraguan commitment to hold national elections in 1984.

Our hopes have dimmed in recent months. The Contadora process has run into serious obstacles. Nicaragua's regime and leading opposition parties could not agree on procedures to make the 1984 elections broadly representative. The United States has suspended the talks at Manzanillo and has stepped up pressures against Nicaragua. Recent public statements suggest that the U.S. government may be seeking capitulation by the Sandinistas. The possibility of a much more intense war in Nicaragua, involving the United States indirectly—and perhaps even directly—is real.

Even if such a war is avoided, the Nicaraguan crisis may poison U.S.-Latin American relations and undermine efforts to resolve other serious hemispheric problems. It has already weakened the Organization of American States and the Inter-American Development Bank, and prompted a challenge to the authority of the World Court. It has polarized the domestic politics of Costa Rica and Honduras. It has distracted attention, especially in the United States, from the fundamental Latin American economic crisis. Most important, in human terms, the fighting in Nicaragua has killed and wounded thousands, displaced tens of thousands from their homes, and set back the country's economy by a decade or more.

It is imperative that the leaders of the United States, Nicaragua, the other Central American countries, Cuba, and the Contadora nations work to forge peaceful solutions to the struggles in Central America.

Last Sunday's election in El Salvador shows the popular support for President Jose Napoleon Duarte's dramatic initiative to open a dialogue with the insurgent left at La Palma. Now President Duarte, strengthened by these elections, should move vigorously toward negotiation. In this effort, he requires the strong support of the United States and the other nations of the Hemisphere. These negotiations must be more than a tactic, for they are the only path to lasting peace in El Salvador.

With regard to Nicaragua, we believe that every effort must be made to achieve peace before a wider war becomes inevitable.

1. We call upon the governments of Nicaragua and the United States to resume their bilateral discussions.

2. We ask the government of Nicaragua to open the way toward national reconciliation by pursuing a dialogue with all significant parties who seek an end to the civil war and by providing the conditions necessary to hold free and fair elections under international supervision.

3. We ask the government of the United States to recognize, as did the Kissinger Commission, that an indigenous revolution in this Hemisphere can be compatible with U.S. national security and with hemispheric security, and to refrain from interfering in the internal affairs of Nicaragua. The United States and the other countries of the Hemisphere share a concern to prevent the expansion of a Soviet or Cuban military presence in the Americas.

4. We call upon the Contadora nations, meeting again next week, to persist in the difficult task of negotiation, and to recommit their best efforts toward designing inspection and verification provisions that can be monitored and enforced, taking into proper account the concerns of all parties. We call upon the governments of the United States and Nicaragua to commit themselves, in deed and not just in word, to active support for the Contadora process of mediation and for a negotiated regional settlement.

5. Finally, it is imperative that the governments of Nicaragua and the United States pledge themselves not only to the principle but to the practice of non-intervention. The government of the United States should clearly renounce plans—overt or covert, direct or indirect—to renew support for the military and paramilitary activities of the Nicaraguan insurgents. The Nicaraguan government should clearly renounce all support for the military and paramilitary activities of the insurgents in El Salvador and elsewhere. There will be no peace in Central America so long as the hemispheric norm of non-intervention is flouted by any country.

EVOLUTIONS OF PRESIDENT REAGAN'S COMMENTS ON UNITED STATES SUPPORT FOR THE NICARAGUAN CONTRAS

1982

February 18, 1982

". . . we know that the Nicaraguan army is of tremendous size beyong anything that they might need for possible defense."

February 24, 1982

"For almost 2 years, Nicaragua has served as a platform for covert military action."

March 24, 1982

"We showed our intention to Nicaragua at the very beginning when we renewed a grant to them. And the grant was on—this was before they were quite as openly left—before they'd gotten rid of some of their moderates. And we withdrew the balance of the grant when we found they'd lied, because they—at the time of the grant, they promised us that they would not in any way intervene in Salvador."

December 4, 1982

". . . we've tried to communicate with Nicaragua, tried to convince them that there could be another way to go."

1983

March 29, 1983

". . . we have tried to get along with the government of Nicaragua and tried from the first . . . they made pledges to us that they would not involve themselves in El Salvador. And we found them in direct violation of that which they could not deny—that they were arming the guerillas in El Salvador.

". . . it was a revolutionary coalition . . . when the revolution was over, one faction—and it turned out to be the extreme leftist function—simply took over and ousted the other revolutionary partners . . . And what we're seeing now are the other revolutionary factions—totally ousted from any participation in the government—now fighting back on that."

April 14, 1983

". . . the Nicaraguan government is a revolutionary government that took power by

force, but with the promise of democratic elections, none of which have taken place.

". . . Anything that we're trying to do in that area is simply trying to interdict the supply lines which are supplying the guerrillas in El Salvador."

April 27, 1983

"Let us be clear as to the American attitude toward the Government of Nicaragua. We do not seek its overthrow. Our interest is to ensure that it does not infect its neighbors through the export of subversion and violence. Our purpose, in conformity with American and international law, is to prevent the flow of arms to El Salvador, Costa Rica, Guatemala, and Honduras. We have attempted to have a dialogue with the Government of Nicaragua, but it persists in its efforts to spread violence.

". . . We should not, and we will not, protect the Nicaraguan government from the anger of its own people. But we should, through diplomacy, offer an alternative. And as Nicaragua ponders its options, we can and will—with all the resources of diplomacy—protect each country of Central America from the danger of war."

May 4, 1983

(Q): "You'd be willing to accept the idea of covert aid to the anti-Sandinistas in Nicaragua?"

(RWR): "Yes, but not if they do it as one individual or more than one, as suggested on the Hill—that they would do it, and then, we would have to enforce restrictions on the freedom fighters as to what tactics they could use."

(Q): "All of a sudden now we're aiding freedom fighters. I thought we were just interdicting supplies into other countries?"

(RWR): ". . . I thought that the use of freedom fighters was because—I found out that it seems as if there's a kind of bias in the treatment of guerrilla fighters. It depends on what kind of government they're opposing. . . ."

"In reality, when we talk about Nicaragua and everyone says, 'the government in Nicaragua,' well, it was a government out of the barrel of a gun . . . And what really—other than being in control of the capital, you might say, and having a handle on all the levers—what makes them any more a legitimate government than the people of Nicaragua who are asking for a chance to vote for the kind of government they want?"

May 4, 1983

". . . these forces that have risen up in opposition to the Sandinista government are under what you might say is a sort of a group, a controlling body . . . Most of them are former anti-Somoza people. They are people who simply want this Government of Nicaragua to keep its promises."

July 21, 1983

". . . what is really needed is what the Contras are asking for, and that is the Sandinista government is in violation, literally, of a contract that they made with the Organization of American States . . . what the Contras are really seeking, having been members of the Sandinista Revolution for the most part in its effort to bring democracy to Nicaragua, they are trying to restore the original purpose of the revolution . . . what is being struggled for there is a restoration of the original revolution."

August 13, 1983

"And we oppose the unelected Government of Nicaragua, which supports those El Salvadoran guerrillas with weapons and ammunition. Now, that, of course, puts us in sympathy with those Nicaraguans who are trying to restore the democratic promises made during the revolution, the so-called contras."

1984

March 29, 1984

"And many of the people now fighting as so-called contras are elements of the revolution . . . it is less an overthrow that they're fighting for as it is a demand that they be allowed to participate in the government and that the government keeps its promises as to what it had intended for the people . . . And I see no dichotomy in our supporting the Government, the democratic Government of El Salvador, and the contras here.

April 4, 1984

"The present Government of Nicaragua is exporting revolution to El Salvador, its neighbor . . . and as long as they do that, we're going to try and inconvenience that government of Nicaragua until they quit that kind of action."

April 10, 1984

(The Principal Deputy Press Secretary) "Further, last week (April 4) the President sent a letter to the majority leader of the Senate, Howard Baker, assuring him that our objectives and goals in the region had not changed—specifically, 'the United States does not seek to destabilize or overthrow the Government of Nicaragua.' "

April 15, 1984

(Radio address) "We've maintained a consistent policy towards the Sandinista regime, hoping they can be brought back from the brink peacefully through negotiations."

May 9, 1984

(Address to the Nation) "By aiding the Communist guerrillas in El Salvador, Nicaragua's unelected government is trying to overthrow the duly elected government of a neighboring country . . . by contrast, the contras, the freedom fighters in Nicaragua, have offered to lay down their weapons and take part in democratic elections, but there the Communist Sandinista government has refused. That's why the United States must support both the elected government of El Salvador and the democratic aspirations of the Nicaraguan people."

October 31, 1984

". . . talking is what is needed . . . it isn't the overthrow of a government. It is getting that government to return to the principles of revolution that it enunciated when it was fighting the revolution."

November 4, 1984

(Q): What about the contras? Are you going to continue to seek funding for them?

(RWR): Yes, because the Sandinista government is still supporting the guerrillas that are fighting against the duly elected government of El Salvador.

November 9, 1984

(On Intelligence Authorization Act for FY'85) "I sincerely regret the inability of Congress to resolve the issue of continuing certain activities in Nicaragua that are important to achieving U.S. policy objectives. The necessity of U.S. support for this program is beyond question. I am signing this act [H.R. 5399] with every expectation that shortly after the next Congress convenes it will provide adequate support for programs to assist the development of democracy in Central America."

December 14, 1984

"The contras are veterans of the revolution that put the Sandinistas in power. And it was a total revolutionary effort aimed at democracy."

February 6, 1985

(State of the Union Address) "Support for freedom fighters is self-defense and totally consistent with the OAS and UN Charters."

February 11, 1985

"I think there's every reason for the *contras* to be representing those who continue to strive for the democracy that they fought for a revolution to get."

(Q): "How do we propose to help the contras?

(RWR): "Well, I think that we—I still believe in covert programs where they're necessary and where they're desirable. And so, once you say that, then there are some limits to what you can specify."

February 16, 1985

(Radio Address) "The true heroes of the Nicaraguan struggle—non-Communist democracy-loving revolutionaries—saw their revolution being betrayed and took up arms against the betrayer. These men and women are today the democratic resistance fighters some call the contras. We should call them freedom fighters."

February 21, 1985

(Q): ". . . Secretary Shultz suggested that a goal of your policy now is to remove the Sandinista government in Nicaragua. Is that your goal?"

(RWR): "Well, remove in the sense of its present structure, in which it is a Communist totalitarian state, and it is not a government chosen by the people . . ."

(Q): ". . . aren't you then saying that you advocate the overthrow of the present government of Nicaragua?

(RWR): "Not if the present—"

(Q): "—you substitute another form of what you say was the revolution?"

(RWR): "Not if the present government would turn around and say, all right, if they'd say "Uncle. All right, come on back into the revolutionary government, and let's straighten this out and institute the goals."

March 8, 1985

"I've spoken recently of the freedom fighters of Nicaragua. You know the truth about them. You know who they're fighting and why. They are the moral equal of our Founding Fathers and the brave men and women of the French Resistance. We cannot turn away from them, for the struggle here is not right versus left; it is right versus wrong."

March 21, 1985

". . . the U.S. is trying to help people who had a Communist tyranny imposed upon them by force, deception, and fraud."

March 25, 1985

"The freedom fighters are people of the land; they're the true revolutionaries. They are the hope for a future of democarcy, and with out help, democracy can and will be restored."

THE WHITE HOUSE,
Washington, DC, April 4, 1984.

Hon. HOWARD BAKER,
Majority leader,
U.S. Senate,
Washington, DC.

DEAR HOWARD: There have been questions resulting from my March 29, interview in the New York Times and whether our policy toward Nicaragua has changed.

The fact is, no change has occurred. The United States does not seek to destabilize or overthrow the Government of Nicaragua; nor to impose or compel any particular form of government there.

We are trying, among other things, to bring the Sandinistas into meaningful negotiations and constructive, verifiable agreements with their neighbors on peace in the region.

We believe that a pre-condition to any successful negotiations in these regards is that the Government of Nicaragua cease to involve itself in the internal or external affairs of its neighbors, as required of member nations of the OAS.

Sincerely,

RONALD REAGAN.

PROPOSAL TO THE NICARAGUAN GOVERNMENT FOR A SOLUTION TO THE CRISIS IN OUR COUNTRY

The political parties that have signed this document, inspired by the best and most constructive patriotic spirit to achieve Nicaragua's pacification and ensure its future development based upon the Nicaraugans' authentic wishes, declare their firm and public decision to make every effort to achieve these objectives.

Also supported are the Contadora Groups's efforts recently reiterated in the Caraballeda Message issued on 12 January 1986, especially Section II, Clause B.

For this purpose the government is urged to join the people in attaining the following goals within the shortest time possible:

1. An agreement to immediately suspend hostilities between the government forces and the irregular forces opposed to them as a preliminary step toward a definite peace agreement and the country's demilitarization.

2. Approval of an effective general amnesty law for political crimes and related common crimes that will result in an effective reconciliation of the Nicaraguan family.

3. Abolition of the state of emergency, and full reestablishment and implementation of the Nicaraguans' rights and guarantees.

4. Signing of an agreement between the country's political parties for the preparation and fulfillment of a new electoral process that will lead to general elections in which all of the political parties or groups that desire to participate may do so, once they have obtained political and legal recognition.

5. Effective, fulfillment of international commitments in favor of Nicaragua's democratization.

6. The invitation to existing continental organizations (Contradora) and ad hoc groups that have demonstrated an interest in peace and justice in the Central American area, as well as to international political organizations, so they can express their concurrence with implementation of the points demanded.

Signed:

Independent Liberal Party: Virgilio Godoy, President.

Social Christian Party: Francisco Taboada.

Social Democratic Party: Luis Rivas Leiva, Secretary General.

Constitutionalist Liberal Party: Rodolfo Mejia Ubilla, Adjunct Secretary General.

Democratic Conservative Party of Nicaragua (nonruling party): Enrique Sotelo B., National Political Secretary.

Nicaraguan Conservative Party: Mario Rappaccioli, National President.

[From the New York Times, Mar. 6, 1986]

NICARAGUA BUSINESSMEN EXPRESS FEAR OF ATTACKS BY THE SANDINISTAS

(By Stephen Kinzer)

MANAGUA, NICARAGUA, March 5.—A group of leading Nicaraguan businessmen issued a strong denunciation of the Government today, saying they feared for their lives and liberty.

In a statement, the businessmen said President Daniel Ortega Saavedra appeared to be threatening them when, during a nationally broadcast speech Feb. 21, he singled out the Superior Council of Private Enterprise as among those responsible for the country's problems.

The council is Nicaragua's principal private-sector federation, and has been a leading critic of the Sandinista Government.

Its president, Enrique Bolanos, said today that a council leader was killed by security police in 1980, and that several others were jailed in 1981. He suggested that the Government could be preparing another attack against the organization.

PROTECT OUR EXISTENCE

Mr. Bolanos called on democratic governments to "act vigorously to defend and protect our existence, before you have to lament a sin of omission."

Mr. Bolanos and leaders of the council who were seated beside him as he spoke to journalists and supporters said their statement was not intended to support the Reagan Administration's request that Congress renew aid to anti-Sandinista guerrillas.

But they refused to condemn President Reagan's request for $70 million in military aid and $30 million in economic aid for the rebels.

Nicaraguan leaders have repeatedly demanded that all patriotic Nicaraguans speak out against United States policy toward their country.

"As Nicaraguans, both sides of the conflict are ours," said Jaime Bengoechea, President of the Chamber of Industry. "Choosing to support one of the bans only increases the problem."

CHALLENGE TO SANDINISTAS

Another activist member of the council, Ramiro Gurdián, said, "Only the Sandinistas can end the spilling of blood in Nicaragua."

Mr. Bolaños, a leading opposition activist whose land was confiscated by the Government last year, read a statement that reflected the continuing confrontation between the Sandinistas and their domestic opponents.

"The Sandinistas front, lord and absolute master of Nicaragua through the power of the cannon and the militarist boot, behind the back and against the tradition, will morality, individuality and religous beliefs of the immense majority of the Nicaraguan people, is forcing the implementation of its Marxist-Leninist project," the council's statement asserted.

It continued, "The logical consequences, among many other things, are shortages, discontent, economic collapse, hunger, and above all, the spilling of blood and the direct and deep immersion of Nicaragua into the East-West confrontation.

NO NEW DIRECT THREATS TO GROUP

Although Sandinista officials have said that only traitors would refrain from condemning United States policy toward Nicaragua, there have been no new direct threats against the enterprise group or the opposition newspaper La Prensa, which President Ortega condemned in his Feb. 21 speech as "the newspaper of intervention."

Mario Rappaccioli, an anti-Sandinista activist who attended the news conference today, said the businessmen were protesting because the Sandinistas "like to catch you unprepared."

He continued, "They set you up with a lot of accusations and then one day they can grab you."

Business leaders said they supported a peace proposal issued Jan. 30 by six Nicaraguan politcal parties. It called for an immediate cease-fire by warring groups, a new amnesty law, an end to the state of emergency decreed in October and new national elections.

The official Sandinista newspaper, Barricada, condemned the proposal as "a document that would sell out the country."

COMMUNIQUE ISSUED BY THE MEMBERS OF THE CONTADORA GROUP AND THE GROUP OF SUPPORT

The Ministers of Foreign Affairs of the Contadora Group (Colombia, Mexico, Panama and Venezuela) and of the Group of Support (Argentina, Brazil, Peru and Uruguay) met today with the U.S. Secretary of State, George P. Shultz, in an attempt to encourage Contadora's process of negotiation and begin undertaking the actions set forth in "the Caraballeda message" within the context of the dialogue which the eight Latin American governments have decided to maintain with all parties involved in the Central American conflict.

This message—representing a Latin American initiative towards peace, security, and the strengthening of democracy in Central America—proposes the following essential measures for their immediate implementation:

The renewal of negotiations leading to the endorsement of Contadora's act for peace and cooperation in Central America.

The cessation of support to irregular forces operating within the region.

The cessation of support to insurrectional movements in all countries of the region.

A freeze in the procurement of armament and their progressive reduction.

The end of international military maneuvers.

The progressive reduction, leading to a complete removal, of foreign military advisors and foreign military installations.

A non-aggression commitment made by each of the five Central American countries through unilateral statements.

The adoption of purposeful steps leading to national reconciliation and the full observance of human rights and civil liberties.

To promote regional and international cooperation, in order to reduce the pressing economic and social problems affecting the Central American region.

This initiative was endorsed by all Central American governments in Guatemala, on January 14, 1986, and has the explicit support of the members of the European Economic Community and of the international community in general.

In their meeting with Secretary Shultz, the Latin American foreign ministers underlined the need for the above actions to be urgently undertaken, and for progress to be made regarding each of these actions in a simultaneous manner. In this regard it was restated that the end of external support to irregular forces operating in the area is an indispensable contribution to peace. It was also mentioned as imperative the need to

adopt effective measures of national reconciliation in all situations where there have been deep divisions within the social fabric.

The ministers affirmed that regional security and stability require the observance of what eight Latin American democracies defined in Caraballeda as permament bases for peace. That is: A Latin American solution, self-determination, non-interference in the internal affairs of other states, territorial integrity, pluralistic democracy, non-presence of weapons or military bases, not undertaking acts of aggression, non-presence of foreign troops or advisors, non-support of subversive groups, and the respect of human rights.

The ministers also expressed their firm decision to continue negotiations leading to the achievement of a peaceful solution to the regional crisis, with the parties directly involved in the Central American conflict, and with countries with ties and interests in the region.

Meeting in a climate of frankness, the Latin American foreign ministers and U.S. Secretary of State Shultz coincided completely in that the solution to the Central American crisis must be found within political channels and through negotiations.

WASHINGTON, DC. *February 10, 1986.*

PUNTA DEL ESTE COMMUNIQUE

The Ministers of Foreign Affairs of Colombia, Mexico, Panama and Venezuela, members of the Contadora Group, and those of Argentina, Brazil, Peru, and Uruguay, members of the Group of Support, met in Punta del Este, Uruguay, on February 27th and 28th, 1986, for the purpose of studying the evolution of conditions in Central America, to follow- up on their proposals, and to continue carrying out the actions prescribed by the "Caraballeda Message for Peace, Security and Democracy in Central America."

2. The Ministers had the satisfaction of confirming that the international community has given its explicit support to the Caraballeda Message, and particularly that the Central American Governments themselves accept the Message through the Declaration of Guatemala; the Ministers also remarked that the Contradora process towards peace in the region has gained new thrust, thus proving this to be the only way of reaching a fair and negotiated solution to the crisis.

3. The Ministers underlined the importance of normalizing relations between the governments of Costa Rica and Nicaragua, and emphasized the fruitful results of the meeting held by the Deputy Ministers of Foreign Affairs of both countries with the participation of those of the Contadora Group in the city of Managua, on February 24, 1986. In this regard, the Foreign Affairs Deputy Ministers expressed their support for this kind of actions which contribute to a climate of trust in the Region and are an expression of the desire by all parties involved for a prompt establishment of peace in the area.

4. A new meeting was called for on this occasion, to be held March 12, 1986, in San José Costa Rica, for the purpose of determining the form to be taken by the "Civil Commission for Observation, Prevention and Inspection on the border between Nicaragua and Costa Rica, which will have the necessary technical and logistic means and international participation. This task will be carried out by the Contadora Group with the collaboration of the Group of Support.

5. This Commission is, in fact, a clear expression of the progress being made and the results which will not doubt be attained through the consensus of Latin America as a whole. Latin America must solve and is able to solve its problems without foreign intervention.

6. The Ministers coincided in their opinion that it is indispensable to complete, as soon as possible, the negotiation of Contadora's Act for Peace and Cooperation in Central America, on the basis of the proposals made by the Contadora Group regarding issues still pending agreement, so that the Act will be signed and become effective as soon as possible. The Ministers also underlined that the Caraballeda Message far from substituting the negotiation process of Contadora's Act contributes to expedite its coming into effect.

7. The Ministers however emphasized the need for the total observance of the "permanent bases for peace" contained in the Caraballeda Message. It is, consequently necessary to initiate the actions proposed in that Message. It is also necessary that these actions be simultaneously undertaken, so that they reinforce reciprocal confidence, which is indispensable to achieve peace and that no action will be given priority to the detriment of others. Each of them is valid perse therefore, they cannot be conditioned to one another, since each of them constitutes a political and legal duty for each state.

8. The Ministers reiterated that the cessation of external support to irregular forces and insurrectional movements operating in the countries of the Region is an imperative need for the reestablishment of international legal order, and a contribution which will favor the endeavors towards peace.

9. The Ministers also made a call regarding the indispensable need for a negotiated solution to the internal conflicts experienced by some of the countries in the Region, and indicated the urgency for their respective governments to adopt measures leading to a genuine national reconciliation. In this regard, the Ministers reiterated their willingness to contribute towards the completion of this process by all means considered to be convenient.

10. The Ministers expressed their satisfaction in convening the forthcoming summit meeting of Central American Presidents, which doubtless will contribute to emphasize the climate of understanding and to reestablish the trust indispensable for peace.

11. The Ministers also underlined the fact that the creation of the Central American Parliament shall help to the achievement of the aforementioned objective and particularly the strengthening and permanence of the democratic processes which must be consolidated in each of the Central American countries.

12. The Ministers decided to continue their endeavors towards peace and, for this purpose, are making a cordial invitation to their colleagues of the five Central American States, to consider, in a meeting to be held the second half of March in the island of Contadora, the progress made and the new actions to be taken.

13. To conclude, the Ministers stated that the solution to the Central American crisis implies ensuring peace, security and prosperity for the entire Latin American Region. History shows that any kind of foreign intervention in Latin America, as well as any country's interference in the internal affairs of others, makes the international legal order vulnerable and, consequently, endangers peaceful coexistence among nations.

14. Democratic self-determination, territorial integrity, and noninterference are the irreplaceable bases for the solution of the actual crisis in Central America, and the sine qua non conditions of our existence as free and independent nations.

PUNTA DEL ESTE, URUGUAY, *February 28, 1986.*

Mr. BINGAMAN. Mr. President, I rise in support of Senator KENNEDY's amendment to block the administration's proposal for $100 million in humanitarian and military aid to the so-called Contras fighting against the Sandinista government of Nicaragua.

I believe that there is a serious inconsistency in our policy toward Nicaragua. We have granted the Sandinista government full diplomatic recognition. This implies acknowledging the full sovereignty and legitimacy of the Sandinista government over the territory of the country. On the other hand, we support what amounts to an armed insurrection against that government by forces which, by their own admission, wish to overthrow it. I have no misconception about the Government of Nicaragua. It is a self-proclaimed Marxist regime that has actively sought and accepted aid from other totalitarian countries, including the U.S.S.R. and Cuba. I question, Mr. President, whether this circumstance, in terms of international law, is sufficient grounds to justify the administration's policy.

Before we provide aid to the Contras, I think we also need to ask ourselves if we have a realistic expectation that whatever government the Contras would bring to Nicaragua would be an improvement for the Nicaraguan people. The administration seems to be very clear about what it is against in Nicaragua. It is against the Sandinista government and against increased Soviet and Cuban influence in this region. But what are the positive goals that the administration wants to achieve? If these goals include freedom and democracy for Nicaragua, it is not clear to this Senator that support for the Contras will achieve those ends.

Despite assurances from our State Department that Contra leaders are supporters of democracy, I still have serious doubts about the character of the Contra movement. During the early stages, many Contra leaders were previous members of the Somoza regime. Now we hear that the Contra leadership has changed, and we hear the Contras described as "freedom fighters." Mr. President, I do not think we should ask the taxpayers to pay $100 million if there is a high probability that we might simply be trading one despotic Nicaraguan Government for another.

A historic mistake which the United States has made in dealing with Latin America has been to respond to their longstanding problems with ill-advised immediate solutions. We have supported corrupt regimes to suit our short-

term economic interests. I believe that we are paying a price for this past policy in both Cuba and Nicaragua today. I further believe that supporting the Contras is a countinuation of this shortsighted policy of political and economic expediency.

If our country plans to spend hundreds of millions of dollars—perhaps billions—over the next few years in Latin America, I think we must take a longer view of the problems in the area. First, we must decide what are our long-term objectives in Latin America and what barriers must be overcome for us to meet those long-term objectives. Then we need to decide what strategy is necessary to overcome the barriers to reach our objectives. And finally, in terms of the problem we are here to discuss today, we should decide how to deal with Nicaragua in a manner consistent with our overall strategy.

I believe that one of our objectives should be to ensure economic, military, and political stability throughout Latin America. Such stability would generate better trading partners for the United States in the area and would prevent the spread of totalitarian and Communist influence. Some of the factors that prevent stability in the region include poverty, a lack of self-sufficiency in industry and agriculture, political upheaval, and a low level of literacy. In addition, many countries in the region retain an economic and social system of two classes, the "haves" and the "have nots." Autocratic governments, including the one that is in power in Nicaragua today, are created from these conditions.

The Contadora countries, including Mexico, Venezuela, Columbia, and Panama, have what I believe is a valid perspective on the situation in Nicaragua. They recognize that the Nicaraguan ties to Cuba and the Soviet Union are a serious problem, but they do not see Central America primarily as the frontline of freedom against Communist expansion. To the Contadora countries, Nicaragua is symptomatic of the need for progress against poverty, unemployment, and international indebtedness. I believe that the Contadora countries have more accurate understanding of the situation than does the Reagan administration. It is significant that not one country in the Contadora group supports the President's policy on Contra aid. I, therefore, recommend that the United States support more fully the Contadora process and honestly adopt the recommendations of the Contadora group.

Mr. President, I am not so naive to believe that the Nicaraguan Government is about to emerge as a democratic country. However, I do believe that there is a basis for negotiation and I believe we should exhaust diplomatic discussions before we resort to military action. It is both unrealistic and, in my view, counter productive to embrace the President's objectives, which would be satisfied when the Nicaraguans, in the administration's words, "holler uncle." In my view, this objective is not a mature basis for establishing U.S. foreign policy.

Mr. President, I have not received any mail from or talked with any constituent from my home State who wants to send U.S. troops into Central America. But I feel that opting immediately for a military approach in this area, the United States puts itself that much closer to direct military intervention. As long as the Nicaraguans perceive a threat from the Contras, I believe we will see more incursion by Sandinista troops into Honduras. This situation can only lead to military escalation and increased U.S. involvement. President Reagan has said that the United States would not send troops into Central America, but that he would keep up pressure on the Sandinistas by use of military action. This policy looks like a dead end which will result in total failure or lead to direct U.S. involvement.

In summary, we do not have a viable policy in Central America. Our friends in the region are against us because we have not supported the Contadora process, despite administration assurance last year. The Reagan administration apparently will be satisfied with nothing less than the overthrow of the present Nicaraguan Government. However, I do not believe that any objective military analyst believes that the Contras are now capable, or would be capable, even with a $100 million in assistance, of achieving this goal.

Despite the fact that Nicaragua is now dedicating a huge proportion of its budget to countering the Contras, which has caused economic hardships for the average Nicaraguan citizen, there are few signs of a significant popular uprising against the Ortega government. In fact, I surmise that United States actions may create a seige mentality among Nicaraguans and actually strengthen Sandinista control.

Mr. President, I see grim signs for the United States future in Central America based on the present policies of the Reagan administration. We are continuing to push the Nicaraguan Government farther away from democratic processes and more into the arms of the Soviet Union and Cuba. I urge my colleagues to vote against the administration's proposal.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BUMPERS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BUMPERS. Mr. President, before we get into this whole question of aid to the Contras, I just want to touch on something that received a little notoriety at one point, but not very much, and to say that whatever passes out of here, I hope this problem will be redressed.

It deals with a GAO report to the House committee which asked for a report on what happened to the $27 million of humanitarian aid we voted for the Contras last year.

I ask unanimous consent that that report be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. BUMPERS. Mr. President, that report pointed out, No. 1, that of the $27 million we voted last year, only $12.2 million has been spent. Of the $12.2 million which has been spent, $5.1 million was spent in the United States for supplies which were sent to the Contras. The GAO has a perfectly legitimate trail of the expenditures, receipts, and proper documentation of the expenditures.

However, as the report points out, the other $7.1 million presents an entirely different picture and an entirely different problem. That is money that they say was spent in "the region." They do not define the region, but presumably it is in the Honduras-Nicaraguan area.

Of the $7.1 million, which came to 58 percent of the total funds spent, they were unable to trace the expenditures of the money, to determine whether or not the money had been spent for humanitarian aid, and to determine whether or not anything had ever been delivered.

The only thing the report points out is that there was a very curious arrangement under which the money was to be sent to Miami banks, in the names of designated suppliers. The money went to Miami banks, in the names of people who were reputed to be suppliers of this nonlethal humanitarian aid, but nobody can determine that the U.S. Government or the Contras received any of the humanitarian goods.

The GAO report goes on with a further indictment by saying that despite this sorry record and the fact that we cannot document that any of the $7.1 million actually went to the Contras in the form of supplies—despite that fact and despite the fact that the GAO has communicated this problem to the State Department, an increasing proportion of future expenditures are calculated to be spent "in the region."

Mr. President, we now know where hundreds of millions of dollars of aid that we have given the Philippines over the last several years has gone. I am not suggesting that this money is going to work its way from Miami bank accounts into Swiss bank accounts. But I do say that it would be the height of irresponsibility for this body to vote on an aid bill for the Contras that did not take into account this GAO report and provide some kind of system to be certain that whatever we send there, humanitarian or lethal aid, can be accounted for.

Mr. President, unless there is some other Senator who wishes to speak, I yield the floor.

EXHIBIT 1

STATEMENT OF FRANK C. CONAHAN, U.S. GENERAL ACCOUNTING OFFICE, BEFORE THE COMMITTEE ON FOREIGN AFFAIRS, SUBCOMMITTEE ON WESTERN HEMISPHERE AFFAIRS, HOUSE OF REPRESENTATIVES, ON HUMANITARIAN ASSISTANCE TO THE NICARAGUAN DEMOCRATIC RESISTANCE

Mr. Chairman, Members of the Subcommittee, I am pleased to be here to discuss the management of the $27 million in humanitarian assistance authorized for the Nicaraguan democratic resistance. My statement will concentrate on our review of the accounting and management procedures and controls to ensure that the funds are being spent in accordance with the law's intent.

Before I discuss the results of our review, I would like to point out some limitations on our presentation today. We have been informed by the Department of State that certain information about this program is classified. For example, State has told us the following matters are classified: specific quantities of items purchased, attitudes or roles of countries in the region with respect to this program, and attempts to arrange for delivery of goods purchased in the United States.

None of these limitations, however, hinders our ability to address your major question; i.e., does the Department of State have adequate procedures and controls to ensure that the funds are being used for the purposes intended by law, and are not being diverted to other uses.

Our overall answer is that the Department does not have procedures and controls which would allow it to provide these assurances—in large measure because those charged with administering the program are unable to verify expenditures made in the region, and are unable to observe the end use of procured items to ensure that they were not diverted, bartered, or exchanged. Initially, the State Department's Nicaraguan Humanitarian Assistance Office (NHAO)—which is charged with the program's administration—had intended to set up operations in the region, but diplomatic sensitivities of certain countries in the region prevented NHAO from doing so. Thus, NHAO is not able to exercise the financial and programmatic control beyond the U.S. border that it wanted to.

We reviewed all expenditures as of February 24, 1986 (a detailed breakdown is attached to the statement). As of that date, NHAO had actually paid out over $12.2 million. About $5.2 million (or 42 percent) was spent in the United States, and $7.1 million (or 58 percent) was spent in the region. NHAO's control over its funds varied significantly depending on whether the purchases were made in the United States or in the region.

For purchases from U.S. suppliers, NHAO exercises considerable control over disposition of funds. NHAO has established procedures for administering procurements and making payments, which allows it to control and oversee the types of goods and services being purchased and the prices paid. NHAO relies principally on the United Nicaraguan Opposition (UNO)—an umbrella organization representing the various resistance forces—to determine the types and quantities of goods and services to be purchased.

UNO submits to NHAO a pro forma invoice prepared by a proposed U.S. supplier identifying the goods or services to be purchased and the amount to be paid. NHAO reviews the invoice to determine if the item or service is consistent with program objectives and that the stated price appears to be reasonable. In many cases, NHAO obtains Dunn and Bradstreet reports on the proposed supplier to ensure that the company is legitimate. Furthermore, NHAO often checks with other suppliers of similar items and with DOD procurement officials to verify the reasonableness of prices quoted. If the review is satisfactory, NHAO provides the supplier a letter of commitment for the funds to be paid upon receipt of the goods by UNO. When the supplier sends NHAO a confirmation of delivery of the goods, NHAO issues a payment voucher, and the Treasury sends a check directly to the supplier. NHAO also has inspected some of the supplies stored in U.S. warehouses awaiting shipment to the region to ensure that approved items have been delivered.

It is a much different story for the $7.1 million in purchases made outside the United States. NHAO has received invoices and receipts to support almost all purchases, and before authorizing payment, NHAO reviews the invoices and receipts to ensure that the items are allowable under the program. However, from its offices in Rosslyn, Virginia, NHAO cannot assess the validity of the regional receipts, is unable to check out many suppliers, has difficulty establishing reasonableness of prices, and cannot verify actual delivery or receipt of items. Another major difference between controls over U.S.-sourced procurements and those made in the region is that payment is not made directly to the supplier. Instead, payment is usually made to a Miami bank account of one of several brokers authorized by the regional suppliers to act as their agents. There is no audit trail showing payments from the brokers' accounts to suppliers, and only partial documentation of shipments from the suppliers to the resistance forces.

Despite the deficient controls over expenditures outside the United States, an increasing proportion of the assistance funds is being spent in the region. NHAO officials attribute this situation to the difficulties encountered in delivering U.S.-purchased items to the resistance forces. Initially NHAO had assumed that, except for food, most supplies would be purchased from U.S.-suppliers—not only because NHAO's control would be greater, but also because the quality of U.S. goods was higher and U.S. costs were lower. However, due to the diplomatic sensitivities of the countries involved, deliveries of goods purchased in the United States could not take place. Thus, U.S.-sourced items were stored in U.S. warehouses, principally in New Orleans. This has delayed the delivery of supplies (mostly pharmaceuticals, boots, and field gear) to the resistance forces, and has caused more money to be spent in the region than might otherwise have been the case. If delivery problems continue, most funds are likely to be spent in the region. The Department has recently undertaken intensified efforts to reverse problems in delivering U.S.-sourced goods to the resistance.

Turning now to what has been purchased for the $12.2 million spent to date. (A breakout is attached to the statement.) The legislation stipulates that funds be used to provide food, clothing, medicines, and other humanitarian assistance. The legislative definition specifically rules out weapons, ammunition, or other items which could cause injury or death. The principal criterion used by NHAO in determining what can be provided is that it be non-lethal.

The $12.2 million has been spent on the following broad categories:

$4.7 million (or 39 percent) on food and sundries, which were procured in the region. Food receipts included other items such as clothing, matches, cigarettes, and toilet articles. About $350,000 of the $4.7 million purchased local currency, which was to be used for food.

$2.8 million (or 23 percent) was spent for pharmaceuticals and medical supplies. Most of these were purchased in the United States.

The last major item—clothing—accounts for $2.7 million (or 22 percent) of the expenditures. About $1.8 million was spent in the United States and the remainder was spent in the region. Included in the clothing purchases were combat boots, uniforms, ponchos, socks, and web gear.

About another million dollars was spent for miscellaneous supplies and equipment, such as blankets, tools and trucks—a little more than half of which was spent in the United States and the rest in the region. Over $500,000 was expended on transportation, storage, and warehousing of these items, mostly in the United States. Lastly, about $260,000 was spent on various medical expenses, including hospitalization of resistance fighters; $125,000 was spent on a UNO-administered human rights program; and about $75,000 was spent for UNO administrative expenses. An additional $89,000 is for NHAO administrative expenses.

I want to emphasize that the foregoing breakdown of expenditures is based on our examination of receipts provided to NHAO. While we are confident that the receipts for U.S.-sourced items are valid, we have no basis to evaluate regional receipts. We inspected U.S.-sourced items in warehouses in New Orleans and are satisfied that receipts reflect purchased items; we were not able to do the same for purchases made in the region. We found nothing, however, to indicate that NHAO paid for lethal items.

This concludes my prepared remarks. I would be happy to answer any questions you might have.

SUMMARY OF GOODS AND SERVICES (AS OF FEB. 24, 1986)

Goods and services (examples)	Total	Purchases made—	
		Not in United States	In the United States
Food, sundries, consumables, foreign currency, and some delivery costs	$4,694,496	$4,694,496	0

SUMMARY OF GOODS AND SERVICES (AS OF FEB. 24, 1986)—Continued

Goods and services (examples)	Total	Purchases made— Not in United States	Purchases made— In the United States
Pharmaceuticals, medical supplies, and refrigerators (drug storage)	2,764,551	281,602	2,482,949
Uniforms, boots, ponchos, socks, hats, belts, and other clothing	2,672,464	919,530	1,752,934
Flashlights, hand tools, hammocks, trucks, and other equipment	989,113	420,716	568,397
Transportation, storage, security, warehousing, and some freight costs	555,793	391,372	164,421
Medical services, hospitalization and related expenses, and doctor fees	262,240	222,884	39,356
Human Rights Program (Fundacion de Nicaragua)	125,000	125,000	0
Administrative support for United Nicaraguan opposition	75,448	0	75,448
Total of Goods and services	12,139,105	7,055,600	5,083,505
Nicaraguan Humanitarian Assistance Office administrative expenses	89,167	0	89,167
Total	12,228,272	7,055,600	5,172,672

NOTE.—(1) Transport for food and other commodities was sometimes listed separately. At other times, it was included in the price of the commodity. Similarly, receipts for food at times included sundries and clothing which were not listed separately under other commodity categories. (2) Receipts for food purchased outside the United States usually included sundries and clothing, such as cigarettes, batteries, matches, candies, antimosquito incense, toilet paper, deodorant, glue, insect killer, toothpaste, panties, bras, plates, detergent, shoe polish, sandals, socks, mops, soap, plastic buckets, flashlight bulbs, blankets, shirts, frying pans, engine oil, and oil filters.

Mr. EXON. Mr. President, we are about to become engaged in a truly necessary full debate on foreign policy. It has far telling potential ramifications. It could be argued that this is not as important as the Gulf of Tonkin resolution, but don't bet on it. It certainly is more far reaching than the ill-fated marines to Beirut issue which turned into a tragic fiasco.

A legitimate concern in our debate is the Marxist Cuban-Soviet backed Sandinista government of Nicaragua. As a member of the Armed Services Committee, I agree they do pose a potential threat to stability in the region. The question is not whether the Sandinistas are bad or good, or who is for or against Communism. At issue is how we best proceed.

This Senator clearly had serious reservations about the Sandinistas from their beginning, expressed on this floor when I voted against the very first flood of dollars we sent Nicaragua after the revolution. We have poured money into that troubled country, to Somoza, to the Sandinistas, and now the Contras.

The President's request for $100 million, unrestricted approval, will not have my support. This is real money and to suggest it is some funds we have sitting around unneeded in the defense budget that can be transferred to this unrestricted adventure without hurt or harm makes a mockery out of the President's protestations about reductions in defense spending. If we have an extra $100 million in the military budget, it could be well used in Nebraska and elsewhere for loans to those in the troubled agricultural sector. We have a chance of getting that back.

I have no quarrel with those who have thought through this issue and are convinced that the President's request makes sense and is in our national interest. They are good Americans just as I hope those so inclined would respect the attitudes of those of us who do not concur. My considered opinion is that despite all the bravado, most on both sides of this important foreign policy decision view our proper course of action with a high degree of uncertainty. Few, I think, if any, are convinced that this or that or somewhere in between is the correct course. I hope none will take the easy way out and simply support the President's proposals, demands, and rhetoric on a simplistic "support your local sheriff" rationale. In this case, the posse may be riding off on a mission that ends up in a self-hanging.

We are asked to authorize a minimum downpayment of $100 million on a questionable endeavor without even an estimate of what the eventual dollar cost will be. It amounts to a signing of a blank check because here no one believes $100 million will accomplish the stated desired goals. Indeed, the Secretary of Defense has stated more was needed and wanted initially, but the administration felt they would have difficulty getting approval of a higher amount than that requested.

The President is backing the Contras, whom he calls freedom fighters. He has also named the MX missile the peacekeeper. Many of our citizens have been led to believe the Contras have the support of a majority of the people of Nicaragua. Such is distinctly not the case. Official estimates say no more than 20 percent of the citizens of that country now support the Contras. Among other reasons for this is that the people know that hated former Somoza national guard figures make up most of the Contra leadership. It is true that the Sandinistas do not enjoy the popular support they once held and there have been prominent defections. Nevertheless, if there was a free election today in Nicaragua and the choice was between the Contras or the Sandinista, the best informed view is that the latter would prevail. The United States is launching upon a dangerous course, regardless of its eventual outcome, of sponsoring policies and actions in a foreign country whose citizens do not agree. Indeed, all of this smacks of Yankee gunboat diplomacy with all its inherent and perilous pitfalls.

Not one of the neighbor Central American countries or any of the Contadora group of nations, all friends of the United States as of now, who are seeking regional diplomatic solutions, support military aid to the Contras. None of our traditional military allies have endorsed the course the President is steering us on. We are simply going it alone. I fear the "Yankee go home" cry could become deafening again. There are those who warn the United States and say we will play right into the Sandanista, Cuban, and Soviet hands by giving them continued excused for repression because they have a war to fight. There is reason to believe the Cubans and Soviets will step up their assistance militarily to match whatever we give.

But aside from all of the more traditional arguments, I view the President's course of action as dangerously unique and precedent setting.

Like it or not, the Sandanistas were successful in a revolutionary overthrow of the Somoza dictatorship and were subsequently elected in general balloting in that country. They are the recognized Government of Nicaragua. This is the first time in our history where we have supported military action against an elected government while still recognizing that government diplomatically. Nicaragua has an Ambassador here in Washington with staff and we have an Ambassador with staff in Managua. Is this not hypocritical at best? Would we continue full diplomatic relations if Nicaragua was openly and militarily financing and supplying a group of people in the United States to overthrow or force policy changes on the elected government of President Ronald Reagan? Of course we would not. If the President wants to finance a war to change or overthrow an elected government, the honorable course would be to, at least, first break diplomatic relations.

The wheeling and dealing by the White House on trying to get votes on their plans is disturbing. The President has every right to his opinion and to take persuasive action, even arm twisting if he feels strongly, as he obviously does.

Last week the President, the Commander in Chief under the Constitution, reportedly picked up a vote in the House by promising a wavering Member that he would not send United States troops to Nicaragua. This has not been denied. On Sunday, the President was quoted as saying he was offended by claims his aid request was:

> Only a forerunner of my desire to put troops in there—you're looking at an individual that is the last one in the world that would ever want to put American troops into Latin America.

Mr. President, remember that last term "into Latin America."

No one knows what the future holds. If Soviet Mig fighters are introduced in Nicaragua or, let us theorize, if Soviet missiles were introduced, the threat to the United States would be clear and undisputed. No commander-in-chief would be worth his salt, under

such conditions, if he did not employ troops or any other military means at his disposal to take them out. I am sure that President Reagan would under such circumstances and would have support. His comments and promises then for expediency's sake to get a vote are not well taken and leave a wrong impression. With regard to his stipulation against the use of troops in Latin America, I hope the President has not forgotten Grenada and Honduras. He has previously dispatched troops to those Latin American places. This Senator supported those actions. Indeed, in addition to regular troops building air fields 25 miles from the Nicaraguan border and elsewhere in that country, we are constantly rotating national guard troops in and out of Honduras on a regular basis. So the President has already dispatched troops into Latin America.

Mr. President, save from the involvement of marines in Beirut, this is the only major foreign policy initiative on which I have not supported the President. I hope a compromise can be reached between the Congress and the President, a truly workable and meaningful compromise. This Senator cannot support the President's original request, and I object to his confrontational approach fostered by those around him, nor can I support the simple incorporation of his last minute letter of understanding to the House of Representatives on fencing as part of legislation on a meaningful compromise.

I have received a brief overview of some of the compromise proposals for a true bipartisan understanding. I will review these in detail and listen to the debate to see if any at least minimally meets my goals. Those goals are: First, forcing intense diplomatic efforts before we release substantial military aid; and, second, providing that the Congress has a real opportunity to review and express itself by vote before we plunge further into this difficult foreign policy problem.

In closing, Mr. President, no one disagrees that we must deal forcefully with this situation in our own hemisphere. I do not downplay the potential threat to our security. What I am advocating, however, is that we attempt every possible diplomatic solution available—and that we lead in this effort—before moving further down the road to confrontation and hostility.

(Mr. HECHT assumed the Chair.)

Mr. CRANSTON. Will the Senator yield?

Mr. EXON. I am happy to yield.

Mr. CRANSTON. Mr. President, I applaud the Senator from Nebraska for a fine and courageous statement of the issue that is now before the Senate.

I have one question. I take it that the Senator feels that if the situation is as dire as the President of the United States seems do indicate it is down there, that he is really derelict in his duty in not asking for far more than the $100 million, with various limitations upon it, that he has submitted to the Congress as a request to cope with a problem that all of us know cannot be coped with with $100 million. I am not advocating we go those further steps. I do not feel we should. But I gather the Senator feels if it is as bad as the President states he should be seeking to do far more than he is now undertaking.

MR. EXON. In answer to the good question posed by my distinguished friend and colleague from California, let me say that the answer to his question is yes. I do not think there is a single person on this floor or in the Department of Defense that believes that $100 million, as set forth by the President, is enought to do what the President says he wants to do. I am not even sure it is a good downpayment on what they propose to do. Certainly, it was indicated, as I said in my remarks, by Caspar Weinberger, the Secretary of Defense, that the administration wanted and thought they should have more but they thought they might have trouble with $100 million.

In addition, I say to my friend from California, and I draw attention to my remarks and the statement that I just delivered, that it seems to me that we are hypocritical indeed in not following at least the basis of good diplomatic procedures if we are going to all but declare war and finance a military action in a country with whom we have diplomatic relations. It seems to me that is not being up front.

Mr. CRANSTON. As the Senator knows, the administration is refusing to make, as a condition of this aid going forward, a prior direct negotiation between our Government and the Government of Nicaragua and, in view of that refusal, it appears that the administration prefers a military rather than a diplomatic solution. Is that the judgment that the Senator from Nebraska would make from those circumstances?

Mr. EXON. I say to my friend from California, the distinguished Senator CRANSTON, a member of the Foreign Relations Committee, that generally I would agree with this statement. It seems that the President of the United States at least is bound and bent for a military confrontation with our finances. And I think he has not explored all the diplomatic possibilities at hand. The members of the Foreign Relations Committee, my good friend from California, and my great and dear friend, Senator ZORINSKY from Nebraska, who are members of that committee, would know more firsthand about that then myself. But my clear impression is that we have not begun to meaningfully explore all of the diplomatic options at hand. In fact, there have been indications, in some of the statements coming out of the White House, and the rejection of some of the bipartisan compromise attempts, that coming to an understanding on this has been rejected on the single basis that it is all or nothing as far as they are concerned. I thank my friend from California.

Mr. CRANSTON. Has the Senator heard anybody who advocates such $100 million, whether in the administration or the Senate or elsewhere, state that $100 million can do the job?

Mr. EXON. No; I have not.

Mr. President, I yield the floor.

Mr. CRANSTON. I thank the Senator very much.

Does the other Senator from Nebraska seek recognition?

Mr. ZORINSKY. No.

Mr. MURKOWSKI. Mr. President, I would like to make a parliamentary inquiry. The question is whether the debate currently ensuing on the Contra issue is being charged against the anticipated time for the debate, which I believe the leadership indicated was some 10 hours?

The PRESIDING OFFICER. It is not.

Mr. MURKOWSKI. I wonder if there would be any objection to a unanimous consent request that the debate currently taking place be charged against the anticipated time, some 10 hours. If there would be no objection, I would ask unanimous consent.

Mr. PELL. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. MURKOWSKI. Mr. President, the latest news from Central America, I think most of my colleagues would agree, underscores the dangers that the Nicaraguan conflict could spread throughout the entire area of Central America. By invading Honduran territory, Nicaragua has served notice that it will respect no borders in its efforts to "consolidate" its revolution.

Costa Rica and El Salvador have long been worried by Nicaragua's military buildup. Now their fears take on new urgency. In the United States, Nicaragua's attack has led to a new and sober realism about the threat—to Central Americans and ourselves—posed by that country's Sandinista rulers.

I think it is important, Mr. President, that we identify the players because there is a good deal of confusion and misinformation in the minds of some.

The Sandinistas took over Nicaragua's Government in 1979, following a popular revolt against the dictatorship of Anastasio Somoza. At first, they promised democracy. The United States supported the new regime with

aid. But we were soon disillusioned. By 1981 the movement had been taken over by hard-core radicals who expelled their moderate colleagues and declared their intentions to establish a Marxist-Leninist regime.

Make no mistake, it was the intent to establish in our hemisphere this Leninist regime.

Since that time, Mr. President, the Sandinistas have created quite a remarkable record. It is acknowledged that they have suspended freedom of the press, freedom of assembly, and various freedoms of religion have been substantially thwarted.

It is a fact, Mr. President, that they brought in 200 Soviet advisers. It is a fact, Mr. President, that they brought in 7,000 Cuban troops, and specialists from East Germany, from Libya, and from the PLO. It does not take one long deliberating just what these groups currently stand for.

They stand for world recognition and safe haven of terrorists. Mr. President, one can generalize by saying, in effect, they are bad guys.

Further, Mr. President, the Sandinistas have used some $600 million worth of Soviet arms to become the most heavily armed country in Central America. Mr. President, there are more arms than the rest of Central America put together.

One has to ask, why? What is the necessity of this type of military capability in Central America?

The conclusion is obvious, Mr. President. They are up to no good. They have persecuted church leaders, they have persecuted the country's indigenous Indian population, and we know for a fact, Mr. President, they have supported terrorists attempting to overthrow democracy in other Latin American countries.

They have also sent arms to Communist guerrillas in El Salvador. We have evidence of that. And they have become deeply involved in the flow of international drug traffic into the United States.

We are aware that in Nicaragua they are building an airfield. It is going to have the longest runway in Central America. It can serve as a base for long-range Soviet aircraft, such as the Bear, aircraft that currently have no base in the North American Hemisphere, and a runway similar to what was proposed in Grenada before we went in there and stopped the Soviet influence from dominating that island.

In addition, Mr. President, they are expanding their port facilities in Nicaragua, port facilities that would be adequate to service Soviet ships as well as Soviet submarines. The difference here from Cuba is that they are in our hemisphere.

Clearly, Mr. President, the United States can no longer tolerate this kind of Soviet threat in the Western Hemisphere.

Today we are considering the President's request for $100 million in humanitarian and military aid to opponents of the Sandinistas known as Contras, Spanish for counterrevolutionaries.

Like the Sandinistas, the Contras changed significantly over time. Orginially, many were Somoza loyalists. Today, the majority are former Sandinistas disillusioned by the Communist takeover of what they had once hoped would be a democratic revolution. Like the Sandinistas, they have been accused of human rights violations. However, I hope that with the new system of military courts martial, which has been established, these violations will be reduced and eliminated.

Mr. President, too much of our debate about this issue has revolved around the either/or argument—either we should aid the Contra freedom fighters or we should negotiate with the country's Sandinista leaders.

Mr. President, we should do both. Without the prospect of armed opposition by the Contras, the Sandinistas have no reason to negotiate with anyone. We need to use both diplomacy and power to get the results of a peaceful resolve in our hemisphere.

We learned this lesson in 1984. When Congress cutoff military aid to the Contras then, the Sandinista military buildup did not slow. Instead, the flow of Soviet arms increased.

I believe the Congress will recognize these facts by approving aid but insisting that it should be linked to serious efforts at negotiation. Without attempting to predict the final compromise which may emerge, I would like to share some of the suggestions we are considering and perhaps elaborate briefly.

Under these proposals, part of the funds requested by the President would be made immediately available. The rest would not be released until the President certifies that international negotiations have been tried and failed. All United States aid could cease immediately if the Sandinista Government, first, declared a ceasefire; second, restores civil rights; and, third, sends all foreign military forces and advisers home.

Mr. President, the Sandinistas represent the bitter truth about the tendency of revolutions to start out with liberal ideals and be taken over by extremists. They ended up replacing one dictatorship with a new one just as brutal, or perhaps even more so.

Mr President, dealing with this requires realism, steadiness, and clarity of purpose. I support the Contadora process of negotiations led by Latin countries who cannot afford illusions about the nature of Nicaragua's military buildup. But precisely because I do support negotiations, I believe we need to give the President the tools he needs to make the Sandinistas take them seriously.

I think it is appropriate, Mr. President, that we recall the difficult decisions to assist in the El Salvadoran crisis during 1984. We have a great deal of deliberations here on the floor of the U.S. Senate, but we helped with both military and economic aid. Today we have in El Salvador a fledgling country, a country more stable, a country where the seeds of democracy are beginning to grow. They are beginning to grow, Mr. President, because we acted as a good neighbor and as an interested neighbor.

Mr. President, I think that is the position that is appropriate for us to take in the consideration of our debate on contra aid to Nicaragua this afternoon.

I intend to support the position of our President, I intend to support the position of the chairman of the Senate Foreign Relations Committee, who has labored long and hard to put together the draft of a proposal that I think is responsible, that represents the interests of all Senators with regard to the need to continue to negotiate, but, as proven time and time again successful negotiations are the result of being able to negotiate from strength.

Mr. President, in view of the actions in the last few days associated with the Sandinista invasion of Honduras, I think that we must negotiate not only from stength that we have, but the reality of what has occurred, and with what is obviously in the national security interests of the United States.

Mr. CRANSTON addressed the Chair.

The PRESIDING OFFICER. The Senator from California.

Mr. CRANSTON. Mr. President, the Senate will vote shortly—tonight or tomorrow—on the proposal to provide additonal U.S. military assistance to opponents of the Nicaraguan Government.

While the proposal before us is being advertised as a "compromise," I think we should be very clear what it will and will not provide.

Efforts to work out a real compromise broke down today at the White House. What will be before us very shortly will provide U.S. taxpayers' dollars to a rag-tag band of mercenaries and former national guardsmen at war with the Government of Nicaragua.

It will provide military equipment to individuals who have repeatedly been implicated in acts of terrorism.

It will open the door to renewed direct involvement of CIA and DOD officials in the Contra aid program, as I understand the measure will be written.

It will give the President authority to spend this money without requiring

a subsequent affirmative vote by Congress.

But this money will not provide a solution to the dilemma which troubles each of us here in this Chamber. All of us are troubled by this situation.

It will not make the Sandinistas go away. Indeed, I have yet to hear a reasonable voice, Democrat or Republican, liberal, or conservative, who believes the Contras can militarily overthrow the Sandinistas.

Certainly, no one believes $100 million can accomplish that task in any significant way. We are simply providing the funds to the Contras and the Sandinistas bleeding in the jungle a while longer.

Many of my colleagues find comfort in the administration's lipservice to pursuing the Contadora negotiating process. But what is it they expect from the administration's negotiating position? The administration refuses to negotiate directly with the government in Managua until Nicaragua negotiates directly with the contras. Should the U.S. Government negotiate with terrorists and mercenaries seeking to change our popularly elected government by force? Do we really expect the Sandinistas to negotiate the terms of their own demise with a rag-tag band of Somozistas, militarily led by generals who were the leaders of the Somoza dictatorship?

The fact is that if the Reagan administration feels so threatened by the small-time band of Marxists ruling in Managua, the administration is going to have to stop hiding behind the Contras. The Contras are inadequate to the task that people like Pat Buchanan seek to accomplish—for they seek the direct military overthrow of the Sandinistas and the replacement under force of arms of that government by one more to our liking.

We must not kid ourselves. No one in this Chamber admires the Sandinistas. We are united in our opposition to communism and to totalitarian dictators. But if we continue to fund the Contras, the only logical conclusion of the process the Reagan administration is setting in motion is to have the President seek a declaration of war against Nicaragua.

I believe President Reagan when he says he has no intention of sending American boys to fight in Nicaragua, but that is the logical consequence when his flawed policy fails. What an American President wants and what the American people get often turn out to be very different things. I would reject such a declaration of war as would the vast majority of the American people. It simply is not in America's interest to strut about the globe pressing military force across the continents in a futile attempt to remake governments in our own image.

Mr. President, to lead is to choose. That is why we have been sent here; we have been elected to make choices.

I cannot, in good conscience, support a policy which bears no hope of progress. I cannot and will not endorse efforts of our Government to fund an undeclared guerrilla war without end. And I refuse to approve expenditure of taxpayer funds to prosecute a supposedly secret war which violates basic principles of both our own Constitution and the Treaty of the Organization of American States.

I oppose any more funding of any kind for the Contras and I urge my colleagues to do likewise.

Unfortunately, despite the efforts of those of us who oppose wasting any more of the U.S. taxpayers' money in futile support of the Contras, it appears that the Senate will approve some form of a Contra-aid bill.

But because of the efforts of many of us who oppose this, whatever bill finally is approved will at least be a better bill than the $100-million blank check the administration originally requested.

For that, the U.S. taxpayers and the youth of America may have something to be thankful for.

In my judgment, it is not enough. The American people deserve better.

The U.S. taxpayers have been promised economic stringency by their Government.

They are about to turn over still more of their hard-earned dollars to the Internal Revenue Service.

They deserve better than to see their money squandered in Nicaragua, with the dire expectation that this will not be their last payment.

As long as the Sandinistas decline to negotiate their own demise—as the administration demands they must do—the taxpayers can expect they will be spending more and more millions to keep the fighting going in Nicaragua—as the administration demands it must.

One hundred million dollars is not going to do the job. Everybody knows that. And everybody knows that money alone is not going to do the job.

The way things are going, U.S. money will be followed by more U.S money, then by U.S. advisers, then by U.S. troops.

Everybody says we do not want that to happen. But that is what will happen if we follow the administration's present course.

Mr. President, none of us, however we feel about the issue now before the Senate, wants communism in Central America. We all want the Sandinistas to live up to their promises of a free and democratic society in Nicaragua. But spending American taxpayers' money on the Contras is not the way to bring that about.

Spending the Yankee dollar to support armed mercenaries who resort to terrorism builds nationalistic fervor and rallies the people around the Sandinistas.

It provides the Sandinistas with a ready excuse for importing Communist arms from the Soviet Union and Cuba.

And it gives them a further excuse to repress freedom and the democratic process in Nicaragua.

We should join our Latin American neighbors in lending active and sincere support of the Contadora initiative.

The principal idea of Contadora is for Latin American nations to help the war-torn Central American nations work out a regional solution to the conflicts in the region. One of the main obstacles to Contadora success has been the lack of genuine U.S. support.

The United States is a great power, the most powerful Nation the planet has ever known. Our actions have great influence throughout the world and are particularly meaningful in the Western Hemisphere.

Our active, explicit, genuine, and enduring support of Contadora could go a long way to help make the regional peace process work and to foster true democracy in Latin America.

Mr. President, I yield the floor and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HART. Mr. President, I suggest that further proceedings under the quorum call be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HART. Mr. President, what is the parliamentary situation?

The PRESIDING OFFICER. There is no business pending before the Senate.

Mr. HART. Then, Mr. President, I seek recognition.

The PRESIDING OFFICER. The Senator from Colorado.

Mr. HART. Mr. President, today we are debating the future tenor of American foreign policy in Central America, perhaps to a degree throughout the world—the basis of our strategy, our objectives, our values, our dealings with other nations around the globe. This issue cannot be reduced to a simplistic question of whether one supports one or another transitory administration policy.

This issue is a measure of our ability to project American power and American leadership effectively, and in a way that reflects this Nation's fundamental and historic beliefs and values.

It is a measure of our willingness to work with fragile democracies that look to the United States for support as they seek regional security and internal stability.

It is a measure of our ability to be honest about our foreign policy goals and pursue them in a way befitting a great democratic power.

Mr. President, since the report of the Kissinger Commission, there has been an emerging consensus in the country and the Congress that there is no military solution to the Central American region's problems. The issue before us is whether the policy we are considering today furthers or undermines this consensus.

First, Mr. President, the United States cannot allow any Central American country to become a military base for the Soviet Union. The increased role of the Soviet Union, Cuba, and East bloc countries in arming and training the Nicaraguan armed forces challenges United States interests and the viability of democracies in Central America.

Yet, in the 5 years since the President's policy of support for the Contras, what has happened? The Soviet and Cuban military presence in Nicaragua has increased from about 600 Cubans in 1981 to 3,000 Cuban and 300 Eastern bloc advisers today.

We must pursue a course that decreases the influence of the Soviet Union and its surrogates in a region where, by reasons of geography and mutual interest, our Nation has a duty to exert forceful leadership and provide for the common security.

The second goal of American policy should be to help reverse the increasingly totalitarian rule in Nicaragua and advance the propects for democracy and human rights throughout the region, including in Nicaragua. Our strength as a nation lies in our democratic principles and we must encourage them through our foreign policy. The Sandinistas' state of emergency and related repression are anathema to American values. Political pluralism within Nicaraguan society remains a central goal of United States policy.

But, Mr. President, our current policy has been ineffective in promoting political reform and human rights in Nicaragua. We want the original democratic goals of the Nicaraguan revolution realized. We all share the goal of moving that society toward economic and political pluralism and away from political repression and persecution.

The third goal of our policy should be to support those fragile Latin American democracies that walk a difficult line between leftist insurgents and reactionary military establishments. In the last year, Guatemala, Costa Rica, El Salvador and Honduras have conducted free elections. These very governments, which have had transitions to democracy, in spite of the policies of the Nicaraguan government, are among the most vocal critics of the President's military aid request.

Do we not all agree that the United States must show sensitivity to these governments in our policymaking for the region? If so, we should be heeding their words.

We should heed the words, for example, of President Betancur of Columbia, who said, "I think that an initiative such as the request for $100 million taken by President Reagan is wrong. * * * I know we can get more through negotiation."

We must conduct our foreign policy in a manner which enhances U.S. influence and prestige, not only to our neighbors, but as seen through the eyes of our friends and allies throughout the world. We all want a foreign policy that is credible and respected by our allies.

The fourth goal, Mr. President, should be a policy which promotes the Contadora nations' efforts at negotiations, because these negotiations represent our best hope for lasting peace in the region. But administration policy—including military funding for the Contras—has not made a tangible contribution to this process.

For the last few years the administration's requests for increased military assistance to the Contras has accompanied an apparent indifference to the Contadora negotiating process. Where dynamic and creative support have been required, the U.S. position toward negotiations has been anemic and rigid, frozen in place. The administration is apparently unwilling to recognize that the Contadora process has made real progress in an effort to address United States concerns and forge a truly equitable solution to regional problems.

Thirteen governments representing 85 percent of the population of Latin America support the Contadora process and ending the Nicaraguan conflict through negotiations.

The European Community and Japan support Contadora.

But the record shows this administration's policy pays lipservice to Contadora. It uses the promise of negotiations not as leverage to secure peace in Central America but as leverage to get more funds from Congress for the Contras.

In 1983, the administration promised that it would encourage church-mediated negotiations between the Contras and the Sandinistas, only if Congress approved more Contra aid.

In January 1985, the Reagan administration cut off its talks with the Sandinista government.

In June 1985, as part of the $27 million aid package, the President again agreed to dialog. Once again, we see no progress—only a request for more military assistance.

After having spent over $100 million, isn't it time to ask when we will see results? The Contras cannot claim a political program, a military victory in Nicaragua, or popular support among the Nicaraguan people. Even the administration claims that Communist governments never negotiate themselves out of power. So where will this policy lead?

And that leads to the fifth, and most important, goal of our policy. We must discourage trends which would lead deliberately or by default to the introduction of American combat troops in the Central American region.

Mr. President, in spite of the heated protestations of the administration to the contrary, many of us believe that the request being debated today is no more than a down payment on a far vaster military support effort. It lays the foundation for vastly expanded military activities of highly dubious effectiveness.

The American people will not support a strategy which promises another failed military adventure—in any region of the world. They do not want this Congress to fund the guerilla forces simply to provide the President a mandate for continued military escalation. And they will not support a policy which increases the likelihood of American military intervention.

Our decision today must be based on a careful assessment of the contribution funding the Contras makes to the goals which I have set forward. Regardless of our frustration over the behavior of Sandinistas, a policy that does not forward our aims in the region is a policy which must not be pursued—covertly or overtly—by the United States. Mr. President, in the view of this Senator, funding the Contras not only fails to accomplish these objectives but is inimical to U.S. interests in the region.

Instead of reducing Cuban and Soviet influence, American support for undeclared war, veiled threats of potential direct United States military intervention, the declaration of intent to overthrow the Nicaraguan government, and the continuing highly visible military maneuvers in neighboring areas such as Honduras, have pushed Nicaragua ever forward toward increasing military reliance on the Soviet bloc. That reliance, in turn, increases the threats faced by our allies in the region.

But we must recognize that funding the Contras fighting the Nicaraguan government has failed to move the Sandinistas closer to those goals. Instead, by continuing the war, the Contras have heightened the state of siege in Nicaragua; they have rigidified and legitimized the harassment by the Sandinistas of political opposition, censorship of the press, and repression of the church. Instead of advancing the fundamental goals in the region, our support of the Contras seems to be having precisely the opposite effect,

providing an excuse for Sandinista repression.

Mr. President, I believe that the leaders in Congress working with members of the administration have the capacity to find a better path for this country—to work together to address our common concerns, and define a set of policies which both promote our objectives and earn the support of the American people. There are a variety of options, other than military aid to the Contras, we should explore.

We should treat the Contadora process with serious intent, rather than using it as a fig leaf for Contra aid funding.

We could get consensus among our allies and cut off trade with Nicaragua.

We could get consensus to terminate bilateral and multilateral aid to Nicaragua.

We could impose tougher sanctions on Nicaragua and prohibit financial transactions such as bank loans.

We could work with our allies to isolate Nicaragua in regional affairs.

We could for that matter even break diplomatic relations with Managua.

But our first task today is forging such a consensus on Central America is to reject soundly a policy which does not contribute to progress in that region.

Mr. President, it is an anomaly that the President of the United States goes on national television to tell the American people the great threat represented by the government of Managua to this Nation and then asks for a mere pittance to counteract that threat. It is, in fact, the very difference and disparagement between the threat the President notifies us of and the remedy he suggests that gives to this Senator and other Members of the Senate and the American people at large the notion that this administration is not serious about that threat or believes that there is some simple, quick fix to counter that threat, if it does exist.

To conclude, Mr. President, the question before us today is not whether the United States has legitimate interests in Central America or whether we condone the Sandinistas' behavior in Nicaragua. We have central interests in the region, and we affirmatively reject the Sandinistas' policies. The questions instead are whether funding the Contras will lead to a negotiated settlement or wider war; whether this policy will change the behavior of the Nicaraguan government or intensify its repression; whether this policy enhances United States interests or strengthens anti-Americanism in the region.

It is the judgment of the senior Senator from Colorado that this policy is wrong and that it is counterproductive to American interests. I intend to vote against widening the war in Central America and for a policy that truly represents American values and principles not only in Central America but around the world as well.

Mr. STEVENS. Mr. President, the statement we have just heard, I think, frames the issue from the negative point of view as to why the President's request should not be granted.

I find it interesting that there is an underlying agreement in the Senate that there should be no base for the Soviets in Nicaragua. Yet, it is hard to examine what has happened in Nicaragua without determining that the Soviets do have a base there now.

Since 1979, the Soviets have put into Nicaragua over one-half billion dollars in the newest, most capable, and sophisticated military equipment they possess: MI-24 Hind attack helicopters, which are helicopter gunships, MI-8 transport helicopters; artillery; their T-55 medium battle tanks, PT-76 light amphibious tanks, high-speed personnel carriers and patrol boats.

Some of us have warned for several years now that they would use that equipment outside of their own boundaries, and we were told it would never happen, that it was there for their defense. It is unfortunate that we have to stand on the floor today and say we were right. A substantial portion of that armament is now going into Honduras.

Think of the situation that exists there now. Costa Rica has no army at all. El Salvador, as we know, is in the middle of a revolution. Honduras has 21,000 troops in its armed forces.

Somoza, who was so much under attack—and I believe we helped remove him—never had more than 14,000 troops in his National Guard. Yet, the Sandinista army has now grown from 16,625 in December of 1979 to over 60,000 active duty people and 60,000 highly-trained reserves and militia.

Someone might say: "Well, so what, if they want to arm their people and live as a military camp?" They are, in fact, the most heavily armed people, per capita, on the face of the globe today. I suppose some people would say that is their own business. I am here to talk, however, about what is already happening in terms of the use of that land mass by the Soviets.

I should like to recall to the Senate what happened in 1962, when the then President of the United States, John F. Kennedy, stated that the policy of the United States was that there should be no Russian missiles in this hemisphere. He took action to blockade Cuba, and there were no missiles placed in Cuba.

Today, the Cubans are lengthening the runway in Nicaragua. It is now longer than 10,400 feet. It need not be that long to serve any of the cargo planes or even any of the normal patrol planes that the Soviets might furnish to the Nicaraguans.

The only reason for it would be for the high performance planes of the Soviet Union, particularly the cruise missile carrying Bear-H bomber. It is my judgment, based upon the information that has come to me, that that is precisely the reason for the lengthening of the Nicaraguan runway.

So I had this charge prepared for the Senate. It shows what a Bear bomber could do, operating out of Nicaragua.

Incidentally, as an Alaskan, let me tell you that this is no hypothesis. We have Bear bombers operating over the North Pacific and the Bering Straits quite often. Several times recently, we have had to send up American fighters to escort them out of American airspace.

It is one thing to have a Bear bomber off the coast of Alaska, and it is an entirely different thing to have it operating out of Nicaragua, with its cruise missile launch capability. Not that I feel any comfort in the fact that they are off our shores; but, after all, they are our close neighbors.

When I was at home on Monday, I was closer to Japan than to Washington, DC. We understand that part of the world and know that there are just 4 miles between the two islands of the Diomedes, so far as the United States interests in Alaska and the Soviet interests in Big Diomede are concerned.

As a practical matter, if a cruise missile were to be launched from Nicaragua, the first circle would be the range of that cruise missile. The maximum range of that, by the way, would be 3,000 kilometers.

If that cruise missile were launched from the Bear-H bomber, we would find that, with a return round-trip capability, so far as the Bear bomber is concerned, the cruise missile range would be above San Francisco and above the dividing line between the United States and Canada, in the Northeast.

There is no question that the introduction of a cruise missile-carrying Bear bomber would present to the United States a confrontation similar to that which was presented to President Kennedy in 1962.

We know that the Russians were trying to do that in Grenada. They were trying to expand that runway and establish a satellite there and failed. Now they are busily expanding that runway near Managua.

The real question is: Do the people who oppose this money now really believe what they are saying? I have heard the statements that there should be no base for the Soviets in Nicaragua. What are we going to do if the Contras fold up and there is no opposition from Nicaraguans to the Sandinista government and their policies

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of Marxism? What if there is no internal Nicaraguan opposition to its becoming a Soviet satellite in our hemisphere? Nicaragua sits on our land mass. It is on the inter-American highway. It has an operational capability as an air base for Soviet offensive forces, and particularly for their cruise missile-carrying air bomber. I think that should cause us to stop and think. I have.

Without any question, I support the request of the President, because I think that to fail to do so will mean that our costs in the future of defending this hemisphere will increase—increase on a basis that is far beyond the cost of this $100 million to keep the Contra pressure on the Sandinista government so that they will desist from becoming a Soviet satellite.

We have urged that they withdraw foreign military personnel from Nicaragua, that they establish a balance with their neighbors, and that they end the insurgency of Nicaraguan support in other countries of Central America. For me, that is the goal we are seeking now in supporting the Contras.

They are Nicaraguans, many of whom fought in the revolution against Somoza, who want to see to it that the Sandinista revolution accomplishes its goal of establishing a true democracy in their country. As has been pointed out here, they are alone in not having a democracy in that area.

It will be a sad day if by virtue of our failure to support those who are willing to fight for the freedom of their own country and the establishment of democracy there, we some day see a request from the President of the United States to do what the opponents of this measure agree would have to be done: eliminate the Soviet base in Nicaragua.

Anyone who doubts there is a Soviet base there now, in my judgment, is just unwilling to open his or her eyes as regards the kind of equipment in Nicaragua and its purpose. It is Soviet equipment. It is sophisticated Soviet military hardware, and it is there, I believe, in the pursuit of their goal to pressure our Government in our North American hemisphere to offset the pressure that we have on them by virtue of our support of our NATO allies in Europe.

Mr. President, this request is a request which again, in my judgment, ought to be approved. I think any further delay on the sole basis that there ought to be more talk with the Sandinistas was answered by Ortega himself when he ordered his troops into Honduras. Those who have been to Honduras know the situation down there, particularly in the area in which the Nicaraguan troops have entered. It is an area that is very difficult for the Honduran people to defend. It is extremely difficult to understand why the Sandinistas have made the move at this time.

I heard the Senator ask yesterday why did they do it? In my judgment, they did it because they are carrying out the plan that they have. That plan is to move eventually Soviet armor at will through all of Central America.

I do not blame the public officials of Costa Rica, Honduras, Guatemala, and other Central American countries for not protesting loudly. There have been mild protests, but who wants to see a neighbor like this one, with, as I said, 60,000 active duty military people, 60,000 more in the reserves and militia, PT-76 light amphibious tanks, artillery, Hind helicopter gunships, armored patrol boats, the medium battle tanks from the Soviet Army? In Nicaragua, there are now 2,500 to 3,500 Cuban military advisers along with 3,500 to 4,000 Cuban civilian advisers, 300-plus additional advisers from the Soviet bloc, Libya, and the PLO.

There is just no question that we already have a military base for the Soviet Union in Nicaragua, and the only thing that keeps them from having the freedom to sit there in Managua and plan what to do with that force is the Contras, the freedom fighters.

This Senator will vote to give them the assistance they need to continue.

I yield the floor, Mr. President.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. HELMS. Mr. President, I thank the Chair for recognizing me.

Much of the day some of us have been in consultation about legislation to authorize the President to do what he is already authorized to do under the Constitution, and that is to conduct the foreign policy of this country, free of the implications of major news media and those who are not sympathetic to the President's desire to forestall a takeover of Central America by the Soviets and its surrogates.

Mr. President, I find myself troubled by the fact that we are even contemplating a debate on this question in the Senate. It seems to me that this is one matter that has been discussed over and over again, and we ought to go to a vote on it and let us see who stands where with respect to protecting the American people from the inevitable if Central America is allowed to fall as the latest victim into the hands of the Communists.

I cannot recall an issue, Mr. President, so clear cut as to needing no debate. This is a matter which Senators either favor or they do not. Either we are in favor of helping the Nicaraguan freedom fighters throw off Communist oppression, or we are not.

But as we debate this crucial issue, the Sandinista armies, under Cuban and Soviet supervision, have arrogantly invaded Honduras. Two well-trained Sandinista battalions, comprised of more than 1,500 soldiers, have penetrated more than 20 miles inside the border—so clearly it is not some mistake. They have fired upon the freedom fighter camps with artillery and rocket fire, and there are unofficial yet credible reports that more than 100 of the Contras have been wounded or killed. Their blood is still flowing as we talk in the U.S. Senate.

Mr. President, it baffles me that we can even be debating 90-day delays when men striving to be free are being killed? How can we talk about additional 15-day delays, and expedited debates about disallowing real assistance when the Sandinistas are obviously trying to preempt the situation with an armed invasion of their neighbor? Oh, to be sure, there are reports that the Sandinistas have rolled back. The Sandinistas as are all Communists, are good at thrusting and parrying.

How can we be bogged down with discussions of further negotiations, and commissions to study and determine whether the President is pursuing negotiations in good faith when the Communist Government of Nicaragua is, obviously, trying to pursue a decisive military victory against the Contras while we talk here.

Honduras, as all Senators know, has requested emergency assistance, and the President yesterday signed orders under existing law to provide an emergency $20 million to Honduras.

Mr. President, when the legislation is formally before the Senate, I shall offer an amendment to the resolution, which will focus attention on the real issues involved. What are the real issues? Let us identify some of them.

First, the fact is that Nicaragua has engaged in a Marxist-Leninist program of overt and covert aggression against other countries in the region.

Second, the fact is that Nicaragua has continued to import thousands of tons of armament into that small country, and has brought in thousands of foreign military and security personnel.

Third, the fact is that Nicaragua refuses to send those foreign personnel home, or to reduce their number to a level appropriate to her needs—and I suggest that that number should be no greater than 55.

Then there is the fact, Mr. President, that Nicaragua has refused to stop these activities because Nicaragua, shown by the events of this week, is trying to pursue a program of decisive military victory against the freedom fighters.

Moreover, Mr. President, it is abundantly clear that Nicaragua has no interest in a democratic solution. When are we going to wake up and smell the coffee around this place? Nicaragua does not even consider a negotiated democratic solution. If we cannot see that, we need a seeing-eye dog. When,

Mr. President, has a Communist regime ever given up a position of power through negotiation? The answer to that is simple: Never. Never.

The fact is that Nicaragua refuses to acknowledge that it has an obligation to the Organization of American States to implement democracy, according to the OAS Resolutions of June 23, 1979 and July 12, 1979, and that Nicaragua undertook a similar obligation when it agreed to the September 1983 Contadora document of objectives.

So where is the first scintilla of good faith on the part of the Communists in Nicaragua? I will tell you, Mr. President, it is the same place where you find good faith on the part of the Communists anywhere in this world—nowhere. If you doubt that, ask the people of Afghanistan or Ethiopia or Hungary or Angola.

Finally, Mr. President, it is a fact that, on a very practical level, Nicaragua refuses to give non-Marxist political parties permission even to begin organizing political activities in preparation for elections to be held at some long distant future date.

They do not operate that way, Mr. President. They do not believe in democracy. They do not believe in freedom. What they believe in is making a sucker out of the United States of America.

Mr. President, that is why I say if there is to be a debate, we need to be discussing what is reality, not some fanciful thing of setting up a $400,000 commission to study this and study that and burn up the taxpayers' money sending people down there to supervise and observe and monitor.

We know what we confront. We do not need to study it. We do not need to monitor it. We need to look at history and remind ourselves of what communism is and what the goals of communism are.

We need to look at the controlling facts in this situation. We need to look at issues that determine whether we want to get rid of communism in Nicaragua or not by letting the freedom fighters there have a fighting chance. But there are some in this Chamber, and there was a majority in the other Chamber, that said, no, we are not going to do that. Well, I will say this, Mr. President, if we are unwilling to discuss these issues, then we are unwilling to discuss freedom or the steps necessary to defend freedom.

Mr. President, let me digress a moment just for a personal observation. Some years ago—about 10, to be exact—a distinguished citizen of the Soviet Union then came to my home. We spent the better part of an evening discussing the implications of the reluctance of the United States of America and the news media of America to confront what communism is and what the goals of communism are. This man's name was Alexandr Solzhenitsyn. I have never met a man with a greater intellect than Solzhenitsyn, nor have I ever met a man more impressive in his dedication to the proposition that the cruel tyranny of communism must be erased.

We all know the story of Alexandr Solzhenitsyn, how he was locked in that concentration camp for year after year after year. He wrote books in his mind because he was denied any paper or pencil. And he sat that evening in my home, Mr. President, and he pointed his finger at me and he said "Why, why do the American people, why do they not understand?" And I had to tell him I did not know.

Well the years have rolled by since that evening and we still do not know. So many people in this country, they are misled by the reports that they hear, by the obfuscation that occurs from the comments of politicians, motivated by the Lord knows what. I even heard one say the other day that he doubted that Nicaragua was even Communist.

Well, I have a Nicaraguan stamp here. It is an attractive stamp. It has a picture of Mr. Lenin on it. This is a 1985 issue now under circulation, in commemoration of the 115th anniversary of Lenin's birth. A nation only chooses to put its heroes on its stamps. Nicaragua's choice speaks for itself.

(Mr. EVANS assumed the chair.)

Mr. HELMS. Well, Mr. President, Let us return to Central America and specifically to Nicaragua. It seems to me the President of the United States made a modest request. He asked to reprogram $100 million in funds already appropriated. No new money; money already appropriated. Yet what do we hear? We hear voices insisting that we should be seeking compromises with the Communists, knowing full well that the Communists are not going to compromise.

Now, there is no question whatsoever about the regime in Nicaragua being a Marxist-Leninist regime which has installed the classic features of Communist dictatorships.

I think back, Mr. President, to the years 1979–80, when we had debates about the Sandinistas on this floor. I stood in astonishment as I watched some of my colleagues make various protestations.

I did the best I could to analyze the situation that existed at that time. I did my best to analyze the Marxist orientation of the power groups in the Sandinista junta. And I pointed out—and the RECORD will show it—that the directing role being played by Castro was something we ought to watch and certainly not support.

I remember saying to Senators, "Look out for the infiltration of Cuban Communists at every key role in the Sandinista Government."

Now do you know what the issue was then, Mr. President? It was whether we were going to send $75 million to the Communist regime in Nicaragua. And this Senate voted to do it and then followed up with another $75 million. I pointed out at that time the directing role being played by Mr. Castro. I detailed the treaties that bound the Sandinistas to the Communist Party of the Soviet Union and other parties belonging to the hard line Soviet bloc. I listed—and it is all there in the RECORD for anybody who wants to look it up—I listed the military armaments that were even then flowing into Nicaragua to the Sandinistas.

But this Senate would not be deterred. I remember one Senator said, "I'm willing to take a chance." He was willing to take a chance with $75 million of other people's money, not his own.

The Carter administration was asking for $75 million, supposedly to help the private sector. That was the news we received up here. It was baloney.

I pointed out that this money would not be used to help the private sector, but to capture and control the private sector, which is exactly what happened.

That does not mean that I am wiser than anybody, now or then. I am simply saying that communism and Communists do not change, no matter what continent they are on.

Those of us who had grave doubts above the move of the U.S. Senate on that occasion did not prevail; $75 million—down it went to the Communists in Nicaragua.

In May 1980, the Senate cast that vote. It is all right to make one mistake. But, E Pluribus Unum, one mistake out of many.

Let us move to another section of the world. Let us look at Zimbabwe.

In a free and fair election, a fine black man named Abel Muzorewa was elected prime minister. Abel Muzorewa is a Methodist bishop. He was taught to read by a dear little lady missionary who now lives in North Carolina. She led him to be a Christian.

But what happened in the political machinations of this country and in the news media of this country is that the manipulations began. Then all of a sudden they decided they had to have a new election over there and deposed Muzorewa. And what happened, Mr. President? Mr. Mugabe, a Communist, was elected and he now runs that country with a bloody fist.

When will we wake up?

Back to the curious activities of this Senate, of this Congress, and the then administration.

In June 1980, the Senate voted to give the second $75 million to the Communist Sandinistas. That made

$150 million. Here we are proposing to debate until late in the night, possibly over until tomorrow, about whether to help the freedom fighters who represent the people in Nicaragua who want to be free. We are tying all sorts of strings to the hands of the President of the United States. For example, we are going to set up a commission to monitor the progress of negotiations. It will spend $400,000, and it will be an utter waste.

I say again, why do we not wake up? Why are we even spending time on this?

Yes, in 1980, in June of that year, there was another $75 million for the Sandinistas. But by that time a certain uneasiness was beginning to show its head, though a little too late. But at least some Senators were saying, "Well, I made a mistake when I voted for that first step."

I decided to offer an amendment to strike all military assistance to the Sandinistas from the bill. Mr. President, that amendment was adopted. We had an outburst of common sense, for once.

I remember speaking at some length on that. I had a member of my staff get out my exact words. Here, again, Mr. President, I assign myself no particular wisdom. It would seem to me that anybody with common sense would arrive at the same conclusion that I did at that time. In any case, I said at that time:

> All that we would accomplish by sending these (military) funds—amounting to about $145 million—would be to strengthen the hands of the Marxist oppressors who are still trying to consolidate power.

Then I continued:

> If any military aid is sent to Nicaragua at all, it should go to the liberation groups who are fighting clandestinely to take back their country from the Communists.

That was said in this Chamber, Mr. President. I say again that this statement and this position of mine in 1980 does not represent any gift of prophecy. I think it was just common sense.

The economic funding that was voted in this Senate and in the House of Representatives had a result almost as deadly. Fortunately, there was a change in adminstrations in January 1981 and the funding was terminated because of the Sandinista support for terrorism in El Salvador.

Do you see the pattern, Mr. President? It is the same everywhere when communism rears its head.

The total amount disbursed to the Communists in Managua was $119 million, more than the sum total of all the assistance that the United States had provided Nicaragua in the entire pre-Communist period.

Mr. President, truth compels me to point out that many of the Senators who voted to give that aid to the Communists in Nicaragua are no longer Members of this body. They are not here to vote again as they voted before. Some of them, of course, are still here. It is those Senators who did vote to aid the Communists in 1980 to whom I would address this plea, though no doubt it will fall on deaf ears.

I ask with all the sincerity I possess, Mr. President, of these Senators who voted to send millions upon millions of dollars in 1980 to the Communists in Nicaragua, can they not muster up enough common sense to say, "Well, turn-about-is-fair-play?" Since the United States put up the money to enable the Sandinistas to consolidate their power as a Communist government in Nicaragua, is it not in fact a moral responsibility that this Senate now vote to help the freedom fighters—the democratic resistance, the resistance that we betrayed in 1980?

The democratic resistance has had to resort to arms to win back their freedom and I think it only fair that we help them. That is the position of the President of the United States. He is right on this issue and the major news media are wrong. The politicians are wrong when they say we have to tie the President's hands, that we have to impose this restraint and that restraint.

If we really believe in freedom, Mr. President, we are not going to hobble the President with the provisions of a compromise designed to accommodate all points of view. We cannot stand spraddle-legged on this issue. The issue is: Freedom, are we for it; or freedom, are we against it?

I hope that we will not be setting up hurdle after hurdle which the freedom fighters will find almost impossible to clear. I hope we will not be setting up that $400,000 commission to report on whether or not the President is pursuing negotiations in good faith.

I hope we will not be seeking to have yet a third debate in Congress on disallowing the President's action after the $400,000 commission's report has been filed.

I have a better suggestion: Forget about the commission and send the $400,000 to the freedom fighters.

Mr. President, it should be noted that the so-called compromise—and it is still being fashioned as I speak—may set up conditions that would give a clear advantage to the other side, the Marxist side. I hope that is not so. I have yet to see the final language. I know that the people who have been working on it are doing so in good faith, but I have not been a party to it today.

There has been a suggestion that there be a condition requiring the President to report that no Contadora agreement exists before real aid can be sent. What is that? Just another delaying tactic and the Sandinistas love it. That gives the Contadora nations the upper hand in establishing the pace and the outcome of the negotiations and, never sympathetic to the cause of freedom, the eight-nation Contadora group—which does not formally include the United States, by the way—could and probably would come up with a meaningless treaty that would have the effect of killing aid to the freedom fighters.

Then there is another proposal, to allow the Sandinistas themselves to get control of delivery of the aid package without their having to give up anything. I do not understand that kind of logic. If the Sandinistas decreed an end to the state of siege, if they decreed a cease fire, if they agreed to negotiate with all parties concerned—all these actions could kill the package.

Of course, that action could be rescinded the moment the aid package is dead. I say again that is historically the cunning Communist operation—no good faith now or any time before. If any Senator can identify a time when the Communists have acted in good faith, I want to know it.

In any case, I cannot believe that the Senate really wants to allow Communists to tell President Reagan when he can or cannot send assistance to freedom fighters.

Mr. President, the amendment that I have drafted for the legislative package when it is formally before the Senate would not negate the language of the resolution, but it would override it if the conditions pertaining to the real situation are not met. In other words, the empty rhetoric about negotiations would no longer be the test for giving aid. The test for giving aid would be whether the Communist Sandinistas are in fact stopping their aggression against the Nicaragua people and against their neighbors. If that is not a fair proposition, I cannot think of one if, Mr. President, we are sincere about wanting to support freedom in this hemisphere, let alone anywhere else in the world.

So that is the real question, Mr. President: Do we really want to help people achieve their freedom? It is just like that night when Solzhenitsyn sat in my living room and he asked, "Do the American people really care?" I think they do.

I hear all sorts of polls about the American people being opposed to this. Let me tell you, Mr. President, it depends on how you ask the question. A major poll taken last week, from March 11 to March 13, shows what the American people believe. By a margin of 52.8 percent to 36.5 percent, the American people believe that the United States has a moral obligation to assist anti-Communist freedom fighters throughout the world. By a margin of 47.7 percent to 39.1 percent, voters opposed giving $100 million in

military aid to freedom fighters in Nicaragua.

However, when presented with the facts of what is actually taking place in Nicaragua, the reversal of opinion is dramatic. Voters favored military assistance to Nicaraguan freedom fighters by a margin of about 55 to 27 percent when they were informed that there are presently thousands of Russian and Cuban military advisers in Nicaragua. When they are advised that the Communist government of Nicaragua imposed limits on basic human rights; when the American people are advised that the Government troops in Nicaragua are using the latest Russian military hardware to combat the freedom fighters; and when the American people are advised that over the last 4 years, Qadhafi has given weapons and more than $400 million in aid to the Communist Sandinistas in Nicaragua—when the people know that in this poll, they overwhelmingly support Ronald Reagan in his proposal to send $100 million to help the freedom fighters.

Mr. President, this bill was taken by the nationally known firm of Arthur J. Finkelstein & Associates, a firm with a distinguished reputation. The survey was administered to 1,010 voters across the United States. Interview selection was random within predetermined election units. These units were structured to statistically correlate with actual voter distributions in national elections.

Mr. President, I ask unanimous consent that the results of the Finkelstein poll be printed in the RECORD at the conclusion of my remarks.

So, the real question, I say again, Mr. President, is: Do we really want to help people regain freedom? Do we want to give hope to the Communist regime that they can prevail against freedom? If so, then let us tie the President's hands. Why not deny him any authority whatsoever to send help to the freedom fighters? Let us go ahead and reinforce the Communist claim that once a Marxist-Leninist regime takes power, it can never be overturned. Indeed, the way to reinforce that Communist claim is to make it difficult if not impossible for the President to conduct a sensible, responsible foreign policy in terms of helping the freedom fighters. That is the question, Mr. President. It is just that simple.

That is why, later on this afternoon or tomorrow, I shall offer an amendment to the proposed resolution that will—shortly perhaps—become the pending business in the Senate.

Mr. President, I thank the Chair. I yield the floor.

(EXHIBIT 1)

[Arthur J. Finkelstein & Associates]

NATIONAL SURVEY SUMMARY—VOTER OPINION ON NICARAGUA, MARCH 1986

SURVEY SUMMARY

1. A clear majority of the respondents believe that the United States has a moral obligation to support anti-communist Freedom Fighters throughout the world. By political affiliation, Republicans demonstrate the greatest agreement with this statement. However, both Democrats and Independents express agreement with this statement as well.

2. Overall, with less than a majority, the respondents oppose military aid to the Freedom Fighters in Nicaragua by a small margin. HOWEVER, WHEN THOSE RESPONDENTS WHO STATED OPPOSITION TO MILITARY AID WERE PRESENTED WITH CERTAIN FACTS PERTINENT TO THIS ISSUE, THE REVERSAL IN OPINION IS DRAMATIC. In each and every instance, this issue moves from net opposition to where a clear majority of the respondents now favor military aid, based on these certain facts.

3. Overall, an overwhelming majority of respondents believe that President Reagan has the best interests of our country at heart in his support of aid for the Freedom Fighters in Nicaragua. By political affiliation, Republicans express the greatest agreement with this statement, followed by Independents. Moreover, even Democrats agree with this statement with a substantial majority.

4. An overwhelming majority of the respondents believe it is very or somewhat likely that the Russians would place nuclear weaponry in Nicaragua if the communist government were to remain in power. By political affiliation, Republicans and Democrats view the likelihood of the Russians placing nuclear weaponry in Nicaragua at virtually the same level. However, Independents view this as somewhat less likely to occur.

5. Overall Russia and its influence in Nicaragua is viewed as the most serious and immediate threat to U.S. security, provided the communist government in Nicaragua remains in power. Interestingly, Libya edged out Cuba, receiving the second largest response as the most serious threat to U.S. security, with Cuba receiving the least number of responses. By political affiliation, Republicans view Russia and Libya as nearly equal threats to security, Democrats viewed Russia and Cuba nearly equally, while independents are more firmly agreed upon Russia as our most serious threat.

1. Do you believe that the United States has a moral obligation to assist anti-communist freedom fighters throughout the world?

[In percent]

	Overall	Adjusted percent	Republicans	Democrats	Independents
Yes, assist	52.8	59.1	58.5	49.6	52.1
No, not assist	36.5	40.9	32.1	41.1	34.1
Don't know/refused	10.7		9.5	9.3	13.8

2. Do you favor or oppose giving 100 million dollars in military aid to the anti-communist freedom fighters in Nicaragua?

[In percent]	Overall
Favor	39.1
Oppose	47.7
Don't know/refused	13.2

Aid to freedom fighters if you knew that:

"There are presently thousands of Russian and Cuban military advisors in Nicaragua helping fight against the freedom fighters."

[In percent]	Overall
Combo favor	54.9
Combo oppose	26.3
Don't know/refused	18.8

"Recently, the communist government in Nicaragua imposed limits on basic human rights such as freedom of speech and freedom of assembly."

[In percent]	Overall
Combo favor	55.6
Combo oppose	26.3
Don't know/refused	18.1

"The government forces in Nicaragua are using the latest Russian military hardware to combat the freedom fighters."

[In percent]	Overall
Combo favor	54.9
Combo oppose	27.3
Don't know/refused	17.8

"Over the last four years, Libyan leader Mohmmar Khadafi has given weapons and over 400 million dollars in aid to the communist government in Nicaragua to help combat the freedom fighters."

[In percent]	Overall
Combo favor	54.9
Combo oppose	28.2
Don't know/refused	16.9

"The communist government has punished Catholic, Protestant and Jewish religious leaders for speaking out against the government.

[In percent]	Overall
Combo favor	56.6
Combo oppose	26.5
Don't know/refused	16.9

Combo—These numbers are recalculated percentages which reflect the following:

Combo favor—Those who originally favored, combined with those who now favor based on the statement.

Combo oppose—Those who firmly oppose, regardless of the statement.

Don't know/refused—Those who originally expressed no opinion, combined with those who expressed no preference after hearing the statement.

3. "Do you believe that President Reagan has the best interest of our country at heart in his support for giving military aid to the freedom fighters in Nicaragua?"

[In percent]

	Overall	Republicans	Democrats	Independents
Yes, best interest	67.8	80.5	58.3	64.4
No, not best interest	22.7	13.2	33.2	21.8
Don't know/refused	9.5	6.3	8.4	13.2

4. "Again, regardless of how you feel about aid to the freedom fighters in Nicaragua, if the communist government of Nicaragua were to remain in power, in your opinion how likely is it that the Russians would place nuclear weapons and missiles in Nicaragua? Would you say it is very likely, only somewhat likely or not likely at all?"

[In percent]

	Overall	Republicans	Democrats	Independents
Very likely	44.1	49.0	45.0	36.0
Somewhat likely	29.2	25.8	30.2	33.0
Not likely at all	20.3	18.6	17.7	26.1
Don't know/refused	6.4	6.6	7.1	5.0

Mr. HECHT addressed the Chair.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. HECHT. Mr. President, today the Senate once again debates the pros and cons of a Reagan administration request to aid the Nicaraguan Freedom Fighters. I want to state from the outset that, notwithstanding the actions of the other body, the U.S. Senate absolutely must support the President and help these brave people.

In a truly unfortunate act, Mr. President, the House of Representatives last week voted not to assist the Contras, and I think the question must finally be asked, When is Congress going to stop this annual folly of fighting Ronald Reagan tooth and nail when he seeks to aid those who combat tyranny and oppression? When will this administration finally receive cooperation in carrying out a foreign policy designed to keep America free from Soviet and Cuban expansionism? And when, Mr. President, is Congress going to lead, as we have been elected to do, and act responsibly?

Since Ronald Reagan has been in office, Mr. President, Soviet adventurism throughout the globe has been on the rise. All we need do is observe where Russia is stirring trouble—Afghanistan, Angola, or the Middle East—to realize their plans are clear, they desire to cause problems for the United States and dominate wherever they can. They are succeeding, I am sorry to say, and they are succeeding too close to our borders. By requesting Contra aid, President Reagan is saying Soviet expansionism must stop. The United States simply cannot tolerate another totalitarian state so close to home. I could not agree more.

This last statement raises an important point as we follow the Central American question, Mr. President. Cuba, unfortunately, exists. It is a reality of life and a lesson we should have learned from over the past 25 years, but apparently many have not. If it were not for the Communist foothold in Cuba, there is every likelihood we would not even be here today seeking $100 million for the Contras. And really, Mr. President, that is the essence of what we are discussing. Castro and the Soviets have established themselves in this hemisphere and they are serious cause for concern. If we allow their aggression to continue unabated, we are sure to have more trouble down the road.

Mr. President, the only solution in Central America is to eradicate the Sandinistas. But how do we accomplish this? Opponents of aiding the Contras say we should negotiate. They are wrong; there is nothing to negotiate. The solution is simple. We want Moscow and Havana out of Nicaragua. We want them out of Central America. To me it is clear that the only way to return Nicaragua to the sphere of self-determination and democracy is by completely eliminating the Sandinista cancer altogether. We simply must support the Contras and give them the means by which to overthrow the Sandinistas.

Mr. President, the Congress must not fail the freedom fighters. We must stand by President Reagan and vote to approve aid to the Contras.

Mr. President, I ask unanimous consent that two recent editorials be included in the RECORD. These editorials, the first titled "U.S. Should Give Its Full Support to Contra Forces" is from the March 12, Reno Gazette-Journal; the second is the March 20, 1986, "Where I Stand" column by Mr. Hank Greenspun, editor of the Las Vegas Sun. I believe both reflect the true concern Nevadans hold for the Sandinista threat, which is closer to Nevada than Nevada is to Washington.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

UNITED STATES SHOULD GIVE ITS FULL SUPPORT TO CONTRA FORCES

So now, in Washington, they are debating whether to give $100 million in aid to the Nicaraguan contras, or to compromise with $70 million, or $50 million. Or perhaps the administration and Congress will decide to wait six months before giving anything, just to see how things go, and then fork over the munificent sum of $100 million if the Sandinista government doesn't negotiate—which, of course, it won't do if there is no pressure upon it.

And all the while, everyone knows—or should know—that this debate amounts to no more than boxing at shadows. It is a matter of absolute indifference whether the contras get $100 million or something less—because giving them any of these sums will be no better than administering an aspirin for a broken leg.

With $100 million (or $70 million, or $50 million), the contras will be permitted to harass the government, but not to force it to the negotiating table. They will be permitted to fight and die, but not to win.

In common decency, what the United States government must do is either refuse all aid and let the contra movement die a quick, merciful death, or give it the support it needs to oust the communist government from Managua.

If this Congress is wise, it will do the latter. It will join the Reagan administration in giving all-out support to the contras.

Why should it do this? Because the United States cannot afford to have an aggressive communist government in Central America.

Are the contras imperfect? Of course they are. Are they really the "freedom fighters" that Reagan claims? Only partially. To a considerable degree, they represent some remnants of Somoza supporters and members of the old middle class. They will not be eager to help the poor.

Yet, if they could gain power, either through negotiation or outright victory, they would offer a better long-range chance of democracy than the Sandinista government, dedicated as it is to communist-style dictatorship. The United States could influence a contra government toward democracy, as it did in the Philippines. The United States cannot do the same with the Sandinistas, whose only claim toward democracy was an election as fraudulent as that of Ferdinand Marcos.

But equally important, the contras would not destabilize Central America, something the Sandinistas very well might do. The history of most communist dictatorships is to unsettle neighboring governments and either dominate them or make them brother communists. The lesson from Vietnam, Cuba and even Russia itself is clear. Even China took over Tibet.

A destabilized or communist Central America would pose a serious threat to Mexico, and thus, eventually, to the United States. And the time for effective action is short. In 1984, the contras had the Sandinistas on the defensive. But since the U.S. has drastically trimmed its aid, the Sandinistas have gained the offensive. With the aid of Russian supplies, training and advanced helicopters, the Sandinistas are poised to eliminate the contras as a viable threat, perhaps within a year.

In self-defense—and for the good of the peoples of Central America and Mexico—the United States must support the contras with whatever training and equipment they need.

WHERE I STAND

(By Hank Greenspun)

Pro or conTRA . . . .

In this violent, terror-diplomacy doctrine that has supplanted law in our international order, all nations must take sides.

The two opposing ideologies are a democratic society or a communist state. The countries that espouse freedom have no plan for world domination but are willing to live alongside their communist counterparts without territorial ambition or clandestine subversion of the opposition.

The Soviets have a master plan that will go on for years and years until the free world falls and the entire globe goes communistic. That is their goal. It is written in the teachings of Marx and Lenin.

Russia has long been the peril to the social and political order of all nations who are not allied with the political ideology of Marxism. And wherever possible its rules have not imperiled their own security and master plan for some temporary advantage.

They have been successful in infiltrating and penetrating vital areas without openly antagonizing other world leaders. They have been content to use surrogates.

Their principal surrogate in the Americas is Fidel Castro of Cuba who is still young and vital enough to be daring and venturesome. Russia supplies the weapons and money, and Castro makes the moves.

He has not only moved thoughout Central and South America but his influence through troops, training and terror has gone into far-flung areas where Russia seeks footing and influence.

The Persian Gulf, Africa and the South Atlantic have felt the spearhead of Cuban

penetration in establishing bridgeheads for the Soviets to move in.

Castro has always tweaked the U.S. nose with impunity because our nation has never taken a stand against his incursions into foreign lands or even Central America.

It was Castro's troops, weapons and planes that overthrew the brutal dictatorship in Nicaragua and established Daniel Ortega as the head of government. Ortega is a diehard Marxist who is even bolder and more daring than Castro because his is a tiny impoverished nation with nothing to lose and everything to gain.

Nicaragua, a country with three million population, has tanks, planes, missiles and weapons sufficient for a country 30 times its size. Russia has poured in close to a billion dollars in the most sophisticated armament and built airfields to rival the best of countries many times its size.

Libya has given all kinds of terror weapons approximating many hundreds of millions of dollars, plus advisers, strategists and actual combat troops to assist the Russian advisers who number in the thousands. Yemen, the PLO and other terror nations have sent advisers, weapons and troops to train and actually fight in neighboring Central American countries in an effort to overthrow governments and lead them down the path of Marxism.

There is a debate presently taking place in the House of Representatives of the United States on an administration proposal to provide the Contras who are fighting to overthrow the Sandinistas with a $100 million aid package encompassing $30 million in humanitarian aid and $70 million at the disposal of President Reagan for military assistance to the Contras.

The pro and con lineup appears to be along party lines with the Democrats opposing military aid and the Republicans supporting the President's proposal. There are a few defections in both parties.

Yes, the Democrats are saying: "We are against communist subversion in Central America—we are against spreading Russian influence in Nicaragua and to its neighbors."

But, in the debate, many Democrats have stated they will wait for negotiations to take place first; and if the Russians attempt to build a submarine base in Nicaragua, then there will be time to act.

Who can the U.S. negotiate with? The Russians, Libyans, PLO or Yemen. They are in control of Nicaragua. Ortega is a mere tool.

Russia has no intention of building a naval base in Central America until the entire region is under Cuban and Nicaraguan domination. Then it will be too late for the U.S. Marines.

The Soviets are in no great hurry. The master plan calls for one country a decade and only when the free countries are lulled into a false state of security or are too cowed for reprisals. This is their history and experience.

If we deny the Contras aid to resist, to fight, to keep Russian ships from unloading massive military aid for infiltration of Central America, then we are aiding Russia, Cuba and Libya in doing their nefarious work.

If we deny Contras military aid no matter how insufficient the amount, then we are sending the wrong signal to the communists and their allies and surrogates. We are admitting that we have no foreign policy as far as Soviet Imperialism is concerned.

The president is surrounded by selfish interests of every kind. The Democrats cannot vote Tip O'Neill's antipathy against Reagan.

In matters of threats to our country's survival, Abraham Lincoln said: "We are no longer Democrats—we are no longer Republicans."

He meant it and the words are as true today as they were when Lincoln spoke them.

We need not question the patriotism of any member of Congress, but the facts are there. All the philosophizing and rationalizing in the world isn't going to change anything. It was the George McGovern-Jimmy Carter policy that started all the appeasement of Russian influence in Central America.

No member of Congress can be pro or conTRA Russian penetration at one and the same time. You are either for something or against it.

No matter how you juggle or straddle, it is one side or the other. Pro or conTRA—take you pick and history will record the vote.●

Mr. DIXON. Mr. President, as our colleagues on both sides of the aisle continue to discuss the question of Contra assistance, I think it is entirely appropriate that a Member from this side of the aisle, who has supported that concept in the past, briefly express his point of view, in the hope that those who are carrying on the discussions may hear my comments, and in the hope that my comments might lead to the kind of appropriate compromise that could bring about a solution to this problem.

I feel very strongly that the President is correct when he says that we have to keep the pressure on in Nicaragua. I feel very strongly that Mr. Ortega is clearly a Communist, a Marxist who came to power without free elections, promising freedom of religion, free labor unions, freedom of assembly, freedom of the press, and that none of those institutions in reality exists in Nicaragua today.

So I think it is important for us to do the necessary things to support the Contras as they keep the pressure on in Nicaragua. But I think it is also important that we make clear to the American people that we are doing this with definite, finite goals in mind; and I am concerned that there is not that complete understanding in the country of what we ought do do.

I believe we should make it very clear to the country that in connection with this process we are seeking further talks in Nicaragua utilizing the Contadora group and other interested parties, including ourselves and the Nicaraguan Sandinistas, to bring about free elections in Nicaragua—free elections, it is hoped, properly supervised by the Organization of American States.

I believe I am correct in saying, Mr. President, that the measure has not been laid before the Senate at this time.

The PRESIDING OFFICER. That is correct.

Mr. DIXON. I hope that when that legislation is before us, and it is appropriate to debate the issues before us, we will adopt at least one amendment I will offer—and I am preparing several.

I see the distinguished Senator from Texas on the floor. If my recollection is correct, he was in the Armed Services Committee when we were privileged to have testimony from the administration spokesman. That information was that they do not intend to send any military personnel, military advisers, military people, or representatives of our Government on to the ground in Nicaragua. We should make it clear in connection with this process that we are not sending any military advisers or others of that stripe on to the ground in Nicaragua.

I think the message is clear, as I return to my home State, that the people there are very concerned about the fact that Vietnam began in that way and that other serious engagements could arise as a consequence of that kind of policy.

As one of the minority on my side—I expect—who is prepared to support Contra assistance, I think it is clear that we should have the policies and the goals of the Senate set forth clearly in what we do here; that we should say that we are seeking discussions; that we should say that we are interested in achieving free elections, properly supervised by the Organization of American States.

We ought to make only sufficient sums available at this time for defensive weapons. Frankly, I think that the Contras out there, facing Soviet-armed helicopters, ought to have Stingers and the appropriate defensive weapons to do that kind of job, and we should make that available as soon as possible.

I believe we should link the rest of the money to appropriate talks that take place within a reasonable period of time or that we have definite information that every effort at talks has failed because Ortega and the Sandinistas will not cooperate in such a process.

I do not know how many people I speak for here when I make these statements, but I do believe that there are a substantial number of us on both sides, of moderate persuasion, who will support appropriate assistance to get the job done, to keep the pressure on down there, with the right kinds of goals set forth in the legislation we adopt.

I urge my colleagues—on the floor, off the floor, wherever they may be—particularly those in leadership on the issue on both sides, to seriously pursue a compromise and an accommodation that achieves those kinds of purposes.

Mr. GRAMM. Mr. President, I rise in support of the President's proposal

to provide $100 million of aid to the Contra rebels fighting for their freedom and for American interests in Nicaragua.

I hear a lot of talk about negotiations, and certainly I support talking rather than shooting. But it seems to me that many of those who talk about negotiations forget the fact that the United States with the Organization of American States has already done that. Negotiations with the Sandinistas were completed and a negotiated settlement was reached—in the summer of 1979.

The 1979 commitments by the Sandinistas are binding, and U.S. law requires Congress to insist that they be lived up to.

In 1979, based on the Sandinistas promises, the United States and the OAS, in an unprecedented step, withdrew recognition from a sitting government, that of Somoza, and then recognized the Sandinistas.

Again based on the Sandinistas promises, the United States gave the Sandinistas $118 million in direct aid—more than they got from any other country—and we arranged a total air package with a value of over $1 billion.

The problem is not for us to reach a settlement, there is one. The problem is to get the Sandinistas to abide by it.

We can see why the Sandinista Communists would break their pledges, but we cannot understand any effort to absolve them for doing so.

In 1979, we made an agreement that committed the Sandinistas to respect human rights. Are those who are saying that we ought to have more talks saying that we ought to renegotiate that point? Are they saying now that we no longer demand that they recognize human rights? I certainly demand that they do, and I believe the American people do as well.

The 1979 agreements committed the Sandinistas to genuine, free, open, and honest elections.

To those who today are calling for negotiations, are they saying that somehow we ought to repudiate this agreement that we do not want genuinely free open and honest elections? I do not think so.

Under the 1979 agreements the Sandinistas pledged to not subvert their neighbors. Are we really willing through renegotiation to give up that point? I think the American people are not.

Under the 1979 agreements the Sandinistas pledged not to turn Nicaragua into a Soviet base camp. Perhaps it is too late to renegotiate that for they have not lived by that agreement, nor have they lived by any other major element of the agreement in 1979 under which we recognized the Sandinistas as the legitimate government of the people of Nicaragua.

The truth is that we have an agreement. It is an agreement that they have broken and as a result I am a little bit confused. When we made a deal in 1979, that deal was binding then and it is now.

Are those who are saying that we need more time for negotiations saying that we ought to renegotiate these agreements? Are they saying that perhaps we should let the Sandinistas out of agreements they made in the past? I am certainly not willing to do that.

There is no part of the 1979 agreements that we can give up, and there is no likelihood of getting an agreement that is any better.

I wish that words would deal with the problem. I wish that by sending Band-Aids to the Contra rebels fighting for their freedom that that would offset the impact of Soviet gunships flown by Cuban pilots, but unfortunately it will not.

I think it is very interesting, Mr. President, that every time the House of Representatives has acted to deny military assistance to those fighting for their freedom in Nicaragua, Comandante Ortega has responded with more aggression.

Last year when the House rejected aid, Comandante Ortega went to Moscow to negotiate more arms agreement and in fact came back with an aid package of $350 million worth of military assistance.

In the very week that the House voted down military assistance for the Contra rebels, Comandante Ortega ordered an invasion of Honduran sovereign territory in the largest strike ever by the Sandinistas into their neighbor's territory. But they were not very effective militarily. Unfortunately for Comandante Ortega it seems that they suffered a severe defeat.

I have heard much talk about the Sandinistas and about their military strength and about the weakness of the Contras.

Let me remind my colleagues that the incursion into Honduras was undertaken not by military from the Sandinista government but from its crack troops.

Who today in light of the success of the Contra rebels is willing to say that they do not have the ability to fight? I think the evidence is overwhelming that they do.

It is true that there are "only" 20,000 freedom fighters fighting with the Contras in Nicaragua. But that is three times as many people as were fighting Somoza when Somoza was overthrown.

I think the evidence is overwhelming that these are people who legitimately are seeking their freedom. The idea that they are made up of people who were in the Somoza national guard is ludicrous upon its face when most of the people who are fighting with the Contras are teenagers and have never served in any military organization before.

What is at stake here? There is one crucial point that I want to make in explaining why I support the President's proposal.

First of all, I support it because we do not have just a Central American conflict. We have a conflict that has arisen because the Soviet Union and Cuba have provided massive military assistance to a Communist government that is gaining a foothold on the mainland of the Americas.

People talk about letting the Central American work the problem out for themselves. I am in favor of that. But we cannot have meaningful negotiations. We cannot have self-determination when the Soviet Union sends gunships piloted by Cuban pilots.

I think it is important to recognize that unless we are willing to provide military supplies and medical supplies to those who are fighting for their freedom the Communists are going to prevail in Nicaragua and in Central America and they are going to menance Mexico and ultimately the United States.

Perhaps my vision is a little bit clearer on this issue because I represent Texas. There are 100 million people between the Panama Canal and the border between Mexico and Texas. Today, one out of every 5 Nicaraguans is a political refugee. Communism is not a very effective economic system, but it is very effective in creating political refugees.

I want to ask my colleague as we debate this issue: If we do not provide military assistance, and if the President is right, and the Communists gain a foothold on the mainland of the Americas, it will set off a tidal wave of humanity seeking political freedom, economic security and protection. When a tidal wave of humanity comes across the border into Texas, how many people who are opposed to the President's aid package today are going to be willing to take some of these political refugees? They are going to come into Texas by the millions if we allow Central America to be disrupted by Communist insurgency. Perhaps we ought to have today, if this package fails, a refugee sharing program, a program whereby all the Members of the Senate who do not support the aid package would commit as to how many political refugees they are willing to relocate in their State.

I am deeply concerned because most of the population of my State is closer to Nicaragua than it is to Washington, DC. I hear comparisons to Vietnam, but let me tell you the major difference between Nicaragua and Vietnam. The major difference is 8,000 miles. Now we are talking about America's own backyard. In the past because of peaceful borders we have been able to

focus our attention on preventing potential threats from the Soviets in Europe and Asia.

If we allow the Communists to have a firm foothold on the mainland of the Americas, American interests will be threatened and America is ultimately going to be pulled into the conflict.

I hear my colleagues say let us not provide $100 million of aid because it is a stepping-stone to direct American involvement. But I say exactly the opposite. Let us supply the $100 million of aid as a substitute for American involvement.

If we do not provide assistance, the Sandinistas will secure their foothold in Nicaragua, will menace, subvert, and ultimately overthrow the government of their neighbors and ultimately menace Mexico.

Mexico is a potential powder keg because of their economic and political problems. And not only are we going to have a huge number of political refugees, but we are going to have the potential of having an unstable 2,000-mile border, 1,000 miles of which will be a border of Texas. Under those circumstances, it is easy for me to see direct American military involvement.

I do not want that to happen. I have two little sons, one 12 and one 10, and I do not want to see them someday fight and die in Mexico because we had such faint hearts that we were unwilling to provide $100 million of aid to people who were fighting for their freedom and against Communist subversion in Central America.

I think the evidence is overwhelming that, No. 1, Ortega does want more time, he does want to talk, but he does not want to talk to solve the problem. He wants to talk in order to buy time. They want to buy time to wipe out the Contras. They want to buy time to consolidate their Communist dictatorship. They want to buy time to expand their military power. They want to buy time to subvert their neighbors and thereby threaten the United States.

It is very interesting to me, Mr. President, that our enemies know what side they are on. We have in Nicaragua the Soviets, Cubans, East Germans, the Czechs, the PLO, the Libyans, the North Koreans, and the Iranians. They all are absolutely certain what side they are on. They are against the United States of America.

Only here do we have a question as to what side we are on. I think it is clear, Mr. President, what side we ought to be on. We ought to be on the side of those who are fighting for their freedom and who are fighting against a foothold for communism on the mainland of the Americas.

I yield the floor, Mr. President.

Mr. SYMMS. Mr. President, I ask unanimous consent to proceed as though in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

(Mr. GORTON assumed the chair.)

Mr. SYMMS. Mr. President, the issue of aid to the Contras has been before this body many times now, and each time we have furious debates and close votes. But it disturbs me that the issue continues to be obscured by false and misleading information. Similarly, public interest in the problems in Central America and U.S. foreign policy in the region is high but public understanding of the situation there is not.

The public's ability to understand and make decisions about the situation in Central America is hampered by misinformation, the difficulty in gaining access to information inside Nicaragua, and the well-meaning naivete of many Americans who have visited Nicaragua and returned impressed by the "gentleness" and "sincerity" of the Sandinistas.

Mr. President, I would like to believe that these people will change their minds and come to realize the severity of the threat the Sandinistas pose to their neighbors, to U.S. interests and to the very freedom we enjoy in this hemisphere. I would hope that the recent Sandinista invasion of Honduras would hasten this reevaluation. But, it is not as though this is the first such Sandinista action.

One of the great values of our free society is that opposing viewpoints on critical issues can be expressed openly without fear of reprisal. Our press unlike the press in Nicaragua, is free to investigate and oppose our Government's policies. I think that is one of the many reasons we all love being Americans. I realize that in a free society such as ours—where information flows freely—disinformation also flows freely. Occasionally the news media in our country abuses its freedom and uses the privileged position of trust which it occupies in our society to distort facts to further its own political views. This poses a serious problem to our open society. But the solution is not censorship or restriction, but more information. Because I believe the American people will always make the right decision if they know the facts.

I have long been concerned about the problems in Central America and their effect on the future of representative government in this hemisphere and the security of the United States. I base my assessment of the situation in El Salvador, Honduras, Guatemala and Nicaragua on detailed analysis of State Department, CIA, DIA and Defense Department intelligence; on information and insight gained from congressional hearings, my personal visits to the region, the many visits of members of my staff—who have served as official pollwatchers for the Nicaraguan, Guatmalan and El Salvadoran elections, and discussions with refugees and officials of the nations of Central America. I also carefully study press accounts of the situation there, the reports of human rights groups and comments from constituents who have visited the region.

All of my study of this issue has led me to conclude that the President's policy in Nicaragua—as in the whole of Central America—is the right policy. I repeat, Mr. President, in my opinion, the President is right and we should support him.

The Contras are freedom fighters. Theirs is a cause which this Nation has a moral duty to support. The opposition to the Sandinistas is a direct result of their failure to implement the goals of the anti-Somoza revolution. The Sandinistas, as part of a pluralistic, anti-Somoza revolution, pledged to democratize post-Somoza Nicaragua. After the revolution, though, they proceeded to turn their guns against their partners in the struggle against Somoza. They have reneged on their promises to the OAS and to the people of Nicaragua. The Sandinistas have simply replaced one dictatorship with another.

A recent report by the Permanent Human Rights Commission of Nicaragua states that there are over 6,900 political prisoners in Nicaraguan jails—this means that Nicaragua has the most political prisoners of any Latin American country. Because of institutionalized human rights abuses, persecution of the Catholic Church, the Nicaraguan Jews, Evangelical groups, political parties, labor unions, Miskito Indians and the private sector, over 200,000 Nicaraguans have become refugees since 1979—a number immensely greater than the total refugees from all the years of Somoza's pre-Sandinista government.

Over 20,000 of these people have taken up arms against the Sandinistas. These are the Contras. The Contras represent the democratic aspirations of the Nicaraguan people. They are composed largely of peasants, former Sandinistas and longtime Nicaraguan human rights activists.

A myth has arisen that the Contras are all Somocista. This is simply false. There are more Somocistas in the Sandinista government than in the Contra organizations. Over 30 top leadership positions in the Sandinista government are held by former Somocistas. There are far more former Sandinistas fighting with the Contras than there are former Somoza supporters.

In these areas, figures are hard to get and necessarily rough, but of the 17,000 members of the FDN, the largest Contra organization, only about 150 are former Somoza National Guard members. The top leadership of the FDN is composed of long-time Somoza opponents, such as Adolfo Calero. The few former Somoza supporters who are in the FDN leadership

are greatly outnumbered by the democratic leaders who were long and ardent opponents of Somoza.

Over 30 percent of the FDN members are former Sandinistas who turned to the FDN when the Sandinistas betrayed the revolution. The three other large Contra groups do not have any former Somoza guardsmen and are composed entirely of peasants, former Sandinistas, and Miskito Indians.

The Contras are often charged with being murderers and terrorists. In a guerrilla war fought in a nation which tightly controls its press, it is difficult to get reliable information, even so, none of the charges of Contra atrocities have been substantiated by anyone but Sandinistas, or people held in their custody. During recent Senate investigations of one of these atrocities, it was found that many of the witnesses against the Contras had been paid or threatened by the Sandinistas to perjure themselves in Senate hearings.

According to the State Department, the Sandinista government "regularly blames the opposition for abuses committed by Sandinista forces." The armed resistance has consistently sought to direct its military operations only against military or strategic targets.

Nevertheless, the war in Nicaragua is a guerrilla civil war. Such enterprises are not without risk—or threat to innocent bystanders. The Contras are not perfect, few governments in Central America are, much less guerrilla movements. But we should support the Contras as the best—by far the best—alternative in this conflict.

Foreign policy is often the art of choosing the best of imperfect alternatives. Jeffersonian Democrats are scarce in third world nations. But a choice can and must be made. Inaction brings the worst of results. Surely, for the people of Vietnam, Diem and Thieu were better alternatives than Le Duan and the ruthless Communists. Lon Nol was an easy choice in Cambodia over the murderous Pol Pot. And the Shah was easily preferable to the insane Ayatollah.

In the Philippines, despite the obvious weaknesses of Ferdinand Marcos, five Presidents—two Democrats and three Republicans—backed Marcos in order to secure our strategic interests and our valuable bases in the Philippines. Despite the dictatorial policies of Marcos, he was seen as an alternative to the Communists.

Hopefully, with our help, the new government of President Aquino will be a successful alternative to the insatiable greed of Marcos and the violent barbarity of the Communist New People's Army. But, as we have seen since the ouster of Marcos, trouble is brewing there. We as Americans must remain strongly committed to the Philippines if we are to avoid disaster there.

We must also commit ourselves to democracy in Nicaragua. In Nicaragua, the Contras are clearly a better alternative for the people of Central America than the despotic Soviet-controlled Sandinistas.

It is in our interest to encourage democracy and freedom in the Western Hemisphere.

It is in the interest of freedom. It is in the interest of the people in this hemisphere.

It is necessary and honorable for us to support and protect our friends and allies in Central America from aggression from Nicaragua and Cuba. For our own security we cannot afford to have a Soviet puppet-state on our southern flank. President Reagan's request for Contra aid represents a wise policy necessary to preserve our security and Central America's freedom.

Some opponents of this aid claim that it is a violation of international law. But, U.S. military aid to the Contras does not violate the United Nations Charter. Article 51 clearly protects the right of "individual or collective self-defense if an armed attack occurs against a member of the United Nations." The OAS Charter, which also applies in this case, reaffirms this basic right to collective self-defense, as does the Rio Treaty. The United States is involved in aiding the Nicaraguan Contras because we have a duty to ourselves and our allies in the region to help stop Sandinista aggression in Central America.

Mr. President, I harken back to January of 1961 when John F. Kennedy declared he would "Support any friend, oppose any foe," and bear the burden of the cause of liberty. I think how applicable that is to this particular instance here today. We must recognize who our enemies are. And we must oppose them with effective force. In Central America it is obvious who are our enemies and who are our friends.

There is no question that U.S. military aid to the Contras constitutes use of force against the Sandinista government. But this use of force is justified by continuing aggression of Nicaragua against its neighbors. The fact that Nicaragua has, since 1980, been directly and militarily involved in attempting to overthrow Costa Rica, El Salvador, and Honduras—all of which are democratic United States friends—is affirmed by the United States State and Defense Departments, the United States Congress, the Governments of El Salvador, Honduras, and Costa Rica, the Contadora nations, the Kissinger Commission, and the Sandinistas themselves.

I do not know what more it takes for us to see what is going on in Central America. As Senator HELMS said earlier today on the floor, when are we going to wake up and smell the coffee? When will we recognize what is going on, what this struggle is all about, and who is on whose side?

U.S. aid to the democratic Contras represents a minimal effort to support our friends in the region who are under attack. In my opinion, the President's proposal is not enough and should be more. We should have a stronger position. We should make sure the world and our friends in Central America know that the United States is in this to stay, and that we are in it to win.

Direct American intervention in Central America is not necessary at this time, nor do I believe it will be in the future if the President's proposal for Contra aid is accepted. If we are irresponsible enough to allow the Soviets and their clients—Nicaragua and Cuba—to continue their destabilization and military conquests in the region, this might change.

Mr. President, I think this is one reason many of the Senators who view this issue as I do are supportive of the President's policies. We prefer to allow the Nicaraguans to achieve their freedom without the intervention of United States troops and the possibility that United States blood might end up being spilled. U.S. intervention might be totally unnecessary if we make the right decisions now.

Much has been said in the debate on this issue about the Contadora peace process. I support and applaud the goals of the Contadora peace process. The Sandinistas, of course, do not. I support the demilitarization of the region, but the Sandinistas, obviously, do not. Since conquering Nicaragua, the Sandinistas have: Imposed a draft to create a standing army of 65,000 and an armed militia of 57,000; received hundreds of million of dollars in Soviet military hardware, including 340 Soviet tanks.

How well I remember when the news media—the New York Times and the Washington Post—talked about the "military dictatorship" of Somoza. Somoza had only three old U.S. World War II tanks. Now the Sandinistas have 340 Soviet tanks. What a comparison. Which is the more military? Which is more of a dictatorship?

The Sandinistas also have Soviet fighter aircraft and dozens of helicopters—including several MI-24 Hind "Flying Tanks." This enormous military buildup, unprecedented in Central America, makes Nicaragua's Armed Forces by far the largest in the region. We are finally seeing—in Honduras this week—the practical application of this military power.

It was interesting that last evening on the "McNeill-Lehrer Report," the Sandinista Ambassador to the United States, Nora Astorga, was at ease as she blatantly lied that there was no

Sandinista incursion of Nicaragua. I heard her words repeated again on the National Public Radio this morning. It is amazing that the Sandinistas continue to lie despite the fact the evidence overwhelmingly proves them wrong.

There is a Soviet-backed intervention in Honduras taking place right now at this very moment. And yet the Sandinista representative in this country blatantly lies about it as if this were her normal business.

But, this is nothing new. This practice has been popular with Communist governments for years. Any time things do not go right, they just lie about it.

The Contadora process is proceeding at a very slow pace, an unacceptably slow pace, for those being oppressed by the Sandinistas in Nicaragua and those in El Salvador, Costa Rica, and Honduras who are being victimized by Sandinista-supported guerrillas. In addition, Contadora faces great difficulty in guaranteeing that the large Nicaraguan military machine will be dismantled, or that the Soviet and Cuban presence in Nicaragua will be ended. The Sandinistas have rejected any proposal which would allow inspection by OAS representatives of their compliance with any Contadora agreement.

Thus, Contadora is a good idea and a noble effort which I support, but in practical terms it will neither solve the problem fast enough to keep it from spreading, nor bring about a solution which will eliminate the threat of an aggressive Nicaragua expanding their revolution to the surrounding countries in that region.

It takes two, Mr. President, to tango. It is very obvious that there is only one side in this conflict that is willing to allow the Contadora peace process to work. That is the side the United States is supporting. The side the Soviet Union is supporting is not in a mood to negotiate, or to comply with any agreement they make. They aren't now—and they never will be. No Communist nation ever has—none ever will. Why? Why can't we learn this simple political truth of our age?

As Winston Churchill said, "I know of nothing the Soviets respect more than strength, and nothing for which they have more contempt than weakness, especially military weakness."

The Soviets are in this to win. If we are to stop them, we must be strong enough to help our friends.

Democracy is finally starting to gain ground in Latin America. Throughout the region despots of both the left and the right are being ousted and replaced with fledgling democracies. El Salvador and Guatemala are well on the way to developing a stable democratic tradition. Grenada and Haiti have both been given a second chance by timely and prudent United States assistance. Nicaragua, along with Cuba, is the glaring exception. In Cuba, freedom has been extinguished. In Nicaragua it is still flickering, thanks to the Contras and United States aid. If the Contras are crushed, Sandinistas and Cubans will turn their attention to wiping out freedom in other nations in the region. American aid to the Contras will prevent this.

That is why this vote is so important. It is so important that we pass this legislation to demonstrate not only to our allies and our friends in Central America, but to those all around the world, that the United States of America will stand up for freedom and will oppose oppression; that we will oppose our enemies and support our friends.

It is most important for resistance movements around the world to know that the United States stands behind the Contras. This issue is bigger than just Central America. The drum beat of liberty is pounding in far-away places like Angola and Afghanistan and without this vote today in support of the Contras, these very brave people who are resisting the oppression of the Soviets will be very, very keenly dispirited. They will lose hope in their future and will lose faith that there will be anyone to help them if they stand up against Soviet oppression.

In 1983, some of my colleagues in the Senate opposed assistance to El Salvador. To help a "corrupt" government against infiltrating Communist guerrillas, they argued, would demean the moral integrity of the United States. In 1986, El Salvador, largely because of American assistance, is well on the way to a stable democratic future.

Two elections have demonstrated the overwhelming desire of the people there to live in a democracy, to live in a country where they have representative government. The government there has started effective implementation of many democratic reforms. Human rights abuses have dropped dramatically. President Duarte has had success rallying the people against the Sandinista-supported rebels.

We should be proud of our Nation's role in this transformation. We should continue our commitment and our aid to El Salvador to ensure that these gains are not lost.

Now the focus is Nicaragua. This time the President's congressional opponents and their supporters in the public say it is "immoral" for the United States to help native democratic guerrillas against a totalitarian Communist government.

In reality, these people oppose any American support for democracy in Central America. This attitude places the United States in a dangerous position; it destroys our flexibility in the region. If we adopt this isolationist policy, we will have no option but direct U.S. intervention when the situation becomes desperate.

I thought the comments of my colleague from Texas about refugees were most enlightened, and most appropriate.

Many people in my State have become so concerned about Nicaragua that they have visited that country. Their interest is commendable and their intentions are admirable, but they cannot get a proper perspective on the situation there from a short, government-controlled visit. These "Potemkin village" tours never include a stop-off at the local political prison, or a weekend in a Miskito concentration camp. One might easily visit the Soviet Union and see no evidence whatsoever of gulags or labor camps for political prisoners. This does not mean they do not exist.

These Americans, for all their good intentions, have been and are being used by the Sandinistas as pawns in their propaganda offensive against the democratic resistance in Nicaragua. It has always puzzled me that so many educated, prosperous, middle income Americans are willing to accept the word of a Marxist dictator over the testimony of their own Government. We have seen this phenomenon over and over again: in 1917 Russia; in 1949 China; in 1959 Cuba; in Vietnam, throughout our involvement there; in 1975 Cambodia; and now in Nicaragua. The irony is that these Americans, because of their education, their prosperity and their middle-income status, would have been the first people to be executed had they lived in any of these nations after the Communists came to power.

Oftentimes, when I am at home attending town meetings, like the one this Saturday in Cambridge, ID, I am asked, "What about the situation in Central America? Whom do I believe?" A very sincere lady asked me this question. She said "Whom do I believe? I hear the propaganda from our Government, I hear the propaganda from the Sandinista government. Who am I to believe?"

I told her to believe in the country that will allow you to get your passport, cash in your assets, and leave the country freely, if you want to. I told her I would believe the word of that government much more than the word of the propagandists from behind the Iron Curtain who prevent their people from leaving the country with AK-47's and bullets in the back, who deny their people the most fundamental human rights, and who use brutality and psychological torture as tools of public relations.

Why so many of our people accept this Soviet propaganda is beyond me, yet many well-intentioned Americans continue to fall for this line. Perhaps

Soviet style barbarism is so foreign to our way of life that we cannot believe it really exists.

The evidence that Nicaragua is militarily aggressive toward its neighbors is overwhelming. It can only be denied by those seeking to apologize for that regime who deliberately ignore the facts. It is equally clear that the Sandinistas are wholly dependent on and committed to the Soviet Union and Cuba. The military buildup in Nicaragua and its continuing human rights violations cannot be denied, nor can the ongoing genocide of the Miskito Indians.

As in Grenada, the Reagan administration policy in Nicaragua will, if carried out, restore freedom and democracy to a whole nation of people. As in Grenada, the President's policies will enhance the security of the United States. If Congress acts wisely and swiftly, these goals can be achieved, as they and are being in El Salvador, without use of American forces or loss of American lives. We have allies in the field willing to die in the struggle to restore freedom to their country, all they require of us is financial and material support. That is a small price to pay for freedom and security in the North America.

I yield the floor, Mr. President.

ORDER OF PROCEDURE

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. DOLE. Mr. President, I thank the distinguished Senator from Texas for permitting me to take this time.

I want to alert my colleagues. Many are asking not only about votes but whether we will complete action on the Contra resolution this evening.

We will have the resolution, I hope, on the Senate floor in the next 30 or 40 minutes. There are meetings still going on. I know the distinguished minority leader is meeting in his office; I have been meeting in my office. Some of us have not given up hope of working out at least one of the very controversial areas that would, in my view, yield a strong bipartisan vote for its passage. So that still has not been—it is still alive, let us put it that way.

It is my hope that we shall be able to have something on the Senate floor in the next 30 to 45 minutes. I know Senator BYRD's meeting started at 5:15 and we hope to get together as soon as his meeting ends.

There will be opportunity for amendment. If we can compromise one of the two elements that are still outstanding, it would certainly reduce the time. I doubt we can complete action on the resolution this evening.

But if not, we will try to set a time certain for a vote early tomorrow so that Members may make plans accordingly.

I thank the Senator from Texas.

Mr. BENTSEN. Mr. President, men and women of good will are trying to work out their differences on this issue. I find that there is very little disagreement in the objectives of what we are trying to accomplish in this regard. The problem is in trying to find the means, in trying to get some agreement there. I could not help thinking, as I was listening to the reports of what has happened in Honduras and Nicaragua in the last couple of days, of what took place last year when you saw an initial congressional rejection of renewed assistance to the Contras. No sooner was that done than Commandante Daniel Ortega took off for Moscow to ask for additional aid. Now, last Saturday, only 2 days after the initial House defeat of proposed additional aid to the Contras, you saw Nicaragua send more than 1,400 troops into Honduras.

It was interesting last night to watch on television the Nicaraguan Ambassador to the United Nations absolutely deny that there were any Nicaraguans in Honduras. It is an incredible statement. You had an incursion that went in over 20 kilometers. You are talking about 1,400 armed men. You are talking about MI-8's going into escort them. And then to deny it, with the evidence we have that that was taking place, reminded me a lot of Qadhafi over the last couple days saying he shot down three U.S. Navy planes.

When are we going to face up to what the Sandinistas really are? They are well-armed Soviet clients and they are determined to strengthen their power and their control even when some Members of the Congress try to encourage peace talks by denying support to the Sandinista opponents.

No, it is not the United States which refuses to give peace a chance. It is the government in Nicaragua which has been delaying the Contadora process since last fall, and which has been relentless in trying to crush their opponents rather than negotiating with them.

I only have to think back to 1979 and what took place then. I can remember how we voted for aid to Nicaragua. We have voted more aid to the Sandinistas in this Congress than we have voted to the Contras, the democratic resistance to the Sandinistas.

I hope we will learn from these repeated lessons that the Sandinistas are more interested in consolidating their power than in reconciling with their opponents, and that they will treat U.S. reluctance to aid the Contras as an opportunity for belligerent action, and not as an olive branch for peace negotiations.

Mr. President, I am not here supporting aid to the Contras because I agree with the way in which some of the public debate has been carried on. In particular, I consider it unfortunate that some advocates have impugned the patriotism of those who might oppose the continuation of aid to the Contras. I do not think we have to choose between being called patriots or being labeled appeasers. There is no lack of patriotism in this body, and I resent those who would try to divide us in the debate on those kinds of grounds.

I have yet to hear anyone in this debate who favors the Sandinista government, what it has done and what it stands for. No, I think there is in this Senate nearly universal disapproval of the Sandinistas. They are a bad lot, and we know it. So most of us here share the same goals for Nicaragua. Our difference lies in the means of achieving those goals.

I know it would be easy to walk away from the problems of Nicaraguan subversion, their repression, their intimidation; it would be easy to declare an end to our support for the Contras and simply to shield our eyes from the reality of it. I know what the polls read. I know that I am on the unpopular side of a political issue today, but I believe this is in the short run. I think in the long run the American people will be deeply aroused and concerned about this kind of a Soviet satellite continuing to export subversion of democratic governments throughout that region. And if we did deny this aid, I think it would be a shameful betrayal of men and women who are standing up with rifles to fight against these flying gunships, the MI-24's that the Soviets have supplied to the Sandinistas.

Time and time again in recent years we have been the ones who have urged negotiations in order to settle the disputes, to safeguard Central America. Most recently the foreign ministers of the Contadora and Support Groups called for renewed talks, both multilateral and bilateral, between the United States and Nicaragua. Secretary of State Shultz welcomes the good offices of these nations. He offered to resume direct talks with Managua simultaneously with the beginning of Sandinista dialog with the democratic resistance.

The Nicaraguan Government, by contrast, has spurned both multilateral peace talks and internal reconciliation talks. As recently as February 14, Nicaragua refused to negotiate on a Contadora treaty at a meeting in Panama of Contadora and Central American negotiators. In these circumstances we have to avoid the trap of making negotiations a substitute for help to the democratic resistance, thus allowing the Sandinistas to strengthen their position simply by stalling. And they are masters of that.

I must tell you I do not have a great deal of faith in the idea of negotiation with the Sandinistas. Indeed, I do not know of any Communist government

that has willingly relinquished its power. But I still hold out some small hope that this can be an exception to that rule, and I am willing to try it. If this is to be that exception, the negotiations with the Sandinistas have to be backed up by more than mere words. They have to be backed up with a clear understanding on the part of the Sandinistas that we are going to continue to support the armed opposition and that this support will not end until certain conditions are met.

What are these conditions? They are the same ones that many of us have suggested in the past. First, the Sandinistas are going to have to eliminate their close military ties to the Soviets and to the Cubans.

Second, they have to reduce their military buildup to a level that is commensurate with other nations in that area. They have more people under arms and they have more armament than any of their neighbors.

Now, why do they need all this military might if they do not intend to continue to subvert the democracies of that area? We have seen a good example of that in the last couple of days.

There are a lot of people who say the Contras are a failure; that they do not have a chance; that we would be throwing good money after bad to vote them additional aid. Well, I would say to those folks that we never really gave the Contras a chance. We have supported them in fits and starts over the past few years. First, we offer them a bit of aid, then we pull it away and say, "No, sorry, you are going to have to undergo this alone, do it on your own." It is amazing to me that they have not just bled away by now, but instead of that you have 15,000 to 20,000 volunteers. That is a large number of volunteers.

The Soviets use Cubans as mercenaries. These are paid guns. They are not fighting for their own country. They are sent to places like Angola and sent into Nicaragua. But here we are talking about native people trying to regain their country. You cannot do it on the cheap. Trying to fight for democracy and liberty and regain a country will not be easy.

We voted $27 million this past summer. Much of it did not get to the Contras immediately because of the intransigence of the former president of Honduras. That problem has been resolved. There is now a mechanism in place to get the funds to the Contras—the humanitarian assistance and the military assistance. Given adequate weapons to defend themselves against the flying tanks of the Sandinistas, the Contras will give a much better account of themselves on the ground in Nicaragua.

As to those who said they cannot fight, that they do not have the will to fight, let us take an example of what has happened just over this last weekend. Fourteen hundred troops came across that border to drive into a training camp. They thought this was going to be a piece of cake, that they were going to be able to destroy it, move out, and no one would have been the wiser before they were gone.

It did not work out that way. They got their nose bloodied in the effort. Some of them were turned back at the border, and others were almost entrapped by the FDN. The Contras accounted for themselves rather well, from what we have been able to determine thus far.

Some folks say that the Contras could never win, that you could never push the Sandinistas to the point of a serious negotiation. I do not believe that. I believe that a growing force of volunteers, adequately armed and ultimately controlling the countryside, can lead to increasing defections from the Sandinista draftees.

Moreover, the church, a powerful influence in a nation which is 95 percent Roman Catholic, is as strongly opposed to the Sandinista government as it was opposed to the Marcos government in the Philippines. Those kinds of things coupled together can finally lead to an untenable situation on the part of the Sandinistas in Nicaragua.

One of the things that I think is important in trying to get a bipartisan policy here is to show that we carry it by a substantial majority, that we have a real commitment in this, and that it is a commitment with continuity. The Sandinistas can understand that.

The United States welcomed the Sandinista revolution, and we tried to sustain what we thought was its democratic commitment with an infusion of $118 million in aid in those first 2 years. They made their commitment to the Organization of American States as to what they would do in establishing pluralism and doing away with repression, and they violated each of those commitments.

It is an irony that we gave more to the Sandinistas, as I said a moment ago, than we have given to the Contras. But Managua turned its back on its own promises and on its hemispheric well-wishers and embraced instead the Soviet Union and its policies.

People try to tell me that the Contras really have not been effective against the Sandinistas. Let us look at the imbalance. Let us look at the support and the commitment.

Since the beginning, in 1979, the Soviets have sent the Sandinistas $1.8 billion in aid. In 1984, while we debated whether to provide the Contras with a meager $24 million in military assistance, the Russians and their allies gave Nicaragua 10 times as much military hardware.

Last year, when we grudgingly approved $27 million in humanitarian assistance, the Soviet bloc was pumping in 15 times as much economic aid.

This year, while we argue over whether to give $100 million in military and economic help, the Soviet bloc is expected to provide Nicaragua six times as much aid.

While the Sandinistas have been receiving tanks and helicopters, we have been giving the armed democratic resistance boots and bandages.

Several years ago, I went down to one of those grass landing strips, looked at an old DC-3, met the pilot, met the copilot, met a 16-year-old kid who flew with them and kicked the boots and the supplies out to the Contras in the mountains of Nicaragua.

One week later, they were shot down and they were dead. Do not talk to me about the courage of those people.

Are there some duds among them? Yes, I am sure there are. But I am sure they have them on both sides. Have they committed some atrocities? Yes, I am sure they have. And they have been committed on both sides. War is not a pleasant pastime. It is mean, and it is cruel, and civil war is the worst of wars.

Here we are, when we will not give assistance and we will not give training and try to bring about discipline, as we did with the Salvadoran Army, and then talk about the fact that it is not well managed. What you have here is a peasant army. You have people who have left their farms because they have a government that has violated their religion, that has disrupted their customs, that in many cases has taken their land.

I have been over there with the Miskito Indians. I spent a week with them on the eastern shores of Nicaragua. They are a people with simple lives. They really would just like to be left alone and not have government intrude on them. But they have fought the Sandinistas tooth and nail because of what the Sandinistas have done to them. They want their liberty, and they will fight for their liberty.

We have seen thus far the level of commitment by the Russians to the Sandinistas, and we have seen the lack of commitment and continuity that has happened on behalf of our Government. You have seen much more steadfastness on the part of the Russians, more consistency and strength of purpose, 10,000 miles away from here.

We seem quite willing to support the expenditure of perhaps even hundreds of millions of dollars of military aid, on behalf of the Afghan freedom fighters in a country that borders directly on the Soviet Union. Talk to me about the Contras winning. Do you really think the Afghans are going to be able to defeat the elite troops of the Russians coming across that border every day, with their squadrons

of aircraft, their bombers, their missiles? Yet, we support the Afghan rebels, and we go all out.

The U.S. Senate has shown consistent unanimity of support in helping those rebels against Soviet domination. On October 3, 1984, we voted 97 to 0 in support of a resolution declaring that the policy of the United States is to support effectively the people of Afghanistan in their fight for freedom.

Last May 14, after just a few minutes of discussion, we approved by voice vote—no one even asked for a rollcall vote—an amendment earmarking $15 million for humanitarian assistance to the Afghan people.

No doubts, no second thoughts, no dissent about this policy in a far distant land.

But we hesitate and we argue over the notion of supporting democracy and opposing Communist totalitarian subversion here in our own Western Hemisphere less than 1,000 miles from home.

Ten thousand miles away, send it, support it, with unanimity; our own hemisphere, and we question it.

Mr. CHILES. Mr. President, will the Senator yield?

Mr. BENTSEN. I am happy to yield to my distinguished friend from Florida.

Mr. CHILES. I do not want to interrupt, but I listened to what the Senator was saying and decided I wanted to come over here because I am persuaded by his remarks and I certainly want to associate myself with them.

Afghan rebels do not constitute and they are not the legal government there, are they?

Mr. BENTSEN. No, they surely are not.

Mr. CHILES. There is a so-called legal government there?

Mr. BENTSEN. That is correct.

Mr. CHILES. Yet we are supporting the rebels in that instance and we call them freedom fighters. But there is supposed to be something wrong with us supporting the Contras against what is supposed to be the legal government of the Sandinistas.

Mr. BENTSEN. I do not understand the rationale of that.

Mr. CHILES. That is strange reasoning, is it not?

Mr. BENTSEN. Yes, it is. This is our hemisphere.

Mr. BENTSEN. As the Senator from Texas has so eloquently said, this is in our backyard, and yet we are willing to expend that in the other.

Again, as to his remarks about the native Americans over there, the Miskito Indians, they are native Americans. We do an awful lot for our native Americans here in this country. There is no Somoza tinge on the Miskito Indians over there.

Mr. BENTSEN. No.

Mr. CHILES. They have been moved out of their homelands. They have seen their villages put to the torch. And they are still fighting for freedom, as the Senator so eloquently pointed out.

Mr. BENTSEN. That is correct.

I thank my distinguished friend.

Mr. CHILES. I thank my friend from Texas. I think his remarks are very well placed and I think he makes an excellent point.

Mr. SYMMS. Mr. President, will the Senator yield?

Mr. BENTSEN. I am happy to yield.

Mr. SYMMS. I join with my colleague from Florida and compliment the Senator from Texas. I think the Senator from Texas made one of the finest speeches I have ever heard given on this floor. I support in what he is saying. I wish somehow we could capsulize his message and spread it all over the United States. I hope it went out on the radio and that many of our countrymen heard it, because I think that the Senator is right on target.

I appreciate very much his leadership in this fight and I hope, as I am sure he does, that we could get a vote here today that is 100 to nothing in favor of aiding the Nicaraguan freedom fighters. We must demonstrate that we are standing together as Republicans and Democrats, Americans one and all, to support our fellow Americans, our friends and neighbors in Nicaragua who are fighting for their freedom and the freedom of all the people of this continent.

I thank him very much for an excellent speech.

Mr. BENTSEN. I thank the Senator.

My concern is if we abandon our principles, if we forget the Contras, if we forget the Sandinistas, we will only condemn the people of Nicaragua to perpetual domination by a government whose strength lies with the Cuban-style block committees; and the Cuban, North Korean, and East German security force advisers. We would also be abandoning the Salvadorans, Costa Ricans, Colombians, and Guatemalans, and the other democracies in that region to the armed subversion which the Sandinistas are already supporting.

If we blind ourselves to these truths, we will never have the foresight or the determination to defend our neighbors against the consequences of a very powerful and unrestrained Sandinista government.

I wish we could go back to the beginning of the Sandinista revolution. We cannot do that. We have to wrestle with the situation as it is today.

I wish we could go back and exercise more influence for the democratic process.

I can remember the commitments they made. Senator CHILES has been down to visit at La Prensa. He talked to Mrs. Chamorro as I did. I looked at her bulletin board, standing outside that office, the front page of La Prensa for that morning, with great big holes cut in it. That was that morning's censorship. They left the classified section. But that is the kind of government that we are talking about.

Wars are engines of suffering. Civil wars are particularly bad.

You are never going to have the Marquis of Queensberry rules.

I agree with my friend the Senator from Georgia, Senator NUNN, that we ought to use all of our influence on the Contras to have them develop better discipline to be sure that we really have democratic leadership throughout it. I know that there are some ex-Somozas still among them. We understand that. But I well know that among the leadership are people who were imprisoned by Somoza, and I also know that you have former Sandinistas that are now heading up that effort.

It seems to me we have a clear choice to make. We can turn our backs and turn away and allow the final consolidation of a totalitarian regime in Managua, complete with its Soviets and Eastern bloc advisers. And by doing so we can give the green light to increased subversion across Central America. Or we can give the Contras the material and the assistance they need to fight the Sandinistas on a credible basis and force the Sandinistas to live up to their promises.

Defeat of this kind of aid will consolidate a second Cuba on the mainland of North America and, of course, will mark the liquidation of the democratic resistance in the Nicaraguan civil war.

Mr. President, I ask unanimous consent that a table I have showing Soviet bloc aid to Nicaragua be printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

SOVIET BLOC AID TO NICARAGUA

[In millions of dollars]

Year	Total	Military	Economic
1979	2	0	2
1980	36	6	30
1981	120	40	80
1982	238	88	150
1983	356	116	240
1984	530	250	280
1985	500	100	400
1986	[1] 600	[1] 100	[1] 500
Total	2,382	700	1,682

[1] Estimate.

The PRESIDING OFFICER (Mr. STAFFORD). The Senator from Georgia.

Mr. MATTINGLY. Mr. President, more than 200 years ago, a group of extraordinary individuals pledged their lives and their honor in support of a belief that government is instituted to secure for the people certain un-

alienable rights and that the powers of government are derived from the consent of those who are governed. So states our Declaration of Independence.

That document remains one of the world's treasures because it so eloquently expresses universal truths. Its sentiments are as valid in Nicaragua today as they were in the America of 200 years ago.

The people of Nicaragua today, like the colonists of yesterday, are suffering from a ". . . long train of abuses . . ." imposed by an authority that seeks through ". . . repeated injuries and usurpations . . . the establishment of an absolute tyranny . . ."

If there are any who doubt whether the Marxists who rule Nicaragua are intent on establishing that absolute tyranny referred to in our declaration, they should review the record of the Sandinista government during the past 7 years; or, again quoting from the declaration, ". . . let the facts be submitted to a candid world."

So let us consider some facts.

The Nicaraguan communists have betrayed the democratic goals of the revolution that overthrew the dictator Somoza. The pledge made in 1979 to the Secretary General of the Organization of American States to hold free elections and to fully respect human rights has been ignored.

Cuban advisers entered Managua less than a week after Somoza's departure. That number has now grown to 7,500, 3,000 of whom are military or security personnel. They have been joined by advisers from the Soviet Union and East Germany and contingents from Libya, the Palestine Liberation Organization, Bulgaria, Czechoslovakia, Poland, and Hungary.

Assisted by these allies, the Sandinista Marxists have built the largest military force in the region, 62,000 active duty personnel.

The Soviets have strengthened these forces by giving the ruling Junta more than 350 tanks and armored vehicles; 70 howitzer and rocket launchers; and 30 helicopters including 6 of the world's fastest attack helicopters, the MI-24 Hind D. That is the same weapon that has been used by the Soviet Union to attack and kill freedom fighters in Afghanistan.

The Marxist Sandinistas have allied themselves with, and supply, the Communist guerrillas in neighboring El Salvador. That assistance has complicated enormously the struggle toward democratic reforms in that nation.

Clear evidence has been presented that attests to the involvment of the Nicaraguan Marxists in international drug trafficking.

Religious repression began as early as mid-1980 and continues against Catholic, Protestant, and Jew. Members of the Indian minority on Nicaragua's Atlantic coast have been forcibly relocated, arrested, tortured, and killed.

The Sandinistas have established block or neighborhood committees which control access to ration cards and other government services. More importantly, they serve as a crucial link in that nation's network of informers and have been called by Interior Minister Borge the "eyes and ears of the revolution."

The list of abuses is long. The facts are unpleasant. But to those of my collegues who may yet have some reluctance to support the request of the President for assistance to the resistance forces in Nicaragua, consider just several more:

Who was the honored guest at the ceremonies celebrating the first anniversary of the Sandinistas' revolution? Answer: Yassir Arafat.

Who supplied the weapons that the M19 Colombian guerrillas used last year to murder 11 supreme court justices in Colombia? Answer: Nicaragua.

When the Nicaraguan regime dedicated a new powerplant, who did they choose to honor? They named the plant in honor of the Sandinista who died murdering innocent people in the massacre at the Tel Aviv Airport.

Who was the only head of state who dignified with his attendance the swearing-in of Commandante Ortega as President following the election charade of 1984? Answer: Fidel Castro.

These are the types of people that we are dealing with. Know them by their deeds. Know them by their friends and allies. Mr. President, it has been said that there are none so blind as those who will not see. To those of my colleagues reluctant to support the aid request, I say, do not blind yourself to the truth but open your eyes and gaze upon the true face of the Marxists in Nicaragua!

The facts, Mr. President, are as many as they are distasteful. The choices that face the United States, though, it seems to me, are few.

We can do nothing. That will enable the Nicaraguan Marxists to crush what little opposition would remain to their efforts to consolidate their hold on that nation. I certainly do not recommend this course and I doubt if many of my colleagues would either.

The introduction of U.S. troops is an option that is open to the President as Commander in Chief but it is one that President Reagan has continually, and, in my view, quite properly, rejected.

Or the United States can provide assistance to the freedom fighters in Nicaragua while continuing the efforts to reach a negotiated settlement.

This last alternative is clearly the option that best advances our interests and those of the people in Central America. That is why a request for assistance should be overwhelmingly approved by the Senate.

To those who say that we should not support these forces because among its ranks are former national guardsmen under Somoza, I refer you to a recent editorial comment: "Perhaps not all the Contras are democrats, but all the democrats are Contras." The current leadership of the resistance forces were not only enemies of Somoza, a number of them were actually members of the Sandinista junta who repudiated the revolution and its Marxist leadership when it became clear that the revolution had betrayed the Nicaraguan people.

To my colleagues who oppose aid to the freedom fighters because they do not believe that the United States has pursued in good faith a diplomatic, negotiated settlement, I must offer respectful disagreement. But I am willing to support the new, diplomatic initiatives outlined in the President's request. In all honesty, without the pressure exerted by the military assistance sought by the President, I do not believe that the ruling Marxists in Managua can ever be convinced that it is in their best interests to negotiate in good faith.

To the opponents of the proposal who base that opposition on a belief that financial aid now will lead inevitably to the introduction of U.S. troops later, I offer the proposition that, to the contrary, failure to provide that financial assistance now will almost certainly lead to the time when a U.S. President and a future Congress will have to send U.S. troops to Central America. If we do not help the resistance forces in Nicaragua who are prepared to oppose the Communists now, then we are insuring that such a force will not be there in the future and the choices that confront us will be far more painful than those we face today.

And so, Mr. President, we find ourselves confronted with a request for assistance from a force of poorly trained and ill-equipped men and women who are prepared nevertheless to take up arms and attempt to rid themselves of a modern-day tyranny.

They seek our assistance just as 200 years ago, American patriots sought, and won, help in their efforts to establish a government that derived its powers from the people. The fundamental principles that are involved in today's crisis are no less vital than those that were at stake 200 years ago. That is because they are the same.

Mr. HEFLIN. Mr. President, there is really little debate in this body on the nature of the Government of Nicaragua. It is self-proclaimed as a Marxist-Leninist totalitarian government built on the Cuban Communist blueprint of block committees which calls for the worldwide triumph of communism. As I said, it is self-proclaimed, so we do not have to question what type of gov-

ernment may exist in Nicaragua and what its ultimate goals may be. I have heard no Member of this body argue in favor of the Sandinista government of Nicaragua and what it has done and what it stands for.

In my opinion, those who question the patriotism of the Members of Congress who might vote in opposition to aid to the Contras are extremely unfair. We all share the same goals for the people of Nicaragua—the same goals as the President—namely, freedom, democracy, dignity, liberties, and human rights. The disapproval of the Sandinistas is nearly universal. We differ in the manner in which the goals should be accomplished.

There is no question of the strategic or geographical importance of Nicaragua. With Nicaragua as a base, the Soviet Union and Cuba could become the dominant force in the crucial corridor between North and South America. They would be in a position to threaten commerce through the Panama Canal, interdict Caribbean sealanes, and intimidate its Central American neighbors.

With an armed force of 120,000 men and women backed by more than 4,000 Cuban Soviet and Eastern bloc military advisers, Nicaragua is a threat to all of its neighbors in the region.

I am most concerned about the reports of Cuban and Eastern bloc teachers in the school systems of Nicaragua. And estimated 3,500 teachers and instructors are indoctrinating the young people of this nation in the fundamentals of Marxism, subversion, and of military science—military science like which is taught in high schools under ROTC units.

When I consider the fact that my home State of Alabama has a population of 4 million people, and the whole country of Nicaragua has a population of a little bit more than 3 million people, I realize that my State is larger. I do not know the number of high schools that exist in Nicaragua. In the State of Alabama there are about 600 public high schools. If you were to look, and, say, divide the 3,500 or 3,600 schoolteachers that are there in Nicaragua—says, there are as many high schools, 600—it would mean that in each high school there would be something like six or more who would be instructing students. An average high school in my State is around 400 or 500 pupils. They would be instructing students in the arts pertaining to the military as well as indoctrinating them in the cause of Marxism, and indoctrinating them into methods of subversion and what they can do to spread their philosophy of government.

I think it would have a tremendous impact. The faculty of around a 400-member school system in my State would be in ordinary terms probably 25 schoolteachers. So you can see that 6 out of maybe 25 would be substantial number which would have a tremendous influence.

The revolutionary reach of the Sandinistans is far beyond their immediate neighbors. Radicals and revolutionaries trained and supplied in Nicaragua threaten the security of all of the Latin American and Caribbean countries. They can come to Nicaragua, be trained, and then go back to their countries. They may well be 2,000 miles away somewhere in South America where they might go. But they can be trained as to becoming dissidents, how foment revolution, and from that they can cause trouble in their particular country.

In addition to the thousands of Cuban, East German, Polish, Soviet military advisers and instructors, it is clear that there are tons and tons of Warsaw Pact weapons, tanks, armaments and equipment that are pouring into this Central American country which is only 2 hours' flying time from the United States.

Basically, I think the bottom line is that we cannot allow a second Cuba to be created in this strategic, important area of the world. Cuba, the Soviet Union, the East Germans, and the other Soviet bloc nations have made a large investment in Nicaragua. They have been consistent in their efforts to gain a satellite government in Nicaragua at their doorsteps of the United States. While they have been consistent, we continually argue over whether we will support democracy, and oppose Marxist totalitarainism and subversion here in our own hemisphere.

The strategic importance of Nicaragua is an issue of national security vital to the United States. National security issues should be and must be bipartisan issues. Those in either party, whether they be Republican or Democrat, or whether they be congressional leaders or White House advisers who make the national security as partisan issue, do so at risk to this Nation.

The President has proposed $100 million of aid to the Contras. The question being debated in this body should be the practicality of that proposal. What goals do we seek with this measure of participation? Do those goals correlate with the objectives we seek in Nicaragua?

First, let us look at the alternative of doing nothing. If we abandon our principles, abandon the Contras, neglect our interests, and ignore the Sandinistas we will condemn the people of Nicaragua and eventually other countries of Latin America and the Caribbean to domination by a Marxist totalitarian state.

We did just that in Cuba. We will compromise our own national security in the global struggle against the Soviet Union and its satellite countries.

Clearly, we must do something. Some have suggested negotiation. While that might be a desirable solution—and I wish that it were possible, and in my judgment that would solve the problem. But in order for there to be negotiations, there must be a willingness by both parties to negotiate with prospects for a satisfactory result.

We look to the Mideast, and since the Camp David accords we have had negotiation after negotiation but there has not been much progress in the peace process in that area, largely because of the inability or the unwillingness of some of the parties to negotiate.

Currently there is neither the willingness for the prospect of successful negotiation concerning the Nicaraguan problem. Methods of influencing foreign governments can take many forms. The continuum ranges from informal nods and private conversations to economic sanctions and mass invasion.

There is no doubt that we are far beyond the informal nod stage in Nicaragua. Even an indirect participant in Nicaragua needs a good reason to impose economic sanctions, a compelling reason to pay for someone else's bullets and troops, and the best of reasons to send its own troops into that country.

We have not reached the best of reasons. And that is a direct threat on the sovereignty of the United States. Therefore there is no present need to send troops into Nicaragua, and I hope there never will be.

But I believe we have reached a compelling reason. That compelling reason is a direct threat to the national security interests of this Nation.

The question returns to the President's proposal. While I do not expect the Nicaraguan Contras to be able to overthrow the Sandinistan government in the next year or 18 months, the Contras will keep the Sandinistans occupied and less able to export their Communistic influences to other countries in Central and South America, and in particular to El Salvador, if we go ahead and provide the aid as called for by the President.

This is an important benefit and result.

This $100 million will not be adequate to overthrow the Sandinistas, but it will allow the Contras to grow and in a few years enable them to exert more influence. However, the administration must develop some mechanism to account for the money we provide ensuring that it is spent for the intended purposes. There must be some specific plans, goals, and objectives established and then an accounting made of them. This is one of the weakest points of the administration's proposal.

With this aid the Contras will be better able to defend themselves against the sophisticated weapons the Eastern bloc has provided the Sandinista government. They will be given an opportunity to show a better account of themselves on the ground in Nicaragua.

A bolstered Contra force will be better able to attract volunteers particularly from defections from the Sandinista's army of conscripts. They would be able to take advantage of support from the church, a powerful influence in this nation where 95 percent of the population is Catholic. The ingredients are there to produce a situation which over time could become intolerable for the Marxist dictatorship.

The choice is clear. We can turn our backs on the Contras of Nicaragua and allow the final consolidation of a Communist totalitarian government in Managua. We can allow the subversion of Nicaragua's neighbors in Central America, South America, and the Caribbean Basin. We can allow a permanent threat to our shipping interest in this crossroads of the world. We can allow another Cuba to develop on this bridge between the Americas.

Or we can give the Contras a moderate amount of assistance they need to fight this Marxist government. To do so we will be promoting those concepts we believe in—democracy and freedom. To do so will be in the best interest of the United States strategically and geographically. To do so will be to protect our national security. And to do so will be a justified proportional response to a grave threat to the freedom and independence of an entire region.

Mr. SIMON addressed the Chair.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. SIMON. Mr. President, let me stress first this is a judgment call and I respect the opinion of those on either side. That is what we are here to make, judgment calls. But I think we ought to make judgment calls that are based on the facts; judgment calls that respond to the national interest, rather than the national passion.

Here let me just add I have heard this afternoon a lot of references to Cuba. Frankly, if three of us had gotten together over in Moscow and said, "How can we design American foreign policy so that we will make Cuba a satellite of the Soviet Union?" We could not have designed a better policy than the policy that we now have.

I do not suggest that a modification of our policy toward Cuba is going to get Castro to turn around. The reality is that that government has more political prisoners than any government in all of Latin America. But it is interesting that Cuba is more of a satellite of the Soviet Union today than is either Romania or Hungary. If we were to sell Cuba medicine or food, and maybe take a few steps in a solid direction, maybe we could get some modification of their policy. Certainly, there can be no evidence that Cuba can be any more tightly knit to the Soviet Union than they now are.

But the question right now is not Cuba. The question right now is Nicaragua and what we do there.

No one—and I just heard my colleague from Alabama say it—in this body defends the Sandinistas. That is true. They are not Boy Scouts. The Sandinistas have an excessive military might. They have violated human rights. They are not giving the people of that country what they want to have.

But I have reached the conclusion, I think looking at the facts somewhat dispassionately, that we make a mistake if we provide this $100 million.

Why is it a mistake?

Let me just tick off a few things very briefly.

No. 1, we should learn a lesson from Vietnam, from the Philippines, from country after country: If you provide weapons, and you do not have the people of the country with you, you are not going to win. I do not care how many weapons you supply. The reality is the Contras do not have the people of Nicaragua with them. That is the reality.

I spoke I guess 6 or 8 months ago to a group of educators gathered here in Washington from around the world. The State Department asked me to speak to them.

Before I began my remarks, I asked, "Is there anyone here from Nicaragua?" Two men raised their hands and I said, "I would like to talk to you afterwards."

Afterward, they came down and I asked them, without indicating what my position was at all, "What should United States policy be toward Nicaragua?"

Both of them said, "We do not like the Sandinistas but let us solve our problems ourselves. Do not send down your guns that are going to kill us."

The reality is—and I am not passing out classified information because we have all been getting briefings and it has been in the press—if we provide the guns, 1 year from now where are we going to be? If we provide the military equipment, 1 year from now we are going to be in exactly the same position, with the Contras not having one village, one town. It will have another 6,000 dead Nicaraguans, as we did last year.

This administration's policy is clearly guns first, the military side first, then diplomacy. I think our policy should be precisely the opposite.

Sunday's New York Times had a comment about Central America and pointed out that the leaders of Central America are unanimous in condemning the Sandinistas publicly, but they are also unanimous in saying our policy is not a sound policy, and we ought to be listening to them.

I received a letter the other day from someone saying, "How can you be so inconsistent as to support the Afghan freedom fighters and oppose helping the Contras?"

There are two massive differences as well as one similarity.

The differences between Afghanistan and the Nicaraguan situation is one is an invasion, a clear-cut invasion from another country into Afghanistan.

The second is a civil war.

There is a second difference. In one, we have world opinion in our corner, virtually solidly. The U.N. vote, as I recall, was about 80 to 20, including Romania, one of the Communist nations, and one or two other Communist nations. In Afghanistan, we have world public opinion with us. In Nicaragua, in our actions, we are all by our lonesome out there. I think we have to ask ourselves, is the rest of the world out of step or are we out of step?

The similarity is we want to get a message to the Sandinistas and to the Soviet Union, "Don't cause problems for your neighbors." The question is how you effectively do that. In Afghanistan, I think we do it by helping the freedom fighters. In Nicaragua, I think we ought, at least initially, to try to do it through diplomacy.

There is also one fundamental question that we have to ask ourselves. That is, should the United States be involved in civil wars? Should the United States be trying to overthrow governments of other countries? If we want to overthrow governments we do not like, that is about two thirds of the governments on the face of the Earth. We are going to have our hands full.

While I do not like the Sandinistas and the Marxism they represent, the day when Marxism was the wave of the future or appears to be in Africa, Asia, and Latin America fortunately is a day of the past unless we re-create it.

I heard my colleague from Alabama discussing what is going on in the schools in Nicaragua. That, frankly, is something that ought to concern us and we ought to be doing some positive things to change the climate down there. But sending weapons to the Contras certainly is not going to do that.

What we are doing right now is reinforcing an image—partly earned, partly not earned, but an image that Uncle Sam has in Latin America of being a bully and an exploiter. One of our colleagues here visited with the President of a democracy in South America recently. That president said,

I don't pretend to know very much about Nicaragua, but I know that what you are doing in Nicaragua is making Marxists in our country.

I think we have to listen to our friends in Latin America. And if the President is right—I listened to the President's speech the other night. If the President is right about the immensity of the challenge and the threat that we face here, then it ought to receive a lot more than one-ninetieth of 1 percent of the budget. This is one thirty-sixth of what we get from the cigarette tax in this country. If this threat is so great, should we do something more than vote one thirty-sixth of what we get from the cigarette tax? I think the answer is fairly obvious.

As I said, we are alone. The Western European nations this past year gave about 200 million dollars' worth of assistance to the Government of Nicaragua, to help that Government, while we are providing $100 million or being asked to provide $100 million to the Contras—$100 million—I see my good friend, the senior Senator from Vermont [Mr. STAFFORD] presiding right now—while the same administration asks us to cut back on education programs, while the same administration asks us to cut back $58 million in cancer research and a variety of other things. What are the priorities?

Finally, Mr. President, I think we ought to do some positive things to combat Marxism. I think one of the positive things we ought to do is work with the Contadora group, to sit down and negotiate and try to resolve this thing through diplomacy, not through weapons. Let me give one very practical kind of thing that we could be doing, and again, Senator STAFFORD can appreciate this more than most Members of this body.

In Central America today, we provide 391 scholarships for young people down there to come to United States colleges and universities—to go to the University of Vermont or the University of Wyoming or the University of Illinois. In that same area today, the Soviets and Soviet satellite countries are providing 7,500 scholarships—primarily the Soviet Union. I do not pretend that every student who goes to the University of Moscow or the University of Leningrad is going to come back a dedicated Communist, but I think we are fooling ourselves if we do not recognize that there is a tilt, just as the students who go to the University of Wyoming or the University of Illinois or the University of Vermont or Middlebury College come back with a tilt that is favorable to our side. If we really want to combat Marxism in Central America, let us get into the scholarship war with the Soviets and not an arms war down there. We are going to be a heck of lot more successful.

A few weeks ago, I was reading, doing the kind of reflective reading we do not get to do very much around here, and I came across—I was reading Thomas Hobbes. I came across this sentence: "Prudence in the conduct of peace or war is power."

I believe in the accuracy of that statement.

The reality is we have not been prudent in Cental America, so we have dissipated our power. I think if we exercise greater prudence, if we show real concern—and if I may tell just one other story, Mr. President. Back some years ago, our family drove down the Panama Highway to San Jose, Costa Rica. In San Jose, we visited with—this was long before I was in Congress. We visited with Jose Figueros, who was then the President of Costa Rica. This was right after Richard Nixon had become President of the United States. In his living room was an autographed picture of Hubert Humphrey, the only picture in his living room.

I said to him, "I am curious, Mr. President. Why have that autographed picture of Hubert Humphrey there?"

He said, "We sense that Hubert Humphrey really cares about us."

What we have to do if we want to be effective in Central America is we have to really care about the people in that region, not view them as some kind of pawns in an East-West struggle. And if we care, if we do the kinds of things that really help the people in that area, my friends, Marxism is not going to gain any ground whatsoever. If we fool ourselves into thinking we can provide 100 million dollars' worth of weapons and then we are really doing something effective to counter Marxism, well, we are indeed fooling ourselves. Weapons can win if you have the people with you. If you do not have the people with you, they are not going to be effective at all.

I recognize the political realities in this body and I know that within the next 24 hours, we will be passing the President's request, but it will not be with my vote. It will be a vote that I shall be proud of 5 years from now, 10 years from now, 20 years from now. I hope that enough of us stand up and say what we think, that we will cause at least eventually some reconsideration of a policy that is a very imprudent, shortsighted policy.

I thank the Chair.

Mr. WALLOP addressed the Chair.

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. WALLOP Mr. President, I thank the Chair.

Before my friend from Illinois leaves the floor, let me observe to him that I, with others, realize that Marxism is a failed policy around the world and is, where choice can be made, being rejected. Where a choice can be made, it is being rejected. Where it is imposed, it cannot be rejected. That is what is at issue here.

I think nobody here is seeking to impose upon Nicaragua a government that is more to our liking. We are seeking to get them to come to grips with the promise which they made to their own people, to the Organization of American States, to this hemisphere, and to the world; a promise which the Senator from Illinois and I both know they will not keep, and under the circumstances a promise which is impossible for them to entertain as a thought. Because as soon as they do, their Cuban and Soviet masters will replace them with people who do not entertain such thoughts. Those masters know the very thing of which the Senator from Illinois speaks: That when people choose, they do not choose communism. So there is no choice.

It is fine for us to seek to combat the Soviet scholarship with scholarships through a scholarship war. But it only works if that is all we are competing in. If the competition is as it is now, with more than a billion dollars' worth of Soviet aid, more than 8,000 Cuban military personnel, thousands of other "advisers"—Bulgarians and East Germans and North Koreans and PLO and Libyans—in other words, those who can impose upon a suffering people the denial of freedom, then the United States is in a bad situation.

Mr. SIMON. Will my colleague yield?

Mr. WALLOP. I will yield for a question.

Mr. SIMON. I thank the Senator. I do not want to impose on his time, but I agree that I would love to exclude those influences that the Senator has just named. Does the Senator think it is worthwhile to sit down and meet with the Contadora group to see if we can diplomatically work out an enforceable kind of agreement?

Mr. WALLOP. My friend, we have been with the Contadora group from the beginning and have supplied our support to it. The Contadora group has not wanted us as part of that negotiating process. If the Senator can explain to me where is history, where anywhere in the modern history of the world since the end of World War II or even the establishment of the Soviet imperialist state, where there has been a Communist government that negotiated itself out of existence or even into an election?

Mr. SIMON. If my colleague will yield for me to give a very short answer, there was one instance and that was Austria. It is the only instance I know of.

Mr. WALLOP. And that instance was at the death of Stalin, when the Soviet Union thought above all that the United States was willing to go to war to liberate what we then called

captive or occupied Europe. The Soviet Union acted then in a fit of fear, at the death of Stalin. Today there is no death of Stalin. There is no lack of a Soviet grip on the situation down there. That is the problem we face.

It is naive of us to assume that a totalitarian state will negotiate itself into democracy. We can try. Indeed, we have. Ambassador Schlaudeman was down there. A distinguished member of the Senator from Illinois own party was an ambassador down there in the early days of all of this, former Senator Stone. The Secretary of State has been in Nicaragua and explored this issue. There was also the Manzanillo Conference. There has been no shortage of effort on behalf of negotiations. There has been a shortage of response. That is where we lie tonight.

A case can be made for doing nothing. That case is not one which I would agree with, but it can be made. That case asks us to wait until our border is threatened, to wait until some other set of circumstances awakens us. And a stronger case can be made for doing everything that the President seeks. But, Mr. President, no case at all can be made for doing something that is halfway in between, something that is certainly doomed to failure. To take half-measures will do nothing more than run upstream against the old Machiavellian advice, "Never do your enemy a little harm." To take such measure, will educate generations of Sandinistas, whom we will have put into power, in a circumstance of hatred and contempt for this country.

What is at issue, Mr. President, is war. As uncomfortable as that is for Members of Congress to come to grips with, that is what is at issue and there are but two sides, no more.

On the one side you have the Soviet imperialist state with its Cuban surrogates and its band of people which they put in place to extract the last bit of willingness of a population to stand up for itself: Bulgarians to do the secret work, East Germans to organize the neighborhoods so that people cannot even tell their children their deepest thoughts, where neighbor spies on neighbor. That is the heritage of East Germany. The PLO practices their grisly specialty. They are not known for expertise in tropical agriculture. What is at issue, Mr. President, is war and this Congress will be choosing tonight one of two sides. They will choose the side of Soviet imperialism without embracing it. There will be speeches saying that is not what I am doing, but that is the only other side to the side which wishes to express freedom. What is at issue tonight is the issue between democracy and freedom and totalitarian enslavement.

What is also at issue is geography. Does anyone in this Chamber seriously believe that Nicaragua is a momentary accident in our domestic political aspiration? That it is insignificant that it happens to control the isthmus between the two great continents of this hemisphere.

Has anybody looked at the map of Soviet expansion—Angola, Mozambique, now perhaps Seychelles, certainly Ethiopia, the Yemens, the Indian Ocean, Cam Ranh Bay, now exploration for prospects in the Marianas? Are these all accidents? Is it just totally accidential that the geography of the world puts the Soviet Union astride the world's major sea lanes? It is simply not possible to believe that Members of this body who would look at a map would declare it accidental.

Why not a large Cuban presence in some other parts of this hemisphere where turmoil is ripe? Because of geography, Mr. President.

What is at issue tonight is naivete at best and a purposeful ignorance at worst. Those who say, "I, too, hate the Sandinista government but what are we to do; let's negotiate," must answer the question, "With what?" They must answer the question, "With what leverage will these negotiations be undertaken? What pry bar is there to get anybody to do it?"

Mr. President, if it is a matter of waiting, the totalitarian state will always have 1 more day than a democracy. Democracies are not known for patience. They are known for a yearning for freedom, and to be rid of irritants. What is at issue here is cowardice, simply.

Some of us have said that the American public is not yet ready to follow us; that they do not fully understand what is at stake.

Mr. President, how can the public follow when the Congress refuses to lead, when it is we who have the classified briefings, when it is we who know that a Cuban was captured fighting with the Sandinistas inside Honduras and that another Cuban was killed there, when it is we who have seen the pictures of the airports and the submarine bases and we still express hesitancy because, good Lord, there is no public consensus. How can the public achieve consensus in the presence of cowardice? How is that possible?

Mr. President, Winston Churchill, at one moment in time, at the beginning of World War II, made a statement which I will put in the RECORD. His statement basically was:

> If these words are uncomfortable to hear, let them be uncomfortable. There comes a time when elected people, exercising the accountability and responsibility of their office, must take a chance with the public they lead. They must take a chance to do what they know to be right. They must, if they treasure democracy, not be frightened of the office which they hold.

Yet, that is what I see here tonight. Who will stand up and side with the Sandinistas? No one, I say, because I have heard those who are opposed to this resolution and everyone else say how deplorable the Sandinista government is. They do all the things we say. They commit more human rights violations than Somoza ever did.

Nearly 100 times as many refugees has left the country during Somoza have fled it since the Sandinistas took over. One-eighth of their population has left that country, yet some Senators say that the Sandinistas have the people on their side, not the Contras. Funny, how they express that support, is it not? I have heard them say that it is the legitimately constituted government of Nicaragua. Is a government that holds power by the gun in this hemisphere legitimate, when we have a choice to support that government or another that seeks freedom for its people?

Negotiate, I hear some say, in a bilateral way. If we negotiate in a bilateral way, all of a sudden the relationship that this Government has with the Contras is completely changed. It is changed from that of a free government helping people seek freedom to a government controlling mercenaries and using them as the tool to negotiate.

Is that what the Democrats want when they seek bilateral negotiations? Clearly, it is not. It is an oversight of the consequences that are taking place.

We do not want, whatever we do, to have those people who are fighting for their freedom lose their dignity by our putting them in the position of mercenaries and not freedom fighters, not people operating in their own country, with their own people, for the freedoms they thought they once had won.

Let us take an example of what may be down the road on this beachhead of imperialism, on the land mass—not an island—of this hemisphere.

I have spoken of the refugees. There are 120 million people between the Rio Grande and Panama. Does anybody here suppose that those people will be fleeing toward their "liberators" in the person of Cubans and Soviets and Bulgarians and East Germans? Does anybody suppose for even one-tenth of a second that that path is not, as it is today, going northward?

What are we to do in this country when confronted with that? Are we going to have our own Berlin wall lined across the Mexican border to keep these people out? What a lovely symbol that is for America!

Are we going to have gunboats in the ocean, sending them back to their Communist masters? Are we going to say to Mexico, who uses us as a valve for their unemployment and economic

problems, "You keep them out"? Are we going to say: "Better you run south, boys; you can't come north; we're full"?

It is absurd, on its face, not to consider this as a problem that is confronting us in the near future.

What about the social fabric of the United States at that moment in time, friends? Who are we going to get to guard this border, supposing that is our decision? Are we going to shoot them if they cross this wall that we build? Who will we ask to shoot them? Those Hispanics whom we call brother and citizen? Those who are policemen and judges, first sergeants and privates, airplane pilots and astronauts, neighbors and friends? Or are we going to say to them: "That's too hard a task for you; we'll let the Anglos do it." Clearly, we cannot do that.

What are we going to do when the PLO's little teams begin to operate in this country, as they have in, say, Israel? Keep in mind that the border of Israel is perhaps the most sophisticated border in the world today. Yet, those teams can get in, and have machine-gunned buses full of children and tour buses full of senior citizens, blown up bombs in marketplaces, kidnaped families, raped, pillaged, created all that terror creates.

Is this going to topple the Government of the United States? Of course not. But what is it going to do? It is going to do what terror does. It is going to make a whole class of Americans suspect. It is going to make anybody who looks remotely Hispanic a suspect of others who will be wondering if that is somebody that the PLO sent out.

It will not take a lot of them: one little school bus in Texas, the main gate at Fort Bliss, a bridge crossing an interstate highway, a couple of pylons. Anything that sheds blood and creates panic will be sufficient to begin to have us wonder about our neighbor, wonder who we trust.

Is it not wise to begin to stop that now? Is it not wise to begin to think of the consequences of inaction?

When is it going to be time for us to decide? What is an appropriate moment, if we are not persuaded by an incursion into their neighboring country, with their thesis in hand, that this is a revolution without borders? What does it take to persuade us?

When we see these contras—whom we have been told by opponents of this aid package are an incompetent bunch of little ragtags, who control no territory, capture no city—take on the very best that the Sandinistas have, pin them down and whip them good, we now know we have been supporting capable military fighters and that those we have been fearing are perhaps not so capable as we had feared.

We have learned a lot in the last couple of days, but we will not listen. The only thing we will not believe is when the Communists tell us the truth. The truth is that they have crossed that border and that they do not care about borders. They are insistent upon establishing their tyranny, maintaining their bridgehold on this continent.

We wonder maybe if we are nice a little while longer surely they will see we mean them no harm and they will be nice back, they will negotiate themselves straight out of power with no tool.

It just will not happen and we know it. To say otherwise is to be cowardly. To say otherwise to the American people is to say "I don't trust your judgment at all. You are not old enough to understand this game of war and in this democracy I am not going to put you to the test."

In point of fact the American people stand the test very well. They understand very clearly when told forthrightly what is at issue and what must be done.

When the American people are aware that there is a total Communist Soviet beachhead on this continent, not on an island, and when their surrogates, the Cubans, the Bulgarians, the East Germans, and the North Koreans are in here seeking to wreak havoc among our democratic friends in this hempisphere and to expand their empire, we must at least admit that choosing the other side is a very weak choice indeed. Choosing the other side is choosing Soviet imperialism and nothing more and nothing less. It is choosing the side that does not stand for freedom.

So we sit and we wonder why these people are not embracing the Contras?

My friend, put yourself in a small village in Nicaragua tonight and wonder if you dare choose the Contras when our country cannot make up its mind whether its support will last another day, another month, another year, or not exist at all. Ask yourselves why anyone in that situation should make a commitment when he has seen what happens to those who do commit to freedom in the presence of a vacillating Congress of the United States over an issue of freedom?

Give them the choice of freedom and they will choose. Give them the certainty that we mean for them to succeed and they will choose. They will rise up as did Hungarians. They will rise up as did Czechs. They will rise up as did Poles. And they will rise up not with the Soviet Union on their border but with the world and this hemisphere watching them and giving them support the day they do that.

But how can you in your little hut in a village in Nicaragua make that choice tonight when you see us equivocating over whether or not freedom really is on the agenda of the biggest free people in the world?

They cannot make that choice down there tonight until Congress has the courage to choose. We had a choice given us. The President has presented us with a program. We can do what he suggests or we can do nothing and we can wait until the threat is a little bigger. But to do something in between is totally irresponsible.

I ask us once again, what does it take to make us understand the threat is real, and what will it take to make us confront our constituents with the awful truth that there is a cancer on this hemisphere, that the Soviet empire has arrived on the land mass of North America?

Mr. KERRY. Mr. President, will my colleague yield for a question?

Mr. WALLOP. I am happy to yield for a question.

Mr. KERRY. I ask my colleague—I just want to make sure whether or not I heard him correctly at the outset of his comments—did I hear my colleague say that in funding the Contras they did not seek the violent overthrow of the Government of Nicaragua, is that correct, in his colloquy with Senator SIMON?

Mr. WALLOP. In point of fact, that is probably not what I said, although that is my understanding of where we are headed. It is my understanding that that exists as a possibility. Now ultimately it also exists as no possibility. It will either be overthrown violently or it will exist as the cancer that it is. But the possibility exists now, because the people are not with the Sandinista government.

Mr. KERRY. But my question is really, if I may say, Is the Senator's understanding the money that is being asked for here those who are voting for the Contras and is the Senator in voting for money for the Contras voting with the understanding that they are seeking to violently overthrow the Government of Nicaragua; is that correct?

Mr. WALLOP. Absolutely not, and the Senator well knows that is not part of the proposition that has ever been proposed by the President of the United States or anybody else. But it may happen.

Mr. KERRY addressed the Chair.

Mr. WALLOP. I have the floor. I responded to a question which the Senator just asked me.

It may well be that that is the only way in which it can take place, but that is not the purpose any more than it is the purpose in Afghanistan, or in Angola.

Mr. KERRY. What is the purpose?

Mr. WALLOP. The purpose is to bring the power that is held by the guns to the table so that elections can take place, so that negotiations between Nicaraguan parties can take place.

Mr. KERRY. If I can continue the question, I find that really fascinating because the Senator spent a certain amount of time trying to convince our colleagues here as he and many others do that Communist governments never negotiate away their power.

Mr. WALLOP. The Senator is positively correct. I can answer that and did if he had been listening to my remarks.

Mr. KERRY addressed the Chair.

Mr. WALLOP. The Senator from Wyoming possesses the floor. I yielded to the Senator for a question. I am trying to respond to that question.

In point of fact the one thing that could make it possible to achieve what we wish to achieve is that the Soviet Army is not on the Nicaraguan border, ready to roll in and crush an uprising. I do not say that it will happen that way. I have never said that. I do not say that it would not happen that that government is overthrown violently. But there is a chance, with the Soviet Union, occupied as it is with its own internal and domestic problems, that the Soviets would see the futility of trying to supply an army in another hemisphere and oceans away with sufficient equipment to keep a determined guerrilla force at bay when the people in the country rise up to support them.

Mr. KERRY. If I interpret that answer correctly, the Senator is then saying that this regime, given its particular situation, given the circumstances of the lack of the Soviet army right there to help them, could negotiate away its existence; is that correct?

Mr. WALLOP. It could have no other choice.

Mr. KERRY. Fine, it could have no other choice because it is aware of the situation that it faces; is that correct?

Mr. WALLOP. It does not face it yet because we have given it no threat. We cannot know and the Senator cannot know, nor can I know. We can only know what is a plausible way for events to unravel.

Mr. KERRY. For it to come to that conclusion, it would have to view the Contras as a threat; is that correct?

Mr. WALLOP. I am sorry. I did not hear the Senator's question.

Mr. KERRY. For it to come to that conclusion, it would have to view the Contras as a threat.

Mr. WALLOP. It would have to view them as a credible threat, indeed.

Mr. KERRY. And in order to be a threat, they would have to have the ability to overthrow them.

Mr. WALLOP. They would have to have the ability to keep the Nicaraguan Army totally occupied while the civilian population rose in support of the Contras.

My guess is that when the civilian population finally believes that the United States is purposeful about freedom, they will do just that.

Mr. KERRY. I thank the Senator.

Mr. WALLOP. Mr. President, I yield the floor.

Mr. MATHIAS addressed the Chair.

The PRESIDING OFFICER (Mr. DENTON). The Senator from Maryland.

Mr. MATHIAS. Mr. President, there is not much dispute about the facts. Nicaragua has the first Marxist-Leninist government in continental America. The Sandinistas do not deny it—they proclaim it. That government is a bitter disappointment to many who helped establish it after fighting for years against the Somoza dictatorship. Civil liberties are reported to be more restricted today than they were under Somoza—newspapers and political parties are suppressed; moderates are silenced. There is much to deplore and enough to condemn.

The dispute centers on what to do about it. It seems to me that the decision has to contemplate three points, and that the Senate must consider them as it assumes responsibility for a fateful decision.

The issue of providing arms and military supplies to the Contras, who are mounting an insurrection in Nicaragua, is complex and difficult, but can be reduced by analysis to foundamentals.

The first point is the change in the military situation in Central America that could come about as a result of such assistance. It has been observed that every elevation in the military capacity of the Contras has been matched by a similar advance on the part of the Sandinistas' capability. Thus every new weapon added to the Contras' arsenal can be expected to result in a new weapon of comparable sophistication in the Sandinista camp. This means that the Sandinista forces acquire enhanced offensive power that could be directed against any one of their neighbors in Central America. We nearly guarantee the Sandinistas greater military strength by giving them the excuse to ask for it from their friends, and the long-term peace of Central America is thus made more fragile.

The second point is whether our stated objective is advanced or retarded by the process of arming the Contras. The President, the Secretary of State and all in authority in the administration have said solemnly and repeatedly that the only purpose in mind in aiding the Contras is to induce the Sandinistas to negotiate. It is something to ponder whether encouraging a rebellion is an argument in favor of negotiation. Given the history of the area, given the close identification of many Contras with the Somoza regime, it could be argued that the greatest gift the Sandinistas could be given is the opportunity to raise the old cry of "Yankee Go Home." It must certainly be having a positive effect on domestic support for the government and in some cases silencing those who would otherwise be critical. If the Sandinistas are reluctant to negotiate, for whatever reason, that reluctance is more likely to be accepted by their own public and by the Hispanic world as long as they can plead that they cannot act under duress while a state of siege continues. In fact, that is the very basis for the emergency powers that they have put in place. If this conflict drags along for a protracted period, with all the bitterness typical of fratricidal battle, it is probable that it will make negotiations more rather than less difficult.

The third point contemplates the true stakes for U.S. foreign policy. Is it merely the question of who presides over the Government in Managua that is at stake, or should the impact in Buenos Aires, Brazilia, and Mexico City be considered as well?

There is a radical difference between the age of electronic media and the prior era when gunboat diplomacy could be practiced in private with assurance that not much of the world would know until after the gunboat had sailed away over the horizon. Television and radio make every viewer and listerner a participant. There is no doubt how the millions of such participants in South America feel on this matter and how they will feel about the United States if we continue on this course.

President Reagan is right when he says that it matters who is in charge of Nicaragua. But it matters even more who is in charge in Buenos Aires and Brazilia and Mexico City, and in the other capitals of the Latin American world. Not only do we strain their patience and friendship when we maintain a course that they have condemned, but we also make serious problems for them in their domestic politics if they continue to cooperate with the United States in other ways.

The population of Nicaragua is 3 million, but the population of the rest of Latin America is more than 250 million. The friendship, cooperation, and assistance of our neighbors in this hemisphere is always important and may someday be vital. We should not risk losing it or impairing it for a cause that is at best doubtful and uncertain. To have the respect of our friends in Latin America, we must grant them respect. This is the moment to do so.

There is a mood of resurgent democracy in South America which should be recognized and employed in the Nicaragua solution. The governments of South America that exhibit a sense of responsibility should be encouraged to take the lead. It is clear that no Latin American nation would condone the creation of a nuclear weapons base in Nicaragua and that resistance to the concept of a new Soviet outpost is very high. All of these sentiments are

consistent with U.S. policy and should be nourished by maximum diplomatic effort. If they are ignored, they could wither—if they are cultivated, they could grow and expand.

Experience with the diplomatic approach has not been encouraging. Both the United States and the Nicaraguan Government have talked about the Contadora process, but neither one has accepted it. Considering the likely result of further escalation, however, I believe it is worth another effort, a bolder, full-fledged effort, to achieve a negotiated settlement under Contadora auspices.

For these reasons, I cannot at this time agree to the expenditure of $100 million for assistance to the Contras.

The PRESIDING OFFICER. Who seeks recognition?

Mr. MATHIAS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DOLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AID TO NICARAGUAN DEMOCRATIC RESISTANCE

Mr. DOLE. Mr. President, I ask uanimous consent the Senate now turn to Calendar No. 558, Senate Joint Resolution 283, the Contra aid resolution.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A joint resolution (S.J. Res. 283) relating to Central America pursuant to the International Security and Development Cooperation Act of 1985.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Kansas?

There being no objection, the Senate proceeded to consider the joint resolution.

Mr. DOLE. Mr. President, a parliamentary inquiry. Is it correct that under the legislation there is a time limit of 10 hours on the resolution?

The PRESIDING OFFICER. The majority leader is correct.

Mr. DOLE. Mr. President, I ask unanimous consent that the time be reduced by 3 hours, 1½ hours on each side.

Mr. BYRD. Mr. President, reserving the right to object, and I do not think I shall, would the distinguished majority leader indicate that the Senate will go out immediately and come in tomorrow at whatever time he wishes?

Mr. DOLE. Yes. If we can reduce the time by 3 hours, it would be the intention of the majority leader that there would be no more votes this evening. There is still a glimmer of hope that we might be able to forge something together by tomorrow morning, to come in fairly early and hope to, in one way or another, finish our work by early afternoon.

Mr. BYRD. Would the distinguished leader think it likely that we could be back on this measure by 9 o'clock tomorrow morning or 9:30?

The PRESIDING OFFICER. If the majority leader will defer, it is the understanding of the Chair that the majority leader said he wanted to reduce the time for debate by 3 hours. But then in a subsequent remark the Chair heard "equally divided 1½ hours on each side."

Does the majority leader mean that is the reduction in time?

Mr. DOLE. Yes.

The PRESIDING OFFICER. One-and-a-half hours on each side. I thank the distinguished majority leader.

Is there objection to that request?

Mr. BYRD. Reserving the right to object——

Mr. DOLE. I hope by 9:30, and we can come in early enough to take care of the special orders, and be on this by 9:30.

Mr. BYRD. There would then be 7 hours remaining under the statutory time agreement. That would be equally divided then between, say, the majority leader and the minority leader.

Mr. DOLE. That is correct.

Mr. BYRD. There would be 3½ hours to each side.

Mr. DOLE. I would be even willing to reduce that further, if we can get an agreement.

Mr. BYRD. We might be able to do that tomorrow, if we can be assured of this tonight.

Mr. DOLE. I am happy to yield.

Mr. ZORINSKY. Mr. President, reserving the right to object, and I probably will not object, can I ask the minority leader, Will I be protected under the time agreement? I will not have an amendment. However, will I be enabled to offer a statement within that time agreement?

Mr. BYRD. Yes. I assure the Senator that, since the time will be under the control of the two leaders, he may have 30 minutes of my time.

Mr. ZORINSKY. I thank the distinguished minority leader.

I have no objection.

The PRESIDING OFFICER. Will the majority leader answer the Chair's inquiry? Is the request simply that the time be reduced to 7 hours for debate or that the time will be equally divided between both sides, and controlled by the two leaders?

Mr. BYRD. That is my request. Otherwise, the statute says between the proponents and the opponents. I think it would be better if it were under the control of either the managers or the majority and minority leaders, or our designees.

The PRESIDING OFFICER. Is there objection to the request?

Without objection, it is so ordered.

Mr. DOLE. Mr. President, let me indicate, as I have, that there will be no further votes tonight. We will do nothing further on this tonight. We will not lay down the substitute there might be something which will happen overnight which will be very helpful to all of us. There are a couple of areas where we have disagreements.

I know the distinguished chairman of the Foreign Relations Committee is prepared to go with a substitute. But there will be no more votes tonight, and no more action on this measure.

ROUTINE MORNING BUSINESS

Mr. DOLE. I now ask unanimous consent that there be a period for the transaction of routine morning business for not to extend beyond the hour of 7:45 p.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Saunders, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

ANNUAL REPORT OF NATIONAL INSTITUTE OF BUILDING SCIENCES—MESSAGE FROM THE PRESIDENT—PM 125

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Banking, Housing, and Urban Affairs:

To the Congress of the United States:

In accordance with the requirements of Section 809 of the Housing and Community Development Act of 1974, I herewith transmit the Ninth Annual Report of the National Institute of Building Sciences.

RONALD REAGAN.

THE WHITE HOUSE, *March 26, 1986.*

NATIONAL ENERGY POLICY PLAN—MESSAGE FROM THE PRESIDENT—PM 126

The PRESIDING OFFICER laid before the Senate the following message from the President of the United

States, together with an accompanying report; which was referred to the Committee on Energy and Natural Resources:

To the Congress of the United States:

I am pleased to report to you that the state of our energy health is good, and the prospects for its future promising.

Our energy climate has undergone a remarkable transformation in just five years. Crude oil prices have declined, with savings passed on to consumers. The United States is using energy more productively, and our energy supply is more diversified than ever. Total U.S. energy production is at an unprecedented level, and we are far less vulnerable to disruption of our energy supplies.

Our renewed energy health is a testament to the ingenuity of the American people and the strength of American businesses, large and small. We have rightly placed our trust in our people and the belief that we were not running out of energy, only imagination. We have reduced regulation, wherever and whenever possible. We have placed our confidence in the marketplace, rather than government, to make key economic decisions about energy.

The result is a foundation of energy stability and energy security. We stand at the beginning of a new era of energy strength in which the United States has the resources and capabilities to sustain vigorous economic growth, as well as our important role in the free world.

With this new opportunity, of course, come new challenges. Unless these challenges are met, we may not achieve the energy exploration, technological advance, and conservation improvements this Nation needs. We have more work to do in cutting regulatory barriers, especially natural gas controls, diversifying our resources, and increasing alternate energy sources, which should further reduce our dependence on insecure energy imports. I am submitting the Fifth National Energy Policy Plan, which addresses the job ahead.

We are fortunate we can look forward to the coming era with confidence that we have learned from the lessons of the past and that with new tools and justified belief in the American people, our technology, and free markets, we will meet the energy challenges and opportunities ahead.

RONALD REAGAN.

THE WHITE HOUSE, *March 26, 1986.*

U.S. GOVERNMENT PARTICIPATION IN THE UNITED NATIONS—MESSAGE FROM THE PRESIDENT—PM 127

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Foreign Relations:

To the Congress of the United States:

I am pleased to transmit herewith a report of the activities of the United States Government in the United Nations and its affiliated agencies during the calendar year 1984, the fourth year of my Administration. The report is required by the United Nations Participation Act (Public Law 264, 79th Congress).

RONALD REAGAN.

THE WHITE HOUSE, *March 26, 1986.*

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-2794. A communication from the Acting Assistant Secretary of State (Legislative and Intergovernmental Affairs), transmitting, pursuant to law, notification of the executive branch allocation of fiscal year 1986 military assistance funds; to the Committee on Appropriations.

EC-2795. A communication from the General Counsel of the Department of Defense, transmitting a draft of proposed legislation to amend chapter 47 of title 10, United States Code (Uniform Code of Military Justice), to clarify that military judges may perform certain trial functions, even though the membership of a court-martial has been temporarily reduced below quorum, and to permit additional peremptory challenges when additional court members are detailed to a court-martial; to the Committee on Armed Services.

EC-2796. A communication from the General Counsel of the Department of Defense, transmitting a draft of proposed legislation to amend chapter 47 of title 10, United States Code (Uniform Code of Military Justice), to simplify trial and post-trial proceedings and to modify the statute of limitations; to the Committee on Armed Services.

EC-2797. A communication from the Acting Chairman of the Federal Trade Commission, transmitting, pursuant to law, the annual report of the Commission for fiscal year 1984; to the Committee on Commerce, Science, and Transportation.

EC-2798. A communication from the Secretary of the Interior, transmitting, pursuant to law, the notice of leasing system for the Central Gulf of Mexico, sale 104, scheduled to be held in April 1986; to the Committee on Energy and Natural Resources.

EC-2799. A communication from the Secretary of the Interior, transmitting, pursuant to law, the first annual National Plan for Research in Mining and Mineral Resources; to the Committee on Energy and Natural Resources.

EC-2800. A communication from the U.S. Trade Representative, transmitting a draft of proposed legislation to authorize appropriations for the Office of the U.S. Trade Representative for fiscal years 1987 and 1988; to the Committee on Finance.

EC-2801. A communication from the Director of the Office of Technology Assessment, transmitting, pursuant to law, the second report on the Prospective Payment Assessment Commssion; to the Committee on Finance.

EC-2802. A communication from the Director of the U.S. Information Agency, transmitting a draft of proposed legislation to authorize appropriations for the U.S. Information Agency for the fiscal year ending September 30, 1987, and for other purposes; to the Committee on Foreign Relations.

EC-2803. A communication from the Acting Executive Director of the Board for International Broadcasting, transmitting a draft of proposed legislation to amend the Board for International Broadcasting Act of 1973, to authorize appropriations for 1987; to the Committee on Foreign Relations.

EC-2804. A communication from the Assistant Legal Advisor for Treaty Affairs, Department of State, transmitting, pursuant to law, a report on international agreements, other than treaties, entered into by the United States in the 60-day period prior to March 21, 1986; to the Committee on Foreign Relations.

EC-2805. A communication from the Secretary of the Postal Rate Commission, transmitting, pursuant to law, notice of a prehearing conference on Third Class Mail Preparations, 1986; to the Committee on Governmental Affairs.

EC-2806. A communication from the Under Secretary of Agriculture (Small Community and Rural Development), transmitting, pursuant to law, a report on a Privacy Act system of records; to the Committee on Governmental Affairs.

PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and were referred or ordered to lie on the table as indicated:

POM-604. A resolution adopted by the Senate of the State of Oklahoma; to the Committee on Agriculture, Nutrition, and Forestry.

"SENATE RESOLUTION No. 48

"Whereas, the Oklahoma family farmer has brought food to the people of America at a price and quality which allows all Americans to enjoy one of the highest living standards in the world; and

"Whereas, the family farm is the backbone of rural Oklahoma, with agricultural revenue providing jobs at the grocer, the filling station, the hardware dealer, and the bank, and supporting the education of young and old at common and vo-tech schools in the locale; and

"Whereas, the policies of the Federal Government over the past decade, including three devastating embargoes on international grain sales, and a farm policy that encouraged expansion, fueled inflationary land values, and accumulated vast product surpluses, has led the Oklahoma family farmer to the brink of foreclosure and ruin; and

"Whereas, low product prices, high interest costs and declining land values have together already forced many Oklahoma family farmers off their land; and

"Whereas, the Federal Government, through the Federal Credit System and the Farmers Home Administration, now holds the bulk of outstanding family farm loans in Oklahoma; and

"Whereas, ample precedent and law exists for those Federal instrumentalities to forbear, set-aside, restructure, and otherwise adjust the loans of those family farmers

which are delinquent, so that foreclosure and loss of the farm are not the inevitable remedy to service those loans; and

"Whereas those Federal instrumentalities also have authority to take special steps, even in foreclosure, to adjust security so that the homestead can be retained by the family.

"Now, therefore, be it resolved by the Senate of the 2d session of the 40th Oklahoma Legislature:

"That the Oklahoma State Senate does hereby petition the President of the United States to recognize the contribution of the family farm to the health of our Nation's people and economy; and the responsibility of the Federal Government for most instances of the current agricultural crisis.

"That the Oklahoma State Senate further memorializes the President to order the immediate suspension of foreclosure actions by the Farmers Home Administration of the U.S. Department of Agriculture, to request such suspension by the Farm Credit System, and to direct that every effort of both Federal instrumentalities be expended to protect the family farmer's possession of the land and the homestead.

"That copies of this resolution be distributed to the President, the Speaker of the United States House of Representatives, the President of the United States Senate, and to all members of the Oklahoma delegations."

POM-605. A joint resolution adopted by the Legislature of the State of Alaska; to the Committee on Commerce, Science, and Transportation:

"RESOLUTION

"Whereas the United States Department of Transportation is reviewing proposals for providing essential air service to Cordova, Yakutat, Petersburg, Wrangell, and Gustavus; and

"Whereas two proposals have been submitted, one proposing to continue existing air service with B-737 and B-727 aircraft, and another proposing use of the Convair 580 to provide air service; and

"Whereas the Convair 580 is inadequate to meet current passenger and freight demands, particularly during peak travel periods; and

"Whereas seafood, timber, and tourism are vital industries that depend on receiving this essential air service; and

"Whereas the demands for adequate and regular air service would require the use of B-737 and B-727 aircraft to carry passengers and freight to and from Cordova, Yakutat, Petersburg, Wrangell, and Gustavus;

Be it resolved that the Alaska State Legislature respectfully requests the United States Department of Transportation to continue to require the use of B-737 and B-727 aircraft to provide essential air service to Cordova, Yakutat, Petersburg, Wrangell, and Gustavus.

"Copies of this resolution shall be sent to the Honorable George Bush, Vice President of the United States and President of the U.S. Senate; the Honorable Thomas O. O'Neill, Jr., Speaker of the U.S. House of Representatives; and to the Honorable Elizabeth Dole, Secretary of the Department of Transportation; and to the Honorable Ted Stevens and the Honorable Frank Murkowski, U.S. Senators, and the Honorable Don Young, U.S. Representative, members of the Alaska delegation in Congress."

POM-606. A resolution adopted by the Fifth Northern Marianas Commonwealth Legislature; to the Committee on Energy and Natural Resources:

"SENATE RESOLUTION No. 5-3

"Whereas, the Covenant to establish the commonwealth of the Northern Mariana Islands was approved by the United States Congress and was signed by the President of the United States and subsequently became effective on January 9, 1978; and

"Whereas, there are some major issues affecting the people of the Commonwealth of the Northern Marianas that the United States has not yet fully resolved, such as unpaid war damage claims, headnote 3(a) protection, control and protection of local fisheries, Third Country Foreign Aid, and immigration control; and

"Whereas, because of the extremely fragile nature of our island economy, local control and protection of immigration and protection and control over our fisheries are essential if we are to lessen our dependency on federal grants; and

"Whereas, almost ten (10) years after the Micronesian War Claims Commission investigated and adjudicated the indebtedness of the United States of America to the people of the Trust Territory, including the people of the Northern Marianas, there remains an unpaid balance of war claim payments of some $24 million; and

"Whereas, under the concept of Third Country Foreign Aid it was contemplated that the Commonwealth of the Northern Mariana Islands would be eligible to receive aid from foreign countries in specific technical areas under Grant Aid Programs such as those available from Japan, but it is unlikely that the Commonwealth of the Northern Marianas can receive such aid assistance unless the United States concurs; and

"Whereas, within the past several months, the Compact of Free Association with the Federated States of Micronesia and the Republic of Belau have been approved and steps are now being taken to request the Security Council of the United Nations to terminate the Trusteeship Agreement for all entities of the Trust Territory; and

"Whereas, while we welcome the fact that an end to the Trusteeship Agreement is in sight, we consider it essential that certain issues of crucial importance to our development be addressed prior to terminating the Trusteeship Agreement; now, therefore,

"Be it Resolved by the Senate of the Fifth Northern Marianas Commonwealth Legislature, First Regular Session, 1986, that the President of the United States of America and the Congress of the United States be and they hereby are respectfully requested and urged not to unilaterally terminate the Trusteeship Agreement until certain essential obligations of the United States relative to the Covenant are fully resolved; and

"Be it further Resolved that the President of the Senate shall certify and the Senate Legislative Secretary shall attest to the adoption hereof and thereafter transmit certified copies to the Honorable Ronald Reagan, President of the United States; the United States Congress; the Secretary of State; the Secretary of Interior; and to the Honorable Pedro P. Tenorio, Governor of the Commonwealth of the Northern Mariana Islands."

POM-607. A joint resolution adopted by the Legislature of the State of New Mexico; to the Committee on Environment and Public Works:

"JOINT RESOLUTION

"Whereas, because of the excessive amounts of acid rain pollution in various parts of the United States, the congress is considering legislation to reduce such pollution; and

"Whereas, if congress decides to enact acid rain control legislation, it should be the most cost effective, and to be cost effective, congress must permit utilities to freely make the best economic choice between switching to low sulfur content coal and scrubbing; and

"Whereas, sulfur dioxide (SO_2) emissions from high sulfur content coal can be as much as four percent, which is particularly true of eastern United States coal; whereas, low sulfur content coal, with as little as one-half percent of SO_2, is prevalent in the western United States; and

"Whereas, in coal-burning plants in western states, for example in New Mexico, low sulfur content coal is utilized exclusively along with extensive, as well as expensive, scrubbers; and

"Whereas, in view of such air quality standards, states such as New Mexico should not be penalized by congress in considering legislation to reduce acid rain throughout the country; and

"Whereas, the most economical production depends, therefore, on the utilization of low sulfur content coal with scrubbers, while eastern states' utilization of high sulfur content coal requires far greater dependency upon scrubbers with the resultant increased cost of production;

"Now, therefore, be it Resolved by the legislature of the State of New Mexico that the Congress of the United States is hereby respectfully requested to insure freedom of economic alternatives in any legislation to reduce acid rain pollution by consideration of the sulfur dioxide content of the coal used and the extent of usage of scrubbers; and

"Be it further Resolved that Congress is also respectfully requested to exclude from any such legislation a national generating tax which would place an unfair burden on those states which have already paid for the cost of their pollution control; and

"Be it further Resolved that copies of this memorial be sent to the speaker of the United States House of Representatives, the president pro tempore of the United States Senate and each member of the New Mexico congressional delegation."

POM-608. A joint resolution adopted by the Legislature of the State of Maine; to the Committee on Finance:

"JOINT RESOLUTION

"We, your Memorialists, the House of Representatives and Senate of the State of Maine of the One Hundred and Twelfth Legislature, now assembled in Second Regular Session, most respectfully present and petition the President of the United States and the United States Congress as follows:

"Whereas, imported oil represents ⅔ of the energy consumed in New England and a tax on imported oil would dramatically increase heating costs in the State of Maine; and

"Whereas, an import tax on oil would have a severe negative impact on consumers and businesses in the State, particularly low-income and middle-income citizens, the State's elderly citizens and on energy-intensive industries dependent upon oil as an energy source; and

"Whereas, an import tax on oil would disproportionately and unfairly hurt oil-consuming states; and

"Whereas, the current glut in the world oil supply has lowered the price of oil and made an import tax attractive. We do not believe that the current glut will last. Prices are due to rise again soon, thus making an import tax even more harmful to consumers and industries; now, therefore, be it

"Resolved, That We, your Memorialists, concur with the Federal Reserve Board Chairman, Paul Volcker, that this is an unsound and unwise method of deficit reduction and in expressing our opposition to any plan which would bail out the energy producing states at the expense of the New England states, we hereby respectfully urge the Honorable Ronald W. Reagan, President of the United States and Members of the United States Congress to oppose taxation on imported oil; and be it further

"Resolved, That a copy of this resolution, duly authenticated by the Secretary of State, be transmitted by the Secretary of State to the Honorable Ronald W. Reagan, President of the United States and to the United States Congress and each Member of the Maine Congressional Delegation."

POM-609. A joint resolution adopted by the Legislature of the State of California; to the Committee on Finance:

"ASSEMBLY JOINT RESOLUTION No. 67

"Whereas, the President of the United States has proposed a federal income tax reform plan to promote "fairness, simplicity, and growth"; and

"Whereas, the President's plan for tax reform would tax the unrealized appreciation in the value of a life insurance policy (other than a term insurance policy), which is often referred to as the inside build-up; and

"Whereas, the taxation of the inside build-up would impose a disproportionate tax burden on the elderly; and

"Whereas, other tax reform proposals have proposed to treat as taxable income, rather than as a loan, any borrowing against a life insurance policy, while denying the deductibility of interest paid on those loans; and

"Whereas, the ability of a policyholder to borrow against the policy's cash surrender value and to deduct the interest payments is a critically important feature inasmuch as it relieves the anxiety often associated with the making of a long-term financial commitment and, moreover, enables policyholders to keep their insurance in force in the event of financial emergency; and

"Whereas, other tax reform proposals have proposed to eliminate the limited exclusion of group term life insurance provided by an employer; and

"Whereas, historically, the appreciation or inside build-up of a life insurance policy has never been taxed, unless the policy is surrendered, just as the appreciation on the value of a home is not taxed until the home is sold; and

"Whereas, the disincentive to purchase life insurance policies resulting from the adoption of any of those proposals would have the result of significantly reducing a major source of capital formation; and

"Whereas, the enactment of any of those proposals would produce confusion and administrative problems; and

"Whereas, if enacted, those proposals are likely to produce results which are contrary to the stated goals of fairness, simplicity, and economic growth; and now, therefore, be it

"Resolved by the Assembly and the Senate of the State of California, jointly, That the Legislature of the State of California memorializes the President and the Congress of the United States to continue the current tax treatment of life insurance in any revision of federal income tax law which is enacted; and be it further

"Resolved, That the Chief Clerk of the Assembly transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States."

POM-610. A resolution adopted by the City Council of Burlington, Vermont opposing aid to the Counterrevolutionary forces in Nicaragua; to the Committee on Foreign Relations.

POM-611. A concurrent resolution adopted by the Legislature of the State of Indiana; to the Committee on the Judiciary.

"HOUSE CONCURRENT RESOLUTION No. 11

"Whereas, the framers of the Constitution of the United States established a noble and unique form of government with the ultimate power residing in the people; and

"Whereas, that government is made up of three separate branches—the executive, the legislative, and the judicial; and

"Whereas, each of these branches of government was established to operate as a check and balance on the inappropriate exercise of power by the others; and

"Whereas, under that constitution, federal judges are appointed for life, removable only by impeachment proceedings or voluntary retirement; and

"Whereas, while the lifetime tenure of federal judges insulates them from the people and the government they serve, it is flawed because some of the judges abuse the system—precisely because they are completely insulated for life; and

"Whereas, the interests of justice and the people can be better served by correcting the defect caused by guaranteed lifetime tenure of federal judges; and

"Whereas, this defect may be corrected by providing the Congress with the option of limiting the tenure of federal judges to a term of years: Therefore,

"Be it resolved by the House of Representatives of the General Assembly of the State of Indiana, the Senate concurring:

"SECTION 1. That we urge the Congress of the United States to take appropriate action to amend the Constitution of the United States to give Congress the power to limit the tenure of federal judges to a term of years.

"SECTION 2. That copies of this resolution be transmitted to the presiding officers and to the majority and minority leaders of both houses of Congress and to each member of Congress representing the people of Indiana."

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. DANFORTH, from the Committee on Commerce, Science, and Transportation, with an amendment:

S. 2054. A bill to provide that the National Aeronautics and Space Administration may accept gifts and donations for a space shuttle which may be named *Challenger II* (Rept. No. 99-266).

By Mr. DANFORTH, from the Committee on Commerce, Science, and Transportation, without amendment:

S. 2180. A bill to authorize appropriations for activities under the Federal Fire Prevention and Control Act of 1974 (Rept. No. 99-267).

By Mr. GARN, from the Committee on Banking, Housing, and Urban Affairs, without amendment.

S. 2231. A bill to amend the Federal Deposit Insurance Act.

● Mr. GARN. Mr. President, today I am reporting the Agricultural and Energy Bank Incentive Act of 1986. This bill encourages commercial banks to work with farmers and farm businesses as well as those in the oil and gas business.

This bill was reported out of the Banking Committee last night without objection. It is the product of considerable effort by Senator DIXON and this Senator as well as many other members on and off the Banking Committee over the past 8 months as well as the Federal bank regulators. Consequently, the following Senators join with me in support of this legislation: Senators DIXON, D'AMATO, PROXMIRE, MATTINGLY, CRANSTON, GRAMM, RIEGLE, GORTON, DODD, SARBANES, NICKLES, ABDNOR, ZORINSKY, and EXON.

The process began with Senator DIXON's introduction of S. 1151, the Farm Credit Relief Act of 1985. Senator DIXON described S. 1151 as "an assistance and needed flexibility for both farmers and their lenders." That bill would have permitted banks to negotiate with farmers on appropriate debt restructuring and to amortize the losses over a 30-year period rather than requiring losses to be written off against capital at the time they are recognized. The committee held a hearing on the Farm Credit Relief Act of 1985 on July 24, 1985.

In November and December of last year, the Congress considered and passed legislation rescuing and reorganizing the cooperative farm credit system, the primary money source for farmers and rural cooperatives. During Senate debate, numerous suggestions were offered to ease the strains on those commercial banks primarily engaged in agricultural lending. They included proposals to place a moratorium on future foreclosures, to require principal and interest rate buydowns, and to apply the net worth certificate program to qualified agricultural financial institutions. All those amendments were rejected since it was clear that further work was needed on these issues.

In December 1985, I wrote the bank regulators and requested the agencies to conduct an analysis of the effect the farm crisis has had on financial institutions primarily engaged in agricultural lending. Additionally, they were asked to submit options as to how Congress could best ease the

strains resulting from such lending commitments. Those reports were received by the committee on February 17, 1986.

During this process, numerous meetings were held in an effort to put together a legislative package that would address the problems we are today discussing. The majority leader, in addition to providing helpful insight into these issues, hosted and allowed numerous gatherings in his Capitol office to discuss the many suggestions offered. Senator BOSCHWITZ likewise put together several meetings in an effort to accelerate the legislative process. The regulators have also been active participants in the process. While their schedules are no doubt hectic, in addition to holding countless events concerning the subject, they attended most meetings personally. This effort, as reflected by the cosponsorship of the measure, has been forged together by Members on both sides of the political aisle. Without such bipartisan support and cooperation, we would not be on the floor today considering this bill.

The committee held 2 days of hearings on how best Congress can ease the strains experienced by farm banks resulting from the agriculture crisis. On March 6, the committee heard testimony from Charles O. Sethness, Assistant Secretary of the Treasury for Domestic Finance, who presented the administration's views on the difficulties facing insured agricultural banks. Testifying also were representatives from the American Bankers Association and the Independent Bankers Association of America, who presented to the committee the recommendations of the ABA-IBAA Task Force on Agricultural Credit. Additionally, the American Council of Life Insurance offered their views on the Farm Credit Amendments Act of 1985 and its effects on agricultural lending and agricultural banks. On March 11, the Federal Deposit Insurance Corporation, Comptroller of the Currency, and the Federal Reserve Board discussed their previously submitted reports concerning the problems being experienced by agricultural banks, and outlined actions Congress might take in making the needed adjustments through this transition period. At the conclusion of the hearing, the regulators issued a joint statement on regulatory policies toward agricultural lenders. The statement outlined supervisory and regulatory policies that the banking agencies believe is appropriate to assist basically sound, well-managed banks to weather this transition period.

As a result of these efforts, the committee members and the other cosponsors found that the problems in the agricultural and oil and gas community, if left unabated, could result in the denial of credit to creditworthy farmers and businesses. Therefore, we proposed this bill to achieve two purposes:

1. To provide commercial banks with encouragement and positive sentiment to meet the needs of their borrowers in a manner consistent with generally accepted accounting and sound banking principles; and

2. By providing such regulatory flexibility for such commercial banks, the bill seeks to ensure future credit availability to farmers and those in the oil and gas business.

The Agricultural and Energy Bank Incentive Act has the potential for providing significant relief to borrowers. Although the type and number of borrowers potentially affected cannot be quantified, borrowers which have reasonable prospects for recovery can be benefited.

Reasonable prospects for recovery can be enhanced by allowing the farm borrower to pay his loan off on the basis of his individual cash flow circumstances. For example, this borrower may be only able to make the loan payments if the bank either reduces the interest rate, extends the loan payment schedule, or actually forgives a portion of the loan principal.

Although the bank may agree the borrower would be able to make these loan payments if any of these changes were made, there are significant concerns as to the effects of these concessions to the financial condition of the bank.

These concerns can be, one, having to recognize a loss equal to the concession granted; two, having to raise additional capital as a result of such losses in accordance with bank regulatory policies; three, having to publicly report more problem loans which news media may report causing some depositors to lose confidence in the bank; four, having an increase in "classified" loans which may trigger some bank regulatory action, and, five, having the modified loan being in violation of the bank's legal lending limits.

If the proposed act is enacted, many of these concerns can be either reduced or eliminated entirely. First, by ensuring the bank regulatory agencies will follow FAS No. 15, the bank will not be required to recognize a loss on the loan restructuring with the farmer borrower if there is reasonable probability the entire amount of the loan principal will be repaid. Thus, the loan could be modified with longer repayment terms, reduced interest rates, or other concessions without any loss being booked.

Congress has already passed the Debt Adjustment Program (FHA guarantee program) which encourages the bank to make these types of concessions with the farm borrower. Under this program, the modified loan will qualify for a 90 percent Government guarantee if the bank makes enough concessions to enable the farmer to repay the loan based upon his anticipated cash flow.

Thus, the provision of FAS No. 15 and this program encourage the bank to work with the farm borrower without significant adverse consequences.

Many banks still have difficulties working with their farm borrowers because of losses they have already experienced. As a result, they may be reluctant to make these concessions because earnings will be reduced such that their capital may fall below amounts permitted by the bank regulatory agencies. The proposed act reduces this concern by allowing these banks to operate at lower capital levels for a limited period. Again, this provides an incentive for the bank to structure longer term solutions with the borrower in the same manner they require for their solutions.

Depositor loss of confidence from reporting higher problem loan amounts is also reduced by the proposed act. Banks that modify the loan with farm borrowers will be able to report these loans as performing loans. Thus, reporting will be a more accurate appraisal of the bank, and the bank will not be further penalized through inaccurate labels as a result of making these necessary concessions.

Banks that take advantage of the Debt Adjustment Program will have less "classified" assets since 90 percent of the loan will be Government guaranteed and not subject to classification. Since the amount of classified assets is a bank regulatory supervisory concern, reductions in classified assets will be a significant factor in any proposed regulatory action. Thus, this result also provides the bank with an added incentive to allow the farm borrower more favorable loan terms.

Finally, with respect to national banks, the proposed act recognizes that the Comptroller of the Currency will provide a mechanism for affected agricultural banks to maintain higher legal lending limits. This will not only allow these banks to restructure their farm loans without violating the law, but also provide the bank with a vehicle to continue to serve their agricultural borrowers with additional loans without causing lending limit violations.

The bill also deals with an extension of the emergency authorities in Garn-St Germain and the thrift net worth certificate from April 15, 1986, to July 15, 1986.

Additionally, the bill creates a moratorium on the establishment of new federally insured nonbank banks by charter or through change of control until July 15, 1986. The change of control of savings and loans by companies (other than savings and loans or savings and loan holding companies) is restricted until July of this year to those acquisitions arising out of the emer-

gency authority of the FSLIC. In imposing these prohibitions, however, the committee is not suggesting or deciding which institutions will be grandfathered and which will be required to divest. The bill makes clear that no expression of congressional intent on grandfathering should be drawn. The committee is only seeking to preserve its options of imposing the grandfather date and other provisions of S. 2851 which passed the Senate in 1984.

I am also presenting the letter dated March 26, 1986, from the Congressional Budget Office indicating under part of the bill additional costs would be insignificant and under the other part that there would be savings that they could not estimate.

Mr. President, I ask unanimous consent that a section-by-section analysis of the bill reported by the Banking Committee be printed in the RECORD.

There being no objection, the analysis was ordered to be printed in the RECORD, as follows:

SECTION-BY-SECTION ANALYSIS OF THE AGRICULTURAL AND ENERGY BANK INCENTIVE ACT

FINDINGS AND PURPOSES

Section 2 sets forth the findings of Congress and the purposes of the bill. Congress finds that during recent years broad sectors of the American agricultural economy have experienced severe economic reversals and that the economic crisis in the agricultural sector has caused serious problems for financial institutions which are largely beyond their control. Congress further notes the deteriorating financial condition of agricultural banks which traditionally have been well capitalized. The failure rate for agricultural banks has increased significantly in the past 18 months. Finding that the likelihood of agricultural bank problems will continue in 1986 at least at levels comparable to those in 1985, Congress believes that leaving such problems unresolved will result in the denial of credit to farmers and farm businesses.

With regard to the energy sector, Congress finds that declining oil prices have worsened existing problems in the energy sector. Well-managed institutions attempting to provide credit to their customers have suffered adverse effects as a result of these severe economic conditions.

Accordingly, Congress has proposed this bill with two primary purposes. First, Congress seeks to provide agricultural and energy banks with incentives and sufficient time to resolve their asset quality problems in a constructive, orderly manner while at the same time, meeting the needs of their borrowers, and helping to rehabilitate borrowers and the banks themselves. However, any methods used to accomplish those objectives must be consistent with regulatory and supervisory principles and maintain depositor confidence in the banking system. Second, by providing relief for agricultural and energy banks Congress seeks to ensure future credit availability for farmers, farm businesses and oil and gas businesses, and to provide an incentive for the work-out of problems between banks and borrowers in a constructive manner that would minimize foreclosures and bankruptcies.

AMENDMENT TO THE FEDERAL DEPOSIT INSURANCE ACT

Section 3 amends the Federal Deposit Insurance Act (12 U.S.C. Section 1823) by adding a new subsection (j) to authorize appropriate Federal banking agencies (Federal Deposit Insurance Corporation, Federal Reserve Board and Office of the Comptroller of the Currency) to take specific actions with respect to agricultural and energy banks. Under subsection (j)(2) agencies shall permit an agricultural or energy bank to account for troubled debt restructuring in a manner consistent with generally accepted accounting principles, specifically Financial Accounting Standards Board Statement No. 15 ("FASB 15"), "Accounting by Debtors and Creditors for Troubled Debt Restructurings". Application of FASB 15 is triggered when a creditor grants a debtor a concession. The statement of the accounting standards board applies when "the creditor's objective is to make the best of a difficult situation . . . the creditor expects to obtain more . . . value from the debtor, or to increase the probability of receipt, by granting the concession than by not granting it." Troubled debt restructuring may include a modification of terms—either a reduction of interest rate, extension of maturity date, forgiveness of debt, transfer of property or some combination of the above.

Subsection (j)(3)(A) requires each Federal banking agency to establish a capital forbearance program with respect to agricultural and energy banks if the bank's reduction in capital is largely attributable to problems in the agriculture and energy sectors. Under such a program, a bank would be allowed to operate under relaxed capital requirements for a reasonable period of time—generally between five and seven years.

Subsection (j)(3)(B) establishes A window period, beginning on the date of enactment and expiring on December 31, 1987, during which an agricultural or energy bank may submit an application to its appropriate Federal banking agency for inclusion in the program. The bank's application must be accompanied by a plan (which must be acceptable to the Federal banking agency) detailing the bank's program to restore its reduced primary capital to levels at or above the regulatory minimum no later than January 1, 1993.

Subsection (j)(3)(C) gives the federal banking agencies discretion to establish specific requirements for a bank's qualification for the capital forbearance program. In addition, the Act specifically requires that a bank's weakened financial condition must be primarily the result of problems attributed to the economic conditions in the agricultural and energy sectors. The weakened condition cannot result from mismanagement, excessive operating expenses, excessive dividends or actions taken to enable the bank to qualify for capital forbearance. Furthermore, a bank must adopt and comply with its plan to restore primary capital to minimum levels and report periodically on its progress in complying with the plan.

Subsection (j)(4) requires the federal banking agencies to implement requirements in the Reports of Condition and Income ("call reports") to provide an amended description of the status of renegotiated "troubled" loans. This requirement would allow banks to distinguish loans that, although renegotiated, are in compliance with modified terms. Those loans would no longer need to be included in the category of nonperforming loans but could be disclosed in the call report as "Restructured and in Compliance With Modified Terms" or a similar description.

Subsection (j)(5) requires each Federal banking agency to issue its capital forbearance program and call report requirements within 3 days of enactment of the bill. This would include policy guidelines established by the agency under which they will refrain from taking administrative actions to enforce normal capital standards.

Subsection (j)(6) defines various terms used in the bill:

"(a) The term 'troubled debt restructuring' is defined as debt restructuring by a lender who grant a concession to the debtor for economic or legal reasons relating to the financial difficulties of the debtor that it would not otherwise consider, as defined by standards of financial accounting standards issued by the Financial Accounting Standards Board.

"(b) The term 'capital forebearance' means policy guidelines established by the Federal banking agencies under which they will refrain from taking administrative actions to enforce normal capital standards.

"(c) The terms 'agricultural bank' and 'energy bank' mean an insured bank that has agricultural loans, or oil and gas loans in the case of energy banks, in excess of 25 percent of its total outstanding loans."

Any bank that has combined agricultural or energy loans that exceed 25 percent of its total loans also would be considered an agricultural or energy bank. Additionally, any bank that does not meet the definition of an agricultural or energy bank may be considered for inclusion in an agency's capital forbearance program upon a case-by-case review and approval by the Federal banking agency after a showing that the bank is experiencing capital reductions largely attributable to problems in the agricultural or energy sectors of the economy.

REAL ESTATE HOLDING PERIOD

Section 4 of the bill amends 12 U.S.C. Section 29, which establishes the limited purposes for which national banks may purchase, hold and convey real property. Permissible purposes include the holding of property mortgaged, conveyed or otherwise acquired as security for or in satisfaction of a debt previously contracted. Currently, a bank must dispose of such property within five years unless the Comptroller of the Currency approves the possession for an extended period not to exceed an additional five years. This amendment would allow any national bank to hold such real property for a 10-year period without the Comptroller's approval. However, no extension would be available. The amendment is intended to prevent further depressed farmland values which could result from agricultural banks' disposal of such real estate.

NATIONAL BANK LENDING LIMITS

Section 5 amends 12 U.S.C. Section 84 which establishes lending limits for national banks. Currently, the general limitation established in 12 U.S.C. Section 84 is 15 percent with an additional percentage allowed under specific exceptions and circumstances. This amendment remedies the reduced lending limits that would result for affected banks due to capital reductions attributable to problems in the agricultural and energy sectors. The amendment provides for a maximum limit of 20 percent to operate in lieu of the 15 percent limit currently provided in 12 U.S.C. Section 84(a)(1). By establishing an increased lending limit, a bank participating in the capital

forbearance program who suffers moderate loses on agricultural and energy loans could maintain its current dollar lending limits. A bank which suffers large losses will have a reduced limit; however, that limit would not be as low under the 20 percent limit as it would have been under the 15 percent limit.

Section 6 extends to July 15, 1986 the emergency authorities of Garn-St Germain as well as the net worth assistance for thrifts which are scheduled to expire on April 15, 1986. These emergency authorities include FSLIC's authority to convert mutuals to stock form as well as the emergency acquisition authorities for both insured banks and savings institutions.

Section 7 creates a moratorium on the establishment of nonbank banks until July 15, 1986. It prohibits the Comptroller of the Currency from granting final approval on nonbank banks should the court injunction be lifted. The FDIC would be prohibited from granting insurance for any newly chartered state nonbank banks during this period if such applications are not required by state law. Additionally, the appropriate Federal bank agency shall be required to disapprove any change of control which could result in a new nonbank bank. Similarly, until July 15, 1986, the FSLIC is required to disapprove changes of thrift control which are not related to an emergency acquisition or savings and loan restructuring. The bill specifically states that the moratorium provision should not be interpreted as evidence of Congressional intent on which institutions shall be grandfathered and which companies shall be required to divest.●

● Mr. DIXON. Mr. President, I am pleased to join the distinguished chairman of the Banking Committee, Senator GARN, and my other distinguished Banking Committee colleagues in reporting the Agricultural and Energy Bank Incentive Act.

This bill will provide some desperately needed relief for hard-pressed farmers and the financial institutions that serve rural America. It will also provide breathing room for energy banks experiencing difficulties because of recent developments that have caused major problems for the U.S. oil and gas industry.

This bill has been worked out in concert with the Federal banking regulators. It provides the same kind of assistance that my two banking bills, S. 1151 and S. 1943, would have provided. Those bills would have permitted banks to amortize agricultural loan losses over a period of years, thus effectively permitting banks to operate below normal capital levels for that period. The legislation we are introducing today takes a somewhat different road, but it ends up at the same place. The benefits for bankers and their farmer-borrowers will be the same.

It is important to note that this legislation provides important benefits not just for eligible banks, but also for farmers. By providing incentives for banks to restructure loans, this bill will help farmers that do not have sufficient cash-flow to pay their loans as currently structured, but who could pay restructured loans. It will also help keep agricultural banks open, thus ensuring that farmers do not lose access to capital. The bill will not prevent all foreclosures, but it will help reduce the likelihood that foreclosure will be necessary.

I want to thank my friend, Senator GARN, for his effort and for his cooperation in getting quick action in the Banking Committee to report this original bill. I also want to thank the distinguished ranking Democratic member, Senator PROXMIRE, for his support and assistance.

I hope we can act on this bill today, Mr. President. The need for this assistance is urgent. We cannot afford delay. The provisions of this bill represent a consensus among bankers, regulators, and the committee. We should enact this consensus bill just as quickly as we can.●

● Mr. ZORINSKY. Mr. President, the Banking Committee is reporting long overdue original legislation to ease the financial strains on farm banks. This bill recognizes that agricultural banks can survive if they are not forced to absorb all of their losses in a single year. These changes are endorsed by the regulators, supported by the banking community, and needed for our farmers. The legislation—which I strongly endorse—may not be a panacea, but it will give the banks some breathing room.

Farm debt now runs well over $200 billion. According to the FDIC, 23 percent of that debt is in near-term danger; another 22 percent is headed that way. Commercial banks hold $48 billion in farm loans. Farms banks—banks with over one-quarter of their assets in farms loans—hold $26 billion of that $48 billion.

Looming over this debt is the depression in the farm belt. The financial conditions for farming continue to worsen. There are no signs that commodity prices or farm land values will rise any time soon. If anything, a further decline seems more likely. The results have been predictable and dire. During the past year and one-half, farm banks accounted for over half of all bank failures. Nebraska has suffered more than its fair share in this disaster. During 1985, we tied for first place in the number of bank closings. 1986 is off to a similarly dismal start. Two banks have already closed this year, bringing a total of 15 failures in as many months.

The impact on a community of a bank closing is tremendous. Local business is disrupted, checks are stopped, credit needed for commerce dries up, and a Federal bureaucracy tangles itself in borrowers' financial affairs. Current banking regulations are insensitive to these costs our towns and people have borne from bank closings. The welfare of the farm community is simply not being served by blind adherence to accounting principles and rules which are wholly out of place. The time has come for revision of our present laws.

The bill makes three major changes in current regulations for farm banks. The most important provision, called capital forbearance, is a variation of loan loss deferral plans. Under present law, when full repayment of a loan is no longer assured, banks must immediately recognize the amount of that loss on their books. Given the current crisis in the farm economy, forcing banks to recognize immediately the full amount of their losses only exacerbates the problem. Banks are forced to call in other loans to balance off any losses. Borrowers responsible for these loans may not be able to repay their outstanding balances. As a result, more loans fall into default and even more stringent rules are imposed on the banks. At the very least, banks may have to withdraw as lenders to their communities. And, more likely, the bank will be driven to the brink of closing.

The bill would permit banks to place a portion of their agricultural loan losses into a separate, special account. The losses could then be written off over the next 5 years. This procedure gives banks some breathing room without sacrificing the integrity of the accounting methods. Limitations and restrictions insure that the relief is targeted for the appropriate loans and that no banks are artificially propped up well beyond the bounds of reason.

The second change under the bill would create a new way of categorizing loans when the repayment schedule or other terms of the loan are modified. Often, a bank will stretch out payments or reduce the effective interest rate to help a borrower continue to repay the loan. Under current law, whenever a bank modifies the original terms of a loan, regulators force the bank to declare the loan to be "nonperforming." When a regulator calls a loan nonperforming, the bank suffers.

The bill alters disclosure requirements so that banks can change a loan's terms without jeopardizing the good standing of the loan. As long as repayment under the new terms is expected, regulators will not punish the bank. Instead of being classified as nonperforming, the loan is placed in a category called—logically enough—loans restructured and in compliance with modified terms. Putting a loan in this category will not get the bank into so much trouble.

The third initiative encourages farm banks to use a more lenient method of accounting for restructured debt—statement 15 of the Financial Accounting Standards Board of "FASB 15". Under FASB 15, a bank need not count as a loss any restructured loan as long as all the original principal is

repaid. FASB 15 is so complex, however, that only large banks have had enough lawyers and accountants to use it. The bill initiates an education program to bring FASB to the small banks. By teaching farm banks how to use FASB 15, the regulators will give the banks more flexibility when they renegotiate loans with farmers.

The bottom line of the changes is that banks will be allowed to recognize some of their losses without incurring the usual regulatory punishment. Obviously, the bill is only a part of the overall program needed to address the problems facing our farmland today. But it is an essential part of that program, and I urge my colleagues to give it their full consideration.●

By Mr. THURMOND, from the Committee on the Judiciary, with amendments:

S. 8. A bill to grant a Federal charter to the Vietnam Veterans of America, Inc (Rept. No. 99-268).

By Mr. THURMOND, from the Committee on the Judiciary, with an amendment in the nature of a substitute:

S. 1923. A bill to provide for additional bankruptcy judges (Rept. No. 99-269).

By Mr. GARN, from the Committee on Banking, Housing, and Urban Affairs, without amendment:

S. 1707. A bill to authorize the President to present a gold medal to the parents of Father Jerzy Popieluszko.

S. 1756. A bill to authorize the President to present to Sergent Shriver, on behalf of the Congress, a specially struck medal.

S. 1952. A bill to provide for the striking of medals to commemorate the Young Astronaut Program.

● Mr. GARN. Mr. President, on December 16, 1985, I introduced S. 1952, a bill providing for the striking gold, silver, and bronze medals to commemorate and financially assist the Young Astronaut Program. I am pleased that the Banking Committee recently reported this bill out of the committee, and I urge the Senate to pass this legislation.

S. 1952 provides for the minting of commemorative medals by the Department of the Treasury. The medals will be turned over to the Young Astronaut Council, the committee which runs the program, for a price which includes manufacturing costs plus a 10-percent surcharge. This program will not cost the Federal Treasury one dime because the council will pay for all costs, and the Government gets a guaranteed ten percent surcharge. The legislation specifically provides that the council must furnish security satisfactory to the Director of the Mint to indemnify the United States for full payment of such costs.

Once the council purchases the medals, it will sell them and use the profits to financially support the programs and activities of the Young Astronaut Program. Already, the program has opened thousands of chapters, produced a diversified class curriculum for grades 1 through 9, sponsored field trips, and published an informative monthly newsletter to chapter leaders and students providing updates on the space program.

The objective of the Young Astronaut Program is to channel the excitment of the Space Program into capturing the imagination of young people, and sharpening their science, math, and technological skills. I believe that it provides a healthy and constructive way to engage the energies of our youth as they develop and expand their minds to bring the stars within our reach.

Mr. President, I urge passage of this bill.●

By Mr. DANFORTH, from the Committee on Commerce, Science, and Transportation, with amendments and with a preamble:

S. Res. 332. A resolution to honor the *Challenger* space shuttle astronauts (Rept. No. 99-270).

By Mr. HEINZ, from the Committee on Banking, Housing, and Urban Affairs, without amendment:

S. 2245. A bill to authorize appropriations to carry out the Export Administration Act of 1979 and export promotion activities (Rept. No. 99-271).

By Mr. HEINZ, from the Committee on Banking, Housing, and Urban Affairs, without amendment:

S. 2246. A bill to eliminate foreign predatory export credit practices, to establish a tied aid credit facility, and for other purposes (Rept. No. 99-272).

S. 2247. A bill to amend and extend the Export-Import Bank Act of 1945, and to eliminate foreign predatory export practices (Rept. No. 99-273).

S. 2248. A bill to amend and extend the Export-Import Bank Act of 1945 (Rept. No. 99-274).

By Mr. GARN, from the Committee on Banking, Housing, and Urban Affairs, without amendment:

S. 2084. A bill authorizing the President to present gold medals to the families of the crew members of missions 51-L of the space shuttle *Challenger*.

By Mr. GARN, from the Committee on Banking, Housing, and Urban Affairs, with an amendment and an amendment to the title and an amended preamble:

S.J. Res. 222: A joint resolution concerning the cruel and inhuman killing of Leon Klinghoffer by international terrorists aboard the cruise ship *Achille Lauro*, because he did not submit to the demands of these terrorists.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. GARN, from the Committee on Banking, Housing, and Urban Affairs:

C.C. Hope, Jr., of North Carolina, to be a member of the Board of Directors of the Federal Deposit Insurance Corporation for a term of 6 years.

(The above nomination was reported from the Committee on Banking, Housing, and Urban Affairs with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. McCLURE, from the Committee on Energy and Natural Resources:

Jed Dean Christensen, of Virginia, to be Director of the Office of Surface Mining Reclamation and Enforcement.

(The above nomination was reported from the Committee on Energy and Natural Resources with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. ROTH:

S. 2230. A bill to improve the management of the Government by establishing an Office of Federal Management in the Executive Office of the President, and for other purposes; to the Committee on Governmental Affairs.

By Mr. GARN, from the Committee on Banking, Housing, and Urban Affairs:

S. 2231. A bill to amend the Federal Deposit Insurance Act; placed on the calendar.

By Mr. HEINZ:

S. 2232. A bill to provide for temporary suspension of the duty mixtures of mancozeb, dinocap, stabilizer, and application adjuvants; to the Committee on Finance.

S. 2233. A bill to provide for the temporary suspension of the duty on crosslinked polyvinylbenzyltrimethylammonuium chloride (cholestyramine resin USP); to the Committee on Finance.

S. 2234. A bill to provide for the temporary suspension of the duty on 3-amino-3-methyl-1-butyne; to the Committee on Finance.

S. 2235. A bill to provide for the temporary suspension of the duty on mixtures of 1,1-bis(4-chlorophenyl)-2,2,2,-trichloreothanol (dicofol) and application adjuvants; to the Committee on Finance.

S. 2236. A bill to provide for the temporary suspension of the duty on mixtures of maneb, zineb, mancozeb, metiram, stabilizer, and application adjuvants; to the Committee on Finance.

S. 2237. A bill to provide for the temporary suspension for the duty on the mixtures of 2,4-dinitro-6-octyl phenyl crotonate 2,6-dinitro-4-octyl phenyl crotonate and nitrooctyl phenols (dinocap), and on mixtures of dinocap with application adjuvants; to the Committee on Finance.

By Mr. SPECTER:

S. 2238. A bill to amend part C of the Balanced Budget and Emergency Deficit Control Act of 1985 to provide that cost-of-living increases in benefits under the civil service, military, and Postal Service retirement and disability programs shall be exempt from reduction pursuant to sequestration orders thereunder; to the Committee on Governmental Affairs.

By Mr. HELMS:

S. 2239. A bill to amend the Food Stamp Act of 1977 and the Balanced Budget and Emergency Deficit Control Act of 1985 to repeal certain expansions of the food stamp and related programs and to remove the exemption of certain food assistance programs

from reductions under sequestration orders; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. PACKWOOD:

S. 2240. A bill to amend various provisions of title 49, United States Code, to provide for a more competitive, safe, and efficient trucking industry, to reduce regulatory burdens on the industry, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. MOYNIHAN:

S. 2241. A bill to extend temporary suspension of duties on certain clock radios until December 31, 1989; to the Committee on Finance.

By Mr. DIXON (for himself and Mr. GLENN):

S. 2242. A bill to amend the United States Housing Act of 1937 to encourage resident management of public housing; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. INOUYE (for himself, Mr. ANDREWS, and Mr. MELCHER):

S. 2243. A bill to improve the health status of native Hawaiians, and for other purposes; to the Select Committee on Indian Affairs.

By Mr. GRASSLEY (for himself, Mr. DANFORTH, Mr. ZORINSKY, Mr. BAUCUS, Mr. PRESSLER, Mr. PRYOR, Mr. BUMPERS, and Mr. MATTINGLY):

S. 2244. A bill to amend the Tariff Act of 1930 with respect to the definition of industry in antidumping and countervailing duty investigations involving certain processed agricultural products; to the Committee on Finance.

By Mr. HEINZ (for himself, Mr. GARN, Mr. DIXON, and Mr. PROXMIRE):

S. 2245. A bill to authorize appropriations to carry out the Export Administration Act of 1979 and export promotion activities; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. HEINZ (for himself, Mr. GARN, Mr. DIXON, Mr. DANFORTH, Mr. CHAFEE, Mr. DODD, Mr. CRANSTON, and Mr. GORTON):

S. 2246. A bill to eliminate foreign predatory export credit practices, to establish a tied aid credit facility, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. HEINZ (for himself, Mr. GARN, Mr. DODD, Mr. GORTON, Mr. DIXON, Mr. DANFORTH, Mr. CHAFEE, and Mr. CRANSTON):

S. 2247. A bill to amend and extend the Export-Import Bank Act of 1945, and to eliminate foreign predatory export practices; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. HEINZ (for himself, Mr. GARN, Mr. DODD, Mr. PROXMIRE, Mr. CRANSTON, and Mr. GORTON):

S. 2248. A bill to amend and extend the Export-Import Bank Act of 1945; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. GRASSLEY (for himself, Mr. DECONCINI, Mr. ZORINSKY, and Mr. D'AMATO):

S. 2249. A bill to add a new chapter to the Bankruptcy Act, title 11 of the United States Code, to aid in the reorganization of family farms; to the Committee on the Judiciary.

By Mr. LEVIN (for himself, Mr. COHEN, Mr. RUDMAN, Mr. CHILES, and Mr. DURENBERGER):

S. 2250. A bill to strengthen the prohibition of kickbacks relating to subcontracts under Federal Government contracts; to the Committee on Governmental Affairs.

By Mr. DURENBERGER (for himself, Mr. LEAHY, Mr. ROTH, Mr. COHEN, Mr. HATCH, Mr. MURKOWSKI, Mr. SPECTER, Mr. HECHT, Mr. BENTSEN, Mr. NUNN, Mr. HOLLINGS, Mr. BOREN, Mr. BRADLEY, Mr. GOLDWATER, Mr. MOYNIHAN, Mr. LUGAR, Mr. LAXALT, Mr. DENTON, Mr. TRIBLE, Mr. GRAMM, Mr. NICKLES, Mr. BOSCHWITZ, Mr. COCHRAN, Mr. ZORINSKY, Mr. EXON, Mr. MATSUNAGA, Mr. HART, Mr. PELL, and Mr. JOHNSTON):

S.J. Res. 309. Joint resolution to designate the week of June 1, 1986 through June 7, 1986 as "National Intelligence Community Week"; to the Committee on the Judiciary.

By Mr. HELMS (for himself, Mr. ZORINSKY, and Mr. DOLE):

S.J. Res. 310. Joint resolution to proclaim June 15, 1986 through June 21, 1986, as "National Agricultural Export Week"; to the Committee on the Judiciary.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. DOMENICI (for himself, Mr. D'AMATO, Mr. DENTON, Mr. DODD, Mr. DURENBERGER, Mr. GRAMM, Mrs. HAWKINS, Mr. HECHT, Mr. KASTEN, Mr. NICKLES, Mr. SIMON, Mr. THURMOND, and Mr. WILSON):

S. Res. 371. Resolution to express the sense of the Senate to protect the public and private financing of infrastructure by retaining the current treatment of such financing through tax-exempt bonds, depreciation of recovery property, and regular tax credit for investment in depreciable property; to the Committee on Finance.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. ROTH:

S. 2230. A bill to improve the management of the Government by establishing an Office of Federal Management in the Executive Office of the President, and for other purposes; to the Committee on Governmental Affairs.

FEDERAL MANAGEMENT REORGANIZATION AND COST CONTROL ACT

Mr. ROTH. Mr. President, I have often said that today we stand on the threshold of a future filled with excitement and progress. And as often I have encouraged this distinguished body to take the appropriate and necessary steps that will insure our future of optimum progress and bountiful opportunity.

One of these steps, necessary for the strength and efficiency of our present government—as well as for the longevity of public support—is the legislation I am introducing today that proposes a series of management and cost-control reforms.

In the wake of Federal budget cuts, when we are looking to trim Government programs and services, it is inexcusable that we allow glaring weaknesses to exist within the fiber of the bureaucracy, especially in how we purchase goods and services, keep track of our finances, and make use of modern computer technologies.

If a member of the private sector, let us say a retail merchant, were in the same economic predicament as the Federal Government, it would appear foolish if he sought to improve his financial condition by cutting inventory and customer services before he gave little, if any, regard to the internal efficiency of his business.

It has often puzzled me why we do not require the Federal Government to play by the same rules we impose on the private sector. Equally perplexing is why we believe our solutions to the deficit differ substantially from the economic solutions the free market system has proven effective time and time again.

Evidently, we are operating under the philosophy that we can do things differently and still find success. But I am here to say this philosophy is wrong. One need only look at the private America today—the flourishing free market that is reaching new highs in employment and growth—to find the answer. This productive society is not raising prices, it is lowering them. It is not cutting needed services, it is increasing them. And its hallmark is efficiency.

But I wonder how this finely tuned economic machine would operate if the corporations and financial institutions that served as its foundation allowed over $20 billion in delinquent debts to be handled by inefficient, even faulty collection systems.

I wonder how it would run if it were plagued by ever-increasing vulnerability to failure and fraud in its accounting systems that process literally hundreds of billions of dollars annually.

How would it run if it failed to have adequate accountability for multibillions of dollars in inventory, property, payments to contractors, and other programs expenses?

Today, these weaknesses exist within our Government's infrastructure, and more needs to be done to fix them. If we were a private corporation our days of financial well-being would be numbered—if not gone. Instead, we are the Federal Government. And we believe we play by different rules. But we should not.

Today, 86 percent of our nontax delinquent debts are being handled by inefficient and ineffective collection systems. Today, there is failure and fraud and increasing vulnerability in our accounting systems that process well over $174 billion in Social Security payments alone—not to mention in our Pentagon procurement programs and our automated data processing systems.

Today, it is no secret that we have inadequate accountability for multibillions of dollars in Government property, payments to contractors, and other program outlays. The Comptroller General recently detailed widespread accounting and management control weaknesses that permeate all aspects of Government operations.

Mr. President, I believe it is potentially embarrassing that as elected officials we ask the citizens of our great country to do the tough things necessary to balance the budget and reduce the deficit while we fail to take the most elementary steps toward greater management and cost control within the Government.

It is for these reasons that I am introducing the Federal Management Reorganization and Cost Control Act of 1986.

It is clear that Congress has taken an active interest in management reform in recent years through legislation like the Paperwork Reduction Act of 1980, the Prompt Payment Act, the Debt Collection Act of 1982, and the Federal Managers' Financial Integrity Act—all of which were reported by the Government Affairs Committee which I chair.

However, it is even more clear that the American people are waiting for additional effort in this area. One need only look at the excitement generated among Americans over the Grace Commission reports. I am pleased to say that the Governmental Affairs Committee has also undertaken a 2-year effort to put in legislative form those recommendations of the the Grace Commission that are needed to reduce the cost of Government.

Up until now, we have only nibbled at the edges of management reform within the Federal Government. However, this bill allows us to take the fundamental steps to make Government effective.

I ask unanimous consent that a copy of the bill, a summary, and a section-by-section analysis be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 2230

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Federal Management Reorganization and Cost Control Act of 1986".

TITLE I—IMPROVING FEDERAL MANAGEMENT

PART A—ESTABLISHMENT OF OFFICE OF FEDERAL MANAGEMENT

PURPOSE

SEC. 101. In order to strengthen the overall management of the Federal Government, reform and improve the Government's financial systems, foster economy and efficiency, establish more effective systems and structures for Government programs, improve the executive leadership of Federal departments and agencies, and build the capacity of such departments and agencies to carry out their missions, this title (1) establishes an Office of Federal Management in the Executive Office of the President, (2) within that Office, establishes an Office of Financial systems, (3) establishes controllers within executive departments and agencies with responsibilities parallel to the Administrator of the Office of Financial Systems, (4) provides for the transfer of appropriate functions of the Director of the Office of Management and Budget to the Office of Federal Management, (5) redesignates the Office of Management and Budget as the Office of Federal Budget, and (6) requires the President to submit an annual management report.

ESTABLISHMENT OF OFFICE

SEC. 102. (a) Subtitle I of title 31, United States Code, is amended by adding at the end thereof the following new chapter:

"CHAPTER 9—OFFICE OF FEDERAL MANAGEMENT

"SUBCHAPTER I—ESTABLISHMENT

"Sec.
"901. Office of Federal Management.
"902. Officers.
"903. Functions of the Director.
"904. Employees.
"905. Necessary expenditures.
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"SUBCHAPTER I—ESTABLISHMENT

"§ 901. Office of Federal Management

"(a) The Office of Federal Management is an office in the Executive Office of the President.

"(b) The Office of Federal Management is composed of—

"(1) the Office of Information and Regulatory Affairs established under section 3503 of title 44;

"(2) the Office of Federal Procurement Policy established under section 5(a) of the Office of Federal Procurement Policy Act (41 U.S.C. 404(a)); and

"(3) the Office of Financial Systems established under subchapter II of this chapter.

"§ 902. Officers

"(a) The head of the Office of Federal Management is the Director of the Office of Federal Management. The Director is appointed by the President, by and with the advice and consent of the Senate. The Director shall be the principal advisor to the President on the management of the Federal Government. Under the direction of the President, the Director shall administer the Office.

"(b) The Office has a Deputy Director of the Office of Federal Management, appointed by the President, by and with the advice and consent of the Senate. The Deputy Director—

"(1) shall carry out the duties and powers prescribed by the Director; and

"(2) acts as the Director when the Director is absent or unable to serve or when the office of Director is vacant.

"(c) The Office has 5 Associate Directors who shall carry out the duties and powers prescribed by the Director.

"(d) The Office may have not more than 6 additional officers, each of whom is appointed in the competitive service by the Director, with the approval of the President. Each additional officer shall carry out the duties and powers prescribed by the Director. The Director shall specify the title of each officer.

"(e) When the Director and the Deputy Director are absent or unable to serve or when the Offices of the Director and Deputy Director are vacant, the President may designate an officer of the Office to act as Director.

"§ 903. Functions of the Director

"(a) The Director shall—

"(1) provide overall leadership in the development and implementation of Federal management policies and in the coordination of programs to improve the quality and performance of managerial personnel;

"(2) assist the President in carrying out the responsibilities of the President as Chief Executive Officer of the Government;

"(3) provide central policy direction and leadership in general management and managerial systems, procurement policy, grants and contracts management, financial systems, information and statistical policy, regulatory affairs, property management, and in other management functions, including organizational planning and analysis, human resources planning, and legislative review;

"(4) inform Congress and the public concerning the state of Federal management and concerning imperatives for more effective management;

"(5) facilitate actions by Congress and the executive branch to improve Government operations and to remove impediments to effective administration;

"(6) provide leadership in management innovation through experimentation, testing, and demonstration programs, and through the adoption of modern management concepts and technologies;

"(7) maintain continuous oversight of the organizational structures and managerial systems and processes of the Government, and recommend changes in such structures, systems, and processes;

"(8) promulgate goals to, and assist in the development and implementation of plans to, improve the productivity of Government personnel in program performance and in the delivery of Federal services;

"(9) advise the President on—

"(A) the requirements for providing executive leadership for the executive branch; and

"(B) the managerial requirements of positions filled by appointment by the President and on the relevant qualifications of candidates for such positions; and

"(10) work with State and local governments to strengthen the Federal system and provide assistance to such governments with respect to intergovernmental programs and cooperative arrangements.

"(b) The general management improvement and evaluation functions of the Director shall include—

"(1) the periodic assessment of the management performance of executive agencies, and recommendations to agency and organi-

zation heads and to the President on needed corrections and improvements;

"(2) conducting, in cooperation with executive agencies, management research, systems development, and demonstration projects, and to provide assistance to executive agencies in establishing new programs and organizations;

"(3) providing guidance and assistance to executive agencies in developing common automated systems to provide the President and the agency heads with timely, compatible, and accurate management information;

"(4) establishing uniform policies, guidelines, definitions, and reporting requirements for the evaluation of Federal programs and activities; and

"(5) providing guidance on, and monitoring agency efforts to implement, sound internal control systems as required under subsections (b) and (c) of section 3512 of this title.

"(c) The human resources management functions of the Director shall include—

"(1) advising the President on the managerial requirements of executive agency positions to which Presidential appointments are made and on managerial qualifications of potential nominees to such positions;

"(2) reporting to the President on pay and benefit levels for executive level positions in the Federal Government appropriate to recruiting and retaining highly qualified administrators and managers;

"(3) advising the Office of Personnel Management and executive agencies on the development of planning systems for effective workforce management and on the improvement of the quality and availability of data on human resource activities of the Government; and

"(4) developing, in coordination with the Directors of the Office of Federal Budget and the Office of Personnel Management, Governmentwide policies for pay, benefits, and labor-management relations, and of integrated personnel and payroll systems which meet categorical needs while responding to the circumstances of individual agencies.

"(d) The productivity improvement functions of the Director shall include—

"(1) developing and promulgating goals, principles, guidelines, and standards for the administration of an effective productivity improvement program for the executive agencies;

"(2) identifying and proposing the elimination of statutory barriers that inhibit opportunities to make improvements in productivity;

"(3) developing, in consultation with the agencies, organizational performance standards for those common Government and common agency functions that are appropriate targets for improved quality, timeliness, and efficiency;

"(4) assisting in the development of a productivity improvement plan for each executive agency, and reviewing each agency's productivity plan, based upon the requirements and guidance issued pursuant to this section; and

"(5) reporting annually to the Congress, in conjunction with the budget submitted by the President under section 1105 of this title, on the state of productivity plans and accomplishments of the agencies and the Government as a whole.

"(e) The organization and coordination functions of the Director shall include—

"(1) reviewing Governmentwide organizational structure on a continuous basis, periodic reporting to the President on the state of Government organization and of proposals to improve the performance and efficiency of Federal programs;

"(2) overseeing the overall operations and management of Government corporations and other Government-sponsored enterprises;

"(3) facilitating interagency cooperation in the field, and assisting in developing effective coordinating mechanisms throughout the Government;

"(4) overseeing intergovernmental administration, and grants management systems and techniques;

"(5) overseeing Governmentwide policies on (A) privatization of Government programs, services, and facilities, (B) administration of contracts between Government agencies and private parties, and (C) other relationships between the Government and the private sector; and

"(6) oversight of Governmentwide travel and travel services management.

"(f) The Director shall provide assistance in developing the President's legislative program by drawing together and reviewing all agency proposals for legislation and agency reactions to proposed legislation.

"§ 904. Employees

"The Director of the Office of Federal Management shall appoint and fix the pay of employees of the Office under regulations prescribed by the President.

"§ 905. Necessary expenditures

"The Director of the Office of Federal Management may make necessary expenditures for the Office under regulations prescribed by the President.

"§ 906. Regulations

"In the exercise of functions under this chapter, the Director of the Office of Federal Management shall be subject to subsections (b), (c), and (d) of section 553 of title 5, notwithstanding subsection (a) of such section.

"§ 907. Definition

"For purposes of this title, the term 'financial management' means all systems, controls, policies, and procedures of an executive agency which—

"(1) plan, account for, document, and report on financial performance and control of resources; and

"(2) promote economical and efficient use of financial resources such as financial planning, budget execution, accounting, financial information systems development and maintenance, financial analysis, debt and credit management, cash management and analysis, inventory and property management, and financial reporting.

"SUBCHAPTER II—OFFICE OF FINANCIAL SYSTEMS

"§ 911. Office of Financial Systems

"The Office of Financial Systems is an office in the Office of Federal Management.

"§ 912. Administrator

"(a) The head of the Office of Financial Systems is the Administrator. The Administrator is appointed by the President, by and with the advice and consent of the Senate, and shall be an individual of high personal integrity with demonstrated ability in accounting, budget execution, financial and management analysis, auditing, systems development and implementation, financial reporting, and public administration.

"(b) The Administrator shall be the principal advisor to the President and the Director with respect to Federal financial management policy.

"(c) The Administrator shall be appointed for a term of 4 years, coinciding with the term of the President. The Administrator may be removed from office by the President prior to the expiration of such term for permanent disability, inefficiency, incompetence, neglect of duty, malfeasance, or a felony or conduct involving moral turpitude. The President shall communicate the reasons for removal to both Houses of Congress.

"§ 913. Functions of the Administrator of the Office of Financial Systems

"(a) The Administrator of the Office of Financial Systems shall—

"(1) provide leadership, direction, guidance, and monitoring of the Government's financial management systems;

"(2) advise the President, the Congress, the Director, and agency heads on financial management matters and on the status of financial management in the Government;

"(3) establish policies for agencies, in conjunction with the Secretary of the Treasury and in consultation with the Comptroller General, and provide guidance for agencies, relating to financial management matters, including—

"(A) policies prescribing the overall objectives, structure, and information requirements for the financial management systems of the Government;

"(B) accounting policies and procedures which implement the Comptroller General's accounting principles, standards, and requirements prescribed under section 3511 of this title;

"(C) policies and procedures for the design and implementation of new or enhanced financial management systems;

"(D) policies and procedures to implement the internal control standards required by law;

"(E) policies for agency financial operations;

"(F) policies and procedures for agency asset management, including cash management, credit management, debt collection, and inventory and property management and control; and

"(G) policies and procedures for financial reporting which conform with the accounting principles, standards, and requirements of the Comptroller General;

"(4) develop and annually revise the five-year financial management plan required by subsection (c) of this section;

"(5) coordinate and monitor the activities and operations of the agency controllers appointed under subchapter III of this chapter in order to ensure that—

"(A) such controllers comply with—

"(i) policies and procedures established by the Administrator;

"(ii) accounting principles, standards, and requirements and internal control standards of the Comptroller General; and

"(iii) all provisions of law governing financial management;

"(B) adequate financial management systems have been established in agencies and are operating effectively; and

"(C) such systems and controls meet the needs of agency managers for internal controls and financial information;

"(6) review agency financial management plans and policies in order to assure that—

"(A) such plans and policies are—

"(i) consistent with the overall objectives, structure, and information requirements of Government financial management systems established under paragraph (3)(A) of this subsection; and

"(ii) applied uniformly across the agencies to assure parity and consistency; and

"(B) in the case of any project for the development of new or improved financial management systems, such project does not duplicate efforts by other agencies;

"(7) review agency budget requests for financial management, and advise the President, the Director, the Director of the Office of Federal Budget, and the Congress on the financial resources required to effectively operate and maintain the Government's financial management systems and to correct any major deficiencies in such systems;

"(8) review the development and enhancement of agency financial management systems in order to assure that the development and enhancement of such systems comply with approved agency financial management plans and are effectively carried out;

"(9) encourage and coordinate interagency projects to design and implement financial management systems that can be used by more than one agency in order to reduce the number of systems, eliminate duplication, and foster parity and consistency;

"(10) facilitate the exchange of information between agencies on financial management systems and efforts to improve such systems;

"(11) provide guidance to the Director of the Office of Personnel Management in the development and implementation of—

"(A) personnel qualifications and job descriptions for all executive agency financial management positions; and

"(B) professional development and training programs,

in order to ensure that qualified, trained personnel carry out Federal financial management functions; and

"(12) provide advice to agency heads with respect to the selection of agency controllers appointed under subchapter III of this chapter in order to help ensure the relevance of the background, experience, and capabilities of such controllers.

"(b)(1) Within one year after the date of enactment of this chapter, the Administrator shall prepare and transmit to the Congress, Director of the Office of Federal Management, and the Comptroller General a five-year plan for the financial management activities of the Federal Government. The plan shall provide for:

"(A) The strengthening of accounting, auditing, and financial reporting to ensure that complete, reliable, consistent, and timely financial information is available throughout the Government on a uniform basis and to ensure that such information meets the needs of agency management.

"(B) The development of reliable cost and performance information in order to enable the accurate and complete calculation of the costs of program results and alternatives based on accounting information from the financial management system and to enable the establishment of user fees for Government services based on the actual cost of providing such services.

"(C) The integration of accounting and budgeting systems in order to enable the use, in the budget formulation and execution processes, of accounting information and actual budget data for the most recently completed fiscal year which is obtained from the accounting systems.

"(D) The establishment of internal controls for financial management systems which are designed to ensure compliance with the objectives of subsections (b) and (c) of section 3512 of this title.

"(2) The Administrator of the Office of Financial Systems shall annually revise the plan required by paragraph (1) of this subsection and shall transmit the revised plan to the Congress, Director of the Office of Federal Management, and the Comptroller General.

"(3) Within 60 days after receiving a plan under paragraph (1) or (2) of this subsection, the Comptroller General shall prepare and transmit to the Congress a report which contains the analysis and comments of the Comptroller General with respect to the plan and the progress being made by agencies to strengthen financial management.

"§ 914. Regulations

"In the exercise of functions under this subchapter, the Administrator shall be subject to subsections (b), (c), and (d) of section 553 of title 5, notwithstanding subsection (a) of such section.

"SUBCHAPTER III—AGENCY CONTROLLERS

"§ 921. Appointment

"(a) There shall be in each agency specified in subsection (b) an agency controller, who shall be appointed by the head of the agency, after consultation with the Administrator of Financial Systems.

"(b) The agencies referred to in subsection (a) of this section are:

"(1) The Department of Agriculture.
"(2) The Department of Commerce.
"(3) The Department of Defense.
"(4) The Department of Education.
"(5) The Department of Energy.
"(6) The Department of Health and Human Services.
"(7) The Department of Housing and Urban Development.
"(8) The Department of the Interior.
"(9) The Department of Justice.
"(10) The Department of Labor.
"(11) The Department of State.
"(12) The Department of Transportation.
"(13) The Department of the Treasury.
"(14) The Department of the Army.
"(15) The Department of the Navy.
"(16) The Department of the Air Force.
"(17) The Environmental Protection Agency.
"(18) The General Services Administration.
"(19) The National Aeronautics and Space Administration.
"(20) The Small Business Administration.
"(21) The Veterans' Administration.

"§ 922. Functions

"An agency controller shall—

"(1) conduct, supervise, and coordinate all financial management activities and operations of the agency;

"(2) advise the agency head on financial management;

"(3) develop and maintain agency financial management systems, including accounting systems, internal control systems, and financial reporting systems, which—

"(A) implement the policies and procedures of the Administrator of Financial Systems and the accounting principles, standards, and requirements and internal control standards of the Comptroller General;

"(B) comply with the requirements of law applicable to such systems; and

"(C) provide for—

"(i) complete, reliable, consistent, and timely information which is prepared on a uniform basis and which is responsive to the financial information needs of agency management;

"(ii) the development of cost information;

"(iii) the integration of accounting and budgeting systems; and

"(iv) the systematic measurement of performance;

"(4) direct and manage agency financial management activities and operations, including—

"(A) the preparation and annual revision of a five-year agency financial management plan;

"(B) the development of agency financial management budgets;

"(C) the recruitment and training of qualified, trained personnel to carry out agency financial management functions;

"(D) the management of financial management system design or enhancement projects; and

"(E) the implementation of asset management systems, including systems for cash management, credit management, debt collection, and property and inventory management and control; and

"(5) prepare and transmit an annual report to the agency head and the Administrator of Financial Systems, which shall include—

"(A) a description and analysis of the status of agency financial management; and

"(B) copies of the most recently completed annual agency financial statements required under section 3515 of this title and the most recently completed biennial audit of such statements required under section 3516 of this title.".

(b)(1) Section 5313 of title 5, United States Code, is amended by adding at the end thereof the following new item:

"Director of the Office of Federal Management.".

(2) Section 5314 of such title is amended by adding at the end thereof the following new items:

"Deputy Director of the Office of Federal Management.

"Administrator of the Office of Financial Systems.".

(c)(1) Sections 503 and 504 of title 31, United States Code, are repealed.

(2) The chapter analysis for chapter 5 of such title is amended by striking out the items relating to sections 503 and 504.

DEFINITIONS

SEC. 103. For purposes of this title—

(1) the term "Administrator" means the Administrator of the Office of Financial Systems appointed under section 912 of title 31, United States Code (as added by section 102(a) of this Act); and

(2) the term "Director" means the Director of the Office of Federal Management appointed under section 902(a) of title 31, United States Code (as added by section 102(a) of this Act).

TRANSFERS

SEC. 104. (a)(1) The Office of Information and Regulatory Affairs is transferred to the Office of Federal Management.

(2) There are transferred to the Director of the Office of Federal Management all functions of the Director of the Office of Management and Budget with respect to, or being administered through, the Office of Information and Regulatory Affairs.

(b)(1) The Office of Federal Procurement Policy is transferred to the Office of Federal Management.

(2) There are transferred to the Director of the Office of Federal Management all functions of the Director of the Office of Management and Budget with respect to, or

being administered through, the Office of Federal Procurement Policy.

(c) There are transferred to the President—

(1) all functions specified in sections 903 and 913 of title 31, United States Code (as added by section 102 of this Act) which, on the day before the date of enactment of this Act, were vested by law in the Director of the Office of Management and Budget; and

(2) all functions specified in such sections 903 and 913 which were, on the day before the date of enactment of this Act, carried out by the President through, or delegated by the President to, the Director of the Office of Management and Budget.

(d) The President shall delegate to the Director of the Office of Federal Management all functions transferred to the President under subsection (c), except that the delegation of such functions under this subsection shall not relieve the President of responsibility for the administration of such functions.

(e) The Director shall delegate to the Administrator all of the functions which are specified in section 913 of title 31, United States Code (as added by section 102 of this Act) and which are delegated to the Administrator under subsection (d), except that the delegation of such functions under this subsection shall not relieve the Director of responsibility for the administration of such functions.

REFERENCE

SEC. 105. With respect to the functions transferred by this title to the Director or the Administrator and exercised after the effective date of this title, reference in any other Federal law to—

(1) the Director of the Office of Management and Budget; or

(2) the Office of Management and Budget or any officer or office thereof,

shall be considered to refer to the Director or the Administrator, as the case may be.

TRANSITION

SEC. 106. With the consent of the President, the Director is authorized to utilize—

(1) the services of such officers, employees, and other personnel of the Office of Management and Budget with respect to functions or offices transferred to the Director or the Office of Federal Management by this title; and

(2) funds appropriated to such functions or offices for such period of time as may reasonably be needed to facilitate the orderly implementation of this title.

PERSONNEL PROVISIONS

SEC. 107. (a) Except as otherwise provided in this title, the personnel employed in connection with, and the assets, liabilities, contracts, property, records, and unexpended balances of appropriations, authorizations, allocations, and other funds employed, used, held, arising from, available to, or to be made available in connection with the functions and offices transferred by this title, subject to section 1531 of title 31, United States Code, shall be transferred to the President. Unexpended funds transferred pursuant to this section shall be used only for the purposes for which the funds were originally authorized and appropriated.

(b)(1) The President, at such time or times as the President shall provide, is authorized to make such determinations as may be necessary with regard to the functions and offices transferred by this title, and to make such additional incidental dispositions of personnel, assets, liabilities, grants, contracts, property, records, and unexpended balances of appropriations, authorizations, allocations, and other funds held, used, arising from, available to, or to be made available in connection with such functions and offices, as may be necessary to carry out the provisions of this title. The President shall provide for such measures and dispositions as may be necessary to effectuate the purposes of this title.

(2) After consultation with the Director of the Office of Personnel Management, the President is authorized, at such times as the President may provide, to make such determinations as may be necessary with regard to the transfer of positions within the Senior Executive Service in connection with the functions and offices transferred by this title.

(c)(1) Except as otherwise provided by this title, the transfer pursuant to this title of full-time personnel (except special Government employees) and part-time personnel holding permanent positions shall not cause any such employee to be separated or reduced in grade or compensation for one year after the date of transfer of such employee under this title.

(2) Any person who, on the day preceding the effective date of this title, held a position compensated in accordance with the Executive Schedule prescribed in chapter 53 of title 5, United States Code, and who, without a break in service, is appointed in a Federal agency to which functions are transferred by this title to a position having duties comparable to the duties performed immediately preceding such appointment shall continue to be compensated in such new position at not less than the rate provided for such previous position, for the duration of the service of such person in such new position.

SAVINGS PROVISIONS

SEC. 108. (a) All orders, determinations, rules, regulations, permits, contracts, certificates, licenses, and privileges that—

(1) have been issued, made, granted, or allowed to become effective by the President, any Federal agency or official thereof, or by a court of competent jurisdiction, in the performance of functions which are transferred by this title; and

(2) are in effect when this title takes effect,

shall continue in effect according to their terms until modified, terminated, superseded, set aside, or revoked in accordance with law by the President, the Director, a court of competent jurisdiction, or by operation of law.

(b)(1) The provisions of this title shall not affect any proceedings, including notices of proposed rule making, or any application for any license, permit, certificate, or financial assistance pending on the effective date of this title before the Office of Management and Budget or any office thereof with respect to functions transferred by this title; but such proceedings or applications, to the extent that they relate to functions transferred, shall be continued. Orders shall be issued in such proceedings, appeals shall be taken therefrom, and payments shall be made under such orders, as if this Act had not been enacted; and orders issued in any such proceedings shall continue in effect until modified, terminated, superseded, or revoked by the Director, by a court of competent jurisdiction, or by operation of law. Nothing in this subsection prohibits the discontinuance or modification of any such proceeding under the same terms and conditions and to the same extent that such proceeding could have been discontinued or modified if this Act had not been enacted.

(2) The Director and the Director of the Office of Management and Budget are authorized to issue regulations providing for the orderly transfer of proceedings continued under paragraph (1).

(c) Except as provided in subsection (e)—

(1) the provisions of this title do not affect actions commenced prior to the effective date of this title, and

(2) in all such actions, proceedings shall be had, appeals taken, and judgments rendered in the same manner and effect as if this Act had not been enacted.

(d) No action or other proceeding commenced by or against any officer in his official capacity as an officer of the Office of Management and Budget with respect to functions transferred by this title shall abate by reason of the enactment of this title. No cause of action by or against the Office of Management and Budget with respect to functions transferred by this title, or by or against any officer thereof in his official capacity, shall abate by reason of the enactment of this Act. Causes of action and actions with respect to a function or office transferred by this title, or other proceedings may be asserted by or against the United States or an official of the Office of Federal Management, as may be appropriate, and, in an action pending when this title takes effect, the court may at any time, on its own motion or that of any party, enter an order which will give effect to the provisions of this subsection.

(e) If, before the date on which this title takes effect, the Office of Management and Budget or any officer thereof in his official capacity, is a party to an action, and under this title any function of such office or officer is transferred to the Director, then such action shall be continued with the Director substituted or added as a party.

(f) Orders and actions of the Director in the exercise of functions transferred to the Director by this title shall be subject to judicial review to the same extent and in the same manner as if such orders and actions had been by the Director of the Office of Management and Budget or any office or officer thereof, in the exercise of such functions immediately preceding their transfer. Any statutory requirements relating to notice, hearings, action upon the record, or administrative review that apply to any function transferred by this title shall apply to the exercise of such function by the Director.

REDESIGNATION

SEC. 109. (a)(1) The Office of Management and Budget is hereby redesignated as the Office of Federal Budget and the Director of the Office of Management and Budget or any other official of the Office of Management and Budget is hereby redesignated the Director or official, as appropriate, of the Office of Federal Budget.

(2) Any reference to the Office of Management and Budget, the Director of the Office of Management and Budget, or any other official of the Office of Management and Budget in any law, rule, regulation, certificate, directive, instruction, or other official paper in force on the effective date of this title shall be deemed to refer and apply to the Office of Federal Budget or the Director of the Office of Federal Budget, respectively, except to the extent such reference is to a function transferred to the Director or the Administrator under this title.

(b)(1) Section 501 of title 31, United States Code, is amended by striking out "Management and" each place it appears in the text and the section heading and inserting in lieu thereof "Federal".

(2) Section 502 of such title is amended by striking out "Management and" each place it appears and inserting in lieu thereof "Federal".

(3) The chapter analysis for chapter 5 of such title is amended by striking out "Management and" in the chapter heading and in the item relating to section 501 and inserting in lieu thereof "Federal".

(4) The item relating to chapter 5 in the analysis for subtitle I of such title is amended by striking out "Management and" and inserting in lieu thereof "Federal".

EFFECTIVE DATE

SEC. 110. (a) This title shall take effect one hundred and twenty days after the date of enactment of this Act, except that—

(1) section 111 shall take effect on the date of enactment; and

(2) at any time after the date of enactment of this Act—

(A) the officers provided for in chapter 9 of title 31, United States Code (as added by section 102 of this Act) may be nominated and appointed, as provided in such chapter; and

(B) the Director and the Director of the Office of Management and Budget may promulgate regulations under section 108(b)(2).

(b) Funds available to the Office of Management and Budget (or any official or component thereof), with respect to the functions and offices transferred by this title, may be used, with approval of the President, to pay the compensation and expenses of an officer appointed under subsection (a)(2)(A) who will carry out such functions until funds for that purpose are otherwise available.

INTERIM APPOINTMENTS

SEC. 111. (a) If one or more officers required by chapter 9 of title 31, United States Code (as added by section 102 of this Act) to be appointed by and with the advice and consent of the Senate have not entered upon office on the effective date of this title and notwithstanding any other provision of law, the President may designate any officer who was appointed by and with the advice and consent of the Senate, and who was such an officer on the day before the effective date of this title, to act in the office until it is filled as provided by such chapter.

(b) Any officer acting in an office pursuant to subsection (a) shall receive compensation at the rate prescribed by chapter 53 of title 5, United States Code, for such office.

AUTHORIZATION OF APPROPRIATIONS

SEC. 112. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this title. Amounts appropriated under this section shall be available until expended.

PART B—ANNUAL MANAGEMENT REPORT

PRESIDENTIAL REPORT

SEC. 121. (a) Chapter 11 of title 31, United States Code, is amended by adding at the end thereof the following new section:

"§ 1115. Annual management report

"(a) With each budget of the United States Government submitted under section 1105 of this title, the President shall submit to the Congress a report on the management of the executive branch of the Government with respect to the most recently completed fiscal year, the current fiscal year, and the fiscal year for which the budget is submitted. Each such report shall include—

"(1) an overview of the general management improvement goals of the President for the executive branch of the Government during such fiscal years;

"(2) a summary of the management problems and issues for the executive branch of the Government, and the major management improvement initiatives and accomplishments for the executive branch of the Government, involving—

"(A) program delivery systems;

"(B) human resources management;

"(C) productivity;

"(D) information resources management;

"(E) financial management;

"(F) procurement and grants management;

"(G) property management; and

"(H) any other relevant subject areas; and

"(3) for each initiative summarized in paragraph (2), a description, where feasible and appropriate, of—

"(A) the purpose of the initiative;

"(B) the progress and problems in the implementation of the initiative; and

"(C) the impact of the initiative on agency operations, including—

"(i) any additional costs which have been incurred as a result of the implementation of the initiative;

"(ii) any cost savings which have been achieved or which are projected as a result of the implementation of the initiative;

"(iii) any improvements in Federal program efficiency or productivity which have resulted from the implementation of the initiative; and

"(iv) any improvements in the delivery of services which have resulted from the implementation of the initiative;

"(4) proposals for legislative or other action to improve the management or organization of the executive branch of the Government, including proposals to remove statutory impediments to the improvement of the management of the executive branch of the Government; and

"(5) a summary of each significant new management policy for the executive branch of the government which has been adopted or which is planned for the current fiscal year or the fiscal year for which the budget is submitted, and a discussion of the reasons for such policy.".

(b) The analysis for chapter 11 of such title is amended by adding at the end thereof the following:

"1115. Annual management report.".

REVIEW OF REPORT BY COMPTROLLER GENERAL

SEC. 122. Section 719 of title 31, United States Code, is amended—

(1) by redesignating subsections (g) through (i) as subsections (h) through (j), respectively; and

(2) by inserting after subsection (f) the following new subsection:

"(g) Within 90 days after the President has submitted a report under section 1115 of this title, the Comptroller General shall prepare and transmit to the Congress a statement analyzing such report. The statement shall include—

"(1) an evaluation of the items contained in such report which the Comptroller General considers to be of particular interest to the Congress;

"(2) a specification of any questions or issues raised by such report which the Comptroller General considers to require further clarification;

"(3) an analysis of the extent to which such report complies with the requirements of section 1115 of this chapter; and

"(4) recommendations, if any, for improvement of the management or organization of the executive branch of the Government, including modification or repeal of statutory impediments to efficient and effective management.".

TITLE II—ACCOUNTING AND INTERNAL CONTROL SYSTEMS

FINDING AND PURPOSE

SEC. 201. The Congress finds that executive agencies must have reliable and effective accounting and internal control systems. Therefore, it is the purpose of this title to ensure that, within two years after the date of enactment of this Act, the financial systems of executive agencies will conform to the accounting principles, standards, and requirements, and with the internal control standards, prescribed by the Comptroller General pursuant to law.

FEDERAL BUDGET REQUIREMENTS

SEC. 202. Section 1105 of title 31, United States Code, is amended—

(1) by redesignating subsections (c), (d), and (e) as subsections (d), (e), and (f), respectively; and

(2) by inserting after subsection (a) the following new subsection:

"(b)(1) The President shall include in the budget a statement as to whether, and to what extent, the information submitted under subsection (a) was generated or supported by an accounting system that conforms to the accounting principles, standards, and requirements prescribed by the Comptroller General, and to such accounting and other related requirements as may be required by the Administrator of the Office of Financial Systems. To the extent an accounting system does not conform to such principles, standards, and requirements, the President shall include in such statement an analysis and explanation of the problems with the system and the steps taken to assure that the Congress can rely on the accuracy of the information presented in the budget submitted under subsection (a) of this section.

"(2) The statement required by paragraph (1) shall include a separate specification of the matters described in such paragraph for each executive department, agency, and office which maintains an accounting system used in preparing or supporting budget requests.".

ACCOUNTING SYSTEMS

SEC. 203. Section 3512 of title 31, United States Code, is amended by adding at the end thereof the following new subsection:

"(g) The Administrator of the Office of Financial Systems shall review reports submitted under this section by the head of each executive agency. Based on such reviews, reports by the General Accounting Office, and such additional information as may be appropriate, the Administrator shall determine whether the accounting and internal controls systems substantially comply with the requirements of this section. If, after two years after the effective date of this subsection, the Administrator determines that an accounting or internal control system does not substantially comply with the requirements of this section, the accounting and other financial management operations of the agency which are supported by the system will be subject to the direction and supervision of the Administrator to

the extent considered necessary by the Administrator.".

TITLE III—AGENCY FINANCIAL STATEMENTS

FINDING AND PURPOSE

SEC. 301. The Congress finds that the effective and efficient management of Government resources, and the making of informed policy and programmatic decisions, can better be achieved if the Congress and executive agencies have complete, accurate, and timely information on the financial position and the results of operation of the Government. Therefore, it is the purpose of this title to ensure that such information is available by requiring the annual preparation and biennial audit of agency financial statements, and an annual audit of the financial statements of Government corporations.

ACCOUNTING REQUIREMENTS

SEC. 302. (a) Subsection (a) of section 3511 of title 31, United States Code, is amended by inserting a comma and "the Administrator of the Office of Financial Systems," after "Treasury".

(b) Paragraph (3)(B) of section 3511(b) of such title is amended by inserting ", including a method for the preparation of financial statements" before the semicolon.

PREPARATION AND AUDIT OF STATEMENTS

SEC. 303. (a) Subchapter II of chapter 35 of title 31, United States Code, is amended by adding at the end thereof the following new sections:

"§ 3515. Preparation of agency financial statements

"(a) By December 31 each year (beginning with the year in which ends the first full fiscal year completed after the date of enactment of this section) each executive agency shall have prepared financial statements that include the accounts of all of its offices, bureaus, and activities and that present the financial position and results of operations of such agency during the preceding fiscal year.

"(b) The Administrator of the Office of Financial Systems, in conjunction with the Secretary of the Treasury and in consultation with the Comptroller General, shall prescribe the form and content of the financial statements required by subsection (a). Such form and content shall be consistent with the principles, standards, and requirements prescribed by the Comptroller General under section 3511 of this title.

"§ 3516. Audit of agency financial statements

"(a) Beginning with the financial statements prepared under section 3515(a) of this title for fiscal years 1990 and 1991, and biennially thereafter, a financial and compliance audit shall be performed of the financial statements prepared under such section for the two most recently completed fiscal years. The audit shall be conducted in accordance with generally accepted Government auditing standards issued by the Comptroller General.

"(b) A financial and compliance audit of an executive agency's financial statements required by subsection (a) of this section shall be performed by—

"(1) the Inspector General of the executive agency;

"(2) an internal auditor of the executive agency who is independent (as defined by generally accepted Government auditing standards issued by the Comptroller General); or

"(3) an independent external auditor who meets the qualifications and other requirements of the generally accepted Government auditing standards issued by the Comptroller General.

"(c) The Comptroller General shall perform the audit required by subsection (a) of this section, when deemed appropriate by the Comptroller General or upon the request of a committee of Congress. An audit performed by the Comptroller General under this subsection shall be in lieu of the audit that otherwise would be performed by the persons specified in subsection (b) of this section.

"(d) The Comptroller General is authorized to review an audit conducted by the Inspector General of an executive agency, an internal auditor of an executive agency, or an independent external auditor, to ensure compliance with the accounting and audit requirements of this section. The Comptroller General shall report to the Congress and the executive agency the results of any review conducted under this paragraph, and shall include in such report any recommendations the Comptroller General considers appropriate.

"(e) For any audit conducted under this section, a report on the audit shall be transmitted to the head of the executive agency and the Congress by April 30 following the end of the fiscal year for which such audit was conducted. A copy of the report shall be transmitted to the President, the Administrator of the Office of Financial Systems, and the Comptroller General.

"(f) Within two years after the date of enactment of this section, the Administrator, in consultation with the Comptroller General, agency controllers, and the Inspectors General, shall submit to the Congress a plan for ensuring that the audits required by this section for agency financial statements for fiscal year 1991 are completed. The Administrator shall subsequently notify the Congress of any substantive changes to the plan submitted.".

(b) The chapter analysis for such chapter is amended by inserting after the item relating to section 3514 the following new items:

"3515. Preparation of agency financial statements.

"3516. Audit of agency financial statements.".

AUDITS OF GOVERNMENT CORPORATIONS

SEC. 304. Section 9105 of title 31, United States Code, is amended to read as follows:

"§ 9105. Audits

"(a)(1) The financial statements of—

"(A) wholly owned Government corporations; and

"(B) mixed-ownership Government corporations during periods in which capital of the United States Government is invested in a mixed-ownership Government corporation,

shall be audited annually by an independent external auditor in accordance with generally accepted Government auditing standards issued by the Comptroller General. The Government corporation's financial statements shall be presented in accordance with generally accepted accounting principles.

"(2) The Comptroller General is authorized to review an audit conducted by a Government corporation's independent external auditor to ensure compliance with the accounting and auditing requirements specified by this section. The Comptroller General shall report to the Congress and the Government corporation the results of any review conducted under this paragraph, and shall include in such report any recommendations the Comptroller General considers appropriate.

"(b)(1) In lieu of an annual audit that otherwise would be performed by an independent external auditor under paragraph (1) of subsection (a), the Comptroller General, as the Comptroller General considers necessary or upon the request of a committee of Congress, shall audit the financial statements of a Government corporation in the manner provided in such paragraph.

"(2) A Government corporation shall reimburse the Comptroller General for the full cost of any audit conducted under paragraph (1) of this subsection, as determined by the Comptroller General. Reimbursements received by the Comptroller General shall be retained and used for authorized purposes.

"(c) All books, accounts, financial records, reports, files, workpapers, and property belonging to or in use by a Government corporation and the Government corporation's auditor, needed for purposes of this section, shall be made available to the representatives of the Comptroller General.

"(d) Activities conducted under subsection (a)(2) or (b)(1) are in lieu of an audit of the financial transactions of a Government corporation the Comptroller General is required to make in reporting to Congress or the President under any other law.

"(e) Necessary amounts are authorized to be appropriated to the Comptroller General to carry out this section.".

FINANCIAL REPORTS OF GOVERNMENT CORPORATIONS

SEC. 305. Section 9106 of title 31, United States Code, is amended to read as follows:

"§ 9106. Financial reports

"(a)(1) A Government corporation shall submit to Congress a report of financial position and results of operations, including an audit conducted under section 9105(a)(1) of this title, not later than April 30 after the end of the Government corporation's fiscal year. The corporation's financial statements shall be in accordance with generally accepted accounting principles and shall include—

"(A) a balance sheet showing assets, liabilities, capital and surplus or deficit;

"(B) a statement of income; and

"(C) a statement of changes in financial position.

"(2) A Government corporation's financial report shall also include—

"(A) an opinion on the financial statements resulting from an audit conducted under section 9105 of this title; and

"(B) any other comments and information necessary to inform Congress about the operations and financial condition of the corporation.

"(b) A Government corporation shall give the President, the Administrator of the Office of Financial Systems, the Secretary of the Treasury, and the Comptroller General a copy of the report when it is submitted to Congress.".

TITLE IV—CASH MANAGEMENT

PURPOSE

SEC. 401. It is the purpose of this title to increase the efficiency of efforts to manage cash throughout the Government by providing additional procedures and incentives for cash management.

DISBURSEMENT OBJECTIVES

SEC. 402. (a) Subchapter II of chapter 37 of title 31, United States Code, is amended

by adding at the end thereof the following new section:

"§ 3720B. Disbursement of Federal funds

"(a) Each head of an agency (other than an agency subject to section 9 of the Act of May 18, 1933 (48 Stat. 63, chapter 32, 16 U.S.C. 831h) shall, under such regulations as the Secretary of the Treasury, in consultation with the Administrator of the Office of Financial Systems, prescribe, provide for the timely disbursement of Federal funds through cash, checks, electronic funds transfer, or any other means identified by the Secretary. The Secretary is authorized to collect from any agency not complying with the requirements imposed pursuant to the preceding sentence a charge in an amount the Secretary determines to be the cost to the general fund caused by such noncompliance.

"(b) The head of an executive agency shall pay to the Secretary of the Treasury charges imposed pursuant to subsection (a). Payments shall be made out of amounts appropriated or otherwise made available to carry out the program to which the disbursements relate. The amounts of the charges paid under this subsection shall be deposited in the Cash Management Improvements Fund established under section 3720(c) of this title.".

(b) The chapter analysis for chapter 37 of such title is amended by inserting after the item relating to section 3720A the following new item:

"3720B. Disbursement of Federal funds.".

(c) The Secretary of the Treasury, in consultation with the Administrator of the Office of Financial Systems, shall prescribe regulations, including the regulations required under subsection (a) of section 3720B of title 31, United States Code (as added by subsection (a) of this section) to ensure the full implementation of such section 3720B by October 1, 1987.

PAYMENT OF INTEREST

SEC. 403. (a) Section 6501 of title 31, United States Code, is amended—

(1) by redesignating clauses (7), (8), and (9) as clauses (9), (10), and (11), respectively;

(2) by inserting after clause (6) the following new clauses:

"(7) 'Administrator' means the Administrator of the Office of Financial Systems.

"(8) 'Secretary' means the Secretary of the Treasury."; and

(3) by striking out clause (10) (as redesignated by clause (1) of this subsection) and inserting in lieu thereof the following:

"(10) 'State' means a State of the United States, the District of Columbia, a territory or possession of the United States, and an agency, instrumentality, or fiscal agent of a State but does not mean a local government of a State.".

(b)(1) Section 6503 of title 31, United States Code, is amended to read as follows:

"§ 6503. Intergovernmental financing

"(a) Consistent with program purposes, and regulations of the Secretary, and by means mutually agreed upon by the Secretary and the State, the head of an executive agency carrying out a program shall schedule the transfer of funds to minimize the time elapsing between transfer of funds from the United States Treasury and the issuance or redemption of checks, warrants, or payments by other means by a State.

"(b) Consistent with program purposes and regulations of the Secretary and by means mutually agreed upon by the Secretary and the State, a State shall minimize the time elapsing between transfer of funds from the United States Treasury and the issuance or redemption of checks, warrants, or payments by other means for program purposes.

"(c) The Secretary is authorized to issue regulations that would require a State to pay interest on funds from the time they are deposited to the State's account until the time that they are paid out in order to redeem checks or warrants, or make payments by other means for program purposes. Such interest shall be at the rate specified from time to time by the Secretary pursuant to section 323 of this title, relating to Treasury tax and loan accounts.

"(d) If a State disburses its own funds for program purposes in accordance with Federal law, regulation, or Federal-State agreement, the State shall be entitled to interest at the rate specified pursuant to section 323 of this title, from the time the State's funds are paid out to redeem checks or warrants, or make payments by other means until the Federal funds are deposited to the State's bank account. Such interest shall be paid out of the Intergovernmental Interest Fund established by section 6509(a) of this title.

"(e) If a State collects and holds refunds of grant funds, such refunds shall be distributed to the Federal Government on a timely basis or used to offset related Federal program funds owed to the State. Interest earned on such refunds shall be considered when setting overall interest obligations between the State and the Federal Government as required by this section.

"(f) In cases where the Federal Government makes payment on behalf of a recipient organization, the principles of this section shall apply.

"(g) A State may not be required by a law or regulation of the United States to deposit grant money received by it in a separate bank account. However, a State shall account for grant money made available to the State as United States Government grant money in the accounts of the State. The head of the State agency concerned shall make periodic authenticated reports to the head of the appropriate Federal executive agency on the status and the application of the money, the liabilities and obligations on hand, and other information required by the head of the executive agency. Records related to the grant received by the State shall be made available to the head of the executive agency and the Comptroller General for auditing, as prescribed by Chapter 15 of this title.

"(h) The Secretary shall prescribe the methods of payment of interest between the Federal Government and the States, including provisions for offsetting amounts owed by the respective parties. These methods of payment shall provide for comparable treatment in the manner, technique and timing for both the States and the Federal Government.

"(i) The Inspector General of an agency, or an officer of any agency performing functions similar to an Inspector General, in the case of an agency in which an Inspector General has not been established by law, shall periodically conduct audits. Periodic audits shall also be conducted by the States within the scope of work performed under chapter 15 of this title.

"(j) Consistent with Federal program purposes and regulations of the Administrator of the Office of Financial Systems, the head of a Federal executive agency carrying out a program shall execute grant awards on a timely basis to assure the availability of funds to accomplish transfers in compliance with subsection (a) of this section.

"(k) In assessing charges to be paid by a State to the Federal Government under subsection (c), or to a State by the Federal Government under subsection (d), the Secretary shall consider costs incurred by the State in administering this section.".

(2) The item relating to section 6503 in the chapter analysis for chapter 65 of title 31, United States Code, is amended to read as follows:

"6503. Intergovernmental financing.".

(c)(1) Chapter 65 of title 31, United States Code, is amended by adding at the end thereof the following new section:

"§ 6509. Intergovernmental interest fund

"(a) There is established in the Treasury of the United States a fund known as the Intergovernmental Interest Fund (hereafter in this section referred to as the 'Fund').

"(b) The Fund shall include amounts received as payment of interest under section 6503(c) of this title, and such sums as may be necessary to pay interest pursuant to section 6503(d) of this title.

"(c) Moneys in the Fund shall be available without fiscal year limitation.

"(d) The Secretary is authorized to credit such portions of the Fund as the Secretary determines are in excess of the amount necessary to pay claims to miscellaneous receipts in the Treasury.

"(e) Where interest is earned by a State on a program where only the Secretary of the Treasury is authorized to invest funds, the interest earned shall be credited to the appropriate trust fund.".

(2) The chapter analysis for such chapter is amended by adding at the end thereof the following new item:

"6509. Intergovernmental Interest Fund.".

(d) The provisions of this section and the amendments made by this section shall apply to all Federal programs and shall supersede the provisions of any Federal law or regulation in effect on the date of enactment of this Act.

(e) The amendments made by this section shall take effect on the date of enactment of this Act, except that the provisions of section 6503 of title 31, United States Code (as added by subsection (b) of this section) which relate to the payment and receipt of interest by the Federal Government and State governments shall take effect two years after the date of enactment of this Act.

SOCIAL SECURITY WITHHOLDING

SEC. 404. Section 218(e)(1)(A) of the Social Security Act is amended to read as follows:

"(A) that the State will pay to the Secretary of the Treasury, in accordance with the same payment schedule as applies to payment by employers of the taxes imposed under sections 3101 and 3111 of the Internal Revenue Code of 1954, amounts equivalent to the sum of the taxes which would be imposed by sections 3101 and 3111 of such Code if the services for which wages were paid in such month to employees covered by the agreement constituted employment as defined in section 3121 of such Code; and".

ELECTRONIC FUNDS TRANSFER

SEC. 405. (a) Section 3332 of title 31, United States Code, is amended by striking out subsections (a), (b), (c), (d), and (e), and inserting in lieu thereof the following:

"(a) In this section, 'financial organization' means a bank, savings and loan association, a credit union chartered by the

United States Government or a State, or a similar institution.

"(b)(1) Notwithstanding any other provision of law, the Secretary of the Treasury, in consultation with the Administrator of the Office of Financial Systems, may issue regulations requiring, where the Secretary determines it to be cost effective, that wages and salaries of any or all employees of an agency be paid by electronic funds transfer or any other method determined by the Secretary to be in the interest of economy and effectiveness, with sufficient safeguards over the control of, and accounting for, public funds.

"(2) Such regulations shall require covered employees to designate the financial organization to receive payments of their salaries and wages.

"(3) Such regulations may allow for payments of salary and wages by check to be mailed on the due date.

"(4) The head of each employing agency shall include in certifications of payments of wages and salaries information required by the Secretary about the financial organization chosen by the agency's employees.

"(5) The Secretary shall not charge financial organizations any fees in connection with payments made in accordance with this section.

"(6) Financial organizations shall not charge agency employees for handling payments made in accordance with this section.

"(7) The Secretary may, upon request by an employee who was employed by the United States Government on the effective date of this section and whose annual rate of basic pay is less than $20,000, exempt such employee from the requirements of this section.

"(c) Payment of an amount by the United States by methods authorized pursuant to subsection (b) or (d) of this section, and accepted by a financial organization, shall constitute full acquittance of the United States for that amount.

"(d) Notwithstanding any other provision of law, the Secretary, in consultation with the Administrator, may develop regulations which would allow conversion of a regular payment from one method to another without the employee's written request using any method authorized by the Secretary pursuant to this section, if the following conditions are met:

"(1) The employee is notified by the Secretary or the designee of the Secretary of the proposed change along with the new payment information in writing.

"(2) The employee has thirty days in which to notify the Secretary or his designee that information specified pursuant to clause (1) should be changed.

"(e)(1) Notwithstanding any other provision of law, the Secretary, in consultation with the Administrator, may issue regulations requiring that, where the Secretary determines to be practicable, benefit and other payments may be made by electronic funds transfer or any other method determined by the Secretary to be in the interest of economy and effectiveness, with sufficient safeguards over the control of, and accounting for, public funds as long as the recipient has the option of receiving a check.

"(2) The requirements of paragraphs (5) and (6) of subsection (b) and of subsections (c) and (d) of this section shall apply to benefits and other payments made under paragraph (1) of this subsection.".

(b) Section 3332(f) of such title is amended by striking out "The" in the first sentence and inserting in lieu thereof "Notwithstanding subsection (b)(1) of this section, the".

(c) The amendments made by this section shall take effect on October 1, 1986.

IMPROVING THE COLLECTION AND DEPOSIT OF GOVERNMENT RECEIPTS THROUGH NATIONAL LOCKBOX SYSTEMS

SEC. 406. (a) For purposes of this section—

(1) the term "Administrator" means the Administrator of the Office of Financial Systems;

(2) the term "executive agency" has the same meaning as in section 102 of title 31, United States Code;

(3) the term "lockbox system" means a system under which—

(A) persons owing payments to an executive agency transmit such payments to a locked post office box in offices of the United States Postal Service; and

(B) such payments are collected from such box by a financial institution and are credited by such institution to the account of such agency without any specific action by such agency; and

(4) the term "Secretary" means the Secretary of the Treasury.

(b) The Secretary shall study and make recommendations concerning standards for the establishment of lockbox systems for executive agencies. In conducting such study, the Treasury shall—

(1) consider—

(A) the feasibility of establishing such systems;

(B) the benefits and costs of establishing such systems; and

(C) the needs of each executive agency for such a system;

(2) develop methods of internal controls and accounting by which the Government can assure that payments received through a lockbox system will be promptly and fully credited to the Treasury of the United States;

(3) develop criteria for the adoption of lockbox systems by executive agencies;

(4) analyze the feasibility and costs of operating lockbox systems through the Department of the Treasury, the Federal Reserve Board, or other appropriate executive agencies; and

(5) develop recommendations for the establishment of lockbox systems by executive agencies, with the cost of establishing and operating such systems paid by appropriated funds; and

(c) Executive agencies using lockbox services developed under this section shall pay the Secretary the actual cost for such services from their appropriated funds. Such payments shall be deposited in the Treasury as miscellaneous receipts. The Secretary shall use its appropriated funds to pay operators of the lockboxes used under this section.

(d) Within one hundred and eighty days after the date of enactment of this Act, the Secretary shall submit a report on the study conducted under subsection (b) to the President pro tempore of the Senate, the Speaker of the House of Representatives, and the Administrator. The report shall describe the findings of the study and contain such recommendations as the Secretary considers appropriate.

(e) Within ninety days after receiving the report required under subsection (d), and after consulting with the Administrator, the Secretary shall prescribe guidelines which specify procedures to be used by executive agencies in determining whether to establish and operate lockbox systems.

(f) Within ninety days after the Secretary prescribes guidelines under subsection (f), the head of each executive agency shall submit to the Secretary a report describing the plans of such agency for the establishment of a lockbox system or specifying the reasons why such a system is not feasible or cost effective for such agency.

TITLE V—CREDIT MANAGEMENT

PURPOSE

SEC. 501. It is the purpose of this title to strengthen the overall management of Federal credit programs and to make these programs consistent with the goals of deficit reduction by—

(1) assuring the proper management of credit transactions of Federal agencies;

(2) increasing the efficiency of Governmentwide efforts to collect debts owed the United States; and

(3) providing additional procedures for the management and collection of debts owed to the United States.

IMPROVEMENT OF CREDIT MANAGEMENT PROGRAMS

SEC. 502. Title 31, United States Code, is amended by inserting after chapter 37 the following new chapter:

"CHAPTER 38—CREDIT MANAGEMENT

"SUBCHAPTER I—GENERAL PROVISIONS

"Sec.
"3801. Definitions.

"SUBCHAPTER II—CREDIT EXTENSION AND ADMINISTRATION

"3811. Subsidy statement.
"3812. Interest rates.
"3813. Loan origination and application fees.
"3814. Prior default by applicant.
"3815. Default and acceleration clauses.
"3816. Private sector participation.
"3817. Regulations and financial contract.
"3818. Effective date.

"SUBCHAPTER III—DEBT MANAGEMENT

"3821. Collection targets.
"3822. Delinquency and default standards.
"3823. Audit of credit programs.
"3824. Regulation deadline.

"SUBCHAPTER I—GENERAL PROVISIONS

"§ 3801. Definitions

"For purposes of this chapter—

"(1) The term 'Federal agency' means an executive department, an independent Federal establishment, or a corporation or other entity established by law that is owned in whole or in part by the United States.

"(2) The term 'obligation' means any note, bond, debenture, or other evidence of indebtedness, but does not include Federal Reserve notes or stock evidencing an ownership interest in the issuing Federal agency.

"(3) The term 'direct loan' means a disbursement of funds by a Federal agency (not in exchange for goods or services) under a contract that requires the repayment of such funds with or without interest. Such term shall also include an obligation guaranteed by a Federal agency and purchased by the Federal Financing Bank. Such term shall not include any commodity price-support loan made by the Commodity Credit Corporation.

"(4) The term 'subsidy' means, with respect to a direct loan, the difference between—

"(A) the costs (including interest) which would have been incurred by a borrower to obtain the loan from private sources, minus

"(B) the costs (including interest) which were incurred by the borrower to obtain the loan from the Government.

"(5) The term 'debt' means an amount of money or property that has been determined by an appropriate official of an agency to be owed to the United States by any person, organization, or entity except another Federal agency.

"(6) The term 'loan guarantee' means contingent liability of an agency. A guaranteed loan is—

"(A) any debt obligation on which the agency pledges to pay part or all of the amount due to a lender or holder in the event of default by the borrower; or

"(B) a direct Federal loan that an agency sold under a guarantee or agreement to repurchase.

"(7) The term 'credit extension' means that portion of the credit management cycle involving review and approval of requests for short-term or long-term credit.

"(8) The term 'financial contract' means any agreement or contract made by an agency, the primary purpose or results of which is to make private credit available, or available on more favorable terms than in the absence of the contract, to a non-Federal entity by indirectly or directly assuming the risk involved. Such term includes financial contracts such as an agreement to pay all or part of the principal or interest on the debt obligation of a non-Federal entity (debt service payments), financial lease agreements for assets and project financing, and repayment arrangements.

"(9) The term 'creditworthy' means a favorable determination entitling an applicant to receive credit, which is based on—

"(A) the perceived ability and willingness of the borrower to repay the debt and the lending organization's level of acceptable risk; and

"(B) the consideration of other Federal obligations that could jeopardize or be jeopardized by the new debt under consideration.

"(10) The term 'receivables' means amounts owed the Government upon completion of the acts giving rise to claims, and includes amounts, such as amounts due for taxes, loans, sales of goods and services, fines, penalties, forfeitures, interest, overpayments, fees, duties, rents, royalties, claims, damages, audit disallowances, and travel advances.

"(11) The term 'account servicing' means that portion of the credit management cycle dealing with monitoring the status of accounts of indebtedness, maintaining records of current debts, billing for amounts due, collecting amounts due, dunning for past due amounts, handling debtor correspondence, performing followup functions, and providing accurate reporting of debt portfolios.

"(12) The term 'debt collection' means that portion of the credit management cycle dealing with recovery of amounts due after routine followup fails, and includes the assessment of the debtor's ability to pay, the exploration of possible alternative arrangements to increase the debtor's ability to pay, and other efforts to secure payment.

"(13) The term 'delinquency' means the status of any account which is 30 days past due.

"(14) The term 'default' means the failure to meet any obligation or term of credit, grant, or contract agreement that causes the lender to accelerate demand on the borrower because of the severity of the borrower's breach of the agreement, and for purposes of this chapter, default occurs—

"(A) In the case of a direct loan, when the account is past due over 180 days; and

"(B) In the case of a guaranteed loan, when the Government repurchases the loan.

"(15) The term 'reschedule' means to establish new terms and conditions to facilitate repayment of a debt.

"(16) The term 'referral for litigation' means—

"(A) referral to the Attorney General for appropriate legal proceedings; or

"(B) in any case in which an agency has statutory authority to bring legal actions without referral to the Attorney General, referral to the organization within the agency that is responsible for litigation.

"(17) The term 'credit report' means any written or documented oral communication of information provided by a commercial or consumer credit reporting agency dealing with the credit worthiness or financial reliability of an applicant or debtor.

"SUBCHAPTER II—CREDIT EXTENSION AND ADMINISTRATION

"§ 3811. Subsidy statement

"All legislative proposals for the enactment of new credit programs or the amendment of existing credit programs shall contain an explicit statement of any subsidies in such direct or guaranteed loan programs.

"§ 3812. Interest rates

"Interest rates in all new direct loan programs shall be related to market rates for comparable private sector loan programs, and the interest rates in such direct loan programs shall be adjusted annually to reflect changes in comparable private sector rates.

"§ 3813. Loan origination and application fees

"Loan origination and application fees shall be assessed on all loan or loan guarantee programs to defray administrative costs and costs of defaulted loans.

"§ 3814. Prior default by applicant

"Federal loan or loan guarantee funds may not be made available to any applicant who defaults on a Federal loan or loan guarantee made after the effective date of this section, unless—

"(1) the new loan or loan guarantee is necessary to protect the Government's interests;

"(2) the debt in default was discharged under Federal bankruptcy laws; or

"(3) the default has been cured.

"§ 3815. Default and acceleration clauses

"Loan and loan guarantee contracts shall contain default and acceleration clauses. Default clauses shall provide for interest from the date of default and at the greater of the interest rate due under the existing loan or loan guarantee contract or the rate prescribed by the Secretary of the Treasury under section 3717 of this title. Acceleration clauses shall provide that upon default the entire remaining principal balance shall be due and subject to collection at that time.

"§ 3816. Private sector participation

"The President shall provide for the conduct of a study to determine which Federal direct loan programs could be carried out, in whole or in part, by private lending institutions as direct loans without Government guarantees. Within one year after the date of enactment of this chapter, the President shall transmit to the Congress a report which describes the results of the study and contains such recommendations as the President considers appropriate, including recommendations for legislation.

"§ 3817. Regulations and financial contract

"(a)(1) The Administrator of the Office of Financial Systems shall establish Federal credit management policies and promulgate regulations implementing this subchapter. Such policies and regulations shall apply to direct loans, loan guarantees, loan insurance, financial contracts designed to support borrowing, and debts arising from contracts, grants, and other administrative arrangements. Such policies and regulations shall apply to all executive branch departments and agencies and to Government corporations unless specifically exempted from Federal control by other statutory authority. The Administrator shall include in such regulations any and all credit practices necessary to make Federal credit practices substantially conform to the best established credit practices of the private sector. Such regulations shall include regulations with respect to—

"(A) credit analysis of borrowers (credit worthiness, financial responsibility, and ability to repay determinations);

"(B) program eligibility;

"(C) alternative sources of credit;

"(D) use of taxpayer identification numbers;

"(E) establishment of regular repayment schedules;

"(F) account servicing practices (adequate recordkeeping and documentation, account review and loss estimates, followup procedures on delinquent accounts, and automation of loan servicing activities);

"(G) debt accounting and reporting systems;

"(H) interest, penalties, and administrative costs;

"(I) administrative offset;

"(J) use of collection agencies;

"(K) referral for litigation;

"(L) calling guarantees;

"(M) controlling and foreclosing on collateral;

"(N) Federal employee salary offset;

"(O) income tax refund offset;

"(P) rescheduling;

"(Q) writeoff and closeout procedures;

"(R) portfolio sales;

"(S) management review; and

"(T) improvement plans.

"(2) Regulations promulgated under paragraph (1) of this subsection shall not apply to debts arising under the Internal Revenue Code of 1954, the Social Security Act, the tariff laws of the United States, or to debts owed by State or local governments.

"(b) The Secretary of the Treasury, in consultation with the Administrator, shall prescribe minimum requirements for contracts for all loans or loan guarantees governed by this chapter.

"§ 3818. Effective date

"The provisions of this subchapter shall take effect 90 days after the date of enactment of this chapter.

"SUBCHAPTER III—DEBT MANAGEMENT

"§ 3821. Collection targets

"(a) Each agency which operates credit programs, as part of its budget request (beginning with budget requests for fiscal year 1988), shall develop and specifically identify collection targets for all agency credit programs so that amounts collected may be predicted and used as a source of program

funding. To the extent an agency fails to meet its collection targets, program funding shall be reduced by the amount by which the agency fails to meet its collection targets. To the extent that targets are exceeded, 25 percent of the amount that exceeds the target shall be available to the agency as additional program funding.

"(b) Within 180 days of the effective date of this subchapter, the Secretary of the Treasury, in conjunction with the Administrator of the Office of Financial Systems and the Director of the Office of Federal Budget, shall develop and present to the Congress a plan for implementing this subchapter.

"§ 3822. Delinquency and default standards

"(a) Within one year after the date of enactment of this chapter, each agency operating credit programs must develop delinquency and default rate standards for each loan and loan guarantee program and report such standards to the Congress.

"(b) For the first fiscal year beginning two years after the establishment of an agency's delinquency and default rates standard under subsection (a) of this section, and for each fiscal year thereafter, any agency's delinquency and default rates, for loans and loan guarantees made on or after the establishment of the delinquency and default rates, that exceed the respective delinquency and default rate standards shall cause the agency's loan and loan guarantee authority to be reduced in accordance with a formula to be developed by the Secretary of the Treasury, in consultation with the Administrator of the Office of Financial Systems.

"(c)(1) The Secretary of the Treasury shall develop and submit to the Congress, within one year after the date of enactment of this chapter, the formula referred to in subsection (b) of this section. Such formula shall take into account the percentage of deviation from established standards and such other factors as the Secretary considers relevant.

"(2) Any reductions to agency appropriations through application of the formula developed under paragraph (1) of this subsection shall be reported to the Congress by the Secretary.

"§ 3823. Audit of credit programs

"(a) Within two years after the date of enactment of this chapter, the credit management and debt collection systems and operating policies of each agency operating programs must be audited by the Inspector General, or in the case of an agency in which an Office of Inspector General has not been established by law, by an officer of the agency performing functions similar to an Inspector General.

"(b) Each audit conducted under subsection (a) shall determine whether the agency has met the requirements of the Federal Claims Collection Act of 1966, as amended by the Debt Collection Act of 1982, the requirements of this chapter, and the related requirements of the Comptroller General, the Attorney General, the Administrator of the Office of Financial Systems, and the Secretary of the Treasury. Copies of the audit report of each such audit shall be provided to the Congress and the Administrator of the Office of Financial Systems. For any weaknesses disclosed by the audit, the agency head, within 60 days, must furnish the Congress with an explanation as to why the weaknesses exist, and a plan of appropriate action to correct those weaknesses.

"§ 3824. Regulation deadline

"Within one year of the date of enactment of this chapter, each agency operating credit programs shall have promulgated all final agency regulations required by this chapter and the Federal Claims Collection Act of 1966 as amended by the Debt Collection Act of 1982.".

MISCELLANEOUS AMENDMENTS

SEC. 503. (a) Section 3711(f) of title 31, United States Code, is amended by—

(1) striking out "may" after "legislative agency" in paragraph (1) and inserting in lieu thereof "shall"; and

(2) striking out "may" after "system" in subparagraph (A) of such paragraph and inserting in lieu thereof "shall".

(b) Section 3718(a) of such title is amended by—

(1) inserting "to augment agency collection efforts" after "appropriate"; and

(2) striking out "may" after "head of the agency" and inserting in lieu thereof "shall".

(c) Section 5514(a) of title 5, United States Code, is amended by adding at the end thereof the following new paragraphs:

"(5) This subsection does not apply to intragency deductions for routine administrative overpayments which are the result of clerical or administrative error or delays in the processing of pay documents and which are rarely controversial or disputed. However, even with respect to these routine adjustments of pay, the agency should afford the individual reasonable opportunity to dispute the deduction although this need not be done prior to making the deduction, and should not be done prior to making the deduction if the debtor's employment is about to terminate.

"(6) No claim may be collected under the authority of paragraph (1) of this subsection more than 10 years after it first accrues.".

(d) Section 6103(m)(2)(A) of the Internal Revenue Code of 1954 is amended by inserting before the period a comma and "and other statutory authorities granting agencies independent claims collection authority".

(e) Section 1105(a) of title 31, United States Code, is amended by adding at the end thereof the following new subparagraph:

"(26) a separate statement for each agency operating credit programs detailing the agency's compliance with and activities under chapter 38 of this title and the Federal Claims Collection Act of 1966 as amended by the Debt Collection Act of 1982, which statement shall be filed in a format to be prescribed by the Administrator of the Office of Financial Systems.".

TITLE VI—FEDERAL INFORMATION POLICY

PURPOSE

SEC. 601. The purpose of this title is to improve the management of Federal information resources and activities by (1) amending chapter 35 of title 44, United States Code, relating to the coordination of Federal information policy, and (2) amending sections 110 and 111 of the Federal Property and Administrative Services Act of 1949, relating to funds for providing telecommunications and automatic data processing resources for Federal agency use in carrying out authorized missions.

INFORMATION COLLECTION PURPOSES

SEC. 602. (a) Section 3501(3) of title 44, United States Code, is amended to read as follows:

"(3) to maximize the usefulness of information collected, maintained, and disseminated by the Federal Government;".

(b) Section 3501(5) of such title is amended to read as follows:

"(5) to ensure that automatic data processing, telecommunications, and other information technologies are acquired and used by the Federal Government in a manner which improves service delivery and program management, increases productivity, improves decisionmaking, reduces waste and fraud, and, wherever practicable and appropriate, reduces the information processing burden for the Federal Government and for persons who provide information to the Federal Government; and".

DEFINITIONS

SEC. 603. Section 3502 of title 44, United States Code is amended—

(1) by striking out paragraph (4) and inserting in lieu thereof the following:

"(4) the term 'collection of information' means (a) obtaining or soliciting of facts or opinions by an agency through the use of written report forms, application forms, schedules, questionnaires, regulations, or other similar reporting requirements, or (b) requiring persons to create and maintain records through any of the above means, and calling for either—

"(A) answers to identical questions posed to, or identical reporting or recordkeeping requirements imposed on, ten or more persons, other than agencies, instrumentalities, or employees of the United States; or

"(B) answers to questions posed to agencies, instrumentalities, or employees of the United States which are to be used for general statistical purposes;";

(2) by striking out "Management and Budget" in paragraph (8) and inserting in lieu thereof "Federal Management";

(3) by striking out paragraph (11) and inserting in lieu thereof the following:

"(11) the term 'information collection request' means a written report form, application form, schedule, questionnaire, regulation, or other similar method calling for the collection of information or maintenance of specified records;";

(4) by redesignating paragraphs (14) through (16) as paragraphs (19) through (21), respectively;

(5) by redesignating paragraph (13) as paragraph (15);

(6) by inserting after paragraph (12) the following new paragraphs:

"(13) the term 'information resources' includes (A) data and information collected from the public or otherwise obtained or created for agency use or distribution, (B) individuals having information-related skills, (C) information technology resources, and (D) information-related services;

"(14) the term 'information resources management' means the process of—

"(A) defining in a systematic way the information needed to effectively accomplish the authorized agency missions, goals, and objectives;

"(B) managing information resources to efficiently and economically meet the defined information needs; and

"(C) integrating the skills of individuals in the various information resources management functions set forth in section 3504 of this title,

in order to provide for the information needs of the agency in a reliable, accurate, complete and timely manner;";

(7) by striking out paragraph (15) (as redesignated by paragraph (4) of this subsec-

tion) and inserting in lieu thereof the following:

"(15) the term 'information system' means (A) a collection of information developed or acquired and maintained through either manual or automated means to fulfill an agency's mission, goals, or objectives, (B) the processes, procedures, and personnel to obtain, maintain, use, and disseminate information, and (C) the related information technology resources employed to maintain the information;"; and

(8) by inserting after paragraph (15) the following new paragraphs:

"(16) the term 'information technology resources' includes information technology hardware, software, and services employed by Federal agencies (that is, automatic data processing, telecommunications, audio, image, and other technology for collecting, processing, storing, and disseminating information);

"(17) the term 'major information system' means an information system that requires special continuing management attention because of its importance to an agency mission; its high development, operating, or maintenance costs; or its significant impact on the administration of agency programs, finances, property, or other resources;

"(18) the term 'managing information resources' extends through the stages of collection or creation, processing, use, dissemination, and disposition of information by agencies and includes the management activities of planning, budgeting, organizing, directing, controlling, and evaluating the use of such resources; the training of personnel resources; and promoting the effective and efficient use of information resources;".

OFFICE OF INFORMATION AND REGULATORY AFFAIRS

SEC. 604. (a) Section 3503(b) of title 44, United States Code, is amended to read as follows:

"(b) There shall be at the head of the Office an Administrator who shall be appointed by the President, by and with the advice and consent of the Senate. The Director shall delegate to the Administrator the authority to administer all functions under this chapter, except that any such delegation shall not relieve the Director of responsibility for the administration of such functions. The Administrator shall report directly to and shall serve as principal adviser to the Director on Federal information policy. The Administrator shall be qualified and experienced in information policy and information resources management.".

(b) The amendment made by subsection (a), insofar as it relates to appointment of the Administrator of the Office of Information and Regulatory Affairs, shall take effect—

(1) immediately after the individual holding that office on the date of the enactment of this section ceases to hold that office; or

(2) on the date of enactment of this Act, if that office is vacant on that date.

FUNCTIONS OF DIRECTOR

SEC. 605. Section 3504 of title 44, United States Code, is amended—

(1) by striking out subsection (a) and inserting in lieu thereof the following:

"(a) The Director shall develop and implement Federal information policies, principles, standards, and guidelines and shall provide direction and oversee the review and approval of information collection requests, the reduction of the paperwork burden, Federal statistical activities, records management activities, privacy and security of records, decision support, agency sharing and dissemination of information, and acquisition and use of automatic data processing, telecommunications, and other technology for managing information resources. The authority under this section shall be exercised consistent with applicable law.";

(2) in subsection (d)—

(A) by striking out "and" at the end of paragraph (3);

(B) by striking out the period at the end of paragraph (4) and inserting in lieu thereof a semicolon; and

(C) by inserting after paragraph (4) the following new paragraphs:

"(5) integrating the functions described in paragraphs (1) through (4) of this subsection with the other information resources management functions established under this chapter; and

"(6) appointing a chief statistician who is a trained and experienced professional statistician.";

(3) in subsection (f), by inserting "and security" after "privacy" in the matter preceding paragraph (1); and

(4) in subsection (g)—

(A) by striking out paragraphs (3) and (4) and inserting in lieu thereof the following:

"(3) providing advice and guidance on the acquisition and use of automatic data processing, telecommunications, office automation, and other information technology (hardware and software), and coordinating, through the review of budget proposals and other methods, agency proposals for acquiring and using such technology;

"(4) promoting the use of automatic data processing, telecommunications, office automation, and other information technology (hardware and software) by the Federal Government to improve the effectiveness of the collection, processing, use, access, and dissemination of data and information in the operation of Federal programs;";

(B) by striking out the period at the end of paragraph (5) and inserting in lieu thereof a semicolon and "and"; and

(C) by inserting after paragraph (5) the following new paragraphs:

"(6) developing guidance requiring that agencies analyze their investments in information technology resources, and establishing that a specified minimum return on investment be met before the agency proceeds with the acquisition of such resources; and

"(7) providing advice and guidance on the use of information technology, including computer models and computer-aided decision support systems, to improve the quality and effectiveness of Federal agency decisionmaking and the ability of the Government to monitor and analyze information on longer term trends relevant to agency programmatic and policy decisions.".

ASSIGNMENT OF TASKS AND DEADLINES

SEC. 606. Section 3505(3)(E) of title 44, United States Code, is amended to read as follows:

"(E) develop and annually update based on information supplied by the agencies, and in consultation with the Administrator of General Services, a five-year plan for meeting the automatic data processing, telecommunications, office automation, and other information technology needs of the Federal Government in accordance with the requirements of section 111 of the Federal Property and Administrative Services Act of 1949, as amended (40 U.S.C. 759), and the purposes of this chapter, which plan shall include—

"(i) an analysis of current and projected information technology, software, personnel, and telecommunications trends in Government;

"(ii) an analysis of the implications of major agency information technology plans for security and privacy;

"(iii) the identification of opportunities for use of innovative information technology in carrying out agency missions; and

"(iv) a statement of how the Government will respond to such trends and opportunities; and".

AGENCY RESPONSIBILITIES

SEC. 607. Section 3506 of title 44, United States Code, is amended to read as follows:

"§ 3506. Federal agency responsibilities

"(a) Each agency shall—

"(1) carry out its information management activities in an efficient, effective, and economical manner;

"(2) work diligently to achieve the purposes of this chapter; and

"(3) comply with the information policies, principles, standards, and guidelines prescribed by the Director.

"(b) The head of each agency shall designate, within three months after the effective date of this Act, a senior official or, in the case of the military departments and the Office of the Secretary of Defense, officials who report directly to such agency head to carry out the responsibilities of the agency under this chapter. If more than one official is appointed for the military departments, the respective duties of the officials shall be clearly delineated. Each official designated under this subsection shall be an individual who is a member of the Senior Executive Service or equivalent, who is qualified and experienced in information management, including the planning and coordination of information management programs, and whose primary responsibility is implementing the information management functions of the agency.

"(c) Should the financial budgets of any agency (such as an executive department) be under the direction of, or otherwise administered by, the bureau, administration, or other major subcomponent level, then the head of such bureau, administration, or major subcomponent shall appoint a counterpart official to the senior official appointed under subsection (b) to work with that official to coordinate and insure that the agency's information resources are efficiently, effectively, and economically employed in supporting the accomplishment of the agency's missions, goals, and objectives.

"(d) It shall be the primary responsibility of the agency officials designated under subsections (b) and (c) above to carry out the agency's information management activities. These officials shall—

"(1) organize the agency's information resources management activities so as to achieve the objectives and requirements of this chapter;

"(2) take such actions as may be necessary to assure compliance by the agency with Government information resources management policies and objectives;

"(3) establish and implement agency policies and guidance for the information resources management functions covered by this chapter, including paperwork management, statistical activities, records management, privacy, security, decision support, sharing, and dissemination of information, and information technology functions, which are consistent with the policies, prin-

ciples, standards, and guidelines issued by the Director;

"(4) develop and annually update the agency's information resources management plan, a component of which is a five-year plan for meeting the automatic data processing, telecommunications, office automation, and other information technology needs of the agency's programs and activities;

"(5) systematically inventory and maintain current, complete records of the agency's information resources, including the number of computers in use, investment in software and telecommunications, and personnel, for use in developing and updating the agency's information resources management plans;

"(6) establish procedures and controls for the review and approval of information collection requests, including regulations containing information reporting or recordkeeping requirements, at the agency level prior to their submission to the Director for approval;

"(7) insure that information collection requests required by law or to obtain a benefit, and submitted to nine or fewer persons, contain a statement to inform the person receiving the request that the request is not subject to the requirements of section 3507 of this title;

"(8) develop procedures for assessing the paperwork, including reporting and recordkeeping, burden of proposed legislation affecting such agency;

"(9) establish such procedures as necessary to ensure compliance of the agency with requirements of the Federal Information Locator System, including necessary screening of the system prior to proposing new information collection requests;

"(10) insure that collections of statistical information for program or agency management purposes are done in accordance with accepted statistical methodology and requirements for statistical surveys prescribed by the Director;

"(11) insure compliance with the laws requiring the maintenance of adequate records covering agency activities as required by chapters 29, 31, and 33 of this title;

"(12) insure compliance with requirements for the security, privacy, confidentiality, and sharing or disclosure of information collected or maintained by or on behalf of the agency;

"(13) be responsible for the conduct of and accountable for any acquisitions made pursuant to a delegation of authority under sections 111 and 205 of the Federal Property and Administrative Services Act of 1949, as amended (40 U.S.C. 759 and 486, respectively) or made under section 2315 of title 10;

"(14) consolidate, review, and approve the budgets of offices and units of the agency for automatic data processing, telecommunications, office automation, and other information technology resources;

"(15) budget and account, separate from the costs of other activities, for the full costs of acquiring and operating information technology resources, including the costs related to protecting security and privacy relative to systems employing such resources;

"(16) require program and agency managers to use specific information technology resources when it is determined that, from an agencywide viewpoint, such use is the most cost-effective method for meeting the program requirements;

"(17) insure that agency information systems do not overlap each other or duplicate the systems of other agencies;

"(18) oversee and coordinate the major uses of computer models and computer-aided, decision-support systems within the agency and maintain an inventory of such uses, including uses that monitor and analyze information on longer-term trends relevant to agency decisions;

"(19) identify opportunities for innovations related to information technology that can improve the agency's ability to accomplish its authorized missions, and provide mechanisms by which such innovations can be analyzed, supported, and shared among and between agencies;

"(20) establish, in coordination with inspectors general or other relevant agency staff, a mechanism for identifying, tracking, and reporting incidents of computer-related fraud and abuse within the agency;

"(21) periodically evaluate and improve as needed the quality (that is, accuracy, completeness, and reliability) of data and records contained within Federal information systems;

"(22) establish an information resources management steering committee, composed of representatives of both officers and employees of the agency who carry out information management activities and who carry out substantive programs, including officers and employees who use the work products generated by agency information systems, to advise the senior official on areas such as the agency information resources management plans, appropriate amounts of information resources to commit to agency programs considering agency priorities, and applications of information technology resources to solve identified problems or improve program operations;

"(23) periodically review, for effectiveness and efficiency, the agency's information resources management activities, including the planning, budgeting, organizing, directing, training, promoting, controlling, and other managerial activities involving the collection or creation, processing, use, dissemination, and disposal of information;

"(24) identify to the Director statutory, regulatory, and other impediments to the efficient management of Federal information resources and recommend to the Director legislation, policies, procedures, or other guidance to improve such management; and

"(25) assist the Director in the performance of the functions of the Director under the Paperwork Reduction Act of 1980 and this chapter, and make agency personnel, services, and facilities available to the Director for this purpose to the extent practicable.".

FEDERAL INFORMATION LOCATOR SYSTEM

SEC. 608. The second sentence of subsection (a) of section 3511 of title 44, United States Code, is amended by inserting before the period a comma and "and shall be designed so as to assist the Federal agencies and the public in locating existing Government information".

RESPONSIVENESS TO CONGRESS

SEC. 609. (a) Subsection (a) of section 3514 of title 44, United States Code, is amended—

(1) by striking out "and" after the semicolon in paragraph (7);

(2) by striking out the period at the end of paragraph (8) and inserting in lieu thereof a semicolon; and

(3) by inserting after paragraph (8) the following new paragraphs:

"(9)(A) a summary of accomplishments and planned initiatives to improve Federal information resources management within agencies;

"(B) a detailed statement, with respect to each agency, of new initiatives to acquire information technology to improve such management; and

"(C) an analysis of the extent to which the policies, principles, standards, and guidelines issued pursuant to section 3504 of this title promote or deter such new initiatives; and

"(10) with respect to the statistical policy and coordination functions described in section 3504(d) of this title—

"(A) a description of the specific actions taken, or planned to be taken, to carry out each such function; and

"(B) a description of the status of each major statistical program, including information on—

"(i) any improvements in each such program;

"(ii) any program which has been reduced or eliminated; and

"(iii) the budget for each such program for the previous fiscal year and the fiscal year in progress and the budget proposed for each such program for the next fiscal year.".

(b) Section 3514 of such title is further amended—

(1) by redesignating subsection (b) as subsection (c); and

(2) by inserting after subsection (a) the following new subsection:

"(b) At the time the President submits the budget for fiscal year 1988, and for each succeeding fiscal year under section 1105 of title 31, the Director shall submit a report to the President of the Senate and the Speaker of the House of Representatives, containing—

"(1) a description of the funds requested in the budget for such fiscal year for each of the following information resources management functions required by this chapter:

"(A) paperwork and regulatory review;

"(B) general information policy, records management, and Federal information access, dissemination, and disclosure policy;

"(C) privacy and security policy;

"(D) statistical policy;

"(E) automatic data processing and telecommunications, and other information technology policy; and

"(F) administrative and other functions;

"(2) a statement of the objectives and goals which the Director intends to achieve during the fiscal year for each of the functions specified in paragraph (1); and

"(3) a description of the allocation of the funds available to the Office of Information and Regulatory Affairs for such functions in the preceding fiscal year.".

AUTHORIZATION

SEC. 610. Section 3520 of title 44, United States Code, is amended to read as follows:

"§ 3520. Authorization of appropriations

"There are authorized to be appropriated to carry out the provisions of this chapter, and for no other purpose—

"(1) $9,000,000 for the fiscal year ending September 30, 1987;

"(2) $9,500,000 for the fiscal year ending September 30, 1988;

"(3) $10,000,000 for the fiscal year ending September 30, 1989; and

"(4) $10,500,000 for the fiscal year ending September 30, 1990.".

INFORMATION TECHNOLOGY FUND

SEC. 611. (a)(1) Section 110 of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 757) is amended to read as follows:

"INFORMATION TECHNOLOGY FUND

"SEC. 110. (a)(1) There is established on the books of the Treasury an Information Technology Fund (hereinafter referred to as the 'Fund'), which shall be available without fiscal year limitation. There are authorized to be appropriated to the Fund such sums as may be required. For purposes of subsection (b), the Fund shall consist of—

"(A) the capital and assets of the Federal telecommunications fund established under this section (as in effect on December 31, 1986), which are in such fund on January 1, 1987;

"(B) the capital and assets which are in the automatic data processing fund established under section 111 of this Act (as in effect on December 31, 1986) which are in such fund on January 1, 1987; and

"(C) the supplies and equipment transferred to the Administrator under sections 111 and 205(f) of this Act, subject to any liabilities assumed with respect to such supplies and equipment.

"(2) The Administrator shall determine the cost and capital requirements of the Fund for each fiscal year and shall submit plans concerning such requirements and such other information as may be requested for the review and approval of the Director of the Office of Federal Management. Any change to the cost and capital requirements of the Fund for a fiscal year shall be made in the same manner as provided by this section for the initial fiscal year determination. If approved by the Director, the Administrator shall establish rates to be charged agencies provided, or to be provided, information technology resources through the Fund consistent with such approvals. Such cost and capital requirements may include funds—

"(A) needed for the purchase (if the Administrator has determined that purchase is the least costly alternative) of information processing and transmission equipment, software, systems, and operating facilities necessary for the provision of such services;

"(B) resulting from operations of the Fund, including the net proceeds of disposal of excess or surplus personal property and receipts from carriers and others for loss or damage to property; and

"(C) which are appropriated, available under subsection (d), authorized to be transferred, or otherwise made available to the Fund.

"(b) The Fund shall—

"(1) assume all of the liabilities, obligations, and commitments of the funds described in subsection (a); and

"(2) be available for expenses, including personal services and other costs, and for procurement (by lease, purchase, transfer, or otherwise) for efficiently providing information technology resources to Federal agencies and for the efficient management, coordination, operation, and utilization of such resources.

"(c)(1) In the operation of the Fund, the Administrator is authorized to enter into multiyear contracts for the provision of information technology resources for periods not in excess of five years, if—

"(A) funds are available and adequate for payment of the costs of such contract for the first fiscal year and any costs of cancellation or termination;

"(B) such contract is awarded on a fully competitive basis; and

"(C) the Administrator determines that—

"(i) the need for information technology resources being provided will continue over the period of the contract;

"(ii) the use of the multiyear contract will yield substantial cost savings when compared with other methods of providing the necessary resources; and

"(iii) such a method of contracting will not exclude small business participation.

"(2) Any cancellation costs incurred with respect to a contract entered into under this subsection shall be paid from currently available funds in the Fund.

"(3) This subsection shall not be construed to limit the authority of the Administrator to procure equipment and services under section 201 of this Act.

"(d) Following the close of each fiscal year, the uncommitted balance of any funds remaining in the Fund, after making provision for anticipated operating needs, as determined by the Administrator, shall be transferred to the general fund of the Treasury as miscellaneous receipts.

"(e) A report on the operation of the Fund shall be made annually by the Administrator to the Director of the Office of Federal Management and the Director of the Office of Federal Budget and reports shall be prepared on a monthly basis for internal management use. Such reports shall (1) identify Fund expenses by program, by object class, and in summary total, (2) identify any proposed increases to the capital of the Fund, and (3) include a report on information processing equipment inventory, utilization, and acquisitions.

"(f) For the purposes of this section, the term 'information technology resources' includes any service or equipment which had been authorized to be acquired or provided by this section or section 111 of this Act (as in effect on December 31, 1986), and other information processing and transmission equipment, software, systems, operating facilities, supplies, and services related thereto, and maintenance and repair thereof. Section 111 of this Act shall continue to apply to the provision of automatic data processing equipment.".

(2) The table of contents of the Federal Property and Administrative Services Act of 1949 is amended by striking out the item pertaining to section 110 and inserting in lieu thereof the following:

"Sec. 110. Information Technology Fund.".

(b)(1) Section 111 of the Federal Property and Administrative Services Act of 1949 is amended—

(A) by striking out subsections (c) and (d); and

(B) by redesignating subsections (e), (f), (g), and (h) as subsections (c), (d), (e), and (f) respectively.

(2) Section 3504(g) of title 44, United States Code, is amended—

(A) by striking out "section 111(f)" in paragraph (1) and inserting in lieu thereof "section 111(d)"; and

(B) by striking out "section 111(g)" in paragraph (2) and inserting in lieu thereof "section 111(e)".

(3) Section 3(b) of the Paperwork Reduction Act of 1980 is amended by striking out "section 111" and inserting in lieu thereof "sections 110 and 111".

EFFECTIVE DATE

SEC. 612. This title and the amendments made by this title shall take effect on the date of enactment of this Act, except that the provisions of section 611 and the amendments made by such section 611 shall take effect on January 1, 1987.

SUMMARY: FEDERAL MANAGEMENT REORGANIZATION AND COST CONTROL ACT OF 1986

TITLE I—IMPROVING FEDERAL MANAGEMENT

This title strengthens the overall management of the Federal Government by reforming and improving the Government's financial systems, fostering economy and efficiency, establishing more effective systems and structures for Government programs, improving the executive leadership of Federal departments and agencies, and building the capacity of such departments and agencies to carry out their missions.

To accomplish these goals, an Office of Federal Management is established in the Executive Office of the President. Within that Office, a new Office of Financial Systems is created to provide leadership in coordinating and upgrading Federal agency financial systems and management. Controllers within executive departments and agencies are established with responsibilities parallel to the Administrator of the Office of Financial Systems. The Office of Federal Procurement Policy (OFPP), the Office of Information and Regulatory Affairs (OIRA), and appropriate functions of the OMB Director are transferred to the new Office of Federal Management. OMB is redesignated as the Office of Federal Budget. Finally, the President is required to submit with his budget an Annual Management Report.

TITLE II—ACCOUNTING AND INTERNAL CONTROL SYSTEMS

This title reaffirms the intent of the Federal Managers Financial Integrity Act that executive agency financial systems shall conform to the accounting principles, standards, and related requirements, and with the internal control requirements prescibed by the Comptroller General.

First, the President is required to include in his annual budget a statement on the extent to which information in the budget was generated or supported by agency accounting systems conforming to the Comptroller General's principles and standards and any other requirements of the Administrator of the Office of Financial Systems. Second, the OFS Administrator will determine whether agency accounting and internal control systems are in substantial compliance with the Comptroller General's principles and standards. After a two-year time limit, agency systems not in substantial compliance are subject to the direct supervision and direction of the Administrator.

TITLE III—AGENCY FINANCIAL STATEMENTS

This title assures that essential financial information is available to Congress and the executive branch by requiring executive agencies to prepare annual financial statements that would be audited independently and providing that the financial statements of government corporations are also subject to annual independent audits.

Agencies are to produce annual financial statements beginning with the first full fiscal year following the passage of this act. Beginning with fiscal year 1991, and in subsequent years these statement's are to be audited biennially by each agency's Inspector General in accordance with generally accepted government auditing standards issued by the Comptroller General. Within two years of the passage of this Act, the Administrator of the Office of Financial Sys-

tems, in conjunction with the Comptroller General and the Inspectors General, are to develop a plan for completing the initial financial audits.

The Government Corporation Control Act is amended to require annual audits of government corporation financial statements and to permit the conduct of such audits by independent certified public accounts. The Comptroller General is to review all independent audits of government corporations and, at the request of a committee of Congress, have such audits conducted by the General Accounting Office.

TITLE IV—CASH MANAGEMENT

Building on provisions in the Deficit Reduction Act of 1984 implementing improved Federal cash management systems and techniques, this title increases the efficiency of efforts to manage cash throughout the Government by providing additional cash management procedures and incentives.

Timely disbursement of Federal funds through checks, cash, or electronic funds transfer are to be made by agencies in accordance with regulations prescribed by the Department of the Treasury. Agencies are to be penalized for not adhering to Treasury regulations, and the proceeds are to be used for improving cash management.

Consistent with a memorandum of undertaking agreed to by the Joint State/Federal Cash Management Reform Task Force in 1983, the Federal Government is allowed to collect interest from a state that receives Federal funds earlier than needed to cover disbursements for federally funded programs. Conversely, the Federal Government is required to pay interest to a state that disburses its own funds under a Federal program, unless such a condition is the result of delays in a state's billing of the Federal Government for program costs.

States are required to remit Social Security Act withholdings for state and local employees within three days of the end of a pay period (the same time as permitted the private employers) instead of the 15 days the states are now allowed. Treasury is authorized to require, with certain limitations and exceptions, the use of electronic funds transfer to pay employee salaries, benefit payments, and other government disbursements. Treasury is required to study and issue regulations concerning standards for executive agency use of lockbox systems for payments to the Federal Government.

TITLE V—CREDIT MANAGEMENT

Overall management of Federal credit programs is strengthened, and credit programs are made consistent with the goals of deficit reduction by: (1) assuring the proper management of federal agency credit transactions; (2) increasing the efficiency of governmentwide debt collection efforts; and (3) providing stronger procedures for Federal management and collection of debts.

All legislative proposals enacting new credit programs or amending existing ones are explicitly to state any subsidies in direct or guaranteed loan programs. Interest rates in such loan programs are to be comparable to private sector market rates and adjusted annually in order to reflect any change in private sector rates. Loan origination and application fees are to be assessed in loan programs to defray administrative costs.

Federal loans or loan guarantee funds are not to be available to any applicant who defaults on a federal loan or loan guarantee made after the title's effective date unless the new loan is necessary to protect the Government's interest. Loan and loan guarantee contracts are to include default and acceleration clauses.

The President is to conduct a study to determine which Federal direct loan programs should be carried out by private lending institutions. The Administrator of the Office of Financial Systems will promulgate regulations on direct loans, loan guarantees, loan insurance, and other debt instruments applicable with certain exceptions to all executive agencies and Government corporations.

Debt collection targets are to be developed for each agency and collections used as a source of program funding. Such funding is to be reduced if an agency fails to meet its target. Delinquency and default standards are to also be set for direct loans and loan guarantees and failure to meet the standard will result in reduction of an agency's lending authority.

TITLE VI—FEDERAL INFORMATION POLICY

This title improves the management of Federal information resources by reauthorizing the Office of Information and Regulatory Affairs, strengthening executive agency information resources management functions, consolidating the central revolving funds for automated data processing (ADP) and telecommunications, and clarifying existing law.

The Federal information coordination policy chapter of title 44, United States Code, is amended to clarify that its purpose is to maximize the usefulness of information not only "collected," but also "maintained and disseminated." Several terms commonly used in information policymaking are also defined.

The Administrator of the Office of Information and Regulatory Affairs is hereafter appointed by the President subject to confirmation by the Senate. Appropriations for OIRA are authorized for fiscal years 1986-1989. The Administrator is required to prepare a five-year plan to meet the Government's ADP, telecommunications, office automation, and other information technology needs.

The information resources manager in major departments and agencies must be a member of the Senior Executive Service and qualified and experienced in information management. Specific duties are assigned to this official, including organizing the agency's information resources management activities, and establishing and implementing agency policies and guidance for the information resources management functions.

The purpose of the Federal Information Locator System is clarified, and the ADP and telecommunications funds administered by the General Services Administration are consolidated.

FEDERAL MANAGEMENT REOGANIZATION AND COST CONTROL ACT OF 1986

TITLE I—IMPROVING FEDERAL MANAGEMENT

Sec. 101. Purpose: To strengthen overall federal management and, in particular, financial management and information resources management, and to reduce the costs of administration. This title:

Establishes the Office of Federal Management (OFM) in the Executive Office of the President;

Establishes the Office of Financial Systems (OFS) as an office in OFM;

Transfers the Office of Information and Regulatory Affairs (OIRA) and the Office of Federal Policy Procurement (OFPP) to OFM;

Transfers all management, organization, and legislative reference functions from the Office of Management and Budget (OMB) to OFM;

Transfers appropriate existing functions of the Director of OMB to the Office of Federal Management and

Redesignates OMB as the Office of Federal Budget (OFB).

Sec. 102. Adds Chapter 9 to subtitle I of Title 31.

CHAPTER 9—OFFICE OF FEDERAL MANAGEMENT

Subchapter I—Establishment

Sec. 901. Office of Federal Management. The Office of Federal Management (OFM) is created in the Executive Office of the President.

The Office of Information and Regulatory Affairs (OIRA) is transferred to OFM.

The Office of Federal Procurement Policy (OFPP) is transferred to OFM.

Sec. 902. Officers. Heading OFM are the Director and Deputy Director of OFM to be nominated by the President, with advice and consent of the Senate. Established are 5 Associate Directors and as many as 6 additional officers of OFM.

Sec. 903. Functions of the Director. The Director of OFM will assist the President in his executive functions and provide leadership and direction to the agencies in the areas of managerial systems; information and statistical policy; regulatory affairs, productivity; property management; federal organization and coordination; human resources planning; intergovernmental administration; and legislative review.

Sec. 904. Employees. The Director shall appoint employees and fix pay.

Sec. 905. Necessary expenditures. The Director may make necessary expenditures to perform the functions of this title.

Sec. 906. Regulations. The Director may promulgate regulations as provided by the notice-and-comment provision of the Administrative Procedure Act.

Subchapter II—Office of Financial Systems

Sec. 911. Office of Financial Systems. The Office of Financial Systems (OFS) is created in the Office of Federal Management.

Sec. 912. Administrator. OFS is headed by an Administrator who shall be nominated by the President, with advice and consent of the Senate, for a 4 year term to coincide with that of the President.

Sec. 913. Functions of the Administrator of the Office of Financial Systems. Functions of the Administrator are to advise the President, Congress, the Director of OFM, and agencies on accounting and financial management and, in consultation with the Secretary of the Treasury, to provide overall guidance for;

Prepare a 5-year financial management plan;

Coordinate activities of agency controllers and assure their compliance with OFS policies;

Review agency financial management plans and systems and budget requests for financial management plans;

Coordinate interagency financial management projects; and

Advise agencies on the selection of controllers.

Sec. 914. Regulations. The Administrator may promulgate rules according to the notice-and-comment provision of the Administrative Procedure Act.

Subchapter III—Agency Controllers

Sec. 921. Appointment. There is a controller in each executive agency, appointed by

the head of the agency after consultation with the administrator of OFS.

Sec. 922. Functions. Agency controllers shall conduct, supervise, direct and coordinate all financial management matters of the agency; advise the agency head on accounting and other financial management matters; implement policies of the Administrator of Financial Systems; and prepare the annual financial management report to the agency head and the Administrator for OFS.

Sec. 103. Definitions. "Administrator" is the Administrator of the Office of Financial Systems; "Director" is the Director of the Office of Federal Management.

Sec. 104. Transfers. Transfers OIRA and OFPP to the Office of Federal Management; transfers OMB management functions, ultimately to OFM; transfers financial management functions to OFS.

Sec. 105. Reference. With respect to functions transferred to the Director of OFM and the Administrator of OFS, reference to such functions in other federal law shall be to the Director or the Administrator, as the case may be.

Sec. 106. Transition. The President is to determine the transfer of personnel, assets, funds, etc., appropriate to transferred functions.

Sec. 107. Personnel provisions. Personnel employed in connection with functions and assets transferred in connection with this title are transferred accordingly, at the determination of the President.

Sec. 108. Savings provisions. All orders, determinations, rules, etc., shall continue in effect until otherwise terminated, notwithstanding the transfer of functions declared in this title. The Director of OFM and Director of OMB are authorized to issue regulations to provide for an orderly transfer of such proceedings that are underway.

Sec. 109. Redesignation. The OMB is redesignated Office of Federal Budget.

Sec. 110. Effective date. This title takes effect 120 days after enactment.

Sec. 111. Interim appointments. The President may make interim appointments.

Sec. 112. Authorization of appropriations. Such sums as may be necessary to carry out the provisions of this title are authorized.

Sec. 121. Presidential report. Chapter 11 of Title 31 is amended as follows:

Sec. 1115. The President shall submit an "Annual Management Report" for the executive branch covering: program delivery; human resources management; productivity; information resources management; financial management; procurement and grants management; and property management; along with an explanation of initiatives, implementation, costs, program delivery improvements; and a summary of new policies.

Sec. 122. Review of report by Comptroller General. Within 90 days after the President has submitted the Annual Management Report, the Comptroller shall prepare and transmit an analysis of the Report to the Congress.

TITLE II—ACCOUNTING AND INTERNAL CONTROL SYSTEMS

Sec. 201. Purpose. Within two years of the effective date of this title, the financial systems of the executive agencies shall conform to the accounting principles, standards and related requirements, and with the internal control requirements prescribed by the Comptroller General, as authorized by the Accounting and Auditing Act of 1950.

Sec. 202. Federal budget requirements. The President shall include in the budget a statement as to the extent to which the information submitted in the budget was generated or supported by agency accounting systems that conform to the principles and standards prescribed by the Comptroller General and to such other requirements determined by the Administrator.

Sec. 203. Accounting systems. The Administrator of OFS shall determine whether the accounting and internal control systems of each executive agency are in substantial compliance with the principles and standards set by the Comptroller General under provisions of Section 3512 of Title 31. If, two years after passage of this Act, the Administrator determines that such systems are not in substantial compliance, they will be subject to the direction and supervision of the Administrator.

TITLE III—AGENCY FINANCIAL STATEMENTS

Sec. 301. Purpose: To ensure that essential financial information is available to Congress and the executive branch by (1) requiring the preparation and audit of agency financial statements and (2) providing that government corporations be audited annually by an independent external auditor.

Sec. 302. Accounting requirements. 31 U.S.C. 3511, is amended to require the Comptroller General to consult with the Administrator of the Office of Financial Systems in prescribing accounting standards, and to provide for the development of a method for preparing financial statements as an integral part of an agency's financial disclosure.

Sec. 303. Preparation and audit of statements. Section 3515 is added to Chapter 35 of title 31 to require agencies to produce annual financial statements beginning with the first full fiscal year following the passage of this title.

The financial statements shall be audited biennially by the Inspector General or an independent external auditor, beginning with fiscal year statements ending September 30, 1991. The audit must be conducted in accordance with generally accepted government auditing standards issued by the Comptroller General. At his discretion, or upon request of a committee of Congress, the Comptroller General shall perform the biennial financial statement audit.

A report on the audit shall be given to the agency head and Congress by April 30 following the end of fiscal year for which the audit was conducted. The Administrator of the Office of Financial Systems, in conjunction with Comptroller General and the Inspectors General, shall submit to Congress within two years of the passage of this title a plan for completing the initial financial audits.

Sec. 304. Government corporation audits. The Government Corporation Control Act (31 U.S.C. 9105 and 9106) is amended to require Government corporations to be audited annually by an independent external auditor (instead of the current requirement that government corporations be audited by the Comptroller General at least once every three years). The financial statements and audits shall be in accordance with standards specified in the title.

The Comptroller General shall review the audits by the independent external auditors. At his discretion, or at the request of a committee chairman, the Comptroller General is to conduct the audit. When the Comptroller General conducts the audit, the costs he incurs shall be fully paid by the Government corporation and the reimbursement available for use by the Comptroller General.

Sec. 305. Audit reports. A government corporation shall submit to Congress a report on its audit not later than April 30 after the end of the corporation's fiscal year, with the same April 30 requirement applying when the Comptroller General performs the audit.

TITLE IV—CASH MANAGEMENT

Sec. 401. Disbursement of Federal funds. New section 3721 is added to chapter 37 of title 31 to allow Treasury to accomplish the same objectives for disbursements as are now permitted for collections under the Deficit Reduction Act of 1984. Agency heads shall provide for the timely disbursement of federal funds through cash, checks, or electronic funds transfer in accordance with regulations prescribed by Treasury. Treasury would be permitted to penalize agencies for not adhering to its disbursement regulations, and the proceeds would go to a revolving fund to be used for improving cash management.

Sec. 402. Payment of interest. The Intergovernmental Cooperation Act (31 U.S.C. 6103(a)) is amended, consistent with a Memorandum of Undertaking agreed to by the Joint State/Federal Cash Management Reform Task Force in 1983.

The Federal Government may collect interest from a state that receives federal funds earlier than needed to cover disbursements for federally funded programs.

The Federal Government is required to pay interest to a state that disburses its own funds under a federal program, unless such disbursements are the result of delays in state billing of the Federal Government for program costs.

The Secretary of the Treasury, in consultation with Administrator of Financial Systems, shall promulgate implementing regulations.

An "Intergovernmental Interest Fund' is established to receive and make interest payments under this section.

Sec. 403. Social Security withholding. Section 218 of the Social Security Act is amended to require that Social Security withholding for state and local employees be remitted within three banking days of the end of the pay period (as now required of private companies) instead of the 15-day period now allowed for states.

Sec. 404. Electronic funds transfer. Section 3332 of Title 31 is amended to give the Secretary of the Treasury, in consultation with the administrator of the Office of Financial Systems, the authority to require the use of electronic funds transfer, or any other method deemed practicable, to pay wages of federal employees. Employees whose annual basic pay is less than $20,000 are excluded from this provision.

Treasury is permitted to develop regulations allowing conversion of a payment from one method to another without an employee's written request so long as the employee is notified in writing of the change and given 30 days to respond.

The Secretary is permitted to expand the use of electronic funds transfer, or any other method determined practicable, for benefits and other government payments. Notification requirements for beneficiaries and payees are the same as for federal employees. However, different from federal employees, other federal funds recipients would have the option to receive a check.

Sec. 405. Improving the collection and deposit of Government receipts through national lockbox systems. Treasury is required

to study and make recommendations concerning standards for the establishment of lockbox systems for executive agenices. A "lockbox system" is the use of locked Post Office boxes to receive payments. Payments are collected from the lockbox by a financial institution and credited to the account of the agency without any action by the agency. Based on Treasury's study, the Secretary, in consultation with the Administrator of the Office of Federal Systems, shall prescribe procedures for agency lockbox use, and each agency will be required to report to the Treasury its plan for a lockbox system.

TITLE V—CREDIT MANAGEMENT

Sec. 501. Purpose: To (1) assure proper management of the credit transactions of Federal agencies; (2) increase efficiency of Governmentwide efforts to collect debts owed the United States, and (3) provide stronger procedures for management and collection of debts owed.

Sec. 502. Adds Chapter 38 to Title 31.

Subchapter I. General Provisions: definitions of terms for the purposes of the chapter.

Subchapter II. Credit Extension and Administration.

Sec. 3811. Subsidy statement. All legislative proposals to enact new credit programs or amend existing ones are explicitly to state any subsidies in direct or guaranteed loan programs.

Sec. 3812. Interest rates. Interest rates in such loan programs are to be comparable to market rates in private sector and shall be adjusted annually in order to reflect any change in private sector rates.

Sec. 3813. Loan origination and application fees. Loan origination and application fees are to be assessed in loan programs to defray administrative costs.

Sec. 3814. Prior default by applicant. Federal loan or loan guarantee funds shall not be available to any applicant who defaults on a federal loan or loan guarantee made after the effective date of the legislation unless the new loan is necessary to protect the Government's interest, the default was discharged under Federal bankruptcy laws, or the default has been cured.

Sec. 3815. Default and acceleration clauses. Loan and loan guarantee contracts shall include default and acceleration clauses. Default clauses provide for interest from date of default, at the rate prescribed by Secretary of Treasury. Acceleration clauses provide that the entire remaining principal balance may be subject to collection upon default.

Sec. 3816. Private sector participation. The President shall conduct a study to determine which federal direct loan programs could be carried out by private lending institutions. The President shall submit a report on this study of Congress within one year of enactment of this title.

Sec. 3817. Regulations and financial contract. The Administrator of the Office of Financial Systems shall issue regulations relative to direct loans, loan guarantees, loan insurance, financial contracts to support borrowing, debts arising from contracts, grants and other administrative arrangements. Such regulations shall apply to all executive branch departments, agencies, and Government corporations. The regulations shall not apply to debts arising under Internal Revenue Code, the Social Security Act, tariff laws of the United States, or debts owed by State or local governments. The regulations shall include all credit practices necessary to conform to the best credit practices of the private sector, and a number of specific practices are enumerated.

Subchapter III. Debt Management.

Sec. 3821. Collection targets. Each agency, as part of its budget request, shall develop and identify debt collection targets for all agency credit programs so that amounts collected may be predicted and used as a source for program funding.

If an agency fails to meet its collection target, funding for the program shall, therefore, be reduced by the amount by which the agency fails to reach its target. To the extent targets are exceeded, 25 percent of the excess amount shall be available to the agency.

Within 180 days of the effective date of this subchapter, the Secretary of the Treasury, in consultation with the Administrator of the Office of Financial Systems, shall develop and present to Congress a plan for implementing the collection target program.

Sec. 3822. Delinquency and default standards. Within one year of enactment of this chapter, agencies shall develop delinquency and default standards for each of loan and loan guarantee program and report such standards to Congress. For the first fiscal year beginning two years after establishment of these standard rates and for each year thereafter, rates that exceed the standard rates will cause the agency's loan and loan guarantee authority to be reduced in accordance with a formula to be developed by Treasury, in consultation with the Administrator. The formula, which shall take into account the percentage of deviation from established standards and other relevant factors, shall be submitted to Congress within one year of enactment of this chapter. The Comptroller General shall review and submit his comments to Congress within 120 days of receipt. The Secretary must report to Congress any subsequent reductions to appropriations through application of the formula.

Sec. 3823. Audit of credit programs. The credit management, debt collection, and operating policies of each agency shall be audited biennially within two years of the date of enactment of this chapter and periodically thereafter. Such audit shall be conducted by the agency's inspector general or its equivalent. The audit shall determine if the agency has met the requirements of the Federal Claims Collection Act, this Act, and related executive branch requirements. This audit may be performed in conjunction with the biennial financial audit, but the final report must contain a separate section on credit management and debt collection. Copies of the report shall be provided to Congress and the Administrator. For any weaknesses disclosed, the agency head must report to Congress within 60 days, why weaknesses exist and proposed corrective actions.

Sec. 3824. Regulation deadline. Within one year of the effective date of this chapter, each agency with credit programs shall have established all final regulations required by the Federal Claims Collection Act, this title, and the Office of Financial Systems.

Sec. 503. Miscellaneous amendments.

Section 3711(f) of the title 31 is amended to require that agencies report delinquent debts to credit reporting agencies. by changing "may" to "shall".

Section 3718(a) to title 31 is amended to require the use of private collection contractors to augment agency collection efforts.

Section 5514(a) of title 5 is amended:

(1) The due precess requirement for involuntary salary adjustments shall not apply to intraagency deductions for routine salary adjustments. Employees shall be given a reasonable opportunity to dispute the deduction, although this need not be done prior to making the adjustment.

(2) The same 10 year statute of limitation in force for administrative affects shall apply to salary offsets for federal employees.

Section 6103(m)(2)(A) of the Internal Revenue Code of 1954 is amended to authorize IRS to provide taxpayer information to agencies pursuing debt collection activities under authorities other than the Federal Claims Collection Act.

Section 1105(a) of title 31 is amended to require that agencies shall include as part of their budget submission a separate statement detailing their compliance with the activities under this title and the Federal Claims Collection Act as amended by the Debt Collection Act of 1982.

TITLE VI—FEDERAL INFORMATION POLICY

Sec. 601. Purpose: To amend Title 44, Chapter 35 to improve the coordination of Federal information policy and to amend the Federal Property and Administrative Services Act by consolidating the federal telecommunications and automated data processing funds as the Informations Technology Fund to be administered by the Administrator for General Services.

Sec. 602. Information collection purposes. Title 44 is amended to "maximize the usefulness of information collected, maintained, and disseminated by the Federal Government," and to insure that Federal information technologies are used in such a way as to improve service delivery, reduce waste and fraud, and to reduce the information processing burden for the Government and others.

Sec. 603. Definitions. Title 44, Section 3502 is amended to define: "collection of information", "information collection request", "information resources", "information resources management", "information system", "information technology resources", "major information systems", and "managing information resources".

Sec. 604. Office of Information and Regulatory Affairs. Provision is made for Presidential nomination and Senate confirmation of the Administrator of the Office of Information and Regulatory Affairs, to take effect once the present incumbent ceases to hold office. The Director of OFM shall delegate to the Administrator of OIRA authority to administrator all of the functions of this chapter.

Sec. 605. Functions of Director. Title 44, Section 3504 is amended to provide that the Director of OFM shall develop and implement Federal policies for information, paperwork reduction, statistical activities, records management, automatic data processing, telecommunications, and other information technology. The Director shall appoint a chief statistician. The functions of the Director are broadened to include guidance of agency analyses of their investments in information technology to improve the effectiveness of agency decision-making and abilities to monitor and analyze information relevant to programs and policies.

Sec. 606 Assignment of tasks and deadlines. Title 44, Section 3505 is amended to require the Administrator to develop a five-year plan to meet ADP, telecommunica-

tions, office automation and other information technology needs of the Government.

Sec. 607. Agency responsibilities. Each Federal agency shall, within three months, designate at least one qualified senior official with primary responsibility to carry out the information management responsibilities required by this Chapter. Counterpart information officials shall be appointed in the bureaus and major subcomponents of executive departments. These officials are given a wide range of duties, authorities, and responsibilities in order to carry out the purposes of this chapter.

Sec. 608. Federal information locator system. Title 44, Section 3511 is amended to clarify that the "system" shall be designed to assist in locating existing Government information.

Sec. 609. Responsiveness to Congress. Title 44, Section 3514 is amended to broaden agency information management initiatives, statistical policy and coordination functions, and reporting on funds requested for information resources management.

Sec. 610. Authorization. Title 44, Section 3520 is amended to reauthorize appropriations for this title for fiscal years 1986 through 1989.

Sec. 611. Information technology fund. Section 110 of the Federal Property and Administrative Services Act (40 U.S.C. 757) is amended:

Sec. 110. The Federal telecommunications fund, the automated data processing fund, as well as supplies and equipment transferred to the Administrator of General Services under provisions of the Act, shall collectively become the Information Technology Fund on the books of the Treasury. The Administrator, with approval of the Director of OFM, shall determine the cost and capital requirements of the Fund for each fiscal year and shall establish rates to be charged agencies for information technology resources supplied through the Fund.

Cost and capital requirements may include funds needed for information processing and transmission systems and related facilities.

The Fund may receive net proceeds from the disposal of surplus property, insurance proceeds, appropriated funds, and authorize transfers.

Under certain conditions, the Administrator is authorized to enter into multiyear contracts for provision of information technology resources for periods of not more than five years.

Uncommitted balances shall be transferred to the general fund at the close of each fiscal year.

A report on the operation of the Fund shall be made annually to the Director of OFM.

Sec. 612. Effective date. This title shall take effect on passage of the Act, except for Section 611, which shall take effect on January 1, 1987.

By Mr. SPECTER:

S. 2238. A bill to amend part C of the Balanced Budget and Emergency Deficit Control Act of 1985 to provide that cost-of-living increases in benefits under the civil service, military, and Postal Service retirement and disability programs shall be exempt from reduction pursuant to sequestration orders thereunder; to the Committee on Governmental Affairs.

EXEMPTING CERTAIN COST-OF-LIVING INCREASES FROM SEQUESTRATION

Mr. SPECTER. Mr. President, the Gramm-Rudman-Hollings Deficit Reduction Act contains a provision which jeopardizes the cost-of-living adjustments [COLA's] for Federal, military, and railroad retirees whenever sequestration is invoked for automatic deficit reductions to meet deficit goals. The provision requires that these COLA's be reduced until the deficit target is met or until the COLA reduction has contributed a maximum 50 percent of the required deficit reduction.

This provision was invoked in fiscal year 1986 and resulted in no COLA's being awarded to these groups in fiscal year 1986. Since then, numerous retiree organizations have contacted me to protest this situation.

Federal, military, and railroad retirees have been seriously injured by this provision. While veterans and Social Security recipients' COLA's were correctly left untouched, the above-mentioned retirees have had their COLA's eliminated.

I have always maintained that COLA's for retirees should be treated equally. I am today introducing a bill that will reinstate retirees' COLA's for fiscal year 1986 and exempt those COLA's from sequestration in future years. I urge my colleagues to support this amendment and to send a clear message that they disapprove of this injustice against the retirees that have served so well.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2238

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. EXEMPTION FROM REDUCTION.

(a) IN GENERAL.—Section 255 of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended by redesignating subsection (i) as subsection (j), and by inserting after subsection (h) the following new subsection:

"(i) FEDERAL RETIREMENT AND DISABILITY PROGRAMS.—Increases in benefits payable under the following programs—

"Central Intelligence Agency retirement and disability system fund (56-3400-0-1-054);

"Civil service retirement and disability fund (24-8135-0-7-602);

"Comptrollers general retirement system (05-0107-0-1-801);

"Foreign service retirement and disability fund (19-8186-0-7-602);

"Judicial survivors' annuities fund (10-8110-0-7-602);

"Military retirement fund (97-8097-0-7-602);

"National Oceanic and Atmospheric Administration retirement (13-1450-0-1-306);

"Railroad retirement tier II (60-8011-0-7-601);

"Retired pay, Coast Guard (69-0241-0-1-403);

"Retirement pay and medical benefits for commissioned officers, Public Health Service (75-0379-0-1-551);

"Special benefits, Federal Employees' Compensation Act (16-1521-0-1-600); and

"Tax court judges survivors annuity fund (23-8115-0-7-602);

including benefits payable by reason of section 1005(d) of title 39, United States Code, shall not be considered 'automatic spending increases' for purposes of this title; and no reduction in any such increase or in any of the benefits involved shall be made under any order issued under this part.".

(b) CONFORMING AMENDMENTS.—

(1) Section 255(j) of such Act (as redesignated by subsection (a) of this section) is amended by striking out "(g) and (h)" and inserting in lieu thereof "(b), (g), (h), and (i)".

(2) The list of programs contained in subparagraph (A) of section 257(1) of such Act is amended by striking out the items relating to the following programs:

Central Intelligence Agency retirement and disability system fund (56-3400-0-1-054).

Civil service retirement and disability fund (24-8135-0-7-602).

Comptrollers general retirement system (05-0107-0-1-801).

Foreign service retirement and disability fund (19-8186-0-7-602);

Judicial survivors' annuities fund (10-8110-0-7-602);

Military retirement fund (97-8097-0-7-602);

National Oceanic and Atmospheric Administration retirement (13-1450-0-1-306);

Railroad retirement tier II (60-8011-0-7-601);

Retired pay, Coast Guard (69-0241-0-1-403);

Retirement pay and medical benefits for commissioned officers, Public Health Service (75-0379-0-1-551);

Special benefits, Federal Employees' Compensation Act (16-1521-0-1-600); and

Tax Court judges survivors annuity fund (23-8115-0-7-602).

SEC. 2. EFFECTIVE DATE.

The amendment made by section 1 shall apply to fiscal years beginning after September 30, 1986.

By Mr. HELMS:

S. 2239. A bill to amend the Food Stamp Act of 1977 and the Balanced Budget and Emergency Deficit Control Act of 1985 to repeal certain expansions of the food stamp and related programs and to remove the exemption of certain food assistance programs from reduction under sequestration orders; to the Committee on Agriculture, Nutrition, and Forestry.

FOOD STAMP COST AVOIDANCE ACT

Mr. HELMS. Mr. President, I am today introducing legislation which will contribute to reducing deficit spending for fiscal year 1986 and beyond by repealing the proposed increases in food stamp spending that are currently scheduled to be implemented on May 1, 1986. The Congressional Budget Office estimates that these changes will increase spending for fiscal year 1986 by $64 million—that is, $64 million on top of costs that already exceed $12.5 billion annually.

Additionally, costs will be increased by $1.6 billion over the next 5½ fiscal years because of the liberalizations in food stamp benefits included in the 1985 farm bill (Public Law 99-198).

Mr. President, we certainly know now what we should have known in December 1985: We simply cannot afford the lavish increases in spending proposed by the farm bill legislation. This is confirmed by recent estimates furnished by the Congressional Budget Office. According to CBO, a supplemental appropriation of at least $50 million may be necessary for fiscal year 1986. This possible supplemental appropriation will have been made necessary by the liberalized provisions of the 1985 farm bill.

However, it should be noted that any supplemental appropriation for the Food Stamp Program would be a violation of the Gramm-Rudman-Hollings legislation. Congress has already exceeded the budget resolution spending parameters for fiscal year 1986, and increased spending would be subject to section 311(a) of the Budget Act.

Just as we needed farm bill "corrections" to modify various commodity provisions of the farm bill, we now need "corrections" to remove the unnecessary new provisions which were included in the farm bill legislation and which are now driving up food stamp costs. Adoption of this bill, repealing the farm bill increases, may well prevent the need for a supplemental appropriation. Indeed, repealing the increases now could preclude program disruptions that may occur if a supplemental appropriation for the program is not enacted.

At this point, I ask unanimous consent that a table be printed in the RECORD outlining the CBO estimate of costs which could be avoided by repealing these farm bill add ons.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

ESTIMATED CHANGES FROM CBO FEBRUARY 1986 BASELINE

[By fiscal year, in millions of dollars]

	1986	1987	1988	1989	1990	1991
Sec. 102—Income deductions:						
Earned income:						
Budget authority	−22	−55	−57	−59	−62	−65
Outlays	−22	−55	−57	−59	−62	−65
Separate dependent care:						
Budget authority	−7	−18	−19	−19	−20	−21
Outlays	−7	−18	−19	−19	−20	−21
Shelter deduction:						
Budget authority	−13	−32	−33	−34	−36	−38
Outlays	−13	−32	−33	−34	−36	−38
Sec. 103—Resources limit:						
Budget authority	−22	−77	−119	−124	−130	−136
Outlays	−22	−77	−119	−124	−130	−136
Food stamp total:						
Budget authority	−64	−182	−228	−236	−248	−260
Outlays	−64	−182	−228	−236	−248	−260

ESTIMATED CHANGES FROM CBO FEBRUARY 1986 BASELINE—Continued

[By fiscal year, in millions of dollars]

	1986	1987	1988	1989	1990	1991
Sec. 106—Puerto Rico						
Authorization level		22	−53	−83	−112	−152
Outlays		−21	−52	−82	−111	−151
Sec. 121—Food, nutrition and consumer education:						
Authorization level						
Outlays						
Title I total						
Budget authority/ authorization level	−64	−204	−281	−319	−360	−412
Outlays	−64	−203	−280	−318	−359	−411

Mr. HELMS. Mr. President, this legislation also makes several modifications in the Gramm-Rudman-Hollings legislation—Public Law 99-177. Under that legislation, certain programs under the jurisdiction of the Committee on Agriculture, Nutrition, and Forestry were excluded from the domestic programs that otherwise would be subject to reduction—that is, sequestration—to achieve specified deficit targets and, ultimately, a balanced budget.

In my judgment, Mr. President, there is no appropriate reason why these, or other programs, should be excluded from the impact of automatic reductions. These programs certainly have contributed to deficit spending over the years, and they should certainly be a part of an overall effort to reduce spending to achieve a balanced budget. Indeed, the exclusion of these and other domestic programs results in disproportionately greater reductions in nonexempt domestic programs. Frankly, the nonexempt domestic programs now comprise only about 15 percent of all domestic spending.

The base of domestic programs included in a possible sequester for the future should be broadened so that other important domestic programs do not shoulder a disproportionate share of any future reductions.

The legislation I am introducing today would remove the exemptions for the food stamp program, the special supplemental food program for women, infants, and children [WIC], and child nutrition programs, thereby making these programs subject to across-the-board reductions.

Mr. President, I ask unanimous consent that a summary of the bill and the text of the bill be printed in the RECORD.

There being no objection, the bill and summary were ordered to be printed in the RECORD, as follows:

S. 2239

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Food Stamp Cost Avoidance Act of 1986".

TITLE I—FOOD STAMPS AND RELATED PROVISIONS

Subtitle A—Food Stamp Provisions

SEC. 101. CATEGORICAL ELIGIBILITY.

(a) IN GENERAL.—Section 1507 of the Food Security Act of 1985 (Public Law 99-198) is repealed.

(b) CATEGORICAL ELIGIBILITY.—Section 5(a) of the Food Stamp Act of 1977 (7 U.S.C. 2014(a)) (as amended by section 1507(a)(1) of the Food Security Act of 1985 (as it existed before the amendment made by subsection (a))) is amended by striking out the second sentence.

(c) DENIAL OF APPLICATION OR TERMINATION OF BENEFITS.—Section 11(i) of the Food Stamp Act of 1977 (7 U.S.C. 2020(i)) (as amended by section 1507(b) of the Food Security Act of 1985 (as it existed before the amendment made by subsection (a))) is amended by striking out the last sentence.

SEC. 102. DEDUCTIONS FROM INCOME.

(a) IN GENERAL.—Section 1511 of the Food Security Act of 1985 is amended to read as follows:

"DEDUCTIONS FROM INCOME

"SEC. 1511. Section 5(e) of the Food Stamp Act of 1977 (7 U.S.C. 2014(e)) is amended—

"(1) in the second sentence, by striking out 'homeownership component' and inserting in lieu thereof 'homeowners' costs and maintenance and repair components; and

"(2) in subclause (i) of the proviso of clause (2) of the fourth sentence, by striking out homeownership costs' and inserting in lieu thereof 'the homeowners' cost and maintenance and repair component of shelter costs'.".

(b) Standard Utility Allowances.—Section 5(e) of the Food Stamp Act of 1977 (7 U.S.C. 2014(e)) (as amended by section 1511(4) of the Food Security Act of 1985 (as it existed before the amendment made by subsection (a)) is amended by striking out the eighth through the twelfth sentences.

SEC. 103. RESOURCES LIMITATION.

Section 1514 of the Food Security Act of 1985 is amended—

(1) by striking out clause (1); and

(2) by redesignating clauses (2) and (3) as clauses (1) and (2), respectively.

SEC. 104. QUALITY CONTROL STUDIES AND PENALTY MORATORIUM.

Section 1538 of the Food Security Act of 1985 is repealed.

SEC. 105. AUTHORITY TO REDUCE BENEFITS.

The second sentence of section 18(b) of the Food Stamp Act of 1977 (7 U.S.C. 2027(b)) (as amended by section 1541(2) of the Food Security Act of 1985) is amended by striking out "the appropriation amount authorized in subsection (a)(1)," and inserting in lieu thereof "the limitation set herein,".

SEC. 106. PUERTO RICO BLOCK GRANT.

Section 19(a)(1)(A) of the Food Stamp Act of 1977 (7 U.S.C. 2028(a)(1)(A)) (as amended by section 1543(1) of the Food Security Act of 1985) is amended by striking out "for the fiscal year ending September 30, 1986, $852,750,000 for the fiscal year ending September 30, 1987, $879,750,000 for the fiscal year ending September 30, 1988, $908,250,000 for the fiscal year ending September 30, 1989, and $936,750,000 for the fiscal year ending September 30, 1990," and inserting in lieu thereof "each fiscal year".

Subtitle B—Commodity Distribution Provisions

SEC. 111. COMMODITY DISTRIBUTION PROGRAMS.

(a) ADDITIONAL SITES; LOW-INCOME ELDERLY PERSONS.—Section 5 of the Agriculture and Consumer Protection Act of 1973 (7 U.S.C. 612c note) (as amended by section 1562(c) of the Food Security Act of 1985) is amended by striking out subsections (f) and (g).

(b) HOLD HARMLESS PROVISION FOR EXISTING ELDERLY PERSONS.—Section 1562 of the Food Security Act of 1985 is amended by striking out subsection (d).

Subtitle C—Nutrition and Miscellaneous Provisions

SEC. 121. FOOD, NUTRITION, AND CONSUMER EDUCATION PROGRAM.

Sections 1584 through 1588 of the Food Security Act of 1985 are repealed.

TITLE II—DEFICIT REDUCTION

SEC. 201. REMOVAL OF EXEMPTIONS FOR CERTAIN FOOD ASSISTANCE PROGRAMS.

Section 255(h) of the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99-177) is amended—

(1) by striking out "Child nutrition (12-3539-0-1-605);";

(2) by striking out "Food stamp programs (12-3505-0-1-605 and 12-3550-0-1-605)";

(3) by inserting "and" after "(75-0512-0-1-551);";

(4) by striking out "; and" after "(75-0406-0-1-609)" and inserting in lieu thereof a period; and

(5) by striking out "Women, infants, and children program (12-3510-0-1-605).".

SUMMARY

Categorical Eligibility.—Eliminates the requirement that States grant automatic food stamp eligibility to households composed entirely of AFDC or SSI recipients. Such categorical eligibility permits certain households with income above food stamp eligibility limits to participate in the food stamp program. [Sec. 101.]

Earned Income Deduction.—Repeals the scheduled increase in the earned income deduction. Currently, food stamp households with earnings are permitted to deduct 18 percent of earnings as a deduction before determining food stamp benefit levels. The farm bill raised this deduction to 20 percent—effective May 1, 1986. [Sec. 102.]

Excess Shelter and Dependent Care Deduction.—Repeals the scheduled increase in the excess shelter deduction and repeals the scheduled establishment of a separate limit on dependent care expense deductions, at $160 per month. Currently, households are permitted to deduct up to $139 per month for any combination of excess shelter costs or dependent care expenses. This limit is adjusted annually, each October, for changes in shelter costs as measured by the Consumer Price Index. [For households containing elderly or disabled members, this limit applies only to dependent care expense deductions inasmuch as there is no ceiling on excess shelter costs for such households.] The farm bill expanded this in two ways by establishing a separate deduction for dependent care, at $160 per month, and by raising the excess shelter deduction to $147 per month—both to be effective May 1, 1986. The proposed legislation would repeal both expansions and maintain current procedures. [Sec. 102.]

Standard Utility Allowances.—Repeals the farm bill provision dealing with restrictions on how Low-Income Home Energy Assistance Act (LIHEAA) payments shall be considered for purposes of standard utility allowances. The provision merely repeals the confusing language adopted in the farm bill. Legislation to currect remaining inconsistencies in treatment of various forms of LIHEAA assistance, such as recommended last year by the Agriculture Committee, will be introduced later this year. [Sec. 102.]

Resources Limitations.—Repeals the scheduled liberalization in food stamp resources, or assets, limitations. Existing law provides liquid asset limits to $3,000 for households of two or more with an elderly member; and $1,500 for all other households. The farm bill increased this to $3,000 for households consisting of one elderly member (the $3,000 level would continue to apply for households of two or more with an elderly member); and $2,000 for all other households. This provision does not target food stamp benefits to the most needy; rather it serves to bring in households who have an extra $500 in liquid assets that are available to them. This provision was the most costly added during the farm bill—adding over $600 million over the next 5½ fiscal years to the cost of the food stamp program. [See 103.]

Error Rate Moratorium and Quality Control Studies.—Repeals the 6-month moratorium on the collection of sanctions through a reduction in administrative payments. States would again be required to reimburse the Secretary for certain overissued benefits that exceed the statutory "tolerance" level of 5 percent. Such reimbursements may be paid through reductions in administrative payments to the States. The section also repeals the requirement for the Secretary of Agriculture and the National Academy of Sciences to conduct studies on the quality control system. [Sec. 104.]

Authority to Reduce Benefits.—Eliminates the provision added by the farm bill which restricts the Secretary's ability to take action to reduce benefits when appropriations for the year will be insufficient to fund the program and thereby restores the Secretary's authority (never exercised) to reduce benefits. [Sec. 105.]

Puerto Rico Block Grant.—Restores the authorized amount for the Puerto Rico block grant to $825 million annually, thereby repealing the increased authorizations for fiscal years 1987-90. [Sec. 106.]

Commodity Supplemental Food Program.—Repeals the expansions of the commodity supplemental food program contained in the farm bill. The CSFP program provides supplemental commodities for pregnant women, nursing mothers, infants, and small children. The farm bill proposed to add CSFP sites, to establish participation by the elderly, and to increase administrative reimbursements to CSFP operations. [Sec. 111.]

Food, Nutrition, and Consumer Education Program.—Repeals the authorization for this new program established by the farm bill which duplicates the already existing Expanded Food and Nutrition Education Program (EFNEP). [Sec. 121.]

By Mr. PACKWOOD:

S. 2240. A bill to amend various provisions of title 49, United States Code, to provide for a more competitive, safe, and efficient trucking industry, to reduce regulatory burdens on the industry, and for other purposes; to the Committee on Commerce, Science, and Transportation.

TRUCKING COMPETITION ACT

● Mr. PACKWOOD. Mr. President, the trucking industry is a vital segment of our Nation's transportation system, hauling 77 percent of the dollar value of all freight carried in the United States and generating annual revenues in excess of $200 billion.

Prior to 1980, the operations of interstate trucking companies were hindered by a burdensome Federal economic regulatory system administered by the Interstate Commerce Commission [ICC]. These regulations, first imposed in 1935, restricted carriers in terms of the routes over which they could travel and the commodities they could haul. These restrictions led to costly, inefficient operations.

It was also extremely difficult for new carriers to enter the industry. Not only was the ICC's consideration of applications for new operating authority a lengthy process, but new carriers were frequently faced with protests to their applications from carriers who merely were afraid of competition. Typically, these protests won the day. The resulting lack of competition, in the form of new entry, combined with the carriers' ability to meet and set their rates collectively, resulted in shippers paying higher rates than necessary and having fewer service options available than the free market would have provided.

This situation changed dramatically with enactment of the Motor Carrier Act of 1980 [MCA]. This legislation substantially eased entry regulations and provided carriers greater operating and pricing freedom. The MCA also took the important procompetitive step of eliminating antitrust immunity for collective ratemaking with respect to single-line rates.

Mr. President, deregulation has worked well. According to the ICC, more than 31,000 new carriers have received operating authority since enactment of the MCA. In addition, more and more carriers are taking advantage of the pricing flexibility provided by the MCA. The combination of more carriers providing service with a greater amount of independent pricing provides shippers with a greater variety of price and service options.

In fact, shippers are very satisfied with trucking service under partial deregulation. Since enactment of the MCA, the number of service complaints received by the ICC has decreased steadily. This does not just hold true for large metropolitan areas—small communities also have benefited from deregulation. The research conducted by and for the ICC and the Department of Transportation [DOT] has consistently shown that overall motor carrier service to small communities is at least as good

as it was prior to enactment of the MCA, and often better.

While deregulation has brought substantial benefits to users of trucking services, there is no doubt that the trucking industry and trucking company employees have experienced difficulties since 1980. There have been several bankruptcies of large and small trucking companies. Because of this, as well as the fact that most of the new motor carriers in operation since 1980 are nonunion, many Teamsters have lost their jobs in the years following deregulation. It is important to remember, however, that all of the trucking industry's problems cannot be blamed on the MCA. The economic recession of the early 1980's brought difficulties for American business as a whole. As business activity in our Nation slowed, the amount of freight available for transport by trucking companies decreased. Fortunately, our economic situation has improved, to the benefit of business enterprises overall, including trucking.

Mr. President, it is important to remember that while the MCA greatly reduced economic regulation over interstate trucking companies, it did not provide complete deregulation. There is no need for continued Federal economic regulation of trucking companies. In fact, former ICC Chairman Reese Taylor went so far as to characterize the Commission's trucking-related functions as "a monumental paper-shuffling operation." I see no reason to continue such needless activity.

Many others agree with this view. During hearings last September before the Commerce Committee's Surface Transportation Subcommittee, a number of groups came out in support of the concept of total economic deregulation of the trucking industry. Among these groups were the following: the Department of Transportation, the Interstate Commerce Commission, Public Citizen, the National Industrial Transportation League, the American Retail Federation, the National Small Shipments Traffic Conference, the Coalition for Motor Carrier Regulatory Reform, the National-American Wholesale Grocers Association, the Food Marketing Institute, the Private Truck Council of America, and the Private Carrier Conference.

Mr. President, today I am introducing legislation which would finish the job started by the MCA. My bill, the "Trucking Competition Act of 1986," would accomplish the following:

First, provide Federal economic deregulation of trucking companies which operate in interstate commerce, while retaining safety, insurance, and cargo liability requirements;

Second, eliminate all collective ratemaking antitrust immunity on July 1, 1990;

Third, create a motor carrier administration at DOT;

Fourth, preempt State economic regulation of interstate trucking companies—this would affect neither State economic regulations over carriers which operate solely on an intrastate basis nor State safety regulations governing all trucking companies;

Fifth, prohibit States from imposing discriminatory and retaliatory taxes against interstate trucking companies;

Sixth, direct DOT to develop uniform standards for State registration of trucking company vehicles;

Seventh, provide more extensive highway access for the large trucks authorized for nationwide use by the Surface Transportation Assistance Act of 1982;

Eighth, provide authority to DOT to limit the operations of Canadian and Mexican motor carriers in the United States if these countries discriminate against United States carriers seeking operating authority;

Ninth, eliminate the "environmental restoration" requirement of the MCA, while retaining all monetary levels of insurance coverage specified in the act; and

Tenth, "sunset" the ICC's trucking-related functions on October 1, 1987—except for its authority over collectively set truck rates, which would expire on July 1, 1990—and transfer remaining responsibilities to the motor carrier administration at DOT.

Mr. President, the time has come to totally deregulate the trucking industry. My legislation not only would bring more competition to the trucking industry through total deregulation, it would also address many of the productivity and efficiency concerns raised by the truckers themselves. I am eager to move forward with this legislation and I urge my colleagues to join me in this effort.

Mr. President, I ask unanimous consent that the text of the "Trucking Competition Act of 1986" be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2240

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Trucking Competition Act of 1986".

PURPOSE

SEC. 2. This Act is part of the continuing effort by the Congress to reduce burdensome and unnecessary Government regulations and to enhance competition, safety, and efficiency in the motor carrier industry.

FINDINGS

SEC. 3 The Congress find that—

(1) a safe, sound, competitive, and fuel-efficient motor carrier system is vital to the maintenance of a strong national economy and a strong national defense;

(2) the statutes governing Federal regulation of the motor carrier industry are outdated and must be revised to reflect present and future transportation needs and realities;

(3) historically, the regulatory structure has inhibited market entry, carrier growth, maximum utilization of equipment and energy resources, and opportunities for minorities, small businesses, and others to enter the trucking industry;

(4) protective regulation has resulted in operating inefficiencies, anticompetitive pricing, and diminished price and service competition in the trucking industry, and has tended to suppress technological and managerial innovation;

(5) the trucking industry should compete in the marketplace to the same extent as nonregulated industries by removal of antitrust immunity for collective ratemaking;

(6) significant competitive and consumer benefits have resulted from the enactment and implementation of the Motor Carrier Act of 1980 (Public Law 96-296; 94 Stat. 793);

(7) in light of the experience to date under the Motor Carrier Act of 1980 (Public Law 96-296; 94 Stat. 793), it is now appropriate to phase out remaining economic regulation of the trucking industry by the Interstate Commerce Commission, while retaining Federal safety, insurance, and cargo liability requirements;

(8) such a phaseout of regulation by the Interstate Commerce Commission would not only eliminate outmoded and wasteful economic regulation, but also reduce Government spending;

(9) in many cases, State economic regulations governing the operations of interstate motor carriers are unnecessary, burdensome, and outdated, and inhibit productivity in the utilization of equipment, energy, and other resources;

(10) interstate motor carriers should be subject to uniform regulatory and taxation reporting standards throughout the United States in order to enhance motor carrier productivity;

(11) unfair and discriminatory taxes imposed on interstate motor carriers impose substantial burdens on such carriers;

(12) the establishment of a Motor Carrier Administration within the Department of Transportation will improve access to and interaction among Federal, State, and local governmental agencies, motor carriers, shippers, and the traveling public, thereby furthering the public interest; and

(13) legislative and resulting changes should be implemented with the least amount of disruption consistent with achieving the reforms enacted.

MOTOR COMMON CARRIER ENTRY

SEC. 4. Section 10922 of title 49, United States Code, is amended—

(1) by redesignating subsections (b) through (l) as subsection (c) through (m), respectively;

(2) by inserting after subsection (a) the following new subsection:

"(b)(1) The Interstate Commerce Commission shall issue a certificate to a person authorizing that person to provide transportation subject to the jurisdiction of the Commission under subchapter II of chapter 105 of this title as a motor common carrier of property other than a household goods carrier if the Commission finds that the person is fit, willing, and able to provide the transportation to be authorized by the certificate and to comply with this subtitle and regulations of the Commisson.

"(2) As used in this subsection, the term 'fit, willing, and able' means safety fitness (as defined by the rules adopted pursuant to section 215 of the Motor Carrier Safety Act of 1984 (49 App. U.S.C. 2512)), and proof of minimum financial responsibility under section 30 of the Motor Carrier Act of 1980 (Public Law 96-296; 94 Stat. 820).";

(3) by striking "property" in subsection (c), (j), (k) and (l), as so redesignated, and inserting in lieu thereof "household goods" wherever it appears; and

(4) in subsection (h), as so redesignated, by inserting "of household goods" immediately after "carrier" wherever it appears.

MOTOR CONTRACT CARRIER ENTRY

SEC. 5. Section 10923 of title 49, United States Code, is amended—

(1) in subsection (a), by inserting "of passengers and household goods" immediately after "motor contract carrier";

(2) in subsections (b)(3), (b)(4), (b)(6), (d)(1), and (e), by striking "property" and inserting in lieu thereof "household goods" immediately after "motor contract carrier" wherever it appears;

(3) in subsection (c)(1), by inserting "of household goods" immediately after "carrier" the first place it appears;

(4) in subsection (d) (2) and (3), by inserting "of passengers and household goods" immediately after "motor contract carrier"; and

(5) by adding at the end thereof the following new subsection:

"(f)(1) The Interstate Commerce Commission shall issue a permit to a person authorizing that person to provide transportation subject to the jurisdiction of the Commission under subchapter II of chapter 105 of this title as a motor contract carrier of property other than a household goods carrier if the Commission finds that the person is fit, willing, and able to provide the transportation or service to be authorized by the permit and to comply with this subtitle and regulations of the Commission.

"(2) As used in this paragraph, the term 'fit, willing, and able' means safety fitness (as defined by the rules adopted pursuant to section 215 of the Motor Carrier Safety Act of 1984 (49 App. U.S.C. 2512)), and proof of minimum financial responsibility under section 30 of the Motor Carrier Act of 1980 (Public Law 96-296; 94 Stat. 820).".

RATE REGULATION AND TARIFF FILING REQUIREMENTS

SEC. 6. (a) Section 10702(b) of title 49, United States Code, is amended—

(1) by inserting "of household goods or passengers" immediately after "contract carrier" wherever it appears; and

(2) by inserting "and passengers" immediately after "shippers".

(b) Section 10704 of title 49, United States Code, is amended—

(1) in subsection (b)(1)—

(A) in subparagraph (A), by striking "carrier for" and inserting in lieu thereof "carrier of household goods and a motor common carrier of passengers", and by inserting "(insofar as any rates established under an agreement which is exempt from the antitrust laws are concerned)" immediately after "title"; and

(B) by adding at the end thereof the following: "This subsection will cease to have effect with respect to motor common carriers of property, other than a household goods carriers, on July 1, 1990.";

(2) in subsection (c)(1), by inserting "(with respect to transportation of household goods or passengers)" immediately after "II";

(3) by striking subsection (d); and

(4) by redesignating subsections (e) and (f) as subsections (d) and (e), respectively.

(c) Section 10705 of title 49, United States Code, is amended—

(1) by striking subsections (b) and (h);

(2) by redesignating subsections (c) through (g) as subsections (b) through (f), respectively;

(3) in subsection (b), as so redesignated, by striking "rail carrier," and inserting in lieu thereof "rail carrier or", and by striking ", or motor common carrier of property";

(4) in subsection (e), as so redesignated, by striking "or (b)"; and

(5) in subsection (f), as so redesignated, by striking "(f)" and inserting in lieu thereof "(e)".

(d) Section 10708(d) of title 49, United States Code, is amended—

(1) in paragraph (1), by striking "motor common carrier of property or" and inserting in lieu thereof "motor common carrier of household goods or"; and

(2) in paragraph (2), by striking "property" and inserting in lieu thereof "household goods".

(e)(1) Section 10762(a)(1) of title 49, United States Code, is amended—

(A) by inserting "and a motor contract carrier of property other than household goods" immediately after "motor common carrier" the first place it appears;

(B) in the second sentence, by inserting "of passengers and a motor common carrier of household goods" immediately after "carrier";

(C) by inserting immediately after the second sentence the following: "Until July 1, 1990, a motor common carrier of property other than household goods shall publish and file tariffs containing the rates for transportation it may provide under this title if such rates were established under an agreement which is exempt from the antitrust laws."; and

(D) in the fourth sentence by inserting "of household goods" immediately after "contract carrier".

(2) Section 10762(g) of title 49, United States Code, is amended by striking "property" and inserting in lieu thereof "household goods".

COLLECTIVE RATEMAKING

SEC. 7. Section 10706(b)(3)(D) is amended—

(1) by striking the first two sentences and inserting in lieu thereof the following: "No agreement approved under this subsection may provide for discussion of or voting upon single-line rates. In addition, no agreement approved under this subsection may provide for discussion of or voting upon joint-line rates, general rate increases or decreases, or commodity classifications by motor common carriers of property other than household goods on or after July 1, 1990. The antitrust laws, as defined in the first section of the Clayton Act (15 U.S.C. 12), shall apply to all rates established by motor common carriers of property, except household goods carriers, on and after July 1, 1990." and

(2) by striking "following:" and inserting in lieu thereof "following (with respect to motor common carriers of household goods):".

BACKHAUL ALLOWANCES

SEC. 8. (a) Section 10732 of title 49, United States Code, is amended—

(1) by amending the heading to read as follows: "BACKHAUL ALLOWANCES";

(2) in subsection (a), by striking "food and grocery" each place it appears; and

(3) in subsection (b), by striking "the Motor Carrier Act of 1980 and not less often than once a year thereafter" and inserting in lieu thereof "the Trucking Competition Act of 1986".

(b) The item relating to section 10732 in the analysis for chapter 107 of title 49, United States Code, is amended to read as follows:

"10732. Backhaul Allowances.".

SHIPPING DOCUMENTS

SEC. 9. (a) Section 10527 of title 49, United States Code, is amended—

(1) in subsection (a), by inserting "(1)" immediately after "(a)";

(2) by redesignating subsections (b) and (c) as subsections (a)(2) and (a)(3), respectively;

(3) by amending the catching of such section to read as follows:

"§ 10527. Shipping documents"; and

(4) by adding at the end thereof the following:

"(b)(1) All shipments over 100 pounds moved in interstate commerce shall be accompanied by a master shipping document which sets forth the terms and conditions of the transportation services provided. This document shall include the following information:

"(A) the rights and liabilities of all parties involved with the shipment; and

"(B) the shipment weight.

"(2) The Commission shall prescribe, by regulation, the minimum requirements and conditions of shipping documents required to be used under this section.".

(b) The item relating to section 10527 in the analysis for chapter 105 of title 49, United States Code, is amended to read as follows:

"10527. Shipping documents.".

ENFORCEMENT: INVESTIGATIONS, RIGHTS, AND REMEDIES

SEC. 10. (a) Section 11705(b) of title 49, United States Code, is amended—

(1) in paragraph (1), by inserting "or a motor common carrier of property whose rates are set collectively" immediately after "title" the first place it appears;

(2) in paragraph (3), by inserting "or a motor common carrier of property whose rates are set collectively" immediately after "title"; and

(3) by adding at the end thereof the following new paragraph:

"(4) This subsection shall cease to be in effect on July 1, 1990 with respect to motor common carriers of property whose rates are set collectively.".

(b) Section 11706(a) of title 49, United States Code, is amended by inserting "or a motor common carrier of property" immediately after "title".

(c) Section 11707(a) of title 49, United States Code, is amended—

(1) in paragraph (1), by (A) inserting ", or a motor common carrier of property," immediately after "title" the first place it appears, and (B) inserting ", except in the case of a motor common carrier of property," immediately after "and" in the third sentence; and

(2) in paragraph (2), by inserting "or a motor common carrier" immediately after "title".

MISCELLANEOUS PROVISIONS

SEC. 11. (a) Section 10931 of title 49, United States Code, is amended by inserting "of passengers or household goods" immediately after "carrier" wherever it appears.

(b) Section 10932(b) of title 49, United States Code, is amended by inserting "of passengers or household goods" immediately after "carrier" wherever it appears.

(c) Section 11145(c) of title 49, United States Code, is amended by striking "property" wherever it appears and inserting in lieu thereof "household goods".

(d) Section 11342(a) and (b)(1) of title 49, United States Code, is amended by striking "property" wherever it appears and inserting in lieu thereof "household goods".

(e) Section 11343(e)(1) of title 49, United States Code, is amended by striking "property" and inserting in lieu thereof "household goods".

MOTOR CARRIER ADMINISTRATION

SEC. 12. (a) Section 104 of title 49, United States Code, is amended—

(1) in subsection (c), by (A) inserting "and" immediately after the semicolon at the end of paragraph (1), (B) striking paragraph (2), and (C) redesignating paragraph (3) as paragraph (2); and

(2) by striking subsection (d).

(b)(1) Chapter 1 of subtitle I of title 49, United States Code, is amended by adding at the end thereof the following new section:

"§ 111. MOTOR CARRIER ADMINISTRATION

"(a) The Motor Carrier Administration is an administration in the Department of Transportation, to which the Secretary shall delegate responsibility for motor carrier matters.

"(b)(1) The head of the Administration is an Administrator who is appointed by the President, by and with the advice and consent of the Senate. The Administrator reports directly to the Secretary of Transportation.

"(2) The Administration has a Deputy Administrator who is appointed by the Secretary, with the approval of the President. The Deputy Administrator shall carry out duties and powers prescribed by the Administrator.

"(c) The Administrator shall—

"(1) carry out duties and powers related to motor carrier safety vested in the Secretary by chapters 5 and 31 of this title;

"(2) carry out other functions, powers, and duties of the Secretary prescribed by the Secretary; and

"(3) establish policy on essential matters including vehicle sizes and weights, develop improvements in technology and systems, coordinate intermodal programs, and protect the interests of the public, including shippers, motor carriers, and operators of motor carrier equipment.

"(d) There is created within the Administration an Office of Small Business and Consumer Assistance. This Office shall be responsible for addressing complaints related to the operations of motor carriers and providing information to motor carriers on Federal regulations and standards and related matters.

"(e) A duty or power specified in subsection (c)(1) of this section may be transferred to another part of the Department only when specifically provided by law or a reorganization plan submitted under chapter 9 of title 5. A decision of the Administrator in carrying out those duties or powers and involving notice and hearing required by law is administratively final.

"(f) The Secretary may require motor carriers of property other than household goods to file annual reports detailing the affairs of the carrier for the 12-month period ending on the last day of December of each year.".

(2) The analysis for chapter 1 of subtitle I of title 49, United States Code, is amended by adding at the end thereof the following: "111. Motor carrier administration.".

(c) Section 3102 of title 49, United States Code, is amended by adding at the end thereof the following new subsection:

"(e) Notwithstanding any other provision of law, the Secretary of Transportation shall have jurisdiction over the safety, insurance, cargo liability, and rules imposed by States affecting the operations of motor carriers of property and passengers which provide transportation in interstate or foreign commerce.".

(d) The Secretary of Transportation shall implement a plan to consolidate and coordinate all activities within the Department of Transportation with respect to motor carrier research, planning, and programs, including the safety of motor carrier drivers, vehicles, and operations, and shall assign to the Motor Carrier Administration such duties and powers as may be appropriate.

(e) This section shall become effective October 1, 1987.

INSURANCE

SEC. 13. Section 30(a)(1) and (b)(1) of the Motor Carrier Act of 1980 (49 U.S.C. 10927, note) is amended by (A) striking the comma after "public liability" and inserting in lieu thereof "and", and (B) striking ", and environmental restoration".

PREEMPTION OF STATE ECONOMIC REGULATIONS

SEC. 14. (a) Notwithstanding any other provision of law, no State or political subdivision thereof and no interstate agency or other political agency of two or more States shall enact or enforce any law, rule, regulation, standard, or other provision having the force and effect of law relating to interstate or intrastate rates, routes, or services of any owner or operator of commercial vehicles which provides transportation of property (except household goods) in interstate commerce.

(b) Section 11503 (a)(4) of title 49, United States Code, is amended by adding at the end thereof the following:

"(5) 'retaliatory tax' means a tax or fee imposed by a State on or with respect to the operations of (A) a motor carrier of property with a principal place of business in another State, or (B) a motor carrier vehicle or other motor carrier property registered by a motor carrier in another State, the amount of which tax or fee is set or computed by reference to the law of such other State.".

(c) Section 11503a(b)(3) of title 49, United States Code, is amended—

(1) by striking the period and inserting in lieu thereof a semicolon; and

(2) by adding at the end thereof the following:

"(4) impose another tax or fee that discriminates against a motor carrier of property providing transportation in interestate commerce, including—

"(A) a retaliatory tax;

"(B) a tax or fee that discriminates between motor carriers of property providing transportation in interstate commerce and other modes of commercial transportation;

"(C) a tax or fee that discriminates between motor carriers of property providing transportation in interstate commerce and other commercial and industrial taxpayers; and

"(D) a tax or fee that, without reference to any other tax or fee levied by the State or subdivision thereof, results in a higher incremental per-mile cost of operation for a motor vehicle registered outside the State than for a motor vehicle registered in the State; but not including a vehicle registration fee.".

(d)(1) Within 6 months after the date of enactment of this Act, the Secretary of Transportation shall initiate a rulemaking regarding regulation by States and political subdivisions thereof of interstate motor carriers with respect to requirements for vehicle registration, filing and reporting, and fuel taxes. As part of such rulemaking, the Secretary shall, at a minimum, consider—

(A) standardized definitions, schedule requests, due dates, procedures and forms;

(B) the desirability or necessity of one or more offices in each State at each of which a motor carrier may apply for initial registration, annual renewals, and temporary and other permits, file required forms and reports, and pay highway taxes; and

(C) base State administration of all State highway taxes in general use (except for vehicle operator's licenses and sales taxes other than on motor fuel, including—

(i) processing of applications for initial registrations and annual renewals;

(ii) issuing the required credentials and indicia for external display to show the highway taxes for which and the States in which the carrier is registered;

(iii) filing (by the base State) of required forms and reports;

(iv) receiving and verifying proper tax payments; and

(v) prompt and equitable distribution of tax collections to the States where due.

(2) Within 24 months after the date of enactment of this Act, the Secretary shall issue final standards applicable to State regulation of interstate motor carriers. Such standards shall not define or limit the amounts of any State registration fees or fuel taxes.

(3)(A) After the effective date of the standards issued under paragraph (2) of this subsection, no State shall impose administrative requirements that are in excess of or in conflict with such standards.

(B) The Attorney General of the United States may institute any civil action for injunctive relief as may be appropriate to ensure compliance with the provisions of this Act. Such action may be instituted in any district court of the United States in any State where such relief is required to ensure compliance with the terms of this Act. In any action under this Act, the court shall, upon a proper showing, issue a temporary restraining order or preliminary or permanent injunction. In any such action, the court may also issue a mandatory injunction commanding any State or person to comply with any applicable provision of this Act, or any rule issued under the authority of this Act.

HIGHWAY ACCESS

SEC. 15. (a) Section 412 of the Surface Transportation Assistance Act of 1982 (49 App. U.S.C. 2312) is amended—

(1) in subsection (a), by striking all after "unloading" and inserting in lieu thereof a period; and

(2) in subsection (b), by (A) inserting "on access" immediately after "restriction", and (B) striking all after "any" the third place it appears and inserting in lieu thereof "commercial motor vehicle subject to this title.".

(b) Section 411(b) of the Surface Transportation Assistance Act of 1982 (49 U.S.C. App. 2311(b)) is amended by inserting immediately after the third sentence the following: "For purposes of this section, trailers or

semitrailer configurations shall be considered to have been in actual and lawful use on December 1, 1982, if a shipper or a carrier can provide documentation to a State that cargo was moved by such equipment on or before December 1, 1982.".

(c) Notwithstanding any other provision of this section, States contained within or touched by the circumference line of a 750-mile-radius circle centered on Salt Lake City, Utah, may issue special permits for the transportation of readily divisible loads in excess of 80,000 pounds gross weight when the vehicle combinations under such permits are in compliance with the single and tandem axle weights and the formula set forth in section 127(a) of title 23, United States Code (Bridge Table B), and the total number of axles involved does not exceed nine.

OPERATIONS OF FOREIGN MOTOR CARRIERS

SEC. 16. Section 10922 of title 49, United States Code, is amended by adding at the end thereof the following new subsection:

"(m)(1) Whenever the Secretary of Transportation determines that the government of any country contiguous to the United States, or any political subdivision or instrumentality of any such contiguous country, has engaged in unfair, discriminatory, or restrictive practices with a substantial adverse competitive impact upon United States motor carriers of property with respect to motor carrier transportation within such foreign country or political subdivision or between such foreign country and the United States, the Secretary shall seek elimination of such practices through consultations or other appropriate methods of representation.

"(2) Notwithstanding any other provision of law, when consultations or other methods of representation fail to result in the elimination of the unfair, discriminatory, or restrictive practices specified in paragraph (1), the Secretary may, in consultation with the Secretary of State and the United States Trade Representative, suspend, modify, amend, condition, or limit operations by motor carriers from such foreign country or political subdivision in interstate or foreign commerce within the United States, if the Secretary determines that such action is in the national interest. The Secretary shall publish notice of such determination, including the reasons for the determination and the action being proposed, in the Federal Register. Unless the Secretary determines that expeditious action is required, the Secretary shall provide an opportunity for presentation of views concerning the taking of such action.

"(3) The Secretary may, in consultation with the Secretary or State and the United States Trade Representative, remove or modify any action taken under paragraph (2) if the Secretary determines that such removal or modification is in the national interest.

"(4) Any suspension, modification, amendment, condition, or limitation imposed under paragraph (2) and documentary requirements that may be necessary to institute and enforce such suspension, modification, amendment, condition, or limitation shall be accomplished in accordance with regulations issued by the Secretary, in consultation with the Secretary of State and the United States Trade Representative. Such regulations shall be enforced by the Department of Transportation, the Department of the Treasury, or the Department of Justice.".

REVIEW AND SUNSET PROVISIONS

SEC. 17. (a)(1) The Interstate Commerce Commission shall prepare and submit to the Congress a comprehensive review of the Commission's implementation of the provisions of this Act.

(2) Such review shall include—

(A) a detailed comparison of the degree of competition, including pricing competition, within the trucking industry as of the year before the date of enactment of this Act and the final year covered by such review;

(B) a comparison of the extent of trucking service provided to small communities during the two one-year periods specified in subparagraph (A) of this paragraph; and

(C) an assessment of the impact of the subjects specified in subparagraphs (A) and (B) of this paragraph upon the trucking industry in terms of benefits or detriments to the shipping public and the trucking industry.

(3) The Commission shall submit such review, including legislative and other recommendations, to the President and the Congress not later than July 1, 1987.

(4) There are authorized to be appropriated for fiscal year 1987 such sums as may be necessary to carry out the provisions of this subsection.

(b) Notwithstanding any other provision of law, the Interstate Commerce Commission shall have no jurisdiction over motor carriers of property (except motor carriers of household goods and motor carriers of property which set rates under an agreement which is exempt from the antitrust laws) under subtitle IV of title 49, United States Code, after September 30, 1987.

(c)(1) The authority of the Interstate Commerce Commission to make safety fitness determinations for motor carriers of property other than motor carriers of household goods pursuant to sections 10922 and 10923 of title 49, United States Code, and the authority of the Commission to issue operating certificates and permits for such carriers, impose insurance requirements on such carriers, and impose cargo liability requirements with respect to the operations of such carriers are transferred to the Department of Transportation on October 1, 1987.

(2) On and after October 1, 1987, the Department of Transportation shall have authority to promulgate rules and regulations to carry out any functions transferred under this subsection, except that the Department of Transportation shall not promulgate any rule or regulation which imposes new economic regulatory requirements.

(d) The following matters shall remain in effect until modified, terminated, superseded, or set aside in accordance with law by the Secretary of Transportation, a court of competent jurisdiction, or by operation of law:

(1) The Interstate Commerce Commission Rules and Regulations in 49 CFR part 1057, Lease and Interchange of Vehicles, as amended by the Interstate Commerce Commission decision in Ex Parte Numbered MC-43 (Sub-No. 12) Leasing Rules Modification, permitting private carriers to trip-lease drivers and equipment to authorized carriers, and 49 CFR part 1058, Identification of Vehicles; and decisions and policy statements of the Interstate Commerce Commission in Ex Parte Numbered MC-118, permitting the grant of motor carrier operating authority to an applicant who intends to use such authority primarily as an incident to the carriage of its own goods and its own non-transportation business (affirming TOTO Purchasing and Supply Co., Inc., 128 M.C.C. 873), and Ex Parte Numbered MC-122 (Sub-No. 2), as modified to permit private carriers to lease drivers and vehicles from a single, unregulated source without any minimum lease-term; and

(2) the Interstate Commerce Commission Rules and Regulations in 49 CFR part 1005, Principles and Practices for the Investigation and Voluntary Disposition of Loss and Damage Claims and Processing Salvage; part 1008, Procedures Governing the Processing, Investigation, and Disposition of Overcharge, Duplicate Payment, or Overcollection Claims; part 1043, Surety Bonds and Policies of Insurance, including the form endorsements required therein; part 1044, Designation of Process Agents by Motor Carriers; part 1051, Information Required on Receipts and Bills; part 1052, Handling of C.O.D. Shipments; and part 1322, (part 1320) Motor Carrier Extension of Credit to Shippers.

(e)(1) Chapter 3 of title 49, United States Code, is amended by inserting immediately after section 307 the following new section:

"§ 307a. SAFETY FITNESS AND COMPLIANCE

"(a) The Secretary of Transportation shall establish safety fitness requirements and maintain safety compliance records in the Department of Transportation to determine the continued safety fitness of interstate owners and operators of commercial motor vehicles, interstate motor carriers of property, motor carriers of property, and motor private carriers.

"(b) When the Secretary is not satisfied with the safety record of any owner or operator of interstate commercial motor vehicles, interstate motor carrier of property, motor carrier of property or motor private carrier, the Secretary shall take prompt action under the Motor Carrier Safety Act of 1984 (49 App. U.S.C. 2501 et. seq.) to obtain compliance, redress violations, collect penalties and fines, and issue orders against imminent hazards to safety.

"(c) The Secretary of Transportation shall have safety jurisdiction over the operations in commerce, as defined in section 103 of the Hazardous Materials Transportation Act (49 App. U.S.C. 1802), of motor carriers of property and motor private carriers. The provisions of section 112 of the Hazardous Materials Transportation Act (49 App. U.S.C. 1811) shall apply to actions of the Secretary of Transportation under this subsection.".

(2) The analysis for subchapter I of chapter 3 of title 49, United States Code, is amended by inserting immediately after the item relating to section 307 the following "307a. Safety fitness and compliance.".

MOTOR CARRIER SAFETY—AUTHORIZATION OF APPROPRIATIONS

SEC. 18. Section 404 of the Surface Transportation Assistance Act of 1982 (49 App. U.S.C. 2304) is amended—

(1) by striking "$40,000,000" and inserting in lieu thereof "$50,000,000";

(2) by striking "and" after "1987,";

(3) by striking "$50,000,000" and inserting in lieu thereof "$60,000,000"; and

(4) by striking "1988." and inserting in lieu thereof "1988; not to exceed $70,000,000 in the fiscal year ending September 30, 1989; and not to exceed $80,000,000 in the fiscal year ending September 30, 1990.".

OWNER-OPERATOR STUDY

SEC. 19. (a) The Secretary of Transportation, in consultation with the Interstate

Commerce Commission, shall conduct a study of the productivity and safety of the operations in interstate commerce of owner-operators and the economic condition of the owner-operator segment of the motor carrier industry. In conducting such study, the Secretary shall consult with representatives of the owner-operator sector of the motor carrier industry and shall solicit public comments on such study. The Secretary shall submit a comprehensive report regarding such study, including legislative or other recommendations, to the President and the Congress not later than one year after the effective date of this Act.

(b) There are authorized to be appropriated for fiscal year 1987 such sums as are necessary to carry out such study.

CARGO LIABILITY STUDY

SEC. 20. (a) The Secretary of Transportation, in consultation with the Interstate Commerce Commission, shall conduct a study of the cargo liability requirements of title 49, United States Code, which are applicable to motor carriers of property and freight forwarders. Such study shall include an examination of—

(1) the costs and benefits of cargo liability requirements for carriers, freight forwarders, shippers, and receivers;

(2) whether such cargo liability requirements could be modified to enhance the effectiveness of such requirements; and

(3) whether continued Federal regulation of cargo liability is necessary.

In conducting such study, the Secretary shall solicit comments from the public on the subject of cargo liability requirements.

(b) The Secretary shall submit the results of such study, including legislative or other recommendations, to the President and the Congress not later than one year after the effective date of this Act.

(c) There are authorized to be appropriated for fiscal year 1987 such sums as are necessary to carry out such study.

SEPARABILITY

SEC. 21. If any provision of this Act or the application thereof to any person or circumstance is held invalid, the remainder of this Act and the application of such provision to other persons or circumstances shall not be affected thereby.

EFFECTIVE DATE

SEC. 22. Except as otherwise provided, this Act shall become effective 60 days after the date of enactment of this Act.

By Mr. MOYNIHAN:

S. 2241. A bill to extend temporary suspension of duties on certain clock radios until December 31, 1989; to the Committee on Finance.

SUSPENSION OF DUTY ON CERTAIN CLOCK RADIOS

● Mr. MOYNIHAN. Mr. President, I rise today to introduce legislation to extend the suspension of duties on certain clock radios from the current expiration date of December 31, 1986, to December 31, 1989.

The clock radios, to which the temporary suspension of duties applies, are narrowly defined in the Appendix of the Tariff Schedules under Item 911.95. The definition restricts these items to entertainment broadcast band receivers valued at not over $40 each (however provided for in schedule 6), incorporating timekeeping or time display devices, not in combination with any other article, and not designed for motor vehicle installation. (The $40 limit and the exclusion of clock radio combinations with other articles prevents modification of expensive radio equipment to avoid duty.)

Mr. President, Congress first temporarily suspended duties on clock radios in the 97th Congress (P.L. 97-446) and saw fit to do so again in the 98th Congress (P.L. 98-573). During the 3 years the duty suspension has been in effect, consumers have benefited as importers have passed along their savings.

Yet I would note, Mr. President, that the suspension of duties has not, and will not, displace domestic manufacturing. Since 1981, clock radios have not been manufactured in the United States.

Indeed, insofar as the suspension of duties has been a factor (through lower prices) in clock radio sales almost doubling in the last 3 years, the effect has been to maintain and promote employment for Americans. While we no longer manufacture clock radios in this country, several hundred New Yorkers continue to be employed in designing, engineering, marketing, and servicing clock radios that are manufactured abroad.

Finally, Mr. President, I might just briefly address a concern that has been expressed in the past. Some have suggested that even if the duty suspension is warranted, the United States should not unilaterally suspend the duty but should reserve such action as a concession to be made in some future trade negotiation.

It should be noted, however, that over 70 percent of imported clock radios come from Hong Kong and Singapore, countries with which we have few problems and which are examples of free markets. An additional 13 percent comes from Malaysia and the Philippines, countries which would be able to export clock radios to the United States duty-free under the GSP program.

For these reasons, Mr. President, I believe the bill is desirable, expect it to be noncontroversial, and urge its passage.

I ask unanimous consent that the text of the bill appear in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2241

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That item 911.95 of the Appendix to the Tariff Schedules of the United States (19 U.S.C. 1202) is amended by striking out "12-31-86" and inserting in lieu thereof "12-31-89".●

By Mr. DIXON (for himself and Mr. GLENN):

S. 2242. A bill to amend the United States Housing Act of 1937 to encourage resident management of public housing; to the Committee on Banking, Housing, and Urban Affairs.

PUBLIC HOUSING RESIDENT MANAGEMENT ACT

Mr. DIXON. Mr. President, today I am introducing legislation with my distinguished colleague, Senator GLENN, to create the Public Housing Resident Management Act of 1986. A similar proposal has been introduced in the House by Congressman WALTER FAUNTROY.

The mention of public housing typically generates the thought of impoverished, crime-ridden developments having tenants with few expectations for a better tomorrow.

The Dixon-Glenn proposal is intended to offer hope and improvements in the overall living conditions of public housing tenants, as well as a valuable return on an investment for taxpayers. It would provide an opportunity for public housing tenants to be responsible for managing their own housing conditions. It would permit a majority of adult public housing tenants to establish a resident council which, in turn, would determine the feasibility of establishing a resident management corporation. The corporation would provide management for the housing project. Additionally, the Dixon-Glenn proposal would permit the management corporations to retain profits from improved rent collections and to eventually provide more homes for low-income families.

As a protection against loss and theft, the legislation would require management corporations to provide fidelity bonding and insurance, or their equivalents. In addition, it would require an annual audit of the books and records of each corporation, with a written report of the audit to go to the public housing agency and the Secretary of Housing and Urban Development.

According to Chicago's Roman Catholic Archbishop Joseph Cardinal Bernardin, the only way to correct the problems of Chicago's high-rise public housing projects is to replace them with a new concept. Since the 1970's—on an experimental basis—tenants have managed at least one public housing project in the cities of Boston, Rochester, St. Louis, Louisville, Jersey City, New Orleans, and Washington, DC. Tenant management, however, is still a new concept to many other public housing developments and to most taxpayers.

It is my understanding that where many resident management teams currently exist, tenant services have improved and maintenance costs have been reduced. There has been a reduction in the number of residents receiving public assistance, and rent collections have increased. The developments have created jobs, formed day-care centers, developed health clinics,

and produced other business ventures. Overall, these public housing communities have become safer and more stable.

On September 10, 1985, I hosted a reception for concerned residents from Cabrini-Green, a 14,000 inner-city residence complex in Chicago. They were here in Washington to study first hand an example of successful tenant-managed public housing at Kenilworth Parkside, an inner city complex. While here, the residents and other concerned Illinois constituents expressed great hope in my introducing resident management legislation as a possible solution to some of their multiple community problems.

The same concern was expressed by representatives of the Leclaire Courts Development which recently negotiated a special agreement with the Chicago Housing Authority to become Chicago's first tenant management corporation. I offer this proposal in response to these appeals, along with my general interest in trying a new concept to improve the housing conditions of public housing residents, while wisely investing our scarce tax dollars.

Let me make it perfectly clear that this legislation does not displace current tenants. It does not provide for tenant resident ownership. It does not require tenant management of public housing. It does not relieve the Federal Government of its housing programs. Instead, the legislation increases the flexibility of the residents of those housing projects choosing tenant management. Additionally, as an incentive for efficient management, resident managers would be permitted to retain and use revenues that exceed their operating costs.

Mr. President, I believe that the time has come for enactment of this legislation. Therefore, I urge my colleagues to join Senator GLENN and me in supporting the passage of this bill, and I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2242

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Public Housing Resident Management Act of 1986".

SEC. 2. PUBLIC HOUSING RESIDENT MANAGEMENT.

The United States Housing Act ot 1937 is amended by adding at the end thereof the following new section:

"PUBLIC HOUSING RESIDENT MANAGEMENT

"SEC. 20. (a) PURPOSE.—The purpose of this section is to encourage increased resident management of public housing projects, and to improve existing living conditions in public housing projects, by providing increased flexibility for public housing projects that are managed by residents by—

"(1) giving a priority for comprehensive improvement assistance under section 14;

"(2) permitting the retention, and use for certain purposes, of any revenues exceeding operating and project costs; and

"(3) providing funding, from amounts otherwise available, for technical assistance to promote formation and development of resident management entities.

"(b) PROGRAM REQUIREMENTS.—

"(1) RESIDENT COUNCIL.—As a condition of entering into a resident management program, a majority of the adult residents of a public housing project shall approve the establishment of a resident council to determine the feasibility of establishing a resident management corporation to manage the project.

"(2) PUBLIC HOUSING MANAGEMENT SPECIALIST.—The resident council of a public housing project, in cooperation with the public housing agency, shall select a qualified public housing management specialist to assist in determining the feasibility of, and to help establish, a resident management corporation and to provide training in the daily operations of the project.

"(3) BONDING AND INSURANCE.—Before assuming any management responsibility for a public housing project, the resident management corporation shall provide fidelity bonding and insurance, or equivalent protection, in accordance with regulations and requirements of the Secretary and the public housing agency. Such bonding and insurance, or its equivalent, shall be adequate to protect the Secretary and the public housing agency against loss, theft, embezzlement, or fraudulent acts on the part of the resident management corporation or its employees.

"(4) MANAGEMENT RESPONSIBILITIES.—A resident management corporation that qualifies under this section, and that supplies insurance and bonding or equivalent protection sufficient to the Secretary and the public housing agency, may enter into a contract with the public housing agency establishing the respective management rights and responsibilities of the corporation and the public housing agency. Such contract may include specific terms governing management personnel, access to project records, submission of and adherence to budgets, rent collection procedures, tenant income verification, tenant eligibility determinations, tenant eviction, the acquisition of supplies and materials, and such other matters as may be appropriate.

"(5) ANNUAL AUDIT.—The books and records of a resident management corporation operating a public housing project shall be audited annually by a certified public accountant. A written report of each audit shall be forwarded to the public housing agency and the Secretary.

"(c) PRIORITY FOR COMPREHENSIVE IMPROVEMENT ASSISTANCE.—Public housing projects managed by resident management corporations shall be given a priority in the allocation of comprehensive improvement assistance under section 14.

"(d) OPERATING SUBSIDY.—

"(1) CALCULATION.—Notwithstanding any provision of section 9 or any regulation under such section, the operating subsidy for a project managed by a resident management corporation shall not be less than the public housing agency per unit monthly amount provided in the previous year as determined on an individual project basis. The operating subsidy amount established for such a project under this subsection may not be reduced during the three-year period beginning on the date on which the resident management corporation first receives such an operating subsidy.

"(2) RETENTION OF EXCESS REVENUES.—Any revenues exceeding the operating costs and project costs of a public housing project managed by a resident management corporation shall be retained by the resident management corporation for purposes of improving the maintenance and operation of the project, establishing business enterprises, or acquiring additional dwelling units for lower income families.

"(e) RESIDENT MANAGEMENT TECHNICAL ASSISTANCE AND TRAINING.—

"(1) FINANCIAL ASSISTANCE.—The Secretary may provide financial assistance to resident management corporations or resident councils that obtain, by contract or otherwise, technical assistance for the development of resident management entities, including the formation of such entities, the development of the management capability of newly formed or existing entities, the identification of the social support needs of residents of public housing projects, and the securing of such support.

"(2) LIMITATION ON ASSISTANCE.—The financial assistance provided under this subsection with respect to any public housing project may not exceed $100,000.

"(3) FUNDING.—Of the amounts available for financial assistance under section 14 for fiscal year 1987, the Secretary may use not more than $1,500,000 to carry out this subsection.".

● Mr. GLENN. Mr. President, I rise today to join my colleague Senator DIXON in introducing legislation which will begin transferring management of public housing to residents.

Local government authorities are poor landlords. Property holdings used for public housing are just too extensive for effective and efficient management. Unlike private housing managers, government managers typically work an 8-hour day, are not on-site, and have no real stake in the condition of the property. As a result, public housing is often badly managed and poorly maintained.

Public housing projects are generally managed by public housing agencies. There is no question that there are problems associated with the current operation of the projects. In fact, in Columbus, OH, the HUD inspector general has recently completed a review of the Columbus Metropolitan Housing Authority. The inspector general concluded that CMHA did not take adequate corrective actions to remedy reported problems concerning maintenance, back rents and vacancies. Management by residents' council or resident management corporation is a good solution to these recurring problems.

The success of tenant management has led me to believe that it should be extended to other projects. The improvements ascribed to tenant management include higher morale among tenants, decreased vandalism and maintenance problems with conse-

quent lowering of operating costs, and decreased rent delinquency resulting in an increase in project income.

Resident management is the trend in housing management. Experimental management programs have been implemented throughout the country. And I am especially proud that one of these sites is in Cleveland, OH.

The Lakeview Terrace Tenant Management Firm was established in November 1985 in Cleveland, OH. It was organized by the tenants to confront severe problems of high vacancy, crime, drug trafficking and mismanagement in their project. Lena Jackson, tenant director, and her resident management group is succeeding in transforming the community into a beautiful urban neighborhood.

One important goal of tenant management is to employ residents to care and protect their own project. Before resident management the local housing authority had nine employees to maintain the grounds and housing units. Now, Lakewood Terrace employs 55 residents to provide these services for the same costs. On March 29, 1986, an additional 15 tenants will be eligible for employment as security officers.

Lena Jackson and her tenant managers are proud to report that since last November, the vacancy rate is virtually zero, vandalism is almost nonexistent, senior citizens feel safe, and tenants are now taking pride in their neighborhoods.

Nationwide tenant management programs like Lakewood Terrace are successful because tenants are accountable to each other. I believe that we must develop a policy which recognizes these accomplishments and removes the barriers to resident self-help initiatives.

I urge my colleagues to join Senator DIXON and myself in cosponsoring this important legislation.●

By Mr. INOUYE (for himself, Mr. ANDREWS, and Mr. MELCHER):

S. 2243. A bill to improve the health status of Native Hawaiians, and for other purposes; to the Select Committee on Indian Affairs.

IMPROVED HEALTH CARE FOR NATIVE HAWAIIANS

● Mr. INOUYE. Mr. President, on behalf of Senator MARK ANDREWS, chairman of the Senate Select Committee on Indian Affairs, and Senator JOHN MELCHER, ranking minority member of the committee, I am introducing legislation to address the pressing health-care needs of our Nation's Native Hawaiians.

The legislation which we are introducing today is an outgrowth of hearings that were held by the Select Committee on Indian Affairs and the result of several studies which have been conducted by the Department of Health and Human Services over the past several years.

It is a most unfortunate reality that Native Hawaiians are disproportionately represented on the wrong end of almost every health indicator that we have. For example, Native Hawaiians experience a disproportionately high rate of chronic ailments, including heart conditions, hypertension, asthma, diabetes, gout, and bronchitis. Native Hawaiian women have a significantly greater number of pregnancy risk factors, such as teenage pregnancies and teen births, illegitimate births, and pregnant women have late or no prenatal care.

The Native Hawaiian infant mortality rate is higher than any other major ethnic group in the State of Hawaii. The National Cancer Institute [NCI] reported recently that Native Hawaiians have the highest incidence of cancer of any segment of our population.

Mr. President, the bill which we are introducing today would go a long way in having the Federal Government accept Federal responsibility for these Native American people and, further, gives a high priority to the establishment of various prevention activities, which as we all know, is really the key to reversing these statistics.

I am most pleased that my colleagues have agreed to cosponsor this measure with me and I look forward to the committee's positive determination on this important measure in the near future.

Mr. President, I ask unanimous consent that the text of this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2243

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

FINDINGS

SECTION 1. The Congress finds that—

(1) the Federal Government retains the legal responsibility to enforce the administration of a public trust responsibility for the betterment of the conditions of Native Hawaiians by the State of Hawaii;

(2) in furtherance of the State of Hawaii's public trust responsibility for the betterment of the conditions of Native Hawaiians, contributions by the Federal Government to the provision of health education and health services to maintain and improve the health status of Native Hawaiians are consistent with the historical and unique legal relationship of the Federal Government with the government that represented the indigenous native people of Hawaii;

(3) it is the policy of the Federal Government to raise the health status of Native Hawaiians to the highest possible level and to encourage the maximum participation of Native Hawaiians in the planning and management of health services in order to achieve this objective;

(4) Federal support for programs that provide health care to Native Hawaiians has resulted in a reduction in the prevalence and incidence of preventable illnesses among Native Hawaiians and in a reduction in premature deaths of Native Hawaiians; and

(5) further improvement in the health status of Native Hawaiians is necessary on the basis of findings that—

(A) Native Hawaiians experience the highest age-sex standardized mortality rate in the State of Hawaii,

(B) Native Hawaiians experience a lower life expectancy than any other population group in the State of Hawaii,

(C) Native Hawaiians experience a higher rate of infant mortality, congenital abnormalities and underweight infants than any other population in the State of Hawaii,

(D) Native Hawaiians have the greatest risk of diabetes, heart disease, and some forms of cancer than any other population in the State of Hawaii,

(E) Native Hawaiians experience the onset of diabetes, heart disease, and hypertension at earlier ages than other populations in the State of Hawaii,

(F) Native Hawaiians have significantly higher rates of heart disease and hypertension than other populations in the State of Hawaii,

(G) Native Hawaiians have one of the highest cancer rates of any population in the United States and Native Hawaiians have the poorest survival rates from cancer than any other population in the State of Hawaii,

(H) Native Hawaiian pregnant women rank the highest of all populations of pregnant women in the State of Hawaii in—

(i) receiving late or no prenatal care,

(ii) smoking and alcohol consumption during pregnancy,

(iii) toxemia and urinary tract infections during pregnancy, and

(iv) complications of pregnancy over age 35,

(I) Native Hawaiians have higher rates of suicide among young adult and elderly males than the statewide population as a whole,

(J) Native Hawaiian children have one of the highest peridontal disease rates and the poorest dental hygiene of any other population in the State of Hawaii,

(K) Native Hawaiians have higher proportion of alcohol and narcotics use and school performance impairment than the statewide population as a whole,

(L) Native Hawaiians have higher levels of stress than the statewide population as a whole based on leading stress indicators,

(M) Native Hawaiians are underrepresented in rates of participation in health education, health promotion, screening, and referral programs,

(N) utilization of mental health services by Native Hawaiians is significantly below that of other populations in the State of Hawaii, and

(O) Native Hawaiians are underrepresented in the health professions.

DEFINITIONS

SEC. 2. For purposes of this Act—

(1) The term "disease prevention" includes—

(A) immunizations,

(B) control of high blood pressure,

(C) control of sexually transmittable diseases,

(D) prevention and control of diabetes,

(E) pregnancy and infant care, including prevention of fetal alcohol syndrome,

(F) control of toxic agents,

(G) occupational safety and health,

(H) accident prevention,

(I) fluoridation of water, and
(J) control of infectious agents.
(2) The term "health promotion" includes—
(A) cessation of tobacco smoking,
(B) reduction in the misuse of alcohol and drugs,
(C) improvement of nutrition,
(D) improvement in physical fitness,
(E) family planning, and
(F) control of stress.
(3) The term "Native Hawaiian" means any individual who has any ancestors that were natives, prior to 1778, of the area that now comprises the State of Hawaii.
(4) The term "Native Hawaiian organization" means any organization that—
(A) serves and represents the interests of Native Hawaiians, and
(B) is recognized by the Governor of the State of Hawaii for the purpose of planning, conducting, or administering programs (or portion of programs) authorized under this Act.
(5) The term "Secretary" means the Secretary of Health and Human Services.

HEALTH PROMOTION AND DISEASE PREVENTION

SEC. 3. (a)(1) The Secretary shall, in consultation with Native Hawaiian organizations, establish a program of health promotion and disease prevention designed to serve the Native Hawaiian population.
(2) The program that is to be established under paragraph (1) shall—
(A) provide necessary preventive-oriented health services, including maternal and child health care and mental health care;
(B) provide for the collection of data related to the prevention of diseases and illnesses among Native Hawaiians, including the prevention of fetal alcohol syndrome, hypertension, heart disease, and diabetes;
(C) provide for medical and general health-related research into the diseases that are most prevalent among Native Hawaiians including, but not limited to, heart disease, hypertension, cancer, and diabetes;
(D) provide for research into the mental health problems that are most prevalent among Native Hawaiians including, but not limited to, alcoholism, substance abuse, reduction of stress, and child abuse;
(E) provide for education in health promotion and disease prevention in the Native Hawaiian population;
(F) provide for health planning in areas which shall include, but not be limited to, health planning in maternal and child health, nutrition, disease prevention, health promotion, health education, and mental health;
(G) provide training for Native Hawaiian community health outreach workers as paraprofessionals in the provision of health care and health education in Native Hawaiian communities by means of a curriculum which—
(i) combines education in the theory of health care with supervised practical experience in the provision of health care,
(ii) provides instruction and practical experience in health promotion and disease prevention activities, particularly—
(I) nutrition,
(II) physical fitness,
(III) weight control,
(IV) cessation of tobacco smoking,
(V) stress management,
(VI) control of alcohol and substance abuse, including prevention of fetal alcohol syndrome,
(VII) control of high blood pressure,
(VIII) prevention and control of diabetes,
(IX) prevention of lifestyle related accidents,
(X) prenatal and postnatal infant health care, and
(XI) maternal health care, and
(iii) provides instruction in the most current and effective social, educational, and behavioral approaches to the establishment and maintenance of good health habits; and
(H) provide a centralized monitoring function which shall submit annual reports to the Congress through the Secretary on activities that—
(i) are designed to address the health care needs of Native Hawaiians, and
(ii) may be conducted by—
(I) the State of Hawaii,
(II) the Federal Government,
(III) community health centers,
(IV) Native Hawaiian organizations, or
(V) private health care providers.
(b)(1) Subject to the availability of funds appropriated under the authority of paragraph (3), the Secretary shall provide grants to Native Hawaiian organizations for the purpose of developing the management capabilities of such organizations to plan and operate the health promotion and disease prevention program that is to be established under subsection (a).
(2) The total amount of grants that may be made to any Native Hawaiian organization under paragraph (1) shall not exceed $75,000.
(3) There are authorized to be appropriated $600,000 for each fiscal year for the purpose of funding grants under paragraph (1).
(c)(1) The Secretary is authorized to enter into an agreement with a Native Hawaiian organization under which the Secretary is authorized to assign personnel of the Department of Health and Human Services to such Native Hawaiian organization, or to the educational institutions of such Native Hawaiian organization, on detail for the purpose of providing education to Native Hawaiian children in health promotion and disease prevention.
(2) Any assignment of personnel made by the Secretary under any agreement entered into under the authority of paragraph (1) shall be treated as an assignment of Federal personnel to a local government that is made in accordance with subchapter VI of chapter 33 of title 5, United States Code.
(d)(1) The Secretary shall establish in the State of Hawaii, as a demonstration project, a Native Hawaiian Program for Health Promotion and Disease Prevention for the purpose of exploring ways to meet the unique health care needs of Native Hawaiians.
(2) The demonstration program that is to be established under paragraph (1) shall—
(A) provide necessary preventive-oriented health services, including health education and mental health care,
(B) develop innovative training and research projects,
(C) establish cooperative relationships with the leadership of the Native Hawaiian community, and
(D) ensure that a continuous effort is made to establish programs which can be of direct benefit to other Native American people.
(3) The Secretary is authorized to enter into contracts with Native Hawaiian organizations for the purpose of assisting the Secretary in meeting the objectives of the demonstration program that is to be established under paragraph (1).
(4) The Secretary shall submit to the Congress an annual report on the status and accomplishments of the program during each of the fiscal years 1988, 1989, and 1990.
(5) There are authorized to be appropriated $500,000 for each of the fiscal years 1988, 1989, and 1990, for the purpose of carrying out the provisions of this subsection.

COMMUNITY HEALTH CENTERS; NATIONAL HEALTH SERVICE CORPS PROGRAM

SEC. 4. (a)(1) The Secretary is authorized—
(A) to designate Native Hawaiians as a medically underserved population for purposes of section 330 of the Public Health Service Act (42 U.S.C. 254c),
(B) to provide planning grants (no more than 8 and of no more than $100,000 per grant) to Native Hawaiian organizations, or to any organization of health care professionals serving Native Hawaiians, for the purpose of planning community health centers to serve the health needs of Native Hawaiian communities, and
(C) to establish community health centers under section 330 of such Act to serve the health needs of Native Hawaiian communities.
(2) The Secretary shall consult with the Governor of Hawaii regarding any grants that may be made under section 330(c)(1) of the Public Health Service Act (42 U.S.C. 254c(c)(1)), or under paragraph (1)(B), for the planning and developing of community health centers to serve the health needs of Native Hawaiian communities.
(3) In addition to any other amounts authorized to be appropriated for carrying out section 330 of the Public Health Service Act, there are authorized to be appropriated for fiscal year 1987—
(A) $800,000 for the purpose of providing planning grants authorized under paragraph (1)(B), and
(B) $2,800,000 for the purpose of establishing under section 330 of the Public Health Service Act no more than 8 community health centers to serve the health needs of Native Hawaiian communities,
such sums to remain available until expended, without fiscal year limitation. No more than $350,000 of the funds authorized to be appropriated under subparagraph (B) may be expended for each community health center.
(b) The Secretary is authorized to designate Native Hawaiians as a population group which has a health manpower shortage for purposes of subpart II of part C of title III of the Public Health Service Act.

HEALTH SERVICE SCHOLARSHIP PROGRAM

SEC. 5. (a) Subject to the availability of funds appropriated under the authority of subsection (c), the Secretary shall provide scholarship assistance to students who—
(1) meet the requirements of section 338A(b) of the Public Health Service Act (42 U.S.C. 254l(b)), and
(2) are Native Hawaiians.
(b) The scholarship assistance provided under subsection (a) shall be provided under the same terms and subject to the same conditions, regulations, and rules that apply to scholarship assistance provided under section 338A of the Public Health Service Act (42 U.S.C. 254l).
(c) There are authorized to be appropriated $1,800,000 for each fiscal year for the purpose of funding the scholarship assistance provided under subsection (a).

HEALTH CARE REFERRAL SERVICES FOR NATIVE HAWAIIANS

SEC. 6. (a)(1) The Secretary shall enter into contracts with Native Hawaiian organi-

zations for the provision of health care referral services for Native Hawaiians. Any such contract shall include requirements that the Native Hawaiian organization successfully undertake to—

(A) determine the population of Native Hawaiians who are, or could be, recipients of health care referral services,

(B) determine the current health status of Native Hawaiians served by the Native Hawaiian organization,

(C) determine the current health care needs of Native Hawaiians served by the Native Hawaiian organization,

(D) identify all public and private health services resources which are, or could be, available to Native Hawaiians,

(E) determine the use of public and private health services resources by Native Hawaiians,

(F) assist such health services resources in providing services to Native Hawaiians,

(G) assist Native Hawaiians in becoming familiar with such health services resources and in utilizing such health services resources,

(H) provide basic health education to Native Hawaiians, including education in health promotion and disease prevention through a community health outreach program that uses Native Hawaiian community health outreach workers,

(I) establish and implement manpower training programs to accomplish the referral and education tasks set forth in subparagraphs (F), (G), and (H),

(J) identify any disparity between the health needs of Native Hawaiians that are not being met and the resources available to meet such needs, and

(K) make recommendations to the Secretary and Federal, State, local, and other resource agencies on methods of improving health service programs to meet the needs of Native Hawaiians.

(2) The Secretary shall prescribe regulations which provide the criteria for selecting Native Hawaiian organizations to enter into contracts under this subsection. Such criteria shall, among other factors, include—

(A) the extent of the health care needs of Native Hawaiians served by the Native Hawaiian organization that are not being met,

(B) the size of the Native Hawaiian population served by the Native Hawaiian organization,

(C) the accessibility to, and utilization of, health care services by Native Hawaiians served by the Native Hawaiian organization,

(D) the extent, if any, to which the activities that are required to be undertaken under paragraph (1) would duplicate—

(i) any previous or current public or private health services project that was, or is, funded by any means other than a contract entered into under this section, or

(ii) any project funded by means of a contract entered into under this section,

(E) the capability of the Native Hawaiian organization to—

(i) perform the activities that are required to be undertaken under paragraph (1), and

(ii) enter into a contract with the Secretary under this subsection,

(F) the satisfactory performance and successful completion by the Native Hawaiian organization of other contracts entered into with the Secretary under this section,

(G) the appropriateness and likely effectiveness of conducting the activities that are required to be undertaken under paragraph (1), and

(H) the extent of existing participation, or likely future participation, in the activities that are required to be undertaken under paragraph (1) by appropriate health and health-related Federal, State, local, and other agencies.

(b)(1) The Secretary may enter into contracts under this subsection with Native Hawaiian organizations which have not entered into a contract with the Secretary under subsection (a). The purpose of entering into a contract under this subsection shall be to determine—

(A) the matters described in paragraph (2) in order to assist the Secretary in assessing the health status and health care needs of Native Hawaiians served by the Native Hawaiian organization, and

(B) whether the Secretary should enter into a contract under subsection (a) with the Native Hawaiian organization.

(2) Any contract entered into by the Secretary under this subsection shall include requirements that the Native Hawaiian organization—

(A) document the health care status and health care needs of Native Hawaiians served by the Native Hawaiian organization,

(B) with respect to Native Hawaiians served by the Native Hawaiian organization, determine the matters described in subparagraphs (B), (C), (D), and (H) of subsection (a)(2), and

(C) complete performance of the contract within one year after the date on which the Secretary and the Native Hawaiian organization enter into such contract.

(c)(1) The Secretary shall include in any contract which the Secretary enters into with any Native Hawaiian organization under this section such conditions as the Secretary considers necessary to encourage the establishment of programs which make health care services more accessible to Native Hawaiians.

(2) The Secretary shall develop procedures to evaluate compliance with, and performance of, contracts entered into by Native Hawaiian organizations under this section. Such procedures shall include provisions for carrying out the requirements of this section.

(3) The Secretary shall conduct an annual onsite evaluation of each Native Hawaiian organization which has entered into a contract under subsection (a) for purposes of determining the compliance of such organization with, and evaluating the performance of such organization under, such contract.

(4) If, as a result of the evaluations conducted under paragraph (3), the Secretary determines that a Native Hawaiian organization has not complied with or satisfactorily performed a contract entered into under subsection (a), the Secretary shall, prior to renewing such contract, attempt to resolve the areas of noncompliance or unsatisfactory performance and modify such contract to prevent future occurrences of such noncompliance or unsatisfactory performance. If the Secretary determines that such noncompliance or unsatisfactory performance cannot be resolved and prevented in the future, the Secretary shall not renew such contract with such organization and is authorized to enter into a contract under subsection (a) with another Native Hawaiian organization that serves the same population of Native Hawaiians which is served by the Native Hawaiian organization whose contract is not renewed by reason of this paragraph.

(5) In determining whether to renew a contract entered into with a Native Hawaiian organization under subsection (a), or whether to enter into a contract with a Native Hawaiian organization under subsection (a) which has completed performance of a contract entered into under subsection (b), the Secretary shall—

(A) review the records of the Native Hawaiian organization and the reports submitted under subsection (e), and

(B) in the case of a renewal of a contract entered into under subsection (a), shall consider the results of the onsite evaluations conducted under paragraph (3).

(d)(1) No contract entered into under this section may provide for a total amount of payments under the contract by the Federal Government that exceeds $125,000.

(2) All contracts entered into by the Secretary under this section shall be in accordance with all Federal contracting laws and regulations except that, in the discretion of the Secretary, such contracts may be negotiated without advertising and need not conform to the provision of the Act of August 24, 1935 (40 U.S.C. 270a, et seq.).

(3) Payments made under any contract entered into under this section may be made in advance, by means of reimbursement, or in installments and shall be made on such conditions as the Secretary deems necessary to carry out the purposes of this section.

(4) Notwithstanding any other provision of law, the Secretary may, at the request or consent of a Native Hawaiian organization, revise or amend any contract entered into by the Secretary with such organization under this section as necessary to carry out the purposes of this section, except that whenever such organization requests retrocession of any contract entered into under this section, such retrocession shall become effective upon a date specified by the Secretary that is not more than 120 days after the date of the request by such organization or at such later date as may be mutually agreed to by the Secretary and such organization.

(5) All contracts entered into under this section with Native Hawaiian organizations, and all regulations prescribed under this section, shall include provisions to assure the fair and uniform provision to Native Hawaiians of health care referral services and assistance under such contracts by such organizations.

(e)(1) For each fiscal year during which a Native Hawaiian organization receives or expends funds pursuant to a contract entered into under this section, such organization shall submit to the Secretary a quarterly report on—

(A) in the case of a contract entered into under subsection (b), disparities identified and recommendations made under subparagraphs (J) and (K) of subsection (a)(1),

(B) activities conducted by the organization under the contract,

(C) the amounts and purposes for which Federal funds were expended, and

(D) such other information as the Secretary may request.

(2) The reports and records of any Native Hawaiian organization which concern any contract entered into under this section shall be subject to audit by the Secretary and the Comptroller General of the United States.

(3) The Secretary shall allow as a cost of any contract entered into under subsection (a) the cost of an annual private audit conducted by a certified public accountant.

(f)(1) The authority of the Secretary to enter into contracts under this section shall be to the extent, and in an amount, provided for in appropriation Acts.

(2) There are authorized to be appropriated $625,000 for each fiscal year for the purpose of funding contracts entered into under this section.

ACCESS TO MEDICARE AND MEDICAID SERVICES

SEC. 7. (a) The Secretary shall, in consultation with Native Hawaiian organizations, conduct a study of any barriers which may exist to the participation of Native Hawaiians in programs established under title XVIII of the Social Security Act (medicare) or under title XIX of the Social Security Act (medicaid).

(b) By no later than the date which is one year after the date of enactment of this Act, the Secretary shall submit to the Congress a report on the study conducted under subsection (a). Such report shall include—

(1) recommendations for legislation which—

(A) would remove any barriers to participation identified in such study, and

(B) would encourage participation by Native Hawaiians in the programs described in subsection (a), and

(2) estimates of—

(A) the potential number of Native Hawaiians eligible for medicare,

(B) the potential number of Native Hawaiians eligible for medicaid,

(C) the number of Native Hawaiians participating in the medicare program, and

(D) the number of Native Hawaiians participating in the medicaid program.

GENERAL AUTHORIZATION

SEC. 8. There are authorized to be appropriated for each fiscal year such sums as may be necessary to carry out the provisions of this Act for which a specific authorization of appropriations is not otherwise provided for in this Act.●

By Mr. GRASSLEY (for himself, Mr. DANFORTH, Mr. ZORINSKY, Mr. BAUCUS, Mr. PRESSLER, Mr. PRYOR, Mr. BUMPERS, and Mr. MATTINGLY):

S. 2244. A bill to amend the Tariff Act of 1930 with respect to the definition of industry in antidumping and countervailing duty investigations involving certain processed agricultural products; to the Committee on Finance.

ANTIDUMPING AND COUNTERVAILING DUTY

● Mr. GRASSLEY. Mr. President, today I am reintroducing legislation which would amend the Tariff Act of 1930 to clarify the intent of Congress with regard to the application of the antidumping and countervailing duty statutes to agricultural products.

On September 11, 1985 I originally introduced legislation to deal with the problem, S. 1629. The Finance Committee held a hearing on this legislation on December 9, 1985. Several members of the agricultural community and representatives from the ITC and USTR testified before the committee with a majority of those present supporting the intent of the legislation. However, since some concerns were raised by the administration's witnesses, I have agreed to add further clarifying language to the bill.

Based on discussions with Finance Committee staff and administration officials, I feel I have made the necessary changes to further clarify the application of the antidumping and countervailing duty laws to domestic agricultural producers and at the same time meet the concerns initially raised by the administration witnesses. In brief the bill would amend S. 1629 in the following ways:

First. The bill would change the focus of S. 1629 to the industry producing the processed agricultural product, rather than attempting to equate the raw and processed agricultural products as like products. This change focuses the legislation more directly upon the industry actually affected by imports of the processed agricultural products.

Second. The bill would maintain the two-part test currently applied by the International Trade Commission to determine when an industry will be deemed to include producers of both the raw and the processed agricultural product. In other words, the processed product must be produced from the raw product through a single continuous line of production and there must be a coincidence of economic interest between producers of the raw and processed product. S. 1629 would have required that only one of the conditions have been met in order for producers of the raw product to be considered part of the industry producing the processed product.

Third. The bill adds the concept of value-added to the S. 1629 as one of the economic factors to be considered in examining coincidence of economic interest. In addition, guidance is provided to the ITC with respect to its consideration of price and value-added relationships. Thus, the Commission is directed to examine the degree of correlation between prices of the raw and processed agricultural commodity and with respect to value-added, the Commission will consider whether the raw agricultural product constitutes a significant percentage of the value of the processed product. As an example, these factors would be generally found to apply in the case of producers and packers of livestock.

Fourth. At the suggestion of the administration, the bill adds new language which would direct the Commission, in making decisions regarding the threat of material injury, to focus upon the impact which the imposition of duties on either the raw or the processed product—but not both—would have upon imports of the other product.

Fifth. The bill adds new language which would make it clear that producers of the raw product which were deemed to be part of the industry producing the processed agricultural product would have standing to initiate countervailing duty and antidumping cases concerning imports of the processed product.

For further background on my introduction of the original bill, S. 1629, I would refer you to the RECORD for September 11, 1985, page S 11279.

At this point in the RECORD, I ask unanimous consent that a copy of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2244

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. INDUSTRY.

Paragraph (4) of section 771 of the Tariff Act of 1930 (19 U.S.C. 1677(4)) is amended by adding at the end thereof the following new subparagraph:

"(E) Industry producing processed agricultural products.—

"(i) IN GENERAL.—In an investigation involving a processed agricultural product produced from any raw agricultural product, the producers or growers of the raw agricultural product shall be considered part of the industry producing the processed product if—

"(I) the processed agricultural product is produced from the raw agricultural product through a single continuous line of production, and

"(II) there is a substantial coincidence of economic interest between the producers of the raw agricultural product and the producers of the processed agricultural product based upon relevant economic factors, which may include price, market value added by the producers, or other economic interrelationships (regardless of whether such coincidence of economic interest is based upon any legal relationship).

"(ii) PROCESS.—For the purposes of this subparagraph, the processed agricultural product shall be considered to be processed from a raw agricultural product through a single continuous line of production if—

"(I) the raw agricultural product is substantially or completely devoted to the production of the processed agricultural product, and

"(II) the processed agricultural product is produced substantially or completely from the raw product.

"(iii) EVALUATION OF FACTORS.—For purposes of this subparagraph, in evaluating the factors relevant to the question of coincidence of economic interest, the Commission shall—

"(I) if price is taken into account, consider the degree of correlation between the price of the raw agricultural product and the price of the processed agricultural product, and

"(II) if market value added by the producers is taken into account, consider whether the value of the raw agricultural product constitutes a significant percentage of the value of the processed agricultural product.

"(iv) RAW AGRICULTURAL PRODUCT.—For purposes of this subparagraph, the term 'raw agricultural product' means any farm, forest, or fishery product.".

SEC. 2. MATERIAL INJURY.

Paragraph (7) of section 771 of the Tariff Act of 1930 (19 U.S.C. 1677(7)) is amended—

(1) by striking out "and" at the end of subparagraph (F)(i)(VII),

(2) by striking out the period at the end of subparagraph (F)(i)(VIII) and inserting in lieu thereof ", and", and

(3) by adding at the end of subparagraph (F)(i) the following new subclause:

"(IX) in any investigation under this title which involves imports of both a raw agricultural product (within the meaning of paragraph (4)(E)(iv)) and any product processed from such raw agricultural product, the Commission shall, in addition to any other relevant economic factors, consider the likelihood that an affirmative determination by the Commission with respect to either the raw agricultural product or the processed agricultural product (but not both) would result in an increase in the imports of the other agricultural product to an injurious level.".

SEC. 3. INTERESTED PARTIES.

(a) IN GENERAL.—Paragraph (9) of section 771 of the Tariff Act of 1930 (19 U.S.C. 1677(9)) is amended—

(1) by striking out "and" at the end of subparagraph (E) and inserting in lieu thereof a comma,

(2) by striking out the period at the end of subparagraph (F) and inserting in lieu thereof ", and", and

(3) by adding at the end thereof the following new subparagraph:

"(G) in any investigation under this title involving a processed agricultural product, a manufacturer, producer, or wholesaler (or an association thereof) in the United States that is defined as representative of an industry engaged in the production of such processed agricultural product (determined in accordance with section 771(4)(E)).".

(b) CONFORMING AMENDMENTS.—

(1) Title VII of the Tariff Act of 1930 is amended by striking out "subparagraph (C), (D), or (E) of section 771(9)" each place it appears and inserting in lieu thereof "subparagraph (C), (D), (E), (F), or (G) of section 771(9)".

(2) Subsections (g)(2) and (h)(1) of sections 704 and 734 of the Tariff Act of 1930 (19 U.S.C. 1671c; 1673c) are each amended by striking out "subparagraphs (C), (D), (E), and (F)" and inserting in lieu thereof "subparagraphs (C), (D), (E), (F), or (G)".

(3) Section 514 of the Tariff Act of 1930 (19 U.S.C. 1514) is amended by striking out "as defined in section 771(9) (C), (D), (E), and (F), of this Act".

(4) Subsection (a) of section 516 of the Tariff Act of 1930 (19 U.S.C. 1516(a)) is amended by adding at the end thereof the following new paragraph:

"(3) Any producer of a raw agricultural product who is considered under section 771(4)(E) to be part of the industry producing a processed agricultural product of the same class of kind as the designated imported merchandise shall, for purposes of this section, be treated as an interested party producing such processed agricultural product.".●

By Mr. GRASSLEY (for himself, Mr. DECONCINI, Mr. ZORINSKY, and Mr. D'AMATO):

S. 2249. A bill to add a new chapter to the Bankruptcy Act, title 11 of the United States Code, to aid in the reorganization of family farms; to the Committee on the Judiciary.

FAMILY FARM REORGANIZATION ACT

● Mr. GRASSLEY. Mr. President, I am pleased to introduce along with Senators DECONCINI, D'AMATO, and ZORINSKY, the Family Farm Reorganization Act of 1986. The act makes changes in the Federal Bankruptcy Code to better allow farmers to rehabilitate themselves in the face of the downturn in the farm economy.

More farmers than ever before are seeking protection under the Bankruptcy Code. In 1985, the number of farm bankruptcy filings in the southern half of Iowa alone soared 69 percent from the previous year to a record high of 435. The situation in Iowa is duplicated in other agricultural States.

Accordingly, how the Bankruptcy Code serves farmers is of the utmost concern.

During 2 days of hearings before the Judiciary Committee in November, I heard that certain provisions in the Bankruptcy Code may unfairly limit a farmer's ability to work out of his debt problems. I learned that a Bankruptcy Code set up to serve individuals with consumer debt and businesses fails to recognize the unique attributes of farming, such as irregular and seasonal income.

This bill seeks to remedy the shortcomings of the Bankruptcy Code in a way that provides a fairer opportunity for farmers to reorganize, while still protecting important creditor rights. This bill combines some features of chapter 11 and some of chapter 13 into a new, and separate chapter 12—to be used only by farmers—and to sunset in 5 years, or when the farm crisis abates. The bill also includes the best features of H.R. 2211 which has passed in the other body and companion Senate bills.

The bill eliminates the need to adequately protect "lost opportunity costs" as part of the code's adequate protection requirement, and adds the payment of reasonable rent as a means of adequate protection. The bill redefines the term "farmer" in a way that recognizes that farm families have had to leave the farm to earn income.

Allowing the farm-debtor to provide adequate protection by paying rent recognizes the economic realities of foreclosure. During a time of depressed farm values, the lender will usually be the high bidder at a foreclosure sale. If the lender cannot resell the property, it typically will rent the property at the market rate. If the debtor pays market rent while he reorganizes, the lender will be getting only what it would realistically get as a result of a foreclosure. Paying a reasonable rent as a method of protecting secured creditors was permitted during the Depression by the second Frazier-Lemke Act, which survived constitutional challenge in the Supreme Court.

Although the general intent is to combine the features of chapters 11 and 13 that benefit family farmers, the bill also protects the interests of creditors in several ways, among them:

Supervisory trustees will be appointed, as they are in chapter 13 cases, to scrutinize the farmer's financial affairs, monitor progress toward a reorganization plan and ensure that the code's reporting requirements are met; creditors may file a plan of liquidation if the debtor cannot file or confirm a plan within the exclusive period; discharge rules follow the more limited provisions of chapter 11, rather than chapter 13, to protect against abuses.

I recognize that new bankruptcy laws are not the answer to the farm crisis. The solutions lie in the fiscal, monetary and trade policies of the Federal Government. At the same time, our bankruptcy laws should not hinder a farmer's reorganization efforts. Accordingly, this bill adopts a carefully measured and balanced approach. It is one that avoids a major shock treatment to the bankruptcy system.

I ask unanimous consent to insert in the RECORD at this point, a copy of the bill.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2249

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Family Farm Reorganization Act".

SEC. 2. (a) Title 11 of the United States Code is amended by inserting between chapters 11 and 13 the following new chapter:

"CHAPTER 12—FAMILY FARMER REORGANIZATION

"Sec.
"1201. Definitions.
"1202. Application of certain sections of this title.
"1203. Trustee.
"1204. Rights and powers of debtor.
"1205. Authorization to operate farming and other businesses.
"1206. Creditor's committee.
"1207. Powers and duties of a committee.
"1208. Right to be heard.
"1209. Removal of debtor as debtor in possession.
"1210. Conversion or dismissal.
"1211. Who may file a plan.
"1212. Contents of plan proposed by debtor.
"1213. Plan by party other than debtor, impairment of claims; postpetition disclosure and solicitation; acceptance.
"1214. Modification of plan.
"1215. Confirmation hearing.
"1216. Confirmation of a plan proposed by the debtor.
"1217. Confirmation of a plan by a party other than the debtor.
"1218. Limitations on confirmation.
"1219. Effect of confirmation.
"1220. Implementation of plan; distribution; exemption from securities laws.
"1221. Aircraft equipment and vessels.
"1222. Adequate protection.
"1223. Sales free of interests.
"1224. Claims and interests.
"1225. Emergency care of stock.

"§ 1201. Definitions

"For purposes of this chapter—

"(1) 'family farmer' means a person whose aggregate debts do not exceed $1,500,000 if

not less than 80 percent of the aggregate noncontingent, liquidated amount of those debts, at the time the case commences, arise out of a farming operation owned or operated by such person and, if such person is a corporation—

"(A) more than half of the aggregate value of the outstanding equity securities of such corporation are held by one family or by one family and the relatives of the members of such family; and

"(B) if such corporation issues stock, such stock is not publicly traded;

except that such aggregate amount does not include a debt incurred for the acquisition or improvement of a principal residence of such person unless such debt arises out of a farming operation;

"(2) 'debtor' means family farmer; and

"(3) 'debtor in possession' means debtor except to the extent that the court orders otherwise.

"§ 1202. Application of certain sections of this title

"Provisions of sections of other chapters of this title shall apply to this chapter as provided by such section.

"§ 1203. Trustee

"(a) If the court has appointed an individual under section 1302(d) to serve as standing trustee in cases under chapter 13, and if such individual qualifies as a trustee under section 322 of this title, or if a trustee has been appointed pursuant to chapter 15, then such individual shall serve as trustee in any case filed under this chapter. Otherwise, the court shall appoint a person to serve as trustee in any case.

"(b) The trustee shall—

"(1) perform the duties specified in sections 704(2), 704(3), 704(5), 704(6), 704(7), 704(9), 1106(a)(3), and 1106(a)(4) of this title;

"(2) appear and be heard at any hearing that concerns—

"(A) the value of property subject to a lien;

"(B) confirmation of a plan;

"(C) modification of the plan after confirmation; or

"(D) the sale of property of the estate;

"(3) distribute any rental payments received pursuant to section 1222(b)(3) as determined by the court;

"(4) advise, other than on legal matters, and assist the debtor in performance under the plan;

"(5) ensure that the debtor commences making timely payments required by a confirmed plan; and

"(6) if the debtor ceases to be a debtor in possession, perform the duties specified in section 704(8) and section 1106(a).

"(c) If the number of cases under this chapter commenced in a particular judicial district so warrants, the court may appoint one or more individuals to serve as standing trustee for such district in cases under chapter 13 or, in appropriate cases, appoint a trustee under chapter 15.

"(d) The compensation for individuals appointed under subsection (a) shall be authorized and limited by section 1302(e) and the percentage fee provided in section 1302(e)(1)(B) for cases under this chapter shall not exceed three percent of payments made under the plan of such debtor, with respect to payments made after the aggregate amount of payments made under the plan exceeds $450,000.

"§ 1204. Rights and powers of debtor

"(a) Subject to any limitations on a trustee serving in a case under this chapter, or a case under chapter 11, and to such limitations or conditions as the court prescribes, a debtor in possession shall have all the rights, other than the right to compensation under section 330, and powers, and shall perform all the functions and duties, except the duties specified in paragraphs (3) and (4) of section 1106(a), of a trustee serving in a case under chapter 11.

"(b) A debtor in possession shall perform the duties of the trustee specified in section 704(8).

"(c) Notwithstanding section 327(a), a person is not disqualified for employment under section 327 by a debtor in possession solely because of such person's employment by or representation of the debtor before the commencement of the case.

"§ 1205. Authorization to operate farming and other businesses

"(a) Unless the court, on request of a party in interest and after notice and a hearing orders otherwise, the debtor in possession may operate the debtor's farming and other businesses.

"(b) If the debtor ceases to be a debtor in possession, the trustee may operate the debtor's farming and other businesses unless the court, on request of a party in interest and after notice and a hearing, orders otherwise.

"§ 1206. Creditor's Committee

"(a) On request of three creditors holding unsecured claims, the court may order the appointment of a committee of unsecured creditors, except that if a United States trustee had been appointed pursuant to chapter 15, such United States trustee shall appoint the committee of such creditors.

"(b)(1) A committee of creditors appointed under subsection (a) shall ordinarily consist of the persons willing to serve that hold the five largest unsecured claims against the debtor.

"(2) On request of a party in interest and after a hearing, the court may change the membership or size of a committee appointed under subsection (a) if the membership of the committee is not representative of the different kinds of claims or interests represented.

"§ 1207. Powers and duties of a committee

"(a) At the scheduled meeting of a committee appointed under section 1206 at which a majority of the members of such committee are present, with the court's approval, the committee may select and authorize the employment, by the committee, of an attorney. If the debtor's financial records have not been adequately maintained, or the debtor's financial affairs are deemed by the court to be unduly complex, the committee may select and authorize the employment, by the committee, of an accountant.

"(b) An attorney or an accountant employed pursuant to subsection (a) may not, while employed by the committee, represent any other entity in connection with the case.

"(c) A committee appointed under section 1206 may—

"(1) consult with the debtor in possession of the case;

"(2) investigate the acts, conduct, assets, liabilities, and financial condition of the debtor, the operation of his farming and other businesses, the means required to maintain the farming or other business, and any other matter relevant to the case or to the formulation of a plan;

"(3) participate in the formulation of a plan, advise those represented by the committee of the committee's determinations as to any plan formulated, and collect and file with the court acceptances of a plan;

"(4) request the dismissal of the case if there is no possibility of a feasible plan being accepted or if the debtor fails to comply with final orders of the court;

"(5) request that the debtor not be a debtor in possession; and

"(6) perform such other services as are in the interest of those represented.

"(d) As soon as practicable, after the appointment of a committee under section 1206, the debtor and the trustee shall meet with the committee to transact such business as is necessary and proper.

"§ 1208. Right to be heard

"(a) A party in interest, including the debtor, the trustee, a creditor's committee, a creditor, or any indenture trustee, may raise and may appear and be heard on any issue in a case under this chapter.

"(b) The Department of Agriculture, the Attorney General, or the director or similar chief officer of the agricultural department or agency of any State in which property of the debtor is located, may raise, and appear and be heard on, any issue in a case under this chapter, but may not appeal from any judgment, order, or decree entered in the case.

"§ 1209. Removal of debtor as debtor in possession

"(a) On request of a party in interest, and after notice and a hearing, the court shall order that the debtor shall not be a debtor in possession—

"(1) for cause, including fraud, dishonesty, incompetence, or gross mismanagement of the affairs of the debtor, either before or after the commencement of the case, or similar cause; or

"(2) if it is not in the best interest of creditors for the debtor to be a debtor in possession.

"(b) On request of a party in interest, and after notice and a hearing, the court may reinstate the debtor in possession.

"§ 1210. Conversion or dismissal

"(a) The debtor may convert a case under this chapter to a case under chapter 7 at any time. Any waiver of, or attempt to waive, such right to convert a case under this subsection is unenforceable.

"(b) If a person, in good faith, files a petition for relief under this chapter, but is not a family farmer, such person may convert the case to a case under chapter 7, 11, or 13 if such person may be a debtor under the chapter to which the case is being converted.

"(c) If a person files a petition for relief under this chapter, but is not a family farmer, on request of a party in interest, and after notice and a hearing, the court may convert the case to a case under chapter 7 unless such person is a farmer or a corporation which is not a moneyed business or commercial corporation, or may dismiss the case, whichever is in the best interest of creditors.

"(d) The court may not convert a case under this chapter to a case under chapter 7 of this title if the debtor is a family farmer.

"(e) On request of a party in interest, and after notice and a hearing, the court may dismiss a case under this chapter, for cause, including—

"(1) continuing loss to or diminution of the estate and absence of a reasonable likelihood of rehabilitation;

"(2) inability to effectuate a plan;

"(3) unreasonable delay by the debtor that is prejudicial to creditors;

"(4) failure to propose a plan within any time fixed by the court;

"(5) denial of confirmation of every proposed plan and denial of a request made for additional time for filing another plan or a modification of a plan;

"(6) revocation of an order of confirmation under section 1144 of this title, and denial of confirmation of another plan or a modified plan under section 1216 or 1217 of this title;

"(7) inability to effectuate substantial consummation of a confirmed plan;

"(8) material default by the debtor with respect to a confirmed plan;

"(9) termination of a plan by reason of the occurrence of a condition specified in the plan other than completion of payments under the plan; or

"(10) nonpayment of any fee and charges required under chapter 123 of title 28.

"§ 1211. Who may file a plan

"(a) The debtor may file a plan with a petition commencing a case, or at any time thereafter.

"(b) Except as otherwise provided in this section, only the debtor may file a plan until after 240 days after the date of the order for relief under this chapter.

"(c) Any party in interest, including the debtor, the trustee, a creditor's committee, a creditor, or any indenture trustee, may file a plan only if—

"(1) the debtor is not a debtor in possession;

"(2) the debtor has not filed a plan before 240 days after the date of the order for relief under this chapter; or

"(3) the debtor has not filed a plan that has been confirmed before 300 days after the date of the order for relief under this chapter.

"(d) On request of a party in interest made within the respective periods specified in subsections (b) and (c), and after notice and a hearing, the court may, for cause, reduce or increase the 240-day period or the 300-day period referred to in this section.

"§ 1212. Contents of plan proposed by debtor

"(a) Notwithstanding any otherwise applicable provision of nonbankruptcy law, a plan proposed by a debtor shall—

"(1) designate, as provided in section 1122, classes of claims, other than claims of a kind specified in section 507(a)(1) or 507(a)(7) and classes of interests;

"(2) provide the same treatment for each claim or interest of a particular class, unless the holder of a particular claim or interest agrees to a less favorable treatment of such particular claim or interest;

"(3) provide adequate means for implementation of the plan such as—

"(A) retention by the debtor of all or any part of the property of the estate;

"(B) transfer of all or any part of the property of the estate to one or more entities, whether organized before or after the confirmation of such plan;

"(C) merger or consolidation of the debtor with one or more persons;

"(D) sale of all or any part of the property of the estate, either subject to or free of any lien, or the distribution of all or any part of the property of the estate among those having an interest in such property;

"(E) satisfaction or modification of any lien;

"(F) cancellation or modification of any indenture or similar instrument;

"(G) curing or waiving of any default;

"(H) extension of a maturity date or a change in interest rate or other term of outstanding securities;

"(I) amendment of the debtor's charter; or

"(J) issuance of securities of the debtor, or of any entity referred to in subparagraph (B) or (C) of this paragraph, for cash, for property, for existing securities, or in exchange for claims or interests, or for any other appropriate purpose; and

"(4) contain only provisions that are consistent with the interests of creditors and equity security holders and with public policy with respect to the manner of selection of any officer, director, or trustee under the plan and any successor to such officer, director, or trustee.

"(b) Subject to subsection (a) of this section, a plan proposed by a debtor may—

"(1) designate a class or classes of unsecured claims, as provided in section 1122 but may not discriminate unfairly against any class so designated, however, such plan may treat claims for a consumer debt of the debtor if an individual is liable on such consumer debt with the debtor differently than other unsecured claims;

"(2) modify the rights of holders of secured claims, or of holders of unsecured claims, or leave unaffected the rights of holders of any class of claims;

"(3) provide for the curing or waiving of any default;

"(4) provide for payments on any unsecured claim to be made concurrently with payments on any secured claim or any other unsecured claim;

"(5) provide for the curing of any default within a reasonable time and maintenance of payments;

"(6) subject to section 365, provide for the assumption, rejection, or assignment of any executory contract or unexpired lease of the debtor not previously rejected under such section;

"(7) provide for the payment of all or part of a claim against the debtor from property of the estate or property of the debtor;

"(8) provide for the sale of all or substantially all of the property of the estate, and the distribution of the proceeds of such sale among holders of claims or interests;

"(9) provide for the vesting of property of the estate, on confirmation of the plan or at a later time, in the debtor or in any other entity; and

"(10) include any other appropriate provision not inconsistent with this title.

"§ 1213. Plan by a party other than the debtor; impairment of claims; postpetition disclosure and solicitation; acceptance

"(a) Sections 1123 and 1125 apply, as the court for cause may require, to plans proposed by a party in interest, including the debtor.

"(b) Section 1126 applies to plans proposed by a party in interest other than the debtor, except that for purposes of this chapter, the phrase 'that have accepted or rejected such plan' in subsection (c) and subsection (d) of such section shall not apply to this chapter.

"§ 1214. Modification of plan

"(a) The proponent of a plan may modify such plan at any time before confirmation, but may not modify such plan so that such plan as modified fails to meet the requirements of—

"(1) section 1212 if the proponent is the debtor; or

"(2) sections 1122 and 1123 if the proponent is a party in interest other than the debtor.

After the proponent of a plan files a modification of such plan with the court, the plan as modified becomes the plan.

"(b) At any time after confirmation but before the completion of payments under a plan proposed by the debtor, the plan may be modified by the debtor to—

"(1) increase or reduce the amount of payments on claims of a particular class provided for by the plan;

"(2) extend or reduce the time for such payments; or

"(3) alter the amount of the distribution to a creditor whose claim is provided for by the plan to the extent necessary to take account of any payment of such claim other than under the plan.

Modifications under this subsection are subject to the requirements of section 1216 and the plan as modified becomes the plan unless, after notice and a hearing, such modification is disapproved.

"(c) The proponent of a plan, other than the debtor, may modify such plan at any time after confirmation of such plan and before substantial consummation, as defined in section 1101(2), of such plan, but may not modify such plan so that, as modified, such plan fails to meet the requirements of sections 1122 and 1123. Such plan as modified under this subsection becomes the plan only if circumstances warrant such modification and the court, after notice and a hearing, confirms such modified plan, in accordance with the requirements of section 1129(a). Any holder of a claim or interest that has accepted or rejected a plan is deemed to have accepted or rejected, as the case may be, a plan as modified, unless, within the time fixed by the court, such holder changes such holder's previous acceptance or rejection.

"(d) The proponent of a modification under subsection (c) shall comply with section 1125 with respect to the plan as modified, for any material modification.

"§ 1215. Confirmation hearing

"After notice, the court shall hold a hearing on confirmation of the plan. A party in interest may object to the confirmation of the plan.

"§ 1216. Confirmation of a plan proposed by the debtor

"(a) The court shall confirm a plan proposed by the debtor if—

"(1) the plan complies with the provisions of this chapter and with the other applicable provisions of this title;

"(2) any fee, charge, or amount required under chapter 123 of title 28, or by the plan, to be paid before confirmation, has been paid;

"(3) the plan has been proposed in good faith and not by any means forbidden by law;

"(4) any payment made or to be made by the debtor, or by a person issuing securities or acquiring property under the plan, for services or for costs and expenses in or in connection with the case, or in connection with the plan and incident to the case, has been approved by, or is subject to the approval of, the court as reasonable;

"(5)(A)(i) the debtor has disclosed the identity and affiliations of any individual proposed to serve, after confirmation of the plan, as a director, officer, or voting trustee of the debtor, an affiliate of the debtor participating in a joint plan with the debtor, or a successor to the debtor under the plan; and

"(ii) the appointment to, or continuance in, such office of such individual, is consist-

ent with the interests of creditors and equity security holders and with public policy; and

"(B) the debtor has disclosed the identity of any insider who will be employed or retained by the reorganized debtor, and the nature of any compensation for such insider.

"(6) except to the extent that the holder of a particular claim has agreed to a different treatment of such claim, the plan provides—

"(A) for the full payment, in deferred cash payments, of all claims entitled to priority under section 507, except section 507(a)(7); and

"(B) with respect to a claim of a kind specified in section 507(a)(7), the holder of such claim will receive, on account of such claim, deferred cash payments, over a period not exceeding six years after the date of assessment of such claim, of a value, as of the effective date of the plan, equal to the allowed amount of such claim;

"(7) the value, as of the effective date of the plan, of property to be distributed under the plan, on account of each allowed unsecured claim, is not less than the amount that would be paid on such claim if the estate of the debtor were liquidated under chapter 7 of this title on such date;

"(8) with respect to each allowed secured claim provided for by the plan—

"(A) the holder of such claim has accepted the plan;

"(B)(i) the plan provides that the holder of such claim retain the lien securing such claim; and

"(ii) the value, as of the effective date of the plan, of property to be distributed under the plan on account of such claim, is not less than the allowed amount of such claim; or

"(C) the debtor surrenders the property securing such claim to such holder;

"(9) with respect to the holder of an interest provided for by the plan, the value, as of the effective date of the plan, of property to be distributed under the plan on account of such interest is not less than the lesser of—

"(A) the amount that would be paid on account of such interest if the estate of the debtor were liquidated under chapter 7 on such date; or

"(B) any fixed price at which the debtor, under the terms of any security representing such interest, may redeem such security from such holder;

"(10) the debtor will be able to make all payments under the plan, comply with the plan, and the plan complies with the provisions of section 1325(b) without reference to time period; and

"(11) confirmation of the plan is not likely to be followed by the liquidation, or the need for further financial reorganization, of the debtor or any successor to the debtor under the plan, unless such liquidation or reorganization is proposed in the plan.

"(b) After confirmation of a plan, the court may order any entity from whom the debtor receives income to pay all or any part of such income to the trustee.

"(c) Except as otherwise provided in the plan or in the order confirming the plan, the trustee shall make payments to creditors under the plan.

"§ 1217. Confirmation of a plan by a party other than the debtor

"The court shall confirm a plan proposed by a party in interest other than the debtor if the plan and the proponent meet the requirements of section 1129(a).

"§ 1218. Limitations on confirmation

"(a) The court may confirm only one plan, unless the order of confirmation in the case has been revoked under section 1144. If the requirements of sections 1216 and 1217 are met with respect to more than one plan, the court shall consider the preferences of the debtor, creditors, and equity security holders in determining which plan to confirm.

"(b) Notwithstanding any other provision of this chapter, on request of a party in interest that is a governmental unit, the court may not confirm a plan if the principal purpose of the plan is the avoidance of taxes or the avoidance of the application of section 5 of the Securities Act of 1933 (15 U.S.C. 77e). In any hearing under this subsection, the governmental unit has the burden of proof on the issue of avoidance.

"§ 1219. Effect of confirmation

"(a) Except as provided in subsections (d)(2) and (d)(3), the provisions of a confirmed plan bind the debtor, any entity issuing securities under the plan, any entity acquiring property under the plan, and any creditor, equity security holder, or general partner in the debtor, whether or not the claim or interest of such creditor, equity security holder, or general partner is impaired or provided for under the plan and whether or not such creditor, equity security holder, or general partner has objected to, has accepted, or has rejected the plan.

"(b) Except as otherwise provided in the plan or the order confirming the plan, the confirmation of a plan vests all of the property of the estate in the debtor.

"(c) Except as provided in paragraphs (2) and (3) of subsection (d), and except as otherwise provided in the plan or in the order confirming the plan, after confirmation of a plan, the property dealt with by the plan is free and clear of all claims and interests of creditors, equity security holders, and of general partners in the debtor.

"(d)(1) Except as otherwise provided in this subsection, in the plan, or in the order confirming the plan, the confirmation of a plan—

"(A) discharges the debtor from any debt that arose before the date of such confirmation, and any debt of a kind specified in section 502(g), 502(h), or 502(i) whether or not—

"(i) a proof of claim based on such debt is filed or deemed filed under section 501;

"(ii) such claim is allowed under section 502; or

"(iii) the holder of such claim has accepted the plan; and

"(B) terminates all rights and interests of equity security holders and general partners provided for by the plan.

"(2) The confirmation of a plan does not discharge an individual debtor from any debt excepted from discharge under section 523.

"(3) The confirmation of a plan does not discharge a debtor if—

"(A) the plan provides for the liquidation of all or substantially all of the property of the estate;

"(B) the debtor does not engage in business after consummation of the plan; and

"(C) the debtor would be denied a discharge under section 727(a) of this title if the case were a case under chapter 7 of this title.

"(4) The court may approve a written waiver of discharge executed by the debtor after the order for relief under this chapter.

"§ 1220. Implementation of plan; distribution; exemption from securities laws

"Sections 1141, 1143, 1144, and 1145 shall apply to plans confirmed pursuant to sections 1216 and 1217 of this title.

"§ 1221. Aircraft equipment and vessels

"Section 1110 shall apply to cases under this chapter.

"§ 1222. Adequate protection

"(a) Section 361 does not apply in a case under this chapter.

"(b) In a case under this chapter, when adequate protection is required under section 362, 363, or 364, such adequate protection may be provided by—

"(1) requiring the trustee to make a cash payment or periodic cash payments, to the extent that the stay under section 362, use, sale, or lease under section 363, or any grant of a lien under section 364 results in a decrease in the value of property securing a claim or of an entity's ownership interest in property;

"(2) providing an additional or replacement lien to the extent that such stay, use, sale, lease, or grant results in a decrease in the value of property securing a claim or of an entity's ownership interest in property;

"(3) paying to the trustee for the use of farmland the reasonable rent customary in the community where the property is located, based upon the rental value, net income, and earning capacity of the property; or

"(4) granting such other relief as will adequately protect the value of property securing a claim or of an entity's ownership interest in property.

"§ 1223. Sales free of interests

"In addition to the authorization contained in section 363(f), the trustee in a case under this chapter may sell property under section 363 (b) and (c) free and clear of any interest in such property of an entity other than the estate if the property is farmland or farm equipment.

"§ 1224. Claims and interests

"(a) A proof of claim or interest is deemed filed under section 501 for any claim or interest that appears in the schedules filed in a case under this chapter except a claim or interest that is scheduled as disputed, contingent, or unliquidated.

"(b) For purposes of voting and distribution in a case under this chapter, a claim, secured by a lien on property of the estate shall be allowed or disallowed under section 502 the same as if the holder of such claim had recourse against the debtor on account of such claim, whether or not such holder has such recourse.

"§ 1225. Emergency care of stock

"The court may authorize the obtaining of credit pursuant to section 364 for the case, including feeding of stock owned by, or in the possession of, a debtor without notice or a hearing where the court finds that credit is needed to obtain funds to care for stock, an emergency exists and that immediate and irreparable injury, loss, or damage, will result if authorization to obtain credit for the care of stock is delayed, and that it is in the best interests of the estate to obtain credit and care for the stock. Notice shall be immediately given, by mail, to all creditors of entry of the order authorizing credit under this subsection and a copy of the order entered by the court hereunder shall be attached to the notice.".

(b) The table of chapters for title 11, United States Code, is amended by inserting

between the items relating to chapter 11 and chapter 13 the following new item:

"12. Family Farmer Reorganization .. 1201".

SEC. 3. (a) Section 103 of title 11, United States Code, is amended by—

(1) in subsection (a) by inserting "12," after "11,";

(2) by adding at the end thereof the following:

"(i) Chapter 12 of this title applies only in a case under such chapter.".

SEC. 4. Section 1930(a) of title 28, United States Code, is amended by inserting between paragraph (4) and the matter that follows such paragraph, the following:

"(5) For a case commenced under chapter 12 of title 11, $200.".

SEC. 5. Title 11, United States Code, is amended—

(1) in sections 327(c) and 347(b), by striking out "or 11" each place it appears and inserting in lieu thereof ", 11 or 12";

(2) in sections 329(b)(1)(B) and 363(l), by striking out "or 13" each place it appears and inserting in lieu thereof ", 12 or 13";

(3) in sections 362(c)(2)(C), 365(d)(2), 365(g)(1), 365(g)(2), and 502(g), by inserting "12," after "11," each place it appears;

(4) in section 326(b), by inserting "chapter 12 or" before "chapter 13";

(5) in section 328(a), by inserting "or section 1206" after "section 1102";

(6) in sections 328(a), 328(c), 330(a), and 331, by striking out "or 1103" each place it appears and inserting in lieu thereof "1103, or 1207";

(7) in section 328(c), by striking out "or 1107(b)" and inserting in lieu thereof "1107(b), or 1204(c)";

(8) in section 327(b), by striking out "or 1108" and inserting in lieu thereof "1108, or 1205";

(9) in sections 363(c)(1) and 364(a), by inserting "1205," after "1108," each place it appears;

(10) in sections 348(b), 348(c), and 348(e), by inserting "1210," after "1112," each place it appears;

(11) in section 348(d) and paragraphs (A) and (B) of section 365(g)(2), by inserting ", 1210," after "1112" each place it appears;

(12) in section 347(b), by striking out "or 1173" and inserting in lieu thereof "1173, 1216, or 1217";

(13) in sections 523(a), 524(a)(1), 524(c)(1), and 524(d), by inserting "1219," after "1141," each place it appears;

(14) in sections 322(a) and 546(a)(1), by inserting "1203," before "or 1302" each place it appears;

(15) in section 326(b), by inserting "section 1203(a) or" before "section 1302(a)"; and

(16) in section 348(b), by inserting "1211(b), 1211(c), 1219(d)(4), 1221," after "1146(b),".

SEC. 6. (a) This Act is an emergency measure and shall apply with respect to cases commenced under title 11, United States Code, after the date of the enactment of this Act but before 5 years after such date.

(b) This Act and the amendments made by this Act shall be repealed on the date 5 years after the date of enactment of this Act.●

By Mr. LEVIN (for himself, Mr. COHEN, Mr. RUDMAN, Mr. CHILES, AND Mr. DURENBERGER):

S. 2250. A bill to strengthen the prohibition of kickbacks relating to subcontracts under Federal Government contracts; to the Committee on Governmental Affairs.

ANTI-KICKBACK ENFORCEMENT ACT

● Mr. LEVIN. Mr. President, today I am introducing a bill that will strengthen our arsenal in the war against fraud in the Federal procurement system. The target is fraud at the subcontractor level—specifically, prime contractor employees who demand and subcontractors who pay kickbacks to obtain part of the work needed to carry out Government contracts.

This legislation, entitled the Anti-Kickback Enforcement Act of 1986, is unanimously supported by the members of the Senate Subcommittee on Oversight of Government Management. The Oversight Subcommittee members, in addition to myself, are Senator COHEN, the Chairman; Senator RUDMAN, Senator CHILES, and Senator DURENBERGER. Each of them is a cosponsor of the bill I am introducing today.

The purpose of the legislation is simple. It seeks to strengthen the Anti-Kickback Act, 41 U.S.C. 51, the only Federal law now on the books that deals specifically with subcontractor kickbacks. This statute, first enacted after World War II, hasn't been amended in 25 years. It contains confusing language, overly restrictive provisions and weak criminal and civil penalties. The Justice Department and law enforcement officials tell us that the act requires extensive revision if it is to become a useful weapon in the battle against subcontractor fraud.

The need to improve the Anti-Kickback Act became clear over the course of a 4-month, nationwide investigation conducted by the Oversight Subcommittee into the nature and extent of subcontractor kickbacks in the defense industry. The subcommittee held its first hearing on this issue on February 27, 1986. The situation we found was nothing less than shocking.

We were told that, in the defense industry, the payment of subcontractor kickbacks to obtain defense work is a widespread and well-entrenched practice. The U.S. attorney for the central district of California, Robert C. Bonner, testified that, according to his criminal investigations, up to 50 percent of the frontline procurement personnel of defense prime contractors are on the take. The U.S. attorney for the eastern district of Louisiana, John Voltz, described numerous longstanding and lucrative kickback schemes at a shipyard doing defense work near New Orleans. Representatives of the Federal Bureau of Investigation testified to the existence of ongoing investigations across the country and, based upon the cases completed to date, described typical defense subcontractor kickback and bid-rigging schemes. The testimony from these witnesses documented a national scandal.

In an attempt to gauge the number of persons potentially involved in these kickback activities, in February of 1986, the subcommittee surveyed the top 10 defense prime contractors to determine how many of their procurement personnel had direct control over the issuance of subcontracts for Government work. We found that these 10 companies alone employ over 6,200 buyers and immediate supervisors. Moreover, each of them deals with hundreds or even thousands of subcontractors annually to perform their Government work. These facts, when combined with U.S. attorney Bonner's estimate, suggest that hundreds if not thousands of persons may be engaged in kickback schemes in the defense industry.

The subcommittee also looked at the Federal dollars at risk. We found that of the $146 billion spent in 1984 on defense procurement expenses, almost one-third, or $47 billion, went to subcontractors. That is an enormous amount of money.

Moreover, the Oversight Subcommittee limited its indepth investigation to subcontractor kickbacks in the defense industry. There is evidence to suggest that the problem extends to other areas of Federal procurement as well. For example, indictments and ongoing probes have exposed kickback scams involving the U.S. procurement of computer software, construction services and other items. We have not even attempted to quantify the dollars at risk in such nondefense procurements.

The implications of such widespread corruption are alarming to say the least. Subcontracts allocated on the basis of payoffs rather than on the basis of merit distort competition among the Government's suppliers. Honest subcontractors are, by definition, pushed out of the market. Product prices are inflated by at least the cost of the kickbacks being paid, and these higher costs are inevitably passed on to the United States taxpayers. Subcontractors who obtain business by virtue of the bribes they pay are less likely to be concerned with producing quality products and may be supplying inferior goods or services to the Federal Government. Such results call into question the very integrity of the Federal procurement process.

You may be wondering, as I did, how these practices could go on without detection. Part of the explanation is that kickback schemes rarely leaves a paper trail for auditors to catch. The typical scam works like this. A subcontractor looking for Government work contacts a prime contractor employee with input into the procurement process, usually a "buyer." The subcontractor offers or the buyer demands a payoff to direct a contract award to the subcontractor. The amount of the payoff is often a percentage of the subcon-

tract's face value, say 5 or 10 percent of the subcontract price. The parties agree on when and how payment is to be made. Sometimes a subcontractor pays part or all of the amount before the subcontract is awarded. Many times the subcontractor makes the payoff only after the subcontractor has itself received payment, "kicking back" a percentage of the money received.

The buyer participating in the scheme takes steps to make sure the subcontract is awarded to the favored company. The buyer can do this many ways. The buyer can fabricate higher bids from other companies, tell the favored subcontractor the price to beat, or solicit higher bids from unqualified companies. In come cases, the buyer may initiate a full-fledged bid-rigging scheme. For example, we were told about a "10-percent club," in which buyers call together their subcontractors, allocate available subcontracts among them, and instruct the "winning" companies to include a 10-percent kickback in their "low bids." We learned of another buyer who used coded bid solicitations; one code meant the recipient was to submit an inflated "courtesy bid," while the other code meant the recipient was to submit a low bid, inflated just enough to include the buyer's kickback.

A common thread among these schemes is the absence of any documentation of the fraud. The amount of the kickback is easily concealed in the subcontractor's bid. Payments are made outside contract transactions, and the rigged bid may be disguised in many ways. As the FBI testified at the hearing:

> It is nearly impossible to detect kickbacks solely through reviews of paperwork and systems, because the scheme can be concealed easily by a knowledgeable buyer who takes the time to generate the paperwork that creates the appearance of a competitive bidding environment.

A corrupt procurement administrator expressed the same idea graphically in a tape-recorded conversation played at the hearing:

> As long as I can show competition, whether it's true competition or courtesy competition or * * * competition * * * that's all I gotta be able to show is competition.

These sentiments suggest that our law enforcement officials will not have an easy time detecting and stopping subcontractor kickbacks. They will need all the help they can get to investigate and prosecute these crimes. This is particularly true in light of another pattern exposed at the hearing with respect to how prime contractors handle allegations of kickback activity. The companies' typical procedure is to confront the suspected employee with the evidence. The employee then offers to resign without admitting guilt. While this resignation apparently resolves the problem for the prime contractor, it does not resolve the problem for the United States, since the corrupt employee often finds a new job in the industry and resumes his or her kickback scams. Prime contractors tell us that they even refrain from telling prospective employers of suspicious individuals, since they fear their former employees may sue them for slander or invasion of privacy.

This is a deplorable state of affairs. We have got to enlist the help of the prime contractors if we want to eliminate subcontractor kickbacks. They are in the best position to police their procurement employees, to inform the Government of suspicious activities and to keep corrupt individuals out of the workforce. Moreover, a commonality of interest does exist. After all, in most cases, the prime contractor does not know and does not benefit from the corrupt activities of its procurement personnel. The kickbacks don't go to the company coffers—they stay in the employees' pockets. And when the corruption comes to light, it is the prime contractor that suffers from the adverse publicity and impaired relations with the Government.

The legislation I am introducing today is designed in part to encourage prime contractors to take a more active role in detecting and stopping subcontractor kickbacks. Among other actions, it requires prime contractors to report possible kickback activity to the Federal Government. It makes prime contractors civilly liable for their employees' misconduct, unless they promptly turn over any information they have about the matter to the United States and, at the time of the misconduct, had implemented and were following reasonable procedures to detect and stop such misconduct. The bill further requires prime contractor employees who are involved in Federal procurement to submit sworn annual declarations to the Government listing the gifts and gratuities they received from subcontractors during the previous year.

The bill also strengthens the Anti-Kickback Act by clarifying the statutory language, removing overly restrictive provisions and increasing its criminal and civil penalties. A detailed analysis of the bill's provisions and changes from existing law follows.

Subcontractor kickbacks are an extremely serious problem for the Federal procurement system. We need to modernize the laws prohibiting such misconduct to provide Federal officials with a forceful and effective weapon in the battle against subcontractor kickbacks. For this reason, I urge my colleagues to join in this effort to combat procurement fraud.

Mr. President, I ask unanimous consent that a copy of the bill and a section-by-section analysis be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 2250

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Anti-Kickback Enforcement Act of 1986".

SEC. 2. (a) The Act entitled "An Act to eliminate the practice by subcontractors, under cost-plus-a-fixed-fee or cost reimbursable contracts of the United States, of paying fees or kick-backs, or of granting gifts or gratuities to employees of a cost-plus-fixed-fee or cost reimbursable prime contractors or of higher tier subcontractors for the purpose of securing the award of subcontracts or orders", approved March 8, 1946 (41 U.S.C. 51-56), is amended to read as follows:

"SHORT TITLE

"SECTION 1. This Act may be cited as the 'Anti-Kickback Act of 1986'.

"DEFINITIONS

"SEC. 2. As used in this Act:

"(1) 'Contracting agency', when used with respect to a prime contractor, means any department, agency, or establishment of the United States which awards a prime contract to the prime contractor.

"(2) 'Kickback' means any money, fee, commission, credit, gift, gratuity, thing of value, or compensation of any kind.

"(3) 'Person' includes a corporation, partnership, business association of any kind, trust, joint-stock company, and individual.

"(4) 'Prime contract' means a contract awarded by the United States to furnish supplies, materials, equipment, or services of any kind.

"(5) 'Prime contractor' means a person awarded a prime contract.

"(6) 'Prime contractor employee' means any officer, partner, employee, or agent of a prime contractor.

"(7) 'Subcontractor'—

"(A) means any person, other than the prime contractor or a prime contractor employee, who offers to furnish or furnishes any item or service required by a prime contract or a subcontract entered into under such prime contract; and

"(B) includes any person who offers to furnish or furnishes general supplies to the prime contractor or a higher tier subcontractor.

"(8) 'Subcontractor employee' means any officer, partner, employee, or agent of a subcontractor.

"PROHIBITED CONDUCT; PRESUMPTION THAT PROHIBITED CONDUCT OCCURRED

"SEC. 3. (a) It is prohibited for any person—

"(1) to pay, attempt to pay, or offer to pay any kickback, directly or indirectly, to any prime contractor, prime contractor employee, higher tier subcontracter, or higher tier subcontractor employee for the purpose of obtaining favorable treatment or acknowledging favorable treatment received in connection with a prime contract or any subcontract entered into under a prime contract; or

"(2) to solicit, accept, or attempt to accept any kickback, directly or indirectly, from any subcontractor or subcontractor employee for the purpose of furnishing favorable treatment or acknowledging favorable treatment furnished to a particular subcontractor in connection with a prime contract or a

subcontract entered into under a prime contract; or

"(3) to include, directly or indirectly, the amount of any kickback prohibited by clause (1) or (2) in the contract price charged by a subcontractor to a prime contractor or higher tier subcontracting or in the contract price charged by a prime contractor to the United States.

"(b) In a civil suit or administrative action commenced under this Act, there shall be a conclusive presumption that the amount of any kickback paid or accepted in connection with a prime contract in violation of subsection (a)(1) or (a)(2) has been included in the price of such prime contract and the affected subcontracts under such prime contract, and has been ultimately borne by the United States.

"CRIMINAL PENALTIES

"SEC. 4. (a) Any individual who knowingly engages in conduct prohibited by section 3(a) shall be fined not more that $250,000 or be imprisoned for not more than 10 years or both.

"(b) Any person (other than an individual) which knowingly engages in conduct prohibited by section 3(a) shall be fined not more than $1,000,000.

"SEC. 5. (a)(1) The United States may bring a civil suit against any person who violates section 3(a).

"(2) In a civil suit brought under paragraph (1), the United States may recover an amount equal to the sum of—

"(A) twice the amount of any kickback paid, accepted, or charged in violation of section 3(a); and

"(B) not more than $10,000 for each occurrence of prohibited conduct.

"(3) In a civil suit brought by the United States under this subsection against a prime contractor for a violation of section 3(a), the prime contractor's liability shall be limited to the amount of any kickback actually included in the prime contract price and paid by the United States, if—

"(A) the prime contractor furnished the United States with the information known to such prime contractor about such violation within 30 days after the date on which the prime contractor first obtained the information;

"(B) the prime contractor fully cooperated with any Federal Government investigation of such violation;

"(C) at the time the prime contractor furnished the United States with the information about the violation, no criminal prosecution, civil action, or administrative offset had commenced under this Act with respect to such violation; and

"(D) at the time the violation occurred, the prime contractor had implemented and was following reasonable procedures to prevent and detect any such violation.

"(b) A civil action under this section shall be barred unless the action is commenced within 6 years after the later of (1) the date on which the prohibited conduct establishing the cause of action occurred, and (2) the date on which the United States should reasonably have become aware that the prohibited conduct had occurred.

"TERMINATION OF CONTRACTS

"SEC. 6. (a) If a violation of section 3(a) has occurred in connection with a prime contract, as determined by the head of the contracting agency, the head of such agency may, by written notice to the prime contractor, terminate the prime contract for default. Any such termination may be adjudicated under the Contract Disputes Act of 1978.

"(b) If a prime contractor is terminated as provided in subsection (a), the United States has the same remedies against the prime contractor as are available to the United States for a breach of contract by such prime contractor.

"ADMINISTRATION OFFSETS

"SEC. 7. (a) The United States may recover the amount of any kickback paid, accepted, or charged in violation of section 3(a) by offsetting such amount against any moneys owed by the United States—

"(1) to the prime contractor, prime contractor employee, subcontractor, or subcontractor employee which included such amount in a contract price; or

"(2) to the recipient or recipients of such kickback.

"(b)(1) Upon the direction of the contracting agency or the General Accounting Office, a prime contractor shall withhold from sums the prime contractor owes a subcontractor the amount of any kickback reported to or found by such agency or office to have been paid, accepted, or charged, in violation of section 3(a), in connection with that subcontractor's subcontracts.

"(2) A prime contractor shall pay all sums withheld under paragraph (1) with respect to any violation of section 3(a) to the contracting agency or shall credit such sums against any administrative offset made pursuant to subsection (a) with respect to such violation.

"REPORTS OF VIOLATIONS

"SEC. 8. (a) A prime contractor shall promptly report possible violations of section 3(a) which come to the attention of the prime contractor.

"(b) A prime contractor shall make reports required by subsection (a) to the inspector general of the contracting agency, the head of the contracting agency if the agency does not have an inspector general, or the Department of Justice.

"ANNUAL DECLARATIONS BY PRIME CONTRACTOR EMPLOYEES

"SEC. 9. (a) Each contracting agency shall include in each prime contract awarded by such agency a provision that requires the prime contractor to file with such agency, by January 15 of each year, a sworn or affirmed declaration by each prime contractor employee who is involved in entering into subcontracts or issuing purchase orders in connection with such prime contract.

"(b)(1) Except as provided in paragraph (2), the sworn or affirmed declaration of a prime contractor employee required pursuant to subsection (a) shall identify and describe all moneys, fees, commissions, credit, gifts, gratuities, things of value, and compensation of any kind that the employee has received, directly or indirectly, from the prime contractor's subcontractors or subcontractor employees during the year preceding the year in which the declaration is due.

"(2) If a prime contractor employee did not receive any item referred to in paragraph (1) during a year covered by a declaration required pursuant to subsection (a) or the total value of all such receipts during such year did not exceed $25, the prime contractor employee may, for the purposes of such subsection, declare that there were no such receipts or that the total amount of such receipts did not exceed $25, as appropriate.

"INSPECTION AUTHORITY

"SEC. 10. For the purpose of ascertaining whether there has been a violation of section 3(a) with respect to any prime contract, the General Accounting Office and the inspector general of the contracting agency, or a representative of such contracting agency designated by the head of such agency if the agency does not have an inspector general, may inspect the facilities and audit the books and records of any prime contractor or subcontractor under a prime contract awarded by such agency.".

(b) The title of such Act is amended to read as follows: "An Act to eliminate the practice of subcontractors, in connection with Federal Government contracts, of paying fees or kickbacks or of granting gifts or gratuities to employees of prime contractors or of higher tier subcontracts or orders or other favorable treatment.".

SEC. 3. (a) Except as provided in subsection (b), the Anti-Kickback Act of 1986 (as set out in section 2(a)) shall apply to conduct described in section 3(a) of such Act which occurs on or after the date of the enactment of this Act.

(b) Section 9 of the Anti-Kickback Act of 1986 (as set out in section 2(a)) shall apply to contract solicitations issued by an agency, department, or other establishment of the Federal Government on or after the date of the enactment of this Act.

SUMMARY OF THE ANTI-KICKBACK ENFORCEMENT ACT

The Anti-Kickback Enforcement Act of 1986 amends the existing Anti-Kickback Act by reorganizing its provisions and adding new language. In particular, the bill:

(1) adds a definition section to the Act;

(2) clarifies language prohibiting the payment of kickbacks, the acceptance of kickbacks, and the inclusion of kickback costs in contract expenses ultimately borne by the United States;

(3) makes it clear that the Act applies to kickbacks paid by independent sales representatives and by companies that furnish general supplies to prime contractors;

(4) Expands the Act to prohibit attempted as well as completed kickbacks;

(5) expands the Act to prohibit kickbacks paid in connection with any government contract, removing the Act's present restriction to "negotiated contracts";

(6) expands the Act to prohibit kickbacks paid to obtain *any* type of favorable treatment in connection with a government contract, removing the Act's present restriction to kickbacks paid to induce or acknowledge the award of a subcontract;

(7) increases the Act's criminal penalties from a maximum of two years imprisonment and a $10,000 fine to a maximum of ten years imprisonment and a $250,000 fine for individuals and a $1 million fine for corporations;

(8) expands the Act's civil remedies, now limited to the recovery of kickbacks charged to the United States, to permit the United States to recover twice the amount of such kickbacks plus a $10,000 civil fine for each occurrence of prohibited conduct;

(9) expands the Act's civil remedies to make prime contractors liable for their employees' misconduct unless, prior to any criminal prosecution or other civil suit on the matter, the prime contractor promptly provides the United States with any information it obtains on the case, cooperates with any government investigation, and, at the time the misconduct occurred, had implemented and was following reasonable procedures to prevent and detect such misconduct;

(10) clarifies the statute of limitations for filing civil actions, stating that it shall be a period of 6 years;

(11) codifies existing case law from the Supreme Court, *United States* v. *Acme Process Equipment Co.*, 385 U.S. 138 (1966), enabling the United States to terminate prime contracts tainted by subcontractor kickbacks;

(12) clarifies language allowing the United States to use administrative offsets to recover the cost of kickbacks charged to the government;

(13) adds language requiring prime contractors to report possible violations of the Act to the government;

(14) adds language requiring employees of prime contractors to file annual, sworn declarations with the United States listing any fees, gifts or other compensation received from subcontractors during the previous year; and

(15) maintains a provision authorizing the General Accounting Office to conduct audits to investigate violations of the Act and extends the same authorization to other federal agencies.●

● Mr. COHEN. Mr. President, I rise today in strong support of the proposed Anti-Kickback Enforcement Act of 1986 and commend my colleague from Michigan, Senator LEVIN, for taking the initiative to address what I consider to be a very serious and pervasive problem in defense contracting—subcontractor kickbacks.

The legislation we're introducing, along with Senators RUDMAN, CHILES, and DURENBERGER, would amend the Anti-Kickback Act to strengthen the statutory sanctions against subcontractor kickbacks by increasing the maximum criminal penalties from $10,000 to $250,000 for an individual and from $10,000 to $1 million for a business, lengthening the maximum prison term from 2 to 10 years, providing a civil penalty of double damages plus $10,000 for each violation, and adding the prime contractor as a liable party for recovery of the kickback and civil penalties. The bill also would close loopholes in the act's coverage, require annual sworn statements from purchasing agents listing gratuities received from subcontractors, and permit the United States to terminate a prime contract for violations of the act.

Subcontractor kickbacks are described by some in the defense industry as a "cost of doing business" and by others as "a way of life." The typical kickback scheme involves a purchasing agent for a prime contractor who either accepts or solicits payment from a subcontractor in return for some form of favorable treatment. In some cases, the subcontractor offers the bribe; while in other cases, the purchasing agent demands payment.

In both cases, the consequence is the same: the price of the contract is inflated to cover the cost of the kickback—often by 5 or 10 percent of the cost of the subcontract—with the Government, and ultimately the taxpayer, getting stuck with the tab.

Last month, the Governmental Affairs Subcommittee on Oversight of Government Management, which I chair, held a hearing to examine the extent of subcontractor kickbacks in the defense industry and the efforts undertaken to combat this fraudulent activity. The testimony confirmed our worst fear that subcontractor kickbacks are not the exception, but rather the rule, in defense contracting in some parts of the country.

In perhaps the most compelling testimony at the hearing, Robert Bonner, the U.S. attorney for the Central District of California, stated that:

Kickbacks on defense subcontracts are a pervasive, longstanding practice which has corrupted the subcontracting process at most, if not all, defense contractors, and infected most, if not all, defense procurement programs within the Central District of California.

Mr. Bonner, who has been very active in prosecuting kickback cases, estimated that "up to 50 percent of the buyers or front line procurement personnel at prime contractors take kickbacks in return for issuing subcontracts."

Kickbacks are so pervasive in southern California, according to Joseph Sheehan, an FBI agent experienced in investigating kickback cases, that there is actually an informal club of kickback conspirators. The so-called 10 percent club consists of certain purchasing agents who disclose to selected subcontractors the contracts that their companies intend to announce during the upcoming season, and then divide up the pie among the subcontractors in a classic bid-rigging arrangement. The bids are typically inflated by at least 10 percent—hence the name of the club—to cover the cost of the kickbacks.

While subcontractor kickback activity appears to be most prevalent on the west coast, where the concentration of prime contractors has attracted a similar grouping of subcontractors, the problem is by no means restricted to this area. John Volz, the U.S. attorney for the Eastern District of Louisiana, testified that subcontractor kickbacks were a "way of life" at Avondale, a New Orleans shipyard. Mr. Volz told the subcommittee that:

[I]n almost every situation where a kickback scheme existed, the defendants stated that their predecessors at Avondale in the same positions participated in similar kickback activities and that the defendants just continued a tradition of kickbacks.

In addition, Jeffrey Jamar, section chief of the White-Collar Crimes Section of the FBI, testified that "significant problems have been identified in New England, the Midwest * * *, and other areas." The oversight subcommittee is currently investigating these cases as well.

The breadth of subcontractor kickback activity, while significant, is only part of the problem. Contributing to this problem is the fact that the Anti-Kickback Act, the statute enacted in 1946 to provide sanctions against subcontractor kickbacks, is woefully inadequate and rarely used. According to the Justice Department, there have been only eight convictions under the Anti-Kickback Act during the past 5 years. Federal prosecutors often resort to other laws, such as the mail fraud and conspiracy statutes, to prosecute individuals involved in kickback schemes.

The Avondale case is a particularly good example of both the breadth of the kickback problem and the inadequacy of the Anti-Kickback Act to deal with this problem.

Much of the kickback activity uncovered at Avondale centered around the procurement of welding supplies. In 1983, internal auditors discovered that the shipyard was buying many more welding supplies than it could ever use. In fact, Avondale actually paid for more than a half a million dollars worth of material that was never even provided, with the bills charged to the Navy and the proceeds split between certain shipyard employees and suppliers.

In some instances, the superviser of accounts payable submitted certain suppliers' bills for double payment, approving both the original and carbon copy, and then sharing in the profit. In other instances, the superviser would tear up credit memos issued by certain suppliers for welding materials that had been paid for but returned, again, splitting the proceeds.

For those welding supplies actually paid for and received by the shipyard, the purchasing agent would conspire with certain suppliers to inflate the price of their bids by a percentage of the amount of the buy, ranging from 5 to 10 percent depending on the vendor, to cover the cost of a kickback.

A welding warehouse superviser was also in on the scam as he would direct business to specific suppliers in exchange for a percentage kickback. The warehouse superviser labeled the welding supplies with false identification numbers so that the purchasing agent, who was also involved in the deal, would know to purchase the supplies from designated suppliers.

The welding superviser also stole some welding supplies and sold them through a bogus company to certain suppliers at half price. These suppliers then resold the tips back to the shipyard at a 100-percent markup, with the proceeds divided among all those involved.

To date, 26 Avondale employees and suppliers have been convicted for offenses ranging from conspiracy and mail fraud to extortion and embezzlement—but none was charged with violating the Anti-Kickback Act. The reasons, according to prosecutors involved

with the case, were primarily twofold. First, the act only applies to negotiated contracts. Most of the affected contracts at Avondale, however, were either sealed bids or orders from existing contracts.

Second, the act requires that the payment of a kickback be accepted with knowledge of its purpose to induce the award of a subcontract, or as an acknowledgement of a subcontract previously awarded. This limitation precludes prosecution under the act of kickbacks paid by a subcontractor to a prime contractor that are not related to the award of a specific subcontract. In the Avondale case, for example, certain subcontractors paid the purchasing agent a weekly $500 kickback merely as a "cost of doing business."

In addition to these statutory shortcomings, Victoria Toensing, Deputy Assistant Attorney General of the Criminal Division, testified at the oversight subcommittee's hearing on "a number of problems with the act" that have restricted its use.

For example, in order to bring a successful prosecution under the Anti-Kickback Act, the Government must prove that there was acceptance of a payment directly or indirectly by or on behalf of a subcontractor. Consequently, the act does not prohibit the offer or solicitation of kickbacks and would not apply in undercover operations where the offer or solicitation is clear, but payment has not been made. This is a significant limitation since, according to Mr. Jamar's testimony, most kickback schemes are uncovered through sting-like operations.

Moreover, Ms. Toensing testified that the act has "a relatively light penalty structure," providing for imprisonment of only 2 years and a $10,000 fine, compared to other fraud statutes that impose 5- or 10-year prison terms. The Anti-Kickback Act's lighter penalty discourages its use, according to law enforcement experts, because it limits prosecutorial bargaining room and may be interpreted as signalling that the crime involved is not a serious one.

To remedy these and other problems, Ms. Toensing recommends that first, the scope of the act should be broadened so that it covers kickbacks paid for purposes other than the award of a particular subcontract; second, the act should include kickbacks under all types of contracts, not just negotiated prime contracts; three, the act should be amended to cover the offer or solicitation of kickbacks; and fourth, the maximum term of imprisonment for violations should be increased.

The Anti-Kickback Enforcement Act of 1986 not only would effectively implement the Justice Department's recommendations, but also would strengthen the act in other significant ways as well.

This legislation addresses a problem which, aside from the present statutory limitations, has greatly hampered enforcement efforts. Mr. Bonner testified that prime contractors, upon receiving allegations of kickbacks being paid, often take matters into their own hands and do not seek Federal law enforcement assistance. Employees suspected of accepting kickbacks are simply fired rather than turned over to Federal authorities. These roving buyers are subsequently able to continue their illicit activities elsewhere.

While prime contractors are, more often than not, the victims of corrupt employees, they generally have been reluctant to confront kickback problems because of the bad publicity and possible adverse consequences. The proposed legislation would encourage prime contractors to report their corrupt employees to Federal authorities by exempting the primes from civil liability if such primes, first, inform the United States, in a prompt manner, of all information known by the prime about the kickback violation and second, demonstrate that reasonable procedures to prevent and detect any kickback violation were in place at the time the violation occurred. Otherwise, the prime contractor could be held liable.

To assist in the detection of kickbacks and to heighten awareness of the problem, the legislation also requires that Federal agencies include a clause in all contracts requiring prime contractors to file with the agency sworn annual statements by each employee involved in purchasing listing gratuities received during the previous year from subcontractors.

Finally, this legislation would authorize the United States to terminate a prime contract for violations of the act and to pursue breach of contract remedies against the prime contractor following such termination.

It is important to note that several defense contractors have taken the initiative to combat the problem of corrupt employees and kickback schemes. In what Mr. Jamar described in his testimony as an "increased emphasis on self-policing," many defense contractors, including Avondale, have instituted elaborate internal control systems to prevent any further kickback problems. Some companies, such as Hughes Aircraft, have set up management seminars and employee training sessions to highlight the problem and stress management's determination to take corrective action.

Notwithstanding the defense industry's best efforts, however, I believe that the changes proposed in the Anti-Kickback Enforcement Act of 1986 are needed to strengthen the Federal Government's hand in dealing with this problem, and I urge my colleagues to lend their support.●

By Mr. HELMS (for himself, Mr. ZORINSKY, and Mr. DOLE)

S.J. Res. 310. Joint resolution to proclaim June 15, 1986, through June 21, 1986, as "National Agricultural Export Week"; to the Committee on the Judiciary.

NATIONAL AGRICULTURAL EXPORT WEEK

● Mr. HELMS. Mr. President, today I am joined by the distinguished ranking minority member of the Senate Committee on Agriculture, Nutrition, and Forestry, (Mr. ZORINSKY) and the distinguished majority leader, (Mr. DOLE) in introducing a joint resolution to proclaim June 15 through June 21, 1986, as "National Agricultural Export Week."

The proclamation of June 15 through June 21 as National Agricultural Export Week would be a significant, positive gesture in recognition of the importance of our agricultural exports to America's farmers and ranchers, to our international balance of trade, and to the entire Nation's economy.

During the past few weeks, much attention has been focused on the progress of the NCAA Collegiate Basketball Tournament. As the field has dwindled to four teams, it has been uncanny how often the performance of the star player on a team has seemed to predispose the team's sucess or failure—in the words of several television commentators during this tournament, "As goes the star, so goes the team."

Mr. President, the same relationship exists in American agriculture: As go our exports, so goes American agriculture.

During the 1970's, our star player was brilliant—the annual value of agricultural exports from the United States grew by more than fivefold, from $7.3 billion in 1977 to $43.3 billion 1981.

In recent years, however, the star of American agriculture has gone through a slump. Agricultural exports have fallen to an estimated $28 billion during the current year. The agricultural balance-of-trade surplus, or the level of exports minus imports, is estimated at approximately $7 billion, the lowest figure since 1972. This figure compares with an agricultural trade suplus of $26.6 billion in 1981.

This has had important implications, not only for agriculture itself, but the entire Nation's economy. The nearly $20 billion decline in our agricultural trade surplus is one of the major factors contributing to the increased trade deficit.

Reduced agricultural exports have undoubtedly curtailed economic activity in the United States. Every billion dollars in farm exports generates

35,000 jobs and creates another $1.4 billion of economic acitivity in the United States.

Fortunately, many signals point to an end in our agricultural export slump—and to a brighter future for American agriculture.

The 1985 farm bill, which provides for market-oriented crop loan rates and an unprecedented set of tools for the expansion of our agricultural exports, including the Export Enhancement Program, targeted export assistance, intermediate export credits, exemption of commercial agricultural exports from cargo preference requirements, and Food for Progress, will greatly enhance the U.S. position in international agricultural markets.

The resolve demonstrated by this body thus far to abide by the mandate of Gramm-Rudman-Hollings will, if continued, provide a healthy "Assist" to the competitiveness of our agricultural exports. By diminishing and eventually eliminating the Federal Government's demand for credit, we will once again enjoy the benefits of more realistic interest rates. These benefits include a more reasonably priced dollar and lower production costs for U.S. products.

Indeed, the dollar has already fallen to significantly lower exchange rates against many currencies. The recent decline of the dollar—the dollar has fallen by 35 percent against the yen to a record low, for example—portends favorably for our exports in the months and years ahead.

The designation of June 15 through June 21 of this year as National Agricultural Export Week will help to highlight important activities scheduled during that week regarding the agricultural export issue. Planning is underway for "Agexport '86", A weeklong program of conferences, hearings, and other activities on agricultural exports. This is being coordinated by the National Commission on Agricultural Trade and Export Policy, which will make its final report on July 1, 1986, on recommendations to restore the U.S. position in international agricultural markets.

The revitalization of our agricultural exports is essential to America's agricultural "team" and the rest of the American economy. I urge Senators to support this joint resolution.●

● Mr. ZORINSKY. Mr. President, I am pleased to join my colleagues in introducing this joint resolution to proclaim the week of June 15, 1986, through June 21, 1986, as "National Agricultural Export Week".

The importance of agriculture to this Nation's economy cannot be overemphasized. Agriculture is our largest single industry and provides an abundance of food and fiber for the health and well-being of our citizens and people throughout the world. However, the health and well-being of this important industry are not good. Unless prompt action is taken to improve the prices that our farmers and ranchers receive for their products, the prospects for the future of American agriculture will not be bright.

The huge surplus of commodities overhanging the agricultural markets during 1985 resulted in lower prices for nearly all crops.

Recently, the Department of Agriculture estimated that U.S. agricultural exports during 1986 may total approximately $29 billion in value, or as much as 10 percent less than the value of our agricultural exports during 1985. U.S. exports of all major grains are nearly one-third below their level of a year ago.

This decline in the level of volume, as well as value, of agricultural exports must be reversed if there is to be a significant reduction in the surplus stocks of commodities and an improvement in prices for our farmers.

The 1985 farm bill contains many provisions designed to help make U.S. farmers competitive in the international marketplace. The farm bill lowers loan rates and provides export incentives. However, thus far we have not seen any substantial use of these export incentives by the administration. Yet, we continue to witness a reduction in net farm income and increasing farm foreclosures, as well as closings of agricultural banks.

It is imperative that the administration make use of the tools contained in the 1985 farm bill and other provisions of law to improve our competitive position in the export markets. Export assistance to offset the effects of unfair trade practices of foreign governments should be used aggressively. Surplus stocks must be used to develop and enhance export markets for our agricultural commodities and products.

The crisis in American agriculture has spread beyond the States in the Midwest, and—if allowed to go unchecked—the economic health and well-being of the whole country will be at risk.

Mr. President, I hope that the introduction of this resolution will focus the attention of the administration on the need to take immediate action to increase our agricultural exports through an aggressive trade program and thereby improve the prospects of adequate prices for our farmers.●

ADDITIONAL COSPONSORS

S. 8

At the request of Mr. CRANSTON, the name of the Senator from Montana [Mr. BAUCUS] was added as a cosponsor of S. 8, a bill to grant a Federal charter to the Vietnam Veterans of America, Inc.

S. 1662

At the request of Mr. PELL, the name of the Senator from Tennessee [Mr. GORE] was added as a cosponsor of S. 1662, a bill to encourage the transfer of training technology developed by the Federal Government to commercial users and public interest users.

S. 1756

At the request of Mr. BUMPERS, his name was added as a cosponsor of S. 1756, a bill to authorize the President to present to Sargent Shriver, on behalf of the Congress, a specially struck medal.

S. 1793

At the request of Mr. KENNEDY, the name of the Senator from Tennessee [Mr. GORE] was added as a cosponsor of S. 1793, a bill to amend the Public Health Service Act to establish a grant program to develop improved systems of caring for medical technology dependent children in the home, and for other purposes.

S. 1823

At the request of Mr. ROCKEFELLER, the name of the Senator from Pennsylvania [Mr. SPECTER] was added as a cosponsor of S. 1823, a bill to strengthen the technological literacy of the Nation through demonstration programs of technology education.

S. 1900

At the request of Mr. ROTH, the names of the Senator from Wisconsin [Mr. KASTEN] and the Senator from Wisconsin [Mr. PROXMIRE] were added as cosponsors of S. 1900, a bill to amend the Foreign Agents Registration Act of 1938 by providing for the 5 year suspension of exemptions provided to an agent of a foreign principal convicted of espionage offenses.

S. 1901

At the request of Mr. ROTH, the names of the Senator from Wisconsin [Mr. KASTEN], and the Senator from Wisconsin [Mr. PROXMIRE] were added as cosponsors of S. 1901, a bill to amend the Foreign Missions Act regarding the treatment of certain Communist countries, and for other purposes.

S. 1917

At the request of Mr. BRADLEY, the names of the Senator from Oklahoma [Mr. NICKLES], and the Senator from Florida [Mrs. HAWKINS] were added as cosponsors of S. 1917, a bill to amend the Foreign Assistance Act of 1961 to provide assistance to promote immunization and oral rehydration, and for other purposes.

S. 1950

At the request of Mr. BRADLEY, the name of the Senator from Massachusetts [Mr. KENNEDY] was added as a cosponsor of S. 1950, a bill to amend the Internal Revenue Code of 1954 to disallow deductions for advertising expenses for tobacco products.

S. 1984

At the request of Mr. NICKLES, the name of the Senator from Maine [Mr.

COHEN] was added as a cosponsor of S. 1984, a bill to amend the Employee Retirement Income Security Act of 1974 to improve the financial solvency of multiemployer pension plans, and for other purposes.

S. 2050

At the request of Mr. METZENBAUM, the name of the Senator from Hawaii [Mr. MATSUNAGA] was added as a cosponsor of S. 2050, a bill to notify workers who are at risk of occupational disease in order to establish a system for identifying and preventing illness and death of such workers, and for other purposes.

S. 2081

At the request of Mr. BUMPERS, his was added as a cosponsor of S. 2081, a bill to reauthorize the Head Start Act, the Low-Income Home Energy Assistance Act of 1981, the Community Services Block Grant Act, for deferred cost care programs, and for other purposes.

S. 2129

At the request of Mr. KASTEN, the name of the Senator from Maryland [Mr. SARBANES] was added as a cosponsor of S. 2129, a bill to facilitate the ability of organizations to establish risk retention groups, to facilitate the ability of such organizations to purchase liability insurance on a group basis, and for other purposes.

S. 2147

At the request of Mr. WEICKER, the name of the Senator from New York [Mr. D'AMATO] was added as a cosponsor of S. 2147, a bill to extend the authorization for not-for-profit organizations operated in the interest of handicapped and blind individuals to receive procurement contracts under the Small Business Act.

S. 2186

At the request of Mr. MURKOWSKI, the names of the Senator from Maryland [Mr. SARBANES], the Senator from Illinois [Mr. SIMON], and the Senator from North Dakota [Mr. BURDICK] were added as cosponsors of S. 2186, a bill to exempt any amounts available to provide certain benefits to veterans with service-connected disabilities from any requirement for sequestration of funds under part C of the Balanced Budget and Emergency Deficit Control Act of 1985.

S. 2190

At the request of Mr. SARBANES, the names of the Senator from Tennessee [Mr. GORE], the Senator from Tennessee [Mr. SASSER], the Senator from North Dakota [Mr. BURDICK], and the Senator from Illinois [Mr. SIMON] were added as cosponsors of S. 2190, a bill to provide that the full cost-of-living adjustment in benefits payable under certain Federal programs shall be made for 1987.

S. 2209

At the request of Mr. DOLE, the name of the Senator from Maine [Mr. COHEN] was added as a cosponsor of S. 2209, a bill to make permanent and improve the provisions of section 1619 of the Social Security Act, which authorizes the continued payment of SSI benefits to individuals who work despite severe medical impairment; to amend such act to require concurrent notification of eligibility for SSI and Medicaid benefits and notification to certain disabled SSI recipients of their potential eligibility for benefits under such section 1619; to provide for a GAO study of the effects of such section's work incentive provisions; and for other purposes.

S. 2211

At the request of Mr. LAUTENBERG, the names of the Senator from Colorado [Mr. HART], and the Senator from Michigan [Mr. LEVIN] were added as cosponsors of S. 2211, a bill to amend the Internal Revenue Code of 1954 so as to extend temporarily the authority to collect Superfund taxes, and for other purposes.

S. 2212

At the request of Mr. LAUTENBERG, the names of the Senator from Colorado [Mr. HART], the Senator from Michigan [Mr. LEVIN], and the Senator from Maryland [Mr. MATHIAS] were added as cosponsors of S. 2212, a bill to make an advance to the Hazardous Substance Response Trust Fund to enable the fund to meet certain expenses under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, and for other purposes.

S. 2221

At the request of Mrs. KASSEBAUM, the name of the Senator from Nebraska [Mr. EXON] was added as a cosponsor of S. 2221, a bill to amend section 108 of the Internal Revenue Code of 1954 to provide that the discharge of certain farm indebtedness shall not be included in gross income.

SENATE JOINT RESOLUTION 251

At the request of Mr. HATCH, the name of the Senator from Rhode Island [Mr. PELL] was added as a cosponsor of Senate Joint Resolution 251, a joint resolution to designate the week of May 11, 1986, through May 17, 1986, as "National Science Week, 1986."

SENATE JOINT RESOLUTION 256

At the request of Mr. TRIBLE, the name of the Senator from Pennsylvania [Mr. HEINZ] was added as a cosponsor of Senate Joint Resolution 256, a bill designating August 12, 1986, as "National Neighborhood Crime Watch Day."

SENATE JOINT RESOLUTION 284

At the request of Mr. METZENBAUM, the names of the Senator from South Carolina [Mr. HOLLINGS], the Senator from Nevada [Mr. LAXALT], the Senator from Hawaii [Mr. INOUYE], and the Senator from Florida [Mrs. HAWKINS] were added as cosponsors of Senate Joint Resolution 284, a joint resolution to designate the month of May 1986 as "Better Hearing and Speech Month."

SENATE JOINT RESOLUTION 289

At the request of Mr. ROTH, the name of the Senator from Massachusetts [Mr. KENNEDY] was added as a cosponsor of Senate Joint Resolution 289, a joint resolution to designate 1988 as the "Year of New Sweden" and to recognize the New Sweden '88 American Committee.

SENATE CONCURRENT RESOLUTION 119

At the request of Mrs. KASSEBAUM, the name of the Senator from Nebraska [Mr. EXON] was added as a cosponsor of Senate Concurrent Resolution 119, expressing the sense of the Congress relating to an amendment to the Internal Revenue Code of 1954 excluding the discharge of qualified agricultural indebtedness from cancellation of indebtedness income.

SENATE RESOLUTION 303

At the request of Mr. HEINZ, the names of the Senator from Michigan [Mr. LEVIN], the Senator from Arizona [Mr. DECONCINI], and the Senator from Rhode Island [Mr. PELL] were added as cosponsors of Senate Resolution 303, a resolution to express the sense of the Senate with respect to the proposals currently before the Congress to tax certain employer-paid benefits and other life-support benefits.

SENATE RESOLUTION 371—RELATING TO FINANCING OF INFRASTRUCTURE BY VARIOUS MEANS

Mr. DOMENICI (for himself, Mr. D'AMATO, Mr. DENTON, Mr. DODD, Mr. DURENBERGER, Mr. GRAMM, Mrs. HAWKINS, Mr. HECHT, Mr. KASTEN, Mr. NICKLES, Mr. SIMON, Mr. THURMOND, and Mr. WILSON) submitted the following resolution; which was referred to the Committee on Finance:

S. RES. 371

Whereas the United States faces a need for capital investment in basic infrastructure such as water supply, sewage treatment, waste disposal, and transportation systems that is estimated to be between $860,000,000,000 and $1,000,000,000,000 between now and the year 2000 or between $57,500,000,000 and $73,400,000,000 annually;

Whereas the annual Federal, State, and local expenditures for infrastructure fall short of the annual need by approximately $18,000,000,000 and will probably continue to decrease due to Federal spending cuts;

Whereas private financing of intrastructure facilities is an increasingly important means of compensation for the shortfall in expenditures on such facilities;

Whereas tax-exempt bonds issued by or on behalf of the States and their political subdivisions or instrumentalities are an essential source of financing for both public and private expenditures for infrastructure at the State and local level;

Whereas the deductions relating to depreciation of recovery property under the accelerated cost recovery system and the regular credit for investment in depreciable property have been essential factors in obtaining private financing of infrastructure facilities;

Whereas on December 17, 1985, the House of Representatives passed H.R. 3838, entitled the "Tax Reform Act of 1985", which amends several provisions of the Internal Revenue Code of 1954;

Whereas H.R. 3838 includes amendments to the provisions of the Internal Revenue Code of 1954 that relate to the exclusion from gross income for Federal income tax purposes of the interest payable on bonds issued by or on behalf of the States and their political subdivisions or instrumentalities;

Whereas if enacted in current form and substance such amendments, in general, would be effective as to bonds issued after December 31, 1985, and would impose new restrictions and requirements relating to the investment, uses, and expenditure of the proceeds of tax-exempt bonds and the use of the facilities financed with such proceeds in order to qualify the interest thereon for exclusion from gross income for Federal income tax purposes;

Whereas such amendments would additionally require that the interest payable on certain bonds be treated as a tax preference item in the computation of the alternative minimum tax imposed by section 55 of the Internal Revenue Code of 1954 and would adversely affect the tax consequences for financial institutions and for property and casualty companies of investing in tax-exempt bonds;

Whereas such amendments would greatly diminish the ability of State and local governments to finance needed infrastructure through tax-exempt bonds by increasing the burden of recordkeeping and administration, imposing restrictions and requirements that are difficult or impossible to comply with, restricting legitimate cash managment techniques, severely limiting the volume of bonds that can be issued for several types of infrastructure facilities, precluding tax-exempt financing for privately owned water supply facilities, and discouraging important classes of investors from purchasing tax-exempt bonds;

Whereas such factors and effective dates have already caused serious and dangerous disruptions in all areas of State and local government financing and construction activities throughout the United States because H.R. 3838 is being treated and applied as law prior to its consideration by the Senate;

Whereas H.R. 3838 also includes amendments to the provisions of the Internal Revenue Code of 1954 that relate to the deduction allowed with respect to depreciation of recovery property, and the repeal of the regular tax credit for investment in depreciable property;

Whereas the new depreciation schedules if enacted in current form and substance would significantly lengthen the recovery period for depreciable property in most infrastructure facilities, particularly solid waste disposal, wastewater treatment, and water supply facilities;

Whereas enactment of such amendments relating to depreciation and the investment tax credit will discourage many private investors from contributing to the financing of needed infrastructure facilities, and will lead to the charging of higher user fees for those facilities that are privately financed in order to make such financing feasible; and

Whereas the sum effect of the enactment of the provisions of H.R. 3838 relating to tax-exempt bonds, deductions for depreciation of recovery property, and the regular tax credit for investment in depreciable property will be an increase in costs to State and local governments of financing and construction of needed infrastructure, an increase in the fees charged to members of the general public for receiving the benefit of infrastructure facilities, and the failure of State and local governments to undertake many needed infrastructure projects: Now, therefore, be it,

Resolved, That it is the sense of the Senate to instruct Senate committees and conferees that—

(1) the Senate will not approve any provisions relating to tax-exempt bonds in H.R. 3838 or similar legislation that will adversely affect the ability of the States and political subdivisions thereof to finance infrastructure needs,

(2) the Senate will retain incentives in the capital formation provisions of any tax reform legislation to encourage private investment in public infrastructure, and

(3) the Senate will not approve any tax reform provisions that would adversely affect the tax-exempt status of the bonds or other obligations of the States or their political subdivisions or instrumentalities which comply with current law and which are issued prior to—

(A) January 1, 1987, or

(B) any later date provided in enacted law.

● Mr. DOMENICI. Mr. President, today I am submitting a resolution to put the Senate on record on what I consider to be one of the most crucial issues facing us today: the financing of our Nation's infrastructure. In particular, the resolution deals with the devastating effect that the House tax reform bill, H.R. 3838, would have on capital investment in infrastructure if enacted.

By "infrastructure" I mean the basic public works that are necessary to ensure health and safety and carry on everyday life: water supply systems, sewage and solid waste disposal facilities, transportation systems, and the like. These projects are usually financed, built and operated at the State and local level, with the financing coming from a variety of sources—Federal grants, State and local taxes, tax-exempt bond issues, user fees, and increasingly, private capital. One of those sources, Federal grants, will at best grow no more and under current budget constraints could shrink. Two others, tax-exempt bonds and investment or private capital, are directly threatened by tax reform.

Indeed, the tax-exempt bond provisions of H.R. 3838 have been operating this year as a law that isn't a law. Because the provisions of H.R. 3838 apply to all bonds issued on or after January 1, 1986, the bond market has been effectively frozen since January. The administration and the tax-writing committees recently issued a statement that the retroactive date would be changed to a prospective one for governmental bonds only. While this clarification has helped somewhat, it is inadequate. Bond counsel will not guarantee the tax exemption of a local bond issue unless they are certain that it complies with the provisions of H.R. 3838, so that its exemption will be safe if those provisions are enacted.

Thus, even though H.R. 3838 has not been enacted—has not even been considered by the Senate—it has been operating as if it were already law. This is terribly unfair, both to the local governments who made plans for needed projects in reliance on current law, and to the residents who will be deprived of or forced to pay higher prices for basic public services.

Let me give you a few examples of the far-reaching effect H.R. 3838 is having in my State.

According to Tucumcari's city manager the restrictions in H.R. 3838 are wrecking the road paving program in the State.

Earlier this year, the city of Farmington issued bonds for a sewer line replacement project. To keep the construction moving, they had to comply with the provisions of H.R. 3838. The bond issue took longer to complete; it cost the city more money in legal fees; and the bonds had to carry a higher rate of interest. In general, trying to comply with H.R. 3838 was dubbed an "administrative nightmare."

The New Mexico Educational Assistance Foundation can't refund the bonds it needs, thereby jeopardizing the student loan program in my State.

Dona Ana County had a bond election to issue bonds for the fairgrounds, a judicial complex in Anthony, and the renovation of the courthouse in the county seat. The fair, the needed courtrooms and the renovation are on hold because of H.R. 3838.

Taos, NM, needs a new hospital, but 501(c)(3) organizations like the hospital and its project are paralyzed because of H.R. 3838.

Clovis, Bloomfield, Farmington, Questa, and Roswell are cities that need school building renovation or new construction, but the worksites are idle and the classrooms and playgrounds won't be ready because of H.R. 3838.

It seems tragic to me that we have a House-passed bill that has been governing like the law of the land when the Senate version of the bill has not even been reported by the committee.

The tax-exempt bond provisions of H.R. 3838 will severely constrain State and local governments in their use of this traditional financing tool. They will enormously increase the complexity, cost and overall burden for local governments of administration and compliance; impose restrictions and requirements for the issuance of tax-exempt bonds that will be difficult

and in some cases literally impossible for local governments to comply with; prevent local governments from using legitimate cash management techniques to obtain the most value from bond proceeds; make it difficult to obtain tax-exempt financing for sewage, solid waste and water supply facilities by placing them under a severely limited volume cap in competition with several other types of bonds; and discourage important classes of investors from purchasing tax-exempt bonds.

The committee print that the Finance Committee is using in its markup is an improvement over H.R. 3838. It is certainly a better starting point but it does not go far enough. While some tightening up over current law may be appropriate, the committee print is too restrictive and will negatively affect the ability of States and localities to provide public services.

It is important to stress that the provisions of tax reform will affect traditional, governmental public works projects for which there is a clear public need and public purpose. I feel it is wrong to hamper public financing in this way, and for that reason, I have joined Senator DURENBERGER in introducing S. 2166, which would amend H.R. 3838 in a manner that addresses most of these concerns. I urge my colleagues to do the same.

As worrisome as the effect of H.R. 3838 on public financing is the effect that it will have on the availability of private capital for infrastructure. As I mentioned earlier, State and local governments are increasingly turning to private capital as a way of meeting the gap between the financing that is available from public sources and the estimated annual need—a gap that is estimated by the Congressional Budget Office to be around $18 billion a year. Private investment has been particularly important in the areas of sewage treatment, solid waste disposal, and water supply.

Local governments are able to attract private investors to these facilities now because of certain tax benefits that compensate for the otherwise low and very lengthy rate of return. Tax-exempt financing is one such benefit. Another is accelerated depreciation. Most of the property in sewage, solid waste, and water supply facilities is 5-year property under the current accelerated cost recovery system. Under the depreciation system of H.R. 3838, property in these facilities would be scattered among several classes, with recovery lines ranging from 10 years for some solid waste property to 30 years for water supply facilities. Worse still, if the property is financed with tax-exempt bonds, the depreciation period becomes even longer.

These changes will effectively end private investment in water facilities. For other facilities private investment will be greatly reduced, and when it does occur, higher user fees will be required for the facility in order to maintain the necessary rate of return to the investor.

In the end, it all comes down to the people who live in the States, counties, cities, and towns that are trying to finance these facilities, the people who would benefit from the services they provide. It is they who will suffer from the increases in State and local taxes brought about by the need to cover higher debt costs; who will find themselves paying higher user fees in order to receive the basic services that are necessary to everyday life; and who will be forced to rely on old, outmoded, and unsafe facilities or on no facilities at all because the capital is simply not there to build new ones. And as is always the case, those who have a lot of money will be affected less than those with little. H.R. 3838 may be intended to make the Tax Code more fair and progressive, but at the State and local level it will have an effect that is very regressive.

We have come to take for granted in this country such services as clean water from the tap and sanitary disposal of sewage. I am seriously concerned that the citizens of the State of New Mexico and of this Nation may find such services to be too expensive or unavailable in the future if we take away the tools that State and local governments use to finance basic infrastructure facilities.

That is why I am calling on my fellow Senators to join me in a resolution declaring it to be the sense of the Senate that we will not approve any provisions that will adversely affect the ability of State and local governments to finance their infrastructure needs, and will not approve any provisions affecting the tax-exempting status of State and local government bonds that would take effect before January 1, 1987. It is essential that we send a clear message to those with the principal responsibility for shaping a tax reform bill that it is not true reform to enact provisions that jeopardize the ability of State and local governments to protect our health and safety and provide the basic support system on which all economic activity depends.

I urge the Finance Committee to listen to the public officials in our country who are responsible for providing public services. The Senate tax bill must not reduce the capital available to finance our Nation's infrastructure. It is my hope the the committee will retain current law depreciation for infrastructure facilities and will add the provisions of the Durenburger proposal to its committee bill. If not, I am prepared to offer and strongly support floor amendments, if necessary, to be certain that tax reform does not undermine our Nation's public facilities and services.●

● Mr. D'AMATO. Mr. President, I rise today as an original cosponsor of a resolution introduced by my friend from New Mexico, Senator DOMENICI, to put the Senate on record that major tax reform should not inhibit State and local governments' ability to finance their infrastructure.

I commend my colleague for drafting this resolution to protect essential services provided by State and local governments. Financing for State and local governments is essential to ensure proper health and safety services, as well as basic support systems on which all economic activity depends.

It is wrong to hamper local governments through the inclusion of provisions in tax reform which will discourage investors from purchasing tax-exempt bonds; which will make it difficult to obtain tax-exempt financing by placing certain projects under limited volume caps; which will impose retroactive effective dates; or which will prevent local governments from using legitimate cash-management techniques.

In the end, it is the individual who suffers from the lack of proper facilities, and it is the individual who suffers from increased State and local taxes needed to finance these outmoded or unsafe facilities.

I believe it is necessary, therefore, for Members of the Senate interested in protecting the infrastructure of State and local governments, as well as the individual constituent, to join together and send a message to those responsible for producing a tax reform bill: True reform does not deny local governments the ability to finance their activities properly.

I urge my colleagues to support and adopt this resolution.●

● Mr. NICKLES. Mr. President, the resolution that my colleague, Senator DOMENICI, and I are offering would send a clear signal that the Senate will not approve any tax reform plan which would adversely affect the ability of State and local governments and their instrumentalities to finance their infrastructure needs.

The bill as passed by the House, H.R. 3838, makes it impossible for cities, towns, and school districts to finance their basic projects. This is particularly true in Oklahoma. The projects being delayed or canceled are certainly not the type of so-called abuses that the House purports to correct. Let us take a moment to describe the impact the House bill is having on the State of Oklahoma.

The bill requires that an issuer must expend 5 percent of the proceeds of its bonds within 30 days. Under Oklahoma law and standard issuance procedures, this is impossible to comply

with. Other restrictions on arbitrage and advance refundings would further impeded these needed projects.

In Woodward, OK, they are trying to refinance existing debt on the Woodward Municipal Hospital. Under the House bill, this would not be economically possible. When the economy in this city was booming in 1982, they undertook expansions of their hospital to provide enhanced care. Due to the recent downturn in the State economy, they are in default on the bonds used to finance this expansion since sales tax revenues have failed to materialize. With interest rates low, they are missing a prime opportunity to refinance and save the hospital.

Even general obligation bonds are affected. Oklahoma school districts, cities, and towns are having to forgo or delay issuances to wait and see what Washington is going to do. We cannot allow our constituents to be denied these essential services which are provided by these facilities.

In order to allow these projects to continue and guarantee that Congress will not hinder future infrastructure projects, we need to pass this resolution. I urge my colleagues to support it.●

AMENDMENTS SUBMITTED

WATER RESOURCES DEVELOPMENT ACT

MOYNIHAN AMENDMENT NO. 1709

Mr. MOYNIHAN proposed an amendment to the bill (S. 1567) to authorize the Secretary of the Army to construct various projects for improvements to rivers and harbors of the United States, and for other purposes; as follows:

At the appropriate place in the bill insert the following: The Congress directs the Corps of Engineers to study offshore monitoring systems as described below.

ENVIRONMENTAL ENHANCEMENT INFRASTRUCTURE FOR THE NEW YORK BIGHT

A Hydro-Environmental Monitoring and Information System in the New York Bight is required in the form of a system using computerized buoys and radio telemetry that allows for the continual monitoring (at strategically located sites throughout the New York Bight) of: wind, wave, current, salinity and thermal gradients and sea chemistry, in order to measure the effect of changes due to air and water pollution, including changes due to continued dumping in the Bight.

In addition, there is also the need for a proper Physical Hydraulic Model of the New York Bight and for such an offshore Model to be tied into the existing inshore Physical Hydraulic Model of the Port of New York and New Jersey operated by the US Army Corps of Engineers.

Such sums necessary for this purpose are authorized.

ABDNOR (AND OTHERS) AMENDMENT NO. 1710

Mr. ABDNOR (for himself, Mr. STAFFORD, Mr. BENTSEN, and Mr. MOYNIHAN) submitted an amendment to the bill, S. 1567, supra; as follows:

(Amendment 1). On page 3, line 1, after the word "reimbursed", insert the following: "during each such fiscal year".

(Amendment 2). On page 5, line 7, delete the figure "$250,000" and insert in lieu thereof "$5,000,000".

(Amendment 3). On page 5, line 20, after the word "Representative" insert the following: "after July 1, 1987,".

(Amendment 4). On page 65, after line 5, insert the following and number accordingly:

"SEC. . (a)(1) Congress is concerned about the impact that the century-high water level of the Great Lakes is having on shoreline along the Great Lakes and connecting channels.

"(2) Congress recognizes scientific findings that indicate the level of the Great Lakes will continue to rise if, as expected, the current long term weather cycle of cooler temperatures and higher precipitation prevails.

"(b) The Secretary, in cooperation with the National Oceanic and Atmospheric Administration, the Federal Emergency Management Agency, the International Joint Commission, and other appropriate Federal, State, and local agencies and the private sector, is authorized to conduct a study of shoreline protection and beach erosion control policy and related projects of the Secretary, in view of the current situation and long-term expected increases in the levels of the Great Lakes. Such study shall include, but is not limited to—

"(1) a study to determine the magnitude and extent of current and expected future shoreline erosion on the Great Lakes and connecting channels occurring as a result of high water levels. The study shall examine the impacts of the long term cold weather cycle on lake levels and shoreline damage. The study shall also examine the relationship of shoreline damage to the regulation of outflows from Lake Superior and Lake Erie in accordance with approved regulation plans of the International Joint Commission;

"(2) an economic and hydrologic analysis to determine whether changes in the inflows and outflows of the existing structures may be desirable to reduce shoreline damages, and whether further regulation of the outflow of Lake Erie may be warranted to achieve better regulation of the water levels of the Great Lakes;

"(3) a summary of the legal and institutional impacts of rising lake levels on riparian lands; and,

"(4) recommendations for new or additional criteria for Federal participation in shoreline protection projects along the Great Lakes and connecting channels.

"(c) Within three years after the date of enactment of this Act, the Secretary shall transmit the studies prepared pursuant to subsection (b) of this section, together with supporting documentation and the recommendations of the Secretary, to the Committee on Environment and Public Works of the Senate and Committee on Public Works and Transportation of the House of Representatives.

"(d) For the purposes of this section, there is authorized to be appropriated to the Secretary for the fiscal year ending September 30, 1987, or thereafter, the sum of $3,000,000, such sum to remain available until expended.

"SEC. . The Secretary is directed to include in the feasibility study of Sunset Beach Harbor, Bolsa Chica Bay, California, an assessment of the feasibility of non-Federal cost sharing for the Sunset Beach Harbor project, utilizing the provisions of section 215 of this Act, in consultation with the appropriate non-Federal sponsors: Provided, That no such assessment shall be considered as an alternative to any non-Federal cost sharing otherwise required during the period of construction of any possible project. The assessment under this section will examine whether, and to what extent, the provisions of section 215 of this Act can be used by the non-Federal sponsors of the Sunset Beach Harbor project to support non-Federal cost-sharing for this project.

"SEC. The project for navigation, Cape Charles City Harbor, Virginia, authorized by the River and Harbor Act approved March 2, 1945 (59 Stat. 15), is modified to provide that the local interests shall not be required—

"(1) to provide bulkheads, or

"(2) to reserve berthing space for general public use, along a great distance of the shoreline that such bulkheads are provided or such berthing space is reserved on the date of the enactment of this Act.

"SEC. . The Secretary is directed to expedite the hydroelectric power studies of the Red River Basin Comprehensive Study, Arkansas, Texas, Louisiana, and Oklahoma (authorized by Public Law 98-63), with a particular view of investigating the feasibility of adding hydroelectric power generating facilities at the Tuskahoma Lake, Oklahoma, project.".

(Amendment 5). On page 102, line 11, delete the semicolon and insert in lieu thereof the following:

": *Provided*, That after the date of enactment of this Act, the Secretary shall not submit to Congress any proposal for the authorization of any water resources project that has a hydroelectric power component unless such proposal contains the comments of the appropriate Power Marketing Administrator designated pursuant to section 302 of the Department of Energy Organization Act (Public Law 95-91) concerning appropriate Power Marketing Administration's ability to market the hydroelectric power expected to be generated and not required in the operation of the project under the applicable Federal power marketing law, so that, 100 per centum of operation, maintenance and replacement costs 100 per centum of the capital investment allocated to the purpose of hydroelectric power (with interest at rates established pursuant to or prescribed by applicable law), and any other costs assigned in accordance with law for return from power revenues can be returned within the period of such costs by or pursuant to such applicable Federal power marketing law;".

(Amendment 6). On page 119, line 16, delete the semicolon and insert in lieu thereof the following:

": *Provided*, That this authorization shall not preclude development of hydroelectric power by a non-federal interest if, within three years of the date of enactment of this Act, such non-federal interest obtains a license from the Federal Energy Regulatory Commission for non-federal development of hydroelectric power at the Blue River Lake project;".

MELCHER AMENDMENT NO. 1711

Mr. MELCHER proposed an amendment to the bill, S. 1567, supra; as follows:

Add a new section to the Title III which reads as follows:

"SEC. . The project for navigation and power generation, Fort Peck, Montana, authorized by the Act entitled "An Act to authorize the completion, maintenance, and operation of the Fort Peck project for navigation and for other purposes" approved May 18, 1938 (16 U.S.C. 833), shall include recreation as a purpose of such project."

SPECTER AMENDMENT NO. 1712

Mr. SPECTER proposed an amendment to the bill, S. 1567, supra; as follows:

The Secretary of the Army, acting through the Chief of Engineers, has been conducting a study of the feasibility of providing flood protection along the West Branch of the Susquehanna River for the Borough of Milton, Pennsylvania. The Secretary is directed to undertake further studies for engineering and design for a flood control project at Milton, Pennsylvania.

LUGAR AMENDMENT NO. 1713

Mr. ABDNOR (for Mr. LUGAR,), proposed an amendment to the bill, S. 1567, supra; as follows:

On page 65, after line 5, insert the following and number appropriately:

"SEC. . No monies shall be appropriated or obligated for a feasibility study of navigation improvements on the Wabash River, Indiana and Illinois, pursuant to the authorized Wabash River Comprehensive Study."

McCLURE AMENDMENT NO. 1714

Mr. McCLURE proposed an amendment to the bill S. 1567, supra; as follows:

On page 35, after line 16, insert and number appropriately the following:

"SEC. . Section 8 of Public Law 78-534, approved December 22, 1944 (58 Stat. 891; 43 U.S.C. 390), is hereby amended by adding the following at the end thereof: 'In the case of any reservoir project constructed and operated by the Corps of Engineers, the Secretary of the Army is authorized to contract with water districts, irrigation districts, conservancy districts, and any other such entities, with individuals, and with appropriate state agencies, at such prices and on such terms and for such periods as he may deem reasonable, for the interim use for irrigation purposes of storage provided in the project for municipal and industrial water supply purposes until such storage is required for municipal and industrial water supply. No contracts for the interim use of such storage shall be entered into which would significantly affect then-existing uses of such storages.'"

And insert:

"SEC. . Section 8 of Public Law 78-534 approved December 22, 1944 (58 Stat. 891; 43 U.S.C. 390), is hereby amended by adding the following at the end thereof: 'In the case of any reservoir project constructed and operated by the Corps of Engineers, the Secretary of the Army is authorized to allocate water which was allocated in the project purpose for municipal and industrial water supply and which is not under contract for delivery, for such periods as he may deem reasonable, for the interim use for irrigation purposes of such storage until such storage is required for municipal and industrial water supply. No contracts for the interim use of such storage shall be entered into which would significantly affect then-existing uses of such storages.'"

SYMMS AMENDMENT NO. 1715

Mr. SYMMS proposed an amendment to the bill, S. 1567, supra; as follows:

The Congress finds that as recently as February 4, 1985, the Office of Management and Budget projected that deficits for Fiscal Years 1986 through 1990 would increase the federal debt by $697,289,000,000;

Congress sought to remedy this problem of escalating debt by enacting the Gramm-Rudman-Hollings deficit reduction program, which was passed by both Houses of Congress and signed into law by the President on December 12, 1985;

Even under Gramm-Rudman-Hollings, the federal debt is projected to grow to $2,323,100,000,000 in fiscal year 1987, $2,523,000,000,000 in fiscal year 1988, and $2,697,700,000,000 in fiscal year 1989;

As a result, even Gramm-Rudman-Hollings will produce a federal debt which, by fiscal year 1989, will represent well over $10,000 for every man, woman, and child in the United States;

The financial markets of the United States and the other industrialized nations of the world look to the government of the United States for leadership in the resolution of its deficit crisis; and

The consideration of tax reform by the Senate of the United States without first making serious efforts to control the deficit will only succeed in enhancing the uncertainly in financial markets which those deficits create:

It is the sense of the Senate that tax reform should not be considered or debated by the United States Senate until a firm, definite budget agreement has been reached between the President and the Congress of the United States.

AUTHORITY FOR COMMITTEES TO MEET

SUBCOMMITTEE ON MANPOWER AND PERSONNEL

Mr. STAFFORD. Mr. President, I ask unanimous consent that the Subcommittee on Manpower and Personnel of the Committee on Armed Services be authorized to meet during the session of the Senate on Wednesday, March 26, in executive session, to receive staff briefings on options to reform the military retirement system; and possibly markup an original bill to reform the military retirement system.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ARMED SERVICES

Mr. STAFFORD. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet during the session of the Senate on Wednesday, March 26, 1986, in closed executive session, in order to conduct a hearing on Navy tactical programs.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON STRATEGIC AND THEATER NUCLEAR FORCES

Mr. STAFFORD. Mr. President, I ask unanimous consent that the Subcommittee on Strategic and Theater Nuclear Forces, of the Committee on Armed Services, be authorized to meet during the session of the Senate on Wednesday, March 26, 1986, in closed executive session, in order to conduct a hearing on Strategic Command control and communications.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON THE JUDICIARY

Mr. STAFFORD. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet during the session of the Senate on Wednesday, March 26, in order to receive testimony concerning S. 2046, the Litigation Reform Act of 1986.

The PRESIDING OFFICER. Without objection, it is so ordered.

SELECT COMMITTEE ON INTELLIGENCE

Mr. STAFFORD. Mr. President, I ask unanimous consent that the Select Committee on Intelligence be authorized to meet during the session of the Senate on Wednesday, March 26, in closed session to conduct a hearing on the fiscal year 1987 intelligence authorization.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

ANNIVERSARY OF SHARPEVILLE AND UITENHAGE MASSACRES IN SOUTH AFRICA

● Mr. KENNEDY. Mr. President, "On March 21, 1960, 69 people were killed and 180 wounded by police bullets outside Sharpeville police station. This massacre proved to be a watershed in the struggle for democracy in South Africa, coming as it did after 12 years of concerted, popular opposition to the Apartheid policies of the nationalist government." Thus ran the introduction for the Wits Student, a Johannesburg student newspaper, published on March 21, 1985. The authors had little idea that that day would bring yet another mass killing in Uitenhage, a township outside of Port Elizabeth. These two events which, coincidentally, occurred on the same date, assure that March 21 will never go unnoticed by the black people of South Africa; it represents many years of grief and injustice. We in Congress should remind ourselves not only of the tragedies that have occurred on this day but also of the constant suffering that occurs every day in South Africa.

In 1960, the African National Congress and the Pan-Africanist Congress

called for a national campaign of nonviolent civil disobedience directed against the pass laws. On March 21, 1960, black South Africans were to leave their passes at home and surrender peacefully and voluntarily to the police. Nearly 5,000 people gathered at the Sharpeville police station to offer themselves for arrest. The police claim that the crowd became unruly and began throwing stones. What cannot be disputed is that the police opened fire. It was learned afterward that at least 155 people had been shot in the back while fleeing.

Twenty-five years later, in 1985 at Uitenhage, 5,000 people were on their way to a funeral in an adjoining township. As had happened with Sharpeville, the police claimed that they were attacked with stones, "and other missiles including petrol bombs." But in fact the people were unarmed. The police claimed that 17 people died and 19 were injured as a result of their open fire. But the people reported that at least 43 people died that day and hundreds more were injured.

Ten days after the Sharpeville massacre, the Government declared a state of emergency and hundreds of people were arrested and detained. This culminated in the banning of both the ANC and the PAC. The March 21, 1985, edition of the Wits Student said that "Even in the light of the naked repression which drove these organisations underground, the commitment to establishing a just and peacful society and the determination not to sink to the level of the indiscriminate brutality of the enemy, the apartheid state, remained firm."

It is sad to note that 25 years after Sharpeville, the Uitenhage massacre was also followed by a state of emergency and hundreds of arrests and detentions. The state of emergency has now been lifted, but the violence and repression continues unabated. We must work to encourage swift change and to bring an end to apartheid. We do not want another 25 years to pass and for March 21, 2000, to come with the apartheid state still in power.●

ADDRESS BY GOVERNOR CUOMO BEFORE ABRAHAM LINCOLN ASSOCIATION

● Mr. SIMON. Mr. President, I was in Springfield, IL, when Gov. Mario Cuomo of New York gave a talk before the annual Abraham Lincoln Association.

It was, obviously, something that Governor Cuomo thought about carefully before delivering.

It was well received.

It is not only a thoughtful commentary about Abraham Lincoln, it is a reflection on the thoughtfulness of the chief executive of the State of New York.

This country is fortunate to have in that kind of a key position someone who is a scholar, and who combines sensitivity, commonsense and compassion, as does Mario Cuomo. Interestingly, those were the characteristics of Abraham Lincoln, also.

I ask unanimous consent that the Cuomo speech be inserted in the RECORD.

The speech follows:

GOV. MARIO M. CUOMO, "ABRAHAM LINCOLN AND OUR 'UNFINISHED WORK,'" ADDRESS BEFORE THE ABRAHAM LINCOLN ASSOCIATION, SPRINGFIELD, IL, FEBRUARY 12, 1986

"It is for us, the living, rather, to be dedicated here to the unfinished work . . . that this nation, under God, shall have a new birth of freedom—and that, government of the people, by the people, for the people, shall not perish from the earth."—Gettysburg Address (Everett Copy) November 19, 1863.

Governor Thompson, I thank you for that generous introduction. It is a privilege for Matilda and me to be in your great State and we appreciate your taking the time to be here to introduce me.

I would also like to thank Judge Harlington Wood for inviting me to be part of this celebration of one of the monumental figures of our history, whose words and life and legend have been for me, as they have for you I'm sure, an instruction and an inspiration for most of a lifetime.

I am also honored to be in the company of Representative Richard Durbin, who occupies the congressional seat Lincoln held, and Senator Paul Simon, himself an extraordinary success story, a man of intellect and integrity—whose distinguished works on the Lincoln theme have illuminated the man we honor tonight.

It is an intimidating thing to stand here tonight to talk about the greatest intellect. The greatest leader, perhaps the greatest soul, America has ever produced.

To follow such legendary orators as William Jennings Bryan and Adlai Stevenson.

Only a struggling student myself, to face as imposing an audience as the Lincoln scholars—tough-minded. Demanding. Harsh critics. Highly intelligent.

And to face so many Republicans: Tough minded. Demanding, harsh critics . . .

And I certainly wasn't encouraged after I learned that when another New York Governor, Franklin D. Roosevelt, announced his intention to come here to speak on Lincoln, a local political stalwart threatened him with an injunction.

To be honest with you, I feel a little like the Illinois man from one Lincoln story.

When he was confronted by a local citizens' committee with the prospect of being tarred and feathered and run out of town on a rail, he announced, "If it weren't for the honor of the thing, I'd just as soon it happened to someone else."

But seriously, this is an event beyond the scope of partisan politics.

When Lincoln gave his one and only speech in my capital, Albany, New York, he told the Democratic Governor, "You have invited and received me without distinction of party."

Let me second that sentiment, and thank you for inviting and receiving me in the same spirit.

To be here in Springfiled, instead of at the memorial in Washington, to celebrate this "high holy day" of Lincoln remembrance, gives us a special advantage.

In Washington, Lincoln towers far above us, presiding magisterially, in a marble temple.

His stony composure, the hugeness of him there, gives him and his whole life a grandeur that places him so far above and beyond us that it's difficult to remember the reality of him.

We have lifted Lincoln to the very pinnacle of our national memory. Enlarged him to gargantuan proportions in white stone recreations.

We have chiseled his face on the side of a mountain, making him appear as a voice in the heavens.

There is a danger when we enshrine our heroes, when we lift them onto pedestals and lay wreaths at their feet. We can, by the every process of elevating them, strain the sense of connection between them and the palpable, fleshy, sometimes mean concerns of our own lives.

It would be a terrible shame to lose Lincoln that way. To make of him a celebration but not an instruction, a memory, but not a model, a legend but not a lesson.

Here in Springfield there is less chance of that.

Although he left Springfield 125 years ago, here—where he practiced law, served as a legislator, and warned this Nation of the dangers of a "house divided"—Lincoln, the man, still presides.

Here we can remember that Lincoln—the miracle that we call Lincoln—worked within the hard, sometimes discouraging, sometimes terrifying, limits of time and place and chance.

And by our so remembering, he can again begin to light our minds and move our hearts.

That is why I have come here . . . not just to light a candle to the apparition of him, but to remember his specific wisdom and goodness and to consider how it can continue to touch us, to teach us, to move us to the higher ground.

I have come to remember Lincoln as he was. The flesh and blood man. Haunted by mortality in his waking and his dreaming life. The boy who had been uprooted from one frontier farm to another, across Kentucky and Indiana and Illinois, by a father restless with his own dreams.

To remember some of Lincoln's own words—which, taken altogether, are the best words America has ever produced.

To remember the words that he spoke ten days after his lyrical, wrenching farewell to Springfield on his way to his inauguration as our sixteenth President.

"Back in my childhood," he said then, "the earliest days of my being able to read, I got hold a small book . . . 'Weems' Life of Washington.'

"I remember all the accounts there given of the battlefields and struggles for the liberties of the country . . . and the great hardships of that time fixed themselves on my memory.

"I recollect thinking then, boy even though I was, that there must have been something more than common that those men struggled for.

"I am exceedingly anxious that the thing which they struggled for; that something even more than national independence; that something that held out a promise to all the people of the world for all time to come; . . . shall be perpetuated in accordance with the original idea for which the struggle was made . . ."

Here was Lincoln, just before his inauguration, reminding us of the source of his

strength and eventual greatness. His compelling need to understand the meaning of things and to commit to a course that was directed by reason, supported by principle, designed to achieve the greatest good. He was a man of ideas, grand and soaring ones. And he was cursed by the realization that they were achievable ideas as well, so that he could not escape the obligation of pursuing them, despite the peril and the pain that pursuit would inevitably bring.

Even as a boy he grasped the great idea that would sustain him—and provoke him—for the rest of his days. The idea that took hold of his heart and his mind. The idea that he tells us about again and again throughout his life. It became the thread of purpose that tied the boy to the man to the legend—the great idea—the dream, the achieveable dream, of equality, of opportunity . . . for all.

"The original idea for which the struggle was made . . ." the proposition that all men are created equal. That they are endowed by their creator with certain unalienable rights. That among these are life, liberty and the pursuit of happiness.

Even by Lincoln's time, for many, the words had been heard often enough that they became commonplace, part of the intellectual and historical landscape, losing their dimension, their significance, their profoundness.

But not for Lincoln.

He pondered them. Troubled over their significance. Wrestled with their possibilities.

"We did not learn quickly or easily that all men are created equal," one Lincoln scholar has observed.

No. We did not learn those words quickly or easily. We are still struggling with them in fact.

As Lincoln did. For a whole lifetime. From the time he read weems' little book, until the day he was martyred, he thought, and planned and prayed to make the words of the declaration, a way of life.

Equality and opportunity, for all. But truly, for all.

Lincoln came to believe that the great promise of the Founding Fathers was one that had only begun to be realized with the Founding Fathers themselves. He understood that from the beginning it was a promise that would have to be fulfilled in degrees. Its embrace would have to be widened over the years, step by step, sometimes painfully, until finally it included everyone.

That was his dream. That was his vision. That was his mission.

With it, he defined for himself and for us, the soul of our unique experiment in Government: The belief that the promise of the declaration of independence—the promise of equality and opportunity—cannot be considered kept, until it includes everyone.

For him, that was the unifying principle of our democracy. Without it, we had no nation worth fighting for. With it, we had no limit to the good we might achieve.

He spent the rest of his life trying to give the principle meaning. He consumed himself doing it.

He reaffirmed Jefferson's preference for the human interest and the human right. "The principles of Jefferson," he said, "are the definitions and axioms of free society."

Lincoln extended those instincts to new expressions of equality.

Always, he searched for ways to bring within the embrace of the new freedom, the new opportunity, all who had become Americans.

Deeply—reverently—grateful for the opportunity afforded him, he was pained by the idea that it should be denied others. Or limited.

He believed that the human right was more than the right to exist, to live free from oppression.

He believed it included the right to achieve, to thrive. So he reached out for the "penniless beginner."

He thought it the American promise that every "poor man" should be given his chance.

He saw what others would or could not see: The immensity of the fundamental ideas of freedom and self-determination that made his young Nation such a radically new adventure in Government.

But he was not intimidated by that immensity. He was willing to use the ideas as well as to admire them. To mold them so as to apply them to new circumstances. To wield them as instruments of justice and not just echoes of it.

Some said Government should do no more than protect its people from insurrection and foreign invasion and spend the rest of its time dispassionately observing the way its people played out the cards that fate had dealt them.

He scorned that view. He called it a "do nothing" abdication of responsibility.

"The legitimate object of Government," he said, "is to do for the people what needs to be done, but which they cannot, by individual effort, do at all, or do so well, for themselves. There are many such things . . ." he said.

So he offered the "poor" more than freedom and the encouragement of his own good example: He offered them government. Government that would work aggressively to help them find the chance they might not have found alone. He did it by fighting for bridges, railroad construction, and other such projects that others decried as excessive government.

He gave help for education, help for agriculture, land for the rural family struggling for a start.

And always, at the heart of his struggle and his yearning was the passion to make room for the outsider, the insistence upon a commitment to respect the idea of equality by fighting for inclusion.

Early in his career, he spoke out for women's suffrage.

His contempt for the "do-nothings" was equalled by his disdain for the "know-nothings."

America beckoned foreigners, but many Americans—organized around the crude selfishness of the nativist movement—rejected them. The nativists sought to create two classes of people, the old stock Americans and the intruders from other places, keeping the intruders forever strangers in a strange land.

Lincoln shamed them with his understanding and his strength, "I am not a know-nothing" he said. "How could I be? How can anyone who abhors the oppression of Negroes be in favor of degrading classes of white people? . . . As a nation we began by declaring 'all men are created equal.'

"We now practically read it. 'All men are created equal except negroes.' When the know-nothings get control, it will read 'all men are created equal except Negroes, and Catholics and foreigners.'

Then he added: "When it comes to this I shall prefer emigrating to some country where they make no pretense of loving liberty—to Russia for instance, where despotism can be taken pure, and without the base alloy of hypocrisy."

Had Lincoln not existed, or had he been less than he was and the battle to keep the Nation together had been lost, it would have meant the end of the American experiment. Secession would have bred secession, reducing us into smaller and smaller fragments until finally we were just the broken pieces of the dream.

Lincoln saved us from that.

But winning the great war for unity, did not preserve us from the need to fight further battles in the struggle to balance our diversity with our harmony, to keep the pieces of the mosaic intact, even while making room for new pieces.

That work is today, as it was in 1863, still an unfinished work . . . still a cause that requires "a full measure of devotion."

For more than 100 years, the fight to include has continued:

In the stuggle to free working people from the oppression of a ruthless economic system that saw women and children worked to death and men born to poverty, live in poverty and die in poverty—in spite of working all the time.

In the continuing fight for civil rights, making Lincoln's promise real.

In the effort to keep the farmer alive.

In the ongoing resistance to preserve religious freedom from the arrogance of the know-nothing and the zealotry of those who would make their religion the State's religion.

In the crusade to make women equal, legally and practically.

Many battles have been won. The embrace of our unity has been gradually but inexorably expanded. But Lincoln's work is not yet done.

A century after Lincoln preached his answer of equality and mutual respect, some discrimination—of class or race or sex or ethnicity—as a bar to full participation in America—still remains.

Unpleasant reminders of less enlightened times, linger. Sometimes they are heard in whispers. At other times they are loud enough to capture the attention of the American people.

I have had my own encounter with this question and I have spoken of it.

Like millions of others, I am privileged to be a first generation American. My mother and father came to this country more than sixty years ago with nothing but their hopes. Without education, skills or wealth.

Through the opportunity given them here to lift themselves through hard work, they were able to raise a family. My mother lived to see her youngest child become chief executive of one of the greatest States in the greatest Nation in the only world we know.

Like millions of other children of immigrants, I know the strength that immigrants can bring. I know the richness of a society that allows us a whole new culture without requiring us to surrender the one our parents were born to. I know the miraculous power of this place that helps people rise up from poverty to security, and even affluence, in the course of a single lifetime. With generations of other children of the immigrants, I know about equality and opportunity and unity, in a special way.

And I know how, from time to time, all this beauty can be challenged by the misguided children of the know nothings, by the shortsighted and the unkind, by contempt that masks itself as humor, by all the casual or conscious bigotry that must keep the American people vigilant.

We heard such voices again recently saying things like, Italians are not politically popular.

Catholics will have a problem.

He has an ethnic problem.

An ethnic problem.

We hear the word again. "Wop."

"We often times refer to people of Italian descent as 'wops'," said one public figure, unabashedly.

Now, given the unbroken string of opportunity and good fortune provided my by this great country, I might simply have ignored these references.

I could easily have let the words pass as inconsequential, especially remembering Lincoln—himself the object of scorn and ridicule.

But the words took on significance because they were heard far beyond my home or my block or even my State.

Because they were heard by others who remembered times of their own when words stung and menaced them and their people.

And because they raised a question about our system of fundamental American values that Lincoln helped construct and died for. Is it true? Are there really so many who have never heard Lincoln's voice, or the sweet sound of reason and fairness? So many who do not understand the beauty and power of this place, that they could make of the tint of your skin, or the sex you were born to or the vowels of your name, an impediment to progress in this land of opportunity?

I believed the answer would be clear. So I asked for it by disputing the voices of division. By saying, "It is not so. It is the voice of ignorance and I challenge you to show me otherwise."

In no time at all the answer has come back from the American people. Everyone saying the same things:

"Of course it's wrong to judge a person by the place where his forbears came from. Of course that would violate all that we stand for, fairness and common sense. It shouldn't even have been brought up. It shouldn't even have been a cause for discussion."

I agree. It should not have been. But it was. And the discussion is now concluded, with the answer I was sure of and the answer I am proud of as an American. The answer Lincoln would have given. "You will rise or fall on your merits as a person and the quality of your work. All else is distraction."

Lincoln believed, with every fibre of his being, that this place, America, could offer a dream to all mankind, different than any other in the annals of history.

More generous, more compassionate, more inclusive.

No one knew better than Lincoln, our sturdiness, the ability of most of us to make it on our own given the chance. But at the same time, no one knew better the idea of family, the idea that unless we helped one another, there were some who would never make it.

One person climbs the ladder of personal ambition, reaches his dream, and then turns—and pulls the ladder up.

Another reaches the place he has sought, turns, and reaches down for the person behind him.

With Lincoln, it was that process of turning and reaching down, that commitment to keep lifting people up the ladder, which defined the American character, stamping us forever with a mission that reached even beyond our borders to embrace the world.

Lincoln's belief in America, in the American people, was broader, deeper, more daring than any other person's of his age—and, perhaps, ours, too.

And this is the near-unbelievable greatness of the man—that with that belief, he not only led us, he created us.

His personal mythology became our national mythology.

It is as if Homer not only chronicled the siege of troy, but conducted the siege as well.

As if Shakespeare set his playwrighting aside to lead the English against the armada.

Because Lincoln embodied his age in his actions and in his words.

Words, even and measured—hurrying across three decades, calling us to our destiny.

Words he prayed, and troubled over—more than a million words in his speeches and writings.

Words that chronicled the search for his own identity as he searched for a nation's indentity.

Words that were, by turns, as chilling as the night sky and as assuring as home.

Words his reason sharpened into steel, and his heart softened into an embrace.

Words filled with all the longings of his soul and of his century.

Words wrung from his private struggle, spun to capture the struggle of a nation.

Words out of his own pain to heal that struggle.

Words of retribution, but never of revenge.

Words that judged, but never condemned.

Words that pleaded, cajoled for the one belief—that the promise must be kept—that the dream must endure and grow, until it embraces everyone.

Words ringing down into the present.

All the hope and the pain of that epic caught, somehow, by his cadences:

The tearing away, the binding together, the leaving behind, the reaching beyond.

As individuals, as a people, we are still reaching up, for a better job, a better education, even for the stars—just as Lincoln did.

But because of Lincoln, we do it in a way that is unique to this world.

What other people on Earth have ever claimed a quality of character that resided not in a way of speaking, dressing, dancing, praying, but in an idea?

What other people on Earth have ever refused to set the definitions of their identity by anything other than that idea?

No, we have not learned quickly or easily that the dream of America endures only so long as we keep faith with the struggle to include. But Lincoln—through his words and his works—has etched that message forever into our consciousness.

Lincoln showed us, for all time, what unites us.

He taught us that we cannot rest until the promise of equality and opportunity embraces every region, every race, every religion, every nationality, . . . and every class. Unit it includes," the penniless beginner" and the "poor man seeking his chance."

In his time, Lincoln saw that as long as one in every seven Americans was enslaved, our identity as a people was hostage to that enslavement.

He faced that injustice. He fought it. He gave his life to see it righted.

Time and again, since then, we have had to face challenges that threatened to divide us.

And time and again, we have conquered them.

We reached out—hesitantly at times, sometimes only after great struggle—but always we reached out—to include impoverished immigrants, the farmer and the factory worker, women, the disabled.

To all those whose only assets were their great expectations, America found ways to meet those expectations—and to create new ones.

Generations of hard-working people moved into the middle class and beyond.

We created a society as open and free as any on Earth.

And we did it Lincoln's way—by founding that society on a belief in the boundless enterprise of the American people.

Always, we have extended the promise. Moving toward the light, toward our declared purpose as a people: "To form a more perfect union," to overcome all that divides us because we believe the ancient wisdom that Lincoln believed—"a house divided against itself cannot stand."

Step by step, our embrace grows wider.

The old bigotries seem to be dying. The old stereotypes and hatreds, that denied so many their full share of an America they helped build, have gradually given way to acceptance, fairness and civility.

But still, great challenges remain.

Suddenly, ominously, a new one has emerged.

In Lincoln's time, one of every seven Americans was a slave.

Today, for all our affluence and might, despite what every day is described as our continuing economic recovery, nearly one in every seven Americans lives in poverty, not in chains—because Lincoln saved us from that—but trapped in a cycle of despair that is its own enslavement.

Today, while so many of us do so well, one of every two minority children is born poor, many of them to be oppressed for a lifetime by inadequate education and the suffocating influence of broken families and social disorientation.

Our identity as a people is hostage to the grim facts of more than 33 million Americans for whom equality and opportunity is not yet an attainable reality, but only an illusion.

Some people look at these statistics and the suffering people behind them, and deny them, pretending instead we are all one great "shining city on a hill."

Lincoln told us for a lifetime—and for all time to come—that there can be no shining city when one in seven of us is denied the promise of the declaration.

He tells us today that we are justly proud of all that we have accomplished, but that for all our progress, for all our achievement, for all that so properly makes us proud, we have no right to rest, content.

Nor justification for turning from the effort, out of fear or lack of confidence.

We have met greater challenges with fewer resources. We have faced greater perils with fewer friends. It would be a desecration of our belief and an act of ingratitude for the good fortune we have had, to end the struggle for inclusion because is is over for some of us.

So, this evening, we come to pay you our respects, Mr. Lincoln.

Not just by recalling your words and revering your memory, which we do humbly and with great pleasure.

This evening, we offer you more, Mr. President—we offer you what you have asked us for, a continuing commitment to live your truth, to go forward painful step by painful step, enlarging the greatness of this Nation with patient confidence in the ultimate justice of the people.

Because—as you have told us Mr. President—there is no better or equal hope in the world.

Thank you.●

CONGRESSIONAL COALITION ON ADOPTION TO HOLD HEARING

● Mr. HUMPHREY. Mr. President, I would like to announce for the information of the Senate and the public that the Congressional Coalition on Adoption is holding its first public hearing at 2 p.m. on Thursday, April 17, 1986, in room 485 of the Russell Senate Office Building. Witnesses at the hearing will address one of three issues: First, adoption benefits; second, adoption counseling; and third, health care for special needs adoptions. For further information about the hearing, or to receive a detailed witness list as it becomes available, please call Emily Cooke at (202) 224-2841.●

HUMAN RIGHTS IN ROMANIA

● Mr. SIMON. Mr. President, the question of human rights in Romania is an emotional one. Since the Senate Finance Committee hearings last July, seven House and Senate bills have been introduced addressing whether or not we should continue to grant most-favored-nation status to Romania.

In Illinois lives the brother, mother, and father of Dorel Catarama, a Romanian prisoner of conscience serving 14½ years for a crime he claims he didn't commit. Various human rights groups including Amnesty International believe that charges have been falsified. They believe that he is being persecuted for being a Seventh Day Adventist. I agree.

I see no reason that this man cannot be reunited with his family in Chicago. I have repeatedly contacted Ambassador Gavilescu and Romanian Government officials requesting their cooperation in releasing Dorel Catarama. I ask my colleagues to join me in that effort.

We must urge Romania to cooperate in this area. We have an opportunity today through MFN to peacefully negotiate our differences. We have a chance to better understand our respective nations and together move toward improvements in human rights. We should be taking better advantage of this opportunity.●

SMALL BUSINESS TAX REFORM

● Mr. SASSER. Mr. President, small business is the growing, vibrant segment of our economy. As I have repeatedly stressed in the past, it is of critical importance that we address the needs of this economic vanguard in the present tax reform debate. Indeed, we can and should use the tax reform debate to construct a national tax policy which promotes economic growth and simplifies the Tax Code for small business. I have introduced legislation, S. 1130, which seeks to achieve such results. Among the key points of my bill are provisions maintaining direct expensing as a valuable tax tool for small business, maintaining progressive tax rates for small businesses which file as corporations and allowing for continued use of cash accounting for some small businesses.

I am very pleased to note that the initial draft of the Finance Committee's tax reform proposal contains several of my suggestions as well as other provisions which are beneficial to small firms. I believe these sections will go far in stimulating growth and entrepreneurial activity in our small business community.

In the area of direct expensing, present law allows taxpayers to expense up to $5,000 of the cost of personal property that is purchased and used in a trade or business. The administration's tax reform proposal sought to repeal the scheduled increases in this ceiling, leaving the expensing cap at $5,000.

I testified before the Finance Committee that this figure was simply too low to provide much of an incentive to small business. I urged that this low ceiling be rejected and that we increase the direct expensing ceiling to provide a significant incentive for investment activity in our small business community. Moreover, I stressed the importance of direct expensing in achieving tax simplification. As noted in the administration's own proposal, "for smaller businesses, expensing eliminates or reduces the recordkeeping and computational burdens of recovering an asset's cost over a number of years."

I am pleased to note that the Finance Committee has thus far agreed with this logic. The committee draft provides for a $50,000 ceiling for direct expensing.

My proposal also did not agree with the administration's plan to all but eliminate the availability of cash accounting. Rather, my bill allowed for greater use of cash accounting. The Finance Committee has disagreed with the administration on this important point as well. The committee proposal permits the continued use of cash accounting to certain firms with gross receipts of $5 million or less.

There are other provisions in the Finance Committee package which are beneficial to small business. Language pertaining to small business participating debentures and LIFO accounting rules are important small business concerns.

But there are some areas of concern which remain to be addressed. In the area of graduated rates for corporate taxpayers, the Finance Committee proposal provides for three tax brackets for corporations, 15, 25, and 35 percent. My proposal goes one step further and provides a tax break for the smallest of the small firms. I am troubled that our smallest corporate taxpayers are the only group which will not receive a tax break in this tax reform proposal.

In addition, consideration of this tax reform package should be used to extend coverage of the Regulatory Flexibility Act to the Internal Revenue Service. As many of my colleagues know, the Regulatory Flexibility Act is designed to insure that Federal regulation is imposed on small business only to the degree necessary to meet the statutory mandates of legislation. As any small business owner can tell you, the rules which have the greatest impact on small business are issued by the Internal Revenue Service. Unfortunately, the IRS has managed to evade complying with this act in most cases. My legislation calls for extending the Regulatory Flexibility Act to the IRS and I believe the tax reform debate provides an excellent opportunity to take this important step.

Mr. President, I have raised these concerns in the past and will continue to do so in the days ahead. My point is simple enough. Meaningful tax reform must extend to that segment of the business community which is our greatest job generator and leading innovator, small business. I believe the Finance Committee has taken great strides to ensure that the tax concerns of small business are addressed in this debate and I commend the committee's action.●

UNITED STATES ASSISTANCE TO GUATEMALA

● Mr. SIMON. Mr. President, Senator HATFIELD and I recently sent a letter to President Cerezo of Guatemala commending action that he has taken to initiate reorganization and discipline of the security forces in Guatemala. Senator HATFIELD has also written an excellent editorial in the New York Times which stresses that our approach ought to be an economic and developmental one as opposed to a military route with respect to our aid to Guatemala. I fully agree with him and I ask that his article be printed in the RECORD.

The article follows:

[From the New York Times, Jan. 16, 1986]

AID GUATEMALA DOESN'T NEED

(By Mark O. Hatfield)

WASHINGTON.—Those who want to see what transition to democracy in Guatemala looks like can begin by looking at the body of Beatriz Eugeni Barrios. Her face bears the marks of torture. Her hands rest on her stomach, her wrists severed. On her chest is carved in ballpoint pen the message, "More is to come."

Beatriz Barrios was alive and going about her own business on election night when the President-elect, Marco Vinicio Cerezo Arévalo, stood triumphantly before a throng of

admirers and supporters and pledged his unconditional support to an abrupt end to the terrorism that has made Guatemala the world's garden spot of human rights violations.

In the grand ballroom of the Camino Real Hotel in Guatemala City, Mr. Cerezo, himself the victim of several assassination attempts, embodied the hope of his people that the military would return to its barracks and that this long, bloodstained chapter in Guatemala's history would be over.

But the election celebrations had barely ended when—the timing was coincidental—Beatriz Barrios was snatched from the streets of Guatemala City on the morning of Dec. 10 by four heavily armed men. She was traveling by taxi, making last-minute preparations for her departure to Canada. Weeks earlier, the Canadian Government had learned of threats against her life and had swiftly granted her refugee status, a status it denies subversives, guerrillas or criminals.

An elementary school teacher and mother of two small boys, she was an unlikely candidate for persecution. So a frantic search for her ensued. But on the afternoon of Dec. 13, the discovery of her mutilated corpse served notice to the rest of the world that elections in themselves do not usher in democracies.

Vinicio Cerezo's Presidency has raised such high hopes in Washington that it appears all systems are go for the resumption of military aid to Guatemala. Citing the Salvadoran model as if it has succeeded, many in Congress will be tempted to put Guatemala on what has come to be regarded as the fast track toward democratic reform.

It surely won't be long before Congress will be asked to send the Guatemalans spare parts for helicopters, training for the military, which supposedly wants to step aside for a civilian Government but needs to learn how, and some lavish economic support funds made necessary by accelerating capital flight and dubious Guatemalan business practices.

Vinicio Cerezo's integrity and competence are refreshing and unquestioned. If the United States really wants to help him, then it will have to consider precisely what resources he needs to nurture an infant democracy. Sending money to feed a military machine would be inexcusable in light of Beatriz Barrios's tragedy and the thousands before her that have not led to one solitary conviction of even a foot soldier.

Vinicio Cerezo inherits enough problems, foremost of which is an economy teetering on collapse. The United States should provide generous assistance that meets the basic human needs of the Guatemalan people. Any other economic aid should be conditioned on progress in human rights and meaningful judicial reform.

The United States can best help Vinicio Cerezo by withholding all military assistance to Guatemala until the regular military, the security forces, the paramilitary forces and the special police become accountable to their new President, and to the civilians whom they serve.

To do otherwise is to succumb to the unforgiveable naiveté that the military network that perpetuated a systematic torture of suspected adversaries has somehow magically "disappeared"—like so many thousands of Guatemalan citizens.●

PRESS FREEDOM IN LATIN AMERICA

● Mr. LEVIN. Mr. President, a strong and free press is essential to the establishment and maintenance of democratic institutions and freedom. Yet, despite the encouraging trend toward democracy in Latin America, journalism remains widely restricted throughout much of the hemisphere. In his introduction to the third annual "Survey of Press Freedom in Latin America," compiled jointly by the Council on Hemispheric Affairs [COHA] and the Newspaper Guild [AFL-CIO] and released last August, Charles A. Perlik, Jr., Newspaper Guild president and former chairman of COHA's board of directors, provides an overview of the ways in which the flow of information is restricted.

Freedom and democracy flourishes where there are open societies which afford their people political, social, and economic justice. On this day, as the Senate addresses the question of military aid to the Contras, we should consider the indispensable contributions made by a free press to democracy and freedom throughout Latin America. As we seek to find the best way to ensure the victory of freedom in Central America, it is appropriate that we consider the place a free press can play in this effort. A free and strong press throughout our hemisphere will help ensure that repression will not prevail.

The introduction follows:

The annual report on freedom of the press in Latin America by the Council on Hemispheric Affairs (COHA) and the Newspaper Guild (AFL-CIO, CLC) is, happily, after only three years, an established tradition. The working press in North America and Europe has expressed its enthusiasm to us for this effort to closely examine the conditions under which their colleagues throughout Latin America pursue the difficult and often dangerous task of reporting news in a professional manner.

With an increasing focus on the numerous crises in the region and a growing corps of foreign correspondents constantly present in Central America and elsewhere in the hemisphere, there exists an increased sensitivity to the notion that press freedoms in Latin America are an international concern. It can be said that Latin America has become a growth industry for U.S. journalism. No area in the world has seen more new bureaus being opened up by U.S. news organizations than the Western Hemisphere. Major newspapers like the Miami Herald, the New York Times, the Washington Post and the Los Angeles Times are expanding their operations in the area, while regional newspapers in all sections of the country are either launching Latin American bureaus for the first time or sending their reporters on extensive assignments in various area hot spots. Never before have we had such a well-trained and region-wise press corps working Latin America as we do today.

Our research shows, unfortunately, that as reporting by the foreign press increases in the region, the practice of journalism continues to remain an extremely hazardous activity for the local press despite decided overall improvements in the hemisphere throughout 1984 and the first half of 1985. Democratization, the watchword in Southern Cone countries such as Argentina, Brazil and Uruguay, has put an end to the iron hand of brutal military regimes that stifled the most elementary of freedoms, that of life, let alone free expression. Yet in many countries in Latin America, thorough and faithful reporting is rewarded by firings, beatings, jail and, too often, death. Cuba's slight improvements are still too small to overshadow the government's total control of the news media. Because of what is happening to newspaper people and their publications, the nightmare countries in today's Latin America are Chile and Paraguay, closely followed by reprehensible conditions existing in Guatemala, El Salvador, Haiti, Honduras and Guyana.

Overt censorship, while the most visible form of control of the press, is by no means the only form of repression of journalists. Information is also subtly restricted in the region without fanfare through means seldom subject to public scrutiny and which may even be overlooked by diligent foreign observers. Economic reprisals and incentives top the list of the quieter gags on reporters and editors alike.

Woefully underpaid in Latin America, journalists are often vulnerable to bribes. In most Latin American countries, advertising revenue from government sources is too large a source of income to risk losing for however worthy a story. Most Latin American editors and publishers are also subject to officially controlled licensing—a spreading trend that ultimately can be used by unprincipled regimes to gag courageous journalists who insist on telling the truth even if it negatively affects people in high places. Newspapers frequently face government controls on newsprint and broadcasting equipment that, in most cases, must be imported, giving government officials the means to squeeze news organizations by denying supplies or import licenses. Journalists constantly receive telephone calls from the appropriate government officials, which often enough is the vehicle for consigning a story to the spike.

The regimes of Gen. Augusto Pinochet in Chile and Gen. Alfredo Stroessner in Paraguay are today unquestionably the worst offenders against the press in the hemisphere. Like the heartless former Uruguayan and Argentine military juntas before them, both regimes face an increasingly vocal opposition, spurred by the restoration of democracy in recent years in Bolivia, Peru, Argentina, Uruguay and Brazil. As a result, repression of all aspects of civil life in both Chile and Paraguay has reached unprecedented levels. Indeed, they exhibit signs of a painful paradox; as the iron grip of Gens. Pinochet and Stroessner begins to slip, the dictators call out every means at their disposal to quell their countries' democratic forces and, in the process, muzzle the press, often eliminating publications altogether.

In Chile, as in the last year of military dictatorship in Uruguay, the government has banned all mention of the opposition's actions, including massive acts of protest evident to even the most uninformed observer. All media that offer an alternative to the tightly supervised major press, including magazines and courageous radio stations, have simply been closed by decree. Journalists complain that a veritable reign of terror, characterized by continually shifting guidelines on what may and may not be printed or broadcast, has created a deathly

chill on the conduct of their work. Such measures had not been taken since the September 1973 coup, when upwards of 11,000 citizens, including many journalists, were murdered and the press was forced into utter silence. In late June the ban against the dissident press was formally lifted, but the authorities are using other means to muzzle their opponents.

The regime of Paraguayan dictator Stroessner, who has held all but absolute control of the country's life since 1954, moved with vindictiveness to extinguish the sole surviving vehicle of admittedly self-censored but courageous independent reporting, ABC Color. Following the paper's coverage of statements by civilian leaders of the dissident Movimiento Popular Colorado (MOPOCO), the government closed down the paper and then proceeded to move against every other publication owned by Aldo Zucolillo's Azeta publishing house—including sports and children's magazines. The move has been widely interpreted as a personal vendetta against the remarkable Zucolillo, who throughout the past three decades has steadfastly remained a thorn in the general's side. At this writing, neither ABC Color nor Azeta's other publications have reappeared.

Events in Paraguay have attracted attention in the U.S. Congress and also the State Department, which has chosen to make the Stroessner regime a rare, if muted, showcase example of its alleged concern for human rights in Latin America, although it has consistently ignored evidence of human-rights violations in regimes that the Reagan Administration considers to be its allies. Even so, the State Department's newly formed Office for Combating Terrorism until recently had the temerity to list MOPOCO, whose doughty leaders were in exile in Argentine from 1959 to 1984, among terrorist groups. This nomenclature hardly fits the dissident faction of Stroessner's Colorado Party, which represents the germ plasm of democracy in that country.

A word also must be said about the continuing effects of the Central American crisis on the press. Clearly, in El Salvador only the semblance of democracy, but not its substance, is in place. Reporting there is still a hazardous activity, as our survey shows. The Reagan Administration has also undertaken to assiduously pressure the peaceful but now rapidly deteriorating democracy of Costa Rica to become involved in its Central American strategy. Even though the country abolished its armed forces in 1948, Washington is providing military aid and arranged for a Voice of America broadcasting facility that was opened in the northern part of the country.

Last but certainly not least, COHA and TNG remain concerned about the developing tensions between the government and the dissident press in Nicaragua. The jury is still out on the extent to which the leading opposition paper, La Prensa, has contributed to the hostility with which it is has been treated by the government. Certainly there is ample evidence that former Editor Pedro Joaquin Chamorro, Jr., the son of an ardent Somoza opponent murdered by the dictator's regime and a relative of the editors of the two progovernment papers, has been one of the main opposition forces in the country against Sandinista rule. Since 1982, when Nicaragua implemented press censorship, La Prensa has been closed twice by the government, and on 32 occasions the editors halted publication in protest against censorship.

While many foreign journalists feel that La Prensa has not conducted itself in an entirely ethical manner and frequently engages in shabby journalism, it seems to us that the real question is whether the government can display sufficient judgment and toleration to let the marketplace of ideas rather than the heavy hand of censorship; determine the newspaper's fate.

Our survey demonstrates that despite notable improvements, particularly in the Southern Cone countries, freedom of the press is still a distant ideal in many Latin American nations. We hope that our efforts to bring to light the abuses still prevalent in the region will bring that ideal closer to realization.

CHARLES A. PERLIK, Jr.,
President,
The Newspaper Guild (AFL-CIO, CLC).●

TRANSPORTATION TRUST FUNDS AND THE BUDGET DEFICITS

● Mr. SYMMS. Mr. President, State transportation officials, highway users, highway construction contractors, and airport users across the Nation have written to me regarding the transportation trust funds. All of them concur with my view that the trust funds should be exempted from Gramm-Rudman-Hollings budget cuts.

One of the letter writers is Dean Tisdale, director of the transportation department in my State of Idaho. Dean makes some poignant comments about the nature of user-financed programs and their place in the Federal budget. I urge my colleagues to take a few moments to read Dean's letter because I believe it may make a significant contribution to our consideration of this important issue.

Mr. President, I ask that Director Tisdale's letter be printed in the RECORD.

The letter follows:

STATE OF IDAHO
TRANSPORTATION DEPARTMENT,
Boise, ID, January 24, 1986.

Re Removal of Transportation Trust Funds from the Unified Federal Budget.

Hon. STEVEN D. SYMMS,
U.S. Senate,
Washington, DC.

DEAR SENATOR SYMMS: A proposal by the Public Works and Transportation Subcommittee for the subject action was defeated in the House last October. The close vote (222 to 205) suggests that such a proposal deserves additional careful consideration. This Department strongly supports removal of the highway, airways and transit trust funds from the Unified Federal Budget.

President Reagan, in his recently televised press conference, said, in response to one question on Social Security, "I have never thought that Social Security plays a part in the deficit. It doesn't because Social Security is supported by its own tax and that tax can't be used for anything else. So it's playing games to pretend that Social Security is a part of the budget and can affect the deficit. As a matter of fact, a previous President put it in the budget only because the bookkeeping in ink would look like the deficit was smaller if you could count as an asset the Social Security tax. Well, I think that's not playing fair with the people so we've taken it out."

We believe the same logic applies equally to self-financed trust funds for these reasons:

1. They are self-supporting from user fees which did not contribute to the budget deficit. The dedicated funds cannot be used for purposes other than transportation improvements as provided by law.

2. By law, these trust funds are deficit-proof. Since the programs cannot spend out more than they take in, they operate under a de facto balanced budget.

3. Reductions in trust funded programs do not truly help the deficit since borrowing from these trust funds requires repayment of interest and merely shifts external debt to internal debt. The budget reductions are therefore illusory and misleading to the public as stated by President Reagan.

4. The programs they finance are subject to the same degree of scrutiny as appropriations acts and can be relied upon to provide the same degree of fiscal restraint as is provided by appropriations acts in the case of general fund programs.

5. If all federal programs worked as well as the proven Transportation Trust Funds, we wouldn't be faced with a deficit.

We are concerned that Western States may bear a disproportionate share of budget reduction under Gramm-Rudman—especially states such as Idaho with sparse populations and large public land holdings. The estimated reduction caused by the Gramm-Rudman-Hollings Act on Idaho's federal highway funding alone is $4 million in FY 1986 and could be as high as $28 million by FY 1987.

It is my understanding that removal of transportation trust funds from the budget will likely be included in congressional deliberations for reauthorization of transportation bills in the coming months. Your support of those efforts should be greatly appreciated by Idaho transportation users, which includes just about everyone in the State.

Sincerely,

E. DEAN TISDALE,
Director.●

CONGRESSIONAL CALL TO CONSCIENCE

● Mr. ROCKEFELLER. Mr. President, today, in recognition of the plight of Soviet Jewry, I am pleased to take part in the congressional call to conscience vigil. The recent release of Anatoly Scharansky has given us hope and encouragement in our efforts to secure the freedom of those who are forced to remain in the Soviet Union against their will. We must remember, however, that his release is only one victory in a continuing struggle. As long as Soviet Jews are subjected to religious persecution and denied the right to emigrate, our celebration must be brief and our determination unending. We cannot be appeased by limited concessions while thousands are denied their basic human rights. Mr. Scharansky's release must only strengthen our resolve to continue our efforts in defense of human rights.

The need for our support of Soviet Jewry has never been more vital. Emi-

gration has slowed to a trickle while incidents of harrassment and abuse are on the rise. The case of Nadezhda Fradkova vividly portrays the plight of Soviet Jewry today. She first applied for emigration in 1978 only to be denied because of her father's "access to state secrets." The cruel irony is that she has never seen her father. Her parents were divorced when she was an infant.

Fradkova has launched periodic hunger strikes to protest the Soviet Government's refusal to grant permission to emigrate. Her efforts to date have brought only increased harrassment and hardship. With each hunger strike she has been placed in a psychiatric hospital and in some instances subjected to massive dosages of drugs leaving her paralyzed and semiconscious. Cruel irony surfaced in her life once again in May of 1984 when she was taken directly from a mental hospital and charged with "parasitism." This allegation made no mention of the fact that the charge against her refers to a time when she was forcibly detained in a psychiatric hospital and obviously unable to work. Currently, she is serving a 2-year sentence in a labor camp. No word has been received from her since she was imprisoned.

It is difficult for us to imagine what life must be like in a country where the government has such little regard for human rights. Often, in our own country, we tend to take these rights for granted, forgetting how truly precious and vulnerable they are. The reality of life for Fradkova and the rest of the Jewish minority trapped in the Soviet Union is a painful reminder that human rights abuses do exist. We in the free world have an obligation to pressure the Soviets to end their inhumane policies of persecution and restricted emigration. Our commitment to human rights must not be doubted. We cannot rest until all Soviet "prisoners of conscience" are granted the full rights guaranteed them by the Helsinki Final Act.●

THE KLAN THAT TRIED TO STEAL CHRISTMAS

● Mr. SIMON. Mr. President, there is a fair amount of bad news, disturbing news, but every once in awhile, things happen that are encouraging. The developments in the Philippines constitute such an experience.

But I picked up in the Christian Century magazine a story about the small community in Commerce, GA, with a population of 4,092, that is one of those heartwarming stories. It is a story about "The Klan That Tried to Steal Christmas."

The story is written by Rev. Blake Breitenhirt, Jr., the pastor of the town's Presbyterian Church.

I believe my colleagues will enjoy it, and I submit it for the RECORD.

The article follows:

THE KLAN THAT TRIED TO STEAL CHRISTMAS

COMMERCE, GA.—It started out as but a small-town parade. As is the custom in this community, a Christmas parade is organized each year to mark the beginning of what is called the "Christmas buying season."

The parade attracts many groups: local churches have floats, usually depicting a religious theme; various Scout organizations are represented; bands from the area's schools play the familiar music of Christmas; and at the end of the parade, one of the city's firetrucks comes down the street—siren blaring and lights flashing—carrying Santa Claus, who dispenses candy to all those present.

But such was not to be the case in 1985. For, in a wonderful sentence from an Atlanta Constitution editorial, "Enter the damned Klan."

A Saturday walk to the post office with our six-year old daughter had been interrupted this past summer when she suddenly asked, "Daddy, who are those people in those funny white clothes?" There they were: white-robed, wizard-capped citizens on the public streets. I had read of the Ku Klux Klan in history books, but here we were, actually seeing them, gathered in front of the only local store owned and operated by a Jew.

As kindly and as accurately as possible, I sought to explain to Elizabeth who the people were and what they believed. It was, all in all, a revolting way to start one's day. And it was miserable trying to explain it all to a young child who counts a number of black people among her friends.

The Klan members appeared again and again throughout the summer and into the fall. Then when they called a rally and a grand total of six people gathered to listen to their expostulations, some of us believed—and hoped—that Commerce would be spared any further appearances.

But such was not to be the case. The Klan asked for permission to hold a parade. When the city council denied the request, Klan members attended a council meeting to exchange threats with council members.

One of the few happy incidents surrounding the Klan's presence occurred during the Klan's first appearance. Through an inspired directive by local authorities, all of our town's black police officers were assigned to direct traffic around the impediment created by the Klan's presence. Black deputy sheriffs joined them in protecting the racists. What a splended announcement of the town's views!

We should note that the Klan members who demonstrated in our community came from other counties. The Georgia Bureau of Investigation and other law-enforcing groups monitored events closely and concluded that the cars whose license plates they photographed were predominatly from a metropolitan Atlanta county and another nearby county with a small city.

As the time for the Christmas parade approached, the Klan requested permission to be in the parade. It was rumored that this group's float would depict the theme "Wishing You a White Christmas." Though concern was voiced over the prospect of the Klan in the parade, various authorities ruled that there was no way legally to prevent the organization from participating along with others.

Meanwhile, those preparing groups and floats for the parade began receiving telephone calls from parents of black children who were understandably concerned over the safety of their children who were to participate in the parade—a concern shared by some of us white parents. Because of the tensions in the community and council members' sense of responsibility for the security of all local citizens, the council reluctantly canceled the parade. Floats that had been constructed before the decision were torn apart. Children were disappointed; adults were bitter toward the Klan.

It then came to pass that the mayor called a meeting of all the town's ministers. Plans immediately began falling into place for a Commerce Community Christmas Celebration. The largest local church, First Baptist, offered to host the celebration; the Presbyterians took on musical matters; a black Baptist minister agreed to preach. Publicity began circulating by the next morning.

On Monday evening, December 23, Commerce celebrated. It has been written elsewhere of the service that "the singing and speaking went better than well." From the choir's first notes, it became obvious that this was to be a joyful service. A choir, made up of representatives of at least seven churches, was led by the Presbyterian church's choir director. The entire congregation sang with uncommon vigor, and the organist and the pianist from the host Baptist church played their instruments with joy.

"The Birth of a Belief" was the sermon title—and a dynamic statement it was. Without ever mentioning the Klan, Leroy Doe nevertheless used recent events in our community's life to help us understand the birth of our Lord. "This got started out of adversity," he said, "but it came together out of love." His hermeneutics was admirable, his testimony estimable and his delivery powerful.

About 40 per cent of those present were black. All members of the city council came. Both black and white ministers led in various parts of the service.

The news media converged. Each of the three major networks was represented by its Atlanta affiliate, and several newspapers sent reporters and photographers. At first, these people simply tended to their duties. But as the service progressed, a change came over them: they were singing as vigorously as anyone in the church, obviously caught up in the service. Indeed, one of them was moved to tears. Wire service and national radio networks carried stories about Commerce, a town with 4,092 souls, nestled in the piedmont section of northeast Georgia.

And so a different kind of Christmas came to Commerce in 1985. No, the children didn't have the opportunity of being in a parade. And no, we didn't line up beside our town's main street to welcome the "Christmas buying season." But yes, Santa Claus did come to the front lawn of First Baptist Church after our special Christmas celebration. And yes, the glory of the Lord somehow shone around us as we—black and white—worshiped, as our black council member said, "in peace, in spirit and together."—BLAKE BREITENHIRT, JR.●

FESTIVAL OF PURIM

● Mr. MOYNIHAN. Mr. President, Jewish people throughout the world have just celebrated the happy festival of Purim. This holiday commemorates the failure of the evil Haman's plans to liquidate the Jews of Ancient

Persia. Haman was an Amelekite, a people of antiquity whose national identity long ago disappeared, yet Haman's intended victims not only survived his intended genocide, but they continue to flourish 2½ millenia later.

I recalled this historic irony recently when I had the pleasure of visiting the K'hal Adath Jeshurun community of Washington Heights in upper Manhattan. This community is a virtual replica of the magnificent Jewish Kehilla of Frankfurt, Germany that the Nazi Hamans sought to annihilate. I visited this community's beautiful school, Yeshiva Rabbi Samson Raphael Hirsch. In the front lobby of the high school building hangs a plaque in German—the plaque from their original school that the Nazis destroyed in 1940. This plaque was found in a heap of rubble after the Second World War by the school's principal—Rabbi Jacob Breuer, whose father Rabbi Dr. Joseph Breuer was the prime architect of this community's miraculous rebirth in the Washington Heights neighborhood. Haman is gone, Hitler is gone. The children of Yeshiva Rabbi Samson Raphael Hirsch continue to learn the Torah value that these evil men sought to destroy.

My colleagues in the Senate may have heard of Rabbi Samson Raphael Hirsch. He created the intellectual framework that permitted Western European Jews to participate in the secular world while remaining loyal to the full range of religious traditions. Rabbi Hirsch was already a renowned author and a member of the Austrian Parliament when he was summoned by the struggling traditional Jews of Frankfurt to become their Rabbi in 1850. He founded K'hal Adath Jeshurun or community of the faithful of Jershurun, a Biblical synonym for the Jewish people. He founded the first schools in modern Jewish history that taught traditional Torah studies in a secular language. Commentary magazine conducted a survey on the state of Jewish belief in 1965. Virtually all of the Orthodox respondents based their responses on Rabbi Hirsch's writings.

After Rabbi Hirsch's death in 1888 his community, or "kehilla", grew and prospered under the leadership of his son-in-law Rabbi Salomon Breuer and grandson, Rabbi Dr. Jospeh Breuer (1882-1980). In 1939 Dr. Breuer escaped from Nazi Europe and began to rebuild the kehilla in Washington Heights, the home of the largest community of German-Jewish refugees. This unique community includes a synagogue—modeled after the one destroyed by the Nazis, the Samson Raphael Hirsch elementary and high schools—with 800 students, a Rabbinic college and teachers seminary for women, bakeries, butchershops, cemeteries, kosher food stores and restaurants, a ritualarium and social service agencies.

The kehill's first president in America was Dr. Raphael Moeller, whose daughter Elisabeth Wurzburger is executive director of the Washington Heights Jewish Community Council, which has done so much for that neighborhood. Dr. Moeller was succeeded after his death in 1980 by Edwin Katzenstein, a local businessman. The kehilla called Rabbin Simon Schwab from Baltimore in 1958 to assist Dr. Joseph Breuer as Associate Rabbi. He now heads the kehilla. Rabbi Schwab held a pulpit in Bavaria before the Second World War and is one of the last surviving links with prewar German Jewish Rabbinic leadership.

I visited several classes in the Yeshiva and was particularly moved by the gracious welcome that I received from an 11th grade student, Malka Leah Kramer of Yonkers. I ask to place Ms. Kramer's remarks in the RECORD.

The remarks follow:

REMARKS OF MALKA LEAH KRAMER ON BEHALF OF THE YESHIVA RABBI SAMSON RAPHAEL HIRSCH GIRL'S HIGH SCHOOL

Tomorrow night we begin our celebration of the holiday of Purim. We will rejoice in recalling how, with God's help, our people were saved from a tyrant's decree in far off Persia long ago.

Now we are blessed to be living in a country that our Torah sages refer to as a "Medina shel Chesed"—a land of loving kindness. The freedoms that are precious to all Americans are especially precious to us Jews—because our people remember what can happen when "good men do nothing" and tyrants rule.

These freedoms are ever guarded by the many vigilant individuals who serve in the Congress of the United States. These elected officials are true friends of Israel and of the Jewish people because they are American patriots—and, as such, are defenders of liberty and democracy and enemies of prejudice and hatred.

It is my very great honor to express our appreciation to the Congress of the United States and to introduce the Senior Senator from the State of New York—the Honorable Daniel Patrick Moynihan.●

RULES OF COMMITTEE ON FINANCE

● Mr. PACKWOOD. Mr. President, I submit for the RECORD a copy of the Rules of Procedure for the Committee on Finance, which were adopted by the Committee on February 7, 1985, for the use of the committee during the 99th Congress.

The rules follow:

RULES OF PROCEDURE OF THE COMMITTEE ON FINANCE

I. RULES OF PROCEDURE

(Adopted February 7, 1985)

Rule 1. *Regular Meeting Days.*—The regular meeting day of the committee shall be the second and fourth Tuesday of each month, except that if there be no business before the committee the regular meeting shall be omitted.

Rule 2. *Committee Meetings.*—(a) Except as provided by paragraph 3 of Rule XXVI of the Standing Rules of the Senate (relating to special meetings called by a majority of the committee) and subsection (b) of this rule, committee meetings, for the conduct of business, for the purpose of holding hearings, or for any other purpose, shall be called by the chairman. Members will be notified of committee meetings at least 48 hours in advance, unless the chairman determines that an emergency situation requires a meeting on shorter notice. The notification will include a written agenda together with materials prepared by the staff relating to that agenda. After the agenda for a committee meeting is published and distributed, no nongermane items may be brought up during that meeting unless at least two-thirds of the members present agree to consider those items.

(b) In the absence of the chairman, meetings of the committee may be called by the ranking majority member of the committee who is present, provided authority to call meetings has been delegated to such member by the chairman.

Rule 3. *Presiding Officer.*—(a) The chairman shall preside at all meetings and hearings of the committee except that in his absence at the meeting shall preside.

(b) Notwithstanding the rule prescribed by subsection (a) any member of the committee may preside over the conduct of a hearing.

Rule 4. *Quorums.*—(a) Except as provided in subsections (b) and (c) seven members, including not less than one member of the majority party and one member of the minority party, shall constitute a quorum for the conduct of business.

(b) Notwithstanding the rule prescribed by subsection (a), one member shall constitute a quorum for the purpose of conducting a hearing.

(c) Once a quorum as prescribed by subsection (a) has been established for the conduct of business in executive session, the committee may continue to conduct business so long as five or more members are present, including not less than one member of the majority party and one member of the minority party.

Rule 5. *Reporting of Measures or Recommendations.*—No measure or recommendation shall be reported from the committee unless a majority of the committee is actually present and a majority of those present concur.

Rule 6. *Proxy Voting; Polling.*—(a) Except as provided by paragraph 8(a)(3) of Rule XXVI of the Standing Rules of the Senate (relating to limitation on use of proxy voting to report a measure or matter), members who are unable to be present may have their vote recorded by proxy.

(b) At the discretion of the committee, members who are unable to be present and whose vote has not been cast by proxy may be polled for the purpose of recording their vote on any rollcall taken by the committee.

Rule 7. *Order of Motions.*—When several motions are before the committee dealing with related or overlapping matters, the chairman may specify the order in which the motions shall be voted upon.

Rule 8. *Bringing a Matter to a Vote.*—If the chairman determines that a motion or amendment has been adequately debated, he may call for a vote on such motion or amendment, and the vote shall then be taken, unless the committee votes to continue debate on such motion or amendment, as the case may be. The vote on a motion to

continue debate on any motion or amendment shall be taken without debate.

Rule 9. *Public Announcement of Committee Votes.*—Pursuant to paragraph 7(b) of Rule XXVI of the Standing Rules of the Senate (relating to public announcement of votes), the results of rollcall votes taken by the committee on any measure (or amendment thereto) or matter shall be announced publicly not later than the day on which such measure or matter is ordered reported from the committee.

Rule 10. *Subpoenas.*—Subpoenas for attendance of witnesses and the production of memoranda, documents, and records shall be issued by the chairman, or by any other member of the committee designated by him.

Rule 11. *Open Committee Hearings.*—To the extent required by paragraph 5 of Rule XXVI of the Standing Rules of the Senate (relating to limitations on open hearings), each hearing conducted by the committee shall be open to the public.

Rule 12. *Announcement of Hearings.*—The committee shall undertake consistent with the provisions of paragraph 4(a) of Rule XXVI of the Standing Rules of the Senate (relating to public notice of committee hearings) to issue public announcements of hearings it intends to hold at least one week prior to the commencement of such hearings.

Rule 13. *Witnesses at Hearings.*—(a) Each witness who is scheduled to testify at any hearing must submit his written testimony to the staff director not later than noon of the last business day preceding the day on which he is scheduled to appear. Such written testimony shall be accompanied by a brief summary of the principal points covered in the written testimony. Having submitted his written testimony, the witness shall be allowed not more than ten minutes for oral presentation of his statement.

(b) Witnesses may not read their entire written testimony, but must confine their oral presentation to a summarization of their arguments.

(c) Witnesses shall observe proper standards of dignity, decorum and propriety while presenting their views to the committee. Any witness who violates this rule shall be dismissed, and his testimony (both oral and written) shall not appear in the record of the hearing.

(d) In scheduling witnesses for hearings, the staff shall attempt to schedule witnesses so as to attain a balance of views early in the hearings. Every member of the committee may designate witnesses who will appear before the committee to testify. To the extent that a witness designated by a member cannot be scheduled to testify during the time set aside for the hearing, a special time will be set aside for that witness to testify if the member designating that witness is available at that time to chair the hearing.

Rule 14. *Audiences.*—Persons admitted into the audience for open hearings of the committee shall conduct themselves with the dignity, decorum, courtesy and propriety traditionally observed by the Senate. demonstrations of approval or disapproval of any statement or act by any member or witness are not allowed. Persons creating confusion or distractions or otherwise disrupting the orderly proceeding of the hearing shall be expelled from the hearing.

Rule 15. *Broadcasting of Hearings.*—(a) Broadcasting of open hearings by television or radio coverage shall be allowed upon approval by the chairman of a request filed with the staff director not later than noon of the day before the day on which such coverage is desired.

(b) If such approval is granted, broadcasting coverage of the hearing shall be conducted unobtrusively and in accordance with the standards of dignity, propriety, courtesy and decorum traditionally observed by the Senate.

(c) Equipment necessary for coverage by television and radio media shall not be installed, or removed from, the hearing room while the committee is in session.

(d) Additional lighting may be installed in the hearing room by the media in order to raise the ambient lighting level to the lowest level necessary to provide adequate television coverage of the hearing at the then current state of the art of television coverage.

(e) The additional lighting authorized by subsection (d) of this rule shall not be directed into the eyes of any members of the committee or of any witness, and at the request of any such member or witness, offending lighting shall be extinguished.

(f) No witness shall be required to be photographed at any hearing or to give testimony while the broadcasting (or coverage) of that hearing is being conducted. At the request of any such witness who does not wish to be subjected to radio or television coverage, all equipment used for coverage shall be turned off.

Rule 16. *Subcommittees.*—(a) The chairman, subject to the approval of the committee, shall appoint legislative subcommittees. All legislation shall be kept on the full committee calendar unless a majority of the members present and voting agree to refer specific legislation to an appropriate subcommittee.

(b) The chairman may limit the period during which House-passed legislation referred to a subcommittee under paragraph (a) will remain in that subcommittee. At the end of that period, the legislation will be restored to the full committee calendar. The period referred to in the preceding sentences should be 6 weeks, but may be extended in the event that adjournment or a long recess is imminent.

(c) All decisions of the chairman are subject to approval or modification by a majority vote of the committee.

(d) The full committee may at any time by majority vote of those members present discharge a subcommittee from further consideration of a specific piece of legislation.

(e) Because the Senate is constitutionally prohibited from passing revenue legislation originating in the Senate, subcommittees may mark up legislation originating in the Senate and referred to them under Rule 16(a) to develop specific proposals for full committee consideration but may not report such legislation to the full committee. The preceding sentence does not apply to nonrevenue legislation originating in the Senate.

(f) The chairman and ranking minority members shall serve as nonvoting *ex officio* members of the subcommittees on which they do not serve as voting members.

(g) Any member of the committee may attend hearings held by any subcommittee and question witnesses testifying before that subcommittee.

(h) Subcommittee meeting times shall be coordinated by the staff director to insure that—

(1) no subcommittee meeting will be held when the committee is in executive session, except by unanimous consent;

(2) no more than one subcommittee will meet when the full committee is holding hearings; and

(3) not more than two subcommittees will meet at the same time.

Notwithstanding paragraphs (2) and (3), a subcommittee may meet when the full committee is holding hearings and two subcommittees may meet at the same time only upon the approval of the chairman and the ranking minority member of the committee and subcommittees involved.

(i) All nominations shall be considered by the full committee.

(j) The chairman will attempt to schedule reasonably frequent meetings of the full committee to permit consideration of legislation reported favorably to the committee by the subcommittees.

Rule 17. *Transcripts of Committee Meetings.*—An accurate record shall be kept of all markups of the committee, whether they be open or closed to the public. This record, marked as "uncorrected," shall be available for inspection by Members of the Senate, or members of the committee together with their staffs, at any time. This record shall not be published or made public in any way except:

(a) By majority vote of the committee after all members of the committee have had a reasonable opportunity to correct their remarks for grammatical errors or to accurately reflect statements made.

(b) Any member may release his own remarks made in any markup of the committee provided that every member or witness whose remarks are contained in the released portion is given a reasonable opportunity before release to correct their remarks.

Notwithstanding the above, in the case of the record of an executive session of the committee that is closed to the public pursuant to Rule XXVI of the Standing Rules of the Senate, the record shall not be published or made public in any way except by majority vote of the committee after all members of the committee have had a reasonable opportunity to correct their remarks for grammatical errors or to accurately reflect statements made.

Rule 18. *Amendment of Rules.*—The foregoing rules may be added to, modified amended or suspended at any time.

II. EXCERPTS FROM THE STANDING RULES OF THE SENATE RELATING TO STANDING COMMITTEES

Rule XXV—Standing Committees

1. The following standing committees shall be appointed at the commencement of each Congress, and shall continue and have the power to act until their successors are appointed, with leave to report by bill or otherwise on matters within their respective jurisdictions:

* * * * *

(i) Committee on Finance, to which committee shall be referred all proposed legislation, messages, petitions, memorials, and other matters relating to the following subjects:

1. Bonded debt of the United States, except as provided in the Congressional Budget Act of 1974.
2. Customs, collection districts, and ports of entry and delivery.
3. Deposit of public moneys.
4. General revenue sharing.
5. Health programs under the Social Security Act and health programs financed by a specific tax or trust fund.
6. National social security.
7. Reciprocal trade agreements.

8. Revenue measures generally, except as provided in the Congressional Budget Act of 1974.

9. Revenue measures relating to the insular possessions.

10. Tariffs and import quotas, and matters related thereto.

11. Transportation of dutiable goods.

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Rule XXVI—Committee Procedure

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2. Each committee shall adopt rules (not inconsistent with the Rules of the Senate) governing the procedure of such committee. The rules of each committee shall be published in the Congressional Record not later than March 1 of each year, except that if any such committee is established on or after February 1 of a year, the rules of that committee during the year of establishment shall be published in the Congressional Record not later than sixty days after such establishment. An amendment to the rules of any such committee shall be published in the Congressional Record not later than thirty days after the adoption of such amendment. If the Congressional Record is not published on the last day of any period referred to above, such period shall be extended until the first day thereafter on which it is published.

* * * * *

5. (a) Notwithstanding any other provision of the rules, when the Senate is in session, no committee of the Senate or any subcommittee thereof may meet, without special leave, after the conclusion of the first two hours after the meeting of the Senate commenced and in no case after two o'clock post-meridian unless consent therefor has been obtained from the majority leader and the minority leader (or in the event of the absense of either of such leaders, from his designee). The prohibition contained in the preceding sentence shall not apply to the Committee on Appropriations or the Committee on the Budget. The majority leader or his designee shall announce to the Senate whenever consent has been given under this subparagraph and shall state the time and place of such meeting. The right to make such announcement of consent shall have the same priority as the filing of a cloture motion.

(b) Each meeting of a committee, or any subcommittee thereof, including meetings to conduct hearings, shall be open to the public, except that a meeting or series of meetings by a committee or a subcommittee thereof on the same subject for a period of no more than fourteen calendar days may be closed to the public on a motion made and seconded to go into closed session to discuss only whether the matters enumerated in paragraphs (1) through (6) would require the meeting to be closed, followed immediately by a record vote in open session by a majority of the members of the committee or subcommittee when it is determined that the matters to be discussed or the testimony to be taken at such meeting or meetings—

(1) will disclose matters necessary to be kept secret in the interests of national defense or the confidential conduct of the foreign relations of the United States;

(2) will relate solely to matters of committee staff personnel or internal staff management or procedure;

(3) will tend to charge an individual with crime or misconduct, to disgrace or injure the professional standing of an individual, or otherwise to expose an individual to public contempt for obloquy, or will represent a clearly unwarrented invasion of the privacy of an individual;

(4) will desclose the identity of any informer or law enforcement agent or will disclose any information relating to the investigation or prosecution of a criminal offense that is required to be kept secret in the interests of effective law enforcement;

(5) will disclose information relating to the trade secrets of financial or commercial information pertaining specifically to a given person if—

(A) an Act of Congress requires the information to be kept confidential by Government officers and employees; or

(B) the information has been obtained by the Government on a confidential basis, other than through an application by such person for a specific Government financial or other benefit, and is required to be kept secret in order to prevent undue injury to the competitive position of such person; or

(6) may divulge matters required to be kept confidential under other provisions of law or Government regulations.

(c) Whenever any hearing conducted by any such committee or subcommittee is open to the public, that hearing may be broadcast by radio or television, or both, under such rules as the committee or subcommittee may adopt.

(d) Whenever disorder arises during a committee meeting that is open to the public, or any demonstration of approval or disapproval is indulged in by any person in attendance at any such meeting, it shall be the duty of the Chair to enforce order on his own initiative and without any point of order being made by a Senator. When the Chair finds it necessary to maintain order, he shall have the power to clear the room, and the committee may act in closed session of order.

(e) Each committee shall prepare and keep a complete transcript or electronic recording adequate to fully record the proceeding of each meeting or conference whether or not such meeting or any part thereof is closed under this paragraph, unless a majority of its members vote to forego such a record.

INNA AND NAUM MEIMAN: HARASSMENT CONTINUES

● Mr. SIMON. Mr. President, for the last week, I have been trying to reach two friends of mine, Inna and Naum Meiman, in Moscow. The Meimans are long-term refuseniks and have borne the burdens of ostracism bravely.

The process to phone a person in the Soviet Union is complex. The actual placement of the call is similar to calling any foreign nation except that most often, there is a 7- to 8-hour delay. The most difficult part is the waiting to see if the call will go through at all. Unlike the United States, no recorded message plays if the phone is out of order or the number has been changed. The phone simply rings and rings.

I have placed three phone calls to the Meimans. All of them have ended with the Soviet operator telling me that the party was not at home as the phone rang and rang.

In order to speak to Naum, I placed a messenger call. This means that the Soviet operator must send Naum a telegram directing him to go to the post office to receive my call. Only through this complicated method was I able to speak to Naum this morning.

The news he had to tell me was not good. The reason that his phone had rung and rung when I called was not that he and Inna were not at home, but that their phone had been disconnected. Under any circumstance it is serious when the Soviets cut off a refusenik's phone. Disconnecting the Meimans' phone is profoundly more serious because Inna is so terribly ill. Imagine being cut off from medical assistance because the government does not want you to have a phone.

I implore the Soviet Government to cease harassing the Meimans and permit them to emigrate to Israel.●

TAX PLAN'S BOOST TO PRIVATIZING SERVICES

● Mr. HUMPHREY. Mr. President, over the past several weeks, I have inserted several different articles into the RECORD on an aspect of tax reform that I feel deserves extra attention: The deductibility of State and local taxes. Today, I would like to call to the attention of my colleagues still another article. However, this one is a bit different from the others. Written by Mr. E.S. Savas, "Tax Plan's Boost to Privatizing Services" attempts, rather successfully I may add, to dispel the notion that the elimination of deductibility of State and local taxes will force State and local governments to cut back on services.

Mr. President, one of the major arguments put forth by opponents of repeal has been that, if deductibility were repealed, taxpayers in high-tax States would begin to feel the full weight of State and local taxes. They would then put such pressure on State and local government officials that those taxes would have to be cut drastically. As a result, State and local governments would have to cut back on essential services at a time when they are being asked to shoulder more of the burden of providing various services to their citizens.

Is this going to happen? As Mr. Savas puts it, "No way." Mr. Savas gives two very good examples of States that survived drastic tax cuts, California and Massachusetts, with no severe loss of services. However, as Mr. Savas goes on to say:

> More important is the simple acknowledgement that a reduction in revenue does not have to be witlessly accommodated by a corresponding cut in services.

A much better alternative would be to simply give the taxpayers more for their money. A proven technique for accomplishing this goal, Mr. Savas points out, is privatization. In his work as both a city administrator and as an Assistant Secretary at the Department

of Housing and Urban development, Mr. Savas knows of what he speaks.

In reading Mr. Savas' article, one important point must not be overlooked. The effect on State revenues is by no means certain. While Mr. Savas mentions that "even if tax revenues were ultimately to decline in accordance with this unlikely scenario, the drop would be only a few percentage points," he does not mention still another important point. All of the States that use the Federal definition of income to determine income for State income tax purposes will see their tax revenue rise. This will happen because the income base will broaden without the reduction in rates which will occur at the Federal level.

Mr. President, given these facts, why do people insist on basing their view of deductibility on such erroneous arguments? The arguments in favor of repeal are great, especially the need to repeal if we are to achieve significant rate reduction. Here, another argument opposing repeal is shown for what it is: A fallacy.

Mr. President, Mr. Savas provides us with one more reason to repeal deductibility. More importantly, he dispels still another reason to retain it. How long are we going to ignore the clear arguments of reasons in favor of the cloudy arguments of demagoguery? I believe the time has come for true tax reform, of which the repeal of deductibility is an essential part. Let's get on with it.

Mr. President, I ask that the article be printed in the RECORD.

The article follows:

TAX PLAN'S BOOST TO PRIVATIZING SERVICES

(By E.S. Savas)

Some state and local officials believe that President Reagan's proposal to eliminate the federal deduction for state and local taxes would cause painful reductions in local government services. No way. The impact on state and local services will be negligible, but the opportunity to actually improve services is immense.

Let's examine the implied scenario that leads to the gloomy forecast: A loss of deductibility will cause wealthy taxpayers in some states to pay more in federal income taxes. These taxpayers will successfully press for cuts in state and local taxes so that their total taxes—federal, state and local—will be as low as they were before the reform. Finally, the thinking goes, this loss of revenue for state and local governments must inevitably be translated into proportional reductions in services. This reasoning does not withstand even cursory inspection.

First, even if tax revenues were ultimately to decline in accordance with this unlikely scenario, the drop would be only a few percentage points. Localities survived quite nicely in California and Massachusetts despite much more traumatic cuts triggered by Propositions 13 and 2½.

More important is the simple acknowledgement that a reduction in revenue does not have to be witlessly accommodated by a corresponding reduction in services. Giving the taxpayers more for their money—by better management and increased productivity, is a vastly better alternative. In fact, state and local governments now have available a thoroughly tested technique that regularly produces productivity improvements in the range of 30% to 50% privatization.

The evidence on privatization by "contracting out" is now overwhelming and is no longer a matter of serious debate. The only question is one of political will, and of following prudent and proper practices.

Careful studies involving hundreds of communities, in the U.S. and abroad, compared the relative efficiency and effectiveness of municipal agencies and private contractors in providing identical services. For example, Los Angeles county recently reviewed the cumulative results of its privatization program since 1979. It concluded that its 407 separate contracts cost only $92 million, whereas if county agencies had done the work directly, the cost would have been $143 million, or 55% more.

A detailed analysis sponsored by the Department of Housing and Urban Development found that the cost of street construction by city agencies was 96% greater than similar work by contractors, and that municipal costs were greater by 43% for street cleaning, 73% for janitorial services, 56% for traffic signal maintenance, and 37% for tree pruning. In each case there were no differences in quality. Only in payroll preparation were the costs equal.

The most studied municipal service is refuse collection. Nine independent, large-scale studies have been conducted by academes and by government agencies in the U.S., Canada, West Germany, Japan and Switzerland. All concluded that municipal collection is significantly more costly than contract collection, by anywhere from 15% to 124%. Moreover, a citizen survey covering more than 8,000 randomly selected households in 82 randomly selected cities showed greater satisfaction with private companies than with municipal agencies, for the same level of collection service.

International studies comparing public and private bus operations show the former to be 67% to 100% costlier than the latter, but no better or safer. (The public bus agency in Calcutta, India, employed a whopping 50 employees per bus, far more than the private bus lines in the same city.) In the U.S., an exhaustive review of 249 transit systems by researchers at the University of California at Irvine concluded that privately owned and managed bus systems were the most efficient.

Early results indicate that the private sector can do better in constructing and operating prisons, waste-water treatment plants, street lights and resource-recovery facilities. In support functions such as data processing, food service and audio-visual services, a recent analysis of 235 federal-agency contracts reported by the Office of Federal Procurement Policy showed that the cost of such work by government had been 38% higher than contract work.

A clear trend toward privatization is under way. A 1984 survey of 55 state and local highway officials by Roads magazine disclosed that, by a 2-to-1 ratio, the officials would be relying more on contractors and less on their own forces for road construction and maintenance because they "are convinced that the private contractor can do the job more cost-effectively than public crews and equipment can." More than 100 different municipal activities are now being provided by contract, ranging from adoption services to zoning control.

Simple pragmatism, not ideology, is the driving force behind contracting out of state and local services. Officials are learning that they can maintain and even improve services while reducing costs significantly, and today this is important for reelection—at least as important as patronage and swollen public payrolls were in earlier days.

The reason why privatization works so well is not that the people employed by government are somehow inferior to those employed by the private sector; they are not. It works because privatization offers choice, and choice fosters competition, which leads to more cost-effective performance. Contracting out means disssolving unnecessary government monopolies and introducing competition in the delivery of public services. The public benefits from this competition—provided that sound bidding, contracting and performance monitoring procedures are employed.

Governments are responsible for deciding which services are to be paid for by the public, but they do not have to produce and deliver the services using government employees. In effect, privatization elevates each government agency to the same commanding position as a manufacturer who can decide whether to make or buy a component for the product he is assembling. The efficient manufacturer will maintain a competitive balance among his suppliers—including his own plant—to assure the best possible overall results.

Predictably, public-employee unions oppose contracting out and federal tax reform because they see an end to their cozy monopolies and a loss of jobs to their new competitors in the private sector. Ironically, these private workers are themselves often unionized.

State and local governments can take advantage of the climate created by the federal tax-reform proposal and budget-reduction effort to introduce new and better ways to manage their own affairs. Privatization, with its amply demonstrated benefits, leads to a better division of responsibilities between the public and private sectors, and can bring better and cheaper services to the public.●

ORDERS FOR THURSDAY

RECESS UNTIL 9 A.M.

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. DOLE. Mr. President, I ask unanimous consent that once the Senate completes its business today it stand in recess until the hour of 9 a.m., on Thursday, March 27, 1986.

The PRESIDING OFFICER. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

Mr. DOLE. Following that, I ask unanimous consent that there be a period for the transaction of routine morning business for not to extend beyond the hour of 9:35 a.m., with Senators permitted to speak for not more than 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. DOLE. The Senate will resume consideration of Senate Joint Resolution 283, the Contra aid bill hopefully

at 9:30 a.m. It may be a bit beyond 9:30, but by 9:30.

I can assure Members there will be votes throughout the day. Hopefully, if we can start at 9:30, we might be able to complete action by 2 or 3 o'clock tomorrow afternoon. That is a hope.

Mr. KENNEDY addressed the chair.

Mr. DOLE. Mr. President, I am happy to yield.

Mr. KENNEDY. Mr. President, I was prepared to offer my amendment earlier today. I spoke to the amendment. I was wondering if there would be any objection to making that the pending amendment.

Mr. DOLE. We did not offer our substitute tonight. We are looking to the Senator from Massachusetts to offer the first amendment to that substitute.

Mr. KENNEDY. That would be fine.

Mr. DOLE. If that is all right with the managers.

Mr. KENNEDY. I am more than glad to enter into a time limitation as well with the majority leader tomorrow.

Mr. DOLE. We can do that in the morning, as far as I am concerned, if there is no objection by the managers to considering that the first amendment and the pending amendment.

Mr. KENNEDY. I indicated as far as I was concerned, we would not be more than maybe a half an hour equally divided. So at least we can get started on it, there will be a vote fairly quickly. It seems that we have debated that measure to some extent.

Mr. DOLE. That would be very helpful.

Let me indicate that there could be a vote to occur then before 10:30 a.m. tomorrow.

Mr. KENNEDY. Mr. President, I thank the distinguished majority leader.

Mr. DOLE. I thank the Senator from Massachusetts, Mr. KENNEDY.

RECESS UNTIL 9 A.M. TOMORROW

Mr. DOLE. Mr. President, there being no further business to come before the Senate, I move, in accordance with the order just entered, that the Senate stand in recess until the hour of 9 a.m., Thursday, March 27.

Thereupon, at 7:26 p.m., the Senate recessed until tomorrow, Thursday, March 27, 1986, at 9 a.m.

NOMINATIONS

Executive nominations received by the Senate March 26, 1986:

THE JUDICIARY

James Larry Edmondson, of Georgia, to be U.S. circuit judge for the Eleventh Circuit vice Albert J. Henderson, retired.

Andrew J. Kleinfeld, of Alaska, to be U.S. district judge for the District of Alaska vice a new position created by Public Law 98-353, approved July 10, 1984.

DEPARTMENT OF THE TREASURY

J. Roger Mentz, of New Jersey, to be an Assistant Secretary of the Treasury, vice Ronald Alan Pearlman, resigned.

DEPARTMENT OF THE INTERIOR

Frank H. Dunkle, of Montana, to be Director of the U.S. Fish and Wildlife Service, vice Robert A. Jantzen, resigned.

U.S. INSTITUTE OF PEACE

Morris I. Leibman, of Illinois, to be a member of the Board of Directors of the U.S. Institute of Peace for a term of 2 years expiring January 19, 1987. (New position.)

IN THE NAVY

The following-named Naval Reserve Officers Training Corps candidates to be appointed permanent ensign in the line or staff corps of the U.S. Navy, pursuant to title 10, United States Code, section 531:

Kathryn K. Murray
Gregory L. Plum
Steven M. Smith
Richard P. White

The following-named Navy Enlisted Commissioning Program candidates to be appointed permanent ensign in the Line or Staff Corps of the U.S. Navy, pursuant to title 10, United States Code, section 531:

Randall G. Genners
Paul E. Karlsson
Mark P. Pitts
Kevin M. Weir

The following-named Naval Reserve officers to be appointed permanent ensign in the Line or Staff Corps of the U.S. Navy, pursuant to title 10, United States Code, section 531:

Sidney J. Baumann III
Kenneth W. Carel
Bradley S. Cody
Anthony R. Derossett
Michael J. Fogarty III
Eric A. Klug
Richard W. Loan
Steven J. Madsen
Steven C. Maltby
Raphael E. Potts
Paul A. Randall
Susan L. Still

The following-named Navy officer to be appointed ensign in the Medical Service Corps of the U.S. Navy, pursuant to title 10, United States Code, section 531:

Michael A. Riley

The following-named Navy enlisted candidate to be appointed permanent chief warrant officer, W-2, in the U.S. Navy, pursuant to title 10, United States Code, section 555:

Wesley L. Brant

The following-named U.S. Navy officers to be appointed permanent captain the Medical Corps of the U.S. Naval Reserve, pursuant to title 10, United States Code, section 593:

Frank R. Arko
Bolar R. Rao

The following-named U.S. Navy officers to be appointed permanent commander in the Medical Corps of the U.S. Naval Reserve, pursuant to title 10, United States Code, section 593:

Miguel P. Medina
Narendrakrumar M. Raval
Michael F. Walsh
John F. Wilker

EXTENSIONS OF REMARKS

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Thursday, March 27, 1986, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

APRIL 8

9:30 a.m.
Finance
Business meeting, to resume markup of proposed legislation providing for revisions in Federal tax laws.
SD-215

2:00 p.m.
Appropriations
Agriculture, Rural Development and Related Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1987 for the Department of Agriculture, focusing on the Federal Crop Insurance Corporation, and the Rural Electrification Administration.
SD-124

Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for energy conservation programs.
SD-138

Armed Services
Defense Acquisition Policy Subcommittee
To resume hearings on S. 2082, to improve the management of major defense acquisition programs, to establish a Defense Acquisition Service, and to limit employment contracts between senior officials of the Department of Defense and defense contractors, S. 2151, to establish within the Office of the Secretary of Defense an Office of Defense Acquisition for the centralized procurement of all property and services for the Department of Defense and to provide for an Under Secretary of Defense Acquisition, and to discuss the acquisition findings and report of the President's Blue Ribbon Commission on Defense Management (Packard Report).
SR-253

APRIL 9

9:30 a.m.
Appropriations
District of Columbia Subcommittee
To resume hearings on the overcrowding issue of the District of Columbia prison system.
Room to be announced

Appropriations
Labor, Health and Human Services, Education, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for the Office of the Secretary of Education, Departmental Management (salaries and expenses), Office for Civil Rights, and Office of Inspector General, all of the Department of Education.
SD-116

Appropriations
Commerce, Justice, State, the Judiciary, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for the Office of Attorney General, Department of Justice.
S-126, Capitol

Finance
Business meeting, to continue markup of proposed legislation providing for revisions in Federal tax laws.
SD-215

Labor and Human Resources
Business meeting, to consider pending calendar business.
SD-430

Select on Intelligence
To resume closed hearings on proposed legislation authorizing funds for fiscal year 1987 for the intelligence community.
SH-219

10:00 a.m.
Appropriations
Defense Subcommittee
To hold closed hearings on proposed budget estimates for fiscal year 1987 for the strategic defense initiative.
S-407, Capitol

Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1986 for the Department of Housing and Urban Development.
SD-124

Appropriations
Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for the Federal Railroad Administration, Department of Transportation, and the National Railroad Passenger Corporation (AMTRAK).
SD-138

Foreign Relations
Western Hemisphere Affairs Subcommittee
To hold hearings on the situation in Panama.
SD-419

2:00 p.m.
Appropriations
Treasury, Postal Service, and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for the Office of Personnel Management, and the Federal Elections Commission.
SD-124

Foreign Relations
Western Hemisphere Affairs Subcommittee
To continue hearings on the situation in Panama.
SD-419

Select on Indian Affairs
To hold hearings on S. 1452, to settle certain Wampanoag Indian land claims in Gay Head, Massachusetts.
SD-538

APRIL 10

9:30 a.m.
Appropriations
Agriculture, Rural Development and Related Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1987 for the Department of Agriculture, focusing on the Food and Nutrition Service, and the Human Nutrition Information Service.
SD-138

Appropriations
Labor, Health and Human Services, Education, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for the Department of Education, including compensatory education for the disadvantaged, special programs, and impact aid.
SD-116

Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold hearings on proposed legislation authorizing funds for the National Bureau of Standards, Department of Commerce.
SR-253

10:00 a.m.
Appropriations
Defense Subcommittee
To hold hearings on proposed budget es-

timates for fiscal year 1987 for the strategic defense initiative.
SD-192

Appropriations
Treasury, Postal Service, and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for the Office of Management and Budget.
S-126, Capitol

Foreign Relations
To hold hearings on the United States foreign assistance programs and aid to Ireland.
SD-419

10:30 a.m.
Finance
Business meeting, to continue markup of proposed legislation providing for revisions in Federal tax laws.
SD-215

11:30 a.m.
Foreign Relations
Business meeting, to consider pending nominations and treaties.
SD-419

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for the Office of Inspector General, Agency for International Development, Peace Corps, Inter-American Foundation, and the African Development Foundation.
S-126, Capitol

Governmental Affairs
Energy, Nuclear Proliferation and Government Processes Subcommittee
To hold oversight hearings on government nonproliferation activities for 1985.
SD-342

Veterans' Affairs
To hold hearings to review Veterans' Administration policies relating to the construction of major medical facilities.
SR-418

APRIL 11

9:30 a.m.
Energy and Natural Resources
Public Lands, Reserved Water and Resource Conservation Subcommittee
To hold hearings on S. 977, to establish the Hennepin Canal National Heritage Corridor in Illinois, S. 1374, to establish the Blackstone River Valley National Heritage Corridor in Massachusetts and Rhode Island, S. 1413 and H.R. 2067, bills to validate conveyances of certain lands in California that form part of the right-of-way granted by the United States to the Central Pacific Railway Company, S. 1542, to designate the Nez Perce Trail in Oregon and Montana, as a component of the National Trails System, H.R. 3556, to provide for the exchange of land for the Cape Henry Memorial site in Fort Story, Virginia, and S. 2029, to establish the Big Cypress National Preserve Addition to the State of Florida.
SD-366

Finance
Business meeting to continue markup of proposed legislation providing for revisions in Federal tax laws.
SD-215

10:00 a.m.
Appropriations
Defense Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for the strategic defense initiative.
SD-192

ARPIL 14

9:30 a.m.
Finance
Business meeting, to resume markup of proposed legislation providing for revisions in Federal tax laws.
SD-215

10:00 a.m.
Appropriations
Energy and Water Development Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for energy and water development programs.
SD-192

2:00 p.m.
Appropriations
Energy and Water Development Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for energy and water development programs.
SD-192

Energy and Natural Resources
To hold hearings on the nominations of William F. Martin, of the District of Columbia, to be Deputy Secretary of Energy, and David B. Waller, of the District of Columbia, to be an Assistant Secretary of Energy for International Affairs and Energy Emergencies.
SD-366

APRIL 15

9:30 a.m.
Appropriations
Agriculture, Rural Development and Related Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1987 for the Department of Agriculture, focusing on the Animal and Plant Health Inspection Service, Agricultural Marketing Service, and the Food Safety and Inspection Service.
SD-138

Appropriations
Labor, Health and Human Services, Education, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for the Department of Education, including education for the handicapped, rehabilitation services and handicapped research, and special institutions (including Howard University).
SD-116

Commerce, Science, and Transportation
Aviation Subcommittee
To hold hearings to review safety issues relating to an aging commercial airline fleet.
SD-628

Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold hearings on proposed legislation authorizing funds for National Oceanic and Atmospheric Administration, focusing on funds for satellite and atmospheric programs.
SR-253

Finance
Business meeting, to continue markup of proposed legislation providing for revisions in Federal tax laws.
SD-215

10:00 a.m.
Appropriations
Energy and Water Development Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for energy and water development programs.
SD-192

Energy and Natural Resources
Energy Regulation and Conservation Subcommittee
To hold hearings on S. 1302, proposed Natural Gas Regulatory Reform Act of 1985, S. 1251, proposed Natural Gas Utilization Act of 1985, and S. 2205, to eliminate certain restrictions on the use of natural gas and petroleum.
SD-366

Foreign Relations
To hold hearings on nuclear testing.
SD-419

Select on Indian Affairs
To hold hearings on S. 1988, to establish a program for the prevention and control of diabetes among native Americans.
SR-385

1:00 p.m.
Select on Intelligence
Closed business meeting, to mark up proposed legislation authorizing funds for fiscal year 1987 for the intelligence community.
SH-219

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for the Agency for International Development.
S-126, Capitol

Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for the National Endowment for the Arts and the Institute of Museum Services.
SD-138

Appropriations
Energy and Water Development Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for energy and water development programs.
SD-192

APRIL 16

9:00 a.m.
Veterans' Affairs
To hold joint hearings with the House Committee on Veterans' Affairs to review the legislative priorities of AMVETS, Vietnam Veterans of America, World War I Veterans, Jewish War Veterans of the U.S.A., and Atomic Veterans.
SD-106

9:30 a.m.
Appropriations
Labor, Health and Human Services, Education, and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1987 for the Department of Education, including student financial assistance, guaranteed student loans, higher education, higher education facilities loans and insurance, college housing loans, and educational research and training.
SD-116

Appropriations
Commerce, Justice, State, the Judiciary, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for the National Oceanic and Atmospheric Administration, Department of Commerce, and the Marine Mammal Commission.
S-146, Capitol

Energy and Natural Resources
Business meeting, to consider S. 570, S. 372, S. 913, and proposed amendments, measures to improve the administration of the Federal coal leasing program, and other pending calendar business.
SD-366

Finance
Business meeting, to continue markup of proposed legislation providing for revisions in Federal tax laws.
SD-215

Labor and Human Resources
To hold hearings on Acquired Immune Deficiency Syndrome.
SD-430

Select on Intelligence
To hold closed hearings on intelligence matters.
SH-219

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for the National Aeronautics and Space Administration.
SD-124

Appropriations
Energy and Water Development Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for energy and water development programs.
SD-192

Appropriations
Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for the U.S. Coast Guard, Department of Transportation.
SD-138

Foreign Relations
Business meeting, to consider pending calendar business.
SD-419

2:00 p.m.
Appropriations
Energy and Water Development Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for energy and water development programs.
SD-192

Appropriations
Treasury, Postal Service, and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for the Department of the Treasury, Postal Service, and general government programs.
SD-124

APRIL 17

9:30 a.m.
Appropriations
Labor, Health and Human Services, Education, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for the Department of Education, including bilingual education, vocational and adult education, education research and improvement, and libraries.
SD-116

Finance
Business meeting, to continue markup of proposed legislation providing for revisions in Federal tax laws.
SD-215

10:00 a.m.
Commerce, Science, and Transportation
To hold hearings with the National Ocean Policy Study on S. 2138 and H.R. 2935, bills to establish a National Marketing Council to enable the United States fishing industry to establish a coordinated program of research, education, and promotion to expand markets for fisheries products.
SR-253

Energy and Natural Resources
Water and Power Subcommittee
To hold hearings on S. 1319, to relieve the Washoe County Water Conservation District, Nevada, of certain Federal repayment obligations, and S. 1772, to convey certain real property to the Pershing County Water Conservation District.
SD-366

Foreign Relations
To hold hearings on arms sales to Saudi Arabia.
SD-419

Select on Indian Affairs
To hold hearings on S. 2118, to provide for the distribution of funds appropriated to pay a judgment awarded to the Sisseton and Wahpeton Tribes of Sioux Indians in Indian Claims Commission dockets numbered 142 and 359.
SD-485

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for foreign assistance programs.
S-126, Capitol

Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for the U.S. Fish and Wildlife Service, Department of the Interior.
SD-192

4:00 p.m.
Select on Intelligence
To hold closed hearings on intelligence matters.
SH-219

APRIL 18

9:30 a.m.
Commerce, Science, and Transportation
Business, Trade, and Tourism Subcommittee
To hold hearings on proposed legislation authorizing funds for the U.S. Travel and Tourism Administration.
SR-253

Finance
Business meeting, to continue markup of proposed legislation providing for revisions in Federal tax laws.
SD-215

APRIL 21

9:30 a.m.
Foreign Relations
To hold oversight hearings on activities of the Agency for International Development.
SD-419

APRIL 22

9:30 a.m.
Appropriations
Agriculture, Rural Development and Related Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1987 for the Department of Agriculture, focusing on the Soil Conservation Service, Agricultural Stabilization and Conservation Service, Office of the General Sales Manager, Foreign Agricultural Service, Office of International Cooperation and Development, and the Food for Peace program (P.L. 480).
SD-138

Appropriations
Labor, Health and Human Services, Education, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for the Soldiers' and Airmen's Home, Prospective Payment Commission, Railroad Retirement Board, National Labor Relations Board, National Mediation Board, Occupational Safety and Health Review Commission, Federal Mediation and Conciliation Service, and the United States Institute of Peace.
SD-116

Appropriations
Commerce, Justice, State, the Judiciary, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for the Federal Bureau of Investigation and Drug Enforcement Administration, Department of Justice, and the Equal Employment Opportunity Commission.
S-146, Capitol

Foreign Relations
To continue oversight hearings on activities of the Agency for International Development.
SD-419

10:00 a.m.
Select on Indian Affairs
To hold hearings on S. 1991, to authorize funds for fiscal years 1987-1990 for Native American programs.
SD-385

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for the Department of State, focusing on international narcotics control, migration and refugee assistance, and anti-terrorism programs.
S-126, Capitol

Appropriations
Interior and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1987 for the Navajo-Hopi Indian Relocation Commission, and the Office of Surface Mining, Reclamation and Enforcement, Department of the Interior.
SD-192

APRIL 23

9:30 a.m.
Appropriations
Labor, Health and Human Services, Education, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for ACTION (domestic programs), Corporation for Public Broadcasting, National Council on the Handicapped, Mine Safety and Health Review Commission, National Commission on Libraries and Information Science, and National Center for the Study of Afro-American History and Culture.
SD-116

Labor and Human Resources
To hold hearings on S. 1815, to prohibit any employer from using any lie detector test or examination in the work place, either for pre-employment testing or testing in the course of employment.
SD-430

Select on Intelligence
To hold closed hearings on intelligence matters.
SH-219

10:00 a.m.
Appropriations
Defense Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for Navy aircraft procurement programs.
SD-192

Appropriations
Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for the United States Railway Association and Conrail.
SD-138

Energy and Natural Resources
Business meeting, to consider pending calendar business.
SD-366

Foreign Relations
Business meeting, to consider pending calendar business.
SD-419

1:30 p.m.
Foreign Relations
To continue oversight hearings on activities of the Agency for International Development.
SD-419

2:00 p.m.
Appropriations
Energy and Water Development Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for energy and water development programs, focusing on atomic energy defense activities.
SD-116

APRIL 24

9:30 a.m.
Appropriations
Agriculture, Rural Development and Related Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1987 for the Department of Agriculture, focusing on Farmers Home Administration, and the Farm Credit Administration.
SD-192

Appropriations
Labor, Health and Human Services, Education, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for the Departments of Labor, Health and Human Services, and Education, and certain related agencies.
SD-116

Foreign Relations
To continue oversight hearings on activities of the Agency for International Development.
SD-419

Labor and Human Resources
Labor Subcommittee
To hold hearings on S. 1018, to clarify the meaning of the term "guard" for the purpose of permitting certain labor organizations to be certified by the National Labor Relations Board as representatives of employees other than plant guards.
SD-430

10:00 a.m.
Appropriations
Defense Subcommittee
To hold closed hearings on proposed budget estimates for fiscal year 1987 for intelligence programs.
S-407, Capitol

Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for the Department of State, focusing on voluntary contributions to international organizations programs, and for the Office of the U.S. Representative to the United Nations.
SD-138

Energy and Natural Resources
Natural Resources Development and Production Subcommittee
To hold hearings on S. 1322, proposed Geothermal Steam Act Amendments of 1985.
SD-366

Labor and Human Resources
Education, Arts, and Humanities Subcommittee
To hold hearings on S. 1662, proposed Training Technology Transfer Act of 1985.
SD-628

2:00 p.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for the Energy Information Administration and the Economic Regulatory Administration, Department of Energy.
SD-192

APRIL 25

9:30 a.m.
Appropriations
Labor, Health and Human Services, Education, and Related Agencies Subcommittee
To hold hearings on the impact of proposed budget estimates on health research programs.
SD-138

APRIL 29

9:30 a.m.
Appropriations
Labor, Health and Human Services, Education, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for the Departments of Labor, Health and Human Services, and Education, and certain related agencies.
SD-116

10:00 a.m.
Appropriations
Defense Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for certain defense programs.
SD-192

Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for the Department of Housing and Urban Development and certain independent agencies.
SD-124

Select on Indian Affairs
To hold hearings on S. 2105, S. 2106, and S. 2107, bills to provide for the settlement of certain claims of the Papago Tribe of Arizona.
SR-385

2:00 p.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for the Bureau of Indian Affairs, Department of the Interior.
SD-192

APRIL 30

9:30 a.m.
Appropriations
Commerce, Justice, State, the Judiciary, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for the Office of U.S. Trade Representative, and the Federal Communications Commission.
S-146, Capitol

Labor and Human Resources
To hold oversight hearings on the human resources impact of reentry of women into the labor force.
SD-430

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for the Department of Housing and Urban Development and certain independent agencies.
SD-124

Energy and Natural Resources
Business meeting, to consider pending calendar business.
SD-366

Foreign Relations
To hold hearings on embassy security enhancement.
SD-419

2:00 p.m.
Appropriations

Agriculture, Rural Development and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for the Food and Drug Administration of the Department of Health and Human Services, and the Commodity Futures Trading Commission
SD-138

MAY 1

9:30 a.m.
Appropriations
Labor, Health and Human Services, Education, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for the Department of Labor, Health and Human Services, and Education, and certain related agencies.
SD-116

10:00 a.m.
Appropriations
Defense Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for certain defense programs.
SD-192

2:00 p.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for territorial affairs, Department of the Interior.
SD-192

MAY 6

9:30 a.m.
Appropriations
Labor, Health and Human Services, Education, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for the Departments of Labor, Health and Human Services, and Education, and certain related agencies.
SD-116

10:00 a.m.
Appropriations
Defense Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for Air Force aircraft procurement programs.
SD-192

MAY 7

9:30 a.m.
Appropriations
Commerce, Justice, State, the Judiciary, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for the Supreme Court of the United States, U.S. District Courts/Courts of Appeals, and the Commission on the Bicentennial of the U.S. Constitution.
S-146, Capitol
Labor and Human Resources
To hold oversight hearings on medical malpractice.
SD-430

10:00 a.m.
Appropriations
Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for the Urban Mass Transportation Administration, Department of Transportation, and the Washington Metropolitan Area Transit Authority.
SD-138
Energy and Natural Resources
Business meeting, to consider pending calendar business.
SD-366

MAY 8

9:30 a.m.
Appropriations
Labor, Health and Human Services, Education, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for the Departments of Labor, Health and Human Services, and Education, and certain related agencies.
SD-116

10:00 a.m.
Appropriations
Defense Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for strategic systems.
SD-192
Appropriations
Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for the Federal Aviation Administration, Department of Transportation.
SD-138

2:00 p.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for the Holocaust Memorial Council and the Smithsonian Institution.
SD-192

MAY 13

9:30 a.m.
Appropriations
Labor, Health and Human Services, Education, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for the Departments of Labor, Health and Human Services, and Education, and certain related agencies.
SD-116

MAY 14

9:30 a.m.
Appropriations
Labor, Health and Human Services, Education, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for the Health Resources and Services Administration, Department of Health and Human Services.
SD-116
Appropriations
Commerce, Justice, State, the Judiciary, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for the Legal Services Corporation, and the Securities and Exchange Commission.
S-146, Capitol
Labor and Human Resources
To hold hearings to review barriers to health care.
SD-430

10:00 a.m.
Appropriations
Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for the Department of Transportation and certain related agencies.
SD-138
Governmental Affairs
Energy, Nuclear Proliferation and Government Processes Subcommittee
To hold hearings on S. 525, to provide for the transfer to the Secretary of Health and Human Services the authority of the Secretary of Energy to conduct epidemiological studies of radiation effects.
SD-342

MAY 15

9:30 a.m.
Appropriations
Labor, Health and Human Services, Education, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for the Departments of Labor, Health and Human Services, and Education, and certain related agencies.
SD-116

2:30 p.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for fossil energy and clean coal technology.
SD-192

MAY 20

2:00 p.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for the Indian Health Service, Department of Health and Human Services.
SD-192

MAY 21

9:30 a.m.
Appropriations
Commerce, Justice, State, the Judiciary, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for the U.S. Information Agency, and the National Endowment for Democracy.
S-146, Capitol
Labor and Human Resources
To resume oversight hearings on medical malpractice.
SD-430

MAY 29

2:00 p.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for the Office of the Secretary and Office of

the Solicitor, Department of the Interior.
SD-192

JUNE 3

10:00 a.m.
Governmental Affairs
Energy, Nuclear Proliferation and Government Processes Subcommittee
To hold hearings on statistical policy for an aging America.
SD-342

JUNE 4

9:30 a.m.
Appropriations
Commerce, Justice, State, and Judiciary, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for the Departments of Commerce, Justice, and State, the Judiciary, and certain related agencies.
S-146, Capitol

Labor and Human Resources
To hold oversight hearings to review the imposition of user fees in FDA approval procedures for new drugs.
SD-430

JUNE 11

9:30 a.m.
Labor and Human Resources
To hold hearings on pending nominations to the National Advisory Council on Women's Educational Programs.
SD-430

JUNE 17

9:30 a.m.
Labor and Human Resources
To hold hearings on food safety issues.
SD-430

JUNE 18

9:30 a.m.
Labor and Human Resources
Business meeting, to consider pending calendar business.
SD-430

JUNE 25

9:30 a.m.
Labor and Human Resources
To hold hearings on the administration of the Mine Safety and Health Review Commission.
SD-430

JULY 16

9:30 a.m.
Labor and Human Resources
To hold hearings on the establishment of generic drug procedures and patent term restoration for animal drugs.
SD-430

JULY 30

9:30 a.m.
Labor and Human Resources
Business meeting, to consider pending calendar business.
SD-430

AUGUST 13

9:30 a.m.
Labor and Human Resources
To hold hearings to review the private sector initiatives in human services.
SD-430

SEPTEMBER 10

9:30 a.m.
Labor and Human Resources
To hold hearings to review the human resources impact on drug research and space technology.
SD-430

SEPTEMBER 16

9:30 a.m.
Labor and Human Resources
To hold hearings on pending nominations.
SD-430

SEPTEMBER 24

9:30 a.m.
Labor and Human Resources
Business meeting, to consider pending calendar business.
SD-430

CANCELLATIONS

MARCH 27

9:30 a.m.
Veterans' Affairs
Closed meeting to discuss reported sightings of live military personnel missing in action in Southeast Asia.
SR-418

SENATE—*Thursday, March 27, 1986*

(Legislative day of Tuesday, March 18, 1986)

The Senate met at 9 a.m., on the expiration of the recess, and was called to order by the President pro tempore (Mr. THURMOND).

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

Let us pray:

*Husbands, love your wives, even as Christ loved the church, and gave Himself for it * * *.*—Ephesians 5:25.

Father God, we pray for our families that they may be whole and strong. We pray for the family of every person who works in the Senate—wherever there is a need, may this week to come be an occasion for reconciliation and healing. You know the problems, Father—the spouses who feel like second class citizens—who feel they are less important than the job on the Hill. You know the children for whom a parent has become a stranger. You know the loneliness, the rejection, the bitterness, the lostness suffered by those are neglected day after day, week after week.

Gracious God, at this season when deliverance, resurrection and new life are celebrated, help this next week to be a time for complete restoration of family relationships. Help us to put priority where it belongs, where the Creator God intended it to be. Dear God, bless our families in special ways during this recess. Give us the will to make these days a time for renewal and love. In Jesus' name we pray. Amen.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. The able majority leader is recognized.

Mr. DOLE. Mr. President, I thank the distinguished President pro tempore (Senator THURMOND).

SCHEDULE

Mr. DOLE. Mr. President, under the standing order, the leaders have 10 minutes each. Then we have special orders in favor of the following Senators for not to exceed 5 minutes each: Senators HAWKINS, PROXMIRE, CRANSTON, and BAUCUS.

Following the execution of the special orders, there will be a period for the transaction of routine morning business not to extend beyond the hour of 9:30 a.m., with Senators permitted to speak therein for not more than 5 minutes each.

Following morning business, the Senate will resume consideration of Senate Joint Resolution 283, the Contra aid resolution. We have 7 hours remaining for debate. A rollcall vote could occur prior to the hour of 10:30 a.m.

Mr. President, I think there would be no objection if the first amendment be the Kennedy amendment. I ask unanimous consent that there be 20 minutes, 15 minutes to the Senator from Massachusetts and 5 minutes to the Senator from Indiana [Mr. LUGAR], on that amendment.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. DOLE. Mr. President, also, and I am not certain what time it will be laid down, there will be a Sasser substitute. I believe we have agreed that there should be 3 hours of debate equally divided on the Sasser substitute. There is no certainty whether it will be offered second or third. We have to check to see if we need to lay down our substitute or whether it will be offered to the underlying measure.

Mr. President, I ask unanimous consent that on the Sasser substitute, whenever it is offered, that there be 3 hours of debate equally divided.

The PRESIDING OFFICER (Mr. ANDREWS). Without objection, it is so ordered.

Mr. DOLE. Mr. President, I thank the Chair and I thank the distinguished minority leader.

POINDEXTER PLAYING CONSTRUCTIVE ROLE

Mr. DOLE. Mr. President, I want to make a few brief comments about two aspects of our effort to work out a Contra aid package.

First, I want to set the record straight about the role that the President's National Security Adviser has been playing and particularly played yesterday in our attempt to find common ground on which many of us could support a bill.

John Poindexter came up here at my request, and with the consent of the minority leader, to see if he could help us bridge some final differences between the two sides. He spent 3 or 4 hours with us—an enormous commitment of his time, considering what is going on in the Gulf of Sidra and in Honduras. As far as I am concerned, everything he did while he was up here was constructive, helpful, and aimed at helping us achieve agreement.

He did defend the President's viewpoint and seek to maintain the elements of a package that are essential to the President's strategy—as National Security Adviser, that is exactly what he is supposed to do. But he did not torpedo anything and keep us from reaching an agreement we otherwise might have reached.

The simple fact is there were two issues which divided us and—despite good faith efforts on all sides, including on the part of Admiral Poindexter—we were not able yesterday to bridge our differences.

Today is a new day and we will try again, perhaps. But, in any case, I just want to underscore that it is an important part through John Poindexter's involvement that we are as close as we are to an agreement.

The other point I want to note, because I think it is being lost sight of in all the attention being paid to the details of any compromise, is just how far we have come on the issue of aid to the Contras. Last summer, we were barely able to scrape up a majority for a small amount of purely humanitarian aid, with many strings attached. This year, whether or not we work out a single package or decide between two different ones, we are on the verge of giving solid, bipartisan approval to a $100 million package, including the kind of aid which can really help us move our strategy forward, and with only the most reasonable strings attached. And, from what I am hearing, we are going to be able to have an identical or similar package in the House.

Mr. President, the people of this country, and the Members of this Congress, are waking up to the reality in Nicaragua. We are waking up to the threat that the Sandinistas really represent. We are waking up to truth. And we are waking up to the need to do something about it.

Mr. President, as I have indicated, there are some of us—though it may not happen—who are still trying to work out some agreement. If it is a good agreement, if it is in the interest of the American people, then hopefully before the day is out it can be achieved.

I would suggest that there is a strong bipartisan approach. I do not believe it should be interpreted any other way.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

Obviously, some on the other side have their own proposal, but it is $100 million. There is no question about it. So I just suggest whatever may happen on the floor today, there is strong bipartisan support for our policy in Central America.

I commend Members on both sides of the aisle.

We are not quarreling over the $100 million. Last year that was the issue in the press, if it was going to be $27 million, $24 million, how many millions.

That is not an issue. There is a clear majority in the Senate that say it ought to be $100 million, and a clear majority indicating that some of it ought to be military aid.

So I think as far as the battle is concerned in the Congress, it has been won, not won by any one party, but won by Members of Congress who have begun to recognize the Sandinista threat.

Some of the votes may be close today, but it is a shade of difference. Some Democrats may have a bit different view than some Republicans. Some on each side will not support any proposal.

I suggest it has been lost in some of the speculation about whether there will be a compromise, whether we take care of this issue or that issue. The major point of debate is that we will agree on $100 million, whether it is a Democratic package or a Republican package, or a bipartisan package.

RECOGNITION OF THE MINORITY LEADER

The PRESIDING OFFICER. The distinguished minority leader is recognized.

Mr. BYRD. Mr. President, first with reference to who torpedoed what, it reminds me of a bluegrass tune going around these days, "Who Showed Who?"

A guy beat up on his wife for running around, and she killed him. Then she went to prison for life. So, Who Showed Whom?

Well, there are those of us who were there at the meeting. After a while when it was clear that some of us wanted language providing for bilateral negotiations, and that others wanted language that would provide for a second approval of funding requests down the road, 90 days or whatever, Admiral Poindexter said, "Well, the White House is firm on this."

Obviously, I cannot give the exact quotation, but, in essence, "The White House is firm on this, and I do not see any point in continuing the discussion."

That was Admiral Poindexter. Everybody who was there knows that is what happened.

Having said that, Mr. President, let me say that the lines of communication are being kept open. It is quite possible that, during the day, we can reach an understanding that will lend itself to an agreement. I would like to see a bipartisan agreement. I think I was probably about the first to say, around here, that we needed a bipartisan agreement. I felt then that there was too much rhetoric flowing in both directions at that point—talk at the White House of a need for bipartisanship but, at the same time, innuendos and even stronger words that could easily be interpreted as questioning the patriotism of Members of Congress on both sides of the Hill and both sides of the aisle.

If we are going to have real bipartisanship in this matter, my point was that we ought to stop the innuendos, questioning the motives, the patriotism, the good faith of Members of Congress. At that point, I felt that for real bipartisanship to occur, let us get at it and dispense with the rhetoric.

I think the distinguished majority leader and I and others on both sides could probably come to some kind of agreement. We might even come to agreement on the two main issues over which yesterday's meeting broke up. But it was the White House's inflexibility at that point—we were given the understanding by Admiral Poindexter that there is no point in carrying on this effort here, continuing to talk, because we were not going to get anywhere. It was that kind of inflexibility that ended that meeting.

Mr. President, that is not to say that we cannot yet work for and hope for flexibility on the two key issues, even though we are still far apart from the White House on an acceptable resolution of policy toward Nicaragua and Central America.

The White House is resisting diplomacy in Central America and wishes only an endorsement, apparently, of its request for $100 million in aid to the Contras, including U.S. advisers, at this time. What appears to me to be exclusive reliance on the military option at this point is premature. I think it is unwise at this time. So I shall continue to try to reach an acceptable bipartisan accord in the Senate on bilateral negotiations, with a cease-fire and a decent chance for diplomacy to work, and continue to support the Contras at an appropriate level of aid.

I find the distinguished majority leader to be doing everything he can to bring about a bipartisan agreement. He has problems. He has demonstrated from time to time that he is a man of his own thinking and has the courage to differ with the White House. At the same time, we all understand that he also has responsibilities for leading his party, just as I have on my side. If it were just left up to Senator DOLE and me, I think we could get a bipartisan agreement quickly.

I do not think it is unreasonable to press for bilateral negotiations. I do not think it is unusual to try to have another vote on funding down the road. After all, these are taxpayers' dollars we are talking about, $100 million. These are not my dollars only, though I am a taxpayer; these are American taxpayers' dollars. The Senate has much responsibility under the Constitution in the field of foreign policy.

If it were a Democratic President in the White House, I would not feel differently. As I used to say, "I'm the Senate's man. I am not President Carter's man, I am the Senate's man."

The American people, if we could hear what they say this morning, I think would support the idea of another vote. I am perfectly willing to go forward with $25 million or $30 million. But I do think that bilateral negotiations are important, and I believe that a second affirmative resolution, for consideration by the Congress not only would be appropriate but would also be the fulfillment of our responsibilities as elected representatives of all the people of the United States.

I just cannot understand why there is all this resistance to another opportunity to evaluate the developments down the road and be in a position at that time to exercise our responsibility to the American people by reaching a judgment at that point as to whether or not the remaining $70 million or $75 million, whatever it may be, should be voted.

Mr. President, those are the problems that divide us. I hope that during the day, we can find more flexibility on the part of the White House and that we can go forward arm in arm and support the same policy on both sides of the aisle. If the White House inflexibility would become White House flexibility, I have no doubt that there would be an overwhelming vote in the Senate to proceed.

WEIRTON (WV) STEEL

Mr. BYRD. Mr. President, I wish to bring to the attention of my colleagues the outstanding success of the Weirton Steel Corp., which is located in Weirton, WV.

Weirton Steel—the largest employee-owned company in the Nation—was financed through the employee stock ownership plan [ESOP] method, and has, since its creation a short time ago, set a record of excellence of which we can all be proud.

Since it became employee-owned on January 11, 1984, Weirton Steel has had eight consecutive profitable quarters.

Earlier this month—on March 14—the company distributed its first profit-sharing money to 8,400 active and retired employees who chose to

participate in the ESOP. The amount of the profit-sharing pool was $20,345,000, representing one-third of 1985's profit of $61 million.

Profit sharing is the reward for building a successful business, for being competitive, and for striving for excellence. The people of Weirton Steel are demonstrating to the world that the concept of working together, cooperating, and striving for a common goal can make dreams come true.

The company is revitalizing itself by continued investment in new equipment and processes so that it can continue to be competitive in world steel markets in the future.

All of this is happening in a community in West Virginia where the people take exceptional pride in unity and in cooperative effort.

I am pleased that I was able to lend assistance with Weirton's ESOP purchase and with some environmental problems the new company encountered in its start-up effort. I am proud of what the citizens of Weirton have accomplished. The diligent effort and sacrifice which they have made to keep their community and their company intact and moving forward have paid off. They deserve our congratulations and our continued support. Their accomplishments are a source of pride and inspiration for us all.

RECOGNITION OF SENATOR HAWKINS

The PRESIDING OFFICER. Under the previous order, the Senator from Florida [Mrs. HAWKINS] is recognized for not to exceed 5 minutes.

THE COMMUNIST TRAIL OF DRUGS, ARMS, AND TERRORISM

Mrs. HAWKINS. Mr. President:

The complicity of Communist governments in the drug trade is cause for grave concern among the nations of the free world. It is part of a larger pattern of international lawlessness by Communist nations that * * * also includes support for international terrorism and other forms of organized violence against legitimate governments.

Those words were spoken on September 14, 1984, by Secretary of State George Shultz in an address to the Chamber of Commerce in Miami. They are just as true today as they were 18 months ago.

The leading Communist-led nations in the Western Hemisphere—Cuba and Nicaragua—are involved in international terrorism and its inseparable twin, narcotics trafficking. With their failing economies, Cuba and Nicaragua need hard currency for essentials. The drug trade is a ready source of cash. Once a drug smuggling network is set up, it can be used to funnel arms to Communist insurgent groups and terrorists. Beyond that, plowing huge quantities of drugs into Western nations can serve the broader Communist goal of weakening the fabric of democratic society. The evidence is rather conclusive that Communist nations use the international drug trade for their own nefarious purposes and have every reason in the world to not only perpetuate it, but also to expand it.

When one tries to unravel the complex web of international terrorism, some of the strands almost invariably lead to the Communist world. Former DEA Administrator Francis Mullen has noted the curious coincidence that "Soviet weapons turn up in so many cases" of international terrorist acts. Terrorist groups are armed with the most sophisticated weapons and that takes money. Once again, drugs are a source of quick cash.

To illustrate this point, let us examine the Bulgarian connection and the Kintex organization. Kintex is the official import/export agency of the Communist Bulgarian Government. As such, it oversees the trade of such legitimate commodities as textiles, appliances, and tobacco. It also trades in drugs and weapons. In one of the most comprehensive examples of investigative journalism ever undertaken in this country, the Long Island newspaper Newsday published a 40-part series entitled "The Heroin Trail." The series asserted that Kintex made a deal with Turkish drug traffickers allowing the movement of morphine base through Bulgaria in exchange for the transport and delivery of guns and ammunition to leftist terrorist groups in Turkey. A confidential informant of the DEA and its predecessor agencies once told interrogators that the directors of Kintex were top-ranking members of the Bulgarian intelligence service.

To help meet the requirements of the Bulgarian Government for cash, according to the informant, Kintex was involved in the flow of arms throughout Europe to the Middle East and sold heroin and morphine base to European traffickers. The Kintex management also devised a plan to import large amounts of opium into Bulgaria for conversion to morphine base and heroin by Turkish traffickers established in Sofia. Morphine base produced in Sofia later turned up in West Germany and the source was traced to a Turkish national in the Bulgarian capital.

In the November 1983, issue of the Reader's Digest, writer Nathan Adams provides details of an interview with a former Bulgarian state security officer. That officer related that heads of the security services of the Warsaw Pact nations met in Moscow to devise methods to "exploit and hasten the inherent corruption of Western society." Later a meeting of Bulgarian security officers was held in Sofia to make plans for implementing the strategy. The Reader's Digest article related that a Bulgarian state security directive was issued subsequently with the avowed purpose of "destabilization of Western society through, among other tools, the narcotics trade." The instrument chosen to execute the strategy was Kintex.

There is yet another instance of Communist involvement in narcotics trafficking. Communist Bulgaria was involved in a complex arrangement that involved drug running, arms shipments, and export of high technology. Testimony at the Miami hearing in 1983, held jointly by Senator DENTON and me, disclosed that runaway financier Robert Vesco was engaged in a two-way trade, bringing drugs into the United States and providing high-technology equipment to Cuba and weapons to a Red guerrilla movement in Colombia. The scheme worked this way: Cocaine was smuggled from Colombia and Bolivia to Nicaragua, Cuba provided a safe haven for drug boats operating in Cuban waters, as well as protection during offloading. The drugs found their way to Western Europe and the United States, while arms purchased from Libya were shipped to Latin America in Bulgarian freighters. Part of the profits in this despicable scheme went to Kintex, the Bulgarian import/export house, to fuel more drug purchases and arms shipments. Kintex is believed, by Western intelligence sources, to be responsible in one way or another for half of all the heroin reaching Western Europe.

We are, Mr. President, living in a complex world. There are no simple solutions. However, one conclusion is inescapable. Any actions that we can pursue to curb the international drug traffic and disrupt narcotics operations will be steps taken toward reducing global terrorism and the Communist threat to the way of life.

RECOGNITION OF SENATOR PROXMIRE

The PRESIDING OFFICER. Under the previous order, the Senator from Wisconsin is recognized for not to exceed 5 minutes.

TO STOP THE ARMS RACE—STOP NUCLEAR TESTING

Mr. PROXMIRE. Mr. President, on March 24 Assistant Secretary of Defense Richard Perle and Congressman TOM DOWNEY appeared on the MacNeil-Lehrer program to debate whether the nuclear test ban treaty would serve this country's national interest. Here was a debate on what many of us regard as the most important issue of our time: nuclear arms control. In the view of this Senator, the crux of arms

control is the negotiation of a comprehensive nuclear test ban treaty between the two superpowers. For many years Presidents of the United States have proposed such negotiations. This has been our proposal—the American, I repeat the American, proposition to stop the arms race by stopping weapons development. The Soviets until very recently have resisted the proposal. Some time ago Secretary Gorbachev came around to the American view and agreed to negotiate such a comprehensive test ban treaty. So what did our President do? President Reagan's reaction was swift and decisive. He said no. Why? Why did the President refuse to take yes for an answer? President Reagan contended that we could not verify such an agreement.

That was the reason given by the administration. It was the only reason. Now Secretary Gorbachev says the Soviets will accept monitoring stations in the Soviet Union to determine whether explosions have occurred. He has followed that offer with an agreement to permit on-the-spot inspections of any suspicious explosions. Gorbachev has agreed to the most meticulous verification. So what has been the Reagan administration reaction? Now they have shifted their objection to the test ban treaty. No longer do they offer as their principal objection that we could not verify compliance with the treaty. What is the current alibi for our refusing to negotiate on the very proposition this country has for so long advanced? Now the administration contends that we must test for a different reason. Now we must test in order to assure the safety and reliability of our present stock of nuclear warheads.

Assistant Secretary of Defense Richard Perle has long been recognized as the ablest and strongest champion in the Government for continued nuclear testing. He is also recognized for his powerful and extraordinarily effective opposition to arms control and especially to the test ban treaty. Congressman TOM DOWNEY of New York has served New York in the House of Representatives for 11 years. He has won wide recognition as both a champion of arms control and as an expert on the details of arms control.

So Monday night on MacNeil-Lehrer there was quite a debate. DOWNEY zeroed in on Perle's argument that this country needs to continue to test nuclear weapons to assure their safety and reliability. The Congressman contended that there are many ways we can determine reliability without testing. He charged that this administration tests not for reliability purposes but for the purpose of developing more surely destructive weapons. Perle, on the other hand, contended that the testing enabled us to develop weapons that were more effective and smaller. He pointed out that both the number and megatonnage of our nuclear stockpile has declined over the past 20 years. Today, said Perle, our weapons are fewer and more reliable. We should continue to test because that will enable us to continue to reduce the number of nuclear weapons as well as to make them safer. DOWNEY responded that the record shows that the overwhelming majority of American nuclear tests were not to improve reliability but to develop newer and more effective weapons. He also contended that the constant development of more destructive weapons represents the worst kind of example to the rest of the world. It surely advances proliferation.

This is especially true if we accept Perle's argument that the new weapons that our testing advances are smaller. They are indeed. And what does that mean? That means they are cheaper. Why does smaller mean cheaper? Here is why. The big cost of a nuclear weapon is not in the warhead. The big cost is in the delivery system: The billion dollar trident submarine, the $200 million dollar B–1 bomber. The smaller the nuclear weapons the easier and especially cheaper the delivery system. Small and devastating nuclear weapons are ideal for terrorists. What is the major obstacle in the way of building a nuclear arsenal by the Libyan Government, or by Syria or Iraq or Brazil or Argentina or any of the scores of developing countries? The answer is the cost, the economic burden. So by Richard Perle's own words is it clear that nuclear testing will lead to smaller nuclear weapons? You bet. And what does that spell? It spells proliferation. It means more and more countries will have nuclear weapons. That greatly increases the prospect of nuclear war.

Mr. President, the heart of the arms race is the technological competition between the superpowers to develop ever more devastating, smaller, cheaper weapons. The quintessential need of that arms race is to test the nuclear weapons. Ending testing begins the end of the nuclear arms race. And not just between the superpowers. Ending testing stops the most serious potential threat of proliferating nuclear arms. Over the next few years, the superpowers must stop this race to develop ever more devastating and smaller and cheaper weapons. And that means they must stop testing. If they do not, our children and grandchildren will be very lucky to live out their lives without the most destructive and terrible war in human history.

Mr. President, I ask unanimous consent that a transcript of the part of the "MacNeil-Lehrer Show" devoted to the debate on nuclear testing between Secretary Perle and Congressman DOWNEY on March 24 be printed in the RECORD.

There being no objection, the transcript was ordered to be printed in the RECORD, as follows:

TO TEST OR NOT

WOODRUFF. The United States has conducted almost 800 nuclear tests since the 1940s, but the U.S. underground test last Saturday in Nevada created almost as much political fuss as all the ones before. The Soviets, who have conducted more than 600 tests, have been following a self-imposed testing moratorium since August which was scheduled to expire on March 31st. The Saturday test here drew a sharp Soviet criticism, followed by an announcement today that the Soviets would stick with their moratorium at least through the end of the month. To explain why the administration went ahead with the test, we have joining us Richard Perle, assistant secretary of defense for international security policy.

Secretary Perle, why did we go ahead with this?

RICHARD PERLE. Because we have a deterrent that is intended to keep the peace, which has kept the peace since the last world war, that depends on nuclear weapons. It's an unfortunate fact of life. We wish it weren't necessary, but it is. And as long as we require nuclear weapons in order to maintain the peace we have to test those weapons. We want to be sure that they're safe, that they're secure, and that they're reliable. And we don't know of any way to do that except by nuclear testing.

WOODRUFF. But the Soviets, of course, have been under this self-imposed moratorium since August. Doesn't this make us look like the aggressors in this situation?

Secretary PERLE. Well, I think it's intended to do that. It's a shallow propaganda maneuver. The Soviets, even during the moratorium, were preparing for the test series that will begin shortly when they resume testing. They knew that we would not accept an abandonment of nuclear testing because they know that we depend on nuclear weapons and must therefore test them. They were in a position to propose a moratorium, knowing that it would be refused by the United States and hoping thereby to gain some propaganda advantage. But I don't think that we can afford to operate a nuclear force with unsafe, unreliable weapons in order to grant the Soviets whatever propaganda benefit they may think they can achieve.

WOODRUFF. Is that the main reason for these tests, that we want to make sure our weapons, when and if we need them, are safe and sound and reliable?

Secretary PERLE. That's correct. And we also want to keep the numbers of these weapons to an absolute minimum. You know, in the 20 or so years since the American nuclear stockpile reached its peak in the 1960's, we've had steady reductions in the size of the U.S. nuclear force, the number of weapons in it and the yield or megato of those weapons. Those reductions have been possible because testing has permitted the introduction of better, more effective weapons so fewer of them will provide an adequate deterrent and, perhaps most important, much smaller nuclear weapons that have tailored effects rather than the very large weapons of the 1960s.

INTRO

WOODRUFF. What was being tested on Saturday exactly?

Secretary PERLE. I don't think we have said specifically what was being tested on

Saturday, but the general tendency of our testing program over the last 20 years has been aimed at more effective weapons, fewer of them with lower yield. And I believe that's true of the current test series as well.

WOODRUFF. Well, I read a report that it was supposed to be an early warhead design for Midgetman intercontinental missile. Can you confirm that?

Secretary PERLE. Well, if it were that I would only point out that there are many who believe that mobile missiles, because they can't be targeted, would introduce greater stability into the nuclear balance between the United States and the Soviet Union. I'm not sure that's true, but it points up the fact that in a situation where the stockpile is evolving testing is going to be necessary. And it's really putting the proposition backwards. We ought to be working on, and indeed are working on, proposals to reduce the number of nuclear weapons in the world, to diminish the importance of nuclear weapons in our overall defense. And then perhaps we can arrive at the point where we can get along without testing. But to have these weapons and not test them is foolish and dangerous.

WOODRUFF. Richard Perle, stay with us Jim?

LEHRER. A very different view of it now from Congressman Tom Downey, Democrat of New York, chairman of the Arms Control Task Force for the House Democrats. He called publicly Friday for postponing Saturday's test. Why? Why did you do that?

Representative THOMAS DOWNEY. Well, I think it's important to understand, Jim, that a very fundamental principal of American foreign policy under the six presidents prior to President Reagan is to attempt to get a comprehensive test ban, that it's wise for the superpowers to practice what they preach. We've told the rest of the world that it's not good to have nuclear weapons. There's just no better way to do that than by the United States and the Soviet Union setting an example of not testing and not developing more weapons. We have on this planet about 50,000 nuclear warheads today. We've got about 11,000 aimed at the Soviet Union. They've got about 10,000 aimed at us. I don't think we need any more. I think that the whole world understands how dangerous the situation is. And if we understand that and also understand the fact that the vast majority of the tests that the United States has conducted have not been reliability or safety tests. Rather, they've just been tests to develop new and different kinds of weapons. You'll understand that testing means new weapons, weapons that are potentially hair-trigger on both sides, and we have a golden opportunity now; the Soviet Union has not tested nuclear weapons for the last seven months. Indeed, the United States, in an attempt to work out some sort of deal, had not tested nuclear weapons since late last year. So we had that and on top of that we had an offer from six countries to verify a moratorium that they have offered the United States and the Soviet Union. And on top of that you had the Soviet Union saying for the first time in 40 year, come on site and take a look at what we're doing with tamper-proof seismic monitoring stations. So we had an opportunity to achieve something we've been trying to do for 20-plus years, to move closer to a comprehensive test ban, call the Soviets' bluff if that's what it is, go on site, do the inspections and start the process of not seeing proliferation of nuclear weapons by setting an example.

LEHRER. You heard what Secretary Perle just said. It would be foolish and dangerous not to test nuclear weapons that we have because our whole deterrent is based on that.

Representative DOWNEY. Well, first of all, there are many ways to determine the reliability of nuclear weapons. Our designs are more advanced than the Soviet Union. You don't need to have a nuclear weapons detonation to test a triggering mechanism or the command and control and communication of nuclear weapons, and Mr. Perle knows that. What Mr. Perle wants more nuclear weapons tests for are more warheads and for the strategic defense initiative. This is an administration that frankly is not interested in arms control, and I think Mr. Perle has amply demonstrated in his reasoning why they aren't.

LEHRER. What is the harm of what happened Saturday?

Representative DOWNEY. Well, actually the Soviets have indicated today that they will continue to follow their moratorium, and that's good for U.S. security interests. And it would be my hope that we will delay the next scheduled test on April the 16th and sit down and talk to the Soviet Union and try and negotiate if we can both a moratorium leading to a test ban.

LEHRER. In other words, you do not agree with Secretary Perle that the Soviets are up to a shallow propaganda maneuver?

Representative DOWNEY. Well, everything that the Soviets do in Richard's eyes are shallow propaganda maneuvers, and maybe they are, but we have an opportunity to test whether it is or isn't by calling their bluff and saying, okay, you've said come on to our sites and do inspections, put tamper-proof seismic monitoring stations. Now is the time to test whether or not this is a propaganda move or a legitimate offer.

LEHRER. All right, thank you. Judy?

WOODRUFF. Well, Mr. Secretary, the congressman says you've got many ways to test the reliability of weapons other than detonating them.

Secretary PERLE. Well, in fact you cannot have safety and reliability tests without the sorts of tests that we now conduct. You can take weapons apart, you can try to examine the components, but we've had some unpleasant surprises over the years and we have learned by experience that you must be able to test. That's the view of the experts. Congressman Downey may not share that view, but I'm inclined to listen to the people who build and design and test the weapons as to whether it's vital or essential. And I don't want to see somebody apologizing after an accident because he operated on some theory that you didn't need to test.

WOODRUFF. Congressman Downey?

Representative DOWNEY. Well, first of all, experts differ and they clearly differ on this point. The experts that I have listened to have told me categorically that there are ways to determine weapons safety and reliability without nuclear explosions. The second point that I would hope Richard would address is in the current environment where the United States has an advantage in warhead design, reliability and effectiveness, what possible advantage is there to the United States continuing to test and allowing the Soviet Union to break out of their moratorium? It seems to me that we would like as Americans not to see the Soviet Union catch up to the U.S. in warhead design, effectiveness and reliability. We can prevent the Soviets from testing by maintaining a moratorium of our own.

WOODRUFF. Let me ask you that.

Secretary PERLE. As a matter of fact, I would prefer that both sides operate the safest possible weapons, including the Soviets, and it seems to me that the likelihood of an intentional nuclear war is extraordinarily low. The danger of an accident is of far greater concern, and anything that can be done to protect against that I think is highly desirable. So I'm not unhappy if the Soviets produce more reliable weapons. If we had adopted your view 20 years ago, we would not have today the weapons we have which are fewer in number. It's not that we want more weapons. We want fewer weapons and more reliable weapons enable us to have smaller numbers. And we have much safer weapons today than we had 20 years ago. There have been a number of crucial safety innovations that would never have taken place if we had stopped—

Representative DOWNEY. Richard, forgive me for being skeptical, but the fact is that this administration used to make the argument that the reason we couldn't have a moratorium or a comprehensive test ban had nothing to do with safety. Safety has only emerged recently when the Soviet Union has showed up and said, we are prepared to allow you on-site inspections and tamper-proof monitoring stations. Verification, if you will remember, Richard, had always been your problem with the Soviet Union. Now that they have taken that problem away, we suddenly find that we have to test so that our warheads will be safe. Really? When 800-plus warheads tests had nothing to do with safety, now we're so concerned about safety?

WOODRUFF. Let him respond.

Secretary PERLE. First of all, Tom, the verification problem remains. We know of no way, no way to assure that the Soviets are not conducting very low-yield tests, and the idea that we can put unmanned sensors in the Soviet Union, unless you cover the entire Soviet Union, is totally unworkable. The fact is that we have proposed to the Soviets that they permit us to instrument, and therefore verify compliance with, tests that they have been conducting and will resume conducting with respect to the existing threshold that's in agreement between us, and they've absolutely refused that. They won't let us verify compliance with the existing agreement, and now you want to plunge into another agreement that we have no way of verifying.

Representative DOWNEY. Oh, Richard, that's nonsense and you know it. The fact is that the Soviets have indicated to us that they are prepared to allow both around Semipolitensk and the Vayazemble, their two test sites, tamper-proof monitoring stations as well as on-site inspection. That would be enough just for the moratorium. For the purpose of moving ahead to a comprehensive test ban, where you could verify everything except sub-kiloton explosions, you would be able to do that with a systematic placement of seismic monitoring stations across the Soviet Union. Are you now telling me that the United States' position is that we could have a comprehensive test ban up to, let's say, a sub-kiloton or less, that that's verifiable? Because it is.

WOODRUFF. I'll let you respond to this and then let's move on to another point, if you want to.

Secretary PERLE. We know of no way to verify very low-yield tests, but the point is, even if a test ban were verifiable, it's not in our interest to stop making the improvements that we are making that are leading

to a safer and more reliable stockpile of nuclear weapons.

WOODRUFF. Can we assume that the United States is not going to go along with the Soviet request at this point, to agree to some kind of a joint test ban?

Secretary PERLE. Of course we're not going to go along with it. We have renewed our proposal to the Soviets to enter into serious negotiations aimed at making the existing limitations verifiable because we think there is substantial evidence the Soviets are violating the existing limitations.

WOODRUFF. Well, what the Soviets have been saying lately seems to suggest that they're linking our agreement on that with arms control progress with a summit between our President and Mr. Gorbachev.

Secretary PERLE. They haven't said that to us. I think there'll be a summit and we will continue the process of negotiation. But we're looking for agreements that are meaningful, agreements that would affect the stability of the balance between us and give us a safer world. And continuing to maintain nuclear weapons but not testing them is not going to make the world safer. It's going to make it more dangerous.

WOODRUFF. Congressman Downey, a comment on how all this affects you and Soviet relations?

Representative DOWNEY. Well, I think that it's missing a marvelous opportunity to move a small step toward a safer and saner world. The fact is we don't need to test the experts. Richard's experts may differ from mine, but the fact remains that the rest of the world will follow the U.S. and the Soviet example. If we want to see non-proliferation, the best way to do it is to set the example, the U.S. and the Soviet Union, number one. Number two, Richard just told you that there are indications that the Soviets have violated the 150-kiloton threshold test. He has three reports on his desk from his own experts that suggest the absolute reverse of that, that the Soviet Union hasn't violated the 150-kiloton. And, Richard, I wish you would stop saying that they have when reports to your own office suggest that they haven't.

WOODRUFF. Do you want to respond to that?

Representative DOWNEY. We are missing—we are missing here an opportunity not only from these six countries but to deal directly with the Soviet Union and to call their bluff, and to prevent new Soviet weapons from being——

WOODRUFF. Do you want to respond? Let's let him respond to that.

Secretary PERLE. Yeah, I've looked carefully at the evidence and have concluded, as President Reagan did, that there is significant evidence the Soviets have violated the 150-kiloton threshold, and we have the solution for that, which is to improve the verification arrangements that surround that agreement, and the Soviets have refused.

WOODRUFF. Mr. Secretary, I can't let you leave without asking you about this latest incident, confrontation, between the United States and Libya. Is there anything you can add to what we reported and what we heard tonight?

Secretary PERLE. I don't think I can. I think the United States will continue to insist on the right to operate freely in international waters and to take protective measures when attacked.

WOODRUFF. Do you think we could expect further military action by the United States?

Secretary PERLE. I think that depends entirely on whether our forces are placed in jeopardy by the actions of the Libyans. But they surely can't expect us to expose ourselves to danger and not respond.

WOODRUFF. Who provoked this latest incident?

Secretary PERLE. I believe that it resulted from a threat to U.S. forces that were operating in international waters by the Libyans.

WOODRUFF. Well, Mr. Secretary, Secretary Perle, we thank you for being with us. Congressman Tom Downey, thank you.

Representative DOWNEY. Thank you.

MYTH THAT SAUDI ARABIA POSES NO THREAT TO ISRAEL

Mr. PROXMIRE. Mr. President, the myth of the day is that Saudi Arabia is a moderate Arab country that poses no threat to the existence of Israel.

This is what the administration and the State Department would have us believe, Mr. President—that Saudi Arabia is the peacemaker of the Arab world.

Well, that is a myth and the facts clearly prove it. Peaceful Saudi Arabia conducted warfare against Israel in 1948, 1967, and again in 1973. Each time they used all the weaponry at their disposal. They held back nothing in terms of technology or manpower or money. How can it now be argued that they would not join in another war against Israel? Clearly they would. And now they have American technology, American weaponry, and unlimited petrodollars.

Has the official position of Saudi Arabia changed toward Israel since 1948? No, it has not. Saudi supported newspapers still call for the destruction of Israel. Saudi oil revenues flow to the PLO and other terrorist organizations—partly out of a fear that lack of financial support would turn such groups against the ruling family.

Has Saudi Arabia embraced the Middle East peace effort? Again the answer is no. They have opposed every major initiative of the United States in recent years to bring the disputing parties to the conference table.

So, Mr. President, how should we reward this country which has been so disruptive of the peace process? With a new round of arms sales including advanced air-to-air missiles when Israeli security depends on controlling airspace? I think not. The arms sale package should be rejected and the administration's myth exploded.

RECOGNITION OF SENATOR BAUCUS

The PRESIDING OFFICER. Under the previous order, the Senator from Montana [Mr. BAUCUS] is recognized for not to exceed 5 minutes.

HEALTH COSTS AND U.S. COMPETITIVENESS

Mr. BAUCUS. Mr. President, last week the administration reported that the United States became one of the four largest debtor nations in the world economy. Moreover, the U.S. trade deficit grew by 9 percent last year, reaching a record trade inbalance of $124 billion in 1985.

We are now on the short list with Mexico, Brazil, and Venezuela, the nations that are the deepest in debt to foreign investors and foreign competitor industries.

Today, I will talk about only one small step that U.S. industries can take to become more competitive in the international marketplace.

But I also want to make a much more important point, that improving U.S. competitiveness means much more than trade talks, or changes in antitrust laws, or shortsighted provisions to protect particular industries.

Competitiveness with foreign industries means taking hundreds, or thousands, of steps to improve the quality of American products and the productivity of the American work force.

One important step to improve our competitive position with foreign industries is for American companies to take control of their costs for health care.

U.S. corporations are only starting to examine their bottom line with an eye on their corporate health care bill. As major purchasers of health care, corporations are acting to reduce unnecessary or inappropriate health costs. That translates directly into a more competitive position in an international marketplace.

According to the latest statistics of the Employee Benefit Research Institute [EBRI], employers spent $97 billion on employee health in 1984. That equals 2.57 percent of the gross national product.

Over a 10-year period, corporate payments for employee health have increased by nearly 300 percent.

EBRI estimates that corporate health care costs per employee average over $1,700 throughout American industries, with the highest cost paid in the manufacturing sector, where the per worker expense exceeds $2,000.

Let me cite just one example.

When Lee Iacocca began to look at Chrysler's health care bill, he was startled to find that Chrysler's total health care expense came to $530 for every car they sold in 1984, about 10 percent of Chrysler's lower-priced models, the K car.

To pay their annual health bill, Chrysler had to sell 70,000 automobiles. They found that Blue Cross-Blue Shield was the company's largest supplier and that the corporate health tab was growing every year.

Lee Iacocca asked Joe Califano, the former Secretary of HEW, and Doug Fraser, United Auto Workers president, to begin a program to lower the corporation's health costs while still

providing high quality care to Chrysler employees. It was a tall order, but a major corporation faced with the prospect of financial collapse needs to take bold action.

Chrysler recognized what more and more American industries are beginning to learn. They saw that U.S. competitiveness in the global market required effective control of total production costs, and that one of the fastest growing corporate costs is for health care.

Two years ago, I invited Joe Califano to join me in my State of Montana to tell Chrysler's story about its efforts to control health care costs.

Joe talked about Chrysler's efforts to reduce unnecessary surgery and expensive hospitalization. He described how the corporation has begun to negotiate with health care providers for fair prices for standard services.

Finally, Joe talked about how health promotion and disease prevention programs have been started to encourage good health habits among blue-collar workers and white-collar managers.

This is what improving U.S. competitiveness is all about. Being competitive by aggressively managing health care costs pays off in dividends. It lowers production costs and it helps to create a more productive work force. Again, a key is health promotion and disease prevention.

In the March 16 edition of the Washington Post, Joe Califano reiterated Chrysler health care initiative. He said that he now believes that the best hope for controlling health care cost will come from "an aroused private sector" that is "fed up with waste and inefficiency of our health industry."

Coming from Joe Califano, these statements represent a major conversion. As Secretary of Health, Education and Welfare, Joe Califano led the charge for government controls on health costs.

His message today, is "let business lead the way." Show American industry that it is in their competitive interest to lower their health costs.

Driven by the necessity to compete in world markets, corporations will begin to work with their employees, insurers, and the health care industry to manage these costs.

The Federal Government needs to encourage corporations to be innovative in buying quality health care. We have much to learn from the private sector in combating the health cost spiral.

Chrysler's experience has paid off. They saved $58 million in 1984 in their health costs and they have started to turn the corner on what was previously considered an uncontrollable expense.

Thousands more corporations are now starting down the same path. These corporations are proving that we can, and we will, be more competitive by being more cost conscious and healthier at the same time.

Mr. President, I ask unanimous consent that an article by Joseph Califano, Jr., entitled, "Let Business Cut Health Costs" from the March 16, 1986, Washington Post be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Mar. 16, 1986]

LET BUSINESS CUT HEALTH COSTS

(By Joseph A. Califano, Jr.)

For over a decade, I was convinced that the job of reining in health-care was too big for the private sector, that only government could do it. As secretary of Health, Education and Welfare during the Carter administration, I proposed an across-the-board cap on hospital charges that would have controlled payments by all private insurers as well as the government.

My years at HEW, and six more outside government, now lead me to believe that the great hope for containing health-care costs lies in an aroused private sector. Government has to do its share, get its house in order. But a Congress whose members depend on private contributions for election campaigns, who must satisfy constituencies in home districts and states, and who will always worry about offending hospital trustees and local medical societies cannot do the job alone. Our best hope to change the health-care system rests in an awakened, competitive world of business purchasers demanding and bargaining for high-quality care from a variety of competing providers.

Fed up with the waste and inefficiency of our health industry, the biggest buyers of health care are mounting aggressive efforts to change the way providers are used and paid and to reshape financial incentives that encourage patients to seek unnecessary care. These forces are sparking a sweeping social and cultural shift in how our people view hospitals, doctors and medical machines and in how individuals see their responsibilities to take care of their health.

In business, Lee Iacocca, fighting off Chrysler's collapse, was jolted into action when he found Blue Cross/Blue Shield was the company's biggest single supplier and health care was one-tenth the cost of a Chrysler K-Car. To fight rising costs and spur competition, corporations are embracing health maintenance organizations they once derided as socialistic.

In politics, leaders as diverse as President Ronald Reagan, who discovered that Medicare was growing at a faster clip than Social Security, and Sen. Edward Kennedy, who realized that even his cradle-to-grave national health plan could not afford to cover costs of long-term care for the nation's elderly, are pressing for changes in our health-care system.

To determine how to restructure our health-care system, we must first understand how we got where we are. Each of us did our share, acting by and large with the finest motives, for the most compassionate reasons.

Doctors acquired an unnecessarily broad monopoly over the practice of medicine as they defined it, and we established a payment system that has encouraged them to treat us when we are sick, not teach us to take care of ourselves. Rather than institutions of last resort, hospitals became settings of first choice for treating many minor ailments, especially when the insurance coverage was good.

Corporations and unions tilted employee health benefits toward the most expensive care and gave workers little sense of its cost. Private insurers saw themselves as agents of doctors and hospitals rather than of companies and patients who paid their bills. In enacting government programs to provide care to senior citizens and poor people, we acceded to demands of hospitals and doctors for reimbursement systems that promoted breakneck inflation in health costs and had virtually no incentives for efficiency. The profit motives of medical-equipment manufacturers and cleverness of our scientists found no sales resistance from hospitals that were reimbursed for whatever price they paid. Our elderly population exploded and placed unanticipated financial demands on Medicare to provide high-tech medicine; government reacted to its budgetary problems by shifting costs like peas in a shell game rather than working to recast the health-care system.

The result has been an explosion of unnecessary medical services, particularly surgery, often at unreasonably high prices. There are many examples to illustrate this, but none more revealing than the brief history of coronary bypass surgery in the United States.

America is in the midst of a coronary-bypass epidemic. Americans are four times more likely to have a coronary-bypass operation than Western Europeans with the same symptoms, twice as likely as Canadians and Australians. Why? Largely because of the American fee-for-service payment system. In Europe, Great Britian and Australia most doctors get salaries rather than piece rates. So do surgeons and cardiologists working under prepaid plans in the United States, and their patients get coronary bypass less than half as often as those who go to fee-for-service doctors.

Fees for coronary-bypass surgery are high enough to tempt the least knife-happy surgeon. Dr. Thomas Preston, chief of cardiology at Seattle's Pacific Medical Center, estimates that in 1984 cardiac surgeons fees for a coronary bypass ran up to $15,000 and averaged $5,000.

Evidence from a major European study and similar findings of the Veterans Administration and the National Institutes of Health reveal that coronary-bypass surgery clearly prolongs life for only 11 percent of the patients who receive the operation: those whose left main coronary artery is severely obstructed. Bypass surgery may prolong life for 10 to 30 percent more patients—those with obstructions in the three main coronary arteries—but the evidence is inconclusive.

If we don't change the system, prepare to live in an America where the annual health-care bill will hit a trillion dollars in the early 1990s and continue to double every six or seven years after that; where the cost of health care makes our products so expensive that American industry can't compete in a global marketplace: and where government rations health care and bureaucrats issue hundreds of regulations that determine who lives and dies.

There's hope because there's so much variety and freedom in America that, given the right incentives, doctors can compete with each other and hospitals, and because pressure on state governments to cut costs may open up many medical procedures to

paramedics. There's hope because the federal government is trying to get its Medicare Act together by offering providers carrots and sticks to be efficient. There's hope because the genius of American business, determined to compete abroad, is turned on to making our doctors and hospitals more efficient.

An important role will remain for government. In a competitive health care system, there will be no room for "Robin Hood health care" that shifts costs to the well-insured to pay for the poor and elderly. Government will still have the task of protecting the vulnerable.

The time has come to fundamentally alter the way we deliver health care, who has access to it, how we pay for it, the way we educate doctors and protect their turf, the abandon with which we handle our bodies and minds, and the professonal and financial incentives we offer all the players in the health-care industry—and the patients.

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. There will now be a period for the transaction of routine morning business.

A TRIBUTE TO JUDGE FRANK B. EMBRY

Mr. HEFLIN. Mr. President, I am filled with sadness as I rise today to note the recent death of my good friend, Judge Frank B. Embry. Judge Embry was a man who through his long years of public service did much to mold and shape the spiritual, judicial, and political climate of Alabama. He was my father's closest friend and a great friend of mine. He was a man of immense integrity—regarded by his friends and colleagues with the highest respect and admiration. He will be greatly missed by his family, by his State, and by all who knew him.

Judge Embry was born into a family with a strong legal background. His father, James A. Embry, actively practiced law until his death at 93, and served as a circuit solicitor in Alabama from 1909 to 1915. His grandfather, Judge Leroy F. Box, served as a State legislator, as State superintendent of education, and as a circuit judge.

Judge Embry graduated from Cumberland University Law School, in Lebanon, TN, and was admitted to the Alabama Bar in 1913. He began his career by setting up practice with his father in Ashville, AL, the small town where he was born. He soon became known throughout the area for his proficiency as an attorney. This reputation led to his election as mayor of Pell City for two terms, and then to his service in the Alabama House of Representatives from 1923 to 1927.

It was during his tenure in the Alabama Legislature that Judge Embry became involved in the judicial and legislative activities for which he was known. As a representative, he was appointed to a joint legislative committee to "read and revise the manuscript of the 1923 code." In this position he worked to benefit the laws of Alabama. His influence is still being felt today.

In 1944 Embry became the circuit solicitor—the district attorney—for St. Clair, Etowah, and Blount Counties. He was a remarkable prosecutor who struggled to fight crime, corruption and negligence at every opportunity. He was once quoted as saying that "the God-fearing and liberty loving people of St. Clair County will not wave the white flag of surrender to the lawless element." In each of his cases, before leaving the jury to decide its verdict, he would say, "May he who marks the sparrow's fall guide you to a righteous verdict." In this way, throughout his life, he sought not merely to win cases, but to pursue true justice.

In 1953, Gov. Gordon Persons did the State of Alabama a huge favor. He appointed Frank Embry as circuit judge of the same circuit in which he had served as solicitor. As a judge, Embry ruled with equity and continuity; a combination which is more beneficial in administering the law. For over 30 years he provided excellent direction and leadership. In hearing cases he united a keen intellect with his vast legal knowledge to render decisions which were insuperable. He phrased his opinions in a forthright manner that demonstrated his impeccable values. After sentencing five men to jail for not paying child support he stated that, "Anybody who refuses to support his own flesh and blood deserves the penalty." Such was the manner in which he used his seat—to restore order and establish justice.

After he retired from the circuit bench in the early 1970's, Judge Embry did not slow in his duties, but, rather, he continued in a supernumerary capacity, steadfast, and indomitable. At that time, as chief justice of the Alabama Supreme Court, I appointed Judge Embry as a special circuit judge. He heard many different cases throughout the State which involved great delicacy and from which other judges had often removed themsevles. As always, he provided the consideration, the expertise, and the impartiality necessary for a rightful solution. In 1977, on my appointment, he heard five cases as a special judge of the Alabama Supreme Court. During three of these cases he sat with his son, T. Eric Embry, who was already serving with me as an associate justice. This is the only time in history that a father and son have served together on the Alabama Supreme Court. I know that both father and son delighted in this distinction.

Throughout his life, Judge Embry always remained active in his community, and in his State. He was a faithful member of the Methodist Church in Pell City for over 70 years. My father was his pastor and when my father retired he lived for more than 20 years in Pell City, where Judge Embry was his Sunday school teacher during that entire time. He was interested in politics, being a former vice chairman of the Alabama Democratic Party. Above all else, Frank B. Embry was a staunch defender of the liberties, and the values of our State and our Nation. His contributions are overwhelming. His record speaks for itself. His life will be remembered by thousands as an example and an inspiration.

Mr. President, I ask unanimous consent that an article from the Alabama Lawyer be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

JUDGE FRANK B. EMBRY

(By J.O. Sentell)

"For age is opportunity no less than life itself."

These words of Henry W. Longfellow, epitomize the life of Judge Frank B. Embry, the son of James A. Embry and Lulu Box Embry.

Frank B. Embry was born at Ashville, Alabama, on October 12, 1891. He attended the public schools in Ashville and graduated from the Cumberland University Law School, Lebanon, Tennessee. He was admitted to the Alabama State Bar in 1913 and commenced practicing law with his father in Ashville.

Judge Embry is the third member of his family to be admitted to the bar of Alabama. His maternal grandfather, Leroy F. Box, a resident of St. Clair County, was admitted to the bar in 1869, was a representtive in the Legislature, was State Superintendent of Education, 1876–1880 and was a Circuit Judge at the time of his death in 1895.

James A. Embry was admitted to the bar in Alabama in 1882 and was Circuit Solicitor from 1909 to 1915. He died at Ashville in 1953 at the age of ninety-three. Although he was blind the last fifteen years of his life, he actively practiced law until his death. He was one of the oldest members of the Alabama Bar.

Frank B. Embry's son, T. Eric Embry, was admitted to the Alabama Bar in 1947. After practicing law with his father in Pell City, T. Eric Embry became a member of Beddow, Embry and Beddow of Birmingham. He has been an associate Justice of the Alabama Supreme Court since January, 1975.

In 1914, Frank Embry married Miss Isabelle Mungall, of Pell City. They had three children; two of whom are now living. Mrs. Betty Lou Cody, with whom Judge Embry now lives at Pell City, and T. Eric Embry. Mrs. Embry died eight years ago. Judge Embry has five grandchildren and twelve great grandchildren.

Mr. Embry served two terms as Mayor of Pell City and was a member of the Alabama House of Representatives, 1923 to 1927. He is the sole survivor of the joint legislative committee that was appointed, "to read and revise the manuscript of the 1923 Code. He was solicitor of the circuit comprised of Blount, Etowah and St. Clair Counties from 1944 to 1953. Governor Gordon Persons, appointed him Judge of the circuit composed of Blount and St. Clair Counties on Septem-

ber 2, 1953. He had been a friend of Governor Persons for years.

He was a vigorous Circuit Solicitor. Although he was in favor of capital punishment, he never asked the jury to give the death penalty. Five of the defendants that he prosecuted received the death sentence; four were executed; one sentence was commuted to life imprisonment.

His peroration to the jury was always:

"May he who marks the sparrow's fall guide you to a righteous verdict."

He declared to a special grand jury that he called to investigate gambling and liquor law violations that, "the God-fearing and liberty living people of St. Clair County will not wave the white flag of surrender to the lawless element."

The Chief Justice of the Supreme Court of Alabama assigned Judge Embry as special Circuit Judge on many occasions. He served as special Judge in the circuit courts of Scottsboro, Russellville, Centre, Birmingham, Selma, Butler, Bay Minette and Montgomery. He served as special Judge of the Montgomery Circuit Court for approximately six years. He tried all kinds of cases—public utility cases involving millions of dollars, divorce, murder, contracts, torts, burglary, rape and robbery.

On January 22, 1973, the Montgomery County Bar Association adopted a resolution which in part reads:

"During his tenure in this circuit, Judge Embry has been called upon to preside over numerous criminal and civil jury trials. In addition he has made himself available to all attorneys on pleadings, motions, and related matters. Between jury terms, he has heard and decided numerous equity cases, he has performed all of his duties with efficiency and dispatch. Because of his thorough knowledge of the law and his courteous and pleasing manner, he has gained the deep respect of all the members of the association."

September 20, 1973 was designated as "Appreciation Day for Judge Embry" in the Montgomery Circuit Court.

Presiding Judge Eugene W. Carter said:

"I think that there are four essential qualifications for a judge: He first must be honest, above reproach, can't be bought, can't be sold. Next, he has to have patience—The next thing he has to be diligent, he has to work. We don't need any judge in this county who does not like to work. We've got the biggest work load here of any place I know; and I want to say one thing for him, he really works. And the last thing, he has to have a knowledge of the law; and he has all four to the "nth" degree."

On February 28, 1978, the Montgomery County Bar Association presented Judge Embry with a plaque in grateful appreciation for his years of dedicated and faithful service to the bench and bar of Montgomery County.

In the meantime, he was trying cases in Birmingham. In September, 1976, while serving as special Judge in Birmingham. Judge Embry sent five men to jail for contempt of court for failing to pay child support as decreed by the court. Judge Embry said, "Anybody who refuses to support his own flesh and blood deserves the penalty. None of them stayed in jail long. When they realized it was jail or pay, they paid."

In October, 1976, Judge Embry, as special Judge in Jefferson County, rendered a decision of constitutional significance[1] in holding that the statute authorizing a Judge in a divorce case to grant an allowance to the wife out of the estate of the husband was unconstitutional in that, "it denies equal protection of the laws to all persons."

Judge Embry further held:

"If a statute of this kind is to be constitutional, a classification must be reasonable, not arbitrary, and must rest upon some grounds of difference having a fair and substantial relation to the object, of the legislation so that all persons similarly circumstanced should be treated alike."

The Supreme Court of the United States in Orr v. Orr[2], on March 5, 1979, held the statute to be unconstitutional and said:

"To withstand scrutiny" under the equal protection clause, " 'Classification by gender must serve important governmental objectives and must be substantially related to achievements of those objectives.' "

Judge Embry, as special Judge in the Montgomery Circuit Court, adhered to his view that this statute was unconstitutional in Warwick v. Warwick.[3] On appeal, the Alabama Court of Civil Appeals reversed this case a year before the Orr decision was rendered in the United States Supreme Court.

Warwick v. Warwick was one of the twelve cases in which Judge Elmbry was reversed by an appellate court from 1974 to 1978. Fifty-six cases tried by him were appealed; thirty-severn were affirmed; four were affirmed in part and reversed in part; one was remanded for sentence although affirmed; and two were dismissed.

After Judge Embry was 85 years of age, he sat as a special Judge on The Supreme court by assignment of the Chief Justice in five cases.[4] In three of the cases, he served on the same division of the Court as his son, Justice T. Eric Embry. This was the first time in the history of the Supreme Court that a father and son sat on the same case.

Judge Embry has a storehouse of anecdotes. One illustrates the veneration in which he held his Grandfather Box.

Frank Embry, when he was solicitor, was riding to court with a man who told him that he had an appeal case in court; that he didn't know anybody at court, but he once knew a Judge; that he was in a boarding house with him and gave him the last drink of water he had before he died.

The Judge the man knew was Judge Box, Mr. Embry's grandfather. The prosecutor of the man's case was Mr. Embry. The prosecutor promptly nol prossed the case. The Judge called Mr. Embry to the bench and said, "The jury is sitting there, wondering what is happening. What is going on?" When Solicitor Embry explained, the Judge slapped him on the back and said, "good job."

In the early fifties, Judge Embry was interested in a friend's candidacy for a high state judicial office. He gave the candidate a check for his campaign and told him that because of his own judicial position, he could not publicly endorse him, but told him to go to the bank at the noon rush hour on payday when the employees were lined up to get their pay checks cashed; introduce himself and in a loud voice say that he would like to cash a check that Judge Frank Embry gave him for his campaign. The candidate did just that. He carried St. Clair County and was elected.

Judge Embry once told a young lawyer in Montgomery, after he had ruled against him:

"It's been my rule, since I've been a judge, that you have five days in which to 'cuss' the court. After the expiration of five days, if I hear you 'cussing' me, I am going to put you in jail for contempt."

Frank Embry once successfully defended a woman charged with murder. She came to him later and said:

"I've been upset ever since you talked the jury into believing I was innocent."

The woman reached down into her bosom and pulled out three sheets of paper. She had written down how she killed her husband, where she got the poison and every detail about it. Judge Embry said he was filled with regret for having defended the woman.

On another occasion, he defended a distraught husband, whose wife had left him and was then living with two men in Ashville. So the husband got a one-barrel shotgun and walked thirteen miles to Ashville to kill a man. He had but one shell, but he killed the wrong man. Mr. Embry pleaded the "unwritten law" and the defendant was acquitted.

Judge Embry spends most of his time now in Pell City. He has been a member of the Methodist Church in Pell City for sixty-six years, and is its oldest living member. He taught the Brotherhood Class for twenty years.

Judge Embry's office is located in a law firm's building in Pell City. It is his habit to come to his office each morning around eight to see if there is any mail to be answered. Pictures of well-known personalities and plaques of appreciation and recognition are in his office.

He says:

"I'll sit here and reminisce for a while, meditate and pray some—"

[1] In Re: The Marriage of Helen Ruth Abel and William I. Able, No. 198-270 Jefferson County Circuit Court, at Birmingham, in Equity, October 27, 1976.

[2] Orr v. Orr. 99 S. Ct. 4340 VS 268; 59 L Ed 2d 306 (1979).

[3] Alabama Civil Appeals, 356 So.2d 194.

[4] City of Hueytown v. Burge; Alabama 342 So.2d 339, (1977). First National Bank of Birmingham v. Culberson; Alabama 342 So.2d 347 (1977). Cooter v. State Farm Fire & Casualty Company; Alabama 344 So.2d 496 (1977). Edmonson v. Blakey, et al; Alabama 341 So.2d 481 (1976). Snider v. Shirley; 341 So.2d 677 (1977).

WIDOW OF SENATOR LISTER HILL PASSES

Mr. HEFLIN. Mr. President, it is with deep regret and sadness that I inform the Members of the U.S. Senate that on this last Sunday, March 23, 1986, Mrs. Lister Hill, wife of the former Member of this body, U.S. Senator Lister Hill of Alabama, died in Montgomery, AL of pneumonia. She is survived by one sister, Mary McCormick Andrews; a son, L. Lister Hill; a daughter, Mrs, Charles (Henrietta) Hubbard; five grandchildren and four great-grandchildren.

Funeral services were held Tuesday, March 25 from the Church of the Ascension in Montgomery.

Henrietta McCormick Hill will be remembered by many in Washington and in this body as being a very gracious and delightful lady whose encouragement made Senator Hill one of the outstanding Members of this body

to serve in this century. Memorial donations may be made to: the Parkinson Disease Research Project, Medical School, University of Alabama in Birmingham, University Station, Birmingham, AL 35294.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is closed.

AID TO NICARAGUAN DEMOCRATIC RESISTANCE

The PRESIDING OFFICER. The clerk will report the pending business.

The legislative clerk read as follows:

A joint resolution (S.J. Res. 283) relating to Central America, pursuant to the International Security and Development Corporation Act of 1985.

The PRESIDING OFFICER. The Senator from Indiana is recognized.

Mr. LUGAR. Mr. President, the underlying business today is a resolution dealing with the Central American situation.

The order of business, as we understand it, is that very shortly the distinguished Senator from Massachusetts will offer an amendment and that this may be followed in due course by a substitute amendment offered by the Senator from Tennessee.

As opposed to offering an opening statement on the bill, I will relate my remarks to the various amendments as they come along.

For the moment, I hope the Chair will recognize the distinguished ranking minority member of the Foreign Relations Committee.

The PRESIDING OFFICER. The Senator from Rhode Island is recognized.

Mr. BYRD. Mr. President, I ask unanimous consent that the time which is under the minority leader's control be controlled by the distinguished Senator from Rhode Island [Mr. PELL].

The PRESIDING OFFICER. The democratic leader has the right to make that designation.

The time will be under the control of the Senator from Rhode Island.

Mr. PELL. Mr. President, I rise in opposition to the proposal to provide $100 million in military and nonmilitary aid to the Contras. I respect the position taken by my friend and colleague, the chairman of the Foreign Relations Committee, Mr. LUGAR, but I respectfully differ with him and with our President concerning what best serves our national interest in Central America.

I have long opposed aid to the Contras, because the administration's policy is based on an exaggeration of the Nicaraguan threat, a guilding of the makeup of the Contra military leadership, and a rejection of more peaceful alternatives to protecting United States interests in Central America.

It is a policy of paranoia and defeatism to conjure up an image of a red tide lapping at our shores if Contra aid is not approved. Nicaragua is a poor, backward country with a mere 3 million people—one-eightieth the population of the United States—and its military forces are outnumbered by those of its Central American neighbors. The balance of forces and difficult terrain simply do not lend themselves to a credible threat of invasion by Nicaragua.

The threat of subversion from Nicaragua is also overstated in my view. Nicaragua has meddled in El Salvador, but Nicaragua's support for the insurgents in that country is minute in comparison with the arms and other assistance that we have poured into El Salvador. More important, however, is the fact that with the transition to democracy in Guatemala and Honduras, Nicaragua is now surrounded by democrats with built-in resistance to becoming fertile ground for Sandinista-supported insurgency. The administration deserves credit for supporting this transition, and I believe that the $100 million proposed for the Contras could be put to more effective use to strengthen the economies of the Central American democracies, as was recently suggested by President Arias of Costa Rica.

I also do not find credible the threat of a Soviet or Cuban base in Nicaragua. The Soviets do have technical advisers to assist with equipment they have provided—exactly as we do in many nations—and the Cubans help to train troops—exactly as we do in many nations—but neither Cuba nor the Soviet Union has combat units in Nicaragua. There have been reports that individual Cuban advisers have accompanied Nicaraguan forces in counterinsurgency operations, but there is no indication that they have been in command positions or served as pilots.

The Soviet Union and Cuba know that we would not tolerate their establishment of a base in Nicaragua. It is not the Contras that will prevent the establishment of a Soviet or Cuban base, but it is American power. Everyone knows that America has the forces and the will to prevent the establishment of such a base; so no one should be fooled into thinking that the Contras could provide a shield against Soviet or Cuban aggression in Central America.

Internally, the Contras are not a viable alternative to Sandinista rule. Despite contentions to the contrary by the administration, the Contra military leadership is dominated by members of former dictator Somoza's hated national guard. According to an updated report issued on March 12 by the Arms Control and Foreign Policy Caucus, based on Contra publications and former Contra members, 12 of the 13 commanders of the high command of the FDN, the main Contra force, are former Somoza national guard officers.

These thugs have presided over the murder, pillage, and rape of the very people they profess to want to liberate. In fact, I do not know what the Sandinistas would do without the Contras as they move to consolidate their power and justify their denial of basic liberties to the Nicaraguan people. It gives them the excuse which they seek and which they need. If the definition of a terrorist is someone who employs wanton, indiscriminate violence against civilians in an effort to influence government policy, then the Contras are our terrorists. And I, for one, do not want to fund terrorism.

Our support for the Contras brings to mind our involvement three decades ago in overthrowing the Arbenz government in Guatemala. Having achieved that objective, we condemned the people of Guatemala to over 30 years of repressive military rule, abuse, and torture. The Contras are not, as the administration claims, the moral equivalent of our Founding Fathers—a comparison I find insulting. Much has been made recently of a so-called Nicaraguan disinformation campaign, but this administration's efforts to whitewash the Contras and portray them as something they are not—freedom fighters and the democratic opposition—tops anything the Sandinistas are doing.

The administration has also linked the Contra aid issue with recent developments in the Philippines. The line being pushed is that we stood for democracy in the Philippines and we should stand for democracy in Nicaragua. Fine. But there are, however, profound differences between the role we played in the Philippines and the role proposed in Nicaragua.

In the Philippines, where much of the leadership is taken by my colleague the chairman of the committee, we were motivated by a desire to avoid violence and bloodshed. That was a noble motive, and I have congratulated the administration for what it did. In Nicaragua, though, we are promoting violence and bloodshed in a proxy war against that country's government. In the Philippines, we allied ourselves with truly democratic forces who had been cheated on an election they won. In Nicaragua, we are allied with people associated with over a half-century of abuse and fraudulent elections. If the administration stands for democracy in Nicaragua, it has chosen a very, very odd way to show it.

Our administration claims that support for the Contras is needed to pressure the Sandinistas into negotiating on issues of regional security and in-

ternal political reform. The claim is further made that the administration has given its all in negotiations to date and that Nicaragua is to blame for the failure of the Contadora process. These claims simply do not ring true.

In 1984, Nicaragua was prepared to sign a treaty addressing all the issues of professed concern to our administration; but our administration pressured the other Central American governments into rejecting it. More recently, in January of this year, the eight Latin American governments of the Contadora nations and the South America Support Group issued a call at Caraballeda, Venezuela, for a renewal of negotiations, cessation of support for irregular forces in the area, removal of all foreign military advisers and installations, a freeze on arms procurement and respect for self-determination, territorial integrity, political pluralism and human rights. This proposal was greeted with stony silence by the administration, while Nicaragua and all of the other Central American nations endorsed it.

Even more recently, on March 3, the Nicaraguan Ambassador wrote to me and stated that his government is prepared to sign a binding and enforceable agreement guaranteeing that stated American security interests are met. Under such an agreement, all foreign military advisors would be withdrawn from Central America; countries in the region would renounce the acquisition of new systems of armaments and impose strict and verifiable compliance and control mechanisms on those commitments; and Nicaragua would guarantee that its territory will never be used as a base for any foreign power or for subversion of any other government and allow on-site inspection to assure its full compliance.

I was also informed that upon cessation of American support for the Contras and ratification of a peace agreement, Nicaragua will terminate the state of emergency, restore the full panoply of civil liberties, proclaim a full amnesty for all Contras, and permit them to organize political parties and run for elective office.

Mr. President, I ask unanimous consent that the full text of this letter be printed in the RECORD immediately following my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. PELL. Mr. President, the Caraballeda declaration, together with the Nicaraguan statement I have just cited, provide the basis for the negotiations the administration claims to want. Let us test the seriousness of Nicaragua by joining our Latin American allies in unconditional negotiations with the Sandinistas. In this connection, I hope that Ambassador Habib, in whom I have great trust and confidence, will visit Managua and begin the process of testing Nicaragua's seriousness.

If we continue to reject the approach proposed by our allies in the region, I fear that we will be heading down a slippery slope toward direct United States military involvement in Nicaragua, an involvement we should not forget when for all of those many years our marines were occupying that nation. The administration has already said that military aid to the Contras is needed because economic sanctions have not worked. If the aid requested is given and does not achieve the results sought—which it will not—the administration will be back for more.

In the process, the Soviets and Cubans will up the ante by shipping in more arms, and thus we will create a self-fulfilling prophecy of a Nicaragua more heavily armed and more dependent on the Soviets and Cubans. As the stakes rise, I fear that the pressure will become irresistible within the administration to make sure that the Contras do not lose, even if that means sending in our troops to fight in Nicaragua. Nicaragua, however, is no Grenada; while we have 80 times the population of Nicaragua, Nicaragua has 30 times the population of Grenada. We would suffer more casualties then we did in Grenada—and our Nation would be divided again as we were during Vietnam.

The issue before us is not a test of patriotism. It is not, as some have said, a choice between Ronald Reagan and Daniel Ortega. It is, rather, a question of what best serves U.S. security and foreign policy interests. Members of both parties can and will differ on what best serves those interests, but their patriotism and loyalty ought not to be impugned.

As for me, I favor the course of peace through serious—and I repeat, serious—negotiations. Let us reject the request before us and, instead, support an agreement with Nicaragua and other Central American nations. If the agreement is violated by Nicaragua, we should take the matter to the OAS for collective action as we did during the Cuban missile crisis. That way, we would be acting within international law and with broad public support at home and abroad.

We should take the Nicaraguans up on the Ambassador's formal offer to meet most of our demands. We should say "put up or shut up."

I thank the President for his patience in hearing me.

I yield to the Senator from Massachusetts, and I add that I look forward to supporting his amendment.

EXHIBIT 1

EMBAJADA DE NICARAGUA,
Washington, DC, March 3, 1986.

Hon. CLAIBORNE PELL,
U.S. Senate, Washington, DC.

DEAR SENATOR PELL: As the situation in Central America continues to evolve, the new hopes for peace are jeopardized by the intensification of U.S. military involvement in the region.

The statement issued on January 12, 1986 by eight Latin American Governments belonging to the Contadora and the Lima Groups, Argentina, Brazil, Colombia, Mexico, Panama, Peru, Uruguay and Venezuela, known as the "Caraballeda Message for Peace, Security and Democracy in Central America," has brought new hope for a diplomatic solution to the problems in Central America.

The Caraballeda Message comes at a time when the U.S. Administration is increasing its involvement in Central America. The U.S. Administration, while insisting that the situation in Central America is part of the East-West conflict, has announced new U.S. military maneuvers to take place in Honduras; they have begun their efforts to obtain more military assistance for the contras, and have rejected Latin American calls for a renewal of bilateral negotiations with Nicaragua. All of these actions are clearly against the Contadora and Lima Groups efforts to achieve a negotiated settlement to the conflicts in Central America.

The Caraballeda Message firmly rejects the U.S. Administration belligerent approach. It clearly states that the problems in Central America are not part of the East-West conflict: "the solution of Latin American problems should spring from and be ensured by the region itself so that the area will not be put into the East-West world strategic conflict."

The Caraballeda Message also called for an end to U.S. support for contra forces, suspension of all international military maneuvers, withdrawal of foreign troops and military advisors in Central America, new actions of national reconciliation in accordance with the current legal system in each of the countries, resumption of talks between the governments of the United States and Nicaragua in order to eliminate differences, as well as other points.

Nicaragua endorsed the Caraballeda Message of January 12 when it joined Costa Rica, El Salvador, Guatemala and Honduras, in the "Declaration of Guatemala" on January 16, 1986, named after the meeting of Heads of State and Foreign Ministers of Central America that took place on the occasion of the inauguration ceremonies of President Vinicio Cerezo of Guatemala.

Nicaragua is willing to act simultaneously on the steps agreed in the Caraballeda Message provided that all other major parties involved in the Central American conflict, including the United States, do the same.

A recent example of Nicaragua's readiness to achieve diplomatic solutions was the agreements reached with Costa Rica to establish a Permanent International Commission to prevent and investigate any further incidents in our common border.

On February 24, with the presence of the Contadora Group, the Costa Rican and Nicaraguan Governments met in Managua and agreed to establish this Commission. The Commission will be made up of civilian personnel from Costa Rica, Nicaragua and the Contadora and Support Groups. A meeting

is scheduled for March 12 in San José, to discuss the final aspects of this agreement.

Also, the newly elected President of Guatemala, Vinicio Cerezo, has called on a Summit of Central American Presidents to discuss solutions to the region's crisis. President Daniel Ortega has welcomed the initiative and will participate in this meeting that will take place on May 20th in Guatemala.

Nicaragua has also recently proposed the establishment of a bilateral Commission to solve the problems that exist along our common border with Honduras. My Government believes that we can initiate a process of negotiations and achieve solutions to our problems with Honduras, as we have progressed with Costa Rica.

As Nicaragua has expressed hopes that these efforts with Costa Rica and Honduras can contribute to bring peace and stability, we have to raise our concern with the announcement that the U.S. Administration intends to provide the 100 million dollars more to the contras. This aid would be a serious blow to the ongoing Latin American peace efforts.

The United States has claimed that it has security interests in Central America and Nicaragua has agreed to accommodate these stated security concerns for the achievement of regional peace.

My Government is, and has always been, prepared to sign a binding and enforceable agreement guaranteeing that stated U.S. security interests are met. As part of such an agreement, the Central American nations and Nicaragua would:

1. Have all foreign military advisers withdrawn.

2. Renounce the acquisition of new systems of armaments, and impose strict and verifiable compliance and control mechanisms on those commitments and,

3. Guarantee that Nicaraguan territory will never be used as a base for any foreign power or for subversion of any other government, and allow on-site inspection to assure its full compliance with these obligations.

Let me also state categorically that Nicaragua's Revolution stops at Nicaragua's frontiers. We do not seek to export it and we never shall. I want to reiterate also a long-standing position of my Government. Upon cessation of the current U.S. aggression against Nicaragua, and ratification of a peace agreement, my government will immediately proceed to:

1. Terminate the State of Emergency which was made necessary by the U.S. supported war and restore the full panoply of civil liberties to which my Government is committed, including freedom of speech and of the press.

2. Proclaim again General Amnesty for all the contras, permitting them to return to Nicaragua and participate fully and freely in the social and political life of the country. They would have the right to organize political parties and run for all elected offices, including president.

As you can see Mr. Senator, the record is clear, Nicaragua has shown its willingness to enter into binding agreements that will meet the stated security concerns of the United States and we remain ready to do so. Further U.S. military involvement in Central America, however, not only goes against the efforts of Latin America to achieve lasting negotiated solutions to the conflicts in the region, but brings the U.S. closer to sending U.S. troops into combat to Central America. And this would bring unforeseen consequences to U.S. relations with Latin America, not to mention the people of Central America.

Let me thank you again for your consideration and please, feel free to contact me if I can be of further assistance.

Sincerely yours,

CARLOS TUNNERMANN B.,
Ambassador.

The PRESIDING OFFICER. The Senator from Massachusetts.

AMENDMENT NO. 1716

(Purpose: To prohibit any U.S. assistance to military and paramilitary groups operating in Nicaragua)

Mr. KENNEDY. Mr. President, I send an amendment to the desk on behalf of myself, Mr. BINGAMAN, Mr. INOUYE, Mr. LEAHY, and Mr. HART, and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Massachusetts [Mr. KENNEDY], for himself and Mr. BINGAMAN, Mr. INOUYE, Mr. LEAHY, and Mr. HART, proposes an amendment numbered 1716. Strike out all after the resolving clause and insert in lieu thereof the following:

Notwithstanding any other provision of law, no funds may be obligated or expended for the purpose or which would have the effect of supporting directly or indirectly military or paramilitary operations in Nicaragua by any nation, group, organization, movement, or individual.

Mr. KENNEDY. Mr. President, parliamentary inquiry: Do we have a time agreement on this particular amendment?

Mr. DOLE. The Senator has 50 minutes. We have 5.

Mr. KENNEDY. Mr. President, I yield myself 6 minutes.

The Senate must today decide whether or not to continue aid to the Contras. The administration originally claimed that the purpose of this funding was to halt the flow of arms to El Salvador. At the beginning, many Senators supported this program with that understanding in mind. It is now clear, however, that the architects of this policy had much more ambitious plans. While the administration claimed to be trying to prevent Nicaragua from interfering in the internal affairs of other nations, the administration was plotting to overthrow the government of a nation with whom we have formal diplomatic relations.

As we debate the administration's proposal to provide additional military assistance to the Contras, we must remember that, being a critic of the Contras is not the same as being a cheerleader for the Sandinistas. This is not a resolution of commendation for the commandantes, nor is the Senate being asked to cast a vote of approbation or approval for Sandinista policies.

If there is any consensus to be found in the Senate today, it is that the Sandinistas have fallen short of their pledge to build an open, tolerant, pluralistic, democratic society in Nicaragua. They have violated the human rights of thousands of Indians inside Nicaragua. They have aligned themselves with the enemies of freedom throughout the world. They have made their country a host to sponsors of international terrorism—the Libyans, the Bulgarians, the PLO. They have established mechanisms of social control and political oppression, and they have supported the guerrillas in El Salvador. We are in agreement that the Sandinistas have taken a dangerous turn toward the totalitarians, and we are in agreement that U.S. policies should work to reverse that course.

But the real question before us today is whether the Reagan administration's policy of military support for the Contras is wise, whether it has any hope for success, and whether it is consistent with our fundamental values.

Six weeks after President Reagan took the oath of office, he endorsed the CIA's plan to organize and to fund paramilitary activities against the Sandinista government in Nicaragua. Our policy toward Nicaragua has been hostage to that decision ever since. Mr. Reagan turned first to the secret use of military force as the way to deal with the Sandinistas, and we have had to live with that decision now for over 5 years.

Today, let us take a step back from the passions that this policy has generated among the American people and among their Representatives in Congress, and let us examine what this policy has achieved.

We have had 5 years of blood and battle, and what is there to show for it?

Rather than reducing the influence of the Cubans and the Soviets inside Nicaragua, that influence has grown over the past 4 years. There are thousands of Cuban advisers inside Nicaragua and, according to the President, there are Soviet advisers also to be found among the Nicaraguans. We know too that the Nicaraguans have summoned the assistance of other enemies of freedom in their struggle to resist the attacks of the Contras. In Nicaragua today, there are Bulgarians and Libyans and representatives of the PLO. This is hardly the mark of a successful policy.

Rather than forcing greater democracy inside Nicaragua, the "secret war" has given the Sandinistas a pretext to resort to repression—under the guise of a "state of emergency"—as a means of controlling internal opposition and dissent. Press censorship has continued, and the activities of opposition political groups have been carefully controlled and sharply circumscribed. This is hardly the mark of a successful policy.

Rather than reducing the military threat from Nicaragua to the region,

the "secret war" has prompted the Nicaraguan Army to grow in numbers and to improve in skill. The "secret war" has given the Sandinistas an excuse to build their military into a power unprecedented in Nicaraguan history. The Nicaraguan Army is large, it is well equipped, it is well armed, and it has been tested in combat. This is hardly the mark of a successful policy.

Rather than isolating the Sandinistas among the nations of the world, the "secret war" has made them heroes. They now play the role of David to the American Goliath. They are the underdogs, valiant defenders of their homeland against overwhelming odds, and the United States is seen to be a bully. This is hardly the mark of a successful policy.

Rather than enhancing the reputation of the United States among the nations of the world as a moral leader, the United States is now widely perceived to be an international outlaw that breaks the rules when the rules do not favor us. We may soon join the company of Iran and South Africa as violators of international law in the eyes of the World Court. This is hardly the mark of a successful policy.

After 5 years of failure, let us now concede that the policy is bankrupt. Let us now be candid with ourselves and with our friends that President Reagan's jump to military confrontation with the Sandinistas was unwise, and that it has been unsuccessful.

There are many reasons why this policy should be reversed.

First, the policy is illegal. It is not, as President Reagan has so often stated, "totally consistent with the OAS and UN Charters." U.S. military support for the Contras is in blatant violation of international law. Article 2(4) of the Charter of the United Nations prohibits the threat or use of force against the territorial integrity or political independence of any state, and article 18 of the Charter of the Organization of American States says that, "No state . . . has the right to intervene, directly or indirectly, for any reason whatever, in the internal or external affairs of any other state." The United States is a party to these agreements and a decent respect for international law requires us to honor them. We have even breached our treaty obligations of the International Court of Justice. Rather than defend his policies in the World Court, last April, President Reagan withdrew the United States from the Court's jurisdiction.

Second, while we deplore the policies of the Sandinistas, their abuses do not justify the activities of the Contras. Numerous reports, increasingly well-documented, from respected human rights groups, and from national magazines have detailed atrocities committed by the Contras against defenseless men, women, and children. I urge my fellow Senators to read Christopher Dickey's new book, "The Contras."

It is now beyond dispute that the Contras have murdered civilians, attacked schools and health facilities, and have tortured and mutilated prisoners. Yet the Reagan administration has apparently chosen to remain in "intentional ignorance" of this violence. The President has the audacity to call the Contras "the moral equal of our Founding Fathers." It dishonors the Founding Fathers to compare the Contra commandantes with George Washington and Thomas Jefferson. The Contras are not "our brothers" and our continued support of the Contras' activities makes any peaceful resolution to the conflict more and more distant.

Third, the U.S. support of the covert war in Nicaragua has been counterproductive. It has helped the Sandinistas to consolidate support among the Nicaraguan people by identifying their revolution with Nicaraguan nationalism. It has inspired a wave of anti-Americanism in that country and throughout the hemisphere.

Fourth, the administration's policy has not worked, and there is no evidence to suggest that it can ever succeed. Last year, the commander of the U.S. Forces in Central America, Gen. Paul Gorman, admitted that the Nicaraguan rebels are incapable of overthrowing the Sandinista government "in the foreseeable future," and that it will take "years" before Contra pressure can produce any significant change in the Nicaraguan Government. This year, before the Senate Armed Services Committee, General Galvin confirmed that judgment. The only way that this policy can succeed is with U.S. troops, and I don't think that the American people want to be drawn into the quagmire of Central America.

It is time to cast a vote for peace in Central America. But as we do so, let us send a clear message to the Sandinistas.

Do not embrace the enemies of freedom any longer. Do not, in your anger at your North American neighbors, become beguiled by those who would use your country for their own ideological purposes. Send them away.

Do not fear freedom for your people. Let there be freedom of speech and freedom of press and freedom of association and freedom of religion in your land. Let the voices of dissent and disapproval be read, so that the dreams of your revolution for self-expression and self-improvement can become a reality. Let your people speak freely, and let them be heard.

Do not let your people become prisoners of war by locking them into a garrison state or by chaining them into a siege mentality. Let the soldiers come home to be with their families. Let your people turn their attention to the task of building a better country for all the citizens of Nicaragua. Get rid of the weapons of war and return once again to the battle against poverty, disease, and despair among your own people.

And, in response to this vote for peace by the American Congress, do not be arrogant or self-righteous or recriminatory. Now is the time to bring your people together. Now is the time to heal wounds and to mend the fabric of your society which has been so terribly torn. Give your political prisoners their freedom, and let your adversaries return to their homeland without fear of retribution.

And finally, never forget that the United States of America does have legitimate security interests in Central America, and that Americans of all parties and of all parts of the political spectrum are in agreement that the United States will not hesitate to take whatever action is necessary to protect and defend those interests. We will not permit the Soviet Union or Cuba to establish military bases in Central America. We will not look the other way if offensive weapons are imported into the region. And we will oppose the efforts of any country in the region, directly or indirectly, to overthrow or destabilize other governments.

This has been one of the most painful debates in our recent history. And it never seems to end. The rhetoric has been escalated, and the stakes have been exaggerated. It would be a tragedy for the country and for the Congress for this debate to go on and on and on—as it has nonstop over the past 14 months. There is more important business for this Congress, for this country, for this continent—indeed, for this hemisphere. We are neglecting far more serious problems—here at home, and throughout our hemisphere. Let us now, once and for all, pass judgment on this policy. Let us turn our backs on the idea of overthrowing a government, and let us move on to a new approach. Let us finally follow the leadership of our friends and neighbors—the Contadora countries—and let them be our guide on the path toward peace and stability in Central America.

Mr. President, this amendment offers the Senate of the United States the clearest choice about our policy toward Nicaragua and Central America. That issue will not be posed to the Senate as clearly as it is posed in this amendment because this amendment, if enacted will terminate all aid and assistance to the Contra military organizations or paramilitary organizations operating in Nicaragua.

Mr. President, as we begin discussion of this amendment and the other amendments today, I want to identify

certain things that this body agrees upon. First of all, none of us in this body hold any brief for the Sandinistas. All of us are aware of their repression of the people of Nicaragua. And that issue has been spelled out by those who question the policy of this administration as well as by those who support it.

Second, no one in this body doubts that we have important national security interests in Nicaragua and in Central America. Clearly we do. I would define it this way, Mr. President: we cannot permit Soviet bases in Nicaragua; we cannot permit advanced offensive military technology in Nicaragua that can threaten the United States; and, third, Mr. President, we cannot permit Nicaragua to be involved in destabilizing democratically elected countries in Central America or in South America.

Mr. President, that really defines what our security interests are in that part of the world.

Mr. President, if we reject this particular amendment, we endorse a policy which has been a failure over the period of the last 5 years. The administration's policy toward Nicaragua over the past 5 years has resulted in the following, first, increasing dependency on the Soviet Union; second, increasing militarization of Nicaragua; third, increasing presence of Cubans and agents from other Eastern European countries; fourth increasing repression inside Nicaragua. All of that has happened during the period of the last 5 years.

We are being asked today to provide more of the same—more guns, more bullets, more support for the Contras.

Mr. President, I believe there is no credible evidence that this administration has seriously pursued negotiations. I think that fact has been illustrated in the period of the last 24 hours when there was an attempt here on the Hill to work out a bipartisan common policy toward Nicaragua, the key element of that policy was to be a resumption of negotiations between the United States and Nicaragua.

But the administration declined and demurred and the negotiations broke down. This administration is willing to negotiate with the Soviet Union. This administration is willing to negotiate with the Chinese. This administration is willing to negotiate with Communist bloc countries in Eastern Europe. But this administration will not negotiate with Nicaragua.

Mr. President, not only is this the conclusion by many of us in this body, in the House of Representatives, and across this country, but it is also the conclusion of the nations of the Contadora group and the Contadora support group. Most of the leaders of South America believe that we have not taken that last step for peace; many think we have not even taken the first step. Before we go to a wider war in Central America, let us take an important step for peace. We always have the military option, Mr. President.

With this amendment, we ask only that the United States renew its efforts to support the Contadora process by bringing an end of support for the Contras.

Mr. President, I have great admiration for the work that has been done by the chairman of the Foreign Relations Committee, Senator LUGAR, and by the ranking minority member of the Foreign Relations Committee, Senator PELL. Through their intercession, they have had a powerful and positive influence on this administration in giving peace a chance in the Philippines. This was a statesmanlike role played by both of these very distinguished individuals.

And that kind of negotiation, of statesmanlike conduct, I think, Mr. President, has really been lacking in the administration's approach to Nicaragua.

So I hope, Mr. President, that we have an opportunity to give peace a chance here in the U.S. Senate today.

The final point that I would like to make, Mr. President, is this: Over the last 3 days we have seen that American combat troops, American servicemen—pilots of the helicopters that transported Honduran troops to the Nicaraguan border—have become directly and actively involved in military operations—fighting along the border—against the Nicaraguan military.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. KENNEDY. Mr. President, I yield myself 2 more minutes.

Some will point out that those American pilots, those American military combat forces, were not in harm's way. But the fact is that they were a very few miles away from the actual fighting. Today, the United States is very close to becoming involved in the actual fighting.

We have received assurances time in and time out by this administration that American combat forces will not be involved. But there can be no question in the mind of any individual here in this body—certainly there is no question in the minds of millions of Americans—that we are moving closer and closer and closer to the very direct involvement of American combat forces.

That is inevitable, Mr. President, with the escalation of our military assistance for the Contras and with the militarization of our policy in Central America.

Make no mistake about it. Continuing this policy toward Nicaragua will inevitably involve American combat forces and American combat men—in combat—in Central America.

The policy must be reversed—right now, by voting for this amendment. I hope the Senate will adopt it. I reserve the remainder of my time.

Mr. PELL. I yield myself 1 minute.

I ask the Senator from Massachusetts to add me as a cosponsor to his amendment.

Mr. KENNEDY. I ask unanimous consent that the Senator be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PELL. With regard to the troops in Honduras, the Nicaraguans' going in is exactly the same as when we went into Cambodia some years ago in order to try to get rid of the staging camps of the Vietcong in Cambodia. The Nicaraguans are doing exactly this in going into Honduras.

I am not excusing it in either case. I think we were wrong in going into Cambodia and the Nicaraguans are wrong in going into Honduras. I yield the floor.

Mr. LUGAR. I yield 1 minute to the Senator from Nebraska.

Mr. EXON. I thank the chairman of the Foreign Relations Committee.

Mr. President, I rise in opposition to the amendment before the body. It is well-intentioned, I am sure. There are strong feelings on both sides of this issue. I, for one, hope we can reach a compromise. Negotiations are still going on to try to reach a reasonable compromise to work our way out of a situation in which this body finds itself today.

The acceptance of this amendment, in my opinion, would eliminate any chance of a compromise and would certainly eliminate the Sasser proposal, which I intend to support when and if it is voted on in this body.

Yesterday I drew attention to the fact that I thought the President was being unreasonable in his position. I think that we cannot have a position of what the President wants on the one hand and what those totally opposed want on the other. Therefore, I think it is in the best interest to try to work something out if the amendment before us is defeated. I urge my colleagues to vote accordingly.

Mr. LUGAR. I yield 1 minute to the Senator from Minnesota.

Mr. DURENBERGER. Mr. President, later in the day I will seek recognition to explain why I oppose the Dole-Lugar, et al. resolution, but let me rise now to explain why I will oppose the amendment of the Senator from Massachusetts.

We will have our differences in this body, as is going to be clearly evident during the course of the day today, as to whether or not we are here to debate policy ends or policy means. Some will take the position that there are no ends that have been clarified in

this resolution so we will spend our time debating the means.

If I assume that the proper ends are peace in Central America, the advancement of the economic, social, and political liberties of people in Central America, including Nicaragua, then it is appropriate for me to consider whether the policy we debate today advances those ends.

We made a decision last year in this Congress to support aid to the democratic resistance.

The PRESIDING OFFICER (Mr. ARMSTRONG). The time of the Senator has expired.

Mr. KENNEDY. I would be glad to yield 2 minutes to the Senator.

Mr. DURENBERGER. I thank my colleague from Massachusetts.

The important change we made last year was to move aid, which we could not admit we were giving, from lethal to nonlethal and we moved it from the military guerrilla forces to the democratic resistance, the former democratic revolutionaires, in an organization called the United Nicaraguan Opposition.

The staff of the Senate Intelligence Committee has been very careful over the last 9 months to oversee the humanitarian aid which we are attempting to provide to the United Nicaraguan Opposition. I can share with my colleagues briefly the fact that some aid is getting through. Not all $27 million of it, but some of it is. But it is also getting in through the political arm and not through the military arm.

So to the extent that we are trying to shift our means from the support of an uncontrolled FDF military operation to a more diplomatic political operation, we have been successful. For that reason, I would suggest that my colleagues not support the very well-intentioned amendment by my colleague from Massachusetts, but, instead, support a continuation of nonlethal aid toward the political arm of the diplomatic opposition.

I fear that the Kennedy amendment rules out the means to achieve a negotiated solution, which I know he trusts will come from this process.

Mr. KENNEDY. Mr. President, how much time have I remaining?

The PRESIDING OFFICER. The Senator has 6 minutes remaining.

Mr. KENNEDY. I yield 2 minutes to the Senator from New Mexico.

Mr. BINGAMAN. Mr. President, let me say that I support the Kennedy amendment, that I cosponsor it. I believe it is the correct course for us to pursue. The distinctions that we are trying to make between nonlethal and humanitarian and military aid have become meaningless from this debate and in the negotiations with the administration.

We now hear that nonlethal aid means defensive weapons but not offensive weapons. I think it is clear to anyone who has studied this issue for 30 seconds that the difference between a defensive weapon and an offensive weapon depends upon which end of the gun you are standing on.

Clearly, we are being asked here, by the administration, to continue to fund a war which they would like to become a civil war in that country of Nicaragua. I do not believe it is an appropriate course for us. I do not believe it is designed to lead to the kind of resolution of that problem that the American people want.

The Sandinista government is stronger today within its own borders by virtue of the threat posed by the Contras with our help.

I believe the quicker we withdraw that help, the quicker we will be able to come to some kind of resolution of the situation in that part of the world.

I am proud to support Senator KENNEDY'S proposal, and I commend him for making this proposal to the Senate.

Mr. INOUYE. Mr. President, it is with unease and a sense of deja vu that I rise today to join the debate over aid to the Contras. None of the policy questions or facts before us are new. Indeed, we as a Nation have been grappling with the Contra issue ever since the spring of 1982 and the early controversy over the Boland amendment. Since then, we have had to revisit this issue at least once every 6 months.

In our discussions, several Senators, myself included, have explored the parallels that exist between United States involvement in Nicaragua and other countries, especially Vietnam. While I respect the differences between Southeast Asia, Central America, and the Middle East, it is important for us to heed the lessons of history—especially when we paid for them with our own flesh and blood.

Mr. President, our recent experiences in Vietnam and Lebanon have taught us several things. First, it is important for our Government to have the support of the American people in the conduct of our foreign policy—especially when it comes to war. Second, if we commit American soldiers to an armed conflict, we should do so openly and convincingly, with the intention of winning. Dispatching United States Marines to Lebanon as part of an ill-defined peace keeping mission was a painful and tragic reminder of this lesson. A corollary of this rule is that we should not take military action until we have exhausted every possible alternative, including a mediated, diplomatic solution. The United States should certainly not use military means to solve the social, economic, and political problems of our neighbors.

President Reagan's request for $100 million in additional aid to the Contras ignores these broad lessons of history. Moreover, it ignores specific information that we have developed about the Contras' battle against the Sandinistas over the past 6 years.

Mr. President, I wish to make it very clear that I disagree with the policies and practices of the Sandinistas. It is my fervent hope that the Nicaraguan people will be able to reclaim their revolution from the Marxist ideologists who usurped it following the fall of Somoza. However, President Reagan's proposal for increased military aid is not the best means for reaching this goal. I will thus vote against further aid to the Contras for the following reasons:

First, the Contras have been ineffective in their attempts to topple the Sandinista government. Aside from weakening the Nicaraguan economy and causing hardship for ordinary citizens, the Contras have strengthened, not loosened the Sandinistas' grip on their country. The Sandinistas have used attacks by the Contras to justify first, the suspension of civil rights, second, the imposition of a draft, and third, keeping the economy on a wartime footing. Rather than encourage moderate opposition to the Sandinistas within Nicaragua, Contra attacks and atrocities against civilians have enabled the Sandinistas to focus their nation's attention on the "threat from outside." Instead of helping the democratic opposition within Nicaragua—as we sought to do in the Philippines—United States support for the Contras has consolidated the Sandinistas' control over a reluctant population.

An unfortunate byproduct of the Contra war is that we have driven the Sandinistas into the arms of the very people we want to keep out of Central America—Cubans and the Soviets. Thanks to ineffective trade embargoes and poorly executed military pressure, we have left the Sandinistas no alternative but to seek arms, foodstuffs, and economic assistance from the Soviet bloc. In so doing, we are squandering the goodwill that most Nicaraguans feel toward the United States while reinforcing the Sandinistas' caricature of Americans as bullies and aggressors.

Second, the Contras have shown that they cannot win an armed conflict against the Sandinistas. After 6 years of paramilitary action and more than $100 million in aid from the U.S. Government alone, the Contras are no closer to their political and military objectives today than they were at the outset. The President's request that we commit another $100 million to a losing battle is wasteful and will raise, both literally and figuratively, the United States stake in the Nicaraguan conflict. The need to place United States military advisers in Central America to supervise and train the Contras will increase, not decrease,

the likelihood of direct United States intervention in the region. By staking U.S. prestige on the outcome of the Contras' battle against the Sandinistas, the United States is taking a major step toward the commitment of U.S. troops to the conflict—an event which most Americans agree is unnecessary and undesirable.

Third, continued involvement by our Defense and Intelligence agencies in the Nicaraguan conflict is destroying their credibility and undermining their effectiveness. Our foreign policy depends on good intelligence, but the CIA's role in Nicaragua has only tarnished the agency and hampered our foreign policy. CIA activity has violated U.S. treaty obligations and international law. Rather than advance our goals, it has brought the United States adverse publicity and disrepute. In an era of increased international terrorism and espionage, it is against our national interest for the CIA or the U.S. Government to be involved with the Contras.

A final thought, Mr. President, is this: What would happen if the Contras ever win, either after years of U.S. assistance or direct U.S. military involvement? We might be able to establish a friendly government in Managua, but how would we reconcile the competing Contra factions, one of which is fighting the Sandinistas from Costa Rica, the other from Honduras? More to the point, how would we deal with the Sandinistas, who would no doubt take to the hills and return to their old style of guerrilla warfare? Is the United States prepared to occupy Nicaragua for several decades, as we did between 1912 and 1933? [Note that we never captured Augusto Cesar Sandino, the guerrilla who gave the Sandinistas their name]. What would happen to the insurgencies in El Salvador, Honduras, and Guatemala if the Sandinistas resumed their role as revolutionaries? Would we improve the security and stability of our allies in the region, or would we further destabilize the region and realize our worst fears of terrorist attacks against the southern border of the United States?

It is clear that peace in Central America depends on a negotiated, political solution involving all the key players in the region. The United States should join the Governments of Central and South America in the Contadora peace process, and, if that bears no fruit, investigate new diplomatic initiatives of our own. Peace will never come to Central America from the barrel of a gun, and we should disapprove the President's ill-timed and ill-conceived request for additional military aid to the Contras.

Mr. KENNEDY. Mr. President, I yield myself 3 minutes.

Mr. President, it seems that those who oppose this amendment really are making this case: Let us continue to support a bipartisan policy which we helped design and implement over the past 5 years. But this body has not been involved in the shaping or formulation of this policy, and the explanation for this policy has been shifting.

First of all, we were told that we supported Contra aid in order to interdict military weapons going into El Salvador. That was the first justification for administration policy.

Second, the administration said we should support Contra aid in order to see the liberalization of the Sandinista regime in Nicaragua. That was the second justification.

The third justification was to force the Sandinistas to come to the bargaining table. That was the third justification.

Now we know the real reason and purpose of this policy: The administration wants to overthrow the Sandinista government.

That is what the Contras understand and that is what this administration understands. And now we are again expected to sign off that particular policy.

We have not been involved in the shaping of that policy and once again today we are asked to go ahead and support it.

We advocate a return to the Contadora process. The Latin American countries that represent 90 percent of the population and 90 percent of the territory and 90 percent of the resources of the continent believe that we should halt our support for the Contras. We stand alone in this hemisphere and in the world. We are separated from our allies in the hemisphere, and we are separated from our allies in Western Europe. It is time, Mr. President, to reverse this policy, to stop supporting the Contras, and to move back toward negotiations.

Mr. President, I reserve the remainder of my time.

Mr. LUGAR. Mr. President, how much time remains?

The PRESIDING OFFICER (Mr. DURENBERGER). The Senator from Indiana has 2 minutes and 38 seconds.

Mr. LUGAR. Mr. President, the Senator from Massachusetts has offered an important amendment. As he states, it offers a very clear choice. I think the choice is so clear that most Members on both sides of the aisle would commend the Senator for offering this amendment in order to clear the air at the outset. But I think that it is deficient in terms of any practical use if we are serious about negotiations and if we are serious about improving our relationship not only with the country of Nicaragua but most of the rest of Central America.

In short, we have tried the Senator's prescription before. Inadvertently, though perhaps some would say deliberately, we cut off all assistance to the Contras for a period of time.

The Senator from Massachusetts argued that our policy has led to increased militarization, increased repression by the Nicaraguans of their own people; it has led in essence to all sorts of results. But in fact, it appears, I think for most readers of history, that the Sandinistas, at least those that remain from the original revolution—the Ortega types, the Borge types, the Marxists—were intent upon the kind of revolution they now have. In my judgment, they will continue until they have collectivized the country. They have done so whether we were sending arms or not sending arms to the Contras.

It seems to me a fairly large majority of us on both sides of the aisle want to talk seriously about how negotiations might work. Phil Habib, the President's negotiator, has said "Negotiations will work only if there is a vote in the House and a vote in the Senate that I, Phil Habib, have going with me.

"Otherwise, they are a gesture of futility because there is no reason for the Sandinistas to at least cough up one concession."

I agree with Philip Habib. I agree with the President who wants to give these negotiations a real try. I agree with Members on both sides of the aisle, a large majority, who are thinking very carefully about how the situation might be crafted in which those negotiations will have a better chance. For that reason, I ask my colleagues to oppose the Senator's amendment. I agree it offers a clear choice and I hope that will be reflected in the votes that will be cast.

Mr. KENNEDY. Mr. President, how much time do I have left?

The PRESIDING OFFICER. One minute, fifty-four seconds.

Mr. KENNEDY. Mr. President, I yield myself the remaining time.

I still have not heard an answer to the petition from the Latin American countries themselves, from Sarney of Brazil, Alfonsin of Argentina, Garcia of Peru, Sanguinetti of Uruguay, and Betancur of Colombia. These leaders are concerned about the future of their region, concerned about peace, and they deplore communism.

Many of those individuals fought against the tyranny of repressive governments for years. They say that the biggest obstacle to peace in Central America is the military assistance that the United States continues to provide to the Contras. That is their petition. That is their plea.

Why is it that we believe that we—and we—alone can superimpose a solution in Central America? By providing this kind of aid and assistance to the Contras, we are saying, we will do this unilaterally—against the advice of the

combined leadership of the Latin American countries.

They are no less concerned about democracy. They are no less concerned about freedom. They are no less concerned about human rights. They are no less concerned about the repression of the Sandinista regime. And they say, halt, stop, negotiate.

If we reject this amendment, Mr. President, we will be saying that we in the United States are not interested in what other countries in the hemisphere say; we in the United States, alone in the hemisphere and the world, will say it must be an American solution, not a Latin solution. Do it our way. I had hoped those days were over.

Mr. President, I ask for the yeas and nays on my amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. LUGAR. Mr. President, let me say very quickly that a very sincere petition has come through the President of Honduras for $20 million of assistance. He is asking in the most eloquent way possible for aid to his country, having seen his borders violated. My judgment is that that is a timely petition.

The PRESIDING OFFICER. The time to the amendment has expired.

All time has expired. The question is on agreeing to the amendment. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Louisiana [Mr. LONG] and the Senator from Hawaii [Mr. MATSUNAGA], are necessarily absent.

The PRESIDING OFFICER (Mr. GORTON). Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 24, nays 74—as follows:

[Rollcall Vote No. 46 Leg.]

YEAS—24

Bingaman	Inouye	Pell
Burdick	Kennedy	Proxmire
Cranston	Kerry	Riegle
Dodd	Leahy	Sarbanes
Ford	Levin	Simon
Harkin	Mathias	Specter
Hart	Melcher	Stafford
Hatfield	Metzenbaum	Weicker

NAYS—74

Abdnor	D'Amato	Gore
Andrews	Danforth	Gorton
Armstrong	DeConcini	Gramm
Baucus	Denton	Grassley
Bentsen	Dixon	Hatch
Biden	Dole	Hawkins
Boren	Domenici	Hecht
Boschwitz	Durenberger	Heflin
Bradley	Eagleton	Heinz
Bumpers	East	Helms
Byrd	Evans	Hollings
Chafee	Exon	Humphrey
Chiles	Garn	Johnston
Cochran	Glenn	Kassebaum
Cohen	Goldwater	Kasten
Lautenberg	Nunn	Stennis
Laxalt	Packwood	Stevens
Lugar	Pressler	Symms
Mattingly	Pryor	Thurmond
McClure	Quayle	Trible
McConnell	Rockefeller	Wallop
Mitchell	Roth	Warner
Moynihan	Rudman	Wilson
Murkowski	Sasser	Zorinsky
Nickles	Simpson	

NOT VOTING—2

Long	Matsunaga

So the amendment (No. 1716) was rejected.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. GRAMM. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senate will be in order.

The minority leader is recognized.

Mr. BYRD. Mr. President, I ask unanimous consent that we proceed for 5 minutes for colloquy between the distinguished majority leader and myself without that 5 minutes being charged to either side.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. Mr. President, I take the floor at this time to ask the distinguished majority leader about the schedule for the remainder of the day.

The PRESIDING OFFICER. The Senate is not in order. The Members cannot hear. Conversations on the floor, please terminate.

Mr. BYRD. About the schedule for the remainder of the day and to develop an understanding if we may, or by unanimous consent, that certain amendments appear in a certain sequential manner and that we have time limitations on those amendments where we may be able to reach such time limits.

Let me say to begin with, we are going to get ourselves into a very difficult situation at the end of the time on this measure.

What is the remaining time on it, may I ask?

The PRESIDING OFFICER. The majority leader has 197 minutes; the minority leader has 184 minutes.

Mr. BYRD. I thank the Chair.

Mr. President, there are certain amendments we know about and, before I ask the distinguished majority leader for his response, I would hope we all understand when we get down to the final moment and all time has run unless there is a unanimous-consent agreement otherwise, in the meantime, unlike the usual situation where we have time agreements, Senators may not then call up amendments, have them voted on even without debate. So we ought to understand that.

I am very concerned that if we get down to that point some Senators will not have had any time to call up their amendments.

I say all that to say this: Time on quorum calls comes out of the side that asks for the quorum call. Time on the rollcall is not charged to the overall time.

We have certain amendments we know about. I would hope that Senators in the first place would restrain themselves not to call up too many amendments.

Second, I would hope we could reach some understanding as to the sequential order in which Senators will be called on for their amendments; and, further, I would ask that the Chair announce the name of the Senator who is speaking, rather than just say the Senator from Mississippi or wherever, so we have the name also announced.

I yield to the distinguished majority leader for his response.

Mr. DOLE. Mr. President, if I could have the attention of all our colleagues I have had a number of inquiries. First of all, when we are going to finish this today. I am optimistic. I think somewhere around between 4 and 5 o'clock with a little help and a lot of cooperation.

We have agreed on a 3-hour limit for the so-called Sasser substitute and an hour and a half on each side. We have agreed on a 30-minute debate on a statement from the distinguished Senator from Nebraska, Senator ZORINSKY, which will follow this colloquy that is to be charged against the minority's time.

Following that I would hope that we could have an agreement that the distinguished Senator from North Carolina can be recognized to offer an amendment of 20 minutes equally divided.

Following that, it would be the Sasser substitute for 3 hours.

I make that request following the Zorinsky statement the Senator from North Carolina may be recognized to offer a germane amendment with 20 minutes equally divided.

Mr. BYRD. Mr. President, could we have an understanding as to what the Helms amendment would do?

Mr. DOLE. I yield to the Senator from North Carolina.

Mr. HELMS. Mr. President, I say to my friend from West Virginia that copies of the amendment are on the way here. In substance, the amendment would place conditions on the Sandinistas. If they failed to meet those conditions—and they are reasonable conditions—including human rights and that sort of thing, then the President will have more latitude than the proposal now before the Senate.

The PRESIDING OFFICER. Is there objection to the request of the majority leader?

Mr. BIDEN. Mr. President, reserving the right to object, will the majority leader state again what the request is?

Mr. DOLE. The request would be that following the statement by the Senator from Nebraska, which I undertstand is 30 minutes, to be charged against the distinguished minority leader's time; to be followed by an amendment by the Senator from New York, a germane amendment, 20 minutes equally divided; to be followed by the Sasser substitute on which we have already agreed on a 3-hour time limit to be equally divided.

Mr. BIDEN. Reserving the right to object, Mr. President, that would leave time after the Sasser amendment for those of us who have an amendment or statements to participate?

Mr. DOLE. There will still be about 3 hours left.

Mr. DECONCINI. Mr. President, I wonder if the leader will yield?

Mr. BYRD. I yield.

Mr. DECONCINI. I have no objection to the amendment of the Senator from North Carolina.

I would like to ask that my amendment follows the Sasser amendment with 20 minutes equally divided, which would be quite appropriate if the majority leader would consider amending his unanimous-consent request.

Mr. BYRD. Mr. President, may I ask the distinguished Senator from Arizona if he would be willing, in the event all others concur, for Mr. CRANSTON to go with his amendment immediately after the Sasser substitute or immediately after an amendment on the distinguished majority leader's side if he wishes to offer an amendment?

Mr. DECONCINI. If the minority leader will yield, I do not care when I go. I do not want to find myself down to 3 minutes for a unanimous consent at the end to have a minute to debate my amendment.

If I could get the agreement to follow the Senator from California, Mr. CRANSTON'S amendment, for 20 minutes equally divided, I would be perfectly happy not to object. But I need some protection here. I see us running out of time.

Mr. BYRD. I yield to the distinguished majority leader for a response.

Mr. DOLE. I thank the Senator.

Let me suggest that, during this discussion with Senator ZORINSKY, I will sit down with the minority leader and try to work out a time allotment so everyone will be protected. I do not want anyone to be denied an opportunity to debate his amendment.

Following that statement, we might be able to make a series of requests.

Mr. DECONCINI. That is quite satisfactory. I thank the majority leader.

Mr. BYRD. Mr. President, will the distinguished majority leader put a request at this time locking in the Sasser substitute if there is one, locking in the Helms amendment, and locking in the Cranston amendment, and if someone on that side has one, to go lock that in, and then lock the amendment in with Mr. DECONCINI.

I am concerned—I have been over this road many times—if we do not lock in these amendments and sequence them, we are going to have Senators on both sides of the aisle want to come to the floor and want to make a speech not on any particular amendment. If they do that, the very limited time we have right now will be running out and Senators who have amendments will find themselves without time.

Mr. DOLE. I prefer to maybe lock in Senator HELMS amendment, the Sasser amendment, and then not lock any more in because then if we start taking 20 minutes, 20 minutes, there may not be any time.

Mr. DECONCINI. If the majority leader will yield, I do not want to be an obstructionist here, but I understood the majority leader to say let the Senator from Nebraska go ahead without any other unanimous consents and that the majority leader and minority leader try to lock in the Sasser amendment, the Helms amendment, the Cranston amendment, whatever else, the DeConcini amendment.

I prefer if the majority leader would attempt to work in that direction.

Mr. DOLE. Let us do that. We have 30 minutes while the statement is being made. I agree.

Mr. BYRD. Mr. President, I yield the floor.

Mr. MCCLURE. Mr. President, will the majority leader yield for a question?

Mr. DOLE. Yes.

REQUEST FOR AUTHORITY FOR COMMITTEE TO MEET

Mr. MCCLURE. Mr. President, earlier today we have been circulating a unanimous-consent request on behalf of the Energy and Natural Resources Committee.

We have a markup session this morning on a bill that relates to the Price-Anderson Act. If we can have permission to sit, we can complete that bill this morning, I believe. I understand that there may be an objection to our permission to sit. If so, we have to adjourn at 11 o'clock. We have already lost almost half the morning. I wonder if we could ask unanimous consent at this time that the Energy and Natural Resources Committee have permission to sit during the session of the Senate on this morning.

Mr. METZENBAUM. Reserving the right to object, of course I will object. I say to the distinguished chairman of the Energy Committee that I think we may be able to work this matter out. I suggest he withdraw his request at this point to see whether we can discuss it.

Mr. MCCLURE. Obviously, it requires unanimous consent. If the Senator from Ohio objects, I have no alternative. But I do believe it is important for us to get this matter before the committee. It has been before the committee for some time to be disposed of. I am happy to talk to the Senator from Ohio.

Mr. DOLE. If the Senator will yield, perhaps if he could visit now we could renew the request following the statement of the Senator from Nebraska.

Mr. DENTON. Mr. President, may I ask the majority leader a question?

Mr. DOLE. On whose time?

Mr. DENTON. I don't want to make a speech now, but I do not want to be denied the opportunity to try to answer later some of the questions raised by some who oppose aid. I think I have the answers. I want 10 minutes once and 10 minutes again, or 20 minutes at one time to be able to do that. I think they are openminded enough to at least listen.

I have a contribution I want to make. I do not want to be locked in, on this last day, to an agreement where we are just going to have 20 minutes a side, or 30 minutes a side, and the managers will not be able to come in, under that agreement, to permit me to make a contribution.

Mr. DOLE. Mr. President, I think we have to make that request of the manager. If we have 3 hours on the Sasser substitute, I assume the Senator could speak against that substitute. But just to have freewheeling statements, I do not know whether we are going to have any time or not.

Mr. DENTON. I will be speaking not in a freewheeling manner. I have spoken with the floor manager, who finds it impossible so far to see his way clear to afford me more than one 10-minute period. If we can work something out, I will not make an objection. But I intend to object if we cannot.

Mr. DOLE. If everybody is going to demand 20 minutes uninterrupted, we are not going to be able to complete the bill.

Mr. BYRD. Will the distinguished majority leader yield? I am sorry to interrupt. Time is running, and if we do not get these agreements the statutory time will run.

Mr. DOLE. I suggest we try to work it out with all Senators, and certainly with the Senator from Alabama and others who wish to speak. But I am not certain everybody is going to have precisely the exact time they would like to have. There is not that much time.

The PRESIDING OFFICER. The Senator from Nebraska is recognized under the previous order.

Will the Senator withhold?

Will the Senate be in order? The Senator from Nebraska.

Mr. ZORINSKY. Thank you, Mr. President.

President, Albert Sorel observed once that "There is an eternal dispute between those who imagine the world to suit their policy, and those who correct their policy to suit the realities of the world." Today that dispute is located in the U.S. Congress, and is centered on the question of U.S. aid to the Contras.

Mr. FORD. Mr. President, I make a point of order. The Senate is not in order. We should be able to hear the distinguished Senator from Nebraska.

The PRESIDING OFFICER. Will the conversations in the rear of the Democratic side of the Chamber take itself elsewhere, and the same thing holds true on the Republican side of the Chamber.

The Members cannot hear the debate. Four or five separate conversations are going on, on the floor. Others are debating. Time will be charged to the final vote until the Senate is in order.

The Senator from Nebraska.

Mr. ZORINSKY. Thank you, Mr. President.

Mr. McCLURE. Mr. President, will the Senator yield for a unanimous-consent request?

Mr. ZORINSKY. Certainly.

Mr. McCLURE. I withhold that. I thank the Senator.

Mr. ZORINSKY. Mr. President, Albert Sorel observed, "There is an eternal dispute between those who imagine the world to suit their policy and those who correct their policy to suit the realities of the world." Today that dispute is located in the U.S. Congress and is centered on the question of U.S. aid to the Contras in Nicaragua.

Both sides in this dispute begin by agreeing that there is cause for concern regarding United States policy in Nicaragua and the whole of Central America; concern for the security interests of the United States; concern about the leftist nature of the Nicaraguan Government; concern about the Nicaraguan military buildup; about the increasingly close relationship with Cuba and the Soviet Union; about the tensions in the regions and especially the increasing tension between the United States and Nicaragua. But that is about where the agreement ends and the perceptions of reality diverge.

The great majority of the American people believe the Central America of greatest concern is not Nicaragua but Nebraska, Kansas, Iowa, and those other great farm States that make up our Midwest. The American people are concerned that the administration's call for another $100 million in aid to the Contras is wasteful and costly at a time when the backs of American farmers are to the wall; when their debts are mounting, and when farm foreclosures are becoming commonplace. At a time when Gramm-Rudman is demanding heavy sacrifices of our entire society, our constituents cannot understand why our Government wants to send $100 million to a band of inept, incapable, and incorrigible thugs trying to overthrow a government with which we conduct formal diplomatic relations.

Currently, there exists an American Embassy in Managua, Nicaragua with that beautiful stars and stripes flying over the top of the Embassy and a duly appointed Ambassador assigned to that country representing the United States of America. Likewise, the Sandinista government has an Embassy here in Washington, DC, with a duly recognized Ambassador to our country from the Sandinista government of Nicaragua.

It is very hard to explain to high school students when I appear at their classes, how a country can recognize another country, and at the same time ask for tax dollars to overthrow the government of that other country, so you can bring your own flag down over your own embassy in the capital of that nation.

It is very difficult for me to relate to that. It is difficult for anyone to explain that. And it is very sickening when your own allies and other countries, Canada, European countries, and NATO partners ask you the logic in doing that.

The administration is presenting the request for $100 million as a mere shifting of funds within the Defense Department; but don't think for 1 minute that the funds will not be restored. The administration also wants to increase defense spending. The money to do all this is going to come from somewhere. That somewhere is the hide of the American taxpayer.

Not I have to ask, where is Gramm-Rudman when you need it? The administration has $100 million to spend on its ill-fated policy to overthrow the Sandinistas but doesn't have it for American farmers, or students, or for balancing the budget. In Nebraska we have farmers who cannot get a $2,000 loan. One hundred million is about $2,000 for every Nebraska farmer.

Indeed, $100 million is enough to reverse the cuts mandated by Gramm-Rudman in guaranteed loans to farmers across the United States, with millions of dollars left over. With $100 million we could also fund almost all the Gramm-Rudman cuts from the National Institutes of Health, including some 28 different programs. Mr. President I ask unanimous consent that a list of those programs be inserted at this point in the RECORD.

There being no objection, the list was ordered to be printed in the Record, as follows:

GRAMM-RUDMAN CUTS IN NIH PROGRAMS

(Health Research, Education and Training)

National Cancer Institute, HR $26,509,000.
National Heart Lung and Blood Institute, HR $16,200,000.
National Institute of Diabetes, Digestive and Kidney Disorders, HR $10,841,000.
National Institute of General Medical Sciences, HR $9,712,000.
National Institute of Neurological and Communicative Disorders, HR $8,032,000.
National Institute of Allergy and Infectious Diseases, HR $7,687,000.
Research Resources, HR $7,227,000.
National Institute of Child Health and Human Development, HR $6,026,000.
National Institute of Environmental Health Science, HR $4,748,000.
National Eye Institute, HR $3,716,000.
National Institute on Aging, HR $3,237,000.
National Institute of Dental Research, HR $2,368,000.
Office of the Director, HR $1,809,000.
National Library of Medicine, ET $1,127,000.
National Library of Medicine, HR $524,000.
National Eye Institute, ET $491,000.
John E. Fogarty Center, — $278,000.
National Institute of General Medical Sciences, ET $271,000.
National Institute of Diabetes, Digestive and Kidney Disorders, ET $238,000.
Buildings and Facilities, — $215,000.
National Institute of Environment and Mental Health Sciences, ET $92,000.
Office of the Director, ET $89,000.
National Institute of Allergy and Infectious Diseases, ET $73,000.
National Institute of Child Health and Human Development, ET $72,000.
National Institute of Dental Research, ET $32,000.
National Cancer Institute, ET $28,000.
National Institute on Aging, ET $21,000.
Research Resources, — $2,000.
Total, $111,755,000.

Mr. ZORINSKY. The American people are concerned also that one of the realities of our world is that the administration's policy in Nicaragua is doomed to failure. No objective observer in the Congress, in the intelligence community, or in the Pentagon believes the Contras can win. And the American people fear that the Contras' failure will necessitate a tremendous commitment of U.S. dollars, and ultimately, U.S. troops. That is a commitment which the people of this country are not willing to give. They are not willing to see their boys fighting in the streets of Managua, in the mountains of Matagalpa, and in the swamps near the Costa Rican border in what will be, for sure, a prolonged war—no Grenada operation this time.

Mr. President, we have been down that road before. Earlier in this century U.S. troops occupied Nicaragua. Because of their failure to subdue the original Sandinistas, we finally withdrew from Nicaragua leaving behind the beginning of the Somoza family dictatorship. U.S. support for that dictatorship led us in Nicaragua to where we are today—on the brink of another military intervention. It is a curious and tragic cycle from which we must escape. To shackle ourselves to the present policy is to doom the Nicara-

guan people to another generation of oppression and dictatorship and to bequeath to our children another generation of Latin fear, hatred, and distrust. Freedom for Nicaragua cannot be won with the $100 million already spent, nor with the $100 million requested, nor with the billions this policy will eventually cost the American people.

That is not to say that the current regime in Nicaragua offers freedom to its people. I am one who has publicly and privately criticized the Sandinista leadership in Managua for backing away from their commitments to work for a democratic and pluralistic society after the ravages of the 40 year dictatorship of the Somozas. As early as December 1980, I wrote Sergio Ramirez, presently Vice President, but then a member of the junta, of my deep personal concern regarding Sandinista actions toward the electoral process, the judicial system, the press, and the private sector. In that letter, I wrote, "I did not support the overthrow of the Somoza regime in order that others like him, be given a chance to circumscribe the rights and freedoms of the Nicaraguan people." Since then, as today, I continue to be concerned about the problems with the Church, the opposition—especially the private sector, the labor unions, and La Prensa. The solution to the complexities brought about by the situation in Nicaragua, however, is not military support of the Contras to overthrow the Managua government for the United States. We cannot rent any army to do it for us.

I would like to say in all the debate that has taken place in this Chamber on this $100 million game plan, I have heard time and time again that we are assuring ourselves that no American boys will be involved in this tragic situation. The administration, over and over, has assured this body that Americans will not be involved in a war.

Mr. President—and this may cost a future political election for this Senator speaking—I think that is blasphemy. For the American people—and I know this comes very hard to a mother who has raised sons, and I have two sons of my own—for us to categorically look the other way and deny the sending of American sons if it warranted for the protection of the freedom and independence of the United States of America is wrong. I think it is blasphemy to assure that no American sons will be involved in this war.

If it is as serious as the President says, and he has not made that case to me yet, then I say it is time for us to take a look at that and evaluate whether we should preclude sending American military into that area.

I see on television where the administration spokesmen say, "Managua is only 1,200 miles from San Antonio, TX." I have heard speeches on this floor that the proximity is what makes this situation dangerous.

On the same map shown on television that night, was the nation of Cuba. Everybody here is worried about the Cubans in Managua. Nobody is worried about the Cubans in Cuba. Cuba is 90 miles from the United States.

The answer I received from a Senator, a right-wing Senator, a very conservative Senator, is, "They can walk from Managua to the United States." An asinine excuse for $100 million.

We have had refugees in leaky rowboats come from Cuba to our shores. If refugees in leaky rowboats can come, so can Cubans in amphibious craft. If we are really going to be so concerned about the proximity of the Cubans. It is an insult to the intelligence of the American people.

There is no military leader who can tell me that we can seek military victory with the renting of an army at the cost of $100 million this go-around. As a former businessman, I seek an answer to the question: Tell me, how much money and how long will it take? I cannot get an answer to that question.

I tell my colleagues that I have many unanswered questions concerning the recent invasion, so-called invasion, of the Sandinistas into Honduras. Now there are conflicting reports. When Cabinet Members and elected officials of Honduras are asked by the news media, "Where are they going today?" they are going to take their holidays. It indicates that they are not nearly so concerned about what happened in this recent incursion as we are here in the United States.

There is something called the Rio Pact. If this were truly an act of war, the Sandinistas going into Honduras, and the Honduran Government were concerned about the survival of their country, they have the option to go to the OAS and trigger the Rio Pact which would demand that the United States intervene militarily to defend an attacked nation in the Western Hemisphere.

They did not do it. Why did they not do it? Obviously, they are not that concerned. Some Hondurans, currently and very quietly, I might add, because Hondurans also receives a lot of money from the United States, are telling their people that they better not speak too loudly because the Senate is voting very shortly on $100 million in Contra aid and certain elements of our Government here do not want that vote upset.

I went through this with the Salvadorans, who at one time were supposedly attacked by a group of guerrillas from Nicaraguan territory. Observers down there could not even find the footprints in the sand where supposedly the invaders landed. They could not find evidence of a landing of guerrillas from Nicaragua into El Salvador. Finally, it came out that it was all a contrived action in order to initiate U.S. financial assistance at that time.

We have been talking about the Superfund on this floor from time to time. The concept is that when somebody pollutes, they should pay to clean up the pollution.

Let me tell my colleagues, we are the polluters in Central America. Now the time is coming for the polluters—which are we—to clean up the mess we made down there. We created the Contras, now we have to protect the Contras. In order to protect the Contras—when they get chased out of Nicaragua, they have to go somewhere; they have to go to Costa Rica or Honduras. The people of those nations woke up and realized we need them. And of course, now they want money from our taxpayers. At a time when we have $200 billion deficits, we should not pollute any area of this hemisphere because we cannot afford the cleanup of the aftermath.

Mr. President, people here yesterday said, let us go back in history and see what happened in 1979; we gave $75 million to those Sandinistas. That is a lie. We did not give $75 million.

I have heard that said over and over in this Chamber, that we gave $75 million. If we want to be factual, if we want to be truthful, go get the CONGRESSIONAL RECORD and see what happened to that $75 million.

We stopped at $60 million. And of that $60 million, as provided by an amendment adopted on this floor, 60 percent had to go to the private sector in Nicaragua—which means 40 percent of the $60 million went to the Sandinista government. So an accurate depiction of what the Sandinista government got would be 40 percent of the $60 million or $24 million. And what happened to that?

(Mr. PRESSLER assumed the chair.)

Mr. DURENBERGER. Mr. President, would my colleague yield for one inquiry on that point?

Mr. ZORINSKY. Yes, Mr. President.

Mr. DURENBERGER. The President of the United States has tried to convince the people of this country that we spent $200 million in the first 18 months of the revolution, more than anybody else spent, when the reality is we did not spend a nickel for 10 months after the revolution. Not one nickel. Is that not true?

Mr. ZORINSKY. My colleague is absolutely correct. I would like to say I went a step further. I would be glad to show this to my colleagues who would like to see it.

I went to AID and got the records of every dime we gave the Sandinistas to see what happened with the money. I think that is a responsible thing for a

U.S. Senator to do. I have the receipts for every dime as to how that money was spent. Would it come as a shock to the people in this Chamber that every dime of that money we gave the Sandinistas—and AID has the records and I have copies of them—was given back to legitimate companies in the United States of America to buy things for peaceful purposes?

For instance, a lot of that money was spent with something called the Brown & Williamson Tobacco Co. They bought a lot of used tobacco manufacturing equipment with the money we gave them. They gave it back to an American company that is a taxpayer in this country.

They spent money with International Harvester. They spent money buying tractors. They wanted to raise food down there. I guess they must eat there, too.

They spent money with pesticide companies, with fertilizer companies. They bought seeds, they bought Motorola equipment also. No lethal weapons were bought with that money.

So having all these receipts, I listen to the floor debate and hear people get up here to say, "We gave those people $75 million to start all these problems with." It is not true.

Incidentally, this is a bipartisan problem. It is not a Democratic problem, it is not a Republican problem, it is not an administration problem. We are all in this together.

Would it come as a shock to people that the majority of Republicans voted for that $75 million aid to the Communist-Marxist Sandinista government?

Mr. DENTON. Mr. President, would my friend from Nebraska yield for one brief inquiry?

Mr. ZORINSKY. Yes; I would be happy to yield.

Mr. DENTON. We are tossing numbers around, and the word "lie" around. The information I have from the State Department, confirmed today, is that Congress approved $150 million in aid to the Sandinistas. We had sent $119 million to the Sandinistas by June 1980. When President Reagan came into the Presidency, he stopped the remainder of the aid. That is my information.

I do challenge that we did not send them any more than $50 million.

Mr. ZORINSKY. Mr. President, all I can say is this, those numbers are like all the other figures the Department of State has. I think they do not know what their own figures reveal. They are about as reliable as the uncertainty that there were 1,500 Sandinistas invading Honduras yesterday. I heard the Department of State release those numbers. Today I have heard them retract some of those numbers.

So I would not go very far with released figures like that.

To begin with, some of that aid, "approved" by Congress, came after the Carter administration. Moreover, not all aid "approved" was actually spent. And 60 percent of the aid "approved" by Congress was mandated to go to the private sector in Nicaragua—not the Government.

As a matter of fact, if you go back to the CONGRESSIONAL RECORD, some of the people, like Alfonso Robelo, Arturo Cruz, and Eden Pastora, who are with the Contras today were then in the Government of Nicaragua. Arturo Cruz for example, in an article by Alan Riding of the Washington Post, February 12, 1981, indicated that he was supporting aid to Nicaragua at that time. There was money in the pipeline at that time. But there is no doubt, if you go back into the records—and I challenge members of the news media, who, I think, have a lot better records than the Department of State to check this. The Department of State changes its records for political convenience. I have talked to some in the Department of State who have said this to me, that they change their numbers for political convenience. Figures do not lie, but liars can figure. I might even accuse the State Department to that extent publicly, right here.

So I feel very confident in my figures.

Senator LUGAR and I were maybe too deeply involved in figures or numbers in those days. But those days are being relived now, and I just want to set the record straight with the actual count of what money went and where it went and how it went.

Mr. President, our perspective of reality in Nicaragua must be clear even if it causes us discomfort. Yesterday I heard someone saying what makes a base in Nicaragua is the length of a runway. Nicaragua has more than a million people. Is a country not entitled to a runway that will land a 747 airplane on it without being accused of designing it for Bear Soviet bombers to land on it? A Bear bomber takes about a 12,000-foot runway. A 747 airplane takes about a 11,500-foot runway. It is OK to build a runway for a 747, but it is not OK to build a runway for a Bear Soviet bomber, but the length of the runways happen to be just about the same.

Incidentally, a MIG-25 takes about 6,500 feet. So if you have a runway you could land a 747 on, you could also land a MIG-25 on it. All of a sudden, it then becomes a base runway rather than a commercial runway.

I think that is another asinine argument, how long a runway is, for deciding whether there is a base being established.

As a matter of fact, in Grenada, our AID group recommended extending the runway so 747's could land there for tourism purposes. When the Cubans started extending it, we accused them of creating a base. When we invaded Grenada and drove the Cubans out, we extended the runway so 747's could land on it. Then it was not a base.

I think we have to stop trying to insult each other's intelligence by using these types of arguments to identify what is a base and what is not.

To me, a base is when you see a Soviet submarine going into a pen, into a submarine area, to refuel or reload or be serviced. That is a base. Do you know what you do when you find a base like that in Nicaragua? You do not go rent an army. You call SAC Headquarters, you take B-52's, you take American men and go take it out if it is truly offensive. If it is truly a threat to democracy, if it is truly a threat to the future freedom of our Nation, you use American boys.

People are afraid to say that on this floor. They are saying get that rented army. Hell, they have a rent-a-Marxist program down in Honduras. They have a rent-a-Marxist program in Costa Rica. Just rent a Marxist and we will give you $50 million. As a matter of fact, I even heard some of our farmers saying, "Maybe if I proclaim Marxism here, I could get some money from my own Government."

Surely it is not difficult to find fault with the Sandinistas, but can we forget the Somoza excesses which brought these people to power?

Mr. President, remember the ruthlessness with which the forces of the Somoza dictatorship, the infamous national guard attempted to defeat the Nicaraguan people's quest for freedom? Remember the rebellion which included conservative politicians and businessmen as well as the Sandinistas? Remember the torture of the political prisoners? Remember the severing of children's hands in a town known for its handicrafts? Remember the wanton destruction of cities like Esteli by Somoza's air force and the terrible cost of innocent civilian lives, including one American newsman shot in the back of the head by a Somoza guardsman as he lay defenseless on the ground? I remember. I do not think the State Department remembers.

Are the Sandinistas lily white on this score? Amnesty International in its latest report criticizes the treatment of prisoners and poor prison conditions in the Sandinista prisons. And it also notes reports of torture, killings, and detentions carried out by Sandinista troops in the areas of conflict. And I am making no excuses for the Sandinistas either. They are just as bad as the other guys.

Mr. DENTON. Will the Senator yield?

Mr. ZORINSKY. I am saying that the bottom line should be what is in the best interest of the United States of America. I do not want to be committed to the bleeding and blackmail of billions and billions of dollars of hard-earned taxpayers' money from this country. That is why I advocate, as I have not heard it advocated yet by the conservatives, by the rightwingers or anybody else, using American troops, using American equipment if the situation truly warrants it in the defense of the freedom and independence of the United States of America.

Mr. DENTON. Will the Senator yield for a question?

Mr. ZORINSKY. No. I have only about 4 minutes left and I would like to finish my statement.

Mr. President, Amnesty International also has received information on the public trial and imprisonment of Sandinista military personnel found responsible for such abuses. Can anyone recall one national guardsman imprisoned by Somoza for torture or murder? What about the guardsman who murdered the American newsman before TV cameras? Was he brought to justice? The same Amnesty report states that the Contras, whose military command is headed by former Somoza guardsmen, have been responsible for "a persistent pattern of * * * abuses * * * ." The report states that Contra forces frequently retain no prisoners, killing captives on the spot. Amnesty also has testimonies from witnesses regarding "execution style" killings in which captives were bound and tortured and their throats slit by FDN forces.

"With the Contras," by Washington Post reporter Christopher Dickey, describes the fate of three returned Contra deserters—ages 13, 17, and 20—as related by another Contra. "They had tried to escape to Nicaragua," Dickey quotes the Contra as saying. "They were all torn up, naked, their bodies black and blue all over from the blows, as if from whips. You saw the blows on their chests and their arms. When they were going to be executed the 13-year-old kid screamed to El Muerto, "Boss, I won't do it again. Don't kill me boss." El Muerto shut him up and kicked him, And he cut his throat there." He used one of the heavy combat knives the FDN troops usually carried. "You felt that the screams were escaping from the wound, from the throat. And the others who were tied up to some stakes then also had their throats. cut"

Do I have to remind my colleagues that these are the so-called freedom fighters that the administration wants to fund to the tune of $100 million, which we all know is just the tip of the iceberg in terms of financial and human costs? These are the people who are going to lead Nicaragua back to democracy? Let's not kid ourselves. Let's not be blind to the reality of what the Contras would bring to Nicaragua. All the "big lie" techniques in the world will not make the Sandinistas more brutal than Somoza, or the Contras more democratic than the Sandinistas. Some within the administration and out of it may repeat this propaganda day in and day out, but it fools no one. A constituent of mine recently wrote complaining of comparisons of the Contras with our Founding Fathers. In his letter he asked, "Do you really believe George Washington hacked people to death with a machete, or Ben Franklin assassinated school teachers and medical personnel, or Paul Revere raped women and children?" No, I do not and neither do the American people. it is obscene to even think that American money, and eventually lives, might put such terrorists in power.

To understand the breadth and depth of the misinformation about the Contras, we need only listen to words of a former member of the Contra directorate, Edgar Chamorro, who wrote the following in a public letter dated January 9, 1986:

> It is cynical to assert that the "contras" respect human rights. During my four years as a "contra" director, it was premeditated policy to terrorize civilian noncombatants to prevent them from cooperating with the Government. Hundreds of civilian murders, mutilations, tortures and rapes were committed in pursuit of this policy, of which the "contra" leaders and their CIA superiors were well aware.
>
> Only when these practices were revealed in the U.S. press and by human-rights groups did the "contra" leaders feel compelled to give lip service to ending them. But no serious effort to stop them has been made, because terror is the most effective weapon of the "contras." In August 1985, in a typical case, the "contras" briefly occupied the town of Cuapa, gathered the residents in the town square, selected those civilians they suspected of sympathizing with the Government and shot them in cold blood as a lesson.
>
> It is a gross fabrication to claim that the "contras" are composed of "democratic groups" who "joined in the revolution against Anastasio Somoza." As I can attest, the "contras" military force is directed and controlled by officers of Somoza's National Guard, who fought at the dictator's side until the very end and they fled to Honduras. My knowledge is confirmed by an April 1985 Congressional study that shows that 46 of the 48 positions in the FDN's military leadership were held by ex-National Guardsmen. At U.S. urging, some former Somoza opponents—including Mr. Cruz and Mr. Robelo—have now been affiliated with the "contras" to make them more palatable to Congress. But real power in this military organization rests with those who have the guns—the ex-guardsmen.
>
> The Sandinistas, for all their faults, have made enormous advances in education, housing, and health care, issues of vital importance to Nicaragua's poor majority. Unfortunately, the "contras" burn down schools, homes, and health centers as fast as the Sandinistas can build them.

Mr. President, is it any wonder that the Nicaraguan people have failed to rally to the Contras' call? Less than 7 years ago, the Nicaraguan people united to oust Somoza. They are no strangers to rebellion and revolution. They know full well how to do it. If, as the administration claims, the Nicaraguan people want to throw off the Sandinista yoke, where are the street barricades, the protests, the network of rebel sympathizers found in the Somoza era. They cannot simply be afraid. Fear did not stop them in the face of Somoza's brutalities. And if the fear of Nicaraguans were so great, then all of the administration's friends would not be able to return from Nicaragua with their many stories of Nicaraguan complaints against the Sandinista regime. Fear of the magnitude would silence them.

The Sandinista government is not one of my choosing, but that is not the point. It apparently is the choice of the majority of the Nicaraguan people—especially if the alternative is the return to power of Somoza's guardsmen. There will be no revolution in Nicaragua without the support of its people, and it is precisely the lack of such support which explains the failure of the Contras to spark a rebellion or achieve any military success despite $100 million in United States aid and safe haven in neighboring nations.

Some may ask: But what of the security threat emanating from Managua? The President has spoken of a Nicaraguan move against Mexico. But by his own calculations, Mexico is 15 times as large and 25 times as populous as Nicaragua. From the point of view of United States security, it is a matter of clear national consensus that a Soviet base in Nicaragua would be intolerable. If one existed, I cannot believe the President as Commander in Chief, with the support of the Congress, would fail to move forthrightly against it. Instead, he now maintains formal diplomatic relations with Nicaragua. In the unlikely eventuality of a significant Soviet threat in Nicaragua, we will not need the Contras. We will need B-52's and B-1's and that is why, among other reasons, I have supported a strong national defense.

Mr. President, there are some things in this world worth fighting and dying for and one of them is freedom. If President Reagan really believes that a significant threat to our security and freedom exists in Nicaragua, then he should tell us so and take immediate steps upon the War Powers Act to correct it. I conclude from his inaction that what we're dealing with in Nicaragua is not a hemorrhage but a paper cut, not a threat, but a concern, so we should be realistic.

I firmly believe that the Soviets and the Nicaraguans fully recognize our

military predominance in this hemisphere and, therefore, will not seek to provoke it. They would surely lose. But we must recognize the limits of our power which stops at another nation's doorstep. We cannot, singlehandedly, direct the internal affairs of every country in this hemisphere.

And Mr. President, if we are truly fearful of a tide of immigrants from the South, as some have stated in the last few days, then we must honestly look at the facts—at reality.

It is the truth—in part a sad truth—that people of this hemisphere will continue their migration to the North so long as the economic disparity remains so great. It is inevitable that people should be drawn to our success and to the opportunities proceeding from that success just as our own forebears were. The answers to this problem lie not in military intervention or in policies which polarize societies. Those strategies only create the conditions for more economic and political refugees. The answers must come from policies designed to narrow the differences and create hope and incentive in the nations South of us.

In conclusion, my colleagues, I want to point out that there is another way. There is an alternative to the administration's military policy. Rather than just pay lipservice to the subject of negotiations, the administration must make it the keystone of our policy. The Foreign Ministers of the Contadora nations and the South American Support Group regard the administration's military policy as inconsistent with the peace process and they are right. It is ludicrous to believe that waging war creates a climate for negotiations. War is a last resort.

Mr. President, I have received a letter from Nicaraguan Ambassador Carlos Tunnermann, dated March 3, 1986, which has also been received by other Senators. In it the Ambassador states clearly that Nicaragua is prepared to sign a binding and enforceable agreement guaranteeing stated United States security interests are met. As part of the agreement, Nicaragua, along with the other Central American States, would agree to have all foreign military advisers withdrawn; renounce the acquisition of new armaments, and impose strict and verifiable compliance mechanisms; and guarantee that Nicaraguan territory will never be used as a base for any foreign power or for subversion, and allow onsite inspection. Further, it states that when United States hostilities stop and a peace agreement is ratified, Nicaragua will restore civil liberties, and proclaim an amnesty for the Contras to enable them to participate in political life.

It is time to take up the challenge of peace. After a signed Contadora agreement and bilateral commitments with the United States, it is the Sandinistas who will have to answer to the world and to their people if there is backsliding.

Mr. President, administration policymakers have imagined the world to suit their policy. The burden now facing the Congress is to correct our policy to suit the world's realities. Let us not shrink from that task.

AID TO THE CONTRAS: BROKEN STICKS AND WOODEN CARROTS

Mr. GORTON. Mr. President, I rise to voice my opposition to the proposed aid to the Contras. In my view, this approach is not likely to produce the policy results at which we aim in Central America. It is a policy of broken sticks and wooden carrots.

Let it be clear that I carry no brief for the Sandinistas. The regime which they have put in place is repugnant. The regime which they have put in place is repugnant to us, Nicaragua's neighbors, and to many of its own people. And under certain future circumstances, we may be called upon to respond to actions which the Sandinistas have taken against the people of that region. But the proposal we are voting on today is not the proper response at this time.

The question before us is one of means, not ends. And I submit to you that the means which the administration has selected to deal with the Sandinista problem have been and continue to be inappropriate and ineffective. The President has told the American people, in no uncertain terms, that our national security is in jeopardy. He has articulated, in the most dramatic terms, the threat posed by the Sandinistas. And he has asked us to accept the Contras as the solution to this problem.

But there is a great disjuncture between the threat articulated by the administration—the "Reds at the Rio Grande rhetoric"—and the means which are proposed to meet it. Who among us believes that another shipment of combat boots to Enrique Bermudez will prevent the Soviets from developing a deepwater port on the Nicaraguan coast? Who among us believes that the Contras are capable of the kind of large-scale and sustained military and political effort which will be necessary to dislodge the Sandinistas? If the stakes are in fact as high as the supporters of the administration's proposal indicate, then we should be more forthright about our responsibilities for national and regional defense.

We have experienced this kind of muddling of foreign policy ends and means before, and apparently we have learned very little. The history of our involvement in Vietnam is replete with misunderstandings of precisely this kind. Our policymakers could not or would not bring into sharp and public focus the relationship between what we intended in Southeast Asia and what was really necessary to get the job done. Because we were so vague and uncertain, we were fatally inconsistent in the application of power designed to realize our foreign policy objectives.

In the case at hand, the President is quite clear about our objectives, but he fails to convince this Senator that he has chosen the proper means of achieving those objectives. If the danger in Nicaragua is as grave as the President believes, he should not publically and repeatedly forswear the use of American troops to meet it. It does not serve the task of making foreign policy in a democracy for the President to avoid stating what obviously follows from his threat assessment; that is, that American military intervention into Central America may be necessary, that the American people should be willing to pay the price necessary to prevent Nicaragua from becoming another Cuba, and that tourniquets, not bandaids, are needed to stop the gusher in Central America. Let us engage in public debate about whether or not we believe that the threat from the Sandinistas warrants this kind of response.

I find it disingenuous for the President to propose the funding of guerrillas whose purpose is the overthrow of the Sandinista government, while at the same time maintaining diplomatic relations with this Government and flying Members of Congress to Managua to shake hands with the Ortegas as a way of certifying that they are the source of all evil in Central America. Nor do I find convincing the administration's coupling of military aid to the Contras with a "synthetic" attempt at negotiations.

If the threat in Nicaragua is as severe as the President says it is, we will be unable to avoid an American military commitment for long and it will be essential that the American people support it. If the threat is not sufficient to justify intervention, then we should get on with the business of fashioning a proportionate response.

Fundamentally, we are being asked to vote for policy which will continue to kill men, women, and children in Nicaragua and Honduras but which will neither replace the Sandinistas nor cause them to negotiate either peace or democracy. Such a policy is both ineffective and immoral.

I take issue as well with the manner in which the administration has attempted to link support for the Contras with the prospects for a negotiated solution in Central America. The majority leader admonished this body 2 days ago on the need to use military pressure to achieve a negotiated solution, the kind of pressure which support for the Contras is hoped to produce. More than a decade ago the same argument was used to support the bombing of North Vietnam as the

best means of bringing the North Vietnamese to the conference table. Then-Senator McGee quoted General Maxwell on the floor of the Senate in 1967 with respect to the effectiveness of the air war in "convincing our adversary of the futility of his attempt to impose a Communist regime on the people of South Vietnam." General Taylor had argued that "the basic case for the bombing of North Vietnam is the need * * * to create a situation for the leaders in Hanoi such that, from considerations of self-interest, they will change their ways and cease the aggression against the South." The Senate Armed Services Committee reported that same year that the air war over North Vietnam was intended to "cause North Vietnam to pay an unacceptable price for its aggression."

But that kind of constant adjustment of the level of violence coupled with the dangling of peace talks in front of the North Vietnamese did not, in the end, achieve our policy objectives in Southeast Asia. While I do not assert that Nicaragua is Vietnam, I find this administration's "package" for Central America no more promising in 1986 than our policy in Vietnam proved to be in 1967.

Finally, I draw the Members' attention to the response of our Central and Latin American allies to our policy of support for the Contras. They are, almost universally, on record as opposing the kind of widening of the conflict which aid to the Contras predicts. The administration attempts to speak for the governments which would be most threatened by an aggressive regime in Managua. It suggests that we are told in private what those governments cannot say in public, that they fear the Sandinistas and pray that Uncle Sam will take care of the problem for them.

Yet it is these same countries which have publicly and repeatedly asked us to return to the bargaining table, to eschew military options in favor of good faith negotiations. The administration has responded by incorporating negotiations into the proposal for aiding the Contras. But we have a serious credibility problem here. We are not perceived as having negotiated in good faith, and for good reason. Few of us believe that the Sandinistas will accept arrangements which would jeopardize their monopoly on political power, which is precisely what a negotiated democracy is Nicaragua will mean. If we do not believe that the Sandinistas will reach a political agreement which we will find acceptable, we fool no one by grafting an appeal for negotiations onto the Contras arms proposal.

In my view we should heed the counsel of the governments of Central and South America and allow them an opportunity to live with Sandinista Nicaragua with minimum American intervention. Let us test their faith in the virtues of negotiations and the good intentions of Managua. If they are wrong about the Sandinistas and President Reagan is right, it will not be too late for the United States to lead a regional effort to preserve the security of this hemisphere—when our friends and allies in Latin America are willing publicly to ask us to do so.

A former President of Mexico once lamented about his country, "Poor Mexico, so far from God and so close to the United States." I regret the history which inspired this observation, and I urge my colleagues to consider it carefully before they vote on the measure before us today.

AMENDMENT NO. 1717

(Purpose: To provide assistance to the Nicaraguan democratic resistance if the Government of Nicaragua has not taken certain actions)

The PRESIDING OFFICER. Who yields time? The Senator from Indiana.

Mr. LUGAR. Mr. President, I would like to ask the Chair to recognize the Senator from North Carolina for the purpose of an amendment.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. HELMS. Mr. President, I thank the Chair and the distinguished manager of the bill. I have a substitute at the desk which I call up and ask that it be stated.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from North Carolina [Mr. HELMS] proposes an amendment numbered 1717.

Strike all after the resolving clause and insert the following:

That the Congress hereby approves the additional authority and assistance for the Nicaraguan democratic resistance that the President requested pursuant to the International Security and Development Cooperation Act of 1985, notwithstanding section 10 of Public Law 91-672.

Notwithstanding any other provision of this section, assistance may be provided under this joint resolution at any time after May 15, 1986, if the President determines and reports to Congress that the Government of Nicaragua—

(1) has not terminated all overt and covert aggression against other countries;

(2) has not terminated all importation of military supplies and foreign military and security personnel;

(3) has not expelled all Soviet and Cuban personnel in Nicaragua;

(4) is delaying the implementation of the acts described in paragraphs (1), (2), and (3) in order to pursue decisive military victory against the Contras;

(5) has not explicitly acknowledged that it has an obligation to the Organization of American States (OAS) to implement democracy, according to the OAS resolutions of June 23, 1979, and July 12, 1979, and that the Government of Nicaragua undertook a similar obligation in agreeing to the September 1983 Contadora Document of Objectives; or

(6) has not given permission for all political parties to begin organizing political activities in preparation for elections to be held at a future date.

Mr. HELMS. Mr. President, I suppose this could be called a put-up-or-shut-up amendment. We hear all sorts of declarations on this floor that we are in favor of human rights, that we are in favor of free election, and all the rest of it. Yet there has not been one scintilla of a suggestion—until this amendment in the nature of a substitute—was called up that the Sandinistas ought to bear the burden of restrictions on this assistance package.

Mr. President, the basic flaw in proposals which will be before us later today is that the restrictions which it sets up are not directed against the Communists in Managua. Rather, they are directed against the President of the United States and the freedom fighters in Nicaragua. What kind of nonsense is this?

There are Members of this body who are taking the position that the biggest danger to freedom and American security is coming from the President and the freedom fighters. They are acting as though the real problem—the existence of a Soviet- and Cuban-controlled government on the American continent—is irrelevant to the issue.

Mr. President, the issue is, will this Senate, this day, take this modest step toward trying to assure that Central America will not be taken over totally by the Soviet Union, using its surrogates in Cuba and Nicaragua?

I have listened in disbelief to some of the statements made on this floor in the past 2 days. We find the criticism directed against the Contras. They are not democratic enough to suit some Senators. They are not as well organized as we would like to see them be. They are allegedly engaged in atrocities. They have not been as successful as we would like them to be.

Well, I ask, how could they be successful? First, the U.S. Congress put hobbling restrictions on them. I don't even hear the opponents today talking about the crippling effect of the Boland amendment on the aid that was given to the Contras before it was cutoff completely. No, not a syllable do we hear about that. Nor do I hear any discussion of the impact on morale, training, and discipline created by the cutoff. Some Members of the Senate simply do not want to talk about the consequences of their own actions.

Mr. President, the purpose of the substitute at the desk is very simple. It puts the restrictions on the Sandinistas, not on the freedom fighters. It gives the President authority to act after May 15, so long as the Sandinistas continue to do what they are doing—serving as a Soviet base for

subversion and aggression throughout the hemisphere. If the President finds that Nicaragua has not terminated all overt and covert aggression, if he finds that they have not terminated the importation of military supplies and foreign security personnel; if he finds that they have not expelled the Soviet and Cuban personnel, and that they refuse to implement democracy, then the President is free to act, which should have been the situation anyway.

So I say again to Senators who say, "Well, we don't want communism in Central America," the way to make good on that declaration is to support the very clear, simple substitute that is at the desk.

Mr. President, if my substitute is adopted, we can go home right now for Easter recess. As Senators know, under the Senate rules a substitute cannot be amended further once it is adopted. So the real comparison is between my substitute and the substitute which will undoubtedly be offered later and has already received wide circulation.

So what does the substitute which will be offered later do? What it does is ensure that once more we hobble the President in his conduct of foreign policy. First, the other resolution purports in section 2 to declare what the foreign policy of the United States should be. Every constitutional expert I have ever heard has said that the authority for foreign policy is vested in the executive branch, not the legislative branch. The legislative branch has the power of the purse, and the Senate has the power to give advice and consent on treaties and ambassadors. But aside from that we do not have the power to make foreign policy. I don't understand why we are even considering section 2.

Now section 3 says that the United States Government will enter into negotiations with Nicaragua under certain circumstances. This is not a sense of the Congress resolution. This says "United States policy shall be based" on actions to be taken by Nicaragua.

What business of Congress is it to tell the President what U.S. foreign policy shall be? What business is it of Congress to say that the United States will "engage in bilateral discussion with the Government of Nicaragua?"

It would be perfectly proper for Congress to say what we think should be done; but we have no constitutional authority to say what shall be done under the President's authority to conduct foreign relations. This is not just an authorization to conduct negotiations, which the President wouldn't need anyway; it is mandatory under the circumstances set forth.

I think it is quite clear that these provisions are unconstitutional.

In section 4, the proposal takes position that the Contras are a flawed instruments, that the fighters have to be under democratic control, that they are to be punished if they violate human rights or engage in drug smuggling, that they must achieve unity and define a program for achieving democracy in Nicaragua, et cetera, et cetera—all aimed at the people in Nicaragua who are fighting and dying trying to regain their freedom. Not a syllable about the Communist Sandinistas. Not one phrase saying, "you have to stop," or "you have to live up to your commitment," or anything of that sort.

What are we up to in the Senate, Mr. President, when we take such a convoluted position as that?

To talk imposing such restrictions in the middle of a guerrilla war is beyond reason. I believe that all of these are desirable goals, but none of them can be imposed in the middle of warfare, outside of the structure of government.

Mr. President, the Contras can have only one objective at the present time, and that objective must be to win. They can win in several ways. They can win by causing enough damage to the Nicaraguan regime so that the regime is forced to negotiate. They can win by creating the psychological and military climate in which mass desertions from the Sandinista army and broad public uprisings take place. Or they can win by a series of successes resulting in the overthrow of the regime. Of course all the experts say that the last is impossible; but anyone familiar with experts knows that experts are often wrong.

The U.S. Congress should do nothing to obscure the main point: The Contras must achieve victory in some fashion. It is not going to be on my conscience if we refuse to help those people who are fighting and dying trying to regain freedom in Nicaragua.

An army that is fighting must concentrate on fighting, and not sit around in academic discussion of future society in Nicaragua. As for the alleged abuses, there is no credible evidence that the allegations are the result either of policy or practice. Indeed, the Contras are fighting a regime that is consistently engaged in human rights violations.

In section 5, DOD funds are transferred at the rate of $15 million every 90 days. Mr. President, I ask this body, how can we put a guerrilla war on a rigid timetable? How can we determine in advance that the funds will be needed on an orderly schedule? What happens if there is a massive attack? What happens if the conditions are right for a sweeping forward movement? What this timetable does is to tell the Sandinistas that they have a leisurely schedule to wipe out the freedom fighters.

In section 9, we say that we do not trust the President. We say that we do not trust him to make a determination that sending military aid to the Contras is the only solution. We say that we do not trust him to make a determination that the Contras are under air attack. We tell the Sandinistas in advance that they can bring in new helicopters and other aircraft to attack the freedom fighters and that the United States will do nothing. We tell them that their allies in the U.S. Congress will attempt to disallow any equipment and supplies to fend off air attacks. We tell them that there will be debates and delays in Congress ad infinitum, while the Communists consolidate their power.

And in section 10, we say that a commission will be set up to second guess the President, to provide the allies of the Sandinistas in Congress with more ammunition, with more propaganda, with more excuses for temporizing and giving the Communists time to destroy all internal and external opposition.

Yesterday, on this floor, I alluded to some of the debate in 1980, when the Senate successfully approved two $75 million in grants to the Communists in Nicaragua. Fortunately, only $119 million out of the $150 was actually approved. But I think some of the Senators who participated in that debate ought to get out the CONGRESSIONAL RECORD and read what they said. As I made clear yesterday, I assign no particular wisdom to myself, but I did try to warn the Senate on those occasions, when those mistakes were being made, that we were feeding the crocodile. But I remember very well Senators saying, "I'll take a chance on that." They were taking a chance, but not with their own money, and not with their own freedoms.

Look at what has happened. It is the same story that has happened all over the world, every time the Communists decide to take over a territory. We hear about negotiations. I want a Senator, any Senator, to tell me one time that the Communists have negotiated in good faith. Tell me just one time—it cannot be done.

So the issue here is, do we really believe in freedom? Do we really want to help those who are fighting and dying, not merely in Nicaragua, but also in Angola, in Afghanistan, and everywhere in the world that people have the yearning, as Solzhenitsyn put it, to be free? We can turn our backs, if we wish, but this Senator will not.

The question then is whether we go all out to support the President, or whether we hobble his actions to support freedom in Central America.

Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. HELMS. Mr. President, I yield the floor.

Mr. McCONNELL. Mr. President, on April 24, 1985, the U.S. House of Representatives rejected a bill to provide humanitarian aid to the Contras in Nicaragua. Immediately, Daniel Ortega left Nicaragua for Moscow. On April 30, a Washington Post story announced Ortega has secured $200 million in Soviet aid during his visit. The April visit was followed in May by Sandinista troops crossing into Costa Rica and killing two Costa Rican civil guardsmen.

Last week, the House of Representatives voted, once again, to reject aid to the Nicaraguan resistance. Within 48 hours, Sandinista forces invaded Honduras.

To me, the cause and effect seems clear. In response to U.S. signals of weakness, in response to American lack of resolve, the Sandinistas have deliberately and aggressively moved to eliminate any and all opposition to their Marxist-Leninist government. The House demonstration of support for negotiated reason was squarely confronted with Sandinista aggression.

The Sandinista dictatorship has most recently engaged in aggression against a neighbor. But, the history of aggression within Nicaraguan borders against the Nicaraguan people is equally alarming. On October 15 last year the Sandinista government reinstated and broadened restrictions on civil liberties. The Sandinistas suspended the right of personal security and habeas corpus; the right to a trial, to be presumed innocent until proven guilty and to an appeal; the right to organize unions and to strike; the right of peaceful assembly; the freedom of association and movement; the freedom of information, and finally the freedom from arbitrary interference in a citizen's personal life, family, and home. President Ortega claimed that the suspension of Nicaraguan freedom was aimed at problems caused by United States aggression and counterrevolutionary activity. I would ask opponents of aid to the Contras to explain how suspension of freedom of information addresses or contributed to resolving the problem created by the Contras? Since the Contras do not own or operate a newspaper in Nicaragua, it is clear that suspension of freedom of information in Nicaragua is intended to restrict, repress, and eliminate any political activity or opposition to the Sandinistas. With or without the pressure applied by the Contras, the Sandinistas would be marching along the Marxist-Leninist path, consolidating their repressive dictatorship with the military and financial help of the Soviet Union, Eastern European nations, and Libya.

Their goals are brutally obvious. The question is, what are ours? What should United States policy achieve in Nicaragua and Central America?

As expressed by the President and virtually every member of his Cabinet, United States policy is designed to promote a democratic opening in Nicaragua because it is the best guarantee for regional peace, security, human freedom, and economic recovery. The key to establishing democracy in Nicaragua is keeping the opposition alive.

At this point, peaceful, political opposition has been effectively silenced. State security officials have broken into the Catholic Church radio station in order to cut off the transmission of Cardinal Obando y Bravo's homilies. The only opposition press, La Prensa, is severely censored and in danger of being closed completely. Arturo Cruz, the former Sandinista Ambassador to the United States was prevented from participating in the Nicaraguan elections. And, finally, civil liberties were suspended last October essentially preventing any public expression of political opposition.

The hope for restoration of freedom in Nicaragua is embodied in the United Nicaraguan Opposition's—the Contra's—cause and statement of principles. The UNO is engaged in a military struggle to win political pluralism and the participation of all citizens in the exercise of representative democracy. The UNO has stated it seeks to guarantee government respect for freedom of speech, worship, and association—the basic rights denied Nicaraguans by the Sandinistas.

The UNO cannot be kept alive with humanitarian assistance alone. It is not enough in the face of the massive Soviet and Cuban military aid which has fortified the Sandinistas. The Sandinistas have been provided battalions of tanks, armored personnel carriers, artillery, SA-7, surface-to-air missiles, rocket launchers, light attack aircraft, and helicopter gunships. These military deliveries have been complemented with training and advice.

The weight of this powerful military force is being brought to bear on a dedicated group of freedom fighters. The leadership of the Contras is a reflection of the diversity of their popular support. While it is true that some senior military leaders were Somoza National Guardsmen, the overwhelming majority are either ex-Sandinistas or civilians.

I raise the background of the members of the opposition because critics have said we should not be supporting the Contras because they are primarily ex-National Guardsmen. This is simply not true and I believe the false rumors warrant rebuttal.

However, I do not think the Senate should be engaged in a dissection of the political pedigree of the members of the opposition. Such a discussion only diverts our attention from the central and serious issue: Are we prepared to help keep the opposition alive? Are we willing to support forces struggling for basic freedoms?

My answer is an unqualified yes. The Sandinistas will not engage in serious, productive negotiations for regional peace and security nor will they initiate meaningful internal, democratic reforms unless they are faced with the certainty that the opposition will survive and must be included in the political process.

This view is clearly shared by the majority of people living in the region as independent Gallup polls have recently shown. Central Americans are convinced the Sandinistas pose a serious military threat to their peace and security. The threat in and to the region is obvious. It is the Sandinistas.

Recently, three staff members from the Senate Intelligence Committee traveled to the region. In a report to the members, the staff observed that the Contras were a well organized, thriving combat force with a clear understanding of their task and the motivation required to continue their fight.

We have a choice. We can allow the Sandinistas to continue to threaten regional peace and stability as they consolidate their totalitarian grip on the Nicaraguan people. Or, we can choose to support these well organized, dedicated freedom fighters who have declared their support for basic rights every American enjoys.

Last year, when the Sandinistas saw the United States hesitate in its commitment to the freedom fighters, Ortega rushed off to Moscow in search of the support necessary to finally defeat the Contras. Yet, the Contras survived. Last week, in a similar move, when the House of Representatives hesitated, the Sandinistas launched an invasion into Honduras in what I suspect was an effort to prove, once and for all, that the Contras' strength was failing. Instead it was the plan that failed. The Sandinistas have suffered a significant military defeat, to say nothing of the embarrassment of once again being caught carrying out an act of aggression against a neighbor.

In conclusion, Mr. President, I would urge my colleagues not to hesitate again. The consequences of our hesitancy have been made all too clear by the Sandinistas. I urge my colleagues support for the immediate provision of comprehensive aid to the Nicaraguan freedom fighters.

Mr. PELL. Mr. President, the Senator from North Carolina, in a very eloquent way, has presented his views.

The question of the Contras and assistance to them depends on which way you look at it. Some have referred to the Contras as freedom fighters, and our President referred to them as the moral equivalent of our Founding Fathers. My own feeling is that they are really terrorists, because what

they are doing is perpetrating acts of violence and indiscriminate actions against men and women and children.

I think our job is to try to bring about peace to that part of the world and not to continuously fuel the fires of violence and warfare.

I hope my colleagues will vote negatively on this amendment.

The PRESIDING OFFICER. Is there further debate? If not, the question is on agreeing to the amendment. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from West Virginia [Mr. ROCKEFELLER] is necessarily absent.

I further announce that, if present and voting, the Senator from West Virginia [Mr. ROCKEFELLER] would vote "Nay."

The PRESIDING OFFICER (Mr. EVANS). Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 39, nays 60, as follows:

[Rollcall Vote No. 47 Leg.]

YEAS—39

Abdnor	Hatch	Nickles
Armstrong	Hawkins	Pressler
Boren	Hecht	Quayle
Cochran	Heflin	Roth
D'Amato	Helms	Simpson
Danforth	Humphrey	Stevens
Denton	Kasten	Symms
Dole	Laxalt	Thurmond
Domenici	Lugar	Trible
East	Mattingly	Wallop
Garn	McClure	Warner
Goldwater	McConnell	Wilson
Gramm	Murkowski	Zorinsky

NAYS—60

Andrews	Exon	Mathias
Baucus	Ford	Matsunaga
Bentsen	Glenn	Melcher
Biden	Gore	Metzenbaum
Bingaman	Gorton	Mitchell
Boschwitz	Grassley	Moynihan
Bradley	Harkin	Nunn
Bumpers	Hart	Packwood
Burdick	Hatfield	Pell
Byrd	Heinz	Proxmire
Chafee	Hollings	Pryor
Chiles	Inouye	Riegle
Cohen	Johnston	Rudman
Cranston	Kassebaum	Sarbanes
DeConcini	Kennedy	Sasser
Dixon	Kerry	Simon
Dodd	Lautenberg	Specter
Durenberger	Leahy	Stafford
Eagleton	Levin	Stennis
Evans	Long	Weicker

NOT VOTING—1

Rockefeller

So the amendment (No. 1717) was rejected.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. LUGAR. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senate will be in order. All conversations in the aisle will cease. Senators will clear the well.

The Senate will not proceed until the Senate is in order. Will Senators conversing in the aisles please clear the aisles? The Senate will not proceed until the Senate is in order. The Senate is not in order until Senators clear the aisle.

The majority leader.

Mr. DOLE. Mr. President, I understand there are 5 hours 36 minutes remaining and requests for time of 6 hours 40 minutes.

I do believe that some of the amendments that are listed will be duplicative or they can be disposed of in less than 20 minutes.

In any event, in order to try to have some order, I have suggested to the distinguished minority leader a unanimous-consent agreement which would provide the Sasser substitute to be offered next. We did have a 3-hour time agreement equally divided. This would be 2 hours, but the proponents would still have 1½ hours. We would reduce our time to 30 minutes.

That is to be followed by a Dole-Lugar substitute for 2 hours, but we would have 90 minutes and the opponents 30 minutes. That is 4 hours.

That is to be followed by the Cranston amendment requiring bilateral negotiations, 20 minutes equally divided; a Durenberger amendment to the substitute prohibiting the use of authority to overthrow the Nicaraguan Government, equally divided, 20 minutes; 20 minutes on a DeConcini amendment prohibiting Stinger missiles to the Contras, equally divided; 20 minutes on a Durenberger amendment, equally divided; 20 minutes on the Biden amendment setting conditions for the use of funding for the military, equally divided; 20 minutes on a Wilson amendment to require the President to report on negotiations, equally divided; 20 minutes on a Dixon amendment prohibiting the use of U.S. military personnel, equally divided; 20 minutes on a Kennedy amendment prohibiting the use of U.S. personnel, equally divided.

I think two or three of those amendments are fairly similar.

Those are the requests that we have. Even if we could obtain this agreement, we would still be over the allotted time by about 1 hour.

Mr. BYRD. Mr. President, I understand that it is not the intent to enter into the entire agreement at this time. The modification has come to me only of late. I wonder, however, in the meantime, while trying to get an agreement on the rest of it, if we could go forward with an agreement, let us say, looking at the list of amendments and to which I am addressing my comments, at least going through the DeConcini amendment, through that position on the list. That would mean we have agreed on the Sasser substitute at 2 hours, 1½ hour to this side and 30 minutes to that side. Then if we could, agree on the Dole-Lugar substitute with an hour and a half on that side and 30 minutes on this side, and then time on the Cranston amendment, and the Durenberger and DeConcini amendments. On each of those amendments the request is 20 minutes equally divided. I believe Mr. CRANSTON would want to offer his amendment to the Dole-Lugar substitute.

As would DeConcini.

Mr. DOLE. Mr. President, all the amendments after the substitute, if it is adopted, or even prior to its adoption, would be amendments to the Dole-Lugar substitute.

Mr. STEVENS. Mr. President, will the Senator yield?

Mr. DOLE. Yes, Mr. President.

Mr. STEVENS. How much time remains on the bill, Mr. President?

The PRESIDING OFFICER. The proponents have 3 hours and 4 minutes. The opponents have 2 hours 29 minutes.

Mr. STEVENS. As I understand, Mr. President, if the Senator will yield further, the outline of the distinguished Democratic leader would cover 7 hours right there. It is 2 hours and 2½ hours. That is 5. And there are 2 more hours left in terms of what is left on the list. Am I wrong?

The Senator from West Virginia has covered 5 hours—2 hours, 2 hours, and 1 hour.

Mr. BYRD. Yes, Mr. President.

Mr. STEVENS. And there are still 2 hours left beyond that.

Mr. DOLE. One hour and 40 minutes.

Mr. STEVENS. Mr. President, I think a time limit is a time limit. I urge that the proponents of these amendments see if they cannot reduce the time and stay within the limit. I say that because there are many of us who have schedules that are not going to make it possible to be with our families unless we finish this bill within a reasonable time today.

Mr. BYRD. Mr. President, if the distinguished majority leader would allow me, I think the time the distinguished majority leader has indicated for the Sasser substitute has already been cut 1 hour, if it is agreed to, from that which we had earlier thought we would have. So that has been cut 1 hour. The Dole-Lugar substitute is 2 hours. I suppose that has been reduced somewhat, too, I am not sure.

Finally, if the distinguished majority leader would get consent that this time not come out of either side—could we do that, for the colloquy?

Mr. DOLE. Mr. President, I ask unanimous consent that this exchange not be taken from either side.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. DOLE. The problem is there are other Members who are not being covered and they are going to object. I have had word from this side that we are going to have an objection. I think the Senator from Delaware has an amendment that is not in the first group.

Mr. BIDEN. Mr. President, if the majority leader will yield for a moment, I really do not have any objection, except if we agree to this and then do not agree to extend the time, by definition, we will not be able to offer the amendments. So I think we may be putting the cart before the horse.

Mr. BYRD. Would the majority leader yield?

Mr. BIDEN. Yes.

Mr. BYRD. If we do not agree with this, it is going to be worse.

Mr. BIDEN. I understand it is going to be worse for other Senators than for this Senator. I shall take my chances then. But this way, I see I will not get an opportunity to offer my amendment.

Knowing how fastidious and honest the Chair is, I know I have an equal chance of being recognized.

Mr. BYRD. I certainly want to help the Senator, but I must say to all Senators that if they want to object, it is conceivable that the majority leader could move to shut all the time down to an hour. I hope he will not do that.

That would be nondebatable and a majority vote would be all he would need.

That aside, if we do not get some agreements, a lot of Senators are going to be shut out. As a matter of fact, we could consume all the rest of the time on one amendment.

Mr. BIDEN. Mr. President, I have no objection, as I say to the majority leader, and would not disagree with that. But quite frankly, if I do not get a chance to vote on my amendment, I would just as soon the majority leader shut it down and we vote up or down. I do not know why the minority leader will not agree to the whole unanimous-consent request at this time and this Senator, at least, will not object.

Mr. BYRD. Mr. President, I think I have to say to the distinguished Senator, he says he does not know why the minority leader does not agree to the whole request at this time?

Mr. BIDEN. That is what I said, Mr. President, yes.

Mr. BYRD. I am in no position to do that. I have to run it by Senators, to accommodate this Senator, and I do not want automatically and preemptorily to agree to this. Now I cannot do that, becasuse I would have problems on my own side.

Mr. BIDEN. I fully understand that, Mr. President, just as I hope he understands that I am not preemptively going to agree to be preemptively preempted. [Laughter.]

Mr. BYRD. The Senator has made that preeminently clear.

Mr. STEVENS. Mr. President, would the Senator yield for just a moment?

Mr. DOLE. I am happy to yield.

Mr. STEVENS. I urge that all Members try to reduce this time. I think 1½ hours , 2 hours is too long on these two amendments. If they came down to 1 hour and 20 minutes, we could accommodate everybody within this timeframe we already have.

I for one would object to any extension of time on this bill. That is all there is to it. In effect, we have been on it for 3 days, although we are just debating it now. Some of us debated it yesterday before the time started. I do believe that this time ought to run and we ought to vote at the end of this time that is statutorily provided.

That is my intent. I urge people to reduce the demand for this time. The 1½ hours seems long. It is 1½ hours on this side on one, 1½ hours on that side on another. That could be reduced to accommodate the Senator from Delaware and get all these amendments considered and voted on in the timeframe.

The time for voting, the time for quorum calls and time for talk like this does not come out of the 7 hours, either.

Mr. DOLE. The time for the quorum calls does.

Mr. President, I yield to the Senator from Maryland [Mr. SARBANES].

Mr. SARBANES. Mr. President, I want to point out, in light of the comments made that it was not until this morning that something was laid down so the amending process was in order. It seems to me a desire to get time to do amendments ought to be regarded—I am really directing this to the Senator from Alaska—somewhat differently than a desire to get time simply to debate, where there was opportunity to do that yesterday. In fact, I think 3 hours were charged off for that purpose. But it was not until this morning that something was actually laid down and made the amendment process in order. It seems to me if we could work out some way that Members are covered who want to offer amendments within a reasonable period of time, it would be a significant accomplishment.

Mr. DOLE. Mr. President, let me indicate to all my colleagues that I do not want to preclude anybody from offering amendments. I could at this time send our substitute to the desk and stay on it until the time expires. Obviously, I do not intend to do that, but then there would not be any opportunity on the Sasser substitute or any of the other amendments.

I hope we could at least agree on the two substitutes, the two major amendments. We would even be prepared to take 15 or 30 minutes and instead of 90 minutes, make it 60 or 75 minutes on each side. That saves us a half hour.

I think we are going to be able to accommodate some Senators with their amendments. That will eliminate some of the other time. I think we can be within the time constraints suggested by the Senator from Alaska and still permit Senators from Alabama and others to speak their 10 minutes. But we are not making any progress right now.

Let me make this modified unanimous-consent request, if I might: That on the Sasser substitute, there be a 1½ hours with 60 minutes under the control of the minority leader and 30 minutes under the control of the majority leader. Then on the Dole-Lugar substitute, there would be 1½ hours, with 60 minutes under the control of the majority leader—Senator LUGAR, really—and 30 minutes under the control of the minority leader. Could we agree to that much?

The PRESIDING OFFICER. Is there objection?

Mr. BYRD. Reserving the right to object, Mr. President, I was momentarily distracted. Would the distinguished majority leader restate that request?

Mr. DOLE. What I would attempt to do at this time is get agreement on the two major provisions, the two substitutes: reduce the 90 minutes to 60 minutes in each case; there would be an hour and a half on the Sasser substitute—60 minutes to the minority leader, 30 minutes to the majority leader.

On the Dole-Lugar substitute, there would be 60 minutes to the majority leader and 30 minutes to the minority leader.

Mr. BYRD. Reserving the right to object, Mr. President, is the distinguished majority leader saying that with respect to the Dole-Lugar substitute, let us say, the time of 60 minutes as against 30 minutes would apply aside from the time that would be allotted on amendments to the Dole-Lugar substitute?

Mr. DOLE. That is correct.

Mr. BYRD. Mr. President, if Senator CRANSTON should call up his amendment, with 20 minutes equally divided on it, that would not run against the 1½ hours on the Dole-Lugar substitute?

Mr. DOLE. That is correct.

Mr. BYRD. I have no objection.

The PRESIDING OFFICER. Under this agreement, an amendment to the Dole-Lugar amendment would not be debatable.

Mr. BYRD. Then we would have to provide for that, it seems to me, I say to the distinguished majority leader.

Mr. HARKIN. Mr. President, will the distinguished majority leader yield?

Mr. DOLE. I yield.

Mr. HARKIN. Mr. President, I rise today in opposition to the proposal of the President and the amendment of the Senator from Indiana and the majority leader.

The President's Nicaragua policy is a policy we cannot afford—in terms of its cost in dollar, human lives, and its potential damage to future relations with our Latin allies.

The $100 million the President seeks today is the first installment on a deeper financial commitment to the Contras, and a hefty downpayment on direct U.S. military involvement in Nicaragua in the future.

Mr. President, aid to the Contras is not just a bankrupt policy, it is part of a program that is bankrupting rural America.

In 1986 alone, Iowa will lose more than 12,000 farms—one-tenth of all farms in the State. That loss will result in 25,000 dislocated farm families, the loss of 9,000 small businesses, and the loss of 25,000 small town jobs.

Yet, in the midst of the farm crisis, the administration will cut Farmers Home Administration Loan Program for Iowa by one-third. That cut—totaling over $200 million—will result in 3,000 fewer loans for Iowa's farmers.

The President talks much about saving our own backyard from communism. He should spend more time trying to save our farmyards from bankruptcy.

Just a few short weeks ago, the President and Pat Buchanan heralded the vote on the Contra aid request as a choice between freedom and communism. Support the Contras and ally with the "forces of freedom," or oppose the request and line up behind the Sandinistas and face the prospect of Soviet-armed Nicaraguans crossing the Rio Grande River.

Such misguided and simplistic reasoning plagues this administration's Nicaragua policy. The rhetoric of Red Dawn is an elaborate smokescreen to hide the true intentions of the President's policy.

Mr. President, the real choice today is not between the Contras and Mr. Ortega. We must decide whether we give the green light to the administration's plan to escalate the war in Nicaragua, or whether we give the Contadora peace process a chance and join with our Latin allies in pursuing a negotiated solution to the Central American conflict.

From the outset of this covert war, the administration has misled the American people as to its true purpose.

To quote the President, from a statement before a joint session of Congress on April 27, 1983, "Let us be clear as to the American attitude toward the Government of Nicaragua."

He continued, "We do not seek its, overthrow. Our purpose is in conformity with American and international law is to prevent the flow of arms into El Salvador."

But that was not then, nor is it now, our purpose in Nicaragua. Five years and $100 million later, the Contras have not captured a single major cache of arms.

Within 6 months of the President's statement to us, within 6 months of the President saying our goal was not to overthrow the Government, the CIA was drafting a manual on how to conduct guerrilla war in which it was stated, "This is the moment in which the overthrow can be achieved and our revolution can be an open one."

This administration continues to spin its web of half-truths to justify its Nicaragua policy.

In his March 16 address to the Nation, for example, the President claimed that "top Nicaraguan Government officials are deeply involved in drug trafficking."

Yet, our own Drug Enforcement Administration—the principle agency in drug-smuggling operations—refuted Mr. Reagan's assertions, stating it had no information implicating "the Minister of Interior or other Nicaraguan officials."

This, by the way, was the second time DEA had to refute this claim.

The administration's contempt for the facts is just as profound as its disregard for negotiations. I believe, as do many of my colleagues in this body, that the Reagan administration has one goal in mind in Nicaragua—the removal of the Sandinistas from power.

The State Department's leading adviser on Latin American affairs, Elliott Abrams, has publicly stated that we cannot trust the Sandinistas to abide by any signed agreement. For Mr. Abrams, the only way to satisfy our security concerns was to install a new government in Managua.

For the President, we just need to make the Sandinistas "cry uncle."

The Permanent Select Committee on Intelligence, in its recent report on the Contras aid request, concluded that for the past 3 years, this administration has hoped to achieve this goal through military force.

Yet, even our own military advisers admit that the Contras are no match for the Sandinistas militarily. Retired Col. Ed King has bluntly warned that we should not be misled into believing that Contra military action is capable of changing the Sandinista government.

Gen. Paul Gorman, former commander of the Panama-based United States Southern Command, testified before Congress that the rebels were incapable of overthrowing the Sandinistas "in the foreseeable future."

Five years of U.S. training and aid—at a price tag of $100 million—have not made the Contras effective militarily.

Nor has United States assistance, according to the House Intelligence Committee, produced an insurgency capable of sustaining itself among the population in Nicaragua.

To a majority of Nicaraguans—many of whom are discontented with the Sandinistas—the Contras, and its fighting arm, the FDN, are led not by freedom fighters, but by the same national guardsmen who fought against freedom during the Somoza era.

This is not my conclusion. It is that of UNO leader Arturo Cruz, who conceded in a recent interview in the Washington Post that "the largest number in the inner staff" are exguardsmen. It is the conclusion of Central American analyst, Robert Leiken, who has written that "the FDN high command, with one exception, is drawn entirely from the national guard."

And, it now is the conclusion of the administration, who, in a March 13 letter to Senator PELL, confirmed that 9 of the 13 members of the FDN high command are former guard officers.

A review of the résumés of the FDN leaders will demonstrate why the Contras have failed to win the popular support essential to winning a sustained guerrilla war.

The head of the FDN, Enrique Bermudez, is a member of the national guard who founded the Contra group. One of his closest associates, Ricardo Lau, has been linked by the Honduran military to death squad activity in Honduras. And according to the former head of military intelligence in El Salvador, Mr. Lau participated in the assassination of Archbishop Oscar Romero in El Salvador.

No, the Contras are not freedom fighters who reflect the ideals and values of the American people. They and their leaders are, according to Robert Leiken, part of a cabal that is closely linked to a shadowy network of expropriated landowners, bankers, and industrialists and former associates of Somoza.

In sum, Mr. President, the administration's policy of pressure is a failure, and spending another $100 million isn't going to make it any more effective.

What we need now is a policy with clearly defined and achievable objectives? We don't need a program that offers only cosmetic changes in the flawed and failed Reagan policy of the past half decade.

We begin with a set of agreed upon principles.

First, as objectionable as the conduct of Nicaragua is viewed to be both here and abroad, attempting to change it by pure military pressure has not succeeded and will not succeed. Simply put, our legitimate security concerns—the removal of foreign military advisers, a pledge not to establish military

bases, and a halt to support for neighboring insurgencies—cannot be achieved by further aiding the Contras.

Second, we need to have a policy that reflects the intentions, concerns, and values of our allies in the hemisphere as well as the high principles of our democratic traditions.

The Contadora process is a mechanism for implementing that policy. In January, eight major Latin American democracies comprising the Contadora group and its support group met in Caraballeda, Venezuela, and called for a Latin American solution to the Central American crisis.

These eight major U.S. allies specifically called for the "termination of external support to the irregular forces operating in the region"—that is, the Contras.

On January 14, under the leadership of Guatemala's newly elected President, Vinicio Cerezo, the five Central American foreign ministers endorsed the Caraballeda document and called for an end to United States support for the Contras and the resumption of bilateral talks between the United States and Nicaragua.

On February 10, the foreign ministers of the eight Latin nations met with Secretary Shultz in Washington. They reaffirmed their support for Contadora and urged the United States not to resume funding for the Contras.

Secretary Shultz rejected their plea. President Reagan rebuffed the Latins by calling for increased aid to the Contras.

Colombia's Foreign Minister has labeled the President's action "intransigent and extreme." The most revealing statement of Mr. Reagan's disregard for Contadora is his March 16 speech. It simply drew a blank on Contadora.

The Reagan administration, which so far has paid only lipservice to Contadora, must put teeth into its commitment by declaring that it is prepared to participate in and sign a regional agreement.

A United States commitment to go to the Organization of American States, invoke the Rio Treaty and, if necessary, resort to joint military action in the event the Nicaraguans violate a regional Contadora agreement will be assurance that the Sandinistas keep their end of the bargain.

Withholding military aid, and conditioning its release on a Presidential report, will not force the President to negotiate. Does anyone really believe that during the next 90 days, the administration will actually move forward, in good faith, toward negotiations. For the past 5 years, they haven't despite the entreaties of the Contadora nations, and the leaders of every Central American nation.

There is an alternative to supporting the Contras or resorting to direct military intervention in Central America.

But we must accept the counsel of our Latin neighbors in formulating U.S. policy in Central America. Otherwise, the result it will be disastrous not just for the Nicaraguan people but for our long-term relations with Latin America if the administration continues to ignore the advice of the Contradora nations.

We are now witnessing a new era of regional interdependence and self-determination in Latin America. It is an era of popular democrats, not tinhorn dictators. It is an era when Latins choose their governments and their foreign policy for themselves.

The President's "Lone Ranger" policy—and United States support for the Contra war—has isolated the United States, not Nicaragua. U.S. support for the Contras stands in splendid isolation from the rest of Latin America, and our Western European allies. Such a policy cannot be sustained nor can it in the end succeed.

I urge my colleagues to vote against this resolution and join with the Contadora nations in support of a negotiated solution to the conflict in Central America.

We must devote ourselves to developing a policy on which there is a consensus and to working together with the democracies in Central and Latin America who oppose Nicaragua's policies but also oppose the Contra war.

A unilateral policy has not and will not work.

A policy that supports Contadora negotiations over a bloody, protracted war will have the support of our friends, and can work.

Mr. PELL. Mr. President, will the majority leader yield?

Mr. DOLE. I yield.

Mr. PELL. Mr. President, reserving the right to object—and I have no intention of objecting—I observe that on our side we have quite a few Senators who have indicated a desire to speak: Senators DODD, KERRY, MELCHER, MATSUNAGA, and others. They should be on notice that the way things stand now, there is not the time available, only on amendments, and they may have to speak by getting time on one of the amendments. I just felt that my colleagues should be on notice in this regard. I am sure the chairman has the same thought.

Mr. LUGAR. Mr. President, I join the distinguished ranking member in saying that however all the unanimous-consent negotiations come out, it appears that the carpet of time will cover all the remaining time. Therefore, we will work with Senators who have speeches on those particular points and do not have amendments, and we will try to accommodate them within the time allocated to the agreement.

Mr. DANFORTH. Mr. President, will the Senator yield?

Mr. DOLE. I yield.

Mr. DANFORTH. Mr. President, I strongly support the President's request for $100 million to aid the rebels fighting the Communist government of Nicaragua. The Sandinistas are a threat to the peace and stability of our hemisphere. They have wronged their own people and are an increasing menace to their neighbors.

The danger posed by the Sandinistas is broad and growing. Their internal repression and their attempts to spread their brand of Marxism-Leninism to the region demand our immediate and decisive response.

It is the attempt to subvert their neighbors that is the source of my gravest concern. Just this week, 1,500 Nicaraguan troops invaded Honduras. On Tuesday, Honduras was forced to request $20 million in emergency aid and the help of U.S. airlift to carry Honduran troops into the war zone. These events are a vivid reminder of the danger the Sandinistas present to Central American peace.

Many of my colleagues have expressed surprise at Sandinista leader Daniel Ortega's stupidity in ordering such as action days before a major vote in the Congress. His action, however, is not so much stupid as it is revealing. He showed his true colors last year when, less than a week after Congress denied a request for military aid to the Contras, he flew to Moscow seeking another $200 million in Soviet aid. He has shown his true colors again by sending troops into Honduras.

This incursion is not the first of Nicaragua's hostilities toward its neighbors. The Sandinistas have long equipped, trained, and supported the infiltration of guerrillas into Honduras.

They have also armed and supported the Communist guerrillas in El Salvador, whose headquarters was in Managua until late 1983. Salvadoran guerrillas still maintain radio transmitters, training facilities, and major logistics support facilities in Nicaragua.

The Sandinistas have not acted alone. Nicaragua is home to 200 Soviet and East Bloc advisors. Cuban civilian and military advisors have been closely involved in Nicaraguan planning since the beginning of the regime; Cuba now has over 3,000 military advisors and an even larger number of civilian advisors in Nicaragua. Libya, the PLO, and a variety of other terrorist organizations maintain a presence in Nicaragua.

These forces are aiding the Sandinistas in their unprecedented and unwarranted military buildup. Since 1981, Nicaragua has received more than a

half-billion dollars in Soviet arms shipments, including tanks, heavy armaments, and Mi-24 Hind attack helicopters. By 1980, just 1 year after the revolution, the Sandinista Armed Forces were twice as large as the Somoza National Guard at its height. They had doubled again by 1982. Today, Nicaragua has some 62,000 troops on active duty and another 57,000 in reserves. Neighboring Honduras has just 21,000 troops, and Costa Rica has no army at all—only an 8,000-man police force.

It is clear that the Sandinistas have violated the goals of their revolution and trampled the hopes of the Nicaraguan people. They have throttled the press. They have harassed, threatened, and interrogated leaders of the private sector, labor unions, church organizations, and political parties who oppose their goals. They have ended the rights of free expression and public assembly. They have eliminated the right to strike.

The Sandinistas, with the aid and support of its patrons in Havana and Moscow, have built a totalitarian Communist state in our own back yard.

Opponents of aid have argued that the Contras lack popular support, that they are guilty of human rights violations, and that they have no chance of winning. Let me make just a few points.

First, the Contras forces today are three times the size of the Sandinista army that overthrew the Somoza dictatorship. Their leaders come primarily from civilian backgrounds. They are strongly committed to democracy. The bulk of their 15,000-man fighting force comes from the peasant population. The military leadership does contain former Somoza National Guardsmen; it also contains a substantial number of former Sandinistas.

All parties to the war in Nicaragua, including the Contras, have been guilty of human rights abuses. We cannot condone such violations. It is just these abuses, however, that the military training proposed by the President is designed to counter.

Finally, we are told that the Contras have no chance of success. The truth of that assertion depends largely on us. Let us remember what they are up against. Soviet-supplied helicopters, tanks, and machineguns will decimate an opposition that is unarmed and poorly trained. The Contras are asking for the means to fight a Communist dictatorship. With our help, they may have a chance to bring about fundamental reform in Nicaragua. Without it, they will certainly lose.

Mr. President, the question we face today is whether or not we in the United States will stand up to communism in our own hemisphere. President Reagan has not exaggerated the importance of this vote. The democratic resistance forces in Nicaragua are risking their lives in the cause of freedom. The Senate and the United States should support them.

Mr. DOLE. Mr. President, I think we are making some progress. But in order not to waste additional time, we do have an agreement on the Sasser amendment of 3 hours, the time equally divided. He has a right to offer that amendment. I suggest that the time during those 3 hours that is not used on this side be reserved to this side because we have requests by speakers. Some may want to speak against the Sasser amendment.

Mr. BYRD. Mr. President, I think that is a fair approach.

Could we also agree that there be an up-and-down vote on the Sasser amendment, with no amendments to it?

Mr. DOLE. The manager has no objection.

Mr. BYRD. Will the Senator make that request?

Mr. DOLE. Mr. President, I make the request that there be an up-and-down vote on the Sasser amendment, with no amendments to it.

The PRESIDING OFFICER. And 3 hours of debate?

Mr. DOLE. And the time not used on this side to be reserved to this side.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

AMENDMENT NO. 1718

(Purpose: To restrict assistance to the Nicaraguan democratic resistance to humanitarian assistance, and for other purposes)

Mr. SASSER. Mr. President, I send to the desk an amendment on behalf of myself and my able colleague from Tennessee, Mr. GORE, and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Tennessee [Mr. SASSER], for himself and Mr. GORE, proposes an amendment numbered 1718.

Mr. SASSER. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Strike out all after the resolving clause and insert in lieu thereof the following: That (a) it is the goal of United States policy—

(1) to reduce the Soviet-Cuban presence in Nicaragua, to prevent the establishment of bases by Communist-bloc countries in Nicaragua, and to reduce the level of military assistance provided to Nicaragua, with specific restraints on the type of military equipment provided;

(2) to end the export of revolution by Nicaragua to its neighbors through the export of munitions, material, and personnel.

(3) to open up the political system of Nicaragua to a legitimate opposition, to bring about an end to the state of emergency established in Nicaragua, and to encourage the reinstatement of political and civil liberties in that country; and

(4) to support the Contadora process in order to achieve demonstrable progress toward a peaceful, regional settlement providing for peace, stability, and security for the democratic nations of Central America.

(b) In order to assure every opportunity for a peaceful resolution of the conflict in Central America, and in order to promote the goal of its policy described in subsection (a), the United States will begin serious bilateral negotiations with the Government of Nicaragua without requiring as a precondition negotiations between the Government of Nicaragua and the forces opposed to the Government of Nicaragua; provided that, before the United States begins such negotiations, a cease fire to be monitored by the Contadora countries and the Contadora support group countries is established.

(c) It is the sense of the Congress that the United States delegation to the negotiations described in subsection (b) should cooperate to the maximum extent with the Senate Central American Negotations Observer Group to be created by this resolution.

(d) For purposes of this section—

(1) the term "contadora countries" refers to Colombia, Mexico, Panama, and Venezuela; and

(2) the term "contradora support group countries" refers to Argentina, Brazil, Peru, and Uruguay.

SEC. 2. (a) Notwithstanding section 10 of Public Law 91-672, section 8109 of the Department of Defense Appropriations Act, 1986, section 502 of the National Security Act of 1947, or any other provision of law, there are transferred to the President for use in carrying out the provisions of section 3, $30,000,000 of unobligated funds from such accounts for which appropriations were made by the Department of Defense Appropriations Act, 1986 (as contained in Public Law 99-190), as the President shall designate.

(b) Funds transferred under subsection (a) shall remain available for the same periods of time, but not to exceed September 30, 1987, as such funds would have been available under the Department of Defense Appropriations Act, 1986 (as contained in Public Law 99-190), but for the enactment of this section.

SEC. 3. (a) The amounts transferred under section 2(a) shall be available only for the provision of humanitarian assistance to the forces opposed to the Government of Nicaragua by the Nicaraguan Humanitarian Assistance Office (established by Executive Order 12530).

(b) Of the amounts made available only for purposes of subsection (a), $3,000,000 shall be available only for strengthening programs and activities of the United Nicaraguan Opposition for the observance and advancement of human rights.

(c) For purposes of subsection (a), the term "humanitarian assistance" has the same meaning as is given to such term by section 722(a)(5) of the International Security and Development Cooperation Act of 1985.

(d) It is the sense of Congress that no funds should be provided to any element of the forces opposed to the Government of Nicaragua which is not genuinely democratic, which does not respect human rights, or which engages in criminal activities.

SEC. 4. (a) Except as provided in this joint resolution, no funds may be obligated or expended for the forces opposed to the Gov-

ernment of Nicaragua on or after the date of enactment of this joint resolution.

(b) Nothing in this joint resolution may be construed as authorizing the use of the Central Intelligence Agency or any other department, agency, or other component of the United States Government involved in intelligence-related activities for the provision of any assistance to the forces opposed to the Government of Nicaragua; and it is hereby prohibited for any member of the United States Armed Forces to provide, directly, indirectly, or under the auspices of any department, agency, component, or other entity of the United States Government, any type of military assistance or advice to any organization or group opposed to the Government of Nicaragua.

SEC. 5. (a)(1) For purposes of this section, the term "joint resolution" means only a joint resolution which is introduced within 3 legislative days in either House of Congress, but in the Senate only by the Majority or Minority Leader of the Senate, after the President transmits to the Congress a report requesting additional assistance for the forces opposed to the Government of Nicaragua and which states in substance that it approves such assistance.

(a)(2) For the purposes of this subsection, the term "legislative day" means a day on which the respective House of Congress is in session.

(b) A joint resolution described in subsection (a) shall be considered in the House of Representatives in accordance with the provisions of paragraphs (3) through (5) of section 722(s) of the International Security and Development Cooperation Act of 1985, except that amendments to such joint resolution are in order.

(c) A joint resolution described in subsection (a) shall be considered in the Senate in accordance with the provisions of paragraphs (3) through (7) of section 8066(c) of the Department of Defense Appropriations Act, 1985 (as contained in Public Law 98-473), except that—

(1) references in such paragraphs to the Committee on Appropriations of the Senate shall be deemed to be references to the appropriate committee or committees of the Senate; and

(2) amendments to such joint resolution are in order.

(d) This section shall take effect six months after the date of enactment of this joint resolution, unless the President certifies to the Congress before that date that additional assistance is necessary for the forces opposed to the Government of Nicaragua: *Provided further,* That this section shall then take effect upon receipt by Congress of the aforementioned Presidential certification and of an independent report by the Senate Central American Observer Group created by this resolution addressing the issues raised in the Presidential certification.

SEC. 6. (a) Not later than 30 days after the date of enactment of this joint resolution, and every 30 days thereafter, the President shall prepare and transmit to the Comptroller General of the United States a report accounting in full for the uses of all funds made available under this joint resolution which were obligated or expended during the preceding 30 days, including a description of all goods and services purchased, whether within or outside the United States, with such funds. Such report shall include a classified addendum where necessary.

(b) Not later than 15 days after receipt of a report required to be transmitted by subsection (a), the Comptroller General of the United States shall transmit to the appropriate committees of the Congress such report, together with a report which is prepared by the General Accounting Office and which analyzes the data supplied in the report of the President. For purposes of this subsection, the Comptroller General of the United States shall have access to and the right to examine any pertinent books, documents, papers, and records of any agency of the United States or any contractor or subcontractor thereto.

SEC. 7. (a) There is established the Senate Central American Negotiations Observer Group (hereafter in this section referred to as the "Observer Group"), which shall be composed of 10 Members of the Senate, as follows:

(1) the Majority Leader and the Minority leader of the Senate, who shall be ex officio members; and

(2) four Members appointed by the Majority Leader of the Senate and four Members appointed by the Minority Leader of the Senate.

(b) The purpose of the Observer Group is to observe the conduct and substance of any direct bilateral negotiations between the Government of the United States and the Government of Nicaragua or of any negotiations between the two governments which occur in connection with the Contadora process.

(c) In connection with its duties, the Observer Group shall make such reports as it deems necessary to the Majority Leader and Minority Leader of the Senate, except that, not later than 6 months after the date of enactment of this joint resolution, the Observer Group shall prepare and transmit to the Majority Leader and the Minority Leader of the Senate a report setting forth the status of any negotiations described in subsection (b), the issues involved in such negotiations, and the role of United States assistance in promoting peace, stability, and security in Central America.

(d) The necessary travel expenses of the Observer Group shall be paid from the contingent fund of the Senate, out of the account of Miscellaneous Items, upon vouchers approved by the Majority Leader and the Minority Leader of the Senate.

(e) The Observer Group shall terminate 30 days after transmittal of the report required to be transmitted by subsection (c).

Mr. SASSER. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order, and the aisles will be cleared.

Mr. SASSER. Mr. President, like many of my colleagues in this body and literally millions of Americans, I have been greatly troubled by developments in the country of Nicaragua over the last few years. I suspect that many of us here, and indeed millions of our countrymen, did not grieve with the fall of the hated Somoza regime in Nicaragua. We looked forward to a progressive democratic government that would rebuild the economy of Nicaragua that had been torn apart after years of civil war.

We looked forward to a progressive democracy that would restore liberty to its citizens and would develop a respect for human rights in Central America, that would be a beacon for all countries in that region to look to.

In recent times, we have been distressed—or at least this Senator has been distressed—by the apparent betrayal of the Nicaraguan revolution by the Sandinista government. We have seen a continuing repression of civil liberties, a silencing, a censoring of the press in Nicaragua, harassment and imprisonment of political opponents, repression of a betrayed union movement, and all the apparatus of a Marxist-Leninist government being slowly and cumbersomely swung into place in that small Central American country.

In an effort to develop firsthand information, I went to the region a few weeks ago to meet with the leaders of the Central American democracies. With the exception of Costa Rica, these governments in Central America—Guatemala, El Salvador, Honduras—are very fragile democracies indeed. After consultation with the leaders of these countries, I became convinced that we in this country and this body should attempt to commit ourselves to a bipartisan policy with regard to Central America, a bipartisan policy that emphasized, on the front end, negotiations and diplomacy as a means of settling the disputes that threaten to tear that region of the world apart and threaten to draw the United States deeper and deeper into a morass that may ultimately require the deployment of U.S. military forces.

Since my return from Central America, I have been urging the Senate, as well as the administration, to develop a bipartisan foreign policy that will address the Nicaraguan problem. I feel very strongly that such a bipartisan policy is crucial if the present Marxist government in Nicaragua is to be contained. I believe that a bipartisan foreign policy for Central America is equally necessary, if we are to have any hope of bringing about peaceful change and reconciliation inside the borders of the country of Nicaragua itself.

I feel that a bipartisan foreign policy strongly supported by Members of both parties and both Houses of this Congress would send a strong message of resolve to those who wish us well in Central America as well as those who wish us ill:

That we intend to stay the course.

That we intend to side with democracy, with human rights, with progressive governments in that region.

That we intend to emphasize patient negotiation, we intend to emphasize diplomacy.

That we in the United States by our foreign policy intend to set an example in that region that other nations can follow; and

That we intend to operate in concert with the other democratic nations of

that hemisphere and that region who devoutly wish a peaceful environment so that economic progress can go forward, so that social progress can go forward and so that people will have the ability to lead better lives as we move forward into the last decade of the 20th century.

If we speak with one voice I think that we can protect our legitimate interests in Central America and we can work in concert with the other nations of good will to promote stability in the entire region.

But if those who wish us ill, and particularly the Sandinista government, believe that if we are a house divided, then the resolution of the problems in Central America become infinitely more difficult. And I think, each day of conflict between the administration and Congress is another day in which those who wish to suppress freedom in Nicaragua, can consolidate power and I fear another day in which we step further toward a military morass in Central America for the United States.

When I returned from Central America 3 weeks ago, I offered a good faith compromise which, in my judgment, meets the legitimate interests of the United States in the region, a pragmatic compromise, one that I do not think can be characterized as naive, one that I believe is hardheaded but at the same time sensible, a compromise that could lead to a true bipartisan consensus on this very difficult issue.

I am sorry to report, Mr. President, that the administration has rejected my proposal, seeking instead to push through this body a single dimension military alternative that I fear closes down all chances for a negotiated settlement.

The compromise that I espoused rests on the cornerstone of good faith, bilateral negotiations between the two principal belligerents in Central America, the United States and the Sandinista government of Nicaragua. And for the life of me, Mr. President, I cannot imagine how we can hope to resolve these disputes and reach an accommodation that would be mutually satisfactory if we refuse to discuss those issues that divide us.

Only through direct bilateral negotiation will we ever be able to protect our national security interests in that region short of the exercise of military force.

Only a direct bilateral agreement with the Sandinista government can assure us that Nicaragua will not become a base for Soviet operations in Central America, and only a direct bilateral agreement with the Sandinistas will guarantee that they will stop exporting revolution to their democratic neighbors short of replacing that government in Nicaragua.

I submit, Mr. President, at this juncture that government cannot be replaced short of the exercise of massive U.S. military force.

But the administration consistently rejects the simplest and most direct route to the goals that I think all of us agree upon.

The administration has insisted on preconditions to the bilateral negotiations that would simply doom such negotiations before they begin. The administration officials with whom I have discussed this matter appear to me to be unyielding in their opposition to negotiations, unless the principal and primary item on the agenda is negotiation between the FDN or so-called Contras and the Sandinistas.

Mr. President, fencing ourselves off completely from meaningful negotiations about our national security interests is a dangerous policy that can only perpetuate and intensify the tensions in Central America.

As long as the fundamental differences between the United States and the Sandinista government and Nicaragua remain, there is quite literally no chance for a Contadora peace agreement among the countries of the regions themselves, I fear.

In sum, Mr. President, bilateral negotiations are the key to easing hotilities in Central America and they are the key to preventing U.S. involvement in a war in Central America.

Now, in an effort to be fair, in an effort to understand, I have tried to put myself in the shoes of the administration officials and I have tried to understand what would be lost if the United States agrees to sit down in good faith at a bargaining table with the Sandinista government. But for the life of me, I simply cannot understand our administration's objection to doing that at this time.

If we are so certain that the Sandinistas will not bargain in good faith, and they may not, then I say why not put them to the test and let the world see them for what they are if they refuse to bargain. Already they are being cut away from friends and supporters in Western Europe who have aided them financially and in other ways over the past few years. If they do not want to negotiate in good faith, then let us expose this hypocrisy for all the world to see. But we cannot do that unless we agree to go to the table ourselves.

So, Mr. President, giving negotiation a true last change to succeed appears an eminently reasonable approach that we should not discard.

I do not think it is an overstatement to say that the question before the U.S. Senate today is a question of war and peace. Will the administration commit to peace before it commits to war? In the face of so crucial a question, I believe the American people deserve an enlightened foreign policy that truly gives peace a chance. I believe the American people want a policy that will stop the inexorable progress toward war in Central America while we still have a chance, a policy which says to the Nicaraguans we will permit no Soviet bases on our soil and we will permit no subversion of our neighbors in this hemisphere.

We need a policy which says there must be an end to the state of emergency that represses liberties in Nicaragua and a policy that says we demand an opening of that society.

Finally, we must have a policy which says we support democratic change and we support democratic change before we support an artillery charge.

Mr. President, the administration has within its grasp the opportunity to achieve a bipartisan consensus which has been missing in our Nicaraguan policy, but I fear the administration has thus far ignored that opportunity, seeking instead to divide and polarize the issue.

I say it is time to put divisiveness aside. It is time to put polarization aside. It is time to agree on where we are going in Central America before we find ourselves with the U.S. troops on the battlefields and the body bags coming home once again.

I must say to my colleagues that we are still undertaking even now to persuade the administration of the need for a consensus.

We need to compromise in the interest of peace, but I am not optimistic at this late hour that we will be able to get from the administration a genuine commitment to negotiations first, but we shall continue to try to do so.

I have determined that I must put forward a good faith proposal that embodies the elements of a Central American policy which can truly become the basis for a bipartisan agreement in this body. The amendment I am offering provides real incentives for the Sandinistas to begin to make changes which are acceptable to the free democratic peoples of the world.

The amendment I am offering commits this great Nation of ours to bilateral negotiations, and support for the Contadora peace process. The amendment includes the following provisions; it states that our goals are these: The reduction of Soviet-Cuban presence in Nicaragua, and a demand there be no Communist bloc bases, and a reduced level of military aid with specific restraint on the type of equipment received by the Nicaraguans. We seek to end the exporting of munitions, materials, and personnel from Nicaragua—in essence the exporting of revolution to its Democratic neighbors. We seek an opening up of the Nicaraguan political system to legitimate opposition, ending the state of emergency declared last October which suppresses the civil liberties and human rights of Nicaraguan citizens, and we seek the

reinstatement of political and civil liberties in that country.

Our amendment calls for support for the Contadora process to make demonstrable progress toward regional settlement of outstanding questions.

How do we achieve these goals? Our amendment states that we must emphasize diplomacy first. We must begin with bilateral negotiations between the United States and the Nicaraguan Government without any preconditions that demand negotiations between the Sandinistas and the Contras. We specify that an observer team to monitor negotiations, appointed by the Speaker of the House, and the majority and minority leader of the Senate, shall report back to this body as to what if any progress is being made on these bilateral negotiations.

Our amendment specifies that a cease-fire be established prior to the opening of negotiations, and further that the cease-fire should be monitored by Contadora, and Contadora support group nations.

The distribution of U.S. aid designed to facilitate the negotiation process would be as follows: Nonlethal aid would continue the current program at $30 million; my amendment includes the sense of the Congress language which states that none of these funds shall be provided to any elements of the Contras, which are not truly democratic, which do not respect human rights, or which engage in criminal activities.

Further, there would be a prohibition on the use of U.S. intelligence agencies as a conduit for such nonlethal aid, and a prohibition on the introduction of U.S. military advisers during the negotiated period for military training of the Contras or otherwise. The distribution of further aid could come; that is, further military aid could come to the Contras, after a mandatory review at the end of 6 months, or an earlier review if the President certifies the need for it at any time, and expedited procedures are provided in the amendment for taking up such a proposal.

At the end of the negotiating period, or sooner if the President, with the acquiescence of the bipartisan commission, specifies, further aid must be approved by an affirmative vote of Congress introduced within 3 legislative days in either House but only be introduced in the Senate by the majority or minority leader after the President requests congressional approval for additional assistance.

Lastly, the amendment includes provisions for greater accountability in the distribution of aid so that our taxpayers and this Congress will know that this aid is being used properly, and not ending up in some bank account in Miami.

This amendment provides that the President must transmit to the Comptroller General a report with full accounting on all funds every 30 days. The Comptroller General must then submit within 15 days to the appropriate congressional committees the President's report with an attached GAO analysis.

Mr. President, I think this amendment represents the only course we have before us that provides an opportunity to secure our interest without the threat of a wider and broader war. It provides for lethal aid to the Contras fighting in Honduras and Nicaragua. It provides for 6 months of negotiation including bilateral negotiations. It provides for a commission appointed by the leadership of both Houses to monitor the negotiations, and report back to our leadership and to this body. It provides for an accounting of the funds that may go forward. It allows at least a 6-month period for peace to have a chance, and for negotiations and diplomacy to take the place of military force.

It allows 6 months within which to have a cease-fire to stop the bloodshed in an effort to reach, Mr. President, a negotiated settlement, or an accommodation that in the final analysis will be in the best national interest of the United States, and in the interest of our region.

It is the only proposal I think before us that truly puts the Sandinista government on notice that we are willing to talk, that we demand that they listen, and that we demand they change. I am proposing that we force the Sandinistas into a time of choice. They can choose diplomacy or they can choose to continue hostilities. It is there for the world to see which way they choose to go.

And I am proposing that we ourselves accept the proposition that force does not make sense until all attempts at rational discussion have failed. The most crucial variable in the equation contained in this amendment is that we meet our adversaries face to face, that we present them with our objections to their behavior, and make them aware of how we expect that behavior to be modified.

I think it is both common sense and good policy to confront our opponents head on.

Mr. President, as I said at the outset, I truly believe there is a shared common belief in this body on both sides of the aisle, and a common ground on which we can build a durable and effective foreign policy in Central America.

Unfortunately, it is clear to me, and I suspect it is clear to the American people, that the administration has rejected the single element that would give us such a policy at this junction. By that, I mean direct bilateral negotiations.

It is my hope that, as this day goes on, the administration will agree to such negotiations without preconditions that doom negotiations from the very start.

Mr. President, let us not kid ourselves. The American people know what is happening in Central America. They know that American troops are already engaged in supporting hostilities in Honduras. They know the Reagan administration is steadfastly clinging to military options before exhausting peaceful negotiating solutions.

They know, Mr. President, that unless the administration is willing to go to the bargaining table, the situation will likely worsen.

They know that the United States helicopters will be involved in more than shuttling just Honduran troops to the border; they know that these helicopters will be shuttling our forces to fight in the jungles of Nicaragua.

So I appeal to the administration to compromise on this important point of negotiations. What do we have to lose?

I have stated, along with our distinguished minority leader, Senator BYRD, in negotiating sessions with the administration, that if the Sandinistas do not negotiate in good faith, I will join in cosponsoring a resolution to unlock military aid funds to the Contras. My patience is worn thin with the Sandinistas as is that of many of my colleagues. They have to show to the world they are serious about ending the conflict in their country.

The Sandinistas have to agree to a cease-fire. They have to end the state of emergency that has deprived the Nicaraguan people of basic civil and human right, and they have to effectively open up their political system to internal opposition.

I believe the opportunity still exists to secure a negotiated peace in Central America.

As I talked to the leaders of the Central American democracies, I came to the conclusion that the Sandinistas find themselves increasingly isolated by their Central American and Latin American allies, increasingly estranged from their allies in Western Europe. This would be exacerbated even more if the United States would commit to a negotiated settlement in the region.

So let us put the Sandinistas to the test. Let us find out if they are serious. Let us find out if they do have the courage to prevent free expression in their country. Let us lay down this challenge to the Nicaraguan Government and, at the same time, let us lay down the challenge to our own administration.

If this administration makes a good-faith effort and the Sandinistas do not, then I suspect the administration will find very substantial bipartisan support for funding the Contras as another source of pressure to bring to bear against the Sandinistas.

But we say, negotiate first. I think the administration owes that to the American people, to the citizens of this country and to the citizens of this hemisphere.

This administration owes that to our own young people who may be called upon to make the ultimate sacrifice in Central America if peace is not achieved soon.

Mr. President, I think the amendment I am now offering gives peace a chance.

Mr. HATFIELD addressed the Chair.

The PRESIDING OFFICER (Mr. RUDMAN). The Senator from Oregon.

Mr. LUGAR. Mr. President, I yield 5 minutes to the Senator from Oregon.

Mr. HATFIELD. Mr. President, a myriad of moral, practical, political, and geopolitical considerations confront us. It may be useful to review the landscape.

Just what are we attempting to accomplish? In the early days of the so-called secret war we were told that the primary purpose was to interdict arms flowing from Nicaragua into El Salvador. But soon it became apparent that the flow of arms had diminished to the point where the maintenance of an entire army to perform that mission was difficult to justify. So we changed that tune. Then it was suggested that the Contras would meet with sufficient support in the countryside to create a provisional government on Nicaraguan soil. But it did not remain a credible goal for very long because the Contras were not able to hold an inch of the countryside.

Next we began to receive signals indicating that the overthrow of the Nicaraguan Government was the objective. But that did not exactly go over very well with the American public. Then Contadora came along. And suddenly, with a flash of brilliance, "peace" became the objective.

No one in this Chamber is going to be surprised when an administration chooses to emphasize some arguments over others. That is nothing new. All of us have at one time or another chosen to omit or embellish—or exaggerate in the advocacy of one cause or another. But this is different. "Incoherent" is the most generous term I can think of to describe the evolution of this policy. One policy directed at one country: Yet there is a new justification for its existence with each passing year. And now this year after having observed the hate thermometer reach the boiling point during last year's Senate debate—where we held an anti-Nicaragua "hate-in"—they thought we were ready. Really ready to go the distance. Really ready for vitiolic anticommunism. So they tried that. And that did not work. So now we are back to "peace."

I am beginning to feel a little like a contestant on a television game show trying to find out which door conceals the prize. But then it came to me. The policy is not incoherent at all.

This policy is simply a mirror image of the Contras themselves. And when you begin to think about it in that light it all begins to make some sense. It is a classic case really of knowing what you are against but not knowing what you are for. Knowing what you want but not knowing why. Knowing you want "it," but not quite knowing what "it" is.

Edgar Chamorro, the former Contra leader makes the point about as well as it can be made saying:

Imagine the best case scenario of this policy. Suppose after years of protracted conflict, thousands more deaths and millions of dollars spent—suppose the Contras win. The fighting will not be over. The Sandinistas would fight on from the hills, from neighboring Costa Rica and Honduras—destablizing the fragile democracies. The northern Contras would fight the southern Contras—because they don't fight for the same reasons. The Miskitos would fight whatever government for their autonomy. In short, you would have the fragmentation—the Lebonization—of Nicaragua and an increased possibility of regional war.

If the Contras win with direct U.S. intervention, then we are back to 1928. Back to the Marines in Nicaragua and the creation of a new Somoza, a new National Guard and a new Sandino.

Why is it, Mr. President, that by any cost-benefit analysis of the forces which the United States backs in Central America we are failing miserably?

In both conflicts, the people are sick and tired of war. In El Salvador we continue our obsession with waging the war while ignoring its causes. In Nicaragua, we give guns to anyone who will carry them. And just as the confusion of our policy is a mirror image of the Contras themselves, so it is that the "shoot first, ask questions later" combat style of the Contras is also fast becoming an apt description of U.S. diplomacy. The people of Central America percieve only a choice between lesser evils. And invariably the fact is that if our enemies look bad, we somehow always wind up looking worse.

Let me give a concrete example of this. As my colleagues know, there is no sector of the Nicaraguan population that has been more directly affected by Sandinista abuse and repression than the Miskito Indians on the Atlantic coast.

It is worth recalling that most east coast Indians and Creole natives are members of the Moravian Church.

In a declaration issued by the Moravian Church last month, they said the following:

We have experienced sorrow, suffering, displacement, destruction, family separation, and death. We have been unable to enjoy the most fundamental rights of life because of an unjust, unnecessary war, imposed by forces which are alien to our Nicaraguan reality. Today more than ever before, we are aware that war serves only to destroy and not to build. We invite the Government of Nicaragua, and Nicaraguans in armed conflict against the Government, to seek fraternal, responsible and sincere dialogue in order to reach an honorable reconciliation, social justice, and lasting peace. We also demand that all outside forces, alien to our own reality, immediately halt their support of violence and use their influence to promote peace.

This is an eloquent plea, as I hear it, from those in the midst of the action for an end to Contra aid and the fighting it sustains.

It is an eloquent way of casting considerable doubt about the administration's claim that the Nicaraguan Government has become a monster—a monster beyond redemption and worthy only of destruction.

The creation of a monster is a science. And I must say, very impressive techniques have been employed in the science of monster creation by this administration. I will not run through the descriptions used by this administration to portray Nicaragua as a living hell. All of you have heard them. But let me tell you about country X. I invite you to consider its right to exist. Country X is a place where the average citizen has 18 to 20 files in the possession of the government. Where every working citizen is assigned a number by which the government can cross-check and track them for virtually any purpose it desires. Where elderly people are left to freeze and starve in their homes because their government's appetite for weapons is so insatiable. Where people sleep on grates just a few feet from the Presidential mansion. It is a country where the state imposes higher standards governing the conditions of confined animals than confined human beings. Where executions are performed by firing squads, hangmen, and lethel injections. Where 1 out of every 133 of its citizens can expect to be murdered in their lifetime. Where government agents enter places of worship wearing electronic surveillance equipment to arrest church leaders who are providing refuge to those fleeing oppression. Country X has one of the highest infant mortality rates in the developed world while many of its wealthiest citizens do not even pay taxes.

Those are a few disconnected, unrepresentative, yet factual, descriptions of the greatest Nation on Earth. A nation I fought for and would consider it an honor to fight for again. If you can take the greatest Nation on Earth and portray it as a monster, Nicaragua should be a snap. It might be easy to create monsters that do not exist but when you do, you are playing Mr. Qadhafi's gutter games—you are playing Khomeini's gutter games. You are

playing the Soviet Union's gutter games. What shoddy acts to follow. What shoddy company to keep.

And that takes us back to the ultimate question: Just how legitimate is the suggestion that what we decide here today is of grave importance? I would suggest that it is—but for wholly different reasons than those we have been given.

If, in fact the "future of Central America" hinges on what we decide here today, $100 million would appear so hopelessly inadequate as to border on the ridiculous. One hundred million dollars, Mr. President, is petty cash indeed to be leveled against "a Soviet ally only 2 hours flying time from our own borders."

A nation which will be "in a position to threaten the Panama Canal, interdict our vital Caribbean sealanes, and ultimately move against Mexico!"

A "potential threat to the entire New World!"

A "second Libya right on the doorstep of the United States."

One hundred million dollars, Mr. President, to "prevent a Communist takeover of Central America?" These are verbatim quotes of the reasons we should approve this package.

Mr. President, I cannot help but think that this torturous debate misses the mark entirely. Should we not be asking ourselves whether we are derelict in the performance of our responsibilities to stand here wasting time discussing such a minuscule sum in the face of a threat of this magnitude? Should we not be employing every weapon—every sinew of technological muscle we can muster? Should we not be mobilizing every able-bodied man and woman in the country?

It is us and them. Black and white. Good against evil. It is so easy to create a monster and then it becomes so logical to destroy it.

If this is in fact the struggle between good and evil which its proponents claim that it is—everyone knows that it is not going to end here. On no. A great struggle is not waged in annual $100 milion increments. It is waged to be won. And to win we must escalate. And to escalate we must rise above this dirty little war—this dirty little unwinnable war, cross the threshold—and prove our commitment with American blood. And if there is a parallel between our nightmare in Southeast Asia and the nightmare we are attempting to create here today—it is that we will virtually destroy the nation and the people we set out to save. That is the bottom line. That is what it will take to win this game. And it will take a large piece of us. It is doing that now. Every farm we bomb, every school we burn, every innocent person who perishes in the cross-fire, robs from us another strand of moral fiber. And you can be sure that if your credentials as patriotic Americans are being questioned now—for some petty change as far as a Pentagon account is concerned—just wait for the true test. The one where it's demanded that you stand here and send your youth down there.

Some people call my office these days to ask whether I am a Communist or a Republican. I have not been accused of anything worse than being a Democrat since we gave away the Panama Canal.

It does not matter that I have expended a good bit of energy admonishing groups who oppose U.S. policy for their failure to criticize the repressive tendencies of the Sandinista regime. It does not matter that I have voiced my outrage at the Nicaraguan Ambassador over repression directed against the church—against the detention of evangelicals. Mr. President, this is not a debate between those who can see and those who are blind. This is a problem which is not dissimilar from the situation we face with the Soviet Union. The question most of us pose in that context is not: Are they godless communists? Of course they are. It is not, can they be trusted? Of course they cannot. The question is: What kind of arrangement can we create in which the dangers they pose to our security can be contained and monitored?

The administration would like us to believe that such diplomacy in Central America has been tried and failed. This stands in stark contrast to the truth.

The truth is that Contadora represents an unparalleled achievement in regional cooperation and diplomacy.

The truth is that if the Sandinistas are bluffing about their willingness to achieve a diplomatic solution we are in an excellent position to call their bluff.

The truth is that if the administration wants to contain Nicaragua under the auspices of the Contadora group, it is within range of that objective.

The fact is: That we would no longer be able to escalate the fighting in El Salvador nor would we be permitted to retain United States troops in Honduras under a Contadora agreement. I doubt that this administration is going to allow either of those things to happen. Why, we would be relinquishing our military options. My God—what a frightening prospect.

Let me conclude, Mr. President, by pointing out what $100 million would do for Americans in need. What right do we have to spend money on the Contras when our own needy are left hungry and cold, Mr. President? The choice is ours—arm 18,000 guerrillas or feed 164,000 elderly, provide lunches for 540,000 children or provide 150,000 students with a chance to go to college. The choice is ours and what will it be?

There is no shortage of violence in the world today. And there is no shortage of violent solutions to the problems on the agenda of this Congress. Let me suggest that in order to be eligible to be a Member of this Congress one should be required to have a son or daughter serving in a combat role in the Armed Forces. Let me suggest further that members of your family would be among those flirting with death in those helicopters airlifting Honduran troops to the border right now. Let me suggest that this vote would turn out differently if that were the case.

If there is one point that we cannot afford to forget today, Mr. President, it is that an alternative to violence exists. There is a diplomatic alternative here and those who are trying to make it work have informed us in unequivocal terms that approval of this aid request will jeopardize that effort. The Contadora nations can tell you precisely what they seek to accomplish and precisely how they intend to get there. We, on the other hand, don't seem to have the faintest idea. All we seem to know is that we want this war to roll on.

It is the responsibility of Congress to reframe this issue.

I urge my colleagues today to recall the history of President Truman in relation to Tito's Yugoslavia, or President Nixon in his relationship to Communist China. We have creative diplomacy, creative alternatives to this military policy which will bring us to even deeper involvement in death and destruction of not only those in Nicaragua but our own people as well.

The PRESIDING OFFICER. Who yields time?

Mr. SASSER. Mr. President, I yield 2 minutes to the distinguished Senator from Rhode Island [Mr. PELL].

Mr. PELL. Mr. President, first I congratulate the Senator from Tennessee on the tremendous job he has done these past days and weeks in trying to weld together some form of compromise. I think he has the congratulations not only of me but of every one of his colleagues.

Second, while I have voted to oppose any kind of aid to the Contras, including humanitarian aid in the past, at least, when the Kennedy amendment came up for a vote, we had an opportunity to vote for that. I voted for it enthusiastically.

The amendment that is now before us by the Senator from Tennessee is, on balance, a good amendment. I think it goes a little further today than I would normally want, but for the sake of consensus, and for the recognition of how many people will be brought under the roof of this particular amendment, I intend to support it and I urge my colleagues to do the same.

The PRESIDING OFFICER. Who yields time?

Mr. LUGAR. Mr. President, I yield 10 minutes to the distinguished Senator from Alabama.

The PRESIDING OFFICER. The Senator from Alabama.

Mr. DENTON. I thank the distinguished floor manager of the bill, the chairman of the Committee on Foreign Relations.

Mr. President, I oppose this amendment. To this Senator's mind, by addressing this as we have other amendments, we are engaged at this moment, and have been for 2 days, on two different planes of activity as we try to come to agreement regarding aid to the freedom fighters of Nicaragua. On one plane, we are toying with the overexertion of senatorial vis-a-vis Executive powers. We are doing this, not because of the desires of the chairman of the Foreign Relations Committee but because of those who have been toying thus, not only in cavalier disregard of the proper separation of powers, but in disregard of the only suitable or feasible process by which this Nation can properly survive—namely, by the Government's providing for the common defense through the proper vesting of the initiative for foreign policy in the Executive. The very act in which we are now engaged, to devise fundamental policy for the situation in Nicaragua, in my view, is a constitutionally illegal divestiture of that power from the Executive.

In total, the sum of such actions since I became a Senator and for over a decade prior constitutes, in my view, an effective governmental revolution; a congressional coup d'etat.

Our unconstitutional misdemeanors, together with those of the House, are not only technically unwarranted but have been dreadfully harmful to the steering of the ship of state. The ship has been seen as foundering, clearly foundering, by our friends and enemies alike, as we presume not to advise and consent but to devise and dissent.

As the Washington Post editorial in yesterday's issue—March 26—maintains, the Senate is miscast as a middleman between two governments, one of them its own.

The present amendment is a particular case in point, offered perhaps not incidentally by the so-called Democratic responder to the President's proposal regarding policy toward Nicaragua—a responder whom I respect—but who, although a single Senator, was presented immediately after the President's address to the Nation by the networks in an effort to prolong the 15 years or more of departure from the generally bipartisan support for Presidential initiatives, from 1941 to 1970, which served this Nation so well.

In all realism, I am aware that my deploring this fault will not arrest its continuation today. So in all realism, I am willing to vote for a joint resolution that answers the dire pressing need. The amendment under consideration does not satisfy the dire pressing need. That brings us to the second plane of our present activity.

We are trying to decide whether, what, when, and under what conditions to help alleviate a critical situation to which we have so far only contributed $27 million in humanitarian aid, only one-half of which the Contras have received. That level of participation by the United States in the game going on in Central America is a disgrace to the judgment of this body.

The present amendment does not recognize facts. The situation has long been clear. The time has long since come for more than negotiations. On the one hand, we have a choice between giving aid to satisfy a clear need for supporting those who wish to preserve freedom and to support our own national interests; and on the other hand, to procrastinate further, which is to choose dishonor. If we choose dishonor, we will inherit war and risk defeat.

As our President desires, we need to send a clear signal to our enemies and to our friends that we choose freedom, promptness, and economy of effort over acquiescence in the accelerating spread of slavery in our own hemisphere and belatedly to face an ultimately much greater sacrifice in United States blood and treasure, after which our very survival would still be in jeopardy.

Let us look at the facts. The Soviet Union has provided the Sandinistas with $600 million in military hardware alone between 1979 and 1985. Above and beyond that it has provided many millions in the form of military advisers, training, and the construction of military bases throughout the country, as well as airstrips, and naval facilities. The most threatening naval base is being completed at Bluefields on Nicaragua's Atlantic coast, and it will prove a challenge to our own naval presence in our vital Caribbean Sea areas.

Concurrent with the military buildup, the Sandinistas have added an internal apparatus for the brutal, systematic repression of the Nicaraguan people themselves. That is a repression I came to know too well in 7½ years in Vietnam. It is for them that I am sorry, even as I am interested in our own security.

Externally, the Sandinistas have proclaimed and duly pursued their commitment to revolutionary change throughout Central America.

We have helped El Salvador effectively, with credit reflecting on this Congress.

But what of Costa Rica, for example?

Between June 6, 1982 and August 16, 1985, the Sandinista regime undertook 123 aggressive actions against Costa Rica, according to a report that country filed with the Organization of American States. Without a standing army, how can Costa Rica be expected to become openly hostile with Nicaragua, which has an army and militia of 120,000? Is it any wonder that during my visit to that country in December 1983, its newly retired foreign minister described to me the pattern in which Central American governments must speak differently in public than they do in private? He had retired from the government when he thought he had an arrangement by which the Ambassador to the United Nations from Costa Rica would vote to abstain on our action in Grenada, but, because of Costa Rican fears that they would be the first stood against the wall when America failed them, as it has so many other allies, the agreement was breached and the Ambassador voted to condemn.

The foreign minister resigned in protest.

This body is not aware of how they themselves, are causing a two-tier conversation with the United States for Central America.

Colombia faces similar pressures. In the wake of the M-19 guerrilla attack and massacre at the Colombian Palace of Justice last year—an attack for which the Sandinistas provided the weapons and other support—how can Members of this body expect that President Betancur will openly endorse military aid for the "Contras" without assurance of U.S. resolve on the matter? I remember hearing from Ambassador Tambs, a courageous man. He went down to Colombia confidently. He came of there in terror and in near despair because of the way we have dealt with that area in policy.

What of Honduras?

In July 1983, the Sandinistas sent in an armed insurgency to establish a base and work for the destabilization of Honduras' fledgling democracy.

The Honduran Government has decried that, and similar aggressions, repeatedly in the Organization of American States. Its pleas for help have largely fallen on deaf ears.

Now, let us consider an update on the current situation in Honduras.

Early in the morning of March 23, a large Sandinista military force launched four assaults in the vicinity of a Nicaraguan refugee center located more than 15 kilometers north of the Nicaraguan/Honduran border.

These attacks were reportedly repulsed by new resistance student volunteers which were armed only that morning.

By late in the evening on March 23, several Sandinista special counterinsurgency battalions were heavily engaged in Honduras. These units normally have 15 to 20 Cuban advisers integrated down to the company level. At that point on March 23, one of these battalions attempted to withdraw back into Nicaragua, but their route of exfiltration was evidently blocked by a large resistance column which had moved back to the border region from Nicaragua. This battle apparently continued throughout the day on March 24 with as many as 1,500 Sandinistas in two task forces participating in the action deep inside Honduras. Throughout the battle on March 23 and 24, the Sandinistas supported their units inside Honduras with heavy artillery fire, volleys of rocket fire from Soviet-made BM-21 multiple rocket launchers, and MI-8 gunships.

Last night, in response to the armed attack into sovereign Honduran territory, President Azcona formally requested urgent United States military assistance, to include assisting in lifting Honduran troops as necessary and other materiel assistance in order to repel this and future Sandinista attacks.

This is the clearest, most desperate call for help from him thus far. This delay in his call was brief, considering the need for time to assess the degree of incursion. There is another reason.

As the United States commitment to freedom in Central America, as manifest in Congress, has remained shaky and the Sandinista military buildup becomes more overwhelming, the Hondurans have become more quiet in public and more desperate in private.

As of Tuesday morning, it was reported that there were significant numbers of Sandinista casualties and several Sandinista prisoners had been captured. It would be interesting to learn, Mr. President, if any of these prisoners are Cubans since 10 to 15 Cubans are normally attached to Sandinista battalions down to the company level. According to resistance sources, the Sandinista prisoners have indicated that their mission was to attack what they believed to be a resistance training center, nearly 20 kilometers inside Honduras and to destroy resistance supplies and medical facilities. The resistance radio broadcast that large numbers of Nicaraguan civilian refugees are in the area and that they are in desperate need of food, water, and medical supplies.

Contrary to statements by Nicaraguan emissaries, it appeared that as many as 300 Sandinista troops continued to be blocked in Honduras and were unable to extricate themselves from the engagement. We had reports that they were breaking down into small groups, abandoning their weapons, and attempting to make it back across the border into Nicaragua.

Mr. DENTON. Among information obtained from the White House, I have the text of President Azcona's letter to President Reagan, which formalized his initial verbal request for U.S. assistance.

As I read it, remember the two-tier conference: one private and under the table, "Nuke 'em"; the other above the table, "peace, follow Contadora," and so on.

This is an open cry for help by the President of Honduras. He says to our President:

MR. PRESIDENT: My government has confirmed the presence of Sandinista armed forces on Honduran territory in flagrant abuse of our sovereignty. The Sandinista troops have entered the eastern zone of our country in the department of Olancho.

The area invaded by the Sandinista forces is very inaccessible, making it virtually impossible for the Honduran armed forces to deploy to the region quickly, therefore I formally and urgently request military assistance from the United States of America, to include, first of all, air transport of Honduran troops as necessary and other material assistance that may be necessary to repel the Sandinista forces and to prevent these attacks from recurring in the future.

In the hope that this request will be approved with the urgency that the case merits, I close this letter, Mr. President, with an expression of my highest consideration and esteem.

JOS AZCONA HOYO,
Constitutional President of Honduras.

Aside from aggressive and subversive acts directly applied from Nicaragua-based Marxists against Costa Rica, Honduras, and El Salvador——

The PRESIDING OFFICER. The Senator's time has expired.

Mr. DOLE. Mr. President, does the Senator need 2 more minutes?

Mr. DENTON. Mr. President, I ask unanimous consent for 2 more minutes.

The PRESIDING OFFICER. The Senator is recognized for 2 additional minutes.

Mr. DENTON. Mr. President, aside from the aggressive and subversive acts against those three countries, Costa Rica, Honduras, and El Salvador, Marxist-Leninists and Maoist Communists using terrorism, narcoterrorism, and other means, are causing great and conspicuous subversion and chaos in Colombia, Ecuador, Brazil, Chile, Argentina, Uruguay, the Dominican Republic, and Panama.

Is this body deaf, blind, and mindless enough to be unable to detect these threats to freedom and to our own security interests?

As to negotiations, since 1983, when the Boland amendment first suspended aid to the Contras, the President has emphasized negotiations. It has not been because of our intransigence, but because of theirs, that negotiations have not moved. We therefore need to bring pressure to bear on them.

Some raise the question: Can the aid given to the Contras be represented as sufficient pressure? No, but it will be sufficient as part of other pressures—economic pressure, diplomatic pressure, and it will strengthen pressure from the Sandinistas internal opposition such as the Catholic Church, the private sector—both business and agriculture—and La Prensa. The editor of that besieged paper has finally fled Nicaragua in fear after I got to know him so well in Managua and respect him as I do the Archbishop, now Cardinal Obando y Bravo.

Let us exert this pressure. Let us say we are prepared to resolve to exert more. It can succeed without U.S. soldiers fighting there if we sober up and act with realistic promptness. Soviet suport will tend to decrease and negotiations will improve.

How to predict what will happen all the way down the pike is not something the Communists do, as they play their dirty, effective game there. We should not be called upon to try to predict exactly what will happen because much will depend upon what the enemy does. They are the ones playing the game. We must joint the game.

The PRESIDING OFFICER. Who yields time?

Mr. SASSER. Mr. President, I yield 10 minutes to the distinguished Senator from Arkansas.

Mr. BUMPERS. I thank the Senator from Tennessee.

Mr. President, it is doubtful any of the speeches made here in the next couple of hours are going to change any minds, as is so often the case in this great deliberative body, but most of us want to make the record crystal clear for our own personal use as well as future generations.

I remember my predecessor in this body, Senator Fulbright, said after the Gulf of Tonkin resolution, his vote for which he considered to be the one fatal mistake he made while he was in the Senate, that it was over; he could not do anything about it, but at least he could alert the Senators in the future not to take such impulsive action as was taken on the Gulf of Tonkin which began the Vietnam war, a war which began because of an incident that never happened.

A hundred million dollars in the scheme of things around here is not very much money, just as sending 50 military advisers to Vietnam in the early 1960's seemed innocent enough.

But it seems to me that if we go with what the President is trying to do here, rather than the proposal by the Senator from Tennessee, we are making the very worst decision first instead of last. There are arguments on both sides of this issue. Every thoughtful Member of this body un-

derstands that the Sandinistas are Communists. The ordinary person in Nicaragua grubbing out $200 a year cannot care less about any ideological fight between the Sandinistas and the Contras or, for that matter, the Sandinistas and the U.S. Government.

But the Senator from Tennessee has very thoughtfully provided us with a measured, rational response to a problem. He gives negotiations and peace a chance before we commence wholesale killings. Killing, you know, is a very serious business. Death and killing really do not amount to much unless it is happening in your neighborhood. We are more thoughtful the moment we have to understand that we are talking about unspeakable misery in this poor, miserable country.

We are debating here today whether we are going to embark on a major foreign policy venture.

The other day Secretary Shultz appeared before the Committee on State, Justice and Commerce Appropriations Subcommittee. I said:

Mr. Secretary, I don't believe $100 million will do the trick and I don't known of anybody that does. Not one single leader in Central America believes that $100 million will do the trick. And if that is correct, that means that next year, you will be back here asking for another $100 million or $200 million. And the year after that you will be back asking for another $100 million, $200 million and just for the purposes of argument, assume that the Contras are losing and that the Sandinistas have solidly entrenched themselves and there we sit. What do we do then? Do we send the Marines in?

His answer was: "Nobody could answer a question like that 3 years in advance." And my response to that is: The United States ought not to be making major foreign policy decisions where we do not even know what we are going to do under a certain set of circumstances down the road.

The Secretary made the point that what this country lacks is staying power. That was the Vietnam argument, that this country did not have the staying power. The reason why we did not have the staying power in Vietnam is that the American people decided that it was a major foreign policy mistake to have gone in, in the first place.

This country has never lacked for tenacity and staying power where we felt confident with what we were doing—never.

I am inclined to agree with William Buckley. I am not recommending this. But if Nicaragua represents a serious security threat to this hemisphere, why are we tinkering with $100 million? The point was made by the very thoughtful Senator from Oregon [Mr. HATFIELD] a moment ago: Why, $100 million is nothing, if they are really a threat to the hemisphere.

Revolutions are like romances; they very seldom work when they are arranged by outsiders. There are not any leaders in Central America or South America who think that this one is going to work best on the approach we are taking.

So the Senator from Tennessee says let us at least negotiate our goals. Let us try to get what we otherwise would get by force through peaceful means. If it does not work, we will vote again on it.

He is not saying that forever, eternally, we will do nothing. He is saying we want to negotiate; we want Nicaragua to allow opposition parties; we want the Cubans and the Soviets out of Nicaragua; we want a cease-fire; we want somebody to negotiate. We want somebody to monitor the negotiations. What on Earth is wrong with that approach, other than the fact that this body wants to rush to judgment on, as I say, the worst decision first?

The history in Nicaragua certainly does not give anybody cause to believe that the Nicaraguans are going to welcome any action on our part down there. In 1909, President Taft's Secretary of State, Philander Knox, who, as a lawyer, used to represent a mining concern with interests in Nicaragua, talked the President into backing the overthrow of the Nicaraguan Government which had obstructed the mining interests of Knox's former employer. The marines themselves went in, in 1912, and when do you think they left? Thirteen years later—1925. They were only gone a year, and they went back in 1926 and stayed until 1933. Do you know why they left in 1933? Because we established Somoza's first national guard.

We put in power in Nicaragua the most despicable leader Central America has ever known, who raped and pillaged the poor people of that nation until 1979.

In the first 3 years I was in the U.S. Senate, I never heard one word of criticism of Anastasia Somoza or his son. He did exactly the same thing to that poor country, in spades, that Ferdinand Marcos did to the Philippines.

Incidentally, we now know where hundreds of millions of dollars of aid to the Philippines has been going—in shoes. [Laughter.]

Read the GAO report about the $27 million that is going down there in humanitarian aid. We have sent only $12.2 million so far, and here is what the GAO report 2 weeks ago said about that—$7.1 million of it, they say, was spent in the region. They say:

However, from its offices in Rosslyn, Virginia, NHAO cannot assess the validity of the regional receipts, is unable to check out many suppliers, has difficulty establishing reasonableness of prices, and cannot verify actual delivery or receipt of items. Another major difference between controls over U.S.-sourced procurements and those made in the region is that payment is not made directly to the supplier. Instead, payment is usually made to a Miami bank account of one of several brokers authorized by the regional suppliers to act as their agents. There is no audit trail showing payments from the brokers' accounts to supliers, and only partial documentation of shipments from the suppliers to the resistance forces.

Nobody here will be surprised if we find that most of that aid is in Swiss bank accounts. One thing for sure is that we do not know what happened to it. But that is not what we are debating here. We are debating a major foreign policy decision that bodes well or ill for the future of this country.

Mr. President, I hope that my colleagues will take this short respite that this amendment calls for to contemplate a policy decision that ought to be more measured and more thoughtful than it has been so far.

So, before we start and what everybody knows is unspeakable misery in this poor, miserable country, let us at least give peace a chance through negotiations.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. LUGAR. Mr. President, I yield to the distinguished Senator from California.

The PRESIDING OFFICER. The Senator from California is recognized.

Mr. WILSON. Mr. President, we have just been urged, eloquently and passionately, to give negotiations a chance. Great God, where have my colleagues been since 1979?

Give negotiations a chance? We have done so to a fault already, Mr. President, as the history of these negotiations—which my distinguished colleague and friend, Senator LUGAR, will shortly place in the RECORD—all too abundantly documented. Later today, we will vote for a substitute resolution that will continue to give negotiations a chance. But, happily, it will not make the mistake of delaying necessary aid, military aid, to those who are besieged by modern Soviet armaments.

The trouble with the Sasser amendment is that while its preambles imply good intentions, it authorizes only "humanitarian" aid. It is naive to think that will suffice. The amendment prohibits even intelligence assistance or training by U.S. military personnel. It even prohibits the President from requesting any more than the grossly inadequate assistance which the amendment provides for 6 months while young Nicaraguan freedom fighters, lacking effective air defense, pay with their lives for the congressional luxury of insistence on giving negotiations a chance.

This is not just naive. It is not simply a harmless expression of good intentions. It is deadly dangerous.

Mr. President, people will die as a result of these naive, good intentions. What will happen if there is not an air defense capability provided to the Contras is that this force, mostly teenagers who are fighting for the freedom

of Nicaragua against the Sandinistas, will continue to be slaughtered needlessly by Soviet gunships.

That is why it is so terribly wrong of Congress to deny this aid or to hedge it with unwise restrictions—or even to delay it. It is wrong to insist that there be bilateral negotiations between the United States and the Nicaraguan Government and to prohibit involving the Contras in those negotiations as the Sasser amendment does. A later Dole-Lugar substitute will provide that the Contras are involved.

And nothing could be more unfortunate, or more unfair, than the totally false impression in the American people created by the Sasser amendment and this debate that there have been no negotiations, that we are starting afresh, and that negotiations—if only we will give them a chance—will produce a just peace in Central America.

Mr. President, I am willing to engage in some clearly delimited further negotiations, but I tell you now they will prove unavailing, as they have in the past. Negotiations, to the Sandinistas, are purely a tactic by which they seek to delay, to stall. The Sandinistas, as they have done for years, will seek to protract this process, to delude the naive into believing that they are in good faith, when they have made clear they are not from their earliest actions when they broke all the promises contained in their celebrated telegram to the OAS in 1979, on down to their most recent deceptions.

They will have us believe that they are in good faith, despite the abundance of evidence to the contrary, in order to wait us out, to wait for a new President, one less zealous in the defense of our neighbors' freedom than Ronald Reagan. They will wait for a succession of new Congresses, anticipating some perhaps even more naive than this one.

The Sandinistas are in no hurry now, as they have been in no hurry since 1979, when they broke their promises to the OAS. Why should they be?

The delay has served them well. While we waited for reforms, for human rights, for real elections, they did not wait. They armed themselves. Nicaragua is an incredible arsenal of Soviet and Warsaw Pact armament. Sandinista military might so far exceeds the legitimate defensive needs of that tiny nation surrounded by tinier and weaker neighbors, there can be no justification for it.

It allows no reasonable inference other than that they are waiting patiently, in the best Communist tradition, for the day when they can openly engage in aggression instead of simple subversion against their weak and tiny democratic neighbors.

They arm not only themselves but also use negotiations to buy time to arm Marxist guerrillas seeking the violent overthrow of these neighboring democracies—guerrillas who have blown bridges, cut power lines, ambushed busloads of innocent workers, and otherwise terrorized and perpetrated atrocities against innocent civilians. Guerrillas armed and directed from Managua have militarily attacked voters at the polls participating in honest elections in El Salvador.

Mr. President, the Sandinistas will manipulate what we term "negotiations" and drag them out for as long as we are fatuous enough to let them do so.

If there are to be continued negotiations, then there must be a term, a set deadline. As it serves their purpose to do so, the Sandinistas will continue to give lip service to negotiations with no intention whatever of ever relinquishing power or of exposing their regime to any real and honest process of democratic choice.

Mr. President, I do not know how many of our colleagues have visited Nicaragua. Three years ago, I had a one-on-one meeting with then Commandante, now President, Ortega. I pressed him repeatedly as to when the Sandinistas were going to hold real elections, as they had promised in their 1979 telegram plea for OAS support. Finally he said with rare candor that their revolution was simply too important. He said that they would never negotiate it away, and never subject it to any process that could threaten to remove from power their revolution.

That was at least an honest expression of their intentions.

And as the Sandinistas succeed in dragging out "negotiations," all the while continuing to arm, all the while continuing to subvert their neighbors, a picture of the United States is clearly and tragically emerging. It is one of a powerful but hopelessly indecisive giant, incredibly naive and incapable of taking obviously needed and justified action, even the simplest action. And here I agree with my friends who are in the ironic position of supporting a resolution that provides no military aid when they say that $100 million is insufficient. If they feel that way, then let them augment this aid to the appropriate amount. I will join them.

I agree $100 million is not enough. But it will at least allow those who are disposed to resist the Sandinistas to have some air defense as they valiantly fight for their freedom and, ultimately, ours, and that is no exaggeration.

The image of the United States that is emerging from this congressional paralysis is one of a thoroughly unreliable ally, not to be trusted. How can we be looked to for leadership when we cannot be counted on to stand with those whom by lipservice we encourage to stand and fight for their freedom? Our debate is not lost upon either our adversaries or our allies. Our allies, as they watch, are losing heart. Our enemies are taking heart. And in time they will take by aggression or perhaps by simple subversion the countries of the valiant but weak democracies that neighbor them, and make far more likely if not inevitable the day when there may be a real domino effect extending northward along the Central American Isthmus. They bring much closer the day when needlessly and tragically American lives, the lives of those who are now children, those who are now teenagers, those who are sons, grandsons, and nephews of the Members of this body, will be subjected to war, to combat, and to death. Mr. President, that is tragic. And because it is needless, it is unforgiveable.

We are asked not to send our sons but to send money—a pittance. We are asked to provide air defense to those who are being slaughtered in the defense of their own freedom by Soviet gunships against which they are presently defenseless. Humanitarian aid will not supply them with what they require.

Mr. President, we should not have another vote. We should not wait 6 months.

Yes, we can press for negotiation but I will tell you when negotiation will be fruitful, and that is when the Sandinistas feel themselves pressed militarily.

No less an authority than Jose Napoleon Duarte, freely elected President of El Salvador, said so in no uncertain terms as clearly as he identified Nicaragua as the center for arming and directing the Marxist terrorists seeking to overthrow his democratically elected government.

Mr. President, we are at a time when, as Clare Boothe Luce said, the 99th Congress, if it is remembered at all, will be remembered as that which stopped communism in this hemisphere or that which failed to stop it.

The Sasser amendment will not stop it. It will encourage it. That is not its purpose. All the whereases, all the preliminary statements and findings are accurate. It is simply that the response is grossly, painfully inadequate.

Good intentions, Mr. President, are not enough. It is time the United States sent a message very clearly. It must be an unequivocal message of support for those who are willing to fight for their freedom—a message that will echo around the world, in Afghanistan, in Africa, in the Mideast, in Moscow, and in the United Nations. Those who are listening and waiting to see which message we send will learn whether the United States still has the courage of its convictions or whether we are so naive and impotent

that we can no longer be the leader of the free world.

I thank the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. SASSER. Mr. President, my friend, the distinguished Senator from California, indicated that the Sasser amendment might lead to or would lead to additional bloodshed in the region. It was naive to think otherwise, he said.

I would suggest to my friend that a careful reading of the amendment indicates that preliminarily and as a condition precedent to negotiations there must be a cease fire. If there is a cease fire between all the parties, then clearly this amendment does not lead to additional bloodshed; it stops the killing at least for a brief period of time during negotiations.

I am always amused, Mr. President, at those who equate naivete with trying to stop war. It appears that only those who are hard-nosed and pragmatic and realistic, those are the ones who are always characterized as favoring military solutions or force to solve the problems of the world.

I would submit, Mr. President, that a careful reading of modern history during this century clearly indicates that violence begets violence, war begets war, and it is a poor way of solving problems.

Marxism and communism have spread rapidly following most of the wars of this century.

Mr. President, I yield 20 minutes to the distinguished Senator from Massachusetts [Mr. KERRY].

The PRESIDING OFFICER. The Senator from Massachusetts is recognized.

Mr. KERRY. Thank you, Mr. President.

Mr. President, I congratulate Senator SASSER on his commitment to try to move the administration and indeed to move the Senate toward a sensible position of compromise on this issue.

I have been pleased to serve as part of the working group with the distinguished Senator from Tennessee, and I thank him for having adopted a number of approaches that meet concerns of mine and others.

I urge my colleagues who disagree with me on the question of the value of supporting the Contras to vote for this proposal because it is vastly superior to the carte blanche involvement that is going to be brought to us by the administration. This proposal is limited to only humanitarian aid, it gives us a second vote in 6 months, and places the highest priority on negotiations.

Mr. President, I am going to vote for this proposal not because I support the Contras, as I repeatedly have said that I do not, because I think this proposal offers the Senate the kind of opportunity that the U.S. Senate ought to be seeking when it discusses issues of war and peace.

In saying that I will support this, however, I wish to underscore one central point. Any proposal, any effort that leaves the Senate in a position, or Congress, or this country in a position, where we are looking to the Contras as some kind of final leverage as an entity that is somehow going to bring a solution to the problem in Central America is a flawed solution.

If one accepts that the Contras are part of the problem and most of the Senators I have heard talking have put forward that proposition, then they cannot continue to be part of the solution.

The debate here is not over whether or not the Contras qualify as freedom fighters; not over whether or not 10 or 12 percent are ex-Somocistas.

The debate here is over whether or not the Contras can at any point in time, in any way, contribute to a real solution of the conflict. And I think that the evidence is clear that rather than help solve that conflict, the Contras prolong it; rather than diminish the tensions in the region, we are militarizing it; rather than creating a framework for negotiations, the Contras raise hopes that fly in the face of the negotiated settlement because, as I have heard from Senator after Senator on the one hand say, "How can you negotiate with Communist nations; the Sandinistas will never negotiate." We just heard it from the Senator from California. He talked to Ortega. He knows he is never going to change.

So the reality is that hidden behind all of the rhetoric, what we are really doing here is voting on lethal aid to the Contras in order to give them the ability to be able to overthrow the Sandinistas. That is the real policy.

Rather than leaving the Sandinistas to deal with economic problems they have, with political problems they have, we are going to give the Sandinistas the excuse to be able to turn to their people and to turn to other Latin American nations and say, "Look at the colossus of the North, look at what the colossus of the North is doing to us. We need your help." So they will continue to unify their people around that threat.

What is worse, Mr. President, is that the Contras bring with them the inevitability of further U.S. involvement. I know there are many in here who said in the last days, oh, no, we do not want American boys down there. We have heard it from the White House—we are not going to widen this war. We are not going to see American troops down there. That is not our intention. How many times have we heard that in the debate?

Mr. President, how quickly do we forget? How quickly do we forget? No one wanted to widen the war in Vietnam. We heard that. Let me remind you of what we said during that period of time.

"There is going to be no involvement of America in war unless it is a result of the constitutional process that is placed upon Congress to declare it. Now let us make that clear." That was the President of the United States in 1954.

"We would not get into a war except by the constitutional process which, of course, involves the declaration of war by Congress." That was the President of the United States in 1954.

"Using United States ground forces in the Indochina jungle would be like trying to cover an elephant with a handkerchief. You just can't do it." That was the Senate majority leader in 1954.

"I would go to Congress before committing combat troops." That was another President in 1962.

"I would oppose the use of United States troops as the direct means of suppressing guerrillas in South Vietnam." That was the Chairman of the Joint Chiefs of Staff, 1964.

"We have no plans at present to send combat troops to South Vietnam"—Robert McNamara, 1964.

"I don't feel expanded use of American ground troops to be an effective addition to the war"—the senior Senator from Arizona, in 1965.

"The commitment of American troops anywhere on Asian soil is a mistake"—the senior Senator from Arizona, in 1966.

"There is a grave danger at the present time that the administration will go overboard in increasing American forces in Vietnam. We might be able to win the war but by doing so we would have on our hands the dependency for a long time to come. That is the wrong way to handle it"—Richard M. Nixon, in 1966.

Those words did not mean anything. Then we got into the war. We began to say, We do not want to widen it. "The United States seeks no wider war"—Lyndon Johnson, 1964.

"We can plainly say we are not escalating the war." That was the Senator from Alabama. "We seek no wider war"—William P. Bundy. "We seek no wider war"—White House, February 1965. "The United States still seeks no wider war"—Lyndon Johnson, 1965. "We still seek no wider war"—Lyndon Johnson, later in 1965. "The United States could not win militarily in a classic sense because our national policy of not expanding the war"—General Westmoreland. And so on.

Finally, President Nixon, 1970. "In cooperation with the armed forces of South Vietnam, attacks are being launched this week to clear out major enemy sanctuaries on the Cambodian-Vietnam border."

Mr. President, I remember Christmas of 1968 sitting on a gunboat in Cambodia. I remember what it was like to be shot at by Vietnamese and Khmer Rouge and Cambodians, and have the President of the United States telling the American people that I was not there; the troops were not in Cambodia.

I have that memory which is seared—seared—in me, that says to me, before we send another generation into harm's way we have a responsibility in the U.S. Senate to go the last step, to make the best effort possible in order to avoid that kind of conflict.

Mr. President, good intentions are not enough to keep us out of harm's way. The danger here is our support of the Contras. Everyone knows the Contras are our Contras. We have a proprietary interest in the Contras. So with that proprietary interest we will raise the stakes, and then will come the commitment of our prestige and worse our pride, our pride. How many battles do we fight for pride? The ultimate vote today on temporary policy to give lethal aid that everyone in this Chamber says is not enough to do the job—the job, I take it, meaning to overthrow the Sandinistas is the ultimate vote.

There is an enormous contradiction in that because we will see people come back to us at the same time next year and say to us, you know, we need more money. Now, I will hear it from the senior Senator from North Carolina, and others: We have backed these guys. We have given them guns. We have given them the hope for freedom. We have given them a stake in their own country. We cannot desert them now.

I remember a politician who ran for President in 1968 with the secret plan for peace, and he was elected. The only promise he kept was that 4 years later the plan was still a secret. At the time that he ran there were only 22,000 or so names eligible to be on the wall down there at the Mall. When he finished, there were 58,000.

So, Mr. President, we have a special responsibility. We will be back here, and when the money is needed, we ultimately have to come back. We will be voting on a self-fulfilling prophecy that we have created. We give the Contras aid, and mark my words, you will see more Soviet helicopters, you will see more Cubans. Then the President will have another excuse to come back to the people of this country and say, look at what is happening down in Central America. Look at what is happening in Nicaragua. All these Soviets and all these Cubans. We have got to do something about it. And the stakes will increase; international tensions will increase; superpower cold war rhetoric will increase. And nothing will be done to create greater stability.

(Senator WILSON assumed the chair.)

If we continue to fund the Contras, we enhance tensions, we further isolate ourselves from our allies, and we put ourselves in a much more serious predicament.

For the first time in our history, for the first time in our dipomatic history today, the U.S. Senate is going to vote on giving lethal aid to a group of people who overtly are seeking to overthrow a government with whom the United States still has diplomatic relations. This is not exactly a Gulf of Tonkin resolution. It is at least, thank God, one step removed. But it carries with it implications that are just as grave. It is bent on a course of dividing this Nation.

If there is one lesson that many learned during those terrible years of Vietnam, lessons learned both fighting in the war as well as fighting against it back in this country, it is that never again did we want to see people in American uniforms put in the position of having to fight when this Nation does not support the policy. That is where the problem of the issue of resolve, raised by the junior Senator from California, comes in. Even if you have the best intentions and a noble cause, you do not have the ability to rally around that cause if the American people do not understand why it is that sons and daughters of theirs must go to war.

This administration tells us they are serious about negotiations, and have been all along. But all of us have been watching this process. I have watched it with the distinguished chairman of the Foreign Relations Committee and others, the Senator from Tennessee. I think all of us share a deep concern that this administration is not willing to negotiate. That is why the Sasser amendment is so important—because it holds us to a regimen of accountability in negotiations without leaving the administration the open door to be able to simply define the lack of good faith in those negotiations, and automatically have military money to expend as a consequence.

Why is it, if this administration were serious that it was only shortly before the vote in the House of Representatives last week, that finally an Ambassador of Phillip Habib's stature is appointed? Why is it that that Ambassador does not visit Nicaragua? Why is it that the Ambassador of Nicaragua to the United States has never met with the Secretary of State in serious negotiations let alone discussions in this city?

Why is it that the White House has not called on the presidents of the Contadora nations to come to the White House and to meet with them? There is not a person in the media, a Senator or a Congressman in Washington, who are all well-schooled in the nature of the media and how you attract attention and give visibility to something—there is not a person here who does not know that these talks could have been put on a higher plane of activity and of intensity. Yet that we have not yet done that. We have done the direct opposite.

Last year as we were poised to vote for humanitarian aid only, just humanitarian aid, the President of the United States sent a letter to us through the majority leader, and I quote: .

> I recognize the importance some Senators have attached to bilateral talks between the United States and Nicaragua and the establishment of a ceasefire. I have considered these views and believe that such steps could help to promote the internal reconciliation called for by Contadora and endorsed by so many Latin American leaders. Therefore, I intend to resume bilateral talks with the government of Nicaragua and will instruct our representatives in these talks to press for a ceasefire as well as a church-mediated dialog between the contending Nicaraguan factions.
>
> Sincerely,
>
> RONALD REAGAN.

That is what he told us last year. That is what got him humanitarian aid. Now what is the U.S. Senate poised to do?

The U.S. Senate is poised to reward this administration for its lack of good faith in not following through on that letter and that promise, and not just give them humanitarian aid, "Hey, let us give them lethal aid, too."

That simply does dishonor to the process of legislating, it does dishonor to the nature of the words of the President, and it does dishonor to all of us in the Senate who I think deserve better when we accept the President's word in good faith.

I do not believe that this country cannot find it in its spirit to take 6 months under the confines of this amendment to pursue a peace process.

Let me just say, Mr. President, I have talked to the distinguished chairman of the Foreign Relations Committee about this. I keep hearing Senators come to this floor and say, "We have a threat of a Soviet base in Nicaragua. We have the threat of offensive weapons. We have problems of political pluralism. We have problems of whether or not we are going to be able to enforce these things."

I agree we have some of these problems. There is not a Senator on the Democratic side or the Republican side who does not believe there are not serious issues at stake in Central America. The issue here today is how do you fashion a policy that will allow you to protect those goals?

Mr. President, you do not pursue that policy by dividing. You do not pursue that policy by ignoring opportunities for negotiations. All of us share those concerns. But I would submit to you that it is only after we

have exhausted negotiations, only after we have pursued multilateral remedies through the Organization of American States, only after we have worked closely with our allies to support our policy, and only after the American people understand the perfidiousness of the Sandinista administration if they persist, that we will be able to take the actions that the Contras inevitably lead us to.

That is what is at stake in this vote today.

You know, it is interesting, Mr. President, that Senator after Senator has pointed to every single Latin American leader not supporting our policy. What is worse, when we imposed unilateral economic embargo on Nicaragua, it was not Libya that came in to fill the vacuum. It was not the Bulgarians. It was not the North Koreans. It was not the Soviet Union or the Cubans.

Who replaced for the United States as a source for Nicaraguan products? Japan, Belgium, the Netherlands, Italy, Canada—our own allies. Our own allies are keeping Nicaragua afloat.

If we went through the Organization of American States and if we supported strongly a Contadora agreement as the Nicaraguans say they do, then we would have a document to hold up on the floor of the Senate and say to the people, "Look, they signed this document. They agreed to do these things. They must be held accountable to it."

I think, Mr. President, that that is the stuff of which a sound foreign policy is built. I think when you go through that kind of process, you earn the right to turn to the American people and say the things that have been said on this floor.

Mr. President, I do not think there is a Senator in this body who has not at one time or another walked down by the Vietnam memorial wall here in Washington. It is, I understand, the most visited area in all of Washington. I visit there at times, in an attempt to place the issues of war and peace in their proper perspective. The names of some of my friends leap out at me, from John Rose, to Johnny White, to Dick Pershing, and others. When I see those names, Mr. President, I remember that I came here to the Senate with a special responsibility.

Edmund Burke wrote a letter to the sheriffs of Bristol, and in that letter he said that conscientious men should be cautious how they deal in blood.

I see leaping out at me in those names, and in that message a reminder that we should be cautious in how we deal in blood; that we are a nation that can afford to take the extra step before we see another wall with more names.

I think the nations of the world expect that of us. I think our Latin American neighbors expect that of us. I think that our constituents expect that of us.

Finally, Mr. President, I would hope that we think enough of ourselves and of this process to expect it from ourselves. I hope my colleagues will not be stampeded and not be frightened into saying that it is not worth a few months to put to test a negotiating process and build a consensus around our policy, rather than rushing headlong into an ultimate confrontation that throws caution about blood to take wind.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. LUGAR. I yield 10 minutes to the distinguished Senator from Florida.

Mrs. HAWKINS. Mr. President, I rise to oppose the amendment offered by Senator SASSER to condition the flow of assistance to democratic opposition in Nicaragua. The combination of political, security, and humanitarian concerns makes the arguments for providing this assistance without unneeded restrictions compelling. We constantly hear from those opposed to the administration's request that support for the democratic opposition in Nicaragua represents a kind of gradual involvement of the United States in a foreign conflict that we will find difficult to escape, similar to Vietnam. I believe these opponents are applying the wrong lesson from history. If we want to apply a more appropriate lesson from history in assessing the need for supporting the opposition in Nicaragua, we ought to look at what happened on the island of Cuba in the late 1950's and early 1960's. In this tragic history we ignored the political, security, and humanitarian concerns that we should have had and we are still paying the price for our future.

Mr. President, the parallels with Castro's revolution in Cuba are frighteningly similar. A quick assessment of the Sandinista regime shows that it poses a threat similar in nature to that of Cuba.

First, the Sandinista government is a Marxist-Leninist regime. Within months of its coming to power, the leadership of the Sandinistas National Liberation Front met to outline their future policies. The Sandinistas designated the "traitorous bourgeosie" as the principal domestic enemy, moved to nationalize the economy, eliminate domestic political opposition including those who assisted the Sandinistas in overthrowing Somoza, established a governmental organization based on "democratic centralism," moved to diminish the role of religion in Nicaraguan society, established a foreign policy based on opposing American imperialism, and moved to control the flow of information by denying the rights of free speech and association. They have also conducted a vicious campaign of anti-Semitism, destroying Jewish homes and synagogues and driving Jews from the country.

The Sandinistas regime did these things at a time that they held themselves out to the international community as truly representative of the democratic will in Nicaragua, just as Castro did in Cuba in the late 1950's. Some believed Castro's promises then and some believe the Sandinistas today. Castro broke his promises and the Sandinistas' promises of late 1979 have been broken without exception. Anyone who continues to believe that Nicaragua's Government is not Marxist-Leninist and represents the democratic will in that country is simply ignoring the facts.

Second, the Sandinista government in Nicaragua is an expansionist regime, also a similarity with today's Cuba. The Sandinistas have declared their revolution to have no borders. They have assisted insurgencies in countries throughout Latin America, as has Cuba. The countries of Guatemala, El Salvador, Costa Rica, and Colombia are fighting leftist insurgencies that have been armed by the Sandinistas. The Sandinistas have also trained insurgents in the Dominican Republic, Ecuador, Venezuela, Brazil, Uruguay, and Chile. Anyone who believes that Nicaragua's revolution is purely indigenous need only look at the recent activity in Honduras to be convinced otherwise.

Third, the Sandinista regime is militaristic. The Nicaraguan Army now is 60,000 strong, with 60,000 more in the reserves. This is up from just 16,000 in December of 1979. This buildup far exceeds Nicaragua's legitimate defense needs in that Honduras has only 21,000 troops and Costa Rica has no army at all. The Sandinistas have received T-55 battle tanks, PT-76 amphibious tanks, artillery pieces, helicopter gunships, and patrol boats from Eastern bloc countries. There are over 2,500 Cuban military advisers in Nicaragua today. This military buildup parallels the Cuban buildup that has been constant since the early 1960's. Anyone who believes that the Sandinistas have not built up their military to levels that exceed their legitimate defensive needs has just ignored the facts.

Finally, the Sandinistas have aligned themselves with Soviet interests in the Western Hemisphere and globally. Similar to Cuba, 90 miles from Florida. Nicaragua has pledged political support to the Soviet Union in exchange for military and security assistance. Nicaragua votes with the Soviets at the United Nations and abets Soviet effort to destabilize countries throughout the world, particularly in Latin America. The Eastern bloc's generous donations of at least $500 million in military assistance is only the most tangible indication of Managua's coop-

eration with the Soviet Union and Cuba.

Mr. President, we can no longer delude ourselves that the Sandinista regime represents the democratic will in Nicaragua. We must face the fact that the Sandinistas stand for the export of revolution and are working for Soviet interests in the Western Hemisphere. We failed to face this fact soon enough with Castro in Cuba. We must not make this mistake again. We cannot bury our heads in the sand and hope the Sandinistas are going to change without external pressure; they will not.

Mr. President, the second parallel between the revolution in Cuba a generation ago and the current revolution in Nicaragua is the threat these revolutions pose in our security. The presence of Communist military forces in Cuba represents an ongoing threat to our security. The Cuban presence seriously complicates our military planning if there were a conventional military conflict with the Soviet Union in Europe. In the event of such a conflict, more than half of the resupplies for NATO would go through the straits near Cuba. Likewise, a critical part of our NATO strategy calls for shifting our forces through the Panama Canal, which is within easy striking distance of Nicaragua. The sea lanes of the Caribbean Basin and the Gulf of Mexico carry 55 percent of our imported oil and 45 percent of our foreign trade.

Communist Cuba and Nicaragua represent a serious threat to these vital sea lanes, which we need in both times of war and peace.

Mr. President, along with NATO, the alliance in the Western Hemisphere represented by the Rio Treaty forms the system that protects the security of the free world and has secured global peace for almost 40 years. Cuba has long stood as a threat to the cooperative security arrangement in the Western Hemisphere.

If the Sandinistas are allowed to consolidate their power, Nicaragua will pose a similar threat to the good partnership we have with our neighbors in Latin America. Nicaragua will continue its policies of exporting terror and revolution, thereby intimidating the friendly countries of Latin America. We must take action to limit Nicaragua's freedom of action as it pursues its policy of destabilizing the region.

Finally, the Sandinistas are busy copying their Cuban patrons in mounting an unprecedented military buildup. As I stated earlier, the Sandinistas have 120,000 men under arms. They have received training, tanks, artillery, and patrol boats from the Eastern bloc, some of which is financed by Nicaragua's participation in the drug trade that directly threatens the youth of this country. The Sandinistas have received training from the PLO and other members of the global terrorist network. This buildup in military power far outstrips Nicaragua's legitimate defense needs. Obviously, the Sandinistas plan to use their military to bully their neighbors and export their revolution. This military buildup poses a threat to our interests and the security of our friends in the region.

Mr. President, we can no longer afford to ignore the threat implicit in Nicaragua's military buildup. We ignored the threat in Cuba until it was too late.

After the failure of the Bay of Pigs, we allowed the Cubans to expand their military to the point that we had to bring the world to the brink of a nuclear exchange in order to force Cuba to withdraw its offensive weapons. In 1983, when the Soviets stated that they would take analogous steps against the United States in response to the pending deployment of Pershing II and Cruise missiles in Europe, Nicaragua Defense Minister Humberto Ortega said that Nicaragua would consider accepting Soviet missiles, if asked. While there has been no evidence of such a request by the Soviets, the Defense Minister's statement is revealing of Nicaragua's intent. Are we going to sit idly by until we face another offensive threat similar to that of the Cuban missile crisis of 1962? I remind my colleagues that such a crisis today would occur in an environment of strategic nuclear parity, not the overwhelming superiority we had in 1962.

Mr. President, it is clear that the Sandinistas pose a direct threat to our security. We cannot afford to declare that Nicaragua is unimportant and of no strategic value to the United States. Nicaragua is in our front yard. An antagonistic government in Managua is an ongoing threat to the United States and its allies in this hemisphere, as Cuba has been for over 25 years. Mr. President, $100 million in assistance to the freedom fighters is a modest price to pay for limiting the freedom of action of the Sandinistas.

We need only to make this modest investment now because we will be addressing the problem in a timely manner. If, however, we fail to recognize the threat to our security now and take the needed action of approving this request, we may find the price of protecting our security later to be excruciatingly high. Mr. President, some believe that if we step back from the situation in Central America and limit our activities that the threat will go away. Those people are sadly mistaken. Unless we take the needed action today, the threat will only grow until we can no longer ignore it.

Mr. President, there is a final aspect of the developing situation in Central America that parallels the events of Castro's revolution in Cuba. This issue involves our humanitarian concerns for the people of the region. Inevitably, Communist totalitarian governments result in streams of refugees; the sad sight of people leaving the country of their birth to escape the yoke of Communist dictators. Today, over a million Americans of Cuban descent reside in the Miami area. They represent those lucky enough to have escaped Castro's dictatorship. They have become patriotic Americans with a firm belief in democracy, the free enterprise system, and America's place of leadership in the free world. Likewise, Nicaraguan refugees are now estimated to number 95,000 in Costa Rica and 79,000 in Honduras.

Miami alone is estimated to have 60,000 undocumented Nicaraguan aliens. As the Sandinistas consolidate their power, the number of refugees can only increase. Mr. President, what is the United States to do when it faces a flood of refugees from Central America? Do we say to them that they failed in the attempt to achieve democracy in Nicaragua and they ought to live under a Communist dictatorship?

Mr. President, I urge my colleagues to listen to the voices of the Cuban-Americans in Florida concerning the issue of the Communist threat to Latin America. These patriotic people ask me why the U.S. Government did not take decisive action to assist them in their hour of need when we could have prevented the Castro regime from consolidating power. Unfortunately, there is not an adequate answer to this question. The fact is that we failed to take decisive action on a timely basis in Cuba. It is a failure that we have had to live with for over 25 years.

I, for one, think it would be inexcusable for Congress to make the same mistake in Nicaragua. We cannot afford to ignore the problems in Central America. These problems have to be addressed. We should not wait. We should not tie the administration's hands on this issue. The $100 million we invest today will be much less than the costs we will incur later if we fail to act.

I implore my colleagues to vote to approve this assistance and vote to prevent the tragic history of Cuba from repeating itself in Nicaragua and the rest of Central America. I urge my colleagues to vote against the Sasser amendment.

The PRESIDING OFFICER. Who yields time?

Mr. SASSER. I yield to my distinguished colleague from Arizona for 10 minutes.

Mr. DECONCINI. Mr. President, I thank my friend from Tennessee for bringing this amendment before this body.

I thank also the distinguished Senator from Indiana, who has put forth great effort in some of the last several hours and days in trying to find a compromise here. I know he has worked hard at it. We cannot always succeed. I know we have a chance to succeed now by adopting the Sasser amendment that is before us.

There is no power so great as an idea whose time has come. In Central and Latin America today, the idea is democracy and its time has surely arrived. Over the past decade, 10 countries in this region have moved from dictatorships or military regimes to largely democratic and open societies. The United States has nourished and gently encouraged this trend through diplomacy, negotiations, concern for human rights, economic sanctions, and occasional military aid. But as we rejoice over this triumph of democracy in this crucially important region, we face a Government in Nicaragua increasingly totalitarian in its consolidation of power and determined to subvert the independence and integrity of its neighbors. Therefore, aid to the Nicaraguan Contras is vitally important to Nicaraguans, Central Americans, and citizens of the United States.

Americans, indeed most Arizonans, object with good reason to the way the Sandinistas are repressing their citizens and betraying earlier promises of pluralism and free elections. I adamantly object to the Sandinista's close ties with the Soviet Union and Cuba, their construction of military bases identical to those landing Soviet Mig jets in Cuba, and to the oppressive policies fettering basic individual and religious freedoms. I firmly believe that the key to dealing with this relentless and often brutal police state is to encourage a resolution to the conflict in Central America through establishment of a true democracy in Nicaragua.

Mr. President, if politics is the art of the possible, then foreign policy must embody potentially successful and realistic goals. In this endeavor, the administration has yet to produce sound politics or cost-effective and fruitful policy in response to the ongoing crisis in Nicaragua. Let me cite my principal objections to the administration's $100 million foreign assistance package.

The administration has requested a nearly 400-percent increase in United States funding for the forces seeking democracy in Nicaragua. If $250 million or $500 million would achieve that end, it would be money prudently spent. But few experts believe that the Contras can either defeat the Sandinistas or force them into negotiations where they would be defeated politically.

We must focus on the fundamental questions of moral principle and cost efficiency. What are the costs of this foreign policy? As hundreds of Arizonans telephoned my office these past weeks, they inquired as to the fairness of spending $10,000 per Contra when they were experiencing the balanced budget requirements of Gramm-Rudman. I cannot justify the $100 million in foreign assistance when this money has no hope of accomplishing its objectives.

In addition to the budgetary costs, my concern is also one of costs to American prestige abroad. Money cannot buy democracy in Nicaragua and we simply cannot afford to spend lavishly on foreign policy destined to fail. At the same time, we must distinguish between freedom fighters based upon the democratic people power exhibited in Manila and the former Somocistas we have read about in the jungles in Nicaragua. Amnesty International and the Washington office on Latin America reported 118 human rights violations by the Contras. We must not ask the United States taxpayer to bankroll mercenaries who terrorize and pillage the people of Nicaragua. Reports indicate that 12 of the 13 principal leaders of the FDN Contra force are ex-National Guard officers.

The United States has been supporting this Contra effort for 4 years. The Central Intelligence Agency was financing the rebels as early as 1981, covertly channeling money and arms. Although I supported $27 million in assistance for clothing, food, medical supplies, and transportation, I am skeptical about $70 million for arms, ammunition, and Stinger antiaircraft missiles. Sending sophisticated $60,000 surface-to-air missiles can only mean we will soon send military advisors and more technology to support these efforts. U.S. intelligence analysts have concluded that only the introduction of American combat troops can resolve this conflict. Ten democracies are flowering in this region without our military involvement.

To hear the President, this vote is a simple choice between good freedom fighters and evil Marxists. The question of Contra aid cuts far deeper than party labels, good versus bad, and patriotism versus treason. In a dramatic moment on the floor of the Senate, Senator KASSEBAUM said, "I find this simplistic reasoning to be highly offensive * * *" The distinguished Republican Senator from Kansas and an expert in foreign policy rejects the partisan and simplistic framework of the debate formulated by this administration. It does not come down to "those who love America will support the President and those who oppose want him to abandon San Diego to the Sandinistas." In a similar vein, this issue cannot be presented with biased and simplistic statements supporting aid because "money now saves American lives later." A vote debated on terms of good-bad certainties did not inspire 1,400 Arizonans to telephone my office in less then 48 hours.

After the facts of the Gulf of Tonkin incident, we realized what happened in Vietnam.

As much as I distrust and despise this oppressive government in Managua—and I visited there and talked to them—I am not convinced that $100 million or $500 million will give the people of Nicaragua a chance at democracy. It will not automatically halt their involvement with the drug trade or terrorism. It will not immediately stabilize the fragile democracies in this region. These fledgling democracies have implored President Reagan to utilize the $100 million for economic assistance, as recommended by the bipartisan Kissinger Commission, and to support the Contadora peace plan, which these countries have endorsed. We should do more to strengthen these democracies in Honduras, Guatemala, and Costa Rica.

So how do we deal with a government as deplorable as the one that the Sandinistas now have in Managua? Unfortunately, I do not believe the administration's current proposal meets the objectives of encouraging a diplomatic reconciliation of the differences that separate the Government from its democratic opposition and incorporating the interests of the democratic countries in this region. The Governments of nearby democracies—Mexico, Guatemala, El Salvador, Costa Rica, and Colombia—are discouraging a military solution.

I have talked with President Reagan, as many people have, at length precisely about these concerns. When we discussed the Contra aid package 3 nights ago, I expressed to him the reservations I conveyed over the past weekend to my constituents in Arizona. Quite candidly, the President has not displayed the diplomatic skill and has not brought forth a plan to succeed. I have been disappointed in the administration's tendency to define this debate in simplistic terminology and shop for additional votes instead of seeking legitimate compromise.

What is wrong with the proposal that is before us today, I ask the administration? The distinguished Senator from Tennessee has made a real effort to provide the President with that hammer, with that stick, with all the forces he would need. All he has to do is demonstrate to this country that he is prepared to find a solution other than military and to do it in good faith with an observer group commissioned to oversee it. Not to veto it and say, "No, you can't agree to that," not to say that we cannot proceed, but just to oversee that there are truly negotiations made.

We should also insist that the Sandinistas stop construction of two air

bases in Nicaragua and demand the Cubans and Soviets to leave. This should be verified by the Contadora countries. The money for arming the Contras could be held in an escrow account for 6 months to see if these conditions are met. Also, we should encourage a truly united and democratic resistance effort. Prior to providing military assistance to the democratic resistance, we must demonstrate to the American people and the new democracies that we have diligently pursued all possibilities for a regionally based political solution. I believe we can build support in this region by meeting our commitment to encourage economic development in the Central American democracies. The President has proposed a package of $100 million in economic assistance to 8.3 million people in Guatemala, a newly established democracy, and $100 million for roughly 10,000, 15,000, maybe 20,000, at best, Contras. These priorities do not make sense, at least on top of the fact that the present administration has laid out no plans to succeed. So where will we be next week, next month, or next year when the $100 million is spent? We will be back here again saying, "Well, it don't work. Let's come cough up a little bit more and that will force them to negotiate."

Let us try it first. If it does not work, I, like the Senator from Tennessee, will join in a very forceful effort to be sure that the Sandinistas realize we are not going to tolerate the continued occupancy there of military bases with sophisticated weapons supplied by the Soviet Union.

The Sasser proposal, introduced by the distinguished Senator from Tennessee, meets many of my requirements for a balanced and farsighted policy for Central America. This proposal sets goals which are in the best interests of promoting democracy in this region and reducing the Soviet-Cuban presence in Nicaragua. The goals of U.S. policy in Senator Sasser's package emphasize bilateral negotiations, a ceasefire prior to opening of talks, and appointment of an observer team appointed by both parties. This program also continues to support the democratic resistance with $30 million in nonlethal assistance. I believe that this leverage will encourage the Nicaraguan Government to open up their repressive political system while not, as yet, providing the Contras with United States military aid.

I have supported, in the past, assistance to the Contras. I am not adverse to considering doing that again before we go this massive step of $100 million and next year $200 million or $500 million. Without some program of success, without trying a real bilateral effort to negotiate, I do not think it makes sense.

If improvements are not reported by the U.S. observer team, then 6 months after passage of this proposal Congress can evaluate military assistance and this Senator would vote for it.

I have also encouraged my colleagues to cooperate in crafting a bipartisan proposal which includes many of the goals I have cited in my remarks.

Mr. President, for democracy to continue its hold in this region, we must listen to the democrats, with a small "d", both in Central America and the United States of America. Eight countries involved in the Contadora peace plan have asked us to delay this military aid package. Additionally, my correspondence from Arizona has been opposed to aid, as have the phone calls. I come from a State that is very supportive of the President's policy in Central America and I cite to you not too long ago when we granted a substantial increase in aid to El Salvador, I supported that. I think it has worked. But, Mr. Duarte, the President there, has gone the step of negotiating, we have gone the step of negotiating, bringing it into the process, and it appears to have some success. Why are we not willing to do that here? I do not understand what the recalcitrance is on the part of the administration to enter into at least 90 days, if not 6 months, bilateral negotiations and then proceed from there. What do we lose? Mr. President, I do not think we lost anything and maybe we gain peace.

Mr. LUGAR. Mr. President, I yield 10 minutes to the distinguished Senator from Washington.

The PRESIDING OFFICER. The Senator from Washington.

Mr. EVANS. Thank you, Mr. President.

Oh, how quickly we forget. One month ago, we joined with the Nation in celerating the events in the Philippines. It was hailed as a triumph of American policy, as indeed it was. We should have learned some lessons, however, from that success, and from the historical high points of American foreign policy.

Three elements, it seems to me, continually reappear when American foreign policy succeeds: It is bipartisan, it represents a unity of effort between the legislative and executive branches, and the leadership comes from those countries most directly involved. All were present in the Philippines. We were united, Republican and Democrat; we were united, executive and legislative; and the leadership came spectacularly from the people of the Philippines themselves.

And we are now headed, Mr. President, for votes which I am afraid will violate all three of these principles. We have a bitter, partisan division and close and indecisive votes.

We have heard strident voices from the administration, accusations and protestations questioning our loyalty and Americanism and patriotism, voices which have no place in a successful American foreign policy.

What message do we send to the audiences we attempt to reach with a narrow vote, a failed vote first in the House, and then, even if successful, a narrow and divided vote in the Senate and in the House? What message is that to the American people? What message is it to our South American friends who are attempting to build their own democracies? What kind of message is it to the internal opposition in Nicaragua, and indeed what kind of message is it to the Sandinistas themselves?

If the message to all four of those audiences is a message of weakness, if indecision, of divisinveness, and of partisanship, none will listen to us. Nor should they.

Mr. President, it is useful, I think, to examine a little of the history of Nicaragua and the interventions which have occurred there in order to understand something of where we are.

The Spanish Conquistadors came first through Central and Latin America in the 1500's, imposed a semifeudal system on that land and governed in an authoritaian way, until Mexico and all Central America gained independence from Spain in 1821. The Mexican empire fell shortly after, and the United Provinces of Central America arose, but fell quickly.

Anarchy and violence punctuated that period. Year after year, one after another, buccaneer or entrepreneur attempted to take over and run Nicaragua and its people.

Britain set up a Miskito kingdom among the Miskito Indians. Americans finally pressured the British to get out.

I am sure that my colleague from Tennessee will be interested in knowing that William Walker, a Tennessean filibuster—filibuster in its original connotation of a buccaneer—installed himself as President of Nicaragua.

Year after year, it is a story not of independence, not of democracy, but a story of three centuries of control by one group or another, with precious little opportunity for democracy to flourish.

Mr. SASSER. Mr. President, if the distinguished Senator from Washington will yield for a moment——

Mr. EVANS. On the Senator's time.

Mr. SASSER. I am aware of the history of the great man of distinction, Mr. Walker, from Tennessee. I say to the Senator from Washington that one of his direct descendants is presently on my staff in the U.S. Senate.

I thank the Senator.

Mr. EVANS. I hope he has no designs on Nicaragua, as his ancestor did. [Laughter.]

Mr. President, the history of American military intervention in Nicaragua

is a long one indeed. Going clear back to 1853, we began intervening in Nicaragua: In subsequent years, the Marines again and again and again entered Nicaragua to advance what were then considered to be American interests. More than a dozen times in the last 140 years, American military troops have invaded or landed in Nicaragua for one purpose or another. Little wonder, then, that with that history of American intervention, we have problems of belief, both in Nicaragua and in the rest of Central America.

Mr. President, I ask unanimous consent to have printed in the RECORD two papers on American military interventions and on the history of Nicaragua.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

BRIEF SKETCH OF HISTORY OF NICARAGUA

Pre-1500's: Diffuse Indian population; no central government.

1500's Spanish conquest of Central and Latin America.

Mid-1500's-1821: Spanish impose semifuedal system based on large land holdings and the exploitation of indigenous populations. By mid-1500's, "Kingdom of Guatemala" emerged, encompassing Costa Rica, Honduras, Guatemala, El Salvador and Nicaragua; governed by Captain-General located in Guatemala who served under the Spanish Viceroy in Mexico. Political system is authoritarian; economy was exploitive and mercantilist; and, society was an elitist hierarchy made up of two distinct classes. The indigenous populations were never integrated into political life.

1821: Mexico and all Central America gain independence from Spain; Central America ruled by Mexican Empire.

1823-24: Mexican Empire falls and Central America breaks away; forms United Provinces of Central America, basically a confederation of city-states. Civil wars were prevalent.

1838-47: UPCA falls apart; 5 individual countries form, although they are still essentially city-states—small, weak and vulnerable. Politically, they called themselves "republics" and adopted constitutions modeled after the U.S. and Spain's (1812). Had Presidential and electoral systems, however, this clashed with traditional judicial system based on Roman civil law (designed to maintain state control).

"Liberal" and "conservative" political parties rule and clash over the role of the State and church-state relations.

Local leaders head armed bands that contend for power.

Anarchy and violence punctuate the period.

1847: Guatemala becomes a republic, others follow suit; confederation proves to be impossible.

1840's-1850's: International interest in the region grows because of passage through the isthmus (spurred by the gold rush in California).

Britain establishes treaty relations with the Miskito Indians (largely for trade in wood), helps to set up the Miskito Kingdom.

1855-57: William Walker, a Tennessean filibuster, installs himself as President of Nicaragua.

1870's: Coffee boom begins in Costa Rica, spreads to all Central America and transforms export economies and provides new wealth (middle class begins to develop).

1849-1900's: Pressured by the U.S. to get out of the hemisphere, Britian gives up the Miskito Kingdom and liquidates its interests in the region (actually leaves in 1894 but it takes until 1905-07 to clear up all the legal details of British withdrawal).

1900's: Banana, coffee and sugar interests grow as does interest in a canal—Nicaragua is a favorite site (much discouraged by France, who owns Panama).

1893-1909: Nicaraguan Liberal, Jose Santos Zelaya, stages a revolt and takes over; Nicaraguan Conservatives ask for American assistance and with our intervention, oust Zelaya.

1912: Liberals try to overthrow Conservative President Adolfo Diaz, U.S. marines intervene.

1912-1925: U.S. forces remain in Nicaragua to prop up whichever Conservative is in power.

1925: Conservative Alfonso Diaz installed as President before U.S. marines leave. As soon as marines depart, Liberals try to form a rival government under Juan Baptiste Sacasa.

1926-33: U.S. forces return to Nicargua to end fighting and supervise election; Liberal Jose Maria Moncada is elected in 1928. Augusto Cesar Sandino declares Moncada to be a puppet of the U.S. 1927-1933, Sandino leads a peasant-based guerrilla movement, taking the marines on many chases throughout the country until they persuade him to lay down his arms when Liberal Juan B. Sacasa wins the presidency in a more acceptable election in 1932. U.S. marines leave Nicaragua.

1933: Anastasio Somoza Garcia, head of the National Guard and President Sacasa's nephew, essentially takes control of the country although Sacasa is still President.

1934: Somoza arranges murder of Sandino as he is leaving peace talks.

1936: Samoza elected President, as a Liberal, in an election marked by extreme intimidation.

1956: Samoza assassinated; power divided by the two sons:

Luis—becomes President (said to be intellectual and politically fair).

Anastasio, Jr.—becomes head of the National Guard.

1963: Luis dies; elections are held and Liberal Rene Schick is elected.

1963-66: Schick is the "official" leader, although Samoza, Jr. maintains power, until his death in 1966.

1966-67: Lorenzo Gutierez, becomes the next "official" head of state following Schick's death.

1967: Anastasio, Jr., fully consolidates his power, holds an election, wins and establishes a corrupt, militaristic regime.

1972: devastating earthquake destroys much of Managua and the country; Somoza siphons off much of the disaster relief money.

1979 July: Somoza overthrown.

U.S. MILITARY INTERVENTION IN NICARAGUA

1853—March 11-13: To protect American lives and interests during political disturbances.

1854—July 9-15: San Juan del Norte (Greytown) was destroyed to avenge an insult to the American Minister to Nicaragua.

1857—April to May; November to December: To oppose William Walker's attempt to gain control of the country. In May, Commander C.H. Davis of the U.S. Navy, with some Marines, received Walker's surrender and protected his men from the retaliation of native allies who had been fighting Walker. In November and December of the same year, U.S. vessels Saratoga, Wabash, and Fulton opposed another attempt of William Walker on Nicaragua. Commodore Hiram Paulding's act of landing marines and compelling the removal of Walker to the United States, was tacitly disavowed by Secretary of State Lewis Cass and Paulding was forced into retirement.

1867: Marines occupied Managua and Leon.

1894—July 6-August 7: To protect American interests at Bluefield following a revolution.

1896—May 2-4: To protect American interests in Corinto during political unrest.

1898—February 7-8: To protect American lives and property at San Juan del Sur.

1899—February 22-March 5: To protect American interests at San Juan del Norte.

A few weeks later—at Bluefields in connection with the insurrection of Gen. Juan P. Reyes.

1910—February 22: During a civil war, to get information of conditions at Corinto.

May 19-September 4: To Protect American interests in Bluefield.

1912-25—August-November 1912: To protect American interests during an attempted revolution. A small force serving as a legation guard and as a promoter of peace and governmental stability, remained until August 5, 1925.

1926-33—May 7-June 5, 1926; August 27, 1926-January 3, 1933: The coup d'etat of General Chamorro aroused revolutionary activities leading to the landing of American marines to protect the interests of the United States. U.S. forces came and went but seem not to have left the country entirely until Jan. 3, 1933. Their work included activity against the outlaw leader Sandino in 1928.

Mr. EVANS. Mr. President, we are caught in a classic catch-22 proposition. We say negotiations will not work; the Sandinistas will not share power, at least not voluntarily. So the alternative is to offer military aid to the Contras. But I have heard no one assert that the $100 million of aid would overthrow or assist in overthrowing that Government. In fact, they say we do not intend that that is the purpose.

If negotiations will not work and we will not overthrow the Government with this aid, where does this leave us? It appears to me that it leaves us with a nasty, extended, dirty war, escalating on both sides. Who will die? Nicaraguans. Who will suffer? Nicaraguans.

Mr. President, I do not believe that we have searched hard enough for a solution that can unite us and send a message of unity and strength and concern for the citizens of Central America.

The President has likened Nicaragua and the Nicaraguan Government to a cancer, a cancer which must be excised. But there are other ways to treat cancers. One is to develop antibodies to counter and stop the growth of the cancer. I believe we are considering some of the essential ingredients

of such a policy that would act as an antibody to the Nicaraguan-Marxist cancer which does exist.

The National Bipartisan Commission on Central America recommended extended aid to Central America of $1.2 billion a year. We promised to deliver that aid in 1985; but, oh, how quickly we forgot. In 1986, that aid dropped by 30 percent. Even the President's budget for 1987 would be short of our promises by more than 12 percent. Both Congress and the administration have, once again, in Central and South America, promised and then failed to deliver.

Mr. President, I think it is time for elements that might draw us together. First and foremost in this policy, to reestablish our commitment to full, sustained, multiyear economic aid to our friends in Central America who have made so much progress.

Second, to recognize that the problems in Central America are primarily problems of those nations. I believe that negotiations should be led on both sides by those for whom Spanish is a primary tongue.

Third, we ought to assist and develop whatever legislation we pass in a way that would give the coming summit meeting in Central America the maximum chance to succeed, when it takes place in May.

Fourth, I think 90 days is insufficient to allow whatever flows from that summit to be successful. At least 120 days ought to be given to allow that process work or to have a chance to work.

Fifth—and here is where I would differ with my friend from Tennessee—to the degree that bilateral negotiations between the United States and Nicaragua are necessary, and I believe they are, let them occur in parallel with Latin American negotiations, or perhaps even somewhat behind them. Let those people who live there and who speak the language and who understand the territory lead in the kinds of negotiations that are important. And in bilateral negotiations, let us carefully recognize the needs of our allies and of our friends and their concern.

Sixth, we must not set impossible preconditions on bilateral negotiations. To require that the Contras be negotiators with the Sandinistas is very much like requiring that the PLO must be at the same table before the Israelis and the Jordanians can negotiate. Human rights, free elections, national reconciliation, all are to be devoutly wished, but as results, not preconditions.

Seventh, we must reassert our determination to join with others under the Rio Treaty in opposing armed aggression by Nicaragua against its neighbors and make our determination very clear.

This, it seems to me, is the core of a comprehensive policy which aids our friends, builds upon their strengths, isolates and confines the Nicaraguan Government and gives Latin Americans a chance to take the lead in resolving the critical conflict which is rapidly approaching.

Unfortunately, Mr. President, it seems to me that none of the current proposals meet this test. I hope that before final congressional action is taken we step back, lower our partisan defenses, and seek that illusive but vital strategy that will unite us and that will work.

Mr. SASSER. Mr. President, I yield 2 minutes to the distinguished Senator from Nebraska.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. I thank the Senator from Tennessee and encourage and appreciate his leadership in this area.

Mr. President, I ask unanimous consent to be added as a cosponsor to the proposal that he presently has before the Senate.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. EXON. Mr. President, it seems to me that after a talk that I made on this subject yesterday my thoughts, my desires, my goals are not significantly different from the talk that we just listened to by my colleague and friend from Washington. Where do we go from here?

I have been one of those who has been looking forward to some kind of a true bipartisan compromise that would send the message around the world and especially to Central America that we were not divided on this subject.

That is why I am keenly disappointed that the promising bipartisan negotiations that have been going on for the last couple of days have eluded us once again. I suspect in the end we are going to have a relatively close vote that will be a victory for the President but not necessarily a victory for the goals that all of us wish to accomplish in trying to overcome the threat that the Marxist-Communist Government of Nicaragua clearly is sending as a warning signal around the world.

We have established the fact, and my friend and colleague from Tennessee has been in the area—

The PRESIDING OFFICER. The 2 minutes yielded to the Senator from Nebraska have expired.

Mr. EXON. One more minute?

Mr. SASSER. I yield my friend from Nebraska an additional 2 minutes.

Mr. EXON. My friend from Tennessee has been in the area. He has talked to the Contadora leader.

We have well established in debate that none of the countries in the Contadora group, in fact none of the countries in the whole area, are supporting the President's proposal or anything close to it. That should be a warning signal of some kind that we might hear loud and clear once again if we go in with military aid without some specific understanding of the old term "Yankee Go Home."

We have talked very much, though, about what the people in Nicaragua think. Because of the nonfree press, because of the repression that exists there today, because of the Communist-Marxist dictatorship, we do not have public opinion polls, but I get the distinct impression that neither the Contras nor the Sandinistas have overwhelming support in Nicaragua today.

We should be asking ourselves a question: What do we think the people of Nicaragua want that we are about to try and dictate?

I ask my friend from Tennessee as a result of his travels there what impression he has picked up on this particular matter. I happen to feel that the information that we have been told that probably only 20 percent of the people in Nicaragua today strongly and unequivocally support the Contras, 20 to 30 percent probably support the Sandinistas, and if an election were held today the best intelligence is that if it were between the Contras, on one hand, and the Sandinistas on the other, that as bad as they are the Sandinistas might win.

What does my learned friend from Tennessee have to say about that? He has had some firsthand knowledge.

Mr. SASSER. I say to my friend from Nebraska that in my view and from what I was able to learn, the majority of the people of Nicaragua would say pox on both their houses, that they are not enthusiastic about the Sandinistas at all, nor are they supportive of the Contras.

We must realize that as far as the largest body of the Contras are concerned, the FDN, about 80 percent of the leadership of that group are old Somoza national guardsmen, so they are not welcome in most areas of Nicaragua.

Mr. LUGAR. Mr. President, I yield 10 minutes to the distinguished Senator from Indiana.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. QUAYLE. Mr. President, first of all, I thank my senior colleague for all his extraordinary efforts in this very delicate matter in trying to bring together a bipartisan compromise. I will be in opposition to the amendment before us but will be supporting his amendment, which will be offered later on.

Mr. President, I think what we are witnessing here today reflects a reversion to an old, discredited double standard, a double standard that the United States allowed to bring pressure and influence in opposition to governments considered to be right-

wing and authoritarian but is prohibited from bringing pressure against governments that are leftwing dictatorships and in the particular case of Nicaragua, a Marxist-Leninist government.

There is no argument about the facts concerning Nicaragua. Those have been hashed out before.

The question is, What are we going to do about it?

The United States put its reputation on the line in Nicaragua in 1978 to see a change. It put its reputation on the line in the Philippines to see a change. Now we are trying to put our respect and credibility to support the freedom fighters and the Contras.

When changes took place in Iran and Nicaragua, and particularly in Nicaragua in 1978, there was a general euphoria. There was euphoria that Somoza was gone, that we had gotten rid of this evil dictator. We were very hopeful that the new government to come to power would live up to its promises and see a true democracy prevail in Nicaragua.

After our euphoria died down in 1978 and 1979 we woke up and found that the Sandinista government was what a lot of people warned us they were, that they were not only in the Cuban-Soviet camp, but were in fact a dedicated Marxist-Leninist government. The decision now is what are we going to do about it.

The supporters of this amendment keep talking about negotiations, if we could only have another 90 days, just give us another 90 days to negotiate, and things will be OK, let negotiations have a chance. We have been trying to negotiate for 6 years and they have not succeeded.

Furthermore, there is not one case in point in the history of Leninism where a Marxist-Leninist government has in fact negotiated itself into a true power-sharing arrangement. There is not a case in point on that particular matter where a Marxist-Leninist government has sat down and actually negotiated a true power-sharing arrangement with the opposition.

We have all seen what Marxist-Leninism does and what Marxist-Leninist nations will do when they are threatened. We saw what happened to the freedom fighters in 1956 in Hungary and how the tanks were sent in. We saw what happened in Czechoslovakia in 1968. When the people wanted to liberalize, once again the tanks rolled in and the people's call for freedom was put to rest.

Now we are seeing this patterrn once again where a Marxist-Leninist government is in trouble. The Sandinistas in fact, will not allow a change. It is the Brezhnev doctrine repeated right here in our own hemisphere, "What is mine in mine, and what is yours is negotiable."

We, in fact, have tried negotiations. Marxist-Leninist Sandinistas will not, have not, and by doctrine will not tolerate any kind of negotiated settlement.

So what do we do about it? Some say negotiate anyway. We have for 6 years. Try another 90 days. Well, if we are serious, I think that we must consider what will happen if, in fact, we follow this course and do not support the Contras. What will happen in Central America?

First, there is no doubt that if there is no pressure, and no opposition, the Sandinistas will be able to Stalinize that country, will be able to have complete control of that country, and once they get complete control, which they do not yet have fully today because there is still popular opposition there, the Sandinistas will only intimidate their neighbors more. They will be able to accelerate the exportation of terrorism in that region—Central and South America. As the Soviet Union and Cuba pour more and more manpower, more and more weapons into that country, and we stand idly by, they will repress their people even more than they have already done.

Also, we ought to think about what kind of a signal our inaction will send to Central America, our own hemisphere, and what kind of a signal will this send to the world? I am very fearful that a signal that will be sent is that America will not be willing to stand up for its friends, that we will not be willing to put America's name on the line to bring pressure to a Marxist-Leninist leftwing dictatorship. I think that would be a very ominous signal.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. QUAYLE. May I ask for an additional 30 seconds?

Mr. LUGAR. I yield 30 seconds.

Mr. QUAYLE. In conclusion, Mr. President, let us not lapse back to this double standard that we can only bring pressure on our rightwing authoritarian governments, and we cannot do the same thing to those on the left. Let us stand up for democracy, whether it be from the left or the right; let us give freedom a chance in Nicaragua, let us support the Lugar package.

Certainly, any fair review of the arguments suggests the imperative to do this. Again, the debate no longer is over who the Sandinistas are or what they are up to, but rather what we intend to do about it. Will we give military aid to the Contras or not?

Those opposed to the President's policy would like us to believe that we should debate what we should do for another 6 years. All sorts of arguments are offered as to why aiding the Contras is wrong. Like the arguments made 6 years ago, though, these too fail to face the facts. Let us consider what is argued.

First, we have no right to impose democracy on another country especially one where we enforced a dictatorship for so long. By this logic the United States should have done nothing for Haiti or the Philippines—two dictatorships the United States previously supported.

Second, we should support only peaceful transitions to democracy not ones that entail war. So much for supporting democracy in Greece after World War II, giving aid to Afganistan, or helping freedom fighters in Cambodia. If we are unwilling to support democracy in war who will think much of our support in peace? Certainly not the Sandinistas.

Third, the Contras are Somocistas, not democrats. Some commanders are ex-Guarida but even the most rightwing and powerful of the Contras three political leaders, Adolfo Calero, was a longtime opponent of Somoza and was jailed for this effort. The other Contras leaders—Arturo Cruz and Alfonso Robelo—served as members of the early Sandinista Junta. Finally, the most important Contra commander who did serve in the guard under Somoza—Enrique Bermudez—was himself cleared of war crimes by the Sandinista military in December 1982. None of this should seem surprising—one doesn't raise a 20,000 peasant army by promises of restoring a despised dictatorship.

Fourth, the Contras cannot win. Certainly, unarmed and unaided they cannot but those who make this argument invariably are those who vote repeatedly to deny them such military aid. With such aid Contras can win just as the Sandinistas did themselves by taking not the strongholds near the cities, but the countryside. In fact, this was precisely what the Contras were doing before Congress cut off military aid.

Fifth, the Cubans and the Soviets will only match our escalation. The Soviets, in fact, have not given all that they could to the Sandinistas for fear of provoking direct United States intervention. More important, such prophecies are as misleading as they are self-fulfilling: Certainly, world history would be much different if we used this argument as our guide during the Berlin and Cuban missile crises of the fifties and sixties.

Sixth, Contra aid will draw the United States into another Vietnam war. Nothing is more likely to force American military intervention than the consolidation of pro-Soviet Sandinista power in the region. The Contras want to do their own fighting. Denying them aid certainly will do nothing to prevent the growth of Sandinista power.

Seventh, aiding the Contras will only drive the Sandinistas further into the hands of the Soviets. It is hard to see how they could be driven anyfurther into Soviet hands given that they were already there even before they took power in Nicaragua. Moreover, the United States tried the olive leaf granting $118 million in aid to the Sandinistas in 1979 and 1980. It was during this period that the Sandinistas received their first Soviet block military aid and advisers.

Eighth. Officials in the regions seem to favor the Contadora process over aid to the Contras. So do the Sandinistas and they are willing to intimidate others to share this view both by having an overwhelming military greater than the combined armed forces of the rest of Central America and by the sponsoring of terror, such as the M-19 attack. Yet, privately, these officials are anything but optimistic about what negotiations with the Sandinistas can produce.

Ninth. But we should try diplomacy not force. The Sandinistas already gave their parchment pledge to the OAS not to undermine human rights or spread revolution back in 1979. As we can see in the case of Honduras, it did not do much good. Nor should we suppose that there has been a lack of U.S. diplomatic effort. As far back as 1981 the United States offered a bilateral nonaggression agreement and renewed economic assistance and efforts to control the Contras if Nicaragua would stop aid to Salvadoran guerrillas. Nicaragua rejected this offer. But, when multilateral efforts were attempted, Nicaragua balked because the United States was among the nations proposing talks. Then, when talks were proposed without the United States, Nicaragua reversed itself and demanded direct talks with the United States and Honduras. Finally, the United States got back into Contadora directly in 1983, Nicaragua was uninterested until their own internal opposition demanded action. After 9 rounds of talks with Nicaragua, the United States and the other members of Contadora approved an agreement that would require enforcement and verification procedures. Unfortunately Nicaragua has steadfastly rejected these procedures. This has been Nicaragua's position for the last 2 years. Without the additional pressure, the sort of pressure the Contras can provide, there is little reason to think continued diplomacy alone will improve matters.

Tenth. $100 million is not enough. Perhaps, but it is a start that can give the United States a chance to review what more is needed.

Mr. President, we need to give our support to these freedom fighters. There are too many excuses for us not doing what is right. The right thing is to support freedom and democracy in Nicaragua. The right thing to do is support the majority package.

Mr. SASSER. Mr. President, I yield 3 minutes to the distinguished Senator from Tennessee [Mr. GORE].

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. GORE. Mr. President, I rise in support of the substitute offered by my senior colleague from Tennessee, Senator SASSER.

However, before I move on to the substantive portion of my comments, I want to make a personal comment. To the extent that this body has the benefit, today, of a choice between reasoned alternatives, all of us on both sides of the debate owe a debt to the Senator's efforts over recent weeks. He has displayed leadership with expertise, conscience and courage. He has also tried to arrive at a bipartisan compromise through negotiations with the administration. But the administration chose yesterday to break off those discussions by refusing to even consider the possibility of bilateral negotiations with Nicaragua. Therefore, the essential choice before us today is one involving risk.

If we follow the President's preferences, we will soon become far too deeply enmeshed in an enlarged conflict within Nicaragua. According to the President, we must do this to avoid the risks attendant upon leaving the Sandinistas alone and to their own devices, even for a relatively short time while we attempt negotiations. The risk of the President's policy however, is that once engaged, we may find if politically and morally impossible to follow through. Not only is the Congress deeply divided over this issue, but so are the American people. And it is bad policy to engage in limited wars, when the nation is more likely to break apart than to unite over the merits.

The administration admits that the Contras cannot win militarily. Their mission rather is to impose as much chaos on Nicaragua as possible. Many of us have concluded that the Contras cannot win the support of the Nicaraguan people because of the prevalence of ex-Somoza national guardsmen among their leadership. In fact, many suspect that the Sandinistas are able to use the presence of the Contras to rally support from among the Nicaraguan people that they would not othewise have.

My colleague from Tennessee does not flinch from the possibility that the Sandinistas may be beyond any appeal for peace, no matter how equitable. He hoped that would not be the case. He knows that it might well be. But all his proposal really says is that before the President asks our country to finance and perhaps to be drawn into a civil war, the President should pause to exhaust the possibilities for peace, accept the advice of our allies in the region, and try to negotiate with the Nicaraguans. And that having done so, the President should then and only then lay before us and before the American people the brutal choice of war, whether war by proxy or in person.

Even if the administration carries the day in the Congress, it will have no true mandate from the people: It will only have a bare legal majority. Such a majority may be fine for raising taxes or cutting spending; it is not nearly good enough for taking lives.

I hope, therefore, that win or lose, the administration will practice wisdom. I urge them to continue negotiations to try to arrive at a true bipartisan policy to open bilateral discussions with the Nicaraguan Government, and try to exhaust the possibilities for peace before this wider war becomes real in Central America.

I would urge for example, that the administration temper its demand for Nicaraguan negotiations with the Contras. We resist such demands when made by revolutionaries in El Salvador; we cannot expect them to be any more welcome when we make the demand in Nicaragua. Could we not, for example, at least propose in this situation what we have been trying to do in the Middle East: The inclusion at the table of a panel of Nicaraguans acceptable to the Contras but not of them? Can this administration honestly say that it has exhausted every possibility when it seems bent on avoiding talks rather than finding ways to conduct them?

Mr. President, until then, wisdom is where our colleague has pointed, and I support his proposal.

I yield back the balance of my time, Mr. President.

Mr. LUGAR and Mr. SASSER addressed the Chair.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. LUGAR. I yield 10 minutes to the Senator from Minnesota.

Mr. DURENBERGER. I thank my colleague.

Mr. President, let me suggest to those who are involved in this debate that it might be well, sometime during the next week or 2 to go back and read some of the statements of the past because they are probably as enlightening or more enlightening than the brief time which we were all able to devote to this issue on the floor today.

This is not the first time that I have been on my feet on this subject. The first time was in the fall of 1979 when the chairman of the Foreign Relations Committee and I happened to be on the same side of the issue trying to support the financing of American foreign policy with regard to a new revolutionary government in Nicaragua. I went back and read that last night. I went back, as I indicated earlier, and

read some of the speeches on the floor on May 19, 1980, when we were finally getting around to deciding we were going to try to support the revolution in Nicaragua. I found that a fascinating debate. I would recommend that, if for no other reason than it proves what we are demonstrating here today; that is, once again we have the wrong time with the wrong people in the wrong place.

I know that sounds negative, and I will not prolong the negative nature of this statement, except by way of occasional reference.

Yesterday, we had maps of Bear bomber raids, showing how this vote could result in Russian Bear bombers attacking the Yukon. My colleagues, I say that is not the issue before us. We have heard and will hear arguments about invasions through Mexico into Texas. I say to my colleagues, that is not the issue.

We will hear the same kind of stories about dead humans being found in Honduras. We have heard those stories in the past and we will hear them in the future. That is not the issue.

This issue is rife with emotion. It is rife with instinct. Everybody gets up here with their own particular instinct, all of which has one thing in common, that is, give a little money to any organization and that somehow makes them legitimate and that makes their cause legitimate. That is not the issue nor the objective here.

I do not know how many people in this place really want a military solution to this problem. I assume nobody. Yet everybody is here today voting for a military solution.

For the same reason that Nicaraguans are dying in Honduras today, Nicaraguans will continue to die not only in Honduras but in Nicaragua, Costa Rica, and perhaps eventually in El Salvador.

There is little to recommend the current policy other than the desire to use military means to achieve what they hope is a diplomatic end.

Mr. President, I suggest that until we have focused on the real issue, we are not going to find ourselves making much of a contribution here on the floor.

All of the debate seems to be around means to an end and there is no agreement on what that end ought to be.

It strikes me that we ought to be debating what administration policy ought to be. We can debate that at the level that the Senator from Washington, Senator EVANS, suggested, that is at the level of development of Central American countries as a part of international development and as an important part of America's national security.

Or in the more real time sense we can debate it on the level of what our options are with regard to Nicaragua. Is our policy option to replace the present regime in Nicaragua with one that is acceptable to us, or is our policy option to live with the regime if the threat it poses is reduced to an acceptable level?

I would defy anybody in this body, whether in the President's solution to this problem or in the debates on the floor of the Senate, the substitute that is before us now or the substitute that is to come before us, to find the answer to that question.

The outcome of the current debate over means is irrelevant, since the means proposed by the President do not lead to either of these two options.

A good faith effort has been put in by many of my colleagues to try to aim us in that direction, one of them sitting right in front of me, the Senator from Maine, Senator COHEN.

He has been helped in that regard by our colleague from Kansas, Senator KASSEBAUM. In each case, it is an effort to try to focus on the decision, how do you get the people who need to get to the table to the table, with some sense of security that they get to walk out of the room when it is all over with some kind of a deal?

Even in the most difficult of labor negotiations, the union and the employer know at the end of the debate that they get to walk out with their skins. There is no guarantee that if the Sandinistas, so-called, the much decried Sandinistas, walk to the table of negotiations with the United States or with "all elements of the democratic resistance," that they are ever going to get out of it alive. That means alive not in the physical sense but perhaps in the political sense, because we have not clarified the objective that is at the end of the United States policy in Nicaragua.

I indicated that the debate is engaged in using wrong information. If you want more detail on that, I suggest that you read the RECORD. I take the President's speech of a couple of Sunday nights ago and in my capacity as chairman of the Intelligence Committee, without disclosing any classified information, I will tell you that was the greatest job of exaggeration I have ever seen in my life.

We have the problems of the mysterious FDN. Who are they? What is their motivation? What is their capability?

Everyone has discussed that one here on the floor today.

I will include in the RECORD an unclassified copy of the Intelligence Committee staff visit to that very base camp in Honduras a week ahead of the so-called invasion by the Sandinistas. It is a rather enlightening report.

I am going to include a copy of Fred Barnes' article in the New Republic. The two of them are not very dissimilar.

I suppose the most heart rending part of all of that is the description of the 13-, 14-, and 15-year-old boys and girls who are fighting for this illusory freedom that the President has characterized.

The problems of deniability have been obvious to us just within the last day or so. The poor Hondurans find out that the Sandinistas or Nicaraguans have come into their country but they cannot say anything to anybody because there are not supposed to be any Contras in their country, therefore, there cannot be any Nicaraguans in their country.

Mr. President, my personal involvement with developments in Central America began approximately 14 years ago when I was associated with H.B. Fuller Co., of St. Paul. At that time, I was serving as counsel for that firm, which operated several subsidiaries in Central America.

The Central America of 1986 is a far different place than the Central America which existed in 1972—politically, economically, and socially. Costa Rica was the only functioning democracy and the only nation in the Central American region with a consistent commitment to social justice. The other nations of the region—Nicaragua, El Salvador, Honduras, and Guatemala—could perhaps be best characterized as regimes of the right, which had little interest in eliminating a legacy of injustice, economic stagnation, and the arbitrary exercise of power. In the El Salvador of 1972, the army stepped in and nullified a free and fair election which would have placed Christian Democrat Jose Napoleon Duarte into the Presidency of his country. In the Nicaragua of 1972, I was a witness to that nation's devastating earthquake and saw the dictator Anastasio Somoza conduct a massive rip off of his own people and of American taxpayers in an effort to enrich himself and his cronies.

Rising expectations and economic instability in the latter half of the 1970's brought on revolutionary political situations in Nicaragua, El Salvador, and Guatemala. In Nicaragua, the old Somoza dictatorship was ousted from power in 1979 by a broad coalition composed of business, labor, the Catholic Church, and Sandinista revolutionaries. In El Salvador, another military regime turned over a badly polarized society to a civilian-military junta that was dominated by Christian Democrats and reformist officers. In Guatemala, a leftist insurgency was crushed in especially brutal fashion by the regime of Gen. Romeo Lucas Garcia.

One of the most significant global political developments since the end of World War II has been the surge of democracy throughout Latin America. Today, approximately 90 percent of the people in the Americas live in democratic societies as compared with

34 percent in 1976. While the trend toward democracy is highly positive, it also is not irreversible. Newly democratic societies such as those in El Salvador, Guatemala, and Haiti remain vulnerable to political insurgencies and economic instability.

As I noted in a speech last March before the National Press Club, no repressive government can remain in power in Central America unless it receives outside support. But equally, no democratic movement can flourish unless it too attracts outside backing. Much of that support must come from the Latin American democracies themselves. They cannot be detached observers—critical or noncommital in public, yet supportive in private.

They must participate in the democratic revolution for they will benefit the most from its success and suffer the most from its failure. We cannot solve the Sandinista problem in isolation from the Governments and peoples of the other Central American states. The democrats of Central America must remember how the United States stood by them in difficult times in the past few years—whether it is a Duarte resisting efforts by Communist and Fascist elements to undermine his nation's democratic legitimacy or a Cerezo struggling to restore respect for law and individual rights in a politically polarized society. The Sandinistas must certainly recognize this shift in American policy as well.

It is equally clear that the Central American governments do not feel that they can respond effectively to the Sandinista challenge. It is past time for the democrats of Central America to stand by their democratic allies still inside Nicaragua. If they do nothing now to strengthen a democratic political alternative there, they will consign Nicaragua's democrats to oblivion and leave no alternative but a military resolution to the present stalemate.

I believe that it is essential that the President lay out a policy for Central America that can attract bipartisan support at home and which offers a positive and long-term approach to the economic, social, and political problems which plague all of the nations of Central America. In my National Press Club speech, I urged President Reagan to develop a Central American policy that was guided by six general principles.

First, we must recognize that a long-term commitment to policy requires the active support of the public and of the Congress. An effective policy must be built on an affirmative vision of the future—a policy which emphasizes the need for a truly independent and democratic Nicaragua as an integral part of a politically democratic and economically interdependent Central America.

Second, our policy must have the element of credibility which comes from an evident willingness to undertake difficult, and potentially expensive, actions. Without credibility, our actions raise doubts and questions.

Third, we should make greater use of the economic tools at our disposal. Our greatest resource is not our ability to arm people, but to feed them, and to help them develop sound and growing economics.

Fourth, we must make clear that our support for the democratic revolution means that we are willing to live with diversity so long as a nation's core values involve a commitment to the democratic process.

Fifth, any policy which we undertake must be predicated on Central American unity and leadership. This is not our struggle alone; it requires the participation of the European and Latin American democracies as well as other democratically oriented institutions like the international labor movement, the Socialist International, and the Inter-American Press Association.

Sixth, we should be cautious about reliance on tools that can only support a political goal, not define one. Two such tools are military action and negotiations.

In the year since I gave this speech, we have made some progress in developing a policy which strengthens democracy in Central America and which enhances the national security of the United States. With the exception of Nicaragua and Panama, all of the Central American nations have held free and fair elections since 1984 and have installed representative governments. Democratic leaders as different as President Duarte of El Salvador, President Azcona of Honduras, President Cerezo of Guatemala and President-Elect Arias of Costa Rica have displayed a newfound unity of action and thought in a whole range of areas. Economic and political cooperation between these nations has grown substantially in the past year. This cooperation comes from a collective recognition that democratic institutions and practices in the region are generally recent and rather fragile.

While democracy remains vulnerable in all of these nations, it is equally clear that Nicaragua and Panama remain the exceptions to this new pattern of democratic revolution. In his recent message on freedom, regional security, and global peace, President Reagan provided a brief yet comprehensive meaning of our policy in support of the democratic revolution:

> In this global revolution, there can be no doubt where America stands. The American people believe in human rights and oppose tyranny in whatever form, whether of the left or the right. We can use our influence to encourage democratic change, in careful ways that respect other countries' traditions and political realities as well as the security threats that many of them face from external or internal forces of totalitarianism. Our traditions and the traditions of those whom we help can hardly be identical. And their programs will not always match our own experience and preferences. This is to be expected. The real question is: can our policy—of active American support—increase the likelihood of democratic outcomes? I believe it can.

The fundamental question, therefore, is whether we believe that the democratic revolution should move forward in Nicaragua and Panama and how democratization can be achieved there.

As in the past, unfortunately, the debate on Nicaragua has focused on the specifics of the means to achieveing this goal, rather than on its worthiness. The current national debate on Nicaragua shows that there is a large measure of confusion on United States policy toward the Sandinistas and toward the rebel forces. Many Americans simply do not understand the relationship of the use of limited military force to achieving the objective of democracy in Nicaragua. Other Americans wonder whether the Sandinistas pose a threat to American security, to that of Nicaragua's neighbors, or to neither. Still others are puzzled by the "Inside the Beltway" debate on whether assistance to the rebels should be provided overtly or covertly.

My principal difference with President Reagan's stance toward the Nicaraguan democratic resistance is the widespread public perception that the administration's sole emphasis has been on a military solution to halting the spread of the Sandinista revolution. The confusion now rampant in the United States, Central America, and the rest of the world results from the administration's failure to clearly articulate the goals of its policy toward Nicaragua. This failure stands in stark contrast to the unity of the executive and legislative branches in developing a policy plan to support the democratic revolution in the Philippines and Haiti. In Nicaragua, the administration must show a greater willingness to attempt collective political, economic, and diplomatic actions in conjunction with our Latin and European allies.

We should also assess the President's request within the context of the budget reductions that are affecting our entire society. The Gramm-Rudman-Hollings proposal is cutting everything in the domestic arena. Many Americans question the priorities of an administration which devotes so much effort for so little apparent gain. The price for achieving democracy, peace, security, and growth is not $100 million per year for the Nicaraguan resistance. As the Kissinger Commission suggested, comprehensive United States support for democracy and development will cost $8

billion over the next 5 years for all of Central America, including Nicaragua.

I share the President's basic objectives for Nicaragua. Like him, I favor a negotiated solution on internal democratization which restores the freedoms of speech, press, religion, and assembly to all Nicaraguans. Like him, I have urged all of the parties to the Nicaraguan civil war to participate in a national reconciliation process which is mediated by the Nicaraguan Catholic Church. Like him, I support efforts to reduce the quantity of arms and the number of Soviet, Cuban, Bulgarian, and other Soviet bloc military advisers inside Nicaragua. And like him, I have called for an end to the Sandinistas' support for insurgency in countries as diverse as Colombia, El Salvador, and Costa Rica.

Both in the bilateral Manzanillo talks and in the multilateral Contadora negotiations, the United States and our democratic allies in Central and South America have persistently raised four issues with the Sandinistas. First, we want Nicaragua to cease its support for insurgencies in other countries. Second, we want the Sandinista government to adhere to the principles of the OAS Charter, and to honor the promises it made in 1979 in return for OAS recognition as a transitional government. Third, we want Nicaragua to reduce the size of its military to parity with that of its neighbors, and to refrain altogether from obtaining or seeking advanced military technology. Fourth, we want to see a reduction in Nicaraguan dependence on the Soviets, the Cubans, and clients like the PLO or Libya.

Just as important, the Central American leaders have agreed through their acceptance of the Caraballeda message of January 12 that democratization and internal reconciliation must take place in all of the nations of Central America, including Nicaragua. In a March 3 letter to me, Ambassador Tunnermann of Nicaragua indicated that his government would be willing to act on the steps agreed in the Caraballeda message for demilitarization and democratization throughout Central America:

Let me also state categorically that Nicaragua's revolution stops at Nicaragua's frontiers. We do not seek to export it and we never shall. I want to reiterate also a long standing position of my Government. Upon cessation of the current United States aggression against Nicaragua and ratification of a peace agreement, my Government will immediately proceed to:

1. Terminate the State of Emergency which was made necessary by the U.S.-supported war and restore the full panoply of civil liberties to which my Government is committed, including freedom of speech and of the press.

2. Proclaim again General Amnesty for all the contras, permitting them to return to Nicaragua and participate fully and freely in the social and political life of the country. They would have the right to organize political parties and run for all elected offices, including President.

Mr. President, I must confess that I am troubled by the discrepancies between what Ambassador Tunnermann commits his government to in this letter, and what leading members of that same government, including Tomas Borge, Bayardo Arce, and Henry Ruiz, actually believe and have said on other occasions. Simply enough, can we trust the Sandinista government to live up to its commitments to its neighbors and to its own people to establish a pluralistic and nonaligned democracy? Sadly, the historical record of Nicaragua's noncompliance with the commitments made by the revolutionary government at the Organization of American States is most unpromising.

United States policy appears to have neglected the importance of the political dimension in the Nicaraguan conflict. It is my view that the political legitimization of UNO, both inside Nicaragua and internationally, was ignored by UNO's leadership. Only in recent months has UNO provided us with a very general political program which might serve as an alternative to the Sandinista regime.

Before we proceed any further in our efforts to aid the democratic resistance, we need to ask a few hard questions about the focus of our political efforts. First, what are the resources required to build the strength of UNO's existing political structure? Second, what is the dynamic between the external and the internal opposition and UNO's political structure? Third, what roles are the Central and South American democracies as well as the European governments going to play in assisting the democratic opposition? The democratic governments and nongovernmental organizations of Latin America and Europe should have just as great a moral and political commitment to the embattled democrats in Nicaragua as they do to those in South Africa and Chile.

No reasonable person will argue that most, if not all, Sandinista leaders are anything but deeply committed Marxists who are seeking to consolidate their antidemocratic regime. Nevertheless, there are elements within the Sandinista leadership that recognize that their regime's survival depends upon concessions on internal reforms and an end to support for international subversion. It is my belief that the United States has the leverage to attain all of its policy objectives on Nicaragua if it employs the right combination of incentives and disincentives toward the Sandinistas.

If the Sandinistas are truly pragmatic and do wish to serve the best interests of their country, they would recommit themselves to the original principles of the 1979 Junta of National Reconstruction and would allow the democratic process to work its will in Nicaragua. In response to such pragmatism, the United States could once again consider the normalization of relations as well as the resumption of economic aid and support for private sector investment. However, if the Sandinistas continue their antidemocratic policies, the United States and its allies will intensify the political and military pressure against the Sandinista directorate. It seems that the choice is clear: Will Nicaragua become an independent, democratic, and truly nonaligned society that benefits from the support of all of its hemispheric neighbors or will it remain a militarized autocratic regime which lives in fear of its own people and dependent upon its relationship with the Soviet Union and Cuba.

I have urged President Reagan to call for a summit of all of the Central American heads of state, including President Ortega of Nicaragua, during this 60 day grace period. It is absolutely essential that there be a consensus among the region's leaders of the seriousness of the current situation. If Central America is important to this Nation's future—and it is—it is important that a comprehensive dialog be established among all of the leaders who are engaged in the Central American conflict.

In tandem with the Contadora negotiations, the Sandinistas should accept the February 6 proposal of the six Nicaraguan political parties that are affiliated with the Coordinadora Democratica. This proposal set forth several conditions for a ceasefire, for the lifting of the state of siege, and for the establishment of a new election schedule. A multinational democratic effort should be initiated now to persuade Nicaragua to conduct free and fair elections which are closely monitored by international observers and which permit the possibility of a transition to democracy in Nicaragua.

Senator KASSEBAUM and I, among several others, have repeatedly stressed the importance of UNO's political composition. While only the Nicaraguans themselves can determine the political structure of UNO, I feel that a truly democratic organization must reflect the diversity of democratic thought that is present among Nicaraguans. UNO must become a legitimate political coalition, rather than simply a facade to justify a military program. Other democratic groups such as Misurasata, ARDE, and the Bloque Opositor del Sur represent significant strains of democratic thought which should be part of a broadened UNO coalition.

Finally, the United States must intensify its efforts with other Latin and European democratic states to support the internal democratic opposition. There should be no doubt within the

Sandinista leadership that their anti-democratic policies will be met with strong and vocal opposition internationally. The international democratic movement should seize this opportunity to make Nicaragua an example of the solidarity of democrats worldwide. There is no reason why the members of the four democratic internationals—the Socialist International, the Christian Democratic International, the Liberal International and the International Democratic Union—should not be intensifying their activities in support of such organizations as La Prensa, the CTN and CUS labor unions, the CPDH human rights organizations, the COSEP business coalition, and the democratic coordinator.

It is my firm belief that the adoption of these proposals will convey to the Sandinistas and to our Central American allies the seriousness of our commitment to democracy throughout the region. Serious dialog must take place in a situation where trust is lacking between the Governments of the United States and Nicaragua. One must hope that this conflict of Nicaraguans can be resolved to mutual satisfaction through a process of negotiations. There is no doubt that these negotiations will be difficult, but they must take place if we are to avoid a bloody conflict in Nicaragua.

President Reagan wants democracy in Nicaragua at any price. I have been troubled, but not especially surprised, by the tone and the virulence of the debate on this question. Rhetoric has superceded policy on both sides of the issue. The virtucrats of the right and of the left have been intolerant of opposing views. It is a comparatively small thing when reputations are besmirched or careers are ruined in the heat of ideological conflict over what constitutes our national interest. Something that is far more important seems to have been lost in what has an essentially domestic political struggle. Human lives—Sandinista, Contra, Miskito, or campesino—have value too. We should not forget that whatever decision that we make today will cost Nicaraguan lives. If we approve the President's request, many innocent and a few guilty people will die. If we deny this request, much the same will occur. In voting on this program, we should carefully weigh our motives. National pride is not a good enough reason on which to make policy; we should be certain that our Nation's security is truly at risk.

Mr. President, I ask unanimous consent to have printed in the RECORD various articles and letters relating to the situation in Nicaragua.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

MARCH 18, 1986.

Subject: Trip Report, Staff Visit to Central America, March 13-16, 1986.

Submitted by: Jim Currie, Larry Kettlewell, and George Tenet.

The attached "substantive report" is submitted in accordance with committee rules. It consists of two parts: (1) an unclassified section with attached documents obtained while on the trip and photographs taken there and (2) a classified annex.

TRIP REPORT: INTELLIGENCE COMMITTEE STAFF VISIT TO THE CONTRAS

FOREWORD

Three professional staff members of the Senate Select Committee on Intelligence (Jim Currie, Larry Kettlewell, and George Tenet) spent March 15 and 16 on a visit to both civilian and military headquarters and field units of the contra forces fighting against the current government of Nicaragua. These staff members did not go inside Nicaragua at any time during their trip. The material in this report is based upon their own observations, plus information supplied by both the contras themselves and other sources. All information that is not based upon direct, personal observation is so identified.

VISITING THE CONTRAS

Civilian Headquarters

Staff members devoted Friday, March 15, to visits to the civilian headquarters and support facilities of UNO, the Unified Nicaraguan Opposition. There were visits to three different sites, including the main civilian headquarters, the communications headquarters, and the logistics headquarters.

Staff members were told of UNO efforts to emphasize proper treatment of civilians and prisoners by troops under their direction. Staff was also told that approximately 1000 reports of Sandinista atrocities had been submitted to the headquarters of the Organization of American States over the past year and that the OAS has not even acknowledged receipt of these reports.

The facilities at each location were serviceable and appeared to be suitable to the accomplishment of the particular missions of each. The logistics headquarters records of weapons, ammunition, and other supplies. The records the staff viewed are detailed, showing quantities of each type of weapon in the warehouse, the quantity of ammunition on hand in the warehouse and committed to specific field units, with quarterly and yearly summaries.

The general observations made by the group were two: (1) The record-keeping was much better and more detailed than had been anticipated, both with regard to the ordnance and to rations. Though the staff group was always aware of the possibility of records having been "dummied" for the purpose of giving a false and enhanced impression, the group's judgment was that this was most unlikely. The records were too extensive for this to have been done easily, and there were all the signs of their having been compiled and used over a period of time (i.e., worn pages, erasures, different handwriting, different writing instruments). Furthermore, one member of the staff group observed at the UNO Command Headquarters one category of weapons in which the numbers were substantially the same as what had been observed in the logistics center records.

(2) The quantities of weapons and ammunition shown as on-hand revealed the types of anomalies that would be expected of an insurgent movement that has obtained weapons from many sources. The main assault weapon was the Soviet-designed AK-47, of which on paper there appeared to be an adequate number. The quantity of 7.62 × 39mm ammunition (AK-47) shown in the records was an impressive amount, though not enough for sustained combat operations over more than a few months. There were many "cats and dogs" shown in the records, that is, such a wide variety of weapons as to make the ammunition procurement and the operation of the logistics system quite complicated. There were also examples of small quantities of a particular weapon with large amounts of ammunition or large quantities of a particular type of weapon with little ammunition. The records showed obvious shortages of support-weapons, i.e., M-60 machine guns and ammunition and mortars of various calibers.

Field Visits

The staff group visited four areas in the field, devoting all day Saturday to this task. Places visited were the UNO Command Headquarters, a field hospital, the logistics center, and another hospital near the logistics center.

Command headquarters

The field headquarters consisted of wooden buildings and tents in an area which would be hard to approach on the ground without alerting the camp occupants. The buildings, which housed the headquarters and several of the staff sections, were constructed of rough-sawed boards which the staff was told the soldiers had made themselves from trees cut nearby and roughed out with a chainsaw. The staff observed the construction in progress on one building, with a soldier truing the board using a machete.

In the communications section, staff observed an operator receiving an incoming voice message of coded numbers off a one-time pad, transmitted from a task force in Nicaragua. Approximately 20 minutes later, what was said to be this same message, decrypted and typed, was handed to the FDN Commander as the SSCI staffers sat with him in a briefing. Earlier, the staff had observed an operator in the communications center sending a message in Morse code, and staff was told that operator proficiency of 17 words per minute is achieved using that method of communication.

There were perhaps 200 or so FDN troops in the camp at the time of the staff visit. While staff was there, it was able to observe the pre-launch preparations of a reconnaissance patrol which was being sent out to investigate a report of a Sandinista patrol in the area. The staff observed the patrol members, both men and women, being issued their basic load of ammunition, loading their gear, checking each other's equipment, and falling in for inspection. The patrol divided into two groups of perhaps 35-50 soldiers each, formed into ranks, and numbered off as someone the equivalent of an NCO called a roll.

Weapons carried by the patrol members were primarily AK-47 assault rifles, with Belgian-designed FALs making up the balance. The FALs, the group was told, are used to lay down a base of fire during initiation of contact. Other weapons in evidence were H & K 40mm grenade launchers, Chinese versions of the Soviet-designed RPG-7 (a light anti-tank weapon), and standard fragmentation hand-grenades. Each patrol member was carrying a field pack, personal first aid kit, and canteen. The area in which they were operating was quite dusty, but a random examination of half a dozen magazines taken from the assault rifles showed

no evidence of dirt or corrosion. The individual rounds could be taken easily from the magazine and reinserted. Cleaning fluid in use appeared to be a mixture of diesel fuel and some other substance, but whatever it was, it appeared to work. Staff was able to observe cleaning rags stuffed in the stocks of numerous personal weapons, leaving the impression that weapons cleaning was a part of the individual soldier's routine.

Troops were observed close-up. Some, according to appearance and what they said, were as young as thirteen years of age. In response to a staff question, an FDN officer stated that individuals that young were not allowed to join the force unless accompanied by an older relative such as a father or brother. There were a number of young women in the group who were carrying the same weapons, equipment, and packs as the men. Most soldiers appeared to be in their late teens or early twenties, but given staff inexperience in judging the ages of Central American campesinos, the average age could well be higher.

There were two older men who serve as armorers for the group, and they were observed at work cleaning, repairing, and cannibalizing weapons for parts. There was a large pile—perhaps several hundred or more—of unserviceable weapons, largely Spanish copies of the West German G-3 assault rifle, plus assorted AKs, some U.S. Army M-1s, and at least one U.S. Army M-14. Staff was told that the G-3 has not proven serviceable under field conditions, and other sources confirmed that the Spanish copy wears out quickly because of the heavier powder load of the standard NATO round.

The visiting staff was then given an operations briefing at the command headquarters. Staff was shown a detailed operational map, with plots of Sandinista order-of-battle information, and overlays of current contra operations and locations. Other sources confirm the overall accuracy of the information presented to the staff.

Current operations inside Nicaragua, according to information given in the abovementioned briefing, are being conducted by 6000 soldiers of the Jorge Salazar Task Forces I, II, and III who have been inside Nicaragua for over a year, plus 3500 members of at least five other task forces that have succeeded in reinfiltrating into Nicaragua in recent weeks. These 3500 soldiers are on their way toward ten well-defined objectives, which were indicated on the situation map.

One of the task forces, according to the briefing, has met with such substantial Sandinista opposition that it has taken an alternative route toward its objective; another has been unable to push through a Sandinista blocking force on the way to its objective, and fighting was going on there. Another had nearly reached its objective, according to the briefing. Staff was also told of a recent attack (unconfirmed by other sources) on a government-owned tobacco warehouse in the northwestern part of Nicaragua in which the contra forces succeeded in destroying a large quantity of tobacco.

SSCI staff were told that headquarters staff positions are not occupied permanently by the same officers, but are rotated among individuals who are back from the field, some of them recovering from wounds. Among the staff section chiefs was "Mike Lima," who lost an arm in the fighting.

Refugees, according to statements made at the Field Headquarters, are extensive in the area. Unconfirmed statements were that approximately 40,000 refugees are currently in the vicinity of the headquarters and that 18,000 of these had followed the contras out of Nicaragua when they withdrew this past year for lack of supplies.

Military training center

During the past six months, according to information given the staff by the FDN Commander and confirmed by other sources, the contras have constructed a training center at which several military courses are taught. This was accomplished during the time when supplies were in short supply and troops had to be withdrawn from Honduras. The SSCI staff visited this facility, which goes by the acronym "CIM." It is constructed on three terrain levels, and there was evidence of proper attention to perimeter defensive needs, such as a comprehensive system of trenches and foxholes appropriately sited to protect the facility.

The camp is well-appointed with various training aids and devices, including a rappelling tower about 40 feet high, which staff saw demonstrated, a small arms range, an obstacle course, what appeared to be hand grenade pits, plus a drill field. There are some wooden buildings with the same construction as at the HQ, housing a communications section, a training library, a chaplain, and a training headquarters. The director of the CIM is known as "Commandante Mack," and he told the staff that he had been a sergeant in the Guardia Nacional before the revolution. He stated that he had received training at Lancera, the Columbian Jungle Warfare School.

Courses of instruction offered at the CIM, according to briefings and course materials obtained by staff, include what might be termed "Basic Officer Training," consisting of 250 hours of instruction in 5 weeks; "NCO Training," consisting of 300 hours in 6 weeks; "Basic Infantry Training," consisting of 200 hours in 4 weeks; and "Artillery Training," meaning all indirect fire weapons, taught in 200 hours over 4 weeks.

Troops in training at the center, staff was told, numbered approximately 900 men and women, and consisted of both experienced and new recruits. Staff was able to observe perhaps 500-600 troops there. Other troops were engaged in small arms training being conducted at a nearby range. Trainees were for the most part clad in uniforms consisting of very heavy, olive drab fatigues, and all the men had their hair cropped short. Staff observed them engaged in physical training, which they were told was the prescribed course of instruction for a Saturday. Staff was told, and had confirmed from other sources, that this was the second group of trainees, and that this group was in its second week of instruction. The first training session had resulted in the graduation of 1200 soldiers.

Staff observed a bulletin board with UNO declarations posted, including the listing of UNO objectives. There were also a dozen or so sets of "orders" posted, listing court martials conducted against contra troops for specific violations of articles of war.

Staff observed evidence of close-order drill practice among the 500-600 troops who assembled on the drill field. Upon command, for example, troops executed "open ranks" across a front of perhaps fifty individuals. NCOs and officers were clearly in charge of the trainees, and there was proper military courtesy (coming to attention and saluting) as appropriate. Altogether, the impression at the CIM was one of order, planning, and appropriate training.

Field hospital

The staff then visited a nearby field hospital, which consisted of one permanent structure and several tents. There was one person there identified as the doctor, plus several nurses. The hospital has one operating room and perhaps three dozen beds. In his briefing, the man identified as the doctor stated that people treated there include both combatants and civilians. The civilian patients include both dependents of contra troops and locals. There was one infant at the facility and a young boy of perhaps six who had an eye injury. Several patients were being administered intravenous dextrose solution. Most of the combat wounds, according to the doctor there, were in the extremities; he said that those wounded in the chest or abdomen did not often survive to reach the hospital. He also stated that there were surprisingly few post-op infections, although he could not offer any explanation for this situation.

Logistics center and hospital

Staff members then visited the primary logistics center for the contras. The main impression there was of both organization and great need. The warehouses were well-organized, with supplies stacked or palletized and prepared for airdrop. The most evident need was for aircraft. There was at this location a DC-6 configured for cargo. It was in evident need of repair; one tire was so bad that it could not fly until a spare was obtained. A DC-3 was at the center, but confirmed information was that it had not been able to fly in a year. Other unserviceable aircraft, including two OV-2 push-pulls, were in evidence, as was one small twin-engine Beechcraft Queen Air which belongs to the UNO.

The runway at this facility is rock-surfaced and not suitable for extensive operations. The contras have four parachute riggers here and would require about thirty if resupply were to be attempted deep into Nicaragua to a substantial number of troops. Staff judgment based upon visiting this facility is that heavy aerial delivery capability is presently non-existent. This would have to be an area of prime attention if significant additional aid were to reach the contras.

The Hospital here is larger and better equipped than the previously-mentioned field facility, but it is still primitive by U.S. standards. There are two medical doctors here, one of whom stated that he had served with the Sandinistas during the revolution and had continued to serve with them until about three years ago. At that time, he stated, he raised objection to the Russian military advisors coming in and claiming to be medical personnel. He was accused of having a "counterrevolutionary attitude" and was told he would need re-education. He fled to the United States, he said, and then returned to work for the contras. He stated that he was a urologist by training.

Many of the humanitarian medical supplies furnished by the United States under the present program are stored here at this hospital, stacked under tents. On the shelves of the pharmacy are supplies of bandages, ointments, and antibiotics (outdated ampicillin), plus a large supply of Tylenol capsules. There was no way of determining which of these supplies were furnished through the present humanitarian assistance program and which had been acquired from other sources. There were perhaps a dozen beds at this facility, which has recent-

ly acquired an x-ray machine as part of the humanitarian aid program. The machine had just arrived and was not operational. As at the field hospital, the doctors here stated that soldiers with wounds other than in the extremities did not usually survive the trip out of Nicaragua to get to this point. There was also a fear that the Sandinistas might decide to take out this facility, which they could certainly do with their MI-24s.

PHOTOGRAPHS

Staff members took photographs of the facilities they visited and will make these a part of the record and of the trip report.

CONCLUSIONS

The contributing staff members do not take a position in this report as to the desirability of U.S. assistance to the contras and do not present this topic as one for them to comment upon here. They are unanimous in stating, however, that decisions about the desirability of such assistance should be made with the best and latest information at hand. Overall observations, based upon what was seen while visiting the contras are that, first, it is a well-organized fighting force, and not a "rag-tag bunch of refugees sitting around in camps getting fat off of U.S. largesse," as portrayed in some accounts. Second, the military appearance of the contras, and all of the outward signs that were observable by the visiting staff, indicate a clear understanding of the task at hand and motivation required to fight the Sandinistas. Military objectives were well-defined, reasonable, and presented in logical fashion. Third, there is an obvious need for continued external assistance if the contras are going to present a continuing significant military challenge to the Sandinistas. There is both lethal and non-lethal material in existence, but if the quantities indicated on the inventory reports are accurate, it will not last more than a few months. Fourth, at every facility visited there was a sense of order and organization that belies the press reports of chaos among the contras.

Finally, it should be pointed out that no Congressional delegation—staff or Member-led—has ever been to all of the areas visited by the SSCI group, according to information given the visiting staff members.

ROUGHING IT WITH THE FREEDOM FIGHTERS: CONTRA FOR A DAY

(By Fred Barnes)

On the Nicaraguan Border

Getting there was not half the fun. Think of the most arduous, sweaty, and uncomfortable hiking trip you've taken. Getting to the northern border of Nicaragua, where I spent a weekend with the contras at two of their camps, is worse. Exactly how I got there I can't say. I'm sworn to secrecy. But let me give you some of the flavor. My companion and I had to ford five streams. Yes, we had a four-wheel vehicle, but it didn't take the bumps in what passed for roads too smoothly. Some bumps were so bad I hit my head on the roof. It's the dry season and the roads were serpentine dust bowls. Practically everyone we encountered was armed, contras and civilians, which is normal for a war zone but still unnerving. The most memorable part of the trip occurred when an iguana darted across the road. My companion slammed on the brakes, grabbed his .22 pistol, and rushed toward some brush on the side of the road. He fired two shots. But he came back empty-handed. Too bad, he said. Fried iguana is supposed to be a great delicacy.

I had to settle for standard contra food. It wasn't too bad if you like rice, beans, and mystery meat for breakfast, lunch, and dinner. I ate hearty. The coffee wasn't hot enough, but it was sweet and strong. And the chow was better than the overnight accommodations at a training camp 15 miles inside Nicaragua. I was told to bring a sleeping bag, heavy boots, water, bug spray, malaria pills, flashlight, toilet paper. I needed all of them. My bed in the Hospedaje Visita, the place for visitors, consisted of a plywood slab on legs. I've slept better. I took my flashlight and toilet paper with me on a late-evening foray to the outhouse. It was supposedly the top-notch outhouse, for officers only. I gave it a quick inspection, aiming my light into the hole in the ground. The eyes of half a dozen rats glistened.

But on a more serious note: Why would thousands of men and boys gather along this remote, mountainous northern border of Nicaragua to fight the Sandinistas? It's not the money. They don't get any. I talked to scores of contras over three days, and got basically two answers. Most of the officers have ideological reasons. They hate communism. Or they love democracy. Or they worked for the old Somoza regime, which automatically made them outcasts, and often jailbirds, in Nicaragua under the Sandinistas. Or they worked for the Sandinistas, and soured on them. What's significant is that they have political reasons for being in the hills.

The common soldiers, the grunts, answer quite differently. Politics is meaningless to them, ideology even less so. They have specific grievances against the Sandinistas. Land was taken. Money confiscated. A relative killed or jailed. A religious sect persecuted. Or, most common of all, conscription in the Sandinista army was imminent.

Two ideas died quickly after I got to Contraland. One was that the contras are merely a ragtag outfit. Their uniforms aren't uniform, and the basic training for recruits is inadequate. But the contras have established themselves, at least in northern Nicaragua where I was. From a helicopter you can see contra camps stretching for miles and miles, clusters of huts with green plastic wrap for roofs. The most impressive installation is the training camp, carved in three plateaus on the side of a mountain—officers on the peak, troops halfway down, clinic and mess at the foot. It looks permanent. There are plenty of nonlethal supplies at the camps. The problem is supplying troops deep in Nicaragua. The contras can't hold positions against fancy Sandinista weaponry, let alone maintain supply lines.

The second idea was that the contras, and in this case the largest contra group, the Nicaraguan Democratic Force (FDN), is an army of Somocistas. Far from it. There are a number of former members of Somoza's National Guard in the officer corps, including FDN chief Enrique Bermudez. But the foot soldiers are exactly the stoical peasant fighters that 1960s radical fantasized about in other contexts. Mostly they are young, a few not even in their teens. I was told the average age of a contras was 19 or 20. When I saw 930 of them assembled at the training camp, I figured 19 was on the high side. The camp commander, Comandante Mack, contended that the soldiers represent a third generation. There were Somocistas, then Sandinistas, now "a new generation of Nicaraguans."

Desperate for good publicity, contra officers suggested people for me to interview. I decided to pass up most of these interviews and to question solders at random. Most were inarticulate in the extreme, muttering short answers in Spanish. I found an 18-year-old at the dental clinic, where a paramedic with three months' training was about to pull a cavity-infested tooth. The soldier's name was Lionel, and he did farm work before joining up. He said he wants "to see a free country." Was that all? Well, the Sandinistas had drafted him, and he deserted after 15 days. "I didn't like the way they treated me," he said. "Only the volunteers get training. They just send the rest of us to fight." It took about a minute to pull his tooth. There was a crunching noise, and the tooth fell in the dirt by his foot. By the way, there was Novocain for the extraction, but the camp hospital lacks aspirin. There are plenty of Tylenol capsules, though, the kind that have been removed from the shelves in the United States.

Lionel was typical. Soldier after soldier told me he fled to the contras when faced with being drafted into the Sandinista army. A 14-year-old boy from Esteli in northern Nicaragua who identified himself as Mario Jose—like every contra, he adopted a military alias—said "the Sandinistas were going to take me. I don't like communism." A 10-year-old from San Juan with the alias Marvin had the same story. He said the Sandinistas were now grabbing kids as young as 12, something other teenage contras claimed as well. None of the teenagers could explain to my satisfaction why serving with the contras was preferable to being in the Sandinista military. It just was, several said.

One under-age soldier I spotted in formation had a better excuse. He was named Jorge, and he said his father had brought him. With an officer's permission, he ran off and brought back his father, 40-year-old Miquel Agal, who said he had been a farmer in a hamlet in northern Nicaragua. He got into trouble with the Sandinistas for attending a Pentecostal Christian church. "They said I was a counter-revolutionary," he explained. "I'm a contra. I'm contra every people." After working in the contra underground, he left his wife and two daughters and joined the contra army. His 13-year-old son was killed in combat, he said. He and Jorge, 11, were taking basic training together.

Sensing my interest in father-son contras, an officer nick-named The Lung (he lost one lung when wounded in 1979 while, as a National Guardsman, fighting the Sandinistas, rustled up another pair, Edward Noel Araus, 35, and his son Edmund Rofino Araus, 15. The father said he had provoked the wrath of the Sandinistas by "building up some capital"—a cattle farm, a bus, a machine shop. When he was put under investigation, he fled, bringing along his son for fear the Sandinistas would draft him.

Frank, 28 year old, was one of the few blacks spotted. Like other blacks in Nicaragua, he's from the sparsely populated Atlantic Coast region. Frank said he was a designer of coral jewelry, which he made in Managua and sold around the country. A year ago, "I got in trouble with the Sandinistas. They searched me, found money, and said I'm a counterrevolutionary because I have too much money." After a week in jail, he headed for contra territory. Frank has a tattoo of a swastika on his arm. He was sheepish about it. "It's very bad, I know," he said. "But it don't mean nothing. I'm going to put an eagle over it."

Were all these contra lying? It's not inconceivable, but doubt it. If contra commanders can train scores of uneducated peasants to

tell nice stories to a journalist, they've created a more disciplined army than anyone guessed. If that were true, the contras would be a highly trained juggernaut. They aren't quite that. And more than virtually every army this side of the Khmer Rouge, the contras have gotten a bad press. Comandante Mack said American reporters "say they are with us. But when they get back, they write something different."

Mack is a veteran of the National Guard. He was trained in Argentina, I was told, and has been a contra "since day one." The training camp was built under his direction. I interviewed him in his small sleeping quarters, which double as a storeroom. Thirty-three cases of Coca-Cola were stacked next to his hammock. He is short, stocky, dapper and was listening to an American rock station on a shortwave radio when I walked in unannounced. Mack said what every contra commander I encountered said. The contras can win. With military aid from the United States, they can advance against the Sandinistas and hold positions. "From the first moment we get the aid and full support, the Sandinistas are going to start crumbling. It'll be an avalanche." Threatened, the Sandinistas will step up their repression, he said. This, in turn, will touch off "a general insurrection." The Sandinistas will "face a crisis by the end of the year," insisted Bermudez, the contra leader. Mack doesn't have a timetable.

These assurances didn't seem to spring from mere bravado. Comandante Invisible, the chief of intelligence, ran down a half-dozen reasons why the contras won't wind up like the Cuban exiles who landed at the Bay of Pigs in 1961, didn't touch off a national rebellion, and were defeated. Discontent, repression, devaluation of the currency, betrayal of democratic principles, persecution of the Catholic Church, inflation—all are products of Sandinista rule, Invisible said. Besides, the Cubans weren't confronted by "a consolidated armed force like we have. And the [anti-Castro] Cubans didn't have the support of the population that we have."

Invisible, 35 years old, got his nickname when he escaped from a Sandinista jail. He had been in the National Guard for two years when Somoza fell, and he planned to leave Nicaragua under Red Cross protection. Instead, he was turned over to the Sandinistas and imprisoned for four years. "The moment I got out, I headed for the contras," he said. As a Guardsman, he insisted, he never supported Somoza or any politician. "I belonged to a younger generation of officers who were trying to change the National Guard and get away from the past." He gave a Nuremberg defense. "I was a disciplined soldier. I followed orders." Now he has the most disciplined appearance of the contra comandantes. His hair is neatly combed, his fatigues immaculate.

I talked to two comandantes who said they had fought in the Sandinista army. Both later defected for political reasons. Jimmy Leo stayed for only a few months of Sandinista government. "I thought I was going to work for a democratic regime," he said. "We were betrayed. Whatever it takes, the Sandinistas have to be driven out." Comandante Johnson became a follower of Adolfo Robelo, the leader of a social democratic party and now one of the three leaders of the United Nicaraguan Opposition (UNO), the weak umbrella group for all the contra forces. The Robelo link got Johnson in trouble with the Sandinistas, who had installed him as head of a coffee distributing firm. He couldn't get a passport, so he left Nicaragua by foot in 1981. His wife and children went to Honduras. Three of his brothers stayed behind. Johnson said all three are officers in the Sandinista army.

Next to Bermudez, the most uncompromising of the comandantes I talked to was Dr. Aureliano, the chief surgeon combat unit. He was in Mexico studying medicine during the 1970s, he said, and wound up in California in 1981. His family stayed in San Francisco while he headed to the Nicaraguan border. His wife complained, but "nobody can tell me anything. I am an enemy of communism, 100 percent." The doctor went with Adolfo Calero, one of the UNO troika, to Angola last year for a summit of anticommunist guerrillas sponsored by New York businessman and politician Lewis Lehrman. He sneaked into Managua in 1983, and barely escaped. His brother, who runs a hospital, was thrown in jail as a reprisal, he said. Word was passed through their sister recently that the brother would be released if Aureliano abandons the contras. His response: forget it. "Many commanders have died at the hands of the Sandinistas. If my brother dies, he'll be just like those commanders."

Bermudez, who, like Sandinista honcho Daniel Ortega, wears designer sunglasses, has more enemies than just the Sandinistas. He was Somoza's military attaché in Washington in the late 1970s, but understandably plays that down now. In his office, a wooden shanty decorated with a bathing-beauty calendar and a U.S. Marine Corps desk set, he railed against the press and human rights groups. The stories of continuing atrocities by his troops are untrue, he said. To prove it, he presented a commander named Tigrillo, who he said was blamed in a recent report for murder. The man was in the hospital at the time, Bermudez contended. Anyway, it's not up to him to combat false stories of human rights abuses. "I'm totally involved in military problems," he said. "The only source of information we have here are the radio, Voice of America, and Radio Sandino." UNO should handle human rights issues, he suggested. Its leaders "live in Miami, in Washington, in Central America. They read the magazines. They know the accusations. We don't have any organizational capacity to mount a propaganda campaign. We can't put out a booklet on Sandinista human rights abuses. But all anyone has to do is interview Nicaraguans at the refugee camps." Journalists refuse to do that, he said.

I didn't interview any refugees either. The best I could do in three days was form a few impressions. I couldn't investigate human rights cases or determine whether the contras are indeed too tightly controlled by Bermudez and friends. If the hierarchy needs a dose of base-broadening, the junior officers and the rank and file don't. The thousands of young men (and some women) who have flocked to the contras in the last two years have already given the anti-Sandinista army a democratic face. Many of the younger commanders are victims of the Nicaraguan version of McCarthyism, pilloried as Somocistas because of brief service in the National Guard, which was Nicaragua's only military force under Somoza.

Two final impressions. The contras are in this for the duration. They convinced me of this. Many of the officers have given up comfortable exile in Florida or California or Honduras to live in a squalid war zone. With or without American aid, they'll fight the Sandinistas. "We're not going to make the mistake the Cubans did, which was to rely too much on U.S. support," a contra told me. "When that support vanished, they gave up. We won't."

No matter what President Reagan says, the contras are not fighting for a seat at the negotiating table. Who is going to put his life on the line for that? They don't trust the Sandinistas to follow through on whatever they might agree to anyway. Not one of the comandantes whom I spoke to mentioned anything about negotiations with the Sandinistas over power-sharing, lifting of censorship, or a new election. To a man, they spoke of defeating the Sandinistas in a military and civilian uprising in which the government of Nicaragua goes from communist to democratic in one swoop. Finally, I asked Invisible about negotiations. He said he strongly favored them. "The negotiations could go this way. If the nine Sandinista leaders leave, the others can stay. We fight for national reconciliation."

Just before I left, Bermudez got word that a Sandinista helicopter had been shot down. He was ecstatic. I was informed that the man responsible was Comandante Douglas, whom I'd met on the road, an hour from the camp. He was dressed in civilian clothes, with a pistol jammed under his belt. What he bagged the helicopter with, I don't know. I never heard a shot fired the whole weekend. Except when the iguana crossed the road.

[A discussion paper on the Nicaraguan Resistance]

FROM A PROXY FORCE TO A NATIONAL LIBERATION MOVEMENT

(By Bruce Cameron and Penn Kemble)

(The following paper is intended merely to stimulate discussion and debate among friends of the Nicaraguan democratic resistance. The views of the authors are tentative, and we welcome corrections, argument, and additional suggestions. This paper is not for circulation or quotation.)

Debate about U.S. assistance to the democratic resistance in Nicaragua has been cast as a debate between those who favor U.S. assistance to the armed opposition and those who believe we should seek an accommodation with the Sandinista regime. This debate has obscured and confused consideration of another set of critical problems: How should the U.S. provide the most effective military and political assistance to the insurgents, and what general strategy should guide our aid program? These questions will become more pressing during coming months, as controversy grows over whether the U.S. should provide direct military aid to the Nicaraguan insurgency. It is our hope that this debate will now move beyond the deadlocked ideological dispute over interventionism and isolationism, toward a discussion of how the United States might best contribute to building an effective and democratic opposition movement in Nicaragua.

When the Sandinistas imposed a state of emergency in Nicaragua last October and launched their sweeping assault on Nicaragua's independent labor, church, press and human rights organizations, they forced a fundamental change in the moral problem Nicaragua poses to the world's democracies. In Daniel Ortega's comments to the press during his October visit to the United Nations, and in the conduct of Sandinista leaders since, it has been clear that the Nicaraguan government is determined to crush its opponents by force—even at great cost to the Sandinistas' claims to represent libera-

tion and progress for the Nicaraguan people. This represents a stark challenge to those who support Nicaragua's democrats. We must either stand back while the Sandinista police and military machine (supplied and increasingly manned by Cuba and the Soviet bloc) eliminates our friends, or we must respond with increased assistance of our own. It is clear that unless the United States now provides the military assistance which, with some justice, it so far has withheld, the Sandinistas will in a devastating victory.

But the problem we face cannot be solved so simply. We have no moral justification for increasing our military aid to the insurgents unless there are reasonable grounds to believe that in the time they can succeed in forcing the Sandinistas to make good the democratic promise of the Nicaraguan Revolution. If the insurgents are defeated after we have begun giving them military assistance, we will pay a high political price. Unless the insurgency has the practical potential to succeed, our real choices are either to press the U.S. to do the job itself, or to move back toward an aid program that will make the dissolution of the Nicaraguan opposition and the consolidation of Sandinista authority as humane a process as it can possibly be. (This was the underlying purpose of the Barnes-Hamilton resolution that was narrowly defeated in the House of Representatives last June.)

The crucial issue for the coming round of debate on Central America is, then, will U.S. military assistance to the Nicaraguan insurgency give it a reasonable chance of success? And, if not, are there additional things the U.S. and others might do to create that possibility of success?

As it stands today, it seems unlikely that the resistance can achieve much against the Sandinistas even with substantial U.S. military assistance. But if military assistance is given and at the same time firm steps are taken to strengthen the social and political character of the resistance and to overcome its diplomatic isolation, its prospects will be greatly improved—and military assistance can be justified.

Some will be tempted to dismiss this proposition as another disruptive intrusion by political considerations into a matter which should be left to military experts. We would argue that so long as the U.S. is unwilling to intervene directly in the Nicaraguan civil war, military success depends heavily upon political factors: upon Nicaragua's internal political climate, upon the acceptance the insurgency gains from Nicaragua's neighbors, and upon the stance of key Latin American and Western European powers toward the conflict. Until the political balance shifts decisively against the Sandinistas, both within and outside Nicaragua, their military capabilities will enable them to withstand any challenge short of direct U.S. engagement.

POLITICAL LIMITATIONS AND MILITARY CONSEQUENCES

At present, the Nicaraguan resistance movement is a curious hybrid which combines three elements: (1) The first is the original U.S. proxy force (a creation which lacked a popular social base within the country, and had the limited purpose of harassing the Sandinistas, perhaps to create "bargaining chips"). (2) The second is a mass of Nicaraguan peasant recruits, who gathered around the "contras" in bitter reaction against the Sandinistas' policies in rural areas. (3) The third element is an assortment of disasffected figures from the leadership of the Nicaraguan revolution itself: men such as Arturo Cruz and Alfonso Robelo, who represent elements of Nicaragua's democratic middle class and intelligentsia.

This miscellany of social and political forces has proved far more effective and attractive than most observers expected. It continues to attract military recruits, and its standing has grown significantly in the eyes of many Latin American observers. But the bravery and accomplishments of the democratic resistance should blind no one to the fact that in its present condition it cannot, even with more and better weapons, contend effectively with the Sandinista fighting forces. This is a pivotal judgment, and it deserves the most thorough discussion. For brevity's sake we can here simply assert the reasons that have led us to it:

1. The rank-and-file troops of the insurgency come in disproportionate numbers from very poor rural backgrounds and often lack the skills and aptitudes for modern warfare, especially small unit guerilla warfare. They cannot do such things as read maps, repair and maintain mechanical equipment, keep to organized schedules or carry out complex tactical maneuvers. By comparison, the front-line Sandinista combat troops include larger numbers of urban and working class youth who, whatever their morale, are better prepared for the tasks they face.

2. The relatively low cultural level of the insurgent forces makes them especially unsuited to small unit guerilla operations. They need attentive leadership if they are to operate effectively. But the insurgents have not attracted adequate numbers of more educated and motivated junior commanders needed to lead these troops. The Sandinistas have many weaknesses of their own, but they have had time to turn a number of their young militants into effective field officers.

3. The lack of technical competency among the insurgents will make it difficult to introduce quantities of more modern weapons and communications into their effort. At a minimum, their troops will need substantial training.

4. The command structure of the FDN forces is still heavily influenced by figures from Nicaragua's old order. These leaders are not the brutes that some make them out to be, but they do not generate the enthusiasm and loyalty of which the insurgency is capable.

5 The "proxy force" mentality lingers on in the insurgents' leadership—a mentality that leads to caution, dependency and, perhaps, the unspoken expectation that sooner or later their U.S. patron will come in to do the job itself.

These difficulties in the internal composition of the insurgent movement reflect political problems that persist in the movement's relations with both the larger Nicaraguan society and with Nicaragua's neighbors.

1. Despite the quiet satisfaction many urban and middle class Nicaraguans take from the existence of an anti-Sandinista insurgency, they do not yet regard it as theirs. It is not so much that the U.S. supports the insurgency as it is that the insurgency is a creature of the U.S.

2. The insurgency has not sought close ties with democratic forces which remain on the "inside" in Nicaragua—on the contrary, some of its leaders have scornfully urged members of Nicaragua's civic opposition to "come out." This may have been understandable when the presence of opponents in Managua and other urban centers could be exploited as testimony to the Sandinistas' democratic pretensions. But since the state of emergency was declared these pretentions have grown very thin. The insurgency now need closer links to dissidents in the cities. The Sandinistas cannot be opposed successfully by a movement that operates only in the countryside; to be effective, the insurgency must develop an urban base.

3. Political conflicts among opponents of the Sandinista regime have brought armed opposition to a virtual stand-still on the Southern (Costa Rican) front. This permits the Sandinistas to concentrate their best forces against the FDN command on the Northern (Honduran) front, and gravely hinders the guerilla campaign.

4. The limited political appeal of the insurgency diminishes the movement's standing in the eyes of the people who are Nicaragua's neighbors, enabling neighboring governments to at times show a destructive opportunism toward the logistical and communications needs of the insurgents.

5. Some Latin American governments which are critical to the success of the insurgency—Venezuela, Colombia—still give political excuses for holding back their support, while some Western European democracies—Sweden, France—even provide economic assistance to the Sandinistas. But every reasonable effort must be made to overcome this both by the U.S. and by the insurgents themselves.

WHAT CAN BE DONE?

The Nicaraguan insurgents clearly need a major infusion of U.S. military assistance. But our arms and training will be useless unless the political and social character of the resistance is broadened and becomes stronger. It would be the most profound irresponsibility to train and equip guerilla fighters for a mission that is essentially futile. So long as their military operations rest upon so narrow a political base, the capacities of the insurgents will be gravely weakened.

In briefest outline, we believe that the political requirements for U.S. military assistance are:

1. Strengthen the Democratic Character of the Resistance.

Changes that could achieve this have been treated both by the Reagan Administration and key leaders of the insurgency as if their only value were their public relations usefulness here in the United States. We disagree. They are essential for military success in Nicaragua. Without such changes, the insurgency will never be truly Nicaraguan, nor will it be broadly popular. Nor, it needs hardly be said, will it win.

What, specifically, seems to be required is that:

A. UNO must exercise full and effective command over all military forces and political activities. Divisions among resistance groups should be replaced by a more organic unity.

B. A determined effort must begin at once to bring the political and military forces of the Southern Front into a close working relationship with UNO in all phases of its activities. A similar effort must be directed toward the popular leaders of Nicaragua's Indian and Creole communities.

C. The monitoring and enforcement of the conduct of resistance forces with respect to human rights must begin in earnest. So far this program, with President Reagan pledged to insist upon in his letter last June

to Congressman Dave McCurdy, has produced only the most modest beginnings.

D. The insurgency must develop a determined program of propaganda and recruitment aimed at potential middle class and working class supporters. It must become an all Nicaraguan movement, which draws upon the best qualities of all sectors of Nicaraguan society. It must overcome the danger of sociological isolation.

E. Although such efforts must keep clear of direct involvement with the insurgents, non-violent civic protest and dissent should be encouraged throughout Nicaragua.

2. Mount an International Political Offensive.

A. Both the insurgents themselves and the United States government need a clear, simple statement of the goals and strategies of this campaign. It is impossible to win serious allies and supporters to an effort which is so closely guarded and ambiguous.

B. The resistance greatly needs to improve its capacities for waging "the war of ideas." Response to Sandinista actions and statements is often slow and inept. Too often the U.S. government fills the breech. A stronger presence in Washington on the part of UNO's political leaders could be very helpful.

Sandinista repression has now shattered any remaining illusions that Nicaragua has been moving—in ways not understood by the ordinary observer—in a humane and progressive direction. If their present campaign of repression can be successfully resisted, the Sandinistas will soon find themselves more isolated and more vulnerable to diplomatic, economic and internal political pressures. The United States government, together with Nicaraguan democratic leaders and all other friends of democracy, must undertake a massive campaign of public diplomacy and education to cut off support for the Sandinistas and to win support for the resistance.

C. Democracy has grown stronger in Central and South America in the past year, and many of the region's democratic leaders show a clearer understanding of the Sandinistas' role in fomenting violence and subversion. Because of this, there is a growing possibility that substantial pressure can now be mounted through the Contadora process to push the Sandinistas toward democracy and negotiations. Our diplomacy should encourage a vigorous revival of the Contadora process, while adhering firmly to the conviction that peace and freedom will not be secure for the rest of Central America so long as the government of Nicaragua denies peace and freedom to its people.

D. There appears to be no organized "resistance support network" either in Central America or inside the United States. The Sandinistas have surely shown how helpful such networks can be. It seems likely that there are numbers of citizens who would like to be informed, write letters, pressure their Congressmen, etc. The "proxy war" mentality ignores such potential supporters such as these. Certainly more of an effort must be made by credible representatives of the resistance to reach and win the loyalty of citizens here in the United States. All this is equally true with respect to Central America.

E. We think it would be advisable to create a high level, bipartisan and broadly representative citizens' commission to act as a liason agency between the United States and Nicaragua's insurgents. There need to be many closer relationships between those active in the Nicaraguan resistance and the leaders of America's democratic movements and institutions: labor, business, the universities, civic organizations, etc. It would also be helpful to offset some of the spirit of partisan politics that weighs so heavily upon this effort. A blue ribbon Committee of Liaison could help keep the American public informed in an unbiased way, could offer leadership and assistance to resistance leaders (not just conditions and complaints), and could help a busy Congress and a strong-willed President shape more effective legislation and policy.

Paradoxical as it may seem, the kind of effort we envision would require greater, not less, U.S. involvement. But, in relative terms, our role would include more open political and diplomatic activity, and would not continue to be so much a matter of closeted logistical and tactical advice.

3. Give Substantial Military Assistance.

A Nicaraguan insurgency which is moving rapidly toward becoming a genuinely popular political alternative to the Sandinistas will be destroyed unless it has the weapons and the training to defend itself against the Sandinistas massive and growing military power, and has them soon.

It will need sophisticated anti-aircraft weapons, including missiles.

It will need the best quality intelligence.

It will need expert military training.

It will need an expert, dependable logistics operation, which must include a capability to resupply forces inside Nicaragua both by sea and air.

Many Americans understandably imagine that U.S. military aid to the insurgents will lead to a great increase in the numbers killed and wounded in Nicaragua's civil war. But the kind of assistance that the insurgents most need—training, communications, and anti-aircraft—could actually help limit the casualties among both military personnel and civilians. What the insurgents need is the capability to attack well-defined military targets, and to escape retaliation from the massive firepower of the Sandinista army. They also need to be able to protect their own bases, political structure, and educational operations from Sandinista attack. Resistance leaders do not believe that they can mount frontal military challenge to the Sandinistas—they agree that their hopes lie in the development of a more broad-based internal political opposition. When their need for our military assistance is placed in this context, it can win support from many in this country who may now be reluctant to grant it.

[From the Washington Times, Feb. 26, 1986]

TRYING TO DECODE REAGAN'S HUFF AND PUFF ON NICARAGUA

(By John Lofton)

Ronald Reagan is blowing it in Nicaragua.

The man who for years drew thunderous applause with his declaration that we should never again be in a war we are not trying to win, is now in a war he is not trying to win: our war with imperialistic, expansionist communism.

Mr. Reagan wants to give millions of dollars in military aid to the so-called "contras," the Nicaraguan freedom fighters. But he says he is not trying to defeat militarily those who are fighting these freedom fighters, the Communist Sandinistas who are terrorizing the Nicaraguan people and posing a serious threat to the national security of the United States. This policy makes no sense whatsoever. And it will fail, as did our immoral and catastrophic policy of incremental gradualism in Vietnam.

Any way you look at it, President Reagan's policy as regards Nicaragua is an incoherent mess. On his recent trip to Grenada, when asked if military force might be used in Nicaragua, since it worked in Grenada, Mr. Reagan said, with a grin and a little nod of his head: "No, we think it's an entirely different situation."

When pressed, and asked if this answer means that he's ruling out any U.S. force in Nicaragua, Mr. Reagan said, after a pause: "We've never had any plans for such a thing."

But, in his address to a mass rally of citizens of Grenada at Queen's Park, Mr. Reagan contradicted himself, noting: "Today in Nicaragua, we see a chain of events similar to what happened here. (Emphasis mine.) We hear the same excuses made for the Communists while the people of Nicaragua feel their freedom slowly but surely eaten away. . . . And that is why the United States must help those struggling for freedom in Nicaragua.

"In the cause of liberty, all free people are part of the same family. We should stand together as brothers and sisters, and if we do, the Nicaraguan people will be able to free themselves from Communist tyranny and win the liberty that you now enjoy in Grenada."

Meanwhile, back in the United States, on the same day Mr. Reagan was in Grenada, State Department spokesman Charles Redman was saying: "The United States has no intenton of seeking a military solution to the conflict in Nicaragua. Our assistance to the democratic resistance has been and will continue to be for the purpose of exerting pressure on the Sandinistas to come to the negotiating table."

Well, now. If there is a policy that's dumber, more quixotic, and historically more bankrupt than trying to get Communists to give up in negotiations what they have gained on the battlefield, I don't know what this policy might be.

Think about it, please, somebody.

The fatal flaw in the idea of forcing the Sandinistas to come to the negotiating table is the presupposition that whatever is agreed to during such a negotiation would be worth, at least, the paper any agreement would be printed on.

But would such an agreement be of any value? Not at all. The Communists, as President Reagan once observed, are liars, cheats, and murderers who will stop at nothing to implement their plan to take over the world. Lenin said treaties are like pie crusts—made to be broken. And Stalin said that the prospect of sincere diplomacy is about as likely as iron wood or dry water.

And consider the record of the Sandinista Communists in particular. They seized power militarily and promised a whole slew of democratic reforms, none of which have happened or ever will happen. Why? Because the Sandinistas are Communists! And Communists are not democratic!

Every day, every top administration official who deals with Communists ought to be made to write 1,000 times on a blackboard: Communists are liars! Communists are cheats! Communists are not democratic!

Got it? OK.

Seriously, what is it the administration thinks the Sandinistas think is negotiable? After all, these thugs are a group of Communist revolutionaries who shot their way into power. And, according to the State Department, the Sandinista Communists have 65,000 troops on active duty. Three percent of the country's population is under arms,

which is a ratio five times as high as that of Honduras and four times as high as that of Guatemala—a buildup State says is "unprovoked and far exceeds defensive needs."

Furthermore, the Sandinista Communists have thousands of Cubans fighting with and advising them; the Soviets have given them more than $500 million in military aid since 1981; and they get military assistance from Libya, Bulgaria, East Germany, the PLO, North Korea, Communist Vietnam, and Czechoslovakia.

Does anybody in his right mind really believe that the Sandinista Communists are going to negotiate any of this away? Not bloody likely! And if anybody does think this is likely he is willfully ignoring what the Sandinista Communists are saying. As Nicaragua's Foreign Minister Miguel D'Escoto made crystal clear in an interview in Barricada last month: "The danger is that they (the United States, us) may not have enough common sense to realize that the Sandinista people's revolution is an irreversible process."

But why don't Mr. Reagan and his administration have the common sense to realize this? Why can't Mr. Reagan just shut up and at least refuse to rule out the use of American military force to overthrow the Sandinista Communists if, as he has said repeatedly, they represent a threat to the security of our hemisphere? What's wrong with seeking a military solution, since this is the precise way the Sandinista Communists seized power? Why not fight fire with fire and the sooner the better? Those who are our "brothers and sisters" deserve no less.

IDENTIFY U.S. AIMS IN NICARAGUA

The Reagan administration's campaign is under way to pry $100 million from Congress to aid the "contra" rebels fighting Nicaragua's Sandinista government. In two weeks the Washington battle is expected to be joined, when the White House sends its formal aid request to Congress. Some $70 million is intended as resumed military aid, and the rest for nonlethal assistance, over 18 months.

Congress and the nation should look very carefully at the request. The most important question: What does the administration ultimately hope to accomplish by resuming military aid to the contras? The Reagan administration should be asked to articulate its aim clearly, and to defend it.

Is the goal to overthrow Nicaragua's Marxist government? To get it to share power with the contras or other non-Marxists? Or to prevent it from consolidating power and exporting revolution, by keeping Nicaragua's Army busy and its economy under heavy pressure?

Neither overthrow nor power-sharing would appear feasible in the short term. Keeping Nicaragua's government and military occupied would be a more attainable goal in the near future.

Past requests for aid to the contras have too often seemed primarily an effort to buy time, in hopes that the solution would become apparent later.

In this respect Washington's desire to restore military aid to the contras parallels this week's virtual administration confirmation of what had been assumed in Washington for weeks—that the United States is resuming military assistance to Jonas Savimbi's UNITA rebels in Angola. Here, too, exactly what the administration expects to achieve is not apparent. The prospect exists that increased U.S. aid to UNITA will be met, not by withdrawal of Cuban forces from Angola or any agreement to withdraw, but by stepped-up Cuban or Soviet assistance to the Marxist government.

The Savimbi financing is not subject to direct congressional review, since the money is being provided from existing CIA funds. The contra situation, however, is quite different.

Congress must approve the contra assistance before it can be dispensed, which gives senators and representatives the opportunity to examine administration plans and goals. This is an appropriate congressional function. Congress should consider the issue promptly as well as thoroughly; the longer it is unresolved, the closer a decision would come to November's congressional elections, with their potential for skewing the process.

The Sandinistas have lately made it clear they are no friends of the United States, however they may have started out. Yet what matters most is Nicaragua's behavior in the rest of the Western Hemisphere, not whether Washington approves of Managua's brand of government.

Congress should carefully examine Nicaragua's actions, and the Reagan administration's plans and their feasibility, before making its decision.

SPAIN: NEWEST PLAYER ON THE NICARAGUAN SCENE

(By Hewson Ryan)

The international media have given little attention to a new participant on the Central American scene, a participant that might give a more positive cast to this most frustrating of inter-American problems. With little fanfare but considerable energy, Spain appears to be seeking a catalytic role in the Nicaraguan situation.

Following his attendance at the inauguration of Guatemalan President Marco Vinicio Cerezo Arévalo, Spanish Foreign Minister Francisco Fernández-Ordóñez visited Nicaragua and Costa Rica, where he held sessions with Nicaraguans of all political persuasions.

In all of these meetings he is said to have stressed Spain's support for dialogue. In Managua he met with President Daniel Ortega Saavedra and other officials of the Sandinista government, the Constituent Assembly, and those who chose not to participate in last year's election. He also met with high officials of the Roman Catholic Church.

In San José he received a delegation of three principal figures of the civilian group that supports the "contras": Arturo Cruz, Adolfo Calero, and Alfonso Robelo. They formally requested Spain's help in seeking accommodation between Nicaragua's warring factions. In his statements he asserted that Spain had no particular solution in mind but that its role was to facilitate dialogue among the parties. He emphasized his government's support of the Contadora initiative of Mexico, Venezuela, Colombia, and Panama and recent complementary initiatives through which Argentina, Uruguay, Brazil, and Peru and the five Central American nations associate themselves with Contadora.

This move toward fostering dialogue . . . could mark the beginning of a move toward the management, if not the solution, of the intractable problems of this unhappy area.

Fernández-Ordóñez's visits in Central America are apparently the culmination of a series of Spanish initiatives on the Nicaraguan issue carried out very discreetly by Spain's active ambassador in Nicaragua, Luis Cuervo. He has been sponsoring a series of meetings between Sandinista officials and opposition leaders still in place in Nicaragua. That the civilian side of the contra movment has also been involved in this initiative is evidenced by the carefully worded and extensive document on the political plans of the contra movement presented to Fernández-Ordóñez's in San José by the three leaders already mentioned.

As further evidences that this is not just a flash in the pan, among the minister's formal activities in San José was the signing of an agreement with the Costa Rican government for the establishment of a radio relay station near San José to rebroadcast to Central America the Voice of Spain's international service. This transmitter, which will go into service later this year, will be the first Spanish government radio relay in the Americas; it would seem to indicate an affirmation of Spain's intention to play a more activist role in the area.

The motivation for this move is not quickly evident. Central America has never been of particular concern to governments in Madrid, even in the colonial period. Nor does the region offer any special economic or commercial incentive.

Prime Minister Felipe González, when he was active in the Socialist International some years ago, visited the area; he had given verbal support to the Sandinistas early on. But, as with many of his European socialist colleagues, this support has not been very much in evidence recently. His first foreign minister, Fernando Morán López, made no secret of his pro-Sandinista leanings, but he was replaced early last fall by the much more moderate and centrist Fernández-Ordóñez. Nevertheless, there is a residual feeling of sympathy for Sandinismo among the more militant in the Socialist Party.

Another possible motive might be a need to distract attention from other major foreign policy issues. Political difficulties over Spain's relationship with NATO and severe economic problems resulting from its entry into the European Common Market loom very large on the González agenda. The nebulous prospect of a diplomatic breakthrough in Central America would hardly seem justification for such an initiative. But this possibility cannot be dismissed out of hand.

A third possible motive, the "madre patria" or "motherland" syndrome, likewise seems weak. Franco's "Hispanidad" campaign to bring the nations of Spanish America together under Spanish leadership through exploitation of cultural and language ties never engendered enthusiasm in Spain; except for vistis to the area by charismatic King Juan Carlos, there has been little evidence of strong ties between Spain and its former colonies.

Most likely it is a mix of all three of these motives with an admixture of Spanish Don Quixote-like idealism—"to dream the impossible dream," as said by the protagonist of "Man of La Mancha.

Whatever the motives, this move toward fostering dialogue should not be deprecated. It could mark the beginning of a move toward the management, if not the solution, of the intractable problems of this unhappy area.

(Hewson A. Ryan is Murrow professor of public diplomacy at the Fletcher School of Law and Diplomacy.)

[From the Washington Post, Feb. 20, 1986]

CONTRA AID DRIVE OFF TO ROCKY START

(By Lou Cannon)

The Reagan administration's efforts to win approval of a $100 million military and economic aid package for anti-Sandinista rebels was off to a rocky start yesterday, in part because of a Central Intelligence Agency document about a Nicaraguan "disinformation" campaign that caused confusion among the legislators it was designed to impress.

President Reagan has seen more than 60 members of Congress in two days in an effort to persuade them to support the package, but a White House senior official said yesterday that the private reaction of leaders had been "silence at best."

Senate Majority Leader Robert J. Dole (R-Kan.) said the administration had "a lot of work to do" to get the package passed and added that, "until the American people have a better understanding of this issue, it's going to be fairly difficult for many members of Congress to support it."

In another development, Oscar Arias Sanchez, president-elect of Costa Rica, who has been praised by Reagan administration officials, said he opposes military aid to the rebels, or contras, fighting Nicaragua's government.

"If I were Mr. Reagan, I would give that money to Guatemala, El Salvador, Honduras and Costa Rica for economic aid and not military aid to the contras," Arias said in a taped television interview on "John McLaughlin: One on One." "I don't think with that aid he is going to obtain what he wants."

But the biggest problem for the administration yesterday came not from Capitol Hill nor Costa Rica but from its own ranks. White House spokesman Larry Speakes declined for a second consecutive day to make the classified report about Nicaragua disinformation public, and some officials said the document had clouded the renewed effort to obtain aid for the contras.

Some administration officials and lawmakers were privately critical of the tactics used by William J. Casey, the director of central intelligence, whom they said unwittingly had diverted attention from the aid request and toward the administration's tactics.

As recounted by participants, Casey showed up at a White House briefing Tuesday and passed out classified reports in brown wrappers on the "Sandinista Disinformation and Public Manipulation Plan."

The reports detailed an elaborate and sophisticated Nicaraguan plan to manipulate Congress and U.S. public opinion in favor of the Sandinistas and against the rebels. Among the elements of the plan was a Nicaraguan proposal to encourage network coverage of the Nicaraguan coffee harvest, an event that had already been depicted on NBC.

The report also said that U.S. church groups and such organizations as the Washington Office on Latin America would be used to widely publicize human rights violations committed by the rebels.

The Washington Office on Latin America yesterday issued a report, endorsed by three congressmen, that cited 139 cases of attacks against Nicaraguan civilians, 118 of which were committed by the contras and 21 by members of the Nicaraguan armed forces. A similar report recently was issued by Amnesty International and promptly denounced by Speakes.

But a report the same day from the National Endowment for the Preservation of Liberty, based on interviews with Nicaraguan refugees, painted a graphic portrait of Sandinista abuses, including "indiscriminate shelling of villages" and torture and killing of civilians.

A congressman familiar with both reports said that legislators of both parties were unlikely to be swayed by "propaganda" from either side. A senior White House official who briefed reporters on Reagan's trip today to Grenada acknowledged that the administration had put out "a half-story" on Nicaragua and expressed hope that a declassified version of the report will soon be made available.

In his trip to Grenada to commemorate the October 1983 invasion that he considers to be one of the foreign policy highlights of his administration, Reagan intends to draw a parallel between what happened on Grenada before the U.S. intervention and the situation in Nicaragua.

"You can see in Grenada the hijacking of a country by a small, dedicated, ruthless, violent band of communists and you can see that is what happened to the Nicaraguan revolution," the official said.

THE KIND OF ASSISTANCE NICARAGUA DOESN'T NEED

(By Julie Heegaard)

President Reagan has asked Congress for $100 million to continue the contra war against Nicaragua. There is one very good and simple reason why Congress should deny that request: It is policy doomed to failure.

The administration's reliance on the contras is inappropriate and ineffective. It does not promote the legitimate goals of U.S. foreign policy in Central America, nor does it alleviate the concerns of Americans. In fact, the current approach accentuates the problems, increasing instability and making the possibilities for peace in the region more remote.

There are two legitimate goals for U.S. policy in Central America: the protection of U.S. security interests and the promotion of democracy, pluralism and human rights.

The contras do not protect our security interests. U.S. concerns in this area would be best alleviated by regional, verifiable agreements with clear-cut consequences for violations of those agreements. The contras do nothing to limit the size of the armies and arsenals in the region, nor do they help to control the number of East Bloc and Cuban advisers in Nicaragua. In fact, current U.S. policy is in great part responsible for a major military buildup in Central America, which is potentially much more threatening to U.S. interests than anything the Sandinistas are capable of doing.

The contras do nothing to promote democracy. The best way to do that is to back truly democratic organizations and individuals who respect human rights and liberties, and can serve as examples to others.

But as Edgar Chamorro, a former director of the largest contra organization, made clear in his recent visit to Minneapolis, those who are in charge of this operation are former Somocistas who have little interest in human rights or democracy. Democratically oriented anti-Sandinistas such as Arturo Cruz and Alfonso Robelo have been used simply as wrapping on a package: They hide the ugliness that is inside; they make the contra war more attractive to Congress. But what they are helping sell is an undisciplined group of criminals who use terrorist techniques to wreak havoc on the peasant population of Nicaragua. What kind of examples for democracy are they?

Reagan, in his blind crusade against communism, tells us we must stand up for our democratic principles against the evil Sandinistas. He claims that if we don't show our strength to the world now, we will soon be fighting the Soviets at our doorstep. But when the most powerful country in the world tries to bully a tiny, powerless country like Nicaragua into submission, it does not show that we are strong. And Nicaragua, which has just rediscovered national pride, will never submit to such humiliating tactics.

No matter how much aid the contras receive, they will remain a weak and ineffective military force. The Sandinistas know that. If we continue to insist that the Nicaragua government cry "uncle," direct U.S. military involvement will be inevitable.

But this would lead only to prolonged and bloody conflict. If the United States overthrew them, the Sandinistas would simply flee to the hills and take up arms. Even those in Nicaragua who oppose the current leadership would not welcome a U.S. invasion. The attitude within the country toward the U.S. military is, in general, very negative. Nicaragua is not another Grenada.

In addition, there would be a tremendous backlash in the United States, similar to that which occurred during the Vietnam years. Already more than 70,000 people have signed a pledge saying they would protest such an invasion. Many have promised to engage in acts of civil disobedience. It has taken years for the American people to regain the sense of unity and pride in this country that was lost during Vietnam. An invasion of Nicaragua would reopen wounds that have just begun to heal.

The only way to avoid such a disaster is for the United States to become a serious participant in a political solution. Some 85 percent of the countries in Latin American now back the Contadora negotiations. But the United States, with the help of the contras, has continually undermined that process. For a political solution to be possible, the contra war must stop.

Many members of Congress, including Sen. Dave Durenberger, R-Minn., know this is true. They know the contras do nothing to enhance U.S. security or democracy in the region. They know we are heading toward another Vietnam.

But Reagan has been bullying them as well. His campaign to make those who oppose him look "weak on communism" has made it politically threatening to deny the aid request. The right-wing lobby in Washington has left Congress cowering in fear.

Many will take one step away from the administration and vote for some "humanitarian aid." But this approach still allows Reagan to pursue his contra war and avoid serious negotiations. When that policy has led to disaster for the United States, Americans will hold those Congress members responsible.

Durenberger could avoid this. He has the support in Minnesota and the respect in Congress to be able to take a strong stand against the contras and in favor of a negotiated solution.

It would require courage to take the lead in this, but, five years from now when people look back and realize the insanity of the current approach, they would not see him as the man who was "weak on communism." Instead, he would be viewed as the one who stood up for decmoracy and helped

save the United States from disgrace and dishonor.

(Julie Heegaard is director of Minnesotans for Peace in Central America, Minneapolis.)

TODAY MANAGUA, TOMORROW SAN DIEGO

(By Patrick J. Buchanan)

WASHINGTON.—Whether Central America follows Southeast Asia, Afghanistan and Angola as the next appendage of the Soviet empire is a question to which the Democratic Party in Congress now holds the answer.

The president's position is clear, and so is Moscow's. To the routinized liberal piety, "This conflict does not lend itself to a military solution," Moscow responded in 1985 with $350 million in tanks, armored vehicles and helicopter gunships. Daniel Ortega and Fidel Castro are going for "a military solution."

Denied U.S. weapons, the Nicaraguan democratic resistance is bleeding badly. Bedrolls and bandages are inadequate substitutes for surface-to-air missiles in combating the same Hind helicopters that have made a slaughterhouse of Afghanistan.

Emerging from Nicaragua with 1,200 dead and wounded, one contra commander bitterly echoed President Reagan: We will not go back to fight and die for freedom unless America—the sometime Arsenal of Democracy—gives us the weapons to fight and win.

The strategic issue is a simple one: Who wants Central America more—the West or the Warsaw Pact? Castro, who has sent in 3,500 combat advisers to keep Nicaragua Communist, or the United States, which restricts to 55 the number of advisers it sends to keep El Salvador free?

With military aid, the resistance could immediately field 25,000 volunteers. Without it, Nicaragua's freedom fighters will fall beneath Soviet gunships just as the Hungarian freedom fighters fell before Soviet tanks. In 1956 we argued that Hungary was on the doorstep of the Soviet Union; to rescue Budapest was to risk war. What is the excuse now?

About the character of the Sandinista regime, doubt no longer remains. Even the "useful idiots" of Lenin's depiction—the liberated nuns and Marxist Maryknolls, the journalistic camp followers and tenured professors anxious to wow the coeds with how they picked coffee beans for the revolution—seem defensive. The censored press, the bogus "People's Church," the obliteration of Indian culture, the mob assaults on priests, the schools given over to class hatred, the smashed unions, the secret police, the neighborhood "block committees" of informants, the harassment, exile and murder of dissidents—all the unmistakable hallmarks of the modern fascism that travels under the passport of Marxist socialism are now apparent.

Nicaragua aims to become a second Cuba, a privileged sanctuary for the export of revolution on the mainland of North America. As Cuba is base for bombers patrolling off Norfolk and Charleston, so Nicaragua would soon play host to Bear bombers patrolling off San Diego and Seattle.

Guerrilla wars would be ignited anew in Guatemala—and instigated in Costa Rica and Honduras. While the Central American middle class could fly to Miami, for the 20 million poor the only way out would be the long trek north to the United States. And as Castro seeded the Mariel boatlift with psychotics and rapists and murderers, so Ortega and Borge would surely guarantee that the flood tide of desperate refugees fleeing north contained a flotsam of spies, saboteurs and terrorists.

The Iranian, PLO Libyan and Red Brigade elements turning up in Managua have not arrived to help with the banana harvest. As Moammar Khadafy exulted: We support the Sandinistas "because they are fighting America at its doorstep."

During Vietnam, the mocking taunt of the antiwar movement was, "Are you saying that if we don't stop the Viet Cong here, they'll be in San Diego?" Well, if Central America goes the way of Nicaragua, they *will* be in San Diego.

Having voted to abandon Southeast Asia to Hanoi and Moscow, the Democratic Party would not likely survive the ceding of Central America to the Warsaw Pact. But the political demise of the San Francisco Democrats would be small consolation for an America that could, before the century's close, find its Rapid Deployment Force stretched out along the Rio Grande.

Two decades ago, the Democratic Party began its withdrawal from the great Western coalition to contain Communist expansion, which it once led. It voted, first, to scuttle Southeast Asia, then, with the Clark amendment, not to interfere with the Soviet conquest of Angola. By cutting arms shipments to Nicaragua's freedom fighters, by tying the president's hands with the Boland amendment, the national Democratic Party has now become, with Moscow, a guarantor of the Brezhnev doctrine in Central America.

Whose side are you on? That was Dean Rusk's pointed question. With the vote on contra aid, the Democratic Party will reveal whether it stands with Ronald Reagan and the resistance—or with Daniel Ortega and the Communists. The time for debate has expired.

(Patrick J. Buchanan is White House communications director.)

LIMITS OF AMERICAN INTERVENTIONISM

(By Henry S. Bienen)

PRINCETON, NJ.—A new interventionist spirit is abroad in the United States. It has seized conservatives who want to intervene to support Jonas Savimbi's forces in Angola, the contras in Nicaragua and "freedom fighters" in Afghanistan. But is has also emerged among liberals and centrists who are pushing for sanctions against South Africa and oppose U.S. support for repressive regimes. It is a dangerous tendency, and one that may in the end involve us in places we don't want to be.

The Reagan administration has encouraged this attitude among conservatives and liberals alike, opening a pandora's box of demands that the United States act as arbiter of politics and factional struggle in a host of countries, most recently and prominently in the Philippines. It all bagan in 1980, when candidate Reagan campaigned against what he saw as failures arising from the "Vietnam syndrome"—among them, an American lack of strength and will in Angola, the Horn of Africa, Nicaragua and Iran.

Among the first things he did in office was institute a policy of "constructive engagement" designed to prevent a vacuum from forming in South Africa, where the Soviet Union might project its influence. By the time he began a second term, he claimed to have restored U.S. military strength and political influence and set out to exploit the Soviet Union's own regional difficulties around the world.

It did not take long for liberals to follow his cue, suggesting that the United States should feel free to abandon and even overturn repressive and illegitimate dictatorships. The clarion calls for the removal of Presidents Jean Claude Duvalier in Haiti and Ferdinand Marcos in the Philippines were made in the name of human rights. Other liberal interventionists spoke of the need to protect American long-term interests through good relations with the people of these countries.

Both arguments got a good hearing among the centrist bureaucrats who make foreign policy. Such people are all too aware of the dangers of large-scale instability—the hemorrhaging capital, mounting debts and growing dissidence—that arise when dictators overstay. For these policyholders, the lessons of Iran are to look at alternatives to ineffective leaders earlier in the game and to anticipate widespread opposition.

What is wrong with this impulse? The United States cannot avoid making decisions that affect the prospects of the Marcoses, Duvaliers, Zias, Mobutus and Bothas. Nor should we flinch from using our political influence or our military and economic aid to further our own interests.

We must, however, beware of any intervention in places where the prospects for instability are great even after the removal of the dictator.

The interventionist language we hear so much of these days should be disturbing to those who understand the limits of American power. Senators who said that the Marcos government had "lost the confidence of the United States" and arrogated to themselves the power to decide who should be inaugurated in Manila echoed a questionable U.S. imperial past. Filipino opponents of Marcos may take pleasure in such words now, but one day they will undoubtedly be used against the United States by its enemies in the Philippines.

Then there is the question of consistency. There are many governments that are corrupt and repressive. Electoral fraud was widespread in the Philippines but present also in recent gubernatorial and municipal elections in Mexico. The electoral process has been structured to favor incumbents or their surrogates in many countries with which the United States has close relations—Pakistan, South Korea and Taiwan, for example. In many others, such as Nigeria, military leaders have replaced elected regimes. How then should the United States decide where to intervene?

The answer is that when a leader's strength fails, as occcurred in Haiti and the Philippines, we should act to protect our long-term interests. We need not feel constrained to act, when we can be effective. We must, however, give careful consideration to the depth and scope of our intervention—and to the amount of publicity it receives. How much, for example, are we willing to spend now in Haiti and the Philippines? How far are we willing to go to influence the way both countries are governed? What will we do if it turns out that no one can stabilize the Philippines?

There are places where we will not want to be engaged. And even in countries, such as the Philippines, with which we have had long, close ties, our ability to encourage democracy will be limited. Filipinos should want it that way. American policymakers who have a sense of the limits to American resources, abilities, commitment and attention span might want it that way also.

Perhaps Ronald Reagan has been too successful in restoring the United States' sense of its own power.

(Henry S. Bienen is director of the Center of International Studies at Princeton University.)

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100 DONATE BLOOD IN CONTRAS PROTEST

(By Jim George)

About 100 people opposed to U.S. Sen. Dave Durenberger's support of rebel activity in Nicaragua filed through his Minneapolis office Monday on their way to donate their blood in protest of the fighting taking place in that Central American country.

The protesters registered about 10 a.m. in the Minnesota Republican senator's office to give blood and then were bused to the Minneapolis Blood Center to make their donations.

Mel Duncan, an organizer of the demonstration, said the donated blood won't actually be sent to Nicaragua but will be used in Minnesota.

Ducan said the blood donation was more of a symbolic act to protest what he described as the support Durenberger and others in the U.S. government are giving to the bloody and terroristic activity of Nicaragua's so-called insurgent forces, the contras.

He said a more practical form of aid will be raising money from concerned citizens to send blood bags and blood collection materials to Nicaragua.

The equipment will be sent directly to the Nicaraguan Red Cross for use in combat areas, Duncan said, where blood collection materials are in such short supply that body-to-body transfusions are commonplace.

Durenberger on Monday disputed the claims that he supports war in Central America.

"It is premature to characterize my position on this issue, other than to say I am diligently searching for a way to use a positive U.S. role to end the conflicts in Central America which have brought suffering and economic dislocation to millions of people who have already suffered too long," Durenberger said in a statement.

A team of two doctors, a hematologist and five nurses who have worked in Nicaragua registered the blood donors in Durenberger's office, Duncan said.

One donor, Connie Converse, a mother of three, said she came down from Brainerd to donate her blood and leave a message of her opposition to Durenberger's support of the contras.

"Our blood may be going down there only symbolically," she said, "but it is important to make a statement to the Senator that the bloodshed there has to stop."

Each of the blood donors made a statement onto a tape recording that was left for Durenberger.

The protesters claim Durenberger has been a leading advocate of contra aid.

Mr. SASSER. Mr. President, I yield 3 minutes to the distinguished Senator from Connecticut.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. DODD. I thank my colleague for yielding. I will be very brief. I will reserve to a later point remarks that go to the substance, the very foundation, of the particular issue before us.

I want to commend my colleague from Tennessee and others who have worked with him and to tell him and others that I intend to support the Sasser substitute.

As many in this Chamber know, this is a substantial movement for this particular Senator. I have long objected to the old notion that somehow this policy could ever achieve the stated results of its supporters. I have deep concerns about various aspects of the Sasser proposal.

But as our colleague from Washington, Senator EVANS, pointed out in what I thought were some of the finest remarks I have heard in this debate in the last several days, there is an absolute necessity for consensus. Consensus cannot be imposed; it must be sought.

For those of us, all of us in this Chamber, who have differing views on how this matter ought to be resolved, I think it is incumbent upon us as individuals to seek that consensus where possible, so that we build the broadest possible base, so that we may, in fact, have a foreign policy that is sustainable.

I do not know if anyone has figured out exactly what ought to be done. Each of us may have our own particular proposals and propositions. But where possible, even where not perfect or pure in our own mind, it seems to me we ought to try and rally behind those proposals and give them a chance.

I think the Senator from Tennessee, Senator SASSER, has done just that with his proposal. It calls for resumption where possible of bilateral talks. It gives this institution, the Senate, the Congress of the United States, an opportunity to come back and consider once again this proposal at a later date.

Those are the very minimal requests that would allow this program to go forward no matter how questionable I and others may find it.

I supported the proposition of the distinguished Senator from Massachusetts this morning. That is where my true sentiments lie.

I would hope that we would take advantage of this proposal. I believe there is an opportunity to build some consensus around this proposal being offered by the Senator from Tennessee. I urge its adoption.

The PRESIDING OFFICER. The Senator's time has expired. Who yields time?

Mr. LUGAR. I yield 2 minutes to the Senator from Connecticut.

Mr. WEICKER. I rise to oppose the amendment of the Senator from Tennessee and will also oppose the amendment of the majority leader and Senator LUGAR.

To paraphrase the saying, "A rose by any other name" as it applies to the $100 million request: A meadow muffin by any other name remains just that.

The issue is not whether the aid level should be $100 million, or $75 million, or $50 million. It is not whether it is military or humanitarian. It is not whether you are going to give the money next month, next week, or tomorrow. It is not whether there is going to be a congressional veto. The issue is very clear cut.

The issue is disease, the issue is poverty, the issue is ignorance, the issue is homelessness. It is all those elements that are the textbook conditions for communism entering any part of this world. Now we have it on our back doorstep because of the neglect of the United States over decades and over many administrations.

This issue does not apply just to Nicaragua. It applies throughout Central America and South America. The time has come to devise a policy, an activist policy, whereby we do not have communism in our hemisphere.

Some might argue, that is going to be expensive. I counter that with the example that within 3 days, between this $100 million and the $20 million for Honduras, we have spent $120 million. That is what is at issue. I suggest to my colleagues that it will be far less expensive to eliminate those causes which brought communism into our hemisphere. That will be a small price to pay rather than the bottomless pit down which the money goes. Next the lives of Central Americans will go, and finally our own direct involvement will come about.

So make no mistake about it, Mr. President. Mr. KENNEDY's amendment, which was rejected this morning, is the one that should have prevailed. We should not be in this at all in a military sense. In a constructive way, yes; militarily, no.

The PRESIDING OFFICER. Who yields time?

Mr. PELL. Mr. President, in behalf of the Senator from Tennessee, I yield 3 minutes to the Senator from Ohio [Mr. GLENN].

Mr. GLENN. Mr. President, I am not wholly satisfied with the Sasser substitute, and I suspect many of my colleagues are not. However, it is clear to me that the Senate will pass something today, either the administration's proposal or the Sasser substitute. Of those two the Sasser substitute is, in my view, the preferable option. Last year I opposed humanitarian aid to the Contras and I am still troubled by the provision of the Sasser proposal which continues the Humanitarian Aid Program. However, in the Sasser approach, humanitarian aid is contingent on a cease-fire and the resumption of bilateral United States-Nicaraguan negotiations with a bipartisan negotiating team. In other words, while we are giving this aid to the Contras, they will not be fighting. Further, the Sasser proposal adds accountability provisions which will ensure that our aid is used for, and only for, nonmilitary, nonlethal supplies.

I have long contended that the United States should give our full backing and support, and not just lip-service, to the Contadora process. If bilateral negotiations between the United States and Nicaragua might help to get the ball rolling, then let's start talking. The Sasser amendment mandates such negotiations as a precondition for the continuation of the Contra aid program. I have long wrestled with the problem of how Congress can induce the administration to do what they have so far been unwilling to do, and that is to make a good-faith effort to seek a negotiated settlement of our differences with Nicaragua. As an attempt to solve this problem, the Sasser proposal mandates that the negotiating team be bipartisan. While this may still not be enough to overcome the administration's intent to seek a military, rather than a diplomatic, solution, it, nonetheless, offers the best chance of realizing that goal of any proposal put forward to date.

Finally, unlike the administration's proposal, the Sasser approach ensures that the efforts of the administration to achieve a negotiated solution will be examined again by the legislative branch by requiring that any further aid must be approved by the affirmative vote of both Houses of Congress.

Mr. President, it has long been my position that we should not start down the road to a long, costly, and bloody war in Nicaragua. At an absolute minimum, I believe we should fully exhaust all chances for a negotiated settlement. The Sasser approach offers the best available opportunity to see that the diplomatic option becomes the centerpiece of our policy, not just a sideshow. Hence, despite my reservations about continuing the Humanitarian Aid Program, I will support the Sasser substitute as the only realistic option the Senate has had presented to it in opposition to the administration's misguided policy.

There is one final issue I want to address today. I do not believe it was brought up heretofore, and I am truly sorry that it has become necessary to do so. Within the past 3 weeks, the administration has chosen to introduce an ugly element into this debate—an element that has no more place in this country now than it did in decades past. I'm talking about red-baiting—and the administration's shameful suggestion that anyone who does not support Contra aid is either a stooge for the Communists or in sympathy with their cause. On March 5, the White House Communications Director was either asked or was allowed to write that "with the vote on Contra aid, the Democratic Party will reveal whether it stands with Ronald Reagan and the resistance—or Daniel Oretga and the Communists." And on March 6—just 1 day later—the President himself was asked if the choice was between him and the Communists. He replied—and I quote—"It's what the choice comes down to, whether it is knowingly or not."

Well, Mr. President, that is not what the choice comes down to. Like many Members of this body, I have fought for America, first in World War II and later in Korea. That does not make me different from a lot of people. No one is more anti-Communist than I, and no one has been more willing to risk his life in defense of this Nation. And I can tell you I deeply resent the administration's recent sickening display of neo-McCarthyism on the Nicaraguan issue.

The President is not a dictator, he is not a king, he does not even have as much power as most prime ministers in this world. He is simply the President of the United States, endowed by our blessed Constitution with the powers and authority of government.

It is time this administration learned that dissent is not disloyalty, and that those who disagree with them are not handmaidens of the Communist conspiracy. I resent having my motives challenged and my patriotism impugned just because I differed with this administration over the size of the defense budget or with the wisdom of our involvement in Nicaragua's civil war. The Democratic Party is not the enemy; we are the loyal opposition. It is long past time that the Reagan White House recognized the difference.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. GLENN. I ask for 1 more minute.

Mr. SASSER. Mr. President, I say to my friend from Ohio we simply have no time. I have to reserve 2 minutes at the end. I regret I do not have more time.

Mr. President, we reserve the remainder of our time.

Mr. LEVIN. Mr. President, I support Senator SASSER's substitute and oppose the President's request for military aid to the Contras. After careful consideration of the issues, and close examination of the arguments, it is my judgment that the President's requested aid would be, in the final analysis, detrimental to the interests of the United States.

I am a Senator willing to support true humanitarian aid. Last June, I voted for an amendment offered by Senator BIDEN that prohibited military or paramilitary aid to the Contras, but would have provided controlled and conditioned humanitarian aid. Unfortunately, that amendment, which was intended to help move all sides to a negotiated settlement, was defeated.

There is a distinction between true humanitarian aid and the type of aid the administration is talking about. There is a tradition and history of true humanitarian aid in war. But, air defense missiles and tactical training of combatants in radio communications, intelligence gathering and utilization, and small-unit tactics do not qualify.

That type of aid is not humanitarian, and every nation in the world knows it. That is why I supported Senator KENNEDY's amendment: It is abundantly clear that the aid the administration intends to deliver is not true humanitarian aid.

I am deeply concerned about the direction and tone this debate has taken in recent days. In Congress, it is our duty, our sworn oath, to defend and protect the interests of the United States. I do that with pride and total conviction. Each of us does. We all have the same goal and purpose: to do what is best for the United States.

Our judgment on how to achieve that may differ, but one thing does not—our unswerving determination to vote our convictions, and vote what we judge is best for the United States.

It is wrong to state that in this legislative battle we do not have the same goal.

There is only one goal: serving the national interests of the United States.

We all agree that the United States has clear and undeniable interests in the region. It is in our national interest to make sure that Nicaragua does not export its revolution, and does not further supply and support the rebels fighting El Salvador or other countries in the region. It is in our clear national interest to ensure that no Soviet bases or strategic weapons are located in the region. It is in our national interest to work toward the successful demilitarization and democratization of Central America.

The question before us is how best to achieve these goals.

To fashion a wise policy, we should avail ourselves to the lessons of history. Communism is less likely to prevail in a society that is prospering, offering its people political and economic freedom and opportunity. Communism's best chance of success is where there is economic oppression and unfairness, where the people are denied justice.

It is in our interest, and the interest of all people who share this hemisphere with us, to do all we can to see that poverty, disease, ignorance, illiteracy, and social and economic injustice is eradicated. It is in our national interest, and the interest of human justice, to work toward a region secure and stable, prosperous and at peace.

But, further military aid to the Contras is not the way to achieve this. There is much evidence supporting this conclusion.

First, our friends and allies, particularly those in Central America, are opposed to this aid.

On February 10, 1986, the foreign ministers of the Contadora group and the foreign ministers of the Group of Support came to Washington to urge the United States to support the new initiative proposed in Carabelleda, Venezuela, and not fund the Contras. It would be wise policy to listen to our allies in the region, and work with them. They, too, have an undeniable stake in this. It is an approach that should be given genuine support, and given a true chance to succeed.

Oscar Arias Sanchez, President-elect of Costa Rica, opposes military aid to the Contras. He said last month, "If I were Mr. Reagan, I would give that money to Guatemala, El Salvador, Honduras, and Costa Rica for economic aid and not military aid to the Contras."

Second, U.S. military assistance to the Contras helps bolster the Sandinista's internal support. We should be sensitive to the ramifications of our actions. I am afraid we are handing the Sandinista government a propaganda weapon for further repression.

The Sandinista government is facing economic and political crisis, and is—justifiably—losing internal support. Yet, U.S. policy is providing them a rallying cry. As long as they continue to be threatened militarily, they can try to—and are succeeding to—shift the blame. By being on a war footing, they justify the curtailment of civil liberties and freedoms, and rationalize their economy's poor performance, and further consolidate their authoritarian regime.

Third, I fear that U.S. aid supports human rights abuses.

The Contras are guilty of documented human rights abuses and atrocities. In spite of repeated promises and announcements of reforms and codes of conduct, the abuses continue. The Contras are not the moral equivalent of our Founding Fathers. Further U.S. identification with such atrocities further hurts our image, moral standing, and effectiveness in the region and throughout the world.

Aid to the Contras is being justified on grounds that it will provide the Sandinistas with the incentive to negotiate. Yet, the truth is, there have been any number of lost, missed, and rejected opportunities to negotiate. What the administration really means by negotiation is for the Sandinistas to be replaced, not reformed.

The administration's intention is clear.

Fourth, the administration's demands of the Sandinistas, as presented thus far, cannot succeed. The administration demands that the Sandinistas unilaterally reverse their military buildup and send its foreign advisers home, prior to negotiations and not linked to negotiations. Yet, at the same time, Congress addresses this request to continue funding the Contras.

Unfortunately, Nicaragua is using the events of history to argue and try to persuade its people that the United States is preparing to invade. It is sad and painful to acknowledge that the United States has a history of insensitive heavy-handedness toward Nicaragua—as well as other countries in the region—and we have invaded and occupied before. The Nicaraguans argue that they are justified to distrust us. A wise United States policy would be to recognize this, and try to deal with the fact that much of the appeal of the Sandinistas in Nicaragua—whatever little there may be left—is Nicaraguan nationalism. It is a point of national pride, and a measure of Nicaraguan patriotism, to oppose Yankee domination. This product of history demands that our policy recognize this, and take this into account.

Fifth, it must be noted that this aid as proposed will not be effective, and will not accomplish the goals the administration seeks.

After 5 years, and tens of millions of dollars of U.S. aid, the Contras have not succeeded, nor even made much progress. The administration's analogies to the Philippines are not accurate. If anything, such comparisons argue against the administration's case. In the Philippines, a dictator was overthrown because of overwhelming popular opposition and in the face of overwhelming military superiority.

The Contras do not have that support.

The Contras as currently structured are flawed, for they are too often perceived to be a creation of the U.S. Government, rather than an indigenous uprising with broad-based popular support.

Sixth, this request for military aid is a violation of international law, our treaty obligations, and our domestic law.

In April 1984, the International Court of Justice [ICJ] ruled against the United States in proceedings brought before it by Nicaragua. It was ruled the covert war activities funded by the United States violated article 2(4) of the United Nations Charter, articles 18 and 20 of the OAS Charter, article 8 of the Convention on Rights and Duties of States, and customary international law.

In response, the United States moved to have the case dismissed. When the Court rejected that move, the United States declared it would no longer participate in proceedings before the ICJ on this matter.

Such aid, as proposed, also violates our treaty obligations.

The Charter of the Organization of American States, in articles 15, 16, and 17, states:

ARTICLE 15

No State or group of States has the right to intervene, directly or indirectly, for any reason whatever, in the internal or external affairs of any State. The foregoing principle prohibits not only armed force but also any other form of interference or attempted threat against the personality of the State or against its political, economic and cultural elements.

ARTICLE 16

No State may use or encourage the use of coercive measures of an economic or political character in order to force the sovereign will of any State and obtain from it advantages of any kind.

ARTICLE 17

The territory of a State is inviolable; it may not be the object, even temporarily, of military occupation or of other measures of force taken by another State, directly or indirectly, on any grounds whatever. No territorial acquisitions or special advantages obtained either by force or by other means or coercion shall be recognized.

And finally, such aid is inconsistent with domestic U.S. law under the Neutrality Act (18 USC § 960). The Neutrality Act prohibits initiating, organizing, or funding hostile expeditions launched from U.S. territory against a foreign country with which the United States is at peace.

Rejecting aid to the Contras is not the same as withdrawing from the region. It is an area of vital U.S. interests. But, there are alternatives.

Mr. President, a satisfactory military solution to the challenges in Central America is not possible. To Americanize a military effort will be counterproductive. A heightened militarization of the region, a military escalation, particularly if Americanized, will not facilitate, in the long run, the accomplishment of our national goals. Our long-term national interest is to see a stable and democratic Central America, free of oppressive governments, and at peace.

I have heard proponents of the President's proposal say on the Senate floor that they support the President's efforts to eradicate the Sandinistas. The statement has been made that "there is nothing to negotiate" with the Sandinistas, and that is why the President's proposal should be supported.

The parameters of the debate are clear.

None of us are naive. None of us have illusions about negotiating with dictatorships and Communist governments. None of us think that the Sandinistas can be taken at their word.

To negotiate, however, we need not trust our adversary. We need not agree with them. We need not like them.

But, we need not be funding a war against them, either.

In negotiations, nations do not give anything away. In negotiations, nations try to reach common ground of common interest. In negotations, nations seek to serve their own national interests, and can do so without being naive.

We negotiate with Communist adversaries. It is necessary to do so, to negotiate hard to achieve our national objectives without war.

An honest effort should be made to see if we can achieve our national goals through negotiations.

There have been insightful and prudent suggestions offered for negotiations. We should open bilateral negotiations, and we should work with the members of the Contadora group and the support group to facilitate the ongoing multilateral negotiations. We should seek a mutual cease-fire.

We should enter negotiations. We should hold fast to finding workable solutions to contain Nicaragua. We should understand, and make clear, that we will support our allies in the region. We should negotiate with the Sandinistas, as we do with the Soviet Union, making clear and unmistakable our interests and our determination to protect them.

Mr. MITCHELL. Mr. President, I rise in support of the Sasser amendment to Senate Joint Resolution 283, which would only make aid available to the Contras subject to several important conditions which best serve the U.S. interest. It is unfortunate that the administration so strongly opposes this amendment, for it represents the best alternative in a difficult, complex situation.

The United States has two distinct interests at stake in Central America.

First and foremost is the United States' own security interest. In a modern application of the Monroe Doctrine, our self-interest requires that we not permit the introduction of Soviet or otherwise hostile forces on the mainland of the American Continent. We also cannot tolerate the presence of hostile offensive weapons in the Americas, and we will not do so. On that point there is no disagreement.

Our second interest is to further the development of representative governments, democratic institutions, individual liberties, and pluralism in the Western Hemisphere. This interest also reflects the traditional Monroe Doctrine through which our Nation, from its earliest revolutionary period, stood firmly in support of movements for freedom and independence throughout Latin America.

The Sasser amendment recognizes both these traditional Monroe Doctrine applications. It sets clear, specific, and achievable policy goals with respect to Nicaragua. The administration's lack of clarity in its goals has contributed both to confusion of the debate, and more importantly, to the failure of our current actions to achieve results.

The United States has not clearly articulated its goals to date. Doing so will help us measure our movement toward them, and it will help us distinguish between those actions which serve our interests and those which do not.

The goals established by the Sasser amendment are fourfold. The first goes directly to the question of Soviet and other Communist-bloc military aid and presence in Nicaragua. The second concerns the export of revolution to Nicaragua's neighbors. The third addresses reforms by the Sandinista regime. And the fourth goes to strengthening the ability of regional nations to resolve regional problems.

Americans can agree on all these goals. They are realistic in terms of what can be achieved and they do not betray our ideals in terms of what should be sought. Most important, they are goals whose validity will endure well into the future.

We must not only forge a policy in this region which has bipartisan support. We must have a policy which can be sustained over time.

Individually, each goal consists of components that can be achieved.

The most immediate issue in the presence of Soviet and Communist-bloc personnel and military aid. The amendment sets as United States policy the reduction of that presence and military support, a clear ban on Soviet or Cuban—or other Communist-bloc—military bases in Nicaragua.

Measurable success for that policy will require not only a reduced level of military aid to Nicaragua from Soviet, Cuban, and other Communist-bloc sources, but also specific restraints on the type of equipment that may be introduced.

These goals are achievable. The question is how they may be best achieved, through diplomacy or through military force? That is the crux of this debate.

I believe diplomacy has not been adequately explored.

The pending amendment would establish a framework through which diplomacy could be fully explored before a resort to military force.

It would require bilateral negotiations between the United States and the Nicaraguan Government, with no precondition. If, under those conditions, the Sandinista government does not negotiate, the circumstances of its refusal will be crystal clear.

The amendment would provide for congressional observers to the negotiations, and a cease-fire, monitored by regional nations, prior to negotiations.

Again, if the Nicaraguan Government will not accept a cease-fire, the circumstances of its refusal will be clear.

The amendment does not wholly abandon the Contra forces, which now rely on U.S. aid. It continues nonlethal aid at the present level of $30 million.

It provides for a mandatory review of this policy and its progress within 6 months.

It specifically sets forth the prospect of further aid to be voted to the Contras if negotiations clearly are not moving.

It requires the pursuit of United States policy goals through direct negotiations between the United States and the Government of Nicaragua—the one party which can most directly accept or reject United States interests. It also clearly expressed the U.S. intention to retain all its options in the event that progress is not made.

This policy approach will uphold clear and real U.S. security interests, in direct and unambiguous terms.

Such a change in approach is needed because past policy approaches have failed. We have, over the past 6 years, moved from cutting off economic assistance to the Sandinista government to having the CIA mine Nicaraguan harbors, to initial covert support for the Contras, to a trade embargo, and humanitarian aid.

Now we are asked again for direct military aid. But if one thing is clear, it is that $70 or $100 million will not win the Contras' war for them. It will not win regional stability for us.

The President's aid request is not enough to achieve the goal the President wants. The President is not asking—yet—for the degree of American involvement that might secure his goal. And it is precisely that level of involvement, which would require direct American military intervention, which we want to avoid.

The Sasser amendment stands in contrast to the failed policies of the past 6 years.

Our past policy has steadily escalated conflict in Central America. Administration rhetoric has created the impression of a momentum toward the complete overthrow by military force of the Sandinista government. But the administration has not been prepared to ask for the resources to do so.

If the administration's intent is to eliminate hostile Communist outposts in Central America, $100 million is inadequate.

The result is a stumbling toward a wider conflict and a deeper United States involvement which serves nobody's interests; neither the people of Nicaragua, the rebels fighting their present government, nor the United States.

Instead, an outcome of this confused policy has been to intensify the militarization of Nicaragua by the Sandinista government; to push them closer into the orbit of Soviet assistance; and to provide a convenient excuse to curtail the basic human liberties of the Nicaraguan people.

Attention has thus been deflected from the Sandinistas' own shortcomings and their increased isolation from Western World opinion—and directed instead to U.S. support of the Contras.

The Sandinistas' domestic position has been strengthened, rather than weakened.

We have now spent hundreds of millions of dollars, as well as 6 years, in an effort to oppose the Sandinista government by military means. We have pursued a buildup of military facilities in Honduras. We have engaged in land and naval military exercises in the region. And we have extended military and humanitarian aid to the Contras.

Today, we are told that only American money is necessary, not American troops. But, predictably enough, we have also been warned that American military advisers probably will be needed to train Contra troops in Honduras. That's the way it happens. First, American money. Then, American advisers. Then, inevitably, American troops.

None of our allies support our policy, especially the democratic nations of Central and South America, who risk the most from an escalating conflict. They see resulting from it the grim specter of wider war, something their desperately poor people neither want nor can afford.

The policy set forth by this amendment supports the Contadora process, and returns the United States to negotiations with the Government of Nicaragua.

The policy of first resort to military force rather than negotiations has not worked. An additional $100 million will not make it work.

The alternative of negotiations and the involvement of the interested Central American nations—Mexico, Venezuela, Colombia, and Panama—makes much more sense. The amendment contains clear deadlines and policy goals that make its success measurable.

Direct negotiations and the Contadora process uphold the promise of international law and international cooperation. Only such international cooperation can ensure the vitality of the Monroe Doctrine.

As an outpost for Soviet-inspired adventurism, the Sandinista regime poses a threat to regional security.

The Sandinistas must take steps toward demilitarization and internal democratic reform.

This amendment seeks to blend continued pressure with concrete inducements for the Sandinistas to negotiate their differences with us directly. It preserves all our options, and it strengthens the legitimate claims of Nicaragua's closest neighbors for regional reconciliation.

It is the best alternative crafted to guide our actions in Central America, in ways that serve the interests of the United States and the entire hemisphere. It deserves our support.

Mr. EAGLETON. Mr. President, last year, President Reagan stated:

> My administration is determined to pursue political, not military solutions in Central America . . . and to secure democracy and lasting peace through rational dialogue and regional negotiations. We do not seek the military overthrow of the Sandinista government or to put in its place a government based on supporters of the old Somoza regime.

I agree with the President's stated policy.

I emphasize the word "stated" because there is a huge difference between what the President says about "political solutions" and "rational dialog" and what the President in fact does. In fact and action, the President's policy is exclusively a policy of military overthrow of the Sandinista regime.

I am not convinced, based on the administration's track record to date, that the President has lived up to his spoken word. But I am cautiously willing to provide the administration a new opportunity to achieve its stated policy of a peaceful negotiated settlement.

Of all the arguments the administration has made on behalf of the additional aid to the Contras, the only one which has any semblance of merit, in my view, is that the Contras keep pressure on the Sandinistas for internal political change. No doubt the Contras constitute a continuing and heavy nuisance to the Sandinistas.

I have no illusions about the Sandinista government. It is a harsh, repressive, Marxist, dictatorial Soviet client. Commandante Ortega's sheer political stupidity—last year in the form of a heaven-sent trip to Moscow and this year in the form of an incursion across the Honduran border—has certainly made things easier for the administration. Daniel Ortega is a thug—and an incredibly stupid one at that. But, at the same time, I harbor no illusions about the so-called freedom fighters. Despite their recent reorganization, their military leadership remains comprised for the most part of former members of Somoza's national Guard, another bunch of thugs. As some would cast it, it's "our thus versus their thugs."

I have opposed military aid to the Contras in the past because it is in my view a blind alley. The Contras lack the support of the people of Nicaragua and militarily, they simply are not equipped to march into Managua, even if the President were to obtain the full amount of military aid he seeks today.

The Sasser substitute buys time—and that is about all it does. I fervently hope it buys sufficient time for the United States to develop a real policy which puts its efforts behind a political settlement in Nicaragua.

This may well be the last chance for a political settlement, fragile as that chance may be. If negotiations fail, the administration's proxy war will inevitably escalate. This year's $100 million will lead to next year's $150 million or more. Soon it will dawn on the President that the Contras—the army that can't shoot straight—need some first-class training—training that only the good old U.S.A. can provide. The training, it will be argued, must, for practical purposes, delivered in or close to the field of operation. Soon trainers will become advisors. Then, it will dawn on someone that the only way to oust the Sandinistas from Managua is for some U.S. support forces to be used. Then, after support forces it becomes ground forces.

And all the time the United States is escalating its input into the Contra war, the Sandinistas will be getting enhanced aid and weaponry from Cuba and the U.S.S.R. matching weapon by weapon what we supply—with possibly a great deal more to boot.

Will the region be more secure? No. Will the Sandinistas become more pluralistic and amenable to democracy? No. Are the risks of direct American involvement greater? Yes.

Thus, traveling the Contras road in Nicaragua is traveling a road to a bottomless pit. It is a road to no promising end. It is a road fraught with ever-escalating risks and dangers.

Mr. LUGAR. Mr. President, I yield myself 12 minutes. The Sasser amendment is an important amendment. The debate has been an excellent one in which Members on both sides have spoken, I think cogently and fervently, about general issues that face us today in addition to the specific amendment offered by the distinguished Senator from Tennessee. Let me speak directly now to that amendment because that is the vote that we shall be having in a very few minutes. It is important to address the essential items that divide us on this issue.

First, the distinguished Senator from Tennessee, in his amendment, has stated goals for our foreign policy which I suspect all of us share. Clearly, we are talking about the task of attempting to reduce the Soviet-Cuban presence in Nicaragua and to prevent the establishment of bases in that country by the Soviet bloc.

We hope to end the export of revolution by Nicaragua to its neighbors. This is one of the elements of foreign policy the Senator has stated.

We hope to open up the political system in Nicaragua to legitimate opposition. We hope to support the Contadora process. So far so good.

Of course the proof of the pudding is in the elements that are suggested to bring these improvements about. The first difference we have comes in the thought that the United States "will"—and that is the language used—the United States will begin serious bilateral negotiations with the Government of Nicaragua—without requiring as a precondition negotia-

tions between the Government of Nicaragua and the forces opposed to that government—provided that before the United States begins such negotiation, the cease fire be monitored by the Contadora countries and the Contadora support group countries.

Mr. President, I ask unanimous consent that there be printed a fact sheet entitled "U.S. Efforts To Negotiate a Peaceful Settlement in Central America."

There being no objection, the fact sheet was ordered to be printed in the RECORD, as follows:

FACT SHEET: U.S. EFFORTS TO NEGOTIATE A PEACEFUL SETTLEMENT IN CENTRAL AMERICA

A negotiated settlement in Central America that protects our national interests is a principal objective of U.S. policy. Nicaragua has consistently avoided serious negotiations.

In September 1980 and again in January 1981, the Carter Administration warned of a cutoff of aid if the Sandinistas did not stop support to the Salvadoran guerrillas.

In August 1981 and April 1982, we proposed improved relations in exchange for Nicaragua ending support for the Salvadoran guerrillas. Nicaragua rejected the first and evaded a direct response to the second.

In October 1982, we joined in a multilateral demarche (the Declaration of San Jose) to Nicaragua. The Sandinistas refused even to receive the proposal.

We have supported the Contadora process. We have given Nicaragua an incentive to negotiate by making clear that we would respect a Contadora agreement. Since June 1985, Nicaragua has refused to negotiate. It rejects the September 1985 Contadora draft and insists on a prior accommodation with the U.S.

From June-December 1985, we held nine rounds of bilateral talks with Nicaragua. Nicaragua refused to consider national reconciliation and rejected a U.S. proposal of bilateral security assurances.

We proposed bilateral assurances of the sort that Nicaragua has sought in a non-aggression pact in exchange for changes to the September 1984 Contadora draft that we and the other Central Americans consider essential to a balanced and workable agreement.

Currently, we are pledged to renew bilateral talks simultaneously with the initiation of Sandinista talks with the Nicaraguan democratic resistance.

We support the March 1985 (reaffirmed in January 1986) proposal of the United Nicaraguan Opposition (UNO) for a church-mediated dialogue.

We support the February 7 proposal of six Nicaraguan opposition political parties for a cease-fire, lifting of the state of emergency, and new elections.

We are willing to respond positively—outside the context of a negotiated treaty—to any meaningful change in Nicaraguan behavior.

SUMMARY

We have made repeated and sustained efforts to obtain a negotiated settlement. These efforts preceded our support of the Nicaraguan resistance. They have continued to the present, long after our support for the resistance began. Nicaragua has either rejected or sidestepped meaningful negotiations. At Manzanillo, Mexico, we offered Nicaragua bilateral assurances of non-aggression in order to get an acceptable Contadora agreement. Nicaragua refused, revealing a hostility to Contadora that has since become public. It is worth noting that the Manzanillo talks began shortly after the U.S. Congress cut off all assistance to the Nicaraguan armed opposition.

Even now, however, Nicaragua has available to it a diplomatic exit from the dilemma created by its own actions. We are pledged to respond positively to any meaningful change in Sandinista behavior. We are also pledged to renew bilateral talks in support of a Contadora agreement simultaneously with a Sandinista dialogue with UNO and the civic opposition. There are reasonable proposals on the table that, accepted by the Sandinistas, would lead to a cessation of hostilities as a first step. It is up to the Sandinistas to demonstrate that they genuinely want peace.

United States efforts to negotiate a political settlement with Nicaragua have been a consistent element of our policy to protect our national interests in Central America.

We have sought to achieve a negotiated settlement through three different means: bilateral talks in 1981 and 1982; multilateral talks, through the San Jose inititative and, subsequently, through the Contadora process. We held nine rounds of bilateral talks at Manzanillo, Mexico, in an attempt to get a Contadora agreement; and an internal dialogue in Nicaragua between the Sandinistas and both the armed and civic opposition.

BILATERAL INITATIVES

In August 1981, the United States proposed a five-point plan for improved relations. It was designed to meet Nicaragua's expressed fear of a U.S. invasion and desire that Nicaraguan exile groups in the United States be tightly controlled. The U.S. proposal, based on an end to Sandinista support for guerrilla groups, called for both sides to make public declarations of nonintervention in Central America; a U.S. statement on the enforcement of U.S. law pertaining to exile group activities; an end to the Nicaraguan military buildup; reestablishment of U.S. economic assistance; and expansion of cultural ties. The Sandinistas rejected this proposal as "sterile" in October 1981.

At the urging of Mexico, a second, expanded proposal was made in April 1982. This proposal made clear that a halt to Sandinista support for subversion was the sine qua non for achieving results on the other elements of the proposal. In response Nicaragua sought refuge in procedure, demanding that talks take place at a higher level and that Mexico be drawn into the exchanges. The exchanges petered out inconclusively in mid-summer 1982.

MULTILATERAL APPROACHES

San Jose.—In October 1982, three months before Contadora's inception, the United States and seven other democratic states of the region sought to engage Nicaragua in a multilateral diplomatic dialogue. But the Sandinistas declined to receive the Costa Rican Foreign Minister, acting as emissary for the group, on the grounds that a dialogue with a group including the United States would be structured to Nicaragua's disadvantage. When Colombia, Mexico, Panama, and Venezuela subsequently initiated the Contadora process, they chose not to include the United States in order to meet this Sandinista concern. Informed through diplomatic channels, we indicated our understanding and support.

Contadora.—Since Contadora began and as an incentive to Nicaragua, we have made it clear repeatedly, both publicly and privately, that we support Contadora objectives and that we would abide by the terms of a comprehensive and verifiable agreement. The President expressed that support authoritatively on April 27, 1983, before a Joint Session of the Congress. We have further stated that a verifiable and comprehensive implementation of the September 1983 Contadora Document of Objectives would met our concerns in Nicaragua.

Manzanillo—An Effort to Get a Contadora Agreement.—In a reversal of the concern that had led to exclusion of the United States from the Contadora process, Nicaragua began to assert in 1983 and 1984 that no truly effective arrangements could be agreed in Contadora without the United States. At Contadora request, in June 1984 the United States initiated a series of bilateral discussions with the agreed objective of facilitating the Contadora process. Over the next five months, nine rounds of talks were held, all but one in Manzanillo, Mexico. The United States entered the discussions prepared to reach bilateral understandings that, channeled into the multilateral process, would promote conclusion of a comprehensive Contadora regional agreement. The Sandinistas' purpose, it became clear, was to negotiate bilateral accords dealing exclusively with their own security concerns.

Consistent with the Document of Objectives, the initial U.S. proposal was to develop jointly a calendar of reciprocal actions addressing the key aspects of the regional crisis. In order to build confidence, the actions were to be carried out in phases and to be independently verified. Nicaragua proposed a series of bilateral and multilateral treaties that would deal on a priority basis with U.S. support for what Nicaragua termed "counterrevolutionary, mercenary forces" and the U.S. military presence and exercises in the region.

In late September, the United States offered to limit the size, frequency, and duration of its military exercises to reflect progress made in other areas. It proposed a common, low ceiling on foreign advisers in the region and a staged process for negotiations on arms and force levels among the Central American states. To meet Nicaragua's contention that it could not reduce its military establishment while facing an internal insurgency, the United States suggested that adjustment down to agreed limits might take place in phases, after steps were taken to end support for insurgency.

At the same round, Nicaragua adopted the Contadora draft agreement of September 7 as its negotiating position. The United States attempted to build on this acceptance by offering to negotiate bilateral assurances that would meet specific Nicaraguan concerns about modifications to the draft that would make it acceptable to us and to Nicaragua's neighbors. We proposed, for example, that in exchange for Nicaraguan agreement to the continuation of international military exercises, we would unilaterally limit exercises to levels worked out with Nicaragua. To meet Nicaragua's concern of a U.S. invasion from Honduras, we proposed to pledge to limit our use of Honduran military facilities and bases exclusively for purposes that would not threaten Nicaragua. Such an assurance would have given Nicaragua the guarantee of non-aggression that it has repeatedly sought.

After requesting time to consider the proposal, Nicaragua rejected it at the ninth round, reiterating its position that any ap-

proach involving substantive changes to the September 7 draft was unacceptable. Nicaragua did hint at a willingness to make concessions in the security sphere, but only in a bilateral agreement reached outside the Contadora framework. A bilateral agreement would free Nicaragua from any obligation to address the issues of democratization, national reconciliation, and regional arms reductions.

Given the Sandinista position, agreement would have been possible only if the United States approved the September 7 draft without change, despite the imperfections acknowledged by Contadora participants, or disregarded Contadora entirely and entered into purely bilateral negotiations. Neither alternative was acceptable, and the United States declined to schedule further discussions pending demonstration that Nicaragua was prepared to negotiate seriously within the Contadora framework. The United States made clear that it does not rule out a resumption of bilateral talks.

It is worth noting that the Manzanillo talks began shortly after United States military assistance to the Nicaragua resistance was ended in June 1984.

Contadora since Manzanillo—Nicaraguan Opposition Becomes Clear.—As 1984 came to a close, two draft agreements were under consideration within the Contadora process: a September 1984 revision of a June 1984 draft; and an October 1984 draft (the "Tegucigalpa" draft) that defined the position of Costa Rica, Honduras, and El Salvador. During the first nine months of 1985, Contadora mediators attempted to blend these two drafts into a third that might prove acceptable to all the Central Americans. After two interruptions in Contadora talks—the first caused by Nicaragua's refusal to respect the right of asylum in dispute with Costa Rica and the second by its walk out of talks in June—the Contadora Group tabled a third draft in September 1985.

The nine Central American and Contadora Group ministers agreed to convene negotiations in October, 1985 with the aim of reaching final agreement within 45 days. Two rounds of talks were held in October. On November 11, however, Nicaragua went public with extensive, detailed objections to the Contadora draft. In essence, Nicaragua took the position that it requires an accommodation with the United States prior to a Contadora agreement.

A third round of talks, also unsuccessful, exhausted the 45 days set for reaching agreement. Nicaragua at first agreed with the others to continue talks, but on December 3 reversed its position by calling for a suspension in talks until May 1986. On December 9, Nicaragua was the only state to oppose an OAS General Assembly Resolution calling for continuation of Contadora talks.

On January 15, Nicaragua endorsed the January 12 "Message of Caraballeda" of the Contadora Group and Support Group ministers, which included a call to resume talks. But the following day Nicaragua reaffirmed its statement of November 11—that it will not negotiate in Contadora until it reaches agreement with the United States. At a meeting of Contadora representatives February 14-15, Nicaragua confirmed that it was not prepared to negotiate. Meeting at Punta del Este, Uruguay, on February 27-28, the Contadora Group and Support Group ministers declared that completing negotiations is "essential." There is currently no indication that the Sandinistas are willing to negotiate.

U.S. SUPPORT FOR NATIONAL RECONCILIATION IN NICARAGUA

National reconciliation through dialogue in countries with armed insurgencies is a fundamental principle of the Contadora process. It was explicitly accepted by all five Central American states, Nicaragua included, in the September 1983 Document of Objectives. Although they signed the Document of Objectives, the Sandinistas have consistently rejected dialogue with the Nicaraguan democratic resistance. The following statement by Tomas Borge, quoted in Daily Barricada, June 27, 1985, is characteristic:

"We will negotiate with the Contras on the day the right wing parties and COSEP count all the grains of sand in the sea and all the stars in the sky. When they finish we will ask them to count them all again.

The Sandinistas seek instead to portray the crisis in Central America as deriving from United States hostility toward the Nicaraguan revolution. The Sandinistas' refusal to deal directly with their own people constitutes the essential roadblock to peace in Central America.

Both the internal, or "civic" opposition, and the external, or armed, opposition have repeatedly proposed dialogue. On February 22, 1985 the internal opposition set forth the conditions under which a national dialogue could be successfully conducted. These included the lifting of the state of emergency; freedom of expression; a general amnesty and pardon for political crimes; restoration of constitutional guarantees and the right of habeas corpus; guarantees of the safety of members of the resistance movement who participate in the dialogue; and the implementation of these measures under the supervision of guarantor governments.

On March 1, 1985, the externally-based opposition (including representatives of the FDN, the Miskito group MISURA, ARDE, and prominent democratic civilian leaders such as Artuzo Cruz) proposed a national dialogue to be mediated by the Nicaraguan Catholic Church. It included a mutual *in situ* cease-fire and acceptance of Daniel Ortega as President until such time as the Nicaraguan people decided on the matter through a plebiscite. On March 22, the Nicaraguan Catholic Church hierarchy (Episcopal Conference) issued a communique reiterating its support for a national dialogue and declaring its willingness to act as a mediator.

President Reagan on April 4 undertook an intiative to support these possibilities. A key feature was the offer to refrain from providing military assistance to the democratic resistance if the Sandinistas accepted the March 1 offer. The Sandinistas have repeatedly rejected these offers.

There is growing recognition, however, that the Central American crisis is a Nicaraguan crisis, and that it cannot be resolved in the absense of a political settlement inside Nicaragua. On January 12, 1986, the "Message of Caraballeda" called for "new steps to promote national reconciliation." On February 10, Secretary of State Shultz met with the eight foreign ministers of the Contadora Group and Support Group. To provide an incentive for an internal dialogue in Nicaragua, the Secretary made two pledges:

To resume bilateral talks with Nicaragua simultaneously with the beginning of a Sandinista dialogue with the civic opposition and the United Nicaraguan Opposition (UNO). Previously, we had called on the Sandinistas to demonstrate their seriousness by entering into an internal dialogue first; and

To respond positively to any meaningful change in Sandinista behavior. The latter pledge meant, in effect, that the United States is willing to de-escalate tensions even outside the context of a comprehensive agreement.

On January 22, the UNO leaders released to the public a "Statement of Principles and Objectives" and reiterated the March 1985 offer for a Church-mediated dialogue. On February 7, six civic opposition parties presented to the Government of Nicaragua a proposal to resolve the crisis in Nicaragua. The six-party document called for:

A cease-fire, as a first step; effective amnesty; lifting of the State of Emergency; and an agreement for a new electoral process.

UNO leaders subsequently endorsed this six-party proposal. In meetings February 18-24 with chiefs of state of the Contadora Group and Support Group, United States Special Envoy conveyed our support for the six-party proposal. The Sandinistas have not yet responded.

CONTADORA DOCUMENT OF OBJECTIVES

There follows the text of the Document of Objectives agreed to at the September 7-10 meeting of the Contadora Four, Colombia, Mexico, Panama, and Venezuela, and the Central American states, Costa Rica, El Salvador, Guatemala, Honduras, and Nicaragua.

DOCUMENT OF OBJECTIVES

Considering.—The situation prevailing in Central America characterized by a climate of tension that threatens the security and peaceful coexistence of the region, which requires for its solution the observance of the principles of international law which regulate the activities of states, especially:

Free (self) determination of peoples;

Non-intervention;

Sovereign equality of states

Peaceful solution of controversies;

Abstention from recourse to the threat or use of force;

Respect for the territorial integrity of states;

Pluralism and its various manifestations;

Full play for democratic institutions;

Fomenting of social justice;

International cooperation in favor of economic development;

Respect for and promotion of human rights;

Proscription of terrorism and subversion.

Desire to reconstruct the Central American fatherland through the progressive integration of its economic, juridical, and social institutions.

The necessity for economic cooperation among the states of Central America in order to contribute in a fundamental way to the development of the people and the strengthening of their autonomy.

The commitment to create. foment, and invigorate democratic systems in all of the countries of the region.

The need to eliminate unjust economic, social, and political structures which aggravate conflicts in Central America.

The need to put an end to tensions and establish the bases for understanding and solidarity between the countries of the area.

The arms race and the growing traffic in arms in Central America which worsen political relations in the region and divert economic resources that coud be destined for development.

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The presence of foreign advisors and other forms of foreign military interference in the region.

The risks of using the territory of Central American states for the realization of military and political destabilizing actions against others.

The need for political accommodation in order to bring about dialogue and understanding in Central America, to exorcise the danger of the generalization of the conflicts and put into effect mechanisms that can assure peaceful coexistence and the security of peoples.

The signatories expressed the purpose of achieving the following objectives:

Promote detente and put an end to situations of conflict in the area, avoiding any actions which might put in danger political confidence or tend to obstruct the objective of achieving peace, security, and stability in the region.

Assure strict compliance with the principles of international law previously listed, the lack of observance of which could determine responsibilities.

Respect and guarantee the exercise of human, political, civil, economic, social, religious, and cultural rights.

Adopt measures conducive to the establishment and, as may be the case, the improvement of democratic, representative, and pluralistic systems that guarantee effective popular participation in the taking of decisions and assure free access of diverse currents of opinion to honest and periodic electoral processes founded in the full observance of the rights of the citizens.

Promote actions of national reconciliation in those cases in which there are deep divisions in the society, in order to permit, in accord with the law, participation in political processes of a democratic character.

Create political conditions designed to guarantee the international security, the integrity and the sovereignty of the states of the region.

Control the armaments race in all of its forms and begin negotiations on the control and reduction of actual inventories of armaments, and of the number of persons under arms.

Proscribe the installation in their territories of foreign military bases or any other form of foreign military intervention.

Reach agreements to reduce with a view to eliminate, the presence of foreign military advisors and other foreign elements who participate in military and security activities.

Establish internal mechanisms to control or impede the traffic in arms from the territory of any country of the region to the territory of any other country.

Eliminate the traffic of arms, within the region or coming from outside the region, destined to persons, organizations, or groups which intend to destabilize the governments of the Central American countries.

Impede the use of their own territory and not permit from it military or logistical support to persons, organizations, or groups that intend to destabilize governments of the countries of Central America.

Refrain from fomenting or supporting acts of terrorism, subversion or sabatoge in the countries of the area.

Constitute mechanisms and coordinate systems of direct communication with the object of preventing or, as the case may be, resolving incidents between states of the region.

Continue the humanitarian aid designed to assist the Central American refugees that are displaced from their countries of origin, bringing about at the same time adequate conditions for the voluntary repatriation of these refugees, in communication or cooperation with the High Commissioner (for refugees) of the United Nations and other international organizations that may be pertinent.

Undertake programs of economic and social development with the purpose of achieving greater welfare and an equitable distribution of wealth.

Revitalize and normalize mechanisms of economic integration in order to achieve sustained development based on cooperation and mutual benefit.

Seek to obtain foreign monetary resources which will permit new inputs to finance the reactivation of intraregional commerce, overcome grave balance of payments problems, get funds for working capital, support programs to broaden and restructure productive systems and foment medium and long-term investment projects.

Seek a better and broader access to international markets in order to expand the flow of commerce between the Central American countries and the rest of the world, especially with industrial countries, by means of a revision of commercial practices, and elimination of trade barriers both tariff and non-tariff in nature and the assurance of remunerative and just prices for the products exported by the countries of the region.

Seek mechanisms of technical cooperation for the planning, programming, and execution of multi-sector investment and commercial promotion projects.

The Ministers of Foreign Relations of the Central American countries, with the participation of the countries of the Contadora group, will initiate negotiations with the purpose of preparing agreements and adopting the necessary means to formalize and develop the objectives contained in this document, and assure the establishment of adequate systems of verification and control. For these purposes they have taken account of the initiative presented in the meetings convoked by the Contadora group.

UNITED NICARAGUAN OPPOSITION PRINCIPLES AND OBJECTIVES FOR THE PROVISIONAL GOVERNMENT OF NATIONAL RECONCILIATION

Under the protection of God and interpreting the hopes of the great majority of people in Nicaragua, who with heroic patriotism shook off the yoke of the previous dictatorship and now suffer the repression by force of arms of new tyrants and foreign intervention;

Given homage.—To the noble sacrifice of the democratic resistance forces which have shed their blood and continue to offer their lives in an unequal war against an army in the service of Soviet imperialism, from which it receives direction, training, weapons and supplies;

To the civic courage and democratic vocation of the political parties, labor and social organizations, ethnic minorities and individuals who have maintained a firm attitude against the abuses of the military tyranny of the Sandinista Front;

Affirming.—That the people of Nicaragua have demonstrated their will to free themselves from the totalitarian regime which oppresses them with the support of foreign forces and the so-called internationalists, carrying out a painful defensive war and a war of liberation, which have witnessed heroic actions inspired by the highest degree of patriotism on the part of the combatants of the Nicaraguan Democratic Resistance and of broad sectors of the population;

Recognizing.—That the courage and sacrifice of different sectors comprising the nation have created, in the face of repression, the conditions for the liberation of Nicaragua, faithful to the historic tradition that has led them to rise up in arms when their freedom and democratic aspirations have been snatched away from them;

Considering.—The historic democratic determination of the Nicaraguans, translated in the past struggles against the Somoza dynasty and in the present struggle against the totalitarianism of the Sandinista Front, the firm belief in a juridical order and respect for the constitution of the country and the sacrifices for the full exercise of its precepts;

Committed.—To the unrestricted observance of the human rights of all Nicarguans without exception, the establishment of a State of Law which permits the full development of the individual and the promotion of social justice;

Recognizing.—That the tragic situation of Nicaragua, embroiled in choas as a consequence of the present dictatorship, requires the adoption of special and urgent measures in the political, economic and social arenas which guarantee the quick and orderly transition toward a democratic State, by means of a Provisional Government of a duration strictly limited by the needs of the transition;

Reaffirming.—Our commitment to peace and democracy contained in the Pronouncements of San Jose of March 1, 1985, of San Salvador of June 12, 1985, and our support for the calls for National Dialogue demanded by the Democratic Coordinator and the Nicaraguan Bishops Conference;

Taking into account.—The civil war of Nicaragua, which threatens the peace of the region and of the American continent, brought about by the failure of the military tyranny of the Sandinista Front to fulfill the resolutions of the XVII Council of Foreign Ministers Meeting of the Organization of American State of June 23, 1979 which, in an action which set a precedent in our continent, explicitly withdrew its recognition of one of the member governments in order to grant it to an insurgent force, which committed itself to establish democracy and respect the human rights of all Nicaraguans without exception;

Convinced.—That the solidarity and reconciliation of all Nicaraguans, as well as the support and understanding of the peoples and governments of the free world, will contribute effectively to the creation of the indispensable conditions so that a democratic and pluralistic process is established which guarantees peace, sovereignty and freedom to our people;

Therefore.—On behalf of the Directorate of the United Nicaraguan Opposition and with the full support of its Permanent Advisory Committee, we propose to the Nicaraguan people and inform our sister Latin American nations and the democratic governments of the world, while at the same time requesting their support and solidarity, the Principles and Objectives of a Provisional Government of National Reconciliation.

PRINCIPLES AND OBJECTIVES

I. Regarding the Political System.—1. To democratize Nicaragua, guaranteeing and promoting political pluralism and the participation of all citizens at the local and national level, through the exercise of repre-

sentative democracy, respecting their ethnic, cultural and religious values;

2. To establish a political system which guarantees the separation and independence of the powers of the government;

3. To establish a rule of law which assures the equality of the citizens before the law; respect for, the full exercise of, and effective development of Human Rights through the independence of the Judicial Power; giving guarantees to national Human Rights organizations, and adhering strictly to international obligations deriving from written agreements;

4. To guarantee the strictest respect for freedoms, especially those of speech, association, worship and unions with respect for agreements numbers 87 and 98 of the International Labor Organization, such as the undeniable right to strike;

5. To recognize the primacy of Civil Society over the State and the achievement of the common good as its principle objective;

6. To create an autonomous electoral system which guarantees representative domocracy and respect for the popular will, freely expressed in periodic elections, assuring alternability in office, through the principle of non re-election;

7. To promulgate a Civil Service Law, establishing the administrative career. There will be created the National Comptrollership Commission to guarantee the efficient and honest use of public funds and State resources;

8. To abolish any and all types of capital punishment and to eliminate permanently and unequivocally the special tribunals which have been abusively created by the Sandinista Front;

9. To decree a General Amnesty for political and related common crimes, as an expression of the process of rehabilitation and reconciliation, without exception;

10. To recognize the historic rights of the indigenous peoples of Nicaragua, adopting special administrative and developmental measures in order to accelerate the progress of the Atlantic Coast; fostering the participation of its people in matters affecting the region, preserving their cultural identity and strengthening the nationality and territorial integrity of the Nation;

11. To demilitarize society by subjecting the military to the civil authority, proceeding to dismantle military, para-military and security organizations and the organizations of repressive nature of the Sandinista regime;

12. To create a National Army in the service of the Nation and the defense of its sovereignty, of adequate proportions for those objectives and composed principally of those Freedom Fighters who wish to serve professionally and loyally in democratic institutions, and by other Nicaraguans who also meet the conditions of moral character. No person with a record of human rights violations will be able to become a part of the new National Army.

II. Socio-economic affairs.—1. To recognize the family as the basis of society, making its protection a fundamental objective of the Government of Reconciliation;

2. To give preferential use of state resources to satisfy basic human needs: especially employment, food, health, education and housing;

3. To assure that education responds to the fundamental principles of freedom of instruction and the right of parents to select the best for their children. The preservation and the development of culture and sports will be an important part of the programs of teaching, outreach and information.

4. To carry out an integral agrarian reform, which responds to the natural right of private property, taking into account efficiency in the utilization of resources and the utility of giving land to those who work it;

5. To establish a new social contract, democratically adopted, which recognizes the equitable participation of all sectors of civil society, both in effort as well as in benefits;

6. To provide immediate assistance to the victims of the civil war, providing programs which permit their rehabilitation and economic security;

7. To adopt measures which facilitate full participation in productive civilian life by combatants who do not join the new army and national police;

8. To promote and facilitate the return of exiles through programs to finance the creation of jobs and the adoption of legal, economic and customs measures and other incentives;

9. To formulate and execute an immediate program of action and the securing of resources for the reordering and reactivation of the national economy and the providing of jobs for the Nicaraguan people;

10. To abolish state centralism and return to the private sector all those productive, commercial and service activities which said sector is able to carry out more efficiently for the common good;

11. The Government of Reconciliation, as guarantor of the common good and social peace, will observe and promote the principles of: social justice, freedom of association, work as a source of well-being and wealth, the indispensable contribution of laborers and peasants to the development of the country, as well as solidarity with the less favored sectors of the population, private property as the expression of a natural right and the sovereignty of Nicaragua over its natural resources;

12. To consolidate and perfect the Central American Common Market and to promote foreign investment as important measures to bring about socio-economic development.

III. Foreign policy.—To adopt a foreign policy which protects the peace and strengthens the independence and sovereignty of the Nation, founded on the principles of the inter-American system; supported in the fulfillment of international accords, cooperation and friendly relations, especially with those countries which practice representative democracy, and in the permanent determination to contribute to the economic, social and political integration of the Central American fatherland.

IV. Plan and program.—A Program of Government will be presented for the consideration of a consultative body in which will be represented the various democratic, political, social and labor organizations which will implement these principles. It will establish the procedures so that, by the eighth month after the installation of the new Government of Reconciliation, it will hold elections for a Constituent Assembly. After eighteen months it will hold general elections with guarantees to assure the free participation of all citizens and the integrity of the elections.

Among the preferred objectives to be considered by the consultative body should be the following: Reorganization of the Judicial Power; Municipal Autonomy; reorganization and integrity of Public Administration; health and social security; education; culture; housing; transportation; infrastructure; sports; policies of incentives for the various productive sectors; the financial system; agrarian reform; commerce; foreign investment; reduction of the foreign debt; fiscal, monetary and credit policies, giving special attention to the development of cooperatives and the balanced action of the State.

We reiterate that the liberation of our fatherland requires the participation of all the democratic sectors of the Nicaraguan people, as well as the solidarity and support of the peoples and governments of the countries of the Americas and the other free peoples of the world.

At the same time, we pledge ourselves to respect the consensus of Nicaragua's democratic spectrum in the selection of those who will implement the initial task of national reconstruction. Furthermore, we pledge ourselves to assure that it shall be the people, by means of an electoral process in full enjoyment of their rights and freedoms, who will elect the Constituent Assembly and, later, the national authorities.

PROPOSAL TO THE NICARAGUAN GOVERNMENT FOR A SOLUTION TO THE CRISIS IN OUR COUNTRY

The political parties that have signed this document, inspired by the best and most constructive patriotic spirit to achieve Nicaragua's pacification and ensure its future development based upon the Nicaraguans' authentic wishes, declare their firm and public decision to make every effort to achieve these objectives.

Also supported are the Contadora Group's efforts recently reiterated in the Caraballeda Message issued on 12 January 1986, especially Section II, Clause B.

For this purpose the government is urged to join the people in attaining the following goals within the shortest time possible:

1. An agreement to immediately suspend hostilities between the government forces and the irregular forces opposed to them as a preliminary step toward a definite peace agreement and the country's demilitarization.

2. Approval of an effective general amnesty law for political crimes and related common crimes that will result in an effective reconciliation of the Nicaraguan family.

3. Abolition of the state of emergency, and full reestablishment and implementation of the Nicaraguans' rights and guarantees.

4. Signing of an agreement between the country's political parties for the preparation and fulfillment of a new electoral process that will lead to general elections in which all of the political parties or groups that desire to participate may do so, once they have obtained political and legal recognition.

5. Effective fulfillment of international commitments in favor of Nicaragua's democratization.

6. The invitation to existing continental organizations and ad hoc groups that have demonstrated an interest in peace and justice in the Central American area, as well as to international political organizations, so they can express their concurrence with implementation of the points demanded.

Signed:

Independent Liberal Party: Virgilio Godoy, President.

Social Christian Party: Francisco Taboada.

Social Democratic Party: Luis Rivas Leiva, Secretary General.

Constitutionalist Liberal Party: Rodolfo Mejia Ubilla, Adjunct Secretary General.

Democratic Conservative Party of Nicaragua (nonruling party): Enrique Sotelo B., National Political Secretary.

Nicaraguan Conservative Party: Mario Rappaccioli, National President.

Mr. LUGAR. Mr. President, the fact sheet that I have put into the RECORD comprises several pages detailing all of the attempts by the Government of the United States to negotiate with the Government of Nicaragua. Those efforts have been sincere; they have been numerous; they have been unsuccessful.

Perhaps the most spectacular of them was an attempt by the Secretary of State George Shultz, himself, when he flew to Nicaragua and met with leaders of the Sandinistas and found a negotiating situation that Members need to consider carefully because it is still relevant to today's debate.

Secretary Shultz found that the Sandinistas were willing to talk but they were prepared to treat the relationship between the United States and Nicaragua as the essential one—as a matter of fact the only negotiating relationship. Secretary Shultz found that the Sandinistas were prepared to shunt aside the Contadora group as irrelevant. They were prepared to treat the Contras, many of whom had been a part of the Sandinista revolution, as irrelevant. They, in fact, referred to the Contras as dogs and the United States as masters. This would be the nature of the talks, and they went nowhere because there was nothing with which to fill the agenda at that point. In short, the negotiation tree ends very rapidly if you cannot get the people of Nicaragua involved in talking together about their future, about a constituent assembly, about political parties, about ways in which democratic political life must go on.

The United States does not wish to be involved in the life of Nicaragua. We do not want to occupy the country. We do not wish to dominate its economy or politics.

We are only asking that Nicaragua respect its neighbors and not become a Soviet base threatening to us. We are asking also that it open up its government because we truly believe democracy is important. It is not irrelevant to this issue to assert that a democracy, one in which the consent of the government is taken seriously, comprises less of a threat to its neighbors. Democracy signals through its free press and its free debate the dilemmas and the difficulties of a nation and limits an aggressive foreign policy.

The current Government of Nicaragua does not signal anything except aggression across the borders of its neighbors and expressions of vituperation and hate for our country.

Let me just say, Mr. President, that the issue of negotiations is an important one. And the President of the United States has addressed it strongly, suggesting in a letter to the House of Representatives—which the distinguished majority leader and I will incorporate in our substitute in due course today—that negotiations proceed and proceed vigorously for at least 90 days. Then if, in fact, there is progress, for longer than that before additional military aid is sent to the Contras.

Phil Habib has made a first spin around the track. Ambassador Habib has told many of us on this floor of his eagerness to talk to the Contadora group, to talk to the support group, to talk even, in fact, to the Sandinistas after the stage is set and we know the lay of the land.

The President of the United States spoke today on this question of negotiations and he made the point again—and it is very valid—that simply to call for negotiations is not enough. What is needed is real resolve, what is needed is leverage. There must be something with which to negotiate.

The Sasser substitute, in my judgment, gives us nothing with which to negotiate, no reason why Ortega would move one whit. That I suspect is its major defect, at least with reference to negotiations prospects.

I was disappointed, as I read the amendment today, to note that it had been crafted with the thought of $30 million of humanitarian aid only and no military aid at all. The distinguished Senator from Massachusetts began our debate today by offering a clear choice. That choice was no aid, humanitarian or military, and that lost decisively 74 to 24. The Sasser substitute, which I had thought was a comprehensive amendment, bringing in many, many persons on the Democratic side, calls just for $30 million of humanitarian aid, not one whit of military aid, and the humanitarian only after 6 months, a long way down the trail. In short, there is not much there for the Contras.

Mr. SASSER. Will the distinguished Senator yield for one point of clarification?

Mr. LUGAR. Yes; I would be happy to yield.

Mr. SASSER. The amendment, I would say to my friend from Indiana, does provide for humanitarian aid immediately, not at the end of the expiration of 6 months.

Mr. LUGAR. I thank the Senator for his clarification and I correct my misstatement; $30 million immediately it is.

But I raise the question again with regard to the problem of leverage, the problem of why negotiations would proceed. I see no particular reason, no particular pressure produced by this measure. Members may differ and they may say: "You do not need any pressure. The Sandinistas are already hurting. This economy is in dreadful shape. The neighbors are anxious about them. The rest of the world doesn't like them."

But I simply fail to see, in commonsense terms, why there will be any vigor in the negotiations whatsoever without the military aid or threat of such aid coming to the Contras.

So I think there is a substantial difference of opinion in our view of Central America and the dynamics of Sandinistas thinking.

It appears to me that the substitute offered by the Senator from Tennessee simply does not recognize that one of the reasons that we are deeply interested in Nicaragua is the threat of Soviet bases. Why Nicaragua would change its posture with regard to the Soviets and the Cubans under the Sasser substitute is not clear at all. They are totally dependent upon the Soviet-Cuban-Eastern European complex for their daily bread. They have worked themselves into a situation in which they have the same almost total dependence, as does Cuba itself.

It is not clear, as a matter of fact—and I state this as something on which Members will have different points of view—that, even if Castro wanted to come over and visit with us in negotiations, the Soviets would let him. It is not clear the Sandinistas really are free agents, either. They are in hock. They are guarded, in fact, by their masters and we have a very difficult security problem because of that.

Now even in the face of all of that, the President of the United States has said, "Let negotiations have a chance. Let's send our best there. Let's try to bring together the Contadora process."

If Members ask, "Does the President expect negotiations will work?" I would simply ask the same question of myself, and I often do with regard to this problem. I suppose that I must admit to skepticism as to whether negotiations will work. I am not sure that at this particular stage in history there is reason, politically, for the Sandinistas to move one whit. But let me also say that I am confident they will not move without at least the pressure of military assistance coming after this negotiating period and, furthermore, a continuity of policy for at least 18 months. We must produce a certainty on the part of Sandinistas that they have got to move or there will be consequences. Under the Sasser substitute, if the Sandinistas do not move, there are no consequences and there will be no movement in my judgment.

Now let me just add one further thought, Mr. President. We have a very serious foreign policy dilemma here today because this vote is watched, not only by people in our country and in Nicaragua, but by the world. Our conduct will speak to our

ability as a free nation to be sophisticated in the use of diplomacy and in the use of power and to do so with the minimum risk to ourselves and to others.

Much thought has been given by Senators to whether lives will be lost—American lives, Nicaraguan lives, and others. That is a very important question. And I suppose that any number of people can offer ideas as to how the loss of live is to be minimized under current circumstances.

Let me just suggest that a cease-fire is a good idea and I commend the distinguished Senator for offering that thought as a precondition. It would be additionally helpful if the restoration of civil rights for people in Nicaragua was to come about so that there might be some criticism, some free press, free radio, what have you, in that country. It would be very helpful, as a matter of fact, if the Contras came into negotiations with the Sandinistas. And the Dole-Lugar substitute suggests that face-to-face negotiations between the Sandinistas and the United States would be appropriate if the Sandinistas would begin to negotiate with their countrymen and try to work something out there they all can live with.

The PRESIDING OFFICER. (Mr. MCCONNELL). The Senator has used 12 minutes.

Mr. LUGAR. I yield myself 1 more minute.

Mr. President, it seems to me we ought to be pressing for that day on which negotiations within Nicaragua occurs. The Sasser amendment, in my judgment, does not bring that about—nor does not offer reasonable grounds on which it could occur.

It is not our foreign policy supply to make certain that Nicaragua does not bother its neighbors and does not harbor the Soviets. Our policy ought to extend toward promoting movement toward openness and democracy. In the same way that Members have commended the Philippines as an opening democracy, I would hope they would see the possibility for democracy for the people of Nicaragua. There is no reason they should be consigned to a different status while we are about the process in this world of praising free elections and suggesting that government rightly ought to have consent of the governed.

Mr. President, I yield the floor.

We have how many more minutes, Mr. President?

The PRESIDING OFFICER. The Senator has just under 4 minutes remaining.

Mr. SASSER. Does the majority leader wish to speak?

Mr. LUGAR. He will be our final speaker.

Mr. SASSER. I would like to reserve my time until the end.

Mr. LUGAR. I yield the remaining amount of our time to the distinguished majority leader.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. DOLE. Mr. President, I think we have had a good debate on this substitute. At this time, we have used nearly 3 hours, and we will use it all.

We provided that there be an up and down vote, provided that there be no amendments. I hope we can have some reciprocity with reference to the Dole-Lugar-Bentsen substitute, which will be offered next.

OPPOSITION TO SASSER AMENDMENT

Mr. President, I rise in opposition to the amendment offered by the Senator from Tennessee. I oppose it because it would undercut our President and his foreign policy. I oppose it because it would reduce—indeed, in practice eliminate—any real chance to achieve those goals to which I believe the Senator from Tennessee himself, would ascribe and which are shared by this Senator and by the President and I think by the vast majority of this body: The goals of a negotiated settlement in Central America, which meets our security needs, eliminates the threat to our allies and friends in the region, and gives democracy a chance in Nicaragua.

PHONY CEASE-FIRES, FREE HAND FOR THE SANDINISTAS

Under the Sasser amendment, the Contras would get only humanitarian aid for at least 6 months, on only one condition—that there be some kind of cease-fire in Nicaragua. I say "some kind of cease-fire" because we have been down the cease-fire road before. To us, a cease-fire means we cease firing. To the Marxists, it means they keep on firing, but blame us.

The amendment also makes no mention of any restraints on the Sandinistas. While we withhold even defensive aid, the Sasser amendment would keep the doors wide open for the Soviets and Cubans to continue the massive military buildup already underway in Nicaragua.

UNDERMINING THE PRESIDENT'S RIGHT TO CONDUCT NEGOTIATIONS

The amendment virtually forces the President to the bargaining table, if only the Sandinistas say they will adhere to a cease-fire and get the Contadora nations to agree to do some monitoring. That, of course, raises a basic constitutional question: it is not our role in Congress, under our Constitution, to dictate to the President with whom and when he must negotiate. In addition, and with all due respect for the Contadora nations and the important role they can play, I just do not want our vital interests in Central America subject to the sole judgment of a few bureaucrats selected by foreign governments, operating under extraordinarily difficult conditions, in terrain largely controlled by the Sandinistas.

Besides, forcing the President to the table, even were a real cease-fire to be in place, gives the Sandinistas the diplomatic victory they have sought all along—an implicit recognition by us that the Sandinistas are right when they say this really is solely an issue between Washington and Managua, in which the Contras play a role only as an adjunct of our foreign policy.

In an earlier phone conversation, Mr. Duarte indicated that this, in effect, would raise the status of Mr. Ortega. If we force negotiations, it would raise his stature, so that, in effect, he would be perceived by some as speaking for all the Central American countries. I do not think that is the intent of the Senator from Tennessee. I must say that we have been working together the past 2 of 3 days, and I do not believe that is the intent, but that is the result.

SASSER AMENDMENT MUST BE DEFEATED

Mr. President, there are many other problems in the Sasser amendment, but I do not want to take up more of the Senate's time.

First, we had the vote on the Kennedy amendment, which was nothing at all. This is a vote on next to nothing at all: $30 million in humanitarian aid, no help for the Contras, and really no impediments to the Sandinistas. These votes reflect what I thought we were almost agreeing to earlier in a bipartisan way, $100 million, in so much military aid and so much humanitarian aid.

The only two questions are, should there be a second vote in Congress, a positive vote, and should there be some way to structure bilateral negotiations that would protect the President's right and still encourage negotiations in Central America?

I am led to believe that in the other party's caucus, they could not come together. I do not quarrel with that. We have difficulty coming together in our caucus. But we have gone from talking about coming together in a bipartisan way on $100 million—$30 million, in humanitarian aid and $70 million in military aid—down to $30 million, which means that some who wanted no aid will go perhaps $30 million, and not 1 cent to help the Contras in a military way.

So it suggests to me that there are divisions—divisions among Democrats and divisions among Republicans—and I come back to where I started 2 or 3 days ago. There is a bipartisan majority in the Senate. There are some Democrats and some Republicans who have one view, that we should not do much at all. There are many Democrats and many Republicans who believe that we are pretty much on the right course.

Let me just conclude by saying that adoption of the Sasser amendment amounts to an expression of faith in the Sandinistas, an abandonment of the Contras, and a fatal blow to the sound, effective, and strong foreign policy of the President.

I hope this amendment is defeated, as I believe it will be. We will then offer the Dole-Lugar-Bentsen substitute, and I hope we can come together with a strong bipartisan vote to reflect the views of the Senate, so that the American people will understand that this is not partisanship—it is not just the policy of Ronald Reagan—it is our policy.

So I hope this amendment will be defeated.

Mr. SASSER. Mr. President, the distinguished chairman of the Foreign Relations Committee indicated at the outset that this was an important amendment. I thank him for that observation.

Let me say that I have been most impressed with the perception and understanding of this issue on the part of the distinguished chairman during the course of our negotiations.

This is the last train leaving the station, for those of our colleagues who wish to have a last effort at a negotiated settlement in Central America. No substitute to follow, in my judgment, is going to have the compulsion requiring both sides to negotiate.

The distinguished majority leader indicated a moment ago that his objection was that this amendment compelled the President to negotiate. All this amendment says is that if the President wishes military aid, at the end of a particular period of time, to wage what is an undeclared war in Central America, then he at least must prove to Congress and the American people that his administration is going to exhaust the last diplomatic option for peace, and that is negotiation.

There seems to be an unwillingness on the part of this administration to try to resolve our differences with the Nicaraguans by discussions, by talking.

We are witnessing something that is unprecedented in the history of the United States of America. We are discussing here today a question of supplying military aid to topple a government with which we have diplomatic relations, with which we exchange ambassadors. We are plowing new ground. We are making new history today if we reject this amendment and if we go forward then and vote military aid for the Contras in Central America.

I say to my colleagues that we owe it to ourselves and to our country to exhaust every last initiative and every last possibility of a negotiated settlement before we go down that road. There seems to be an unwillingness to even treat the Sandinista government of Nicaragua—and I have no grief for the Sandinistas or for that government—an unwillingness to treat them as a legitimate government of that country, unwilling to negotiate with them as if that will raise their status unduly, and as if that will diminish our status and prestige on the world stage if we negotiate with them.

I say to my colleagues we have already diminished the status and prestige of the United States on the world stage in our efforts to deal with this upstart government in this tiny country of Nicaragua.

I think the time is now, in fact, the time is very late for this administration to sit down and realistically try to work out an accommodation at least on the large areas, at least on the question of withdrawal of Soviet and Cuban troops from Nicaragua, at least on the question of trying to reach an agreement that there will be no Soviet military bases in Nicaragua. That appears to me to be an elementary matter of interest on which we should have bilateral negotiations.

So I would urge my colleagues to vote for this amendment, to vote for efforts to reach a negotiated settlement on this matter before we let loose the dogs of war in Central America.

Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. BYRD. Mr. President, I ask unanimous consent to speak not more than 30 seconds.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. Mr. President, I compliment the distinguished Senator from Tennessee [Mr. SASSER] for the work he has done and the leadership that he has shown. I shall support his amendment wholeheartedly and fully.

I have not spoken on this amendment, preferring that others who wish to speak should have the limited amount of time.

Mr. President, American policy toward Central America and, in particular, Nicaragua, must be based on a well-developed and broadly agreed-upon set of goals, and be executed in a way calculated to succeed. As with any decision which commits our people and our tax dollars and our national integrity abroad, it will only succeed in the long run if it is understandable to the American people and has won their approval. Mr. President, the administration's proposal has not met those tests.

In formulating our policy toward Nicaragua, the views of our friends in Central America and in South America must be taken into account and a consensus among the democracies of our hemisphere, both new and old, should be sought. If, in the process of achieving our goals toward Nicaragua, we alienate our friends and fragment our base of support in the rest of our hemisphere, we have won an ephemeral prize indeed.

I believe we should have three broad goals with regard to Nicaragua. First, we should seek the elimination of Soviet, Cuban, and other Communist bloc military advisers there, and a prohibition on the emplacement of Communist bloc military bases in the future. A Sandinista commitment and timetable for these accomplishments should be one goal of any negotiation. In addition, carefully defined restraints should be negotiated on military aid to Nicaragua from Communist bloc nations as well as nations and groups that promote terrorist activities.

Second, the Sandinista government should deal with its neighbors peacefully, and desist from the exportation of its so-called revolution through arms, materiel, military forces, agents, or ideological propaganda designed to inflame and upset the democratic systems in this hemisphere.

Third, we should seek to achieve progress in opening the Nicaraguan political system to democratic opposition groups; halting Sandinista human rights abuses; easing Sandinista restraints on basic democratic reforms; ending the artificially-created state of emergency imposed by the regime; and ending suppression of freedom of religion, speech, assembly and the press.

As I have already alluded, in the process of accomplishing these goals, we should take great care to forge stronger ties with the other nations of our hemisphere, and strengthen, in particular, the new democracies which have just recently emerged in Central and South America. In this regard, I hope we would support the efforts of the democratic Contadora nations in their search for peace in Central America.

I do not believe that there can be much dispute about these goals. The issue is how we as a nation can best achieve them, and that is where I have come to differ with the Contra aid program of the Reagan administration.

I do not subscribe to the proposition that aid to the Contras should be discontinued. However, aid to the Contras should be part of a larger political and diplomatic strategy which is more likely to achieve our broad policy goals in Nicaragua. The basic question remains: Can those broad goals be best accomplished simply by a renewed military aid program of some $70 million for the next year or so, or, rather, by a serious attempt to open a diplomatic track?

I submit that the carrot and stick approach is what is needed—diplomacy accompanied by incentives to gain

good faith involvement on the part of the Sandinistas. Surely we should first take this course before we throw all our support behind a fighting force which has so far proved itself ineffective.

My colleagues will recall that, last year, in connection with the administration's proposed package of $27 million in aid to the Contras, the President assured the Congress that he would make renewed attempts to engage in a bilateral dialog—bilateral negotiations—with the Sandinista government to achieve the goals I have outlined. The President committed his administration to this diplomatic "front-burner" strategy and, in a letter to Senator DOLE printed in the RECORD on April 23, 1986, stated that, "I intend to resume bilateral talks with the government of Nicaragua * * *" The strength of this assurance went a long way toward convincing the Senate to approve $27 million in humanitarian aid to the Contras last year.

Bilateral negotiations, however, were not attempted by the administration during the 11 months since those assurances by the President. In the absence of such an effort, there is no way to test the sincerity of the stated willingness of the government of Nicaragua to reach reasonable settlements of our differences.

The Sandinistas assertions should be tested through the opening of bilateral negotiations. It is clear from statements by our friends in the hemisphere, by the Contadora group of countries and the Contadora support group, as well as the countries neighboring on Nicaragua, that it would be good to test the sincerity of the Sandinistas by negotiating the security questions between the United States and Nicaragua and trying to remove these stumbling blocks to progress in Contadora negotiations.

It seems clear to me that a true test of the diplomatic option can only occur under circumstances of a cease-fire between the Contras and the Sandinistas. So, the first test of the viability of the negotiating track would be for the administration to propose a cease-fire—now.

It has been suggested by the administration that such a cease-fire, and the opening of bilateral negotiations with the Sandinistas, cannot begin until the Sandinistas negotiate with the Contras. I do not know what it is that the administration thinks the Sandinistas and the Contras would talk about. The Contras are trying to overthrow the Sandinistas: Is it realistic to expect the Sandinistas to share power with the Contras when it is clear that the Contras presently have very little popular support within Nicaragua? Is it realistic to expect the Sandinistas to give the Contras anything which the Contras cannot achieve by any other means?

A step forward was taken when the administration appointed Mr. Phil Habib as its trouble shooter in the region. If the administration would appoint a negotiating team to begin bilateral negotiations with the Nicaraguan Government, the outcome of such negotiations could command wide support in the Congress. The inclusion of a bipartisan congressional observer group similar to the one which has proved successful over the last year in the arms control area would also help to build congressional support for our policy in the region.

It is my belief that major increases in aid to the Contras—perhaps including lethal offensive and defense weaponry—can be sustained in the Congress and in the country only after the diplomatic option has been exhausted. I therefore feel that such aid should be considered at a time when a record is available on those efforts, and that is why I support a second affirmative vote on Contra aid after a reasonable length of time for evaluation of the negotiations has elapsed.

In sum, Mr. President, it seems to me that there are four critical elements of any sound policy with respect to Nicaragua: First, there should be an attempt to open bilateral negotiations between the United States and the Sandinistas; second, our negotiating team should warrant and be given strong bipartisan support in Congress; third, a cease-fire must be effected during the period of negotiations; and fourth, a time-certain should be established for the Congress to revisit this issue, carefully review the negotiating record, and consider the evaluation and any further aid for the Contras.

Based on the observations I have indicated, I have concluded that the administration proposal in not in the best interests of the United States or the remainder of the Western Hemisphere. At this time, I can support only a proposal which will provide a full and reasonable test of the diplomatic option which the administration to date has rigidly refused to employ. Consequently, I will support the amendment offered by the senior Senator from Tennessee.

I urge my colleagues of both parties to examine this matter very carefully and to support a good-faith effort to seek a peaceful but complete solution to our problems with Nicaragua.

The PRESIDING OFFICER. All time on the amendment has expired.

The question is on agreeing to the amendment. On this question the yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

The PRESIDING OFFICER (Mr. GRAMM). Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 33, nays 67, as follows:

[Rollcall Vote No. 48 Leg.]

YEAS—33

Baucus	Gore	Metzenbaum
Biden	Harkin	Mitchell
Bumpers	Hart	Moynihan
Burdick	Hatfield	Pell
Byrd	Inouye	Proxmire
Cranston	Kennedy	Pryor
DeConcini	Kerry	Riegle
Dodd	Lautenberg	Rockefeller
Eagleton	Levin	Sarbanes
Exon	Matsunaga	Sasser
Glenn	Melcher	Simon

NAYS—67

Abdnor	Goldwater	Murkowski
Andrews	Gorton	Nickles
Armstrong	Gramm	Nunn
Bentsen	Grassley	Packwood
Bingaman	Hatch	Pressler
Boren	Hawkins	Quayle
Boschwitz	Hecht	Roth
Bradley	Heflin	Rudman
Chafee	Heinz	Simpson
Chiles	Helms	Specter
Cochran	Hollings	Stafford
Cohen	Humphrey	Stennis
D'Amato	Johnston	Stevens
Danforth	Kassebaum	Symms
Denton	Kasten	Thurmond
Dixon	Laxalt	Trible
Dole	Leahy	Wallop
Domenici	Long	Warner
Durenberger	Lugar	Weicker
East	Mathias	Wilson
Evans	Mattingly	Zorinsky
Ford	McClure	
Garn	McConnell	

So, the amendment (No. 1718) was rejected.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. LUGAR. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DOLE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. Mr. President——

Mr. LEAHY. Mr. President, may we have order?

The PRESIDING OFFICER. The Senator will suspend. The Senate will be in order.

Mr. BYRD. Mr. President, I thank the Senator and also the Chair.

This quorum time is running against me. As I indicated to all Senators earlier, quorum calls, in circumstances under the statutory language here, have to run against the time of the Senator who asks for a quorum call. I did not ask for it, but somebody on my side must have asked for it, so I guess it is on my time.

I had really wanted to address a question to the distinguished majority leader with respect to the remaining amendments and the schedule for the

rest of the day. He may not be prepared to respond to that question at the moment. I understand that he is getting his substitute ready.

Mr. DOLE. Mr. President, if the Senator will yield, we have our substitute prepared. Just speaking for this Senator, if we continue to use an hour-and-a-half on the substitute and then make in order all the amendments that are still pending, we are looking at, I would say, about 2½ hours beyond the 2 hours and 36 minutes of debate left.

What I would like to do, based on the treatment given to the Sasser substitute, would be to get unanimous consent that the Dole-Lugar substitute would be debated for an hour-and-a-half with 60 minutes under the control of the distinguished chairman of the Foreign Relations Committee and 30 minutes under the control of the minority leader or his designee, and that no amendments be in order, the same treatment we had of the previous substitute. These are the two major amendments.

I would include in that substitute the amendment of the distinguished Senator from Illinois [Mr. DIXON] with reference to dispatching troops. I understand he would like to offer that amendment on his own, but that would be included.

I understand the Senator from Arizona [Mr. DECONCINI] has been partially satisfied concerning his amendment.

I understand the Senator from California [Mr. WILSON] is prepared to have a colloquy.

I do not know about Senator DURENBERGER, but there has been some progress there.

It probably means there would be three amendments, the Cranston amendment, the Kennedy amendment, and the Biden amendment, if consent could be obtained, which would not be in order.

I am not certain what the amendments are. One relates to bilateral negotiations.

I think that is the Cranston amendment.

It seems to me that we have had a vote on the Democratic substitute and we ought to have a vote on a bipartisan substitute—the Lugar-Dole-Bentsen proposal. That should terminate the debate if we have been able to cover everybody who has had an interest. In other words, we ought to have the same shot as we were giving to the distinguished Senator from Tennessee [Mr. SASSER]. That not being the case, there are other ways I can shut out amendments. I prefer not to do that, as I indicated earlier, because I think other Members have amendments.

We would like to resolve this issue. I am being, as you might guess, urged by colleagues on both sides of this issue to try to get us out of here by 6 o'clock tonight. If we do not agree on an extension of time, we will probably get out fairly near 6, but there could be four, five, or six rollcalls which would make it around 8 o'clock. If there is an extension of time in which everybody gets 20 minutes or whatever, we will be here until midnight.

I think those are the facts as I see them. Maybe I should discuss this with the distinguished minority leader, maybe ask for a quorum call to be charged to this side, and have a brief discussion about the amendments.

Mr. BYRD. Mr. President, I ask unanimous consent that the time for the colloquy concerning the schedule not be charged to either side.

Is that agreeable, I ask the majority leader.

Mr. DOLE. Yes, Mr. President.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. Mr. President, I have been on my feet a number of times today stating that we were going to run into this very kind of situation under this statutory agreement, which we tried to change and were unable to do so. So, here we are. Some Senators still want to call up their amendments as listed, and the distinguished majority leader, under this kind of agreement, has the power, if he wishes to do so, not to let any amendments in, simply vote, to cut the remaining time down and resort to other measures. But I have not believed that he would do that. I so stated earlier and he so stated earlier.

Here we are, still with a number of amendments. I would like to be able to sit down with the distinguished majority leader to see if we can work out a unanimous-consent time agreement, which we tried to do earlier and it was objected to—not on the majority leader's side but on this side.

I hope that the majority leader and I could, with the cooperation of Senators on both sides, work out an agreement that will allow all Senators who have amendments to have at least a shot at their amendments before all time expires.

For example, Mr. KENNEDY is willing to go to 10 minutes now, 5 minutes on each side.

By the way, this amendment that was just defeated was not a "Democratic substitute." Take a look at the rollcall and see how the votes break down between the two parties.

Mr. STEVENS. Would the minority leader yield for a question?

Mr. BYRD. The majority leader has the floor.

Mr. STEVENS. Would the majority leader yield to me?

Mr. DOLE. Yes, I yield.

Mr. STEVENS. I wonder if we might pursue the idea of having a time certain to vote—if we had a termination time, if we had an agreement we would vote at a time certain this evening, then to build back from that the idea of fitting in time for everybody who wants to participate in that period.

As I said previously, I would object to extending the time, but I would not object to a time certain even though it might extend the time.

I think the problem is the uncertainty that comes from the procedures that could be followed here under this time limit, which I am sure my good friend understands the same as I do, to get a vote, I would suggest a time certain to vote—8 o'clock, 8:30 or whatever we want to do—somewhere along the line of accommodating some time but at the same time making certain that it is going to be over tonight.

Mr. BYRD. If the majority leader would yield to me, if we could work our way out of this statutory limit, under a time agreement, all Senators could be assured of at least a vote, perhaps with a short debate on their amendments, prior to the final vote.

Mr. DOLE. Mr. President, I think it might be well if we had about 5 or 10 minutes. I think we could resolve this.

As I look down the list of amendments, based on what I know, having visited with some of those who want to offer the amendments, it may not be that big a problem. If we could suggest the absence of a quorum——

Mr. NUNN. Would the majority leader yield for just a suggestion?

Mr. DOLE. Yes.

Mr. NUNN. Some of us would like to make brief remarks. I have no amendment. I would like to make brief remarks. Rather than use a quorum call, if we could have a brief 5 or 10 minutes to make those comments, that would be helpful.

Mr. BYRD. Would the majority leader be inclined to name the Senators who appear on this list and who still wish to call up amendments so we can try to develop an agreement?

Mr. DOLE. Mr. President, may we have order?

The PRESIDING OFFICER. The majority leader has the floor. The Senate will come to order.

The distinguished majority leader.

Mr. DOLE. Mr. President, I understand the Senator from Georgia wishes to make a statement on the general subject.

Mr. NUNN. That is right, just a general statement.

Mr. BIDEN. Mr. President, will the majority leader yield for just a second?

Mr. DOLE. Yes.

Mr. BIDEN. I have listed a request to introduce an amendment. I can read the handwriting on the wall. I would still like a few minutes to introduce my amendment. I would not ask for a rollcall vote on it, I would pull it down, but I need 8 to 10 minutes to do that with my statement. I will in turn not ask for a vote.

Mr. DOLE. I understand the Senator from Minnesota [Mr. DURENBERGER] will have an amendment. The Senator from Illinois will have an amendment that will be accepted, which will take 5 minutes. The Senator from Delaware would take about 10 minutes. The Senator from Arizona [Mr. DECONCINI] is not here. We have not seen Senator CRANSTON's amendment.

Mr. DODD. Will the majority leader yield?

Mr. DOLE. Yes, Mr. President.

Mr. DODD. I am in a similar situation as the Senator from Georgia. I would make a statement on the bill generally, about 12 minutes, but I have no amendment.

Mr. KENNEDY. I have an amendment which would require 10 minutes equally divided.

Mr. DOLE. Mr. President, I suggest the Senator from Georgia be allotted 10 minutes from our time to make his statement on the bill. That will give us time for the managers to discuss this with the leaders.

Mr. BYRD. Could we have the same arrangement for Mr. DODD?

Mr. DOLE. On your side?

Mr. DODD. It is a statement on the bill. I am not offering any amendment.

Mr. DOLE. We do not have the time.

Mr. BYRD. We will give him 10 minutes out of our time.

Mr. DOLE. Sure. That will keep us busy for 20 minutes.

Mr. NUNN. Mr. President, I say to the majority leader, I will share my time with the Senator from Maine, [Mr. COHEN]. He has similar points to make and a similar viewpoint on this matter.

Mr. BYRD. Mr. President, would the majority leader allow me just to inquire on this side as to whether or not the following Senators still intend to call up their amendments—and this time is not running, I believe, under the earlier agreement.

The PRESIDING OFFICER. The Senator is correct.

Mr. BYRD. Mr. President, I know that Mr. CRANSTON wants to call up his amendment; Mr. DECONCINI still has an amendment which he wishes to call up; Mr. BIDEN has stated his preferences; Mr. DIXON, I believe, has an amendment he wishes to call up; and Mr. KENNEDY. Are there others on this side?

Mr. MELCHER. I have one, Mr. Leader.

Mr. BYRD. And Senator Melcher.

Mr. DOLE. Are these germane amendments?

Mr. MELCHER. Yes.

Mr. DOLE. These are amendments we have not even heard about before.

Mr. BYRD. Let me say to the distinguished majority leader, these amendments are on the list.

Mr. DOLE. Not Senator MELCHER'S.

Mr. BYRD. Not Mr. MELCHER'S; that is correct.

Mr. DOLE. So we are not gaining anything this way.

Mr. BYRD. I am doing the best I can to help the distinguished majority leader.

Mr. President, I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. DOLE. We yielded 10 minutes to the Senator from Georgia.

The PRESIDING OFFICER. The Senator from Georgia is recognized.

Mr. NUNN. Mr. President, last year, Senators LUGAR, BENTSEN, BOREN, CHILES, JOHNSTON, DOLE, DURENBERGER, DECONCINI, ROCKEFELLER, NICKLES, DIXON, and I introduced an amendment to provide humanitarian assistance to the democratic resistance in Nicaragua.

Mr. FORD. Mr. President, I make a point of order that the Senate is not in order. The distinguished Senator from Georgia needs to be heard and I would like for that to happen.

The PRESIDING OFFICER. The Senator from Kentucky is correct. The Senate is not in order. The Senator from Georgia will withhold. The Senate will please come to order.

The Senator from Georgia.

Mr. NUNN. Mr. President, I thank my friend from Kentucky.

That amendment was to provide humanitarian assistance to the democratic resistance in Nicaragua.

That amendment eventually became the law which provided some $27 million in humanitarian assistance to the Contras and also provided the basis for the President to return to Congress and ask for military aid, as he has now done.

When we introduced our resolution, the United States had terminated all assistance, both military and nonmilitary to the Contras. Congress had refused to continue to fund a so-called covert program of military assistance to the Contras because of serious concerns about the administration's goals and the nature of the Contras.

The purpose of our amendment was to chart a course which would enjoy the broadest possible support in the Congress and the American people. We felt that if the United States was to have any success in confronting the crisis in Central America, it was necessary to develop a consensus behind a policy of supporting a genuinely democratic opposition with humanitarian aid, while keeping the military option alive but on the back burner.

At the time, I said, and I quote:

U.S. interests in the region can be reduced to two simple objectives: one, we must foster genuine democratic principles as well as economic and social growth, and two, we must prevent the Soviets or the Cubans or their surrogates from making Central America a base for the projection of their power. If we support dialogue, democracy, and national reconciliation in El Salvador as we do, we should also support those goals in Nicaragua.

I added, "Congress and the American people must be convinced that we are supporting the true democrats, men like Arturo Cruz."

Those remain our goals, that goals that I think we should pursue. We must now ask, what progress has been made since we enacted humanitarian assistance last year?

It is obvious that many people in this Chamber and in the country continue to believe that the administration's only true objective is a military overthrow of the government in Managua. Many also believe that the administration has been unwilling to negotiate either bilaterally or through the Contadora process. I believe the administration has to overcome this widespread skepticism if there is to be any hope for a sustainable American policy, whatever happens here today.

With respect to the Contras, lingering doubts remain about whether they are truly democratic and whether they respect human rights. It is unclear who is in control of the Contra organization. Is it the civilian leadership or is it the former national guard officers who make up most of the senior military leadership of the Contras?

The Sandinistas have refused to talk to the Contras and the internal opposition. They have not negotiated with the United States or the Contadora nations in good faith, and they have continued their military buildup and intensified their repressive domestic policies. Whatever one may think of the Contras and the Reagan administration policy, it is clear that the Sandinistas are repressing their people, damaging their economy, and making efforts to destabilize their neighbors.

All of this confronts us with a terrible dilemma.

I am convinced that Americans will support genuine democratic resistance movements. Recent events in the Philippines show the enthusiasm that Americans have for those committed to democratic principles.

To criticize the Contras as they currently exist does not mean we should abandon them. The road to democracy where there is meager democratic tradition to follow is not smooth or simple. The recent steps toward democracy in the rest of Central America, principally in Guatemala, Honduras, and El Salvador are evidence of this. Yet we must support these fledgling efforts, as we are. We owe our support to those governments as well as to the genuine democrats who are in the Contra leadership.

A closely allied issue is whether the Contras adequately respect human rights.

President Carter set in motion a policy which emphasized respect for human rights as a key element in U.S. foreign policy. Although he was much criticized at the time, his policies have

proven a rallying cry for those who champion freedom, liberty, and democracy around the world.

Mr. President, there are simply too many questions about the human rights record of the Contras. For example, Amnesty International and the Americas Watch have just released lengthy studies which record many alleged violations of human rights by both the Sandinistas and the Contras. I do not know the truth of the allegations in these reports, but find that they raise many disturbing questions which must be answered. In a thoughtful floor statement on February 26, Senator LEAHY summarized these reports.

All of our offices have been receiving massive documents prepared by the Department of State which document human rights abuses by the Sandinistas. However, almost nothing has been said by the administration about alleged abuses by the Contras. This administration attitude must change if sustainable support for administration policy is to emerge in Congress and among the American people.

Mr. President, in deciding this issue, we are also sending a message to the people in Nicaragua and Central America that will have far-reaching implications. Nor would it be an exaggeration to say that we are also sending a message to the world. We must make this message unmistakably clear and strong.

Our message must be that the United States is firmly committed to the cause of democracy in the Americas and that we are determined that democratic movements in this hemisphere will not be crushed by armies and police power, whether of the left or the right.

What then is the solution to this dilemma and how do we convey the message of our support for democracy?

A strong message in support of democracy will not be conveyed if aid to the resistance squeaks by the Congress on a narrow vote.

In developing our policy we must demonstrate the United States neither wishes to restore the old regime in Nicaragua nor wishes to impose its own will upon Nicaragua. The resistance forces must be an authentic and democratic national liberation movement or they do not deserve our support. The message we send will be a clear one: The United States supports democracy in Nicaragua, not a return to the Somoza era.

I am encouraged by the appointment of Ambassador Habib as the President's Central America negotiator. But we need more than a man, we need a plan.

We face a difficult and demanding task. But there is reason to believe that this approach can succeed. Five years ago Nicaragua's neighbor, El Salvador, seemed destined toward greater bloodshed and repression.

But out of our debate here in Congress a two-track policy for El Salvador evolved: we gave military aid, but we also insisted upon democratization and reconciliation within Salvadoran society. The American public—and the Central American public—stood behind this sometimes slow-moving and imperfect policy. El Salvador today still has many difficulties. But the levels of civil violence have diminished, a democratically elected government is in place, and the country has begun to rebuild.

Nicaragua, of course, is not El Salvador. It is today ruled by Marxists-Leninists: home-grown, but foreign sponsored. But this is another reason why our Nicaraguan policy is so important. The United States has shown—in El Salvador, in the Philippines and in Haiti—that we can help change repressive regimes. We must also find policies that enable us to respond to the challenge of Communist totalitarianism.

Accordingly, I have written the President a letter.

In that letter, I state that unless the Contras are perceived in the United States and Central America as a genuine democratic movement, it is unlikely that American aid can be sustained or that the Contras will attract much support in Nicaragua. Therefore, I asked the President to give assurances on several points which are spelled out in my letter. Let me summarize them:

First, aid should be given only to civilian political leaders who respect human rights, are genuinely democratic, and have not engaged in criminal activity; no aid should be given directly to military leaders.

Second, this political leadership must form a genuine democratic movement.

Third, the resistance forces must investigate and prosecute individuals responsible for human rights abuses.

Fourth, all intelligence and other nonmateriel assistance should also be funneled through the civilian leadership.

Fifth, strict accounting measures over our aid must be adopted.

And, sixth, humanitarian aid should include education in reading, writing, health care and agricultural and vocational skills that will foster economic and political growth.

The President has now responded to my letter. In his response, I am pleased that the President has pledged to meet these concerns and states that he fully agrees with the objectives of my letter.

I am also pleased that the resolution which has been—will be—introduced by Senators LUGAR, DOLE, and BENTSEN contains provisions reflecting these concerns which are shared by many of us in this Chamber. I am grateful for the leadership of Senators COHEN, RUDMAN, and KASSEBAUM in this regard. Specifically, section 9(f) prohibits expenditure of the funds until the President determines and reports to Congress that the Contras "have agreed to and are beginning to implement":

> Broadening their leadership base; coordination of efforts; elimination of human rights abuses; pursuit of a program to achieve democracy in Nicaragua, and subordination of military forces to civilian leadership.

In addition, the Commission established by section 11 is required to report to Congress by June 30, 1986, on whether the Nicaraguan democratic resistance has agreed to, and are beginning to, implement these measures.

Finally, Mr. President, and this is very important, Congress must exert vigorous oversight over all aspects of this program. We must investigate carefully the allegations of human rights abuses by the Contras. We must oversee this program to assure that the administration is making a good faith effort to negotiate and to build a democratic center. We must also carefully monitor progress of the negotiations. The Commission, which will be established by section 11, will provide us with the facts upon which we can conduct this oversight.

Mr. President, if we adopt the proposal we are debating, including the provisions I have discussed, and if the President adheres to the pledges made in his letter to me, I believe it will go a long way toward developing a consensus behind a sustainable policy of military pressure on the Sandinistas to negotiate while at the same time building a genuine democratic movement which will enjoy the support of the American people and of the other governments in the region.

I have spent a good deal of time talking to the administration's top officials about this, including the President and the Secretary of State. I would like to close by quoting from my exchange of letters with the President on this subject.

Mr. President, my letter stated a number of goals. The main goal I will state very briefly:

> All aid should be given only to civilian political leaders that are genuinely democratic, respect human rights and have not or are not engaged in criminal activity, such as drug trafficking. No aid should go to the military leaders except through civilian leadership committed to these goals and principles.

Mr. President, I would like to read one part of the letter I received from President Reagan in response to my letter. This statement is on the second page of the President's letter. I think it is the most important commitment that we could have now in terms of the future of this Contra program. I quote from the President's letter:

Please be assured that I will implement this mandate from the Congress in a manner which gives primacy to civilian leadership and democratic development within the Nicaraguan opposition. To do so, we will work with the leadership of the Nicaraguan opposition to establish a council which, like our own National Security Council, ensures that military activities are conducted under the guidance of responsible civilian leaders. It is our intention that this body will be responsible for ensuring that U.S. assistance is fairly and properly administered.

I ask unanimous consent that the letters be printed in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

UNITED STATES SENATE,
COMMITTEE ON ARMED SERVICES,
Washington, DC, March 26, 1986.

The PRESIDENT,
The White House,
Washington, DC.

DEAR MR. PRESIDENT: Last year when Senator Lugar and I, and a number of our colleagues, sponsored an amendment which provided humanitarian assistance for the democratic resistance in Nicaragua, we sought to develop a consensus behind a sustainable policy that would promote the growth of democracy in Nicaragua and support negotiations. One of the central purposes of our amendment was to foster the growth of democracy and respect for human rights within the democratic resistance.

I agree with your view that the establishment of a consolidated, Marxist-Leninist regime in Nicaragua, allied with the Soviet Union and Cuba, represents a potential threat to the security of the United States. The Sandinistas have steadily tightened their grip on the people of Nicaragua. They have violated the human rights, and denied fundamental freedoms, of the Nicaraguan people. Moreover, the evidence is incontrovertible that the Sandinistas have continued to support guerilla movements and terrorism outside Nicaragua and that the Soviet and Cuban presence and influence has grown.

Although some progress has been made in forming a democratic political leadership for the contras, the American people and the Congress are reluctant to support the contras because they are not convinced that they are truly a democratic movement. The Congress, and I believe the American people, are prepared to support an authentic broad-based democratic resistance movement fighting for freedom and human rights in Nicaragua.

Our policy must indicate clearly not only what the United States opposes—a Marxist-Leninist repressive regime in Nicaragua—but also what we support, democracy and human rights. As we learned in El Salvador, the most effective force to prevent a communist success is a strong, principled, democratic movement which represents the real aspirations of the people. Similarly, in the Philippines we recently saw the enormous force generated when people want democracy and believe that there are leaders with integrity and courage who support democratic goals.

Unless the contra movement is perceived in the United States and Central America as an effort to bring democracy to Nicaragua, it is unlikely that American aid can be sustained or that the contras will attract the kind of political support required to bring about changes in Nicaragua.

Unfortunately, the contras have yet to become this force. Their political program and goals remain unclear. The various forces opposing the Sandinistas are divided. The power within the FDN, the largest contra force, still does not appear to be under civilian control. Although the United Nicaraguan Opposition has recently formed a Human Rights Commission, the contras' record and commitment on human rights remains unacceptable.

In El Salvador, we have used our military and economic aid effectively with bipartisan support, to strengthen democratic forces committed to human rights. We should follow a similar course in providing military assistance to the democratic resistance in Nicaragua.

I agree with the recent suggestion of Senators Cohen, Kassebaum and Rudman that the contras must agree to broaden their base, eliminate human rights abuses, and develop and pursue a program for achieving democracy in Nicaragua. I suggest a number of measures to insure that U.S. aid is designed to bring about these goals which are essential for success.

First, all aid should be given only to civilian political leaders that are genuinely democratic, respect human rights and have not or are not engaged in criminal activity, such as drug trafficking. No aid should go to the military leaders except through civilian leadership committed to these goals and principles.

Second, the civilian political leadership of the opposition movements must form a genuine democratic movement. The United States must insist that they work together and that they broaden their base so as not to exclude Nicaraguans who are committed to democratic principles. This does not mean that they must all adhere to a common political approach, but only that they embrace democratic principles.

Third, vigorous action must be taken to enforce respect for human rights including investigation and prosecution of individuals within the resistance responsible for human rights abuses.

Fourth, all intelligence and other non-materiel assistance and cooperation should also be funneled through, or at least controlled by, the democratic civilian political leadership.

Fifth, strict accounting measures must be adopted to insure that all aid is being properly administered and accounted for.

Sixth, humanitarian aid should include basic education for the democratic resistance fighters and their families. We should, for example, teach reading, writing, health care, and other basic courses in agricultural and vocational skills which will foster political and economic growth.

It is my firm belief that these assurances would go a long way toward satisfying doubts that linger in the minds of the Congress and the American people as to whether the contras truly represent a democratic force worthy of our support. I hope you will be able to provide me with these assurances.

Mr. President, I have one final but important point. The foreign policy of the United States toward Nicaragua cannot succeed if the only way it can be sustained is by repeated, razor-thin votes of the Congress. We need to develop a bipartisan, sustainable policy toward Nicaragua that enjoys the long-term support of the Congress, the American people and of the governments and the people of Central and South America. I applaud the efforts of Senator Sasser, Senator Byrd, Senator Lugar and Senator Dole in seeking to develop such a policy. I hope you will support them in that effort and join in developing such a policy.

Sincerely,

SAM NUNN.

THE WHITE HOUSE,
Washington, March 27, 1986.

Hon. SAM NUNN,
U.S. Senate,
Washington, DC.

DEAR SAM: Thank you for your letter this morning regarding our need to move in a bipartisan manner on forging a policy which will lead to a democratic outcome in Nicaragua. I fully agree with your objective of ensuring that everything we do diplomatically, politically, economically, and, especially, with our aid should contribute to the goal of a truly democratic solution.

Your observations, regarding the Nicaraguan opposition and its need to broaden its appeal to the Nicaraguan people, are entirely accurate. I agree that we need to do more to ensure that the Nicaraguan democratic resistance is, indeed, a representative movement, responsive to civilian leadership which is, in turn, committed to the ideals of democracy, human rights, the rule of law, and a better life for the Nicaraguan people.

It is because I believe so deeply in a truly democratic outcome in Nicaragua that I have endorsed a number of proposals made by thoughtful members of Congress, regional leaders, and the leadership of the Nicaraguan opposition itself, which are designed to further that end. The legislation that we have discussed with the Senate leadership and, which I find acceptable, reflects this advice and includes the following provisions intended to give effect to the objectives identified in your letter:

"The President shall use the authority provided by this Joint Resolution to . . . encourage the Nicaraguan democratic resistance to take additional steps, strengthen its unity, pursue a defined and coordinated program for representative democracy in Nicaragua, and otherwise increase its appeal to the Nicaraguan people."

Please be assured that I will implement this mandate from the Congress in a manner which gives primacy to civilian leadership and democratic development within the Nicaraguan opposition. To do so, we will work with the leadership of the Nicaraguan opposition to establish a council which, like our own National Security Council, ensures that military activities are conducted under the guidance of responsible civilian leaders. It is our intention that this body will be responsible for ensuring that U.S. assistance is fairly and properly administered. I have also endorsed language in the legislation which provides not less than $3 million for "strengthening programs and activities of the Nicaraguan democratic resistance for the observance and advancement of human rights." Training and democratic principles will be an important part of our program. Finally, I am committed to ensuring that no aid be provided to those groups that retain in their ranks individuals who engage in human rights violations, drug smuggling, or misuse of resistance funds.

I believe that these commitments are responsive to your concerns and those of other members of Congress who are as dedicated as you and I to a sustainable bipartisan and truly democratic solution to the turmoil in Central America.

Sincerely,

RONALD REAGAN.

Mr. NUNN. Mr. President, there are a number of other statements that I think are important in President Reagan's letter. Time does not permit me to read them.

Let me close by saying that I am pleased that the resolution, the Dole-Lugar-Bentsen resolution, which I intend to vote for, contains provisions reflecting these concerns which are shared by many in this Chamber.

I am grateful to the leadership of Senators COHEN, RUDMAN, and KASSEBAUM in this regard.

I congratulate Senator COHEN for his leadership and I assure him that I agree completely with the goals that he has been effective in pursuing.

The PRESIDING OFFICER. Who yields time?

Mr. NUNN. Mr. President, if I have time, I yield whatever time I have remaining to Senator COHEN.

The PRESIDING OFFICER. The Senator has 3 minutes and 50 seconds.

Mr. COHEN. I thank the Senator for yielding.

Mr. President, the present episode in the long-running debate over U.S. aid to the Contras has been marred and clouded by intemperate rhetoric. We seem at times to be focusing more on tactics—slogans and allusions aimed at inspiring the desired response—than substance.

It is imperative that we move beyond this. There are some critical issues which must be carefully considered if we are to arrive at a responsible policy.

I believe that a key to developing a sound, long-term approach lies in a careful consideration of the principal parties in Nicaragua.

Unfortunately for the Nicaraguan populace, the Sandinista government has removed lingering doubts about its nature and intent in the past year. Last October, the Nicaraguan Government suspended fundamental civil rights of its citizens, including the right to form unions and to strike; the right to be presumed innocent until proven guilty; freedom of movement; right of peaceful assembly; freedom of information; and the right to a trial. These and the continuation of other human rights abuses underscore more clearly than ever the antidemocratic nature and intent of a force which once promised to embody the hopes of the Nicaraguan people.

It is also clear that the Sandinistas have interfered in the internal affairs of their neighbors, and have encouraged the consolidation of Cuban and Soviet presence and influence. Last year, we were surprised at Daniel Ortega's indelicate visit to Moscow on the heels of the votes in the House of Representatives to deny aid to the Contras. This week lightning struck again in the form of a significant Sandinista incursion into Honduras as the Senate prepared to debate the merits of further aid to the Contras. It would appear that Mr. Ortega thought he could vanquish any claim the Contras might have as a fighting force; instead, he suffered a serious, self-inflicted head wound.

As a result of the Sandinista's internal policies and international designs, there appears to be little remaining doubt about the nature of their rule. As the distinguished Senator from Tennessee stated in the Democratic response to the President's televised address on aid to the Contras:

> We agree that the Sandinista government has betrayed the promise of its own revolution, has suppressed the freedom of its own people, and has supported subversion against its neighbor in El Salvador.

The principal differences of view arise over the question of what to do about this. In my view, the United States does have an inescapable interest in problems and events in Latin America. Regional security is a valid concern and, tempting as it may seem, we cannot simply turn away from the situation in Nicaragua. Our objectives in this situation should be to help advance the democratic aspirations of the Nicaraguan people and to support efforts by our Latin American neighbors to ensure regional security.

To meet the latter goal, I believe we must vigorously support the efforts of our Latin American neighbors to work out diplomatic solutions through the Contadora negotiating process.

This can also be advanced through measures to promote democratization in Nicaragua. Here, then, we must turn to consideration of the Contras.

While there has been increasing agreement among the public and Members of Congress concerning the nature of the Sandinista regime and the threat that it poses both to its neighbors and to the United States, there is still no consensus over the character of the Nicaraguan rebels. Indeed, the term "Contras" is misleading to the extent that it implies a single source of armed opposition to the Sandinistas. We know that there are in fact numerous groups battling the Sandinistas, groups which do not always share the same methods or objectives.

We need to address a number of unresolved questions concerning the Contras before we embark on a policy that will deepen our involvement with these groups. We need to ensure that their goals coincide with our own, that their methods are consistent with these goals, and that they have a program and organization which promises to garner significant popular support among their countrymen in Nicaragua.

The United States backed Contras stand accused of human rights abuses. Further, it is uncertain whether they can agree on a common agenda with other resistance groups or coordinate their activities.

If our goal is to bring pressure to bear on the Sandinistas to move toward democratization and regional security, then the Contras need to develop a common set of objectives along with a program and organizational structure for implementing them. They also need to develop recognition as legitimate and representative spokesmen for large segments of the population inside Nicaragua. Internal and international support for the Contras will grow only when it is clear that they are not CIA mercenaries or ex-Somoza national guardsmen intent on returning Nicaragua to the authoritarianism of the past.

In short, support for the Contras will not prove effective unless we make it clear to them that our support is contingent on reforms that will promote the formation of a confederated, broadly based, coordinated, democratic opposition.

It is for this reason that I joined with my colleagues, Senator KASSEBAUM and Senator RUDMAN, in pressing for legislation linking assistance to the Contras to concrete measures to develop and implement a reform program. Specifically, we have argued t.at additional aid beyond the initial outlay be prohibited unless and until the Contras have agreed and have begun implementing:

Confederation and reform measures to broaden their leadership base;

The coordination of their efforts;

The elimination of human rights abuses;

The pursuit of a defined and coordinated program for achieving representative democracy in Nicaragua; and

The subordination of military forces to civilian leadership.

Notification that these conditions have been satisfied would be provided through Presidential certification.

We have also insisted that an independent commission, established under the legislation, prepare and transmit to the Congress a report on whether the Contra groups have carried out these obligations.

Our purpose in this legislation is not to raise unworkable obstacles, but, rather, to establish a rational framework for ensuring that U.S. assistance promotes the objectives for which it is intended. Hence, we envision detailed reporting on the reform efforts of the Contras, including relevant information relating to the degree of success achieved in meeting the goals of the legislation.

I am pleased to note that these reform provisions have been included in the legislation we are considering today. I am hopeful that their enactment will give impetus to a healthy restructuring of the Nicaraguan opposition forces. In any case, the message, I trust, will be clear. The United States will not indefinitely funnel assistance

to disparate, fractious forces with questionable human rights practices. What we demand is a broad-based, coordinated, democratic force with a popular program for promoting democracy in Nicaragua.

Mr. President, after years of debate and discussion, we are still groping for a policy toward Nicaragua. I believe it is essential that we define our objectives clearly and develop a carefully drawn plan to implement them. When a policy is ambiguous or opaque, efforts to rally support—especially through verbal bullying—will fail. Casting aspersions is not a substitute for the heavy responsibility and difficult task of persuading a free people to open their eyes and minds to near- or long-term dangers. We must instead define the problems, propose clear and specific policies to deal with them, and seek to convince the country and the Congress to support those policies.

The problems of Nicaragua and its relations with its neighbors do not lend themselves to quick or easy solutions. I believe that only through a multitrack approach which includes a Contra reform element can pressure be effectively brought to bear on the Sandinista government to move toward pluralism and democracy and to cease being a threat to regional security.

Mr. President, earlier this afternoon, I heard some of the debate characterized as a message to the Sandinistas or a message to the American people and our allies; that if we were not willing to support this assistance package, that America was not willing to stand up for her friends. A question came to my mind: Who are our friends? The enemy of my enemy is not necessarily my friend.

Mr. NUNN. Mr. President, may we have order? I am trying to listen to the Senator from Maine.

The PRESIDING OFFICER. The Senate will be in order.

Mr. COHEN. One of the major concerns Senator KASSEBAUM, Senator RUDMAN and I had was that we have no chance of success, any long-term chance of success, unless we are able to forge a bipartisan consensus in Congress and in the country.

We can only do that if we have a group that we can support that would be not only an effective military force but an effective moral force, as well; a force around which the people, the disenfranchised people of Nicaragua, could rally to say "these people now embody our aspirations"—the aspirations that have been, in fact, abandoned by the Sandinistas.

And it was for what reason that Senator KASSEBAUM, SENATOR RUDMAN, Senator NUNN, myself and others believed that it was important that we not support any package that did not call for a reform of the Contras to promote the formation of a confederated, broadly based, coordinated, democratic opposition. Right now, it consists of a number of disparate groups. They are not effectively organized. They do not adequately subordinate military forces to civilian rule. They stand accused of human rights abuses, and we simply could not continue to support a group on a long-term basis under such circumstances.

For that reason, we proposed an amendment—it was accepted—that would condition any additional aid, beyond the initial outlay, upon the Contras agreeing to implement a confederation and reform measures to broaden their leadership base, to coordinate their efforts, to eliminate human rights abuses, to pursue a program for achieving representative democracy in Nicaragua, and to subordinate military forces to civilian leadership.

Mr. NUNN. The Senator says, as I understand it—this is my view, and I am sure it is the view of the Senator from Maine—that this is not simply an altruistic principle of human rights and democratic principles, although that is part of it. It is really the key as to whether this policy we are pursuing has any chance of success, in terms of being sustainable in this country, which is in doubt now, and in terms, most importantly of being supported by the people of Nicaragua, which, in the final analysis, will determine the outcome.

Mr. COHEN. The Senator is correct.

If these groups do not organize, do not coordinate their activities, do not engage in promotion of the democratic reforms that are essential, they will lose the support of the Nicaraguan people, and we will face ultimate defeat. This is the key to a reform package.

Mr. NUNN. Will the Senator from Maine agree with the Senator from Georgia in the observation that now that we have the President's letter, and that we also have the language of the Senator from Maine in this resolution, we have something by which to judge the Contra movement? There will be no more debates in a vacuum 18 or 12 months from now. Either they move in this direction or, in my view, this will not be a program sustainable by the United States.

Mr. COHEN. The Senator is correct.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. PELL. Mr. President, I yield 15 minutes to the distinguished Senator from Connecticut. [Mr. DODD].

Mr. DODD. I thank the Senator.

Mr. President, I urge both my good friends from Georgia and Maine to see last week's interview on "Front Line," conducted by Judy Woodruff on Public Broadcasting. The person being interviewed thought the cameras and tape recorders were off. He made comments about who would be in control. I wish them well. I hope they are right in this, but I am suspicious that his statements may have been more reflective of the realities.

Mr. NUNN. I take that point well. I know about that interview, and that strengthened my conviction that there has to be civilian control by people who are committed to democratic principles.

"THE MARCH OF FOLLY"

Mr. DODD. Mr. President, I regret, as many of us do, that we were not able to adopt the Sasser amendment. I felt that that was the closest we could come to really developing a sound policy, in the long term, in Nicaragua.

When it comes to this underlying proposition, the one offered by the President, there are a number of very good reasons for opposing this request for more money to sustain the proxy war in Nicaragua.

The best reason, the overriding reason, the reason why I will vote against this request, is that it does not serve the interests of our Government, our Nation, or our people.

The President's request is simply another sad chapter in the dreary history of government's—all governments'—capacity to make mistakes; to pursue those mistakes relentlessly; and to then pawn those mistakes off as sound policy. This historical phenomenon is what Pulitzer Prize-winning historian Barbara Tuchman has aptly labeled "The March of Folly."

Such rationality and knowledge throughout history are all too rare, claims Ms. Tuchman. "A phenomenon noticeable throughout history regardless of place or period," she writes, "is the pursuit by governments of policies contrary to their own best interests." In her latest book, entitled the "March of Folly," Ms. Tuchman chronicles a series of policy disasters ranging from the fall of Troy to the Vietnam war. In these and other cases, "Persistence in error is the problem," she observes. "Yet to recognize error, to cut losses, to alter course," she concludes, "is the most repugnant option in government."

In the case of the Contra policy that is pending before us, this option is the only option that makes any sense—recognizing our error, cutting our losses and altering our course. It is the only option that accords with the facts, and it is the only option that holds out the promise of avoiding the folly of our current policy before it is too late.

Mr. President, the policy the Reagan administration is pursuing toward the Nicaragua situation is folly. It belies any fundamental understanding of the social, economic, and political forces at work in the region.

Our present policy is folly because it evidences our interest in promoting military solutions to political problems, which is not unlike Soviet behav-

ior in Afghanistan, Eastern Europe, and other parts of the world.

Our present policy is folly because it identifies us with the status quo, if not the reactionary forces in the region, including former military commanders from the old Somoza National Guard.

Our present policy is folly because it puts us at loggerheads with our democratic allies in the region, such as Mexico, Venezuela, Colombia, Panama, Argentina, Peru, Brazil, and Uruguay.

Our present policy is folly because it plays into the hands of Fidel Castro and his cohorts, who while they did not create the deplorable conditions that exist in Central America, are fully prepared to take advantage of them.

Our present policy is folly because it indicates our willingness to disregard binding treaty commitments which bar us from intervening in the internal affairs of other nations, specifically the nations of this hemisphere.

What are we doing, and apparently what we will continue to do later this afternoon, is folly, pure and simple. How did we get into this mess? Historian Tuchman reminds us that throughout history, political "wooden-headedness," which, she notes "* * * consists in assessing a situation in terms of preconceived, fixed notions while rejecting any contrary signs," is primarily responsible for nations doing that which is directly contrary to their own self-interest. More to the point, she says, "It is acting according to wish while not allowing oneself to be deflected by the facts."

Such, I believe, is President Reagan's approach to the situation in Nicaragua. Our present actions resemble an ideological obsession, not a foreign policy.

Our present approach in Central America has taken on the appearance of a holy war; and, like all such wars, it is driven by a fanatical impulse, in this case a ideological compulsion to rid the Central American region of the Communist demon.

In the administration's view, the Sandinistas are the embodiment of that demon. And regardless of the particular troublespot in the region, all roads lead to Managua.

Toppling the Sandinistas, in the administration's view, would mean removing the bad apple from the barrel. It eliminates the Communist threat to the mainland; it reduces political instability and social unrest in the region; and perhaps most importantly, it teaches Havana and Moscow an important lesson.

To carry out this goal, the Reagan administration has chosen the ghost of Somoza, the remnants of the Nicaraguan National Guard as its instrument. Rearm them. Retrain them. Refer to them as "freedom fighters." And send them back to liberate "the Fatherland." If Congress learns about the operation, tell them it is for the purpose of interdicting military supplies, tell them it is to promote negotiations. Tell them anything that will allow us to continue this folly.

Let Congress pass all the laws it wants to restrict the use of these funds to the Contras. They are harmless measures, and in any event, by the time the folks on Capitol Hill figure out what is really going on, it will be too late. To paraphrase former President Teddy Roosevelt, "This administration will have toppled the Sandinistas regime; let Congress debate it."

All of this sounds pretty far-fetched, something akin to a foreign policy pipedream or the twisted plot of a recent spy thriller. Not so long ago that is what a lot of people in this Chamber and the other body thought. But no longer. No, the war against Nicaragua is real. The war is spreading, as we know from the events of the last several days, and our involvement is growing deeper.

Remember the time when the Contra operation was nothing more than a gleam in the President's eye; now it is an armed force numbering some 20,000 people, according to the administration.

Remember the time when United States military assistance to the Central American countries was less than $10 million per year; now it exceeds $200 million annually.

Remember the time when U.S. military exercises in the region were, at most, a yearly event; now they are a permanent feature of the landscape.

Remember the time when we did not have military trainers or advisers in either Honduras or El Salvador; remember the time when United States helicopter pilots were not ferrying foreign forces to the Honduran-Nicaraguan border; remember the time when we were not conducting aerial reconnaissance missions in the area; remember the time when we did not have radar stations or naval vessels permanently stationed there. Or remember the time, unlike today, when no one referred to the "U.S.S. Honduras" to describe our military presence in the poorest nation of the region.

And when you remember all of that, remember too there was a time when we were not distributing guerrilla materials and manuals in Nicaragua, supporting terrorist operations there, or mining harbors. Yes, there was a time, in the not-too-distant past, when we vehemently condemned such activities, when we were respected as a law-abiding nation, and when we upheld the jurisdiction of the World Court.

All of that, of course, has changed, and it has changed because the President is determined to rid Nicaragua of the Sandinista government. He is so determined that he is willing to tell Congress whatever it wants to hear—just so long as the money continues to flow. If we want it disguised as an arms interdiction program, he will tell us that; if we want it disguised as a humanitarian aid project, he will tell us that; or if we want it disguised as a bargaining chip, he will tell us that, too.

And if you are concerned about who is getting the money, the President has got the kind of answer to reassure the most hardened critic: the money is going to the "freedom fighters"; to "our brothers"; to "the moral equal of the Founding Fathers."

Yes, the President is determined to get the money he has requested, just as he was determined to send the Marines to Lebanon and just as some of his predecessors were determined to stand up for democracy in Southeast Asia. But both efforts represented serious errors in judgment, and both efforts cost us dearly. Just because a President is determined does not make him right.

To underscore this point, keep in mind that it was candidate Reagan, no less determined, who led the fight against any new treaty arrangement on the Panama Canal. Had we pursued his advice, there is little doubt but that the canal would have been closed, or there would have been bloodshed and conflict, or both. Fortunately, "cooler heads and wiser counsel" prevailed on the Panama issue. We reached a political settlement that fully protects the real interests of all concerned. Today, of course, the Reagan administration supports those treaties.

We desperately need a similar approach to Nicaragua in particular and to Central America in general. We must make a determined effort—working in concert with our regional allies—to bring an end to the violence and bloodshed; to restore peace and stability; and to make diplomacy work. To get from here to there, we must be prepared to alter course.

First, there must be unequivocal support for the Contadora process and for the efforts by Mexico, Venezuela, Colombia, and Panama and other regional democratic allies to develop political solutions to the conflicts which plague the Central American region.

Second, there must be a commitment on our part to reduce tensions in the area. We must terminate our support for paramilitary operations against Nicaragua and bring a halt to military exercises which have no other real purpose than to intimidate or provoke the Nicaraguan Government.

Third, there must be a clear, concise signal to indicate that we are ready, willing and able to provide substantial economic resources to the nations of Central America as soon as the Contadora process achieves a measure of

success in bringing peace and stability to the region.

I realize such an approach falls on deaf ears when it comes to the hard-core Nicaragua-bashers, from the President on down. But all I am suggesting is that, in an effort to give peace a chance in this region, we deal with Nicaragua like we deal with any number of other countries that we find abhorrent, such as Poland, Yugoslavia, Chile, or South Africa.

In each of these cases, were we to follow the Nicaragua formula, we would be supporting armed dissident movements and we would be doing so under the banner of freedom and democracy. We would be aiding and abetting freedom fighters in South Africa, rather than pursuing a policy of constructive engagement. Or we would be voting on $100 million for Polish dissidents, rather than having anything to do with the Communist leaders of Poland.

But we are not. In these cases we are pursuing a different course and we are using our power and influence in different ways. We are trying to make diplomacy work and we are being more pragmatic, more sober, more realistic. Surely, if President Reagan can pursue such a policy with the Jaruzelskis and the Pinochets of the world, there is no reason to regard the Ortegas as beyond the pale.

Mr. President, I make this point not because I believe the Sandinista government is a model democracy. I do not. I make this point not because I am unmindful of the difficulties faced by other political forces in Nicaragua, by the press, by the church, by the labor unions, or by the private sector. Nor do I make this point because I have turned a blind eye to Nicaragua's close relations with Cuba and with the Soviet Union. I have not.

No, Mr. President, I am concerned about all of these developments and I am as disappointed as anyone in this Chamber that the Sandinista government has yet to live up to many of the the commitments made in the name of the Nicaraguan revolution. But I not prepared to issue what is tantamount in a declaration of war because of it. Just as I am not prepared to issue a declaration of war against Poland because of its military ties to the Soviet Union, or because of its despicable human rights record. Nor am I prepared to take such action against South Africa, Chile, Paraguay, or any number of other countries whose governments do not uphold democratic standards and values. Nor is anyone else in this Chamber.

Marxist ideology does play a very major role in the Sandinista government. And many of the Sandinista leaders espouse that threadbare ideology and believe firmly in it. But obviously the same goes for the People's Republic of China. Are we to believe that Nicaragua is more of a Marxist state than the Soviet Union? Are we to believe that it is more of a Marxist state than the People's Republic of China? Are we to believe that it is more of a threat to our national security interests than either of these two Communist giants?

Obviously not. And yet just as obviously, President Reagan deals with both Moscow and Beijing in ways that stand in marked contrast to our approach to Managua. A couple of years ago the President traveled to the People's Republic of China as a guest of that country. Last year, the President met with the new leadership of the Soviet Union. These meetings evidence the President's conviction that political contacts, even with ideological adversaries, can serve to advance United States interests and lead to improved political relations. It is a sound conviction. It is one that deserves to be applied to Nicaragua, as well.

Mr. President, our real interests in Nicaragua, like our real interests elsewhere in the world, are political interests. By promoting our political interests, our political relations, we stand the best chance of promoting and protecting all of our other interests with respect to Nicaragua—be they economic, military, strategic or of any other kind. This approach also affords us the best chance of influencing the Nicaraguan Government's behavior, both internally and externally.

The resolution before us, however, takes us in the opposite direction. It simply compounds one error with another. It takes us further down the road in the march of folly. The folly is to pursue a policy that emphasizes military and paramilitary solutions, rather than political and diplomatic ones. The folly is to pursue a policy that focuses almost exclusively on external factors and forces, rather than internal differences and divisions. The folly is to pursue a policy that clearly evidences an emotional and ideological approach, rather than an objective and pragmatic one.

Just over 10 years ago, Mr. President, we finally terminated a similar policy, one that had led us into the jungles and rice paddies of Southeast Asia and one that had cost us dearly in terms of blood and treasure. The more than 50,000 names etched in marble at the Vietnam Memorial are solemn testament to that policy. No, Nicaragua is not Vietnam. And Central America is not Southeast Asia. Not yet. But the Reagan policy evidences a determination to eliminate the differences.

Before that happens, we should also keep in mind that a decade prior to our withdrawal from Saigon, this forum was engaged in another debate on another resolution. And in the course of that debate—two of our former colleagues dissented. Prior to casting his vote against this resolution on that very hot August day in 1964, our former colleague from Oregon said the following:

> I say most respectfully and sadly that in my judgment, in this resolution, we are planting seeds not of peace, but of war. Those who will follow us in the years to come will cry out in anguish and despair in criticism over the mistake that was made in 1964 when the joint resolution was passed.

Approval of the Tonkin Gulf Resolution was a mistake. A generation later, let us learn from our mistakes.

Mr. President, the pending resolution should be rejected.

Mr. PELL. Mr. President, I yield 5 minutes to the Senator from Montana.

Mr. MELCHER. I thank the manager of the bill, the Senator from Rhode Island.

Mr. President, the people are, in the majority, against the Reagan plan of the growing aid to the rag-tag revolutionaries fighting the Nicaraguan Government.

There are several reasons why President Reagan has not been successful in mobilizing widespread public support for his Nicaraguan policy of sending $100 million to the Contra rebels. I believe the most important reason is the overriding concern Americans have for the plummeting economy of the basic industries. Lower commodity prices over the past 5 years have crippled the U.S. mining, agriculture, and the forest products industries, and joining these now is the petroleum industry with rapidly sinking oil prices.

Liquidations, buy-outs, bankruptcies and bank failures are characteristic of these industries suffering huge losses in the face of the low commodity prices for their products. The secondary industries of steel, copper, and aluminum can be added to the list. Job losses number in the millions and the snowball effect et cetera.

Taking care of what needs to be down here at home has been ignored by the administration, while it attempts to motivate the people into believing that the $100 million for Nicaraguan Contras is more important and more significant than these economic wounds.

The damage of these falling prices does not stop at our shores, but depresses the economies of all other countries which are tied to these basic industries. The President's position is unbelievable; the President's priority for Nicaragua is preposterous, and the very strength of the United States economy is under siege.

During the past 30 days we have spent more time with the Senate in conferences and briefings on the question of $100 million for Nicaragua than we have devoted to addressing these significant economic problems. Keeping your own house in order is essential for solving anybody's problems. Our own economic well-being is the basis of strength which sustains our

people. Why do we ignore that, while we debate sending $100 million to a dubious group called "Contras?"

As for a Central American policy the effect on Mexico alone from lower commodity prices, particularly petroleum, threatens their economic collapse. Further, lower commodity prices will force all of us to reevaluate global trade and markets for all goods and commodities.

The reduction of inflation in the United States has been directly tied to these lower commodity prices. While this has made the stock market soar on Wall Street, it has devastated main streets across America which must rely on the economic activity of basic industries. The clobbering they have suffered has been in direct proportion to the collapsing commodity prices. One economic analyst has said, "lower commodity prices are like a tax refund to consumers." This is a questionable consumer windfall since it was taken directly from those basic industries that are the foundation—the bedrock on which the economy is built. To have recovery requires a day of reckoning with commodity price recovery. Few citizens will be left untouched.

Wall Street's confidence in the stock market is built on a foundation of shifting sand. It may wash away at any time when there is a realization that the U.S. economy is far from sound and headed toward disaster at a breakneck speed.

No one single action by the administration can thwart economic disaster for these basic industries. And there is no one single action—not one—that the administration is pursuing to thwart the collapse of these industries, let alone a coordinated plan for recovery.

Under these conditions, to hammer away at a $100 million Nicaraguan Contra caper is worse than Nero's playing the fiddle as Rome burned.

To ignore the necessities at home, to ignore the necessities of the stability of U.S. basic industries is a gross violation of common sense and a dereliction of duty. The President and his administration have ignored the basic industries and are ignoring the needs of our country. Hammering out a policy for Nicaragua has become a bull-headed exercise. It is a futile exercise, but most damaging are the losses American citizens endure from the administration's callous disregard of their genuine concerns.

Nevertheless, in a short time we shall vote on the transfer of a $100 million to several thousand hired revolutionaries, dependent for pay from the United States, who camp in Honduras and periodically fight in Nicaragua.

They fight to overthrow the Government of Nicaragua, headed by Daniel Ortega, and establish a new government. These revolutionaries are led by a combination of former Somoza military officers, dropouts from Ortega's Sandinista group, and others, more or less Nicaraguan patriots. The total number of their military force may vary from a few thousand to a total of about 15,000.

Their numbers can be expected to be in proportion to the amount of money we send them. Their ability to operate as a military force of any credibility is questionable.

Two centuries ago King George III hired Hessians to fight with them against us in our war of revolution.

The Hessians were trained, disciplined troops. In contrast these Contra are not. I do not know how much George III paid the Hessians but it is pertinent to understand where the funds for the $100 million would come from to pay the Contras.

DESCRIPTION OF REQUEST

The $100 million would be transferred from amounts appropriated to the Department of Defense, as follows:

	Millions
Ammunition, Army: 105mm HEAT MPT cartridge	$30
Other procurement, Navy: 2.75-inch rockets	11.5
General purpose bombs	20
Procurement, Marine Corps: 155mm ammunition	3.5
Other procurement, Air Force: 30mm API	29.1
CBU-89 (TMD/GATOR)	5.9

These are all "readiness accounts" which are vital for our Armed Forces to meet any threat to our national defense.

Two other points need consideration:

Latin American opposition. U.S. aid to the Contras, contrary to what the administration says, does not have the support of any of the Latin American countries. Last month the Contadora nations—Mexico, Venezuela, Colombia, and Panama—and three others formally urged the United States to halt aid to the Contras. They rested their appeal on the grounds that U.S. involvement in Latin America via the Contras only aggravated the chance for a negotiated settlement of the conflict.

Second. It is unbelievable, that the President's request of $100 million is the upper level of assistance which may be provided to the Contras. Administration witnesses testified to the House Select Committee on Intelligence that approval of the House resolution would have the effect of removing any restriction upon use of the CIA's reserve for contingencies. That opens the doors of the Treasury to amounts much greater than $100 million.

The Constitution is clear that the responsible function of Congress to determine spending of Treasury funds is paramount to the President's recommendations.

In this case, the President's proposal for Nicaragua should be rejected. His statements of the need, his declarations of the aims of the Contras and their capabilities have not been corroborated by facts.

The only logical vote is to vote against his request. My vote is, No.

It is my strong belief that Nicaragua cannot be allowed to become a base for military operations to cause a threat to other countries. Preventing new armaments to come into Nicaragua through Cuba, the Soviet Union, or their counterparts continues to be the goal of the United States and that is supported by the Contadora group and the entire hemisphere.

To that extent there is a unified approach.

I believe in the meantime, we should be unified on helping the people of Nicaragua who are caught in the middle of the guerrilla war between the Nicaraguan Government military forces and those who adhere to the Contra side. That continuous strife disrupts the usual production of food and drains available resources for the people.

It is the hearts and minds of the Nicaraguan people who will, over the course of time, determine the future position of Nicaragua in its relationship with their neighbors of Central America and the rest of us in this hemisphere.

Of the various schemes to salvage United States interests in Nicaragua, all have flaws. The worst, of course, would deliberately or inadvertently add to the suffering of the 3 million Nicaraguan people and further fan their resentment toward us.

There is justification for that antagonism, whether we like to admit it or not. We first started risking Nicaraguan animosity starting in 1894. President Cleveland then, and later Presidents McKinley and Taft, found it necessary to send United States Marines to Nicaragua to protect United States interests from harm or destruction. Sending Marines to Nicaragua seemed to grow into a habit. In 1910 we began an era of 23 years where we invited the animosity of the Nicaraguan people.

President Taft responded to a growing Nicaraguan revolution against the Government by sending a 750-man provisional regiment from Philadelphia to Nicaragua. They landed in May 1910 and remained through approximately September 1910. This time they actually went into the interior of the country and fought in battles to neutralize rebel towns.

Beginning in 1912, United States Marines were stationed in Nicaragua almost continuously for the next 21 years. The events that led to the Marine landing in 1912 started a couple of years earlier when economic problems in Nicaragua caused the conservative, pro-United States Govern-

ment there to apply for funds to help reorganize the country's finances. The United States supplied the money but, in return, demanded that the Nicaraguan Government place the nation's customs department, post office, national banks, mines, railways, and harbors under the control of two New York banks as a guarantee.

This increasing U.S. involvement in the internal affairs of Nicaragua provoked an uprising in 1912 against the pro-United States Government. At the request of the Nicaraguan Government, 1,700 marines were sent to Nicaragua by President Taft. Their numbers were shortly increased to 2,700. The combined Government and U.S. troops soon captured the rebel leaders and broke the back of the revolution.

With the exception of a brief 9-month period in 1925-26, the United States maintained some type of military presence in Nicaragua from 1912 until 1933, and the presence of these troops was instrumental in keeping the pro-United States Government in power.

In the late 1920's Augusto Cesar Sandino, from whose name comes the term "Sandinista," began to rise to the leadership of the nascent revolutionary forces in Nicaragua. The guerrilla-style warfare practiced by Sandino and his some 300 followers went on throughout the late 1920's and early 1930's.

In January 1933, after a decade of guerrilla war, Sandino's major condition for peace required the departure of the marines. After the marines left, Sandino signed a peace agreement with the Nicaraguan Government. Marines have not been deployed to Nicaragua since that time. During this time, Anastasio Somoza of the Nicaraguan National Guard had become a power in the Government and in 1937, with United States backing, Somoza became the head of a military regime which was to rule Nicaragua for more than 40 years, to 1979. In all, three members of the Somoza family headed the Nicaraguan Government with the backing of the United States and more than half a billion dollars in United States aid.

What was the final result of all this military support in Nicaragua? The eventual collapse of the Somoza dictatorship and the rise to power of the Marxist Sandinista government.

All in all, our involvement in Nicaragua in backing oppressive governments, including the Somoza family dictatorship, resulted in antagonizing the oppressed Nicaraguans and led to even greater support for the rebel Sandinistas in Nicaragua.

In short, this left a bitter legacy of antagonism toward our country we have not, thus far, been able to overcome.

United States aid to Nicaragua during the Carter administration neither bought us the friendship of the new Ortega government nor helped that government get along with Nicaragua's neighbors or stabilize its economy.

Worse still, the Reagan administration actions through our Central Intelligence Agency backfired in mining Nicaraguan harbors embarrassed us throughout the hemisphere. At the same time, these clumsy, misguided actions have given the Marxist Government of Nicaragua a propaganda opportunity. President Ortega finds it convenient to blame United States interference for the low state of the Nicaraguan economy and the high state of human suffering.

There was little excuse for the CIA mischief we have wrought in the region. The Nicaraguan people pose no real threat to the United States. What would constitute a threat, of course, is any attempt by Cuba, the Soviet Union, or any other outside power to funnel more arms to the Ortega goverment. Introducing armaments into Nicaragua from abroad is contrary to the Monroe Doctrine and the Rio Treaty, and preventing that from happening must be a primary goal.

On the other hand, our primary goal with regard to the Nicaraguan people must be to help them as much as we can afford to help and to do it in a manner that they can understand and appreciate.

The most stable institution in that unstable country remains the Roman Catholic Church, and though President Ortega and his cabinet insulted Pope John Paul during the Pontiff's peace mission there in 1983, Cardinal Miguel Obando y Bravo, the bishops, and most of the clergy remain the resolute and responsible arbiters between the people and their government. What is more, the Nicaraguan church leaders have maintained a positive relationship with their counterparts throughout Central America and the rest of the world.

If Cardinal Bravo and the church in Nicaragua are willing to arrange transportation and distribution, we should offer some of our surplus food to the Nicaraguan people whose national economy and food production cycles have been destabilized by a decade of intermittent strife.

Among the poorest peasants in Central America, the poor of Nicaragua have found little in our policy toward their country to identify Americans as friends and good neighbors. Since we have much more food in Federal storage than we can dispose of, we should immediately ask Nicaraguan church officials if they will receive and distribute United States commodities to their country's poor.

It is my judgment that implementing such a food aid policy through the church could begin to rebuild trust, friendship, and good will among the Nicaraguan people and, at the same time, pointedly refute the misleading and self-serving propaganda of the Ortega government.

That is long-term policy that is good for them, good for us, and promotes a chance for a return to democracy and a stable society for Nicaragua.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. PELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Rhode Island is recognized.

Mr. PELL. Mr. President, I yield 5 minutes to the Senator from Iowa, Mr. HARKIN.

The PRESIDING OFFICER. The Senator from Iowa is recognized.

Mr. HARKIN. Mr. President, I read with great interest—and I commend to the attention of my colleagues—the recent report of the House Permanent Select Committee on Intelligence. That report concluded that "the policy of assistance to the Nicaraguan resistance was not working, that it was, in fact, counterproductive."

Five years and nearly $100 million of U.S. taxpayers dollars have not made the Contras effective either militarily or politically.

We should not be surprised. To a majority of Nicaraguans, the Contras, and its fighting arm, the FDN [Nicaraguan Democratic Resistance], are led not by freedom fighters, but by the same National Guard who fought against freedom during the Somoza era.

There was an interview on the PBS program "Frontline," with Adolfo Calero, a member of the UNO directorate and president of the directorate of the FDN.

Mr. President, I ask unanimous consent that the interview be printed at this point in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

INTERVIEWER. It's clear that a lot of the foot soldiers, the majority, the vast 99 percent of the foot soldiers are young men who were, who where,

ADOLPHO CALERO. . . . who were kids, when the word Somosa, when Somosa was in power, they had, they were being born.

INTERVIEWER. But isn't it also clear that many of the leaders, the top leaders for sure, were members of the National Guard?

ADOLPHO CALERO. Then you haven't met, you haven't met the top leaders then, who are top leaders.

INTERVIEWER. Enrique Bermudez.

ADOLPHO CALERO. Enrique Ber . . . yeah, he's a top leader, he was a member of the National Guard.

INTERVIEWER. In Becebla?

ADOLPHO CALERO. In Becebla, it's a former capton in the National Guard who . . .

INTERVIEWER. And he is a top man?

ADOLPHO CALERO. Il Becebla, well, let's say he's one of our best educated men in operations.

INTERVIEWER. Meglema.

ADOLPHO CALERO. Meglema was a cadet in the Nicaraguan military academy. He was never an officer.

INTERVIEWER. Commadente Mac.

ADOLPHO CALERO. Commadente Mac was a sergeant.

INTERVIEWER. In the National Guard?

ADOLPHO CALERO. Yeah.

INTERVIEWER. Juan Gomez?

ADOLPHO CALERO. Juan Gomez, he's a top . . . he's an aviator. He's a pilot

INTERVIEWER. Was he a pilot for . . .

ADOLPHO CALERO. Yeah, he's a pilot for . . .

INTERVIEWER. No. He was a pilot of the Nicaraguan airforce . . . under Somosa.

ADOLPHO CALERO. Under Somosa, yeah.

INTERVIEWER. And Calderon Lopez? He's also a top man and he was a member of the National Guard.

ADOLPHO CALERO. Calderon, well, he's a, he was a lieutenant, yes.

End.

NARRATOR. The presence of former guardsmen in the leadership of the FDN has led critics of Reagan's support for the Contras to charge that the United States, in its eagerness to fight Communism, has backed an army that promises little more than a return to the past.

Mr. HARKIN. The fact that the leadership of the FDN is comprised of ex-national guardsmen is not just my conclusion.

It is that of UNO leader Arturo Cruz, who conceded in a recent interview in the Washington Post that "the largest number in the inner staff" are ex-guardsmen. It is the conclusion of Central American analyst Robert Leiken, who has written that "the FDN high command, with one exception, is drawn entirely from the national guard."

And it now is the conclusion of the Reagan administration, which, in a March 13 letter to Senator PELL, confirmed that 9 of the 13 members of the FDN high command are former guard officers.

A review of the resumes of the major FDN leaders demonstrates why the Contras have failed to win the hearts and minds of the Nicaraguan people.

The head of the FDN, Enrique Bermudez, is a member of the national guard who founded the Contra group. One of his closest associates, Ricardo Lau, has been linked by the Honduran military to death squad activity in Honduras. And, according to the former head of military intelligence in El Salvador, Mr. Lau participated in the assassination of Archbishop Oscar Romero in El Salvador.

No; the Contras are not freedom fighters who reflect the ideals and values of the American people.

They are nothing more than a ragtag band of murderers, torturers, and rapists. There have been those who have said perhaps they will clean up their act. They will not clean up their act, and they will not clean it up because the leaders of the FDN are totally corrupt.

Let me recite the major reasons for that missing $7.1 million missing from the money Congress approved for the Contras last year.

Earlier today, the distinguished Senator from Arkansas was pointing out that there was $7.1 million missing from the money that the Congress approved for the Contras last year. No one has brought this out. I think it is very interesting to note who gets to handle our taxpayers' dollars that go down to this bank account in Miami.

The money goes to a bank account in Miami, and then it is funneled out through the UNO. Listen to who handles the money. Adolfo Calero, a member of the UNO directorate, who is the leader of the FDN, and Mario Calero, brother of Adolfo, is the purchasing agent for UNO, and he lives in New Orleans.

Get this: This is the final linkage. Aristedes Sanchez is the brother-in-law of Adolfo Calero. He is the general secretary and paymaster of the FDN.

I might also parenthetically indicate that he is a close business associate with the former General Somoza.

So here we have it; $7.1 million goes to a bank account in Miami. Who gets to handle it all? Adolfo Calero, his brother Mario Calero, and his brother-in-law, Aristedes Sanchez. That ought to tell us something right there.

Mr. President, I challenge anyone to give this Senator any evidence that the $7.1 million is actually used to fund the Contras. I will bet my bottom dollar on it. That money is being socked away by Adolfo Calero and his brother Mario Calero, and the brother-in-law of Adolfo, Aristedes Sanchez. And we should not be surprised. These again are the same people who worked under the Somoza regime.

I know. It has been said that Adolfo Calero was an opponent of Somoza. Yes, he was. He was opposed to Somoza because Somoza was taking too much of his money, and he wanted a little bit more. But now Adolfo Calero, and his brother Mario, and his brother-in-law Aristedes Sanchez—the three of them have their hands in the taxpayers' money. Boy, what a sweetheart deal this is. We fund the money, they send it to the bank in Miami, and no one has to account for it thereafter.

I suggest that we ought to check the bank accounts of Mario Calero, Adolfo Calero, and Aristedes Sanchez, to find out just where the taxpayers' dollars are going.

As someone said to me the other day, Adolfo Calero is a Ferdinand Marcos before his time. I think the time has come now to cut off the aid.

The PRESIDING OFFICER. The time of the Senator has expired.

Who yields time?

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The disginguished majority leader.

Mr. PELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Rhode Island is recognized.

Mr. PELL. Mr. President, I yield 3 minutes to the Senator from Tennessee [Mr. GORE].

The PRESIDING OFFICER (Mr. PRESSLER). The Senator from Tennessee [Mr. GORE] is recognized for 3 minutes.

Mr. GORE. I thank the Chair. Mr. President, as I have listened to the discussions on the floor yesterday, and to the debate today, it is clear that all questions revolve around a central issue: Not whether we trust the Sandinistas; not whether we are indifferent to their presence in Central America; not whether we are absolutely in favor of or opposed to the use of force in defense of our interests; but whether we have placed right on our side by first truly seeking peace.

It was the premise of my colleague JIM SASSER'S amendment that we have not yet done this: That we should, as a result, pause for a reasonable interval, sit at the table with the Nicaraguans and search for a way to live in peace with them. Those who opposed that amendment do not appear to have disagreed on the need for negotiations: Rather, they believe that the effort has already been made—more than once—and rejected—more than once.

We come, therefore, to the amendment at hand; proposed by our colleagues Senators DOLE, LUGAR, and BENTSEN. There is a great deal in their proposal that is reasonable. But at its core, one finds the belief that we have already done enough in search of peace. Hence, the desire for $25 million up front on very loose strings; the haste in allowing but 3 more months before final release of the remaining $75 million; and the legislative design which makes release of that money at the end of that time a virtual certainty.

I oppose this amendment because I do not share its authors' assessment of what we have done to secure peace. But in so doing, I also recognize an obligation: To say with precision what, in my opinion remains to be done.

First, I would urge the President to negotiate bilaterally with Nicaragua, without a demand that the Nicaraguans first bargain with the Contras. When revolutionaries in El Salvador demand that the Duarte government sit down with them, we bridle. We should not be surprised if the same kind of demand from us—negotiate bilaterally with your deadly foe—is unwelcome in Nicaragua.

But if this is too much to ask of the President, could he not at least try to do in Central America what he has been trying to do in the Middle East? Could we not look upon the Contras as our PLO, for such they are? Could we

not propose that the Contras be represented at the table by a panel of Nicaraguans acceptable to them, but not of them, and for that reason perhaps acceptable also to the Sandinistas?

And if we managed to talk, what would we ask? We would ask for confirmation of and the details behind the offers made by the Nicaraguan Ambassador to Senator PELL on the 3d of this month; namely, withdrawal of all foreign advisers; no acquisition of new systems of armaments, with strict verification measures; a guarantee that Nicaraguan territory will never be used as a base for any foreign power or for subversion, with onsite inspection; an end to the state of emergency, and restoration of full civil liberties including freedom of speech and the press; and general amnesty for all Contras with full rights of return as citizens.

Mr. President, if we found substance behind these promises, we will have found peace for the region. And if we do not, we shall have eliminated much, if not all of the doubt which divides us and the Nation over what should be done.

In summary, Mr. President, I am suggesting that we might encourage the President to search for a negotiating formula that would allow bilateral discussions with the interests of the Contras represented at the table in a manner which finesses the current disagreement which prevents the Sandinistas from sitting down with the Contras and prevents us from setting down with the Sandinistas.

I appreciate the time and I yield back whatever time remains.

The PRESIDING OFFICER. Who yields time?

Mr. DOLE. Mr. President, I am prepared, if the distinguished minority leader is prepared, to propose a unanimous-consent request.

Mr. BYRD. Yes.

Mr. DOLE. Let me read the entire request and make the entire request.

Mr. BYRD. Mr. President, how about the time for this purpose?

Mr. DOLE. I ask unanimous consent that the time used for this purpose not be charged.

The PRESIDING OFFICER. Without objection, it is so ordered.

UNANIMOUS-CONSENT AGREEMENT

Mr. DOLE. Mr. President, I ask unanimous consent that during the remainder of the Senate's consideration of Senate Joint Resolution 283, the Contra aid resolution, the time be allotted in the following fashion:

Dole-Lugar-Bentsen substitute, 1 hour, with 45 minutes under the control of the distinguished chairman of the Foreign Relations Committee and 15 minutes under the control of the minority leader or his designee; 10 minutes on a Cranston amendment to require bilateral negotiations, equally divided; 10 minutes on the Durenberger amendment that conditions lethal aid, equally divided; 10 minutes on a Biden amendment setting conditions for the use of U.S. military personnel, with all time to be allotted to the Senator from Delaware; 5 minutes on Dixon amendment prohibiting use of U.S. military personnel, all time to be allotted to the distinguished Senator from Illinois [Mr. DIXON]; 10 minutes on a Kennedy amendment prohibiting use of U.S. personnel, to be equally divided.

I also ask unanimous consent that the agreement be in the usual form, except where specified in a different fashion, that no other amendments be in order, and that they occur in the order as stated above.

The PRESIDING OFFICER. Is there objection?

Mr. BYRD. Mr. President, reserving the right to object, first I want to thank the distinguished majority leader for entering into an agreement to allow the substitute, not a Democratic substitute, offered by Mr. SASSER, to have an up-or-down vote and agreeing there would be no amendments offered to it. I think that was a very fine thing to do and I personally appreciate it.

On this request as I see it here, all of the amendments which appear below the Dole-Lugar substitute—Cranston, Durenberger, Biden, Dixon, Kennedy—would be second-degree amendments. May we have that understanding?

Mr. DOLE. That is correct.

Mr. BYRD. Mr. President, we are having an understanding of their being second-degree amendments for purposes of this agreement. That does not prejudice the distinguished majority leader.

Mr. DOLE. The minority leader is correct. We do not want additional amendments offered. That is the purpose of this consent agreement.

Mr. BYRD. Mr. President, I have no objection.

The PRESIDING OFFICER. Is there objection? The Chair hears none. Without objection, it is so ordered.

Mr. DOLE. Mr. President, let me indicate to my colleagues, and I know many of them have other plans, I think with a little luck we can complete action by 7 o'clock, or before. I thank all my colleagues on both sides for their willingness to reduce their time. I believe the distinguished chairman of the Foreign Relations Committee is now prepared to offer the substitute for himself, this Senator, and the Senator from Texas [Mr. BENTSEN].

AMENDMENT NO. 1720

(Purpose: To furnish assistance for the Nicaraguan democratic resistance to provide incentives for the Government of Nicaragua to negotiate with its neighbors and its democratic opposition and to promote peace and democracy in Central America.)

Mr. LUGAR. Mr. President, I sent a substitute to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Indiana [Mr. LUGAR], for himself, Mr. DOLE, and Mr. BENTSEN, proposes an amendment numbered 1720.

Mr. LUGAR. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Strike out all after the resolving clause and insert in lieu thereof the following:

PURPOSES

SECTION 1. The purposes of this joint resolution are to promote peace, stability, and democracy in Central America, to encourage a negotiated resolution of the conflict in the region and, towards these ends, to enable the President to provide additional assistance for the Nicaraguan democratic resistance, as requested by the President on February 25, 1986, pursuant to the provisions of section 722(p) of the International Security and Development Cooperation Act of 1985 (Public Law 99-83) and section 106(a) of the Supplemental Appropriations Act, 1985 (Public Law 99-88), subject to the terms and conditions of this joint resolution.

POLICY TOWARD CENTRAL AMERICA

SEC. 2. (a) It is the policy of the United States that—

(1) the building of democracy, the restoration of peace, the improvement of living conditions, and the application of equal justice under law in Central America are important to the interests of the United States and the community of American States;

(2) the interrelated issues of social and human progress, economic growth, political reform, and regional security must be effectively dealt with to assure a democratic and economically and politically secure Central America; and

(3) the September 1983 Contadora Document of Objectives, which sets forth a framework for negotiating a peaceful settlement to the conflict and turmoil in the region, is to be encouraged and supported.

(b) The United States strongly supports as essential to the objectives set forth in subsection (a)—

(1) national reconciliation in Nicaragua and the creation of a framework for negotiating a peaceful, democratic settlement to the Nicaraguan conflict; and

(2) efforts to reach a comprehensive and verifiable final agreement based on the Contadora Document of Objectives, including efforts to encourage the Government of Nicaragua to pursue a dialogue with the representatives of all elements of the Nicaraguan democratic opposition for the purposes of achieving a democratic political settlement of the conflict, including free and fair elections.

POLICY TOWARD THE GOVERNMENT OF NICARAGUA

SEC. 3. (a) United States policy toward Nicaragua shall be based upon Nicaragua's responsiveness to continuing concerns affecting the national security of the United States and Nicaragua's neighbors about—

(1) Nicaragua's close military and security ties to Cuba and the Soviet Union and its Warsaw Pact allies, including the presence in Nicaragua of military and security personnel from those countries and allies;

(2) Nicaragua's buildup of military forces in numbers disproportionate to those of its neighbors and equipped with sophisticated weapons systems and facilities designed to accommodate even more advanced equipment;

(3) Nicaragua's unlawful support for armed subversion and terrorism directed against the democratically elected governments of other countries;

(4) Nicaragua's internal repression and lack of opportunity for the exercise of civil and political rights which would allow the people of Nicaragua to have a meaningful voice in determining the policies of their government through participation in regularly scheduled free and fair elections and the establishment of democratic institutions; and

(5) Nicaragua's refusal to negotiate in good faith for a peaceful resolution of the conflict in Central America based upon the comprehensive implementation of the September 1983 Contadora Document of Objectives and, in particular, its refusal to engage in a serious national dialog with all elements of the Nicaraguan democratic opposition.

(b) The United States will address the concerns described in subsection (a) through economic, political, and diplomatic measures, as well as through support for the Nicaraguan democratic resistance. In order to assure every opportunity for a peaceful resolution of the conflict in Central America, the United States will—

(1) engage in bilateral discussions with the Government of Nicaragua with a view toward facilitating progress in achieving a peaceful resolution of the conflict, if the Government of Nicaragua simultaneously engages in a serious dialogue with representatives of all elements of the Nicaraguan democratic opposition; and

(2) limit the types and amounts of assistance provided to the Nicaraguan democratic resistance and take other positive action in response to steps taken by the Government of Nicaragua toward meeting the concerns described in subsection (a).

(c) The duration of bilateral discussions with the Government of Nicaragua and the implementation of additional measures under subsection (b) shall be determined, after consultation with the Congress, by reference to Nicaragua's actions in response to the concerns described in subsection (a). Particular regard will be paid to whether—

(1) freedom of speech, assembly, religion, and political activity are being respected in Nicaragua and progress is being made toward the holding of regularly scheduled free and fair elections;

(2) there has been a halt to the flow of arms and the introduction of foreign military personnel into Nicaragua, and a withdrawal of all foreign military personnel has begun;

(3) a cease-fire with the Nicaraguan democratic resistance is being respected; and

(4) Nicaragua is refraining from acts of aggression, including support for insurgency and terrorism in other countries.

(d) The actions by the United States under this joint resolution in response to the concerns described in subsection (a) are consistent with the right of the United States to defend itself and to assist its allies in accordance with international law and treaties in force. Such actions are directed, not to determine the form or composition of any government of Nicaragua, but to achieve a comprehensive and verifiable agreement among Central American countries, based upon the 1983 Contadora Document of Objectives, including internal reconciliation within Nicaragua, based upon democratic principles, without the use of force by the United States. Nothing in this joint resolution shall be construed as authorizing any member or unit of the armed forces of the United States to engage in combat against the Government of Nicaragua.

POLICY TOWARD THE NICARAGUAN DEMOCRATIC RESISTANCE

SEC. 4. (a) It is the policy of the United States to assist all groups within the Nicaraguan democratic resistance which—

(1) are committed to work together for democratic national reconciliation in Nicaragua based on the document issued by the six Nicaraguan opposition parties on February 7, 1986, entitled "Proposal to the Nicaraguan Government for a Solution to the Crisis in Our Country"; and

(2) respect international standards of conduct and refrain from violations of human rights or from other criminal acts.

(b) No assistance under this joint resolution may be provided to any group that retains in its ranks any individual who has been found to engage in—

(1) gross violations of internationally recognized human rights (as defined in section 502B(d)(1) of the Foreign Assistance Act of 1961); or

(2) drug smuggling or significant misuse of public or private funds.

(c)(1) The Congress finds that the Nicaraguan democratic resistance has been broadening its representative base, through the forging of cooperative relationships between the United Nicaraguan Opposition (UNO) and other democratic resistance elements, and has been increasing the responsiveness of military forces to civilian leadership.

(2) The President shall use the authority provided by this joint resolution to further the developments described in paragraph (1) and to encourage the Nicaraguan democratic resistance to take additional steps to strengthen its unity, pursue a defined and coordinated program for representative democracy in Nicaragua, and otherwise increase its appeal to the Nicaraguan people.

(d) In furtherance of the policy set out in this section, not less than $10,000,000 of the funds transferred under section 5(a) shall be available only for assistance to resistance forces otherwise eligible and not currently included within UNO, of which amount $5,000,000 shall be available only for the Southern Opposition Bloc (BOS) and $5,000,000 shall be available only for the Indian resistance force known as Misurasata.

TRANSFER OF FUNDS

SEC. 5. (a)(1) The Congress hereby approves the provision of assistance for the Nicaraguan democratic resistance in accordance with the provisions of this joint resolution.

(2) There are transferred to the President for use in carrying out the provisions of this joint resolution $100,000,000 of unobligated funds from such accounts for which appropriations were made by the Department of Defense Appropriations Act, 1986 (as contained in Public Law 99-190), as the President shall designate. No limitation or restriction contained in section 10 of Public Law 91-672, section 8109 of the Department of Defense Appropriations Act, 1986, section 502 of the National Security Act of 1947, or any other provision of law shall apply to the transfer or use of such funds.

(b) Notwithstanding the Impoundment Control Act of 1974, not more than 25 percent of the funds transferred under subsection (a) may be available for obligation or expenditure in accordance with this joint resolution upon the date of enactment of this joint resolution, and not more than an additional 15 percent of such funds may be so available upon the transmittal of each report required by section 12.

(c) Funds transferred under subsection (a) shall remain available for the same periods of time, but not to exceed September 30, 1987, as such funds would have been available under the Department of Defense Appropriations Act, 1986 (as contained in Public Law 99-190), but for the enactment of this joint resolution.

(d)(1) There are transferred to the President out of funds appropriated by the Supplemental Appropriations Act, 1985 (Public Law 99-88), under the heading "Assistance For Implementation of a Contadora Agreement" such sums as the President may require, but not more than $2,000,000, to facilitate the participation of Costa Rica, El Salvador, Guatemala, and Honduras in regional meetings and negotiations to promote peace, stability, and security in Central America. No limitation or restriction contained in section 15 of the State Department Basic Authorities Act of 1956, section 10 of Public Law 91-672, or any other provision of law shall apply to the transfer or use of such funds.

(2) Funds transferred under paragraph (1) shall remain available for the same period of time as such funds would have been available under the Supplemental Appropriations Act, 1985 (Public Law 99-88), but for the enactment of this joint resolution.

FUNDS FOR HUMANITARIAN ASSISTANCE

SEC. 6. (a) Of the amounts transferred under section 5(a), $30,000,000 shall be available only for the provision of humanitarian assistance to the Nicaraguan democratic resistance by the Nicaraguan Humanitarian Assistance Office (established by Executive Order 12530).

(b) Of the $30,000,000 made available only for purposes of subsection (a), $3,000,000 shall be available only for strengthening programs and activities of the Nicaraguan democratic resistance for the observance and advancement of human rights.

APPLICATION OF EXISTING LAWS

SEC. 7. (a) Except as otherwise provided in this joint resolution, funds transferred under section 5(a) shall be available for the purposes described in section 105(a) of the Intelligence Authorization Act for Fiscal Year 1986, and all the requirements, terms, and conditions of such section and sections 101 and 102 of such Act, section 502 of the National Security Act of 1947, and section 106 of the Supplemental Appropriations Act, 1985 (Public Law 99-88), shall be deemed to have been met for such use of such funds.

(b) The use of funds made available under this joint resolution is subject to all applicable provisions of law and established procedures relating to the oversight by the Congress of operations of departments and agencies.

(c) Nothing in this joint resolution shall be construed as permitting the President to furnish additional assistance to the Nicaraguan democratic resistance from funds other than the funds transferred under section 5(a) or otherwise specifically authorized by the Congress for assistance to the Nicaraguan democratic resistance.

USE OF FUNDS AFTER A PEACEFUL SETTLEMENT

SEC. 8. If the President determines and so reports to the Congress that a peaceful settlement of the conflict in Central America has been reached, then the unobligated balance, if any, of funds transferred under section 5(a) shall be available for the purposes of relief, rehabilitation, and reconstruction in Central American countries in accordance with the authorities contained in chapter 4 of part II of the Foreign Assistance Act of 1961 (relating to economic support fund assistance).

INCENTIVES FOR A NEGOTIATED SETTLEMENT

SEC. 9. (a) Assistance under this joint resolution shall be provided in a manner designed to encourage the Government of Nicaragua to respond favorably to the many opportunities available for achieving a negotiated settlement of the conflict in Central America. These opportunities include the following proposals:

(1) Six opposition Nicaraguan political parties on February 7, 1986, called for an immediate cease-fire, an effective general amnesty, abolition of the state of emergency, agreement on a new electoral process and general elections, effective fulfillment of international commitments for democratization, and observance of implementation of these actions and commitments by appropriate international groups and organizations;

(2) President Reagan on February 10, 1986, offered simultaneous talks between the Government of Nicaragua and all elements of the Nicaraguan democratic opposition in Nicaragua and between the Government of Nicaragua and the United States Government;

(3) President Jose Napoleon Duarte of El Salvador on March 5, 1986, offered an additional dialog between the Government of El Salvador and the insurgents in El Salvador if the Government of Nicaragua would simultaneously engage in a dialog with all elements of the Nicaraguan democratic opposition; and

(4) President Reagan's Message to the Congress of March 19, 1986, proposed a mission to Latin America by his special envoy to encourage the Contadora and Support Group countries to join in urging the Government of Nicaragua to initiate a national dialog with representatives of all elements of the Nicaraguan democratic opposition.

(b) In furtherance of the objectives set forth in subsection (a), and except as provided in subsection (c), assistance to the Nicaraguan democratic resistance under this joint resolution shall be limited to the following:

(1) humanitarian assistance (as defined in section 722(g)(5) of the International Security and Development Cooperation Act of 1985);

(2) logistics advice and assistance;

(3) support for democratic political and diplomatic activities;

(4) training in radio communications, collection, and utilization of intelligence, logistics, and small-unit skills and tactics; and

(5) equipment and supplies necessary for defense against air attacks.

(c) On and after July 1, 1986, the restrictions in subsection (b) shall cease to apply beginning 15 days after the President determines and reports to the Congress that—

(1) the Central American countries have not concluded a comprehensive and effective agreement based on the Contadora Document of Objectives,

(2) the Government of Nicaragua is not engaged in a serious dialog with representatives of all elements of the Nicaraguan democratic opposition, accompanied by a cease-fire and an effective end to the existing constraints on freedom of speech, assembly, religion, and political activity, leading to regularly scheduled free and fair elections and the establishment of democratic institutions, and

(3) there is no reasonable prospect of achieving such agreement, dialog, cease-fire, and end to constraints described in paragraphs (1) and (2) through further diplomatic measures, multilateral or bilateral, without additional assistance to the Nicaraguan democratic resistance, unless the Congress has enacted a joint resolution under section 10 disapproving the provision of additional assistance (other than assistance described in subsection (b)).

(d)(1) Notwithstanding subsection (c), no assistance (other than the assistance described in paragraphs (1) through (4) of subsection (b)) shall be provided at any time to the Nicaraguan democratic resistance under this joint resolution if—

(A) the President determines that—

(i) the Central American countries have concluded a comprehensive and effective agreement based on the Contadora Document of Objectives; or

(ii) the Government of Nicaragua is engaging in a serious dialog with representatives of all elements of the Nicaraguan democratic opposition, accompanied by a cease-fire and an effective end to the existing constraints on freedom of speech, assembly, religion, and political activity leading to regularly scheduled free and fair elections and the establishment of democratic institutions; or

(B) the Congress enacts a joint resolution under section 10 disapproving the provision of additional assistance (other than assistance described in paragraphs (1) through (4) of subsection (b)).

(2) The prohibition contained in paragraph (1) shall not apply with respect to assistance described in paragraph (5) of subsection (b) if the Government of Nicaragua acquires additional equipment or materiel to carry out air attacks.

(e) The limitations on assistance that may be furnished to the Nicaraguan democratic resistance which are contained in subsections (b) and (d) shall cease to apply if the Congress enacts a joint resolution, in accordance with section 10, stating that the Government of Nicaragua has failed to accept or observe a cease-fire with the Nicaraguan democratic resistance.

(f)(1) Notwithstanding any other provision of this joint resolution, on or after July 1, 1986, funds may be obligated or expended under this joint resolution only if the President determines and reports to the Congress that the Nicaraguan democratic resistance groups receiving assistance under this joint resolution have agreed to and are beginning to implement—

(A) confederation and reform measures to broaden their leadership base;

(B) the coordination of their efforts;

(C) the elimination of human rights abuses;

(D) the pursuit of a defined and coordinated program for achieving representative democracy in Nicaragua; and

(E) the subordination of military forces to civilian leadership.

(2) In making his determination under paragraph (1), the President shall take into account the effectiveness and legitimacy of the political leadership of those Nicaraguan democratic resistance groups receiving assistance under this joint resolution, including the ability of that political leadership—

(A) to reflect the views and objectives of the internal and external Nicaraguan democratic opposition;

(B) to function as the spokesman for the Nicaraguan democratic opposition with Central Americans, international organizations, and the United States Government;

(C) to represent the Nicaraguan democratic opposition in dealing with the Government of Nicaragua;

(D) to provide command and control for the military forces of all resistance groups receiving assistance under this joint resolution and to establish the goals for their military operations;

(E) to determine the distribution of assistance provided under this joint resolution; and

(F) to provide the legal mechanisms necessary for the enforcement of standards of conduct applicable to all members of the resistance groups receiving assistance under this joint resolution.

CONGRESSIONAL PRIORITY PROCEDURES

SEC. 10. (a)(1) A joint resolution described in subsection (c) of section 9 shall be one without a preamble, the matter after the resolving clause of which is as follows: "That the Congress disapproves the provision of additional assistance to the Nicaraguan democratic resistance pursuant to the joint resolution entitled 'Joint resolution relating to Central America pursuant to the International Security and Development Cooperation Act of 1985', except as provided in section 9(b) thereof.".

(2) A joint resolution described in subsection (d)(1)(B) of section 9 shall be one without a preamble, the matter after the resolving clause of which is as follows: "That the Congress disapproves the provision of additional assistance to the Nicaraguan democratic resistance pursuant to the joint resolution entitled 'Joint resolution relating to Central America pursuant to the International Security and Development Cooperation Act of 1985', except as provided in paragraphs (1) through (4) of section 9(b) and paragraph (2) of subsection (d) thereof.".

(3) A joint resolution described in subsection (e) of section 9 shall be one without a preamble, the matter after the resolving clause of which is as follows: "That the Congress finds that the Government of Nicaragua has failed to accept or observe a cease-fire and hereby approves the provision of assistance to the Nicaraguan democratic resistance pursuant to the joint resolution entitled 'Joint Resolution relating to Central America pursuant to the International Security and Development Cooperation Act of 1985.', notwithstanding subsection (b) or (d) of section 5 thereof".

(b) A joint resolution described in subsection (a)(1), (a)(2), or (a)(3) shall be considered in the House of Representatives and in

the Senate in accordance with the provisions of paragraphs (3) through (7) of section 8066(c) of the Department of Defense Appropriations Act, 1985 (as contained in Public Law 98-473), except that—

(1) references in such paragraphs to a joint resolution shall be deemed to be references to the respective joint resolution set forth in subsection (a)(1), subsection (a)(2), or subsection (a)(3);

(2) references in such paragraphs to the Committee on Appropriations shall be deemed to be references to the appropriate committee or committees of the respective House of Congress;

(3) references in such paragraphs to the eighth day and to fifteen calendar days shall be deemed to be references to the fifth day and to five calendar days, respectively; and

(4) amendments may be in order but only if the amendments are germane.

(c) The provisions of this section are enacted—

(1) as exercises of the rulemaking powers of the House of Representatives and Senate, and as such they are deemed a part of the Rules of the House and the Rules of the Senate, respectively, but applicable only with respect to the procedure to be followed in the House and the Senate in the case of joint resolutions under section 9, and they supersede other rules only to the extent that they are inconsistent with such rules; and

(2) with full recognition of the constitutional right of the House and the Senate to change their rules at any time, in the same manner, and to the same extent as in the case of any other rule of the House or Senate, and of the right of the Committee on Rules of the House of Representatives to report a resolution for the consideration of any measure.

COMMISSION ON CENTRAL AMERICAN NEGOTIATIONS

SEC. 11. (a)(1) There is established the Commission on Central American Negotiations (hereafter in this section referred to as the "Commission"), which shall be composed of five members appointed as follows:

(A) One individual appointed by the Speaker of the House of Representatives;

(B) One individual appointed by the Minority Leader of the House of Representatives;

(C) One individual appointed by the Majority Leader of the Senate;

(D) One individual appointed by the Minority Leader of the Senate; and

(E) One individual, who shall serve as Chairman of the Commission, selected by unanimous vote of the other members of the Commission.

(2) No officer or employee of the United States may be appointed as a member of the Commission.

(b) The purpose of the Commission is to monitor and report on the efforts of the Nicaraguan democratic resistance to coordinate and reform and on the status of any negotiations on the peace, stability, and security of Central America, including negotiations conducted between or among—

(1) the Government of Nicaragua and all elements of the Nicaraguan democratic opposition, including the Nicaraguan democratic resistance;

(2) the governments of Central American countries;

(3) the Government of the United States and the Government of Nicaragua;

(4) the governments of the Contadora and Support Group countries and the government of the Central American countries; and

(5) the Government of El Salvador and the insurgents in El Salvador.

(c)(1) The Commission may appoint and fix the pay of not more than seven staff personnel, but at such rates not in excess of the rate of pay for GS-18 of the General Schedule under section 5332 of title 5, United States Code, for each day during which such member is engaged in the performance of duties as a member of the Commission.

(B) While away from his home or regular place of business in the performance of duties for the Commission, a member or staff personnel of the Commission shall be allowed travel expenses, including a per diem in lieu of subsistence, not to exceed the expenses allowed persons employed intermittently in Government service under section 5703 of title 5, United States Code.

(3) For purposes of pay and other employment benefits, rights, and privileges and for all other purposes, any employee of the Commission shall be considered to be a congressional employee as defined in section 2107 of title 5, United States Code.

(d)(1) A majority of the members of the Commission shall constitute a quorum.

(2) All decisions of the Commission, except as otherwise provided in this section, shall be by majority vote.

(e) The Commission may make such reports in connection with its duties as it deems necessary to the Speaker of the House of Representatives and the chairman of the Committee of Foreign Relations of the Senate, except that—

(1) not later than 5 days after receipt by the Congress of a report by the President under section 9(c), the Commission shall prepare and transmit to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate a report addressing all the matters which are required to be included in reports of the President by paragraphs (1), (3), and (4) of section 12; and

(2) not later than June 30, 1986, the Commission shall prepare and transmit to the Congress a report on whether the Nicaraguan democratic resistance groups receiving assistance under this joint resolution have agreed to and are beginning to implement measures described in subparagraphs (A) through (E) of section 9(f)(1) and an evaluation of the factors described in section 9(f)(2).

(f)(1) Salaries and expenses of the Commission, but not more than $400,000, shall be paid from the contingent fund of the Senate out of the Account for Miscellaneous Items, in accordance with the provisions of this section.

(2) Funds made available to the Commission by paragraph (1) shall be disbursed on vouchers approved by the Chairman, except that no voucher shall be required for the disbursement of the salary of an individual appointed under subsection (c).

(3) For purposes of section 502(b) of the Mutual Security Act of 1954, the Commission shall be deemed to be a standing committee of the Congress and shall be entitled to use of funds in accordance with such section.

(g) The Commission shall terminate not later than 30 days after transmittal of the reports required by subsections (e) and (f).

PRESIDENTIAL REPORTING REQUIREMENT

SEC. 12. Not later than 90 days after the date of enactment of this joint resolution, and every 90 days thereafter, the President shall prepare and transmit to the Congress a report on actions taken to achieve a resolution of the conflict in Central America in a manner that meets the concerns described in section 3(a). Each such report shall include—

(1) a detailed statement of any progress made in reaching a negotiated settlement, including the willingness of the Nicaraguan democratic resistance and the Government of Nicaragua to negotiate a settlement;

(2) a detailed accounting of the disbursements made to provide assistance with the funds transferred under section 5(a);

(3) a discussion of alleged human rights violations by the Nicaraguan democratic resistance and the Government of Nicaragua, including a statement of the steps taken by the Nicaraguan democratic resistance to remove from their ranks any individuals who have engaged in human rights abuses; and

(4) an evaluation of the progress made by the Nicaraguan democratic resistance in broadening its political base and defining a unified and coordinated program for achieving representative democracy in Nicaragua.

REQUESTS FOR ADDITIONAL ASSISTANCE

SEC. 13. The provisions of subsections (s) and (t) of section 722 of the International Security and Development Cooperation Act of 1985 shall apply with respect to any request described in section 722(p) of such Act submitted by the President to the Congress on or after the date of enactment of this joint resolution, except that, for purposes of consideration in a House of Congress of a joint resolution under subsection (s) or (t) of such section, amendments to such a joint resolution may be in order but only if such amendments are germane.

Mr. BYRD. Mr. President, will the distinguished Senator allow me to designate?

Mr. LUGAR. Certainly.

Mr. BYRD. I designate Mr. PELL, the ranking member of the Foreign Relations Committee, to control the time on this side.

I thank the distinguished Senator for yielding.

Mr. LUGAR. Mr. President, I ask unanimous consent that the distinguished Senator from South Carolina, Senator HOLLINGS, be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LUGAR. I make a similar request for Senator DOMENICI to be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LUGAR. Mr. President, I will not again go through the issues around which this debate has revolved. Other Members have expressed themselves eloquently about the problems of Central America. Rather, I will use these first few minutes to outline the contents of the substitute proposal which is now before the Senate.

I will offer a section-by-section analysis in order that Members will have

an idea of the contents and be better prepared for debate on the proposal.

First of all, section one of the substitute indicates that the purpose of this substitute is to promote peace, stability, and democracy in Central America, and to encourage a negotiated resolution of the conflict in the region.

Section two states that the United States affirms that our policy is to help promote democracy, restore peace, and improve the living conditions of the people of Central America. These objectives are to be met by a settlement based on the Contadora Document of Objectives and national reconciliation in Nicaragua.

The third, section 3, our policy toward the Government of Nicaragua. Our policy is to be guided by concerns about the extent of Nicaragua's ties to Cuba and the Soviet bloc, the size of its military forces, its support for subversion and terrorism, the degree of internal repression, and whether it will negotiate an end to the conflict.

Further, section 3—and this is an important portion of the document—says the United States will enter into direct bilateral negotiations with the Government of Nicaragua if Nicaragua begins negotiations with all elements of the democratic opposition including the Contras.

The section affirms that U.S. policy is based on international law and is aimed at achieving a peaceful resolution of the dispute. It also explicitly states that this resolution does not serve as a basis for introducing U.S. troops into Nicaragua.

Section 4. Policy Toward Nicaraguan Democratic Resistance: This section makes it U.S. policy to assist all democratic opposition groups committed to a peaceful settlement of the conflict. Assistance must be terminated, however, to any group which fails to expel an individual who violates human rights, smuggles drugs, or misappropriates funds. The assistance provided must be used to promote unity among the democratic opposition groups and to assist in the pursuit of a defined and coordinated program for achieving democracy in Nicaragua. It must also be used to increase further the responsiveness of the military forces to civilian leadership.

Section 5. Transfer of Funds: This section transfers to the President $100 million from unobligated Defense Department appropriations; $25 million is available immediately and $15 million every 90 days thereafter.

The trigger of funds comes, following failure of negotiations, if that unforunate circumstance should occur. The $2 million appropriated in 1985 to carry out a Contadora agreement is also made available to offset the expenses of El Salvador, Costa Rica, Honduras, and Guatemala in participating in regional negotiations to end the conflict.

In essence, it is $2 million to assist these countries in the negotiating process.

Section 6. Funds for Humanitarian Assistance: At least $30 million of the $100 million transferred to the President must be used only for humanitarian aid. At least $3 million is only for human rights programs.

Section 7. Application of Existing Laws: This section allows the President to use the $100 million transferred to him in accord with the provisions of this resolution. It specifically denies him the right to use any other funds, such as those from the CIA Reserve for Contingencies, to aid the democratic resistance unless there has been an explicit congressional authorization.

Section 8. Use of Funds After a Peace Settlement: Once a peaceful settlement of the conflict has been reached, unexpended funds are to be used for relief, rehabilitation, and reconstruction in Nicaragua and the other Central American countries.

Section 9. Incentives for A Negotiated Settlement: The President may not provide offensive weapons to the Nicaraguan democratic resistance until July 1 at the earliest. Deliveries may not begin after that date until he has determined that there is no reasonable chance for negotiations. Congress has 15 days to reverse this determination by joint resolution. In the event delivery of offensive weapons has commenced, further deliveries must cease if the President, or the Congress by joint resolution, declares that negotiations have begun. Deliveries of weapons to defend against air attacks must also be halted, unless the Government of Nicaragua continues to acquire helicopters and other air attack weapons. The President must also certify that the Nicaraguan democratic groups receiving assistance are working together.

Section 10. Congressional Priority Procedures: A joint resolution introduced at any time which would prohibit the delivery of offensive weapons to the democratic resistance is given expedited treatment in both the House and Senate. Germane amendments are in order.

Section 11. Commission on Central American Negotiations: A five-member commission, appointed by the leaders of the House and Senate, is created to monitor and report on all negotiations. The commission may make such reports as it deems necessary, but it must in any case report to the Congress within 5 days of a Presidential determination that there is no reasonable chance for negotiations. It must also report by June 30 on efforts the Nicaraguan democratic resistance is making to work together.

I stress that the working together of the Nicaraguan democratic resistance has been underlined in two sections and is of primary importance in our resolution.

Section 12. Presidential Reporting Requirement: The President must report to the Congress every 90 days on actions taken to resolve the conflict, including the status of all negotiations. These reports must also discuss allegations of human rights violations by either members of the Government of Nicaragua or the democratic resistance. Finally, a full accounting of the assistance provided under this resolution must also be included.

Section 13. Request for Additional Assistance: This section confirms that if the President asks for additional aid for the democratic resistance, that request will be expedited in both the House and Senate.

Mr. President, in essence, this substitute is made up of the original resolution that came before the Senate at the beginning of this debate and a letter that was sent to the House of Representatives by the President of the United States on the day before the most recent debate and vote on this matter in the House. That letter has been incorporated into the legislative package.

Essentially, it provides for $100 million under the discretion of the President of the United States, given the limitations that I have stated—$30 million in humanitarian aid, $70 million in military assistance, the $25 million immediately available upon passage of this legislation. That latter installment would be primarily humanitarian aid along with some defensive weapons so that the Contras would not be defenseless during the period of negotiations that is then provided for.

The negotiation period is at least a 90-day period of time—up until July 1, and it could continue further under the provisions of this substitute if progress is made in the ways that are defined. The Contadora group is to be involved and the principles established by Contadora; namely, that Nicaragua would cease destabilizing its neighbors, would cease building up its armed forces in disproportionate numbers, would cease importation of Soviets, Cubans, and others to be part of its military operations, and would cooperate with regard to restoration of democracy and principles of human rights. These are all ideas that the Contadora group has fostered and those are ones which we have described.

It is contemplated that, following the advice of the President of the United States, Phil Habib, as chief negotiator, would go to the Contadora group and would go to the supporting South American countries. Ambassador Habib has informed many of us that he would be diligent in seeking out all friends in Central and South America to be helpful in bringing

some openness to the situation, some possibilities for negotiation.

I expect a very strong attempt for a negotiated settlement will be made. In the event there is progress, negotiations will continue. In the event the President certifies there is prospect for progress, Congress has 15 days to take a look at the situation.

A five-member commission described in the section I have just mentioned would oversee this process and offer a report to the Congress on how the negotiations have proceeded.

A Member of Congress could offer a joint resolution of disapproval of the military aid and a vote on that would occur in both Houses. It would be subject to veto by the President of the United States, subject to either override or a confirmation of that veto. In any event, Congress has several bites at this, several opportunities for oversight along the way.

Now, further on down the trail, it is contemplated that if there is peace in Nicaragua, the moneys need not be expended for defensive or offensive weapons but, in fact, they can be spent for humanitarian purposes in Nicaragua. That I think is important.

The President also asserted in his letter, and this is picked up in this substitute, that the Kissinger-Jackson plan and report that called for very substantial amounts of economic assistance in Central America ought to be pushed by the Congress and would have the very strong support of the President. And overall economic assistance is obviously desirable and very necessary in the state of near civil war that has characterized many of the Central American countries.

Throughout the negotiations leading to the introduction of this substitute, Members have brought to the attention of the drafters the need to try to bring better organization to the Contra forces and more assurance that the Contra forces will not commit human rights violations, will not be involved in drug smuggling, will not be involved in the misuse of money. So any number of controls have been put in place in the course of drafting. This is another important element of our package.

The President of the United States has indicated that perhaps not enough attention has been accorded to what we are for—and perhaps too much, on occasion, to what we are against. It is clear what we are against: The Soviets and the Cubans and others in our hemisphere; problems of aggression and violation of civil rights by the Sandinistas. But what we are for is a democratic, negotiated solution in Nicaragua and in the political wing of the Contras, we are looking for that leadership. As a result, a great deal of care has been given to drafting portions of this substitute in which many Members have participated. I pay tribute to Senators COHEN and RUDMAN and KASSEBAUM and NUNN for their work. The letter that was addressed to Senator NUNN by the President of the United States came as a direct response to the effort made to shape up the language in this portion of our package.

Finally, Mr. President, let me just say that the President of the United States, the Secretary of State, and the National Security Adviser, Admiral Poindexter, have all been very, very much involved and interested in this legislation. Immediately following defeat of the President's proposal in the House of Representatives, he asked the majority leader and me to come to the White House. We did so and met with the President, the Vice President, the Secretary of State, Mr. Regan, the Chief of Staff, Admiral Poindexter, and others. The President made two points about the course of action he felt was most important.

First of all, he said, "The letter that I sent to the House of Representatives outlining the negotiations, outlining the focus on reorganization of the Contra effort, outlining economic aid in Central America in the future and our vision for growth there," he said, "these were important points." They perhaps were made too late. Some Members said that they came in a letter and that a contemplated Executive order was not enough—that they needed to be in legislative form.

The President said, "I agree that they should be" and he asked Senator DOLE and me to craft an amendment that would put his letter and the specific pledges with regard to the negotiations in legislative form. So we have done that. And we have done it carefully, going back and forth with the administration to make certain the language we have crafted is entirely satisfactory, and it is.

Now, in addition to that effort, we have worked carefully with Members on both sides of the aisle in a very sincere and earnest attempt to gain a substantial vote for this substitute that we are now presenting. I hope that that will be the case. I would confirm the observations of Members on the floor that one reason that the substitute did not appear until moments ago is that quite literally, our people have been writing all day. People wrote all day yesterday. They have tried to think through with Members ways in which we could have as strong a voice as possible in affirmation of negotiations that have some hope of success—negotiations backed by the thought that in the event the Sandinistas do not want to come to the table with the Contadora group or with other Nicaraguans or with us, that the consequences will be real and sustainable.

So as a result, I think, we have before us an opportunity today to make a very strong statement. I hope it will be a bipartisan statement, insofar as that is possible. And I ask all Members on both sides of the aisle to examine the package carefully in the hour that is allotted to us for this debate. It is a crucial objective, not only of our President, but, in my general judgment, of our country that we resolve this issue with the least possible ambiguity today, that it be known by friend and foe alike that we are eager to try to bring a democratic resolution to Nicaragua and peace to Central America, but, if necessary, we are prepared to assist those who are fighting for freedom both in humanitarian and military terms and to do so in a sustained manner.

Mr. President, I yield the floor.

Mr. President, I yield 10 minutes to the distinguished Senator from New Mexico.

Mr. DOMENICI. Mr. President, I thank the distinguished floor manager for yielding to the Senator from New Mexico. I wish to compliment him and all those who have worked to put together this bipartisan package.

I think it is known by some Senators that, while I am not on the Foreign Relations Committee, I was privileged to be appointed by the Senate as one of the advisers to the Kissinger Commission that resulted from Senator Jackson's suggestions.

As a result, I have visited this part of the hemisphere with that Commission. I have been in Nicaragua. I have met most of the people that we talk about here today.

I would like to share with the Senate today how I see this vote and how I view the importance of it. In my own way, I will endeavor to make the case, as I have it in my mind, for someone who wonders why we ought to be involved in Nicaragua.

We have heard some very lengthy speeches about the history. We had Senators talking about what happened 40 and 50 years ago and about American conduct in past decades.

I do not think we have to go that far back to find out why we are here. We are here to send a firm message to the current Communist Sandinista regime that they must change, or the Nicaraguan people with our help, will see that they do.

I will harken back only to July of 1979 when a very extraordinary event occurred. The Organization of American States, for the first time in its entire history, decided that it was going to derecognize a member regime. The OAS derecognized the Somoza regime—an historic event—and, at the same time, recognized a revolutionary group which we now know as the Sandinista regime.

The OAS found that the Somoza regime was dictatorial, violative of human rights, and in all respects a threat to its own people and its neigh-

bors. They did so because, on the positive side, the Sandinistas had a plan and a proposal to democratize that wonderful country of Nicaragua. They made some sweeping pledges to the OAS and the people of Nicaragua and, in a very real sense, to us and their Latin American neighbors. The Sandinistas were going to establish in that country a genuine democracy, with freedom of religion, freedom of speech, and freedom of press. Labor was going to be recognized, business and private property was going to be respected. So, the world said, "Let's help them."

This Senator remembers vividly being called to a coffee table here in the Capitol by a Roman Catholic priest named Father Miguel D'Escoto. He talked to five Catholic Senators. While he still wore his Roman collar, he told us why we should vote for aid for this budding democracy, Sandinista style, called Nicaragua.

I fell for it, and I voted for $120 million in aid to the budding democracy that the revolutionaries promised to put in place. They would not have Somoza-type government there ever again, we were told.

I acknowledge that I made a terrible mistake. I believed that priest, now the Foreign Minister, when he said, "We are going to do all the things for democracy. Just help us."

Incidentally, that $120 million, I believe, is more than we have given to the opposition, after all the debates in recent years.

What did we get for it? What we got is a regime that is as bad as Somoza's or worse. Their contribution to humanity is in the form of Soviet tanks, Soviet equipment, and Soviet helicopters. There are 160,000 troops equipped with Soviet-East European equipment. They have a KGB apparatus, run by Bulgarians and others.

We have this same Miguel D'Escoto recently calling the most distinguished citizen in Nicaragua in the last 30 years, Cardinal Miguel Obando y Bravo, a traitor to Nicaragua.

The new cardinal was instrumental in getting rid of Somoza—and, incidentally, kept Borge from being killed by Somoza. Now, we have this ex-priest saying that Obando is a traitor.

All of this is noted in an excellent article in the papal newspaper, the Osservatore Romano.

Mr. President, I ask unanimous consent that this article be printed in the RECORD, together with an editorial from "Orientacion."

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Osservatore Romano, semiofficial daily newspaper of the Holy See, Mar. 9, 1986]

NICARAGUA: THE OPPRESSION OF THE CHURCH

On January 21, 1986, Cardinal Miguel Obando Bravo, Archbishop of Managua, addressed a public appeal to the Secretary General of the UN concerning the persecution against the Church in Nicaragua. During the course of a conversation at the glass building in New York, the Cardinal denounced the purpose of the Sandinista regime to "neutralize religious activity" and to reduce to silence the Church on the pretext that it practices politics. This antireligious policy has been practiced for years and it bases itself upon the progressive limitation of the room reserved to the Church for its pastoral and charitable work and action among the people, and also upon the silencing or its already-inadequate means of social communication.

These accusations need little documentation. Since last October, as a result of the emergency laws, it is forbidden—without authorization—to officiate any kind of ceremonies in the open, as if they were meetings of a seditious nature. On January 11, the authorities ordered the closure of "Catholic Radio", which was already subject to severe censure, depriving in this way the people of their right of being informed about Church activities. During the summer of 1984, ten foreign priests who has been assigned to the diocese of Managua were expelled from the country. Before this, other foreign priests had been expelled. The Sandinista Government does not allow the replacement of departing foreign priests with others, on the contrary it threatens continually their expulsion from the country. The impact of this decision can be measured by the insufficient number of clergy working in the country.

At the same time, the Government tries constantly to discredit the Church and to break up the ecclesiastic unity based upon the bishops, favoring the formation of a so-called Popular Church, represented by only a small minority of the clergy and based upon a very questionable "theology of liberation." This plan includes the inclusion within the political power of members of the clergy (who may not always realize the damage they cause to the Church, both local and universal). On the contrary, the Sandinista regime even has the nerve to praise the initiative of the priest-ministers: In fact—they say—which other country respects and honors the Church to the point of having members of clergy as part of the Government? This thesis does not call for much discussion. It is enough to remember that only a week ago, the Foreign Minister Miguel D'Escoto—a priest of the Maryknoll order suspended from his activity "a divinis" because of his refusal to give up his political activity according to the regulations set forth by the codex of the canon law—had the temerity to call Cardinal Obando "a sacrilegious traitor of the people."

The limitations set forth by the Government and administration are often accompanied by real acts of violence by young Sandinistas who break into churches during the celebration of masses, and often damage parochial buildings and insult both the clergy and the believers.

One might ask why the Sandinistas are such strong opponents of the Church. It is because, though they deny it, the Sandinistas really want to establish a totalitarian leftist regime and totalitarianism of any type cannot tolerate the existence of social and human groups except the one party. The political totalitarian ideology does not allow any extraneous of alternate choice: by dismissing "a priori" a political pluralism the citizen is left without a private space where he can practice his faith and his religion. In such an exclusivist environment, the immediate targets to hit are the political parties, the economic power and then the churches.

It must however be stated that in Nicaragua there is still some political, economic and religious freedom, albeit limited. But—in the opinion of authoritative observers of international affairs—the country is inevitably moving toward the above mentioned directions. The political experts might describe the Nicaraguan political system as an imperfect totalitarian system: either because Sandinism still lacks the strength to swallow up the society, or because Managua has conveniently kept a front of democratic freedom in order to favorably impress foreign public opinion, and in order to take advantage of the generous financial help supplied by the Western world. After all, the Sandinista experiment is only seven years old and one cannot build a totalitarian system in one day.

The Nicaraguan Church is a church in the middle of a storm. Emblematic, in this regard, is Cardinal Obando's personal experience. During the 1970's he was a courageous supporter of his people against the dictatorship's violence in fact, he was ironically called by Anastasio Somoza "General Miguel" comparing him to the Sandinista guerrillas. On July 9, he supported the Sandinista revolution as an emancipationist movement directed toward promoting social justice with respect for human rights. He had been an exemplary priests, a patriot and a progressive; now that he has assumed a critical attitude towards the regime, he is described as a reactionary, a "CIA Agent" and a "Sacrilegious Priest".

Those who slander him today had better recall an episode of not too many years ago. On August 22, 1978, the famous "Commander Zero" (Alias Eden Pastora, who has today joined the anti-Sandinista resistance) broke into the national palace in Managua taking hostage two thousand people, including ministers and other members of Somoza's government. In order to free them, he requested the release of sixty Sandinistas prisoners and one million dollars. These requests were accepted by Anastasio Somoza only under pressures from Archbishop Obando, who later accompanied to Costa Rica Pastora's men and the released political founders of the Sandinista movement and the present Minister of Internal Affairs, who actually owes his life to the Cardinal.

[Editorial from Orientacion, weekly newspaper of the Archdiocese of San Salvador, El Salvador, Mar. 9, 1986]

D'ESCOTO GOT ANGRY: BUT "REVOLUTION" IS LIKE THAT

The offensive declarations of the Nicaraguan Foreign Minister, the Maryknoll Priest Miguel D'Escoto, against the Cardinal Archbishop of Managua, show much better than many pages of news stories, the situation in that country.

We are used to Foreign Ministers, who, while in charge of managing the relations of the governments they represent, always do so with a style that lacks respect and dignity, although, when it is necessary, they are capable of being peremptory.

Nikita Khruschev's pounding the desk with his shoe as a signal of protest at the United Nations, has ceased being an anecdote and has become a political fact. It has ceased being a gross form of conduct with which a man expressed his impatience and

anger, and has become the sign of a powerful nation, and the lack of respect with which its government treats its own citizens and the peoples of the world.

Father D'Escoto, treating contemptuously in public a person of so much dignity, can only mean that, for the Sandinista Government, appearances no longer matter, and that it has decided to confront the Hierarchy and the Nicaraugan Church and that it no longer matters whether the Government show its hostility, as though conscious that "Evil" has no cure. It is impossible for Cardinal Obando to renouce his prophetic role, given the behavior of the Sandinista Government in relation to democracy, freedom of expression, and other human rights.

Abuse of the priest in charge of the social communications of the Archdiocese was the starting point for the current situation. This was followed by prohibiting broadcasting the Sunday homilies of the Archbishop and closing the Church's radio and weekly newspaper. Now it has gone to the point of personal attacks against Monsenor Obando.

It is often said, "The die is cast." The judgment of other nations and respectable institutions no longer matters. The Nicaraguan people can live precariously, in isolation from its Central American brothers. Nicaragua can subsist for many years, countng as it does on Russian technicians, Cuban military advisers, and enough weapons to maintain the biggest army in Central America. On the other hand, international laws and agreements protect them. It can live under the protection of the law even though it does not respect the law. It can export its violence. It can alienate its people with the rhetoric of revolution, which does not hold man as its reason for being. It can control all the means of communication and all the resources of slogans, hymns and placards. Nor will it lack for poets, musicians and painters in the service of the revolution because it is important to include the arts as a sign of the truth and beauty of their cause.

And as it is a revolution born in the sign of faith, it will need the support of its "Popular Church," with the resources of an "ad hoc" theology, of an instrumentalized liturgy and of a highly conditioned pastoral mission.

In this way the necessary environment for the subsistence of the revolution is complete. It doesn't matter if in sowing the revolution they sacrifice respect for the individual, for democracy, for peace, for freedom of expression, for the happiness of the people and they publicly insult the Cardinal Archbishop.

These are the reasons that we cannot believe in that type of revolution. Even though it pretends to be motivated by a great humanism, it is the negation of man.

Mr. DOMENICI. Mr. President, the article states:

Foreign Minister D'Escoto, a Maryknoll priest suspended because of his refusal to give up political activity, called the Cardinal "a sacrilegious traitor to the people."

The article goes on to talk about Tomas Borge, a founder of the Sandinista movement and current Minister of the Interior, owing his release, along with 60 other Sandinistas, from a Somoza prison to the very cardinal they now call a traitor.

We have some of our priests and nuns in the United States telling us that this new revolutionary Nicaragua that we backed, and that the OAS backed, is some kind of budding democracy. They insist that we ought to leave them alone. For the most part the religious leadership in our country ignores what is actually happening to religious freedom in Nicaragua.

I have a letter to Cardinal Obando y Bravo, dated March 14, from the two North American archbishops, who, incidentally became cardinals on the very same day, as Archbishop Obando. I ask that it be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

BOSTON, March 14.—The Office of Communications of the Archdiocese of Boston today released the following letter sent by Cardinal Bernard F. Law, archbishop of Boston, and Cardinal John O'Connor, archbishop of New York, to Cardinal Miguel Obando y Bravo of Nicaragua:

HIS EMINENCE MIGUEL CARDINAL
OBANDO Y BRAVO,
ARZOBISPADO, APARTADO, 3050,
MANAGUA, NICARAGUA.

YOUR EMINENCE: The present trials through which you and the Church in Nicaragua are suffering are a poignant reminder that the mystery of the Cross continues to be lived in the Body of Christ. During this Lent, your two brother bishops in the United States, who were called to membership in the College of Cardinals with you last May, have often thought of you and discussed the courageous efforts you make for the well-being of the Church and the people of Nicaragua. We have taken the extraordinary step of making this letter public so that the faithful in our Archdioceses and as many as possible in our country will know what is actually happening to their brothers and sisters in Nicaragua.

We share your deep pain when your people are denied the full opportunity to build a just, peaceful and progressive society based on the transcendent dignity of each human person. We know your suffering when attempts are made to violate the religious conscience of Nicaraguans by denying them access to the liberating teachings of the Church. This has been done by physical harassment, crude attempts at intimidation, and censorship. Priests have been summarily expelled from your country. Offices of your archdiocese have been raided by military personnel and remain under military occupation. The Archdiocesan newspaper, Iglesia, was confiscated after its first edition, and the Catholic radio remains closed. You are subjected to a barrage of distortions, slanderous insults and innuendos at home and by some representatives of the government abroad.

In this ordeal, the Church in Nicaragua has been seeking to maintain a constructive dialogue with the government in an attempt to reach a climate of mutual respect so that the Church can play a role in the reconstruction of your country. We want to assure you of our solidarity with you. With you we are praying for that peaceful reconciliation necessary to rekindle the original hope of the resolution. For this to take place, it is essential that there be an immediate cessation of the present unjust restrictions suffered by the Church and other sectors of Nicaraguan society. This will undoubtedly provide a powerful impetus to the just resolution of the conflicts in your country and in that strife-torn region.

Be assured of our prayers and support, our brother Cardinal, through the intercession of the Blessed Virgin Mary, the "Most Pure," as the Nicaraguan people particularly venerate her.

Fraternally yours in Christ,
BERNARD CARDINAL LAW,
Archbishop of Boston.
JOHN CARDINAL O'CONNOR,
Archbishop of New York.

Mr. DOMENICI. Mr. President, Cardinals Law and O'Conner stated in that letter that their prayers were with the Nicaraguan church and they were asking all their people to pray for the distinguished Nicaraguan leader. They conclude:

We know your suffering when attempts are made to violate the religious conscience of Nicaraguans by denying them access to the liberating teachings of the Church. This has been done by physical harassment, crude attempts at intimidation, and censorship. Priests have been summarily expelled from your country. Offices of your archdiocese have been raided by miliatary personnel and remain under military occupation. The Archdiocesan newspaper, Iglesia, was confiscated after its first edition, and the Catholic radio remains closed. You are subjected to a barrage of distortions, slanderous insults and innuendos at home and by some representatives of the government abroad.

Can you imagine that there are still some who would say that this budding revolution marks a unique Christian event. There is nothing new in persecution of religion.

There are those who ask, "How is it in our security interests to see that the Sandinistas change their ways and go back to where they promised us and the world and the OAS they would be?"

The point is not that tiny Nicaragua is going to invade us, the United States. It is that Nicaragua is surrounded by four democracies which we are trying to help. In the midst of Costa Rica, El Salvador, Honduras, and Guatemala sits Nicaragua, a bastion of communism. While these countries move toward democracy, Nicaragua is denying its own people their basic civil rights. The Sandinista regime, at the same time, is committed to exporting their communism wherever they can in this very fragile Central America, abutting the Panama Canal and close to Mexico.

I ask why it is not in our national security interest to do what we can to help Central America. Very plainly and simply this Nation needs to tell the Sandinistas that we and others want them to return to their commitments when they were helped to power by the OAS, the Costa Ricans, and by us. They must have genuine elections, freedoms for their people, and permit the Catholic Church in that country and its distinguished leaders to promote religion. They must let free labor unions survive in peace, so that Nicaragua can begin to develop. I submit that unless we help

Nicaraguans do what is necessary to achieve these objectives, we are inviting a disaster in this hemisphere.

It seems to me that the substitute legislation now before the Senate, which I am cosponsoring, answers the one remaining issue—negotiations. It says that there are 90 days for more negotiation. The Contadora Group is supposed to negotiate a regional peace among the Central Americans. We are supposed to negotiate directly with Nicaragua, as long as the Sandinistas sit down and negotiate with the democratic elements in their country at the same time. That calls for three separate negotiating tracks.

During that period of time, only humanitarian and defensive antiaircraft weapons are available to the Contras. But if certification from the President is forthcoming, and the Commission created in this legislation concurs, more aid is available thereafter.

The President and the Commission would have to agree in general that the Sandinistas do not want to negotiate seriously, that no headway is taking place. Later today, when we vote, we can send a strong, bipartisan message that we have a period of about 18 months to aid those who want Nicaragua to begin moving in the direction pledged by the Sandinistas in 1979. Those pledges to the Organization of American States helped the Sandinistas immeasurably in their quest for power, and the Nicaraguans need assistance from all OAS members in order to redeem that pledge.

We ask for no more and no less.

The risks of doing nothing are severe. If we cannot help the Contras to do it, who will do it?

I submit that if we do not help the Contras after this negotiating period, there will be no one else to redeem the freedom of Nicaragua and bring peace to the region. If we fail, eventually we will rue the day that we did not ask Nicaragua's own people to solve the problem by pushing that Sandinista regime to the negotiating table in order to return some basic rights to their people.

I yield the floor.

Mr. RIEGLE. Mr. President, today the Senate is again considering a request for military aid to the Contras fighting the Sandinista government in Nicaragua.

Discussion has focused primarily on the questions of how much aid should be provided, and how it should be conditioned. That, however, ignores the fundamental issue of whether the Contra policy we have been pursuing is an effective one. I do not believe it is.

While debate continues over the best way to promote U.S. interests in Central America, I believe most Americans agree that our policy toward Nicaragua must achieve certain goals. Those goals are to halt Soviet and Cuban involvement in Nicaragua and in the region; to halt the military buildup in Central America; to halt the subversion of Nicaragua's neighbors, and to halt internal repression in Nicaragua.

After more than 5 years and some $100 million in U.S. aid, there is little evidence that our Contra policy has advanced these objectives.

Despite the discontent of the Nicaraguan people with their government, the Contras have been unable to gain their active support. Without popular support, no insurgency effort can hope to succeed.

Mr. President, I do not believe that our policy of arming the Contras can ever advance U.S. interests in the region, regardless of the amount of money we commit. Further, it runs the risk of advancing precisely the kinds of developments which we seek to avoid.

In particular, I am greatly concerned that our current policy invites increasing U.S. military involvement in the Central American conflict, violates international norms, is inconsistent with our traditional values, divides rather than unites this country, and isolates us from our allies and the nations of Central America.

Rather than making the use of American troops unnecessary, I believe this policy, if followed to its logical conclusion, will almost certainly require U.S. military involvement.

American combat troops are not the answer in Central America any more than they were in Southeast Asia. In fact, the presence of large numbers of uniformed U.S. military personnel on the ground in Central America would provide the greatest rallying cry that our idelogical adversaries could ever dare hope for.

If we Americanize this conflict, we will be certain long-term losers. And yet, that appears to be the road we are on.

A change in policy is urgently needed. Our long-term national interests will not be served by a policy of confrontation in Central America. The wisest and most logical course is to support the initiatives of other regional governments who are seeking to contain the conflict and settle it by some process of negotiation.

The key to reversing current policy is to bring about the direct involvement of the United States in the process of negotiations. Our legitimate concerns over the development in Central America require that we actively join with the Contadora nations, the Central American States and other interested parties in a concerted effort to produce a regional accommodation satisfactory to all.

The Sandinistas have recently reiterated that, as part of a regional agreement inspired by the Contadora process, they would agree to prohibit any foreign bases on their soil, to send home Soviet and Cuban military personnel, to halt any support for guerrillas operating in other countries and to place restrictions on the force levels and weapons of their armed forces.

I believe we should seriously explore this diplomatic option. If the Sandinistas violate the agreements, the United States and other OAS countries would be in a position to take measures against Nicaragua under the provisions of multilateral agreement and in full accordance with international law. By working through international conventions, we would be upholding international law while achieving our objectives in the region. That would be a great improvement over current policy.

We are considering the administration's request for an additional $100 million in Contra aid against the backdrop of reports of renewed combat between Sandinista and Contra forces inside Honduras. The President has authorized some $20 million in additional assistance to Honduras, which includes the use of United States transport planes and pilots.

While some view this development as further evidence of Nicaraguan aggression and cite it as further proof of the need for United States Contra aid, I take the opposite view. To my mind, developments of the past few days confirm my fear that our current policy may be promoting an expansion of the conflict rather than a containment of it.

I have always believed that our own long-run strategic interests and our human values compel us to play an active and constructive role in world events, and particularly so in our own hemisphere.

I believe the message our Government should send to the citizens of the Central American countries is that we deeply share their longing for a better life. We wish to assist that basic human impulse in every constructive way we can. We are not imperialists nor do we seek to impose an American vision upon the people of Central America. We believe in genuine self-determination and believe the Central American people must determine their own future.

We are a nation born out of revolution. We understand the aspirations of those who seek their own vision of justice for themselves and their children. The yearning of the dispossessed and the oppressed was the very heartbeat that brought the United States into being.

Our neighbors to the south should know that, here in America, there is an understanding and a deep respect for their aspirations.

If those of us in positions of responsibility in our National Government can discern the right steps and avoid the wrong ones, we can play a con-

structive role in Central America consistent with our heritage, our values and our strategic interests.

I urge the Senate to follow the House in rejecting the administration's aid request. Advancement of U.S. security interests in the region requires that we end our failed Contra effort in favor of a policy which promotes serious diplomatic efforts to resolve the conflicts in the region, and which supports the aspiration of the Central American people for self-determination.

Mr. HOLLINGS. Mr. President, I rise today to make a statement in support of aid to the Contra forces of Nicaragua. Now, I am not an innocent; I don't think $100 million is going to allow the Contras to overthrow the current Marxist regime in Nicaragua. But it is my lack of innocence that forces me to support this aid. History does not lie; people do.

In 1979, when the current Ortega regime came into power, the United States was very optimistic about the possibilities of democracy in Nicaragua. I remember a talk that I personally had with Daniel Ortega during his 1979 visit to Washington. During that talk, he assured me and other Senators that he was not a Marxist. He promised that he would guarantee free elections, freedom of the press, freedom of religion—in short, he would guarantee the Nicaraguan people a chance for democracy. I trusted him. I supported the appropriation of $50 million to help him launch an economic recovery program to offset the ravages of the Somoza regime. Over the next 2 years, we voted $118 million in aid to the Sandinistas regime. We believed in Mr. Orgega and his protestations of democracy.

Well, I do not need to tell Senators that he lied. He lied in his guarantees of basic freedoms for the Nicaraguan people. He lied when he said he wasn't a Marxist. He lied when he claimed to support the Contadora peace process. Mr. Ortega has done nothing but lie to us for almost 7 years. By late 1984, Mr. Ortega had left no doubt that he was a committed Marxist and, in fact, after the House of Representatives voted down military aid to the Contras last year, Ortega took off to Moscow to celebrate his victory.

Of course, these facts are nothing new. I don't think there is a Senator in this body that approves of the Sandinista government. The real question centers not around the desired end, but rather the means to reach that end. It is at this point in the heated debate that surrounds this aid that two points are made. The first concerns the efficacy of the Contra forces. The second concerns the more philosophical questions of whether peace negotiations can be forced or if they have to be sought.

The Contra question is easily answered. Fred Barnes, formerly a writer for the Charleston News and Courier, and now a writer for the New Republic, has stated:

Far from [being] a rag-tag group, the Contras are a "new generation" of Nicaraguans. There is no question that they are anti-communist and fighting for the freedom that was promised in the revolution against Somoza.

The Contra forces have done an incredible job, especially when the odds against them are considered. We have provided them with no consistent aid, no long-term support. Yet rather than bite the dust, the group has continued to grow. They now number 15 to 20,000. Imagine what they could do with a little help.

The second question is harder to answer. I have always been a believer in negotiating from a position of strength. I believe history supports this position. The only time any Marxist group has ever come to the negotiating table is when it has been under the threat of force. For example, negotiations only started in Vietnam when President Nixon ordered the bombing in North Vietnam.

President Reagan is in a catch-22 position. The Sandinistas will not negotiate with the Contras unless forced to do so. If, however, he attempts to provide the Contras with the means to present a credible force, he is immediately hamstrung by the very vocal fear of commiting U.S. troops to the region. In order to combat that fear, he is forced to state, again publicly, that no U.S. troops will go in. This type of charade is a little like playing poker and telling the other guy what your ace in the hole is.

At some time, Ortega's attempts to spread communism throughout Central America will have to be stopped. Cuba has shown us that a country does not have to be large in order to export communism. Cuba's influence now reaches around the world—Iraq, Yemen, Somalia, Ethiopia, Angola, and Nicaragua. Nicaragua, in turn, has already exercised terroristic tools in Costa Rica, El Salvador, and now, Honduras. How many more examples will the Congress have to see before it acts?

There are Native Nicaraguans willing to fight, willing to die, in order to obtain their freedom. All they ask for is a little help from us, the most powerful democracy in the world. In the name of freedom, how can we refuse? Isn't it better to send money now than troops later?

Mr. MOYNIHAN. Mr. President, I will not vote for the administration's proposal for the simple reason that it appears to me altogether inadequate to its declared objectives and accordingly a formula for failure.

By way of preface, may I cite remarks I made on the Senate floor on September 29, 1983, just after our Marines were sent to Lebanon, and before that ghastly bombing and the all but forced withdrawal that followed.

Mr. MOYNIHAN. Mr. President, I should like to offer several observations respecting the resolution which has been introduced by the distinguished majority leader and the distinguished chairman of the Committee on Foreign Relations to authorize continued U.S. participation in the multinational peacekeeping force in Lebanon.

While there has been much learned in the Senate regarding the details of the War Powers Act and its applicability to the current situation in Lebanon, I should like to address my remarks to the first finding stated in the joint resolution before us:

The Congress finds that . . . the removal of all foreign forces from Lebanon is an essential United States foreign policy objective in the Middle East.

I repeat this:

The Congress finds that . . . the removal of all foreign forces from Lebanon is an essential United States foreign policy objective in the Middle East.

Mr. President, the thrust of my argument today will be that this congressional declaration is fundamentally at odds with the proposition set forth by Walter Lippmann in his classic study, "U.S. Foreign Policy: Shield of the Republic. This was published in 1943, in the middle of the Second World War. The title page contains a line from George Washington's 1796 Farewell Address, which is read here every February on the anniversary of his birth. Washington wrote of the moment—

When we may choose peace or war, as our interest, guided by justice, shall counsel.

It is the fundamental thesis of Walter Lippmann's book that the controlling principle of foreign policy must be that the Nation maintain its commitments and its power in equilibrium.

Lippmann wrote of:

The compelling and, once seen, the self-evident common principle of all genuine foreign policy—the principle that alone can force decisions, can settle controversy, and can induce agreement. This is the principle that in foreign relations, as in all other relations, a policy has been formed only when commitments and power have been brought into balance. This is the forgotten principle.

Lippmann wrote in 1943, though it is as true in 1983—

Which must be recovered and restored to the first place in American thought if the nation is to achieve the foreign policy which it so desperately wants . . . a foreign policy consists in bringing into balance, with a comfortable surplus of power in reserve, the nation's commitments and the nation's power.

My purpose this afternoon is to state that if the Senate should vote to adopt the resolution before us, an eventuality that seems quite probable, we shall be acting completely contrary of Lippmann's wise dictum. We will assert an objective in foreign policy that it is quite beyond our power to attain. Disequilibrium shall accordingly be the result, marked by turmoil, setbacks, even defeat—though that defeat may be postponed by deeper engagement and wider commitment of our Armed Forces.

To declare as essential what cannot be achieved is to insure failure.

This has been a pattern of American foreign policy in recent years, or so I

think. We seem to make great commitments to which we commit tiny forces, or carry out minimal operations, with the result that for all the sound and fury there is little consequence.

I have seen it otherwise. I was a member of the administrations of John F. Kennedy and Lyndon B. Johnson when, with perhaps too little rhetoric, too little arousal, the Nation committed itself and its Armed Forces to a land war in Asia. That also was, again in my view, too large a commitment, but certainly we did not underestimate it.

What is our situation today? We are told that the Sandinista regime in Nicaragua presents a real and present danger to the stability of Central America, and by extension Latin America. It would constitute a Soviet salient on the mainland, and a revolutionary threat in its own right.

Visions of vast tumult and upheaval are presented to the American public.

And yet what does the administration propose to do? To send $100 million or so to a group of brave but beleagured opposition forces presently deployed in the Central American equivalent of Dienbienphu.

The incremental pattern of the Vietnamese conflict is almost explicit in our behavior. Each year for 5 years now the administration has upped the rhetoric a great deal and upped the actual level of combat a little bit. The Sandinista opposition has had no difficulty in responding to each successive increment of force on our part by a corresponding increment of force on their part.

More than one Republican Member of the Senate has stated to me a genuine concern that the administration knows this is a formula for military failure in Central America, but that it sees it as a formula for political success in the United States. That would be contemptible; but it may be true. Certainly the thought has occurred to members of the administration's own party.

Can we ask for a moment just what we know about the situation in Nicaragua?

Let me say what I know. It is not a very great deal, but it is not without some relevance. For 8 years, from 1977 to 1984, I was a member of the Select Committee on Intelligence, and served as vice chairman during the latter 4 years. In this manner I was privy to a great deal of classified intelligence, and I will respect the understanding that intelligence remains classified for a very long while. However, there are enough facts in the public domain to admit of some analysis.

And so to my first point.

The administration began covert operations in Central America with a fatally divided purpose. One group within the administration, or perhaps it was simply one part of the administration's mind, as you might say, saw the operations as primarily directed toward interdicting the flow of arms from Nicaragua to the insurgents in El Salvador. A matter of greatest concern at the time. As it turned out, by the time these operations got underway, this arms flow had all but stopped. In a visit to San Salvador in December 1983, I was politely assured by two officials of the Jesuit University there that it had stopped altogether: That the Salvadoran insurgents were able to get all the equipment they needed from the regular Salvadoran army. Either by buying, stealing it, or capturing it. The simple fact, I suppose, is that the great flow of American arms in this period meant that there were simply enough to go around for all sides.

I have no reason to doubt that by 1983 the Nicaraguans had ceased to supply the Salvadoran insurgents in any significant degree.

At the same time, another group in the administration, or as I suggest, another part of the administration's mind had a very different purpose. To wit: the replacement of the Sandinista regime.

Now to my view, this was a perfectly fair objective. The United States had desired the replacement of the Somoza regime and had actively helped to bring it about. The Sandinistas are certainly no improvement.

Here, however, the two objectives came into unanticipated but fatal conflict.

For the purpose of interdicting gun runners, other gun runners will do. That is about the crowd we threw in within the Honduran equivalent of Dien Bien Phu. Following the fall of Somoza a group of his followers fled over the border into Honduras and the Argentine military junta then in power in Buenos Aires sent officers to shape them into some kind of military force. The moment the junta collapsed, the newly democratic government in Buenos Aires withdrew its officers.

I wish this weren't so. But it was. And if gun running was the problem the arrangement might have served. But as the gun running component of policy diminished, given the complete failure to turn up anything, and the political component grew, it became clear that we had picked the wrong group for a political mission. Do not misunderstand me. There were fine and upstanding men in the Contra camp in Honduras. I have met with them. I honor them. But I have to say that there was no way they could overcome their organizational origins. Or so I believe.

In any event, we had the government of Honduras to deal with. In this case General Alvarez, who clearly thought he was running the country in those years, and who just as clearly intended to use American military support to march on and take Managua. A matter of months he would say. As a matter of fact it was not all that many months until he had made it all the way to San Jose in Costa Rica. Save that instead of leading a victorious army, he arrived in handcuffs, having been deposed by his own officer corps.

What might we have done to achieve a political objective? First of all, I would think, we should have backed Eden Pastora, a revolutionary hero—Commandante Zero—of exalted credentials who had broken with the Sandinistas for the best of reasons; that they had betrayed the revolution.

We might have decided to set up an enclave around Bluefields or some other Caribbean port where English is spoken and, our people would have their back to an American sea, as opposed to a Honduran army.

We can go on from there. But only to speculate. It is too late.

And of the Sandinistas? Oddly, on one major—ultimate—point I am willing to give them the benefit of the doubt, hastening to explain that this is not a matter of trust so much as realism.

I visited Managua on December 8-9, 1983. I will not burden the Senate with my travel notes, but I would like to record one conversation. In an hour's meeting with Tomás Borge, Minister of the Interior, I put it to him, as I had earlier done with Sergio Ramirez, another junta member, that it was an elemental necessity that there neither be nor be thought to be any extension of Soviet power onto the mainland of the Western Hemisphere in the aftermath of the overthrow of Somoza. I went into great detail, explaining that I had been a member of the Kennedy administration at the time of the Cuban missile crisis and had the most vivid recollections of that near miss, as you might say, with Armegaddon. It was simply the fact that as one of the two superpowers the United States was responsible for keeping the nuclear peace, and no consideration of any kind could divert us from that responsibility. I went into some details of strategic forces, pointing out in particular that whereas in 1962 the Soviets had to try to sneak ashore in Cuba to set up rockets that could reach the American mainland, they now had nuclear submarines that lie under the arctic ice cap and can launch from there if necessary. Thus there would be no strategic purpose whatever served by putting missiles or missile capable aircraft, or for that matter, serious military equipment of any kind in Nicaragua. It would be done simply to make a political point of dominion and this the United States absolutely could not accept and would instantly destroy

rather than risk the nuclear peace of the world.

Tomás Borge replied that the Government of Nicaragua never contemplated allowing Soviet bases in Nicaragua, the Soviets had not requested any, and the government certainly had not proposed any.

Might I note that I repeated this point in an airport press conference that evening, which was shown on Nicaraguan television. The transcript is as follows:

I made one point which might be of interest to you which is that the United States is one of two world nuclear powers and that imposes a terrible responsibility. I was a member of the administration of President Kennedy and I recall the Cuban missile crisis and if you were in the government and in Washington, or in Moscow, you did not know if the end of civilization would come the next day. And that was at a time when there were a small number of nuclear warheads. Today the U.S. has 11,000 nuclear warheads. The Soviets have 9,000, but theirs are larger and more powerful. The danger of a very quick reaction has grown—the problem we describe as "crisis stability". The one thing that the United States could never and would never allow is another crisis involving the Soviets and the Western hemisphere, because it would be a political crisis which the Soviets would have to choose to create. It would not in fact be a military crisis.

The Soviets now have nuclear submarines which in the language of the military, they speak of as a platform. They can launch missiles from submarines which, 40 miles (Cuba was 90 miles) off the American coast. They now have submarines 90 miles off our coast. We all know that, and when they launch a new submarine it is not a crisis, we understand. But a Soviet presence on land would have no military purpose, it would have a political purpose. It would create a crisis which would be a world crisis.

And as one of the countries that would have the responsibility on this matter, we could never allow that. I was assured that there was no such intention, and I felt it was a useful element of our discussion, that the gravity of such an eventuality should be explained.

As for the Sandinistas themselves? There is little I can add to what is known. Borge and his associates were—are—Leninists plain out. They knew it, and I like to think they realized I knew it. Certainly democratic opposition figures with whom I met understood this, although I am not certain Catholic Church figures were as aware then as they are now.

What do we do about this? I mean the United States, the West. Certainly we would not be wrong to expect that 10 or more Third World nations will go Communist before this century is over. With luck it won't happen, but surely it might, and surely in Nicaragua it has.

I tinker in my mind with thoughts something like this. Is it possible to isolate and contain them by vigorous and incisive criticism, analysis, and forecast? That is to say, by describing at the outset just what kind of regime had come to power and forecasting exactly what would now happen: the immiserization of the masses, the disappearance of the opposition, the dictatorship of the party elite, the gradual, eventually grovelling dependence on the Soviets as the inevitably economic decline took hold? May I note in passing that Commandant Borge took me to lunch at a farmers market in the Barrio Sandino. The party was served a variation of beef stroganoff. I asked for rice and beans, a delicious dish and a boiled one. After a point an embarrassed host had to inform me that there were no beans.

All these regimes enjoy a period of attraction in the West. Managua when I visited was fair to bursting with blonde ladies from Northern Europe taking pictures for the revolution. The western press refer to them as Sandinistas. They stay on about—what?—3 years. Until the Catholic radio station is closed, and some of their friends disappear, and the living gets sordid and lines too long, and the police trained by East German advisors just a little too efficient.

Can all this be predicted, and thus in some measure thwarted? Especially if we all agree in advance that there will be no pity for those who bring misery on themselves in a manner that any schoolboy can—finally?—forecast?

And yet . . . There is a paradox here. For reasons I do not claim to understand fully it appears to me that the more the Soviet system fails at home the more necessary it becomes to find some success abroad. And have not the Soviet system and its satellites failed? In his thoughtful message to Congress of March 14, 1986, the President put it this way.

The failure of these Soviet client regimes to consolidate themselves only confirms the moral and political bankruptcy of the Leninist model. No one can be surprised by this. But it also reflects the dangerous and destabilizing international impact that even unpopular Leninist regimes can have.

Might I add that I have made this argument for some years now: much to the scorn of the early Reagan administration. No matter. That is why we offer arguments. Sometimes they are heard.

This same Soviet Union, which must now buy wheat from India to feed its people, has just concluded another $1 billion aid package for Vietnam, and obviously is pouring money into Nicaragua. The Soviet Union supplies almost all its oil, for example, now that Mexico needs cash.

And Nicaragua? I would think it almost certain that the Sandinistas did supply guns to the M19 guerrillas who assaulted Colombia's Palace of Justice in January. Surely Borge went to a memorial mass in their honor. Now what on earth are they doing helping guerrllas in Colombia when they have a civil war of their own to fight?

Is that the Soviet syndrome? And if so, will it ever change? I think I doubt so.

And where does that leave us? Nowhere really. We haven't thought this subject through. We aren't listening to one another here in the Senate today, and certainly no one in the administration is listening to us, or most of us.

My one thought is that we underestimate the potential of the Catholic Church to resist the Sandinistas, and should be giving this matter far greater attention. Let me cite a letter which Cardinal Miguel Obando Bravo recently sent the Secretary General of the United Nations.

Your Excellency, Secretary General of the United Nations, Doctor Javier Perez de Cuellar.

I would like to express my appreciation for the very kind gesture you have made to me in giving me the opportunity to converse with you.

The United Nations and its distinguished Secretary General may well be able to contribute to the development of contacts leading to a better understanding among the governments and peoples of Central America.

In this sense, I have the firm conviction that, with the help of people of good will, we will be able to construct a peace which is based on love, truth, justice and liberty.

The Bishops of Nicaragua have the firm goal of seeking peace for our suffering people through the use of every means at our disposal. We also wish to maintain a constructive dialogue with the government of Nicaragua, not only to avoid tensions but also to develop a climate of mutual respect and cooperation for the good of all.

An internal dialogue would produce, from the very roots of our people, a propitious path for the reconstruction of our country in peace and liberty.

The Episcopal Conference of Nicaragua, concerned about the situation of our people and their Church, sent the following letter on December 6th, 1985 to President Daniel Ortega:

"In consideration of the fact that Your Excellency has repeatedly stated to the Bishops of this Episcopal Conference your desire to resolve, through dialogue, the problems which affect the profession and exercise of the Christian faith of our people, we wish to point out that on three different occasions we have directed ourselves to you in writing without having obtained even an acknowledgment of the receipt of our requests.

The channel established by means of a Governmental Commission and a delegation from us has been constantly prevented from realizing its goals due to the continual appearance of new conflicts and the lack of fulfillment of those goals presumably previously agreed upon but which have lent themselves to "unilateral interpretations". Thus, those things we thought were advancing we have seen regress and the things we thought would go forward have been put aside indefinitely.

There is a general cry from the faithful in the country and the city that the whole nation is concerned, even to the point of thinking, in many cases, that we are in a state of persecution.

On the other hand, a great many people interested in the situation in Nicaragua have expressed to us their unhappiness and concern at the attacks on the Catholic Church.

Some of the facts to which we make reference include:

The intimidation and threats against foreign priests and religious "if they meddle in politics".

Appointments made for Nicaraguan priests by the National Directorate of State Security and Police Procedure with the goal of interrogating them, warning them not "to get involved in politics" and documenting them as if they were criminals.

The pressures and threats, even including imprisonment, of the laity who cooperate in church activities to try to pull them away from their church work and oblige them, if possible, to collaborate as informers against their own Church.

The harassment of Church institutions which, in the cases of the Archdiocesan Commission on Social Promotion of Managua and the child care center of the missions of Cristo Rey, have gotten to the point of government intervention.

The abuse to which some Catholics have been subjected, obliging them to sign documents containing falsehoods and calumnies against the honor of Church persons.

The harsh censorship which includes the prevention of publication or the destruction of documents of the Church although providing full liberty in the media and official organs for constant attacks on religion, its principles and representatives.

We believe, Mr. President, that the goal of these activities would be:

To neutralize the religious activity and preaching of the gospel of the Church under the false accusation of "making politics;"

To isolate Catholics from other Catholics and from their pastors by means of fear and calumnies;

To limit the vital space of the Church, reducing it, if possible, to the state of a "Church of Silence;"

To leave the Church without the means or materials to preach the gospel."

In the first days of January, 1986, one month later, the Episcopal Conference of Nicaragua sent a new letter to President Daniel Ortega in which we expressed the following:

"The Bishops of the Episcopal Conference of Nicaragua, greatly concerned for the resolution, by the Director of Communications and the Minister of the Interior, of the closing of Radio Catolica de Nicaragua, property of the Nicaraguan Episcopacy and official channel of the Catholic Church in our country, petition the valuable efforts of Your Excellency towards the reconsideration of that resolution which not only deprives the Episcopal Conference of Nicaragua of its only means of communication but also deprives the Nicaraguan people, primarily Catholic, of the right to be informed about Church life."

I would like to reiterate to you, Secretary General of the United Nations, Doctor Javier Perez de Cuellar, my thanks for the attention you have given me and I have the firm conviction that you will do everything possible to see that the Nicaraguans are able to find ways which will permit us to live in peace, fraternity and liberty.

If we would not abandon the United Nations, as we seem intent on doing, we could make a great deal of such a plea, not least as grounds for all manner of peaceful assistance and diplomatic initiative that would surely do more good for the people of Nicaragua than partially prolonging this pitiful insurgency.

Mr. THURMOND. Mr. President, in the very near future, the Senate will vote on a resumption of aid to the democratic resistance in Nicaragua. Thus far the debate has been characterized by some as a litmus test for anticommunism. While I do not question the patriotism of my colleagues, I do feel that accountability is an issue, and the recent history of congressional accountability in the fight against Communist tyranny has been less than satisfactory.

Just over a decade ago, following the United States withdrawal from South Vietnam, the Congress voted to suspend aid to the struggling South Vietnamese Government in the face of a North Vietnamese invasion that was a blatant violation of the Paris Peace accords. The U.S. Congress ignored the fact that we were pledged to support the South Vietnamese. The events in Southeast Asia speak for themselves as to the shortsightedness of the Congress.

Shortly thereafter, in 1975, we were faced with a choice of supporting Jonas Savimbi and his UNITA forces against the Cuban backed MPLA in Angola or doing nothing. The Congress passed the Clark amendment forbidding covert assistance to Mr. Savimbi. Luckily for the Angolans, and thanks to Jonas Savimbi, we have a chance to correct our error in Angola. Unfortunately, the South Vietnamese and the Combodians are not so lucky.

Now the struggle against communism is at our doorstep. Nicaragua is only a 2-hour flight from our borders. We can sanction the Stalinization of a country in our hemisphere by our inaction, or we can support the democratic resistance in their struggle to free Nicaragua. The belief that the Sandinistas will voluntarily adopt democracy is shortsighted at best. There has never been one instance of a Marxist dictatorship negotiating away its power.

The recent invasion of Honduras by Nicaraguan soldiers is deplorable and should serve as ample notice of Nicaragua's intentions for its neighbors. It was just last year after the Congress rejected consideration of military assistance for the Contras, Commandante Ortega flew to Moscow to consult with his Communist superiors. This year, the House rejected the aid request and Commandante Ortega invaded Honduras. Costa Rica could be next.

I am very disappointed that there has been no great cry of indignation from the Congress about the Nicaraguan invasion of Honduras. Had the freely elected government of El Salvador sent troops into Nicaragua to attack the sanctuaries provided for Marxist guerrillas that freely move from Nicaragua to El Salvador, certain segments of the American media and some Members of Congress would be outraged.

Mr. President, 25 years ago, it was the stated policy of the United States that we would "pay any price, bear any burden, meet any hardship, support any friend, oppose any foe to assure the survival and the success of liberty." The twilight struggle goes on, and the question we now face is whether or not the price is too high, the burden too heavy and the hardship too great for us to support these great ideals.

The vote we are about to take on aid to the Contras should not be a litmus test for anticommunism, but neither should it be a litmus test for support for human rights. We oppose communism, and we support human rights, but we have to decide how to stop the spread of communism in Central America in the near term and how best to protect human rights now and for the long term.

As a combat veteran, I am aware of the horrors of war. Yet I realize that democracy and freedom are not obtained without costs. Our choice today is whether we will support the Nicaraguan freedom fighters in their struggle against Communist forces now controlling their country.

Mr. President, the United States is a nation born of revolution, and this is a fact that we should well remember. When the Continental Congress appealed to France for assistance during the American Revolution, our forbears did not ask for humanitarian assistance only, and I for one am quite thankful that Lafayette did not come to our aid with only humanitarian assistance, or we might still be a crown colony today.

Mr. President, the litany of crimes by the Sandinistas is long. They have betrayed their pledges to the Organization of American States to respect the freedoms that are vital to a democracy and instead set up a Marxist regime based on practices of Joseph Stalin. They are actively trying to subvert their democratic neighbors, and they have been accused of participating in the international drug trade.

The freedom fighters are a varied group of former Sandinistas, peasants, businessmen and former national guardsmen. They suffer from a lack of unified leadership and concrete democratic goals and are accused of violating human rights in their efforts to combat the Sandinistas. While I do not doubt that they may have violated the rights of some of the people they hope will support them, I must counsel my colleagues to remember that the various observer groups upon whose claims we base these accusa-

tions are only permitted unfettered access to areas where the Contras have been charged with human rights violations. No such free and unemcumbered access is assured to areas where the Sandinistas are accused of human rights violations. We should not for a moment forget the genocidal practices of the Sandinistas against the Mikito Indians.

The struggle for freedom is long and difficult. The democratic resistance in Nicaragua has dedicated itself to the task of freeing a nation that is enslaved. It is our duty to support and help guide them in their fight for freedom.

Mr. President, we now know that historically there is no hope of voluntary change by a Marxist dictatorship. The best hope for change is through military aid to the freedom fighters. Therefore, I very strongly believe that we must support the democratic resistance with military aid as soon as possible, and I urge all of my colleagues to support President Reagan's request for $100 million in aid for the Contras.

The claim that the Contras are primarily former Somoza national guardsmen is untrue. About one fourth of the FDN senior military personnel are former national guardsmen. One fifth are former Sandinistas.

The senior military personnel of the Nicaraguan Democratic Forces are 26 percent civilian professional or urban employees, 23 percent peasants or small farmers, 15 percent former Sandinista soldiers, 5 percent former Sandinista officers, 12 percent former national guard soldiers, 15 percent former national guard officers, and 4 percent students.

The claim that this is not a popular uprising is also untrue. It took the Sandinistas 15 years to recruit and raise an army of just 5,000 men. In 4 years, the FDN has grown to about 20,000 men; this clearly indicates strong internal opposition to the Sandinista regime.

The FDN is criticized for being militarily ineffective. This is an unfair criticism. The Sandinistas have conscripted a 60,000 man active duty military force backed up by 60,000 reserves and militia. Samoza's national guard only numbered about 12,000.

One of the reasons that the opposition within Nicaragua cannot be effectively gauged is because our media does not have the freedom of movement that it enjoyed when Samoza was in power.

This same point is true concerning human rights violations. The only incidents that Sandinistas will allow full open investigation of are those alleged to have been committed by the Contras. No such impartial review is allowed for investigation of Sandinista abuses of human rights.

The Sandinistas have provided continuous safe haven for members of the Palestine Liberation Organization, and have attempted to drive the Nicaraguan Jewish community into exile with great success.

The Sandinistas have attempted to muzzle the Catholic Church in Nicaragua, which is one of the bedrocks of Nicaraguan culture. The Sandinistas have occupied the Catholic Church's radio station, confiscated the printing plates of the church newspaper and subjected worshipers to increasing torment. This practice of attacking organized religion is completely consistent with the history of Communist regimes as they consolidate their control over the population.

In January of 1986 Cardinal Obando y Bravo of Nicaragua delivered a letter to the Secretary General of the United Nations concerning the repression of the Catholic Church, and in it he indicated what he felt the repression intended to accomplish:

To want to neutralize religious activity and evangelical preaching of the church under false accusations of politicking.

To isolate Catholics from each other and from their pastors by means of fear and slander.

To narrow the vital space of the church in order to reduce it, were it possible, to the state of a "Church of Silence."

To deprive the church of the means and materials necessary to spread the Gospel.

It is not the Contras who are trying to destroy the Catholic Church in Nicaragua; it is the Sandinista government that wants to destroy the Catholic Church in Nicaragua.

Former President Jimmy Carter said following his recent visit to Nicaragua,

There is no doubt that repression of the Catholic Church exists, as well as a lack of freedom of expression and certainly, violations of human rights.

Sandinista human rights record:

During the first 2 years of the revolution, the Sandinistas executed 8,655 people; 32 were women and 14 of the 32 were pregnant.

Since 1982, 21 independent radio news programs have gone off the air because of excessive censorship in advance.

The independent newspaper, La Prensa, has suffered an average delay of publication of about 5 hours every day, and has found 47 percent of the submitted material censored. Because of censorship La Prensa has not published at all on 33 occasions.

The Permanent Human Rights Commission [CPDH] estimates that the Sandinistas hold between 7,500 and 10,000 political prisoners. The Red Cross also estimates that the Sandinistas hold 7,500 to 10,000 political prisoners. The Sandinistas deny this.

The people of Nicaragua have none of the following rights: Habeas corpus, freedom of expression, freedom of movement, trial by peers, appeal, freedom of assembly, freedom of association, right to organize unions or to strike.

Concerning trade unions:

The March 1984 issue of Free Trade Union News stated, "Upon coming to power * * * the FSLN immediately began its campaign to destroy the two democratic trade union centers in Nicaragua."

The AFL-CIO lists 133 Nicaraguan trade unionists that have been jailed during the first 4 years of FSLN rule.

Comparing Nicaragua with Poland, one Nicaraguan labor leader said:

We are both small countries and have suffered many invasions. We both experience long lines and scarcity while many of our products are shipped to the Soviet bloc. We are Catholic countries with close ties between the unions and the church. We live under regimes where citizens can be jailed at will. And both governments brand independent unions "anti-socialist agents of imperialism."

Mr. TRIBLE. Mr. President, I rise in support of the Lugar substitute. With its vote on aid to the Contras, the Senate will decide on one of two paths for America's foreign policy. Will we abandon freedom-loving people to Marxist oppression, or will we sustain our commitment to those resisting Communist tyranny around the world?

In Nicaragua today, hundreds of thousands of people suffer at the hands of a regime that has brutally betrayed its own revolution. The Sandinistas have suspended virtually every civil liberty. Church leaders have been harassed and expelled from Nicaragua. And the Sandinistas' promise to hold free and fair elections remains unfulfilled.

But the Sandinistas' do not merely oppress their own people, for the Ortega regime has turned its attack on freedom outward. The Sandinistas are financing the enemies of freedom in El Salvador and Colombia. They are helping to train the enemies of freedom who march under the banner of the PLO. And this week Nicaragua invaded Honduras.

Today, the Congress can help bring to an end the Sandinistas' attack on freedom. We can approve both military and humanitarian aid to the Nicaraguan freedom fighters. In so doing, we will have met our responsibility to support and defend democracy in our hemisphere and we will send a powerful signal to those who are resisting Soviet-sponsored tyranny around the world.

Make no mistake, the Senate's vote on aid to the Contras will echo in every land in which freedom-loving people are fighting Communist oppression. If we fail to approve this aid, the freedom fighter in Angola, faced with over 30,000 Cuban troops and $2 billion in Soviet arms, will question America's commitment to freedom. The Mujaheddin in Afghanistan will question how much longer America

will support their brave struggle to win back their nation.

A vote for the Contras will hearten those around the globe who believe that man was meant to be free. But we will have failed those brave men, and we will have failed the cause of freedom, if we reject this aid, and choose a path that permits the Communist presence in Central America to be consolidated.

It has been said that, instead of supporting the Contras, we should rely on the Contadora process to bring freedom to Nicaragua. Mr. President, there are serious problems with that approach. It displays an unwarrated confidence in the Sandinistas' willingness to abide by their promises. And it demonstrates a reluctance on the part of the United States to decide for itself what is in the best interests of freedom and our own security.

Mr. President, I do not question the Contadora nations' commitment to freedom and peace in Central America. But I do question the tools at their disposal. Those nations who oppose U.S. aid to the Contras would rely solely on diplomacy to end the Sandinistas' attack on freedom. But Ortega's response to diplomatic pressure has been abysmal. During that period when the United States suspended aid to the Contras, diplomacy was the only tool available against Ortega. He responded by further trampling the civil rights of his citizens, and by tigthening his embrace with the Soviet Union.

We must remember that Ortega has failed to keep his promises before. In 1979, the Sandinistas swore to the Organization of American States that they would establish a free democratic and pluralistic government. Six years later, the echoes of that empty promise reverberate throughout Nicaragua, where the most basic civil liberties simply do not exist. Dare we trust Ortega's promises again?

Dare we rely solely on negotiations with the Sandinistas, while running a grave risk that Ortega will once more use that time to further suppress his people, tighten his bonds with the Soviet bloc and consolidate a second Marxist government in the Americas? Or, do we provide material assistance to the Contras, and thereby give Ortega a reason to change his course.

Mr. President, I believe that only armed resistance will provide an incentive to negotiate. Power and diplomacy go together. The Contadora talks and other negotiations can supplement our policy toward Nicaragua. They must not substitute for it.

While we value the judgment of our allies in the region, we cannot substitute their judgment for our own. No great nation should cast a decision affecting freedom and international security into the hands of others. To freedom-loving people everywhere, the United States is still a "city on a hill," a beacon of hope. If we are to remain so, we must be willing to decide—by ourselves if necessary—what path best serves the interests of freedom, democracy, and security. And, we must be willing to act on our decision, whether or not we stand alone or stand with many.

In Nicaragua, as elsewhere, democracy has strong enemies. It must also have strong friends—friends who are willing to stand up to the forces of Communist oppression, even when they stand alone.

Mr. President, I strongly support President Reagan's efforts to foster freedom in Central America. The united opposition in Nicaragua share America's vision of democracy and freedom. These Nicaraguan's are willing to fight for that vision. They are willing to die for that vision. And this Congress must not abandon them.

I will vote to support the Nicaraguan freedom fighters, and I urge my colleagues to do the same.

Several Senators addressed the Chair.

Mr. LUGAR. Mr. President, I ask the Chair how much time remains to us on the Dole-Lugar substitute.

The PRESIDING OFFICER. The Senator has 15 minutes.

Mr. LUGAR. Mr. President, I ask unanimous consent that notwithstanding the arrangement of the unanimous-consent order, 5 minutes of the 15 minutes be reserved for final debate under the control of the majority leader.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. LUGAR. That means we have 10 minutes remaining, and I will allocate 5 to the distinguished Senator from Kansas and 3 to the distinguished Senator from Georgia.

Mrs. KASSEBAUM. I suggest that I will need less than that.

Mr. LUGAR. I yield 5 minutes to the Senator from Kansas.

Mrs. KASSEBAUM. Mr. President, first I would like to say how much I appreciate the efforts of the administration, the chairman of the Foreign Relations Committee, the distinguished Senator from Indiana, the majority leader, the senior Senator from Kansas, and Members on both sides of the aisle to try and address our policy concerns not just for the moment but for that policy that can be sustainable for a period of time.

Mr. President, my principal concern over the past couple of weeks has been that the debate on military and humanitarian aid to the Contras be a constructive one that would seek to define a long-term bipartisan policy toward Nicaragua and the region.

For the past several years, the debate over our policy toward Nicaragua has been emotional and erratic. And this year, once again, our energy has been spent more on domestic political wrangling than on building a consensus for a long-term policy.

There are no easy and quick solutions to the problems that the Sandinista government has created for our security concerns, the concerns of the region, and the concerns of the Nicaraguan people. But in order to build and sustain a long-term policy, we need to reach a reasoned consensus on what our long-term policy should be.

One of the principal problems which we have not addressed adequately in my opinion is the makeup of the resistance forces and their chances for success. As I have argued before, those chances hinge in part on United States assistance, but an even more critical requirement is popular support within Nicaragua. Few guerrilla movements can survive, let alone succeed, without the aid and comfort of local populations.

I have felt strongly that we must address this critical problem, because otherwise we would just be throwing away money and any hope for an alternative to the Sandinistas in Nicaragua.

This package has been adjusted so that it does begin to address the problem of unification and reform of the Contras. A provision has been added, which I strongly support, which states that after 90 days additional funds can only be released if the President certifies that the Nicaraguan democratic resistance has agreed to and is beginning to implement—

First, confederation and reform measures to broaden its leadership base;

Second, the coordination of its efforts;

Third, the elimination of human rights abuses;

Fourth, the pursuit of a defined and coordinated program for achieving democracy in Nicaragua; and

Fifth, the subordination of military forces to civilian leadership.

Another very important addition is that this package now requires that the independent commission also must determine and report to Congress that these steps have been taken.

Our purpose in this legislation is not to raise unworkable obstacles, but rather, to establish a rational, broad framework for assuring that U.S. assistance promotes the objectives for which it is intended.

Because of these positive elements and because I think the United States does have a serious and important role to play in the events unfolding in Nicaragua, I will vote in favor of the package.

United States policy must be aimed at helping to advance the democratic aspirations of the Nicaraguan people and to support efforts by our Latin

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American neighbors to ensure regional stability. Only through a multitrack approach which includes diplomatic initiatives and efforts to unify, broaden, and reform the Contras will our policy hold any hope of success.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE WHITE HOUSE,
Washington, March 27, 1986.

Hon. NANCY LANDON KASSEBAUM,
Russell Senate Office Building,
Washington, DC.

DEAR NANCY: Thank you for your letter of March 19 regarding the need for a long-term policy which provides diplomatic and military pressure on the Sandinista government to move toward democracy and to cease being a threat to regional security. I fully agree with you that we must use all the avenues open to us—including diplomatic initiatives as well as aid to the Nicaraguan democratic resistance—to deal with the serious problems which the Sandinista regime has created for our security, the security of the Central American region, and the well being of the Nicaraguan people.

In order to develop a policy which meets our mutual objectives, I have endorsed a number of proposals made by thoughtful members of Congress, Latin American leaders, and the leadership of the Nicaraguan opposition. The legislation that we have discussed with the Senate leadership and, which I find acceptable, reflects this advice and includes a number of provisions intended to achieve the objectives outlined in your letter:

A delay until July 1 in release of offensive military assistance in order to encourage the Nicaraguan government to respond to the many opportunities available for achieving a negotiated settlement of the conflict in Central America;

A commission to monitor the progress of negotiations;

A stipulation that funds may not be provided to any group that retains in its ranks individuals who commit gross violations of human rights, engage in drug smuggling or misuse public or private funds;

Three million dollars for programs and activities of the Nicaraguan democratic resistance for the observance and advancement of human rights;

A provision for the apportioning of funds among UNO, BOS and Misurasata;

A commitment to encourage the Nicaraguan democratic resistance to take additional steps, strengthen its unity, pursue a defined and coordinated program for representative democracy in Nicaragua, and otherwise increase its appeal to the Nicaraguan people.

Finally, we remain committed to resume bilateral negotiations with the Nicaraguan government simultaneously with that government's opening of talks with representatives of all elements of the Nicaraguan democratic opposition. This position serves to reinforce President Duarte's recent offer to open talks with the Salvadoran guerrillas simultaneously with Nicaragua's holding of negotiations with its armed resistance. Our position also supports the strong desire of all the democratic governments of Central America to resolve the region's problems through multilateral negotiations.

I believe that these commitments respond to your concerns and those of other members of Congress who are as dedicated as you and I to a sustainable, bipartisan and truly democratic solution to the problems of Central America. I am sending an identical letter to Senators Rudman and Cohen.

Sincerely,

RONALD REAGAN.

Mr. MATTINGLY. Mr. President, the issues that we have been discussing have been clearly discussed in an article written by our distinguished majority leader entitled, "In Material Support of Democracy" published in Insight magazine on March 24.

The Senator from Kansas wrote: "It's time that those elected officials who talk strong and vote weak are called to account. They're going to have to explain themselves to the voters, especially those liberals who seem to take more delight in lambasting the President than in criticizing Soviet oppression and imperialism." I ask unanimous consent that the full article be printed in the RECORD and urge my colleagues to heed its advice.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

IN MATERIAL SUPPORT OF DEMOCRACY
(By Robert J. Dole)

Every Fourth of July, it seems, senators and congressmen return home to announce their pride in America as a bastion of freedom, a friend to the oppressed. But all too often, many of these same politicians—especially those who call themselves liberals—return to Washington to cast vote after vote after vote to emasculate our national defense and turn our backs on friends of freedom around the globe.

Well, this is an election year. And it's time that those elected officials who talk strong and vote weak are called to account. They're going to have to explain themselves to the voters, especially those liberals who seem to take more delight in lambasting the president than in criticizing Soviet oppression and imperialism.

This year will see a string of "litmus test" issues coming up in the House and Senate, and nobody's going to have the luxury of ducking the tough votes. We'll find out who is ready to stand up and be counted.

The recent changing of the guard in Haiti and the Philippines smoked out a startling double standard on Capitol Hill when it comes to dictators. While the media and the liberals hailed the toppling of Ferdinand Marcos and "Baby Doc" Duvalier, left-wing dictatorships continued to fester in every corner of the globe, including some right on our own doorstep. But instead of getting the prime-time Marcos/Aquino treatment, despots such as Nicaragua's Daniel Ortega enjoy a free ride while they trample on human rights and export terrorism to their neighbors.

Fortunately, the president knows a dictator when he sees one. Whether it is Marcos or Ortega, right or left, the administration has demonstrated it will move skillfully—and consistently—to back the forces of democracy. President Reagan has been widely hailed by the liberal gang for his brilliant handling of the Philippines crisis, yet these same cheerleaders are already booing his democratic initiative in Central America. What gives?

In late February, the White House sent us its request for aid for the democratic resistance forces in Nicaragua—the so-called Contras. As far as I'm concerned, the president's $100 million request is on the mark. It's not new money. It's savings we found in other defense programs. The goals of the president's program are clear, but somehow they offend the liberals. And what are these goals of ours that the liberals find so unreasonable? We want the Sandinistas to meet the commitment they made to the Organization of American States when they took power: to allow their neighbors to live in peace and their own people to live in freedom. And we want Daniel Ortega to quit turning his country into a beachhead for Soviet and Cuban forces in Central America.

So how are we going to do on Contra aid? It's going to be a tough fight, but I'm hopeful we have a real chance to pass a package that protects our national interest in Central America.

The president has indicated he is ready to go to the mat on this one, and that's exactly what we'll need if we are to silence the hue and cry from the Washington chapter of the Ortega fan club. Ronald Reagan's television address may well prove to have been the key, because, quite frankly, this was the only way the general public could hear the full story of the Marxist nightmare in Nicaragua.

Another issue on which some of us have been working hard during the past couple of months is Angola. No doubt about it, this is an issue where the lines are clearly drawn. The Cuban troops and the multibillion-dollar Soviet arms buildup in Angola have got to go.

The democratic resistance there deserves our support. And let's be frank about that support. We're talking about guns, not butter, guns that can stop tanks and shoot down helicopters.

The Angolan resistance is going to face a new communist onslaught in a few weeks, when the rains stop and Soviet armor can once more roll across the African plains. That's why I've been pushing Secretary of State Shultz by private letter and in a recent meeting in my office, urging the administration to proceed on an aid program to meet UNITA's real needs. When those Russian-made tanks and helicopters head out of Luanda this year, I want Jonas Savimbi to have a nice, warm reception ready for them.

The Angolan Marxists aren't going to negotiate until they have to, but they won't have to unless Dr. Savimbi and his freedom fighters have the tools to neutralize Soviet and Cuban firepower.

Meanwhile, one of our oldest allies, the Philippines, struggles to come back from a wrenching crisis. No doubt a page has been turned in Philippine history, and it's time to look ahead—but not, necessarily, to rush ahead.

Corazon Aquino has earned our admiration and respect. But she has many challenges ahead and many questions to answer. I made that point when I met her recently with one of her closest associates—her brother-in-law, Paul Aquino. She has lots of outstanding people around her. But she also has counted on the support of some elements whose rhetoric is disturbing. And some of her own comments early in the campaign, even though they were largely disavowed later, are still cause for some concern.

One message I asked Paul Aquino to convey to his sister-in-law is that we need some reassurance of the Philippine commitment to honor our military base treaty. Our Air Force and Navy facilities on the islands—Clark Air Base and Subic Bay Naval

Base—are guaranteed under the treaty at least until 1991. The bases are pillars of stability in the Pacific. With the Soviet Union becoming more of a menace in the Far East, it's essential that our Philippines bases have a stable home in the Pacific.

I also pressed Paul Aquino hard on the need to keep up the pressure on the communist insurgency. I am concerned that, in the apparent haste to release all political prisoners, Corazon Aquino might have set free some dangerous elements who could again take up arms against democracy. How she deals with this hard-core element will be an early test of her administration to contain and eliminate the insurgency.

The list could go on and on: Afghanistan, Kampuchea, terrorism. The challenges are there, and they're not going to go away.

In Moscow, Mikhail Gorbachev recently brought down the curtain on that finely tuned chorus of yes-men who served as delegates to the 27th Communist Party Congress. The talk in the Kremlin was of arms control, settling regional conflicts and reform at home. And Gorbachev's new legions of fans at home and around the world are, not surprisingly, lapping it up.

But the reality outside the Kremlin walls hasn't changed a bit. It's a reality of oppression at home, aggression against the free world and support for subversion and terrorism around the globe.

Those are the challenges to us in the Congress and to all who profess to be supporters of freedom. By election day, the voters will know who stood up when it counted, and who took off when the going got tough.

Mr. MATTINGLY. Mr. President, very soon we will be voting on the proposal to send $100 million to the freedom fighters in Nicaragua. The lines are drawn and it is time to vote.

I do not question the patriotism of those who are on the other side of the issue. I do question their wisdom. I wonder how anyone can oppose this small investment for democracy in our own hemisphere. I do get weary of those who are unable to do more than wring their hands while the Marxists consolidate their position in Central America. I do get weary of those who would turn Amer,ca into a powerless giant. Even with clear evidence of Sandinista battalions in Honduras there are those who immediately assume that the United States is lying and credit the denials of the Marxists in Managua.

I believe the opponents of this measure love America. They believe their course of inaction is best for our country. I say the time for hand wringing is over. Communism has throughout history profited from apathy and inaction. It must not happen today.

Thank you, Mr. President.

The PRESIDING OFFICER. Who yields time?

Mr. LUGAR. Mr. President, how much time remains on our side?

The PRESIDING OFFICER. Three minutes and 14 seconds.

Mr. PELL. How much time remains on the minority side?

The PRESIDING OFFICER. Fifteen minutes and 1 second.

Mr. LUGAR. Mr. President, does that include the 5 minutes we reserved after the debate?

The PRESIDING OFFICER. It does not.

Mr. LUGAR. Three and one-quarter total. Very well. We reserve the 3¼ minutes per the unanimous-consent request.

Mr. PELL. Mr. President, I also ask unanimous consent that 5 minutes of my time be reserved along the same lines accorded earlier to the majority.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PELL. Mr. President, to my mind this amendment before us is still a prescription for a military solution in Nicaragua and the rest of Central America.

Bilateral negotiations between our Nation and Nicaragua are absolutely essential, but negotiations should be unconditional. The amendment that we have before us constructs conditions to assure that they cannot be met.

My colleagues should know also that this amendment calls for weapons to be sent off immediately.

We ought to take the Nicaraguans up on their offer as presented in the letter that their Ambassador wrote to me on March 3. In the letter he stated that Nicaragua was willing to sign an agreement stipulating that all foreign military advisers be withdrawn; that the acquisition of new systems of armaments be renounced; that strict and verifiable compliance, be imposed; and that guarantees would be given that Nicaraguan territory will never be used as a base for any foreign power or for subversion of any other government.

He also stated the Nicaraguan government's willingness to terminate the state of emergency, to restore the full panoply of civil liberties and, finally, to proclaim a general amnesty for all Contras permitting them to return to Nicaragua.

It is my thought that rather than pursuing a military solution, let us pursue the proposal that has been advanced by their government. Let us ask them to put up or shut up and follow the diplomatic route, which I think makes more sense.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. PELL. Mr. President, I yield back the remainder of my time, with the 5 reserved.

The PRESIDING OFFICER. Who yields time?

Mr. LUGAR. Mr. President, we yield back the 3 minutes of time we have remaining with the 5 reserved for the final statement.

AMENDMENT NO. 1722

(Purpose: Bilateral negotiations)

Mr. CRANSTON. Mr. President, I sent an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from California [Mr. CRANSTON] for himself and Mr. SASSER proposes an amendment numbered 1722.

Mr. CRANSTON. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the resolution, add the following new section:

"SEC. . Notwithstanding any other provision of law, if the Government of Nicaragua agrees to a cease fire, abolishes the state of national emergency, and pursues and is prepared to participate in good faith bilateral negotiations with the Government of the United States, no funds shall be made available to the Nicaraguan democratic resistance for other than non-lethal, humanitarian assistance. Provided further, that no funds other than for non-lethal, humanitarian assistance shall be made available if the President of the United States fails to pursue and participate in such direct bilateral negotiations with the Government of Nicaragua without further conditions, and no funds other than for non-lethal, humanitarian assistance shall be made available while such negotiations are underway, unless the Congress, not less than 90 calendar days after enactment of this provision, adopts a joint resolution finding that the Government of Nicaragua has refused to participate in good faith in bilateral negotiations with the Government of the United States. The expedited procedures stipulated in Section 13 of this resolution shall be in effect for consideration of any such joint resolution."

Mr. CRANSTON. Mr. President, I send to the desk an unprinted amendment and ask for its immediate consideration.

Mr. President, the purpose of my amendment is quite simple. It would bar the provision of any funds to the Contras if the President continues to reject direct, meaningful bilateral negotiations with the Government of Nicaragua.

Specifically, my amendment does not require the so-called Contra forces to be a direct participant at the outset of such negotiations.

However, my amendment does require that the Government of Nicaragua agree to a cease-fire and end its repressive state of national emergency as two necessary preconditions for meaningful bilateral negotiations with the United States.

Mr. President, this Chamber remains deeply divided over the proper course for American policy toward Nicaragua. Quite frankly, I oppose any U.S. assistance to the Contras. But I recognize that some form of Contra

aid is favored by a majority of this body. So I offer this amendment, not as a means of frustrating the majority will, but rather in an effort to improve what I believe is now a flawed resolution before us.

There is one professed goal which is embraced by many supporters and critics of Contra aid alike. And that is the desirability of meaningful negotiations with the Government of Nicaragua to resolve our differences. Many in this Chamber view such negotiations as the last best hope before a request is before us to commit American advisers—and eventually, American troops.

If we agree that such negotiations are desirable, then I believe we have an obligation to restrict aid to the Contras until we have exhausted the negotiation route.

Why? Because there is a consensus that since the Contras cannot possibly defeat the Sandinistas militarily, the objective of their efforts is to prod Managua toward negotiations.

But the United States must be prepared to enter such negotiations as well. And we are fooling ourselves if we think these negotiations can take place only between the Contras and the Sandinistas. The Contras are a mercenary force created by, funded by and largely controlled by the Government of the United States. We all know that. So it is not unrealistic to expect that the negotiations should begin between Washington and Managua. And it is unwise to expect the Sandinistas to agree at the outset to sit down with a terrorist Contra force that is seeking to shoot its way back into power. The Sandinistas will not agree to negotiations designed solely to bring about their own demise. And it is hardly to be expected that they will allow themselves to be bogged down in a multilateral Contadora negotiating process if the United States is simultaneously trying to bring down the Managua government by force of arms.

Therefore, our objective must be to begin a process of negotiation and reconciliation between the United States and Nicaragua.

Now I recognize that there are a number of circumstances, not stipulated in this particular amendment, which would spur a vigorous U.S. military response—either in concert with OAS allies or through the Contra forces. For example, if Nicaragua imported nuclear weapons, if Nicaragua lanuched a full scale invasion of Honduras or Costa Rica and engaged the military forces of those countries, if Nicaragua sponsored acts of terrorism in the United States—any of these actions would prompt a vigorous United States response notwithstanding the status of any bilateral negotiation. The President would take swift action as Commander in Chief in consultation with Congress.

Three further points regarding my amendment. First, while I personally oppose any aid to the Contras, my amendment would not in any way affect purely humanitarian, nonlethal assistance to the Contras and their families. Second, the amendment stipulates that no military aid to the Contras can go forward after negotiations begin, unless—at least 90 days after this resolution passes, Congress finds that the Sandinistas are dragging their feet in negotiations and refusing to pursue an agreement in good faith. Finally, we should simply take note that if the United States and the Sandinistas agree to a cease-fire, it is incumbent upon our Government to promote respect for this cease-fire from the Contra leadership. Failure by the Contras to respect such a cease-fire would undermine U.S. policy and would not lead to a resumption of U.S. military aid.

The amendment I have offered provides an opportunity for the full Senate to speak on the crucial issue of bilateral negotiations. It is a modest, but carefully crafted amendment which can further crucial American national security interests. I urge my colleagues to give it their support.

Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. LUGAR addressed the Chair.

The PRESIDING OFFICER. The Senator from Indiana is recognized.

Mr. LUGAR. Mr. President, earlier in the day the Sasser substitute addressed the sense of this problem. It pressed for the President of the United States to be forced into bilateral negotiations and provided no military aid.

Senator CRANSTON, the distinguished Senator from California, has indicated he opposes military aid. I suspect one can simply say this is one last gasp of their side to try to force the President of the United States into what I think is an unwise and unconstitutional gesture—negotiating with people that he does not want to negotiate with under conditions that he does not choose to negotiate.

Just to reinforce this point, I ask unanimous consent, Mr. President, that a letter from the President of the United States to me as of this date be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE WHITE HOUSE,
Washington, March 27, 1986.

Hon. RICHARD G. LUGAR,
United States Senate,
Washington, DC.

DEAR DICK: This is in response to your questions regarding our policy on further bilateral negotiations with the Sandinistas. During nine rounds of negotiations in 1984, the Sandinistas refused to accept the purpose of the talks, as defined by the Contadora Group—to reach bilateral understandings which could support the Contadora Group's efforts to achieve a comprehensive multilateral settlement. By the ninth round, in December 1984, the Sandinistas position was very clear: they were using the Manzanillo talks with us as an excuse to refuse to conduct any substantive negotiations with the other countries of Central America. In addition, the Sandinistas sought to create distrust of the United States by telling the Central American democracies that the U.S. was "making a deal" behind their backs. Since December 1984, the Sandinistas have grown increasingly obstructive in the multilateral Contadora talks, while making renewal of bilateral talks with the U.S. a priority objective.

The United States remains willing to resume bilateral talks in support of a comprehensive regional agreement, including democratic internal reconciliation within Nicaragua. However, in view of past Sandinista intransigence and duplicity, we have insisted that the Sandinistas demonstrate serious intent by initiating a credible dialogue, accompanied by a ceasefire and restoration of civil liberties, with *all* elements of their opposition. Our objective is not talks which lead to "power sharing," but rather a sincere effort toward democratization.

In support of this goal, I have made a number of forthright proposals. In April 1985, I endorsed an offer by the Nicaraguan democratic resistance, in which they proposed a ceasefire and a church-mediated dialogue with the Sandinistas. In February 1986, I offered to have the U.S. begin bilateral talks *simultaneously* with the initiating of an internal dialogue by the Sandinistas with their opposition. On March 5, 1986, President Duarte added an offer to begin serious talks with the Salvadoran guerrillas, simultaneously with a Sandinista dialogue with the Nicaraguan democratic resistance. The Nicaraguan resistance has been willing to talk; the Nicaraguan Council of Bishops has offered to mediate. The Presidents of Guatemala, Honduras, Costa Rica, and I all endorse President Duarte's proposal. The Sandinistas have adamantly rejected all these offers and have obstructed further Contadora meetings. They have insisted on bilateral talks with the U.S. as their foremost objective.

The United States continues to resist the Sandinistas' effort to engage us as the intermediary between the Sandinistas and their neighbors. We should further resist their attempts to make the United States the mediator in their own internal dispute. Given the events of recent days in Honduras, I am more concerned than ever that giving the Sandinistas what they want—direct bilateral talks with the U.S.—would have a number of severe and adverse consequences:

It would seriously undercut President Duarte and his democratic neighbors who have supported him. President Duarte braved considerable internal criticism in his bold offer to open talks with the FMLN guerrillas in El Salvador, if the Sandinistas would simultaneously hold similar talks with the Nicaraguan democratic resistance. His forthright initiative provided an additional inducement that complemented our proposals to further a dialogue on national reconciliation in Nicaragua. We should not be in a position of weakening President Duarte in the eyes of his domestic critics or diminishing his prestige in the region.

It would afford the Sandinistas an opportunity for further duplicity and result in further delay in resolving the conflict. Their past record of dishonesty, during earlier bilateral talks with the U.S., has been duplicated by current Sandinista misrepresentations over the invasion of Honduras.

It would divert attention from the evidence of Sandinista performance in the international diplomatic arena, as well as their aggression against their neighbors. The real issues are genuine dialogue leading to democracy in Nicaragua and serious negotiations with their neighbors. They seek to distract attention from these matters.

Finally, suggestions that we should undertake direct negotiations with the Sandinistas, if they simply talk to their internal political opponents, would place an undue burden on the weakest elements of the Nicaraguan opposition. Representatives of these internal groups, with their families and homes at risk and subject to direct Sandinista retribution, cannot be expected to speak for the concerns of the resistance.

A democratic reconciliation in Nicaragua is essential to regional peace. The United States has consistently offered to provide incentives to initiate such a dialogue—to include simultaneous bilateral talks with the Sandinistas. Conditioning our aid to the Nicaraguan resistance on the initiation of direct bilateral talks, without first requiring that the Sandinistas talk to their own internal opposition, would seriously undercut our friends in the region and our foreign policy worldwide. We could not sustain such a policy in regard to Israel, the moderate Arab states whom we support, or the freedom fighters in Afghanistan or Angola. We should not be expected to in the case of the Nicaraguan democratic resistance. Our policy is, and should continue to be, to persuade the Sandinistas that they must come to terms with their own opposition and their neighbors.

Sincerely,

RONALD REAGAN.

Mr. LUGAR. I quote from this letter because the President feels very strongly about this. He cites that on a number of occasions he has endorsed negotiations, and earlier today I put in the RECORD a very substantial document about all of those negotiations. To the point, Mr. President, he says:

I am more concerned than ever that giving the Sandinistas what they want—direct bilateral talks with the U.S.—would have a number of severe and adverse consequences:

It would seriously undercut President Duarte and his democratic neighbors who have supported him. President Duarte braved considerable internal criticism in his bold offer to open talks with the FMLN guerrillas in El Salvador, if the Sandinistas would simultaneously hold similar talks with the Nicaraguan democratic resistance. His forthright initiative provided an additional inducement that complemented our proposals to further a dialogue on national reconciliation in Nicaragua. We should not be in a position of weakening President Duarte in the eyes of his domestic critics or diminishing his prestige in the region.

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A democratic reconciliation in Nicaragua is essential to regional peace. The United States has consistently offered to provide incentives to initiate such a dialogue—to include simultaneous bilateral talks with the Sandinistas. Conditioning our aid to the Nicaraguan resistance on the initiation of direct bilateral talks, without first requiring that the Sandinistas talk to their own internal opposition, would seriously undercut our friends in the region and our foreign policy worldwide.

That letter was written by the President of the United States, the person in our constitutional system most responsible for our diplomacy and national security.

Mr. President, I think we have to take the word of the President very seriously. I certainly do. To undercut the President of the United States, I think would be indefensible. I would simply say that throughout this debate we have discussed the issue in many forms. But to give the Sandinistas something they want without requesting anything from them in return is not a very good negotiating posture. Are we so determined to micromanage foreign affairs that we now determine even the sequence of Presidential bidding in negotiations.

I would simply say, Mr. President, that we find this amendment to be a highly dangerous way to conclude a debate which we believe is moving toward a very sound American foreign policy in this region. The Congress and the President, I feel, are moving together.

Therefore, Mr. President, I strenuously object to the amendment. And as the time comes to an end, at least, when no time exists, I will move to table the amendment.

How much time remains on our side?

The PRESIDING OFFICER. One minute and one second.

Mr. LUGAR. I will reserve the time for the moment.

Mr. DOLE addressed the Chair.

Mr. LUGAR. Mr. President, I yield to the majority leader.

The PRESIDING OFFICER. The distinguished majority leader is recognized.

Mr. DOLE. Mr. President, let me indicate that I certainly share the views expressed by the distinguished chairman of the Foreign Relations Committee. This is sort of the Sasser amendment revisited. I hope it will be dealt with in about the same fashion.

Mr. CRANSTON addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. PELL. I yield as much time as the Senator from California desires.

The PRESIDING OFFICER. The Senator from California.

Mr. CRANSTON. Mr. President, I just say that it seems ill-becoming for the United States to be backing people, seeking to overthrow the government of another country that we recognize, and for the United States to be unwilling to negotiate our differences with that country. We have profound differences with the Sandinistas. There is no supporter or sympathizer to the Sandinistas in this body. But there is a widespread feeling that we should seek a negotiated diplomatic solution rather than a military solution.

It is not accurate to state that my proposal would seek nothing from the Sandinistas. The proposal is conditioned upon the Sandinistas' willingness to enter into a cease fire. It is conditioned upon a willingness of the Sandinistas to lift their state of emergency. That is a major objective of the U.S. Government, and a way to deal with their repressive regimes.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. DOLE. Mr. President, let me tell my colleagues that we are going to try to hold this vote to 15 minutes. There are a number of our colleagues on both sides who have planes to catch, and reservations are hard to come by.

So I urge my colleagues to come to the floor, and vote favorably on the motion to table.

The PRESIDING OFFICER. Who yields time?

Mr. LUGAR. Mr. President, I yield back the time on our side. I move to table the Cranston amendment.

I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Indiana to lay on the table the amendment of the Senator from California. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

The PRESIDING OFFICER (Mr. HECHT). Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 66, nays 34, as follows:

[Rollcall Vote No. 49 Leg.]

YEAS—66

Abdnor	Goldwater	Moynihan
Andrews	Gorton	Murkowski
Armstrong	Gramm	Nickles
Bentsen	Grassley	Nunn
Boren	Hatch	Packwood
Boschwitz	Hawkins	Pressler
Bradley	Hecht	Quayle
Chafee	Heflin	Roth
Chiles	Heinz	Rudman
Cochran	Helms	Simpson
D'Amato	Hollings	Specter
Danforth	Humphrey	Stafford
DeConcini	Johnston	Stennis
Denton	Kassebaum	Stevens
Dixon	Kasten	Symms
Dole	Laxalt	Thurmond
Domenici	Leahy	Trible
Durenberger	Long	Wallop
East	Lugar	Warner
Evans	Mattingly	Weicker
Ford	McClure	Wilson
Garn	McConnell	Zorinsky

NAYS—34

Baucus	Gore	Metzenbaum
Biden	Harkin	Mitchell
Bingaman	Hart	Pell
Bumpers	Hatfield	Proxmire
Burdick	Inouye	Pryor
Byrd	Kennedy	Riegle
Cohen	Kerry	Rockefeller
Cranston	Lautenberg	Sarbanes
Dodd	Levin	Sasser
Eagleton	Mathias	Simon
Exon	Matsunaga	
Glenn	Melcher	

So the motion to lay on the table amendment No. 1722 was agreed to.

Mr. LUGAR. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. PELL. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DOLE. Mr. President, I ask unanimous consent that the distinguished Senator from Delaware, Senator BIDEN, may be recognized ahead of Senator DURENBERGER.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 1724

(Purpose: To require a Presidential certification of extension reform of the Nicaraguan resistance as a condition of further U.S. assistance to mandate negotiations; and to declare U.S. policy on the use of force in Central America)

Mr. BIDEN. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

Mr. STENNIS. Mr. President, may we have quiet?

The PRESIDING OFFICER. The Senate will be in order. Will Senators please take their seats and staff leave the Chamber? The majority leader has requested the staff either to take a seat or please leave the Chamber.

The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Delaware [Mr. BIDEN] proposes an amendment numbered 1724.

Mr. BIDEN. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment reads as follows:

At the end of the joint resolution, add the following:

"(A) Assistance authorized by this resolution shall be available only if the President can and does certify to Congress that the Nicaraguan resistance—

"(1) has been restructured to allow complete and balanced representation of all democratic opposition forces and to ensure full subordination of military commanders to the political leadership;

"(2) has agreed upon a program of principles and objectives directed toward the attainment of democracy in Nicaragua, such program to include a plan to provide a significant measure of autonomy for Nicaraguan Indians;

"(3) has instituted full and adequate human rights-related training programs;

"(4) has removed from its ranks all persons responsible for past human rights abuses in Nicaragua; and

"(5) has established procedures to ensure severe punishment of any persons in the resistance committing human rights abuses in the future.

"(B) Assistance authorized by this resolution shall not commence until 75 days after the date of enactment, in order that, before providing additional assistance to the Nicaraguan resistance, the United States may undertake additional efforts to participate in successful negotiations leading to fulfillment of the goals enunciated by the Contadora nations in the Caraballeda Message. In this effort, the United States shall be prepared to enter into direct and unconditional negotiations with the current government of Nicaragua toward an accord providing for the cessation of United States support for the Nicaraguan resistance in exchange for agreement by the current government of Nicaragua to—

"(1) undertake a cease-fire and direct talks with opposition forces or their representatives;

"(2) lift restrictions on individual freedoms; and

"(3) remove from Nicaragua all Soviet, East European, and Cuban advisers and terminate all Soviet, East European, and Cuban military assistance and weapons transfers.

"(C) No United States personnel, civilian or military, shall be introduced into or over the territory of Nicaragua for the purpose of training or advising Nicaraguan resistance forces, or engaging in combat or intelligence operations in support of Nicaraguan resistance forces, unless Congress has authorized the introduction of United States personnel in advance by joint resolution.

"(D) United States forces shall not be committed to combat in Central America, or in an advisory role to forces in combat, unless—

"(1) United States strategic interests are threatened by the introduction into Central America of additional foreign forces, or advanced weapons systems, posing a substantially increased threat to nations of the hemisphere; or

"(2) United States military support is formally requested by nations of the region pursuant to collective defense pledges under the Rio treaty.

"Any commitment of United States forces pursuant to such policy shall be undertaken only in full compliance with provisions of the War Powers Resolution."

Mr. BIDEN. Mr. President, we are all trying to accommodate the time limitation. I thank the majority leader and minority leader for finding the opportunity for me to be able to make my case here before my colleagues.

NICARAGUA: THE REQUIREMENTS OF A SOUND AND SUSTAINABLE POLICY

Mr. President, no issue in American foreign policy since the Vietnam war has produced such heated dispute as the question of U.S. support for resistance forces opposed to the Communist government of Nicaragua. And indeed the two issues—Vietnam and Nicaragua—are related. For in the current controversy over aid to the Nicaraguan Contras, we find a continuation of one of the Vietnam war's lingering legacies: a still contentious national debate concerning the exercise of American power in the world.

A BROAD RECORD OF MISREPRESENTATION

The main energizing force in this debate is the school of thought, embodied in the Reagan administration, advocating an activist assertion of American power in the global contest against communism. Underpinned by a belief that the United States must escape its debilitating "Vietnam syndrome"—a supposed timidity about American involvement in protecting our vital geopolitical interests—the Reagan philosophy has manifested itself in two forms. The first is sharply increased defense spending; the second, an aggressively articulated doctrine favoring logistic support of indigenous freedom fighters opposing Soviet-backed regimes around the world. Notably, the Reagan school appears as yet far more robust in rhetoric than in the actual use of American Armed Forces. But its primary premise is the politically and psychologically satisfying claim that the United States, after a decade of abdicating power, is now wielding it once again.

To hear the Reagan school's most enthusiastic proponents—including the President himself—is to find new meaning in George Orwell's dictum that to control the past is to control the present. For their ebullient, self-congratulatory message relies almost entirely upon a fanciful interpretation of the preceding era that gains force not from facts but from the sheer repetition of misleading assertion.

First, in claiming credit for a dynamic strategic buildup—the buildup they so blithely pledge will someday induce nuclear missile reductions by the Soviet Union—the Reaganites have fabricated a picture of American lethargy in the 1970's which bears little relation to the steady pace of developments in the U.S. nuclear arsenal. Indeed, the principal strategic weapons of which this administration boasts—the Trident submarine and D-

5 missile, the MX missile, the deployment of Euromissiles—derive from programs and policies undertaken by the very Carter administration which the Reaganites are so fond to ridicule. Only the revival of the B-1 bomber—scrapped by the previous administration for reasons not of timidity but of prudent economy and priority—can truly be said to be a Reagan initiative, a fitting symbol of expensive excess born of unbridled ideology.

Similarly, in their eagerness to fashion and advertise a distinguishing doctrine of support for freedom around the world, enthusiasts of the so-called Reagan Doctrine blithely ignore that they have invented nothing new. What were our promulgation of the Marshall plan and the Truman doctrine, and our actions in the Korean conflict and the Vietnam war, if not strenuous American commitments to defend and promote freedom in the face of a Communist threat? All, one may vote, were undertaken—for better or worst—by Democratic administrations.

Nor can the Reaganites plausibly claim that their new "doctrine" is an antidote to isolationist strains in the post-Vietnam Democratic party, or a unique willingness to support forces opposed to Communist regimes. As to the question of isolationism, the plain fact is that support for existing U.S. alliances remains strong in both the Democratic and Republican parties; indeed, any weaknesses in our current alliance structures owe principally to allied doubts about American leadership during this administration. Similarly, with regard to the Third World, the concept of U.S. activism to defend our geostrategic interests, to promote freedom—and, specifically, to aid forces fighting against Communist regimes—is not in principle a matter of partisan division. In Afghanistan, U.S. aid to the mujahideen was commenced by the Carter administration immediately after the Soviet invasion, And in Indochina, the current program of U.S. aid to democratic forces in Cambodia emanated from a Democratic initiative in Congress. Thus, neither of these components of the so-called Reagan Doctrine is in fact even a Reagan initiative.

THE CRUCIAL CRITERION: PRACTICAL CONSEQUENCES

Accordingly, the very premise of the "Reagan Doctrine"—that the United States must escape a "Vietnam syndrome" in order to move energetically to defend its interests in the Third World—is fundamentally misconceived. In American foreign policy today, issues arise primarily—as they should—not on the principle of U.S. involvement abroad but on perceptions of the practical consequences for American interests.

Nor are Democrats consistently on the side favoring passivity or inaction. Reaganites would, for example, be loathe to concede that they are unconcerned with human rights; yet they strongly criticized President Carter's interventionist activism against anti-democratic abuses among our Third World allies, on the grounds that such policies placed U.S. strategic interests at risk. Conversely, Democrats have criticized the Reagan policy of aiding Jonas Savimbi in his fight against the Soviet- and Cuban-supported regime in Angola, not on grounds of general principle, but because to do so would place us in circumstantial alliance with a South African regime which we have not only a moral but also a long-term strategic interest to oppose. It is this perverse consequence, not the principle of U.S. involvement per se, which renders the Angolan dimension of the "Reagan Doctrine" so dubious and controversial, unlike U.S. policies in Afghanistan and Cambodia.

Thus do we arrive at the issue of Nicaragua, which, along with Angola, provides the focus for dispute over the "Reagan Doctrine." Here, as in Angola, the essential question is one of practicality. Some, I acknowledge, argue that Nicaragua is indeed a question of principle: that aid to the Nicaraguan opposition is ipso facto an unacceptable violation of the principle of self-determination. My response, and I trust that of the mainstream of the Democratic Party, is that such argumentation applies principle solely to the purpose of self-paralysis. When we affirm the general principle of self-determination, we are affirming that people should decide their own destiny, precisely the opposite of declaring that we will watch with equanimity as tyrants impose their will. Tyranny gains no protection under the mantle of self-determination.

This does not mean that we are bound to intervene wherever tyranny or injustice may be found. Such universal activism would exceed the limits of our resources and our wisdom. But it does mean that we must not be immobilized by misconceived applications or principle when our vital interests—our geostrategic interests and our interest in promoting democratic values—are at stake. Had President Kennedy been governed by a blind application of the principle of Cuban self-determination in 1962, he would have watched idly as Fidel Castro and Nikita Khrushchev deployed Soviet land-based missiles 90 miles from our shores.

NICARAGUA TODAY

Turning now to the issue at hand, how are we to assess the situation in Nicaragua today? Surely whatever faint legitimacy may have been conferred upon the Sandinista government by the flawed Nicaraguan election of 1984 has been destroyed by that regime's steady evolution toward full totalitarian control. Having evicted from power all moderate elements, the current government has moved to deny the people of Nicaragua the basic rights and liberties fundamental to self-determination and remains engaged in an intensifying repression directed at political organizations, the church, the courts, the free press, trade unions, and other means of individual autonomy and expression. Meanwhile, the regime has drawn on large-scale Soviet aid and several thousand Cuban and Soviet advisers to build and sustain the largest military force in Central America.

Against this background of generally accepted fact, how are we to shape a sound U.S. policy? Unfortunately, any hope for a rational public dialog has been skewered by a White House presentation so wild in its inaccuracies, and so extreme in its assertions of the threat posed to U.S. interests, as to have become an issue in and of itself. Questions arise too of balance and priority—in short, the apparent hypocrisy of an administration that, until very recently, appeared oblivious to any oppression in the world that did not bear the Communist label. Thus was the administration's recent condemnation of Chile's hated Pinochet regime greeted with a mixture of gratitude and doubt.

But administration hyprocisy and Presidential excess do not relieve Congress of its responsibilities. The current government in Nicaragua represents a potential threat to peace and stability in Central America and—for that reason coupled to the possibility of an expanded Soviet presence in this hemisphere—poses a potential threat to security interests of the United States. The policy of the ostrich cannot apply.

NEGOTIATION OR INVASION: A FALSE CHOICE

Many, of course, argue that the administration has failed to exhaust all avenues of negotiation. And here one must express a considerable measure of sympathy. One need not believe that the United States drove the Sandinistas into the arms of the Soviets—the Sandinistas, after all, are Communists—in order to question the sincerity of the administration's claim that it has worked strenuously to support the efforts of the Contadora nations to secure a negotiated solution to the issues arising from Sandinista behavior. Plainly, the leaders of the Contadora nations themselves do not think so.

At the same time, however, one need not be an administration sympathizer to remain deeply skeptical that the Sandinistas can be induced—simply by the pressure of international opinion—to negotiate away their repressive tools of political control and the Soviet and Cuban resources which sustain their use. We fail to take the Sandinistas seriously if we refuse to

regard them as the Communists they proudly claim to be.

Some have responded cavalierly that if the threat is so great, why not send in the Marines? But this is sloganeering as a substitute for thought. It implies an American foreign policy consisting of only two options: passivity and full-scale invasion. It also suggests a bizarre inclination to supplant Nicaraguan soldiers with American troops on a Central American battlefield. But ultimately it is simply a disingenuous stance, adopted by those who would be the first to express outrage if American forces were actually used in Central America, even in a context of greater danger or provocation.

THE CONTRAS: AN UNCERTAIN TRUMPET

And what of the administration's chosen vehicle of policy—the controverisal force known alternatively as the Contras or the democratic resistance? Clearly, the essence of the controversy is that so much of what is said about the Contras—for and against—is true. They thus provide ample data to buttress virtually any predisposition on the issue of whether the United States should support them.

The case against them is well known. The Contra force was, to be sure, a creation of the CIA, built around a nucleus of former Somoza Guardsmen. The Contras have thus far enjoyed little military success, having been set back even further by intensifying Sandinista use of Soviet-supplied helicopter gunships. Still worse, in their conduct as guerrillas and despite much conflicting evidence, we may fairly infer that Contra soldiers have been responsible for numerous actions accurately described as atrocities. Finally, notwithstanding the administration's professed purpose of supporting the Contras in order to force the Sandinistas to the bargaining table, it is clear that the aim of Contra commanders is to win—a full military victory ousting the Sandinistas from power. Accordingly, as a vehicle of American policy the Contras combine a dismal record with sweeping aspirations.

While accepting the known liabilities, supporters of Contra aid point to the future with a determined optimism. Resistance to Nicaragua's Communist government, they argue, continues to grow steadily, is manifest both in increasing support for the Catholic church as a symbol of dissent and in a continuing influx into opposition camps, and now reflects, in the composition of such guerrilla forces, an impressively diverse cross-section of the Nicaraguan people. Moreover, it is claimed, steps are being taken to heighten the professionalism and discipline of Contra forces, so as to strengthen their military effectiveness and political appeal. What is desperately needed, the argument continues, is adequate logistical, weapons, and training support to countervail Soviet and Cuban support, so that resistance forces may proceed to mount the fight they are ripe to win.

The conundrum here is obvious. Can the United States afford to commit its prestige to a force of such dubious nature and with such doubtful prospects? But if not, what realistic path is available to American policy, other than total reliance on an unpromising negotiation?

THE KEY TEST: THE NATURE OF THE RESISTANCE

For those who regard Nicaragua's Communist government as a serious hemispheric problem, and who would be prepared in principle to support a truly democratic opposition in its fight to recapture the promise of Nicaragua's revolution, the issue hinges on the true character of the Contras—and for two reasons. First, only a resistance force which embodies genuine democratic values holds promise of succeeding against the Sandinistas in the struggle for Nicaragua. And second, in the struggle for American opinion, only such a force holds promise of gaining and maintaining the public support on which a sound and sustained policy of U.S. assistance must be based. This indeed is the one surely applicable lesson of Vietnam: That we must not undertake a major foreign policy commitment without a solid national consensus behind it.

Last year, as the Senate deliberated on the issue of providing the Contras a sustaining fund of so-called humanitarian assistance, I offered an amendment which would have allowed the funding only on condition that, in conjunction with any further requests for Contra aid, the President certify that necessary steps had been taken to remove from the ranks of the Contras all persons responsible for abuses of human rights in Nicaragua. In the discussion surrounding that proposal, the floor manager of the bill, Senator LUGAR, indicated that he found possible merit in this stipulation. But he nonetheless opposed the amendment on behalf of the administration, which characteristically was disinclined to accept any strings on the funds it sought. Accordingly, the amendment received only 22 votes, almost all from my side of the aisle.

I continue to regret that decision by the administration and the Senate because I believe the provision would have established a crucially important standard governing American support for the Nicaraguan opposition—and considerable leverage, both for the administration and for those among the Contra leadership who wish to see that standard met. To be sure, the administration has now taken some note of concerns about human rights abuses by the Contra force and has allocated a small portion of its requested assistance to human rights-related training. But in the absence of a clear and legislated standard, the question will remain unresolved, both in the field and in the minds of the American people, without whose support this policy cannot succeed.

CRUCIAL PRECONDITIONS

Accordingly, Mr. President, I again this year prepared an amendment that goes to the question of the very nature of the Nicaraguan opposition to which the administration proposes to provide additional assistance. The amendment relates not only to the issue of Contra conduct in battle, but also to the overall structure of the Nicaraguan opposition and to its long-term political objectives. It would require a full political and military reform of the Contras—including the removal of all persons responsible for human rights abuses in Nicaragua—as a precondition of continuing our aid. This, I should note, is a far stronger requirement than that included in the Lugar-Dole-Bentsen compromise, which simply requires that the Contras "begin to" make certain changes.

Second, the amendment mandates that the administration make a determined effort to achieve, through bilateral negotiations with the current Government of Managua, an accord providing for a cease-fire in Nicaragua; direct talks between the government and opposition forces or their representatives; a lifting of restrictions on individual freedoms; and a removal of all Soviet, East European, and Cuban advisers, accompanied by a termination of all Soviet, East European, and Cuban military assistance and weapons transfers. I would be the first to acknowledge that the most sincere and adroit U.S. effort under this mandate would be unlikely to achieve the stated goals, even in exchange for a total cessation of American aid to the Contras. I am convinced, however, that such an effort must be made if American policy is to gain the necessary measure of public support, both domestically in the United States and in the hemisphere.

Finally, through a prohibition on the use of United States personnel in or over Nicaragua in an advisory or combat role and a formal declaration of policy regarding the use of American forces in Central America, the amendment makes clear to all concerned—the Contras, our Latin American neighbors, and the American people—that U.S. support for the Contras will not be the first step on the road to direct American involvement. The amendment stipulates that such direct United States military involvement in Central America would be occasioned only by dramatically changed circumstances—either the introduction of additional foreign forces or advanced weapons systems, or an act of aggression that produced a collective

response in the context of the Rio Treaty.

The amendment reads as follows:

(A) Assistance authorized by this resolution shall be available only if the President can and does certify to Congress that the Nicaraguan resistance—

(1) has been restructured to allow complete and balanced representation of all democratic opposition forces and to ensure full subordination of military commanders to the political leadership;

(2) has agreed upon a program of principles and objectives directed toward the attainment of democracy in Nicaragua, such program to include a plan to provide a significant measure of autonomy for Nicaraguan Indians;

(3) has instituted full and adequate human rights-related training programs:

(4) has removed from its ranks all persons responsible for past human rights abuses in Nicaragua; and

(5) has established procedures to ensure severe punishment of any persons in the resistance committing human rights abuses in the future.

(B) Assistance authorized by this resolution shall not commence until 75 days after the date of enactment, in order that, before providing additional assistance to the Nicaraguan resistance, the United States may undertake additional efforts to participate in successful negotiations leading to fulfillment of the goals enunciated by the Contadora nations in the Caraballeda Message. In this effort, the United States shall be prepared to enter into direct and unconditional negotiations with the current government of Nicaragua toward an accord providing for the cessation of United States support for the Nicaraguan resistance in exchange for agreement by the current government of Nicaragua to

(1) undertake a cease-fire and direct talks with opposition forces or their representatives;

(2) lift restrictions on individual freedoms; and

(3) remove from Nicaragua all Soviet, East European, and Cuban advisers and terminate all Soviet, East European, and Cuban military assistance and weapons transfers.

Assistance authorized by this resolution shall be available only if the President can and does certify to Congress that new good negotiation efforts have failed to achieve the goals cited in this paragraph.

(C) No United States personnel, civilian or military, shall be introduced into or over the territory of Nicaragua for the purpose of training or advising Nicaraguan resistance forces, or engaging in combat or intelligence operations in support of Nicaraguan resistance forces, unless Congress has authorized the introduction of United States personnel in advance by joint resolution.

(D) United States forces shall not be committed to combat in Central America, or in an advisory role to forces in combat, unless—

(1) United States strategic interests are threatened by the introduction into Central America of additional foreign forces, or advanced weapons systems, posing a substantially increased threat to nations of the hemisphere; or

(2) United States military support is formally requested by nations of the region pursuant to collective defense pledges under the Rio treaty.

Any commitment of United States forces pursuant to such policy shall be undertaken only in full compliance with provisions of the War Powers Resolution.

Mr. President, I hold no illusion that such requirements stipulated for certification would be easy to achieve; they may not be. But I believe that the fulfillment of these certification requirements represents an essential precondition for the conduct of a policy in Nicaragua that would bear any hope of succeeding in the field and any hope of gaining a substantial base of support among the American people.

Also crucial is the amendment's clear declaration of United States policy with regard to the use of American forces in Central America—necessary if the administration's policy is not to mislead the Contras and if it is to gain even measured support from our Latin American neighbors. It is needed too for domestic reasons—as a substantial block against any drift in American policy toward the direct involvement of U.S. forces. The President has stated that his policy does not envisage a resort to direct force; this amendment would translate that statement of intent into a durable barrier against an option that could only prove disastrous.

NICARAGUA AND VIETNAM

Mr. President, in closing I wish to return to my starting point: The conceptual connection between Nicaragua and the Vietnam war. My opposition to American policy in Vietnam was not based upon any reticence to see the United States energetically supporting the cause of freedom abroad. It was founded on the guiding concept I have enunciated here today: That U.S. policy must be based upon a clear analysis of practical consequences; and U.S. commitments must be based upon a strong consensus among the American people.

In Indochina, support for democracy in South Vietnam was a perfectly sound aim of United States policy. But American policy crossed the threshold toward its ultimate failure when we committed United States troops in a conflict which could only have been won by the South Vietnamese themselves. President Kennedy stated as much shortly before his death. Yet soon thereafter the American advisory role escalated to troops in combat. And our failure was ensured when, by intervening militarily in mass, we permitted the North Vietnamese to fight for Vietnam's future under the banner of anti-colonialism. the steady loss of public support here at home was only the logical consequence of an American policy which failed to foresee its own practical consequences.

In Central America today, the issue now posed is whether we should support Nicaraguan resistance forces seeking to overcome a Communist tyranny. As I have stated, I view this—in principle—as a valid activity of American foreign policy. What we must assess, however, are the practical consequences in light of the practical circumstances. In the absence of a thoroughgoing reform of the Contra force, our policy offers little hope of success and much danger that an increasing commitment of American prestige will carry us inexorably into a game of higher stakes with no strong hand to play—short of the commitment of U.S. forces. The President has, of course, declared that his policy does not envisage U.S. forces in combat; he has indeed expressed recognition that the use of American troops could catalyze an outpouring of Latin American enmity. But the Senate must evaluate this policy against more than that pledge and the administration's ebullient hopes for Contra success. If we are to support freedom in Central America, let us do so only by aiding those who will be seen by their own countrymen as the bearers of freedom.

I regret that the administration has gathered the necessary support to defeat any such approach, which could at least serve to overcome the most serious deficiencies in its Central American policy. I shall therefore withdraw the amendment, and oppose the resolution authorizing continuation of a policy that has earned the support neither of our Latin American neighbors nor of the American people.

The PRESIDING OFFICER. The amendment is withdrawn.

Mr. DOLE. Mr. President, I ask unanimous consent that notwithstanding the order, the distinguished Senator from Illinois [Mr. DIXON] may be recognized now to offer his amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 1725

(Purpose: To prohibit the entry of certain U.S. personnel into Nicaragua)

Mr. DIXON. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Illinois [Mr. DIXON], for himself, Mr. BIDEN, Mr. SIMON, Mr. KENNEDY, and Mr. METZENBAUM, proposes an amendment numbered 1725.

Mr. DIXON. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of section 4 of the amendment, add the following new subsection:

(e) Notwithstanding any other provision of this joint resolution, no member of the United States armed forces, or employee of any department, agency, or other component of the United States government may enter Nicaragua to provide military advice, training, or logistical support to paramilitary groups operating inside that country.

Mr. DIXON. Mr. President, on behalf of myself, Mr. BIDEN, Mr. SIMON, Mr. KENNEDY, and Mr. METZENBAUM, I offer an amendment designed to clarify American policy toward Nicaragua and the Contra forces. I have been listening to the administration explain its policies and goals on this issue for a long time. In the end, I have generally supported financial assistance to the Contras, in spite of misgivings I have about a growing U.S. military involvement in Central America, and the potential extent of that involvement in the future.

There is a limit to what the United States can tolerate from Nicaragua, Mr. President. The course of the Sandinista regime's foreign policy is dangerous for the entire region. The growing Soviet, Cuban, and East European presence in Nicaragua is alarming. The extent to which the Soviet Union will utilize its foothold in Central America to develop a significant military presence is a genuine strategic military concern. The last thing we want to see down there is a well-established Soviet naval base, or a batch of medium-range ballistic missiles.

I believe these are long-range possibilities, Mr. President, and I have supported Contra assistance for these reasons. We cannot turn our backs and let Nicaragua continue in its path unchecked.

However, Mr. President, I would also suggest that there must be a limit on the degree to which we are willing to allow ourselves to become embroiled militarily in a conflict which does not require the direct involvement of U.S. Armed Forces. Comments by administration officials have compounded my misgivings. Just how far are we willing to go militarily in Nicaragua? Military advisors? Troops? We need to know. We need to draw the line.

My amendment is straightforward. Under its provisions, no member of the United States Armed Forces, or employee of any department, agency, or other component of the United States Government, may enter Nicaragua for the purposes of assisting the Contras militarily.

Mr. President, I believe this amendment is necessary in the absence of any firm commitment from the administration that United States military forces will not be used in Nicaragua. It is one thing to support the Nicaraguan democratic resistance, which has proven to be a nasty thorn in the side of the Sandinistas and a successful impediment to their aggressive policies toward their neighbors. It is another thing entirely, Mr. President, to commit American military personnel to the Nicaraguan countryside when they are not needed and where they might do more harm than good. For that reason, I ask my colleagues to join me in supporting this amendment.

Mr. President, I ask unanimous consent to have printed in the RECORD an editorial of Saturday, March 15, 1986, from the Chicago Tribune.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

A POLITICAL DEATH WISH

People who accuse the administration of trying to imitate "Rambo" in Central America have it all wrong. It is becoming more and more obvious that the real script is "Death Wish."

First, the White House infuriated Congress by suggesting that opponents of his effort to provide $100 million in rebel aid were soft on communism. Now the President has opened the door to a possibility guaranteed to scare off any remaining fence-straddlers—the involvement of U.S. forces as advisers to the rebel forces.

Mr. Reagan has, according to the latest Washington leak, approved a secret plan calling for the use of U.S. military personnel to train the contras in administering their supply system and to act as advisers on tactics and strategy. The White House says that it has no specific plans and that it would not place American troops on the battlefield in any case. But it cannot bring itself to repudiate the idea of a military advisory effort.

Under current law, the administration can neither provide advice and training nor exchange intelligence information with the contras. In order for U.S. aid to be effective, these retrictions might have to be modified. But suggesting the use of American troops is foolish as a matter of politics, foreign policy and military strategy.

Short of a commitment of U.S. combat troops, nothing frightens Congress and touches off fears among the public more than the prospect of a military advisory mission to the contras. The virtue of the Reagan military aid proposal was that it was an alternative to both nightmares.

You have to wonder who thought up this plan. As soon as U.S. advisors arrived, they would end up assuming responsibility, in the minds of Americans and nearly everyone else, for everything the contras did in their struggle against the Sandinista regime in Nicaragua. That would be no advantage for the contras or the United States.

If the United States really intends to pressure Nicaragua, it may have to provide something more than simply material support to the contras. But why on earth does this have to mean a military advisory effort? Why not some form of covert program, operated outside Central America by civilians?

The reason seems to be that this country has lost the capacity and the willingness to engage in such secret activities. What isn't killed by leaks is rejected by administration grandstanders who can't bear the thought of achieving results without being able to boost about them in public.

The President has a big job to do in his televised speech. He is going to have to talk his way out of military adviser plan or he is going to see his whole Central American strategy destroyed. The best way to do it is to guarantee that the U.S. military will not get involved in the contras' battles.

Mr. DIXON. Mr. President, this amendment has been discussed at great length with the administration, with the majority leader, with the distinguished manager of the bill, and I understand that all are now willing to accept this language as an amendment to the amendment to the bill.

I want to read the language. It is very clear. It says:

Notwithstanding any other provision of this joint resolution, no member of the United States armed forces, or employee of any department, agency, or other component of the United States government may enter Nicaragua to provide military advice, training, or logistical support to paramilitary groups operating inside that country.

I understand that the language has been cleared with all participants, and I appreciate the consideration of the membership.

Mr. LUGAR. Mr. President, I commend the distinguished Senator from Illinois on the constructive amendment. We are prepared to accept the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 1725) was agreed to.

Mr. DIXON. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. FORD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 1726

Mr. DURENBERGER. Mr. President, I call up my amendment which is at the desk.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Minnesota [Mr. DURENBERGER] proposes an amendment numbered 1726:

In the pending amendment, on page 13, strike lines 18 and 19.

Mr. DURENBERGER. Mr. President, I will be brief. The purpose of the amendment I have called up is to clarify the nature of the aid on which this body is voting in the substitute amendment.

Included in the so-called humanitarian hors d'oeuvres—before we get to the lethal entre in this process—is an authorization for defensive, allegedly air defense, weaponry. It seems to me that with regard to the substitute resolution by the majority leader and the chairman of the Foreign Relations Committee, we have brought the president, with the help of Members of the House, a substantial distance from his original position of a month ago. This is like history repeating itself, because last spring the President insisted on lethal aid and ended up getting a commitment to support the democratic resistance and then did not do a lot about supporting that democratic resistance over the last 9 months.

Today, we have before us a resolution which I would say substantially improves the position of this country,

and certainly the credit for that, in part, lies with the majority leader and the chairman of the Foreign Relations Committee.

The amendment I have called up would delete the reference to the defensive weapons. Its purpose, very simply, is to clarify the fact that we do not know what defensive weapons we are authorizing. We do not know whether they are missiles. We do not know whether they are aircraft guns. We do not know whether they are heavy machine guns. We do not know what the restrictions are on their use inside Honduras, in case they are to be used there in defense of airports or base camps such as those involved over the weekend. We do not know whether there are any restrictions on their use inside Nicaragua. Are they portable infantry weapons? If so, are they going to be carried on offensive operations? If they are going to be carried on offensive operations, how can we call them defensive weaponry?

No one explained to the satisfaction of this body why this lethal aid, which can be used for offensive purposes, should be used now when other forms of lethal aid are permitted, except for the President's delegatees, with whom we have been meeting for the last 48 hours.

Very simply, the explanation is, "The President wants it." None of the answers to any of these questions lies in this resolution nor in any letters from the President, but it is simply that the President wants the Contras, the benign Contras—do not forget, that is the formula—he wants them to have anonymous weapons.

He wants them to have these anonymous weapons.

I think the reality is and hopefully we can persuade the President over some period of time not to provide those kinds of weapons because they may shoot both ways, as some of my colleagues have pointed out, not to provide those weapons until he has provided some of the logistics and some of the changes that are needed in the eventuality that weapons like this are provided at some other period of time.

I know the FDN right now is not ready for stingers or blowpipes or anything else.

I hope the President can be persuaded not to provide that kind of aid.

I am, Mr. President, persuaded that if I continue to put this amendment and put it to a vote, I will fail for a wide variety of reasons that have been explained to me many times by the majority leader and the chairman of the Foreign Relations Committee.

Mr. President, my amendment would delete immediate lethal aid from the humanitarian aid package included in the Lugar-Dole substitute.

We are asked to approve defensive lethal antiaircraft weapons as part of the humanitarian aid package. We don't know what these weapons are—missiles or machine guns or what rules apply to their use which restrict them to defense in Honduras rather than offense in Nicaragua. All forms of lethal aid should be contingent upon negotiation because:

First, lethal aid is symbolic of our support but also is a hostile act against a country whom we recognize and with whom we hope to negotiate;

Second, this is escalation and will undoubtedly result in a provision of SA-7's to the Salvadoran insurgents;

Third, Air defense weapons are not critical to the FDN's survival or effectiveness. The Salvadoran insurgents did quite well without them. So can the FDN. The FDN needs training and logistics first. Air defense is even a secondary priority in lethal aid. They really need platoon equipment such as mortar-grenade launchers and machine guns.

It is my hope that at some point before this resolution is passed by the Congress and sent to the President that this very important deletion can be accomplished.

I now ask unanimous consent that I might withdraw my amendment.

The PRESIDING OFFICER. Without objection, the amendment is withdrawn.

Mr. LUGAR. Mr. President, I thank the Senator.

He had a good amendment and a good argument. We appreciate his withdrawing it.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. DOLE. Mr. President, will the Senator yield briefly?

Mr. KENNEDY. I yield.

Mr. DOLE. Let me indicate to my colleagues there will be a rollcall vote on this amendment which we hope we can defeat and then there will be 5 minutes of debate if it is taken on each side and then final passage or vote on the substitute. So the vote should come shortly after 7 o'clock.

AMENDMENT NO. 1727

(Purpose: To prohibit the introduction of U.S. personnel into Nicaragua for purpose of combat or to provide advice or assistance to political or paramilitary forces operating inside Nicaragua)

Mr. KENNEDY. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Massachusetts [Mr. KENNEDY] proposes an amendment numbered 1727.

Mr. KENNEDY. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the Joint Resolution, add the following:

"*Provided*, that, limitation on introduction of armed forces into Nicaragua for combat *Section :* No United States personnel, civilian or military, shall be introduced into or over the territory of Nicaragua for the purpose, directly or indirectly, of combat unless:

(a) Congress has declared war or authorized the introduction of such forces in advance by a joint resolution signed by the President of the United States; or

(b) The President has determined that the presence of such forces is necessary to provide for the immediate evacuation of United States citizens or to respond to a clear and present danger of military attack on the United States.

Mr. KENNEDY. Mr. President, the amendment that I offer, if enacted, will prohibit the introduction of U.S. combat forces into Nicaragua without advance approval of Congress except to evacuate Americans or to respond to clear and present danger of attack on the United States. This section, if enacted, will supersede the War Powers Act solely with respect to the use of U.S. forces in Nicaragua.

In his various messages to the people of the United States on this issue, President Reagan has described what he believes is at stake in Nicaragua. He has said that we must help the Contras to "prevent a Communist takeover of Central America." He has said that, "There is a mounting danger in Central America that threatens the security of the United States." He has said that, "If we don't want to see the map of Central America covered in a sea of red, eventually lapping at our own borders, we must act now." He has said that we must help the Contras "for the defense of our own southern frontier." He has said that, "Nothing less than the security of the United States is at stake."

That is the rhetoric of a President preparing the American people to go to war.

President Reagan and his advisers have also made clear what the real objective of administration policy is. In the words of Ronald Reagan, it is to "get rid of the Sandinistas." The Contras are similarly open about their objectives. They always have been. They care nothing about reducing the flow of weapons from the Sandinistas to other countries in Central America. They care nothing about forcing the Sandinistas to the negotiating table. They want to drive the Sandinistas from power.

According to the administration, the stakes are high, but there is no one in the United States military or intelligence community that believes that the Contras can defeat the Sandinistas. That end can only be accomplished with the use of combat forces from the United States of America.

But, says the President, "American troops have not been asked for and are

not needed." He says, that "We should send men and money and materiel now so we'll never have to send our own American boys."

The President's claim that U.S. combat troops will not become involved in Nicaragua is inconsistent with his description of what is at stake in that country and is similarly inconsistent with the real objectives of his policy toward Nicaragua. Secretary of State Shultz was more honest with the American people when he said, last May 23, in a speech to the American Bar Association that sending U.S. troops "must realistically be recognized as an option given our stakes in the region."

If American combat troops or American military advisers are to be sent to participate in the war in Nicaragua, Congress should have a voice in the matter. I do not believe that when the American people elect a President that they endow that President with the power to make war. Under the Constitution, the power to make war is reserved to Congress, and Congress has a solemn responsibility to exercise that power.

The War Powers Act was intended to give the President the freedom—for 30 days—to respond to an unforeseen emergency. Under that provision, the President would be entitled to introduce U.S. troops into combat for that specified period of time; any longer would require the approval of Congress. But the situation in Nicaragua is clear. There is little there that is unknown or unknowable, unforeseen or unforseeable. Out present course is taking the United States toward unilateral and direct intervention in Nicaragua—toward a war which, whether we want it or not, whether we like it or not, will inevitably involve American forces in combat.

The American people should have some voice in that decision—and the magnitude of that decision should not be dismissed or denied or diminished. It should not be covered up with the Contadora nations. President Reagan thinks that the Government of Nicaragua threatens the security of the United States; he has said so. President Reagan seeks to rid the region of the Sandinistas; he and his advisers have said so. The only way he can accomplish his objectives and achieve his aims is by sending in the marines. Congress has been fully and fairly forewarned.

But when it comes to going to war in Nicaragua, Congress should not give President Reagan a blank check. Congress has a responsibility to the people that elected us, and we have a duty to the Constitution. We must make sure that we are part of any decision to send American troops or advisers into combat. We have seen in our own history what kind of tragedy can occur when Congress ducks this issue.

The United States does have legitimate security interests in Central America. The United States will not tolerate the existence of a Soviet or Cuban military base in Nicaragua, or the presence of sophisticated offensive weaponry in that country. Nor will we tolerate attempts to subvert or destablize other nations in the region. There is no more certain way for the Sandinistas to lose their revolution and to plunge their country into conflict and chaos than to ignore or dismiss such concerns. On those issues, there is consensus in this country. But there will also be time for Congress to act to protect those interests.

It is time for us to heed the words of the former President of Venezuela, Carlos Andres Perez, who said:

> The United States is strongest when it acts for social justice and democratic change. It is most effective when it acts multilaterally, and most successful when it deals with its neighbors as equals, dedicated to peace, freedom, and democracy.

We must approach the Government of Nicaragua not as a colossus from the North but as one member of the community of nations in the Western Hemisphere. For too long, we have been cavalier with the Contadora nations; for too long, we have ignored the Organization of American States. There is much that we can achieve if we are willing to work with others. We will continue to falter if we stubbornly persist in going it alone.

I believe that this is a moment of truth—not only for the Members of the Senate, not only for the Members of the U.S. Congress, but for all the people of this country.

Mr. President, that is taking the President at his word and I would hope that this amendment would be accepted.

I ask for the yeas and nays, Mr. President.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. MATSUNAGA. Mr. President, I rise to express my strong opposition to the administration's $100 million aid request for the Nicaraguan Contras. If we are thinking in terms of what is in the best interests of this Nation, of Latin America, and of the Nicaraguan people, we should concur with the action taken by the House and reject the President's proposal. We should look instead toward a negotiated diplomatic solution to the crisis in our neighboring country, a solution already proposed by the four Contadora nations and the majority of Latin American countries. The Contadora process is an alternative which would be acceptable to the international community and superior to the administration's duplicitous strategy of undermining the Nicaraguan Government while maintaining diplomatic relations with that nation.

The superiority of the Contadora process lies in its relevance to existing circumstances. The Latin American countries which endorse the Contadora initiative recognize the Nicaraguan crisis for what it is: First and foremost as an internal Nicaraguan problem; second, as a regional Latin American dilemma; and third as an American concern, in that order of significance. The Contadora process allows those who have far greater immediate interests, those who have the most to lose and sacrifice, to take the lead. The United States should allow these nations the dignity of dealing with a problem with which they have the primary interest, and which they believe can be resolved peacefully and satisfactorily. As a good neighbor, we should assist them in their effort to negotiate a settlement without resort to warfare, and on a nation-to-nation basis let us exhaust every diplomatic means available to bring the opposing forces in Nicaragua together. Let us hold Ambassador Tunnermann of Nicaragua to his word that the "Nicaraguan Government is, and has always been, prepared to sign a binding and enforceable agreement guaranteeing that stated U.S. security interests are met." He has said that as part of such an agreement, "the Central American nations and Nicaragua would: First, have all foreign military advisers withdrawn; second, renounce the acquisition of new systems of armaments, and impose strict and verifiable compliance and control mechanisms on those commitments; and third, guarantee that Nicaraguan territory will never be used as a base for any foreign power or for subversion of any other government, and allow on-site inspection to assure its full compliance with these obligations."

Despite these assurances from the Nicaraguan Government, President Reagan has refused to engage in any negotiations, unless and until the Sandinistas give in to substantial concessions, including the holding of free elections. I submit that this reasoning places the cart before the horse. Negotiations lead to concessions; to insist on concessions as a condition to negotiations would lead to no negotiations at all.

It baffles me why President Reagan cannot accept for now the possibility that our national security interests can best be served through peaceable negotiations. On national television he has asserted that Nicaragua will become a base of operations for terrorism and communism throughout this hemisphere. He has warned that a "sea of red" will be the result if Congress does not approve $100 million in military and humanitarian aid to the Contras. Such rhetoric makes one

wonder whether this Nation must tremble every time the bete noire of communism raises its ugly head. Should a nation of 250 million souls really fear a tiny one of 3 million surrounded on east and west by American-controlled waters and to the north and south by non-Marxist neighbors? Can we take seriously the jingoistic threat that "millions" of brown-skinned Latins will flee to the Texas and California borders? The spectacle of Latin America succumbing to communism is hard to perceive in the recent wave of democratic transition flowing throughout this hemisphere, from Argentina to Guatemala. If the threat is so real, why has not the President suggested sending in our own troops? Why have the dirty work done for us by proxies? Do we really expect a brave but ragtag band of 15,000 to 20,000 rebels, of whom only 6,000 are active, to be sufficient to stem the red tide the President envisions?

Mr. President, I too understand the need for vigilence. Certainly the Nicaraguans have courted the Soviets and Cubans; certainly they have accepted military and economic aid from the Communist bloc. But is this unreasonable for them to do in light of American support for rebels who are trying to forcibly overthrow their government? If we fear the many-tentacled Communist octopus to the south, the Nicaraguans must equally be concerned about the shadow of the giant superpower to the north with limitless resources. But whatever the motives of the Sandinistas, they have given us sufficient indication that they are willing to meet out security needs. If the President is skeptical of their motives, then let him admit honestly that the quarrel is not with the Nicaraguans but with the Soviets and Cubans. Let us deal with the latter directly, then, and cease this talk about freedom fighters and godless Sandinistas.

What President Reagan has done is to arbitrarily link world communism and United States security with Nicaragua's internal politics. We have seen this confusion surface in the last few weeks of debate, in the newspapers, on television, and in Congress, which has focused on human rights abuses and the political orientation of the Sandinistas and Contras. The debates have emphasized two things: First, that the Sandinistas are Marxist-Leninists while the Contras claim to be democrats; and second, that the Sandinistas and Contras are both guilty of egregious human rights abuses.

Numerous documentation has been offered to support assertions of beatings, rapes, torture, murder, and disregard for political rights on both sides. Out of this factual ambiguity has come one clear fact: that neither side can claim to be any more moral than the other. This is borne out by the Nicaraguan people themselves who seem to be undecided about the relative merits of the cause of the Sandinistas or that of the Contras. One observer roughly calculated support for the government at one-third, support for the rebels at another third, with the remaining third indifferent or passively acquiescent to the status quo. Yet, despite this clouded internal situation, President Reagan persists in portraying the Contra-Sandinista conflict as a Manichean battle between the forces of light and the forces of darkness. How he can be so confident of this characterization I am at a loss to see, particularly when the Nicaraguans themselves are so divided over their popular support. More to the point, I wonder how the President can presume to save the Nicaraguan people when the Nicaraguan people are undecided as to by whom they wish to be saved.

Mr. President, the administration's policy in Nicaragua is flawed because it attempts to combine two policy issues which should remain separate from each other: First, the disposition of the Nicaraguan Government and second, American national security interests in the region. The former is purely and simply a domestic problem which must be determined by the Nicaraguans; the latter is a legitimate United States concern which can best be addressed by nation-to-nation dialog, a dialog the President has eschewed unless the internal and external issues are firmly linked. Because of this confusion between the two policy issues, the President has pursued a highly problematic, if not schizophrenic, policy of attempting to overthrow the Sandinista government while simultaneously recognizing and maintaining normal diplomatic relations with that government. From an objective point of view such a policy is certainly unwise and beneath the dignity of the greatest democratic nation on Earth.

Mr. President, let us demonstrate to the world that the United States, the greatest, most powerful democracy this world has ever seen, can be magnanimous in its foreign policy; that it has sufficient self-confidence to pursue negotiations with lesser nations. The administration can lessen Nicaragua's suspicions of our intentions—suspicions based on history of American intervention in that benighted country—by setting aside its request for military aid to the Contras and going to the bargaining table. In Nicaragua we are reaping a harvest of mistrust largely planted in the 1920's and cultivated over decades. The United States must give Daniel Ortega and the Sandinistas the same opportunity to accept our good faith efforts as Vinicio Cerezo of Guatemala, who as a child saw democracy falter when American bombs fell on Guatemala City, but who today accepts the reality of America's role in the security of the Western Hemisphere.

Mr. President, reason would tell us that the real threat posed by Nicaragua is less one of ideology than one of social and economic injustice; reason would tell us that in this case reactive military policies will only help to polarize deep-seated fears and hatreds. Reason would tell us that we should attack the roots of communism's appeal with a long-term strategy, based less on confrontation and engagement. But that strategy must begin now. It is time to give up our arrogant unilateral approach toward Nicaragua, and Latin America in general—particularly when, as in this case, a peaceful, multilateral, regional approach is readily at hand—and begin to realize that problems of this sort cannot be solved by resorting to knee-jerk anti-Communist reaction. Mr. President, it is time to exorcise our bogies by taking the reasoned path toward diplomatic negotiations. Let us take the statesmanlike approach. Let us follow the Contadora lead. Only then will we as a nation earn the gratitude and respect of all our southern neighbors, and secure our national interests in this hemisphere.

Mr. LUGAR. Mr. President, let me just observe that the Kennedy amendment would impair the ability of the United States to carry out its obligations under the Rio Treaty. If, for example, Costa Rica or Honduras were attached by Nicaragua and called on the United States for assistance under the Rio Treaty, we would be unable to fulfill our commitment by participating in effective measures of collective self-defense.

I point out that this is hardly a hypothetical instance, given the incidents of the past week in which Nicaragua had invaded Honduras. The President of Honduras has called upon us under the Rio Treaty to respond.

Mercifully, we are dealing in a way in which the Honduras will be able to defend their own territory and the policy of our President has been to keep our people out of the line of fire. But let me say, Mr. President, that when, off the top of the head, we begin to offer suggestions like this in the latter part of the debate, we consider the consequences. We have considerable obligations under the Rio Treaty and we are living in a world in which we may be called upon to honor them on a moments notice.

Furthermore, the amendment offered by the distinguished Senator from Massachusetts would invite, in my judgment, Soviet bloc escalation. It would guarantee that the United States could not respond militarily no matter what actions had been taken by the Sandinista government, with-

out an act of Congress coming into play.

As the Senator from Massachusetts himself pointed out, the deliberate aim of the amendment to go beyond the War Powers Act. The War Powers Act at least gives the President the right to respond. He must report. He must notify Congress before a certain number of days. But he can at least respond in an emergency.

Furthermore Mr. President, the President of the United States has affirmed again and again that we are very sensitive to the introduction of forces into Central American countries. Leaving aside Nicaragua, we have been very careful in El Salvador, during our long experience to deliberately keep trainers from the line of fire. Our President, I think, has exemplified, by deeds, his sensitivity to feelings that are sincerely felt on our part, and to the sentiment of our friends in Central America.

Finally, Mr. President, I would suggest that the amendment offered by the Senator from Massachusetts is unconstitutional. It seeks to define and constrain the constitutional powers of the President as Commander in Chief.

Let me just say, Mr. President, that once again I suspect the amendment is that degree of micromanagement of foreign policy which is not only unacceptable—but unwise if not unconstitutional.

For all these reasons, as the time comes to a conclusion, I will move to table the amendment. I will wait for that motion until we are certain the time has expired.

Mr. KENNEDY. Mr. President, I will just take a moment of the Senate's time. The war powers legislation was drafted to deal with unknown and unknowable, unforseen and unforseeable emergencies. There are no unknown, unforeseeable emergencies that really will be forthcoming in Nicaragua. We know what is at stake for the reasons that the chairman of the committee has pointed out. We know the increasing involvement of American military participation in that struggle.

So this is a unique situation. Nicaragua is a unique situation and I think the American mothers and fathers want to be sure that before their sons go to war in Nicaragua that the Congress of the United States, the Senate of the United States is going to take a position.

Finally, we do not waive the Constitution when we are signers of the Rio Treaty. The Constitution still stands and in conformance with the Rio Treaty we would move through the process and have a declared war. That argument I just do not believe applies to this amendment.

Finally, Mr. President, I believe that as a matter of policy the families of this country want to be able to speak to their Members of Congress and to the Senate before the Americans are going to send combat troops to Nicaragua or Central America. I think they are entitled to that, not just a decision being made by one individual, the President of the United States, on something which is of significance and importance as that.

So, Mr. President, I wish we had more time to debate it. I understand that we are in a time limit.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. KENNEDY. I hope the amendment will be accepted.

Mr. DOLE. Mr. President, I understand the distinguished chairman of the Foreign Relations Committee will move to table this amendment.

I will just indicate we just adopted an amendment offered by the distinguished Senator from Illinois, Senator DIXON, that indicates no military advisers in Nicaragua. I think what we have here is an effort to sort of take away power from the President of the United States.

I would suggest to my friend from Massachusetts that he recently has withdrawn from any 1988 race for the Presidency, and I suggest we let the President proceed.

The PRESIDING OFFICER. All time on the amendment has expired.

Mr. LUGAR. Mr. President, I move to table the Kennedy amendment and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second. The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the amendment of the Senator from Massachusetts.

On this question, the yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk called the roll.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 68, nays 32, as follows:

[Rollcall Vote No. 50 Leg.]

YEAS—68

Abdnor	Ford	McConnell
Andrews	Garn	Moynihan
Armstrong	Glenn	Murkowski
Bentsen	Goldwater	Nickles
Boren	Gorton	Nunn
Boschwitz	Gramm	Packwood
Bradley	Grassley	Pressler
Bumpers	Hatch	Pryor
Byrd	Hawkins	Quayle
Chafee	Hecht	Roth
Chiles	Heflin	Rudman
Cochran	Heinz	Simpson
Cohen	Helms	Stafford
D'Amato	Hollings	Stennis
Danforth	Humphrey	Stevens
DeConcini	Johnston	Symms
Denton	Kassebaum	Thurmond
Dixon	Kasten	Trible
Dole	Laxalt	Wallop
Domenici	Long	Warner
Durenberger	Lugar	Wilson
East	Mattingly	Zorinsky
Evans	McClure	

NAYS—32

Baucus	Hatfield	Mitchell
Biden	Inouye	Pell
Bingaman	Kennedy	Proxmire
Burdick	Kerry	Riegle
Cranston	Lautenberg	Rockefeller
Dodd	Leahy	Sarbanes
Eagleton	Levin	Sasser
Exon	Mathias	Simon
Gore	Matsunaga	Specter
Harkin	Melcher	Weicker
Hart	Metzenbaum	

So the motion to lay on the table was agreed to.

Mr. LUGAR. Mr. President, I move to reconsider the vote by which the motion to lay on the table was agreed to.

Mr. DOLE. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The majority leader.

Mr. DOLE. Mr. President, let me indicate to my colleagues, there was about 5 minutes reserved to each side. I will use about 1 minute. Then I will yield back the remainder.

This will be the last rollcall vote until after the Easter recess.

Mr. WILSON. Mr. President, in light of our serious time problems, I have decided not to offer an amendment which I was prepared to present. In effect, it would have eliminated those provisions creating a new commission to report on developments in Nicaragua. Instead, my amendment would have required the President to report to the existing bodies in the Senate and the House—the Foreign Relations and Foreign Affairs Committees, respectively—who are clearly charged with responsibility for this matter. I hope that, in the future, we can avoid the knee-jerk impulse to create a new commission or investigating body for every issue, even when we already have fully competent bodies established for the purpose.

Mr. DOLE. Mr. President, I wish, first of all. To thank the Senator from California for his willingness to withhold his amendment. I share his concern about the proliferation of essentially duplicative institutions, and I hope that—as similar future situations arise—we will give serious consideration to the basic issue he has raised here.

Mr. SIMPSON. Mr. President, I rise in support of the legislation before us to aid the resistance forces in Nicaragua. I am supportive of the agreement worked out with the administration and I am hopeful that this agreement will lead to bipartisan support of aid to the resistance forces.

Passage of this legislation will accomplish a number of important objectives. First, by resuming aid to the Nicaraguan democratic resistance, we continue our support for those individuals who are pressing the Sandinistas to live up to the revolutionary prom-

ises they made when they overthrew Somoza and his excesses. We cannot allow the Sandinistas to conveniently forget their basic pledges to promote political pluralism, civil liberties, human rights, and a nonaligned foreign policy.

Second, by restricting the funds for 90 days to supplying $25 million in humanitarian assistance, logistics and training, and defensive weapons only, we will encourage the Sandinistas to rethink their intransigent position of refusing to negotiate with the Contra rebels. We cannot allow the Sandinistas to simply buy time to consolidate their totalitarian regime while the Contras wither away.

Third, this legislation encourages a change in the behavior of the Sandinistas. We offer to withhold the remaining $57 million in aid to the Contra rebels if in that 90 day period the Sandinistas agree to begin negotiations with the Contra forces. By that offer we can attempt to press the Sandinistas into a resolution of this destructive conflict.

Surely we are not so naive as to assume that the Sandinistas will somehow agree to relinquish their power in Nicaragua. However, what we must continue to push for is the recognition by the Sandinistas that the Contra forces—many of whom were their compatriots in the overthrow of Somoza—will not be forced by a lack of aid to relinquish their fight and idly stand by while the Sandinistas betray the causes of the revolution. It is imperative that the Sandinista regime recognize that they cannot pull off the act of subverting a professed democratic revolution and turning Nicaragua into a Marxist-Leninist state.

Fourth, by restating our commitment to the Contadora process and by supplying funds to bolster the negotiations process we can support efforts for a negotiated settlement of conflict in the region.

The United States must continue to pursue those four main objectives which have not changed one whit during the massive disinformation campaigns of the past several years. They are;

First, to end Nicaraguan support for guerrilla groups in neighboring countries and to retract their stated goal of a revolution without borders;

Second, to sever Nicaraguan military and security ties to Cuba and the Soviet Union;

Third, to reduce Nicaragua's military forces to levels that would restore military equilibrium to the region; and

Fourth, to fulfill the original Sandinista promises to support democratic pluralism and respect for human and civil rights.

I believe that this legislation will assist in setting us on the path toward achieving these objectives. The United States is in a unique position in the free Western World—by virtue of our continuing efforts to bring peace throughout the international community, and our geographic proximity to the region—to play a key role in attempting to restore stability throughout Central America.

Our own tradition of democracy imposes upon us a duty to do all that we are able in order to break the endless cycle of poverty, political instability and revolution, and to attempt to restore some measure of real political freedom. At the same time, we should continue to pursue policies that will contribute to the development of economic stability in the region. Perhaps it is time to revisit the Kissinger Commission recommendations that point to the root causes of political instability—that being an underdeveloped economic base. We must continue to offer our democratic allies in the region the aid that they so desperately need.

We cannot simply ignore the situation and hope that it will improve without our help—even if we could assume that Cuba and the Soviet Union would take a similar hands-off posture. We must decide not whether—but how best—to exercise most responsible and fairly the duty that our position and stature in the world has thrust upon us.

I urge my colleagues to support this legislation. I believe it is a balanced compromise which allows us to pursue peaceful negotiations with the Sandinistan government while at the same moment, it allows us to lend our tangible support to those who fight for freedom, democracy, civil liberties, and a lasting peace.

Mr. SPECTER. Mr. President, I am voting against aid to the Contras because I believe it is counterproductive to our national objectives in Central America and an unwise expenditure of $100 million at a time of deficits and cuts in vital domestic programs.

For the past 3 years, both on and off the record, I have sought a statement of United States policy in Nicaragua. In 1982, the Congress passed and the President signed legislation prohibiting the use of United States funds to overthrow the Nicaraguan Government. As much as I dislike the Communist form of government in the Peoples Republic of China or the Soviet Union as well as Nicaragua, I do not think it appropriate for the United States to seek the overthrow of such governments.

Secretary of State Shultz has testified on United States objectives in Nicaragua stating that the $100 million would be used to keep the pressure on the Sandinistas which would result in a different Nicaraguan Government, short of overthrowing their government. That result is totally unrealistic given the relative military strengths of the Sandinistas and the Contras. The Contras are not going to defeat anyone or accomplish anything. The military buildup in Nicaragua will only produce bloodshed and more violations of human rights.

I agree with the administration that United States interests require that the Nicaraguan Communists not be permitted to export Marxism to neighboring Central American countries. For that reason, I have supported the President on aid to the duly-elected Duarte government in El Salvador to combat the threat of Marxist rebels there. Similarly, I supported the administration's assistance to repel the Sandinistas from Honduras. The appropriate line to be drawn is at the Nicaraguan border.

Our ill-defined or fuzzy policy has, in my judgment, the dangerous potential for drifting into use of U.S. personnel to which I am totally opposed.

Without firmly stated policy objectives and a program reasonably calculated to fulfill those objectives, I believe it is unwise to spend $100 million at a time when many Americans, including many Pennsylvanians, have used up their unemployment compensation and others must tighten their belts to absorb cuts in domestic programs. I cannot in good conscience justify $100 million for the Contras when I am telling my constituents in open house/town meetings that hard choices have to be made on economies to reduce the deficit for the long-range benefit of the U.S. economy.

Mr. HATCH. Mr. President, I rise in support of President Reagan's Contra aid package, which could justifiably be called the Nicaraguan freedom package. Let there be no mistake about it. The real issue relating to the President's request is one of freedom—the freedom of Nicaragua's population from an oppressive Marxist regime; the freedom of the Central American Republics from terror-violence and revolutionary subversion; and the freedom of the Western Hemisphere from an alien, expansionist ideology which threatens the liberties of all nontotalitarian societies. In a word, the Contras' struggle is also our struggle, for if the Contras are defeated, the future of the free Central American Republics is at risk.

Two years after the Soviet invasion of Afghanistan in December 1979, the Soviet Ambassador to Nicaragua declared that the Soviet Union stood on the side of the Sandinista regime and would support the Nicaraguan Government against the United States "in its struggle for peace, security—and—defense * * *." The level of Soviet economic aid to the Marxist Sandinista regime has virtually tripled over the past several years. The level of military aid continues to increase. In fact, there are now as many as 3,500 Cuban military advisers in Nicaragua acting under Soviet direction. The Sandinis-

tas have been given Soviet-built Hind helicopter gunships and other Soviet equipment. This weaponry can by no stretch of the imagination be called defensive. Soviet military supplies to Managua during 1984 weighed in at 18,000 metric tons, and provisioning of the Sandinista regime by the Soviets has again increased during the past year.

For those concerned about the rise of terrorism across the globe and the threat posed by terrorism to free societies everywhere, and especially to United States citizens and American diplomatic representatives, there should be grave warning raised by the Sandinistas' policy of providing safe-haven to terrorist groups from Europe and the Middle East. We know that Nicaragua has provided refuge for Red Brigade, Basque, and PLO terrorists, and we have strong reason to believe that terrorist training camps exist in Nicaragua along the same lines as those in Lebanon, in Libya, in Syria, and in Iran. These terrorist groups and terrorist bases are a threat not only to the neighboring Central American Republics, but also to world public order. From a terrorist perspective, Daniel Ortega may well become the Muammar Qadhafi of Central America.

Moreover, one cannot overlook the role of Castro's Cuba in directing the Sandinista internal militarization and in assisting the growing Nicaraguan domestic repression. The Castro government has itself admitted that it has maintained more than 8,000 Cubans in Nicaragua. I have already mentioned that at least 3,500 of them are military personnel, and this figure does not include the hundreds of Soviet, Bulgarian, East German, and Palestinian advisers.

As Secretary of State George Shultz has cogently observed: "There is a self-evident difference between those fighting to impose tyranny and those fighting to resist it." Secretary Shultz was not merely talking about political obligations but also about moral issues. And speaking of morality, Mr. President, what is one to say about a government that promotes and carries out the distribution of illegal narcotics in order to undermine American society and to destabilize the U.S. Government?

Sandinista Interior Minister Tomas Borge's chief aide has actually been indicted by a U.S. Federal grand jury on 13 counts of drug smuggling. He was directly responsible for cocaine shipments from the Los Brasiles Military Airfield in Nicaragua to his confederates in Florida. There is a growing alliance in Central and South America between drug smugglers and arms dealers in support of terrorism and revolutionary Marxism. We now have evidence of Nicaraguan involvement in the new phenomenon of narco-terrorism. That constitutes, Mr. President, a direct threat to the safety and the security of the United States.

To say, as some administration critics have maintained, that the U.S. Government is an international law breaker, and is seeking to prevent rather than to promote hemispheric peace, is to turn reason inside out and to view Central American Marxist subversion through distorting lenses. The United States is not the threat to hemispheric peace and security. It is the Soviet Union and Cuba who have supported subversion and revolution in El Salvador, in Costa Rica, and along the borders of neighboring Honduras. Just as Cuba has been Moscow's primary proxy in spreading Marxist violence throughout Latin America and the Caribbean, so has Nicaragua become Cuba's complaint surrogate in spreading Communist insurrection in Central America.

Preserving and defending the Americas from foreign tyrannies has been a major principle of U.S. foreign policy since the days of the Monroe Doctrine. The application of the so-called Brezhnev doctrine to Central America is the true threat to hemispheric peace and not a revival of the Monroe Doctrine. In fact, the relationship of the Monroe Doctrine to the current Nicaraguan crisis is not only relevant in modern-day terms, but it is also essential. The premise of the Monroe Doctrine pure and simple was that no foreign government or expansionist ideology should be allowed to impose its alien system by means of armed aggression from outside the Western Hemisphere. This is as significant in our own time as it was in the days of President James Monroe.

Much has been made about the existence of a contemporary Reagan doctrine. This has come about because of President Reagan's firm and courageous stand that military aid and assistance will be given any beleaguered non-Marxist Latin American state whose political independence and territorial integrity is threatened by a hostile aggressor, espousing an alien, expansionist ideology. That explains the United States guarantee to Honduras. That explains the U.S. quarrel with the Sandinistas. And that explains the fundamental difference between the dangerous Brezhnev doctrine and sound administration policy.

President Reagan has formally requested from the Congress $100 million in aid for the Contras, $30 million of which—it should be noted—would be for the continuation of the program of humanitarian assistance to be administered by the Nicaraguan Humanitarian Assistance Office. Another $3 million would be used exclusively for strengthening the programs and political activities of the parties opposing the Sandinista regime to attain the observance and the furtherance of human rights.

Mere drops of humanitarian aid to the Nicaraguan rebels will not do the job. We need not only to demonstrate congressional resolve that the Americas will remain free of foreign influence, we need also to demonstrate that the United States has not forgotten its friends in need. The other $70 million is to be allocated as the President deems appropriate, through any agencies he desires, subject to normal congressional oversight procedures. This is the most important component, by far, of the President's request, because it seeks to strengthen the Contras militarily, something we have not done for quite some time but which is crucial to our efforts to bring pressure to bear upon the Sandinistas for their refusal to enter into a meaningful dialog with their opponents inside Nicaragua.

During the Presidential campaign of 1980, Ronald Reagan remarked that "we, the United States, are the last domino." If the Sandinistas were not fighting the Contra rebels, what, then, would they be doing with their oversized army and extensive military hardware? A Central America being severely undermined by a radical terror-promoting Nicaraguan Government is a Central America ready for the dominoes to topple. Given the current security problems in Costa Rica and in Mexico, this theory is hardly far-fetched.

The Reagan doctrine, Mr. President, is designed to protect not only U.S. security interests, but—equally important—hemispheric freedom. It deserves the cooperation of the Congress as well as the support of the American people. Nicaragua is acting more and more like an outlaw state. Its leadership, in fact, constitutes a bandit government. Now is the time for Congress to recognize that unhappy reality and to deal with it accordingly. We do not have much time left, for time is on the Sandinistas side.

In reviewing a chronology of efforts to bring peace to the region, we must recognize that it takes a willingness on the part of both sides to negotiate in good faith. Unfortunately, we have yet to see that willingness on the part of the Sandinistas. For more than 6 years we have been seeking in Central America a solution which provides justice, development, and democracy for the millions who live in America's front yard. In these past 6 years, beginning in the Carter administration, the major obstacle to peace has been the unwillingness of the Sandinista regime in Nicaragua to live up to its promises to the OAS for democracy, respect for human rights, a mixed economy and nonalignment.

Unquestionably, all of us in the Congress fervently seek a negotiated polit-

ical settlement to the crisis in Central America. The principal concern remains, however; how do we get the Sandinistas to negotiate in good faith? If the Sandinistas believe they can continue to act as they have in the past, then there is no incentive for them to negotiate; they apparently believe the costs of their failure to live up to their promises are not great enough to force them to negotiate responsibly. For that reason, we must raise the costs they must pay for their threatening behavior. If we do not want to send American troops in the future to Central America to protect our security interests and our friends in the region, then we must support now those who oppose the Sandinistas and in so doing support out own interests as well.

Mr. President, I will not cite here chapter and verse the Sandinistas duplicitous record of refusing to bargain sincerely with its opponents. Suffice it to say, like negotiating with other Communist countries we have been continually faced with broken promises, bargaining in bad faith and general deceit.

Mr. President, the problems presented by Nicaraguan intransigence in these negotiations are compounded by the Sandinistas behavior in recent months:

October 15, 1985: Nicaraguan Government suspends all civil liberties in Nicaragua.

November 6, 1985: M-19 guerrillas seize Colombian Supreme Court killing more than 100 people. Colombian Government charges rifles used by guerrillas came from Sandinista regime in Nicaragua.

Early December 1985: Soviet-built helicopter flown by two Cuban military pilots shot down in Nicaragua confirming Cuban combat role in Sandinistas war against opponents.

December 7, 1985: Honduran officials discover ammunition, grenades, communications and encryption material being sent from Managua to Salvadoran guerrillas.

And, of course, just last week the Sandinistas invaded neighboring Honduras.

Mr. President, we must once and for all put Third World conflict-promoting states such as Nicaragua on notice that national liberation is a two-way street. We must put our actual and potential adversaries on notice that it is in the U.S. national interest to oppose alien-sponsored and Marxist-supported insurgencies throughout the Western Hemisphere. We must not allow freedom to become divisible, to be denied merely because dictatorships of the left color their totalitarian ambitions with appeals to social revolution.

The President's request for additional aid to the Contras is vital and necessary to hemispheric well-being and U.S. security. It is time, Mr. President, to restore military aid to the Contras. It is time to reestablish American support for anti-Marxist freedom fighters in Central America. I urge the Senate to join with the President in a bipartisan demonstration of American resolve. That, and only that, will send a message to Fidel Castro, to the Sandinistas, and to the Kremlin, letting them know that the United States means what it says and says what it means. The message, Mr. President, is that freedom must prevail.

Mr. BAUCUS. Mr. President, for several weeks, Members of the Senate have been debating the pros and cons of giving more aid to the Contras in Nicaragua.

We all agree that the Sandinista government is usurping power and is suppressing the rights of freedom-loving people in Nicaragua.

We all agree that Nicaragua must not become a base for operatives from the Soviet Union, Cuba, and other antidemocratic powers.

But we disagree about the right solution.

I strongly believe that giving $100 million in aid to the Contras is the wrong solution. Approving more funds at this time will just push us further down the road toward more war and bloodshed.

Rather, I believe the solution is tough, effective negotiations, including the democratic, Central American governments.

That's why I voted for the amendment by my colleague from Tennessee, JIM SASSER.

His amendment would have permitted $30 million solely in nonlethal aid, and with hefty strings attached.

The amendment would have increased the accountability for assistance transmitted to the Contras, and would have set out a specific timetable for reviewing our Central American policy.

It would have called for the administration to put negotiating first, and military aid second.

I voted for the Sasser amendment because I wanted to signal to the administration the direction many of us in Congress would like to see Central American policy take.

But the final proposal we have voted on here tonight follows a different direction. It puts military aid first, and negotiations on the back burner. It assumes that little more can be achieved at the negotiating table.

I cannot, in good conscience, support this kind of a role for the United States in Central America. I will continue to oppose military aid and push for a negotiated settlement in the context of the Contadora process.

Mr. BRADLEY. Mr. President, I am going to vote for military aid to the Contras, though I will do so with misgivings and reservations.

I have opposed military assistance in the past. I did so because I believed—and still believe—that the best hope for peace and democracy in Central America is constructive collaboration with our Latin neighbors to contain threats to our collective security interests there.

Instead of collaborating in a partnership to enhance our collective security, the administration has acted unilaterally. This has alienated and alarmed many of the very nations on whose active, sustained support the region's stability ultimately depends. In particular by slighting the Contadora process, the administration has undermined the mechanism these countries set up to contain Nicaragua's territorial ambitions by political rather than military means. That failure to move boldly and sincerely toward negotiations in 1983-84 is one of the biggest lost opportunities in American history.

In the final analysis, then, the threat to the region's security, and ultimately to ourselves, is greater today than it was when Ronald Reagan took office.

Unfortunately, enlisting key Latin American states, especially Mexico, in support of democratic revolution in Nicaragua would have required a more generous vision and a more sophisticated approach to political and economic leadership than this administration was apparently capable of. For the United States to be taken as seriously interested in the region's future—in democracy and partnership not just sporadic adventurism to impress domestic audiences—the American Government needed to do much more to help the area develop and grow. Its own blueprint, the report of the Kissinger Commission, recognized that a long-term commitment to the region's economic growth is an essential component of an effective strategy to contain Communist insurgency and thwart Soviet imperialism in our hemisphere.

Nowhere is this more true than in Mexico. If the administration's real fear is that Nicaragua will engulf Central America and unleash a Communist, or at least anti-American, revolution in Mexico, the President has done little to avert it and much to promote it. Our economic policies have weakened Mexico, not strengthened it. Mexico's economy has been badly mismanaged, there is no doubt about that. But the United States, with the IMF, decided austerity was the answer to Mexico's problems, especially its huge foreign debt burden. The Mexicans were supposed to run their economy through a wringer: Put people out of work, cut wages, cut public services, cut imports, relegate millions of Mexicans to a future of poverty and despair—so long as the banks were repaid.

The legacy of this program was that over 1 million Americans lost their jobs in the process of squeezing Mexico dry. Why? Because of Mexico's economy shrank, Mexicans were buying fewer American goods and services at the same time they were aggressively promoting exports to service their mounting foreign debt.

United States economic policies have weakened Mexico's political spine. And they continue to undermine other fragile democracies in Latin America. If we want these countries' cooperation on regional security matters, as I believe we do, we had better rethink our debt policy—quickly. Not austerity, but growth. Not unilateralism, but partnership. Not authoritarian military regimes, but democracy. Not despair, but hope. This is what America must hold out to our Latin neighbors if we are serious about converting them to our cause.

The administration persists in downplaying the economic problems, concentrating instead on an elusive military victory in Nicaragua. As though overthrowing the Sandinistas were the holy grail of a new American crusade.

But here we are. The administration's failed policies have alienated potential allies, facilitated consolidation of the Sandinista regime, and may have precipitated the outbreak of a regional war. Indeed, even as we debated this question, fighting between the Contras and the Sandinista forces within Honduras after a Sandinista invasion.

Given these circumstances, we face a genuine dilemma. We know the Sandinistas wil try and destabilize fledgling democracies in Central America. We are all aware they have sent weapons through Honduras to the insurgents in El Salvador. And while I do not believe the Sandinistas are a threat to our borders, they do pose a threat to their democratic neighbors. It is in our interest to help these democracies, politically and economically. But they need time to grow and prosper and the best hope for buying them that time is to support the Contra opposition.

I also believe the Nicaraguan people deserve a chance at democracy. That chance wil be denied them if the Sandinistas are allowed to consolidate their totalitarian regime. By aiding the Contras, we are putting pressure on the Sandinistas to moderate their repressive system and keep some pluralism alive.

In the final analysis, the President has left us little choice but to back the Contras. Once the Sandinistas have quashed the domestic opposition, what is to stop them from subverting their neighbors or bringing in Soviet Mig's and submarines as Cuba has done for years? The only thing that could stop that is American force. But before I have to face a vote to send American boys to fight in the jungles of Nicaragua, I need to know I did everything possible to avoid that outcome.

But in voting for this $100 million, I am not signing a blank check. I will need to see that the Contras are promoting values Americans believe in: Democracy, human rights, free markets. I will also need to see that the Nicaraguan people support the Contras and believe they are committed to, and capable of, producing democracy. Finally, my continued support will depend on evidence that the United States is not bogged down in Central America in a strategic diversion that exposes larger, more compelling Western interests to heightened Soviet threats. And to the extent that we support the Contras because their struggle burdens the Soviet imperial system, I will want assurance that the costs of imposing that burden are not greater on us than on the Soviets.

One last word, Mr. President. This debate has been marred by name calling, by simplistic rhetoric, by inadvertent misstatements and deliberate half-truths. If we are to sustain the bipartisanship we will surely need if we are serious about Central America, these things must stop. Otherwise, it is the fabric of our own society that will again be rent.

Mr. GRASSLEY. Mr. President, I rise in support of the substitute being offered by the distinguished majority leader and the distinguished chairman of the Foreign Relations Committee. I believe this is a good compromise, a compromise that will hopefully contribute to a constructive solution to the problems in Central America.

When it became clear that a request for further assistance to the democratic resistance in Nicaragua would be submitted to Congress and that the request would include funds for military assistance, I had one concern and two questions.

My concern was simply this: Where will the money come from? It was clear to me that I could not support a request for additional funds if those funds increased the deficit or meant that there would be less for other programs, like agriculture. Mr. President, I have been particularly sympathetic toward the argument that we should not be spending $100 million for the democratic resistance in Nicaragua when so many people in rural America are undergoing economic difficulties. I say I have been sympathetic, Mr. President, but I have not been in agreement with that argument.

If you look where this money is coming from, it is not coming from farm programs, it is not coming from welfare payments, it is not coming from any domestic program. The $100 million is being taken out of defense funds that have already been appropriated. Mr. President, no one in this body has fought harder than I have to reduce spending on defense. I have done that because I believe the deficit weakens this country every bit as much as we are weakened by buying fewer missiles or tanks or guns. No one has fought harder in this body for fair treatment in the budget for rural America. I intend to continue those fights in the future, Mr. President. But the fact remains that whether we agree with the discussions that have been made or not, those decisions will not be changed. This body is not going to take $100 million out of defense funds it appropriated last year in order to increase the budget for agriculture. Therefore, to argue that this $100 million is somehow coming out of farm programs, or any other program, is simply not accurate.

The question before us should not be debated on the basis of whether or not there are better ways to spend $100 million, but on the basis of two questions: Should we support the democratic resistance, and if so, how?

Mr. President, this body answered this question fairly resoundingly when it soundly defeated the amendment offered earlier today by the distinguished Senator from Massachusetts, Mr. KENNEDY. A strong bipartisan majority in this body, myself included, believes that the United States should be supporting the democratic resistance in Nicaragua.

Mr. President, I do not think it is necessary for me to make a detailed indictment of the Sandinista regime. The United States has legitimate concerns with Nicaragua's close ties to Cuba and the Soviet bloc and its military buildup far in excess of its legitimate security needs—a buildup that began, incidentally, before the United States could legitimately be considered a threat to the Sandinista regime. The United States also has legitimate concern for Nicaragua's support for armed subversion and terrorism directed against its neighbors, its repression of the Nicaraguan people, and its refusal to negotiate in good faith either with its own internal opposition or with the Contadora nations. Perhaps no single one of theses transgressions would be enough to justify a decision to support the democratic resistance. Perhaps if the Sandinistas only did two or three of those things it would not justify a decision to supply military assistance to the democratic resistance. But in the totality of its actions, the Sandinista government has demonstrated to my satisfaction that this body is justifed in approving military assistance to the democratic resistance, both on the grounds of collective self defense and the moral imperative to support pluralism where it is struggling against dictatorship.

The second question I raised was how should we support the democratic resistance? My concerns in this regard were that this country should have an

objective other than simply overthrowing a government we do not like. If we support the Contras simply because we do not like the Sandinista regime, without distinguishing between those in the ranks of the Contras who truly support a democratic alternative and those who do not, then our policy in Nicaragua is bankrupt. If we simply support a military solution to the Nicaraguan question, then we have no business being there. Rather, Mr. President, this body must make it clear that we do not simply oppose Leninist dictatorships, we support people who are truly struggling for democracy. We must also make it clear that we do not support military solutions to our problems, but we have the resolve to use force where force is necessary.

Mr President, I believe that this compromise does make it clear that we prefer negotiations to solve our differences with the Sandinistas. If those negotiations fail, however, we do have the resolve and the moral clarity to support those who are fighting for liberty and human dignity.

I also believe that this resolution makes it clear that we are willing to recognize that all is not well with the Contras, that we expect further progress in human rights, civilian control over the military, and the like. Mr. President, I believe it is essential to make these points clear, to strengthen the hands of the civilian leadership now, so that if and when dialog begins with the Sandinista regime, it becomes clear that leadership is exercised by those who are committed to democratic civilian government.

In conclusion, Mr. President, let me say that I do not support an exclusively military solution to the Nicaraguan question. I am convinced, however, that the Sandinistas must be compelled to negotiate in good faith to produce the pluralistic political system they promised at the time of the revolution. I hope our concerns can be addressed through negotiations and diplomatic efforts, and we ought to be open to those possibilities. But those with whom we would negotiate in this case will not come to the bargaining table in good faith unless they are convinced that the alternative is ultimately not viable. I believe that the compromise before us now lays the foundation for a sustainable policy toward Nicaragua.

NICARAGUAN ANOTHER AFGHANISTAN

Mr. WALLOP. Mr. President, Eden Pastora Gomez, Commander in Chief of the Democratic resistance forces of Nicaragua, the Contras, wrote a letter last week to the Members of the U.S. Congress to reply to Senator JIM SASSER and to detail for us the plight of the Contras in Nicaragua under the Sandinistas and what will happen if we do not help.

Mr. President, Eden Pastora points out that he learned from a freedom fighter from Afghanistan that the Soviets are building the same machine in Nicaragua as they built in Afghanistan. Nicaraguan children are being hauled away to Cuba to be indoctrinated into communism. In Nicaragua, as in Afghanistan, there are Bulgarian agricultural advisers, East Germans running the secret police, North Vietnamese training troops and Cubans running the educational system and giving directions to the Sandinista armed forces. As in Afghanistan, the Soviets are building a Communist nation and a Soviet military base. Mr. Pastora states clearly that they are doing this to attack the United States, not the people of Nicaragua.

Mr. President, Eden Pastora emphasizes that our aid is a matter of life and death for the children of Nicaragua and for dreams of democracy. He writes that if we do not help, the Russians will win and that they will fill the prisons with the men and women who survive the slaughter on the battlefield. He knows that a denial of help today will bear bitter fruit for us tomorrow. But do the American people understand this? Do those who would deny aid understand this? I know this letter will help and I ask that it be inserted in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

MARCH 18, 1986.

To the honorable men and women of the American Congress:

Last Sunday, I witnessed the exercise of democracy in this country in a manner rarely known in Latin America. I am referring to the speech by President Reagan on giving aid to the democratic resistance in Nicaragua and to the response made by Senator Sasser. This exercise of democratic opinions impressed me, but it also saddened me deeply because in my country, despite all of the blood spilled by a people who want to be free, Nicaragua cannot have this kind of democracy. You Americans have lived in a democracy for two hundred years and have forgotten what it is like not to be free. You do not know how close you are to losing your freedom.

Listening to President Reagan, I felt reassured that the American people were hearing powerful statements about the communist abuses of my people and the danger to all of the American nations from the communist invasion of Central America. I felt reassured that the truth of what is happening in my country is known to you and to the American people.

At first, I was reassured that Senator Sasser understands that the Sandinistas are communists who stole the democratic revolution of the Nicaraguan people, but I am troubled that he does not understand that the communists will never give up power unless forced to. I fought with those people, and I know that all they want is power. I tried to warn the American embassy that they were communists before Somoza fell, but no one would listen. Many people still do not want to listen, even after seven years when the Sandinistas have turned their backs on promises to the Nicaraguan people, to the United States, and to the Organization of American States.

Senator Sasser also does not understand that the Sandinistas have worked from before they seized power to bring a communist government to Nicaragua. When they came to power, they brought in foreign communist advisors to help them to build the communist machine for controlling the people. Communist advisors do not make suggestions, they give commands. When they came in, they organized all of the groups of society—women, different types of workers, young people, more than thirty five different groups in order to prevent us from organizing a resistance and to build a large army.

This week I learned from a freedom fighter from Afghanistan that the same machine is being built in Nicaragua and Afghanistan. In both our countries, children are being taken away to be indoctrinated in communism. The children of Afghanistan are going to Russia. The children of Nicaragua are being sent to Cuba, to the Isle of Pines, which now is called the Isle of Youth. Both our nations have Bulgarian agricultural advisors. East Germans run our secret police. Vietnamese train special troops. We have Cubans instead of the Russians in Afghanistan to tell us how to educate our children and to command our armed forces.

Senator Sasser must know these things. All of the people in Nicaragua know them. How can he think that the Russians and the Cubans and all of the other Russian mercenaries will ever leave? They are building a communist nation and a Russian military base at the same time, and it is costing the Soviet Union very dearly. Why are the Russians making this investment? Will they leave it behind? They have built it to attack you, not the people of Nicaragua.

Senator Sasser was wrong to say that the leaders of the resistance are Somocistas. In what I know and command of the democratic resistance movement, all national leaders of the resistance struggled against Somoza, just as they struggle now against the communists. But now the fight is much more difficult, and the nine commandantes make that old bastard Somoza look like a saint. The first Somoza murdered Sandino. The nine commandantes murder the memory of Sandino every day. There are many more members of the old Somoza National Guard in the Sandinista army and secret police than in the resistance, and the ones who work for the communists have not changed.

I cannot understand who told Senator Sasser that the resistance is guilty of more atrocities than the Sandinistas. Our men are poorly trained and we do not have American style command, but we are humane. In the South alone, we have turned over more than 550 communist prisoners of war to the International Red Cross and other humanitarian agencies in Costa Rica. In the battle areas, we have freed more than 1,000 prisoners. They are our most powerful weapon against the Sandinistas. They are ambassadors who tell the people that we are trying to free them. Many prisoners decide to stay and fight with us. I can only speak for the fighters in the South, but I can say that Amnesty International and the United Nations Commission on Human Rights have not accused us of violating human rights.

War hardens the human spirit, and especially when men are desperately poor. If some freedom fighters are cruel sometimes, it is immoral and stupid. With all the help

of the Soviet empire to squash us, the Sandinistas in Managua do not need to be cruel, but it is their policy. They must defeat us in the field and they must crush the spirit of the people to resist. When they have done this in Nicaragua, they will do it in El Salvador and Guatemala and other nations, and the Soviet Union will not stop until it has crushed your spirit.

I have heard many people say on your television that the resistance was created by the CIA and that we are mercenaries. What kind of mercenary fights for two years without pay or weapons? God and the world know that we desperately need your assistance.

I am sorry to criticize an American senator so much, but I have to say that it choked me to hear Senator Sasser say that the precious military help that we need to defend ourselves against the huge military machine that has been fielded against us in Nicaragua by the Supreme Soviet should be delayed again. If Americans were dying on a foreign battlefield, would he debate whether to send them military reinforcements immediately? Our lives should not be worth less, and especially as we are fighting your battle in Nicaragua. The Russians did not come to Nicaragua because of our wealth. They came because we are on the way to your borders.

I am a nationalist. I do not want foreign troops of any nation in Nicaragua. I want Nicaraguans to throw out the Bulgarians and East Germans and Koreans and Russians and all of the other internationalists who foul our land and oppress our people. If you give us the weapons we need, we will do the job. If you do not help us, then one day your troops will fight in Central America and Mexico. That will be a sad time for all our nations.

Senator Sasser says that we cannot defeat the Russians and their mercenaries. How many times did I hear that we could not defeat Somoza when we had only a few hundred men? In the end, we did defeat Somoza with the help of our neighbors and because the Nicaraguan people rose up to throw him out. Now we have many times as much support against the Sandinistas, because the Sandinistas are many times worse than Somoza. All we need is the help of our neighbors that we once had.

You must know that I am not an enemy of negotiations. If negotiations can persuade the communists to give up power, I am in favor of them. I do not expect this to happen, because I know that communists use negotiations to gain time and to mask their plans. The American war in Vietnam was lost in negotiations because you felt weak, even though you had defeated the communists in the field. We won the war in Nicaragua in negotiations in 1979 because we had military and political strength. We can win in negotiations with the communists, but only if we are so strong militarily, politically, and diplomatically that the communists must choose between democracy and facing the anger of the Nicaraguan people.

Senator Sasser said that he does not want his seventeen year old son to fight in Central America. I understand his feelings. I, too, have a seventeen year old child. She is fighting in Nicaragua alongside two of my sons. I once decided to fight against Somoza to spare my children from suffering. The people of Nicaragua won that battle, and then we were betrayed.

In conclusion, I respectfully wish to express to you, to Senator Sasser, and to the rest of the American people that the aid you are debating now is a matter of life and death for the children of Nicaragua and for dreams of democracy for Nicaragua. If you refuse to open the arsenal of democracy to us, the Russians will win. They will fill the prisons with the men and women who survive the slaughter on the battlefield, and tomorrow will bring you the bitter fruit of today's denial of help.

Sin totalitarismo ni regreso al pasado somocista, patria libre o matar!

EDEN PASTORA GOMEZ.

HUMANITARIAN ASSISTANCE TO THE CONTRAS

Mr. LEAHY. Mr. President, today the Senate approaches a critical vote on whether or not to authorize the expenditure of some $100 million in assistance for the insurgents fighting against the Government of Nicaragua—the so-called Contras.

A portion of this $100 million is intended to be used to continue a program of humanitarian assistance authorized last year by the Congress.

For this program, the Congress appropriated last year nearly $27 million for what, in plain English, is a military logistical support effort for the Contras. Under it, we supply nearly everything except weapons and munitions. To implement the program, the President, on August 20, 1985, created through Executive Order 12530 a new office in the Department of State—the Nicaraguan Humanitarian Assistance Office [NHAO]. Ambassador Robert Duemling, an experienced career Foreign Service Officer, was named Director of NHAO. Part of the assurances provided to Congress was that this program would be effectively monitored to ensure full compliance with the law.

Today, Mr. President, prior to authorizing any additional nonlethal assistance for the Contras, Members should be fully aware just how this sizable expenditure of the American taxpayers' money has been used.

The truthful answer in large part is we do not know.

In recent testimony before the House Subcommittee on Western Hemisphere Affairs, the General Accounting Office's Frank Conahan discussed the management of the NHAO Program through February 24, 1986. Through this time period, NHAO paid out only $12.2 million of the $27 million appropriated by the Congress. The remaining $15 million must be obligated by March 31, 1986.

The GAO found that:

First, the Department of State "does not have procedures and controls that ensure that the funds are being used for the purposes intended by law, or are not being diverted for other uses." In large part, according to the GAO, Ambassador Duemling and his small staff are "unable to verify expenditures made in the region, are unable to observe the end use of procured items to ensure that they were not diverted, bartered, or exchanged."

Mr. President, while the GAO does not allege that any improprieties have in fact occurred, it is clear that NHAO would have no way of knowing they had occurred.

Second, NHAO has no presence within Central America. Thus, the Department of State has little or no control over funds spent to purchase nonlethal aid from suppliers in the region. Of the $12.2 million paid out by NHAO thus far, approximately $7.1 million (or 58 percent) was spent in the region. As a result, GAO concluded:

> NHAO cannot assess the validity of regional receipts, is unable to check out many suppliers, has difficulty establishing reasonableness of prices and cannot verify actual delivery or receipt of items.

The U.S. Government also is not in a position to know whether the quality of goods purchased and delivered is commensurate with price paid. It is important to note that NHAO does not make actual purchases of supplies. Rather, NHAO is relegated to the role of banker, releasing funds to suppliers after their legitimacy has been ascertained through Dunn and Bradstreet ratings.

Worse yet is the fact that though NHAO pays U.S.-based suppliers directly, it has only an indirect relationship in the payment of suppliers based in Central America. According to the GAO, NHAO makes payment to a Miami bank account of one of several brokers authorized by the regional suppliers to act as their agents. As a result, "there is no audit trail showing payments from the brokers' accounts to suppliers, and only partial documentation of shipments from the suppliers to the resistance forces."

Mr. President, one can only assume on the basis of the information made available by the GAO that the administration of the program of humanitarian assistance has been inadequate and there is a complete lack of accountability. I do not believe this should be blamed on Ambassador Duemling or his staff. On the contrary, from all information available to me, Ambassador Duemling has made the best out of a very difficult situation. He was given all the responsibility to administer a dubious and controversial program of so-called humanitarian assistance, but with precious little authority to implement it according to law.

My own impression is that NHAO was designed to fail, to create doubts about the ability of the Department of State to control an overt aid program in order to justify moving back to the Central Intelligence Agency. Such a move would provide the Senate and the American people even less in the way of accountability and therefore should be unacceptable to my colleagues.

Mr. President, my strong opposition to any aid for the Contras is well known. But the point today is that the U.S. Senate has no way of knowing whether or not the statute under which the current aid program was authorized has been observed. We do not know whether goods were bartered or diverted in order to purchase weapons and ammunition, thereby subverting the intent of Congress.

The lesson my colleagues should learn from all of this is that even an allegedly open program of aid to the Contras is accompanied by many dark unknowns. The solution does not lie in moving further into the darkness by returning to a secret aid effort. That course will lead only to greater unknowns and abuse. It is a course we as a nation should avoid.

I submit for the RECORD the statement of Frank C. Conahan of the General Accounting Office.

STATEMENT OF FRANK C. CONAHAN, U.S. GENERAL ACCOUNTING OFFICE

Mr. Chairman, Members of the Subcommittee: I am pleased to be here to discuss the management of the $27 million in humanitarian assistance authorized for the Nicaraguan democratic resistance. My statement will concentrate on our review of the accounting and management procedures and controls to ensure that the funds are being spent in accordance with the law's intent.

Before I discuss the results of our review, I would like to point out some limitations on our presentation today. We have been informed by the Department of State that certain information about this program is classified. For example, State has told us the following matters are classified: specific quantities of items purchased, attitudes or roles of countries in the region with respect to this program, and attempts to arrange for delivery of goods purchased in the United States.

None of these limitations, however, hinders our ability to address your major question; i.e., does the Department of State have adequate procedures and controls to ensure that the funds are being used for the purposes intended by law, and are not being diverted to other uses.

Our overall answer is that the department does not have procedures and controls which would allow it to provide these assurances—in large measure because those charged with administering the program are unable to verify expenditures made in the region, and are unable to observe the end use of procured items to ensure that they were not diverted, bartered, or exchanged. Initially, the State Department's Nicaraguan Humanitarian Assistance Office (NHAO)—which is charged with the program's administration—had intended to set up operations in the region, but diplomatic sensitivities of certain countries in the region prevented NHAO from doing so. Thus, NHAO is not able to exercise the financial and programmatic control beyond the U.S. borders that it wanted to.

We reviewed all expenditures as of February 24, 1986 (a detailed breakdown is attached to the statement). As of that date, NHAO had actually paid out over $12.2 million. About $5.2 million (or 42 percent) was spent in the United States, and $7.1 million (or 58 percent) was spent in the region. NHAO's control over its funds varied significantly depending on whether the purchases were made in the United States or in the region.

For purchases from U.S. suppliers, NHAO exercises considerable control over disposition of funds. NHAO has established procedures for administering procurements and making payments, which allows it to control and oversee the types of goods and services being purchased and the prices paid. NHAO relies principally on the United Nicaraguan Opposition (UNO)—an umbrella organization representing the various resistance forces—to determine the types and quantities of goods and services to be purchased.

UNO submits to NHAO a pro forma invoice prepared by a proposed U.S. supplier identifying the goods or services to be purchased and the amount to be paid. NHAO reviews the invoice to determine if the item or service is consistent with program objectives and that the stated price appears to be reasonable. In many cases, NHAO obtains Dunn and Bradstreet reports on the proposed supplier to ensure that the company is legitimate. Furthermore, NHAO often checks with other suppliers of similar items and with DOD procurement officials to verify the reasonableness of prices quoted. If the review is satisfactory, NHAO provides the supplier a letter of commitment for the funds to be paid upon receipt of the goods by UNO. When the supplier sends NHAO a confirmation of delivery of the goods, NHAO issues a payment voucher, and the Treasury sends a check directly to the supplier. NHAO also has inspected some of the supplies stored in U.S. warehouses awaiting shipment to the region to ensure that approved items have been delivered.

It is a much different story for the $7.1 million in purchases made outside the United States. NHAO has received invoices and receipts to support almost all purchases, and before authorizing payment, NHAO reviews the invoices and receipts to ensure that the items are allowable under the program. However, from its offices in Rosslyn, Virginia, NHAO cannot assess the validity of the regional receipts, is unable to check out many suppliers, has difficulty establishing reasonableness of prices, and cannot verify actual delivery or receipt of items. Another major difference between controls over U.S.-sourced procurements and those made in the region is that payment is not made directly to the supplier. Instead, payment is usually made to a Miami bank account of one of several brokers authorized by the regional suppliers to act as their agents. There is no audit trail showing payments from the brokers' accounts to suppliers, and only partial documentation of shipments from the suppliers to the resistance forces.

Despite the deficient controls over expenditures outside the United States, an increasing proportion of the assistance funds is being spent in the region. NHAO officials attribute this situation to the difficulties encountered in delivering U.S.-purchased items to the resistance forces. Initially NHAO had assumed that, except for food, most supplies would be purchased from U.S.-suppliers—not only because NHAO's control would be greater, but also because the quality of U.S. goods was higher and U.S. costs were lower. However, due to the diplomatic sensitivities of the countries involved, deliveries of goods purchased in the United States could not take place. Thus, U.S.-sourced items were stored in U.S. warehouses, principally in New Orleans. This has delayed the delivery of supplies (mostly pharmaceuticals, boots, and field gear) to the resistance forces, and has caused more money to be spent in the region than might otherwise have been the case. If delivery problems continue, most funds are likely to be spent in the region. The Department has recently undertaken intensified efforts to reverse problems in delivering U.S.-sourced goods to the resistance.

Turning now to what has been purchased for the $12.2 million spent to date. (A breakout is attached to the statement.) The legislation stipulates that funds be used to provide food, clothing, medicines, and other humanitarian assistance. The legislative definition specifically rules out weapons, ammunition, or other items which could cause injury or death. The principal criterion used by NHAO in determining what can be provided is that it be non-lethal.

The $12.2 million has been spent on the following broad categories:

$4.7 million (or 39 percent) on food and sundries, which were procured in the region. Food receipts included other items such as clothing, matches, cigarettes, and toilet articles. About $350,000 of the $4.7 million purchased local currency, which was to be used for food.

$2.8 million (or 23 percent) was spent for pharmaceuticals and medical supplies. Most of these were purchased in the United States.

The last major item—clothing—accounts for $2.7 million (or 22 percent) of the expenditures. About $1.8 million was spent in the United States and the remainder was spent in the region. Included in the clothing purchases were combat boots, uniforms, ponchos, socks, and web gear.

About another million dollars was spent for miscellaneous supplies and equipment, such as blankets, tools and trucks—a little more than half of which was spent in the United States and the rest in the region. Over $500,000 was expended on transportation, storage, and warehousing of these items, mostly in the United State. Lastly, about $260,000 was spent on various medical expenses, including hospitalization of resistance fighters; $125,000 was spent on a UNO-administered human rights program; and about $75,000 was spent for UNO administrative expenses. An additional $89,000 is for NHAO administrative expenses.

I want to emphasize that the foregoing breakdown of expenditures is based on our examination of receipts provided to NHAO. While we are confident that the receipts for U.S.-sourced items are valid, we have no basis to evaluate regional receipts. We inspected U.S.-sourced items in warehouses in New Orleans and are satisfied that receipts reflect purchased items; we were not able to do the same for purchases made in the region. We found nothing, however, to indicate that NHAO paid for lethal items.

This concludes my prepared remarks. I would be happy to answer any questions you might have.

SUMMARY OF GOODS AND SERVICES (AS OF FEB. 24, 1986)

Goods and Services (examples)	Total	Purchases made—	
		Not in United States	In the United States
Food, sundries, consumables, foreign currency, and some delivery costs	$4,694,496	$4,694,496	0
Pharmaceuticals, medical supplies, and refrigerators (drug stores)	2,764,551	281,602	$2,482,949

SUMMARY OF GOODS AND SERVICES (AS OF FEB. 24, 1986)—Continued

Goods and Services (examples)	Total	Purchases made— Not in United States	Purchases made— In the United States
Uniforms, boots, ponchos, socks, hats, belts, and other clothing	2,672,464	919,530	1,752,934
Flashlights, hand tools, hammocks, trucks, and other equipment	989,113	420,716	568,397
Transportation, storage, security, ware-housing, and some freight costs	555,793	391,372	164,421
Medical services, hospitalization and related expense, and doctor fees	262,240	222,884	39,356
Human Rights, Program (Fundacion de Nicaragua)	125,000	125,000	0
Administrative support for United Nicaraguan Opposition	75,448	0	75,448
Total of goods and services	12,139,105	7,055,600	5,083,505
Nicaraguan Humanitarian Assistance Office administrative expenses	89,167	0	89,167
Total	12,228,272	7,055,600	5,172,672

Notes.—(1) Transport for food and other commodities was sometimes listed separately. At other times, it was included in the price of the commodity. Similarly, receipts for food at times included sundries and clothing which were not listed separately under other commodity categories. (2) Receipts for food purchased outside the United States usually included sundries and clothing, such as cigarettes, batteries, matches, candies, antimosquito incense, toilet paper, deodorant, glue, insect killer, toothpaste, panties, bras, plates, detergent, shoe polish, sandals, socks, maps, soap, plastic buckets, flashlight bulbs, blankets, shirts, frying pans, engine oil, and oil filters.

Mr. ROCKEFELLER. Mr. President, there can be little doubt about the nature of the current government in Nicaragua: the Sandinistas have denied human and political rights at home, have attempted to promote revolution among their neighbors, and have aligned themselves closely with the Soviet Union and Cuba. The potential threat posed by this self-declared Marxist regime to the fragile democracies in Central America cannot be underestimated. But the fundamental issue in this debate is not whether the Sandinista regime represents a serious political and military concern to the United States; we all agree to that. The underlying question is what policy will be most effective—and sustainable—in addressing the Sandinista threat.

The administration's prescription is to turn up the heat on the Sandinistas with the apparent intent of eventually overthrowing them. But will $100 million in military and humanitarian assistance to the Contra guerrillas topple the Sandinista government and remove the Marxist threat to Central and Latin America? The answer is a clear no. Even the administration's own intelligence agency seriously doubts that the Contras can overthrow the Sandinista regime.

The Contras have been unable to attract widespread support among the Nicaraguan people. While Nicaraguans may not like the Sandinistas, they certainly are not enthusiastic about the Contras, many of whom had close ties to the hated Somoza regime. The Contras continue to engage in human rights abuses. They continue to be divided among several competing factions. It is no surprise that the Contra forces are less strong today than they were 1 year ago. And all of this despite over $100 million in U.S. aid to the Contra forces to date.

And now we are being asked to provide another $100 million. But money cannot make the Contras a popular, viable, democratic alternative to the Sandinistas—not $100 million or $500 million. Nor can U.S. military assistance hope to provide the basis for a military victory over the Sandinistas. Given the present makeup of the Contra military leadership, our support may have the ironic effect of strengthening the Sandinistas' hold on the country, allowing them to pose as the defenders of their nation against the United States, rather than what they really are: the betrayers of their revolution and their people.

Our unqualified assistance to the Contras will almost certainly result in increased Soviet and Cuban assistance to Managua, leading in turn to a further escalation of the conflict. Single-minded pursuit of a military solution will only lead to a prolonged and bloody war, ending in defeat or stalemate—or eventual U.S. intervention. Neither are very attractive alternatives. We must make every effort to provide another course of action for U.S. policy.

Our objectives in Central America should be clear: No Soviet bloc forces or bases in Nicaragua, and no Nicaraguan aid to insurgents in this hemisphere. We must at the same time seek to promote democratic values and human rights within Nicaragua. How do we achieve these aims? Not, as some would suggest, by walking away from any involvement in the region. Nor, in my view, by pursuing a misguided attempt to bolster the military capabilities of the Contras in order to overthrow the Sandinistas.

Earlier today, I opposed Senator KENNEDY's amendment prohibiting any U.S. assistance to the Contras. I am convinced that we must retain some degree of pressure on the Sandinista regime to negotiate. And I believe that if such negotiations prove futile, we should be prepared to consider assistance to a truly democratic Nicaraguan resistance.

Almost all of the countries in the Western Hemisphere have urged the Reagan administration to withhold aid to the Contras and commence direct bilateral talks with the Sandinistas. There is absolutely no reason that America should be unprepared to sit at the negotiating table with the Sandinistas, yet the President refuses to do so unless the Sandinistas first commence talks with the Contras, a precondition designed to prevent bilateral talks. This administration's reversal of support for the Contadora draft treaty in September 1984—after the Nicaraguan Government supported it—leaves me with some concern about the true intent of this administration. I am not at all convinced that the Sandinistas can be trusted to negotiate in good faith, but I think it is essential that we make an effort to find out.

The United States should join with our Latin neighbors in vigorous pursuit of a verifiable settlement along the lines of the Contadora draft treaty. Given the history of our past involvement in the region, we need to be particularly sensitive to the dangers of "going it alone." Should the Sandinistas prove to be intransigent in these talks, we and our hemispheric neighbors could credibly claim that a good-faith effort had been made and failed. Additional assistance to a reformed Contra force may be the only viable option at that point, but the case for it would be much stronger within the United States and throughout Latin America.

For these reasons, Mr. President, I support the amendment offered by the distinguished senior Senator from Tennessee. Senator SASSER's amendment rightly provides for direct talks between Managua and Washington. If those talks do not bear fruit, the Congress will again consider military aid to the Contra forces in 6 months' time. This amendment does not turn its back on the Contras—$30 million in nonlethal aid is provided immediately to the Contras. I believe that this formula offers the best hope for peace and stability in Central America, and I urge its adoption.

Mr. SIMON. Mr. President, as our intensive debate on aid to the Contras comes to a close, I am struck by the extent to which the Senate has focused its attention for the most part on the military aid portion of the President's request. The so-called humanitarian aid portion has drawn relatively little scrutiny. The assumption has been that however the military aid request is disposed of, some so-called humanitarian aid would be approved.

It distresses me, and a number of my colleagues, that the term "humanitarian assistance" has been used without examination and altogether too loosely. What the President has requested as "humanitarian assistance" is really, I believe, a corruption of the term.

The President is seeking, within the category of humanitarian assistance, to provide "logistics advice and assistance; equipment and supplies necessary for defense against air attack; . . . and training of members of the resistance in radio communications, collection and utilization of intelligence, logistics, and small-unit skills and tactics."

The effect of this request is to broaden the authority in Public Law 99-83 which governs the use of the $27 million in "humanitarian assistance" already provided. That authority had already been broadened by the fiscal year 1986 intelligence authorization bill, which explicitly allowed transpor-

tation equipment unless specifically configured to inflict bodily harm. As Senator BUMPERS has pointed out, the recent GAO report indicates that it is impossible to determine whether even the very broad authority provided the administration has been respected in its use of Contra aid funds to date.

Many of us have serious doubts about whether the $27 million already provided constitutes genuine humanitarian assistance. The fact that the recipients are not limited to civilians and noncombatants and that the assistance is used for logistical support of military activities also indicates that the aid falls outside the established norms of humanitarian assistance.

The inclusion of intelligence within the definition of humanitarian assistance is particularly troubling. As the author of the Boland amendment stated in House floor debate last week:

If we approve the President's request, we would be making available other funds in the fiscal year 1987 intelligence budget—specifically, those in the CIA's reserve for contingencies. We would also remove all current legal restrictions on CIA or DOD assistance with respect to the $100 million in the president's request. [H1468.]

Now is obviously not the time for an extended discussion of what is meant by "humanitarian" aid or whether it should instead be called nonlethal or logistical. Whatever it was called, I would still not support it. It is essentially a means to serve the objectives of current U.S. policy toward Nicaragua. In my view, the policy itself is wrong.

However, I would urge that as we look toward the next step in the legislative process, more attention be directed toward the purposes and objectives of what for the moment is being called humanitarian aid. I, for one, hope that I will have an opportunity to vote in favor of genuine humanitarian assistance, which is so desperately needed by people in war-torn Central America.

I ask that a letter each of us has received from executives of private and voluntary organizations on the subject of humanitarian aid be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

LETTER FROM EXECUTIVES OF PRIVATE AND VOLUNTARY ORGANIZATIONS CONCERNING AID TO THE NICARAGUAN CONTRAS

March 13, 1986.

DEAR MEMBERS OF CONGRESS: As you prepare to vote on assistance to the Nicaraguan Contras, we ask that you consider the views of organizations such as ours with long involvement in providing humanitarian assistance and with some familiarity with the human suffering caused by current US policy toward Nicaragua.

We recommend that you vote against providing $30 million in so-called humanitarian assistance to the Contras. Such aid distorts the concept of humanitarian aid as understood internationally and in the United States. It does not meet the customary tests: that humanitarian aid to be made available solely on the basis of human need, not for political purposes; that it be offered impartially to all sides in a conflict; and that it go solely to civilians and non-combatants. Mislabelling the $30 million imperils the integrity of bona fide humanitarian aid and of agencies like our own that seek to provide it. It also risks the future of people whose life depends on it.

The $30 million is, of course, part of a larger $100 million request that includes $70 million for outright military aid. The pursuit of a military solution to the current conflict between the US and Nicaraguan governments is likely, we believe, to continue to create needless suffering among the poor in the region with whom we and our colleague agencies work. We urge Congress to insist on US actions that are regional and diplomatic in character. Such actions would be in keeping with the counsel of US allies in Central and South America and in Europe who have all opposed military aid to the Contras. We particularly lament the pressure brought by the Administration against governments that have opposed such aid, most recently the holding up of an AID development loan payment to Costa Rica.

We therefore urge your rejection of the Administration's $100 million request, both its so-called humanitarian assistance and military aid elements. While some are considering a "compromise" that, in one way or another, would approve the former while rejecting the latter, what would be compromised, we believe, would be the integrity of humanitarian aid itself.

Given the reality of human need in the Nicaraguan-Honduran border area, we urge that the US provide humanitarian assistance to refugees and displaced persons wherever they are, through international organizations such as the International Committeè of the Red Cross and the United Nations High Commissioner for Refugees. Because the US is a party to the conflict, we would urge against the provision of humanitarian aid through bilateral channels.

Thank you for giving consideration to our views.

Sincerely,

Norman E. Barth, Executive Director, Lutheran World Relief; Asia A. Bennett, Executive Secretary, American Friends Service Committee; J. Richard Butler, Executive Director, Church World Service; John Hammock, Executive Director, Oxfam America; Alden R. Hickman, Executive Director, Heifer Project International, Inc.; Sister Sheila McGinnis, Superior, Sector North America, Medical Mission Sisters; Richard S. Scobie, Ph.D., Executive Director, Unitarian Universalist Service Committee; Reg Toews, Associate Executive Secretary, Mennonite Central Committee.

Mr. LAUTENBERG. Mr. President, I rise in opposition to the President's request for $70 million in military aid to the Contras and $30 million in humanitarian aid, as modified by his Executive order.

The question before us today is not whether we approve of the Sandinista government, or oppose communism. This body agrees on the answers to those questions. What is at stake here is the crafting of a realistic, responsible, long-term approach to achieving our goals in the region.

What the Senate must decide today is whether the President's request brings us closer to our major foreign policy goals in Central America, and whether it is the best way to achieve those goals. Does it move the Sandinistas toward greater democracy and help to end the human rights abuses in that country? Will it lead to a reduction of the Soviet and Cuban presence in Nicaragua? Will it help to prevent Communist bloc bases from being set up in Nicaragua, and prevent Nicaragua from supporting revolution in neighboring countries?

After more than 4 years and assistance of more than $100 million to the Contras, we cannot honestly answer these questions affirmatively. Our aid to the Contras has brought us no closer to the achievement of these goals. And, that is why I cannot support the President's request for more military aid.

Mr. President, let us look at how we have fared.

We have funneled $100 million to the Contra forces over the last 5 years, in addition to the millions of dollars we have invested in Honduras. But our investment has not yielded dividends of greater democracy. Quite the opposite. We have given Daniel Ortega, the President of Nicaragua, an excuse to wrap his repressive regime in the flag of patriotism. And justify that repression as a necessity in the face of U.S. military power.

The Contras are not seen as a force for democracy in Nicaragua and do not enjoy broad support among the Nicaraguan people. It is not clear they can ever with that support. The majority of the positions in the Contra's top leadership are held by former associates of Anastasio Somozo, the brutal dictator who was overthrown in 1979. Although some of the civilian leaders of the Contras are true democrats, they are not the ones in charge.

Will the President's policy contain Cuban and Soviet influence in Nicaragua, and protect the other fragile democracies of the region against Nicaraguan subversion? The countries directly affected don't think so. Democracies in the region have publicly stated that the President's policy is not the way to go. They do not want the U.S. to give military aid to the Contras now.

Although President Reagan has said that these governments express different views privately, the fact is that they have gone out of their way to publicly express their opposition to this policy, and to urge support for a negotiated settlement.

On February 10, foreign ministers of eight Latin American countries came to Washington to urge Secretary Shultz not to go ahead with the aid,

but to return to the negotiating table. Mexico, Panama, Colombia, Venezuela, Brazil, Argentina, Uruguay, and Peru went out of their way to make it clear that they oppose military aid to the Contras. And the President-elect of Costa Rica has joined this group. The President is isolated in the hemisphere in his view that military aid to the Contras is a constructive policy.

Mr. President, our support for the Contras has likely increased, not decreased, Cuban and Soviet influence in Nicaragua. Our veiled threats of direct military intervention, our highly visible maneuvers in neighboring Honduras, and our mining of the Nicaraguan harbors have pushed Managua further into the Soviet embrace.

The United States has very real security interest in Central America. If they are threatened by the establishment of Soviet bases, or the introduction of advanced weapons like Soviet Mig's or submarines into the region, I would support the President in strong action to keep them out.

But we cannot rely on the Contras to protect our security interests in the hemisphere. They have not succeeded in waging a credible war against the Sandinistas. They have not proven capable of winning the support of the Nicaraguan people. And, we are not even sure that our aid is getting to its intended recipients. The General Accounting Office, the watchdog of Congress, reports that we cannot even verify that all of the aid we provided last year for humanitarian aid to the Contras actually reached them. If, as the President insists, the Sandinistas pose a major and immediate threat to our security, why rely on the Contras to fight our fight?

Mr. President, if we approve the President's request, what is the next step? At best, I fear the American people will be asked to undertake a long and financially costly commitment to the Contras. At worst, we will be asking Americans not to send dollars, but to send troops. Before we ask Americans to follow either path, we must exhaustively pursue every diplomatic option available to us.

Our choice is not between providing military aid to the Contras or seeing the whole region turn red. We have another option—the Contadora peace process. That process gives the nations of Central America, whose future is directly at stake in this conflict, the chance to work out a regional solution to the conflicts in the region.

The Contadora process offers a realistic chance to address our security concerns. Its goals are the reduction of the Sandinista armed forces, the withdrawal of Soviet and Cuban military advisers, and a ban on the export of revolution. The Sandinistas have not been unreceptive to Contadora talks, and it was our government that broke them off.

The countries of the region support the Contadora process, and believe it has a realistic chance of success. With the support of the Central American countries, and the willingness of our own Government to give negotiations a serious try, the Contadora process could work. If it does not, then the military option still remains.

In order to give the Contadora process a real chance, I supported the Sasser proposal as a substitute for the administration's proposal. While not the ideal solution, it is far preferable to the military aid package sought by the President. The Sasser substitute blocks military aid to the contras. It emphasizes a diplomatic approach by urging the President, after a ceasefire, to begin serious, bilateral negotiations with the Government of Nicaragua without preconditions. And it creates a bipartisan congressional observer team to make sure that good faith, direct negotiations between the U.S. and the Sandinistas are underway. At the same time, it puts limits on further American involvement by prohibiting military advisers, military training, or the use of the CIA to disburse any aid.

Mr. President, the Sasser proposal provided for a mandatory review of this issue by Congress in 6 months, or earlier, if the President certifies the need for such a review. The President is prohibited from seeking military aid before that time unless he certifies that negotiations have broken down. In that case, the observer team will provide an independent review of the President's certification.

By urging support for the diplomatic process, while keeping the military option alive as a future alternative, we preserve our flexibility to react to future developments in Nicaragua.

Mr. President, the President's policy is unlikely to succeed because it has neither the support of the American people nor the democracies in Central America. That support is lacking because there has been no real attempt to reach a negotiated settlement. It is lacking because Americans of good faith fear that the President's policy may lead unnecessarily to war. In good conscience, we in this body owe it to those who elect us to take one step at a time in this difficult and complex situation. The first step is negotiations. This is the path we should be pursuing.

Mr. HEINZ. Mr President, the conflict in Central America presents Americans with very difficult choices. The fighting between the Sandinista government in Nicaragua and its armed opposition is first and foremost a Nicaraguan affair, but because of the importance and fragility of Central America, and because of the significant intervention by other outside powers in the area, we have no choice but to play a role.

There is something about the domestic context of this debate that must be addressed. The earlier vote in the House on the question of further assistance to the Contra rebels provoked rhetoric from both sides that I believe has no place in these debates. The charge of McCarthyism was leveled against the administration and its congressional supporters when they posed the debate as a choice between Moscow and Daniel Ortega and the United States. That is not the choice before us today in the Senate. Extreme and simplistic rhetorical formulations of an important dispute have no place in our discussion. Those who oppose the Contra assistance program are loyal Americans and their colleagues have never doubted it.

By the same token, those who support the Contra effort have been labeled as allies of terrorism and militarism, and as blind to the unfolding dangers of a deepening U.S. involvement in a foreign war. This is just as much a distortion as the charge of disloyalty used against opponents of aid.

The reason I support assistance to the Contras at this point is not because I can claim a higher level of loyalty to American ideals or U.S. security than opponents of aid, but because of a judgment that the Sandinistas have reached the point where only military pressure will force them to change their ways, both at home and in the region.

When the Sandinistas, along with a broad cross-section of Nicaraguan society, overthrew the Somoza dictatorship back in 1979, the United States reacted by offering increased economic assistance. I voted for this aid, nearly $100 million, back in 1980. We began to disperse this aid, and in response the Sandinistas welcomed Cuban and Soviet bloc military assistance, began to drive all moderate elements out of the government, initiated the repression of dissident elements, began their campaign to undermine the Roman Catholic Church, and commenced their military buildup, all of this before the Contras' armed resistance had begun. Mr. President, the Sandinistas betrayed all of us who hoped for democracy, but even worse they betrayed the revolution that overthrew Somoza.

The Sandinistas reacted the same way when we ceased our military assistance to the Contras in 1984. They stepped up their militarization, they increased their repression at home, they showed no flexibility in negotiations with the United States or with their neighbors through the Contadora process. We provided $27 million in humanitarian aid last year to the Contras. But the Sandinistas have only continued their military approach to their internal political problems. And they have continued to not

only preach the export of their brand of armed revolution but have amassed a record of supporting armed revolutionary activities against El Salvador, Colombia, and other Latin American democracies.

It is argued that we should simply let the Contadora nations negotiate with the Sandinista government to get them to halt their export of revolution and to pressure abandoning their Marxist, repressive internal policies, and permit genuinely free elections. The sad reality, Mr. President, is that the Sandinistas will not negotiate with their neighbors in good faith because they have no reason to do so. Their neighbors are militarily weak. Costa Rica has no standing army, Honduras has fewer than 20,000 men under arms. Meanwhile, Nicaragua has 60,000 men in their standing forces and another 60,000 in the reserves. With these forces, equipped with modern armor, artillery, and helicopters, the Sandinistas see no reason to make a deal with their weaker neighbors, particularly if it means abandoning their self-proclaimed revolutionary mission. And their behavior at the negotiating table reflects that arrogance. It is hard to believe that will change if we sit by and do nothing.

And we should all be clear about what Sandinista behavior is and why it is not acceptable. We need look no further than today's newspapers to see one example of Nicaraguan behavior that we cannot tolerate. The Sandinista invasion of Honduras to attack Contra camps illustrates that the Sandinistas, unfortunately, seem to think only of military solutions to their country's problems.

Last June we agreed to give the Contras some $27 million in nonlethal aid, after a cutoff in U.S. assistance since 1984. Our intelligence agencies estimate that the Soviet bloc gave the Sandinistas about $350 million in military assistance, much of it quite lethal, in that same period. Among the items supplied to Nicaragua in that period are the same Mi-24 Hind helicopter gunships that the Soviets use to such effect against the mujahideen in Afghanistan. Tanks, armored personnel carriers, rocket launchers, and other military equipment have been included in the Soviet bloc military aid program. There has been criticism of the United States for emphasizing military solutions. It looks like the Sandinistas find military solutions the most attractive.

But military hardware is only one dimension of the Sandinistas' alarming alliance with foreign powers that are hostile to the United States and to regional stability. There are over 3,000 Cuban military advisers in Nicaragua, some piloting their helicopter gunships. And there are Soviets, East Germans, and even Libyans and Palestinians, whose presence in Nicaragua and interest in Central America can only be cause for grave concern.

But there has not been only a military response by the Sandinista government to the cessation of U.S. military support of the Contras of the last 2 years. There has been a political reaction that has taken a repressive character that makes optimism about their fundamental intentions impossible to maintain. Last October the Nicaraguan Government declared a state of emergency suspending most civil rights, ostensibly in reaction to the military conflict in Nicaragua. But America's Watch, a U.S.-based human rights group that has focused its attention mostly on abuses by the Contras in the field, itself rejects the Sandinistas' argument that the state of emergency and other harsh measures are justified as a reaction to what was by then a substantially limited external threat.

The Sandinistas' internal repression is something that their traditional supporters cannot continue to ignore or to minimize. Let me cite one important, but by no means the only example. The only substantial alternative source of authority in Nicaragua is the Catholic Church. Archbishop Obandoy Bravo is a national leader, but his sermons no longer are allowed to appear on national television. Just as in Haiti in the last months of Baby Doc Duvalier, the church radio station has also been shut down.

Some Americans with credentials above reproach recognize the extent to which the Sandinistas have gone to bring the church under effective government control through harassment and persecution. The archbishop of Boston, Cardinal Bernard Law, and the archbishop of New York, Cardinal John O'Connor recently sent a letter to Archbishop Obandoy Bravo of Managua. In it, and here I quote the letter, the two American religious leaders tell Obandoy that "we know your suffering when attempts are made to violate the religious conscience of Nicaraguans by denying them access to the liberating teaching of the church. This has been done by physical harassment, crude attempts at intimidation, and censorship. Priests have been expelled from your country. Offices of your archdiocese have been raided by military personnel and remain under military occupation. You are subjected to a barrage of distortions, slanderous insults, and innuendos at home and by some representatives of the government abroad."

The leading newspaper that was a voice of dissent in the days of the Somoza dictatorship, La Prensa, is again muzzled today. There is dispute about the extent of disappearances, assassinations, and torture committed by Nicaraguan security forces, but the most optimistic estimates still reveal a repressive environment.

Our ability to affect these internal conditions, or the Sandinista government's external support for Salvadoran guerrillas, is limited. At this point, our best instrument, flawed though it is, is the Nicaraguan armed resistance. The Sandinistas, I believe, have shown a complete unwillingness to engage in serious talks with their own opposition. instead they have used the period of cessation of United States military aid to the Contras in 1984 to intensify their military operations against Contra-held territory in Nicaragua. The only hope we have of their coming to the table is to make their current policy—of repression, mobilization, militarization, and diplomatic evasion—too costly to continue. The Contras are our only avenue of approach to achieve that end.

I do not believe this course is an abandonment of diplomacy. In fact, the aid package we will approve contains a 3-month window at the end of which time there must be a reassessment. Our aim in Central America, and my aim in supporting this bill, is to force negotiations leading to an end to Sandinista repression and a liberal and democratic process and the truly free elections the Nicaraguan people hope for.

One concern we cannot ignore are the questions raised about the Contras' human rights record. There have been atrocities and this creates serious substantial doubts about the Contras' future standard of behavior in Nicaragua. Significant efforts are being made, however, to reverse this situation. Those who have visited the Contras' camps in Honduras have seen signs of this progress, in the form of court martial notices posted to show what now happens to those who violate the rules of war. Our aid package explicitly charges the Contras with policing and enforcing the code of battlefield conduct, and denies any assistance to groups that keep human rights violators in their forces.

In the aid package we have approved for the Contras, $3 million will go just to ensure that Contra fighters are trained to respect human rights in Nicaragua. The reports which the President must submit to Congress on a regular basis to keep this Contra aid flowing will detail progress that has been made in protecting human rights in areas where the Contras fight the Sandinista army. This package explicitly forbids aid to any group that counts violators of human rights in their ranks.

The tragedy of Nicaragua is something that all of us recognize. It is a country that deserves peace and a chance to develop. Its people, all of its people, whether Sandinistas or not, deserve a place in their national political life. The Sandinistas are the only ones who can spare their citizens fur-

ther suffering, by opening up their system and giving a voice to those who now can only speak with their armed resistance.

Mr. President, I ask that the letter to Archbishop Obando from the archbishops of Boston and New York be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

BOSTON, March 14 /PRN/.—The Office of Communications of the Archdiocese of Boston today released the following letter sent by Cardinal Bernard F. Law, Archbishop of Boston, and Cardinal John O'Connor, Archbishop of New York, to Cardinal Miguel Obando y Bravo of Nicaragua:

PR Newswire, March 14, 1986.

His Eminence Miguel Cardinal Obando y Bravo,
Arzobispado, Apartado, 3030,
Managua, Nicaragua.

YOUR EMINENCE: The present trials through which you and the Church in Nicaragua are suffering are a poignant reminder that the mystery of the Cross continues to be lived in the Body of Christ. During this Lent, your two brother bishops in the United States, who were called to membership in the College of Cardinals with you last May, have often thought of you and discussed the courageous efforts you make for the well-being of the Church and the people of Nicaragua. We have taken the extraordinary step of making this letter public so that the faithful in our Archdioceses and as many as possible in our country will know what is actually happening to their brothers and sisters in Nicaragua.

We share your deep pain when your people are denied the full opportunity to build a just, peaceful and progressive society based on the transcendent dignity of each human person. We know your suffering when attempts are made to violate the religious conscience of Nicaraguans by denying them access to the liberating teachings of the Church. This has been done by physical harassment, crude attempts at intimidation, and censorship. Priests have been summarily expelled from your country. Offices of your archdiocese have been raided by military personnel and remain under military occupation. The Archdiocesan newspaper, Iglesia, was confiscated after its first edition, and the Catholic radio remains closed. You are subjected to a barrage of distortions, slanderous insults and innuendoes at home and by some representatives of the government abroad.

In this ordeal, the Church in Nicaragua has been seeking to maintain a constructive dialogue with the government in an attempt to reach a climate of mutual respect so that the Church can play a role in the reconstruction of your country. We want to assure you of our solidarity with you. With you we are praying for that peaceful reconciliation necessary to rekindle the original hope of the resolution. For this to take place, it is essential that there be an immediate cessation of the present unjust restrictions suffered by the Church and other sectors of Nicaraguan society. This will undoubtedly provide a powerful impetus to the just resolution of the conflicts in your country and in that strife-torn region.

Be assured of our prayers and support, our brother Cardinal, through the intercession of the Blessed Virgin Mary, the "Most Pure," as the Nicaraguan people particularly venerate her.

Fraternally yours in Christ.

BERNARD CARDINAL LAW
Archbishop of Boston,
JOHN CARDINAL O'CONNOR
Archbishop of New York

Mr. LEAHY. Mr. President, yesterday I spoke about the folly of sending additional aid to the Contra rebels trying to overthrow the Nicaraguan Government. My views are shared not only by so many of my constituents in Vermont, but by the editorial writers of so many of Vermont's newspapers.

I ask that several representative editorials appear in the RECORD at the conclusion of my remarks.

The editorials follow:

[From the Barre-Montpelier (VT) Times Argus, Mar. 19, 1986]

FEAR AND LOATHING

We can't say we were surprised by the speech President Reagan delivered to the nation Sunday night. The Great Communicator took to the airways to try to turn public sentiment in favor of this plan to give $70 million in military aid to the rebels fighting to overthrow the government of Nicaragua. His talk was filled with his usual assertions about what great "freedom fighters" the Contras are and how this brave band of honor-bound soldiers is all that stands between us and annihilation at the hands of the Red Horde.

The speech was infuriating. And what incensed and disturbed us the most was to see such hate-mongering on the part of the president of the United States. All of the rhetoric—his references to "the Nicaraguan military machine," "the malignancy in Managua," "the Communist menace," "the outlaw regime," "the Communist enemy"—seemed designed to whip people into a frenzy of fear and hatred.

He said the Contra aid would be spent in "defense of our own southern border," and he warned that the Sandinista's could become "a mortal threat to the entire New World." "Ask yourselves," Reagan said, "what in the world are Soviets, East Germans, Bulgarians, North Koreans, Cubans and terrorists from the P.L.O. doing in our hemisphere, camped on our doorstep? Is that for peace?" Apparently, we are to believe that all Bulgarians and East Germans are terrorists and anytime they are abroad in the world they are on an evil mission.

If Reagan were president of a homogeneous nation whose people had suffered years of persecution, we could understand if he showed signs of xenophobia. But the strength of this country, which Reagan is forever touting, has come from its openness and its ability to accommodate and assimilate all kinds of people, including Bulgarians, East Germans, Palestinians, North Koreans and Russians.

Its success stems in large part from the fact that people, despite their cultural or social differences, share many of the same dreams and goals and have believed they would be free to pursue them here. It is this underlying human understanding that Reagan either ignores or fails to grasp when he launches into his diatribes of hate against all people whose leaders may have leftist leanings or buy guns from the Soviet Union.

We understand that Reagan has a deep-seated, personal obsession with Communists, which dates back to his days in the Screen Actors Guild in Hollywood. But whatever happened to Reagan the actor 40 years ago is no reason for him to try to carry out a private vendetta against any sovereign country that decides to fly a Communist flag.

We can't help but think of the People's Republic of China when we hear Reagan talk about the great Communist menace. For 20 years, we refused to acknowledge that this country of nearly a billion people existed. But now that we have pulled our heads out of the sand, we have come to understand that the Chinese are not monsters who are going to overrun our country, make us all wear the gray jackets and caps favored by Chairman Mao and eat our children.

We have learned that we can carry on trade and conduct cultural, scientific and educational exchanges to the benefit of both countries. If a billion Communsit Chinese are not a threat to our national security and the "entire New World," how can three million Nicaraguans be such a menace?

If Reagan had any real concern for the people of Nicaragua, he would use U.S. resources and influence to help bring economic stability to the country. If he wanted Nicaragua to join the family of democratic nations, he would try to ensure that the conditions were right there for democracy to flourish. Giving $70 million to the Contras to escalate their guerrilla war will not bring about those conditions.

As president of the country that likes to think of itself as the champion of freedom, Reagan should take the lead in trying to further understanding among people and nations, not wage a campaign to incite fear and loathing in the hearts of his fellow Americans.

NICARAGUA DIALOGUE

When you have a man like Pat Buchanan on your staff and your staff is based in the White House, it's difficult to keep dialogue at a high level. Presumably Buchanan was hired because of his reputation as a master of invective.

Keeping Buchanan in mind, auditors have difficulty wasting too much sympathy for President Reagan when he complains about his adversaries engaging "in some of the most scurrilous attacks against me . . . the most dishonest use of distortions and outright falsehoods that I have heard in a legislative debate." All this in relation to House defeat of $100 million in aid to the Nicaraguan contras.

No one should blame the president for being upset by House rejection of the latest administration effort to bring the contras back into active resistance to the Sandinistas. It was a key vote and the result was the kind of outright defeat that Reagan is not accustomed to, but there are reasons why he may have feigned at least some of the anger that he expressed in decrying opposition tactics.

After all, the expectation is that in the end the president will get most, if not all, of what he wants from Congress in keeping the war going in Nicaragua through the use of the same legislation via the Senate. Administration prestige is at stake and that means to a great extent the prestige of the nation, as far as the commander-in-chief is concerned.

President Lyndon Johnson, it will be remembered, as a matter of personal pride had no intention of presiding over a defeat in Vietnam. The war in Nicaragua hasn't reached a comparable stage, but some of the same considerations are involved. And Reagan's state of mind may be much like that of Johnson. Vermont's venerable Sen. George D. Aiken, if memory serves, became persona non grata at the White House after suggesting it was time for the United States to turn the conduct of the war over to the South Vietnamese and withdraw. That was a thoroughly scurrilous proposal if there ever was one, from Johnson's viewpoint.

It has been pointed out that the contras have had good support from Honduras and El Salvador but that other Central American countries, though concerned about what is happening in Nicaragua, are not anxious to make any public declarations of sympathy for the contra insurrection. For one thing they aren't that certain about future American policy.

They would prefer to stay neutral to the Sandinistas while enjoying American good will, something that may become increasingly difficult if the war intensifies. Even the Soviet Union may not be all that enthusiastic about what's going on in Nicaragua either. The Soviets have enough to do helping Cuba and Castro stay afloat.

This is not a case of the neighbors saying let you and him fight. They'd rather not have any fight at all, hoping the Communist threat would simply go away from their borders and that the Nicaragua situation would simply simmer down without a major conflagration. They and the USA should be so lucky.

NICARAGUA POLICY IS UNWARRANTED

However the Reagan administration may believe it is serving the national interest by continuing to support the Nicaraguan contras, guerrillas who are seeking to overthrow the Sandinista regime, the fact is that the policy represents and unwarranted intrusion in the international affairs of another nation.

There is growing alarm in Latin America, Europe and Japan over the nature of U.S. intervention in Nicaragua and other Central American countries. During a meeting last week, foreign ministers of eight Latin American countries appealed to Secretary of State George P. Shultz to halt U.S. aid to the contras and work instead toward a negotiated settlement of differences in Central America. They urged that the United States resume direct talks with the Nicaraguan government. Washington broke off the talks last year.

The peace initiative, known as the Caraballeda Message, was worked out last month during a meeting of the Latin American foreign ministers in Caraballeda, Venuzuela. It calls for removal of all foreign military advisers from Central America, suspension of foreign military maneuvers, a halt to support of guerrilla armies and respect for the self-determination and territorial sovereignty of each country.

Under the plan, there would be a freeze in the region's military buildup, foreign military bases would be removed and political pluralism and human rights would be respected.

President Reagan is expected to ask Congress late this month or early in March for up to $100 million in military and non-military aid for the contras even though 31 House Democrats have asked him to postpone the request until after a March meeting of Central American heads of state. They will be seeking to revive the stalled peace talks. But it appears unlikely that Reagan will heed the call.

What should be clear to the public, however, is that U.S. intervention in the affairs of any country is a clear violation of the principle of self-determination. Meddling by Washington in Central America can only create resentment among those leaders who consider themselves friends of the United States. And it could easily lead to further difficulties for this country in Latin America.

Giving military aid to the contras is nothing more than a naked attempt to undermine a government in Managua which appears to have support of the Nicaraguan people. While it is true that the Sandinistas have used repressive tactics in dealing with dissenters, it is equally apparent that pressure from the contras may have created the situation.

U.S. diplomats should be willing to sit down and discuss their differences with the Sandinistas as part of an effort to cool tensions in Central America. Such a step might well be the beginning of a process which could bring peace to the region.

Until that is done, Congress should resist administration requests for more money for the contras.

A FATAL FALLACY

A fatal fallacy underpins the Reagan administration's efforts to use force as leverage against the government of Nicaragua. We have apparently not learned that force used against a highly motivated, nationalistic people does not work.

In Vietnam, we thought it would. Lest we forget, we ought to remind ourselves of the maddening cycle of violence that had trapped us back then. We would bomb them back to the bargaining table. We would force them to recognize our superior firepower. We would make them fear us.

In the end, we struck a deal, forced to the bargaining table by our failure to defeat a people who would not be defeated.

Our policymakers defend their reliance on force today in the same way. It is necessary leverage, they say. We must make them hurt in order to make them talk.

But the Sandinistas have already demonstrated a willingness to talk; it is the U.S. that has spurned negotiations. We don't want to negotiate because we do not want to compromise. To compromise would allow the Sandinistas to remain in power. And Reagan is determined he will not allow that to happen.

Mr. WALLOP. Mr. President, reflecting on the events of the past week has given me great cause for concern. I recognize what the distinguished majority leader said this morning in his opening remarks, that over the last year we have come a long way in forging a bipartisan policy in Central America. Today, no one doubts that the Sandinistas are an unsavory, immoral regime that neither has nor deserves the support of its people. No one doubts that the Sandinistas understand themselves as Marxist-Leninists, committed to carrying the banner of the Soviet Union, exporting revolution and tyranny to their neighbors, and enslaving their own people. No one doubts that the existence of such a Marxist-Leninist regime in the Western Hemisphere is a supreme threat to the national security of the United States.

Yet I would argue that in the past week, despite all the progress that I acknowledge has been made, we have moved away from a sane Central American policy, a policy that will command the support of the American people.

These events began with the hint of compromise that emerged from the White House before the House vote last week. Itself, a generally innocuous offer—which, by the way, won them no votes in the House and in my view lost them at least half a dozen—has opened a floodgate of amendments, modifications, and proposals which have the effect of watering down or indeed, negating the true purpose behind the President's request for $100 million in aid to the freedom fighters in Nicaragua. That purpose is to force the illegitimate Sandinista regime in Nicaragua to live up to their commitments to the Organization of American States, to the people of Nicaragua who fought against the Somoza regime along side the Sandinistas, and to the entire world. That is, to establish the basis for a civil society in Nicaragua. That little compromise, in short, changed the nature of our task from one of advancing policy to one of defending charges. No wonder the winds blew hard!

We have heard complaints that the American people are not four square behind our policy. Well, I believe that the amendments and modifications that have been proposed to date will foster increased hesitancy among our people. We are in fact giving the Senate's credibility to a national hesitancy. We who have the classified briefings, we who have the information about what the Sandinistas are up to in Central America, in our country and around the world. Last night I intended to insert in the record a quote from Winston Churchill who, in his fight to awaken the government of Great Britain to the threat of a rearming Germany, understood that it was at these times of national hesitancy that a nation's leaders earn their salt:

> No doubt it is not popular to say these things, but I am accustomed to abuse and I expect to have a great deal more of it before I have finished. Somebody has to state the truth. There ought to be a few members of the House of Commons who are in a sufficiently independent position to confront both ministers and electors with unpalatable truths. We do not wish our ancient freedom and the decent tolerant civilization we have preserved in this island to hang upon a rotten thread.

The rotten thread today is that, despite the fact that I am sure this measure will pass the Senate today and the House at a later time, it will be burdened with some 24 pages of self-doubt and ambivalence. That hesitation will

allow many to go back to their constituencies and argue that we did the best thing: we supported the President but we also supported the cause of peace through negotiation by hamstringing the Contras from doing what they will have been given the aid to do in the first place, by making them stand up to impossible requirements of behavior in a country in the grips of a totalitarian regime, requirements which we did not and no one would have dared to impose on the Sandinistas in their original revolution in 1979. This is the rotten thread.

The hesitancy we are about to incorporate into this resolution will begat hesitancy among the general public. We have moved, therefore, in the last week from asserting the merits of a positive policy to deal with the growing threat in Central America, a policy that is the just and proper thing to do, to defending before a minority view in this Senate each and every thing we are asking to do. The logic of this position is that we do not trust the Contras, that we are unsure of the course that we are taking, that we are ambivalent about our responsibility to foster and support freedom and democracy in this hemisphere. If this is the truth, and I do not for one moment believe that this view is shared by a majority of this house, then we ought not support this measure.

But as regards the Communists, the Marxist-Leninists Sandinistas in Nicaragua, I can only conclude from these proceedings that the lessons of history have gone unlearned, and the textbooks unopened. We hear that it is the United States that is pursuing an aggressive policy in Central America. We hear that it is the United States that is pushing the Sandinistas into the hands of the Soviet Union and their Cuban lapdogs. We hear that it is the United States, through military aid to the Contras, that is causing the increasing militarization of Nicaraguan society.

We have even heard today the outrageous claim that the Sandinista attack on Honduras, in which Cuban troops fought side by side with Sandinista special forces, is after all no different that the movement of U.S. forces into Cambodia during the Viet Nam War to stop the flow of supplies from the north to the Viet Cong in the south! This view is so naive that it would be laughable, if it were not so dangerous. It plays directly into the plans of our enemies. It places the United States and the West, and the Soviet Union and its clients around the globe, on the same moral plane. I do not believe for 1 minute that this is the consensus of the Senate, but this not so trifling idiocy is now in the RECORD.

The Congress is responsible in many respects for the failure of this policy:

Critics charge that if the threat is so great, why are you only asking for $100 million? I agree with this criticism, but the White House believed, because of the totally irresolute views of both Houses on this issue in the past, that $100 million is all that we would give them. I would support an amendment from either of the distinguished Senators from Massachusetts to double, treble, or even quadruple the President's request. I would gladly cosponser such an amendment, but you and I know that the dollars are not their issue, but their excuse.

Critics charge that the rest of Central America does not support our policy. But then who would trust the United States if its support continues to be so ambivalent. How can these governments openly support our policies if they know that in so doing, and after the U.S. Congress withdraws its support, that they will be the first to go to the wall when the Sandinistas are victorious in their country?

Critics charge that the real choice here is between war and peace, between a negotiated outcome or a military outcome. How can the public possibly stand behind a sane, prudent Central American policy if the level of debate on this floor is so low, so simplistic. There is not now, and there never has been, a clear distinction between a military option or a negotiating option. What leverage will we have over the Sandinistas if we cannot confront them with an alternative more distasteful than continuing their totalitarian development in Nicaragua and actively promoting totalitarian revolution throughout Central America? Wasn't it Frederick the Great who once commented: "Diplomacy without military power, is like music without instruments."

Critics charge that the Contra aid will only perpetuate the war going on inside Central America. They ignore that there was already a war going on in Nicaragua before the issue of Contra aid. It is a war that is depreving the Nicaraguan people of all the liberties and freedoms that we hold dear. It is a war whose objective is to destroy the human spirit of the Nicaraguan people. In another sense, of course, these critics are right.

It is the defender who always chooses war, not the aggressor. The aggressor would always rather reap the fruits of war without having to fight. We could have ended the war in Europe in 1941 or 1942 by not supporting the British and the Soviet Union in their hour of need. I am sure that Adolph Hitler would have been happy to end his war, at least temporarily after the capitulation of Great Britain and the Soviet Union to the armies of the Wehrmacht. Whether such a policy would have been moral, would have improved the lot of Europeans who had to survive another 4 years of war, or even whether it would have ended the bloodshed, I leave to the judgment of my colleagues. Not supporting the Contras will not end the bloodshed. It will not end the misery. It will not provide freedom to the people of Nicaragua. It will not do these things because the Contras are not the problem in Nicaragua, they are part of the solution. It is the Sandinista regime, Mr. President, that is the problem. Tyranny is their misery, not war.

The choice that is now before this Senate, and the choice I must face, is between voting for no aid to the Contras and voting for an aid package that has been so weakened by compromise that it is practically inarticulate and will not inspire the confidence of the American people. Perhaps that former option is the better, but that would be no help to the Contras at all. I intend to vote for this resolution because it does at least provide some small measure of assistance to the freedom fighters in Nicaragua. But let one thing be clear. This policy is no longer simply the policy of the President. It is now a policy that has been fashioned to a great degree by this body.

Therefore, I will regard, as I believe history will regard, any failure in this policy as being the joint responsibility of the Congress and the administration.

Mr. BOSCHWITZ. Mr. President, I believe our Central American policy has been a success. Some of my colleagues may disagree, but think for a moment. Five years ago, things were just terrible down there. Hundreds of people were dying each month at the hands of death squads. There was no democracy in El Salvador, Guatemala, or Honduras. Costa Rica was the only democracy in the region and she had had democratic institutions for a century.

What's the situation today? All those countries are democracies, albeit fragile ones. They have made tremendous progress. Oppressive military dictatorships have been replaced with elected officials. And to achieve this I believe our policies and the way we leveraged our aid helped immeasurably.

It's hard to deny the success of our Central American policy, and yet the same people who were objecting to our helping El Salvador and those other countries are now objecting to our aiding the Contras. I believe our policy in Central America has been right on target and I'm willing to continue on with it.

The controversy over providing aid to Contras fighting the Sandinista regime in Nicaragua has been swirling around Capitol Hill for a long time now. The Sandinista regime has perverted its revolution by turning its back on democracy, forcing all non-Marxist elements out of the government while clamping down on freedom of the press and freedom of religion.

Nicaragua has served as a haven for subversion against its neighbors and has aligned itself with Cuba and the Soviet Union.

Almost everyone now concedes that the Sandinista regime has betrayed the people of Nicaragua. Even the Washington Post has recognized that fact in recent editorials. So, at least we have arrived at a common diagnosis if not a common prescription. I will support assistance to the Contras—not because I am totally satisfied with their past actions—but because I believe it is a useful stick to prod the Sandinistas to negotiate. I am also persuaded that the Contra leadership is now sensitive to our concern for democracy in Nicaragua.

Perhaps the best way to determine our policy in Nicaragua is to review the historical facts. After the revolution of 1977-78, the Carter administration attempted to normalize relations with the new regime and offered generous amounts of assistance. In fact, we gave the new Sandinista government $112 million in aid, more than we had given the Somoza regime in the preceding 30 years. The Sandinistas, however, chose to spurn our help and desire for peace.

The Reagan administration also attempted to establish a working relationship with the Sandinistas during most of 1981. Again, the Revolutionary Directorate was not receptive. Instead, they began to build up military capabilities, to forge closer ties to Cuba and the U.S.S.R., and to allow Nicaragua to become the headquarters for the guerrillas fighting against the Government of El Salvador.

Only as a result of these actions did the United States begin to channel assistance to opposition elements—as a means of blunting Sandinista subversion of its neighbors, impeding consolidation of the regime, and providing an incentive for serious negotiations.

While I'm not one who is inclined to find a Russian under every rock around the world, I am concerned about the continuing presence of Soviet and Cuban advisers, or technicians in Nicaragua. I am also very concerned because of the external threat Nicaragua poses to the developing democracies of Central America. These small countries have been particularly vulnerable to the Nicaraguan-sponsored subversion. Many of us here in Congress—from both sides of the aisle—are gowing increasingly concerned about this continuing activity. Even those who have been very critical of the administration's policies in Central America and Nicaragua's neighbors are upset.

In effect, Nicaragua serves as a center of a subversive network that includes Cuba and various South American guerrilla groups. The Communist regimes of Eastern Europe and Vietnam, the radical regimes of Libya and Ethiopia, and the PLO all provide support. It appears that the Sandinista National Directorate closely monitors the activities of representatives of terrorist and guerrilla groups that maintain at least 30 offices in and around Managua. Costa Rican officials have determined that Nicaraguan diplomats were directly involved with terrorist bombings in their country. As if this weren't enough, Latin American terrorists and guerrillas receive military training at camps in Cuba and Nicaragua.

In protest of Nicaragua's actions, President Reagan imposed a trade embargo and other economic sanctions against that government on May 1, 1985. Administration officials acknowledged that the action was largely symbolic, because Nicaragua's trade with the United States had dropped sharply and because other nations may make up for whatever trade is lost. However, the sanctions filled what many in Congress saw as an inconsistent gap in the Reagan administration's policy toward Nicaragua.

Quite frankly, I opposed these economic sanctions—and voiced my opposition to the Senate Republican Caucus and to Vice President BUSH—because they are often self-defeating. We in Minnesota have some experience with economic boycotts and embargoes, the most devastating being the grain embargo against the Soviet Union in 1980. Embargoes have not been effective in the past and I'm not too sure they will, by themselves, bring about the desired change in this case either.

Nicaragua also continues to increase its own armed forces beyond any defensive need. This unprecedented buildup began long before there were any guerrillas threatening and Sandinistas. As a matter of fact, the Sandinistas began planning and developing their large military force in 1979 and 1980, when the United States was their single largest source of economic assistance. The United States gave them five times more than any other country.

As an indication of the dimensions of the Sandinista buildup, consider this: The Somozas maintained their control of the country with 11,000 to 12,000 troops. The Sandinistas now have 60,000 or more under arms in regular forces plus at least that number of reservists—an enormous number for a country that is about two-thirds the size and two-thirds the population of Minnesota, my home State. If the United States had an army and a reserve of proportional size, we would have 12 million people under arms, a number far larger than our forces in World War II.

Honduras and Costa Rica clearly feel threatened by Nicaragua's growing offensive capabilities. In fact, the Honduran Government has confirmed reports of a major Nicaraguan incursion that began last Saturday involving "well over 1,000 Nicaraguan troops" and penetrating about 12 miles into Honduras.

Last year, I supported nonmilitary assistance to the Nicaraguan freedom fighters because the anti-Sandinistas are Nicaraguans who have chosen to risk their lives rather than live under the increasingly dictatorial Sandinista regime. They became disillusioned with the broken promises. Indeed, many of the Contras were part of the coalition that overthrew Somoza; some were surely allied with Somoza but the overwhelming majority now are not. However, the Marxist-Leninist elements, with the preponderance of military power, forced these groups out. And until the Nicaraguan regime began to face armed internal opposition, it suffered no costs for its support of subversion and terrorism in the rest of Central America. Frankly, I believe it is this kind of pressure that will cause the Sandinistas to engage in meaningful negotiations; and, it's through meaningful negotiations that a solution to this conflict can be found.

I think it is important that we provide assistance, both to Nicaragua's neighbors and to anti-Sandinista forces. Such assistance is vital to achieving peace and democracy in the region. I hope my colleagues share my desire to preserve freedom in Central America and will vote for aid to Nicaragua's freedom fighters.

I continue to hope that our help will end the agony that Central Americans are enduring. The Sandinistas must be responsible to the concerns of the region as a whole and to their own people's desire for freedom and peace. That was what their revolution was all about.

Mr. President, I ask consent to place in the RECORD four editorials that reflect my sentiments quite well.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the New York Times, Jan. 13, 1986]

KEEPING PRESSURE ON THE SANDINISTAS

(By Elliott Abrams)

WASHINGTON.—The debate over what is to be done about the Communist regime in Nicaragua will resume when Congress returns on Jan. 21. This year, however, the argument is not over who the Sandinistas are; it is over what can be done to stop their continuing repression and subversion.

There is, by now, no question that the Sandinista regime is repressive and undemocratic, and that it is subverting neighboring democratic Governments. The evidence has been mounting for years. Recent events reveal tightening Sandinista repression of the press, the internal opposition and the church, as well as continuing Sandinista efforts to overthrow President José Napoleón Duarte in El Salvador. There is now also concrete evidence that the Sandinistas support terrorism in South America—that they

provided some of the weapons used last month to attack Colombia's Supreme Court. Finally, it has become clear that Cuban combat troops, including pilots, play an increasingly important role in Sandinista efforts to crush the democratic resistance.

That much is clear. But what can be done about it? The Administration is convinced that the Sandinistas are dedicated Communists who will never willingly permit a free press or competitive elections and never willingly stop trying to "liberate the masses" in neighboring countries. For us, this means that only pressure will lead them to change their behavior—and we are applying strong pressure, directly and indirectly, searching for an agreement that could open the way to democracy. That is the only realistic way to achieve peace in the region.

Critics of the Administration's policy propose that we abandon our efforts to promote genuine democratic change. Instead, they suggest that we seek agreements in which Sandinistas promise only that they will stop subverting their neighbors.

Such a policy is chimerical and inherently flawed. First, it ignores recent history. Since the Sandinista takeover in 1979, President Jimmy Carter and then President Reagan attempted repeatedly to persuade the Sandinistas, through diplomatic means, to end their subversive activities. We were rebuffed every time. The Sandinistas believe that it is their right, their historic duty and in their strategic interest to spread their revolution beyond their borders.

Second, this approach ignores our moral responsibility to the people of Nicaragua, who fought so hard to win their freedom, only to see their revolution betrayed by a small band of Marxist-Leninists. At the very moment when democracy is prevailing elsewhere in Latin America with our support, can we be indifferent to the Nicaraguans' aspirations?

Finally, such an approach ignores compelling pragmatic reasons for seeking democracy in Nicaragua. Let us face facts. Agreements alone will not guarantee an end to clandestine Sandinista support for terrorism and subversion throughout Latin America. Whatever agreements may be negotiated, there can be no sealed borders between Nicaragua and its neighbors. Ultimately, only the people of Nicaragua can verify that agreements will be respected.

Only if the people of Nicaragua can express themselves freely and choose their own government through fair and open elections will they be able to protect their own rights and those of their neighbors. Only Nicaraguans can be the sentinels of their own liberty. The 21 objectives drawn up by the Contadora countries—Mexico, Venezuela, Panama and Colombia—clearly reflect this view in their insistence on democracy.

The Sandinistas' contempt for international law has been clear for some time. They have broken their promises to the Organization of American States to bring democracy and peace to Nicaragua. They have reneged on their commitments to the Contadora nations. They have solemnly sworn before the International Court of Justice that they have never supported the Salvadoran guerrillas, though for years they have provided weapons, training and support, and continue to do so to this very day.

In Nicaragua, our moral goals and our security interests are identical: Democracy in Nicaragua will reinforce democracy throughout Central America, while a totalitarian regime in Nicaragua threatens those fragile democracies. Thus, the only sensible policy is to continue and increase the pressure on the Sandinistas to accede to the wishes of the Nicraguan people—for democracy, for freedom and for peace.

World's Leftists Find a Haven in Nicaragua

(By Juan O. Tamayo)

Managua, Nicaragua.—Scores of left-wing militants from around the world—some of them wanted on terrorism charges in their home countries—have settled in revolutionary Nicaragua since the Sandinista triumph of 1979.

Some are treated by the Nicaraguan government as virtual diplomats, representing their organizations. Others are fugitive militants, granted jobs, identification papers and safe haven.

An overwhelming majority are simple political exiles or leftist sympathizers come to express solidarity with the Sandinista revolution and mingle with ideological brethren in a friendly environment.

Several Sandinista officials acknowledge, however, that a significant minority, mostly Latin Americans, are active guerrillas, plotting the overthrow of home governments. They hold strategy meetings and, sometimes, undergo military training here and in Cuba, the officials say.

The Reagan administration has used the presence of so many people with ties to left-wing groups as proof that Nicaragua has become a nest of international terrorism. U.S. officials say they will focus on these links in asking Congress to resume U.S. assistance to anti-Sandinista rebels. Anti-Sandinista leader Alfonso Robelo calls Nicaragua "the center of terrorism in Latin America today."

But several knowledgeable sources interviewed in Managua, elsewhere in Central America and in the United States argue that Nicaragua is less a terrorists' training ground than a tropical sand-and-surf watering hole for the international revolutionary set.

One leftist intellectual close to both exile circles and the Sandinista leadership called Nicaragua "a winter barracks for over-repressed guerrillas." Training of foreign terrorists, he said, "is not government policy."

Whether they are guerrillas-at-ease or terrorists-in-waiting, it is clear that Nicaragua is attracting them by the droves.

On almost any day, Argentine and Uruguayan guerrillas gather at the Yerba Buena, a beatnik-style coffee shop-bookstore in the heart of Managua. Salvadoran rebels can often be found dining at the Los Gauchos restaurant. Italians and Germans gather for small house parties.

Some are indeed fugitives: Italians from the Red Brigades and Unita Combatente Comunisti; West Germans linked to the Bader-Meinhof Gang; members of Spain's Basque ETA separatist guerrillas; leaders of Honduras' Cinchonero guerrillas; militants from Peru's Shining Path; Montoneros from Argentina; Tupamaros from Uruguay; and a hodgepodge of Salvadorans, Costa Ricans, Colombians, Chileans, Guatemalans, Paraguayans and Bolivians.

On Feb. 8, the Italian government handed the Sandinistas a list of 22 left-wing Italian extremists believed to be living in Nicaragua, some already sentenced in absentia to 22 years in prison, some wanted on arrest warrants, others described only as "subversives."

Clean Conscience

The Nicaraguan Foreign Ministry has denied any knowledge of the 22 Italians. Sandinista officials also say their "conscience is clean" regarding the Reagan administration allegations they consider most damaging to their image: Reputed links to Libyan strongman Moammar Khadafy. Iranian Moslem extremists and Colombian drug traffickers.

However, one ranking Sandinista official acknowledged that "we can't deny everything. . . . It is perfectly possible that on special occassions there would be [training] courses scheduled." The official, like almost every other knowledgeable source contacted, agreed to talk about the sensitive issue on promise of anonymity.

Some Nicaraguan officials, though not many, say they regard the aid to leftists as retaliation for U.S. support for anti-Sandinista guerrillas. And they say the European leftists are fighting NATO, "the symbol of American imperialism in Europe."

Conversations with a variety of sources indicate that the Sandinistas draw a careful distinction between guerrilla movements that have armies in the field and terrorist organizations that specialize in bombings, kidnappings and assassinations. Guerrillas, especially those from El Salvador and other Central American countries, can get training and guns. The others, mostly from Europe, are kept at arm's length.

Help Was Denied

But on occasion the Sandinistas have even denied help to Latin American guerrillas. Leaders of Colombia's April 19 Movement have told friends they were denied permission to use Nicaragua as a staging base for their 1981 incursion into Colombia's Caqueta province. A Peruvian writer known to be close to Shining Path guerrillas was expelled from Nicaragua last year. And Salvadoran rebels said that the Sandinistas almost refused them permission to use the Managua airport as a stopover last month for 10 crippled guerrillas traveling from Costa Rica to Europe for medical treatment.

Despite these occasional rejections, Nicaraguan government officials said, the Sandinistas have built an extensive, intricate and highly discreet system for maintaining and cultivating contacts with the foreign leftists and funneling different kinds of assistance to them.

Many Sandinista officials acknowledge that in a sense they are repaying past favors. The Palestine Liberation Organization trained at least 150 Sandinistas in Lebanon during the 1960s and 1970s, said a former Israeli intelligence agent who used to live in Nicaragua. And Argentina's Montonero guerrillas sent 20 to 30 foot soldiers to fight in the revolution, said Eden Pastora, a one-time Sandinista turned opposition guerrilla leader, in a Miami interview.

Cuba Relationship

The Sandinistas' relationship with Cuba dates back to 1961, when Interior Minister and Comandante Tomas Borge underwent guerrilla training there. Hundreds of Sandinista rebels eventually trained in Cuba. And in 1979, Havana sent several planeloads of guns and ammunition for the final offensive against President Anastasio Somoza.

Controlling today's aid system in Nicaragua is the Sandinista Front's Directorate for International Relations, supervised by Bayardo Arce, like Borge one of the nine *comandantes* who have ruled Nicaragua since 1979. Arce is regarded as one of the most

radical of the nine, which also include Nicaraguan President Daniel Ortega.

The directorate, all of the sources agreed, manages the Sandinista party's "fraternal" relations with everybody from official ruling parties, to loyal oppositions, to broad front coalitions, leftist alliances, guerrilla groups and bands of terrorists.

"This includes groups battered by repression because of their active opposition to their governments," said one Nicaraguan official. "Many of these are underground groups."

And many of them are still virtually underground in Nicaragua, under Sandinista orders to stay out of public view. Long-time Sandinistas said this is the same wink-and-a-nod arrangement the Cubans imposed on them when they lived in exile in Havana in the 1960s and 1970s.

The sources said at least 30 of the clandestine groups have *delegados* in Managua who are officially recognized by the directorate. A *delegado* has three duties: maintain official contacts with the Sandinista Front; organize his group's meetings, publications and other political work; establish links with other foreign groups and potential sponsors.

PLO EMBASSY

The Palestine Liberation Organization has an embassy and diplomatic staff in Managua. Colombia's April 19 Movement has a political office. The Salvadoran guerrillas have three news and propaganda offices, as well as a clandestine radio transmitter.

Once a *delegado* has established himself, his key job is to find work for down-and-out compatriots living in Nicaragua, Sandinista officials said. The directorate will not help here, but allows the *delegado* to exploit his personal contacts within the government.

One Latin American exile living in Managua said that Montonéros in 1980 offered to use some of their savings, amassed in dozens of ransom kidnappings, to build a Managua factory that would employ some of their guerilla countrymen. There is no indication whether the project was carried out.

Several of the *delegodos* have taken advantage of the Sandinistas' hospitality to summon followers abroad to strategy-setting sessions in Managua. Peru's Shining Path held a "spiritual retreat" last year to study Von Clausewitz's book *On War* and "the theory of betrayal" according to Shakespeare's Macbeth, said one person who attended.

Sandinista officials usually stay away from such revolutionary seminars, sources said, although they almost certainly know about them. "They are notoriously careful about who they let into the country, so it must be with their knowledge," one official said.

A former official of the Nicaraguan Interior Ministry who now lives in Costa Rica said the directorate also occasionally helps fugitive guerrillas and terrorists by arranging financial aid through labor unions and other Sandinista-run orgainizations. It also can provide safe houses, false passports, Nicaraguan identification cards and false license plates, he said.

The Interior Ministry's General Directorate for State Security and the Sandinista army, the source added, both have officers specially assigned to help any foreign leftist that gets into trouble—a car accident or a drunken brawl.

For the first four years of the revolution, the sources said, the Sandinistas provided a steady flow of aid and assistance to their leftist friends, especially the Salvadorans.

RIPE FOR REVOLUTION

"The Sandinistas triumph brought a certain revolutionary euphoria," said one Sandinista official with close ties to the exiles. "We thought all Latin America was ripe for revolution, so there was a lot of assistance going out. Those people could count on support.

But by mid-1983, the official said, and especially after the U.S. Invasion of Grenada in October of that year, the Sandinistas "began to realize that the tide of Latin American history was moving against us."

On Nov. 20, 1983, the Sandinistas gave the Salvadoran guerrillas two days to transfer some of the people out of Nicaragua and close down some safe houses. They moved some of their logistics operations, including a radio station, to more discreet locations on the outskirts of Managua, Salvadoran rebel officials said.

A year later, however, the Sandinistas moved in still another direction after noting that controversial U.S. policies—the Grenada Invasion and deployment of U.S. cruise missiles in Europe—had gone forward without effective International opposition.

Seeing themselves as the next target for U.S. aggression, Nicaraguan officials said, the Sandinistas sought closer links with the radical European left, the failed antimissile movement, other Latin American leftists and even U.S. liberals.

Visitors from the United States, Europe and Latin America now return home, said one official, "sensitized to the Central America problem, and if they'se spent any time at all here they have passionate sentimental links to Nicaragua."

Some of the visitors leave with more than passions. According to several of the sources, there is a second level of Sandinista assistance to Latin American leftist volunteers—one that includes military training.

Cuba's top military representative in Nicaragua, Gen. Arnaldo Ochoa, runs this program through two parallel chains of command, according to the former Interior Ministry official and two present Sandinista government officials.

CUBAN FORCE

One, the "Cuban Force," is made up entirely of Cuban officers. The other, the "International Force," has only Latin American exiles, many of them Argentines, Chileans and Uruguayans, who live in Cuba military. All foreign military advisers are issued Nicaraguan identification cares, the defector added.

Sources with access to the People's Sandinista Army's payroll records said about 700 Cuban military advisers and 555 International Force officers were in Nicaragua in 1980. The number tripled the following year, they added.

The pick of the Latin American volunteers go to Cuba for instruction. In special camps in the western province of Pinar del Rio and an installation near Guanabo, close to Havana, known as "Base))," the defector said. In 1983, he said, he saw Cuban military officers at the Managua airport escorting 10-12 Costa Rican volunteers aboard a plan for a flight to Havana.

Second-level prospects, the sources said, are trained in Nicaragua, either in groups from the same country or as individuals integrated into regula Sandinista army units. Several Honduran guerrillas captured in 1983 and 1984 described 2½ years of training in Cuba and Nicaragua, followed by several months of fighting with the Nicaraguan army against anti-Sandinista rebels.

Still, most foreign leftists living in Nicaragua did not come to hone military skills or hide out.

The majority are political exiles who fled right-wing governments, or they are militant leftists who moved to Nicaragua because of what one South American intellectual called a "moral imperative" to support the Sandinista revolution.

Many of the exiles, usually professionals and technicans who would have difficulties working in more developed countries, also came to Nicaragua because they can find jobs here, replacing a managerial class rapidly fleeing Sandinista rule.

And Nicaragua is a safe haven, a place where enemies cannot easily watch them, where they can gather in groups and perhaps persuade the government to grant them the kind of international solidarity that the Sandinistas enjoyed during their long struggle against Somoza.

"The Sandinistas received a lot of help when they were guerrillas," said a one-time high-ranking Sandinista security official now living in Costa Rica. "Now the others are collecting the debt."

[From the Miami (FL) Herald, Mar. 3, 1985]

SANDINISTAS ATTRACT A WHO'S WHO OF TERRORISTS

(By Juan O. Tamayo)

MANAGUA, NICARAGUA.—He is a 5-foot-11, gray-eyed surgeon, treating children in a Managua slum. She is a petite journalist, writing for a Paris Magazine. Both are fugitives, wanted in their native Italy for leading left-wing guerrilla gangs.

Two West Germans linked to the Baader-Meinhof Gang are now officers in the People's Sandinista Army. One is in charge of a counterintelligence unit. The other commands an artillery battalion.

And an Argentine Montonero guerrilla, widow of the Argentine rebel who led the commando team that assassinated former Nicaraguan President Anastasio Somoza in Paraguay, is dating a ranking Nicaraguan official trained as a guerrilla by the PLO in Lebanon in the early 1970s.

These are but a few of the left-wing extremists from Europe and Latin America who came to Managua after the 1979 Sandinista revolution, seeking safe haven and a chance to prove their solidarity with the Nicaraguan government.

It is the same kind of revolutionary "networking"—leftist militants call it "internationalism"—that benefitted the Sandinistas during their long guerrilla struggle to topple Somoza.

In the late 1960s, the Sandinistas signed a pact with the Palestine Liberation Organization to train Nicaraguan guerrillas in Lebanon. Somoza was a steadfast supporter of Israel, and Nicaragua was one of the first nations to recognize the Israeli state in 1948.

A former Israeli intelligence agent once based in Nicaragua said at least 150 Sandinistas were trained in the 1970s in Lebanon camps run by the Popular Front for the Liberation of Palestine, the PLO faction most committed to terrorism in Europe and the Middle East.

Veteran Sandinistas say that it was at the PFLP camps that the Nicaraguans first met European leftists—Germans from the Baader-Meinhof Gang and its spin-offs; Italians from the Red Brigades and other radical groups—and began establishing the close personal relationships that persist today.

"The European leftists believe that the Ho Chi Minh Trail and the Quebrada del Yuro run through their countries, too," said one Sandinista official, referring to a key guerrilla supply line in the Vietnam War and the Bolivian gully where famed guerrilla chief Ernesto "Che" Guevara was killed in 1967.

One PLO-trained Sandinista, Patricio Arguello, joined the PFLP's most notorious terrorist, Leila Khaled, in a botched attempt to hijack an Israeli jetliner from Amsterdam to New York on Sept. 6, 1970. Israeli security agents killed Arguello and captured Khaled, who was later exchanged for hostages seized by another group of PFLP hijackers. The Sandinistas have named a geothermal power plant after Arguello.

Another PLO-trained Nicaraguan was communications Minister Enrique Schmidt, killed in combat with anti-Sandinista guerrillas last November: Schmidt's widow, a West German citizen born in the Basque region of Spain, now works for the Sandinista Front's Department of Political Education. Health Ministry workers say she lectured them last year on the ideology of the Basque Homeland and Liberty guerrilla group, known as ETA, fighting for independence from Spain.

Yet another Sandinista trained in Lebanon is Deputy Interior Minister Rene Vivas. He is now dating an Agentine Montonero guerrilla, the widow of Julio Alfredo Irurzun, head of the Montonero team that assassinated Somoza in Paraguay in September 1980, in what the killers called a show of "revolutionary solidarity" with Nicaragua.

The PLO now has a fully accredited embassy in Managua, and the Sandinista front has "fraternal" relations with leftist groups from Italy, West Germany, Spain's Basque region, Argentina, Uruguay, Chile, Paraguay, Peru, Colombia, Libya, El Salvador, Honduras, Guatemala and Costa Rica.

The Italian government on Feb. 9 gave the Sandinistas a list of 22 Italian leftists believed to be living in Nicaragua—about half of them wanted fugitives, the rest described only as "extremists." The Foreign Ministry said it knew nothing about the Italians but would investigate.

Topping the list, obtained by The Herald, is Guglielmo Guglielmi, 39, a one-time Rome surgeon facing five arrest warrants for crimes between 1979 and 1983 ranging from kidnapping to illegal weapons possessions to "participation in armed gangs."

International terrorism records show that Guglielmi, now working at a government-run children's clinic in the Managua slum of Ciudad Sandino, was a top leader of the Unita Combattente Comunisti, a guerrilla band that spun off from the Red Brigades in the late 1970s. He was convicted in absentia last June of kidnapping and sentenced to 22 years in prison.

Aslo on the list is a 33-year-old Milan sociologist wanted on a warrant charging her with "organizing and leading armed gangs in Italy and abroad." An Italian woman with the same name as the fugitive is a journalist accredited in Managua as correspondent for a Paris-based magazine that specializes in Third World issues.

The fugitive is also described in the international records as a member of a group that helped Guglielmi and three other Italian fugitives move from Paris to Nicaragua after the Italian government accused France in 1983 of harboring more than 200 wanted Italian militants.

The woman journalist in Managua declined comment when two Italian journalists tried to interview her last month. "I am not who you think I am," she said. Her name is known but omitted here because of the absence of proof that the journalists and the fugitive are the same.

Roberto Sandalo, 27, a Red Brigades defector living in Kenya, told Italy's Oggi news magazine last month that five Brigadisti are now serving as officers in the Sandinista army. "That's a lie." Defense Minister Humberto Ortega said last week. "We do not require that type of support to defend our principles and our flags."

Sandinista government sources said two West Germans who have bragged of having been part of the Baader-Meinhof Gang are now serving in the army—one as a captain in an artillery unit stationed at the Montelimar base southwest of Managua and the other attached to a military counterintelligence unit.

A West German known only as "Fitz" has told friends there is a warrant for his arrest in Germany. "Fitz," described as an anarchist, fought in the Sandinista revolution and later worked as an administrator at the government-owned Julio Buitrago sugar mill.

Also living in Nicaragua is Peter Paul Zahl, a well-known West German writer with former links to Baader-Meinhof who spent four years in prison for the attempted murder of a policeman in Cologne, Germany. Friends said Zahl, who is not wanted for any other crimes, is in Bluefields setting up a theater group for the port's West Indian blacks.

Nicaraguan government officials said a handful of Basque ETA guerrillas also lived in Managua until 1983, when Spanish Prime Minister Felipe Gonzalez, a strong Sandinista sympathizer, protested to the Managua government. Several ETA members moved to neighboring Costa Rica and some went to Venezuela, the officials said.

Gregorio Jimenez, 32, an ETA militant wanted by the Spanish government on terrorism charges, was arrested in Costa Rica in September 1983 and charged with plotting to assassinate Eden Pastora, leader of an anti-Sandinista guerrilla group based in Costa Rica.

Costa Rican Justice Ministry officials say Jimenez, still awaiting trial, has confessed that a Managua-based group of ETA rebels planned Pastora's assassination, without authorization from the Sandinistas, but as a sign of "revolutionary solidarity."

Since the revolution triumphed, Nicaragua has also been visited for varying periods by a string of leftist militants from Europe and Latin America, many of them simple political exiles, some of them well-known guerrilla leaders.

Mario Firmenich, head of Argentina's Montoneros, traveled legally through Nicaragua—once staying several days in the home of Interior Minister Tomas Borge—as well as Mexico and Costa Rica before the Buenos Aires government put out a warrant for his arrest. He was detained in Brazil last year and extradited to Argentina.

Two Baader-Meinhof gang members visited Nicaragua in 1980 to express their support for the Sandinistas and explain the reasons for their own struggle. They sought out three foreign journalists living in Managua and granted them interviews, one of the reporters said.

And Lauro Azzolini, 41, a Red Brigades founder sentenced in absentia to 30 years in prison for the 1978 kidnap-assassination of Italian Prime Minister Aldo Moro, visited Nicaragua in early 1980 and tried to hold a news conference to explain Moro's slaying. Journalists invited to the conference said the Sandinistas blocked it.

Azzolini, alleged to have been the man who killed Moro with a close range blast from a Czechoslovak-made Skorpion machine pistol, was later captured in Italy and is in prison.

[From the Washington Post, Mar. 16, 1986]

THE NEUTRALITY ACT OF 1986

(By Charles Krauthammer)

The great "red" scare of 1986 is over. The president and Pat Buchanan have backed off the claim that those who want to end the contra resistance would ensure the success of communism in Nicaragua. The tone of the charge was uncomfortably accusatory. But that does not make the proposition any less true this week than last.

It seems to me an unexceptionable and rather undeniable fact: if the contras wither, as House Democrats devoutly wish, there will be an irreversible consolidation of Sandinista power in Nicaragua. Can anyone present a remotely plausible scenario in which the Sandinistas, unforced, either relinquish power or permit a free competiton for power—i.e., a democratic election?

That does not mean that those who are against contra aid want to see a communist Nicaragua. But the consequence of their position, however unintended, is certainly not unforeseen.

So it is dismissed. America's national interest, it is said, depends not on the form of a foreign government, but on its foreign policy. What we want is a Nicaragua that doesn't subvert its neighbors or permit the Soviets a military base. We don't care how it is ruled. Therefore the United States should work out a deal with the Sandinistas—a negotiated "Contadora" agreement under which the Sandinistas guarantee not to bother us or their neighbors, and we guarantee them control of Nicaragua by cutting off their opponents.

Now, what will prevent the Sandinistas from violating an agreement? In 1979 in return for hemispheric support, the Sandinistas pledged in writing to the Organization of American States to bring pluralism and democracy to Nicaragua. They got the support. They gave Nicaragua dictatorship.

Apart from their word as Leninist gentlemen, what is to prevent the Sandinistas from ultimately subverting, for example, Costa Rica? Or from bringing in Soviet MIGs and transports and submarines, quietly and gradually, exactly as Cuba has done for 25 years?

Bruce Babbitt, progressive, hard-headed, neoliberal Democrat, and an advocate of such a deal, has the answer. "The United States, with its overwhelming dominance of the hemisphere, has the power and the duty to enforce such an agreement," he writes in The New York Times.

American power. It seems, then, that the Marines will do the enforcing. So it is unanimous. Everyone agrees: cut off the Nicaraguans who want to fight the Sandinistas and the only cordon against Sandinista threats to regional and U.S. security will be American boys and American blood. Not very sanitaire. And this ia advertised as a counsel of prudence.

The current contra debate has produced the clearest division of the house in memory. The Democrats want to deal with the Sandinistas and the president wants to get rid of them. What muddies the waters is

the neither side is permitted to say what it really thinks.

Democrats have to pretend that they care about democracy in Nicaragua. And the administration must pretend it does not seek to overturn the Sandinistas. Democrats accuse the president of seeking a military solution, as if that would be undersirable. (It certainly did the trick for Castro in Cuba, for the United States in Grenada and for that matter, for the allies in World War II.) Even more absurd, the administration is forced to agree that victory is not its objective.

Instead, it has to cook up another preposterous mission on which to send Phil Habib. This one is designed to symbolize for House Democrats the administration's desire for a diplomatic solution. To be sure, House Democrats are easily impressed by airborne symbols. Last year, after all, a single flight to Moscow by Daniel Ortega convinced them that his agrarian reformer had pro-Soviet proclivities.

And now there is on-again, off-again talk of a compromise: the United States will starve the contras for a few more months, and the Sandinistas will thereby be induced to compromise and negotiate. This is the Nicaraguan version of that memorable Vietnam success, the "bombing pause." Only this time, the bombing—deadly fire from Afghan-tested Soviet M1-24 helicopter gunships—will continue. The pause will be in the supply of anti-aircraft defenses for those on the receiving end.

Compromise or not, if in the end the contras are cut off, the reason ultimately will be fear—fear of another Vietnam. It will not be the first time we have closed our eyes to a threat to escape an evil déjà vu. Opponents of contra aid see it as another Gulf of Tonkin Resolution. They might consider another analogy, the Neutrality Acts of the 1930s, by which Congress undertook to legislate American safety in a world of Nazism and Japanese militarism. After the passing of the Third Neutrality Act of 1937, the New York Herald Tribune wryly dubbed it "an act to preserve the United States from intervention in the war of 1917-1918."

Cutting off the contras will not repeal the Gulf of Tonkin Resolution. Nor will it bring us the blessings of neutrality. At least the isolationists of the '30s had an idea: hunkering down and hiding from the world in our own hemisphere. Where do we hide now?

[From the Wall Street Journal, Mar. 18, 1986]

CONTRA AID: THE STAKES

Even at this late date in the contra debate, the Reagan administration's official position is that the purpose of military aid is to bring pressure on the Sandinistas to negotiate and hold elections. The Democratic opponents argue that something must be done to check the spread of communism in Central America, but that the means should not be the military but diplomatic. This politesse on both sides obscures what is at stake in the contra vote.

There is not going to be a negotiated solution in Nicaragua; either it will have a Communist government or it will not. Who, after all, are the Sandinistas? They are a vanguard of Communists who appropriated the name of a local historical hero and captured an indigenous revolution in true Leninist form. They have driven Somoza's democratic opponents out of power and into exile, and are entrenching themselves with the full apparatus of a totalitarian state—a military machine, block committees, secret police with Cuban and East German advisers. They are armed by the Soviet Union, and support insurgencies against their neighbors. There is no example of such a government negotiating itself out of power.

What is at stake in Nicaragua is precisely whether the Communist revolution is, as Lenin claimed, historically irreversible. U.S. interests are involved precisely because we are engaged in a historic competition with a Communist empire, a competition over differing views of man, a competition between the democrats and the totalitarians. Since the defeat of Hitler's totalitarianism, we have recognized that in today's world we can no longer retreat into isolationism, that we have no choice but to resist the expansion of the Communist empire.

Over that long period, our record is by and large a credible one. Usually we have been able to help keep new lands from falling. But after the failure of our strategically questionable and irresolute commitment to Vietnam, the Communists went on the march in the world once more, clamping Southeast Asia under the yoke and expanding their influence in the Middle East, Africa and Central America.

More lately, we have been recovering the will and ability to resist. The turning point came before Ronald Reagan, with President Carter's outrage at the Soviet invasion of Afghanistan. The Reagan administration has been able to carry through the Carter administration's planned missile deployment in Europe, hold off the insurgency in El Salvador, and even, in the tiny case of Grenada, hand the Communist empire its first outright reversal. The result has been that, in places like Argentina and the Philippines, democracy is gaining in the world today.

Our strategic dilemma has been that the Communist reversals have been temporary and their advances have been permanent. We have not been able to help the Hungarians, Czechs or Poles when they rebelled against enslavement. We can do little for the boat people in Southeast Asia. We could do nothing at all for the Cambodians beset by the Khmer Rouge. In Afghanistan we can only raise the cost of Communist conquest.

In Nicaragua we now face a test, an incipient Communist totalitarianism in our own backyard. This is not Afghanistan or Vietnam, half a world away. The totalitarian apparatus is not yet fully entrenched; important resistance still comes from the church and from the contras. An outright Communist success would have immediate repercussions, keeping Central America in turmoil, diverting the U.S. from Europe and Asia and making life much more difficult for fledging democracies. (As indeed, Castroite subversion did much to check the spread of democracy in Latin America that looked so hopeful in the 1960s.)

The choice in the contra vote is not between military and diplomatic means. The opposition Democrats can talk of negotiation, but only to hide the real choice: Cut our losses, chalk up one more nation for the Communists and promise to do better next time. The administration can talk of negotiation, but only to hide the real choice: Keep up military pressure in the ultimate hope of toppling the Nicaraguan Communists.

What the chances of this are we cannot pretend to know, but it is galling to hear congressional opponents rest their case on its alleged impossibility. The contras were making substantial progress in 1984, until Congress pulled the rug out from under them. By all accounts, the Communist government is increasingly unpopular; if the contras start to gain there may be a popular uprising or defections from its own ranks. At least Col. Enrique Bermudez, contra military commander, is willing to say: "We have been able to resist and keep the pressure on the Sandinistas with no aid. With $100 million I am sure we can defeat the Sandinistas fast." One does not have to share his optimism to admire his spirit.

This brings us to two points. Col. Bermudez was a commander under Somoza, and somehow more ink has been spilled on the character of the contras than the character of the Communists. President Reagan now tells us that many of the supposed contra atrocities have been committed by Communist *agents provocateurs*. In Salvador, more U.S. aid quite predictably brought with it a better human-rights record. The Philippines proves Jeane Kirkpatrick was right; if we retain influence we can help steer countries toward democracy. If Col. Bermudez and other contras served Somoza, Mr. Marcos was long served by Defense Minister Juan Ponce Enrile, who put an army behind Corazon Aquino's election. And of course, the contras also include opponents Somoza such as Adolfo Calero and former members of the revolutionary government such as Arturo Cruz and Alfonso Robelo. Perhaps not all of the contras are democrats, but all of the democrats are contras.

Finally, there is the matter of American troops. The opposition Democrats say two things: that giving the contras aid commits us to sending troops, and that if Nicaragua becomes a Soviet base we can always send American troops. This has been eloquently answered by the editors of The News Republic: "Nothing is more likely to force American military intervention than the consolidation of an aggressive, highly militarized, pro-Soviet regime in the area.

The contras want to do their own fighting. Cut them off, and the only body in the hemisphere able to restrain the Sandinistas will be the U.S. army. Of course. American military involvement can never be ruled out. But destroying the only indigenous armed opposition to the Nicaraguans hardly seems the way to prevent it."

The endorsement of contra aid by The New Republic was echoed in a broadside ad signed by, among others, such Carter administration national security officials as Zbigniew Brzezinski, David Aaron and Richard Holbrooke, "The Sandinistas have presented the Reagan Administration with a taunting challenge: either send U.S. military forces to save our democratic friends in Nicaragua, or yield to the consolidation of the first Marxist-Leninist state on the American mainland. We believe there is a better alternative: give Nicaragua's democratic resistance the support it needs to survive this totalitarian assault."

Contra aid is now backed by liberal magazines and Carter administration officials. It got the vote of the Democratic chairman of the House Foreign Affairs Committee, Dante Fascell. Democratic Chairman Les Aspin forced it through the House Armed Services Committee by voice vote. What remains to be seen is whether a blocking majority in the Democratic Party and the gerrymandered House of Representatives is still held by the remnants of the Vietnam protesters and critics of American imperialism. Outside of that group, we are approaching a consensus that whatever the odds on the contra aid succeeding in Nicara-

gua, the historic stakes are high enough to be worth a lot more than $100 million.

Mr. LONG. Mr. President, I will ask to have printed in the RECORD several articles on Soviet and Cuban colonialism in Central America and the world in general.

Each of these articles is the work of Mr. Jim Guirard, a Washington, DC lobbyist, freelance writer and foreign policy consultant. Mr. Guirard, who is well-known to many Senators, earlier served as my administrative assistant from 1974 to early 1981. Before that, from 1968 to 1972, he served as administrative assistant to my late colleague Senator Allen Ellender.

I offer these articles for the RECORD because they explain so clearly why we must support what Mr. Guirard calls the New Revolution (not the counterrevolution) in Nicaragua. As an expert in the fields of propaganda and psychological warfare, he speaks in terms which few of us presently use in describing the geopolitical realities of what is happening in Central America and the world.

Mr. President, I think Senators will find in Mr. Guirard's articles many novel ideas as to how we should frame our arguments in support of civil-libertarian democracy in Central America. I end my remarks by quoting the last few lines of his most recent article, entitled "New Language for a New Revolution":

Former Secretary of Defense James Schlesinger once observed that while most people favor good and oppose evil, they must be able to determine which is which. As he put it, "They need to know who the fellows are in the white hats and who the fellows are in the black hats."

At present, most of the white-hat labels ("peace," "people," "progress," "liberation" etc.) have been co-opted by the so-called "Sandinistas," who are not at what their noble name implies—while most the black-hat labels ("Somocista," "fascist," "imperialist," "mercenary," "CIA-backed" etc.) have been struck on the so-called "counter-revolutionaries," who are not all all what their name implies, either.

It is imperative that all parties, all causes and all ideologies in Nicaragua *finally become known by their proper names.* Only then will Congress be able to develop a clear perception as to who is who down there and why, in the name of human rights, the "New Revolution" must be actively supported.

I ask unanimous consent to have the articles printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Washington Times, Oct. 13, 1982]

MARXISTS BY ANY OTHER NAME

Despite its increasingly repressive rule, the Sandinista junta in Nicaragua has been allowed by the American press to escape such well-deserved labels as "communist" and "Marxist-Leninist" and "dictatorship."

Instead, it is referred to as merely "leftist" (which implies liberalism) or "socialist" (which implies progressivism) or "Marxist-leaning" (which suggests that it is only slightly socialist). As a result, its true totalitarian character remains hidden from naive Western liberals and progressives—many of whom prefer it to the democratically-elected government in El Salvador.

If truth-in-labeling is the proper aspiration of an objective press, then the press—liberal and conservative alike—can guarantee the truth of its labeling by simply repeating what the Sandinistas *say about themselves* in some of their less-guarded moments. Consider these exerpts from a July 25, 1981 speech by Humberto Ortega, Minister of Defense and brother of Daniel Ortega, chief of the Junta:

"We are not going to give ourselves a false name. Our revolution has a profoundly anti-imperialist, profoundly revolutionary, profoundly class nature. We are anti-Yankee, against the bourgeoisie. . . . We guide ourselves by the scientific doctrine of revolution, by Marxism-Leninism.

". . . Without Sandinism we cannot be Marxist-Leninists, and Sandinism without Marxism-Leninism cannot be revolutionary . . ., [so] we are making the effort to transform our society in a revolutionary way, not a reformist way."

As the Sandinista dictatorship is proving once again, "liberation" movements liberate people mainly from all prospect of liberty. Why then should anyone favor these Nicaraguan clones of Castro with titles which suggest that they are anything other than communists and dictators—"successful fascists," as Susan Sontag might call them?—Jim Guirard Jr., Washington.

[From the Washington Times, Nov. 15, 1983]

THE NEW REVOLUTION IN NICARAGUA

(by Jim Guirard, Jr.)

Americans have long yearned to be on the "right side" of a truly popular revolution in Latin America—one in which the United States is not obligated, in the name of anti-communism, to prop up the repressive regime under attack. But now that there is just such a revolution in progress—the New Revolution in Nicaragua—the *New York Times-Washington Post* wing of the media is demanding that we oppose it and "finally accept" the old 1979 Sandinista Revolution instead.

The fatal flaw in this argument is that there is nothing left in the earlier revolution for an honest civil-libertarian to accept. It has devolved into nothing more than a grisly dictatorship of the Gestapo-left—a fact which is becoming so obvious as to begin causing doubts among even the most pro-Sandinista of journalists.

Between the lines, all but the very most pseudo-liberal of them seem increasingly haunted by an honorable impulse to hold their noses when trying to explain why it is "acceptable" to hold hands with such vicious illiberals—such fascists—as the Ortega brothers, Tomas Borge and Fidel Castro. But they still do recommend the old revolution over the new one.

Could it be that many of these journalists (like the House of Representatives, which has twice voted to prohibit U.S. aid to the New Revolution) fail to recognize:

The Sandinistas' total repudiation of the democratic goals which constituted their former legitimacy?

The Sandinistas' total subservience to the Cubans and the Soviets?

The pluralist, civil-libertarian sentiments of most of the New Revolution's political leaders—most of whom were leaders of the 1979 revolution as well?

Many lawmakers and journalists continue to hope naively that the Sandinista junta is merely "leftist," which falsely implies that it is liberal. Such people would do well to listen instead to what the Sandinistas say about themselves, to themselves, when they think Americans are not listening. Consider for example, the following excerpt from a July 21, 1981 speech to fellow Sandinistas by Humberto Ortega, minister of defense and brother of Daniel Ortega, chief of the junta:

"We are not going to give ourselves a false name. Our revolution has a profoundly anti-imperialist, profoundly revolutionary, profoundly class nature. We are anti-Yankee, against the bourgeoisie. . . . We guide ourselves by the scientific doctrine of revolution, by Marxism-Leninism . . . Without Sandinism we cannot be Marxist-Leninists, and Sandinism without Marxism-Leninism cannot be revolutionary . . . [so] we are making the effort to transform our society in a revolutionary way, not a reformist way."

Translation: Make no mistake about it, comrades. We believe in doing things the way Lenin did. We are dyed-in-the-wool communists, and we are going to stay that way.

Jose Esteban Gonzales, longtime enemy of Somoza and now exiled director of the Nicaragua Permanent Commission on Human Rights, explains what this means to the now "liberated" people of Nicaragua:

"During the first few days of the revolution we refused to make comparisons (between the new government and Somoza) because there was a different situation. Now I say clearly the situation is much worse. During the Somoza regime the repression didn't affect the whole community but only those who were in conflict with the government. But now everybody in Nicaragua is affected—not just those who are directly political."

Congressmen and journalists who applauded Gonzales when he condemned Somoza now seem deaf, dumb, and blind to his testimony that the Sandinistas are much worse. They condemn him and the whole "Contra" group of revolutionaries as "thugs, thieves, and brigands"—the words of Rep. Tom Downey (D-N.Y.). The talk of Nicaragua's admittedly communist dictatorship in such powder-puff terms as "non-pluralistic socialism"—the words of *Washington Post* reporter on Central America, Karen De Young.

In effect, the House and the press are listening still to the hollow echo of a "revolution" which has lost the right to be known by that honorable name. And they turn a deaf ear to the cries for help from those who desire the democracy and pluralism which gave that earlier revolution its legitimacy—its soul. Such people as:

Alfonso Robelo, a leader of the first revolution and member of the original Sandinista junta;

Eden Pastora, military hero of the first revolution and ex-deputy defense minister;

Arturo Cruz, ex-member of the junta and ex-Sandinista ambassador to the U.S.;

Jose Francisco Cardenal, former vice president of the Sandinistas' Council of State;

Edgard Macias, anti-Somoza militant and head of the Popular Social Christian Party;

Jose Esteban Gonzales, head of the Nicaraguan Permanent Commission on Human Rights;

Violeta Chamorro, ex-member of the original Sandinista junta;

Pedro Joaquin Chamorro, Jr., former Sandinista supporter—publisher (like his father before him) of *La Prensa;*

Humberto Belli, anti-Somoza editor of *La Prensa;*

Jaime Montealegre, ex-vice president of the Sandinista Council of State;

Agustin Alfaro, ex-Sandinista consul general in New Orleans;

Miguel Bolanos, ex-official of the Sandinista security police;

Adolfo Calero, head of Nicaraguan Conservative Party; jailed by Somoza; now head of the Contras;

Archbishop Obando y Bravo, head of the Nicaraguan Catholic Church and former Sandinista supporter;

Carlos Coronel, ex-Sandinista minister of fisheries;

Alvaro Taboada, ex-Sandinista ambassador to Equador;

Francisco Fiallos, ex-Sandinista ambassador to Geneva;

Heraldo Montealegre, ex-Sandinista ambassador to the World Bank;

Steadman Fagoth, leader of the Miskito Indians and former anti-Somocista.

The list goes on and on. Indeed, it grows each day as the Contras and allied groups gain recruits. The point is that in the defection of such leaders the "human rights" legitimacy of the old revolution (now deceased) has been transferred in the New Revolution—the "Nuevolucion," we should christen it.

If the revolution of 1979 merited "liberal" and "progressive" support, then the Nuevolution of 1983 merits it all the more. First, because the tyranny against which it is directed is more oppressive to Nicaraguans than was the Somoza regime. Second, because the Sandinista dictatorship is far more dangerous to neighboring peoples than Somoza ever was. Third, because so many of the same good people (absent the perfidious communists, of course) are leading this New Revolution as led the old one.

[From the Washington Inquirer, Oct. 26, 1984]

THE UNLEARNED LESSONS OF GRENADA

(By Jim Guirard)

As we approach the first anniversary of the liberation of Grenada, there should be great cause for rejoicing. But Geraldine Ferraro objects. She angrily assumes that if the decision has been left to her, the people of Grenada would not have been freed from their Gestapo-Left dictatorship. She assures that the little Caribbean Island would still be Fidel Castro's favorite colony.

In response to a recent question from commentator George Will, Ms. Ferraro insisted that she would have "negotiated" and would have "inquired" and would have performed any conceivable contortion to avoid "invading" Grenada.

Such a response suggests that she has either learned nothing or cares nothing about the grisly things which were going on in Grenada under the guidance of Moscow and Havana. She still portrays the U.S. role as that of a giant swatting a gnat—rather than that of a surgeon excising a deadly cancer.

Ms. Ferraro seems to be asking us (despite mountains of hard proof to the contrary) to join her in pretending . . .

That the American medical students on Grenada were not really in danger;

That the Cubans were there only to help build an airport for the tourist trade;

That the Russians, East Germans, Bulgarians, Libyans, and North Koreans were there merely for reasons of technical and cultural exchange;

That Prime Minister Maurice Bishop was too charming and charismatic to have been trained, bankrolled and installed by Castro and the Kremlin;

That, even so, Bishop was not really a communist but merely a "leftist" or "progressive" of some harmless sort;

That Grenada was not a Soviet-Cuban colony and staging base for terrorism in Central and South America;

That the Soviet ambassador to Grenada was not a four-star general and an expert in guerilla warfare;

That the multi-nation liberation of Grenada is the moral equivalent to Russia's 1979 Blitzkrieg and subsequent colonization of Afghanistan;

That we need not be concerned with the secret military treaties entered into by Mr. Bishop with the Soviets, the Cubans, the Libyans and the North Koreans—treaties which almost certainly have their parallels in Marxist Nicaragua's current relationships with these same dictatorships.

Among these fairy tales, perhaps the most insidious is the pretense that the Bishop regime in Grenada was not "really" Marxist-Leninist and that the New Jewel Party had not "really" consolidated its power. *Therefore,* the argument goes, the overthrow of this regime in favor of pluralist democracy does not "really" prove that communism can be rolled back.

Just as damaging to Moscow and Havana as their loss of the island as a strategic and military outpost are the political and ideological implications of its total liberation from communist control. It is, after all, the very first instance of a single-party Marxist-Leninist regime being eliminated in favor of a multi-party, pluralist one. Correctly understood, this is an historic precedent of major proportions—a deadly proof to other oppressed colonies of the Soviet Empire that if Grenada can be free, there is hope for them too.

A decade earlier, following the fall of the Marxist Salvador Allende in Chile, the Soviets got off this hook by convincing world opinion that since there was still opposition political parties and since Allende had not yet established control over the military, his government was not "consolidated"—and, therefore, an established Marxist-Leninist regime had not been overturned.

In the case of Grenada these convenient excuses do not apply. The Marxist New Jewel Party was the only one in operation, and it had for more than four years been in full control of the military.

But will the historical implications of Grenada's liberation ever be widely perceived? Not if the Kremlin's and Havana's propagandists have their way. For if it does, the communists' self-serving theory of "irreversibility"—once communist always communist—will be dead and buried. And dead with it will be the concomitant theory that the Western democracies are in a state of irreversible decline.

With the stakes so high, Soviet and Cuban propagandists are working their black magic to cast a dense fog over the clear perception of what Grenada really means. In this effort they are greatly aided by two unwitting (for the most part) allies:

(1) imperceptive Western journalists who have painted the late Maurice Bishop as not the committed Marxist-Leninist he was but as something of a "palm-tree idealist"—the words of Washington Post writer on Caribbean affairs Edward Cody, and

(2) imperceptive and partisan Western politicians who continue condemning the liberation of Grenada and assuring that if left to them the island would still be as it was—rather than what that awful Ronald Reagan has made of it. (Never, incidentally, do these self-annointed "progressive" politicians bother to ask the people of Grenada how they feel about what happened: do they feel "invaded" or "liberated"?)

The simple truth is that Grenada's freedom and independence are for all the world to see the first and final proof that communist colonialism is, indeed, reversible. And if it can happen once, it can happen again and again.

But this will become the universal perception only if we have the intellectual foresight and the political wisdom to openly proclaim the true legacy of Grenada and then to defend that legacy against those who argue either a) that it should never have been permitted to happen, or b) that, having happened, it didn't "really" happen in a context which serves the purposes of democracy and human rights.

BEWARE OF THE SOVIET "PIECE" OFFENSIVE

(By Jim Guirard, Jr.)

On the eve of President Reagan's meeting with Soviet Foreign Minister Andrei Gromyko, former Secretary of State Henry Kissinger predicted that the historic encounter probably signals the beginning of yet another Soviet "peace offensive."

Since Mr. Kissinger probably is right, we would do well to recognize the impending Soviet initiative for what it really is: a "p-i-e-c-e" offensive—one more chapter in the Soviet Union's relentless effort to colonize the entire planet, piece by piece.

Beginning Nov. 8, 1917, (after the Bolshevik *coup d'etat* overthrew the parliamentary government of Alexan Kerensky), the communist thrust for world domination has proceeded at an alarming pace. More than 30 previous independent nations, plus several more parts of nations, have been annexed, colonized, or made puppet states by communist imperialism.

Among the more glaring features of this record is the "domino" effect of the fall of South Vietnam. During the 16 years between Cuba in 1958–59 and Vietnam in 1975, not a single colony was gained by world communism. But then in the five years 1975–1980 no fewer than 10 "dominos" fell to the Gestapo-Left—Vietnam, Laos, Cambodia, South Yemen, Ethiopia, Mozambique, Angola, Afghanistan, Grenada, and Nicaragua.

And this veritable avalanche of colonies for communism does not include those eight other nations, which, during that same 1975–80 period, were taken over by single-party "socialist" dictatorships—some of them barely one short step from Marxist-Leninist tyranny: Madagascar, Libya, Congo, Sao-Tome/Principe, Tanzania, Seychelles, Guinea-Bissau, Cape Verde.

Nor does it include such relatively independent "client" states as Syria, and Iraq, and Algeria. Thus, it paints a rather conservative picture of the extent of the empire.

Of course, the "domino" effect of Soviet imperialism and colonialism (accelerated in recent years by help from the Cubans and the Vietnamese) is not unprecedented. The record shows that most conquests came during three five-year periods following World War I, World War II, and the Vietnam War. In each case the communists

struck with stunning success at a time when they knew that the war-weary democracies were demobilizing and resolving never again to become entangled in the bloody and expensive business of foreign wars.

Following Vietnam, the Clark Amendment of 1976 even went so far as to establish a congressional prohibition against U.S. aid to the pre-Western UNITA forces in Angola. Of course, this assured victory to the pro-Soviet MPLA, which is still kept in power eight years later by 40,000 Cuban troops. And by inference, the aid cutoff applied to many other countries in Africa and Southeast Asia, where the Soviets and their surrogates were given virtual carte blanche to expand their empire.

At various times, the Soviets have been expelled from countries (Egypt, Indonesia, Ghana, Somalia) where their influence was considerable. But never in the 67 years since 1917 had a Marxist-Leninist regime been overturned in favor of pluralist democracy. Since its origins, the communist theory of "irreversibility"—once communist always communist—had remained fully in tact.

But then came the liberation of Grenada, the first nation ever freed from communist tyranny. Yugoslavia in 1948 and China and Albania in the early 1960s had left the "Soviet bloc," but each remained communist. In 1972 the Marxist Salvador Allende in Chile was deposed; but since he had not yet had time to eliminate opposition political parties nor consolidate control over the military, it is argued that his regime was not yet a Marxist-Leninist one. Chile had not yet become a "piece" of world communism.

But these excuses do not apply to Grenada. The Marxist new Jewe Party had been in full control of both the government and the military for more than four years. It was a full-fledged colony in the Soviet Cuban empire, as its secret treaties with the Soviets, the Cubans, the Bulgarians and—alas—the grisly North Koreans confirm.

To all but the invincibly ignorant El Salvador long has been scheduled as the next stop for the Soviet-Cuban "piece" train. A loss there for democracy would not only give new momentum to the communist plague itself; it would once again dissolve into virtual impotence the anti-toxin of American resolve needed to oppose further colonial expansion by the Moscow-Havana-Managua axis in Central America.

The political and psychological implications of such a defeat would be staggering, not only in this country but throughout the world. Having failed in tiny El Salvador, in a situation far more "manageable" than in Vietnam or than it would be in any other Central American country, why should there be a presumption that we would even try again to stem the tide of world communism—much less do the tough things necessary to succeed?

Many years ago, the French philosopher Montesquieu wrote eloquently of what peace is not:

"As fear is the principle of despotic government, its end is tranquility; but this tranquility is not peace. No, it is only the silence of those towns which the enemy is ready to invade."

Moral of the story: let us be clear in our own minds what sort of "peace" qualifies to be called by that honorable name. Then, let us make it clear to the Soviets that only once their relentless "piece" offensive is abandoned and repudiated will their talk of detente and coexistence be regarded as anything but a monumental fraud—and a deadly threat to true world peace.

Let us be clear in our own minds what sort of "peace" qualifies to be called by that honorable name.

CHRONOLOGY OF COMMUNIST IMPERIALISM

First 5 years

1917—Soviet Communist State. Created Nov. 8, 1917, following the Bolshevik coup d'etat, which overthrew the Provisional Government headed by Anatole Kerensky.
1919—Ukraine, annexed by the Soviets.
1919—Belorussia, annexed by the Soviets.
1920—Kazakhstan, annexed by the Soviets.
1920—Aszerbaijan, annexed by the Soviets.
1921—Armenia, annexed by the Soviets.
1921—Georgia, annexed by the Soviets.
1921—Mongolia, colonized by the Soviets.
1922—U.S.S.R. officially created, December 1922.

22-year period

1939—eastern Poland, annexed by the U.S.S.R.
1940—eastern Romania, annexed by the U.S.S.R.
1940—northern East Prussia, annexed by the U.S.S.R.

5-year period

1944—Lithuania, annexed by the U.S.S.R.
1944—Latvia, annexed by the U.S.S.R.
1944—Estonia, annexed by the U.S.S.R.
1944—Poland, colonized by the U.S.S.R.
1944—Bulgaria, colonized by the U.S.S.R.
1944—Romania, colonized by the U.S.S.R.
1944—eastern Finland, annexed by the U.S.S.R.
1944—Tannu-Tuva, annexed by the U.S.S.R.
1944—Hungary, colonized by the U.S.S.R.
1945—Yugoslavia, colonized by the U.S.S.R.
1945—Albania, colonized by the U.S.S.R.
1945—East Germany, colonized by the U.S.S.R.
1945—eastern Czechoslovaka, annexed by U.S.S.R.
1945—North Korea, puppet state of U.S.S.R.
1945—Kurile Islands, annexed by U.S.S.R.
1945—Sakhalin Island, annexed by U.S.S.R.
1948—Czecholovakia, colonized by U.S.S.R.
1948—East Berlin, colonized by East Germany & U.S.S.R.
1948—(Yugoslavia), left Soviet block; still communist.
1948-1949—China, client state of U.S.S.R.

26-year period

1950-52—N. Korea invaded S. Korea, (failed).
1951—Tibet, annexed by China.
1954—North Vietnam, client state of U.S.S.R. & China.
1956—Hungary, recolonized by U.S.S.R.
1959—Cuba, puppet state of U.S.S.R.
1960-62—(China), left Soviet block; still communist.
1962—(Albania), left Soviet block; still communist.
1968—Czechoslovakia, recolonized by U.S.S.R.
1975—South Vietnam, annexed by North Vietnam.
1975—Laos, colonized by Vietnam.
1975—Cambodia, puppet state of China.
1975-76—Angola, colonized by Cuba & U.S.S.R.
1975-76—Mozambique, colonized by Cuba & U.S.S.R.
1977-78—Ethiopia, colonized by Cuba & U.S.S.R.
1977-78—South Yemen, puppet state of & U.S.S.R.
1978—Afghanistan, puppet state of U.S.S.R.
1979—Cambodia, colonized by Vietnam.
1979—Grenada, colonized by Cuba & U.S.S.R.
1979-80—Nicaragua, puppet state of Cuba & U.S.S.R.
1979-80—Afghanistan, colonized by U.S.S.R.
1980—Poland, recolonized by U.S.S.R.
1980—Suriname, puppet state of Cuba.
1983—Grenada, liberated.

[From the Atlanta Journal and Constitution, Apr. 21, 1985]

A CHANCE TO BE ON "RIGHT SIDE" IN NICARAGUA

(By Jim Guirard)

Showdown votes are set for Tuesday in both houses of Congress on whether to restore, after a year's suspension, aid to the revolutionary contras in Nicaragua. Most congressional Democrats seem ready to vote "nay." Along with a handful of Republicans, they seem intent on abandoning these anti-communist forces to the not-so-tender mercies of the Cuban-backed regime of the Sandinistas.

Leading the opposition to the contras are House Speaker Tip O'Neill and Sen. Christopher Dodd (D-Conn.). They and their cohorts call them "murderers, thugs, thieves and Somocistas,"—former supporters of Somoza. In this assessment, they are staunchly supported by most of the House leadership, and by many rank and file "liberals" who seem to feel tht the only good contra is a dead contra, or at least a disarmed and subjugated one.

Their principal adversary is, of course, President Reagan—who fervently contends that the contras are mostly anti-Somoza "revolutionaries" who had their democratic revolution of 1978-79 stolen from them, from within, by a Cuban and Soviet-backed communist clique.

Their principal ally (and eventual beneficiary, if they prevail) is Commandante Daniel Ortega, chief of the Sandinista junta against whom the new revolution is being waged. Ortega contends: "The leaders of the contras fought to sustain the Somoza dictatorship . . . and when they failed in that effort they fled the country and were organized, trained and financed by the CIA."

As proof positive that Reagan is correct, that Ortega is lying, and that the O'Neill-Dodd forces are sadly misinformed, the State Department has just released a document which settles the issue—period. It presents biographical sketches of the top 17 contra leaders, all but one of whom were anti-Somoza during the earlier revolution. Here are about half of those entries:

Eden Pastora—military hero of the anti-Somoza revolution and ex-deputy minister of defense;

Alfonso Robello—a leader of the earlier revolution and member of the first Sandinista junta;

Adolfo Calero—head of the anti-Somoza Nicaraguan Conservative Party; twice jailed by Somoza;

Wycliffe Diago—Miskito Indian leader and Moravian pastor; jailed by Somoza regime for allegedly being a communist;

Indalecio Rodriguez—anti-Somoza president of the University of Central America and early Sandinista supporter;

Zacarias Hernandez—independent labor union leader, many times arrested by the Somoza regime;

Roberto Ferrey—founder of the anti-Somoza student group CDF, later legal counsel to the Sandinista Ministry of Justice; and

Enrique Bermudez—professional soldier and military diplomat who spent much of his career abroad.

Among these and other prominent contra leaders, Bermudez was the only high-ranking member, a colonel, of Somoza's National Guard. But the fact that he spent so much of his career outside Nicaragua and the fact that he is now accepted by so many anti-Somoza democrats is convincing evidence that he was never a true Somocista. As military commander of the contras, he counts a dwindling number of former National Guardsmen among his forces—now less than 2 percent of the total, and falling.

An eminently fair assessment of the main contra organization, the Nicaraguan Democratic Force, was given in a Feb. 28 article by the Washington Post's principal writer on Central America, Edward Cody: "The group, known as FDN by its Spanish-language initials, has expanded from a band of ex-National Guard officers into a mainly peasant army, backed by a political organization headed by Calero and other civilian opponents of the late dictator Anastasio Somoza."

More recently, in an editorial, the Post referred broadly to the contras as "democratic people who fought the Somoza dictatorship, whose leaders served the Sandinistas in the early period and who turned against (them) only when they found the democratic promise of the revolution being denied."

Actually, this shift in perception by one of the nation's most influential newspapers is even more directly influenced by still another list of Nicaraguan democrats. Although not contras per se, these people support the new revolution and charge that the present tyranny is even worse than Somoza's. Many of them were so prominent in the earlier revolution that they became high officials in the Sandinista government before its Castroite clique seized control from within. For example:

Arturo Cruz—ex-member of the junta and ex-Sandinista ambassador to the U.S.;

Jose Estaban Gonzales—anti-Somoza head of the Nicaraguan Permanent Commission on Human Rights;

Edgard Macias—anti-Somoza militant and head of the Popular Social Christian Party; ex-Sandinista vice-minister of labor;

Violetta Chamorro—ex-member of the original Sandinista junta;

Pedro Joachim Chamorro Jr.—anti-Somoza publisher (like his father before him) of La Prensa;

Humberto Belli—former Marxist intellectual and anti-Somoza editor of La Prensa; author of a recent book on Sandinista subversion of the church;

Jose Francisco Cardenal—ex-vice president of the Sandinistas' Council of State;

Carlos Coronel—ex-Sandinista minister of fisheries;

Francisco Fiallos—ex-Sandinista ambassador to Switzerland; and

Archbishop Obando y Bravo—anti-Somoza leader of the Nicaraguan Catholic Church and former Sandinista supporter.

American "liberals" and "progressives" have long yearned to be on the "right side" of a popular revolution in Latin America—one in which the United States is not obliged, in the name of anti-communism, to prop up the repressive regime under attack.

Now, these long-suffering Nicaraguan democrats and thousands of their countrymen are waging just such a revolution and are, quite literally, *begging* for our help. Not much help. Only $14 million, which is only a miniscule fraction of the flood of military assistance the Sandinistas are receiving from Messrs, Castro, Gorbachev, Khadafy, et al.

The question is whether the present mindset and partisan bias of so many House and Senate Democrats against such good people is as impregnable as it seems. If so, there will be no restoration of aid to the revolutionary contras.

In its place, there will be great rejoicing among the Cubans, Soviets, Bulgarians, Czechs, East Germans, Libyans, Vietnamese, Iranians, North Koreans and assorted other "liberators" of the Nicaraguan people—forces that will have taken one more solid step toward liberating us, too, from our liberties.

[From the Pine Bluff (AR) Commercial, Feb. 18, 1986]

FASCIST-LEFT SANDINISTAS?

Editor, The Commercial:

Why do so many prominent "liberal" journalists, academics and churchmen continue to hold hands with the patently *illiberal* dictatorship in Nicaragua?

Could it be that the language of politics has persuaded these good people that the Soviet-sponsored Sandinistas are something other than *fascists*? After all, the words and image of the so-called "left-right political spectrum" suggest that the ultra-left (communism) and the ultra-right (fascism) are opposites. Left is opposite right, *n'est pas*?

As a result of such nonthink, even Cuba's grisly Fidel Castro is able to parade about as a "progressive," a "liberator" and an exponent of "people's democracy." Never mind that he presides over the most viciously illiberal (i.e. fascistic) regime in the hemisphere.

In early 1982, distressed by communist brutality in Poland, the renowned liberal-intellectual Susan Sontag broke free of this left-right nonthink, when she proclaimed: "Not only is fascism (and overt military rule) the probable destiny of all communist societies—especially when their populations are moved to revolt—but communism is itself a variant, the most successful variant, of fascism. Fascism with a human face."

The obvious need now is for all true liberals to follow Miss Sontag's bold lead. They must look behind the semantic masks which hide the true face of the fascist-left in Nicaragua.

Perhaps then they will begin raising their voices of morality and idealism against those who (with massive help from Castro, the Soviets, the PLO, Qaddafi, Khoumeini and other assorted terrorists) have so cynically co-opted and corrupted the democratic Nicaraguan revolution of 1978-79.—Jim Guirard, Washington.

[From the Pine Bluff (AR) Commercial, Mar. 14, 1986]

NEW LANGUAGE FOR A NEW REVOLUTION

(By Jim Guirard, Jr.)

Congress will soon be voting on whether to restore military aid to anti-Communist guerrilla forces in Nicaragua.

Crucial to the outcome of these votes will be the lawmakers' perception as to who are the "good guys" and who are the "bad guys" in Nicaragua. And crucial to this judgment will be the political language by which the debate is conducted.

For example, the so-called "Sandinistas" will be struggling to sustain the labels which have for so long portrayed them as "liberators," "progressives." and purveyors of "social justice" and "people's democracy" in Central America.

Simultaneously, their critics will be attempting to strip away these semantic masks, in order to reveal that today's self-anointed "Sandinistas" have little in common with the late Nicaraguan patriot, Augusto Sandino—who was a pluralist, a social democrat and an outspoken nationalist. They will be searching for labels which brand the Comandantes as tyrannical internationalists—whose motivations are not Sandinista but *"Stalin-ista"* in character.

And what of the so-called "contras" who seek to overthrow the Stalinista dictatorship? Are they really the counter-revolutionaries (impling anti-reform) their Soviet-inspired nickname implies? Or are they the "freedom fighters" and the "democratic resistance" President Reagan proclaims them to be? In other words, are *they* the real Sandinistas?

The fact that so many "contra" leaders and supporters (Arturo Cruz, Eden Pastora, Alfonso Robelo, Violetta & Pedro Joachim Chamorro, Adolfo Calero) were prominent opponents of Somoza and early supporters of the new regime proves that the latter is true. But public opinion will not accept this truth so long as the language of politics (which calls them "Somocistas," supporters of Somoza) paints an entirely different picture.

To solve the problem, the contras and their supporters should use the following stepping stones (among others) in battling for the moral high ground in American and world opinion:

1. They should cease trying to discard the "contra" label and begin calling themselves the *"revolutionary contras"*—the implied next word being contra-*Communismo* (a good-guy label), rather than contra-*revolucion* (bad-guy).

2. These revolutionary (i.e. reformist) contras should proclaim a bold new ism—*"revolutionary counter-Communism"*—around which all oppressed Nicaraguans can begin to rally.

3. As revolutionary counter-Communists, they should christen their cause *"The New Revolution"* in Nicaragua—to distinguish it from the fraudulent "people's revolution" perpetrated by the Stalinistas.

4. They should proclaim the need to *"liberate" Nicaragua*—the same kind of *liberation* (from police-state tyranny and from Cuban colonial status) as Grenada now enjoys.

5. They must condemn Soviet and Cuban *"colonialism"* in Nicaragua. The 20,000 Communist bloc "advisors" who run the country are agents of Soviet and Cuban colonialism and must be called that—less they continue posing as *anti*-colonialist and *anti*-imperialist.

6. They should begin condemning the *"Ortega dictatorship."* Non-Communist dictatorships are always personalized in the name of the tyrant—Franco, Somoza, Pinochet, Marcos, etc. So why not impose the same burden on Comrade Ortega?

7. They should emphasize such terms as *"Cuban-led," "PLO-supported," "Libyan-supplied"* and *"Soviet-controlled"*—to remind the world of the rogues gallery of terrorist regimes which sustain the Stalinista dictatorship.

8. They should call that dictatorship "corrupt" and should declare their "solidarity" with all Nicaraguans who seek "social justice."

9. They should promote a "theology of liberty" as alternative to the Communists heretical "theology of liberation."

10. Finally, as evidence of their democratic centrism, they should promote the symbol of a hammer and sickle, an equal sign and a swastika, along with the words "Contra Los Dos"—meaning "against both Communism and Naziism, which are the same."

Former Secretary of Defense James Schleslinger once observed that while most people favor good and oppose evil, they must be able to determine which is which. As he put it, "They need to know who the fellows are in the white hats and who the fellows are in the black hats."

At present, most of the white-hat labels ("peace," "people," "progress," "liberation" etc.) have been co-opted by the so-called "Sandinistas," who are not at all what their noble name implies—while most of the black-hat labels ("Somocista," "fascist," "imperialist," "mercenary," "CIA-backed" etc.) have been stuck on the so-called "counter-revolutionaries," who are not at all what their name implies, either.

It is imperative that all parties, all causes and all ideologies in Nicaragua finally become known by their proper names. Only then will Congress be able to develop a clear perception as to who is who down there and why, in the name of human rights, the "New Revolution" must be actively supported.

Mr. CHAFEE. Mr. President, it is impossible today to take a close look at Nicaragua and not wish for fundamental change. The hope engendered by the 1979 revolution has been replaced by disenchantment with the increasingly repressive Sandinista regime. The encouraging achievements of the Sandinistas in such areas as health care and education have been overshadowed by the Ortega regime's drift toward totalitarianism.

Like the East bloc countries with which they are cultivating ever-closer ties, the Sandinistas have consolidated their power by denying freedom of the press and freedom of assembly, and by attempting to suppress the voice of the church. They have compiled an atrocious human rights record which calls up, ironically, the memory of Anastasio Somoza, the dictator whom the Sandinistas overthrew. And they have built a huge military machine which threatens the security of the rest of the region.

Most disturbing of all, in terms of United States security interests, the multitude of Eastern bloc and Cuban military advisers that are throughout Nicaragua. This presence is deeply troubling to me. The last thing we need is another Cuba nestled among so many democratic friends of the United States, and to our own southern border.

In the face of these disturbing facts, our task is to chart a policy which is in the best interests of the United States and of the democracies of Honduras, Costa Rica, El Salvador, Guatemala, and the rest of Latin America. In my mind, diplomacy remains the preferred solution, since it offers the hope, not certainty but hope, of settlement without further bloodshed. As the leaders of all the Latin American democracies recognize, United States aid to the Contras has not helped Nicaragua solve its grave problems, and shows no signs of providing a peaceful solution.

Negotiations can be frustratingly slow to produce results, particularly when you are dealing with the intransigence of a Daniel Ortega. But face-to-face discussions between all concerned parties are far more likely to produce a settlement than sending $100 million, with all sorts of strings attached, to rebels whose popular support is in doubt.

I joined most observers of Central America in welcoming the Contadora initiative of January 1983, which seemed to offer the best hope for peace in the region. The Contadora countries of Mexico, Colombia, Venezuela, and Panama sought an understanding which would resolve the security concerns of the rest of Latin America with respect to Nicaragua, and turn Nicaragua back in the direction of real democracy.

The ongoing Contadora talks have not been fruitful to date, but that does not mean that negotiations are dead. The Latin American democracies, who have joined the United States in experiencing the frustration of Contadora, have not given up on a diplomatic settlement. On January 12, Argentina, Brazil, Peru, and Uruguay joined the four Contadora nations in signing the Carabadella Message. This statement reaffirms the belief that peaceful, positive change in Nicaragua can come through regional cooperation and direct talks between the United States and the Sandinistas. I am opposing aid to the Contras today because I agree with this statement.

Their are some, Mr. President, who claim that the key players in the Nicaraguan civil war are the Sandinistas and the Contras, and that the United States is merely on the sidelines cheering one side in the conflict. The truth, however, is that the key players in the conflict are the United States and Nicaragua. Without United States training and financing, the Contras would have a difficult time sustaining their rebellion. Without U.S. involvement in the conflict, President Ortega would have no villian to blame for his state of emergency, no justification for the ruthless and totalitarian way in which he is clamping down on dissent.

I firmly believe that the key players in this dangerous game, the United States and Nicaragua, can and should sit down and make a good-faith effort to resolve our problems. There are those who throw up their hands and say that we've tried to talk, but can't bring the Sandinistas to the table. I refuse to accept such defeatism. The United States and Nicaragua are two sovereign nations which maintain diplomatic relations. How is it that we cannot talk directly with them when they have an Embassy right here in Washington, and we have one in Managua? The Nicaraguan Ambassador has written to Congress, expressing his government's willingness to participate in bilateral talks with the United States, and to sign a binding and enforceable agreement which meets our security concerns. Certainly, we can take that statement with a grain of salt, or many grains—but it is a route that should be explored at a higher level of visibility than has previously been undertaken.

Is there any good reason to reject the message of the Nicaraguans and the Latin American democracies that bilateral talks can happen and can work? Opponents of the idea claim that Nicaragua's neighbors, who have the most to gain from such talks, are secretly against bilateral negotiations because they may result in an agreement unfavorable to the rest of Central America. The implication is that the United States would enter such negotiations pursuing only its own interests, and might ignore those of Guatemala, El Salvador, Costa Rica, and Honduras. Since the interests of the United States and the Central American democracies are identical—regional security, an end to hostilities, removal of the Soviet-bloc and Cuban presence in Nicaragua—I fail to see the logic of this argument.

I urge that, before we vote on the $100 million to the Contras which would poison the atmosphere for a diplomatic approach, we sit down for a high-level, all-out attempt to resolve our differences. These talks should be for a limited period, 75 days, 90 days, or whatever seems appropriate. Our negotiators should be the best we have, hopefully Phillip Habib. We should send observers from Congress to monitor the talks and ensure that our concerns are addressed. And we should make clear to the Sandinistas from the start that we mean business.

In these negotiations we should demand:

First, the removal of all foreign advisers from Nicaragua;

Second, reductions in the war machine which the Sandinistas have and which deeply frightens its neighbors;

Third, establishment of reliable procedures to monitor Nicaragua's relationship with its neighbors, ensuring that they do not seek to export their revolution; and perhaps

Fourth, relaxation of the repressive, totalitarian policies of the Sandinistas, and a return to democracy, including free elections.

If this earnest negotiating effort fails and we find ourselves stonewalled by a Nicaraguan refusal to accept these reasonable conditions, or a good part of them then we should reconsider military assistance to the Contras. I would support such assistance.

One of the most distressing aspects of this debate is the lack of unity in Congress and in the Nation about the best approach to the Nicaraguan conflict. If we prove to ourselves that negotiations are futile, I strongly believe the Congress will be unified on developing a stronger response to deal with the Sandinistas. Rather than tinkering with these aid proposals in order to win a vote here and a vote there, and demonstrating to the world that the U.S. Congress simply cannot agree on how to proceed, we would be able to speak with one voice. We would give the President and the Nicaraguans a strong message that the United States speaks on these matters with a voice that is united and strong.

DEMOCRACY CAN PREVAIL IN NICARAGUA—IF WE GIVE IT A CHANCE

Mr. DOLE. Mr. President, I am pleased to join as an original cosponsor of this amendment with the distinguished chairman of the Foreign Relations Committee, Senator LUGAR; the distinguished Senator from Texas, Senator BENTSEN; and the distinguished Senator from South Carolina, Senator HOLLINGS.

THE THREAT OF A "NEW CUBA"

"The United States is determined to prevent by whatever means may be necessary * * * the Marxist-Leninist regime from extending, by force or the threat of force, its aggressive or subversive activities to any part of this hemisphere * * *" Those words, which some here would undoubtedly consider bellicose, were uttered by the President of the United States. But they were uttered nearly a quarter of century ago, by President John F. Kennedy, in pledging to resist the threatening and destabilizing activities of Cuba in our hemisphere.

Today, we are faced with a second "Cuba"—A Cuba which aims to match the first in its alliance with the Soviet Union, its hospitality to foreign and terrorist forces, its aggressive military buildup, its outright attacks and support for subversion against its democratic neighbors, and its suppression of its own people. Our new Cuba is the Marxist state of Nicaragua.

OUR GOALS ARE LIMITED

Let us be straightforward. We don't like the Sandinista regime. We don't like the way it acts—toward us, toward its neighbors, and toward its own people. And we want to do something about it.

But let us be equally clear about a second point. We don't see our role as the sheriff of Central America. We don't seek to topple the Sandinista regime. But we do seek to encourage it—using every reasonable means available—to live up to some basic standards of international and democratic conduct.

OUR STRATEGY IS SOUND

We have a strategy that makes sense and can work, if we let it. That strategy is threefold. First and foremost, we will support, with military and economic assistance, Nicaragua's threatened neighbors—our allies and friends in Central America. The President's decision this week to provide $20 million in emergency aid to Honduras to help contain the most recent Sandinista invasion is evidence of our determination.

Second, we will seek a regional, negotiated, comprehensive and effective settlement, based on the Contadora principles and in cooperation with the Contadora nations. Our commitment to that process has been often demonstrated and articulated by the President and the administration. It is reflected in our extensive and continuing contacts with the Contadora nations and our genuine responsiveness to many of their initiatives.

We still believe in Contadora; we want it to happen. But we are far from convinced the Sandinistas do. And we are firm in our belief that part of any peace process must be direct negotiations between the Sandinistas and their opposition, including the democratic opposition which has taken up arms in defense of their freedoms.

Third, we support the Contras. We support them not as an end in itself but because their struggle is an integral part of our broader strategy. It is one of the key points of pressure which can be brought to bear on the Managua regime. And without such pressure there is no chance—no chance—to achieve our important objectives. There is no chance to have real negotiations. Because the Sandinistas just are not going to negotiate in good faith, unless circumstances press them to the bargaining table. And if there are still those who are willing to accept their lies and false promises as sufficient to justify our negotiations with them, I invite them to fly down to the Honduran border, to see how the Sandinistas treat the sovereign boundaries of their neighbors; or go to Managua itself, and see how they treat their own people.

ELEMENTS OF AMENDMENT

Mr. President, the amendment I offer is fully consistent with this broad strategy. It is based on the request of the President for $100 million in aid for the Contras. But it also takes into account some of the legitimate concerns expressed by Members of Congress on both sides of the aisle about some aspects of the implementation of the program.

The amendment puts our support for the Contras in a broad policy context, citing our goals and outlining our strategy—our realistic and concrete strategy—for achieving those goals. It makes clear what we want from the Sandinistas—and what we don't. It underscores our determination that any resistance groups which we support must share our essential goals and our commitment to democracy and must be, in every important way, "clean." It stresses that the anti-Sandinista movement must be as broad as possible.

The amendment reaffirms our desire for a negotiated settlement and urges and provides time and incentives for one more major effort to get real talks going.

Taking note of the importance of continued congressional participation in policymaking and support for the resulting policy, the amendment establishes some fail-safe provisions for Congress to review the program; mandates Presidential consultation with and reports to the Congress; and establishes a congressional commission to monitor the search for peace and any negotiations which result.

Finally, the amendment provides the Contras the wherewithal they need, when they need it, to be an effective part of the overall strategy. During those initial months when the negotiating option is being intensively explored, it provides them humanitarian and self-defense aid and expanded training. If the negotiating option runs into another Sandinista stone wall, as so many have in the past, it provides the Contras the weaponry they need to keep up the pressure on Managua. And if, at the end of the effective period of this legislation, the President determines that additional legislation or resources are needed, it provides him expedited procedures to seek congressional approval.

A BIPARTISAN APPROACH

Foreign policy, to be truly efffective, must be bipartisan in nature. And this amendment is a bipartisan measure, as the original cosponsorship indicates and as I believe the vote will confirm. Indeed, we had hoped to broaden its initial support even more. Despite some comments to the press to the contrary, the fact that some negotiations we had were not as successful as we had hoped should not detract from the good faith efforts on both sides—the White House and those who are more skeptical of the efficacy of the President's request.

I would particularly stress that, the comments of some to the media notwithstanding, Admiral Poindexter played a very constructive role in trying to bring the two sides together. Considering what has been going on in the Gulf of Sidra and Honduras, he gave us an enormous amount of his time. And, far from "torpedoing" anything, he worked with us intensively and in absolute good faith to try to

find some common ground on which all of us could be comfortable.

I hope that we will have on final passage a large, positive vote for this measure. For that will be its ultimate value, equal importance to the concrete results it will set in train. For, as I noted in my remarks yesterday, if we are to have a policy in Central America that works, it will have to be a long-term, consistent policy, broadly understood and supported on Capitol Hill and the American people.

By voting for this important piece of legislation, we will have sent a strong message—to Moscow and Havana, to Managua and to the other capitals of Central America, and to those who espouse freedom everywhere—that the United States is sincere in its pursuit of peace, determined to protect its national interests, capable of effective action in pursuit of its goals and ready to support the worldwide struggle for freedom.

Mr. BYRD. Mr. President, before the distinguished majority leader yields the floor, can he respond to a question as to what he expects to schedule for Tuesday and Wednesday upon the return of the Senate following the recess?

Mr. DOLE. Mr. President, I am advised by staff that we will probably have at least two rollcall votes after 2 o'clock on Tuesday.

Mr. BYRD. What would they be on?

Mr. DOLE. A Vietnam veterans' proposal, child nutrition conference report. There is another memorial that will not require a rollcall. And perhaps the bank bill reported out by the Banking Committee yesterday.

Mr. BYRD. So the distinguished majority leader is saying that the Senate will have two rollcall votes that he knows about on Tuesday, April 8.

Mr. DOLE. After 2 o'clock, Mr. President.

Mr. BYRD. Mr. President, one other question.

Will the distinguished majority leader indicate what the main—let us say what about the budget resolution? When does he anticipate bringing that up?

Mr. DOLE. Mr. President, I hope to meet with the distinguished chairman of the Budget Committee tomorrow and also Mr. Miller, Director of the Office of Management and Budget, to make that determination. I doubt it will be the first week we are back.

Mr. BYRD. Mr. President, it helps if Senators could understand a bit better than I do at the moment as to what the distinguished majority leader thinks will be the heavy stuff, if I may put it like that, for Wednesday, Thursday, or Friday if we are in on those days that week.

Mr. DOLE. We could go back to the airport transfer bill on Wednesday, Thursday, Friday of that week. I understand the Senator from Maryland has a number of amendments. There are some amendments on this side. There could be considerable voting that week.

Mr. BYRD. Mr. President, I thank the distinguished majority leader. I yield back the remainder of the time on this side.

(The VICE PRESIDENT assumed the Chair.)

Mr. DOLE. Mr. President, as I understand it, there will be no request for a rollcall vote on passage. There will be a rollcall vote on the substitute. Is anybody going to demand a rollcall vote?

Mr. BYRD. Mr. President, I have this question of the distinguished majority leader: Is he referring to passage of this Senate joint resolution or is he going to call up a House number?

Mr. DOLE. This Senate bill.

Mr. BYRD. I thank the Senator.

The VICE PRESIDENT. The question is on agreeing to the amendment in the nature of a substitute.

Mr. BYRD. Mr. President, there is no need for a double vote.

The VICE PRESIDENT. The question is on agreeing to the amendment in the nature of a substitute.

(Putting the question.)

The ayes appear to have it.

Mr. CRANSTON. Mr. President, the yeas and nays, please.

Mr. BYRD. Mr. President, let us do the yeas and nays on this one.

The VICE PRESIDENT. Is there a sufficient second? There is a sufficient second.

The yeas and nays have been ordered.

The VICE PRESIDENT. The question is on agreeing to the amendment in the nature of a substitute. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

The VICE PRESIDENT. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 53, nays 47, as follows:

[Rollcall Vote No. 51 Leg.]

YEAS—53

Abdnor	Gramm	McConnell
Armstrong	Grassley	Murkowski
Bentsen	Hatch	Nickles
Boren	Hawkins	Nunn
Boschwitz	Hecht	Pressler
Bradley	Heflin	Quayle
Chiles	Heinz	Roth
Cochran	Helms	Rudman
Cohen	Hollings	Simpson
D'Amato	Humphrey	Stennis
Danforth	Johnston	Stevens
Denton	Kassebaum	Symms
Dixon	Kasten	Thurmond
Dole	Laxalt	Trible
Domenici	Long	Wallop
East	Lugar	Warner
Garn	Mattingly	Wilson
Goldwater	McClure	

NAYS—47

Andrews	Bumpers	Cranston
Baucus	Burdick	DeConcini
Biden	Byrd	Dodd
Bingaman	Chafee	Durenberger
Eagleton	Kerry	Proxmire
Evans	Lautenberg	Pryor
Exon	Leahy	Riegle
Ford	Levin	Rockefeller
Glenn	Mathias	Sarbanes
Gore	Matsunaga	Sasser
Gorton	Melcher	Simon
Harkin	Metzenbaum	Specter
Hart	Mitchell	Stafford
Hatfield	Moynihan	Weicker
Inouye	Packwood	Zorinsky
Kennedy	Pell	

So the amendment (No. 1720) in the nature of a substitute, as amended, was agreed to.

[Applause in the galleries.]

Mr. BYRD. Mr. President, may we have order in the galleries?

The VICE PRESIDENT. The galleries will be in order. There will be no demonstrations.

The question is on the engrossment and third reading of the joint resolution.

The joint resolution was ordered to be engrossed for a third reading and was read the third time.

The PRESIDING OFFICER (Mr. HECHT). The joint resolution having been read the third time, the question is, Shall it pass?

The joint resolution (S.J. Res. 283) as amended, was passed, as follows:

S.J. RES. 283

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,

PURPOSES

SECTION 1. The purposes of this joint resolution are to promote peace, stability, and democracy in Central America, to encourage a negotiated resolution of the conflict in the region and, towards these ends, to enable the President to provide additional assistance for the Nicaraguan democratic resistance, as requested by the President on February 25, 1986, pursuant to the provisions of section 722(p) of the International Security and Development Cooperation Act of 1985 (Public Law 99-83) and section 106(a) of the Supplemental Appropriations Act, 1985 (Public Law 99-88), subject to the terms and conditions of this joint resolution.

POLICY TOWARD CENTRAL AMERICA

SEC. 2. (a) It is the policy of the United States that—

(1) the building of democracy, the restoration of peace, the improvement of living conditions, and the application of equal justice under law in Central America are important to the interests of the United States and the community of American States;

(2) the interrelated issues of social and human progress, economic growth, political reform, and regional security must be effectively dealt with to assure a democratic and economically and politically secure Central America; and

(3) the September 1983 Contadora Document of Objectives, which sets forth a framework for negotiating a peaceful settlement to the conflict and turmoil in the region, is to be encouraged and supported.

(b) The United States strongly supports as essential to the objectives set forth in subsection (a)—

(1) national reconciliation in Nicaragua and the creation of a framework for negotiating a peaceful, democratic settlement to the Nicaraguan conflict; and

(2) efforts to reach a comprehensive and verifiable final agreement based on the Contadora Document of Objectives, including efforts to encourage the Government of Nicaragua to pursue a dialogue with the representatives of all elements of the Nicaraguan democratic opposition for the purposes of achieving a democratic political settlement of the conflict, including free and fair elections.

POLICY TOWARD THE GOVERNMENT OF NICARAGUA

SEC. 3. (a) United States policy toward Nicaragua shall be based upon Nicaragua's responsiveness to continuing concerns affecting the national security of the United States and Nicaragua's neighbors about—

(1) Nicaragua's close military and security ties to Cuba and the Soviet Union and its Warsaw Pact allies, including the presence in Nicaragua of military and security personnel from those countries and allies;

(2) Nicaragua's buildup of military forces in numbers disproportionate to those of its neighbors and equipped with sophisticated weapons systems and facilities designed to accommodate even more advanced equipment;

(3) Nicaragua's unlawful support for armed subversion and terrorism directed against the democratically elected governments of other countries;

(4) Nicaragua's internal repression and lack of opportunity for the exercise of civil and political rights which would allow the people of Nicaragua to have a meaningful voice in determining the policies of their government through participation in regularly scheduled free and fair elections and the establishment of democratic institutions; and

(5) Nicaragua's refusal to negotiate in good faith for a peaceful resolution of the conflict in Central America based upon the comprehensive implementation of the September 1983 Contadora Document of Objectives and, in particular, its refusal to engage in a serious national dialogue with all elements of the Nicaraguan democratic opposition.

(b) The United States will address the concerns described in subsection (a) through economic, political, and diplomatic measures, as well as through support for the Nicaraguan democratic resistance. In order to assure every opportunity for a peaceful resolution of the conflict in Central America, the United States will—

(1) engage in bilateral discussions with the Government of Nicaragua with a view toward facilitating progress in achieving a peaceful resolution of the conflict, if the Government of Nicaragua simultaneously engages in a serious dialogue with representatives of all elements of the Nicaraguan democratic opposition; and

(2) limit the types and amounts of assistance provided to the Nicaraguan democratic resistance and take other positive action in response to steps taken by the Government of Nicaragua toward meeting the concerns described in subsection (a).

(c) The duration of bilateral discussions with the Government of Nicaragua and the implementation of additional measures under subsection (b) shall be determined, after consultation with the Congress, by reference to Nicaragua's actions in response to the concerns described in subsection (a). Particular regard will be paid to whether—

(1) freedom of speech, assembly, religion, and political activity are being respected in Nicaragua and progress is being made toward the holding of regularly scheduled free and fair elections;

(2) there has been a halt to the flow of arms and the introduction of foreign military personnel into Nicaragua, and a withdrawal of all foreign military personnel has begun;

(3) a cease-fire with the Nicaraguan democratic resistance is being respected; and

(4) Nicaragua is refraining from acts of aggression, including support for insurgency and terrorism in other countries.

(d) The actions by the United States under this joint resolution in response to the concerns described in subsection (a) are consistent with the right of the United States to defend itself and to assist its allies in accordance with international law and treaties in force. Such actions are directed, not to determine the form or composition of any government of Nicaragua, but to achieve a comprehensive and verifiable agreement among Central American countries, based upon the 1983 Contadora Document of Objectives, including internal reconciliation within Nicaragua, based upon democratic principles, without the use of force by the United States. Nothing in this joint resolution shall be construed as authorizing any member or unit of the armed forces of the United States to engage in combat against the Government of Nicaragua.

POLICY TOWARD THE NICARAGUAN DEMOCRATIC RESISTANCE

SEC. 4. (a) It is the policy of the United States to assist all groups within the Nicaraguan democratic resistance which—

(1) are committed to work together for democratic national reconciliation in Nicaragua based on the document issued by the six Nicaraguan opposition parties on February 7, 1986, entitled "Proposal to the Nicaraguan Government for a Solution to the Crisis in Our Country"; and

(2) respect international standards of conduct and refrain from violations of human rights or from other criminal acts.

(b) No assistance under this joint resolution may be provided to any group that retains in its ranks any individual who has been found to engage in—

(1) gross violations of internationally recognized human rights (as defined in section 502B(d)(1) of the Foreign Assistance Act of 1961); or

(2) drug smuggling or significant misuse of public or private funds.

(c)(1) The Congress finds that the Nicaraguan democratic resistance has been broadening its representative base, through the forging of cooperative relationships between the United Nicaraguan Opposition (UNO) and other democratic resistance elements, and has been increasing the responsiveness of military forces to civilian leadership.

(2) The President shall use the authority provided by this joint resolution to further the developments described in paragraph (1) and to encourage the Nicaraguan democratic resistance to take additional steps to strengthen its unity, pursue a defined and coordinated program for representative democracy in Nicaragua, and otherwise increase its appeal to the Nicaraguan people.

(d) In furtherance of the policy set out in this section, not less than $10,000,000 of the funds transferred under section 5(a) shall be available only for assistance to resistance forces otherwise eligible and not currently included within UNO, of which amount $5,000,000 shall be available only for the Southern Opposition Bloc (BOS) and $5,000,000 shall be available only for the Indian resistance force known as Misurasata.

(e) Notwithstanding any other provision of this joint resolution, no member of the United States armed forces, or employee of any department, agency, or other component of the United States government may enter Nicaragua to provide military advice, training, or logistical support to paramilitary groups operating inside that country.

TRANSFER OF FUNDS

SEC. 5. (a)(1) The Congress hereby approves the provision of assistance for the Nicaraguan democratic resistance in accordance with the provisions of this joint resolution.

(2) There are transferred to the President for use in carrying out the provisions of this joint resolution $100,000,000 of unobligated funds from such accounts for which appropriations were made by the Department of Defense Appropriations Act, 1986 (as contained in Public Law 99-190), as the President shall designate. No limitation or restriction contained in section 10 of Public Law 91-672, section 8109 of the Department of Defense Appropriations Act, 1986, section 502 of the National Security Act of 1947, or any other provision of law shall apply to the transfer or use of such funds.

(b) Notwithstanding the Impoundment Control Act of 1974, not more than 25 percent of the funds transferred under subsection (a) may be available for obligation or expenditure in accordance with this joint resolution upon the date of enactment of this joint resolution, and not more than an additional 15 percent of such funds may be so available upon the transmittal of each report required by section 12.

(c) Funds transferred under subsection (a) shall remain available for the same periods of time, but not to exceed September 30, 1987, as such funds would have been available under the Department of Defense Appropriations Act, 1986 (as contained in Public Law 99-190), but for the enactment of this joint resolution.

(d)(1) There are transferred to the President out of funds appropriated by the Supplemental Appropriations Act, 1985 (Public Law 99-88), under the heading "Assistance For Implementation of a Contadora Agreement" such sums as the President may require, but not more than $2,000,000, to facilitate the participation of Costa Rica, El Salvador, Guatemala, and Honduras in regional meetings and negotiations to promote peace, stability, and security in Central America. No limitation or restriction contained in section 15 of the State Department Basic Authorities Act of 1956, section 10 of Public Law 91-672, or any other provision of law shall apply to the transfer or use of such funds.

(2) Funds transferred under paragraph (1) shall remain available for the same period of time as such funds would have been available under the Supplemental Appropriations Act, 1985 (Public Law 99-88), but for the enactment of this joint resolution.

FUNDS FOR HUMANITARIAN ASSISTANCE

SEC. 6. (a) Of the amounts transferred under section 5(a), $30,000,000 shall be available only for the provision of humanitarian assistance to the Nicaraguan democratic resistance by the Nicaraguan Humanitarian Assistance Office (established by Executive Order 12530).

(b) Of the $30,000,000 made available only for purposes of subsection (a), $3,000,000 shall be available only for strengthening programs and activities of the Nicaraguan

democratic resistance for the observance and advancement of human rights.

APPLICATION OF EXISTING LAWS

SEC. 7. (a) Except as otherwise provided in this joint resolution, funds transferred under section 5(a) shall be available for the purposes described in section 105(a) of the Intelligence Authorization Act for Fiscal Year 1986, and all the requirements, terms, and conditions of such section and sections 101 and 102 of such Act, section 502 of the National Security Act of 1947, and section 106 of the Supplemental Appropriations Act, 1985 (Public Law 99-88), shall be deemed to have been met for such use of such funds.

(b) The use of funds made available under this joint resolution is subject to all applicable provisions of law and established procedures relating to the oversight by the Congress of operations of departments and agencies.

(c) Nothing in this joint resolution shall be construed as permitting the President to furnish additional assistance to the Nicaraguan democratic resistance from funds other than the funds transferred under section 5(a) or otherwise specifically authorized by the Congress for assistance to the Nicaraguan democratic resistance.

USE OF FUNDS AFTER A PEACEFUL SETTLEMENT

SEC. 8. If the President determines and so reports to the Congress that a peaceful settlement of the conflict in Central America has been reached, then the unobligated balance, if any, of funds transferred under section 5(a) shall be available for the purposes of relief, rehabilitation, and reconstruction in Central American countries in accordance with the authorities contained in chapter 4 of part II of the Foreign Assistance Act of 1961 (relating to economic support fund assistance).

INCENTIVES FOR A NEGOTIATED SETTLEMENT

SEC. 9. (a) Assistance under this joint resolution shall be provided in a manner designed to encourage the Government of Nicaragua to respond favorably to the many opportunities available for achieving a negotiated settlement of the conflict in Central America. These opportunities include the following proposals:

(1) Six opposition Nicaraguan political parties on February 7, 1986, called for an immediate cease-fire, an effective general amnesty, abolition of the state of emergency, agreement on a new electoral process and general elections, effective fulfillment of international commitments for democratization, and observance of implementation of these actions and commitments by appropriate international groups and organizations;

(2) President Reagan on February 10, 1986, offered simultaneous talks between the Government of Nicaragua and all elements of the Nicaraguan democratic opposition in Nicaragua and between the Government of Nicaragua and the United States Government;

(3) President Jose Napoleon Duarte of El Salvador on March 5, 1986, offered an additional dialogue between the Government of El Salvador and the insurgents in El Salvador if the Government of Nicaragua would simultaneously engage in a dialogue with all elements of the Nicaraguan democratic opposition; and

(4) President Reagan's Message to the Congress of March 19, 1986, proposed a mission to Latin America by his special envoy to encourage the Contadora and Support Group countries to joint in urging the Government of Nicaragua to initiate a national dialogue with representatives of all elements of the Nicaraguan democratic opposition.

(b) In furtherance of the objectives set forth in subsection (a), and except as provided in subsection (c), assistance to the Nicaraguan democratic resistance under this joint resolution shall be limited to the following:

(1) humanitarian assistance (as defined in section 722(g)(5) of the International Security and Development Cooperation Act of 1985);

(2) logistics advice and assistance;

(3) support for democratic political and diplomatic activities;

(4) training in radio communications, collection, and utilization of intelligence, logistics, and small-unit skills and tactics; and

(5) equipment and supplies necessary for defense against air attacks.

(c) On and after July 1, 1986, the restrictions in subsection (b) shall cease to apply beginning 15 days after the President determines and reports to the Congress that—

(1) the Central American countries have not concluded a comprehensive and effective agreement based on the Contadora Document of Objectives,

(2) the Government of Nicaragua is not engaged in a serious dialogue with representatives of all elements of the Nicaraguan democratic opposition, accompanied by a cease-fire and an effective end to the existing constraints on freedom of speech, assembly, religion, and political activity, leading to regularly scheduled free and fair elections and the establishment of democratic institutions, and

(3) there is no reasonable prospect of achieving such agreement, dialogue, cease-fire, and end to constraints described in paragraphs (1) and (2) through further diplomatic measures, multilateral or bilateral, without additional assistance to the Nicaraguan democratic resistance,

unless the Congress has enacted a joint resolution under section 10 disapproving the provision of additional assistance (other than assistance described in subsection (b)).

(d)(1) Notwithstanding subsection (c), no assistance (other than the assistance described in paragraphs (1) through (4) of subsection (b)) shall be provided at any time to the Nicaraguan democratic resistance under this joint resolution if—

(A) the President determines that—

(i) the Central American countries have concluded a comprehensive and effective agreement based on the Contadora Document of Objectives; or

(ii) the Government of Nicaragua is engaging in a serious dialogue with representatives of all elements of the Nicaraguan democratic opposition, accompanied by a cease-fire and an effective end to the existing constraints on freedom of speech, assembly, religion, and political activity leading to regularly scheduled free and fair elections and the establishment of democratic institutions; or

(B) the Congress enacts a joint resolution under section 10 disapproving the provision of additional assistance (other than assistance described in paragraphs (1) through (4) of subsection (b)).

(2) The prohibition contained in paragraph (1) shall not apply with respect to assistance described in paragraph (5) of subsection (b) if the Government of Nicaragua acquires additional equipment or materiel to carry out air attacks.

(e) The limitations on assistance that may be furnished to the Nicaraguan democratic resistance which are contained in subsections (b) and (d) shall cease to apply if the Congress enacts a joint resolution, in accordance with section 10, stating that the Government of Nicaragua has failed to accept or observe a cease-fire with the Nicaraguan democratic resistance.

(f)(1) Notwithstanding any other provision of this joint resolution, on or after July 1, 1986, funds may be obligated or expended under this joint resolution only if the President determines and reports to the Congress that the Nicaraguan democratic resistance groups receiving assistance under this joint resolution have agreed to and are beginning to implement—

(A) confederation and reform measures to broaden their leadership base;

(B) the coordination of their efforts;

(C) the elimination of human rights abuses;

(D) the pursuit of a defined and coordinated program for achieving representative democracy in Nicaragua; and

(E) the subordination of military forces to civilian leadership.

(2) In making his determination under paragraph (1), the President shall take into account the effectiveness and legitimacy of the political leadership of those Nicaraguan democratic resistance groups receiving assistance under this joint resolution, including the ability of that political leadership—

(A) to reflect the views and objectives of the internal and external Nicaraguan democratic opposition;

(B) to function as the spokesman for the Nicaraguan democratic opposition with Central Americans, international organizations, and the United States Government;

(C) to represent the Nicaraguan democratic opposition in dealing with the Government of Nicaragua;

(D) to provide command and control for the military forces of all resistance groups receiving assistance under this joint resolution and to establish the goals for their military operations;

(E) to determine the distribution of assistance provided under this joint resolution; and

(F) to provide the legal mechanisms necessary for the enforcement of standards of conduct applicable to all members of the resistance groups receiving assistance under this joint resolution.

CONGRESSIONAL PRIORITY PROCEDURES

SEC. 10. (a)(1) A joint resolution described in subsection (c) of section 9 shall be one without a preamble, the matter after the resolving clause of which is as follows: "That the Congress disapproves the provision of additional assistance to the Nicaraguan democratic resistance pursuant to the joint resolution entitled 'Joint resolution relating to Central America pursuant to the International Security and Development Cooperation Act of 1985', except as provided in section 9(b) thereof.".

(2) A joint resolution described in subsection (d)(1)(B) of section 9 shall be one without a preamble, the matter after the resolving clause of which is as follows: "That the Congress disapproves the provision of additional assistance to the Nicaraguan democratic resistance pursuant to the joint resolution entitled 'Joint resolution relating to Central America pursuant to the International Security and Development Cooperation Act of 1985', except as provided in paragraphs (1) through (4) of section 9(b) and paragraph (2) of subsection (d) thereof.".

(3) A joint resolution described in subsection (e) of section 9 shall be one without a preamble, the matter after the resolving clause of which is as follows: "That the Congress finds that the Government of Nicaragua has failed to accept or observe a ceasefire and hereby approves the provision of assistance to the Nicaraguan democratic resistance pursuant to the joint resolution entitled 'Joint Resolution relating to Central America pursuant to the International Security and Development Cooperation Act of 1985.', notwithstanding subsection (b) or (d) of section 5 thereof".

(b) A joint resolution described in subsection (a)(1), (a)(2), or (a)(3) shall be considered in the House of Representatives and in the Senate in accordance with the provisions of paragraphs (3) through (7) of section 8066(c) of the Department of Defense Appropriations Act, 1985 (as contained in Public Law 98-473), except that—

(1) references in such paragraphs to a joint resolution shall be deemed to be references to the respective joint resolution set forth in subsection (a)(1), subsection (a)(2), or subsection (a)(3);

(2) references in such paragraphs to the Committee on Appropriations shall be deemed to be references to the appropriate committee or committees of the respective House of Congress;

(3) references in such paragraphs to the eighth day and to fifteen calendar days shall be deemed to be references to the fifth day and to five calendar days, respectively; and

(4) amendments may be in order but only if the amendments are germane.

(c) The provisions of this section are enacted—

(1) as exercises of the rulemaking powers of the House of Representatives and Senate, and as such they are deemed a part of the Rules of the House and the Rules of the Senate, respectively, but applicable only with respect to the procedure to be followed in the House and the Senate in the case of joint resolutions under section 9, and they supersede other rules only to the extent that they are inconsistent with such rules; and

(2) with full recognition of the constitutional right of the House and the Senate to change their rules at any time, in the same manner, and to the same extent as in the case of any other rule of the House or Senate, and of the right of the Committee on Rules of the House of Representatives to report a resolution for the consideration of any measure.

COMMISSION ON CENTRAL AMERICAN NEGOTIATIONS

SEC. 11. (a)(1) There is established the Commission on Central American Negotiations (hereafter in this section referred to as the "Commission"), which shall be composed of five members appointed as follows:

(A) One individual appointed by the Speaker of the House of Representatives;

(B) One individual appointed by the Minority Leader of the House of Representatives;

(C) One individual appointed by the Majority Leader of the Senate;

(D) One individual appointed by the Minority Leader of the Senate; and

(E) One individual, who shall serve as Chairman of the Commission, selected by unanimous vote of the other members of the Commission.

(2) No officer or employee of the United States may be appointed as a member of the Commission.

(b) The purpose of the Commission is to monitor and report on the efforts of the Nicaraguan democratic resistance to coordinate and reform and on the status of any negotiations on the peace, stability, and security of Central America, including negotiations conducted between or among—

(1) the Government of Nicaragua and all elements of the Nicaraguan democratic opposition, including he Nicaraguan democratic resistance;

(2) the governments of Central American countries;

(3) the Government of the United States and the Government of Nicaragua;

(4) the governments of the Contadora and Support Group countries and the government of the Central American countries; and

(5) the Government of El Salvador and the insurgents in El Salvador.

(c)(1) The Commission may appoint and fix the pay of not more than seven staff personnel, but at such rates not in excess of the rate of pay for GS-18 of the General Schedule under section 5332 of title 5, United States Code.

(2)(A) Each member of the Commission shall be entitled to receive the daily equivalent of the annual rate of basic pay in effect for grade GS-18 of the General Schedule under section 5332 of title 5, United States Code, for each day during which such member is engaged in the performance of duties as a member of the Commission.

(B) While away from his home or regular place of business in the performance of duties for the Commission, a member or staff personnel of the Commission shall be allowed travel expenses, including a per diem in lieu of subsistence, not to exceed the expenses allowed persons employed intermittently in Government service under section 5703 of title 5, United States Code.

(3) For purposes of pay and other employment benefits, rights, and privileges and for all other purposes, any employee of the Commission shall be considered to be a congressional employee as defined in section 2107 of title 5, United States Code.

(d)(1) A majority of the members of the Commission shall constitute a quorum.

(2) All decisions of the Commission, except as otherwise provided in this section, shall be by majority vote.

(e) The Commission may make such reports in connection with its duties as it deems necessary to the Speaker of the House of Representatives and the chairman of the Committee of Foreign Relations of the Senate, except that—

(1) not later than 5 days after receipt by the Congress of a report by the President under section 9(c), the Commission shall prepare and transmit to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate a report addressing all the matters which are required to be included in reports of the President by paragraphs (1), (3), and (4) of section 12; and

(2) not later than June 30, 1986, the Commission shall prepare and transmit to the Congress a report on whether the Nicaraguan democratic resistance groups receiving assistance under this joint resolution have agreed to and are beginning to implement measures described in subparagraphs (A) through (E) of section 9(f)(1) and an evaluation of the factors described in section 9(f)(2).

(f)(1) Salaries and expenses of the Commission, but not more than $400,000, shall be paid from the contingent fund of the Senate out of the Account for Miscellaneous Items, in accordance with the provisions of this section.

(2) Funds made available to the Commission by paragraph (1) shall be disbursed on vouchers approved by the Chairman, except that no voucher shall be required for the disbursement of the salary of an individual appointed under subsection (c).

(3) For purposes of section 502(b) of the Mutual Security Act of 1954, the Commission shall be deemed to be a standing committee of the Congress and shall be entitled to use of funds in accordance with such section.

(g) The Commission shall terminate not later than 30 days after transmittal of the reports required by subsections (e) and (f).

PRESIDENTIAL REPORTING REQUIREMENT

SEC. 12. Not later than 90 days after the date of enactment of this joint resolution, and every 90 days thereafter, the President shall prepare and transmit to the Congress a report on actions taken to achieve a resolution of the conflict in Central America in a manner that meets the concerns described in section 3(a). Each such report shall include—

(1) a detailed statement of any progress made in reaching a negotiated settlement, including the willingness of the Nicaraguan democratic resistance and the Government of Nicaragua to negotiate a settlement;

(2) a detailed accounting of the disbursements made to provide assistance with the funds transferred under section 5(a);

(3) a discussion of alleged human rights violations by the Nicaraguan democratic resistance and the Government of Nicaragua, including a statement of the steps taken by the Nicaraguan democratic resistance to remove from their ranks any individuals who have engaged in human rights abuses; and

(4) an evaluation of the progress made by the Nicaraguan democratic resistance in broadening its political base and defining a unified and coordinated program for achieving representative democracy in Nicaragua.

REQUESTS FOR ADDITIONAL ASSISTANCE

SEC. 13. The provisions of subsections (s) and (t) of section 722 of the International Security and Development Cooperation Act of 1985 shall apply with respect to any request described in section 722(p) of such Act submitted by the President to the Congress on or after the date of enactment of this joint resolution, except that, for purposes of consideration in a House of Congress of a joint resolution under subsection (s) or (t) of such section, amendments to such a joint resolution may be in order but only if such amendments are germane.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the joint resolution was passed.

Mr. LUGAR. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DOLE. Mr. President, I thank the managers of the bill, particularly the chairman of the committee, Senator LUGAR.

We have considered this measure for 2 days, about 10 hours total time. There were nine amendments. Two were agreed to, three were rejected, two were tabled, and two were withdrawn.

Mr. BYRD. Mr. President, I think it is obvious to everyone that the Senate is not in order. The majority leader is entitled to be heard.

The PRESIDING OFFICER. The Senate will be in order. The staff will please take their seats at the rear of the Chamber.

Mr. DOLE. In addition to the time covered by official debate, there were 5 hours of so-called nonofficial debate yesterday. Many Senators on each side made very effective statements with respect to certain portions of the bill or the general tenor of the bill.

I thank my colleagues on both sides. I particularly thank Senator LUGAR and Senator PELL, who had the management responsibilities.

I certainly thank the distinguished minority leader for his many courtesies and willingness to meet. We did not quite get an agreement, but we made the effort.

Also, I thank Senator SASSER, Senator WALLOP, Senator BENTSEN, and many others who were involved in the negotiations, even though we were not able to reach a final agreement.

As I indicated, that is the last vote before the recess.

VOTES ON APRIL 8

I am advised that on April 8, the first vote will come in late afternoon. It could be as late as 5 o'clock.

Mr. BYRD. Mr. President, will the distinguished majority leader consider a request to the effect that there be no rollcall votes before 5? That would give Senators a little more certainty as to how soon they should be here.

Mr. DOLE. I make that request, that on Tuesday, April 8, there be no record vote prior to 5 p.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. Mr. President, I thank the majority leader.

Mr. LUGAR. Mr. President, I should like to take this opportunity to thank the majority leader for his diligence in keeping everybody going, and I thank the minority leader for the good colloquys we had in preparation for this bill.

I thank members of the administration who were very helpful and very cooperative as we have tried to forge something with which we could work with the President.

Finally, I thank all Members for pursuing this debate with a good spirit. Each Member exemplified patriotism in the best sense of the word and the best wisdom we could all bring to this matter.

I thank the staff members on both sides, with whose diligence we prepared a good project.

Mr. PELL. Mr. President, I thank my staff, Jerry Christianson and Barry Sklar, for the work they have done.

I particularly congratulate and commend Senator SASSER, who played a key role in many of the negotiations that occurred. I thank the leadership on both sides of the aisle for the courtesy and kindness they extended.

ROUTINE MORNING BUSINESS

Mr. SIMPSON. Mr. President, I ask unanimous consent that there be a period for the transaction of routine morning business until 8 o'clock.

The PRESIDING OFFICER. Without objection it is so ordered.

"CARL SAGAN: A MODEL FOR YOUNG SCIENTISTS"

Mr. MATSUNAGA. Mr. President, we in Congress understand how difficult it is to communicate complex political issues to a busy public. But at least we deal with bread and butter issues—food, housing, taxes, transportation—and our actions are transmitted through the mass media to the Nation at large. On the other hand, imagine how much more difficult it must be to divert public attention to the obscure activities of scientists working in laboratories on problems that seemingly bear no direct relevance to our daily lives. The challenge is greater by several orders of magnitude. I might say it is insuperable, but for the example of one extraordinary individual. Mr. President, although many politial leaders are well known to the American people, only one American scientist has gained similar access to the public. I am referring, of course, to Carl Sagan. I do not believe we realize how truly remarkable, Dr. Sagan's achievement is, or how much our Nation owes to him.

Ours is an era of mass communication, in which young people find models for their careers in the mass media. Dr. Sagan has mastered the mass media in the cause of careers in science, especially space science. His television series "Cosmos" introduced an entire generation to the wonders of humanity's next and most expansive frontier. I am sure that thousands of youngsters committed themselves to science as a result. Among them may be future Nobel Prizewinners whose contributions, in an age of science, will affect every segment of global society. Dr. Sagan's continuing writings and public appearances constitute perhaps our Nation's most powerful single recruiting tool for scientific careers. In that respect alone, Carl Sagan is an irreplaceable national resource.

In a related area, the Planetary Society founded by Carl Sagan and Bruce Murray a few years ago, and of which I am proud to be a member, has rapidly grown into the largest space interest group in the world, with more than 100,000 members. It has sponsored professional conferences, classroom activities, television programs, scientific research—always in the service of the great democratic ideal of making complex issues accessible to the general public. Some call it popularization. I call it democratization, and I hail it as a fundamental necessity for the healthy evolution of democratic society. To the extent that scientists communicate with the public, and vice versa, democratic values and institutions prosper.

But Carl Sagan has not only opened those lines of communication to an unmatched degree for space research and exploration. He has also established a political context for the ensuing dialogue that is of inestimable value for members of his profession and for the general public. One does not have to agree with Carl Sagan's opinions to admire him for insisting that scientific activities are public issues that require opinions in a democratic society—nowhere more than on the space frontier. During my 4-year effort on behalf of international cooperation in space, I have encountered no public figure more committed to that cause or more intelligent and imaginative in its pursuit.

Recently, Parade Magazine published an article by Carl Sagan that renewed his proposal for a joint United States-Soviet expedition to Mars. Others, myself included, have also spoken out for joint Mars exploration, but I don't know of a more stirring statement on behalf of such a mission than this one. Once again, Carl Sagan has displayed his unique ability to discuss our future in space with down-to-earth authority, a sense of soaring wonder, and in harmony with humanity's deepest and most ennobling aspirations. Mr. President, I ask unanimous consent to print Carl Sagan's article in the CONGRESSIONAL RECORD at this time, as the most eloquent and convincing testimony on behalf of a goal that within our hearts we all share.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Parade Magazine, Feb. 2, 1986]

LET'S GO TO MARS TOGETHER

(By Carl Sagan)

In the darkened auditorium of the National Academy of Sciences in Washington, D.C., the five of them—veterans of many space missions—reminisced about the silent movie being projected on the big front screen. With an easy, selfmocking humor, they described the design of the compatible docking module, the separate launches from Cape Canaveral, Fla., and Tyuratam in the USSR, the dangerous rendezvous, the triumphant crawling through the air locks to visit one another, the exchange of gifts, the camaraderie and their separate returns to Earth. Occasionally, a little shyly, they would put an arm around each other. Many in the audience were struck by the mutual affection and respect of Lt. Gen Thomas Stafford, U.S. Air Force, former commander at Edwards Air Force Base, where high-performance aircraft are tested, and Maj. Gen.

Alexei Leonov, Soviet Air Force, the first human to walk in space. As the film ended and the lights came on, there arose from the sedate audience of engineers and scientists a sound I have rarely heard—an ovation of such a timbre and intensity that you knew something deeply felt had been touched in that hard-bitten and tough-minded audience.

Maybe it was possible after all, you got to thinking. Maybe these two nations *could* work together in their common interest. Perhaps they *could* set aside a little of the mutual paranoia and propaganda, to say nothing of their 55,000 nuclear weapons. We've been conditioned to think that in the "real" world it could never happen, that it's too good to be true. But it had happened in World War II, against a common enemy, and in a small way it had happened in July 1975, with the Apollo/Soyuz linkup that we were celebrating.

That linkup, I knew, had its genesis, in large part, in an idea proposed by PARADE back in January 1966. Affirming in an open letter to President Lyndon Johnson that space should be a territory for peaceful exploration, not a battleground, PARADE proposed that an American astronaut and a Russian cosmonaut orbit the Earth together in a two-man capsule—a demonstration of superpower cooperation that would transcend political differences. The response at the time—from readers and newspaper editors alike—was overwhelmingly positive. Six years later, in May 1972, President Nixon and Premier Kosygin signed an agreement providing for U.S.-Soviet cooperation in exploring space for peaceful purposes, leading to the 1975 Apollo-Soyuz linkup.

Now, here they were, the veterans of that contact between alien civilizations, describing a mission whose accomplishments, apart from some worthwhile science, were chiefly in the cause of human understanding. There was a hunger in that audience—as there is throughout the world—a longing for the two nations to do something together for a change, something on behalf of the human species. Our powers are so great and our accomplishments so feeble. Think of what we could do together. As the five astronauts and cosmonauts were given relief maps of the Kasei Vallis region of Mars, you heard another stirring ovation, and again the thought arose unbidden: Maybe it was possible after all.

Mars is the world next door, the nearest planet on which an astronaut or cosmonaut could safely land. Although it is sometimes as warm as a New England October, Mars is a chilly place, so cold that some of its thin carbon dioxide atmosphere freezes out at the winter pole. There are pink skies, fields of boulders, sand dunes, vast extinct volcanos that dwarf anything on Earth, a great canyon that would cross most of the United States, sandstorms that sometimes reach half the speed of sound, strange bright and dark markings on the surface, mountains shaped like pyramids and other enigmas.

Among these many wonders and delights are the channels. The surface of Mars is covered with hundreds of ancient river valleys, carved out in a more clement time when liquid water flowed across the martian landscape. Not only were there rivers then, but also lakes and (possibly) oceans. When, in 1976, the two Viking landers set down on Mars, no sign of life was uncovered—no footprints, no artifacts, no trees or bushes or desert coneys or microbes, not even so much as a complex organic molecule. Mars seems to be lifeless today. But what seems certain is that a billion years ago, when the waters flowed, the chances of life were much greater on that wetter and warmer Mars. If we could wander down one of the sinuous valleys and examine the geological stratifications in the banks, we might discover much—and climate change and the origin and evolution of life, and about the comparative developments of sister worlds.

Mars beckons, a storehouse of scientific information—important in its own right but also for the light it may cast on the environment of our own planet. If Mars once had abundant liquid water, what went wrong? How did an Earthlike world become so parched, frigid and comparatively airless? Is there something here we should know about our own planet?

We humans have been this way before Christopher Columbus would have understood the call of Mars. But mere scientific exploration does not require a human presence. We can always send smart robots. They are much cheaper, and you can take more risks with them.

Sending humans to Mars must have more than scientific justification, as with the Apollo program. President John F. Kennedy did not ask to find out the origin of the dark lunar lowlands by the end of the 1960s; he asked for an American to land on the Moon and return safely. It was an American political response to the Bay of Pigs fiasco in Cuba and to the fact that the first person to orbit the Earth was a citizen of the Soviet Union. Kennedy explicitly cast the Apollo program in the context of peaceful competition with the Soviet Union. And, as all the world knows, that race the Americans won.

But imagine a different sort of Apollo program, in which cooperation, not competition, was the objective, because the leaders of the U.S. and the U.S.S.R had come to their senses. Imagine these leaders deciding to do something not just for their nations but also for their species, something that would capture the imaginations of people everywhere and would lay the groundwork for a major advance in human history—the eventual settlement to another planet.

It can be done. It is technologically feasible. It requires no major "breakthroughs." A project to send people to Mars sounds absurdly expensive. But the advances in technology have been so great that such a mission would cost far less than Star Wars, less than the Apollo program, and not much more than a major strategic weapons system. In a joint mission, the cost to any one nation would be still smaller.

But why a joint mission to Mars? Why not jointly feed the hungry in sub-Saharan Africa, or do water reclamation projects in Bangladesh? The United States and the Soviet Union could, if they chose, together help house, educate, provide medical care for and make increasingly self-reliant every citizen of the planet. But the U.S. and the USSR have no such precedent; they have been obsessed by the pursuit of short-term competitive advantages. The political realities, sadly, are that a joint mission to Mars, like Apollo/Soyuz, is well within the realm of practical possibility, while many worthy and more mundane activities are not. Not yet. But a major cooperative success in space can serve as an inspiration and spearhead for joint enterprises on Earth.

Moreover, space missions have an important subsidiary advantage: They use precisely the same aerospace, electronics, rocket and even nuclear technologies as does the nuclear arms race. There is a perception, enunciated most clearly by President Dwight Eisenhower in his farewell address, that the marriage of high technology and the military establishment creates an arms-race juggernaut that is almost impossible to turn off and that may destroy us all. An alternative program using the same industries and some military skills for peaceful purposes might be a very good thing; it is foolish to have powerful vested interests—jobs, careers, profits, dividends—mainly spacecraft that will take the first humans to Mars. By 1992, the U.S. Space Station is supposed to be ready.

If we take this path, there will come a time—perhaps at the dawn of the new century and the new millennium—when the interplanetary spacecraft will be assembled in Earth orbit, the progress in full view on the evening news. Astronauts and cosmonauts, hovering like gnats, will guide and mate the prefabricated parts. The day will come when the ship is tested and ready, boarded by its international crew and boosted to escape the Earth's gravity. For the whole of the voyage to Mars and back, the lives of the American crew members will depend on their Soviet counterparts and vice versa, a microcosm of the actual situation down here on Earth. Perhaps the first joint manned (and womanned) mission will be only a flyby of Mars. Perhaps robot vehicles will then (or earlier), with parachutes and retrorockets, gently set down on the Martian surface to collect samples and return them to Earth. But eventually—around 2001 if we wish it—humans will set foot on the planet Mars.

According to solemn treaty, signed in Washington and Moscow on Jan. 27, 1967, and ratified by the Senate and the President, no nation may lay claim to part or all of another planet. Nevertheless—for good historical reasons that Columbus would have understood well—people are concerned about who first sets foot on Mars. If this really worries us, we can arrange for the ankles of the American and Soviet commanders to be tied together as they alight in the gentle Martian gravity.

But there would be much to do besides making symbolic gestures. The crews would acquire new and previously sequestered samples, in part to search for life, in part to understand the past and future of Mars and Earth. They would experiment, for later expeditions, on extracting water, oxygen and hydrogen from the hydrated rocks and sand and from the underground permafrost—to drink, to breathe, to power their machines and, as rocket fuel, for the return to Earth. They would test our Martian materials for eventual bases and settlements on Mars.

And they can go exploring. For me, the early stage of human exploration of Mars is encapsulated by the image of a roving vehicle wandering down an ancient river valley, the crew with geological hammers, cameras and analytic instruments at the ready. Every day the explorers could rove to their own horizon, their discoveries televised back to Earth at the speed of light.

In the long run, the binding up of the wounds on Earth and the exploration of Mars might go hand in hand, each activity aiding the other. The wonders of Mars will occupy us for a long time—its surface area is equal to the land area of the Earth. The first voyage of men and women from our planet to Mars is the key step in transforming us into a multiplanet species—a step as momentous as the colonization of the land by our amphibian ancestors some 500 million years ago and the descent from the

trees by our primate ancestors perhaps 10 million years ago.

Decades ago, Mars called to the Soviet spaceflight pioneer Konstantin Tsiolkovsky and to his American counterpart, Robert H. Goddard. The rockets they designed were intended not for the destruction of life on Earth but to take us to the planets and the stars. Is there not some special obligation of the two principal spacefaring nations—the two nations that have burdened our planet with 55,000 nuclear weapons—to put things right, to use this technology for good and not for evil, to blaze, on behalf of every human being, the trail to Mars and beyond?

AGRICULTURAL AND ENERGY BANK INCENTIVE ACT—S. 2231

Mr. GARN. Mr. President, last Tuesday the Senate Banking Committee culminated 8 months of work by unanimously reporting out S. 2231, the Agricultural and Energy Bank Incentive Act. It began last July when the committee held hearings on Senator DIXON's bill. Senator DIXON and I and other Members of the Senate—Senators DOLE, D'AMATO, PROXMIRE, MATTINGLY, CRANSTON, GRAMM, RIEGLE, GORTON, DODD, SARBANES, NICKLES, ABDNOR, and EXON—worked very hard to resolve these issues.

Yesterday and today we expressed to certain other Senators a willingness to work with them to pass this legislation. A few Senators however wanted more—wanted to add provisions to the bill which if they offered their amendments, they would have been overwhelmingly rejected. Other Senators privately expressed concerns about other provisions of the bill—which they would have liked deleted. Senators DOLE, DIXON, and I worked tirelessly with these Senators for 2 days. We tried our best to accommodate them reasonably, but we failed. A few Senators refuse to even let the Senate consider this legislation, offer their amendments, and permit the Senate to choose. In my opinion, they have frustrated the process and I hereby request that the Senate bring up S. 2231 as soon as we return from the Easter recess.

PROMPT ACTION ON SUPERFUND NEEDED

Mr. LAUTENBERG. Mr. President, on March 21 the Congress approved legislation I sponsored to provide interim funding legislation for the Superfund Program. It is critically important that we use the 60 day breathing period provided by this legislation to complete our work on the Superfund conference and enact a bill for an expanded and strengthened Superfund Program.

Taxing authority for the Superfund Program expired on October 1, 1985, and the trust fund has been virtually depleted. On April 1, EPA would have begun to dismantle Superfund by terminating contracts with companies that are currently involved in cleanup actions. Enforcement actions would have been reduced by half and no new cases developed. Emergency removals were to be curtailed by 80 percent. And, EPA would have been able to handle only three or four major emergencies a month. Last month, EPA began the process of furloughing its own employees.

In approving the interim funding measure for Superfund, Congress clearly spoke: We cannot permit the program to be dismantled. Congress recognized that it is not possible to stop a program the size and complexity of the Superfund Program and start it over again without irreparable damage.

While the Superfund conference has been meeting regularly since it convened late last month, there was no realistic prospect that the conference could complete its work prior to the Easter recess. The interim funding legislation approved by Congress was designed to keep pressure on the conference to complete its work, but provide enough funding to protect the integrity of the Superfund Program.

The measure provides $150 million for 60 days, a level consistent with the annual rate provided in the fiscal year 1986 HUD-Independent Agencies appropriations bill. The legislation makes a direct appropriation of $150 million available to the program as a repayable advance until May 31.

This measure provides the proper balance between the need to protect the Superfund Program and the need to keep the pressure on the Congress and the President to ensure that we reauthorize Superfund this year. Further delay is unacceptable.

Mr. President, in 1984 the administration opposed the reauthorization of Superfund, despite efforts by both the Senate and the House of Representatives to enact a bill. In 1985, deadlock prevailed again. The Senate approved a new Superfund bill before the tax expired, but only after months of delay due to the administration's opposition to our legislation.

Mr. President, since last summer, the Superfund Program has been on a minimal life-support system. It is time now to resolve our differences and enact an adequately funded and improved Superfund bill. The Congress has exactly 6 weeks, after returning from Easter recess, before we deplete the funds just approved. Progress has been slow in our conference, and no visible progress had been made on the tax title of the bill.

Mr. President, it is time to start making decisions and stop ducking the issues before us. We need to bite the bullet. The major issues yet to be resolved are the taxing mechanism, right-to-know, cleanup schedules and standards, liability and settlement policy, and citizen suits.

Congress must send a renewed Superfund to the President by May 21. I look forward to working with my colleagues on the Superfund conference to see that we achieve this goal.

In the interim, EPA can begin the important task of rebuilding the program and gearing up in anticipation of the Superfund reauthorization.

Mr. President, I ask that a series of editorials and articles on this issue be inserted in the RECORD, including an op-ed piece that I authored. I also ask that a letter from a number of national environmental organizations supporting the interim funding legislation be inserted in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

ENVIRONMENTAL ACTION, NATIONAL AUDUBON SOCIETY, U.S. PUBLIC INTEREST RESEARCH GROUP, SIERRA CLUB,

March 20, 1986.

Hon. FRANK R. LAUTENBERG,
U.S. Senate,
Washington, DC.

DEAR SENATOR LAUTENBERG: We understand that you have introduced a bill to provide EPA with short-term funding for 60 days to maintain the Superfund program. We strongly support this legislation that would provide up to $150 million. We also endorse the provision which prohibits obligation of these funds beyond May 31. In this way, the Superfund Conference will remain the means by which long-term continuation of Superfund will be achieved.

We vigorously oppose a one-year or any other long-term extension of the existing Superfund which would undercut the need for the Superfund Conference to complete consideration of critically needed reforms of the program.

Sincerely,

DAN BECKER,
Environmental Action.
A. BLAKEMAN EARLY,
Sierra Club.
LESLIE DACH,
National Audubon Society.
RICK HIND,
U.S. Public Interest Research Group.

[From the Newark Star Ledger]

SAVING SUPERFUND

The superfund is in trouble. The federal program funding the cleanup of toxic waste sites—one that is of enormous importance to New Jersey—has been the victim of a stalemate involving conflicting viewpoints in the Senate, the House and the Reagan Administration and it may be dismantled.

Lee Thomas, the administrator of the Environmental Protection Agency, has been permitting the program to continue to operate even though its official life has ended. But he has warned that he will not allow this situation to continue indefinitely.

Mr. Thomas said he will begin in two weeks to dismantle the superfund if nothing is done in Congress. For a state such as New Jersey, which has the largest number of toxic sites in the nation and requires urgent attention, this would be most unfortunate.

The Senate and House last year passed differing versions of legislation extending the superfund, and then recessed without a conference to reconcile the measures. The White House was not much help either, backing a third formula and then later changing its mind.

There are many differences among the versions backed by the Senate, the House and the Administration, but one of the chief ones is money. The House favors spending $10 billion over a five-year period. The Senate version calls for $7.5 billion and the Administration has been pushing a $5.3 billion substitute.

Last year, the Senate version appeared to be a workable compromise between the House and the Administration versions, not only on spending but on other points, including revenue sources. Even now, the Senate bill still looks like the clear winner.

In any event, Congress ought to make the rebirth of the superfund a matter of the highest priority. The stalemate must be broken.

Three New Jersey Democratic legislators—Sen. Frank Lautenberg and Reps. James Howard and James Florio, have been among the leaders in pushing legislation in their respective houses. Perhaps they can demonstrate to their colleagues the need for fast action to keep the superfund from being dismantled.

[From the Woodbury Gloucester County Times (NJ) Feb. 12, 1986]

SUPERFUND NEEDS TEMPORARY FUNDING

Neighbors of a lagoon filled with contaminated oil in Logan Township are well acquainted with the meaning of the word "delay." They experience more than a decade of delays until officials decide the lagoon was an environmental disaster that should be cleaned up.

They became accustomed to delays in the planned cleanup of the blackened Bridgeport Oil Services and Rental swamp—a project that has yet to start. And those nearest the 12.7-acre lagoon, whose wells are contaminated, have seen the installation of water lines to their homes delayed.

Currently, the state Department of Environmental Protection (DEP) is promising that water lines will be installed this spring. Those who live in the 15 homes with polluted water are not holding their breath.

The DEP took responsibility last summer for providing safe, public water to the homes because it was believed the state agency could get the $950,000 project completed faster than the federal Environmental Protection Agency (EPA). The EPA is supposed to reimburse the DEP for the work.

Let us hope the DEP, which has set aside funds for the project, will break the chain of delay, and at least bring safe water to those whose wells are contaminated, while the lagoon cleanup is put off even further.

Currently the interminable cleanup delays in Logan Township and elsewhere in Gloucester County—as well as around the nation—are being worsened by the lack of financing for the federal toxic waste cleanup program, known as the Superfund.

Superfund revenues from a tax on petroleum and basic petrochemicals ceased Oct 1, when the toxic waste cleanup legislation expired. A continuing debate over Senate and House versions of Superfund renewal has blocked enactment of legislation that would bring an infusion of new funds.

At first, it seemed wise to avoid temporary financing for the program, to keep pressure on Congress to enact new legislation. But since it now appears final action on the program is weeks, and possibly months, away, there is a need for revenue so that cleanups—and projects like bringing clean water to residents with contaminated wells in Logan Township—can go forward.

Lee Thomas, EPA administrator, says Superfund money is running out and, unless there is an infusion of cash, his agency, which has been running on leftover funds, will be able to conduct cleanup operations at only 34 toxic waste sites through Oct. 1, instead of the 173 cleanups planned.

Gloucester County residents have been unimpressed with Superfund cleanup efforts at Lipari Landfill in Mantua Township and at the Bridgeport oil lagoon, but without Superfund there would be virtually no hope that, at least some day, the toxic wastes sites will be cleaned up.

While the Congress continues to debate the renewal of Superfund, it should authorize stopgap funding at previous levels so that, at least in some minimal way, even further cleanup delays may be avoided.

[From the Philadelphia Inquirer, Feb. 5, 1986]

GIVE SUPERFUND A QUICK FIX

One day after the Environmental Protection Agency announced plans to shut down the federal Superfund toxic-waste cleanup program for lack of funds, EPA Administrator Lee M. Thomas went before the Senate Environment Committee last week with a compromise of sorts. If Congress would provide temporary financing while House and Senate conferees ironed out differences on reauthorization bills, cleanup could continue.

Congress should accept the compromise, but with conditions.

Nobody wants Superfund contractors to pack up their moon suits and walk away from 170 sites that at last are being cleaned up. Yet, without additional money, that urgent work can't continue.

"We can't spend money we don't have," said Superfund program chief J. Winston Porter. Financial help does not appear to be imminent, however. Bills approved by the House and Senate late last year are quite different, both in substance and in funding levels. While a meeting of the minds between the two chambers is considered quite probable, it will take time before a compromise can be hammered out. In the meantime, however, the EPA is rapidly exhausting Superfund's bank account and has been forced to cut back cleanup efforts. What little money remains will run out by October, a year after Superfund officially expired.

Mr. Thomas told senators that the EPA is spending only $17 million a month on Superfund work. If the House-passed version of Superfund reauthorization had won congressional approval, $166.6 million a month would have been available to the EPA. The Senate-passed version would have provided $125 million per month. The disparity between what's available and what might have been available for cleanup makes the need for action obvious.

EPA's proposal for stopgap funds represents a significant policy change for the Reagan administration, which had opposed interim financing last year when the Superfund debate reached an impasse. The administration's objections were based on the fact that a temporary financial rescue would eliminate a lot of the public and political pressure on Congress to get a new law on the books.

To a certain extent, the administration is correct in its thinking. That's where the Congress can play a constructive role. Emergency funding should be provided, but not for a year, as some have suggested. Rather, funds that would allow full-scale cleanup operations to continue for several months—perhaps until May or June—should be authorized. That would provide a reasonable period for conferees to settle their differences but still feel the pressures of a deadline.

The House Ways and Means Committee, which is assembling a legislative package that would renew a variety of expired excise taxes, should add the Superfund tax to its list, and Congress should give it prompt approval.

[From the New York Times, Mar. 16, 1986]

KEEP THE PRESSURE ON CONGRESS FOR A NEW SUPERFUND BILL

(By Frank R. Lautenberg)

New Jersey residents have an enormous stake in the decisions that the Congress will make in the next few weeks on the Federal Superfund program. Unless action is taken quickly, the chances for a strong Federal program to clean up the nation's toxic wastes may perish.

Authority to raise money for the Superfund program expired last Sept. 30. Enacted in 1980, the program is the major source of support for cleaning up abandoned toxic-waste sites and responding to emergency releases of hazardous substances.

Since its expiration last year, the fund has been depleted and work planned for 1986 has been canceled.

The Federal Environmental Protection Agency is now threatening to begin to furlough 1,500 Superfund employees and to terminate continuing cleanup actions. In New Jersey, Federal action at 14 sites has been delayed; action at 15 others could be canceled by April 1.

For two years, deadlock has prevented the enactment of new Superfund legislation. In 1984, the Administration staunchly opposed the renewal of Superfund, despite efforts by both the Senate and House of Representatives to enact a bill.

In 1985, deadlock prevailed again. The Senate approved a new Superfund bill before the program expired, but only after months of delay due to Administration opposition. Conflicts over strengthening the program delayed consideration of Superfund legislation in the House until after the program had expired.

When it became clear that the Congress would not enact a bill last year, I sponsored legislation to provide six months of interim funds to keep the Superfund program going. This bill would have permitted the Government to keep raising money for the program until the end of this month.

My legislation, which provided only six months of financing, was designed to keep measure on the Congress and the President to approve a bill earlier this year. But the Administration opposed the legislation, and it was not acted upon before the Congress adjourned for the year.

The House and Senate have now each approved five-year extensions of a more effective, enlarged and strengthened Superfund program, and a House-Senate conference committee is meeting to resolve differences between the two bills.

I serve on that committee and have urged the conferees to finish our work before

April 1, when the Superfund shutdown will begin. However, a stalemate looms again.

Instead of working with the conference to quickly enact a new Superfund program, the Administration is proposing to extend the old program for a year. This extension would keep the financing for cleanup at much lower levels than the amount supported in the Congress, and it ignores proposed improvements in the program.

A one-year extension of Superfund would take pressure off the Congress just at the time when pressure should be increased. It would make it easier for President Reagan to oppose a strong Superfund bill and, possibly, to veto one.

Most ominously, because it would push Superfund renewal off until after this year's elections, it could provide the opportunity for the President to recommend that the Federal program be scaled down—or even ended—and that the states take on primary responsibility for toxic waste cleanup.

New Jersey has agreed to advance funds, for which it will be reimbursed, for cleaning up some toxic waste sites in our state this year. But it is an open question of how long and at how many sites the state will be able to help out.

With the most Superfund sites in the nation, New Jersey has a lot at stake. Since 1980, it has received about 20 percent of the funds from Superfund.

If interim financing is needed to provide a brief window to preserve the integrity of the Federal Superfund program and to give Congress time to complete its work, it should be for only three to six months. There is no excuse for ducking the issues anymore.

The Congress must enact a permanent and strengthened Superfund program. The components of such a program include:

A $10 billion fund supported by a broad-based tax on industry.

Strong community right-to-know and emergency preparedness and response planning provisions, and requirements for immediate notification in the event of a chemical release, which I sponsored in the Senate. Citizens and emergency response personnel have a right to know about the chemicals present in their communities, and how to respond if faced with an accidential spill or release.

Accelerated schedules and tougher standards for site cleanup.

The right of citizens to sue when faced with hazards in their communities if the E.P.A. is not fulfilling its responsibilities.

Concerned citizens need to keep pressure on the Congress and the White House to make sure that we achieve these goals.

[From the Newark Star Ledger, Feb. 17, 1986]

EPA Cutting 1,500 Jobs in Fund Loss

(By Gordon Bishop)

The U.S. Environmental Protection Agency (EPA) will be notifying 1,500 employees shortly that they will be laid off as the federal superfund for cleaning up the nation's toxic waste sites runs out of money.

And within six weeks, the EPA will start shutting down the $1.6 billion cleanup program affecting some 1,000 hazardous waste dumps nationally, Lee Thomas, the agency's administrator, announced.

"EPA will be formulating plans this week to lay off 1,500 employees based on length of service with the government and their performance ratings," Russell Dawson, special assistant to Thomas, told The Star-Ledger.

"We've already started the process of determining who will be the first to be furloughed based on seniority and performance," Dawson disclosed.

As the superfund program winds down, New Jersey will be the hardest hit because it has the greatest number of toxic sites on the federal superfund priority list—a total of 99.

The cost to decontaminate the most dangerous or priority sites—plus some 200 other hazardous waste dumps in New Jersey—is estimated at $2 billion.

One large site can cost from $50-$100 million to clean up, based on preliminary studies by the State Department of Environmental Protection (DEP).

New Jersey, which adopted the nation's first toxic cleanup fund in 1978, collects less than $15 million a year in surcharges on petrochemical products manufactured within the state.

At that funding rate it would take, without federal aid, more than 100 years for the state to clean up the more than 300 toxic sites identified to date.

To prevent the dismantling of the five-year-old federal superfund system over the next six months, U.S. Sen. Frank Lautenberg (D-N.J.) is urging the public to put immediate pressure on federal legislators to reauthorize the 1980 cleanup financing law which officially expired last Sept. 30.

"If Congress does not act within the next few weeks, our national toxic waste cleanup effort will collapse," Lautenberg warned. "Once that happens, it will take a long time and a lot more money to put a program of this magnitude back together again."

A member of the Senate Environment and Public Works Committee, Lautenberg has introduced emergency legislation to keep superfund alive for six months while Congress and the White House negotiate a five-to-10-year refunding strategy.

The Reagan Administration is recommending $5.3 billion, about half of the amount in the House bill and $2.2 billion less than voted by the Senate.

Lautenberg said he hopes Washington will act before it is too late.

Time already is running out on the manpower needed to carry out the federal superfund program, Lautenberg said.

The schedule for the superfund shutdown, released by EPA, is:

Mid-February: Start the process of furloughing 1,500 superfund personnel, to be completed by Oct. 1. Notice of termination of contracts to eight major contractors doing site cleanups.

End of March: Termination of two major contractors (350 layoffs).

April: Cut enforcement activities 50 percent. Limit funding of emergency removals to $1 million a month from the present $5 million monthly appropriations.

June: Terminate all laboratory analyses required for chemical identification for the proper disposition of hazardous wastes, and the termination of two more major contractors.

July: Shutting down entirely the remediation program (actual cleanup at the superfund priority sites), and further curtailment of enforcement.

September: No more emergency funding, no further enforcement.

New Jersey leads the nation in receiving superfund money. The state so far has received just less than $21 million of $72.5 million "obligated" by EPA since the program was established five years ago. The additional $50 million must still be transferred to the state as actual cleanups begin.

Only a dozen New Jersey sites have been fully or partially cleaned up under the superfund program, Lautenberg reported.

Before a site can be cleaned up, feasibility and engineering studies must first be completed, a process that can take several years.

Lautenberg and 14 other cosponsors introduced Senate Bill 1920 last Dec. 10 to extend the expired tax on chemical feedstock and oil for six months. The legislation, if enacted, would collect about $150 million, retroactive to Oct. 1 and extending through March.

Both houses of Congress passed "superfund 2" legislation late last year. But the Senate and House failed to agree on a final version to be sent to the President.

The Senate last fall approved legislation that would create a $7.5 billion fund for the next five years. Money for it would come from two sources—the original feedstock tax on chemicals and oil ($1.5 billion over five years), and a new excise tax paid by all manufacturing industries ($6 billion).

The House adopted a proposal to raise $10 billion by various means, mostly through significantly higher taxes on chemical and oil producers.

The full House rejected by a 220-106 vote recommendations from three major committees to create an excise tax similar to the one approved by the Senate.

"Few people on Capitol Hill are optimistic that the congressional stalemate that has prevented renewal of the 1980 superfund bill will be broken soon," observed a spokesman for the Chemical Manufacturers Association (CMA).

"The chemical industry continues to support reauthorization of superfund now, asserted John Slavick, the CMA's director of regional communications.

"We also continue to support broadening the fund's tax base."

EPA has identified nearly 8,100 businesses from at least 33 manufacturing industries, including individuals, local, state and federal governments as having put waste in superfund sites.

Slavick stressed that "equity demands the cost of superfund be spread equally among all who have contributed to the problem."

Funding has become the major stumbling block in renewing superfund. The House and Senate disagree not only on how money for the fund should be raised, but on how large the fund should be.

"Obviously, these and other differences in the two bills will have to be worked out in a House-Senate conference," Slavick said.

Slavick, like Lautenberg, believes pressure must be applied now to get Congress to act swiftly.

"The firing of 1,500 agency employes and the disruption of other vital EPA programs" are at stake, Slavick declared.

Until Congress responds, Lautenberg's emergency measure would, if enacted, provide borrowing authority to EPA for the collection of funds from the Treasury against anticipated receipts.

Superfund's taxing authority expired Sept. 30.

Lautenberg is a member of the joint House-Senate conference on the superfund legislation. U.S. Sen. Robert Stafford (R-VT.), chairman of the Senate Environment Committee, has set March 7 as the date for completing work on amendments to the new superfund bill.

"We need to keep pressure on tax conferees so that superfund doesn't get lost in tax reform and budget debates," Lautenberg

said. "We cannot afford to let superfund drag on without reauthorization."

On the top of Lautenberg's list of superfund amendments are the "community right-to-know" and emergency preparedness requirements that the senator first sponsored last year.

"They require the first national inventories of chemicals—information about where toxic chemicals are located, in what quantities and whether or not they're being released into the air, water or disposed of in the land," Lautenberg explained.

"We need this kind of information to prevent both the immediate dangers of chemical releases—represented by the Bhopals and spills we've witnessed in New Jersey in the past year—and the long-term chronic problems represented by the hundreds of superfund sites that threaten our cities and countryside," Lautenberg explained.

"They will give residents and our state agencies information about chemicals in communities across our country—about their accidental and daily releases.

"They will provide firefighters with information about the location of chemicals so they don't have to walk blindly into chemical fires."

Gov. Thomas Kean signed into law last month similar "Bhopal" amendments to prevent accidental releases from petrochemical plants operating in New Jersey.

A chemical spill in Bhopal, India, last year resulted in the deaths of thousands of people living near a plant producing lethal gas. It was the worst disaster in the history of industrial operations.

Lautenberg said the congressional superfund conference must proceed without delay.

"At the same time, Congress must be prepared to pass an interim funding measure to keep the infrastructure—the employees, contractors and minimal removal money—intact if the conference on superfund is not completed by mid-March," Lautenberg stated.

$150 Million Superfund Bill Favored

(By Elizabeth Auster)

WASHINGTON, DC.—With a threatened shutdown of the "Superfund" only about a week away, Congress is poised to pass emergency legislation providing $150 million to sustain the toxic-waste cleanup program through May 31.

The short-term funding bill, patched together in the past few days by key congressional supporters of the Superfund, sped through the House on a voice vote last night and is expected to face equally smooth passage through the Senate this morning.

President Reagan is expected to sign the legislation, despite the administration's stated preference for a one-year extension of the program.

"Superfund is on its way back to health," said Sen. Frank Lautenberg after last night's House vote. "The (toxic-waste) sites that were under review in New Jersey can have their reviews continued. The bulldozers will remain. We're keeping the program from being torn apart."

The bill passed yesterday, virtually identical to legislation introduced Wednesday by Lautenberg would essentially provide the Superfund program with an advance of $150 million from general revenues. The money would have to be spent or committed to particular activities by May 31, and repaid when Congress officially revives the toxic-waste cleanup program.

The program expired Sept. 30, ending the Environmental Protection Agency's legal right to continue collecting taxes to pay for its activities. Congressional attempts to reauthorize the program for another five years have moved slowly, while leftover Superfund money from past years has been fading quickly.

Without some new funding, EPA Administrator Lee Thomas has warned the agency would be forced to begin dismantling the toxic-waste cleanup program Apr. 1. The agency several months ago instituted a slowdown policy, forbidding the initiation of any new phases of cleanup work. As of Apr. 1, officials would begin canceling contracts and ceasing work in progress at various sites if no new funding is approved.

For the past several weeks, Thomas has been urging Congress to pass a one-year extension of the Superfund. That proposal has been sharply attacked by environmentalists and ardent Superfund advocates in Congress, who say it would lift the pressure on lawmakers to complete action on a five-year reauthorization package.

Members of the Senate and House have been negotiating since Feb. 26 to resolve major differences between five-year Superfund bills passed by the two chambers late last year.

The conference committee has yet to agree on the most controversial points of dispute, including the amount of money to be spent on the program. Both chambers would greatly increase Superfund spending over the $1.6-billion level of the past five years—the Senate to $7.5 billion, and the House to more than $10 billion.

Sponsors of funding legislation in the Senate and House said they specifically included deadlines for EPA to spend the money because they fear that if the agency spreads it out, negotiations on Superfund legislation could also drag out.

Rep. Robert Roe, who earlier this week had introduced a 45-day interim funding proposal, said that shortly before the 60-day bill that passed last night was brought to the House floor, several members of Congress were dismayed to discover no deadline attached.

Following a "heated" discussion, the Pompton Lakes Democrat said, the May 31 deadline was included.

Various Senate leaders have expressed support for a short-term Superfund extension in receipt days, and this morning's vote is likely to be routine.

Senate Sends Reagan Stopgap Superfund Bill

(By Robert Cohen)

WASHINGTON, DC.—The Senate yesterday passed and sent to President Reagan an emergency $150 million appropriations bill designed to keep the federal superfund hazardous waste cleanup program alive for two months.

Sen. Frank Lautenberg (D-N.J.) said the stopgap funding measure will forestall a complete shutdown of the superfund on June 1, and give House and Senate negotiators time to reach a compromise to extend the hazardous waste program for five years.

"Without this action, on April 1, the Environmental Protection Agency (EPA) would have begun to dismantle the superfund program," said Lautenberg. The objective of the bill is to keep the superfund intact and functioning effectively without removing the incentive to complete action on reauthorization of the program."

The Senate approved the funding bill by a voice vote. The House acted by voice vote on the same measure Thursday evening.

An aide to EPA Administrator Lee Thomas said he expects President Reagan to sign the emergency measure.

The federal cleanup program officially expired on Sept. 30, and has been kept functioning on a limited basis for months. Thomas had warned Congress that all remaining money provided under the expired 1980 law would be gone and the program would be shut down if some action were not taken by the end of this month.

The EPA months ago suspended work on dozens of superfund sites because of the lack of new legislation, although New Jersey has been expending its own funds on the federal sites in the state with the understanding that the money will be reimbursed at a later date.

The House and Senate each has passed its own bill to extend the superfund for another five years, but negotiators have been deadlocked over a number of issues and have not made much progress. The lack of congressional action led to the potential crisis.

Rep. Robert Roe (D-8th Dist.), a key House negotiator, said he is determined to get final congressional approval of a new superfund program before the money from the the stopgap spending bill runs out in two months.

Rep. James Florio (D-1st Dist.), an active participant in the process, said he is "confident" that the House and Senate will resolve their differences before June 1.

The most contentious issue facing the House-Senate negotiators is the source of funding and the amount of money that will be available for a new hazardous waste program.

The House bill contains a funding level of over $10 billion for five years. This money would be raised through the existing superfund tax on the chemical and petrochemical industries.

The Senate bill, on the other hand, would provide $7.5 billion over five years through existing superfund fees and a new broad-based tax on the nation's biggest manufacturers.

The Administration is fighting for a funding level of about $5 billion, and is opposed to the new tax in the Senate bill.

Although the President is expected to sign the two-month funding bill, the Administration attempted to get Congress to pass a one-year emergency funding measure.

Lautenberg, Roe, Florio and others strongly opposed this because they believed it would have taken the pressure off Congress to enact a long-term program, and would have forced them to start the legislative process all over again in 1987.

The new stopgap funding bill approved by the House and Senate requires the entire $150 million to be allocated in the next two months. An effort to permit the $150 million to be distributed over a longer period of time was cut short by Roe on Thursday.

THE NOMINATION OF THOMAS K. TURNAGE AS ADMINISTRATOR OF VETERANS' AFFAIRS

Mr. SIMPSON. Mr. President, I rise today to voice my unequivocal and enthusiastic support for the nomination of Gen. Thomas K. Turnage to the post of Administrator of Veterans' Af-

fairs. The person who assumes the duties of Administrator will face a challenging job in these days of limited budgetary resources and an expanding and aging veterans' population.

He will follow in the path of some very able former Administrators, notably the current Acting Administrator, Everett Alvarez; immediate past-Administrator, Harry Walters; Robert Nimmo; and Max Cleland. It has been my pleasure to serve on the Senate Committee on Veterans' Affairs during the tenure of each of these gentlemen, and they all brought with them dedication to veterans and commitment to hard work.

I had the pleasure of meeting with General Turnage some time ago, and I found him to be a bright and stable person, who will bring with him to the position a sense of balance and perspective so necessary to anyone who assumes the duties of this post. I believe that Thomas Turnage is equal to the challenge and will tackle the tasks facing the Administrator with energy and dedication.

There are 28 million veterans in this country, and the Administrator of Veterans' Affairs has the unenviable task of making the limited resources available to the gency do the most good for those veterans. I believe Thomas Turnage recognizes that, while there are no low priority veterans, there will be less money to go around, and the Veterans' Administration must take care of veterans to the extent that it is able to do so within the limits imposed upon it.

General Turnage will bring with him to the Veterans' Administration an impressive record of service to the U.S. Army and the Selective Service. I believe he has what it will take to do the job. I wish him well; it is a tough job he faces.

OGLALA LAKOTA PHOTO EXHIBIT IN U.S. SENATE

Mr. ABDNOR. Mr. President, I would like to take this opportunity to bring to the attention of my colleagues the Oglala Lakota College Visual Identification and Photo Exhibit Project now on display in the Russell Senate Building rotunda.

I am pleased that I could arrange for this photo exhibit in the U.S. Senate and would like to insert the following article prepared by the Oglala Lakota College and the South Dakota Committee on Humanities which details the exhibit now on display.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

OGLALA LAKOTA PHOTO EXHIBIT

The Visual Indentification and Exhibit Project began in April 1984 with a generous grant of the South Dakota Committee for the Humanities. It was conceived and conducted by a volunteer ethnologist, Helene E. Hagan, in association with Mark Thiel, Archivist and Director of the Oglala Lakota Curriculum and Historical Resource Center, Oglala Lakota College, Pine Ridge Indian Reservation.

The purpose of this project was to circulate (among elders of the Pine Ridge Reservation), a thousand minimally identified photographs obtained from a number of repositories in the United States and Europe for identification or supplemental information. This work is in keeping with the overall goal of the Oglala Lakota College to secure documents of historical and cultural significance to the Oglala people, and make those available to future generations of researchers and students on the reservation.

The photographs were carefully selected for their cultural import from thousands of photocopies of existing collections. A guideline was used for the selection, focusing on partially or nonidentified individuals and small groups, as well as activities photographed on Pine Ridge Reservation between 1900 and 1940. Those activities range from traditional or family work (butchering, meat drying, hide tanning, beading, sewing, homebuilding, planting and ranching) to meetings of a social or ceremonial character (dances, pow-wows, Fourth of July celebrations and traditional ceremonies and rituals), and a variety of School Projects. Delegations of dignitaries and Wild West Show performers were also included.

The project has been reasonably successful in as much as it established the identities of many individuals hereto left unknown. Furthermore, elders from all districts of the reservation provided information about the families of these individuals and the communities to which they belonged. The photographs which record activities have composed a portrait of life on Pine Ridge Reservation from the time of its origin to the second World War. They can now be exhibited in thematic compositions featuring the Day Schools, gardens and 4-H Projects; Women's work, sewing bees and community projects; dances and pow-wows; Sun Dances and other ceremonies; community leaders and Headmen; Oglala Lakota delegations of dignitaries to Washington and other Treaty related groups.

Some photographs have been acquired relating to Oglala men and women who traveled with the Wild West Shows. They have been kept to a minimum considering the extent of material available in the United States abroad. Of special note and pride is a group of photographs obtained from the Musee de l'Homme of Paris, France. The Oglala Lakota Curriculum and Historical Resource Center is the only repository in this country to house the entire collection of 141 portraits of men and women having been for the most part identified as members of the Wild West Shows in Europe.

Many elders helped throughout the project. They gave of their time and knowledge graciously and consistently. We would miss much information, today and in the years to come, without their contribution. We are deeply appreciative of their willingness to help and the work they contributed. A list of the participants and their photographs are maintained in the Historical Center. To all those who made this project possible, we offer our many thanks. *Pila Maye.*

BARBER CONABLE AND THE FUTURE OF THE WORLD BANK

Mr. PRESSLER. Mr. President, I recently read with interest about the President's nomination of former Congressman Barber B. Conable, Jr. to be President of the World Bank. I had the privilege of serving with Barber Conable in the House of Representatives where he earned an exceptional reputation through 20 years of dedicated service. As a member, and later ranking minority member, of the House Ways and Means Committee he demonstrated real insight and deep commitment on trade issues. Barber Conable's experience should serve him well in his new position. I am sure all of our distinguished colleagues would join me in wishing him the best in this most important and challenging undertaking.

Conable comes to the job at a time of transition at the World Bank. He will find himself taking the helm of a ship sailing in some of the stormiest waters the international economy has ever experienced. In October 1985, Treasury Secretary James Baker unveiled a plan for dealing with the ever growing Third World debt problem. The Baker initiative is designed to help 15 of the most debt-laden developing countries by combining increased World Bank lending in cooperation with additional private capital.

While the Baker framework is clear, implementation in the plan will be most difficult. Direct foreign investment in these countries has fallen from its peak of about $17 billion in 1981 to around $8 billion in 1984. Commercial banks are already highly leveraged in the Third World. The 15 countries now owe Citicorp, the largest foreign lender, an estimated 180 percent of the company's total equity.

At the same time, the debt level in these countries has reached critical proportions. The targeted countries have accumulated a $437 billion debt. The interest bill alone is now about $45 billion annually. This debt is equal to about 58 percent of their aggregate gross national product. In contrast, the historically high $200 billion foreign debt of the United States amounts to roughly 5 percent of our GNP. These countries are in deep trouble and some have either formally announced or intimated that they would be unable to continue to meet their debt payments.

What has brought the world economy to this point? Part of the problem is the socialistic and distorted nationalistic economic policies of these countries. These policies led to extremely inefficient and, in many cases corrupt, use of loan funds. Another cause was the cheap credit of the mid-1970's. Between 1972 and 1979, the indebtedness of the less-developed countries increased at an annual average rate of

21.7 percent. Additionally, the substantial drop in U.S. inflation rates from over 13 percent in the late 1970's to under 4 percent in 1982 caught many developing countries off guard.

The hope of paying back loans in cheap, inflated dollars, turned to the despair of being forced to repay debts in expensive, less inflated dollars. Falling prices for such export commodities as oil, agricultural products, and minerals resulted in declining revenue at the same time these countries were faced with increased real interest payments on their loans. They were, and are, faced with an impossible situation. Their debt is growing faster than their net export proceeds. They will simply never catch up.

What then can Barber Conable do at the World Bank to successfully implement the Baker plan and begin to resolve the international debt crisis? Nothing can be done to reverse the lending which occurred at the time of cheap credit. The rate of inflation in this country is not likely to rise substantially in the near future. Commodity prices, especially in the agricultural and oil areas, are not likely to improve significantly any time soon. This leaves us with the governmental policies of these countries. Policies regarding taxation, foreign investment, trade, state-owned enterprises, business regulations and other areas are in need of restructuring. Convincing these governments and, more importantly, the leaders of these countries who personally benefit from the status quo, to change will be a horrendous task.

If Conable can accomplish the difficult diplomatic job of convincing Third World countries that the restructuring of their economies along more free enterprise lines is in their best interest, the job will only be partly done. While the techniques of privatization are very familiar in many developed countries, much of the needed information is unknown in debtor countries. The World Bank will need to devote more of its resources and staff to teach the needed strategies.

Helping these countries' economic policies evolve according to more market-oriented principles would provide long-term relief. However, there remains the immediate problem of unmanageable debt. On this short-term problem, banks could help through conditional write-downs or loan forgiveness combined with stepped-up lending. Understandably, banks are not anxious to take such steps without some concessions. So far, the Baker initiative provides for no special treatment of troubled loans.

It may be that the United States and industrialized nations may need to guarantee some loans. It may also be time to consider allowing U.S. banks to engage in a practice already utilized by their European counterparts—capitalization of outstanding loans. Through capitalization, loans would be forgiven in exchange for equity shares in state-owned enterprises. This action would accomplish two important goals. First, it would obviously ease the debt load. Additionally, it would help to move companies from state ownership into private hands.

U.S. recognition that the debt crisis is threatening the international financial and trade system, as well as the political stability of Third World debtor nations, is an important first step. Barber Conable and the World Bank must now find new ways to turn theory into reality.

IMPROVING NATO'S ARMAMENTS COOPERATION

Mr. NUNN. Mr. President, last month I joined a number of other members of the Senate Arms Control Observer Group, including Senators STEVENS, WARNER, PELL, GORE and WALLOP, in participating in a NATO conference in Brussels on "High Technology, Western Security and Economic Growth: An Agenda for the Future." This very informative conference, which was jointly sponsored by the U.S. Mission to NATO, the U.S. Mission to the European Communities, the U.S. Mission to the OECD, and the U.S. Embassy in Brussels, was ably chaired by our distinguished Permanent Representative on the North Atlantic Council, Ambassador David M. Abshire.

During the conference, Mr. Benjamin F. Schemmer, editor of Armed Forces Journal International, presented a paper entitled "Improving Armaments Cooperation: There's a New Deck of Cards on the Table." Mr. Schemmer's presentation was both refreshingly candid in its analysis of past problems in this area and remarkably insightful in charting a course for future progress.

Mr. Schemmer underscored two principal themes in his speech. First, he reminded us that NATO has no alternative to collective defense programs if it is to improve its conventional deterrence against Warsaw Pact attack. As Mr. Schemmer noted,

> We need better armaments cooperation because it has become an imperative—militarily, because the Warsaw Pact industrial flywheel is outproducing ours; economically, because none of us any longer have the discretionary funds to reinvent each other's wheel; and socially, because we need to exploit new technologies to offset the demographic revolution just ahead.

Mr. President, it is highly regrettable that President Reagan persists in referring to charts that compare the United States/Soviet balance in such weapons as tanks or artillery pieces, as he did again just last week in his televised speech on defense. The fact is the United States would not be fighting alone in any war with the Soviet Union in Europe. The only comparisons that are instructive in assessing scenarios for a possible war in Europe are ones which measure NATO capabilities collectively against those of the Warsaw Pact in various measures of military capability.

Mr. Schemmer makes it clear in his paper that the longer the United States and its allies persist in wasting scarce defense dollars duplicating each other's separate research, development and production programs for key weapons systems, the lower the NATO aggregate figure will be in charts comparing the Alliance's capability vis-a-vis those of the Warsaw Pact.

Mr. Schemmer's second major point was that although Congress and the executive branch have joined together in the last year to establish a genuine foundation for significant progress in improving NATO's armaments cooperation, this initiative will be for naught unless the alliance responds with the resources and planning needed to produce real results. As Mr. Schemmer's points out, "Without a coherent resource strategy to exploit these initiatives collectively, we may walk into a minefield of wishful thinking and wound ourselves seriously."

Mr. President, I ask unanimous consent that Mr. Schemmer's paper be printed in full at the end of my remarks.

On February 27, NATO convened a special meeting of its Conference of National Armaments Directors [CNAD] in Brussels to review candidate programs for cooperative development under the 1985 Nunn/Warner/Roth amendment. At a meeting of the CNAD in November, the United States had submitted a list of four candidate programs, and European defense officials submitted a list of six. In the intervening months, the United States and its allies expanded on this list, identifying a large number of possible cooperative programs.

At last week's special CNAD session, NATO armaments directors discussed about half of these programs in some depth and reached agreement on a "Joint Statement of Intent" covering six separate systems. Although U.S. defense officials had hoped to reach formal agreements at this meeting committing participating States to pursue joint collaborative programs, the "Joint Statement of Intent" document stops short of binding each signatory to putting up necessary start-up funds. The United States remains hopeful, though, that the next CNAD meeting, scheduled for mid-April, will ratify formal agreements establishing the six projects and obligating U.S. and allied funds.

Mr. President, I regret that progress in implementing the 1985 Nunn/Warner/Roth amendment has not

been as rapid as I had hoped. However, I am both impressed and encouraged by the superb job which Deputy Secretary of Defense William Taft and Under Secretary of Defense Donald Hicks are doing in pressing the allies for a positive and comprehensive response. Backed by Ambassador Abshire and his Special Advisor for Armaments, Dennis Kloske, the Taft/Hicks team can be counted upon to do everything in their power to make this important initiative a success.

There being no objection, the paper was ordered to be printed in the RECORD, as follows:

IMPROVING ARMAMENTS COOPERATION—THERE'S A NEW DECK OF CARDS ON THE TABLE

(By Benjamin F. Schemmer)

Most of us at this conference play bridge, poker, 21, baccarat, or chemin-de-fer. Some of us have even made money at it. But none of us have ever made money playing solitaire. All you do is bet on yourself—or against yourself. Solitaire is the dullest, most time-consuming, and least rewarding card game man has devised.

Solitaire is what this conference is all about: prosperous as the NATO Alliance has let us become, none of us can afford any longer to bet on ourselves. We need to pool our bets. Bright as each of us is, creative as each of our native countries is, we are going bankrupt betting on ourselves—individually as sovereign nations, collectively as an Alliance.

We need better armaments cooperation—or we will end up either broke financially, broken militarily, or politically dismembered.

Let me illustrate that point with a short, poignant, but tragic snapshot of a great nation trying to "go it alone." It's about my own country—rich, creative, lauded for its technological genius, and sometimes envied for its investment strategies.

Most of us here have flown by helicopter once, or visited, at least one of the 4⅔ U.S. Army divisions we maintain in Europe. They are here, guests on your soil, helping to defend the splendid values we share, the achievements that make this forum possible, and the aspirations we have been debating for two days on how best to maintain more efficiently the peace we have all enjoyed since the NATO Alliance was formed.

As you flew over or visited those Americans units, surely you noticed they are naked. They have no air defense umbrella. NATO has one in the Hawk/Hercules/Patriot belt; most of your divisions have their unbrellas in some form of short-range gun or air defense missile systems. Our divisions have none.

And except for a pitifully few, two-decade old, 20mm Vulcan guns and Chaparral missile launchers, U.S. air bases dotting this continent are equally vulnerable to low-altitude attack. (Our hand-held Stinger missiles, good as they are, are more symbols of revenge than they are useful as a defensive deterrent.)

Since Phil Karber and other experts on the Warsaw Pact tell us that Soviet pilots no longer practice air strikes cruising into their targets at 5,000 or 10,000 or 20,000 feet, this void in low-altitude air defense of American forces strikes one as bordering on criminal negligence.

But we meant well. We tried. Unfortunately, we tried it alone. We played solitaire—and lost.

Isn't it amazing that we in the United States have spent $4 billion trying to fix that problem—and don't have one new gun or missile to show for it? We spent $1.9 billion trying to "Americanize" the German-French Roland missile system—and cancelled that program in 1979; we spent $2.1 billion inventing a 40mm Division Air Defense gun—and cancelled that program in 1985.

A nation rich enough and creative enough to—harness the atom, put man on the moon Orbit KH-11 satellites, fly prototypes of Stealth tactical aircraft as far back as 1978, and deploy Trident submarines today—can't field a dinky little cannon from "off-the-shelf" components or even copy to U.S. specifications (with marginal product improvements) a short-range missile system our Allies in Europe have had deployed for years.

Of course we can.

But we didn't.

Our $1.9-billion investment in Roland has produced 19 small firing units now assigned to the New Mexico National Guard, which we are still reconfiguring for contingencies in Southwest Asia. Our $2.1 billion investment in DIVAD has produced a billion dollars worth of spare parts for a weapon we don't even have.

We wasted $4 billion of NATO money—it wasn't just "our" money, because the NATO Alliance gave us the security and NATO countries gave us the trade that made the investment possible—to reinvent your wheels. As Ambassador David Abshire reminds us frequently, if there's anything our NATO allies have, it's a plethora of different air defense guns and short-range air defense missile systems. But instead of buying either system—gun or missile—from you, or developing improved ones with you, the U.S. decided to march to the drum-beat of our own technicians, our own politicians—and we marched straight into the American Waterloo of short-range air defense.

In the calculus of today's economics or of a $300 billion American Defense budget, $4 billion may not sound like a lot of money. But that's very close to the $4.3 bilion we will have spent developing, building, and deploying the U.S. Air Force's entire air-launched cruise missile program; it's twice as much as we expect to spend on the entire constellation of third-generation defense satellite communications systems; it's more than the entire research and hardware cost of our ground-launched cruise missile program; it's almost as much as we'll invest in the entire Navy Hawk trainer aircraft system; it's more than we'll have spent inventing and buying 155mm Copperhead laser-homing smart munitions; it's about equal to all the money we have spent or plan to spend inventing and building the NATO Multiple Launch Rocket System; and it's 33 percent more than the entire Pershing II medium-range ballistic missile program is supposed to end us costing.

We blew big bucks trying to reinvest your wheels.

The United States Congress is not going to put up with that any more, as Senator Nunn and Senator Stevens here will attest—hard as they work (as their voters pay them to) to protect constituent interests in their home states and indeed through the United States. They are, above all United States Senators, but "from" Georgia or "from" Alaska.

In a nation only 210 years old, we have seen over the past five or six years a remarkable change in the political, cultural, and economic attitudes toward America's technological and military partnership with Europe. In spite of growing trade deficits that reached record levels last December, our Congress and the Executive Branch have decided to quit playing solitaire in the armaments arena and to back your bets on military equippage.

Since 1980, when the "two-way street" represented a disproportionate and divisive 9-to-1 imbalance of American arms sales to Europe, compared against our purchases of European military equipment, the U.S. Congress and Executive Branch have gradually reduced that ratio to about 3-to-1—perhaps even much lower, using newer figures recently agreed to between the Pentagon, England, Italy, and Germany. In the U.S. Fiscal Year 1984 (the last year for which we have such data), that 3-to-1 ratio means we sold Europe $1.5 billion more military hardware than we bought from our Allies here. But the military two-way street is not the only highway across the Atlantic; in that same year, the Pentagon spent $6.2 billion in Europe for other goods and services not covered by the two-way street equations; in that same year, our overall trade balance with our NATO Allies ended up $18.2 billion in Europe's favor. Of that trade deficit, about $9 billion was in West Germany's favor. There, some politicians and some industrialists fret that the military tow-way street in 1984 was too much in America's favor—1.43-to-1 as we originally calculated it, then 1.02-to-1 as we refined the estimates, and finally 1.88-to-1 as we negotiated a final bilateral understanding last April. For six months, two staunch Allies spent several man years bickering about a two-way street "inequity" which at one point totaled a miniscule $5.6 million advantage for the U.S. out of $621 million in defense trade—against the backdrop of an overall trade deficit 1,800 times bigger and in Germany's favor.

The Two-Way Street issue is becoming a footnote in history. Most analysts foresee that over the decade ahead, Europe will sell more arms to the U.S. than we will ship to the continent. A front-page Wall Street Journal article headlined that trend two months ago in a well-reasoned article that few European newspapers even noted.

Look at the record: it is clear that we are serious about cooperating on NATO armaments while giving Europe's technology a fair shake in our increasingly competitive aerospace market. In just five years, Congress has either urged or let the Pentagon buy:

$4.5 billion worth of Mobile Subscriber Equipment from France—for an Army whose soldiers come from a new generation of cellular telephone junkies;

Italian 9mm pistols—to arm soldiers and Marines whose great grandfathers won the west with American-made revolvers;

British Rapier air defense missiles to protect our airbases in the United Kingdom;

German-built Roland missiles to defend our aircraft in Germany;

Over a billion dollars worth of French Durandal Runway busters;

British-designed Hawk trainers for our Navy;

British-built 81mm mortars for our newest light mechanized division, while producing thousands more under license in the U.S. for 25 other divisions;

British-built 105mm howitzers for the 9th Mechanized Division;

British-powered AV-8B Harrier jump jets for the Marine Corps;

Sherpa C-23 aircraft built in Ireland to improve Air Force logistic support in Europe;
and, from another ally, Israeli-built Kfir fighters to give Navy and Marine pilots better training in dissimilar air combat maneuvering, Israeli-built remotely-piloted vehicles to give our battleships better targeting data and protect our carrier aircraft with better decoys and off-board jamming.

America does care enough to steal the very best, and we are willing to pay for it.

The tide in transatlantic arms trade is turning. We have made major studies from competing with each other to cooperating with each other.

Today, we need what Ambassador Abshire has aptly named a "Resources Strategy" to capitalize on this momentum. We need better armaments cooperation because it has become an imperative—militarily, because the Warsaw Pact industrial flywheel is outproducing ours; economically, because none of us any longer have the discretionary funds to reinvent each other's wheel; and socially, because we need to exploit new technologies to offset the diplomatic revolution just ahead. The pill has become so popular that within a decade, we all will have to trade technology for manpower. (The U.S. Army didn't buy the Rita communications system to appease European Politicians upset about Two-Way Street inequities; we bought it because we have more signalmen in Europe than infantry, and Rita will save us over 6,000 soldiers who are now busy manning outdated switchboards. And just incidentally, Europe's technology in this instance will save us five or six years in fielding a system that, had we decided to design and build one, would have cost us $3 or $4 billion more.)

But the Alliance needs a resource strategy that will let us *all* harness our technologies better to beat the pill. Rita, I am told, is named after the patron saint of lost causes: a Rita contract here and a Roland/Patriot deal there is not going to let us man NATO's forward defense adequately in 1995.

We need Dave Abshire's resource strategy to coordinate our requirements process, to integrate our technologies, and to pool our resources more wisely.

The climate for creating that resource strategy has arrived: the future for armaments cooperation is bright; the horizon is clear; and the highway to it is no longer obscured by bureaucratic fog.

Our Secretary of State, George Shultz, raised a few eyebrows in Brussels in December when he stressed in the foreign ministers' meeting how strongly the United States is committed to make NATO armaments cooperation work. Thus, this is not just a new fad in the United States; it is not just a consensus; it is a major policy initiative forged by a unique confluence of military, political, industrial, and economic interests.

The most important planning document in America's arsenal is not this year's or next year's budget. It is the Defense Guidance. The latest version, signed on December 31 by Secretary Weinberger, is unambiguous in directing the military services to:

". . . expedite filling materiel needs through acquisition of existing equipment from our Alliance nations."

It directs them to do so; it doesn't exhort them to try. It is equally strong in *directing* all the Services to:

". . . take full advantage of technologies, including emerging technologies, to improve conventional defenses by actively seeking cooperative armaments programs with our NATO allies."

Last year, in a major initiative sparked by Senators Sam Nunn and John Warner, Congress appropriated $125 million of seek money to make better NATO armaments cooperation a reality. Of that, $25 million must be spent testing Allied equipment side-by-side against our own candidate weapons before new programs are voted into production.

Congress made clear in the Continuing Budget Resolution Senator Stevens got passed just before Christmas that it can "reprogram" from other sources even more money to expand this NATO cooperative armaments initiative, which was originally authorized as a $250 million venture. Within the past two weeks, I am told by usually reliable sources I am not permitted to name, Deputy Defense Secretary William Howard Taft IV told senior civilian officials that he expects them to submit recommendations he can soon take to Congress to reprogram funds for the full $250 million, and that he intends to exceed even that target.

Last November, Deputy Secretary Taft exchanged lists of candidate programs for these new cooperative research and development initiatives with his NATO counterparts. The Council of NATO Armaments Directors meet soon to refine and to expand that list.

The U.S. has taken the new Nunn Amendment seriously; unfortunately, it has received far less attention in the press, both here in Europe and in the U.S., than the somewhat less popular 1984 Nunn Amendment. Nevertheless, Congress has backed his initiative, and it has given Secretary Weinberger the resources needed to make a reality of the directive he signed last June 6, telling his staff and the Services to:

". . . properly and thoroughly consider Allied capabilities before any new U.S. developments are begun."

But the model thus before us is one thing; reality is another. Without a coherent resources strategy to exploit these initiatives collectively, we may walk into a minefield of wishful thinking and wound ourselves seriously.

Neither we in America nor you in Europe can afford to be complacent just because we have produced four or five meetings, six documents, and a $125 million appropriation for NATO armaments cooperation. Now we need to produce real cooperation. If we do not, I submit that the combination of the 1984 Nunn Amendment, the 1985 Nunn Amendment, and the 1985 Gramm-Rudman-Hollings deficit reduction act could spell the end of NATO as we now know it.

We cannot afford another DIVAD; Britain cannot afford another Nimrod airborne early warning program; NATO cannot afford to miss the brass ring now before us.

For all we have learned on how to cooperate, we have failed to remember that timely program execution is as critical as forging a timely political consensus. In recent years, our lack of a resources strategy has cost us at least one golden opportunity.

In 1974 and 1975, five NATO nations decided in a period of less than a year to cooperate on a multinational fighter, the F-16. From concept to consensus, hardly nine months passed before that dramatic announcement at the Paris Air Show that the U.S., Norway, Denmark, the Netherlands and Belgium would grab the brass ring of RSI—rationalization, standardization, and interoperability. That program started late; the plane was already flying; but the program worked. What was launched in 1975 as a cooperative, joint production program for 348 European and 650 U.S. Air Force multirole fighters has grown into an industrial business base entailing 515 planes for Europe, 2,821 for U.S. forces, and 756 sales to eight other countries.

Wise men marshalled the political will and industrial genius to schedule the whole NATO program and exchange technical data packages in time to make a dream become a spectacular reality: European firms build 15% of the content of all third-country sales, 10% of our planes, and 40% of their own. The 58% offset they bargained for is a reality; the military and industry mobilized a decaying aerospace complex in Europe to the point that today, the only part of any F-16 built entirely in Ft. Worth, Texas is its forward fuselage. This revitalized industrial base is still in a position to compete for more production as even other F-16s get sold in the years ahead. We melded plans and prodded politicians to make it all work.

But somewhere in that process, we lost the corporate data bank.

Today we have a new role model for cooperative, joint production and development—the Multiple Launch Rocket System. That dream may be turning into a nightmare. While it too started a little out of phase, the U.S. having launched early, it has grown *so* out of phase that the NATO MLRS partners may lose the market they joined to exploit. We agreed to share the third country market 60/40—but Europe's MLRS lines are coming into production so late that some nations will not be in a position to fill third country orders until 1990 or 1991. The U.S. MLRS deployed to Europe last year; Europe won't sign its first production contracts until sometime before June of this year. Yet we all got the same, validated technical data package to produce it on the same date. The United Kingdom wanted MLRS as soon as possible; but now it will deploy MLRS to the British Army on the Rhine five or seven years after V U.S. Corps fielded its first battalion.

What went wrong? What is it we do not want to waste $125 million in new seed money repeating?

We did not orchestrate the front end of the MLRS political process. We did not have an Alliance resource strategy. To sum it up in editorial shorthand, Europe is behind the power curve because European partners have spent years bickering over their resource allocation and respective work shares, while the government bureaucracies have created a paper jungle also addressing the cross-Atlantic work shares.

The total work share was never in question: each European partner paid a modest $15 million for a technical data package that would let Europe build 100% of Europe's MLRS—and share 40% of the production for all third country sales. Ironically, the U.S. is bookkeeping country sales and Europe will still get 40% of the return from market, even though it is not and will not be ready to produce much of it.

Some in Europe fear that the U.S. wants to "cooperate" so U.S. Industry can "co-opt." The F-16 and MLRS models put the lie to that myth.

But now, much of what might have been a huge third country market for MLRS will be lost to competitors elsewhere—Brazil, for instance, or Israel. And there are others: we now even have some NATO MLRS partners competing with their own national systems

for what we all once said would be the NATO MLRS market.

Turkey, to cite another problem, may eventually buy more MLRS than West Germany's 200 launchers and 85,000 rockets. It wants, naturally, to co-produce them, but it can't get into production for seven or so years, and by then, the rest of the NATO partners will all be building entirely different warheads.

Ironically, Dave Abshire's park plug on armaments cooperation, Dennis Kloske (who will soon become Deputy Secretary Taft's Special Advisor on Armaments Cooperation), cited the MLRS as the new role model for armaments cooperation at a recent meeting of the North Atlantic Assembly. Borrowing a phrase from Mao, he said, "Let there be a hundred MLRS." In fact, we must be successful with the one we have—but we surely don't need another like it, whose basic architecture was so well designed but so poorly executed.

NATO armaments cooperation will work only as well as we conceive the foundation and commitment of each program. We need urgently to improve the front end of the planning process; we need Dave Abshire's resource strategy as clearly as NATO needs bigger ammunition stocks.

We have now the framework on which to design that resource strategy: NATO's agreement on its critical deficiencies; NATO's collective work to improve our net assessment; NATO's progress towards a Conceptual Military Framework.

But we have no list of NATO priorities, and we have no resource strategy—to include policy, strategy, doctrine and missions in priority—so research, development, and procurement can have some focus. It's that focus that made the F-16 (and hopefully will make MLRS and SDI) successful. It's this resource strategy that will give us a roadmap around or through the minefield that NATO armaments cooperation could become.

Perhaps, Senator Stevens, you could persuade Senator Nunn and Senator Warner to offer yet another Nunn Amendment—one in 1986 that will encourage, require, or coerce all of NATO's deputy defense ministers to invest a few hours each week drafting an Alliance Resource Strategy. And one hopes that it would ask our NATO partners to seriously consider, as Sir Peter Emery suggested so engagingly and importantly in his luncheon remarks yesterday, how much better our conventional defenses might become if we exploit aggressively the technological spin-offs of the $26-billion our nation may invest in S.D.I. Let's merge those spin-offs with today's emerging technology in a resource strategy focused on overtaking the flywheel of Warsaw Pact arms production and beating their deployment cycles.

There is another initiative I hope Congress will force us to consider as we look to better armaments cooperation. Inhibitions within this Alliance on technology transfer are supposed to slow the Soviet military flywheel; but I submit that the Soviets are stealing almost everything they want, and that the machinery we've set up to restrict our own technical dialogues are self-defeating, because they are slowing us down, and that's why we deploy front-line weapons so much more slowly than the Soviets. Now that the COCOM machinery is working better, I happen to believe that America should share much more Stealth technology with our Allies for the European Fighter Aircraft (EFA).

Surely our German and British and Italian Allies—and the French as well—have protected most of our "compartmented" programs better than we have been able to. You didn't leak Stealth; the Carter Administration did. You didn't lose the KH-11 operating manuals; we did. You didn't sell phased array, look-down radar to the Soviets; one of our engineers did.

It is senseless for an Alliance to build a non-Stealth aircraft for the year 2000. The Soviets know how to defeat conventionally-designed low-radar cross-section aircraft; they have better optical tracking and laser-tracking systems than we do; they have monopulse and bi-static radars that we don't; and they have now superb infrared detectors. Thus, EFA will be a sitting duck.

We need to push American technologies to our Allies—if more armaments cooperation is to pay off.

How do we focus this issue? How can we force ourselves to face up to it? I have a constructive, specific suggestion for our NATO partners: Quit being so courteous or deferential. Quit hesitating to ask about some of our programs just because they have a code word.

Since the NATO Military Committee has been charged with producing and continually updating a Conceptual Military Framework, thanks in such large part to Manfred Woerner's initiative, why not ask your Chairmen of your Joint Defense Staffs:

How are we supposed to fight this year, or next, or in the year 1990 when all of these American Stealth tactical airplanes suddenly arrive in Europe?

How do we plan an intergrated NATO air defense, when we find that the Americans plan to deploy tomorrow or the day after war breaks out a "black" air defense system none of us have been briefed on, but which we just read about in this month's Armed Forces Journal? (The Russians probably know more about Grass Blade [1] than most NATO war planners, because they cull unclassified Congressional reports even more assiduously than American magazine editors, while NATO's war planners trust U.S. authorities to tell them "in due course" what's behind the green door that might favorably affect the outcome of war.)

The Alliance is mature enough for us to share the trusts that my suggestions imply. The gap between the Pact and NATO's conventional forces continues to widen, while the growth rate of NATO's defense budgets begins to shrink. It is time to think big about armaments cooperation—with a resource strategy that lets the *Alliance* exploit technologies that might, finally, let NATO raise the early nuclear threshold we are hostage to today.

CONGRESSIONAL CALL TO CONSCIENCE

Mr. EAGLETON. Mr. President, I am pleased to participate once again in the 1986 Congressional Call to Conscience for Soviet Jewry, an effort to highlight the plight of literally hundreds of Soviet Jews.

The Call to Conscience has already brought to the attention of the Senate countless cases of Soviet Jews subject to a wide variety of repressive measures for the lone reason that they desire to practice their faith a guaranteed by the constitution of the Union of Soviet Socialist Republics.

The recently issued State Department Country Reports on Human Rights Practices details a number of cases of Soviet harrassment within the last year:

The crackdown on Jewish (primarily "refusenik") activists and Hebrew teachers continued in 1985. (A "refusenik" is a Jew who has been denied permission to emigrate.) By year's end, 15 had been sentenced to terms of up to 4 years in a labor camp, many on trumped-up criminal charges specifically designed to discredit their cause. Moscow Hebrew teacher Dmitriy (Dan) Shapiro was brought to trial June 26. After reportedly being subjected to threats of severe punishment and other forms of pressure, Shapiro signed a "confession" to Zionist and anti-Soviet activities. Later broadcast on Soviet national television, Shapiro's statement named several Jewish "collaborators," many of whom in fact did not know him well. Shapiro was given a suspended sentence, but his public "confession" was widely interpreted as a stern warning against assertion of Jewish culture and identity.

Other arrests and trials of Hebrew teachers reinforced the climate of repression. Leningrad Hebrew teacher Ronald Zelichonok was tried August 8 and sentenced to 3 years in a labor camp for anti-Soviet slander, apparently on the basis of statements made in private letters. Yevgeniy Koifman was tried in Dnepropetrovsk on a trumped-up narcotics charge and sentenced to 2½ years of a closely supervised work release. His wife was confined to a psychiatric hospital following her attempts to assist and defend her arrested husband. Another Hebrew teacher, Leonid Volvovskiy, already exiled to the closed city of Gor'kiy, was charged with anti-Soviet slander and sentenced October 24 to 3 years in a penal camp. His trial took place in an atmosphere characterized by anti-Semitic slogans painted on walls near his apartment and by hostile articles in the official local press. Iosif Begun was transferred from a labor camp to a prison, apparently for violation of camp rules. His wife and son were repeatedly warned by Soviet authorities to cease activities on his behalf, such as hunger strikes and press conferences. Iosif Berenshtein underwent medical treatment for blindness suffered in a prison attack but was transferred back to a camp at Zholtye Vody with little chance of regaining his sight.

Aleksandr Kholmyanskiy, another imprisoned Hebrew teacher, also suffered ill health. Samuel Epshtein, serving a term for anti-Soviet slander, had his term extended by 2 years under a new law which permits extension of camp sentences for minor infractions of camp rules. By the fall of 1985 the number of imprisoned Jewish activists was conservatively estimated at 22.

Mr. President, I know it is the hope of every member of this body that our daily efforts in highlighting these cases will give hope and fortitude to these refuseniks until they are able to openly worship their faith.

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[1] "Secret Army Program May Satisfy Some Air Defense Requirements," by Deborah Gallagher Meyer, Page 26, February 1986 AFJI.

FEBRUARY 1986 TEXTILE IMPORT FIGURES

Mr. THURMOND. Mr. President, I have just received the latest textile and apparel import figures. Unfortunately, they constitute more bad news for our beleagured domestic industry. No, Mr. President, things have not improved for the hundreds of thousands of Americans who earn a living manufacturing textiles and apparel. In fact, things look pretty bleak.

Mr. President, imports of textiles and apparel this February were up 14.9 percent over February 1985. With our domestic market growing at an annual rate of about 3 percent, any import growth over that figure means that the commitment to link import growth to the growth of the domestic market is not being kept. Import growth over 3 percent also means fewer American jobs. Fewer American jobs means a lower standard of living for the people of our great Nation.

Mr. President, I wish that I could report to my colleagues that our textile trade situation is improving, but I cannot. The year 1985 marked the fifth consecutive year that textile and apparel imports hit new record levels. For the first 2 months of 1986, imports have soared 27.7 percent higher than the first 2 months of 1985. That is correct, Mr. President, imports in January and February of this year are up over 27 percent more than they were last January and February. It looks like 1986 will shatter all previous import records. That is one record we should not be proud of.

Mr. President, I have previously reported the loss of over 350,000 jobs in the domestic textile and apparel industry over the last 5 years. Those job losses are in an industry that the Defense Department ranks second only to steel in importance to national security. Those job losses are in an industry that employs many women and minority workers. Those job losses are in an industry that accounts for 1 out of every 10 manufacturing jobs in our country. We cannot stand by and watch the decline of this vital industry. We must assure the survival of our manufacturing sector if we are to remain a world power. I urge my colleagues to work to stop the transfer of American jobs and American ecomomic power to foreign nations.

A TRIBUTE TO OSCAR M. ZEANAH

Mr. HEFLIN. Mr. President, for 22 years, Oscar M. Zeanah has been working to better educate children and high school students in the State of Alabama as the superintendent of the Andalusia City schools. During that time, he has labored to provide better instruction, better facilities, and better resources to each of the students within his system. I am pleased to learn that he has recently been rewarded for his hard work and efforts, having been chosen in the February 6, 1986, issue of the Executive Educator magazine as one of the outstanding 100 educators of North America.

Throughout his service, Mr. Zeanah has tried to give students the special programs and opportunities which will truly challenge their intellect and stimulate their interest. He has instituted advanced placement courses and vocational education programs in an attempt to offer a base from which his students can draw knowledge, experience, and skills. Indeed, his efforts have been successful, as demonstrated by the low dropout rate in his schools—only 6 percent. He has been instrumental in helping all students reach their potential.

Additionally, Oscar Zeanah has provided great educational leadership to the teachers and administrators in Alabama. Since he was made superintendent in 1964, every high school principal he has hired has gone on to become a superintendent—and one is assistant State superintendent in Alabama. Thus, he has greatly contributed to the educational climate in Alabama.

Perhaps the greatest accomplishment which Oscar has made is the education and understanding he has given to students. An education enables one to take an active role in society, and to get involved in community life. It allows one to participate in the events and affairs which affect our daily lives, to reach higher goals, and to enjoy greater happiness. Oscar M. Zeanah has done a tremendous job in preparing the young people of America for their futures. In so doing, he has also helped to insure the hope for America's future.

Mr. President, I ask unanimous consent that the article from the Executive Educator magazine appear in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

MEET THE BIG STARS OF LITTLE SCHOOL SYSTEMS

Broken bow, Battle Mountain, Prairie View, Blue Earth, Pearl River, Silver Lake: Small-town names such as these ring unfamiliar in most ears. Small school systems, too, tend to be overshadowed by the larger-than-life problems and successes of giant school systems. But size is little indication of quality, as you'll agree when you meet our 100 big stars from little school systems in the following 22 pages. Each of these school executives administers a school system of 2,500 students or fewer—and all of them have accomplished things in their school systems that are worthy of your recognition. These men and women—The Executive Educator 100 for 1986—have been singled out for recognition through a comprehensive nomination process and by a knowledgeable and respected panel of jurors.

Here's how The Executive Educator 100 for 1986 were selected.

Last spring, The Executive Educator invited nominations from readers of this magazine as well as of The American School Board journal. In addition, we invited nominations from every major national association representing school management or governance in the U.S. and Canada—and from similar organizations at the state or provincial level. The only requirement was that each nominee be an administrator working in a school system of 2,500 students or fewer as of May 15, 1985—the nomination deadline.

The response to these requests for nominations—as in previous years' searches for the EE 100—was remarkable. Each of the more than 500 persons nominated—whether selected for the 100 or not—rightly can take pride in the honor of the nomination itself.

In September 1985, our panel of independent jurors convened for the final selection process. The panel composed of the following preeminent educators: George Brain, professor emeritus, School of Education, Washington State University, Pullman; Anne Campbell, retired Commissioner of Education in Nebraska; Luvern Cunningham, professor of educational administration, Ohio State University, Columbus; Will D. Davis, former president of the National School Boards Association and Attorney with Heath, Davis & McCalla, Austin, Texas; Robert Heller, professor of educational administration, State University of New York at Buffalo; Floretta Dukes McKenzie, superintendent, District of Columbia Public Schools; Scott Thomson, executive director, National Association of Secondary School Principals; Kenneth Underwood, professor, College of Education, Virginia Tech, Blacksburg; Mildred Walton, elementary school principal, Atlanta, and president of the National Association of Elementary School Principals; and Edward Whigham, professor, School of Education, University of Alabama, Birmingham. The chairman of the panel was Carroll F. Johnson, professor emeritus of education, Columbia University, New York City.

During two intensive days (and nights) of screening, the panel examined each nomination and its accompanying material. Nominations were assessed according to the 11 criteria of excellence the panel established for selecting the EE 100 in previous years (see the accompanying article below). During the first round of screening, each nomination and its accompanying material was scrutinized by one or more of the panelists; no nominee was eliminated at that stage except by unanimous consent of the asembled panelists. During several successive rounds of careful screening, the panelists winnowed the list down to some 150 candidates. Finally, after thoroughly familiarizing themselves with the papers of each nominee still in contention, the jurors began the arduous process of selecting the final 100—each of whom was selected on the basis of a majority vote.

The EE 100 for 1986 and brief descriptions of their achievements are presented—in purely random order—on pages 17-38. (An alphabetical listing appears below.)

The Executive Educator trusts this project, as in years past, will bring positive attention to the field of public education—and especially to little school systems and their dedicated school executives. And when that happens, someone is bound to ask, "Are these 100 the best school executives from little school systems?"

To that, as in previous years, we answer: Quite possibly. No one really can say for

sure, of course, in a field of some 300,000 working school executives. What we do know for sure is that these are 100 of the best—and they quite likely would be outstanding in any size school system.

To you, readers of this magazine, these 100—as in years past—are a tribute: These 100 are both the reality and the reflection of all the dedicated school leaders working across the continent—in school systems of all sizes.

THESE ARE HALLMARKS OF EXCELLENCE

In selecting The Executive Educator 100 for 1986, the independent panel of jurors limited consideration to persons nominated who were administrators in school systems of 2,500 students or fewer as of May 15, 1985. In reviewing materials submitted with the nominations, the panel used the following criteria to assess each nominee's record of accomplishments and leadership in educational administration:

1. Competence in fulfilling the responsibilities of administrative assignments.
2. Effectiveness in maintaining and improving the academic achievement of students, especially in difficult or unusual circumstances.
3. Success in conceiving and implementing innovations and improvements in educational programs and administrative practices.
4. Leadership in developing the professional competence of staff members, in identifying persons with the potential for administration, and in promoting careers in education for persons with outstanding potential.
5. Excellence in creating links to the community and in leading the community through difficult social problems.
6. A record of stable and consistent executive leadership.
7. Evidence of contributions to the profession at large.
8. Success developing and maintaining constructive relationships with other members of the administrative team and with the school board.
9. Effectiveness in working with the political system.
10. Excellence in human relations, especially as demonstrated by garnering the respect of peers, school staff members, and members of the community.
11. The ability to anticipate and analyze emerging problems and opportunities and the capability to address them constructively.

Oscar M. Zeanah, 66, superintendent (since 1964), Andalusia City Schools (K-12; enr. 2,500), in south-central Alabama.

Every high school principal Oscar Zeanah has hired in his 22 years as Andalusia's superintendent went on to be a superintendent; one is assistant state superintendent in Alabama. "We put enough money in our budget each year so that teachers and principals can travel to professional meetings," Zeanah says. "They say that's opened doors for them." Zeanah—a member of the Alabama Educational Leadership Hall of Fame and a recipient of the American Association of School Administrators Distinguished Service Award—believes in opening doors for students, too. He started programs for gifted children in all four of Andalusia's schools, instituted Advanced Placement courses in the high shool, reorganized grades to form a middle school, and expanded the vocational education program from one to 15 units. One result: Andalusia schools have a dropout rate of only 6 percent—one of the lowest in the state.

WEIRTON STEEL ESOP

Mr. ROCKEFELLER. Mr. President, the community of Weirton, WV, demonstrated this month that sustained cooperative efforts on the part of labor and management can preserve jobs in a vital but troubled industry.

Weirton Steel, the largest worker-owned company in the country, recently distributed profit-sharing checks to each of the more than 8,000 workers covered by its employee stock ownership plan [ESOP]. In an industry reeling from cutbacks in production and steady losses of employment, the ability to share over $20 million—or about one-third of the company's 1985 profits—is truly a remarkable achievement.

The success of Weirton Steel followed a difficult and lengthy struggle to keep the plant open and economy of the surrounding area alive. The decision by National Steel in 1982 to close the mill and eliminate more than 7,000 jobs was a devastating blow, and the community was determined to avert it. The cornerstone of the plan to save this mill was the establishment of an ESOP, which enabled the workers at Weirton to buy the plant. As Governor, I was privileged to work with employees, the cooperative National Steel officials, and residents of Weirton to make this plan a reality.

It took enormous effort and perseverance by the workers and their community to put this deal together. Before negotiations to buy the mill from National Steel could even begin, money had to be raised to study the feasibility of the plan, to make it into a viable operation. Through combined local, State, and Federal grants and private contributions, these initial costs were met and the study undertaken. The report considered Weirton's prospects positive, provided that the workers were willing to reduce wage and benefit costs by 20 percent.

In 1984, the employees overwhelmingly agreed to make these concessions and accepted the proposal to buy Weirton Steel. Since then, the plant has become a stunning example of successful collaboration by labor and management. Worker participation in decisions affecting the mill's operations is extensive—from the shop floor to the board room. In the years since the buyout, Weirton has become the Nation's most profitable integrated steel mill. It has made money for eight consecutive quarters, during what have been dismal years for most of the industry.

Weirton is hardly immune from the multitude of problems plaguing the steel industry. Its constructive approach to labor-management relations does not make it invulnerable to the effects of foreign competition, the overvalued dollar, and slack markets for steel. But the ESOP and reliance on a participatory style of management at Weirton has vastly strengthened the workers' stake in the success of this operation. And now, with the first profit-sharing checks, they have seen their investment begin to pay off.

Weirton further deserves praise for its steadfast commitment to modernization of its facilities. Plans are currently underway to rebuild and bring on-line an additional blast furnace. Recognizing the crucial role of research and development, Weirton has pushed to improve and expand its products including the introduction of a new galfan-coated galvanized product, Weirkote Plus. Weirton has announced it will invest $90 million in advanced technology and other upgrading of its plant this year, as part of a multiyear modernization plan.

While tough times and hard decisions still face Weirton Steel, the employee-owners deserve tremendous credit for their achievements. I am extremely encouraged by the example it sets—by the evidence that cooperative approaches by labor and management can contribute substantially to improvements in industrial performance. I hope, as a result of Weirton's experience, interest in ESOP's and other arrangements which encourage worker ownership will continue to grow—and prove beneficial to wider segments of American industry.

CONGRATULATIONS WEIRTON STEEL

Mr. LONG. Mr. President, I rise to join the Senator from West Virginia [Mr. ROCKEFELLER] in congratulating Weirton Steel Corp., and the community of Weirton, WV, on achieving this significant milestone.

Weirton Steel Corp., has become a beacon of hope for distressed communities all across America. Back in March 1982, things looked remarkably bleak for those who lived and worked in Weirton. National Steel Corp., had announced its intention to significantly scale back their operations unless the employees could devise a plan for buying the company.

Mr. President, make no mistake about it, that steel plant is the life blood of that valley. Its closing would have meant economic ruin for Weirton and for several communities in neighboring Ohio and Pennsylvania. Yet Weirton Steel—its managers, its dedicated workers, and the community itself—all pitched in, made the necessary sacrifices and Weirton is now back on its feet.

I join Senator ROCKEFELLER in congratulating all concerned. By utilizing an employee stock ownership plan to finance the acquisition of the company, Weirton Steel Corp., became the Nation's largest 100-percent employee-owned company. I am hopeful that they will continue their well-deserved

success and that their efforts will continue to inspire us all.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Saunders, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. THURMOND, from the Committee on the Judiciary:

Report to accompany the bill (S. 1230) to amend the patent laws implementing the Patent Cooperation Treaty (Rept. No. 99-275).

By Mr. McCLURE, from the Committee on Energy and Natural Resources, with an amendment in the nature of A substitute and an amendment to the title:

S. 2031. A bill to authorize the Secretary of the Interior to release restrictions on certain property located in Calcasieu Parish, Louisiana, and for other purposes (Rept. No. 99-276).

By Mr. McCLURE, from the Committee on Energy and Natural Resources, with an amendment and an amendment to the title:

S. 1625. A bill to authorize the conveyance of 470 acres in Nevada to the University of Nevada for use as a research and development center (Rept. No. 99-277).

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-2817. A communication from the President of the United States, transmitting, pursuant to law, a report on recent actions between the United States and Libya; to the Committee on Foreign Relations.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. MATHIAS (for himself and Mr. EAGLETON):

S. 2251. A bill to authorize the Administrator of General Services to convey property to the District of Columbia, and for other purposes; to the Committee on Governmental Affairs.

By Mr. BUMPERS (for himself, Mr. PRYOR, Mr. BOREN, Mr. EAGLETON, Mr. DANFORTH, and Mr. NICKLES):

S. 2252. A bill to appropriate $10 million to the Dairy Indemnity Program; to the Committee on Appropriations.

By Mr. HEINZ:

S. 2253. A bill to amend the Balanced Budget and Emergency Deficit Act of 1985 to exempt certain railroad retirement benefits from sequestration or reduction under an order issued by the President under section 252 of such Act; to the Committee on Governmental Affairs.

By Mr. METZENBAUM (for himself, Mr. SPECTER, Mr. GLENN, Mr. HEINZ, Mr. BYRD, and Mr. ROCKEFELLER):

S. 2254. A bill to provide for the tax treatment of certain amounts received as a settlement of claims for post-retirement medical insurance coverage; to the Committee on Finance.

By Mr. WILSON (for himself, Mr. DANFORTH, Mr. BOREN, Mr. HELMS, Mr. SIMPSON, Mr. NICKLES, and Mr. GARN):

S. 2255. A bill to prohibit the expenditure of Federal funding for Congressional Newsletters; to the Committee on Rules and Administration.

By Mr. QUAYLE (for himself, Mr. SYMMS, Mr. LUGAR, Mr. HATCH, Mr. ZORINSKY, Mr. HELMS, Mr. EAST, Mr. WALLOP, and Mr. GRAMM):

S. 2256. A bill to amend the Bilingual Education Act to make Federal financial assistance available for children of limited English proficiency without mandating a specific method of instruction, to encourage innovation at the State and local level through greater administrative flexibility, to improve program operations at the Federal level, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. LUGAR (by request):

S. 2257. A bill to amend the Board for International Broadcasting Act of 1973, to authorize appropriations for 1987; to the Committee on Foreign Relations.

By Mr. LUGAR (by request):

S. 2258. A bill to authorize appropriations for the United States Information Agency for the fiscal year ending September 30, 1987, and for other purposes; to the Committee on Foreign Relations.

By Mr. ABDNOR:

S. 2259. A bill to amend chapter 3, sections 202 and 203 of title 3, United States Code, to enhance the security of the White House through the expansion of the United States Secret Service, Uniformed Division security perimeter to include the Treasury Building and grounds, and for other purposes; to the Committee on Finance.

By Mr. ABDNOR:

S. 2260. A bill to settle certain claims arising out of activities on the Pine Ridge Indian Reservation; to the Select Committee on Indian Affairs.

By Mr. HUMPHREY (for himself, Mr. HECHT, Mr. THURMOND, and Mr. EAST):

S. 2261. A bill to amend the Service Contract Act of 1965 to reform the administration of such Act and for other purposes, to the Committee on Labor and Human Resources.

By Mr. McCLURE (by request):

S. 2262. A bill to authorize appropriations to the Department of Energy for civilian energy programs for fiscal year 1987 and fiscal year 1988, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. MATHIAS (for himself and Mr. SIMON):

S. 2263. A bill to protect the Public's right to receive and communicate information freely across the American border, and to ensure the right of international travel; to the Committee on the Judiciary.

By Mr. D'AMATO:

S. 2264. A bill to amend the Truth in Lending Act; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. GARN (for himself and Mr. HATCH):

S. 2265. A bill to authorize the establishment of the Burr Trail National Rural Scenic Road in the State of Utah, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. WALLOP (for himself, Mr. CRANSTON, Mr. HECHT, Mr. SIMPSON, Mr. SYMMS, Mr. HATCH, Mr. GARN, Mr. HART, Mr. PRESSLER, and Mr. McCLURE):

S. 2266. A bill to establish a ski area permit system on national forest lands established from the public domain, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. CRANSTON (for himself, Mr. MURKOWSKI, Mr. SIMPSON, Mr. DECONCINI, Mr. MATSUNAGA, Mr. MITCHELL, Mr. ROCKEFELLER, Mr. SPECTER, Mr. LEAHY, and Mr. ROTH):

S.J. Res. 311. A joint resolution designating the week beginning November 9, 1986, as "National Women Veterans Recognition Week"; to the Committee on the Judiciary.

By Mr. D'AMATO (for himself, Mr. LAXALT, Mr. BRADLEY, Mr. HEINZ, Mr. HEFLIN, Mr. DURENBERGER, Mr. ROCKEFELLER, Mr. BOSCHWITZ, Mr. ZORINSKY, Mr. RIEGLE, and Mr. STAFFORD):

S.J. Res. 312. A joint resolution designating the week beginning April 13, 1986, as "National Medical Laboratory Week"; to the Committee on the Judiciary.

By Mr. HOLLINGS:

S.J. Res. 313. A joint resolution proposing an amendment to the Constitution of the United States with respect to limiting expenditures in Congressional elections; to the Committee on the Judiciary.

By Mr. QUAYLE:

S.J. Res. 314. A joint resolution to designate the week beginning July 27, 1986, as "National Nuclear Medicine Week"; to the Committee on the Judiciary.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. PRESSLER (for himself and Mr. LUGAR):

S. Res. 372. A resolution concerning relations with Romania; to the Committee on Foreign Relations.

By Mr. WILSON (for himself, Mr. D'AMATO, Mr. LAUTENBERG, Mr. DOLE, Mr. QUAYLE, Mr. SYMMS, Mr. HECHT, Mr. MATTINGLY, and Mrs. HAWKINS):

S. Res. 373. A resolution expressing the sense of the Senate regarding the search for, and appropriate judgment and prosecution of, Nazi war criminals; to the Committee on the Judiciary.

By Mr. FORD (for himself and Mr. MATHIAS):

S. Res. 374. A resolution limiting the amount that may be expended by Senators

for mass mailings during the remainder of fiscal year 1986; to the Committee on Rules and Administration.

By Mr. HEINZ (for himself, Mr. ABDNOR, Mr. ANDREWS, Mr. D'AMATO, Mr. DENTON, Mrs. HAWKINS, Mr. KASTEN, Mr. NICKLES, and Mr. SPECTER):

S. Res. 375. A resolution expressing the sense of the Senate with regard to the payment of cost-of-living adjustments under title II of the Social Security Act in fiscal year 1987; to the Committee on Finance.

By Mr. CHILES:

S. Res. 376. A resolution to express the sense of the Senate that the Secretary of Agriculture should continue to fully participate in the cooperative Federal-State program to detect, control, and eradicate citrus canker infestation in the State of Florida; to the Committee on Agriculture, Nutrition, and Forestry.

By Mrs. HAWKINS:

S. Res. 377. A resolution to express the sense of the Senate that the State of Florida and the Secretary of Agriculture should participate in the cooperative Federal-State program to detect, control, and eradicate citrus canker infestation in the State of Florida; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. NICKLES (for himself and Mr. GRASSLEY):

S. Con. Res. 122. A concurrent resolution to express the sense of Congress with respect to agricultural loan restructuring; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. ABDNOR:

S. Con. Res. 123. A concurrent resolution to permit the 1986 Special Olympics Torch Relay to be run through the Capitol Grounds; to the Committee on Rules and Administration.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. MATHIAS (for himself and Mr. EAGLETON):

S. 2251. A bill to authorize the Administrator of General Services to convey property to the District of Columbia, and for other purposes; to the Committee on Governmental Affairs.

CONVEYANCE OF CERTAIN PROPERTY TO THE DISTRICT OF COLUMBIA

● Mr. MATHIAS. Mr. President, I am today introducing, for myself and for the Senator from Missouri [Mr. EAGLETON], legislation to effectuate part of the agreement between the District of Columbia and the Reagan administration regarding the future of the building at Second and D Streets, in Northwest Washington.

As my colleagues know, this building currently houses a shelter for the homeless which is run by the Community for Creative Non-Violence, and CCNV leader, Mitch Snyder. The agreement reached between the city and the Reagan administration calls for this building to be turned over to the city, along with $5 million of Federal funds which will be available for the city to use in the renovation of the building as a shelter facility. The bill that Senator EAGLETON and I are introducing today will simply direct the Administrator of the General Services Administration to convey the building to the District of Columbia at no cost to the city. It is my understanding that no strings are attached to the building transfer and that it is the intent of the administration that the city will decide how best to use the facility. Once the building is transferred, the administration intends to turn over the agreed upon $5 million from reprogrammed funds. No additional authorization or appropriation will be required.

Mr. President, the problems of the homeless fade from our consciousness as the spring washes warmth and color over Washington. The crisis of hundreds of homeless men and women freezing on grates by the State Department or wandering the streets in the middle of the night are easily forgotten. But the work of the Community for Creative Non-Violence continues throughout the year, and the agreement that the White House and the city have worked out will provide a great deal of needed help to the cause of caring for the homeless in Washington. I am pleased to be able to facilitate the consideration of this proposal by introducing it in the Senate. There may not be unanimous agreement that this is the best approach to the problem of the homeless that faces the entire Nation, and the Nation's Capital in particular, and I don't presume to make a statement on that issue today. I do, however, urge my colleagues to give this proposal prompt consideration. Both GSA and OMB have signed off on the bill and urge its adoption.●

By Mr. BUMPERS (for himself, Mr. PRYOR, Mr. BOREN, Mr. EAGLETON, Mr. DANFORTH and Mr. NICKLES):

S. 2252. A bill to appropriate $10 million to the Dairy Indemnity Program; to the Committee on Appropriations.

FUNDING FOR DAIRY INDEMNITY PROGRAM

● Mr. BUMPERS. Mr. President, I am today introducing along with Senators PRYOR, BOREN, NICKLES, EAGLETON, and DANFORTH a bill to provide $10 million in funding for the Dairy Indemnity Program. I have spoken on the Senate floor before about the crisis involving heptachlor-contaminated milk and milk products in Arkansas, Oklahoma, and Missouri. It would be impossible for me to overstate the enormity of the disaster facing milk producers in my State, a disaster we can help to relieve by providing financial assistance to these dairy farmers who are experiencing great suffering, both financial and emotional, through no fault of their own.

This bill would provide needed funding for a program that is already in place—the Dairy Indemnity Program—which was designed precisely for the crisis at hand. Under this program, first established in 1968, dairy producers and manufacturers of dairy products who must destroy chemically-contaminated milk and milk products may be indemnified for the losses they have experienced and will experience while working to remove the contamination from their dairy herds.

This program is right on point. The problem is that it is out of funds.

Mr. President, it is difficult to stand on the Senate floor and ask for new funding for anything, but if ever there was a situation that cried out for Federal assistance it is this one. This is in fact the classic kind of case in which Federal help would be made available. These farmers are facing devastation through no fault of their own, they have no place else to turn, and the Federal Government is partially responsible for their plight.

For the benefit of my colleagues, let me recount the events of the past month. On February 24, health officials in Arkansas, Missouri, and Oklahoma first announced that some milk produced in these States contained traces of heptachlor, a pesticide suspected of being a carcinogen. Dairymen in these States suspected of having dairy cows contaminated by heptachlor had been feeding a byproduct mash sold as feed by the J.E.W. Inc., ethanol operation through its subsidiary Valley Feeds in Van Buren, AR. Although testing of the mash on area farms had been conducted approximately 1 month earlier after reports of aflatoxin contamination, the FDA claims that heptachlor contamination was not determined until nearly 4 weeks later.

With the complete cooperation of the Arkansas dairy processing industry, by March 19 at least 339,425 gallons of milk were recalled from an eight-State area as well as 12,784 gallons of ice cream and 625 gallons of cottage cheese. An undetermined amount of cheese was also destroyed.

Yet, by far, the greatest loss is being experienced by farmers and dairy cooperatives that have dumped and will continue to have to dump millions of gallons of milk—an estimated 62 million pounds of milk in Arkansas alone—before the heptachlor contamination has passed. Of course, the tragedy is not just the staggering amount of the total loss, but the individual tragedy being experienced by dairymen in the three-State area who are seeing everything they have worked for go literally down the drain.

On March 14, on the front page of the New York Times, the story of Roger Dunn, a longtime friend from my hometown of Charleston, AR, was reported. Roger is losing over $500 a day in lost milk revenue, yet because the only known cure for heptachlor contamination in cows is milking, Roger must continue to milk his cows

until the contamination falls below action levels. Roger must continue to buy feed for his cows even though he has no milk revenues. Roger can't sell his cows for slaughter because the meat is tainted, he can't dry up or destroy his cows because the Dairy Indemnity Program—when funded—only pays an indemnity on lost milk marketings, and he can't maintain his dairy farm or meet his family living expenses because he has no income. This dairy farmer, recognized as one of the finest in the State, has in a matter of weeks gone from financial stability to financial ruin. And this same scenario is being repeated all over Arkansas, Missouri, and Oklahoma.

None of the dairymen involved is to blame in any way for their plight. J.E.W. Inc., the company that sold the contaminated feed, used heptachlor-treated seed corn in its ethanol operation. This corn is dyed red or pink to denote the contamination, but by the time the grain has gone through the fermentation process and been rendered to mash, there is no trace of the dye—but the heptachlor remains. Neither the price, $45 a ton, the average for mash which is 60 to 70 percent water, nor the color provided any hint of trouble to the farmers. Certainly, J.E.W. Inc., did not inform the farmers of any potential problems, and the farmers suspected none.

On March 18, 22 days after the contamination was first reported, the USDA sent a fact-finding task force to tour the three-State area. The task force visited several area farms and held public meetings. Yet, they could not answer the most important question raised by the dairymen involved in the contamination crisis: Would Federal assistance be made available?

Since 1968, the Dairy Indemnity Program has been on the books to help dairymen and processors caught, through no fault of their own, in a situation identical to the one being experienced in Arkansas, Oklahoma, and Missouri today. In 1982, the program was tapped to help provide necessary relief to the diary industry in Hawaii when heptachlor was determined to have contaminated the milk in that State. The program was reauthorized by section 152 of the 1985 farm bill, Public Law 99-198. However, the Dairy Indemnity Program currently only has $94,000 in its indemnity fund, and this amount is under a rescission request. We need $10 million, maybe a little more or a little less, but roughly that amount.

From the onset of the crisis, we have urged the USDA to locate unobligated funds which could be transferred into the MIPP fund. Suggestions have centered on the Commodity Credit Corporation, which has a relatively broad charter. Another suggestion has been for the USDA to borrow from an account that has existing appropriated funds, with the understanding that a supplemental appropriation request will be made in the near future to replenish the account. Unfortunately, the USDA has reported that neither suggestion is currently feasible, but we have been told that the administration will support a supplemental appropriation request for the Dairy Indemnity Program.

These farmers literally have no place else to turn. I cannot overstate the urgency of the situation. These innocent farmers have claims that would far exceed the equity of J.E.W. Inc., the parent company of the company that sold the tainted feed. Currently, J.E.W. Inc., is a party to a law suit filed by the bankruptcy trustee of J.E.W. Inc.'s, parent cooperative which went through bankruptcy in 1984. It is alleged that the gasohol plant operation largely contributed to the financial problems of the parent co-op, Farmer's Co-op of Arkansas and Oklahoma. J.E.W. Inc., sold feed through a subsidiary, Valley Feeds, Inc. The president of Valley Feeds, Jack E. White, is currently serving a 90-day jail sentence after pleading guilty to a one-count Federal indictment for submitting false information in order to obtain a $300,000 loan from a Van Buren, AR, bank. In short, there is no deep pocket here. There is, in fact, no pocket at all.

Federal indemnity is also justified for another reason. In 1983, EPA banned the pesticide heptachlor for general use. The EPA allowed stocks on hand to be used, but no Federal agency helped to provide the necessary surveillance and monitoring required to assure consumers, and our dairymen, that heptachlor would not enter the food chain. In our case, discovering the contamination in the food chain instead of before poses a threat to our consumers and may be economically fatal to the dairymen involved and the businesses that rely on their patronage.

As of March 25, the number of Arkansas dairy farms affected by the contamination numbered 117. Some 32 farms have been found to definitely have cows with heptachlor contamination and the test results on 10 more farms are pending. These figures do not include the quarantined farms in Missouri and Oklahoma.

At least 75 other Arkansas farms have been released from quarantine, but while they were quarantined they suffered daily financial loss for which they should be compensated by this program. In Arkansas, State health authorities and FDA officials acted to place dairy farms on quarantine on the basis of positive sample results from milk on the route trucks. These officials later went back and tested each farm on the route, but no farm could be removed from quarantine until a negative test result was returned—even if the dairy fed no grain purchased from Valley Feeds, Inc.

Because of necessary time delays, bureaucratic regulations, lack of availability to testing facilities, and other causes beyond the control of the individual dairymen, thousands of gallons of milk had to be dumped by these producers who were ultimately found to have no contaminated cows. I firmly believe that these dairymen—75 in Arkansas, and probably others in Oklahoma and Missouri—are as deserving of indemnification for their lost marketings as producers with known contaminated cows. It is my understanding that the Dairy Indemnity Program would cover these farmers, and it is my intention to ensure that it does.

While we debate and the USDA continues to review the situation, many dairy farmers in Arkansas are going out of business. The USDA recently responded to a request I made to make known all temporary assistance that can be offered by the FmHA. Unfortunately, even though useful programs are provided through the FmHA, Arkansas has been notified that no more direct moneys will be made available, and the guarantee program is totally inadequate to meet the needs of these dairymen. I have also asked for forbearance by the Farm Credit System banks of St. Louis, but to date my request has not been answered. In the meantime, innocent farmers are being forced out of business, and the only real relief available is the Dairy Indemnity Program.

As I said, Mr. President, Government assistance to these farmers would be Government at its finest—helping those who have been decimated through no fault of their own and who have absolutely no place else to turn. We don't have to create a new program. All we have to do is fund the one we already have on the books. I hope Congress will act quickly on this funding request, and Senators PRYOR, EAGLETON, DANFORTH, BOREN, NICKLES and I ask for your assistance and support in this effort. I ask unanimous consent that the text of our bill be printed in the RECORD immediately following my statement.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2252

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That $10,000,000 is hereby appropriated to the Dairy Indemnity Program, authorized by the Act of August 13, 1968 (82 Stat. 750, as amended; 7 U.S.C. 450 j, k, and l), for fiscal year 1986 to remain available until expended.●

● Mr. PRYOR. Mr. President, today I join my colleague, Mr. BUMPERS, in introducing an emergency supplemental

appropriation to adequately fund the Dairy Indemnity Program.

This program is designed to help producers who have an economic emergency that occurs through no fault of their own.

Dairy producers in Arkansas have been hit hard by heptachlor contamination in their dairy herds, a situation brought about by their consuming contaminated feed. These producers unsuspectingly bought feed from a cooperative to feed to their animals, unaware that it had been labeled for industrial use only.

The feed was a byproduct of ethanol and was labeled and colored so that it would not be used as food. After extensive testing, many herds in Arkansas, Oklahoma, and Missouri were found to be contaminated with unacceptable levels of hetpachlor. All herds testing positive have had their origin of contamination traced back to the feeding of this contaminated mash sold illegally as livestock feed.

Mr. President, the dairy business requires a lot of extraordinarily hard work and a stable cash flow. It depends entirely on the sale of one product—milk. When these producers' herds were contaminated and ultimately quarantined, the producers were required to dispose of the heptachlor-tainted milk. And they absorbed substantial economic loss through no fault of their own. For many dairy producers a weekly feed bill of $6,000 to $8,000 is not uncommon. A timely economic assistance program is a must if these producers are to stay in business.

In 1983 a similar incident occurred in Hawaii that was addressed through economic assistance to dairy producers by the Dairy Indemnity Fund. These producers, like those today in Arkansas and surrounding States, fed contaminated feed unknowingly and were required to dispose of all tainted milk. Today, Mr. President, this fund has only $94,000 for economic assistance.

Secretary of Agriculture Richard Lyng has sent a task force to the affected areas and implemented loan assistance through the Farmers Home Administration. But this is only a stopgap measure. Dairy producers don't need loans as the answer to their problem. Most of them have loans now that they are struggling to pay back.

With other Senators, I have asked for the Agriculture Department to reprogram or re-route funds to met this crisis. Up to this time, we have received no indication from the Secretary that this is a viable option.

Therefore, Mr. President, with the economic time clock ticking, I join Senator BUMPERS in asking for the passage of this appropriation to provide the Indemnity Program with the necessary funding to meet the needs of these producers. We must act in a timely and compassionate manner. Many producers and their families await our assistance.●

● Mr. DANFORTH. Mr. President, I join today with my colleagues from Missouri, Arkansas, and Oklahoma in introducing legislation which would appropriate $10 million for the Department of Agriculture's Dairy Indemnity Program. This legislation may be the only way to avert bankruptcy for dozens of dairy farmers in our three states.

Dairymen in the lower Midwest face a crisis. Many have unknowingly contaminated their herds by feeding them grain mash containing heptachlor, a suspected carcinogen. Heptachlor was banned for food uses in 1975 and for seed treatment in 1983, though existing stocks could legally be exhausted. Farmers had no way of knowing that by feeding their cows this mash, purchased from a single supplier in Van Buren, AR, they were introducing a likely cancer-causing agent into their milk.

Once the Food and Drug Administration discovered the presence of heptachlor in milk, suspect herds were quickly quarantined. Some of these have been tested and found to be free of contamination. However, 54 herds, including 8 in Missouri, and totaling almost 3,500 lactating cows, have been associated with the tainted milk. No one knows just how many contaminated herds will ultimately be identified. In every case, though, a dairyman will be unable to sell his milk, unable to earn a living, and, unless assistance is forthcoming, at risk of losing his business.

Dairy farmers whose herds have been withdrawn from production need help right now. Secretary Lyng has recognized this immediate need, giving these farmers priority status in seeking loans from the Farmers Home Administration. Those farmers who secure Federal credit will be able to purchase feed and make other essential payments on an interim basis, but FmHA loans are no solution. A long-term response is needed, and the Dairy Indemnity Program may provide the only available vehicle.

Established in 1968, the Dairy Indemnity Program provides compensation for farmers who have been barred from selling their milk due to chemical or other contamination. If a producer is blameless in this contamination and has no other legal recourse, indemnity payments continue until the farmer is reinstated and once again able to produce for the marketplace.

Dairymen whose milk is now tainted with heptachlor are certainly guiltless, and compensation from the supplier of contaminated feed may be unobtainable. This case appears to meet both the letter and the spirit of the Dairy Indemnity Program.

Mr. President, affected dairy farmers simply want a chance to sustain themselves until they can rebuild businesses which have been suddenly and arbitrarily devastated. Congress must join in examining all possible alternatives for aiding these producers. The legislation which my colleagues and I introduce today begins this process, and I urge the Senate to give it expeditious and compassionate consideration.●

By Mr. HEINZ:

S. 2253. A bill to amend the Balanced Budget and Emergency Deficit Control Act of 1985 to exempt certain railroad retirement benefits from sequestration or reduction under an order issued by the President under section 252 of such act; to the Committee on Governmental Affairs.

RAILROAD RETIREMENT BENEFITS PROTECTION ACT

● Mr. HEINZ. Mr. President, I am today introducing the Railroad Retirement Benefits Protection Act of 1986. This bill will correct an oversight by Congress in the treatment of railroad retirement vested dual benefits under Gramm-Rudman-Hollings. Under the current provisions of Gramm-Rudman-Hollings, on April 1 rail retirees will receive benefit checks that reflect a 7.7-percent reduction in their vested dual benefits. Unless corrected, this oversight could ultimately wipe out as much as 10 to 20 percent of the benefits that over 312,000 retired railworkers have depended on for years.

At the time Gramm-Rudman-Hollings was signed into law, it was the intent of Congress that the spending reductions would affect all Americans. Retired workers and their families were to be affected only in certain ways. Like other Americans, retirees would feel the impact of the cuts in programs that serve everyone, such as defense and law enforcement. Retirees were also expected to bear reductions in other services such as nutrition and home care for the elderly. In the area of income security, however, Congress intended only a very limited impact on retirees. Social security and SSI were exempted from cuts, and military retirees, Civil Service retirees, and railroad retirees would, at most, have their benefits frozen. Let me emphasize, Mr. President, that in the worst case railroad retirees were at the maximum risk of losing their COLA's. I don't believe that anyone in Congress intended or contemplated reducing current retirement benefits. The record of the debate makes that clear. Unfortunately, that is exactly what has happended to rail retirees' vested dual benefits.

To understand how this situation came about, we must examine some of the history and structure of the railroad retirement system. The system was created in 1935, at the same time as social security. The intent was to

add social insurance features to the extensive private pension system that the railroads had already created. Rail workers paid taxes that were higher than social security taxes, because they expected to receive higher benefits. The basic system lasted until 1974, when Congress created the system we have today. Most of us believe that the present system pays only two types of benefits, tier 1 and tier 2, but it actually pays two additional types, supplemental benefits and vested dual benefits. The benefit structure can be summarized as follows.

Tier 1 benefits essentially duplicate Social Security. Funding comes from taxes paid by rail employers and employees into a trust fund. Tier 2 is intended to duplicate a private industry pension. Tier 2 funding also comes from rail employer and employee taxes paid into a trust fund. Supplemental benefits are an extra benefit provided to retirees with over 25 years of rail employment. This benefit is supported by taxes paid into a trust fund by rail employers. Tier 1 and tier 2 have automatic COLA's, supplemental benefits have no COLA. Virtually all of the 953,000 rail retirees receive tier 1 benefits which average $536 per month, and tier 2 benefits which average $134 per month; 201,000 retirees also receive supplemental benefits averaging $48 per month.

Vested dual benefits differ from the other benefits in several respects. These benefits arose because, prior to the restructuring of railroad retirement in 1974, persons with extensive nonrail employment qualified for higher benefits under Social Security and railroad retirement combined than did persons who worked exclusively in rail employment, despite the fact that rail employees paid more in retirement taxes. This was a drain on the Rail Retirement System because all of the extra benefits were paid by the Rail System.

Congress eliminated these dual benefits in 1974 for all workers and retirees who had not already vested for them. At the same time, Congress created a separate account, the vested dual benefits account, to pay benefits to the workers who had already vested. Congress chose to fund this account out of general revenues because of the inequity of charging rail workers for benefits that they no longer qualified for.

Mr. President, although these vested dual benefits are essential to the recipients, they really amount to a very modest augmentation of the tier 1 and tier 2 benefits. They average only $104 per month among the 312,000 retired workers, spouses and survivors who receive them. Since no new vesting can occur, and since there is no COLA for vested dual benefits, the eligible population has been shrinking and outlays have fallen from $430 million in fiscal year 1983 to $390 million in 1986, and I point out that the $390 million figure is prior to the Gramm-Rudman-Hollings cut, which amounted to $16.7 million. That cut works out to an average benefit reduction of $8 per month.

Mr. President, one may ask how it happened that vested dual benefits were cut by Gramm-Rudman-Hollings. I believe there is no explanation for this other than that it was quite simply an oversight on the part of Congress. Most of us, when we think of railroad retirement, think of only tier 1 and tier 2. We knew that Gramm-Rudman-Hollings did not affect tier 1, and that at most, it canceled the tier 2 COLA. So we believed that rail retirees would at the worst suffer a freeze or small increase in their benefits. Congress failed to understand how vested dual benefits would be affected by the "fine print." As it turns out, supplemental benefits were not cut because those taxes and benefits are processed through the same trust fund as the tier 1 benefits, so they were, fortunately, exempted from Gramm-Rudman-Hollings. It apparently was thought that vested dual benefits were similarly exempt. Because they are processed through a different account, however, as only later realized, they became vulnerable to automatic spending reductions.

Mr. President, we must remember that these vested dual benefits are more than just some bookkeeping account that no one cares about except the actuaries at the Railroad Retirement Board. There are 312,000 people out there who have depended on these benefits for years in order to make ends meet. The $8 that was cut out of benefit checks may not seem like much to some people, but for retirees who often have to make every penny count, that $8 can mean a warmer house, or several more meals at the end of a month. In addition to the loss of their benefits, these 312,000 people also have to live in fear that their benefits will be reduced in the future in an unspecified amount as the result of some automatic budget process that they understand only vaguely, if at all.

Mr. President, I urge my colleagues to join me in rectifying this situation and eliminating this fear from the lives of rail retirees by supportng the legislation I am introducing today.

I ask that the text of my bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2253

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. EXEMPT PROGRAMS AND ACTIVITIES.

(a) IN GENERAL.—Section 255(g)(1) of the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 905(g)(1)) is amended by inserting after the item relating to Compensation of the President the following new item:

"Dual benefits payments account (60-0111-0-1-601);".

(b) APPLICATION.—The amendment made by subsection (a) shall apply to fiscal years beginning after September 30, 1986.●

By Mr. METZENBAUM (for himself, Mr. SPECTER, Mr. GLENN, Mr. HEINZ, Mr. BYRD, and Mr. ROCKEFELLER):

S. 2254. A bill to provide for the tax treatment of certain amounts received as a settlement of claims for postretirement medical insurance coverage; to the Committee on Finance.

TAX TREATMENT OF CERTAIN CLAIMS SETTLEMENTS

● Mr. METZENBAUM. Mr. President, today I am introducing along with Senators SPECTER, GLENN, HEINZ, and ROCKEFELLER, a bill to resolve a tax problem faced by some 5,000 former employees and their dependents of the now defunct Crucible Steel Co.

In 1983 the Crucible Steel Co. announced that it would close its Midland, PA plant and suspend health benefits for its workers. The workers filed suit challenging the termination of their health benefit coverage. The company subsequently offered workers lump-sum payments to settle their claims. Many workers elected to take the money in lieu of health insurance and to drop their litigation. Those who decided to continue the suit were eventually successful. They also were given the option of receiving lump-sum payments.

Approximately 2,750 workers elected the lump-sum payments, averaging $14,000. The IRS contends that these payments are income subject to taxation.

Mr. President, Congress has expressly exempted health care benefits from taxation. Congress has rejected prior efforts by this administration to change that policy. And the tax bill that passed the House and the tax reform proposal pending before the Senate Finance Committee has retained the exclusion. But because of unusual circumstances these workers have been forced to take cash from their former employer and purchase health care coverage on their own. It is unfair to reduce the health care purchasing power that these payments are intended to provide.

The bill we are introducing today would exempt the payments made to the Crucible Steel workers in lieu of health care coverage. Without this measure these 2,750 workers will be asked to pay taxes on a fringe benefit upon which other workers are not taxed.

I ask unanimous consent that the bill be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2254

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled.

SECTION 1. EXCLUSION FROM GROSS INCOME FOR CERTAIN SETTLEMENTS OF CLAIMS FOR POST-RETIREMENT MEDICAL INSURANCE COVERAGE.

(a) IN GENERAL.—For purposes of the Internal Revenue Code of 1954, the gross income of an individual shall not include any amount received (whether in a lump-sum or in periodic payments) in settlement of claims for postretirement medical insurance coverage under the terms of a collective bargaining agreement if such coverage is the subject to a suit filed on January 5, 1984, in the United States District Court in the Western District of Pennsylvania.

(b) EFFECTIVE DATE.—This section shall apply to amounts recieved in taxable years beginning after December 31, 1983.●

● Mr. SPECTER. Mr. President, I am pleased to join with Senator METZENBAUM in introducing this important legislation which would amend the Internal Revenue Code to provide relief for former employees of Crucible Steel Co. in Midland, PA.

In 1983, Crucible closed its doors and announced a suspension of health benefits for over 3,000 employees. Following negotiations with labor and industry representatives, an agreement was reached giving the former workers a choice of continued payment of monthly health benefit premiums or a lump-sum settlement. As a result of this agreement, 2,750 former workers opted for the lump-sum payment, averaging nearly $14,000 each.

Subsequent to this settlement, the Internal Revenue Service ruled that these lump-sum payments were considered as income and thus subject to income tax.

Mr. President, I have consistently opposed attempts to tax employee health and life insurance, and other fringe benefits as income. Recently I joined Senators MOYNIHAN, HEINZ, and DIXON in introducing Senate Resolution 303, which would retain the current tax exempt treatment of these benefits, and I am pleased to note that this resolution has received strong bipartisan support.

The purpose of this legislation is to guarantee equitable and consistent tax treatment for the former employees of Crucible Steel. It will grant them a one-time exclusion on the settlement they negotiated for the termination of their employer-provided health plan.

I do not believe this lump-sum payment should be taxed as earned income, nor should it be taxed as income received for any work performed by the former employees of Crucible Steel. Under the current Tax Code, if these employees had continued to work and receive health benefits, they would not have been forced to pay tax on these benefits. In addition, the tax reform legislation passed by the House of Representatives would also retain the tax-exempt status of these health benefits.

At a time when the families of the former employees of Crucible are under severe financial pressure, we simply cannot justify adding to their hardship by burdening them with additional taxes.●

● Mr. GLENN. Mr. President, I am pleased to join my colleagues from Ohio and Pennsylvania in introducing this legislation to help 5,000 former workers and their families of the shutdown Crucible Steel Co., in Midland, PA.

The Crucible Steel mill, a division of Colt Industries, closed in 1983, and suspended health benefits for workers. A lawsuit was filed on behalf of the workers in early 1984, alleging that the company did not have the right to cancel their health insurance coverage. The company offered lump-sum payments to settle their claims, and many workers accepted this settlement and dropped their suits. Those workers who did continue legal action eventually won, and were given the option of lump-sum payments or health care coverage.

Approximately 2,750 workers chose the lump-sum payments, averaging $14,000 each. But they have been informed by the Internal Revenue Service that these payments will be considered taxable income. The legislation we are introducing today specifies that these payments shall not be taxable.

Mr. President, this legislation is necessary and appropriate. Current Federal policy exempts health care benefits from taxation, and Congress has rejected efforts to change that policy. The purpose of these lump-sum payments is to compensate workers and retirees for lost health insurance coverage. It is unfair to reduce the health care purchasing power that these payments are intended to provide. I must also emphasize that a $14,000 payment is not a windfall when it comes to purchasing health insurance coverage in today's world of rising health care costs. In fact, an average health insurance policy in northeastern Ohio currently costs the following:

Individual coverage: $96.80 per month;

Family coverage: $214.18 per month; and

Medigap insurance policies for retirees $35.25 per month per person.

This legislation will benefit over 5,000 former employees and dependents of Crucible Steel. The problems of unemployed steelworkers have been bad enough throughout the Upper Ohio Valley. This legislation will lessen some of the burdens that many of these individuals are facing because of the unfair tax situation. I urge my colleagues to support this legislation.●

Mr. BYRD. Mr. President, I am pleased to join my colleagues from Ohio, Pennsylvania, and West Virginia in introducing this bill, which would offer relief for former workers of the now-defunct Crucible Steel Co. of Midland, PA. The relief, which will affect some 5,000 former employees and their dependents in our three States, is necessary because the Internal Revenue Service has issued a ruling which we believe contravenes the policy established by Congress concerning the taxation of employee health benefits.

Briefly, in 1983, the Crucible Steel mill announced its closing and also announced the immediate suspension of health benefits for its employees. The workers filed a lawsuit in early 1984, contending that the company did not have the right to cancel payment of the health benefits. After a protracted period, the suit was settled, and the workers were awarded the choice of continued payment of health benefit premiums during the negotiated period of time or a lump-sum amount paid directly to them, and 2,574 former employees opted for the lump-sum payment. They were then free to purchase health insurance on their own.

The Internal Revenue Service has ruled that these payments are income and are subject to income tax.

Mr. President, we believe these payments are employee benefits which, had these employees been able to continue to work and receive health benefits, would not be subject to taxation under our Tax Code. Nor would they be subject to taxation under the tax reform bill passed by the House of Representatives or the tax reform plan currently being considered in the Senate Finance Committee.

The bill we are introducing today would assure that these former employees are treated fairly by establishing that these payments for health benefits are not subject to taxation.

By Mr. WILSON (for himself, Mr. DANFORTH, Mr. BOREN, Mr. HELMS, Mr. SIMPSON, Mr. NICKLES, and Mr. GARN):

S. 2255. A bill to prohibit the expenditure of Federal funding for congressional newsletters; to the Committee on Rules and Administration.

PROHIBITING FEDERAL FUNDING OF CONGRESSIONAL NEWSLETTERS

● Mr. WILSON. Mr. President, today I am pleased to introduce a bill to prohibit funding for congressional newsletters. I am joined in this effort by my distinguished colleagues Senators DANFORTH, BOREN, HELMS, SIMPSON, NICKLES, and GARN. In our last election year, 1984, the cost of congressional postage was some $111 million. Since then, the tab has soared to an estimated $146 million. In the Senate, 75 percent of what we spend for post-

age is poured into newsletters—unsolicited mailings which often wind up in the trash, unread, and unwanted. Another 20 percent is spent on unsolicited town meeting notices. Less than 5 percent of our postage budget is used to respond to letters received from our constituents.

The bill would prohibit the use of Federal funds for preparation or mailing of any congressional newsletter. A newsletter is defined as any preprinted material prepared by a Member of Congress as a part of a mass mailing which describes specific activities of the Member. Town meeting notices would not be included in this prohibition.

We live in a time of austerity. A time when there are many things we might like to have—but cannot in good conscience afford. A time when all of us are straining to meet the budget requirements set forth in Gramm-Rudman-Hollings. At such a time, it is difficult indeed to justify congressional self-promotion at the taxpayers' expense. And it is absolutely unthinkable that we would appropriate an additional $42 million, as the House has proposed, to continue our budget overruns for newsletter postage.

It is one thing to keep constituents informed of the work we do here in Congress. For my part, I welcome the opportunity to write to constituents who express genuine interest or concern regarding activities in the Senate.

After all, that is why Congress was granted the franking privilege in the first place. But it is a privilege—one that has been abused—until millions of taxpayers' dollars have been channeled into extravagant mailings that are barely distinguishable from campaign literature.

Many newsletters contain useful information. Yet most seek merely to enhance the author's name recognition at home. But even without such abuse—even when employed legitimately as an informational tool—sending newsletters is simply not a cost-effective means of communicating when other methods are readily available. For instance, Senate proceedings are now being broadcast. News services will continue to report our activities as in the past. My own office responds to perhaps 15,000 inquiries a week. All told, these options cost only a fraction of the current outlay for congressional newsletters. No less important, they reach those constituents with a willing ear—those who choose to pick up a paper, write a letter, turn on the radio or television.

If you look at the estimated 1986 total for congressional mailing—$144 million—you find that it would take all of the Federal income taxes collected from all of the residents in a city of approximately 330,000 people—cities like Long Beach or Oakland, CA—just to pay the bill.

The first Gramm-Rudman-Hollings sequester reduced the spending level set in the legislative branch appropriations bill by $69 million. Ironically that savings will be ravaged by the $50.2 million overrun for newsletter mailings. What kind of an example is Congress setting? When we are forced to make cuts in health care and medical research, drug enforcement efforts, senior meals programs, education, and a whole host of other activities with a distinctly higher priority, we simply cannot continue to pour tens of millions of dollars into self-promotion.

Mr. President, I ask unanimous consent that the text of our legislation be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2255

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) no Federal funds may be obligated or expended in any fiscal year for the preparation and mailing of any congressional newsletter.

(b) For purposes of this Act—

(1) the term "congressional newsletter" means any preprinted material prepared by a Member of Congress as a part of a mass mailing which describes specific activities of the Member, but does not include prepared notices indicating that a Member of Congress will be available at a specified time and place to meet with constituents; and

(2) the term "Member of Congress" means a Senator, Representative, or Delegate.●

By Mr. QUAYLE (for himself, Mr. SYMMS, Mr. LUGAR, Mr. HATCH, Mr. ZORINSKY, Mr. HELMS, Mr. EAST, Mr. WALLOP, and Mr. GRAMM):

S. 2256. A bill to amend the Bilingual Education Act to make Federal financial assistance available for children of limited English proficiency without mandating a specific method of instruction, to encourage innovation at the State and local level through greater administrative flexibility, to improve program operations at the Federal level, and for other purposes; to the Committee on Labor and Human Resources.

BILINGUAL EDUCATON ACT

● Mr. QUAYLE. Mr. President, it gives me great pleasure to introduce the Bilingual Education Act Amendments of 1986 with my colleagues, Senators SYMMS, LUGAR, HATCH, ZORINSKY, HELMS, EAST, WALLOP, and GRAMM. This legislation will allow flexibility in the bilingual education programs provided by school districts to more effectively meet the needs of the non-English-speaking and limited-English-proficient students.

The best way to provide bilingual education has been much debated by educators, policymakers, students, and parents themselves. The discussion focuses on what type of language training is most effective to bring non-English-speaking children up to par with their English-speaking peers. Positions range from strong support of transitional bilingual education, an approach that employs instruction in the student's native language at the beginning and increasing to use of English as time goes by, to strong support of immersion, sometimes referred to as the sink-or-swim method, and to all combinations in between.

For certain types of students, depending on their age, their literacy in their native language, and their parents literacy in their native language and fluency in English, an approach closer to immersion may be more effective than transitional bilingual education. For other children who are older and who may have a low functional literacy in their own language, a transitional approach may be more effective.

Other children will learn at different speeds, thereby necessitating review of the appropriate placement in transitional bilingual education classes or in classes that rely more heavily on English. Such students should be able to move ahead at their own speed and ability, to allow them to achieve fluency in English as quickly as possible. After all, that is the goal of bilingual education.

The legislation that I am introducing today with my colleagues will address the need for more flexibility in the Federal bilingual education programs at the local level. This bill would remove the statutory requirement in current law that mandates that 75 percent of the funds appropriated for local bilingual education programs be used for transitional bilingual education programs. By removing this 75-percent set-aside, the Secretary of Education will be able to allow greater flexibility in funding projects that rely less heavily on transitional bilingual education and more so on other forms of bilingual curriculum.

The legislation will also remove the 4-percent cap on special alternative instructional programs that the Secretary of Education can fund. This 4-percent cap on the use of bilingual education moneys, enacted in 1984, was seen as a way to provide more freedom to school districts, and this program has been a huge success with the field. The Department of Education has reported that even with the 4-percent cap, it has received over 100 applications for funding under the alternative instructional programs.

Under this legislation, grants will continue to be awarded subject to all other current guidelines in the law, and the need of the school district will continue to be assessed according to current law and guidelines. By deleting the 75-percent requirement and the 4-percent cap, school districts will be able to design programs that are more flexible, realizing that they will

not have to meet certain Federal prescriptions or assumptions for bilingual education curriculum.

Students have learned English in all types of bilingual education programs, some more quickly in one type than another. We are not making judgments on which program has been shown through research or practice to be better than another. The cosponsors of this bill are not choosing sides between transitional bilingual education or language immersion.

We are making the statement that school districts are closer to the students and, therefore, they should be able to choose the approach they consider appropriate for educating their limited or non-English-speaking children, and the approach that helps their students learn English as easily and efficiently as possible.

Bilingual education has been a gift to many thousands of children who had no English language skills upon coming to America. The Federal Government will continue to support bilingual education. With the passage of this legislation, we will ensure that the needs of these children are met and that they, too, are given a gift to allow them to become productive and participating members of our society and to share fully in what our Nation has to offer.

Mr. President, I ask that the text of the bill, a section-by-section analysis be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 2256

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Bilingual Education Act Amendments of 1986".

PURPOSE

SEC. 2. Section 702(a) of the Bilingual Education Act (20 U.S.C. 3221 et seq.) (hereafter in this act referred to as the "Act") is amended—

(1) by redesignating clauses (4) through (14) as clauses (5) through (15) respectively; and

(2) by adding after clause (3) the following new clause:

"(4) that, regardless of the method of instruction, programs which serve limited English proficient students have the equally important goals of developing academic achievement and English proficiency;".

FUNDING FLEXIBILITY

SEC. 3. Section 702(b) of the Act is amended—

(1) by striking out paragraph (3);

(2) in paragraph (4), by striking out the semicolon and everything that follows through the end thereof and inserting in lieu thereof a period; and

(3) redesignating paragraphs (4), (5), (6), and (7) as paragraphs (3), (4), (5), and (6), respectively.

TECHNICAL AMENDMENTS

SEC. 4. (a) Section 703(a)(13) of the Act is amended by striking out "areas of high concentrations of persons" and inserting in lieu thereof "individuals".

(b) Section 721(b) of the Act is amended—

(1) by striking out the paragraph designation "(1)"; and

(2) by redesignating subparagraphs (A) and (B) as paragraphs (1) and (2), respectively.

(c) Section 721(f)(7)(C) of the Act is amended by striking out "and with" and inserting in lieu thereof "with".

(d) Section 733 of the Act is amended by striking out the subsection designation "(a)".

EFFECTIVE DATE

SEC. 5. The amendments made by this Act shall take effect on July 1, 1986.

SECTION-BY-SECTION OF BILINGUAL EDUCATION AMENDMENTS OF 1986

Section 2. Section 2 would add a new statement in the policy section of the Bilingual Education Act (hereinafter referred to as "the Act") that the goal of every bilingual education program, despite the method of instruction, is to achieve academic excellence and English proficiency.

Section 3. Section 3 of the bill would amend the authorization of appropriations under the Act. This section would remove a requirement from current law that restricts the amount of funds available for special alternative instructional programs to four percent of appropriations not in excess of $140 million, and 50 percent of appropriations over $140 million, provided that no more than 10 percent of appropriations for the Act are reserved for these programs. Section 3 would also remove a restrictive provision that reserves for transitional bilingual education programs 75 percent of the funds appropriated for the basic programs under Part A of the Act. These amendments would provide greater flexibility to meet changing needs in bilingual education, and would expand the prerogatives of local education agencies.

Section 4. Section 4 of the bill would make technical amendments to (1) more accurately describe the services for limited English proficient individuals under the recently-amended Library Services and Construction Act, and (2) correct certain technical errors in sections 721(b), 721(f), and 733 of the Act.

Section 5. Section 5 of the bill would provide that the amendments proposed in the bill would take effect on July 1, 1986, so that these changes could be implemented for the 1986-87 academic year.●

● Mr. SYMMS. Mr. President, America is a generous nation. For decades she has opened her arms to immigrants coming to her shores in search of a dream. I am a descendant of some of those immigrants as are many of my colleagues in this body.

A strong ethnic sense has survived among many people in this country, yet we share a common feeling of unity and pride in our Nation. Historically, immigrants arrived on our shores eager to learn our language and culture. These new Americans taught their native tongue and traditions to their children while embracing "the American way of life."

In 1967 Congress passed the Bilingual Education Act which President Johnson signed into law on January 2, 1968. The original intent of the act was to assist low income ethnic children to become proficient in English with a long-range goal of providing them with the tools necessary to improve their economic conditions.

However, pressures from special interest groups caused Federal education officials to institute compulsory bilingual/bicultural education in schools receiving Federal funds. This has resulted in separate all-ethnic classes, and as a consequence, bilingual/bicultural education has furthered the cultural isolation and alienation of many ethnic Americans.

Pride in one's heritage is important, but the time has come to alter the Federal Government's role in the ever increasing linguistic and cultural partitioning of our Nation. To date, Uncle Sam has actively promoted isolation through inflexible bilingual education policies. Most Americans agree that our Government should promote national unity and the best possible English instruction for our young immigrants.

And that is what we seek to do with this bill. We want our non-English speaking students to learn the Nation's language and participate in the American dream. Our bill will give the local school districts the option to provide their students with the English language training they feel will help them most.

I am anxious to assist our students in a meaningful way, one that will truly help them take advantage of the opportunities this great Nation offers.●

Mr. HATCH. Mr. President, it is my pleasure today to join as an original cosponsor of the Bilingual Education Amendments of 1986 which my distinguished colleague, Senator QUAYLE, is introducing. With the enactment of this bill, our country can better educate many students who are not competent in English and help them to attain proficiency in our common tongue. This small but important tool, English proficiency, which many of us take for granted, will provide these children with a more equal opportunity to join the mainstream of our society and become productive adults.

This proposal gives new flexibility to local school districts across the land. It eliminates the requirement to use Federal moneys to teach limited-English-proficient students only by the transitional bilingual education method, which prescribes a native-language supplement to complement the child's English-language capabilities. With this bill, States and school districts will determine what methods of instruction will best educate the various groups of limited-English-proficient children in their districts. This confidence in our local school districts and teachers is warranted; they are the best judges of how to educate the children they serve.

Before 1967, little attention was paid to school children who were not competent in English. Usually they were forced to pick up whatever English they could from their classes and their peers. Often they were shunted aside, punished, or put into classes far below their academic level. These were not stupid or incapable or unmotivated children; they were merely children who did not use the language of their peers. They suffered as a result of their unmet educational needs. Many of these children dropped out of school. Many became part of what sociologists term the underclass of our society. They had not gained the tool, English proficiency, to be full participants in our society.

Many of my predecessors championed the plight of these needy children. In 1967, the first steps were taken to help bring some of them into the mainstream of our society. That year, the first bilingual education bill was passed. It provided Federal funds for bilingual education. This was a good first step.

Unfortunately, however, we now know that the 1967 act was only a first step. Courts have ruled that bilingual education was a right of all children with limited-English proficiency and, as a result, the regulations implementing the act have become much more proscriptive. The current mandate for transitional bilingual education, or TBE, which prescribes native-language instruction to complement instruction in English and native-language instruction in other subjects, was the end-product of the decisions and regulations. Thus, by the 1980's, almost all Federal money was reserved for programs which incorporated native-language instruction.

While this may sound desirable on paper, in fact only about one-third of all students classified as limited-English proficient are more capable in another language than they are in English. Thus, when a student enters a TBE class, the chance is 2 to 1 that the student can not effectively speak his native language either. Another problem has also surfaced. Even children more proficient in their native language than in English are not necessarily eligible for federally funded programs. In some schools, there are many children who do not speak English, but they are not a homogeneous group. Some may speak various Chinese dialects, some may have Middle-Eastern language capabilities, while some students might speak other languages altogether. Without teachers competent to teach both English, supplemented by the native language, and subjects like math and physics in the native language, the school districts are not eligible for Federal aid—and such teachers are not easy to find.

In 1984 Congress took a small, tenative step to try to accommodate the many children not served by the transitional bilingual education method. It authorized the Department of Education to reserve 4 percent of Federal bilingual aid for special alternative programs. The response was tremendous. While there were over 300 applications for TBE funds, over 100 additional applications competed for the small percentage of funds available for alternative programs. Surely this appeal is loud enough for all to hear. State and local educators want and need the flexibility to determine the best methods to teach their students in response to their particular needs. While we in Washington must monitor the results of the expenditure of Federal funds and must ensure that these children are indeed becoming proficient in English, we should not dictate to those in the local classrooms which teaching methods are most appropriate.

This need for flexibility has been proven. Studies done for the Department of Education show that no one method of bilingual education is definitively superior for all students. Each program has its value; each is appropriate to different linguistic and age groups. Under this bill we are sponsoring today, the local school district will be able to choose the programs most appropriate to educate all the children in that district. This bill does not eliminate transitional bilingual education. Where local educators believe TBE is the best pedagogical tool, it will be used. Where another method to instill English competency is considered appropriate, it can receive Federal funding.

With this flexibility, more non-English-proficient children will become proficient in our common tongue. They will have a more equal opportunity to participate fully in our society. It is for this reason, Mr. President, that I am so proud to cosponsor this bill today.

● Mr. EAST. Mr. President, I am pleased to add my name to the list of cosponsors of the Bilingual Education Act Amendments of 1986, because I feel that it represents a major advance toward the goal of rapidly teaching our national language to non-English-speaking students. I would also like to congratulate Secretary of Education Bennett and my distinguished colleague from Indiana, Senator QUAYLE, for their initiative on this important measure.

We all remember our own days as high school or college students trying to learn a foreign language. For most of us, that learning came hard, and, even after 4 years of French or German, we were still far less than fluent in the foreign tongue. True mastery of a new language requires a great deal of motivation, plus as much exposure to that language as possible. Given plenty of motivation and exposure, most of us can learn a language with surprising rapidity.

With the best of intentions, the current Bilingual Education Act pushes non-English-speaking students in exactly the wrong direction. By requiring that most of them be taught in their native tongues, we simultaneously reduce both their exposure to English and their motivation to learn English. In the shoes of these students, many of us might be all too willing to stay within the refuge of our native language instead of venturing into the unknown and intimidating wilderness of an alien tongue.

The Bilingual Education Act amendments remove this impediment and allow local school districts to seek the best methods of giving these students the most important tool for success and full membership in our Nation—mastery of the English language.●

By Mr. LUGAR (by request):

S. 2257. A bill to amend the Board for International Broadcasting Act of 1973, to authorize appropriations for 1987; to the Committee on Foreign Relations.

BOARD FOR INTERNATIONAL BROADCASTING AUTHORIZATION

● Mr. LUGAR. Mr. President, by request, I introduce for appropriate reference a bill to amend the Board for International Broadcasting Act of 1973, to authorize appropriations for 1987.

This proposed legislation has been requested by BIB and I am introducing it in order that there may be a specific bill to which Members of the Senate and the public may direct their attention and comments.

I reserve my right to support or oppose this bill, as well as any suggested amendments to it, when the matter is considered by the Committee on Foreign Relations.

I ask unanimous consent that the bill be printed in the RECORD at this point, together with a sectional analysis and the letter from the Acting Executive Director of the Board for International Broadcasting to the President of the Senate dated March 27, 1986.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 2257

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, This Act may be cited as the "Board for International Broadcasting Authorization Act, Fiscal Year 1987."

AUTHORIZATION OF APPROPRIATIONS

SECTION 1. Section 8(a)(1)(A) of the Board for International Broadcasting Act of 1973 (22 U.S.C. 2877) is amended to read as follows—

"(A) $125,000,000 for the fiscal year 1986 and $167,509,000 for fiscal year 1987; and".

SEC. 2. Section 8(c) of the Board for International Broadcasting Act of 1973 (22 U.S.C. 2877) is amended by deleting "$18,323,000 for the fiscal year 1987 and inserting in lieu thereof "$40,723,000 for the fiscal year 1987."

BOARD FOR INTERNATIONAL BROADCASTING,
Washington, DC, March 24, 1986.

Hon. GEORGE BUSH,
President of the Senate,
U.S. Senate, Washington, DC.

DEAR MR. PRESIDENT: There is transmitted herewith proposed legislation to make required amendments to the Board for International Broadcasting Act of 1973 and to authorize appropriations for the Board to carry out its responsibilities as specified in that Act.

The bill provides for authorization of appropriations for the Board's operation during fiscal year 1987.

A sectional analysis explaining the proposed legislation is enclosed.

The Office of Management and Budget has advised the Board that there is no objection to the presentation of this proposal to the Congress and that its enactment would be in accord with the program of the President.

Respectfully,
ANGELO R. MANGINELLI,
Acting Executive Director.

SECTIONAL ANALYSIS

Section 1. This paragraph authorizes appropriations of an additional $42,509,000 in fiscal year 1987 (1) to offset the adverse effects of recent currency fluctuations ($16,438,000), (2) to increase support for Radio Free Europe/Radio Liberty for inflation and other required costs ($3,761,000), and (3) to provide additional funds for radio facilities modernization ($22,400,000).

Section 2. This section raises the 1987 earmarking for radio modernization to the requested level of $40,723,000, and increase of $22,400,000 over the $18,323,000 currently earmarked.●

By Mr. LUGAR (by request):

S. 2258. A bill to authorize appropriations for the United States Information Agency for the fiscal year ending September 30, 1987, and for other purposes; to the Committee on Foreign Relations.

U.S. INFORMATION AGENCY AUTHORIZATION

● Mr. LUGAR. Mr. President, by request, I introduce for appropriate reference a bill to authorize appropriations for the U.S. Information Agency for the fiscal year ending by September 30, 1987.

This proposed legislation has been requested by USIA and I am introducing it in order that there may be a specific bill to which Members of the Senate and the public may direct their attention and comments.

I reserve my right to support or oppose this bill, as well as any suggested amendments to it, when the matter is considered by the Committee on Foreign Relations.

I ask unanimous consent that the bill be printed in the RECORD at this point, together with a section-by-section analysis and the letter from the Director of the U.S. Information Agency to the President of the Senate dated March 19, 1986.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 2258

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—UNITED STATES INFORMATION AGENCY

SECTION 1. Title II of the Foreign Relations Authorization Act, Fiscal Years 1986 and 1987 (Public Law 99-93), is hereby amended as follows:

(a) SEC. 201, strike "$887,900,000" and insert "$959,195,000."

(b) SEC. 203, strike "$11,700,000" and insert "$11,639,000."

(c) SEC. 205, strike "$7,500,000" and insert "$5,200,000."

UNITED STATES INFORMATION AGENCY,
Washington, DC, March 19, 1986.

Hon. GEORGE BUSH,
President of the Senate.

DEAR MR. PRESIDENT: Pursuant to the United States Information and Educational Exchange Act of 1948, the Mutual Educational and Cultural Exchange Act of 1961, Reorganization Plan No. 2 of 1977, the Radio Broadcasting to Cuba Act, and the National Endowment for Democracy Act, I am submitting the enclosed proposed legislation to authorize appropriations for the United States Information Agency for fiscal year 1987 to enable the Agency to carry out international information and educational and cultural exchange programs.

The Office of Management and Budget has informed us that there is no objection to the presentation of this proposed legislation and that its enactment would be in accord with the program of the President.

Sincerely,
CHARLES Z. WICK,
Director.

SECTION-BY-SECTION ANALYSIS

SEC. 201: Section 201 of the Foreign Relations Authorization Act, Fiscal Years 1986 and 1987 (P.L. 99-93), authorizes the appropriation of $887,900,000 for the United States Information Agency in 1987. This amount, which is the same as the amount authorized for 1986, is not sufficient to provide for the Agency's 1987 appropriation needs of $959,195,000, the amount contained in the President's budget message to Congress. While the Agency's 1987 program level will be essentially the same as that contemplated by the 1986 appropriation Act (P.L. 99-180), fund increases are needed and requested for 1987 to cover inflation and other built-in requirements. Therefore, we are requesting that the Agency's authorization for 1987 be increased from the $887,900,00 provided for in P.L. 99-93 to $959,195,000, the amount contained in the President's budget message. This represents a net increase of $71,295,000.

SEC. 203: This section of the Agency's authorization bill for fiscal years 1986 and 1987 earmarks $11,700,000 for Radio Broadcasting to Cuba. This is one of several instances in which P.L. 99-93 provides for "not less than" a specified funding level for selected activities. For the most part, the Agency's requested authorization increase does not change these minimum amounts. Despite the extremely tight budget situation, the growth represented by the amounts noted in P.L. 99-93 for exchange-of-persons programs has been provided in the Agency budget. However, budget stringencies have precluded real growth in any other direct Agency program beyond levels funded in the 1986 regular appropriation or projected in the 1986 supplemental appropriation, adjusted for built-in changes in costs.

Among the programs limited by the overall budget restrictions is Radio Broadcasting to Cuba (section 203). The projected 1987 appropriation authorization amount, while significantly increased over 1985 and previous years, is less than the minimum amount specified in P.L. 99-93 for 1987. Accordingly, the Agency proposes to reduce the minimum level specified in P.L 99-93 Radio Broadcasting to Cuba, from $11,700,000 to $11,639,000.

SEC. 205: Section 205 of P.L. 99-93 specifies an amount of $7,500,000 for the Worldwide Book Program Initiative. The Agency has the same concerns about this funding level that we have about the level provided in the law for Radio Broadcasting to Cuba. Consequently, we are proposing to reduce the amount for the Worldwide Book Program Initiative from $7,500,000 to $5,200,000.●

By Mr. ABDNOR:

S. 2260. A bill to settle certain claims arising out of activities on the Pine Ridge Indian Reservation; to the Select Committee on Indian Affairs.

WOUNDED KNEE COMPENSATION

● Mr. ABDNOR. Mr. President, today I am introducing legislation which would finally settle all claims against the United States arising from the occupation of Wounded Knee, SD, on the Pine Ridge Indian Reservation in 1973.

This legislation is the outgrowth of a long and diligent effort to assure that the innocent victims of this occupation are compensated for the losses which they suffered through no fault of their own.

I have no intention of recounting the tragic excesses on both sides of this confrontation which resulted in the destruction of private property during the occupation. In August 1976, the Senate of the United States passed legislation which referred the entire matter of just compensation to the chief commissioner of the U.S. Court of Claims for action. Given the complexity of the issue and the difficulty of identifying and compensating the innocent victims, the court of claims undertook a long and arduous review of the events leading up to, and including the occupation of Wounded Knee. Finally in 1981, the findings of fact and recommended conclusions to accompany the opinion of the trial commissioner were filed. The 302 pages contained in the final decision clearly outlined the need for legislation to compensate the 113 individuals listed in my bill. These are innocent individuals who lost property during the occupation because of actions over which they had no control. Many of the individuals lost all of their property and

have no means to replace or recover their losses. This bill is a matter of simple justice and compensation is owed to these people by the Federal Government.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2260

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) in full settlement of all claims, legal and equitable, against the United States arising out of activities on the Pine Ridge Indian Reservation that were the subject of the findings of fact and recommendations submitted to the Senate by the Chief Commissioner of the United States Court of Claims (Congressional Reference 4-76) in response to a request of the Senate made in Senate Resolution 378 (94th Congress, agreed to on August 9, 1976), the Secretary of the Treasury is authorized and directed to pay, out of funds in the Treasury of the United States not otherwise appropriated, the following amounts:

(1) $731.05 to Joe Leavitt (claimant No. 1),

(2) $118,771.10 to William Leavitt (claimant No. 2),

(3) $10,954.48 to Dwight W. and Francis Afraid of Hawk (claimant No. 3),

(4) $15,073.31 to Stella Bear Shield (claimant No. 4),

(5) $3,582.00 to Samuel Crooked Eyes (claimant No. 5),

(6) $2,955.00 to Seth Eagle Bear (claimant No. 6),

(7) $4,095.00 to Frank and Gonne A. Grooms (claimant No. 7),

(8) $2,537.00 to Vera High Hawk (claimant No. 8),

(9) $21,092.00 to John and Nancy Hussman (claimant No. 9),

(10) $2,245.00 to Jackson and Carolyn Iron Horse (claimant No. 10),

(11) $4,467.00 to Frances Ice Chase (claimant No. 11),

(12) $1,838.60 to Eugene Kills in Water (claimant No. 12),

(13) $3,161.00 to Victoria Little Moon (claimant No. 13),

(14) $4,929.00 to Clement and Verla Locke (claimant No. 14),

(15) $12,021.56 to Frank and Gladys Locke (claimant No. 15),

(16) $11,672.50 to Charles and Martha Moose (claimant No. 16),

(17) $12,812.00 to Warfield Moose (claimant No. 17),

(18) $8,025.00 to Patrick and Sophia Pumpkin Seed (claimant No. 18),

(19) $6,161.25 to Oliver and Margaret Red Eagle (claimant No. 19),

(20) $24,562.00 to Paul and Eva Red Star (claimant No. 20),

(21) $7,768.00 to Lillian and Steve Sitting Eagle (claimant No. 21),

(22) $1,685.10 to Joseph Spotted Bear (claimant No. 22),

(23) $5,897.25 to Elizabeth Breast (claimant No. 23),

(24) $3,340.33 to Elmer and Nettle Two Two (claimant No. 24),

(25) $7,653.00 to Francis and Marie Randall (claimant No. 25),

(26) $5,603.00 to Fannie Bear Eagle (claimant No. 26),

(27) $3,597.00 to Eugene Black Bear, Jr. (claimant No. 27),

(28) $2,571.00 to Anthony and Linda Black Elk (claimant No. 28),

(29) $15,833.90 to Homer and Irene Black Elk (claimant No. 29),

(30) $8,762.75 to Rachel Eagle Bull (claimant No. 30),

(31) $4,723.00 to Florine (Ice) Hollow Horn (claimant No. 32),

(32) $6,050.40 to Oscar and Rachel Hollow Horn (claimant No. 33),

(33) $4,134.40 to Verlean Ice (claimant No. 34),

(34) $6,880.00 to Claudia Iron Hawk Sully (claimant No. 36),

(35) $7,735.55 to Paul R. Littlebear-Taylor (claimant No. 37),

(36) $3,248.10 to Hobart Keith (claimant No. 38),

(37) $1,350.00 to Mathew H. King (claimant No. 39),

(38) $4,285.00 to Dallas and Roselyn Little Bear (claimant No. 41),

(39) $3,053.60 to Julia Little Bear (claimant No. 42),

(40) $2,083.09 to Mrs. Theresa R. Means (claimant No. 43),

(41) $3,842.00 to Carol E. Red Star (claimant No. 44),

(42) $1,194.00 to John Mark Red Star (claimant No. 45),

(43) $3,793.50 to Neville C. Red Star, Sr. (claimant No. 46),

(44) $3,525.00 to Darlene Rosane (claimant No. 47),

(45) $14,882.00 to Garry Rowland (claimant No. 48),

(46) $2,485.00 to Beverly Running Bear (claimant No. 49),

(47) $4,025.00 to Rose Shott (claimant No. 50),

(48) $24,276.00 to Sub-Community of Wounded Knee (claimant No. 51),

(49) $3,750.00 to Paul Thunder Horse (claimant No. 52),

(50) $3,593.00 to Robert F. & Lorene E. Thunder Horse (claimant No. 53),

(51) $5,949.22 to Timothy H. and Audrey K. Thunder Horse (claimant No. 54),

(52) $1,900.00 to Lester White Butterfly (claimant No. 55),

(53) $1,455.00 to Daniel Dodge (claimant No. 56),

(54) $1,100.00 to Mr. & Mrs. Manfred Fast Horse (claimant No. 57),

(55) $2,207.00 to Helen S. Grant (claimant No. 58),

(56) $4,715.00 to Florine Hollow Horn *ex rel.* Bernard Ice, Sr. (claimant No. 59),

(57) $1,245.00 to Frank Jealous of Him (claimant No. 60),

(58) $5,576.10 to Matthew and Bessie J. High Pine (claimant No. 61),

(59) $5,305.00 to Cecilia (Little Moon) Fast Horse (claimant No. 62),

(60) $4,901.50 to Mabel I. Whiteface (claimant No. 63),

(61) $3,288.00 to Rachel White Dress (claimant No. 64),

(62) $2,422.30 to Dorothy Fast Wolf (claimant No. 65),

(63) $13,018.40 to Frank H. and Wilma Grooms (claimant No. 66),

(64) $4,334.67 to Jessie and Raymond Red Shirt (claimant No. 68),

(65) $28,467.95 to Carol J. Deckert Sager (claimant No. 69),

(66) $2,484.45 to LeRoy "Sunshine" Janis (claimant No. 70),

(67) $16,754.70 to Rudolph Fire Thunder (claimant No. 71),

(68) $1,535.50 to Messiah Episcopal Church (claimant No. 72),

(69) $1,984.26 to Ivy Goings (claimant No. 74),

(70) $2,679.60 to Dorothy Mae Richards (claimant No. 75),

(71) $1,640.00 to Elizabeth Bradshaw (claimant No. 77),

(72) $6,184.00 to Charles Dixon Sasse (claimant No. 78),

(73) $5,740.70 to Oville and Emma Lansberry (claimant No. 79),

(74) $2,129.00 to Oscar Jealous of Him (claimant No. 80),

(75) $1,984.26 to Delores Apple (claimant No. 82),

(76) $2,502.80 to Chris Hatchett (claimant No. 83),

(77) $1,920.00 to Gilbert L. and Mary A. Matthews (claimant No. 85),

(78) $5,623.00 to Irene Jumping Eagle (claimant No. 86),

(79) $69,461.83 to St. Paul Insurance Companies (claimant No. 87),

(80) $1,850.00 to John Siers (claimant No. 88),

(81) $5,505.00 to Ameilia M. Clark (claimant No. 89),

(82) $50,975.94 to George and Violet Coats (claimant No. 90),

(83) $51,290.45 to James A. Czywczynski & Jeanettee J. Czywczynski (claimant No. 91),

(84) $18,436.58 to Federal Insurance Co. (claimant No. 92),

(85) $1,650.00 to Stephen E. and JoAnne Ferace (claimant No. 93),

(86) $12,331.14 to Guy and Jean Fritze (claimant No. 94),

(87) $7,000.00 to C and F Trucking (claimant No. 95),

(88) $16,615.00 to Clive A. and Agnes Gildersleeve (claimant No. 96),

(89) $12,763.08 to Gordon G. and Lorraine F. Greenamyre (claimant No. 97),

(90) $21,917.51 to H and R Plumbling and Heating, Inc. (claimant No. 98),

(91) $39,298.25 to Home Insurance Co. (claimant No. 99),

(92) $21,457.92 to Janis Roofing (claimant No. 100),

(93) $6,431.95 to Milbank Mutual Insurance Company (claimant No. 101),

(94) $4,468.00 to Mary F. Pike (claimant No. 102),

(95) $67,511.54 to R and S Construction Company (claimant No. 103),

(96) $12,405.00 to Estate of Wilbur A. Riegert (claimant No. 104),

(97) $19,620.00 to Orville G. Schwarting (claimant No. 105),

(98) $490,934.44 to Sioux, Inc. (claimant No. 106),

(99) $8,275.02 to Stuyvesant Insurance Co. (claimant No. 107),

(100) $8,028.65 to Oglala Sioux Tribe (claimant No. 108),

(101) $28,374.00 to Oglala Sioux Housing Authority (claimant No. 109),

(102) $37,679.50 to Aaron DeSersa-Sron (claimant No. 110),

(103) $5,181.45 to Lydia Black Bear (claimant No. 111),

(104) $887.50 to Thomas Casey (claimant No. 112),

(105) $3,984.00 to Roy and Pauline White Putterfly (claimant No. 113),

(106) $3,495.00 to Eleanor Big Owl for George Iron Teeth (claimant No. 114),

(107) $3,168.09 to Standard Oil (Indiana) (claimant No. 115),

(108) $7,335.00 to Shirley Blunt Horn (claimant No. 116),

(109) $1,866.00 to Eugene and Vera Hunts Horse (claimant No. 118),

(110) $2,650.40 to Clayton and Vernice Jealous of Him (claimant No. 119),

(111) $1,021.00 to Keva A. and Reuben R. Mesteth (claimant No. 120),

(112) $4,234.70 to Hobart Spotted Bear (claimant No. 121), and

(113) $1,425.00 to Employers Mutual Companies (claimant No. 122).

(b)(1) No part of any amount paid to any person under subsection (a) in excess of 10 percent of such amount shall be paid or delivered to, or received by, any agent or attorney on account of services rendered in connection with the claim for which such payment is made, and the same shall be unlawful, notwithstanding any contract to the contrary. Violation of the provisions of this paragraph is a misdemeanor punishable by a fine not to exceed $1,000.

(2) Pursuant to the recommendations of the Chief Commissioner of the United States Court of Claims, the Secretary of the Treasury is authorized and directed to pay, out of funds in the Treasury of the United States not otherwise appropriated, $26,486.44 to the Dakota Plains Legal Services, formerly South Dakota Legal Services Corporation for services rendered in connection with the proceeding conducted pursuant to section 2509 of title 28, United States Code, which was initiated by reason of Senate Resolution 378 (94th Congress, agreed to on August 9, 1976).●

By Mr. HUMPHREY (for himself, Mr. HECHT, Mr. THURMOND, and Mr. EAST):

S. 2261. A bill to amend the Service Contract Act of 1965 to reform the administration of such Act, and for other purposes; to the Committee on Labor and Human Resources.

SERVICE CONTRACT REFORM ACT

● Mr. HUMPHREY. Mr. President, today I am introducing the Service Contract Reform Act of 1986. According to the Congressional Budget Office, enactment of this legislation would save the Federal Government at least $1.2 billion in outlays over a 5-year period. It provides us with an excellent opportunity to reduce the Federal budget deficit. Just as importantly, these savings will be obtained without harming the basic purpose of the Service Contract Act, which is to protect the wages of service employees working on Government contracts from exploitation by unscrupulous employers.

The Service Contract Act of 1965 was enacted to protect the wages and benefits of service employees hired by private contractors to supply services to the Federal Government. The law is similar to other Federal prevailing wage legislation such as the Davis-Bacon Act, and is designed to ensure that covered employees will be paid wages and benefits that are consistent with the wages paid to similar jobs within the same locality. The Service Contract Act effectively prevents service employers from successfully bidding a Government contract by undercutting the local wage rate.

Unfortunately, over the years, misapplication and misinterpretation of the law's provisions, as well as its burdensome wage determination procedures and paperwork requirements, have resulted in unnecessary service procurement costs to the Federal Government. For example, the Grace Commission estimates that the Service Contract Act raises the Government's cost of procuring services by as much as $1.5 billion a year. Similarly, a 1983 report by the General Accounting Office found so many needless costs associated with the act that GAO recommended outright repeal.

I want to stress again that my bill does not call for repeal. Rather, it is intended to preserve the basic intent of the Service Contract Act—that is to protect the wages and benefits of service employees working on Government contracts—while at the same time accomplishing reforms that will substantially reduce excess costs that have resulted from shortcomings in the original law.

The Service Contract Reform Act of 1986 contains five basic provisions which modify the law as it now stands.

First, the bill raises the contract coverage threshold from $2,500 to $200,000. The SCA currently requires that employees working under Government service contracts valued at over $2,500 be paid prevailing wages and benefits as determined by the Secretary of Labor. The contract threshold level has remained at $2,500 since the SCA was passed in 1965, despite increases in inflation that now make such an amount insignificant in relative terms. CBO reports that nearly 90 percent of the estimated dollar volume subject to the SCA is in contracts in excess of $200,000. Raising the threshold from $2,500 to $200,000 exempts only an estimated $1.2 billion out of a total of $11.7 billion in contract dollars from SCA coverage. At the same time, increasing the threshold will exempt numerous small contracts from the law's redtape, thereby substantially reducing the high administrative costs associated with the act. More importantly, raising the threshold will increase participation in the contract process by small businesses, who presently avoid bidding Government service contracts because of redtape and arbitrary wage determinations. Because these small businesses are likely to be almost exclusively local employers, the purpose of the law in protecting local prevailing wages and benefits will be ensured. CBO estimates that raising the threshold to $200,000 would produce a 5-year savings in outlays of some $244 million.

Second, the bill codifies the Labor Department's 1983 regulation which strictly interprets the act as only applying to a contract "the principal purpose of which is to furnish services in the United States through service employees." This simply means that a contract will not be covered by the SCA unless the principal purpose of the contract as a whole is to provide services. Prior to revising the regulation in 1983, the DOL applied the act to separate line items and specifications for services in contracts which were not otherwise principally for the purpose of furnishing services. This overly broad interpretation resulted in extending the act's coverage well beyond what Congress originally intended. By codifying the 1983 revised regulation, we will be assured that the original congressional intent is preserved.

Third, the bill amends the SCA to provide that any wages and fringe benefits provided for in a successor contract shall apply for purposes of the SCA unless the Secretary of Labor establishes that such wages are not prevailing within the locality where the work is performed. The current language of the act operates in practice to require that union wage rates in an existing service contract become the floor for all succeeding contracts. The provision was inserted in the original law to prevent union busting through the Government procurement process. Although the law states that the predecessor contract rates do not apply where the Secretary finds that they are substantially at variance with local prevailing rates—for example, where the union rates are much higher than wages paid for similar jobs within an area—the process for making such a finding is so burdensome and time-consuming that it has proved to be totally useless.

The bill simplifies and makes the successor contract provision meaningful by permitting the successor contract wage rates to take effect—even if they are not the same as the union rates in the predecessor contract—unless the successor contract wages are not prevailing within the locality where the work is performed. If the Secretary of Labor can show that such rates are not prevailing, then the rates in the predecessor contract would automatically replace the rates in the successor contract. For example, a contractor could not get around a union by bringing in low-paid employees to perform the services if those rates were not similar to rates paid to other service employees within the area. Thus the bill preserves the original purpose of the successor contract provision by assuring that prevailing rates will be paid while minimizing the disruptions to wages and benefits in successor contracts.

Fourth, the bill defines the terms "prevailing rates" and "locality." The original law did not define these key terms, and there has been considerable confusion since the SCA was passed as to what they mean and how they should be applied. Experience has shown that the Labor Department's interpretation of these terms has frequently led to wage rate determinations far in excess of local prevailing rates. Both GAO and the

Grace Commission found in their comprehensive reports on the SCA that DOL routinely sets wage and benefit rates inconsistent with local prevailing rates, thereby adding substantially to the cost of Government procurement.

Prevailing rate is defined by the bill to mean the entire range of wages and benefits paid to similar jobs working in the area where the service contract is performed. If the contract wage rate falls within the range of wages shown to be paid within the contract's geographic area, the rate is deemed to be prevailing for purposes of the SCA. For example, if it is shown that the rates paid to food service workers within an area range from $4.50 to $6.50 an hour, any contract rate within that range would be considered prevailing. It should be stressed that this is a minimum rate. Thus in the example any rate less than $4.50 would not qualify as prevailing, but any rate over $6.50 would qualify if the service contract was awarded to the contractor paying such rates. The bill's definition of prevailing rate assures that local prevailing rates will be applied to service contracts, thereby protecting the basic purpose of the Service Contract Act. At the same time, the possibility that prevailing rate determinations will be distorted is substantially reduced. Finally, it is important to note that in no case would the prevailing rate ever be set lower than the current Federal minimum wage.

The term "locality" is defined by the bill to mean "the particular urban or rural subdivision of a State in which work is performed." Because the law requires that the Labor Secretary set wages in accordance with prevailing rates for service employees within the locality where the work is performed, it is important to assure that the Secretary interprets locality to in fact mean what it is supposed to mean. For example, such a definition will prevent the importation of traditionally higher urban wage rates to a rural subdivision, and vice versa. Again, the definition will help to ensure that local prevailing rates are applied.

Fifth, the bill changes the SCA to require the Secretary of Labor to make wage and fringe benefit determinations only with respect to service contracts under which 25 or more service employees are to be employed. Current law requires such determinations on any service contract employing five or more service employees. This proposed change to the law, similar to the proposed contract threshold dollar increase, is designed to improve administration and enforcement of the act by relieving the Secretary's obligations with respect to small service contracts affecting very small populations of workers.●

By Mr. McCLURE (by request):

S. 2262. A bill to authorize appropriations to the Department of Energy for civilian energy programs for fiscal year 1987 and fiscal year 1988, and for other purposes; to the Committee on Energy and Natural Resources.

CIVILIAN ENERGY PROGRAMS AUTHORIZATION FOR FISCAL YEARS 1987 AND 1988

● Mr. McCLURE. Mr. President, at the request of the Department of Energy, I send to the desk a bill to authorize appropriations to the Department of Energy for its civilian energy programs for fiscal years 1987 and 1988, and for other purposes. This measure was transmitted to the Senate by executive communication on February 27, 1986, and referred to the Committee on Energy and Natural Resources. The measure reflects the President's proposed budget for fiscal year 1987, including proposed fiscal year 1986 deferrals.

Mr. President, I ask unanimous consent that the bill and the executive communication which transmitted it to the Senate be printed in the RECORD.

Mr. President, I also send to the desk an amendment to this bill, in the nature of a substitute. The amendment similarly provides authorizations for the civilian programs of the Department of Energy for fiscal years 1987 and 1988. The difference, however, is that the authorized appropriations reflect the February 25 recommendations of the Committee on Energy and Natural Resources to the Senate Budget Committee. The indicated authorizations are the appropriations necessary to maintain the civilian programs of the Department of Energy, within the jurisdiction of the Committee on Energy and Natural Resources, on a current services basis in fiscal years 1987 and 1988, after the fiscal year 1986 sequester but without adjustment for the President's proposed fiscal year 1986 deferrals.

(The text of the amendment appears under "Amendments Submitted.")

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 2262

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Civilian Energy Programs Authorization for Fiscal Years 1987 and 1988."

TITLE I—RESEARCH AND DEVELOPMENT

SEC. 101. Funds are authorized to be appropriated in accordance with section 660 of the Department of Energy Organization Act for fiscal year 1987 for civilian research and development programs of the Department of Energy, including the amounts authorized to be appropriated by section 102 of this Act, for the following accounts:

(1) General Science and Research Activities, $773,400,000;

(2) Energy Supply Research and Development, $930,287,000 for all programs in this account other than programs authorized to be appropriated under section 401(4) of this Act;

(3) Goethermal Resources Development Fund, $72,000;

(4) Fossil Energy Research and Development, $82,767,000; and

(5) Energy Conservation, $28,141,000 for all programs in this account other than programs authorized to be appropriated under sections 201(1) and 401(5) of this Act.

SEC. 102. Within the funds authorized to be appropriated by section 101 of this Act, funds are authorized to be appropriated for fiscal year 1987 for construction, including planning, construction, acquisition, or modification of facilities, including land acquisition; and acquisition and fabrication of capital equipment not related to construction of the Department of Energy for the following activities:

(1) General Science and Research Activities, $168,500,000;

(2) Energy Supply Research and Development, $172,555,000; and

(3) Energy Conservation, $1,500,000.

TITLE II—CONSERVATION, REGULATION, AND INFORMATION

SEC. 201. funds are authorized to be appropriated in accordance with section 660 of the Department of Energy Organization Act for fiscal year 1987 for the following appropriations accounts:

(1) Energy Conservation, $2,250,000 for appliance standards and the Federal Energy Management Program;

(2) Economic Regulation, $21,850,000;

(3) Emergency Preparedness, $6,044,000;

(4) Federal Energy Regulatory Commission, $99,079,000 of which not more than $78,754,000 may be derived from collections of licensing fees, inspection services, and other services and collections which may be retained and used for necessary expenses in this account; and

(5) Energy Information Administration, $59,651,000.

TITLE III—POWER MARKETING ADMINISTRATION

SEC. 301. Funds are authorized to be appropriated in accordance with section 660 of the Department of Energy Organization Act for fiscal year 1987 for the following appropriations accounts:

(1) Alaska Power Administration, Operation and Maintenance, $2,881,000;

(2) Southeastern Power Administration, Operation and Maintenance, $19,647,000;

(3) Southwestern Power Administration, Operation and Maintenance, $25,337,000; and

(4) Western Area Power Administration, Operation and Maintenance, $240,309,000.

TITLE IV—OTHER ACTIVITIES

SEC. 401. Funds are authorized to be appropriated in accordance with section 660 of the Department of Energy Organization Act for fiscal year 1987, including the amounts authorized to be appropriated by section 402 of this Act, for the following appropriations accounts:

(1) Uranium Supply and Enrichment Activities, $1,286,400,000 to be derived from revenues of $1,286,400,000 so as to provide a net level of zero; of the revenues credited to this account, $235,000,000 shall be transferred to the general fund of the Treasury in partial repayment of Governent investment in uranium supply and enrichment activities;

(2) Departmental Administration, $151,082,000, together with $251,947,000 to

be derived from miscellaneous revenues and receipts as necessary for providing a level of $403,029,000;

(3) Nuclear Waste Fund, $769,349,000;

(4) Energy Supply Research and Development, $323,875,000 for the following programs in that account: international solar energy program; solar technology transfer; remedial actions and waste technology; in-house energy management; and

(5) Energy Conservation, $9,042,000 for the following programs in that account: state and local program direction; building and community systems: analysis and technology transfer; industrial energy conservation: implementation and deployment; multi-sector: National Appropriate Technology and Assistance Service; and policy and management.

SEC. 402. Within the funds authorized to be appropriated by section 401 of this Act, funds are authorized to be appropriated for fiscal year 1987 for construction, including planning, construction, acquisition, or modification of facilities, including land acquisition; and acquisition and fabrication of capital equipment not related to construction of the Department of Energy for the following appropriations accounts:

(1) Uranium Supply and Enrichment Activities, $15,300,000;

(2) Departmental Administration, $7,913,000;

(3) Nuclear Waste Fund, $32,579,000; and

(4) Energy Supply Research and Development, $18,800,000 for the following programs in that account: solar technology transfer; remedial actions and waste technology; in-house energy management; and technical information and management program.

TITLE V—FISCAL YEAR 1988 AUTHORIZATION

SEC. 501. There are authorized to be appropriated to the Department of Energy such sums as may be necessary for fiscal year 1988 to carry out civilian energy programs.

TITLE VI—MISCELLANEOUS PROVISIONS

SEC. 601. Section 1011, and its catchline, of the Omnibus Budget Reconciliation Act of 1981 (Public Law 97-35) is repealed.

SEC. 602. Section 211(f)(11) of the Department of Energy Organization Act (42 U.S.C. § 7141(f)(1)) is amended by striking "Negro, Puerto Rican, American Indian, Eskimo, Oriental, or Aleut or is a Spanish speaking individual of Spanish descent" and inserting in its place "Black, Hispanic, American Indian, Alaskan Native, Asian or American Pacific Islander".

DEPARTMENT OF ENERGY,
Washington, DC, February 27, 1986.

Hon. GEORGE BUSH,
President of the Senate,
Washington, DC.

DEAR MR. PRESIDENT: Enclosed is proposed legislation "[t]o authorize appropriations to the Department of Energy for civilian energy programs for fiscal year 1987 and fiscal year 1988, and for other purposes." The bill would authorize fiscal year 1987 (FY 87) appropriations to the Department of Energy totaling $5,083,410,000.

Section 101 would authorize FY 87 appropriations totaling $1,814,667,000 for all civilian reserach and development programs.

Section 102 would authorize FY 87 appropriations totaling $342,555,000 for plant and capital equipment for civilian reserach and development programs. This amount is included within the amount that would be authorized in section 101.

Section 201 would authorize FY 87 appropriations of $188,874,000 for certain programs within the Energy Conservation account, emergency preparedness, economic regulation, the Federal Energy Regulatory Commission, and the Energy Information Administration.

Section 301 would authorize FY 87 appropriations totaling $288,174,000 for the power marketing administrators.

Section 401 would authorize FY 87 appropriations totaling $2,791,695,000 for uranium supply and enrichment activities, departmental administration, the Nuclear Waste Fund, and certain programs within the Energy Supply Research and Development account and the Energy Conservation account. In addition, this section would require that $235,000,000 of uranium supply and enrichment activities revenues be transferred to the general fund of the Treasury in partial repayment of Government investment in these activities.

Section 402 would authorize $74,592,000 of the amount authorized in section 401 specifically for FY87 plant and capital equipment amounts. Sections 102 and 402 are necessitated by section 1011(b) of the Omnibus Budget Reconciliation Act of 1981, Public Law 97-35, which requires a separate request for authorization of plant and capital amounts.

Section 501 would authorize such sums as may be necessary for FY88.

Section 601 would repeal section 1011 of the Omnibus Budget Reconciliation Act. This provision requires that a spearate request be made for authorization of appropriations for plant and capital amounts for civilian research and development activities. Inasmuch as appropriation Acts no longer separate operating expenses from plant and capital amounts, section 1011 is an unnecessary technical requirement.

Section 602 would clarify the definition of the term "minority" for purposes of determining who is eligible for participation in the Department's Office of Minority Economic Impact programs. This proposal would merely conform the definition of the term "minority" in the Department of Energy Organization Act with current definitions used by the Office of Management and Budget to compile statistics under the Office of Federal Contracts Compliance Directive No. 15 titled "Race and Ethnic Standards for Federal Statistics and Administrative Reporting," and by the Department of Energy in 10 CFR Part 1040.3, which lays the foundation for requirements concerning non-discrimination in Department of Energy federally assisted programs. The proposal would not affect substantively who would be covered by the term "minority" in the DOE Act.

The Office of Management and Budget advises that enactment of this legislative proposal would be in accord with the program of the President.

Sincerely,

J. MICHAEL FARRELL,
General Counsel.●

By Mr. MATHIAS (for himself and Mr. SIMON):

S. 2263. A bill to protect the public's right to receive and communicate information freely across the American border, and to ensure the right of international travel; to the Committee on the Judiciary.

INTERNATIONAL COMMUNICATION AND TRAVEL ACT

● Mr. MATHIAS. Mr. President, today the Senator from Illinois, Mr. SIMON, and I introduced a bill amending the ideological exclusions in the McCarran-Walter Immigration Act and restrictions on travel in the Passport Act, and removing restrictions on the import and export of information. The thread that ties all of these changes together is an ideal embodied in the first amendment: The removal of barriers that inhibit the free exchange of ideas across international frontiers.

A free trade in ideas, Oliver Wendell Holmes wrote, is the theory underlying our Constitution:

When men have realized that time has upset many fighting faiths, they may come to believe the very foundation of their own conduct: that the ultimate good desired is better reached by the free trade in ideas—that the best test of truth is the power of thought to get itself accepted in the competition of the market, and that truth is the only ground upon which their wishes can safely be carried out.

A free flow of information and ideas among American citizens is the foundation of our democratic society. Through open and robust debate in the marketplace of ideas, American citizens inform themselves of choices that affect their lives. However, this liberty, secured by the first amendment, is thwarted by a number of laws which permit the Government to restrict the flow of information and the travel of individuals into and out of the United States. These laws can exclude foreigners from our shores and inhibit the ability of American citizens to travel overseas on the basis of the political beliefs the individuals espouse. They can also be used to restrict the import and export of information on the basis of the political doctrines contained in the information.

Abstract ideals such as freedom of speech are promoted and articulated in tangible forms and concrete actions. If we deny citizens the right to travel, or hear the views and opinions of others, than we trample on this ideal. Diversity, dialog, and exchange of ideas are the life-giving elements—the water and air—of American tradition; exclusion, restriction, repression of ideas are the features of far more troubled, less confident nations. As President Reagan has said:

Expanding contacts across borders and permitting a free exchange or interchange of information and ideas increase confidence; sealing off one's people from the rest of the world reduce it.

To be sure, we have a legitimate right and duty to maintain proper border controls. Those controls are particularly important in this day of supersonic travel, sophisticated espionage, and increased terrorist activity.

And this is all the more reason to update our laws so officials can concentrate on true threats to our national security and public welfare.

Today's telecommunications media can bring into our living rooms the images and voices of exponents of every political and artistic tendency around the globe. To deny individuals or information entry or exit not only injures our freedom but insults the intelligence of the American people. The legislation we introduce today has six major provisions. The first deals with restrictions on visitors to this country based on speech.

Sections of the 1952 McCarran-Walter Act permit our Government, acting on secret evidence, to ban from the United States a wide range of people. Many visitors overcome initial charges that brand them as everything from anarchists and Communists to professional beggars and prostitutes. But the process is a demeaning and embarrassing ritual that suggests we are not as confident, mature, and truly free a nation as we so often assert.

Under the sweeping rubric of activities "prejudicial to the public interest" or "subversive to the national security," sections 212(a) 27 and 28 of the Immigration and Nationality Act have been used to bar British actor Charlie Chaplin; Canadian author and naturalist Farley Mowat; and Japanese pacifists. Our bill would stop this. In essence the bill says that activities which would be protected by the first amendment if conducted by American citizens in the United States cannot be the sole basis for an alien's exclusion or deportation.

This bill eliminates the exclusions in section 212(a) of the Immigration and Nationality Act that are based solely on speech, nonviolent political activity, political beliefs or associations. This bill would also impose analogous restrictions on the broad authority to deport aliens contained in section 241(a) of the act. In addition, the bill permits Americans to go to court if denied the opportunity to communicate with an alien visitor because of speech-based restrictions.

Not affected by the proposed legislation is the authority of the U.S. Government to deny admission to those aliens likely to engage in criminal or terrorist activities. In addition, those who would come to this country to engage in activities that endanger the national security or jeopardize the public welfare are excludable. Finally, the President would retain the broad authority to exclude aliens by proclamation under section 212(f) of the Immigration and Nationality Act.

The changes that would be made to the Immigration and Nationality Act would make it consistent with congressional intent when the McGovern amendment was enacted in 1977. In addition, these changes are in accord with a recent U.S. court of appeals decision ruling that temporary visas to aliens cannot be denied because of political beliefs or associations.

The free exchange of ideas may also be inhibited by restricting the rights of U.S. citizens to travel abroad. Under the Passport Act of 1926, the executive branch has the authority to restrict travel by denying or revoking passports. While travel restrictions are necessary where there is imminent danger to the public health or physical safety of U.S. travelers, at times the executive branch has abused its discretion. In the past, passports have been denied to individuals of the caliber of playwright Arthur Miller, actor and singer Paul Robeson, and Nobel prize winner Linneas Pauling on the basis of their political beliefs. Passports were denied not only to artists, actors, and scientists, but also lawyers, congressional investigators, and even Federal judges have been denied passports on the basis of their political activities.

This bill amends the Passport Act by eliminating passport restrictions based on activities that would be protected by the first amendment to the Constitution if they were conducted in the United States. This bill doesn't inhibit the authority of the Secretary of State to restrict passports to areas where there are health or safety risks to U.S. travelers.

In addition to denying passports, the U.S. Government has inhibited travel to certain countries by restricting or prohibiting normal business transactions incidental to travel. This bill would amend the Trading With the Enemy Act and the International Emergency Economic Powers Act to allow U.S. citizens traveling or living in foreign countries to engage in these transactions, such as the payment of living expenses.

The Trading With the Enemy Act and the International Emergency Economic Powers Act have also been used by the Government to restrict the importation of information. Under this authority, the executive branch has embargoed informational materials such as films, posters, and phonograph records. These restrictions are inconsistent with the philosophy underlying the first amendment.

Our bill amends these statutes to ensure the free and unfettered importation of informational material from abroad, thereby promoting uninhibited and fully informed debate. This bill will not affect the Government's legitimate power in times of war or national emergency to regulate or prohibit any other transactions involving property.

The importation and dissemination of information is also limited by the Foreign Agents Registration Act, under which the Government can classify certain foreign material as "political propaganda." This label can have a chilling effect on political debate. In a free society, citizens not the government, should decide for themselves the merits of the information they read. This bill does not affect either who must register under the Foreign Agents Act, or what materials must be registered. It only reduces reporting requirements and provides for a more neutral label—"advocacy materials"—on material indicating that it was produced by an agent of a foreign power.

Besides restrictions on the importing of information, statutes regulating exports can also inhibit the dissemination of ideas. Scientific progress, in particular, depends on freedom of communication. Yet, under the Arms Export Control Act, the publishing of unclassified research and participation in scholarly conferences have been restricted and curtailed. Our bill amends the Arms Export Control Act to declare a policy endorsing the importance of vigorous scientific debate through scholarly interchange. Although a policy statement would not directly prevent excessive interference with scientific interchange, this provision shifts the balance a little more toward the free exchange of scholarly ideas, in acknowledgement of Albert Einstein's insight that "the progress of science presupposes freedom of expression in all realms of intellectual endeavor."

Some of my colleagues may be familiar with another bill, S. 2177, that Senator SIMON and I recently introduced. While attempting to further the same principles, it is much more limited in scope. S. 2177 focuses only on the issue of nonimmigrant visa exclusions. This legislation is a more comprehensive package, removes more barriers that stand in the way of free debate. In sum, this free trade in ideas legislation simply applies the ideal embodied in the first amendment of the Constitution to the laws governing the travel of individuals and the movement of information.

As Justice Brandeis wrote in a 1927 decision, "Those who won our independence believed that the final end of the State was to make men free to develop their faculties * * * freedom to think as you will and to speak as you think" as a "means indispensable to the discovery and spread of political truth." That belief still animates thoughtful Americans today. The legislation we introduce today strengthens the means to that important end.

I ask unanimous consent that a copy of the bill and a list of the organizations that endorse this legislation be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 2263

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled.

SECTION. 1. This Act may be cited as the "International Communication and Travel Act of 1986".

SEC. 2. (a) Section 212(a) of the Immigration and Nationality Act (8 U.S.C. 1182(a)) is amended—

(1) in paragraph (27)—

(A) by striking out "be prejudicial to the public interest, or"; and

(B) by inserting "national" after "welfare, safety, or";

(2) by striking out paragraph (28);

(3) by redesignating paragraphs (29) through (33) as paragraphs (28) through (32), respectively; and

(4) in paragraph (28), as redesignated by paragraph (3) of this subsection—

(A) by striking out "(A)"; and

(B) by striking out "in other activity subversive" and all that follows through "1950" and inserting in lieu thereof "the overthrow of the Government of the United States by force, violence, or other unconstitutional means".

(b) Section 212(c) of such Act is amended by striking out "(30) and (31)" and inserting in lieu thereof "(29) and (30)".

(c) Section 212(d) of such Act is amended—

(1) by striking out paragraph (2);

(2) by redesignating paragraphs (3) through (8) as paragraphs (2) through (7), respectively;

(3) in paragraphs (2) and (7), as redesignated by paragraph (2) of this subsection, by striking out "(29)" each place it appears and inserting in lieu thereof "(28)"; and

(4) in paragraph (2), as redesignated by paragraph (2) of this subsection, by striking out "(33)" each place it appears and inserting in lieu thereof "(32)".

(d) Section 212(f) of such Act is amended—

(1) by striking out "aliens" the first place it appears and inserting in lieu thereof "alien";

(2) by striking out "all aliens or any class of" and inserting in lieu thereof "such alien or"; and

(3) by inserting "such alien or" after "or impose on the entry of".

(e) Section 212 of such Act is further amended by adding at the end thereof the following new subsection:

"(m)(1) Notwithstanding any other provision of this section, no alien may be denied a visa or excluded from admission into the United States because of (A) any past or expected speech, activity, belief, affiliation, or membership which, if held or conducted within the United States by a United States citizen, would be protected by the First Amendment to the Constitution, or (B) the expected consequences of any activity with the alien may conduct in the United States if that activity would be protected by the First Amendment to the Constitution if conducted within the United States by a United States citizen.

"(2) An alien granted a visa to enter the United States shall not be subjected to restrictions or conditions on the use of the visa because of (A) any past or expected speech, activity, belief, affiliation, or membership which, if held or conducted within the United States by a United States citizen, would be protected by the First Amendment to the Constitution, or (B) the expected consequences of any activity which the alien may conduct in the United States if that activity would be protected by the First Amendment to the Constitution if conducted within the United States by a United States citizen.

"(3) Any citizen of the United States or other person within the jurisdiction thereof who intends to communicate in person with, including attending a function for purposes of listening to, any alien who is denied a visa, excluded from admission into the United States, or subjected to visa restrictions in violation of the provisions of this subsection, may bring a civil action on his or her own behalf against any official of the United States Government who is alleged to have acted in violation of this subsection. Any civil action under this district in which the intended communication was to have occurred, in the district of the plaintiff's residence or principal place of business, in the district in which any defendant in the action resides, or in the District of Columbia. The district court shall have jurisdiction, without regard to the amount in controversy or the citizenship of the parties, to grant such legal or equitable relief as will enforce the provisions of this subsection.".

SEC. 3. (a) Section 241(a) of the Immigration and Nationality Act (8 U.S.C. 1251(a)) is amended—

(1) by striking out paragraph (6);

(2) by redesignating paragraphs (7) through (19) as paragraphs (6) through (18), respectively; and

(3) in paragraph (6), as redesignated by paragraph (2) of this subsection—

(A) by striking out "(29)" each place it appears and inserting in lieu thereof "(28)"; and

(B) by striking out ", unless the Attorney General" and all that follows through "Communist organization".

(b) Section 241(b) of such Act is amended by striking out "subsection (a)(11)" and inserting in lieu thereof "subsection (a)(10)".

(c) Section 241(e) of such Act is amended by striking out "or (7)".

(d) Section 241(f) of such Act is amended—

(1) in paragraph (1), by striking out "subsection (a)(19)" and inserting in lieu thereof "subsection (a)(18)"; and

(2) in paragraph (2), by striking out "subsection (a)(11)" and inserting in lieu thereof "subsection (a)(10)".

(e) Section 241 of such Act is further amended by adding at the end thereof the following new subsection:

"(g) Notwithstanding any other provision of this section, no alien may be deported because of (1) any past or expected speech, activity, belief affiliation, or membership which, if held or conducted within the United States by a United States citizen, would be protected by the First Amendment to the Constitution, or (2) the consequences of any activity which the alien has conducted or may conduct in the United States if that activity would be protected by the First Amendment to the Constitution if conducted within the United States by a United States citizen.".

SEC. 4. Section 1 of the Act entitled "An Act to regulate the issue and validity of passports, and for other purposes", approved July 3, 1926 (22 U.S.C. 211a) is amended by adding at the end thereof the following: "A passport may not be denied issuance, revoked, restricted, or otherwise limited because of any speech, activity, belief, affiliation, or membership, within or outside the United States, which, if held or conducted within the United States, would be protected by the First Amendment to the Constitution. Any denial, revocation, restriction, or other limitation of a passport shall not extend beyond that necessary to prevent conduct not encompassed by the preceding sentence.".

SEC. 5. Section 6 of the Subversive Activities Control Act of 1950 is repealed (50 U.S.C. 785).

SEC. 6. Section 203(b) of the International Emergency Economic Powers Act (50 U.S.C. 1702(b)) is amended—

(1) by striking out "or" at the end of paragraph (1);

(2) by striking out the period at the end of paragraph (2) and inserting in lieu thereof a semicolon; and

(3) by adding at the end thereof the following:

"(3) any transactions ordinarily incident to travel to and from any country;

"(4) any transactions ordinarily incident to travel within any country, including the payment of living expenses and the acquisition of goods for personal consumption; or

"(5) any transactions ordinarily incident to the importation, commercial or otherwise, of publications, films, posters, phonograph records, photographs, microfilms, microfiche, tapes, or other informational materials from any country.".

SEC. 7. Section 5 of the Trading With the Enemy Act (50 U.S.C. App. 5(b)(1)) is amended by adding at the end thereof the following new subsection:

"(c) The authority granted to the President in this section does not include the authority to regulate or prohibit, directly or indirectly—

"(1) the importation, commercial or otherwise, of publications, films, posters, phonograph records, photographs, microfilms, microfiche, tapes, or other information materials from any country; or

"(2) any transactions—

"(A) ordinarily incident to travel to and from any country; or

"(B) ordinarily incident to travel within any country, including payment of living expenses and the acquisition of goods for personal consumption there.".

SEC. 8. (a) Section 1(j) of the Foreign Agents Registration Act of 1938 (22 U.S.C. 611(j)) is amended by striking out "political propaganda" and inserting in lieu thereof "advocacy material".

(b) Section 1(o) of such Act is amended by striking out "political propaganda" and inserting in lieu thereof "advocacy material".

(c)(1) Section 4 of such Act (22 U.S.C. 614(a)) is amended by striking out in the section heading "Political Propaganda" and inserting in lieu thereof "Advocacy Material".

Section 4(a) of such Act is amended by striking out "and a statement, duly signed by" and all that follows through "transmittal".

(3) Section 4(b) of such Act is amended—

(A) by striking out "political propaganda" each time it appears and inserting in lieu thereof "advocacy material";

(B) by striking out "and such propaganda" and inserting in lieu thereof "and such material";

(C) by striking out "registered under this Act with the Department of Justice, Washington, District of Columbia, as":

(D) by striking out "and address"; and

(F) by striking out "; that, as required by this Act, his registration statement" and all that follows through "as may be appropriate".

(d) Section 4(e) of such Act is amended—

(1) by striking out "political propaganda" and inserting in lieu thereof "advocacy material"; and

(2) by striking out "propaganda" the second place it appears and inserting in lieu thereof "advocacy material".

(e)(1) Section 6(a) of such Act (22 U.S.C. 616(a)) is amended—

(A) by striking out in the first sentence "all statements concerning the distribution of political propaganda furnished" and inserting in lieu thereof "other filings made"; and

(B) by striking out in the second sentence "statements" and inserting in lieu thereof "filings".

(2) Section 6(b) of such Act is amended by striking out "propaganda material" and inserting in lieu thereof "advocacy material".

(3) Section 6(c) of such Act is amended by striking out "political propaganda" and inserting in lieu thereof "advocacy material".

(f)(1) Section 8(a) of such Act (22 U.S.C. 618(a)) is amended by striking out "or in any statement under section 4(a) hereof concerning the distribution of political propaganda".

(2) Section 8 of such Act is further amended—

(A) by striking out subsection (d); and

(B) by redesignating subsections (e) through (h) as subsections (d) through (g), respectively.

(g) Section 11 of such Act (22 U.S.C. 621) is amended by striking out "political propaganda" and inserting in lieu thereof "advocacy material".

SEC. 9. Section 38(a) of the Arms Export Control Act (22 U.S.C. 2778(a)) is amended by adding at the end thereof the following new paragraph:

"(4) Decisions on issuing export licenses under this section shall take into account the policy of the United States to sustain vigorous scientific enterprise and to respect the ability of scientists and other scholars freely to communicate their research findings by means of publication, teaching, conferences, and other forms of scholarly exchange.".

SEC. 10. Section 1 of Public Law 89-634 (19 U.S.C. 2051) is amended by inserting at the end thereof the following new sentence: "In carrying out this authority, visual or auditory material shall not fail to qualify as being of international educational character simply because it advocates a particular position or viewpoint.".

COALITION FOR FREE TRADE IN IDEAS

Amalgamated Clothing and Textile Workers Union
American Academy of Arts and Sciences
American Civil Liberties Union
American Friends Service Committee
American Society of Journalists and Authors, Inc.
Americans for Democratic Action
Americas Watch
Association of American Publishers (International Freedom to Publish Committee)
Association of Independent and Video Filmmakers
Authors League of America
Center for National Security Studies
Commission on Social Action of Reform Judaism
Committee to Protect Journalists
Environmental Action
Federation of American Scientists
Friends Committee on National Legislation
Fund for Free Expression
Fund for Open Information and Accountability, Inc.
Fund for Peace
Helsinki Watch
International Reading Association
Lawyers Committee for International Human Rights
League of United Latin American Citizens
Mobilization for Survival
Modern Language Association of America
National Committee Against Repressive Legislation
National Emergency Civil Liberties Committee
National Lawyers Guild
National Science Teachers Association
National Writers Union
New York Academy of Sciences
Newspaper Guild
PEN American Center
People for the American Way
Society of American Law Teachers
Society of Children's Book Writers
Theatre Communications Group, Inc.
Union of Concerned Scientists
United Electrical, Radio and Machine Workers of America (UE)
Washington Office on Haiti
Washington Office on Latin America ●

By Mr. D'AMATO:

S. 2264. A bill to amend the Truth in Lending Act; to the Committee on Banking, Housing, and Urban Affairs.

CREDIT CARD DISCLOSURE ACT

● Mr. D'AMATO. Mr. President, I am introducing the Credit Card Disclosure Act of 1986 in response to concerns that were addressed in a hearing on this subject conducted by the Committee on Banking, Housing, and Urban Affairs. On January 28, 1986, the Banking Committee conducted a hearing to discuss two pieces of legislation. One introduced by my colleague from Florida, Senator HAWKINS, and the other, S. 1922, the Credit Card Protection Act, which I introduced on December 11, 1985.

These bills are designed to benefit consumers by imposing limits on the interest that credit card issuers can charge cardholders. Specifically, S. 1922 imposed a floating ceiling on credit card issuers that would allow them to charge an interest rate four points above the rate charged by the Internal Revenue Service for delinquent payments. This rate is based upon a 6-month average of the prime rate and would ensure that card issuers are making a fair profit on their credit card operations rather than the excessive profits they presently enjoy.

My feelings on the rates that these issuers charge is no secret. At a time when the costs of funds to banks have fallen dramatically, these cost savings have not been reflected in the rates that credit card holders are charged. The card issuers are gouging the public by charging an average rate of 18.6 percent while the discount rate, the cost of funds to the banks, has been recently lowered to 9 percent. I find it unconscionable that some banks charge credit card interest rates as high as 21 percent when their cost of funds is 14 points lower. They are earning excessive profits at the expense of the consumer and the interest cap that was contained in S. 1922 as designed to remedy this situation.

However, the hearings revealed that S. 1922 was vehemently opposed by the banking industry. The banking industry supported raising of interest rate levels when it was to their benefit but is now opposed to lowering interest rates to realistic and reasonable rates when consumers will benefit. Despite this opposition, I remain committed to seeing that credit card interest rates are lowered and have therefore taken a different approach since quick passage of S. 1922 seemed a remote possiblity.

To restore price competition to the marketplace, I believe that the public needs to know where the best credit card rates can be found. The hearings demonstrated that there may be intense competition among credit card issuers for market share, however, there is little price competition among the 10 largest issuers of credit cards. For example, the highest rate charged by one of these 10 issuers is 21.6 percent and the lowest is 17.8 percent. However most of the rates are clustered in the area between 19 percent and 21 percent. These figures demonstrate the absence of price competition between the major issuers of credit cards.

To increase price competition in this market, and to respond to concerns that the interest rate alone does not reveal the true costs of credit cards to consumers, I am introducing legislation designed to remove the conspiracy of silence maintained by card issuers that prevents cardholders from finding credit cards with the lowest effective interest rates. Under this bill the card issuer is required to disclose:

First, the annual percentage rate used to determine a finance charge on any balance;

Second, the length of the grace period, if any;

Third, any minimum or fixed amount imposed as a monthly or other periodic finance charge; and

Fourth, any annual or other charge or fee required to be paid for the use of any credit card account.

Armed with this knowledge, cardholders will begin to exercise some economic power by choosing the cards that are most beneficial to them.

Card issuers are also required to transmit information regarding the relevant terms and conditions of the credit card to the Federal Reserve Board. The Board would then be required to make this information available to the public upon request and to report this information to the Congress once a year.

The most important feature of the bill requires that these terms and conditions of credit card issuance are disclosed upon the application or solicitation forms that card issuers send through the mail to entice unsuspecting consumers into accepting these preapproved forms of credit. During the hearings we discovered that oftentimes consumers learn of the real costs of their credit cards only after they've been hooked. If consumers have adequate information regarding the real costs of credit cards, then hopefully they will shun unsolicited applications and seek the cards with the lowest rates. Ideally, this form of competition will force those presently gouging the public to lower their rates or forfeit a large share of their market. I believe that such disclosure will work due to the overwhelming response we received after the committee hearing during which we cited the existence of several card issuers with rates as low as 12.5 percent.

I believe that enactment of my bill will further enhance the price competition that has already been set in motion by our hearings. Therefore I urge my colleagues to give serious considerations to this bill to ensure prompt passage.

I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2264

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Credit Card Disclosure Act of 1986".

SEC. 2. DISCLOSURE IN CREDIT CARD APPLICATIONS.

Section 127 of the Truth in Lending Act (15 U.S.C. 1637) is amended by adding at the end thereof the following:

"(c) In any application to open any credit card account, or in any solicitation which offers to open such an account without the need for an application to be completed, a card issuer shall disclose—

"(1) the annual percentage rate used to determine a finance charge on any balances;

"(2) the time period (if any) within which any credit extended by means of that credit card may be repaid without incurring a finance charge, or if no such time period is provided, the creditor shall disclose such fact;

"(3) any minimum or fixed amount imposed as a monthly or other periodic finance charge; and

"(4) any annual or other charge or fee required to be paid for the use of the credit card account.".

SEC. 3. REPORTING TO THE BOARD OF GOVERNORS.

Section 136 of the Truth in Lending Act (15 U.S.C. 1646) is amended—

(1) by redesignating subsection (b) as subsection (c);

(2) by inserting after subsection (a) the following new subsection:

"(b) The issuer of any credit card shall submit quarterly to the Board of information required to be disclosed by section 127(c). The Board shall make such information available to the public upon request, and shall report such information annually to Congress."; and

(3) by striking out "subsection (a)" in subsection (c), as redesignated, and inserting in lieu thereof "subsections (a) and (b)".

SECTION-BY-SECTION ANALYSIS

Currently, section 127 of the Truth in Lending Act (15 U.S.C. § 1637) requires disclosure of certain information regarding an open-end consumer credit plan before opening an account. This has been interpreted by the Federal Reserve Board in 12 C.F.R. § 226.5(b)(1) as requiring disclosure "before the first transaction is made under the plan." Thus, disclosure is not required in the application. Section 2 of this bill requires additional disclosure in an application for a credit card, as it is at the application stage that most consumers make the decision to obtain a credit card. However, less information is required in the application than must currently be disclosed before the first transaction, since the goal of such disclosure is to permit easy comparisons between credit card plans.

The information to be disclosed pursuant to this amendment must meet the requirements of section 136 of the Truth in Lending Act (15 U.S.C. § 1646), which requires information to be disclosed "clearly and conspicuously, in accordance with regulations of the Board." Moreover, that section also requires the terms "annual percentage rate" and "finance charge" to be more conspicuous than other information except that relating to the identity of the creditor.

Under section 136 of the Truth in Lending Act (15 U.S.C. § 1646), the Board is authorized to collect, publish, and provide limited dissemination to the public of annual percentage rates charged for nonsale credit by creditors, and it may require such creditors to submit the information to the Board. Section 3 amends this provision by adding a requirement that credit card issuers submit the annual percentage rate, along with grace periods, minimum finance charges, and annual fees, to the Board, which will make such information available to the public upon request and in an annual report to Congress. This will provide a means for better disclosure of information regarding credit cards, contributing to the efficient working of the market.●

By Mr. GARN (for himself and Mr. HATCH):

S. 2265. A bill to authorize the establishment of the Burr Trail national rural scenic road in the State of Utah, and for other purposes; to the Committee on Energy and Natural Resources.

BURR TRAIL NATIONAL RURAL SCENIC ROAD

● Mr. GARN. Mr. President, I am very pleased to introduce with my colleague from Utah, Senator HATCH, legislation to authorize construction of the Burr Trail national rural scenic road and an interpretive center in Garfield County, UT. The introduction of this bill comes as part of an agreement I made last December with Representatives SIDNEY YATES, BRUCE VENTO, and MORRIS UDALL. Stated simply, our agreement was to approve an $8.1 million appropriation for the Burr Trail in the fiscal year 1986 Interior appropriations bill followed by approval of subsequent authorizing legislation by the Congress. This action today is part of that process. Upon approval of this bill by the Congress, the already appropriated funds would be released to the National Park Service to begin the project.

Mr. President, the process I have just outlined is unusual. Normally, projects are first authorized and then funds appropriated later. But, in this case, I am deferring to the wishes of Representatives YATES and VENTO, who requested a detailed review of the proposal in the authorizing committees of the House and Senate. I welcome this additional review, because I am confident such scrutiny will show once and for all the proposal put forth by National Park Service Director, William Mott, to be economically reasonable and environmentally sound.

The Mott proposal as embodied in this legislation will upgrade the existing 66-mile dirt road from Boulder to Bullfrog, UT, by paving 9.8 miles and graveling 56.2 miles along the corridor. The Burr Trail national rural scenic road will be a high quality, low-speed road capable of providing access for family cars and tour busses. I should point out that the Burr Trail was widened to its present 22- to 28-foot width in 1967 by the Atomic Energy Commission for use as a uranium ore haul road. Director Mott's proposal will follow the existing alignment and turn this sometimes dangerous road into a safe, environmentally sound unit of the National Park System. My personal preference would have been to pave the entire length of the road also following the existing contour. However, in the spirit of compromise, I have agreed to support this more modest proposal offered by Mr. Mott.

To the people of southern Utah, the most important aspect of an upgraded Burr Trail is that it will link all five Utah national parks with the Lake Powell ferry boat system in the Glen Canyon National Recreation Area. This will bring us closer to realizing the promises of substantial increased tourism that were made to those people at the time Capitol Reef National Park was created in 1971 and Glen Canyon National Recreation Area in 1972. Thus, the realization of an east-west tourist route across southern Utah will become a reality.

Finally, I should point out that every Member of the Utah congressional delegation, our current Gover-

nor, as well as all living former Members of Congress and Governors, support these efforts to upgrade the Burr Trail. Local elected officials from all 12 southern Utah counties support this proposal. Most importantly, the people of Garfield County strongly support these efforts to upgrade the Burr Trail. Mr. President, I am committed to make this become a reality soon.●

By Mr. WALLOP (for himself, Mr. CRANSTON, Mr. HECHT, Mr. SIMPSON, Mr. SYMMS, Mr. HATCH, Mr. GARN, Mr. HART, Mr. PRESSLER, and Mr. MCCLURE):

S. 2266. A bill to establish a ski area permit system on national forest lands established from the public domain, and for other purposes; to the Committee on Energy and Natural Resources.

NATIONAL FOREST SKI AREA PERMIT ACT

● Mr. WALLOP. Mr. President, I am introducing legislation today, with Senator CRANSTON of California and a number of cosponsors, which would give the Secretary of Agriculture the authority to permit the appropriate amount of Federal Forest Service land to a ski area permittee for a maximum 55-year term. In 1915, the law gave the Secretary the authority to permit 60 acres for 30 years to recreational permittees. This 60-acre limitation was increased to 80 acres in 1956 (38 Stat. 1101, as amended 16 U.S.C. 497, 70 Stat. 708). Because most ski areas in the United States, and especially in the Western United States, use over 80 acres of national forest land, a second enabling law is used by the Secretary which allows the U.S. Forest Service to issue a permit for additional land. This law allows the Secretary to permit land on an annual basis for any proper and lawful use. This authority was granted in 1897 and requires that the permit is renewed every year (30 Stat. 35, as amended 16 U.S.C. 551). The U.S. Forest Service permits are issued to a ski area operator and include primarily skiable terrain and also land for constructing or maintaining hotels and other structures necessary or desirable for recreation, public convenience or safety.

National Forest Ski Area Permit Act of 1986 would consolidate the law and allow the Secretary to issue one permit rather than two to a permittee who needs over 80 acres to operate. The bill allows the Secretary to renew or cancel the permit in whole or in part when it expires. It also gives the Secretary the opportunity to increase or decrease the acreage under permit at any time to accommodate changes in plans and operations of the permittee.

The bill would require that new regulations are promulgated one year after its passage. It would convert all existing ski area permits and leases into ski area permits which conform to this Act within two years after its passage.

Mr. President, the Library of Congress recently completed a report for Congressman Michael Strang which stated that with current permitting practices,

[Lenders] may compensate for the lack of collateral value in the Forest Service permit in several ways, including making less money available to a borrower, reducing the term of the loan, or charging a higher interest rate.

This indicates that the current permitting practices limit the availability of commercial loans necessary to expand or build a ski area. This becomes even more important when one considers that the House Ways and Means tax reform legislation eliminates sources of financing which ski areas have traditionally used for capital improvements. It is necessary to protect a permittee's term so that he is able to continue offering high quality resort opportunities.

The bill would consolidate, expedite, and minimize the administrative burden of ski areas on U.S. Forest Service personnel. The legislation would alleviate the administrative hassel of renewing a ski areas annual permit every year, and also be in compliance with the Paperwork Reduction Act. The U.S. Forest Service is in the process of changing their administrative policies. This proposed legislation would help facilitate their policy changes.

A number of lawsuits have been filed against the Secretary on the grounds that the 30-year 80-acre recreational permit prohibits any additional acreage from being permitted under the annual permit authority. Without the additional acreage, ski areas would not be able to operate. The court has decided these lawsuits on different grounds and has never resolved the question of whether the authority for the annual permit conflicts with the 1915 term permit enabling law. This is still of concern to the ski industry.

Commercial alpine and nordic ski operators occupy less than five one hundredths of 1 percent of all National Forest land, but account for almost 6 percent of current overall national forest visitor use. There are 190 million acres of national forests in the United States, of which 90,000 acres are under permit to approximately 170 ski areas. The average permit covers approximately 2,000 acres although a number of areas exceed this. There are 526 ski areas in 40 States and 114 ski areas on U.S. Forest Service land in 17 States.

Mr. President, there are currently over 21 million alpine skiers in the United States. The numbers of alpine and nordic skiers are growing in this country. Skiers are fairly evenly distributed throughout the States. In 1984–85 the National Ski Areas Association concluded there were 51.4 million skier visits in the United States. This accounts for not only those alpine skier visits on U.S. Forest Service land but also on private land. The Cross Country Ski Association estimates there were almost 6 million cross country skier visits in the United States during the 1984–85 season.

Mr. President, let me cite some facts and findings which argue for the enactment of this legislation:

Commercial alpine and nordic skiing operations are among the fastest growing and most popular multiple uses of national forest lands.

Alpine and nordic skiing are healthful activities which promote physical well-being, contribute to the enrichment of the human spirit, and foster an appreciation of the outdoor environment and the aesthetic and other outdoor recreation values which constitute prime uses of national forest lands.

Commercial alpine and nordic ski operations occupy less than 5 1/100ths of 1 percent of all national forest lands, but account for almost 6 percent of current overall national forest visitor use days.

Commercial nordic, and particularly alpine, ski operations are distinguishable from most other multiple-use activities or national forest lands in that they generally entail a far greater degree of construction of large-scale and permanent or semipermanent facilities—including ski lifts, trails, access roads, warming shelters, and restaurants—and require long-term private investments and other long-term operating commitments.

Existing and proposed changes in congressional budget procedures and tax laws may reduce Forest Service personnel available for ski area permitting and planning activities and may limit traditional methods of ski area financing and investment absent remedial legislation.

Current laws governing the permitting and operation of commercial nordic and alpine ski activities on national forest land, while they have in most cases sufficed to adequately permit ski area and facility development in the past, are in need for consolidation and modernization.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2266

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "National Forest Ski Area Permit Act of 1986."

PURPOSES

SEC. 2. The purposes of this Act are to—

(1) consolidate existing laws pertaining to ski areas on national forest lands established from the public domain and provide a unified and modern nordic and alpine ski area and facility permitting process;

(2) provide for ski area permits which more closely reflect the acreage and other physical requirements of modern ski area and facility development; and

(3) provide a permit which will be more commensurate with the long-term construction, financing and operation needs of ski areas on national forest lands established from the public domain.

SKI AREA PERMITS

SEC. 3. (a) The provisions of the Acts of June 4, 1897 (30 Stat. 34) and March 4, 1915 (16 U.S.C. 497) notwithstanding, the issuance of permits for the operation of commercial nordic and alpine ski areas and facilities on National Forest System lands established from the public domain shall henceforth be governed by this Act and other applicable law.

(b) The Secretary of Agriculture (hereinafter referred to as "the Secretary"), subject to such reasonable terms, conditions and permit fees as he deems appropriate, is hereby authorized to issue permits (hereinafter referred to as "ski area permits") for the use and occupancy of suitable lands within the National Forest System established from the public domain for commercial nordic and alpine skiing operations and purposes. A ski area permit shall (1) ordinarily be issued for a term of fifty-five years (unless the Secretary determines that the facilities or operations are of a scale or nature as are not likely to require long-term financing or operation); (2) shall encompass such acreage as the Secretary determines sufficient and appropriate to accommodate the permittee's needs for ski operations and ancillary facilities; (30 may be renewed at the discretion of the Secretary; and (4) may be cancelled by the Secretary in whole or in part for any violation of the permit terms or conditions or for non-payment of permit fees. The acreage under permit may be increased or decreased from time to time by the Secretary to accommodate changes in plans or operations as the Secretary deems appropriate in consultation with the permittee.

(c) Within one year of the date of enactment of this Act, the Secretary shall promulgate rules and regulations to implement the provisions of this Act, and shall, within two years of the date of enactment of this Act, convert all exisiting ski area permits or leases on National Forest System land established from the public domain into ski area permits which conform to the permit term and other provisions of this Act.●

By CRANSTON (for himself, Mr. MURKOWSKI, Mr. SIMPSON, Mr. DECONCINI, Mr. MATSUNAGA, Mr. MITCHELL, Mr. ROCKEFELLER, Mr. SPECTER, Mr. LEAHY, and Mr. ROTH):

S.J. Res. 311. Joint resolution designating the week beginning November 9, 1986, as "National Women Veterans Recognition Week"; to the Committee on the Judiciary.

NATIONAL WOMEN VETERANS RECOGNITION WEEK

Mr. CRANSTON. Mr. President, I am very pleased today to be introducing Senate Joint Resolution 311, a measure to designate the week beginning November 9, 1986, as "National Women Veterans Recognition Week." Joining with me are the chairman of the Committee on Veterans' Affairs [Mr. MURKOWSKI], our colleagues on this committee, the Senator from Wyoming [Mr. SIMPSON], the Senator from Arizona [Mr. DeConcini], the Senator from Hawaii [Mr. MATSUNAGA, the Senator from Maine [Mr. MITCHELL], the Senator from West Virginia [Mr. ROCKEFELLER], and the Senator from Pennsylvania [Mr. SPECTER], as well as Senators LEAHY and ROTH.

This measure is very similar to measures I authored in the last 2 years—Senate Joint Resolution 227 in 1984, which was enacted into law as Public Law 98-438, and Senate Joint Resolution 47 in 1985, which was enacted into law as Public Law 99-152—designating a "National Women Veterans Recognition Week" in November of each of those years.

Mr. President, during the past 2 years, important strides have been made in the efforts both to honor the women who have served our country in the armed services and to build public awareness of the significant contributions by and continuing work of women veterans for this Nation. Because of the success of activities carried out in the past 2 years to recognize women veterans, I believe it important to continue this momentum by proposing the designation of such a week again this year.

Mr. President, in a 1982 General Accounting Office report and a 1984 Veterans' Administration report, it was found that many women veterans—who now comprise approximately 4.2 percent of the total veteran population—were unaware of the benefits available to them as veterans and that there were many shortcomings in the VA's efforts to contact women veterans and to meet their needs for benefits and services.

More recently, in August 1985, Louis Harris and Associates published a study commissioned by the VA—"Survey of Female Veterans: A Study of the Needs, Attitudes and Experiences of Women Veterans"—which sheds new light on the current status and experiences of women veterans. This study was particularly significant because it was the first such comprehensive survey on the veterans experience conducted solely as to women and served to both confirm and dispel a number of popular theories relating to women who have served in the military.

Among the major findings of the study, the women veterans surveyed reported few serious readjustment problems—problems relating to employment, health, or family, for example. Awareness of the benefits available to veterans continues to be low among women who have served in the Armed Forces, and this has resulted in a low usage rate of most benefits with the exception of certain health-care services.

Additionally, the 1985 Harris study found that nurses represent only 16 percent of all women veterans. This finding, which is contrary to the popular conception that most women veterans served as nurses, reflects a broadening of job assignments available to women in the military. The survey also found that only 1 percent of women veterans had completed a 20-year career in the Armed Forces with military retirement.

Findings such as these are being reviewed and addressed on an ongoing basis by the VA Advisory Committee on Women Veterans which was first established administratively on a temporary basis but later, in November 1983, given statutory permanence by virtue of the enactment, in Public Law 98-160, of legislation I first proposed. In its initial report, issued in July 1984, the Advisory Committee made the following points:

Two fundamental problems cut across the issues discussed by the Committee. First: Many women veterans are not aware of their entitlement to the benefits administered by the VA and other women who may be aware of their entitlements are reluctant to initiate claims for their benefits. Second: VA information materials, brochures, and outreach programs designed to inform veterans of their rights and benefits have been aimed at a male constituency. In part, this is merely a reflection of a traditional societal mindset that a veteran is, almost by definition, male.

More recently, the Advisory Committee has been working to understand better and address such concerns as the special needs of aging women veterans, the gender-specific health conditions of women veterans, the employment needs and problems of women upon separation from the armed services, and the development and distribution of material to inform women veterans more adequately of the wide range of VA benefits and services for which they are eligible.

The VA has been working in concert with the Advisory Committee and has taken various steps in response to its recommendations. One of the most important steps taken last year in this regard was the establishment in the VA's Department of Medicine and Surgery of a Women Veteran Coordinator position in each VA medical center in order to help make VA health-care facilities more accessible and sensitive to the needs of women veterans. In August of last year a meeting of all Women Veteran Coordinators from across the country was held at the VA's Central Office in Washington to discuss and establish guidelines for carrying out the work of this new position. Also, many VA medical centers

have established their own advisory groups to address local concerns of women veterans.

Mr. President, although much has been accomplished in the past several years since efforts have begun to recognize the rich contributions of women in our Armed Forces and to address the unique problems and concerns of women veterans, much has yet to be done. One way for us to signify our continued support for this ongoing work is with the designation of a National Women Veterans Recognition Week in 1986.

Mr. President, as I did the last 2 years, I look forward to working with my good friends, the chairman, Mr. THURMOND and ranking minority member, Mr. BIDEN of the Judiciary Committee, as well as my other colleagues on that committee—particularly Senators DECONCINI, SIMPSON, LEAHY, and SPECTER who are original cosponsors of this resolution—as they consider this measure. We invite all our colleagues to join with us and help ensure quick enactment of the resolution so as to allow sufficient time for the advance publicity that can bring about maximum awareness in the public about National Women Veterans Recognition Week.

Mr. President, I ask unanimous consent that the text of the resolution be printed in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 311

Whereas there are more than one million one hundred and eighty thousand women veterans in this country, representing 4.2 per centum of the total veteran population;

Whereas the number and proportion of women veterans will continue to grow as the number and proportion of women serving in the Armed Forces continue to increase;

Whereas women veterans through honorable military service often involving hardship and danger have contributed greatly to our national security;

Whereas the contributions and sacrifices of women veterans on behalf of this Nation deserve greater public recognition and appreciation;

Whereas the special needs of women veterans, especially in the area of health care, have often been overlooked or inadequately addressed by the Federal Government;

Whereas this lack of attention to the special needs of women veterans has discouraged or prevented women veterans from taking full advantage of the benefits and services to which they are entitled as veterans of the United States Armed Forces; and

Whereas recognition of women veterans by the Congress and the President through enactment of legislation declaring the week beginning on November 9, 1986, as "National Women Veterans Recognition Week" would serve to create greater public awareness and recognition of the contributions of women veterans, to express the Nation's appreciation for their service, to inspire more responsive care and services for women veterans and to continue and reinforce important gains made in this regard in the last two years as a result of the designation of the first and second National Women Veterans Recognition Weeks in November of 1984 and 1985.

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the week beginning on November 9, 1986, is designated "National Women Veterans Recognition Week". The President is requested to issue a proclamation calling upon all citizens, community leaders, interested organizations, and Government officials to observe that week with appropriate programs, ceremonies, and activities.

By Mr. D'AMATO (for himself, Mr. LAXALT, Mr. BRADLEY, Mr. HEINZ, Mr. HEFLIN, Mr. DURENBERGER, Mr. ROCKEFELLER, Mr. BOSCHWITZ, Mr. ZORINSKY, Mr. RIEGLE, and Mr. STAFFORD):

S.J. Res. 312. Joint resolution designating the week beginning April 13, 1986, as "National Medical Laboratory Week;" to the Committee on the Judiciary.

NATIONAL MEDICAL LABORATORY WEEK

● Mr. D'AMATO. Mr. President, the fastest growing service industry in America today is health care and, with the aging of our population, it is estimated that health care will be the number one service industry in America by 1990. Currently, there are more than 6.7 million individuals employed in medical services. This number will increase dramatically, however, because there is a growing need for highly trained professionals in all facets of health care.

While there are in excess of 200 allied health occupations, I would like to focus the attention of my colleagues on one very important, but often overlooked, area of health care: the medical laboratory. There are more than 250,000 certified medical personnel—including pathologists, medical technicians, medical laboratory scientists, specialists, technicians, and assistants in clinical laboratory science—who work in more than 13,000 medical laboratories.

While physicians, nurses, and other allied health care professionals spend much of their days working closely with patients, pathologists, medical technicians, and other laboratory professionals spend their working hours in laboratories testing and processing the information which will help determine the diagnosis and the treatment for patients. These tests are performed roughly 5 billion times every year.

Some of these are simple premarital blood tests; others, however, are much more sophisticated and highly advanced. Many complex tests are performed to detect such diseases as diabetes, anemia, and cancer. Laboratory tests also are performed to help us stay healthy. By monitoring the composition of our blood, urine, other bodily fluids, and tissues, laboratory personnel are able to warn us of the possibility of contracting a disease.

These dedicated men and women are concerned solely with accurate testing to determine the absence, presence, extent, and cause of disease. These men and women, therefore, hold life and death in their hands. They work quickly and tirelessly and with great care, uncovering information that, some day, may impact directly on our own lives.

Mr. President, I am introducing today a joint resolution, which was introduced in the House in December of last year by Congressman BOEHLERT, to designate April 13 to 19, 1986, as "National Medical Laboratory Week." I urge my colleagues to join me by lending their support for this long overdue recognition.●

By Mr. HOLLINGS:

S.J. Res. 313. Joint resolution proposing an amendment to the Constitution of the United States with respect to limiting expenditures in congressional elections; to the Committee on the Judiciary.

CONSTITUTIONAL AMENDMENT LIMITING EXPENDITURES IN CONGRESSIONAL ELECTIONS

● Mr. HOLLINGS. Mr. President, the amendment to the Constitution that I offer today is designed to meet what I feel is the most significant problem confronting our electoral process. That problem, Mr. President, is the adulteration of the political and electoral process by the vast sums of money collected and spent to fuel Federal campaigns.

In 1974, Mr. President, Congress passed the Federal Election Campaign Act Amendments that offered broad and sweeping changes to the regulation of Federal elections. For the first time, spending limits for candidates in Presidential primary and general elections and in primary and general elections for the House and Senate were enacted. And, for the first time, the law introduced the use of public money to pay for political campaign costs by providing for optional public financing in Presidential elections.

That law was challenged in the courts and, as everyone knows, Mr. President, the Supreme Court handed down its opinion in the case of Buckley versus Valeo. The new law was attacked on the grounds that it violated the first amendment because it curbed the freedom of contributors and candidates to express themselves in the political marketplace and that the public financing provision has discriminated against minor parties and lesser-known candidates.

The Court held that the spending limits provision and the Federal Election Commission were unconstitutional. What began as an attempt by Congress to place limits on the Federal election process and ensure equal access to the process to all who offer for Federal office, wound up greatly

changed and unable to meet the purposes that Congress established in drafting and enacting it.

We wanted to ensure that no group or entity could dominate an election through its contributions. Accordingly, with the Court's ruling, we now have laws that disclose the source of contributions, limit the amount of those contributions and disclose expenditures. In effect, we were attempting to assure that elections could not be bought by a few wealthy individuals.

Now, only a few years later, we find just the opposite to be true. Justice Thurgood Marshall correctly predicted the course of events. In rejecting the Court's reasoning in striking down the limit on how much candidates may spend on their own campaigns, he said, "It would appear to follow that the candidate with a substantial personal fortune at his disposal is off to a significant head start." And, he argued, that keeping the limitations on contributions but not on spending "put[s] a premium on a candidate's personal wealth." Today, if you have great personal wealth you are guaranteed the opportunity to present your candidacy to the public. Those without the vast sums of money needed to campaign in today's political environment are put into a great dollar chase.

My old friend, and revered figure in this body, Mr. President, Senator Richard B. Russell admonished me during my first days in the Senate that the 6-year term of office gave me 4 years to be a Senator and do the people's business, 1 year to politic, and 1 year to demagogue. Today, sad to report, Mr. President, my dear friend Senator Russell would, I'm confident, view the situation and say that I have 6 years to collect money and prepare for the next election. We give an inordinate amount of our time and attention to the process of raising the money needed to pay for the political consultants, conduct the polls, produce the direct mail, dominate the airwaves, and all the rest that goes into today's technological campaign. We do everything, Mr. President, but tend to the people's business. With the demands required to compete in the money chase there's little time for anything else. Instead of insuring that you don't have to be a millionaire to effectively represent the people who elected you to office, Mr. President, the process has developed to the point that you have to be a millionaire to guarantee that you have equal freedom and equal access to the process.

Mr. President, if the critics and pundits who deride the quality of leadership in Federal officeholders are correct that we are second rate and that the public deserves better, then it won't be too long before these same sages are saying that we are no longer second rate but the going rate and the public has not even gotten what it's paid for. In today's election environment, that's the natural conclusion of the course we're following.

My amendment, Mr. President, will overcome the "if you have the money you can talk" style freedom of speech that all too often confronts today's candidates and replace it with equal freedom of expression for all who seek Federal office. Unfortunately, with the U.S. Supreme Court's holding in Buckley versus Valeo, it is necessary to amend the Constitution in order to reform the electoral process and insure the equality that is the bedrock of our democratic form of Government. We should move forward with this amendment. The course is set and will only get worse, so there's no reason to wait.

Mr. President, I ask unanimous consent that the joint resolution that I offer today be printed in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 312

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, (two-thirds of each House concerning therein), That the following article is proposed as an amendment to the Constitution of the United States:

"ARTICLE —

"SECTION 1. The Congress may enact legislation regulating or limiting the amounts of expenditures made in Federal elections by candidates for election to Federal office or on behalf of any such candidate, and expenditures intended to affect an election to Federal office.

"SEC. 2. Section 1 shall be valid to all intents and purposes as part of the Constitution if ratified by the legislatures of three-fourths of the several States.".●

By Mr. QUAYLE:

S.J. Res. 314. Joint resolution to designate the week beginning July 27, 1986, as "National Nuclear Medicine Week"; to the Committee on the Judiciary.

NATIONAL NUCLEAR MEDICINE WEEK

● Mr. QUAYLE. Mr. President, today I am introducing a joint resolution to authorize the President to issue a proclamation designating the week of July 27, 1986, as "National Nuclear Medicine Week."

The purpose of this joint resolution is to heighten public awareness of the progress the technology of nuclear medicine has made in the diagnosis and treatment of disease through the estimated 120 million nuclear medicine procedures performed annually. This innovative technology has proven to be both cost-effective and safe and has permitted the detection and treatment of diseases in which conventional methods would have been ineffective.

Nuclear medicine is the medical specialty that uses small amounts of radioactive materials for the diagnosis, and somewhat larger amounts for the treatment of diseases. One of the main categories of nuclear medicine is diagnostic imaging which involves the administration of small amounts of radioactively labeled drugs, or radiopharmaceuticals, to patients. Sensitive equipment presents the distribution of these substances as an image which is used to establish the presence or absence of disease. Such methods are used to examine brain, lungs, liver, heart, bones, gall bladder, thyroid gland, blood vessels, and lymphatic systems, among others. These procedures are noninvasive, essentially pain free, and generally deliver much smaller radiation doses to the patient than do comparable x-ray procedures.

In addition, nuclear medicine has made invaluable contributions in both laboratory testing and therapies. It must also be emphasized that in addition to the excellent analytic results and sensitivity provided by nuclear medicine procedures, that the alternatives to these procedures, where they exist, are usually more invasive, carry a greater risk to the patient, and/or cost substantially more. For example, if a nuclear medicine heart function study could not be performed, the alternative would be cardiac catheterization. Since cardiac catheterization requires hospitalization, the end result would be considerably more expensive.

These are just some of the current uses of nuclear medicine. Ongoing research promises exciting future advances in nuclear medicine which will have a dramatic impact on the diagnosis and treatment of diseases and conditions that are currently beyond our understanding, such as many mental and neurological diseases.

I urge my colleagues to join me in supporting and passing this important joint resolution.

I ask unanimous consent that Senate Joint Resolution 314 be printed in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 314

Whereas professionals in the field of nuclear medicine contribute significantly to the diagnosis and treatment of patients in the United States;

Whereas nuclear medicine is a safe and cost-effective type of medical care;

Whereas the techniques of nuclear medicine are used to diagnose and treat many different diseases;

Whereas the techniques of nuclear medicine are used in a variety of scientific research activities; and

Whereas it is appropriate to recognize the value of nuclear medicine and the contributions of professionals in the field of nuclear medicine: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the week beginning July 27, 1986, hereby is designated "National Nuclear Medicine Week", and the President of the United States is authorized and requested to issue a proclamation calling upon the people of the United States to

observe such week with appropriate ceremonies and activities.●

ADDITIONAL COSPONSORS

S. 89

At the request of Mr. INOUYE, the name of the Senator from Illinois [Mr. DIXON] was added as a cosponsor of S. 89, a bill to recognize the organization known as the National Academies of Practice.

S. 524

At the request of Mr. ARMSTRONG, the names of the Senator from Virginia [Mr. WARNER], the Senator from New York [Mr. MOYNIHAN], the Senator from North Dakota [Mr. ANDREWS], the Senator from Alaska [Mr. STEVENS], and the Senator from Oklahoma [Mr. BOREN] were added as cosponsors of S. 524, a bill to recognize the organization known as the Retired Enlisted Association, Inc.

S. 698

At the request of Mr. BRADLEY, the name of the Senator from Kentucky [Mr. FORD] was added as a cosponsor of S. 698, a bill to amend the Age Discrimination in Employment Act of 1967 to exclude from the operation of such act matters relating to the age at which individuals may be hired, or discharged from employment, as firefighters and law enforcement officers by States and political subdivisions of States.

S. 946

At the request of Mr. FORD, the name of the Senator from West Virginia [Mr. ROCKEFELLER] was added as a cosponsor of S. 946, a bill to amend the Federal Coal Leasing Amendments Act of 1976, and for other purposes.

S. 1244

At the request of Mr. INOUYE, the name of the Senator from North Dakota [Mr. BURDICK] was added as a cosponsor of S. 1244, a bill to provide that services provided by a clinical psychologist in a rural health clinic need not be provided under the direct supervision of a physician in order to qualify for payment under the Medicare and Medicaid programs.

S. 1494

At the request of Mr. GORTON, the name of the Senator from Maine [Mr. COHEN] was added as a cosponsor of S. 1494, a bill to amend title 23, United States Code, to limit outdoor advertising adjacent to Interstate and Federal-aid primary highways.

S. 1793

At the request of Mr. HATCH, the name of the Senator from Maine [Mr. COHEN] was added as a cosponsor of S. 1793, a bill to amend the Public Health Service Act to establish a grant program to develop improved systems of caring for medical technology dependent children in the home, and for other purposes.

S. 1950

At the request of Mr. BRADLEY, the name of the Senator from Utah [Mr. HATCH] was added as a cosponsor of S. 1950, a bill to amend the Internal Revenue Code of 1954 to disallow deductions for advertising expenses for tobacco products.

S. 1980

At the request of Mr. THURMOND, the name of the Senator from Alaska [Mr. MURKOWSKI] was added as a cosponsor of S. 1980, a bill to amend title 17, United States Code, regarding the conveyance of audiovisual work, and for other purposes.

S. 2057

At the request of Mr. HATCH, the names of the Senator from Maine [Mr. COHEN], the Senator from New York [Mr. MOYNIHAN], and the Senator from Hawaii [Mr. INOUYE] were added as cosponsors of S. 2057, a bill to establish the President's Council on Health Promotion and Disease Prevention.

S. 2067

At the request of Mr. LAUTENBERG, the name of the Senator from South Dakota [Mr. PRESSLER] was added as a cosponsor of S. 2067, a bill to overturn the deferral of the Fiscal Year 1986 Urban Development Action Grant and Community Development Block Grant Programs.

S. 2070

At the request of Mr. THURMOND, the name of the Senator from North Carolina [Mr. HELMS] was added as a cosponsor of S. 2070, a bill to require U.S. representatives to international financial institutions to oppose assistance by such institutions for the production for export to the United States of any fiber, textile, or article of apparel, and for other purposes.

S. 2074

At the request of Mr. RIEGLE, the name of the Senator from Colorado [Mr. HART] was added as a cosponsor of S. 2074, a bill disapproving the proposed deferral of budget authority for Community Development Block Programs.

S. 2075

At the request of Mr. LAUTENBERG, the name of the Senator from South Dakota [Mr. PRESSLER] was added as a cosponsor of S. 2075, a bill to overturn the deferral of urban development action grant funds.

S. 2081

At the request of Mr. STAFFORD, the name of the Senator from Oregon [Mr. HATFIELD] was added as a cosponsor of S. 2081, a bill to reauthorize the Head Start Act, the Low-Income Home Energy Assistance Act of 1981, the Community Services Block Grant Act, for deferred cost care programs, and for other purposes.

S. 2100

At the request of Mr. LAUTENBERG, the name of the Senator from Delaware [Mr. BIDEN] was added as a cosponsor of S. 2100, a bill to provide a one-time amnesty from tax penalties for taxpayers who pay previous underpayment with interest, to improve compliance with the internal revenue laws by increasing authorization to the Internal Revenue Service for enforcement, to prohibit the awarding of Federal contracts and certain licenses to taxpayers who have tax delinquent accounts, and to amend the Internal Revenue Code of 1954 to annually increase criminal and civil monetary penalties by the increase in the Consumer Price Index.

S. 2108

At the request of Mr. KASTEN, the names of the Senator from Maine [Mr. COHEN], the Senator from California [Mr. CRANSTON], and the Senator from New Mexico [Mr. DOMENICI] were added as a cosponsors of S. 2108, a bill to provide that Federal tax reform legislation shall not take effect before January 1, 1987.

S. 2122

At the request of Mr. GLENN, the names of the Senator from Arizona [Mr. DECONCINI], and the Senator from Mississippi [Mr. COCHRAN] were added as a cosponsors of S. 2122, a bill to continue the current waiver of liability presumption for home health agencies and skilled nursing facilities under the medicare program in order to protect beneficiary access to home health and extended care services.

S. 2144

At the request of Mr. NICKLES, the name of the Senator from Minnesota [Mr. DURENBERGER] was added as a cosponsor of S. 2144, a bill to amend the Farm Credit Act of 1971 to provide credit assistance to certain borrowers of loans by institutions of the Farm Credit System, and for other purposes.

S. 2148

At the request of Mr. NICKLES, the name of the Senator from Kansas [Mrs. KASSEBAUM], and the Senator from South Carolina [Mr. THURMOND] were added as cosponsors of S. 2148, a bill to amend the Fair Labor Standards Act of 1938 to require that wages based on individual productivity be paid to handicapped workers employed under certificates issued by the Secretary of Labor.

S. 2181

At the request of Mr. D'AMATO, the name of the Senator from Maryland [Mr. SARBANES] was added as a cosponsor of S. 2181, a bill entitled the "Construction Industry Labor Law Amendments of 1986."

S. 2190

At the request of Mr. SARBANES, the name of the Senator from Arkansas [Mr. BUMPERS] was added as a cospon-

sor of S. 2190, a bill to provide that the full cost-of-living adjustment in benefits payable under certain Federal programs shall be made for 1987.

S. 2202

At the request of Mr. LEAHY, the name of the Senator from Ohio [Mr. METZENBAUM] was added as a cosponsor of S. 2202, a bill to award a special gold medal to the family of Harry Chapin.

S. 2209

At the request of Mr. DOLE, the names of the Senator from Maine [Mr. MITCHELL], and the Senator from Michigan [Mr. RIEGLE] were added as cosponsors of S. 2209, a bill to make permanent and improve the provisions of section 1619 of the Social Security Act, which authorizes the continued payment of SSI benefits to individuals who work despite severe medical impairment; to amend such act to require concurrent notification of eligibility for SSI and Medicaid benefits and notification to certain disabled SSI recipients of their potential eligibility for benefits under such section 1619; to provide for a GAO study of the effects of such section's work incentive provisions; and for other purposes.

S. 2221

At the request of Mrs. KASSEBAUM, the name of the Senator from Minnesota [Mr. DURENBERGER] was added as a cosponsor of S. 2221, a bill to amend section 108 of the Internal Revenue Code of 1954 to provide that the discharge of certain farm indebtedness shall not be included in gross income.

S. 2229

At the request of Mr. DODD, the name of the Senator from Rhode Island [Mr. PELL] was added as a cosponsor of S. 2229, a bill to amend the Impoundment Control Act of 1974 to provide that deferrals of budget authority by the President shall not take effect unless within 45 legislative days Congress completes action on a deferral bill, and for other purposes.

SENATE JOINT RESOLUTION 169

At the request of Mr. MATHIAS, the names of the Senator from Tennessee [Mr. GORE], the Senator from Ohio [Mr. METZENBAUM], and the Senator from Massachusetts [Mr. KENNEDY] were added as cosponsors of Senate Joint Resolution 169, a joint resolution to commemorate the bicentennial anniversary of the first patent and the first copyright laws.

SENATE JOINT RESOLUTION 188

At the request of Mrs. KASSEBAUM, the name of the Senator from Minnesota [Mr. BOSCHWITZ] was added as a cosponsor of Senate Joint Resolution 188, a joint resolution to designate July 6, 1986, as "National Air Traffic Control Day."

SENATE JOINT RESOLUTION 274

At the request of Mr. GRASSLEY, the name of the Senator from North Dakota [Mr. BURDICK] was added as a cosponsor of Senate Joint Resolution 274, a joint resolution to designate the weekend of August 1, 1986, through August 3, 1986, as "National Family Reunion Weekend."

SENATE JOINT RESOLUTION 280

At the request of Mr. HEINZ, the names of the Senator from Delaware [Mr. ROTH], the Senator from California [Mr. WILSON], the Senator from Georgia [Mr. NUNN], the Senator from Nebraska [Mr. ZORINSKY], and the Senator from Arkansas [Mr. PRYOR] were added as cosponsors of Senate Joint Resolution 280, a joint resolution designating the month of November 1986 as "National Alzheimer's Disease Month."

SENATE JOINT RESOLUTION 281

At the request of Mr. NUNN, the names of the Senator from Connecticut [Mr. DODD], the Senator from Alabama [Mr. HEFLIN], and the Senator from Oklahoma [Mr. BOREN] were added as cosponsors of Senate Joint Resolution 281, a joint resolution to designate the week of May 11, 1986, as "Senior Center Week."

SENATE JOINT RESOLUTION 282

At the request of Mr. MOYNIHAN, the names of the Senator from Massachusetts [Mr. KERRY] and the Senator from South Carolina [Mr. HOLLINGS] were added as cosponsors of Senate Joint Resolution 282, a joint resolution to express the disapproval of the Congress with respect to the proposed rescission of budget authority for the general revenue sharing program.

SENATE JOINT RESOLUTION 286

At the request of Mr. HATFIELD, the name of the Senator from Rhode Island [Mr. CHAFEE] was added as a cosponsor of Senate Joint Resolution 286, a joint resolution to designate the week of April 20, 1986, through April 26, 1986, as "National Reading Is Fun Week."

SENATE JOINT RESOLUTION 287

At the request of Mr. BOREN, the names of the Senator from Alabama [Mr. HEFLIN] and the Senator from Delaware [Mr. BIDEN] were added as cosponsors of Senate Joint Resolution 287, a joint resolution designating September 29, 1986, as "National Teachers Day."

SENATE JOINT RESOLUTION 290

At the request of Mr. DECONCINI, the name of the Senator from New York [Mr. MOYNIHAN] was added as a cosponsor of Senate Joint Resolution 290, a joint resolution to designate July 4, 1986, as "National Immigrants Day."

SENATE JOINT RESOLUTION 294

At the request of Mr. DECONCINI, the names of the Senator from California [Mr. CRANSTON], and the Senator from Georgia [Mr. MATTINGLY] were added as cosponsors of Senate Joint Resolution 294, a joint resolution to designate the month of April 1986 as "National Child Abuse Prevention Month."

SENATE JOINT RESOLUTION 298

At the request of Mr. QUAYLE, he names of the Senator from Maryland [Mr. SARBANES], the Senator from Maine [Mr. COHEN], and the Senator from Alabama [Mr. DENTON] were added as cosponsors of Senate Joint Resolution 298, a joint resolution to designate the week of October 5, 1986, through October 11, 1986, as "Mental Illness Awareness Week."

SENATE JOINT RESOLUTION 300

At the request of Mr. GLENN, the names of the Senator from Oklahoma [Mr. BOREN], the Senator from Hawaii [Mr. INOUYE], the Senator from New Jersey [Mr. LAUTENBERG], the Senator from Alabama [Mr. HEFLIN], the Senator from Alabama [Mr. DENTON], the Senator from Utah [Mr. GARN], the Senator from New York [Mr. MOYNIHAN], and the Senator from North Dakota [Mr. BURDICK] were added as cosponsors of Senate Joint Resolution 300, a joint resolution to recognize and honor 350 years of service of the National Guard.

SENATE JOINT RESOLUTION 303

At the request of Mr. MATHIAS, the names of the Senator from Delaware [Mr. ROTH], and the Senator from New York [Mr. MOYNIHAN] were added as cosponsors of Senate Joint Resolution 303, a joint resolution to designate April 1986, as "Fair Housing Month."

SENATE CONCURRENT RESOLUTION 119

At the request of Mrs. KASSEBAUM, the name of the Senator from Minnesota [Mr. DURENBERGER] was added as a cosponsor of Senate Concurrent Resolution 119, expressing the sense of the Congress relating to an amendment to the Internal Revenue Code of 1954 excluding the discharge of qualified agricultural indebtedness from cancellation of indebtedness income.

SENATE RESOLUTION 332

At the request of Mr. ARMSTRONG, the name of the Senator from South Carolina [Mr. THURMOND] was added as a cosponsor of Senate Resolution 332, a resolution to honor the *Challenger* Space Shuttle astronauts.

SENATE CONCURRENT RESOLUTION 122—RELATING TO AGRICULTURE LOAN RESTRUCTURING

Mr. NICKLES (for himself and Mr. GRASSLEY) submitted the following concurrent resolution; which was referred to the Committee on Agriculture, Nutrition, and Forestry:

S. CON. RES. 122

Revolved by the Senate (the House of Representatives concurring), It is the sense of Congress that—

(1) The Farm Credit Administration and its associated agencies and lending institutions should take additional regulatory and

administrative actions immediately to help alleviate the unusual financial situation facing many thousands of agricultural producers and farm lenders by providing additional time to resolve these problems in the agricultural sector, recognizing that such actions may be in the best interests of both the Farm Credit System and the borrower when there is a reasonable prospect that the borrower will eventually be able to repay the loan.

(2) The Farm Credit Administration and its associated agencies and lending institutions should—

(A) facilitate and participate in agricultural loan restructuring programs;

(B) classify restructured loans as performing, provided the payments, as restructured, are being made; and

(C) permit, to the extent feasible, the multiyear amortization of agricultural loan losses.

(3) Before instituting a proceeding to foreclose a loan made to a borrower, the Farm Credit System and its associated institutions and agencies should determine—

(A) the cost of foreclosure; and

(B) the cost or restructuring the loan, using a two-tier or other system of forbearance.

(4) If the Farm Credit System or any of its associated institutions or agencies determine that the cost of foreclosure of a loan made to a borrower is equal to or exceeds the cost of restructuring the loan, the System should utilize restructuring rather than foreclosure. Such restructuring should include consideration of the use of a two-tier loan structure which is based on the borrower's ability to pay and under which—

(A) there would be a reduced interest rate applicable to the second tier of debt, containing the portion of debt the borrower is unable to fully service;

(B) portions of the outstanding principal balance in the second tier of debt are periodically reassigned to the first tier, containing the serviceable debt, so that the outstanding principal balance in the first tier remains constant; and

(C) an agreement that, during the period of the restructuring, all debt incurred beyond normal operating expenses would be subordinated to the restructured debt.

● Mr. NICKLES. Mr. President, today, I am submitting a concurrent resolution expressing the sense of Congress that the Farm Credit System should restructure troubled farm debt, rather than foreclose, when such action will result in a smaller loss to the System and its farm and ranch borrowers.

Last year, in the process of losing an unprecedented $2.7 billion, the Nation's largest agricultural lender, the Farm Credit System, foreclosed on thousands of farmers and ranchers, forcing them and their families off land which was in turn dumped on an already depressed market.

This concurrent resolution expressed the sense of Congress that the Farm Credit System should undertake measures which will result in: One, debt restructuring for many Farm Credit System [FCS] borrowers who would otherwise be forced off their land due to circumstances beyond their control; two, stemming the rising tide of farm foreclosures initiated by the FCS; three, easing downward pressure on already depressed land values; and four, an important goal, minimizing System losses which will benefit all FCS borrowers, bondholders and the Federal Government.

This measure states that if the costs associated with foreclosure equal or exceed the cost of restructuring a loan, the FCS lending institution should restructure the loan. When considering restructuring alternatives, the Farm Credit System is encouraged to consider the use of a restructuring program recently proposed by the American Farm Bureau Federation, known as a two-tier debt restructuring program.

Under this approach, portions of the farm debt a borrower can service under existing terms would be placed in the first tier. Debt the borrower is unable to fully service is placed in the second tier. No principal payments would be made on second tier debt while a reduced interest could be charged. As debt in the first tier is payed off, portions of the second tier debt would be transferred to the first tier, keeping its balance constant.

The proposals in this concurrent resolution, similar to provisions of a bill I previously introduced, S. 2144, the Landowner Protection Act of 1986, can be of tremendous benefit to agriculture producers while at the same time, by cutting Farm Credit System losses, reducing potential outlays which may be needed to keep the System afloat.

This is not a complicated proposal. It simply encourages the Farm Credit System to do what it ought to be doing anyway, looking out for the best interests of all FCS borrowers by minimizing System losses. On behalf of American agriculture, I urge my colleagues to support this measure.●

SENATE CONCURRENT RESOLUTION 123—TO PERMIT THE 1986 SPECIAL OLYMPICS TORCH RELAY TO BE RUN THROUGH THE CAPITOL GROUNDS

Mr. ABDNOR submitted the following concurrent resolution; which was referred to the Committee on Rules and Administration:

SENATE CONCURRENT RESOLUTION 123

Resolved by the Senate (the House of Representatives concurring),

SECTION 1. RUNNING OF SPECIAL OLYMPICS TORCH RELAY THROUGH CAPITOL GROUNDS.

On May 30, 1986, or on such other date as the Speaker of the House of Representatives and the President pro tempore of the Senate may authorize jointly, the 1986 Special Olympics Torch Relay may be run through the Capitol Grounds as part of the journey of the Special Olympic torch to the District of Columbia Special Olympics Spring Games to be conducted at Gallaudet College, in the District of Columbia.

SEC. 2. AUTHORITY OF CAPITOL POLICE BOARD.

The Capitol Police Board shall take such action as may be necessary to carry out the first section of this resolution.

● Mr. ABDNOR. Mr. President. I am pleased to submit this concurrent resolution which will authorize the 1986 Special Olympics torch relay to use the U.S. Capitol Grounds as part of its Special Olympic torch route leading up to the D.C. Special Olympics spring games.

As a strong supporter of the Special Olympics program, I am pleased that I could offer this legislation to assist in drawing greater public attention to the importance of these games and to the participation of nearly 750 mentally retarded youngsters in the D.C. games.

Mr. President, I should also like unanimous consent to include in the CONGRESSIONAL RECORD a copy of a press release distributed by the Bureau of Alcohol, Tobacco and Firearms, detailing the law enforcement torch run for the D.C. Special Olympics.

There being no objection, the press release was ordered to be printed in the RECORD, as follows:

HARTNETT NAMED DIRECTOR FOR LAW ENFORCEMENT TORCH RUN FOR D.C. SPECIAL OLYMPICS

WASHINGTON.—Daniel M. Hartnett, Deputy Associate Director for the Bureau of Alcohol, Tobacco and Firearms (ATF) has been named Director for the Law Enforcement Torch Run for the District of Columbia Special Olympics.

The DC Law Enforcement Torch Run is a part of a nationwide series of runs to benefit the world's largest sports program for persons with mental retardation, Special Olympics.

This spring, and again in 1987, law enforcement officers will run intra-state relays carrying the lighted Special Olympics Torch, with local residents pledging monies per runner to benefit Special Olympics. The District of Columbia run will culminate at Opening Ceremonies for DC's Special Olympics Summer Games which will be held on May 30-31 on the campus of Gallaudet College.

This unique fund raising campaign is supported by the International Associaton of Chiefs of Police and sponsored by the Armour Food Companies. The "Good Sam Club," a national network of recreational vehicle owners, will provide logistical support.

As DC Torch Run Director, Hartnett is responsible for planning the route, recruiting runners and coordinating local fund raising efforts. Hartnett said about the Torch Run that, "I am pleased that the law enforcement community has the opportunity to participate in this very worthwhile endeavor."

Founded in 1968 by Eunice Kennedy Shriver, Special Olympics offers year-round training and competition in 14 official sports to any individual with mental retardation, age 8 and up. More than one million athletes in over 20,000 communities in the United States and 50 foreign countries participate in Special Olympics. Approximately 750 athletes will compete in the DC Summer Games in five areas: aquatics, track & field, gymnastics, volleyball and softball.

Volunteers interested in assisting with the DC Law Enforcement Torch Run should contact Joy Majied of the Special Olympics

office at 244-1913. The Torch Run route will be announced at a later date.●

SENATE RESOLUTION 372—CONCERNING RELATIONS WITH ROMANIA

Mr. PRESSLER (for himself and Mr. LUGAR) submitted the following resolution; which was referred to the Committee on Foreign Relations:

S. RES. 372

Whereas Romania, along with China and Hungary, has received Most Favored Nation (MFN) status through procedures enacted by the "freedom-of-emigration" Jackson-Vanik amendment applicable to "nonmarket" economies;

Whereas successive administrations have recognized and supported Romania's actions in asserting and defending its sovereignty, independence, and territorial integrity;

Whereas Romania's MFN status since 1975 has been contingent upon the continued existence in force of the Presidential waiver of full compliance with the freedom-of-emigration requirement and of the bilateral agreement containing the reciprocal grant of the MFN status;

Whereas total emigration from Romania and to the United States has increased significantly since 1975;

Whereas the MFN instrument has been effective in improving some emigration procedures, nevertheless Romania's emigration practices and procedures remain restrictive, and would-be emigrants continue to be subjected to harassment; and

Whereas certain outstanding issues continue to threaten bilateral relations between the United States and Romania, and to undermine the basis for continuance of Most Favored Nation status and good bilateral relations, and the fulfillment of Romania's obligations under the Helsinki Final Act and Madrid Concluding Document: Now, therefore, be it

Resolved, That in order to encourage the continued improvement of relations between the United States and Romania, and to promote good will between our two governments and peoples, it is the sense of the Senate that the Romanian government should consider taking the following actions in the light of congressional concern as well as the upcoming Berne Human Contacts Experts Meeting of Helsinki signatory states:

(1) Release imprisoned, prominent religious, social and cultural figures on humanitarian grounds.

(2) Ensure that religious bodies, religious leaders and believers receive adequate supplies of religious materials, including bibles.

(3) Improve relations between government officials and practitioners of religious including, but not restricted to, Eastern Rite Catholics (Uniates), Jehovah's Witnesses, Church of the Latter Day Saints (Mormons), Nazarenes, Pentecostals, Evangelical Brethern, and "unofficial" Baptists.

(4) Improve relations with ethnic minorities, including those of Hungarian, Gypsy, German, and Jewish descent, among others, particularly with regard to the safeguarding of cultural rights. Issues of concern include continued access to education in national languages, the retention of national libraries and museums, and university and secondary education in minority culture, language, and history.

(5) Continue progress on facilitating outstanding emigration cases, including, but not limited to, issues of family reunification, and the emigration of individuals seeking to depart permenently for countries prepared to receive them, such as the United States, Israel, and the Federal Republic of Germany. In the interest of facilitating such emigration, the Senate strongly urges the Romanian government to fully consider its obligations under the Helsinki Final Act and Madrid Concluding Document of the Conference on Security and Cooperation in Europe in respect to unnecessary impediments to emigration, including forced divestments of real property, evictions, forced work transfers, and the loss of entitlements to medical care, schooling, and/or food.

(6) Continue access to visas for scholars, and religious and cultural leaders, in order that they may continue to travel abroad as well as receive foreign visitors.

(7) Continue attention to the rights of the elderly, the very young, and the needs of families, in order that they may receive optimal medical care, food and personal contact.

It is therefore the sense of the Senate that the United States Department of State should vigorously pursue, both publicly and privately, the above-stated concerns and objectives at every possible opportunity, including at the aforesaid Berne meeting of Helsinki signatory states. To this end, the State Department should convey to the Romanian government the urgent importance of realizing progress on these humanitarian matters in the near term, so that it may be taken into consideration by the United States Congress during the 1986 MFN deliberations.

● Mr PRESSLER. Mr. President, as our colleagues may know, the European Affairs Subcommittee of the Senate Foreign Relations Committee, which I chair, recently held a hearing on United States-Romanian relations. Today, I am submitting a resolution concerning this issue. Senator LUGAR, chairman of the Senate Foreign Relations Committee has joined me in sponsoring this resolution.

I should indicate that my staff and I have worked closely with the Helsinki Commission and officials of the U.S. Government in preparing this resolution. This resolution is prompted by very strong concerns over religious persecution in Romania raised at our hearing and privately with me. In addition, some other very serious human rights abuses have been brought to my attention, and I have given them very careful consideration in this resolution.

The purpose of our hearing was a thorough review of United States-Romanian relations in their East-West context. In deference to our colleagues on the Commerce and Ways and Means Committees, we focused our attention on the broadest foreign policy issues, rather than on the more particular concerns that are the province of other committees.

Our hearing was prompted by the early and extensive interest in both Houses of the U.S. Congress in the issue of most favored nation status and human rights abuses. As you may know, by early January at least 12 initiatives had been put on the legislative calendar.

The committees of jurisdiction will be holding their hearings later in the spring and during the early summer, but we felt it important for the Foreign Relations Committee to be involved in the process at an early point. Four concerns prompted our decision to hold an all-day hearing: the strong interest in the issue by several of our members, the extensive body of legislation pending, and the very real foreign policy concerns that we feared might not be examined rigorously. Lastly, we were convinced that 1986 would be a very unusual year—with MFN in serious jeopardy for the first time.

The focus of our hearing was U.S. foreign policy toward Eastern Europe, particularly the policy of differentiation. Differentiation is a policy that has been pursued under various names by each administration since President Eisenhower. This strategy is a means of encouraging East European governments to distance themselves from the Soviet Union, to improve their human right records, and to pursue liberal economic reforms. The United States has traditionally promoted such developments with a variety of tools. These tools include increased high-level diplomatic contacts, MFN status, Eximbank credit eligibility, and cultural and scientific agreements, among others.

In the Romanian case, the annual renewal of MFN prompts a debate between those who believe that differentiation is not working and those who see tangible progress. Likewise, with regard to Romania's MFN status, an annual debate occurs between those who believe that emigration is insufficient or that the Jackson-Vanik amendment should be broadened to encompasss religious and cultural persecution and those who feel that the MFN tool has exercised effective leverage on human rights issues. This latter group also tends to argue that Romania's precarious economic plight would be exacerbated by the removal of MFN. Those who argue on this side also worry that Romania's increasing energy dependence upon the U.S.S.R. is but the first stop in a growing overall dependence on the Soviets.

Because United States-Romanian relations are so complex, our hearing discussed both the broadest United States foreign policy concerns and the most detailed trade and investment issues. In addition, the entire afternoon session was devoted to religious and nationalities persecution, emigration, and the granting of MFN. By the end of that day we had developed a broad appreciation of the most pressing issues of concern to the U.S. Government, human rights bodies, the business community, and the public.

That hearing in the European Affairs Subcommittee, and the numerous conversations I have had since then with Members of Congress, the public, and Romanian officials have convinced me that a clear, concise, and unambiguous statement of Congress, position is needed.

This resolution directs the State Department to vigorously pursue these issues, both publicly and privately, at every possible opportunity, including the upcoming Berne meeting of the Helsinki signatory states. The State Department is asked to convey to the Romanian Government the urgent importance of realizing concrete progress on these issues in the near term, so that it may be taken into consideration by the U.S. Congress during the 1986 MFN deliberations.

This resolution will clearly put congressional concern on the record for all in Romania to see. The Romanian Government has several months in which to undertake concrete action on these humanitarian issues. If the Romanian Government chooses not to alter its policies, that fact will be duly noted, and it will certainly influence the MFN debate in the United States Congress.●

SENATE RESOLUTION 373—RELATING TO THE SEARCH FOR AND PROSECUTION OF NAZI WAR CRIMINALS

Mr. WILSON (for himself, Mr. D'AMATO, Mr. LAUTENBERG, Mr. DOLE, Mr. QUAYLE, Mr. SYMMS, Mr. HECHT, Mr. MATTINGLY, and Mrs. HAWKINS) submitted the following resolution; which was referred to the Committee on the Judiciary:

S. RES. 373

Whereas the United States abhors the criminal behavior and atrocities of the Nazis during World War II;

Whereas it is the policy of the United States to vigorously pursue the search for and prosecution of Nazi War Criminals since World War II;

Whereas the United States strictly abides by the policy of extradition toward war criminals;

Whereas the United States is committed to a policy of securing and enhancing human rights and individual dignity throughout the world;

Resolved, That the Department of Justice carefully and expeditiously review the documents brought forward by the World Jewish Congress concerning Former United Nations Secretary General Kurt Waldheim to ascertain his role, if any, in Nazi war crimes and treat appropriately.

SENATE RESOLUTION 375—RELATING TO COLA'S UNDER TITLE II OF THE SOCIAL SECURITY ACT

Mr. HEINZ (for himself, Mr. ABDNOR, Mr. ANDREWS, Mr. D'AMATO, Mr. DENTON, Mrs. HAWKINS, Mr. KASTEN, Mr. NICKLES, and Mr. SPECTER) submitted the following resolution; which was referred to the Committee on Finance:

S. RES. 375

Whereas under the COLA trigger provisions of the Social Security Act, a cost of living increase in social security benefits may be made at the beginning of a calendar year only if the Consumer Price Index rises by at least 3% during the computation period preceding such calendar year;

Whereas there exists a substantial possibility that the rise in the Consumer Price Index during the current computation period will be less than 3%, cancelling the payment of the 1987 Social Security COLA;

Whereas the budget resolution reported by the Senate Committee on the Budget and the President's proposed budget both assume the payment of a full Social Security COLA in 1987;

Whereas full Social Security COLAs have been paid in every year since 1975;

Whereas the COLA trigger provision does not reduce the cost of the Social Security Program, and in fact adds to that cost over both the long and short term;

Resolved, That it is the sense of the Senate that the COLA trigger provisions of the Social Security Act be suspended with regard to the payment of a Social Security COLA in 1987.

● Mr. HEINZ. Mr. President, I rise to present a resolution to pay a full Social Security COLA in 1987, without regard to the 3-percent COLA trigger. I am joined in this proposal by my colleagues Senators ABDNOR, ANDREWS, D'AMATO, DENTON, HAWKINS, KASTEN, NICKLES, and SPECTER. The COLA trigger is a minor, outdated, technical provision in the law that postpones the payment of the COLA when inflation falls below the entirely arbitrary level of 3 percent. Yesterday the front page of the Washington Post carried the news that inflation would be less than 3 percent in 1986, and that no COLA would be paid in 1987. I believe it is important that we pass this resolution quickly in order to assure America's elderly that they will be protected from inflation at any level, whether it is 1 percent, 3 percent, 5 percent or more.

The resolution is a simple one, it states that the resolution reported by the Senate Committee on the Budget and the President's budget both assume the payment of a full COLA in 1987, and that it is the sense of the Senate that the trigger mechanism be suspended with regard to the 1987 COLA.

Some of my colleagues may recall that we faced a similar problem at the end of 1984 that the Congress enacted legislation to correct it. That legislation passed by a margin of 87 to 3, but the correction we enacted was for 1 year only—we waived the 3-percent threshold to guarantee that the 1985 COLA would be paid. The same problem arose last year, but it was avoided when inflation nudged over 3 percent at the end of the year. The solution of course, is to permanently eliminate the COLA trigger mechanism, and I intend to introduce legislation that will do this.

This administration's success in bringing inflation under control is a great achievement. For 3 years now, young and old alike have enjoyed inflation rates as low as any of us can remember. It is my firm hope that low inflation rates will continue for some time to come. I hope, at the same time however, that we are not going to make an annual event of this last minute scramble to ensure that Social Security COLA's get paid. For this reason, I urge my colleagues to join me in permanently eliminating the 3-percent threshold in the Social Security COLA.

Mr. President, the 3-percent threshold is truly an anachronism. In 1972, when the Congress enacted the automatic annual cost-of-living increase, the 3-percent COLA threshold was included so that the Social Security Administration would not have to go through the then time-consuming and costly business of computing and paying the annual COLA when the amount was small. In the interim, however, Social Security's computer capabilities have greatly improved, and the cost and hassle of posting the annual COLA are no longer what they were then.

In fact, it might surprise my colleagues to learn that eliminating the 3-percent threshold would actually save a little money. Although commonsense would suggest that not paying a COLA in any one year would result in savings, in fact the opposite is true. Anytime the COLA is not paid in one year, it is deferred and added to the increase for the next year, so that benefits actually catch up the second year. In addition, new retirees in the second year receive a windfall—they have their wage records increased for the first year's inflation, and their benefits increased for both years' inflation in the second year. This windfall then becomes a permanent part of all succeeding benefits, adding to the long term costs of Social Security. Finally, the Social Security wage base and the earnings test, the premium paid by beneficiaries under Medicare part B, and SSI benefit levels are all tied to the COLA and are frozen when inflation is below 3 percent. The net effect of freezing benefits and taxes and the resulting windfalls is a small loss to the Social Security trust funds—one that could be avoided by eliminating the 3-percent threshold.

In August 1985, the Office of the Actuary of the Social Security Administration provided the chairman of the Finance Committee with a report of the long-term effects of eliminating the 3-percent threshold. Their conclusion was that the elimination of the threshold would save the Old Age, Survivors, and Disability Insurance

Trust Funds 0.02 percent of taxable payroll over the next 75 years. These cost figures mean that, in this period of sometimes excruciating taxing and spending decisions, we find ourselves in the rare position of being able to vote for something that both saves money and helps those in need.

I strongly urge my colleagues to join me in adopting this resolution and in permanently eliminating the trigger provisions that have created the problem.●

SENATE RESOLUTION 376—RELATING TO DEPARTMENT OF AGRICULTURE PARTICIPATION IN THE CITRUS CANKER ERADICATION PROGRAM

Mr. CHILES submitted the following resolution; which was referred to the Committee on Agriculture, Nutrition, and Forestry:

S. RES. 376

Whereas the State of Florida is suffering from an infestation of citrus canker;

Whereas citrus canker is a devastating disease that rapidly and aggressively infects citrus and may cause catastrophic damage to entire citrus growing areas;

Whereas other citrus growing regions in the country could be affected by citrus canker without proper control of the Florida infestation;

Whereas citrus canker infestation is not known to be indigenous to Florida;

Whereas various States, including Florida, rely on strong, effective Federal border protection programs to minimize the risk and spread of such infestation;

Whereas the interstate agricultural and commercial interests of Florida and the United States could be harmed by relying solely on State administered eradication and control programs;

Whereas a lack of Federal participation in detection and eradication programs could result in Federal quarantines that would have adverse affects on interstate and international commerce;

Whereas the Florida citrus industry requires continued Federal participation in the citrus canker detection and eradication effort;

Whereas the Appropriations Committees of the House of Representatives and the Senate have expressed a desire to provide assistance for a citrus canker detection and eradication program in the general supplemental appropriations bill to be considered in April, 1986: Now, therefore, be it

Resolved, That it is the sense of the Senate that the Secretary of Agriculture should continue to fully participate in the cooperative Federal-State program to detect, control, and eradicate citrus canker infestation in the State of Florida.

● Mr. CHILES. The sense of the Senate resolution I am submitting today would urge the U.S. Department of Agriculture's continued full participation in the important Citrus Canker Eradication Program.

Mr. President, Florida has suffered from citrus canker infestation since 1984. Canker is a very serious bacterial disease that afflicts citrus and can cause widespread damage to entire citrus growing areas. Florida had a run-in with canker some 50 years ago, and it would be an understatement to say that it was not a very pleasant experience.

One of the most troubling aspects of this disease is its potential ability to spead and affect other citrus growing regions in the country including Texas and California. Without a strong Federal/State relationship and commitment to contain this disease, we face the increased possiblity that other growing regions would suffer the same fate as Florida.

Continued Federal participation in the Canker Program is important for another reason, too. This has to do with interstate and international commerce. Since our country's vast agriculture base is potentially threatened by a variety of plant and pest diseases, the Federal Government has traditionally viewed its responsibilities to include the protection of plant and animal health.

This has meant joint Federal/State efforts to control, contain or eradicate such diseases or pests as Avian influenza and grasshoppers. I believe that a reduction in this Federal role could threaten the ability of agricultural producers to market their products on an interstate and/or international basis.

If the States were solely responsible for control and eradication programs, we could face U.S. Department of Agriculture quarantines that could disrupt commerce. To make sure that all knowledge is properly communicated, all expertise is brought to bear and that proper coordination is achieved, it is essential that USDA continue to participate in control and eradication programs for plant and animal diseases.

Also, without such assistance, it becomes much easier for foreign governments to exclude U.S. agricultural products from their markets. This can readily be seen in the case of United States citrus going to Japan. Without strong USDA intervention and assistance with citrus canker, it would have been much easier for the Japanese to bar citrus imports on the grounds that uncertainty existed regarding U.S. efforts to control and eradicate the disease in Florida. And, at a time when we are running huge foreign trade imbalances the last thing we need is to gamble with our remaining exports.

Mr. President, this sense of the Senate resolution would urge the Secretary of Agriculture to maintain USDA's full participation in the Federal/State citrus eradication effort. I fully expect the Congress will address this matter in the supplemental appropriations bill that is currently under consideration. But, given the fact that this bill will not be completed this week, and that USDA has announced its intention to pull out of the program by the end of March, I believe we need to send a strong message to the Department to maintain its role in this important program.

Also, I want to point out that funds will remain from the $11.2 million that was recently transferred within USDA for canker indemnification. This excess should provide for another month or two of program continuation or until the supplemental appropriations bill is approved. I plan to pursue the issue of continued Federal participation in this program vigorously, especially since it is highly unlikely that the Federal Government will incur large indemnification costs as has been the case in the past. I think it is reasonable to assume that future program costs will only be in the neighborhood of about $400,000 to $600,000 per month and could possibly be trimmed well below that as we learn more about canker and the most effective ways to detect and control it.

I urge my colleagues to support this resolution.●

SENATE RESOLUTION 377—RELATING TO DEPARTMENT OF AGRICULTURE PARTICIPATION IN THE CITRUS CANKER ERADICATION PROGRAM

Mrs. HAWKINS submitted the following resolution; which was referred to the Committee on Agriculture, Nutrition, and Forestry:

S. RES. 377

Whereas the State of Florida is suffering from an infestation of citrus canker;

Whereas citrus canker is a devastating disease that rapidly and aggressively infects citrus and may cause catastrophic damage to entire citrus growing areas;

Whereas other citrus growing regions in the United States could be affected by citrus canker without proper control of the Florida infestation;

Whereas citrus canker infestation is not known to be indigenous to Florida;

Whereas various States, including Florida, rely on strong, effective Federal border protection programs to minimize the risk and spread of such infestation;

Whereas the Florida citrus industry has requested continued Federal and State participation in the citrus canker detection and eradication effort; and

Whereas the Federal Government and the State of Florida are operating under severe budgetary constraints: Now, therefore, be it

Resolved, That it is the sense of the Senate that—

(1) the State of Florida should participate in the cooperative Federal-State program to detect, control, and eradicate citrus canker infestation in the State of Florida, in accordance with the agreement entered into between the Secretary and the State to carry out the program; and

(2) if the State of Florida participates in the program in accordance with the agreement, the Secretary of Agriculture should continue to participate in the program.

CITRUS CANKER ERADICATION PROGRAM

Mrs. HAWKINS. Mr. President, today, I offer a sense-of-the-Senate resolution encouraging the State of Florida and the Federal Government to continue participating in the Citrus Canker Eradication Program.

This program is vital to my State's important citrus industry.

I am offering this resolution on the eve of the Florida Legislature's 1986 session. My purpose is to lend support to industry efforts to secure funding from both the State and Federal Government. We need this continued assistance if we are to successfully detect, control, and eradicate this infestation of citrus canker.

Mr. President, this resolution is a small part in a complex negotiation that, if successfully completed, will allow the Federal-State program to continue.

Fortunately, we have had a recent breakthrough in the struggle to continue the canker program.

The USDA was finally able to release Federal funds that were owed to Florida citrus nurserymen who had property destroyed as part of the program.

Now, we are grappling with what future course the State and Federal Government will take in addressing this problem.

I believe that the next step is for the Florida Legislature to act and support the Florida citrus industry plan to continue eradication efforts.

If the legislature is willing to commit the State to this course, then I believe the Federal Government should continue to participate in the 50-50 agreement reached October 17, 1984.

Canker is a problem for our entire State. It must be addressed in a cooperative manner.

Mr. President, let me read from a letter recently written by Ben Hill Griffin III, chairman of the Florida Citrus Commission:

Editor: Some members of the Legislature have already indicated they expect the citrus industry to provide a major part or all of the funds that will be needed to combat the citrus plant disease, citrus canker, during the coming fiscal year.

The assumption that canker is an industry problem and the industry should pay the costs also ignores the fact that the industry is already paying far more than the $1.85-million direct payment as a one-third share of the state's total bill for canker this fiscal year.

The industry is not now nor has it ever asked for a "free ride."

The citrus industry is already paying extraordinary costs because of the plant disease and is willing to pay even more to lessen the burden on state government.

Mr. President, I ask unanimous consent that the letter be printed in its entirety in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

CANKER A PROBLEM FOR ENTIRE STATE, NOT JUST CITRUS INDUSTRY, SAYS OFFICIAL

Editor: Some members of the Legislature have already indicated they expect the citrus industry to provide a major part or *all* of the funds that will be needed to combat the citrus plant disease, citrus canker, during the coming fiscal year.

The industry feels such a position is unfair and represents a departure from precedent established for the current fiscal year when the industry is providing one-third and the state two-thirds of necessary funds.

While the one-third industry and two-thirds state financing arrangements was an industry and legislative compromise endorsed by all major citrus industry organizations, many people within the industry were strongly opposed as they felt it represented an abandonment by state government of statutory responsibilities to protect agriculture by containing and eradicating pests and plant diseases that have accidentally become established in Florida.

It is easy to understand the assumption that "canker is a citrus industry problem" and therefore the industry should pay. However, the plant diseases, like the problem of four devastating freezes in the five-year period from 1979-80 to 1984-85, represents a problem for the *entire* state.

Any economic gain or loss by the citrus industry is immediately felt, not only in the 23 citrus producing counties, but statewide. And that statewide impact is substantial when it is considered that in 1984, following serious freezes in 1981, 1982 and 1983, Florida citrus generated $7.8-billion within the state's economy.

The assumption that canker is an industry problem and the industry should pay the costs also ignores the fact that the industry is *already* paying for more than the $1.85-million direct payment as a one-third share of the state's total bill for canker this year.

The industry will also pay into the state's general revenue fund $1.3-million this fiscal year in service charges imposed on the Citrus Advertising Trust Fund.

And this fiscal year the industry will spend $16-million of the equivalent of 9 cents per box of citrus to meet canker control requirements imposed by the state and federal governments.

The assumption that the industry should pay all canker costs also fails to take into account the fact that the industry is a major source of revenue for the state which annually collects some $31-million from the industry in corporate income taxes.

The industry is not now nor has it ever asked for a "free ride."

The citrus industry is already paying extraordinary costs because of the plant disease and is willing to pay even more to lessen the burden on state government.

BEN HILL GRIFFIN III,
Chairman, Florida Citrus Commission.
LAKELAND.

Mrs. HAWKINS. Mr. President, I look forward to the Senate's approval of my resolution. It will send a needed signal to the State legislature that the Federal Government is prepared to continue—if the State is as well.

Therefore, I understand the assistant majority leader will send it to the desk and ask for its immediate consideration.

Mr. BYRD. Mr. President, obviously, at this late hour, I am in no position to accept this resolution. It would need to go before the eyes of several Members on both sides of the aisle and the appropriate committee. I am sorry I have to object.

Mr. SIMPSON. Mr. President, I ask unanimous consent that the resolution be appropriately referred.

The PRESIDIGN OFFICER. The resolution is received and appropriately referred.

Mr. SIMPSON. Mr. President, I thank the Senator from Florida [Mrs. HAWKINS] for her patience. It is very appreciated.

AMENDMENTS SUBMITTED

AID TO NICARAGUAN DEMOCRATIC RESISTANCE

KENNEDY (AND OTHERS) AMENDMENT NO. 1716

Mr. KENNEDY (for himself, Mr. BINGAMAN, Mr. INOUYE, Mr. LEAHY, Mr. HARKIN, and Mr. PELL) proposed an amendment to the joint resolution (S.J. Res. 283) relating to Central America pursuant to the International Security and Development Cooperation Act of 1985; as follows:

Strike out all after the resolving clause and insert in lieu thereof the following: "Notwithstanding any other provision of law, no funds may be obligated or expended for the purpose or which would have the effect of supporting directly or indirectly military or paramilitary operations in Nicaragua by any nation, group, organization, movement, or individual."

HELMS AMENDMENT NO. 1717

Mr. HELMS proposed an amendment to the joint resolution (S.J. Res. 283), supra; as follows:

Strike all after the resolving clause and insert the following:

That the Congress hereby approves the additional authority and assistance for the Nicaraguan democratic resistance that the President requested pursuant to the International Security and Development Cooperation Act of 1985, notwithstanding section 10 of Public Law 91-672.

Notwithstanding any other provisions of this section, assistance may be provided under this joint resolution at any time after May 15, 1986, if the President determines and reports to Congress that the Government of Nicaragua—

(1) has not terminated all overt and covert aggression against other countries;

(2) has not terminated all importation of military supplies and foreign military and security personnel;

(3) has not expelled all Soviet and Cuban personnel in Nicaragua;

(4) is delaying the implementation of the acts described in paragraphs (1), (2), and (3)

in order to pursue decisive military victory against the contras;

(5) has not explicitly acknowledged that it has an obligation to the Organization of American States (OAS) to implement democracy, according to the OAS resolutions of June 23, 1979, and July 12, 1979, and that the Government of Nicaragua undertook a similar obligation in agreeing to the September 1983 Contadora Document of Objectives; or

(6) has not given permission for all political parties to begin organizing political activities in preparation for elections to be held at a future date.

SASSER (AND OTHERS) AMENDMENT NO. 1718

Mr. SASSER (for himself, Mr. GORE, and Mr. EXON) proposed an amendment to the joint resolution (S.J. Res. 283), supra; as follows:

Strike out all after the resolving clause and insert in lieu thereof the following:

That (a) it is the goal of United States policy—

(1) to reduce the Soviet-Cuban presence in Nicaragua, to prevent the establishment of bases by Communist-bloc countries in Nicaragua, and to reduce the level of military assistance provided to Nicaragua, with specific restraints on the type of military equipment provided;

(2) to end the export of revolution by Nicaragua to its neighbors through the export of munitions, material, and personnel;

(3) to open up the political system of Nicaragua to a legitimate opposition, to bring about an end to the state of emergency established in Nicaragua, and to encourage the reinstatement of political and civil liberties in that country; and

(4) to support the Contadora process in order to achieve demonstrable progress toward a peaceful, regional settlement providing for peace, stability, and security for the democratic nations of Central America.

(b) In order to assure every opportunity for a peaceful resoluton of the conflict in Central America, and in order to promote the goal of its policy described in subsection (a), the United States will begin serious bilateral negotiations with the Government of Nicaragua without requiring as a precondition negotiations between the Government of Nicaragua and the forces opposed to the Government of Nicaragua; provided that, before the United States begins such negotiations, a cease fire to be monitored by the Contadora countries and the Contadora support group countries is established.

(c) It is the sense of the Congress that the United States delegation to the negotiations described in subsection (b) should cooperate to the maximum extent with the Senate Central American Negotiations Observer Group to be created by this resolution.

(d) For purposes of this section—

(1) the term "Contadora countries" refers to Colombia, Mexico, Panama, and Venezuela; and

(2) the term "Contadora support group countries" refers to Argentina, Brazil, Peru, and Uruguay.

SEC. 2. (a) Notwithstanding section 10 of Public Law 91-672, section 8109 of the Department of Defense Appropriations Act, 1986, section 502 of the National Security Act of 1947, or any other provision of law, there are transferred to the President for use in carrying out the provisions of section 3 $30,000,000 of unobligated funds from such accounts for which appropriations were made by the Department of Defense Appropriations Act, 1986 (as contained in Public Law 99-190), as the President shall designate.

(b) Funds transferred under subsection (a) shall remain available for the same periods of time, but not to exceed September 30, 1987, as such funds would have been available under the Department of Defense Appropriations Act, 1986 (as contained in Public Law 99-190), but for the enactment of this section.

SEC. 3. (a) The amounts transferred under section 2(a) shall be available only for the provision of humanitarian assistance to the forces opposed to the Government of Nicaragua by the Nicaraguan Humanitarian Assistance Office (established by Executive Order 12530).

(b) Of the amounts made available only for purposes of subsection (a), $3,000,000 shall be available only for strengthening programs and activities of the United Nicaraguan Opposition for the observance and advancement of human rights.

(c) For purposes of subsection (a), the term "hunmanitarian assistance" has the same meaning as is given to such term by section 722(a)(5) of the International Security and Development Cooperation Act of 1985.

(d) It is the sense of Congress that no funds should be provided to any element of the forces opposed to the Government of Nicaragua which is not genuinely democratic, which does not respect human rights, or which engages in criminal activities.

SEC. 4. (a) Except as provided in this joint resolution, no funds may be obligated or expended for the forces opposed to the Government of Nicaragua on or after the date of enactment of this joint resolution.

(b) Nothing in this joint resolution may be construed as authorizing the use of the Central Intelligence Agency or any other department, agency, or other component of the United States Government involved in intelligence-related activities for the provision of any assistance to the forces opposed to the Government of Nicaragua; and it is hereby prohibited for any member of the United States Armed Forces to provide, directly, indirectly, or under the auspices of any department, agency, component, or other entity of the United States Government, any type of military assistance or advice to any organization or group opposed to the Government of Nicaragua.

SEC. 5. (a)(1) For purposes of this section, the term "joint resolution" means only a joint resolution which is introduced within 3 legislative days in either House of Congress, but in the Senate only by the Majority or Minority Leader of the Senate, after the President transmits to the Congress a report requesting additional assistance for the forces opposed to the Government of Nicaragua and which states in substance that it approves such assistance.

(a)(2) For the purposes of this subsection, the term "legislative day" means a day on which the respective House of Congress is in session.

(b) A joint resolution described in subsection (a) shall be considered in the House of Representatives in accordance with the provisions of paragraphs (3) through (5) of section 722(s) of the International Security and Development Cooperation Act of 1985, except that amendments to such joint resolution are in order.

(c) A joint resolution described in subsection (a) shall be considered in the Senate in accordance with the provisions of paragraphs (3) through (7) of section 8066(c) of the Department of Defense Appropriations Act, 1985 (as contained in Public Law 98-473), except that—

(1) references in such paragraphs to the Committee on Appropriations of the Senate shall be deemed to be references to the appropriate committee or committees of the Senate; and

(2) amendments to such joint resolution are in order.

(d) This section shall take effect six months after the date of enactment of this joint resolution, unless the President certifies to the Congress before that date that additional assistance is necessary for the forces opposed to the Government of Nicaragua; provided further that this section shall then take effect upon by Congress of the aforementioned Presidential certification and of an independent report by the Senate Central American Observer Group created by this resolution addressing the issues raised in the Presidential certification.

SEC. 6. (a) Not later than 30 days after the date of enactment of this joint resolution, and every 30 days thereafter, the President shall prepare and transmit to the Comptroller General of the United States a report accounting in full for the uses of all funds made available under this joint resolution which were obligated or expended during the preceding 30 days, including a description of all goods and services purchased, whether within or outside the United States, with such funds. Such report shall include a classified addendum where necessary.

(b) Not later than 15 days after receipt of a report required to be transmitted by subsection (a), the Comptroller General of the United States shall transmit to the appropriate committees of the Congress such report, together with a report which is prepared by the General Accounting Office and which analyzes the data supplied in the report of the President. For purposes of this subsection, the Comptroller General of the United States shall have access to and the right to examine any pertinent books, documents, papers, and records of any agency of the United States or any contractor or subcontractor thereto.

SEC. 7. (a) There is established the Senate Central American Negotiations Observer Group (hereafter in this section referred to as the "Observer Group"), which shall be composed of 10 Members of the Senate, as follows:

(1) the Majority Leader and the Minority Leader of the Senate, who shall be ex officio members; and

(2) four Members appointed by the Majority Leader of the Senate and four Members appointed by the Minority Leader of the Senate.

(b) The purpose of the Observer Group is to observe the conduct and substance of any direct bilateral negotiations between the Government of the United States and the Government of Nicaragua or of any negotiations between the two governments which occur in connection with the Contadora process.

(c) In connection with its duties, the Observer Group shall make such reports as it deems necessary to the Majority Leader and Minority Leader of the Senate, except that, not later than 6 months after the date of enactment of this joint resolution, the Observer Group shall prepare and transmit to the Majority Leader and the Minority

Leader of the Senate a report setting forth the status of any negotiators described in subsection (b), the issues involved in such negotiations, and the role of United States assistance in promoting peace, stability, and security in Central America.

(d) The necessary travel expenses of the Observer Group shall be paid from the contingent fund of the Senate, out of the account of Miscellaneous Items, upon vouchers approved by the Majority Leader and the Minority Leader of the Senate.

(e) The Observer Group shall terminate 30 days after transmittal of the report required to be transmitted by subsection (c).

AGRICULTURAL AND ENERGY BANK INCENTIVE ACT

GRASSLEY AMENDMENT NO. 1719

(Ordered to lie on the table.)

Mr. GRASSLEY submitted an amendment intended to be proposed by him to the bill (S. 2231) to amend the Federal Deposit Insurance Act; as follows:

On page 10, after the period on line 13, add the following new material:

SEC. . (a) Title 11 of the United States Code is amended by inserting between chapters 11 and 13 the following new chapter:

"CHAPTER 12—FAMILY FARMER REORGANIZATION

"Sec.
"1201. Definitions
"1202. Application of certain sections of this title.
"1203. Trustee.
"1204. Rights and powers of debtor.
"1205. Authorization to operate farming and other businesses.
"1206. Creditor's committee.
"1207. Powers and duties of a committee.
"1208. Right to be heard.
"1209. Removal of debtor as debtor in possession.
"1210. Conversion or dismissal.
"1211. Who may file a plan.
"1212. Contents of plan proposed by debtor.
"1213. Plan by party other than debtor, impairment of claims; postpetition disclosure and solicitation; acceptance.
"1214. Modification of plan.
"1215. Confirmation hearing.
"1216. Confirmation of a plan proposed by the debtor.
"1217. Confirmation of a plan by a party other than the debtor.
"1218. Limitations on confirmation.
"1219. Effect of confirmation.
"1220. Implementation of plan; distribution; exemption from securities laws.
"1221. Aircraft equipment and vessels.
"1222. Adequate protection.
"1223. Sales free of interests.
"1224. Claims and interests.
"1225. Emergency care of stock.

"§ 1201. Definitions

"For purposes of this chapter—

"(1) 'family farmer' means a person whose aggregate debts do not exceed $1,500,000 if not less than 80 percent of the aggregate noncontingent, liquidated amount of those debts, at the time the case commences, arise out of a farming operation owned or operated by such person and, if such person is a corporation—

"(A) more than half of the aggregate value of the outstanding equity securities of such corporation are held by one family or by one family and the relatives of the members of such family; and

"(B) if such corporation issues stock, such stock is not publicly traded;

except that such aggregate amount does not include a debt incurred for the acquisition or improvement of a principal residence of such person unless such debt arises out of a farming operation;

"(2) 'debtor' means family farmer, and

"(3) 'debtor in possession' means debtor except to the extent that the court orders otherwise.

"§ 1202. Application of certain sections of this title

"Provisions of sections of other chapters of this title shall apply to this chapter as provided by such section.

"§ 1203. Trustee

"(a) If the court has appointed an individual under section 1302(d) to serve as standing trustee in cases under chapter 13, and if such individual qualifies as a trustee under section 322 of this title, or if a trustee has been appointed pursuant to chapter 15, then such individual shall serve as trustee in any case filed under this chapter. Otherwise, the court shall appoint a person to serve as trustee in any case.

"(b) The trustee shall—

"(1) perform the duties specified in sections 704(2), 704(3), 704(5), 704(6), 704(7), 704(9), 1106(a)(3), and 1106(a)(4) of this title;

"(2) appear and be heard at any hearing that concerns—

"(A) the value of property subject to a lien;

"(B) confirmation of a plan;

"(C) modification of the plan after confirmation; or

"(D) the sale of property of the estate;

"(3) distribute any rental payments received pursuant to section 1222(b)(3) as determined by the court;

"(4) advise, other than on legal matters, and assist the debtor in performance under the plan;

"(5) ensure that the debtor commences making timely payments required by a confirmed plan; and

"(6) if the debtor ceases to be a debtor in possession, perform the duties specified in section 704(8) and section 1106(a).

"(c) If the number of cases under this chapter commenced in a particular judicial district so warrants, the court may appoint one or more individuals to serve as standing trustee for such district in cases under chapter 13 or, in appropriate cases, appoint a trustee under chapter 15.

"(d) The compensation for individuals appointed under subsection (a) shall be authorized and limited by section 1302(e) and the percentage fee provided in section 1302(e)(1)(B) for cases under this chapter shall not exceed three percent of payments made under the plan of such debtor, with respect to payments made after the aggregate amount of payments made under the plan exceeds $450,000.

"§ 1204. Rights and powers of debtor

"(a) Subject to any limitations on a trustee serving in a case under this chapter, or a case under chapter 11, and to such limitations or conditions as the court prescribes, a debtor in possession shall have all the rights, other than the right to compensation under section 330, and powers, and shall perform all the functions and duties, except the duties specified in paragraphs (3) and (4) of section 1106(a), of a trustee serving in a case under chapter 11.

"(b) A debtor in possession shall perform the duties of the trustee specified in section 704(8).

"(c) Notwithstanding section 327(a), a person is not disqualified for employment under section 327 by a debtor in possession solely because of such person's employment by or representation of the debtor before the commencement of the case.

"§ 1205. Authorization to operate farming and other businesses

"(a) Unless the court, on request of a party in interest and after notice and a hearing orders otherwise, the debtor in possession may operate the debtor's farming and other businesses.

"(b) If the debtor ceases to be a debtor in possession, the trustee may operate the debtor's farming and other businesses unless the court, on request of a party in interest and after notice and a hearing, orders otherwise.

"§ 1206. Creditor's Committee

"(a) On request of three creditors holding unsecured claims, the court may order the appointment of a committee of unsecured creditors, except that if a United States trustee had been appointed pursuant to chapter 15, such United States trustee shall appoint the committee of such creditors.

"(b)(1) A committee of creditors appointed under subsection (a) shall ordinarily consist of the persons willing to serve that hold the five largest unsecured claims against the debtor.

"(2) On request of a party in interest and after a hearing, the court may change the membership or size of a committee appointed under subsection (a) if the membership of the committee is not representative of the different kinds of claims or interests represented.

"§ 1207. Powers and duties of a committee

"(a) At the scheduled meeting of a committee appointed under section 1206 at which a majority of the members of such committee are present, with the court's approval, the committee may select and authorize the employment, by the committee, of an attorney. If the debtor's financial records have not been adequately maintained, or the debtor's financial affairs are deemed by the court to be unduly complex, the committee may select and authorize the employment, by the committee, of an accountant.

"(b) An attorney or an accountant employed pursuant to subsection (a) may not, while employed by the committee, represent any other entity in connection with the case.

"(c) A committee appointed under section 1206 may—

"(1) consult with the debtor in possession of the case;

"(2) investigate the acts, conduct, assets, liabilities, and financial condition of the debtor, the operation of his farming and other businesses, the means required to maintain the farming or other business, and any other matter relevant to the case or to the formulation of a plan;

"(3) participate in the formulation of a plan, advise those represented by the committee of the committee's determinations as to any plan formulated, and collect and file with the court acceptances of a plan;

"(4) request the dismissel of the case if there is no possibility of a feasible plan being accepted or if the debtor fails to comply with final orders of the court;

"(5) request that the debtor not be a debtor in possession; and

"(6) perform such other services as are in the interest of those represented.

"(d) As soon as practicable, after the appointment of a committee under section 1206, the debtor and the trustee shall meet with the committee to transact such business as is necessary and proper.

"§ 1208. Right to be heard

"(a) A party in interest, including the debtor, the trustee, a creditor's committee, a creditor, or any indenture trustee, may raise and may appear and be heard on any issue in a case under this chapter.

"(b) The Department of Agriculture, the Attorney General, or the director or similar chief officer of the agricultural department or agency of any State in which property of the debtor is located, may raise, and appear and be heard on, any issue in a case under this chapter, but may not appeal from any judgment, order, or decree entered in the case.

"§ 1209. Removal of debtor as debtor in possession

"(a) On request of a party in interest, and after notice and a hearing, the court shall order that the debtor shall not be a debtor in possession—

"(1) for cause, including fraud, dishonesty, incompetence, or gross mismanagement of the affairs of the debtor, either before or after the commencement of the case, or similiar cause; or

"(2) if it is not in the best interest of creditors for the debtor to be a debtor in possession.

"(b) On request of a party in interest, and after notice and a hearing, the court may reinstate the debtor in possession.

"§ 1210. Conversion or dismissal

"(a) The debtor may convert a case under this chapter to a case under chapter 7 at any time. Any waiver of, or attempt to waive, such right to convert a case under this subsection is unenforceable.

"(b) If a person, in good faith, files a petition for relief under this chapter, but is not a family farmer, such person may convert the case to a case under chapter 7, 11, or 13 if such person may be a debtor under the chapter to which the case is being converted.

"(c) If a person files a petition for relief under this chapter, but is not a family farmer, on request of a party in interest, and after notice and a hearing, the court may convert the case to a case under chapter 7 unless such person is a farmer or a corporation which is not a moneyed business or commercial corporation, or may dismiss the case, whichever is in the best interest of creditors.

"(d) The court may not convert a case under this chapter to a case under chapter 7 of this title if the debtor is a family farmer.

"(e) On request of a party in interest, and after notice and a hearing, the court may dismiss a case under this chapter, for cause, including—

"(1) continuing loss to or diminution of the estate and absence of a reasonable likelihood of rehabilitation;

"(2) inability to effectuate a plan;

"(3) unreasonable delay by the debtor that is prejudicial to creditors;

"(4) failure to propose a plan within any time fixed by the court;

"(5) denial of confirmation of every proposed plan and denial of a request made for additional time for filing another plan or a modification of a plan;

"(6) revocation of an order of confirmation under section 1144 of this title, and denial of confirmation of another plan or a modified plan under section 1216 or 1217 of this title;

"(7) inability to effectuate substantial consummation of a confirmed plan;

"(8) material default by the debtor with respect to a confirmed plan;

"(9) termination of a plan by reason of the occurrence of a condition specified in the plan other than completion of payments under the plan; or

"(10) nonpayment of any fee and charges required under chapter 123 of title 28.

"§ 1211. Who may file a plan

"(a) The debtor may file a plan with a petition commencing a case, or at any time thereafter.

"(b) Except as otherwise provided in this section, only the debtor may file a plan until after 240 days after the date of the order for relief under this chapter.

"(c) Any party in interest, including the debtor, the trustee, a creditor's committee, a creditor, or any indenture trustee, may file a plan only if—

"(1) the debtor is not a debtor in possession;

"(2) the debtor has not filed a plan before 240 days after the date of the order for relief under this chapter; or

"(3) the debtor had not filed a plan that has been confirmed before 300 days after the date of the order for relief under this chapter.

"(d) On request of a party in interest made within the respective periods specified in subsections (b) and (c), and after notice and a hearing, the court may, for cause, reduce or increase the 240-day period or the 300-day period referred to in this section.

"§ 1212. Contents of plan proposed by debtor

"(a) Notwithstanding any otherwise applicable provision of nonbankruptcy law, a plan proposed by a debtor shall—

"(1) designate, as provided in section 1122, classes of claims, other than claims of a kind specified in section 507(a)(1) or 507(a)(7) and classes of interests;

"(2) provide the same treatment for each claim or interest of a particular class, unless the holder of a particular claim or interest agrees to a less favorable treatment of such particular claim or interest;

"(3) provide adequate means for implementation of the plan such as—

"(A) retention by the debtor of all or any part of the property of the estate;

"(B) transfer of all or any part of the property of the estate to one or more entities, whether organized before or after the confirmation of such plan;

"(C) merger or consolidation of the debtor with one or more persons;

"(D) sale of all or any part of the property of the estate, either subject to or free of any lien, or the distribution of all or any part of the property of the estate among those having an interest in such property;

"(E) satisfaction or modification of any lien;

"(F) cancellation or modification of any indenture or similar instruments;

"(G) curing or waiving of any default;

"(H) extension of a maturity date or a change in interest rate or other term of outstanding securities;

"(I) amendment of the debtor's charter, or

"(J) issuance of securities of the debtor, or of any entity referred to in subparagraph (B) or (C) of this paragraph, for cash, for property, for existing securities, or in exchange for claims or interests, or for any other appropriate purpose; and

"(4) contain only provisions that are consistent with the interests of creditors and equity security holders and with public policy with respect to the manner of selection of any officer, director, or trustee under the plan and any successor to such officer, director, or trustee.

"(b) Subject to subsection (a) of this section, a plan proposed by a debtor may—

"(1) designate a class or classes of unsecured claims, as provided in section 1122 but may not discriminate unfairly against any class so designated, however, such plan may treat claims for a consumer debt of the debtor if an individual is liable on such consumer debt with the debtor differently than other unsecured claims;

"(2) modify the rights of holders of secured claims, or of holders of unsecurred claims, or leave unaffected the rights of holders of any class of claims;

"(3) provide for the curing or waiving of any default;

"(4) provide for payments on any unsecured claim to be made concurrently with payments on any secured claim or any other unsecured claim;

"(5) provide for the curing of any default within a reasonable time and maintenance of payments;

"(6) subject to section 365, provide for the assumption, rejection, or assignment of any executory contract or unexpired lease of the debtor not previously rejected under such section;

"(7) provide for the payment of all or part of a claim against the debtor from property of the estate or property of the debtor;

"(8) provide for the sale of all or substantially all of the property of the estate, and the distribution of the proceeds of such sale among holders of claims or interests;

"(9) provide for the vesting of property of the estate, on confirmation of the plan or at a later time, in the debtor or in any other entity; and

"(10) include any other appropriate provision not inconsistent with this title.

"§ 1213. Plan by a party other than the debtor; impairment of claims; postpetition disclosure and solicitation; acceptance

"(a) Sections 1123 and 1125 apply, as the court for cause may require, to plans proposed by a party in interest, including the debtor.

"(b) Section 1126 applies to plans proposed by a party in interest other than the debtor, except that for purposes of this chapter, the phrase 'that have accepted or rejected such plan' in subsection (c) and subsection (d) of such section shall not apply to this chapter.

"§ 1214. Modification of plan

"(a) The proponent of a plan may modify such plan at any time before confirmation, but may not modify such plan so that such plan as modified fails to meet the requirements of—

"(1) section 1212 if the proponent is the debtor; or

"(2) sections 1122 and 1123 if the proponent is a party in interest other than the debtor.

After the proponent of a plan files a modification of such plan with the court, the plan as modified becomes the plan.

"(b) At any time after confirmation but before the completion of payments under a plan proposed by the debtor, the plan may be modified by the debtor to—

"(1) increase or reduce the amount of payments on claims of a particular class provided for by the plan;

"(2) extend or reduce the time for such payments; or

"(3) alter the amount of the distribution to a creditor whose claim is provided for by the plan to the extent necessary to take account of any payment of such claim other than under the plan.

Modifications under this subsection are subject to the requirements of section 1216 and the plan as modified becomes the plan unless, after notice and a hearing, such modification is disapproved.

"(c) The proponent of a plan, other than the debtor, may modify such plan at any time after confirmation of such plan and before substantial consummation, as defined in section 1101(2), of such plan, but may not modify such plan so that, as modified, such plan fails to meet the requirements of sections 1122 and 1123. Such plan as modified under this subsection becomes the plan only if circumstances warrant such modification and the court, after notice and a hearing, confirms such modified plan, in accordance with the requirements of section 1129(a). Any holder of a claim or interest that has accepted or rejected a plan is deemed to have accepted or rejected, as the case may be, a plan as modified, unless, within the time fixed by the court, such holder changes such holder's previous acceptance or rejection.

"(d) The proponent of a modification under subsection (c) shall comply with section 1125 with respect to the plan as modified, for any material modification.

"§ 1215. Confirmation hearing

"After notice, the court shall hold a hearing on confirmation of the plan. A party in interest may object to the confirmation of the plan.

"§ 1216. Confirmation of a plan proposed by the debtor

"(a) The court shall confirm a plan proposed by the debtor if—

"(1) the plan complies with the provisions of this chapter and with the other applicable provisions of this title;

"(2) any fee, charge, or amount required under chapter 123 of title 28, or by the plan, to be paid before confirmation, has been paid;

"(3) the plan has been proposed in good faith and not by any means forbidden by law;

"(4) any payment made or to be made by the debtor, or by a person issuing securities or acquiring property under the plan, for services or for costs and expenses in or in connection, with the case, or in connection with the plan and incident to the case, has been approved by, or is subject to the approval of, the court as reasonable;

"(5)(A)(i) the debtor has disclosed the identity and affiliations of any individual proposed to serve, after confirmation of the plan, as a director, officer, or voting trustee of the debtor, an affiliate of the debtor participating in a joint plan with the debtor, or a successor to the debtor under the plan; and

"(ii) the appointment to, or continuance in, such office of such individual, is consistent with the interests of creditors and equity security holders and with public policy; and

"(B) the debtor has disclosed the identity of any insider who will be employed or retained by the reorganized debtor, and the nature of any compensation for such insider,

"(6) except to the extent that the holder of a particular claim has agreed to a different treatment of such claim, the plan provides—

"(A) for the full payment, in deferred cash payments, of all claims entitled to priority under section 507, except section 507(a)(7); and

"(B) with respect to a claim of a kind specified in section 507(a)(7), the holder of such claim will receive, on account of such claim, deferred cash payments, over a period not exceeding six years after the date of assessment of such claim, of a value, as of the effective date of the plan, equal to the allowed amount of such claim;

"(7) the value, as of the effective date of the plan, of property to be distributed under the plan, on account of each allowed unsecured claim, is not less than the amount that would be paid on such claim if the estate of the debtor were liquidated under chapter 7 of this title on such date;

"(8) with respect to each allowed secured claim provided for by the plan—

"(A) the holder of such claim has accepted the plan;

"(B)(i) the plan provides that the holder of such claim retain the lien securing such claim; and

"(ii) the value, as of the effective date of the plan, of property to be distributed under the plan on account of such claim, is not less than the allowed amount of such claim; or

"(C) the debtor surrenders the property securing such claim to such holder;

"(9) with respect to the holder of an interest provided for by the plan, the value, as of the effective date of the plan, of property to be distributed under the plan on account of such interest is not less than the lesser of—

"(A) the amount that would be paid on account of such interest if the estate of the debtor were liquidated under chapter 7 on such date; or

"(B) any fixed price at which the debtor, under the terms of any security representing such interest, may redeem such security from such holder;

"(10) the debtor will be able to make all payments under the plan, comply with the plan, and the plan complies with the provisions of section 1325(b) without reference to time period; and

"(11) confirmation of the plan is not likely to be followed by the liquidation, or the need for further financial reorganization, of the debtor or any successor to the debtor under the plan, unless such liquidation or reorganization is proposed in the plan.

"(b) After confirmation of a plan, the court may order any entity from whom the debtor receives income to pay all or any part of such income to the trustee.

"(c) Except as otherwise provided in the plan or in the order confirming the plan, the trustee shall make payments to creditors under the plan.

"§ 1217. Confirmation of a plan by a party other than the debtor

"The court shall confirm a plan proposed by a party in interest other than the debtor if the plan and the proponent meet the requirements of section 1129(a).

"§ 1218. Limitations on confirmation

"(a) The court may conform only one plan, unless the order of confirmation in the case has been revoked under section 1144. If the requirements of sections 1216 and 1217 are met with respect to more than one plan, the court shall consider the preferences of the debtor, creditors, and equity security holders in determining which plan to confirm.

"(b) Notwithstanding any other provision of this chapter, on request of a party in interest that is a governmental unit, the court may not confirm a plan if the principal purpose of the plan is the avoidance of taxes or the avoidance of the application of section 5 of the Securities Act of 1933 (15 U.S.C. 77e). In any hearing under the subsection, the governmental unit has the burden of proof on the issue of avoidance.

"§ 1219. Effect of confirmation

"(a) Except as provided in subsections (d)(2) and (d)(3), the provisions of a confirmed plan bind the debtor, any entity issuing securities under the plan, any entity acquiring property under the plan, and any creditor, equity security holder or general partner in the debtor, whether or not the claim or interest of such creditor, equity security holder, or general partner is impaired or provided for under the plan and whether or not such creditor, equity security holder, or general partner has objected to, has accepted, or has rejected the plan.

"(b) Except as otherwise provided in the plan or the order confirming the plan, the confirmation of a plan vests all of the property of the estate in the debtor.

"(c) Except as provided in paragraphs (2) and (3) of subsection (d), and except as otherwise provided in the plan or in the order confirming the plan, after confirmation of a plan, the property dealt with by the plan is free and clear of all claims and interests of creditors, equity security holders, and of general partners in the debtor.

"(d)(1) Except as otherwise provided in this subsection, in the plan, or in the order confirming the plan, the confirmation of a plan—

"(A) discharges the debtor from any debt that arose before the date of such confirmation, and any debt of a kind specified in section 502(g), 502(h), or 502(j) whether or not—

"(i) a proof of claim based on such debt is filed or deemed filed under section 501;

"(ii) such claim is allowed under section 502; or

"(iii) the holder of such claim has accepted the plan; and

"(B) terminates all rights and interests of equity security holders and general partners provided for by the plan.

"(2) The confirmation of a plan does not discharge an individual debtor from any debt excepted from discharge under section 523.

"(3) The confirmation of a plan does not discharge a debtor if—

"(A) the plan provides for the liquidation of all or substantially all of the property of the estate;

"(B) the debtor does not engage in business after consummation of the plan; and

"(C) the debtor would be denied a discharge under section 727(a) of this title if the case were a case under chapter 7 of this title.

"(4) The court may approve a written waiver of discharge executed by the debtor after the order for relief under this chapter.

"§ 1220. Implementation of plan; distribution; exemption from securities laws

"Sections 1141, 1143, 1144, and 1145 shall apply to plans confirmed pursuant to sections 1216 and 1217 of this title.

"§ 1221. Aircraft equipment and vessels

"Section 1110 shall apply to cases under this chapter.

"§ 1222. Adequate protection

"(a) Section 361 does not apply in a case under this chapter.

"(b) In a case under this chapter, when adequate protection is required under section 362, 363, or 364, such adequate protection may be provided by—

"(1) requiring the trustee to make a cash payment or periodic cash payments, to the extent that the stay under section 362, use, sale, or lease under section 363, or any grant of a lien under section 364 results in a decrease in the value of property securing a claim or of an entity's ownership interest in property;

"(2) providing an additional or replacement lien to the extent that such stay, use, sale, lease, or grant results in a decrease in the value of property securing a claim or of an entity's ownership interest in property;

"(3) paying to the trustee for the use of farmland the reasonable rent customary in the community where the property is located, based upon the rental value, net income, and earning capacity of the property; or

"(4) granting such other relief as will adequately protect the value of property securing a claim or of an entity's ownership interest in property.

"§ 1223. Sales free on Interests

"In addition to the authorization contained in section 363(f), the trustee in a case under this chapter may sell property under section 363 (b) and (c) free and clear of any interest in such property of an entity other than the estate if the property is farmland or farm equipment.

"§ 1224. Claims and interests

"(a) A proof of claim or interest is deemed filed under section 501 for any claim or interest that appears in the schedules filed in a case under this chapter except a claim or interest that is scheduled as disputed, contingent, or unliquidated.

"(b) For purposes of voting and distribution in a case under this chapter, a claim, secured by a lien on property of the estate shall be allowed or disallowed under section 502 of the same as if the holder of such claim had recourse against the debtor on account of such claim, whether or not such holder has such recourse.

"§ 1225. Emergency care of stock

"The court may authorize the obtaining of credit pursuant to section 364 for the case, including feeding of stock owned by, or in the possession of, a debtor without notice or a hearing where the court finds that credit is needed to obtain funds to care for stock, an emergency exists and that immediate and irreparable injury, loss, or damage, will result if authorization to obtain credit for the care of stock is delayed, and that it is in the best interests of the estate to obtain credit and care for the stock. Notice shall be immediately given, by mail, to all creditors of entry of the order authorizing credit under this subsection and a copy of the order entered by the court hereunder shall be attached to the notice.".

(b) The table of chapters for title 11, United States Code, is amended by inserting between the items relating to chapter 11 and chapter 13 the following new item:

"12. Family Farmer Reorganization .. 1201".

SEC. 3. (a) Section 103 of title 11, United States Code, is amended by—

(1) in subsection (a) by inserting "12," after "11,";

(2) by adding at the end thereof the following:

"(i) Chapter 12 of this title applies only in a case under such chapter.".

SEC. 4. Section 1930(a) of title 28, United States Code, is amended by inserting between paragraph (4) and the matter that follows such paragraph, the following:

"(5) For a case commenced under chapter 12 of title 11, $200.".

SEC. 5. Title 11, United States Code, is amended—

(1) in sections 327(c) and 347(b), by striking out "or 11" each place it appears and inserting in lieu thereof ", 11 or 12";

(2) in sections 329(b)(1)(B) and 363(1), by striking out "or 13" each place it appears and inserting in lieu thereof ", 12 or 13";

(3) in sections 362(c)(2)(C), 365(d)(2), 365(g)(1), 365(g)(2), and 502(g), by inserting "12" after "11," each place it appears;

(4) in section 326(b), by inserting "chapter 12 or" before "chapter 13";

(5) in section 328(a), by inserting "or section 1206" after "section 1102";

(6) in sections 328(a), 328(c), 330(a), and 331, by striking out "or 1103" each place it appears and inserting in lieu thereof "1103, or 1207";

(7) in section 328(c), by striking out "or 1107(b)" and inserting in lieu thereof "1107(b), or 1204(c)";

(8) in section 327(b), by striking out "or 1108" and inserting in lieu thereof "1108, or 1205";

(9) in sections 363(c)(1) and 364(a), by inserting "1205," after "1108," each place it appears;

(10) in sections 348(b), 348(c), and 348(e), by inserting "1210," after "1112," each place it appears;

(11) in section 348(d) and paragraphs (A) and (B) of section 365(g)(2), by inserting ". 1210." after "1112" each place it appears;

(12) in section 347(b), by striking out "or 1173" and inserting in lieu thereof "1173, 1216, or 1217";

(13) in sections 523(a), 524(a)(1), 524(c)(1), and 524(d), by inserting "1219," after 1141," each place it appears;

(14) in sections 322(a) and 546(a)(1), by inserting "1203," before "or 1302" each place it appears;

(15) in section 326(b), by inserting "section 1203(a) or" before "section 1302(a)"; and

(16) in section 348(b), by inserting "1211(b), 1211(c), 1219(d)(4), 1221," after "1146(b),".

SEC. 6. (a) This Act is an emergency measure and shall apply with respect to cases commenced under title 11, United States Code, after the date of the enactment of this Act but before 5 years after such date.

(b) This Act and the amendments made by this Act shall be repealed on the date 5 years after the date of enactment of this Act.

AID TO NICARAGUAN DEMOCRATIC RESISTANCE

LUGAR (AND OTHERS) AMENDMENT NO. 1720

Mr. LUGAR (for himself, Mr. DOLE, Mr. BENTSEN, Mr. HOLLINGS, and Mr. DOMENICI) proposed an amendment to the joint resolution (S.J. Res. 283), supra; as follows:

Strike out all after the resolving clause and insert in lieu thereof the following:

PURPOSES

SECTION 1. The purposes of this joint resolution are to promote peace, stability, and democracy in Central America, to encourage a negotiated resolution of the conflict in the region and, towards these ends, to enable the President to provide additional assistance for the Nicaraguan democratic resistance, as requested by the President on February 25, 1986, pursuant to the provisions of section 722(p) of the International Security and Development Cooperation Act of 1985 (Public Law 99-83) and section 106(a) of the Supplemental Appropriations Act, 1985 (Public Law 99-88), subject to the terms and conditions of this joint resolution.

POLICY TOWARD CENTRAL AMERICA

SEC. 2. (a) It is the policy of the United States that—

(1) the building of democracy, the restoration of peace, the improvement of living conditions, and the application of equal justice under law in Central America are important to the interests of the United States and the community of American States;

(2) the interrelated issues of social and human progress, economic growth, political reform, and regional security must be effectively dealt with to assure a democratic and economically and politically secure Central America; and

(3) the September 1983 Contadora Document of Objectives, which sets forth a framework for negotiating a peaceful settlement to the conflict and turmoil in the region, is to be encouraged and supported.

(b) The United States strongly supports as essential to the objectives set forth in subsection (a)—

(1) national reconciliation in Nicaragua and the creation of a framework for negotiating a peaceful, democratic settlement to the Nicaraguan conflict; and

(2) efforts to reach a comprehensive and verifiable final agreement based on the Contadora Document of Objectives, including efforts to encourage the Government of Nicaragua to pursue a dialogue with the representatives of all elements of the Nicaraguan democratic opposition for the purposes of achieving a democratic political settlement of the conflict, including free and fair elections.

POLICY TOWARD THE GOVERNMENT OF NICARAGUA

SEC. 3. (a) United States policy toward Nicaragua shall be based upon Nicaragua's responsiveness to continuing concerns affecting the national security of the United States and Nicaragua's neighbors about—

(1) Nicaragua's close military and security ties to Cuba and the Soviet Union and its Warsaw Pact allies, including the presence in Nicaragua of military and security personnel from those countries and allies;

(2) Nicaragua's buildup of military forces in numbers disproportionate to those of its neighbors and equipped with sophisticated weapons systems and facilities designed to accommodate even more advanced equipment;

(3) Nicaragua's unlawful support for armed subversion and terrorism directed against the democratically elected governments of other countries;

(4) Nicaragua's internal repression and lack of opportunity for the exercise of civil and political rights which would allow the people of Nicaragua to have a meaningful voice in determining the policies of their

government through participation in regularly scheduled free and fair elections and the establishment of democratic institutions; and

(5) Nicaragua's refusal to negotiate in good faith for a peaceful resolution of the conflict in Central America based upon the comprehensive implementation of the September 1983 Contadora Document of Objectives and, in particular, its refusal to engage in a serious national dialogue with all elements of the Nicaraguan democratic opposition.

(b) The United States will address the concerns described in subsection (a) through economic, political, and diplomatic measures, as well as through support for the Nicaraguan democratic resistance. In order to assure every opportunity for a peaceful resolution of the conflict in Central America, the United States will—

(1) engage in bilateral discussions with the Government of Nicaragua with a view toward facilitating progress in achieving a peaceful resolution of the conflict, if the Government of Nicaragua simultaneously engages in a serious dialogue with representatives of all elements of the Nicaraguan democratic opposition; and

(2) limit the types and amounts of assistance provided to the Nicaraguan democratic resistance and take other positive action in response to steps taken by the Government of Nicaragua toward meeting the concerns described in subsection (a).

(c) The duration of bilateral discussions with the Government of Nicaragua and the implementation of additional measures under subsection (b) shall be determined, after consultation with the Congress, by reference to Nicaragua's actions in response to the concerns described in subsection (a). Particular regard will be paid to whether—

(1) freedom of speech, assembly, religion, and political activity are being respected in Nicaragua and progress is being made toward the holding of regularly scheduled free and fair elections;

(2) there has been a halt to the flow of arms and the introduction of foreign military personnel into Nicaragua, and a withdrawal of all foreign military personnel has begun;

(3) a cease-fire with the Nicaraguan democratic resistance is being respected; and

(4) Nicaragua is refraining from acts of aggression, including support for insurgency and terrorism in other countries.

(d) The actions by the United States under this joint resolution in response to the concerns described in subsection (a) are consistent with the right of the United States to defend itself and to assist its allies in accordance with international law and treaties in force. Such actions are directed, not to determine the form or composition of any government of Nicaragua, but to achieve a comprehensive and verifiable agreement among Central American countries, based upon the 1983 Contadora Document of Objectives, including internal reconciliation within Nicaragua, based upon democratic principles, without the use of force by the United States. Nothing in this joint resolution shall be construed as authorizing any member or unit of the armed forces of the United States to engage in combat against the Government of Nicaragua.

POLICY TOWARD THE NICARAGUAN DEMOCRATIC RESISTANCE

SEC. 4. (a) It is the policy of the United States to assist all groups within the Nicaraguan democratic resistance which—

(1) are committed to work together for democratic national reconciliation in Nicaragua based on the document issued by the six Nicaraguan opposition parties on February 7, 1986, entitled "Proposal to the Nicaraguan Government for a Solution to the Crisis in Our Country"; and

(2) respect international standards of conduct and refrain from violations of human rights or from other criminal acts.

(b) No assistance under this joint resolution may be provided to any group that retains in its ranks any individual who has been found to engage in—

(1) gross violations of internationally recognized human rights (as defined in section 502B(d)(1) of the Foreign Assistance Act of 1961); or

(2) drug smuggling or significant misuse of public or private funds.

(c)(1) The Congress finds that the Nicaraguan democratic resistance has been broadening its representative base, through the forging of cooperative relationships between the United Nicaraguan Opposition (UNO) and other democratic resistance elements, and has been increasing the responsiveness of military forces to civilian leadership.

(2) The President shall use the authority provided by this joint resolution to further the developments described in paragraph (1) and to encourage the Nicaraguan democratic resistance to take additional steps to strengthen its unity, pursue a defined and coordinated program for representative democracy in Nicaragua, and otherwise increase its appeal to the Nicaraguan people.

(d) In furtherance of the policy set out in this section, not less than $10,000,000 of the funds transferred under section 5(a) shall be available only for assistance to resistance forces otherwise eligible and not currently included within UNO, of which amount $5,000,000 shall be available only for the Southern Opposition Bloc (BOS) and $5,000,000 shall be available only for the Indian resistance force known as Misurasata.

TRANSFER OF FUNDS

SEC. 5. (a)(1) The Congress hereby approves the provision of assistance for the Nicaraguan democratic resistance in accordance with the provisions of this joint resolution.

(2) There are transferred to the President for use in carrying out the provisions of this joint resolution $100,000,000 of unobligated funds from such accounts for which appropriations were made by the Department of Defense Appropriations Act, 1986 (as contained in Public Law 99-190), as the President shall designate. No limitation or restriction contained in section 10 of Public Law 91-672, section 8109 of the Department of Defense Appropriations Act, 1986, section 502 of the National Security Act of 1947, or any other provision of law shall apply to the transfer or use of such funds.

(b) Notwithstanding the Impoundment Control Act of 1974, not more than 25 percent of the funds transferred under subsection (a) may be available for obligation or expenditure in accordance with this joint resolution upon the date of enactment of this joint resolution, and not more than an additional 15 percent of such funds may be so available upon the transmittal of each report required by section 12.

(c) Funds transferred under subsection (a) shall remain available for the same periods of time, but not to exceed September 30, 1987, as such funds would have been available under the Department of Defense Appropriations Act, 1986 (as contained in Public Law 99-190), but for the enactment of this joint resolution.

(d)(1) There are transferred to the President out of funds appropriated by the Supplemental Appropriations Act, 1985 (Public Law 99-88), under the heading "Assistance For Implementation of a Contadora Agreement" such sums as the President may require, but not more than $2,000,000, to facilitate the participation of Costa Rica, El Salvador, Guatemala, and Honduras in regional meetings and negotiations to promote peace, stability, and security in Central America. No limitation or restriction contained in section 15 of the State Department Basic Authorities Act of 1956, section 10 of Public Law 91-672, or any other provision of law shall apply to the transfer or use of such funds.

(2) Funds transferred under paragraph (1) shall remain available for the same period of time as such funds would have been available under the Supplemental Appropriations Act, 1985 (Public Law 99-88), but for the enactment of this joint resolution.

FUNDS FOR HUMANITARIAN ASSISTANCE

SEC. 6. (a) Of the amounts transferred under section 5(a), $30,000,000 shall be available only for the provision of humanitarian assistance to the Nicaraguan democratic resistance by the Nicaraguan Humanitarian Assistance Office (established by Executive Order 12530).

(b) Of the $30,000,000 made available only for purposes of subsection (a), $3,000,000 shall be available only for strengthening programs and activities of the Nicaraguan democratic resistance for the observance and advancement of human rights.

APPLICATION OF EXISTING LAWS

SEC. 7. (a) Except as otherwise provided in this joint resolution, funds transferred under section 5(a) shall be available for the purposes described in section 105(a) of the Intelligence Authorization Act for Fiscal Year 1986, and all the requirements, terms, and conditions of such section and sections 101 and 102 of such Act, section 502 of the National Security Act of 1947, and section 106 of the Supplemental Appropriations Act, 1985 (Public Law 99-88), shall be deemed to have been met for such use of such funds.

(b) The use of funds made available under this joint resolution is subject to all applicable provisions of law and established procedures relating to the oversight by the Congress of operations of departments and agencies.

(c) Nothing in this joint resolution shall be construed as permitting the President to furnish additional assistance to the Nicaraguan democratic resistance from funds other than the funds transferred under section 5(a) or otherwise specifically authorized by the Congress for assistance to the Nicaraguan democratic resistance.

USE OF FUNDS AFTER A PEACEFUL SETTLEMENT

SEC. 8. If the President determines and so reports to the Congress that a peaceful settlement of the conflict in Central America has been reached, then the unobligated balance, if any, of funds transferred under section 5(a) shall be available for the purposes of relief, rehabilitation, and reconstruction in Central American countries in accordance with the authorities contained in chapter 4 of part II of the Foreign Assistance Act of 1961 (relating to economic support fund assistance).

INCENTIVES FOR A NEGOTIATED SETTLEMENT

SEC. 9. (a) Assistance under this joint resolution shall be provided in a manner designed to encourage the Government of Nicaragua to respond favorably to the many opportunities available for achieving a negotiated settlement of the conflict in Central America. These opportunities include the following proposals:

(1) Six opposition Nicaraguan political parties on February 7, 1986, called for an immediate cease-fire, an effective general amnesty, abolition of the state of emergency, agreement on a new electoral process and general elections, effective fulfillment of international commitments for democratization, and observance of implementation of these actions and commitments by appropriate international groups and organizations;

(2) President Reagan on February 10, 1986, offered simultaneous talks between the Government of Nicaragua and all elements of the Nicaraguan democratic opposition in Nicaragua and between the Government of Nicaragua and the United States Government;

(3) President Jose Napoleon Duarte of El Salvador on March 5, 1986, offered an additional dialogue between the Government of El Salvador and the insurgents in El Salvador if the Government of Nicaragua would simultaneously engage in a dialogue with all elements of the Nicaraguan democratic opposition; and

(4) President Reagan's Message to the Congress of March 19, 1986, proposed a mission to Latin America by his special envoy to encourage the Contadora and Support Group countries to joint in urging the Government of Nicaragua to initiate a national dialogue with representatives of all elements of the Nicaraguan democratic opposition.

(b) In furtherance of the objectives set forth in subsection (a), and except as provided in subsection (c), assistance to the Nicaraguan democratic resistance under this joint resolution shall be limited to the following:

(1) humanitarian assistance (as defined in section 722(g)(5) of the International Security and Development Cooperation Act of 1985);

(2) logistics advice and assistance;

(3) support for democratic political and diplomatic activities;

(4) training in radio communications, collection, and utilization of intelligence, logistics, and small-unit skills and tactics; and

(5) equipment and supplies necessary for defense against air attacks.

(c) On and after July 1, 1986, the restrictions in subsection (b) shall cease to apply beginning 15 days after the President determines and reports to the Congress that—

(1) the Central American countries have not concluded a comprehensive and effective agreement based on the Contadora Document of Objectives,

(2) the Government of Nicaragua is not engaged in a serious dialogue with representatives of all elements of the Nicaraguan democratic opposition, accompanied by a cease-fire and an effective end to the existing constraints on freedom of speech, assembly, religion, and political activity, leading to regularly scheduled free and fair elections and the establishment of democratic institutions, and

(3) there is no reasonable prospect of achieving such agreement, dialogue, cease-fire, and end to constraints described in paragraphs (1) and (2) through further diplomatic measures, multilateral or bilateral, without additional assistance to the Nicaraguan democratic resistance,

unless the Congress has enacted a joint resolution under section 10 disapproving the provision of additional assistance (other than assistance described in subsection (b)).

(d)(1) Notwithstanding subsection (c), no assistance (other than the assistance described in paragraphs (1) through (4) of subsection (b)) shall be provided at any time to the Nicaraguan democratic resistance under this joint resolution if—

(A) the President determines that—

(i) the Central American countries have concluded a comprehensive and effective agreement based on the Contadora Document of Objectives; or

(ii) the Government of Nicaragua is engaging in a serious dialogue with representatives of all elements of the Nicaraguan democratic opposition, accompanied by a cease-fire and an effective end to the existing constraints on freedom of speech, assembly, religion, and political activity leading to regularly scheduled free and fair elections and the establishment of democratic institutions; or

(B) the Congress enacts a joint resolution under section 10 disapproving the provision of additional assistance (other than assistance described in paragraphs (1) through (4) of subsection (b)).

(2) The prohibition contained in paragraph (1) shall not apply with respect to assistance described in paragraph (5) of subsection (b) if the Government of Nicaragua acquires additional equipment or materiel to carry out air attacks.

(e) The limitations on assistance that may be furnished to the Nicaraguan democratic resistance which are contained in subsections (b) and (d) shall cease to apply if the Congress enacts a joint resolution, in accordance with section 10, stating that the Government of Nicaragua has failed to accept or observe a cease-fire with the Nicaraguan democratic resistance.

(f)(1) Notwithstanding any other provision of this joint resolution, on or after July 1, 1986, funds may be obligated or expended under this joint resolution only if the President determines and reports to the Congress that the Nicaraguan democratic resistance groups receiving assistance under this joint resolution have agreed to and are beginning to implement—

(A) confederation and reform measures to broaden their leadership base;

(B) the coordination of their efforts;

(C) the elimination of human rights abuses;

(D) the pursuit of a defined and coordinated program for achieving representative democracy in Nicaragua; and

(E) the subordination of military forces to civilian leadership.

(2) In making his determination under paragraph (1), the President shall take into account the effectiveness and legitimacy of the political leadership of those Nicaraguan democratic resistance groups receiving assistance under this joint resolution, including the ability of that political leadership—

(A) to reflect the views and objectives of the internal and external Nicaraguan democratic opposition;

(B) to function as the spokesman for the Nicaraguan democratic opposition with Central Americans, international organizations, and the United States Government;

(C) to represent the Nicaraguan democratic opposition in dealing with the Government of Nicaragua;

(D) to provide command and control for the military forces of all resistance groups receiving assistance under this joint resolution and to establish the goals for their military operations;

(E) to determine the distribution of assistance provided under this joint resolution; and

(F) to provide the legal mechanisms necessary for the enforcement of standards of conduct applicable to all members of the resistance groups receiving assistance under this joint resolution.

CONGRESSIONAL PRIORITY PROCEDURES

SEC. 10. (a)(1) A joint resolution described in subsection (c) of section 9 shall be one without a preamble, the matter after the resolving clause of which is as follows: "That the Congress disapproves the provision of additional assistance to the Nicaraguan democratic resistance pursuant to the joint resolution entitled 'Joint resolution relating to Central America pursuant to the International Security and Development Cooperation Act of 1985', except as provided in section 9(b) thereof.".

(2) A joint resolution described in subsection (d)(1)(B) of section 9 shall be one without a preamble, the matter after the resolving clause of which is as follows: "That the Congress disapproves the provision of additional assistance to the Nicaraguan democratic resistance pursuant to the joint resolution entitled 'Joint resolution relating to Central America pursuant to the International Security and Development Cooperation Act of 1985', except as provided in paragraphs (1) through (4) of section 9(b) and paragraph (2) of subsection (d) thereof.".

(3) A joint resolution described in subsection (e) of section 9 shall be one without a preamble, the matter after the resolving clause of which is as follows: "That the Congress finds that the Government of Nicaragua has failed to accept or observe a cease-fire and hereby approves the provision of assistance to the Nicaraguan democratic resistance pursuant to the joint resolution entitled 'Joint Resolution relating to Central America pursuant to the International Security and Development Cooperation Act of 1985.', notwithstanding subsection (b) or (d) of section 5 thereof".

(b) A joint resolution described in subsection (a)(1), (a)(2), or (a)(3) shall be considered in the House of Representatives and in the Senate in accordance with the provisions of paragraphs (3) through (7) of section 8066(c) of the Department of Defense Appropriations Act, 1985 (as contained in Public Law 98-473), except that—

(1) references in such paragraphs to a joint resolution shall be deemed to be references to the respective joint resolution set forth in subsection (a)(1), subsection (a)(2), or subsection (a)(3);

(2) references in such paragraphs to the Committee on Appropriations shall be deemed to be references to the appropriate committee or committees of the respective House of Congress;

(3) references in such paragraphs to the eighth day and to fifteen calendar days shall be deemed to be references to the fifth day and to five calendar days, respectively; and

(4) amendments may be in order but only if the amendments are germane.

(c) The provisions of this section are enacted—

(1) as exercises of the rulemaking powers of the House of Representatives and Senate, and as such they are deemed a part of the

Rules of the House and the Rules of the Senate, respectively, but applicable only with respect to the procedure to be followed in the House and the Senate in the case of joint resolutions under section 9, and they supersede other rules only to the extent that they are inconsistent with such rules; and

(2) with full recognition of the constitutional right of the House and the Senate to change their rules at any time, in the same manner, and to the same extent as in the case of any other rule of the House or Senate, and of the right of the Committee on Rules of the House of Representatives to report a resolution for the consideration of any measure.

COMMISSION ON CENTRAL AMERICAN NEGOTIATIONS

SEC. 11. (a)(1) There is established the Commission on Central American Negotiations (hereafter in this section referred to as the "Commission"), which shall be composed of five members appointed as follows:

(A) One individual appointed by the Speaker of the House of Representatives;

(B) One individual appointed by the Minority Leader of the House of Representatives;

(C) One individual appointed by the Majority Leader of the Senate;

(D) One individual appointed by the Minority Leader of the Senate; and

(E) One individual, who shall serve as Chairman of the Commission, selected by unanimous vote of the other members of the Commission.

(2) No officer or employee of the United States may be appointed as a member of the Commission.

(b) The purpose of the Commission is to monitor and report on the efforts of the Nicaraguan democratic resistance to coordinate and reform and on the status of any negotiations on the peace, stability, and security of Central America, including negotiations conducted between or among—

(1) the Government of Nicaragua and all elements of the Nicaraguan democratic opposition, including the Nicaraguan democratic resistance;

(2) the governments of Central American countries;

(3) the Government of the United States and the Government of Nicaragua;

(4) the governments of the Contadora and Support Group countries and the government of the Central American countries; and

(5) the Government of El Salvador and the insurgents in El Salvador.

(c)(1) The Commission may appoint and fix the pay of not more than seven staff personnel, but at such rates not in excess of the rate of pay for GS-18 of the General Schedule under section 5332 of title 5, United States Code.

(2)(A) Each member of the Commission shall be entitled to receive the daily equivalent of the annual rate of basic pay in effect for grade GS-18 of the General Schedule under section 5332 of title 5, United States Code, for each day during which such member is engaged in the performance of duties as a member of the Commission.

(B) While away from his home or regular place of business in the performance of duties for the Commission, a member or staff personnel of the Commission shall be allowed travel expenses, including a per diem in lieu of subsistence, not to exceed the expenses allowed persons employed intermittently in Government service under section 5703 of title 5, United States Code.

(3) For purposes of pay and other employment benefits, rights, and privileges and for all other purposes, any employee of the Commission shall be considered to be a congressional employee as defined in section 2107 of title 5, United States Code.

(d)(1) A majority of the members of the Commission shall constitute a quorum.

(2) All decisions of the Commission, except as otherwise provided in this section, shall be by majority vote.

(e) The Commission may make such reports in connection with its duties as it deems necessary to the Speaker of the House of Representatives and the chairman of the Committee of Foreign Relations of the Senate, except that—

(1) not later than 5 days after receipt by the Congress of a report by the President under section 9(c), the Commission shall prepare and transmit to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate a report addressing all the matters which are required to be included in reports of the President by paragraphs (1), (3), and (4) of section 12; and

(2) not later than June 30, 1986, the Commission shall prepare and transmit to the Congress a report on whether the Nicaraguan democratic resistance groups receiving assistance under this joint resolution have agreed to and are beginning to implement measures described in subparagraphs (A) through (E) of section 9(f)(1) and an evaluation of the factors described in section 9(f)(2).

(f)(1) Salaries and expenses of the Commission, but not more than $400,000, shall be paid from the contingent fund of the Senate out of the Account for Miscellaneous Items, in accordance with the provisions of this section.

(2) Funds made available to the Commission by paragraph (1) shall be disbursed on vouchers approved by the Chairman, except that no voucher shall be required for the disbursement of the salary of an individual appointed under subsection (c).

(3) For purposes of section 502(b) of the Mutual Security Act of 1954, the Commission shall be deemed to be a standing committee of the Congress and shall be entitled to use of funds in accordance with such section.

(g) The Commission shall terminate not later than 30 days after transmittal of the reports required by subsections (e) and (f).

PRESIDENTIAL REPORTING REQUIREMENT

SEC. 12. Not later than 90 days after the date of enactment of this joint resolution, and every 90 days thereafter, the President shall prepare and transmit to the Congress a report on actions taken to achieve a resolution of the conflict in Central America in a manner that meets the concerns described in section 3(a). Each such report shall include—

(1) a detailed statement of any progress made in reaching a negotiated settlement, including the willingness of the Nicaraguan democratic resistance and the Government of Nicaragua to negotiate a settlement;

(2) a detailed accounting of the disbursements made to provide assistance with the funds transferred under section 5(a);

(3) a discussion of alleged human rights violations by the Nicaraguan democratic resistance and the Government of Nicaragua, including a statement of the steps taken by the Nicaraguan democratic resistance to remove from their ranks any individuals who have engaged in human rights abuses; and

(4) an evaluation of the progress made by the Nicaraguan democratic resistance in broadening its political base and defining a unified and coordinated program for achieving representative democracy in Nicaragua.

REQUESTS FOR ADDITIONAL ASSISTANCE

SEC. 13. The provisions of subsections (s) and (t) of section 722 of the International Security and Development Cooperation Act of 1985 shall apply with respect to any request described in section 722(p) of such Act submitted by the President to the Congress on or after the date of enactment of this joint resolution, except that, for purposes of consideration in a House of Congress of a joint resolution under subsection (s) or (t) of such section, amendments to such a joint resolution may be in order but only if such amendments are germane.

ADDITIONAL BANKRUPTCY JUDGES

GRASSLEY AMENDMENT NO. 1721

(Ordered to lie on the table.)

Mr. GRASSLEY submitted an amendment intended to be proposed by him to the bill (S. 1923) to provide for additional bankruptcy judges; as follows:

At the appropriate place in the bill insert the following:

SEC. . (a) Title 11 of the United States Code is amended by inserting between chapters 11 and 13 the following new chapter:

"CHAPTER 12—FAMILY FARMER REORGANIZATION

"Sec.
"1201. Definitions.
"1202. Application of certain sections of this title.
"1203. Trustee.
"1204. Rights and powers of debtor.
"1205. Authorization to operate farming and other businesses.
"1206. Creditor's committee.
"1207. Powers and duties of a committee.
"1208. Right to be heard.
"1209. Removal of debtor as debtor in possession.
"1210. Conversion or dismissal.
"1211. Who may file a plan.
"1212. Contents of plan proposed by debtor.
"1213. Plan by party other than debtor, impairment of claims; postpetition disclosure and solicitation; acceptance.
"1214. Modification of plan.
"1215. Confirmation hearing.
"1216. Confirmation of a plan proposed by the debtor.
"1217. Confirmation of a plan by a party other than the debtor.
"1218. Limitations on confirmation.
"1219. Effect of confirmation.
"1220. Implementation of plan; distribution; exemption from securities laws.
"1221. Aircraft equipment and vessels.
"1222. Adequate protection.
"1223. Sales free of interests.
"1224. Claims and interests.
"1225. Emergency care of stock.

"§ 1201. Definitions

"For purposes of this chapter—

"(1) 'family farmer' means a person whose aggregate debts do not exceed $1,500,000 if not less than 80 percent of the aggregate

noncontingent, liquidated amount of those debts, at the time the case commences, arise out of a farming operation owned or operated by such person and, if such person is a corporation—

"(A) more than half of the aggregate value of the outstanding equity securities of such corporation are held by one family or by one family and the relatives of the members of such family; and

"(B) if such corporation issues stock, such stock is not publicly traded;

except that such aggregate amount does not include a debt incurred for the acquisition or improvement of a principal residence of such person unless such debt arises out of a farming operation;

"(2) 'debtor' means family farmer, and

"(3) 'debtor in possession' means debtor except to the extent that the court orders otherwise.

"§ 1202. Application of certain sections of this title

"Provisions of sections of other chapters of this title shall apply to this chapter as provided by such section.

"§ 1203. Trustee

"(a) If the court has appointed an individual under section 1302(d) to serve as standing trustee in cases under chapter 13, and if such individual qualifies as a trustee under section 322 of this title, or if a trustee has been appointed pursuant to chapter 15, then such individual shall serve as trustee in any case filed under this chapter. Otherwise, the court shall appoint a person to serve as trustee in any case.

"(b) The trustee shall—

"(1) perform the duties specified in sections 704(2), 704(3), 704(5), 704(6), 704(7), 704(9), 1106(a)(3), and 1106(a)(4) of this title;

"(2) appear and be heard at any hearing that concerns—

"(A) the value of property subject to a lien;

"(B) confirmation of a plan;

"(C) modification of the plan after confirmation; or

"(D) the sale of property of the estate;

"(3) distribute any rental payments received pursuant to section 1222(b)(3) as determined by the court;

"(4) advise, other than on legal matters, and assist the debtor in performance under the plan;

"(5) ensure that the debtor commences making timely payments required by a confirmed plan; and

"(6) if the debtor ceases to be a debtor in possession, perform the duties specified in section 704(8) and section 1106(a).

"(c) If the number of cases under this chapter commenced in a particular judicial district so warrants, the court may appoint one or more individuals to serve as standing trustee for such district in cases under chapter 13 or, in appropriate cases, appoint a trustee under chapter 15.

"(d) The compensation for individuals appointed under subsection (a) shall be authorized and limited by section 1302(e) and the percentage fee provided in section 1302(e)(1)(B) for cases under this chapter shall not exceed three percent of payments made under the plan of such debtor, with respect to payments made after the aggregate amount of payments made under the plan exceeds $450,000.

"§ 1204. Rights and powers of debtor

"(a) Subject to any limitations on a trustee serving in a case under this chapter, or a case under chapter 11, and to such limitations or conditions as the court prescribes, a debtor in possession shall have all the rights, other than the right to compensation under section 330, and powers, and shall perform all the functions and duties, except the duties specified in paragraphs (3) and (4) of section 1106(a), of a trustee serving in a case under chapter 11.

"(b) A debtor in possession shall perform the duties of the trustee specified in section 704(8).

"(c) Notwithstanding section 327(a), a person is not disqualified for employment under section 327 by a debtor in possession solely because of such person's employment by or representation of the debtor before the commencement of the case.

"§ 1205. Authorization to operate farming and other businesses

"(a) Unless the court, on request of a party in interest and after notice and a hearing orders otherwise, the debtor in possession may operate the debtor's farming and other businesses.

"(b) If the debtor ceases to be a debtor in possession, the trustee may operate the debtor's farming and other businesses unless the court, on request of a party in interest and after notice and a hearing, orders otherwise.

"§ 1206. Creditor's Committee

"(a) On request of three creditors holding unsecured claims, the court may order the appointment of a committee of unsecured creditors, except that if a United States trustee had been appointed pursuant to chapter 15, such United States trustee shall appoint the committee of such creditors.

"(b)(1) A committee of creditors appointed under subsection (a) shall ordinarily consist of the persons willing to serve that hold the five largest unsecured claims against the debtor.

"(2) On request of a party in interest and after a hearing, the court may change the membership or size of a committee appointed under subsection (a) if the membership of the committee is not representative of the different kinds of claims or interests represented.

"§ 1207. Powers and duties of a committee

"(a) At the scheduled meeting of a committee appointed under section 1206 at which a majority of the members of such committee are present, with the court's approval, the committee may select and authorize the employment, by the committee, of an attorney. If the debtor's financial records have not been adequately maintained, or the debtor's financial affairs are deemed by the court to be unduly complex, the committee may select and authorize the employment, by the committee, of an accountant.

"(b) An attorney or an accountant employed pursuant to subsection (a) may not, while employed by the committee, represent any other entity in connection with the case.

"(c) A committee appointed under section 1206 may—

"(1) consult with the debtor in possession of the case;

"(2) investigate the acts, conduct, assets, liabilities, and financial condition of the debtor, the operation of his farming and other businesses, the means required to maintain the farming or other business, and any other matter relevant to the case or to the formulation of a plan;

"(3) participate in the formulation of a plan, advise those represented by the committee of the committee's determinations as to any plan formulated, and collect and file with the court acceptances of a plan;

"(4) request the dismissel of the case if there is no possibility of a feasible plan being accepted or if the debtor fails to comply with final orders of the court;

"(5) request that the debtor not be a debtor in possession; and

"(6) perform such other services as are in the interest of those represented.

"(d) As soon as practicable, after the appointment of a committee under section 1206, the debtor and the trustee shall meet with the committee to transact such business as is necessary and proper.

"§ 1208. Right to be heard

"(a) A party in interest, including the debtor, the trustee, a creditor's committee, a creditor, or any indenture trustee, may raise and may appear and be heard on any issue in a case under this chapter.

"(b) The Department of Agriculture, the Attorney General, or the director or similar chief officer of the agricultural department or agency of any State in which property of the debtor is located, may raise, and appear and be heard on, any issue in a case under this chapter, but may not appeal from any judgment, order, or decree entered in the case.

"§ 1209. Removal of debtor as debtor in possession

"(a) On request of a party in interest, and after notice and a hearing, the court shall order that the debtor shall not be a debtor in possession—

"(1) for cause, including fraud, dishonesty, incompetence, or gross mismanagement of the affairs of the debtor, either before or after the commencement of the case, or similiar cause; or

"(2) if it is not in the best interest of creditors for the debtor to be a debtor in possession.

"(b) On request of a party in interest, and after notice and a hearing, the court may reinstate the debtor in possession.

"§ 1210. Conversion or dismissal

"(a) The debtor may convert a case under this chapter to a case under chapter 7 at any time. Any waiver of, or attempt to waive, such right to convert a case under this subsection is unenforceable.

"(b) If a person, in good faith, files a petition for relief under this chapter, but is not a family farmer, such person may convert the case to a case under chapter 7, 11, or 13 if such person may be a debtor under the chapter to which the case is being converted.

"(c) If a person files a petition for relief under this chapter, but is not a family farmer, on request of a party in interest, and after notice and a hearing, the court may convert the case to a case under chapter 7 unless such person is a farmer or a corporation which is not a moneyed business or commercial corporation, or may dismiss the case, whichever is in the best interest of creditors.

"(d) The court may not convert a case under this chapter to a case under chapter 7 of this title if the debtor is a family farmer.

"(e) On request of a party in interest, and after notice and a hearing, the court may dismiss a case under this chapter, for cause, including—

"(1) continuing loss to or diminution of the estate and absence of a reasonable likelihood of rehabilitation;

"(2) inability to effectuate a plan;

"(3) unreasonable delay by the debtor that is prejudicial to creditors;

"(4) failure to propose a plan within any time fixed by the court;

"(5) denial of confirmation of every proposed plan and denial of a request made for additional time for filing another plan or a modification of a plan;

"(6) revocation of an order of confirmation under section 1144 of this title, and denial of confirmation of another plan or a modified plan under section 1216 or 1217 of this title;

"(7) inability to effectuate substantial consummation of a confirmed plan;

"(8) material default by the debtor with respect to a confirmed plan;

"(9) termination of a plan by reason of the occurrence of a condition specified in the plan other than completion of payments under the plan; or

"(10) nonpayment of any fee and charges required under chapter 123 of title 28.

"§ 1211. Who may file a plan

"(a) The debtor may file a plan with a petition commencing a case, or at any time thereafter.

"(b) Except as otherwise provided in this section, only the debtor may file a plan until after 240 days after the date of the order for relief under this chapter.

"(c) Any party in interest, including the debtor, the trustee, a creditor's committee, a creditor, or any indenture trustee, may file a plan only if—

"(1) the debtor is not a debtor in possession;

"(2) the debtor has not filed a plan before 240 days after the date of the order for relief under this chapter, or

"(3) the debtor had not filed a plan that has been confirmed before 300 days after the date of the order for relief under this chapter.

"(d) On request of a party in interest made within the respective periods specified in subsections (b) and (c), and after notice and a hearing, the court may, for cause, reduce or increase the 240-day period or the 300-day period referred to in this section.

"§ 1212. Contents of plan proposed by debtor

"(a) Notwithstanding any otherwise applicable provision of nonbankruptcy law, a plan proposed by a debtor shall—

"(1) designate, as provided in section 1122, classes of claims, other than claims of a kind specified in section 507(a)(1) or 507(a)(7) and classes of interests;

"(2) provide the same treatment for each claim or interest of a particular class, unless the holder of a particular claim or interest agrees to a less favorable treatment of such particular claim or interest;

"(3) provide adequate means for implementation of the plan such as—

"(A) retention by the debtor of all or any part of the property of the estate;

"(B) transfer of all or any part of the property of the estate to one or more entities, whether organized before or after the confirmation of such plan;

"(C) merger or consolidation of the debtor with one or more persons;

"(D) sale of all or any part of the property of the estate, either subject to or free of any lien, or the distribution of all or any part of the property of the estate among those having an interest in such property;

"(E) satisfaction or modification of any lien;

"(F) cancellation or modification of any indenture or similar instruments;

"(G) curing of waiving of any default;

"(H) extension of a maturity date or a change in interest rate or other term of outstanding securities;

"(I) amendment of the debtor's charter, or

"(J) issuance of securities of the debtor, or of any entity referred to in subparagraph (B) or (C) of this paragraph, for cash, for property, for existing securities, or in exchange for claims or interests, or for any other appropriate purpose; and

"(4) contain only provisions that are consistent with the interests of creditors and equity security holders and with public policy with respect to the manner of selection of any officer, director, or trustee under the plan and any successor to such officer, director, or trustee.

"(b) Subject to subsection (a) of this section, a plan proposed by a debtor may—

"(1) designate a class or classes of unsecured claims, as provided in section 1122 but may not discriminate unfairly against any class so designated, however, such plan may treat claims for a consumer debt of the debtor if an individual is liable on such consumer debt with the debtor differently than other unsecured claims;

"(2) modify the rights of holders of secured claims, or of holders of unsecured claims, or leave unaffected the rights of holders of any class of claims;

"(3) provide for the curing or waiving of any default;

"(4) provide for payments on any unsecured claim to be made concurrently with payments on any secured claim or any other unsecured claim;

"(5) provide for the curing of any default within a reasonable time and maintenance of payments;

"(6) subject to section 365, provide for the assumption, rejection, or assignment of any executory contract or unexpired lease of the debtor not previously rejected under such section;

"(7) provide for the payment of all or part of a claim against the debtor from property of the estate or property of the debtor;

"(8) provide for the sale of all or substantially all of the property of the estate, and the distribution of the proceeds of such sale among holders of claims or interests;

"(9) provide for the vesting of property of the estate, on confirmation of the plan or at a later time, in the debtor or in any other entity; and

"(10) include any other appropriate provision not inconsistent with this title.

"§ 1213. Plan by a party other than the debtor; impairment of claims; postpetition disclosure and solicitation; acceptance

"(a) Sections 1123 and 1125 apply, as the court for cause may require, to plans proposed by a party in interest, including the debtor.

"(b) Section 1126 applies to plans proposed by a party in interest other than the debtor, except that for purposes of this chapter, the phrase 'that have accepted or rejected such plan' in subsection (c) and subsection (d) of such section shall not apply to this chapter.

"§ 1214. Modification of plan

"(a) The proponent of a plan may modify such plan at any time before confirmation, but may not modify such plan so that such plan as modified fails to meet the requirements of—

"(1) section 1212 if the proponent is the debtor; or

"(2) sections 1122 and 1123 if the proponent is a party in interest other than the debtor.

After the proponent of a plan files a modification of such plan with the court, the plan as modified becomes the plan.

"(b) At any time after confirmation but before the completion of payments under a plan proposed by the debtor, the plan may be modified by the debtor to—

"(1) increase or reduce the amount of payments on claims of a particular class provided for by the plan;

"(2) extend or reduce the time for such payments; or

"(3) alter the amount of the distribution to a creditor whose claim is provided for by the plan to the extent necessary to take account of any payment of such claim other that under the plan.

Modifications under this subsection are subject to the requirements of section 1216 and the plan as modified becomes the plan unless, after notice and a hearing, such modification is disapproved.

"(c) The proponent of a plan, other than the debtor, may modify such plan at any time after confirmation of such plan and before substantial consummation, as defined in section 1101(2), of such plan, but may not modify such plan so that, as modified, such plan fails to meet the requirements of seections 1122 and 1123. Such plan as modified under this subsection becomes the plan only if circumstances warrant such modification and the court, after notice and a hearing, confirms such modified plan, in accordance with the requirements of section 1129(a). Any holder of a claim or interest that has accepted or rejected a plan is deemed to have accepted or rejected, as the case may be, a plan as modified, unless, within the time fixed by the court, such holder changes such holder's previous acceptance or rejection.

"(d) The proponent of a modification under subsection (c) shall comply with section 1125 with respect to the plan as modified, for any material modification.

"§ 1215. Confirmation hearing

"After notice, the court shall hold a hearing on confirmation of the plan. A party in interest may object to the confirmation of the plan.

"§ 1216. Confirmation of a plan proposed by the debtor

"(a) The court shall confirm a plan proposed by the debtor if—

"(1) the plan complies with the provisions of this chapter and with the other applicable provisions of this title;

"(2) any fee, charge, or amount required under chapter 123 of title 28, or by the plan, to be paid before confirmation, has been paid;

"(3) the plan has been proposed in good faith and not by any means forbidden by law;

"(4) any payment made or to be made by the debtor, or by a person issuing securities or acquiring property under the plan, for services or for costs and expenses in or in connection, with the case, or in connection with the plan and incident to the case, has been approved by, or is subject to the approval of, the court as reasonable;

"(5)(A)(i) the debtor has disclosed the identity and affiliations of any individual proposed to serve, after confirmation of the plan, as a director, officer, or voting trustee of the debtor, an affiliate of the debtor participating in a joint plan with the debtor, or a successor to the debtor under the plan; and

"(ii) the appointment to, or continuance in, such office of such individual, is consist-

ent with the intrests of creditors and equity security holders and with public policy; and

"(B) the debtor has disclosed the identity of any insider who will be employed or retained by the reorganized debtor, and the nature of any compensation for such insider,

"(6) except to the extent that the holder of a particular claim has agreed to a different treatment of such claim, the plan provides—

"(A) for the full payment, in deferred cash payments, of all claims entitled to priority under section 507, except section 507(a)(7); and

"(B) with respect to a claim of a kind specified in section 507(a)(7), the holder of such claim will receive, on account of such claim, deferred cash payments, over a period not exceeding six years after the date of assessment of such claim, of a value, as of the effective date of the plan, equal to the allowed amount of such claim;

"(7) the value, as of the effective date of the plan, of property to be distributed under the plan, on account of each allowed unsecured claim, is not less than the amount that would be paid on such claim if the estate of the debtor were liquidated under chapter 7 of this title on such date;

"(8) with respect to each allowed secured claim provided for by the plan—

"(A) the holder of such claim has accepted the plan;

"(B)(i) the plan provides that the holder of such claim retain the lien securing such claim; and

"(ii) the value, as of the effective date of the plan, of property to be distributed under the plan on account of such claim, is not less than the allowed amount of such claim; or

"(C) the debtor surrenders the property securing such claim to such holder;

"(9) with respect to the holder of an interest provided for by the plan, the value, as of the effective date of the plan, of property to be distributed under the plan on account of such interest is not less than the lesser of—

"(A) the amount that would be paid on account of such interest if the estate of the debtor were liquidated under chapter 7 on such date; or

"(B) any fixed price at which the debtor, under the terms of any security representing such interest, may redeem such security from such holder;

"(10) the debtor will be able to make all payments under the plan, comply with the plan, and the plan complies with the provisions of section 1325(b) without reference to time period; and

"(11) confirmation of the plan is not likely to be followed by the liquidation, or the need for further financial reorganization, of the debtor or any successor to the debtor under the plan, unless such liquidation or reorganization is proposed in the plan.

"(b) After confirmation of a plan, the court may order any entity from whom the debtor receives income to pay all or any part of such income to the trustee.

"(c) Except as otherwise provided in the plan or in the order confirming the plan, the trustee shall make payments to creditors under the plan.

"§ 1217. Confirmation of a plan by a party other than the debtor

"The court shall confirm a plan proposed by a party in interest other than the debtor if the plan and the proponent meet the requirements of section 1129(a).

"§ 1218. Limitations on confirmation

"(a) The court may conform only one plan, unless the order of confirmation in the case has been revoked under section 1144. If the requirements of sections 1216 and 1217 are met with respect to more than one plan, the court shall consider the preferences of the debtor, creditors, and equity security holders in determining which plan to confirm.

"(b) Notwithstanding any other provision of this chapter, on request of a party in interest that is a governmental unit, the court may not confirm a plan if the principal purpose of the plan is the avoidance of taxes or the avoidance of the application of section 5 of the Securities Act of 1933 (15 U.S.C. 77e). In any hearing under the subsection, the governmental unit has the burden of proof on the issue of avoidance.

"§ 1219. Effect of confirmation

"(a) Except as provided in subsections (d)(2) and (d)(3), the provisions of a confirmed plan bind the debtor, any entity issuing securities under the plan, any entity acquiring property under the plan, and any creditor, equity security holder or general partner in the debtor, whether or not the claim or interest of such creditor, equity security holder, or general partner is impaired or provided for under the plan and whether or not such creditor, equity security holder, or general partner has objected to, has accepted, or has rejected the plan.

"(b) Except as otherwise provided in the plan or the order confirming the plan, the confirmation of a plan vests all of the property of the estate in the debtor.

"(c) Except as provided in paragraphs (2) and (3) of subsection (d), and except as otherwise provided in the plan or in the order confirming the plan, after confirmation of a plan, the property dealt with by the plan is free and clear of all claims and interests of creditors, equity security holders, and of general partners in the debtor.

"(d)(1) Except as otherwise provided in this subsection, in the plan, or in the order confirming the plan, the confirmation of a plan—

"(A) discharges the debtor from any debt that arose before the date of such confirmation, and any debt of a kind specified in section 502(g), 502(h), or 502(j) whether or not—

"(i) a proof of claim based on such debt is filed or deemed filed under section 501;

"(ii) such claim is allowed under section 502; or

"(iii) the holder of such claim has accepted the plan; and

"(B) terminates all rights and interests of equity security holders and general partners provided for by the plan.

"(2) The confirmation of a plan does not discharge an individual debtor from any debt excepted from discharge under section 523.

"(3) The confirmation of a plan does not discharge a debtor if—

"(A) the plan provides for the liquidation of all or substantially all of the property of the estate;

"(B) the debtor does not engage in business after consummation of the plan; and

"(C) the debtor would be denied a discharge under section 727(a) of this title if the case were a case under chapter 7 of this title.

"(4) The court may approve a written waiver of discharge executed by the debtor after the order for relief under this chapter.

"§ 1220. Implementation of plan; distribution; exemption from securities laws

"Sections 1141, 1143, 1144, and 1145 shall apply to plans confirmed pursuant to sections 1216 and 1217 of this title.

"§ 1221. Aircraft equipment and vessels

"Section 1110 shall apply to cases under this chapter.

"§ 1222. Adequate protection

"(a) Section 361 does not apply in a case under this chapter.

"(b) In a case under this chapter, when adequate protection is required under section 362, 363, or 364, such adequate protection may be provided by—

"(1) requiring the trustee to make a cash payment or periodic cash payments, to the extent that the stay under section 362, use, sale, or lease under section 363, or any grant of a lien under section 364 results in a decrease in the value of property securing a claim or of an entity's ownership interest in property;

"(2) providing an additional or replacement lien to the extent that such stay, use, sale, lease, or grant results in a decrease in the value of property securing a claim or of an entity's ownership interest in property;

"(3) paying to the trustee for the use of farmland the reasonable rent customary in the community where the property is located, based upon the rental value, net income, and earning capacity of the property; or

"(4) granting such other relief as will adequately protect the value of property securing a claim or of an entity's ownership interest in property.

"§ 1223. Sales free on Interests

"In addition to the authorization contained in section 363(f), the trustee in a case under this chapter may sell property under section 363 (b) and (c) free and clear of any interest in such property of an entity other than the estate if the property is farmland or farm equipment.

"§ 1224. Claims and interests

"(a) A proof of claim or interest is deemed filed under section 501 for any claim or interest that appears in the schedules filed in a case under this chapter except a claim or interest that is scheduled as disputed, contingent, or unliquidated.

"(b) For purposes of voting and distribution in a case under this chapter, a claim, secured by a lien on property of the estate shall be allowed or disallowed under section 502 of the same as if the holder of such claim had recourse against the debtor on account of such claim, whether or not such holder has such recourse.

"§ 1225. Emergency care of stock

"The court may authorize the obtaining of credit pursuant to section 364 for the case, including feeding of stock owned by, or in the possession of, a debtor without notice or a hearing where the court finds that credit is needed to obtain funds to care for stock, an emergency exists and that immediate and irreparable injury, loss, or damage, will result if authorization to obtain credit for the care of stock is delayed, and that it is in the best interests of the estate to obtain credit and care for the stock. Notice

shall be immediately given, by mail, to all creditors of entry of the order authorizing credit under this subsection and a copy of the order entered by the court hereunder shall be attached to the notice.".

(b) The table of chapters for title 11, United States Code, is amended by inserting between the items relating to chapter 11 and chapter 13 the following new item:

"12. Family Farmer Reorganization .. 1201".

SEC. 3. (a) Section 103 of title 11, United States Code, is amended by—

(1) in subsection (a) by inserting "12," after "11,";

(2) by adding at the end thereof the following:

"(i) Chapter 12 of this title applies only in a case under such chapter.".

SEC. 4. Section 1930(a) of title 28, United States Code, is amended by inserting between paragraph (4) and the matter that follows such paragraph, the following:

"(5) For a case commenced under chapter 12 of title 11, $200.".

SEC. 5. Title 11, United States Code, is amended—

(1) in sections 327(c) and 347(b), by striking out "or 11" each place it appears and inserting in lieu thereof ", 11 or 12";

(2) in sections 329(b)(1)(B) and 363(1), by striking out "or 13" each place it appears and inserting in lieu thereof ", 12 or 13";

(3) in sections 362(c)(2)(C), 365(d)(2), 365(g)(1), 365(g)(2), and 502(g), by inserting "12" after "11," each place it appears;

(4) in section 326(b), by inserting "chapter 12 or" before "chapter 13";

(5) in section 328(a), by inserting "or section 1206" after "section 1102";

(6) in sections 328(a), 328(c), 330(a), and 331, by striking out "or 1103" each place it appears and inserting in lieu thereof "1103, or 1207";

(7) in section 328(c), by striking out "or 1107(b)" and inserting in lieu thereof "1107(b), or 1204(c)";

(8) in section 327(b), by striking out "or 1108" and inserting in lieu thereof "1108, or 1205";

(9) in sections 363(c)(1) and 364(a), by inserting "1205," after "1108," each place it appears;

(10) in sections 348(b), 348(c), and 348(e), by inserting "1210," after "1112," each place it appears;

(11) in section 348(d) and paragraphs (A) and (B) of section 365(g)(2), by inserting ",1210." after "1112" each place it appears;

(12) in section 347(b), by striking out "or 1173" and inserting in lieu thereof "1173, 1216, or 1217";

(13) in sections 523(a), 524(a)(1), 524(c)(1), and 524(d), by inserting "1219," after "1141," each place it appears;

(14) in sections 322(a) and 546(a)(1), by inserting "1203," before "or 1302" each place it appears;

(15) in section 326(b), by inserting "section 1203(a) or" before "section 1302(a)"; and

(16) in section 348(b), by inserting "1211(b), 1211(c), 1219(d)(4), 1221," after "1146(b),".

SEC. 6. (a) This Act is an emergency measure and shall apply with respect to cases commenced under title 11, United States Code, after the date of the enactment of this Act but before 5 years after such date.

(b) This Act and the amendments made by this Act shall be repealed on the date 5 years after the date of enactment of this Act.

AID TO NICARAGUAN DEMOCRATIC RESISTANCE

CRANSTON (AND SASSER) AMENDMENT NO. 1722

Mr. CRANSTON (for himself and Mr. SASSER) proposed an amendment to amendment No. 1720 proposed by Mr. LUGAR (and others) to the joint resolution (S.J. Res. 283), supra; as follows:

At the end of the resolution, add the following new section:

"SEC. . Notwithstanding any other provision of law, if the Government of Nicaragua agrees to a cease fire, abolishes the state of national emergency, and pursues and is prepared to participate in good faith bilateral negotiations with the Government of the United States, no funds shall be made available to the Nicaraguan democratic resistance for other than non-lethal, humanitarian assistance. Provided further, that no funds other than for non-lethal, humanitarian assistance shall be made available if the President of the United States fails to pursue and participate in such direct bilateral negotiations with the Government of Nicaragua without further conditions, and no funds other than for non-lethal, humanitarian assistance shall be made available while such negotiations are underway, unless the Congress, not less than 90 calendar days after enactment of this provision, adopts a joint resolution finding that the Government of Nicaragua has refused to participate in good faith in bilateral negotiations with the Government of the United States. The expedited procedures stipulated in Section 13 of this resolution shall be in effect for consideration of any such joint resolution."

CIVILIAN ENERGY PROGRAMS AUTHORIZATION FOR FISCAL YEARS 1987 AND 1988

McCLURE AMENDMENT NO. 1723

(Ordered referred to the Committee on Energy and Natural Resources.)

Mr. McCLURE submitted an amendment intended to be proposed by him to the bill (S. 2262) to authorize appropriations to the Department of Energy for civilian energy programs for fiscal year 1987 and fiscal year 1988, and for other purposes; as follows:

Strike all after the enacting clause and insert in lieu thereof the following:

"That this Act may be cited as the 'Civilian Energy Programs Authorization of Fiscal Years 1987 and 1988.'

"TITLE I—RESEARCH AND DEVELOPMENT

"SEC. 101. Funds are authorized to be appropriated in accordance with section 660 of the Department of Energy Organization Act for fiscal year 1987 for civilian research and development programs of the Department of Energy, including the amounts authorized to be appropriated by section 102 of this Act, for the following activities:

"(1) General Science and Research Activities, $683,798,000;

"(2) Energy Supply Research and Development, $2,043,915,000, including the amounts authorized to be appropriated by section 401(4) of this Act;

"(3) Geothermal Resources Development Fund, $69,000;

"(4) Fossil Energy Research and Development, $321,921,000; and

"(5) Energy Conservation, $444,449,000, including amounts authorized to be appropriated under sections 201(1) and 401(5) of this Act; and

"SEC. 102. Within the funds authorized to be appropriated by section 101 of this Act, funds are authorized to be appropriated for fiscal year 1987 for construction, including planning, construction, acquisition, or modification of facilities, including land acquisition; and acquisition and fabrication of capital equipment not related to construction of the Department of Energy for the following activities:

"(1) General Science and Research Activities, $168,500,000;

"(2) Energy Supply Research and Development, $172,555,000;

"(3) Energy Conservation, $1,500,000.

"TITLE II—CONSERVATION, REGULATION, AND INFORMATION

"SEC. 201. Funds are authorized to be appropriated in accordance with section 660 of the Department of Energy Organization Act for fiscal year 1987 for the following appropriations accounts:

"(1) Energy Conservation, $3,050,000 for appliance standards and the Federal Energy Management Program;

"(2) Economic Regulation, $23,799,000;

"(3) Emergency Preparedness, $5,783,000;

"(4)(A) Strategic Petroleum Reserve and

"(B) Strategic Petroleum Reserve petroleum acquisition,

such funds as are authorized in section 7101 of the Consolidated Omnibus Reconciliation Act of 1985;

"(5) Federal Energy Regulatory Commission, $96,079,000 of which not more than $47,000,000 may be derived from collections of licensing fees, inspection services, and other services and collections which may be retained and used for necessary expenses in this account; and

"(6) Energy Information Administration, $59,977,000.

"TITLE III—POWER MARKETING ADMINISTRATION

"SEC. 301. Funds are authorized to be appropriated in accordance with section 660 of the Department of Energy Organization Act for fiscal year 1987 for the following appropriations accounts:

"(1) Alaska Power Administration, Operations and Maintenance, $3,340,000;

"(2) Southeastern Power Administration, Operations and Maintenance, $14,720,000;

"(3) Southeastern Power Administration, Operations and Maintenance, $38,660,000; and

"(4) Western Power Administration, Operations and Maintenance, $246,313,000.

"TITLE IV—OTHER ACTIVITIES

"SEC. 401. Funds are authorized to be appropriated in accordance with section 660 of the Department of Energy Organization Act for fiscal year 1987, including the amounts authorized to be appropriated by section 402 of this Act, for the following appropriations accounts:

"(1) Uranium Supply and Enrichment Activities, $1,263,000,000 to be derived from revenues of $1,263,000,000 so as to provide a net level of zero; of the revenues credited to this account, in accordance with section 7502 of the Consolidated Omnibus Budget

Reconciliation Act of 1985, may be transferred to the general fund of the Treasury in partial repayment of Government investment in uranium supply and enrichment activities;

"(2) Departmental Administration, $418,228,000, of which $251,947,000 to be derived from miscellaneous revenues and receipts;

"(3) Nuclear Waste Disposal Fund, $698,935,000;

"(4) Energy Supply Research and Development, such funds are necessary to carry-out the following program in that account: international solar energy program; solar technology transfer; remedial actions and waste technology; in-house energy management;

"(5) Energy Conservation, such funds as may be necessary to carry out the following programs in that account: the Energy Extension Service; state and local program direction; building and community systems: analysis and technology transfer; industrial energy conservation: implementation and deployment; multi-sector: National Appropriate Technology and Assistance Service; and policy and management.

"SEC. 402. Within the funds authorized to be appropriated by section 401 of this Act, funds are authorized to be appropriated for fiscal year 1987 for construction, including planning, construction, acquisition, or modification of facilities, including land acquisition; and acquisition and fabrication of capital equipment not related to construction of the Department of Energy for the following appropriations accounts:

"(1) Uranium Supply and Enrichment Activities, $15,300,000;

"(2) Departmental Administration, $7,913,000;

"(3) Nuclear Waste Disposal Fund, $32,579,000; and

"(4) Energy Supply Research and Development, such funds as may be necessary to carry out the following programs in that account: solar technology transfer; remedial actions and waste technology; in-house energy management; and technical information and management program.

"TITLE V—FISCAL YEAR 1988 AUTHORIZATION

"SEC. 501. There are authorized to be appropriated to the Department of Energy such sums as may be necessary for fiscal year 1988 to carry out on the basis of current services the civilian energy programs.

"TITLE VI—MISCELLANEOUS PROVISIONS

"SEC. 601. Section 1011, and its catchline, of the Omnibus Budget Reconciliation Act of 1981 (Public Law 97-35) is repealed.

"SEC. 602. Section 211(f)(1) of the Department of Energy Organization Act (42 U.S.C. 7141(f)(1)) is amended by striking 'Negro, Puerto Rican, American Indian, Eskimo, Oriental, or Aleut or is a Spanish speaking individual of Spanish descent' and inserting in its place 'Black, Hispanic, American Indian, Alaskan Native, Asian or Pacific Islander'."

AID TO NICARAGUAN DEMOCRATIC RESISTANCE

BIDEN AMENDMENT NO. 1724

Mr. BIDEN proposed an amendment to amendment No. 1720 proposed by Mr. LUGAR (and others) to the joint resolution (S.J. Res. 283), supra; as follows:

At the end of the joint resolution, add the following:

"(A) Assistance authorized by this resolution shall be available only if the President can and does certify to Congress that the Nicaraguan resistance—

"(1) has been restructured to allow complete and balanced representation of all democratic opposition forces and to ensure full subordination of military commanders to the political leadership;

"(2) has agreed upon a program of principles and objectives directed toward the attainment of democracy in Nicaragua, such program to include a plan to provide a significant measure of autonomy for Nicaraguan Indians;

"(3) has instituted full and adequate human rights-related training programs;

"(4) has removed from its ranks all persons responsible for past human rights abuses in Nicaragua; and

"(5) has established procedures to ensure severe punishment of any persons in the resistance committing human rights abuses in the future.

"(B) Assistance authorized by this resolution shall not commence until 75 days after the date of enactment, in order that, before providing additional assistance to the Nicaraguan resistance, the United States may undertake additional efforts to participate in successful negotiations leading to fulfillment of the goals enunciated by the Contadora nations in the Caraballeda Message. In this effort, the United States shall be prepared to enter into direct and unconditional negotiations with the current government of Nicaragua toward an accord providing for the cessation of United States support for the Nicaraguan resistance in exchange for agreement by the current government of Nicaragua to

"(1) undertake a cease-fire and direct talks with opposition forces or their representatives;

"(2) lift restrictions on individual freedoms; and

"(3) remove from Nicaragua all Soviet, East European, and Cuban advisers and terminate all Soviet, East European, and Cuban military assistance and weapons transfers.

"(C) No United States personnel, civilian or military, shall be introduced into or over the territory of Nicaragua for the purpose of training or advising Nicaraguan resistance forces, or engaging in combat or intelligence operations in support of Nicaraguan resistance forces, unless Congress has authorized the introduction of United States personnel in advance by joint resolution.

"(D) United States forces shall not be committed to combat in Central America, or in an advisory role to forces in combat, unless—

"(1) United States strategic interests are threatened by the introduction into Central America of additional foreign forces, or advanced weapons systems, posing a substantially increased threat to nations of the hemisphere; or

"(2) United States military support is formally requested by nations of the region pursuant to collective defense pledges under the Rio treaty.

"Any commitment of United States forces pursuant to such policy shall be undertaken only in full compliance with provisions of the War Powers Resolution."

DIXON (AND OTHERS) AMENDMENT NO. 1725

Mr. DIXON (for himself, Mr. BIDEN, Mr. SIMON, Mr. KENNEDY, and Mr. METZENBAUM) proposed an amendment to amendment No. 1720 proposed by Mr. LUGAR (and others) to the joint resolution (S.J. Res. 283), supra; as follows:

At the end of section 4 of the amendment, add the following new subsection:

(e) Notwithstanding any other provision of this joint resolution, no member of the United States armed forces, or employee of any department, agency, or other component of the United States government may enter Nicaragua to provide military advice, training, or logistical support to paramilitary groups operating inside that country.

DURENBERGER AMENDMENT NO. 1726

Mr. DURENBERGER proposed an amendment to amendment No. 1720 proposed by Mr. LUGAR (and others) to the joint resolution (S.J. Res. 283), supra; as follows:

In the pending amendment, on page 13, strike lines 18 and 19.

KENNEDY AMENDMENT NO. 1727

Mr. KENNEDY proposed an amendment to amendment No. 1720 proposed by Mr. LUGAR (and others) to the joint resolution (S.J. Res. 283), supra; as follows:

At the end of the joint resolution, add the following:

LIMITATION ON INTRODUCTION OF ARMED FORCES INTO NICARAGUA FOR COMBAT

"Provided, That,

SEC. . No United States personnel, civilian or military, shall be introduced into or over the territory of Nicaragua for the purpose, directly or indirectly, of combat unless:

(a) Congress has declared war or authorized the introduction of such forces in advance by a joint resolution signed by the President of the United States; or

(b) The President has determined that the presence of such forces is necessary to provide for the immediate evacuation of United States citizens or to respond to a clear and present danger of military attack on the United States;

NOTICES OF HEARINGS

SUBCOMMITTEE ON LABOR

Mr. NICKLES. Mr. President, the Subcommittee on Labor will hold an oversight hearing on employee benefit and pension policy implications contained in proposed tax reform legislation on May 1, 1986, at 9:30 a.m. in room 430 of the Dirksen Senate Office Building.

Persons wishing to testify should submit a written request to Chairman DON NICKLES, Subcommittee on Labor, Washington, DC 20510 by April 7, 1986.

If you have any questions concerning the hearing, please contact Rick

Lawson, of the subcommittee staff, at 202-224-5546.

Mr. President, the Subcommittee on Labor will hold a hearing on S. 2050, a bill to notify workers who are at risk of occupational disease in order to establish a system for identifying and preventing illness and death of such workers, and for other purposes. The hearing is scheduled for May 15, 1986, at 9:30 a.m. in room 430 of the Dirksen Senate Office Building.

Persons wishing to testify should submit a written request to Chairman DON NICKLES, Subcommittee on Labor, Washington, DC 20510 by April 7, 1986.

If you have any questions concerning the hearing, please contact Rick Lawson, of the subcommittee staff, at 202-224-5546.

COMMITTEE ON SMALL BUSINESS

Mr. WEICKER. Mr. President, I would like to announce that the Senate Small Business Committee will hold two field hearings in Wisconsin on the impact of the insurance liability crisis on small business. The first hearing will be held on April 7, 1986, in Green Bay, and the second will be held on April 14, 1986, in Eau Claire. The time and location will be determined at a later date. For further information, please call Erline Patrick, of the committee staff at 224-5175 or Steve Loucks of Senator KASTEN's office at 224-4632.

SUBCOMMITTEE ON ENERGY RESEARCH AND DEVELOPMENT

Mr. DOMENICI. Mr. President, I would like to announce for the information of the Senate and the public that the Subcommittee on Energy Research and Development of the Committee on Energy and Natural Resources has scheduled a hearing on the Department of Energy's proposed Uranium Enrichment Service criteria; 10 CFR part 762, contained in the Federal Register Volume 51, No. 19; the amendments to S. 1004, Uranium Mill Tailings Reclamation Act of 1985; the viability of the uranium industry; and any other legislation relating to this subject which is pending before the subcommittee at the time of the hearing.

The hearing is scheduled for Thursday, April 10, 1986, beginning at 10 a.m. in room SD-366 of the Dirksen Senate Office Building in Washington, DC.

Those wishing to testify or who wish to submit written statements for the record should write to the Subcommittee on Energy Research and Development, Committee on Energy and Natural Resources, Washington, DC 20510.

For additional information regarding this hearing, you may contact K.P. Lau or Marilyn Meigs on the subcommittee staff at 202-224-4431.

SUBCOMMITTEE ON PUBLIC LANDS, RESERVED WATER, AND RESOURCE CONSERVATION

Mr. WALLOP. Mr. President, I would like to announce for the information of the Senate and the public that the hearings scheduled before the Senate Subcommittee on Public Lands, Reserved Water and Resource Conservation of the Committee on Energy and Natural Resources on Monday, March 31, 1986, in Kotzebue, AK, and Wednesday, April 2, 1986, in Bethel, AK, have been postponed to be rescheduled on a later date. The purpose of these hearings was to receive testimony on S. 2065, to amend the Alaska Native Claims Act to provide Alaska Natives with certain options for the continued ownership of lands and corporate shares pursuant to the act and for other purposes.

For further information, please contact Tony Bevinetto of the subcommittee staff at (202) 224-0613.

AUTHORITY FOR COMMITTEES TO MEET

SUBCOMMITTEE ON MILITARY CONSTRUCTION

Mr. LUGAR. Mr. President, I ask unanimous consent that the Subcommittee on Military Construction, of the Committee on Armed Services, be authorized to meet during the session of the Senate on Thursday, March 27, in open session, in order to receive testimony on base closures.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON SEAPOWER AND FORCE PROJECTION

Mr. LUGAR. Mr. President, I ask unanimous consent that the Subcommittee on Seapower and Force Projection, of the Committee on Armed Services, be authorized to meet during the session of the Senate on Thursday, March 27, in closed executive session, in order to conduct a hearing on the SSN-21 submarine.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON DEFENSE ACQUISITION POLICY

Mr. LUGAR. Mr. President, I ask unanimous consent that the Subcommittee on Defense Acquisition Policy of the Committee on Armed Services be authorized to meet during the session of the Senate on Thursday, March 27, to hold a hearing to receive testimony on the following legislation:

S. 2082, Defense Enterprise and Initiative Act of 1986;

S. 2151, DOD Acquisition Reorganization Act of 1986;

S. 2169, Defense Acquisition Improvement Act of 1986; and

Other proposals.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON ENTREPRENEURSHIP AND SPECIAL PROBLEMS FACING SMALL BUSINESS

Mr. LUGAR. Mr. President, I ask unanimous consent that the Subcommittee on Entrepreneurship and Special Problems Facing Small Business, of the Committee on Small Business, be authorized to meet during the session of the Senate on Thursday, March 27, to conduct a hearing on promoting U.S. entrepreneurship in small business.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON PREPAREDNESS

Mr. LUGAR. Mr. President, I ask unanimous consent that the Subcommittee on Preparedness, of the Committee on Armed Services, be authorized to meet during the session of the Senate on Thursday, March 27, 1986, in open, later to become closed session, in order to receive testimony on the Army, Army National Guard, and Army Reserve, readiness, operations, and maintenance.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

YOU'RE STILL TICKING AWARDS

● Mr. CHILES. Mr. President, the older population of Florida, as well as of the United States, is growing faster than the population as a whole. This increasing number and proportion of the elderly reflect demographic changes that are having pervasive influences on the economy and on public policy. The aging of the work force is becoming an important issue facing both Congress and employers, and I think we are going to see an increasing demand for older workers in both the public and private labor force.

I have been impressed with the positive conclusions of recent studies regarding older workers. While many have held to the old notion that elder workers are less capable workers than younger ones, there has been no statistical evidence to prove this. In fact, evidence to the contrary has been found. In many of the occupations researched, older workers have held steadier rates of output, equal degrees of accuracy, and greater consistency in output than younger workers. Studies of scientists and engineers have found peaks in productivity to occur between those 40 to 60 years of age. Likewise, a very large portion of creative ideas, patents, and research papers have been produced by older employees. Older managers, as well, have been found better able to evaluate new information, analyze it, and make reliable and consistent decisions. These findings are encouraging as we enter an age where the percentage of older employees is rising.

Mr. President, in the State of Florida, there is a more than adequate number of senior citizens to support the findings of such research. In fact,

a recent effort on the part of Florida's Department of Labor and Employment Security, has honored eight older workers who exemplify the most outstanding qualities of older workers. Each year, through the "You're Still Ticking Awards," the department recognizes meritorious older workers who are still on the job and contributing significantly to their organization. From over 600 nominations, 8 finalists were chosen by 20 distinguished judges.

The grand-prize winner, and oldest recipient of the "You're Still Ticking" award is Ester Brown. At 88, this vivacious accounting clerk for Edward Don & Co., does more than just keep track of numbers. Her employer says she sets the energy level for the entire department. Her productivity is said to be incredible, not only for a person of her age, but for a person of any age.

While ranking second in age among the eight honorees, James Cole, 87, is a blue ribbon winner when it comes to dedication and service. A tax preparer for H & R Block, he puts in a full 40-hour-week preparing both Federal and State income tax returns. When discussing retirement, James shows no intent to take that route as long as there are people who want or need his services. His employer says he is hard to beat.

Recognized as a "true gem" among the employees at Ro Mac Lumber & Supply, Inc., Claude B. Smith, an 85-year-old power saw operator, has an outstanding service record for the 40 years he has been with that company. While he has rarely missed a day's work, Claude and his wife have found time to visit every State in the Union, including Alaska and Hawaii. He is said to be living proof that the golden years can be truly golden.

At 83, Lonnie Jackson is said to be a role model to senior citizens. With artistic flair, and directed energy, Lonnie works as part of the ground maintenance crew at Serenity Gardens Memorial Park. After a 32-hour-week, he also tends two private residences as he has done for the past 25 years. His employer marks him as being living proof that age is not a determinant to an active and productive life.

Also 83, only a few months younger than Lonnie, Patsey Lucco is a maintenance supervisor with Aircraft Porous Media, Inc. Among his responsibilities are supervision of 16 maintenance helpers, and housekeeping of a 160,000-square-foot facility which manufactures aircraft filters. With the exception of a 1-day cataract surgery, Pat has taken no time off in the last 10 years. His employer says many of Pat's suggestions have saved the company a considerable amount of money. His commitment has benefited both himself and his company.

Despite the difficulty of her job as an employment counselor for the Florida Department of Health and Rehabilitative Services, Katherine Walden holds the State record for the most job placements by a single counselor. With an energy level surpassing many athletes, this 82-year-old was able to match 300 persons with jobs last year. Her commitment to the thought that there is a job out there for anyone who wants to work contributes to her outstanding success in her field.

The occupation of Charles Scher, 80, prepared him well to stay "ticking." Likewise, his endeavors have made it possible for others to "tick" better. He is a physical education instructor, and has taught all his life. Additionally, he has developed and facilitates specialized programs for the well being of senior citizens. His employer says Charles exemplifies the very best of today's older person in the labor market.

Although she is older than many she serves, Rebecca Thornton, 72, works as a home health aide for Good Samaritan Home Services. Working an average of 32 hours a week, Rebecca is recognized as having tireless energy and genuine concern for people. Her coworkers note the "extra mile" she goes, and remark on the calming ability she has on her patients. Someone commented that she must have the granddaddy of all grandfather clocks ticking inside of her.

These eight individuals are recognized not only by their coworkers, and employers as outstanding individuals, but by a tough panel of judges as being among the top working senior citizens in the State. They are a testament to the work quality older citizens bring to the workplace. I ask that my colleagues join me in recognizing the contributions these older workers have made.●

CONGRATULATIONS DAKOTA RAIL

● Mr. PRESSLER. Mr. President, I would like to bring to the attention of my distinguished colleagues an article which recently appeared in the Los Angeles Times entitled "Dakota Line One of the New Breed of Little Railroads That Can." The article discusses a new trend in the railroad industry in which I have been involved and have previously brought to the attention of other members of the Senate Commerce, Science, and Transportation Committee, on which I serve.

Since enactment of the Staggers Railroad Deregulation Act, the number of small, short line, and regional railroads has increased dramatically. This trend may well be the answer to some of the negative impacts of rail deregulation on many parts of the Midwest. Thousands of miles of track have been abandoned and the economies of many small towns have suffered as a result. But reregulation does not appear to be the answer. We have gone too far to roll back the clock now. It would not bring back the abandoned lines if we were to reregulate at this stage of the game.

But with the increase in the number of short line and regional carriers, there seems to be hope. We are today undergoing that process in South Dakota, as well as many other parts of the Midwest. Indeed, there is now a proposal under consideration that would create a large regional railroad out of 874 miles of existing Chicago & North Western track. I have been working hard over the past 3 years in an effort to save these lines. It appears that this may be the answer to our problems on that segment of railroad, and similar transactions may well prove beneficial to other marginal or light density lines which are similarly threatened.

Mr. President, a true pioneer in this business is Jerry Ross from my home State of South Dakota. As president and CEO of Dakota Rail, headquartered in Milbank, SD, Jerry and his able crew—Robin Henrichs, Michael Ross, Curt Ripley, Ben Sundquist, Cliff Rohlfs, Dale Wright, and Kenny Sparby—have done what all the experts said would be impossible. The title of the article describing "The Little Railroad That Can" is most appropriate. They have transformed a rural, smalltown railroad that most people had given up for dead into a viable short line rail operation, benefiting not only the local community but the entire State. As indicated by its prominent and extensive mention in a major newspaper, Dakota Rail has become something of a model or symbol for others and has inspired new hope for other communities similarly situated. Today, the operation has expanded into our neighboring State of Minnesota where it continues to thrive. And if I know Jerry Ross, he has not stopped yet.

Although things are looking up today, it has not been easy for the Dakota Rail crew. Those of us on the outside looking in often forget the incredible amount of long hours and hard work that went into making an impossible dream come true. And while there are no guarantees for the future, I am confident that this dedicated group of individuals will continue to do whatever it takes to keep the trains rolling.

Jerry Ross always has been ready and willing to share his considerable talents with others in an effort to preserve rail service. On his own time and expense, he traveled several hundred miles to participate in a statewide rail conference I sponsored last year, and has been of considerable assistance to me in a number of rail issues in which he has no monetary interest. His desire to see a viable rail transporta-

tion system for the rural and small towns throughout the country is unselfish and sincere. My association with Jerry Ross and his operation has been a refreshing experience. We are fortunate to have him in South Dakota, and I am proud to count him among my friends.

I have recommended to the committee that we explore the regional and short line railroad development trend in more detail by conducting Commerce Committee hearings on the issue. We need to take a closer look at the increase in regional and short line activity from a national transportation policy perspective. I believe there is much to be learned about this important phenomenon. I am hopeful that we can translate the pioneering spirit of the Jerry Rosses of the world into a viable solution for other threatened lines around the country.

Mr. President, I ask that the March 6, 1986, article from the Los Angeles Times be printed in the RECORD.

The article follows:

[From the Los Angeles Times, Mar. 6, 1986]

DAKOTA LINE ONE OF NEW BREED OF LITTLE RAILROADS THAT CAN

(By Charles Hillinger)

HUTCHINSON, MN.—Curt Ripley, the bearded engineer and vice president of operations for Dakota Rail, pulled on the whistle cord in the cab of the 1959 locomotive as it rolled through the downtown area of this snow-shrouded Midwestern town.

The sonorous wail of the blue and orange engine, bearing the logo of a charging buffalo, was a welcome sound to the townspeople of Hutchinson, population of 10,000. The 44-mile rail line that served their town was abandoned by Burlington Northern last September, only to be revived Dec. 1 by the newly formed Dakota Rail Line.

Ripley, 34, picked up the phone in the locomotive and called Robin Henrichs, 31, vice president of marketing, at her desk in the Hutchinson depot.

"Will you please give me a hand and pull the switch out front?" Ripley asked. "I'm picking up that tank car and the caboose."

The marketing executive grabbed her coat and walked briskly through six-inch-deep snow—in high heels—to the switch and promptly pulled its lever.

"We're quite versatile around here," she said. "Mostly I work in the office, but sometimes they draft me to be brakeman, sometimes to be switchman. I don't run the trains or put in the ties. Not yet, anyway."

The independent short-line railroad business is booming as major railroads cease operating on unprofitable, short-run tracks and smaller companies form to continue rail service that is vital to farming and other enterprises.

John Dow, 60, vice president of the 73-year-old Washington-based American Short Line Railroad Assn., said the organization has grown to 290 members from 200 a decade ago. There are about 400 short-line railroads in the United States, a quarter of them owned by larger railroads and not members of the association, Dow said.

"Lots of small railroads . . . would have folded if it were not for railroads like the Dakota Line coming in to take up the slack," Dow said. When rail lines have been closed and service not resumed, farmers and other businessmen have been forced to ship their goods by truck, which, in the case of grain farmers, usually costs more.

The Interstate Commerce Commission considers a short line any railroad generating less than $17 million in annual revenue. Some short lines are less than a mile in length, others have almost 300 miles of track. Short lines average 25 to 30 miles and revenue of $1 million.

"Independent short lines are helping the transportation industry continue operation over lines no longer profitable for large carriers," Dow said. "The smaller companies are able to succeed by managing on a more personalized and efficient basis."

Many short lines are owned by shippers and by paper, lumber and steel companies, but a handful are owned by individuals like Jerome D. (Jerry) Ross, Dakota Rail's president.

Ross, 56, a third-generation railroader, began a career on the rails as a teen-ager by shoveling coal on steam engines on the defunct Chicago, Milwaukee & St. Paul Railroad, known in the Midwest by its "Milwaukee Road" nickname.

In the Army during the Korean War, he became a railroad engineer, running ammunition trains from Seoul to Taejon. He returned to the Chicago, Milwaukee & St. Paul line and worked as an engineer from 1956 until 1982, when he quit to become president of his own railroad.

That was the year that the Chicago, Milwaukee & St. Paul company abandoned its 38-mile Milbank-to-Sisseton line in South Dakota. Ross organized a company and paid $606,000 to the railroad for the tracks, stations, all assets and 756 acres of land. In two months, he had Dakota Rail trains operating on the line.

"I just could not see shutting that line down. There were too many grain farmers from miles around dependent upon the railroad to ship their crops to market," Ross said, noting that shipping costs for grain farmers are generally cheaper by train than by truck. Dakota Rail connects with the Burlington Northern's main line at Milbank, and Milbank and Sisseton are important shipping points for barley, a big crop on the northeastern South Dakota prairie, along with wheat, oats and rye.

The track purchased by Ross dated back to the 1890s and was decaying, with miles of old ties and 27 rotting trestles. Ross brought it up to today's standards, and in its first year Dakota Rail moved 168,000 tons of grain on 2,400 rail cars. The railroad had $1.4 million in revenue for the year ended June 30, 1983.

FARM ECONOMY SLUMPS

"We made $75,000 profit after putting $400,000 into the rehabilitation of the line that first year; that included laying 11,000 new ties [and] strengthening the roadbed with 32,000 tons of crushed rock," he said.

However, the farm economy nose dived, and last year the number of rail cars carrying grain fell to 900, revenue sank to $425,000 and Dakota Rail hovered at the break-even point. So far this year, business has improved, Ross said.

Dakota Rail received a $927,000 federal grant from the Federal Railroad Administration, administered by the state, to upgrade the line.

While Ross revitalized the short line in South Dakota, farmers and industrialists in the Minnesota towns of Hutchinson, Silverlake, Lester Prairie, New Germany, Mayer, St. Bonifacious, Mound, Spring Park and Wayzata, to the west of Minneapolis were trying to save their railroad.

When Burlington Northern announced that it was abandoning the 44-mile line serving those nine small towns, former Rep. Ancher Nelsen, 81, a Republican who represented the area from 1959 to 1975, headed a group to keep the trains running. His wife, Elvern, 73, was the organizations's corresponding secretary.

"We kept our eye on Jerry Ross and his operation in South Dakota. We negotiated a deal with Burlington Northern to let Ross come in on a five-year plan," explained Nelsen. He proudly noted that one of Dakota Rail's cabooses was named in honor of his wife and himself, though his wife's name is misspelled *as Alvern* on the rail car.

Dakota Rail was offered the right-of-way from Hutchinson to Wayzata for $100 a year, with the provision that at the end of five years the short line would pay Burlington Northern $2 million for the route, stations along the track and 1,000 acres of land.

If Dakota Rail is unable to meet the payment, the line will revert back to Burlington Northern.

FIRST TRAIN RAN DECEMBER 1

Ross moved his corporate headquarters into the Hutchinson depot in November, and on Dec. 1 Dakota Rail ran its first train in Minnesota. Now Dakota Rail has two divisions, the Western division in South Dakota and the Little Crow division in Minnesota, 130 miles apart.

One engine operates on a South Dakota line and two on the Minnesota line, and Dakota Rail has a total of nine employees who double up in duties. When one division is busier than the other, railroad crews commute across state lines in a car caravan to keep the trains rolling.

Dakota Rail also has four passenger rail cars, and Ross plans to run commuter passenger trains on the Minnesota run within three to five years, providing rapid transit service to those living in the country who work in the city.

"We're getting both divisions on track," said Ross, whose wife, Evelyn, is Dakota Rail's secretary-treasurer. "We expect both to make money. Neither line is going to fail. I don't do things to fail."●

LIABILITY INSURANCE PROBLEMS

● Mr. SIMON. Mr. President, the New York Times had an editorial on the liability insurance problem.

This is a major concern in this country, and it's a major concern in Illinois.

I urge my colleagues who did not see the New York Times editorial to read it.

Exactly what the right answers are is not completely clear to me, but we ought to be searching for them, working with the insurance industry and with all the others affected to improve what has to be acknowledged as not a healthy situation.

The editorial follows:

[From the New York Times, Mar. 4, 1986]

LIABILITY INSURANCE IN CRISIS

In Missouri, loss of insurance forced the closing of a county jail. In New York City it halted the Roosevelt Island cable tram.

California's Orange County was socked with a sixfold increase in its premium. The police in West Orange, N.J., had to stop patrolling in cars they could no longer insure.

Across the nation, the leap in insurance rates strains local government. Not without reason, insurers are quick to blame fee-hungry lawyers, gullible juries and a public eager to turn misfortune into millions. But the insurers themselves also deserve blame. The legal system and the public's attitude have undoubtedly raised costs, but that hardly explains the lurch in rates that struck about 18 months ago. The insurance companies' predicament was a foreseeable result of their business cycle.

Liability insurance has a "long tail"—the years of legal proceedings between a loss and ultimate payment of damages. That leaves the insurers with huge cash reserves free to invest in financial markets. When interest rates are high or stock prices rise, insurers have an incentive to pile up cash by selling coverage at what look like bargain rates, confident that investment profits will more than cover any losses on claims. When financial markets cool off, the insurers find that reduced investment profits require them to raise premiums and drop riskier types of coverage altogether.

As interest rates soared in the late 1970's, the insurers cast a wide net for cash. In the 1982 slump, when interest rates plunged, they should have raised rates to cover future obligations. But they were still fat with cash, still competing strenuously. Now they are rushing belatedly to drop high-risk customers and raise premiums of those they keep.

Local governments are among the hardest-hit victims. The Aetna Life and Casualty Company, for example, has abandoned covering 400 of them. The Utica National Insurance Group has dropped the 229 it covered in New York State. This is because municipalities stand out as especially risky. Insuring miles of streets and sidewalks always made the carriers nervous. Now there are new horrors: toxic waste dumps, day-care centers susceptible to child abuse, school buildings laced with asbestos.

The insurers are further troubled by the complexity of relevant case law and by statutes that allow injured parties to recover full damages even when governments are found only marginally responsible for any loss. The insurers call for "tort reforms" that would limit the liability of governments, clarify the law and cap the amounts that could be recovered.

Some of those proposals may have merit. But the more urgent need is to smooth out the effects of the insurance business cycle. How could state regulators who police the insurance business protect its solvency and yet guard against such damaging and disruptive crisis adjustments? How can they guarantee coverage for all who need it?

The stocks of commercial liability insurers are rising in value as they raise prices and reduce coverage. But the consequences for local government are deplorable. If insurers want tort reform, let them be required to share responsibility for relieving the stress their business strategies produce.●

REAGAN DOCTRINE FOR INSURGENT WARS

● Mr. SIMON. Mr. President, I recently had the opportunity to read a paper, written by Robert H. Johnson, for the Overseas Development Council. The article presents a critical analysis of the policy of unlimited military intervention in insurgent wars. It suggests some possible alternatives that we should seriously consider. It is a thoughtful and timely commentary and I ask that it be printed in the RECORD.

The paper follows:

ROLLBACK REVISITED—A REAGAN DOCTRINE FOR INSURGENT WARS?

The Reagan Administration's new foreign policy initiative expresses U.S. support in principle for all Third World insurgent movements fighting "Marxist-Leninist" regimes.

Application of this generalize strategy—in Angola, Mozambique, Ethiopia, Afghanistan, Kampuchea, Nicaragua, and elsewhere—could seriously damage American influence in Africa and other parts of the developing world.

The Administration cannot assure that the outcomes of this policy will be consonant with U.S. interest and values—or those of the affected nations.

The new policy signals further shifts in U.S. aid priorities away from development and toward security assistance.

Alternative strategies that merit consideration include: far more selective intervention in insurgent wars, non-intervention in such wars, and negotiated restraints on radical regimes.

After years of opposing Soviet assistance to "wars of national liberation," the United States has proclaimed a new policy of U.S. support to such Third World insurgencies—provided that they are anti-communist and directed against "Marxist-Leninist" regimes under Soviet influence. This is one of the two major new foreign policy initiatives of the Reagan second term. The other, rather paradoxically, is the move toward a less confrontational approach to the Soviet Union.

Congress is inescapably involved in the implementation of this new policy because of its intelligence oversight functions (for covert aid) and its appropriations functions (for open assistance). Moreover, aid to insurgent movements is typically accompanied by increased assistance to neighboring countries that Congress must also approve.

The Third World policies of the Reagan Administration have been driven by a preoccupation with the security threat in general and by a concern with communist involvements in Third World conflicts in particular. The result has been a shift in foreign aid priorities and a neglect of economic development problems. The new Reagan strategy seems certain to accentuate these tendencies.

THE REAGAN POLICY

The Administration has clearly proclaimed its support in principle of anti-Marxist insurgencies. But it has been leery of the efforts of conservatives such as ex-U.N. Ambassador Jeane Kirkpatrick to pin a "Reagan Doctrine" label on the new policy for fear it may restrict the government's freedom of action in dealing with each insurgency on a case-by-case basis.

The Administration has in fact up to now generally pursued a carefully differentiated policy toward Marxist regimes and toward insurgencies directed against them. It has supported insurgencies in Nicaragua and Afganistan. But in Southern Africa, it has continued U.S. support for the putatively Marxist regime in Zimbabwe; it has improved relations with Marxist-Leninist Mozambique; and it has been engaged in serious negotiations with Marxist-Leninist Angola. The Administration apparently has not supported separatist insurgencies in Ethiopia and initially resisted Congressional pressures for aid to the rebels in Kampuchea and Angola. However, by proclaiming its support in principle of anti-Marxist insurgencies, it has generated strong pressures within the executive branch as well as in Congress to conform its actions to its stated principles. Moreover, like some of its predecessors, the Reagan Administration is in danger of taking its own stated "doctrine" so seriously that its principles overwhelm its pragmatism. Factors such as these have apparently led it recently to reverse course and to decide to support the insurgents in Angola and Kampuchea.

The new policy was inspired by an immediate tactical need and by more fundamental concerns. At the beginning of 1985, the Administration had run into heavy weather with Congress over the question of aid to the "contras"—the anti-communist insurgent movement in Nicaragua. It had sought to justify such aid on the basis of a tactical argument—using the contras to interdict arms flows from Nicaragua to the leftist insurgents in El Salvador. It had also sought repeal of the Clark Amendment, which prohibited aid to the insurgent opposition in Angola.

The President put such issues in a broader context in his 1985 State of the Union address with the enunciation of a larger principle:

"We must not break faith with those who are risking their lives on every continent, from Afghanistan to Nicaragua, to defy Soviet supported aggression and secure rights which have been ours from birth. . . . Support for freedom fighters is self-defense."

Later in the same month, the President's appeal was reenforced and elaborated by Secretary of State George P. Shultz in a major speech in which he stated that "our moral principles compel us to support those struggling against the imposition of Communist tyranny."

President Reagan had rediscovered what President Truman had learned almost forty years before—that controversial U.S. actions to aid particular anti-communist forces were more likely to elicit Congressional and public support if justified on larger grounds of principle. In fact, the central principle involved—self-determination—was the same in the two cases. This appeal to principle is credited within the Administration with turning the tide on the issue of aid for the contras and on the repeal of the Clark Amendment, although other factors were obviously influential as well.

The Truman Doctrine was a major statement of U.S. containment policy for the cold war. It enunciated the principle that the United States would defend the right of peoples to determine their own futures when that right was threatened by outside communist forces. Ideological conservatives have always been uncomfortable with such a defensive posture. In the 1950s, they argued for the "rollback" of Soviet power in Eastern Europe. In the 1980s, they are similarly arguing for the rollback of Soviet influence in the Third World—or for what some conservatives prefer to call "containment plus." The Reagan strategy responds to such demands by transforming the Truman Doctrine from a policy of defending "freedom" to one of extending it.

Ideology has always influenced postwar American foreign policy, but it especially

matters to the Reagan Administration. The stakes in the contest with the Soviet Union in the Third World are, from its perspective, more ideological than geopolitical.

The new Reagan policy is also based upon the Administration's perception of a new opportunity. As the Administration came into office in 1981, a number of the Marxist-Leninist regimes that had assumed power in the 1970s confronted military insurgencies. Whereas for much of the cold war the United States had found itself in the position of helping non-communist governments defend themselves against Soviet supported insurgencies, now the United States had opportunities to support anti-communist insurgencies directed against pro-Soviet regimes. It seemed a particularly favorable development—not the least because it is commonly believed to be easier and less costly to mount insurgencies against an existing regime than to undertake successful counter-insurgencies designed to protect a regime.

Scoring "gains" at Soviet expense would reverse the U.S. "losses" that had occurred in the Third World in the 1970s—losses that the Administration attributes to U.S. military weakness and loss of will as well as to a new Soviet strategy. The Soviets have adopted a strategy that aims to transform Third World societies with Marxist leaderships into Marxist-Leninist systems with vanguard, multi-class political parties; an elaborate party-controlled internal security apparatus; and centralized, socialist economic systems. By placing Soviet bloc advisers in key governmental positions, the Soviets have apparently sought to make such regimes heavily dependent upon them. This Soviet strategy is one source of the new U.S. opportunities, since it has often generated strong resistance in the societies affected.

As former U.N. Ambassador Jeane Kirkpatrick has said, "The Reagan Doctrine emerged from the interaction of the idea of freedom and the circumstances that existed when the President assumed office. . . ."

If the Reagan strategy involves a reinterpretation of the Truman Doctrine, it also involves a similar reinterpretation of the Nixon Doctrine. In the wake of the Vietnam War, the Nixon Doctrine sought to limit U.S. commitments in Third World conflicts by making it clear that, while the United States would provide military aid to those fighting communists, it would not engage its own military forces, especially its ground forces.

The Reagan Administration similarly argues that insurgencies will be fought by local forces, but differentiates the new strategy from the Nixon Doctrine on the grounds that the latter "came to be seen as a cover for retrenchment and retreat," whereas the Reagan policy is being initiated in a period of U.S. resurgence.[1] In rhetoric at least, it emphasizes activism rather than adaptation.

GOALS OF THE POLICY

Public statements of the Administration invariably emphasize the ideological goals of the Reagan policy. The U.S. purpose is to support freedom and democracy. The new Reagan policy initative is the conservative counterpart to President Carter's human rights policy.

But democracy and national self-determination are regularly fused by the Administration. For example, one spokesman has referred to the anti-communist insurgencies as reflecting "democratic demands for national independence." The insurgents are "freedom fighters" or "democratic resistance forces." Since, in the Administration view, the "people" are battling alien regimes dominated by the Soviet Union and its agents, the insurgent movements are by their definition "democratic."

This fusion of the principle of domestic self-determination (democracy) with national self-determination reflects a characteristic cold war tendency to see the Soviet Union as the major threat to both democracy and national independence. But this tendency is also explained in the present case by the fact that, contrary to Administration rhetoric, it cannot plausibly be argued that most contemporary insurgent movements are democratically oriented.

If democracy or freedom are the Administration's central ideological goals, the principal national security goal is to reverse what the Administration has seen as the Soviet momentum of the 1970s in the Third World. The goal is to demonstrate that communism is neither inevitable nor irreversible. While some efforts are made by the Administration to argue the intrinsic strategic significance of the areas involved, the principal national security interest of the Administration is to "score" in the great game of politics with the Soviets.

THE SPECIFIC CASES

All of the insurgencies with which the Administration and the Congress are concerned involve forces fighting against self-proclaimed Marxist-Leninist regimes or regimes that the Administration claims are moving in that direction.

Africa: Angola, Mozambique, and Ethiopia

In Southern Africa, the break-up of the Portuguese empire in the mid-1970s led to the creation of Marxist-Leninist governments in Angola and Mozambique.

In Angola, this occurred after a civil war in which the Soviets and Cubans intervened militarily on the Marxist side, and the United States, Zaire, South Africa, and China intervened on the other side. That civil war continues today, with Soviet advisers and Cuban troops supporting the Marxist government and South African troops and aid supporting the rebel group (UNITA) led by Jonas Savimbi. United States aid to the rebels ceased with Congressional approval of the Clark Amendment in early 1976. Now that the amendment has been repealed, the Administration is reportedly giving serious consideration to resuming covert aid.

Mozambique avoided a civil war, but the Marxist regime that emerged with independence has had to battle an insurgent movement that was created and supported by white-rule Rhodesia and that has continued, since Rhodesia became black-ruled Zimbabwe, with South Africa's support. The United States has not assisted the insurgents. The government of Mozambique has had the support of Soviet, Cuban, and East German military advisers.

In Ethiopia, the Marxist government that came to power after the overthrow of Emperor Haile Selassie is confronted by insurgencies with separatist objectives in Eritrea and elsewhere. The Eritrean insurgency, which has a Marxist element, antedates the Ethiopian revolution. The Ethiopian regime is supported by Soviet and East German military advisers and Cuban troops—although Cuba refuses to let its forces fight against the Eritreans with whom it has had long-standing connections. The United States does not, so far as is publicly known, provide support for the insurgents.

The African anti-regime insurgencies are all rooted in regionally based ethnic groups that are battling politically dominant ethnic groups whose leaders have embraced Marxism-Leninism.

Afghanistan.—In Afghanistan, the forces of fundamentalist Islam and nationalism struggle against a Marxist government imposed by the Soviet Union and backed by Soviet military forces. The United States is, in the current year, reportedly providing through Pakistan about $250 million in "covert" aid to the resistance forces.

Kampuchea.—Insurgent forces in Kampuchea, based along the Thai border, consist of a larger and stronger communist element (the Khmer Rouge) and two weaker non-communist groups. From one point of view, they are engaged in the third Indochina War of the post-World War II era, fighting a Vietnamese-installed and backed regime in Phnom Penh. In a longer-term perspective, the conflict reflects age-old historical antagonisms between the Vietnamese and the Kampucheans. Vietnam relies heavily upon assistance from the U.S.S.R. Congress in 1985 authorized up to $5 million to support non-communist resistance forces in Kampuchea, and the Administration reportedly plans a $3.5 million program.

Nicaragua.—In Nicaragua, the insurgency against the Sandinista regime grew out of discontent with the regime's policies and out of U.S. initiatives. The principal component of the insurgent "contras" is led by officers from the National Guard of the hated Somoza regime, which was supported by the United States until it was overthrown by the Sandinistas. Some of the political leadership of the contras is not, however, identified with that regime. The United States supports the insurgents—currently with $27 million per year of non-lethal aid and earlier (until stopped by Congress in 1984) with "covert" military assistance ($80 million between 1981 and 1984).

ADMINISTRATION ARGUMENTS FOR THE STRATEGY

The principal public argument for the Reagan strategy has been that the United States, in Secretary Shultz's words, has "a long and noble tradition of supporting the struggle of people for freedom, democracy, and independence." Moreover, threats to democracy are threats to U.S. security, since "the imposition of Communist tyrannies has led to an increase in Soviet global power and influence . . . in important strategic areas."

The insurgencies, it is argued, are evidence that the Brezhnev Doctrine is dead—that the Soviets cannot act effectively to perserve Marxist-Leninist regimes when they are placed under threat.[2] Insurgencies raise questions about the legitimacy and public support of Marxist-Leninist regimes. They prevent these societies from being fully incorporated into the Soviet's global socialist system.

The Administration argues that the oppressed, because they are fighting for freedom, require only "modest support," whereas it costs the Soviets about $8 billion per year to support counter-insurgency activi-

[1] See Donald R. Fortier, "U.S. Foreign Policy and Regional Security: Trends and Tools," Remarks to the Dean Witter Reynolds Annual Metals and Mining Forum, February 25, 1985.

[2] Testimony of Richard L. Armitage in "U.S. Policy Toward Anti-Communist Insurgencies," *Hearings, Subcommittee on Foreign Operations, Senate Committee on Appropriations*, May 8, 1985.

ties in these countries.[3] While such costs are bearable, they are sufficiently large, given the Soviet Union's serious internal economic problems, to become a factor in future Soviet foreign policy calculations. Moreover, it is suggested, the costs to the United States of supporting insurgent movements are modest when compared with the likely long-run costs of defending neighboring countries against the depredations of Marxist-Leninist regimes.

The Administration has regularly argued that democratic governments are much less likely to be a source of U.S. foreign policy problems. Being based in the support of the people, they do not have the legitimacy problems characteristic of nondemocratic societies. They therefore do not require Soviet support to stay in power, and they can associate with the West without threatening their public support. The Administration believes that only basic internal political change can eliminate the threat from regimes like the one in Nicaragua. International agreements to constrain their behavior will not be observed, since governments that do not protect their own citizens' rights will fail to respect their international undertakings.

Supporters of intervention have argues that U.S. support for insurgents is a good way to demonstrate the credibility of American resolve. While the U.S. stakes in the outcome of particular Third World conflicts may not be great, they supposedly test our willingness to respond to Soviet threats in places where important American interests are involved, as in Western Europe or Japan.

A CRITIQUE OF THE REAGAN STRATEGY

There are, of course, many particular arguments against giving aid to insurgents in specific situations. For example, in Angola, aid would identify the United States with South Africa, the major supporter of Savimbi, and would make removal of Cuban forces and Soviet advisers even more difficult. In Kampuchea, it would entangle the United States with a guerrilla movement of which the genocidal Khmer Rouge communist forces are the most important element. And in Ethiopia, it would identify the United States with separatist forces on a continent where separatism of any kind is abhorred by all governments regardless of their political orientation. Here, however, the critique will concentrate on more general points.

The Reagan strategy rests on a Manichean view of the world—a world seen as divided between the forces of light (democracy) and of darkness (Marxism-Leninism). But in fact, movements the United States supports are not as democratic—and the regimes it opposes are not as totalitarian and uniformly Marxist-Leninist—as this view assumes.

None of the relevant insurgencies has a committed democratic leadership. While some of the civilian leadership of the contras may be democratic, any future government led by the contras, would—like all of the "democratic" regimes in Central America except Costa Rica—very probably survive only on the sufferance of the military. In Angola, the leader of the opposition, Jonas Savimbi, is a self-proclaimed Marxist (and, while he was receiving aid from China, also a "Maoist") who is essentially a politically effective tribal leader. None of the leaders of other insurgencies even have pretensions to democratic credentials.

The Marxist-Leninist label does not describe anything approximating a uniform political reality. For example—in his 1985 speech at the United Nations—President Reagan did not include "Marxist-Leninist" Mozambique in his list of countries to be liberated, presumably because the regime is rapidly moving away from the extremes of socialism, is encouraging domestic and international private investment, and has actively sought openings to the West. The tendency to accept the labels that these regimes choose for themselves—or, as in the case of Nicaragua, that the United States pins on them—confuses understanding.

Ideologies are often shallowly rooted. In Guyana in the 1960s, the United States covertly supported the "moderate," Forbes Burnham, against the Marxist, Chedi Jagan—only to see Burnham, once in office, turn toward socialism and adopt an increasingly pro-Soviet policy.

It is not clear that the principle of national self-determination is at stake in most of these insurgencies. Except in Afghanistan and Kampuchea, where there have been invasions by external communist forces, the Soviets or their allies did not, contrary to Administration rhetoric, "impose" these current regimes. The Soviets were asked for assistance by governments under external threat—sometimes from groups supported by the United States. As David and Marina Ottaway have argued, the choice of Marxism-Leninism as the official ideology in African states has "without exception" been made "by independent nationalist or military leaders."[4] The Sandinistas were also an independent opposition movement.

The principle of self-determination in any event provides little guidance for U.S. policy in civil wars where the issue at stake is precisely which "self" is the legitimate self—whether one tribe or group or another has the more legitimate right to rule. For such questions there are no objective answers.

Support for insurgencies suppresses powerful, positive forces favorable to the United States. Although leaders of Third World countries may seek Soviet support to maintain themselves in power, in the longer run, powerful forces operate in the U.S. favor. One of these forces is the overwhelming desire of all Third World leaders, of whatever political stripe, to maintain their autonomy. A second such force is the fact that, if such leaders seek economic improvement, they have little choice but to participate in a global economy dominated by the West and Japan; the Soviets have very little to offer them. A third is the essentially conservative, change-resisting character of Third World societies—which limits the capacity of the Soviets to remake them in a Marxist-Leninist mold.

Increased pressure from insurgents is counterproductive because it invariably increases the reliance of these regimes on Soviet bloc aid and counters the effects of these long-run positive forces.

A policy of supporting anti-Communist insurgencies in principle is likely to lead to repetitions of the most fundamental error underlying U.S. cold war policy toward the Third World: the tendency toward universalization. Out of a preoccupation with the U.S.-Soviet competition, the United States is again, as in the past, likely to neglect important local and regional realities. In Angola, it not only tends to view Savimbi as a democrat and to ignore the important ethnic basis of the conflict, but also unrealistically tends to discount the impact of U.S. intervention on U.S. influence among African states.

The Reagan policy is not based upon a clear strategic concept. The new policy is not rooted in any over-arching view of U.S. national security goals and of the best ways to achieve them. Instead, it is a tactical response to anti-Marxist insurgencies and a political response to the need for domestic support for the Administration's Central American policy.

The tendency toward universalism and the absence of a strategic concept have been responsible for a lack of clarity as to specific U.S. objectives in supporting particular insurgencies. Does the United States seek the overthrow of the Sandinista regime in Nicaragua, or only a change in its international behavior? Preoccupation with the Marxist-Leninist threat causes the Administration to fuse these potentially separable objectives. Does the United States hope to bring Jonas Savimbi to power in Angola, or would it be content with a negotiated settlement of the civil war, or simply with getting the Cubans out? It is also not clear what the Administration hopes to achieve by a "scoreboard" approach to these conflicts. There may be some psychological satisfaction in going on the offensive and making gains at Soviet expense, but what do gains or losses mean in such a contest? The intrinsic U.S. security stakes in any one of these countries are minimal or non-existent.[5]

Lack of clarity as to our purposes obsecures the fact that our objectives and those of the insurgents are not necessarily compatible. The U.S. objective in Afghanistan, for example, may be to harass the regime and to pressure the Soviets into serious negotiations. The insurgents, however, expect to win. U.S. aid may make them less willing to compromise, but the United States is not prepared to provide the kind of support that might permit them to achieve power.

Whatever the Administration's goals may be, the prospects for U.S. success in supporting insurgencies are not great. The insurgent forces have no prospect of winning in Ethiopia, Kampuchea, or Afghanistan. They have very dim prospects in Nicaragua, Angola, and Mozambique. In Angola, Ethiopia, and Afghanistan, the Soviets (and, in the first two cases, the Cubans) will certainly outmatch any U.S. effort. For this reason, among others, these are poor places to demonstrate U.S. resolve.

Administration spokesmen have emphasized the very great importance of a U.S. commitment to sustained, long-term aid to any insurgents we choose to support. But given the politically controversial character of such aid, the poor prospects for success in the foreseeable future, and the current federal budget crunch, such sustained assistance seems very unlikely.

It is also very questionable whether support for insurgencies improves the prospects for favorable political settlements. Increased military pressure, as the earlier ex-

[3] A view attributed to Director of Central Intelligence, William Casey. See Joanne Omang and David Ottaway, "U.S. Seems More Willing to Support Insurgencies," *The Washington Post*, May 26, 1985, p. 1. Another estimate of Soviet costs is $12 billion. *Business Week*, November 11, 1985, p. 85.

[4] David and Marina Ottaway, *Afro-communism* (New York: Holmes and Meier, 1981), p. 30.

[5] For a critique of U.S. conceptions of the security stakes in the Third World see Robert H. Johnson, "Exaggerating America's Stakes in Third World Conflicts," *International Security* (Winter 1985–86), pp. 32–68.

perience in Vietnam and the current experience in Nicaragua suggests, tends to polarize conflicts and to harden bargaining positions.

The determination of the United States to undermine certain Marxist-Leninist regimes may coflict with the severe self-imposed constraints on the use of U.S. forces. Among the guidelines on the use of force promulgated by Secretary of Defense Casper Weinberger in November 1984 were following: that vital U.S. interests should be at stake; that U.S. forces should be used only as a last resort; that such use should have the support of the public and Congress; and that the objective should be to win. The potential contradiction between Administration policies is most evident in Nicaragua, where the present stalemate in the war between the government and the contras can probably only be resolved either by U.S. escalation leading to eventual military intervention with U.S. forces or by the scaling down of U.S. objectives.

Fighting a successful insurgent war may prove more difficult and costly than believed. It is probably true, as the Administration claims, that it is easier and less costly to fight an insurgency than a counter-insurgency. However, this view may be unduly influenced by the case of Vietnam. In Vietnam, the insurgents were thoroughly committed to a nationalist/communist ideology, had mastered communist organizational techniques, and were able to exploit the special weaknesses of a society with a tradition of bureaucratic leadership. Even so, it took almost thirty years for the insurgents to win. The insurgencies that the United States might support under the Reagan policy do not have such tactical advantages. Moreover, knowledge of U.S. support for the rebels could undermine their legitimacy and consolidate support for the government.

Claims that this is a low-cost strategy also generally do not take account of the costs of increased aid to neighboring countries (see Table 1). While some of this aid in threatened areas would have been provided even if the United States did not support the insurgents, some of it has become necessary to provide reassurance to countries whose vulnerability was increased by U.S. support for the rebels. Honduras and Pakistan are perhaps the clearest current cases in point. Additional aid may also be needed to deal with the disruptive economic effects of these wars in the regions in which they occur—as in Central America.

TABLE 1.—INSURGENCIES: U.S. AID TO NEIGHBORING COUNTRIES

[Aid authorizations in millions of dollars]

	Fiscal year—					
	1980	1981	1982	1983	1984	1985
CENTRAL AMERICA						
Costa Rica:						
ESF [2]			20.0	157.0	130.0	160.0
Military		0.03	2.1	4.6	9.1	11.2
All aid [3]	15.9	15.3	53.8	218.7	179.0	222.5
El Salvador:						
ESF	9.1	44.9	115.0	140.0	120.2	285.0
Military	6.0	35.5	82.0	81.3	196.6	151.3
All aid	64.2	149.2	264.2	326.8	412.5	575.5
Guatemala:						
ESF				10.0		12.5
Military						.3
All aid	13.0	19.1	15.5	29.6	20.2	98.4
Honduras:						
ESF			36.8	56.0	40.0	147.5
Military	4.0	8.9	31.3	48.3	77.4	72.4
All aid	57.0	45.0	112.0	154.2	172.5	292.0

TABLE 1.—INSURGENCIES: U.S. AID TO NEIGHBORING COUNTRIES—Continued

[Aid authorizations in millions of dollars]

	Fiscal year—					
	1980	1981	1982	1983	1984	1985
SOUTH ASIA						
Pakistan:						
ESF			100.0	200.0	225.0	200.0
Military			.6	260.8	300.8	325.9
All aid	58.6	76.8	200.8	539.5	608.1	646.0
SOUTHEAST ASIA						
Thailand:						
ESF	2.0	2.0	5.0	5.8	9.1	8.0
Military	37.4	54.6	80.7	96.2	101.2	102.3
All aid	67.0	85.4	117.0	125.0	143.0	140.3
Global Total (billions):						
ESF	2.2	2.2	2.9	3.0	3.1	4.2
Military	2.1	3.2	4.2	5.6	6.4	5.8
All aid	9.7	10.5	12.3	14.2	13.5	13.2

[1] Estimates.
[2] Economic support fund.
[3] In addition to economic support fund and military assistance, includes development assistance, food aid, and other economic assistance.
Sources: Congressional Research Service Foreign Aid Data Base, Agency for International Development.

Escalation is a danger. A prudent calculation of the potential costs of such a policy must also take account of the prospects for escalation. Every one of the conflicts discussed has already spilled over into neighboring countries. Although, as earlier in Indochina, the United States "seeks no wider way, " it actions to involve neighboring countries could contribute to such a development. Thus if serious attacks were to be launched against regional U.S. allies—such as Honduras, Thailand, or Pakistan—the United States would have little choice but to respond, either directly or indirectly. The danger of escalation is greatest in Afghanistan because of the possibility that the Soviets might launch a large-scale attack on the Pakistani rebel sanctuary and thereby touch off a major confrontation with the United States. The need to deter such attacks becomes a strong argument for additional security assistance to the threatened countries, but such assistance tends to increase the prospects that, should escalation occur, the United States would be deeply involved.

Covert action is impossible; overt action is politically costly. The United States prefers to provide support to insurgents covertly. Covert action minimizes the extent of the U.S. commitment, reduces the extent to which U.S. credibility is at stake, and permits the United States to respond to changing circumstances at minimum international cost. It also eases the political problems of neighboring countries, permitting them to deny involvement with greater plausibility. As much experience indicates, however, truly covert U.S. aid to insurgencies is impossible. That is not only because of America's democratic processes and free press, but also because of the scale of action involved, the extensive involvement of neighboring countries, and the basic contradiction between stating U.S. general policy openly and attempting to implement it secretly.

THE UNDERLYING ASSUMPTIONS IN THE DEBATE

Supporters of the "Reagan Doctrine" are optimistic in the short run, believing that, the United States can, by backing insurgencies, fundamentally alter the politics of societies controlled by Marxist-Leninist regimes. Their long-run perspective, however, is fundamentally pessimistic: They believe that if the United States fails to implement an effective strategy of assistance to insurgent movements in countries with Marxist-Leninist regimes, the Soviets will then make these countries permanent parts of a "world socialist system."

Opponents of the strategy are pessimistic in the short run, believing that the capacity of the United States to effect basic political change in the Third World by this route is extremely limited and that the effort to do so entails high potential costs. But they are fundamentally optimistic about the long run: They believe that, over time, the limited capacity of the Soviets to impose their will is going to be offset (except where the Soviets undertake a military occupation, as in Afghanistan) by Soviet errors and by the developing countries' own built-in resistances to change, their fierce desire to preserve their political autonomy, and their strong craving for the benefits of participation in the global economy.

ALTERNATIVE POLICIES

There are three principal alternatives to a general policy of intervention in support of rebellions against Marxist-Leninist regimes: selective intervention, non-intervention, and a policy of seeking negotiated agreements designed to restrain the behavior of such regimes. The third alternative might be combined with the first or second.

Far more selective interventions in insurgent wars

A policy of selective rather than generalized support for insurgent wars would be based upon the view that the major difficulty with the new Reagan stategy is not the idea of intervention, but the universalization of the policy. Intervention would be undertaken on a case-by-case basis only when truly significant U.S. interests were at stake. The goals of intervention could include any of the apparent goals of the Reagan Administration—e.g., increasing the costs to the Soviets, achieving a political compromise, or overthrow of a regime.

Non-intervention in insurgent wars

A policy of non-intervention in insurgent wars would be based upon some combination of three arguments: (1) that support for insurgencies is politically, financially, or otherwise too costly and the results too uncertain; (2) that in the longer term, the fundamental interests of radical regimes will turn them away from heavy reliance on the Soviet Union and its allies; and (3) that the risks are in any event minimal, since such regimes can, at most, do only marginal damage to U.S. interests. Such a policy might involve nearly total disengagement from such regimes, but it could also, at some stage, involve the use of economic and diplomatic instruments to induce them to turn toward the West.

Negotiated restraints on radical regimes

A policy of seeking agreements with radical regimes to restrain their international behavior would, like a policy of non-intervention in insurgent wars, reject the idea of attempting to overturn, or to produce basic political change in, such regimes as too costly and uncertain. It would, however, be based upon the assumption that, in particular cases at least, such regimes could—if not restrained—do significant damage to U.S. interests. Accordingly, this approach would focus on what matters most to the United States and what the United States probably has the best prospects for influencing: international actions as they affect U.S. interests.

Bilateral or multilateral negotiations would seek to define standards of acceptable and unacceptable international behavior on

such subjects as the presence of foreign bases and military personnel, border security, support of insurgencies in neighboring countries, and inspection and control arrangements. While U.S. efforts to moderate the domestic policies of such countries would not be ruled out, the United States would not seek basic internal political change. Both pressures and inducements might be used in support of the negotiation process. Pressures might include the threat or the actuality of limited U.S. support for insurgents of such threats might only be implicit.

None of these alternatives is free of difficulties. As the efforts by Congressman Stephen Solarz and Washington attorney Lloyd Cutler suggest, it is hard to develop satisfactory criteria for selective intervention against radical regimes because the U.S. security interests involved generally are minimal, and the relative legitimacy—both international and domestic—of regimes and insurgent movements is often difficult to judge.[6] Insurgencies generated by outright invasions, as in Afghanistan and Kampuchea, are the easiest cases. But even these cases are not free of difficulties.

There is a generally strong case for the present U.S. policy of support for the insurgents in Afghanistan in the short run. However, since it is improbable that either side will give up and unlikely that the two sides will reach a political settlement, in the longer run the United States could face one of two unpleasant choices: (1) continuing support for a war of indefinite duration or (2) abandonment of U.S. support for the rebel forces.

In Kampuchea, on the other hand, aid to the rebels now would entangle the United States in a very complex political situation—without giving the United States any significant capacity to affect the outcome. And it could involve the United States in future conflicts among member countries of the Association of Southeast Asian Nations (ASEAN).

A policy of non-intervention in support of insurgencies would require a kind of patience and sophistication for which it will be difficult to sustain domestic political support, partly because such a policy runs against the grain of American activism. It may appear to involve a stance of merely hoping for changes in the policies of presently hostile societies.

A policy of seeking negotiated restraints on the behavior of radical regimes assumes that such regimes can be brought to see that restraining their revolutionary activism is in their own best interests. It also assumes that it is possible to negotiate effective inspection and control arrangements. Experience with Nicaragua suggests something of the potential problems involved in this approach.

Although each of these alternatives poses dilemmas, there are even more serious difficulties with the new Reagan strategy. It would involve a return to the attitudes and interventionism of the 1950s and 1960s, rejecting the lessons of those decades and ignoring the changes that have occurred since—while threatening serious damage to U.S. influence in Africa and elsewhere. The United States has neither the power nor the understanding to act in support of insurgencies in ways that can assure outcomes compatible with U.S. interests and values, to say nothing of the interests and values of the societies involved.

[6] See the testimony of Stephen Solarz in *Hearings*, op cit., p. 13; Lloyd N. Cutler, "The Right to Intervene," *Foreign Affairs*, Vol. 64 (Fall 1985), pp. 96-112.

FAMILY FARM REORGANIZATION ACT OF 1986

● Mr. D'AMATO. Mr. President, I am pleased to join my distinguished colleague from Iowa as an original cosponsor of the Family Farm Reorganization Act of 1986, S. 2231. This legislation will help ease the burden upon this Nation's family farmers as they plod through an unstabilized agricultural economy.

Although the increase in the number of farm bankruptcies is predominantly in the Midwest, it is steadily creeping eastward. New York potato farms, dairy farms, and vineyards, some of which have been in a single family for more than three generations, are now in bankruptcy proceedings. In response to the crisis, the Cornell Cooperative Extension Service has established a hotline, "NY Farm Net," an information and referral system for farm families.

Mr. President, the time for the Federal Government to act is now. The Family Farm Reorganization Act creates a new chapter in bankruptcy law, chapter 12. This new law takes into consideration the uniqueness of the family farmer as a businessman forced into bankruptcy which is not sufficiently addressed by the current bankruptcy laws. The legislation combines some measures of chapters 11 and 13 that benefit the family farmer and certain new features that protects creditors as well. Overall, this legislation is a viable approach to assist family farmers through this downturn in the farm economy.

Mr. President, I urge my colleagues to act expeditiously on this legislation.●

NAUM AND INNA MEIMAN: SENDING A CLEAR MESSAGE TO MOSCOW

● Mr. SIMON. Mr. President, many of us in this Chamber speak out against human rights abuses in the Soviet Union. The ongoing Congressional Call to Conscience gives us all the opportunity to express our concern and disappointment with the Soviet Union's treatment of its citizens. Additionally, many of us make statements on the floor from time to time about specific cases. Our commitment is strong and our message to Moscow is clear: Stop the harassment and violation of international agreements.

Inna and Naum Meiman have the voices of their supporters in the West to tell the world about their situation. As a result of a young Minneapolis woman, Lisa Paul, the attention of the news media and concerned Americans, the citizens of our Nation know about the Meimans. They know that Inna is dying of cancer, that Naum's alleged secret work is 25 years out of date, that the Soviet Government will not allow Inna and Naum to seek medical treatment in the West. The American people now know of the cruel violation of Inna's right to live that the Soviets have perpetrated.

Allowing Inna and Naum to emigrate to Israel would cost the Soviets nothing and win them the approval of world opinion. I strongly urge the Soviets to take the moral step of permitting Inna and Naum to go to Israel.●

STUDENT LOANS

● Mr. SIMON. Mr. President, in the midst of the constant changing of our student loan and grant laws, we are making it less and less likely that many students will take advantage of these grants and loans, and the net result is a great loss to the Nation.

The Chronicle of Higher Education recently had an article on the topic "Many Students Said To Be Confused, Ignorant About Borrowing Money for Their Education," written by Robin Wilson.

I urge my colleagues to read this article.

We are talking about the future of our country, and whether we are going to be as competitive as we should be in the world of tomorrow.

I hope we come up with sensible answers.

I ask that the article be printed in the RECORD.

The article follows:

[From the Chronicle of Higher Education, Mar. 19, 1986]

MANY STUDENTS SAID TO BE CONFUSED, IGNORANT ABOUT BORROWING MONEY FOR THEIR EDUCATION—OFTEN, OFFICIALS HOLD, LENDERS AND ADMINISTRATORS LACK THE TIME AND INTEREST FOR COUNSELING

(By Robin Wilson)

College and university officials are increasingly concerned that students receive little guidance about securing loans for their education and managing their repayments.

Often, the officials say, lenders and aid administrators lack the time and interest to do the job—nor are they required to do it.

Indeed, students frequently receive Guaranteed Student Loans without even speaking to a lender or college official.

The problem is compounded by the fact that most students are unsophisticated in their understanding of debt, aid administrators say.

"Many students don't understand the relationship between paying off their loans and their future," says Norine L. Fuller, executive director of the Fashion Institute of Design and Merchandising. "We find them to be extremely confused. By the time their student-aid package is made up, they don't know if they've gotten a grant, a loan, or College Work-Study."

Aid administrators say students should be better informed of the monthly repayments they will face after leaving college and of the effect that increasing their debts could have on their future finances. That is in-

creasingly important as their borrowing climbs: The average undergraduate is $7,000 in debt upon graduation, and many medical students borrow $30,000 or $40,000—and some as much as $100,000—to finance their education.

In addition, administrators say, loan counseling may help curb defauts, which are on the increase. The government's payments on defaulted loans topped $1-billion last year.

"The reason we're having the default problem is that we're not doing a good enough job in describing to students the kinds of income they can expect and what effect a debt burden will have on managing living." Says Frank R. A. Resnick, director of financial aid at Central Connecticut State University.

In light of those facts, many college officials are examining their own role in loan counseling, and some are taking steps to improve their procedures.

NO SENSE OF OBLIGATION

The College Scholarship Service held its first colloquium on student-loan counseling late last year. There, Theodore J. Marchese, vice-president of the American Association for Higher Education, decried the lack of guidance to student borrowers.

"We are routinely party to the putting of $8,000 and $10,000 loan indebtedness on students," Mr. Marchese said. But, he said, students assumed such a burden without "even the least information."

Because administration of the Guaranteed Student Loan program is spread among college officials, lenders, state student-loan guarantee agencies, and the federal government, he said, "no one party to the whole process . . . seems to have a clear sense of obligation toward students for the matter."

Lenders must inform student borrowers of the repayment obligations. But they typically satisfy that requirement by mailing students a statement on the terms of the loans, which some aid administrators say is difficult for students to understand and often goes unread.

Under federal regulations, colleges have no responsibility to help students understand the repayment requirements of Guaranteed Student Loans. Nor are colleges paid for administrative work on the guaranteed-loan program. As a result, few offer counseling sessions, aid administrators say.

A recent study of borrowers in New York State found that fewer than 20 percent of students had met with aid officers to discuss their loan-repayment plans before leaving college. Many graduates said they were unsure of how much they owed or what their monthly repayments would be.

Part of the problem, says Terry W. Hartle, a resident fellow at the American Enterprise Institute, a think tank with close ties to the Republican Party, is that there is little incentive for colleges and lenders to counsel students, since they are not responsible for the debts in the event of defaults.

"You have a program that is administratively decentralized, but all the risk stays in Washington" Mr. Hartle says. Often, he says, colleges are "less concerned with recognizing the debt students are accumulating than they are with just signing up another student."

Likewise, many lenders are eager to hold down their administrative work to keep profits high, other critics charge.

REAGAN ASKS FOR COUNSELING

In his fiscal 1987 education budget, President Reagan proposed requiring personal counseling for Guaranteed Student Loan borrowers. But Education Department budget documents did not specify whether the job would be done by lenders or by colleges. Budget analysts in the department say that would have to be worked out in regulations implementing any legislation enacted by Congress.

Both lenders and college administrators acknowledge the importance of talking with students about their debts, but each side claims the other is mostly responsible.

A group of lenders last month told the House Postsecondary Education Subcommittee that they "strongly suggest that if counseling is to be required, responsibility be placed either with the financial-aid officer or some other party."

They said counseling students individually would be costly and impractical, since some large banks lend to students who live thousands of miles away.

College administrators, for their part, say they have neither the time nor the staff to conduct face-to-face interviews with student borrowers.

"Under the Guaranteed Student Loan program, we're not the lender, and it should be a lender function to do the up-front work about rights and responsibilities," says Paul G. Barberini, director of student financial assistance at Arizona State University.

Regardless of who they believe is responsible, college administrators say that increased attention to loan defaults is forcing them to become more involved in student/loan counseling.

"Schools see the guaranteed-loan program as being in jeopardy, as having a black eye because of defaults," says John E. Dean, a lobbyist for the Association of Independent Colleges and Schools.

A provision in an extension of the Higher Education Act approved by the U.S. House of Representatives also may push colleges to strengthen their student-loan counseling. Under the bill, students at a college could no longer receive guaranteed loans if, among other things, too many of the college's former students had failed to repay.

College representatives acknowledge that aid officers can play an important role in debt-counseling because they are located on campus and meet with students.

"The aid administrator will probably be one of the most crucial individuals, informing students of obligations and making sure they are aware of potential indebtedness," says Richard T. Jerue, vice-president for governmental relations of the American Association of State Colleges and Universities.

Many college aid administrators, however, say their efforts to improve student-loan counseling face a variety of barriers—from thinly staffed aid offices and poorly paid administrators to burdensome federal regulations.

Aid administrators and college representatives cite the following obstacles to increasing their student-loan counseling:

Aid counselors often are underpaid, with a consequent reduction in job motivation and a high job-turnover rate. Aid directors are expected to earn a median salary of $29,639 in the current academic year, according to a survey by the College and University Personnel Association, placing them among the lowest-paid administrators.

Low pay discourages aid officers from taking on extra duties such as loan counseling, says Kurt Kendis, a senior project manager at the Wharton Applied Research Center, who has researched student-loan issues.

At community colleges, aid administrators say, the salary problem is even worse, since their pay is usually below that of their counterparts at four-year institutions.

Gene S. Miller, student-aid director at Pasadena Community College, says five of the college's six aid counselors quit last year. The turnover decreased the office's effectiveness, she says, because new administrators had to spend hours learning the regulations and other procedures surrounding the aid programs, leaving them little time to spend with students.

Aid offices are understaffed and counselors don't have time to talk with student borrowers.

According to a 1984 survey by the National Association of Student Financial Aid Administrators, over half of all aid directors worked in offices with only one other full-time or part-time aid administrator. Only 17 percent of the directors had professional staffs of four or more.

Aid officers must follow cumbersome federal regulations governing other student grant and loan programs, reducing their ability to focus on loan counseling.

"We are annually audited [by the Education Department] on Pell Grants and biannually on campus-based aid programs," says Ms. Miller. "That is a lot of liability held over your head, so you are going to take what administrative time you have to run those programs as well as you can run them."

In addition, under an Education Department directive, aid officers must verify whether information submitted on student financial-aid applications is correct.

"The department constantly puts aid officers through the hoops of verifying and validating student-aid information," says Mr. Jerue of the American Association of State Colleges and Universities. "While they are doing that, they are not making sure that a student has the most up-to-date aid information."

ETS HAS COMPUTER PROGRAM

Despite such problems, some colleges are moving to establish new ways to help student manage their borrowing and plan for repayment.

Over 200 institutions have purchased a computer program designed by the Educational Testing Service that serves as a student-loan counselor. It calculates a student's monthly loan repayments and figures them as a percentage of the student's future income, based on the type of job the student plans to seek.

Hundreds of colleges are using a five-minute music video, produced by the Fashion Institute of Design and Merchandising, that shows students how repaying their loans can enhance their credit rating and improve their ability to secure additional consumer financing.

Colleges in Massachusetts have joined with lenders and the Massachusetts Higher Education Assistance Corporation in a project to educate students on the ins and outs of borrowing. The project begins with students in junior high-school and spans their graduation from college.

"Financial debt-management programs won't prevent increasing debt burdens," says Sylvia Q. Simmons, senior vice-president of the Massachusetts corporation, which guarantees loans to lenders. "But they will give students the skills to manage their budgets and really understand completely and fully the loan obligation."●

TRIBUTE TO LEONARD AND NELLIE ANDRUS

● Mr. LEAHY. Mr. President, as you know, I am in the habit of bragging from time to time about my home State and the unique devotion to the principles of true democracy observed in Vermont.

Vermont's traditional town meetings represent everything the framers of our Constitution envisioned when they drew up that historic document.

My first experience in government was to attend a town meeting as a boy. I marveled then, and I still do, at the simple eloquence and beauty of communities of Vermonters gathering to govern themselves and elect representatives to carry out their wishes.

A story that appeared in the Burlington Free Press on March 3 of this year tells about Leon and Nellie Andrus who have served their community together for 33 years.

I hope you all take time to read it. It will teach you something about our special state, and the people who live and work there. Andy why I take such pride in representing the people of Vermont here in Washington.

The article follows:

WOLCOTT CLERK RETIRES AFTER 33-YEAR STAY

(By Nancy Crowe)

WOLCOTT.—When Nellie Andrus became town clerk 33 years ago she was given the town books and nothing more—not even a pencil.

The office was in her living room, which suited her just fine since she was also busy raising 2-year-old Edward and 3-year-old Alice. Leaving her children to go to an office was the furthest thing from her mind, and she never learned to drive a car.

Tuesday's town meeting will be the first time in 33 years that Mrs. Andrus, 66, will sit beside her husband, Leon, 68, instead of in her place on the Town Hall stage.

She had been married just a year and was not yet a legal resident of Wolcott when her husband was elected Wolcott town clerk. Mr. Andrus was working at a garage and, he explained last week, "I got elected on the strength that she was going to be the one to do the work." Mrs. Andrus, with experience as a bookkeeper, was appointed her husband's assistant and ran town affairs out of their small home on Main Street.

On May 21, 1953, Mr. Andrus was appointed Wolcott postmaster, and town selectmen appointed his wife town clerk. They both held those positions for 33 years, retiring this year.

Wolcott has changed in the past three decades—the village and outlying town, the tone of town meetings, and the town clerk's and postmaster's office. In 1968, after years of discussion and persuasion, a town clerk's office was built.

Her children had graduated from high school by then. Mrs. Andrus walked each morning to her office, just after her husband had left for his and the breakfast dishes were done. His office was three buildings away from their home, hers was five. At lunchtime, she would stop by at the post office and they would walk home together.

The ritual drew attention from many, including local poet David Budbill, who was inspired by the routine and by Mr. Andrus' Lower tending to invent a similar couple in his "Chain Saw Dance." The book reflects mannerisms and lifestyles of a number of Wolcott residents.

Little by little, the Wolcott town clerk's office, spurred by the Andruses, crept into the modern age, adding a calculator and a copier although town selectmen initially were reluctant to pay.

When we took over the books, there was no equipment just books, not even a pencil. No typewriter or adding machine, although after awhile we got a secondhand portable typewriter that was so small you had to fold over the margins to get the paper in. There was always this pressure of not needing an office or equipment," Mrs. Andrus recalled.

When Mrs. Andrus finally moved into her new office and began planning for a new phone, one selectmen, she said, "asked me what I needed a phone for. Honestly, it was like that then, that's just an example of what I had to fight for to get the place the way it is today. Although within the last few years, the selectmen have been very cooperative."

When Mr. Andrus became town clerk, 40 townspeople would show up at town meeting, in a good year. Today that number is closer to 150. There are three times the number of mailboxes on the rural delivery route and three times the number of tax bills sent out each year.

"Discussions at town meeting have changed," Mr. Andrus said. "People try to be more businesslike. They're more refined now, although they still criticize. It used to be that a lot of people would go to town meeting just to hear the arguments."

In the late 1940s when the Andruses moved into their village home, everybody who wasn't a farmer lived in the village. The village boasted three stores and two garages. Several dozen small farms surrounded the village and eight schools were scattered around the town.

Today, there is just one store, with gas pumps outside. Most people shop at the supermarkets six miles away in Morrisville.

The traffic on Main Street—Vermont 15—has increased dramatically, so much that Mr. Andrus said, "Lots of times I wish we had this much traffic when I had the garage."

There are just a half-dozen farms left. Most have been converted to building lots. And the schools have centralized at the Wolcott Elementary School in the village, which has seen two additions.

School directors are considering building a new school.

Mrs. Andrus described the job of town clerk as one that "gets to be a part of you. It's a job you don't go away from easily. Things are always coming up and you don't know what's going to happen next."

The Andruses have never traveled much except to an occasional national postmasters' convention because, Mr. Andrus explained, "It was always so hard to pull Nellie away from her job."

Now they are talking about a leisurely drive to Texas for the summer postmasters' convention. And Mrs. Andrus figures she'll do a bit more walking.

"Only this time," she joked, pointing away from the town clerk's office. "I think I'll walk the other way."

MORE INFORMATION ABOUT FOOD INGREDIENTS COULD SAVE LIVES

● Mr. CHAFEE. Mr. President, I was shocked and saddened by last month's news reports of the death of a Brown University student due to an allergic reaction to a meal eaten in a restaurant. On February 18, Katherine Brodsky, who suffered from an allergy to nuts, fell ill minutes after eating chili which had been seasoned with peanut butter.

What makes this story so tragic is that it could so easily have been prevented. What makes it so frightening is that every person who suffers from a food allergy runs the risk that what they order in a restaurant may contain an ingredient they cannot tolerate.

This is because—under current FDA interpretation of the Food, Drug and Cosmetic Act—restaurants are not required to disclose the ingredients of the dishes they serve.

In the case of packaged food bought at a grocery store, consumers with food allergies are protected by the list of ingredients that must appear on every label. Most allergy sufferers are practiced in examining ingredient lists, since—more often that not—the only treatment for their sensitivity is to avoid the food in question.

What protection does this person have, then, when he or she eats out? Ingredient information must be sought—and is frequently impossible to obtain. Anyone who has ever tried to find out exactly what is in a meal ordered in a fast food restaurant, for example, has undoubtedly encountered this problem.

And sometimes, ingredients are so unexpected that even a person with a well-established practice of avoiding certain foods would never even think to ask. For example, some people are allergic to corn syrup, a commonly found sweetener. But who could anticipate that some restaurants use it in making french fries?

Ingredient information for all types of food should be reasonably accessible, and I will soon be introducing legislation to help achieve this goal. My intent is not just to make this information more available for restaurant food, but—more generally—to highlight the vital importance of knowing what we are eating.

Protecting those who suffer from allergies is just one of many reasons to provide consumers with information about the ingredients of food served in restaurants. All consumers need this information in order to make wise choices about the food they eat. Nothing could be more basic to our collective health. ●

MAYO'S EXPANSION PLANS

● Mr. DURENBERGER. Mr. President, I am proud to have in my home State of Minnesota an institution which is an acknowledged leader in the U.S. health care field—the Mayo Clinic.

I am also proud to see that Mayo is continuing its role as leader and an innovator: The Mayo plans to make its research, educational activities, and health care services available to more people than ever before through an expansion program that will make it the largest private medical center in the world.

As a recent Business Week article explains, Mayo is opening branch clinics in Florida and Arizona and will become a truly nationwide provider of health care. Other large providers plan to follow Mayo's lead.

As providers of this size and reputation expand the variety and location of their services, the real beneficiary of these changes will be the patients. For example, there are already 2,000 people on the waiting list for appointments at the new Jacksonville branch of Mayo: this tells me that when economic factors force providers to compete for patients, they will ultimately be successful by providing those patients with efficient, quality care.

Mayo already knows this: as it expands to new locations, it will introduce into the local environment not only a new competitive atmosphere but also a standard of excellence in patient care around which that competition will revolve. Mayo is demonstrating that quality medicine can be cost-effective.

I ask that the "Business Week" article be printed in the RECORD.

The article follows:

[From Business Week, Mar. 24, 1986]

EVEN THE ELITE CLINICS ARE SHOPPING FOR PATIENTS

(By Mary J. Pitzer)

Since the turn of the century, the Mayo Clinic has been at the pinnacle of U.S. health care. Some 4 million patients—including Muhammad Ali and Chief Justice Warren E. Burger—have beaten a path to Rochester, Minn., seeking everything from a routine physical examination to a cure for cancer. But suddenly the venerable clinic is finding that it can no longer afford to wait for patients to seek it out. Mayo has embarked on an expansion program that will make it the world's largest private medical center and a nationwide provider of health care.

Mayo is one of a handful of elite clinics that are finding they must change to survive in the new, hotly competitive, and cost-conscious health care market. Faced with predictions that just 10 to 20 corporations—so-called SuperMeds—will provide the bulk of the nation's health care by the 1990s, these physician-run clinics are branching out far from home to draw new patients. And many are creating their own health maintenance organizations (HMOs) to tap into the medical insurance market. These days, says Dr. William S. Kiser, chairman of the Cleveland Clinic Foundation's board of governors, "everybody must appeal to the consumer. Economic realities are driving the change."

The private clinic play an important role in U.S. health care. They are known for their high quality of care, which they attribute to the fact that they are managed by specialists who pool their expertise and resources. And they have become major centers of medical research. The Mayo Clinic organized the first such group practice and it established the nation's first graduate school of medicine in 1915. That made it a model for many others. The Alton Ochsner Medical Institutions in New Orleans has the largest non-university teaching facility in the country, with 200 residents in training. The Cleveland Clinic pioneered heart bypass surgery and artificial hearts.

Not surprisingly, the Mayo Clinic has the most ambitious plans of all. On Mar. 3 it announced that it would merge in July with the two hospitals in town, St. Marys and Rochester Methodist, to which it had long referred its patients. The merger will make the complex the world's largest private medical center, with 830 physicians admitting 1,000 patients a day. By bringing it under a single management, Mayo hopes to cut costs and streamline operations.

In addition, Mayo is building branch clinics in Jacksonville, Fla., and Scottsdale, Ariz. Centered in high-growth areas with large elderly populations, each will draw patients from a 500-mi. area. Because it marks the first time a major clinic has expanded into a distant location, the step is "a very significant development," says health care consultant Dr. Paul M. Ellwood Jr.

Cloning the clinic may not be easy, however. Branch operations "tend to develop a life and culture of their own—they become different organizations," warns Frederick S. Fink, president of the Federation of American Clinics. And Mayo has already sparked the ire of local physicians, who stand to lose patients. The atmosphere is particularly tense in Florida, where a state law was changed last year to let Mayo physicians take only an oral test in their specialities, instead of a lengthy comprehensive exam, to obtain a state license to practice. "We welcome competition, but not unfair competition like that," says Dr. Luis M. Perez, president of the Florida Medical Assn.

RESISTANCE

Mayo doesn't seem worried. Although its new operations will be dispersed, the clinic intends to hold the organization together through sophisticated telecommunications. Each clinic will initially be staffed by about 30 Mayo-trained physicians who will be able to consult with other experts in Rochester. As the branches grow, "significant programs in education and research" will be transferred there, says Dr. W. Eugene Mayberry, chairman of the board of governors.

Mayberry is confident that the clinic's reputation will draw patients, despite resistance from local doctors. Traditionally, only 20% of Mayo's patients are referred to the clinic by their doctors. And already 2,000 people are on a waiting list in Jacksonville for appointments. "We feel we have some advantage because we will be the only one of the national providers that is physician-directed" says Mayberry.

As in the past, other large clinics are following Mayo's lead. The Cleveland Clinic is considering setting up a group practice in Fort Lauderdale, Fla., and it may open similar branches abroad to augment its already booming business of treating wealthy foreigners (King Hussein of Jordan is one of its more prominent patients). Ochsner plans to open a satellite in Baton Rouge, La., in July and is eying the market in the Florida panhandle.

ECONOMIC IMPERATIVES

Although other top clinics are too small to make such big moves, they are expanding on a more modest scale—in a range of 10 mi. to 150 mi. Lovelace Medical Center in Albuquerque opened a branch in Gallup, N.M. Park Nicollet Medical Center in Minneapolis, which has 18 branches in the Twin Cities, has affiliated with independent physicians to extent its reach.

Several prestigious clinics banded together two years ago to form the Federation of American Clinics with 14 members, including Dartmouth University's Hitchcock Medical Center and the Scripps Clinic in La Jolla, Calif. With combined revenues of more than $3 billion, the federation hopes to reduce members' costs through group buying. But it also plans to start a for-profit venture to help physicians form group practices. And it wants to make deals with health insurers to develop a nationwide network of high-quality clinics that patients can use wherever they travel.

Because new medical insurance programs such as HMOs are locking patients into certain doctors and hospitals, the clinics are worried that they may be left out. So a number of clinics are setting up their own HMOs and insurance schemes to hold on to their local patients. The Cleveland Clinic is trying to interest insurance companies and employers in using a health care plan it developed that relies on area doctors and the clinic's specialists. Last year. Ochsner launched its own HMO to head off a wave of major HMOs invading New Orleans. Some clinics that have experience running HMOs are helping other groups start theirs. Park Nicollet, for one, started a management company last year to operate HMOs for other clinics around the country, including one for the Virginia Mason Clinic in Seattle.

Such moves may well be an economic imperative for the clinics. But the real test will be whether they can expand and maintain their carefully cultivated reputations for excellence. Mayo, of one, has no doubts that it is equal to that task. Says Mayberry: "We don't want to be the biggest of the systems that are going to evolve—we simply want to remain the best." That may be the biggest challenge.●

KOREA'S SEARCH FOR DEMOCRACY

● Mr. HART. Mr. President, over recent months, all Americans watched with admiration as the Filipino people marched peacefully and courageously toward democracy. We all know the risks that accompanied that march and accompany it still. Extreme and often violent forces at both ends of the political spectrum threaten to polarize progress toward consensus and unity. Yet the Filipino people have resisted such forces, and their prudence offers great hope that the Aquino regime will successfully meet the difficult challenges that lie ahead.

Today there is another development in the Pacific Rim that we should

monitor with equal hope and concern. I refer to the challenges our friends in Korea face as they struggle for a peaceful transition to democracy.

Recent developments in South Korea indicate the dramatic emotions and tensions at work within their society. There have been an increasing number of antigovernment demonstrations by opponents of the Chun regime. And there has been a concerted effort on the part of Korean opposition leaders to demand a greater role in the country's electoral process.

Turbulence of this kind would be noteworthy in any nation. But in South Korea, these events assume direct importance for our own Nation's security and interests. South Korea is one of our staunchest allies. Her political fate is of central importance to our foreign policy, our military strategy, and America's overall interests in peace and stability throughout the Pacific Rim.

No one in this chamber disputes the fundamental importance of stability in South Korea. We all understand the overwhelming dangers which Koreans face daily in protecting their country from the threat of invasion from the North. We know that internal insurrection in Korea could well encourage Communist forces hostile to Korean and American interests. And we all share an iron resolve to avert such developments.

These external challenges to South Korea do not diminish the importance of the internal challenge that lies ahead for South Korea. To safeguard their own security and stability, the Korean people will require a political environment which is legitimate and fair. History demonstrates that the best guarantor of security—the most enduring environment for stability—is democracy.

America has watched the economic transformation of Korea in the postwar era with pride. The country has truly earned the title of "Asia's Economic Miracle." It is now time for South Korea to develop a political structure in line with its economic modernity—a political structure truly reflective of the international status the country has attained.

Mr. President, the key issue in South Korea today is how to achieve democracy peacefully. The opposition parties in Korea are trying one method: organizing a petition campaign to urge the government to permit direct elections of leaders by Korean citizens. The opposition objects to an electoral system in which voters select an electoral college comprised of candidates whose views are not publicly known and who are not widely perceived to represent the will of the people.

The opposition, therefore, asks for the right to have direct, open elections. Careful to avoid extremism in any form, responsible opposition leaders are asking for no more than the right to be heard—and to have their views judged openly and fairly by their fellow citizens.

I urge all those in the Congress and in our executive branch to pay close attention to the current developments in South Korea. We should help in whatever way we can to encourage the opposition parties to pursue a prudent and peaceful course. and we should also use our influence to encourage President Chun and his ruling party to listen closely to the urging of his people when they ask for a greater voice in the political process. For President Chun to delay the debate over democracy in Korea would be akin to resisting the tides of a mighty and bountiful sea.

Finally, I would urge our own leaders and representatives—especially our Ambassador in South Korea—to take the opportunity to talk directly with opposition leaders. Without prejudging the legitimacy of any group's demands, such a dialog would help inform and guide our understanding of the challenges ahead for South Korea.

Mr. President, I recently had the opportunity to meet with one of Korea's opposition leaders, Mr. Sang Hyun, Kim. The former chief of staff in Mr. Kim Dae Jung's 1972 presidential election campaign, Mr. Kim has been banned from participation in the Korean political process for 15 years. Jailed for over 4 years, Mr. Kim has since lived a life of official political exile. His so-called crimes represent nothing more than his commitment to the nurturing of democracy in Korea, based on the ability of all Koreans to have a voice in the election of their government. Mr. Kim's courage and quiet resolve are an inspiration to all of us who stand for the ideals of liberty, equality and justice—all of us who hope for peaceful progress toward democracy in Mr. Kim's homeland.

I ask that Mr. Kim's remarks before the Harvard University Korea Colloquium in February be included in the RECORD.

The remarks follow:

DEMOCRACY AND THE ROLE OF OPPOSITION PARTIES IN SOUTH KOREA

(By Sang Hyun Kim)

Ladies and Gentlemen, I am deeply honored to be a guest speaker of the prestigious Harvard Korea Colloquium this evening. I would like to thank Professor Vincent Brandt and Mr. Edward Baker for making this possible.

This evening I would like to take this opportunity to share my thoughts with you about the role which we, the opposition political parties, can play in the restoration of democracy in South Korea. Before I get into the main points, I want to share my personal political experiences with you. This is not for the sake of a flattering self-introduction, but for the better understanding of political reality in Korea.

During the thirty years of my political career, I have experienced both joy and sorrow in fighting for democracy in Korea. I can still remember that moment of enthusiasm when I worked as the chief of staff for Kim Dae-Jung's 1971 presidential election campaign. As you might know, we nearly defeated the late President Park. For the most part of my struggle for democracy, however, sorrow and setback prevailed.

Since 1972, I have been a political prisoner. I was put in jail for four years and three months. My fundamental civil right to participate in political life has been banned for the past fifteen years. The only crime I know of is that I worked hard for the restoration of democracy in Korea. During this long internal political exile, I suffered greatly from torture, imprisonment, and personal humiliation. The most painful was the artificial isolation from real politics. But the isolation taught me new lessons. Through this period of personal suffering and anxiety, I learned how to examine and analyze political realities more objectively, without being a prisoner of my emotions.

Following World War II, over a hundred countries in Asia and Africa have gained independence. All of them had common goals: nation-building and the realization of democracy. Very few, however, were successful in achieving these goals. Their endeavors turned out to be the deepening of authoritarianism and national disintegration. Unfortunately Korea was not an exception to this rule. Our lofty ideals ended in a vicious circle of political decay and authoritarian regimes.

Several factors explain the erosion of democracy in Korea. Firstly, the division of the Korean peninsula brought about a negative legacy impeding the development of democracy in Korea. Constant military tension between the North and the South has allowed dictators of both Koreas to create a political mythology of national security. The enactment and sustainment of the Anti-Communist Law, and the National Security Law reflect an aspect of taking advantage of a precarious security situation for the regime's political survival. In fact, under the name of national security, many dissidents were branded and prosecuted as communist sympathizers.

Secondly, the divided Korea inevitably brought about the emergence of the military as the largest and the most powerful institution in Korea. Since Park's military coup d'etat in 1961, its appetite for political power has known no limits. This had resulted in chronic intervention in civil politics. It is this military intervention in politics that has systematically blocked the development of a democratic policy in Korea.

Thirdly, the state-guided capitalism, which emerged out of a subtle alliance between the military, technocrats, and big business, has posed a serious obstacle to the fulfullment of democratic ideals in Korea. It is true that the state-guided capitalism has achieved a remarkable economic growth. But this growth has been at the expense of equal distribution of wealth and income. Wages have been deliberately kept at minimum in order to make Korean exports competitive in the international market. As a result, profits were not distributed fairly to the workers, but were instead shared by the industrial magnates and the military dictatorship in disguise. The unequal distribution of income and wealth, an unavoidable by-product of export-led economic growth policies under authoritarian regimes, has undermined political and social bases of democracy in Korea. As long as a triple alliance involving the military, technocrats, and big

business remains dominant, the future of democracy in Korea is uncertain.

Fourthly, the erosion of democracy in Korea can be attributed in part to the absence or weakening of critical functions of the mass media. Since the early 1970s, the media has been co-opted by, and has succumbed to, government coercion and appeasement. To put it more bluntly, the mass media has become the handmaiden to the dictatorship. There has been absolutely no objectivity and balance in the news media coverage. A recent nation-wide boycott movement of the KBS, a national TV station, illustrates the people's discontent with the unfair and dysfunctional mass-media.

Fifthly, the lack in institutional counterbalance to the enormous power of the central government is in general, yet another major barrier to the development of a democratic Korea and is also, in particular, an impedement to the effective functioning of opposition parties. Decentralization of power through the viable system of local autonomy is a pre-requisite to democracy. But we lack such an institutional mechanism, making the path of democracy all the more difficult.

Finally, the personification of power, a common tendency among the Korean leaders, is another obstacle to democracy. Political leaders in Korea have traditionally identified themselves with the state *per se*.. This political narcissism has made them treat political opposition as anti-state, if not treason. Especially, "military-turned" politicians have customarily regarded politics as military operations. In this conception of politics, opposition parties are treated as if they were an enemy to be crushed. It is this military mentality which has encouraged and continued the politics of extreme confrontation, eventually undermining potential for democracy.

While these inhospitable conditions have barred the evolution of democracy in Korea, we, the opposition parties, are not without problems. We are also facing several challenges in realizing our solemn duty of democratization.

The first challenge is the ceaseless attempts by the ruling regime to fragment and weaken the opposition bloc. Taking full advantage of any minor factionalism, the ruling regime has effectively penetrated and fragmented the opposition coalition by the politics of co-optation and manipulation. These actions represent the true intention of those in power who do not welcome the institutionalization of political competition.

We also have the problem of political funds. The marriage of convenience (or necessity) between political power and capital has made it very difficult for the opposition to tap the business community for much-needed political funds, if not impossible. Moreover, the ruling regime's political retaliation has prevented a good number of businessmen from contributing funds to the opposition. As a result, the ruling coalition is soaked in abundance, while the opposition suffers from the acute shortage of funds.

Worse is the prevalent factional politics within the opposition bloc which has weakened its structural capability. The oppositional political parties are organized around factional leaders, rather than around the issues and the policies that are dear to the hearts of the Korean people. Consequently, confrontations between and within the opposition parties rarely involve issues; rather, they are more often conflicts over particularistic interests such as localism or personal allegiance to factional leaders.

Perhaps you can now understand why we are divided, why we are in dire need of political funds, why we are unable to recruit capable new blood, and why we are often amiss in our policy recommendations and proposals.

However, despite these structural weaknesses, the opposition parties in Korea have not only intensified their critique of the ruling regime, but have also attempted to consolidate their internal unity. Ironically, this positive movement has been a result of pressure and expectation from the bottom, the people. Nonetheless, recent events indicate a reversal of this trend, in which people's expectations are ignored, and the politics of fragmentation is revived.

It is no wonder, then, that South Korea's opposition parties functioned in the 1970s and the early 1980s as an ornament of the dictatorship. No wonder they were popularly derided as "the day-time opposition that becomes pro-government by night." This hypocritical dualism has given birth to the rise of a coalition of new oppositional forces comprising of students, religious leaders, independent labor, and intellectuals. To be candid and correct, I should note that the democractic movement in the 1970s was led not by the opposition political parties, but by these forces which were not constrained by institutional politics. These new oppositional forces united under the name of "minjung (the people)" were theoretically mature in their struggle for democracy. Being a part of this new movement, I have learned that the true democracy emanates from the people.

The Korean people's passion for democracy was tragically demonstrated by the Kwangju incident in May, 1980. I believe that this tragedy is attributable at least in part to the inability of the politicians to accommodate the intense popular desire for democracy within the political arena.

The Kwangju tragedy was not futile, however. The surprising result of the last year's general election confirmed the living spirit of those who fell on the altar of democracy in Kwangju. Despite having the advantage of utilizing the government machinery and abundant political funds, the ruling Democratic Justice Party won only 35 percent of votes, while the opposition parties accounted for 65 percent. What is interesting to note is the fact that the New Korea Democratic Party, which was born a month before the election, drew the largest support from the people. By any standard, it was a miracle in the history of Korean politics. I am proud that I was one of the key architects behind this miracle. For me, however, it was not a miracle of spontaneity, but rather an outcome of a prudent assessment of political reality and careful campaign planning. I learned another lesson through the election: objective assessment and systematic planning can bring people together and outstrip the ruling regime under any circumstances.

Ladies, and Gentlemen, in view of all this, I have come to the conclusion that the restoration of democracy in Korea requires a new political leadership. This new leadership should possess several unique qualities and capabilities.

I believe, first of all, that new political leadership should be able to balance ideals with reality and to subscribe to the principle of responsible politics. The politics of accountability negates the politics of slogans and extremism. It advocates reasonable criticisms which are followed by alternative ideas and proposals.

Secondly, a new leadership has to create a climate of dialogue and compromise. I understood that democracy, especially liberal democracy, is the process of muddling through, bargaining, logrolling, and accommodation. We cannot reach the final destination of a true democracy without going through this incremental interactive process. Even angelic ideas sometimes require a compromise with evil for their realization. Resorting to dialogue and compromise should not undermine our ultimate goal of democracy, however.

In the opposition circles today, extremism tends to prevail over moderate positions which favor dialogue and compromise. Radicalism may be emotionally soothing, but it cannot advance our society and politics. Some politicians who advocate dialogue are often branded as "sakura" (gray opportunist in Japanese). Such people are willing to compromise everything, including principles. What I am emphasizing here is a flexibility and resilience in methods, but a firm adherence to principles.

Thirdly, we, the opposition parties, must free ourselves from the traditional obsession with status and hierarchy. We should restore a truly democratic climate in inter- and intra-party relations. This is the first step in regaining the people's trust and respect. At the same time, the opposition bloc should come up with a set of viable tactics and strategies to deal with the ruling regime.

When we survey the history of opposition politics, we can note that overthrowing dictatorship is simplistically identified with the restoration of democracy. Those who advocated the violent overthrow of the dictatorial regime by rejecting the possibility of co-existence, however, turned out to have tacitly recognized the legitimacy of the regime. I submit that we have reached the point in history where the democratic movement cannot bear fruit by advocating such violent notions as an overthrow. Violence begets violence. Staging a zero-sum struggle of all or nothing will injure all parties concerned. We have to opt for what is realistically attainable, although it may be second best to what is most ideal.

Fourthly, we have to provide graceful exit for those who are in power. The current leaders in power fear political vendetta in the event of their fall. The present constitution, which stipulates indirect presidential elections, serves as a safeguard for their survival. It is from this background that they are dead set on protecting the existing constitution and ignoring the popular demand for a constitutional amendment for direct presidential elections. The confrontation between the ruling regime and the opposition forces over the issue of constitutional preservation or amendment is posing a serious political dilemma. This dilemma may erupt into violence and bloodshed, and lead to the useless sacrifice of thousands of lives. The only solution to this dilemma is to enable the current leaders to retire honorably. This may entail a campaign to help them restore their human conscience and return to the march of history. In other words, we, the opposition forces, should tame, rather than confront, a wild beast.

Equally important, however, is the restoration of honor and compensation for the victims of the Kwangju incident. We all know that they were not communist rebels. They were simple citizens who were concerned about the future of democracy in Korea. The only crime they committed was their intolerance to the repressive political

climate. Along with the graceful exit of those in power, the discussion of the status of the Kwangju victims should be an important agenda of the constitutional amendment

Ladies and Gentlemen, I often hear that, in Korean politics, there are political tacticians but no political strategists. We have to remember that we cannot win every battle before we win the war, and truly, we do not have to. The history of Korean politics teaches us that those who have won political battles tactically were not necessarily ultimate victors. To win a war for democracy, our ultimate goal, we have to carefully weigh the implications of every tactical success and failure for the overall strategy. Tactical gains through extremist rhetoric and sporadic resort to violence often inflict greater cost to our large scale goals.

We have to leave behind the unfortunate past when the regime and the opposition alike did not budge an inch from their respective objectives, only to bring about the worst possible consequences. We have to expand our popular support and use it as a leverage in pursuing dialogue and bargaining with those in power. We have to offer the regime not only a face-saving rationale, but also incentives for them to participate in constitutional politics.

I have a dream: a dream of becoming a bridge which can lead the people to the path to democracy. I dream of becoming a tool which can mend and heal the fractured pain of our society and pave a way for the restoration of democracy in Korea. This restoration is the historical necessity, and it is the only way to ensure the peaceful and prosperous co-existence of all Koreans. To know and to put into acting the historical necessity constitutes the wisdom and the prerequisites of political leaders in Korea.

For the past two and a half decades, debates over the fundamental democratic principles have exhausted all of us. We should graduate from this infantile dispute. It will be shameful to the generations to come if we, both ruling and opposition forces, do not restore democracy now. I again emphasize that democracy is a historical necessity. Time has come. We cannot delay it any longer. We should realize a peaceful transition to democracy by all means. I sincerely hope that all of you here at Harvard University would help us move toward this destination, a peaceful restoration of democracy in Korea.●

PATRIARCH ATHENAGORAS I

● Mr. D'AMATO. Mr. President, I rise today to acknowledge the 100th anniversary of the birth of the late ecumenical Patriarch Athenagoras I. It has, in fact, been proclaimed Athenagorian year by the current archbishop of the Greek Orthodox Church of North and South America, His Eminence Iakovos. Patriarch Athenagoras I was a remarkable person, whose tenure as archbishop of the Americas spanned the years 1931-1948. He was a visionary leader of the church worldwide after 1949, when he was enthroned as the 262d Patriarch of Constantinople.

During his tenure as archbishop of the Americas, the Greek Orthodox communities in the Western Hemisphere were organized. There are over 500 Greek Orthodox churches in the United States today. During his tenure as patriarch, he met Pope Paul VI on the Mount of Olives and thereby ended 933 years of mutual excommunication between the two churches.

This year, there will be educational, ecumenical, civic, and cultural programs to honor the late patriarch, and I wish all the Greek Orthodox communities much joy in this anniversary year.●

TRIBUTE TO HUW WHELDON

● Mr. MOYNIHAN. Mr. President, Norman Podhoretz has written an ineffably lovely tribute to Huw Wheldon which I know the Senate would wish to share. I ask that it be printed in the RECORD.

The tribute follows:

[From the Washington Post, Mar. 26, 1986]

THE RAGING END OF A "TRULY GODLY LIFE"

(By Norman Podhoretz)

My closest friend in all the world died this month. He died in London, at home, in his own room, surrounded by his wife and children. He died only a little short of the allotted Biblical span of three score and ten. He died full of honors and dearly beloved of many. Nevertheless he did not die peacefully. He died hard.

"Do not go gentle into that good night/ Rage, rage, against the dying of the light," wrote Dylan Thomas in a poem addressed to his father. Like Dylan Thomas, my friend was a Welshman, and that is how he died: not gently but full of rage. I know this not because I saw it with my own eyes, but from a mutual friend of ours who quoted Dylan Thomas' lines in describing for me how the last hours had gone.

By an eerie coincidence, another mutual friend, Sen. Daniel Patrick Moynihan, fell back on those very same lines in his remarks at the funeral of Sen. Jacob Javits. In every other respect an altogether different kind of person from Jacob Javits, my friend too had known for many months that he had a terminal illness; and he too responded to the sentence of imminent death with a ferocious determination to live and live and live until the moment he died.

With every passing day he grew weaker and weaker, but day after day he forced himself to do things that no one around him could believe he had the strength to do. He was in unendurable pain, but he would take only enough medication to dull its edge because more than that insulated him from the only life he had left to live.

In deciding to die in this way, my friend never, I think, doubted that he was making the right choice. And yet the last time I saw him, about three months ago, I could see that he was in spiritual torment over his inability to resign himself, to make his peace with death.

That much underrated philospher, George Santayana, once said: "There is no God and Mary is His mother." My friend would never have said flatly, "There is no God,"—he would have thought it brazen and crass—but if he ever had, he would certainly have added, "and the Bible is His word." Raised in a devout Presbyterian family, but finally unable to sustain the literal faith of his fathers, still he never lost his belief in the spiritual truth of Christianity. Specifically, he never lost his belief in the idea that the reason we are here on Earth is to serve God and to praise Him.

Serving God as my friend came to understand it translated into devoting oneself to the service of something greater than self—in his own case it was a great national institution, but almost anything large would do—and praising God translated into praising life.

Although hymns and hosannas were certainly necessary to glorify what deserved to be glorified, one was not mainly supposed to praise life by verbal affirmation. Mainly one praised it through a readiness to enjoy what there was to be enjoyed, to relish what there was to be relished, to savor what there was to be savored, and most especially to accept every invitation to a good laugh that the world had to offer.

All this my friend did, and more. Like Falstaff, he was not only witty in himself, but "the cause that wit was in other men." And even more than wit, he was the cause that laughter was in other men. His own laugh was so loud and boisterous that—I do not exaggerate—it became famous from one end of England to the other. Nor do I exaggerate when I say that his entry into a room invariably made everyone in it smile, in happy anticipation of the laughter he was sure to bring.

That such a man—a man so alive that thinking of him dead seems a contradiction in terms—should rage against death is not surprising. But why should such a man torment himself over dying in a state of rage?

He hinted at the answer in telling me that one day, when his physical pain was at its most unbearable, he turned in a desperate search for help to a cantata about dying by Johann Sebastian Bach, *Ich habe genug*—"I have had enough." And he asked himself: "If Bach can say it, why can't I?" He meant that if Bach, in his eyes perhaps the greatest of all men, was permitted to yearn for death as an escape from the awful miseries of this life, why should he, an ordinary mortal, be required to go on raging?

But of course he knew why. Bach, who believed in an afterlife, was permitted to serve God and praise Him by welcoming death as a deliverance into the arms of his savior. My friend could only serve God and praise Him by cherishing life on this Earth to the very end and by refusing to curse it.

And so even, or rather especially, in the extremity of his suffering, he did not curse life—neither with the words of his mouth nor, I feel sure, in the meditations of his heart. Least of all did he curse it as so many do nowadays when they declare that life is worth having only when it is good and, worse yet, when they act on that satanic idea.

My friend's name was Huw Wheldon. Though he would have accused me of blasphemy for saving so, he taught everyone who was given the great and blessed gift of knowing him—including, I suspect, people who knew him only from the television screen—how, in what he himself called these spiritually illiterate times, when it is so hard to die with the peaceful resignation of a true believer, it is still possible to live a truly good life.●

Mr. DOLE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. SIMPSON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so orderded.

EXPRESSION OF APPRECIATION

Mr. SIMPSON. Mr. President, let me very swiftly say I did not get the opportunity previously to extend my appreciation to the majority leader and the minority leader for their work with regard to the Contra proposal and a special thanks and gratitude to Senator LUGAR and Senator PELL, two fine colleagues who did a most remarkable job on a very tough and emotional issue. Senator LUGAR has led us through many of those in these past months. He is a superb chairman of the Committee on Foreign Relations.

ORDERS FOR TUESDAY, APRIL 8, 1986

Mr. SIMPSON. Mr. President, I ask unanimous consent that when the Senate convenes on Tuesday, April 8, 1986, the reading of the Journal be dispensed with; that no resolutions come over under the rule; that the call of the calendar be dispensed with; and that, following the recognition of the two leaders under the standing order, there be special orders in favor of Senators PROXMIRE and HAWKINS for not to exceed 5 minutes each; to be followed by a period for the transaction of routine morning business not to extend beyond the hour of 12:30 p.m. with Senators permitted to speak therein for not more than 5 minutes each.

I ask unanimous consent further that the morning hour be deemed to have expired.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORITY FOR COMMITTEES TO FILE REPORTS

Mr. SIMPSON. Mr. President, I ask unanimous consent that during the adjournment of the Senate over until April 8, 1986, the committees be authorized to file reports on Friday, April 4, 1986, between the hours of 10 a.m., and 3 p.m.

UNANIMOUS CONSENT AGREEMENT—S. 1660

Mr. SIMPSON. Mr. President, after conferring with the Democratic Leader, I ask unanimous consent that at 2 p.m., on Tuesday, April 8, 1986, the Senate turn to Calendar No. 395, S. 1660, to grant a charter to the Confederate Memorial Association, and that no amendments or motions to recommit with instructions be in order.

The PRESIDING OFFICER. Without objection, it is so ordered.

TIME LIMITATION AGREEMENT—S. 8

Mr. SIMPSON. I ask unanimous consent that following disposition of S. 1660 on Tuesday, April 8, the Senate turn to the consideration of Calendar item No. 587, S. 8, to grant a charter to the Vietnam Veterans of America, and that it be considered under the following time agreement that 10 minutes of debate to be equally divided between the chairman and the ranking minority member of the Judiciary Committee; that no amendments be in order with the exception of the Committee Reported amendments; that no motions to recommit with instructions be in order; and that the agreement be in the usual form.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SIMPSON. I further ask unanimous consent that it may be in order now to order the yeas and nays on passage of S. 8.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. SIMPSON. Mr. President, I ask unanimous consent that the vote occur on final passage of S. 8 at 5:30 p.m. on Tuesday, April 8.

The PRESIDING OFFICER. Without objection, it is so ordered.

Without objection paragraph 4, rule XII is waived.

THE CALENDAR

Mr. SIMPSON. Mr. President, I inquire of the minority leader if he is in a position to pass the following calendar items: Calendar No. 574, S. 2179; Calendar No. 577, S. 1895; Calendar No. 582, S. 1707; Calendar No. 583, S. 1756; Calendar No. 584, S. 1952; Calendar No. 585, S. 2084; and Calendar item No. 586, Senate Joint Resolution 222.

Mr. BYRD. Mr. President, all the items identified have been cleared on this side of the aisle and we are ready to proceed en bloc or in whatever mode the distinguished Senator wishes.

Mr. SIMPSON. Mr. President, I appreciate that from the minority leader.

I ask unanimous consent that the calendar items just identified be considered en bloc and passed en bloc and that all committee-reported amendments and preambles be considered and agreed to.

The PRESIDING OFFICER. Without objection, it is so ordered.

REDUCTION IN TERMS OF OFFICE OF MEMBERS OF THE FEDERAL COMMUNICATIONS COMMISSION

The Senate proceeded to consider the bill (S. 2179) to amend the Communications Act of 1934 to provide for reduction in term of office of members of the Federal Communications Commission, and for other purposes, which had been reported from the Committee on Commerce, Science, and Transportation, with an amendment.

On page 2, strike line 4, through and including line 11, and insert the following:

(1) upon the expiration of the term of office prescribed by law to occur on June 30, 1986, any person appointed as a member of the Federal Communications Commission to fill such office for the term following such date shall be eligible to serve until June 30, 1990, and any person appointed as a member of the Federal Communications Commission to the term of office prescribed by law to expire on June 30, 1987, shall be eligible to serve until June 30, 1989; and

So as to make the bill read:

S. 2179

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 4(c) of the Communications Act of 1934 (47 U.S.C. 154(c)) is amended by striking "seven" and inserting in lieu thereof "five".

(b) The amendment made by subsection (a) of this section shall take effect on the date of enactment of this Act, except that—

(1) upon the expiration of the term of office prescribed by law to occur on June 30, 1986, any person appointed as a member of the Federal Communications Commission to fill such office for the term following such date shall be eligible to serve until June 30, 1990, and any person appointed as a member of the Federal Communications Commission to the term of office prescribed by law to expire on June 30, 1987, shall be eligible to serve until June 30, 1989; and

(2) notwithstanding the provisions of subsection (a) of this section, persons appointed as members of the Federal Communications Commission to terms of office prescribed by law to expire on June 30, 1988, June 30, 1991, and June 30, 1992, shall be eligible to serve until the expiration of the term of office on June 30, 1988, June 30, 1991, and June 30, 1992, whichever is applicable.

Mr. HOLLINGS. Mr. President, S. 2179 is good legislation that is designed to correct a disturbing situation—the fact that for 2 consecutive years out of every 7, no term of an FCC Commissioner will expire. We find ourselves with this problem because when we reduced the number of FCC Commissioners from seven to five in 1982, we did not also reduce the length of terms from 7 years to 5. Undoubtedly, congressional oversight of the FCC will diminish during these 2-year gaps, as will a President's ability to appoint commissioners during a 4-year term in office.

S. 2179 remedies this problem by shortening the length of terms to 5 years. It also changes the length of two terms—the one beginning in 1986 and the one ending in 1987—to ensure that a term will expire in both 1989 and 1990—years where currently no term is set to expire.

I want to thank Senator GOLDWATER for introducing this important legislation. It is clearly supported by all parties and it received unanimous approval from the Commerce Committee. I urge my colleagues to support it.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The committee amendment was agreed to.

The PRESIDING OFFICER. The bill is before the Senate and open to further amendment. If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill (S. 2179), as amended, was ordered to be engrossed for a third reading, was read the third time, and passed.

Mr. SIMPSON. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BYRD. I move to lay the motion on the table.

The motion to lay on the table was agreed to.

RELIEF OF MARLBORO COUNTY GENERAL HOSPITAL CHARITY OF BENNETTSVILLE, SC

The bill (S. 1895) for the relief of Marlboro County General Hospital Charity of Bennettsville, SC, was considered.

Mr. THURMOND. Mr. President, today the Senate considers legislation which would provide equitable relief to the Marlboro County General Hospital Charity [MCGHC]. This bill would allow this charitable trust the opportunity to continue providing indigent health care to the citizens of the most economically depressed county in my State. According to recent statistics, Marlboro County has the highest unemployment rate (14.2 percent) and the lowest yearly per capita income ($5,814) of the 46 South Carolina counties.

Prior to its sale, Marlboro General Hospital Inc., a nonprofit corporation, provided health care services to poor citizens of Marlboro County. This hospital was built with funds provided under the Federal Hill-Burton Program. Hospitals which received these funds were required to provide health services to the poor, including those who might not be eligible for Medicaid, or Medicare, or had no private health insurance. This obligation extended for a period of 20 years after the Hill-Burton funds had been received. Marlboro General was sold in 1981 to the Hospital Corporation of America. The sale occurred prior to the 20-year period, since the Hill-Burton funds had been received in 1962 and 1968. This charitable trust was established from the proceeds of the sale.

Under current law, the Department of Health and Human Services [HHS] has a claim to a share of the Hill-Burton funds distributed. However, the claim can be waived if the buyer agrees to establish a trust in twice the amount owed HHS, and to use these funds to provide indigent health care.

Mr. President, Marlboro County General Hospital Charity deserves the relief this bill would provide because it is in total compliance with the basic policy of the Hill-Burton waiver provisions. MCGHC has always provided funds for indigent health care services to deserving Marlboro County citizens. The trustees have always been willing to establish this trust in total compliance with these waiver provisions. However, because they are the sellers and not the purchasers of the hospital, current law prohibits MCGHC from obtaining a waiver. Without the relief this bill provides, MCGHC will be forced to return funds which have been and continue to be used for their originally intended purposes. Such a result would be an example of form prevailing over substance.

This bill mandates that the MCGHC indigent health care trust be established in compliance with current law. It would require MCGHC to enter into an agreement with HHS to ensure that appropriate indigent health care services would continue to be provided. This agreement would also provide penalties for any noncompliance by MCGHC. Relief from all liability is contingent on such compliance.

In this bill, the interests of the Government are adequately served by ensuring that these funds are only used for indigent health care services. The interests of the many area citizens who are poor and/or unemployed are served because they will not be turned away from receiving the health care services provided by this hospital. This legislation equitably addresses these interests. Accordingly, I urge its passage.

The PRESIDING OFFICER. The bill is before the Senate and open to amendment. If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill (S. 1895) was ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

S. 1895

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) Marlboro County General Hospital Charity, the successor in interest to Marlboro County General Hospital, Inc., also known as Marlboro County General Hospital, of Bennettsville, South Carolina, shall be relieved of all liability under title VI of the Public Health Service Act resulting from the sale of Marlboro County General Hospital to the Hospital Corporation of America, if such Marlboro County General Hospital Charity complies with the provisions of this Act.

(b) Such Marlboro County General Hospital Charity shall—

(1) establish and maintain an irrevocable trust in the amount described in section 609(d)(A)(i) of the Public Health Service Act;

(2) provide that such trust will only be used to provide health care services to persons who reside in Marlboro County, South Carolina, and who are unable to pay for such services; and

(3) provide such services to such persons during the period beginning 15 days after the date of enactment of this Act and ending on the date described in subsection (d).

(c)(1) If—

(A) the Secretary of Health and Human Services determines that such Marlboro County General Hospital Charity has complied with the provisions of paragraph (1) of subsection (b); and

(B) such Marlboro County General Hospital Charity has entered into an agreement with the Secretary to ensure compliance with paragraphs (2) and (3) of subsection (b),

such Marlboro County General Hospital Charity shall be permanently relieved of any liability under title VI of the Public Health Service Act resulting from the sale of Marlboro County General Hospital to the Hospital Corporation of America.

(2) Any agreement entered into under paragraph (1)(B) shall contain appropriate provisions specifying penalties for noncompliance by such Marlboro County General Hospital Charity with the provisions of subsection (b).

(d) The date referred to in subsection (b)(3) is the last day of the most recent 20-year period during which the Marlboro County General Hospital was required, under section 609 of the Public Health Service Act, to remain as a public or other nonprofit hospital.

Mr. SIMPSON. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BYRD. I move to lay the motion on the table.

The motion to lay on the table was agreed to.

GOLD MEDAL TO PARENTS OF FATHER JERZY POPIELUSZKO

The Senate proceeded to consider the bill (S. 1707) to authorize the President to present a gold medal to the parents of Father Jerzy Popieluszko, which had been reported from the Committee on Banking, Housing, and Urban Affairs, with an amendment:

On page 2, line 7, strike "$22,000", and insert "$18,000".

So as to make the bill read:

S. 1707

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a)(1) the President is authorized to present, on behalf of the Congress, to the parents of Father Jerzy Popieluszko a gold medal of appropriate design in recognition of the accomplishments of Father Jerzy Popieluszko.

(2) For purposes of the presentation referred to in paragraph (1), the Secretary of the Treasury is authorized and directed to cause to be struck a gold medal with suitable emblems, devices, and inscriptions to be determined by the Secretary of the Treasury.

(3) There be authorized to be appropriated not to exceed $18,000 to carry out the provisions of this subsection.

(b)(1) The Secretary of the Treasury may cause duplicates in bronze of such medal to be coined and sold under such regulations as he may prescribe, at a price sufficient to cover the cost thereof, including labor, materials, dies, use of machinery, overhead expenses, and the gold medal.

(2) The appropriation used to carry out the provisions of subsection (a) shall be reimbursed out of the proceeds of such sales.

SEC. 2. The medals provided for in this Act are national medals for purposes of section 5111 of title 31, United States Code.

SEC. 3. This Act shall take effect on October 1, 1985.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. SIMPSON. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BYRD. I move to lay the motion on the table.

The motion to lay on the table was agreed to.

GOLD MEDAL TO SARGENT SHRIVER

The Senate proceeded to consider the bill (S. 1756) to authorize the President to present to Sargent Shriver, on behalf of the Congress, a specially struck medal which had been reported from the Committee on Banking, Housing, and Urban Affairs, with an amendment:

On page 2, line 10, strike "$25,000", and insert "$18,000"

So as to make the bill read:

S. 1756

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a)(1) the President is authorized to present to Sargent Shriver, on behalf of the Congress, a gold medal of appropriate design to commemorate the twenty-fifth anniversary of the establishment of the Peace Corps and to recognize the incomparable contribution of Sargent Shriver as the first Director of the Peace Corps. For such purpose, the Secretary of the Treasury is authorized and directed to cause to be struck a gold medal with the emblem of the Peace Corps and the likeness of Sargent Shriver as well as the names of all past Directors of the Peace Corps.

(2) There are authorized to be appropriated not to exceed $18,000 to carry out the provisions of paragraph (1).

(b) The Secretary of the Treasury may cause duplicates in bronze of such medal to be coined and sold under such regulations as he may prescribe, at a price sufficient to cover the cost thereof, including labor, materials, dies, use of machinery, overhead expenses, and the gold medal. The appropriation used to carry out the provisions of subsection (a) shall be reimbursed out of the proceeds of such sales.

SEC. 2. The medals provided for in this Act are national medals for purposes of section 5111 of title 31, United States Code.

S. 1756—MEDAL FOR SARGENT SHRIVER

Mr. DODD. Mr. President, it is with great pleasure that I join my distinguished colleague from Illinois [Mr. SIMON] and others in sponsoring S. 1756, a bill which would authorize the President to present to Sargent Shriver, on behalf of the Congress, a medal commemorating the 25th anniversary of the Peace Corps. And it is with equal delight that I stand today to honor Sargent Shriver and his outstanding work as the first Director of the Peace Corps.

Sargent Shriver launched the Peace Corps in 1961 with a small group of trained volunteers who went to developing nations to teach and aid in community and agricultural development. The Peace Corps volunteers of yesterday and today become a part of the community which they serve and, through their service, demonstrate that people can be an important impetus for change. Under his incomparable leadership from 1961 to 1966, the Peace Corps extended its program to 46 countries and its membership to over 12,000. With that foundation of solid leadership, the Peace Corps today has placed volunteers in over 62 host countries.

In the early 1960's, Presidential candidate John F. Kennedy, posed this question: "How many [of you] are willing to spend [two] years in Africa or Latin America or Asia working for freedom?" I was willing. In fact, I served as a member of the Peace Corps in the Dominican Republic from 1966 to 1968.

That experience was undoubtedly a pivotal one in my life. I gave of myself: I taught others some of the skills which most of us take for granted, and I organized people to help themselves. Immediately, I saw the destruction which dysentery could and did cause. The saddening vision of children needlessly ill with diseases which could be easily treated or avoided prompted me to embark on the central project of my stay. Shortly after settling in, I began organizing an effort to build a hospital for expectant mothers. The response was so overwhelming that we were able to build the first maternity hospital in the area in a matter of months. Almost nothing in life has satisfied me more than working on that hospital.

I said just a moment ago that I gave in the Dominican Republic. That is true. But, in giving, I gained tenfold. Among other things, I gained a better understanding of a new people and, in so doing, gained a better insight into myself.

My experience may not have been possible without the energetic and dynamic leadership of Sargent Shriver. As a New York Times article of the time exclaimed: "Shriver * * * has made the Peace Corps the special creature it is."

Sargent Shriver is an idealist. Before and during his directorship, he often talked, both publicly and privately, about the need to see a new vision of America, one not of material power but of idealism and sacrifice. He once said:

> The only genuine elite in this world, or in the next, is the elite of those men and women who have given their lives to justice and to charity.

Under this definition, Sargent Shriver is a member of the elite.

What is more, Sargent Shriver put to action his ideals and his deep personal commitment to social justice and equality. He did not spearhead the Peace Corps from the luxurious comfort of a Washington office. He personally visited and worked in more than 50 countries in Africa, Asia, and Latin America. Indeed, in his first 3 years with the Peace Corps, he once estimated he had been in foreign countries working for the Corps a full one-third of that time. The very success of the Peace Corps is due in large part to his energetic and effervescent commitment to the organization's ideals and reality. As a newspaper of the era noted:

> One begins to understand how [Sargent Shriver] took the infant organization scoffers and dubbed "Kennedy's Kiddy Korps" and built it into the most universally respected of New Frontier innovations.

The Peace Corps' purpose from the beginning has been to promote world peace and friendship and to help promote a better understanding of the American people by the peoples served and of other cultures by the American people. Through his work and directorship at the Peace Corps, Sargent Shriver has engendered an enormous amount of mutual understanding and respect among nations. He is, simply, a man of peace, and it is, therefore, fitting that this Congress pay him tribute.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The committee amendment was agreed to.

The PRESIDING OFFICER. The bill is before the Senate and open to amendment. If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill S. 1756, as amended, was ordered to be engrossed for a third reading, was read the third time, and passed.

Mr. SIMPSON. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BYRD. I move to lay the motion on the table.

The motion to lay on the table was agreed to.

YOUNG ASTRONAUT PROGRAM MEDAL ACT

The bill (S. 1952) to provide for the striking of medals to commemorate the Young Astronaut Program was considered.

Mr. GLENN. Mr. President, I am delighted that the Committee on Banking, Housing, and Urban Affairs has reported out S. 1952, the Young Astronauts Medal Act. I am particularly pleased to be an honorary co-vice chairman of the Young Astronaut Program with my colleague, Senator GARN, with whom I introduced this legislation.

The Young Astronauts Council has one thing in mind—the education of our young people in math, science, and aerospace studies. These fields are extremely important to our high-tech world of today. I am also pleased to report that Ohio has one of the best statewide programs.

It is important to understand that this legislation is cost-free to the taxpayer. All we are doing is authorizing, in accordance with law, the striking of the medal. Only private funds will be used to produce the medal, and proceeds will go to the Young Astronaut Programs. I am extremely pleased to cosponsor this legislation and I urge support for its passage.

The PRESIDING OFFICER. The bill is before the Senate and open to amendment. If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill (S. 1952) was ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

S. 1952

Be it enacted by the Senate and the House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Young Astronaut Program Medal Act".

MEDALS

SEC. 2. (a) In commemoration of the Young Astronaut Program and its educational objectives, the Secretary of the Treasury shall strike and deliver to the Young Astronaut Council not more than 750,000 medals with suitable emblems, devices, and inscriptions to be determined by the Secretary after consultation with the Council and the Commission of Fine Arts.

(b) The medals, which may be disposed of by the Council at a premium, may be delivered at such times as may be required by the Council in quantities of not less than 2,000, except that no medals shall be struck by the Secretary after December 31, 1987.

COSTS

SEC. 3. (a) The Secretary shall cause such medals to be struck and delivered at not less than the cost of manufacturing such medals (including labor, materials, dies, use of machinery, and overhead expenses) plus a surcharge equal to 10 percent of such cost of manufacturing.

(b) Security satisfactory to the Director of the Mint shall be furnished to indemnify the United States for full payment of such costs.

METAL CONTENT

SEC. 4. The medals authorized to be struck and delivered under this Act shall be struck in gold, silver, and bronze and in such size or sizes as shall be determined by the Secretary in consultation with the Council.

NATIONAL MEDALS

SEC. 5. The medals provided for in this Act are national medals for purposes of chapter 51 of title 31, United States Code.

EXAMINATION OF RECORDS

SEC. 6. The Comptroller General of the United States shall have the right to examine all books, documents, and other records of the Council which are related to the medals authorized under this Act, including all books, documents, and records regarding the marketing of such medals.

DEFINITIONS

SEC. 7. For purposes of this Act—

(1) the term "Council" means the Young Astronaut Council; and

(2) the term "Secretary" means the Secretary of the Treasury.

Mr. SIMPSON. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BYRD. I move to lay the motion on the table.

The motion to lay on the table was agreed to.

GOLD MEDALS TO THE FAMILIES OF THE CREW OF THE SPACE SHUTTLE "CHALLENGER"

The Senate proceeded to consider the bill (S. 2084) authorizing the President to present gold medals to the families of the crew members of mission 51-L of the space shuttle *Challenger,* which had been reported from the Committee on Banking, Housing, and Urban Affairs, with an amendment:

On page 2, line 14, strike "$75,000," and insert "$21,000"

So as to make the bill read:

S. 2084

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. PRESENTATION.

The President is authorized and requested to present, on behalf of the Congress, a gold medal to each of the respective families of Francis R. Scobee, Michael Smith, Judith Resnik, Ronald McMair, Ellison Onizuka, Christa McAuliffe, and Gregory Jarvis in recognition of their courage, dedication and sacrifice as crew members of mission 51-L of the space shuttle *Challenger.*

SEC. 2. PRODUCTION.

(a) COINING THE MEDALS.—For purposes of the presentation referred to in section 1, Secretary of the Treasury (hereinafter in this act referred to as the "Secretary") shall cause to be struck seven gold medals bearing such emblems, devices, and inscriptions as the Secretary shall determine.

(b) AUTHORIZATION.—There are authorized to be appropriated not to exceed $21,000 to carry out subsection (a).

SEC. 3. DESIGNATION AS NATIONAL MEDALS.

The medals authorized by section 2(a) of this Act shall be considered to be national medals for purposes of section 5111 of title 31, United States Code.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. SIMPSON. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BYRD. I move to lay the motion on the table.

The motion to lay on the table was agreed to.

KILLING OF LEON KLINGHOFFER BY INTERNATIONAL TERRORISTS ABOARD THE "ACHILLE LAURO"

The Senate proceeded to consider the joint resolution (S.J. Res. 222) concerning the cruel and inhuman killing of Leon Klinghoffer by international terrorists aboard the cruise ship *Achille Lauro,* because he did not submit to the demands of these terrorists, which had been reported from the Committee on Banking, Housing, and Urban Affairs, with an amendment.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The amendment to the preamble was agreed to.

The preamble, as amended, was agreed to.

The title was amended so as to read:

Joint resolution concerning the cruel and inhuman killing of Leon Klinghoffer and Robert Stethem by international terrorists because they did not submit to the demands of these terrorists.

The joint resolution, as amended, and the preamble, as amended, are as follows:

S. J. RES. 222

Whereas the Italian cruise ship Achille Lauro and TWA flight 847 were peaceful journeys in the Eastern Mediterranean;

Whereas the Achille Lauro and TWA flight 847 were seized by terrorists for the purpose of frightening and threatening the passengers, their relatives, and law-abiding citizens everywhere, and for the purpose of drawing attention to the terrorists' goals;

Whereas the terrorists were armed and dangerous and attempted to force the passengers and crew of the Achille Lauro and TWA flight 847 into submission to further their purposes of terror, anarchy, hate, and death;

Whereas the terrorists of the Achille Lauro have been charged under United States law with hostage-taking, piracy, and conspiracy to commit both;

Whereas the United States Department of State has offered rewards for the apprehension of Robert Stethem's murderers;

Whereas Leon Klinghoffer, a sixty-nine-year-old dearly-beloved American who was crippled and confined to a wheelchair, and Robert Stethem, a young Navy diver, did not submit to the demands of the terrorists;

Whereas the terrorists brutally killed Leon Klinghoffer by shooting him several times and throwing his body overboard because he resisted their demands; and

Whereas terrorists brutally beat Robert Stethem to death and left him on the Beirut Airport tarmac: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is authorized to present, on behalf of the Congress, posthumously to Leon Klinghoffer and to Robert Stethem a Congressional Gold Medal each to show Congress' admiration for the bravery of Leon Klinghoffer, a handicapped senior citizen, and Robert Stethem, a young Navy diver, who, during the kidnappings by terrorists, did not submit to terrorist demands to further the objectives of terrorism, and who gave their lives as a result of this resistance.

SEC. 2. The Secretary of the Treasury is directed to strike and issue the gold medals authorized by the first section of this joint resolution in accordance with the national medals provisions of section 5111 of title 31, United States Code.

SEC. 3. The President is authorized to present the gold medals authorized by this joint resolution on behalf of the Congress separately, to the daughters of Leon Klinghoffer and the parents of Robert Stethem.

SEC. 4. There are authorized to be appropriated $18,500 to carry out this joint resolution.

Mr. SIMPSON. Mr. President, I move to reconsider the vote by which the joint resolution was passed.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

CONSERVATION SERVICE REFORM ACT

Mr. SIMPSON. Mr. President, after conferring with the Democratic leader, I ask that the Chair lay before the Senate a message from the House of Representatives on S. 410.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

Resolved, That the bill from the Senate (S. 410) entitled "An Act to repeal the Commercial and Apartment Conservation Service, and for other purposes", do pass with the following amendments:

Strike out all after the enacting clause and insert:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Conservation Service Reform Act of 1986".

TITLE I—RESIDENTIAL CONSERVATION SERVICE

SEC. 101. RESTATEMENT OF FINDINGS.

Section 102(a) of the National Energy Conservation Policy Act (42 U.S.C. 8201(a)) (relating to findings) is amended to read as follows:

"(a) FINDINGS.—The Congress finds that—

"(1) the United States has survived a period of energy shortage and has made significant progress toward improving energy efficiency in all sectors of the economy;

"(2) effective measures must continue to be taken by the Federal Government and other users and suppliers of energy to control the rate of growth of demand for energy and the efficiency of its use;

"(3) the continuation of this effort will permit the United States to become increasingly independent of the world oil market, less vulnerable to interruption of foreign oil supplies, and more able to provide energy to meet future needs; and

"(4) all sectors of the economy of the United States should continue to reduce significantly the demand for nonrenewable energy resources such as oil and natural gas by implementing and maintaining effective conservation measures for the efficient use of these and other energy sources.".

SEC. 102. CHANGES IN CERTAIN PLAN REQUIREMENTS.

(a) INFORMATION REQUIREMENTS MADE APPLICABLE UNTIL JANUARY 1, 1990.—(1) Section 215(a) and section 217(a)(1) of the National Energy Conservation Policy Act (42 U.S.C 8216(a) and 42 U.S.C. 8218(a)(1)) (relating to utility programs and home heating supplier programs) are amended by striking out "January 1, 1985" each place it appears and inserting in lieu thereof "January 1, 1990 (but not more often than once during the period beginning on the date of the enactment of the Conservation Service Reform Act of 1986 and ending on January 1, 1990)".

(2)(A) Section 215(d) of such Act (42 U.S.C. 8216(d)) is amended by striking out "January 1, 1985" and inserting in lieu thereof "January 1, 1990".

(B) The amendment made by subparagraph (A) shall apply only with respect to persons who become customers of a utility after the date of the enactment of this Act.

(b) ELIMINATION OF REQUIREMENTS THAT PUBLIC UTILITIES ARRANGE FOR INSTALLATION OF SUGGESTED MEASURES AND FOR RELATED LOANS; ELIMINATION OF LISTING REQUIREMENTS.—

(1) UTILITY PROGRAMS.—Section 215(b) of such Act (42 U.S.C. 8216(b)) (relating to project manager requirements) is amended—

(A) by striking out "Each utility program shall include" through "procedures" and inserting in lieu thereof "Each utility program shall include procedures";

(B) by striking out "to" through "inspect" and inserting in lieu thereof "to inspect"; and

(C) by striking out "inspection;" and all that follows and inserting in lieu thereof "inspection.".

(2) HOME HEATING SUPPLIER PROGRAMS.—Section 217(a)(2) of such Act (42 U.S.C. 8218(a)(2)) (relating to home heating supplier programs) is amended—

(A) by striking out "will—" through "inspect" and inserting in lieu thereof "will inspect"; and

(B) by striking out "installing, suggested measures;" and all that follows and inserting in lieu thereof "installing, suggested measures.".

(3) STATE PLANS.—Section 213(a) of such Act (42 U.S.C. 8214(a)) (relating to general plan requirements) is amended—

(A) by striking out paragraphs (2) and (3); and

(B) by redesignating paragraphs (4) through (9) as paragraphs (2) through (7), respectively.

(c) RULES.—Section 212(b)(2) of such Act (42 U.S.C. 8213(b)(2)) (relating to rules of the Secretary) is amended—

(1) by striking out subparagraphs (E) and (F), and

(2) by inserting "and" at the end of subparagraph (C).

(d) DEFINITIONS.—(1) Section 210(9) of such Act (42 U.S.C. 8211(9)) (relating to definitions) is amended to read as follows:

"(9) The term 'residential building' means any building used for residential occupancy which is not a new building to which final standards under section 304(a) of the Energy Conservation and Production Act apply and which has a system for heating or cooling, or both.".

(2) Section 212(c)(4) of such Act (42 U.S.C. 8213(c)(4)) is amended to read as follows:

"(4) For purposes of this part, the term 'Governor', the term 'State regulatory authority', the term 'State agency' and the term 'agency or instrumentality of a State' mean the Tennessee Valley Authority in the case of the Tennessee Valley Authority or any public utility with respect to which the Tennessee Valley Authority has ratemaking authority.".

(e) EXEMPTION.—Section 215 of such Act (42 U.S.C. 8216), as amended by subsection (h)(7) of this section, is amended by adding at the end the following new subsection:

"(g) EXEMPTION OF CERTAIN MULTIFAMILY BUILDINGS.—The provisions of this section shall not apply to any building which has five or more dwelling units and which does not contain individual meters for the dwelling units therein.".

(f) EFFECT OF 1986 AMENDMENTS ON APPROVED PLANS FOR PURPOSES OF FEDERAL STANDBY AUTHORITY.—Section 219 of such Act (42 U.S.C. 8220) (relating to Federal standby authority) is amended by adding at the end thereof the following new subsection:

"(e) PLANS APPROVED BEFORE 1986 AMENDMENTS.—For purposes of this section, any residential energy conservation plan which was approved by the Secretary before the effective date of the Conservation Service Reform Act of 1986 shall be treated as an approved plan which is adequately implemented if such plan is adequately implemented in accordance with the requirements of this Act as amended by the Conservation Service Reform Act of 1986.".

(g) TEMPORARY EXEMPTIONS.—Section 218(a) of such Act (42 U.S.C. 8219(a)) (relating to temporary exemptions) is amended by striking out the last sentence and inserting in lieu thereof the following: "Such temporary exemption may be granted or renewed until such date as determined by the Secretary.".

(h) CONFORMING AMENDMENTS.—

(1) Section 210(16) of such Act (42 U.S.C. 8211(16)) is amended by striking out "215(b)(1)(A)" and inserting in lieu thereof "215(b)".

(2) Section 212(b)(2)(C) of such Act (42 U.S.C. 8213(b)(2)(C)) is amended by striking out "213(a)(4)" and inserting in lieu thereof "213(a)(2)".

(3) Section 213(b)(2)(A) of such Act (42 U.S.C. 8214(b)(2)(A)) is amended by striking out "215(b)(1)" and inserting in lieu thereof "215(b)".

(4) Section 214(b) of such Act (42 U.S.C. 8215(b)) is amended by striking out "(8)" and inserting in lieu thereof "(6)".

(5) Section 215(a)(3) of such Act (42 U.S.C. 8216(a)(3)) is amended by striking out "and the lists referred to in section 213(a) (2) and (3)".

(6) Section 215(d) of such Act (42 U.S.C. 8216(d)) is amended by striking out ", the offer required under subsection (b)(1)(A)" and all that follows and by inserting in lieu thereof "and the offer required under subsection (b).".

(7) Section 215 of such Act (42 U.S.C. 8216) is amended by striking out subsection (f) and by redesignating subsection (g) as subsection (f).

(8) Section 216(c)(1) of such Act (42 U.S.C. 8217(c)(1)) is amended by striking out subparagraph (A) and by redesignating subparagraphs (B) and (C) as subparagraphs (A) and (B), respectively.

(9) Section 216(c)(2)(C) of such Act (42 U.S.C. 8217(c)(2)(C)) is amended by striking out "on the lists referred to in section 213(a)(2)".

(i) STATUTORY CONSTRUCTION.—Nothing in the amendments made by subsections (b), (c), (g), and (h) shall prevent implementation of a plan or program pursuant to the National Energy Conservation Policy Act as in effect before the date of the enactment of this Act.

(j) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall take effect one hundred and eighty days after the date of the enactment of this Act.

(2) RULES.—The Secretary of Energy shall, within the one hundred and eighty-day period referred to in paragraph (1), amend the rules promulgated under section 212 of the National Energy Conservation Policy Act to carry out the amendments made by this Act.

(3) SPECIAL REQUIREMENT FOR PLANS APPROVED BEFORE 1986 AMENDMENTS.—The Secretary of Energy shall, with respect to any residential energy conservation plan approved by the Secretary of Energy before the effective date (as described in paragraph (1)) of the amendments made by this section, require the appropriate official in charge of such plan to notify the Secretary of Energy, within one hundred and twenty days of the date of enactment of this Act, that the amendments made by subsections (a), (d), and (e) of this section shall be implemented for the duration of such plan. The Secretary may not impose any other notice or approval requirement on a Governor or agency or instrumentality of a State with respect to such amendments.

SEC. 103. ALTERNATIVE PLANS FOR RESIDENTIAL BUILDINGS.

(a) IN GENERAL.—The National Energy Conservation Policy Act (42 U.S.C. 8201 et seq.) is amended by inserting the following new sections after section 225:

"SEC. 226. ALTERNATIVE STATE PLANS.

"(a) IN GENERAL.—A Governor of any State, any State regulatory authority, or any agency or instrumentality of a State may elect, to the extent authorized under State law, to formulate and certify an alternative State plan for residential buildings under this section.

"(b) CONSEQUENCES OF CERTIFICATION.—(1) Beginning with the date on which the certification of a plan is made with respect to a State under subsection (e) and ending with the date on which a plan is no longer in effect under this section with respect to such State—

"(A) subsections (a) through (c)(3) of section 212, sections 213 through 215 and sections 217 and 218 shall not apply with respect to—

"(i) regulated utilities in such State, and

"(ii) nonregulated utilities which are included in the plan;

"(B) section 219 shall apply to utilities described in subparagraph (A) only to the extent provided for in subsection (g); and

"(C) sections 212 through 219 shall apply to nonregulated utilities which are not included in the plan and which have not certified an alternative utility plan under section 227.

"(2) Except as provided in subsection (g), any State for which a plan is certified under subsection (e) shall continue to have such plan in effect until January 1, 1990.

"(c) FORMULATION OF PLAN.—In formulating any plan under this section, the entity in charge of formulating such plan shall—

"(1) examine energy conservation and load management programs and perform a cost benefit analysis of program measures to be included in the plan, including an assessment of the life-cycle benefits of energy conservation measures to be included in the plan;

"(2) provide for advance notice to the public of proposed rulemaking for the purpose of formulating such plan;

"(3) publish a proposed rule on the content and implementation of the plan, including goals for energy conservation;

"(4) afford interested persons an opportunity to present oral and written comments on matters relating to such proposed rule; and

"(5) after making the examination and analysis described in paragraph (1) and after taking into consideration comments made by the public, prescribe and make public a final rule setting forth the content and implementation of such plan.

"(d) CONTENT OF PLAN.—(1) A plan certified pursuant to this section shall—

"(A) be designed to result in annual residential energy conservation savings of 2 percent or more;

"(B) contain the goals established for the plan and an analysis of the data and rationale used by the entity in charge of formulating the plan to determine that the plan is likely to achieve such goals;

"(C) contain adequate procedures to assure that, if a public utility supplies or installs residential energy conservation measures, such actions shall be consistent with section 216 and prices and rates of interest charged shall be fair and reasonable; and

"(D) contain adequate procedures for preventing unfair, deceptive, or anticompetitive acts or practices affecting commerce which relate to the implementation of such plan.

"(2) A plan certified pursuant to this section may—

"(A) be designed to result in the dissemination of general energy conservation suggestions to residential customers of utilities in the State;

"(B) be designed to result in—

"(i) specific energy conservation suggestions to residential customers requesting such suggestions regarding the customer's residential building,

"(ii) energy conservation improvements (which are included in such plan) to the customer's residential building, or

"(iii) load management improvements (which are included in such plan) in the customer's residential building;

"(C) be designed to benefit individuals, including but not limited to individuals with low or moderate incomes;

"(D) be carried out by the State, by utilities within the State, or a combination of both;

"(E) be consistent with the standards referred to in section 212(b)(2)(D);

"(F) contain rules consistent with the requirements of section 215(c);

"(G) contain provisions to assure that any person who alleges any injury resulting from a violation of any plan provision shall be entitled to redress pursuant to State law; and

"(H) contain provisions described in section 213(b)(2)(B).

"(e) CERTIFICATION.—(1) The entity which elects to certify a plan under this section shall certify, pursuant to a form to be prescribed by the Secretary (except as provided by paragraph (2)), to the Secretary that—

"(A) the plan and the formulation of the plan meet the requirements of subsections (c) and (d)(1);

"(B) the plan is likely to achieve the goals established for the plan if it is adequately implemented; and

"(C) the plan will be adequately implemented.

"(2) If a form is not made available by the Secretary within 90 days after the date of the enactment of this section, the entity in charge of certifying the plan may make such certification on a form prescribed by such entity.

"(3) Any certification under this subsection shall include a detailed explanation of the manner in which the contents of the plan will be implemented.

"(f) ANNUAL REPORT.—(1) The entity which certifies a plan under subsection (e) shall submit an annual report to the Secretary, within 60 days after the end of the 1-year period to which the report relates, describing the implementation of the plan and the results thereof.

"(2) Such report shall include—

"(A) a statement of the number of residential buildings receiving benefits under the plan,

"(B) an estimate of the actual energy savings resulting from the plan and a description of the sources of such savings,

"(C) a statement of the percentage of individuals with low and moderate incomes who receive benefits under the plan,

"(D) a detailed description of the benefits provided under the plan and of how the plan is implemented, and

"(E) the names of the entities carrying out the plan.

"(g) ADMINISTRATIVE AND JUDICIAL ENFORCEMENT PROCEEDINGS.—(1) At any time more than 1 year after an alternative State plan has been certified under subsection (e) with respect to a State, any resident of such State may petition the Secretary of Energy to conduct a public hearing to determine if the alternative State plan has been adequately implemented. A copy of such petition shall be transmitted to the entity in charge of the plan on the same date it is transmitted to the Secretary. The Secretary shall have 90 days after the date on which such petition is received to make a determination on the matter.

"(2) Except as provided in paragraph (3), if the Secretary determines that the alternative State plan has not been adequately implemented, the Secretary shall, within the 90-day period described in paragraph (1), initiate standby authority under section 219 with respect to such State. If the Secretary does not initiate the standby authority within the 90-day period, the resident may bring a de novo action in the appropriate United States district court against the Secretary (with the State having the right to intervene) to require the Secretary to implement standby authority under section 219. If an individual prevails in such an action,

the court shall award such individual reasonable fees and expenses of attorneys and costs.

"(3) If a State which had an approved plan in effect under section 212 on the day before the date on which certification was made under this section informs the Secretary in writing, within 30 days after receiving a copy of the petition described in paragraph (1), that it will no longer implement a plan certified under this section and that it will implement the approved plan which was in effect in the State on the day before certification of the alternative plan under this section, then—

"(A) the determinations and actions described in paragraph (2) may not be carried out; and

"(B) sections 212 through 219 shall apply in such State except to the extent an alternative utility plan under section 227 is implemented in such State.

"(h) COVERAGE.—A plan certified under this section shall not apply to utilities other than utilities covered under section 211(a).

"(i) INCLUSION OF NONREGULATED UTILITIES.—A nonregulated utility may not be included in a plan under this section unless such inclusion is authorized under State law or the nonregulated utility agrees to such inclusion.

"(j) INCENTIVES.—The entity in charge of a plan under this section, or a State regulatory authority, may, to the extent permitted under State law, provide incentives for utilities to meet the goals contained in the State's alternative plan, including providing such utilities that meet or exceed such goals with a rate of return on expenditures made for the purpose of accomplishing such goals.

"(k) UTILITIES WITH RETAIL SERVICE TERRITORIES IN MORE THAN 1 STATE.—For purposes of this section, any utility with a retail service territory in more than one State shall be considered to be a separate utility with respect to each State in which its retail service territory is located.

"(l) CLASSIFICATION AS LOAD MANAGEMENT IMPROVEMENT OR ENERGY CONSERVATION IMPROVEMENT.—In the case of a technique or installation which may be classified as either a load management improvement or an energy conservation improvement, the entity in charge of carrying out the plan under this section shall determine whether to treat such technique or installation as a load management improvement, an energy conservation improvement, or both, for purposes of this section.

"(m) AMENDMENT OF A PLAN.—(1) Except as provided by paragraph (2), a plan certified under this section may be amended by any amendment—

"(A) formulated in a manner consistent with the requirements applicable to the formulation of a plan under subsection (c); and

"(B) certified to the Secretary of Energy in a manner consistent with the requirements applicable to the certification of a plan under subsection (e).

"(2) A plan certified under this section may not be amended—

"(A) during the first year after it is certified; or

"(B) more than once a year thereafter.

"SEC. 227. ALTERNATIVE UTILITY PLANS.

"(a) IN GENERAL.—(1) Subject to paragraph (2) and after the 6-month period beginning with the date of the enactment of this section, a utility which is in a State in which an alternative State plan is not in effect under section 226 may elect to formulate and certify an alternative utility plan for residential buildings under this section.

"(2) During the 6-month period beginning with the date of the enactment of this section, the Governor, a State regulatory authority, or another agency or instrumentality of the State concerned (whichever is authorized under State law to submit a plan to the Secretary pursuant to section 212(c)(1)(A) of this Act) may, under State law, prohibit utilities in such State from taking any action under this section.

"(b) CONSEQUENCES OF CERTIFICATION.—(1) Beginning with the date on which the certification of a plan is made with respect to a utility under subsection (e) and ending with the date on which a plan is no longer in effect under this section with respect to such utility—

"(A) subsections (a) through (c)(3) of section 212, sections 213 through 215 and sections 217, 218, and 226 shall not apply with respect to such utility; and

"(B) section 219 shall apply to such utility only to the extent provided for in subsection (g).

"(2) Except as provided in subsection (g), any utility which certifies a plan under subsection (e) shall continue to have such plan in effect until January 1, 1990.

"(c) FORMULATION OF PLAN.—In formulating any plan under this section, the utility shall—

"(1) examine energy conservation and load management programs and perform a cost benefit analysis of program measures to be included in the plan, including an assessment of the life-cycle benefits of energy conservation measures to be included in the plan;

"(2) provide for advance notice to the public of such plan;

"(3) publish a description of the proposed content and implementation of the plan, including goals for energy conservation;

"(4) afford interested persons an opportunity to present oral and written comments on matters relating to such proposed plan; and

"(5) after making the examination and analysis described in paragraph (1) and after taking into consideration comments made by the public, prescribe and make public a final plan setting forth the content and implementation of such plan.

"(d) CONTENT OF PLAN.—(1) A plan certified pursuant to this section shall—

"(A) be designed to result in annual residential energy conservation savings of 2 percent or more;

"(B) contain the goals established for the plan and an analysis of the data and rationale used by the entity in charge of the plan to determine that the plan is likely to achieve such goals;

"(C) contain certification, by the entity authorized under State law to submit a plan to the Secretary pursuant to section 212(c)(1)(A) of this Act, that the plan has adequate procedures to assure that, if a public utility supplies or installs residential energy conservation measures, such actions shall be consistent with section 216 and prices and rates of interest charged shall be fair and reasonable; and

"(D) contain certification, by the entity authorized under State law to submit a plan to the Secretary pursuant to section 212(c)(1)(A) of this Act, that the plan has adequate procedures for preventing unfair, deceptive, or anticompetitive acts or practices affecting commerce which relate to the implementation of such plan.

"(2) A plan certified pursuant to this section may—

"(A) be designed to result in the dissemination of general energy conservation suggestions to residential customers of utilities in the State;

"(B) be designed to result in—

"(i) specific energy conservation suggestions to residential customers requesting such suggestions regarding the customer's residential building,

"(ii) energy conservation improvements (which are included in such plan) to the customer's residential building, or

"(iii) load management improvements (which are included in such plan) in the customer's residential building;

"(C) be designed to benefit individuals, including but not limited to individuals with low or moderate incomes;

"(D) be consistent with the standards referred to in section 212(b)(2)(D);

"(E) contain rules consistent with the requirements of section 215(c); and

"(F) contain provisions described in section 213(b)(2)(B).

"(e) CERTIFICATION.—(1) A utility which elects to certify a plan under this section shall certify, pursuant to a form to be prescribed by the Secretary (except as provided by paragraph (2)), to the Secretary that—

"(A) the plan and the formulation of the plan meet the requirements of subsections (c) and (d)(1);

"(B) the plan is likely to achieve the goals established for the plan if it is adequately implemented; and

"(C) the plan will be adequately implemented.

"(2) If a form is not made available to a utility by the Secretary within 90 days after the date of the enactment of this section, the utility may make such certification on a form prescribed by such utility.

"(3) Any certification under this subsection shall include a detailed explanation of the manner in which the contents of the plan will be implemented.

"(f) ANNUAL REPORT.—(1) The utility shall submit an annual report to the Secretary, within 60 days after the end of the 1-year period to which the report relates, describing the implementation of the plan and the results thereof.

"(2) Such report shall include—

"(A) a statement of the number of buildings receiving benefits under the plan,

"(B) an estimate of the energy savings resulting from the plan and a description of the sources of such savings,

"(C) a statement of the percentage of individuals with low and moderate incomes who receive benefits under the plan, and

"(D) a detailed description of the benefits provided under the plan and of how the plan is implemented.

"(g) ADMINISTRATIVE AND JUDICIAL ENFORCEMENT PROCEEDINGS.—(1) At any time more than 1 year after an alternative utility plan has been certified under subsection (e) under this section, any residential customer of such utility may petition the Secretary of Energy to conduct a public hearing to determine if the alternative utility plan has been adequately implemented. A copy of such petition shall be transmitted to the utility concerned on the same date it is transmitted to the Secretary. The Secretary shall have 90 days after the date on which such petition is received to make a determination on the matter.

"(2) Except as provided in paragraph (3), if the Secretary determines that the alternative utility plan has not been adequately implemented, the Secretary shall, within the 90-day period described in paragraph (1),

initiate standby authority under section 219 with respect to such utility. If the Secretary does not initiate the standby authority within the 90-day period, the resident may bring a de novo action in the appropriate United States district court against the Secretary (with the utility having the right to intervene) to require the Secretary to implement standby authority under section 219. If an individual prevails in such an action, the court shall award such individual reasonable fees and expenses of attorneys and costs.

"(3) If a utility which was carrying out an approved plan under this part in effect on the day before the date on which certification was made under this section informs the Secretary in writing, within 30 days after receiving a copy of the petition described in paragraph (1), that it will no longer implement a plan certified under this section and that it will implement the approved plan which it was carrying out on the day before certification of the alternative plan under this section, then—

"(A) the determinations and actions described in paragraph (2) may not be carried out; and

"(B) sections 212 through 219 shall apply to such utility.

"(4) For purposes of implementing section 219(a)(2) to a regulated utility as a result of this subsection, the term 'each regulated utility in the State' in such section shall be deemed to mean only the utility with respect to which action is taken under this subsection.

"(h) COVERAGE.—A plan certified under this section shall not apply to utilities other than utilities covered under section 211(a).

"(i) UTILITIES WITH RETAIL SERVICE TERRITORIES IN MORE THAN 1 STATE.—For purposes of this section, any utility with a retail service territory in more than one State shall be considered to be a separate utility with respect to each State in which its retail service territory is located.

"(j) INCENTIVES.—A State or a State regulatory authority may, to the extent permitted under State law, provide incentives for a utility to meet the goals contained in its alternative plan, including providing such a utility that meets or exceeds it goals with a rate of return on expenditures made for the purpose of accomplishing such goals.

"(k) CLASSIFICATION AS LOAD MANAGEMENT IMPROVEMENT OR ENERGY CONSERVATION IMPROVEMENT.—In the case of a technique or installation which may be classified as either a load management improvement or an energy conservation improvement, the utility shall determine whether to treat such technique or installation as a load management improvement, an energy conservation improvement, or both, for purposes of this section.

"(l) AMENDMENT OF A PLAN.—(1) Except as provided by paragraph (2), a plan certified under this section may be amended by any amendment—

"(A) formulated in a manner consistent with the requirements applicable to the formulation of a plan under subsection (c); and

"(B) certified to the Secretary of Energy in a manner consistent with the requirements applicable to the certification of a plan under subsection (e).

"(2) A plan certified under this section may not be amended—

"(A) during the first year after it is certified; or

"(B) more than once a year thereafter.".

(b) CONFORMING AMENDMENTS.—

(1) Section 218(e) of such Act (42 U.S.C. 8219(e)) is amended by striking out the period at the end of the second sentence and inserting in lieu thereof "or a plan in effect under section 226 or section 227 which is applicable to such utility.".

(2) Section 219(a) of such Act (42 U.S.C. 8220(a)) is amended by striking out "If" and inserting in lieu thereof "Except as provided in sections 226 and 227, if".

(3) Section 219(b) of such Act (42 U.S.C. 8220(b)) is amended by striking out "If" and inserting in lieu thereof "Except as provided in sections 226 and 227, if".

(c) CLERICAL AMENDMENT.—The table of contents for such Act is amended by inserting after the item relating to section 225 the following new items:

"Sec. 226. Alternative State plans.
"Sec. 227. Alternative Utility plans.".

SEC. 104. REPORTS AND DISSEMINATION OF INFORMATION.

(a) IN GENERAL.—Section 225 of the National Energy Conservation Policy Act (42 U.S.C. 8226) (relating to a Federal Trade Commission study and report submitted before January 1, 1982) is amended to read as follows:

"SEC. 225. REPORTS AND DISSEMINATION OF INFORMATION.

"(a) GENERAL REPORT.—(1) No later than December 31, 1987, and December 31, 1989, the Secretary shall submit a report to the Chairman of the Committee on Energy and Commerce of the House of Representatives and the Chairman of the Committee on Energy and Natural Resources of the Senate relating to the operation of this part.

"(2) Each such report shall include—

"(A) a comparison of estimated actual and predicted energy savings resulting from plans under this part,

"(B) identification of the most effective plans (or portions thereof),

"(C) an analysis, based on completed audits and other relevant data, of the energy saving potential of the installation of additional residential conservation measures, and

"(D) an analysis of economic, technical, behavioral, and other factors considered relevant to energy consumption by the Secretary.

Nothing in this paragraph shall require a survey of each residential building in which a residential energy conservation measure has been installed under this part.

"(b) SUMMARY OF ALTERNATIVE PLAN REPORTS.—No later than December 31, 1987, and December 31, 1989, the Secretary shall submit a report to the Chairman of the Committee on Energy and Commerce of the House of Representatives and the Chairman of the Committee on Energy and Natural Resources of the Senate summarizing the annual reports the Secretary received under section 226(f) and section 227(f).

"(c) DISSEMINATION OF INFORMATION.—(1)(A) The Secretary shall at least annually, in fiscal years beginning after September 30, 1985, disseminate to the States and public utilities information providing technical assistance and relating to the most cost-effective energy conservation procedures and devices (including residential energy conservation measures) and the most successful plans (or portions thereof) under this part.

"(B) The Secretary shall make the information described in subparagraph (A) available to the public.

"(2) The Secretary shall conduct seminars in various regions of the United States to disseminate information described in paragraph (1).".

(b) CLERICAL AMENDMENT.—The table of contents of such Act is amended by striking out the item relating to section 225 and inserting in lieu thereof the following:

"Sec. 225. Reports and dissemination of information.".

SEC. 105. TERMINATION.

(a) IN GENERAL.—Part I of title II of the National Energy Conservation Policy Act (42 U.S.C. 8201 and following), as amended by section 103, is amended by adding at the end the following new section:

"SEC. 228. TERMINATION.

"Effective January 1, 1990, all authority under this part shall terminate, except that—

"(1) the provisions of section 216 shall not terminate and the provisions of sections 215 and 219(d) shall be considered to be in effect to the extent necessary to enforce section 216; and

"(2) such expiration shall not affect any action or proceeding based upon an act committed prior to midnight January 1, 1990, and not finally determined by such date.".

(b) CLERICAL AMENDMENT.—The table of contents of such Act, as amended by section 103(c) of this Act, is amended by inserting after the item relating to section 227 the following new item:

"Sec. 228. Termination.".

SEC. 106. SUPPLY AND INSTALLATION BY PUBLIC UTILITIES.

(a) GENERAL EXEMPTION.—Section 216(d) of the National Energy Conservation Policy Act (42 U.S.C. 8217(d)) (relating to general exemptions from prohibitions on supply and installation) is amended—

(1) by striking out "The" and inserting in lieu thereof:

"(1) Except as provided in paragraph (2), the";

(2) by redesignating paragraphs (1), (2), and (3) as subparagraphs (A), (B), and (C), respectively; and

(3) by adding at the end thereof the following new paragraph:

"(2) Effective July 1, 1987, subparagraphs (A) and (B) of paragraph (1) shall not apply to the supply or installation of residential energy conservation measures other than measures which the Secretary determines were being installed or supplied by a public utility during the 12-month period ending June 1, 1985.".

(b) WAIVER.—Section 216(e) of such Act (42 U.S.C. 8217(e)) (relating to the waiver of prohibitions on supply and installation) is amended—

(1) by striking out "and" the last time it appears and inserting in lieu thereof a comma; and

(2) by inserting ", and the prevention of unauthorized cross subsidization" before the period at the end thereof.

(c) PROHIBITION; ENFORCEMENT.—(1) Section 216 of such Act (42 U.S.C. 8217) (relating to prohibitions on supply and installations) is amended by striking out subsection (g)(2) and subsection (h) and inserting in lieu thereof the following:

"(2) No public utility which has an exemption or waiver under this section may carry out any activity if the Federal Trade Commission, pursuant to subsection (h), or a State regulatory authority, pursuant to State law, has determined that such activity involves—

"(A) charging unfair or unreasonable prices or rates of interest with respect to the

supply and installation of residential energy conservation measures;

"(B) engaging in unfair methods of competition or unfair or deceptive acts or practices with respect to such supply and installation; or

"(C) engaging in unauthorized cross subsidization with respect to such supply and installation.

"(h) ENFORCEMENT.—(1) For the purpose of determining whether a public utility which has an exemption or waiver under this section is engaging in any activity described in subsection (g)(2), an interested resident of a State may request—

"(A) to the extent authorized under State law, a State regulatory authority; or

"(B) in any case described in paragraph (2), the Federal Trade Commission,

to review an activity being carried out by such a public utility in whole or in part in such State.

"(2) The Federal Trade Commission may review an activity of a public utility as a result of a request made under paragraph (1) only if—

"(A) a State regulatory authority has—

"(i) informed the resident making the request that it will not review such activity for the purpose described in paragraph (1); or

"(ii) within the 90-day period beginning on the date on which the request to review such activity was made to the State regulatory authority by the resident, failed to inform the resident that it will review such activity for such purpose; or

"(B) a State regulatory authority has informed the resident that it will review such activity for such purpose but has failed to initiate a proceeding for such purpose during the 6-month period beginning on the date on which the request to review such activity was made to the State regulatory authority by the resident.

"(3) If a request for review is made to the Commission in any case described in subparagraph (A) or (B) of paragraph (2), the Commission shall review the matters specified in the request to determine whether there is reason to believe that the public utility concerned is carrying out an activity described in subsection (g)(2). If the Commission determines that there is reason to believe that the public utility is carrying out such an activity, the Commission shall issue and serve upon such utility a complaint and a notice of hearing and conduct a proceeding in accordance with section 5(b) of the Federal Trade Commission Act to determine if such an activity is being carried out by the utility.

"(4) If the Commission makes a determination pursuant to a proceeding described in paragraph (3) that a public utility is carrying out an activity described in subsection (g)(2) of this section, the Commission shall, utilizing the authority of the Commission to enforce prohibitions made by section 5 of the Federal Trade Commission Act, take appropriate action to enforce the prohibition in subsection (g)(2) of this section.

"(5) Any violation of a prohibition contained in this section other than a violation of subsection (g)(2) shall be treated, for purposes of section 219(d), as a violation of a plan promulgated under section 219(a).".

(d) CONFORMING AMENDMENTS.—(1) Section 216(c)(2)(A) of such Act (42 U.S.C. 8217(c)(2)(A)) (relating to an exemption from the prohibition on supply and installation by a public utility) is amended by inserting the following before the semicolon at the end: "or other activities described in subsection (g)(2)".

(2) Section 216(f) of such Act (42 U.S.C. 8217(f)) (relating to the applicability of section 215) is amended by striking out "(d)(2)", "(d)(1)", and "(d)(3)" and inserting in lieu thereof "(d)(1)(B)", "(d)(1)(A)", and "(d)(1)(C)", respectively.

(3) The heading of subsection (g) of section 216 is amended to read as follows: "AUTHORITY TO MONITOR AND TERMINATE CERTAIN ACTIVITIES BY UTILITIES.—".

(e) EFFECTIVE DATE.—The amendments made by this section shall become effective one hundred and eighty days after the date of the enactment of this Act.

TITLE II—COMMERCIAL BUILDINGS AND MULTIFAMILY DWELLINGS

SEC. 201. REPEAL OF TITLE VII OF THE NATIONAL ENERGY CONSERVATION POLICY ACT.

(a) IN GENERAL.—Title VII of the National Energy Conservation Policy Act (42 U.S.C. 8281 and following) (relating to energy conservation for commercial buildings and multifamily dwellings) is hereby repealed.

(b) CLERICAL AMENDMENT.—The table of contents for such Act is amended by striking out the items relating to such title VII.

(c) AUTHORITY TO CONTINUE CERTAIN STATE ENERGY CONSERVATION PLANS.—Notwithstanding subsection (a), any State energy conservation plan for commercial buildings and multifamily dwellings approved under section 721 of the National Energy Conservation Policy Act before August 1, 1984, may, with respect to regulated utilities, continue in effect if such plan meets the requirements of section 722 of such Act as in effect on August 1, 1984.

SEC. 202. DEMONSTRATION PROJECTS FOR ENERGY EFFICIENCY IN COMMERCIAL BUILDINGS.

The Secretary of Energy shall, using funds appropriated for energy conservation activities of the Department of Energy, carry out demonstration projects by sharing the cost of the construction and development by nongovernmental entities of facilities which demonstrate innovative technologies for utility applications that increase energy efficiency in commercial buildings.

Amend the title so as to read: "An Act to reform the Residential Conservation Service and to repeal the Commercial and Apartment Conservation Service.".

Mr. SIMPSON. Mr. President, I move that the Senate disagree to the amendment of the House to S. 410 and request a conference with the House on the disagreeing votes of the two Houses, and that the Chair be authorized to appoint the conferees on the part of the Senate.

The motion was agreed to; and the Chair appointed Mr. MCCLURE, Mr. HATFIELD, Mr. DOMENICI, Mr. MURKOWSKI, Mr. NICKLES, Mr. JOHNSTON, Mr. BUMPERS, Mr. FORD, and Mr. METZENBAUM conferees on the part of the Senate.

NATIONAL CHILD ABUSE PREVENTION MONTH

Mr. SIMPSON. Mr. President, I ask unanimous consent that the Judiciary Committee be discharged from further consideration of Senate Joint Resolution 294, National Child Abuse Prevention Month, and I ask for its immediate consideration.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill will be stated by title.

The assistant legislative clerk read as follows:

A joint resolution (S.J. Res 294) to designate the month of April 1986 as "National Child Abuse Prevention Month".

The PRESIDING OFFICER. Is there objection to the present consideration of the joint resolution?

There being no objection, the joint resolution was ordered to be engrossed for a third reading, was read the third time, and passed.

The preamble was agreed to.

The joint resolution, with its preamble, reads as follows:

S.J. RES. 294

Whereas the incidence and prevalence of child abuse and neglect have reached alarming proportions in the United States;

Whereas an estimated two million children become victims of child abuse in the Nation each year;

Whereas an estimated five thousand of such children die as a result of such abuse each year;

Whereas the Nation faces a continuing need to support innovative programs to prevent child abuse and assist parents and families in which child abuse occurs;

Whereas Congress has expressed a commitment to seek and apply solutions to the problem of child abuse by enacting the Child Abuse Prevention and Treatment Act of 1974;

Whereas many dedicated individuals and private organizations, including Parents Anonymous, the National Committee for the Prevention of Child Abuse, the American Humane Association, and other members of the National Child Abuse Coalition, are working to counter the ravages of abuse and neglect to help child abusers break a destructive pattern of behavior;

Whereas the average cost for a public welfare agency to serve a family through a child abuse program is twenty times greater than self-help programs administered by private organizations;

Whereas organizations such as Parents Anonymous and other members of the National Child Abuse Coalition are expediting efforts to prevent child abuse in the next generation through special programs for abused children; and

Whereas it is appropriate to focus the attention of the Nation upon the problem of child abuse: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the month of April 1986 is designated as "National Child Abuse Prevention Month" and the President is authorized and requested to issue a proclamation calling upon all government agencies and the people of the United States to observe such month with appropriate programs, ceremonies, and activities.

Mr. SIMPSON. Mr. President, I move to reconsider the vote by which the joint resolution was passed.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

NATIONAL SCHOOL LIBRARY MONTH

Mr. SIMPSON. Mr. President, after conferring with the Democratic leader, I ask that the Chair lay before the Senate a message from the House of Representatives on Senate Joint Resolution 52.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

Resolved, That the resolution from the Senate (S.J. Res. 52) entitled "Joint resolution to designate the month of April 1985 as 'National School Library Month'", do pass with the following amendments:

Page 2, line 3, strike out "1985," and insert: 1986

Amend the title so as to read: "Joint resolution to designate the month of April 1986 as 'National School Library Month'.".

Mr. SIMPSON. Mr. President, I move that the Senate concur in the House amendments.

The PRESIDING OFFICER. The question is on agreeing to the motion.

The motion was agreed to.

Mr. SIMPSON. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

EXECUTIVE CALENDAR

Mr. SIMPSON. Mr. President, I inquire of the minority leader if he is in a position to confirm the following nominations on the Executive Calendar: Calendar No. 701, John A. Bohn, Jr.; Calendar No. 722, J. Daniel Mahoney; Calendar No. 723, Barbara K. Hackett; Calendar No. 728, James Eugene Burnett, Jr.; Calendar No. 729, Joseph Trippe Nall; Calendar No. 731, under the Coast Guard; Calendar No. 732, John William Bode; Calendar No. 733, C.C. Hope, Jr.; and the nominations placed on the Secretary's desk in the Coast Guard, beginning with Douglas W. Anderson and ending with Christopher N. Zendan.

Mr. BYRD. Mr. President, there is no objection.

EXECUTIVE SESSION

Mr. SIMPSON. Mr. President, I ask unanimous consent that the Senate go into executive session to consider the nominations just identified.

There being no objection, the Senate proceeded to the consideration of executive business.

The PRESIDING OFFICER. The nominations will be stated.

Mr. SIMPSON. Mr. President, I ask unanimous consent that the nominations be considered en bloc and confirmed en bloc.

The PRESIDING OFFICER. Without objection, it is so ordered.

The nominations considered en bloc and confirmed en bloc are as follows:

EXPORT-IMPORT BANK OF THE UNITED STATES

John A. Bohn, Jr., of Virginia, to be President of the Export-Import Bank of the United States for a term of 4 years.

THE JUDICIARY

J. Daniel Mahoney, of New York, to be U.S. circuit judge for the second circuit vice a new position created by Public Law 98-353, approved July 10, 1984.

Barbara K. Hackett, of Michigan, to be U.S. district judge for the eastern district of Michigan.

NATIONAL TRANSPORTATION SAFETY BOARD

James Eugene Burnett, Jr., of Arkansas, to be a member of the National Transportation Safety Board for the term expiring December 31, 1990. (Reappointment.)

Joseph Trippe Nall, of North Carolina, to be a member of the National Transportation Safety Board for the remainder of the term expiring December 31, 1987.

COAST GUARD

Pursuant to the provisions of 14 U.S.C.729, the following named captain of the Coast Guard Reserve to a permanent commissioned officer in the Coast Guard Reserve in the grade of rear admiral (lower half):

Daniel J. Murphy.

DEPARTMENT OF AGRICULTURE

John William Bode, of Oklahoma, to be a member of the Board of Directors of the Commodity Credit Corporation.

FEDERAL DEPOSIT INSURANCE CORPORATION

C. C. Hope, Jr., of North Carolina, to be a member of the Board of Directors of the Federal Deposit Insurance Corporation for a term of 6 years.

NOMINATIONS PLACED ON THE SECRETARY'S DESK IN THE COAST GUARD, SENIOR FOREIGN SERVICE

Coast Guard nominations beginning Douglas W. Anderson, and ending Christopher N. Zendan, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of March 12, 1986.

JOHN BODE NOMINATION

Mr. BOREN. Mr. President, the Senate is now considering the nomination of John William Bode to be a member of the Commodity Credit Corporation Board. I have known John for over 10 years. He served as a student intern and later became a member of my staff during my tenure as Governor of Oklahoma. In both positions, he did an outstanding job.

In 1979, he became a professional staff member of the Senate Agriculture Committee and later began working in the Department of Agriculture. At the present time, he serves as the Assistant Secretary for Food and Consumer Services in the Department of Agriculture. He has consistently handled his responsibilities in a superb manner.

John Bode's background and experience in farming will make him an outstanding member of the Board. His extensive knowledge of the business of farming will prove to be an invaluable asset while he serves on the Board.

All Oklahomans are extremely proud of the record he has established in the Government. I am very pleased the President has chosen to nominate a young man with the integrity and ability of John Bode.

I urge my colleagues to confirm his nomination to be a member of the Commodity Credit Corporation Board.

C.C. HOPE NOMINATION

Mr. EAST. Mr. President, it gives me great pleasure to endorse the Senate Banking Committee's recommendation of C.C. Hope for confirmation as a Director of the Federal Deposit Insurance Corporation and urge my colleagues to support his nomination.

C.C. Hope is a man of considerable ability and talent with an excellent background of banking experience. He is one of North Carolina's most outstanding citizens with a remarkable career in banking spanning nearly 40 years. He is dedicated, hard-working, and a man whose service in this position would benefit the FDIC and the country.

C.C. Hope has had the opportunity to work in practically every aspect of banking operations. Early in his career, he worked as a teller and a branch manager. As his institution began to grow and expand, he worked in the field negotiating bank mergers. When he retired last year as vice chairman of the First Union National Bank, his work formed the basis of an institution which is one of the most respected and successful in the Nation.

In addition to his exemplary service as a banker, the nominee has devoted his life to serving North Carolina, his community, and the public in so many ways that I sometimes wonder how he was able to do so much so well. He has been president of the American Bankers Association, chairman of the North Carolina Bankers Association, treasurer of the Charlotte Chamber of Commerce, a deacon in the First Baptist Church of Charlotte, and a leader and member of charitable and service organizations too numerous to enumerate.

C.C. Hope is highly regarded among his peers and fellow citizens as an individual of great industry, dedication, and high moral character. I am confident that he will provide extraordinary leadership to the FDIC at this period of regulatory change, and I urge my colleagues to approve his nomination as Director of the FDIC.

Mr. SIMPSON. Mr. President, I move to reconsider the vote by which the nominations were confirmed.

Mr. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. SIMPSON. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of these nominations.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. SIMPSON. Mr. President, I ask unanimous consent that the Senate return to the consideration of legislative business.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SIMPSON addressed the Chair.

The PRESIDING OFFICER. The assistant majority leader.

PROGRAM

Mr. SIMPSON. Mr. President, let me recap matters for our time of reconvening on Tuesday, April 8, 1986. We will reconvene at 12 noon following an adjournment. The two leaders then will have their time under the standing order of 10 minutes each.

There will be special orders in favor of the following Senators for not to exceed 5 minutes each: Senator PROXMIRE, Senator HAWKINS, and Senator CRANSTON.

There will be routine morning business for not to extend beyond the hour of 12:30 p.m. with Senators permitted to speak therein for not more than 5 minutes each.

ORDER FOR RECESS BETWEEN 12:30 P.M. AND 2 P.M.

Mr. SIMPSON. Mr. President, I ask unanimous consent that the Senate stand in recess at 12:30 p.m. until 2 p.m. in order for the weekly party caucuses to meet.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SIMPSON. Mr. President, following the recess, by a previous unanimous agreement, the Senate will turn to S. 1660, the Confederate Memorial Association bill, and S. 8, a bill to grant Federal charter to the Vietnam Veterans of America, Inc.

Rollcall votes will occur on passage of S. 8 at 5:30 p.m. on Tuesday, April 8, 1986.

Then, Mr. President, the Senate could be asked to turn to any other legislative or executive items cleared for action.

COMMENDATION OF THE MINORITY LEADER

Mr. SIMPSON. Mr. President, I want to thank the minority leader for his support of the majority leader during a most important 2 days of deliberations on the aid to the Contras and Nicaragua.

I have watched that accord between them develop on that issue. That is most appreciated by those of us who must of necessity be about that type of business.

Mr. BYRD. Mr. President, I thank the very distinguished assistant Republican leader.

I must say that during our discussions back and forth, and during our meetings which took place with respect to the very controversial legislation, there was very good cooperation, a good spirit of working together, and good will.

We knew that we would not be able to agree on some things. But we disagreed in a very agreeable manner speaking of the majority leader, and in particular of Senators on the other side of the question, and on the other side of the aisle.

I thank the distinguished assistant leader.

ADJOURNMENT UNTIL TUESDAY, APRIL 8, 1986

Mr. SIMPSON. Mr. President, I move that the Senate stand in adjournment in accordance with the provisions of House Concurrent Resolution 304 until the hour of 12 noon on Tuesday, April 8, 1986.

The PRESIDING OFFICER. The question is on agreeing to the motion to adjourn.

The motion was agreed to, and at 8:34 p.m., on Thursday, March 27, 1986, the Senate adjourned until Tuesday, April 8, 1986, at 12 noon.

NOMINATIONS

Executive nominations received by the Senate March 27, 1986:

DEPARTMENT OF JUSTICE

Roger Milton Olsen, of Virginia, to be an Assistant Attorney General, vice Glenn L. Archer, Jr., resigned.

CORPORATION FOR PUBLIC BROADCASTING

Sonia Landau, of New York, to be a member of the Board of Directors of the Corporation for Public Broadcasting for a term expiring March 26, 1991. (Reappointment.)

NATIONAL COUNCIL ON THE HANDICAPPED

The following-named persons to be members of the National Council on the Handicapped for terms expiring September 17, 1988:

John F. Mills, of Virginia, vice Robert V. Bush, term expired.

Robert S. Muller, of Michigan, vice Hunt Hamill, term expired.

Brenda Premo, of California, vice Henry Viscardi, Jr., term expired.

Phyllis D. Zlotnick, of Connecticut, vice R. Budd Gould, term expired.

IN THE ARMY

The following-named officers for permanent promotion in the U.S. Army in accordance with the appropriate provisions of title 10, United States Code, sections 624 and 628:

CHAPLAIN CORPS

To be colonel

Charles R. Savely, xxx-xx-xxxx

ARMY

To be lieutenant colonel

McArthur Barnes, xxx-xx-xxxx

Peter C. Neukom, xxx-xx-xxxx

To be major

Gary K. Long, xxx-xx-xxxx
Scott D. MacGarvey, xxx-xx-xxxx
Patrick T. McDevitt, xxx-xx-xxxx
Charles D. Moore, xxx-xx-xxxx

MEDICAL CORPS

To be major

Willie C. Bruce, xxx-xx-xxxx
John H. Chiles, xxx-xx-xxxx
Young H. Choi, xxx-xx-xxxx
Carlos Ramirez-Tanchez, xxx-xx-xxxx

MEDICAL SERVICE CORPS

To be major

James W. Fairbanks, xxx-xx-xxxx

VETERINARY CORPS

To be major

Robert Russell, xxx-xx-xxxx

CONFIRMATIONS

Executive nominations confirmed by the Senate March 27, 1986:

EXPORT-IMPORT BANK OF THE UNITED STATES

John A. Bohn, Jr., of Virginia, to be President of the Export-Import Bank of the United States for a term of 4 years.

NATIONAL TRANSPORTATION SAFETY BOARD

James Eugene Burnett, Jr., of Arkansas, to be a member of the National Transportation Safety Board for the term expiring December 31, 1990.

Joseph Trippe Nall, of North Carolina, to be a member of the National Transportation Safety Board for the remainder of the term expiring December 31, 1987.

IN THE COAST GUARD

Pursuant to the provisions of 14 U.S.C. 729, the following-named captain of the Coast Guard Reserve to a permanent commissioned officer in the Coast Guard Reserve in the grade of rear admiral (lower half):

Daniel J. Murphy

FEDERAL DEPOSIT INSURANCE CORPORATION

C.C. Hope, Jr., of North Carolina, to be a member of the Board of Directors of the Federal Deposit Insurance Corporation for a term of 6 years.

The above nominations were approved subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

THE JUDICIARY

J. Daniel Mahoney, of New York, to be U.S. circuit judge for the second circuit.

Barbara K. Hackett, of Michigan, to be U.S. District Judge for the Eastern District of Michigan.

DEPARTMENT OF AGRICULTURE

John William Bode, of Oklahoma, to be a member of the Board of Directors of the Commodity Credit Corporation.

IN THE COAST GUARD

Coast Guard nominations beginning Douglas W. Anderson, and ending Christopher N. Zendan, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on March 12, 1986.

HOUSE OF REPRESENTATIVES—*Tuesday, April 8, 1986*

The House met at 12 noon and was called to order by the Speaker pro tempore [Mr. FOLEY].

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, DC, *March 25, 1986.*

I hereby designate the Honorable THOMAS S. FOLEY to act as Speaker pro tempore on Tuesday, April 8, 1986.

THOMAS P. O'NEILL, Jr.,
Speaker of the House of Representatives.

PRAYER

The Reverend Dr. Frank L. Fowler III, pastor, Trinity United Methodist Church, Hackettstown, NJ, offered the following prayer:

Eternal God, in whom alone is the strength of our heart and the hope of our world, we pause to open our lives to Your higher power, which we know as the true source of internal peace and international brotherhood.

Lead us, Lord, that the business and busyness of daily work might not divert us from understanding Your plan, and our part in it. Guide and direct these servants in their thought and labor. Fill them with the calm assurance of Your perpetual presence, that their deliberations and decisions would reflect divine truth in seeking the welfare of each of Your children.

Give us courage daily to act in accordance with Your will, seeking to reveal Your perfect love, as given through Jesus, the Christ. Amen.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Hallen, one of its clerks, announced that the Senate had passed with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H.R. 6. An act to provide for the conservation and development of water and related resources and the improvement and rehabilitation of the Nation's water resources infrastructure; and

H.R. 1349. An act to reduce the costs of operating Presidential libraries, and for other purposes.

The message also announced that the Senate insists upon its amendment to the bill (H.R. 6) "An act to provide for the conservation and development of water and related resources and the improvement and rehabilitation of the Nation's water resources infrastructure," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. STAFFORD, Mr. ABDNOR, Mr. DOMENICI, Mr. DURENBERGER, Mr. BENTSEN, Mr. MOYNIHAN, and Mr. BAUCUS, from the Committee on Environment and Public Works, Mr. PACKWOOD, Mr. ROTH, Mr. DANFORTH, Mr. LONG, and Mr. MATSUNAGA, from the Committee on Finance for section 606 and title VIII of the Senate amendment and section 109 and title XV of the House bill, to be the conferees on the part of the Senate.

The message also announced that the Senate disagrees to the amendments of the House to the bill (S. 410) "An act to repeal the Commercial and Apartment Conservation Service, and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. MCCLURE, Mr. HATFIELD, Mr. DOMENICI, Mr. MURKOWSKI, Mr. NICKLES, Mr. JOHNSTON, Mr. BUMPERS, Mr. FORD, and Mr. METZENBAUM, to be the conferees on the part of the Senate.

The message also announced that the Senate had passed joint resolutions and a concurrent resolution of the following titles, in which the concurrence of the House is requested:

S.J. Res. 263. Joint resolution to designate the week of September 7 through September 13, 1986, as "National Independent Retail Grocer Week";

S.J. Res. 264. Joint resolution designating April 28, 1986, as "National Nursing Home Residents Day";

S.J. Res. 279. Joint resolution to designate the month of October 1986, as "Lupus Awareness Month";

S.J. Res. 283. Joint resolution relating to Central America pursuant to the International Security and Development Cooperation Act of 1985;

S.J. Res. 294. Joint resolution to designate the month of April 1986 as "National Child Abuse Prevention Month";

S.J. Res. 296. Joint resolution to designate October 16, 1986, as "World Food Day";

S.J. Res. 308. Joint resolution designating March 25, 1986, as "Greek Independence Day: A National Day of Celebration of Greek and American Democracy"; and

S. Con. Res. 95. Concurrent resolution to recognize and honor the contributions of Consumers Union.

The message also announced that pursuant to section 9355(a), title 10, of the United States Code, the Vice President appoints Mr. STEVENS from the Committee on Appropriations, and Mr. GOLDWATER from the Committee on Armed Services to the Board of Visitors of the Air Force Academy.

The message also announced that pursuant to section 6968(a), title 10, of the United States Code, the Vice President appoints Mr. HATFIELD from the Committee on Appropriations, and Mr. DENTON from the Committee on Armed Services, to the Board of Visitors of the Naval Academy.

The message also announced that pursuant to section 194(a), title 14, of the United States Code, the Vice President appoints Mr. DANFORTH from the Committee on Commerce, Science, and Transportation, and Mr. PACKWOOD, from the Committee on Commerce, Science, and Transportation, to the Board of Visitors of the Coast Guard Academy.

The message also announced that pursuant to Public Law 96-114, as amended by Public Laws 98-33 and 99-161, the Chair, on behalf of the majority leader and the minority leader, appoints Mr. WALLOP, Mr. SIMON, Mr. Ben H. Love from private life, Mr. Joshua Miner from private life, Sir Gordon White from private life, Miss Cathy Lee Crosby from private life, Mr. Donald R. Keough from private life, Mr. S. Lee Kling from private life, the Honorable Shirley A. Chisholm from private life, and Mr. Phillip V. Sanchez from private life, to the Congressional Award Board.

The message also announced that pursuant to section 1295(b), title 46, of the United States Code, the Vice President appoints Mr. KASTEN from the Committee on Commerce, Science, and Transportation, and Mr. DANFORTH from the Committee on Commerce, Science, and Transportation, to the Board of Visitors of the Merchant Marine Academy.

THE REVEREND FRANK L. FOWLER III

(Mr. COURTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. COURTER. Mr. Speaker, it gives me indeed a great deal of personal pleasure to introduce to the body today Rev. Frank L. Fowler III.

Reverend Fowler is my minister in Hackettstown, NJ. He is an ordained

elder of the United Methodist Church, a member of the Northern New Jersey Conference.

He received his bachelor degree at West Virginia Wesleyan College, master of divinity at Wesley Theological Seminary. He attended the New College University of Edinberg, Scotland, and received his doctorate of philosophy from New York University.

He was, for a period of time, an associate pastor in Plainfield, NJ, and for 8 years, pastor at the United Methodist Church in Newfoundland, NJ.

He is a free lance writer. He is a true friend and a great minister.

Indeed, it is a pleasure for me to welcome here today the Reverend Frank Fowler.

VOTE AGAINST HUGHES "LAW ENFORCEMENT" AMENDMENT

(Mr. VOLKMER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. VOLKMER. Mr. Speaker, I wish to issue a warning to everybody that tomorrow when we consider the Volkmer substitute for H.R. 4332, Congressman HUGHES will offer an amendment he designates the "law enforcement amendment."

We want to beware. This amendment is nothing more than the most strident gun control measure he could offer. It is very insidious.

The Hughes amendment would require every gun owner who has ever traded, sold, given away, or in any way transferred any firearm, and that includes a rifle, a shotgun, or a handgun, to acquire a dealer's license before that gun owner can legally dispose of any second firearm, rifle, shotgun, or handgun thereafter.

That means that we would be registering through dealerships every gun owner in the United States.

Also, the "engaged in business" language of the Hughes amendment would in effect require virtually all of your sportsmen and hunters to become licensed dealers.

Additionally, many hand loaders, people who out there are loading their own shells—we have them all over the United States—would be licensed as manufacturers of ammunition under the Hughes amendment.

The Hughes amendment would force a majority of the Nation's 60 million firearms owners to be licensed by the Federal Government.

I urge you to oppose this gun control amendment by Congressman HUGHES.

HONDURAN PRESIDENT JOSE AZCONA REBUTS REPORTS OF UNITED STATES PRESSURE

(Mr. LAGOMARSINO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LAGOMARSINO. Mr. Speaker, recent news reports have called into question the severity of the Nicaraguan invasion into Honduras last month. One would get the impression that perhaps the administration's concern would have been justified if 1,500 Nicaraguan soldiers had crossed the Honduran border, but if it had been only 800, then perhaps that was not so bad. Well, whether the number was 800 or 1,500, the implications of the Nicaraguan invasion of Honduras must not be minimized. Nor should we minimize the reaction of the Hondurans themselves.

News reports have said that the United States pressured the Hondurans to react strongly to the Nicaraguan invasion. Honduran President Jose Azcona rebutted those reports of United States pressure in an address to his nation last Friday night. President Azcona confirmed that 1,500 Nicaraguan troops had entered Honduran territory as Washington had reported. He also stated that Honduras had killed five Sandinista soldiers and had taken seven prisoners. President Azcona said he made his decision to seek U.S. military aid "without outside or domestic pressures" and was willing to "ask for U.S. military support as many times as is necessary to defend the nation."

ENCOURAGING NEWS ON DEFENSE MANAGEMENT REFORM

(Mr. SKELTON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SKELTON. Mr. Speaker, the recent announcement that the President will support changes recommended in the Packard Commission report on defense management is welcome news to those of us in Congress who have been working for years to reform the way the Pentagon does business.

The President's support in essence reversing past opposition expressed through the Secretary of Defense and the Joint Chiefs of Staff means that we are considerably closer to final enactment of legislation reorganizing the Defense Department.

Mr. Speaker, I have been pushing for reorganizing of the Defense Department, particularly the Joint Chiefs of Staff, since I first introduced legislation on this subject back in 1983.

With the participation and strong support of the gentleman from Alabama [Mr. NICHOLS], the chairman of the Investigation Subcommittee, and the gentleman from Wisconsin [Mr. ASPIN], the chairman of the full Armed Services Committee, as well as Members of the other party in the House Armed Services Committee, we have twice been successful in getting this legislation through the House. Although the Senate was initially cool to this proposal, they have reversed themselves this past year and now seem favorably disposed toward Department of Defense reorganization.

Mr. Speaker, now that the President has embraced the conclusions of the Packard Commission and has joined those of us in Congress who have been advocating a more efficient, cost-effective national defense, we are much closer to ultimate success.

Mr. Speaker, I welcome the President onboard, although belatedly.

NATIONAL INSURANCE AVAILABILITY CRISIS COMMISSION

(Mr. SCHULZE asked and was given permission to address the House for 1 minute.)

Mr. SCHULZE. Mr. Speaker, today I am introducing legislation to address a crisis in America. A crisis touching every segment of our society and adversely afflicting our economy and the health and education of our children. The crisis is the cost and availability of liability insurance.

My legislation would establish a National Insurance Availability Crisis Commission. The Commission would include representatives from the legal profession, the insurance industry, the Federal Government and the States, and the various business sectors hit by the availability crisis. The Commission would examine all aspects of the current crisis be it tort reform or insurance pricing, and make recommendations to the Congress with mandated congressional action.

The Commission is designed to work. It includes strict timetables for action and, perhaps, most importantly, it costs no Federal dollars. My bill requires action within 11 months of enactment.

I urge my colleagues to support the establishment of a National Insurance Availability Commission and to support my legislation.

FACE BRANDING

(Mr. HORTON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HORTON. Mr. Speaker, today I am being joined by 18 of our colleagues in introducing a sense-of-Congress resolution urging the Secretary of Agriculture to investigate identification procedures to be used in place of the hot-iron branding of animals' cheeks.

Hot-iron cheek branding has generated substantial controversy across the country. To participate in the dairy termination program, dairy farm owners must brand all cows with a 3-

inch X on the right cheek. For calves, a 2-inch X must be burned in.

While most cattle and dairy farm owners in the West and Midwest have used flank branding for years, very few dairy farmers in the Northeast have chosen this method. Because of this inexperience, the danger to both the animal and the brander is greatly increased. Alternatives must be found.

The letters I have here are just a sample of the tremendous outpouring of opposition to this practice in upstate New York. People are writing in, "horrified" and "appalled" at this "cruel and inhumane" treatment. Dairy farmers, many who have even named their cows, are outraged that the Government would force them to brand on the cheek. Cows are beautiful animals. I urge the Secretary of Agriculture to halt this means of identification immediately.

Mr. Speaker, this resolution directs Secretary Lyng to take immediate steps to investigate effective alternatives to hot-iron cheek branding, and to predicate future animal identification on these findings. The Secretary is directed to report to the House Agriculture Committee within 90 days of passage, and annually thereafter on the long-term findings.

I urge my colleagues to join with me in this sense-of-Congress message to the Secretary.

SQUANDERING THE CHANCES FOR PEACE

(Mr. WEISS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WEISS. Mr. Speaker, in Washington, the President is discussing a second summit with Soviet Ambassador Dobrynin. But in Nevada, the Reagan administration is squandering the one good opportunity for arms control that we've had in a long time.

Today's scheduled nuclear explosion at the Nevada test site will likely mean the end of the 8-month-old Soviet moratorium on nuclear tests. And that means that the unrestrained superpower race for more powerful and more accurate nuclear weapons will continue unabated.

The administration argues that a test ban isn't verifiable. It argues that we need to test to ensure the reliability of our weapons. But these arguments have as many holes as the Nevada desert has craters.

The real reason for testing is to continue development of a new generation of increasingly dangerous weapons, including the President's star wars fantasy.

Since the President refuses to act, Congress must. We should, as the bill introduced by the gentlewoman from Colorado [Mrs. SCHROEDER] urges, cut off all funding for nuclear tests, and we should maintain that posture so long as the Soviets do not test. Let us not squander this rare opportunity to slow down the nuclear arms race.

□ 1215

TRIBUTE TO AMBASSADOR JOHN GAVIN

(Mr. BADHAM asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BADHAM. Mr. Speaker, I read in this morning's Washington Post, with some dismay, that John Gavin, the Ambassador of the President of the United States to Mexico, has resigned.

I would just like to say that I have known John Gavin for many years; that he and I went to elementary school, high school, and indeed the university together in California. I was somewhat amused when people were saying that, "John Gavin is an actor," when appointed by the President of the United States, not even taking time to recognize the fact that John Gavin was born in Mexico, speaks fluent Spanish, and has been probably in business in Mexico for more years than many people have even visited Mexico. He was highly trained, highly capable, highly successful as a businessman; indeed, on a first-name basis with Presidents of Mexico and served as a credit to the President of the United States, his policies, and the people of the United States in his representation.

I will be sorry to see Ambassador Gavin go, and I wish him the best of all possible things that can come his way in the future. We will miss a good Ambassador.

TRIBUTE TO UNIVERSITY OF LOUISVILLE CARDINALS AND COACH DENNY CRUM

(Mr. HUBBARD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HUBBARD. Mr. Speaker, our colleague RON MAZZOLI, who represents Louisville, KY, in the House, has already congratulated our University of Louisville Cardinals.

As a member of the Kentucky delegation who is a proud alumnus of the University of Louisville, I also want to congratulate our U. of L. Cardinals upon winning the 1986 NCAA basketball tournament in Dallas, TX, on March 31.

Special congratulations to U. of L. Basketball Coach Denny Crum upon winning his second NCAA basketball tournament in the past 7 years and upon his teams' reaching the final four in the NCAA tournaments four times in the past 7 years.

Hopefully, some year in the future Denny Crum will be recognized and voted "Coach of the Year" in college basketball.

Please attend the reception which our colleague RON MAZZOLI mentioned earlier and meet Coach Crum and the U. of L. championship Cardinals. That's Wednesday of next week, April 16, 3–5 p.m. in S–207 of the Capitol.

THIS OIL POLICY IS MISSION IMPOSSIBLE

(Mr. SCHUMER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SCHUMER. Mr. Speaker, in 1968, George Romney said he was brainwashed. In 1972, Ed Muskie cried in the snows of New Hampshire. In 1984, Walter Mondale guaranteed a tax increase to the American people. Now, in 1986, GEORGE BUSH has gone to Saudi Arabia to bolster OPEC.

Everyone else in the administration has been crowing about how OPEC has been busted and what a great thing low oil prices are for America, and Mr. BUSH is over there in the Middle East conducting his own private, foreign policy. It would be one thing if the Vice President were getting backup from the administration, but his mission is like "Mission Impossible"; they have disavowed any knowledge of his actions.

Mr. Vice President, this is not a Texas Chamber of Commerce field trip. You are supposed to be representing the American people. Certainly many would argue that we need to bolster domestic prices and encourage domestic oil conservation but, then, why do you not urge the President to go for an oil tax and in that way see that the money from domestic prices ends up in Uncle Sam's pockets and not in King Fahd's robes.

BEST WISHES FOR A SPEEDY RECOVERY TO CONGRESSMAN MANUEL LUJAN

(Mr. RICHARDSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RICHARDSON. Mr. Speaker, I know that my colleagues join with me today in sending our best wishes for a speedy recovery to a member of the New Mexico congressional delegation, Congressman MANUEL LUJAN.

Over the weekend, Congressman LUJAN had a heart attack and underwent a bypass operation. The good news is that he is resting comfortably in Albuquerque.

MANUEL, I am anxiously awaiting your return to Congress. With the House back in session, it is time to resume some of the major New Mexico

battles of the day—not deficits, not taxes, not Nicaragua. I look forward to the day when you will again lead the charge to once again establish chili, good old New Mexico chili, as the national dish.

Mr. Speaker, I know I speak for my colleagues in wishing Congressman LUJAN a speedy recovery, one of the more decent Members of this House who is desperately needed back. I join in sending to Mr. LUJAN from my colleagues good wishes to his family, his lovely wife, Jean, his constituents. The message from the Congress, MANUEL is, get well, MANUEL.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER pro tempore (Mr. KILDEE) laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, DC,
March 31, 1986.

Hon. THOMAS P. O'NEILL, Jr.,
The Speaker, House of Representatives, Washington, DC.

DEAR MR. SPEAKER: Pursuant to the permission granted in Clause 5, Rule III of the Rules of the U.S. House of Representatives, the Clerk received the following message from the Secretary of the Senate:

(1) At 4:25 p.m. on Wednesday, March 26, 1986: That the Senate passed, without amendment, House Concurrent Resolution 305; and

(2) At 10:00 a.m. on Friday, March 28, 1986: That the Senate agreed to the House amendment to Senate Joint Resolution 52.

With kind regards, I am,

Sincerely,

BENJAMIN J. GUTHRIE,
Clerk, House of Representatives.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair desires to announce that pursuant to clause 4 of rule I, the Speaker pro tempore signed the following enrolled bill and joint resolution on Monday, March 31, 1986:

H.R. 3128. An act to provide for reconciliation pursuant to section 2 of the first concurrent resolution on the budget for fiscal year 1986 (S. Con. Res. 32, 99th Congress); and

S.J. Res. 52. Joint resolution to designate the month of April 1986 as "National School Library Month."

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER pro tempore laid before the House the following communication from the Clerk of the House of Representative:

WASHINGTON, DC,
April 8, 1986.

Hon. THOMAS P. O'NEILL, Jr.,
The Speaker, House of Representatives, Washington, DC.

DEAR MR. SPEAKER: Pursuant to the permission granted in Clause 5, Rule III of the Rules of the U.S. House of Representatives, I have the honor to transmit sealed envelopes received from the White House 2:55 p.m. on Wednesday, March 26, 1986 as follows:

(1) Said to contain a report of the activities of the United States Government in the United Nations and its affiliated agencies during the calendar year 1984; and

(2) Said to contain a report entitled "The National Energy Policy Plan"; and

(3) Said to contain the Ninth Annual Report of the National Institute of Building Sciences.

With kind regards, I am,

Sincerely,

BENJAMIN J. GUTHRIE,
Clerk, House of Representatives.

REPORT OF ACTIVITIES OF THE UNITED STATES GOVERNMENT IN THE UNITED NATIONS AND ITS AFFILIATED AGENCIES, DURING CALENDAR YEAR 1984—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Foreign Affairs:

(For message see proceedings of the Senate of Wednesday, March 26, 1986, at page 6311.)

REPORT ON THE NATIONAL ENERGY POLICY PLAN—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Energy and Commerce:

(For message, see proceedings of the Senate of Wednesday, March 26, 1986, at page 6311.)

NINTH ANNUAL REPORT OF THE NATIONAL INSTITUTE OF BUILDING SCIENCES—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Banking, Finance and Urban Affairs:

(For message, see proceedings of the Senate of Wednesday, March 26, 1986, at page 6310.)

□ 1225

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to the provisions of clause 5, rule I, the Chair announces that he will postpone further proceedings today on each motion to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 4 of rule XV.

Such rollcall votes, if postponed, will be taken on Wednesday, April 9, 1986.

PERMISSION FOR COMMITTEE ON ARMED SERVICES TO FILE REPORT ON H.R. 4420, MILITARY RETIREMENT REFORM ACT

Mrs. SCHROEDER. Mr. Speaker, I ask unanimous consent that the Committee on Armed Services may have until 6 p.m. today, April 8, 1986, to file a report on the bill, H.R. 4420, the Military Retirement Reform Act.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Colorado?

There was no objection.

EXECUTIVE EXCHANGE PROGRAM VOLUNTARY SERVICES ACT OF 1986

Mrs. SCHROEDER. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3002) to provide for the establishment of an experimental program relating to the acceptance of voluntary services from participants in an executive exchange program of the Government, as amended.

The Clerk read as follows:

H.R. 3002

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Executive Exchange Program Voluntary Services Act of 1986".

SEC. 2. DEFINITIONS.

For the purposes of this Act—

(1) the term "Government" means the Government of the United States;

(2) the term "participant in an executive exchange program" means an executive, manager, or other individual from the private sector participating in an executive exchange program administered by the President's Commission on Executive Exchange (described in Executive Order 12493, dated December 5, 1984) or by a successor entity in function;

(3) the term "agency" means an Executive agency (as defined by section 105 of title 5, United States Code), the United States Postal Service, and the Postal Rate Commission; and

(4) the term "employee of the Government" means an individual employed in or under an agency.

SEC. 3. EXPERIMENTAL PROGRAM.

(a) The President may establish an experimental program, to be conducted during fiscal years 1987 through 1989, under which voluntary services may be accepted by the Government, without regard to section 1342 of title 31, United States Code.

(b) Under the program, the voluntary services of an individual may be accepted if—

(1) such individual is a participant in an executive exchange program;

(2) the acceptance of such services will not result in the displacement of any employee of the Government; and

(3) the voluntary services will be performed in or under an agency.

(c)(1) An individual performing voluntary services under the experimental program shall, for purposes of any laws, rules, and regulations of the United States (including those relating to conflicts of interest, financial disclosure, and standards of conduct) be considered an individual employed in or under the agency to which assigned, except that such individual shall not be covered by chapter 51, 53, 63, 83, 87, or 89 of title 5, United States Code, or any comparable provision relating to pay, leave, retirement, life insurance, or health benefits for employees of the Government.

(d) Not more than ten individuals may commence participation in the experimental program during any fiscal year.

(e)(1) Nothing in this Act shall prevent—

(A) the continuation of pay and other benefits from the private-sector employer, or

(B) continued participation in a bona fide pension, retirement, group life, health or accident insurance, profit-sharing, stock bonus, or other employee welfare or benefit plan maintained by the private-sector employer,

for an individual performing voluntary services in the experimental program.

(2) For the purpose of this section, the term "private-sector employer", as used with respect to an individual, means the corporation or other person by which such individual was employed immediately before beginning to perform voluntary services in the experimental program.

SEC. 4. REPORTS.

Not later than March 31, 1989, the President's Commission on Executive Exchange (or a successor entity in function) shall transmit to the Congress a report on the experimental program under this Act. The report shall include a description of the administration of the program, the findings of the Commission (or successor entity) relating to the advantages and disadvantages of accepting voluntary services from participants in an executive exchange program, and recommendations for legislation (if any) relating to the continuation of the program.

The SPEAKER pro tempore. Is a second demanded?

Mr. HORTON. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentlewoman from Colorado [Mrs. SCHROEDER] will be recognized for 20 minutes and the gentleman from New York [Mr. HORTON] will be recognized for 20 minutes.

The Chair recognizes the gentlewoman from Colorado [Mrs. SCHROEDER].

Mrs. SCHROEDER. Mr. Speaker, I yield myself as much time as I may consume.

Mr. Speaker, H.R. 3002 was introduced by our colleague FRANK HORTON at the request of the President's Commission on Executive Exchange. The executive exchange is a program created by President Johnson and supported by every President since then. It brings private sector executives into the Government and sends Government executives out to the private sector for 1-year exchange programs.

The program is one small way that the mutual distrust which sometimes exists between these two kinds of executives can be reduced.

H.R. 3002 as reported by the Committee on Post Office and Civil Service establishes an experimental program to be run during fiscal years 1987 through 1989, in which 10 of the private sector participants in the Executive Exchange Program may work for the Government but be paid by their regular employers. This will permit 10 of the private sector participants each year to be paid by their companies at rates above the Federal pay cap.

This legislation was requested by the administration because it claims that the Executive Exchange Program is unable to attract the senior level private sector managers it wants with the Federal pay cap. Obviously, what we are seeing is that Federal executives are paid far less than their private sector counterparts.

All private sector executive exchange participants, including those in the experimental program, are subject to laws relating to conflict of interest, financial disclosure, and standards of conduct. We requested an opinion from the Justice Department on the applicability to executive exchange participants of the criminal statute (18 U.S.C. 209) which prohibits executive branch employees from receiving compensation from sources other than the Government. I include a copy of the letter from the Department of Justice in the RECORD at this point.

Washington, DC, April 2, 1986

Hon. PATRICIA SCHROEDER,
U.S. House of Representatives,
Washington, DC.

DEAR REPRESENTATIVE SCHROEDER: You have asked for the opinion of this Department as to whether H.R. 3002, the "Executive Exchange Program Voluntary Services Act of 1985," conflicts with 18 U.S.C. 209, which generally prohibits executive branch employees from receiving compensation from sources other than the Government.[1] Section 3(b)(2) of the bill provides that participants in the Executive Exchange Program of the President's Commission on Executive Exchange must receive their compensation solely from the nongovernmental entity responsible for nominating them for participation in the program. While the proposed program does not directly conflict with the terms of section 209, it is somewhat at odds with the policy underlying that statute, and accordingly, we direct your attention to several matters of concern.

By its own terms, section 209's prohibition on extra-governmental compensation does not extend "to an officer or employee of the Government serving without compensation, whether or not he is a special Government employee, or to any person paying, contributing to, or supplementing his salary as such." 18 U.S.C. 209(c). Executive Exchange Program participants under H.R. 3002 would receive no compensation from the government, and thus would not be prevented from receiving compensation from their sponsoring organizations.[2] Nonetheless, while the law is technically inapplicable, we believe that the policies it embodies ought to be closely examined in the context of this bill.

The principal animating section 209 and its predecessor statutes is "that no Government official or employee should serve two masters to the prejudice of his unbiased devotion to the interests of the United States." 33 Op. A.G. 273, 275 (1922). A number of considerations underlie this concern: (1) government employees who are paid by outside sources may be subject to pressures from those sources that can adversely affect their service to the federal government; (2) such employees may tend to favor the interests of the outside sources of payment even in the absence of actual pressure; (3) employees paid by outside sources are less subject to agency discipline, and are often substantially better paid, than their fellow employees, which may lead to internal personnel difficulties; and (4) even in the absence of any specific problems, such payment may result in the appearance of impropriety. All of these considerations call for special care in authorizing the use of volunteer services, to ensure that such authorization is consistent with the interests of the government and its tradition of independent and unbiased service to the public.

Several features of the Executive Exchange Program highlight the need for careful scrutiny. First, unlike special government employees, who by statute are limited to working a relatively short period,[3] or

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[1] Section 209(a) provides: Whoever receives any salary, or any contribution to or supplementation of salary, as compensation for his services as an officer or employee of the executive branch of the United States Government, of any independent agency of the United States, or of the District of Columbia, from any source other than the Government of the United States, except as may be contributed out of the treasury of any State, county, or municipality; or

Whoever, whether an individual, partnership, association, corporation, or other organization pays, or makes any contribution to, or in any way supplements the salary of, any such officer or employee under circumstances which would make its receipt a violation of this subsection—

Shall be fined not more than $5,000 or imprisoned not more than one year, or both.

[2] Nor, of course, would the organizations be prevented from paying the salaries of participants.

[3] Special government employees include principally those who perform, "with or without compensation, for not to exceed one hundred and thirty days during any period of three hundred and sixty-five consecutive days, temporary duties either on a full-time or intermittent basis * * *." 18 U.S.C. 202(a).

most volunteers, who work part-time, the participants in the Executive Exchange Program will be working for one year as full-time government employees. The legislative history of section 209 suggests that the exception embodied in section 209(c) was largely intended to accommodate part-time or intermittent employees.[4] Again, while the express terms of section 209(c) are not so limited, we believe that the policy behind the exception has less force with respect to full-time volunteers receiving full salaries from outside sources.[5] Second, Executive Exchange Program participants will presumably serve in relatively high-level jobs within the government, participating in precisely the kinds of decisions that the conflict of interest laws most clearly contemplated.

On the other hand, we believe that H.R. 3002 substantially mitigates these concerns by proposing only a three-year experimental program limited to at most ten employees, and by making the conflict of interest laws, other than Section 209,[6] applicable to all program participants. As a result of these important qualifications, we do not object to the enactment of H.R. 3002. Nevertheless, since we have consistently noted the concerns discussed in this letter in the past, we ask that you give them serious consideration as you proceed. In particular, we would be wary of any proposal to extend this or a similar program beyond the limits set out in H.R. 3002.

The Office of Management and Budget has advised this Department that there is no objection to the submission of this report from the standpoint of the Administration's program.

Sincerely,

JOHN R. BOLTON,
Assistant Attorney General.

Mr. Speaker, participants in the experimental program are not considered Federal employees for purposes of classification, pay rates, leave, retirement, and life and health insurance. Other participants are treated like other Federal employees who are subject to a limited 1-year appointment.

The President's Commission on Executive Exchange will administer the program. At the end of the 3-year experimental program, the Commission will report to Congress on the advantages and disadvantages of the voluntary program, so we can decide whether to continue it.

I urge approval of this legislation.

Mr. HORTON. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, H.R. 3002 establishes a 3-year experimental program that I believe will greatly improve the operation and objectives of the President's Commission on Executive Exchange.

I believe that a better understanding between the private and public sectors is essential to the future of this country—economically, socially, and politically. That is why I introduced H.R. 3002. The Executive Exchange Program is one vehicle that has fostered this understanding, and at low cost to the Federal budget. It allows private and public sector executives to change jobs for a 1-year period. Selected public sector executives go to work for private corporations and private sector participants come to work for the Government. To my knowledge, the participant endorsement throughout its 18-year history has been 100 percent. All agree that the experience was worthwhile and improved understanding and fostered cooperation between the two sectors.

H.R. 3002 is an attempt to correct a problem that now inhibits the participation in the program of senior private sector executives. In many instances, senior private sector executives are paid more than their public sector counterparts. And, because their compensation during their year of Federal service must fall within Federal pay scales, these executives choose not to participate because of the substantial salary reductions they would suffer. H.R. 3002 allows the sponsoring corporation to assume the full compensation of the senior executives, thereby eliminating this inhibition.

H.R. 3002 establishes this new compensation dimension of the Executive Exchange Program on an experimental basis for a 3-year period. Only 10 employees could participate each year. After the 3-year period, we can evaluate the success of the program and determine whether we want to make it permanent. My inclination is that we will, but this trial period allows us the opportunity to determine its success in attracting more senior executives from the private sector into the program. I believe this will allow the President's Commission more flexibility to meet this administration's stated commitment to a strong and effective executive exchange network.

Finally, I want to publicly commend the outgoing Chairman of the President's Commission on Executive Exchange, Mr. James Burke. Mr. Burke is the chairman of Johnson & Johnson Corp. and a firm believer in the Executive Exchange Program. I think he has done more to elevate the importance of the Commission and its efforts than anyone in recent memory.

Mr. Speaker, I also want to take this opportunity to thank my chairwoman, the gentlewoman from Colorado [Mrs. SCHROEDER] for her work in bringing this bill to the floor. She has done an excellent job as chairperson of the subcommittee, as she explained, to get the background information so that we could be certain that we met all of the requirements.

I also want to take this occasion to thank my colleague on the House Post Office and Civil Service Committee, the gentleman from California [Mr. DYMALLY] for his work. So to both of them, I salute them for the fine job that they have done to bring this bill to the floor, and I urge its approval.

Mr. Speaker, I yield back the balance of my time.

Mrs. SCHROEDER. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentlewoman from Colorado [Mrs. SCHROEDER] that the House suspend the rules and pass the bill, H.R. 3002, as amended.

The question was taken; and (two-thirds having voted in favor thereof), the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

EXTENDING APPEAL RIGHTS FOR CERTAIN FEDERAL EMPLOYEES

Mrs. SCHROEDER. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 917) to amend title 5, United States Code, to extend to certain employees in the excepted service the same procedural and appeal rights as are afforded to employees in the competitive service with respect to certain adverse personnel actions, as amended.

The Clerk read as follows:

H.R. 917

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 7511 of title 5, United States Code, is amended to read as follows:

"§ 7511. Definitions; application

"(a) For purposes of this subchapter—

"(1) 'employee' means—

"(A) an individual in the competitive service—

"(i) who is not serving a probationary or trial period under an initial appointment; or

"(ii) who has completed 1 year of current continuous service under other than a temporary appointment limited to 1 year or less;

"(B) a preference eligible in the excepted service who has completed 1 year of current continuous service in the same or similar positions—

"(i) in an Executive agency; or

"(ii) in the United States Postal Service or the Postal Rate Commission; and

"(C) an individual in the excepted service (other than a preference eligible) who has

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[4] See S. Rep. No. 2213, 87th Cong., 2d Sess. 6-7 (1962); *Federal Conflict of Interest Legislation: Hearings on H.R. 1900, H.R. 2156, H.R. 2157, H.R. 7556, and H.R. 10575 before the Antitrust Subcomm. of the House Committee on the Judiciary,* 86th Cong. 2d Sess. 137, 147, 201 (1960).

[5] Similarly, the part-time character of special government employees justifies their partial exclusion from the ban in 18 U.S.C. 205 on participation by government employees (or their partners) as agents or attorneys in matters involving the United States. Special employees (and their partners) are generally within this ban only with respect to matters in which they or their department or agency are directly involved. Thus, if an attorney temporarily serves as a special master in government litigation, his law firm is not necessarily obliged to withdraw from all proceedings involving the government.

[6] See, *e.g.,* 18 U.S.C. 208 (participation in matters in which the employee is financially interested); 18 U.S.C. 1905 (unauthorized disclosure of financial or proprietary information obtained in the course of government employment).

completed 2 years of current continuous service in the same or similar positions in an Executive agency;

"(2) 'suspension' has the same meaning as set forth in section 7501(2) of this title;

"(3) 'grade' means a level of classification under a position classification system;

"(4) 'pay' means the rate of basic pay fixed by law or administrative action for the position held by an employee; and

"(5) 'furlough' means the placing of an employee in a temporary status without duties and pay because of lack of work or funds or other nondisciplinary reasons.

"(b) This subchapter does not apply to an employee—

"(1) whose appointment is made by and with the advice and consent of the Senate;

"(2) whose position has been determined to be of a confidential, policy-determining, policy-making or policy-advocating character by—

"(A) the President for a position that the President has excepted from the competitive service;

"(B) the Office of Personnel Management for a position that the Office has excepted from the competitive service; or

"(C) the President or the head of an agency for a position excepted from the competitive service by statute;

"(3) whose appointment is made by the President;

"(4) who is receiving an annuity from the Civil Service Retirement and Disability Fund or the Foreign Service Retirement and Disability Fund;

"(5) who is described in section 8337(h)(1) of this title, relating to technicians in the National Guard;

"(6) who is a member of the Foreign Service, as described in section 103 of the Foreign Service Act of 1980;

"(7) whose position is within the Central Intelligence Agency, the General Accounting Office, or the Department of Medicine and Surgery, Veterans' Administration;

"(8) whose position is within the United States Postal Service, the Postal Rate Commission, the Federal Bureau of Investigation, or the National Security Agency, except as provided in subsection (a)(1)(B) of this section; or

"(9) who is described in section 5102 (c)(11) of this title.

"(c) The Office may provide for the application of this subchapter to any position or group of positions excepted from the competitive service by regulation of the Office.".

(b)(1) This Act shall become effective on the ninetieth day after the date of the enactment of this Act, and shall apply with respect to any personnel action taking effect on or after such day.

(2) No appeal or other proceeding in the nature of review lawfully commenced before the effective date of this Act shall abate by reason of the enactment of this Act. Determinations with respect to any such appeal or proceeding shall be made as if this Act had not been enacted.

The SPEAKER pro tempore. Is a second demanded?

Mr. HORTON. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentlewoman from Colorado [Mrs. SCHROEDER] will be recognized for 20 minutes and the gentleman from New York [Mr. HORTON] will be recognized for 20 minutes.

The Chair recognizes the gentlewoman from Colorado [Mrs. SCHROEDER].

Mrs. SCHROEDER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the legislation before us extends due process rights to about 150,000 Federal workers—mainly scientists and attorneys—who do not now have these rights because they are in the excepted service and are not preference eligibles.

Most Federal civil servants are in the competitive service, which means they are hired off of central examinations and Office of Personnel Management [OPM] registers. Some positions, such as those for scientists, chaplains, and translators, are excepted from the competitive service because it is impractical to create a central examination for these positions. Attorney positions are excepted from the competitive service because Congress has declared that it does not want lawyers subject to competitive examination.

This does not mean that employees in these positions are not competitively hired. To get a job as an attorney in the Justice Department requires enduring some of the most rigid competition which the Government has to offer. The Government aggressively recruits the best scientists and engineers out of graduate schools. Getting a job in the excepted service does not come without competition.

Attorneys, scientists, and engineers who are veterans of periods of combat get the same appeal rights as competitive service employees under the Veterans Preference Act of 1944. So, extending these due process rights to other employees in the same agencies will not undermine the effectiveness of these agencies.

Moreover, extending these rights does not dilute veterans' preference. Both the American Legion and the Veterans of Foreign Wars wrote to me last year to say that they had no objection to the enactment of H.R. 917, just as long as it did not weaken veterans' rights. The bill does not do so. I include in the RECORD at this point the letters of these two organizations.

THE AMERICAN LEGION,
Washington, DC, September 11, 1985.

Hon. PATRICIA SCHROEDER,
Chairwoman, House Committee on Post Office and Civil Service, Subcommittee on Civil Service, Cannon House Office Building, Washington, DC.

DEAR REPRESENTATIVE SCHROEDER: This letter is in response to your August 1 request for the Legion's views on H.R. 917, a bill to extend certain procedural and appeal rights to government employees in the excepted service facing adverse job actions.

According to The American Legion's Economic Division, this legislaton is in line with the history of veterans preference and the federal merit system whereby a provision is first made for veterans and is then extended to the rest of the employees. The American Legion's historic position has been that this organization will not object to such an extension of rights, provided that the rights of veterans are not weakened in the process.

Congresswoman, thank you for your interest in the views of The American Legion and if we can be of further assistance please do not hesitate to let us know.

Sincerely,

E. PHILIP RIGGIN,
Director, National Legislative Commission.

VETERANS OF FOREIGN WARS
OF THE UNITED STATES,
Washington, DC, August 12, 1985.

Hon. PATRICIA SCHROEDER,
Chairwoman, Subcommittee on Civil Service, Committee on Post Office and Civil Service, Washington, DC.

DEAR MADAM CHAIRWOMAN: This is in response to your recent letter and enclosures thereto with respect to H.R. 917 to extend to certain employees in the Excepted Service the same procedural and appeal rights as are afforded to employees in the Competitive Service with respect to certain adverse personnel actions.

It is the opinion of the professional members of my staff who deal with legislation and Civil Service matters that H.R. 917 would eliminate an inequity visited only upon certain employees in the Excepted Service. In addition, H.R. 917 would place tighter control on the latitude exercised by the Office of Personnel Management in relief of individuals in the Excepted Service.

Thank you for your courtesy in this matter; and with best wishes and kind regards, I am

Sincerely,

BILLY RAY CAMERON,
National Commander-In-Chief.

The due process rights which this legislation would extend to a new class of employees center around the right of the employee to challenge adverse actions outside of their own agency: the right to appeal to the Merit Systems Protection Board in the case of a removal, reduction in grade or pay, furlough, or suspension. Other due process rights granted include the right to notice, to answer the charges, to representation, and to a written decision.

H.R. 917 was introduced by our colleague, MERVYN DYMALLY, of California. Through his work on behalf of a Federal attorney who did not have appeal rights to challenge his removal, Mr. DYMALLY, became convinced that due process rights should be extended to virtually all Federal employees.

The bill, as reported by the Committee on Post Office and Civil Service, achieves that goal. It extends the due process and appeal rights contained in chapter 75 of title 5, United States Code, to many employees in the excepted service.

While those in the competitive service and veterans in the excepted service acquire these rights after 1 year of continuous service, those to whom the rights are extended by H.R. 917 ac-

quire them after 2 years of current continuous service in the same or similar positions in an executive agency.

Due to special circumstances, H.R. 917 explicitly excludes certain categories of employees from coverage. These categories are:

Presidential appointees, including White House staff and Schedule C's;

Reemployed civil service or Foreign Service annuitants;

National Guard technicians;

Members of the Foreign Service, because they have their own grievance system which provides comparable rights;

Noncitizens of the United States who work for the Government outside the United States;

Central Intelligence Agency employees, because section 102(c) of the National Security Act of 1947 gives the Director clear authority to deal with CIA employees;

General Accounting Office employees, because the GAO Personnel Act of 1980 set up a GAO Personnel Appeals Board to provide due process rights of GAO workers;

Employees of the Department of Medicine and Surgery of the Veterans' Administration, because they have their own peer review system;

Employees other than preference eligibles of the U.S. Postal Service and the Postal Rate Commission, because the House has already passed legislation dealing with appeal rights for postal supervisors; and

Employees other than preference eligibles of the Federal Bureau of Investigation and the National Security Agency. In the case of these two sensitive agencies, we maintained the status quo and thereby avoided eroding the rights of veterans but did not expand the case of covered employees.

The Permanent Select Committee on Intelligence contacted the Committee on Post Office and Civil Service yesterday to ask about the coverage of other intelligence agencies, including the Defense Intelligence Agency [DIA]. We had tried to gain the views of these intelligence units prior to committee consideration. Unfortunately, both the Intelligence Committee and the Committee on Post Office and Civil Service only became aware of the concerns of these agencies yesterday.

Before making a judgment about the merit of an exception for other intelligence agencies, the committee wants an opportunity to consider their arguments. I can assure the Intelligence Committee that we will work closely with it to review the issue of coverage of excepted service employees in intelligence agencies. If there is a good reason to withhold these due process rights from employees of DIA and other intelligence agencies, we will be sure to do so.

The amendment sets an effective date of 90 days after the date of enactment. The new law would apply to adverse actions taking effect on or after that date, but would not apply to any appeal or review proceeding which began the effective date.

I urge support for this legislation.

Mr. HORTON. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, I rise in support of H.R. 917, a bill that provides certain adverse action rights to civil service employees hired under the excepted service. The bill was reported unanimously from both the Civil Service Subcommittee and the full Post Office and Civil Service Committee.

I am especially pleased with the manner by which this legislation was developed, and I commend both Chairwoman SCHROEDER and Congressman DYMALLY for their careful and conscientious efforts. Not all excepted service employees are covered under this bill, nor should they be. There are good compelling reasons to exclude from the bill certain employees within the intelligence, law enforcement, and defense communities. They are excluded. In fact, every agency with an interest in this bill was contacted by the subcommittee so that we might have their views on whether their employees ought to be covered or not covered by H.R. 917. This was a very thorough process.

Now to the merits of the bill. I cosponsored and support H.R. 917 for a very important reason. One of the principal reasons this legislation was introduced was to give Federal Government attorneys adverse action rights. In other words, this bill would give attorneys and others due process rights if they were summarily fired without explanation. They don't enjoy these rights today. In my mind, it is essential that attorneys at the SEC, who are investigating multibillion-dollar mergers, acquisitions, securities fraud, or other violations, have these rights. The same is true for attorneys at the Federal Trade Commission, the Food and Drug Administration and the many other agencies where sensitive investigations and legal actions are pursued. Attorneys especially should know that, as they pursue their work, they are protected from any adverse action that might be taken against them as a result of their work.

Mr. Speaker, this is an excellent bill, and I urge its passage.

□ 1240

Mr. Speaker, I have no requests for time.

Mrs. SCHROEDER. Mr. Speaker, I yield 5 minutes to the gentleman from California [Mr. DYMALLY], the author of the bill.

Mr. DYMALLY. Mr. Speaker, I thank our distinguished subcommittee chairwoman, Mrs. SCHROEDER, for her support of H.R. 917 and for her work to improve upon the bill as originally introduced. Let me also thank my subcommittee colleague, Mr. HORTON, for his support of my efforts and his interest in the issue of adverse action protections for Federal employees.

As the sponsor of H.R. 917, I am pleased that this legislation has progressed to the House floor with bipartisan support from the Committee on Post Office and Civil Service. More importantly, I am proud that our committee has again, in a united manner, approved legislation which recognizes the value of a great national resource—our Federal Government workforce.

It is not necessary for me to repeat in detail the provisions of H.R. 917. As Chairwoman SCHROEDER has pointed out, this bill gives Federal employees in the excepted service certain administrative due process rights when they are faced with a conduct-related adverse action. There are literally hundreds of thousands of Federal workers hired under the excepted service, as opposed to the competitive service. They include attorneys, physicians, handicapped employees, scientists, and many other Government positions for which a competitive examination is not available. Under current law, Federal workers in the competitive service and veterans in the excepted service have certain statutory rights of appeal when adverse personnel actions are taken against them. These rights include the right to appeal an adverse action to the Merit Systems Protection Board, an independent Federal agency.

I strongly believe that Federal employees, except under special circumstances, should not be subject to the loss of their jobs, grade, or pay, without any means of recourse or ability to properly defend themselves. Not only does such a system offend our notions of due process and justice, but it may subject many of our Federal workers to the whims of internal or external politics. This situation simply is not the type of position in which career civil servants should be placed.

H.R. 917 does not give excepted service employees a right which is foreign or untested. Rather, it extends to these employees the same rights which are enjoyed, under the law, by their counterparts who are veterans preference eligibles and who are in the competitive service. It gives employees covered under the bill the right to defend themselves against an adverse personnel action before an impartial, administrative review board. There should be no question that most excepted service employees deserve the minimum due process rights afforded others in the civil service. The right to work free from the fear of arbitrary, or even capricious, actions by one's employer, should be fundamental.

Finally, let me point out that the committee has taken careful steps to ensure that the rights extended to certain excepted service employees under H.R. 917 do not infringe on the need of Federal agencies to remove employees for reasons of national security. While title 5, U.S. Code, already provides for a rapid means of dealing with an employee problem affecting national security, H.R. 917 was amended in committee to explicity exclude from coverage of the bill certain agencies which have national security related missions.

H.R. 917 was carefully drafted and received an unusually thorough review by the Subcommittee on Civil Service before action on the bill was taken this year. I urge my colleagues to approve this legislation today.

Mr. HOYER. Mr. Speaker, I rise today to commend my good friend, Representative MERVYN DYMALLY, for his untiring efforts on the Subcommittee on Civil Service on behalf of this legislation and the chairwoman, Representative PAT SCHROEDER, who worked very had to improve the bill and shepherd it to the floor today.

This legislation will provide a long denied right of due process to certain excepted employees who have worked for the Government for more than 2 years. It grants to them the same right the Congress granted veterans in the excepted service back in 1944. Primarily, the bill offers chaplains, attorneys, doctors, and scientists the right to appeal to the Merit System Protection Board in the event they face removal, suspension for more than 14 days, reduction in grade or pay, or furlough for 30 days or less. This law will give them the opportunity to have written notice of 30 days in advance of the action and the opportunity to respond and repeal to the Board if necessary.

The subcommittee has removed the controversy from this bill by excluding employees whose positions are unique either for their policy implications or their impact on security and safety. I understand that National Guard technicians have been temporarily excluded, but will be handled in other legislation soon to be before the good chairwoman's subcommittee and the Committee on Armed Services. I will look forward to cosponsoring that legislation as well, since these workers certainly deserve that protection against arbitrary action that we offer to other Federal workers.

Again, I congratulate the sponsor of this important bill and urge my colleagues to support this equitable legislation.

Mr. HORTON. Mr. Speaker, I yield back the balance of my time.

Mrs. SCHROEDER. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentlewoman from Colorado [Mrs. SCHROEDER] that the House suspend the rules and pass the bill, H.R. 917, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mrs. SCHROEDER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous material on the bills just passed, H.R. 3002 and H.R. 917.

Mr. SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Colorado?

There was no objection.

CHRISTA McAULIFFE NATIONAL TALENTED TEACHER FELLOWSHIP PROGRAM

Mr. FORD of Michigan. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 4143) to name the National Talented Teacher Fellowship Program after Christa McAuliffe.

The Clerk read as follows:

H.R. 4143

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 571 of the Higher Education Act of 1965 is amended by adding at the end thereof the following new sentence: "The fellowships awarded under this part shall be referred to as 'McAuliffe Fellowships'.".

SEC. 2. The heading of part F of title V of the Higher Education Act of 1965 is amended to read as follows: "PART F—CHRISTA MCAULIFFE NATIONAL TALENTED TEACHER FELLOWSHIP PROGRAM".

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from Michigan [Mr. FORD] will be recognized for 20 minutes, and the gentleman from Missouri [Mr. COLEMAN] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Michigan [Mr. FORD].

Mr. FORD of Michigan. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, it is indeed a singular honor and a privilege to be recognized here today by Speaker DALE KILDEE of Flint, MI, presiding over the U.S. House of Representatives, a very special pleasure that I have seldom seen the like of in my 22 years in this House.

Mr. Speaker, on January 28, 1986, in the early afternoon, I was in a meeting in my office with members of the Michigan chapter of the National School Boards Association when we were told that the space shuttle *Challenger* had exploded, 73 seconds into launch.

All of us were, of course, instantly aware that this was the flight that carried the first "teacher in space," as the NASA program had come to be popularly called.

It was at the suggestion of President Reagan in late 1984 that NASA designed the "Teacher in Space" Program and the response on the part of teachers nationwide was immediate. Out of more than 10,000 applicants, Mrs. Christa McAuliffe of New Hampshire was selected, and she proceeded to win the heart of the Nation through her personal dedication to teaching and her obvious love for children.

In the year after her selection, we all experienced vicariously her rigorous NASA training for the flight, and children delighted to see a teacher turn flip-flops in a gravity-free environment as Mrs. McAuliffe prepared for her historic space launch.

Sitting in my office with a group whose daily work embraced school and teacher-related issues at the time the explosion occurred, you can imagine our horror, and our immediate desire to express our grief over the deaths of Mrs. McAuliffe and her six companions. Then, as now, it is difficult to give expression to our collective compassion for the families of those seven brave astronauts. But in our modest way, we can pay tribute to a fine teacher and express our deep appreciation for her, by naming the National Talented Teacher Fellowship Program after Christa McAuliffe.

H.R. 4143 was introduced on February 6, 1986 by the chairman of the Committee on Education and Labor, Mr. HAWKINS, together with myself, Mr. JAMES JEFFORDS of Vermont, and Mr. WILLIAM LEHMAN of Florida. The bill now has 51 cosponsors.

On March 11, 1986 the Committee on Education and Labor favorably and unanimously reported the bill. Today, we ask the House of Representatives to pass H.R. 4143, renaming the Talented Teacher Fellowship Program the "Christa McAuliffe Talented Teacher Fellowship Program."

The Talented Teacher Fellowship Program was signed into law by President Reagan in October 1984. It makes available to the States a means of identifying and rewarding outstanding teachers through State selection panels, consisting of teachers, school administrators, and parents. Selected teachers will be given opportunities to obtain further professional development and training, or to perform research in education-related fields.

Teachers honored through these fellowships will receive 1-year's pay while they are on sabbatical, based on the national average teacher salary in the award year, to be determined by the Secretary of Education. In return for the year away from the classroom, each teacher-recipient will be required to return to teaching for an additional 2 years.

Passage of H.R. 4143 will pay tribute to Christa McAuliffe and, by exten-

sion, to all teachers everywhere. Through our action today, we are reaffirming as a national policy that it is the right of every child to have a quality education so that each may achieve to their full potential as individuals. By our action today, we also reaffirm our strong belief that there is no better nor more important investment our Government can make than in education, and our belief that education should be given equal standing with Federal investments in technology, military preparedness, and balancing the budget.

Mr. Speaker, this amendment to part F of title V of the Higher Education Act, renaming the National Talented Teacher Fellowship Program after Christa McAuliffe, entails no new costs beyond those contained in the original enacting legislation, Public Law 98-558. The committee, in its desire to honor Christa McAuliffe in an appropriate and timely manner, also expresses the hope and expectation that the modest authorized appropriation of $2 million in fiscal year 1987 will be given serious consideration by the Committees on Appropriations in both the House and Senate, so that the Christa McAuliffe Teacher Fellowship Program can be implemented nationwide.

Mr. COLEMAN of Missouri. Mr. Speaker, I yield myself as much time as I may consume.

Mr. Speaker, I rise in support of H.R. 4143, a bill to name the National Talented Teachers Fellowship Program after Christa McAuliffe, one of seven astronauts who perished on January 28, 1986 in the tragic explosion of NASA's *Challenger* space shuttle.

The National Talented Teachers Fellowship Program, which this bill renames for Christa McAuliffe, was enacted into law in October 1984 as part of the Talented Teachers Act. The purpose of the fellowship program is to make funds available to States to provide talented teachers with the opportunity to take a 1-year sabbatical from the classroom to pursue professional development and training activities aimed at enhancing their teaching skills. Once the fellowship is completed, teachers would be committed to bring their experiences back to the classroom for at least 2 years. The intent of this program is to encourage good teachers to stay in the teaching profession by giving them the opportunity to improve and develop themselves professionally.

Mrs. McAuliffe was to have been the "first citizen in space." She was selected from more than 10,000 of her peers in a national competition to become the first participant in NASA's Teacher in Space Program. Mrs. McAuliffe volunteered to participate in what she called the ultimate field trip so she could share with her students the wonders and excitement of space and the expansive opportunities in space technology and science.

Christa McAuliffe represented the bright, spiritied educator we all want to teach our children. Her energy, enthusiasm, and commitment to education has been an inspiration to all teachers and every American. Her example of excellence in teaching will continue to inspire many young people to "reach for the stars" and be the best they can be. Renaming the National Talented Teachers Fellowship Program for Christa McAuliffe is a fitting tribute to her and her profession.

I urge my colleagues to join me in supporting H.R. 4143.

Mr. FORD of Michigan. Mr. Speaker, I yield myself 1 minute.

Mr. Speaker, I would just like to call to the attention of the House the fact that the gentleman who just spoke is the ranking member of the minority party on the Subcommittee on Postsecondary Education, and it was through his cooperation that we passed last fall a very comprehensive reauthorization of the Higher Education Act, which carried with it a reauthorization of the program that we are today renaming in honor of Christa McAuliffe.

With that, I yield 5 minutes to the gentleman from Oregon, Mr. RON WYDEN, who originally introduced this legislation in 1983 and saw it successfully passed into law for the first time in 1984.

Mr. WYDEN. Mr. Speaker, I particularly want to commend the gentleman from Michigan, Chairman FORD, for his tremendous leadership in going forward with this renaming of the Talented Teacher Fellowship. I think it is a very appropriate, truly fitting tribute, and I want to commend the gentleman from Michigan [Mr. FORD] for his great leadership in this regard.

□ 1250

I also want to commend the gentleman from Missouri who for more than 2 years has worked with a group of us to pass the Talented Teacher Act, and commend him for both his effort in the original legislation and going forward with this tribute.

Mr. Speaker, what the Talented Teacher Act is all about is trying to bring the best and brightest into the teaching profession. You can go into any classroom in America and what you see all too often is that the best and brightest want to become lawyers, doctors, businessmen, businesswomen, or engineers, or just about anything except teachers. What our legislation does is try to reverse that. That is what Christa McAuliffe was all about. More than anything what she wished to do was to open up new vistas in education to young people both in her classroom and around the country. What she offered up to all Americans, particularly to young people, was the opportunity to participate in what she called the classroom space. Ms. McAuliffe set her sights on this achievement because she wanted to share her enthusiasm for unlocking the mysteries of space with the schoolchildren of this country. She did this regardless of risk and she was well aware of the dangers. But she put fear aside in the spirit of sharing knowledge with millions of children who she knew would be watching.

Mr. Speaker, we have been able to fund the national talented teacher scholarship portion of this program and we expect that the scholarships will be available to young people later this year. We have not been able to fund the fellowship portion of this program and I would suggest to my colleagues that we take one step today, which is to rename the Talented Teacher Program on behalf of Mrs. Christa McAuliffe, and we take another step in the days ahead, and that is to actually fund the fellowship portion of the program. Up to this point unfortunately the fellowship portion of the program has not been one that we could put in place because it has not received adequate appropriation.

So I hope today and in the days ahead we will be able to give new meaning to the living memorial to Mrs. McAuliffe, who deserves our remembrance as one who committed her life to educational achievement and excellence.

I just want to join with all my colleagues today in supporting this memorial because I cannot think of a more fitting gesture to remember her by than to reward and promote the highest standards of her colleagues in the teaching profession.

Mr. Speaker, I yield back the balance of my time.

Mr. COLEMAN of Missouri. Mr. Speaker, I have no further requests for time, and I reserve the balance of my time.

Mr. FORD of Michigan. Mr. Speaker, I yield such time as he may consume to the gentleman from Florida [Mr. NELSON].

Mr. NELSON of Florida. I thank the gentleman for yielding.

Mr. Speaker, I thank the gentleman and our colleague from Oregon for their leadership, and our colleague from Missouri, in bringing this legislation to the floor.

Yesterday, in Boise, ID, I was with Barbara Morgan, who along with Christa were the 2 selected out of the 10 finalists for the Teacher in Space Program; Barbara being selected as the backup teacher in space who went through all the training with Christa.

The three of us trained together on several occasions, particularly in the zero-gravity training in the KC-135.

Barbara and I were musing yesterday as we were visiting her native

State of Idaho where she is an elementary school teacher in McCall, ID, about the impact of Christa's life and the impact of this program.

Indeed, Christa being the first teacher in space, albeit with a tragic ending in this national tragedy that we have all participated in, she has had a profound influence on this Nation and on the children in school in this Nation.

What I found, and Barbara was corroborating this with me, in all of our contacts in the schools, far from the children being psychologically scarred after having watched this accident on television, it has just whetted their appetite, their enthusiasm for the space program and their interest in high technology.

We had been concerned, my colleague from Michigan, my colleague from Missouri remember the report a couple of years ago on the condition of the Nation's educational system in the public schools which was entitled "The Nation at Risk." It said that we are deficient in mathematics, we are deficient in science, and we have seen the statistics about how many engineers the Soviet Union and Japan are producing as compared to a much smaller number which we are producing.

So what Christa McAuliffe's legacy has done has so interested school students all across this Nation in matters of high technology, in science, in math. Then when Barbara Morgan flies as the next teacher in space, as the backup to Christa, and when she teaches that classroom in space, it is going to ignite the imaginations of our students all across this land.

So it is with tremedous pleasure, Mr. Chairman, Mr. Ranking Member, Mr. Speaker, that you would allow me to come and to speak on behalf of this legislation, to say that it is most fitting.

As someone who has worked with, who has played with, who has enjoyed the company and the friendship, and who has been part of the love that has outpoured to Christa McAuliffe, this is a fitting tribute and I appreciate it.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair would advise that visitors from the gallery will be notified that no expression of approval or disapproval is permitted in the Chamber.

Mr. HAWKINS. Mr. Speaker, today we are considering H.R. 4143, a bill to name the National Talented Teachers Fellowship Program after Christa McAuliffe, the teacher from New Hampshire who died in the *Challenger* space shuttle along with the other brave crew members on their fateful mission in January. Mr. JEFFORDS, Mr. FORD of Michigan, and Mr. LEHMAN of Florida joined with me as original cosponsors of this bill.

This is not a new program; it simply renames a program first created by our colleagues, Mr. WYDEN, Mr. SIMON, Mr. GOODLING, and Mr. COLEMAN of Missouri, to encourage good teachers to remain in the profession. Enacted in 1984 as part of Public Law 98–558, it has never been funded. The bill seems uniquely appropriate today as a living tribute to a fine teacher, who personified in public view the best of what a talented teacher is and does.

We all know that scattered throughout our Nation are hundreds of other teachers of Ms. McAuliffe's caliber and ideals, who have never been recognized in a public way, and who ought to be singled out and encouraged to excel at what they are best at—teaching our children.

That is what the Christa McAuliffe National Talented Teacher Fellowship Program would attempt to do. We, on the Education and Labor Committee, hope that this bill will not only be enacted, but that the program can be properly funded, as a tribute to a fine teacher, and also as a bipartisan affirmation—a small signal—that we, in the U.S. Congress, still believe that education is of the utmost importance, and that people, after all, are our first priority.

Mr. JEFFORDS. Mr. Speaker, I rise in support of H.R. 4143, a bill to rename the National Talented Teachers Fellowship Program after Christa McAuliffe, one of the seven astronauts who died on January 28, 1986, on NASA's space shuttle *Challenger*.

Christa McAuliffe represents the essence of that spirit and daring that can be characterized as America at its best. Because Christa McAuliffe was a teacher, she was special; she represented a profession that has touched the lives of all of us and she was a symbol to millions of students. Because of her, our young citizens can understand that the adventure, challenge, opportunity, and risk associated with scientific exploration involve people that they know in their own lives. A "teacher in space" brings the space program directly into the lives of every student.

This bill, which renames the Talented Teacher Fellowship Program in Christa McAuliffe's honor, is proper and fitting. The purpose of the fellowship program is to give outstanding teachers the opportunity to expand their skills and renew their enthusiasm for teaching. The program provides teachers a 1-year sabbatical away from the classroom, providing them with a stipend equal to the national average teacher salary, paid in the year that the award is made. Teachers will use this fellowship for the professional development experience of their choice. In exchange for this fellowship experience, teachers would return to teach in the classroom for a minimum of 2 years.

Teachers all across our land share in this tribute to Christa McAuliffe. Because of her courage, she will go down in history as an example to us. She truly is an inspiration and may this vote today add to the tributes she deserves. I urge enactment of H.R. 4143.

Mr. GOODLING. Mr. Speaker, I rise in support of H.R. 4143, a bill to rename the National Talented Teachers Fellowship Program after Christa McAuliffe, one of the seven astronauts who died on January 28, 1986, a little more than 1 minute into their mission on NASA's Space Shuttle *Challenger*.

As a member of the task force which originally recommended enactment of the Talented Teachers Fellowship Program, I can hardly think of a better tribute to Mrs. McAuliffe's great spirit. The purpose of the fellowship program is to give outstanding teachers the opportunity to expand their skills and renew their enthusiasm for teaching. Christa McAuliffe's enthusiasm for their chosen profession certainly would have qualified her. The program provides teachers with a 1-year sabbatical away from the classroom, providing them with a stipend equal to the national average teacher salary paid in the year that the award is made. Teachers will use this fellowship for the professional development experience of their choice. In exchange for this fellowship experience, teachers would return to teach in the classroom for a minimum of 2 years.

We are frequently told that Christa McAuliffe was an average citizen, but she was much more—she was a daring citizen, a pioneer, and the essence of America at its finest. She was to have been the first teacher in space. Her mission was simple. She was going to reawaken the pioneer spirit in Americans, especially students, by demonstrating that the space program is accessible to all. We must not permit the tragic ending of the flight of the space shuttle *Challenger* to thwart the achievement of Christa's goal.

In Christa McAuliffe, we have suffered a terrible loss. From her comments prior to the flight, it was clear Christa relished this opportunity to learn and explore. This is what I hope our children and students will remember about her, for in the words of Henry Adams, "A teacher affects eternity; she can never tell where her influence stops."

Through this tribute to Christa McAuliffe, we are encouraging our teachers to imitate her courage, her energy, and her vigor for the teaching profession by giving them the opportunity to grow personally and professionally, sharing that growth with our children. With this tribute, Christa McAuliffe's influence never has to stop.

I urge my colleagues to support H.R. 4143.

Mr. BIAGGI. Mr. Speaker, I rise in strong support of H.R. 4143, to rename the National Talented Teacher Fellowship program after Christa McAuliffe. This program, enacted in 1984, is designed to encourage good teachers to remain in the profession. It rewards these outstanding teachers from communities across our entire Nation by providing them the opportunity to obtain further professional development and training while on a 1-year paid sabbatical from teaching.

It is certainly a fitting tribute that we name this fellowship program after the courageous and beloved teacher from New Hampshire, one of the seven astronauts who died in the *Challenger* tragedy. Selected from more than 1,000 of her peers to be the first teacher and citizen in space, she truly exemplified the characteristics of her profession and the ideals of this Nation. Her launch into space was an impor-

tant step toward securing a better future for our children.

Christa McAuliffe was a person who excelled in all of her roles in life—woman, wife, mother, teacher, and friend. Her strength, energy, and commitment were witnessed by all as she prepared and trained for her journey into space. It is these very traits that have made a meaningful and lasting contribution to this Nation. We are all inspired to learn, to study, to achieve, and to "reach for the stars."

It is with my deepest respect and appreciation that we recognize the contributions of Mrs. McAuliffe and her teacher colleagues everywhere. They are entrusted with the future of individuals, and more importantly, the future of this great Nation. These fellowships serve to reaffirm our commitment that each and every person in our Nation is entitled to a quality education.

We will never forget Christa McAuliffe. She was the spirited and inspiring teacher we all want to teach our children. H.R. 4143 is a sincere and lasting tribute to her, and to teachers everywhere. Through them, her ideals will live on.

Mr. BONER of Tennessee. Mr. Speaker, I join my colleagues in support of H.R. 4143, naming the National Talented Teacher Fellowship Program after teacher-astronaut Christa McAuliffe.

Through this tribute to Christa McAuliffe, and by extension to all teachers, the Congress reaffirms its support for the national principle that every child has the right to a quality education. By assisting teachers, we provide the means for our children to achieve all that they can as individuals. With this measure, Congress further reaffirms its strong belief that there is not a better nor more important investment our Government can make than in education. Education remains not only a national priority, but an important public policy, alongside and in equal standing with Federal investments in technology, military preparedness, and reducing the deficit.

H.R. 4143 is being considered by this House out of the respect and deep appreciation for a fine teacher, Christa McAuliffe. I believe that this recognition will also carry out a wish of Christa McAuliffe that her launch into space be an important step toward a better future for our children. H.R. 4143 is meant as a sincere and lasting tribute to Christa, and to her teacher-colleagues everywhere. Through them, Christa McAuliffes ideals will live on.

I am proud to join my colleagues in support of this measure. Christa McAuliffe was a spirited and inspiring teacher, as are all the teachers I know. Her selection to be the first teacher in space was a tribute to the important role teachers play in the lives of our children and to the role space exploration plays in our future.

I urge passage of H.R. 4143.

Mr. COLEMAN of Missouri. Mr. Speaker, I yield back the balance of my time.

Mr. FORD of Michigan. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Michigan [Mr. FORD] that the House suspend the rules and pass the bill, H.R. 4143.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. FORD of Michigan. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on H.R. 4143, to name the National Talented Teacher Fellowship Program after Christa McAuliffe, the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

HAWAIIAN HOMES COMMISSION ACT AMENDMENTS

Mr. UDALL. Mr. Speaker, I move that the House suspend the rules and pass the joint resolution (H.J. Res. 17) to consent to an amendment enacted by the legislature of the State of Hawaii to the Hawaiian Homes Commission Act, 1920, as amended.

The Clerk read as follows:

H.J. RES. 17

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That, as required by section 4 of the Act entitled "An Act to provide for the admission of the State of Hawaii into the Union", approved March 18, 1959 (73 Stat. 4), the United States hereby consents to all amendments to the Hawaiian Homes Commission Act, 1920, as amended, adopted between August 21, 1959, and June 30, 1985, by the State of Hawaii, either in the Constitution of the State of Hawaii or in the manner required for State legislation, except for Act 112 of 1981.

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from Arizona [Mr. UDALL] will be recognized for 20 minutes and the gentleman from Arizona [Mr. MCCAIN] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Arizona [Mr. UDALL].

GENERAL LEAVE

Mr. UDALL. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the joint resolution now under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arizona?

There was no objection.

Mr. UDALL. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, House Joint Resolution 17 provides necessary consent of the United States to numerous amendments made by the Legislature of the State of Hawaii to the Hawaiian Homes Commission Act of 1920.

The 1920 act was passed to rehabilitate native Hawaiians by providing lands to permit them to regain the mode of living to which their ancestors had been accustomed. Under the act, native Hawaiians of at least one-half degree native blood are permitted to lease Hawaiin homelands for a nominal fee for a period of 99 years. The lands could be used for homesite, farming, or pasture purposes.

In the 1959 act admitting Hawaii to the Union, Congress transferred the management and disposition of the Hawaiian homelands to the State of Hawaii. The act gave the State the right to make amendments to the act, but provided that certain kinds of amendments and amendments to certain provisions of the act would require the consent of the United States.

The bill, as introduced, provided for U.S. consent to a State amendment which would have lowered from one-half to one-quarter the degree of native blood necessary to inherit interests in a Hawaiian homelands lease. Under the existing law, the spouse and children of a native lessee who are nonnatives or less than one-half native blood cannot inherit the interest and must vacate the lands upon the death of the lessee.

Upon the recommendation of the administration and State witnesses, the committee amended the bill to provide a blanket consent to all amendments made by the State to the 1920 act since 1950 with one exception. The amendment excepted from consent is a provision which deals with the method of appraising leasehold interests. This amendment is in irreconcilable conflict with a later State amendment.

Mr. Speaker, this bill is not without controversy within the State of Hawaii and within the native Hawaiian community. However, on balance, I believe that it does justice to the native community and recommend that it be passed as amended.

Mr. Speaker, I reserve the balance of my time.

Mr. McCAIN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in opposition to House Joint Resolution 17, a bill consenting to an amendment enacted by the Legislature of the State of Hawaii to the Hawaiian Homes Commission Act of 1920.

Mr. Speaker, our Nation's history of dealing with native people is not a pleasant one, and Hawaii is no exception. When Captain Cook arrived in

Hawaii in 1776 over 300,000 native people lived on the islands. Now, millions of people live in the Hawaiian Islands, but only a handful constitute native Hawaiians.

In 1920, Congress took an appropriate action—it set aside a portion of the public lands in Hawaii for homesteading by native Hawaiians, to preserve the culture of this distinct group of people. Unfortunately, Congress did little to fulfill the homestead requests. As part of the Statehood Act, Congress transferred the responsibility for the Hawaiian Homes Act to the State. From our committee hearings, it is abundantly clear that the State hasn't done a much better job than the Federal Government.

In fact the case can be made that it is far worse.

There are currently 9,000 families awaiting a homestead lease. The State of Hawaii, according to information given at our hearing, finances the program out of State bonds for about $3 million or $4 million a year. At this rate it will take decades to fulfill the requests for homesteads of those who are presently eligible. Now the State of Hawaii has petitioned Congress to approve expanding the eligibility for retaining a lease.

I might add, and I would like to ask my colleague from Hawaii some questions later on, I have not heard of any increase in funding, also, in order to allow these newly eligible Hawaiians to move onto these lands which they are being made eligible for.

The hearing before the committee was brief and to the point. There was no opposition to this legislation present at the hearing, Mr. Speaker, because the opponents of the legislation were not represented. The only opposition to this bill is from the people affected by House Joint Resolution 17, the native Hawaiians of 50 percent blood quantum or more, the people who are trying to live within the present law, the people, 9,000 of them still waiting to be located on lands which are supposed to have been allocated them beginning in 1920.

Mr. Speaker, I received letters, postcards, telegrams, and phone calls from native Hawaiians in opposition to House Joint Resolution 17, including organizations such as the Kahea and the Hou Hawaiians.

The State attempted in the hearing to show that native Hawaiians do support the bill. If there was a low point in this hearing, Mr. Speaker, it had to be when the State of Hawaii revealed that they had a survey of which a thousand families were surveyed, and 16 percent of them responded and of the 16 percent who responded, 57 percent supported a change in the law. This bill, Mr. Speaker, is making a tremendous change in the eligibility for lands for native Hawaiians, and 16 percent of the people surveyed responded, and of those, barely over half of them approved. And if my math is correct, that is an error margin of plus or minus 65 percent. It is not a valid survey, Mr. Speaker. The native Hawaiians may support this legislation. But many of us do not know, because no evidence of this was presented to us in committee.

What I am asking for, Mr. Speaker, is for this Congress to require at least the participation of the people affected in the process.

Congress has an obligation to preserve the rights of individuals and minority groups in relation to the desires of the majority. In this instance, we have denied these rights to native Hawaiians, and are about to rubber stamp a decision of a State legislature, that in any other State would be viewed with a jaundiced eye.

I can understand the desire of current leaseholders to pass their lease on to their families, but let us not penalize those families who have not had the opportunity to get a lease in that effort. Let us have further hearings on the subject and allow the native opposition to this bill to have their day in court before they disappear altogether.

□ 1305

Mr. Speaker, I have one final point. While this situation does differ from our relationship with Indian tribes, we are doing a disservice to native Hawaiians that we could not do to Indian tribes. We are determining who is a native Hawaiian without consulting with the currently recognized native Hawaiians for this program. It would be similar to Congress determining tribal membership without consulting the tribe.

What about if 20 years from now there are a number of native Hawaiians of 12.5 percent native Hawaiian blood who live on these lands? Are we going to have to come back and again change the eligibility by an act of Congress?

I hope that the next time this issue is revisited that we will at least consult those people who are affected by it.

In conclusion, Mr. Speaker, I believe this legislation far too premature until we give all parties an opportunity to present their views. Therefore, in closing, I would like to quote a letter I received from a native Hawaiian who said it is, "(a) sad commentary on our times when one considers the stakes are the survival of the native Hawaiian people as an identifiable culture."

Mr. LAGOMARSINO. Mr. Speaker, will the gentleman yield?

Mr. McCAIN. I yield to the gentleman from California.

Mr. LAGOMARSINO. Mr. Speaker, there were several questions that were not satisfactorily answered at the committee hearing on the primary issue of lowering the blood quantum requirement. An amendment to the bill grants U.S. consent to an additional 52 amendments to the Hawaiian Homes Commission Act. Does the gentleman from Arizona know if any hearings were held on any of the other 52 amendments?

Mr. McCAIN. No hearings have been held to my knowledge on the additional 52 amendments which were adopted between 1959 and 1985.

Mr. LAGOMARSINO. That certainly is a long span of time. I note that the committee report does not explain or even list the nature of the 52 additional amendments. House Joint Resolution 17, which we are now debating, merely approves the primary amendment and the other 52 amendments by reference. Does the gentleman from Arizona believe the committee has adequately examined the amendments to permit Congress, in good conscience, to wholly approve them?

Mr. McCAIN. The committee has had insufficient time to examine the 52 amendments. It is important to note that no testimony was received by the indigenous Hawaiians who are affected by the amendments. Since questions remain unanswered regarding the only one of the 52 amendments that was addressed in the committee hearing, I do not believe that the Congress could discharge its duty, in good conscience, and without lingering doubts and reservations, if this bill is approved without further oversight.

Mr. LAGOMARSINO. I thank the gentleman from Arizona for his comments and I want to commend him for his efforts on behalf of the indigenous Hawaiian people.

Mr. McCAIN. Mr. Speaker, I reserve the balance of my time.

Mr. UDALL. Mr. Speaker, I yield 7 minutes to the distinguished author of the measure before us, the gentleman from Hawaii [Mr. AKAKA].

Mr. AKAKA. Mr. Speaker, I thank the gentleman from Arizona for yielding this time to me.

Mr. Speaker, I rise in strong support of House Joint Resolution 17, legislation to consent to amendments enacted by the legislature of the State of Hawaii to the Hawaiian Homes Commission Act, 1920.

As the sponsor of House Joint Resolution 17, this measure represents an opportunity for Congress to fulfill a longstanding but little-known obligation which arises from the Hawaii Statehood Act. The present legislation is supported by the entire Hawaii congressional delegation, the State of Hawaii, and the administration. In addition, the measure is supported by the Department of Hawaiian Home Lands, the Office of Hawaiian Affairs, Alu Like, the Waianae Valley Homestead Community Association, and many other Hawaiian groups.

By way of background, the Hawaiian Homes Commission Act was enacted by Congress in 1921 as a homesteading program to place native Hawaiians on land in Hawaii designated for that purpose. Approximately 200,000 acres were set aside as available land under the act. This program was operated by the Federal Government until the admission of Hawaii into the Union in 1959.

At that time, Congress required that the Hawaiian Homes Commission Act become a provision of the State constitution. In addition, title to Hawaiian home lands which had previously been entrusted to the United States was transferred to the State of Hawaii. Responsibility for administration of the HHCA passed to the State, although under section 4 of the Statehood Act, Congress reserved the authority to grant its consent to certain amendments to the HHCA passed by the State of Hawaii.

The sole purpose of the bill that is before us today is to fulfill the obligation of the United States to render consent to amendments enacted by the State of Hawaii to the HHCA. Fifty-three amendments to the HHCA have been adopted by the State since Hawaii's admission, of which 14 require U.S. consent under the Admission Act. While these amendments improve the operation and administration of the Homesteading Program, some of the State amendments are by their terms not effective until U.S. consent is granted; others are by their terms effective until they are held otherwise, because of the absence of U.S. consent. It is now incumbent upon Congress to render its consent to these amendments so that the State of Hawaii can continue to operate this important program in the manner which serves the needs of native Hawaiians.

The need for expeditious action is clear. Indeed, it is a key recommendation of the Federal-State Task Force on the Hawaiian Homes Commission Act. Jointly established by the U.S. Secretary of the Interior and the Governor of the State of Hawaii, the task force conducted a comprehensive 9-month review of every facet of the Hawaiian Homes Commission Act of 1920. The purpose of the task force was to make recommendations to the Governor of the State of Hawaii and to the Secretary of the Interior on ways to better effectuate the purposes of the Hawaiian Homes Commission Act and to accelerate the distribution of benefits of the act to the beneficiaries.

In its report of August 1983, the joint Federal-State Task Force on the Hawaiian Homes Commission Act recognized that the potential for mischief under the status quo is great if consent is not rendered. Uncertainty prevails, for it is not clear whether amendments, duly enacted by the legislature of the State, are effective or not. Litigation is thereby invited, which inevitably results in inefficient operations since litigation is always expensive in terms of dollars, time, and state of mind.

While the need for consent is evident, the question may be raised as to Congress' intent in requiring such consent. Unfortunately, little exists in the record of decades of legislative activity on the matter. The record shows, in fact, that when it turned to statehood for Hawaii, the Congress devoted upward of 99 percent of its energies to arguments about statehood such as noncontiguity, non-Caucasian residents, the Communist influences, and almost no attention was given to the statutory details of how the consent of the United States should be evidenced. While Federal consent is sometimes evidenced by the approval of the President or of some lesser Federal official, that level of consent is usually the product of language so stipulating. In the absence of any provision or suggestion to the contrary, it seems appropriate that Federal consent in the case of amendments to the HHCA be granted by an act of Congress.

A related issue is the scope of congressional review in granting consent. The question is therefore posed: "To what extent should Congress scrutinize amendments made to the HHCA by the State?" As the Federal agency responsible for this matter, officials from the Department of Interior have testified that, "the subject of the amendment are all peculiarly matters of State concern. Many are and have at all times been free of controversy in Hawaii, but others—particularly the 1982 amendment with which House Joint Resolution 17 deals—have been the subject of some argument in Hawaii. Our position * * * is that we think it appropriate that such issues be resolved in Hawaii, and once they are, that the U.S. Congress be asked to consent to the decision reached at the State level." I am in full agreement with this philosophy.

This notion is relevant to one amendment in particular, Act 272, as passed on June 18, 1982. Some of my colleagues have raised the point on this matter and I feel compelled to comment on it. Act 272, Session Laws of Hawaii, 1982, seeks to amend section 209, in relation to successors to lessees, of the Hawaiian Homes Commission Act. Under the original section 209, upon the death of the lessee, his or her interest in the tract or tracts and the improvements thereon, would vest in the relatives of the decedent provided that such persons are qualified beneficiaries—native Hawaiians of not less than one-half part of the blood of the inhabitants of the Hawaiian Islands previous to 1778.

Act 272 seeks to amend section 209 to allow for successorship of a lessee's interest in the tract to certain relatives—husband, wife, or children, who are at least one-quarter Hawaiian. The impetus behind Act 272 is the need to confront factors which threaten the security and stability of Hawaiian families, and frustrate the intent of the HHCA—to assist the Hawaiian people by returning them to the land. Since 1975, a number of leases have been canceled because the spouse or children of the deceased lessee did not meet the blood requirement.

Passage of Act 272 required 6 years of review and revision by the State legislature. The act passed the Senate by a margin of 22 to 1 with the single opponent favoring a complete repeal of the blood quantum provision. The vote in the House was unanimous. The bill was approved by Gov. George Ariyoshi on June 18, 1982. Indeed, a great deal of time and effort was spent on this matter, affording native Hawaiians ample opportunity to assist the legislature in drafting a sound measure. Testimony delivered by the Waianae Valley Homestead Community Association, Inc. serves as a good example of the sentiments of the majority of native Hawaiians on this matter:

> We strongly urge you support the amendment as it applies to the lessee who was eligible through the 50-percent blood criteria, and that to lessen it to no less than 25 percent for his/her spouse or children * * * would give the family security of continuity, the opportunity to advance themselves further * * * enabling them to look hopefully into a future of stability in economics and personal achievement.

Furthermore, the Federal-State task force addressed this issue in its 1983 report. Finding that the Act 272 cannot be implemented without congressional approval, the task force recommended that:

> As soon as possible, the State of Hawaii and the United States should seek congressional approval for the amendment to the HHCA passed by the Hawaii State Legislature in 1982 which lowers the blood quantum for successorship.

Because House Joint Resolution 17 consents to all amendments—excluding Act 112 of 1981—to the HHCA, regardless of statutory requirement, I want to offer some explanation of this process. As originally introduced, House Joint Resolution 17 sought consent solely for Act 272. On the recommendation of the executive branch, the committee amended the resolution to include consent for all amendments enacted since statehood. As to the precise wording of the committee version of House Joint Resolution 17, the Department of the Interior concluded that;

> While the draft resolution could be limited to those amendments that fall unarguably within the consent requirements of section 4, we have concluded that, given the passage of so many years and so many amendments, and believing as we do that the act should now be placed on as secure a

footing as possible, it may be wisest to seek consent to all amendments.

As previously noted, Act 112 of 1981 has been expressly excluded from the list of amendments being ratified under this measure. Briefly, Act 112 contains provisions that are in irreconcilable conflict with later amendments to the act. This is particularly evident in connection with leasehold appraisals, with Act 112 prescribing one approach, and Act 272 of 1982 a different one. Act 272 repeals the provisions contained in Act 112, and as such, should be construed as the most recent amendment. In this light, consent to the former would only confuse the applicability of the latter. Because the objective of this legislation is clarity of result, it is in the interest of Congress to exclude Act 112 from consideration. Furthermore, the State supports the exclusion of Act 112 from the legislation we are considering today.

In the future, questions may arise about the precedential value of House Joint Resolution 17. This legislation does not dictate the need for congressional consent for all amendments made to the act in the future. Rather, it is simply intended to serve as a housekeeping matter in an effort to bring Congress up to date in fulfilling its obligation under the law. In fact, the committee report states that in order that future amendments requiring U.S. consent receive consideration in a timely manner, the Secretary of the Interior and the Governor of the State of Hawaii should enter into consultations regarding the manner in which such amendments will be brought to the attention of Congress. This will no doubt result in Congress' ability to fulfill its obligation more expeditiously.

Mr. Speaker, because of the significant impact of this issue on the native Hawaiian beneficiaries of the Hawaiian Homes Commission Act and the existing lessees of Hawaiian home lands, I find this measure to be a priority issue. Passage is necessary to foster the original intent of the Hawaiian Homes Commission Act, that of returning the native Hawaiian to the land in order that the Hawaiian race may be perpetuated. Without the authority to enforce the proposed changes, the State of Hawaii believes that it is not able to confront current forces which threaten family stability and security, frustrate the intent of the HHCA, and deny the assurance and protection which allows the beneficiary to regard Hawaiian home lands as ancestral lands.

This legislation and the process in the Hawaii Statehood Act which established it are rather unique. House action would ensure fulfillment of the requirements established in the Hawaii Statehood Act.

Let me note, in closing some points which will be of interest to many Members: All changes recommended by the administration have been incorporated into House Joint Resolution 17, and the administration supports its passage. The CBO reports that there will be no cost to the Federal Government, or to State and local governments, from the enactment of House Joint Resolution 17. And, the State of Hawaii and its entire delegation support its passage.

Mr. Speaker, I urge the passage of House Joint Resolution 17.

□ 1315

Mr. McCAIN. Mr. Speaker, I yield such time as he may consume to the gentleman from Alaska (Mr. YOUNG).

Mr. YOUNG of Alaska. I thank the gentleman for yielding.

Mr. Speaker, I rise in strong support of this legislation.

Mr. Speaker, as the distinguished chairman of the Committee on the Interior has pointed out, House Joint Resolution 17 is necessary to provide Federal consent to amendments to the Hawaiian Homes Commission Act. Without these amendments, many individuals now holding leases of Hawaiian homelands will not be able to pass on their land interest to their spouses or their children. We would be denying inheritance by spouses and children solely because of arbitrary blood quantum levels established by statute.

It is not our intent to frustrate the interests of others seeking leases. However, if we do not provide a change in eligibility standards, we will be depriving 500 leaseholders an opportunity to leave lands to their descendants. This loss of family homestead would frustrate the intent of the Hawaiian Homes Commission Act.

Mr. Speaker, this legislation has received careful consideration of the Hawaiian delegation. Our colleagues from Hawaii have worked diligently on the bill, and it is supported by the administration. For all of these reasons I urge my colleagues to support this legislation.

Mr. Speaker, may I continue in saying that it has been my premise on this floor of the House that when the delegation from a State speaks on an issue affecting only that State, then this body should be listening intently and support them as far as possible, because these are truly the representatives of the people they come from.

The gentleman from Hawaii [Mr. AKAKA] has worked very hard on this legislation and strongly supports it. The administration supports it. The whole delegation, including the Senators, support it. But, more than that, I cannot imagine not allowing descendants or spouses receiving the lands that they cannot under the present act without these amendments. So I strongly urge that this body accept this resolution, House Joint Resolution 17, and see that justice is done.

Mr. UDALL. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from American Samoa [Mr. SUNIA].

Mr. SUNIA. I thank the chairman of the Committee on Interior and Insular Affairs for yielding me this time.

Mr. Speaker, it is my great honor and high privilege to join my fellow Polynesian, the gentleman from Hawaii [Mr. AKAKA] in strong support of House Joint Resolution 17. As we have heard, this resolution, if enacted, will give congressional consent to amendments enacted by the Hawaii Legislature to the Hawaiian Homes Commission Act of 1920.

In granting statehood to Hawaii, Congress reserved the authority to give its consent to certain amendments to the Hawaiian Homes Commission Act that became law in Hawaii. This resolution provides the means by which Congress may fulfill its obligation to render consent to those amendments. The Reagan administration recommended that House Joint Resolution 17 incorporate all such amendments. The resolution reflects that change, and the administration supports its passage. Having reviewed House Joint Resolution 17, the Congressional Budget Office estimates that enacting this resolution will not cost the Federal Government or the State of Hawaii or any of its political subdivisions anything.

Having myself lived and been educated in Hawaii for 5 years and still having many relatives and constituents in that State, I am particularly interested and keenly concerned about any Federal legislation that directly affects Hawaii. Touching on the subject of land, an issue dear to the residents of the American Pacific Islands, this resolution strikes a response in the heart of an American Samoan. Like native Hawaiians, we too have land laws based on blood quantum. My district follows quite closely the action that the Hawaii Legislature has taken and that Congress will take on this resolution. Sharing so much of our heritage with the people of the Hawaiian Islands, American Samoans maintain ties of affection and strong mutual interest with their fellow Polynesians.

Mr. AKAKA has been most kind to me since my arrival here on Capitol Hill in January 1981. House Joint Resolution 17 was introduced by Mr. AKAKA, like me an alumnus of the University of Hawaii. In preparing for and conducting the hearing of the Interior Committee on this resolution, my staff and I have valued working with Mr. AKAKA and his able assistant, Miss Kehaulani Lum. I hope and fully anticipate that such warm rapport will always remain between the Members

of Congress from Hawaii and American Samoa and their constituents.

It is Congress' statutory responsibility to grant consent to amendments passed by the Hawaii Legislature and signed by the Governor of Hawaii. For that purpose the Interior Committee, having called the hearing that chairman UDALL asked me to chair, reported this resolution favorably to the House. House Joint Resolution 17 represents the clearly expressed will of the Hawaiian people. The executive and legislative branches of government in Hawaii and Messrs. AKAKA, HEFTEL, INOUYE, and MATSUNAGA support its passage. I urge passage by this House.

Mr. McCAIN. Mr. Speaker, I yield myself such time as I may consume.

If I could have the attention of the distinguished gentleman from Hawaii [Mr. AKAKA], I have some questions, and if the gentleman feels free to answer these questions, I would like to engage in a colloquy with him.

Mr. Speaker, I am very concerned about this bill. Before I ask these questions, I would like it to be known that I clearly understand the track is greased, the train is going down the track, and there is no way that I can prevent the passage of this legislation. But I think it is of the utmost importance that I point out the injustice that is being perpetrated here today, so that possibly some day in the future we can avoid a repetition of this kind of action which inflicts, I believe, such pain on native Hawaiians and native Americans.

I am concerned over the level of effort by the State of Hawaii to provide homesteads to the 9,000 native Hawaiians on the waiting list. All of these individuals are of 50 percent blood quantum or more. Some have been on the waiting list for over 30 years. Yet, the representative from the Department of Hawaiian Homelands testified at the committee hearing that the State spends only $3 to $4 million of its general bond revenue per year to finance homesteads for those on the waiting list. Recent studies estimate that if this level of effort continues, it would take 50 years to provide benefits just for those on the waiting list now, to say nothing of new applicants. Wouldn't it be appropriate for the State to step up its efforts on behalf of those currently eligible, rather than to add a new class of beneficiaries?

Mr. AKAKA. If the gentleman will yield, the State of Hawaii has really stepped up its efforts in helping Hawaiians.

As a bit of history, let me start off by noting that from 1921, when the program first started, until 1974, not much development occurred. In fact, 2,200 awards were made over the period of 53 years. The reality of the situation is that no funds were made available when the act was administered under the United States between 1921 and 1959, nor were substantial funds made available between that time up to 1974.

The program was created with the intent that it be self-sufficient, and money was not appropriated at the beginning. Then beginning in 1974, however, the State's interest in the program was sparked and the fear of expending general fund dollars on the program dissipated. From 1974 to 1984, in one-sixth of the time of the program's entire existence a total of 1,300 new awards were made. In addition to these new awards, the State upgraded the drainage systems and roads in areas where problems had existed for over 50 years. More than $70 million was spent by the Department of Hawaiian Homelands on this endeavor.

In addition to annual budget appropriations, the State also guarantees the repayment of moneys barred by the department from Government agencies or private lending institutions and on departmental guarantees of loans made to lessees up to $21 million. This loan guarantee started in the late 1960's at roughly $8 million and has since risen to the current amount. The department of homelands has made the acceleration of awards its highest priority and is working on good faith to see that more beneficiaries are placed on the land.

In fiscal year 1985, 1,000 awards were made; 1,500 additional lots have been identified for awards in the next fiscal year. The Department's appropriation for fiscal year 1986 will total close to $10 million, $6 million for award acceleration, $2 million to improve the water system on the Island of Molokai, and $2 million for the development of commercial properties, one of the department's major revenue-generating sources.

So these are parts of the acceleration that the State has launched.

Mr. McCAIN. I appreciate that information.

I have two more questions, if I might request the indulgence of my distinguished colleague from Hawaii.

Mr. Speaker, my concern over the State's level of effort is increased by reports concerning extremely poor financial management by the Department of Hawaiian Homelands. Recent studies indicated that the department's accounting system was in such a shambles that it could not be audited, that its financial statements were inaccurate and incomplete, and that its cash management system had serious flaws. In a 9-month period in 1983, the department lost a total of $280,000 in interest due to uninvested cash balances. Don't these problems raise serious concerns about whether the State can handle even its current workload?

Mr. AKAKA. If the gentleman will yield, yes, it certainly does raise a big concern. As I pointed, out, over the 53 years, there was not much movement. For the first time, I want to inform my distinguished colleague, an audit was held, and the audit has been reported. The Department of Hawaiian Homelands now is taking that audit and is reorganizing some parts of it to improve its service.

Mr. McCAIN. I thank the gentleman.

The representative from the Department of Hawaiian Homelands testified at the committee hearing that there is plenty of land available for everyone on the waiting list, and that in fact, only 20 percent of the 200,000 acres of Hawaiian homelands are currently used by native Hawaiians. However, I am concerned that there is not enough land to go around. I cite four factors in support of this concern.

First, recent studies indicate that the State has no accurate inventory of Hawaiian homelands. This is due in significant part to the poor recordkeeping and limited resources of the Department of Hawaiian Homelands. As of late 1983, the department could not account at all for nearly 20,000 acres of homelands.

Second, over 30,000 acres of homelands are being used by local governments and other entities for purposes not authorized by the Homes Commission Act. The State has been very slow to recover this land and seek compensation on behalf of native Hawaiians. Furthermore, the unauthorized uses have rendered surrounding homelands unsuitable as homesteads.

Third, 80,000 acres of homelands, over 40 percent of the available land, are leased to private, non-native Hawaiian interests, for very modest rents.

Fourth, those on the waiting list are entitled to express a geographic preference for their homesteads. In some areas, the supply of available land is insufficient to accommodate everyone on the waiting list.

All of this indicates to me that there will be serious problems in providing land to those currently eligible, much less to a new group of beneficiaries. Should not these issues be cleared up before we move further on House Joint Resolution 17?

Mr. AKAKA. I must commend my distinguished colleague for his information.

There have been movements to correct this. I did mention in my testimony that the Federal-State Task Force on the Hawaiian Homes Commission Act did cite these problems that the gentleman is mentioning and did make recommendations which are being considered, and corrections are being made. I want to assure my colleague that I am personally looking into this also, to look for the best improve-

ments in the services that are being given by the Hawaiian Homelands Commission and assure you that these improvements are coming about.

Mr. McCAIN. I appreciate very much the information and the commitment on the part of my colleague from Hawaii to see that this legislation will be fairly and equitably carried out, as well as many of the other problems which I have raised in our colloquy here today.

In closing, Mr. Speaker, I would just like to say that we are writing another chapter, in my opinion, of making decisions and passing laws without informing or receiving consent of those minorities who are affected by this legislation. My colleague mentioned there is no cost. Indeed there is no cost, according to the Office of Management and Budget. I think there is a great deal of cost to those 9,000 native Hawaiians who have been waiting for over 30 years to locate on lands that were allocated to them many years ago.

□ 1330

I do not think that it is fair or equitable of this body to pass a piece of legislation which in my mind at the very minimum has not received the consent and agreement of those who were directly affected by it.

Mr. AKAKA. Mr. Speaker, will the gentleman yield to me?

Mr. McCAIN. I am glad to yield.

Mr. AKAKA. Mr. Speaker, I thank the gentleman very much for yielding.

The passage of that Act 272 in the State legislature required 6 years of review and revision by the State legislature. I am saying this by way of the support that has come from Hawaii. That act passed the State senate by a margin of 22 to 1, with a single opponent favoring complete repeal of the blood quantum provision and his reason for that was that he felt that there should be no quantum.

The vote in the house was unanimous.

The bill was approved by the Governor on June 18, 1982.

A great deal of time and effort was spent on this matter, affording native Hawaiians in Hawaii opportunity to assist the legislature in drafting some measure.

Testimony delivered by the Hawaiian High Valley Homestead Committee Association, Inc., serves as a good example of the sentiments of a majority of native Hawaiians on this matter, and I quote:

We strongly urge you to support the amendment as it applies to the lessee who is eligible through the 50 percent blood criteria and to lessen it to no less than 25 percent for his or her spouse or children would give the family security of continuity, the opportunity to advance themselves further, enabling them to look hopefully to a future of stability in economics and personal achievement.

Mr. UDALL. Mr. Speaker, to close debate, I would like to thank the gentleman from Arizona [Mr. McCAIN] for the constructive way in which he has gone about his reservation on this legislation. It has been helpful and I think we have made a better record because the gentleman has come forward with these objections.

Having said that, I think it would be a grave mistake for the House not to pass this legislation. As has been pointed out, there is absolutely no cost to the Federal Government. It is supported unanimously by the House delegation and by the delegation at the other end of the Capitol. The State legislature supports it. It has strong support in our committee, as evidenced by my presence here today and the statement by the gentleman from Alaska, who is the ranking Republican on our committee.

Mr. BLAZ. Mr. Speaker, I rise in support of House Joint Resolution 17 and to complement our colleagues from the State of Hawaii, DAN AKAKA and CEC HEFTEL, for calling this matter to the attention of Congress, and to Chairman MO UDALL for his outstanding leadership in bringing the joint resolution expeditiously to the House floor.

In 1959 this Congress admitted the great State of Hawaii into the Union and transferred this management and disposition of the Native Hawaiian Homesteading Program, commonly referred to as the Hawaiian Homes Commission Act, to the State. The Hawaiian Homes Commission Act was subsequently adopted as a part of the constitution of the State of Hawaii. For some innocuous reason, Congress reserved the authority to grant its consent to certain amendments to the Hawaiian Homes Commission Act passed by the State of Hawaii.

For the past 27 years, the State of Hawaii has administered the Hawaiian Homes Commission Act effectively, conscientiously, and diligently in keeping with the mandate of Congress. The State of Hawaii is the only body that can deal appropriately with the subject matters of the HHCA which are of local nature, and the State has given careful and prudent consideration to the amendments incorporated in House Joint Resolution 17. The joint resolution is endorsed and supported by all the leaders of Hawaii, including the Hawaii delegations of both Houses of Congress and the State legislature. Congress should acquiesce to the determination of the State and must now render its consent to the joint resolution.

House Joint Resolution 17 before this House would approve, en masse, all the amendments to the HHCA previously enacted by the State of Hawaii, except one. Congressional consent to those amendments is necessary to avoid any confusion and legal challenge with respect to the validity of those amendments, and I urge all my colleagues in this body to vote for the adoption of the joint resolution.

Thank you.

Mr. VISCLOSKY. Mr. Speaker, in drafting the Hawaii Admission Act, I believe that the intent of all parties to the act, especially the residents of Hawaii, was to transfer the jurisdiction of a native Hawaiian homesteading program to the State of Hawaii.

What we are here to decide is if, under the provisions of admission, we will allow the elected government of Hawaii to determine the future of the homesteading program, the Hawaiian Homes Commission Act [HHCA].

The legislature of Hawaii, after lengthy debate and laborious compromise, passed a measure which would allow for a change in the blood gantum requirements for the inheritance of homesteaded land under the HHCA. Additionally, the Hawaii delegation to the U.S. House of Representatives and the U.S. Senate unanimously supports passage of the bill which would permit these changes—House Joint Resolution 17.

I believe it is the obligation to this Congress to render consent to the amendments passed by the Hawaiian Legislature. The measure involves absolutely no cost to any governmental body. The change in the law would only affect heirs to homesteaded land, not new applicants. This is a reasonable change, the Hawaiian people want it, and we should allow them to have it.

Those who oppose this measure are compassionate in their philosophy and I appreciate their special concerns, however, I must disagree. The issue was debated in Hawaii, among Hawaiians in a thoroughly sound and democratic manner. I believe we should consent to this reasonable and sound amendment to HHCA and not question the wisdom of the Hawaiian people who have spoken through their elected representatives

Mr. HEFTEL of Hawaii. Mr. Speaker, I rise today in support of House Joint Resolution 17, a bill of great importance to the native people of Hawaii.

House Joint Resolution 17, sponsored by my distinguished colleague DANIEL AKAKA and me, grants the consent of Congress to amendments enacted by the State of Hawaii to the Hawaiian Homes Commission Act. As part of the Hawaii Statehood Act in 1959, the Federal Government turned over its control of the Hawaiian Homes Commission to the State of Hawaii. Congress reserved the right to grant authority to certain amendments made to the Hawaiian Homes Commission Act, thus, we bring House Joint Resolution 17 to the House floor today to fulfill this congressional obligation.

These amendments, which include all amendments made to the Hawaiian Homes Commission Act since statehood, are primarily to facilitate the operations of the Hawaiian Homes Program. The most significant of these amendments allows native Hawaiians living on Hawaiian homestead lands to pass the land onto either a spouse or offspring who have a minimum of one quarter Hawaiian blood quantum. Current law requires that anyone leasing Hawaiian Home Land must have at least 50 percent Hawaiian blood and thus prevents a spouse or child from staying on the land if they do not meet this requirement once the lessee dies. This amendment does not affect other successors to the land, such as siblings or other relatives of the lessee, who will still have to meet the one half Hawaiian blood quantum requirement.

This amendment is necessary because intermarriage is reducing Hawaiian blood quantums. Of over 175,000 natives of Hawaiian ancestry in Hawaii, only 27 percent have 50 percent or more Hawaiian blood quantum. We can anticipate that the next generation of lessees' children will probably not meet the Hawaiian blood requirement. Over the past 10 years only eight leases have been cancelled because the spouse or children of the deceased lessee did not meet the 50 percent Hawaiian blood requirement. This number will increase. Failure to lower the blood quantum now would be inequitable and would penalize Hawaiian children of a heritage that is rightfully theirs.

House Joint Resolution 17 was originally introduced to grant congressional consent solely to this blood quantum amendment. At the recommendation of the U.S. Department of the Interior during a hearing on the bill last November, House Joint Resolution 17 was amended to include congressional consent to all amendments made to the Hawaiian Homes Commission Act. Again, these amendments are primarily housekeeping in nature, and do not represent any cost to the Hawaii State or Federal governments.

I urge my colleagues to support House Joint Resolution 17 to fulfill this Congressional obligation to the Hawaiian people.

Mr. UDALL. Mr. Speaker, I urge adoption of this joint resolution, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Arizona [Mr. UDALL] that the House suspend the rules and pass the joint resolution, House Joint Resolution 17, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the joint resolution, as amended, was passed.

A motion to reconsider was laid on the table.

WILD AND SCENIC RIVERS ACT AMENDMENTS

Mr. VENTO. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 4350), to amend the Wild and Scenic Rivers Act, and for other purposes, as amended.

The Clerk read as follows:

H.R. 4350

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—WILD AND SCENIC RIVER DESIGNATIONS

SEC. 101. (a) Section 3(a) of the Wild and Scenic Rivers Act (16 U.S.C. 1274) is amended by adding the following new paragraph at the end:

"(56) CACHE LA POUDRE, COLORADO.—The following segments as generally depicted on the proposed boundary maps numbered fs-56 and dated March 1986, published by the United States Department of Agriculture, each to be administered by the Secretary of Agriculture; except that those portions of the segments so designated which are within the boundary of Rocky Mountain National Park shall continue to be administered by the Secretary of the Interior:

"(A) Beginning at Poudre Lake downstream to the confluence of Joe Wright Creek, as a wild river. This segment to be designated the 'Peter H. Dominick Wild River Area'.

"(B) Downstream from the confluence of Joe Wright Creek to a point where the river intersects the Easterly North-South line of the W 1/2 SW 1/4 of Section 1, Township 8 North, Range 71 West of the 6th P.M., as a recreational river.

"(C) South Fork of the Cache la Poudre River from its source to the Comanche Peak Wilderness Boundary, approximately four miles, as a wild river.

"(D) Beginning at the Comanche Peak Wilderness Boundary to a point on the South Fork of the Cache la Poudre River in Section 1, Township 7 North, Range 73 West of the 6th P.M., at elevation 8050 mean sea level, as a recreational river.

"(E) South Fork of the Cache la Poudre River from its intersection with the easterly section line of Section 30, Township 8 North, Range 72 West of the 6th P.M., to confluence of the main stem of the Cache la Poudre River, as a wild river.

With respect to the portions of the river segments designated by this paragraph which are within the boundaries of Rocky Mountain National Park, the requirements of subsection (b) of this section shall be fulfilled by the Secretary of the Interior through appropriate revisions to the general management plan for the park, and the boundaries, classification, and development plans for such portions need not be published in the Federal Register. Such revisions to the general management plan for the park shall assure that no developments or use of park lands shall be undertaken that is inconsistent with the designation of such river segments as a wild river. For the purposes of the segments designated by this paragraph, there are authorized to be appropriated for fiscal years commencing after September 30, 1986, such sums as may be necessary for the acquisition of lands and interests in lands and for development.".

(b) Inclusion of the designated segments of the Cache la Poudre River in the Wild and Scenic Rivers system under subsection (a) of this section shall not interfere with the exercise of existing decreed water rights to water which has heretofore been stored or diverted by means of the present capacity of storage, conveyance, or diversion structures that exist as of the date of enactment of this Act, or operation and maintenance of such structures. Nor shall inclusion of the designated segments of the Cache la Poudre River in the Wild and Scenic Rivers system be utilized in any Federal proceeding, whether concerning a license, permit, right-of-way, or other Federal action, as a reason or basis to prohibit the development or operation of any water impoundments, diversion facilities, and hydroelectric power and transmission facilities below Poudre Park located entirely downstream from and potentially affecting designated segments of the Cache la Poudre River, or relocation of Highway 14 to any point east of the north-south ½ section line of Section 2, Township 8 North, Range 71 West of the 6th P.M., as necessary to provide access to Poudre Park around such facilities; provided due consideration shall be given to reasonable measures for minimizing the impact of such facilities and road relocation on the designated segments. Congress finds that development of water impoundments, diversion facilities, and hydroelectric power and transmission facilities located entirely downstream from the designated segments of the Cache la Poudre River below Poudre Park, in accordance with the provisions of this section, is not incompatible with the designation of segments of the Cache la Poudre River in the Wild and Scenic Rivers system under subsection (a) of this section. The reservation of water established by the inclusion of segments of the Cache la Poudre River in the Wild and Scenic Rivers system shall be subject to the provisions of this Act, shall be adjudicated in Colorado Water Court, and shall have a priority date as of the date of enactment of this Act.

(c)(1) The Secretary of Agriculture, acting through the Chief of the United States Forest Service, shall provide grants and technical assistance to the City of Fort Collins, Colorado, to carry out a study regarding the designation of the following area as a national recreation area: the 18.5 mile segment of the Cache la Poudre River Corridor from the northwest boundary of the city of Fort Collins urban growth area to the Weld-Larimer County line.

(2) The study under this subsection shall include each of the following:

(A) A comprehensive evaluation of the public recreation opportunities and flood plain management options which are available with respect to the river corridor involved.

(B) An evaluation of the natural, historical, and recreational values of such corridor.

(C) Patterns for possible land acquisition within the corridor which are deemed necessary for the purpose of resource protection, scenic integrity, or management and administration of the corridor area.

(D) Cooperative management proposals for the administration of the corridor area.

(E) The number of visitors and types of public use within the corridor area that can be accommodated in accordance with the full protection of its resources.

(F) The facilities deemed necessary to accommodate and provide access for such visitors and uses, including the location and estimated costs of such facilities.

(3) Within 3 years after enactment of this Act, the Secretary of Agriculture shall transmit to the Congress a comprehensive report containing the results of the study conducted pursuant to this section.

(4) Effective October 1, 1986, there are authorized to be appropriated such sums as may be necessary to carry out the provisions of this subsection.

(5) Not more than 75 percent of the cost of the study carried out under this subsection shall be paid by the United States. The remaining portion of such costs shall be contributed by the city of Fort Collins. The portion contributed by the city of Fort Collins may consist of appropriated funds or contributed services.

SEC. 102. Section 3(a) of the Wild and Scenic Rivers Act (16 U.S.C. 1274(a)) is amended by adding the following new paragraph after paragraph (56):

"(57) SALINE BAYOU, LOUISIANA.—The segment from Saline Lake upstream to the Kisatchie National Forest, as generally depicted on the Proposed Boundary Map, numbered fs-57, and dated March, 1986; to be administered by the Secretary of Agriculture. For the purposes of the segment designated by this paragraph, there are authorized to be appropriated for fiscal years commencing after September 30, 1986, such sums as may be necessary for the acquisition of lands and interests in lands and for development.".

SEC. 103. Section 3(a) of the Wild and Scenic Rivers Act (16 U.S.C. 1274(a)) is amended by adding the following new paragraph after paragraph (57):

"(58) BLACK CREEK, MISSISSIPPI.—The segment from Fairley Bridge Landing upstream to Moody's Landing as generally depicted on a map entitled 'Black Creek Wild and Scenic River', numbered fs-58 and dated March 1986, to be administered by the Secretary of Agriculture as a scenic river area under section 2(b)(2). For the purposes of the segment designated by this paragraph, there are authorized to be appropriated for fiscal years commencing after September 30, 1986, such sums as may be necessary for the acquisition of lands and interests in lands and for development.".

SEC. 104. Section 3(a) of the Wild and Scenic Rivers Act (16 U.S.C. 1274(a)) is amended by adding the following new paragraph after paragraph (58):

"(59) NORTH FORK KERN RIVER, CALIFORNIA.—The segment of the main stem from the Tulare-Kern county line to its headwaters within Sequoia National Park, as generally depicted on a map entitled 'Proposed North Fork Kern River', numbered fs-59 and dated March, 1986; to be administered by the Secretary of Agriculture; except that those portions of the river within the boundaries of the Sequoia National Park shall be administered by the Secretary of the Interior. With respect to the portions of the river segments designated by this paragraph which are within the boundaries of Sequoia National Park, the requirements of subsection (b) of this section shall be fulfilled by the Secretary of the Interior through appropriate revisions to the general management plan for the park, and the boundaries, classification, and development plans for such portions need not be published in the Federal Register. Such revisions to the general management plan for the park shall assure that no developments or use of park lands shall be undertaken that is inconsistent with the designation of such river segments as a wild river. For the purposes of the segment designated by this paragraph, there are authorized to be appropriated for fiscal years commencing after September 30, 1986, such sums as may be necessary for the acquisition of lands and interests in lands and for development."

SEC. 105. Section 3(a) of the Wild and Scenic Rivers Act (16 U.S.C. 1274(a)) is amended by adding the following new paragraph after paragraph (59):

"(60) SOUTH FORK KERN RIVER, CALIFORNIA.—The segment from its headwaters in the Inyo National Forest to the southern boundary of Domelands Wilderness in the Sequoia National Forest, as generally depicted on the Proposed Boundary Map, numbered fs-60, and dated March, 1986; to be administered by the Secretary of Agriculture. For the purposes of the segment designated by this paragraph, there are authorized to be appropriated for fiscal years commencing after September 30, 1986, such sums as may be necessary for the acquisition of lands and interests in lands and for development.".

TITLE II—WILD AND SCENIC RIVER STUDIES

SEC. 201. (a) Section 5(a) of the Wild and Scenic Rivers Act (16 U.S.C. 1271-1287) is amended by adding the following new paragraph at the end thereof—

"(92) HENRY'S FORK, IDAHO.—The segment of approximately 11 miles from Big Springs downstream to Island Park Reservoir, and the segment of approximately 31 miles from Island Park Dam downstream to the confluence with Warm River.".

(b) Section 5(b)(3) of such Act is amended by adding the following at the end thereof: "The study of the river named in paragraph (92) of subsection (a) shall be completed not later than 2 years after the date of the enactment of this sentence.".

SEC. 202. (a) Congress finds that—

(1) The West Branch of the Farmington River and related land areas possess resource values of national significance, such as significant white water rapids, undeveloped lands, scenic and cultural areas, important sport fisheries, and prime agricultural lands.

(2) Based on the National Rivers Inventory by the National Park Service, published in January 1982, this portion of the Farmington River is eligible for study for inclusion in the wild and scenic rivers system.

(3) There is strong support among local, State, and Federal officials, area residents, and river users for a concerted cooperative effort to manage the river in a productive and meaningful way.

(4) In view of the longstanding Federal practice of assisting States and local governments in protecting, conserving, and enhancing rivers of national significance, the United States has an interest in assisting the State of Connecticut and the Commonwealth of Massachusetts and the appropriate local governments in managing the river.

(b) Section 5(a) of the Wild and Scenic Rivers Act (16 U.S.C. 1276(a)) is amended by adding the following new paragraph after paragraph (92):

"(93) FARMINGTON, WEST BRANCH, CONNECTICUT AND MASSACHUSETTS.—The segment from the intersection of the New Hartford-Canton, Connecticut, town line upstream to the base of the West Branch Reservoir in Hartland, Connecticut; and the segment from the confluence with Thorp Brook in Sandisfield, Massachusetts, to Hayden Pond in Otis, Massachusetts.".

(c) Section 5(b) of such Act (16 U.S.C. 1276(b)) is amended by adding at the end thereof the following new paragraph:

"(7) The study of the river named in paragraph (93) of subsection (a) shall be completed and the report submitted thereon not later than the end of the third fiscal year beginning after the enactment of this paragraph. Such report shall include a discussion of management alternatives for the river if it were to be included in the national wild and scenic river system."

(d)(1) At the earliest practicable date following the enactment of this Act, but not later than 45 days after enactment, the Secretary of the Interior shall establish the Farmington River Study Committee (hereinafter in this subsection referred to as the "Committee"). The Secretary shall consult with the Committee on a regular basis during the conduct of the study. Membership on the Committee shall consist of 17 members appointed by the Secretary of the Interior as follows:

(A) One member shall be appointed by the Secretary.

(B) Two members shall be appointed by the Secretary from a list of candidates supplied to the Secretary by the Governor of the State of Connecticut.

(C) Two members shall be appointed by the Secretary from a list of candidates supplied to the Secretary by the Governor of the Commonwealth of Massachusetts.

(D) Two members shall be appointed by the Secretary from a list of candidates supplied to the Secretary by the Farmington River Watershed Association.

(E) One member shall be appointed by the Secretary from each of the 8 towns located along the West Branch of the river. The governing body of each of the 8 towns shall provide a list of candidates to the Secretary from which the 8 appointments under this paragraph shall be made.

(F) Two members shall be appointed by the Secretary from a list of candidates supplied to the Secretary by the Metropolitan District Commission of Hartford, Connecticut.

(2) The members of the Committee shall elect a chairman, vice chairman, and recording secretary from the membership at the first official meeting of the Committee. Official minutes shall be kept of each regular and special meeting of the Committee and shall be open for public inspection.

(3) Any vacancy on the Committee shall be filled in the same manner in which the original appointment was made. Any member appointed to fill a vacancy occurring before the expiration of the term for which his predecessor was appointed shall be appointed only for the remainder of such term. Vacancies in the membership of the Committee shall not affect its power to function if there remain sufficient members to constitute a quorum under paragraph (4) of this subsection.

(4) A majority of the members of the Committee shall constitute a quorum for all meetings.

(5) The Committee shall advise the Secretary in conducting the study of the Farmington River segment specified in section 5(a)(93) of the Wild and Scenic Rivers Act. The Committee also shall advise the Secretary concerning management alternatives should the river be included in the wild and scenic rivers system.

(6) Members of the Committee shall serve without compensation but may be compensated for reasonable and necessary expenses incurred by them in the performance of their duties as members of the Committee.

(7) The Committee may accept and utilize the services of voluntary, uncompensated personnel.

(8) The Committee shall terminate on the later of the following:

(A) The completion of the river study of the Farmington River described in section 5(a)(93) of the Wild and Scenic Rivers Act.

(B) The completion of management alternatives should the river be included in the wild and scenic rivers system.

(e) As used in this section (other than in subsection (b) the term "River" means the segments of the Farmington River described in paragraph (93) of section 5(a) of the Wild and Scenic Rivers Act (16 U.S.C. 1276(a)).

(f) Effective October 1, 1986, there are authorized to be appropriated such sums as may be necessary to carry out the purposes of this section.

SEC. 203. GREAT EGG HARBOR RIVER.

(a) STUDY.—Section 5(a) of the Wild and Scenic Rivers Act (16 U.S.C. 1271-1287) is amended by adding the following new paragraph at the end thereof—

"(94) GREAT EGG HARBOR RIVER, NEW JERSEY.—The entire river.".

(b) COMPLETION DATE.—Section 5(b)(3) of such Act is amended by adding the following at the end thereof: "The study of the river named in paragraph (94) of subsection (a) shall be completed not later than 3 years after the date of the enactment of this sentence.".

TITLE III—TECHNICAL AMENDMENTS TO THE WILD AND SCENIC RIVERS ACT

SEC. 301. (a) Section 3(a) of the Wild and Scenic Rivers Act (16 U.S.C. 1274(a)) is amended by redesignating the paragraphs relating to the Au Sable River, the Tuolumne River, the Illinois River, and the Owyhee River as paragraphs (52) through (55) respectively.

(b)(1) The first sentence of section 3(b) of the Wild and Scenic Rivers Act is amended as follows:

(A) Strike out "one year from the date of this Act" and substitute "one year from the date of designation of such component under subsection (a)".

(B) Strike out the second parenthetical statement and substitute the parenthetical statement, "(which boundaries shall include an average of not more than 320 acres of land per mile measured from the ordinary high water mark on both sides of the river)".

(C) Strike out the semicolon and the remainder of the sentence after the words "its various segments" and substitute a period.

(2) The second sentence of section 3(b) of such Act is amended by striking out "Said boundaries, classification, and development plans" and substituting the words "Notice of the availability of the boundaries and classification, and of subsequent boundary amendments".

(3) Section 3 of such Act is amended by adding the following new subsections at the end:

"(c) Maps of all boundaries and descriptions of the classifications of designated river segments, and subsequent amendments to such boundaries, shall be available for public inspection in the offices of the administering agency in the District of Columbia and in locations convenient to the designated river.

"(d)(1) For rivers designated on or after January 1, 1986, the Federal agency charged with the administration of each component of the National Wild and Scenic Rivers System shall prepare a comprehensive management plan for such river segment to provide for the protection of the river values. The plan shall address resource protection, development of lands and facilities, user capacities, and other management practices necessary or desirable to achieve the purposes of this Act. The plan shall be coordinated with and may be incorporated into resource management planning for affected adjacent Federal lands. The plan shall be prepared, after consultation with State and local governments and the interested public within 3 full fiscal years after the date of designation. Notice of the completion and availability of such plans shall be published in the Federal Register.

"(2) For rivers designated before January 1, 1986, all boundaries, classifications, and plans shall be reviewed for conformity within the requirements of this subsection within 10 years through regular agency planning processes.".

SEC. 302. Section 4 of the Wild and Scenic Rivers Act is amended by adding a new subsection (d) after subsection (c):

"(d) The boundaries of any river proposed in section 5(a) of this Act for potential addition to the National Wild and Scenic Rivers System shall generally comprise that area measured within one-quarter mile from the ordinary high water mark on each side of the river. In the case of any designated river, prior to publication of boundaries pursuant to section 3(b) of this Act, the boundaries also shall comprise the same area. This subsection shall not be construed to limit the possible scope of the study report to address areas which may lie more than one-quarter mile from the ordinary high water mark on each side of the river.".

SEC. 303. Section 5 of the Wild and Scenic Rivers Act is amended as follows:

(1) In subsection (a) paragraph (90) relating to the North Umpqua is redesignated as paragraph (91).

(2) At the end of subsection (b)(1) add: "Studies of the river named in paragraphs (38), (55), (83), and (87) shall be completed and the reports transmitted to the Congress not later than January 1, 1987.".

(3) Amend paragraph (4) of subsection (b) to read as follows:

"(4) For the purposes of conducting the studies of rivers named in subsection (a), there are authorized to be appropriated such sums as necessary.".

SEC. 304. (a) Section 6(e) of the Wild and Scenic Rivers Act is amended by striking out "Congress in authorized" and substituting "Congress is authorized".

(b) Section 6(a) of the Wild and Scenic Rivers Act is amended by striking out "donation, and lands" in the second sentence and substituting "donation or by exchange in accordance with the provisions of section 206 of the Federal Land Policy and Management Act of 1976. Lands".

(c) Section 6(a) of the Wild and Scenic Rivers Act is amended by inserting "(1)" after "(a)" and by adding the following at the end:

"(2) When a tract of land lies partially within and partially outside the boundaries of a component of the National Wild and Scenic Rivers System, the appropriate Secretary may, with the consent of the landowners for the portion outside the boundaries, acquire the entire tract. The land or interest therein so acquired outside the boundaries shall not be counted against the average 100-acre per mile fee title limitation of subsection (a)(1). If not needed for outdoor recreation, administrative, or other purposes in furtherance of this Act, the lands or interests therein outside such boundaries, may be disposed of, consistent with existing authorities of law, by sale, lease, or exchange.".

(d) Section 6(b) of the Wild and Scenic Rivers Act is amended as follows:

(1) Insert in the first sentence "outside the ordinary high water mark on both sides of the river" after the word "acreage".

(2) Insert "in fee title" after the word "owned".

SEC. 305. (a) The second sentence of section 7(a) of the Wild and Scenic Rivers Act is amended by deleting "approval of this Act" and substituting "designation of a river as a component of the National Wild and Scenic Rivers System".

(b) Section 7(b) of the Wild and Scenic Rivers Act is amended as follows:

(1) In the first sentence after clause (i) insert a new clause (ii) as follows:

"(ii) during such interim period from the date a report is due and the time a report is actually submitted to the Congress; and".

(2) Redesignate existing clause (ii) as clause (iii).

(3) At the end of the second sentence, delete "approval of this Act" and insert in lieu thereof the words, "designation of a river for study as provided for in section 5 of this Act".

SEC. 306. Section 8(a) of the Wild and Scenic Rivers Act is amended by adding the following at the end thereof: "This subsection shall not be construed to limit the authorities granted in section 6(d) or section 14A of this Act.".

SEC. 307. Section 9(b) of the Wild and Scenic Rivers Act is amended by striking out "issuance or leases" in the second sentence and substituting "issuance of leases".

SEC. 308. Section 11 of the Wild and Scenic Rivers Act is amended by deleting the second sentence in subsection (a) and by amending section (b) to read as follows:

"(b)(1) The Secretary of the Interior, the Secretary of Agriculture, or the head of any other Federal agency, shall assist, advise and cooperate with States or their political subdivisions, landowners, private organizations, or individuals to plan, protect, and manage river resources. Such assistance, advice, and cooperation may be through written agreements or otherwise. This authority applies within or outside a federally administered area and applies to rivers which are components of the Wild and Scenic River System and to other rivers. Any agreement under this subsection may include provisions for limited financial or other assistance to encourage participation in the acquisition, protection, and management of river resources.

"(2) Wherever appropriate in furtherance of this Act, the Secretary of Agriculture and the Secretary of the Interior are authorized and encouraged to utilize the following:

"(A) For activities on federally owned land, the Volunteers in the Parks Act of 1969 (16 U.S.C. 18g-j) and the Volunteers in the Forest Act of 1972 (16 U.S.C. 558a-558d).

"(B) For activities on all other lands, section 6 of the Land and Water Conservation Fund Act of 1965 (relating to the development of statewide comprehensive outdoor recreation plans).

"(3) For purposes of this subsection, the appropriate Secretary or the head of any Federal agency may utilize and make available Federal facilities, equipment, tools and technical assistance to volunteers and volunteer organizations, subject to such limitations and restrictions as the appropriate Secretary or the head of any Federal agency deems necessary or desirable.

"(4) No permit or other authorization provided for under provision of any other Federal law shall be conditioned on the existence of any agreement provided for in this section.".

SEC. 309. Section 12(c) of the Wild and Scenic Rivers Act is amended by deleting the words "Secretary of the Interior" and inserting in lieu thereof the words "Administrator, Environmental Protection Agency".

SEC. 310. Section 14 of the Wild and Scenic Rivers Act is amended by inserting "(a)" after "14." and adding a new subsection (b) as follows:

"(b) For the conservation purposes of preserving or enhancing the values of components of the National Wild and Scenic Rivers System, and environs thereof as determined by the appropriate Secretary, landowners are authorized to donate or otherwise convey qualified real property interests to qualified organizations consistent with section 170(h)(3) of the Internal Revenue Code of 1954. Such interest may include, but shall not be limited to, rights-of-way, open space, scenic, or conservation easements, without regard to any limitation on the nature of the estate or interest otherwise transferable within the jurisdiction where the land is located. The conveyance of any such interest in land in accordance with this subsection shall be deemed to further a Federal conservation and policy and

yield a significant public benefit for purposes of section 6 of Public Law 96-541.".

SEC. 311. Section 16(c) of the Wild and Scenic Rivers Act is amended by adding at the end thereof: "For any designated wild and scenic river, the appropriate Secretary shall treat the acquisition of fee title with the reservation of regular existing uses to the owner as a scenic easement for purposes of this Act. Such an acquisition shall not constitute fee title ownership for purposes of section 6(b).".

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from Minnesota [Mr. VENTO] will be recognized for 20 minutes and the gentleman from California [Mr. LAGOMARSINO] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Minnesota [Mr. VENTO].

Mr. VENTO. Mr. Speaker, I yield myself such time as I may consume.

GENERAL LEAVE

Mr. VENTO. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to insert their remarks in the RECORD on the pending measure.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. VENTO. Mr. Speaker, the purpose of H.R. 4350 is to amend the National Wild and Scenic Rivers Act to designate segments of five rivers, add three rivers for study, and make several amendments to the general provisions of the Wild and Scenic Rivers Act.

In brief, H.R. 4350 would amend the National Wild and Scenic Rivers Act by designating segments of the Cache la Poudre River, Colorado; Saline Bayou, Louisiana; Black Creek, Mississippi; North Fork Kern River, California; and South Fork Kern River, California for inclusion in the wild and scenic system. The bill also would provide for the study of segments of the Henry's Fork River, Idaho; the Farmington River, Connecticut and Massachusetts; and the Great Egg Harbor River, New Jersey, for possible addition to the wild and scenic river system. In addition, a number of technical amendments are made to the National Wild and Scenic Rivers Act to clarify areas of interpretation and improve direction for the managing agencies.

Mr. Speaker, H.R. 4350 is a composite, in amended form, of many wild and scenic rivers bills that were introduced separately by out distinguished colleagues. H.R. 4350 was introduced by myself and the sponsors of all of those original bills.

Mr. Speaker, we would not be here today if it were not for the leadership of many of our colleagues who saw the need for action to protect some of our outstanding river resources before those valuable national assets were degraded or destroyed. I want to express my thanks to NANCY JOHNSON who introduced H.R. 2191 and Interior Committee member SAM GEJDENSON who worked on this compromise measure to study the West Branch Farmington River; JERRY HUCKABY who introduced H.R. 2230, to protect the Saline Bayou; RICHARD STALLINGS who introduced H.R. 2569, to study the Henry's Fork River; HANK BROWN who introduced H.R. 3547, to protect the Cache la Poudre River; CHIP PASHAYAN who introduced H.R. 3934, to protect the north and south forks of the Kern River and to clarify some language in the general sections of the National Wild and Scenic Rivers Act; TRENT LOTT who introduced H.R. 4091 to protect Black Creek; and BILL HUGHES who introduced H.R. 4293, to study the Great Egg Harbor River.

The Committee on Interior and Insular Affairs has been working over the last year to perfect this legislation and could not have done so without the assistance of these Members and their fine staffs. I particularly wish to commend the outstanding dedication and hard work of Chris Brown and Eric Olson of the American Rivers Conservation Council [ARCC]. The many members of ARCC across the Nation can be proud of these two dedicated people.

Last but not least, I want to thank the Forest Service for its helpful and cooperative efforts to perfect this bill.

Mr. Speaker, this is a good bill and I urge all of my colleagues to support it.

Mr. LAGOMARSINO. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the chairman of the subcommittee has explained the bill adequately and very eloquently. The Subcommittee on National Parks has been working on components of this bill since last fall. There were several very difficult compromises that needed to be made and I want to commend the chairman for his efforts in working out those problems in the bill.

As did the gentleman, I would also like to commend all the members, the same ones the gentleman mentioned. I will not name them again. Their hard work and spirit of cooperation resulted in the development of what I think is an outstanding omnibus piece of legislation. I was certainly pleased to join them as a cosponsor of the legislation.

Mr. Speaker, I rise in strong support of H.R. 4350, the Omnibus Wild and Scenic Rivers bill.

This significant legislation designates segments of the Cache la Poudre River, Colorado; the Saline Bayou, Louisiana; the Black Creek, Mississippi; and the north fork and south fork of the Kern River, California, for inclusion in the Wild and Scenic Rivers System. This legislation will result in an addition of approximately 267 miles to the current National Wild and Scenic Rivers System, which was initiated in 1968 through passage of the Wild and Scenic Rivers Act.

The bill also provides for studies of several other river segments for potential addition to the Wild and Scenic Rivers System. These include the Henry's Fork River, Idaho; the West Branch Farmington River, Connecticut and Massachusetts; and the Great Egg Harbor River, New Jersey. A total of 116 miles of rivers will be studied.

Finally, the bill contains several generic amendments to the Wild and Scenic Rivers Act intended to correct some minor technical deficiencies in the act. These changes were recommended by the administering Federal agencies, primarily the U.S. Forest Service, to assist them with implementation of the act.

Mr. Speaker, the Subcommittee on National Parks and Recreation, of which I am the ranking member, has been working on the components of H.R. 4350 since last fall. Several difficult compromises were made along the way and I want to commend Chairman VENTO for his efforts in working out the problems associated with the bill. I would also like to commend the Members who sponsored the individual river measures included in the bill. Their hard work and spirit of cooperation resulted in the development of this outstanding omnibus legislation. I was certainly pleased to join with them as a cosponsor of H.R. 4350 when it was recently introduced.

Mr. Speaker, the enactment of this legislation will provide needed protection for some of the Nation's most scenic and valuable recreational river resources. In addition, it will provide some positive changes to the original act. Furthermore, it enjoys broad-based bipartisan support. Therefore, I strongly support H.R. 4350 and urge my colleagues to act favorably upon it.

Thank you, Mr. Speaker.

Mr. Speaker, I yield 3 minutes to the distinguished minority whip, the gentleman from Mississippi [Mr. LOTT].

Mr. LOTT. Mr. Speaker, I rise in support of H.R. 4350, a bill which adds five new river segments to the National Wild and Scenic Rivers System. I am proud, Mr. Speaker, to say that a segment of the Black Creek, in the Fifth Congressional District of Mississippi, is one of the five rivers being proposed for designation today.

The Black Creek is located in the heart of my district in southern Mississippi. It is a unique river with special scenic value, and its incorporation into the Wild and Scenic Rivers System would be the first such designation in the State of Mississippi. I am excited about being a part of the preservation of the Black Creek and of the enhancement of the recreational value of the river by this designation.

Mr. Speaker, section 103 of this bill designates a 21-mile segment of the Black Creek as a component of the National Wild and Scenic Rivers System. This 21-mile section is almost totally included in the DeSoto National Forest and 5 miles are within the Black Creek Wilderness. Both the Forest Service and I recommend that the Black Creek segment from Fairley bridge landing upstream to Moody's landing be classified as a scenic river. This designation would have the least impact on private lands while preserving a portion of the river in a scenic condition at a minimum cost.

Mr. Speaker, I want to express my appreciation to the distinguished chairman of the Committee on Interior and Insular Affairs, the gentleman from Arizona, and to the distinguished ranking member of the committee, the gentleman from Alaska. In addition, I would like to thank the National Parks and Recreation Subcommittee chairman and ranking member, the gentleman from Minnesota [Mr. VENTO] and the gentleman from California [Mr. LAGOMARSINO]. I also want to extend my gratitude to the U.S. Forest Service for their assistance to me in this endeavor.

Mr. Speaker, I am happy to join with my colleagues on both sides of the aisle in support of this omnibus rivers bill. I believe that the bill is worthwhile and I urge all Members to support it.

Mr. LAGOMARSINO. Mr. Speaker, I yield 3 minutes to the gentlewoman from Connecticut [Mrs. JOHNSON].

Mrs. JOHNSON. Mr. Speaker, I rise in strong support of this measure and wish to express my sincere appreciation to the chairman of the Interior Committee and the National Parks Subcommittee, Mr. UDALL and Mr. VENTO, as well as the ranking members, Mr. YOUNG and Mr. LAGOMARSINO, for their leadership in bringing H.R. 4350 to the floor. I commend you on your hard work and trust that our colleagues will join us in voting for this important bill.

And, although many groups and individuals worked on this bill, I would be remiss if I did not single out my Connecticut colleague, SAM GEJDENSON, a member of the committee, for his particular attention to the Farmington River in this bill, as well as Chris Brown and Eric Olson of the American Rivers Conservation Council for their yeoman efforts on behalf of this country's wild, scenic, and recreational rivers.

I am very pleased to say that one of the study rivers in this bill, the west branch of the Farmington River, is in my district in Connecticut and provides thousands of people many hours of fishing, boating, and hiking pleasures and provides a habitat for many species of fish, plant, and animal life only minutes from downtown Hartford.

Mr. Speaker, the Farmington River is one of Connecticut's polished gems. It graces the green and gentle New England countryside with its clear, cascading water, its wooded banks, and its two swiftest gorges, Tariffville Gorge and Satan's Kingdom. One-hundred years ago the Farmington was nearly poisoned by the many paper mills, tanneries, cotton mills, foundries, and sawmills that lined its shores. But today, thanks to enlightened neighbors and the ever-watchful Farmington River Watershed Association, the river is clean and supports a growing population of Atlantic salmon.

The west branch of the Farmington River was included on the Interior Department's January 1981 nationwide rivers inventory with good reason: This river is the largest trout fishery in Connecticut; two State parks and five State forests dot the river corridor; and whitewater canoeing unique to southern New England is enjoyed by thousands of people annually and still more thousands use tubes or kayaks on the river's waters.

The Farmington River serves hundreds of thousands of people throughout southern New England and is unique in its ability to provide a truly scenic and recreational environ so close to a metropolitan area. This river deserves the protections offered by the study called for in the bill and I trust that the other body will agree with the House in approving H.R. 4350.

Mr. Speaker, I am pleased that the committee has approved this legislation and I strongly urge an affirmative vote on passage.

Mr. VENTO. Mr. Speaker, I yield such time as he may consume to the gentleman from Louisiana [Mr. HUCKABY], a member of the committee and a sponsor of one of the major components of this designation of the Saline Bayou. He has worked very hard and I want to commend the gentleman for his work with regard to this. I am sure with his continued work we will have success.

Mr. HUCKABY. Mr. Speaker, I thank the gentleman for yielding.

I rise in strong support of this legislation also and I want to commend the gentleman from Minnesota [Mr. VENTO] and the gentleman from California [Mr. LAGOMARSINO] for packaging these various bills that were introduced into what I am sure will be a noncontroversial measure, with the addition of five rivers within the Nation's Wild and Scenic River System.

I am particularly interested in the Saline Bayou which flows through my congressional district. It is unique and it is also flowing through a major national forest and hence it enjoys widespread support in the State of Louisiana, not only from the press, as well as conservation and environmental groups, but in addition to that, virtually all of the State and local elected officials in the area. So I think it is very fitting and proper that we should include this Saline Bayou, one of the last of the remaining wild and free rivers in north Louisiana.

Again I want to commend the chairman for his excellent work in this and I urge its passage.

□ 1345

Mr. VENTO. Mr. Speaker, I reserve the balance of my time.

Mr. LAGOMARSINO. Mr. Speaker, I yield 5 minutes to the gentleman from Colorado [Mr. BROWN], author of one of the significant river portions in the bill.

Mr. BROWN of Colorado. I thank the gentleman from California for yielding this time to me.

Mr. Speaker, I would like to extend my thanks to the gentleman from Minnesota [Mr. VENTO] for his fine leadership in this area. This is an area in which there are sometimes more things thrown at one than there are praises for the fine work one does, but the gentleman from Minnesota has been a forthright leader in this area. He has been dedicated to getting the compromise through, of working with both sides, and the bill that we have before us is the product of that hard work, of his leadership, and the leadership of the gentleman from California, in bringing both sides of the aisle together in a bill that I am convinced is a plus for this Nation.

This bill includes under section 101 a designation of a portion of the Cache La Poudre River in Colorado. With the passage of this legislation, that will become the first wild and scenic river so designated in the State of Colorado. It is with great pride, I think, that I think the entire State will enjoy the beautiful amenities that this river includes.

What I want to point out, Mr. Speaker, is that there is an important aspect of this bill, particularly with regard to the Cache La Poudre. It is a step forward. It is a compromise. But it is a compromise where both sides were listened to, and the best of both ideas combined into a piece of legislation.

This bill enhances the environment and also preserves essential options for water storage. It does both, and I think by doing both it helps all the people of Colorado. It is a place where a compromise helped both sides win, not one side lose and one side win. That is the kind of positive legislation I think this area needs, one that listens, one that is responsive, and one that makes winners out of all Americans.

I might point out that some of the concern that has been expressed about this legislation is with regard to projects that are outside of the designated area, projects like the Trap Lake II project which is located outside of the designated corridor. All this bill simply means is that, that project must stand on its own. This legislation does not preclude the development of Trap Lake II and is not meant to. By standing on its own, it has the opportunity to show that it meets the guidelines that are set forth by existing law.

Mr. Speaker, I would be remiss if I did not note at this time that the portion of the river that is designated as wild is named after Peter H. Dominick, Senator Dominick served a term in this House of Representatives and went on to serve several terms in the United States. No more fitting tribute could be found than one that puts his name on a wild river in the mountains of Colorado. His memory is preserved in a way I think he would have loved.

Mr. ROSTENKOWSKI. Mr. Speaker, as reported by the Committee on Interior and Insular Affairs, H.R. 4350 would deem certain donations of real property interests to qualified organizations as qualifying for a Federal income tax deduction as a qualified charitable conservation contribution.

In order to qualify for a charitable deduction under the Internal Revenue Code, a conservation contribution must be made exclusively for conservation purposes. H.R. 4350 deems conveyances under this act to meet that standard and, consequently to qualify for the tax deduction. Expansions of allowable tax deductions certainly should be considered by the Committee on Ways and Means before being brought before the House.

It is possible that many or all contributions of real property interests under the Wild and Scenic Rivers Act would be qualified conservation contributions. However, the determination of whether the appropriate requirements are satisfied should be made under the Internal Revenue Code and not deemed to be met by some other statute.

Since this bill provides certain tax results regardless of the operation of the Internal Revenue Code, this bill is clearly a revenue measure and, as such, is a matter which falls within the jurisdiction of the Committee on Ways and Means pursuant to House Rule X.

Mr. Speaker, it is my hope that the jurisdictional concerns of the Committee on Ways and Means regarding this matter can be remedied as this bill proceeds through the legislative process. I must point out that I intend to protect the prerogatives of the Committee on Ways and Means as this bill proceeds. In addition, I intend to pursue appropriate jurisdictional referral of any future legislation which contains similar or identical provisions.

Mrs. KENNELLY. Mr. Speaker, H.R. 4350, the Wild and Scenic Rivers Act Amendments, provides for a study of the west branch of the Farmington River in Connecticut and Massachusetts. The Farmington River is nothing less than a treasure, a unique and beautiful resource of our highly urbanized State. Down the Farmington's 70-mile course through Connecticut, we are blessed with beautiful countryside, open spaces and prime farmland, whitewater rapids and gorges, historical buildings, and unique ecological phenomena.

The question how best to manage and preserve this important resource has been a vexing one in the State of Connecticut. The Farmington River is, to put it mildly, a multiuse river. It is an invaluable recreational resource, bordered by two State parks and five State forests. It plays an important role in efforts to restore Atlantic salmon to the Connecticut River basin. Its waters are used to dilute waste water from treatment plants and industrial sources in the valley. Another section of the Farmington is vital for public water supply, providing high quality drinking water to over 400,000 people in the Hartford/New Britain metropolitan areas.

Obviously, many different interests have many different ideas about how to balance these various uses of the river. An environmentally comprehensive management plan for Connecticut's water resources is a real challenge, and one that must be met. With the pressures of population growth, land development, and drought upon us, now is the time to ensure that health, recreational, environmental, and industrial needs will be met in the future working together on the Federal, State and local levels.

The study called for in this bill should be very helpful in grappling with these issues. While I had some reservations about some provisions of the original legislation, I am grateful for the efforts made to address these concerns in H.R. 4350. The bill represents an important component in the development of an environmentally comprehensive policy for a valuable water resource in Connecticut. Whether or not the legislation passed today ever leads to the designation of the west branch for inclusion in the national wild and scenic river system, the study should assist State and local interests in putting together information that might not otherwise be available to protect and manage this valuable resource.

I am pleased that the committee report makes clear that this wild and scenic study is explicitly intended to include an examination of the west branch in the context of Connecticut's water supply needs and that the Secretary of the Interior is instructed to closely coordinate the wild and scenic study with the Connecticut plan, the State of Connecticut's own ongoing comprehensive efforts to develop a master plan for future management of potable water resources. As Connecticut faces problems with chemical contamination of over 800 ground water wells and has suffered a serious drought in the past year, it would be shortsighted to study the west branch without looking at these questions. In addition, the report calls attention to the fact that the Secretary of the Interior has the authority to permit waivers of Federal regulations should water from the west branch be needed at the time of a drought, and this authority should be granted a liberal interpretation in an emergency.

H.R. 4350 establishes an advisory committee to assist the Secretary of the Interior in the development of the wild and scenic study and of the management alternatives for the west branch should it be included in the wild and scenic system. This study committee is a thoughtful innovation for the wild and scenic program and I am pleased it is more broadly representative under H.R. 4350 than had been the case in the original bill. It should also be noted however that the Secretary of the Interior is still expected to seek out a broad cross-section of local public opinion as required under the law so that all those with interests and concerns will be heard.

Mr. THOMAS of California. Mr. Speaker, because some people in California are confusing legislation affecting the Kern River, I want to explain the difference between the bill I cosponsored (H.R. 3934) and the bill I oppose (H.R. 4350) that is before the House of Representatives.

H.R. 3934, a bill which I cosponsored, would have added an area beginning 5,600 feet north of Johnsondale Bridge on the North Fork of the Kern to the Wild and Scenic Rivers System. That is the only area H.R. 3934 affected. H.R. 3934 did not put the South Fork or a stretch of the North Fork between a point north of Johnsondale Bridge and the Tulare-Kern County line into the Wild and Scenic Rivers System.

The bill before the House, H.R. 4350, is a significantly different bill. H.R. 4530 would also make the North Fork above Johnsondale Bridge part of the Wild and Scenic Rivers System. In addition, H.R. 4350 would include the South Fork and the stretch of the North Fork from the vicinity of Johnsondale Bridge to the Tulare-Kern County line in the Wild and Scenic Rivers System. I did not support these changes. I oppose H.R. 4350; it is not the bill I cosponsored.

Mr. LAGOMARSINO. Mr. Speaker, I yield back the balance of my time.

Mr. VENTO. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Minnesota [Mr. VENTO] that the House suspend the rules and pass the bill, H.R. 4350, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

UNIVERSITY OF LOUISVILLE FIGHTING CARDINALS WIN COLLEGE BASKETBALL NATIONAL CHAMPIONSHIP

(Mr. MAZZOLI asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. MAZZOLI. Mr. Speaker, along with the Kentucky Derby, a trip to the NCAA Final Four basketball championships is becoming another rite of spring for the University of Louisville and its legions of loyal fans.

That rite was celebrated on Monday, March 31, before a capacity crowd in Reunion Arena in Dallas, TX, as the University of Louisville Fighting Cardinals won college basketball's national championship.

The Cards claimed that honor in a hard-fought, tense, emotion-draining duel against a Duke University team previously ranked No. 1 in the Nation.

This victory marks the second national championship for the University of Louisville, the first school to repeat as champion in the decade of the 1980's.

Coach Denny Crum and his able staff, in their customary fashion, assembled for the 1985-86 season a fine group of talented young athletes, blending experience and youth, size and speed. But, most of all, the group had discipline, determination, and devotion to their coaches, their school, and to the game.

This recipe produced another national title for the "Fighting Cardinals."

Those of us who have followed the Cards over the years know the tradition of excellence that has characterized U. of L. basketball under coaches Peck Hickman and John Dromo, but this tradition has been enhanced further under Coach Crum. Six trips to the Final Four under Coach Crum—four in the last 7 years—are convincing evidence to the strength of his coaching talents.

As they seem to do each season, the "Cardiac Cards" start slowly but turn into stretch-running thoroughbreds when tournament time arrives. This year, playing one of the most competitive schedules in the country, the Cards began their stretch drive early. The team jelled and was able, time and again, to rise to the occasion, winning at one point 21 of 22 games—the last 17 in a row—to finish the season 32-7.

Led by a corps of experienced seniors in Milt Wagner, Billy Thompson, and Jeff Hall, the Cards success was a result of exceptional balance and team play. Freshman "Never Nervous" Pervis Ellison, named Most Valuable Player of the Final Four, was a stalwart performer who showed remarkable poise all year. Sophomore Herbert Crook contributed yeoman-like efforts all through the campaign. And, when the need arose, there were always players who came off the bench to pick up the team with clutch performances.

As a native Louisvillian and an alumnus of the University of Louisville's Law School, I take special pride and gratification in representing this great university and its excellent basketball team.

Many congratulations to the University of Louisville for a job well done. These young men have provided us a marvelous winter of enjoyment and allowed us to share the exhilaration of their triumphs and the memories of this championship season.

We, of the Kentucky congressional delegation, are justly proud of our national champion Louisville Cardinals, and we invite Members to meet the Cardinals and their esteemed and greatly successful coach, Denny Crum, at a reception in S-207 (the Mansfield Room) in the Capitol, on Wednesday, April 16, from 3 to 5 p.m.

I am inserting at this point in the RECORD the Cardinals' NCAA Tournament record and the player and staff roster of this outstanding team.

NCAA Tournament

Louisville	93
Drexel	73
Louisville	82
Bradley	68
Louisville	94
North Carolina	79
Louisville	84
Auburn	76
Louisville	88
LSU	77
Louisville	72
Duke	69

Players

Mike Abram, Pervis Ellison, Tony Kimbro, Mark McSwain, Kenny Payne, Billy Thompson, Milt Wagner, Chris West, Herbert Crook, Jeff Hall, Avery Marshall, Will Olliges, David Robinson, Robbie Valentine, Kevin Walls, Keith Williams.

Coaches

Denny Crum, head coach.
Bobby Dotson, assistant coach.
Wade Houston, assistant coach.
Jerry Jones, assistant coach.

University President

Dr. Donald C. Swain.

Staff

Bill Olsen, athletic director.
Jerry May, trainer.
Dr. Rudy Ellis, team physician.
Jeff Witt, Manager.
Faculty representative, Burt L. Monroe, Jr.
Kenny Klein, sports information director.
Nancy Allison, associate SID.
Kathy Tronzo, secretary.
Jeff Schneider, intern.
Marty Bailen, intern.

COST-EFFECTIVE PLAN TO RESTRUCTURE THE DEBT OF THE FARM CREDIT SYSTEM

(Mr. THOMAS of Georgia asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. THOMAS of Georgia. Mr. Speaker, I am today introducing a concurrent resolution expressing the sense of the Congress regarding a cost-effective plan to restructure the debt to the Farm Credit System.

This resolution is designed to encourage an attitude of common sense and forbearance to the actions of the Farm Credit System, instead of the policy of foreclosure that is cutting at the heart of American agriculture, and rural America in general. The impact of the proposals of the resolution would be to put the outstanding loans of the System on a more solid foundation, and ultimately to reduce the prospect of losses to the System and its borrowers.

Last year, thousands of farmers and ranchers throughout the Nation were forced into bankruptcy and foreclosure under the procedures of the Farm Credit System, the Nation's largest agricultural lender. In the process, the system lost an unprecedented $2.7 billion.

Each day, the situation grows worse as more and more of our very best farmers lose the land that they love and have labored on for many years or even many generations. Our national agricultural base is shrinking, and the Farm Credit System itself is threatened with devastation and the prospect of a Federal bailout.

This concurrent resolution is identical to Senate Concurrent Resolution 122, introduced by Senators NICKLES and GRASSLEY last month.

The resolution expresses the sense of Congress that the Farm Credit System should:

One, facilitate and participate in an agricultural loan restructuring program. Two, classify restructured loans as performing loans as long as payments on the restructured loans are being made. Three, permit multiyear amortization of loan losses. Four, compare the cost of foreclosure and the cost of forbearance, and utilize forbearance if it is less costly. Five, consider the use of two-tiered loan restructuring as a viable alternative to farm foreclosures wherever feasible.

The heart of the measure relates to the provision that if the costs associated with foreclosure equal or exceed the cost of restructuring a loan, the the Farm Credit System is encouraged to consider restructuring. When considering restructuring alternatives, the Farm Credit System is encouraged to consider the use of a restructuring program recently proposed by the American Farm Bureau Federation, known as a two-tier debt restructuring program.

Under this approach, portions of the farm debt a borrower can service under existing terms would be placed in the first tier. Debt the borrower is unable to fully service is placed in the second tier. No principal payments would be made on second tier debt while a reduced interest could be charged. As debt in the first tier is payed off, portions of the second tier debt would be transferred to the first tier, keeping its balance constant.

Mr. Speaker, this proposal has one simple objective and one simple impact—it would reduce the number of foreclosures and it would reduce the

losses to the Farm Credit System, and potentially, the losses to the taxpayer.

Mr. Speaker, I include the text of the resolution for the information of my colleagues.

The text of the resolution follows:

H. CON. RES. 310

Concurrent resolution to express the sense of Congress with respect to agricultural loan restructuring

Resolved by the House (the Senate concurring), That it is the sense of the Congress that—

(1) the Farm Credit Administration and its associated agencies and lending institutions should take additional regulatory and administrative actions immediately to help alleviate the unusual financial situation facing many thousands of agricultural producers and farm lenders by providing additional time to resolve these problems in the agricultural sector, recognizing that such actions may be in the best interests of both the Farm Credit System and the borrower when there is a reasonable prospect that the borrowers will eventually be able to repay the loan;

(2) the Farm Credit Administration and its associated agencies and lending institutions should—

(A) facilitate and participate in agricultural loan restructuring programs;

(B) classify restructured loans as performing, provided the payments, as restructured, are being made; and

(C) permit, to the extent feasible, the multiyear amortization of agricultural loan losses;

(3) before instituting a proceeding to foreclose a loan made to a borrower, the Farm Credit System and its associated institutions and agencies should determine—

(A) the cost of foreclosure; and

(B) the cost of restructuring the loan, using a two-tier or other system of forbearance;

(4) if the Farm Credit System or any of its associated institutions or agencies determine that the cost of foreclosure of a loan made to a borrower is equal to or exceeds the cost of restructuring the loan, the System should utilize restructuring rather than foreclosure. Such restructuring should include consideration of the use of a two-tier loan structure which is based on the borrower's ability to pay and under which—

(A) there would be a reduced interest rate applicable to the second tier of debt, containing the portion of debt the borrower is unable to fully service;

(B) portions of the outstanding principal balance in the second tier of debt are periodically reassigned to the first tier, containing the serviceable debt, so that the outstanding principal balance in the first tier remains constant; and

(C) an agreement that, during the period of the restructuring, all debt incurred beyond normal operating expenses would be subordinated to the restructured debt.

FROM LIBERTY'S VIEW

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin [Mr. KLECZKA] is recognized for 5 minutes.

Mr. KLECZKA. Mr. Speaker, it is the inexorable fate of us all that we cannot serve in positions of leadership forever. As generations before us have done, our mortality requires us to prepare our youth for the responsibilities, challenges, and inevitability of succession to leadership.

With this in mind, I am proud to commend to my colleagues the following essay written by a future leader who resides in my district: Mr. Christian Tentoni. Chris is a 10-year-old fourth grader attending Jefferson School in West Allis. His essay, "From Liberty's View," is a work of extraordinary perception and outstanding writing for someone so young. It reflects proudly on his parents, his school, and his community, and it reassures all of us that the future leadership of this great Nation will be left in good hands with people like Chris among our successors. The text of the essay follows:

FROM LIBERTY'S VIEW

(As Told To Christian T. Tentoni)

I am having a birthday this summer. I will be 100 years old. It feels like it was yesterday that they took me to Liberty Island. I was a present to America. Some people think I am just a statue and have no job. My job is very important. I have seen many things in my life.

I was hardly put in place on Liberty Island when people started coming to America to be free. I watched them come here on ships. I saw them carry everything they owned to come here. They all had dreams about how wonderful America would be. They were excited to see me. I could hear them speak to each other in their own languages. They never knew that I was watching them too. The new people were hard workers and helped make our country great. They all studied to be Americans. I was happy that the new people came here to make new lives.

There were sad times. I was sad when I saw America's young boys line up on ships to fight in World War I. They left America as boys and came back as men. Many men died in the war and many more were injured. I cried inside for the men who did not come home. Nobody saw me cry because I had to be strong. Those men fought for me. Those coming home cheered when they saw me from their ships.

I watched America's young boys do it all over again in World War II. These boys had to become men real fast. Many of these men were the children of the new people who came here when I did. Some of these men fought for me in World War I. They wanted to fight for their new country. They wanted to fight for freedom. I still lost many more of my children.

There were two more wars in countries near China. I lost more children who died or are still missing. These boys were grandchildren to the people who came here when I did. They believed in me and fought to help other countries become free. I must stay here for them.

The years I have been outside have made me weak. Parts of me were falling apart. I started to think that nobody cared about me anymore. Many of you remembered me and sent men to fix me. I want to look good for my birthday. I still have my job to do. The workers will finish fixing me soon. People gave money to get me repaired. They forget the children who gave their lives to keep all Americans free. I will keep waiting for them with my new torch lit. I will not forget.

$42 MILLION MORE FOR CONGRESSIONAL MAILING

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania [Mr. WALKER] is recognized for 5 minutes.

Mr. WALKER. Mr. Speaker, within the next few days, the House is going to be taking up a supplemental appropriations bill. In other words, once again we are going to have add-on spending over and above that which we have committed ourselves to in appropriations bills that were passed last year. Once again we go through the budget-busting that Congress has become so famous for and has resulted in us overspending the last 5 years' budgets by a total of $160 billion.

When we want to know where deficits come, from, they come from right here. Congress votes for them by voting in spending over and above that which we budgeted for year after year after year. We are the cause of deficits.

We have a supplemental appropriation that will be out here in the next few days that will be another add-on to deficits and there is one particular provision of that which I think the American people are particularly interested in and that we ought to deal with, and that is an amendment to spending within the supplemental that would add $42 million for mailing costs for the Congress. In other words, we are saying that we want to spend another $42 million over and above that which was previously appropriated to allow ourselves to do mailings out to the country.

At a time when we are attempting to do something about controlling Federal deficits, the very least we might be able to do around here is control our own mailing expenses. Let us understand that Congress did not exactly underfund mailing to begin with. We funded $95 million worth of spending originally in the bill. Actually, we had $100 million of spending in the bill in the last session of Congress, but then when Gramm-Rudman came in that was cut back by about $5 million, so we ended up with a little bit better than $95 million of mailing expenses that Congress can incur.

Let us understand how much money that is. That means for every Member of the House and the other body, there is $175,000 for mailing. That means that if here in the House if we mailed all six newsletters that we are allowed each year, and not all of us mail six newsletters, but if we did mail all six we would spend $102,000 of that $175,000. That still would leave $73,000 for mailing. Most people would think that you could probably get through the year spending $73,000 over and above that which you spent for your newsletter, because what that means is, that is 292,000 pieces of first-

class mail that every Member of this body could send out. That amounts to 1,500 pieces of mail every working day that Members of Congress can send out of their offices.

It seems to me that that is plenty of money, and yet we are going to come back here, probably some time next week, with a proposal to spend $42 million more for mail; in other words, to have about $95,000 more for every Member of this body to spend on mail in the next few months.

I think that is an outrage, and I think the very least that we ought to be doing is spending only the money that we originally appropriated for mailing expenses in this particular year. We can live with what we have and we ought to live with what we have.

Therefore, I will be offering an amendment when that supplemental appropriation comes to the floor to strike the entire $42 million in spending that is in that bill for additional franking expenses. I am going to go to the Committee on Rules and I am going to try to make certain that that amendment will be in order when it comes to the floor, and I want to take this time this afternoon to assure the Members of this body that when that amendment is offered on the floor and after it is debated on the floor that we will, in fact, be voting on that particular amendment. I think it is entirely appropriate that the American people should know who among us will stand up and say, "Let us get along with what we originally appropriated for mailing expenses; let us not add $42 million more to the deficit of the country."

□ 1355

UNIFORM HEALTH-CARE INFORMATION ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oklahoma [Mr. ENGLISH] is recognized for 5 minutes.

Mr. ENGLISH. Mr. Speaker, the National Conference of Commissioners on Uniform State Laws recently approved and recommended for enactment by the States a Uniform Health-Care Information Act. This is a significant accomplishment, and I want to call it to the attention of my colleagues and the States that will be asked to consider this proposal.

The recent history of efforts to provide legislative protection for medical records dates back to the 1977 report of the Privacy Protection Study Commission. The Privacy Commission, which was established under the Privacy Act of 1974, found that the control over information in medical records once exercised by medical care providers has been greatly diluted as a result of developments within the medical profession, Government, and elsewhere. The Commission recommended that Federal legislation be enacted to protect medical record privacy.

In April 1979, President Jimmy Carter endorsed that recommendation. President Carter stated that threats to personal privacy inherent in modern information practices are not the product of any plan to invade the privacy of individuals. Information systems have developed naturally with the growth of the economy, the expansion of public and private institutions, the mobility of citizens, and the development of computers. As essential as these facilities are, President Carter warned that they can be misused to create a dangerously intrusive society.

Bills to implement the recommendations of the Privacy Protection Study Commission were considered during the 96th Congress in both the House and the Senate. Committees in both Houses reported out similar bills. While there appeared to be general agreement on the inadequacy of existing guidance on the proper use of medical records, the legislation failed to be enacted. One of the main arguments used against Federal legislation was that regulation of medical records practices should be left to the States.

This is one reason why the new proposal of the National Conference of Commissioners on Uniform State Laws is so important. Medical records will not acquire the needed protections unless the States take action to pass comprehensive laws regulating the record keeping practices of health-care providers. Laws enacted many years ago providing a privilege for medical information are woefully inadequate in today's computerized society. Only a few States have modern laws that adequately address the medical record keeping problems that confront today's physicians and patients.

The proposed Uniform State law includes all of the basic elements of a privacy law. The proposal would regulate the disclosure of health-care information by health-care providers, both with and without the consent of the patient; provide rules allowing patients to examine, copy, and correct records; require health-care providers to notify patients of information practices; and include both civil and criminal sanctions for violations of privacy protections.

It is not an easy task to write privacy laws because there are so many different interests that must be balanced. I congratulate the committee that prepared the Uniform Health-Care Information Act for doing such a fine job. The committee was chaired by K. King Burnett of Salisbury, MD. The reporters for the committee were Robert R. Belair, Washington, DC, and Alan R. Bennett, Washington, DC. Members of the committee were Harvey Bartle III, Philadelphia, PA; Geoffrey D. Cant, Annapolis, MD; Timothy J. Cronin, Jr., Boston, MA; Michael Franck, Lansing, MI; Charles W. Joiner, Ann Arbor, MI; John W. Wagster, Nashville, TN; William H. Wood, Harrisburg, PA; Carlyle C. Ring, Jr., Alexandria, VA; Phillip Carroll, Little Rock, AR; William J. Pierce, Ann Arbor, MI; and Elmer R. Oettinger, Chapel Hill, NC.

Copies of the proposed legislation are available from the National Conference of Commissioners on Uniform State Laws, 645 North Michigan Avenue, Suite 510, Chicago, IL 60611.

GREEK INDEPENDENCE DAY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois [Mr. ANNUNZIO] is recognized for 5 minutes.

Mr. ANNUNZIO. Mr. Speaker, Greek Independence Day has a special meaning for Greek-Americans in this country, for 165 years ago, on March 25, 1821, Greek patriots raised the flag of revolt and began a series of uprisings against their Turkish oppressors.

This flag of revolt was blessed by Bishop Germanos of Palaeion Patron, at the monastery of Aghia Lavra, and was followed by 7 years of fierce fighing during which a handful of rebels were able to contain the combined forces of the Sultan's Ottoman Empire. These Greek patriots fought courageously and valiantly against the might of the Turks and for the victories they were able to obtain they suffered many losses and endured much tragedy.

The confrontations at Valtetsi, Dervenaia, as well as Missolonghi, where Lord Byron fought and died, rank among the most glorious pages of Greek history, and the exploits of the Greek Navy, under Miaoulis, Kanaris, and Sachtouris, inspired the peoples of Europe, who finally brought pressure upon their governments to intervene in the fight and compel the Sultan to recognize Greek independence.

In the United States feelings ran high in support of the Greeks. John Adams remarked:

My old imagination is kindling into a kind of missionary enthusiasm for the cause of the Greeks.

Also, in an address to Congress, President Monroe expressed the feelings of the United States when he said:

Genius and delicacy in the arts, daring and heroism in action, unselfish patriotism, enthusiastic zeal, and devotion to public and private liberty, all these are connected with the name of ancient Greece. It is natural, therefore, that their contest should arouse the sympathy of the entire United States.

On October 20, 1827, at the battle of Navarino, the Turkish fleet was finally defeated and destroyed by the combined elements of the British, French, and Russian navies. This victory gave the Greeks additional incentives in their fight against Turkish oppression, and on September 14, after many centuries of foreign rule, freedom for the Greeks was regained by the Treaty of Adrianople of 1829 and later by the London Protocol of 1830.

Mr. Speaker, the idea of democracy, born in ancient Greece over 2,000 years ago, has prevailed and has inspired other nations in their struggle against persecution. The contributions made and still being made to the growth and greatness of the United States by Greeks who have chosen to make their home in our country continue, and it is a pleasure to extend greetings to Greek-Americans in the 11th Congressional District of Illinois which I am honored to represent, and Americans of Greek descent all across our Nation, on the occasion of Greek Independence Day. Let us celebrate the precious heritage of freedom our two countries have shared in the century and a half of genuine friendship between the people of America and the people of Greece.

RESIGNATION OF RUSSELL ROURKE AS SECRETARY OF THE AIR FORCE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Mississippi [Mr. MONTGOMERY] is recognized for 5 minutes.

Mr. MONTGOMERY. Mr. Speaker, I was disappointed to learn today that Russell Rourke has resigned as Secretary of the Air Force. I have known Russ Rourke for a number of years and can tell you that he will be missed by the Department of Defense.

Though he was Air Force Secretary for only a short time, Russ has dedicated a great part of his life to the military and to the service of this country. He was assistant secretary of defense for legislative affairs and was a great help to me in that capacity. Russ has a vast knowledge of defense issues and he knows how things work here on Capitol Hill. That is why he has been so effective in his dealings with Congress.

Russ Rourke is a great American and a good friend. I am sorry to see him leave Government service. He has made significant contributions in the effort to improve our national defense. He will be missed.

TRUTH IN NEGOTIATIONS AMENDMENTS OF 1986

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from South Carolina [Mr. SPRATT] is recognized for 30 minutes.

Mr. SPRATT. Mr. Speaker, I am today introducing legislation to enhance the effectiveness of the Truth in Negotiations Act of 1962.

The Truth in Negotiations Act [TINA] was designed to prevent firms from reaping excessive profits on contracts with the Department of Defense, by providing Government negotiators with accurate up-to-date information on contract proposals. However, a series of court decisions over the past decade has limited the act's applicability and frustrated its original intent. This bill will correct those decisions and restore the act as the Government's most effective weapon against excess profits on defense contracts.

The Truth in Negotiations Act was passed in the wake of several General Accounting Office reports which disclosed that defense contractors were making excessive profits on negotiated, sole-source contracts. Sole-source contractors often have a monopoly on plant and equipment and technical know-how, and also on production cost data. Without competition, and without legal access to current cost data, the Government had to rely before TINA on good faith negotiations with the contractor to ensure the lowest possible price.

Contractors had little incentive to disclose the most accurate, current, and complete information concerning contract prices. In many cases, such cost data would have indicated that the contractors would actually incur lower material, labor and other costs than they were using to support their contract pricing proposals. As a result, negotiated prices were often too high and contractors' profits were in some cases excessive.

The Truth in Negotiations Act was designed to give the Government the same cost data the contractor uses when negotiating contracts. To some extent, it was to be a substitute for competition on these contracts. The law requires contractors to submit a certified statement of current, accurate, and complete cost data on contract proposals valued at more than $100,000. It also authorizes the Government to audit the records of these contractors to find out whether they possessed, but failed to submit, better and more accurate cost and pricing data. Under the law, procurement officials can reduce the contract price or recover overpayments when they find that overstated cost data was submitted to support a contract offer.

During the last 10 years, decisions made by the Armed Services Board of Contract Appeals [ASBCA] have weakened the effect of the Truth in Negotiations Act.

In one case (Whittaker Corporation, ASBCA No. 17267, 74-2 BCA 10,938), ASBCA denied a refund under the Truth in Negotiations Act by requiring the Government to prove it had no knowledge of the accurate data. The ASBCA stated that the Government's burden of proof is not satisfied merely by showing that disclosure was not made during negotiations. The Government bears the added burden of proving the disclosure was not made to other Government personnel prior to the negotiations.

In another decision (Universal Restoration, Inc., ASBCA No. 22833, 82-1 BCA 15,762), ASBCA found that a contract is not subject to price adjustment if the contractor failed to disclose all cost information, when the Government should have known the data was not disclosed. In this particular case, the Board concluded that Government officials should have known that if quantity purchased was increased, the contractor's overhead rate per unit of output would decline.

Other decisions allow a contractor who has violated the Truth in Negotiations Act to escape the act's consequences because of the sole-source nature of the procurement, the superior bargaining position held by a contractor, or the "bottom-line" form of negotiation. For example, the Board decided in one case (American Machine & Foundry Company, ASBCA No. 15037, 74-1 BCA 10,409) that the contractor's failure to disclose pricing data may not have caused an increase in price because of the firm's superior bargaining position. This decision adds another complication to enforcing TINA, which the text of the statute does not call for and legislative intent does not support.

Another decision by the Court of Claims (*Cutler-Hammer, Inc.* v. *U.S.*, 416 F.2d 1306 (Ct.Cl. 1969)) concluded that price reduction required by overstatement of some costs could be offset by underestimates of other costs. There is no indication in the statute that Congress intended to allow offsets to defective pricing submissions. Moreover, TINA imposes on the contractor a duty to develop current, accurate and complete cost data, on which the Government can rely. By allowing the contractor an offset for underestimated costs, the court has lessened the contractor's duty to certify accurately and reliably its estimated costs. These and similar decisions have reduced the act's effect and made it much more difficult for Government negotiators to obtain fair and reasonable prices on contracts.

Exceptions created by the case law also discouraged Government officials from pursuing defective pricing cases. Until recent prodding from Congress and the Department of Defense Inspector General, the Defense Contract Auditing Agency [DCAA] gave low priority to conducting defective pricing audits. Less than 5 percent of DCAA's resources were devoted to such audits. Furthermore, procurement officers have often settled defective pricing cases for as little as 10 to 20 cents on each dollars of inaccurate data uncovered by DCAA.

Until last year, the Truth in Negotiations Act did not contain incentives to encourage contractors to settle defective pricing cases in a timely manner or to discourage them from submitting incomplete or inaccurate contract proposals. Contractors who submitted defective pricing data in support of a contract have often been paid many months or years before the contracting officers are able to settle their cases.

As a consequence, contractors who submit defective pricing data have long-term use of the taxpayers' money, and until recently, paid no interest for the use of that money or penalties for submitting defective pricing data. Clearly, contractors had every incentive not to settle cases. For example, the Senate Governmental Affairs Committee uncovered one case in which a contractor agreed that it owed the Government $2 million in overcharges and yet it took almost 3 years to reach a final payment settlement. The contractor paid no fines or interest charges during the time before the case was resolved.

This situation changed with the enactment of the Defense Procurement Improvement Act of 1985 (title IX of the Department of Defense Authorization Act, 1986). Section 934 of this act makes contractors who receive overpayments resulting from defective pricing data liable for interest on the amount of such overpayment. Interest charges are incurred from the date of the overpayment to the contractor to the date the Government is repaid. This section also provides that if the contractor knowingly submitted inaccurate, incomplete, or noncurrent data, he must also pay a penalty equal to the amount of the overpayment.

The bill I offer today would codify this currently free-standing provision into the Truth in Negotiations Act in United States Code, title 10, section 2306.

In addition, my bill would:

Eliminate offsets when the contractor underpriced a portion of his proposal;

Require cost and pricing data to be provided only to the contracting officer or his negotiating representative; and

Exclude the following defenses for submission of defective pricing data:

The price would not have been modified because the contractor was in a sole-source bargaining position;

The price would not have been modified because the contractor was in a superior bargaining position;

The contracting officer should have known the data submitted were defective;

The contract was for sale to a foreign government;

The subcontractor furnished cost data after the conclusion of an agreement;

The contracting officer negotiated only the bottom line (total cost) of the contract; and

The prime contractor or subcontractor did not prepare and submit a certificate as required under the act.

These minor changes will enhance the effectiveness of the Truth in Negotiations Act. The amendments are supported by the DOD Inspector General and received a thorough hearing before the Senate Committee on Governmental Affairs. The House Armed Services Panel on Acquisition Policy, of which I am a member, is scheduled to hold hearings on these changes to TINA next week.

Although this bill would add to the use of TINA, it could reduce the need for bureaucratic oversight by making it unnecessary to reestablish the Renegotiations Board, which Congress terminated in 1979. In the opinion of the DOD Inspector General, a strengthened Truth in Negotiations Act, supported by good defective pricing audits, would be much more effective in eliminating excessive profits than any of the renegotiation proposals.

For these reasons, I urge my colleagues to join me in supporting this bill.

EMERGENCY ASSISTANCE FOR DEPOSITORY INSTITUTIONS AMENDMENTS OF 1986

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York [Mr. LAFALCE] is recognized for 20 minutes.

Mr. LAFALCE. Mr. Speaker, today I am introducing legislation that represents an important and necessary step in our continuing efforts to resolve the serious financial problems facing many members of our Nation's thrift industry and certain sectors of the banking industry as well.

The changing economic environment of the 1980's has caused many financial institutions to experience serious, and sometimes irreperable, financial difficulties. In response to these problems and the concerns of bank and thrift regulators, Congress enacted the Garn-St Germain Depository Institutions Act of 1982. That legislation authorized, on a temporary basis, the FDIC and the FSLIC to permit interstate acquisitions of failing thrift institutions and failed banks by other healthy financial institutions. It also authorized the FDIC and FSLIC to purchase net worth certificates from ailing thrift institutions in order to bolster their net worth and allow thrifts time to restructure their financial portfolios and return to profitability.

Both the emergency acquisition procedures and Net Worth Certificate Program authorized by the Garn-St Germain Act are due to expire on April 15, 1986. Unless these vital provisions are renewed by Congress, the FDIC and the FHLBB will lose two absolutely essential tools that enable them to deal more effectively with troubled financial institutions so as to minimize the costs both to their deposit insurance funds and to the communities in which those troubled financial institutions are located.

Mr. Speaker, the bill I am introducing today would extend for 3 additional years the existing Net Worth Certificate Program with one technical change. It would also amend aspects of the emergency acquisition procedures enacted by the Garn-St Germain Act and would make the emergency acquisition procedures permanent, with the exception of a special procedure for agricultural banks which would sunset 3 years after enactment.

The existing Net Worth Certificate Program partially offsets a thrift institution's losses and is designed to bolster its net worth. The program works as follows: A thrift approved to participate in the program gives its insuring agency—either the FDIC in the case of a savings bank or FSLIC in the case of a savings and loan association—a capital instrument called a "net worth certificate." In return, the insuring agency gives the thrift a promissory note for the same amount. The exchange of a promissory note and a net worth certificate is similar to the idea of raising new capital through the sale of stock. If the thrift eventually fails and is liquidated, the promissory note from the regulator is available as an asset to satisfy the claims of creditors.

Mr. Speaker, it is essential that Congress act to extend the Net Worth Certificate Program for an additional 3 years. Both the FDIC and the FHLBB, as well as thrift industry representatives, have recommended extension of this valuable program. One of the principal benefits of the program is that it provides the FDIC and FSLIC with increased flexibility in dealing with troubled thrift institutions so that they do not have to immediately close a failing thrift or arrange for a fire sale of a troubled institution.

Moreover, the Net Worth Program has the added advantage in these times of budget austerity and strains on our deposit insurance funds of not requiring any immediate cash outlays by the regulators since no cash is involved in a net worth transaction unless a participating institution is actually liquidated. As of this date, neither the FDIC nor FSLIC have had to cash out any outstanding net worth certificates. In sum, the Net Worth Program provides weakened thrifts with an essential commodity they need to restructure their operations for survival in a changing, deregulated banking environment, and that commodity is time. It also provides regulators increased flexibility over the short run in order for them to arrange for longer term solutions to thrift industry problems.

In July of 1985, the GAO issued a report which may have cast some doubt on the effectiveness of the Net Worth Certificate Program. In particular, the GAO report pointed out that thrift institutions that are receiving net worth certificates continued to lose money in 1984 while the rest of the thrift industry had begun to show a slight profit.

In my view, it is not surprising that thrift institutions that were troubled enough to qualify for net worth certificates should still be showing losses in 1984, only 2 years after the Net Worth Program was enacted into law, and even less time after FSLIC and the FDIC had established the administration of their programs and approved applications for net worth certificates. Moreover, the figures for the first three quarters of 1985 provide heartening news about thrifts in the Net Worth Program. During the first quarter of 1985, 34 percent of the net worth certificate institutions were making a profit. By the second quarter, a full 59 percent were profitable. By the third quarter, 60 percent of the net worth certificate thrifts were making a profit. In sum, there is evidence that the Net Worth Program is working and that it has the potential to help ailing thrifts work through their problems and return to profitability.

In light of these facts, it simply does not make sense for Congress to allow the Net Worth Certificate Program to expire. If interest rates increase sharply in the future, the Net Worth Program is an inexpensive way of helping the thrift industry manage during a period of high interest rates. If the Net Worth Program expires, the thrift regulators would be left without a valuable tool which enables them to postpone—and quite probably avoid—more drastic and costly measures to help ailing thrifts. In conclusion, Mr. Speaker, it is very important that Congress act quickly to renew the Net Worth Certificate Program. The program provides many important benefits to thrifts and regulators, and it is a solution that requires no initial cash outlays. In addition, it does not reduce the regulators' authority and flexibility in disposing of problem thrifts if the opportunity to do so exists. Rather, it provides the regulators with a vehicle to temporarily postpone immediate and costly measures to help ailing thrifts.

My bill would make one change in the statutory definition of a thrift qualified to receive net worth certificates. Specifically, under current law, a thrift with low net worth must have incurred losses for two consecutive quarters in order to be eligible for net worth certificates. My bill would continue these existing eligibility requirements, except that it would provide that the determination of a thrift's losses in determining eligibility for net worth certificates should be made without taking into account extraordinary or unusual transactions by a thrift that may give it a temporary paper profit for one quarter. This change is necessary to enable thrifts that engage in one-time transactions for liquidity purposes to still qualify for net worth certificates since their underlying financial condition has not actually improved.

The other provisions of my bill would amend the emergency acquisition procedures of the Garn-St Germain Act with the goal of encouraging more healthy financial institutions to acquire problem banks and thrifts. Amending existing law to promote such acquisitions is a most cost-effective way of infusing essential capital into troubled financial institutions. Moreover, it is a solution that has been advocated by every Federal bank and thrift regulator in recent testimony before the House Banking Committee on ways to solve the financial problems affecting our financial institutions.

Existing law—which expires on April 15, 1986—contains a number of requirements which impose unnecessary and burdensome requirements which have had the unintended effect of discouraging acquisitions of troubled financial institutions. The first of these, which is one of the most burdensome for bank and

thrift regulators, is the so-called required bidding order that regulators must follow before they may approve acquisitions of failing thrifts and failed banks under the Garn-St Germain Act's emergency acquisition procedures. Under the required bidding order, FSLIC and the FDIC are required to approve bids for ailing thrifts and banks using the following priorities: First, depository institutions of the same type in the same State; second, institutions of the same type in different States; third, institutions of different types in the same State; fourth, institutions of different types in different States. Also, if the qualified offer presenting the lowest expense to FSLIC or the FDIC is from an institution that is not an instate institution of the same type as the financially ailing bank or thrift, the regulators are required to solicit additional offers from any such instate offeror whose original bid was within 15 percent or $15 million, whichever is less, of the initial lowest acceptable offer.

As I mentioned above, both the FHLBB and the FDIC have advocated the elimination of these required bidding priorities established by the Garn-St Germain Act. Eliminating these mandated bidding preferences will increase the regulators' flexibility to negotiate emergency acquisitions of thrifts and banks and will result in at least two concrete benefits. First, it will allow more creative solutions to the problems of troubled financial institutions, which will benefit the regulators both administratively and financially. Second, it will encourage qualified and much needed capital sources, both instate and out of state, to participate more actively and at an earlier stage in the restructuring of troubled institutions.

In recent testimony before the Financial Institutions Subcommittee of the House Banking Committee, the FHLBB noted that the Garn-St Germain Act's required bidding and rebidding process contains a clear bias against out-of-state bidders which often discourages them from participating in bidding conferences at all. Discouraging a large block of financial institutions from participating in such bidding conferences precludes many potential offers presenting the lowest expense to FSLIC. These arguments apply equally to the FDIC, which must use the same bidding process when arranging emergency acquisitions of failed banks and failing thrifts under its jurisdiction. Again, these four-tiered bidding priorities have perhaps had the unintended effect of slowing down the process of eliciting the best possible bids—or even any bids—for financially troubled thrifts and banks at the earliest possible time. Such dilatory and discouraging requirements are the last things Congress should continue to burden the regulators with during a time when they need to act as quickly as possible to find creative and workable solutions for ailing banks and thrifts.

A number of other requirements of the Garn-St Germain Act's emergency acquisition procedures have also had the effect of discouraging acquisitions of problem depository institutions by healthy ones, thereby contributing significantly to the costs FSLIC and the FDIC must assume in dealing with ailing institutions. First, existing law permits acquisitions of banks under the emergency acquisition procedures only if they have assets of $500 million or more and if they are already closed.

According to figures available from the FDIC, as of December 31, 1984, there were only 484 banks and trust companies out of a total of 14,496 in this country with assets of $500 million or more. This means that 14,012 banks and trust companies, many of which are located in small communities without many banking alternatives, are completely excluded from the existing emergency acquisition procedures of the Garn-St Germain Act. Not allowing most of our banks to be acquired through emergency acquisition procedures results in signficantly higher costs to FDIC in dealing with failed and failing banks. In addition, permitting banks to fail, rather than arranging for their acquisition by other financially viable institutions, can cause devestating effects to communities served by the failed banks. These secondary effects of bank failures include business contraction in a community, unemployment, and the loss of banking services.

Another serious problem with the existing emergency acquisition provisions is that they only permit acquisitions of banks after they have actually closed. No less costly acquisition can be arranged by the FDIC when a bank is in imminent danger of closing, but has not yet closed.

Due in large part to the extremely restrictive nature of the Garn-St Germain emergency acquisition procedures for banks, only one interstate acquisition of a bank has been arranged under the emergency acquisition provisions since they were enacted in 1982. As we all know, there have been many more than a single bank failure since 1982. In 1985 alone, 118 insured commercial banks failed.

Mr. Speaker, to address these serious deficiencies in existing law which have had the unintended effect of contributing to the financial drain on the FDIC's resources and disrupting local communities, my bill would amend existing law to permit emergency acquisitions of banks that are either in danger of closing or closed and would lower the asset threshold level for ailing bank acquisitions from $500 million to $100 million. Both these essential changes will permit bank regulators more flexibility to arrange for less costly acquisitions of failing banks by healthy financial institutions.

Nowhere are banking industry's problems currently felt more urgently than by banks that lend primarily to the energy and agricultural sectors of our economy. Over the past several months, the economics of the world's energy markets have changed radically. The spot price for west Texas intermediate crude oil has fallen from $31 a barrel to about $12 a barrel today. These declines in oil prices have already begun to cause significant problems for many banks located in oil and gas producing States. Although the extent of these problems cannot yet be determined with precision, it is clear that the declining energy economy is having adverse effects on many industries that have ties to oil producers, including the banking industry. The changes my bill makes to the emergency bank acquisition provisions of the Garn-St Germain Act represent an important step in providing bank regulators with the additional flexibility they need to arrange for long-term solutions to the urgent problems which will be faced by many of our energy banks in the near future.

Another area in which a great many of our Nation's banks are experiencing severe financial difficulties is in the agricultural sector of our economy. The condition of many agricultural banks has seriously deteriorated due to their heavy concentration in farm lending and the growing credit quality problems in that sector.

As of mid-year 1985, there were about 3,900 agricultural banks—defined typically as a bank with 25 percent or more of its loan portfolio in agricultural loans—in our country. Most of them are located in the Midwestern States. These banks typically are very small, with average assets of only $28 million. Indeed, only seven agricultural banks had assets in excess of $200 million.

Moreover, according to a recent study by the FDIC on farm banks, the problems faced by our agricultural banks continue to grow more serious and are likely to worsen over the next 2 years. For example, the FDIC noted in its study that a full 23 percent of all farm debt may be in some near-term danger of liquidation, while another 22 percent is moving in that direction. According to the FDIC, agricultural bank failures as a percentage of total commercial bank failures have grown from 20 percent in 1982 to over 50 percent last year. While nonagricultural banks failed at about the same pace in 1985 as in 1984, agricultural bank failures increased significantly. In 1985, 62 of our country's agricultural banks failed with average assets of only about $21 million. Finally, the FDIC disclosed that, at yearend 1985, nearly 40 percent of problem commercial banks were agricultural banks, an increase from 24 percent only 2 years earlier.

Most indications are that farm bank problems will continue during 1986 and 1987. Estimates of additional losses on total farm loans under current conditions range from about $7 billion up to $20 billion over a 3- to 4-year period. Thus, it is likely that a substantial amount of losses have yet to be realized by farm banks. The FDIC estimates that agricultural bank failures could range from roughly 70 to 150 in 1986, and from 60 to 150 in 1987.

Something needs to be done to help these ailing farm banks and the communities they serve. While the Federal Reserve Board, the FDIC, and the OCC has recently initiated much-needed policies designed to ease the financial strains on agricultural banks and their borrowers through capital forbearance and the relaxation of reporting requirements for restructured debt, more needs to be done to help seriously ailing farm banks and their communities.

The existing Garn-St Germain Act emergency acquisition procedures virtually preclude emergency acquisition of agricultural banks since they are so small, with average assets of only about $28 million. Even under my bill, which would lower the threshold level for emergency bank acquisitions to $100 million, the vast majority of agricultural banks would be excluded from the general bank acquisition provision. For this reason, my bill would permit special treatment for emergency acquisition of agricultural banks on a temporary basis. Spe-

cifically, my bill would permit emergency acquisitions of agricultural banks without regard to their asset size for 3 years from the date of the bill's enactment. As is the case for all commercial banks under my bill, agricultural banks could be acquired if they were either "in danger of closing" or actually closed. These changes will encourage takeovers of problem agricultural banks by healthy financial institutions, reducing the adverse effects of farm bank problems and failures. Through such acquisitions, more communities will be able to retain their existing banking services, and the FDIC will have to become less involved in the financial affairs of farm communities.

Finally, my bill would amend the Garn-St Germain Act's emergency acquisition procedures to also encourage more acquisitions of problem thrift institutions by profitable depository institutions. Under current law, FSLIC may arrange acquisition of failed and failing thrifts if FSLIC also determines that a general situation exists throughout the thrift industry threatening the stability of FSLIC due to problems in a significant number of institutions.

My bill would change the existing requirements to permit emergency acquisitions of thrifts before they are in imminent danger of failing and without requiring a determination by FSLIC that general adverse conditions exist in the thrift industry as a whole. Specifically, under my bill, FSLIC could arrange an emergency thrift acquisition of a particular thrift that is either failed or danger of failing, or if FSLIC determines that severe financial conditions affecting that particular thrift pose a risk to the FSLIC insurance fund.

Mr. Speaker, both the thrift industry and its regulators have expressed their support for initiatives that will make acquisitions of problem thrift institutions more attractive to healthy financial institutions. One way to encourage such acquisitions is to permit thrift to be acquired before they are in such bad financial condition that they are in imminent danger of failing, as I am recommending. An added benefit of the change I am proposing is that it could potentially save FSLIC a great deal of money since arranging acquisitions is much less costly to FSLIC than is paying off depositors and trying to sell the assets of a failed thrift.

The change I am recommending is also a particularly timely one in light of information released in a recent GAO report indicating that nearly 1,300 out of 3,180 FSLIC-insured institutions were in a weakened condition when judged under conventional standards of financial strength. The assets of these institutions totaled approximately $433.3 billion, and they comprised a full 42.8 percent of the industry's total assets. While it is unlikely that all of these weakened thrifts will require financial assistance from FSLIC to resolve their problems, Chairman Gray of the FHLBB recently estimated that about 8 percent of FSLIC-insured institutions should be considered potential problem cases for FSLIC. In these times of severe strain on dwindling FSLIC reserves, it is absolutely essential that Congress act to provide FSLIC with the maximum flexibility it needs to arrange for resolutions of the problems faced by many of our thrift institutions. My bill would grant FSLIC such additional flexibility.

In conclusion, Mr. Speaker, I urge Congress to enact the legislation I have introduced today. The emergency acquisition powers of the Garn-St Germain Act of 1982 were enacted to grant industry regulators more avenues to cope with the incipient crises among depository institutions, particularly thrifts, that the country faced in 1982. Although the crisis has subsided somewhat in the thrift industry due in part to falling interest rates and portfolio restructuring, the problems faced by our Nation's agricultural and energy banks continue to mount. In addition, there are still many difficulties facing the thrift industry and its insurance funds. These continuing problems argue strongly for extension of the Garn-St Germain Act's Net Worth Certificate Program and for continuation of its emergency acquisition procedures with the modifications I have proposed to them. Only through the enactment of my legislation, permitting a more flexible acquisition policy for troubled banks and thrifts, can more bidders be found for these problem institutions. In these times of budget cutting and high deficits, it is not easy to find solutions to problems that cost the Government little or no money. My bill is just such a solution.

My bill does not contain a comprehensive solution to every problem facing financial institutions. Rather, it represents a step in the right direction toward solving these problems. The Federal regulators have taken some steps on their own to ameliorate the difficulties faced by agricultural banks, and I applaud these efforts. However, more still needs to be done. I look forward to working with the Federal regulators and other members of the House and Senate Banking Committees in order to enact meaningful reforms that will encourage infusions of capital by healthy financial institutions into those institutions that are experiencing financial difficulties.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. Bartlett) to revise and extend their remarks and include extraneous material:)

Mr. Gingrich, for 60 minutes today.
Mr. Walker, for 5 minutes today.

(The following Members (at the request of Mr. VENTO) to revise and extend their remarks and include extraneous material:)

Mr. KLECZKA, for 5 minutes today.
Mr. ENGLISH, for 5 minutes today.
Mr. ANNUNZIO, for 5 minutes today.
Mr. MONTGOMERY, for 5 minutes today.
Mr. SPRATT, for 30 minutes today.
Mr. FRANK, for 30 minutes today.
Mr. LAFALCE, for 20 minutes today.
Mr. GAYDOS, for 60 minutes today.
Mr. GONZALEZ, for 60 minutes today.
Mr. GAYDOS, for 60 minutes, on April 9.
Mr. DURBIN, for 60 minutes, on April 9.
Mr. HOYER, for 5 minutes, on April 10.
Mr. FRANK, for 5 minutes, on April 10.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of (Mr. BARTLETT) and to include extraneous matter:)

Mrs. SCHNEIDER.
Mr. LUNGREN.
Mr. GREEN.
Mr. COURTER in three instances.
Mr. JEFFORDS.
Mr. BROYHILL in two instances.
Mr. KINDNESS.
Mr. BLILEY.
Mr. SHUMWAY.
Mr. GUNDERSON in two instances.
Mr. GRADISON.
Mr. LAGOMARSINO.
Mr. LENT.

(The following Members (at the request of (Mr. VENTO) and to include extraneous matter:)

Mr. ANDERSON in 10 instances.
Mr. GONZALEZ in 10 instances.
Mrs. LLOYD in five instances.
Mr. HAMILTON in 10 instances.
Mr. BROWN of California in 10 instances.
Mr. ANNUNZIO in six instances.
Mr. JONES of Tennessee in 10 instances.
Mr. BONER of Tennessee in five instances.
Mr. DE LA GARZA in 10 instances.
Mr. OWENS in two instances.
Mrs. BOXER.
Ms. MIKULSKI.
Mr. MURTHA.
Mr. COELHO in four instances.
Mr. MATSUI.
Mr. REID.
Mr. RAHALL.
Mr. BENNETT.
Mr. ASPIN.
Mr. WEISS.
Mr. HERTEL of Michigan.
Mr. BORSKI in four instances.
Mr. STARK.
Mr. FRANK in two instances.
Mr. SCHUMER.
Mr. DARDEN.

SENATE JOINT RESOLUTIONS AND A CONCURRENT RESOLUTION

Joint resolutions and a concurrent resolution of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S.J. Res. 263. Joint resolution to designate the week of September 7 through September 13, 1986, as "National Independent Retail Grocer Week"; to the Committee on Post Office and Civil Service.

S.J. Res. 264. Joint resolution designating April 28, 1986, as "National Nursing Home Residents Day"; to the Committee on Post Office and Civil Service.

S.J. Res. 279. Joint resolution to designate the month of October 1986, as "Lupus Awareness Month"; to the Committee on Post Office and Civil Service.

S.J. Res. 294. Joint resolution to designate the month of April 1986 as "National Child Abuse Prevention Month"; to the Committee on Post Office and Civil Service.

S.J. Res. 296. Joint resolution to designate October 16, 1986, as "World Food Day"; to the Committee on Post Office and Civil Service.

S.J. Res. 308. Joint resolution designating March 25, 1986, as "Greek Independence Day: A National Day of Celebration of Greek and American Democracy"; to the Committee on Post Office and Civil Service.

S. Con. Res. 95. Concurrent resolution to recognize and honor the contributions of Consumers Union; to the Committee on Energy and Commerce.

ENROLLED BILL SIGNED

Mr. ANNUNZIO, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker pro tempore.

H.R. 3128. An act to provide for reconciliation pursuant to section 2 of the first concurrent resolution on the budget for fiscal year 1986 (S. Con. Res. 32, 99th Congress).

SENATE ENROLLED JOINT RESOLUTION SIGNED

The SPEAKER pro tempore announced his signature to an enrolled joint resolution of the Senate of the following title:

S.J. Res. 52. Joint resolution to designate the month of April 1986 as "National School Library Month."

BILL AND JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. ANNUNZIO, from the Committee on House Administration, reported that that committee did on the following days present to the President, for his approval, a bill and joint resolution of the House of the following titles:

On March 26, 1986:

H.J. Res. 573. Joint resolution making a repayable advance to the hazardous substance response trust fund.

On April 4, 1986:

H.R. 3128. An act to provide for reconciliation pursuant to section 2 of the first concurrent resolution on the budget for fiscal year 1986 (S. Con. Res. 32, 99th Congress,)

ADJOURNMENT

Mr. HEFNER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 1 o'clock and 56 minutes p.m.), under its previous order, the House adjourned until tomorrow, Wednesday, April 9, 1986, at 10 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

3109. A communication from the President of the United States, transmitting requests for supplemental appropriations for fiscal year 1986, pursuant to 31 U.S.C. 1107 (H. Doc. No. 99-187); to the Committee on Appropriations and ordered to be printed.

3110. A letter from the Assistant Secretary of the Army (Installations and Logistics), transmitting a report of the emergency disposal of a suspected chemical agent bomblet at Dugway Proving Ground, UT, pursuant to 50 U.S.C. 1518; to the Committee on Armed Services.

3111. A letter from the Assistant Secretary of the Navy (Shipbuilding and Logistics), transmitting notification of the plan to study the conversion of various functions to contractor performance at several locations, pursuant to 10 U.S.C. 2304 nt.; to the Committee on Armed Services.

3112. A letter from the Assistant Secretary of Defense (Comptroller), transmitting a report on current major defense acquisition programs (Quarterly Selected Acquisition Report), pursuant to 10 U.S.C. 139a (b)(1) and (f) (96 Stat. 740); to the Committee on Armed Services.

3113. A letter from the Assistant Secretary of Defense (Force Management and Personnel), transmitting a report on feasibility of issuing food stamp coupons to overseas households of members stationed outside the U.S., pursuant to 10 U.S.C. 133 nt.; to the Committee on Armed Services.

3114. A letter from the Assistant Secretary of the Air Force (Manpower, Reserve Affairs and Installations), transmitting a draft of proposed legislation to amend section 671 of title 10, United States Code, to permit the assignment of active duty members of the armed forces outside the United States after completion of basic training requirements; to the Committee on Armed Services.

3115. A letter from the General Counsel, Department of Defense, transmitting a draft of proposed legislation to amend Chapter 47 of title 10, United States Code (Uniform Code of Military Justice), to clarify that military judges may perform certain trial functions, even though the membership of a court-martial has been temporarily reduced below quorum, and to permit additional peremptory challenges when additional court members are detailed to a court-martial; to the Committee on Armed Services.

3116. A letter from the General Counsel, Department of Defense, transmitting a draft of proposed legislation to amend title 10, United States Code, to increase the number of members of the Selected Reserve who may be ordered to active duty, other than during a war or national emergency, to augment the active forces for an operational mission; to the Committee on Armed Services.

3117. A letter from the General Counsel, Department of Defense, transmitting a draft of proposed legislation to terminate the status as uniformed service treatment facilities of all former Public Health Service hospitals and stations and repeal requirements for on-going studies, demonstrations and reports associated with such facilities; to the Committee on Armed Services.

3118. A letter from the General Counsel, Department of Defense, transmitting a draft of proposed legislation to amend Chapter 47 of title 10, United States Code (Uniform Code of Military Justice), to simplify trial and post-trial proceedings and to modify the statute of limitations; to the Committee on Armed Services.

3119. A letter from the Administrators, General Services Administration, transmitting a draft of proposed legislation to authorize the disposal of certain strategic and critical materials from the National Defense Stockpile and to grant the Administrator of General Services the authority to transfer funds from the National Defense Stockpile Transaction Fund to the General Fund; to the Committee on Armed Services.

3120. A letter from the First Vice President and Vice Chairman, Export-Import Bank of the United States, transmitting a report on loan, guarantee and insurance transactions supported by Eximbank during January 1986 to Communist countries, pursuant to 12 U.S.C. 635(b)(2); to the Committee on Banking, Finance and Urban Affairs.

3121. A letter from the Chairman, Federal Financial Institutions Examination Council, transmitting the Council's 1985 annual report; to the Committee on Banking, Finance and Urban Affairs.

3122. A letter from the Chairman, National Advisory Council on International Monetary and Financial Policies, Department of the Treasury, transmitting a special report on United States membership in the Multilateral Investment Guarantee Agency (MIGA); to the Committee on Banking, Finance and Urban Affairs.

3123. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 6-143, "D.C. Uniform Conservation Easement Act of 1986", and Report, pursuant to Public Law 93-198, section 602(c); to the Committee on the District of Columbia.

3124. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 6-144, "Closing of a Portion of a Public Alley in Square 780, S.O. 84-155, Act of 1986", and Report, pursuant to Public Law 93-198, section 602(c); to the Committee on the District of Columbia.

3125. A letter from the Auditor, District of Columbia, transmitting a copy of his report entitled, "A Review of Substance Abuse Testing Programs in the Fiscal Year 1987 Budget", pursuant to Public Law 93-198, section 455(d); to the Committee on the District of Columbia.

3126. A letter from the Auditor, District of Columbia, transmitting a copy of his report entitled, "Review of the District's Fiscal Year 1987 Budget For Funds For Alternative Uses", pursuant to Public Law 93-198, section 455(d); to the Committee on the District of Columbia.

3127. A letter from the Secretary, Department of Education, transmitting a report on waivers of requirements of sections 312(2)(A)(ii) or 322(a)(2)(ii) of the HEA, pursuant to 20 U.S.C. 1067(a) (2); to the Committee on Education and Labor.

3128. A letter from the Chairman, National Advisory and Coordinating Council on Bilingual Education, Department of Education, transmitting the Tenth Annual Report of the National Advisory and Coordinating Council on Bilingual Education, pursuant to 20 U.S.C. 3262(c); to the Committee on Education and Labor.

3129. A letter from the Secretary of Education, transmitting the Guaranteed Student Loan Family Contribution Schedule for 1986-1987, pursuant to 20 U.S.C. 1078 nt. (Pub. L. 97-301, 9(c) (97 Stat. 481)); 20 U.S.C. 1089(a)(2); to the Committee on Education and Labor.

3130. A letter from the Chairman of the Board, Student Loan Marketing Association, transmitting the annual report of the association, pursuant to HEA section 439(n) (90

Stat. 2141); to the Committee on Education and Labor.

3131. A letter from the Secretary of Health and Human Services, transmitting a report on the most effective means of providing Federal financial support for the provision of medical treatment, general care, and appropriate social services for disabled infants with life-threatening conditions, pursuant to Public Law 98-457, section 125; to the Committee on Education and Labor.

3132. A letter from the Secretary of Education, transmitting program reviews of projects funded by the Indian Education Act, pursuant to Public Law 92-318, section 411; to the Committee on Education and Labor.

3133. A letter from the Administrator, Energy Information Administration, Department of Energy, transmitting the second quarterly report, including the annual summary, on coal imports (October-December 1985), pursuant to 42 U.S.C. 7277(a); to the Committee on Energy and Commerce.

3134. A letter from the Secretary of Health and Human Services, transmitting a report on research into the effects of changes in the ozone in the stratosphere upon humans, pursuant to 42 U.S.C. 7454(e); to the Committee on Energy and Commerce.

3135. A letter from the Administrator, Environmental Protection Agency, transmitting a draft of proposed legislation to amend and extend the Toxic Substances Control Act, as amended, for 2 years; to the Committee on Energy and Commerce.

3136. A letter from the Administrator, Environmental Protection Agency, transmitting a draft of proposed legislation to extend certain provisions of the Safe Drinking Water Act, as amended, for 2 years; to the Committee on Energy and Commerce.

3137. A letter from the Administrator, Environmental Protection Agency, transmitting a draft of proposed legislation to amend and extend the Clean Air Act, as amended, for 2 years; to the Committee on Energy and Commerce.

3138. A letter from the Administrator, Energy Information Administration, Department of Energy, transmitting a comprehensive analysis of the potential for coal imports in the United States in 1995, pursuant to Public Law 99-58, section 203; to the Committee on Energy and Commerce.

3139. A letter from the Chairman, Federal Communications Commission, transmitting the Commission's annual report on Goals, Objectives and Priorities, Fiscal Years 1986, 1987, and 1988/Accomplishments Fiscal Year 1985, pursuant to the Act of June 19, 1934, chapter 652 section 5(g) (95 Stat. 738); to the Committee on Energy and Commerce.

3140. A letter from the Secretary of Health and Human Services, transmitting a report on the experience of the Department in implementing the Freedom of Choice Waiver provisions contained in section 1915(b) of the Social Security Act, pursuant to section 1915(e)(2); to the Committee on Energy and Commerce.

3141. A letter from the Acting Assistant Secretary of State for Legislative and Intergovernmental Affairs, transmitting notification of a proposed license for the export of defense articles or defense services sold commercially under a contract in the amount of $50,000,000 or more (Transmittal No. MC-17-86), pursuant to 22 U.S.C. 2776(c); to the Committee on Foreign Affairs.

3142. A letter from the Acting Assistant Secretary of State for Legislative and Intergovernmental Affairs, transmitting notification of a proposed license for the export of defense articles and defense services sold commercially under a contract in the amount of $50,000,000 or more to the Government of Egypt (Transmittal No. MC-16-86), pursuant to 22 U.S.C. 2776(c); to the Committee on Foreign Affairs.

3143. A letter from Acting Director, Defense Security Assistance Agency, transmitting a report containing an analysis and description of services performed by full-time USG emloyees as of September 30, 1985, for which reimbursement is provided under section 21(a) or section 43(b) of the Arms Export Control Act, pursuant to 22 U.S.C. 2765(a); to the Committee on Foreign Affairs.

3144. A letter from the Acting Director, Defense Security Assistance Agency, transmitting notification of the Department of the Army's proposed Letter of Offer to Pakistan for defense articles and services estimated to cost $20 million (Transmittal No. 86-28), pursuant to 22 U.S.C. 2776(b); to the Committee on Foreign Affairs.

3145. A letter from the Acting Director, Defense Security Assistance Agency, transmitting notification of the Department of the Air Force's proposed Letter of Offer to the People's Republic of China for defense articles and services estimated to cost $550 million (Transmittal No. 86-27), pursuant to 22 U.S.C. 2776(b); to the Committee on Foreign Affairs.

3146. A letter from the Assistant Secretary of State for Legislative and Intergovernmental Affairs, transmitting notification of the Department's intention to add the Philippines to the list of participants in the Anti-Terrorism Assistance Program, pursuant to FAA, section 574(a)(1) (97 Stat. 972); to the Committee on Foreign Affairs.

3147. A letter from the President of the United States, transmitting a report prepared by the Department of State concerning international agreements transmitted to Congress after the deadline for their submission, pursuant to 1 U.S.C. 112b(b); to the Committee on Foreign Affairs.

3148. A letter from the Secretary of State, transmitting the semiannual report for the period April 1985-September 1985 listing Voluntary Contributions made by the U.S. to International Organizations, pursuant to 22 U.S.C. 2226(b)(1); to the Committee on Foreign Affairs.

3149. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to 1 U.S.C. 112b(a); to the Committee on Foreign Affairs.

3150. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to 1 U.S.C. 112b(a); to the Committee on Foreign Affairs.

3151. A letter from the Under Secretary of State for Management, transmitting a report on the implementation of travel controls on certain United Nations Secretariat and Mission employees, pursuant to 22 U.S.C. 4309a(b)(2); to the Committee on Foreign Affairs.

3152. A letter from the Acting Executive Director, Board for International Broadcasting, transmitting a draft of proposed legislation to make required amendments to the Board for International Broadcasting Act of 1973 and to authorize appropriations for the Board to carry out its responsibilities as specified in that Act; to the Committee on Foreign Affairs.

3153. A letter from the Director, United States Information Agency, transmitting a draft of proposed legislation to authorize appropriations for the United States Information Agency for the fiscal year ending September 30, 1987, and for other purposes; to the Committee on Foreign Affairs.

3154. A letter from the President, African Development Foundation, transmitting a draft of proposed legislation to authorize appropriations for the African Development Foundation; to the Committee on Foreign Affairs.

3155. Communication from the President of the United States transmitting a report of the peaceful exercise conducted as part of a global Freedom of Navigation program (H. Doc. No. 99-188); to the Committee on Foreign Affairs and ordered to be printed.

3156. A letter from the Comptroller General of the United States, transmitting a report entitled, "Compliance Report for Fiscal Year 1986—Balanced Budget and Emergency Deficit Control Act of 1985" (GAO/OCG-86-2), pursuant to 2 U.S.C. 903; to the Committee on Government Operations.

3157. A letter from the Acting Chairman, Farm Credit Administration, transmitting the agency's annual report of its activities under the Freedom of Information Act during calendar year 1985, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

3158. A letter from the Acting Chairman, Federal Trade Commission, transmitting the agency's annual report of its activities under the Government in the Sunshine Act during calendar year 1985, pursuant to 5 U.S.C. 552b(j); to the Committee on Government Operations.

3159. A letter from the Acting Director, Selective Service System, transmitting the agency's annual report of its activities under the Freedom of Information Act during calendar year 1985, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

3160. A letter from the Administrator, U.S. Small Business Administration, transmitting the agency's annual report on competition in contracting, pursuant to 41 U.S.C. 419; to the Committee on Government Operations.

3161. A letter from the Chairman, Board of Governors, Federal Reserve System, transmitting the annual report of the Federal Open Market Committee of the Federal Reserve System covering its activities under the Freedom of Information Act during calender year 1985, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

3162. A letter from the Chairman, Board of Governors, Federal Reserve System, transmitting the Board's ninth annual report covering its activities under the Government in the Sunshine Act during calendar year 1985 pursuant to 5 U.S.C. 552b(j); to the Committee on Government Operations.

3163. A letter from the Chairman, Federal Maritime Commission, transmitting the Commission's annual report covering fiscal year 1985 on its compliance with the requirements of the internal accounting and administrative control system, pursuant to 31 U.S.C. 3512(c)(3); to the Committee on Government Operations.

3164. A letter from the Chairman, National Endowment for the Arts, transmitting

the agency's annual report of its activities under the Freedom of Information Act during calendar year 1985, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

3165. A letter from the Comptroller General of the United States, transmitting a copy of a joint study by the Office of the Auditor General of Canada and the United States General Accounting Office on identifying the information needs of users of Federal Government financial information; to the Committee on Government Operations.

3166. A letter from the Assistant Secretary for Policy, Budget and Administration, Department of the Interior, transmitting the annual report on competition during fiscal year 1985, pursuant to 41 U.S.C. 419; to the Committee on Government Operations.

3167. A letter from the Under Secretary for Small Community and Rural Development, Department of Agriculture, transmitting notification of a proposed new records system by the Federal Crop Insurance Corporation, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

3168. A letter from the Inspector General, Department of Housing and Urban Development, transmitting notice of the Department's intent to conduct a computer matching program, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

3169. A letter from the General Counsel, Foreign Claims Settlement Commission of the United States, Department of Justice, transmitting notification of a proposed new system of records for claims against the Government of Ethiopia, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

3170. A letter from the Deputy Administrator of Veterans Affairs, Veterans Administration, transmitting notification of a proposed computer matching program, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

3171. A letter from the Director of Administration, National Labor Relations Board, transmitting notification of two proposed new Federal records systems, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

3172. A letter from the Executive Director, Pension Benefit Guaranty Corporation, transmitting the agency's annual report of its activities under the Freedom of Information Act during calendar year 1985, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

3173. A letter from the Solicitor, United States commission on Civil Rights, transmitting a report on the Commission's compliance with the laws relating to open meetings of agencies of the Government (Government in the Sunshine Act) during calendar year 1985, pursuant to 5 U.S.C. 552b(j); to the Committee on Government Operations.

3174. A letter from the Assistant Attorney General for Administration, U.S. Department of Justice, transmitting notification of a proposed new Federal records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

3175. A letter from the Deputy Associate Director for Royalty Management, Department of the Interior, transmitting notification of proposed refunds of excess royalty payments in OCS areas, pursuant to 43 U.S.C. 1339(b); to the Committee on Interior and Insular Affairs.

3176. A letter from the Deputy Associate Director for Royalty Management, Department of the Interior, transmitting notification of proposed refunds of excess royalty payments in OCS areas, pursuant to 43 U.S.C. 1339(b); to the Committee on Interior and Insular Affairs.

3177. A letter from the Acting Assistant Secretary for Water and Science, Department of the Interior, transmitting notification of a deferment of the 1985 construction repayment installments due the United States from Kirwin Irrigation District No. 1, Pick-Sloan Missouri Basin Program, KS, pursuant to 43 U.S.C. 485b-1; to the Committee on Interior and Insular Affairs.

3178. A letter from the Assistant Secretary for Water and Science, Department of the Interior, transmitting notification of a deferment of the 1985 construction repayment installments due the United States from Webster Irrigation District No. 4, Pick-Sloan Missouri Basin Program, KS, pursuant to 43 U.S.C. 485-1; to the Committee on Interior and Insular Affairs.

3179. A letter from the Secretary of the Interior, transmitting a report on the leasing systems for the Central Gulf of Mexico, Sale 104, scheduled to be held in April 1986, pursuant to 43 U.S.C. 1337(a)(8); to the Committee on Interior and Insular Affairs.

3180. A letter from the Secretary of the Interior, transmitting notification of his decision not to renew the charter of the Cape Cod National Seashore Advisory Commission; to the Committee on Interior and Insular Affairs.

3181. A letter from the Director, Bureau of Justice Statistics, transmitting a report on the Bureau's activities during fiscal year 1985, pursuant to 42 U.S.C. 3732; to the Committee on the Judiciary.

3182. A letter from the Chief Immigration Judge, Executive Office for Immigration Review, Department of Justice, transmitting a report on grants of Suspension of Deportation of certain aliens of good character and with required residency when deportation causes hardship under section 244(a) of the Immigration and Nationality Act, pursuant to 8 U.S.C. 1254(c); to the Committee on the Judiciary.

3183. A letter from the Director, Administrative Office of the United States Courts, transmitting a draft of proposed legislation to provide for the administration of bankruptcy estates within the Judiciary; to the Committee on the Judiciary.

3184. A letter from the Secretary of Commerce, transmitting a report entitled "Federal Coastal Programs Review", pursuant to 16 U.S.C. 1462; to the Committee on Merchant Marine and Fisheries.

3185. A letter from the Chairman, Federal Maritime Commission, transmitting a report on the Commission's activities for the 1985 fiscal year, pursuant to the Act of June 29, 1936, chapter 858, section 208 (90 Stat. 380); to the Committee on Merchant Marine and Fisheries.

3186. A letter from the Secretary of Transportation, transmitting a draft of proposed legislation to authorize appropriations for the fiscal years 1987 and 1988 for certain maritime programs of the Department of Transportation, and for other purposes; to the Committee on Merchant Marine and Fisheries.

3187. A letter from the Director, Office of Personnel Management, transmitting a draft of proposed legislation to amend title 5, United States Code, to reform the civil service retirement system, and for other purposes; to the Committee on Post Office and Civil Service.

3188. A letter from the Executive Assistant, Personnel Appeals Board, General Accounting Office, transmitting a report on the Board's activities for the period October 1, 1984, through September 30, 1985; to the Committee on Post Office and Civil Service.

3189. A letter from the Acting Chairman, Merit Systems Protection Board, transmitting a report on the Board's activities during calendar year 1985, pursuant to 5 U.S.C. 1209(b); to the Committee on Post Office and Civil Service.

3190. A letter from the Secretary of Transportation, transmitting the Department's fourth annual report of accomplishments under the Airport Improvement Program, pursuant to Public Law 97-248, section 521; to the Committee on Public Works and Transportation.

3191. A letter from the Acting Assistant Secretary, Department of the Interior, transmitting a draft of proposed legislation authorizing appropriations to the Secretary of the Interior for services necessary to the nonperforming arts functions of the John F. Kennedy Center for the Performing Arts, and for other purposes; to the Committee on Public Works and Transportation.

3192. A letter from the Acting General Counsel, Federal Emergency Management Agency, transmitting a draft of proposed legislation to authorize appropriations for activities under the Disaster Relief Act, as amended; to the Committee on Public Works and Transportation.

3193. A letter from the Administrator, Environemtnal Protection Agency, transmitting a draft of proposed legislation to amend and extend the Federal Water Pollution Control Act, as amended, for 2 years; to the Committee on Public Works and Transportation.

3194. A letter from the Chairman, Board of Directors, Tennessee Valley Authority, transmitting the 52d annual report on the activities of the TVA during fiscal year 1985, pursuant to the Act of May 18, 1933, chapter 32, section 9(a) (90 Stat. 377); to the Committee on Public Works and Transportation.

3195. A letter from the Administrator, Environmental Protection Agency, transmitting a draft of proposed legislation to authorize appropriations for environmental research, development, and demonstration for fiscal years 1987 and 1988; to the Committee on Science and Technology.

3196. A letter from the Acting Administrator, Small Business Administration, transmitting a draft of proposed legislation to establish within the Department of Commerce a Small Business Administration, to terminate certain functions of the present Small Business Administration, to transfer certain functions of the present Small Business administration to the Secretaries of Commerce and the Treasury, and for other purposes; to the Committee on Small Business.

3197. A letter from the Deputy Administrator, Veterans Administration, transmitting a draft of proposed legislation to amend title 38, United States Code, to extend the authority of the Veterans' Administration to provide contract care to U.S. veterans in the Veterans Memorial Medical Center, and to provide grants to States for State veterans homes, and for other purposes; to the Committee on Veterans' Affairs.

3198. A letter from the Secretary of Commerce, transmitting the results of the Department's study of current practices applied in making adjustments to purchase price, exporter's sales price, foreign market value, and constructed value in determining

antidumping duties, pursuant to Public Law 98-573, section 624 (98 Stat. 3042); to the Committee on Ways and Means.

3199. A letter from the General Counsel, Department of Defense, transmitting a draft of proposed legislation to amend section 912(1) of the Internal Revenue Code of 1954 by including a paragraph which would grant comparable tax treatment of allowances provided to certain Department of Defense personnel under section 9(b)(1) of the National Security Agency Act of 1959 (50 U.S.C. 402 note); to the Committee on Ways and Means.

3200. A letter from the General Counsel, Department of the Treasury, transmitting a draft of proposed legislation to authorize appropriations for the United States Customs Service for fiscal years 1987 and 1988; to the Committee on Ways and Means.

3201. A letter from the Director, Office of Technology Assessment, transmitting the second report on the Prospective Payment Assessment Commission (ProPAC), pursuant to SSA, section, 1886(e)(6)(G)(i) (97 Stat. 161); to the Committee on Ways and Means.

3202. A letter from the Secretary of Health and Human Services, transmitting a draft of proposed legislation to amend the Social Security Act to make administrative improvements in the programs of aid to families with dependent children and child support enforcement, and for other purposes; to the Committee on Ways and Means.

3203. A letter from the Board of Trustees, Federal Hospital Insurance Trust Fund, transmitting the 1986 Annual Report of the Board of Trustees of the Federal Hospital Insurance Trust Fund, pursuant to 42 U.S.C. 401(c)(2), 1395i(b)(2), 1395t(b)(2) (H. Doc. No. 99-190); to the Committee on Ways and Means and ordered to be printed.

3204. A letter from the Board of Trustees, Federal Old-Age and Survivors Insurance and Disability Insurance Trust Funds, transmitting the 1986 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and the Federal Disability Insurance Trust Funds, pursuant to 42 U.S.C. 401(c)(2), 1395i(b)(2), 1395t(b)(2), (H. Doc. No. 99-189); to the Committee on Ways and Means and ordered to be printed.

3205. A letter from the Chairwoman, U.S. International Trade Commission, transmitting the 45th quarterly report on trade between the United States and the nonmarket economy countries, pursuant to 19 U.S.C. 2440; to the Committee on Ways and Means.

3206. A letter from the United States Trade Representative, transmitting a report on the dispute with the European Communities on the water solubility standard for triple superphosphate fertilizer, pursuant to 19 U.S.C. 2414(a)(3); to the Committee on Ways and Means.

3207. A letter from the Deputy Secretary of Defense, transmitting a report on the new GI bill education benefits program, pursuant to 38 U.S.C. 1436(a); jointly, to the Committees on Armed Services and Veterans' Affairs.

3208. A letter from the Secretary of Health and Human Services, transmitting a draft of proposed legislation to extend and amend programs under the Head Start Act, and for other purposes; jointly, to the Committees on Education and Labor and Ways and Means.

3209. A letter from the Chairman, Nuclear Regulatory Commission, transmitting a report on abnormal occurrences at licensed nuclear facilities, pursuant to Public Law 93-438, section 208; jointly, to the Committees on Energy and Commerce and Interior and Insular Affairs.

3210. A letter from the Chairman, Board of Directors, Gorgas Memorial Institute of Tropical and Preventive Medicine, Inc., transmitting the 57th annual report of the work and operations of the Gorgas Memorial Laboratory for the fiscal year ending on September 30, 1985, pursuant to the act of May 7, 1928, chapter 505, section 3 (92 Stat. 991); jointly, to the Committees on Foreign Affairs and Energy and Commerce.

3211. A letter from the Director, Accounting and Financial Management Division, General Accounting Office, transmitting a financial audit report entitled, "Civil Service Retirement System's Financial Statements for 1984" (GAO/AFMD-86-12); jointly, to the Committees on Government Operations and Post Office and Civil Service.

3212. A letter from the Secretary of Transportation, transmitting the 11th annual report on the Department's administration of the Deepwater Port Act, pursuant to 33 U.S.C. 20; jointly, to the Committees on Merchant Marine and Fisheries and Public Works and Transportation.

3213. A letter from the Administrator, Environmental Protection Agency, transmitting a draft of proposed legislation to amend and extend title I of the Marine Protection, Research, and Sanctuaries Act, as amended, for 2 years; jointly, to the Committees on Merchant Marine and Fisheries and Public Works and Transportation.

3214. A letter from the Board of Trustees, Federal Supplementary Medical Insurance Trust Fund, transmitting the 1986 Annual Report of the Board of Trustees of the Federal Supplementary Medical Insurance Trust Fund, pursuant to 42 U.S.C. 401(c)(2), 1395i(b)(2), 1395t(b)(2) (H. Doc. No. 99-191; jointly, to the Committees on Ways and Means and Energy and Commerce and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. GARCIA: Committee on Post Office and Civil Service. H.R. 2721. A bill to amend title 13, United States Code, to require the collection of statistics on domestic apparel and textile industries; (Rept. 99-511). Referred to the Committee of the Whole House on the State of the Union.

Mr. DINGELL: Committee on Energy and Commerce. Report on the activity of the Committee on Energy and Commerce for the 99th Congress, 1st session; (Rept. 99-512). Referred to the Committee of the Whole House on the State of the Union.

Mr. ASPIN: Committee on Armed Services. H.R. 4420. A bill to amend title 10, United States Code, to revise the retirement system for new members of the uniformed services, and for other purposes; with an amendment (Rept. 99-513). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BATES:

H.R. 4516. A bill to prohibit discrimination in payment for services furnished by a physician solely because the physician is a graduate of a foreign medical school; to the Committee on Energy and Commerce.

By Mr. BROYHILL:

H.R. 4517 A bill to suspend temporarily the duty on textile reeling or winding machines; to the Committee on Ways and Means.

By Mr. FUQUA:

H.R. 4518. A bill for the relief of the Florida State University; to the Committee on the Judiciary.

By Mr. GUNDERSON:

H.R. 4519. A bill to provide that certain individuals who are not citizens or nationals of the United States and certain persons who are not individuals shall be ineligible to receive financial assistance under price support and related programs administered by the Secretary of Agriculture; to the Committee on Agriculture.

By Mr. GUNDERSON:

H.R. 4520. A bill to amend the Internal Revenue Code of 1954 to deny the tax exemption for interest on industrial development bonds used to finance the acquisition of farm property by foreign persons; to the Committee on Ways and Means.

By Mr. LAFALCE:

H.R. 4521. A bill to extend the effective period for the net worth certificate provisions enacted by the Garn-St Germain Depository Institutions Act of 1982 and make permanent the emergency acquisition provisions enacted by such act, to broaden the circumstances under which emergency acquisition authority may be exercised, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

By Mr. OWENS:

H.R. 4522. A bill to amend the Civil Rights Act of 1964 to prohibit employment discrimination on the basis of genetic characteristics, and for other purposes; to the Committee on Education and Labor.

By Mrs. SCHNEIDER:

H.R. 4523. A bill to direct the cooperation of certain Federal entities in the implementation of the Continental Scientific Drilling Program; jointly, to the Committees on Science and Technology, and Interior and Insular Affairs.

By Mr. SCHULZE (for himself, Mr. STALLINGS, Mr. RIDGE, Mr. LAGOMARSINO, Mr. RAHALL, Mr. DAUB, Mr. ZSCHAU, Mr. ECKART of Ohio, Mr. YATRON, Mr. DUNCAN, Mr. DE LUGO, Mr. PORTER, Mr. BIAGGI, and Mr. GALLO):

H.R. 4524. A bill to establish the Insurance Availability Crisis Commission of 1986; to the Committee on Energy and Commerce.

By Mr. SCHUMER:

H.R. 4525. A bill to vindicate the principles of the first article of amendment to the Constitution of the United States by preventing persons acting under the authority of the United States from forbidding the wearing of inconspicuous religious symbols by individuals; to the Committee on the Judiciary.

By Mr. STRATTON (for himself and Mrs. HOLT) (by request):

H.R. 4526. A bill to authorize appropriations for the Department of Energy for national security programs for fiscal year 1987

and fiscal year 1988, and for other purposes; to the Committee on Armed Services.

By Mr. TAUKE (by request):

H.R. 4527. A bill to extend and amend programs under the Head Start Act, and for other purposes; to the Committee on Education and Labor.

By Mr. KILDEE:

H.J. Res. 583. Joint resolution to designate November 18, 1986, as "National Community Education Day"; to the Committee on Post Office and Civil Service.

By Mr. SWIFT (for himself, Mr. TAUKE, Mr. SKELTON, and Mr. TALLON):

H. Con. Res. 308. Concurrent resolution expressing the sense of the Congress regarding the availability of universal telephone service in rural areas; to the Committee on Energy and Commerce.

By Mr. RAHALL (for himself and Mr. ROGERS):

H. Con. Res. 309. Concurrent resolution expressing the sense of the Congress that Japan has not honored the Joint Policy Statement on Energy Cooperation as it relates to United States exports of metallurgical coal and that the President should seek to establish an agreement with Japan for reciprocity between metallurgical coal exports and steel product imports; to the Committee on Ways and Means.

By Mr. THOMAS of Georgia (for himself, Mr. HUCKABY, and Mr. MOORE):

H. Con. Res. 310. Concurrent resolution to express the sense of Congress with respect to agricultural loan restructuring; to the Committee on Agriculture.

By Mr. HORTON (for himself, Mr. COELHO, Mr. JEFFORDS, Mr. BOEHLERT, Mr. ROSE, Mr. GREEN, Mr. OBEY, Mr. DAUB, Mr. LUNDINE, Mr. MARTIN of New York, Mr. LANTOS, Mr. MARKEY, Mr. SMITH of New Hampshire, Mr. BROWN of California, Mr. COOPER, Mrs. SCHROEDER, Mr. MOODY, Mr. STUDDS, Mr. CHANDLER, Mr. RAHALL, Mr. WHITEHURST, Mrs. BOXER, Mr. BOLAND, and Mr. BIAGGI):

H. Res. 407. Resolution expressing the sense of the United States House of Representatives that the Secretary of Agriculture should investigate identification procedures to be used in lieu of the hot-iron branding of animals' cheeks; to the Committee on Agriculture.

By Mr. SCHUMER:

H. Res. 408. Resolution expressing the sense of the House regarding the search for, and appropriate judgment and prosecution of Nazi War Criminals; to the Committee on the Judiciary.

By Mr. WEISS (for himself, Mr. GRAY of Pennsylvania, Mr. FRANK, Mr. SOLARZ, Mr. LEHMAN of Florida, Mr. DELLUMS, Mr. OWENS, Mr. HEFTEL of Hawaii, Mr. BIAGGI, and Mr. SCHUMER):

H. Res. 409. Resolution expressing the sense of the House of Representatives that the Attorney General should examine evidence regarding the activities of former United Nations Secretary General Kurt Waldheim during the Second World War and should determine whether such evidence requires that Kurt Waldheim be denied admission into the United States; to the Committee on the Judiciary.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

322. By the SPEAKER: Memorial of the Senate of the State of Oklahoma, relative to the foreclosure actions by the Farmers Home Administration; to the Committee on Agriculture.

323. Also, memorial of the Senate of the State of Arizona, relative to a strategic defense initiative; to the Committee on Armed Services.

324. Also. memorial of the General Assembly of the State of Indiana, relative to legislation to repeal the Federal Reserve Act and restore the gold standard; to the Committee on Banking, Finance and Urban Affairs.

325. Also, memorial of the Legislature of the State of Wyoming, relative to an audit to the Federal Reserve System; to the Committee on Banking, Finance and Urban Affairs.

326. Also, memorial of the Legislature of the State of New Hampshire, relative to implementing a household hazardous waste coding system; to the Committee on Energy and Commerce.

327. Also, memorial of the Senate of the Commonwealth of Pennsylvania, relative to efforts to locate and rescue American prisoners of war in Southeast Asia; to the Committee on Foreign Affairs.

328. Also, memorial of the Senate of the Commonwealth of Massachusetts, relative to the construction of a Korean War Veterans Memorial; to the Committee on House Administration.

329. Also, memorial of the Legislature of the State of Wyoming, relative to the proposed future management of the Yellowstone and Grand Teton National Parks by the Federal Government; to the Committee on Interior and Insular Affairs.

330. Also, memorial of the House of Representatives of the State of Delaware, relative to public lands and agricultural production; to the Committee on Interior and Insular Affairs.

331. Also, memorial of the General Assembly of the State of Indiana, relative to the tenure of Federal judges; to the Committee on the Judiciary.

332. Also, memorial of the General Assembly of the State of Indiana, relative to ratification of the proposed amendment to the Constitution of the United States of America regarding the compensation of Senators and Representatives; to the Committee on the Judiciary.

333. Also, memorial of the Legislature of the State of California, relative to Federal income taxation; to the Committee on Ways and Means.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 147: Mr. GALLO.

H.R. 512: Mr. STALLINGS and Mr. FRANK.

H.R. 513: Mr. DASCHLE.

H.R. 796: Mr. PEASE.

H.R. 979: Mr. BOULTER.

H.R. 1295: Mr. EDGAR, and Mr. MILLER of California.

H.R. 1485: Mrs. BENTLEY.

H.R. 1486: Mrs. BENTLEY.

H.R. 1499: Mr. LENT.

H.R. 1577: Mr. AKAKA.

H.R. 1597: Mr. AKAKA and Mr. RAHALL.

H.R. 1769: Mr. HUTTO.

H.R. 1877: Mr. DELLUMS and Mr. MCCOLLUM.

H.R. 2093: Mr. BRYANT, Mr. MARTINEZ, Mr. RANGEL, and Mr. NEAL.

H.R. 2170: Mr. ROBERT F. SMITH.

H.R. 2210: Mr. FOWLER and Mr. DICKS.

H.R. 2504: Mr. TRAXLER, Mr. GEJDENSON, and Mr. BROYHILL.

H.R. 2568: Mr. CHAPPIE, Mr. GEKAS, Mr. WORTLEY, Mr. LAGOMARSINO, Mr. COBEY, Mr. HENDON, Mr. LEACH of Iowa, and Mrs. BENTLEY.

H.R. 2578: Mr. CRAIG, Mr. DONNELLY, Mr. GILMAN, Mr. HAMILTON, Mr. HAMMERSCHMIDT, Mr. HENRY, Mr. HUBBARD, Mr. KASICH, Mr. LEHMAN of California, Mr. OLIN, Mr. REGULA, Mr. SEIBERLING, Mr. TALLON, and Mr. TRAFICANT.

H.R. 2793: Mr. DIOGUARDI and Mr. MARKEY.

H.R. 3006: Mr. BIAGGI and Mr. DYMALLY.

H.R. 3024: Mr. SUNDQUIST and Mrs. LLOYD.

H.R. 3247: Mr. SEIBERLING.

H.R. 3426: Mrs. BENTLEY and Mr. BRYANT.

H.R. 3465: Mr. BRYANT, Mr. HUBBARD, Mr. ASPIN, and Mr. FORD of Tennessee.

H.R. 3558: Mr. FUSTER.

H.R. 3646: Mr. SMITH of New Hampshire.

H.R. 3647: Mr. SMITH of New Hampshire.

H.R. 3648: Mr. SMITH of New Hampshire and Mr. HANSEN.

H.R. 3649: Mr. SMITH of New Hampshire.

H.R. 3688: Mr. MACKAY.

H.R. 3693: Mr. GINGRICH, Mr. WORTLEY, Mr. COBEY, Mr. ARMEY, Mr. LAGOMARSINO, and Mr. SWINDALL.

H.R. 3835: Mr. MARTINEZ, Mr. HOWARD, and Mr. HOYER.

H.R. 3898: Mrs. SCHNEIDER and Mr. WIRTH.

H.R. 3950: Mr. DWYER of New Jersey, Mr. FOGLIETTA, Mrs. JOHNSON, Mr. SCHEUER, and Mr. GEJDENSON.

H.R. 4025: Mr. VOLKMER, Mr. LANTOS, Mr. MCCLOSKEY, Mr. MATSUI, Mrs. SCHROEDER, Mr. DELLUMS, Mr. WYDEN, Mr. ROE, Mr. HENDON, and Mr. KANJORSKI.

H.R. 4033: Mr. WOLPE.

H.R. 4041: Mr. DENNY SMITH, Mr. BILIRAKIS, and Mr. EDWARDS of Oklahoma.

H.R. 4072: Mr. SEIBERLING, Mr. MOODY, Mr. SABO, Mr. WOLPE, and Mr. KLECZKA.

H.R. 4082: Mr. PORTER, Mr. TAUKE, and Mr. MARTINEZ.

H.R. 4086: Mr. OWENS and Mr. PURSELL.

H.R. 4204: Mr. EDWARDS of California and Mr. BEILENSON.

H.R. 4227: Mr. MARKEY, Mr. VENTO, and Mr. BONIOR of Michigan.

H.R. 4257: Mr. BEVILL, Mr. HENDON, Mr. PACKARD, and Mr. JONES of North Carolina.

H.R. 4267: Mr. EDWARDS of Oklahoma.

H.R. 4302: Mr. MARTINEZ, Mr. ROE, Mr. QUILLEN, Mrs. BENTLEY, Mr. STALLINGS, Mr. LAGOMARSINO, Mr. WORTLEY, Mr. O'BRIEN, Mr. HORTON, Ms. OAKAR, Mr. PANETTA, Mr. MONSON, Mr. HUGHES, Mr. FAZIO, Mr. HALL of Ohio, and Mrs. BOXER.

H.R. 4364: Mr. OLIN.

H.R. 4382: Mr. HORTON, Mr. WHITEHURST, Mr. DAUB, Mr. MRAZEK, Mr. TOWNS, Mr. DE LA GARZA, and Mr. FAZIO.

H.R. 4391: Mr. MOAKLEY, Mr. HORTON, Mr. YATRON, Mr. ROE, Mr. BRYANT, Mr. PEPPER, Mr. LELAND, Mr. JACOBS, Mr. NATCHER, Mr. RAHALL, Mr. JONES of North Carolina, Mr. WOLPE, and Mr. OWENS.

H.R. 4419: Mr. WHITEHURST.

H.R. 4421: Mr. STAGGERS, Mr. LEVIN of Michigan, Mr. BATES, Mrs. SCHROEDER, Mr. PEPPER, Mr. RANGEL, Mr. HOWARD, Mr. VENTO, Mr. WYDEN, Mr. HUBBARD, Mr. DYSON, Mr. WOLPE, Mr. HORTON, Mr. FORD of Michigan, Mr. PENNY, Mrs. BYRON, Mr.

EVANS of Illinois, Ms. SNOWE, Ms. MIKULSKI, Mr. BONIOR of Michigan, Mr. BARNES, and Mr. SMITH of Florida.

H.R. 4422: Mr. MOAKLEY, Mr. BOLAND, Mr. FRANK, Mr. WALGREN, Mr. GRAY of Illinois, Mr. WISE, Mr. KLECZKA, Mr. VENTO, Mr. MRAZEK, Mr. EVANS of Illinois, Mr. TOWNS, Mr. FAZIO, Mr. MCHUGH, Mr. WORTLEY, Mr. MITCHELL, Mrs. BYRON, Mr. BIAGGI, and Mr. SCHEUER.

H.R. 4439: Mr. HUTTO, Mr. DAUB, Mr. LAFALCE, Mr. LOTT, Mr. ECKART of Ohio, Mr. TAUZIN, and Mr. HAMMERSCHMIDT.

H.R. 4476: Mr. STRANG, Mr. LOTT, and Mr. LAGOMARSINO.

H.J. Res. 234: Mr. ANDERSON, Mr. LUNDINE, and Mr. NELSON of Florida.

H.J. Res. 266: Mr. ENGLISH, Mr. GARCIA, Mr. JEFFORDS, Mr. YOUNG of Missouri, Mr. HALL of Ohio, Mr. SHUMWAY, Mr. BADHAM, Mr. ST GERMAIN, Mr. BROOKS, Mr. HOWARD, Mr. GILMAN, Mr. UDALL, Mr. RUSSO, Mr. BROWN of California, Mr. WOLPE, Mr. DWYER of New Jersey, and Mr. BROYHILL.

H.J. Res. 311: Mr. LUKEN and Mr. ANDERSON.

H.J. Res. 381: Mr. RUSSO, Mr. THOMAS of Georgia, Mr. NOWAK, Mr. WOLF, Mr. MOLINARI, Mr. STRATTON, Mr. ERDREICH, Mr. MURTHA, Mr. COBLE, and Mr. WOLPE.

H.J. Res. 422: Mr. HALL of Ohio.

H.J. Res. 460: Mr. HOYER.

H.J. Res. 502: Mr. BEDELL, Mr. BLILEY, Mr. BROYHILL, Mr. CHANDLER, Mr. CROCKETT, Mr. DAVIS, Mr. DE LUGO, Mr. DERRICK, Mr. FROST, Mr. GUARINI, Mr. HAMILTON, Mr. HOYER, Mr. KASTENMEIER, Mr. KOSTMAYER, Mr. LEACH of Iowa, Mrs. LLOYD, Mr. HILER, Mr. MONSON, Mr. MOODY, Mr. ORTIZ, Mr. PETRI, Mr. RICHARDSON, Mr. ROBERT F. SMITH, Mr. SOLARZ, Mr. VALENTINE, Mr. WAXMAN, Mr. WOLF, and Mr. FORD of Michigan.

H.J. Res. 504: Mr. ACKERMAN, Mr. BATEMAN, Mrs. BENTLEY, Mrs. BYRON, Mr. COLEMAN of Missouri, Mr. EDWARDS of Oklahoma, Mr. FOWLER, Mr. HAYES, Mr. LIGHTFOOT, Mr. MANTON, Mrs. VUCANOVICH, and Mr. MOORHEAD.

H.J. Res. 528: Mr. DAVIS and Mr. ROE.

H.J. Res. 531: Mr. EARLY, Mr. HALL of Ohio, Mr. ROWLAND of Georgia, Mr. MAVROULES, Mr. VALENTINE, Mr. APPLEGATE, Mr. RAHALL, Mr. SKELTON, Mr. TRAFICANT, Mr. GIBBONS, Mr. SKEEN, Mr. MOODY, and Mr. YATRON.

H. Con. Res. 303: Ms. SNOWE.

H. Res. 382: Mr. BLILEY, Mr. LOWRY of Washington, Mr. EVANS of Illinois, Mr. FRANK, Mr. KLECZKA, Mr. EDWARDS of California, Mr. WEISS, Mr. DELLUMS, Mr. UDALL, Mr. SABO, Mr. ADDABBO, Mr. GEJDENSON, Mr. WILSON, Mr. OBERSTAR, Mr. PEPPER, Mr. SMITH of Florida, Mr. LEHMAN of Florida, Mr. DORNAN of California, Mr. DWYER of New Jersey, Mr. VALENTINE, Mr. WORTLEY, Mr. SAVAGE, Mr. SEIBERLING, Mr. HAYES, Mr. BEDELL, Mr. WALGREN, Mr. DIXON, Mr. ACKERMAN, Mr. GILMAN, Mr. VENTO, Mr. HALL of Ohio, Mrs. BOXER, Mr. REID, Mr. MOODY, Mr. FAZIO, Mr. MATSUI, and Mr. MARTINEZ.

H. Res. 385: Mr. BATEMAN, Mr. HORTON, Mr. MOODY, Mr. RODINO, Mr. UDALL, Mr. KOSTMAYER, Mr. LANTOS, Mr. LAGOMARSINO, Mr. GREEN, Mr. FAUNTROY, Mr. FRANK, Mr. WILSON, Mr. SCHEUER, Mr. MCGRATH, Mr. LEHMAN of Florida, Mr. BEDELL, Mr. DORNAN of California, Mrs. MARTIN of Illinois, Mr. ROBINSON, Mr. RANGEL, Mr. WORTLEY, Mr. BURTON of Indiana, Mr. GILMAN, Mr. SAXTON, Mr. WEISS, Mr. SOLARZ, Mr. DIOGUARDI, Mr. SCHUMER, Mr. FROST, Mr. MORRISON of Connecticut, Mr. MANTON, Mr. LEVIN of Michigan, Mr. HEFTEL of Hawaii, Mr. FAZIO, Mr. MATSUI, Mr. HOYER, Mr. WAXMAN, Mrs. BOXER, Mr. MARTINEZ, and Mr. WIRTH.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

296. By the Speaker: Petition of the Civil Affairs Association, relative to a civil affairs master plan; to the Committee on Armed Services.

297. Also, petition of the Cayuga County Legislature, Auburn, N.Y., relative to the enactment of H.R. 3838, "Tax Reform Act of 1986"; to the Committee on Ways and Means.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 4332

By Mr. TORRICELLI:

—At the end of the bill add the following new section:

SEC. 16. PROHIBITION ON TRANSFER OF HANDGUNS TO JUVENILES.

Section 922 is amended by adding after the subsection added by section 2(b) the following:

"(o)(1) It shall be unlawful for any person (other than a licensed importer, licensed manufacturer, licensed dealer, or licensed collector) to transfer or deliver a handgun to any individual who the person knows or has reasonable cause to believe is less than twenty-one years of age.

"(2) Paragraph (1) does not prohibit the loan of a handgun to an individual for the purpose of that individual's engaging in a lawful sporting activity under the supervision of an individual who has attained the age of twenty-one years.".

By Mr. TRAFICANT:

—Page 14, line 6, insert "OR FIREARM USE IN ESPECIALLY SERIOUS DRUG TRAFFICKING CRIME" after "CRIME".

Page 14, line 12, insert "or if the drug trafficking crime is an especially serious drug trafficking crime" after "machinegun".

Page 14, line 16, insert "or if the drug trafficking crime is an especially serious drug trafficking crime" after "machinegun".

Page 14, line 18, strike out "DEFINITION" and insert "DEFINITIONS" in lieu thereof.

Page 15, after line 4 insert the following:

(3) Section 924(c) of title 18, United States Code, is amended by adding after the paragraph added by section 10(a) the following:

"(3) As used in this subsection, the term 'especially serious drug trafficking crime' means a drug trafficking crime that involves—

"(A) 2 or more kilograms of a narcotic drug described in subparagraph (C), (D), or (E) of section 102(17) of the Controlled Substances Act (21 U.S.C. 802(17));

"(B) 1 or more kilograms of a narcotic drug in schedule I or II in the Controlled Substances Act (21 U.S.C. 801 et seq.) that is not described in subparagraph (C), (D), or (E) of section 102(17) of such Act;

"(C) 1 kilogram or more of phencyclidine; or

"(D) 25 grams or more of lysergic acid diethylamide.".

By Mr. ZSCHAU:

—Page 18, strike out line 4 and all that follows through line 16 on page 19.

By Mrs. COLLINS:

(Amendment to Volkmer amendment in the nature of a substitute.)

—At the end insert the following:

SEC. . HANDGUN REGISTRATION.

(a) STATES REQUIRED TO ESTABLISH HANDGUN REGISTRATION.—

(1) Not later than two years after the date of the enactment of this Act, each State shall establish a State handgun registration system.

(2) Each State shall design the State handgun registration system required under paragraph (1) so that—

(A) such system will contain an easily retrievable record identifying—

(i) the possessor of each handgun possessed by a resident of such State; and

(ii) such handgun; and

(B) suitable penalties (including mandatory imprisonment for a period of not less than 15 years) are imposed on persons possessing handguns in violation of the requirement of registration.

(3) each State shall maintain the State handgun registration system so established so that such system reasonably accomplishes such system's purposes.

(b) FEDERAL HANDGUN REGISTRATION SYSTEM IN NONCOMPLYING STATES.—

(1) The Attorney General shall declare that the Federal handgun registration system established under subsection (c) applies in any State the Attorney General determines, after opportunity for a hearing on the record, has not substantially complied with a requirement of subsection (a).

(2) Such Federal handgun registration system shall continue to apply in such State until the Attorney General is satisfied that substantial compliance by such State with the requirements of subsection (a) has been achieved.

(c) FEDERAL HANDGUN REGISTRATION SYSTEM.—

(1) The Attorney General shall establish a Federal handgun registration system for application to States in accordance with subjection (b).

(2) The Attorney General shall design such Federal handgun registration system so that such system will contain, in an easily retrievable record, information sufficient to identify—

(A) the possessor of each handgun possessed by a resident of each State in which such Federal handgun registration system applies; and

(B) such handgun.

(3) Whoever possesses a handgun in violation of the requirement of registration under the Federal handgun registration system established under this subsection shall be fined not more than $250,000 or imprisoned not less than 15 years, or both. The court shall not suspend a sentence of imprisonment imposed for an offense under this subsection, and a probationary sentence may not be imposed for an offense under this subsection.

(d) DEFINITIONS.—For the purposes of this section—

(1) the term "handgun" means a pistol or revolver originally designed to be fired by the use of a single hand and which is designed to fire or capable of firing fixed cartridge ammunition, or any other firearm (as such term is defined for the purposes of chapter 44 of title 18 of the United States Code), originally designed to be fired by the use of a single hand; and

(2) the term "State" includes the District of Columbia and any possession or other territory of the United States.

By Mr. DINGELL: (Amendment to the Volkmer amendment in the nature of a substitute.)

—Page 7, line 11, insert "(except a handgun)" after "firearm".

Page 5, line 25, strike out the closed quotation mark and the period that follows.

Page 5, after line 25, insert the following:

"(25) The term "handgun" means a firearm which has a short stock and is designed to be held and fired by the use of a single hand."

By Mr. HUGHES: (Amendments to the Volkmer amendment in the nature of a substitute.)

—Page 3, strike out line 19 and all that follows through line 16 on page 5 and insert in lieu thereof the following:

"(21) The term 'engaged in the business', with respect to an activity, means devoting time, attention, and labor to that activity on a recurring basis, and for that purpose maintaining firearms on hand or being willing and able to procure firearms, but such term does not include the sale by the owner of a personal collection in connection with liquidation of such a collection.".

Page 11, after line 22, insert the following:

(5) Section 923(d)(1)E)(i) of title 18, United States Code, is amended—

(A) by striking out "conducts" and inserting "engages in" in lieu thereof; and

(B) by striking out "conduct" and inserting "engage in" in lieu thereof.

Redesignate succeeding paragraphs accordingly.

Page 7, line 10, strike out "shall not apply" and all that follows through "firearms)" in line 2 on page 8, and insert in lieu thereof the following: "shall not apply to the sale or delivery of any rifle or shotgun to a resident of a State other than a State in which the licensee's place of business is located if the transferee meets in person with the transferor to accomplish the transfer, and the sale, delivery, and receipt fully comply with the legal conditions of sale in both such States (and any licensed manufacturer, importer, or dealer shall be presumed, for purposes of this subparagraph, in the absense of evidence to the contrary, to have had actual knowledge of the State laws and published ordinances of both States)."

Page 11, strike out line 9 and all that follows through line 22 and redesignate succeeding paragraphs accordingly.

Page 11, strike out line 23 and all that follows through line 24 and redesignate succeeding paragraphs accordingly.

Page 14, beginning in line 3, strike out "of a person" and all that follows through "licensee" in line 4.

Page 14, line 6, strike out "once" and insert "twice" in lieu thereof.

Page 14, line 7, insert ", unless the Secretary or the Director of the Bureau of Alcohol, Tobacco, and Firearms approves such application" after "period".

Page 14, line 10, strike out "in the course" and all that follows through "investigation" in line 11.

Page 13, line 25, strike out "or".

Page 14, line 1, insert ", or a licensed collector" after "dealer".

Page 14, strike out line 12 and all that follows through line 21 and redesignate succeeding subparagraphs accordingly.

Page 19, line 15, strike out "willfully" and inserting "knowingly" in lieu thereof.

Page 26, strike out line 16 and all that follows through the matter immediately following line 5 on page 27 and insert in lieu thereof the following:

SEC. 108. INTERSTATE TRANSPORT OF RIFLES AND SHOTGUNS.

Section 927 of title 18, United States Code, is amended—

(1) by inserting "(a)" before "No"; and

(2) by adding at the end the following:

"(b) Notwithstanding any provision of State or local law to the contrary, any individual may transport any secured shotgun or secured rifle from such individual's place of origin to any destination State if—

"(1) such transport is—

"(A) incident to the change of the individual's State of residence; or

"(B) for the purpose of lawful participation in, or returning from lawful participation in—

"(i) hunting;

"(ii) a shooting match or contest; or

"(iii) any other lawful sporting activity;

and

"(2) the individual may lawfully transport and possess such shotgun or rifle—

"(A) in the individual's place of origin, the destination State, and the destination political subdivision of the destination State; and

"(B) under Federal law.

"(c) For purposes of subsection (b)—

"(1) a rifle or shotgun is secured if the rifle or shotgun—

"(A) is enclosed or cased;

"(B) is not readily accessible; and

"(C) is not loaded with ammunition; and

"(2) the term 'place of origin' means—

"(A) in the case of a change of residence, the State and political subdivision thereof from which residence is changed; and

"(B) in any other case, the State and political subdivision thereof in which the possession or transport of the rifle or shotgun begins.".

Page 27, beginning in line 23, strike out "part" and all that follows through "exclusively" in line 1 on page 28 and insert in lieu thereof "part designed and intended solely and exclusively, or combination of parts designed and intended,".

Page 10, line 5, strike out "and".

Page 10, line 12, strike out the final period and insert "; and" in lieu thereof.

Page 10, after line 12, insert the following:

(9) by inserting after the subsection added by paragraph (8) of this section the following:

"(o)(1) Except as provided in paragraph (2), it shall be unlawful for any person to transfer or possess a firearm silencer.

"(2) This subsection does not apply with respect to—

"(A) a transfer to or by, or possession by or under the authority of, the United States or any department or agency thereof or a State, or a department, agency, or political subdivision thereof; or

"(B) any lawful transfer or lawful possession of a firearm silencer that was lawfully possessed before the date this subsection takes effect.".

Page 28, after line 20 insert the following:

"(c) PROHIBITION ON FIREARM SILENCERS.—Section 102(9) shall take effect on the date of the enactment of this Act.".

Page 2, strike out line 16 and all that follows through line 21 and redesignate succeeding paragraphs accordingly.

Page 6, strike out line 3 and all that follows through line 16 and redesignate succeeding paragraphs accordingly.

Page 6, beginning in line 17, strike out "(2)" and all that follows through line 22 and insert in lieu thereof the following: "(2), by striking out 'or licensed dealer for the sole purpose of repair or customizing;' and inserting in lieu thereof 'licensed dealer, or licensed collector;';".

Page 7, strike out line 5 and all that follows through line 6 and redesignate succeeding subparagraphs accordingly.

Page 8, line 4, insert "and" after the semicolon.

Page 8, strike out line 8 and all that follows through line 12.

Page 10, line 19, strike out ", or importing or manufacturing" and insert "or" in lieu thereof.

Page 11, strike out line 2 and all that follows through line 4 and redesignate succeeding paragraphs accordingly.

Page 13, line 1, insert ", ammunition (other than armor-piercing ammunition) in transactions involving 1,000 rounds or more, and armor-piercing ammunition," after "firearms".

—Page 2, strike out line 16 and all that follows through line 21 and redesignate succeeding paragraphs accordingly.

Page 6, strike out line 3 and all that follows through line 16.

Redesignate succeeding paragraphs accordingly.

Page 6, beginning in line 17, strike out "(2)" and all that follows through line 22 and insert in lieu thereof the following: "(2), by striking out "or licensed dealer for the sole purpose of repair or customizing;" and inserting in lieu thereof "licensed dealer, or licensed collector;";

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Page 11, strike out line 2 and all that follows through line 4 and redesignate succeeding paragraphs accordingly.

Page 13, line 1, insert ", ammunition (other than armor-piercing ammunition) in transactions involving 1,000 rounds or more, and armor-piercing ammunition," after "firearms".

—Page 11, after line 22, insert the following:

(5) Section 923(d)(1)(E)(i) of title 18, United States Code, is amended—

(A) by striking out "conducts" and inserting "engages in" in lieu thereof; and

(B) by striking out "conduct" and inserting "engage in" in lieu thereof.

Redesignate succeeding paragraphs accordingly.

Page 3, strike out line 19 and all that follows through line 16 on page 5 and insert in lieu thereof the following:

"(21) The term 'engaged in the business', with respect to an activity, means devoting time, attention, and labor to that activity on a recurring basis, and for that purpose maintaining firearms on hand or being willing and able to procure firearms, but such term does not include the sale by the owner of a personal collection in connection with liquidation of such a collection.".

—Page 14, beginning in line 3, strike out "of a peson" and all that follows through "licensee" in line 4.

Page 14, line 6, strike out "once" and insert "twice" in lieu thereof.

Page 14, line 7, insert ", unless the Secretary or the Director of the Bureau of Alcohol, Tobacco, and Firearms approves such application" after "period".

Page 14, line 10, strike out "in the course" and all that follows through "investigation" in line 11.

Page 13, line 25, strike out "or".

Page 14, line 1, insert ", or a licensed collector" after "dealer".

Page 14, strike out line 12 and all that follows through line 21 and redesignate succeeding subparagraphs accordingly.

—Page 26, strike out line 16 and all that follows through the matter immediately following line 5 on page 27 and insert in lieu thereof the following:

SEC. 108. INTERSTATE TRANSPORT OF RIFLES AND SHOTGUNS.

Section 927 of title 18, United States Code, is amended—

(1) by inserting "(a)" before "No"; and

(2) by adding at the end the following:

"(b) Notwithstanding any provision of State or local law to the contrary, any individual may transport any secured shotgun or secured rifle from such individual's place of origin to any destination State if—

"(1) such transport is—

"(A) incident to the change of the individual's State of residence; or

"(B) for the purpose of lawful participation in, or returning from lawful participation in—

"(i) hunting;

"(ii) a shooting match or contest; or

"(iii) any other lawful sporting activity; and

"(2) the individual may lawfully transport and possess such shotgun or rifle—

"(A) in the individual's place of origin, the destination State, and the destination political subdivision of the destination State; and

"(B) under Federal law.

"(c) For purposes of subsection (b)—

"(1) a rifle or shotgun is secured if the rifle or shotgun—

"(A) is enclosed or cased;

"(B) is not readily accessible; and

"(C) is not loaded with ammunition; and

"(2) the term 'place of origin' means—

"(A) in the case of a change of residence, the State and political subdivision thereof from which residence is changed; and

"(B) in any other case, the State and political subdivision thereof in which the possession or transport of the rifle or shotgun begins.".

By Mr. McCOLLUM:

(Amendment to the Volkmer amendment in the nature of a substitute.)

—Page 7, strike out line 22 and all that follows through "firearms)" on line 2 on page 8 and insert in lieu thereof "accomplish the transfer or to negotiate the transfer".

Page 19, line 2, strike out "this section" and insert "paragraph (2) of this subsection, subsection (b) or (c) of this section," in lieu thereof.

Page 27, beginning in line 23, strike out "part" and all that follows through "exclusively" in line 1 on page 28 and insert in lieu thereof "part designed and intended solely and exclusively, or combination of parts designed and intended,".

Page 5, line 22, strike out "part or".

Page 5, line 23, strike out, "intended only" and insert "and intended" in lieu thereof.

Page 5, line 24, strike out "such".

Page 5, line 25, after "muffler" insert ", and any part intended only for use in such assembly or fabrication".

Page 22, line 24, strike out "not more" and insert "not less" in lieu thereof.

Page 23, line 1, strike out "suspsend" and insert "suspend" in lieu thereof.

Page 10, strike out line 5 and insert in lieu thereof the following:

(7) so that subsection (h) reads as follows:

"(h) It shall be unlawful for any individual, who to that individual's knowledge and while being employed for any person described in any paragraph of subsection (g) of this section, in the course of such employment—

"(1) to receive, possess, or transport any firearm or ammunition in or affecting interstate or foreign commerce; or

"(2) to receive any firearm or ammunition which has been shipped or transported in interstate or foreign commerce."; and

Page 27, line 20, insert "(a)" before "Section".

Page 28, after line 2, insert the following:

"(b) CONFORMING AMENDMENT.—Section 5845(a)(7) of the National Firearms Act (26 U.S.C. 5845(a)(7)) is amended to read "(7) any silencer (as defined in section 921 of title 18, United States Code);".

By Mr. TORRICELLI:

(Amendment to the Volkmer Amendment in the nature of a substitute.)—Section 102 of the matter proposed to be inserted is amendment—

(1) in paragraph (7), by striking out "and";

(2) in paragraph (8), by striking out the period at the end and inserting in lieu thereof "; and "; and

(3) by adding at the end thereof the following new paragraph:

(9) by inserting after the subsection added by paragraph (8) the following:

"(o)(1) It shall be unlawful for any person (other than a licensed importer, licensed manufacturer, licensed dealer, or licensed collector) to transfer or deliver a handgun to any individual who the person knows or has reasonable cause to believe is less than twenty-one years of age.

"(2) Paragraph (1) does not prohibit the loan of a handgun to an individual for the purpose of that individual's engaging in a lawful sporting activity under the supervision of an individual who has attained the age of twenty-one years.

"(3) As used in this subsection, the term 'handgun' means a firearm which has a short stock and is designed to be held and fired by the use of a single hand.".

Section 110 of such matter is amended—

(1) in subsection (a), by striking out "The amendments" and inserting in lieu thereof "Except as otherwise provided in this section, the amendments"; and

(2) by adding at the end thereof the following new subsection:

(c) PROHIBITION ON TRANSFER OF HANDGUNS TO JUVENILES.—Section 102(9) shall take effect on the date of the enactment of this Act.

By Mr. TRAFICANT:

(Amendment to the Volkmer amendment in the nature of a substitute.)

—Page 20, line 14, insert "or if the drug trafficking crime is an especially serious drug trafficking crime" after "machinegun".

Page 20, line 19, insert "or if the drug trafficking crime is an especially serious drug trafficking crime" after "machinegun".

Page 21, line 2, strike out the close quotation mark and the semicolon which follows.

Page 21, after line 2 insert the following:

"(3) For purposes of this subsection, the term 'especially serious drug trafficking crime' means a drug trafficking crime that involves—

"(A) 2 or more kilograms of a narcotic drug described in subparagraph (C), (D), or (E) of section 102(17) of the Controlled Substances Penalties Act (21 U.S.C. 802(17));

"(B) 1 or more kilograms of a narcotic drug in schedule I or II in the Controlled Substances Act (21 U.S.C. 801 et seq.) that is not described in subparagraph (C), (D), or (E) of section 102(17) of such Act;

"(C) 1 kilogram or more of phencyclidine; or

"(D) 25 grams or more of lysergic acid diethylamide.";

By Mr. ZSCHAU:

(Amendment to the Volkmer amendment in the nature of a substitute.)

—Page 3, strike out line 19 and all that follows through line 16 on page 5 and insert in lieu thereof the following:

"(21) The term 'engaged in the business', with respect to an activity, means devoting time, attention, and labor to that activity on a recurring basis, and for that purpose maintaining firearms on hand or being willing and able to procure firearms, but such terms does not include the sale by the owner of a personal collection in connection with liquidation of such a collection.".

Page 11, after line 22, insert the following:

(5) Section 923(d)(1)(E)(i) of title 18, United States Code, is amended—

(A) by striking out "conducts" and inserting "engages in" in lieu thereof; and

(B) by striking out "conduct" and inserting "engage in" in lieu thereof.

Redesignate succeeding paragraphs accordingly.

Page 7, line 10, strike out "shall not apply" and all that follows through "firearms)" in line 2 on page 8, and insert in lieu thereof the following: "shall not apply to the sale or delivery of any rifle or shotgun to a resident of a State other than a State in which the licensee's place of business is located if the transferee meets in person with the transferor to accomplish the transfer, and the sale, delivery, and receipt fully comply with the legal conditions of sale in both such States (and any licensed manufacturer, importer or dealer shall be presumed, for purposes of this subparagraph, in the absence of evidence to the contrary, to have had actual knowledge of the State laws and published ordinances of both States)".

SENATE—*Tuesday, April 8, 1986*

The Senate met at 12 noon, and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

Let us pray.

Trust in the Lord with all thine heart; and lean not unto thine own understanding. In all thy ways acknowledge Him, and He shall direct thy paths.—Proverbs 3, 5 and 6.

Gracious Father in Heaven, we commend to your loving care Senator PAULA HAWKINS as she undergoes surgery today. Guide and direct the surgeon and all who support him that the operation will be successful and Senator HAWKINS will be restored total and painless health and strength.

Eternal God, we thank you for the recess—for work accomplished, for rest, recreation and refreshing—for time with families—for safety in travel. Now the Senate faces certain hard facts: demanding legislation—inflexible deadlines—speedy passage of time—99 work days to the projected sine die adjournment—and the relentless approach of November 4. In the light of these hard facts, Father, political realities confront the Senate: 34 Senators seeking reelection—one party seeking to retain leadership in the Senate, the other party seeking to recover it. All this, Lord, in addition to the pressures of political campaigns: organizations, finances, implementation and operation. During these stressful days, Gracious God, help the Senators to hear the wisdom of Solomon in the proverb with which we began this prayer. Help them to trust in the Lord and allow Him to direct their paths. In His name who is the King of Kings. Amen.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. The able majority leader is recognized.

SCHEDULE

Mr. DOLE. Mr. President, under the standing order, the two leaders have 10 minutes each. There are special orders in favor of Senators PROXMIRE, HAWKINS, and CRANSTON. Following the execution of the special orders, there will be a period for the transaction of routine morning business not to extend beyond the hour of 12:30 p.m., with Senators permitted to speak therein for not more than 5 minutes each.

Following morning business, the Senate will stand in recess until 2 p.m. There will be a party caucus on this side. I understand tomorrow we will make the same accommodations for the distinguished minority leader.

Mr. BYRD. Mr. President, I thank the distinguished majority leader.

(Mr. HECHT assumed the chair.)

Mr. DOLE. At 2 p.m., unless changed by unanimous consent, the Senate will proceed to the consideration of S. 1660, a bill to grant a Federal charter to the Confederate Memorial Association.

Following the disposition of S. 1660, the Senate will turn to the consideration of S. 8, a bill to grant a Federal charter to the Vietnam Veterans of America, Inc. Time for debate on that bill is limited to 10 minutes to be equally divided and controlled by the chairman and ranking minority member of the Judiciary Committee.

We are trying to resolve all this, I might say, because we have some consent agreements previously agreed to. I understand many of our colleagues on both sides would like to defer votes until tomorrow. It is my hope that we can work that out and that there will not be any votes today.

I am also hopeful that, as part of that agreement, we could not bring up S. 1017, the airport transfer bill, for any other purpose but to bring it up and file cloture on the bill itself. I hope we can avoid rollcall votes today. I think Members on both sides have also made that request. We will try to work that out with the distinguished minority leader sometime in the early afternoon.

BEST WISHES TO SENATOR HAWKINS FOR A SPEEDY RECOVERY

Mr. DOLE. Mr. President, I also thank the distinguished Chaplain for his concern for Senator HAWKINS. I might add that I talked with her husband, Gene, at about 10:45 or 11 o'clock. She was still undergoing surgery in the upper neck and shoulder, but they were very hopeful that the planned surgery would be successful. He indicated that Senator HAWKINS is very optimistic, so her spirits were very good prior to the operation. I know we all join in wishing her every success and we extend every wish for her complete and speedy recovery.

SENATE RETURNS FROM EASTER RECESS

Mr. DOLE. Mr. President, the spring break is over and we do have a whole series of difficult decisions—and please note we only have 99 legislative days to do it all. The House is scheduled to take another look at aid for the Nicaraguan freedom fighters. With the apparent breakdown of the Contadora talks and the Sandinista incursion into Honduras, it should now be clear to House Members that they erred when they turned down the President's aid package. Next week, the House will have a second chance—a chance to join the Senate in reaffirming U.S. commitment to democratic principles in Central America by providing assistance to the Contras. I expect this time the House will make the right choice.

TERRORISM

Sadly, while we were gone, international terrorism struck again. Once more, the target was Uncle Sam—in a TWA jet high over Greece and in a Berlin disco. In each case, American lives were lost, and an angry Nation calls for justice. If a direct link can be established between these latest barbaric acts and the Libyans, I believe Republicans and Democrats will support whatever response President Reagan deems appropriate.

MOVEMENT ON BUDGET RESOLUTION

Mr. President, we also have a very large problem right here at home—the budget. It is quite clear that Congress is not going to meet the April 15 deadline for adoption of the fiscal 1987 budget resolution. The Senate Budget Committee did its job, unlike the House, which is sitting on its hands doing nothing.

In some ways, I do not blame my colleagues in the House. The choices we confront in order to meet the deficit reduction goals set out in Gramm-Rudman-Hollings are not very appealing. But if we do not make those choices and we fail to meet the deadlines, the consequences are far reaching—for everyone.

For the administration, failure to adopt a budget resolution soon, delays and could jeopardize tax reform. Because whether we have a revenue increase, and if so how much, is a major issue in both the budget and tax reform.

For Congress, it makes it very difficult to carry out the appropriations process. Without the spending priorities set out by the budget resolution, the Appropriations Committees and Congress are flying blind.

But most important for the economy and for the American people, failure to adopt a budget resolution and the followthrough in budget reconciliation makes it less and less likely that we

will achieve deficit reductions in an orderly and thoughtful way.

The threat of the Gramm-Rudman automatic cuts looms large. Do we want to cut defense spending authority $50 billion below the President's request? That is what would happen with the automatic cuts under Gramm-Rudman. Do we want to cut more than 12 percent from every Government program and activity—with the exception of those few programs that are exempt—without regard to its relative importance? That is what we get with automatic cuts.

The bottom line is that we need to act on the budget and act soon. The White House cannot afford to sit on the fence and wait, and neither can House Democrats, House Republicans, Senate Republicans, or Senate Democrats. I hope we can meet with administration officials within the next few days and determine exactly what role the White House wants to play in the budget debate. I believe they can play a constructive and important role, if they are interested; and, if not, I guess Congress will have to go it alone.

Within the next couple of weeks, we have a good crack at putting the budget ball in play. I want to commend the distinguished chairman of the committee, Senator DOMENICI, and the ranking Democratic member, Senator CHILES, for their meeting the deadline, reporting a budget resolution. But I must say that in my view, and in the view of probably more than half the Republican Senators, they are too big on revenue increases and not enough on defense spending and not enough reductions in other areas.

So we do have our work cut out for us, but I believe we will be able to put something together. I am not certain quite what, at this point, but I hope it will be something that will have broad support in the Senate.

I really do not find any big demand for tax increases as I travel around the country. I do find considerable demand for Congress to be more responsive in reducing the rate of growth of Federal spending.

So it could be that we could put together a package, working with the Budget Committee members, particularly with the chairman on this side and I assume with the ranking Democratic member, Senator CHILES, on the other side, working with other committee chairman and ranking members, as I have indicated, as well as working with representatives of the President at the White House.

I do not know of any issue that is more important than deficit reduction, which, in turn, I think calls upon Congress to act responsibly on the budget.

Mr. President, I reserve the remainder of my time.

RECOGNITION OF THE MINORITY LEADER

The PRESIDING OFFICER. The minority leader is recognized.

Mr. BYRD. I thank the Chair.

THE BUDGET RESOLUTION

Mr. BYRD. Mr. President, the distinguished majority leader has discussed the budget resolution. It was reported out of the Budget Committee on a bipartisan vote.

I would hope that the budget resolution could and would be brought up before the Senate very soon. I do not wish to be presumptuous in saying this—and I should not be presumptuous, nor should I appear to be presumptuous, because, after all, it is the majority leader's decision as to when a matter will be scheduled. Having been the majority leader some years ago, I recognize that he has to make decisions on the schedule based on many things, perhaps, beyond the immediate piece of legislation, which in this case would be the budget, and I have expressed the hope that it will be called up soon.

It troubles me a little that I thought I heard the distinguished majority leader say that we would have to wait—perhaps I am not precise in what I am saying—but that we would have to wait or would want to wait until we know what the White House's role will be in this or until the White House knows what role that it wants to play.

Mr. President, there are 50 hours as a maximum limitation on this measure. That is quite a number of days. I feel that we have a duty here, not to wait to see what the White House role is, but to begin debating the resolution on the floor.

With 50 hours, we can have a lot of debate—which would be enlightening not only to the public but also to ourselves. There are those of us, like myself, who need to know considerably more about what this resolution entails, and, hopefully, if there are areas within that resolution that any Member on either side wishes to address, he can do so.

If we want to try to fix it here or fix it there—if it needs fixing—we can do that on the floor.

Unless we bring it out and begin airing it soon, of course, we will miss the upcoming deadline of April 15, but such deadlines have been made and broken before. Unless, however, we begin sooner, we are going to be delayed farther down the road than we should be.

I agree with the distinguished majority leader in the expressed thought that we need to act on this resolution. Hopefully, it will have bipartisan support when it is acted on here on the floor. But we certainly do not want to see Gramm-Rudman at the end of the road triggered into making draconian cuts in the event we fail to enact a budget.

Senators will remember that under the legislation that we have passed, in the event there is not a budget enacted in due time, then the Joint Committee, which will be made up of the Budget Committees in both Houses, will meet and within 5 days, as required, will report a budget based upon the advice, counsel, and information submitted by the CBO and OMB, and that measure then has 5 days for debate on the Senate floor and there will be no opportunity to amend it.

So, as one who voted against Gramm-Rudman, I do not want to see Gramm-Rudman take over and make draconian cuts in a situation in which Senators have no right to offer amendments.

So it seems to me that the Senate must act. I am not saying I support the budget that has been reported out. I do not know all of the details of it, but those will be brought to light for all of us as the debate opens here.

So I would just say, while the distinguished majority leader is still on the floor, it will be my hope that we can get the budget up this week, and begin the debate on it and that we would not hold back until somehow or other the resolution is rewritten or changed to draw more votes. Such discussions can be going on even while the budget resolution is debated on the floor here.

So I just make that suggestion and would express the hope that the distinguished majority leader would consider it seriously and call up the resolution and let the Senate get started on it.

ORDER OF PROCEDURE

Mr. DOLE. Does the Senator from Kentucky seek recognition?

Mr. FORD. I just wanted to get 15 seconds from my leader for an extremely important statement. Would my leader give me 15 seconds?

Mr. BYRD. Mr. President, how much time do I have left?

The PRESIDING OFFICER. Three minutes and 25 seconds.

Mr. BYRD. The Senator may have any part of that time.

TRIBUTE TO 1986 NCAA BASKETBALL CHAMPIONS

Mr. FORD. Mr. President, I wish to recognize an outstanding group of young men in the State of Kentucky, the University of Louisville Cardinal basketball team, who last week won the 1986 National Collegiate Athletic Association Championship.

Two weeks ago I shared with my colleagues in the Senate Chamber my feelings about the great tradition of basketball in Kentucky, and I am

pleased to report that Coach Denny Crum and the Cardinals have since succeeded in their pursuit of the championship.

The Cardinals' achievement is an example of the rewards of teamwork and perseverance, and these young men should be commended for their performance. A young man by the name of Pervis Ellison earned the NCAA Final Four's Outstanding Player Award, only the second freshman in the tournaments history to receive the honor. Senior Milt Wagner, who sat out last year due to a broken foot, returned this year for an outstanding season. He clinched the final game by shooting two free throws to put the Cardinals three points ahead with only 2 seconds left in the game.

Coach Denny Crum has now earned his second NCAA title in the 1980's, and he has won his place in history as one of the Nation's most admired and respected college basketball coaches. As the third most successful among active college coaches, Coach Crum is one of the game's best.

Mr. President, the victory of these individuals was the result of teamwork which exemplified the cooperation and determination that only winners possess. I am proud to hale from a State where such team spirit and healthy competition are a part of the State's heritage, and I salute the University of Louisville Cardinals, the 1986 NCAA Basketball Champions.

Mr. DOLE. Mr. President, will that reflect K.U. beat Louisville earlier in the year?

Mr. FORD. Only when it counts do we put it in the RECORD.

I thank my distinguished leader.

DEPARTMENT OF DEFENSE REVIEW OF MILITARY CHARTERS: A STEP IN THE RIGHT DIRECTION

Mr. BYRD. Mr. President, shortly after the tragic crash of an Arrow Air military charter in Newfoundland on December 12, 1985, I called for a special investigation of all civilian aircraft and airlines that are being used to provide charter service for the transport of American military personnel. A few months later, on March 12, 1986, a report by the General Accounting Office on the safety of military air charter airlines was released to the public. That report raised serious questions about the safety of such airlines. On March 26, the Washington Post carried a report that a military charter airline, Galaxy Airlines, was grounded by the FAA after the Air Force expressed concerns regarding the airline's maintenance practices.

According to the Post story, Galaxy Airlines was running two regular supply routes for the Air Force originating in San Antonio, TX. The aircraft flying these routes were Lockheed L-188 Electras. You may recall, Mr. President, that a Galaxy Airlines Electra crashed on takeoff from Reno, NV, in 1985. The latest action against Galaxy Airlines by the FAA and the Air Force came as a result of a plane that arrived at its destination leaking oil. According to the Post story, Galaxy Airlines continued to fly the aircraft despite the fact that one of its engines required 86 quarts of oil during 1 week of operation.

This past weekend the Defense Department announced the results of an internal review of its use of military charter airlines. According to another Washington Post story, this one appearing this past weekend and dated April 5, 1986, the review uncovered major shortcomings in the Pentagon's supervision of military charters. The Department has announced measures to assure the safety of air travel for military personnel and their dependents.

Mr. President, I am gratified at this response to my request for a special investigation. The measures announced by the Department of Defense should improve the safety of air travel for military personnel. However, I also urge that continued vigilence be the order of the day to ensure that a tragedy like the Gander crash will never again claim the lives of American servicemen.

I ask unanimous consent that the two articles from the Washington Post on this subject be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

AIR FORCE GROUNDS CHARTER FIRM AFTER ENGINE OIL LEAK IS FOUND

An unattended oil leak prompted the Air Force to suspend Galaxy Airlines from flying charters until inspectors are satisfied that the carrier has resolved maintenance problems, a spokesman said yesterday.

Galaxy was running two regular supply routes for the Air Force, both originating in San Antonio and both using Lockheed L188 Electras, Air Force Capt. Thomas LaRock said.

Two Galaxy Electras crashed last year; 70 people died in one crash.

The suspension of Galaxy stemmed from the grounding last Friday of a plane that arrived at its destination leaking engine oil, said LaRock. "Our records indicated that Galaxy continued to fly the aircraft" last week "despite the fact that engine No. 1 required 86 quarts of oil in that period," he said.

The Air Force informed the Federal Aviation Administration, which inspected and grounded the plane, an FAA spokesman said. It was allowed to resume flights after the engine was replaced, he added.

But LaRock said the Air Force still wants to look "at the overall problem and see that the safety problems have been resolved." He said he did not know how long the review would last.

Attempts to reach a spokesman for Galaxy were unsuccessful.

DEFENSE PROBE CRITICIZES SUPERVISION OF CHARTERS

A Defense Department review found major shortcomings in the Pentagon's supervision of military charters, and officials yesterday announced measures aimed at assuring safer air travel for service members and their dependents. But the study, prompted by the crash of a military charter carrying 248 soldiers at Gander, Newfoundland, last December, rejected suggestions that the military use more of its own aircraft to carry personnel.

Such a shift would require the Pentagon to buy $1.1 billion worth of planes, cost at least $334 million a year in other expenses, provide less comfort and probably not make flights safer, the study concluded.

James P. Wade, assistant secretary of defense for logistics, said a variety of changes—including expansion of the number of military inspectors and creation of a special review board—are under way to solve some of the problems.

"The department intends to take aggressive action to assure that air carriers who fly our people are concerned with quality and are fully complying with high standards of air safety," Wade told reporters.

While the report generally endorsed the military charter program, which carried more than 6 million people last year, it found a number of flaws in the way the program is monitored.

The study said inspection and review of the airlines, many of which are small carriers relying heavily on military business, were found to be infrequent and irregular; some survey teams lacked experience and knowledge about civilian airline operations; and line inspectors conducted too few ramp and cabin inspections.

It also said there was no standard rule to suspend an air carrier for violating safety regulations, and little exchange of information existed between Military Airlift Command officials and the Federal Aviation Administration, which has primary responsibility for certifying and inspecting commercial airlines.

Pentagon officials said their new measures include:

Revival of the FAA liaison office and establishment of a comparable military liaison at the aviation agency.

Doubling the staff of a special airline surveillance team from four to eight.

Requiring an in-depth surveillance of every airline every two years. Previously, an inspection was required only when the airline began working for the Pentagon.

RECOGNITION OF SENATOR PROXMIRE

The PRESIDING OFFICER. Under the previous order, the Senator from Wisconsin [Mr. PROXMIRE] is recognized for not to exceed 5 minutes.

AMERICAN PHYSICISTS SAY NIX TO STAR WARS

Mr. PROXMIRE. Mr. President, who are the best qualified experts in this country to pass judgment on the prospects for the failure or success of star wars? This Senator's nomination for the best qualified are the Nation's physicists. Why are they the best qualified? Because there is no group in

this country that has a training and experience more relevant than physicists have to understand the scientific possibilities and limitations of space technology. Their specialty is obviously vital to any high technology missile defense. Where do these experts stand on star wars? On March 23, the New York Times reported the results of a poll by the respected firm of Peter Hart Research Associates, Inc. The poll was conducted in late February. It questioned 549 randomly selected members of the American Physical Society. That is the top organization of the physicists in this country. Were the physicists in any kind of conflict of interest situation that would bias them for or against the star wars project? Mr. President, if there was a conflict-of-interest bias, it was in favor of the star wars program. Here's why: 25 percent of those physicists polled said that the Defense Department paid for some or all of their work.

So, Mr. President, here you have a group of preeminent experts whose bias if anything favors Defense Department projects because a significant proportion of them are on the Defense Department payroll. So what was the conclusion of this expert group on the wisdom of the Congress proceeding with star wars? They were asked whether they considered the missile defense program "represents a step in the right direction or a step in the wrong direction for America's national security policy." By a margin of 54 to 29 percent—2 to 1—these experts said they viewed it as the wrong direction. The rest were uncertain or said they thought it made little difference. What effect did the conflict of interest of these physicists who were on the Defense Department payroll have, if any? It did have some effect. That was shown by the much closer vote of those who worked largely or in part for the Pentagon. That group still opposed star wars but by only a 42 to 38 percent margin.

Some might argue that the physicists may have been dominated by pacifist or antimilitary attitudes? Were they? The answer is "No." How do we know? Here is how: The poll asked the physicists the same question about other military technology that they had asked about star wars. They found the respondents were not opposed to weaponry in general. A majority or plurality of those responding approved the Trident submarines, long-range missile programs, cruise missiles, the so-called Stealth bomber and Midgetman. Obviously these are not kneejerk doves.

Even with respect to star wars these physicists partially approved. By a margin of 77 to 21, the physicists approved continuing basic laboratory research on missile defense. A small majority opposed testing and developing prototypes. But 62 percent opposed actually deploying a star wars system. As in any Federal program cost is important. And it is specially important in the star wars program because the potential cost is so immense. How did these experts view the cost of the program? Less than 3 percent said the cost would be below $100 million. Twenty-five percent said the cost would come in between $100 and $500 billion. A majority said it would cost more than $500 billion. Twenty-seven percent saw the cost coming between $500 billion and $1 trillion. Twenty-nine percent estimated the cost at more than $1 trillion. Seventy percent said the cost would be worth it at $100 billion. At $500 billion only 42 percent thought the project worthwhile. If the cost exceeded $1 trillion, only 20 percent found the cost would be worthwhile.

Mr. President, to the best of my knowledge no Member of the Senate is a physicist. The President is not a physicist. Secretary Weinberger is not a physicist either. These technologically qualified physicists will not make the decision on whether or not to fund star wars. We in the Congress will. The physicists are experts. We are not. But we were elected to assume the responsibility for the hundreds of billions or trillions of dollars this program will cost. How do we make that decision? First we must determine whether or not there is a genuine likelihood the project will work. Will it? A majority of the physicists tell us it may protect missile silos and command centers, but it will not protect population centers.

Second, if we decide to protect with star wars as protection for our nuclear deterrent we have to calculate the cost of this protection and whether there is a surer and less costly way to provide the protection for our nuclear weapons. Can we preserve a fully credible deterrent without star wars? Can we do it by keeping enough of our submarines at sea at all times, and enough of our bombers in the air at all times, and enough of our proposed mobile missiles moving at all times, so that whatever preemptive attack the Soviets might launch we could retaliate with an absolutely devastating counter attack? The answer is clear and convincing. It is an emphatic yes.

We have precisely that kind of deterrent available now at sea in our submarines. We have it in the air with our bombers. We will have it on land with our mobile midgetman missiles within a very few years. We will have this at far less cost than the star wars cost. The cost of star wars research will be $50 billion over the next 10 years or so. That research cost will continue with increasing billions every year so long as we keep star wars in operation. The cost of star wars hardware—that is, building battle stations, satellites, and so forth—will certainly be in the hundreds of billions. The cost of lifting this immense amount of material into space and putting it into orbit will also be in the hundreds of billions. And all of that is the beginning. Once in space the cost of maintaining this complex hardware and the cost of constantly modernizing it to keep it ahead of advances in offensive missiles designed to penetrate it will also go on forever.

The terrible irony is that after so many costly years and such an infinity of investment, the world will not be safer. It will be less safe as both super powers build ever more complex nuclear offenses and defenses.

The arms race is absolutely senseless. America's physicists deserve our attention.

MYTH: U.S. FACES NO HOSTAGE CRISIS

Mr. PROXMIRE. Mr. President, the myth of the day is that the United States presently does not face a hostage crisis.

How can that be, Mr. President? There are no headlines in the newspapers of any hostage crisis. No bulletins on the network news of hostages in chains. No late-night vigils at the White House like we had during the Iranian hostage crisis, where negotiators scramble to free Americans held in captivity.

No, the only news out of the Middle East is that the President is riding tall in the saddle after humiliating Mu'ammar Qadhafi in the Gulf of Sidra.

So where is the hostage crisis, Mr. President?

It is in Lebanon.

Six Americans are being held hostage in that country. And even if you do not read of their plight in this Nation's newspapers, even if their tragic stories cannot be found on the network news, they still represent a hostage crisis for this Nation.

In fact, some of these Americans have been or likely will be hostages longer than the U.S. Embassy personnel were hostages in Iran.

These six Americans are:

Terry Anderson, an Associated Press bureau chief, who has been a hostage for more than a year;

Lawrence Jenco, a Roman Catholic priest, who has been held hostage for 14 months;

David Jacobsen, a hospital administrator, held in captivity for 10 months;

Thomas Sutherland, a dean at the American University in Beirut, who was kidnaped last June;

Peter Kilburn, the university's librarian, who has been missing since December 1984;

And there is the sixth American, U.S. Embassy political officer William Buckley, who is believed to have been

killed in Iran. We all hope those reports are not true.

These six forgotten Americans, Mr. President, make up our hostage cirsis. And it is a myth to believe that this crisis does not exist.

I yield the floor.

SENATOR HAWKINS' SPECIAL ORDER

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The majority leader.

Mr. DOLE. Mr. President, under the previous order, the distinguished Senator from Florida would now be recognized for 5 minutes. As earlier indicated, she has been undergoing surgery this morning at Duke University Hospital. Therefore, I ask unanimous consent that I may proceed to read her statement at this time.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. The statement of Mrs. HAWKINS reads as follows:

MEXICO: A YEAR WITHOUT JUSTICE

Mrs. HAWKINS. Mr. President, today, April 8, is an anniversary of shame. One year ago today, the First District Judge for Criminal Matters in the Federal District of Mexico City formally indicted Rafael Caro Quintero, an accused murderer of DEA Special Agent Enrique Camarena Salazar.

We should take time today to recall this brave, fallen soldier, Enrique Camarena, and to ponder the lessons we have learned from the case surrounding his death.

Last April in a hearing of the Subcommittee on Children, Family, Drug and Alcoholism, I expressed my intense frustration with the Mexico Government over their handling of the Enrique Camarena murder case. That case seemed to drive home the sweeping scope of corruption in Mexico.

We all remember the situation in this country and south of the border during the time of Enrique Camarena's disappearance. At first, the Mexico Government did nothing. We all read the reports of then Drug Enforcement Administration Director Bud Mullen, who had to go to Guadalajara, and literally pound on the desk to get even the slightest bit of cooperation from Mexico.

The DEA, in my opinion, was betrayed, and with the cooperation of the Customs Service, they decided to respond, and to hit Mexico where it hurts, in the pocketbook.

Customs virtually closed down the border, conducting thorough searches of every car that passed from Mexico to the United States. The 15 minutes wait at the border stretched to 5 hours. Tourists stayed away from Mexico in droves. The Drug Enforcement Administration also attempted to place an advisory on travel to Mexico, and succeeded in tainting the reputation of Guadalajara. Word was spread to the media that seven Americans had been killed there that year, and that two teenage Canadian tourists had been raped and killed there.

As you would expect, the Mexicans screamed. President de la Madrid contacted President Reagan. The Mexicans were furious but things were beginning to move. Then all of a sudden, the first weekend in March of last year, there was a break in the case. Mexican police were involved in a shoot-out at a remote ranch where Camarena was said to have been spotted. Five prisoners were taken, leads were developed, and finally, the week of March 3, 1985, the bodies were found.

I am quite sorry to tell you that since that time, little has changed. I have recently had reconfirmed for me that corruption is rampant in Mexico's government and its police establishment. That corruption spreads from top to bottom.

Since last April, the Mexicans have done nothing on Camarena. They have done nothing on eradication and, in fact, the flow of drugs from Mexico is getting worse. Our country is now in imminent danger of being flooded with a sea of Mexican brown heroin.

Our experience with the Camarena case proves something I have been saying for years—trade and aid, that is the key to stopping the flow of illegal drugs. Try the carrot and if the carrot does not work, try the stick. In Mexico, it was too late for Enrique Camarena. We got nothing from the Mexicans that time around. Nothing.

Last week, I wrote to President de la Madrid. I reminded him that though a year has passed, there has been no evident progress in the prosecution of the case against Rafael Caro Quintero.

I know of President de la Madrid's commitment to the war against the drug traffickers, and that is why I am surprised and disappointed that the Caro Quintero case has not been used as a model of Mexican justice and an expression of that government's desire to deal with the drug traffickers in a tough and diligent manner. The failure to see progress on this case raises serious questions about Mexico's commitment to fighting the war on drugs and convicting the murderers of Enrique Camarena.

I know that Mexican anti-narcotics agents have died in the war on drugs. I am sure President de la Madrid holds his anti-narcotics agents in as high a regard as we do ours. They are our front line of defense against the merchants of death who seek to undermine our values and destroy our society.

I urged the President to press his federal judicial officials to make the Caro Quintero case and other cases involved in the Camarena murder a top priority, and to move these cases through the judicial system as quickly as possible.

In the meantime, the U.S. should continue to use the leverage we have at our disposal to see that drugs are wiped out at their source. As I said last April, in the midst of this case, "The United States should no longer do business with those who do business with drug dealers. Drug dealers are mass murderers and it is time we started to treat them that way."

Enrique Camarena's twisted and broken body has been laid to rest. His fate was removed from his control. It is time for those who love justice to take control of the lives of this brave man's killers.

Until significant steps are taken, we cannot go back to business as usual with Mexico. We will not back up and say, "Hit us again."

Mr. DOLE. Mr. President, that is the statement of the distinguished Senator from Florida, Senator HAWKINS, which she would have delivered today had she been here.

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, there will now be a period for the transaction of routine morning business, not to extend beyond the hour of 12:30 p.m., with statements limited therein to 5 minutes each.

CONGRESS SPENDS LESS THAN THE PRESIDENT REQUESTS

Mr. HATFIELD. Mr. President, I am inserting in the RECORD today for the information and use of my Senate colleagues a table showing enacted versus requested discretionary appropriations over the last 7 fiscal years, fiscal years 1980 through 1986.

In this 7-year period of the Reagan administration, the President has requested discretionary appropriations totaling $2,735,556 million and the Congress has enacted appropriations totaling $2,717,007 million, slightly less than 1 percent below the requested level. If you take into account the March 1, 1986, sequester of fiscal year 1986 funds under the Gramm-Rudman-Hollings Act—Public Law 99-177—enacted appropriations are reduced by $16,985 million making the accumulated total for discretionary appropriations provided $1,700,022 million.

I would also like to point out that in real terms total domestic discretionary appropriations have fallen from $200,060 million in fiscal year 1980 to $131,127 million, in fiscal year 1986, a 34.5-percent reduction. In fact, total domestic discretionary appropriations now represent 14.4 percent of the total Federal budget, whereas they represented 25 percent in fiscal year 1980.

These are important facts, Mr. President. We have faced a number of proposals in recent years to shift Congress' constitutional responsibility over Federal spending to the President, as if the President will do a better job allocating Federal resources at a lower cost. This is not so. The facts indicate that the Congress may have a different set of spending priorities than the President, but not more costly ones. The Congress has spent less than the President requested over the last 7 fiscal years.

Mr. President, I ask unanimous consent that a table showing total discretionary appropriations requested by the President and enacted by the Congress over fiscal years 1980 through 1986 be inserted in the RECORD at this point. I would like to note that this table is an update of the historical appropriations table I placed in the RECORD on February 5, 1985, on page 1744.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

DISCRETIONARY APPROPRIATIONS TOTALS

[In millions of dollars]

Appropriations history, discretionary only, by subcommittee	Fiscal year 1980—		Fiscal year 1981—		Fiscal year 1982—		Fiscal year 1983—		Fiscal year 1984—	
	Request	Enacted	Request	Enacted	Request	Enacted	Request	Enacted	Request	Enacted
Subcommittee:										
Agriculture, Rural Development and Related Agencies	19,176	18,310	21,683	21,547	30,486	30,857	37,820	38,448	32,408	32,486
Commerce-Justice-State-Judiciary	12,140	11,213	9,924	9,472	8,278	8,640	9,144	10,043	10,030	10,493
Defense	126,689	125,442	152,627	157,284	192,976	190,093	229,301	215,680	246,054	234,030
District of Columbia	607	450	532	491	570	557	580	524	570	601
Energy and Water Development	12,521	11,751	12,373	12,123	11,889	12,611	12,660	14,813	14,866	14,541
Foreign Assistance	9,705	7,605	13,716	11,806	11,681	11,968	12,112	11,972	21,107	21,921
HUD-Independent Agencies	54,240	53,006	49,308	44,355	33,211	37,044	27,460	33,634	30,301	36,625
Interior	31,355	28,498	9,880	8,927	6,794	7,484	7,005	8,563	6,711	8,649
Labor, Health and Human Services, and Education	33,670	32,900	20,176	22,281	25,448	28,168	20,869	29,738	26,171	33,804
Legislative	531	482	611	530	636	551	813	645	780	726
Military Construction	3,895	3,780	5,721	5,326	7,513	7,112	8,208	7,221	8,747	7,178
Transportation	10,591	10,009	12,989	12,027	9,775	10,299	10,970	11,489	10,706	10,687
Treasury-Postal Service-General Government	6,186	5,982	6,189	6,104	5,245	5,495	5,718	6,193	6,245	6,635
Grand total, appropriations	321,306	309,428	315,729	312,273	344,502	350,879	382,660	388,963	414,696	418,376
Memo: [1]										
Defense (function 050) above	134,066	132,372	162,394	166,571	205,744	202,133	242,842	228,951	262,341	248,136
Foreign operations above	9,705	7,605	13,716	11,806	11,681	11,968	12,112	11,972	21,107	21,921
Domestic appropriations above	177,535	169,451	139,619	133,896	127,077	136,778	127,706	148,040	131,248	148,319
Memo discretionary (in constant 1982 dollars):										
Defense (function 050) above	159,413	157,398	174,056	178,533	205,744	202,133	234,177	220,782	246,098	232,773
Foreign operations above	11,458	8,979	14,733	12,681	11,681	11,968	11,635	11,500	19,489	20,241
Domestic appropriations above	209,604	200,060	149,967	143,820	127,077	136,778	122,676	142,209	121,189	136,952
Defense deflator	0.84	0.84	0.93	0.93	1.00	1.00	1.04	1.04	1.07	1.07
GNP deflator	0.85	0.85	0.93	0.93	1.00	1.00	1.04	1.04	1.08	1.08

Appropriations history, discretionary only, by subcommittee	Fiscal year 1985—		Fiscal year 1986—					Cumulative fiscal year 1980–86—			
	Request	Enacted	Request	Enacted	Adjusted [2]	Enacted versus request	Adjusted versus enacted	Request	Enacted	Enacted versus request	Adjusted versus enacted
Subcommittee:											
Agriculture, Rural Development and Related Agencies	36,264	36,587	37,050	37,725	37,459	675	(266)	214,887	215,960	1,073	807
Commerce-Justice-State-Judiciary	11,516	12,007	11,404	11,694	11,193	290	(501)	72,436	73,562	1,126	625
Defense	294,104	275,127	303,694	280,917	270,354	(22,777)	(10,563)	1,545,445	1,478,573	(66,872)	(77,435)
District of Columbia	517	547	532	547	530	15	(17)	3,908	3,717	(191)	(208)
Energy and Water Development	15,877	15,485	15,344	15,254	14,487	(90)	(767)	95,530	96,578	1,048	281
Foreign Assistance	20,775	21,074	14,989	15,025	14,428	36	(597)	104,085	101,371	(2,714)	(3,311)
HUD-Independent Agencies	34,851	37,239	32,781	40,508	39,158	7,727	(1,350)	262,152	282,411	20,259	18,909
Interior	8,046	8,371	7,350	8,083	7,762	733	(321)	77,141	78,575	1,434	1,113
Labor, Health and Human Services and Education	28,828	33,456	28,745	33,527	32,100	4,782	(1,427)	183,907	213,874	29,967	28,540
Legislative	718	667	752	658	630	(94)	(28)	4,841	4,259	(582)	(610)
Military Construction	10,324	8,405	10,340	8,498	8,082	(1,842)	(416)	54,748	47,520	(7,228)	(7,644)
Transportation	11,405	11,261	7,536	10,076	9,646	2,540	(430)	73,972	75,848	1,876	1,446
Treasury-Postal Service-General Government	6,724	7,326	6,197	7,024	6,722	827	(302)	42,504	44,759	2,255	1,953
Grand total, appropriations	479,949	467,552	476,714	469,536	452,551	(7,178)	(16,985)	2,735,556	2,717,007	(18,549)	(35,534)
Memo: [1]											
Defense (function 050) above	312,681	291,234	322,401	297,384	286,016	(25,017)	(11,368)	1,642,469	1,566,781	(75,688)	(87,056)
Foreign operations above	20,775	21,074	14,989	15,025	14,428	36	(597)	104,085	101,371	(2,714)	(3,311)
Domestic appropriations above	146,493	155,244	139,324	157,127	152,107	17,803	(5,020)	989,002	1,048,855	59,853	54,833
Memo discretionary (in constant 1982 dollars):											
Defense (function 050) above	283,226	263,799	284,054	262,012	251,996	(22,041)	(10,016)	1,586,768	1,517,430	(69,337)	(79,353)
Foreign operations above	18,516	18,783	12,922	12,953	12,438	31	(515)	100,434	97,104	(3,329)	(3,844)
Domestic appropriations above	130,564	138,364	120,107	135,454	131,127	15,347	(4,328)	981,185	1,033,637	52,452	48,125
Defense deflator	1.10	1.10	1.14	1.14	1.14						
GNP deflator	1.12	1.12	1.16	1.16	1.16						

[1] Excludes Synfuels rescission of $2 billion in fiscal year 1984, $5.375 billion in fiscal year 1985 and $6.912 billion in fiscal year 1986.
[2] Reflects Mar. 1, 1986 sequester of funds under Public Law 99–177.
Source: Congressional Budget Office and U.S. Senate, Committee on Appropriations.

RECESS UNTIL 2 P.M.

The PRESIDING OFFICER. Under the previous order, the Senate will now stand in recess until the hour of 2 p.m.

Thereupon, at 12:37 p.m., the Senate recessed until 2 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer [Mr. MCCONNELL].

The PRESIDING OFFICER. The Chair, in his capacity as a Senator from Kentucky, suggests the absence of a quorum. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. DOLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. ARMSTRONG). Without objection, it is so ordered.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is closed.

FEDERAL CHARTER TO THE CONFEDERATE MEMORIAL ASSOCIATION

The PRESIDING OFFICER. The clerk will report S. 1660.

The legislative clerk read as follows:

A bill (S. 1660) to grant a Federal charter to the Confederate Memorial Association.

The Senate proceeded to consider the bill.

(By request of Mr. DOLE, the following statement was ordered to be printed in the RECORD:)

● Mr. DENTON. Mr. President, I rise today in support of S. 1660, legislation to grant the Confederate Memorial Association a Federal charter, thereby providing the organization with the congressional recognition it so well deserves.

Mr. President, the War Between the States represents a part of our rich heritage which should be remembered by all Americans. One organization which has worked to preserve this part of our national heritage is the "Confederate Memorial Association."

The association was organized and incorporated under the laws of the District of Columbia in 1907, and functions as the umbrella organization rep-

resenting all manner of Confederate historical and curatorial organizations. Organizational support comes from, among others, the Sons of Confederate Veterans, the United Daughters of the Confederacy, and the Children of the Confederacy. Membership of the United Daughters of the Confederacy is 27,829 members, with 783 charters in 31 States, and members in all 50 States; the membership of the Sons of Confederate Veterans is 8,157, with 171 camps in 22 States, and members in all 50 States; and the membership of the Children of the Confederacy is 24,311 members, with 237 charters in 14 States, and members in all 50 States. The association is open to membership without regard to race, color, religion, regional or national origin.

The noble objectives of the association include a continuing commitment, on a national basis, to:

First. Perpetuate Southern culture and history, including the memory of the patriotic deeds of the men and women of the Southern States (soldiers and civilians) during the War Between the States from 1861 to 1865;

Second. Maintain the Confederate Memorial Hall, the centerpiece of the association's public purpose, and the only shrine to the Confederacy in the Nation's Capitol;

Third. Preserve and maintain the Confederate Memorial Hall as a public historical library and a museum gallery of historical relics and memorabilia commemorating Southern history and culture;

Fourth. Encourage the preservation of historic sites and the construction and preservation of buildings, halls, and monuments commemorating Southern culture and history;

Fifth. Preserve and promote the education of the history of the war and of Southern culture and history generally;

Sixth. Participate, in a spirit of cooperation and reciprocity, in programs with other societies devoted to American history, veterans' affairs, or community interest.

The "Confederate Memorial Association" is an organization that merits the recognition of the Congress, recognition which has previously been extended to five War Between the States era organizations (i.e., the Grand Army of the Republic; the Ladies of the Grand Army of the Republic; the Legion of Valor of the United States of America, Inc.; the National Woman's Relief Corps, Auxiliary to the Grand Army of the Republic; and the Sons of Union Veterans of the Civil War).

Mr. President, I believe that it would be appropriate for the Congress to grant a Federal charter to this organization. The bill is currently cosponsored by 40 Members of this body, and I urge my remaining colleagues to support the legislation.●

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

Mr. DOLE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. SIMPSON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. EVANS). Without objection, it is so ordered.

The bill is before the Senate and open to amendment. If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill (S. 1660) was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

S. 660

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

CHARTER

SECTION 1. The Confederate Memorial Association, organized and incorporated under the laws of the District of Columbia in 1907 is hereby recognized as such and is granted a charter.

POWERS

SEC. 2. The Confederate Memorial Association (hereinafter referred to as the "corporation") shall have only those powers granted to it through its bylaws and articles of incorporation filed in the State or States in which it is incorporated and subject to the laws of such State or States.

OBJECTS AND PURPOSES OF CORPORATION

SEC. 3. The objects and purposes for which the corporation is organized shall be those provided in its articles of incorporation and, more broadly, shall include a continuing commitment, on a national basis, to—

(1) perpetuate southern culture and history, including the memory of the patriotic deeds of the men and women of the Southern States (soldiers and civilians) during the War Between the States from 1861 to 1865;

(2) maintain the Confederate Memorial Hall, the centerpiece of the corporation's public purpose, and the only shrine to the Confederacy in the Nation's Capitol;

(3) preserve and maintain the Confederate Memorial Hall as a public historical library and a museum gallery of historical relics and memorabilia commemorating southern history and culture;

(4) encourage the preservation of historic sites and the construction and preservation of buildings, halls, and monuments commemorating southern culture and history;

(5) preserve and promote the education of the history of the war and of southern culture and history generally;

(6) participate, in a spirit of cooperation and reciprocity, in programs with other societies devoted to American history, veterans' affairs, or community interests.

SERVICE OF PROCESS

SEC. 4. With respect to service of process, the corporation shall comply with the laws of the States in which it is incorporated and those States in which it carries on its activities in furtherance of its corporate purposes.

MEMBERSHIP

SEC. 5. Eligibility for membership in the corporation and the rights and privileges of members shall, except as provided in this Act, be as provided in the constitution and bylaws of the corporation, and terms of membership and requirements for holding office within the corporation shall not be discriminatory on the basis of race, color, religion, or national origin.

BOARD OF DIRECTORS; COMPOSITION; RESPONSIBILITIES

SEC. 6. The board of directors of the corporation and the responsibilities thereof shall be as provided in the articles of incorporation or bylaws of the corporation and in conformity with the laws of the State or States in which it is incorporated.

OFFICERS OF CORPORATION

SEC. 7. The officers of the corporation, and the election of such officers shall be as is provided in the articles of incorporation or bylaws of the corporation and in conformity with the laws of the State or States wherein it is incorporated.

RESTRICTIONS

SEC. 8. (a) No part of the income or assets of the corporation shall inure to any member, officer, or director of the corporation or be distributed to any such person during the life of this chapter. Nothing in this subsection shall be construed to prevent the payment of reasonable compensation to the officers of the corporation or reimbursement for actual necessary expenses in amounts approved by the board of directors.

(b) The corporation shall not make any loan to any officer, director, or employee of the corporation.

(c) The corporation and any officer and director of the corporation, acting as such officer or director, shall not contribute to, support, or otherwise participate in any political activity or in any manner attempt to influence legislation.

(d) The corporation shall have no power to issue any shares of stock nor to declare or pay any dividends.

(e) The corporation shall not claim congressional approval or Federal Government authority for any of its activities.

(f) The corporation shall retain and maintain its status as a corporation organized and incorporated under the laws of the State or States wherein it is incorporated.

LIABILITY

SEC. 9. The corporation shall be liable for the acts of its officers and agents when acting within the scope of their authority.

BOOKS AND RECORDS; INSPECTION

SEC. 10. The corporation shall keep correct and complete books and records of account and shall keep minutes of any proceeding of the corporation involving any of its members, the board of directors, or any committee having authority under the board of directors. The corporation shall keep at its principal office a record of the names and addresses of all members having the right to vote. All books and records of such corporation may be inspected by any member having the right to vote, or by any

agent or attorney of such member, for any proper purpose, at any reasonable time. Nothing in this section shall be construed to contravene any applicable State law.

AUDIT OF FINANCIAL TRANSACTIONS

SEC. 11. The first section of the Act entitled "An Act to provide for audit of accounts of private corporations established under Federal law", approved August 30, 1964 (36 U.S.C. 1101), is amended by adding at the end thereof the following:

"(71) The Confederate Memorial Association".

ANNUAL REPORT

SEC. 12. The corporation shall report annually to the Congress concerning the activities of the corporation during the preceding fiscal year. Such annual report shall be submitted at the same time as is the report of the audit required by section 11 of this Act. The report shall not be printed as a public document.

RESERVATION OF RIGHT TO AMEND OR REPEAL CHARTER

SEC. 13. The right to alter, amend, or repeal this Act is expressly reserved to the Congress.

DEFINITION OF "STATE"

SEC. 14. For purposes of this Act, the term "State" includes the District of Columbia, the Commonwealth of Puerto Rico, and the territories and possessions of the United States.

TAX-EXEMPT STATUS

SEC. 15. The corporation shall maintain its status as an organization exempt from taxation as provided in the Internal Revenue Code of 1954. If the corporation fails to maintain such status, the charter granted hereby shall expire.

TERMINATION

SEC. 16. If the corporation shall fail to comply with any of the restrictions or provisions of this Act, the charter granted hereby shall expire.

Mr. SIMPSON. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

FEDERAL CHARTER TO THE VIETNAM VETERANS OF AMERICA, INC.

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to the consideration of S. 8, which the clerk will report.

The bill clerk read as follows:

A bill (S. 8) to grant a Federal charter to the Vietnam Veterans of America, Inc.

The Senate proceeded to consider the bill which had been reported from the Committee on the Judiciary, with amendments, as follows:

(The parts of the bill intended to be stricken are shown in boldface brackets, and the parts of the bill intended to be inserted are shown in italic.)

S. 8

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

RECOGNITION AS CORPORATION AND GRANT OF FEDERAL CHARTER

SECTION 1. The Vietnam Veterans of America, Inc., a nonprofit corporation organized under the laws of the State of New York, is hereby recognized as such and is granted a charter.

CORPORATE POWERS

SEC. 2. The Vietnam Veterans of America, Inc. (hereinafter in this Act referred to as the "corporation"), shall have only those powers granted to it through its articles of incorporation filed in the State in which it is incorporated and its constitution and bylaws, and subject to the laws of such State.

OBJECTS AND PURPOSES OF CORPORTATION

SEC. 3. The objects and purposes of the corporation are those stated in its articles of incorporation, consitution, and bylaws and include a commitment to—

(1) uphold and defend the Constitution of the United States;

(2) foster the improvement of the condition of Vietnam-era veterans;

(3) promote the social welfare (including educational, economic, social, physical, and cultural improvement) in the United States by encouraging the growth and development, readjustment, self-respect, self-confidence and usefulness of Vietnam-era veterans and other veterans;

(4) improve conditions for Vietnam-era veterans and develop channels of communication to assist Vietnam-era veterans;

(5) conduct and publish research, on a nonpartisan basis, pertaining to the relationship between Vietnam-era veterans and the American society, to the Vietnam war experience, to the role of the United states in securing peaceful coexistence for the world community, and to other matters which affect the educational, economic, social, physical, or cultural welfare of Vietnam-era veterans and other veterans and the families of such veterans;

(6) assist disabled Vietnam-era veterans and other veterans in need of assistance and the dependents and survivors of such veterans; and

(7) consecrate the efforts of the members of the corporation and Vietnam-era veterans generally to mutual helpfulness and service to their country.

SERVICE OF PROCESS

SEC. 4. With respect to service of process, the corporation shall comply with the laws of the State in which it is incorporated and those States in which it carries on its activities in furtherance of its corporate purposes.

MEMBERSHIP

SEC. 5. Except as provided in section 8, eligibility for membership in the corporation and the rights and privileges of members shall be as provided in the constitution and bylaws of the corporation.

BOARD OF DIRECTORS

SEC. 6. Except as provided in section 8, the board of directors of the corporation, and the responsibilities of the board, shall be as provided in the constitution and bylaws of the corporation and in conformity with the laws of the State in which it is incorporated.

OFFICERS

SEC. 7. Except as provided in section 8, the officers of the corporation, and the election of such officers, shall be as provided in the constitution and bylaws of the corporation and in conformity with the laws of the State in which it is incorporated.

NONDISCRIMINATION

SEC. 8. In establishing the conditions of membership in the corporation and in determining the requirements for serving on the board of directors or as an officer of the corporation, the corporation may not discriminate on the basis of race, color, religion, sex, national origin, handicap, or age.

RESTRICTIONS ON CORPORATE POWERS

SEC. 9. (a) No part of the income or assets of the corporation shall inure to any person who is a member, officer, or director of the corporation or be distributed to any such person during the life of this charter. Nothing in this subsection shall be construed to prevent the payment of reasonable compensation to the officers of the corporation of reimbursement for actual necessary expenses in amounts approved by the board of directors.

(b) The corporation shall not make any loan to any officer, director, or employee of the corporation.

(c) The corporation shall have no power to issue any shares of stock nor to declare or pay any dividends.

(d) The corporation shall not claim congressional approval or Federal Government authority by virtue of this Act for any of its activities.

LIABILITY FOR ACTS OF OFFICERS AND AGENTS

SEC. 10. The corporation shall be liable for the acts of its officers and agents when acting within the scope of their authority.

BOOKS AND RECORDS; INSPECTION

SEC. 11. The corporation shall keep correct and complete books and records of accounts and shall keep minutes of any proceeding of the corporation involving any of its members, the board of directors, or any committee having authority under the board of directors. The corporation shall keep at its principal office a record of the names and addresses of all members having the right to vote. All books and records of the corporation may be inspected by any member having the right to vote, or by any agent or attorney of such member, for any proper purpose, at any reasonable time. Nothing in this section shall be construed to contravene any applicable State law.

AUDIT OF FINANCIAL TRANSACTIONS

SEC. 12. The first section of the Act entitled "An Act to provide for audit of accounts of private corporations established under Federal law", approved August 30, 1964 (36 U.S.C. 1101), is amended by inserting after paragraph [(67)] *(71)* the following new paragraph:

[*"(68)]* *"(72)* The Vietnam Veterans of America, Inc.".

ANNUAL REPORT

SEC. 13. The corporation shall report annually to the Congress concerning the activities of the corporation during the preceding fiscal year. Such annual report shall be submitted at the same time as is the report of the audit of the corporation required by section 2 of the Act entitled "An Act to provide for audit of accounts of private corporations established under Federal law", approved August 30, 1964 (36 U.S.C. 1102). The report shall not be printed as a public document.

RESERVATION OF RIGHT TO ALTER, AMEND, OR REPEAL CHARTER

SEC. 14. The right to alter, amend, or repeal this charter is expressly reserved to the Congress.

DEFINITION OF "STATE"

SEC. 15. For purposes of this Act, the term "State" includes the District of Columbia, the Commonwealth of Puerto Rico, and each of the territories and possessions of the United States.

TAX-EXEMPT STATUS

SEC. 16. The corporation shall maintain its status as an organization exempt from taxation as provided in the Internal Revenue Code of 1954.

EXCLUSIVE RIGHT TO NAMES

SEC. 17. The corporation shall have the sole and exclusive right to use the name "The Vietnam Veterans of America, Inc.", "Vietnam Veterans of America, Inc.", and "Vietnam Veterans of America", and such seals, emblems, and badges as the corporation may lawfully adopt. Nothing in this section shall be construed to interfere or conflict with established or vested rights.

FAILURE TO COMPLY WITH RESTRICTIONS OR PROVISIONS

SEC. 18. If the corporation shall fail to comply with any of the restrictions or provisions of this Act, the charter granted by this Act shall expire.

The PRESIDING OFFICER. The time for debate on this bill is limited to 10 minutes, to be equally divided and controlled by the chairman and ranking member of the Judiciary Committee, with a vote on final passage to occur at 5:30 p.m. No amendments, except the committee-reported amendment, will be in order.

Mr. SIMPSON. Mr. President, after consultation with the Democratic leader—and I appreciate his fine cooperation in response to this request which will help us to conclude our business today and move on to our vote tomorrow—let me now ask unanimous consent that the agreement entered into with respect to S. 8 on March 27, 1986, be postponed, to begin at 2 p.m. on Wednesday, April 9, 1986, and that the vote with respect to S. 8 begin immediately following the debate and that paragraph 4 of rule XII be waived.

The PRESIDING OFFICER. Is there objection?

Mr. BYRD. Mr. President, reserving the right to object, and I will not object—I thank the distinguished assistant Republican leader, and I also thank the distinguished majority leader—this will mean, if I understand the distinguished Senator's request, that on tomorrow, at the hour of 2 p.m., the debate which, in the previous agreement, was limited to 10 minutes would begin and immediately after the 10 minutes has expired, or upon the yielding back of the time, the Senate would then proceed to vote on passage of S. 8. Am I correct in my understanding?

Mr. SIMPSON. Mr. President, that is correct. That will be the procedure.

Mr. BYRD. That was my understanding. Mr. President, I thank the distinguished majority whip. I have no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. SIMPSON. Mr. President, for the information of our colleagues, we have now developed our agenda for tomorrow, and I am very much appreciative of the Democratic leader's assistance.

Tomorrow—and we shall develop this later in a concluding unanimous-consent agreement—we shall go to the regional airport issue in the morning, at approximately 10:30. That will become part of the formal agreement. For our colleagues who are listening, there will be no more rollcall votes today. I think that was expressed by the majority leader previously, but there could have been some doubt if we had not resolved matters in this recent fashion.

ROUTINE MORNING BUSINESS

Mr. SIMPSON. Mr. President, at this point, I ask unanimous consent for a period of routine morning business to extend until 4:45 p.m.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT RECEIVED DURING ADJOURNMENT

Under the authority of the order of the Senate of January 3, 1985, the Secretary of the Senate, on April 7, 1986, during the adjournment of the Senate, received messagess from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(The nominations received on April 7, 1986, are printed at the end of the Senate proceedings.)

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Saunders, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the PRESIDING OFFICER laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

ANNUAL REPORT OF THE NATIONAL ENDOWMENT FOR THE ARTS AND THE NATIONAL COUNCIL ON THE ARTS—MESSAGE FROM THE PRESIDENT—PM-128

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Labor and Human Resources:

To the Congress of the United States:

In accordance with the provisions of the National Foundation on the Arts and Humanities Act of 1965, as amended, I transmit herewith the Annual Report of the National Endowment for the Arts and the National Council on the Arts for the Fiscal Year 1985.

RONALD REAGAN.

THE WHITE HOUSE, *April 8, 1986.*

MESSAGE FROM THE HOUSE RECEIVED DURING ADJOURNMENT

ENROLLED BILL AND JOINT RESOLUTION SIGNED

Under the authority of the order of the Senate of January 3, 1985, the Secretary of the Senate, on March 31, 1986, during the adjournment of the Senate, received a message from the House of Representatives announcing that the Speaker pro tempore (Mr. WRIGHT) had signed the following enrolled bill and joint resolution:

H.R. 3128. An act to provide for reconciliation pursuant to section II of the 1st concurrent resolution on the budget for fiscal year 1986 (S. Con. Res. 32, Ninety-ninth Congress); and

S.J. Res. 52. Joint resolution to designate the month of April 1986 as "National School Library Month."

Under the authority of the order of the Senate of January 3, 1985, the enrolled bill and joint resolution were signed on April 1, 1986, during the adjournment of the Senate, by the Vice President.

ENROLLED JOINT RESOLUTION PRESENTED

The Secretary of the Senate reported that on today, April 8, 1986, she had presented to the President of the United States the following enrolled joint resolution:

S.J. Res. 52. Joint resolution to designate the month of April 1986 as "National School Library Month."

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-2818. A communication from the Comptroller General of the United States transmitting, pursuant to law, a report on the status of budget authority of two appropriations accounts which the President is withholding contrary to the Impoundment Control Act; jointly, pursuant to the order of January 30, 1975, to the Committee on Appropriations, the Committee on the Budget, the Committee on Banking, Housing, and Urban Affairs, and the Committee on Commerce, Science, and Transportation.

EC-2819. A communication from the Assistant Secretary of the Air Force transmitting a draft of proposed legislation to permit assignment of active duty Armed Forces outside the United States after basic training; to the Committee on Armed Services.

EC-2820. A communication from the Administrator of the GSA transmitting a draft of proposed legislation to provide authority for implementation of the President's national defense stockpile modernizaton proposal; to the Committee on Armed Services.

EC-2821. A communication from the Comptroller General of the United States transmitting, pursuant to law, a report on scientific and policy implications of nuclear winter; to the Committee on Commerce, Science, and Transportation.

EC-2822. A communication from the Chairman of the Nuclear Regulatory Commission transmitting, pursuant to law, a report on abnormal occurrences at licensed nuclear facilities in the third quarter of 1985; to the Committee on Environment and Public Works.

EC-2823. A communication from the Secretary of Health and Human Services transmitting, pursuant to law, a report on research activities relevant to the Clean Air Act; to the Committee on Environment and Public Works.

EC-2824. A communication from the U.S. Trade Representative transmitting, pursuant to law, a confidential report on the lack of resolution of a dispute with the European Economic Community; to the Committee on Finance.

EC-2825. A communication from the Under Secretary of State transmitting, pursuant to law, a confidential report on the implementation of travel controls on certain U.N. Secretariat and Mission employees; to the Committee on Foreign Relations.

EC-2826. A communication from the President of the African Development Foundation transmitting a draft of proposed legislation to authorize appropriations for fiscal years 1987 and 1988; to the Committee on Foreign Relations.

EC-2827. A communication from the D.C. Auditor transmitting, pursuant to law, a report on the review of substance abuse testing programs; to the Committee on Governmental Affairs.

EC-2828. A communication from the D.C. Auditor transmitting, pursuant to law, a report on the review of D.C. funds for alternative uses; to the Committee on Governmental Affairs.

EC-2829. A communication from the inspector general of Housing and Urban Development transmitting, pursuant to law, a Privacy Act report on a computer matching program; to the Committee on Governmental Affairs.

EC-2830. A communication from the chairman of the D.C. Council transmitting, pursuant to law, a copy of D.C. Act 6-143; to the Committee on Governmental Affairs.

EC-2831. A communication from the chairman of the D.C. Council transmitting, pursuant to law, D.C. Act 6-144; to the Committee on Governmental Affairs.

EC-2832. A communication from the chairman of the D.C. Council transmitting a request that the Congress refrain from using their original legislative power over the District of Columbia to name public places in honor of persons who have not been dead for more than 2 years; to the Committee on Governmental Affairs.

EC-2833. A communication from the Executive Director of the Pension Benefit Guaranty Corporation, transmitting, pursuant to law, the Corporation's Freedom of Information Act report; to the Committee on the Judiciary.

EC-2834. A communication from the national president of the Girl Scouts transmitting, pursuant to law, the annual report of the Girl Scouts of the U.S.A.; to the Committee on the Judiciary.

EC-2835. A communication from the president of INPO transmitting, pursuant to law, INPO's annual report; ordered to lie on the table.

EC-2836. A communication from the chief immigration judge transmitting, pursuant to law, a report on grants of suspension of deportation under section 244 of the Immigration and Nationality Act; to the Committee on the Judiciary.

EC-2837. A communication from the Chairman of the National Advisory Council on Bilingual Education transmitting, pursuant to law, the Council's 10th annual report; to the Committee on Labor and Human Resources.

EC-2838. A communication from the Chairman of the FCC transmitting, pursuant to law, the Commission's annual report; to the Committee on Commerce, Science, and Transportation.

EC-2839. A communication from the Assistant Secretary of Defense transmitting, pursuant to law, a report on the feasibility of DOD issuance of food stamps to overseas households of members stationed abroad; to the Committee on Agriculture, Nutrition, and Forestry.

EC-2840. A communication from the Secretary of the Navy transmitting, pursuant to law, a report on a breach of unit baseline cost of weapons system by 3,266.8 percent; to the Committee on Armed Services.

REPORTS OF COMMITTEES SUBMITTED DURING ADJOURNMENT

Under the authority of the order of the Senate of March 27, 1986, the following reports of committees were submitted on April 4, 1986 during the adjournment of the Senate:

By Mr. THURMOND, from the Committee on the Judiciary, with an amendment in the nature of a substitute:

S. 1236. A bill to amend title 18 of the United States Code and other laws to make minor or technical amendments to provisions enacted by the Comprehensive Crime Control Act of 1984, and for other purposes (Rept. No. 99-278).

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. PACKWOOD, from the Committee on Finance:

Donald M. Newman, of Indiana, to be Under Secretary of Health and Human Services.

(The above nomination was reported with the recommendation that it be confirmed, subject to the nominee's commitment to appear and testify before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. DURENBERGER:

S. 2267. A bill exempting from bilateral arrangements subject to the Steel Import Stabilization Act steel products imported into the United States for processing into oil country tubular goods and subsequently exported; to the Committee on Finance.

By Mr. ROTH:

S. 2268. A bill to amend title 10, United States Code, to establish in the Department of Defense the position of Under Secretary of Defense for Acquisition; and to require the Secretary of Defense to conduct a test program to streamline the efficiency of the management structure of major defense acquisition programs; to the Committee on Armed Services.

By Mr. D'AMATO (for himself and Mr. LAUTENBERG):

S. 2269 A bill to amend title 10, United States Code, to permit members of the Armed Forces to wear, under certain circumstances, items of apparel not part of the official uniform; to the Committee on Armed Services.

By Mr. SIMON:

S. 2270. A bill to amend the Immigration and Nationality Act to deter immigration-related marriage fraud and other immigration fraud; to the Committee on the Judiciary.

By Mr. DENTON (for himself and Mr. HEFLIN):

S. 2271. A bill for the relief of Jens-Peter Berndt; to the Committee on the Judiciary.

By Mr. QUAYLE:

S. 2272. A bill to limit the amount that may be expended in any fiscal year by a Member of Congress for franked mail; to the Committee on Rules and Administration.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. DURENBERGER:

S. 2267. A bill exempting from bilateral arrangements subject to the Steel Import Stabilization Act steel products imported into the United States for processing into oil country tubular goods and subsequently exported; to the Committee on Finance.

OIL COUNTRY TUBULAR GOODS EXPORT PROTECTION ACT

● Mr. DURENBERGER. Mr. President, today I am introducing legislation that will permit domestic processors of oil country tubular goods to continue importing pipe and tube products that are finished in the United States and then exported. Since this legislation is designed to

permit domestic processers of oil country tubular goods to compete in the fiercely competitive world market, it will serve to enhance our trade balance and retain jobs in the United States.

Many of the bilateral arrangements negotiated last year restrict the importation of pipe and tube products that are finished in the United States and reexported. Like so many other restrictions on free and open trade, these restrictions have had the effect of preserving jobs in one sector of the industry while sacrificing jobs in other sectors of the industry. Processors of oil country tubular goods often supply 50 to 60 percent or more U.S. value added during the finishing process. This translates into many new jobs in the steel industry.

This legislation would exempt casing, tubing, drill pipe, or line pipe used to process oil country tubular goods from any quantitative limits established under our bilateral steel arrangements. Although some of the pipe and tube products covered under this legislation is available from domestic suppliers, the domestic price for these products is so high that our domestic processors cannot compete effectively in foreign markets. As a result, if this legislation is not adopted, we will surely see a further decline in steel industry employment—a perverse and unintended affect of our bilateral steel import agreements.

Steel inputs covered under this legislation must be entered into the United States under a temporary import bond and certified by the selling country to be exported into the United States solely for processing into goods for subsequent export. If the U.S. processor does not export the finished product within the 1-year deadline of the temporary import bond, the processor will be penalized by an amount twice the FOB value of the imported merchandise. As under the current temporary import bond, the U.S. Customs Service may grant an extension of the bond for up to 3 years if the bond holder demonstrates the need for an extension.

This legislation also increases the temporary import bond value to twice the FOB value of the imported goods. This penalty ensures that if the processor does not reexport the finished product, it will not be able to undersell domestic competitors.

I ask unanimous consent that a copy of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in RECORD, as follows:

S. 2267

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. This Act may be cited as the "Oil Country Tubular Goods Export Protection Act".

AMENDMENT TO STEEL IMPORT STABILIZATION ACT

SEC. 2. Section 805 of the Steel Import Stabilization Act (19 U.S.C. 2253 note) is amended by adding at the end thereof the following:

"(d)(1) The quantitative limitation established under any bilateral arrangement for any foreign country shall not apply to any casing, tubing, drill pipe, or line pipe that is—

"(A) a product of that country;

"(B) temporarily imported under bond into the United States for processing into oil country tubular goods meeting American Petroleum Institute (API) specifications by means of upsetting, full-length heat treating, threading, and tool joining; and

"(C) covered by documentation, issued by that country and presented to the customs officer concerned at the time of importation, that certifies that the casing, tubing, or pipe is intended for export from the United States after the processing referred to in sub-paragraph (B) is completed.

"(2) The Secretary of the Treasury shall require persons who import under paragraph (1) to submit such information regarding the processing in the United States and anticipated time and place of export of the merchandise as the Secretary considers appropriate for efficient administration of this subsection.

"(3) Notwithstanding any other provision of the customs laws, temporary importation bonds given on merchandise described in paragraph (1) shall be in an amount equal to twice the fob value of the merchandise centered under bond.

"(4) Notwithstanding the provisions of paragraph (1) of this subsection, any merchandise imported into the United States for processing into oil country tubular goods under this section which is not re-exported within a period of six months shall be charged against any quantitative limitation which would otherwise be applicable to such merchandise in the absence of this subsection."●

By Mr. ROTH:

S. 2268. A bill to amend title 10, United States Code, to establish in the Department of Defense the position of Under Secretary of Defense for Acquisition; and to require the Secretary of Defense to conduct a test program to streamline the efficiency of the management structure of major defense acquisition programs; to the Committee on Armed Services.

ESTABLISHMENT OF POSITION OF UNDER SECRETARY OF DEFENSE FOR ACQUISITION

● Mr. ROTH. Mr. President, today I am introducing a bill which closely complements important recommendations of the President's Blue Ribbon Commission on Defense Management. This bill intends to strengthen the acquisition process in the Department of Defense (DOD) in two ways: First, it creates an Under Secretary of Defense for Acquisition; second, it increases the efficiency of the management structure of major defense acquisition programs by reducing the number of officials to whom a program manager must report.

Mr. President, the first title of this bill creating an Under Secretary of Defense for Acquisition should go far toward putting clear accountability in DOD's weapons acquisition process. The Under Secretary would be a civilian nominated by the President and confirmed by the Senate who would be charged with setting overall policy for and supervising, directing, and controlling all DOD acquisition activities. The Under Secretary should have extensive experience in the defense industry, including a strong managerial background in the private sector.

The creation of the Under Secretary's position closely parallels the recommendation made in the Blue Ribbon Commission's interim report of February 28, 1986, and in their most recent report submitted to the President yesterday.

It is interesting to note Mr. Chairman, that 15 years ago, Gilbert Fitzhugh, then Chairman of the President's Blue Ribbon Defense Review Commission, said of DOD procurement, "There is nobody that you can point your finger to if anything goes wrong and there is nobody you can pin a medal on if it goes right, because everything is everybody's business and * * * what is everybody's business is nobody's business."

Mr. President, I would be the first to acknowledge that it is no small task to develop, produce, and manage complex weapon systems and to hold down the cost growth which routinely affects them. If it were, the dozens and dozens of acquisition improvement efforts which have been initiated by virtually every administration would certainly by now have given us a more efficient and well-managed acquisition process.

It hasn't happened. In fact, if anything, the problems in the acquisition process are as serious today as they have ever been and the public has the perception that we really don't know how to build dependable, reasonably-priced weapon systems.

Part of this perception of an acquisition system out of control stems from the very fact that the Defense budget—and in particular, the procurement portion of the budget—has grown dramatically over the last 3 years. The Defense Department procurement request for this year is approximately three times greater, in constant dollars, than it was less than a decade ago. About 15 million separate contract actions were made in 1985 alone to buy weapons and related spare parts. Nearly 1 job in 10 in the United States today is dependent to some degree on the defense contracting business. Somewhere around half of the general tax revenues now collected go to defense programs.

The public is also aware of these substantial increases in the defense budget. But they are just as aware of the cost growth, weapon system fail-

ures, and overpriced spare parts which have resulted from the existing acquisition system. As my colleagues know from their visits with constituents back home, the fact is that the public's view of defense matters is greatly influenced by their perceptions of the way in which weapon programs and spare parts purchases are managed. My concern, and I know that of other Senators as well, is that the public is becoming convinced the Defense Department is not effectively managing the defense acquisition process.

If we don't act soon, we run the risk of losing the consensus in support of the defense rebuilding effort which we need and which was so evident in 1981. Coupled with the budget deficit pressures which have now begun to affect the size of the defense program, the public's growing disillusionment with the management of the acquisition process is a serious matter and one that I, as a strong proponent of a revitalized defense, am anxious to reverse. The job of buying weapons and equipment not only has to be done well, the public has to be convinced it is being done well.

Mr. President, the acquisition process has been examined repeatedly over the years and we are all familiar with most of the many problems cited at one time or another as major factors in cost growth and mismanagement: poor or overly optimistic cost estimates, "gold-plating," poor testing, lack of competition in contracts and schedule "stretchouts." Whether these are in fact the real causes of cost growth, or just symptoms of the problem, there is little doubt in my mind that the acquistion process is ripe for improvement. More than 3 years of hearings on acquisition management in my Governmental Affairs Committee have convinced me of that fact. A report by the General Accounting Office dramatically illustrates the very serious cost growth and management problems affecting acquisition programs.

GAO reviewed the Defense Department's budget, planning, and cost estimating procedures for its major weapons programs to provide an assessment of the realism of the Department's 5-year projection of funding requirements. The GAO looked at the actual versus planned costs for 97 major weapons between the years 1963 and 1983 and found that Congress must consistently provide substantially greater appropriations than anticipated for weaponry, an average of 32 percent more. It also found that even with the additional money, the quantities of weapons which DOD is actually able to buy is consistently less than originally planned. In fact, since 1970, this pattern of receiving more money and purchasing fewer quantities of weapons has gotten worse, and in the 23-year time period between then and now, DOD has never once been able to purchase the planned quantities.

The GAO figures indicate that our acquisition system is in a serious state of disrepair, soaking up even the sizable increases in funding which have occurred over the last 3 years and producing far less than we had hoped. We are buying less but continuing to spend more. I am convinced the American people are willing to dig deep to build a strong defense but I am equally convinced they won't accept a defense which is wasteful and more costly than necessary.

In outlining the serious problems we face in improving the management of acquisition programs, it becomes apparent to me that the solutions of the past are no longer adequate. I believe we should consider more comprehensive and far-reaching changes which may threaten the status quo, but could help set the stage for real and lasting improvements.

That is why I am proposing the creation of the Under Secretary of Defense for Acquisition.

How would such a proposal help improve the management of the defense acquisition process? It would ensure that someone—the Under Secretary of Defense for Acquisition—is identified and held accountable for the performance and cost of a weapon program. This person would have to answer for the cost increases and technical problems. This person would enjoy the rewards and recognition of a job well done.

Mr. President, in response to my request of the General Accounting Office (GAO) for their comments on my bill, they have responded in support of the legislation, particularly the provision consolidating the acquisition function within the Office Secretary of Defense.

The GAO also proposed that the Office of Assistant Secretary of Defense for Acquisition and Logistics be reestablished as an office equivalent with the Director of Defense Research and Engineering. The GAO recommends that the person holding this office also report directly to the Under Secretary of Defense for Acquisition.

These are good recommendations and I believe they should be given serious consideration when this bill is studied by the Senate Armed Services Committee.

Mr. President, I ask that the letter from GAO be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. GENERAL ACCOUNTING OFFICE,
Washington, DC, April 7, 1986.

Hon. WILLIAM V. ROTH, Jr.,
Chairman, Committee on Governmental Affairs, U.S. Senate.

DEAR MR. CHAIRMAN: At the request of your staff, we reviewed a proposal to establish in the Department of Defense (DOD) the position of Under Secretary of Defense for Acquisition. We have long emphasized the need to improve DOD's decisionmaking process and we support the major thrust of the proposal, namely consolidating the acquisition function within the Office of the Secretary of Defense. In recent testimony, before the Subcommittee on Defense Acquisition Policy, Senate Committee on Armed Services, we noted that an advantage of this approach is that accountability for all acquisition phases would be found in one place.

Section 104 of the proposal would require the Director of Operational Test and Evaluation (OT&E) to report to the Secretary of Defense through the Under Secretary of Defense for Acquisition. As you know, the Congress mandated the Director to be the principal adviser to the Secretary of Defense on OT&E matters and report directly, without intervening review or approval, to the Secretary. We recommend deleting this section because it could either in practice or perception adversely impact on the independence and objectivity that the Director was established to ensure.

One additional comment we have deals with the Office of the Assistant Secretary of Defense for Acquisition and Logistics. The proposal does not mention the functions currently performed by the Assistant Secretary. We assume that there would continue to be an Assistant Secretary for Acquisition and Logistics who would report to the new Under Secretary. This relationship should be addressed in the proposal.

We are currently conducting a review on the feasibility of establishing a centralized civilian acquisition agency. The results of our review should be useful in evaluating proposals for making organizational adjustments to the defense acquisition function. We will keep your staff informed of the progress of our review.

We have enclosed an annotated copy of the proposal which suggests other changes intended to clarify the language. We appreciate the opportunity to comment on this proposal. If we can be of further assistance, please let us know.

Sincerely yours,
FRANK C. CONAHAN, *Director.*

Mr. ROTH. Mr. President, title II of my bill also closely parallels a Packard Commission recommendation calling for a streamlined acquisition process. If you remember, the Commission's February 28 interim report to the President states, and I quote:

The Army, Navy, and Air Force should each establish a comparable senior position filled by a top-level civilian Presidential appointee. The role of the Services' Acquisition Executives would mirror that of the Defense Acquisition Executive. They would appoint Program Executive Officers (PEO), each of whom would be responsible for a reasonable and defined number of acquisition programs. Program Managers for these programs would be responsible directly to their respective PEO and report only to him on program matters. Each Service should retain flexibility to shorten this reporting chain even further, as it sees fit.

Establishing short, unambiguous lines of authority would streamline the acquisition process and cut through bureaucratic red tape. By this means, the Department of Defense (DoD) should substantially reduce the number of acquisition personnel.

My bill would require the Secretary of Defense to put these recommenda-

tions into effect on two major defense acquisition programs in each military service. This would be a test program and after that program runs its course and is fully evaluated, I would expect streamlining of more major defense acquisition programs until this steamlining is effectively in place on all weapons programs.

Mr. President, these recommendations for streamlining the defense acquisition process could go a long way toward reducing the chain of decisionmaking levels of weapons programs. Streamlining could also reduce significantly the number of acquisition personnel in each of the military services.

It is time to reduce the number of acquisition personnel. I have believed for some time that staffing of acquisition personnel for major defense acquisition programs should be cut by one-fifth or one-tenth the size of what they are at present. Fewer personnel in defense acquisition and good management could lessen the acquisition cycle for a weapon system, prevent goldplating, and field a weapon that meets its mission requirements and military specifications.

Mr. President, I think this bill is needed. It closely approximate the recommendations of the Packard Commission and should have their support.

I urge my colleagues to support this bill and ask that it be printed in the CONGRESSIONAL RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2268

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—ESTABLISHMENT OF POSITION OF UNDER SECRETARY OF DEFENSE FOR ACQUISITION

ESTABLISHMENT OF POSITION

SEC. 101. Chapter 4 of title 10, United States Code, is amended by inserting after section 134 the following new section:

"§ 134a. Under Secretary of Defense for Acquisition: appointment; powers and duties; precedence

"(a) There is an Under Secretary of Defense for Acquisition, appointed from civilian life by the President, by and with the advice and consent of the Senate.

"(b) Subject to the authority, direction, and control of the Secretary of Defense, the Under Secretary of Defense for Acquisition—

"(1) is responsible for setting overall policy for, and supervises, directs, and controls all acquisition activities of the Department of Defense; and

"(2) shall perform such duties and exercise such powers as the Secretary of Defense may prescribe.

"(c) The Under Secretary—

"(1) is the senior procurement executive for the Department of Defense for the purposes of section 16(3) of the Office of Federal Procurement Policy Act (41 U.S.C. 414(3));

"(2) is the Defense Acquisition Executive for purposes of regulations and procedures of the Department providing for a Defense Acquisition Executive; and

"(3) to the extent directed by the Secretary of Defense, supervises, directs and controls all other officers in the Office of the Secretary of Defense who have procurement or acquisition responsibilities (notwithstanding any law providing that any such officer is responsible only to, and reports directly to, the Secretary or the Deputy Secretary).

"(d) The Under Secretary takes precedence in the Department of Defense after the Secretary of Defense and, among the Deputy Secretary of Defense and the Secretaries of the military departments, in the order prescribed by the Secretary of Defense.".

PAY GRADE

SEC. 102. Section 5313 of title 5, United States Code, is amended by adding at the end thereof the following:

"Under Secretary of Defense for Acquisition.".

CONVERSION OF UNDER SECRETARY FOR RESEARCH AND ENGINEERING TO ASSISTANT SECRETARY LEVEL

SEC. 103. (a) The position of Under Secretary of Defense for Research and Engineering is hereby redesignated as Director of Defense Research and Engineering. The Director of Defense Research and Engineering is an Assistant Secretary of Defense.

(b) Section 136(b) of title 10, United States Code (relating to Assistant Secretaries of Defense), is amended by adding at the end the following new paragraph:

"(7) One of the Assistant Secretaries shall be the Director of Defense Research and Engineering. The Director shall perform such duties relating to research and engineering as the Secretary of Defense may prescribe.".

(c) Section 135 of such title is amended—

(1) by striking out the first two sentences in subsection (a) and inserting in lieu thereof the following: "There is an Under Secretary of Defense for Policy, appointed from civilian life by the President, by and with the advice and consent of the Senate.";

(2) by striking out the second sentence in subsection (b);

(3) in subsection (c)—

(A) by striking out "and the Secretaries of the military departments" and inserting in lieu thereof "the Secretaries of the military departments, and the Under Secretary of Defense for Acquisition"; and

(B) by striking out the second sentence; and

(4) by striking out the section heading and inserting in lieu thereof the following:

"§ 135. Under Secretary of Defense for Policy: appointment; powers and duties; precedence"

(d) Section 5314 of title 5, United States Code, is amended by striking out "Under Secretaries of Defense (2)" and inserting in lieu thereof "Under Secretary of Defense for Policy".

(e) The redesignation of the position of Under Secretary of Defense for Research and Engineering as Director of Defense Research and Engineering and the amendments made by subsections (b), (c), and (d)—

(1) shall not affect the appointment in that position of the person holding that position on the date of the enactment of this Act; and

(2) shall not affect the rate of pay or other benefits to which that person is entitled on the date of the enactment of this Act as an Under Secretary of Defense.

GENERAL CONFORMING AMENDMENTS

SEC. 104. (a) Section 136a(d) of title 10, United States Code (relating to the Director of Operational Test and Evaluation), is amended by striking out "Under Secretary of Defense for Research and Engineering" in the second sentence and inserting in lieu thereof "Director of Defense Research and Engineering".

(b) Section 171(a) of such title (relating to the Armed Forces Policy Council) is amended—

(1) by redesignating clauses (3) through (10) as clauses (4) through (11), respectively;

(2) by inserting after clause (2) the following new clause (3):

"(3) the Under Secretary of Defense for Acquisition;"; and

(3) by striking out "Under Secretaries of Defense" in clause (7) (as so redesignated) and inserting in lieu thereof, "Under Secretary of Defense for Policy.".

CLERICAL AMENDMENT

SEC. 105. The table of sections at the beginning of chapter 4 of such title is amended by striking out the item relating to section 135 and inserting in lieu thereof the following new items:

"134a. Under Secretary of Defense for Acquisitions: appointments; powers and duties; precedence.

"135. Under Secretary of Defense for Policy: appointment; powers and duties; precedence.".

TITLE II—EXPERIMENTAL STREAMLINING OF MANAGEMENT OF MAJOR DEFENSE ACQUISITION PROGRAMS

DEFINITION

SEC. 201. In this title, "major defense acquisition program" has the meaning given that term in section 139a(a)(1) of title 10, United States Code.

REQUIREMENT TO CONDUCT EXPERIMENTAL PROGRAM

SEC. 202. (a) The Secretary of Defense shall conduct, through the Secretaries of the military departments, a test program with respect to increasing the efficiency of the management structure of major defense acquisition programs by reducing the number of officials through whom a program manager reports to the senior procurement executive of the military department concerned.

(b) The Secretary shall require that the Secretary of each military department designate two major defense acquisition programs of that department to participate in the test program described in subsection (a).

(c) A program may be designated under subsection (b) only if the program has not proceeded into full-scale engineering development as of September 30, 1986.

GUIDELINES

SEC. 203. (a) The Secretary of Defense shall issue guidelines governing the management of the major defense acquisition programs designated by the Secretaries of the military departments under section 202(b).

(b) The guidelines shall include the following requirements:

(1) The Secretary concerned shall designate a program executive officer for each program.

(2) The program manager for each program shall report directly, without intervening review or approval, to the program executive officer for that program. The program manager shall consider recommendations received from the competition advocate for

the department with respect to decisions concerning that program.

(3) The program executive officer for a program shall report directly, without intervening review or approval, to the senior procurement executive of the military department concerned designated pursuant to section 16(3) of the Office of Federal Procurement Policy Act (41 U.S.C. 414(3)).

(4) The competition advocate for the department may appeal to the program executive officer a decision of the program manager with respect to that program.●

By Mr. D'AMATO (for himself and Mr. LAUTENBERG):

S. 2269. A bill to amend title 10, United States Code, to permit members of the Armed Forces to wear, under certain circumstances, items of apparel not part of the official uniform; to the Committee on Armed Services.

ALLOWING THE MILITARY TO WEAR RELIGIOUS APPAREL

● Mr. D'AMATO. Mr. President, I rise today to offer legislation with my distinguished colleague, the junior Senator from New Jersey, to correct an injustice recently affirmed by the Supreme Court. On March 25, the Supreme Court ruled 5-4 in favor of a lower court ruling that the Department of Defense was within its rights in not allowing the wearing of a yarmulke indoors by military personnel. The case, Goldman versus Weinberger, involved an Air Force officer who, though serving as a psychologist, was an ordained Rabbi. As an Orthodox Jew, Capt. S. Simcha Goldman wore his yarmulke at all times. The Air Force insisted that this was not within regulations. The case eventually reached the Supreme Court.

Mr. President, the legislation we are introducing today offers a reasonable solution to this problem. This bill would amend chapter 45 of title 10 of the United States Code to allow the wearing of all neat, unobtrusive, and conservative religious apparel. Specifically, the bill allows members of the Armed Forces to wear any neat, conservative, and unobtrusive item of apparel if the wearing of such apparel is part of the religious observance of the member, unless the wearing of such apparel interferes with the performance of the member's military duties.

This legislation would not only resolve cases involving the wearing of the yarmulke, but also allow military personnel of any religion to wear, within reason, appropriate religious apparel. I believe the Air Force and the Department of Defense interpreted too strictly regulations that prevented Captain Goldman from wearing his yarmulke indoors. Indeed, the Supreme Court's less than unanimous decision on this specific case left much room for debate. It is uncertain whether the Supreme Court would have affirmed the lower courts decision if Goldman had not joined the Air Force of his own choice. I question whether we can afford to preclude a certain group within our society from voluntary military service because of their centuries-old legitimate religious beliefs concerning the wearing of certain types of religious apparel.

For this reason, Mr. President, I feel it is necessary for a legislative solution. Obtrusive and possibly interfering apparel should not be allowed, especially if such apparel would hinder the effectiveness of the service man or woman. In addition, religious apparel should not hinder the effectiveness of other military personnel. This is straightforward legislation that further strengthens the right of freedom of religion in this country. I have discussed this legislation with many groups, including the Anti-Defamation League. Our Armed Forces should not be in the position of completely dictating what religious behavior is acceptable.

Mr. President, I urge my colleagues to join with me on this important piece of legislation, and I urge its quick passage into law. I also ask unanimous consent that the full text of this legislation be printed in the RECORD at the conclusion of my remarks.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2269

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. WEARING RELIGIOUS APPAREL NOT PART OF THE OFFICIAL UNIFORM

(a) IN GENERAL.—Chapter 45 of title 10, United States Code, is amended—

(1) by redesignating section 774 as section 775; and

(2) inserting after section 773 the following new section:

"§ 774. Wearing religious apparel

"(a) Except as provided in subsection (b), a member of the armed forces may wear an item of religious apparel if—

"(1) the wearing of the item of apparel is part of the religious observance of the religious faith practiced by the member; and

"(2) the item of apparel is neat, conservative, and unobstrusive.

"(b) The Secretary concerned may prohibit a member from wearing an item of religious apparel if the Secretary determines that the wearing of such item significantly interferes with the performance of the member's military duties.".

(b) CONFORMING AMENDMENTS.—The table of chapters at the beginning of such chapter is amended—

(1) by redesignating the item relating to section 774 as 775; and

(2) by inserting below the item relating to section 773 the following new item:

"774. Wearing religious apparel.".●

By Mr. SIMON:

S. 2270. A bill to amend the Immigration and Nationality Act to deter immigration-related marriage fraud and other immigration fraud; to the Committee on the Judiciary.

IMMIGRATION MARRIAGE FRAUD

● Mr. SIMON. Mr. President, I am introducing legislation today which will help solve what has become a serious problem for this country.

Mr. President, what is the quickest and easiest method to enter the United States legally? By marrying a U.S. citizen or permanent resident alien. Under our immigration laws, spouses are given special priority in the preference system and are allowed to immigrate faster than anyone else. Because of the special place spouses hold in our immigration pecking order, they are allowed to "leapfrog" ahead of brothers and sisters and others in the preference system who must endure lengthy waits.

For example, brothers and sisters of United States citizens awaiting United States immigrant visas from the Philippines must wait more than 10 years to enter legally. Those from Mexico face a 9-year wait and those from Hong Kong a 7- to 13-year wait.

According to the Immigration and Naturalization Service, 149,296 people entered the United States as spouses of U.S. citizens or permanent resident aliens in 1984, a 43-percent increase since 1977. While it is difficult to determine exactly how many of these were fraudulent marriages, the INS's internal surveys show that 30 percent of all petitions they receive involve suspect marital relationships.

Our Nation's policy of giving spouses first preference has been widely and shamelessly abused. Immigration marriage fraud has become a lucrative industry which allows an unscrupulous alien to remain in the United States with a green card.

Since October 1, 1985, the INS district office in Chicago has investigated 182 cases involving fraudulent marriages. It receives approximately 10 telephone calls and 5 letters per day charging marriage fraud.

There are two types of marriage fraud. The first is the most harmful and difficult to rectify. This usually involves an unwitting U.S. citizen or permanent resident being duped by an alien who never intends to remain married but who enters into the marriage solely for the immigration benefit he or she will receive. In these cases usually the U.S. citizen is without recourse because of the scarce investigative resources the INS currently has and because of the difficult legal tests to bring the alien to justice.

The second type involves the complicity of an alien and a U.S. citizen who intentionally enter into a marriage knowing that it will be terminated or annulled at some point in the future. Normally, the U.S. citizen receives a sum of money—between $500 and $10,000—to say "I do" which he or she collects after performing the crime.

In June 1985, the Subcommittee on Immigration and Refugee Policy, chaired by our distinguished colleague, Senator ALAN SIMPSON, held a hearing on marriage fraud. Several witnesses testified about the first type of fraud. They related stories about how they were duped by aliens claiming to be in love but who were only after the immigration benefit. One alien admitted to his American wife that she had only been his "ticket to America" and left her shortly.

Another case came to my attention from a constituent in Chicago whose daughter had been the victim of this kind of fraud. Shortly after the new husband had convinced his wife to petition for his permanent residency—which he received quickly—he left her, explaining that he had married her only for his green card. Legal battles proved fruitless in this case because of the standard of proof to convict him. The bride was told that she would have to prove that the alien had intended to defraud her from the start. According to the victim's family, to satisfy this standard, "We had to get inside of his mind. * * *" This demonstrates how difficult it is to remedy this type of crime.

The second marriage fraud scheme involves the complicity of a U.S. citizen and an alien. These are often arranged by marriage fraud rings which organize tens or hundreds of fraudulent marriages. In these cases, the organizer charges an alien several thousand dollars to have a fraudulent marriage arranged. The organizer then pays the U.S. citizen a portion of the fee for his or her participation in the marriage.

The INS in Chicago recently concluded a case involving three U.S. citizens who conspired in the arrangement of 29 sham marriages. In this case, the conspirators charged each male alien between $1,500 and $3,000 to arrange a fraudulent marriage.

Another case involved 5 U.S. citizens and 4 aliens who were known to have arranged 27 sham marriages. The arrangers were receiving between $2,500 and $3,000 from each male for whom they arranged fraudulent marriages. Each U.S. citizen female was receiving approximately $1,000 for marrying the alien men and for filing a petition to adjust status to that of lawful permanent resident on their behalf. In April 1985, eight defendants pled guilty and were sentenced.

These cases, however, point out the problem the Service currently faces: lack of resources. Currently, the INS has less than 700 investigators nationwide to cover all types of immigration fraud, including but not limited to marriage fraud. In marriage fraud cases, they are only able to devote their efforts to marriage fraud rings. During fiscal year 1984 alone, the INS investigated 62 marriage fraud rings.

There is another problem with current law in the area of fiancé(e) petitions. Right now, an alien can enter the country as a fiancé(e) as long as he or she intends to marry within 90 days. Section 214(d) of the Immigration and Nationality Act—8 U.S.C. 1184—says that an alien may receive a temporary fiancé(e) visa if the parties "* * * have a bona fide intention to marry and are legally able and actually willing to conclude a valid marriage in the United States within * * * 90 days after the alien's arrival."

If the marriage takes place within 90 days, the alien may receive his or her permanent resident status within a matter of weeks.

There is a gaping hole in the current statute which has helped create a large number of active and highly lucrative "mail-order bride" businesses. Because the current statute does not require that the two parties must meet each other prior to having a visa approved, a U.S. citizen may petition for someone he or she has never met.

In fiscal year 1984 alone, 11,721 alien fiancé(e)s were admitted to the United States. Of these, 4,935 adjusted their status to permanent resident status through marriage and 1,438 departed the United States, leaving 5,348 or nearly 45 percent unaccounted for. So, even though the intent of the statute was to make it easier for an alien fiancé(e) to be with the U.S. citizen petitioner before marriage, in a large number of cases the law is not being used for legitimate purposes.

My staff obtained a copy of a "mail-order bride" catalog which contains pictures of a number of foreign women, short descriptions of each, and instructions on how to subscribe to the company's service. The company helps the client complete the necessary INS forms to get the woman into the United States. This sort of business is alien to our culture and there is a real possibility that the alien will never marry and end up as one of the 45-percent alien fiancé(e)s unaccounted for, or marry for nothing other than the immigration benefits which can later be accorded.

The bill that I am introducing today contains several provisions which would drastically reduce the incidence of marriage fraud in three ways.

Instead of immediately receiving permanent resident status, the alien, under this bill, will be placed in a 1-year conditional resident status before he or she is given permanent residence. After this 1-year conditional status, the alien will have to provide evidence of the following things before receiving his or her permanent resident status:

First, that the marriage was not entered into for the purpose of procuring an alien's entry as an immigrant.

Second, the marriage has not been judicially annulled or terminated, other than through the death of a spouse.

Third, that no fee or other consideration—other than a lawyer's fee—was given for the filing of a petition under section 204(a) or 214(d); and

Fourth, the parties to the marriage have maintained a bona fide marital relationship, as evidenced by cohabitation, ownership of property jointly, filing of joint tax returns, or other relevant evidence during the previous period.

This sends a strong signal to those who, either through complicity or deceit, intend to use marriage solely for immigration purposes. This will discourage those who use the current system as an easy way to get permanent resident status.

Another beneficiary of this provision will be the INS. Currently, it is only able to invest its scarce investigative resources and personnel to marriage fraud rings, an extremely labor-intensive and costly undertaking. Since the alien will have to report back to the INS within 1 year to prove that the marriage was and is valid, the INS will not need to spend weeks on stakeouts and fact gathering as they do now since the burden will be each applicant to come back and prove that the marriage is still valid.

This provision will still allow the alien spouse to receive the benefits currently accorded. The only difference between the current system and this provision is that the alien must provide evidence, after 1 year, that there was no fraud involved in the receipt of his or her permanent resident status. Mr. President, this is a reasonable and fair approach to this problem. It does not allow the Government to overstep the bounds of personal liberties which the Constitution currently affords.

During the June 1985 hearing the Subcommittee on Immigration and Refugee Policy held, one of the witnesses testified that:

> * * * the United States should borrow something from the British. An alien marrying a British subject is granted, upon application, a nonimmigrant visa good for 1 year; the alien is allowed to work in the UK, to enter and leave the country, and, 1 year later to apply for permanent status *if the marriage is still valid.* (Emphasis is text.) If granted, the 1 year of nonimmigrant status can be counted toward naturalization. Neither the British subject nor the new spouse loses anything in this process but it must discourage abuse of the system and it certainly prevents any Briton from marrying an alien for money more than once a year. (Hearing on Immigration Marriage Fraud, Subcommittee on Immigration and Refugee Policy, Committee on the Judiciary, U.S. Senate, S. Hrng. 99-325 Serial No. J-99-43, July 26, 1985, p. 61.)

The provision in this bill would allow the alien to live and work in the United States, just as he or she is allowed now, but would require that he

or she certify to the Government that the marriage is still valid 1 year later. If it is valid, that first year will be counted toward naturalization. This to me, Mr. President, is a sound and reasonable change to our current law.

The bill also provides that the Commissioner has the discretion to waive the requirement this bill places on fiancé(e) petitions if he is presented with an exceptional case.

I have asked the General Accounting Office [GAO] to investigate how other countries issue spousal and fiancé(e) visas and whether marriage fraud presents as big a problem to them. The results of this study should be available in May or June of this year and I am hopeful that the subcommittee can act after it receives the GAO report.

There have been some suggestions that this bill include a provision which would not only require that both parties meet in person but that they also speak the same language. Such a provision goes beyond what is desirable and would cause serious problems for the spouses of many U.S. service personnel.

The bill also insures that those who attempt to commit marriage fraud, but who are unsuccessful, be excluded from ever entering the United States. Congress should send an extremely strong signal that this is a serious crime which deserves stiff penalties.

My friend from Wyoming, Senator SIMPSON, should be congratulated for bringing this issue to the public's attention. It is my hope that in the next few months we can enact legislation and move to reduce this problem.●

By Mr. DENTON (for himself and Mr. HEFLIN):

S. 2271. A bill for the relief of Jens-Peter Berndt; to the Committee on the Judiciary.

FOR THE RELIEF OF JENS-PETER BERNDT

Mr. DENTON. Mr. President, I rise today to introduce legislation for the relief of Jens-Peter Berndt. The bill would grant permanent residence to Mr. Berndt and expedite his naturalization as a citizen of the United States.

Mr. Berndt, or Peter, is 22 years old and a native of the German Democratic Republic, better known as East Germany, a Communist-bloc state. On January 7, 1985, while in Oklahoma City as a member of the East German swim team, Peter requested and was granted political asylum in the United States. He made that courageous decision, at great personal risk, because he wanted to become an American and live in freedom.

Peter was fortunate to be legally adopted in the summer of 1985, by Mr. and Mrs. Thomas L. Patterson of Birmingham, AL. The Pattersons have provided him with the love, family life, and guidance that have been so immeasurably important in assisting Peter in making the transition to American life.

Peter is currently enrolled as a sophomore at the University of Alabama in Tuscaloosa, where he is a member of the swim team and has established an outstanding academic record. He is an amateur swimmer of Olympic caliber, and is a former world record holder in the 400-meter individual medley. Unfortunately, Peter was prevented from competing in the 1984 Summer Olympic Games in Los Angeles due to the Soviet-sponsored boycott of the Games which was joined by East Germany.

It is Peter's desire, and that of the U.S. Olympic Swimming Team, that he compete for the United States in the 1988 Olympic games. However, in order to do so, the rules of the U.S. Olympic Committee require that he be a U.S. citizen. Furthermore, he must be a citizen in order to compete in a number of key international swimming meets which begin this summer and are important preliminary steps to qualifying for the 1988 Olympic Team.

Without private relief legislation, Peter would not satisfy the residency and physical presence requirements for naturalization under section 316 of the Immigration and Nationality Act until 1990. The bill I am introducing provides that he be deemed to have satisfied the residency and physical presence requirements so that he may be naturalized at the earliest possible date. This will permit Peter to represent the United States in upcoming international competition and the 1988 Olympics.

The bill also provides that Peter be admitted for permanent residence in the United States, as that is a prerequisite for naturalization. Although he is lawfully present in the United States by reason of his asylum status, he has not yet been granted permanent resident status.

Finally, the bill provides that Peter will not be ineligible for U.S. citizenship because of his former life in a Communist country. Peter was raised in a country in which, tragically, Communist repression permeates every segment of public and private life, and in which athletes, in particular, are exploited for the government's purposes. Peter did not choose to be born into such a system; but, when the time came to make a choice, he bravely chose to be free and to be an American.

If Peter's only interest was to compete in international competition and the 1988 Olympics, he could become a West German citizen automatically and swim for West Germany. But that is not his sole motivation. As Peter says, "I want to become an American, not a West German."

I am proud to sponsor legislation to assist this fine young man in his quest for American citizenship. His story is an inspiration to us all and an embodiment of the American dream in its finest sense. He has demonstrated his devotion to American ideals and his desire and willingness to work hard to succeed in this country. I believe Peter will make an outstanding citizen, and I urge my colleagues to support the bill vigorously and to expedite its movement to final passage.

I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD as follows:

S. 2271

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) notwithstanding paragraphs (14) and (28) of section 212(a) of the Immigration and Nationality Act, for purposes of such Act, Jens-Peter Berndt shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act. Upon the granting of permanent residence to such alien as provided for in this Act, the number of refugee admissions available for adjustment of status of aliens under section 209(b) of such Act shall be reduced by one number.

(b)(1) Jens-Peter Berndt shall be held and considered to have satisfied the provisions of section 316 of the Immigration and Nationality Act which relate to required periods of residence and physical presence within the United States and shall not be held or considered to be within any of the classes of persons described in section 313 of such Act.

(2) Notwithstanding the provisions of section 310(d) of such Act, Jens-Peter Berndt may be naturalized at any time after the date of enactment of this Act if otherwise eligible for naturalization under this Act and the Immigration and Nationality Act.

By Mr. QUAYLE:

S. 2272. A bill to limit the amount that may be expended in any fiscal year by a Member of Congress for franked mail; to the Committee on Rules and Administration.

FRANKING COST CONTROL ACT

● Mr. QUAYLE. Mr. President, it is time that we take some effective action to control our ever-escalating franking costs. I introduced a bill on this subject on February 6, 1986, but with further study and consultation with many colleagues I have developed a more effective approach.

The February 1986 issue of "Senate History" reported on the interesting and amusing history of the 19th century abuses of the frank that led to its temporary abolition in 1873 and its restoration in 1891. The current problem is nothing like that of the post-Civil War era; the reform we need now is nothing as drastic as abolition. In the prior era, the frank was misused; now it is overused.

The growth of franking costs has been well documented. We all know

that these costs tend to be higher in even-numbered election years, and the growth from one such year to another has been phenomenal. From 1978 to 1980, franking costs increased by 36 percent; from 1980 to 1982, they increased by 51 percent; from 1982 to 1984, the increase was "only" 14 percent; and, if we do not act, franking costs will rise by an estimated 32 percent from 1984 to 1986. Unless we act to curb them, franking costs will have risen almost $100 million in just 8 years—from the 1978 level of $47 million to the $146 million projected for this year.

Under current law, there is no effective limit on the amount of franking costs that may be incurred by the Congress as a whole, because there is no effective limit on the amount that may be incurred by any Senator or Representative. As a practical matter—even if not as a matter of legal theory—the frank is an entitlement; we can run up the costs as high as we like, and then the taxpayer is obligated to pay the bill.

I doubt this frank-now-and-pay-later approach was ever justified, but I am absolutely certain that it is inappropriate in these days when we are trying to get the budget under control. We are freezing, reducing, and capping programs of vital concern to all our citizens. We should do no less with programs that concern and benefit Senators and Representatives.

Today I am introducing a very simple proposal that is an elaboration of a bill, S. 2059, which I introduced on February 6, 1986. I intend to offer this new bill as an amendment to the supplemental appropriations bill in lieu of the $42 million additional for official mail costs that has been included in that measure as reported by the House Appropriations Committee. The basic thrust of my bill is that the frank, or more correctly "official mail costs," should be treated as a regular budgeted item rather than as an entitlement. In other words, Congress should be limited to the amount that it votes through the regular appropriation process, instead of spending as much as it likes and making up the difference in a supplemental.

I can see no reason why we should not decide on an appropriate amount for official mail costs, and then live within our budget. I have little doubt that we will come up with a reasonable amount as long as it is done openly during the appropriation process and in the context of competing priorities for scarce funds. The difficult issue, it seems to me, is not the principle, but how to convert it into practice.

My bill would implement franking cost control by giving each Senator and each Representative an allowance for official mail. Each Member will be forbidden to spend more than that amount. Enforcement of this limit would be achieved by regular public reports on the amount of each Member's allocation and the amount of his or her spending.

It is, of course, crucial that the system of allocation be fair, and my bill meets that test. The available amounts are split evenly between the House of Representatives and the Senate. Five percent is set aside from the amount available to each House to cover the mailing costs of the body as a whole, such as those incurred by the Clerk of the House, the Secretary of the Senate, and the legal counsels. The amount remaining for the House is divided among the Members equally; that for the Senate is divided among Senators proportionately to the population of their States.

I recognize that it will be difficult to implement this franking cost control system in the middle of a fiscal year, but that is still better than voting for the $42 million supplemental reported by the Appropriations Committee of the House of Representatives. Under my bill, the amounts available for the remainder of 1986; that is, the amount, appropriated—$100 million—less the amount of the sequester—$4.3 million—less the amount already spent, as determined by the Post Office, would be allocated in the same way as the full appropriation would be allocated in later years.

Fiscal responsibility is never easy, and it is regrettably hard to apply it to Congress. But if we cannot control the frank, public indignation will force us to abolish it once again, and that would be a great mistake. As Senator F.T. Frelinghuysen of New Jersey said in debate over 100 years ago, the frank "is a most valuable right" because it provides for "free and unrestrained communication between the people and their representatives."

I ask unanimous consent that the February 1986 "Senate History" article on the franking privilege, and the text of the bill be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 2272

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Franking Cost Control Act".

SEC. 2. Section 3210 of title 39, United States Code, is amended by adding at the end thereof the following new subsection:

"(h)(1) Notwithstanding any other provision of this title, the total amount which may be incurred by a Member of Congress for official mail costs for any fiscal year (beginning with fiscal year 1987), and for the period beginning on March 15, 1986, and ending on September 30, 1986, shall not exceed the amount allocated to such Member for such fiscal year or period, as the case may be, in accordance with this subsection.

"(2)(A) Not later than September 30 of each year (beginning in 1986) the Committee on Rules and Administration of the Senate, with respect to Senators, and the Committee on House Administration of the House of Representatives, with respect to Members of the House of Representatives, shall, for the fiscal year beginning on October 1 of such year (beginning with fiscal year 1987)—

"(i) determine, in accordance with this subsection, the allocation of official mail costs for each Senator or each Member of the House of Representatives, as the case may be, for such fiscal year; and

"(ii) provide written notice to each Senator or each Member of the House of Representatives, as the case may be, of the allocation of such Senator or Member of the House of Representatives under this subsection for such fiscal year.

"(B) Not later than 10 days after the date of enactment of this subsection, the Committee on Rules and Administration of the Senate, with respect to Senators, and the Committee on House Administration of the House of Representatives, with respect to Members of the House of Representatives, shall, for the period beginning March 15, 1986, and ending September 30, 1986, make the allocations described in clause (i) of subparagraph (A), and provide the notices required by clause (ii) of such subparagraph.

"(3) The allocation of each Member of Congress under this section for a fiscal year (beginning with fiscal year 1987) shall be determined as follows:

"(A) The total amount to be allocated for official mail costs for all Members of Congress for a fiscal year shall be the amount which is equal to the difference between—

"(i) the total amount appropriated under section 3216(a) of this title for such fiscal year, minus

"(ii) the product of the amount described in clause (i) of this subparagraph multiplied by 5 percent.

"(B) The allocation of a Senator under this subsection for a fiscal year shall be an amount which is equal to the product of—

"(i) one-half of the amount determined for such fiscal year under subparagraph (A), multiplied by

"(ii) the ratio that the population of the state represented by the Senator bears to the population of all States, multiplied by

"(iii) 50 percent.

"(C) The allocation of each Member of the House of Representatives under this subsection for a fiscal year shall be equal to the quotient obtained by dividing one-half of the amount determined for such fiscal year under subparagraph (A) by the total number of Members of the House of Representatives.

"(4) The allocation of each Member of Congress under this section for the period beginning March 15, 1986, and ending September 30, 1986, shall be determined as follows:

"(A) The total amount available for official mail costs for the period beginning March 15, 1986, and ending September 30, 1986, shall be the amount equal to the difference between—

"(i) the total amount appropriated under section 3216(a) of this title for fiscal year 1986 (after making the reduction required for such fiscal year by the Balanced Budget and Emergency Deficit Control Act of 1985), minus

"(ii) the total amount of official mail costs incurred by the officers and employees specified in section 3216(a)(1)(A) of this title

during the period beginning October 1, 1985, and ending March 14, 1986, as determined by the Postmaster General pursuant to paragraph (7) of this subsection.

"(B) The total amount to be allocated for official mail costs for all Members of Congress for the period beginning March 15, 1986, and ending September 30, 1986, shall be an amount which is equal to the difference between—

"(i) the amount determined for such period pursuant to subparagraph (A), minus

"(ii) the product of the amount described in clause (i) of this subparagraph multiplied by 5 percent.

"(C) The allocation of a Senator under this subsection for the period beginning March 15, 1986, and ending September 30, 1986, shall be an amount which is equal to the product of—

"(i) one-half of the amount determined for such period under subparagraph (B), multiplied by

"(ii) the ratio that the population of the State represented by the Senator bears to the population of all States, multiplied by

"(iii) 50 percent.

"(D) The allocation of each Member of the House of Representatives under this subsection for the period beginning March 15, 1986, and ending September 30, 1986, shall be equal to the quotient obtained by dividing one-half of the amount determined for such period under subparagraph (B) by the total number of Members of the House of Representatives.

"(5)(A) In any case in which a Member of Congress is defeated in an election, the allocation of such Member under this subsection for the fiscal year or period in which the term of office of such Member ends shall be divided between such Member and the Member-elect to the office of such Member in proportion to the number of months that such Member and such Member-elect hold such office during such fiscal year or period.

"(B) In any case in which there is a vacancy in the office of a Member of Congress, the allocation of such Member under this subsection for the fiscal year or period in which such vacancy occurs shall be divided between such Member and the successor in office to such Member in proportion to the number of months that such Member and such successor hold such office during such fiscal year or period.

"(6) Not later than 10 days after the date of enactment of this subsection, the Committee on Rules and Administration of the Senate, with respect to Senators, and the Committee on House Administration of the House of Representatives, with respect to Members of the House of Representatives, shall prescribe rules and procedures to ensure that Senators and Members of the House of Representatives, as the case may be, comply with the provisions of this subsection.

"(7) Not later than 7 days after the date of enactment of this subsection, the Postmaster General shall prepare and transmit to the Committee on Rules and Administration of the Senate and the Committee on House Administration of the House of Representatives a statement specifying the best estimate of the Postmaster General of the amount described in clause (ii) of paragraph (4)(A).

"(8) Not later than 15 days after the end of each quarter of a fiscal year, the Committee on Rules and Administration of the Senate, with respect to Senators, and the Committee on House Administration of the House of Representatives, with respect to Members of the House of Representatives, shall make available to the public a statement specifying—

"(A) the amount of official mail costs incurred by each Senator or each Member of the House of Representatives, as the case may be, during such quarter; and

"(B) in the case of—

"(i) fiscal year 1987 and each succeeding fiscal year, the allocation of each Senator or each Member of the House of Representatives, as the cse may be, under this subsection for such fiscal year; or

"(ii) fiscal year 1986, the allocation of each Senator or each Member of the House of Representatives, as the case may be, under this subsection for the period beginning March 15, 1986, and ending September 30, 1986.

"(9) For purposes of this section, the term 'official mail costs' means the equivalent of—

"(A) postage on, and fees and charges in connection with, mail matter sent through the mails under the franking privilege; and

"(B) those portions of the fees and charges to be paid for handling and delivery by the Postal Service of Mailgrams considered as franked mail under section 3219 of this title.".

Senate History

WHEN THE SENATE GAVE UP THE FRANK

Franking privileges—the ability to send mail by one's signature rather than by postage—date back to the British House of Commons in the seventeenth century. The American Continental Congress adopted this procedure in 1775, and the First Congress wrote it into law in 1789. In addition to senators and representatives, the president, cabinet secretaries, and certain other executive branch officials also were granted the frank. In those days, every newspaper printer could send one paper postage free to every other newspaper printer in the country.

Then as now the frank was a controversial perquisite. Some nineteenth century senators mailed home their laundry each week, enclosing another frank for sending it back. Others franked barrels of china for free, but registered them for a few cents, thus making the government liable for any breakage. At the end of each session most members franked home a trunk that might contain documents, office paraphernalia, bedding, and other household goods. Legend had it that one antebellum senator attached his frank to his horse's bridle and sent the animal home to Pittsburgh. Critics accused incumbents of flooding the mails with government documents, speeches, and packages of seeds all designed to enhance their reelection prospects. The seeds, provided by the Department of Agriculture, were especially popular during the years when the rural population still outnumbered city dwellers. (One congressman received a letter from a constituent thanking him for the very fine grass seeds, but asking him to send no more since his canary had died.)

Constituents often asked congressmen to frank envelopes for their own use. One member boasted that if the papers were properly arranged he could write his frank three hundred times an hour. In the years following the Civil War, congressmen began having their signatures reproduced on rubber stamps, and having additional rubber stamps made for their friends to use. In 1869 it was estimated that a ton of free mail was leaving the Washington post office daily, only a small portion of which was the type of official correspondence originally intended to be franked. Gail Hamilton once described the franking habits of her cousin, House Speaker and later Senator James G. Blaine: "until /the frank/ was abolished, he used it freely, franking his own letters and letters of friends who happened to be under his roof, or under whose roof he happened to be, as he has been from the foundation of the frank, and just as freely he used his purchased postage stamps after the frank was abolished."

Hamilton's allusion to the abolition of the frank referred to a curious hiatus, between 1873 and 1891, when Congress relinquished its franking privileges. Pressure for reform had been mounting for years, led by various Postmasters General who objected to carrying large quantities of government mail without reimbursement. In 1869, Postmaster General John Creswell recommended against continuing the "evil" of franked mail as a means of reducing his department's deficit and making it more selfsustaining. The movement for this reform drew popular support during the administration of Ulysses S. Grant (1869–1877) when the public perceived widespread extravagance and corruption in the executive and legislative branches of the government. In 1872, the Republican party platform carried a plank demanding an end to the frank, and when Congress returned to session that December, following the election, many senators believed it time to enact that campaign promise into law.

The House passed H.R. 2982 to abolish the franking system and to charge previously franked correspondence at the prevailing rates of postage. However, the House bill also provided for special stamps for the free mailing of official House and Senate documents. When the bill reached the Senate floor, on January 22, 1873, this special stamp provision ran into opposition. Senator Hannibal Hamlin of Maine noted that the House bill "provides for the distribution of all your public matter, not your speeches, not your own private correspondence; but for all public printed matter stamps are to be furnished to the Secretary of the Senate, and by him to members." This arrangement, protested Hamlin, would do nothing to curb "the astonishing amount of useless public printing that is done." Senator George Edmunds of Vermont added that the Post Office intended to provide Senators with special machines to stamp official documents. "I have heard it said by the enemies of our great party, Mr. President, that the Post Office Department was a machine," Edmunds declared, "but I did not know that it was going into the business of making other machines, to be furnished to the various bureau officers, and so on, for the propagation of information among the people otherwise than by writing." The idea of machine stamped mail seemed deceitful to Edmunds. "If we have told the people of the United States in our /Republican/ convention at Philadelphia that we were going to abolish the franking privilege, where is the use of saying to them we have abolished it when we have not?"

A few senators spoke in favor of the frank. Senator F.T. Frelinghuysen of New Jersey defended "free and unrestrained communications between the people and their representatives," and argued that "the franking privilege has done much to promote human rights and liberty. . . . It is a most valuable right to those that I represent. It belongs to my constituents." Nevertheless, the Senate

voted 33 to 15 for an amendment prohibiting compensation for postage of any sort. The bill then went to conference where House members tried to make the Senate's restrictions less sweeping, but failed. Abolition of the frank became law on January 31, 1873. A month later, as the 42nd Congress prepared to adjourn, its members voted themselves a pay raise from $5,000 to $7,500 a year, and made it retroactive over the past two years. Public indignation over the "salary grab" was intense, forcing the 43rd Congress to rescind the pay increase and obliterating whatever credit Congress might have won for cost-saving through abolishing its frank.

The next eighteen years saw a gradual restoration of the frank. In 1874, legislation provided for reduced postal rates for sending the *Congressional Record* and other public documents, and in 1875 they again became postage-free. Senator Edmunds, who sponsored this provision, cited the "large number of public documents . . . accumulated in our committee rooms." The 1875 law also allowed for free mailing of seeds and agricultural reports. In 1883 an act made it the duty of other government departments to enclose franked envelopes in all official communications with senators and representatives requiring responses. Finally, in 1891, Congress quietly restored full franking privileges for all its correspondence. Proponents argued that abolition of the frank had not made the slightest improvement in the Post Office's financial picture, and noted that members of Congress were the only government officials required to pay postage on their public mailings. Qualified, defined, and regulated frequently over the years since 1891, the franking of mail remains an important link in the communications between members of Congress and their constituents.

SOURCES

Gail Hamilton, "Biography of James G. Blaine" (Norwich, 1895).

Alving F. Harlow, "Old Post Bags: The Story of the Sending of a Letter in Ancient and Modern Times" (New York, 1928).

Rita L. Moroney, "A Study of the Intent of Legislation on Second-Class Mail," Office of the Postmaster General, U.S. Postal Service, 1977.

Edward Stern, "History of the 'Free Franking' of Mail in the United States" (New York, 1936).

Elizabeth Yadlosky and Jack Maskell, "The Congressional Frank—Statutory Provisions, Legislative History, Judicial Construction, and Some Proposals for Amending the Law," Congressional Research Service, 1980.

ADDITIONAL COSPONSORS

S. 8

At the request of Mr. CRANSTON, the names of the Senator from Wisconsin [Mr. KASTEN] and the Senator from South Dakota [Mr. ABDNOR] were added as cosponsors of S. 8, a bill to grant a Federal charter to the Vietnam Veterans of America, Inc.

S. 778

At the request of Mr. HEINZ, the name of the Senator from Connecticut [Mr. DODD], was added as a cosponsor of S. 778, a bill to amend title XVIII of the Social Security Act to allow Medicare coverage for home health services provided on a daily basis.

S. 1134

At the request of Mr. COHEN, the names of the Senator from Connecticut [Mr. DODD] and the Senator from Hawaii [Mr. MATSUNAGA] were added as cosponsors of S. 1134, a bill to amend title 5, United States Code, to provide administrative civil penalties for false claims and statements made to the United States by certain recipients of property, services, or money from the United States, by parties to contracts with the United States, or by Federal employees, and for other purposes.

S. 1249

At the request of Mr. HEINZ, the name of the Senator from Connecticut [Mr. DODD], was added as a cosponsor of S. 1249, a bill to amend titles XVIII and XIX of the Social Security Act to provide for coverage of respiratory care services for ventilator-dependent individuals under Medicare and Medicaid.

S. 1251

At the request of Mr. DOMENICI, the name of the Senator from Nevada [Mr. HECHT], was added as a cosponsor of S. 1251, a bill entitled "The Natural Gas Utilization Act of 1985."

S. 1372

At the request of Mr. HEINZ, the name of the Senator from North Dakota [Mr. ANDREWS], was added as a cosponsor of S. 1372, a bill to amend the Internal Revenue Code of 1954 to provide incentives for the establishment of statewide insurance pools to provide health insurance to high-risk individuals.

S. 1774

At the request of Mr. GRASSLEY, the name of the Senator from Utah [Mr. HATCH] was added as a cosponsor of S. 1774, a bill to amend section 1951 of title 18 of the United States Code, and for other purposes.

S. 1900

At the request of Mr. ROTH, the names of the Senator from Indiana [Mr. QUAYLE], and the Senator from Maine [Mr. MITCHELL] were added as cosponsors of S. 1900, a bill to amend the Foreign Agents Registration Act of 1938 by providing for the 5-year suspension of exemptions provided to an agent of a foreign principal convicted of espionage offenses.

S. 1901

At the request of Mr. ROTH, the names of the Senator from Indiana [Mr. QUAYLE], and the Senator from Maine [Mr. MITCHELL] were added as cosponsors of S. 1901, a bill to amend the Foreign Missions Act regarding the treatment of certain Communist countries, and for other purposes.

S. 1941

At the request of Mr. DENTON, the names of the Senator from Florida [Mrs. HAWKINS], and the Senator from Alaska [Mr. MURKOWSKI] were added as cosponsors of S. 1941, a bill to protect the security of the United States by providing for sanctions against any country that provides support for perpetrators of acts of international terrorism.

S. 1942

At the request of Mr. DENTON, the name of the Senator from Florida [Mrs. HAWKINS] was added as a cosponsor of S. 1942, a bill to amend title 10, United States Code, to improve the security of United States military installations.

S. 2087

At the request of Mr. PROXMIRE, the names of the Senator from Texas [Mr. BENTSEN], and the Senator from Texas [Mr. GRAMM], the Senator from Wisconsin [Mr. KASTEN] were added as cosponsors of S. 2087, a bill to amend part B of title XIX of the Public Health Service Act to specify the method of determining state allotments.

S. 2122

At the request of Mr. GLENN, the name of the Senator from North Dakota [Mr. ANDREWS] was added as a cosponsor of S. 2122, a bill to continue the current waiver of liability presumption for home health agencies and skilled nursing facilities under the Medicare Program in order to protect beneficiary access to home health and extended care services.

S. 2133

At the request of Mr. KASTEN, the name of the Senator from North Dakota [Mr. ANDREWS] was added as a cosponsor of S. 2133, a bill to amend the Social Security Act to safeguard the integrity of the Social Security trust funds by ensuring prudent investment practices.

S. 2134

At the request of Mr. HEFLIN, the name of the Senator from Maine [Mr. MITCHELL] was added as a cosponsor of S. 2134, a bill to amend title 39, United States Code, to extend to certain officers and employees of the Postal Service the same procedural and appeal rights with respect to certain adverse personnel actions as are to Federal employees under title 5, United States Code.

S. 2136

At the request of Mr. ABDNOR, the name of the Senator from Alaska [Mr. STEVENS] was added as a cosponsor of S. 2136, a bill to provide that any requirement to substantiate a deduction under the Internal Revenue Code of 1954 for business use of a vehicle be based on the regulations in effect before the Tax Reform Act of 1984.

S. 2168

At the request of Mr. THURMOND, the names of the Senator from South Carolina [Mr. HOLLINGS], the Senator from Arizona [Mr. DECONCINI], and the Senator from Alabama [Mr. HEFLIN] were added as cosponsors of

S. 2168, a bill to amend title 38, United States Code, to improve veterans' benefits for former prisoners of war.

S. 2186

At the request of Mr. MURKOWSKI, the name of the Senator from North Dakota [Mr. ANDREWS] was added as a cosponsor of S. 2186, a bill to exempt any amounts available to provide certain benefits to veterans with service-connected disabilities from any requirement for sequestration of funds under part C of the Balanced Budget and Emergency Deficit Control Act of 1985.

S. 2190

At the request of Mr. SARBANES, the name of the Senator from Rhode Island [Mr. PELL] was added as a cosponsor of S. 2190, a bill to provide that the full cost-of-living adjustment in benefits payable under certain Federal programs shall be made for 1987.

S. 2191

At the request of Mr. ROTH, the names of the Senator from Mississippi [Mr. COCHRAN] and the Senator from Hawaii [Mr. MATSUNAGA] were added as cosponsors of S. 2191, a bill to amend the Federal Aviation Act of 1958 so as to prohibit reprisals against certain officers, employees, or contractors of air carriers.

S. 2198

At the request of Mr. TRIBLE, the names of the Senator from Virginia [Mr. WARNER], the Senator from North Dakota [Mr. ANDREWS], the Senator from Pennsylvania [Mr. HEINZ], and the Senator from Florida [Mrs. HAWKINS] were added as cosponsors of S. 2198, a bill to provide that the full cost-of-living adjustment in benefits payable under certain Federal programs shall be made for 1987.

SENATE JOINT RESOLUTION 143

At the request of Mr. GORE, the name of the Senator from Pennsylvania [Mr. SPECTER], and the Senator from New York [Mr. MOYNIHAN] were added as cosponsors of Senate Joint Resolution 143, a joint resolution to authorize the Black Revolutionary War Patriots Foundation to establish a memorial in the District of Columbia at an appropriate site in Constitution Gardens.

SENATE JOINT RESOLUTION 256

At the request of Mr. TRIBLE, the name of the Senator from Ohio [Mr. GLENN] was added as a cosponsor of Senate Joint Resolution 256, a joint resolution designating August 12, 1986, as "National Neighborhood Crime Watch Day."

SENATE JOINT RESOLUTION 263

At the request of Mr. BOSCHWITZ, the name of the Senator from Tennessee [Mr. GORE] was added as a cosponsor of Senate Joint Resolution 263, a joint resolution to designate the week of September 7-13, 1986, as "National Independent Retail Grocer Week."

SENATE JOINT RESOLUTION 274

At the request of Mr. GRASSLEY, the names of the Senator from Colorado [Mr. ARMSTRONG], the Senator from Mississippi [Mr. COCHRAN], and the Senator from South Carolina [Mr. THURMOND] were added as a cosponsors of Senate Joint Resolution 274, a joint resolution to designate the weekend of August 1, 1986, through August 3, 1986, as "National Family Reunion Weekend."

SENATE JOINT RESOLUTION 280

At the request of Mr. HEINZ, the names of the Senator from Mississippi [Mr. STENNIS], the Senator from South Carolina [Mr. THURMOND], the Senator from Virginia [Mr. WARNER], the Senator from Oregon [Mr. PACKWOOD], the Senator from Indiana [Mr. QUAYLE], the Senator from South Carolina [Mr. HOLLINGS], and the Senator from North Dakota [Mr. ANDREWS] were added as cosponsors of Senate Joint Resolution 280, a joint resolution designating the month of November 1986 as "National Alzheimer's Disease Month."

SENATE JOINT RESOLUTION 301

At the request of Mr. NICKLES, the name of the Senator from Michigan [Mr. LEVIN] was added as a cosponsor of Senate Joint Resolution 301, a joint resolution designating the week of May 18 through May 23, 1986, as "National Food Bank Week."

SENATE JOINT RESOLUTION 307

At the request of Mr. MATTINGLY, the names of the Senator from Georgia [Mr. NUNN], the Senator from South Carolina [Mr. THURMOND], the Senator from Pennsylvania [Mr. HEINZ], the Senator from South Carolina [Mr. HOLLINGS], the Senator from North Carolina [Mr. HELMS], the Senator from Alabama [Mr. HEFLIN], the Senator from Massachusetts [Mr. KERRY], the Senator from Texas [Mr. GRAMM], the Senator from Wisconsin [Mr. KASTEN], the Senator from Virginia [Mr. WARNER], the Senator from Minnesota [Mr. BOSCHWITZ], the Senator from Virginia [Mr. TRIBLE], and the Senator from Indiana [Mr. QUAYLE] were added as cosponsors of Senate Joint Resolution 307, a joint resolution to designate the week of April 18 through 27, 1986 as "National Carpet and Floorcovering Week."

SENATE JOINT RESOLUTION 311

At the request of Mr. CRANSTON, the name of the Senator from Arizona [Mr. GOLDWATER] was added as a cosponsor of Senate Joint Resolution 311, a joint resolution designating the week beginning November 9, 1986, as "National Women Veterans Recognition Week."

SENATE JOINT RESOLUTION 312

At the request of Mr. D'AMATO, the names of the Senator from New Jersey [Mr. LAUTENBERG], the Senator from Indiana [Mr. LUGAR], the Senator from Indiana [Mr. QUAYLE], the Senator from South Carolina [Mr. THURMOND] were added as cosponsors of Senate Joint Resolution 312, a joint resolution designating the week beginning April 13, 1986, as "National Medical Laboratory Week."

SENATE CONCURRENT RESOLUTION 115

At the request of Mr. TRIBLE, the names of the Senator from Wyoming [Mr. WALLOP], and the Senator from Georgia [Mr. MATTINGLY] were added as cosponsors of Senate Concurrent Resolution 115, a concurrent resolution expressing the opposition of the United States to the forcible resettlement and systematic oppression of the Ethiopian people.

SENATE CONCURRENT RESOLUTION 122

At the request of Mr. NICKLES, the name of the Senator from Arkansas [Mr. BUMPERS] was added as cosponsor of Senate Concurrent Resolution 122, a concurrent resolution to express the sense of Congress with respect to agricultural loan restructuring.

SENATE RESOLUTION 304

At the request of Mr. TRIBLE, the names of the Senator from Florida [Mrs. HAWKINS], and the Senator from Arkansas [Mr. BUMPERS] were added as cosponsors of Senate Resolution 304, a resolution to express the sense of the Senate that the present 3-year basis recovery rule on taxation of retirement annuities be maintained.

SENATE RESOLUTION 332

At the request of Mr. ARMSTRONG, the name of the Senator from Mississippi [Mr. COCHRAN] was added as a cosponsor of Senate Resolution 332, a resolution to honor the Challenger Space Shuttle astronauts.

SENATE RESOLUTION 371

At the request of Mr. DOMENICI, the name of the Senator from North Dakota [Mr. ANDREWS] was added as a cosponsor of Senate Resolution 371, a resolution to express the sense of the Senate to protect the public and private financing of infrastructure by retaining the current treatment of such financing through tax-exempt bonds, depreciation of recovery property, and regular tax credit for investment in depreciable property.

AMENDMENTS SUBMITTED

DEPARTMENT OF DEFENSE ACQUISITION REORGANIZATION ACT

DIXON (AND OTHERS) AMENDMENT NO. 1728

(Ordered referred to the Committee on Armed Services.)

Mr. DIXON (for himself, Mr. QUAYLE, Mr. WILSON, and Mr. NUNN) submitted an amendment intended to be proposed by them to the bill (S.

2151) to amend title 10, United States Code, to establish within the Office of the Secretary of Defense an Office of Defense Acquisition for the centralized procurement of all property and services for the Department of Defense, to provide for an Under Secretary of Defense for Acquisition, and for other purposes; as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Department of Defense Acquisition Reorganization Act of 1986".

SEC. 2. UNDER SECRETARY OF DEFENSE FOR ACQUISITION.

(a) ESTABLISHMENT OF UNDER SECRETARY OF DEFENSE FOR ACQUISITION.—Section 135 of title 10, United States Code, is amended—

(1) in subsection (a)—

(A) by striking out "Research and Engineering" in the first sentence and inserting in lieu thereof "Acquisition";

(B) by adding "or Under Secretary for Acquisition" after "Policy" in the third sentence; and

(C) by adding at the end the following new sentence: "Only a person who is well qualified by reason of education, training, and experience in industry may be appointed Under Secretary of Defense for Acquisition.";

(2) in subsection (b), by striking out all after the first sentence and inserting in lieu thereof the following: "The Under Secretary of Defense for Acquisition shall perform such duties and exercise such powers relating to the determination of requirements for weapons systems development and the acquisition of property and services for the Department of Defense as the Secretary of Defense may prescribe, including—

"(1) setting overall policy for procurement, research and development, logistics, testing, independent cost assessments, and the defense industrial base;

"(2) supervising the performance of the entire acquisition system;

"(3) establishing policy for administrative oversight and auditing of defense contractors;

"(4) all of the contract administration and contract audit functions of the Department of Defense;

"(5) the supervision, direction, and control of—

"(A) the competition advocates general of the agencies of the Department of Defense;

"(B) the functions and personnel of the Defense Acquisition Regulatory Council;

"(C) the functions and personnel of the Defense Logistics Agency;

"(D) the functions and personnel of the Office of Small and Disadvantaged Business Utilization for the Office of the Secretary of Defense, established pursuant to section 15(k) of the Small Business Act (15 U.S.C. 644(k)); and

"(E) the functions and personnel involved in the acquisition of command, control, communications and intelligence systems; and

"(6) cochair, with a senior military official designated by the Chairman of the Joint Chiefs of Staff, the Joint Requirements and Management Board. The Under Secretary shall be the acquisition executive of the Department of Defense."; and

(3) in subsection (c)—

(A) by striking out "Policy" in the first sentence and inserting in lieu thereof "Acquisition"; and

(B) by striking out the second sentence and inserting in lieu thereof the following: "The Under Secretary of Defense for Policy takes precedences in the Department of Defense immediately after the Under Secretary of Defense for Acquisition."

(b) ASSISTANT SECRETARIES OF DEFENSE.—Section 136(b) of such title is amended by—

(1) in paragraph (5) by striking "Intelligence. He" and inserting in lieu thereof "Intelligence, and shall, subject to the authority, direction and control of the Secretary of Defense and the Under Secretary of Defense for Acquisition,"; and

(2) adding at the end the following:

"(7) One of the Assistant Secretaries shall be the Assistant Secretary of Defense for Research and Engineering and shall, subject to the authority, direction, and control of the Secretary of Defense and the Under Secretary of Defense for Acquisition, perform such duties relating to research and engineering as may be prescribed, including—

"(A) being principal advisor to the Secretary and Under Secretary of Defense for Acquisition on scientific and technical matters;

"(B) supervising all research and engineering activities in the Department of Defense; and

"(C) directing, controlling, assigning, and reassigning those research and engineering activities that the Secretary of Defense and the Under Secretary of Defense for Acquisition determine should have centralized management.".

(c) DIRECTOR OF OPERATIONAL TEST AND EVALUATION TO REPORT TO UNDER SECRETARY OF DEFENSE FOR ACQUISITION.—Section 136a(d) of title 10, United States Code, is amended by—

(1) striking out "Secretary of Defense" and inserting in lieu thereof "Under Secretary of Defense for Acquisition"; and

(2) striking out "Under Secretary" and inserting in lieu thereof "Assistant Secretary".

SEC. 3. APPROVAL OF CERTAIN ACTIONS BY UNDER SECRETARY OF DEFENSE FOR ACQUISITION

(a) IN GENERAL.—Chapter 137 of such title is further amended by adding at the end thereof the following new section:

"§ 2325. Approval of new starts, full-scale development, or production

"A major system new start, or the full-scale development of a major system, or the procurement of a major system, may not be entered into unless the Under Secretary of Defense for Acquisition has reviewed and approved the Acquisition program. In reviewing any proposed program for the acquisition of a major system, the Under Secretary shall evaluate the plans and requirements for the system, determine the necessity for production, consider the commonality of parts and components of the system, and consider the complexity and practicality of the system.".

(b) REDUCTION OF HEADQUARTERS STAFF.—Within two years after the establishment of the office of the Under Secretary of Defense for Acquisition, the total number of civilian and military personnel assigned or detailed to permanent duty in the headquarters staffs reporting to the Under Secretary shall be reduced by a number equal to 10 percent of the number of civilian and military personnel assigned or detailed to permanent duty in such headquarters staffs reporting to the Under Secretary on the date of the enactment of this Act. Except in time of war or during a national emergency declared by Congress, the number of persons assigned to duty in the headquarters staffs reporting to the Under Secretary of Defense for Acquisition may not be increased after the reduction required by the preceding sentence.

(c) DEVELOPMENT OF POLICIES AND PROGRAMS FOR PROCUREMENT PERSONNEL.—The Secretary of Defense shall develop appropriate policies and programs for the career recruiting, training, development, and placement of personnel of the Department of Defense assigned to duty in a procurement function of the Department. Such policies shall take into account the procurement management personnel requirements provided for in chapter 85 of title 19, United States Code.

SEC. 4. CONFORMING AMENDMENTS TO TITLE 5, UNITED STATES CODE

Title 5, United States Code, is amended—

(1) in section 5313, by adding at the end the following new item:

"Under Secretary of Defense for Acquisition."; and

(2) in section 5314—

(A) by striking out "Under Secretaries of Defense (2) and inserting in lieu thereof, "Under Secretary of Defense for Policy.".

Amend the title so as to read: "A bill to amend title 10, United States Code, to provide for an Under Secretary of Defense for Acquisition, and for other purposes.".

● Mr. DIXON. Mr. President, today I am submitting an amendment to S. 2151, a bill I introduced on March 6, 1986, to establish within the Office of the Secretary of Defense a new position of Under Secretary of Defense for Acquisition. This job will carry with it the responsibility for all procurement policy within the Department of Defense.

The amendment I am submitting today embraces the Packard Commission recommendations to the President on Defense acquisition. As a Member of the Senate Armed Services Subcommittee on Defense Acquisition Policy, I have been attending hearings chaired by Senator QUAYLE on the acquisition system. These hearings were called after the Armed Services Committee marked up the DOD reorganization bill and approved in principle my amendment to create an Under Secretary for Acquisition. The President has already implemented those Packard Commission recommendations which do not require legislative authority.

My amendment will complete the process. The amendment assures that the Under Secretary for Acquisition will be the Defense executive for acquisition with the mission to establish overall policy direction for acquisition that will have to be followed by the Department of Defense and the Services. This amendment gives the Under Secretary for Acquisition the authority to control the process for major system acquisition in DOD from inception through production. Acquisition does not begin on the production line; it begins in the laboratories. The process must therefore be a continuous

one, and my amendment recognizes and underscores that premise.●

URANIUM MILL TAILINGS RECLAMATION ACT

DOMENICI AMENDMENT NO. 1729

(Ordered referred to the Committee on Energy and Natural Resources.)

Mr. DOMENICI submitted an amendment intended to be proposed by him to the bill (S. 1004) to revitalize the U.S. uranium industry and provide for reclamation and other remedial action with respect to active uranium and thorium processing sites, and to provide for a plan for the reorganization, self-financing, and eventual commercialization of the U.S. uranium enrichment program and facilities; as follows:

Strike out all after the enacting clause and insert in lieu thereof:

SECTION 1. SHORT TITLE

This act may be cited as the "Uranium Revitalization and Tailings Reclamation Act of 1986"

SEC. 2. FINDINGS AND PURPOSES

(a) FINDINGS.—The Congress finds that—

(1) The United States uranium industry has long been recognized as vital to United States energy independence and as essential to United States national security, but has suffered a drastic economic setback, including a 90 percent reduction in employment, closure of almost all mills, more than a 75 percent drop in production, closure of many mines, and a permanent loss of uranium reserves;

(2) During the remainder of this century approximately 20 percent of United States electricity is expected to be produced from uranium fueled power reactors owned by domestic electric utilities.

(3) The United States has been the leading uranium producing nation and holds extensive proven reserves of natural uranium which offers the potential for secure sources of future supply.

(4) A variety of economic factors, policies of foreign governments, foreign export practices, new federal regulatory requirements, cancellation of nuclear powerplants and government uranium enrichment policies have caused most United States producers to close or suspend operations over the past five years and have resulted in the domestic uranium industry being found "not viable" by the Secretary of Energy.

(5) At the same time the United States Uranium Enrichment program has moved from a position of a virtual monopoly of the free world enrichment market to the highest priced enrichment supplier in a competitive market.

(6) Reestablishing a viable domestic uranium industry and a competitive domestic enrichment program are essential to:

(A) Assure an adequate long-term supply of domestic uranium and enrichment for the nation's nuclear power program to preclude an undue threat from foreign supply disruptions or price controls,

(B) Through foreign sales, aid in the nation's balance of trade payments, and

(C) Assist in our nation's nuclear non-proliferation efforts through our involvement in the nuclear fuel process.

(7) the Uranium Mill Tailings Radiation Control Act of 1978 (42 U.S.C. 7901 et seq.) was enacted to provide for the reclamation and regulation of uranium mill tailings;

(8) The owners or licensees of active uranium mills, the states in which active sites are located, the Federal Government, and owners or licensees of civilian nuclear power reactors have each benefitted from uranium produced at the active sites, and it is equitable that they share in the cost of reclamation, decommissioning and other remedial action at the active sites.

(9) The Uranium Mill Tailings Radiation Control Act of 1978 (42 U.S.C. 7901 et seq.) did not provide for a comprehensive method of financing reclamation and remedial action at active uranium and thorium processing sites; and "The owners or licensees of active uranium mills, the states in which active mills are located, the Federal Government, and owner or licensees of civilian nuclear power reactors have each benefited from uranium produced at the active sites, and it is equitable that they share in the cost of reclamation, decommissioning and other remedial action at the active sites. The funding formula contained herein will provide approximately, for an equal one-third sharing by the owners or licensees of active uranium mills, the Federal Government, and the owners or licensees of civilian nuclear power reactors, after considering sharing by the States."

(10) The creation of an assured system of financing will greatly facilitate and expedite reclamation and remedial actions at such active uranium and thorium processing sites. Financing should be shared on an equal basis by owners or licensees of active uranium mills, the Federal Government, and the owners or licensees of civilian nuclear power reactors with support from the States in which the active sites are located.

(11) Reorganization, self-financing and eventual commercialization of the Department of Energy's uranium enrichment program and facilities will improve the ability of U.S. enrichment services to compete with other suppliers, will improve the nation's balance of trade payments, will assure an adequate long term supply of domestic enrichment services and will preclude disruptions or excessive enrichment costs.

(b) PURPOSE.—It is the purpose of Congress with this Act to ensure an adequate long-term supply of domestic uranium and enrichment for the nation's nuclear power program; to re-establish a viable domestic uranium industry and re-establish a competitive domestic enrichment program, and to facilitate, expedite and establish a comprehensive system for financing reclamation and other remedial action at active uranium and thorium processing sites.

DEFINITIONS

SEC. 3. FOR PURPOSES OF THIS ACT.—(1) the terms "active uranium or thorium processing site" and "active site" mean—

(A) any uranium or thorium processing site, including the mill, containing byproduct material for which a license (issued by the Nuclear Regulatory Commission or its predecessor agency under the Atomic Energy Act of 1954, or by a State as permitted under section 274 of such Act (42 U.S.C. 2021)) for the production at such site of any uranium or thorium derived from ore—

(i) is in effect on January 1, 1978;

(ii) is issued or renewed after January 1, 1978; or

(iii) for which an application for renewal or issuance is pending on, or after, January 1, 1978; and

(B) any other real property or improvement on such real property that—

(i) is in the vicinity of such site; and

(ii) is determined by the Secretary, in consultation with the Commission, to be contaminated with residual byproduct material.

(2) The term "Administrator" means the Administrator of the Environmental Protection Agency.

(3) The term "byproduct material" has the meaning given such term in section 11e.(2) of the Atomic Energy Act of 1954 (42 U.S.C. 2014(e)(2)).

(4) The term "civilian nuclear power reactor" means any civilian nuclear powerplant required to be licensed under section 103 or section 104 of the Atomic Energy Act of 1954 (42 U.S.C. 2133).

(5) The term "Commission" means the Nuclear Regulatory Commission.

(6) The term "Secretary" means the Secretary of Energy.

(7) The terms "source material" and "special nuclear material" have the meanings given such terms in section 11 of the Atomic Energy Act of 1954 (42 U.S.C. 2014.)

(8) The term "tailings" means the wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its source material content.

(9) The term "reclamation, decommissioning and other remedial action" includes long and short term monitoring, except for the purpose of determining the date for determining when reclamation decommissioning and other remedial action is complete for the purpose of making refunds under Section 215. Further, the term "reclamation, decommissioning and other remedial action" shall include mill decommissioning only if the owner or licensee of an active site elects to make the contribution provided for in Section 213(b)(1)(C).

(10) The term "United States Usage Requirements" means the requirements for usage of at least fifty percent of the uranium contained in the aggregate of new fuel assemblies loaded in any civilian nuclear power reactor during any calendar year having been mined and milled in the United States, as provided in Sec. 112.

TITLE I—URANIUM REVITALIZATION NEGOTIATIONS TO VOLUNTARILY RESTRAIN URANIUM IMPORTS

SEC. 111. (a)(1) NEGOTIATIONS BEFORE UNITED STATES ORIGIN USAGE REQUIREMENTS.—The President, acting through the United States Trade Representative shall undertake negotiations with all major uranium producing countries for the purpose of achieving voluntary restraint agreements whereby the aggregate uranium not mined and milled in the United States contained in the aggregate of new fuel assemblies loaded in each domestic civilian nuclear power reactor during any calendar year beginning in 1988, and continuing until 2000, will not exceed fifty percent.

(2) A country shall be considered a major uranium producing country if there has been or likely will be, delivery of uranium mined or produced, in that country into the United States, of 3,000,000 pounds or more of U308 contained in uranium concentrate, or the equivalent amount of uranium, which has, or likely will be used for fuel in civilian nuclear power reactors during the years 1980 through 2000.

(3) If a country which is not considered a major uranium producing country on or before January 1, 1988, subsequently becomes a major uranium producing country

thereafter, then the United States Trade Representative shall undertake negotiations with such country to achieve a voluntary restraint agreement accomplishing the purpose of this section.

(b) ACTION IF VOLUNTARY RESTRAINT AGREEMENTS TAKE EFFECT.—If voluntary restraint agreements described in subsection (a) take effect between the United States and the major uranium producing countries, within one year from the date of enactment of this Act, the United States Trade Representative, with the cooperation of other appropriate Federal agencies, shall monitor the usage of uranium in domestic civilian nuclear power reactors during such period for the purpose of ascertaining if the terms of the agreements are being complied with. The United States Trade Representative shall report annually to the Congress on the results of the monitoring carried out with respect to that interval. Such annual report shall be submitted on or before March 1 of the year following the calendar year for which the report is prepared.

(c)(1) ACTION IF VOLUNTARY RESTRAINT AGREEMENTS NOT ENTERED.—Unless the President, through the United States Trade Representative, has reported to Congress within thirteen months after the date of this Act that all major uranium producing countries have entered into voluntary restraint agreements with the United States accomplishing the requirements of subsection (a) for the time period January 1, 1988 through December 31, 2000, then the United States Uranium Usage Requirements as provided in Sec. 112(a) shall become effective immediately.

(2) If voluntary restraint agreements entered into under subsection (a) are not complied with for any reason, including, the expiration, cancellation, termination, amendment or modification of such agreements, then the United States Uranium Usage Requirements as provided in Sec. 112(a) shall become effective immediately.

UNITED STATES URANIUM USAGE REQUIREMENT

SEC. 112. (a) IN GENERAL.—If the United States Uranium Usage Requirement becomes effective as provided in Sec. 111(c), then at least fifty percent of the uranium contained in the aggregate of new fuel assemblies loaded into any civilian nuclear power reactor during any calendar year beginning January 1, 1988, and continuing until December 31, 2000, shall have been mined, and milled in the United States, subject to the provisions of subsection (b).

(b)(1) In making the calculation required in Sec. 112(a), uranium mined and milled in a country other than the United States included in new fuel assemblies loaded in a civilian nuclear power reactor during any calendar year shall not be considered if it was obtained under the terms of a contract for the purchase of uranium executed prior to April 8, 1986 between the licensee of such civilian nuclear power reactor and the supplier, including such contract as to which the quantity is fixed but with flexibility as to date of delivery, and including a contract with a domestic supplier which allows the supplier to select the origin of the uranium delivered. Uranium mined and milled in a country other than the United States included in new fuel assemblies loaded into a civilian nuclear power reactor during any calendar year shall be considered in calculating the requirements in Sec. 112(a) if it was obtained under the terms of contract executed on or after April 8, 1986 or obtained under an option which was exercised on or after April 8, 1986 or obtained under a contract executed before April 8, 1986 but which is modified or extended to increase the quantity of foreign source uranium delivered.

(2) If, as a result of certain foreign source uranium not being considered as provided in this subsection for the purpose of calculating the requirements of Sec. 112(a), less than 50% of the total uranium contained in the aggregate of new fuel assemblies loaded in such reactor from January 1, 1988 until December 31, 2000 will have been actually mined and milled in the United States, then all uranium loaded into the civilian nuclear power reactor, except that not considered as provided in this subsection, shall be uranium mined and milled in the United States until it is assured that at least 50% of the total uranium in the aggregate of fuel assemblies in such reactor from January 1, 1988 until December 31, 2000 will have been actually mined and milled in the United States.

(c) The percentages of foreign source uranium and uranium mined and milled in the United States, will be determined by dividing the weight of uranium mined and milled in the United States or enriched in the United States, in the aggregate of new fuel assemblies loaded into each civilian nuclear power reactor during a calendar year by the total weight of uranium in the new fuel loaded into such reactor during that year. For the purpose of this calculation, fuel loadings begun in one calendar year and which are completed in the following year will be counted in the year that the refueling outage was completed. Uranium weights and origins in the new fuel assemblies will be determined from the uranium weights and origin indicated on the DOE/NRC Form 741 for the new fuel assembly.

SEC. 113. (a) Any licensee who operates a civilian nuclear power reactor at any time during the period beginning January 1, 1988 and ending December 31, 2000 with uranium mined or milled in a country other than the United States shall be assessed a charge, to be imposed by the Secretary, of $500 per kilogram of uranium loaded in the civilian nuclear power reactor for each kilogram of uranium mined or milled in a country other than the United States in excess of fifty percent of the amount of uranium contained in the aggregate of the new fuel assemblies loaded into such reactor during any calendar year beginning January 1, 1988 and ending December 31, 2000 except as provided in section 112(b).

(b) The assessments imposed by the Secretary pursuant to subsection (a) shall be deposited in the Uranium Mill Tailings Fund.

VIABILITY

SEC. 114. The requirements, contained in Sec. 161(v)(B) of the Atomic Energy Act of 1954, as amended (42 U.S.C. 2201(v)(B)), that the Secretary, to the extent necessary to assure the maintenance of a viable domestic uranium industry, shall not offer services, in facilities owned by the Department of Energy, for the production of enrichment of source or special nuclear material of foreign origin intended for use in the United States, and the provisions of Sec. 170(B) of the Atomic Energy Act of 1954, as amended (42 U.S.C. 2210B), shall be suspended upon the date of enactment of this Act until December 31, 2000.

LICENSEE CERTIFICATION

SEC. 115. The licensee of each civilian nuclear power reactor must certify to the Secretary of Energy by March 1 of each year it has met the requirements of this Title for the previous year. The certification must include—

(a) the total weight of uranium loaded;

(b) the total weight of uranium mined and milled in the United States which was loaded;

(c) the total weight of uranium mined and milled outside of the United States which was loaded.

GOVERNMENT URANIUM PURCHASES

SEC. 116. After the date of enactment of this Act, the United States of America, its agencies and instrumentalities, including the Tennessee Valley Authority, shall not enter contracts or orders for the purchase of uranium other than for uranium mined or milled in the United States; provided, however, this section shall not affect purchases under a contract for delivery of a fixed amount of uranium entered before the date of enactment of this Act, or options exercised for fixed amounts prior to the date of enactment of this Act.

TITLE II—REMEDIAL ACTION PERFORMED BY THE OWNER OR LICENSEE OF ACTIVE URANIUM MILLS

SEC. 211. (a) IN GENERAL.—The owner or licensee of an active uranium mill shall select and perform reclamation, decommissioning, other remedial actions, at active sites.

(b) REMEDIAL ACTION TO BE PERFORMED IN ACCORDANCE WITH APPLICABLE STANDARDS.—Any reclamation, decommissioning, or other remedial action performed under subsection (a) by an owner or licensee shall comply with all applicable requirements established pursuant to the Uranium Mill Tailings Radiation Control Act of 1978, as amended or, where appropriate, requirements established by a State that is a party to a discontinuance agreement under section 274 of the Atomic Energy Act of 1954 (42 U.S.C. 2021).

(c) COSTS OF REMEDIAL ACTION TO BE PAID FROM TAILINGS FUND.—The costs incurred by the owner or licensee for reclamation, decommissioning and other remedial action, performed by the owner or licensee under this Act shall be reimbursed from the Uranium Mill Tailings Fund established in Section 212.

URANIUM MILL TAILINGS FUND

SEC. 212. (a) ESTABLISHMENT OF URANIUM MILL TAILINGS FUND.—There hereby is established in the Treasury of the United States a separate fund, to be known as the Uranium Mill Tailings Fund. The Tailings Fund shall consist of—

(1) all contributions to the Tailings Fund from the States in which active sites are located as provided in Section 213(a).

(2) all contributions to the Tailings Fund from owners or licensees of active sites as provided in Section 213(b).

(3) all contributions made to the Uranium Mill Tailings Fund by the Secretary as provided in Section 213(c).

(4) all fees received from owners or operators of civilian nuclear power reactors as provided in Section 213(d).

(5) all assessments paid to the Secretary by a licensee of a civilian nuclear power reactor for failure to comply with the United States Uranium Usage Requirement.

(6) all interest earned on sums in the fund.

(b) USE OF URANIUM MILL TAILINGS FUND.—The Secretary may, subject to subsection (c), make expenditures from the Uranium Mill Tailings Fund only for purposes of compliance with this Title.

(c) ADMINISTRATION OF URANIUM MILL TAILINGS FUND.—(1) The Secretary of the

Treasury, after consultation with the Secretary, shall annually submit to the Congress a report on the financial condition and operation of the Uranium Mill Tailings Fund during the preceding fiscal year.

(2) The Secretary shall submit the budget of the Uranium Mill Tailings Fund to the Office of Management and Budget annually along with the budget of the Department of Energy in accordance with chapter 11 of title 31, United States Code. The budget of the Uranium Mill Tailings Fund shall consist of the estimates made by the Secretary of expenditures from the Uranium Mill Tailings Fund and other relevant financial matters for the succeeding three fiscal years, and shall be included in the Budget of the United States Government.

(3) If the Secretary determines that the Uranium Mill Tailings Fund contains at any time amounts in excess of current needs, the Secretary shall request the Secretary of the Treasury to invest such amounts, or any portion of such amounts as the Secretary determines to be appropriate, in obligations of the United States—

(A) having maturities determined by the Secretary of the Treasury to be appropriate to the needs of the Uranium Mill Tailings Fund; and

(B) bearing interest at rates determined to be appropriate by the Secretary of the Treasury, taking into consideration the current average market yield on outstanding marketable obligations of the United States with remaining periods to maturity comparable to the maturities of such investments, except that the interest rate on such investments shall not exceed the average interest rate applicable to existing borrowings.

(4) Receipts, proceeds, and recoveries realized by the Secretary under this section, and expenditures of amounts from the Uranium Mill Tailings Fund, shall be exempt from annual apportionment under the provisions of subchapter 11 of chapter 15 of title 31, United States Code.

CONTRIBUTIONS TO THE URANIUM MILL TAILINGS FUND

SEC. 213. (a) CONTRIBUTIONS BY STATES CONTAINING ACTIVE SITES.—(1) Each State containing an active site or sites shall contribute from non-federal funds to the Treasury of the United States to be deposited in the Uranium Mill Tailings Fund the sum of $0.50 for each dry ton of tailings, the uranium from which was processed for commercial sales prior to the enactment of this Act at an active site within such State whose owner or licensee has elected to participate in reclamation, decommissioning or other remedial action through the Uranium Mill Tailings Fund.

(2) Such payment shall be made in five equal annual installments commencing January 1, 1990.

(3) If any State containing an active site or sites, whose owner or licensee has elected to participate in reclamation, decommissioning or other remedial actions through the Uranium Mill Tailings Fund, fails or refuses to make the contributions, or any portion thereof, required by this section, this shall not affect the right of the owner or licensee of an active site in such state to participate in reclamation, decommissioning or other remedial action through the Uranium Mill Tailings Fund.

(b) CONTRIBUTIONS BY OWNERS OR LICENSEES.—(1) Each owner or licensee of an active site who elects to participate in reclamation, decommissioning, and other remedial action, through the Uranium Mill Tailings Fund shall contribute to the Treasury of the United States, to be deposited in the Uranium Mill Tailings Fund—

(A) $2,000,000 per site as to which it is the owner or licensee of which—

(i) $1,000,000 shall be contributed in the Tailings Fund on or before January 31, 1990; and

(ii) $1,000,000 shall be contributed in the Tailings Fund on or before January 31, 1991.

(B) $1.00 per dry ton for all tons of tailings at such active site, the uranium from which was processed from commercial sales prior to the effective date of the Act of which—

(i) $0.50 per dry ton for all tons of tailings at such active site, the uranium from which was processed for commercial sales prior to the effective date of this Act, shall be contributed to the Tailings Fund on or before January 31, 1992.

(ii) $0.50 per dry ton for all tons of tailings at such active site, the uranium from which was processed for commerical sales prior to the effective date of this Act, shall be contributed in the Tailings Fund on or before January 31, 1993.

(C) Each owner or licensee of an active site who elects to decommission the mill as a part of the reclamation decommissioning and other remedial action to be undertaken pursuant to the Uranium Mill Tailings Fund shall contribute an additional $500,000 to the Uranium Mill Tailings Fund on or before January 31, 1994.

(c) CONTRIBUTION ON BEHALF OF FEDERAL GOVERNMENT FROM DEPARTMENT OF ENERGY ENRICHMENT SERVICES REVENUES.—(1) There is authorized to be appropriated the Uranium Mill Tailings Fund, $350,000,000 to remain available until expended.

(2) Funds authorized under this section shall be derived from the Department of Energy Uranium Enrichment Program revenues. These contributions shall be in lieu of appropriations from the Treasury of the United States. These contributions shall be deemed to fully and completely repay the Treasury for one hundred percent of any and all debt the Department of Energy Uranium Enrichment Program has incurred prior to FY 1986.

(3) The Secretary shall transfer funds authorized by this subsection to the Uranium Mill Tailings Fund as needed to carry out the purposes of this Title.

(d) CONTRIBUTIONS BY LICENSEES OF CIVILIAN NUCLEAR POWER REACTORS.—(1) Licensees for civilian nuclear power reactors shall contribute into the Uranium Mill Tailings Fund a fee of $22.00 per kilogram of uranium contained in fuel assemblies initially loaded into each civilian nuclear power reactor during each of the calendar years 1989 through 1993.

(2) The fee shall apply to fuel on its initial loading into the reactor and not to previously loaded fuel being loaded again. In calculating the total annual obligation by a licensee, fuel loaded in loadings which are begun in a calendar year and completed in the subsequent years shall be deemed to have occurred in the year in which loading is completed. The weight of uranium loaded will be determined by uranium weights indicated on the NRC/DOE Form 741 for the new fuel assemblies.

(3) The fee from each user so affected will be due on January 31 the following year with the first payment due on January 31, 1990.

(4) The contribution of this fee for the years 1989-1993 shall constitute the total obligation of licensees of civilian nuclear power reactors for uranium mill tailings reclamation, except to the extent that a user may be the owner or licensee of a uranium mill or as provided by contract executed prior to the effective date of this Act.

(5) Not later than one hundred and twenty days after the date of enactment of this Act the Secretary shall establish procedures for the collection and payment of the fee established by this Title.

ELECTION TO PARTICIPATE

SEC. 214. (a) OWNER OR LICENSEE ELECTION TO PARTICIPATE.—The owner or licensee of an active site may elect to perform reclamation, decommissioning and other remedial action through the Uranium Mill Tailings Fund and be entitled to receive reimbursement for the cost incurred by such owner or licensee for reclamation, decommissioning and other remedial action performed in connection with the owner's or licensee's active site by notifying the Secretary of such election on or before January 1, 1989. If an owner or licensee makes an election to participate, the notice shall specify whether the owner or licensee elects to have decommissioning undertaken pursuant to the Uranium Mill Tailings Fund. Such election to participate or not to participate shall be irrevocable.

REIMBURSEMENT OF COSTS INCURRED FOR RECLAMATION, DECOMMISSIONING, OR OTHER REMEDIAL ACTION FROM TAILINGS FUND

SEC. 215. (a) IN GENERAL.—The Secretary shall reimburse to the owner or licensee of an active site who has elected to participate as provided in Section 214, the costs incurred by such owner or licensee for the reclamation, decommissioning or other remedial actions in connection with such site from the Uranium Mill Tailings Fund. The amount reimbursed shall not exceed the total dry tailings at such site as of the date of this Act multiplied by $5.00; and provided, however, if one-third of the lower of (i) the cost of reclamation, decommission and other remedial action at an active site or (ii) the dry tons of tailings at such site at the date of the Act multiplied by $5.00 per dry ton, exceeds the sums payable to the Uranium Mill Tailings Fund by such owner or licensee of such active site, and interest deemed earned thereon then the owner or licensee of such active site shall be reimbursed from the Uranium Mill Tailings Fund an amount equal to the costs incurred by such owner or licensee for the reclamation, decommissioning or other remedial actions in connection with such site (not to exceed the total dry tons of tailings at such site as of the date of this Act multiplied by $5.00 per dry ton), LESS the amount by which one-third of the lower of (i) the cost of reclamation, decommission and other remedial action at such site or (ii) the dry tons of tailings at such site at the date of this Act multiplied by $5.00 per dry ton exceeds the sums payable to the Uranium Mill Tailings Fund by such owner or licensee of such active site and interest deemed earned thereon.

(b) OWNER'S OR LICENSEE'S ACCOUNT.—For the purposes of accounting, one-third of the cost incurred, for reclamation, decommissioning, and other remedial action at an active site, up to the $5.00 per ton of tailings maximum, by the owner of licensee shall be deemed to be reimbursed out of the sum contributed by such owner of licensee to the Uranium Mill Tailings Fund as provided in Section 213, and interest deemed earned upon such contribution. If upon the completion of reclamation, decommissioning or

other remedial action at a paticipating active site, one-third of the costs incurred therefore by the owner or licensee is less than the amount contributed to the Uranium Mill Tailings Fund by such owner or licensee and interest deemed earned upon such contribution, then the owner or licensee shall be refuned from the Uranium Mill Tailings Fund a sum equal to the amount by which one-third of the costs incurred by the owner or licensee is less than the amount contributed by such owner or licensee to the Uranium Mill Tailings Fund and interest deemed earned thereon. The Secretary shall maintain accounts for each participating owner or licensee to reflect contributions by such owner or licensee, interest deemed earned on such contributions, reimbursements to such owner or licensee from the Uranium Mill Tailings Fund, and the cost incurred by the owner or licensee for the reclamation, decommissioning or other remedial action in connection with such active site.

(c)(i) ACCOUNTS FOR OTHER CONTRIBUTORS TO THE TAILINGS FUND.—For the purpose of accounting, two-thirds of the costs incurred by participating owners or licensees at active sites, up to the maximum of $5.00 per dry ton of tailings at such sites as of the effective date of this Act, shall be deemed to have been reimbursed from the Uranium Mill Tailings Fund out of the portion of the Uranium Mill Tailings Fund contributed (i) on behalf of the Federal Government by the Department of Energy as provided in Section 213(c); (ii) the States which have contributed as provided in Section 213(a), and (iii) the licensees of civilian nuclear power reactors as provided in Section 213(d), and interest deemed earned upon such contributions. The Secretary shall maintain accounts for each such person or entity making contributions to the Tailings Fund, reflecting the time and amount of such contributions, and the interest deemed earned thereon.

(ii) The Secretary shall determine as of January 31, 1996, whether the amount remaining in the Uranium Mill Tailings Fund, other than the amounts contributed by participating owners or licensees of active sites and interest deemed earned thereon, when considered with the $5.00 per dry ton limit on reimbursement, exceeds the total cost reimbursable to the participating owners or licensees of active (other than that deemed reimbursed out of such participating owners or licensees contributions and interest deemed earned thereon or to borne by owners or licensees), of the active sites where reclamation, decommissioning and other remedial action has not been completed.

(iii) If the Secretary determines there is an excess, then the excess shall be refunded as set forth in subsection 215(d); provided, however, no amounts contributed to the Uranium Mill Tailings Fund by the participating owners or licensees of active sites and interest deemed earned therein shall be refunded to any person or entity other than the owner or licensee making such contribution, or their successors or assigns.

(d) REFUNDS TO CERTAIN CONTRIBUTORS.—If as of January 31, 1996, the Secretary determines that the Uranium Mill Tailings Fund contains an excess as calculated in Section 215(c), then the Secretary shall refund the excess as follows:

(1) first, to the States which have made contributions to the Uranium Mill Tailings Fund as provided in Section 213(a), until such States have been refunded the full amount of their contributions.

(2) the remaining excess, if any, shall be refunded:

(A) A total of five percent of such remaining excess to the States which contributed to the Uranium Mill Tailings Fund, pro-rata basis in accordance with their respective contributions.

(B)(i) Ninety-five percent of the remainder of such excess to the United States Treasury. The Secretary shall make a determination annually after January 31, 1996, whether an excess as calculated pursuant to Section 215(c) exists in the Uranium Mill Tailings Fund, and if the Secretary determines an excess exists, the Secretary shall make refunds in the method provided in Section 215(d)(1) shall cease when State contributions pursuant to Section 213(a) have been refunded.

(e) INTEREST DEEMED EARNED.—For the purpose of this Act, the contributions made by any person or entity shall be deemed to have earned interest annually on the contribution from the date made. The appropriate interest rate for each year shall be determined by the Secretary, taking into consideration the average market yield on outstanding marketable obligations of the United States with one year maturity during the year for which calculation is being made; provided, however, contributions made by any anticipatory owners or licensees of active sites shall be deemed to bear interest during any such year only to the extent that the contributions made by such owner or licensee exceeds one-third of the costs reimbursed out of the Uranium Mill Tailings Fund to such owner or licensee.

LIMITATION OF REIMBURSEMENT

Sec. 216. (a) $5.00 PER TON LIMIT.—The total reimbursement from the Uranium Mill Tailings Fund to the owner or licensee of an active site shall not exceed an amount equal to $5.00 multiplied by the dry tons of tailings located at the site as of the effective date of this Act. Costs in excess of $5.00 per ton shall be borne by the owner or licensee of the active site on its own account outside the Uranium Mill Tailings Fund.

(b) INFLATION ESCALATION INDEX.—The $5.00 per dry ton multiplier provided in Section 216(a) shall be increased based upon an inflation escalation index. The Secretary shall determine the appropriate index to apply.

TAILINGS GENERATED AFTER EFFECTIVE DATE OF ACT

Sec. 217. (a) IN GENERAL.—An owner or licensee of an active site who has elected to participate pursuant to Section 214 shall be entitled to reimbursement from the Uranium Mill Tailings Fund, to the limits provided, for the costs incurred for the reclamation, decommissioning or other remedial action in connection with such active site on the basis of tailings existing at such active site as of the effective date of this Act. The participating owner or licensee of an active site shall be responsible on its own account outside the Uranium Mill Tailings Fund for the costs incurred for the reclamation, decommissioning or other remedial action associated with tailings generated at such active site after the effective date of this Act.

(b) ACTIVE SITES CONTAINING TAILINGS GENERATED BEFORE AND AFTER THE EFFECTIVE DATE OF THIS ACT.—If an active site whose owner or licensee has elected to participate contains tailings generated both before and after the date of this Act, then it shall be assumed that the costs incurred by the owner or licensee for the reclamation, decommissioning and other remedial action in connection with such site were incurred pro-rata based upon the dry tons of tailings generated before and after the date of this Act, unless the Secretary determines that the costs incurred in connection with the tailings generated after the date of this Act were less than would result from the pro-rata formula, in which event such lower amount shall be used for the purposes hereof.

THORIUM SITE

Sec. 218. IN GENERAL.—At thorium sites, the cost of reclamation, decommissioning and other remedial action shall be borne by the owner or licensee except for the portion generated solely as an incident of sales to the United States, or any of its agencies and instrumentalities, the United States shall bear such costs. Tailings arising from the co-production of thorium for the United States, or any of its agencies and instrumentalities and other products for the commercial market shall be allocated to the United States. The Secretary is hereby authorized to enter a cooperative agreement with the owner or licensee of a thorium site providing for the payment by the United States of its share of the cost of reclamation, decommissioning and other remedial action at such site. For the purpose of carrying out the provisions of this section such funds as necessary are hereby authorized.

MAINTENANCE OF FUND BALANCE

Sec. 219. IN GENERAL.—The Secretary shall manage disbursements from the Uranium Mill Tailings Fund such that it never is in a deficit on a cash basis. Reimbursements to owners or licensees may be delayed until receipts allow disbursements. In such cases, owners or licensees of active sites will be treated pro-rata where only partial reimbursements can be made.

INTEREST ON COSTS INCURRED

Sec. 220. IN GENERAL.—Reimbursement from the Uranium Mill Tailings Fund for costs incurred shall include interest at the rate provided in Section 215(e) on costs incurred by the participating owner or licensee of an active site from the date a statement for reimbursement of such cost is submitted by the owner or licensee to the Secretary until reimbursement for such costs is made from the Uranium Mill Tailings Fund.

LIMITATION OF FINANCIAL OBLIGATIONS

Sec. 221. LIMITATION ON FINANCIAL OBLIGATION OF ACTIVE SITE OWNERS AND LICENSEES AND LICENSEES USING SOURCE MATERIAL OR SPECIAL NUCLEAR MATERIAL FOR A CIVILIAN NUCLEAR POWER REACTOR TO GENERATE ELECTRICAL ENERGY.—The contributions made and work performed by the owners or licensees of the active sites and the contributions made and fines paid by persons using source material or special nuclear material for a civilian nuclear power reactor to generate electrical energy shall be the sole liability and obligation imposed under federal laws in connection with the reclamation, decommissioning and other remedial action at active uranium and thorium sites.

RECLAMATION ALREADY UNDERTAKEN

Sec. 222. IN GENERAL.—The owner or licensee of a participating active site who has undertaken reclamation, decommissioning or other remedial action at such site prior to the effective date of the Act shall be entitled to reimbursement for the cost thereof as if the work was done after the effective date hereof if such work, including disposal

work, was accomplished in order to comply with the standards under Section 211. The timing of such reimbursement shall be subject to the management of the fund as specified in Section 219. An owner or licensee of an active site which has elected to participate in the Uranium Mill Tailings Fund and has performed reclamation work prior to the effective date of the Act may have any sums to which it is entitled to be reimbursed credited against any sum it is required to contribute. The Secretary shall determine whether the reclamation, decommissioning and other remedial action whether work performed at a site prior to the effective date of this Act was accomplished in order to comply with the standards under Section 211, and provide for the review of statements in connection therewith."

SECRETARY'S AUTHORITY TO MAKE REGULATIONS AND REIMBURSEMENTS

SEC. 223. IN GENERAL.—The Secretary shall adopt and issue regulations to accomplish the purposes of this Title and shall review statements by participating owners or licensees for reimbursement from the Uranium Mill Tailings Fund of costs incurred for reclamation, decommissioning and other remedial actions. Any such statement for reimbursement found appropriate shall be approved by the Secretary and reimbursement therefore shall be made from the Uranium Mill Tailings Fund.

ATOMIC ENERGY ACT OF 1954

SEC. 224. STANDARDS AND INSTRUCTIONS FOR BONDING, SURETY, OR OTHER FINANCIAL ARRANGEMENTS, INCLUDING PERFORMANCE BONDS.—Section 161x. of the Atomic Energy Act of 1954 (42 U.S.C. 2201(x)) is amended by inserting after "ensure" in the matter preceding paragraph (1) the following: ", for the share of costs for which the licensee is responsible".

TITLE III—UTILITY SERVICES CONTRACT

This Act hereby recognizes that the Department of Energy's Utility Services Enrichment Contract is approved by Congress and that such contract establishes the relevant criteria for the Department of Energy providing enrichment services, except that Department of Energy is precluded from charging for the selection of variable tails assays option (VTAO) between the 0.2% and 0.3% range authorized in the contract.

TITLE IV—URANIUM ENRICHMENT REORGANIZATION AND COMMERCIALIZATION

SEC. 401. IN GENERAL.—Within 180 days of the effective date of this Act the Secretary shall submit to Congress a plan for the reorganization of the Department of Energy's Uranium Enrichment Program to establish a mixed Government/private ownership uranium enrichment services corporation. The reorganization shall provide for the creation of a body corporate to be known by the name of the "Enrichment Services Corporation", all of the common stock of which shall be initially owned by the Treasury of the United States, with preferred stock issued for sale to the public. The Corporation is to be directed by a part-time (except for the Chairman) Board of five Directors for staggered 5-year terms. Initially, three Directors are to be appointed by the President, with advice and consent of the Senate. Two additional Directors are to be elected by the owners of the Corporation preferred stock after the sale of at least $10 million of preferred stock. The Board shall appoint a chief operating officer and other officers as appropriate. In appointing the three members of the Board, the President shall designate the Chairman, who is to be a full-time employee of the Corporation.

SEC. 402. The reorganization arrangement shall define the transfer of the Department of Energy's uranium enrichment facilities, technology, contracts and rights. The reorganization shall define the approach of the Enrichment Services Corporation for the production or enrichment of source or special nuclear material for persons or entities licensed to receive, possess, or own such material. The new organization plan shall identify:

(1) the criteria to be used in furnishing enrichment services by the Enrichment Services Corporation for the five year period after which such corporation commences the performance of enrichment services;

(2) the enrichment technology available to the Enrichment Services Corporation;

(3) financing of operations and undertakings by the Enrichment Services Corporation;

(4) protection of technical information deemed important to the national security;

(5) arrangement for furnishing technical information, inventions and discoveries, services, materials and equipment on the basis of recovery of all or part of the costs over a reasonable period of time, including provisions for royalties, if appropriate;

(6) approach to achieve eventual commercialization of the Enrichment Services Corporation, whether through ownership, in whole or in part, by private persons or entities;

(7) transition from the Department of Energy to the Enrichment Services Corporation;

(8) a business plan for the Enrichment Services Corporation; and,

(9) transfer from the Department of Energy of inventories of source and special nuclear material to the Enrichment Services Corporation;

SEC. 403. ENRICHMENT SERVICES CORPORATION.—The reorganization of the present Enrichment Services Program as the Enrichment Services Corporation shall include all of the items provided in Sec. 402, and shall not be implemented by the Secretary until reorganization plan for the Enrichment Services Corporation has been submitted to Congress, and a period of forty-five days shall elapse while Congress is in session. In computing the forty-five days there shall be excluded the days in which either House is not in session because of adjournment for more than three days.

SEC. 404. ENRICHMENT SERVICES CORPORATION.—The plan of reorganization of the Enrichment Services Program to the Enrichment Services Corporation shall not be implemented except as authorized by law by Congress.

TITLE V—SEPARABILITY OF PROVISIONS

SEC. 501. IN GENERAL.—If any provision of this amendment, or the application of such provision to any person or circumstance, is held invalid, the remainder of this amendment, or the application of such provision to persons or circumstances other than those as to which it is held invalid, shall not be affected thereby.

TITLE VI—EFFECTIVE DATE

SEC. 601. The provisions of and amendments made by this Act shall become effective upon the expiration of the sixty-day period following the date of enactment of this Act, unless otherwise provided.

● Mr. DOMENICI. Mr. President, earlier in this Congress several of my colleagues and I introduced legislation to provide a comprehensive approach to the reclamation of uranium mill tailings. That legislation was the subject of an unusual joint hearing between the Senate Energy and Natural Resources Committee and the House Committee on Interior and Insular Affairs in the fall of last year. Today I am submitting an amendment in the nature of a substitute for that bill which not only addresses a number of the concerns raised about the earlier legislation but attempts to resolve a number of other issues related to the fuel cycle of commercial nuclear power reactors. I will insert a brief section-by-section summary of the amendment for the record, Mr. President, but I will give a short summary of the amendment now.

The comprehensive program for uranium mill tailings cleanup has been modified in the following ways. First, the contributions made by nuclear utilities to the cleanup fund have been reduced from 55 percent to about 30 percent of the estimated cost. Uranium mill owners would contribute the same amount, that is, 30 percent. The Federal share of the cleanup costs would also be about 30 percent representing the approximate proportion of the active uranium mill tailings piles that have resulted from Federal purchases of uranium. States would contribute 10 percent. None of these contributions are open ended. In the case of the utilities, for example, the contribution would be derived from a fee on uranium loaded into reactors over a set period of time. At the end of that time, the fee would end. A second major change is the removal of the Department of Energy from the role of manager of the cleanup. Each uranium mill owner or licensee would be responsible for their own cleanup, with the Secretary of Energy managing only the disbursement of funds. There would also be a cap on the amount that mill owners could be reimbursed from the fund to cover the cleanup costs. Anything over $5 per ton would have to be borne by the mill owner.

There are several new subjects covered by this amendment Mr. President. The first is a direction to the U.S. Trade Representative to seek to enter into voluntary trade restrictions with the major uranium producers in the world. This is a very different approach than existing law which would require import restrictions which in the past have gone as high as a 100-percent restriction. If these efforts at voluntary restrictions fail, then utilities would be prohibited from loading more than 50 percent foreign uranium in any given year until the year 2000. Foreign uranium already contracted

for would, of course, be allowed to be used even if it exceeded that 50 percent limitation. However, U.S. Government uranium purchases would be required for 100 percent domestic origin uranium only in the future.

The second new subject is to approve the Department of Energy's Utility Service Contract with the exception of prohibition on charging a fee for the selection of Variable Tails Option between the 0.2- and 0.3-percent range.

The third new subject is to reorganize the Department's Uranium Enrichment Program into a Uranium Enrichment Service Corporation, whose common stock shall be owned initially by the Treasury of the United States. The amendment will set forth the plan to make a smooth transition to achieve the eventual commercialization of the Enrichment Service Corporation, through ownership in whole or in part by private persons or entities. Coincidentally, on April 7, 1986, the Department of Energy published in the Federal Register a notice to request for expressions of interest for participation in the DOE Uranium Enrichment Program. Through this program, DOE is hoping to obtain sufficient information pertaining to private sector willingness to participate in this initiative.

Mr. President, I am asking for unanimous consent that a section-by-section summary be printed in the RECORD today, and I hope that my colleagues will join me in support of this amendment.

There being no objection, the analysis was ordered to be printed in the RECORD, as follows:

SECTION-BY-SECTION ANALYSIS OF THE URANIUM REVITALIZATION AND TAILINGS RECLAMATION ACT

Sec. 1. Short Title.
Sec. 2. Findings and Purposes.
Sec. 3. Definitions.

TITLE I—URANIUM REVITALIZATION

SEC. 111. Negotiations to Voluntary Restrain Uranium Imports—The United States Trade Representative is directed to seek to enter into voluntary restraint agreements with all major uranium producing countries (defined as those countries capable of importing three million pounds or more of U308 in any calendar year) to assure that not more than fifty percent of the uranium loaded into domestic civilian nuclear power reactors between the years 1988 and 2000 would be of foreign origin.

SEC. 112. United States Uranium Usage Requirement—If voluntary restraint agreements cannot be reached, then fuel loaded into nuclear power reactors during any calendar year would have to be at least fifty percent domestic uranium each year through the year 2000. Foreign uranium delivered to domestic utilities under contracts entered into prior to April 8, 1986 could be loaded even if the total amount of foreign uranium loaded exceeded fifty percent.

SEC. 113. A charge of $500 per kilogram would be assessed a utility for every kilogram of foreign uranium loaded into a nuclear power reactor in a given year over the fifty percent limitation.

SEC. 114. Viability—The requirements of Sec. 161(v)(B) and Sec. 170(B) of the Atomic Energy Act for the Secretary to maintain a viable domestic uranium mining and milling industry would be waived through the year 2000.

SEC. 115. Licensee Certification—Nuclear power reactor licensees would self-certify their performance under the Uranium Usage Requirements on an annual basis.

SEC. 116. Government Uranium Purchases—Agencies and instrumentalities of the United States (including the Tennessee Valley Authority) would be required to purchase only domestic origin uranium in the future.

TITLE II—REMEDIAL ACTION PERFORMED BY THE OWNER OR LICENSEE OF ACTIVE URANIUM MILLS

SEC. 211. Uranium mill owners or licensees electing to participate in the program for remedial action established by this Act must perform the remedial action pursuant to applicable environmental standards established pursuant to the Uranium Mill Tailings Radiation Control Act of 1978 and they are entitled to compensation from the Uranium Mill Tailings Fund certain costs incurred.

SEC. 212. The Uranium Mill Tailings Fund is established from which reimbursements to mill owners or licensees are made by the Secretary of Energy.

SEC. 213. Contributions to the Uranium Mill Tailings Fund—Contributions to the Fund would be made by the following parties in the designated amounts:

	Percent
Uranium Mill Owners or Licensees	30
Nuclear Power Reactor Licensees	30
Federal Government	30
States with Active Uranium Mills	10

The total of these contributions would be approximately $1 billion. Fees for mill owners would be $2 million per site plus $1.00 per ton of tailings. The Federal contribution would be equivalent to the relative amount of mill tailings attributable to Federal procurement or $350 million. The contributions by the nuclear reactor licensees would come from a fee of $22.00 per kilogram of uranium loaded in each reactor during the years from 1989 to 1993. States would contribute $0.50 per ton of active site tailings within their borders.

SEC. 214. Any mill licensee electing to participate would have to do so be January 1, 1989.

SEC. 215. The maximum reimbursement per site to a mill licensee cannot exceed $5.00 per ton and the Secretary may not reimburse a licensee for any more than two-thirds of the cost of reclamation. If the Secretary of Energy determines that there are excess monies in the Fund, the Secretary must refund those funds to the States first, then an additional 2.5% of the remainder to the States with the balance to the Federal Treasury and the States (split on a 95/5% basis).

SEC. 216. Limitation of Reimbursement—No mill licensee could be reimbursed for an amount larger than $5.00 per ton of tailings. Any additional costs would be borne by the licensee.

SEC. 217. Tailings Generated After the Effective Date of the Act—No costs incurred for the reclamation of mill tailings generated after the effective date of this Act would be eligible for compensation under the Act.

SEC. 218. Thorium Sites—The Secretary of Energy is authorized to enter into cooperative agreements with licensees for such sites to provide funds for the cleanup of those portions of the site which were created as a result of Federal activities.

SEC. 219. The Secretary is required to manage the Fund in such a fashion that no deficits occur.

SEC. 220. Interest shall accrue on reimbursements owed from the date of submission until their disbursement.

SEC. 221. Limitation of Financial Obligations—The contributions made under this Title are the sole financial liability and obligation imposed under Federal law in connection with the reclamation of active mill sites.

SEC. 222. For those sites undergoing reclamation which elect to participate in this program, the Secretary shall determine what costs are necessary in order to comply with applicable environmental standards and are thus reimbursable under this Title.

SEC. 223. General authority for rulemakings necessary for the management of the Fund by the Secretary is provided.

SEC. 224. Surety requirements under the Atomic Energy Act are modified to take into account the shared responsibility for financing cleanup established under this Title.

TITLE III

The Department of Energy's Utility Services Contract is approved except for the prohibition on charging a fee for the selection of Variable Tails Option between the 0.2% and 0.3% range.

TITLE IV—URANIUM ENRICHMENT REORGANIZATION AND COMMERCIALIZATION

SEC. 401. Within 180 days of the effective date of this Act the Secretary should submit to Congress a planned reorganization of the Department's Uranium Enrichment Program to establish a Uranium Enrichment Services Corporation (all common stock of which shall be owned initially by the Treasury of the United States). The Corporation is to be directed by three Presidential Appointees and by two Directors elected by the Corporations owners of preferred stock (which the Corporation is authorized to issue).

SEC. 402. The plan shall include the following:

(1) the criteria to be used in furnishing enrichment services by the Enrichment Services Corporation for the five year period after which such corporation commences the performance of enrichment services;

(2) the enrichment technology available to the Enrichment Services Corporation;

(3) financing of operations and undertakings by the Enrichment Services Corporation.

(4) protection of technical information deemed important to the national security;

(5) arrangement for furnishing technical information, inventions and discoveries, services, materials and equipment on the basis of recovery of all or part of the costs over a reasonable period of time, including provisions for royalties, if appropriate;

(6) approach to achieve eventual commercialization of the Enrichment Services Corporation, whether through ownership, in whole or in part, by private persons or entities;

(7) transition from the Department of Energy to the Enrichment Services Corporation.

(8) a business plan for the Enrichment Services Corporation; and,

(9) transfer from the Department of Energy of inventories of source and special

nuclear material to the Enrichment Services Corporation.

SEC. 403. ENRICHMENT SERVICES CORPORATION.—The reorganization of the present Enrichment Services Program as the Enrichment Services Corporation shall include all of the items provided in Sec. 402, and shall not be implemented by the Secretary until reorganization plan for the Enrichment Services Corporation has been submitted to Congress, and a period of forty-five days shall elapse while Congress is in session. In computing the forty-five days there shall be excluded the days in which either House is not in session because of adjournment for more than three days.

SEC. 403. The plan shall not be implemented until the plan has resided before the Congress for 45 days.●

NOTICES OF HEARINGS

SELECT COMMITTEE ON INDIAN AFFAIRS

Mr. ANDREWS. Mr. President, I would like to announce for the information of the public that the Select Committee on Indian Affairs will be holding the following hearings:

On Tuesday, April 15, 1986, in Senate Russell 385, at 10 a.m., on S. 1988, to establish a program for the prevention and control of diabetes among Native Americans. Those wishing additional information on this bill should contact Max Richtman or Patricia Zell of the committee at 224-2251.

On Thursday, April 17, 1986, in Senate Dirksen 485, at 10 a.m., on S. 2118, to provide for the distribution of funds appropriated to pay a judgment awarded to the Sisseton and Wahpeton Tribes of Sioux Indians in Indian Claims Commission dockets numbered 142 and 359, and for other purposes. Those wishing additional information on this bill should contact Pete Taylor or Dave Lundgren of the committee at 224-2251.

On Tuesday, April 22, 1986, in Senate Russell 385, at 10 a.m. on S. 1991, to extend programs under the Native American Programs Act of 1974 through fiscal year 1990. Those wishing additional information on this bill should contact Mike Mahsetky of the committee at 224-2251.

SUBCOMMITTEE ON RURAL DEVELOPMENT, OVERSIGHT, AND INVESTIGATIONS

Mr. HELMS. Mr. President, I wish to announce that Senator MARK ANDREWS, chairman of the subcommittee on Rural Development, Oversight, and Investigations of the Committee on Agriculture, Nutrition, and Forestry, has scheduled a hearing to receive testimony on S. 1121, a bill to amend the U.S. Grain Standards Act to encourage foreign agricultural trade by improving the quality of grain shipped from U.S. export elevator facilities.

The hearing will begin at 9:30 a.m., on Thursday, April 24, 1986, in room 332, Russell Senate Office Building.

Please contact the committee staff at 224-2035 or Doug Mattson of Senator ANDREWS' staff if further information is needed.

SUBCOMMITTEE ON PUBLIC LANDS, RESERVED WATER, AND RESOURCE CONSERVATION

Mr. WALLOP. Mr. President, I would like to announce for the information of the Senate and the public that the Subcommittee on Public Lands, Reserved Water, and Resource Conservation of the Committee on Energy and Natural Resources has made some changes to the measures on which the subcommittee will receive testimony at its hearing scheduled for Friday, April 11, 1986, at 9:30 a.m. in room SD-366 of the Senate Dirksen Office Building, Washington, DC.

S. 2029, to establish the Big Cypress National Preserve Addition in the State of Florida, and for other purposes, will not be considered at this hearing as previously announced and instead will be postponed to be considered at a hearing to be scheduled in the near future.

Testimony will be received on two additional measures as follows: S. 1946, to designate the West Branch of the Farmington River as a study area for inclusion in the National Wild and Scenic Rivers System, and for other purposes; and S. 2265, to authorize the establishment of the Burr Trail National Rural Scenic Road in the State of Utah, and for other purposes.

As previously announced, the subcommittee also will receive testimony on S. 977, S. 1374, S. 1413, H.R. 2067, S. 1542, and H.R. 3556.

For further information, please contact Patty Kennedy of the subcommittee staff at (202) 224-0613.

SUBCOMMITTEE ON SECURITY AND TERRORISM

Mr. THURMOND. Mr. President, there will be a closed hearing of the Subcommittee on Security and Terrorism on Tuesday, April 15, 1986, at 1 p.m. in room S-407, the Capitol, on FBI oversight. Chairman DENTON will preside.

COMMITTEE ON THE JUDICIARY

Mr. THURMOND. Mr. President, there will be a hearing of the Committee on the Judiciary, on Tuesday, April 15, 1986, at 10:30 a.m., upon: S. 2162, Antitrust Remedies Improvement Act, room SD-226, Chairman THURMOND will preside.

SUBCOMMITTEE ON PATENTS, COPYRIGHTS, AND TRADEMARKS

Mr. THURMOND. Mr. President, there will be a hearing of the Subcommittee on Patents, Copyrights, and Trademarks on Tuesday, April 15, 1986, at 9:30 a.m. in room SR-485 on the Berne Convention. Chairman MATHIAS will preside.

AUTHORITY FOR COMMITTEES TO MEET

SUBCOMMITTEE ON STRATEGIC AND THEATER NUCLEAR FORCES

Mr. COCHRAN. Mr. President, I ask unanimous consent that the Subcommittee on Strategic and Theater Nuclear Forces of the Committee on Armed Services be authorized to meet during the session of the Senate on Tuesday, April 8, in closed session, to hold a hearing on the Department of Energy Defense Programs.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON DEFENSE ACQUISITION POLICY

Mr. COCHRAN. Mr. President, I ask unanimous consent that the Subcommittee on Defense Acquisition Policy of the Committee on Armed Services be authorized to meet during the session of the Senate on Tuesday, April 8, to hold a hearing to receive testimony on the following legislation:

S. 2082, Defense Enterprise and Initiative Act of 1986; S. 2151, DOD Acquisition Reorganization Act of 1986; and, to discuss the report of the President's Blue Ribbon Commission on Defense Management.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

THE CONSOLIDATED OMNIBUS BUDGET RECONCILIATION ACT OF 1985

● Mr. DOMENICI. Mr. President, yesterday, April 7, President Reagan signed into law the Consolidated Omnibus Budget Reconciliation Act of 1985. It is now Public Law No. 99-272. Because there is not yet available a final version of the act, I send to the desk the enrolled version of the bill as signed into law and ask that it be printed in the RECORD.

The enrolled version of the bill follows:

H.R. 3128

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Consolidated Omnibus Budget Reconciliation Act of 1985".

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Title I. Agriculture programs.
Title II. Armed services and defense-related programs.
Title III. Housing and community development programs.
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Title VII. Energy and related programs.

Title VIII. Outer Continental Shelf and related programs.
Title IX. Medicare, Medicaid, and Maternal and Child Health programs.
Title X. Private health insurance coverage.
Title XI. Single-employer plan termination insurance system amendments.
Title XII. Income security and related programs.
Title XIII. Revenues, trade, and related programs.
Title XIV. Revenue sharing.
Title XV. Civil service, postal service, and governmental affairs generally.
Title XVI. Higher education programs.
Title XVII. Graduate Medical Education Council and technical amendments to the Public Health Service Act.
Title XVIII. Small business programs.
Title XIX. Veterans' programs.
Title XX. Miscellaneous provisions.

TITLE I—AGRICULTURE PROGRAMS

SUBTITLE A—AGRICULTURAL PROGRAM SAVINGS

SEC. 1001. AGRICULTURAL PROGRAM SAVINGS.

The expenditures and outlays resulting from the provisions of title XI (relating to the export sales of dairy products) and title XIII (relating to emergency disaster loans and loan authorizations under the Agricultural Credit Insurance Fund) of the Food Security Act of 1985 (H.R. 2100, 99th Congress) shall be counted for purposes of determining savings under the Consolidated Omnibus Budget Reconciliation Act of 1985 as having been enacted under this Act.

SUBTITLE B—TOBACCO PROGRAM IMPROVEMENTS

SEC. 1101. FINDINGS AND PURPOSES.

(a) FINDINGS.—Congress finds that—

(1) the maintenance of a viable tobacco price support and production adjustment program is in the interests of tobacco producers, purchasers of tobacco, persons employed directly or indirectly by the tobacco industry, and the localities and States whose economies and tax bases are dependent on the tobacco industry;

(2) the present tobacco price support program is in jeopardy and in need of reform;

(3) under present law, the levels of price support for tobacco have resulted in market prices for tobacco that are not competitive on the world market;

(4) as a consequence, extremely large quantities of domestic tobacco have been put under loan and placed in the inventories of the producer-owned cooperative marketing associations that administer the tobacco price support program;

(5) the increased inventories have led to a significant increase in the assessments producers are required to pay to maintain the tobacco price support program on a "no net cost" basis;

(6) such increasingly large assessments are creating a severe hardship on producers;

(7) the existence of such large inventories poses a threat to the orderly marketing of future crops of tobacco;

(8) inventories of producer associations must be significantly reduced or the tobacco price support program will collapse;

(9) the Commodity Credit Corporation is threatened with substantial losses on disposition of these inventories should the tobacco price support program collapse;

(10) it is imperative that such excess inventories of tobacco be disposed of, under the supervision of the Secretary of Agriculture, in a manner that—

(A) will not disrupt the orderly marketing of new tobacco crops;

(B) will minimize any losses to the Federal Government; and

(C) will be fair and equitable to all tobacco producers and purchasers;

(11) the mutual cooperation of tobacco producers, tobacco purchasers, producer associations, and the Secretary of Agriculture is necessary—

(A) to restore the tobacco price support program to a stable condition; and

(B) to prevent substantial losses to taxpayers that would result from the collapse of the program;

(12) restoration of stability to the tobacco price support program through a sharing of the cost of that program by purchasers of tobacco along with producers of tobacco is necessary to prevent undue burdens on, or obstruction of, interstate and foreign commerce in tobacco; and

(13) the system of grading tobacco should be thoroughly reviewed to ensure that grades are assigned to tobacco that properly state the quality of such tobacco.

(b) PURPOSES.—The purposes of this subtitle are—

(1) to encourage cooperation among tobacco producers, tobacco purchasers, and the Secretary of Agriculture in reducing tobacco price support levels, assessment costs, the size of inventories of producer associations, and the exposure of taxpayers to large budget outlays;

(2) to adjust the method by which price support levels and production quotas are calculated to reflect actual market conditions;

(3) to facilitate the purchase and sale of Flue-cured and Burley tobacco presently in the inventories of producer associations through which producers of Flue-cured and Burley tobacco are provided price support;

(4) to provide that purchasers and producers of domestic tobacco share equally in the cost of maintaining the tobacco price support program at no net cost to the taxpayers; and

(5) to expedite reform of the system of grading tobacco so that grades assigned to tobacco more accurately reflect the quality of such tobacco.

SEC. 1102. PRICE SUPPORT ADJUSTMENTS.

(a) IN GENERAL.—Effective for the 1985 and subsequent crops of tobacco, section 106(f) of the Agricultural Act of 1949 (7 U.S.C. 1445(f)) is amended by striking out paragraphs (4) and (5) and inserting in lieu thereof the following new paragraphs:

"(4) For the 1985 and 1986 crops of Burley tobacco, the support level shall be $1.488 per pound.

"(5) For the 1986 crop of Flue-cured tobacco, the support level shall be $1.438 per pound.

"(6)(A) Except as provided in subparagraph (B), for the 1986 and each subsequent crop of any kind of tobacco (other than Flue-cured and Burley tobacco) for which marketing quotas are in effect or are not disapproved by producers, the support level shall be the level in cents per pound at which the immediately preceding crop was supported, plus or minus, respectively, the amount by which—

"(i) the support level for the crop for which the determination is being made, as determined under subsection (b); is greater or less than

"(ii) the support level for the immediately preceding crop, as determined under subsection (b),

as that difference may be adjusted by the Secretary under subsection (d) if the support level under clause (i) is greater than the support level under clause (ii).

"(B) Notwithstanding subparagraph (A) and subsection (d), if requested by the board of directors of an association through which price support for the respective kind of tobacco specified in subparagraph (A) is made available to producers, the Secretary may reduce the support level for such kind of tobacco to the extent requested by the association to more accurately reflect the market value and improve the marketability of such tobacco.

"(7)(A) For the 1987 and each subsequent crop of Flue-cured and Burley tobacco for which marketing quotas are in effect or are not disapproved by producers, the support level shall be the level in cents per pound at which the immediately preceding crop was supported, plus or minus, respectively, an adjustment of not less than 65 percent nor more than 100 percent of the total, as determined by the Secretary after taking into consideration the supply of the kind of tobacco involved in relation to demand, of—

"(i) 66.7 percent of the amount by which—

"(I) the average price received by producers for Flue-cured and Burley tobacco, respectively, on the United States auction markets, as determined by the Secretary, during the 5 marketing years immediately preceding the marketing year for which the determination is being made, excluding the year in which the average price was the highest and the year in which the average price was the lowest in such period, is greater or less than

"(II) the average price received by producers for Flue-cured and Burley tobacco, respectively, on the United States auction markets, as determined by the Secretary, during the 5 marketing years immediately preceding the marketing year prior to the marketing year for which the determination is being made, excluding the year in which the average price was the highest and the year in which the average price was the lowest in such period; and

"(ii) 33.3 percent of the change, expressed as a cost per pound of tobacco, in the index of prices paid by tobacco producers from January 1 to December 31 of the calendar year immediately preceding the year in which the determination is made.

"(B) For purposes of subparagraph (A)—

"(i) the average market price for Burley tobacco for the 1985 marketing year shall be reduced by $0.039 per pound;

"(ii) the average market price for Burley tobacco for the 1984 and each prior applicable marketing year shall be reduced by $0.30 per pound;

"(iii) the average market price for Flue-cured tobacco for the 1985 marketing year shall be reduced by $0.25 per pound;

"(iv) the average market price for Flue-cured tobacco for the 1984 and each prior applicable marketing year shall be reduced by $0.30 per pound; and

"(v) the index of prices paid by tobacco producers shall include items representing general, variable costs of producing tobacco, as determined by the Secretary, but shall not include the cost of land, risk, overhead, management, purchase or leasing of quotas, marketing contributions or assessments, and other costs not directly related to the production of tobacco.".

(b) CERTAIN GRADES OF FLUE-CURED TOBACCO.—Effective for the 1986 and subsequent crops of tobacco, section 106 of the Agricultural Act of 1949 (7 U.S.C. 1445) is further amended by striking out subsection (g).

SEC. 1103. DETERMINATION OF MARKETING QUOTAS FOR FLUE-CURED AND BURLEY TOBACCO.

(a) DEFINITIONS.—Section 301(b) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1301(b)) is amended—

(1) by adding at the end of paragraph (14) the following new subparagraphs:

"(C) 'Reserve stock level', in the case of Flue-cured tobacco, shall be the greater of—

"(i) 100,000,000 pounds (farm sales weight); or

"(ii) 15 percent of the national marketing quota for Flue-cured tobacco for the marketing year immediately preceding the marketing year for which the level is being determined.

"(D) 'Reserve stock level', in the case of Burley tobacco, shall be the greater of—

"(i) 50,000,000 pounds (farm sales weight); or

"(ii) 15 percent of the national marketing quota for Burley tobacco for the marketing year immediately preceding the marketing year for which the level is being determined."; and

(2) by adding at the end thereof the following new paragraph:

"(17) 'Domestic manufacturer of cigarettes' means a person that produces and sells more than 1 percent of the cigarettes produced and sold in the United States.".

(b) FLUE-CURED TOBACCO.—Section 317(a)(1) of such Act (7 U.S.C. 1314c(a)(1)) is amended—

(1) by striking out "'National marketing quota'" in the first sentence and inserting in lieu thereof "(A) Except as provided in subparagraph (B), 'national marketing quota'"; and

(2) by adding at the end thereof the following new subparagraphs:

"(B) For the 1986 and each subsequent crop of Flue-cured tobacco, 'national marketing quota' for a marketing year means the quantity of Flue-cured tobacco, as determined by the Secretary, that is not more than 103 percent nor less than 97 percent of the total of—

"(i) the aggregate of the quantities of Flue-cured tobacco that domestic manufacturers of cigarettes estimate the manufacturers intend to purchase on the United States auction markets or from producers during the marketing year, as compiled and determined under section 320A;

"(ii) the average annual quantity of Flue-cured tobacco exported from the United States during the 3 marketing years immediately preceding the marketing year for which the determination is being made; and

"(iii) the quantity, if any, of Flue-cured tobacco that the Secretary, in the discretion of the Secretary, determines is necessary to increase or decrease the inventory of the producer-owned cooperative marketing association that has entered into a loan agreement with the Commodity Credit Corporation to make price support available to producers of Flue-cured tobacco to establish or maintain such inventory at the reserve stock level for Flue-cured tobacco.

"(C) Notwithstanding any other provision of law—

"(i) the national marketing quota for Flue-cured tobacco for each of the 1986 through 1989 marketing years for such tobacco shall not be less than 94 percent of the national marketing quota for such tobacco for the preceding marketing year; and

"(ii) the national marketing quota for Flue-cured tobacco for each of the 1990 through 1993 marketing years for such tobacco shall not be less than 90 percent of the national marketing quota for such tobacco for the preceding marketing year.".

(c) BURLEY TOBACCO.—Section 319 of such Act (7 U.S.C. 1314e) is amended—

(1) in subsection (c)—

(A) by striking out "The national marketing quota" in the first sentence and inserting in lieu thereof "(1) Except as provided in paragraph (3), the national marketing quota";

(B) by striking out the second sentence;

(C) by designating the third sentence as paragraph (2); and

(D) by adding at the end thereof the following new paragraphs:

"(3)(A) For the 1986 and each subsequent crop of Burley tobacco, the national marketing quota for any marketing year shall be the quantity of Burley tobacco, as determined by the Secretary, that is not more than 103 percent nor less than 97 percent of the total of—

"(i) the aggregate of the quantities of Burley tobacco that domestic manufacturers of cigarettes estimate the manufacturers intend to purchase on the United States auction markets or from producers during the marketing year, as compiled and determined under section 320A;

"(ii) the average annual quantity of Burley tobacco exported from the United States during the 3 marketing years immediately preceding the marketing year for which the determination is being made; and

"(iii) the quantity, if any, of Burley tobacco that the Secretary, in the discretion of the Secretary, determines is necessary to increase or decrease the inventories of the producer-owned cooperative marketing associations that have entered into loan agreements with the Commodity Credit Corporation to make price support available to producers of Burley tobacco to establish or maintain such inventories, in the aggregate, at the reserve stock level for Burley tobacco.

"(B) In determining the quantity of Burley tobacco necessary to establish or maintain the inventories of the producer associations at the reserve stock level under subparagraph (A)(iii)—

"(i) the Secretary shall provide for initially attaining the reserve stock level over a period of 5 years; and

"(ii) any downward adjustment in such inventories of Burley tobacco may not exceed the greater of—

"(I) 35,000,000 pounds; or

"(II) 50 percent of the quantity by which—

"(aa) the total inventories of Burley tobacco of the producer-owned cooperative marketing associations that have entered into loan agreements with the Commodity Credit Corporation to make price support available to producers of Burley tobacco; exceed

"(bb) the reserve stock level for Burley tobacco.

"(C) Notwithstanding any other provision of law—

"(i) the national marketing quota for Burley tobacco for each of the 1986 through 1989 marketing years for such tobacco shall not be less than 94 percent of the national marketing quota for such tobacco for the preceding marketing year; and

"(ii) the national marketing quota for Burley tobacco for each of the 1990 through 1993 marketing years for such tobacco shall not be less than 90 percent of the national marketing quota for such tobacco for the preceding marketing year."; and

(2) by inserting ", except in the case of Burley tobacco," after "*Provided*, That" in the fourth sentence of subsection (e).

(d) PURCHASE INTENTIONS.—Effective for the 1986 and each subsequent crop of tobacco, such Act is amended by inserting after section 320 (7 U.S.C. 1314f) the following new section:

"SUBMISSION OF PURCHASE INTENTIONS BY CIGARETTE MANUFACTURERS

"SEC. 320A. (a)(1) Not later than December 1 of any marketing year with respect to Flue-cured tobacco (or, in the case of the 1986 crop, 14 days after the date of enactment of the Consolidated Omnibus Budget Reconciliation Act of 1985) and January 15 of any marketing year with respect to Burley tobacco (or, in the case of the 1986 crop, 14 days after the date of enactment of such Act or January 15, 1986, whichever is later), each domestic manufacturer of cigarettes shall submit to the Secretary a statement, by kind, of the quantity of Flue-cured tobacco and Burley tobacco (for which a national marketing quota is in effect or for which the Secretary has proclaimed a national marketing quota for the next succeeding marketing year) that the manufacturer intends to purchase, directly or indirectly, on the United States auction markets or from producers during the next succeeding marketing year (hereafter in this section referred to as the 'quantity of intended purchases').

"(2) The Secretary shall aggregate the quantities of intended purchases in a manner that will not allow the identification of the quantity of intended purchases of any manufacturer.

"(b) If any domestic manufacturer of cigarettes fails to submit to the Secretary a statement of the quantity of intended purchases of the manufacturer, as required by this section, the Secretary shall establish the quantity of intended purchases to be attributed to such manufacturer for purposes of this Act, based on—

"(1) the quantity of intended purchases submitted by such manufacturer under this section for the marketing year immediately preceding the marketing year for which the determination is being made; or

"(2) if such manufacturer did not submit a statement of the quantity of intended purchases of the manufacturer for the marketing year immediately preceding the marketing year for which the determination is being made, the most recent information available to the Secretary.

"(c)(1) All information relating to the quantity of intended purchases that is submitted by domestic manufacturers of cigarettes under this section shall be kept confidential by all officers and employees of the Department of Agriculture.

"(2) Such information may only be disclosed by such officers or employees in a suit or administrative hearing—

"(A)(i) brought at the direction, or on the request, of the Secretary; or

"(ii) to which the Secretary or any officer of the United States is a party; and

"(B) involving enforcement of this Act.

"(3) Nothing in this section shall be considered to prohibit the publication, by direction of the Secretary, of the name of any person violating this Act, together with a statement of the particular provisions of the Act violated by such person.

"(4) Any officer or employee of the Department of Agriculture who violates this subsection, on conviction, shall be—

"(A) subject to a fine of not more than $1,000 or to imprisonment for not more than 1 year, or to both; and

"(B) removed from office.

"(d) Notwithstanding any other provision of law, a statement of the quantity of intended purchases that is submitted under this section shall be exempt from disclosure under section 552 of title 5, United States Code.".

SEC. 1104. MARKETING QUOTA ANNOUNCEMENT DATE; PROCLAMATION OF QUOTAS FOR FLUE-CURED AND BURLEY TOBACCO.

(a) IN GENERAL.—Section 312 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1312) is amended—

(1) by striking out "and February 1 of any marketing year with respect to other kinds of tobacco" in the matter preceding clause (1) of subsection (a) and inserting in lieu thereof "February 1 of any marketing year with respect to Burley tobacco, and March 1 of any marketing year with respect to other kinds of tobacco"; and

(2) by striking out "and not later than the first day of February with respect to other kinds of tobacco" in the first sentence of subsection (b) and inserting in lieu thereof ", not later than the first day of February with respect to Burley tobacco, and not later than the first day of March with respect to other kinds of tobacco".

(b) DARK AIR-CURED AND FIRE-CURED TOBACCO.—Section 319(b) of such Act (7 U.S.C. 1313e(b)) is amended by striking out "February 1" each place it appears in the fourth paragraph and inserting in lieu thereof "March 1".

(c) PROCLAMATION OF QUOTA FOR FLUE-CURED TOBACCO.—Section 317(d) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1314c(d)) is amended by adding at the end thereof the following new sentences: "Notwithstanding any other provision of law, for the 1986 marketing year, the Secretary shall proclaim the national marketing quota for Flue-cured tobacco not later than 21 days after the date of enactment of the Consolidated Omnibus Budget Reconciliation Act of 1985. Any proclamation with respect to the national marketing quota for the 1986 marketing year for Flue-cured tobacco made by the Secretary prior to such date of enactment shall become void on enactment of such Act.".

(d) PROCLAMATION OF QUOTA FOR BURLEY TOBACCO.—Section 319(a) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1314e(a)) is amended by adding at the end thereof the following new sentences: "Notwithstanding any other provision of law, for the 1986 marketing year, the Secretary shall proclaim the national marketing quota for Burley tobacco not later than 21 days after the date of enactment of the Consolidated Omnibus Budget Reconciliation Act of 1985 or February 1, 1986, whichever is later. Any proclamation with respect to the national marketing quota for the 1986 marketing year for Burley tobacco made by the Secretary prior to such date of enactment shall become void on enactment of such Act.".

SEC. 1105. REDUCTION IN EXCESS TOBACCO NOT SUBJECT TO MARKETING PENALTY.

(a) PENALTY ON EXCESS TOBACCO.—Effective for the 1986 and subsequent crops of tobacco, the Agricultural Adjustment Act of 1938 is amended—

(1) by striking out "110" in section 317(g)(1) (7 U.S.C. 1314c(g)(1)) and inserting in lieu thereof "103"; and

(2) by striking out "110" in section 319(i)(1) (7 U.S.C. 1314e(i)(1)) and inserting in lieu thereof "103".

(b) PRICE SUPPORT ON EXCESS TOBACCO.—Effective for the 1986 and subsequent crops of tobacco, section 106(c)(1) of the Agricultural Act of 1949 (7 U.S.C. 1445(c)(1)) is amended by striking out "110" and inserting in lieu thereof "103".

SEC. 1106. PURCHASE REQUIREMENTS; PENALTY.

(a) IN GENERAL.—Effective for the 1986 and subsequent crops of tobacco, the Agricultural Adjustment Act of 1938 (as amended by section 1103(d)) is further amended by inserting after section 320A the following new section:

"PURCHASE REQUIREMENTS; PENALTY

"SEC. 320B. (a)(1) At the conclusion of each marketing year, on or before a date prescribed by the Secretary, each domestic manufacturer of cigarettes shall submit to the Secretary a statement, by kind, of the quantity of Flue-cured and Burley quota tobacco purchased, directly or indirectly, by such manufacturer during such marketing year.

"(2) The statement shall include, but not be limited to, the quantity of each such kind of tobacco purchased by the manufacturer on the United States auction markets, from producers, and from the inventories of tobacco from the 1985 and subsequent crops of the producer-owned cooperative marketing associations that have entered into loan agreements with the Commodity Credit Corporation to make price support available to producers of Flue-cured or Burley tobacco.

"(b)(1) Except as otherwise provided in this subsection, any domestic manufacturer of cigarettes that fails, as determined by the Secretary after notice and opportunity for a hearing, to purchase during a marketing year on the United States auction markets, from producers, or from the inventories of tobacco from the 1985 and subsequent crops of the producer associations described in subsection (a)(2) a quantity of Flue-cured quota tobacco and a quantity of Burley quota tobacco equal to at least 90 percent of the quantity of the intended purchases of Flue-cured tobacco and Burley tobacco, respectively, submitted by such manufacturer or established by the Secretary for such manufacturer for that marketing year under section 320A (as that quantity may be reduced under paragraph (2)) shall be subject to a penalty as prescribed in subsection (c).

"(2)(A) If the total quantity of Flue-cured or Burley quota tobacco, respectively, marketed by producers at auction in the United States during the marketing year in question is less than the national marketing quota (including any adjustments for overmarketings or undermarketings) for that kind of tobacco for that marketing year, the quantity of intended purchases of each domestic manufacturer of cigarettes, for purposes of paragraph (1), shall be reduced by a percentage equal to the percentage by which the total quantity marketed at auction in the United States during the marketing year is less than the national marketing quota (including any adjustments for overmarketings or undermarketings) for that kind of tobacco for the marketing year.

"(B) For purposes of this section, the term 'marketed' shall include disposition of tobacco by consigning the tobacco to a producer association described in subsection (a)(2) for a price support advance.

"(c) The amount of any penalty to be imposed on a manufacturer under this section shall be determined by multiplying—

"(1) twice the per pound assessment (as determined under section 106A or 106B of the Agricultural Act of 1949 (7 U.S.C. 1445-1 or 1445-2)) for the kind of tobacco involved; by

"(2) the quantity by which—

"(A) the purchases by such manufacturer on the United States auction markets, from producers, or from the inventories of tobacco from the 1985 and subsequent crops of the producer associations described in subsection (a)(2) of Flue-cured and Burley quota tobacco, respectively, for the marketing year; are less than

"(B) 90 percent of the quantity of intended purchases of such kinds of tobacco, respectively, submitted by the manufacturer or established by the Secretary for such manufacturer for that marketing year under section 320A (as that quantity may be reduced under subsection (b)(2)).

"(d)(1) An amount equivalent to the penalty collected by the Secretary under this section shall be transmitted by the Secretary to the appropriate producer-owned cooperative marketing association that has entered into a loan agreement with the Commodity Credit Corporation to make price support available to producers of Flue-cured or Burley tobacco, as the case may be.

"(2) Each association to which amounts are transmitted by the Secretary under this section shall deposit such amounts in the No Net Cost Fund or Account of such association in accordance with section 106A or 106B of the Agricultural Act of 1949.

"(e) The limitations on disclosure set forth in subsections (c) and (d) of section 320A shall apply to information submitted by domestic manufacturers of cigarettes under this section with respect to the quantity of purchases of Flue-cured and Burley quota tobacco during a marketing year. Any officer or employee of the Department of Agriculture who violates such limitations on disclosure shall be subject to the penalties set forth in section 320A(c)(4).

"(f) As used in this section, the term 'quota tobacco' means any kind of tobacco for which marketing quotas are in effect or for which marketing quotas are not disapproved by producers.".

(b) CONFORMING AMENDMENT.—Effective for the 1986 and subsequent crops of tobacco, the last sentence of section 372(b) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1372(b)) is amended by striking out "The" and inserting in lieu thereof "Except as provided in section 320B, the".

SEC. 1107. LEASE AND TRANSFER OF BURLEY TOBACCO QUOTAS.

Effective with respect to the 1985 and subsequent crops of Burley tobacco, the fourth proviso of section 319(g) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1314e(g)) is amended by inserting after "July 1 of that crop year" the following: "or, if such record of the transfer is filed with the county committee after July 1, the county committee determines with the concurrence of the State committee that all interested parties agreed to such lease and transfer before July 1 and that the failure to file such record of the transfer did not result from gross negligence on the part of any party to such lease and transfer".

SEC. 1108. ASSESSMENTS TO NO NET COST FUNDS OR ACCOUNTS.

(a) NO NET COST FUND.—Effective for the 1986 and subsequent crops of tobacco, section 106A of the Agricultural Act of 1949 (7 U.S.C. 1445-1) is amended—

(1) in subsection (a)—

(A) by striking out "and" at the end of paragraph (5);

(B) by redesignating paragraph (6) as paragraph (7); and

(C) by inserting after paragraph (5) the following new paragraph:

"(6) the term 'purchaser' means any person who purchases in the United States, either directly or indirectly for the account of such person or another person, Flue-cured or Burley quota tobacco; and";

(2) by inserting "or paid by or on behalf of purchasers" after "producer-members" in the second sentence of subsection (c);

(3) in subsection (d)—

(A) by striking out "and" at the end of clause (i) of paragraph (1)(A);

(B) by inserting after clause (ii) of paragraph (1)(A) the following new clause:

"(iii) each purchaser of Flue-cured and Burley quota tobacco shall pay to the appropriate association, for deposit in the Fund of the association, an assessment, in an amount determined from time to time by the association with the approval of the Secretary, with respect to purchases of all such kind of tobacco marketed by a producer from a farm (including purchases of such tobacco from the 1986 and subsequent crops from the association); and";

(C) by striking out "The" in the last sentence of paragraph (1) and inserting in lieu thereof the following: "The amount of producer contributions and purchaser assessments shall be determined in such a manner that producers and purchasers share equally, to the maximum extent practicable, in maintaining the Fund of an association. In making such determination with respect to the assessment of a purchaser, only 1985 and subsequent crops of Flue-cured and Burley quota tobacco shall be taken into account. The";

(D) by inserting "and assessments" after "contributions" in the last sentence of paragraph (1);

(E) by striking out paragraph (2) and inserting in lieu thereof the following new paragraph:

"(2) require that any producer contribution or purchaser assessment due under paragraph (1) shall be collected—

"(A) from the person who acquired the tobacco involved from the producer, except that if the tobacco is marketed by sale, an amount equal to the producer contribution may be deducted by the purchaser from the price paid to such producer;

"(B) if the tobacco involved is marketed by a producer through a warehouseman or agent, from such warehouseman or agent, who may—

"(i) deduct an amount equal to the producer contribution from the price paid to the producer; and

"(ii) add an amount equal to the purchaser assessment to the price paid by the purchaser; and

"(C) if the tobacco involved is marketed by a producer directly to any person outside the United States, from the producer, who may add an amount equal to the purchaser assessment to the price paid by the purchaser;";

(F) by striking out "producers who contribute" in the proviso of paragraph (3) and inserting in lieu thereof "producers and purchasers who contribute or pay";

(G) by striking out "and" at the end of paragraph (5);

(H) by inserting "effective for the 1982 through 1985 crops of quota tobacco," after the paragraph designation in paragraph (6);

(I) by striking out the period at the end of paragraph (6) and inserting in lieu thereof "; and"; and

(J) by inserting after paragraph (6) the following new paragraph:

"(7) effective for the 1986 and subsequent crops of quota tobacco, provide, in loan agreements between the Corporation and an association, that if the Secretary determines that the amount in the Fund or the net gains referred to in paragraph (5) exceeds the amounts necessary for the purposes specified in this section, the association, with the approval of the Secretary, may suspend the payment and collection of contributions and assessments under this section on terms and conditions established by the association, with the approval of the Secretary."; and

(4) by adding at the end thereof the following new subsection:

"(h)(1)(A) Each person who fails to collect any contribution or assessment as required by subsection (d)(2) and remit such contribution or assessment to the association, at such time and in such manner as may be prescribed by the Secretary, shall be liable, in addition to any amount due, to a marketing penalty at a rate equal to 75 percent of the average market price (calculated to the nearest whole cent) for the kind of tobacco involved for the immediately preceding year on the quantity of tobacco as to which the failure occurs.

"(B) The Secretary may reduce any such marketing penalty in such amount as the Secretary determines equitable in any case in which the Secretary determines that the failure was unintentional or without knowledge on the part of the person concerned.

"(C) Any penalty provided for under this paragraph shall be assessed by the Secretary after notice and opportunity for a hearing.

"(2)(A) Any person against whom a penalty is assessed under this subsection may obtain review of such penalty in an appropriate district court of the United States by filing a civil action in such court not later than 30 days after such penalty is imposed.

"(B) The Secretary shall promptly file in such court a certified copy of the record on which the penalty is based.

"(3) The district courts of the United States shall have jurisdiction to review and enforce any penalty imposed under this subsection.

"(4) An amount equivalent to any penalty collected by the Secretary under this subsection shall be transmitted by the Secretary to the appropriate association, for deposit in the Fund of such association.

"(5) The remedies provided in this subsection shall be in addition to, and not exclusive of, other remedies that may be available.".

(b) NO NET COST ACCOUNT.—Effective for the 1986 and subsequent crops of tobacco, section 106B of the Agricultural Act of 1949 (7 U.S.C. 1445-2) is amended—

(1) in subsection (a)—

(A) by striking out "and" at the end of paragraph (6);

(B) by striking out the period at the end of paragraph (7) and inserting in lieu thereof "; and"; and

(C) by adding at the end thereof the following new paragraph:

"(8) the term 'purchaser' means any person who purchases in the United States, either directly or indirectly for the account of such person or another person, Flue-cured or Burley quota tobacco.";

(2) by inserting "and purchasers" after "producers" in subsection (c)(1);

(3) in subsection (d)—

(A) by inserting at the end of paragraph (1) the following new sentence: "The Secretary shall also require (in lieu of any requirement under section 106A(d)(1)) that each purchaser of Flue-cured and Burley quota tobacco shall pay to the Corporation, for deposit in the Account of such association, an assessment, as determined under paragraph (2) and collected under paragraph (3), with respect to purchases of all such kind of tobacco marketed by a producer from a farm (including purchases of such tobacco from the 1986 and subsequent crops from the association).";

(B) by striking out "area. Such amount" in paragraph (2)(A) and inserting in lieu thereof "area and the amount of the assessment to be paid by purchasers of tobacco. The amount of the assessment to be paid by producers and purchasers shall be determined in such a manner that producers and purchasers share equally, to the maximum extent practicable, in maintaining the Account of an association. In making such determination with respect to the assessment of a purchaser, only 1985 and subsequent crops of Flue-cured and Burley quota tobacco shall be taken into account. The amount of the assessment";

(C) by inserting at the end of paragraph (2)(A) the following: "Notwithstanding the foregoing provisions of this paragraph, the amount of any assessment that is determined by the Secretary for the 1986 and subsequent crops of Burley quota tobacco shall be determined without regard to any net losses that the Corporation may sustain under the loan agreements of the Corporation with such association with respect to the 1983 crop of such tobacco."; and

(D) by amending paragraph (3) to read as follows:

"(3)(A) Except as provided in subparagraphs (B) and (C), any assessment to be paid by a producer or a purchaser under paragraph (1) shall be collected from the person who acquired the tobacco involved from such producer, except that if the tobacco is marketed by sale, an amount equal to the producer assessment may be deducted by the purchaser from the price paid to such producer.

"(B) If tobacco of the kind for which an Account is established is marketed by a producer through a warehouseman or agent, both the producer and the purchaser assessment shall be collected from such warehouseman or agent, who may—

"(i) deduct an amount equal to the producer assessment from the price paid to the producer; and

"(ii) add an amount equal to the purchaser assessment to the price paid by the purchaser.

"(C) If tobacco of the kind for which an Account is established is marketed by a producer directly to any person outside the United States, both the producer and the purchaser assessment shall be collected from the producer, who may add an amount equal to the purchaser assessment to the price paid by the purchaser."; and

(4) by adding at the end thereof the following new subsection:

"(j)(1)(A) Each person who fails to collect any assessment as required by subsection (d)(3) and remit such assessment to the Corporation, at such time and in such manner as may be prescribed by the Secretary, shall be liable, in addition to any amount due, to a marketing penalty at a rate equal to 75 percent of the average market price (calculated to the nearest whole cent) for the kind of tobacco involved for the immediately preceding year on the quantity of tobacco as to which the failure occurs.

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"(B) The Secretary may reduce any such marketing penalty in such amount as the Secretary determines equitable in any case in which the Secretary determines that the failure was unintentional or without knowledge on the part of the person concerned.

"(C) Any penalty provided for under this paragraph shall be assessed by the Secretary after notice and opportunity for a hearing.

"(2)(A) Any person against whom a penalty is assessed under this subsection may obtain review of such penalty in an appropriate district court of the United States by filing a civil action in such court not later than 30 days after such penalty is imposed.

"(B) The Secretary shall promptly file in such court a certified copy of the record on which the penalty is based.

"(3) The district courts of the United States shall have jurisdiction to review and enforce any penalty imposed under this subsection.

"(4) An amount equivalent to any penalty collected by the Secretary under this subsection shall be transmitted by the Secretary to the Corporation, for deposit in the Account of the appropriate association.

"(5) The remedies provided in this subsection shall be in addition to, and not exclusive of, other remedies that may be available.".

(c) IMPLEMENTATION.—The Secretary of Agriculture shall implement sections 1102 through 1109, and the amendments made by such sections, without regard to the provisions requiring notice and other procedures for public participation in rulemaking contained in section 553 of title 5, United States Code, or in any directive of the Secretary.

(d) CONFORMING AMENDMENT.—The section heading of section 106A of the Agricultural Act of 1949 (7 U.S.C. 1445-1) is amended to read as follows:

"PRODUCER CONTRIBUTIONS AND PURCHASER ASSESSMENTS FOR NO NET COST TOBACCO FUND".

SEC. 1109. PURCHASE OF INVENTORY STOCK.

Notwithstanding any other provision of law, in order to reduce or eliminate the excessive inventories of Flue-cured and Burley tobacco held by associations from the 1976 through 1984 crops, and in order to provide for the orderly disposition of such excessive inventories of tobacco in a manner that will not disrupt the orderly marketing of new tobacco crops and will minimize any losses to the Federal Government:

(a) SALE OF INVENTORY STOCK.—(1) The producer-owned cooperative marketing association that has entered into a loan agreement with the Commodity Credit Corporation to make price support available to producers of Flue-cured tobacco shall offer to sell the stocks of Flue-cured tobacco of the association from the 1976 through 1984 crops as provided in this section.

(2) Each producer-owned cooperative marketing association that has entered into a loan agreement with the Commodity Credit Corporation to make price support available to producers of Burley tobacco shall offer to sell its stocks of Burley tobacco from the 1982 and 1984 crops as provided in this section.

(3)(A)(i) Not later than 30 days after the date of enactment of this subtitle, the Commodity Credit Corporation shall acquire title to the Burley tobacco from the 1983 crop that is pledged as security for loans on such tobacco by calling the loans on such tobacco.

(ii) The Corporation shall, then, offer such tobacco for sale at such times, in such quantities, and subject to such conditions as the Corporation considers appropriate.

(B) If the Commodity Credit Corporation has not sold all of the stocks of the 1983 crop of Burley tobacco within 2 years from the date the Corporation calls the loans on such tobacco, the Corporation may offer to sell to domestic manufacturers of cigarettes the remaining stocks of such tobacco as provided in this section.

(b) SALE PRICES.—(1)(A) The stocks of Flue-cured tobacco from the 1976 through 1984 crops shall be offered for sale at the base prices, including carrying charges, in effect as of the date of the offer, reduced by—

(i) 90 percent for Flue-cured tobacco from the 1976 through 1981 crops; and

(ii) 10 percent for Flue-cured tobacco from the 1982 through 1984 crops.

(B) The purchasers of the stocks of Flue-cured tobacco from the 1976 through 1984 crops shall pay the full carrying charges that have accrued to such tobacco from the date of the offer made under this section to the date that such tobacco is removed from the inventory of the association.

(2)(A) The stocks of Burley tobacco from the 1982 crop shall be offered for sale at the listed base price in effect as of July 1, 1985.

(B) The stocks of Burley tobacco from the 1984 crop shall be offered for sale at the cost of the association for such tobacco as of the date of enactment of this subtitle.

(C) The purchasers of the stocks of Burley tobacco from the 1982 crop shall pay the full carrying charges that have accrued to such tobacco.

(D) The purchasers of the stocks of Burley tobacco from the 1984 crop shall pay the full carrying charges that have accrued to such tobacco from the date of enactment of this subtitle to the date such tobacco is removed from the inventories of the associations.

(3)(A) After the 2-year period specified in subsection (a)(3)(B) has expired, if the Commodity Credit Corporation offers to sell the stocks of the Corporation of Burley tobacco from the 1983 crop to domestic manufacturers of cigarettes, such stocks shall be offered for sale at the cost of the association, including carrying charges, as of the date on which the Corporation calls the loans on such tobacco, reduced by 90 percent.

(B) Neither tobacco producers nor tobacco purchasers shall be responsible for carrying charges that accrue to the 1983 crop of Burley tobacco after the date on which the Commodity Credit Corporation calls the loans on such tobacco.

(c) TERMS OF AGREEMENTS.—(1)(A) Each domestic manufacturer of cigarettes may enter into agreements to purchase inventory stocks of Flue-cured and Burley tobacco, in accordance with this section.

(B) To be eligible for the reductions in price specified in this section, such manufacturer shall enter into such agreements as soon as practicable, but not later than 90 days after the date of enactment of this subtitle, except that, with respect to the 1983 crop of Burley tobacco, if the Corporation offers to sell the stocks of such tobacco pursuant to subsection (b)(3)(A), such agreements shall be entered into as soon as practicable, but not later than 90 days after the end of the 2-year period referred to in subsection (a)(3)(B).

(C)(i) Such agreements shall provide that, over a period of time, each participating domestic manufacturer of cigarettes shall purchase a percentage of the stocks of Flue-cured and Burley tobacco held—

(I) by the producer-owned cooperative marketing associations at the close of the 1984 marketing year; or

(II) in the case of the 1983 crop of Burley tobacco, by the Commodity Credit Corporation at the time the Corporation offers such tobacco for sale to domestic manufacturers of cigarettes under this section.

(ii) The period of time referred to in clause (i) may not exceed—

(I) in the case of Flue-cured tobacco, 8 years from the date of enactment of this subtitle;

(II) in the case of Burley tobacco from the 1982 and 1984 crops, 5 years from the date of enactment of this subtitle; and

(III) in the case of the 1983 crop of Burley tobacco, 5 years from the end of the 2-year period referred to in subsection (a)(3)(B).

(2)(A)(i) The percentage to be purchased by each participating manufacturer shall be at least equal to the respective percentage of the participating manufacturer of the total quantity of net cigarettes manufactured for use as determined by the Secretary of Agriculture under this paragraph on the basis of the monthly reports ("Manufacturer of Tobacco Products—Monthly Reports") submitted (on ATF Form 3068) by manufacturers of tobacco products to the Bureau of Alcohol, Tobacco and Firearms of the Department of the Treasury.

(ii) The Secretary of Agriculture shall request from the Secretary of the Treasury copies of such monthly reports necessary to make the determinations required under this section.

(iii) Notwithstanding any other provision of law, the Secretary of the Treasury may release and disclose such information to the Secretary of Agriculture.

(B) "Net cigarettes manufactured for use" shall be computed by subtracting—

(i) the cumulative figures entered for large and small cigarettes in item 16f of ATF Form 3068 ("Reduction to tobacco"); from

(ii) the cumulative figures entered for large and small cigarettes in item 7 of such form ("Manufactured").

(C)(i) The percentage to be purchased by each participating manufacturer shall be determined—

(I) on the date of enactment of this subtitle; and

(II) annually thereafter over the course of the respective buy-out periods specified in this subsection.

(ii) Such percentage shall be determined by dividing—

(I) the average net cigarettes manufactured by a manufacturer for use for the 12-month period immediately preceding the appropriate determination date (the date of enactment of this subtitle and annually thereafter over the course of the respective buy-out periods specified in this subsection); by

(II) the aggregate average net cigarettes manufactured by all domestic cigarette manufacturers for use for such 12-month period.

(D)(i) The quantity of tobacco to be purchased by each participating manufacturer shall be determined annually.

(ii) Such quantity shall be based on—

(I) the percentage of net cigarettes of a manufacturer manufactured for use, as determined under subparagraph (C); multiplied by

(II) the appropriate annual quantity to be withdrawn from the inventories of the associations or the Commodity Credit Corporation.

(iii) The appropriate annual quantity to be withdrawn from inventories shall be—

(I) 12½ percent of the inventories of Fluecured tobacco from the 1976 through 1984 crops on hand on the date of enactment of this subtitle;

(II) 20 percent of the inventories of Burley tobacco from the 1982 and 1984 crops on hand on the date of enactment of this subtitle; and

(III) 20 percent of the inventories of Burley tobacco from the 1983 crop held by the Commodity Credit Corporation on the date that is 2 years after the call of the loans on such tobacco by the Corporation.

(E) Any purchases by a manufacturer from the inventories of the associations or from the Commodity Credit Corporation for a crop covered by this section in any year of the buy-out period that exceed the quantity of the purchases of the manufacturer required under the agreement, as determined under this section, shall be applied against future purchases required of such manufacturer.

(3) In carrying out this section, manufacturers may confer with one another and, separately or collectively, with associations, the Secretary of Agriculture, and the Commodity Credit Corporation, as may be necessary or appropriate to carry out this section and the purposes of this subtitle.

(d) APPROVAL OF AGREEMENTS.—(1)(A) Each agreement entered into under this section shall be submitted to the Secretary of Agriculture for review and approval.

(B) In the case of an agreement to purchase tobacco from the inventory of a producer association, the agreement shall be submitted by the association.

(C) No agreement may become effective until approved by the Secretary.

(2) The Secretary of Agriculture shall not approve any agreement submitted under this section unless the Secretary has determined that—

(A) the agreement—

(i) will not unduly impair or disrupt the orderly marketing of current and future tobacco crops during the term of the agreement; and

(ii) is otherwise consistent with the purposes of this subtitle; and

(B) the price and other terms of sale are uniform and nondiscriminatory among various purchasers.

(e) DISCLOSURE.—The limitations on disclosure set forth in subsections (c) and (d) of section 320A of the Agricultural Adjustment Act of 1938 (as added by section 1103(d)) shall apply to information submitted by domestic manufacturers of cigarettes under this section with respect to net cigarettes manufactured for use, including information provided on ATF Form 3068. Any officer or employee of the Department of Agriculture who violates such limitations on disclosure shall be subject to the penalties set forth in section 320A(c)(4) of such Act.

SEC. 1110. REVIEW OF TOBACCO GRADING SYSTEM AND DISASTER CROP DESIGNATION.

(a) STUDY.—(1)(A) The Secretary of Agriculture shall conduct a comprehensive study of the methods and procedures for grading tobacco marketed in the United States.

(B) In carrying out such study, the Secretary shall evaluate, among other things—

(i) the extent to which grades assigned to tobacco accurately reflect the quality of such tobacco;

(ii) the extent to which the number of grades of tobacco affects the operation of the grading system; and

(iii) the competence and independence of tobacco graders.

(2) The Secretary shall also study the feasibility and desirability of—

(A) providing for a grade that would be used to designate tobacco that is of such poor quality as a result of a natural disaster as to affect substantially the marketability of such tobacco; and

(B) establishing a price support level, if any, for such tobacco that may be adjusted by the Secretary as necessary to facilitate the sale of such tobacco and protect the no net cost funds or accounts.

(b) REPORT.—(1) Not later than 120 days after the date of enactment of this subtitle, the Secretary of Agriculture shall report the results of the studies required under subsection (a), together with any recommendations for necessary legislation, to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

(2) As soon as practicable after submission of the report required under paragraph (1), but not later than the opening of the marketing season for the 1986 crop of Fluecured tobacco, the Secretary shall implement any recommendations made in such report that may be implemented by the Secretary under existing authority.

SEC. 1111. INVESTMENT OF TOBACCO INSPECTION FEES.

Section 5 of the Tobacco Inspection Act (7 U.S.C. 511d) is amended—

(1) by inserting "late payment penalties, and interest earned from the investment of such funds," after "The fees and charges," in the ninth sentence;

(2) by inserting after the ninth sentence the following new sentences: "Any funds realized from the collection of fees or charges authorized under this section and section 6 and credited to the current appropriation account incurring the cost of services provided under this section and section 6, late payment penalties, and interest earned from the investment of such funds may be invested by the Secretary in insured or fully collateralized, interest-bearing accounts or, at the discretion of the Secretary, by the Secretary of the Treasury in United States Government debt instruments. Any income realized from this activity may be used to pay the expenses of the Secretary of Agriculture incident to providing services under this Act or reinvested in the manner authorized in the preceding sentence."; and

(3) by striking out "Such fees and charges" in the tenth sentence (as it existed before the amendment made by clause (2)) and inserting in lieu thereof "The fees and charges authorized in this section".

SEC. 1112. EFFECTIVE DATE.

Except as otherwise provided in this subtitle, this subtitle and the amendments made by this subtitle shall become effective on the date of enactment of this subtitle.

TITLE II—ARMED SERVICES AND DEFENSE-RELATED PROGRAMS

SEC. 2001. COLLECTION BY THE UNITED STATES OF INPATIENT HOSPITAL COSTS INCURRED ON BEHALF OF CERTAIN PERSONS.

(a) IN GENERAL.—(1) Chapter 55 of title 10, United States Code, is amended by adding at the end thereof the following new section:

"§1095. Collection from third-party payers of reasonable inpatient hospital care costs incurred on behalf of retirees and dependents

"(a)(1) In the case of a person who is covered by section 1074(b), 1076(a), or 1076(b) of this title, the United States shall have the right to collect from a third-party payer the reasonable costs of inpatient hospital care incurred by the United States on behalf of such person through a facility of the uniformed services to the extent that the person would be eligible to receive reimbursement or indemnification from the third-party payer if the person were to incur such costs on the person's own behalf. If the insurance, medical service, or health plan of that payer includes a requirement for a deductible or copayment by the beneficiary of the plan, then the amount that the United States may collect from the third-party payer is the reasonable cost of the care provided less the appropriate deductible or copayment amount.

"(2) A person covered by section 1074(b), 1076(a), or 1076(b) of this title may not be required to pay an additional amount to the United States for inpatient hospital care by reason of this section.

"(b) No provision of any insurance, medical service, or health plan contract or agreement having the effect of excluding from coverage or limiting payment of charges for certain care if that care is provided through a facility of the uniformed services shall operate to prevent collection by the United States under subsection (a).

"(c) Under regulations prescribed under subsection (f), records of the facility of the uniformed services that provided inpatient hospital care to a beneficiary of an insurance, medical service, or health plan of a third-party payer shall be made available for inspection and review by representatives of the payer from which collection by the United States is sought.

"(d) Notwithstanding subsections (a) and (b), collection may not be made under this section in the case of a plan administered under title XVIII or XIX of the Social Security Act (42 U.S.C. 1395 et seq.).

"(e)(1) The United States may institute and prosecute legal proceedings against a third-party payer to enforce a right of the United States under this section.

"(2) The administering Secretary may compromise, settle, or waive a claim of the United States under this section.

"(f) The Secretary of Defense, in consultation with the other administering Secretaries, shall prescribe regulations for the administration of this section. Such regulations shall provide for computation of the reasonable cost of inpatient hospital care. Computation of such reasonable cost may be based on—

"(1) per diem rates; or

"(2) such other method as may be appropriate.

"(g) In this section, 'third-party payer' means an entity that provides an insurance, medical service, or health plan by contract or agreement.".

(2) The table of sections at the beginning of such chapter is amended by adding at the end thereof the following new item:

"1095. Collection from third-party payers of reasonable inpatient hospital care costs incurred on behalf of retirees and dependents.".

(b) EFFECTIVE DATE.—Section 1095 of title 10, United States Code, as added by subsection (a), shall apply with respect to inpatient hospital care provided after September

30, 1986, but only with respect to an insurance, medical service, or health plan agreement entered into, amended, or renewed on or after the date of the enactment of this Act.

SEC. 2002. EXTENSION OF DEADLINE FOR REPORT ON USE BY CHAMPUS SYSTEM OF MEDICARE PROSPECTIVE PAYMENT PROGRAM.

Section 634(c) of the Department of Defense Authorization Act, 1985 (Public Law 98-525; 98 Stat. 2544), is amended by striking out "February 28, 1985" and inserting in lieu thereof "June 30, 1986".

TITLE III—HOUSING AND COMMUNITY DEVELOPMENT PROGRAMS

SEC. 3001. SHORT TITLE AND TABLE OF SECTIONS.

(a) SHORT TITLE.—This title may be cited as the "Housing and Community Development Reconciliation Amendments of 1985".

(b) TABLE OF SECTIONS.—

Sec. 3001. Short title and table of sections.
Sec. 3002. Purchase of CDBG guaranteed obligations by the Federal Financing Bank.
Sec. 3003. Public housing operating subsidies.
Sec. 3004. Public and Indian housing financing reforms.
Sec. 3005. Rural housing authorizations.
Sec. 3006. Management of insured and guaranteed rural housing loans.
Sec. 3007. Extension of Federal Housing Administration mortgage insurance programs.
Sec. 3008. Extension of rehabilitation loan authority.
Sec. 3009. Extension of rural housing authorities.
Sec. 3010. Extension of flood and crime insurance programs.
Sec. 3011. Miscellaneous extensions.

SEC. 3002. PURCHASE OF CDBG GUARANTEED OBLIGATIONS BY THE FEDERAL FINANCING BANK.

(a) PROHIBITION.—Section 108 of the Housing and Community Development Act of 1974 is amended by adding at the end thereof the following:

"(1) Notes or other obligations guaranteed under this section may not be purchased by the Federal Financing Bank.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on July 1, 1986.

(c) ADMINISTRATIVE ACTIONS.—The Secretary of Housing and Urban Development shall take such administrative actions as are necessary to provide by the effective date of subsection (a) private sector financing of loans guaranteed under section 108 of the Housing and Community Development Act of 1974.

SEC. 3003. PUBLIC HOUSING OPERATING SUBSIDIES.

Section 9(c) of such Act is amended by striking out "and by" after "1983," and by inserting after "1984" the following: ", and not to exceed $1,279,000,000 on or after October 1, 1985".

SEC. 3004. PUBLIC AND INDIAN HOUSING FINANCING REFORMS.

Section 4 of the United States Housing Act of 1937 is amended by adding at the end thereof the following new subsection:

"(c)(1) At such times as the Secretary may determine, and in accordance with such accounting and other procedures as the Secretary may prescribe, each loan made by the Secretary under subsection (a) that has any principal amount outstanding or any interest amount outstanding or accrued shall be forgiven; and the terms and conditions of any contract, or any amendment to a contract, for such loan with respect to any promise to repay such principal and interest shall be canceled. Such cancellation shall not affect any other terms and conditions of such contract, which shall remain in effect as if the cancellation had not occurred. This paragraph shall not apply to any loan the repayment of which was not to be made using annual contributions, or to any loan all or part of the proceeds of which are due a public housing agency from contractors or others.

"(2)(A) On the date of the enactment of the Housing and Community Development Reconciliation Amendments of 1985, each note or other obligation issued by the Secretary to the Secretary of the Treasury pursuant to subsection (b), together with any promise to repay the principal and unpaid interest that has accrued on each note or obligation, shall be forgiven; and any other term or condition specified by each such obligation shall be canceled.

"(B) On September 30, 1986, and on any subsequent September 30, each such note or other obligation issued by the Secretary to the Secretary of the Treasury pursuant to subsection (b) during the fiscal year ending on such date, together with any promise to repay the principal and unpaid interest that has accrued on each note or obligation, shall be forgiven; and any other term or condition specified by each such obligation shall be canceled.

"(3) Any amount of budget authority (and contract authority) that becomes available during any fiscal year as a result of the forgiveness of any loan, note, or obligation under this subsection shall be rescinded.".

SEC. 3005. RURAL HOUSING AUTHORIZATIONS.

Subsection (a)(1) of section 513 of the Housing Act of 1949 is amended to read as follows:

"(a)(1) The Secretary may insure and guarantee loans under this title during fiscal year 1986 in an aggregate amount not to exceed $2,146,600,000, of which—

"(A) $1,209,600,000 shall be for loans under section 502;

"(B) $17,000,000 shall be for loans under section 504;

"(C) $19,000,000 shall be for loans under section 514;

"(D) $900,000,000 shall be for loans under section 515; and

"(E) $1,000,000 shall be for loans under section 524.".

SEC. 3006. MANAGEMENT OF INSURED AND GUARANTEED RURAL HOUSING LOANS.

(a) SALE OF INSURED AND GUARANTEED LOANS TO PUBLIC.—Section 517(c) of the Housing Act of 1949 is amended by adding at the end thereof the following new sentence: "Any loan made and sold by the Secretary under this section after the date of the enactment of the Housing and Community Development Reconciliation Amendments of 1985 (and any loan made by other lenders under this title that is insured or guaranteed in accordance with this section, is purchased by the Secretary, and is sold by the Secretary under this section after such date) shall be sold to the public and may not be sold to the Federal Financing Bank, unless such sale to the Federal Financing Bank is required to service transactions under this title between the Secretary and the Federal Financing Bank occurring on or before such date.".

(b) INTEREST SUBSIDY ON INSURED AND GUARANTEED LOANS OFFERED FOR SALE TO PUBLIC.—Section 517(d) of the Housing Act of 1949 is amended—

(1) by inserting "(1)" after the subsection designation; and

(2) by adding at the end thereof the following new paragraph:

"(2) Each loan made by the Secretary or other lenders under this title that is insured or guaranteed in accordance with this subsection shall, when offered for sale to the public, be accompanied by an agreement by the Secretary to pay to the holder of such loan (through an agreement to purchase such loan or through such other means as the Secretary determines to be appropriate) the difference between the rate of interest paid by the borrower of such loan and the market rate of interest (as determined by the Secretary) on obligations having comparable periods to maturity on the date of such sale.".

(c) PROTECTION OF BORROWERS UNDER LOANS SOLD TO PUBLIC.—Section 517(d) of the Housing Act of 1949, as amended by subsection (b) of this section, is amended by adding at the end thereof the following new paragraph:

"(3) Each loan made by the Secretary or other lenders under this title that is insured or guaranteed in accordance with this subsection shall, when offered for sale to the public, be accompanied by agreements for the benefit of the borrower under the loan that provide that—

"(A) the purchaser or any assignee of the loan shall not diminish any substantive or procedural right of the borrower arising under this title;

"(B) upon any substantial default of the borrower, but prior to foreclosure, the loan shall be assigned to the Secretary for the purpose of avoiding foreclosure; and

"(C) following any assignment under subparagraph (B) and before commencing any action to foreclose or otherwise dispossess the borrower, the Secretary shall afford the borrower all substantive and procedural rights arising under this title, including consideration for interest subsidy, moratorium, reamortization, refinancing, and appeal of any adverse decision to an impartial officer.

"(4) From the proceeds of loan sales under paragraph (2), the Secretary shall set aside as a reserve against future losses not less than 5 percent of the outstanding face amount of the loans held by the public at any time.".

(d) USE OF RURAL HOUSING INSURANCE FUND.—Section 517(j) of the Housing Act of 1949 is amended—

(1) by striking out "and" at the end of paragraph (4);

(2) by striking out the period at the end of paragraph (5) and inserting in lieu thereof "; and"; and

(3) by adding at the end thereof the following new paragraph:

"(6) to make payments and take other actions in accordance with agreements entered into under paragraphs (2) and (3) of subsection (d).".

(e) ELIGIBILITY FOR GUARANTEED LOANS.—Section 517 of the Housing Act of 1949 is amended by striking out subsection (n).

(f) REGULATIONS.—Section 517(o) of the Housing Act of 1949 is amended—

(1) by inserting "(1)" after the subsection designation; and

(2) by adding at the end thereof the following new paragraph:

"(2) Not later than the expiration of the 90-day period following the date of the enactment of the Housing and Community Development Reconciliation Amendments of 1985, the Secretary shall issue regulations to facilitate the marketability in the second-

ary mortgage market of loans insured or guaranteed under this section. Such regulations shall ensure that such loans are competitive with other loans and mortgages insured or guaranteed by the Federal Government.".

SEC. 3007. EXTENSION OF FEDERAL HOUSING ADMINISTRATION MORTGAGE INSURANCE PROGRAMS.

(a) TITLE I INSURANCE.—Section 2(a) of the National Housing Act is amended by striking out "prior to December 16, 1985" in the first sentence and inserting in lieu thereof "not later than March 17, 1986".

(b) GENERAL INSURANCE.—Section 217 of the National Housing Act is amended by striking out "December 15, 1985" and inserting in lieu thereof "March 17, 1986".

(c) LOW AND MODERATE INCOME HOUSING INSURANCE.—Section 221(f) of the National Housing Act is amended by striking out "December 15, 1985" in the fifth sentence and inserting in lieu thereof "March 17, 1986".

(d) SECTION 235 HOMEOWNERSHIP.—

(1) ASSISTANCE PAYMENTS AUTHORITY.—Section 235(h)(1) of the National Housing Act is amended by striking out "December 15, 1985" in the last sentence and inserting in lieu thereof "March 17, 1986".

(2) INSURANCE AUTHORITY.—Section 235(m) of the National Housing Act is amended by striking out "December 15, 1985" and inserting in lieu thereof "March 17, 1986".

(3) HOUSING STIMULUS AUTHORITY.—Section 235(q)(1) of the National Housing Act is amended by striking out "December 15, 1985" in the last sentence and inserting in lieu thereof "March 17, 1986".

(e) CO-INSURANCE.—

(1) GENERAL AUTHORITY.—Section 244(d) of the National Housing Act is amended by striking out "December 15, 1985" and inserting in lieu thereof "March 17, 1986".

(2) RENTAL REHABILITATION AND DEVELOPMENT PROJECTS.—Section 244(h) of the National Housing Act is amended by striking out "on or after December 16, 1985" in the last sentence and inserting in lieu thereof "after March 17, 1986".

(f) GRADUATED PAYMENT AND INDEXED MORTGAGE INSURANCE.—Section 245(a) of the National Housing Act is amended by striking out "December 15, 1985" in the last sentence and inserting in lieu thereof "March 17, 1986".

(g) REINSURANCE CONTRACTS.—Section 249(a) of the National Housing Act is amended by striking out "December 15, 1985" in the second sentence and inserting in lieu thereof "March 17, 1986".

(h) ARMED SERVICES HOUSING INSURANCE.—

(1) CIVILIAN EMPLOYEES OF ARMED FORCES.—Section 809(f) of the National Housing Act is amended by striking out "December 15, 1985" in the last sentence and inserting in lieu thereof "March 17, 1986".

(2) DEFENSE HOUSING FOR IMPACTED AREAS.—Section 810(k) of the National Housing Act is amended by striking out "December 15, 1985" in the last sentence and inserting in lieu thereof "March 17, 1986".

(i) LAND DEVELOPMENT INSURANCE.—Section 1002(a) of the National Housing Act is amended by striking out "December 15, 1985" in the last sentence and inserting in lieu thereof "March 17, 1986".

(j) GROUP PRACTICE FACILITIES INSURANCE.—Section 1101(a) of the National Housing Act is amended by striking out "December 15, 1985" in the last sentence and inserting in lieu thereof "March 17, 1986".

SEC. 3008. EXTENSION OF REHABILITATION LOAN AUTHORITY.

Section 312(h) of the Housing Act of 1964 is amended—

(1) by striking out "December 15, 1985" and inserting in lieu thereof "March 17, 1986"; and

(2) by striking out "prior to December 16, 1985" and inserting in lieu thereof "on or before such date".

SEC. 3009. EXTENSION OF RURAL HOUSING AUTHORITIES.

(a) RENTAL HOUSING LOAN AUTHORITY.—Section 515(b)(4) of the Housing Act of 1949 is amended by striking out "December 15, 1985" and inserting in lieu thereof "March 17, 1986".

(b) RURAL AREA CLASSIFICATION.—Section 520 of the Housing Act of 1949 is amended by striking out "December 15, 1985" in the last sentence and inserting in lieu thereof "March 17, 1986".

(c) MUTUAL AND SELF-HELP HOUSING GRANT AND LOAN AUTHORITY.—Section 523(f) of the Housing Act of 1949 is amended by striking out "December 15, 1985" and inserting in lieu thereof "March 17, 1986".

SEC. 3010. EXTENSION OF FLOOD AND CRIME INSURANCE PROGRAMS.

(a) FLOOD INSURANCE.—

(1) GENERAL AUTHORITY.—Section 1319 of the National Flood Insurance Act of 1968 is amended by striking out "December 15, 1985" and inserting in lieu thereof "March 17, 1986".

(2) EMERGENCY IMPLEMENTATION.—Section 1336(a) of the National Flood Insurance Act of 1968 is amended by striking out "December 15, 1985" and inserting in lieu thereof "March 17, 1986".

(3) ESTABLISHMENT OF FLOOD-RISK ZONES.—Section 1360(a)(2) of the National Flood Insurance Act of 1968 is amended by striking out "December 15, 1985" and inserting in lieu thereof "March 17, 1986".

(b) CRIME INSURANCE.—Section 1201(b)(1) of the National Housing Act is amended by striking out "December 15, 1985" in the matter preceding subparagraph (A) and inserting in lieu thereof "March 17, 1986".

SEC. 3011. MISCELLANEOUS EXTENSIONS.

(a) COMMUNITY DEVELOPMENT BLOCK GRANT CLASSIFICATIONS.—

(1) METROPOLITAN CITY.—Section 102(a)(4) of the Housing and Community Development Act of 1974 is amended by striking out "December 15, 1985" in the second sentence and inserting in lieu thereof "March 17, 1986".

(2) URBAN COUNTY.—Section 102(a)(6) of the Housing and Community Development Act of 1974 is amended by striking out "December 15, 1985" in the second sentence and inserting in lieu thereof "March 17, 1986".

(b) SECTION 202 INTEREST RATE LIMITATION.—Section 223(a)(2) of the Housing and Urban-Rural Recovery Act of 1983 is amended by striking out "prior to December 16, 1985" and inserting in lieu thereof "not later than March 17, 1986".

(c) HOME MORTGAGE DISCLOSURE ACT OF 1975.—Section 312 of the Home Mortgage Disclosure Act of 1975 is amended by striking out "December 16, 1985" and inserting in lieu thereof "March 17, 1986".

TITLE IV—TRANSPORTATION AND RELATED PROGRAMS

SUBTITLE A—RAILROADS

SEC. 4001. SHORT TITLE.

This subtitle may be cited as the "Amtrak Reauthorization Act of 1985".

SEC. 4002. AUTHORIZATION OF APPROPRIATIONS.

(a) AUTHORIZATION.—Section 601(b)(2) of the Rail Passenger Service Act (45 U.S.C. 601(b)(2)) is amended—

(1) in subparagraph (A) by striking out "and" after "403(b) of this Act;";

(2) in subparagraph (B) by striking out the period and inserting in lieu thereof a semicolon; and

(3) by adding at the end the following new subparagraphs:

"(C) not to exceed $600,000,000 for the fiscal year ending September 30, 1986;

"(D) not to exceed $606,100,000 for the fiscal year ending September 30, 1987; and

"(E) not to exceed $630,300,000 for the fiscal year ending September 30, 1988.".

(b) LIMITATION.—Such section 601(b) is further amended by adding at the end a new paragraph as follows:

"(5) Unless sufficient funds are otherwise available to operate the Corporation's rail system at substantially the same level of service, maintenance, and equipment overhauls in effect on the date of the enactment of this paragraph, funds appropriated to or for the benefit of the Corporation under this section before the date of the enactment of this paragraph which the Corporation has designated for nonoperational capital projects shall be used as necessary to maintain the operations of the system at such level.".

SEC. 4003. CAPITAL ASSETS.

Section 304(c) of the Rail Passenger Service Act (45 U.S.C. 544(c)) is amended by adding at the end thereof the following new paragraph:

"(3) The preferred stock issued pursuant to paragraphs (1) and (2) of this subsection shall be deemed to have been issued as of the date of receipt by the Corporation of the funds for which such stock is issued.".

SEC. 4004. GOVERNMENT TRAVEL.

Section 306(f) of the Rail Passenger Service Act (45 U.S.C. 546(f)) is amended by inserting ", which shall include allowing the Corporation to participate in the contract air program administered by the General Services Administration in markets where service provided by the Corporation is competitive as to rates and total trip times" before the period.

SEC. 4005. REPORT CONSOLIDATION.

Section 308(a) of the Rail Passenger Service Act (45 U.S.C. 548(a)) is amended to read as follows:

"(a) The Corporation shall submit to the Congress a report not later than February 15 of each year. The report shall include, for each route on which the Corporation operated intercity rail passenger service during the preceding fiscal year, data on ridership, passenger miles, short-term avoidable profit or loss per passenger mile, revenue-to-cost ratio, revenues, the Federal subsidy, the non-Federal subsidy, and on-time performance. Such report shall also specify significant operational problems which have been identified by the Corporation, together with proposals by the Corporation to resolve such problems.".

SEC. 4006. CHARTER TRAINS.

Section 402 of the Rail Passenger Service Act (45 U.S.C. 562) is amended—

(1) by repealing subsection (g); and

(2) by redesignating subsection (h) as subsection (g).

SEC. 4007. MISCELLANEOUS AMENDMENTS.

(a) AUDITS.—Section 805 of the Rail Passenger Service Act (45 U.S.C. 644) is amended—

(1) in subsection (2)(A) by striking out "shall conduct annually a" in the first sentence and inserting in lieu thereof "may conduct"; and

(2) in subsections (2)(A) and (2)(B) by striking "audit" wherever it appears and inserting in lieu thereof "audits".

(b) REPEAL OF STUDIES AND REPORTS.—Sections 306(k), 806, 810, and 811 of the Rail Passenger Service Act (45 U.S.C. 546(k), 645, 649, and 650) are repealed.

(c) EMERGENCY ASSISTANCE.—Title VII of the Rail Passenger Service Act (45 U.S.C. 621 and 622) is repealed.

(d) NORTHEAST CORRIDOR REPORTS.—Section 703(1)(D) of the Railroad Revitalization and Regulatory Reform Act of 1976 (45 U.S.C. 853(1)(D)) is repealed.

(e) PERFORMANCE EVALUATION CENTER.—(1) Section 305(1) of the Rail Passenger Service Act (45 U.S.C. 545(1)) is repealed.

(2) Section 305(m) of the Rail Passenger Service Act (45 U.S.C. 545(m)) is amended by striking out "Center" each place it appears and inserting in lieu thereof "Corporation".

SEC. 4008. REVENUE-COST RATIO.

Section 404(c)(4)(A) of the Rail Passenger Service Act (45 U.S.C. 564(c)(4)(a)) is amended by adding at the end the following new sentence: "Commencing in fiscal year 1986, the Corporation shall set a goal of recovering an amount sufficient that the ratio of its revenues, including contributions from States, agencies, and other persons, to costs, excluding capital costs, shall be at least 61 percent.".

SEC. 4009. LABOR-RELATED COST SAVINGS.

Amtrak and the representatives of employees of Amtrak shall negotiate changes in existing agreements between such parties that will result in substantial cost savings to Amtrak, and shall report the results of such negotiations to the Congress within six months after the date of enactment of this Act.

SEC. 4010. ROUTE DISCONTINUANCE.

Amtrak shall not, by reason of any provision of this subtitle, including section 4002, reduce the frequency of service on any line on which, as of May 1, 1985, three or fewer trains operated per week.

SEC. 4011. EMPLOYMENT VACANCY FILING.

(a) LIABILITY.—Section 704(c) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 797c(c)) is amended—

(1) by inserting "(1)" after "VACANCY NOTICES.—"; and

(2) by adding at the end a new paragraph as follows:

"(2)(A) As soon as the Board becomes aware of any failure on the part of a railroad to comply with paragraph (1), the Board shall issue a warning to such railroad of its potential liability under subparagraph (B).

"(B) Any railroad failing to comply with paragraph (1) of this subsection after being warned by the Board under subparagraph (A) shall be liable for a civil penalty in the amount of $500 for each subsequent vacancy with respect to which such railroad has so failed to comply.".

(b) EXTENSION.—Section 704(f) of such Act (45 U.S.C. 797c(f)) is amended by striking out "4-year" and inserting in lieu thereof "6-year".

(c) EXEMPTION.—The provisions of section 703 of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 797b), section 8 of the Milwaukee Railroad Restructuring Act (45 U.S.C. 907), and section 105 of the Rock Island Railroad Transition and Employee Assistance Act (45 U.S.C. 1004) shall not apply to the National Railroad Passenger Corporation in the hiring of qualified train and engine employees who hold seniority rights to work in intercity rail passenger service in connection with the assumption by such Corporation of functions previously performed under contract by other carriers.

(d) EFFECTIVE DATES.—The amendments made by subsections (a) and (c) shall take effect on the date of enactment of this Act, and the amendment made by subsection (b) shall be effective as of August 1, 1985.

SEC. 4012. TRANSPORTATION OF USED UNOCCUPIED VEHICLES.

Section 103(3) of the Rail Passenger Service Act (45 U.S.C. 502(3)) is amended by inserting ", and, when space is available, of used unoccupied vehicles" after "and their occupants".

SEC. 4013. AMTRAK CORPORATE CITIZENSHIP.

Section 306(m) of the Rail Passenger Service Act (45 U.S.C. 546(m)) is amended by inserting "only" immediately after "citizen".

SEC. 4014. ROUTE AND SERVICE CRITERIA.

(a) ROUTE AND SERVICE CRITERIA AMENDMENTS.—The Rail Passenger Service Act is amended—

(1) in section 403(d) (45 U.S.C. 563(d))—

(A) by striking out "criteria set forth in section 404(d)(2)(B)" and inserting in lieu thereof "criterion set forth in section 404(d)(2)"; and

(B) by inserting after the first sentence thereof the following: "Beginning October 1, 1986, if such service is not projected to meet such criterion, the Corporation may discontinue, modify, or adjust such service so that the applicable criterion will be met.";

(2) in section 404(c)(3)(B) (45 U.S.C. 564(c)(3)(B))—

(A) by striking out "60" and inserting in lieu thereof "120";

(B) by striking out "either the Senate" and all that follows through "that it does" and inserting in lieu thereof "the Senate and the House of Representatives adopt a joint resolution during such period stating that they do"; and

(C) by adding at the end thereof the following: "For purposes of this subparagraph, continuity of session of the Congress is broken only by an adjournment sine die and the days on which either House is not in session because of adjournment of more than 3 days to a day certain are excluded in the computation of such 120-day period.";

(3) by amending section 404(c)(4)(B) (45 U.S.C. 564(c)(4)(B)) to read as follows:

"(B) The Corporation shall conduct an annual review of each route in the basic system to determine if such route is projected to meet the criterion appropriate to such route set forth in subsection (d), as adjusted to reflect constant 1979 dollars. If the Corporation determines on the basis of such review that such route will not meet such criterion, the Corporation shall discontinue, modify, or adjust the operation of rail passenger service over such route so that the criterion will be met.";

(4) in the first sentence of section 404(d)(1) (45 U.S.C. 564(d)(1))—

(A) by striking out "if—" and inserting in lieu thereof "if";

(B) by striking out "(A)"; and

(C) by striking out all after "mile" the second time it appears therein and inserting in lieu thereof a period;

(5) in the second sentence of section 404(d)(1) (45 U.S.C. 564(d)(1)) by striking out "and passenger mile per train mile";

(6) by striking out the last sentence of section 404(d)(1) (45 U.S.C. 564(d)(1)); and

(7) in section 404(d)(2) (45 U.S.C. 564(d)(2))—

(A) by striking out "if—" and inserting in lieu thereof "if";

(B) by striking out "(A)"; and

(C) by striking out all after "mile" the second time it appears therein and inserting in lieu thereof a period.

(b) EFFECTIVE DATE.—The provisions of this section shall take effect on October 1, 1986.

SEC. 4015. ICC REGULATION.

Section 306(a)(3) of the Rail Passenger Service Act (45 U.S.C. 546(a)(3)) is amended by striking out ", except as otherwise provided in this Act,".

SEC. 4016. MEANING OF "DISCONTINUANCE" FOR LABOR PROTECTION PURPOSES.

Section 405(a) of the Rail Passenger Service Act (45 U.S.C. 565(a)) is amended by adding at the end thereof the following: "For purposes of subsection (c) of this section and any agreement designed to implement the provisions of such subsection, a 'discontinuance of intercity rail passenger service' shall not include any adjustment in frequency or seasonal suspension of intercity rail passenger trains the effect of which is a temporary suspension of service unless such adjustment or suspension causes a reduction of passenger train operations on a particular route to a frequency of less than three round trips per week at any time during any calendar year.".

SEC. 4017. NORTHEAST CORRIDOR COST DISPUTE DECISIONS.

(a) ICC DECISIONS.—(1) Section 1163(a)(2) of the Northeast Rail Service Act of 1981 (45 U.S.C. 1111(a)(2)) is amended to read as follows:

"(2) The Commission, in making such a determination, shall consider all relevant factors, and shall not permit cross subsidization between intercity rail passenger service and commuter rail passenger service.".

(2) Any decisions of the Interstate Commerce Commission before the date of enactment of this Act under section 1163(a)(2) of the Northeast Rail Service Act of 1981 (45 U.S.C. 1111(a)(2)) shall have no force and effect after the date of enactment of this Act.

(b) ASSIGNMENT OF COSTS.—Section 402(a) of the Rail Passenger Service Act (45 U.S.C. 562(a)) is amended—

(1) by inserting "(1)" immediately after "(a)";

(2) by inserting "(2)" immediately before "Notwithstanding";

(3) in the second sentence of paragraph (2), as so designated by paragraph (2) of this subsection, by striking out "180" and inserting in lieu thereof "120";

(4) in the last sentence of paragraph (2), as so designated by paragraph (2) of this subsection, by striking out "shall consider all relevant factors, and shall not permit cross subsidization among intercity, commuter," and inserting in lieu thereof "shall not permit cross subsidization between intercity rail passenger service"; and

(5) by adding at the end of paragraph (2), as so designated by paragraph (2) of this subsection, the following: "The Commission, in making such a determination, shall assign to a freight railroad obtaining services pursuant to this paragraph the costs incurred by the Corporation solely for the benefit of that railroad, plus a proportionate share of all other costs of providing services covered by this paragraph that are incurred for the

common benefit of the Corporation and such freight railroad. The proportionate share of such other costs assigned to a freight railroad shall be based on relative measures of volume of car operations, tonnage, or other factors that reasonably reflect the relative use of the rail properties covered by this paragraph. Nothing in this paragraph shall be construed to preclude parties from entering into an agreement under this paragraph either before or after a determination of the Commission under this paragraph.".

(c) EFFECTIVENESS OF STANDARD.—The compensation standard established by the amendment made by subsection (b) of this section shall be effective in any proceeding instituted under section 402(a)(2) of the Rail Passenger Service Act (45 U.S.C. 562(a)(2)) after the date of enactment of this Act.

(d) CONGRESSIONAL POLICY.—Nothing in this section, or any amendment made by this section, shall be construed to alter the Congressional policy against cross subsidization among intercity, commuter, and rail freight services expressed in the last sentence of section 402(a) of the Rail Passenger Service Act, as in effect before the date of enactment of this Act.

SEC. 4018. LOCAL RAIL SERVICE ASSISTANCE.

Section 5(q) of the Department of Transportation Act (49 U.S.C. App. 1654(q)) is amended—

(1) by inserting after "September 30, 1984." the following: "Of the funds authorized to be appropriated under this subsection, there are authorized to be appropriated not to exceed $12,000,000 for the fiscal year ending September 30, 1986, not to exceed $10,000,000 for the fiscal year ending September 30, 1987, and not to exceed $8,000,000 for the fiscal year ending September 30, 1988."; and

(2) by adding at the end thereof the following: "No funds are authorized to be appropriated under this subsection for any period after September 30, 1988.".

SUBTITLE B—HIGHWAY PROGRAMS

SEC. 4101. REDUCTIONS IN HIGHWAY APPORTIONMENTS.

(a) PRIMARY SYSTEM.—The first sentence of section 105(a)(1) of the Highway Improvement Act of 1982 is amended by striking out "$2,450,000,000" and inserting in lieu thereof "$2,375,000,000".

(b) BRIDGE REPLACEMENT AND REHABILITATION.—Section 202(1) of the Highway Safety Act of 1982 is amended by striking out "$2,050,000,000" and inserting in lieu thereof "$1,900,000,000".

(c) INTERSTATE 4R.—The first sentence of section 105 of the Federal-Aid Highway Act of 1978 is amended by striking out "$3,150,000,000" and inserting in lieu thereof "$2,975,000,000".

(d) APPORTIONMENT ADJUSTMENTS.—

(1) DETERMINATION OF ADJUSTMENT AMOUNT.—On the first day following the effective date of this section, the Secretary of Transportation shall determine—

(A) the amount of funds that would have been apportioned to each State on October 1, 1985—

(i) for the Federal-aid primary system program if the amendment made by subsection (a) had been in effect on such date;

(ii) for the highway bridge replacement and rehabilitation program if the amendment made by subsection (b) had been in effect on such date; and

(iii) for the program to resurface, restore, rehabilitate, and reconstruct routes on the National System of Interstate and Defense Highways if the amendment made by subsection (c) had been in effect on such date; and

(B) the amount by which the amount which was apportioned to such State on October 1, 1985, for such program exceeds the amount determined under subparagraph (A) for such program.

(2) ADJUSTMENTS TO CURRENT APPORTIONMENT.—To the extent that any funds—

(A) which were apportioned to a State on October 1, 1985, for any program referred to in paragraph (1)(A); and

(B) which are unobligated on the first day following the effective date of this section;

do not exceed the amount determined under paragraph (1)(B) for such program, such apportioned and unobligated funds shall lapse on such first day.

(3) ADJUSTMENT TO FUTURE APPORTIONMENT.—If the amount determined under paragraph (1)(B) with respect to the apportionment made on October 1, 1985, to any State for any program referred to in paragraph (1)(A) is greater than the amount of funds which lapse from the apportionment to such State for such program under paragraph (2), the Secretary of Transportation shall reduce the amount which, but for this paragraph, would otherwise be apportioned to such State for such program on October 1, 1986, by the amount of such excess.

SEC. 4102. OBLIGATION CEILING.

(a) GENERAL LIMITATION.—Notwithstanding any other provision of law, the total of all obligations for Federal-aid highways and highway safety construction programs shall not exceed—

(1) $13,125,000,000 for fiscal year 1986;

(2) $13,525,000,000 for fiscal year 1987; and

(3) $14,100,000,000 for fiscal year 1988.

(b) EXCEPTIONS.—The limitations under subsection (a) shall not apply to obligations—

(1) under section 125 of title 23, United States Code;

(2) under section 157 of such title;

(3) under section 320 of such title;

(4) under section 147 of the Surface Transportation Assistance Act of 1978;

(5) under section 9 of the Federal-Aid Highway Act of 1981;

(6) under sections 131(b) and 131(j) of the Surface Transportation Assistance Act of 1982; and

(7) under section 118 of the National Visitor Center Facilities Act of 1968.

(c) DISTRIBUTION OF OBLIGATIONAL AUTHORITY.—For each of the fiscal years 1986, 1987, and 1988, the Secretary of Transportation shall distribute the limitation imposed by subsection (a) by allocation in the ratio which sums authorized to be appropriated for Federal-aid highways and highway safety construction which are apportioned or allocated to each State for such fiscal year bears to the total of the sums authorized to be appropriated for Federal-aid highways and highway safety construction which are apportioned or allocated to all the States for such fiscal year.

(d) LIMITATION ON OBLIGATIONAL AUTHORITY.—During the period October 1 through December 31 of each of the fiscal years 1986, 1987, and 1988, no State shall obligate more than 35 percent of the amount distributed to such State under subsection (c) for such fiscal year, and the total of all State obligations during such period shall not exceed 25 percent of the total amount distributed to all States under such subsection for such fiscal year.

(e) REDISTRIBUTION OF UNUSED OBLIGATIONAL AUTHORITY.—Notwithstanding subsections (c) and (d), the Secretary of Transportation shall—

(1) provide all States with authority sufficient to prevent lapses of sums authorized to be appropriated for Federal-aid highways and highway safety construction which have been apportioned or allocated to a State, except in those instances in which a State indicates its intention to lapse sums apportioned under section 104(b)(5)(A) of title 23, United States Code;

(2) after August 1 of each of the fiscal years 1986, 1987, and 1988, revise a distribution of the funds made available under subsection (c) for such fiscal year if a State will not obligate the amount distributed during such fiscal year and redistribute sufficient amounts to those States able to obligate amounts in addition to those previously distributed during such fiscal year giving priority to those States having large unobligated balances of funds apportioned under section 104 of title 23, United States Code, and giving priority to those States which, because of statutory changes made by the Surface Transportation Assistance Act of 1982 and the Federal-Aid Highway Act of 1981, have experienced substantial proportional reductions in their apportionments and allocations; and

(3) not distribute amounts authorized for administrative expenses and Federal lands highways programs.

(f) CONFORMING AMENDMENT.—Section 157(b) of title 23, United States Code, is amended by striking out the period at the end of the last sentence and inserting in lieu thereof "and section 4102(c) of the Consolidated Omnibus Budget Reconciliation Act of 1985.".

SEC. 4103. INCREASE IN THE STATE EMERGENCY REPAIR FUND LIMITATION.

The first sentence of section 125(b) of title 23, United States Code, is amended by inserting after "$30,000,000" the following: "(and $55,000,000 for projects in connection with disasters or failures occurring in calendar year 1985)".

SEC. 4104. NATIONAL MINIMUM DRINKING AGE AMENDMENTS.

(a) EXTENSION OF PENALTY FOR NON-COMPLIANCE.—Section 158(a)(2) of title 23, United States Code, is amended by striking out "the fiscal year succeeding" and inserting in lieu thereof "each fiscal year after".

(b) COMPLYING STATE LAWS.—Subsection (a) of section 158 of such title is amended by adding at the end thereof the following new paragraph:

"(3) STATE GRANDFATHER LAW AS COMPLYING.—If, before the later of (A) October 1, 1986, or (B) the tenth day following the last day of the first session the legislature of a State convenes after the date of the enactment of this paragraph, such State has in effect a law which makes unlawful the purchase and public possession in such State of any alcoholic beverage by a person who is less than 21 years of age (other than any person who is 18 years of age or older on the day preceding the effective date of such law and at such time could lawfully purchase or publicly possess any alcoholic beverage in such State), such State shall be deemed to be in compliance with paragraphs (1) and (2) of this subsection in each fiscal year in which such law is in effect.".

(c) PERIOD OF AVAILABILITY; EFFECT OF COMPLIANCE AND NONCOMPLIANCE.—Subsection (b) of section 158 of such title is amended to read as follows:

"(b) PERIOD OF AVAILABILITY; EFFECT OF COMPLIANCE AND NONCOMPLIANCE.—

"(1) PERIOD OF AVAILABILITY OF WITHHELD FUNDS.—

"(A) FUNDS WITHHELD ON OR BEFORE SEPTEMBER 30, 1988.—Any funds withheld under this section from apportionment to any State on or before September 30, 1988, shall remain available for apportionment to such State as follows:

"(i) If such funds would have been apportioned under section 104(b)(5)(A) of this title but for this section, such funds shall remain available until the end of the fiscal year for which such funds are authorized to be appropriated.

"(ii) If such funds would have been apportioned under section 104(b)(5)(B) of this title but for this section, such funds shall remain available until the end of the second fiscal year following the fiscal year for which such funds are authorized to be appropriated.

"(iii) If such funds would have been apportioned under section 104(b)(1), 104(b)(2), or 104(b)(6) of this title but for this section, such funds shall remain available until the end of the third fiscal year following the fiscal year for which such funds are authorized to be appropriated.

"(B) FUNDS WITHHELD AFTER SEPTEMBER 30, 1988.—No funds withheld under this section from apportionment to any State after September 30, 1988, shall be available for apportionment to such State.

"(2) APPORTIONMENT OF WITHHELD FUNDS AFTER COMPLIANCE.—If, before the last day of the period for which funds withheld under this section from apportionment are to remain available for apportionment to a State under paragraph (1)(A), the State makes effective a law which is in compliance with subsection (a), the Secretary shall on the day following the effective date of such law apportion to such State the withheld funds remaining available for apportionment to such State.

"(3) PERIOD OF AVAILABILITY OF SUBSEQUENTLY APPORTIONED FUNDS.—Any funds apportioned pursuant to paragraph (2) shall remain available for expenditure as follows:

"(A) Funds apportioned under section 104(b)(5)(A) of this title shall remain available until the end of the fiscal year succeeding the fiscal year in which such funds are so apportioned.

"(B) Funds apportioned under section 104(b)(1), 104(b)(2), 104(b)(5)(B), or 104(b)(6) of this title shall remain available until the end of the third fiscal year succeeding the fiscal year in which such funds are so apportioned.

Sums not obligated at the end of such period shall lapse or, in the case of funds apportioned under section 104(b)(5) of this title, shall lapse and be made available by the Secretary for projects in accordance with section 118(b) of this title.

"(4) EFFECT OF NONCOMPLIANCE.—If, at the end of the period for which funds withheld under this section from apportionment are available for apportionment to a State under paragraph (1), the State has not made effective a law which is in compliance with subsection (a), such funds shall lapse or, in the case of funds withheld from apportionment under section 104(b)(5) of this title, such funds shall lapse and be made available by the Secretary for projects in accordance with section 118(b) of this title.".

(d) CONFORMING AMENDMENTS.—Such section 158 is further amended—

(1) in subsection (a) by inserting "WITHHOLDING OF FUNDS FOR NONCOMPLIANCE.—" before "(1) The";

(2) in subsection (a)(1) by inserting "FIRST YEAR.—" before "The Secretary";

(3) by indenting paragraphs (1) and (2) of subsection (a) and aligning them with paragraph (3) of such subsection as inserted by subsection (b) of this section;

(4) in subsection (a)(1) by inserting "first" before "fiscal year" the second place it appears;

(5) in subsection (a)(2) by inserting "AFTER THE FIRST YEAR.—" before "The Secretary"; and

(6) in subsection (c) by inserting "ALCOHOLIC BEVERAGE DEFINED.—" before "As".

SEC. 4105. OHIO RIVER BRIDGE FUND REPROGRAMMING.

Section 147 of the Federal-Aid Highway Act of 1978 is amended by inserting "(a)" after "SEC. 147." and by adding at the end thereof the following new subsection:

"(b)(1) Of the funds which have been set aside previously pursuant to the fourth and fifth sentences of subsection (a) of this section and which are in excess of the amounts needed to complete the projects authorized by such subsection—

"(A) $65,000,000 shall be available to the Secretary of Transportation to carry out the state-of-the-art technology projects described in paragraph (2) of this subsection; and

"(B) the remainder shall be apportioned under subsection (e) of section 144 of title 23, United States Code, for carrying out projects under such section.

"(2) The state-of-the-art technology projects referred to in paragraph (1) of this subsection are the following:

"(A) Construction of a bridge (including approaches thereto) across the Ohio River between Newport, Kentucky, and Cincinnati, Ohio, to replace a bridge on a highway designated as a United States route.

"(B) Construction of a bridge (including approaches thereto) across the Ohio River between Covington, Kentucky, and Cincinnati, Ohio, to replace a bridge on a Kentucky State highway.

"(C) Construction of a bridge (including approaches thereto) across the Ohio River near Maysville, Kentucky, and Aberdeen, Ohio, to replace a bridge on a highway designated as a United States route.

"(3) In order to demonstrate the latest high-type geometric design features (including safety hardware) and new advances in highway bridge construction, the projects authorized by this subsection shall utilize state-of-the-art technology, and all design elements, including the decking, shall be designed to provide the best life-cycle costs, thereby minimizing future maintenance and rehabilitation costs.

"(4) The Secretary of Transportation may provide necessary technical assistance in the design and construction of projects under this subsection.

"(5) Not later than one year after the completion of the state-of-the-art technology projects under this subsection, the Secretary of Transportation shall submit a report to Congress, including but not limited to the results of such projects, the effects of using the best available technology on safety and other considerations, recommendations for applying the results to other bridge projects, and any changes that may be necessary by law to permit further use of such features.

"(6) In allocating funds made available to carry out the projects described in paragraph (2) of this subsection, the Secretary shall give priority to completing the projects described in subparagraphs (A) and (B) of such paragraph. At such time as the Secretary determines and certifies in writing that sufficient funds have been set aside, from the amount made available under paragraph (1)(A), to complete the projects described in subparagraphs (A) and (B) of paragraph (2), any remaining funds shall be used to carry out the project described in subparagraph (C) of paragraph (2).

"(7) Funds made available to carry out the projects described in paragraph (2) of this subsection shall be available for obligation in the same manner and to the same extent as if such funds were apportioned under chapter 1 of title 23, United States Code, except that such funds shall be available until expended and shall not be subject to any obligation limitation. The Federal share of the projects described in paragraph (2) of this subsection shall be that provided in subsection (a).".

TITLE V—CORPORATION FOR PUBLIC BROADCASTING AND FEDERAL COMMUNICATIONS COMMISSION

SEC. 5001. CORPORATION FOR PUBLIC BROADCASTING.

(a) PUBLIC TELECOMMUNICATIONS FACILITIES.—Section 391 of the Communications Act of 1934 (47 U.S.C. 391) is amended—

(1) by striking out "and" after "1983,"; and

(2) by inserting ", $24,000,000 for fiscal year 1986, $28,000,000 for fiscal year 1987, and $32,000,000 for fiscal year 1988," immediately after "1984,".

(b) ALLOCATION OF APPROPRIATIONS.—Section 393 of the Communications Act of 1934 (47 U.S.C. 393) is amended—

(1) by striking out subsection (c); and

(2) by redesignating subsection (d) as subsection (c).

(c) FINANCING OF CORPORATION FOR PUBLIC BROADCASTING.—(1) Section 396(k)(1)(C) of the Communications Act of 1934 (47 U.S.C. 396(k)(1)(C)) is amended—

(A) by striking out "and 1986" and inserting in lieu thereof "1986, 1987, 1988, 1989, and 1990";

(B) by striking out "and" after "fiscal year 1985,"; and

(C) by inserting ", $200,000,000 for fiscal year 1987, $214,000,000 for fiscal year 1988, $238,000,000 for fiscal year 1989, and $254,000,000 for fiscal year 1990" immediately before the period at the end thereof.

(2) Section 396(k)(3)(A)(i)(II) of the Communications Act of 1934 (47 U.S.C. 396(k)(3)(A)(i)(II)) is amended by striking out "research, training, technical assistance, engineering, instructional support, payment of interest on indebtedness,".

(3) Section 396(k) of the Communications Act of 1934 (47 U.S.C. 396(k)) is amended—

(A) by striking out paragraph (8); and

(B) by redesignating paragraphs (9) and (10) as paragraphs (8) and (9), respectively.

SEC. 5002. FEDERAL COMMUNICATIONS COMMISSION.

(a) AUTHORIZATION OF APPROPRIATIONS.—(1) Section 6 of the Communications Act of 1934 (47 U.S.C. 156) is amended to read as follows:

"SEC. 6. There are authorized to be appropriated for the administration of this Act by the Commission $98,100,000 for fiscal year 1986 and $97,600,000 for fiscal year 1987, together with such sums as may be necessary for increases resulting from adjustments in salary, pay, retirement, other employee ben-

efits required by law, and other nondiscretionary costs, for each of the fiscal years 1986 and 1987.".

(2) The amendment made by paragraph (1) of this subsection shall apply with respect to fiscal years beginning after September 30, 1985.

(b) REIMBURSED EXPENSES.—Section 4(g)(2) of the Communications Act of 1934 (47 U.S.C. 154(g)(2)) is amended—

(1) in subparagraph (D), by striking out "1985" and inserting in lieu thereof "1987"; and

(2) by adding at the end thereof the following new subparagraph:

"(E) Funds which are received by the Commission as reimbursements under the provisions of this paragraph after the close of a fiscal year shall remain available for obligation.".

(c) ANNUAL REPORT.—Section 5(g) of the Communications Act of 1934 (47 U.S.C. 155(g)) is amended by striking out "January 31" and inserting in lieu thereof "March 31".

(d) ADDITIONAL SAVINGS.—For provisions of law which, through relocation of the Fort Lauderdale, Florida, Monitoring Station of the Federal Communications Commission, reduce spending for fiscal year 1986 in satisfaction of the reconciliation requirements imposed by section 2(e) of S. Con. Res. 32 (99th Congress), see the material under the heading "FEDERAL COMMUNICATIONS COMMISSION" in the Supplemental Appropriations Act, 1985 (Public Law 99-88).

(e) CHARGES FOR OPERATIONS.—The Communications Act of 1934 (47 U.S.C. 151 et seq.) is amended by inserting immediately after section 7 the following new section:

"CHARGES

"SEC. 8. (a) The Commission shall assess and collect charges at such rates as the Commission shall establish or at such modified rates as it shall establish pursuant to the provisions of subsection (b) of this section. The Schedule of Charges established under this subsection shall be implemented not later than 360 days after the date of enactment of this section.

"(b)(1) The Schedule of Charges established under this section shall be reviewed by the Commission every two years after the date of enactment of this section and adjusted by the Commission to reflect changes in the Consumer Price Index. Increases or decreases in charges shall apply to all categories of charges, except that individual fees shall not be adjusted until the increase or decrease, as determined by the net change in the Consumer Price Index since the date of enactment of this section, amounts to at least $5.00 in the case of fees under $100.00, or 5 percent in the case of fees of $100.00 or more. All fees which require adjustment will be rounded upward to the next $5.00 increment. The Commission shall transmit to the Congress notification of any such adjustment not later than 90 days before the effective date of such adjustment.

"(2) Increases or decreases in charges made pursuant to this subsection shall not be subject to judicial review.

"(c)(1) The Commission shall prescribe by regulation an additional charge which shall be assessed as a penalty for late payment of charges required by subsection (a) of this section. Such penalty shall be 25 percent of the amount of the charge which was not paid in a timely manner.

"(2) The Commission may dismiss any application or other filing for failure to pay in a timely manner any charge or penalty under this section.

"(d)(1) The charges established under this section shall not be applicable to the following radio services: Local Government, Police, Fire, Highway Maintenance, Forestry-Conservation, Public Safety, and Special Emergency Radio, or to governmental entities licensed in other services.

"(2) The Commission may waive or defer payment of a charge in any specific instance for good cause shown, where such action would promote the public interest.

"(e) Moneys received from charges established under this section shall be deposited in the general fund of the Treasury to reimburse the United States for amounts appropriated for use by the Commission in carrying out its functions under this Act.

"(f) The Commission shall prescribe appropriate rules and regulations to carry out the provisions of this section.".

(f) Until modified pursuant to section 8(b) of the Communications Act of 1934 (as added by subsection (e) of this section), the Schedule of Charges which the Federal Communications Commission shall prescribe pursuant to section 8(a) of such Act shall be as follows:

Schedule of Charges

	Service	Fee amount
	PRIVATE RADIO BUREAU	
1.	Marine Coast Stations (New, Modifications, Renewals)	$60.00
2.	Operational Fixed Microwave Stations (New, Modifications, Renewals)	135.00
3.	Aviation (Ground Stations) (New, Modifications, Renewals)	60.00
4.	Land Mobile Radio Licenses (New, Modifications, Renewals)	30.00
	EQUIPMENT APPROVAL SERVICE	
1.	Certification	
	a. Receivers (Except TV & FM Receivers)	250.00
	b. All Other Devices	650.00
2.	Type Acceptance	
	a. Approval of Subscription TV Systems	2,000.00
	b. All Others	325.00
3.	Type Approval	
	a. Ship (Radio Telegraph) Automatic Alarm Systems	6,500.00
	b. Ship and Lifeboat (Radio Telegraph) Transmitters	3,250.00
	c. All Others (With Testing)	1,300.00
	d. All Others (Without Testing)	150.00
4.	Notifications	100.00
	MASS MEDIA BUREAU	
1.	Commercial TV Stations	
	a. New and Major Change Construction Permits Application Fees	2,250.00
	b. Minor Changes Application Fee	500.00
	c. Hearing Charge	6,000.00
	d. License Fee	150.00
2.	Commercial Radio Stations	
	a. New and Major Change Construction Permits	
	(1) Application Fee AM Station	2,000.00
	(2) Application Fee FM Station	1,800.00
	b. Minor Changes Appl. Fee-AM & FM	500.00
	c. Hearing Charge	6,000.00
	d. License Fee	
	(1) AM	325.00
	(2)l FM	100.00
	e. Directional Antenna License Fee (AM only)	375.00
3.	FM/TV Translators and LPTV Stations (New & Major Change Construction Permits)	
	a. Application Fee	375.00
	b. License Fee	75.00
4.	Station Assignment and Transfer Fees	
	a. AM, FM and TV Commercial Stations	
	(1) Application Fee (Forms 314/315)	500.00
	(2) Application Fee (Form 316)	$70.00
	b. FM/TV Translators & LPTV Stations	75.00
5.	Auxiliary Services Major Actions—Application Fee	75.00
6.	Renewals—All Services	30.00
7.	Cable Television Service	
	a. Cable Television Relay Service—Construction Permits, Assignments & Transfers, Renewals & Modifications	135.00
	b. Cable Special Relief Petitions—Filing Fee	700.00
8.	Direct Broadcast Satellite New & Major Change CPs	
	a. Application for Authorization to Construct a Direct Broadcast Satellite	1,800.00
	b. Issuance of CP & Launch Authority	17,500.00
	c. License to Operate Satellite	500.00
	d. Hearing Charge	6,000.00
	COMMON CARRIER BUREAU	
1.	Domestic Public Land Mobile Stations (Base, Dispatch, Control & Repeater Stations)	
	a. New or Additional Facility Authorizations, Assignments & Transfers (Per transmitter/per station)	200.00
	b. Renewals and Minor Modifications (Per station)	20.00
	c. Air-Ground Individual License Renewals & Modifications	20.00
2.	Cellular Systems	
	a. Initial Construction Permits & Major Modification Applications (Per cellular systems)	200.00
	b. Assignments & Transfers (Per station)	200.00
	c. Initial covering license (Per cellular system)	
	(1) Wireline carrier	525.00
	(2) Nonwireline carrier	50.00
	d. Renewals	20.00
	e. Minor modifications and additional licenses	50.00
3.	Rural Radio (Central Office, Interoffice or Relay Facilities)	
	a. Initial Construction Permit, Assignments & Transfers (Per transmitter)	90.00
	b. Renewals & Modifications (Per station)	20.00
4.	Offshore Radio Service	
	a. Initial Construction Permit, Assignments & Transfers (Per transmitter)	90.00
	b. Renewals & Modifications (Per station)	20.00
5.	Local Television or Point To Point Microwave Radio Service	
	a. Construction Permits, Modifications of Construction Permits, and Re- newals of Licenses	135.00
	b. Assignments & Transfers of Control (Per Station)	45.00
	c. Initial License for New Frequency	135.00
6.	International Fixed Public Radio (Public & Control Stations)	
	a. Initial Construction Permits, Assignments & Transfers	450.00
	b. Renewals & Modifications	325.00
7.	Satellite Services	
	a. Transmit Earth Stations	
	(1) Initial Station Authorization	1,350.00
	(2) Assignments & Transfers of Station Authorizations	450.00
	(3) All Other Applications	90.00
	b. Small Transmit/Receive Earth Stations (2 meters or less)	
	(1) Lead Authorization	3,000.00
	(2) Routine Authorization	30.00
	(3) All Other Applications	90.00
	c. Receive Only Earth Stations	
	(1) Initial Station Authorization	200.00
	(2) All Other Applications	90.00
	d. Applications For Authority To Construct a Space Station	1,800.00
	e. Applications For Authority To Launch & Operate a Space Station	18,000.00
	f. Satellite System Application	
	(1) Initial Station Authorization	5,000.00
	(2) Assignments & Transfers of Systems	1,333.00
	(3) All Other Applications	90.00

Schedule of Charges—Continued

Service	Fee amount
8. Multipoint Distribution Service	
a. Construction Permits, Renewals & Modifications of Construction Permits	$135.00
b. Assignments & Transfers of Control (Per station)	45.00
c. Initial License (Per channel)	400.00
9. Section 214 Applications	
a. Applications for Overseas Cable Construction	8,100.00
b. Applications for Domestic Cable Construction	540.00
c. All Other 214 Applications	540.00
10. Tariff Filings	
a. Filing Fee	250.00
b. Special Permission Filings	200.00
11. Telephone Equipment Registration	135.00
12. Digital Electronic Message Service	
a. Construction Permits, Renewals & Modifications of Construction Permits	135.00
b. Assignments & Transfers of Control (Per station)	45.00
c. Initial License (First License or License Adding a New Frequency)	135.00

TITLE VI—MARITIME, COASTAL ZONE, AND RELATED PROGRAMS

Subtitle A—Boating Safety Fund

SEC. 6001. BOATING SAFETY FUND.

An amount equal to one-third of the amount transferred for fiscal year 1985 to the Boat Safety Account under section 9503(c)(4) of the Internal Revenue Code of 1954 (26 U.S.C. 9503(c)(4)) shall be deposited in the general fund of the Treasury as proprietary receipts of the department in which the Coast Guard is operating and ascribed to Coast Guard activities. Section 13106(a) of title 46, United States Code, shall be applied with respect to fiscal year 1985 by substituting "one-third" for "two-thirds" in the first sentence.

Subtitle B—NOAA Nautical and Aeronautical Products

SEC. 6011. SALE AND DISTRIBUTION OF NOAA NAUTICAL AND AERONAUTICAL PRODUCTS.

(a) Section 1307 of title 44, United States Code, is amended to read as follows:

"§ 1307. National Oceanic and Atmospheric Administration: nautical and aeronautical products, sale and distribution

"(a)(1) All nautical and aeronautical products created or published by the National Oceanic and Atmospheric Administration shall be sold at such prices as the Secretary of Commerce shall establish annually, in accordance with the provisions of this subsection. The Secretary shall publish annually the prices at which nautical and aeronautical products are sold to the public.

"(2)(A) Subject to subparagraph (B) of this paragraph, the prices of nautical and aeronautical products may be increased over a period of not less than three years after the date of enactment of this section so as to recover all costs attributable to data base management, compilation, printing, and distribution of such products. The prices of such products may be maintained to recover all such costs thereafter. At the end of such period and every three years thereafter, the Secretary, after consultation with the Secretary of Transportation, shall report to the Congress on the effect of imposing or maintaining such increased prices, including any impact on aviation and marine safety.

"(B) The Secretary, after consultation with the Secretary of Transportation, shall adjust the prices of nautical or aeronautical products in such manner as is necessary to avoid any adverse impact on aviation and marine safety attributable to the prices specified in subparagraph (A) of this paragraph.

"(3) This section shall not be construed to require the establishment of any price for a nautical or aeronautical product where, in the judgment of the Secretary, furnishing of that product to a recipient is a reasonable exchange for voluntary contribution of information by the recipient to a program of the National Oceanic and Atmospheric Administration.

"(4) Prices established under this section may not include costs attributable to the acquisition or processing of nautical or aeronautical data.

"(b) Fees collected from the sale of nautical or aeronautical products under this section and from any licensing of such products which is permitted under any other provision of law shall be deposited in the miscellaneous receipts fund of the United States Treasury.

"(c) The Secretary may distribute nautical and aeronautical products—

"(1) without charge to each foreign government or international organization with which the Secretary or a Federal department or agency has an agreement for exchange of these products without cost; and

"(2) at prices which the Secretary establishes, to the departments and officers of the United States requiring them for official use.

"(d) The fees provided for in this section are for the purpose of reimbursing the United States Government for the costs of creating, publishing or distributing aeronautical and nautical products of the National Oceanic and Atmospheric Administration. The collection of fees authorized by this section shall not alter or expand any duty or liability of the United States under existing law for the performance of functions for which fees are collected, nor shall the collection of fees constitute an express or implied undertaking by the United States to perform any activity in a certain manner.

"(e) For purposes of this section, the term 'nautical and aeronautical products' includes all nautical and aeronautical charts, tide and tidal current tables, tidal current charts, coast pilots, water level products, and associated data bases which are created or published by the National Oceanic and Atmospheric Administration.".

(b) The item relating to section 1307 in the analysis of chapter 13 of title 44, United States Code, is amended to read as follows:

"1307. National Oceanic and Atmospheric Administration: nautical and aeronautical products, sale and distribution.".

Subtitle C—Foreign Fishing Permit Fees

SEC. 6021. FOREIGN FISHING PERMIT FEES.

Paragraph (10) of section 204(b) of the Magnuson Fishery Conservation and Management Act (16 U.S.C. 1824(b)(10)) is amended to read as follows:

"(10) FEES.—(A) Fees shall be paid to the Secretary by the owner or operator of any foreign fishing vessel for which a permit is issued pursuant to this subsection. The Secretary, in consultation with the Secretary of State, shall establish a schedule of such fees which shall apply nondiscriminatorily to each foreign nation.

"(B) Unless subparagraph (C) applies, the fees imposed under subparagraph (A) shall be at least in an amount sufficient to return to the United States an amount which bears to the total cost of carrying out the provisions of this Act during each fiscal year the same ratio as the aggregate quantity of fish harvested by foreign fishing vessels within the fishery conservation zone during the preceding year bears to the aggregate quantity of fish harvested by both foreign and domestic fishing vessels within such zone and the territorial waters of the United States during such preceding year.

"(C) If the Secretary, in consultation with the Secretary of State, finds that any foreign nation receiving an allocation under section 201(e)—

"(i) is harvesting anadromous species of United States origin at a level that is unacceptable to the Secretary; or

"(ii) is failing to take sufficient action to benefit the conservation and development of United States fisheries;

the fees imposed under subparagraph (A) for the next fiscal year shall be at least in an amount sufficient to return to the United States an amount which bears to the total cost of carrying out the provisions of this Act during that fiscal year the same ratio as the aggregate quantity of fish harvested by foreign fishing vessels within the fishery conservation zone during the preceding year bears to the aggregate quantity of fish harvested by both foreign and domestic fishing vessels within such zone during such preceding year. If the Secretary, in consultation with the Secretary of State, finds, at any time during a fiscal year in which fees calculated under this subparagraph are in effect with respect to a foreign nation, that the conditions requiring that calculation no longer exist, the fees imposed under this paragraph with respect to that nation for the remainder of the fiscal year shall be calculated under subparagraph (B).

"(D) Before the end of each fiscal year, the Secretary, in consultation with the Secretary of State, shall review, based on the criteria established in subparagraph (C) (i) and (ii), the performance of every nation receiving an allocation under section 201(e) and provide written notice to the Congress of his findings and reasons therefor before the end of the fiscal year.

"(E) For purposes of this paragraph, the total cost of carrying out the provisions of this Act includes, but is not limited to, fishery conservation and management, fisheries research, administration, and enforcement, but excludes costs for observers covered by surcharges under section 201(i)(4).

"(F)(i) The amounts collected by the Secretary under this paragraph (except the amounts referred to in clause (ii)) shall be transferred to the fisheries loan fund established under section 4 of the Fish and Wildlife Act of 1956 (16 U.S.C. 742(c)) for so long as such fund exists and used for the purpose of making loans therefrom, but only to the extent and in amounts provided for in advance in appropriation Acts.

"(ii) The Secretary shall deposit into the general fund of the United States Treasury the difference between the amounts collected under subparagraph (C) and the amounts that would have been collected had that subparagraph not been enacted.".

Subtitle D—Amendments to the Coastal Zone Management Act

SEC. 6041. SHORT TITLE.

This subtitle may be cited as the "Coastal Zone Management Reauthorization Act of 1985".

SEC. 6042. REFERENCE.

Whenever in this subtitle an amendment or repeal is expressed in terms of an amendment, or repeal, of a section, subsection,

paragraph, or other provision, the reference is to be considered to be made to a section, subsection, paragraph, or other provision of the Coastal Zone Management Act of 1972 (16 U.S.C. 1451 et seq.) unless otherwise specified.

SEC. 6043. REDUCTION OF ADMINISTRATIVE GRANTS.

(a) Section 312(c) (16 U.S.C. 1458(c)) is amended by striking "if the Secretary determines" and all that follows thereafter and inserting in lieu thereof the following: "if the Secretary determines that the coastal state—

"(1) is failing to make significant improvement in achieving the coastal management objectives specified in section 303(2) (A) through (I); or

"(2) is failing to make satisfactory progress in providing in its management program for the matters referred to in section 306(i) (A) and (B).".

(b)(1) Subsection (a) of section 306 of the Coastal Zone Management Act of 1972 (16 U.S.C. 1455) is amended by striking out "The Secretary may" and all that follows through "if the Secretary—" and substituting in lieu thereof the following: "The Secretary may make grants to any coastal state for the purpose of administering that state's management program, if the state matches any such grant according to the following ratios of Federal to state contributions for the applicable fiscal year: 4 to 1 for fiscal year 1986; 2.3 to 1 for fiscal year 1987; 1.5 to 1 for fiscal year 1988; 1 to 1 for any fiscal year after fiscal year 1988. The Secretary may make the grant only if the Secretary—
".

(2) Section 306A is amended by striking section (d)(1) and substituting in lieu thereof the following:

"(d)(1) The Secretary may make grants to any coastal state for the purpose of carrying out the project or purpose for which such grants are awarded, if the state matches any such grant according to the following ratios of Federal to state contributions for the applicable fiscal year: 4 to 1 for fiscal year 1986; 2.3 to 1 for fiscal year 1987; 1.5 to 1 for fiscal year 1988; and 1 to 1 for each fiscal year after fiscal year 1988.".

(c) Section 306(g) (16 U.S.C. 1455) is amended by striking out the period at the end of the first sentence and all that follows thereafter and inserting in lieu thereof the following: ", and subject to the following conditions:

"(1) The state shall promptly notify the Secretary of any proposed amendment, modification or other program change and submit it for Secretarial approval. The Secretary may suspend all or part of any grant made under this section pending state submission of the proposed amendment, modification or other program change.

"(2) Within 30 days from the date on which the Secretary receives any proposed amendment, the Secretary shall notify the state whether the Secretary approves or disapproves the amendment, or whether the Secretary finds it is necessary to extend the review of the proposed amendment for a period not to exceed 120 days from the date the Secretary received the proposed amendment. The Secretary may extend this 120-day period only as necessary to meet the requirements of the National Environmental Policy Act (42 U.S.C. 4321 et seq.).

"(3) The state may not implement any proposed amendment as part of its approved program pursuant to section 306, until after the proposed amendment has been approved by the Secretary.".

SEC. 6044. NATIONAL ESTUARINE RESERVE RESEARCH SYSTEM.

Section 315 (16 U.S.C. 1461) is amended to read as follows:

"NATIONAL ESTUARINE RESERVE RESEARCH SYSTEM

"SEC. 315. (a) ESTABLISHMENT OF THE SYSTEM.—There is established the National Estuarine Reserve Research System (hereinafter referred to in this section as the 'System') that consists of—

"(1) each estuarine sanctuary designated under this section as in effect before the date of the enactment of the Coastal Zone Management Reauthorization Act of 1985; and

"(2) each estuarine area designated as a national estuarine reserve under subsection (b).

Each estuarine sanctuary referred to in paragraph (1) is hereby designated as a national estuarine reserve.

"(b) DESIGNATION OF NATIONAL ESTUARINE RESERVES.—After the date of the enactment of the Coastal Zone Management Reauthorization Act of 1985, the Secretary may designate an estuarine area as a national estuarine reserve if—

"(1) the Governor of the coastal State in which the area is located nominates the area for that designation; and

"(2) the Secretary finds that—

"(A) the area is a representative estuarine ecosystem that is suitable for long-term research and contributes to the biogeographical and typological balance of the System;

"(B) the law of the coastal State provides long-term protection for reserve resources to ensure a stable environment for research;

"(C) designation of the area as a reserve will serve to enhance public awareness and understanding of estuarine areas, and provide suitable opportunities for public education and interpretation; and

"(D) the coastal State in which the area is located has complied with the requirements of any regulations issued by the Secretary to implement this section.

"(c) ESTUARINE RESEARCH GUIDELINES.—The Secretary shall develop guidelines for the conduct of research within the System that shall include—

"(1) a mechanism for identifying, and establishing priorities among, the coastal management issues that should be addressed through coordinated research within the System;

"(2) the establishment of common research principles and objectives to guide the development of research programs within the System;

"(3) the identification of uniform research methodologies which will ensure comparability of data, the broadest application of research results, and the maximum use of the System for research purposes;

"(4) the establishment of performance standards upon which the effectiveness of the research efforts and the value of reserves within the System in addressing the coastal management issues identified in subsection (1) may be measured; and

"(5) the consideration of additional sources of funds for estuarine research than the funds authorized under this Act, and strategies for encouraging the use of such funds within the System, with particular emphasis on mechanisms established under subsection (d).

In developing the guidelines under this section, the Secretary shall consult with prominent members of the estuarine research community.

"(d) PROMOTION AND COORDINATION OF ESTUARINE RESEARCH.—The Secretary shall take such action as is necessary to promote and coordinate the use of the System for research purposes including—

"(1) requiring that the National Oceanic and Atmospheric Administration, in conducting or supporting estuarine research, give priority consideration to research that uses the System; and

"(2) consulting with other Federal and State agencies to promote use of one or more reserves within the System by such agencies when conducting estuarine research.

"(e) FINANCIAL ASSISTANCE.—(1) The Secretary may, in accordance with such rules and regulations as the Secretary shall promulgate, make grants—

"(A) to a coastal State—

"(i) for purposes of acquiring such lands and waters, and any property interests therein, as are necessary to ensure the appropriate long-term management of an area as a national estuarine reserve,

"(ii) for purposes of operating or managing a national estuarine reserve and constructing appropriate reserve facilities, or

"(iii) for purposes of conducting educational or interpretive activities; and

"(B) to any coastal State or public or private person for purposes of supporting research and monitoring within a national estuarine reserve that are consistent with the research guidelines developed under subsection (c).

"(2) Financial assistance provided under paragraph (1) shall be subject to such terms and conditions as the Secretary considers necessary or appropriate to protect the interests of the United States, including requiring coastal States to execute suitable title documents setting forth the property interest or interests of the United States in any lands and waters acquired in whole or part with such financial assistance.

"(3)(A) The amount of the financial assistance provided under paragraph (1)(A)(i) of subsection (e) with respect to the acquisition of lands and waters, or interests therein, for any one national estuarine reserve may not exceed an amount equal to 50 per centum of the costs of the lands, waters, and interests therein or $4,000,000, whichever amount is less.

"(B) The amount of the financial assistance provided under paragraph (1)(A) (ii) and (iii) and paragraph (1)(B) of subsection (e) may not exceed 50 per centum of the costs incurred to achieve the purposes described in those paragraphs with respect to a reserve.

"(f) EVALUATION OF SYSTEM PERFORMANCE.—(1) The Secretary shall periodically evaluate the operation and management of each national estuarine reserve, including education and interpretive activities, and the research being conducted within the reserve.

"(2) If evaluation under paragraph (1) reveals that the operation and management of the reserve is deficient, or that the research being conducted within the reserve is not consistent with the research guidelines developed under subsection (c), the Secretary may suspend the eligibility of that reserve for financial assistance under subsection (e) until the deficiency or inconsistency is remedied.

"(3) The Secretary may withdraw the designation of an estuarine area as a national estuarine reserve if evaluation under paragraph (1) reveals that—

"(A) the basis for any one or more of the findings made under subsection (b)(2) regarding that area no longer exists; or

"(B) a substantial portion of the research conducted within the area, over a period of years, has not been consistent with the research guidelines developed under subsection (c).

"(g) REPORT.—The Secretary shall include in the report required under section 316 information regarding—

"(1) new designations of national estuarine reserves;

"(2) any expansion of existing national estuarine reserves;

"(3) the status of the research program being conducted within the System; and

"(4) a summary of the evaluations made under subsection (f).".

SEC. 6045. REPEALS.

The following are repealed:

(1) Section 310 (16 U.S.C. 1456c; relating to research and technical assistance programs and grants).

(2) Section 314 (16 U.S.C. 1460; establishing the Coastal Zone Management Advisory Committee).

(3) Subsection (c) of section 15 of the Coastal Zone Management Act Amendments of 1976, Public Law 94-370 (16 U.S.C. 1451 note; relating to certain additional personnel positions).

SEC. 6046. AUTHORIZATIONS OF APPROPRIATIONS.

Section 318 (16 U.S.C. 1464) is amended—

(1) by amending paragraph (1) to read as follows:

"(1) such sums, not to exceed $35,000,000 for the fiscal year ending September 30, 1986, not to exceed $36,600,000 for the fiscal year ending September 30, 1987, $37,900,000 for the fiscal year ending September 30, 1988, $38,800,000 for the fiscal year ending September 30, 1989, and $40,600,000 for the fiscal year ending September 30, 1990, as may be necessary for grants under sections 306 and 306A, to remain available until expended;";

(2) by striking paragraph (2) and renumbering the succeeding paragraphs; and

(3) by amending paragraphs (3), (4), and (5) (as renumbered by paragraph (2) of this section) to read as follows:

"(3) such sums, not to exceed $1,000,000 for the fiscal year ending September 30, 1986, and not to exceed $1,500,000 for each of the fiscal years occurring during the period beginning October 1, 1986, and ending September 30, 1990, as may be necessary for grants under section 309, to remain available until expended;

"(4) such sums, not to exceed $2,500,000 for the fiscal year ending September 30, 1986, not to exceed $3,800,000 for the fiscal year ending September 30, 1987, $4,500,000 for the fiscal year ending September 30, 1988, $5,000,000 for the fiscal year ending September 30, 1989, and $5,500,000 for the fiscal year ending September 30, 1990, as may be necessary for grants under section 315, to remain available until expended; and

"(5) such sums, not to exceed $3,300,000 for the fiscal year ending September 30, 1986, not to exceed $3,300,000 for the fiscal year ending September 30, 1987, $3,300,000 for the fiscal year ending September 30, 1988, $4,000,000 for the fiscal year ending September 30, 1989, and $4,000,000 for the fiscal year ending September 30, 1990, as may be necessary for administrative expenses incident to the administration of this title.".

SEC. 6047. TECHNICAL AMENDMENT.

Section 308(h) (16 U.S.C. 1456a(h)) is amended by deleting "subsections (c)(1)" each place it appears and inserting instead "subsections (c)".

SUBPART E—NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

SEC. 6051. AUTHORIZATION OF APPROPRIATIONS.

(a) For purposes of this section—

(1) The term "Administration" means the National Oceanic and Atmospheric Administration.

(2) The term "Department" means the Department of Commerce.

(b) There are authorized to be appropriated to the Department to enable the Administration to carry out its executive direction and administration functions and duties under law, $47,667,000 for fiscal year 1986 and $49,812,000 for fiscal year 1987. Moneys appropriated pursuant to this authorization shall be used to fund those functions and duties relating to executive direction and administration authorized by the Act entitled "An Act to clarify the status and benefits of commissioned officers of the National Oceanic and Atmospheric Administration, and for other purposes", approved December 31, 1970 (33 U.S.C. 857-1 et seq.), and any other law involving such functions and duties. Such functions and duties include management, administrative support, retired pay of National Oceanic and Atmospheric Administration commissioned officers, and policy development.

(c) There are authorized to be appropriated to the Department to enable the Administration to carry out its marine services functions and duties under law, $61,791,000 for fiscal year 1986 and $64,572,000 for fiscal year 1987. Moneys appropriated pursuant to this authorization shall be used to fund those functions and duties relating to marine services authorized by the Act entitled "An Act to define the functions and duties of the Coast and Geodetic Survey, and for other purposes", approved August 6, 1947 (33 U.S.C. 883a et seq.), and any other law involving such functions and duties. Such functions and duties include ship operations, maintenance, and support.

(d) There are authorized to be appropriated to the Department to enable the Administration to carry out its aircraft services functions and duties under law, $14,779,000 for fiscal year 1986 and $15,440,000 for fiscal year 1987. Moneys appropriated pursuant to this authorization shall be used to fund those functions and duties relating to aircraft services authorized by the Act entitled "An Act to increase the efficiency and reduce the expenses of the Signal Corps of the Army, and to transfer the Weather Service to the Department of Agriculture", approved October 1, 1890 (15 U.S.C. 311 et seq.), and any other law involving such functions and duties. Such functions and duties include aircraft operations, maintenance, and support.

(e) For the purpose of enabling the Administration to carry out its functions and duties under the National Advisory Committee on Oceans and Atmosphere Act of 1977 (33 U.S.C. 857-13 et seq.), there are authorized to be appropriated to the Department $500,000 for fiscal year 1986.

(f)(1) There are authorized to be appropriated to the Department to enable the Administration to carry out its nonliving marine resource functions and duties under law, $1,800,000 for fiscal year 1986 and $1,881,000 for fiscal year 1987. Moneys appropriated pursuant to this authorization shall be used to fund those functions and duties relating to nonliving marine resources authorized by the Act entitled "An Act to define the functions and duties of the Coast and Geodetic Survey, and for other purposes", approved August 6, 1947 (33 U.S.C. 883a et seq.), and any other law involving such functions and duties. Such functions and duties include research, development, and licensing responsibilities pertaining to ocean thermal energy conversion and the deep seabed mining of manganese nodules, and polymetallic sulfide analyses and research.

(2) The authorization provided for under paragraph (1) of this subsection shall be in addition to moneys authorized under the Deep Seabed Hard Mineral Resources Act (30 U.S.C. 1401 et seq.), and the Ocean Thermal Energy Conversion Act of 1980 (42 U.S.C. 9101 et seq.), for the purpose of carrying out such functions and duties relating to nonliving marine resources.

(g)(1) There are authorized to be appropriated to the Department to enable the Administration to carry out its ocean research functions and duties under law, $33,884,000 for fiscal year 1986 and $35,409,000 for fiscal year 1987. Moneys appropriated pursuant to this authorization shall be used to fund those functions and duties relating to ocean research authorized by the Act entitled "An Act to define the functions and duties of the Coast and Geodetic Survey, and for other purposes", approved August 6, 1947 (33 U.S.C. 883a et seq.), and any other law involving such functions and duties. Such functions and duties include undersea marine resources, air-sea interaction, and ocean and Great Lakes environmental research.

(2) The authorization provided for under paragraph (1) of this subsection shall be in addition to ocean research moneys authorized under the National Ocean Pollution Planning Act of 1978 (33 U.S.C. 1701 et seq.) for the purpose of carrying out such functions and duties relating to ocean research.

(h)(1) There are authorized to be appropriated to the Department to enable the Administration to carry out its ocean service functions and duties under law, $17,181,000 for fiscal year 1986 and $17,954,000 for fiscal year 1987. Moneys appropriated pursuant to this authorization shall be used to fund those functions and duties relating to ocean services authorized by the Act entitled "An Act to define the functions and duties of the Coast and Geodetic Survey, and for other purposes", approved August 6, 1947 (33 U.S.C. 883a et seq.), and any other law involving such functions and duties. Such functions and duties include coordination of interagency research in ocean dumping and marine pollution, and provision of tide and current data for the safe and efficient use of the oceans and Great Lakes by government, commerce, and the private sector.

(2) The authorization provided for under paragraph (1) of this subsection shall be in addition to moneys authorized under the Marine Protection, Research, and Sanctuaries Act of 1972 (33 U.S.C. 1441 et seq.), the Coastal Zone Management Act of 1972 (16 U.S.C. 1451 et seq.), and the National Ocean Pollution Planning Act of 1978 (33 U.S.C. 1701 et seq.), for the purpose of carrying out such functions and duties relating to ocean services.

(i) There are authorized to be appropriated to the Department to enable the Administration to carry out its mapping, charting, and geodesy functions and duties under law, $47,943,000 for fiscal year 1986 and $50,100,000 for fiscal year 1987. Moneys appropriated pursuant to this authorization shall be used to fund those functions and duties relating to mapping, charting, and ge-

odesy authorized by the Act entitled "An Act to define the functions and duties of the Coast and Geodetic Survey, and for other purposes", approved August 6, 1947 (33 U.S.C. 883a et seq.), and any other law involving such functions and duties. Such functions and duties include aeronautical and nautical mapping and charting activities, and geodetic data collection and analysis.

(j) There are authorized to be appropriated to the Department to enable the Administration to carry out its programs at current levels such sums as may be necessary to accommodate salary, pay, and other employee benefits authorized by law for fiscal years 1986 and 1987.

SUBTITLE F—MARINE PROTECTION, RESEARCH, AND SANCTUARIES ACT AMENDMENTS

SEC. 6061. CONSOLIDATION OF REPORT.

Section 201 of the Marine Protection, Research, and Sanctuaries Act of 1972 (33 U.S.C. 1441) is amended by striking out all that follows "connecting waters" and inserting in lieu thereof a period.

SEC. 6062. MARINE RESEARCH REQUIREMENTS.

Section 202 of the Marine Protection, Research, and Sanctuaries Act of 1972 (33 U.S.C. 1442) is amended—

(1) by inserting "(1)" before "The Secretary" in subsection (a);

(2) by striking out "in consultation" in the first sentence of subsection (a) and inserting in lieu thereof "in close consultation";

(3) by adding at the end of subsection (a) the following new paragraph:

"(2) The Secretary of Commerce shall ensure that the program under this section complements, when appropriate, the activities undertaken by other Federal agencies pursuant to title I and section 203. That program shall include but not be limited to—

"(A) the development and assessment of scientific techniques to define and quantify the degradation of the marine environment;

"(B) the assessment of the capacity of the marine environment to receive materials without degradation;

"(C) continuing monitoring programs to assess the health of the marine environment, including but not limited to the monitoring of bottom oxygen concentrations, contaminant levels in biota, sediments, and the water column, diseases in fish and shellfish, and changes in types and abundance of indicator species;

"(D) the development of methodologies, techniques, and equipment for disposal of waste materials to minimize degradation of the marine environment."; and

(4) by striking out subsection (c) and redesignating subsections (d) and (e) as subsections (c) and (d), respectively.

SEC. 6063. REGIONAL MANAGEMENT PLANS.

Section 203 of the Marine Protection, Research, and Sanctuaries Act of 1972 (33 U.S.C. 1443) is amended by adding at the end thereof the following new subsections:

"(c) The Administrator, in cooperation with the Secretary, the Secretary of Commerce, and other officials of appropriate Federal, State, and local agencies, shall assess the feasibility in coastal areas of regional management plans for the disposal of waste materials. Such plans should integrate where appropriate Federal, State, regional, and local waste disposal activities into a comprehensive regional disposal strategy. These plans should address, among other things—

"(1) the sources, quantities, and types of materials that require and will require disposal;

"(2) the environmental, economic, social, and human health factors (and the methods used to assess these factors) associated with disposal alternatives;

"(3) the improvements in production processes, methods of disposal, and recycling to reduce the adverse effects associated with such disposal alternatives;

"(4) the applicable laws and regulations governing waste disposal; and

"(5) improvements in permitting processes to reduce administrative burdens.

"(d) The Administrator, in cooperation with the Secretary of Commerce, shall submit to the Congress and the President, not later than one year after the date of enactment of this provision, a report on sewage sludge disposal in the New York City metropolitan region. The report shall—

"(1) consider the factors listed in subsection (c) as they relate to landfilling, incineration, ocean dumping, or any other feasible disposal or reuse/recycling option;

"(2) include an assessment of the cost of these alternatives; and

"(3) recommend such regulatory or legislative changes as may be necessary to reduce the adverse impacts associated with sewage sludge disposal.".

SEC. 6064. AUTHORIZATION OF APPROPRIATIONS.

Section 204 of the Marine Protection, Research, and Sanctuaries Act of 1972 (33 U.S.C. 1444) is redesignated as section 205; and such section as so redesignated is amended by striking out "and" immediately following "fiscal year 1981" and by striking out "1982." and inserting in lieu thereof the following: "1982, not to exceed $10,635,000 for fiscal year 1986, and not to exceed $11,114,000 for fiscal year 1987.".

SEC. 6065. CONSOLIDATION OF REPORTS.

Section 205 of the Marine Protection, Research, and Sanctuaries Act of 1972 (33 U.S.C. 1445) is transferred to a point immediately following section 203 of such Act and redesignated as section 204; and such section as so transferred and redesignated is amended to read as follows:

"ANNUAL REPORT

"SEC. 204. (a) In March of each year, the Secretary of Commerce shall report to the Congress on his activities under this title during the previous fiscal year. The report shall include—

"(1) the Secretary's findings made under section 201, including an evaluation of the short-term ecological effects and the social and economic factors involved with the dumping;

"(2) the results of activities undertaken pursuant to section 202;

"(3) with the concurrence of the Administrator and after consulting with officials of other appropriate Federal agencies, an identification of the short- and long-term research requirements associated with activities under title I, and a description of how Federal research under titles I and II will meet those requirements; and

"(4) activities of the Department of Commerce under section 5 of the Act of March 10, 1934 (48 Stat. 401; 16 U.S.C. 665).

"(b) In March of each year, the Administrator shall report to the Congress on his activities during the previous fiscal year under section 203.".

SUBTITLE G—NATIONAL OCEAN POLLUTION PLANNING ACT AMENDMENTS

SEC. 6071. FINDINGS AND PURPOSES.

(a) Section 2(a) of the National Ocean Pollution Planning Act of 1978 (33 U.S.C. 1701) is amended by adding at the end thereof the following new paragraphs:

"(6) Numerous Federal agencies have initiated and supported research projects to study, enhance, manage, preserve, protect, or restore the resources of the Great Lakes, the Chesapeake Bay, Puget Sound, and other estuaries of national significance.

"(7) Various research projects relating to the Great Lakes, the Chesapeake Bay, Puget Sound, and other estuaries of national significance, including those conducted at the college and university level and those conducted at the State and local governmental level, can be more effectively coordinated in order to obtain maximum benefits.".

(b) Section 2(b) of the National Ocean Pollution Planning Act of 1978 (33 U.S.C. 1701) is amended by striking out "and" at the end of paragraph (2), by redesignating paragraph (3) as paragraph (4), and by inserting after paragraph (2) the following new paragraph:

"(3) to provide for the effective coordination of research conducted to support the preservation and protection of the environmental quality of the Great Lakes, the Chesapeake Bay, Puget Sound, and other estuaries of national significance, and to encourage the use of such research in determinations that affect the environmental quality of the Great Lakes, the Chesapeake Bay, Puget Sound, and other estuaries of national significance; and".

SEC. 6072. NATIONAL OCEAN POLLUTION PROGRAM OFFICE AND NATIONAL OCEAN POLLUTION POLICY BOARD.

The National Ocean Pollution Planning Act of 1978 (33 U.S.C. 1701 et seq.) is further amended as follows:

(1) Section 3 is amended—

(A) by redesignating paragraphs (3) through (6) as paragraphs (4) through (7), respectively;

(B) by inserting after paragraph (2) the following new paragraph:

"(3) The term 'Board' means the National Ocean Pollution Policy Board established under section 3A(b).''; and

(C) by adding at the end thereof the following new paragraph:

"(8) The term 'Office' means the National Ocean Pollution Program Office established under section 3A(a).".

(2) The following new section is inserted immediately after section 3:

"SEC. 3A. NATIONAL OCEAN POLLUTION PROGRAM OFFICE AND NATIONAL OCEAN POLLUTION POLICY BOARD.

"(a) PROGRAM OFFICE.—(1) The Administrator shall establish within the Administration the National Ocean Pollution Program Office.

"(2) The Office shall—

"(A) serve as the lead entity responsible for administering the program established under section 4;

"(B) be headed by a director who shall—

"(i) be appointed by the Administrator,

"(ii) serve as the Chair of the Board, and

"(iii) be the spokesperson for the program;

"(C) serve as the staff for the Board and its supporting committees and working groups; and

"(D) review each department and agency budget request transmitted under section 4(d) and submit an analysis of the requests to the Board for its review.

The analysis described in subparagraph (D) shall include an analysis of how each departmental or agency budget request relates to the priorities and goals of the Plan established under section 4.

"(b) POLICY BOARD.—(1) The Administrator, with the cooperation of the Federal departments and agencies referred to in section 7, shall establish a National Ocean Pollution Policy Board consisting of representatives of those departments and agencies.

"(2) The Board shall—

"(A) be responsible for coordinated planning and progress review for the program established under section 4;

"(B) review all department and agency budget requests transmitted to it under section 4(d) and submit a report to the Office of Management and Budget and to the Congress concerning those budget requests;

"(C) establish and maintain such interagency groups as the Board determines to be necessary to carry out its activities; and

"(D) consult with and seek the advice of users and producers of ocean pollution data, information, and services to guide the Board's efforts, keeping the Director and the Congress advised of such consultations.".

SEC. 6073. FEDERAL PLANNING TO INCLUDE GREAT LAKES.

Section 4 of the National Ocean Pollution Planning Act of 1978 (33 U.S.C. 1703) is amended—

(1) by inserting after "general research on marine ecosystems" in subsection (b)(2)(A) the following: ", including the Great Lakes, the Chesapeake Bay, Puget Sound, and other estuaries of national significance,";

(2) in subsection (b)(4)—

(A) by striking out "BUDGET REVIEW.—" and inserting in lieu thereof "PLAN REVIEW.—"; and

(B) by striking out "to coordinate the budget review process"; and

(3) by adding at the end thereof the following new subsection:

"(d) BUDGETING.—Each Federal agency and department included under the Plan shall prepare and submit to the Office of Management and Budget, the Office, and the Board on or before the date of submission of departmental requests for appropriations to the Office of Management and Budget, an annual request for appropriations to carry out the activities of that agency or department under the Plan during the subsequent fiscal year. The Office of Management and Budget shall review the request for appropriations as an integrated, coherent, and multiagency request, taking into account the review by the Board of those requests under section 3A(b).".

SEC. 6074. DISSEMINATION OF INFORMATION ON GREAT LAKES.

Section 8 of the National Ocean Pollution Planning Act of 1978 (33 U.S.C. 1707) is amended by adding "(a)" after "SEC. 8." and by adding at the end thereof the following new subsection:

"(b) The Administrator shall ensure that the findings and information regarding ocean pollution research activities associated with the Great Lakes identified pursuant to section 4(b) be disseminated in a timely manner and in useful forms to relevant departments of the Federal Government, State governments, and other persons with an interest in such information.".

SEC. 6075. AUTHORIZATION OF APPROPRIATIONS.

Section 10 of the National Ocean Pollution Planning Act of 1978, as amended (33 U.S.C. 1709), is amended by striking out "and" after "1981," and by striking out "1982." and inserting in lieu thereof "1982, and not to exceed $3,571,000 for fiscal year 1986, and not to exceed $3,732,000 for fiscal year 1987.".

SUBTITLE H—WEATHER MODIFICATION

SEC. 6081. AUTHORIZATION OF APPROPRIATIONS.

Section 6 of the Act entitled "An Act to provide for the reporting of weather modification activities to the Federal Government", approved December 18, 1971 (85 Stat. 736; 15 U.S.C. 330e), is amended—

(1) by striking "and"; and

(2) by inserting immediately after "1981," the following: "$100,000 for the fiscal year ending September 30, 1986, $100,000 for the fiscal year ending September 30, 1987, $100,000 for the fiscal year ending September 30, 1988,".

SEC. 6082. OCEAN SATELLITE DATA.

The Administrator of the National Oceanic and Atmospheric Administration (hereinafter referred to in this subtitle as the "Administration") shall take such actions, including the sponsorship of applied research, as may be necessary to assure the future availability and usefulness of ocean satellite data to the maritime community.

SEC. 6083. AWARDING OF CONTRACTS.

The Administration may not award any contract for the performance of any "commercial activity", as defined by paragraph 6.a. of the Office of Management and Budget Circular Memorandum A-76, which is performed by Administration employees until at least 30 calendar days after the Administrator of the Administration has presented, in writing, to the President of the Senate, the Speaker of the House of Representatives, the Committee on Commerce, Science, and Transportation of the Senate, and the Committee on Merchant Marine and Fisheries and the Committee on Science and Technology of the House of Representatives, a full and complete description of such proposed contract, together with supporting documentation. Such documentation shall include—

(1) a comparison of the cost of such activity as performed by employees of the Administration and the cost of such activity as performed under the proposed contract;

(2) a comparison of the services performed by employees of the Administration and the services to be performed under the proposed contract; and

(3) an assessment of the benefits to the Federal Government of proceeding with the proposed contract.

SEC. 6084. NATIONAL CLIMATE PROGRAM.

(a) Section 4 of the National Climate Program Act (15 U.S.C. 2903) is amended—

(1) by redesignating paragraphs (1) through (3) as paragraphs (2) through (4), respectively; and

(2) by inserting before paragraph (2), as so redesignated, the following new paragraph:

"(1) The term 'Board' means the Climate Program Policy Board.".

(b) Section 5(c) of the National Climate Program Act (15 U.S.C. 2904(c)) is amended—

(1) by inserting "(1)" immediately before "The Secretary";

(2) by designating the third sentence as paragraph (4); and

(3) by striking the second sentence and inserting in lieu thereof the following new paragraphs:

"(2) The Office shall—

"(A) serve as the lead entity responsible for administering the program;

"(B) be headed by a Director who shall represent the Climate Program Policy Board and shall be spokesperson for the program;

"(C) serve as the staff for the Board and its supporting committees and working groups;

"(D) review each agency budget request transmitted under subsection (g)(1) and submit an analysis of the requests to the Board for its review;

"(E) be responsible for coordinating interagency participation in international climate-related activities; and

"(F) work with the National Academy of Sciences and other private, academic, State, and local groups in preparing and implementing the 5-year plan (described in subsection (d)(9)) and the program.

The analysis described in subparagraph (D) shall include an analysis of how each agency's budget request relates to the priorities and goals of the program established pursuant to this Act.

"(3) The Secretary may provide, through the Office, financial assistance, in the form of contracts or grants or cooperative agreements, for climate-related activities which are needed to meet the goals and priorities of the program set forth in the 5-year plan pursuant to subsection (d)(9), if such goals and priorities are not being adequately addressed by any Federal department, agency, or instrumentality.".

(c) Section 5(d) of the National Climate Program Act (15 U.S.C. 2904(d)) is amended—

(1) by striking the semicolon at the end of paragraph (7) and inserting in lieu thereof the following: ". Such mechanisms may provide, among others, for the following State and regional services and functions: (A) studies relating to and analyses of climatic effects on agricultural production, water resources, energy needs, and other critical sectors of the economy; (B) atmospheric data collection and monitoring on a statewide and regional basis; (C) advice to regional, State, and local government agencies regarding climate-related issues; (D) information to users within the State regarding climate and climatic effects; and (E) information to the Secretary regarding the needs of persons within the States for climate-related services, information, and data. The Secretary may make annual grants to any State or group of States, which grants shall be made available to public or private educational institutions, to State agencies, and to other persons or institutions qualified to conduct climate-related studies or provide climate-related services;";

(2) by striking "biennially" in paragraph (9) and inserting in lieu thereof "at least once every four years"; and

(3) by striking "under section 6" in paragraph (9) and inserting in lieu thereof "described in paragraph (7)".

(d) Section 5(e) of the National Climate Program Act (15 U.S.C. 2904(e)) is amended to read as follows:

"(e) CLIMATE PROGRAM POLICY BOARD.—(1) The Secretary shall establish and maintain an interagency Climate Program Policy Board, consisting of representatives of the Federal agencies specified in subsection (b)(2) and any other agency which the Secretary determines should participate in the Program.

"(2) The Board shall—

"(A) be responsible for coordinated planning and progress review for the Program;

"(B) review all agency and department budget requests related to climate transmitted under subsection (g)(1) and submit a report to the Office of Management and Budget concerning such budget requests;

"(C) establish and maintain such interagency groups as the Board determines to be necessary to carry out its activities; and

"(D) consult with and seek the advice of users and producers of climate data, information, and services to guide the Board's efforts, keeping the Director and the Congress advised of such contacts.

"(3) The Board biennially shall select a Chair from among its members. A Board member who is a representative of an agency may not serve as Chair of the Board for a term if an individual who represented that same agency on the Board served as the Board's Chair for the previous term.".

(e) Section 5(f)(2) of the National Climate Program Act (15 U.S.C. 2904(f)(2)) is amended by inserting "with the Office" immediately after "cooperate".

(f) The first sentence of section 5(g)(1) of the National Climate Program Act (15 U.S.C. 2904(g)(1)) is amended by inserting immediately before the period the following: "and shall transmit a copy of such request to the National Climate Program Office".

(g) Section 6 of the National Climate Program Act (15 U.S.C. 2905) is repealed.

(h) There are authorized to be appropriated to the Administration, for purposes of carrying out the provisions of the amendments made by this section, $1,897,000 for fiscal year 1986 and $1,982,000 for fiscal year 1987. Of such funds, at least 25 percent shall be made available for intergovernmental climate-related activities described in section 5(d)(7) of the National Climate Program Act (15 U.S.C. 2904(d)(7)), and at least 20 percent shall be made available during each fiscal year for experimental climate forecast centers described in section 5(d)(8) of the National Climate Program Act (15 U.S.C. 2904(d)(8)).

SEC. 6085. COOPERATIVE AGREEMENTS FOR MAPPING AND CHARTING SURVEYS.

Section 5 of the Act entitled "An Act to define the functions and duties of the Coast and Geodetic Survey, and for other purposes", approved August 6, 1947 (61 Stat. 788, 33 U.S.C. 883e) is amended—

(1) by inserting "(1)" after "SEC. 5.";

(2) by inserting "any Federal agency," after "or subdivision thereof,"; and

(3) by adding at the end thereof the following:

"(2) The Secretary of Commerce is authorized to establish the terms of any cooperative agreement entered into under this section, including the amount of funds to be received, and may contribute that portion of the costs incurred by the National Oceanic and Atmospheric Administration, including shiptime and personnel expenses, which the Secretary determines represents the amount of benefits derived by the Administration from the cooperative agreement.".

SUBTITLE I—MARITIME AUTHORIZATIONS

SEC. 6091. MARITIME PROGRAMS.

(a) Funds are authorized to be appropriated without fiscal year limitation as the appropriation Act may provide for the use of the Department of Transportation for fiscal year 1986 as follows:

(1) for payment of obligations incurred for operating-differential subsidy, not to exceed $335,084,000;

(2) for expenses necessary for research and development activities, not to exceed $9,900,000; and

(3) for expenses necessary for operations and training activities, not to exceed $71,967,000, including not to exceed—

(A) $34,847,000 for maritime education and training expenses, including not to exceed $19,633,000 for maritime training at the Merchant Marine Academy at Kings Point, New York, $10,915,000 for financial assistance to State maritime academies, $3,000,000 for fuel oil assistance to State maritime academy training vessels, and $1,299,000 for expenses necessary for additional training;

(B) $9,277,000 for national security support capabilities, including not to exceed $7,932,000 for reserve fleet expenses, and $1,345,000 for emergency planning/operations; and

(C) $27,843,000 for other operations and training expenses.

(b) Funds are authorized to be appropriated for the use of the Federal Maritime Commission, in the amount of $11,940,000 for fiscal year 1986.

TITLE VII—ENERGY AND RELATED PROGRAMS

SUBTITLE A—PIPELINE PROGRAMS

SEC. 7001. NATURAL GAS PIPELINE SAFETY AUTHORIZATIONS.

Section 17(a) of the Natural Gas Pipeline Safety Act of 1968 (49 U.S.C. App. 1684(a)) is amended—

(1) by striking out "and" at the end of paragraph (2);

(2) by striking out the period at the end of paragraph (3) and inserting in lieu thereof "; and"; and

(3) by adding at the end thereof the following new paragraph:

"(4) $3,450,000 for the fiscal year ending September 30, 1986.".

SEC. 7002. AUTHORIZATIONS FOR FEDERAL GRANTS-IN-AID.

(a) COMBINED PROGRAM.—Section 17 of the Natural Gas Pipeline Safety Act of 1968 (49 U.S.C. App. 1684) is amended by adding at the end thereof the following new subsections:

"(c) For the purpose of carrying out the Federal grants-in-aid provisions of section 5(d) of this Act and section 205(d) of the Hazardous Liquid Pipeline Safety Act of 1979 (49 U.S.C. App. 2004(d)) there are authorized to be appropriated $5,000,000 for the fiscal year ending September 30, 1986.

"(d) Not less than 5 percent of any amounts appropriated for carrying out the Federal grants-in-aid provisions for any fiscal year beginning after September 30, 1985, shall be available only for carrying out the Federal grants-in-aid provisions of section 205(d) of the Hazardous Liquid Pipeline Safety Act of 1979 (49 U.S.C. App. 2004(d)).".

(b) CONFORMING AMENDMENTS.—

(1) Section 5(d)(2) of such Act (49 U.S.C. App. 1674(d)(2)) is amended—

(A) by striking out "authorized to be appropriated by section 17(b) of this Act" and inserting in lieu thereof "appropriated for carrying out the Federal grants-in-aid provisions of this subsection"; and

(B) by striking out "(1) of this section" and inserting in lieu thereof "(1) of this subsection".

(2) Section 205(d)(2) of the Hazardous Liquid Pipeline Safety Act of 1979 (49 U.S.C. App. 2004(d)(2)) is amended by striking out "authorized to be appropriated by section 214 of this title" and inserting in lieu thereof "appropriated for carrying out the Federal grants-in-aid provisions of this subsection".

(3) Section 214(a) of the Hazardous Liquid Pipeline Safety Act of 1979 (49 U.S.C. App. 2013(a)) is amended by inserting after "subsection (b)" the following: "or section 17(c) of the Natural Gas Pipeline Safety Act of 1968 (49 U.S.C. App. 1684(c))".

(4) Section 17(a) of the Natural Gas Pipeline Safety Act of 1968 (49 U.S.C. App. 1684(a)) is amended by inserting after "subsection (b)" the following: "or (c)".

SEC. 7003. REPORTS.

(a) GRANTS MERGER REPORT.—

(1) MERGER RECOMMENDATIONS.—The Secretary of Transportation shall prepare a report which shall contain details of the Secretary's recommendations with respect to the potential merger and joint administration of the Federal grants-in-aid provisions of section 5(d) of the Natural Gas Pipeline Safety Act of 1968 (49 U.S.C. App. 1674(d)) and section 205(d) of the Hazardous Liquid Pipeline Safety Act of 1979 (49 U.S.C. App. 2004(d)).

(2) CONSULTATION.—In preparing the report required by paragraph (1), the Secretary shall consult with appropriate State authorities. The Secretary shall include in such report a summary of the views and recommendations of such State authorities.

(b) GRANTS ALLOCATION REPORT.—

(1) CONTENTS.—The Secretary of Transportation shall prepare a report which shall contain an explanation of the method by which the Secretary allocates funds to the States under section 5(d) of the Natural Gas Pipeline Safety Act of 1968 (49 U.S.C App. 1674(d)) and section 205(d) of the Hazardous Liquid Pipeline Safety Act of 1979 (49 U.S.C. App. 2004(d)).

(2) PUBLICATION.—The Secretary shall publish in the Federal Register, as a matter of public information, the explanation contained in the report required by paragraph (1).

(c) REPORT DEADLINE.—The reports required by subsections (a)(1) and (b)(1) shall be submitted to Congress no later than July 1, 1986.

SEC. 7004. HAZARDOUS LIQUID PIPELINE SAFETY AUTHORIZATIONS.

Section 214(a) of the Hazardous Liquid Pipeline Safety Act of 1979 (49 U.S.C. App. 2013(a)) is amended—

(1) by striking out "and" at the end of paragraph (2);

(2) by striking out the period at the end of paragraph (3) and inserting in lieu thereof "; and"; and

(3) by adding at the end thereof the following new paragraph:

"(4) $875,000 for the fiscal year ending September 30, 1986.".

SEC. 7005. PIPELINE SAFETY USER FEES.

(a) ESTABLISHMENT.—

(1) SCHEDULE.—The Secretary of Transportation (hereafter in this section referred to as the "Secretary") shall establish a schedule of fees based on the usage, in reasonable relationship to volume-miles, miles, revenues, or an appropriate combination thereof, of natural gas and hazardous liquid pipelines. In establishing such schedule, the Secretary shall take into consideration the allocation of departmental resources.

(2) COLLECTION.—The Secretary shall establish procedures for the collection of such fees. The Secretary may use the services of any Federal, State, or local agency or instrumentality to collect such fees, and may reimburse such agency or instrumentality a reasonable amount for such services.

(3) LIABILITY.—Fees established under this section shall be assessed to the persons operating—

(A) all pipeline facilities subject to the Hazardous Liquid Pipeline Safety Act of 1979 (49 U.S.C. App. 2001 et seq.); and

(B) all pipeline transmission facilities and all liquefied natural gas facilities subject to the jurisdiction of the Natural Gas Pipeline

Safety Act of 1968 (49 U.S.C. App. 1671 et seq.).

(b) TIME OF ASSESSMENT.—The Secretary shall assess and collect fees described in subsection (a) with respect to each fiscal year before the end of such fiscal year.

(c) USE OF FUNDS.—Funds received under subsection (a) shall be used, to the extent provided for in advance in appropriation Acts, only—

(1) in the case of natural gas pipeline safety fees, for activities authorized under the Natural Gas Pipeline Safety Act of 1968 (49 U.S.C. App. 1671 et seq.); and

(2) in the case of hazardous liquid pipeline safety fees, for activities authorized under the Hazardous Liquid Pipeline Safety Act of 1979 (49 U.S.C. App. 2001 et seq.).

(d) FEE SCHEDULE.—Fees established by the Secretary under subsection (a) shall be assessed against all natural gas and hazardous liquids transported by pipelines subject to the Natural Gas Pipeline Safety Act of 1968 and the Hazardous Liquid Pipeline Safety Act of 1979 after September 30, 1985, and shall be sufficient to meet the costs of activities described in subsection (c), beginning on October 1, 1985, but at no time shall the aggregate of fees received for any fiscal year under this section exceed 105 percent of the aggregate of appropriations made for such fiscal year for activities to be funded by such fees.

SUBTITLE B—STRATEGIC PETROLEUM RESERVE

SEC. 7101. AUTHORIZATIONS OF APPROPRIATIONS FOR FISCAL YEARS 1986, 1987, AND 1988.

Funds are hereby authorized to be appropriated in accordance with section 660 of the Department of Energy Organization Act for operating expenses for the Strategic Petroleum Reserve—

(1) to carry out part B of title I of the Energy Policy and Conservation Act (including any drawdown and distribution of the Reserve), except acquisition, transportation, and injection of petroleum products, as defined for purposes of such part B, for the Reserve—

(A) for fiscal year 1986, $135,912,000;

(B) for fiscal year 1987, $358,996,000; and

(C) for fiscal year 1988, $156,692,000; and

(2) to carry out part B of title I of the Energy Policy and Conservation Act for the acquisition, transportation, and injection of petroleum products, as defined for purposes of such part B, for the Reserve and for any drawdown and distribution of the Reserve—

(A) for fiscal year 1986, $357,548,000;

(B) for fiscal year 1987, $333,695,000; and

(C) for fiscal year 1988, $357,000,000.

SEC. 7102. FILL-RATE OF THE RESERVE; LIMITATION ON UNITED STATES SHARE OF THE NAVAL PETROLEUM RESERVE.

(a) FILL-RATE OF THE RESERVE.—Section 160(c) of the Energy Policy and Conservation Act (42 U.S.C. 6240(c)) is amended by adding the following new paragraph at the end:

"(3) Notwithstanding paragraph (2), beginning in fiscal year 1986 and continuing through fiscal years 1987 and 1988 until the quantity of crude oil in storage within the Reserve is at least 527,000,000 barrels, the President shall carry out petroleum acquisition, transportation, and injection activities at a level sufficient to assure a minimum average annual fill-rate of at least 35,000 barrels per day in addition to any petroleum products acquired for the Reserve to replace petroleum products withdrawn from the Reserve as a result of a test drawdown and distribution.".

(b) LIMITATION ON UNITED STATES SHARE OF THE NAVAL PETROLEUM RESERVE.—Section 160(d)(1) of such Act (42 U.S.C. 6240(d)(1)) is amended—

(1) by striking out "500,000,000 barrels" in subparagraph (A) and inserting in lieu thereof "527,000,000 barrels"; and

(2) by striking out subparagraph (C) and inserting in lieu thereof the following:

"(C) acquisition, transportation, and injection activities for the Reserve are being undertaken, beginning in fiscal year 1986 and continuing through fiscal years 1987 and 1988 until the quantity of crude oil in storage within the Reserve is at least 527,000,000 barrels, at a level sufficient to assure that petroleum products in storage in the Reserve will be increased at a minimum annual average rate of at least 35,000 barrels per day in addition to any petroleum products acquired for the Reserve to replace petroleum products withdrawn from the Reserve as a result of a test drawdown and distribution.".

SUBTITLE C—FEDERAL ENERGY CONSERVATION SHARED SAVINGS

SEC. 7201. SHARED ENERGY SAVINGS.

(a) IN GENERAL.—The National Energy Conservation Policy Act (42 U.S.C. 8201 and following) is amended by adding at the end the following new title:

"TITLE VIII—SHARED ENERGY SAVINGS

"SEC. 801. AUTHORITY TO ENTER INTO CONTRACTS.

"The head of a Federal agency may enter into contracts under this title solely for the purpose of achieving energy savings and benefits ancillary to that purpose. Each such contract may, notwithstanding any other provision of law, be for a period not to exceed 25 years. Such contract shall provide that the contractor shall incur costs of implementing energy savings measures, including at least the costs (if any) incurred in making energy audits, acquiring and installing equipment, and training personnel, in exchange for a share of any energy savings directly resulting from implementation of such measures during the term of the contract.

"SEC. 802. PAYMENT OF COSTS.

"Any amount paid by a Federal agency pursuant to any contract entered into under this title may be paid only from funds appropriated or otherwise made available to the agency for fiscal year 1986 or any fiscal year thereafter for the payment of energy expenses (and related operation and maintenance expenses).

"SEC. 803. REPORTS.

"Each Federal agency shall periodically furnish the Secretary of Energy with full and complete information on its activities under this title, and the Secretary shall include in the report submitted to Congress under section 550 a description of the progress made by each Federal agency in—

"(1) including the authority provided by this title in its contracting practices; and

"(2) achieving energy savings under contracts entered into under this title.

"SEC. 804. DEFINITIONS.

"For purposes of this title—

"(1) the term 'Federal agency' means an agency defined in section 551(1) of title 5, United States Code, and

"(2) the term 'energy savings' means a reduction in the cost of energy, from a base cost established through a methodology set forth in the contract, utilized in an existing federally owned building or buildings or other federally owned facilities as a result of—

"(A) the lease or purchase of operating equipment, improvements, altered operation and maintenance, or technical services; or

"(B) the increased efficient use of existing energy sources by cogeneration or heat recovery, excluding any cogeneration process for other than a federally owned building or buildings or other federally owned facilities.".

(b) TABLE OF CONTENTS.—The table of contents of such Act is amended by adding the following at the end:

"TITLE VIII—SHARED ENERGY SAVINGS

"Sec. 801. Authority to enter into contracts.
"Sec. 802. Payment of costs.
"Sec. 803. Reports.
"Sec. 804. Definitions.".

SUBTITLE D—BIOMASS ENERGY AND ALCOHOL FUELS LOAN GUARANTEES

SEC. 7301. BIOMASS ENERGY AND ALCOHOL FUELS LOAN GUARANTEES.

Section 221 of the Biomass Energy and Alcohol Fuels Act of 1980 (Public Law 96-294; 42 U.S.C. 8821) is amended by—

(1) striking out "September 30, 1985" and inserting in lieu thereof "June 30, 1986"; and

(2) adding at the end thereof the following: "Notwithstanding any other provision of this subtitle, the Secretary of Energy may modify the terms and conditions of any conditional commitment for a loan guarantee under this subtitle made before October 1, 1984, including the amount of the loan guarantee. Nothing in this section shall be interpreted as indicating Congressional approval with respect to any pending conditional commitments under this Act.".

SUBTITLE E—SYNTHETIC FUELS

SEC. 7401. SHORT TITLE.

This subtitle may be cited as the "Synthetic Fuels Corporation Act of 1985".

SEC. 7402. CESSATION OF FINANCIAL ASSISTANCE AUTHORITY.

Effective on the date of enactment of this Act, the United States Synthetic Fuels Corporation (hereafter in this subtitle referred to as the "Corporation") may not make any legally binding awards or commitments for financial assistance (including any changes in an existing award or commitment) pursuant to the Energy Security Act for synthetic fuel project proposals, except that nothing in this Act shall impair or alter the powers, duties, rights, obligations, privileges, or liabilities of the Corporation, its Board or Chairman, or project sponsors in the performance and completion of the terms and undertakings of a legally binding award or commitment entered into prior to the date of enactment of this Act.

SEC. 7403. TERMINATION OF THE CORPORATION.

(a) Within 60 days of the date of enactment of this Act, the Directors of the Corporation shall terminate their duties under the Energy Security Act and be discharged.

(b) Within 120 days of the date of enactment of this Act, the Corporation shall terminate, except as otherwise provided in this subtitle, in accordance with subtitle J of part B of title I of the Energy Security Act.

SEC. 7404. DUTIES OF SECRETARY OF THE TREASURY.

(a) Within 60 days of the date of enactment of this Act (or earlier, in the event of absence of a Chairman of the Board of Directors of the Corporation), the Secretary of the Treasury shall assume the duties of the Chairman of the Board of Directors of the Corporation.

(b) Notwithstanding any other provision of law, the duties and responsibilities of the Secretary of the Treasury under subtitle J of part B of title I of the Energy Security Act or this Act may not be transferred to any other Federal department or agency.

(c) Notwithstanding such termination of the Corporation, the Advisory Committee established under section 123 of the Energy Security Act (42 U.S.C 8719) shall remain in effect to advise the Secretary of the Treasury regarding the administration of any contract or obligation of the Corporation pursuant to subtitle D of part B of title I of such Act.

(d) To the extent that the Secretary of the Treasury may be required to take an action under section 131(q) of the Energy Security Act in connection with an award or commitment of financial assistance under such Act, the Secretary shall complete such action within 30 days of the date of enactment of this Act.

SEC. 7405. SALARIES AND COMPENSATION RIGHTS.

(a) The Director of the Office of Personnel Management shall, before February 1, 1986, determine the amount of compensation or benefits which each Director, officer, or employee of the Corporation shall be legally entitled to under any contract as of the date of enactment of this Act.

(b) Effective on the date of enactment of this Act, no change in any Director, officer, or employee compensation or benefits shall be allowed or permitted, unless the Director of the Office of Personnel Management agrees that such change is reasonable.

(c) Effective on the date of enactment of this Act—

(1) no officer or employee of the Corporation shall receive a salary in excess of the rate of basic pay payable for level IV of the Executive Schedule under title 5 of the United States Code; and

(2) the Corporation shall not waive any requirements in its By-Laws which are necessary for a Director, officer, or employee to qualify for pension or termination benefits under the By-Laws and written personnel policies and procedures in effect on the date of enactment of this Act.

SEC. 7406. REPORT TO THE CONGRESS.

The Corporation shall, within 60 days of the date of enactment of this Act, transmit to the Committee on Energy and Natural Resources of the Senate and to the Committee on Energy and Commerce and Committee on Banking, Housing and Urban Affairs of the House of Representatives a report—

(1) containing a review of implementation of its Phase I Business Plan dated February 19, 1985; and

(2) fulfilling the requirements of section 126(b)(3) of the Energy Security Act (42 U.S.C. 8722(b)(3)).

SUBTITLE F—URANIUM ENRICHMENT

SEC. 7501. AUTHORIZATION OF APPROPRIATIONS.

In accordance with section 660 of the Department of Energy Organization Act (42 U.S.C. 7270), there is authorized to be appropriated to the Department of Energy for each of the fiscal years 1986, 1987, and 1988 to carry out uranium enrichment service activities an amount equal to the difference between—

(1) the revenues to be received during each such fiscal year by the Department of Energy in providing uranium enrichment service activities, as estimated in the budget submitted by the President to the Congress for each such fiscal year; and

(2) the amount determined by the Secretary of Energy under section 7502(c)(1) for each such fiscal year.

SEC. 7502. REPAYMENTS TO UNITED STATES TREASURY.

(a) PARTIAL REPAYMENT OF UNRECOVERED COSTS.—

(1) IN GENERAL.—The Secretary of Energy shall deposit in the general fund of the Treasury of the United States, in partial repayment of unrecovered Federal Government costs for uranium enrichment service activities, an amount determined by the Secretary under subsection (c) for each of the fiscal years 1986, 1987, and 1988.

(2) REVENUES IN EXCESS OF EXPENDITURES.—In addition to the payments required under paragraph (1), the Secretary of Energy shall deposit in the general fund of the Treasury of the United States, in partial repayment of amounts identified by the Secretary under subsection (c)(4)(B), any revenues in excess of expenditures received for the provision of such activities during the 3-year period referred to in paragraph (1).

(b) REPAYMENT SCHEDULE.—The Secretary of Energy may make the repayments required in subsection (a) for any fiscal year on a quarterly basis.

(c) DETERMINATION OF SECRETARY.—

(1) IN GENERAL.—The Secretary of Energy shall determine, in his or her discretion, the amount of partial repayment to be made under subsection (a)(1) for each of the fiscal years 1986, 1987, and 1988, consistent with the financial integrity of the uranium enrichment service activities program during a period of not less than 10 years. The amount of such repayment shall not adversely affect the reliability of the supply of uranium enrichment services at competitive prices for existing and potential customers. The determinations under this paragraph shall be made after notice and opportunity for public comment.

(2) REPAYMENT GOALS.—The Secretary of Energy shall seek to achieve the following repayment amounts under subsection (a)(1):

(A) $110,000,000 for fiscal year 1986;

(B) $150,000,000 for fiscal year 1987; and

(C) $150,000,000 for fiscal year 1988.

(3) SCHEDULE FOR DETERMINATION.—The Secretary of Energy shall make the determination required in paragraph (1) for any fiscal year before the President submits to the Congress the budget for such fiscal year, except that the Secretary may make subsequent revisions in such determination.

(4) SUBMISSION TO CONGRESS.—

(A) IN GENERAL.—The Secretary of Energy shall submit to the Congress any determination made under paragraph (1), together with the reasons underlying such determination.

(B) INITIAL SUBMISSION.—The Secretary shall include in the initial submission under this paragraph an estimate of the amount of prior investment in the uranium enrichment service activities program that remains unrecovered.

SEC. 7503. URANIUM ENRICHMENT REPORT.

Not later than 60 days after the date of the enactment of this Act, the Secretary of Energy shall submit to the Committee on Energy and Natural Resources of the Senate and the Committees on Energy and Commerce and on Interior and Insular Affairs of the House of Representatives a report regarding the effects of the September 19, 1985, decision of the United States District Court for the District of Colorado holding that the utility services uranium enrichment contracts of the Department of Energy are null and void (Western Nuclear Inc. v. F. Clark Huffman, Civil No. 84-C-2315). To the extent that it will not compromise the appeals process or the competitive position of the Department of Energy with regard to uranium enrichment, the report shall identify—

(1) the effects of the decision on—

(A) the operation of the uranium enrichment facilities of the Department of Energy; and

(B) the revenues of the uranium enrichment program; and

(2) how the response of the Department of Energy may mitigate such effects.

SUBTITLE G—NUCLEAR REGULATORY COMMISSION ANNUAL CHARGES

SEC. 7601. NUCLEAR REGULATORY COMMISSION ANNUAL CHARGES.

(a) SUBMISSION OF REPORT.—Within 90 days after the date of the enactment of this Act, the Nuclear Regulatory Commission shall submit to the Committee on Energy and Commerce and the Committee on Interior and Insular Affairs of the House of Representatives and the Committee on Environment and Public Works of the Senate a report evaluating the feasibility and necessity of establishing a system for the assessment and collection of annual charges from persons licensed by the Commission pursuant to the Atomic Energy Act of 1954 (42 U.S.C. 2011 et seq.) to fund all or part of the activities conducted by the Commission pursuant to such Act. Such report shall include an analysis of—

(1) the extent to which the Commission's existing statutory or regulatory authority to assess and collect annual charges, including the authority of the Commission to assess and collect fees pursuant to title V of the Independent Offices Appropriation Act of 1952, is adequate to enable the Commission to assess and collect fees commensurate with the value of the benefit rendered to the licensee and the cost to the Commission of rendering such benefit;

(2) the amounts currently assessed and collected by the Commission pursuant to existing statutory or regulatory authority, and the purposes for which such fees are assessed and collected; and

(3) any recommendations of the Commission for expanding the existing statutory authority to assess and collect fees, including the Commission's justification for such expansion.

(b) ASSESSMENT AND COLLECTION.—

(1) IN GENERAL.—Upon the expiration of a period of 45 calendar days (excluding any day in which either House of Congress is not in session because of an adjournment of more than 3 calendar days to a day certain or an adjournment sine die) following receipt by the Congress of the report required pursuant to subsection (a), the Nuclear Regulatory Commission shall assess and collect annual charges from its licensees on a fiscal year basis, except that—

(A) the maximum amount of the aggregate charges assessed pursuant to this paragraph in any fiscal year may not exceed an amount that, when added to other amounts collected by the Commission for such fiscal year under other provisions of law, is estimated to be equal to 33 percent of the costs incurred by the Commission with respect to such fiscal year; and

(B) any such charge assessed pursuant to this paragraph shall be reasonably related to the regulatory service provided by the Commission and shall fairly reflect the cost to the Commission of providing such service.

(2) ESTABLISHMENT OF AMOUNT BY RULE.—The amount of the charges assessed pursu-

ant to this paragraph shall be established by rule.

TITLE VIII—OUTER CONTINENTAL SHELF AND RELATED PROGRAMS

SEC. 8001. SHORT TITLE.

This title may be referred to as the "Outer Continental Shelf Lands Act Amendments of 1985".

SEC. 8002. NATIONAL POLICY FOR THE OUTER CONTINENTAL SHELF.

The Outer Continental Shelf Lands Act (43 U.S.C. 1331 et seq.) is amended in paragraph (4) of section 3 by deleting the word "and" at the end of subparagraph (A); deleting the semicolon at the end of subparagraph (B) and inserting in lieu thereof a period; designating subparagraph (B) as subparagraph (C); and inserting after subparagraph (A) the following new subparagraph (B):

"(B) the distribution of a portion of the receipts from the leasing of mineral resources of the outer Continental Shelf adjacent to State lands, as provided under section 8(g), will provide affected coastal States and localities with funds which may be used for the mitigation of adverse economic and environmental effects related to the development of such resources; and".

SEC. 8003. REVISION OF SECTION 8(g).

Section 8(g) of the Outer Continental Shelf Lands Act (43 U.S.C. 1337(g)) is amended to read as follows:

"(g)(1) At the time of soliciting nominations for the leasing of lands containing tracts wholly or partially within three nautical miles of the seaward boundary of any coastal State, and subsequently as new information is obtained or developed by the Secretary, the Secretary shall, in addition to the information required by section 26 of this Act, provide the Governor of such State—

"(A) an identification and schedule of the areas and regions proposed to be offered for leasing;

"(B) at the request of the Governor of such State, all information from all sources concerning the geographical, geological, and ecological characteristics of such tracts;

"(C) an estimate of the oil and gas reserves in the areas proposed for leasing; and

"(D) at the request of the Governor of such State, an identification of any field, geological structure, or trap located wholly or partially within three nautical miles of the seaward boundary of such coastal State, including all information relating to the entire field, geological structure, or trap.

The provisions of the first sentence of subsection (c) and the provisions of subsections (e)-(h) of section 26 of this Act shall be applicable to the release by the Secretary of any information to any coastal State under this paragraph. In addition, the provisions of subsections (c) and (e)-(h) of section 26 of this Act shall apply in their entirety to the release by the Secretary to any coastal State of any information relating to Federal lands beyond three nautical miles of the seaward boundary of such coastal State.

"(2) Notwithstanding any other provision of this Act, the Secretary shall deposit into a separate account in the Treasury of the United States all bonuses, rents, and royalties, and other revenues (derived from any bidding system authorized under subsection (a)(1)), excluding Federal income and windfall profits taxes, and derived from any lease issued after September 18, 1978 of any Federal tract which lies wholly (or, in the case of Alaska, partially until seven years from the date of settlement of any boundary dispute that is the subject of an agreement under section 7 of this Act entered into prior to January 1, 1986 or until April 15, 1993 with respect to any other tract) within three nautical miles of the seaward boundary of any coastal State, or, (except as provided above for Alaska) in the case where a Federal tract lies partially within three nautical miles of the seaward boundary, a percentage of bonuses, rents, royalties, and other revenues (derived from any bidding system authorized under subsection (a)(1)), excluding Federal income and windfall profits taxes, and derived from any lease issued after September 18, 1978 of such tract equal to the percentage of surface acreage of the tract that lies within such three nautical miles. Except as provided in paragraph (5) of this subsection, not later than the last business day of the month following the month in which those revenues are deposited in the Treasury, the Secretary shall transmit to such coastal State 27 percent of those revenues, together with all accrued interest thereon. The remaining balance of such revenues shall be transmitted simultaneously to the miscellaneous receipts account of the Treasury of the United States.

"(3) Whenever the Secretary or the Governor of a coastal State determines that a common potentially hydrocarbon-bearing area may underlie the Federal and State boundary, the Secretary or the Governor shall notify the other party in writing of his determination and the Secretary shall provide to the Governor notice of the current and projected status of the tract or tracts containing the common potentially hydrocarbon-bearing area. If the Secretary has leased or intends to lease such tract or tracts, the Secretary and the Governor of the coastal State may enter into an agreement to divide the revenues from production of any common potentially hydrocarbon-bearing area, by unitization or other royalty sharing agreement, pursuant to existing law. If the Secretary and the Governor do not enter into an agreement, the Secretary may nevertheless proceed with the leasing of the tract or tracts. Any revenues received by the United States under such an agreement shall be subject to the requirements of paragraph (2).

"(4) The deposits in the Treasury account described in this section shall be invested by the Secretary of the Treasury in securities backed by the full faith and credit of the United States having maturities suitable to the needs of the account and yielding the highest reasonably available interest rates as determined by the Secretary of the Treasury.

"(5)(A) When there is a boundary dispute between the United States and a State which is subject to an agreement under section 7 of this Act, the Secretary shall credit to the account established pursuant to such agreement all bonuses, rents, and royalties, and other revenues (derived from any bidding system authorized under subsection (a)(1)), excluding Federal income and windfall profits taxes, and derived from any lease issued after September 18, 1978 of any Federal tract which lies wholly or partially within three nautical miles of the seaward boundary asserted by the State, if that money has not otherwise been deposited in such account. Proceeds of such account shall be distributed as follows:

"Upon the settlement of any boundary dispute which is subject to a section 7 agreement between the United States and a State, the Secretary shall pay to such State all moneys due such State from amounts deposited in the escrow account. If there is insufficient money deposited in the escrow account, the Secretary shall transmit, from any revenues derived from any lease of Federal lands under this Act, the remaining balance due such State in accordance with the formula set forth in section 8004(b)(1)(B) of the Outer Continental Shelf Lands Act Amendments of 1985.

"(B) This paragraph applies to all Federal oil and gas lease sales, under this Act, including joint lease sales, occurring after September 18, 1978.

"(6) This section shall be deemed to take effect on October 1, 1985, for purposes of determining the amounts to be deposited in the separate account and the States' shares described in paragraph (2).

"(7) When the Secretary leases any tract which lies wholly or partially within three miles of the seaward boundary of two or more States, the revenues from such tract shall be distributed as otherwise provided by this section, except that the State's share of such revenues that would otherwise result under this section shall be divided equally among such States.".

SEC. 8004. DISTRIBUTION OF SECTION 8(g) ACCOUNT.

(a) Prior to April 15, 1986, the Secretary shall distribute to the designated coastal States the sum of—

(1) the amounts due and payable to each such State under paragraph (2) of section 8(g) of the Outer Continental Shelf Lands Act, as amended by this title, for the period between October 1, 1985, and the date of such distribution, and

(2) the amounts due each such State under subsection (b)(1)(A) of this section for the period prior to October 1, 1985.

(b)(1) As a fair and equitable disposition of all revenues (including interest thereon) derived from any lease of Federal lands wholly or partially within 3 miles of the seaward boundary of a coastal State prior to October 1, 1985, the Secretary shall distribute:

(A) from the funds which were deposited in the separate account in the Treasury of the United States under section 8(g)(4) of the Outer Continental Shelf Lands Act (43 U.S.C. 1337(g)(4)) which was in effect prior to the date of enactment of section 8003 of this title the following sums:

	($ million)
Louisiana	572
Texas	382
California	338
Alabama	66
Alaska	51
Mississippi	14
Florida	0.03

as well as 27 percent of the royalties, derived from any lease of Federal lands, which have been deposited through September 30, 1985, in the separate account described in this paragraph and interest thereon accrued through September 30, 1985, and shall transmit any remaining amounts to the miscellaneous receipts account of the Treasury of the United States; and

(B) from revenues derived from any lease of Federal lands under the Outer Continental Shelf Lands Act, as amended, prior to April 15 of each of the fifteen fiscal years following the fiscal year in which this title is enacted, 3 percent of the following sums in each of the five fiscal years following the date of enactment of this Act, 7 percent of such sums in each of the next five fiscal

years, and 10 percent of such sums in each of the following five fiscal years:

	($ million)
Louisiana	84
Texas	134
California	289
Alabama	7
Alaska	134
Mississippi	2.

(2) The acceptance of any payment by a State under this section shall satisfy and release any and all claims of such State against the United States arising under, or related to, section 8(g) of the Outer Continental Shelf Lands Act, as it was in effect prior to the date of enactment of this Act and shall vest in such State the right to receive payments as set forth in this section.

(c) Notwithstanding any other provision of this Act, the amounts due and payable to the State of Louisiana prior to October 1, 1986, under subtitle A of title VIII (Outer Continental Shelf and Related Programs) of this Act shall remain in their separate accounts in the Treasury of the United States and continue to accrue interest until October 1, 1986, except that the $572,000,000 set forth in subsection 8004(b)(1)(A) of this section shall only accrue interest from April 15, 1986 to October 1, 1986, at which time the Secretary shall immediately distribute such sums with accrued interest to the State of Louisiana.

SEC. 8005. IMMOBILIZATION OF BOUNDARIES.

Section 2(b) of the Submerged Lands Act (43 U.S.C. 1301(b)) is amended by inserting before the semicolon at the end a comma and the following: "except that any boundary between a State and the United States under this Act which has been or is hereafter fixed by coordinates under a final decree of the United States Supreme Court shall remain immobilized at the coordinates provided under such decree and shall not be ambulatory".

TITLE IX—MEDICARE, MEDICAID, AND MATERNAL AND CHILD HEALTH PROGRAMS

SEC. 9000. SHORT TITLE; TABLE OF CONTENTS OF TITLE.

This title may be cited as the "Medicare and Medicaid Budget Reconciliation Amendments of 1985".

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SUBTITLE A—MEDICARE

PART 1—PROVISIONS RELATING TO PART A OF MEDICARE

SUBPART A—HOSPITAL REIMBURSEMENT

SEC. 9101. RATE OF INCREASE IN PAYMENTS FOR INPATIENT HOSPITAL SERVICES.

(a) EXTENSION OF CURRENT FREEZE ON PAYMENT RATES THROUGH APRIL 30, 1986.—Section 5(c) of the Emergency Extension Act of 1985 (Public Law 99-107) is amended to read as follows:

"(c) EXTENSION PERIOD DEFINED.—

"(1) HOSPITAL PAYMENTS.—For purposes of subsection (a), the term 'extension period' means the period beginning on October 1, 1985, and ending on April 30, 1986.".

(b) APPLICABLE PERCENTAGE INCREASE.—Section 1886(b)(3)(B) of the Social Security Act (42 U.S.C. 1395ww(b)(3)(B)) is amended to read as follows:

"(B)(i) For purposes of subparagraph (A) for 12-month cost reporting periods beginning during a fiscal year and for purposes of subsection (d) for discharges occurring during a fiscal year, the 'applicable percentage increase' shall be—

"(I) for fiscal year 1986, ½ percent,

"(II) for fiscal years 1987 and 1988, a percentage determined by the Secretary pursuant to subsection (e)(4), but not to exceed the market basket percentage increase (as defined in clause (ii)), and

"(III) for fiscal year 1989 and subsequent fiscal years, the percentage determined by the Secretary pursuant to subsection (e)(4).

"(ii) For purposes of clause (i), the term 'market basket percentage increase' means, with respect to cost reporting periods and discharges occurring in a fiscal year, the percentage, estimated by the Secretary before the beginning of the period or fiscal year, by which the cost of the mix of goods and services (including personnel costs but excluding nonoperating costs) comprising routine, ancillary, and special care unit inpatient hospital services, based on an index of appropriately weighted indicators of changes in wages and prices which are representative of the mix of goods and services included in such inpatient hospital services, for the period or fiscal year will exceed the cost of such mix of goods and services for the preceding 12-month cost reporting period or fiscal year.".

(c) CONFORMING AMENDMENTS.—(1) Section 1886(d)(3)(A) of such Act (42 U.S.C. 1395ww(d)(3)(A)) is amended by striking out "for fiscal year 1985" and inserting in lieu thereof "for each of fiscal years 1985 and 1986".

(2) Section 1886(e)(3) of such Act is amended by striking out "(instead of the applicable percentage increase described in subsection (b)(3)(B))".

(3) Section 1886(e)(4) of such Act is amended by striking out "1986" and inserting in lieu thereof "1987".

(d) EFFECTIVE DATE OF FREEZE EXTENSION.—The amendment made by subsection (a) shall take effect on March 15, 1986, and the amendments made by subsection (c) shall take effect on the date of the enactment of this Act.

(e) EFFECTIVE DATE FOR INCREASE.—

(1) PPS HOSPITALS, DRG PORTION OF PAYMENT.—In the case of a subsection (d) hospital (as defined in paragraph (4))—

(A) the amendment made by subsection (b) shall apply to payments made under section 1886(d)(1)(A) of such Act made on the basis of discharges occurring on or after May 1, 1986; and

(B) for discharges occurring on or after October 1, 1986, the applicable percentage increase (described in section 1886(b)(3)(B)) for discharges occurring during fiscal year 1986 shall be deemed to have been ½ percent.

(2) PPS HOSPITALS, HOSPITAL SPECIFIC PORTION OF PAYMENT.—In the case of a subsection (d) hospital—

(A) the amendment made by subsection (b) shall apply to payments under section 1886(d)(1)(A) of the Social Security Act made on the basis of discharges occurring during a cost reporting period of a hospital, for the hospital's cost reporting periods beginning on or after October 1, 1985;

(B) notwithstanding subparagraph (A), for the cost reporting period beginning during fiscal year 1986, the applicable percentage increase (as defined in section 1886(b)(3)(B) of such Act) for the—

(i) first 7 months of the cost reporting period shall be 0 percent, and

(ii) for the remaining 5 months of the cost reporting period shall be ½ percent; and

(C) for cost reporting periods beginning on or after October 1, 1986, the applicable percentage increase (as so defined) with respect to the previous cost reporting period shall be deemed to have been ½ percent.

(3) PPS-EXEMPT HOSPITALS.—In the case of a hospital that is not a subsection (d) hospital—

(A) the amendment made by subsection (b) shall apply to cost reporting periods beginning on or after October 1, 1985;

(B) notwithstanding subparagraph (A), for the hospital's cost reporting period beginning during fiscal year 1986, payment under title XVIII of the Social Security Act shall be made as though the applicable percentage increase described in section 1886(b)(3)(B) were equal to 5/24 of 1 percent; and

(C) for cost reporting periods beginning on or after October 1, 1986, the applicable percentage increase (as so defined) with respect to the cost reporting period beginning during fiscal year 1986 shall be deemed to have been ½ percent.

(4) DEFINITION.—In this subsection, the term "subsection (d) hospital" has the meaning given such term in section 1886(d)(1)(B) of the Social Security Act.

SEC. 9102. ONE-YEAR EXTENSION OF PPS TRANSITION.

(a) ONE-YEAR DELAY OF FULL IMPLEMENTATION OF PROSPECTIVE PAYMENT SYSTEM.—Section 1886(d)(1)(A) of the Social Security Act (42 U.S.C. 1395ww(d)(1)(A)) is amended by striking out "1986" in clauses (ii) and (iii) and inserting in lieu thereof "1987".

(b) NEW TARGET AND DRG PERCENTAGES FOR REMAINDER OF FISCAL YEAR 1986.—Section 1886(d)(1)(C) of such Act is amended—

(1) by striking out ", or discharges occurring",

(2) by striking out "and" at the end of clause (ii),

(3) by striking out "(iii) on or after October 1, 1985, and before October 1, 1986" in clause (iii) and inserting in lieu thereof "(iv) on or after October 1, 1986, and before October 1, 1987", and

(4) by inserting after clause (ii) the following new clause:

"(iii) on or after October 1, 1985, and before October 1, 1986, the 'target percentage' is 45 percent and the 'DRG percentage' is 55 percent; and".

(c) NEW BLENDED NATIONAL-REGIONAL DRG RATE FOR REMAINDER OF FISCAL YEAR 1986.—Section 1886(d)(1)(D) of such Act is amended—

(1) by striking out "cost reporting periods beginning, or", and

(2) by striking out "1985" and "1986" and inserting in lieu thereof "1986" and "1987", respectively, each place it appears.

(d) EFFECTIVE DATES.—

(1) DELAY IN FINAL TRANSITION.—The amendment made by subsection (a) shall take effect on the date of the enactment of this Act.

(2) CHANGE IN HOSPITAL SPECIFIC PERCENTAGE.—The amendments made by subsection (b) shall apply—

(A) to cost reporting periods beginning on or after October 1, 1985, but

(B) notwithstanding subparagraph (A), for a hospital's cost reporting period beginning during fiscal year 1986, for purposes of section 1886(d)(1)(A) of the Social Security Act—

(i) during the first 7 months of the period the "target percentage" is 50 percent and the "DRG percentage" is 50 percent, and

(ii) during the remaining 5 months of the period the "target percentage" is 45 percent and the "DRG percentage" is 55 percent.

(3) CHANGE IN BLENDED RATE.—The amendments made by subsection (c) shall apply to discharges occurring on or after May 1, 1986.

(4) EXCEPTION.—

(A) Notwithstanding any other provision of this subsection, the amendments made by this section shall not apply to payments with respect to the operating costs of inpatient hospital services (as defined in section 1886(a)(4) of the Social Security Act) of a subsection (d) hospital (as defined in section 1886(d)(1)(B) of such Act) located in the State of Oregon.

(B) Notwithstanding any other provision of law, for a cost reporting period beginning during fiscal year 1986 of a subsection (d) hospital to which the amendments made by this section do not apply, for purposes of section 1886(d)(1)(A) of of Social Security Act—

(i) during the first 7 months of the period the "target percentage" is 50 percent and the "DRG percentage" is 50 percent, and

(ii) during the remaining 5 months of the period the "target percentage" is 25 percent and the "DRG percentage" is 75 percent.

(C) Notwithstanding any other provision of law, for purposes of section 1886(d)(1)(D) of such Act, the applicable combined adjusted DRG prospective payment rate for a subsection (d) hospital to which the amendments made by this section do not apply is, for discharges occurring on or after October 1, 1985, and before May 1, 1986, a combined rate consisting of 25 percent of the national adjusted DRG prospective payment rate and 75 percent of the regional adjusted DRG prospective payment rate for such discharges.

SEC. 9103. APPLICATION OF REVISED HOSPITAL WAGE INDEX.

(a) APPLICATION OF REVISED INDEX PROSPECTIVELY.—(1) Section 2316(b) of the Deficit Reduction Act of 1984 (98 Stat. 1081) is amended to read as follows:

"(b) The Secretary shall adjust the payment amounts for hospitals for discharges occurring on or after May 1, 1986, to reflect

the changes the Secretary has promulgated in final regulations (on September 3, 1985) relating to the hospital wage index under section 1886(d)(3)(E) of the Social Security Act. For discharges occurring after September 30, 1986, the Secretary shall provide for such periodic adjustments in the appropriate wage index used under that section as may be necessary, taking into account changes in the wage levels and relative proportions of full-time and part-time workers.".

(2) The amendment made by paragraph (1) shall be effective as if it had been included in the Deficit Reduction Act of 1984.

(b) STUDY OF METHODOLOGY FOR AREA WAGE ADJUSTMENT FOR CENTRAL CITIES.—(1) The Secretary of Health and Human Services, in consultation with the Prospective Payment Assessment Commission, shall collect information and shall develop one or more methodologies to permit the adjustment of the wage indices used for purposes of sections 1886(d)(2)(C)(ii), 1886(d)(2)(H), and 1886(d)(3)(E) of the Social Security Act, in order to more accurately reflect hospital labor markets, by taking into account variations in wages and wage-related costs between the central city portion of urban areas and other parts of urban areas.

(2) The Secretary shall report to Congress on the information collected and the methodologies developed under paragraph (1) not later than May 1, 1987. The report shall include a recommendation as to the feasibility and desirability of implementing such methodologies.

SEC. 9104. PAYMENTS TO HOSPITALS FOR INDIRECT COSTS OF MEDICAL EDUCATION.

(a) PAYMENT FOR INDIRECT COSTS OF MEDICAL EDUCATION.—Section 1886(d)(5)(B) of the Social Security Act (42 U.S.C. 1395ww(d)(5)(B)) is amended to read as follows:

"(B) The Secretary shall provide for an additional payment amount for subsection (d) hospitals with indirect costs of medical education, in an amount computed in the same manner as the adjustment for such costs under regulations (in effect as of January 1, 1983) under subsection (a)(2), except as follows:

"(i) The amount of such additional payment shall be determined by multiplying (I) the sum of the amount determined under paragraph (1)(A)(ii)(II) (or, if applicable, the amount determined under paragraph (1)(A)(iii)) and the amount paid to the hospital under subparagraph (A), by (II) the indirect teaching adjustment factor described in clause (ii).

"(ii) For purposes of clause (i)(II), the indirect teaching adjustment factor for discharges occurring—

"(I) on or after May 1, 1986, and before October 1, 1988, is equal to $2\times((1+r)^{.405}-1)$, or

"(II) on or after October 1, 1988, is equal to $1.5\times((1+r)^{.5795}-1)$,

where 'r' is the ratio of the hospital's full-time equivalent interns and residents to beds.

"(iii) In determining such adjustment the Secretary shall not distinguish between those interns and residents who are employees of a hospital and those interns and residents who furnish services to a hospital but are not employees of such hospital.

"(iv) In determining such adjustment, the Secretary shall continue to count interns and residents assigned to outpatient services of the hospital as part of the calculation of the full-time-equivalent number of interns and residents.".

(b) ADJUSTMENT OF PAYMENT AMOUNTS.—

(1) RESTANDARDIZING DRG PAYMENT AMOUNTS TO REFLECT CHANGE IN FORMULA.—Section 1886(d)(2)(C)(i) of such Act is amended by inserting "(taking into account, for discharges occurring after September 30, 1986, the amendments made by section 9104(a) of the Medicare and Medicaid Budget Reconciliation Amendments of 1985)" after "medical education costs".

(2) PROVIDING FOR SYSTEM SAVINGS FROM CHANGE IN FORMULA.—Subparagraph (C) of section 1886(d)(3) of such Act is amended—

(A) by inserting "(i)" after "(C)",

(B) by inserting "FOR FISCAL YEAR 1985" after "NEUTRALITY",

(C) by striking out "The Secretary" and inserting in lieu thereof "For discharges occurring in fiscal year 1985, the Secretary", and

(D) by adding at the end the following new clause:

"(ii) REDUCING FOR SAVINGS FROM AMENDMENT TO INDIRECT TEACHING ADJUSTMENT FOR DISCHARGES AFTER SEPTEMBER 30, 1986.—For discharges occurring after September 30, 1986, the Secretary shall further reduce each of the average standardized amounts (in a proportion which takes into account the differing effects of the standardization effected under paragraph (2)(C)(i)) so as to provide for a reduction in the total of the payments (attributable to this paragraph) made for discharges occurring—

"(I) on or after October 1, 1986, and before October 1, 1988, of an amount equal to the estimated reduction in the payment amounts under paragraph (5)(B) that would have resulted from the enactment of the amendments made by section 9104 of the Medicare and Medicaid Budget Reconciliation Amendments of 1985 if the factor described in clause (ii)(II) of paragraph (5)(B) were applied for discharges occurring during such period instead of the factor described in clause (ii)(I) of that paragraph, and

"(II) on or after October 1, 1988, of an amount equal to the estimated reduction in the payment amounts under paragraph (5)(B) for those discharges that has resulted from the enactment of the amendments made by section 9104 of the Medicare and Medicaid Budget Reconciliation Amendments of 1985.".

(3) CONFORMING AMENDMENT.—Clauses (i)(I) and (ii)(I) of section 1886(d)(3)(D) of such Act are each amended by inserting "or reduced" after "(B), and adjusted".

(c) EFFECTIVE DATE.—(1) Except as provided in paragraph (2), the amendments made by this section shall apply to discharges occurring on or after May 1, 1986.

(2) The amendments made by this section shall not first be applied to discharges occurring as of a date unless, for discharges occurring on that date, the amendments made by section 9105 are also being applied.

SEC. 9105. PAYMENTS FOR HOSPITALS WHICH SERVE A DISPROPORTIONATE SHARE OF LOW-INCOME PATIENTS.

(a) PAYMENT FOR HOSPITALS WHICH SERVE A DISPROPORTIONATE SHARE OF LOW-INCOME PATIENTS.—Section 1886(d)(5) of the Social Security Act (42 U.S.C. 1395ww(d)(5)) is amended by adding at the end the following new subparagraph:

"(F)(i) For discharges occurring on or after May 1, 1986, and before October 1, 1988, the Secretary shall provide, in accordance with this subparagraph, for an additional payment amount for each subsection (d) hospital which—

"(I) serves a significantly disproportionate number of low-income patients (as defined in clause (v)), or

"(II) is located in an urban area, has 100 or more beds, and can demonstrate that its net inpatient care revenues (excluding any of such revenues attributable to this title or State plans approved under title XIX), during the cost reporting period in which the discharges occur, for indigent care from State and local government sources exceed 30 percent of its total of such revenues during the period.

"(ii) The amount of such payment for each discharge shall be determined by multiplying (I) the sum of the amount determined under paragraph (1)(A)(ii)(II) (or, if applicable, the amount determined under paragraph (1)(A)(iii)) and the amount paid to the hospital under subparagraph (A) for that discharge, by (II) the disproportionate share adjustment percentage established under clause (iii) or (iv) for the cost reporting period in which the discharge occurs.

"(iii) The disproportionate share adjustment percentage for a cost reporting period for a hospital described in clause (i)(II) is equal to 15 percent.

"(iv) The disproportionate share adjustment percentage for a cost reporting period for a hospital that is not described in clause (i)(II) and that—

"(I) is located in an urban area and has 100 or more beds, is equal to the lesser of 15 percent, or the percent determined in accordance with the following formula: $(P-15)(.5)+2.5$, where 'P' is the hospital's disproportionate patient percentage (as defined in clause (vi));

"(II) is located in an urban area and has less than 100 beds, is equal to 5 percent; or

"(III) is located in a rural area, is equal to 4 percent.

"(v) In this subparagraph, a hospital 'serves a significantly disproportionate number of low income patients' for a cost reporting period if the hospital has a disproportionate patient percentage (as defined in clause (vi)) for that period which equals, or exceeds—

"(I) 15 percent, if the hospital is located in an urban area and has 100 or more beds,

"(II) 40 percent, if the hospital is located in an urban area and has less than 100 beds, or

"(III) 45 percent, if the hospital is located in a rural area.

"(vi) In this subparagraph, the term 'disproportionate patient percentage' means, with respect to a cost reporting period of a hospital, the sum of—

"(I) the fraction (expressed as a percentage), the numerator of which is the number of such hospital's patient days for such period which were made up of patients who (for such days) were entitled to benefits under part A of this title and were entitled to supplementary security income benefits (excluding any State supplementation) under title XVI of this Act, and the denominator of which is the number of such hospital's patient days for such fiscal year which were made up of patients who (for such days) were entitled to benefits under part A of this title, and

"(II) the fraction (expressed as a percentage), the numerator of which is the number of the hospital's patient days for such period which consist of patients who (for such days) were eligible for medical assistance under a State plan approved under title XIX, but who were not entitled to benefits under part A of this title, and the denominator of which is the total number of the hospital's patient days for such period.".

(b) RESTANDARDIZING DRG PAYMENT AMOUNTS TO REFLECT DISPROPORTIONATE

SHARE PAYMENTS.—Section 1886(d)(2)(C) of such Act is amended—

(1) by striking out "and" at the end of clause (ii),

(2) by striking out the period at the end of clause (iii) and inserting in lieu thereof ", and", and

(3) by adding at the end the following new clause:

"(iv) for discharges occurring on or after October 1, 1986, and before October 1, 1988, excluding an estimate of the additional payments to certain hospitals to be made under paragraph (5)(F).".

(c) CONFORMING AMENDMENT.—Section 1886(d)(5)(C)(i) of such Act is amended by striking out ", and of public or other hospitals that serve a significantly disproportionate number of patients who have low income or are entitled to benefits under part A of this title".

(d) CBO REPORT.—The Congressional Budget Office shall study, and report to Congress not later than January 1, 1987, on the impact of the implementation of this section on hospitals, including the appropriateness of the factors used in determining which hospitals are eligible for additional payments under section 1886(d)(5)(F) of the Social Security Act and the amount of the additional payments made to those hospitals.

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to discharges occurring on or after May 1, 1986.

SEC. 9106. TREATMENT OF CERTAIN RURAL OSTEOPATHIC HOSPITALS AS RURAL REFERRAL CENTERS.

(a) IN GENERAL.—Section 1886(d)(5)(C)(i) of the Social Security Act (42 U.S.C. 1395ww(d)(5)(C)(i)) is amended by inserting before the period at the end of the second sentence the following: "and which shall not require a rural osteopathic hospital to have more than 3,000 discharges in a year in order to be classified as a rural referral center".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to cost reporting periods beginning on or after January 1, 1986.

SEC. 9107. RETURN ON EQUITY CAPITAL FOR INPATIENT HOSPITAL SERVICES AND OTHER SERVICES.

(a) INPATIENT HOSPITAL SERVICES.—

(1) PHASE-DOWN IN PAYMENT FOR RETURN ON EQUITY CAPITAL.—Section 1886(g)(2) of the Social Security Act (42 U.S.C. 1395ww(g)(2)) is amended—

(A) by inserting "the applicable percentage (described in subparagraph (B)) of" before "the average of the rates of interest",

(B) by inserting "(A)" after "(2)", and

(C) by adding at the end the following new subparagraph:

"(B) In this paragraph, the 'applicable percentage' is—

"(i) 75 percent, for cost reporting periods beginning during fiscal year 1987,

"(ii) 50 percent, for cost reporting periods beginning during fiscal year 1988,

"(iii) 25 percent, for cost reporting periods beginning during fiscal year 1989, and

"(iv) 0 percent, for cost reporting periods beginning on or after October 1, 1989.".

(2) EXCLUSION FROM PROSPECTIVE PAYMENT.—The second sentence of section 1886(a)(4) of such Act is amended—

(A) by inserting "a return on equity capital," after "anesthetist,", and

(B) by inserting "other" before "capital-related costs".

(b) OTHER SERVICES.—

(1) LIMITATION ON RATE.—Section 1861(v)(1) of such Act (42 U.S.C. 1395x(v)(1)) is amended by adding at the end the following new subparagraph:

"(P) If such regulations provide for the payment for a return on equity capital (other than with respect to costs of inpatient hospital services), the rate of return to be recognized, for determining the reasonable cost of services furnished in a cost reporting period, shall be equal to the average of the rates of interest, for each of the months any part of which is included in the period, on obligations issued for purchase by the Federal Hospital Insurance Trust Fund.".

(2) CONFORMING AMENDMENTS.—Section 1861(v)(1)(B) of such Act is amended—

(A) by striking out "any fiscal period" and "such fiscal period" and inserting in lieu thereof "any cost reporting period" and "the period", respectively, and

(B) by striking out "not exceed one and one-half times" in the second sentence and inserting in lieu thereof "be equal to".

(c) EFFECTIVE DATES.—(1) The amendments made by subsection (a) shall apply to hospital cost reporting periods beginning on or after October 1, 1986.

(2) The amendments made by subsection (b) shall apply to cost reporting periods beginning on or after October 1, 1985.

SEC. 9108. CONTINUATION OF MEDICARE REIMBURSEMENT WAIVERS FOR CERTAIN HOSPITALS PARTICIPATING IN REGIONAL HOSPITAL REIMBURSEMENT DEMONSTRATIONS.

(a) CONTINUATION OF WAIVERS.—A hospital reimbursement control system which, on January 1, 1985, was carrying out a demonstration under a contract which had been approved by the Secretary of Health and Human Services pursuant to section 222(a) of the Social Security Amendments of 1972, or under section 402 of the Social Security Amendments of 1967 (as amended by section 222(b) of the Social Security Amendments of 1972), shall be deemed to meet the requirements of section 1886(c)(1)(A) of the Social Security Act if such system applies—

(1) to substantially all non-Federal acute care hospitals (as defined by the Secretary) in the geographic area served by such system on January 1, 1985, and

(2) to the review of at least 75 percent of—

(A) all revenues or expenses in such geographic area for inpatient hospital services, and

(B) revenues or expenses in such geographic area for inpatient hospital services provided under the State's plan approved under title XIX.

(b) APPROVAL.—In the case of a hospital cost control system described in subsection (a), the requirements of section 1886(c) of the Social Security Act which apply to States shall instead apply to such system and, for such purposes, any reference to a State is deemed a reference to such system.

(c) EFFECTIVE DATE.—This section shall become effective on the date of the enactment of this Act.

SEC. 9109. FOUR-YEAR TEST FOR STATE WAIVERS FOR CERTAIN STATES.

(a) IN GENERAL.—Section 1886(c) of the Social Security Act (42 U.S.C 1395ww(c)) is amended by adding at the end the following new paragraph:

"(7) In the case of a State which made a request under paragraph (5) before December 31, 1984, for the approval of a State hospital reimbursement control system and which request was approved—

"(A) in applying paragraphs (1)(C) and (6), a reference to a '36-month period' is deemed a reference to a '48-month period', and

"(B) in order to allow the State the opportunity to provide the assurances described in paragraph (1)(C) for a 48-month period, the Secretary may not discontinue payments under the system, under the authority of paragraph (3)(A) because the Secretary has reason to believe that such assurances are not being (or will not be) met, before July 1, 1986.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on the date of the enactment of this Act.

SEC. 9110. ASSET VALUATION FOR DONATIONS OF STATE PROPERTY TO NONPROFIT CORPORATIONS.

(a) GENERAL RULE.—Section 1861(v)(1)(O) of the Social Security Act (42 U.S.C. 1395x(v)(1)(O)) is amended—

(1) by inserting ", except as provided in clause (iv)," in clause (i) after "such regulations shall provide", and

(2) by adding at the end the following new clause:

"(iv) In the case of the transfer of a hospital from ownership by a State to ownership by a nonprofit corporation without monetary consideration, the basis for capital allowances to the new owner shall be the book value of the hospital to the State at the time of the transfer.".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall be applied as though they were originally included in the Deficit Reduction Act of 1984.

SEC. 9111. PAYMENTS TO SOLE COMMUNITY HOSPITALS.

(a) ADJUSTMENT TO PAYMENT AMOUNT.—Section 1886(d)(5)(C)(ii) of the Social Security Act (42 U.S.C. 1395ww(d)(5)(C)(ii)) is amended by inserting after the second sentence thereof the following: "In the case of a sole community hospital which experiences, in any cost reporting period after the cost reporting period which was used as the base for determining the target amount for payments to such hospital under paragraph (1)(A)(i)(I), a significant increase in operating costs attributable to the addition of new inpatient facilities or services at such hospital (including the opening of a special care unit), the Secretary shall provide for such adjustment to the payment amounts under this subsection for such cost reporting period and subsequent cost reporting periods as may be necessary to reasonably compensate such hospital for such increased costs.".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to payments for cost reporting periods beginning on or after October 1, 1983, and before October 1, 1989.

(c) STUDY.—The Secretary of Health and Human Services shall conduct a study of the effects of the amendment made by subsection (a). The Secretary shall report the results of such study, including recommendations for a permanent mechanism to take into account needed expansions of services by sole community hospitals and the hospital-specific medicare payment rates thereof, to the Congress prior to January 1, 1987.

SEC. 9112. INDIRECT TEACHING ADJUSTMENT FOR CERTAIN CLINICS.

(a) IN GENERAL.—Section 602(k) of the Social Security Amendments of 1983 (97 Stat. 165) is amended by inserting "(1)" after "(k)" and by adding at the end the following new paragraphs:

"(2) In the case of a hospital which is receiving payments pursuant to a waiver under paragraph (1), payment of the adjustment for indirect costs of approved educa-

tional activities shall be made as if the hospital were receiving under part A of title XVIII of the Social Security Act all the payments which are made under part B of such title solely by reason of such waiver.

"(3) Any waiver granted under paragraph (1) shall provide that, with respect to those items and services billed under part B of title XVIII of the Social Security Act solely by reason of such waiver—

"(A) payment under such part shall be equal to 100 percent of the reasonable charge or other applicable payment base for the items and services; and

"(B) the entity furnishing the items and services must agree to accept the amount paid pursuant to subparagraph (A) as the full charge for the items and services.".

(b) EFFECTIVE DATES.—(1) Section 602(k)(2) of the Social Security Amendments of 1983 (as added by subsection (a)) shall apply to cost reporting periods beginning on or after January 1, 1986.

(2) Section 602(k)(3) of the Social Security Amendments of 1983 (as added by subsection (a)) shall apply to items and services furnished after the end of the 10-day period beginning on the date of the enactment of this Act.

SEC. 9113. REPORT ON IMPACT OF OUTLIER AND TRANSFER POLICY ON RURAL HOSPITALS.

(a) REVIEW.—The Secretary of Health and Human Services shall review the impact of policies respecting outliers and patient transfers on payments under section 1886(d) of the Social Security Act to rural hospitals (particularly on rural hospitals with less than 100 beds).

(b) REPORT.—The Secretary shall report to Congress on the findings of the review not later than January 1, 1987, and shall include in the report recommendations on changes in policies respecting outliers and patient transfers to the extent they adversely affect rural hospitals.

SEC. 9114. INFORMATION ON IMPACT OF PPS PAYMENTS ON HOSPITALS.

(a) DISCLOSURE OF INFORMATION.—The Secretary of Health and Human Services shall make available to the Prospective Payment Assessment Commission, the Congressional Budget Office, the Comptroller General, and the Congressional Research Service the most current information on the payments being made under section 1886 of the Social Security Act to individual hospitals. Such information shall be made available in a manner that permits examination of the impact of such section on hospitals.

(b) CONFIDENTIALITY.—Information disclosed under subsection (a) shall be treated as confidential and shall not be subject to further disclosure in a manner that permits the identification of individual hospitals.

SEC. 9115. SPECIAL RULES FOR IMPLEMENTATION OF SUBPART.

(a) WAIVER OF PAPERWORK REDUCTION.—Chapter 35 of title 44, United States Code, shall not apply to information required for purposes of carrying out this subpart and implementing the amendments made by this subpart.

(b) USE OF INTERIM FINAL REGULATIONS.—The Secretary of Health and Human Services shall issue such regulations (on an interim or other basis) as may be necessary to implement this subpart and the amendments made by this subpart.

SUBPART B—MISCELLANEOUS PROVISIONS

SEC. 9121. RESPONSIBILITIES OF MEDICARE HOSPITALS IN EMERGENCY CASES.

(a) REQUIREMENT OF MEDICARE HOSPITAL PROVIDER AGREEMENTS.—Section 1866(a)(1) of the Social Security Act (42 U.S.C. 1395cc(a)(1)) is amended—

(1) by striking out "and" at the end of subparagraph (G),

(2) by striking out the period at the end of subparagraph (H) and inserting in lieu thereof ", and", and

(3) by inserting after subparagraph (H) the following new subparagraph:

"(I) in the case of a hospital, to comply with the requirements of section 1867 to the extent applicable.".

(b) REQUIREMENTS.—Title XVIII of such Act is amended by inserting after section 1866 the following new section:

"EXAMINATION AND TREATMENT FOR EMERGENCY MEDICAL CONDITIONS AND WOMEN IN ACTIVE LABOR

"SEC. 1867. (a) MEDICAL SCREENING REQUIREMENT.—In the case of a hospital that has a hospital emergency department, if any individual (whether or not eligible for benefits under this title) comes to the emergency department and a request is made on the individual's behalf for examination or treatment for a medical condition, the hospital must provide for an appropriate medical screening examination within the capability of the hospital's emergency department to determine whether or not an emergency medical condition (within the meaning of subsection (e)(1)) exists or to determine if the individual is in active labor (within the meaning of subsection (e)(2)).

"(b) NECESSARY STABILIZING TREATMENT FOR EMERGENCY MEDICAL CONDITIONS AND ACTIVE LABOR.—

"(1) IN GENERAL.—If any individual (whether or not eligible for benefits under this title) comes to a hospital and the hospital determines that the individual has an emergency medical condition or is in active labor, the hospital must provide either—

"(A) within the staff and facilities available at the hospital, for such further medical examination and such treatment as may be required to stabilize the medical condition or to provide for treatment of the labor, or

"(B) for transfer of the individual to another medical facility in accordance with subsection (c).

"(2) REFUSAL TO CONSENT TO TREATMENT.—A hospital is deemed to meet the requirement of paragraph (1)(A) with respect to an individual if the hospital offers the individual the further medical examination and treatment described in that paragraph but the individual (or a legally responsible person acting on the individual's behalf) refuses to consent to the examination or treatment.

"(3) REFUSAL TO CONSENT TO TRANSFER.—A hospital is deemed to meet the requirement of paragraph (1) with respect to an individual if the hospital offers to transfer the individual to another medical facility in accordance with subsection (c) but the individual (or a legally responsible person acting on the individual's behalf) refuses to consent to the transfer.

"(c) RESTRICTING TRANSFERS UNTIL PATIENT STABILIZED.—

"(1) RULE.—If a patient at a hospital has an emergency medical condition which has not been stabilized (within the meaning of subsection (e)(4)(B)) or is in active labor, the hospital may not transfer the patient unless—

"(A)(i) the patient (or a legally responsible person acting on the patient's behalf) requests that the transfer be effected, or

"(ii) a physician (within the meaning of section 1861(r)(1)), or other qualified medical personnel when a physician is not readily available in the emergency department, has signed a certification that, based upon the reasonable risks and benefits to the patient, and based upon the information available at the time, the medical benefits reasonably expected from the provision of appropriate medical treatment at another medical facility outweigh the increased risks to the individual's medical condition from effecting the transfer; and

"(B) the transfer is an appropriate transfer (within the meaning of paragraph (2)) to that facility.

"(2) APPROPRIATE TRANSFER.—An appropriate transfer to a medical facility is a transfer—

"(A) in which the receiving facility—

"(i) has available space and qualified personnel for the treatment of the patient, and

"(ii) has agreed to accept transfer of the patient and to provide appropriate medical treatment;

"(B) in which the transferring hospital provides the receiving facility with appropriate medical records (or copies thereof) of the examination and treatment effected at the transferring hospital;

"(C) in which the transfer is effected through qualified personnel and transportation equipment, as required including the use of necessary and medically appropriate life support measures during the transfer; and

"(D) which meets such other requirements as the Secretary may find necessary in the interest of the health and safety of patients transferred.

"(d) ENFORCEMENT.—

"(1) AS REQUIREMENT OF MEDICARE PROVIDER AGREEMENT.—If a hospital knowingly and willfully, or negligently, fails to meet the requirements of this section, such hospital is subject to—

"(A) termination of its provider agreement under this title in accordance with section 1866(b), or

"(B) at the option of the Secretary, suspension of such agreement for such period of time as the Secretary determines to be appropriate, upon reasonable notice to the hospital and to the public.

"(2) CIVIL MONETARY PENALTIES.—In addition to the other grounds for imposition of a civil money penalty under section 1128A(a), a participating hospital that knowingly violates a requirement of this section and the responsible physician in the hospital with respect to such a violation are each subject, under that section, to a civil money penalty of not more than $25,000 for each such violation. As used in the previous sentence, the term 'responsible physician' means, with respect to a hospital's violation of a requirement of this section, a physician who—

"(A) is employed by, or under contract with, the participating hospital, and

"(B) acting as such an employee or under such a contract, has professional responsibility for the provision of examinations or treatments for the individual, or transfers of the individual, with respect to which the violation occurred.

"(3) CIVIL ENFORCEMENT.—

"(A) PERSONAL HARM.—Any individual who suffers personal harm as a direct result of a participating hospital's violation of a requirement of this section may, in a civil action against the participating hospital, obtain those damages available for personal injury under the law of the State in which the hospital is located, and such equitable relief as is appropriate.

"(B) FINANCIAL LOSS TO OTHER MEDICAL FACILITY.—Any medical facility that suffers a

financial loss as a direct result of a participating hospital's violation of a requirement of this section may, in a civil action against the participating hospital, obtain those damages available for financial loss, under the law of the State in which the hospital is located, and such equitable relief as is appropriate.

"(C) LIMITATIONS ON ACTIONS.—No action may be brought under this paragraph more than two years after the date of the violation with respect to which the action is brought.

"(e) DEFINITIONS.—In this section:

"(1) The term 'emergency medical condition' means a medical condition manifesting itself by acute symptoms of sufficient severity (including severe pain) such that the absence of immediate medical attention could reasonably be expected to result in—

"(A) placing the patient's health in serious jeopardy,

"(B) serious impairment to bodily functions, or

"(C) serious dysfunction of any bodily organ or part.

"(2) The term 'active labor' means labor at a time at which—

"(A) delivery is imminent,

"(B) there is inadequate time to effect safe transfer to another hospital prior to delivery, or

"(C) a transfer may pose a threat of the health and safety of the patient or the unborn child.

"(3) The term 'participating hospital' means hospital that has entered into a provider agreement under section 1866 and has, under the agreement, obligated itself to comply with the requirements of this section.

"(4)(A) The term 'to stabilize' means, with respect to an emergency medical condition, to provide such medical treatment of the condition as may be necessary to assure, within reasonable medical probability, that no material deterioration of the condition is likely to result from the transfer of the individual from a facility.

"(B) The term 'stabilized' means, with respect to an emergency medical condition, that no material deterioration of the condition is likely, within reasonable medical probability, to result from the transfer of the individual from a facility.

"(5) The term 'transfer' means the movement (including the discharge) of a patient outside a hospital's facilities at the direction of any person employed by (or affiliated or associated, directly or indirectly, with) the hospital, but does not include such a movement of a patient who (A) has been declared dead, or (B) leaves the facility without the permission of any such person.

"(f) PREEMPTION.—The provisions of this section do not preempt any State or local law requirement, except to the extent that the requirement directly conflicts with a requirement of this section.".

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on the first day of the first month that begins at least 90 days after the date of the enactment of this Act.

(d) REPORT.—The Secretary of Health and Human Services shall, not later than 6 months after the effective date described in subsection (c), report to Congress on the methods to be used for monitoring and enforcing compliance with section 1867 of the Social Security Act.

SEC. 9122. REQUIREMENT FOR MEDICARE HOSPITALS TO PARTICIPATE IN CHAMPUS AND CHAMPVA PROGRAMS.

(a) IN GENERAL.—Section 1866(a)(1) of the Social Security Act (42 U.S.C. 1395cc(a)(1)) is amended—

(1) by striking out "and" at the end of subparagraph (H),

(2) by striking out the period at the end of subparagraph (I) and inserting in lieu thereof ", and", and

(3) by inserting after subparagraph (I) the following new subparagraph:

"(J) in the case of hospitals which provide inpatient hospital services for which payment may be made under this title, to be a participating provider of medical care under any health plan contracted for under section 1079 or 1086 of title 10, or under section 613 of title 38, United States Code, in accordance with admission practices, payment methodology, and amounts as prescribed under joint regulations issued by the Secretary and by the Secretaries of Defense and Transportation, in implementation of sections 1079 and 1086 of title 10, United States Code.".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to agreements entered into or renewed on or after the date of the enactment of this Act, but shall apply only to inpatient hospital services provided pursuant to admissions to hospitals occurring on or after January 1, 1987.

(c) REFERENCE TO STUDY REQUIRED.—For a study of the use by CHAMPUS of the medicare prospective payment system, see section 634 of the Department of Defense Authorization Act, 1985 (Public Law 98-525), the deadline for which is extended under section 2002 of this Act.

(d) REPORT.—The Secretary of Health and Human Services shall report to Congress periodically on the number of hospitals that have terminated or failed to renew an agreement under section 1866 of the Social Security Act as a result of the additional conditions imposed under the amendments made by subsection (a).

SEC. 9123. EXTENSION AND PAYMENT FOR HOSPICE CARE.

(a) ELIMINATION OF SUNSET.—Section 122(h)(1) of the Tax Equity and Fiscal Responsibility Act of 1982 (P.L. 97-248, 96 Stat. 362), relating to the end of the effective date for hospice care, is amended—

(1) in subparagraph (A)—

(A) by striking out "(h)(1)(A) Subject to subparagraph (B), the" and inserting in lieu thereof "(h)(1) The", and

(B) by striking out ", and before October 1, 1986", and

(2) by striking out subparagraph (B).

(b) INCREASE IN PAYMENT OF DAILY RATES FOR HOSPICE CARE.—(1) Subparagraph (B) of section 1814(i)(1) of the Social Security Act (42 U.S.C. 1395f(i)(1)) is amended to read as follows:

"(B) Notwithstanding subparagraph (A), for hospice care furnished on or after April 1, 1986, the daily rate of payment per day for routine home care shall be $63.17 and the daily rate of payment for other services included in hospice care shall be the daily rate of payment recognized under subparagraph (A) as of July 1, 1985, increased by $10.".

(2) Subparagraph (C) of such section is amended by striking out "1985" and inserting in lieu thereof "1986".

SEC. 9124. LIMITING THE PENALTY FOR LATE ENROLLMENT IN PART A.

(a) LIMITING PENALTY TO 10 PERCENT AND TWICE THE PERIOD DURING WHICH NOT ENROLLED.—Section 1818(c) of the Social Security Act (42 U.S.C. 1395i-2(c)) is amended—

(1) by striking out "and" at the end of paragraph (5),

(2) by striking out the period at the end of paragraph (6) and inserting in lieu thereof "; and", and

(3) by adding at the end the following new paragraph:

"(7) any percent increase effected under section 1839(b) in an individual's monthly premium may not exceed 10 percent and shall only apply to premiums paid during a period equal to twice the number of months in the full 12-month periods described in that section.".

(b) EFFECTIVE DATE.—(1) The amendment made by subsection (a)(3) shall apply to premiums paid for months beginning with July 1986.

(2) In applying that amendment, months (before, during, or after April 1986) in which an individual was required to pay a premium increased under the section that was so amended shall be taken into account in determining the month in which the premium will no longer be subject to an increase under that section as so amended.

SEC. 9125. PROMULGATION OF INPATIENT HOSPITAL DEDUCTIBLE.

(a) CHANGE IN DEADLINE.—Section 1813(b)(2) of the Social Security Act (42 U.S.C. 1395e(b)(2)) is amended by striking out "October 1" and inserting in lieu thereof "September 15".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to calendar years after 1985.

SEC. 9126. ACCESS TO SKILLED NURSING FACILITIES.

(a) OPTIONAL PROSPECTIVE RATES FOR CERTAIN SKILLED NURSING FACILITIES.—Section 1888 of the Social Security Act (42 U.S.C. 1395yy) is amended by adding at the end the following new subsection:

"(d)(1) Any skilled nursing facility may choose to be paid under this subsection on the basis of a prospective payment for all routine service costs (and capital-related costs) of extended care services provided in a fiscal year if such facility had, in the preceding fiscal year, fewer than 1,500 patient days with respect to which payments were made under this title. Such prospective payment shall be in lieu of payments which would otherwise be made for routine service costs pursuant to section 1861(v) and subsections (a) through (c) of this section and capital-related costs pursuant to section 1861(v). This subsection shall not apply to a facility for any fiscal year immediately following a fiscal year in which such facility had 1,500 or more patient days with respect to which payments were made under this title, without regard to whether payments were made under this subsection during such preceding fiscal year.

"(2)(A) The amount of the payment under this section shall be determined on a per diem basis.

"(B) Subject to the limitations of subparagraph (C), for skilled nursing facilities located—

"(i) in an urban area, the amount shall be equal to 105 percent of the mean of the per diem reasonable routine service and capital-related costs of extended care services for skilled nursing facilities in urban areas within the same region, determined without regard to the limitations of subsection (a) and adjusted for different area wage levels, and

"(ii) in a rural area the amount shall be equal to 105 percent of the mean of the per diem reasonable routine service and capital-related costs of extended care services for skilled nursing facilities in rural areas within the same region, determined without regard to the limitations of subsection (a) and adjusted for different area wage levels.

"(C) The per diem amounts determined under subparagraph (B) shall not exceed the limit on routine service costs determined under subsection (a) with respect to the facility, adjusted to take into account average capital-related costs with respect to the type and location of the facility.

"(3) For purposes of this subsection, urban and rural areas shall be determined in the same manner as for purposes of subsection (a), and the term 'region' shall have the same meaning as under section 1886(d)(2)(D).

"(4) The Secretary shall establish the prospective payment amounts for each fiscal year at least 90 days prior to the beginning of such fiscal year, on the basis of the most recent data available for a 12-month period. A skilled nursing facility must notify the Secretary of its intention to be paid pursuant to this subsection for a fiscal year within 60 days after the Secretary establishes the final prospective payment amounts for such fiscal year.

"(5) The Secretary shall provide for a simplified cost report to be filed by facilities being paid pursuant to this subsection, which shall require only the cost information necessary for determining prospective payment amounts pursuant to paragraph (2) and reasonable costs of ancillary services.

"(6) In lieu of payment on a cost basis for ancillary services provided by a facility which is being paid pursuant to this subsection, the Secretary may pay for such ancillary services on a reasonable charge basis if the Secretary determines that such payment basis will provide an equitable level of reimbursement and will ease the reporting burden of the facility.".

(b) PUBLICATION OF DATA RELATING TO ADJUSTMENTS TO SNF LIMITS.—Section 1888(c) of such Act is amended by adding at the end thereof the following: "The Secretary shall publish the data and criteria to be used for purposes of this subsection on an annual basis.".

(c) REINSTATEMENT OF WAIVER OF LIABILITY PRESUMPTION.—The Secretary of Health and Human Services shall, for purposes of determining whether payments to a skilled nursing facility should be denied pursuant to section 1862(a)(1)(A) of the Social Security Act, apply the same presumption of compliance (5 percent) as in effect under regulations as of July 1, 1985. Such presumption shall apply for the 30-month period beginning with the first month beginning after the date of the enactment of this Act.

(d) EFFECTIVE DATES.—(1) The amendment made by subsection (a) shall apply to fiscal years beginning on or after October 1, 1986.

(2) The amendment made by subsection (b) shall become effective on the date of the enactment of this Act.

SEC. 9127. ADDITIONAL MEMBERS OF PROSPECTIVE PAYMENT ASSESSMENT COMMISSION.

(a) EXPANSION OF MEMBERSHIP.—Section 1886(e)(6)(A) of the Social Security Act (42 U.S.C. 1395ww(e)(6)(A)) is amended by striking out "15 individuals" and inserting in lieu thereof "17 individuals".

(b) APPOINTMENTS.—The Director of the Congressional Office of Technology Assessment shall appoint the two additional members of the Prospective Payment Assessment Commission, as required by the amendment made by subsection (a), no later than 60 days after the date of the enactment of this Act, for terms of three years.

SEC. 9128. SENSE OF THE SENATE WITH RESPECT TO INPATIENT HOSPITAL DEDUCTIBLE.

In view of the $92 Medicare hospital deductible increase that went into effect January 1, 1986, it is the sense of the Senate that the Committee on Finance should report legislation which will reform calculation of the annual increase in such deductible so that it is more consistent with annual increases in Medicare payments to hospitals.

SEC. 9129. MEDICARE COVERAGE OF STATE AND LOCAL EMPLOYEES.

For provision providing for medicare coverage of certain State and local employees, see section 13205 of this Act.

PART 2—PROVISIONS RELATING TO PARTS A AND B OF MEDICARE

SUBPART A—PAYMENT-RELATED PROVISIONS

SEC. 9201. EXTENSION OF WORKING AGED PROVISION.

(a) EXTENSION OF SECONDARY PAYOR STATUS BEYOND AGE 69.—Section 1862(b)(3)(A) of the Social Security Act (42 U.S.C. 1395y(b)(3)(A)) is amended—

(1) in clause (i), by striking out "who is under 70 years of age during any part of such month" and ", if the spouse is under 70 years of age during any part of such month", and

(2) in clause (iii), by striking out "and ending with the month before the month in which such individual attains the age of 70".

(b) EXTENSION OF AGE DISCRIMINATION PROVISIONS.—

(1) Section 4(g)(1) of the Age Discrimination in Employment Act of 1967 (29 U.S.C. 623(g)(1)) is amended by striking out "through 69" and inserting in lieu thereof "or older" each place it appears.

(2) Section 12(a) of such Act (29 U.S.C. 631(a)) is amended by inserting "(except the provisions of section 4(g))" after "Act".

(3) Section 4 of such Act (29 U.S.C. 623) is amended by redesignating the second subsection (g), added by section 802 of the Older Americans Act Amendments of 1984, as subsection (h).

(c) CONFORMING AMENDMENTS.—

(1) SPECIAL ENROLLMENT PERIOD.—Paragraph (3) of section 1837(i) of the Social Security Act (42 U.S.C. 1395p(i)(3)) is amended to read as follows:

"(3) The special enrollment period referred to in paragraphs (1) and (2) is the period beginning with the first day of the first month in which the individual is no longer enrolled in a group health plan described in section 1862(b)(3)(A)(iv) by reason of current employment and ending seven months later.".

(2) EFFECTIVE DATE OF ENROLLMENT.—Subsection (e) of section 1838 of the Social Security Act (42 U.S.C. 1395q) is amended to read as follows:

"(e) Notwithstanding subsection (a), in the case of an individual who enrolls during a special enrollment period pursuant to section 1837(i)(3)—

"(1) in the first month of the special enrollment period, the coverage period shall begin on the first day of that month, or

"(2) in a month after the first month of the special enrollment period, the coverage period shall begin on the first day of the month following the month in which the individual so enrolls."

(d) EFFECTIVE DATES.—(1) The amendments made by subsection (a) shall apply with respect to items and services furnished on or after May 1, 1986.

(2) The amendments made by subsections (b) and (c) shall become effective on May 1, 1986.

SEC. 9202. PAYMENTS TO HOSPITALS FOR DIRECT COSTS OF MEDICAL EDUCATION.

(a) MEDICARE PAYMENT METHODOLOGY.—Section 1886 of the Social Security Act (42 U.S.C. 1395ww) is amended by adding at the end the following new subsection:

"(h) PAYMENTS FOR DIRECT GRADUATE MEDICAL EDUCATION COSTS.—

"(1) SUBSTITUTION OF SPECIAL PAYMENT RULES.—Notwithstanding section 1861(v), instead of any amounts that are otherwise payable under this title with respect to the reasonable costs of hospitals for direct graduate medical education costs, the Secretary shall provide for payments for such costs in accordance with paragraph (3) of this subsection. In providing for such payments, the Secretary shall provide for an allocation of such payments between part A and part B (and the trust funds established under the respective parts) as reasonably reflects the proportion of direct graduate medical education costs of hospitals associated with the provision of services under each respective part.

"(2) DETERMINATION OF HOSPITAL-SPECIFIC APPROVED FTE RESIDENT AMOUNTS.—The Secretary shall determine, for each hospital with an approved medical residency training program, an approved FTE resident amount for each cost reporting period beginning on or after July 1, 1985, as follows:

"(A) DETERMINING ALLOWABLE AVERAGE COST PER FTE RESIDENT IN A HOSPITAL'S BASE PERIOD.—The Secretary shall determine, for the hospital's cost reporting period that began during fiscal year 1984, the average amount recognized as reasonable under this title for direct graduate medical education costs of the hospital for each full-time-equivalent resident.

"(B) UPDATING TO THE FIRST COST REPORTING PERIOD.—

"(i) IN GENERAL.—The Secretary shall update each average amount determined under subparagraph (A) by the percentage increase in the consumer price index during the 12-month cost reporting period described in such subparagraph.

"(ii) EXCEPTION.—The Secretary shall not perform an update under clause (i) in the case of a hospital if the hospital's reporting period, described in subparagraph (A), began on or after July 1, 1984, and before October 1, 1984.

"(C) AMOUNT FOR FIRST COST REPORTING PERIOD.—For the first cost reporting period of the hospital beginning on or after July 1, 1985, the approved FTE resident amount for the hospital is equal to the amount determined under paragraph (B) increased by 1 percent.

"(D) AMOUNT FOR SUBSEQUENT COST REPORTING PERIODS.—For each subsequent cost reporting period, the approved FTE resident amount for the hospital is equal to the amount determined under this paragraph for the previous cost reporting period updated, through the midpoint of the period, by projecting the estimated percentage change in the consumer price index during the 12-month period ending at that midpoint, with appropriate adjustments to reflect previous under- or over-estimations under this subparagraph in the projected percentage change in the consumer price index.

"(E) TREATMENT OF CERTAIN HOSPITALS.—In the case of a hospital that did not have an

approved medical residency training program or was not participating in the program under this title for a cost reporting period beginning during fiscal year 1984, the Secretary shall, for the first such period for which it has such a residency training program and is participating under this title, provide for such approved FTE resident amount as the Secretary determines to be appropriate, based on approved FTE resident amounts for comparable programs.

"(3) HOSPITAL PAYMENT AMOUNT PER RESIDENT.—

"(A) IN GENERAL.—The payment amount, for a hospital cost reporting period beginning on or after July 1, 1985, is equal to the product of—

"(i) the aggregate approved amount (as defined in subparagraph (B)) for that period, and

"(ii) the hospital's medicare patient load (as defined in subparagraph (C)) for that period.

"(B) AGGREGATE APPROVED AMOUNT.—As used in subparagraph (A), the term 'aggregate approved amount' means, for a hospital cost reporting period, the product of—

"(i) the hospital's approved FTE resident amount (determined under paragraph (2)) for that period, and

"(ii) the weighted average number of full-time-equivalent residents (as determined under paragraph (4)) in the hospital's approved medical residency training programs in that period.

"(C) MEDICARE PATIENT LOAD.—As used in subparagraph (A), the term 'medicare patient load' means, with respect to a hospital's cost reporting period, the fraction of the total number of inpatient-bed-days (as established by the Secretary) during the period which are attributable to patients with respect to whom payment may be made under part A.

"(4) DETERMINATION OF FULL-TIME-EQUIVALENT RESIDENTS.—

"(A) RULES.—The Secretary shall establish rules consistent with this paragraph for the computation of the number of full-time-equivalent residents in an approved medical residency training program.

"(B) ADJUSTMENT FOR PART-YEAR OR PART-TIME RESIDENTS.—Such rules shall take into account individuals who serve as residents for only a portion of a period with a hospital or simultaneously with more than one hospital.

"(C) WEIGHTING FACTORS FOR CERTAIN RESIDENTS.—Subject to subparagraph (E), such rules shall provide, in calculating the number of full-time-equivalent residents in an approved residency program—

"(i) before July 1, 1986, for each resident the weighting factor is 1.00,

"(ii) on or after July 1, 1986, for a resident who is in the resident's initial residency period (as defined in paragraph (5)(F)), the weighting factor is 1.00,

"(iii) on or after July 1, 1986, and before July 1, 1987, for a resident who is not in the resident's initial residency period (as defined in paragraph (5)(F)), the weighting factor is .75, and

"(iv) on or after July 1, 1987, for a resident who is not in the resident's initial residency period (as defined in paragraph (5)(F)), the weighting factor is .50.

"(E) FOREIGN MEDICAL GRADUATES REQUIRED TO PASS FMGEMS EXAMINATION.—

"(i) IN GENERAL.—Except as provided in clause (ii), such rules shall provide that, in the case of an individual who is a foreign medical graduate (as defined in paragraph (5)(D)), the individual shall not be counted as a resident on or after July 1, 1986, unless—

"(I) the individual has passed the FMGEMS examination (as defined in paragraph (5)(E)), or

"(II) the individual has previously received certification from, or has previously passed the examination of, the Educational Commission for Foreign Medical Graduates.

"(ii) TRANSITION FOR CURRENT FMEGS.—On or after July 1, 1986, in the case of a foreign medical graduate who—

"(I) has served as a resident before July 1, 1986, and is serving as a resident after that date, but

"(II) has not passed the FMGEMS examination or a previous examination of the Educational Commission for Foreign Medical Graduates before July 1, 1986,

the individual shall be counted as a resident at a rate equal to one-half of the rate at which the individual would otherwise be counted.

"(5) DEFINITIONS AND SPECIAL RULES.—As used in this subsection:

"(A) APPROVED MEDICAL RESIDENCY TRAINING PROGRAM.—The term 'approved medical residency training program' means a residency or other postgraduate medical training program participation in which may be counted toward certification in a specialty or subspecialty and includes formal postgraduate training programs in geriatric medicine approved by the Secretary.

"(B) CONSUMER PRICE INDEX.—As used in this paragraph, the term 'consumer price index' refers to the Consumer Price Index for All Urban Consumers (United States city average), as published by the Secretary of Commerce.

"(C) DIRECT GRADUATE MEDICAL EDUCATION COSTS.—The term 'direct graduate medical education costs' means direct costs of approved educational activities for approved medical residency training programs.

"(D) FOREIGN MEDICAL GRADUATE.—The term 'foreign medical graduate' means a resident who is not a graduate of—

"(i) a school of medicine accredited by the Liaison Committee on Medical Education of the American Medical Association and the Association of American Medical Colleges (or approved by such Committee as meeting the standards necessary for such accreditation),

"(ii) a school of osteopathy accredited by the American Osteopathic Association, or approved by such Association as meeting the standards necessary for such accreditation, or

"(iii) a school of dentistry or podiatry which is accredited (or meets the standards for accreditation) by an organization recognized by the Secretary for such purpose.

"(E) FMGEMS EXAMINATION.—The term 'FMGEMS examination' means parts I and II of the Foreign Medical Graduate Examination in the Medical Sciences recognized by the Secretary for this purpose.

"(F) INITIAL RESIDENCY PERIOD.—The term 'initial residency period' means the period of board eligibility plus one year, except that—

"(i) except as provided in clause (ii), in no case shall the initial period of residency exceed an aggregate period of formal training of more than five years for any individual, and

"(ii) a period, of not more than two years, during which an individual is in a geriatric residency or fellowship program which meets such criteria as the Secretary may establish, shall be treated as part of the initial residency period, but shall not be counted against any limitation on the initial residency period.

The initial residency period shall be determined, with respect to a resident, as of the time the resident enters the residency training program.

"(G) PERIOD OF BOARD ELIGIBILITY.—

"(i) GENERAL RULE.—Subject to clauses (ii) and (iii), the term 'period of board eligibility' means, for a resident, the minimum number of years of formal training necessary to satisfy the requirements for initial board eligibility in the particular specialty for which the resident is training.

"(ii) APPLICATION OF 1985-1986 DIRECTORY.—Except as provided in clause (iii), the period of board eligibility shall be such period specified in the 1985-1986 Directory of Residency Training Programs published by the Accreditation Council on Graduate Medical Education.

"(iii) CHANGES IN PERIOD OF BOARD ELIGIBILITY.—On or after July 1, 1989, if the Accreditation Council on Graduate Medical Education, in its Directory of Residency Training Programs—

"(I) increases the minimum number of years of formal training necessary to satisfy the requirements for a specialty, above the period specified in its 1985-1986 Directory, the Secretary may increase the period of board eligibility for that specialty, but not to exceed the period of board eligibility specified in that later Directory, or

"(II) decreases the minimum number of years of formal training necessary to satisfy the requirements for a specialty, below the period specified in its 1985-1986 Directory, the Secretary may decrease the period of board eligibility for that specialty, but not below the period of board eligibility specified in that later Directory.

"(H) RESIDENT.—The term 'resident' includes an intern or other participant in an approved medical residency training program.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to hospital cost reporting periods beginning on or after July 1, 1985.

(c) STUDIES BY SECRETARY.—(1) The Secretary of Health and Human Services shall conduct a study with respect to approved educational activities relating to nursing and other health professions for which reimbursement is made to hospitals under title XVIII of the Social Security Act. The study shall address—

(A) the types and numbers of such programs, and number of students supported or trained under each program;

(B) the fiscal and administrative relationships between the hospitals involved and the schools with which the programs and students are affiliated; and

(C) the types and amounts of expenses of such programs for which reimbursement is made, and the financial and other contributions which accrue to the hospital as a consequence of having such programs.

The Secretary shall report the results of such study to the Committee on Finance of the Senate and the Committees on Ways and Means and Energy and Commerce of the House of Representatives prior to December 31, 1987.

(2) The Secretary shall conduct a separate study of the advisability of continuing or terminating the exception under section 1886(h)(5)(F)(ii) of the Social Security Act for geriatric residencies and fellowships, and of expanding such exception to cover other educational activities, particularly those

which are necessary to meet the projected health care needs of Medicare beneficiaries. Such study shall also examine the adequacy of the supply of faculty in the field of geriatrics. The Secretary shall report the results of such study to the committees described in paragraph (1) prior to July 1, 1990.

(d) GAO STUDY.—(1) The Comptroller General shall conduct a study of the variation in the amounts of payments made under title XVIII of the Social Security Act with respect to patients in different teaching hospital settings and in the amounts of such payments which are made with respect to patients who are treated in teaching and nonteaching hospital settings. Such study shall identify the components of such payments (including payments with respect to inpatient hospital services, physicians' services, and capital costs, and, in the case of teaching hospital patients, payments with respect to direct and indirect teaching costs) and shall account, to the extent feasible, for any variations in the amounts of the payment components between teaching and nonteaching settings and among different teaching settings.

(2) In carrying out such study, the Comptroller General may utilize a sample of hospital patients and any other data sources which he deems appropriate, and shall, to the extent feasible, control for differences in severity of illness levels, area wage levels, levels of physician reasonable charges for like services and procedures, and for other factors which could affect the comparability of patients and of payments between teaching and nonteaching settings and among teaching settings. The information obtained in the study shall be coordinated with the information obtained in conducting the study of teaching physicians' services under section 2307(c) of the Deficit Reduction Act of 1984.

(3) The Comptroller General shall report the results of the study to the committees described in subsection (c)(1) prior to December 31, 1987.

(e) REPORT ON UNIFORMITY OF APPROVED FTE RESIDENT AMOUNTS.—The Secretary of Health and Human Services shall report to the committees described in subsection (c)(1), not later than December 31, 1987, on whether section 1886(h) of the Social Security Act should be revised to provide for greater uniformity in the approved FTE resident amounts established under paragraph (2) of that section, and, if so, how such revisions should be implemented.

(f) STUDY ON FOREIGN MEDICAL GRADUATES.—The Secretary of Health and Human Services shall study, and report to the committees described in subsection (c)(1), not later than December 31, 1987, respecting the use of physicians who are foreign medical graduates (within the meaning of section 1886(h)(5)(D) of the Social Security Act) in the provision of health care services (particularly inpatient and outpatient hospital services) to medicare beneficiaries. Such study shall evaluate—

(1) the types of services provided;

(2) the cost of providing such services, relative to the cost of other physicians providing the services or other approaches to providing the services;

(3) any deficiencies in the quality of the services provided, and methods of assuring the quality of such services; and

(4) the impact on costs of and access to services if medicare payment for hospitals' costs of graduate medical education of foreign medical graduates were phased out.

(g) ESTABLISHING PHYSICIAN IDENTIFIER SYSTEM.—The Secretary of Health and Human Services shall establish a system, for implementation not later than July 1, 1987, which provides for a unique identifier for each physician who furnishes services for which payment may be made under title XVIII of the Social Security Act.

(h) PAPERWORK REDUCTION.—Chapter 35 of title 44, United States Code, shall not apply to information required for purposes of carrying out this section and the amendments made by this section.

(i) PROHIBITING A LIMIT ON INCREASES ON DIRECT MEDICAL EDUCATION COSTS.—(1) Section 1861(v)(1) of the Social Security Act (42 U.S.C. 1395x(v)(1)), as amended by section 9107(b) of this title, is further amended by adding at the end the following new subparagraph:

"(Q) Except as otherwise explicitly authorized, the Secretary is not authorized to limit the rate of increase on allowable costs of approved medical educational activities.".

(2) The amendment made by paragraph (1) shall apply to cost reporting periods beginning on or after July 1, 1985.

(j) SPECIAL TREATMENT OF STATES FORMERLY UNDER WAIVER.—In the case of a hospital in a State that has had a waiver approved under section 1886(c) of the Social Security Act, for cost reporting periods beginning on or after January 1, 1986, if the waiver is terminated—

(1) the Secretary of Health and Human Services shall permit the hospital to change the method by which it allocates administrative and general costs to the direct medical education cost centers to the method specified in the medicare cost report;

(2) the Secretary may make appropriate adjustments in the regional adjusted DRG prospective payment rate (for the region in which the State is located), based on the assumption that all teaching hospitals in the State use the medicare cost report; and

(3) the Secretary shall adjust the hospital-specific portion of payment under section 1886(d) of such Act for any such hospital that actually chooses to use the medicare cost report.

The Secretary shall implement this subsection based on the best available data.

SEC. 9204. MORATORIUM ON LABORATORY PAYMENT DEMONSTRATION.

(a) MORATORIUM.—Prior to January 1, 1987, the Secretary of Health and Human Services shall not conduct any demonstration projects relating to competitive bidding as a method of purchasing laboratory services under title XVIII of the Social Security Act. The Secretary may contract for the design of, and site selection for, such demonstration projects.

(b) COOPERATION IN STUDY.—The Secretary of Health and Human Services and the Comptroller General shall assist representatives of clinical laboratories in the industry's conduct of a study to determine whether methods exist which are better than competitive bidding for purposes of utilizing competitive market forces in setting payment levels for laboratory services under title XVIII of the Social Security Act. If such a study is conducted by the clinical laboratory industry, the Secretary and the Comptroller General shall comment on such study and submit such comments and the study to the Senate Committee on Finance and the House Committees on Ways and Means and Energy and Commerce.

SEC. 9205. HOME HEALTH WAIVER OF LIABILITY.

The Secretary of Health and Human Services shall, for purposes of determining whether payments to a home health agency should be denied pursuant to section 1862(a)(1)(A) of the Social Security Act, apply a presumption of compliance (2.5 percent) in the same manner as under the regulations in effect as of July 1, 1985. Such presumption shall apply until 12 months after the date on which ten regional intermediaries have commenced operations to service home health agencies, as required under section 1816(e)(4) of the Social Security Act.

SUBPART B—OTHER PROVISIONS

SEC. 9211. PROVISIONS RELATING TO HEALTH MAINTENANCE ORGANIZATIONS AND COMPETITIVE MEDICAL PLANS.

(a) FINANCIAL RESPONSIBILITY FOR PATIENTS HOSPITALIZED ON THE EFFECTIVE DATE OF AN ENROLLMENT OR DISENROLLMENT.—(1) Subsection (c) of section 1876 of the Social Security Act (42 U.S.C. 1395mm) is amended by adding at the end the following new paragraph:

"(7) A risk-sharing contract under this section shall provide that in the case of an individual who is receiving inpatient hospital services from a subsection (d) hospital (as defined in section 1886(d)(1)(B)) as of the effective date of the individual's—

"(A) enrollment with an eligible organization under this section—

"(i) payment for such services until the date of the individual's discharge shall be made under this title as if the individual were not enrolled with the organization,

"(ii) the organization shall not be financially responsible for payment for such services until the date after the date of the individual's discharge, and

"(iii) the organization shall nonetheless be paid the full amount otherwise payable to the organization under this section; or

"(B) termination of enrollment with an eligible organization under this section—

"(i) the organization shall be financially responsible for payment for such services after such date and until the date of the individual's discharge,

"(ii) payment for such services during the stay shall not be made under section 1886(d), and

"(iii) the organization shall not receive any payment with respect to the individual under this section during the period the individual is not enrolled.".

(2) Subsection (a)(3) of such section is amended by striking out "Payments" and inserting in lieu thereof "Subject to subsection (c)(7), payments".

(3) Subsection (a)(6) of such section is amended by striking out "If" and inserting in lieu thereof "Subject to subsection (c)(7), if".

(b) DISENROLLMENTS.—

(1) EFFECTIVE DATE.—Subsection (c)(3)(B) of such section is amended by striking out "a full calendar month after" and inserting in lieu thereof "the date on which".

(2) INFORMATION.—Such subsection is further amended by adding at the end the following: "In the case of an individual's termination of enrollment, the organization shall provide the individual with a copy of the written request for termination of enrollment and a written explanation of the period (ending on the effective date of the termination) during which the individual continues to be enrolled with the organization and may not receive benefits under this title other than through the organization.".

(c) REVIEW OF MARKETING MATERIAL.—Subsection (c)(3)(C) of such section is amended by adding at the end the following: "No brochures, application forms, or other promo-

tional or informational material may be distributed by an organization to (or for the use of) individuals eligible to enroll with the organization under this section unless (i) at least 45 days before its distribution, the organization has submitted the material to the Secretary for review and (ii) the Secretary has not disapproved the distribution of the material. The Secretary shall review all such material submitted and shall disapprove such material if the Secretary determines, in the Secretary's discretion, that the material is materially inaccurate or misleading or otherwise makes a material misrepresentation.".

(d) PROMPT PUBLICATION OF AAPCC.—Subsection (a)(1)(A) of such section is amended by inserting after "The Secretary shall annually determine" the following: ", and shall publish not later than September 7 before the calendar year concerned".

(e) EFFECTIVE DATES.—

(1) FINANCIAL RESPONSIBILITY.—The amendments made by subsection (a) shall apply to enrollments and disenrollments that become effective on or after the date of the enactment of this Act.

(2) DISENROLLMENTS.—The amendments made by subsection (b) shall apply to requests for termination of enrollment submitted on or after May 1, 1986.

(3) MATERIAL REVIEW.—(A) The amendment made by subsection (c) shall not apply to material which has been distributed before July 1, 1986.

(B) Such amendment also shall not apply so as to require the submission of material which is distributed before July 1, 1986.

(C) Such amendment shall also not apply to material which the Secretary determines has been prepared before the date of the enactment of this Act and for which a commitment for distribution has been made, if the application of such amendment would constitute a hardship for the organization involved.

(4) PUBLICATION.—The amendment made by subsection (d) shall apply to determinations of per capita rates of payment for 1987 and subsequent years.

(5) NECESSARY MODIFICATION OF CONTRACTS.—The Secretary of Health and Human Services shall provide for such changes in the risk-sharing contracts which have been entered into under section 1876 of the Social Security Act as may be necessary to conform to the requirements imposed by the amendments made by this section on a timely basis.

SEC. 9213. REMOVAL OF PROHIBITION ON COMMENTS BY MEDICARE AND SOCIAL SECURITY ACTUARIES RELATING TO ECONOMIC ASSUMPTIONS.

(a) FEDERAL OLD-AGE AND DISABILITY INSURANCE TRUST FUND.—Section 201(c) of the Social Security Act (42 U.S.C. 401(c)) is amended by striking out ": *Provided*, That the certification shall not refer to economic assumptions underlying the Trustee's report, and shall" and inserting in lieu thereof ". Such report shall".

(b) MEDICARE TRUST FUNDS.—Sections 1817(b) and 1841(b) of such Act (42 U.S.C. 1395i(b), 1395t(b)) are each amended by striking out ": *Provided*, That the certification shall not refer to economic assumptions underlying the Trustee's report".

(c) EFFECTIVE DATE.—The amendments made by this section shall become effective on the date of the enactment of this Act.

SEC. 9214. LIMITATION ON MERGER OF END STAGE RENAL DISEASE NETWORKS.

The Secretary of Health and Human Services shall maintain renal disease network organizations as authorized under section 1881(c) of the Social Security Act, and may not merge the network organizations into other organizations or entities. The Secretary may consolidate such network organizations, but only if such consolidation does not result in fewer than 14 such organizations being permitted to exist.

SEC. 9215. EXTENSION OF CERTAIN MEDICARE MUNICIPAL HEALTH SERVICES DEMONSTRATION PROJECTS.

The Secretary of Health and Human Services shall extend, for a period of three additional years, approval of four municipal health services demonstration projects (located in Baltimore, Cincinnati, Milwaukee, and San Jose) authorized under section 402(a) of the Social Security Amendments of 1967.

SEC. 9216. AUDIT AND MEDICAL CLAIMS REVIEW.

(a) INCREASE IN ACTIVITIES FOR FISCAL YEARS 1986, 1987, AND 1988.—Section 118 of the Tax Equity and Fiscal Responsibility Act of 1982 (96 Stat. 355) is amended—

(1) by striking out "for fiscal years 1983, 1984, and 1985",

(2) by striking out "such fiscal years" and inserting in lieu thereof "fiscal years 1983, 1984, and 1985, and $105,000,000 for each of fiscal years 1986, 1987, and 1988", and

(3) by striking out "the purpose of carrying out provider cost audits and reviews of medical necessity" and inserting in lieu thereof "purposes of carrying out provider cost audits, of reviewing medical necessity, and of recovering third-party liability payments".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to fiscal years beginning with fiscal year 1986.

SEC. 9217. LIVER TRANSPLANTS.

(a) The Senate finds that:

(1) There have been more than 600 liver transplants since 1963 and the one year survival rate at qualified institutions is now greater than 70 percent.

(2) There are 4,000 to 4,700 potential candidates in the United States each year who require a liver transplant, but only a small percentage would be eligible for Medicare coverage.

(3) There are currently individuals on waiting lists for liver transplants who will die without Medicare coverage.

(4) After extensive review and consideration of all the available data, an National Institutes of Health expert panel concluded liver transplantation is "a therapeutic modality for end-stage liver disease that deserves broader application" in a limited number of centers where they can be carried out under optimal conditions.

(5) National Institutes of Health further recommended that liver transplants be done in individuals under 18 years of age.

(6) The CHAMPUS program, after considering all relevant data, determined that there was no scientific basis for limiting liver transplants to children under 18 years of age.

(7) The Department of Health and Human Services has determined that liver transplantation is no longer an experimental procedure only for children under 18.

(b) Based upon the above findings, it is the sense of the Senate that:

(1) For the purposes of title XVIII of the Social Security Act, the Secretary immediately reconsider the Medicare liver transplant coverage decision and implement a policy under which a liver transplant shall not be considered to be an experimental procedure for Medicare beneficiaries solely because an individual is over 18 years of age.

(2) A liver transplant shall be covered under such title when reasonable and medically necessary.

(3) The Secretary shall place appropriate limiting criteria on coverage, including those relating to the patient's condition, the disease state, and the institution providing the care, so as to ensure the highest quality of medical care demonstrated to be consistent with successful outcomes.

SEC. 9218. STUDIES RELATING TO PHYSICAL THERAPISTS AND OTHER PROFESSIONALS.

(a) SUPERVISION OF HOME HEALTH SERVICES.—The Secretary of Health and Human Services shall conduct a study of the advisability of changing the requirements of title XVIII of the Social Security Act to allow home health services to be provided under the supervision of a physical therapist or other health care professional, rather than requiring the supervision of a physician or registered nurse.

(b) OFFICE REQUIREMENT.—The Secretary of Health and Human Services shall conduct a study on the advisability of deleting the requirement under such title that a physical therapist must have an office equipped with specified equipment, even if such therapist provides all such services in patients' homes.

(c) REPORTS.—The Secretary shall report the results of the studies to the Congress prior to October 1, 1986.

SEC. 9219. TECHNICAL CORRECTIONS.

(a) WORKING AGED TECHNICAL CORRECTIONS.—

(1) PREMIUM PENALTY.—The second sentence of section 1839(b) of the Social Security Act (42 U.S.C. 1395r(b)), as amended by section 2338(a) of the Deficit Reduction Act of 1984, is amended by striking out "months in which" and all that follows through "clause (iv) of such section" and inserting in lieu thereof "months during which the individual has attained the age of 65 and for which the individual can demonstrate that the individual was enrolled in a group health plan described in section 1862(b)(3)(A)(iv)".

(2) SPECIAL ENROLLMENT PERIODS.—Section 1837(i) of the Social Security Act (42 U.S.C. 1395p), as added by section 2338(b) of the Deficit Reduction Act of 1984, is amended—

(A) in paragraph (1), by amending subparagraph (A) to read as follows:

"(A) has attained the age of 65,"; and

(B) in paragraph (2), by redesignating subparagraph (C) as subparagraph (D) and by amending subparagraphs (A) and (B) to read as follows:

"(A) has attained the age of 65;

"(B)(i) has enrolled (or has been deemed to have enrolled) in the medical insurance program established under this part during the individual's initial enrollment period, or (ii) is an individual described in paragraph (1)(B);

"(C) has enrolled in such program during any subsequent special enrollment period under this subsection during which the individual was not enrolled in a group health plan described in section 1862(b)(3)(A)(iv) by reason of the individual's (or individual's spouse's) current employment; and".

(3) EFFECTIVE DATES.—

(A) The amendment made by paragraph (1) shall apply to months beginning with January 1983 for premiums for months beginning with the first month that begins more than 30 days after the date of the enactment of this Act.

(B)(i) The amendments made by paragraph (2) shall apply to enrollments in months beginning with the first effective month (as defined in clause (ii)), except that in the case of any individual who would have a special enrollment period under section 1837(i) of the Social Security Act that would have begun after November 1984 and before the first effective month, the period shall be deemed to begin with the first day of the first effective month.

(ii) For purposes of clause (i), the term "first effective month" means the first month that begins more than 90 days after the date of the enactment of this Act.

(b) MISCELLANEOUS TECHNICAL CORRECTIONS.—

(1)(A) Subclause (III) of section 1842(b)(7)(B)(ii) of the Social Security Act (42 U.S.C. 1395u(b)(7)(B)(ii)), as added by section 2307(a)(2)(G) of the Deficit Reduction Act of 1984, is amended by indenting it two additional ems to the right so as to align its left margin with the left margins of subclauses (I) and (II) of that section.

(B) Section 1861(n) of the Social Security Act (42 U.S.C. 1395x(n)), as inserted by section 2321(e)(3) of the Deficit Reduction Act of 1984, is amended by striking out "at his home" and inserting in lieu thereof "as his home".

(C) Section 1888(b) of the Social Security Act (42 U.S.C. 1395yy(b)), as added by section 2319(b) of the Deficit Reduction Act of 1984, is amended by striking out "nothwithstanding" and inserting in lieu thereof "notwithstanding".

(D) The amendments made by this paragraph shall be effective as if they had been originally included in the Deficit Reduction Act of 1984.

(2)(A) Clause (iii) of section 1842(b)(7)(B) of the Social Security Act (42 U.S.C. 1395u(b)(7)(B)), as added by section 3(b)(6) of Public Law 98-617, is amended by moving its alignment two additional ems to the left so as to align its left margin with the left margins of clauses (i) and (ii) of that section.

(B) The amendment made by subparagraph (A) shall be effective as if it had been originally included in Public Law 98-617.

(3)(A) Section 1861(v)(1)(G)(i) of the Social Security Act (42 U.S.C. 1395x(b)(1)(G)(i)), as amended by section 602(d)(1) of the Social Security Amendments of 1983, is amended by inserting, in the matter after subclause (III), "on the basis of" after "(during such period)".

(B) The amendment made by subparagraph (A) shall be effective as if it had been originally included in the Social Security Amendments of 1983.

SEC. 9220. EXTENSION OF ON LOK WAIVER.

(a) CONTINUED APPROVAL.—

(1) MEDICARE WAIVERS.—Notwithstanding any limitations contained in section 222 of the Social Security Amendments of 1972 and section 402(a) of the Social Security Amendments of 1967, the Secretary of Health and Human Services shall continue approval of the risk-sharing application (described in section 603(c)(1) of Public Law 98-21) for waivers of certain requirements of title XVIII of the Social Security Act after the end of the period described in that section.

(2) MEDICAID WAIVERS.—Notwithstanding any limitations contained in section 1115 of the Social Security Act, the Secretary shall approve any application of the Department of Health Services, State of California, for a waiver of requirements of title XIX of such Act in order to continue carrying out the demonstration project referred to in section 603(c)(2) of Public Law 98-21 after the end of the period described in that section.

(b) TERMS, CONDITIONS, AND PERIOD OF APPROVAL.—The Secretary's approval of an application (or renewal of an application) under this section—

(1) shall be on the same terms and conditions as applied with respect to the corresponding application under section 603(c) of Public Law 98-21 as of July 1, 1985, except that requirements relating to collection and evaluation of information for demonstration purposes (and not for operational purposes) shall not apply; and

(2) shall remain in effect until such time as the Secretary finds that the applicant no longer complies with the terms and conditions described in paragraph (1).

SEC. 9221. CONTINUATION OF "ACCESS: MEDICARE" DEMONSTRATION PROJECT.

(a) APPROVAL OF APPLICATION.—The Secretary of Health and Human Services shall approve any application for a waiver of any requirement of titles XVIII and XIX of the Social Security Act necessary to provide for the continuation, through September 30, 1986, of the "Access: Medicare" demonstration project carried out pursuant to section 222 of the Social Security Amendments of 1972 and section 402(a) of the Social Security Amendments of 1967 by Monroe County Long Term Care Program, Inc.

(b) TERMS AND CONDITIONS.—The Secretary's approval of an application (or renewal of an application) under subsection (a) shall be on the same terms and conditions as applied to the demonstration project as in effect on August 31, 1985.

PART 3—PROVISIONS RELATING TO PART B OF MEDICARE

SUBPART A—PAYMENT-RELATED PROVISIONS

SEC. 9301. MEDICARE PHYSICIAN PAYMENT PROVISIONS.

(a) EXTENSION OF CURRENT FREEZE ON PAYMENT RATES THROUGH APRIL 30, 1986.—Section 5(c) of the Emergency Extension Act of 1985 (Public Law 99-107), as amended by section 9101(a) of this title, is further amended by adding at the end the following new paragraph:

"(2) PHYSICIAN PAYMENTS.—For purposes of subsection (b), the term 'extension period' means the period beginning on October 1, 1985, and ending on April 30, 1986."

(b) EXTENSION OF CERTAIN PROVISIONS THROUGH DECEMBER 31, 1986.—

(1) EXTENSION.—Section 1842(b)(4) of the Social Security Act (42 U.S.C. 1395u(b)(4)) is amended—

(A) in subparagraph (A)—

(i) by inserting "(i)" after "(4)(A)", and

(ii) by adding at the end the following new clauses:

"(ii)(I) In determining the prevailing charge levels under the third and fourth sentences of paragraph (3) for physicians' services furnished during the 8-month period beginning May 1, 1986, by a physician who is not a participating physician (as defined in subsection (h)(1)) at the time of furnishing the services, the Secretary shall not set any level higher than the same level as was set for the 12-month period beginning July 1, 1983.

"(II) In determining the prevailing charge levels under the fourth sentence of paragraph (3) for physicians' services furnished during the 8-month period beginning May 1, 1986, by a physician who is a participating physician (as defined in subsection (h)(1)) at the time of furnishing the services, the Secretary shall permit an additional one percentage point increase in the increase otherwise permitted under that sentence.

"(iii) In determining the prevailing charge levels under the third and fourth sentences of paragraph (3) for physicians' services furnished during a 12-month period beginning on or after January 1, 1987, by a physician who is not a participating physician (as defined in subsection (h)(1)) at the time of furnishing the services, the Secretary shall not set any level higher than the same level as was set for services furnished during the previous calendar year (without regard to clause (ii)(II)) for physicians who were participating physicians during that year.";

(B) in subparagraph (B)—

(i) by inserting "(i)" after "(B)", and

(ii) by adding at the end the following new clause:

"(ii) In determining the reasonable charge under paragraph (3) for physicians' services furnished during the 8-month period beginning May 1, 1986, by a physician who is not a participating physician (as defined in subsection (h)(1)) at the time of furnishing the services—

"(I) if the physician was not a participating physician at any time during the 12-month period beginning on October 1, 1984, the customary charges shall be the same customary charges as were recognized under this section for the 12-month period beginning July 1, 1983, and

"(II) if the physician was a participating physician at any time during the 12-month period beginning on October 1, 1984, the physician's customary charges shall be determined based upon the physician's actual charges billed during the 12-month period ending on March 31, 1985.";

(C) in subparagraph (C)—

(i) by inserting "(i)" after "(C)",

(ii) by striking out "(A)" and inserting in lieu thereof "(A)(i)" each place it appears, and

(iii) by adding at the end the following new clause:

"(ii) In determining the prevailing charge levels under the third and fourth sentences of paragraph (3) for physicians' services furnished during the periods beginning after December 31, 1986, by a physician who was not a participating physician on that date, the Secretary shall treat the level as set under subparagraph (A)(ii) as having fully provided for the economic changes which would have been taken into account but for the limitations contained in subparagraph (A)(ii).."; and

(D) in subparagraph (D)—

(i) by striking out "In determining" and all that follows through "subsection (h)(1))" and insert in lieu thereof "(i) In determining the customary charges for physicians' services furnished during the 8-month period beginning May 1, 1986, or the 12-month period beginning January 1, 1987, by a physician who was not a participating physician (as defined in subsection (h)(1)) on September 30, 1985", and

(ii) by adding at the end the following new clauses:

"(ii) In determining the customary charges for physicians' services furnished during the 12-month period beginning January 1, 1987, by a physician who is not a participating physician (as defined in subsection (h)(1)) on April 30, 1986, the Secretary shall not recognize increases in actual charges for services furnished during the 7-month period beginning on October 1, 1985, above the level of the physician's actual charges billed during the 3-month period ending on June 30, 1984.

"(iii) In determining the customary charges for physicians' services furnished during the 12-month period beginning January 1, 1987, or January 1, 1988, by a physician who is not a participating physician (as defined in subsection (h)(1)) on December 31, 1986, the Secretary shall not recognize increases in actual charges for services furnished during the 8-month period beginning on May 1, 1986, above the level of the physician's actual charges billed during the 3-month period ending on June 30, 1984.".

(2) CONTINUED ENFORCEMENT.—The first sentence of section 1842(j)(1) of such Act (42 U.S.C. 1395u(j)(1)) is amended to read as follows: "In the case of a physician who is not a participating physician for items and services furnished during a portion of the 30-month period beginning July 1, 1984, the Secretary shall monitor the physician's actual charges to individuals enrolled under this part for physicians' services during that portion of that period.".

(3) PERIOD FOR ENTERING PARTICIPATION AGREEMENTS.—The Secretary of Health and Human Services shall provide, during the month of April 1986, that physicians and suppliers may enter into an agreement under section 1842(h)(1) of the Social Security Act for the 8-month period beginning May 1, 1986, or terminate such an agreement previously entered into for fiscal year 1986. In the case of a physician or supplier who entered into such an agreement for fiscal year 1986, the physician or supplier shall be deemed to have entered into such agreement for such 8-month period and for each succeeding year unless the physician or supplier terminates such agreement before the beginning of the respective period. At the beginning of such 8-month period, the Secretary shall publish a new directory (described in section 1842(h)(4) of that Act, as redesignated by subsection (c)(3)(D) of this section) of participating physicians and suppliers.

(4) EFFECTIVE DATE.—The amendments made by this subsection shall apply to services furnished on or after May 1, 1986.

(c) INCENTIVES FOR PARTICIPATING PHYSICIAN PROGRAM.—

(1) 15-MONTH EXTENSION OF TRANSFER OF FUNDS FOR CARRIERS.—Section 2306(e) of the Deficit Reduction Act of 1984 (Public Law 98-369; 98 Stat. 1073) is amended—

(A) by striking out "and 1985" and inserting in lieu thereof ", 1985, and 1986",

(B) by striking out "the amendments made by this section" and inserting in lieu thereof "subsections (b)(4), (h), and (j) of section 1842 of the Social Security Act",

(C) by striking out "and" before "not less",

(D) by inserting before the period at the end the following: ", and not less than $18,000,000 for fiscal year 1986", and

(E) by adding at the end the following new sentences: "A significant proportion of such funds shall be used for the expansion of the participating physician and supplier program and for the development of professional relations staffs dedicated to addressing the billing and other problems of physicians and suppliers participating in that program. Such funds for fiscal year 1986 are available for obligation until December 31, 1986.".

(2) IMPROVEMENT OF PARTICIPATING PHYSICIAN DIRECTORIES.—Section 1842(i) of the Social Security Act (42 U.S.C. 1395u(i)) is amended—

(A) in the first sentence of paragraph (2)—

(i) by striking out "a directory" and inserting in lieu thereof "directories (for appropriate local geographic areas)", and

(ii) by inserting "for that area" before "for that fiscal year";

(B) in the second sentence of paragraph (2), by striking out "The directory" and inserting in lieu thereof "Each directory";

(C) in paragraph (3)—

(i) by striking out "directory" the first place it appears and inserting in lieu thereof "the directories", and

(ii) by striking out "directory" the second place it appears and inserting in lieu thereof "the appropriate area directory or directories"; and

(D) in paragraph (4)—

(i) by striking out "directory" and inserting in lieu thereof "the directories", and

(ii) by adding at the end the following: "The Secretary shall provide that each appropriate area directory is sent to each participating physician located in that area.".

(3) ELIMINATION OF PHYSICIAN ASSIGNMENT RATE LIST.—Section 1842(i) of such Act is further amended—

(A) by striking out "(i)(1)" and all that follows through the end of paragraph (1),

(B) by striking out "subsection (h)(1)" in paragraph (2) and inserting in lieu thereof "paragraph (1)",

(C) by striking out "list and" each place it appears in paragraphs (3) and (4), and

(D) by redesignating paragraphs (2) through (4) as paragraphs (4) through (6) of subsection (h), respectively.

(4) INFORMATION ON THE PARTICIPATING PHYSICIAN AND SUPPLIER PROGRAM IN EXPLANATIONS OF MEDICARE BENEFITS FOR UNASSIGNED CLAIMS.—Section 1842(h) of such Act, as previously amended by this subsection, is further amended by adding at the end the following new paragraphs:

"(7) The Secretary shall provide that each explanation of benefits provided under this part for services furnished in the United States, in conjunction with the payment of claims under section 1833(a)(1) (made other than on an assignment-related basis, described in paragraph (8)), shall include—

"(A) a reminder of the participating physician and supplier program established under this subsection (including the limitation on charges that may be imposed by such physicians and suppliers), and

"(B) the toll-free telephone number or numbers, maintained under paragraph (2), at which an individual enrolled under this part may obtain information on participating physicians and suppliers.

"(8) For purposes of this title, a claim is considered to be paid on an 'assignment-related basis' if the claim is paid on the basis of an assignment described in subsection (b)(3)(B)(ii), in accordance with subsection (b)(6)(B), or under the procedure described in section 1870(f)(1).".

(5) EFFECTIVE DATE.—Section 1842(b)(7) of the Social Security Act, as added by paragraph (4) of this subsection, shall apply to explanations of benefits provided on or after such date (not later than October 1, 1986) as the Secretary of Health and Human Services shall specify.

(d) CHANGING CUSTOMARY AND PREVAILING CHARGE UPDATES FOR PHYSICIAN SERVICES AND OTHER PART B SERVICES FROM OCTOBER TO JANUARY.—

(1) PAYMENT UPDATES.—Section 1842(b)(3) of the Social Security Act (42 U.S.C. 1395u(b)(3)) is amended—

(A) in subparagraph (F), by striking out "(ending on September 30)";

(B) in the third sentence, by striking out "March 31" and all that follows through "of each year)" and inserting in lieu thereof "June 30 last preceding the start of the calendar year"; and

(C) in the eighth sentence, by striking out "the twelve-month period beginning on October 1 in".

(2) PARTICIPATION AGREEMENTS.—Section 1842(h)(1) of such Act is amended—

(A) in the second sentence—

(i) by striking out "before October 1" and inserting in lieu thereof "before the beginning",

(ii) by striking out "on the basis of an assignment" and all that follows through "1870(f)(1)" and inserting in lieu thereof "on an assignment-related basis", and

(iii) by striking out "the 12-month period beginning on October 1 of"; and

(B) in the third sentence—

(i) by striking out "after October 1" and inserting in lieu thereof "after the beginning", and

(ii) by striking out "12-month period beginning on such October 1" and inserting in lieu thereof "year".

(3) DIRECTORIES.—The first sentence of section 1842(i)(2) of such Act (which is redesignated as section 1842(h)(4) by subsection (c)(3)(D)), is further amended by striking out "fiscal" each place it appears.

(4) EFFECTIVE DATE.—The amendments made by this subsection shall apply to items and services furnished on or after October 1, 1986.

(5) TRANSITION.—Notwithstanding any other provision of law, for purposes of making payment under part B of title XVIII of the Social Security Act, customary and prevailing charges (and the lowest charges determined under the sixth sentence of section 1842(b)(3) of such Act) for items and services furnished during the period beginning on October 1, 1986, and ending on December 31, 1986, shall be determined on the same basis as for items and services furnished on September 30, 1986.

SEC. 9303. PAYMENT FOR CLINICAL LABORATORY SERVICES.

(a) CHANGING MONTH OF ANNUAL UPDATE FROM JULY TO JANUARY.—

(1) IN GENERAL.—Section 1833(h) of the Social Security Act (42 U.S.C. 1395l(h)) is amended—

(A) by striking out "June 30, 1987" and "July 1, 1987" and inserting in lieu thereof "December 31, 1987" and "January 1, 1988", respectively, each place either appears, and

(B) in paragraph (2), by inserting "(to become effective on January 1 of each year)" after "adjusted annually".

(2) EFFECTIVE DATE.—The amendments made by paragraph (1) shall apply to clinical laboratory diagnostic tests performed on or after July 1, 1986.

(3) TRANSITION.—The Secretary of Health and Human Services shall provide that the annual adjustment under section 1833(h) of the Social Security Act for 1986—

(A) shall take effect on January 1, 1987,

(B) shall apply for the 12-month period beginning on that date, and

(C) shall take into account the percentage increase or decrease in the Consumer Price Index for all urban consumers (United States city average) occurring over an 18-month period, rather than over a 12-month period.

(b) PROVIDING CEILING ON RATES.—

(1) CEILING ON PAYMENTS.—Paragraphs (1)(D)(i) and (2)(D)(i) of section 1833(a) of the Social Security Act (42 U.S.C. 1395l(a)) are each amended by inserting after "lesser of the amount determined under such fee

schedule" the following: ", the limitation amount for that test determined under subsection (h)(4)(B),".

(2) ESTABLISHMENT OF LIMITATION AMOUNT.—Section 1833(h)(4) of such Act is amended by inserting "(A)" after "(4)" and by adding at the end the following new subparagraph:

"(B) For purposes of subsections (a)(1)(D)(i) and (a)(2)(D)(i), the limitation amount for a clinical diagnostic laboratory test performed—

"(i) on or after July 1, 1986, and before January 1, 1988, is equal to 115 percent of the median of all the fee schedules established for that test for that laboratory setting under paragraph (1), or

"(ii) after December 31, 1987, and so long as a fee schedule for the test has not been established on a nationwide basis, is equal to 110 percent of the median of all the fee schedules established for that test for that laboratory setting under paragraph (1).".

(3) METHOD OF PAYMENT FOR NON-INDEPENDENT LABORATORIES.—Section 1833(h)(5)(C) of such Act is amended by striking out "which is independent of a physician's office or" and inserting in lieu thereof "other than".

(4) EXTENDING MEDICARE PROFICIENCY EXAMINATION AUTHORITY.—Section 1123(a) of such Act (42 U.S.C. 1320a-2(a)) is amended by striking out "September 30, 1983" and inserting in lieu thereof "September 30, 1987".

(5) EFFECTIVE DATES.—(A) The amendments made by paragraphs (1) and (2) shall apply to clinical diagnostic laboratory tests performed on or after July 1, 1986.

(B) The amendment made by paragraph (3) shall apply to clinical diagnostic laboratory tests performed on or after January 1, 1987.

(C) The amendment made by paragraph (4) shall take effect on the date of the enactment of this Act.

(c) REPORT ON MINIMUM STANDARDS FOR CLINICAL LABORATORIES THAT ARE PART OF, OR ASSOCIATED WITH, PHYSICIANS' OFFICES.—The Secretary of Health and Human Services shall report to Congress, not later than 12 months after the date of the enactment of this Act, on the standards that might be established under the medicare program for clinical laboratories which are part of or associated with a physician's office to assure the health and safety of individuals with respect to whom the laboratories perform clinical diagnostic laboratory tests for which payment may be made under the program. In recommending standards, the Secretary shall consider the differences in the scope, type, and complexity of tests performed by such laboratories and such other factors as may indicate a need for different standards for laboratories with different characteristics.

SEC. 9304. DETERMINATIONS OF INHERENT REASONABLENESS OF CHARGES AND CUSTOMARY CHARGES FOR CERTAIN FORMER HOSPITAL-COMPENSATED PHYSICIANS.

(a) REGULATIONS RELATING TO INHERENT REASONABLENESS OF CHARGES.—Section 1842(b) of the Social Security Act (42 U.S.C. 1395u(b)) is amended by adding at the end the following new paragraph:

"(8) The Secretary by regulation shall—

"(A) describe the factors to be used in determining the cases (of particular items or services) in which the application of this subsection results in the determination of a reasonable charge that, by reason of its grossly excessive or grossly deficient amount, is not inherently reasonable, and

"(B) provide in those cases for the factors that will be considered in establishing a reasonable charge that is realistic and equitable.".

(b) COMPUTATION OF CUSTOMARY CHARGES FOR CERTAIN FORMER HOSPITAL-COMPENSATED PHYSICIANS.—(1) In applying section 1842(b) of the Social Security Act to payment for physicians' services performed during the 8-month period beginning May 1, 1986, in the case of a physician who at anytime during the period beginning on October 31, 1982, and ending on January 31, 1985, was a hospital-compensated physician (as defined in paragraph (3)) but who, as of February 1, 1985, was no longer a hospital-compensated physician, the physician's customary charges shall—

(A) be based upon the physician's actual charges billed during the 12-month period ending on March 31, 1985, and

(B) in the case of a physician who was not a participating physician (as defined in section 1842(h)(1) of the Social Security Act) on September 30, 1985, and who is not such a physician on May 1, 1986, be deflated (to take into account the legislative freeze on actual charges for nonparticipating physicians' services) by multiplying the physician's customary charges by .85.

(2) In applying section 1842(b) of the Social Security Act to payment for physicians' services performed during the 8-month period beginning May 1, 1986, in the case of a physician who during the period beginning on February 1, 1985, and ending on December 31, 1986, changes from being a hospital-compensated physician to not being a hospital-compensated physician, the physician's customary charges shall be determined in the same manner as if the physician were considered to be a new physician.

(3) In this subsection, the term "hospital-compensated physician" means, with respect to services furnished to patients of a hospital, a physician who is compensated by the hospital for the furnishing of physicians' services for which payment may be made under this part.

SEC. 9305. PHYSICIAN PAYMENT REVIEW COMMISSION AND DEVELOPMENT OF RELATIVE VALUE SCALE.

(a) ESTABLISHMENT OF COMMISSION.—Part B of title XVIII of the Social Security Act is amended by adding at the end the following new section:

"PHYSICIAN PAYMENT REVIEW COMMISSION

"SEC. 1845. (a)(1) The Director of the Congressional Office of Technology Assessment (hereinafter in this section referred to as the 'Director' and the 'Office', respectively) shall provide for the appointment of a Physician Payment Review Commission (hereinafter in this section referred to as the 'Commission'), to be composed of individuals with expertise in the provision and financing of physicians' services appointed by the Director (without regard to the provisions of title 5, United States Code, governing appointments in the competitive service).

"(2) The Commission shall consist of 11 individuals. Members of the Commission shall first be appointed no later than May 1, 1986, for a term of three years, except that the Director may provide initially for such shorter terms as will insure that (on a continuing basis) the terms of no more than four members expire in any one year.

"(3) The membership of the Commission shall include physicians, other health professionals, individuals skilled in the conduct and interpretation of biomedical, health services, and health economics research, and representatives of consumers and the elderly. The Director shall seek nominations from a wide range of groups, including—

"(A) national organizations representing physicians, including medical specialty organizations,

"(B) organizations representing the elderly and consumers,

"(C) national organizations representing medical schools,

"(D) national organizations representing hospitals, including teaching hospitals, and

"(E) national organizations representing health benefits programs.

"(b)(1) The Commission shall make recommendations to the Congress, not later than March 1 of each year (beginning with 1987), regarding adjustments to the reasonable charge levels for physicians' services recognized under section 1842(b) and changes in the methodology for determining the rates of payment, and for making payment, for physicians' services under this title and other items and services under this part.

"(2) In making its recommendations, the Commission shall—

"(A) consider, and make recommendations on the feasibility and desirability of reducing, the differences in payment amounts for physicians' services under this part which are based on differences in geographic location or specialty;

"(B) review the input costs (including time, professional skills, and risks) associated with the provision of different physicians' services;

"(C) identify those charges recognized as reasonable under section 1842(b) which are significantly out-of-line, based on the considerations of subparagraphs (A) and (B);

"(D) assess the likely impact of different adjustments in payment rates, particularly their impact on physician participation in the participation program established under section 1842(h) and on beneficiary access to necessary physicians' services;

"(E) make recommendations on ways to increase physician participation in that participation program and the acceptance of payment under this part on an assignment-related basis;

"(F) make recommendations respecting the advisability and feasibility of making changes in the payment system for physicians' services under this part based on (i) the Secretary's study under section 603(b)(2) of the Social Security Amendments of 1983 (relating to payments for physicians' services furnished to hospital inpatients on the basis of diagnosis-related groups) and (ii) the Office's report under section 2309 of the Deficit Reduction Act of 1984 (relating to physician reimbursement under this part);

"(G) identify those procedures, involving the use of assistants at surgery, for which payment for those assistants should not be made under this title without prior approval; and

"(H) identify those procedures for which an opinion of a second physician should be required before payment is made under this title.

"(3) The Commission also shall advise and make recommendations to the Secretary respecting the development of the relative value scale under subsection (e).

"(c)(1) The following provisions of section 1886(e)(6) shall apply to the Commission in the same manner as they apply to the Prospective Payment Assessment Commission:

"(A) Subparagraph (C) (relating to staffing and administration generally).

"(B) Subparagraph (D) (relating to compensation of members).

"(C) Subparagraph (F) (relating to access to information).

"(D) Subparagraph (G) (relating to reports and use of funds).

"(E) Subparagraph (H) (relating to periodic GAO audits).

"(F) Subparagraph (J) (relating to requests for appropriations).

"(2) In order to carry out its functions, the Commission shall collect and assess information on medical and surgical procedures and services, including information on regional variations of medical practice. In collecting and assessing information, the Commission shall—

"(A) utilize existing information, both published and unpublished, where possible, collected and assessed either by its own staff or under other arrangements made in accordance with this section,

"(B) carry out, or award grants or contracts for, original research and experimentation, where existing information is inadequate for the development of useful and valid guidelines by the Commission, and

"(C) adopt procedures allowing any interested party to submit information with respect to physicians' services (including new practices, such as the use of new technologies and treatment modalities), which information the Commission shall consider in making reports and recommendations to the Secretary and Congress.

"(d) There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this section. Such sums shall be payable from the Federal Supplementary Medical Insurance Trust Fund.".

(b) DEVELOPMENT OF RELATIVE VALUE SCALE FOR PHYSICIANS' SERVICES.—Section 1845 of the Social Security Act, as added by subsection (a), is further amended by adding at the end the following new subsection:

"(e)(1) The Secretary shall develop a relative value scale that establishes a numerical relationship among the various physicians' services for which payment may be made under this part or under State plans approved under title XIX.

"(2) In developing the scale, the Secretary shall consider among other items—

"(A) the report of the Office of Technology Assessment under section 2309 of the Deficit Reduction Act of 1984,

"(B) the recommendations of the Physician Payment Review Commission under subsection (b)(3), and

"(C) factors with respect to the input costs for furnishing particular physicians' services, such as—

"(i) the differences in costs of furnishing services in different settings,

"(ii) the differences in skill levels and training required to perform the services, and

"(iii) the time required, and risk involved, in furnishing different services.

"(3) The Secretary shall complete the development of the relative value scale under this section, and report to Congress on the development, not later than July 1, 1987. The report shall include recommendations for the application of the scale to payment for physicians' services furnished under this part on or after January 1, 1988.".

SEC. 9306. LIMITATION ON MEDICARE PAYMENT FOR POST-CATARACT SURGERY PATIENTS.

(a) DETERMINATION OF SEPARATE PAYMENT AMOUNTS FOR PROSTHETIC LENSES AND PROFESSIONAL SERVICES.—Section 1842(b) of the Social Security Act (42 U.S.C. 1395u(b)) is amended by adding after paragraph (8), added by section 9304(a) of this title, the following new paragraph:

"(9) In providing payment for cataract eyeglasses and cataract contact lenses, and professional services relating to them, under this part, each carrier shall—

"(A) provide for separate determinations of the payment amount for the eyeglasses and lenses and of the payment amount for the professional services of a physician (as defined in section 1861(r)), and

"(B) not recognize as reasonable for such eyeglasses and lenses more than such amount as the Secretary establishes in guidelines relating to the inherent reasonableness of charges for such eyeglasses and lenses.".

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to items and services furnished on or after April 1, 1986.

SEC. 9307. PAYMENT FOR ASSISTANTS AT SURGERY FOR CERTAIN CATARACT OPERATIONS AND OTHER OPERATIONS.

(a) LIMITATION ON PAYMENT.—Section 1862(a) of the Social Security Act (42 U.S.C. 1395y(a)) is amended—

(1) by striking out "or" at the end of paragraph (13),

(2) by striking out the period at the end of paragraph (14) and inserting in lieu thereof "; or", and

(3) by adding at the end the following new paragraph:

"(15) which are for services of an assistant at surgery in a cataract operation unless, before the surgery is performed, the appropriate utilization and quality control peer review organization (under part B of title XI) or a carrier under section 1842 has approved of the use of such an assistant in the surgical procedure based on the existence of a complicating medical condition.".

(b) ADDITIONAL PRO FUNCTIONS.—Section 1154(a)(8) of such Act (42 U.S.C. 1320c-3(a)(8)) is amended by inserting before the period at the end the following: "or as may be required to carry out section 1862(a)(15)".

(c) PROHIBITION FOR SUBMITTING BILL FOR WHICH PAYMENT MAY NOT BE MADE.—Section 1842 of such Act (42 U.S.C. 1395u) is amended—

(1) in subsection (j)(2), by inserting "or subsection (k)" after "paragraph (1)", and

(2) by adding at the end the following new subsection:

"(k)(1) If a physician knowingly and willfully bills an individual enrolled under this part for charges for services as an assistant at surgery for which payment may not be made by reason of section 1862(a)(15), the Secretary may apply sanctions against such physician in accordance with subsection (j)(2).

"(2) If a physician knowingly and willfully bills an individual enrolled under this part for charges that includes a charge for an assistant at surgery for which payment may not be made by reason of section 1862(a)(15), the Secretary may apply sanctions against such physician in accordance with subsection (j)(2).".

(d) EXTENSION OF PROHIBITION TO OTHER PROCEDURES.—The Secretary of Health and Human Services, after consultation with the Physician Payment Review Commission, shall develop recommendations and guidelines respecting other surgical procedures for which an assistant at surgery is generally not medically necessary and the circumstances under which the use of an assistant at surgery is generally appropriate but should be subject to prior approval of an appropriate entity. The Secretary shall report to Congress, not later than January 1, 1987, on these recommendations and guidelines.

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to services performed on or after April 1, 1986.

SUBPART B—BENEFITS AND OTHER PROVISIONS

SEC. 9313. PART B PREMIUM.

Section 1839 of the Social Security Act (42 U.S.C. 1395r) is amended—

(1) in subsection (e), by striking out "1988" and inserting in lieu thereof "1989" each place it appears;

(2) in subsection (f)(1), by striking out "or 1986" and inserting in lieu thereof ", 1986, or 1987"; and

(3) in subsection (f)(2), by striking out "or 1987" and inserting in lieu thereof ", 1987, or 1988".

SEC. 9314. DEMONSTRATION OF PREVENTIVE HEALTH SERVICES UNDER MEDICARE.

(a) DEMONSTRATION PROGRAM.—The Secretary of Health and Human Services (hereinafter in this section referred to as the "Secretary") shall establish a 4-year demonstration program designed to reduce disability and dependency through the provision of preventive health services to individuals entitled to benefits under title XVIII of the Social Security Act (hereinafter in this section referred to as "medicare beneficiaries").

(b) PREVENTIVE HEALTH SERVICES UNDER DEMONSTRATION PROGRAM.—The preventive health services to be made available under the demonstration program shall include—

(1) health screenings,

(2) health risk appraisals,

(3) immunizations, and

(4) counseling on and instruction in—

(A) diet and nutrition,

(B) reduction of stress,

(C) exercise and exercise programs,

(D) sleep regulation,

(E) injury prevention,

(F) prevention of alcohol and drug abuse,

(G) prevention of mental health disorders,

(H) self-care, including use of medication, and

(I) reduction or cessation of smoking.

(c) CONDUCT OF PROGRAM.—The demonstration program shall—

(1) be conducted under the direction of accredited public or private nonprofit schools of public health or preventive medicine departments accredited by the Council on Education for Public Health;

(2) be conducted in no fewer than five sites, which sites shall be chosen so as to be geographically diverse and shall be readily accessible to a significant number of medicare beneficiaries;

(3) involve community outreach efforts at each site to enroll the maximum number of medicare beneficiaries in the program; and

(4) be designed—

(A) to test alternative methods of payment for preventive health services, including payment on a prepayment basis as well as payment on a fee-for-service basis,

(B) to permit a variety of appropriate health care providers to furnish preventive health services, including physicians, health educators, nurses, allied health personnel, dieticians, and clinical psychologists, and

(C) to facilitate evaluation under subsection (d).

(d) EVALUATION.—The Secretary shall evaluate the demonstration project in order to determine—

(1) the short-term and long-term costs and benefits of providing preventive health services for medicare beneficiaries, including

any reduction in inpatient services resulting from providing the services, and

(2) what practical mechanisms exist to finance preventive health services under title XVIII of the Social Security Act.

(e) REPORTS TO CONGRESS.—(1) Not later than three years after the date of the enactment of this Act, the Secretary shall submit a preliminary report to the Committees on Ways and Means and Energy and Commerce of the House of Representatives and to the Committee on Finance of the Senate on the progress made in the demonstration program, including a description of the sites at which the program is being conducted and the preventive health services being provided at the different sites.

(2) Not later than five years after the date of the enactment of this Act, the Secretary shall submit a final report to those Committees on the demonstration program and shall include in the report—

(A) the evaluation described in subsection (d), and

(B) recommendations for appropriate legislative changes to incorporate payment for cost-effective preventive health services into the medicare program.

(f) FUNDING.—Expenditures made for the demonstration program shall be made from the Federal Supplementary Medical Insurance Trust Fund (established by section 1841 of the Social Security Act). Grants and payments under contracts may be made either in advance or by way of reimbursement, as may be determined by the Secretary, and shall be made in such installments and on such conditions as the Secretary finds necessary to carry out the purpose of this section. Funding for the demonstration program shall not exceed $4,000,000 over the duration of the program.

(g) WAIVER OF MEDICARE REQUIREMENTS.—The Secretary shall waive compliance with such requirements of title XVIII of the Social Security Act to the extent and for the period the Secretary finds necessary for the conduct of the demonstration program.

SEC. 9315. EXTENSION OF GAO REPORTING DATE.

(a) EXTENSION.—Section 2326(e)(2) of the Deficit Reduction Act of 1984 (98 Stat. 1088) is amended by striking out "12 months after the date of the enactment of this Act" and inserting in lieu thereof "May 1, 1986".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply as though it were included in the Deficit Reduction Act of 1984 as originally enacted.

PART 4—PEER REVIEW ORGANIZATIONS

SEC. 9401. 100 PERCENT PEER REVIEW OF CERTAIN SURGICAL PROCEDURES.

(a) REQUIREMENT.—Section 1154(a) of the Social Security Act (42 U.S.C. 1395c-3(a)) is amended by adding at the end thereof the following new paragraph:

"(12) The organization shall perform the review, referral, and other functions required under section 1164.".

(b) ADDITIONAL PEER REVIEW FUNCTIONS.—Part B of title XI of the Social Security Act is amended by adding at the end the following new section:

"100 PERCENT PEER REVIEW FOR CERTAIN SURGICAL PROCEDURES

"SEC. 1164. (a) 100 PERCENT REVIEW FUNCTION.—

"(1) IN GENERAL.—Each utilization and quality control peer review organization shall perform the review described in section 1154(a)(1) for 100 percent of the surgical procedures specified pursuant to subsection (b).

"(2) TIMING OF REVIEW.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), the review required under paragraph (1) shall be performed—

"(i) before the performance of the procedure, in the case of an outpatient procedure, or

"(ii) before admission to the hospital for the provision of services in connection with the procedure, in the case of a procedure performed on an inpatient basis.

"(B) EXCEPTION.—The review with respect to a procedure need not be performed by the time specified in subparagraph (A) in cases of a medical emergency and under such other circumstances as the Secretary may specify.

"(b) SPECIFICATION OF SURGICAL PROCEDURES AND QUALIFIED REVIEWERS.—

"(1) IN CONTRACT.—The contract with each organization under this part shall specify at least 10 surgical procedures to be covered under this section.

"(2) SELECTION GUIDELINES.—

"(A) IN GENERAL.—The specification of procedures shall be consistent with selection guidelines established by the Secretary under paragraph (3). The procedures specified shall be included among the surgical procedures which the Secretary has identified as reasonably being able to meet such guidelines.

"(B) EXCEPTION.—The Secretary may permit an organization to include among the procedures specified under paragraph (1) procedures not identified by the Secretary under paragraph (2)(A) if to do so would be cost effective and consistent with the criteria described in paragraph (3).

"(3) CRITERIA.—The Secretary shall establish such guidelines and identify such surgical procedures consistent with the following criteria:

"(A) The procedure is one which generally can be postponed without undue risk to the patient.

"(B) The procedure is a high volume procedure among patients who are covered under the programs established under title XVIII or is a high cost procedure.

"(C) The procedure has a comparatively high rate of nonconfirmation upon examination by another qualified physician, there is substantial geographic variation in the rates of performance of the procedure, or there are other reasons why pre-procedure review for 100 percent of the procedures would be cost effective.

"(4) QUALIFICATIONS FOR PHYSICIANS PROVIDING SECOND OPINIONS.—

"(A) IN GENERAL.—The Secretary shall specify, for each procedure identified under paragraphs (2) and (3), the type or types of board certified or board eligible specialists who may conduct a second opinion, required under subsection (c), based upon the nature of the procedure.

"(B) FREEDOM OF CHOICE OF PATIENT TO CHOOSE PHYSICIAN.—Subject to paragraphs (C) and (D), the patient may choose any physician of the proper specialty under subparagraph (A) to provide the second opinion.

"(C) PHYSICIANS PROHIBITED FROM PROVIDING SECOND OPINIONS.—For purposes of this section, a second opinion may not be provided by a physician who is affiliated with, or has a common financial interest with, the physician who rendered the first opinion that the procedure was necessary.

"(D) RESTRICTED LIST.—In accordance with guidelines of the Secretary, an organization may disqualify a physician from providing a second opinion under this section because of the gross unreliability of the second opinions provided.

"(c) REQUIRING A SECOND OPINION IN CERTAIN CASES.—

"(1) DETERMINATIONS BY ORGANIZATION.—In the case of a review performed pursuant to subsection (a), the organization shall determine, based on such review, that the surgical procedure—

"(A) is reasonable and medically necessary,

"(B) is not reasonable and medically necessary, or

"(C) may be considered reasonable and necessary, but, because of questions as to the medical appropriateness of performing the procedure, it is appropriate to require the patient to seek a second opinion as to the necessity and appropriateness of performing the procedure before the performance of the procedure.

The Secretary shall develop appropriate measures to ensure that second opinions are only required in situations where a second opinion is needed to resolve outstanding uncertainties as to the medical necessity of the procedure. The organization shall notify, in accordance with section 1154(a)(3), the physician, patient, and hospital or other entity furnishing the service, in the event of a determination under subparagraph (B) or (C) of this paragraph.

"(2) PROHIBITION OF PAYMENT IF REQUIRED SECOND OPINION NOT PROVIDED.—No payment may be made under part A or part B of title XVIII with respect to items or services furnished in connection with a surgical procedure for which there is a determination described in paragraph (1)(C), unless the individual undergoing the procedure obtains the second opinion required under that paragraph. The second opinion need not necessarily agree with the first opinion in order for payment to be made.

"(3) EXCEPTIONS FOR ELECTIVE SECOND OPINIONS.—Paragraphs (1)(C) and (2) shall not apply to a surgical procedure if—

"(A) a delay in providing the procedure would result in a risk to the patient;

"(B) no physician is available (within such reasonable limits as the Secretary shall specify) who is (i) qualified to provide the second opinion, and (ii) a participating physician or a physician who has agreed to accept assignment for the second opinion; or

"(C) the procedure is to be performed on a patient who is a member of a health maintenance organization or competitive medical plan having a risk-sharing contract with the Secretary under section 1876.

"(d) REFERRAL MECHANISM FOR SECOND OPINIONS.—

"(1) ACTING AS REFERRAL CENTER.—Each organization shall serve as a referral center for second opinions required under this section.

"(2) REFERRAL OF PATIENT.—The organization shall maintain a list of physicians qualified to provide a second opinion and shall advise the patient as to which physicians are participating physicians (within the meaning of section 1842(h)) and which physicians have agreed to accept assignment to perform second opinions. The organization shall assist patients in referral to a qualified physician of the appropriate specialty for purposes of providing the opinion.

"(3) FORWARDING OF RELEVANT MEDICAL RECORDS.—Each peer review organization shall, if the patient seeking the second opinion so requests, obtain the relevant medical records from the physician who rendered the first opinion that the procedure was

necessary, and provide the relevant information to the physician selected by the patient to render the second opinion.

"(e) NOTICE TO PHYSICIANS, HOSPITALS, AND BENEFICIARIES.—The Secretary shall assure that notice is provided to physicians, hospitals, ambulatory surgical centers, and beneficiaries respecting the activities under this section, including the applicable list of surgical procedures specified under this section.".

(b) WAIVER OF DEDUCTIBLE AND COPAYMENTS.—

(1) DEDUCTIBLE.—Section 1833(b) of the Social Security Act (42 U.S.C. 1395l(b)) is amended by striking out "and" before "(4)", and by inserting before the period at the end of the first sentence the following: ", and (5) such deductible shall not apply with respect to items and services furnished in connection with obtaining a second opinion required under section 1164(c)(2) (or a third opinion, if the second opinion was in disagreement with the first opinion)".

(2) COPAYMENTS.—(A) Section 1833(a)(1) of such Act (42 U.S.C. 1395l(a)(1)) is amended by striking out "and" before "(F)", and by adding at the end thereof the following: "and (G) with respect to items and services (other than clinical diagnostic laboratory tests) furnished in connection with obtaining a second opinion required under section 1164(c)(2) (or a third opinion, if the second opinion was in disagreement with the first opinion), the amounts paid shall be 100 percent of the reasonable charges for such items and services;".

(B) Section 1833(a)(1)(D) of such Act is amended by striking out "or under the procedure described in section 1870(f)(1)" and inserting in lieu thereof ", under the procedure described in section 1870(f)(1), or for tests furnished in connection with obtaining a second opinion required under section 1164(c)(2) (or a third opinion, if the second opinion was in disagreement with the first opinion)".

(C) Section 1833(a)(2)(A) of such Act is amended by inserting ", to items and services (other than clinical diagnostic laboratory tests) furnished in connection with obtaining a second opinion required under section 1164(c)(2) (or a third opinion, if the second opinion was in disagreement with the first opinion)," after "(other than durable medical equipment)".

(D) Section 1833(a)(2)(D) of such Act is amended by striking out "or to a provider having an agreement under section 1866" and inserting in lieu thereof "to a provider having an agreement under section 1866, or for tests furnished in connection with obtaining a second opinion required under section 1164(c)(2) (or a third opinion, if the second opinion was in disagreement with the first opinion)".

(E) Section 1833(a)(3) of such Act is amended by inserting after "1861(s)(10)(A)" the following: "and for items and services furnished in connection with obtaining a second opinion required under section 1164(c)(2), or a third opinion, if the second opinion was in disagreement with the first opinion".

(F) The last sentence of section 1866(a)(2)(A) of such Act (42 U.S.C. 1395cc(a)(2)(A)) is amended by inserting after "1861(s)(10)(A)" the following: ", with respect to items and services furnished in connection with obtaining a second opinion required under section 1164(c)(2) (or a third opinion, if the second opinion was in disagreement with the first opinion),".

(c) CONFORMING AMENDMENTS.—

(1) EXCLUSIONS FROM COVERAGE.—Section 1862(a) of the Social Security Act (42 U.S.C. 1395g(a)), as amended by section 9307(a) of this title, is amended—

(A) by striking out "or" at the end of paragraph (14);

(B) by striking out the period at the end of paragraph (15) and inserting in lieu thereof "; or"; and

(C) by adding at the end thereof the following new paragraph:

"(16) furnished in connection with a surgical procedure for which a second opinion is required under section 1164(c)(2) and has not been obtained.".

(d) EFFECTIVE DATES.—The amendments made by subsection (a) shall apply to items and services furnished on or after January 1, 1987. The Secretary of Health and Human Services shall provide for such modification of contracts under part B of title XI of the Social Security Act that are in effect on that date as may be necessary to effect these amendments on a timely basis.

(e) STUDY.—The Secretary of Health and Human Services shall conduct a study of the results of the amendments made by this section, and shall report the results of the study to the Congress within 36 months after the date of the enactment of this Act.

SEC. 9402. PEER REVIEW ORGANIZATION REIMBURSEMENT.

(a) REIMBURSEMENT AMOUNTS.—Section 1866(a)(1)(F) of the Social Security Act (42 U.S.C. 1395cc(a)(1)(F)) is amended—

(1) by striking out clause (iii),

(2) by inserting "and" at the end of clause (ii),

(3) by redesignating clause (iv) as clause (iii), and

(4) by striking out "1982" in clause (iii) as so redesignated and inserting in lieu thereof "1986".

(b) MONTHLY PAYMENTS.—Section 1153(c)(8) of such Act (42 U.S.C. 1320c-2(c)(8)) is amended to read as follows:

"(8) reimbursement shall be made to the organization on a monthly basis, with payments for any month being made not later than 15 days after the close of such month.".

(c) EFFECTIVE DATES.—(1) The amendments made by subsection (a) shall become effective on the date of the enactment of this Act.

(2) The amendment made by subsection (b) shall apply to contracts entered into or renewed on or after the date of the enactment of this Act.

SEC. 9403. DENIAL OF PAYMENT FOR SUBSTANDARD CARE.

(a) DENIAL AUTHORITY FOR PRO.—Section 1154(a)(2) of the Social Security Act (42 U.S.C. 1320c-3(a)(2)) is amended—

(1) by striking out "subparagraphs (A) and (C)" and inserting in lieu thereof "subparagraphs (A), (B), and (C)"; and

(2) by adding at the end thereof (after and below subparagraph (D)) the following:

"Determinations that payment should not be made by reason of subparagraph (B) of paragraph (1) shall be made only on the basis of criteria which are consistent with guidelines established by the Secretary.".

(b) WAIVER OF LIABILITY.—Section 1866(a)(1) of such Act (42 U.S.C. 1395cc(a)(1)) is amended by striking out "and" at the end of subparagraph (G), by striking out the period at the end of subparagraph (H) and inserting in lieu thereof ", and", and by inserting after subparagraph (H) the following new subparagraph:

"(I) not to charge any individual or any other person for items or services for which payment under this title is denied under section 1154(a)(2) by reason of a determination under section 1154(a)(1)(B).".

(c) EFFECTIVE DATE.—The amendments made by this section shall become effective on the date of the enactment of this Act.

SEC. 9404. HEALTH MAINTENANCE ORGANIZATION MEMBERSHIP ON PEER REVIEW ORGANIZATION BOARDS.

(a) REMOVAL OF ONE-MEMBER LIMITATION.—Section 1153(b)(2)(A) of the Social Security Act (42 U.S.C. 1320c-2(b)(2)(A)) is amended by striking out "consists only of one individual member of the governing board" and inserting in lieu thereof "consists only of members of the governing board".

(b) EFFECTIVE DATE.—The amendment made by this section shall become effective on the date of the enactment of this Act.

SEC. 9405. PEER REVIEW ORGANIZATION REVIEW OF HEALTH MAINTENANCE ORGANIZATIONS.

(a) COMPARABLE REVIEW FOR HEALTH MAINTENANCE ORGANIZATIONS AND COMPETITIVE MEDICAL PLANS.—Section 1154(a)(1) of the Social Security Act (42 U.S.C. 1320c-3(a)(1)) is amended by inserting "(including where payment is made for such services to eligible organizations pursuant to contracts under section 1876)" after "title XVIII".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to items and services furnished on or after January 1, 1987.

SEC. 9406. SUBSTITUTE REVIEW PENDING TERMINATION OF A PEER REVIEW ORGANIZATION CONTRACT.

(a) SUBSTITUTE REVIEW.—Section 1153(d) of the Social Security Act (42 U.S.C. 1320c-2(d)) is amended by adding at the end thereof the following new paragraph:

"(4) During the period after the Secretary has given notice of intent to terminate a contract, and prior to the time that the Secretary enters into a contract with another utilization and quality control peer review organization, the Secretary may transfer review responsibilities of the organization under the contract being terminated to another utilization and quality control peer review organization, or to an intermediary or carrier having an agreement under section 1816 or a contract under section 1842.".

(b) EFFECTIVE DATE.—The amendment made by this section shall become effective on the date of the enactment of this Act.

SUBTITLE B—MEDICAID AND MATERNAL AND CHILD HEALTH

SEC. 9501. SERVICES FOR PREGNANT WOMEN.

(a) EXPANDED COVERAGE.—Section 1905(n)(1) of the Social Security Act (42 U.S.C. 1396d(n)(1)) is amended—

(1) by striking out "or" at the end of subparagraph (A);

(2) by striking out "and" at the end of subparagraph (B) and inserting in lieu thereof "or"; and

(3) by adding after subparagraph (B) the following new subparagraph:

"(C) otherwise meets the income and resources requirements of a State plan under part A of title IV; and".

(b) OPTIONAL EXPANSION OF PREGNANCY-RELATED SERVICES.—Section 1902(a)(10) of such Act (42 U.S.C. 1396a(a)(10)) is amended, in the matter after subparagraph (D) thereof—

(1) by striking out "and" before "(IV)" and inserting in lieu thereof a comma; and

(2) by inserting before the semicolon at the end thereof the following: ", and (V) the making available to pregnant women covered under the plan of services relating to pregnancy (including prenatal, delivery, and postpartum services) or to any other condition which may complicate pregnancy shall not , by reason of this paragraph (10), require the making available of such services, or the making available of such services of the same amount, duration, and scope, to any other individuals, provided such services are made available (in the same amount, duration, and scope) to all pregnant women covered under the State plan".

(c) POSTPARTUM ELIGIBILITY FOR PREGNANT WOMEN.—Section 1902(e) of such Act (42 U.S.C. 1396b(e)) is amended by adding at the end the following new paragraph:

"(5) A woman who, while pregnant, is eligible for, has applied for, and has received medical assistance under the State plan, shall continue to be eligible under the plan, as though she were pregnant, for all pregnancy-related and postpartum medical assistance under the plan, until the end of the 60-day period beginning on the last day of her pregnancy.".

(d) EFFECTIVE DATES.—

(1) EXPANDED COVERAGE.—(A) The amendments made by subsection (a) apply (except as provided under subparagraph (B)) to payments under title XIX of the Social Security Act for calendar quarters beginning on or after the July 1, 1986, without regard to whether or not final regulations to carry out the amendments have been promulgated by that date.

(B) In the case of a State plan for medical assistance under title XIX of the Social Security Act which the Secretary of Health and Human Services determines requires State legislation (other than legislation appropriating funds) in order for the plan to meet the additional requirement imposed by the amendments made by subsection (a), the State plan shall not be regarded as failing to comply with the requirements of such title solely on the basis of its failure to meet this additional requirement before the first day of the first calendar quarter beginning after the close of the first regular session of the State legislature that begins after the date of the enactment of this Act.

(2) OPTIONAL SERVICES.—The amendments made by subsection (b) shall become effective on the date of the enactment of this Act.

(3) CONTINUED COVERAGE.—The amendment made by subsection (c) shall apply to medical assistance furnished to a woman on or after the date of the enactment of this Act.

SEC. 9502. MODIFICATIONS OF WAIVER PROVISIONS FOR HOME AND COMMUNITY-BASED SERVICES.

(a) EXPLICIT INCLUSION OF CERTAIN PREVOCATIONAL AND EDUCATIONAL SERVICES.—Section 1915(c) of the Social Security Act (42 U.S.C. 1396n(c)) is amended by adding at the end thereof the following new paragraph:

"(5) For purposes of paragraph (4)(B), the term 'habilitation services', with respect to individuals who receive such services after discharge from a skilled nursing facility or intermediate care facility—

"(A) means services designed to assist individuals in acquiring, retaining, and improving the self-help, socialization, and adaptive skills necessary to reside successfully in home and community based settings; and

"(B) includes (except as provided in subparagraph (C)) prevocational, educational, and supported employment services; but

"(C) does not include—

"(i) special education and related services (as defined in section 602(16) and (17) of the Education of the Handicapped Act (20 U.S.C. 1401(16), (17)) which otherwise are available to the individual through a local educational agency; and

"(ii) vocational rehabilitation services which otherwise are available to the individual through a program funded under section 110 of the Rehabilitation Act of 1973 (29 U.S.C. 730).".

(b) PERMITTING HOSPITAL LEVEL OF CARE FOR CERTAIN PARTICIPANTS.—(1) Section 1915(c)(1) of such Act (42 U.S.C. 1396n(c)(1)) is amended by inserting "or but for the provision of such services the individuals would continue to receive inpatient hospital services, skilled nursing facility services, or intermediate care facility services because they are dependent on ventilator support the cost of which is reimbursed under the State plan" before the period at the end thereof.

(2) Section 1915(c)(2)(C) of such Act (42 U.S.C. 1396n(c)(2)(C)) is amended—

(A) by inserting "hospital or" after "provided in a"; and

(B) by inserting "inpatient hospital services or" after "the provision of".

(c) PROHIBITING IMPOSITION OF CERTAIN REGULATORY LIMITS.—Section 1915(c) of such Act (42 U.S.C. 1396n(c)) as amended by subsection (a), is further amended—

(1) in paragraph (2)(D), by inserting "100 percent of" after "does not exceed"; and

(2) by adding at the end thereof the following new paragraph:

"(6) The Secretary may not require, as a condition of approval of a waiver under this section under paragraph (2)(D), that the actual total expenditures for home and community-based services under the waiver (and a claim for Federal financial participation in expenditures for the services) cannot exceed the approved estimates for these services. The Secretary may not deny Federal financial payment with respect to services under such a waiver on the ground that, in order to comply with paragraph (2)(D), a State has failed to comply with such a requirement.".

(d) COMPUTATION OF EXPENDITURES FOR CERTAIN DISABLED PATIENTS.—Section 1915(c) of such Act (42 U.S.C. 1396n(c)), as amended by subsection (c), is further amended by adding at the end thereof the following new paragraph:

"(7) In making estimates under paragraph (2)(D) in the case of a waiver which applies only to physically disabled individuals who are inpatients in skilled nursing or intermediate care facilities, the State may determine the average per capita expenditure which would have been made in a fiscal year for those individuals under the State plan separately from the expenditure for other individuals who are inpatients of those facilities.".

(e) PERMITTING FLEXIBILITY IN ESTABLISHING MAINTENANCE INCOME STANDARDS.—Section 1915(c)(3) of such Act (42 U.S.C. 1396n(c)(3)) is amended by adding at the end the following new sentence: "A waiver may provide, with respect to post-eligibility treatment of income of all individuals receiving services under that waiver, that the maximum amount of the individual's income which may be disregarded for any month for the maintenance needs of the individual may be an amount greater than the maximum allowed for that purpose under regulations in effect on July 1, 1985.".

(f) WAIVER EXTENSIONS.—The Secretary of Health and Human Services shall extend, upon request of the State, any waiver under section 1915(c) of the Social Security Act which expires on or after September 30, 1985, and before September 30, 1986. Such extension shall be for a period of not less than one year nor more than five years, subject to section 1915(e)(1) of such Act.

(g) WAIVER RENEWALS.—Section 1915(c)(3) of the Social Security Act (42 U.S.C. 1396n(c)(3)) is amended—

(1) by striking out "additional three-year periods" and inserting in lieu thereof "additional five-year periods"; and

(2) by striking out "previous three-year period" and inserting in lieu thereof "previous waiver period".

(h) COORDINATED SERVICES BETWEEN MCH PROGRAM AND HOME AND COMMUNITY-BASED SERVICE PROGRAMS.—Section 1915(c) of the Social Security Act (42 U.S.C. 1396n(c)), as amended by subsection (d) of this section, is further amended by adding at the end thereof the following new paragraph:

"(8) The State agency administering the plan under this title may, whenever appropriate, enter into cooperative arrangements with the State agency responsible for administering the program for children with special health care needs under title V in order to assure improved access to coordinated services to meet the needs of such children.".

(i) SUBSTITUTION OF PARTICIPANTS.—(1) Section 1915(c) of the Social Security Act (42 U.S.C. 1396n(c)), as amended by subsection (h) of this section, is further amended by adding at the end thereof the following new paragraph:

"(9) In the case of any waiver under this subsection which contains a limit on the number of individuals who shall receive home or community-based services, the State may substitute additional individuals to receive such services to replace any individuals who die or become ineligible for services under the State plan.".

(j) EFFECTIVE DATES.—

(1) HABILITATION SERVICES.— The amendment made by subsection (a) shall be effective for services furnished on or after the date of the enactment of this Act.

(2) HOSPITALIZED PATIENTS.—The amendments made by subsection (b) shall be effective for services furnished on or after October 1, 1985.

(3) PROHIBITION OF REGULATORY LIMITS AND TREATMENT OF CERTAIN PHYSICALLY DISABLED INDIVIDUALS.—The amendments made by subsections (c) and (d) shall apply to applications for waivers (or renewals thereof) filed before, on, or after, the date of the enactment of this Act and for services furnished on or after August 13, 1981.

(4) INCOME STANDARDS.—The amendment made by subsection (e) shall apply to waivers (or renewals thereof) approved on or after the date of the enactment of this Act.

(5) WAIVER EXTENSIONS.—Subsection (f) shall apply to waivers expiring on or after September 30, 1985, and before September 30, 1986.

(6) WAIVER RENEWALS.—The amendments made by subsection (g) shall become effective on September 30, 1986.

(7) COORDINATED SERVICES AND SUBSTITUTION OF PARTICIPANTS.—The amendments made by subsections (h) and (i) shall become effective on the date of the enactment of this Act.

SEC. 9503. THIRD-PARTY LIABILITY.

(a) AMENDMENTS TO STATE PLAN REQUIREMENTS.—(1) Section 1902(a)(25) of the Social

Security Act (42 U.S.C. 1396a(a)(25)) is amended to read as follows:

"(25) provide—

"(A) that the State or local agency administering such plan will take all reasonable measures to ascertain the legal liability of third parties (including health insurers) to pay for care and services available under the plan, including—

"(i) the collection of sufficient information (as specified by the Secretary in regulations) to enable the State to pursue claims against such third parties, with such information being collected at the time of any determination or redetermination of eligibility for medical assistance, and

"(ii) the submission to the Secretary of a plan (subject to approval by the Secretary) for pursuing claims against such third parties, which plan shall—

"(I) be integrated with, and be monitored as a part of the Secretary's review of, the State's mechanized claims processing and information retrieval system under section 1903(r), and

"(II) be subject to the provisions of section 1903(r)(4) relating to reductions in Federal payments for failure to meet conditions of approval, but shall not be subject to any other financial penalty as a result of any other monitoring, quality control, or auditing requirements;

"(B) that in any case where such a legal liability is found to exist after medical assistance has been made available on behalf of the individual and where the amount of reimbursement the State can reasonably expect to recover exceeds the costs of such recovery, the State or local agency will seek reimbursement for such assistance to the extent of such legal liability;

"(C) that in the case of an individual who is entitled to medical assistance under the State plan with respect to a service for which a third party is liable for payment, the person furnishing the service may not seek to collect from the individual (or any financially responsible relative or representative of that individual) payment of an amount for that service (i) if the total of the amount of the liabilities of third parties for that service is at least equal to the amount payable for that service under the plan (disregarding section 1916), or (ii) in an amount which exceeds the lesser of (I) the amount which may be collected under section 1916, or (II) the amount by which the amount payable for that service under the plan (disregarding section 1916) exceeds the total of the amount of the liabilities of third parties for that service;

"(D) that a person who furnishes services and is participating under the plan may not refuse to furnish services to an individual (who is entitled to have payment made under the plan for the services the person furnishes) because of a third party's potential liability for payment for the service;

"(E) that in the case of prenatal or preventive pediatric care (including early and periodic screening and diagnosis services under section 1905(a)(4)(B)) covered under the State plan, the State shall—

"(i) make payment for such service in accordance with the usual payment schedule under such plan for such services without regard to the liability of a third party for payment for such services; and

"(ii) seek reimbursement from such third party in accordance with subparagraph (B); and

"(F) that in the case of any services covered under such plan which are provided to an individual on whose behalf child support enforcement is being carried out by the State agency under part D of title IV of this Act, the State shall—

"(i) make payment for such service in accordance with the usual payment schedule under such plan for such services without regard to any third-party liability for payment for such services, if such third-party liability is derived (through insurance or otherwise) from the parent whose obligation to pay support is being enforced by such agency, if payment has not been made by such third party within 30 days after such services are furnished; and

"(ii) seek reimbursement from such third party in accordance with subparagraph (B);".

(2) Section 1902 of such Act (42 U.S.C. 1396a) is amended by inserting after subsection (f) the following new subsection:

"(g) In addition to any other sanction available to a State, a State may provide for a reduction of any payment amount otherwise due with respect to a person who furnishes services under the plan in an amount equal to up to three times the amount of any payment sought to be collected by that person in violation of subsection (a)(25)(C).".

(b) PERFORMANCE STANDARDS AND REVIEW FOR MECHANIZED CLAIMS PROCESSING AND INFORMATION RETRIEVAL SYSTEMS.—(1) Section 1903(r)(6)(J) of such Act (42 U.S.C. 1396b(r)(6)(J)) is amended to read as follows:

"(J) develop and disseminate performance standards for assessing the State's third party collection efforts in accordance with section 1902(a)(25)(A)(ii).".

(2) Section 1903(r)(4)(A) of such Act (42 U.S.C. 1396b(r)(4)(A)) is amended—

(A) by striking out "once each fiscal year" and inserting in lieu thereof "once every three years"; and

(B) by adding at the end thereof the following: "Reviews may, at the Secretary's discretion, constitute reviews of the entire system or of only those standards, systems requirements, and other conditions which have demonstrated weakness in previous reviews.".

(c) REGULATIONS.—The Secretary of Health and Human Services shall promulgate final regulations necessary to carry out sections 1902(a)(25) and 1903(r)(6)(J) of the Social Security Act within 6 months after the date of the enactment of this Act.

(d) ERISA AMENDMENT.—(1) Section 514(b) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1144) is amended by adding at the end thereof the following new paragraph:

"(8) Subsection (a) of this section shall not apply to any State law mandating that an employee benefit plan not include any provision which has the effect of limiting or excluding coverage or payment for any health care for an individual who would otherwise be covered or entitled to benefits or services under the terms of the employee benefit plan, because that individual is provided, or is eligible for, benefits or services pursuant to a plan under title XIX of the Social Security Act, to the extent such law is necessary for the State to be eligible to receive reimbursement under title XIX of that Act.".

(2)(A) Except as provided in subparagraph (B), the amendment made by paragraph (1) shall become effective on October 1, 1986.

(B) In the case of a plan maintained pursuant to one or more collective bargaining agreements between employee representatives and one or more employers ratified on or before the date of the enactment of this Act, the amendment made by paragraph (1) shall become effective on the later of—

(i) October 1, 1986; or

(ii) the earlier of—

(I) the date on which the last of the collective bargaining agreements under which the plan is maintained, which were in effect on the date of the enactment of this Act, terminates (determined without regard to any extension thereof agreed to after the date of the enactment of this Act); or

(II) three years after the date of the enactment of this Act.

(e) CONDITION OF ELIGIBILITY.—Section 1912(a)(1) of the Social Security Act (42 U.S.C. 1396k(a)(1)) is amended by striking out "and" at the end of subparagraph (A), and by adding at the end thereof the following new subparagraph:

"(C) to cooperate with the State in identifying, and providing information to assist the State in pursuing, any third party who may be liable to pay for care and services available under the plan, unless such individual has good cause for refusing to cooperate as determined by the State agency in accordance with standards prescribed by the Secretary, which standards shall take into consideration the best interests of the individuals involved; and".

(f) DISREGARD FROM ERRONEOUS PAYMENTS.—Section 1903(u)(1)(D) of such Act (42 U.S.C. 1396b(u)(1)(D)) is amended by adding at the end thereof the following new clause:

"(iv) In determining the amount of erroneous excess payments, there shall not be included any error resulting from a failure of an individual to cocperate or give correct information with respect to third-party liability as required under section 1912(a)(1)(C) or 402(a)(26)(C).".

(g) EFFECTIVE DATES.—(1) Except as otherwise provided, the amendments made by this section shall apply to calendar quarters beginning on or after the date of the enactment of this Act.

(2) In the case of a State plan for medical assistance under title XIX of the Social Security Act which the Secretary of Health and Human Services determines requires State legislation (other than legislation appropriating funds) in order for the plan to meet the additional requirements imposed by the amendments made by this section, the State plan shall not be regarded as failing to comply with the requirements of such title solely on the basis of its failure to meet these additional requirements before the first day of the first calendar quarter beginning after the close of the first regular session of the State legislature that begins after the date of the enactment of this Act.

(3) No penalty may be applied against any State for a violation of section 1902(a)(25) of the Social Security Act occurring prior to the effective date of the amendments made by this section.

(4) The amendment made by subsection (c) shall become effective on the date of the enactment of this Act.

SEC. 9505. OPTIONAL HOSPICE BENEFITS.

(a) COVERAGE OF HOSPICE CARE AS AN OPTIONAL MEDICAID BENEFIT.—Section 1905 of the Social Security Act (42 U.S.C. 1396d) is amended—

(1) in subsection (a)—

(A) by striking out "and" at the end of paragraph (17);

(B) by redesignating paragraph (18) as paragraph (19); and

(C) by inserting after paragraph (17) the following new paragraph:

"(18) hospice care (as defined in subsection (o)); and"; and

(2) by adding at the end thereof the following new subsection:

"(o)(1) The term 'hospice care' means the care described in section 1861(dd)(1) furnished by a hospice program (as defined in section 1861(dd)(2)) to a terminally ill individual who has voluntarily elected (in accordance with paragraph (2)) to have payment made for hospice care instead of having payment made for certain benefits described in section 1812(d)(2)(A) and intermediate care facility services under the plan. For purposes of such election, hospice care may be provided to an individual while such individual is a resident of a skilled nursing facility or intermediate care facility, but the only payment made under the State plan shall be for the hospice care.

"(2) An individual's voluntary election under this subsection—

"(A) shall be made in accordance with procedures that are established by the State and that are consistent with the procedures established under section 1812(d)(2);

"(B) shall be for such a period or periods (which need not be the same periods described in section 1812(d)(1)) as the State may establish; and

"(C) may be revoked at any time without a showing of cause and may be modified so as to change the hospice program with respect to which a previous election was made.".

(b) ELIGIBILITY.—

(1) LIMITATION TO TERMINALLY ILL INDIVIDUALS.—Section 1902(a)(10) of such Act (42 U.S.C. 1396a(a)(10)), as amended by section 9501 of this Act, is further amended, in the matter following subparagraph (D), by striking out "and" before "(V)" and by inserting before the semicolon at the end thereof the following: ", and (VI) with respect to the making available of medical assistance for hospice care to terminally ill individuals who have made a voluntary election described in section 1905(o) to receive hospice care instead of medical assistance for certain other services, such assistance may not be made available in an amount, duration, or scope less than that provided under title XVIII, and the making available of such assistance shall not, by reason of this paragraph (10), require the making available of medical assistance for hospice care to other individuals or the making available of medical assistance for services waived by such terminally ill individuals".

(2) HIGHER INCOME STANDARD PERMITTED.—Section 1902(a)(10)(A)(ii) of such Act (42 U.S.C. 1396a(a)(10)(A)(ii)) is amended—

(A) by striking out "or" at the end of subclause (V);

(B) by striking out the semicolon at the end of subclause (VI) and inserting in lieu thereof ", or"; and

(C) by adding at the end the following new subclause:

"(VII) who would be eligible under the State plan under this title if they were in a medical institution, who are terminally ill, and who will receive hospice care pursuant to a voluntary election described in section 1905(o);".

(c) PAYMENT FOR HOSPICE CARE.—

(1) USE OF MEDICARE RATES.—Section 1902(a)(13) of such Act (42 U.S.C. 1396a(a)(13)) is amended—

(A) by striking out "and" at the end of subparagraph (B);

(B) by redesignating subparagraph (C) as subparagraph (D); and

(C) by inserting after subparagraph (B) the following new subparagraph:

"(C) for payment for hospice care in the same amounts, and using the same methodology, as used under part A of title XVIII; except that a separate rate may be paid for hospice care which is furnished to an individual who is a resident of a skilled nursing facility or intermediate care facility, and who would be eligible under the plan for skilled nursing facility services or intermediate care facility services if he had not elected to receive hospice care, to take into account the room and board furnished by such facility; and".

(2) LIMITATION ON COPAYMENTS.—Subsections (a)(2) and (b)(2) of section 1916 of the Social Security Act (42 U.S.C. 1396o) are each amended—

(A) by striking out "or" at the end of subparagraph (C);

(B) by striking out "; and" at the end of subparagraph (D) and inserting in lieu thereof ", or"; and

(C) by adding at the end the following new subparagraph:

"(E) services furnished to an individual who is receiving hospice care (as defined in section 1905(o)); and".

(d) CONFORMING AMENDMENTS.—

(1) Section 1902(j) of such Act (42 U.S.C. 1396a(j)) is amended by striking out "(18)" and inserting in lieu thereof "(19)".

(2) Section 1902(a)(10)(C)(iv) of such Act (42 U.S.C. 1396a(a)(10)(C)(iv)) is amended by striking out "through (17)" and inserting in lieu thereof "through (18)".

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to medical assistance provided for hospice care furnished on or after the date of the enactment of this Act.

SEC. 9506. TREATMENT OF POTENTIAL PAYMENTS FROM MEDICAID QUALIFYING TRUSTS.

(a) AMOUNTS TREATED AS BEING AVAILABLE FROM GRANTOR TRUSTS.—Section 1902 of the Social Security Act (42 U.S.C. 1396a) is amended by adding at the end thereof the following new subsection:

"(k)(1) In the case of a medicaid qualifying trust (described in paragraph (2)), the amounts from the trust deemed available to a grantor, for purposes of subsection (a)(17), is the maximum amount of payments that may be permitted under the terms of the trust to be distributed to the grantor, assuming the full exercise of discretion by the trustee or trustees for the distribution of the maximum amount to the grantor. For purposes of the previous sentence, the term 'grantor' means the individual referred to in paragraph (2).

"(2) For purposes of this subsection, a 'medicaid qualifying trust' is a trust, or similar legal device, established (other than by will) by an individual (or an individual's spouse) under which the individual may be the beneficiary of all or part of the payments from the trust and the distribution of such payments is determined by one or more trustees who are permitted to exercise any discretion with respect to the distribution to the individual.

"(3) This subsection shall apply without regard to—

"(A) whether or not the medicaid qualifying trust is irrevocable or is established for purposes other than to enable a grantor to qualify for medical assistance under this title; or

"(B) whether or not the discretion described in paragraph (2) is actually exercised.

"(4) The State may waive the application of this subsection with respect to an individual where the State determines that such application would work an undue hardship.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to medical assistance furnished on or after the first day of the second month beginning after the date of the enactment of this Act.

SEC. 9507. WRITTEN STANDARDS FOR PROVISION OF ORGAN TRANSPLANTS.

(a) DENIAL OF FEDERAL PAYMENTS FOR ORGAN TRANSPLANTS UNLESS PROVIDED UNDER WRITTEN STANDARDS.—Section 1903(i) of the Social Security Act (42 U.S.C. 1396b(i)) is amended by inserting before paragraph (2) the following new paragraph:

"(1) for organ transplant procedures unless the State plan provides for written standards respecting the coverage of such procedures and unless such standards provide that—

"(A) similarly situated individuals are treated alike; and

"(B) any restriction, on the facilities or practitioners which may provide such procedures, is consistent with the accessibility of high quality care to individuals eligible for the procedures under the State plan.".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to medical assistance furnished on or after January 1, 1987.

SEC. 9508. OPTIONAL TARGETED CASE MANAGEMENT SERVICES.

(a) EXEMPTION FROM CERTAIN REQUIREMENTS.—(1) Section 1915 of the Social Security Act (42 U.S.C. 1396n) is amended by adding at the end thereof the following new subsection:

"(g)(1) A State may provide, as medical assistance, case management services under the plan without regard to the requirements of section 1902(a)(1) and section 1902(a)(10)(B). The provision of case management services under this subsection shall not restrict the choice of the individual to receive medical assistance in violation of section 1902(a)(23).

"(2) For purposes of this subsection, the term 'case management services' means services which will assist individuals eligible under the plan in gaining access to needed medical, social, educational, and other services.".

(2) Section 1915(b) of such Act (42 U.S.C. 1396n(b)) is amended by adding at the end thereof (after and below paragraph (4)) the following: "No waiver under this subsection may restrict the choice of the individual in receiving services under section 1905(a)(4)(C).".

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to services furnished on or after the date of the enactment of this Act.

SEC. 9509. REVALUATION OF ASSETS.

(a) REVALUATION OF ASSETS.—Section 1902(a)(13) of the Social Security Act (42 U.S.C. 1396a(a)(13)), as amended by section 9505 of this Act, is further amended—

(1) in subparagraph (B), by striking out "hospitals, skilled nursing facilities, and intermediate care facilities" and inserting in lieu thereof "hospitals";

(2) by striking out "and" at the end of subparagraph (C);

(3) by redesignating subparagraphs (C) and (D) as subparagraphs (D) and (E); and

(4) by inserting after subparagraph (B) the following new subparagraph:

"(C) that the State shall provide assurances satisfactory to the Secretary that the valuation of capital assets, for purposes of determining payment rates for skilled nursing facilities and intermediate care facilities, will not be increased (as measured from the date of acquisition by the seller to the date of the change of ownership), solely as a result of a change of ownership, by more than the lesser of—

"(i) one-half of the percentage increase (as measured over the same period of time, or, if necessary, as extrapolated retrospectively by the Secretary) in the Dodge Construction Systems Costs for Nursing Homes, applied in the aggregate with respect to those facilities which have undergone a change of ownership during the fiscal year, or

"(ii) one-half of the percentage increase (as measured over the same period of time) in the Consumer Price Index for All Urban Consumers (United States city average);".

(b) EFFECTIVE DATES.—(1) Except as provided in paragraphs (2) and (3), the amendments made by this section shall apply to medical assistance furnished on or after October 1, 1985, but only with respect to changes of ownership occurring on or after such date.

(2) The amendments made by this section shall not apply with respect to a change of ownership pursuant to an enforceable agreement entered into prior to October 1, 1985.

(3) In the case of a State plan for medical assistance under title XIX of the Social Security Act which the Secretary of Health and Human Services determines requires State legislation (other than legislation appropriating funds) in order for the plan to meet the requirements imposed by the amendments made by this section, the State plan shall not be regarded as failing to comply with the requirements of such title solely on the basis of its failure to meet the requirements imposed by the amendments made by this section before the first day of the first calendar quarter beginning after the close of the first regular session of the State legislature that begins after the date of the enactment of this Act.

(c) GAO STUDY.—The Comptroller General shall conduct a study of the effects of the amendments made by this section, and shall report the results of such study to the Congress two years after the date of the enactment of this Act.

SEC. 9510. BEGINNING DATE OF OPTIONAL COVERAGE FOR INDIVIDUALS IN MEDICAL INSTITUTIONS.

(a) COVERAGE.—Section 1902(a)(10)(A)(ii)(V) of the Social Security Act (42 U.S.C. 1396a(a)(10)(A)(ii)(V)) is amended by inserting "for a period of not less than 30 consecutive days (with eligibility by reason of this subclause beginning on the first day of such period)" after "are in a medical institution".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply with respect to payment for services furnished on or after October 1, 1985.

SEC. 9511. OPTIONAL COVERAGE OF CHILDREN.

(a) STATE OPTION.—Section 1905(n)(2) of the Social Security Act (42 U.S.C. 1396d(h)(2)) is amended by inserting "(or such earlier date as the State may designate)" after "September 30, 1983".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to services furnished on or after April 1, 1986.

SEC. 9512. OVERPAYMENT RECOVERY RULES.

(a) OVERPAYMENT RECOVERY.—Section 1903(d)(2) of the Social Security Act (42 U.S.C. 1396b(d)(2)) is amended—

(1) by inserting "(A)" after "(2)";

(2) by designating the second sentence as subparagraph (B), properly indented and aligned below subparagraph (A); and

(3) by adding at the end thereof the following new subparagraphs:

"(C) For purposes of this subsection, when an overpayment is discovered, which was made by a State to a person or other entity, the State shall have a period of 60 days in which to recover or attempt to recover such overpayment before adjustment is made in the Federal payment to such State on account of such overpayment. Except as otherwise provided in subparagraph (D), the adjustment in the Federal payment shall be made at the end of the 60 days, whether or not recovery was made.

"(D) In any case where the State is unable to recover a debt which represents an overpayment (or any portion thereof) made to a person or other entity on account of such debt having been discharged in bankruptcy or otherwise being uncollectable, no adjustment shall be made in the Federal payment to such State on account of such overpayment (or portion thereof).".

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to overpayments identified for quarters beginning on or after October 1, 1985.

SEC. 9514. REGULATIONS FOR INTERMEDIATE CARE FACILITIES FOR THE MENTALLY RETARDED.

The Secretary of Health and Human Services shall promulgate proposed regulations revising standards for intermediate care facilities for the mentally retarded under title XIX of the Social Security Act within 60 days after the date of the enactment of this Act.

SEC. 9515. LIFE SAFETY CODE RECOGNITION.

For purposes of section 1905(c) of the Social Security Act, an intermediate care facility for the mentally retarded (as defined in section 1905(d) of such Act) which meets the requirements of the relevant sections of the 1985 edition of the Life Safety Code of the National Fire Protection Association shall be deemed to meet the fire safety requirements for intermediate care facilities for the mentally retarded until such time as the Secretary specifies a later edition of the Life Safety Code for purposes of such section, or the Secretary determines that more stringent standards are necessary to protect the safety of residents of such facilities.

SEC. 9516. CORRECTION AND REDUCTION PLANS FOR INTERMEDIATE CARE FACILITIES FOR THE MENTALLY RETARDED.

(a) CORRECTION AND REDUCTION PLANS.—Title XIX of the Social Security Act is amended by adding at the end thereof the following new subsection:

"CORRECTION AND REDUCTION PLANS FOR INTERMEDIATE CARE FACILITIES FOR THE MENTALLY RETARDED

"SEC. 1919. (a) If the Secretary finds that an intermediate care facility for the mentally retarded has substantial deficiencies which do not pose an immediate threat to the health and safety of residents, the State may elect, subject to the limitations in this section, to—

"(1) submit, within the number of days specified by the Secretary in regulations which apply to submission of compliance plans with respect to deficiencies of such type, a written plan of correction which details the extent of the facility's current compliance with the standards promulgated by the Secretary, including all deficiencies identified during a validation survey, and which provides for a timetable for completion of necessary steps to correct all staffing deficiencies within 6 months, and a timetable for rectifying all physical plant deficiencies within 6 months; or

"(2) submit, within a time period consisting of the number of days specified for submissions under paragraph (1) plus 35 days, a written plan for permanently reducing the number of certified beds, within a maximum of 36 months, in order to permit any noncomplying buildings (or distinct parts thereof) to be vacated and any staffing deficiencies to be corrected (hereinafter in this section referred to as a 'reduction plan').

"(b) As conditions of approval of any reduction plan submitted pursuant to subsection (a)(2), the State must—

"(1) provide for a hearing to be held at the affected facility at least 35 days prior to submission of the reduction plan, with reasonable notice thereof to the staff and residents of the facility, responsible members of the residents' families, and the general public;

"(2) demonstrate that the State has successfully provided home and community services similar to the services proposed to be provided under the reduction plan for similar individuals eligible for medical assistance; and

"(3) provide assurances that the requirements of subsection (c) shall be met with respect to the reduction plan.

"(c) The reduction plan must—

"(1) identify the number and service needs of existing facility residents to be provided home or community services and the timetable for providing such services, in 6 month intervals, within the 36-month period;

"(2) describe the methods to be used to select such residents for home and community services and to develop the alternative home and community services to meet their needs effectively;

"(3) describe the necessary safeguards that will be applied to protect the health and welfare of the former residents of the facility who are to receive home or community services, including adequate standards for consumer and provider participation and assurances that applicable State licensure and applicable State and Federal certification requirements will be met in providing such home or community services;

"(4) provide that residents of the affected facility who are eligible for medical assistance while in the facility shall, at their option, be placed in another setting (or another part of the affected facility) so as to retain their eligibility for medical assistance;

"(5) specify the actions which will be taken to protect the health and safety of the residents who remain in the affected facility while the reduction plan is in effect;

"(6) provide that the ratio of qualified staff to residents at the affected facility (or the part thereof) which is subject to the reduction plan will be the higher of—

"(A) the ratio which the Secretary determines is necessary in order to assure the health and safety of the residents of such facility (or part thereof); or

"(B) the ratio which was in effect at the time that the finding of substantial deficiencies (referred to in subsection (a)) was made; and

"(7) provide for the protection of the interests of employees affected by actions under the reduction plan, including—

"(A) arrangements to preserve employee rights and benefits;

"(B) training and retraining of such employees where necessary;

"(C) redeployment of such employees to community settings under the reduction plan; and

"(D) making maximum efforts to guarantee the employment of such employees (but this requirement shall not be construed to guarantee the employment of any employee).

"(d)(1) The Secretary must provide for a period of not less than 30 days after the submission of a reduction plan by a State, during which comments on such reduction plan may be submitted to the Secretary, before the Secretary approves or disapproves such reduction plan.

"(2) If the Secretary approves more than 15 reduction plans under this section in any fiscal year, any reduction plans approved in addition to the first 15 such plans approved, must be for a facility (or part thereof) for which the costs of correcting the substantial deficiencies (referred to in subsection (a)) are $2,000,000 or greater (as demonstrated by the State to the satisfaction of the Secretary).

"(e)(1) If the Secretary, at the conclusion of the 6-month plan of correction described in subsection (a)(1), determines that the State has substantially failed to correct the deficiencies described in subsection (a), the Secretary may terminate the facility's provider agreement in accordance with the provisions of section 1910(c).

"(2) In the case of a reduction plan described in subsection (a)(2), if the Secretary determines, at the conclusion of the initial 6-month period or any 6-month interval thereafter, that the State has substantially failed to meet the requirements of subsection (c), the Secretary shall—

"(A) terminate the facility's provider agreement in accordance with the provisions of section 1910(c); or

"(B) if the State has failed to meet such requirements despite good faith efforts, disallow, for purposes of Federal financial participation, an amount equal to 5 percent of the cost of care for all eligible individuals in the facility for each month for which the State fails to meet such requirements.

"(f) The provisions of this section shall apply only to plans of correction and reduction plans approved by the Secretary within 3 years after the effective date of final regulations implementing this section.".

(b) EFFECTIVE DATE.—(1) The amendment made by this section shall become effective on the date of the enactment of this Act.

(2) The Secretary of Health and Human Services shall issue a notice of proposed rulemaking with respect to section 1919 of the Social Security Act within 60 days after the date of the enactment of this Act, and shall allow a period of 30 days for comment thereon prior to promulgating final regulations implementing such section.

(c) REPORT.—The Secretary of Health and Human Services shall submit a report to the Congress on the implementation and results of section 1919 of the Social Security Act. Such report shall be submitted not later than 30 months after the effective date of final regulations promulgated to implement such section.

SEC. 9517. MODIFYING APPLICATION OF MEDICAID HMO PROVISIONS FOR CERTAIN HEALTH CENTERS.

(a) WAIVING APPLICATION OF 75 PERCENT RULE AND CERTAIN ORGANIZATIONAL REQUIREMENTS.—Section 1903(m)(2) of the Social Security Act (42 U.S.C. 1396b(m)(2)) is amended—

(1) in subparagraph (A), by striking out "(B) and (C)" and inserting in lieu thereof "(B), (C), and (G)";

(2) in subparagraph (F)—

(A) by striking out "(F)(i) In the case of a contract with a health maintenance organization described in clause (ii)" and inserting in lieu thereof "(F) in the case of a contract with an entity described in subparagraph (G) or with a qualified health maintenance organization (as defined in section 1310(d) of the Public Health Service Act) which meets the requirement of subparagraph (A)(ii)";

(B) by striking out "such organization" and inserting in lieu thereof "such entity or organization"; and

(C) by striking out clause (ii); and

(3) by adding at the end thereof the following new subparagraph:

"(G) In the case of an entity which is receiving (and has received during the previous two years) a grant of at least $100,000 under section 329(d)(1)(A) or 330(d)(1) of the Public Health Service Act or is receiving (and has received during the previous two years) at least $100,000 (by grant, subgrant, or subcontract) under the Appalachian Regional Development Act of 1965, clauses (i) and (ii) of subparagraph (A) shall not apply.".

(b) PERMITTING 6-MONTH CONTINUATION OF BENEFITS.—Section 1902(e)(2) of such Act (42 U.S.C. 1396a(e)(2)) is amended—

(1) in subparagraph (A)—

(A) by inserting "or with an entity described in section 1903(m)(2)(G)" after "Public Health Service Act)"; and

(B) by inserting "or entity" before the period; and

(2) in subparagraph (B)—

(A) by striking out "a health maintenance organization" and inserting in lieu thereof "an organization or entity"; and

(B) by inserting "or entity" after "the organization".

(c) HEALTH INSURING ORGANIZATIONS.—(1) Section 1903(m)(2)(A) of the Social Security Act (42 U.S.C. 1396b(m)(2)(A)) is amended, in the matter before clause (i)—

(1) by inserting "(including a health insuring organization)" after "any entity"; and

(2) by inserting "(directly or through arrangements with providers of services)" after "responsible for the provision".

(2)(A) Except as provided in subparagraph (B), the amendments made by paragraph (1) shall apply to expenditures incurred for health insuring organizations which first become operational on or after January 1, 1986.

(B) In the case of a health insuring organization—

(i) which first becomes operational on or after January 1, 1986, but

(ii) for which the Secretary of Health and Human Services has waived, under section 1915(b) of the Social Security Act and before such date, certain requirements of section 1902 of such Act,

clauses (ii) and (iv) of section 1903(m)(2)(A) of such Act shall not apply during the period for which such waiver is effective.

SEC. 9518. EXTENSION OF MMIS DEADLINE.

(a) NEW DEADLINE.—Section 1903(r)(1)(B) of the Social Security Act (42 U.S.C. 1396b(r)(1)(B)) is amended by striking out "the earlier of" and all that follows through the end of subparagraph (B) and inserting in lieu thereof "September 30, 1985.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to payment under section 1903(a) of the Social Security Act for calendar quarters beginning on or after October 1, 1982.

SEC. 9519. REPORT ON ADJUSTMENT IN MEDICAID PAYMENTS FOR HOSPITALS SERVING DISPROPORTIONATE NUMBERS OF LOW INCOME PATIENTS.

The Secretary of Health and Human Services shall transmit to Congress, not later than October 1, 1986, a report that—

(1) describes the methodology used by States under section 1902(a)(13)(A) of the Social Security Act, in their making payments to hospitals, in taking into account the situation of hospitals that serve a disproportionate number of low income patients with special needs;

(2) identifies each of those hospitals that have had the amount of their payments under that title adjusted under that section; and

(3) for each of those hospitals, describes the proportion of total inpatient-days attributable to low income patients and the proportion of total inpatient-days attributable to patients entitled to medical assistance under that title.

SEC. 9520. TASK FORCE ON TECHNOLOGY-DEPENDENT CHILDREN.

(a) APPOINTMENT OF TASK FORCE.—The Secretary of Health and Human Services, within six months after the date of the enactment of this Act, shall establish a task force concerning alternatives to institutional care for technology-dependent children (as defined in subsection (e)).

(b) MEMBERSHIP.—The task force shall include representatives of Federal and State agencies with responsibilities relating to child health, health insurers, large employers (including those that self-insure for health care costs), providers of health care to technology-dependent children, and parents of technology-dependent children.

(c) FUNCTIONS OF TASK FORCE.—The task force shall—

(1) identify barriers that prevent the provision of appropriate care in a home or community setting to meet the special needs of technology-dependent children; and

(2) recommend changes in the provision and financing of health care in private and public health care programs (including appropriate joint public-private initiatives) so as to provide home and community-based alternatives to the institutionalization of technology-dependent children.

(d) REPORT.—The task force shall make a final report to the Secretary and to the Congress on its activities not later than two years after the date of the enactment of this Act.

(e) DEFINITION.—In this section, the term "technology-dependent child" means a child who has a chronic illness which makes the child dependent upon the continuing use of medical care technology (such as a ventilator).

SEC. 9522. EXPANSION OF SERVICES UNDER DEMONSTRATION WAIVERS.

In the case of waivers granted to (or submitted during 1986 by) the State of Oregon under section 1915(b) of the Social Security Act, the Secretary of Health and Human Services may waive the requirements of section 1903(m)(2)(A) of such Act with respect to any entity providing services under any such waiver if such entity does not provide more than 5 of the services listed in section 1903(m)(2)(A) of such Act, and does not provide inpatient hospital services.

SEC. 9523. EXTENSION OF TEXAS WAIVER PROJECT.

(a) RENEWED APPROVAL.—Notwithstanding any limitations contained in section 1115 of the Social Security Act but subject to subsection (b) of this section, the Secretary of Health and Human Services, upon application, shall renew approval of demonstration project number 11-P-97473/6-06 ("Modifications under the Texas System of Care for the Elderly: Alternatives to the Institutionalized Aged"), previously approved under that section, until January 1, 1989.

(b) TERMS AND CONDITIONS.—The Secretary's renewed approval of the project under subsection (a)—

(1) shall be on the same terms and conditions as applied to the project as of December 31, 1985; and

(2) shall remain in effect until such time as the Secretary finds that the applicant no longer complies with such terms and conditions.

SEC. 9524. WISCONSIN HEALTH MAINTENANCE ORGANIZATION WAIVER.

The waiver granted to the State of Wisconsin pursuant to section 1915(b) of the Social Security Act relating to the requirements of section 1903(m) of such Act in conjunction with a waiver of the requirements of section 1902(a)(23) of such Act shall, upon request by the State, be reinstated, and shall be renewable for terms of 2 years, subject to the showings required generally under section 1915(b) of such Act.

SEC. 9525. NEW JERSEY DEMONSTRATION PROJECT RELATING TO TRAINING OF AFDC RECIPIENTS AS HOME HEALTH AIDES.

The Secretary of Health and Human Services shall continue for one additional year the demonstration project conducted by the State of New Jersey pursuant to section 966 of the Omnibus Reconciliation Act of 1980. Federal matching for such demonstration project shall be 50 percent.

SEC. 9526. REFERENCE TO PROVISIONS OF LAW PROVIDING COVERAGE UNDER, OR DIRECTLY AFFECTING, THE MEDICAID PROGRAM.

Title XIX of the Social Security Act is amended by adding at the end thereof the following new section:

"REFERENCES TO LAWS DIRECTLY AFFECTING MEDICAID PROGRAM

"SEC. 1920. (a) AUTHORITY OR REQUIREMENTS TO COVER ADDITIONAL INDIVIDUALS.—For provisions of law which make additional individuals eligible for medical assistance under this title, see the following:

"(1) AFDC.—(A) Section 402(a)(37) of this Act (relating to individuals who lose AFDC eligibility due to increased earnings).

"(B) Section 406(h) of this Act (relating to individuals who lose AFDC eligibility due to increased collection of child or spousal support).

"(C) Section 414(g) of this Act (relating to certain individuals participating in work supplementation programs).

"(2) SSI.—Section 1619 of this Act (relating to benefits for individuals who perform substantial gainful activity despite severe medical impairment).

"(3) FOSTER CARE AND ADOPTION ASSISTANCE.—Section 473(b) of this Act (relating to medical assistance for children in foster care and for adopted children).

"(4) REFUGEE ASSISTANCE.—Section 412(e)(5) of the Immigration and Nationality Act (relating to medical assistance for certain refugees).

"(5) MISCELLANEOUS.—(A) Section 230 of Public Law 93-66 (relating to deeming eligible for medical assistance certain essential persons).

"(B) Section 231 of Public Law 93-66 (relating to deeming eligible for medical assistance certain persons in medical institutions).

"(C) Section 232 of Public Law 93-66 (relating to deeming eligible for medical assistance certain blind and disabled medically indigent persons).

"(D) Section 13(c) of Public Law 93-233 (relating to deeming eligible for medical assistance certain individuals receiving mandatory State supplementary payments).

"(E) Section 503 of Public Law 94-566 (relating to deeming eligible for medical assistance certain individuals who would be eligible for supplemental security income benefits but for cost-of-living increases in social security benefits).

"(F) Section 310(b)(1) of Public Law 96-272 (relating to continuing medicaid eligibility for certain recipients of Veterans' Administration pensions).

"(b) ADDITIONAL STATE PLAN REQUIREMENTS.—For other provisions of law that establish additional requirements for State plans to be approved under this title, see the following:

"(1) Section 1618 of this Act (relating to requirement for operation of certain State supplementation programs).

"(2) Section 212(a) of Public Law 93-66 (relating to requiring mandatory minimum State supplementation of SSI benefits program).".

SEC. 9527. CHILDREN WITH SPECIAL HEALTH CARE NEEDS.

(a) Section 501(a)(4) of the Social Security Act (42 U.S.C. 701(a)(4)) is amended by striking out "children who are crippled or who are suffering from conditions leading to crippling" and inserting in lieu thereof "children who are 'children with special health care needs' or who are suffering from conditions leading to such status".

(b) Section 501(a) of such Act is amended by striking out "crippled children" in the matter following paragraph (4) and inserting in lieu thereof "children with special health care needs".

(c) Section 501(b)(1)(A) of such Act is amended by striking out "crippled children's services" and inserting in lieu thereof "services for children with special health care needs".

(d) Section 502(a)(2)(B) of such Act is amended—

(1) by striking out "crippled children's programs" and inserting in lieu thereof "programs for children with special health care needs"; and

(2) by striking out "crippled children's services" and inserting in lieu thereof "services for children with special health care needs".

(e) Sections 504(b)(1) and 509(b) of such Act are each amended by striking out "crippled children" and inserting in lieu thereof "children with special health care needs".

SEC. 9528. ANNUAL CALCULATION OF FEDERAL MEDICAL ASSISTANCE PERCENTAGE.

(a) ANNUAL CALCULATION.—Section 1101(a)(8)(P) of the Social Security Act is amended—

(1) by striking out "even-numbered"; and

(2) by striking out "eight quarters" and inserting in lieu thereof "four quarters".

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to the Federal percentage (and Federal medical assistance percentage) for fiscal years 1987 and thereafter. Such amendments shall apply without regard to the requirement of section 1101(a)(8)(B) of the Social Security Act relating to the promulgation of the Federal percentage prior to November 30 of the year preceding the year in which the new Federal percentage becomes applicable. The Secretary of Health and Human Services shall promulgate such new percentage for fiscal year 1987 as soon as practicable after the date of the enactment of this Act.

SEC. 9529. MEDICAID COVERAGE RELATING TO ADOPTION ASSISTANCE AND FOSTER CARE.

(a) STATE OF RESIDENCE.—(1) Section 1902(a) of the Social Security Act (42 U.S.C. 1396a(a)) is amended by adding at the end thereof the following:

"For purposes of this title, any child who meets the requirements of paragraph (1) or (2) of section 473(b) shall be deemed to be a dependent child as defined in section 406 and shall be deemed to be a recipient of aid to families with dependent children under part A of title IV in the State where such child resides.".

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall apply to medical assistance furnished on or after the first calendar quarter that begins more than 90 days after the date of the enactment of this Act.

(b) ELIGIBILITY OF CERTAIN ADOPTED CHILDREN.—(1) Section 1902(a)(10)(A)(ii) of the Social Security Act, as amended by section 9505 of this Act, is amended—

(A) by striking out "or" at the end of subclause (VI);

(B) by striking out the semicolon at the end of subclause (VII) and inserting in lieu thereof ", or"; and

(C) by adding after subclause (VII) the following new subclause:

"(VIII) who is a child described in section 1905(a)(i)—

"(aa) for whom there is in effect an adoption assistance agreement (other than an agreement under part E of title IV) between the State and an adoptive parent or parents,

"(bb) who the State agency responsible for adoption assistance has determined cannot be placed with adoptive parents without medical assistance because such child has special needs for medical or rehabilitative care, and

"(cc) who was eligible for medical assistance under the State plan prior to the adoption assistance agreement being entered into, or who would have been eligible for medical assistance at such time if the eligibility standards and methodologies of the State's foster care program under part E of title IV were applied rather than the eligibility standards and methodologies of the State's aid to families with dependent children program under part A of title IV;".

(2) In the case of an adoption assistance agreement (other than an agreement under part E of title IV of the Social Security Act) entered into before the date of the enactment of this Act—

(A) the requirements of subdivisions (aa) and (bb) of section 1902(a)(10)(A)(ii)(VIII) of the Social Security Act shall be deemed to be met if the State agency responsible for adoption assistance agreements determines that—

(i) at the time of adoptive placement the child had special needs for medical or rehabilitative care that made the child difficult to place; and

(ii) there is in effect with respect to such child an adoption assistance agreement between the State and an adoptive parent or parents; and

(B) the requirement of subdivision (cc) of such section shall be deemed to be met if

the child was found by the State to be eligible for medical assistance prior to such agreement being entered into.

(3) This subsection, and the amendments made by this subsection, shall apply to adoption assistance agreements entered into before, on, or after the date of the enactment of this Act.

SUBTITLE C—TASK FORCE ON LONG-TERM HEALTH CARE POLICIES

SEC. 9601. RECOMMENDATIONS FOR LONG-TERM HEALTH CARE POLICIES.

(a) ESTABLISHMENT OF TASK FORCE.—(1) The Secretary of Health and Human Services (hereinafter in this section referred to as the "Secretary") shall establish a Task Force on Long-Term Health Care Policies (hereinafter in this section referred to as the "Task Force"). The Task Force shall be established not later than 60 days after the date of the enactment of this Act and in consultation with the National Association of Insurance Commissioners.

(b) COMPOSITION OF TASK FORCE.—The Task Force shall be composed of 18 members, which shall include—

(1) two members representing the National Association of Insurance Commissioners,

(2) three members representing Federal and State agencies with responsibilities relating to health or the elderly,

(3) three members representing private insurers,

(4) three members from organizations representing consumers or the elderly, and

(5) three members from organizations representing providers of long-term health care services.

The Secretary shall designate a member of the Task Force as chair.

(c) DEVELOPMENT OF RECOMMENDATIONS.—The Task Force shall develop recommendations for long-term health care policies, including recommendations designed—

(1) to limit marketing and agent abuse for those policies,

(2) to assure the dissemination of such information to consumers as is necessary to permit informed choice in purchasing the policies and to reduce the purchase of unnecessary or duplicative coverage,

(3) to assure that benefits provided under the policies are reasonable in relationship to premiums charged, and

(4) to promote the development and availability of long-term health care policies which meet these recommendations.

(d) REPORT.—Not later than 18 months after the date of the enactment of this Act, the Task Force shall report to the Secretary, to the Committee on Energy and Commerce of the House of Representatives and to the Committee on Labor and Human Resources of the Senate respecting—

(1) the recommendations developed under subsection (c), including an explanation of the reasons for their selection, and

(2) such recommendations for additional activities respecting long-term health care policies as the Task Force finds appropriate.

The Secretary, in cooperation with the National Association of Insurance Commissioners, shall provide for the dissemination of the report to each of the States.

(e) TERMINATION OF TASK FORCE.—The Task Force shall terminate 90 days after the date of submission of the report required under subsection (d).

(f) REPORTS OF SECRETARY.—The Secretary shall transmit to the Committee on Energy and Commerce of the House of Representatives and to the Committee on Labor and Human Resources of the Senate two reports on—

(1) actions taken by the States to implement the recommendations developed under this section and to recommend additional action; and

(2) recommendations for legislative and administrative action, if any, needed to respond to issues raised by the Task Force or to improve consumer protection with respect to long-term health care policies.

The first report shall be transmitted 18 months after the date the report is made under subsection (d), and the second report shall be transmitted 18 months later.

(g) LONG-TERM HEALTH CARE POLICY DEFINED.—In this section, the term "long-term health care policy" means an insurance policy, or similar health benefits plan, which is designed for or marketed as providing (or making payments for) health care services (such as nursing home care and home health care) or related services (which may include home and community-based services), or both, over an extended period of time.

(h) ASSURANCE OF STATES' JURISDICTION.—Nothing in this section shall be construed as recommending Federal preemption of the States in overseeing the operation and regulation of insurance carriers in their respective jurisdictions.

TITLE X—PRIVATE HEALTH INSURANCE COVERAGE

SEC. 10001. EMPLOYERS REQUIRED TO PROVIDE CERTAIN EMPLOYEES AND FAMILY MEMBERS WITH CONTINUED HEALTH INSURANCE COVERAGE AT GROUP RATES (INTERNAL REVENUE CODE AMENDMENTS).

(a) DENIAL OF DEDUCTION FOR EMPLOYER CONTRIBUTION TO PLAN.—Subsection (i) of section 162 of the Internal Revenue Code of 1954 (relating to deduction for trade or business expenses with respect to group health plans) is amended by redesignating paragraph (2) as paragraph (3) and by inserting after paragraph (1) the following new paragraph:

"(2) PLANS MUST PROVIDE CONTINUATION COVERAGE TO CERTAIN INDIVIDUALS.—

"(A) IN GENERAL.—No deduction shall be allowed under this section for expenses paid or incurred by an employer for any group health plan maintained by such employer unless all such plans maintained by such employer meet the continuing coverage requirements of subsection (k).

"(B) EXCEPTION FOR CERTAIN SMALL EMPLOYERS, ETC.—Subparagraph (A) shall not apply to any plan described in section 106(b)(2).".

(b) DENIAL OF EXCLUSION FOR HIGHLY COMPENSATED INDIVIDUALS.—Section 106 of the Internal Revenue Code of 1954 (relating to contributions by employer to accident and health plans) is amended by inserting "(a) IN GENERAL.—" before "Gross" and by inserting at the end thereof the following new subsection:

"(b) EXCEPTION FOR HIGHLY COMPENSATED INDIVIDUALS WHERE PLAN FAILS TO PROVIDE CERTAIN CONTINUATION COVERAGE.—

"(1) IN GENERAL.—Subsection (a) shall not apply to any amount contributed by an employer on behalf of a highly compensated individual (within the meaning of section 105(h)(5)) to a group health plan maintained by such employer unless all such plans maintained by such employer meet the continuing coverage requirements of section 162(k).

"(2) EXCEPTION FOR CERTAIN PLANS.—Paragraph (1) shall not apply to any—

"(A) group health plan for any calendar year if all employers maintaining such plan normally employed fewer than 20 employees on a typical business day during the preceding calendar year,

"(B) governmental plan (within the meaning of section 414(d)), or

"(C) church plan (within the meaning of section 414(e)).

Under regulations, rules similar to the rules of subsections (a) and (b) of section 52 (relating to employers under common control) shall apply for purposes of subparagraph (A).

"(3) GROUP HEALTH PLAN.—For purposes of this subsection, the term 'group health plan' has the meaning given such term by section 162(i)(3).".

(c) CONTINUATION COVERAGE REQUIREMENTS.—Section 162 of the Internal Revenue Code of 1954 is amended by redesignating subsection (k) as subsection (l) and by inserting after subsection (j) the following new subsection:

"(k) CONTINUATION COVERAGE REQUIREMENTS OF GROUP HEALTH PLANS.—

"(1) IN GENERAL.—For purposes of subsection (i)(2) and section 106(b)(1), a group health plan meets the requirements of this subsection only if each qualified beneficiary who would lose coverage under the plan as a result of a qualifying event is entitled to elect, within the election period, continuation coverage under the plan.

"(2) CONTINUATION COVERAGE.—For purposes of paragraph (1), the term 'continuation coverage' means coverage under the plan which meets the following requirements:

"(A) TYPE OF BENEFIT COVERAGE.—The coverage must consist of coverage which, as of the time the coverage is being provided, is identical to the coverage provided under the plan to similarly situated beneficiaries under the plan with respect to whom a qualifying event has not occurred.

"(B) PERIOD OF COVERAGE.—The coverage must extend for at least the period beginning on the date of the qualifying event and ending not earlier than the earliest of the following:

"(i) MAXIMUM PERIOD.—In the case of—

"(I) a qualifying event described in paragraph (3)(B) (relating to terminations and reduced hours), the date which is 18 months after the date of the qualifying event, and

"(II) any qualifying event not described in subclause (I), the date which is 36 months after the date of the qualifying event.

"(ii) END OF PLAN.—The date on which the employer ceases to provide any group health plan to any employee.

"(iii) FAILURE TO PAY PREMIUM.—The date on which coverage ceases under the plan by reason of a failure to make timely payment of any premium required under the plan with respect to the qualified beneficiary.

"(iv) REEMPLOYMENT OR MEDICARE ELIGIBILITY.—The date on which the qualified beneficiary first becomes, after the date of the election—

"(I) a covered employee under any other group health plan, or

"(II) entitled to benefits under title XVIII of the Social Security Act.

"(v) REMARRIAGE OF SPOUSE.—In the case of an individual who is a qualified beneficiary by reason of being the spouse of a covered employee, the date on which the beneficiary remarries and becomes covered under a group health plan.

"(C) PREMIUM REQUIREMENTS.—The plan may require payment of a premium for any period of continuation coverage, except that such premium—

"(i) shall not exceed 102 percent of the applicable premium for such period, and

"(ii) may, at the election of the payor, be made in monthly installments.

If an election is made after the qualifying event, the plan shall permit payment for continuation coverage during the period preceding the election to be made within 45 days of the date of the election.

"(D) NO REQUIREMENT OF INSURABILITY.—The coverage may not be conditioned upon, or discriminate on the basis of lack of, evidence of insurability.

"(E) CONVERSION OPTION.—In the case of a qualified beneficiary whose period of continuation coverage expires under subparagraph (B)(i), the plan must, during the 180-day period ending on such expiration date, provide to the qualified beneficiary the option of enrollment under a conversion health plan otherwise generally available under the plan.

"(3) QUALIFYING EVENT.—For purposes of this subsection, the term 'qualifying event' means, with respect to any covered employee, any of the following events which, but for the continuation coverage required under this subsection, would result in the loss of coverage of a qualified beneficiary:

"(A) The death of the covered employee.

"(B) The termination (other than by reason of such employee's gross misconduct), or reduction of hours, of the covered employee's employment.

"(C) The divorce or legal separation of the covered employee from the employee's spouse.

"(D) The covered employee becoming entitled to benefits under title XVIII of the Social Security Act.

"(E) A dependent child ceasing to be a dependent child under the generally applicable requirements of the plan.

"(4) APPLICABLE PREMIUM.—For purposes of this subsection—

"(A) IN GENERAL.—The term 'applicable premium' means, with respect to any period of continuation coverage of qualified beneficiaries, the cost to the plan for such period of the coverage for similarly situated beneficiaries with respect to whom a qualifying event has not occurred (without regard to whether such cost is paid by the employer or employee).

"(B) SPECIAL RULE FOR SELF-INSURED PLANS.—To the extent that a plan is a self-insured plan—

"(i) IN GENERAL.—Except as provided in clause (ii), the applicable premium for any period of continuation coverage of qualified beneficiaries shall be equal to a reasonable estimate of the cost of providing coverage for such period for similarly situated beneficiaries which—

"(I) is determined on an actuarial basis, and

"(II) takes into account such factors as the Secretary may prescribe in regulations.

"(ii) DETERMINATION ON BASIS OF PAST COST.—If a plan administrator elects to have this clause apply, the applicable premium for any period of continuation coverage of qualified beneficiaries shall be equal to—

"(I) the cost to the plan for similarly situated beneficiaries for the same period occurring during the preceding determination period under subparagraph (C), adjusted by

"(II) the percentage increase or decrease in the implicit price deflator of the gross national product (calculated by the Department of Commerce and published in the Survey of Current Business) for the 12-month period ending on the last day of the sixth month of such preceding determination period.

"(iii) CLAUSE (ii) NOT TO APPLY WHERE SIGNIFICANT CHANGE.—A plan administrator may not elect to have clause (ii) apply in any case in which there is any significant difference, between the determination period and the preceding determination period, in coverage under, or in employees covered by, the plan. The determination under the preceding sentence for any determination period shall be made at the same time as the determination under subparagraph (C).

"(C) DETERMINATION PERIOD.—The determination of any applicable premium shall be made for a period of 12 months and shall be made before the beginning of such period.

"(5) ELECTION.—For purposes of this subsection—

"(A) ELECTION PERIOD.—The term 'election period' means the period which—

"(i) begins not later than the date on which coverage terminates under the plan by reason of a qualifying event,

"(ii) is of at least 60 days' duration, and

"(iii) ends not earlier than 60 days after the later of—

"(I) the date described in clause (i), or

"(II) in the case of any qualified beneficiary who receives notice under paragraph (6)(D), the date of such notice.

"(B) EFFECT OF ELECTION ON OTHER BENEFICIARIES.—Except as otherwise specified in an election, any election by a qualified beneficiary described in clause (i)(I) or (ii) of paragraph (7)(B) shall be deemed to include an election of continuation coverage on behalf of any other qualified beneficiary who would lose coverage under the plan by reason of the qualifying event.

"(6) NOTICE REQUIREMENTS.—In accordance with regulations prescribed by the Secretary—

"(A) the group health plan shall provide, at the time of commencement of coverage under the plan, written notice to each covered employee and spouse of the employee (if any) of the rights provided under this subsection,

"(B) the employer of an employee under a plan must notify the plan administrator of a qualifying event described in subparagraph (A), (B), or (D) of paragraph (3) with respect to such employee within 30 days of the date of the qualifying event,

"(C) each covered employee or qualified beneficiary is responsible for notifying the plan administrator of the occurrence of any qualifying event described in subparagraph (C) or (E) of paragraph (3), and

"(D) the plan administrator shall notify—

"(i) in the case of a qualifying event described in subparagraph (A), (B), or (D) of paragraph (3), any qualified beneficiary with respect to such event, and

"(ii) in the case of a qualifying event described in subparagraph (C) or (E) of paragraph (3) where the covered employee notifies the plan administrator under subparagraph (C), any qualified beneficiary with respect to such event,

of such beneficiary's rights under this subsection.

For purposes of subparagraph (D), any notification shall be made within 14 days of the date on which the plan administrator is notified under subparagraph (B) or (C), whichever is applicable, and any such notification to an individual who is a qualified beneficiary as the spouse of the covered employee shall be treated as notification to all other qualified beneficiaries residing with such spouse at the time such notification is made.

"(7) DEFINITIONS.—For purposes of this subsection—

"(A) COVERED EMPLOYEE.—The term 'covered employee' means an individual who is (or was) provided coverage under a group health plan by virtue of the individual's employment or previous employment with an employer.

"(B) QUALIFIED BENEFICIARY.—

"(i) IN GENERAL.—The term 'qualified beneficiary' means, with respect to a covered employee under a group health plan, any other individual who, on the day before the qualifying event for that employee, is a beneficiary under the plan—

"(I) as the spouse of the covered employee, or

"(II) as the dependent child of the employee.

"(ii) SPECIAL RULE FOR TERMINATIONS AND REDUCED EMPLOYMENT.—In the case of a qualifying event described in paragraph (3)(B), the term 'qualified beneficiary' includes the covered employee.

"(C) PLAN ADMINISTRATOR.—The term 'plan administrator' has the meaning given the term 'administrator' by section 3(16)(A) of the Employee Retirement Income Security Act of 1974.".

(d) CONFORMING AMENDMENT.—Paragraph (1) of section 162(i) is amended by striking out "GENERAL RULE" in the heading thereof and inserting in lieu thereof "COVERAGE RELATING TO END STAGE RENAL DISEASE".

(e) EFFECTIVE DATES.—

(1) GENERAL RULE.—The amendments made by this section shall apply to plan years beginning on or after July 1, 1986.

(2) SPECIAL RULE FOR COLLECTIVE BARGAINING AGREEMENTS.—In the case of a group health plan maintained pursuant to one or more collective bargaining agreements between employee representatives and one or more employers ratified before the date of the enactment of this Act, the amendments made by this section shall not apply to plan years beginning before the later of—

(A) the date on which the last of the collective bargaining agreements relating to the plan terminates (determined without regard to any extension thereof agreed to after the date of the enactment of this Act), or

(B) January 1, 1987.

For purposes of subparagraph (A), any plan amendment made pursuant to a collective bargaining agreement relating to the plan which amends the plan solely to conform to any requirement added by this section shall not be treated as a termination of such collective bargaining agreement.

SEC. 10002. TEMPORARY EXTENSION OF COVERAGE AT GROUP RATES FOR CERTAIN EMPLOYEES AND FAMILY MEMBERS (ERISA AMENDMENTS).

(a) IN GENERAL.—Subtitle B of title I of the Employee Retirement Income Security Act of 1974 is amended by adding at the end thereof the following new part:

"PART 6—CONTINUATION COVERAGE UNDER GROUP HEALTH PLANS

"SEC. 601. PLANS MUST PROVIDE CONTINUATION COVERAGE TO CERTAIN INDIVIDUALS.

"(a) IN GENERAL.—The plan sponsor of each group health plan shall provide, in accordance with this part, that each qualified beneficiary who would lose coverage under the plan as a result of a qualifying event is entitled, under the plan, to elect, within the election period, continuation coverage under the plan.

"(b) EXCEPTION FOR CERTAIN PLANS.—Subsection (a) shall not apply to any group

health plan for any calendar year if all employers maintaining such plan normally employed fewer than 20 employees on a typical business day during the preceding calendar year. Under regulations, rules similar to the rules of subsections (a) and (b) of section 52 of the Internal Revenue Code of 1954 (relating to employers under common control) shall apply for purposes of this subsection.

"SEC. 602. CONTINUATION COVERAGE.

"For purposes of section 601, the term 'continuation coverage' means coverage under the plan which meets the following requirements:

"(1) TYPE OF BENEFIT COVERAGE.—The coverage must consist of coverage which, as of the time the coverage is being provided, is identical to the coverage provided under the plan to similarly situated beneficiaries under the plan with respect to whom a qualifying event has not occurred.

"(2) PERIOD OF COVERAGE.—The coverage must extend for at least the period beginning on the date of the qualifying event and ending not earlier than the earliest of the following:

"(A) MAXIMUM PERIOD.—In the case of—

"(i) a qualifying event described in section 603(2) (relating to terminations and reduced hours), the date which is 18 months after the date of the qualifying event, and

"(ii) any qualifying event not described in clause (i), the date which is 36 months after the date of the qualifying event.

"(B) END OF PLAN.—The date on which the employer ceases to provide any group health plan to any employee.

"(C) FAILURE TO PAY PREMIUM.—The date on which coverage ceases under the plan by reason of a failure to make timely payment of any premium required under the plan with respect to the qualified beneficiary.

"(D) REEMPLOYMENT OR MEDICARE ELIGIBILITY.—The date on which the qualified beneficiary first becomes, after the date of the election—

"(i) a covered employee under any other group health plan, or

"(ii) entitled to benefits under title XVIII of the Social Security Act.

"(E) REMARRIAGE OF SPOUSE.—In the case of an individual who is a qualified beneficiary by reason of being the spouse of a covered employee, the date on which the beneficiary remarries and becomes covered under a group health plan.

"(3) PREMIUM REQUIREMENTS.—The plan may require payment of a premium for any period of continuation coverage, except that such premium—

"(A) shall not exceed 102 percent of the applicable premium for such period, and

"(B) may, at the election of the payor, be made in monthly installments.

If an election is made after the qualifying event, the plan shall permit payment for continuation coverage during the period preceding the election to be made within 45 days of the date of the election.

"(4) NO REQUIREMENT OF INSURABILITY.—The coverage may not be conditioned upon, or discriminate on the basis of lack of, evidence of insurability.

"(5) CONVERSION OPTION.—In the case of a qualified beneficiary whose period of continuation coverage expires under paragraph (2)(A), the plan must, during the 180-day period ending on such expiration date, provide to the qualified beneficiary the option of enrollment under a conversion health plan otherwise generally available under the plan.

"SEC. 603. QUALIFYING EVENT.

"For purposes of this part, the term 'qualifying event' means, with respect to any covered employee, any of the following events which, but for the continuation coverage required under this part, would result in the loss of coverage of a qualified beneficiary:

"(1) The death of the covered employee.

"(2) The termination (other than by reason of such employee's gross misconduct), or reduction of hours, of the covered employee's employment.

"(3) The divorce or legal separation of the covered employee from the employee's spouse.

"(4) The covered employee becoming entitled to benefits under title XVIII of the Social Security Act.

"(5) A dependent child ceasing to be a dependent child under the generally applicable requirements of the plan.

"SEC. 604. APPLICABLE PREMIUM.

"For purposes of this part—

"(1) IN GENERAL.—The term 'applicable premium' means, with respect to any period of continuation coverage of qualified beneficiaries, the cost to the plan for such period of the coverage for similarly situated beneficiaries with respect to whom a qualifying event has not occurred (without regard to whether such cost is paid by the employer or employee).

"(2) SPECIAL RULE FOR SELF-INSURED PLANS.—To the extent that a plan is a self-insured plan—

"(A) IN GENERAL.—Except as provided in subparagraph (B), the applicable premium for any period of continuation coverage of qualified beneficiaries shall be equal to a reasonable estimate of the cost of providing coverage for such period for similarly situated beneficiaries which—

"(i) is determined on an actuarial basis, and

"(ii) takes into account such factors as the Secretary may prescribe in regulations.

"(B) DETERMINATION ON BASIS OF PAST COST.—If an administrator elects to have this subparagraph apply, the applicable premium for any period of continuation coverage of qualified beneficiaries shall be equal to—

"(i) the cost to the plan for similarly situated beneficiaries for the same period occurring during the preceding determination period under paragraph (3), adjusted by

"(ii) the percentage increase or decrease in the implicit price deflator of the gross national product (calculated by the Department of Commerce and published in the Survey of Current Business) for the 12-month period ending on the last day of the sixth month of such preceding determination period.

"(C) SUBPARAGRAPH (B) NOT TO APPLY WHERE SIGNIFICANT CHANGE.—An administrator may not elect to have subparagraph (B) apply in any case in which there is any significant difference, between the determination period and the preceding determination period, in coverage under, or in employees covered by, the plan. The determination under the preceding sentence for any determination period shall be made at the same time as the determination under paragraph (3).

"(3) DETERMINATION PERIOD.—The determination of any applicable premium shall be made for a period of 12 months and shall be made before the beginning of such period.

"SEC. 605. ELECTION.

"For purposes of this part—

"(1) ELECTION PERIOD.—The term 'election period' means the period which—

"(A) begins not later than the date on which coverage terminates under the plan by reason of a qualifying event,

"(B) is of at least 60 days' duration, and

"(C) ends not earlier than 60 days after the later of—

"(i) the date described in subparagraph (A), or

"(ii) in the case of any qualified beneficiary who receives notice under section 606(4), the date of such notice.

"(2) EFFECT OF ELECTION ON OTHER BENEFICIARIES.—Except as otherwise specified in an election, any election by a qualified beneficiary described in subparagraph (A)(i) or (B) of section 607(3) shall be deemed to include an election of continuation coverage on behalf of any other qualified beneficiary who would lose coverage under the plan by reason of the qualifying event.

"SEC. 606. NOTICE REQUIREMENTS.

"In accordance with regulations prescribed by the Secretary—

"(1) the group health plan shall provide, at the time of commencement of coverage under the plan, written notice to each covered employee and spouse of the employee (if any) of the rights provided under this subsection,

"(2) the employer of an employee under a plan must notify the administrator of a qualifying event described in paragraph (1), (2), or (4) of section 603 within 30 days of the date of the qualifying event,

"(3) each covered employee or qualified beneficiary is responsible for notifying the administrator of the occurrence of any qualifying event described in paragraph (3) or (5) of section 603, and

"(4) the administrator shall notify—

"(A) in the case of a qualifying event described in paragraph (1), (2), or (4) of section 603, any qualified beneficiary with respect to such event, and

"(B) in the case of a qualifying event described in paragraph (3) or (5) of section 603 where the covered employee notifies the administrator under paragraph (3), any qualified beneficiary with respect to such event,

of such beneficiary's rights under this subsection.

For purposes of paragraph (4), any notification shall be made within 14 days of the date on which the administrator is notified under paragraph (2) or (3), whichever is applicable, and any such notification to an individual who is a qualified beneficiary as the spouse of the covered employee shall be treated as notification to all other qualified beneficiaries residing with such spouse at the time such notification is made.

"SEC. 607. DEFINITIONS.

"For purposes of this part—

"(1) GROUP HEALTH PLAN.—The term 'group health plan' means an employee welfare benefit plan that is a group health plan (within the meaning of section 162(i)(3) of the Internal Revenue Code of 1954).

"(2) COVERED EMPLOYEE.—The term 'covered employee' means an individual who is (or was) provided coverage under a group health plan by virtue of the individual's employment or previous employment with an employer.

"(3) QUALIFIED BENEFICIARY.—

"(A) IN GENERAL.—The term 'qualified beneficiary' means, with respect to a covered employee under a group health plan, any other individual who, on the day before the qualifying event for that employee, is a beneficiary under the plan—

"(i) as the spouse of the covered employee, or

"(ii) as the dependent child of the employee.

"(B) SPECIAL RULE FOR TERMINATIONS AND REDUCED EMPLOYMENT.—In the case of a qualifying event described in section 603(2), the term 'qualified beneficiary' includes the covered employee.

"SEC. 608. REGULATIONS.

"The Secretary may prescribe regulations to carry out the provisions of this part.".

(b) PENALTY FOR FAILURE TO PROVIDE NOTICE.—Section 502(c) of such Act (29 U.S.C. 1132(c)) is amended by inserting after "Any administrator" the following: "(1) who fails to meet the requirements of paragraph (1) or (4) of section 606 with respect to a participant or beneficiary, or (2)".

(c) CLERICAL AMENDMENTS.—The table of contents in section 1 of such Act is amended by inserting after the item relating to section 514 the following new items:

"PART 6—CONTINUATION COVERAGE UNDER GROUP HEALTH PLANS

"Sec. 601. Plans must provide continuation coverage to certain individuals.
"Sec. 602. Continuation coverage.
"Sec. 603. Qualifying event.
"Sec. 604. Applicable premium.
"Sec. 605. Election.
"Sec. 606. Notice requirements.
"Sec. 607. Definitions.
"Sec. 608. Regulations.".

(d) EFFECTIVE DATES.—

(1) GENERAL RULE.—The amendments made by this section shall apply to plan years beginning on or after July 1, 1986.

(2) SPECIAL RULE FOR COLLECTIVE BARGAINING AGREEMENTS.—In the case of a group health plan maintained pursuant to one or more collective bargaining agreements between employee representatives and one or more employers ratified before the date of the enactment of this Act, the amendments made by this section shall not apply to plan years beginning before the later of—

(A) the date on which the last of the collective bargaining agreements relating to the plan terminates (determined without regard to any extension thereof agreed to after the date of the enactment of this Act), or

(B) January 1, 1987.

For purposes of subparagraph (A), any plan amendment made pursuant to a collective bargaining agreement relating to the plan which amends the plan solely to conform to any requirement added by this section shall not be treated as a termination of such collective bargaining agreement.

(e) NOTIFICATION TO COVERED EMPLOYEES.—At the time that the amendments made by this section apply to a group health plan (within the meaning of section 607(1) of the Employee Retirement Income Security Act of 1974), the plan shall notify each covered employee, and spouse of the employee (if any), who is covered under the plan at that time of the continuation coverage required under part 6 of subtitle B of title I of such Act. The notice furnished under this subsection is in lieu of notice that may otherwise be required under section 606(1) of such Act with respect to such individuals.

SEC. 10003. CONTINUATION OF HEALTH INSURANCE FOR STATE AND LOCAL EMPLOYEES WHO LOST EMPLOYMENT-RELATED COVERAGE (PUBLIC HEALTH SERVICE ACT AMENDMENTS).

(a) IN GENERAL.—The Public Health Service Act is amended by adding at the end the following new title:

"TITLE XXII—REQUIREMENTS FOR CERTAIN GROUP HEALTH PLANS FOR CERTAIN STATE AND LOCAL EMPLOYEES

"SEC. 2201. STATE AND LOCAL GOVERNMENTAL GROUP HEALTH PLANS MUST PROVIDE CONTINUATION COVERAGE TO CERTAIN INDIVIDUALS.

"(a) IN GENERAL.—In accordance with regulations which the Secretary shall prescribe, each group health plan that is maintained by any State that receives funds under this Act, by any political subdivision of such a State, or by any agency or instrumentality of such a State or political subdivision, shall provide, in accordance with this title, that each qualified beneficiary who would lose coverage under the plan as a result of a qualifying event is entitled, under the plan, to elect, within the election period, continuation coverage under the plan.

"(b) EXCEPTION FOR CERTAIN PLANS.—Subsection (a) shall not apply to—

"(1) any group health plan for any calendar year if all employers maintaining such plan normally employed fewer than 20 employees on a typical business day during the preceding calendar year, or

"(2) any group health plan maintained for employees by the government of the District of Columbia or any territory or possession of the United States or any agency or instrumentality.

Under regulations, rules similar to the rules of subsections (a) and (b) of section 52 of the Internal Revenue Code of 1954 (relating to employers under common control) shall apply for purposes of paragraph (1).

"SEC. 2202. CONTINUATION COVERAGE.

"For purposes of section 2201, the term 'continuation coverage' means coverage under the plan which meets the following requirements:

"(1) TYPE OF BENEFIT COVERAGE.—The coverage must consist of coverage which, as of the time the coverage is being provided, is identical to the coverage provided under the plan to similarly situated beneficiaries under the plan with respect to whom a qualifying event has not occurred.

"(2) PERIOD OF COVERAGE.—The coverage must extend for at least the period beginning on the date of the qualifying event and ending not earlier than the earliest of the following:

"(A) MAXIMUM PERIOD.—In the case of—

"(i) a qualifying event described in section 2203(2) (relating to terminations and reduced hours), the date which is 18 months after the date of the qualifying event, and

"(ii) any qualifying event not described in clause (i), the date which is 36 months after the date of the qualifying event.

"(B) END OF PLAN.—The date on which the employer ceases to provide any group health plan to any employee.

"(C) FAILURE TO PAY PREMIUM.—The date on which coverage ceases under the plan by reason of a failure to make timely payment of any premium required under the plan with respect to the qualified beneficiary.

"(D) REEMPLOYMENT OR MEDICARE ELIGIBILITY.—The date on which the qualified beneficiary first becomes, after the date of the election—

"(i) a covered employee under any other group health plan, or

"(ii) entitled to benefits under title XVIII of the Social Security Act.

"(E) REMARRIAGE OF SPOUSE.—In the case of an individual who is a qualified beneficiary by reason of being the spouse of a covered employee, the date on which the beneficiary remarries and becomes covered under a group health plan.

"(3) PREMIUM REQUIREMENTS.—The plan may require payment of a premium for any period of continuation coverage, except that such premium—

"(A) shall not exceed 102 percent of the applicable premium for such period, and

"(B) may, at the election of the payor, be made in monthly installments.

If an election is made after the qualifying event, the plan shall permit payment for continuation coverage during the period preceding the election to be made within 45 days of the date of the election.

"(4) NO REQUIREMENT OF INSURABILITY.—The coverage may not be conditioned upon, or discriminate on the basis of lack of, evidence of insurability.

"(5) CONVERSION OPTION.—In the case of a qualified beneficiary whose period of continuation coverage expires under paragraph (2)(A), the plan must, during the 180-day period ending on such expiration date, provide to the qualified beneficiary the option of enrollment under a conversion health plan otherwise generally available under the plan.

"SEC. 2203. QUALIFYING EVENT.

"For purposes of this title, the term 'qualifying event' means, with respect to any covered employee, any of the following events which, but for the continuation coverage required under this title, would result in the loss of coverage of a qualified beneficiary:

"(1) The death of the covered employee.

"(2) The termination (other than by reason of such employee's gross misconduct), or reduction of hours, of the covered employee's employment.

"(3) The divorce or legal separation of the covered employee from the employee's spouse.

"(4) The covered employee becoming entitled to benefits under title XVIII of the Social Security Act.

"(5) A dependent child ceasing to be a dependent child under the generally applicable requirements of the plan.

"SEC. 2204. APPLICABLE PREMIUM.

"For purposes of this title—

"(1) IN GENERAL.—The term 'applicable premium' means, with respect to any period of continuation coverage of qualified beneficiaries, the cost to the plan for such period of the coverage for similarly situated beneficiaries with respect to whom a qualifying event has not occurred (without regard to whether such cost is paid by the employer or employee).

"(2) SPECIAL RULE FOR SELF-INSURED PLANS.—To the extent that a plan is a self-insured plan—

"(A) IN GENERAL.—Except as provided in subparagraph (B), the applicable premium for any period of continuation coverage of qualified beneficiaries shall be equal to a reasonable estimate of the cost of providing coverage for such period for similarly situated beneficiaries which—

"(i) is determined on an actuarial basis, and

"(ii) takes into account such factors as the Secretary may prescribe in regulations.

"(B) DETERMINATION ON BASIS OF PAST COST.—If a plan administrator elects to have this subparagraph apply, the applicable premium for any period of continuation coverage of qualified beneficiaries shall be equal to—

"(i) the cost to the plan for similarly situated beneficiaries for the same period occur-

ring during the preceding determination period under paragraph (3), adjusted by

"(ii) the percentage increase or decrease in the implicit price deflator of the gross national product (calculated by the Department of Commerce and published in the Survey of Current Business) for the 12-month period ending on the last day of the sixth month of such preceding determination period.

"(C) SUBPARAGRAPH (B) NOT TO APPLY WHERE SIGNIFICANT CHANGE.—A plan administrator may not elect to have subparagraph (B) apply in any case in which there is any significant difference, between the determination period and the preceding determination period, in coverage under, or in employees covered by, the plan. The determination under the preceding sentence for any determination period shall be made at the same time as the determination under paragraph (3).

"(3) DETERMINATION PERIOD.—The determination of any applicable premium shall be made for a period of 12 months and shall be made before the beginning of such period.

"SEC. 2205. ELECTION.

"For purposes of this title—

"(1) ELECTION PERIOD.—The term 'election period' means the period which—

"(A) begins not later than the date on which coverage terminates under the plan by reason of a qualifying event,

"(B) is of at least 60 days' duration, and

"(C) ends not earlier than 60 days after the later of—

"(i) the date described in subparagraph (A), or

"(ii) in the case of any qualified beneficiary who receives notice under section 2206(4), the date of such notice.

"(2) EFFECT OF ELECTION ON OTHER BENEFICIARIES.—Except as otherwise specified in an election, any election by a qualified beneficiary described in subparagraph (A)(i) or (B) of section 2208(3) shall be deemed to include an election of continuation coverage on behalf of any other qualified beneficiary who would lose coverage under the plan by reason of the qualifying event.

"SEC. 2206. NOTICE REQUIREMENTS.

"In accordance with regulations prescribed by the Secretary—

"(1) the group health plan shall provide, at the time of commencement of coverage under the plan, written notice to each covered employee and spouse of the employee (if any) of the rights provided under this subsection,

"(2) the employer of an employee under a plan must notify the plan administrator of a qualifying event described in paragraph (1), (2), or (4) of section 2203 within 30 days of the date of the qualifying event,

"(3) each covered employee or qualified beneficiary is responsible for notifying the plan administrator of the occurrence of any qualifying event described in paragraph (3) or (5) of section 2203, and

"(4) the plan administrator shall notify—

"(A) in the case of a qualifying event described in paragraph (1), (2), or (4) of section 2203, any qualified beneficiary with respect to such event, and

"(B) in the case of a qualifying event described in paragraph (3) or (5) of section 2203 where the covered employee notifies the plan administrator under paragraph (3), any qualified beneficiary with respect to such event,

of such beneficiary's rights under this subsection.

For purposes of paragraph (4), any notification shall be made within 14 days of the date on which the plan administrator is notified under paragraph (2) or (3), whichever is applicable, and any such notification to an individual who is a qualified beneficiary as the spouse of the covered employee shall be treated as notification to all other qualified beneficiaries residing with such spouse at the time such notification is made.

"SEC. 2207. ENFORCEMENT.

"Any individual who is aggrieved by the failure of a State, political subdivision, or agency or instrumentality thereof, to comply with the requirements of this title may bring an action for appropriate equitable relief.

"SEC. 2208. DEFINITIONS.

"For purposes of this title—

"(1) GROUP HEALTH PLAN.—The term 'group health plan' has the meaning given such term in section 162(i)(3) of the Internal Revenue Code of 1954.

"(2) COVERED EMPLOYEE.—The term 'covered employee' means an individual who is (or was) provided coverage under a group health plan by virtue of the individual's employment or previous employment with an employer.

"(3) QUALIFIED BENEFICIARY.—

"(A) IN GENERAL.—The term 'qualified beneficiary' means, with respect to a covered employee under a group health plan, any other individual who, on the day before the qualifying event for that employee, is a beneficiary under the plan—

"(i) as the spouse of the covered employee, or

"(ii) as the dependent child of the employee.

"(B) SPECIAL RULE FOR TERMINATIONS AND REDUCED EMPLOYMENT.—In the case of a qualifying event described in section 2203(2), the term 'qualified beneficiary' includes the covered employee.

"(4) PLAN ADMINISTRATOR.—The term 'plan administrator' has the meaning given the term 'administrator' by section 3(16)(A) of the Employee Retirement Income Security Act of 1974.".

(b) EFFECTIVE DATES.—

(1) GENERAL RULE.—The amendments made by this section shall apply to plan years beginning on or after July 1, 1986.

(2) SPECIAL RULE FOR COLLECTIVE BARGAINING AGREEMENTS.—In the case of a group health plan maintained pursuant to one or more collective bargaining agreements between employee representatives and one or more employers ratified before the date of the enactment of this Act, the amendments made by this section shall not apply to plan years beginning before the later of—

(A) the date on which the last of the collective bargaining agreements relating to the plan terminates (determined without regard to any extension thereof agreed to after the date of the enactment of this Act), or

(B) January 1, 1987.

For purposes of subparagraph (A), any plan amendment made pursuant to a collective bargaining agreement relating to the plan which amends the plan solely to conform to any requirement added by this section shall not be treated as a termination of such collective bargaining agreement.

(c) NOTIFICATION TO COVERED EMPLOYEES.—At the time that the amendments made by this section apply to a group health plan (covered under section 2201 of the Public Health Service Act), the plan shall notify each covered employee, and spouse of the employee (if any), who is covered under the plan at that time of the continuation coverage required under title XXII of such Act. The notice furnished under this subsection is in lieu of notice that may otherwise be required under section 2206(1) of such Act with respect to such individuals.

TITLE XI—SINGLE-EMPLOYER PLAN TERMINATION INSURANCE SYSTEM AMENDMENTS

SEC. 11001. SHORT TITLE AND TABLE OF CONTENTS.

This title may be cited as "Single-Employer Pension Plan Amendments Act of 1986".

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SEC. 11002. FINDINGS AND DECLARATION OF POLICY.

(a) FINDINGS.—The Congress finds that—

(1) single-employer defined benefit pension plans have a substantial impact on interstate commerce and are affected with a national interest;

(2) the continued well-being and retirement income security of millions of workers, retirees, and their dependents are directly affected by such plans;

(3) the existence of a sound termination insurance system is fundamental to the retirement income security of participants and beneficiaries of such plans; and

(4) the current termination insurance system in some instances encourages employers to terminate pension plans, evade their obligations to pay benefits, and shift unfunded pension liabilities onto the termination insurance system and the other premium-payers.

(b) ADDITIONAL FINDINGS.—The Congress further finds that modification of the cur-

rent termination insurance system and an increase in the insurance premium for single-employer defined benefit pension plans—

(1) is desirable to increase the likelihood that full benefits will be paid to participants and beneficiaries of such plans;

(2) is desirable to provide for the transfer of liabilities to the termination insurance system only in cases of severe hardship;

(3) is necessary to maintain the premium costs of such system at a reasonable level; and

(4) is necessary to finance properly current funding deficiencies and future obligations of the single-employer pension plan termination insurance system.

(c) DECLARATION OF POLICY.—It is hereby declared to be the policy of this title—

(1) to foster and facilitate interstate commerce;

(2) to encourage the maintenance and growth of single-employer defined benefit pension plans;

(3) to increase the likelihood that participants and beneficiaries under single-employer defined benefit pension plans will receive their full benefits;

(4) to provide for the transfer of unfunded pension liabilities onto the single-employer pension plan termination insurance system only in cases of severe hardship;

(5) to maintain the premium costs of such system at a reasonable level; and

(6) to assure the prudent financing of current funding deficiencies and future obligations of the single-employer pension plan termination insurance system by increasing termination insurance premiums.

SEC. 11003. AMENDMENT OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974.

Whenever in this title an amendment or repeal is expressed in terms of an amendment to or repeal of a section or other provision, the reference is to a section or other provision of the Employee Retirement Income Security Act of 1974, unless otherwise specified.

SEC. 11004. DEFINITIONS.

(a) IN GENERAL.—Section 4001(a) (29 U.S.C. 1301(a)) is amended—

(1) by striking out paragraph (2) and inserting in lieu thereof the following new paragraph:

"(2) 'substantial employer', for any plan year of a single-employer plan, means one or more persons—

"(A) who are contributing sponsors of the plan in such plan year,

"(B) who, at any time during such plan year, are members of the same controlled group, and

"(C) whose required contributions to the plan for each plan year constituting one of—

"(i) the two immediately preceding plan years, or

"(ii) the first two of the three immediately preceding plan years,

total an amount greater than or equal to 10 percent of all contributions required to be paid to or under the plan for such plan year;";

(2) in paragraph (11), by striking out "and";

(3) in paragraph (12), by striking out "corporation." and inserting in lieu thereof "corporation;"; and

(4) by adding after paragraph (12) the following new paragraphs:

"(13) 'contributing sponsor', of a single-employer plan, means a person—

"(A) who is responsible, in connection with such plan, for meeting the funding requirements under section 302 of this Act or section 412 of the Internal Revenue Code of 1954, or

"(B) who is a member of the controlled group of a person described in subparagraph (A), has been responsible for meeting such funding requirements, and has employed a significant number (as may be defined in regulations of the corporation) of participants under such plan while such person was so responsible;

"(14) in the case of a single-employer plan—

"(A) 'controlled group' means, in connection with any person, a group consisting of such person and all other persons under common control with such person; and

"(B) the determination of whether two or more persons are under 'common control' shall be made under regulations of the corporation which are consistent and coextensive with regulations prescribed for similar purposes by the Secretary of the Treasury under subsections (b) and (c) of section 414 of the Internal Revenue Code of 1954;

"(15) 'single-employer plan' means any defined benefit plan (as defined in section 3(35)) which is not a multiemployer plan;

"(16) 'benefit commitments', to a participant or beneficiary as of any date under a single-employer plan, means all benefits provided by the plan with respect to the participant or beneficiary which—

"(A) are guaranteed under section 4022,

"(B) would be guaranteed under section 4022, but for the operation of subsection 4022(b), or

"(C) constitute—

"(i) early retirement supplements or subsidies, or

"(ii) plant closing benefits,

irrespective of whether any such supplements, subsidies, or benefits are benefits guaranteed under section 4022, if the participant or beneficiary has satisfied, as of such date, all of the conditions required of him or her under the provisions of the plan to establish entitlement to the benefits, except for the submission of a formal application, retirement, completion of a required waiting period subsequent to application for benefits, or designation of a beneficiary;

"(17) 'amount of unfunded guaranteed benefits', of a participant or beneficiary as of any date under a single-employer plan, means an amount equal to the excess of—

"(A) the actuarial present value (determined as of such date on the basis of assumptions prescribed by the corporation for purposes of section 4044) of the benefits of the participant or beneficiary under the plan which are guaranteed under section 4022, over

"(B) the current value (as of such date) of the assets of the plan which are required to be allocated to those benefits under section 4044;

"(18) 'amount of unfunded benefit commitments', of a participant or beneficiary as of any date under a single-employer plan, means an amount equal to the excess of—

"(A) the actuarial present value (determined as of such date on the basis of assumptions prescribed by the corporation for purposes of section 4044) of the benefit commitments to the participant or beneficiary under the plan, over

"(B) the current value (as of such date) of the assets of the plan which are required to be allocated to those benefit commitments under section 4044;

"(19) 'outstanding amount of benefit commitments', of a participant or beneficiary under a terminated single-employer plan, means the excess of—

"(A) the actuarial present value (determined as of the termination date on the basis of assumptions prescribed by the corporation for purposes of section 4044) of the benefit commitments to such participant or beneficiary under the plan, over

"(B) the actuarial present value (determined as of such date on the basis of assumptions prescribed by the corporation for purposes of section 4044) of the benefits of such participant or beneficiary which are guaranteed under section 4022 or to which assets of the plan are required to be allocated under section 4044;

"(20) 'person' has the meaning set forth in section 3(9);

"(21) 'affected party' means, with respect to a plan—

"(A) each participant in the plan,

"(B) each beneficiary under the plan who is a beneficiary of a deceased participant or who is an alternate payee (within the meaning of section 206(d)(3)(K)) under an applicable qualified domestic relations order (within the meaning of section 206(d)(3)(B)(i)),

"(C) each employee organization representing participants in the plan, and

"(D) the corporation,

except that, in connection with any notice required to be provided to the affected party, if an affected party has designated, in writing, a person to receive such notice on behalf of the affected party, any reference to the affected party shall be construed to refer to such person.".

(b) TECHNICAL CORRECTION OF ERROR IN MULTIEMPLOYER PENSION PLAN AMENDMENTS ACT OF 1980.—Section 4001 is further amended by striking out the amendments made by section 402(a)(1)(F) of the Multiemployer Pension Plan Amendments Act of 1980 (94 Stat. 1297) (adding new paragraphs after a subsection (c)(1)), and, in lieu thereof, in subsection (b), by inserting "(1)" after "(b)" and by adding at the end of such subsection the following new paragraph:

"(2) For purposes of subtitle E—

"(A) except as otherwise provided in subtitle E, contributions or other payments shall be considered made under a plan for a plan year if they are made within the period prescribed under section 412(c)(10) of the Internal Revenue Code of 1954 (determined, in the case of a terminated plan, as if the plan had continued beyond the termination date), and

"(B) the term 'Secretary of the Treasury' means the Secretary of the Treasury or such Secretary's delegate.".

SEC. 11005. SINGLE-EMPLOYER PLAN TERMINATION INSURANCE PREMIUMS.

(a) PREMIUM INCREASE.—

(1) GENERAL RULE.—Section 4006(a)(3)(A)(i) (29 U.S.C. 1306(a)(3)(A)(i)) is amended by striking out "for plan years beginning after December 31, 1977, an amount equal to $2.60" and inserting in lieu thereof "for plan years beginning after December 31, 1985, an amount equal to $8.50".

(2) CONFORMING AMENDMENT WITH RESPECT TO PLAN YEARS AFTER 1977.—Section 4006(c)(1) (29 U.S.C. 1306(c)(1)) is amended by striking out subparagraph (A) and inserting in lieu thereof the following new subparagraph:

"(A) in the case of each plan which was not a multiemployer plan in a plan year—

"(i) with respect to each plan year beginning before January 1, 1978, an amount equal to $1 for each individual who was a participant in such plan during the plan year, and

"(ii) with respect to each plan year beginning after December 31, 1977, an amount equal to $2.60 for each individual who was a participant in such plan during the plan year, and".

(b) INCORPORATION OF CERTAIN FORMER PROVISIONS IN LIEU OF CROSS REFERENCE THERETO.—Section 4006(a) (29 U.S.C. 1306(a)) is amended—

(1) in paragraph (1), by striking out the last sentence; and

(2) by adding at the end thereof the following new paragraph:

"(6)(A) In carrying out its authority under paragraph (1) to establish premium rates and bases for basic benefits guaranteed under section 4022 with respect to single-employer plans, the corporation shall establish such rates and bases in coverage schedules in accordance with the provisions of this paragraph.

"(B) The corporation may establish annual premiums for single-employer plans composed of the sum of—

"(i) a charge based on a rate applicable to the excess, if any, of the present value of the basic benefits of the plan which are guaranteed over the value of the assets of the plan, not in excess of 0.1 percent, and

"(ii) an additional charge based on a rate applicable to the present value of the basic benefits of the plan which are guaranteed.

The rate for the additional charge referred to in clause (ii) shall be set by the corporation for every year at a level which the corporation estimates will yield total revenue approximately equal to the total revenue to be derived by the corporation from the charges referred to in clause (i) of this subparagraph.

"(C) The corporation may establish annual premiums for single-employer plans based on—

"(i) the number of participants in a plan, but such premium rates shall not exceed the rates described in paragraph (3),

"(ii) unfunded basic benefits guaranteed under this title, but such premium rates shall not exceed the limitations applicable to charges referred to in subparagraph (B)(i), or

"(iii) total guaranteed basic benefits, but such premium rates shall not exceed the rates for additional charges referred to in subparagraph (B)(ii).

If the corporation uses two or more of the rate bases described in this subparagraph, the premium rates shall be designed to produce approximately equal amounts of aggregate premium revenue from each of the rate bases used.

"(D) For purposes of this paragraph, the corporation shall by regulation define the terms 'value of assets' and 'present value of the benefits of the plan which are guaranteed' in a manner consistent with the purposes of this title and the provisions of this section.".

(c) APPROVAL BY JOINT RESOLUTION OF RECOMMENDATIONS OF THE PENSION BENEFIT GUARANTY CORPORATION.—Title IV is amended as follows:

(1) The last sentence of subsection (a)(2) of section 4006 (29 U.S.C. 1306(a)(2)) is amended by striking out "the Congress approves such revised schedule by a concurrent resolution" and inserting in lieu thereof "a joint resolution approving such revised schedule is enacted".

(2) Subsection (a)(4) of section 4006 (29 U.S.C. 1306(a)(4)) is amended by striking out "approval by the Congress" and inserting in lieu thereof "the enactment of a joint resolution".

(3) Subsection (b)(3) of section 4006 (29 U.S.C. 1306(b)(3)) is amended by striking out "concurrent" and inserting in lieu thereof "joint", by striking out "That the Congress favors the" and inserting in lieu thereof "The", and by inserting "is hereby approved" before the period preceding the quotation marks.

(4) Subsection (f)(2)(B) of section 4022A (29 U.S.C. 1322a(f)(2)(B)) is amended by striking out "Congress by concurrent resolution" and inserting in lieu thereof "the enactment of a joint resolution".

(5) Subsection (f)(2)(C) of section 4022A (29 U.S.C. 1322a(f)(2)(C)) is amended by striking out "approved" and inserting in lieu thereof "so enacted".

(6) Subsection (f)(3)(B) of section 4022A (29 U.S.C. 1322a(f)(3)(A)) is amended by striking out "Congress by a concurrent resolution" and inserting in lieu thereof "enactment of a joint resolution".

(7) Subsection (f)(4)(A) of section 4022A (29 U.S.C. 1322a(f)(4)(A)) is amended by striking out "concurrent" and inserting in lieu thereof "joint".

(8) Subsection (f)(4)(B) of section 4022A (29 U.S.C. 1322a(f)(4)(B)) is amended by striking out "concurrent" each place it appears and inserting in lieu thereof "joint", by striking out "That the Congress favors the" and inserting in lieu thereof "The", and by inserting "is hereby approved" immediately before the period preceding the quotation marks.

(9) Subsection (f)(4)(C) of section 4022A (29 U.S.C. 1322a(f)(4)(C)) is amended by striking out "concurrent" and inserting in lieu thereof "joint".

(10) Subsection (g)(4)(A)(ii) of section 4022A (29 U.S.C. 1322a(g)(4)(A)(ii)) is amended by striking out "concurrent" and inserting in lieu thereof "joint", and by striking out "adopted" and inserting in lieu thereof "enacted".

(11) Subsection (g)(4)(B) of section 4022A (29 U.S.C. 1322a(g)(4)(B)) is amended by striking out "concurrent" each place it appears and inserting in lieu thereof "joint", by striking out "That the Congress disapproves the" and inserting in lieu thereof "The", and by inserting "is hereby disapproved" immediately before the period preceding the quotation marks.

(12) Subsection (g)(4)(D) of section 4022A (29 U.S.C. 1322a(g)(4)(D)) is amended by striking out "concurrent" and inserting in lieu thereof "joint".

(d) EFFECTIVE DATES.—

(1) GENERAL RULE.—Except as provided in paragraph (2), the amendments made by this section shall be effective for plan years commencing after December 31, 1985.

(2) SPECIAL RULE.—The amendments made by subsection (b) shall be effective as of the date of the enactment of the Multiemployer Pension Plan Amendments Act of 1980.

(e) TRANSITIONAL RULE.—

(1) NOTICE OF PREMIUM INCREASE.—Not later than 30 days after the date of the enactment of this Act, the Pension Benefit Guaranty Corporation shall send a notice to the plan administrator of each single-employer plan affected by the premium increase established by the amendment made by subsection (a)(1). Such notice shall describe such increase and the requirements of this subsection.

(2) DUE DATE FOR UNPAID PREMIUMS.—With respect to any plan year beginning during the period beginning on January 1, 1986, and ending 30 days after the date of the enactment of this Act, any unpaid amount of such premium increase shall be due and payable no later than the earlier of 60 days after the date of the enactment of this Act or 30 days after the date on which the notice required by paragraph (1) is sent, except that in no event shall the amount of the premium increase established under the amendment made by subsection (a)(1) be due and payable for a plan year earlier than the date on which premiums for the plan would have been due for such plan year had this Act not been enacted.

(3) ENFORCEMENT.—For purposes of enforcement, the requirements of paragraphs (1) and (2) shall be considered to be requirements of sections 4006 and 4007 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1306 and 1307).

SEC. 11006. NOTICE OF SIGNIFICANT REDUCTION IN BENEFIT ACCRUALS.

(a) IN GENERAL.—Section 204 (29 U.S.C. 1054) is amended—

(1) by redesignating subsection (h) as subsection (i); and

(2) by inserting after subsection (g) the following new subsection:

"(h) A single-employer plan may not be amended so as to provide for a significant reduction in the rate of future benefit accrual, unless, after adoption of the plan amendment and not less than 15 days before the effective date of the plan amendment, the plan administrator provides a written notice, setting forth the plan amendment and its effective date, to—

"(1) each participant in the plan,

"(2) each beneficiary who is an alternate payee (within the meaning of section 206(d)(3)(K)) under an applicable qualified domestic relations order (within the meaning of section 206(d)(3)(B)(i)), and

"(3) each employee organization representing participants in the plan,

except that such notice shall instead be provided to a person designated, in writing, to receive such notice on behalf of any person referred to in paragraph (1), (2), or (3).".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply with respect to plan amendments adopted on or after January 1, 1986, except that, in the case of plan amendments adopted on or after January 1, 1986, and on or before the date of the enactment of this Act, the requirements of section 204(h) of the Employee Retirement Income Security Act of 1974 (as added by this section) shall be treated as met if the written notice required under such section 204(h) is provided before 60 days after the date of the enactment of this Act.

SEC. 11007. GENERAL REQUIREMENTS RELATING TO TERMINATION OF SINGLE-EMPLOYER PLANS BY PLAN ADMINISTRATORS.

(a) IN GENERAL.—Section 4041 (29 U.S.C. 1341) is amended by striking out subsections (a) through (c) and inserting in lieu thereof the following:

"SEC. 4041. (a) GENERAL RULES GOVERNING SINGLE-EMPLOYER PLAN TERMINATIONS.—

"(1) EXCLUSIVE MEANS OF PLAN TERMINATION.—Except in the case of a termination for which proceedings are otherwise instituted by the corporation as provided in section 4042, a single-employer plan may be terminated only in a standard termination under subsection (b) or a distress termination under subsection (c).

"(2) 60-DAY NOTICE OF INTENT TO TERMINATE.—Not less than 60 days before the proposed termination date of a standard termination under subsection (b) or a distress termination under subsection (c), the plan administrator shall provide to each affected party (other than the corporation in the case of a standard termination) a written notice of intent to terminate stating that such termination is intended and the proposed termination date. The written notice shall include any related additional information required in regulations of the corporation.

"(3) ADHERENCE TO COLLECTIVE BARGAINING AGREEMENTS.—The corporation shall not proceed with a termination of a plan under this section if the termination would violate the terms and conditions of an existing collective bargaining agreement. Nothing in the preceding sentence shall be construed as limiting the authority of the corporation to institute proceedings to involuntarily terminate a plan under section 4042.".

(b) DEFINITIONS RELATING TO SUFFICIENCY.—Section 4041(d) (29 U.S.C. 1341(d)) is amended to read as follows:

"(d) SUFFICIENCY.—For purposes of this section—

"(1) SUFFICIENCY FOR BENEFIT COMMITMENTS.—A single-employer plan is sufficient for benefit commitments if there is no amount of unfunded benefit commitments under the plan.

"(2) SUFFICIENCY FOR GUARANTEED BENEFITS.—A single-employer plan is sufficient for guaranteed benefits if there is no amount of unfunded guaranteed benefits under the plan.".

SEC. 11008. STANDARD TERMINATION OF SINGLE-EMPLOYER PLANS.

(a) IN GENERAL.—Section 4041 (as amended by section 11007 of this Act) is further amended by inserting after subsection (a) the following new subsection:

"(b) STANDARD TERMINATION OF SINGLE-EMPLOYER PLANS.—

"(1) GENERAL REQUIREMENTS.—A single-employer plan may terminate under a standard termination only if—

"(A) the plan administrator provides the 60-day advance notice of intent to terminate to affected parties required under subsection (a)(2),

"(B) the requirements of subparagraphs (A) and (B) of paragraph (2) are met,

"(C) the corporation does not issue a notice of noncompliance under subparagraph (C) of paragraph (2), and

"(D) when the final distribution of assets occurs, the plan is sufficient for benefit commitments (determined as of the termination date).

"(2) TERMINATION PROCEDURE.—

"(A) NOTICE TO THE CORPORATION.—As soon as practicable after the date on which the notice of intent to terminate is provided pursuant to subsection (a)(2), the plan administrator shall send a notice to the corporation setting forth—

"(i) certification by an enrolled actuary—

"(I) of the projected amount of the assets of the plan (as of a proposed date of final distribution of assets),

"(II) of the actuarial present value (as of such date) of the benefit commitments (determined as of the proposed termination date) under the plan, and

"(III) that the plan is projected to be sufficient (as of such proposed date of final distribution) for such benefit commitments,

"(ii) such information as the corporation may prescribe in regulations as necessary to enable the corporation to make determinations under subparagraph (C), and

"(iii) certification by the plan administrator that the information on which the enrolled actuary based the certification under clause (i) and the information provided to the corporation under clause (ii) are accurate and complete.

"(B) NOTICE TO PARTICIPANTS AND BENEFICIARIES OF BENEFIT COMMITMENTS.—No later than the date on which a notice is sent by the plan administrator under subparagraph (A), the plan administrator shall send a notice to each person who is a participant or beneficiary under the plan—

"(i) specifying the amount of such person's benefit commitments (if any) as of the proposed termination date and the benefit form on the basis of which such amount is determined, and

"(ii) including the following information used in determining such benefit commitments:

"(I) the length of service,

"(II) the age of the participant or beneficiary,

"(III) wages,

"(IV) the assumptions, including the interest rate, and

"(V) such other information as the corporation may require.

Such notice shall be written in such manner as is likely to be understood by the participant or beneficiary and as may be prescribed in regulations of the corporation.

"(C) NOTICE FROM THE CORPORATION OF NONCOMPLIANCE.—

"(i) IN GENERAL.—Within 60 days after receipt of the notice under subparagraph (A), the corporation shall issue a notice of noncompliance to the plan administrator if—

"(I) it has reason to believe that any requirement of subsection (a)(2) or subparagraph (A) or (B) has not been met, or

"(II) it otherwise determines, on the basis of information provided by affected parties or otherwise obtained by the corporation, that there is reason to believe that the plan is not sufficient for benefit commitments.

"(ii) EXTENSION.—The corporation and the plan administrator may agree to extend the 60-day period referred to in clause (i) by a written agreement signed by the corporation and the plan administrator before the expiration of the 60-day period. The 60-day period shall be extended as provided in the agreement and may be further extended by subsequent written agreements signed by the corporation and the plan administrator made before the expiration of a previously agreed upon extension of the 60-day period. Any extension may be made upon such terms and conditions (including the payment of benefits) as are agreed upon by the corporation and the plan administrator.

"(D) FINAL DISTRIBUTION OF ASSETS IN ABSENCE OF NOTICE OF NONCOMPLIANCE.—The plan administrator shall commence the final distribution of assets pursuant to the standard termination of the plan as soon as practicable after the expiration of the 60-day (or extended) period referred to in subparagraph (C), but such final distribution may occur only if—

"(i) the plan administrator has not received during such period a notice of noncompliance from the corporation under subparagraph (C), and

"(ii) when such final distribution occurs, the plan is sufficient for benefit commitments (determined as of the termination date).

"(3) METHODS OF FINAL DISTRIBUTION OF ASSETS.—

"(A) IN GENERAL.—In connection with any final distribution of assets pursuant to the standard termination of the plan under this subsection, the plan administrator shall distribute the assets in accordance with section 4044. In distributing such assets, the plan administrator shall—

"(i) purchase irrevocable commitments from an insurer to provide the benefit commitments under the plan and all other benefits (if any) under the plan to which assets are required to be allocated under section 4044, or

"(ii) in accordance with the provisions of the plan and any applicable regulations of the corporation, otherwise fully provide the benefit commitments under the plan and all other benefits (if any) under the plan to which assets are required to be allocated under section 4044.

"(B) CERTIFICATION TO THE CORPORATION OF FINAL DISTRIBUTION OF ASSETS.—Within 30 days after the final distribution of assets is completed pursuant to the standard termination of the plan under this subsection, the plan administrator shall send a notice to the corporation certifying that the assets of the plan have been distributed in accordance with the provisions of subparagraph (A) so as to pay the benefit commitments under the plan and all other benefits under the plan to which assets are required to be allocated under section 4044.

"(4) CONTINUING AUTHORITY.—Nothing in this section shall be construed to preclude the continued exercise by the corporation, after the termination date of a plan terminated in a standard termination under this subsection, of its authority under section 4003 with respect to matters relating to the termination. A certification under paragraph (3)(B) shall not affect the corporation's obligations under section 4022.".

(b) CONFORMING AMENDMENT.—Section 4041(f) (29 U.S.C. 1341(f)) is amended to read as follows:

"(f) LIMITATION ON THE CONVERSION OF A DEFINED BENEFIT PLAN TO A DEFINED CONTRIBUTION PLAN.—The adoption of an amendment to a plan which causes the plan to become a plan described in section 4021(b)(1) constitutes a termination of the plan. Such an amendment may take effect only after the plan satisfies the requirements for standard termination under subsection (b) or distress termination under subsection (c).".

(c) AUTHORITY FOR 60-DAY EXTENSION.—In the case of a standard termination of a plan under section 4041(b) of the Employee Retirement Income Security Act of 1974 (as amended by this section) with respect to which a notice of intent to terminate is filed before 120 days after the date of the enactment of this Act, the Pension Benefit Guaranty Corporation may, without the consent of the plan administrator, extend the 60-day period under section 4041(b)(2)(C)(i) of such Act (as so amended) for a period not to exceed 60 days.

(d) SPECIAL TEMPORARY RULE.—

(1) REQUIREMENTS TO BE MET BEFORE FINAL DISTRIBUTION OF ASSETS.—In the case of the termination of a single-employer plan described in paragraph (2) with respect to which the amount payable to the employer pursuant to section 4044(d) exceeds $1,000,000 (determined as of the proposed date of final distribution of assets), the final distribution of assets pursuant to such termination may not occur unless the Pension Benefit Guaranty Corporation—

(A) determines that the assets of the plan are sufficient for benefit commitments

(within the meaning of section 4041(d)(1) of the Employee Retirement Income Security Act of 1974 (as amended by section 11007)) under the plan, and

(B) issues to the plan administrator a written notice setting forth the determination described in subparagraph (A).

(2) PLANS TO WHICH SUBSECTION APPLIES.—A single-employer plan is described in this paragraph if—

(A) the plan administrator has filed a notice of intent to terminate with the Pension Benefit Guaranty Corporation, and—

(i) the filing was made before January 1, 1986, and the Corporation has not issued a notice of sufficiency for such plan before the date of the enactment of this Act, or

(ii) the filing is made on or after January 1, 1986, and before 60 days after the date of the enactment of this Act and the Corporation has not issued a notice of sufficiency for such plan before the date of the enactment of this Act, and

(B) of the persons who are (as of the termination date) participants in the plan, the lesser of 10 percent or 200 have filed complaints with the Corporation regarding such termination—

(i) in the case of plans described in subparagraph (A)(i), before 15 days after the date of the enactment of this Act, or

(ii) in any other case, before the later of 15 days after the date of the enactment of this Act or 45 days after the date of the filing of such notice.

(3) CONSIDERATION OF COMPLAINTS.—The Corporation shall consider and respond to such complaints not later than 90 days after the date on which the Corporation makes the determination described in paragraph (1)(A). The Corporation may hold informal hearings to expedite consideration of such complaints. Any such hearing shall be exempt from the requirements of chapter 5 of title 5, United States Code.

(4) DELAY ON ISSUANCE OF NOTICE.—

(A) GENERAL RULE.—Except as provided in subparagraph (B), the Corporation shall not issue any notice described in paragraph (1)(B) until 90 days after the date on which the Corporation makes the determination described in paragraph (1)(A).

(B) EXCEPTION IN CASES OF SUBSTANTIAL BUSINESS HARDSHIP.—Except in the case of an acquisition, takeover, or leveraged buyout, the preceding provisions of this subsection shall not apply if the contributing sponsor demonstrates to the satisfaction of the Corporation that the contributing sponsor is experiencing substantial business hardship. For purposes of this subparagraph, a contributing sponsor shall be considered as experiencing substantial business hardship if the contributing sponsor has been operating, and can demonstrate that the contributing sponsor will continue to operate, at an economic loss.

SEC. 11009. DISTRESS TERMINATION OF SINGLE-EMPLOYER PLANS.

(a) IN GENERAL.—Section 4041 (as amended by sections 11007 and 11008 of this Act) is further amended by inserting after subsection (b) the following new subsection:

"(c) DISTRESS TERMINATION OF SINGLE-EMPLOYER PLANS.—

"(1) IN GENERAL.—A single-employer plan may terminate under a distress termination only if—

"(A) the plan administrator provides the 60-day advance notice of intent to terminate to affected parties required under subsection (a)(2),

"(B) the requirements of subparagraph (A) of paragraph (2) are met, and

"(C) the corporation determines that the requirements of subparagraph (B) of paragraph (2) are met.

"(2) TERMINATION REQUIREMENTS.—

"(A) INFORMATION SUBMITTED TO THE CORPORATION.—As soon as practicable after the date on which the notice of intent to terminate is provided pursuant to subsection (a)(2), the plan administrator shall provide the corporation, in such form as may be prescribed by the corporation in regulations, the following information:

"(i) such information as the corporation may prescribe by regulation as necessary to make determinations under subparagraph (B) and paragraph (3);

"(ii) certification by an enrolled actuary of—

"(I) the amount (as of the proposed termination date) of the current value of the assets of the plan,

"(II) the actuarial present value (as of such date) of the benefit commitments under the plan,

"(III) whether the plan is sufficient for benefit commitments as of such date,

"(IV) the actuarial present value (as of such date) of benefits under the plan guaranteed under section 4022, and

"(V) whether the plan is sufficient for guaranteed benefits as of such date;

"(iii) in any case in which the plan is not sufficient for benefit commitments as of such date—

"(I) the name and address of each participant and beneficiary under the plan as of such date, and

"(II) such other information as shall be prescribed by the corporation by regulation as necessary to enable the corporation (or its designee under section 4049(b)) to be able to make payments to participants and beneficiaries as required under section 4049; and

"(iv) certification by the plan administrator that the information on which the enrolled actuary based the certifications under clause (ii) and the information provided to the corporation under clauses (i) and (iii) are accurate and complete.

"(B) DETERMINATION BY THE CORPORATION OF NECESSARY DISTRESS CRITERIA.—Upon receipt of the notice of intent to terminate required under subsection (a)(2) and the information required under subparagraph (A), the corporation shall determine whether the requirements of this subparagraph are met as provided in clause (i), (ii), or (iii). The requirements of this subparagraph are met if each person who is (as of the termination date) a contributing sponsor of such plan or a substantial member of such sponsor's controlled group meets the requirements of any of the following clauses:

"(i) LIQUIDATION IN BANKRUPTCY OR INSOLVENCY PROCEEDINGS.—The requirements of this clause are met by a person if—

"(I) such person has filed or has had filed against such person, as of the termination date, a petition seeking liquidation in a case under title 11, United States Code, or under any similar law of a State or political subdivision of a State, and

"(II) such case has not, as of the termination date, been dismissed.

"(ii) REORGANIZATION IN BANKRUPTCY OR INSOLVENCY PROCEEDINGS.—The requirements of this clause are met by a person if—

"(I) such person has filed, or has had filed against such person, as of the termination date, a petition seeking reorganization in a case under title 11, United States Code, or under any similar law of a State or political subdivision of a State (or a case described in clause (i) filed by or against such person has been converted, as of such date, to such a case in which reorganization is sought),

"(II) such case has not, as of the termination date, been dismissed, and

"(III) the bankruptcy court (or other appropriate court in a case under such similar law of a State or political subdivision) approves the termination.

"(iii) TERMINATION REQUIRED TO ENABLE PAYMENT OF DEBTS WHILE STAYING IN BUSINESS OR TO AVOID UNREASONABLY BURDENSOME PENSION COSTS CAUSED BY DECLINING WORKFORCE.—The requirements of this clause are met by a person if such person demonstrates to the satisfaction of the corporation that—

"(I) unless a distress termination occurs, such person will be unable to pay such person's debts when due and will be unable to continue in business, or

"(II) the costs of providing pension coverage have become unreasonably burdensome to such person, solely as a result of a decline of such person's workforce covered as participants under all single-employer plans of which such person is a contributing sponsor.

"(C) SUBSTANTIAL MEMBER.—For purposes of subparagraph (B), the term 'substantial member' of a controlled group means a person whose assets comprise 5 percent or more of the total assets of the controlled group as a whole.

"(D) NOTIFICATION OF DETERMINATIONS BY THE CORPORATION.—The corporation shall notify the plan administrator as soon as practicable of its determinations made pursuant to subparagraph (B).

"(3) TERMINATION PROCEDURE.—

"(A) DETERMINATIONS BY THE CORPORATION RELATING TO PLAN SUFFICIENCY FOR GUARANTEED BENEFITS AND FOR BENEFIT COMMITMENTS.—If the corporation determines that the requirements for a distress termination set forth in paragraphs (1) and (2) are met, the corporation shall—

"(i) determine that the plan is sufficient for guaranteed benefits (as of the termination date) or that the corporation is unable to make such determination on the basis of information made available to the corporation,

"(ii) determine that the plan is sufficient for benefit commitments (as of the termination date) or that the corporation is unable to make such determination on the basis of information made available to the corporation, and

"(iii) notify the plan administrator of the determinations made pursuant to this subparagraph as soon as practicable.

"(B) IMPLEMENTATION OF TERMINATION.—After the corporation notifies the plan administrator of its determinations under subparagraph (A), the termination of the plan shall be carried out as soon as practicable, as provided in clause (i), (ii), or (iii).

"(i) CASES OF SUFFICIENCY FOR BENEFIT COMMITMENTS.—In any case in which the corporation determines that the plan is sufficient for benefit commitments, the plan administrator shall proceed to distribute the plan's assets, and make certification to the corporation with respect to such distribution, in the manner described in subsection (b)(3), and shall take such other actions as may be appropriate to carry out the termination of the plan.

"(ii) CASES OF SUFFICIENCY FOR GUARANTEED BENEFITS WITHOUT A FINDING OF SUFFICIENCY FOR BENEFIT COMMITMENTS.—In any case in which the corporation determines that the plan is sufficient for guaranteed benefits, but further determines that it is unable to

determine that the plan is sufficient for benefit commitments on the basis of the information made available to it—

"(I) the plan administrator shall proceed to distribute the plan's assets in the manner described in subsection (b)(3), make certification to the corporation that the distribution has occurred, and take such actions as may be appropriate to carry out the termination of the plan, and

"(II) the corporation shall establish a separate trust in connection with the plan for purposes of section 4049.

"(iii) CASES WITHOUT ANY FINDING OF SUFFICIENCY.—In any case in which the corporation determines that it is unable to determine that the plan is sufficient for guaranteed benefits on the basis of the information made available to it—

"(I) the corporation shall commence proceedings in accordance with section 4042, and

"(II) the corporation shall establish a separate trust in connection with the plan for purposes of section 4049 unless the corporation determines that all benefit commitments under the plan are benefits guaranteed by the corporation under section 4022.

"(C) FINDING AFTER AUTHORIZED COMMENCEMENT OF TERMINATION THAT PLAN IS UNABLE TO PAY BENEFITS.—

"(i) FINDING WITH RESPECT TO BENEFIT COMMITMENTS WHICH ARE NOT GUARANTEED BENEFITS.—If, after the plan administrator has begun to terminate the plan as authorized under subparagraph (B)(i), the plan administrator finds that the plan is unable, or will be unable, to pay benefit commitments which are not benefits guaranteed by the corporation under section 4022, the plan administrator shall notify the corporation of such finding as soon as practicable thereafter. If the corporation concurs in the finding of the plan administrator (or the corporation itself makes such a finding) the corporation shall take the actions set forth in subparagraph (B)(ii)(II) relating to the trust established for purposes of section 4049.

"(ii) FINDING WITH RESPECT TO GUARANTEED BENEFITS.—If, after the plan administrator has begun to terminate the plan as authorized by subparagraph (B) (i) or (ii), the plan administrator finds that the plan is unable, or will be unable, to pay all benefits under the plan which are guaranteed by the corporation under section 4022, the plan administrator shall notify the corporation of such finding as soon as practicable thereafter. If the corporation concurs in the finding of the plan administrator (or the corporation itself makes such a finding), the corporation shall institute appropriate proceedings under section 4042.

"(D) ADMINISTRATION OF THE PLAN DURING INTERIM PERIOD.—

"(i) IN GENERAL.—The plan administrator shall—

"(I) meet the requirements of clause (ii) for the period commencing on the date on which the plan administrator provides a notice of distress termination to the corporation under subsection (a)(2) and ending on the date on which the plan administrator receives notification from the corporation of its determinations under subparagraph (A), and

"(II) meet the requirements of clause (ii) commencing on the date on which the plan administrator or the corporation makes a finding under subparagraph (C)(ii).

"(ii) REQUIREMENTS.—The requirements of this clause are met by the plan administrator if the plan administrator—

"(I) refrains from distributing assets or taking any other actions to carry out the proposed termination of this subsection,

"(II) pays benefits attributable to employer contributions, other than death benefits, only in the form of an annuity,

"(III) does not use plan assets to purchase irrevocable commitments to provide benefits from an insurer, and

"(IV) continues to pay all benefit commitments under the plan, but, commencing on the proposed termination date, limits the payment of benefits under the plan to those benefits which are guaranteed by the corporation under section 4022 or to which assets are required to be allocated under section 4044.

In the event the plan administrator is later determined not to have met the requirements for distress termination, any benefits which are not paid solely by reason of compliance with subclause (IV) shall be due and payable immediately (together with interest, at a reasonable rate, in accordance with regulations of the corporation).".

(b) CONFORMING AMENDMENTS.—Section 4041 (as amended by the preceding provisions of this title) is further amended—

(1) by striking out subsection (e); and

(2) by redesignating subsection (f) as subsection (e).

SEC. 11010. TERMINATION PROCEEDINGS; DUTIES OF THE CORPORATION.

(a) MANDATORY COMMENCEMENT OF PROCEEDINGS UPON INABILITY OF SINGLE-EMPLOYER PLAN TO PAY BENEFITS THAT ARE CURRENTLY DUE.—

(1) IN GENERAL.—Section 4042(a) (29 U.S.C. 1342(a)) is amended—

(A) in paragraph (2), by striking out "is" and inserting in lieu thereof "will be"; and

(B) by inserting at the beginning of the matter following paragraph (4) the following new sentence: "The corporation shall as soon as practicable institute proceedings under this section to terminate a single-employer plan whenever the corporation determines that the plan does not have assets available to pay benefits which are currently due under the terms of the plan".

(2) CONFORMING AMENDMENTS.—

(A) Section 4042(b)(1) (29 U.S.C. 1342(b)(1)) is amended, in the first sentence, by inserting "or is required under subsection (a) to institute proceedings under this section," after "to a plan".

(B) Section 4042(c) (29 U.S.C. 1342(c)) is amended in the first sentence by striking out "If the corporation" and all that follows down through "has determined" and inserting in lieu thereof the following: "If the corporation is required under subsection (a) of this section to commence proceedings under this section with respect to a plan or, after issuing a notice under this section to a plan administrator, has determined".

(b) ESTABLISHMENT OF SECTION 4049 TRUST.—Section 4042 is further amended by adding at the end thereof the following new subsection:

"(i) In any case in which a plan is terminated under this section in a termination proceeding initiated by the corporation pursuant to subsection (a), the corporation shall establish a separate trust in connection with the plan for purposes of section 4049, unless the corporation determines that all benefit commitments under the plan are benefits guaranteed by the corporation under section 4022 or that there is no amount of unfunded benefit commitments under the plan.".

(c) CONFORMING AMENDMENT.—The heading for section 4042 is amended to read as follows:

"INSTITUTION OF TERMINATION PROCEEDINGS BY THE CORPORATION".

SEC. 11011. AMENDMENTS TO LIABILITY PROVISIONS; LIABILITIES RELATING TO BENEFIT COMMITMENTS IN EXCESS OF BENEFITS GUARANTEED BY THE CORPORATION.

(a) LIABILITY FOR DISTRESS TERMINATIONS AND TERMINATIONS BY THE CORPORATION.—Section 4062 (29 U.S.C. 1362) is amended—

(1) by redesignating subsection (e) as subsection (f); and

(2) by striking out so much as precedes subsection (f) (as redesignated) and inserting in lieu thereof the following:

"LIABILITY FOR TERMINATION OF SINGLE-EMPLOYER PLANS UNDER A DISTRESS TERMINATION OR A TERMINATION BY THE CORPORATION

"SEC. 4062. (a) IN GENERAL.—In any case in which a single-employer plan is terminated in a distress termination under section 4041(c) or a termination otherwise instituted by the corporation under section 4042, any person who is, on the termination date, a contributing sponsor of the plan or a member of such a contributing sponsor's controlled group shall incur liability under this section. The liability under this section of all such persons shall be joint and several. The liability under this section consists of—

"(1) liability to the corporation, to the extent provided in subsection (b),

"(2) liability to the trust established pursuant to section 4041(c)(3)(B) (ii) or (iii) or section 4042(i), to the extent provided in subsection (c), and

"(3) liability to the trustee appointed under subsection (b) or (c) of section 4042, to the extent provided in subsection (d).

"(b) LIABILITY TO THE CORPORATION.—

"(1) AMOUNT OF LIABILITY.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), the liability to the corporation of a person described in subsection (a) shall consist of the sum of—

"(i) the lesser of—

"(I) the total amount of unfunded guaranteed benefits (as of the termination date) of all participants and beneficiaries under the plan, or

"(II) 30 percent of the collective net worth of all persons described in subsection (a),

and

"(ii) the excess (if any) of—

"(I) 75 percent of the amount described in clause (i)(I), over

"(II) the amount described in clause (i)(II),

together with interest (at a reasonable rate) calculated from the termination date in accordance with regulations prescribed by the corporation.

"(B) SPECIAL RULE IN CASE OF SUBSEQUENT INSUFFICIENCY.—For purposes of subparagraph (A), in any case described in section 4041(c)(3)(C)(ii), actuarial present values shall be determined as of the date of the notice to the corporation (or the finding by the corporation) described in such section.

"(2) PAYMENT OF LIABILITY.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), the liability to the corporation under this subsection shall be due and payable to the corporation as of the termination date, in cash or securities acceptable to the corporation.

"(B) SPECIAL RULE.—Payment of the liability under paragraph (1)(A)(ii) shall be made under commercially reasonable terms prescribed by the corporation. The parties involved shall make a reasonable effort to reach agreement on such commercially reasonable terms. Any such terms prescribed by the corporation shall provide for deferral of 50 percent of any amount of liability otherwise payable for any year under this subparagraph if a person subject to such liability demonstrates to the satisfaction of the corporation that no person subject to such liability has any individual pre-tax profits for such person's fiscal year ending during such year.

"(3) ALTERNATIVE ARRANGEMENTS.—The corporation and any person liable under this section may agree to alternative arrangements for the satisfaction of liability to the corporation under this subsection.

"(c) LIABILITY TO SECTION 4049 TRUST.—

"(1) AMOUNT OF LIABILITY.—

"(A) IN GENERAL.—In any case in which there is an outstanding amount of benefit commitments under a plan terminated under section 4041(c) or 4042, a person described in subsection (a) shall be subject to liability under this subsection to the trust established under section 4041(c)(3)(B) (ii) or (iii) or scction 4042(i) in connection with the terminated plan. Except as provided in subparagraph (B), the liability of such person under this subsection shall consist of the lesser of—

"(i) 75 percent of the total outstanding amount of benefit commitments under the plan, or

"(ii) 15 percent of the actuarial present value (determined as of the termination date on the basis of assumptions prescribed by the corporation for purposes of section 4044) of all benefit commitments under the plan.

"(B) SPECIAL RULE IN CASE OF SUBSEQUENT INSUFFICIENCY.—For purposes of subparagraph (A)—

"(i) PLANS INSUFFICIENT FOR GUARANTEED BENEFITS.—In any case described in section 4041(c)(3)(C)(ii), actuarial present values shall be determined as of the date of the notice to the corporation (or the finding by the corporation) described in such section.

"(ii) PLANS SUFFICIENT FOR GUARANTEED BENEFITS BUT INSUFFICIENT FOR BENEFIT ENTITLEMENTS.—In any case described in section 4041(c)(3)(C)(i) but not described in section 4041(c)(3)(C)(ii), actuarial present values shall be determined as of the date on which the final distribution of assets is completed.

"(2) PAYMENT OF LIABILITY.—

"(A) GENERAL RULE.—Except as otherwise provided in this paragraph, payment of a person's liability under this subsection shall be made for liability payment years under commercially reasonable terms prescribed by the fiduciary designated by the corporation pursuant to section 4049(b)(1)(A). Such fiduciary and the liable persons assessed liability under this subsection shall make a reasonable effort to reach agreement on such commercially reasonable terms.

"(B) SPECIAL RULE FOR PLANS WITH LOW AMOUNTS OF LIABILITY.—In any case in which the amount described in paragraph (1)(A) is less than $100,000, the requirements of subparagraph (A) may be satisfied by payment of such liability over 10 liability payment years in equal annual installments (with interest at the rate determined under section 6621(b) of the Internal Revenue Code of 1954). The corporation may, by regulation, increase the dollar amount referred to in this subparagraph as it determines appropriate, taking into account reasonable administrative costs of trusts established under section 4041(c)(3)(B) (ii) or (iii) or section 4042(i).

"(C) DEFERRAL OF PAYMENTS.—The terms for payment provided for under subparagraph (A) or (B) shall also provide for deferral of 75 percent of any amount of liability otherwise payable for any liability payment year if a person subject to such liability demonstrates to the satisfaction of the corporation that no person subject to such liability has any individual pre-tax profits for such person's fiscal year ending during such year. The amount of liability so deferred is payable only after payment in full of any amount of liability under subsection (b) in connection with the termination of the same plan which has been deferred pursuant to terms provided for under subsection (b)(2)(B).

"(d) LIABILITY TO SECTION 4042 TRUSTEE.—A person described in subsection (a) shall be subject to liability under this subsection to the trustee appointed under subsection (b) or (c) of section 4042. The liability of such person under this subsection shall consist of—

"(1) the outstanding balance of the accumulated funding deficiencies (within the meaning of section 302(a)(2) of this Act and section 412(a) of the Internal Revenue Code of 1954) of the plan (if any) (which, for purposes of this subparagraph, shall include the amount of any increase in such accumulated funding deficiencies of the plan which would result if all pending applications for waivers of the minimum funding standard under section 303 of this Act or section 412(d) of such Code and for extensions of the amortization period under section 304 of this Act or section 412(e) of such Code with respect to such plan were denied and if no additional contributions (other than those already made by the termination date) were made for the plan year in which the termination date occurs or for any previous plan year),

"(2) the outstanding balance of the amount of waived funding deficiencies of the plan waived before such date under section 303 of this Act or section 412(d) of such Code (if any), and

"(3) the outstanding balance of the amount of decreases in the minimum funding standard allowed before such date under section 304 of this Act or section 412(e) of such Code (if any),

together with interest (at a reasonable rate) calculated from the termination date in accordance with regulations prescribed by the corporation. The liability under this subsection shall be due and payable to such trustee as of the termination date, in cash or securities acceptable to such trustee.

"(e) DEFINITIONS.—

"(1) COLLECTIVE NET WORTH OF PERSONS SUBJECT TO LIABILITY.—

"(A) IN GENERAL.—The collective net worth of persons subject to liability in connection with a plan termination consists of the sum of the individual net worths of all persons who—

"(i) have individual net worths which are greater than zero, and

"(ii) are (as of the termination date) contributing sponsors of the terminated plan or members of their controlled groups.

"(B) DETERMINATION OF NET WORTH.—For purposes of this paragraph, the net worth of a person is—

"(i) determined on whatever basis best reflects, in the determination of the corporation, the current status of the person's operations and prospects at the time chosen for determining the net worth of the person, and

"(ii) increased by the amount of any transfers of assets made by the person which are determined by the corporation to be improper under the circumstances, including any such transfers which would be inappropriate under title 11, United States Code, if the person were a debtor in a case under chapter 7 of such title.

"(C) TIMING OF DETERMINATION.—For purposes of this paragraph, determinations of net worth shall be made as of a day chosen by the corporation (during the 120-day period ending with the termination date) and shall be computed without regard to any liability under this section.

"(2) PRE-TAX PROFITS.—The term 'pre-tax profits' means—

"(A) except as provided in subparagraph (B), for any fiscal year of any person, such person's consolidated net income (excluding any extraordinary charges to income and including any extraordinary credits to income) for such fiscal year, as shown on audited financial statements prepared in accordance with generally accepted accounting principles, or

"(B) for any fiscal year of an organization described in section 501(c) of the Internal Revenue Code of 1954, the excess of income over expenses (as such terms are defined for such organizations under generally accepted accounting principles),

before provision for or deduction of Federal or other income tax, any contribution to any single-employer plan of which such person is a contributing sponsor at any time during the period beginning on the termination date and ending with the end of such fiscal year, and any amounts required to be paid for such fiscal year under this section. The corporation may by regulation require such information to be filed on such forms as may be necessary to determine the existence and amount of such pre-tax profits.

"(3) LIABILITY PAYMENT YEARS.—The liability payment years in connection with a terminated plan consist of the consecutive one-year periods following the last plan year preceding the termination date, excluding the first such year in any case in which the first such year ends less than 180 days after the termination date.".

(b) CLERICAL AMENDMENT.—Subsection (f) of section 4062 (as redesignated by subsection (a)(1)) is amended by inserting "TREATMENT OF SUBSTANTIAL CESSATION OF OPERATIONS.—" after "(f)".

(c) AMENDMENTS TO THE INTERNAL REVENUE CODE OF 1954.—

(1) TIME FOR DEDUCTION OF CERTAIN EMPLOYER LIABILITY PAYMENTS.—Paragraph (3) of section 404(g) of the Internal Revenue Code of 1954 (relating to certain employer liability payments considered as contributions) is amended to read as follows:

"(3) TIMING OF DEDUCTION OF CONTRIBUTIONS.—

"(A) IN GENERAL.—Except as otherwise provided in this paragraph, any payment described in paragraph (1) shall (subject to the last sentence of subsection (a)(1)(A)) be deductible under this section when paid.

"(B) CONTRIBUTIONS UNDER STANDARD TERMINATIONS.—Subparagraph (A) shall not apply (and subsection (a)(1)(A) shall apply) to any payments described in paragraph (1) which are paid to terminate a plan under section 4041(b) of the Employee Retirement Income Security Act of 1974 to the extent such payments result in the assets of the

plan being in excess of the total amount of benefits under such plan which are guaranteed by the Pension Benefit Guaranty Corporation under section 4022 of such Act.

"(C) CONTRIBUTIONS TO CERTAIN TRUSTS.—Subparagraph (A) shall not apply to any payment described in paragraph (1) which is made under section 4062(c) of such Act and such payment shall be deductible at such time as may be prescribed in regulations which are based on principles similar to the principles of subsection (a)(1)(A).".

(2) REFERENCES TO ERISA.—Subsection (g) of section 404 of the Internal Revenue Code of 1954 is amended by adding at the end thereof the following new paragraph:

"(4) REFERENCES TO EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974.—For purposes of this subsection, any reference to a section of the Employee Retirement Income Security Act of 1974 shall be treated as a reference to such section as in effect on the date of the enactment of the Single-Employer Pension Plan Amendments Act of 1986.".

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to payments made after January 1, 1986, in taxable years ending after such date.

SEC. 11012. DISTRIBUTION TO PARTICIPANTS AND BENEFICIARIES OF LIABILITY PAYMENTS TO SECTION 4049 TRUST.

(a) IN GENERAL.—Subtitle C of title IV is amended by adding at the end thereof the following new section:

"DISTRIBUTION TO PARTICIPANTS AND BENEFICIARIES OF LIABILITY PAYMENTS TO SECTION 4049 TRUST

"SEC. 4049. (a) TRUST REQUIREMENTS.—The requirements of this section apply to a trust established by the corporation in connection with a terminated plan pursuant to section 4041(c)(3)(B) (ii) or (iii). The trust shall be used exclusively for—

"(1) receiving liability payments under section 4062(c) from the persons who were (as of the termination date) contributing sponsors of the terminated plan and members of their controlled groups,

"(2) making distributions as provided in this section to the persons who were (as of the termination date) participants and beneficiaries under the terminated plan, and

"(3) defraying the reasonable administrative expenses incurred in carrying out responsibilities under this section.

The trust shall be maintained for such period of time as is necessary to receive all liability payments required to be made to the trust under section 4062(c) with respect to the terminated plan and to make all distributions required to be made to participants and beneficiaries under this section with respect to the terminated plan.

"(b) DESIGNATION OF FIDUCIARY BY THE CORPORATION.—

"(1) PURPOSES FOR DESIGNATION OF FIDUCIARY.—

"(A) COLLECTION OF LIABILITY.—The corporation shall designate a fiduciary (within the meaning of section 3(21)) to serve as trustee of the trust for purposes of conducting negotiations and assessing and collecting liability pursuant to section 4062(c).

"(B) ADMINISTRATION OF TRUST.—

"(i) CORPORATION'S FUNCTIONS.—Except as provided in clause (ii), the corporation shall serve as trustee of the trust for purposes of administering the trust, including making distributions from the trust to participants and beneficiaries.

"(ii) DESIGNATION OF FIDUCIARY IF COST-EFFECTIVE.—If the corporation determines that it would be cost-effective to do so, it may designate a fiduciary (within the meaning of section 3(21)), including the fiduciary designated under subparagraph (A), to perform the functions described in clause (i).

"(2) FIDUCIARY REQUIREMENTS.—A fiduciary designated under paragraph (1) shall be—

"(A) independent of each contributing sponsor of the plan and the members of such sponsor's controlled group, and

"(B) subject to the requirements of part 4 of subtitle B of title I (other than section 406(a)) as if such trust were a plan subject to such part.

"(c) DISTRIBUTIONS FROM TRUST.—

"(1) IN GENERAL.—Not later than 30 days after the end of each liability payment year (described in section 4062(e)(3)) with respect to a terminated single-employer plan, the corporation, or its designee under subsection (b), shall distribute from the trust maintained pursuant to subsection (a) to each person who was (as of the termination date) a participant or beneficiary under the plan—

"(A) in any case not described in subparagraph (B), an amount equal to the outstanding amount of benefit commitments to such person under the plan (including interest calculated from the termination date), to the extent not previously paid under this paragraph, or

"(B) in any case in which the balance in the trust at the end of such year which is in cash or may be prudently converted to cash (after taking into account liability payments received under subsection (a)(1) and administrative expenses paid under subsection (a)(3)) is less than the total of all amounts described in subparagraph (A) in connection with all persons who were (as of the termination date) participants and beneficiaries under the terminated plan, the product derived by multiplying—

"(i) the amount described in subparagraph (A) in connection with each such person, by

"(ii) a fraction—

"(I) the numerator of which is such balance in the trust, and

"(II) the denominator of which is equal to the total of all amounts described in subparagraph (A) in connection with all persons who were (as of the termination date) participants and beneficiaries under the terminated plan.

"(2) CARRY-OVER OF MINIMAL PAYMENT AMOUNTS.—The corporation, or its designee under subsection (b), may withhold a payment to any person under this subsection in connection with any liability payment year (other than the last liability payment year with respect to which payments under paragraph (1) are payable) if such payment does not exceed $100. In any case in which such a payment is so withheld, the payment to such person in connection with the next following liability payment year shall be increased by the amount of such withheld payment.

"(d) REGULATIONS.—The corporation may issue such regulations as it considers necessary to carry out the purposes of this section.".

(b) TAX-EXEMPT STATUS FOR TRUSTS DESCRIBED IN SECTION 4049 OF ERISA.—Subsection (c) of section 501 of the Internal Revenue Code of 1954 (relating to list of tax-exempt organizations) is amended by adding at the end thereof the following new paragraph:

"(24) A trust described in section 4049 of the Employee Retirement Income Security Act of 1974 (as in effect on the date of the enactment of the Single-Employer Pension Plan Amendments Act of 1986).".

(c) ROLLOVERS OF PAYMENTS FROM TRUST ALLOWED.—Paragraph (6) of section 402(a) of such Code (relating to special rollover rules) is amended by adding at the end thereof the following new subparagraph:

"(G) PAYMENTS FROM CERTAIN PENSION PLAN TERMINATION TRUSTS.—If—

"(i) any amount is paid or distributed to a recipient from a trust described in section 501(c)(24),

"(ii) the recipient transfers any portion of the property received in such distribution to an eligible retirement plan described in subclause (I) or (II) of paragraph (5)(E)(iv), and

"(iii) in the case of a distribution of property other than money, the amount so transferred consists of the property distributed,

then the portion of the distribution so transferred shall be treated as a distribution described in paragraph (5)(A).".

(d) SPECIAL DELAYED PAYMENT RULE.—In the case of a distress termination under section 4041(c) of the Employee Retirement Income Security Act of 1974 (as amended by section 11009) pursuant to a notice of intent to terminate filed before January 1, 1987, no payment of liability otherwise payable as provided in section 4062(c)(2)(B) of such Act (as amended by this section) shall be required to be made before January 1, 1989.

SEC. 11013. TREATMENT OF TRANSACTIONS TO EVADE LIABILITY; EFFECT OF CORPORATE REORGANIZATION.

(a) IN GENERAL.—Subtitle D of title IV is amended by adding at the end thereof the following new section:

"TREATMENT OF TRANSACTIONS TO EVADE LIABILITY; EFFECT OF CORPORATE REORGANIZATION

"SEC. 4069. (a) TREATMENT OF TRANSACTIONS TO EVADE LIABILITY.—If a principal purpose of any person in entering into any transaction is to evade liability to which such person would be subject under this subtitle and the transaction becomes effective within five years before the termination date of the termination on which such liability would be based, then such person and the members of such person's controlled group (determined as of the termination date) shall be subject to liability under this subtitle in connection with such termination as if such person were a contributing sponsor of the terminated plan as of the termination date. This subsection shall not cause any person to be liable under this subtitle in connection with such plan termination for any increases or improvements in the benefits provided under the plan which are adopted after the date on which the transaction referred to in the preceding sentence becomes effective.

"(b) EFFECT OF CORPORATE REORGANIZATION.—For purposes of this subtitle, the following rules apply in the case of certain corporate reorganizations:

"(1) CHANGE OF IDENTITY, FORM, ETC.—If a person ceases to exist by reason of a reorganization which involves a mere change in identity, form, or place of organization, however effected, a successor corporation resulting from such reorganization shall be treated as the person to whom this subtitle applies.

"(2) LIQUIDATION INTO PARENT CORPORATION.—If a person ceases to exist by reason of liquidation into a parent corporation, the parent corporation shall be treated as the person to whom this subtitle applies.

"(3) MERGER, CONSOLIDATION, OR DIVISION.—If a person ceases to exist by reason of a merger, consolidation, or division, the

successor corporation or corporations shall be treated as the person to whom this subtitle applies.".

(b) EFFECTIVE DATE.—Section 4069(a) of the Employee Retirement Income Security Act of 1974 (as added by subsection (a)) shall apply with respect to transactions becoming effective on or after January 1, 1986.

SEC. 11014. ENFORCEMENT AUTHORITY RELATING TO TERMINATIONS OF SINGLE-EMPLOYER PLANS.

(a) PRIVATE RIGHTS OF ACTION.—Subtitle D of title IV (as amended by section 11013) is further amended by adding at the end thereof the following new section:

"ENFORCEMENT AUTHORITY RELATING TO TERMINATIONS OF SINGLE-EMPLOYER PLANS

"SEC. 4070. (a) IN GENERAL.—Any person who is with respect to a single-employer plan a fiduciary, contributing sponsor, member of a contributing sponsor's controlled group, participant, or beneficiary, and is adversely affected by an act or practice of any party (other than the corporation) in violation of any provision of section 4041, 4042, 4049, 4062, 4063, 4064, or 4069, or who is an employee organization representing such a participant or beneficiary so adversely affected for purposes of collective bargaining with respect to such plan, may bring an action—

"(1) to enjoin such act or practice, or

"(2) to obtain other appropriate equitable relief (A) to redress such violation or (B) to enforce such provision.

"(b) STATUS OF PLAN AS PARTY TO ACTION AND WITH RESPECT TO LEGAL PROCESS.—A single-employer plan may be sued under this section as an entity. Service of summons, subpoena, or other legal process of a court upon a trustee or an administrator of a single-employer plan in such trustee's or administrator's capacity as such shall constitute service upon the plan. If a plan has not designated in the summary plan description of the plan an individual as agent for the service of legal process, service upon any contributing sponsor of the plan shall constitute such service. Any money judgment under this section against a single-employer plan shall be enforceable only against the plan as an entity and shall not be enforceable against any other person unless liability against such person is established in such person's individual capacity.

"(c) JURISDICTION AND VENUE.—The district courts of the United States shall have exclusive jurisdiction of civil actions under this section. Such actions may be brought in the district where the plan is administered, where the violation took place, or where a defendant resides or may be found, and process may be served in any other district where a defendant resides or may be found. The district courts of the United States shall have jurisdiction, without regard to the amount in controversy or the citizenship of the parties, to grant the relief provided for in subsection (a) in any action.

"(d) RIGHT OF CORPORATION TO INTERVENE.—A copy of the complaint or notice of appeal in any action under this section shall be served upon the corporation by certified mail. The corporation shall have the right in its discretion to intervene in any action.

"(e) AWARDS OF COSTS AND EXPENSES.—

"(1) GENERAL RULE.—In any action brought under this section, the court in its discretion may award all or a portion of the costs and expenses incurred in connection with such action, including reasonable attorney's fees, to any party who prevails or substantially prevails in such action.

"(2) EXEMPTION FOR PLANS.—Notwithstanding the preceding provisions of this subsection, no plan shall be required in any action to pay any costs and expenses (including attorney's fees).

"(f) LIMITATION ON ACTIONS.—

"(1) IN GENERAL.—Except as provided in paragraph (3), an action under this section may not be brought after the later of—

"(A) 6 years after the date on which the cause of action arose, or

"(B) 3 years after the applicable date specified in paragraph (2).

"(2) APPLICABLE DATE.—

"(A) GENERAL RULE.—Except as provided in subparagraph (B), the applicable date specified in this paragraph is the earliest date on which the plaintiff acquired or should have acquired actual knowledge of the existence of such cause of action.

"(B) SPECIAL RULE FOR PLAINTIFFS WHO ARE FIDUCIARIES.—In the case of a plaintiff who is a fiduciary bringing the action in the exercise of fiduciary duties, the applicable date specified in this paragraph is the date on which the plaintiff became a fiduciary with respect to the plan if such date is later than the date described in subparagraph (A).

"(3) CASES OF FRAUD OR CONCEALMENT.—In the case of fraud or concealment, the period described in paragraph (1)(B) shall be extended to 6 years after the applicable date specified in paragraph (2).".

(b) CIVIL ACTIONS INVOLVING THE PENSION BENEFIT GUARANTY CORPORATION.—

(1) ACTIONS AGAINST THE CORPORATION.—Section 4003(f) (29 U.S.C. 1303(f)) is amended to read as follows:

"(f)(1) Except with respect to withdrawal liability disputes under part 1 of subtitle E, any person who is a fiduciary, employer, contributing sponsor, member of a contributing sponsor's controlled group, participant, or beneficiary, and is adversely affected by any action of the corporation with respect to a plan in which such person has an interest, or who is an employee organization representing such a participant or beneficiary so adversely affected for purposes of collective bargaining with respect to such plan, may bring an action against the corporation for appropriate equitable relief in the appropriate court.

"(2) For purposes of this subsection, the term 'appropriate court' means—

"(A) the United States district court before which proceedings under section 4041 or 4042 are being conducted,

"(B) if no such proceedings are being conducted, the United States district court for the judicial district in which the plan has its principal office, or

"(C) the United States District Court for the District of Columbia.

"(3) In any action brought under this subsection, the court may award all or a portion of the costs and expenses incurred in connection with such action to any party who prevails or substantially prevails in such action.

"(4) This subsection shall be the exclusive means for bringing actions against the corporation under this title, including actions against the corporation in its capacity as a trustee under section 4042 or 4049.

"(5)(A) Except as provided in subparagraph (C), an action under this subsection may not be brought after the later of—

"(i) 6 years after the date on which the cause of action arose, or

"(ii) 3 years after the applicable date specified in subparagraph (B).

"(B)(i) Except as provided in clause (ii), the applicable date specified in this subparagraph is the earliest date on which the plaintiff acquired or should have acquired actual knowledge of the existence of such cause of action.

"(ii) In the case of a plaintiff who is a fiduciary bringing the action in the exercise of fiduciary duties, the applicable date specified in this subparagraph is the date on which the plaintiff became a fiduciary with respect to the plan if such date is later than the date specified in clause (i).

"(C) In the case of fraud or concealment, the period described in subparagraph (A)(ii) shall be extended to 6 years after the applicable date specified in subparagraph (B).

"(6) The district courts of the United States have jurisdiction of actions brought under this subsection without regard to the amount in controversy.

"(7) In any suit, action, or proceeding in which the corporation is a party, or intervenes under section 4301, in any State court, the corporation may, without bond or security, remove such suit, action, or proceeding from the State court to the United States district court for the district or division in which such suit, action, or proceeding is pending by following any procedure for removal now or hereafter in effect.".

(2) LIMITATION ON ACTIONS BY THE CORPORATION.—Section 4003(e) (29 U.S.C. 1303(e)) is amended by adding at the end thereof the following new paragraph:

"(6)(A) Except as provided in subparagraph (C), an action under this subsection may not be brought after the later of—

"(i) 6 years after the date on which the cause of action arose, or

"(ii) 3 years after the applicable date specified in subparagraph (B).

"(B)(i) Except as provided in clause (ii), the applicable date specified in this subparagraph is the earliest date on which the corporation acquired or should have acquired actual knowledge of the existence of such cause of action.

"(ii) If the corporation brings the action as a trustee, the applicable date specified in this subparagraph is the date on which the corporation became a trustee with respect to the plan if such date is later than the date described in clause (i).

"(C) In the case of fraud or concealment, the period described in subparagraph (A)(ii) shall be extended to 6 years after the applicable date specified in subparagraph (B).".

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply with respect to actions filed after the date of the enactment of this Act.

SEC. 11015. PROVISIONS RELATING TO WAIVERS OF MINIMUM FUNDING STANDARD AND EXTENSIONS OF AMORTIZATION PERIOD.

(a) SECURITY FOR WAIVERS.—

(1) ERISA AMENDMENT.—

(A) IN GENERAL.—Part 3 of subtitle B of title I is amended—

(i) by redesignating section 306 (29 U.S.C. 1086) as section 307; and

(ii) by inserting after section 305 (29 U.S.C. 1085) the following new section:

"SECURITY FOR WAIVERS OF MINIMUM FUNDING STANDARD AND EXTENSIONS OF AMORTIZATION PERIOD

"SEC. 306. (a) SECURITY MAY BE REQUIRED.—

"(1) IN GENERAL.—Except as provided in subsection (c), the Secretary of the Treasury may require an employer maintaining a defined benefit plan which is a single-employer plan (within the meaning of section 4001(a)(15)) to provide security to such plan

as a condition for granting or modifying a waiver under section 303 or an extension under section 304.

"(2) SPECIAL RULES.—Any security provided under paragraph (1) may be perfected and enforced only by the Pension Benefit Guaranty Corporation or, at the direction of the Corporation, by a contributing sponsor (within the meaning of section 4001(a)(13)) or a member of such sponsor's controlled group (within the meaning of section 4001(a)(14)).

"(b) CONSULTATION WITH THE PENSION BENEFIT GUARANTY CORPORATION.—Except as provided in subsection (c), the Secretary of the Treasury shall, before granting or modifying a waiver under section 303 or an extension under section 304 with respect to a plan described in subsection (a)(1)—

"(1) provide the Pension Benefit Guaranty Corporation with—

"(A) notice of the completed application for any waiver, extension, or modification, and

"(B) an opportunity to comment on such application within 30 days after receipt of such notice, and

"(2) consider—

"(A) any comments of the Corporation under paragraph (1)(B), and

"(B) any views of any employee organization representing participants in the plan which are submitted in writing to the Secretary of the Treasury in connection with such application.

Information provided to the corporation under this subsection shall be considered tax return information and subject to the safeguarding and reporting requirements of section 6103(p) of the Internal Revenue Code of 1954.

"(c) EXCEPTION FOR CERTAIN WAIVERS AND EXTENSIONS.—

"(1) IN GENERAL.—The preceding provisions of this section shall not apply to any plan with respect to which the sum of—

"(A) the outstanding balance of the accumulated funding deficiencies (within the meaning of section 302(a)(2) of this Act and section 412(a) of the Internal Revenue Code of 1954) of the plan,

"(B) the outstanding balance of the amount of waived funding deficiencies of the plan waived under section 303 of this Act or section 412(d) of such Code, and

"(C) the outstanding balance of the amount of decreases in the minimum funding standard allowed under section 304 of this Act or section 412(e) of such Code,

is less than $2,000,000.

"(2) ACCUMULATED FUNDING DEFICIENCIES.—For purposes of paragraph (1)(A), accumulated funding deficiencies shall include any increase in such amount which would result if all applications for waivers of the minimum funding standard under section 303 of this Act or section 412(d) of the Internal Revenue Code of 1954 and for extensions of the amortization period under section 304 of this Act or section 412(e) of such Code which are pending with respect to such plan were denied.".

(B) CONFORMING AMENDMENT.—Section 211(c)(1) is amended by striking out "306(c)" and inserting in lieu thereof "307(c)".

(C) CLERICAL AMENDMENT.—The table of sections in section 1 is amended by striking out the item relating to section 306 and inserting in lieu thereof the following new items:

"Sec. 306. Security for waivers of minimum funding standard and extensions of amortization period.

"Sec. 307. Effective dates.".

(2) AMENDMENTS TO THE INTERNAL REVENUE CODE OF 1954.—

(A) IN GENERAL.—Subsection (f) of section 412 of the Internal Revenue Code of 1954 (relating to requirement that benefits may not be increased during waiver or extension period) is amended by adding at the end thereof the following new paragraph:

"(3) SECURITY FOR WAIVERS AND EXTENSIONS; CONSULTATIONS.—

"(A) SECURITY MAY BE REQUIRED.—

"(i) IN GENERAL.—Except as provided in subparagraph (C), the Secretary may require an employer maintaining a defined benefit plan which is a single-employer plan (within the meaning of section 4001(a)(15) of the Employee Retirement Income Security Act of 1974) to provide security to such plan as a condition for granting or modifying a waiver under subsection (d) or an extension under subsection (e).

"(ii) SPECIAL RULES.—Any security provided under clause (i) may be perfected and enforced only by the Pension Benefit Guaranty Corporation, or at the direction of the Corporation, by a contributing sponsor (within the meaning of section 4001(a)(13) of such Act), or a member of such sponsor's controlled group (within the meaning of section 4001(a)(14) of such Act).

"(B) CONSULTATION WITH THE PENSION BENEFIT GUARANTY CORPORATION.—Except as provided in subparagraph (C), the Secretary shall, before granting or modifying a waiver under subsection (d) or an extension under subsection (e) with respect to a plan described in subparagraph (A)(i)—

"(i) provide the Pension Benefit Guaranty Corporation with—

"(I) notice of the completed application for any waiver, extension, or modification, and

"(II) an opportunity to comment on such application within 30 days after receipt of such notice, and

"(ii) consider—

"(I) any comments of the Corporation under clause (i)(II), and

"(II) any views of any employee organization (within the meaning of section 3(4) of the Employee Retirement Income Security Act of 1974) representing participants in the plan which are submitted in writing to the Secretary in connection with such application.

Information provided to the corporation under this subparagraph shall be considered tax return information and subject to the safeguarding and reporting requirements of section 6103(p).

"(C) EXCEPTION FOR CERTAIN WAIVERS AND EXTENSIONS.—

"(i) IN GENERAL.—The preceding provisions of this paragraph shall not apply to any plan with respect to which the sum of—

"(I) the outstanding balance of the accumulated funding deficiencies (within the meaning of subsection (a) and section 302(a) of such Act) of the plan,

"(II) the outstanding balance of the amount of waived funding deficiencies of the plan waived under subsection (d) or section 303 of such Act, and

"(III) the outstanding balance of the amount of decreases in the minimum funding standard allowed under subsection (e) or section 304 of such Act,

is less than $2,000,000.

"(ii) ACCUMULATED FUNDING DEFICIENCIES.—For purposes of clause (i)(I), accumulated funding deficiencies shall include any increase in such amount which would result if all applications for waivers of the minimum funding standard under subsection (d) or section 303 of such Act and for extensions of the amortization period under subsection (e) or section 304 of such Act which are pending with respect to such plan were denied.".

(B) CONFORMING AMENDMENTS.—Section 412(f) of the Internal Revenue Code of 1954 is amended—

(i) by striking out the heading thereof and inserting in lieu thereof:

"(f) REQUIREMENTS RELATING TO WAIVERS AND EXTENSIONS.—", and

(ii) by striking out the heading of paragraph (1) thereof and inserting in lieu thereof:

"(1) BENEFITS MAY NOT BE INCREASED DURING WAIVER OR EXTENSION PERIOD.—".

(3) EFFECTIVE DATES.—The amendments made by this subsection shall apply with respect to applications for waivers, extensions, and modifications filed on or after the date of the enactment of this Act.

(b) APPLICABLE INTEREST RATE UNDER ARRANGEMENTS PROVIDING FOR WAIVERS AND EXTENSIONS.—

(1) AMENDMENTS TO ERISA.—

(A) VARIANCES FROM THE MINIMUM FUNDING STANDARD.—Section 303(a) (29 U.S.C. 1083(a)) is amended by adding at the end thereof the following new sentence: "The interest rate used for purposes of computing the amortization charge described in section 302(b)(2)(C) for a variance granted under this subsection shall be the rate determined under section 6621(b) of the Internal Revenue Code of 1954.".

(B) EXTENSIONS OF THE AMORTIZATION PERIOD.—Section 304(a) (29 U.S.C. 1084(a)) is amended by adding after and below paragraph (2) the following new sentence:

"The interest rate applicable under any arrangement entered into by the Secretary in connection with an extension granted under this subsection shall be the rate determined under section 6621(b) of the Internal Revenue Code of 1954.".

(2) AMENDMENTS TO INTERNAL REVENUE CODE.—

(A) VARIANCES FROM THE MINIMUM FUNDING STANDARD.—Paragraph (1) of section 412(d) of the Internal Revenue Code of 1954 (relating to waivers in case of substantial business hardship) is amended by adding at the end thereof the following new sentence: "The interest rate used for purposes of computing the amortization charge described in section 412(b)(2)(C) for a variance granted under this subsection shall be the rate determined under section 6621(b).".

(B) EXTENSIONS OF THE AMORTIZATION PERIOD.—Subsection (e) of section 412 of such Code (relating to extension of amortization period) is amended by adding after and below paragraph (2) the following new sentence:

"The interest rate applicable under any arrangement entered into by the Secretary in connection with an extension granted under this subsection shall be the rate determined under section 6621(b).".

SEC. 11016. CONFORMING, CLARIFYING, TECHNICAL, AND MISCELLANEOUS AMENDMENTS.

(a) CONFORMING AMENDMENTS RELATING TO PLAN TERMINATIONS.—

(1) ESTIMATED BENEFITS FOR CERTAIN SINGLE-EMPLOYER PLANS.—Section 4005(b)(2) (29 U.S.C. 1305(b)(2)) is amended—

(A) by striking out "and" at the end of subparagraph (C);

(B) by striking out the period at the end of subparagraph (D) and inserting in lieu thereof ", and"; and

(C) by adding at the end thereof the following:

"(E) to pay to participants and beneficiaries the estimated amount of benefits which are guaranteed by the corporation under this title and the estimated amount of other benefits to which plan assets are allocated under section 4044, under single-employer plans which are unable to pay benefits when due or which are abandoned.".

(2) CREDITS TO REVOLVING FUND.—Section 4005(b)(1) (29 U.S.C. 1305(b)(1)) is amended—

(A) by striking out "and" at the end of subparagraph (E);

(B) by redesignating subparagraph (F) as subparagraph (G); and

(C) by inserting after subparagraph (E) the following new subparagraph:

"(F) attorney's fees awarded to the corporation, and".

(3) RESTORATION OF PLANS.—Section 4047 (29 U.S.C. 1347) is amended—

(A) in the first sentence, by inserting "under section 4041 or 4042" after "terminated" each place it appears; and

(B) in the second sentence, by striking out "section 4042" and inserting in lieu thereof "section 4041 or 4042".

(4) TERMINATION DATE.—Section 4048(a) (29 U.S.C. 1348(a)) is amended—

(A) by striking out "date of termination" and inserting in lieu thereof "termination date";

(B) by redesignating paragraphs (1) through (3) as paragraphs (2) through (4), respectively;

(C) in paragraph (2) (as redesignated), by inserting "in a distress termination" after "terminated" and by striking out "section 4041" and inserting in lieu thereof "section 4041(c)";

(D) by inserting before paragraph (2) (as redesignated) the following new paragraph:

"(1) in the case of a plan terminated in a standard termination in accordance with the provisions of section 4041(b), the termination date proposed in the notice provided under section 4041(a)(2),";

and

(E) in paragraph (4) (as redesignated), by striking out "in accordance with the provisions of either section" and inserting in lieu thereof "under section 4041(c) or 4042".

(5) CONFORMING AMENDMENTS TO SPECIAL LIABILITY RULES RELATING TO CERTAIN SINGLE-EMPLOYER PLANS UNDER MULTIPLE CONTROLLED GROUPS.—

(A) LIABILITY OF SUBSTANTIAL EMPLOYER FOR WITHDRAWAL.—

(i) Section 4063(a) (29 U.S.C. 1363(a)) is amended—

(I) by striking out "plan under which more than one employer makes contributions (other than a multiemployer plan)" and inserting in lieu thereof "single-employer plan which has two or more contributing sponsors at least two of whom are not under common control";

(II) in paragraph (1), by striking out "withdrawal of a substantial employer" and inserting in lieu thereof "withdrawal during a plan year of a substantial employer for such plan year";

(III) in paragraph (2), by striking out "of such employer" and all that follows and inserting in lieu thereof "of all persons with respect to the withdrawal of the substantial employer.";

(IV) by striking out "whether such employer is liable for any amount under this subtitle with respect to the withdrawal" and inserting in lieu thereof "whether there is liability resulting from the withdrawal of the substantial employer"; and

(V) by striking out "notify such employer" and inserting in lieu thereof "notify the liable persons".

(ii) Section 4063(b) (29 U.S.C. 1363(b)) is amended—

(I) by striking out "an employer" and all that follows down through "shall be liable" and inserting in lieu thereof "any one or more contributing sponsors who withdraw, during a plan year for which they constitute a substantial employer, from a single-employer plan which has two or more contributing sponsors at least two of whom are not under common control, shall, upon notification of such contributing sponsors by the corporation as provided by subsection (a), be liable, together with the members of their controlled groups,";

(II) by striking out "such employer's";

(III) by striking out "the employer's withdrawal" and inserting in lieu thereof "the withdrawal referred to in subsection (a)(1)";

(IV) in paragraph (1), by striking out "such employer" and inserting in lieu thereof "such contributing sponsors";

(V) in paragraph (2), by striking out "all employers" and inserting in lieu thereof "all contributing sponsors"; and

(VI) by striking out "the liability of each such employer" and inserting in lieu thereof "such liability".

(iii) Section 4063(c) (29 U.S.C. 1363(c)) is amended—

(I) in paragraph (1), by striking out "In lieu of payment of his liability under this section the employer" and inserting in lieu thereof "In lieu of payment of a contributing sponsor's liability under this section, the contributing sponsor";

(II) in paragraph (2), by inserting "under section 4041(c) or 4042" after "terminated", by striking out "of such employer", and by striking out "to the employer (or his bond cancelled)" and inserting in lieu thereof "(or the bond cancelled)"; and

(III) in paragraph (3), by inserting "under section 4041(c) or 4042" after "terminates" and by striking out "employer" in subparagraph (C) and inserting in lieu thereof "contributing sponsor".

(iv) Section 4063(d) (29 U.S.C. 1363(d)) is amended—

(I) by striking out "Upon a showing by the plan administrator of a plan (other than a multiemployer plan) that the withdrawal from the plan by any employer or employers has resulted" and inserting in lieu thereof "Upon a showing by the plan administrator of the plan that the withdrawal from the plan by one or more contributing sponsors has resulted";

(II) by striking out "by employers";

(III) in paragraph (1), by striking out "their employer's" and inserting in lieu thereof "the"; and

(IV) in paragraph (2), by striking out "termination" and inserting in lieu thereof "plan terminated under section 4042".

(v) Section 4063(e) (29 U.S.C. 1363(e)) is amended—

(I) by striking out "to any employer or plan administrator"; and

(II) by striking out "all other employers" and inserting in lieu thereof "contributing sponsors".

(vi) The heading for section 4063 is amended by adding at the end thereof the following "FROM SINGLE-EMPLOYER PLANS UNDER MULTIPLE CONTROLLED GROUPS.".

(B) ALLOCATION OF LIABILITY UPON TERMINATION OF CERTAIN SINGLE-EMPLOYER PLANS.—

(i) Section 4064(a) (29 U.S.C. 1364(a)) is amended—

(I) by striking out "all employers who maintain a plan under which more than one employer makes contributions (other than a multiemployer plan)" and inserting in lieu thereof "all contributing sponsors of a single-employer plan which has two or more contributing sponsors at least two of whom are not under common control"; and

(II) by inserting "under section 4041(c) or 4042" after "terminated".

(ii) Section 4064(b) (29 U.S.C. 1364(b)) is amended to read as follows:

"(b) The corporation shall determine the liability with respect to each contributing sponsor and each member of its controlled group in a manner consistent with section 4062, except that—

"(1) the amount of the liability determined under section 4062(b)(1) with respect to the entire plan—

"(A) shall be determined without regard to clauses (i)(II) and (ii) of section 4062(b)(1)(A), and

"(B) shall be allocated to each controlled group by multiplying such amount by a fraction—

"(i) the numerator of which is the amount required to be contributed to the plan for the last 5 plan years ending prior to the termination date by persons in such controlled group as contributing sponsors, and

"(ii) the denominator of which is the total amount required to be contributed to the plan for such last 5 plan years by all persons as contributing sponsors,

and clauses (i)(II) and (ii) of section 4062(b)(1)(A) shall be applied separately with respect to each such controlled group, and

"(2) the amount of the liability determined under section 4062(c)(1) with respect to the entire plan shall be allocated to each controlled group by multiplying such amount by the fraction described in paragraph (1)(B) in connection with such controlled group.

The corporation may also determine the liability of each such contributing sponsor and member of its controlled group on any other equitable basis prescribed by the corporation in regulations.".

(iii) The heading for section 4064 is amended to read as follows:

"LIABILITY ON TERMINATION OF SINGLE-EMPLOYER PLANS UNDER MULTIPLE CONTROLLED GROUPS".

(C) ANNUAL NOTIFICATION TO SUBSTANTIAL EMPLOYERS.—Section 4066 (29 U.S.C. 1366) is amended—

(i) by striking out "each plan under which contributions are made by more than one employer (other than a multiemployer plan)" and inserting in lieu thereof "each single-employer plan which has at least two contributing sponsors at least two of whom are not under common control";

(ii) by striking out "any employer making contributions under that plan" and inserting in lieu thereof "contributing sponsor of the plan"; and

(iii) by striking out "that he is a substantial employer" and inserting in lieu thereof "that such contributing sponsor (alone or together with members of such contributing sponsor's controlled group) constitutes a substantial employer".

(6) ADDITIONAL AMENDMENTS RELATING TO RECOVERY OF AMOUNTS OF LIABILITY.—

(A) Section 4067 (29 U.S.C. 1367) is amended—

(i) in the heading, by striking out "EMPLOYER";

(ii) by striking out "employer or employers" and inserting in lieu thereof "contribut-

ing sponsors and members of their controlled groups"; and

(iii) by inserting "of amounts of liability to the corporation accruing as of the termination date" after "deferred payment".

(B) Section 4068 (29 U.S.C. 1368) is amended—

(i) in the heading, by striking out "OF EMPLOYER";

(ii) in subsection (a), by striking out "employer or employers" the first place it appears and inserting in lieu thereof "person", by striking out "neglect or refuse" and inserting in lieu thereof "neglects or refuses", by inserting "to the extent of an amount equal to the unpaid amount described in section 4062(b)(1)(A)(i)" after "liability" and after "corporation" the second place it appears, and by striking out "employer or employers" and inserting in lieu thereof "person";

(iii) in subsection (d)(1), by striking out "employer" and inserting in lieu thereof "liable person";

(iv) in subsection (d)(2), by striking out "employer" each place it appears and inserting in lieu thereof "liable person";

(v) in subsection (e), by striking out "employer or employers" and inserting in lieu thereof "liable person"; and

(vi) by striking out subsection (c)(1) (29 U.S.C. 1368(c)(1)) and inserting in lieu thereof the following:

"(c)(1) Except as otherwise provided under this section, the priority of a lien imposed under subsection (a) shall be determined in the same manner as under section 6323 of the Internal Revenue Code of 1954 (as in effect on the date of the enactment of the Single-Employer Pension Plan Amendments Act of 1986). Such section 6323 shall be applied for purposes of this section by disregarding subsection (g)(4) and by substituting—

"(A) 'lien imposed by section 4068 of the Employee Retirement Income Security Act of 1974' for 'lien imposed by section 6321' each place it appears in subsections (a), (b), (c)(1), (c)(4)(B), (d), (e), and (h)(5);

"(B) 'the corporation' for 'the Secretary' in subsections (a) and (b)(9)(C);

"(C) 'the payment of the amount on which the section 4068(a) lien is based' for 'the collection of any tax under this title' in subsection (b)(3);

"(D) 'a person whose property is subject to the lien' for 'the taxpayer' in subsections (b)(8), (c)(2)(A)(i) (the first place it appears), (c)(2)(A)(ii), (c)(2)(B), (c)(4)(B), and (c)(4)(C) (in the matter preceding clause (i));

"(E) 'such person' for 'the taxpayer' in subsections (c)(2)(A)(i) (the second place it appears) and (c)(4)(C)(ii);

"(F) 'payment of the loan value of the amount on which the lien is based is made to the corporation' for 'satisfaction of a levy pursuant to section 6332(b)' in subsection (b)(9)(C);

"(G) 'section 4068(a) lien' for 'tax lien' each place it appears in subsections (c)(1), (c)(2)(A), (c)(2)(B), (c)(3)(B)(iii), (c)(4)(B), (d), and (h)(5); and

"(H) 'the date on which the lien is first filed' for 'the date of the assessment of the tax' in subsection (g)(3)(A).".

(b) CLARIFICATION OF DESCRIPTION OF CERTAIN INFORMATION REQUIRED TO BE FILED IN ANNUAL REPORT.—

(1) IN GENERAL.—Section 103(d)(6) (29 U.S.C. 1023(d)(6)) is amended to read as follows:

"(6) Information required in regulations of the Pension Benefit Guaranty Corporation with respect to:

"(A) the current value of the assets of the plan,

"(B) the present value of all nonforfeitable benefits for participants and beneficiaries receiving payments under the plan,

"(C) the present value of all nonforfeitable benefits for all other participants and beneficiaries,

"(D) the present value of all accrued benefits which are not nonforfeitable (including a separate accounting of such benefits which are benefit commitments, as defined in section 4001(a)(16)), and

"(E) the actuarial assumptions and techniques used in determining the values described in subparagraphs (A) through (D).".

(2) CONFORMING AMENDMENT.—Section 104(a)(2)(A) (29 U.S.C. 1024(a)(2)(A)) is amended by striking out the second sentence.

(3) TRANSITION RULES.—Any regulations, modifications, or waivers which have been issued by the Secretary of Labor with respect to section 103(d)(6) of the Employee Retirement Income Security Act of 1974 (as in effect immediately before the date of the enactment of this Act) shall remain in full force and effect until modified by any regulations with respect to such section 103(d)(6) prescribed by the Pension Benefit Guaranty Corporation.

(c) ADDITIONAL AMENDMENTS.—

(1) DEFINITION FOR TITLE I.—Section 3(37)(A) (29 U.S.C. 1002(37)(A)) is amended by inserting "pension" before "plan".

(2) NOTICE OF REQUEST FOR WAIVERS OF MINIMUM FUNDING STANDARDS AND RIGHT TO SUBMIT RELEVANT INFORMATION.—Section 303 (29 U.S.C. 1083) is amended by inserting after subsection (d) the following new subsection:

"(e)(1) The Secretary of the Treasury shall, before granting a waiver under this section, require each applicant to provide evidence satisfactory to such Secretary that the applicant has provided notice of the filing of the application for such waiver to each employee organization representing employees covered by the affected plan.

"(2) The Secretary of the Treasury shall consider any relevant information provided by a person to whom notice was given under paragraph (1).".

(3) NOTICE OF REQUEST FOR EXTENSIONS OF AMORTIZATION PERIOD AND RIGHT TO SUBMIT RELEVANT INFORMATION.—Section 304 (29 U.S.C. 1084) is amended by adding at the end thereof the following new subsection:

"(c)(1) The Secretary of the Treasury shall, before granting an extension under this section, require each applicant to provide evidence satisfactory to such Secretary that the applicant has provided notice of the filing of the application for such extension to each employee organization representing employees covered by the affected plan.

"(2) The Secretary of the Treasury shall consider any relevant information provided by a person to whom notice was given under paragraph (1).".

(4) AMENDMENT TO THE INTERNAL REVENUE CODE OF 1954.—Subsection (f) of section 412 of the Internal Revenue Code of 1954 (relating to benefits may not be increased during waiver or extension period), as amended by the preceding provisions of this title, is further amended by adding at the end thereof the following new paragraph:

"(4) ADDITIONAL REQUIREMENTS.—

"(A) ADVANCE NOTICE.—The Secretary shall, before granting a waiver under subsection (d) or an extension under subsection (e), require each applicant to provide evidence satisfactory to the Secretary that the applicant has provided notice of the filing of the application for such waiver or extension to each employee organization representing employees covered by the affected plan.

"(B) CONSIDERATION OF RELEVANT INFORMATION.—The Secretary shall consider any relevant information provided by a person to whom notice was given under subparagraph (A).".

(5) AUDIT OF PLANS TERMINATED IN STANDARD TERMINATION.—Section 4003(a) (29 U.S.C. 1303(a)) is amended by adding at the end thereof the following new sentence: "The corporation shall annually audit a statistically significant number of plans terminating under section 4041(b) to determine whether participants and beneficiaries have received their benefit commitments. Each audit shall include a statistically significant number of participants and beneficiaries.".

(6) REPEAL OF EXPIRED AUTHORITY.—Section 4004 (29 U.S.C. 1304) is repealed.

(7) VOTING BY CORPORATION OF STOCK PAID AS LIABILITY.—Section 4005 (29 U.S.C. 1305) is amended by adding at the end thereof the following new subsection:

"(g) Any stock in a person liable to the corporation under this title which is paid to the corporation by such person or a member of such person's controlled group in satisfaction of such person's liability under this title may be voted only by the custodial trustees or outside money managers of the corporation or fiduciaries with respect to trusts to which the requirements of section 4049 apply.".

(8) EFFECTIVE YEARS.—Section 4022(b)(7) (29 U.S.C. 1322(b)(7)) is amended by striking out "following" and inserting in lieu thereof "beginning with".

(9) TREATMENT OF QUALIFIED PRERETIREMENT SURVIVOR ANNUITIES.—Section 4022 (29 U.S.C. 1322) is amended by adding at the end thereof the following new subsection:

"(d) For purposes of subsection (a), a qualified preretirement survivor annuity (as defined in section 205(e)(1)) with respect to a participant under a terminated single-employer plan shall not be treated as forfeitable solely because the participant has not died as of the termination date.".

(10) CLARIFICATION OF POWER TO COLLECT AMOUNTS DUE THE CORPORATION.—Section 4042(d)(1)(B)(ii) (29 U.S.C. 1342(d)(1)(B)(ii)) is amended by inserting after "amounts due the plan" the following: ", including but not limited to the power to collect from the persons obligated to meet the requirements of section 302 or the terms of the plan".

(11) CONFORMING AMENDMENT.—Section 4042(d)(3) (29 U.S.C. 1342(d)(3)) is amended by striking out "same duties as a trustee appointed under section 47 of the Bankruptcy Act" and inserting in lieu thereof "same duties as those of a trustee under section 704 of title 11, United States Code".

(12) CONFORMING AMENDMENT.—Section 4044(a) (29 U.S.C. 1344(a)) is amended by striking out "defined benefit".

(13) CLERICAL CORRECTIONS.—Section 4044(a)(4) (29 U.S.C. 1344(a)(4)(A)) is amended—

(A) in subparagraph (A), by striking out "section 4022(b)(5)" and inserting in lieu thereof "section 4022B(a)"; and

(B) in subparagraph (B), by striking out "section 4022(b)(6)" and inserting in lieu thereof "section 4022(b)(5)".

(14) RELEASE OF LIEN.—Section 4068(e) (29 U.S.C. 1368(e)) is amended by striking out ", with the consent of the board of directors,".

(d) STUDIES BY COMPTROLLER GENERAL.—

(1) IN GENERAL.—The Comptroller General of the United States may, pursuant to the request of any Member of Congress, study employee benefit plans, including the effects of such plans on employees, participants, and their beneficiaries.

(2) ACCESS TO BOOKS, DOCUMENTS, ETC.—For the purpose of conducting studies under this subsection, the Comptroller General, or any of his duly authorized representatives, shall have access to and the right to examine and copy any books, documents, papers, records, or other recorded information—

(A) within the possession or control of the administrator, sponsor, or employer of and persons providing services to any employee benefit plan, and

(B) which the Comptroller General or his representative finds, in his own judgment, pertinent to such study.

The Comptroller General shall not disclose the identity of any individual or employer in making any information obtained under this subsection available to the public.

(3) DEFINITIONS.—For purposes of this subsection, the terms "employee benefit plan", "participant", "administrator", "beneficiary", "plan sponsor", "employee", and "employer" are defined in section 3 of the Employee Retirement Income Security Act of 1974.

(4) EFFECTIVE DATE.—The preceding provisions of this subsection shall be effective on the date of the enactment of this Act.

(e) AMENDMENTS TO THE TABLE OF CONTENTS OF ERISA.—The table of contents in section 1 is amended—

(1) by striking out the item relating to section 4004;

(2) by striking out the item relating to section 4042 and inserting in lieu thereof the following new item:

"Sec. 4042. Institution of termination proceedings by the corporation.";

(3) by inserting after the item relating to section 4048 the following new item:

"Sec. 4049. Distribution to participants and beneficiaries of liability payments to section 4049 trust.";

and

(4) by striking out the items relating to subtitle D of title IV and inserting in lieu thereof the following new items:

"Subtitle D—Liability

"Sec. 4061. Amounts payable by the corporation.
"Sec. 4062. Liability for termination of single-employer plans under a distress termination or a termination by the corporation.
"Sec. 4063. Liability of substantial employer for withdrawal from single-employer plans under multiple controlled groups.
"Sec. 4064. Liability on termination of single-employer plans under multiple controlled groups.
"Sec. 4065. Annual report of plan administrator.
"Sec. 4066. Annual notification of substantial employers.
"Sec. 4067. Recovery of liability for plan termination.
"Sec. 4068. Lien for liability.
"Sec. 4069. Treatment of transactions to evade liability; effect of corporate reorganization.
"Sec. 4070. Enforcement authority relating to terminations of single-employer plans.".

SEC. 11017. STUDIES.

(a) SINGLE-EMPLOYER PENSION PLAN TERMINATION INSURANCE PREMIUM STUDY.—

(1) IN GENERAL.—As soon as practicable after the date of the enactment of this Act, the Pension Benefit Guaranty Corporation shall conduct a study of the premiums established under the single-employer pension plan termination insurance program under title IV of the Employee Retirement Income Security Act of 1974.

(2) MATTERS TO BE STUDIED.—The Corporation shall specifically consider in its study the following matters:

(A) the effect of the amendments made by this title on the long-term stability of the single-employer pension plan termination insurance program under title IV of the Employee Retirement Income Security Act of 1974,

(B) alternatives to the current statutory mechanism with respect to proposals for changes in the premium levels under such program,

(C) the methods currently used by the Corporation in projecting future program costs of the single-employer pension plan termination insurance program,

(D) alternative methods of projecting such future program costs and an evaluation of each such alternative method,

(E) the methods currently used by the Corporation in determining premiums needed to allocate and adequately fund such future program costs,

(F) alternative methods of making such premium determinations and an evaluation of each such alternative method, and

(G) alternative premium bases upon which some or all of such projected future program costs would be allocated on an exposure-related or risk-related computation, which may take into account the different exposures or risks imposed on the Corporation by plan sponsors with different histories and under different circumstances.

(3) SUBMISSION OF CORPORATION'S REPORT.—Not later than one year after the date of the enactment of this Act, the Corporation shall report the results of its study, together with any recommendations for statutory changes, to an advisory council, to be appointed by the chairmen of the Committee on Education and Labor and the Committee on Ways and Means of the House of Representatives and the Committee on Labor and Human Resources and the Committee on Finance of the Senate. The advisory council shall be composed of representatives of single-employer plan sponsors, employee organizations representing single-employer plan participants, and members of the general public who are experts in the matters to be considered in the study. The members of the advisory council shall serve without compensation.

(4) SUBMISSION OF COUNCIL'S REPORT TO CONGRESS.—Not later than 180 days after the date of the submission of the Corporation's report to the advisory council under paragraph (3), the advisory council shall submit the results of the Corporation's study and the Corporation's recommendations, together with the recommendations of the council, to the Speaker of the House of Representatives and the President pro tempore of the Senate.

(5) COOPERATION BY THE PENSION BENEFIT GUARANTY CORPORATION AND OTHER FEDERAL AGENCIES.—The Corporation shall cooperate with the advisory council in reviewing the results of the Corporation's study and recommendations. In order to avoid unnecessary expense and duplication, to the extent not otherwise prohibited by law, the Corporation and any other Federal agency shall provide to the advisory council any data, analyses, or other relevant information related to the matters under review.

(b) OVERFUNDED PENSION PLAN STUDY.—

(1) IN GENERAL.—As soon as practicable after the date of enactment of this Act, the Secretary of Labor shall conduct a study of terminations resulting in residual assets under section 4044(d) of the Employee Retirement Income Security Act of 1974.

(2) REPORT.—No later than May 1, 1986, the Secretary of Labor shall submit a report on the study conducted under paragraph (1), together with any recommendations for statutory changes, to the chairmen of the Committee on Education and Labor and the Committee on Ways and Means of the House of Representatives and the Committee on Labor and Human Resources and the Committee on Finance of the Senate.

SEC. 11018. LIMITATION ON REGULATIONS.

(a) REGULATORY TREATMENT OF ASSETS OF REAL ESTATE ENTITIES.—

(1) IN GENERAL.—Except as a defense, no rule or regulation adopted pursuant to the Secretary's proposed regulation defining "plan assets" for purposes of the Employee Retirement Income Security Act of 1974 (50 Fed. Reg. 961, January 8, 1985, as modified by 50 Fed. Reg. 6361, February 15, 1985), or any reproposal thereof prior to the adoption of the regulations required to be issued in accordance with subsection (d), shall apply to any asset of a real estate entity in which a plan, account, or arrangement subject to such Act invests if—

(A) any interest in the entity is first offered to a plan, account, or arrangement subject to such Act investing in the entity (hereinafter in this section referred to as a "plan investor") on or before the date which is 120 days after the date of publication of such rule or regulation as a final rule or regulation;

(B) no plan investor acquires an interest in the entity from an issuer or underwriter at any time on or after the date which is 270 days after the date of publication of such rule or regulation as a final rule or regulation (except pursuant to a contract or subscription binding on the plan investor and entered into, or tendered, before the expiration of such 270-day period, or pursuant to the exercise, on or before December 31, 1990, of a warrant which was the subject of an effective registration under the Securities Act of 1933 (15 U.S.C. 77q et seq.) prior to the date of the enactment of this section); and

(C) every interest in the entity acquired by a plan investor (or contracted for or subscribed to by a plan investor) before the expiration of such 270-day period is a security—

(i) which is part of an issue or class of securities which upon such acquisition or at any time during the offering period is held by 100 or more persons;

(ii) the economic rights of ownership in respect of which are freely transferable;

(iii) which is registered under the Securities Act of 1933; and

(iv) which is part of an issue or class of securities which is registered under the Securities Exchange Act of 1934 (15 U.S.C. 78a et seq.) (or is so registered within three years of the effective date of the registration statement of such securities for purposes of the Securities Act of 1933: *Provided*, That the issuer provides plan investors with such reports with respect to the offering period as are required with respect to such period by the Securities and Exchange Commission

under such Acts and the rules and regulations promulgated thereunder).

In the case of partnerships organized prior to enactment of this section, the requirements of subparagraphs (iii) and (iv) shall not apply to initial limited partnership interests in an entity otherwise described above: *Provided*, That such entity was the subject of an effective registration under the Securities Act of 1933 prior to the date of the enactment of this section, such interests were issued solely for partnership organizational purposes in compliance with State limited partnership laws, and such interest has a value as of the date of issue of less than $20,000 and represents less than one percent of the total interests outstanding as of the completion of the offering period.

(2) MAINTENANCE OF CURRENT REGULATORY TREATMENT.—No asset of any real estate entity described in paragraph (1) shall be treated as an asset of any plan investor for any purpose of the Employee Retirement Income Security Act of 1974 if the assets of such entity would not have been assets of such plan investor under the provisions of—

(A) Interpretive Bulletin 75-2 (29 CFR 2509.750-2); or

(B) the regulations proposed by the Secretary of Labor and published—

(i) on August 28, 1979, at 44 Fed. Reg. 50363;

(ii) on June 6, 1980, at 45 Fed. Reg. 38084;

(iii) on January 8, 1985, at 50 Fed. Reg. 961; or

(iv) on February 15, 1985, at 50 Fed. Reg. 6361,

without regard to any limitation of any effective date proposed therein.

(b) DEFINITIONS AND SPECIAL RULES.—For purposes of this section—

(1) The term "real estate entity" means an entity which, at any time within two years after the closing of its offering period has invested or has contracted to invest at least 75 percent of the value of its net assets available for investment in direct or indirect ownership of "real estate assets" or "interests in real property".

(2) The term "real estate asset" means real property (including an interest in real property) and any share of stock or beneficial interest, partnership interest, depository receipt, or any other interest in any other real estate entity.

(3) The term "interest in real property" includes, directly or indirectly, the following:

(A) the ownership or co-ownership of land or improvements thereon;

(B) any mortgage (including an interest in or co-ownership of any mortgage, leasehold mortgage, pool of mortgages, deed of trust, or similar instrument) on land or improvements thereon;

(C) any leasehold of land or improvements thereon; and

(D) any option to acquire any of the foregoing, but does not include any mineral, oil, or gas royalty interest.

(4) Whether the economic rights of ownership with respect to a security are "freely transferable" shall be determined based upon all the facts and circumstances, but ordinarily none of the following, alone or in any combination, shall cause the economic rights of ownership to be considered not freely transferable—

(A) any requirement that not less than a minimum number of shares or units of such security be transferred or assigned by any investor: *Provided*, That such requirement does not prevent transfer of all of the then remaining shares or units held by an investor;

(B) any prohibition against transfer or assignment of such security or rights in respect thereof to an ineligible or unsuitable investor;

(C) any restriction on or prohibition against any transfer or assignment which would either result in a termination or reclassification of the entity for Federal or State tax purposes or which would violate any State or Federal statute, regulation, court order, judicial decree, or rule of law;

(D) any requirement that reasonable transfer or administrative fees be paid in connection with a transfer or assignment;

(E) any requirement that advance notice of a transfer or assignment be given to the entity and any requirement regarding execution of documentation evidencing such transfer or assignment (including documentation setting forth representations from either or both of the transferor or transferee as to compliance with any restriction or requirement described in this section or requiring compliance with the entity's governing instruments);

(F) any restriction on substitution of an assignee as a limited partner of a partnership, including a general partner consent requirement: *Provided*, That the economic benefits of ownership of the assignor may be transferred or assigned without regard to such restriction or consent (other than compliance with any other restriction described in this section);

(G) any administrative procedure which establishes an effective date, or an event such as the completion of the offering, prior to which a transfer or assignment will not be effective; and

(H) any limitation or restriction on transfer or assignment which is not created or imposed by the issuer or any person acting for or on behalf of such issuer.

(c) NO EFFECT ON SECRETARY'S AUTHORITY OTHER THAN AS PROVIDED.—Except as provided in subsection (a), nothing in this section shall limit the authority of the Secretary of Labor to issue regulations or otherwise interpret section 3(21) of the Employee Retirement Income Security Act of 1974.

(d) TIME LIMIT FOR FINAL REGULATIONS.—The Secretary of Labor shall adopt final regulations defining "plan assets" by December 31, 1986.

(e) EFFECTIVE DATE.—The preceding provisions of this section shall take effect on the date of the enactment of this Act.

SEC. 11019. EFFECTIVE DATE OF TITLE; TEMPORARY PROCEDURES.

(a) IN GENERAL.—Except as otherwise provided in this title, the amendments made by this title shall be effective as of January 1, 1986, except that such amendments shall not apply with respect to terminations for which—

(1) notices of intent to terminate were filed with the Pension Benefit Guaranty Corporation under section 4041 of the Employee Retirement Income Security Act of 1974 before such date, or

(2) proceedings were commenced under section 4042 of such Act before such date.

(b) TRANSITIONAL RULES.—

(1) IN GENERAL.—In the case of a single-employer plan termination for which a notice of intent to terminate was filed with the Pension Benefit Guaranty Corporation under section 4041 of the Employee Retirement Income Security Act of 1974 (as in effect before the amendments made by this title) on or after January 1, 1986, but before the date of the enactment of this Act, the amendments made by this title shall apply with respect to such termination, as modified by paragraphs (2) and (3).

(2) DEEMED COMPLIANCE WITH NOTICE REQUIREMENTS.—The requirements of subsections (a)(2), (b)(1)(A), and (c)(1)(A) of section 4041 of the Employee Retirement Income Security Act of 1974 (as amended by this title) shall be considered to have been met with respect to a termination described in paragraph (1) if—

(A) the plan administrator provided notice to the participants in the plan regarding the termination in compliance with applicable regulations of the Pension Benefit Guaranty Corporation as in effect on the date of the notice, and

(B) the notice of intent to terminate provided to the Pension Benefit Guaranty Corporation in connection with the termination was filed with the Corporation not less than 10 days before the proposed date of termination specified in the notice.

For purposes of section 4041 of such Act (as amended by this title), the proposed date of termination specified in the notice of intent to terminate referred to in subparagraph (B) shall be considered the proposed termination date.

(3) SPECIAL TERMINATION PROCEDURES.—

(A) IN GENERAL.—This paragraph shall apply with respect to any termination described in paragraph (1) if, within 90 days after the date of enactment of this Act, the plan administrator notifies the Corporation in writing—

(i) that the plan administrator wishes the termination to proceed as a standard termination under section 4041(b) of the Employee Retirement Income Security Act of 1974 (as amended by this title) in accordance with subparagraph (B),

(ii) that the plan administrator wishes the termination to proceed as a distress termination under section 4041(c) of such Act (as amended by this title) in accordance with subparagraph (C), or

(iii) that the plan administrator wishes to stop the termination proceedings in accordance with subparagraph (D).

(B) TERMINATIONS PROCEEDING AS STANDARD TERMINATION.—

(i) TERMINATIONS FOR WHICH SUFFICIENCY NOTICES HAVE NOT BEEN ISSUED.—

(I) IN GENERAL.—In the case of a plan termination described in paragraph (1) with respect to which the Corporation has been provided the notification described in subparagraph (A)(i) and with respect to which a notice of sufficiency has not been issued by the Corporation before the date of the enactment of this Act, if, during the 90-day period commencing on the date of the notice required in subclause (II), all benefit commitments under the plan have been satisfied, the termination shall be treated as a standard termination under section 4041(b) of such Act (as amended by this title).

(II) SPECIAL NOTICE REGARDING SUFFICIENCY FOR TERMINATIONS FOR WHICH NOTICES OF SUFFICIENCY HAVE NOT BEEN ISSUED AS OF DATE OF ENACTMENT.—In the case of a plan termination described in paragraph (1) with respect to which the Corporation has been provided the notification described in subparagraph (A)(i) and with respect to which a notice of sufficiency has not been issued by the Corporation before the date of the enactment of this Act, the Corporation shall make the determinations described in sections 4041(c)(3)(A) (i) and (ii) (as amended by this title) and notify the plan administrator of such determinations as provided in

section 4041(c)(3)(A)(iii) (as amended by this title).

(ii) TERMINATIONS FOR WHICH NOTICES OF SUFFICIENCY HAVE BEEN ISSUED.—In the case of a plan termination described in paragraph (1) with respect to which the Corporation has been provided the notification described in subparagraph (A)(i) and with respect to which a notice of sufficiency has been issued by the Corporation before the date of the enactment of this Act, clause (i)(I) shall apply, except that the 90-day period referred to in clause (i)(I) shall begin on the date of the enactment of this Act.

(C) TERMINATIONS PROCEEDING AS DISTRESS TERMINATION.—In the case of a plan termination described in paragraph (1) with respect to which the Corporation has been provided the notification described in subparagraph (A)(ii), if the requirements of section 4041(c)(2)(B) of such Act (as amended by this title) are met, the termination shall be treated as a distress termination under section 4041(c) of such Act (as amended by this title).

(D) TERMINATION OF PROCEEDINGS BY PLAN ADMINISTRATOR.—

(i) IN GENERAL.—Except as provided in clause (ii), in the case of a plan termination described in paragraph (1) with respect to which the Corporation has been provided the notification described in subparagraph (A)(iii), the termination shall not take effect.

(ii) TERMINATIONS WITH RESPECT TO WHICH FINAL DISTRIBUTION OF ASSETS HAS COMMENCED.—Clause (i) shall not apply with respect to a termination with respect to which the final distribution of assets has commenced before the date of the enactment of this Act unless, within 90 days after the date of the enactment of this Act, the plan has been restored in accordance with procedures issued by the Corporation pursuant to subsection (c).

(E) AUTHORITY OF CORPORATION TO EXTEND 90-DAY PERIODS TO PERMIT STANDARD TERMINATION.—The Corporation may, on a case-by-case basis in accordance with subsection (c), provide for extensions of the applicable 90-day period referred to in clause (i) or (ii) of subparagraph (B) if it is demonstrated to the satisfaction of the Corporation that—

(i) the plan could not otherwise, pursuant to the preceding provisions of this paragraph, terminate in a termination treated as a standard termination under section 4041(b) of the Employee Retirement Income Security Act of 1974 (as amended by this title), and

(ii) the extension would result in a greater likelihood that benefit commitments under the plan would be paid in full,

except that any such period may not be so extended beyond one year after the date of the enactment of this Act.

(c) AUTHORITY TO PRESCRIBE TEMPORARY PROCEDURES.—The Pension Benefit Guaranty Corporation may prescribe temporary procedures for purposes of carrying out the amendments made by this title during the 180-day period beginning on the date described in subsection (a).

TITLE XII—INCOME SECURITY AND RELATED PROGRAMS

SUBTITLE A—OLD-AGE, SURVIVORS, AND DISABILITY INSURANCE PROGRAM

SEC. 12101. DEMONSTRATION PROJECTS INVOLVING THE DISABILITY INSURANCE PROGRAM.

(a) EXTENSION OF WAIVER AUTHORITY.—Section 505(a)(3) of the Social Security Disability Amendments of 1980 is amended by inserting "which is initiated before June 10, 1990" after "demonstration project under paragraph (1)".

(b) INTERIM REPORTS.—Section 505(a)(4) of such Amendments is amended to read as follows:

"(4) On or before June 9 in each of the years 1986, 1987, 1988, and 1989, the Secretary shall submit to the Congress an interim report on the progress of the experiments and demonstration projects carried out under this subsection together with any related data and materials which the Secretary may consider appropriate.".

(c) FINAL REPORT.—Section 505(c) of such Amendments is amended by striking out "under this section no later than five years after the date of the enactment of this Act" and inserting in lieu thereof "under subsection (a) no later than June 9, 1990".

(d) INCORPORATION OF CERTAIN REPORTS INTO SECRETARY'S ANNUAL REPORT TO CONGRESS.—Section 1110(b) of the Social Security Act is amended by adding at the end thereof the following new paragraph:

"(3) All reports of the Secretary with respect to projects carried out under this subsection shall be incorporated into the Secretary's annual report to the Congress required by section 704.".

SEC. 12102. DISABILITY ADVISORY COUNCIL.

(a) APPOINTMENT OF COUNCIL.—Within ninety days after the date of the enactment of this Act, the Secretary of Health and Human Services shall appoint a special Disability Advisory Council.

(b) MEMBERSHIP OF COUNCIL.—The Disability Advisory Council shall consist of a Chairman and not more than twelve other persons, appointed by the Secretary without regard to the provisions of title 5, United States Code, governing appointments in the competitive service. The appointed members shall, to the extent possible, represent organizations of employers and employees in equal numbers, medical and vocational experts from the public or private sector (or from both such sectors), organizations representing disabled people, and the public. The Council shall meet as often as may be necessary for the performance of its duties under this section, but not less often than quarterly.

(c) DUTIES OF COUNCIL.—(1) The Advisory Council shall conduct studies and make recommendations with respect to the medical and vocational aspects of disability under both title II and title XVI of the Social Security Act, including studies and recommendations relating to—

(A) the effectiveness of vocational rehabilitation programs for recipients of disability insurance benefits or supplemental security income benefits;

(B) the question of using specialists for completing medical and vocational evaluations at the State agency level in the disability determination process, including the question of requiring, in cases involving impairments other than mental impairments, that the medical portion of each case review (as well as any applicable assessment of residual functional capacity) be completed by an appropriate medical specialist employed by the appropriate State agency before any determination can be made with respect to the impairment involved;

(C) alternative approaches to work evaluation in the case of applicants for benefits based on disability and recipients of such benefits undergoing reviews of their cases, including immediate referral of any such applicant or recipient to a vocational rehabilitation agency for services at the same time he or she is referred to the appropriate State agency for a disability determination;

(D) the feasibility and appropriateness of providing work evaluation stipends for applicants for and recipients of benefits based on disability in cases where extended work evaluation is needed prior to the final determination of their eligibility for such benefits or for further rehabilitation and related services;

(E) the standards, policies, and procedures which are applied or used by the Secretary of Health and Human Services with respect to work evaluations in order to determine whether such standards, policies, and procedures will provide appropriate screening criteria for work evaluation referrals in the case of applicants for and recipients of benefits based on disability; and

(F) possible criteria for assessing the probability that an applicant for or recipient of benefits based on disability will benefit from rehabilitation services, taking into consideration not only whether the individual involved will be able after rehabilitation to engage in substantial gainful activity but also whether rehabilitation services can reasonably be expected to improve the individual's functioning so that he or she will be able to live independently or work in a sheltered environment.

(2) For purposes of this subsection, "work evaluation" includes (with respect to any individual) a determination of—

(A) such individual's skills,

(B) the work activities or types of work activity for which such individual's skills are insufficient or inadequate,

(C) the work activities or types of work activity for which such individual might potentially be trained or rehabilitated,

(D) the length of time for which such individual is capable of sustaining work (including, in the case of the mentally impaired, the ability to cope with the stress of competitive work), and

(E) any modifications which may be necessary, in work activities for which such individual might be trained or rehabilitated, in order to enable him or her to perform such activities.

(d) PROVISION OF ASSISTANCE TO COUNCIL; COMPENSATION OF MEMBERS.—(1) The Disability Advisory Council is authorized to engage such technical assistance, including actuarial services, as may be required to carry out its functions, and the Secretary of Health and Human Services shall, in addition, make available to the Council such secretarial, clerical, and other assistance and such actuarial and other pertinent data prepared by the Department of Health and Human Services as the Council may require to carry out such functions.

(2) Appointed members of the Council, while serving on business of the Council (inclusive of traveltime), shall receive compensation at rates fixed by the Secretary, but not exceeding $100 per day, and, while so serving away from their homes or regular places of business, they may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code, for persons in the Government employed intermittently.

(e) REPORTS.—The Disability Advisory Council shall submit a report (including any interim reports the Council may have issued) of its findings and recommendations to the Secretary of Health and Human Services not later than December 31, 1986; and such report and recommendations shall thereupon be transmitted to the Congress

and to the Board of Trustees of the Federal Disability Insurance Trust Fund.

(f) TERMINATION.—After the date of the transmittal to the Congress of the report required by subsection (e), the Disability Advisory Council shall cease to exist.

(g) CONFORMING AMENDMENTS.—(1) Section 706 of the Social Security Act is amended—

(A) by inserting "except as provided in subsection (e)," immediately before "the Secretary shall appoint" in subsection (a); and

(B) by adding at the end thereof the following new subsection:

"(e) No Advisory Council on Social Security shall be appointed under subsection (a) in 1985 (or in any subsequent year prior to 1989).".

(2) Section 12 of the Social Security Disability Benefits Reform Act of 1984 is repealed.

SEC. 12103. TAXATION OF SOCIAL SECURITY BENEFITS RECEIVED BY CERTAIN CITIZENS OF POSSESSIONS OF THE UNITED STATES.

(a) GENERAL RULE.—Section 932 of the Internal Revenue Code of 1954 (relating to citizens of possessions of the United States) is amended by redesignating subsection (c) as subsection (d) and by inserting after subsection (b) the following new subsection:

"(c) TAXATION OF SOCIAL SECURITY BENEFITS.—If, for purposes of an income tax imposed in the possession, any social security benefit (as defined in section 86(d)) received by an individual described in subsection (a) is treated in a manner equivalent to that provided by section 86, then—

"(1) such benefit shall be exempt from the tax imposed by section 871, and

"(2) no amount shall be deducted and withheld from such benefit under section 1441.

Any income tax imposed in a possession which treats social security benefits (as defined in section 86(d)) in a manner equivalent to section 86, and which first becomes effective within 15 months after the date of the enactment of this subsection, shall, for purposes of this section, be deemed to have been in effect as of January 1, 1984.".

(b) CROSS REFERENCE.—Paragraph (3) of section 871(a) of such Code is amended by adding at the end thereof (after and below subparagraph (B)) the following new sentence:

"For treatment of certain citizens of possessions of the United States, see section 932(c)."

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to benefits received after December 31, 1983, in taxable years ending after such date.

SEC. 12104. APPLICATION OF DEPENDENCY TEST TO ADOPTED GREAT-GRANDCHILDREN FOR PURPOSES OF CHILD'S INSURANCE BENEFITS.

(a) TREATMENT OF GRANDCHILDREN AND GREAT-GRANDCHILDREN ALIKE.—Section 202(d)(8)(D)(ii)(III) of the Social Security Act is amended by inserting "or great-grandchild" after "grandchild".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply with respect to benefits for which application is filed after the date of the enactment of this Act.

SEC. 12105. ELIMINATION OF REQUIREMENT FOR PUBLICATION OF REVISIONS IN PRE-1979 BENEFIT TABLE.

Section 215(i)(4) of the Social Security Act is amended by striking out "the Secretary shall publish" and all that follows in the last sentence and inserting in lieu thereof the following: "the Secretary shall revise the table of benefits contained in subsection (a), as in effect in December 1978, in accordance with the requirements of paragraph (2)(D) of this subsection as then in effect, except that the requirement in such paragraph (2)(D) that the Secretary publish such revision of the table of benefits in the Federal Register shall not apply.".

SEC. 12106. FORMULA CLARIFICATION.

Section 709(b)(1) of the Social Security Act is amended to read as follows:

"(1) the balance in such Trust Fund as of the beginning of such year, including the taxes transferred under section 201(a) on the first day of such year and reduced by the outstanding amount of any loan (including interest thereon) theretofore made to such Trust Fund under section 201(l) or 1817(j), to".

SEC. 12107. EXTENSION OF 15-MONTH REENTITLEMENT PERIOD TO CHILDHOOD DISABILITY BENEFICIARIES SUBSEQUENTLY ENTITLED.

(a) IN GENERAL.—Section 202(d)(6)(E) of the Social Security Act is amended by striking out "the third month following the month in which he ceases to be under such disability" and inserting in lieu thereof "the termination month (as defined in paragraph (1)(G)(i)), subject to section 223(e),".

(b) CONFORMING AMENDMENT.—Section 223(e) of such Act is amended by inserting "(d)(6)(A)(ii), (d)(6)(B)," after "(d)(1)(B)(ii),".

(c) EFFECTIVE DATE.—The amendments made by this section are effective December 1, 1980, and shall apply with respect to any individual who is under a disability (as defined in section 223(d) of the Social Security Act) on or after that date.

SEC. 12108. CHARGING OF WORK DEDUCTIONS AGAINST AUXILIARY BENEFITS IN DISABILITY CASES.

(a) IN GENERAL.—(1) Section 203(a)(4) of the Social Security Act is amended by striking out "preceding" in the first sentence.

(2) Section 203(a)(6) of such Act is amended—

(A) by striking out "and (5)" and inserting in lieu thereof "(4), and (5)"; and

(B) by striking out ", whether or not" and all that follows down through "further reduced" and inserting in lieu thereof "shall be reduced".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply with respect to benefits payable for months after December 1985.

SEC. 12109. PERFECTING AMENDMENTS TO DISABILITY OFFSET PROVISION.

(a) IN GENERAL.—(1) Section 224(a)(2) of the Social Security Act is amended to read as follows:

"(2) such individual is entitled for such month to—

"(A) periodic benefits on account of his or her total or partial disability (whether or not permanent) under a workmen's compensation law or plan of the United States or a State, or

"(B) periodic benefits on account of his or her total or partial disability (whether or not permanent) under any other law or plan of the United States, a State, a political subdivision (as that term is used in section 218(b)(2)), or an instrumentality of two or more States (as that term is used in section 218(k)), other than (i) benefits payable under title 38, United States Code, (ii) benefits payable under a program of assistance which is based on need, (iii) benefits based on service all or substantially all of which was included under an agreement entered into by a State and the Secretary under section 218, and (iv) benefits under a law or plan of the United States based on service all or part of which is employment as defined in section 210,".

(2) Section 224(a)(2)(B) of such Act (as amended by paragraph (1) of this subsection) is further amended by striking out "all or part of which" in clause (iv) and inserting in lieu thereof "all or substantially all of which".

(b) EFFECTIVE DATES.—(1) The amendment made by subsection (a)(1) shall be effective as though it had been included or reflected in the amendment made by section 2208(a)(3) of the Omnibus Budget Reconciliation Act of 1981.

(2) The amendment made by subsection (a)(2) shall apply only with respect to monthly benefits payable on the basis of the wages and self-employment income of individuals who become disabled (within the meaning of section 223(d) of the Social Security Act) after the month in which this Act is enacted.

SEC. 12110. STATE COVERAGE AGREEMENTS.

(a) MAXIMUM PERIOD OF RETROACTIVE COVERAGE.—Section 218(f)(1) of the Social Security Act is amended by striking out "is agreed to by the Secretary and the State" and inserting in lieu thereof "is mailed or delivered by other means to the Secretary".

(b) POSITIONS COMPENSATED SOLELY ON FEE BASIS.—Section 218(u)(3) of such Act is amended by striking out "is agreed to by the Secretary and the State" and inserting in lieu thereof "is mailed or delivered by other means to the Secretary".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to agreements and modifications of agreements which are mailed or delivered to the Secretary of Health and Human Services (under section 218 of the Social Security Act) on or after the date of the enactment of this Act.

SEC. 12111. EFFECT OF EARLY DELIVERY OF BENEFIT CHECKS.

(a) FOR OASDI PURPOSES.—Section 708 of the Social Security Act is amended by adding at the end thereof the following new subsection:

"(c) For purposes of computing the 'OASDI trust fund ratio' under section 201(l), the 'OASDI fund ratio' under section 215(i), and the 'balance ratio' under section 709(b), benefit checks delivered before the end of the month for which they are issued by reason of subsection (a) of this section shall be deemed to have been delivered on the regularly designated delivery date.".

(b) FOR INCOME TAX PURPOSES.—Section 86(d) of the Internal Revenue Code of 1954 (relating to taxation of social security and tier 1 railroad retirement benefits) is amended by adding at the end thereof the following new paragraph:

"(5) EFFECT OF EARLY DELIVERY OF BENEFIT CHECKS.—For purposes of subsection (a), in any case where section 708 of the Social Security Act causes social security benefit checks to be delivered before the end of the calendar month for which they are issued, the benefits involved shall be deemed to have been received in the succeeding calendar month.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to benefit checks issued for months ending after the date of the enactment of this Act.

SEC. 12112. EXEMPTION FROM SOCIAL SECURITY COVERAGE FOR RETIRED FEDERAL JUDGES ON ACTIVE DUTY.

(a) AMENDMENT TO SOCIAL SECURITY ACT.—Section 209 of the Social Security Act is amended in the third to the last paragraph thereof (added by section 101(c)(1) of the Social Security Amendments of 1983) by striking out "shall, subject to the provisions of subsection (a) of this section, include" and inserting in lieu thereof "shall not include".

(b) AMENDMENT TO INTERNAL REVENUE CODE.—Section 3121(i)(5) of the Internal Revenue Code of 1954 is amended by striking out "shall, subject to the provisions of subsection (a)(1) of this section, include" and inserting in lieu thereof "shall not include".

(c) EFFECTIVE DATE.—The amendments made by this section shall be effective with respect to service performed after December 31, 1983.

SEC. 12113. RECOVERY OF OVERPAYMENTS.

(a) OASDI PAYMENTS.—Section 204(a) of the Social Security Act is amended—

(1) by inserting "(1)" after "204(a)";

(2) by redesignating paragraphs (1) and (2) as subparagraphs (A) and (B); and

(3) by adding at the end thereof the following new paragraph:

"(2) Notwithstanding any other provision of this section, when any payment of more than the correct amount is made to or on behalf of an individual who has died, and such payment—

"(A) is made by direct deposit to a financial institution;

"(B) is credited by the financial institution to a joint account of the deceased individual and another person; and

"(C) such other person was entitled to a monthly benefit on the basis of the same wages and self-employment income as the deceased individual for the month preceding the month in which the deceased individual died,

the amount of such payment in excess of the correct amount shall be treated as a payment of more than the correct amount to such other person.".

(b) SSI PAYMENTS.—Section 1631(b) of the Social Security Act is amended by redesignating paragraphs (2) through (4) as paragraphs (3) through (5), and by inserting after paragraph (1) the following new paragraph:

"(2) Notwithstanding any other provision of this section, when any payment of more than the correct amount is made to or on behalf of an individual who has died, and such payment—

"(A) is made by direct deposit to a financial institution;

"(B) is credited by the financial institution to a joint account of the deceased individual and another person; and

"(C) such other person is the surviving spouse of the deceased individual, and was eligible for a payment under this title (including any State supplementation payment paid by the Secretary) as an eligible spouse (or as either member of an eligible couple) for the month in which the deceased individual died,

the amount of such payment in excess of the correct amount shall be treated as a payment of more than the correct amount to such other person.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply only in the case of deaths of which the Secretary is first notified on or after the date of the enactment of this Act.

SEC. 12114. COVERAGE OF CONNECTICUT STATE POLICE.

Notwithstanding any provision of section 218 of the Social Security Act, the Secretary of Health and Human Services shall, upon the request of the Governor of Connecticut, modify the agreement under such section between the Secretary and the State of Connecticut to provide that service performed after the date of the enactment of this Act by members of the Division of the State Police within the Connecticut Department of Public Safety, who are hired on or after May 8, 1984, and who are members of the tier II plan of the Connecticut State Employees Retirement System, shall be covered under such agreement.

SEC. 12115. GENERAL EFFECTIVE DATE OF SUBTITLE.

Except as otherwise specifically provided, the preceding provisions of this subtitle, including the amendments made thereby, shall take effect on the first day of the month following the month in which this Act is enacted.

SUBTITLE B—SUPPLEMENTAL SECURITY INCOME PROGRAM

SEC. 12201. AMENDMENTS RELATING TO STATE SUPPLEMENTATION UNDER SSI.

(a) PASSTHROUGH RELATING TO OPTIONAL STATE SUPPLEMENTATION.—Section 1618 of the Social Security Act is amended by adding at the end thereof the following new subsection:

"(f) The Secretary shall not find that a State has failed to meet the requirements imposed by subsection (a) with respect to the levels of its supplementary payments for the period January 1, 1984, through December 31, 1985, if in the period January 1, 1986, through December 31, 1986, its supplementary payment levels (other than to recipients of benefits determined under section 1611(e)(1)(B)) are not less than those in effect in December 1976, increased by a percentage equal to the percentage by which payments under section 1611(b) of this Act and section 211(a)(1)(A) of Public Law 93-66 have been increased as a result of all adjustments under sections 1617 (a) and (c) which have occurred after December 1976 and before February 1986.".

(b) FEDERAL ADMINISTRATION OF STATE SUPPLEMENTATION.—Section 1616(b) of such Act is amended by adding at the end thereof (after and below paragraph (2)) the following new sentence:

"At the option of the State (but subject to paragraph (2) of this subsection), the agreement between the Secretary and such State entered into under subsection (a) shall be modified to provide that the Secretary will make supplementary payments, on and after an effective date to be specified in the agreement as so modified, to individuals receiving benefits determined under section 1611(e)(1)(B).".

SEC. 12202. PRESERVATION OF BENEFIT STATUS FOR DISABLED WIDOWS AND WIDOWERS WHO LOST SSI BENEFITS BECAUSE OF 1983 CHANGES IN ACTUARIAL REDUCTION FORMULA.

(a) IN GENERAL.—Section 1634 of the Social Security Act is amended—

(1) by inserting "(a)" after "SEC. 1634.", and

(2) by adding at the end the following new subsection:

"(b)(1) An eligible disabled widow or widower (described in paragraph (2)) who is entitled to a widow's or widower's insurance benefit based on a disability for any month under section 202 (e) or (f) but is not eligible for benefits under this title in that month, and who applies for the protection of this subsection under paragraph (3), shall be deemed for purposes of title XIX to be an individual with respect to whom benefits under this title are paid in that month if he or she—

"(A) has been continuously entitled to such widow's or widower's insurance benefits from the first month for which the increase described in paragraph (2)(C) was reflected in such benefits through the month involved, and

"(B) would be eligible for benefits under this title in the month involved if the amount of the increase described in paragraph (2)(C) in his or her widow's or widower's insurance benefits, and any subsequent cost-of-living adjustments in such benefits under section 215(i), were disregarded.

"(2) For purposes of paragraph (1), the term 'eligible disabled widow or widower' means an individual who—

"(A) was entitled to a monthly insurance benefit under title II for December 1983,

"(B) was entitled to a widow's or widower's insurance benefit based on a disability under section 202 (e) or (f) for January 1984 and with respect to whom a benefit under this title was paid in that month, and

"(C) because of the increase in the amount of his or her widow's or widower's insurance benefits which resulted from the amendments made by section 134 of the Social Security Amendments of 1983 (Public Law 98-21) (eliminating the additional reduction factor for disabled widows and widowers under age 60), was ineligible for benefits under this title in the first month in which such increase was paid to him or her (and in which a retroactive payment of such increase for prior months was not made).

"(3) This subsection shall only apply to an individual who files a written application for protection under this subsection, in such manner and form as the Secretary may prescribe, during the 15-month period beginning with the month in which this subsection is enacted.

"(4) For purposes of this subsection, the term 'benefits under this title' includes payments of the type described in section 1616(a) or of the type described in section 212(a) of Public Law 93-66.".

(b) IDENTIFICATION OF BENEFICIARIES.—(1) As soon as possible after the date of the enactment of this Act, the Secretary of Health and Human Services shall provide each State with the names of all individuals receiving widow's or widower's insurance benefits under subsection (e) or (f) of section 202 of the Social Security Act based on a disability who might qualify for medical assistance under the plan of that State approved under title XIX of such Act by reason of the application of section 1634(b) of the Social Security Act.

(2) Each State shall—

(A) using the information so provided and any other information it may have, promptly notify all individuals who may qualify for medical assistance under its plan by reason of such section 1634(b) of their right to make application for such assistance,

(B) solicit their applications for such assistance, and

(C) make the necessary determination of such individuals' eligibility for such assistance under such section and under such title XIX.

(c) EFFECTIVE DATE.—The amendment made by subsection (a)(2) shall not have the effect of deeming an individual eligible for medical assistance for any month which

begins less than two months after the date of the enactment of this Act.

SUBTITLE C—AFDC, ADOPTION ASSISTANCE, AND FOSTER CARE PROGRAMS

SEC. 12301. AFDC QUALITY CONTROL STUDIES AND PENALTY MORATORIUM.

(a) STUDIES.—(1) The Secretary of Health and Human Services (hereafter referred to in this section as the "Secretary") shall conduct a study of quality control systems for the Aid to Families with Dependent Children Program under title IV-A of the Social Security Act and for the Medicaid Program under title XIX of such Act. The study shall examine how best to operate such systems in order to obtain information which will allow program managers to improve the quality of administration, and provide reasonable data on the basis of which Federal funding may be withheld for States with excessive levels of erroneous payments.

(2) The Secretary shall also contract with the National Academy of Sciences to conduct a concurrent independent study for the purpose described in paragraph (1). For purposes of such study, the Secretary shall provide to the National Academy of Sciences any relevant data available to the Secretary at the onset of the study and on an ongoing basis.

(3) The Secretary and the National Academy of Sciences shall report the results of their respective studies to the Congress within one year after the date of the enactment of this Act.

(b) MORATORIUM ON PENALTIES.—(1) During the 24-month period beginning with the first calendar quarter which begins after the date of the enactment of this Act (hereafter in this section referred to as the "moratorium period"), the Secretary shall not impose any reductions in payments to States pursuant to section 403(i) of the Social Security Act (or prior regulations), or pursuant to any comparable provision of law relating to the programs under title IV-A of such Act in Puerto Rico, Guam, the Virgin Islands, American Samoa, or the Northern Mariana Islands.

(2) During the moratorium period, the Secretary and the States shall continue to operate the quality control systems in effect under title IV-A of the Social Security Act, and to calculate the error rates under the provisions referred to in paragraph (1).

(c) RESTRUCTURED QUALITY CONTROL SYSTEMS.—(1) Not later than 18 months after the date of the enactment of this Act, the Secretary shall publish regulations which shall—

(A) restructure the quality control systems under titles IV-A and XIX of the Social Security Act to the extent the Secretary determines to be appropriate, taking into account the studies conducted under subsection (a); and

(B) establish, taking into account the studies conducted under subsection (a), criteria for adjusting the reductions which shall be made for quarters prior to the implementation of the restructured quality control systems so as to eliminate reductions for those quarters which would not be required if the restructured quality control systems had been in effect during those quarters.

(2) Beginning with the first calendar quarter after the moratorium period, the Secretary shall implement the revised quality control systems, and shall reduce payments to States—

(A) for quarters after the moratorium period in accordance with the restructured quality control systems; and

(B) for quarters in and before the moratorium period, as provided under the regulations described in paragraph (1)(B).

(d) EFFECTIVE DATE.—This section shall become effective on the date of the enactment of this Act.

SEC. 12303. AFDC AUTOMATION REQUIREMENTS.

(a) IN GENERAL.—Section 402(e)(2) of the Social Security Act is amended by adding at the end thereof the following new subparagraph:

"(C) If the Secretary determines that such a system has not been implemented by the State by the date specified for implementation in the State's advance automatic data processing planning document, then the Secretary shall reduce payments to such State, in accordance with section 403(b), in an amount equal to 40 percent of the expenditures referred to in section 403(a)(3)(B) with respect to which payments were made to the State under section 403(a)(3)(B). The Secretary may extend the deadline for implementation if the State demonstrates to the satisfaction of the Secretary that the State cannot implement such system by the date specified in such planning document due to circumstances beyond the State's control.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall become effective on the date of the enactment of this Act, but shall apply only with respect to sums expended by the States for the purposes described in section 403(a)(3)(B) of the Social Security Act on or after the date of the enactment of this Act.

SEC. 12304. THIRD-PARTY LIABILITY.

(a) IN GENERAL.—Section 402(a)(26) of the Social Security Act is amended—

(1) by striking out the comma at the end of subparagraph (A) and inserting in lieu thereof a semicolon;

(2) by adding "and" after the semicolon at the end of subparagraph (B); and

(3) by adding after subparagraph (B) the following new subparagraph:

"(C) to cooperate with the State in identifying, and providing information to assist the State in pursuing, any third party who may be liable to pay for care and services available under the State's plan for medical assistance under title XIX, unless such individual has good cause for refusing to cooperate as determined by the State agency in accordance with standards prescribed by the Secretary, which standards shall take into consideration the best interests of the individuals involved; but the State shall not be subject to any financial penalty in the administration or enforcement of this subparagraph as a result of any monitoring, quality control, or auditing requirements;".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to calendar quarters beginning on or after the date of the enactment of this Act.

SEC. 12305. PROVISIONS RELATING TO MEDICAID COVERAGE UNDER THE ADOPTION ASSISTANCE AND FOSTER CARE PROGRAMS.

(a) IN GENERAL.—Section 473(b) of the Social Security Act is amended to read as follows:

"(b) For purposes of titles XIX and XX, any child—

"(1)(A) who is a child described in subsection (a)(1), and

"(B) with respect to whom an adoption assistance agreement is in effect under this section (whether or not adoption assistance payments are provided under the agreement or are being made under this section), including any such child who has been placed for adoption in accordance with applicable State and local law (whether or not an interlocutory or other judicial decree of adoption has been issued), or

"(2) with respect to whom foster care maintenance payments are being made under section 472,

shall be deemed to be a dependent child as defined in section 406 and shall be deemed to be a recipient of aid to families with dependent children under part A of this title in the State where such child resides.".

(b) CONFORMING AMENDMENTS.—(1) Section 473(c)(2) of such Act is amended—

(A) by striking out "without providing adoption assistance" in clause (A) and inserting in lieu thereof "without providing adoption assistance under this section or medical assistance under title XIX"; and

(B) by inserting "or medical assistance under title XIX" before the period at the end thereof.

(2) Section 475(3) of such Act is amended by striking out "the adoption assistance payments and any additional services and assistance" in clause (A) of the first sentence and inserting in lieu thereof "any adoption assistance payments and any other services and assistance".

(3) Section 1902(a)(10)(A)(i)(I) of such Act is amended by striking out "or 406(h)" and inserting in lieu thereof ", 406(h), or 473(b)".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to medical assistance furnished in or after the first calendar quarter beginning more than 90 days after the date of the enactment of this Act.

SEC. 12306. EXTENSION OF VOLUNTARY PLACEMENT, AND CEILING AND TRIGGER PROVISIONS, RELATING TO FOSTER CARE.

(a) Section 474(b) of the Social Security Act is amended—

(1) in paragraphs (1), (2)(B), and (4)(B), by striking out "1985" and inserting in lieu thereof "1987";

(2) in paragraph (2)(A)—

(A) by inserting "and" at the end of clause (ii), and

(B) by striking out clauses (iii), (iv), and (v) and inserting in lieu thereof the following:

"(iii) with respect to each of the fiscal years 1983 through 1987, only if the amount appropriated under section 420 for such fiscal year is equal to $266,000,000."; and

(3) in paragraph (5)(A)—

(A) by striking out "October 1, 1985" and inserting in lieu thereof "October 1, 1987", and

(B) in clause (ii), by striking out "1984 and 1985" and inserting in lieu thereof "1984 through 1987".

(b) Paragraphs (1) and (2) of section 474(c) of such Act are each amended by striking out "1985" and inserting in lieu thereof "1987".

(c)(1) Section 102(a)(1) of the Adoption Assistance and Child Welfare Act of 1980 (Public Law 96-272) is amended by striking out "1985" and inserting in lieu thereof "1987".

(2) Section 102(c) of such Act is amended by striking out "1985" each place it appears and inserting in lieu thereof "1987".

SEC. 12307. INDEPENDENT LIVING INITIATIVES.

(a) INDEPENDENT LIVING INITIATIVES.—Part E of title IV of the Social Security Act is amended by adding at the end thereof the following new section:

"INDEPENDENT LIVING INITIATIVES

"SEC. 477. (a) Payments shall be made in accordance with this section for the purpose of assisting States and localities in establishing and carrying out programs designed to assist children, with respect to whom foster care maintenance payments are being made by the State under this part and who have attained age 16, in making the transition from foster care to independent living. Any State which provides for the establishment and carrying out of one or more such programs in accordance with this section for a fiscal year shall be entitled to receive payments under this section for such fiscal year, in an amount determined under subsection (e). Such payments shall be made only for the fiscal years 1987 and 1988.

"(b) The State agency administering or supervising the administration of the State's programs under this part shall be responsible for administering or supervising the administration of the State's programs described in subsection (a). Payment under this section shall be made to the State, and shall be used for the purpose of conducting and providing in accordance with this section (directly or under contracts with local governmental entities or private nonprofit organizations) the activities and services required to carry out the program or programs involved.

"(c) In order for a State to receive payments under this section for any fiscal year, the State agency must submit to the Secretary, in such manner and form as the Secretary may prescribe, a description of the program together with satisfactory assurances that the program will be operated in an effective and efficient manner and will otherwise meet the requirements of this section. In the case of payments for fiscal year 1987, such description and assurances must be submitted within 90 days after the Secretary promulgates regulations as required under subsection (i), and in the case of payments for fiscal year 1988, such description and assurances must be submitted prior to January 1, 1988.

"(d) In carrying out the purpose described in subsection (a), it shall be the objective of each program established under this section to help the individuals participating in such program to prepare to live independently upon leaving foster care. Such programs may include (subject to the availability of funds) programs to—

"(1) enable participants to seek a high school diploma or its equivalent or to take part in appropriate vocational training;

"(2) provide training in daily living skills, budgeting, locating and maintaining housing, and career planning;

"(3) provide for individual and group counseling;

"(4) integrate and coordinate services otherwise available to participants;

"(5) provide for the establishment of outreach programs designed to attract individuals who are eligible to participate in the program;

"(6) provide each participant a written transitional independent living plan which shall be based on an assessment of his needs, and which shall be incorporated into his case plan, as described in section 475(1); and

"(7) provide participants with other services and assistance designed to improve their transition to independent living.

"(e)(1) The amount to which a State shall be entitled under section 474(a)(4) for each of the fiscal years 1987 and 1988 shall be an amount which bears the same ratio to $45,000,000 as such State's average number of children receiving foster care maintenance payments under this part in fiscal year 1984 bears to the total of the average number of children receiving such payments under this part for all States for fiscal year 1984.

"(2) If any State does not apply for funds under this section for any fiscal year within the time provided in subsection (c), the funds to which such State would have been entitled for such fiscal year shall be reallocated to one or more other States on the basis of their relative need for additional payments under this section (as determined by the Secretary).

"(3) Any amounts payable to States under this section shall be in addition to amounts payable to States under subsections (a)(1), (a)(2), and (a)(3) of section 474, and shall supplement and not replace any other funds which may be available for the same general purposes in the localities involved.

"(f) Payments made to a State under this section for any fiscal year—

"(1) shall be used only for the specific purposes described in this section;

"(2) may be made on an estimated basis in advance of the determination of the exact amount, with appropriate subsequent adjustments to take account of any error in the estimates; and

"(3) shall be expended by such State in such fiscal year or in the succeeding fiscal year.

"(g)(1) Not later than March 1, 1988, each State shall submit to the Secretary a report on the programs carried out with the amounts received under this section. Such report—

"(A) shall be in such form and contain such information as may be necessary to provide an accurate description of such activities, to provide a complete record of the purposes for which the funds were spent, and to indicate the extent to which the expenditure of such funds succeeded in accomplishing the purpose described in subsection (a); and

"(B) shall specifically contain such information as the Secretary may require in order to carry out the evaluation under paragraph (2).

"(2) Not later than July 1, 1988, the Secretary, on the basis of the reports submitted by States under paragraph (1) for the fiscal year 1987, and on the basis of such additional information as the Secretary may obtain or develop, shall evaluate the use by States of the payments made available under this section for such fiscal year with respect to the purpose of this section, with the objective of appraising the achievements of the programs for which such payments were made available, and developing comprehensive information and data on the basis of which decisions can be made with respect to the improvement of such programs and the necessity for providing further payments in subsequent years. The Secretary shall report such evaluation to the Congress. As a part of such evaluation, the Secretary shall include, at a minimum, a detailed overall description of the number and characteristics of the individuals served by the programs, the various kinds of activities conducted and services provided and the results achieved, and shall set forth in detail findings and comments with respect to the various State programs and a statement of plans and recommendations for the future.

"(h) Notwithstanding any other provision of this title, payments made and services provided to participants in a program under this section, as a direct consequence of their participation in such program, shall not be considered as income or resources for purposes of determining eligibility (or the eligibility of any other persons) for aid under the State's plan approved under section 402 or 471, or for purposes of determining the level of such aid.

"(i) The Secretary shall promulgate final regulations for implementing this section within 60 days after the date of the enactment of this section.".

(b) CASE PLANS.—Section 475(1) of such Act is amended by adding at the end thereof the following: "Where appropriate, for a child age 16 or over, the case plan must also include a written description of the programs and services which will help such child prepare for the transition from foster care to independent living.".

(c) PAYMENTS TO STATES.—Section 474(a) of such Act is amended—

(1) by striking out the period at the end of paragraph (3) and inserting in lieu thereof "; plus"; and

(2) by adding at the end thereof the following new paragraph:

"(4) an amount for transitional independent living programs as provided in section 477.".

(d) CONFORMING AMENDMENT.—Section 470 of such Act is amended by striking out "foster care and adoption assistance" and inserting in lieu thereof "foster care, adoption assistance, and transitional independent living programs".

SUBTITLE D—PROVISIONS RELATING TO UNEMPLOYMENT COMPENSATION

SEC. 12401. RECOVERY OF UNEMPLOYMENT BENEFIT OVERPAYMENTS.

(a) IN GENERAL.—(1) Section 303(a)(5) of the Social Security Act is amended by inserting before "; and" at the end thereof the following: ": *Provided further,* That amounts may be deducted from unemployment benefits and used to repay overpayments as provided in subsection (g)".

(2) Section 303 of such Act is amended by adding at the end thereof the following new subsection:

"(g)(1) A State may deduct from unemployment benefits otherwise payable to an individual an amount equal to any overpayment made to such individual under an unemployment benefit program of the United States or of any other State, and not previously recovered. The amount so deducted shall be paid to the jurisdiction under whose program such overpayment was made. Any such deduction shall be made only in accordance with the same procedures relating to notice and opportunity for a hearing as apply to the recovery of overpayments of regular unemployment compensation paid by such State.

"(2) Any State may enter into an agreement with the Secretary of Labor under which—

"(A) the State agrees to recover from unemployment benefits otherwise payable to an individual by such State any overpayments made under an unemployment benefit program of the United States to such individual and not previously recovered, in accordance with paragraph (1), and to pay such amounts recovered to the United States for credit to the appropriate account, and

"(B) the United States agrees to allow the State to recover from unemployment benefits otherwise payable to an individual under an unemployment benefit program of the United States any overpayments made

by such State to such individual under a State unemployment benefit program and not previously recovered, in accordance with the same procedures as apply under paragraph (1).

"(3) For purposes of this subsection, 'unemployment benefits' means unemployment compensation, trade adjustment allowances, and other unemployment assistance.".

(b) CONFORMING AMENDMENTS.—(1) Section 3304(a)(4) of the Internal Revenue Code of 1954 is amended—

(A) by striking out "and" at the end of subparagraph (B);

(B) by adding "and" at the end of subparagraph (C); and

(C) by adding at the end thereof the following new subparagraph:

"(D) amounts may be deducted from unemployment benefits and used to repay overpayments as provided in section 303(g) of the Social Security Act;".

(2) Section 3306(f) of such Code is amended—

(A) by striking out "and" at the end of paragraph (1);

(B) by striking out the period at the end of paragraph (2) and inserting in lieu thereof "; and"; and

(C) by adding at the end thereof the following new paragraph:

"(3) amounts may be deducted from unemployment benefits and used to repay overpayments as provided in section 303(g) of the Social Security Act.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to recoveries made on or after the date of the enactment of this Act and shall apply with respect to overpayments made before, on, or after such date.

SEC. 12402. SUPPLEMENTAL UNEMPLOYMENT COMPENSATION FOR CERTAIN INDIVIDUALS.

(a) IN GENERAL.—If—

(1) an individual was receiving Federal supplemental compensation for the week which includes March 31, 1985, or a series of consecutive weeks which began with such week, and

(2) such individual did not meet the consecutive-week eligibility requirements of the Federal Supplemental Compensation Act of 1982 during any period of 1 or more subsequent weeks by reason of performing temporary disaster services described in subsection (e),

weeks in such period shall be disregarded for purposes of the consecutive-week requirement of section 602(f)(2)(B) of such Act, and, notwithstanding the requirements of State law relating to the availability for work, the active search for work, or the refusal to accept work, such individual shall be entitled to payment of Federal supplemental compensation for each week of unemployment which is described in subsection (b) and for which a certification of unemployment is made by such individual in accordance with subsection (c).

(b) WEEKS FOR WHICH PAYMENT SHALL BE MADE.—A week of unemployment for which payment shall be made under subsection (a) is a week which occurred during the period which commences with the first week beginning after the close of the period described in subsection (a)(2) and ends with the beginning of the first week in which the individual was employed after the close of such period.

(c) CERTIFICATION.—The certification of unemployment referred to in subsection (a) shall be a certification—

(1) that is made on a form provided by the State agency concerned and signed by the individual; and

(2) that identifies the weeks of unemployment for which the individual is making the certification.

(d) LIMITATION ON AMOUNT OF PAYMENT.—In no case may the total amount paid to an individual under subsection (a) exceed the amount remaining in the account established for such individual under section 602(e) of the Federal Supplemental Compensation Act of 1982 after payments were made from such account for weeks of unemployment beginning before the period described in subsection (a)(2).

(e) DEFINITION.—For purposes of subsection (a), the term "temporary disaster services" means services performed as a member of the National Guard after being called up by the Governor of a State to perform services related to a major disaster that was declared on June 3, 1985, by the President of the United States under the Disaster Relief Act of 1974.

(f) MODIFICATION OF AGREEMENT.—(1) The Secretary of Labor shall, at the earliest possible date after the date of the enactment of this Act, propose to any State concerned a modification of the agreement that the Secretary has with such State under section 602 of the Federal Supplemental Compensation Act of 1982 in order to carry out this section.

(2) Pending modification of the agreement, the State may make payment in accordance with the provisions of this section and shall be reimbursed in accordance with the provisions of section 604(a) of the Federal Supplemental Compensation Act of 1982. For purposes of carrying out this paragraph, the term "this subtitle" in such section 604(a) shall include this section.

(g) EFFECTIVE DATE.--The provisions of this section shall apply to weeks beginning after March 31, 1985.

SUBTITLE E—RESTORATION OF CIVIL SERVICE RETIREMENT AND DISABILITY FUND

SEC. 12501. APPROPRIATION TO CIVIL SERVICE RETIREMENT AND DISABILITY FUND OF INTEREST LOST FROM NONINVESTMENT IN SEPTEMBER 1984.

On December 31, 1985, the Secretary of the Treasury shall pay to the Civil Service Retirement and Disability Fund, from amounts in the general fund of the Treasury not otherwise appropriated, an amount determined by the Secretary to be equal to the sum of—

(1) the excess of (A) the amount of interest which would have been earned by such fund, during the period beginning with September 28, 1984, and ending with December 31, 1984, on all monies transferred to such fund on September 28, 1984, if all such monies had been invested on September 28, 1984, over (B) the amount of interest actually earned by such fund on such monies during such period;

(2) interest that would have been earned on the amount described in paragraph (1) during the period beginning with January 1, 1985, and ending with June 30, 1985;

(3) the excess of (A) the amount of interest which would have been earned by such fund, during the period beginning on January 1, 1985, and ending on June 30, 1985, on all monies transferred to such fund on September 28, 1984, if all such monies had been invested on Sep'ember 28, 1984, over (B) the amount of interest actually earned by such fund on such monies during such period; and

(4) the interest that would have been earned on the amounts described in paragraphs (1), (2), and (3) during the period beginning with July 1, 1985, and ending with December 31, 1985.

TITLE XIII—REVENUES, TRADE, AND RELATED PROGRAMS

SUBTITLE A—TRADE AND CUSTOMS PROVISIONS

PART 1—TRADE ADJUSTMENT ASSISTANCE

SEC. 13001. SHORT TITLE.

This part may be cited as the "Trade Adjustment Assistance Reform and Extension Act of 1986".

SEC. 13002. ELIGIBILITY OF WORKERS AND FIRMS FOR TRADE ADJUSTMENT ASSISTANCE.

(a) WORKERS.—Sections 221(a) and 222 of the Trade Act of 1974 (19 U.S.C. 2271(a); 2272) are each amended by inserting "(including workers in any agricultural firm or subdivision of an agricultural firm)" after "group of workers".

(b) FIRMS.—

(1) Subsections (a) and (c) of section 251 of the Trade Act of 1974 (19 U.S.C. 2341) are each amended by inserting "(including any agricultural firm)" after "a firm".

(2) Paragraph (2) of section 251(c) of the Trade Act of 1974 (19 U.S.C. 2341(c)(2)) is amended to read as follows:

"(2) that—

"(A) sales or production, or both, of the firm have decreased absolutely, or

"(B) sales or production, or both, of an article that accounted for not less than 25 percent of the total production or sales of the firm during the 12-month period preceding the most recent 12-month period for which data are available have decreased absolutely, and".

SEC. 13003. CASH ASSISTANCE FOR WORKERS.

(a) PARTICIPATION IN JOB SEARCH PROGRAM REQUIRED.—

(1) Subsection (a) of section 231 of the Trade Act of 1974 (19 U.S.C. 2291(a)) is amended by adding at the end thereof the following new paragraph:

"(5) Such worker, unless the Secretary has determined that no acceptable job search program is reasonably available—

"(A) is enrolled in a job search program approved by the Secretary under section 237(c), or

"(B) has, after the date on which the worker became totally separated, or partially separated, from the adversely affected employment, completed a job search program approved by the Secretary under section 237(c).".

(2) Section 231 of the Trade Act of 1974 (19 U.S.C. 2291) is amended by adding at the end thereof the following new subsection:

"(c) If the Secretary determines that—

"(1) the adversely affected worker—

"(A) has failed to begin participation in the job search program the enrollment in which meets the requirement of subsection (a)(5), or

"(B) has ceased to participate in such job search program before completing such job search program, and

"(2) there is no justifiable cause for such failure or cessation,

no trade readjustment allowance may be paid to the adversely affected worker under this part on or after the date of such determination until the adversely affected worker begins or resumes participation in a

job search program approved under section 237(c).".

(3) Subsection (a) of section 239 of the Trade Act of 1974 (19 U.S.C. 2311(a)) is amended—

(A) by striking out "training," in clause (2) and inserting in lieu thereof "training and job search programs,"; and

(B) by striking out "and (3)" and inserting in lieu thereof "(3) will make determinations and approvals regarding job search programs under sections 231(c) and 237(c), and (4)".

(b) QUALIFYING WEEKS OF EMPLOYMENT.—The last sentence of section 231(a)(2) of the Trade Act of 1974 (19 U.S.C. 2291(a)(2)) is amended by striking out all that follows after subparagraph (C) and inserting in lieu thereof "shall be treated as a week of employment at wages of $30 or more, but not more than 7 weeks, in case of weeks described in paragraph (A) or (C), or both, may be treated as weeks of employment under this sentence.".

(c) WEEKLY AMOUNTS OF READJUSTMENT ALLOWANCES.—Section 232 of the Trade Act of 1974 (19 U.S.C. 2292) is amended—

(1) by striking out "under any Federal law," in subsection (c) and inserting in lieu thereof "under any Federal law other than this Act",

(2) by striking out "under section 236(c)" in subsection (c) and inserting in lieu thereof "under section 231(c) or 236(c)", and

(3) by striking out "If the training allowance" in subsection (c) and inserting in lieu thereof "If such training allowance".

(d) LIMITATIONS.—

(1) Paragraph (2) of section 233(a) of the Trade Act of 1974 (19 U.S.C. 2293(a)(2)) is amended by striking out "52-week period" and inserting in lieu thereof "104-week period".

(2) Section 233 of the Trade Act of 1974 (19 U.S.C. 2293) is amended by adding at the end thereof the following new subsection:

"(e) No trade readjustment allowance shall be paid to a worker under this part for any week during which the worker is receiving on-the-job training.".

SEC. 13004. JOB TRAINING FOR WORKERS.

(a) IN GENERAL.—Section 236 of the Trade Act of 1974 (19 U.S.C. 2296) is amended—

(1) by striking out "for a worker" in subsection (a)(1)(A) and inserting in lieu thereof "for an adversely affected worker",

(2) by striking out "may approve" in the first sentence of subsection (a)(1) and inserting in lieu thereof "shall (to the extent appropriated funds are available) approve",

(3) by striking out "under paragraph (1)" in subsection (a)(2) and inserting in lieu thereof "under subsection (a)",

(4) by striking out "this subsection" in subsection (a)(3) and inserting in lieu thereof "this section",

(5) by redesignating paragraphs (2) and (3) of subsection (a) as subsections (e) and (f), respectively,

(6) by inserting at the end of subsection (a) the following new paragraphs:

"(2) For purposes of applying paragraph (1)(C), a reasonable expectation of employment does not require that employment opportunities for a worker be available, or offered, immediately upon the completion of training approved under this paragraph (1).

"(3)(A) If the costs of training an adversely affected worker are paid by the Secretary under paragraph (1), no other payment for such costs may be made under any other provision of Federal law.

"(B) No payment may be made under paragraph (1) of the costs of training an adversely affected worker if such costs—

"(i) have already been paid under any other provision of Federal law, or

"(ii) are reimbursable under any other provision of Federal law and a portion of such costs have already been paid under such other provision of Federal law.

"(C) The provisions of this paragraph shall not apply to, or take into account, any funds provided under any other provision of Federal law which are used for any purpose other than the direct payment of the costs incurred in training a particular adversely affected worker, even if such use has the effect of indirectly paying or reducing any portion of the costs involved in training the adversely affected worker.

"(4) The training programs that may be approved under paragraph (1) include, but are not limited to—

"(A) on-the-job training,

"(B) any training program provided by a State pursuant to section 303 of the Job Training Partnership Act,

"(C) any training program approved by a private industry council established under section 102 of such Act, and

"(D) any other training program approved by the Secretary.", and

(7) by inserting after subsection (c) the following new subsection:

"(d) Notwithstanding any provision of subsection (a)(1), the Secretary may pay the costs of on-the-job training of an adversely affected worker under subsection (a)(1) only if—

"(1) no currently employed worker is displaced by such adversely affected worker (including partial displacement such as a reduction in the hours of nonovertime work, wages, or employment benefits),

"(2) such training does not impair existing contracts for services or collective bargaining agreements,

"(3) in the case of training which would be inconsistent with the terms of a collective bargaining agreement, the written concurrence of the labor organization concerned has been obtained,

"(4) no other individual is on layoff from the same, or any substantially equivalent, job for which such adversely affected worker is being trained,

"(5) the employer has not terminated the employment of any regular employee or otherwise reduced the workforce of the employer with the intention of filling the vacancy so created by hiring such adversely affected worker,

"(6) the job for which such adversely affected worker is being trained is not being created in a promotional line that will infringe in any way upon the promotional opportunities of currently employed individuals,

"(7) such training is not for the same occupation from which the worker was separated and with respect to which such worker's group was certified pursuant to section 222,

"(8) the employer certifies to the Secretary that the employer will continue to employ such worker for at least 26 weeks after completion of such training if the worker desires to continue such employment and the employer does not have due cause to terminate such employment,

"(9) the employer has not received payment under subsection (a)(1) with respect to any other on-the-job training provided by such employer which failed to meet the requirements of paragraphs (1), (2), (3), (4), (5), and (6), and

"(10) the employer has not taken, at any time, any action which violated the terms of any certification described in paragraph (8) made by such employer with respect to any other on-the-job training provided by such employer for which the Secretary has made a payment under subsection (a)(1).".

(b) ON-THE-JOB TRAINING DEFINED.—Section 247 of the Trade Act of 1974 (19 U.S.C. 2319) is amended by adding at the end thereof the following new paragraph:

"(16) The term "on-the-job training" means training provided by an employer to an individual who is employed by the employer.".

(c) AGREEMENTS WITH THE STATES.—Section 239 of the Trade Act of 1974 (19 U.S.C. 2311) is amended—

(1) by amending subsection (a)(2) by inserting "but in accordance with subsection (f)," after "where appropriate,"; and

(2) by adding at the end thereof the following new subsections:

"(e) Agreements entered into under this section may be made with one or more State or local agencies including—

"(1) the employment service agency of such State,

"(2) any State agency carrying out title III of the Job Training Partnership Act, or

"(3) any other State or local agency administering job training or related programs.

"(f) Each cooperating State agency shall, in carrying out subsection (a)(2)—

"(1) advise each adversely affected worker to apply for training under section 236(a) at the time the worker makes application for trade readjustment allowances (but failure of the worker to do so may not be treated as cause for denial of those allowances), and

"(2) within 60 days after application for training is made by the worker, interview the adversely affected worker regarding suitable training opportunities available to the worker under section 236 and review such opportunities with the worker.".

SEC. 13005. JOB SEARCH ALLOWANCES.

(a) IN GENERAL.—Section 237 of the Trade Act of 1974 (19 U.S.C. 2297) is amended by adding at the end thereof the following new subsection:

"(c) The Secretary shall reimburse any adversely affected worker for necessary expenses incurred by such worker in participating in a job search program approved by the Secretary.".

(b) DEFINITIONS.—Section 247 of the Trade Act of 1974 (19 U.S.C. 2319), as amended by section 13004(b) of this Act, is further amended by adding at the end thereof the following new paragraph:

"(17)(A) The term 'job search program' means a job search workshop or job finding club.

"(B) The term 'job search workshop' means a short (1 to 3 days) seminar designed to provide participants with knowledge that will enable the participants to find jobs. Subjects are not limited to, but should include, labor market information, resume writing, interviewing techniques, and techniques for finding job openings.

"(C) The term 'job finding club' means a job search workshop which includes a period (1 to 2 weeks) of structured, supervised activity in which participants attempt to obtain jobs.".

SEC. 13006. ADJUSTMENT ASSISTANCE FOR FIRMS.

(a) TECHNICAL ASSISTANCE.—

(1) Paragraph (1) of section 252(b) of the Trade Act of 1974 (19 U.S.C. 2342(b)(1)) is amended to read as follows:

"(1) Adjustment assistance under this chapter consists of technical assistance. The Secretary shall approve a firm's application for adjustment assistance only if the Secretary determines that the firm's adjustment proposal—

"(A) is reasonably calculated to materially contribute to the economic adjustment of the firm,

"(B) gives adequate consideration to the interests of the workers of such firm, and

"(C) demonstrates that the firm will make all reasonable efforts to use its own resources for economic development.".

(2) Section 252 of the Trade Act of 1974 (19 U.S.C. 2342) is amended by striking out subsection (c) and redesignating subsection (d) as subsection (c).

(3) Paragraph (2) of section 253(b) of the Trade Act of 1974 (19 U.S.C. 2343(b)(2)) is amended by striking out "such cost" and inserting in lieu thereof "such cost for assistance described in paragraph (2) or (3) of subsection (a)".

(b) NO NEW LOANS OR GUARANTEES.—Section 254 of the Trade Act of 1974 (19 U.S.C. 2344) is amended by adding at the end thereof the following new subsection:

"(d) Notwithstanding any other provision of this chapter, no direct loans or guarantees of loans may be made under this chapter after the date of enactment of the Trade Adjustment Assistance Reform and Extension Act of 1986.".

SEC. 13007. EXTENSION AND TERMINATION OF TRADE ADJUSTMENT ASSISTANCE.

(a) IN GENERAL.—Section 285 of the Trade Act of 1974 (19 U.S.C. 2271, preceding note) is amended—

(1) by striking out the first sentence thereof and inserting in lieu thereof "(a)",

(2) by striking out the section heading and inserting in lieu thereof "SEC. 285. TERMINATION.", and

(3) by adding at the end thereof the following new subsection:

"(b) No assistance, allowances, or other payments may be provided under chapter 2, and no technical assistance may be provided under chapter 3, after September 30, 1991.".

(b) CONFORMING AMENDMENT.—The table of contents of the Trade Act of 1974 is amended by striking out the item relating to section 285 and inserting in lieu thereof the following:

"Sec. 285. Termination.

SEC. 13008. AUTHORIZATION OF APPROPRIATIONS.

(a) WORKERS.—Section 245 of the Trade Act of 1974 (19 U.S.C. 2317) is amended by striking out "1982 through 1985" and inserting in lieu thereof "1986, 1987, 1988, 1989, 1990, and 1991".

(b) FIRMS.—Subsection (b) of section 256 of the Trade Act of 1974 (19 U.S.C. 2346(b)) is amended—

(1) by inserting "for fiscal years 1986, 1987, 1988, 1989, 1990, and 1991" after "to the Secretary",

(2) by striking out "from time to time", and

(3) by striking out the last sentence thereof.

SEC. 13009. EFFECTIVE DATES; APPLICATION OF GRAMM-RUDMAN.

(a) IN GENERAL.—Except as provided in subsections (b) and (c), the amendments made by this part shall take effect on the date of the enactment of this Act.

(b) JOB SEARCH PROGRAM REQUIREMENTS.—The amendments made by section 13003(a) apply with respect to workers covered by petitions filed under section 221 of the Trade Act of 1974 on or after the date of the enactment of this Act.

(c) EXTENSION AND AUTHORIZATION.—Chapters 2 and 3 of title II of the Trade Act of 1974 (19 U.S.C. 2271, et seq.) shall be applied as if the amendments made by sections 13007 and 13008 had taken effect on December 18, 1985.

(d) APPLICATION OF GRAMM-RUDMAN.—Trade readjustment allowances payable under part I of chapter 2 of title II of the Trade Act of 1974 for the period from March 1, 1986, and until October 1, 1986, shall be reduced by a percentage equal to the non-defense sequester percentage applied in the Sequestration Report (submitted under the Balanced Budget and Emergency Deficit Control Act of 1985 and dated January 21, 1986) of the Comptroller General of the United States for fiscal year 1986.

PART 2—AUTHORIZATION OF APPROPRIATIONS FOR TRADE AND CUSTOMS AGENCIES

SEC. 13021. UNITED STATES INTERNATIONAL TRADE COMMISSION.

The first sentence of paragraph (2) of section 330(e) of the Tariff Act of 1930 (19 U.S.C. 1330(e)(2)) is amended to read as follows: "There are authorized to be appropriated to the Commission for necessary expenses (including the rental of conference rooms in the District of Columbia and elsewhere) for fiscal year 1986 not to exceed $28,901,000; of which not to exceed $2,500 may be used, subject to approval by the Chairman of the Commission, for reception and entertainment expenses.".

SEC. 13022. UNITED STATES CUSTOMS SERVICE.

(a) AUTHORIZATION OF APPROPRIATIONS.—Section 301 of the Customs Procedural Reform and Simplification Act of 1978 (19 U.S.C. 2075) is amended as follows:

(1) Subsection (b) is amended to read as follows:

"(b)(1) There are authorized to be appropriated to the Department of the Treasury not to exceed $772,141,000 for the salaries and expenses of the United States Customs Service for fiscal year 1986; of which—

"(A) $27,900,000 is for the addition of 500 inspectors, 150 import specialists, 100 customs patrol officers, and 50 special agents;

"(B) $53,500,000 is for the operation and maintenance of the air interdiction program of the Service; and

"(C) not to exceed $14,000,000 is for the implementation of the 'Operation EXODUS' program and any related program designed to enforce or monitor export controls under the Export Administration Act of 1979.

"(2) No part of any sum that is appropriated under the authority of paragraph (1) may be used to close any port of entry at which, during fiscal year 1985—

"(A) not less than 2,500 merchandise entries (including informal entries) were made; and

"(B) not less than $1,500,000 in customs revenues were assessed.

"(3)(A) No part of any sum that is appropriated under the authority of paragraph (1) may be used for further research and development or acquisition of F-15 avionics for the P-3 aircraft and related equipment until 60 days after the Committee on Ways and Means and the Committee on Finance have received from the Secretary of the Treasury a written comparative assessment of the suitability of the P-3, E-2, or other appropriate aircraft for use by the Customs Service in its air drug interdiction program. Such assessment, which the Secretary may not submit to the Committees until the General Accounting Office study required under paragraph (7) is completed, shall include life cycle costs.

"(B) Acquisition of additional aircraft for use by the Customs Service for its air drug interdiction program after completion of the assessment required under subparagraph (A) shall be subject to competitive bidding through the use of the normal 'request for proposal' process.

"(4) No part of any sum that is appropriated under the authority of paragraph (1) may be used to consolidate the drawback liquidation centers within the Customs Service to less than 4 such centers. If a consolidation is undertaken, the Commissioner of Customs shall select the location of the centers after taking into account the drawback volume at, and the geographic dispersion of, the respective centers being considered for consolidation.

"(5) In addition to any sum authorized to be appropriated under paragraph (1), there are authorized to be appropriated to the Department of the Treasury for fiscal year 1986 not to exceed $8,000,000 from the Customs Forfeiture Fund for the making of payments under section 613A of the Tariff Act of 1930 (19 U.S.C. 1613b), of which not to exceed $5,000,000 may be used for the modification of aircraft (whether or not aircraft described in subsection (a)(5) of that section) for drug interdiction.

"(6) In addition to any other amounts authorized to be appropriated for the Customs Service for fiscal years 1987 and 1988, there are authorized to be appropriated $27,900,000 for each of such fiscal years to fund the additional personnel referred to in paragraph (1)(A).

"(7) As soon as possible after the date of the enactment of this paragraph, but not later than 12 months after that date, the General Accounting Office shall complete, and submit to the Committee on Ways and Means and the Committee on Finance, a study that evaluates the air detection and interdiction capability of the Customs Service, including assets, geographic dispersal, costs of operation, procurement practices, and the services and equipment provided by other Federal agencies. Within 6 months after commencing the study, the General Accounting Office shall consult with the Committees on the progress of the study."; and

(2) by adding at the end thereof the following new subsections:

"(f) USE OF SAVINGS RESULTING FROM ADMINISTRATIVE CONSOLIDATIONS.—If savings in salaries and expenses result from the consolidation of administrative functions within the Customs Service, the Commissioner of Customs shall apply those savings, to the extent they are not needed to meet emergency requirements of the Service, to strengthening the commercial operations of the Service by increasing the number of inspector, import specialist, patrol officer, and other line operational positions.

"(g) ALLOCATION OF RESOURCES.—The Commissioner of Customs shall ensure that existing levels of commercial services, including inspection and control, classification, and value, shall continue to be provided by Customs personnel assigned to the headquarters office of any Customs district designated by statute before the date of enactment of this subsection. The number of such personnel assigned to any such district headquarters shall not be reduced through attrition or otherwise, and such personnel shall be afforded the opportunity to main-

tain their proficiency through training and workshops to the same extent provided to Customs personnel in any other district. Automation and other modernization equipment shall be made available, as needed on a timely basis, to such headquarters to the same extent as such equipment is made available to any other district headquarters.".

(b) ELIMINATION OF SURETIES ON CUSTOMS BONDS.—(1) The Commissioner of Customs may not publish, nor take any other action to give force and effect to, any final rule that would revise any provision in 19 CFR part 113 or section 142.4 (as in effect on March 1, 1984) relating to the requirement for sureties on customs bonds—

(A) unless the Commissioner submits to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate, on the same day, a report containing—

(i) the text of the draft final rule;

(ii) an analysis of the revenue impact of the rule;

(iii) a regulatory impact analysis;

(iv) the estimated cost benefit of the rule to the Customs Service and to the importing community, and an explanation in support of those estimates; and

(v) a justification for each revision to be effected by the rule; and

(B) until the close of the first period of 90 calendar days of continuous session of Congress occurring after the date on which the report is submitted under subparagraph (A).

SEC. 13023. UNITED STATES TRADE REPRESENTATIVE.

Section 141 of the Trade Act of 1974 (19 U.S.C. 2171) is amended—

(1) by inserting before the semicolon at the end of subsection (d)(1) the following: ", except that not more than 20 individuals may be employed without regard to any provision of law regulating the employment or compensation at rates not to exceed the rate of pay for level IV of the Executive Schedule in section 5314 of title 5, United States Code"; and

(2) by amending subsection (f)(1) by striking out "$14,179,000 for fiscal year 1985" and inserting in lieu thereof "$13,582,000 for fiscal year 1986".

SEC. 13024. NOTIFICATION OF CERTAIN ACTIONS.

Section 237 of the Trade and Tariff Act of 1984 (98 Stat. 2993) is amended—

(1) by striking out "1985" in subsection (b) and inserting in lieu thereof "1986";

(2) by striking out subsection (c);

(3) by redesignating subsection (b) as subsection (c); and

(4) by inserting after subsection (a) the following new subsection:

"(b) The notice required under subsection (a) shall include—

"(1) a statement which sets forth in detail the factors taken into account in making the decision to take the action described in subsection (a) and the reasons for such action; and

"(2) an analysis of the impact such action will have on the commerce and community served by each office affected by such action.".

PART 3—CUSTOMS FEES

SEC. 13031. FEES FOR CERTAIN CUSTOMS SERVICES.

(a) SCHEDULE OF FEES.—In addition to any other fee authorized by law, the Secretary of the Treasury shall charge and collect the following fees for the provision of customs services in connection with the following:

(1) For the arrival of a commercial vessel of 100 net tons or more, $397.

(2) Subject to the limitation in subsection (b)(2), for the arrival of a commercial truck, $5.

(3) Subject to the limitations in subsection (b)(1)(B) and (3), for the arrival of each railroad car, whether passenger or freight, $5.

(4) For all arrivals made during a calendar year by a private vessel or private aircraft, $25.

(5) For the arrival of each passenger aboard a commercial vessel or commercial aircraft from a place outside the United States (other than a place referred to in subsection (b)(1)(A)), $5.

(6) For each item of dutiable mail for which a document is prepared by a customs officer, $5.

(7) For each customs broker permit held by an individual, partnership, association, or corporate customs broker, $125 per year.

(b) LIMITATIONS ON FEES.—(1) No fee may be charged under subsection (a) for customs services provided in connection with—

(A) the arrival of any passenger whose journey originated in—

(i) Canada,

(ii) Mexico,

(iii) a territory or possession of the United States, or

(iv) any adjacent island (within the meaning of section 101(b)(5) of the Immigration and Nationality Act (8 U.S.C. 1101(b)(5)); or

(B) the arrival of any railroad car that is part of a train which originates and terminates in the same country, but only if—

(i) such car is part of such train when such train departs from the United States, and

(ii) no passengers board or disembark from such train, and no cargo is loaded or unloaded from such train, while such train is within any country other than the country in which such train originates and terminates.

(2) No fee may be charged under subsection (a)(2) for the arrival of a commercial truck during any calendar year after a total of $100 in fees has been paid to the Secretary of the Treasury for the provision of customs services for all arrivals of such commercial truck during such calendar year.

(3) No fee may be charged under subsection (a)(3) for the arrival of a railroad car whether passenger or freight during any calendar year after a total of $100 in fees has been paid to the Secretary of the Treasury for the provision of customs services for all arrivals of such passenger or freight rail car during such calendar year.

(c) DEFINITIONS.—For purposes of this section—

(1) The term "vessel" does not include any ferry.

(2) The term "arrival" means arrival at a port of entry in the customs territory of the United States.

(3) The term "customs territory of the United States" has the meaning given to such term by headnote 2 of the General Headnotes and Rules of Interpretation of the Tariff Schedules of the United States.

(4) The term "customs broker permit" means a permit issued under section 641(c) of the Tariff Act of 1930 (19 U.S.C. 1641(c)).

(d) COLLECTION.—(1) Each person that issues a document or ticket to an individual for transportation by a commercial vessel or commercial aircraft into the customs territory of the United States shall—

(A) collect from that individual the fee charged under subsection (a)(5) at the time the document or ticket is issued; and

(B) separately identify on that document or ticket the fee charged under subsection (a)(5) as a Federal inspection fee.

(2) If—

(A) a document or ticket for transportation of a passenger into the customs territory of the United States is issued in a foreign country; and

(B) the fee charged under subsection (a)(5) is not collected at the time such document or ticket is issued;

the person providing transportation to such passenger shall collect such fee at the time such passenger departs from the customs territory of the United States and shall provide such passenger a receipt for the payment of such fee.

(3) The person who collects fees under paragraph (1) or (2) shall remit those fees to the Secretary of the Treasury at any time before the date that is 31 days after the close of the calendar quarter in which the fees are collected.

(e) PROVISION OF CUSTOMS SERVICES.—(1) Notwithstanding section 451 of the Tariff Act of 1930 (19 U.S.C. 1451) or any other provision of law (other than paragraph (2)), the customs services required to be provided to passengers upon arrival in the United States on scheduled airline flights at customs serviced airports shall be adequately provided when needed and at no cost (other than the fees imposed under subsection (a)) to airlines and airline passengers.

(2) This subsection shall not apply with respect to any airport to which section 236 of the Trade and Tariff Act of 1984 (19 U.S.C. 58b) applies.

(f) DISPOSITION OF FEES.—(1) Notwithstanding section 524 of the Tariff Act of 1930 (19 U.S.C. 1524), all of the fees collected under subsection (a) shall be deposited in a separate account within the general fund of the Treasury of the United States. Such account shall be known as the "Customs User Fee Account".

(2)(A) The Secretary of the Treasury shall refund out of the Customs User Fee Account to any appropriation the amount paid out of such appropriation for expenses incurred by the Secretary of the Treasury in providing overtime customs inspectional services for which the recipient of such services is not required to reimburse the Secretary of the Treasury.

(B) The amounts which are required to be refunded under subparagraph (A) shall be refunded at least quarterly on the basis of estimates made by the Secretary of the Treasury of the expenses referred to in subparagraph (A). Proper adjustments shall be made in the amounts subsequently refunded under subparagraph (A) to the extent prior estimates were in excess of, or less than, the amounts required to be refunded under subparagraph (A).

(g) REGULATIONS.—The Secretary of the Treasury may prescribe such rules and regulations as may be necessary to carry out the provisions of this section.

(h) CONFORMING AMENDMENTS.—(1) Subsection (i) of section 305 of the Rail Passenger Service Act (45 U.S.C. 545(i)) is amended by striking out the last sentence thereof.

(2) Subsection (e) of section 53 of the Airport and Airway Development Act of 1970 (49 U.S.C. 1741(e)) is repealed.

(i) EFFECT ON OTHER AUTHORITY.—Except with respect to customs services for which fees are imposed under subsection (a), nothing in this section shall be construed as affecting the authority of the Secretary of the Treasury to charge fees under section 214(b) of the Customs Procedural Reform and Simplification Act of 1978 (19 U.S.C. 58a).

(j) EFFECTIVE DATES.—(1) Except as provided in paragraph (2), the provisions of this section, and the amendments and repeals made by this section, shall apply with respect to customs services rendered after the date that is 90 days after the date of enactment of this Act.

(2) Fees may be charged under subsection (a)(5) only with respect to customs services rendered in regard to arriving passengers using transportation for which documents or tickets were issued after the date that is 90 days after such date of enactment.

SEC. 13032. USER FEES FOR CUSTOMS SERVICES AT CERTAIN SMALL AIRPORTS.

Section 236 of the Trade and Tariff Act of 1984 (19 U.S.C. 58b) is amended—

(1) by striking out "4 airports" in subsection (c) and inserting in lieu thereof "20 airports"; and

(2) by striking out the last sentence in subsection (e) and inserting in lieu thereof the following new sentences: "The Secretary of the Treasury is authorized and directed to pay out of any funds available in such account any expenses incurred by the Federal Government in providing customs services at such airport (including expenses incurred for the salaries and expenses of individuals employed to provide such services). None of the funds deposited into such account shall be available for any purpose other than making payments authorized under the preceding sentence.".

SEC. 13033. ADVISORY COMMITTEE.

In accordance with the provisions of the Federal Advisory Committee Act, the Secretary of the Treasury shall establish an advisory committee, whose membership shall consist of representatives from the airline, shipping, and other transportation industries, the general public, and others who may be subject to any fee or charge (1) authorized by law, or (2) proposed by the United States Customs Service for the purpose of covering expenses incurred by the Customs Service. The advisory committee shall meet on a periodic basis and shall advise the Secretary on issues related to the performance of the customs services. This advice shall include, but not be limited to, such issues as the time periods during which such services should be performed, the proper number and deployment of inspection officers, the level of fees, and the appropriateness of any proposed fee. The Secretary shall give substantial consideration to the views of the advisory committee in the exercise of his duties.

SUBTITLE B—GENERAL REVENUE PROVISIONS

SEC. 13200. AMENDMENT OF 1954 CODE.

Except as otherwise expressly provided, whenever in this subtitle an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1954.

SEC. 13201. INCREASE IN TAX ON CIGARETTES MADE PERMANENT.

(a) Subsection (c) of section 283 of the Tax Equity and Fiscal Responsibility Act of 1982 (relating to increase in tax on cigarettes) is amended by striking out all that follows "December 31, 1982" and inserting in lieu thereof a period.

(b) For purposes of all Federal and State laws, the amendment made by subsection (a) shall be treated as having taken effect on March 14, 1986.

SEC. 13202. TAX ON SMOKELESS TOBACCO.

(a) IN GENERAL.—Section 5701 (relating to rate of tax) is amended by redesignating subsection (e) as subsection (f) and by inserting after subsection (d) the following new subsection:

"(e) SMOKELESS TOBACCO.—On smokeless tobacco, manufacturered in or imported into the United States, there shall be imposed the following taxes:

"(1) SNUFF.—On snuff, 24 cents per pound and a proportionate tax at the like rate on all fractional parts of a pound.

"(2) CHEWING TOBACCO.—On chewing tobacco, 8 cents per pound and a proportionate tax at the like rate on all fractional parts of a pound.".

(b) CONFORMING AMENDMENTS.—

(1) The heading of chapter 52 is amended by inserting "SMOKELESS TOBACCO," after "CIGARETTES,".

(2) Section 5702(c) (defining tobacco products) is amended by striking out "and cigarettes" and inserting in lieu thereof ", cigarettes, and smokeless tobacco".

(3) Section 5702(d) (defining manufacturers of tobacco products) is amended by striking out "cigars or cigarettes" each place it appears and inserting in lieu thereof "cigars, cigarettes, or smokeless tobacco".

(4) Section 5702 is amended by adding at the end thereof the following new subsection:

"(n) DEFINITIONS RELATING TO SMOKELESS TOBACCO.—

"(1) SMOKELESS TOBACCO.—The term 'smokeless tobacco' means any snuff or chewing tobacco.

"(2) SNUFF.—The term 'snuff' means any finely cut, ground, or powdered tobacco that is not intended to be smoked.

"(3) CHEWING TOBACCO.—The term 'chewing tobacco' means any leaf tobacco that is not intended to be smoked.".

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall apply to smokeless tobacco removed after June 30, 1986.

(2) TRANSITIONAL RULE.—Any person who—

(A) on the date of the enactment of this Act, is engaged in business as a manufacturer of smokeless tobacco, and

(B) before July 1, 1986, submits an application under subchapter B of chapter 52 of the Internal Revenue Code of 1954 to engage in such business,

may, notwithstanding such subchapter B, continue to engage in such business pending final action on such application. Pending such final action, all provisions of chapter 52 of such Code shall apply to such applicant in the same manner and to the same extent as if such applicant were a holder of a permit to manufacture smokless tobacco under such chapter 52.

SEC. 13203. INCREASE IN EXCISE TAX ON COAL.

(a) INCREASE IN TAX.—Subsections (a) and (b) of section 4121 (relating to imposition of tax on coal) are amended to read as follows:

"(a) TAX IMPOSED.—

"(1) IN GENERAL.—There is hereby imposed on coal from mines located in the United States sold by the producer, a tax equal to the rate per ton determined under subsection (b).

"(2) LIMITATION ON TAX.—The amount of the tax imposed by paragraph (1) with respect to a ton of coal shall not exceed the applicable percentage (determined under subsection (b)) of the price at which such ton of coal is sold by the producer.

"(b) DETERMINATION OF RATES AND LIMITATION ON TAX.—For purposes of subsection (a), in the case of sales during any calendar year beginning after December 31, 1985—

"(1) the rate of tax on coal from underground mines shall be $1.10,

"(2) the rate of tax on coal from surface mines shall be $.55, and

"(3) the applicable percentage shall be 4.4 percent.".

(b) 5-YEAR MORATORIUM ON INTEREST ACCRUALS WITH RESPECT TO THE INDEBTEDNESS OF THE BLACK LUNG DISABILITY TRUST FUND.—No interest shall accrue for the period beginning on October 1, 1985, and ending on September 30, 1990, with respect to any repayable advance to the Black Lung Disability Trust Fund.

(c) EXISTING REDUCTION IN RATES FOR PERIOD AFTER TEMPORARY INCREASE RETAINED.—So much of subsection (e) of section 4121 (relating to temporary increase in amount of tax) as precedes paragraph (2) is amended to read as follows:

"(e) REDUCTION IN AMOUNT OF TAX.—

"(1) IN GENERAL.—Effective with respect to sales after the temporary increase termination date, subsection (b) shall be applied—

"(A) by substituting '$.50' for '$1.10',

"(B) by substituting '$.25' for '$.55', and

"(C) by substituting '2 percent' for '4.4 percent'.".

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to sales after March 31, 1986.

SEC. 13204. ONLY RAILROAD RETIREMENT BENEFITS EQUIVALENT TO SOCIAL SECURITY BENEFITS TREATED AS TIER 1 BENEFITS.

(a) IN GENERAL.—Paragraph (4) of section 86(d) (defining Social Security benefits) is amended to read as follows:

"(4) TIER 1 RAILROAD RETIREMENT BENEFIT.—For purposes of paragraph (1), the term 'tier 1 railroad retirement benefit' means—

"(A) the amount of the annuity under the Railroad Retirement Act of 1974 equal to the amount of the benefit to which the taxpayer would have been entitled under the Social Security Act if all of the service after December 31, 1936, of the employee (on whose employment record the annuity is being paid) had been included in the term 'employment' as defined in the Social Security Act, and

"(B) a monthly annuity amount under section 3(f)(3) of the Railroad Retirement Act of 1974.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to any monthly benefit for which the generally applicable payment date is after December 31, 1985.

SEC. 13205. MEDICARE COVERAGE OF, AND APPLICATION OF HOSPITAL INSURANCE TAX TO, NEWLY HIRED STATE AND LOCAL GOVERNMENT EMPLOYEES.

(a) APPLICATION OF HOSPITAL INSURANCE TAX TO NEWLY HIRED EMPLOYEES OF STATE AND LOCAL GOVERNMENTS.—

(1) IN GENERAL.—Subsection (u) of section 3121 (relating to application of hospital insurance tax to Federal employment) is amended to read as follows:

"(u) APPLICATION OF HOSPITAL INSURANCE TAX TO FEDERAL, STATE, AND LOCAL EMPLOYMENT.—

"(1) FEDERAL EMPLOYMENT.—For purposes of the taxes imposed by sections 3101(b) and 3111(b), subsection (b) shall be applied without regard to paragraph (5) thereof.

"(2) STATE AND LOCAL EMPLOYMENT.—For purposes of the taxes imposed by sections 3101(b) and 3111(b)—

"(A) IN GENERAL.—Except as provided in subparagraphs (B) and (C), subsection (b) shall be applied without regard to paragraph (7) thereof.

"(B) EXCEPTION FOR CERTAIN SERVICES.—Service shall not be treated as employment by reason of subparagraph (A) if—

"(i) the service is included under an agreement under section 218 of the Social Security Act, or

"(ii) the service is performed—

"(I) by an individual who is employed by a State or political subdivision thereof to relieve him from unemployment,

"(II) in a hospital, home, or other institution by a patient or inmate thereof as an employee of a State or political subdivision thereof or of the District of Columbia,

"(III) by an individual, as an employee of a State or political subdivision thereof or of the District of Columbia, serving on a temporary basis in case of fire, storm, snow, earthquake, flood or other similar emergency, or

"(IV) by any individual as an employee included under section 5351(2) of title 5, United States Code (relating to certain interns, student nurses, and other student employees of hospitals of the District of Columbia Government), other than as a medical or dental intern or a medical or dental resident in training.

As used in this subparagraph, the terms 'State' and 'political subdivision' have the meanings given those terms in section 218(b) of the Social Security Act.

"(C) EXCEPTION FOR CURRENT EMPLOYMENT WHICH CONTINUES.—Service performed for an employer shall not be treated as employment by reason of subparagraph (A) if—

"(i) such service would be excluded from the term 'employment' for purposes of this chapter if subparagraph (A) did not apply;

"(ii) such service is performed by an individual—

"(I) who was performing substantial and regular service for remuneration for that employer before April 1, 1986,

"(II) who is a bona fide employee of that employer on March 31, 1986, and

"(III) whose employment relationship with that employer was not entered into for purposes of meeting the requirements of this subparagraph; and

"(iii) the employment relationship with that employer has not been terminated after March 31, 1986.

"(D) TREATMENT OF AGENCIES AND INSTRUMENTALITIES.—For purposes of subparagraph (C), under regulations—

"(i) All agencies and instrumentalities of a State (as defined in section 218(b) of the Social Security Act) or of the District of Columbia shall be treated as a single employer.

"(ii) All agencies and instrumentalities of a political subdivision of a State (as so defined) shall be treated as a single employer and shall not be treated as described in clause (i).

"(3) MEDICARE QUALIFIED GOVERNMENT EMPLOYMENT.—For purposes of this chapter, the term 'medicare qualified government employment' means service which—

"(A) is employment (as defined in subsection (b)) with the application of paragraphs (1) and (2), but

"(B) would not be employment (as so defined) without the application of such paragraphs."

(2) CONFORMING AMENDMENTS.—

(A)(i) Section 3125 (relating to returns in the case of governmental employees in Guam, American Samoa, and the District of Columbia) is amended by redesignating subsections (a), (b), and (c) as subsections (b), (c), and (d), respectively, and by inserting before subsection (b) (as so redesignated) the following new subsection:

"(a) STATES.—Except as otherwise provided in this section, in the case of the taxes imposed by sections 3101(b) and 3111(b) with respect to service performed in the employ of a State or any political subdivision thereof (or any instrumentality of any one or more of the foregoing which is wholly owned thereby), the return and payment of such taxes may be made by the head of the agency or instrumentality having the control of such service, or by such agents as such head may designate. The person making such return may, for convenience of administration, make payments of the tax imposed under section 3111 with respect to the service of such individuals without regard to the contribution and benefit base limitation in section 3121(a)(1)."

(ii) The section heading for such section 3125 is amended by inserting "STATES," before "GUAM".

(iii) The item relating to section 3125 in the table of sections for subchapter C of chaper 21 is amended by inserting "States," before "Guam".

(B) Subsection (b) of section 1402 is amended by striking out "medicare qualified Federal employment (as defined in section 3121(u)(2))" and inserting in lieu thereof "medicare qualified government employment (as defined in section 3121(u)(3))".

(C) Section 3122 (relating to Federal service) is amended by striking out "including service which is medicare qualified Federal employment (as defined in section 3121(u)(2))" and inserting in lieu thereof "including such service which is medicare qualified government employment (as defined in section 3121(u)(3))".

(D) Subsection (a) of section 6205 (relating to special rules applicable to certain employment taxes) is amended by adding at the end thereof the following new paragraph:

"(5) STATES AND POLITICAL SUBDIVISIONS AS EMPLOYER.—For purposes of this subsection, in the case of remuneration received from a State or any political subdivision thereof (or any instrumentality of any one or more of the foregoing which is wholly owned thereby) during any calendar year, each head of an agency or instrumentality, and each agent designated by either, who makes a return pursuant to section 3125 shall be deemed a separate employer."

(E)(i) Section 6413(a) (relating to adjustment of certain employment taxes) is amended by adding at the end thereof the following new paragraph:

"(5) STATES AND POLITICAL SUBDIVISIONS AS EMPLOYER.—For purposes of this subsection, in the case of remuneration received from a State or any political subdivision thereof (or any instrumentality of any one or more of the foregoing which is wholly owned thereby) during any calendar year, each head of an agency or instrumentality, and each agent designated by either, who makes a return pursuant to section 3125 shall be deemed a separate employer."

(ii) Section 6413(c)(2) (relating to special refunds of certain employment taxes) is amended—

(I) by striking out "3125(a)", "3125(b)", and "3125(c)" in subparagraphs (D), (E), and (F), respectively, and inserting in lieu thereof "3125(b)", "3125(c)", and "3125(d)", respectively, and

(II) by adding at the end thereof the following new subparagraph:

"(G) EMPLOYEES OF STATES AND POLITICAL SUBDIVISIONS.—In the case of remuneration received from a State or any political subdivision thereof (or any instrumentality of any one or more of the foregoing which is wholly owned thereby) during any calendar year, each head of an agency or instrumentality, and each agent designated by either, who makes a return pursuant to section 3125(a) shall, for purposes of this subsection, be deemed a separate employer."

(b) ENTITLEMENT TO HOSPITAL INSURANCE BENEFITS.—

(1) REVISION OF DEFINITION OF MEDICARE QUALIFIED GOVERNMENT EMPLOYMENT.—Section 210(p)) of the Social Security Act (42 U.S.C. 410(p)) is amended to read as follows:

"MEDICARE QUALIFIED GOVERNMENT EMPLOYMENT

"(p)(1) For purposes of sections 226 and 226A, the term 'medicare qualified government employment' means any service which would constitute 'employment' as defined in subsection (a) of this section but for the application of the provisions of—

"(A) subsection (a)(5), or

"(B) subsection (a)(7), except as provided in paragraphs (2) and (3).

"(2) Service shall not be treated as employment by reason of paragraph (1)(B) if the service is performed—

"(A) by an individual who is employed by a State or political subdivision thereof to relieve him from unemployment,

"(B) in a hospital, home, or other institution by a patient or inmate thereof as an employee of a State or political subdivision thereof or of the District of Columbia,

"(C) by an individual, as an employee of a State or political subdivision thereof or of the District of Columbia, serving on a temporary basis in case of fire, storm, snow, earthquake, flood or other similar emergency, or

"(D) by any individual as an employee included under section 5351(2) of title 5, United States Code (relating to certain interns, student nurses, and other student employees of hospitals of the District of Columbia Government), other than as a medical or dental intern or a medical or dental resident in training.

As used in this paragraph, the terms 'State' and 'political subdivision' have the meanings given those terms in section 218(b).

"(3) Service performed for an employer shall not be treated as employment by reason of paragraph (1)(B) if—

"(A) such service would be excluded from the term 'employment' for purposes of this section if paragraph (1)(B) did not apply;

"(B) such service is performed by an individual—

"(i) who was performing substantial and regular service for remuneration for that employer before April 1, 1986,

"(ii) who is a bona fide employee of that employer on March 31, 1986, and

"(iii) whose employment relationship with that employer was not entered into for purposes of meeting the requirements of this subparagraph; and

"(C) the employment relationship with that employer has not been terminated after March 31, 1986.

"(4) For purposes of paragraph (3), under regulations (consistent with regulations established under section 3121(u)(2)(D) of the Internal Revenue Code of 1954)—

"(A) all agencies and instrumentalities of a State (as defined in section 218(b)) or of the District of Columbia shall be treated as a single employer, and

"(B) all agencies and instrumentalities of a political subdivision of a State (as so defined) shall be treated as a single employer

and shall not be treated as described in subparagraph "(A)."

(2) ENTITLEMENT TO HOSPITAL INSURANCE BENEFITS.—

(A) FOR INDIVIDUALS AGE 65 OR OLDER AND FOR DISABLED INDIVIDUALS.—Section 226 of such Act (42 U.S.C. 426) is amended by striking out "medicare qualified Federal employment" in subsections (a)(2)(C)(i) and (b)(2)(C)(ii)(I) and inserting in lieu thereof "medicare qualified government employment".

(B) FOR INDIVIDUALS WITH END-STAGE RENAL DISEASE.—Section 226A(a) of such Act (42 U.S.C. 426-1(a)) is amended by striking out "medicare qualified Federal employment" in paragraphs (1)(A)(ii) and (1)(B)(iii) and inserting in lieu thereof "medicare qualified government employment".

(C) CONFORMING AMENDMENTS.—

(i) Section 1811 of such Act (42 U.S.C. 1395c) is amended by striking out "Federal employment" in clauses (1) and (2) and inserting in lieu thereof "government employment".

(ii) Section 226(g) of such Act (42 U.S.C. 426(g)) is amended by striking out "medicare qualified Federal employment" and inserting in lieu thereof "medicare qualified government employment by virtue of service described in section 210(a)(5)".

(c) OPTIONAL MEDICARE COVERAGE OF CURRENT EMPLOYEES.—Section 218 of the Social Security Act (42 U.S.C. 418) is amended by adding at the end the following new subsection:

"(v)(1) The Secretary shall, at the request of any State, enter into or modify an agreement with such State under this section for the purpose of extending the provisions of title XVIII, and sections 226 and 226A, to services performed by employees of such State or any political subdivision thereof who are described in paragraph (2).

"(2) This subsection shall apply only with respect to employees—

"(A) whose services are not treated as employment as that term applies under section 210(p) by reason of paragraph (3) of such section; and

"(B) who are not otherwise covered under the State's agreement under this section.

"(3) Payments by the State required under subsection (e) with respect to employees covered under this subsection shall be limited to amounts equivalent to the sum of the taxes which would be imposed by sections 3101(b) and 3111(b) of the Internal Revenue Code of 1954 if such services for which wages were paid to such employees constituted 'employment' as defined in section 3121 of such Code.

"(4) For purposes of sections 226 and 226A of this Act, services covered under an agreement pursuant to this subsection shall be treated as 'medicare qualified government employment'.

"(5) Except as otherwise provided in this subsection, the provisions of this section shall apply with respect to services covered under the agreement pursuant to this subsection.

"(w) Notwithstanding sections 3125(a), 6205(a)(5), 6413(a)(5), and 6413(c)(2)(G) of the Internal Revenue Code of 1954, any State shall make payments of the taxes imposed with respect to services of employees of such State and of a political subdivision thereof under sections 3101(b) and 3111(b) of such Code, and reports of such services, under the same procedures as apply to payments and reports under subsection (e) of this section, but only if any employees of such State or of such political subdivision thereof respectively are covered under an agreement pursuant to this section.".

(d) EFFECTIVE DATES.—

(1) HOSPITAL INSURANCE TAXES.—The amendments made by subsection (a) shall apply to services performed after March 31, 1986.

(2) MEDICARE COVERAGE.—

(A) IN GENERAL.—The amendments made by subsection (b) shall be effective after March 31, 1986, and the amendments made by paragraph (3) of that subsection shall apply to services performed (for medicare qualified government employment) after that date.

(B) TREATMENT OF CERTAIN DISABILITIES.—For purposes of establishing entitlement to hospital insurance benefits under part A of title XVIII of the Social Security Act pursuant to the amendments made by subsection (b), no individual may be considered to be under a disability for any period beginning before April 1, 1986.

(3) OPTIONAL COVERAGE OF CURRENT EMPLOYEES.—The amendment made by subsection (c) shall apply to services performed after March 31, 1986.

SEC. 13206. FULL-TIME STUDENTS NOT ELIGIBLE FOR INCOME AVERAGING.

(a) IN GENERAL.—Subsection (d) of section 1303 (defining eligible individuals for income averaging) is amended to read as follows:

"(d) ELIGIBLE INDIVIDUALS NOT TO INCLUDE FULL-TIME STUDENTS.—

"(1) IN GENERAL.—For purposes of this part, an individual shall not be an eligible individual for the computation year if, at any time during any base period year, such individual was a student.

"(2) EXCEPTION FOR MARRIED STUDENTS PROVIDING 25 PERCENT OR LESS OF JOINT INCOME.—Paragraph (1) shall not apply to any individual for any computation year if—

"(A) the individual makes a joint return for the computation year, and

"(B) not more than 25 percent of the aggregate adjusted gross income of such individual and the spouse of such individual for such computation year is attributable to such individual. In applying subparagraph (B), amounts which constitute earned income (within the meaning of section 911(d)(2)) and are community income under commuity property laws applicable to such income shall be taken into account as if such amounts did not constitute community income.

"(3) STUDENT DEFINED.—For purposes of this subsection, the term 'student' means, with respect to a taxable year, an individual who during each of 5 calendar months during such taxable year—

"(A) was a full-time student at an educational organization described in section 170(b)(1)(A)(ii); or

"(B) was pursuing a full-time course of institutional on-farm training under the supervision of an accredited agent of an educational organization described in section 170(b)(1)(A)(ii) or of a State or political subdivision of a State.".

(b) REPEAL OF NON-FULL-TIME STUDENT SUPPORT EXCEPTION.—Paragraph (2) of section 1303(c) (relating to individuals receiving support from others) is amended—

(1) by striking out subparagraph (A),

(2) by redesignating subparagraphs (B) and (C) as subparagraphs (A) and (B), and

(3) by striking out "subparagraph (C)" in the second sentence and inserting in lieu thereof "subparagraph (B)".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to taxable years beginning after December 31, 1985.

SEC. 13207. APPLICATION OF FRINGE BENEFIT RULES TO AIRLINES AND THEIR AFFILIATES.

(a) PARENTS OF AIRLINE EMPLOYEES TREATED AS EMPLOYEES IN APPLYING FRINGE BENEFIT RULES.—

(1) IN GENERAL.—Section 132(f) (relating to certain individuals treated as employees with respect to certain fringe benefits) is amended by adding at the end thereof the following new paragraph:

"(3) SPECIAL RULE FOR PARENTS IN THE CASE OF AIR TRANSPORTATION.—Any use of air transportation by a parent of an employee (determined without regard to paragraph (1)(B)) shall be treated as use by the employee.".

(2) EFFECTIVE DATE.—The amendment made by this subsection shall take effect on January 1, 1985.

(b) LINE OF BUSINESS TEST FOR AFFILIATES PROVIDING AIRLINE-RELATED SERVICES.—

(1) IN GENERAL.—Section 132(h) (relating to special rules) is amended by adding at the end thereof the following new paragraph:

"(6) SPECIAL RULE FOR AFFILIATES OF AIRLINES.—

"(A) IN GENERAL.—If—

"(i) a qualified affiliate is a member of an affiliated group another member of which operates an airline, and

"(ii) employees of the qualified affiliate who are directly engaged in providing airline-related services are entitled to no-additional-cost service with respect to air transportation provided by such other member,

then, for purposes of applying paragraph (1) of subsection (a) to such no-additional-cost service provided to such employees, such qualified affiliate shall be treated as engaged in the same line of business as such other member.

"(B) QUALIFIED AFFILIATE.—For purposes of this paragraph, the term 'qualified affiliate' means any corporation which is predominantly engaged in airline-related services.

"(C) AIRLINE-RELATED SERVICES.—For purposes of this paragraph, the term 'airline-related services' means any of the following services provided in connection with air transportation:

"(i) Catering.

"(ii) Baggage handling.

"(iii) Ticketing and reservations.

"(iv) Flight planning and weather analysis.

"(v) Restaurants and gift shops located at an airport.

"(vi) Such other similar services provided to the airline as the Secretary may prescribe.

"(D) AFFILIATED GROUP.—For purposes of this paragraph, the term 'affiliated group' has the meaning given such term by section 1504(a).".

(2) EFFECTIVE DATE.—The amendment made by this subsection shall take effect on January 1, 1985.

(c) TRANSITIONAL RULE FOR DETERMINATION OF LINE OF BUSINESS IN CASE OF AFFILIATED GROUP OPERATING AIRLINE.—If, as of September 12, 1984—

(1) an individual—

(A) was an employee (within the meaning of section 132 of the Internal Revenue Code of 1954, including subsection (f) thereof) of one member of an affiliated group (as defined in section 1504 of such Code), hereinafter referred to as the "first corporation", and

(B) was eligible for no-additional-cost service in the form of air transportation provided by another member of such affiliated group, hereinafter referred to as the "second corporation",

(2) at least 50 percent of the individuals performing service for the first corporation were or had been employees of, or had previously performed services for, the second corporation, and

(3) the primary business of the affiliated group was air transportation of passengers,

then, for purposes of applying paragraphs (1) and (2) of section 132(a) of the Internal Revenue Code of 1954, with respect to no-additional-cost services and qualified employee discounts provided after December 31, 1984, for such individual by the second corporation, the first corporation shall be treated as engaged in the same air transportation line of business as the second corporation. For purposes of the preceding sentence, an employee of the second corporation who is performing services for the first corporation shall also be treated as an employee of the first corporation.

(d) SPECIAL RULE FOR SERVICES RELATED TO PROVIDING AIR TRANSPORTATION.—Section 531 of the Tax Reform Act of 1984 is amended by redesignating subsections (g) and (h) as subsections (h) and (i), respectively, and by inserting after subsection (f) the following new subsection:

"(g) SPECIAL RULE FOR CERTAIN SERVICES RELATED TO AIR TRANSPORTATION.—

"(1) IN GENERAL.—If—

"(A) an individual performs services for a qualified air transportation organization, and

"(B) such services are performed primarily for persons engaged in providing air transportation and are of the kind which (if performed on September 12, 1984) would qualify such individual for no-additional-cost services in the form of air transportation,

then, with respect to such individual, such qualified air transportation organization shall be treated as engaged in the line of business of providing air transportation.

"(2) QUALIFIED AIR TRANSPORTATION ORGANIZATION.—For purposes of paragraph (1), the term 'qualified air transportation organization' means any organization—

"(A) if such organization (or a predecessor) was in existence on September 12, 1984,

"(B) if—

"(i) such organization is described in section 501(c)(6) of the Internal Revenue Code of 1954 and the membership of such organization is limited to entities engaged in the transportation by air of individuals or property for compensation or hire, or

"(ii) such organization is a corporation all the stock of which is owned entirely by entities referred to in clause (i), and

"(C) if such organization is operated in furtherance of the activities of its members or owners.".

SEC. 13208. CERTAIN INSOLVENT TAXPAYERS ALLOWED TO REDUCE CAPITAL GAINS PREFERENCE ITEM FOR PURPOSES OF THE INDIVIDUAL MINIMUM TAX.

(a) IN GENERAL.—Paragraph (9) of section 57(a) (relating to capital gains as items of tax preference) is amended by adding at the end thereof the following new subparagraph:

"(E) SPECIAL RULE FOR CERTAIN INSOLVENT TAXPAYERS.—

"(i) IN GENERAL.—The amount of the tax preference under subparagraph (A) shall be reduced (but not below zero) by the excess (if any) of—

"(I) the applicable percentage of gain from any farm insolvency transaction, over

"(II) the applicable percentage of any loss from any farm insolvency transaction which offsets such gain.

"(ii) REDUCTION LIMITED TO AMOUNT OF INSOLVENCY.—The amount of the reduction determined under clause (i) shall not exceed the amount by which the taxpayer is insolvent immediately before the transaction (reduced by any portion of such amount previously taken into account under this clause).

"(iii) FARM INSOLVENCY TRANSACTION.—For purposes of this subparagraph, the term 'farm insolvency transaction' means—

"(I) the transfer by a farmer of farmland to a creditor in cancellation of indebtedness, or

"(II) the sale or exchange by the farmer of property described in subclause (I) under the threat of foreclosure,

but only if the farmer is insolvent immediately before such transaction.

"(iv) INSOLVENT.—For purposes of this subparagraph, the term 'insolvent' means the excess of liabilities over the fair market value of assets.

"(v) APPLICABLE PERCENTAGE.—For purposes of this subparagraph, the term 'applicable percentage' means that percentage of net capital gain with respect to which a deduction is allowed under section 1202(a).

"(vi) FARMLAND.—For purposes of this subparagraph, the term 'farmland' means any land used or held for use in the trade or business of farming (within the meaning of section 2032A(e)(5)).

"(vii) FARMER.—For purposes of this subparagraph, the term 'farmer' means any taxpayer if 50 percent or more of the average annual gross income of the taxpayer for the 3 preceding taxable years is attributable to the trade or business of farming (within the meaning of section 2032A(e)(5)).".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to transfers or sales or exchanges made after December 31, 1981, in taxable years ending after such date.

SEC. 13209. TREATMENT OF CERTAIN POLLUTION CONTROL BONDS.

(a) GENERAL RULE.—For purposes of subparagraph (F) of section 103(b)(4) of the Internal Revenue Code of 1954 (relating to pollution control facilities), any obligation issued after December 31, 1985, shall be treated as described in such subparagraph if it is part of an issue substantially all of the proceeds of which are used by a qualified regional pollution control authority to acquire existing air or water pollution control facilities which the authority itself will operate in order to maintain or improve control of pollutants. The provisions of section 103(b)(17) of such Code (relating to prohibition on acquisition of existing property not permitted) shall not apply to any obligation described in the preceding sentence.

(b) $200,000,000 LIMITATION.—The aggregate amount of obligations to which subsection (a) applies shall not exceed $200,000,000, except that the amount of such obligations issued during calendar year 1986 to which subsection (a) applies shall not exceed $100,000,000.

(c) RESTRICTIONS.—Subsection (a) shall apply only if—

(1) the amount paid (directly or indirectly) for the facilities does not exceed their fair market value,

(2) the fees or charges imposed (directly or indirectly) on any seller for the use of any facilities after the sale are not less than the amounts charged for the use of such facilities to persons other than the seller,

(3) the original use of the facilities acquired with the proceeds of such obligations commenced before September 3, 1982, and

(4) no person other than the qualified regional pollution control authority is considered after the sale as the owner of the facilities for purposes of Federal income taxes.

(d) QUALIFIED REGIONAL POLLUTION CONTROL AUTHORITY DEFINED.—For purposes of this section, the term "qualified regional pollution control authority" means an authority which—

(1) is a political subdivision created by State law to control air or water pollution,

(2) has within its jurisdictional boundaries all or part of at least 2 counties (or equivalent political subdivision),

(3) operates air or water pollution control facilities, and

(4) was created on September 1, 1969.

(e) REPEAL OF SECTION 103(b)(11).—Paragraph (11) of section 103(b) is hereby repealed.

SEC. 13210. TREATMENT OF THE NETTING OF GAINS AND LOSSES BY COOPERATIVES.

(a) IN GENERAL.—Section 1388 (relating to definitions and special rules applicable to cooperatives) is amended by redesignating subsection (j) as subsection (k) and by inserting after subsection (i) the following new subsection:

"(j) SPECIAL RULES FOR THE NETTING OF GAINS AND LOSSES BY COOPERATIVES.—For purposes of this subchapter, in the case of any organization to which part I of this subchapter applies—

"(1) OPTIONAL NETTING OF PATRONAGE GAINS AND LOSSES PERMITTED.—The net earnings of such organization may, at its option, be determined by offsetting patronage losses (including any patronage loss carried to such year) which are attributable to 1 or more allocation units (whether such units are functional, divisional, departmental, geographic, or otherwise) against patronage earnings of 1 or more other such allocation units.

"(2) CERTAIN NETTING PERMITTED AFTER SECTION 381 TRANSACTIONS.—If such an organization acquires the assets of another such organization in a transaction described in section 381(a), the acquiring organization may, in computing its net earnings for taxable years ending after the date of acquisition, offset losses of 1 or more allocation units of the acquiring or acquired organization against earnings of the acquired or acquiring organization, respectively, but only to the extent—

"(A) such earnings are properly allocable to periods after the date of acquisition, and

"(B) such earnings could have been offset by such losses if such earnings and losses had been derived from allocation units of the same organization.

"(3) NOTICE REQUIREMENTS.—

"(A) IN GENERAL.—In the case of any organization which exercises its option under paragraph (1) for any taxable year, such organization shall, on or before the 15th day of the 9th month following the close of such taxable year, provide to its patrons a written notice which—

"(i) states that the organization has offset earnings and losses from 1 or more of its allocation units and that such offset may have affected the amount which is being distributed to its patrons,

"(ii) states generally the identity of the offsetting allocation units, and

"(iii) states briefly what rights, if any, its patrons may have to additional financial in-

formation of such organization under terms of its charter, articles of incorporation, or bylaws, or under any provision of law.

"(B) CERTAIN INFORMATION NEED NOT BE PROVIDED.—An organization may exclude from the information required to be provided under clause (ii) of subparagraph (A) any detailed or specific data regarding earnings or losses of such units which such organization determines would disclose commercially sensitive information which—

"(i) could result in a competitive disadvantage to such organization, or

"(ii) could create a competitive advantage to the benefit of a competitor of such organization.

"(C) FAILURE TO PROVIDE SUFFICIENT NOTICE.—If the Secretary determines that an organization failed to provide sufficient notice under this paragraph—

"(i) the Secretary shall notify such organization, and

"(ii) such organization shall, upon receipt of such notification, provide to its patrons a revised notice meeting the requirements of this paragraph.

Any such failure shall not affect the treatment of the organization under any provision of this subchapter or section 521.

"(4) PATRONAGE EARNINGS OR LOSSES DEFINED.—For purposes of this subsection, the terms 'patronage earnings' and 'patronage losses' means earnings and losses, respectively, which are derived from business done with or for patrons of the organization."

(b) TAX-EXEMPT STATUS NOT AFFECTED BY NETTING.—Section 521(b) (relating to applicable rules) is amended by adding at the end thereof the following new paragraph:

"(6) NETTING OF LOSSES.—Exemption shall not be denied any such association because such association computes its net earnings for purposes of determining any amount available for distribution to patrons in the manner described in paragraph (1) of section 1388(j)."

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to taxable years beginning after December 31, 1962.

(2) NOTIFICATION REQUIREMENT.—The provisions of section 1388(j)(3) of the Internal Revenue Code of 1954 (as added by subsection (a)) shall apply to taxable years beginning on or after the date of the enactment of this Act.

(3) NO INFERENCE.—Nothing in the amendments made by this section shall be construed to infer that a change in law is intended as to whether any patronage earnings may or not be offset by nonpatronage losses, and any determination of such issue shall be made as if such amendments had not been enacted.

SEC. 13211. ALLOCATION UNDER SECTION 861 OF RESEARCH AND EXPERIMENTAL EXPENDITURES.

Subsection (c) of section 126 of the Deficit Reduction Act of 1984 is amended—

(1) by striking out "1985" and inserting in lieu thereof "1986"; and

(2) by striking out "3rd" each place it appears and inserting in lieu thereof "4th".

SEC. 13212. LIMITATION ON ISSUANCE OF UNITED STATES BONDS.

Subsection (a) of section 3102 of title 31, United States Code, is amended by striking out "$200,000,000,000" and inserting in lieu thereof "$250,000,000,000".

SEC. 13213. AUTHORIZATION OF ADDITIONAL FUNDS TO INTERNAL REVENUE SERVICE FOR REVENUE ENFORCEMENT AND RELATED PURPOSES, ETC.

(a) AUTHORIZATION.—There is authorized to be appropriated $46,500,000 for each of the fiscal years 1986, 1987, and 1988 for the use of the Internal Revenue Service to employ 1,550 additional agents and examination employees.

(b) RESTORATION OF PROPOSED CUTS.—It is the sense of the Congress that—

(1) the restoration of the cuts in the budget for the Internal Revenue Service for fiscal year 1986, and

(2) the further increase in such budget total,

recommended by the Committee on Appropriations of the House of Representatives are necessary for the efficient operation of the Government and to carry out the purposes of this Act.

SUBTITLE C—PROVISIONS RELATING TO UNEMPLOYMENT TAXES

SEC. 13301. RAILROAD UNEMPLOYMENT REPAYMENT TAX.

(a) RATE OF TAX.—Subsection (c) of section 3321 of the Internal Revenue Code of 1954 (relating to rate of railroad unemployment repayment tax) is amended to read as follows:

"(c) RATE OF TAX.—For purposes of this section—

"(1) IN GENERAL.—The applicable percentage for any taxable period shall be the sum of—

"(A) the basic rate for such period, and

"(B) the surtax rate (if any) for such period.

"(2) BASIC RATE.—For purposes of paragraph (1)—

"(A) FOR PERIODS BEFORE 1989.—The basic rate shall be—

"(i) 4.3 percent for the taxable period beginning on July 1, 1986, and ending on December 31, 1986,

"(ii) 4.7 percent for the 1987 taxable period, and

"(iii) 6 percent for the 1988 taxable period.

"(B) FOR PERIODS AFTER 1988.—For any taxable period beginning after December 31, 1988, the basic rate shall be the sum of—

"(i) 2.9 percent, plus

"(ii) 0.3 percent for each preceding taxable period after 1988.

In no event shall the basic rate under this subparagraph exceed 5 percent.

"(3) SURTAX RATE.—For purposes of paragraph (1), the surtax rate shall be—

"(A) 3.5 percent for any taxable period if, as of September 30 of the preceding calendar year, there was a balance of transfers (or unpaid interest thereon) made after September 30, 1985, to the railroad unemployment insurance account under section 10(d) of the Railroad Unemployment Insurance Act, and

"(B) zero for any other taxable period.

"(4) BASIC RATE NOT TO APPLY TO RAIL WAGES PAID AFTER SEPTEMBER 30, 1990.—The basic rate under paragraph (1)(A) shall not apply to rail wages paid after September 30, 1990."

(b) BASE OF TAX TO BE COMPENSATION USED FOR RAILROAD RETIREMENT TAX PURPOSES.—Subsection (b) of section 3323 of such Code (defining rail wages) is amended to read as follows:

"(b) RAIL WAGES.—

"(1) IN GENERAL.—For purposes of this chapter, the term 'rail wages' means compensation (as defined in section 3231(e) for purposes of the tax imposed by section 3201(a)) with the modifications specified in paragraph (2).

"(2) MODIFICATIONS.—In applying subsection (e) of section 3231 for purposes of paragraph (1)—

"(A) ONLY EMPLOYMENT COVERED BY RAILROAD UNEMPLOYMENT INSURANCE ACT TAKEN INTO ACCOUNT.—Such subsection (e) shall be applied—

"(i) by substituting 'rail employment' for 'services' each place it appears,

"(ii) by substituting 'rail employer' for 'employer' each place it appears, and

"(iii) by substituting 'rail employee' for 'employee' each place it appears.

"(B) $7,000 WAGE BASE.—Such subsection (e) shall be applied by substituting for 'the applicable base' in paragraph (2)(A)(i) thereof—

"(i) except as provided in clauses (ii) and (iii),'$7,000',

"(ii) '$3,500' for the taxable period beginning on July 1, 1986, and ending on December 31, 1986, and

"(iii) for purposes of applying the basic rate under section 3321(c)(1)(A), '$5,250' for the taxable period beginning on January 1, 1990.

"(C) SUCCESSOR EMPLOYERS.—For purposes of this subsection, rules similar to the rules applicable under section 3231(e)(2)(C) shall apply."

(c) USE OF TAXES.—

(1) IN GENERAL.—Paragraph (2) of section 232(a) of the Railroad Retirement Revenue Act of 1983 (relating to tax used to repay loans made to railroad unemployment insurance account) is amended to read as follows:

"(2) TAXES CREDITED AGAINST LOANS TO RAILROAD UNEMPLOYMENT INSURANCE ACCOUNT.—

"(A) TAXES ATTRIBUTABLE TO BASIC RATE TO REDUCE RAILROAD UNEMPLOYMENT LOANS MADE BEFORE OCTOBER 1, 1985.—So much of the amount transferred under paragraph (1) as is attributable to the basic rate under section 3321(c)(1)(A) of the Internal Revenue Code of 1954 shall be credited against, and operate to reduce, the outstanding balance of railroad unemployment loans made before October 1, 1985.

"(B) TAXES ATTRIBUTABLE TO SURTAX RATE TO REDUCE RAILROAD UNEMPLOYMENT LOANS MADE AFTER SEPTEMBER 30, 1985.—So much of the amount transferred under paragraph (1) as is attributable to the surtax rate under section 3321(c)(1)(B) of such Code shall be credited against, and operate to reduce, the outstanding balance of railroad unemployment loans made after September 30, 1985."

(2) TRANSFERS TO RAILROAD UNEMPLOYMENT FUND AFTER LOAN REPAID.—Subsection (c) of section 232 of such Act is amended—

(A) by striking out "the amount" in paragraph (1) and inserting in lieu thereof "the amount described in subparagraph (A) or (B) of subsection (a)(2)", and

(B) by inserting before the comma at the end of paragraph (2) "against which the amount described in such subparagraph may be credited under such subparagraph".

(d) TECHNICAL AMENDMENTS.—

(1) Subsection (a) of section 3322 of such Code (relating to taxable period) is amended—

(A) by adding "and" at the end of paragraph (1), and

(B) by striking out paragraphs (2) and (3) and inserting in lieu thereof the following:

"(2) each calendar year after 1986."

(2) Subsection (b) of section 3322 of such Code (relating to earlier termination if loans to rail unemployment fund repaid) is amended—

(A) by striking out "The tax imposed by this chapter shall not apply" and inserting in lieu thereof "The basic rate under section 3321(c)(1)(A) of the tax imposed by section 3321 shall not apply", and

(B) by inserting "made before October 1, 1985," after "no balance of transfers" in paragraph (1) thereof.

SEC. 13302. EXTENSION OF BORROWING AUTHORITY UNDER THE RAILROAD UNEMPLOYMENT INSURANCE ACT.

Section 10(d) of the Railroad Unemployment Insurance Act is amended by striking out the last sentence thereof.

SEC. 13303. CERTAIN EXEMPTIONS FROM THE FEDERAL UNEMPLOYMENT TAX ACT.

(a) CERTAIN AGRICULTURAL LABOR.—Paragraph (1)(B) of section 3306(c) of the Internal Revenue Code of 1954 (defining employment) is amended by striking out "January 1, 1986," and inserting in lieu thereof "January 1, 1988".

(b) FULL-TIME STUDENTS EMPLOYED BY SUMMER CAMPS.—Notwithstanding paragraph (3) of section 276(b) of the Tax Equity and Fiscal Responsibility Act of 1982, the amendments made by paragraphs (1) and (2) of such section 276(b) shall also apply to remuneration paid after September 19, 1985.

(c) SERVICES PERFORMED ON CERTAIN FISHING BOATS.—

(1) IN GENERAL.—Section 822(b) of the Economic Recovery Tax Act of 1981 is amended to read as follows:

"(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to remuneration paid after December 31, 1980.".

(2) TECHNICAL AMENDMENT.—Paragraph (20) of section 312(b) of such Code (defining employment for purposes of Federal Insurance Contributions Act) is amended by inserting "(other than service described in paragraph (3)(A))" after "service".

TITLE XIV—REVENUE SHARING

SEC. 14001. TERMINATION OF GENERAL REVENUE SHARING.

(a) IN GENERAL.—(1) Except as otherwise provided in this section, chapter 67 of title 31, United States Code, is hereby repealed.

(2) The Secretary of the Treasury shall continue to be the trustee of the Trust Fund, which shall remain in existence until all entitlement payments which are required to be made under the Revenue Sharing Act are made in accordance with the terms of such Act. Any funds remaining in the Trust Fund after all of such entitlement payments are completely made shall revert to the General Fund of the Treasury of the United States.

(3) The Secretary is authorized to take such necessary or appropriate actions, to carry out the requirements of this Act with respect to funds appropriated to the Trust Fund, as were authorized under the terms of the Revenue Sharing Act, including but not limited to enforcement of the regulatory provisions concerning nondiscrimination, audits, accounting procedures, public hearings, expenditures in accordance with State and local law, and cooperation with reasonable requests for information.

(4) The Secretary may increase or decrease a payment to a unit of general local government under the Revenue Sharing Act for the entitlement period ending September 30, 1986, to account for a prior underpayment or overpayment only if the increase or decrease is demanded by the Secretary of such unit of general local government before June 2, 1986.

(5) Amounts paid to units of general local government from the Trust Fund shall be used, obligated, or appropriated by the units of general local government before October 1, 1987, and shall continue to be subject to the terms of the Revenue Sharing Act.

(6) Subsection (a)(1) of this section shall not have the effect of releasing or extinguishing any fiscal sanction, finding, determination, compliance agreement, or other duly authorized action for the purpose of sustaining any proper action or prosecution for enforcement authorized under the terms of the Revenue Sharing Act.

(7) The Attorney General, and persons adversely affected by a practice of a local government, may bring a civil action in an appropriate district court of the United States against the applicable unit of general local government as authorized under the Revenue Sharing Act. The court is authorized to grant such relief as was authorized under the terms of the Revenue Sharing Act.

(8) The Secretary shall report to Congress on the operation and status of the Trust Fund and the implementation of this section not later than December 1 of each year the Trust Fund remains on the books of the Department of the Treasury.

(b) CONFORMING AMENDMENTS.—(1) The table of chapters for subtitle V of title 31, United States Code, is amended by striking out the item relating to chapter 67.

(2) Paragraph (2) of section 1115(b) of the Social Security Act (42 U.S.C. 1315(b)(2)) is amended—

(A) by adding "and" at the end of subparagraph (A),

(B) by striking out "; and" at the end of subparagraph (B) and inserting in lieu thereof a period, and

(C) by striking out subparagraph (C).

(3) Section 501(b)(6) of the Housing Act of 1949 (42 U.S.C. 1471(b)(6)) and section 102(a)(17) of the Housing and Community Development Act of 1974 (42 U.S.C. 5302(a)(17)) are each amended by striking out "or under chapter 67 of title 31, United States Code" and inserting in lieu thereof "or was considered an eligible recipient under chapter 67 of title 31, United States Code, prior to the repeal of such chapter".

(4) Section 302 of the Age Discrimination Act of 1975 (42 U.S.C. 6101) is amended by striking out ", including programs or activities receiving funds under the State and Local Fiscal Assistance Act of 1972 (31 U.S.C. 1221 et seq.)".

(5) Paragraph (3) of section 3 of the Coastal Barrier Resources Act (16 U.S.C. 3502(3)) is amended by striking out subparagraph (A) and redesignating subparagraphs (B), (C), (D), and (E) as subparagraphs (A), (B), (C), and (D), respectively.

(6) Subparagraph (B) of section 119(n)(2) of the Housing and Community Development Act of 1974 (42 U.S.C. 5318(n)(2)(B)) is amended by striking out "is an eligible recipient under chapter 67 of title 31, United States Code" and inserting in lieu thereof "was an eligible recipient under chapter 67 of title 31, United States Code, prior to the repeal of such chapter".

(7) Paragraph (1) of section 248(h) of the National Housing Act (12 U.S.C. 1715z-13(h)(1)) is amended by striking out "is an eligible recipient under chapter 67 of title 31, United States Code" and inserting in lieu thereof "was an eligible recipient under chapter 67 of title 31, United States Code, prior to the repeal of such chapter".

(c) DEFINITIONS.—For purposes of this section—

(1) The term "Trust Fund" means the State and Local Government Fiscal Assistance Trust Fund established under the Revenue Sharing Act.

(2) The term "Revenue Sharing Act" means the provisions of chapter 67 of title 31, United States Code, as in effect on the day before the date of enactment of this Act and subject to the terms of any appropriation Act of fiscal year 1986.

(3) The term "Secretary" means the Secretary of the Treasury.

(d) AUTHORIZATION OF APPROPRIATIONS.—There are hereby authorized to be appropriated for fiscal year 1987 such sums as may be necessary to administer the provisions of this section.

(e) EFFECTIVE DATES.—(1) Except as otherwise provided in this subsection, the repeal and amendments made by this section, and the provisions of this section, shall take effect on the earlier of—

(A) the date of the adjournment sine die of the 99th Congress, or

(B) December 31, 1986,

unless the provisions of chapter 67 of title 31, United States Code, are amended before the earlier of such dates to apply to any entitlement period beginning after September 30, 1986.

(2) The provisions of subsections (a)(4), (c), and (d) shall take effect on the date of enactment of this Act.

(3) Nothing in this section shall be construed to prevent the payment of any allocation for the entitlement period ending September 30, 1986.

TITLE XV—CIVIL SERVICE, POSTAL SERVICE, AND GOVERNMENTAL AFFAIRS GENERALLY

SUBTITLE A—POSTAL SERVICE PROGRAMS

SEC. 15101. REVENUE FORGONE.

Notwithstanding subsection (c) of section 2401 of title 39, United States Code, the amount authorized to be appropriated pursuant to such subsection for fiscal year 1986 shall be $749,000,000.

SEC. 15102. DELAY OF STEP 16 RATES; ELIMINATION OF PHASING SCHEDULE; TERMINATION OF REDUCTION IN RATES OF POSTAGE FOR CERTAIN MAILERS.

(a) DELAY OF STEP 16 RATES.—The increase in rates of postage for non-profit and certain other mailers announced by the Board of Governors of the United States Postal Service in Resolution No. 85-7 (adopted September 6, 1985) shall not take effect before January 1, 1986.

(b) ELIMINATION OF PHASING SCHEDULE.—(1) Section 3626(a) of title 39, United States Code, is amended to read as follows:

"(a)(1) Except as provided in paragraph (2) of this subsection, rates of postage for a class of mail or kind of mailer under former section 4358, 4452(b), 4452(c), 4554(b), or 4554(c) of this title shall be established in accordance with applicable provisions of this chapter.

"(2) Rates of postage for a class of mail or kind of mailer referred to in paragraph (1) of this subsection shall be established in accordance with the requirement that the direct and indirect postal costs attributable to such class of mail or kind of mailer (excluding any other costs of the Postal Service) shall be borne by such class of mail or kind of mailer, as the case may be.".

(2) The amendment made by this subsection shall apply with respect to rates of postage taking effect after December 31, 1985.

(c) TERMINATION OF REDUCTION IN RATES OF POSTAGE FOR CERTAIN MAILERS.—Section 3626 of title 39, United States Code, is amended by adding at the end thereof the following:

"(f) In the administration of this chapter, the rates for mail under former section 4358(g) of this title shall be established without regard to either the provisions of such former section 4358(g) or the provisions of this section.".

SEC. 15103. STUDY AND REPORT.

(a) PERIOD OF STUDY.—The Postal Rate Commission shall study and, within 6 months after the date of the enactment of this Act, transmit to the Committee on Post Office and Civil Service of the House of Representatives and the Committee on Governmental Affairs of the Senate a written report on the matters described in subsection (b).

(b) PURPOSE OF STUDY.—The purpose of the study under this section is—

(1) to develop recommendations for legislation which would reduce the amount of revenue forgone with respect to former sections 4355(a), 4355(b), 4358(d), 4452(b), 4452(c), 4554(b) and 4554(c) of title 39, United States Code, by changing the eligibility requirements under which the reduced rates of postage under those sections would apply to mail which advertises or promotes the sale of, recommends the purchase of, or announces the availability of any article, product, service, insurance, or travel arrangements;

(2)(A) to identify the kinds of mailers which are the most frequent users of, or which otherwise significantly benefit from, rates for mail under subsections (a), (b), and (c) of former section 4358 of title 39, United States Code; and

(B) to examine the arguments for and against making the eligibility requirements for the rates referred to in subparagraph (A) more stringent, taking into consideration—

(i) the findings under subparagraph (A);

(ii) costs and benefits to the public; and

(iii) any other factor which may be appropriate; and

(3) to develop one or more alternatives for the method currently used by the United States Postal Service in computing revenue forgone (as determined with respect to the provisions of law referred to in section 2401(c) of title 39, United States Code) and to determine the advantages and disadvantages of each such alternative.

(c) In preparing its report under this section, the Postal Rate Commission shall invite and consider the views of interested parties.

(d) The United States Postal Service shall, upon request of the Postal Rate Commission, cooperate in the conduct of the study and the preparation of the report under this section.

SEC. 15104. RESTRICTION RELATING TO ELIGIBILITY FOR IN-COUNTY SECOND-CLASS RATES OF POSTAGE.

Section 3626 of title 39, United States Code, as amended by section 15102(c) of this Act, is further amended by adding at the end thereof the following:

"(g)(1) In the administration of this section, the rates for mail under subsections (a), (b), and (c) of former section 4358 of this title shall not apply to an issue of a publication if the number of copies of such issue distributed within the county of publication is less than the number equal to the sum of 50 percent of the total paid circulation of such issue plus one.

"(2) Paragraph (1) of this subsection shall not apply to an issue of a publication if the total paid circulation of such issue is less than 10,000 copies.".

SEC. 15105. CURBING OF SUBSIDIES FOR ADVERTISING-ORIENTED "PLUS ISSUES" MAILED TO SUBSCRIBERS AT IN-COUNTY RATES.

Section 3626 of title 39, United States Code, as amended by sections 15102(c) and 15104 of this Act, is further amended by adding at the end thereof the following:

"(h) In the administration of this section, the number of copies of a subscription publication mailed to nonsubscribers during a calendar year at rates under subsections (a), (b), and (c) of former section 4358 of this title may not exceed 10 percent of the number of copies of such publication mailed at such rates to subscribers.".

SUBTITLE B—CIVIL SERVICE PROGRAMS

SEC. 15201. PAY ADJUSTMENTS.

(a) LIMITATION ON PAY ADJUSTMENTS FOR STATUTORY PAY SYSTEMS.—(1) The rates of pay under the General Schedule and the rates of pay under the other statutory pay systems referred to in section 5301(c) of title 5, United States Code, shall not be adjusted under section 5305 of such title during fiscal year 1986.

(2)(A)(i) For fiscal years 1987 and 1988, the President shall provide for the adjustment of rates of pay under section 5305 of title 5, United States Code, as appropriate to reduce outlays, relating to pay of officers and employees of the Federal Government, by at least $746,000,000 in fiscal year 1987 and $1,264,000,000 in fiscal year 1988 (without regard to reductions in outlays which result by reason of subparagraph (B)(ii) of this paragraph, paragraph (1) of this subsection, subsection (b) of this section, and the application of section 1009 of title 37, United States Code), computed using the baseline used for the First Concurrent Resolution on the Budget for Fiscal Year 1986 (S. Con. Res. 32, 99th Congress), agreed to on August 1, 1985.

(ii) Clause (i) of this subparagraph shall not be construed to suspend the requirements of section 5305 of title 5, United States Code, with respect to fiscal years 1987 and 1988.

(B) Each adjustment in a pay rate or schedule which takes effect pursuant to subparagraph (A) of this paragraph—

(i) shall, to the maximum extent practicable, be of the same percentage; and

(ii) shall be effective with respect to pay periods beginning on or after January 1 of the fiscal year involved.

(b) LIMITATION ON PAY ADJUSTMENTS FOR PREVAILING RATE EMPLOYEES.—(1) Notwithstanding any other provision of law, and except as otherwise provided in this subsection, in the case of a prevailing rate employee described in section 5342(a)(2) of title 5, United States Code, or an employee covered by section 5348 of such title, the total adjustment to any wage schedule or rate applicable to such employee which is to become effective (determined without regard to paragraph (2)) during—

(A) fiscal year 1986, shall (except to the extent permitted by section 616(a)(2) of H.R. 5798, incorporated by reference in section 101(j) of Public Law 98-473 (98 Stat. 1963)) be equal to zero;

(B) fiscal year 1987, shall not exceed an increase equal to the overall percentage of the adjustment (under section 5305 of title 5, United States Code) in the rates of pay under the General Schedule for such fiscal year; and

(C) fiscal year 1988, shall not exceed an increase equal to the overall percentage of the adjustment (under section 5305 of title 5, United States Code) in the rates of pay under the General Schedule for such fiscal year.

(2) Notwithstanding any other provision of law, any increase permitted by paragraph (1) which is scheduled to take effect during fiscal year 1987 or 1988 (determined without regard to this paragraph) shall take effect as of the beginning of the first applicable pay period beginning at least 90 days after the date on which such increase is so scheduled to take effect.

(3) Notwithstanding the provisions of section 9(b) of Public Law 92-392 or section 704(b) of Public Law 95-454, the provisions of paragraphs (1) and (2) shall apply (in such manner as the Office of Personnel Management shall prescribe) to prevailing rate employees to whom such section 9(b) applies, except that the provisions of paragraph (1) shall not apply to any increase in a wage schedule or rate which is required by the terms of a contract entered into before October 1, 1985.

(4) Nothing in this subsection or any provision of law governing the use of appropriated funds for the payment of employees covered by this subsection during the period covered by paragraph (1) (or any part of such period) shall be construed to permit or require the payment to any such employee at a rate in excess of the rate that would be payable were this subsection, or such provision of law governing the use of appropriated funds, not in effect.

(5) The Office may make exceptions from the limitations imposed by paragraph (1) if the Office determines that such exceptions are necessary to ensure the recruitment or retention of well-qualified employees.

SEC. 15202. PROVISIONS RELATING TO FEDERAL EMPLOYEES HEALTH BENEFITS PROGRAM.

(a) AMOUNTS TO BE REFUNDED FROM CARRIERS' SPECIAL RESERVES.—(1) The Office of Personnel Management—

(A) shall determine the minimum level of financial reserves necessary to be held by a carrier for each health benefits plan under chapter 89 of such title for the purpose of ensuring the stable and efficient operation of such plan; and

(B) shall require the carrier to refund to the Employees Health Benefits Fund (described in section 8909(a) of title 5, United States Code) any such reserves in excess of such minimum level in such amounts and at such times during fiscal years 1986 and 1987 as the Office determines appropriate.

(2) In carrying out its responsibilities under this subsection, the Office shall ensure that the aggregate amount to be refunded to the Employees Health Benefits Fund under this subsection—

(A) during fiscal year 1986 shall be not less than $800,000,000; and

(B) during fiscal year 1987 shall be not less than $300,000,000.

(3) No amount in the Employees Health Benefits Fund may be transferred to the general fund of the Treasury of the United States as a result of a refund made under this subsection.

(4)(A) Subject to subparagraphs (B) and (C), any amounts refunded to the Employees Health Benefits Fund under this subsection may be used solely for the purpose of paying the Government contribution under chapter 89 of title 5, United States Code, for health benefits for annuitants, as defined by section 8901(3) of title 5, United States Code, (including the Government contribution for former employees of the United States Postal Service) enrolled in health benefits plans under such chapter.

(B) This paragraph applies to a refund to the extent that such refund represents amounts attributable to Government contributions which were made under section 8906(b) of title 5, United States Code, (including contributions made by the United States Postal Service) as determined under regulations which the Office of Personnel Management shall prescribe.

(C) Any part of the amount in the Employees Health Benefits Fund as a result of a refund made under this subsection may be transferred—

(i) to the government of the District of Columbia, except that the amount of any such part so transferred shall not exceed the amount attributable to the contributions made by the government of the District of Columbia to subscription charges under this chapter (as determined by the Office of Personnel Management); and

(ii) to the United States Postal Service, except that the amount of any such part so transferred shall not exceed the amount attributable to the contributions made by the United States Postal Service to subscription charges under this chapter (as determined by the Office).

(5) The provisions of this subsection shall apply notwithstanding any provision of the Federal Employees Benefits Improvement Act of 1985.

(b) GOVERNMENT CONTRIBUTIONS FOR RETIRED FORMER EMPLOYEES OF THE UNITED STATES POSTAL SERVICE.—Section 8906(g) of title 5, United States Code, is amended—

(1) by striking out "(g) The" and inserting in lieu thereof "(g)(1) Except as provided in paragraph (2), the"; and

(2) by adding at the end thereof the following:

"(2) The Government contributions authorized by this section for health benefits for an individual who first becomes an annuitant by reason of retirement from employment with the United States Postal Service on or after October 1, 1986, shall be paid by the United States Postal Service.".

SEC. 15203. COMPUTATION OF HOURLY RATES OF PAY.

(a) METHOD OF COMPUTATION.—Section 5504(b) of title 5, United States Code, is amended—

(1) by striking out the first sentence;

(2) in the second sentence, by striking out "When" and inserting in lieu thereof "When, in the case of an employee,";

(3) in paragraph (1), by striking out "2,080" and inserting in lieu thereof "2,087"; and

(4) in the last sentence, by striking out "title." and inserting in lieu thereof "title other than an employee or individual excluded by section 5541(2)(xvi) of this title.".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall be effective with respect to pay periods commencing on or after March 1, 1986.

SEC. 15204. COMPUTATION OF RETIREMENT ANNUITY FOR PART-TIME EMPLOYMENT.

(a) IN GENERAL.—(1) Section 8339 of title 5, United States Code, is amended by adding at the end thereof the following new subsection:

"(o)(1) In computing an annuity under this subchapter for an employee whose service includes service that was performed on a part-time basis—

"(A) the average pay of the employee, to the extent that it includes pay for service performed in any position on a part-time basis, shall be determined by using the annual rate of basic pay that would be payable for full-time service in the position; and

"(B) the benefit so computed shall then be multiplied by a fraction equal to the ratio which the employee's actual service, as determined by prorating an employee's total service to reflect the service that was performed on a part-time basis, bears to the total service that would be creditable for the employee if all of the service had been performed on a full-time basis.

"(2) For the purpose of this subsection, employment on a part-time basis shall not be considered to include employment on a temporary or intermittent basis.".

(2) Section 8341 of such title is amended—

(A) by striking out "and (n)" in subsection (b)(1) and inserting in lieu thereof ", (n), and (o)"; and

(B) by striking out "and (n)" in subsection (d) and inserting in lieu thereof "(n), and (o)".

(b) Section 4109(b) of title 38, United States Code, is repealed.

(c) The amendments made by this section shall be effective with respect to service performed on or after the date of the enactment of this Act.

SEC. 15205. EFFECT OF WAGE AREA SURVEY REGARDING CERTAIN FEDERAL EMPLOYEES IN TUCSON, ARIZONA.

(a) IN GENERAL.—Notwithstanding any other provision of law limiting the amounts payable to prevailing wage rate employees during the fiscal year 1986, wage schedules or rates applicable to the Tucson, Arizona, wage area shall not be reduced as a result of a wage survey conducted during fiscal year 1985.

(b) EFFECTIVE DATE.—This section shall be effective as of October 1, 1985.

SUBTITLE C—FEDERAL MOTOR VEHICLE EXPENDITURE CONTROL

SEC. 15301. MONITORING SYSTEM.

The head of each executive agency, including the Department of Defense, shall designate one office, officer, or employee of the agency to establish and operate a central monitoring system for, and provide oversight of, the motor vehicle operations of the agency, related activities, and related reporting requirements.

SEC. 15302. DATA COLLECTION.

(a) COST IDENTIFICATION AND ANALYSIS.—The head of each executive agency, including the Department of Defense, shall develop a system to identify, collect, and analyze data with respect to all costs, including obligations and outlays, incurred by the agency in the operation, maintenance, acquisition, and disposition of motor vehicles, including Government-owned vehicles, leased vehicles, and privately owned vehicles used for official purposes.

(b) REQUIREMENTS FOR DATA SYSTEMS.—The Administrator, in cooperation with the Comptroller General and the Director, shall promulgate requirements governing the establishment and operation by executive agencies of the systems required by subsection (a), including requirements with respect to data concerning the costs and uses of motor vehicles and with respect to the uniform collection and submission of such data. Requirements promulgated under this section shall be in conformance with accounting principles and standards issued by the Comptroller General. Each executive agency, including the Department of Defense, shall comply with such requirements.

SEC. 15303. AGENCY STATEMENTS WITH RESPECT TO MOTOR VEHICLE USE.

(a) CONTENTS OF STATEMENT.—The head of each executive agency, including the Department of Defense, shall include with the appropriation request of such agency submitted under section 1108 of title 31, United States Code, for fiscal year 1988 and each succeeding fiscal year, a statement—

(1) specifying—

(A) the total motor vehicle acquisition, maintenance, leasing, operation, and disposal costs, including obligations and outlays, incurred by such agency in the most recently completed fiscal year; and

(B) an estimate of such costs for the fiscal year in which such request is submitted and for the succeeding fiscal year; and

(2) justifying why the existing and any new motor vehicle acquisition, maintenance, leasing, operation, and disposal requirements of the agency cannot be met through the Interagency Fleet Management System operated by the Administrator, a qualified private fleet management firm, or any other method which is less costly to the Government.

(b) COMPLIANCE WITH REQUIREMENTS.—The head of each executive agency shall comply with the requirements promulgated under section 15302(b) in preparing each statement required under subsection (a).

SEC. 15304. PRESIDENTIAL REPORT.

(a) SUMMARY AND ANALYSIS OF AGENCY STATEMENTS.—The President shall include with the budget transmitted pursuant to section 1105 of title 31, United States Code, for fiscal year 1988 and each succeeding fiscal year, or in a separate written report to the Congress for each such fiscal year, a summary and analysis of the statements most recently submitted by the heads of executive agencies pursuant to section 15303(a). Each such summary and analysis shall include a review, for the fiscal year preceding the fiscal year in which the budget is submitted, the current fiscal year, and the fiscal year for which the budget is submitted, of the cost savings that have been achieved, that are estimated will be achieved, and that could be achieved, in the acquisition, maintenance, leasing, operation, and disposal of motor vehicles by executive agencies through—

(1) the use of a qualified private fleet management firm or another private contractor;

(2) increased reliance by executive agencies on the Interagency Fleet Management System operated by the Administrator; or

(3) other existing motor vehicle management systems.

(b) APPLICABILITY TO FISCAL YEAR 1986.—The summary and analysis submitted under subsection (a) during fiscal year 1987 is not required to include a review, under the second sentence of such subsection, of the cost savings achieved for fiscal year 1986.

SEC. 15305. STUDY REQUIRED.

(a) STUDY OF COSTS, BENEFITS, AND FEASIBILITY.—(1) The head of each executive agency, including the Department of Defense, shall conduct a comprehensive and detailed study of the costs, benefits, and feasibility of—

(A) relying on the Interagency Management Fleet System operated by the Administrator;

(B) entering into a contract with a qualified fleet management firm or another private contractor; or

(C) using any other means less costly to the Government,

to meet its motor vehicle operation, maintenance, leasing, acquisition, and disposal requirements.

(2) Each study conducted under paragraph (1) shall compare the costs, benefits,

and feasibility of the alternatives described in subparagraphs (A), (B), and (C) of such paragraph to the costs and benefits of the agency's current motor vehicle operations and, in the case of the alternatives described in subparagraphs (B) and (C) of such paragraph, to the costs, benefits, and feasibility of the use of the Interagency Fleet Management System operated by the Administrator.

(b) SUBMISSION TO DIRECTOR AND COMPTROLLER GENERAL.—Within 6 months after the date of enactment of this Act, the head of each executive agency shall submit a report concerning the study required under subsection (a) to the Administrator.

SEC. 15306. INTERAGENCY CONSOLIDATION.

(a) IDENTIFICATION OF OPPORTUNITIES FOR CONSOLIDATION.—The Administrator shall review and identify interagency opportunities for the consolidation of motor vehicles, related equipment, and facilities, and of functions relating to the administration and management of such vehicles, equipment, and facilities, in order to reduce the size and cost of the Federal Government's motor vehicle fleet.

(b) REPORT AND ACTION ON FINDINGS.—Within one year after the date of enactment of this Act, the Administrator shall—

(1) submit a report to the Congress specifying the findings and recommendations of the Administrator from the review conducted under subsection (a); and

(2) take such action as the Administrator considers appropriate based on such findings and recommendations and in accordance with section 211 of the Federal Property and Administrative Services Act.

SEC. 15307. REDUCTION OF STORAGE AND DISPOSAL COSTS.

The Administrator shall take such actions as may be necessary to reduce motor vehicle storage and disposal costs and to improve the rate of return on motor vehicle sales through a program of vehicle reconditioning prior to sale.

SEC. 15308. SAVINGS.

(a) ACTIONS BY PRESIDENT REQUIRED.—The President shall establish, for each executive agency, including the Department of Defense, goals to reduce outlays for the operation, maintenance, leasing, acquisition, and disposal of motor vehicles in order to reduce, by fiscal year 1988, the total amount of outlays by all executive agencies for such operation, maintenance, leasing, acquisition, and disposal to an amount which is $150,000,000 less than the amount for such operation, maintenance, leasing, acquisition, and disposal requested by the President in the budget submitted under section 1105 of title 31, United States Code, for fiscal year 1986.

(b) MONITORING OF COMPLIANCE AND COMPLIANCE REPORT.—The Director shall monitor compliance by executive agencies with the goals established by the President under subsection (a) and shall include, in each summary and analysis required under section 15304, a statement specifying the reductions in expenditures by executive agencies, including the Department of Defense, achieved under such goals.

SEC. 15309. COMPLIANCE.

(a) ADMINISTRATOR OF GENERAL SERVICES.—The Administrator shall comply with and be subject to the provisions of this part with regard to all motor vehicles that are used within the General Services Administration for official purposes.

(b) MANAGERS OF OTHER MOTOR POOLS.—The provisions of this part with respect to motor vehicles from the Interagency Fleet Management System shall be complied with by the executive agencies to which such motor vehicles are assigned.

SEC. 15310. APPLICABILITY.

(a) PRIORITY IN REDUCING HEADQUARTERS USE.—The heads of executive agencies shall give first priority to meeting the goals established by the President under section 15308(a) by reducing the costs of administrative motor vehicles used at the headquarters and regional headquarters of executive agencies, rather than by reducing the costs of motor vehicles used by line agency personnel working in agency field operations or activities.

(b) REGULATIONS, STANDARDS, AND DEFINITIONS.—The President shall require the Administrator, in cooperation with the Director, to promulgate appropriate regulations, standards, and definitions to assure that executive agencies meet the goals established under section 15308(a) in the manner prescribed by subsection (a).

SEC. 15311. COOPERATION.

The Director and the Administrator shall closely cooperate in the implementation of the provisions of this part.

SEC. 15312. REPORTS.

The Comptroller General shall evaluate the extent to which the Director, the Administrator, and executive agencies have complied with this part. By January 31, 1988, the Comptroller General shall submit a report to the Congress describing the results of such evaluation.

SEC. 15313. DEFINITIONS.

For purposes of this title—

(1) the term "executive agency" means an Executive agency (as such term is defined in section 105 of title 5, United States Code), which operates at least three hundred motor vehicles, except that such term does not include the Tennessee Valley Authority;

(2) the term "Director" means the Director of the Office of Management and Budget;

(3) the term "Administrator" means the Administrator of General Services;

(4) the term "Comptroller General" means the Comptroller General of the United States; and

(5) the term "motor vehicle" means any vehicle self-propelled or drawn by mechanical power, except that such term does not include any vehicle designed or used for military field training, combat, or tactical purposes, or any other special purpose vehicle exempted from the requirements of this part by the Administrator.

TITLE XVI—HIGHER EDUCATION PROGRAMS

SEC. 16001. SHORT TITLE; REFERENCE.

(a) SHORT TITLE.—This title may be cited as the "Student Financial Assistance Amendments of 1985".

(b) REFERENCE.—References in this title to "the Act" are to the Higher Education Act of 1965 (20 U.S.C. 1001 et seq.).

Subtitle A—Savings in Student Loan Program Operations

SEC. 16011. RECOVERY OF OUTSTANDING ADVANCES TO GUARANTY AGENCIES.

Section 422 of the Act is amended by adding at the end thereof the following new subsection:

"(d)(1) Notwithstanding any other provision of this section, advances made by the Secretary under this section shall be repaid in accordance with this paragraph and shall be deposited in the fund established by section 431. The Secretary shall, in accordance with the requirements of paragraph (2), recover (and so deposit) an amount equal to $75,000,000 during fiscal year 1988.

"(2) In determining the amount of advances which shall be repaid by a State or nonprofit private institution or organization under paragraph (1), the Secretary—

"(A) shall consider the solvency and maturity, as determined by the Comptroller General, of the reserve and insurance funds of the State or nonprofit private institution or organization assisted by such advances;

"(B) shall not seek repayment of such advances from any State described in subsection (c)(5)(B) during any year of its eligibility under such subsection; and

"(C) shall not seek repayment of such advances from any State if such repayment encumbers the reserve fund requirement mandated by the statutes of such State.".

SEC. 16012. DISBURSEMENT OF STUDENT LOANS TO INSTITUTIONS REQUIRED.

(a) FISL LOANS REQUIREMENT.—Section 427(a)(2) of the Act is amended—

(1) by striking out clause (ii) of subparagraph (B) and by redesignating clauses (iii) and (iv) of subparagraph (B) as clauses (ii) and (iii), respectively;

(2) by striking out "or the fifteen-year period" in the matter following clause (viii) of subparagraph (C); and

(3) by amending subparagraph (I) to read as follows:

"(I) the funds borrowed by a student are disbursed to the institution by check or other means that is payable to and requires the endorsement or other certification by such student, except nothing in this subparagraph shall be interpreted to allow the Secretary to require checks to be made copayable to the institution and the borrower or to prohibit the disbursement of loan proceeds by means other than by check; and".

(b) GSL LOANS REQUIREMENT.—Section 428(b)(1)(O) of the Act is amended to read as follows:

"(O) provides that funds borrowed by a student are disbursed to the institution by check or other means that is payable to and requires the endorsement or other certification by such student, except nothing in this subparagraph shall be interpreted to allow the Secretary to require checks to be made co-payable to the institution and the borrower or to prohibit the disbursement of loan proceeds by means other than by check;".

(c) CONFORMING AMENDMENT.—Section 433A(a) of the Act is amended by striking out "to a borrower" in the first sentence.

SEC. 16013. MULTIPLE DISBURSEMENTS OF STUDENT LOANS REQUIRED.

(a) REPEAL OF INCENTIVES TO LENDERS TO MAKE MULTIPLE DISBURSEMENTS.—Section 428(a) of the Act is amended by striking out paragraph (8).

(b) MULTIPLE DISBURSEMENT REQUIRED IN FISL PROGRAM.—Section 427(a) of the Act is amended—

(1) by striking out "and" at the end of paragraph (1);

(2) by striking out the period at the end of paragraph (2) and inserting in lieu thereof "; and"; and

(3) by adding at the end thereof the following:

"(3) in the case of a loan made for any period of enrollment of more than six months, one semester, two quarters, or 600 clock hours and for an amount of $1,000 or more, the proceeds of the loan will be disbursed directly by the lender in two or more installments, none of which exceeds one-half of the loan, with the interval between

the first and second installment being not less than one-third of such period.

For purposes of paragraph (3), all loans issued for the same period of enrollment shall be considered as a single loan.".

(c) MULTIPLE DISBURSEMENTS REQUIRED IN GSL PROGRAM.—Section 428(b)(1) of such Act is amended—

(1) by redesignating subparagraph (P) as subparagraph (Q); and

(2) by inserting after subparagraph (O) the following new subparagraph:

"(P) provides that the proceeds of any loan made for any period of enrollment of more than six months, one semester, two quarters, or 600 clock hours and for an amount of $1,000 or more—

"(i) will be disbursed directly by the lender in two or more installments, none of which exceeds one-half of the loan, with the interval between the first and second installment being not less than one-third of such period, or

"(ii) will be disbursed in such installments pursuant to the escrow provisions of subsection (i) of this section,

but all loans issued for the same period of enrollment shall be considered as a single loan for purposes of this subparagraph; and".

(d) ORIGINATION FEE TO BE DEDUCTED PROPORTIONATELY FROM EACH INSTALLMENT.—Section 438(c)(2) of the Act is amended by striking out "which may be deducted from the proceeds of the loan prior to payment to the borrower" and inserting in lieu thereof "which shall be deducted proportionately from each installment payment of the proceeds of the loan to the borrower".

(e) CONFORMING AMENDMENTS.—(1) Section 425(a)(1) of the Act is amended—

(A) by inserting "and" at the end of subparagraph (A), by striking out subparagraph (B), and by redesignating subparagraph (C) as subparagraph (B); and

(B) by striking out the last sentence.

(2) Section 428(a)(3)(A) of the Act is amended—

(A) by striking out "Except as provided in paragraph (8) and subject" and inserting in lieu thereof "Subject"; and

(B) by striking out "but, except as provided in paragraph (8) of this subsection, such portion" and inserting in lieu thereof "but such portion".

(3) Section 428(b)(1)(A) of such Act is amended—

(A) by inserting "and" at the end of division (i);

(B) by striking out division (ii) and by redesignating division (iii) as division (ii); and

(C) in the matter following such division, by striking out "annual limit," and all that follows and inserting in lieu thereof "annual limit;".

SEC. 16014. PRECLAIM COLLECTION ACTIVITIES.

(a) DELAY REQUIRED BEFORE SUBMISSION OF CLAIMS BY GUARANTY AGENCIES.—(1) Section 428(c)(1)(A) of the Act is amended by adding at the end thereof the following new sentence: "In no case shall a State or nonprofit private institution or organization with which the Secretary has an agreement pursuant to subsection (b) file a claim for such reimbursement with respect to such losses prior to 270 days after the loan becomes delinquent with respect to any loan installment.".

(2) Section 430(e)(2) of the Act is amended—

(A) by striking out "one hundred and twenty days" and inserting in lieu thereof "180 days"; and

(B) by striking out "one hundred and eighty days" and inserting in lieu thereof "240 days".

(b) SUPPLEMENTAL PRECLAIMS ASSISTANCE.—(1) Section 428(c)(6)(A) of the Act is amended—

(A) by inserting after "assistance for default prevention," the following: "the administrative costs of supplemental preclaim assistance for default prevention,"; and

(B) by striking out "as such terms are defined in subparagraph (B)" and inserting in lieu thereof "as such terms are defined in subparagraph (B) or (C)".

(2) Section 428(c)(6) of the Act is amended by adding at the end thereof the following new subparagraph:

"(C)(i) For purposes of this paragraph, 'administrative costs of supplemental preclaim assistance for default prevention' means (subject to divisions (ii) through (iv)) any administrative costs—

"(I) incurred by a guaranty agency in connection with a loan on which the guarantor has exercised preclaims assistance required or permitted under sections 428(c)(2)(A) and 428(f)(2), and which has been in delinquent status for at least 120 days; and

"(II) which are directly related to providing collection assistance to the lender on a delinquent loan, prior to a claim being filed by the guaranty agency,

including the attributable compensation of appropriate personnel (and in the case of personnel who perform several functions, only the portion of compensation attributable to the collection assistance), fees paid to locate a missing borrower, postage, equipment, supplies, telephone, and similar charges, but does not include overhead costs.

"(ii) The administrative costs for which reimbursement is authorized under this subparagraph must be clearly supplemental to the preclaim assistance for default prevention which the guaranty agency is required to provide pursuant to section 428(c)(2)(A) and section 428(f)(2) of this Act.

"(iii) The services associated with carrying out this subparagraph may be provided by the guaranty agency directly or under contract, except that such services may not be carried out by an organization or entity (other than the guaranty agency)—

"(I) that is the holder or servicer of the loan or an organization or entity that owns or controls the holder or servicer of the loan; or

"(II) that is owned or controlled by the same corporation, partnership, association, or individual that owns or controls the holder or servicer of the loan.

"(iv) The costs associated with carrying out this subparagraph may not exceed 2 percent of the outstanding principal balance of each delinquent loan subject to the supplemental preclaim assistance authorized by this subparagraph or $100, whichever is less.".

(3) The amendments made by this subsection shall be effective in accordance with section 16041(a) of this title without regard to whether such amendments are reflected in the regulations prescribed by the Secretary of Education.

SEC. 16015. PROMPT PAYMENT OF SUPPLEMENTAL GUARANTY ADMINISTRATIVE COST AGREEMENT.

(a) PURPOSE.—It is the purpose of the amendments made by this section to assure the prompt payment of the amount due under the supplemental guaranty administrative cost agreement made under section 428(f)(2) in order to encourage improved collection of student loans and preclaims assistance to prevent default on student loans.

(b) PROMPT PAYMENT REQUIRED.—(1) Section 428(f)(1) of the Act is amended—

(A) by striking out "is authorized to" and inserting in lieu thereof "shall";

(B) by striking out "shall not exceed" and inserting in lieu thereof "shall be equal to"; and

(C) by striking out the third and fourth sentences of such section.

(2) Section 428(f)(2) of the Act is amended—

(A) by striking out "is authorized to" and inserting in lieu thereof "shall";

(B) by striking out "shall not exceed" and inserting in lieu thereof "shall be equal to"; and

(C) by striking out the third and fourth sentences of such section.

SEC. 16016. GUARANTY AGENCY; LENDER OF LAST RESORT.

Section 428 of the Act is amended by adding at the end thereof the following new subsection:

"(j) In each State, the guaranty agency or an eligible lender in the State described in section 435(d)(1)(D) of this Act shall make loans directly, or through an agreement with an eligible lender or lenders, to students who are eligible to have interest benefits paid on their behalf (under subsection (a) of this section) but who are otherwise unable to obtain loans under this part. Loans made under this subsection shall neither exceed the amount of the need of the borrower, as determined under subsection (a)(2)(B), nor be less than $200.".

SEC. 16017. STUDENT LOAN CONSOLIDATION.

(a) LOAN CONSOLIDATION AUTHORIZED.—Part B of title IV of the Act is amended by inserting after section 428B the following new section:

"SEC. 428C. (a)(1) For the purpose of providing loans to eligible borrowers for consolidation of their obligations with respect to student loans made, insured, or guaranteed under this part or made under part E of this title, the Secretary or a guaranty agency shall enter into agreements in accordance with subsection (b) with the following eligible lenders:

"(A) the Student Loan Marketing Association;

"(B) agencies described in subparagraphs (D) and (F) of section 435(g)(1); and

"(C) eligible lenders described in subparagraphs (A), (B), (C), and (E) of such section.

"(2) Except as provided in section 429(e), no contract of insurance under this part shall apply to a consolidation loan unless such loan is made under an agreement pursuant to this section and is covered by a certificate issued in accordance with subsection (b)(2). Loans covered by such a certificate that is issued by a guaranty agency shall be considered to be insured loans for the purposes of reimbursements under section 428(c), but no payment shall be made with respect to such loans under section 428(f) to any such guaranty agency.

"(3) For the purpose of this section, the term 'eligible borrower' means a borrower who—

"(A) has an outstanding indebtedness, at the time of application for a consolidation loan, to one or more lenders or programs under this title of not less than $5,000;

"(B) has not during the previous 4 months carried at an eligible institution at least one-half the normal full-time academic workload;

"(C) if in repayment status, is not delinquent with respect to any required payment on such indebtedness by more than 90 days; and

"(D) is not a parent borrower under section 428B(a)(1).

"(4) An individual's status as an eligible borrower under this section terminates upon receipt of a consolidation loan under this section except with respect to loans received under this title after the date of receipt of the consolidation loan. For the purpose of computing the outstanding indebtedness of such an individual, only loans received after such date shall be taken into account.

"(b)(1) Any lender described in clause (A), (B), or (C) of subsection (a)(1) who wishes to make consolidation loans under this section shall enter into an agreement with the Secretary or a guaranty agency which provides—

"(A)(i) that, in the case of lenders described in subsection (a)(1)(C), the lender will make a consolidation loan to any eligible borrower on request of that borrower, if the lender holds an outstanding loan of that borrower which is selected by the borrower for consolidation under this section, and will make such loans to other eligible borrowers only to the extent permitted by the Secretary in an agreement under subsection (d);

"(ii) that, in the case of lenders described in subsection (a)(1)(B), the lender will make, subject to the availability of funds allocated for such purpose, a consolidation loan to any eligible borrower—

"(I) who is, or was at the time of receiving a loan which is selected for consolidation, a resident of the State of such lender; or

"(II) who received loans under this title while attending an institution of higher education in the State of such lender,

except that the lender may elect to limit further the availability of its loans under this section to those borrowers for whom the lender is the holder of a loan selected for consolidation; or

"(iii) that, in the case of the Student Loan Marketing Association, the lender will make a consolidation loan to any eligible borrower on request of that borrower;

"(B) that each consolidation loan made by the lender will bear interest, and be subject to repayment, in accordance with subsection (c);

"(C) that each consolidation loan will be made, notwithstanding any other provision of this part limiting the maximum principal amount for all insured loans made to a borrower, in an amount (i) which is not less than the minimum amount required for eligibility of the borrower under subsection (a)(3)(A)(i), and (ii) which is equal to the sum of the unpaid principal, accrued unpaid interest and late charges of all loans received by the eligible borrower under this title which are selected by the borrower for consolidation;

"(D) that the proceeds of each consolidation loan will be paid by the lender to the holder or holders of the loans so selected to discharge the liability on such loans;

"(E) that, in the case of any lender, such lender will not make consolidation loans under this part from the proceeds of bonds or other obligations, the income from which is exempt from taxation under the Internal Revenue Code of 1954, issued subsequent to the enactment date of the Student Financial Assistance Amendments of 1985; and

"(F) such other terms and conditions as the Secretary or guaranty agency (whichever is party to the agreement) may specifically require of the lender to carry out this section.

"(2) The Secretary shall issue a certificate of comprehensive insurance coverage under section 429(b) to a lender which has entered into an agreement with the Secretary under paragraph (1) of this subsection. A guaranty agency may issue a certificate of comprehensive insurance coverage to a lender if the lender has entered into an agreement under paragraph (1) of this subsection. The Secretary shall not issue such a certificate under this paragraph to a lender described in clause (B) or (C) of subsection (a)(1) if the Secretary determines that such lender has reasonable access in its State, for the purpose of obtaining such a certificate, to a guaranty agency. In either case, such certificate shall, at a minimum, provide—

"(A) that all consolidation loans made by such lender in conformity with the requirements of this section will be insured against loss of principal and interest by the issuer of such certificate;

"(B) that a consolidation loan will not be insured unless the lender has determined to its satisfaction, in accordance with reasonable and prudent business practices, for each loan being consolidated (i) that the loan is a legal, valid, and binding obligation of the borrower; (ii) that each such loan was made and serviced in compliance with applicable laws and regulations; and (iii) in the case of loans under this part, that the insurance on such loan is in full force and effect;

"(C) the effective date and expiration date of the certificate;

"(D) the aggregate amount to which the certificate applies;

"(E) that, if the lender prior to the expiration of the certificate no longer proposes to make consolidation loans, the lender will so notify the issuer of such certificate in order that the certificate may be terminated (without affecting the insurance on any consolidation loan made prior to such termination); and

"(F) the terms upon which the issuer of the certificate may limit, suspend, or terminate the lender's authority to make consolidation loans under the certificate (without affecting the insurance on any consolidation loan made prior to such limitation, suspension, or termination).

"(3) A consolidation loan made pursuant to this section shall be insurable under a certificate issued pursuant to paragraph (2) only if the loan is made to an eligible borrower who has agreed to notify the holder of the loan promptly concerning any change of address and the loan is evidenced by a note or other written agreement which—

"(A) is made without security and without endorsement, except that if the borrower is a minor and such note or other written agreement executed by him would not, under applicable law, create a binding obligation, endorsement may be required;

"(B) provides for the payment of interest and the repayment of principal in accordance with subsection (c) of this section and contains notice of the possibility of a revised repayment schedule under paragraph (2) of such subsection;

"(C) provides that periodic installments of principal need not be paid, but interest shall accrue and be paid, during any period—

"(i) during which the borrower is pursuing a full-time course of study at an eligible institution, is pursuing a course of study pursuant to a graduate fellowship program approved by the Secretary, or pursuant to a rehabilitation training program for disabled individuals approved by the Secretary;

"(ii) not in excess of 2 years during which the borrower is serving an internship, the successful completion of which is required in order to receive professional recognition;

"(iii) not in excess of 3 years during which the borrower is temporarily totally disabled, as established by sworn affidavit of a qualified physician, or during which the borrower is unable to secure employment by reason of the care required by a spouse who is so disabled; or

"(iv) which is a single period, not in excess of 12 months, at the request of the borrower, during which the borrower is seeking and unable to find full-time employment; and

that any such period shall not be included in determining the repayment period provided pursuant to subsection (c)(2) of this section;

"(D) entitles the borrower to accelerate without penalty repayment of the whole or any part of the loan; and

"(E)(i) contains a notice of the system of disclosure concerning such loan to credit bureau organizations under section 430(b)(2), and (ii) provides that the lender on request of the borrower will provide information on the repayment status of the note to such organizations.

"(c)(1) Consolidation loans made under this section shall bear interest at the rate of 10 per centum per annum on the unpaid principal balance of the loan, except that, if the consolidation loan is used for the purpose of discharging liability on a loan made pursuant to section 428B, the consolidation loan shall bear interest at a rate per annum on such unpaid balance which is equal to the highest applicable interest rate under section 427A on any loan which is selected for consolidation by the borrower. For the purposes of payment of special allowances under section 438(b)(2), the interest rate required by this subsection is the applicable interest rate with respect to a consolidation loan.

"(2) Notwithstanding any other provision of this part, to the extent authorized by its certificate of insurance under subsection (b)(2)(F) and approved by the issuer of such certificate, the lender of a consolidation loan, with the agreement of the borrower, may establish such repayment terms as will promote the objectives of this section, including the establishment of graduated and income sensitive repayment schedules. In each case a consolidation loan shall be repaid as follows:

"(A) in the case of a consolidation loan the original amount of which is less than $7,500, such loan shall be repaid in not more than 10 years;

"(B) in the case of a consolidation loan the original amount of which equals or exceeds $7,500 but is less than $11,000, such loan shall be repaid in not more than 13 years; or

"(C) in the case of a consolidation loan the original amount of which equals or exceeds $11,000, such loan shall be repaid in not more than 15 years.

"(3) Repayment of a consolidation loan shall commence within 60 days after all holders have, pursuant to subsection (b)(1)(D), discharged the liability of the borrower on the loans selected for consolidation.

"(4) No origination fee or insurance premium shall be charged to the borrower on any consolidation loan, and no insurance premium shall be payable by the lender to the issuer of the certificate of insurance with respect to any such loan.

"(d)(1) If, within 18 months after the effective date of this section, an eligible lender described in subsection (a)(1)(B) for a State has not entered into an agreement with the Secretary or a guaranty agency for purposes of making consolidation loans under this section, the Secretary may, after a hearing and upon a determination of need therefor, enter into an agreement for the purposes of making consolidation loans to eligible borrowers in such State with an eligible lender described in clause (B) or (C) of subsection (a)(1) from another State.

"(2) Notice of the hearing required by paragraph (1) of this subsection shall be sent to the Governor of the affected State and the eligible lenders described in subsection (a)(1)(B) for that State. At any such hearing representatives of such Governor and lenders may present evidence and testimony and examine witnesses, and full consideration shall be given to the views of such Governor and lenders with respect to the interests of the eligible borrowers in that State and with respect to the impact on programs of such lenders of allowing a lender described in clause (B) or (C) of subsection (a)(1) from another State to make consolidation loans pursuant to an agreement under this subsection in such State.

"(3) An agreement under this subsection may contain such terms and conditions as the Secretary may specifically require of the lender to carry out this section.

"(4) The requirements of paragraphs (1) and (2) of this subsection shall not apply if, in any State, an eligible lender described in subsection (a)(1)(B) from another State is functioning as a secondary market described in subparagraph (D) or (F) of section 435(g)(1) prior to the date of enactment of the Student Financial Assistance Amendments of 1985 and such lender agrees to make consolidation loans to eligible borrowers in such State.

"(e) The authority to make loans under this section expires at the close of September 30, 1991. Nothing in this section shall be construed to authorize the Secretary to promulgate rules or regulations governing the terms or conditions of the agreements and certificates under subsection (b). Loans made under this section shall not be considered to be new loans made to students for purposes of section 424(a).".

(b) CONFORMING AMENDMENTS.—(1) Section 427(a) of the Act is amended by striking out "A loan" and inserting in lieu thereof "Except as provided in section 428C, a loan".

(2) Section 435(g)(1) of the Act is amended—

(A) by striking out "section 439 (o) and (q)" in subparagraph (G) and inserting in lieu thereof "sections 428C and 439(q)"; and

(B) by striking out "section 428(j)" in subparagraph (H) and inserting in lieu thereof "sections 428(h) and 428C".

(3) Section 438 of the Act is amended—

(A) in subsection (b)(5)(A)(ii), by inserting ", 428C," after "428B"; and

(B) in subsection (c)(2), by striking out "section 428B and section 439(o)" and inserting in lieu thereof "sections 428B and 428C".

(4) Section 439(d)(1)(C) of the Act is amended by striking out "428(A), and except with respect to loans under section 439(o)," and inserting in lieu thereof "428A, and except with respect to loans under section 428C,".

(c) SPECIAL ALLOWANCE.—(1) Section 438(b)(2)(A) of the Act is amended by striking out "subparagraph (B)" and inserting in lieu thereof "subparagraphs (B) and (C)".

(2) The first sentence of section 438(b)(2)(B)(i) of the Act is amended—

(A) by inserting "appropriate" before "quarterly rate" the second time it appears; and

(B) by inserting "or subparagraph (C)" before the period.

(3) Section 438(b)(2) of the Act is amended by adding at the end thereof the following new subparagraph:

"(C) In the case of loans made in accordance with section 428C, the applicable per centum to be added under clause (iii) of subparagraph (A) shall be 3 per centum.".

(d) COST EVALUATION REPORT.—The Secretary of Education shall evaluate the cost, efficiency, and impact of the consolidation loan program established by the amendments made by this section and shall report to the Congress not later than June 30, 1988, on the findings and recommendations required by this subsection.

SEC. 16018. EXTENSION OF PROGRAM.

(a) EXTENSION OF AUTHORITY.—Part B of title IV of the Act is amended—

(1) in section 424(a)—

(A) by striking out "1986" and inserting in lieu thereof "1988";

(B) by striking out "1990" and inserting in lieu thereof "1992";

(2) in section 428(a)(5)—

(A) by striking out "1986" and inserting in lieu thereof "1988";

(B) by striking out "1990" and inserting in lieu thereof "1992"; and

(3) in section 439(l), by striking out "1988" and inserting in lieu thereof "1990".

(b) EXTENSION OF FAMILY CONTRIBUTION SCHEDULES.—Section 9 of the Student Financial Assistance Technical Amendments Act of 1982 is amended—

(1) in subsection (a), by striking out "and from July 1, 1986, through June 30, 1987," and inserting in lieu thereof "from July 1, 1986, through June 30, 1987, from July 1, 1987, through June 30, 1988, from July 1, 1988, through June 30, 1989, and from July 1, 1989, through June 30, 1990,"; and

(2) in subsection (c)—

(A) by striking out "and" at the end of paragraph (3);

(B) by striking out the comma at the end of paragraph (4) and inserting in lieu thereof a semicolon; and

(C) by inserting after such paragraph the following new paragraphs:

"(5) April 1, 1987, for the period of instruction from July 1, 1987, through June 30, 1988;

"(6) April 1, 1988, for the period of instruction from July 1, 1988, through June 30, 1989; and

"(7) April 1, 1989, for the period of instruction from July 1, 1989, through June 30, 1990,".

SEC. 16019. SAVINGS FROM OPERATIONS OF THE STUDENT LOAN MARKETING ASSOCIATION.

(a) GENERAL RULE.—In order to contribute to carrying out the directions in the first concurrent resolution on the budget for the fiscal year 1986 (S. Con. Res. 32, 99th Congress, agreed to August 1, 1985) designed to reduce the Federal budget deficit, the Student Loan Marketing Association shall, during the fiscal year 1986, reduce the level of obligations owed to the Federal Financing Bank by $30,000,000 which, but for this section, will be paid to the Federal Financing Bank after October 1, 1986.

(b) SPECIAL RULE.—The amount described in subsection (a) may not be credited by the Student Loan Marketing Association to reduce the obligation to repay the Federal Financing Bank amounts which the Student Loan Marketing Association owes to the Federal Financing Bank in each of the fiscal years 1987 and 1988.

(c) SAVINGS PROVISION.—Nothing in this section shall be construed to authorize or require the Student Loan Marketing Association or the Federal Financing Bank to renegotiate the contract or other agreement under which the Student Loan Marketing Association agreed to pay amounts made available by the Federal Financing Bank to carry out section 439 of the Higher Education Act of 1965.

SEC. 16020. DEFINITION.

Section 435 of the Act is amended by adding at the end thereof the following new subsection:

"(k) The term 'guaranty agency' means a State or nonprofit private institution or organization with which the Secretary has an agreement pursuant to section 428(b).".

Subtitle B—Savings From Improved Student Loan Collection

SEC. 16021. AGREEMENT FOR AUDITS.

Section 428(b)(2) of the Act is amended—

(1) by striking out "and" at the end of subparagraph (B);

(2) by striking out the period at the end of subparagraph (C) and inserting in lieu thereof "; and"; and

(3) by inserting after such subparagraph the following:

"(D) provide for—

"(i) conducting, except as provided in clause (ii), financial and compliance audits of the guaranty agency at least once every two years and covering the period since the most recent audit, conducted by a qualified, independent organization or person in accordance with standards established by the Comptroller General for the audit of governmental organizations, programs, and functions, and as prescribed in regulations of the Secretary, the results of which shall be submitted to the Secretary; or

"(ii) with regard to a guaranty program of a State which is audited under chapter 75 of title 31, United States Code, deeming such audit to satisfy the requirements of clause (i) for the period of time covered by such audit.".

SEC. 16022. RECOVERY COSTS.

Section 430(b) of the Act is amended—

(1) by striking out in paragraph (1) "(including reasonable administrative costs)" and inserting in lieu thereof the following: "(including reasonable administrative and collection costs, to the extent set forth in regulations issued by the Secretary)";

(2) by striking out paragraph (2); and

(3) by striking out "(1)".

SEC. 16023. CREDIT BUREAU REPORTS.

Part B of title IV of the Act is amended by adding immediately after section 430 the following new section:

"REPORTS TO CREDIT BUREAUS AND INSTITUTIONS OF HIGHER EDUCATION

"SEC. 430A. (a) For the purpose of promoting responsible repayment of loans covered by Federal loan insurance pursuant to this part or covered by a guaranty agreement pursuant to section 428, the Secretary, and each guaranty agency, eligible lender, and subsequent holder shall enter into agreements with credit bureau organizations to exchange information concerning student borrowers, in accordance with the requirements of this section. For the purpose of assisting such organizations in complying with the Fair Credit Reporting Act, such agreements may provide for timely response to

the Secretary (concerning loans covered by Federal loan insurance) or by a guaranty agency, eligible lender, or subsequent holder (concerning loans covered by a guaranty agreement) to requests from such organizations for responses to objections raised by such borrowers. Subject to the requirements of subsection (c), such agreements shall require that the Secretary or guaranty agency, eligible lender, or subsequent holder to disclose to such organizations with respect to any loan dispersed to a student—

"(1) the date of disbursement and the amount of the loan;

"(2) the date of default and information concerning collection of the loan, including information concerning the repayment status of any defaulted loan on which the Secretary has made a payment pursuant to section 430(a) or the guaranty agency has made a payment to the previous holder of the loan; and

"(3) the date of cancellation of the note upon completion of repayment by the borrower of the loan or payment by the Secretary pursuant to section 437.

"(b) Such agreements may also provide for the disclosure by such organizations to the Secretary, a guaranty agency, eligible lender, or subsequent holder upon receipt of a notice under subsection (a)(2) that such a loan is in default, or information which may assist the Secretary, guaranty agency, eligible lender, or subsequent holder in collecting the loan.

"(c) Agreements entered into pursuant to this section shall contain such provisions as may be necessary to ensure that—

"(1) no information is disclosed by the Secretary, guaranty agency, eligible lender, or subsequent holder unless its accuracy and completeness have been verified and the Secretary, guaranty agency, eligible lender, or subsequent holder has determined that disclosure would carry out the purpose of this section;

"(2) as to any information so disclosed, such organizations will be promptly notified of, and will promptly record, any change submitted by the Secretary, guaranty agency, eligible lender, or subsequent holder with respect to such information, as required by section 611 of the Fair Credit Reporting Act (15 U.S.C. 168i);

"(3) no use will be made of any such information which would result in the use of collection practices with respect to such a borrower that are not fair and reasonable or that involve harassment, intimidation, false or misleading representations, or unnecessary communication concerning the existence of such loan or concerning such information; and

"(4) with regard to notices of default under subsection (a)(2) of this section, except for disclosures made to obtain the borrower's location, the Secretary, guaranty agency, eligible lender, or subsequent holder (A) shall not disclose any such information until the Secretary, guaranty agency, eligible lender, or subsequent holder has notified the borrower that such information will be disclosed to credit bureau organizations unless the borrower enters into repayment of the loan, but (B) shall, if the borrower has not entered into repayment within a reasonable period of time, but not less than thirty days, from the date such notice has been sent to the borrower, disclose the information required by this subsection.

"(d) A guaranty agency, eligible lender, subsequent holder, or credit bureau organization which discloses or receives information under this section shall not be considered a Government contractor within the meaning of section 552a of title 5 of the United States Code (the Privacy Act of 1974).

"(e) The Secretary and each guaranty agency, eligible lender, and subsequent holder is authorized to disclose information described in subsections (a) and (b) concerning student borrowers to the eligible institutions such borrowers attend or previously attended.

"(f) Notwithstanding paragraphs (4) and (6) of subsection (a) of section 605 of the Fair Credit Reporting Act (15 U.S.C. 1681c(a)(4), (a)(6)), a consumer reporting agency may make a report containing information received from the Secretary, or a guaranty agency, eligible lender, or subsequent holder regarding the status of a borrower's account on a loan insured or guaranteed under this part until the later of—

"(1) seven years from the date on which the agency paid a claim to the holder on insurance or the guaranty, or

"(2) seven years from the date the Secretary, guaranty agency, eligible lender, or subsequent holder first reported the account to a consumer reporting agency.".

SEC. 16024. CIVIL PENALTIES.

Section 432 of the Act is further amended by adding at the end thereof the following new subsection:

"(f)(1) Upon determination, after reasonable notice and opportunity for a hearing on the record, that a lender or a guaranty agency—

"(A) has violated or failed to carry out any provision of this part or any regulation prescribed under this part, or

"(B) has engaged in substantial misrepresentation of the nature of its financial charges,

the Secretary may impose a civil penalty upon such lender or agency of not to exceed $15,000 for each violation, failure, or misrepresentation.

"(2) No civil penalty may be imposed under paragraph (1) of this subsection unless it is determined that—

"(A) the violation, failure or substantial misrepresentation referred to in that paragraph resulted from—

"(i) a clear and consistent pattern or practice of violations, failures, or substantial misrepresentations in which the lender or guaranty agency did not maintain procedures reasonably adapted to avoid the violation, failure, or substantial representation;

"(ii) gross negligence; or

"(iii) willful actions on the part of the lender or guaranty agency; and

"(B) the violation, failure, or substantial misrepresentation is material.

"(3) A lender or guaranty agency has no liability under paragraph (1) of this subsection if, prior to the institution of an action under that paragraph, the lender or guaranty agency cures or corrects the violation or failure or notifies the person who received the substantial misrepresentation of the actual nature of the financial charges involved.

"(4) For the purposes of paragraph (1) of this subsection, violations, failures, or substantial misrepresentations arising from a specific practice of a lender or guaranty agency shall be deemed to be a single violation, failure, or substantial misrepresentation even if the violation, failure, or substantial misrepresentation affects more than one loan or more than one borrower, or both, and the Secretary may only impose a single civil penalty for each such violation, failure, or substantial misrepresentation.

"(5) If a loan affected by a violation, failure, or substantial misrepresentation is assigned to another holder, the lender or guaranty agency responsible for the violation, failure, or substantial misrepresentation shall remain liable for any civil money penalty provided for under paragraph (1) of this subsection, but the assignee shall not be liable for any such civil money penalty.

"(6) Until a matter is referred to the Attorney General, any civil penalty under paragraph (1) of this subsection may be compromised by the Secretary. In determining the amount of such penalty, or the amount agreed upon in compromise, the Secretary shall consider the appropriateness of the penalty to the resources of the lender or guaranty agency subject to the determination; the gravity of the violation, failure, or substantial misrepresentation; the frequency and persistence of the violation, failure, or substantial misrepresentation; and the amount of any losses resulting from the violation, failure, or substantial misrepresentation. The amount of such penalty, when finally determined, or the amount agreed upon in compromise, may be deducted from any sums owing by the United States to the lender or agency charged (unless the lender or agency has in the case of a final agency determination commenced proceedings for judicial review within 90 days of the determination, in which case the deduction may not be made during the pendency of the proceeding).".

SEC. 16025. ASSIGNMENT AND REFERRAL OF NDSL LOANS FOR COLLECTION.

Section 463(a)(5) of the Act is amended to read as follows:

"(5) provide that where a note or written agreement evidencing a loan has been in default despite due diligence on the part of the institution in attempting collection thereon—

"(A) if the institution has knowingly failed to maintain an acceptable collection record with respect to such loan, as determined by the Secretary in accordance with criteria established by regulation, the Secretary may—

"(i) require the institution to assign such note or agreement to the Secretary, without recompense; and

"(ii) apportion any sums collected on such a loan (less an amount not to exceed 30 per centum of any sums collected to cover the Secretary's collection costs) among other institutions in accordance with section 462; or

"(B) if the institution is not one described in clause (A), the Secretary may—

"(i) allow such institution to transfer its interest in such loan to the Secretary, for collection, and the Secretary may use any collections thereon (less an amount not to exceed 30 per centum of any sums collected to cover the Secretary's collection costs) to make allocations to institutions of additional capital contributions in accordance with section 462; or

"(ii) allow such institution to refer such note or agreement to the Secretary, without recompense, except that any sums collected on such a loan (less an amount not to exceed 30 per centum of any sums collected to cover the Secretary's collection costs) shall be repaid to such institution no later than 180 days after collection by the Secretary and treated as an additional capital contribution;".

SEC. 16026. REPORTING BY CONSUMER REPORTING AGENCY ON NDSL LOANS.

Section 463(c) of the Act is amended by adding at the end the following new paragraph:

"(3) Notwithstanding paragraphs (4) and (6) of subsection (a) of section 605 of the Fair Credit Reporting Act (15 U.S.C. 1681c(a)(4), (a)(6)), a consumer reporting agency may make a report containing information received from the Secretary regarding the status of a borrower's account on a loan made under this part until the later of—

"(A) seven years from the date on which the Secretary accepted an assignment or referral of a loan, or

"(B) seven years from the date the Secretary first reported the account to a consumer reporting agency, if that account had not been previously reported by any other holder of the note.".

SEC. 16027. DEFAULT PENALTY ON NDSL LOANS.

Section 463A(a)(7) of the Act is amended by inserting immediately before the semicolon at the end thereof the following: "and a description of any penalty imposed as a consequence of default, such as liability for expenses reasonably incurred in attempts by the Secretary or institutions to collect on a loan".

SEC. 16028. NDSL LOAN AGREEMENTS.

(a) CHARGES FOR LATE PAYMENTS.—Section 464(c)(1)(H) of the Act is amended to read as follows:

"(H) pursuant to regulations of the Secretary, shall provide for an assessment of a charge with respect to the loan for failure of the borrower to pay all or part of an installment when due, which shall include the expenses reasonably incurred in attempting collection of the loan, to the extent permitted by the Secretary, except that no charge imposed under this clause shall exceed 20 per centum of the amount of the monthly payment of the borrower; and".

(b) CONFORMING AMENDMENT.—Section 464(c)(4) of the Act is amended to read as follows:

"(4) The institution may elect—

"(A) to add the amount of any charge imposed under paragraph (1)(H) to the principal amount of the loan as of the first day after the day on which the installment was due and to notify the borrower of the assessment of the charge; or

"(B) to make the amount of the charge payable to the institution not later than the due date of the next installment.".

SEC. 16029. REFERRAL OF NDSL LOANS FOR COLLECTION.

Section 467 of the Act is amended to read as follows:

"COLLECTION OF DEFAULTED LOANS

"SEC. 467. (a) With respect to any loan—

"(1) which was made under this part, and

"(2) which is referred, transferred, or assigned to the Secretary by an institution with an agreement under section 463(a),

the Secretary is authorized to attempt to collect such loan by any means authorized by law for collecting claims of the United States (including referral to the Attorney General for litigation) and under such terms and conditions as the Secretary may prescribe, including reimbursement for expenses reasonably incurred in attempting such collection.

"(b) The Secretary shall continue to attempt to collect any loan referred, transferred, or assigned under paragraph (5)(A), (5)(B)(i), or (6) of section 463(a) until all appropriate collection efforts, as determined by the Secretary, have been expended.".

SUBTITLE C—SAVINGS RELATED TO GENERAL PROVISIONS

SEC. 16031. EXCLUSION OF LIQUIDATION PROCEEDS FROM FAMILY CONTRIBUTION COMPUTATIONS.

Section 482 of the Act is amended by adding at the end thereof the following new subsection:

"(f) The Secretary shall, within 30 days after the date of enactment of this subsection, promulgate special regulations to permit, in the computation of family contributions for the programs under subpart 1 of part A and part B of this title for any academic year beginning on or after July 1, 1985, the exclusion from family income of any proceeds of a sale of farm or business assets of that family if such sale results from a voluntary or involuntary foreclosure, forfeiture, or bankruptcy.".

SEC. 16032. ADDITIONAL ELIGIBILITY REQUIREMENTS FOR STUDENT LOANS.

(a) STUDENT IDENTIFICATION.—Section 484(a) of the Act is amended—

(1) by striking out the word "such" each place it appears in paragraph (4) and inserting in lieu thereof "any"; and

(2) by striking out "(which need not be notarized)" in paragraph (5) and inserting in lieu thereof "(which need not be notarized but which shall include such student's social security number or, if the student does not have a social security number, such student's student identification number)".

(b) ELIGIBILITY DETERMINATIONS.—Section 484 of the Act is amended by redesignating subsection (b) as subsection (c) and by inserting after subsection (a) the following new subsection:

"(b) In order to be eligible to receive any loan under this title (other than a loan under section 428B or 428C) for any period of enrollment, a student who is not a graduate or professional student (as defined in regulations of the Secretary), and who is enrolled in a program at an institution which has a participation agreement with the Secretary to make awards under subpart 1 of part A of this title, shall—

"(1) have received a determination of eligibility or ineligibility for a grant under such subpart 1 for such period of enrollment; or

"(2) have (A) filed an application with the Pell Grant processor for such institution for such enrollment period; and (B) received from the financial aid administrator of the institution a preliminary determination of the student's eligibility or ineligibility for a grant under such subpart 1.".

(c) CONFORMING AMENDMENT.—Section 428(a)(2)(C)(i) of the Act is amended by striking out "subparts 1 and 2 of part A," and inserting in lieu thereof "subpart 1 of part A (as determined in accordance with section 484(b)), subpart 2 of part A,".

SEC. 16033. STATUTE OF LIMITATIONS.

Part F of title IV of the Act is amended by adding immediately after section 484 the following new section:

"STATUTE OF LIMITATIONS

"SEC. 484A. (a) Notwithstanding any provision of State law that would set an earlier deadline for filing suit—

"(1) an institution which receives funds under this title may file suit for collection of a refund due from a student on a grant made or work assistance awarded under this title during a period of time extending at least until a date six years (exclusive of periods during which the State statute of limitations period otherwise applicable to the suit would be tolled under State law) after the date the refund first became due;

"(2) a guaranty agency which has an agreement with the Secretary under section 428(c) may file suit for collection of the amount due from a borrower on a loan made under part B of this title during a period of time extending at least until a date six years (exclusive of periods during which the State statute of limitations period otherwise applicable to the suit would be tolled under State law) after the date such guaranty agency reimburses the previous holder of the loan for its loss on account of the default of the borrower; and

"(3) an institution which has an agreement with the Secretary pursuant to section 463(a) may file suit for collection of the amount due from a borrower on a loan made under part E of this title during a period of time extending at least until a date six years (exclusive of periods during which the State statute of limitations period otherwise applicable to the suit would be tolled under State law) after the date of the default of the borrower with respect to that amount; and

"(4) subject to the provisions of section 2416 of title 28 of the United States Code, the Attorney General may file suit—

"(A) for payment of a refund due from a student on a grant made under this title until six years following the date on which the refund first became due;

"(B) for collection of the amount due the Secretary from a borrower pursuant to section 428(c)(2)(D) of this title until six years following the date on which the loan is assigned to the Secretary under part B of this title; and

"(C) for collection of the amount due from a borrower on a loan made under this part until six years following the date on which the loan is assigned, transferred, or referred to the Secretary under part E of this title.

"(b) Notwithstanding any provision of State law to the contrary—

"(1) a borrower who has defaulted on a loan made under this title shall be required to pay, in addition to other charges specified in this title, reasonable collection costs; and

"(2) in collecting any obligation arising from a loan made under part B of this title, a guaranty agency or the Secretary shall not be subject to a defense raised by any borrower based on a claim of infancy.".

SEC. 16034. PROGRAM PARTICIPATION AGREEMENTS.

(a) USE OF INTEREST ON FUNDS RECEIVED.—Section 487(a)(1) of the Act is amended to read as follows:

"(1) The institution will use funds received by it for any program under this title and any interest or other earnings thereon solely for the purposes specified in, and in accordance with the provision of, that program.".

(b) AUDIT AND RECOVERY OF FUNDS.—Section 487(b)(1) of the Act is amended by striking out subparagraph (A) and inserting in lieu thereof the following:

"(A)(i) except as provided in clause (ii), a financial and compliance audit of an eligible institution, with regard to any funds obtained by it under this title or obtained from a student or a parent who has a loan insured or guaranteed by the Secretary under this title, at least once every two years and covering the period since the most recent audit, conducted by a qualified, independent organization or person in accordance with standards established by the Comptroller General for the audit of gov-

ernmental organization, programs, and functions, and as prescribed in regulations of the Secretary, the results of which shall be submitted to the Secretary; or

"(ii) with regard to an eligible institution which is audited under chapter 75 of title 31, United States Code, deeming such audit to satisfy the requirements of clause (i) for the period covered by such audit;".

SUBTITLE D—EFFECTIVE DATES

SEC. 16041. EFFECTIVE DATES.

(a) GENERAL RULE.—Except as otherwise provided in this section, the amendments made by this subtitle shall take effect on the date of enactment of this Act.

(b) PROSPECTIVE PROVISIONS; LOANS.—(1) The amendments made by sections 16012, 16027, and 16028 shall apply to loans to cover the cost of attendance for any period of enrollment beginning on or after January 1, 1986.

(2) The amendments made by section 16013 shall apply to loans made on or after July 1, 1986.

(c) RETROACTIVE PROVISIONS; LOANS.—(1) The amendment made by section 16015 shall apply to any fiscal year beginning after September 30, 1984.

(2) The amendments made by sections 16021 through 16026, 16029, and 16032(b) shall apply to all loans, including loans made before the enactment of this Act, and shall take effect 90 days after the enactment of this Act.

(d) PROSPECTIVE PROVISION; ALL ASSISTANCE.—The amendment made by section 16032(a) shall apply to grants, loans, or work assistance to cover the cost of attendance for any period of enrollment beginning on or after January 1, 1986.

(e) RETROACTIVE PROVISION; GRANTS.—The amendment made by section 16033 shall apply to all grants, including grants awarded before the enactment of this Act, and shall take effect 90 days after the enactment of this Act.

(f) RETROACTIVE PROVISIONS; ALL ASSISTANCE.—The amendment made by section 16034 shall apply to all grants, loans, or work assistance, including such assistance awarded before the enactment of this Act, and shall take effect 90 days after the enactment of this Act.

TITLE XVII—GRADUATE MEDICAL EDUCATION COUNCIL AND TECHNICAL AMENDMENTS TO THE PUBLIC HEALTH SERVICE ACT

SEC. 17001. COUNCIL ON GRADUATE MEDICAL EDUCATION.

Title VII of the Public Health Service Act is amended by adding at the end thereof the following new part:

"PART H—GRADUATE MEDICAL EDUCATION

"COUNCIL ON GRADUATE MEDICAL EDUCATION

"SEC. 799. (a) There is established the Council on Graduate Medical Education (hereafter in this section referred to as the 'Council'). The Council shall—

"(1) prior to July 1, 1988, and every three years thereafter, provide advice and make recommendations to the Secretary and to the Committees on Labor and Human Resources, and Finance of the Senate and the Committees on Energy and Commerce and Ways and Means of the House of Representatives, with respect to—

"(A) the supply and distribution of physicians in the United States;

"(B) current and future shortages or excesses of physicians in medical and surgical specialties and subspecialties;

"(C) issues relating to foreign medical school graduates;

"(D) appropriate Federal policies with respect to the matters specified in subparagraphs (A), (B), and (C), including policies concerning changes in the financing of undergraduate and graduate medical education programs and changes in the types of medical education training in graduate medical education programs;

"(E) appropriate efforts to be carried out by hospitals, schools of medicine, schools of osteopathy, and accrediting bodies with respect to the matters specified in subparagraphs (A), (B), and (C), including efforts for changes in undergraduate and graduate medical education programs; and

"(F) deficiencies in, and needs for improvements in, existing data bases concerning the supply and distribution of, and postgraduate training programs for, physicians in the United States and steps that should be taken to eliminate those deficiencies; and

"(2) encourage entities providing graduate medical education to conduct activities to voluntarily achieve the recommendations of the Council under paragraph (1)(E).

"(b) The Council shall be composed of—

"(1) the Assistant Secretary for Health or the designee of the Assistant Secretary;

"(2) the Administrator of the Health Care Financing Administration;

"(3) the Chief Medical Director of the Veterans' Administration;

"(4) 6 members appointed by the Secretary to include representatives of practicing primary care physicians, national and specialty physician organizations, foreign medical graduates, and medical student and house staff associations;

"(5) 4 members appointed by the Secretary to include representatives of schools of medicine and osteopathy and public and private teaching hospitals; and

"(6) 4 members appointed by the Secretary to include representatives of health insurers, business, and labor.

"(c)(1) Members of the Council appointed under paragraphs (4), (5), and (6) of subsection (b) shall be appointed for a term of 4 years, except that the term of office of the members first appointed shall expire, as designated by the Secretary at the time of appointment, 4 at the end of one year, 4 at the end of 2 years, 3 at the end of 3 years, and 3 at the end of 4 years.

"(2) The Secretary shall appoint the first members to the Council under paragraphs (4), (5), and (6) of subsection (b) within 60 days after the date of enactment of this section.

"(d) The Council shall elect one of its members as Chairman of the Council.

"(e) Nine members of the Council shall constitute a quorum, but a lesser number may hold hearings.

"(f) Any vacancy in the Council shall not affect its power to function.

"(g) Each member of the Council who is not otherwise employed by the United States Government shall receive compensation at a rate equal to the daily rate prescribed for GS-18 under the General Schedule under section 5332 of title 5, United States Code, for each day, including travel-time, such member is engaged in the actual performance of duties as a member of the Council. A member of the Council who is an officer or employee of the United States Government shall serve without additional compensation. All members of the Council shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in the performance of their duties.

"(h)(1) In order to carry out the provisions of this section, the Council is authorized to—

"(A) collect such information, hold such hearings, and sit and act at such times and places, either as a whole or by subcommittee, and request the attendance and testimony of such witnesses and the production of such books, records, correspondence, memoranda, papers, and documents as the Council or such subcommittee may consider available; and

"(B) request the cooperation and assistance of Federal departments, agencies, and instrumentalities, and such departments, agencies, and instrumentalities are authorized to provide such cooperation and assistance.

"(2) The Council shall coordinate activities carried out under this section with the activities of the National Advisory Council on Health Professions Education under section 702 and with the activities of the Secretary under section 708. The Secretary shall, in cooperation with the Council and pursuant to the recommendations of the Council, take such steps as are practicable to eliminate deficiencies in the data base established under section 708 and shall make available in its reports such comprehensive data sets as are developed pursuant to this section.

"(i) In the reports required under subsection (a), the Council shall specify its activities during the period for which the report is made.

"(j) The Council shall terminate on September 30, 1996."

SEC. 17002. SPECIAL PAY PROVISIONS.

(a) SERVICE IN THE INDIAN HEALTH SERVICE.—(1) Section 208(a)(2)(B) of the Public Health Service Act (42 U.S.C. 210(a)(2)(B)) is amended by inserting "(other than an officer serving in the Indian Health Service)" after "Corps".

(2) The amendment made by paragraph (1) shall take effect as of October 7, 1985.

(b) EMPLOYEES AT THE GILLIS W. LONG HANSEN'S DISEASE CENTER.—Section 208(e) of the Public Health Service Act (42 U.S.C. 210(e)) is amended to read as follows:

"(e) Any civilian employee of the Service who is employed at the Gillis W. Long Hansen's Disease Center on the date of the enactment of the Consolidated Omnibus Budget Reconciliation Act of 1985 shall be entitled to receive, in addition to any compensation to which the employee may otherwise be entitled and for so long as the employee remains employed at the Center, an amount equal to one-fourth of such compensation.".

SEC. 17003. USE OF FISCAL AGENTS BY PUBLIC HEALTH SERVICE.

Title XXI of the Public Health Service Act is amended by adding at the end the following new section:

"USE OF FISCAL AGENTS

"SEC. 2116. (a) The Secretary may enter into contracts with fiscal agents—

"(1)(A) to determine the amounts payable to persons who, on behalf of the Indian Health Service, furnish health services to eligible Indians,

"(B) to determine the amounts payable to persons who, on behalf of the Public Health Service, furnish health services to individuals pursuant to section 319 or 322,

"(2) to receive, disburse, and account for funds in making payments described in paragraph (1),

"(3) to make such audits of records as may be necessary to assure that these payments are proper, and

"(4) to perform such additional functions as may be necessary to carry out the func-

tions described in paragraphs (1) through (3).

"(b)(1) Contracts under subsection (a) may be entered into without regard to section 3709 of the Revised Statutes (41 U.S.C. 5) or any other provision of law requiring competition.

"(2) No such contract shall be entered into with an entity unless the Secretary finds that the entity will perform its obligations under the contract efficiently and effectively and will meet such requirements as to financial responsibility, legal authority, and other matters as he finds pertinent.

"(c) A contract under subsection (a) may provide for advances of funds to enable entities to make payments under the contract.

"(d) Subsections (d) and (e) of section 1842 of the Social Security Act shall apply to contracts with entities under subsection (a) in the same manner as they apply to contracts with carriers under that section.

"(e) In this section, the term 'fiscal agent' means a carrier described in section 1842(f)(1) of the Social Security Act and includes, with respect to contracts under subsection (a)(1)(A), an Indian tribe or tribal organization acting under contract with the Secretary under the Indian Self-Determination Act (Public Law 93-638).".

SEC. 17004. TECHNICAL REVISIONS RELATING TO EMERGENCY MEDICAL SERVICES FOR CHILDREN.

Section 1910 of the Public Health Service Act (42 U.S.C. 300w-9) is amended—

(1) by striking out "grant to not more than four States in any fiscal year" in the first sentence of subsection (a) and inserting in lieu thereof "not more than four grants in any fiscal year to States or accredited schools of medicine in States";

(2) by adding at the end of subsection (a) the following new sentence: "Only one grant under this subsection may be made in a State (to a State or to a school of medicine in such State) in any fiscal year.";

(3) by striking out "other States" in subsection (b) and inserting in lieu thereof "States in which grants under such subsection have not been made";

(4) by redesignating subsection (c) as subsection (d); and

(5) by inserting after subsection (b) the following new subsection:

"(c) For purposes of this section—

"(1) the term 'school of medicine' has the same meaning as in section 701(4); and

"(2) the term 'accredited' has the same meaning as in section 701(5).".

TITLE XVIII—SMALL BUSINESS PROGRAMS

SEC. 18001. SMALL BUSINESS ADMINISTRATION PROGRAM AND AUTHORIZATION LEVELS.

Section 20 of the Small Business Act is amended by adding the following new subsections:

"(u) The following program levels are authorized for fiscal year 1986—

"(1) for the programs authorized by section 7(a) of this Act, the Administration is authorized to make $60,000,000 in direct and immediate participation loans; and of such sum, the Administration is authorized to make $15,000,000 in loans as provided in paragraph (10), $25,000,000 in loans as provided in paragraph (11), and $20,000,000 in loans to disabled veterans and Vietnam era veterans as defined in section 1841, title 38, United States Code, under the general terms and conditions of title III of Public Law 97-72;

"(2) for the programs authorized by section 7(a) of this Act and section 503 of the Small Business Investment Act of 1958, the Administration is authorized to make $2,971,000,000 in deferred participation loans and guarantees of debentures; and of such sum, the Administration is authorized to make $5,000,000 in loans as provided in paragraph (10), $60,000,000 in loans as provided in paragraph (11), $15,000,000 in loans as provided in paragraph (12), $400,000,000 in loans as provided in paragraph (13) and guarantees of debentures as provided in section 503;

"(3) for the programs authorized by title III of the Small Business Investment Act of 1958, the Administration is authorized to make $41,000,000 in direct purchases of debentures and preferred securities and to make $250,000,000 in guarantees of debentures;

"(4) for the programs authorized by part B of title IV of the Small Business Investment Act of 1958, the Administration is authorized to enter into guarantees not to exceed $1,050,000,000; and

"(5) for the programs authorized in sections 404 and 405 of the Small Business Investment Act of 1958, the Administration is authorized to enter into guarantees not to exceed $75,000,000.

"(v) There are authorized to be appropriated to the Administration for fiscal year 1986, $515,000,000. Of such sum, $295,000,000 shall be available for the purpose of carrying out the programs referred to in paragraphs (1) through (3) of subsection (u); $12,000,000 shall be available for the purposes of carrying out the provisions of section 412 of the Small Business Investment Act of 1958; and $208,000,000 shall be available for salaries and expenses of the Administration. There also are hereby authorized to be appropriated such sums as may be necessary and appropriate to carry out the provisions and purposes, including administrative expenses, of sections 7(b)(1) and 7(b)(2) of this Act; and there are authorized to be transferred from the disaster loan revolving funds such sums as may be necessary and appropriate for such administrative expenses.

"(w) The following program levels are authorized for fiscal year 1987—

"(1) for the programs authorized by section 7(a) of this Act, the Administration is authorized to make $70,000,000 in direct and immediate participation loans; and of such sum, the Administration is authorized to make $15,000,000 in loans as provided in paragraph (10), $35,000,000 in loans as provided in paragraph (11), and $20,000,000 in loans to disabled veterans and Vietnam era veterans as defined in section 1841, title 38, United States Code, under the general terms and conditions of title III of Public Law 97-72;

"(2) for the programs authorized by section 7(a) of this Act and section 503 of the Small Business Investment Act of 1958, the Administration is authorized to make $3,134,000,000 in deferred participation loans and guarantees of debentures; and of such sum, the Administration is authorized to make $5,000,000 in loans as provided in paragraph (10), $63,000,000 in loans as provided in paragraph (11), $16,000,000 in loans as provided in paragraph (12), $450,000,000 in loans as provided in paragraph (13) and guarantees of debentures as provided in section 503;

"(3) for the programs authorized by title III of the Small Business Investment Act of 1958, the Administration is authorized to make $41,000,000 in direct purchases of debentures and preferred securities and to make $261,000,000 in guarantees of debentures;

"(4) for the programs authorized by part B of title IV of the Small Business Investment Act of 1958, the Administration is authorized to enter into guarantees not to exceed $1,096,000,000; and

"(5) for the programs authorized in sections 404 and 405 of the Small Business Investment Act of 1958, the Administration is authorized to enter into guarantees not to exceed $75,000,000.

"(x) There are authorized to be appropriated to the Administration for fiscal year 1987, $605,000,000. Of such sum, $381,000,000 shall be available to carry out the programs referred to in paragraphs (1) through (3) of subsection (w); $14,000,000 shall be available to carry out the provisions of section 412 of the Small Business Investment Act of 1958; and $210,000,000 shall be available for salaries and expenses of the Administration. There also are hereby authorized to be appropriated such sums as may be necessary and appropriate to carry out the provisions and purposes, including administrative expenses, of sections 7(b)(1) and 7(b)(2) of this Act; and there are authorized to be transferred from the disaster loan revolving funds such sums as may be necessary and appropriate for such administrative expenses.

"(y) The following program levels are authorized for fiscal year 1988—

"(1) for the programs authorized by section 7(a) of this Act, the Administration is authorized to make $75,000,000 in direct and immediate participation loans; and of such sum, the Administration is authorized to make $15,000,000 in loans as provided in paragraph (10), $40,000,000 in loans as provided in paragraph (11), and $20,000,000 in loans to disabled veterans and Vietnam era veterans as defined in section 1841, title 38, United States Code, under the general terms and conditions of title III of Public Law 97-72;

"(2) for the programs authorized by section 7(a) of this Act and section 503 of the Small Business Investment Act of 1958, the Administration is authorized to make $3,245,000,000 in deferred participation loans and guarantees of debentures; and of such sum, the Administration is authorized to make $5,000,000 in loans as provided in paragraph (10), $65,000,000 in loans as provided in paragraph (11), $16,000,000 in loans as provided in paragraph (12), $450,000,000 in loans as provided in paragraph (13) and guarantees of debentures as provided in section 503;

"(3) for the programs authorized by title III of the Small Business Investment Act of 1958, the Administration is authorized to make $41,000,000 in direct purchases of debentures and preferred securities and to make $272,000,000 in guarantees of debentures;

"(4) for the programs authorized by part B of title IV of the Small Business Investment Act of 1958, the Administration is authorized to enter into guarantees not to exceed $1,142,000,000; and

"(5) for the programs authorized in sections 404 and 405 of the Small Business Investment Act of 1958, the Administration is authorized to enter into guarantees not to exceed $75,000,000.

"(z) There are authorized to be appropriated to the Administration for fiscal year 1988, $634,000,000. Of such sum, $409,000,000 shall be available to carry out the programs referred to in paragraphs (1) through (3) of subsection (y); $13,000,000

shall be available to carry out the provisions of section 412 of the Small Business Investment Act of 1958; and $212,000,000 shall be available for salaries and expenses of the Administration. There also are hereby authorized to be appropriated such sums as may be necessary and appropriate for the carrying out of the provisions and purposes, including administrative expenses, of sections 7(b)(1) and 7(b)(2) of this Act; and there are authorized to be transferred from the disaster loan revolving funds such sums as may be necessary and appropriate for such administrative expenses.".

SEC. 18002. TECHNICAL AND CLERICAL AMENDMENTS.

Section 20 of the Small Business Act is amended—

(1) in subsection (t), as added by section 302 of Public Law 98-270—

(A) by inserting "(1)" after "(t)";

(B) by striking out "each of fiscal years 1985 and 1986," and inserting in lieu thereof "fiscal year 1985"; and

(C) by striking out "for each of such years"; and

(2) in subsection (t), as added by section 3 of Public Law 98-395—

(A) by redesignating paragraphs (1), (2), and (3) as subparagraphs (A), (B), and (C), respectively; and

(B) by redesignating such subsection (t) as paragraph (2).

SEC. 18003. DETERMINATION OF LABOR SURPLUS AREAS.

(a) IN GENERAL.—Section 15 of the Small Business Act is amended by adding at the end thereof the following new subsection:

"(n) For purposes of this section, the determination of labor surplus areas shall be made on the basis of the criteria in effect at the time of the determination, except that any minimum population criteria shall not exceed twenty-five thousand. Such determination, as modified by the preceding sentence, shall be made by the Secretary of Labor.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on the ninetieth day after the date of the enactment of this Act.

SEC. 18004. FEDERAL FINANCING BANK PURCHASE OF GUARANTEED OBLIGATIONS.

(a) IN GENERAL.—Title III of the Small Business Investment Act of 1958 is amended by adding at the end thereof the following new section:

"GUARANTEED OBLIGATIONS NOT ELIGIBLE FOR PURCHASE BY FEDERAL FINANCING BANK

"SEC. 320. Nothing in any provision of law shall be construed to authorize the Federal Financing Bank to acquire after September 30, 1985—

"(1) any obligation the payment of principal or interest on which has at any time been guaranteed in whole or in part under this title,

"(2) any obligation which is an interest in any obligation described in paragraph (1), or

"(3) any obligation which is secured by, or substantially all of the value of which is attributable to, any obligation described in paragraph (1) or (2).".

(b) CLERICAL AMENDMENT.—The table of sections for title III is amended by adding at the end thereof the following new item:

"Sec. 320. Guaranteed obligations not eligible for purchase by Federal Financing Bank.".

SEC. 18005. ISSUANCE AND GUARANTEE OF TRUST CERTIFICATES.

(a) IN GENERAL.—Title III of the Small Business Investment Act of 1958 is amended by adding at the end thereof the following new section:

"SEC. 321. (a) The Administration is authorized to issue trust certificates representing ownership of all or a fractional part of debentures issued by small business investment companies and guaranteed by the Administration under this Act: *Provided*, That such trust certificates shall be based on and backed by a trust or pool approved by the Administration and composed solely of guaranteed debentures.

"(b) The Administration is authorized, upon such terms and conditions as are deemed appropriate, to guarantee the timely payment of the principal of and interest on trust certificates issued by the Administration or its agent for purposes of this section. Such guarantee shall be limited to the extent of principal and interest on the guaranteed debentures which compose the trust or pool. In the event that a debenture in such trust or pool is prepaid, either voluntarily or in the event of default, the guarantee of timely payment of principal and interest on the trust certificates shall be reduced in proportion to the amount of principal and interest such prepaid debenture represents in the trust or pool. Interest on prepaid or defaulted debentures shall accrue and be guaranteed by the Administration only through the date of payment on the guarantee. During the term of the trust certificate, it may be called for redemption due to prepayment or default of all debentures constituting the pool.

"(c) The full faith and credit of the United States is pledged to the payment of all amounts which may be required to be paid under any guarantee of such trust certificates issued by the Administration or its agent pursuant to this section.

"(d) The Administration shall not collect any fee for any guarantee under this section: *Provided*, That nothing herein shall preclude any agent of the Administration from collecting a fee approved by the Administration for the functions described in subsection (f)(2) of this section.

"(e)(1) In the event the Administration pays a claim under a guarantee issued under this section, it shall be subrogated fully to the rights satisfied by such payment.

"(2) No State or local law, and no Federal law, shall preclude or limit the exercise by the Administration of its ownership rights in the debentures constituting the trust or pool against which the trust certificates are issued.

"(f) The Administration shall—

"(1) provide for a central registration of all trust certificates sold pursuant to this section; such central registration shall include with respect to each sale, identification of each development company; the interest rate paid by the development company; commissions, fees, or discounts paid to brokers and dealers in trust certificates; identification of each purchaser of the trust certificate; the price paid by the purchaser for the trust certificate; the interest rate paid on the trust certificate; the fees of any agent for carrying out the functions described in paragraph (2); and such other information as the Administration deems appropriate;

"(2) contract with an agent to carry out on behalf of the Administration the central registration functions of this section and the issuance of trust certificates to facilitate poolings; such agent shall provide a fidelity bond or insurance in such amounts as the Administration determines to be necessary to fully protect the interests of the Government;

"(3) prior to any sale, require the seller to disclose to a purchaser of a trust certificate issued pursuant to this section, information on the terms, conditions, and yield of such instrument; and

"(4) have the authority to regulate brokers and dealers in trust certificates sold pursuant to this section.".

(b) RULES AND REGULATIONS; CONSULTATION.—(1) Notwithstanding any law, rule, or regulation, within 60 days after the date of the enactment of this Act, the Small Business Administration shall develop and promulgate final rules and regulations to implement the central registration provisions provided for in section 321(f)(1) of the Small Business Investment Act, and shall contract with an agent for an initial period of not to exceed two years to carry out the functions provided for in sections 321(f)(2) and 321(f)(3) of such Act.

(2) Notwithstanding any law, rule, or regulation, within 60 days after the date of the enactment of this Act, the Small Business Administration also shall consult with representatives of appropriate Federal and State agencies and officials, the securities industry, financial institutions and lenders, and small business persons, and shall develop and promulgate final rules and regulations to implement sections 504 and 505 of the Small Business Investment Act.

(c) CLERICAL AMENDMENT.—The table of sections for title III of such Act is amended by adding at the end thereof the following new item:

"Sec. 321. Issuance and guarantee of trust certificates.".

SEC. 18006. TERMINATION OF AUTHORITY TO MAKE CERTAIN DISASTER ASSISTANCE LOANS.

(a) IN GENERAL.—The Small Business Act is amended—

(1) in section (7)(b)—

(A) by striking out "The" after "(b)" and inserting in lieu thereof "Except as to agricultural enterprises as defined in section 18(b)(1) of this Act, the,";

(B) by striking out the semicolon at the end of paragraph (2) and inserting in lieu thereof a period; and

(C) by striking out paragraphs (3) and (4);

(2) in section 7(c)(4) by striking out the last, undesignated paragraph; and

(3) in section 18(a) by striking out all that follows "Federal Government," through "Consolidated Farm and Rural Development Act".

(b) PIPELINE LOANS OR PREVIOUS DISASTERS.—Notwithstanding the amendments made by this section, sections 18002 and 18016, or any other provision of law, the Small Business Administration shall continue to accept, process, and approve loan applications under paragraphs (1) through (4) of subsection 7(b) of the Small Business Act and shall obligate and disburse loan funds on account of disasters declared before October 1, 1985, even if any such application is filed after the date of the enactment of this Act.

SEC. 18007. GUARANTEE FEE.

Section 7(a) of the Small Business Act is amended by adding at the end thereof the following new sentence:

"(16) The Administration shall collect a guarantee fee equal to two percent of the amount of the deferred participation share of any loan under this subsection other than a loan repayable in one year or less or a loan under paragraph (13). The fee shall be payable by the participating lending in-

stitution and may be charged to the borrower.".

SEC. 18008. PILOT PROGRAM INVOLVING SALE OF DEVELOPMENT COMPANY DEBENTURES.

(a) PILOT PROGRAM.—Title V of the Small Business Investment Act of 1958 is amended by adding the following new section:

"SEC. 504. (a) Notwithstanding any other law, rule, or regulation, the Administration shall conduct a pilot program involving the sale to investors, either publicly or by private placement, of debentures guaranteed pursuant to section 503 of the Small Business Investment Act of 1958 as follows—

"(1) of the program levels otherwise authorized by law for fiscal year 1986, an amount not to exceed $200,000,000; and

"(2) of the program levels otherwise authorized by law for fiscal year 1987, an amount not to exceed $295,000,000.

"(b) Nothing in any provision of law shall be construed to authorize the Federal Financing Bank to acquire—

"(1) any obligation the payment of principal or interest on which at any time has been guaranteed in whole or in part under section 503 of the Small Business Investment Act of 1958 and which is being sold pursuant to the provisions of the pilot program authorized in this section,

"(2) any obligation which is an interest in any obligation described in paragraph (1), or

"(3) any obligation which is secured by, or substantially all of the value of which is attributable to, any obligation described in paragraph (1) or (2).".

(b) REPORT ON PILOT PROGRAMS.—The Administration shall report to the President and the Congress on the conduct of the pilot program established under subsection (a) not later than 90 days after the date on which the last sale is made pursuant to such subsection in each fiscal year, and unless a report has been made not later than October 1 of 1986 and 1987, the Administration shall make an interim report by such dates.

(c) AUTHORITY FOR ISSUANCE OF TRUST CERTIFICATES.—Such title is further amended by adding at the end thereof the following new section:

"SEC. 505. (a) The Administration is authorized to issue trust certificates representing ownership of all of a fractional part of debentures issued by State or local development companies and guaranteed by the Administration under this Act: *Provided*, That such trust certificates shall be based on and backed by a trust or pool approved by the Administration and composed solely of guaranteed debentures.

"(b) The Administration is authorized, upon such terms and conditions as are deemed appropriate, to guarantee the timely payment of the principal of and interest on trust certificates issued by the Administration or its agent for purposes of this section. Such guarantee shall be limited to the extent of principal and interest on the guaranteed debentures which compose the trust or pool. In the event that a debenture in such trust or pool is prepaid, either voluntarily or in the event of default, the guarantee of timely payment of principal and interest on the trust certificates shall be reduced in proportion to the amount of principal and interest such prepaid debenture represents in the trust or pool. Interest on prepaid or defaulted debentures shall accrue and be guaranteed by the Administration only through the date of payment on the guarantee. During the term of the trust certificate, it may be called for redemption due to prepayment or default of all debentures constituting the pool.

"(c) The full faith and credit of the United States is pledged to the payment of all amounts which may be required to be paid under any guarantee of such trust certificates issued by the Administration or its agent pursuant to this section.

"(d) The Administration shall not collect any fee for any guarantee under this section: *Provided*, That nothing herein shall preclude any agent of the Administration from collecting a fee approved by the Administration for the functions described in subsection (f)(2) of this section.

"(e)(1) In the event the Administration pays a claim under a guarantee issued under this section, it shall be subrogated fully to the rights satisfied by such payment.

"(2) No State or local law, and no Federal law, shall preclude or limit the exercise by the Administration of its ownership rights in the debentures constituting the trust or pool against which the trust certificates are issued.

"(f) The Administration shall—

"(1) provide for a central registration of all trust certificates sold pursuant to this section; such central registration shall include with respect to each sale, identification of each development company; the interest rate paid by the development company; commissions, fees, or discounts paid to brokers and dealers in trust certificates; identification of each purchaser of the trust certificate; the price paid by the purchaser for the trust certificate; the interest rate paid on the trust certificate; the fees of any agent for carrying out the functions described in paragraph (2); and such other information as the Administration deems appropriate;

"(2) contract with an agent to carry out on behalf of the Administration the central registration functions of this section and the issuance of trust certificates to facilitate poolings; such agent shall provide a fidelity bond or insurance in such amounts as the Administration determines to be necessary to fully protect the interests of the Government;

"(3) prior to any sale, require the seller to disclose to a purchaser of a trust certificate issued pursuant to this section, information on the terms, conditions, and yield of such instrument; and

"(4) have the authority to regulate brokers and dealers in trust certificates sold pursuant to this section.".

(d) RULES AND REGULATIONS.—(1) Notwithstanding any law, rule, or regulation, within 60 days after the date of enactment of this Act, the Small Business Administration shall develop and promulgate final rules and regulations to implement the central registration provisions provided for in section 505(f)(1) of the Small Business Investment Act, and shall contract with an agent for an initial period of not to exceed two years to carry out the functions provided for in section 505(f)(2) of such Act.

(2) Notwithstanding any law, rule or regulation, within 60 days after the date of enactment of this Act, the Small Business Administration also shall consult with representatives of appropriate Federal and State agencies and officials, the securities industry, financial institutions and lenders, and small business persons, and shall develop and promulgate final rules and regulations to implement sections 504 and 505 of the Small Business Investment Act.

SEC. 18009. MISREPRESENTATION AS A SMALL BUSINESS OR MINORITY CONCERN.

Section 16 of the Small Business Act is amended by adding to the end thereof the following new subsections:

"(d) Whoever misrepresents the status of any concern or person as a 'small business concern' or 'small business concern owned and controlled by socially and economically disadvantaged individuals', in order to obtain for oneself or another any—

"(1) prime contract to be awarded pursuant to section 9 or 15;

"(2) subcontract to be awarded pursuant to section 8(a);

"(3) subcontract that is to be included as part or all of a goal contained in a subcontracting plan required pursuant to section 8(d); or

"(4) prime or subcontract to be awarded as a result, or in furtherance, of any other provision of Federal law that specifically references section 8(d) for a definition of program eligibility,

shall be punished by a fine of not more than $50,000 or by imprisonment for not more than five years, or both.

"(e) Any representation of the status of any concern or person as a 'small business concern' or 'small business concern owned and controlled by socially and economically disadvantaged individuals' in order to obtain any prime contract or subcontract enumerated in subsection (d) of this section shall be in writing.".

SEC. 18010. REPORT CONCERNING ALTERNATIVE SOURCES FOR LOAN GUARANTEES.

Not later than June 30, 1986, the Administrator of the Small Business Administration shall submit to the Committees on Small Business of the Senate and the House of Representatives an internal report concerning—

(1) the options available to provide a guarantee on loans under section 7(a) of the Small Business Act from sources outside the Federal Government, together with such recommendations as the Administrator may have with respect to such options, including an evaluation of the feasibility of establishing a corporation owned by the Federal Government to make such guarantees; and

(2) the imposition, on each participating lender in the guaranteed loan program under section 7(a) of the Small Business Act, of an annual fee of between one-quarter of one percent and one percent of the value of the unpaid balance of any loan made under such program, particularly on the revenues that could be expected and whether such revenues could be used for a loss reserve fund or to defray the cost of administration of the program.

SEC. 18011. USER FEES.

(a) REPORT ON USER FEES.—Not later than September 30, 1986, the Small Business Administration shall submit to the Committees on Small Business of the Senate and the House of Representatives a report on user fees. The report shall specify for each fee which is currently being imposed or which is under consideration—

(1) the type of service provided by the Administration for which the fee is or may be charged;

(2) the amount of fee imposed or being considered;

(3) the formula for setting the fee; and

(4) the statutory or regulatory authority for the fee.

(b) REVIEW OF APPROPRIATENESS OF FEES.—The Administration shall review all other services provided by the Administration for

which no fee is currently being imposed and include in the report its findings and recommendations as to—

(1) whether or not a fee should be imposed for each service; and

(2) whether statutory authority is needed to impose the fee.

SEC. 18012. UTILIZATION OF PROGRAM AUTHORITY.

Section 20(a) of the Small Business Act is amended—

(1) by inserting "(1)" after "SEC. 20. (a)"; and

(2) by adding at the end thereof the following:

"(2) Notwithstanding any other provision of law, the Administration shall enter into commitments for direct loans and to guarantee loans, debentures, payment of rentals, or other amounts due under qualified contracts and other types of financial assistance and enter into commitments to purchase debentures and preferred securities and to guarantee sureties against loss pursuant to programs under this Act and the Small Business Investment Act of 1958, in the full amounts provided by law subject only to (A) the availability of qualified applications, and (B) limitations contained in appropriations Acts. Nothing in this paragraph authorizes the Administration to reduce or limit its authority to enter into such commitments.".

SEC. 18013. BUSINESS LENDING REFORMS.

Section 7(a)(2) of the Small Business Act is amended—

(1) by striking out "$100,000" both places it appears and inserting in lieu thereof "$155,000";

(2) by striking out "90" in subparagraph (B) and inserting in lieu thereof "85";

(3) by striking out "90" in the proviso and inserting in lieu thereof "85"; and

(4) by inserting before the period the following: ": *Provided, further,* That the Administration may reduce its participation below the per centums stated in this paragraph if the lender requests the reduction under the preferred lenders program or any successor thereto. As used in this sentence the term 'preferred lenders program' means a program under which, pursuant to a written agreement between the lender and the Administration, the lender has been delegated (1) complete authority to make and close loans with a guarantee from the Administration without obtaining the prior specific approval of the Administration, and (2) authority to service and liquidate such loans".

SEC. 18014. SURETY GUARANTEES.

Section 411 of the Small Business Investment Act of 1958 is amended—

(1) in subsection (a) by striking out "$1,000,000" and inserting in lieu thereof "$1,250,000"; and

(2) in subsection (e)(2) by striking out "$1,000,000" and inserting in lieu thereof "$1,250,000".

SEC. 18015. ELIGIBILITY OF SMALL BUSINESSES OWNED BY INDIAN TRIBES.

(a) CONSIDERATION OF INDIAN TRIBES.—Section 2(e)(1)(C) of the Small Business Act (15 U.S.C. 631(e)(2)(C)) is amended by inserting "Indian tribes," after "Native Americans,".

(b) CLARIFICATION OF DEFINITION OF "SOCIALLY AND ECONOMICALLY DISADVANTAGED SMALL BUSINESS CONCERN".—Paragraph (4) of section 8(a) of such Act (15 U.S.C. 637(a)(4)) is amended to read as follows:

"(4)(A) For purposes of this section, the term 'socially and economically disadvantaged small business concern' means any small business concern which meets the requirements of subparagraph (B) and—

"(i) which is at least 51 per centum owned by—

"(I) one or more socially and economically disadvantaged individuals, or

"(II) an economically disadvantaged Indian tribe, or

"(ii) in the case of any publicly owned business, at least 51 per centum of the stock of which is owned by—

"(I) one or more socially and economically disadvantaged individuals, or

"(II) an economically disadvantaged Indian tribe.

"(B) A small business concern meets the requirements of this subparagraph if the management and daily business operations of such small business concern are controlled by one or more—

"(i) socially and economically disadvantaged individuals described in subparagraph (A)(i)(I) or subparagraph (A)(ii)(I), or

"(ii) members of an economically disadvantaged Indian tribe described in subparagraph (A)(i)(II) or subparagraph (A)(ii)(II).".

(c) DETERMINATION OF ECONOMIC DISADVANTAGE OF AN INDIAN TRIBE.—Paragraph (6) of such Act (15 U.S.C. 637(a)(6)) is amended by adding at the end thereof the following new sentence: "In determining the economic disadvantage of an Indian tribe, the Administration shall consider, where available, information such as the following: the per capita income of members of the tribe excluding judgment awards, the percentage of the local Indian population below the poverty level, and the tribe's access to capital markets.".

(d) DEFINITION OF "INDIAN TRIBE".—Section 8(a) of such Act (15 U.S.C. 637(a)) is amended by adding at the end thereof the following new paragraph:

"(13) For purposes of this subsection, the term 'Indian tribe' means any Indian tribe, band, nation, or other organized group or community of Indians, including any Alaska Native village or regional or village corporation (within the meaning of the Alaska Native Claims Settlement Act) which—

"(A) is recognized as eligible for the special programs and services provided by the United States to Indians because of their status as Indians, or

"(B) is recognized as such by the State in which such tribe, band, nation, group, or community resides.".

SEC. 18016. SIZE STANDARD FOR AGRICULTURAL ENTERPRISES.

Section 3(a) of the Small Business Act is amended by inserting the following before the period at the end of the first sentence: ": *Provided,* That notwithstanding any other provision of law, an agricultural enterprise shall be deemed to be a small business concern if it (including its affiliates) has annual receipts not in excess of $500,000".

SEC. 18017. ENCOURAGEMENT OF VETERANS BUSINESS RESOURCE COUNCILS.

(a) FINDINGS.—The Congress finds that—

(1) Veterans Business Resource Councils have been established in the following ten States: California, Ohio, Texas, New York, Massachusetts, Indiana, Louisiana, Maryland, Minnesota, and Missouri;

(2) the concept of Veterans Business Resource Councils to establish networks of veterans with business experience assisting fellow veterans seeking to establish small businesses merits serious consideration; and

(3) the majority of our Nation's Vietnam era veterans fall within the thirty-five to forty-five-year old age range, in which most people decide to enter into small business ownership.

(b) RECOMMENDATIONS.—The Congress urges the Small Business Administration—

(1) to evaluate the effectiveness of the Veterans Business Resource Councils which are currently operating and to recommend improvements in their operations;

(2) to develop guidelines to assist in the establishment of Veterans Business Resource Councils; and

(3) to work with the remaining States and any interested organizations to encourage the establishment of Veterans Business Resource Councils in those States.

TITLE XIX—VETERANS' PROGRAMS

SEC. 19001. SHORT TITLE; REFERENCES TO TITLE 38, UNITED STATES CODE.

(a) SHORT TITLE.—This title may be cited as the "Veterans' Health-Care Amendments of 1986".

(b) REFERENCES.—Except as otherwise expressly provided, whenever in this title an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of title 38, United States Code.

SUBTITLE A—HEALTH CARE

SEC. 19011. ELIGIBILITY FOR HEALTH CARE OF VETERANS WITH NON-SERVICE-CONNECTED DISABILITIES.

(a) HOSPITAL CARE AND NURSING HOME CARE.—(1) Subsection (a) of section 610 is amended to read as follows:

"(a)(1) The Administrator shall furnish hospital care, and may furnish nursing home care, which the Administrator determines is needed—

"(A) to any veteran for a service-connected disability;

"(B) to a veteran whose discharge or release from the active military, naval, or air service was for a disability incurred or aggravated in line of duty, for any disability;

"(C) to a veteran who, but for a suspension pursuant to section 351 of this title (or both such a suspension and the receipt of retired pay), would be entitled to disability compensation, but only to the extent that such veteran's continuing eligibility for such care is provided for in the judgment or settlement described in such section, for any disability;

"(D) to a veteran who has a service-connected disability rated at 50 percent or more, for any disability;

"(E) to any other veteran who has a service-connected disability, for any disability;

"(F) to a veteran who is a former prisoner of war, for any disability;

"(G) to a veteran exposed to a toxic substance or radiation, as provided in subsection (e) of this section;

"(H) to a veteran of the Spanish-American War, the Mexican border period, or World War I, for any disability; and

"(I) to a veteran for a non-service-connected disability, if the veteran is unable to defray the expenses of necessary care as determined under section 622(a)(1) of this title.

"(2)(A) To the extent that resources and facilities are available, the Administrator may furnish hospital care and nursing home care which the Administrator determines is needed to a veteran for a non-service-connected disability if the veteran has an income level described in section 622(a)(2) of this title.

"(B) In the case of a veteran who is not described in paragraph (1) of this subsection or in subparagraph (A) of this paragraph,

the Administrator may furnish hospital care and nursing home care which the Administrator determines is needed to the veteran for a non-service-connected disability—

"(i) to the extent that resources and facilities are otherwise available; and

"(ii) subject to the provisions of subsection (f) of this section.

"(3) In addition to furnishing hospital care and nursing home care described in paragraphs (1) and (2) of this subsection through Veterans' Administration facilities, the Administrator may furnish such hospital care in accordance with section 603 of this title and may furnish such nursing home care as authorized under section 620 of this title.".

(2) Such section is further amended by adding at the end the following new subsections:

"(f)(1) The Administrator may not furnish hospital care or nursing home care under this section to a veteran who is eligible for such care by reason of subsection (a)(2)(B) of this section unless the veteran agrees to pay to the United States the applicable amount determined under paragraph (2) of this subsection.

"(2) A veteran who is furnished hospital care or nursing home care under this section and who is required under paragraph (1) of this subsection to agree to pay an amount to the United States in order to be furnished such care shall be liable to the United States for an amount equal to the lesser of—

"(A) the cost of furnishing such care, as determined by the Administrator; and

"(B) the amount determined under paragraph (3) of this subsection.

"(3)(A) In the case of hospital care furnished during any 365-day period, the amount referred to in paragraph (2)(B) of this subsection is—

"(i) the amount of the inpatient Medicare deductible, plus

"(ii) one-half of such amount for each 90 days of care (or fraction thereof) after the first 90 days of such care during such 365-day period.

"(B) In the case of nursing home care furnished during any 365-day period, the amount referred to in paragraph (2)(B) of this subsection is the amount of the inpatient Medicare deductible for each 90 days of such care (or fraction thereof) during such 365-day period.

"(C)(i) Except as provided in clause (ii) of this subparagraph, in the case of a veteran who is admitted for nursing home care under this section after being furnished, during the preceding 365-day period, hospital care for which the veteran has paid the amount of the inpatient Medicare deductible under this subsection and who has not been furnished 90 days of hospital care in connection with such payment, the veteran shall not incur any liability under paragraph (2) of this subsection with respect to such nursing home care until—

"(I) the veteran has been furnished, beginning with the first day of such hospital care furnished in connection with such payment, a total of 90 days of hospital care and nursing home care; or

"(II) the end of the 365-day period applicable to the hospital care for which payment was made,

whichever occurs first.

"(ii) In the case of a veteran who is admitted for nursing home care under this section after being furnished, during any 365-day period, hospital care for which the veteran has paid an amount under subparagraph (A)(ii) of this paragraph and who has not been furnished 90 days of hospital care in connection with such payment, the amount of the liability of the veteran under paragraph (2) of this subsection with respect to the number of days of such nursing home care which, when added to the number of days of such hospital care, is 90 or less, is the difference between the inpatient Medicare deductible and the amount paid under such subparagraph until—

"(I) the veteran has been furnished, beginning with the first day of such hospital care furnished in connection with such payment, a total of 90 days of hospital care and nursing home care; or

"(II) the end of the 365-day period applicable to the hospital care for which payment was made,

whichever occurs first.

"(D) In the case of a veteran who is admitted for hospital care under this section after having been furnished, during the preceding 365-day period, nursing home care for which the veteran has paid the amount of the inpatient Medicare deductible under this subsection and who has not been furnished 90 days of nursing home care in connection with such payment, the veteran shall not incur any liability under paragraph (2) of this subsection with respect to such hospital care until—

"(i) the veteran has been furnished, beginning with the first day of such nursing home care furnished in connection with such payment, a total of 90 days of nursing home care and hospital care; or

"(ii) the end of the 365-day period applicable to the nursing home care for which payment was made,

whichever occurs first.

"(E) A veteran may not be required to make a payment under this subsection for hospital care or nursing home care furnished under this section during any 90-day period in which the veteran is furnished medical services under section 612(f) of this title to the extent that such payment would cause the total amount paid by the veteran under this subsection for hospital care and nursing home care furnished during that period and under section 612(f)(4) of this title for medical services furnished during that period to exceed the amount of the inpatient Medicare deductible in effect on the first day of such period.

"(4) Amounts collected or received on behalf of the United States under this subsection shall be deposited in the Treasury as miscellaneous receipts.

"(5) For the purposes of this subsection, the term 'inpatient Medicare deductible' means the amount of the inpatient hospital deductible in effect under section 1813(b) of the Social Security Act (42 U.S.C. 1395e(b)) on the first day of the 365-day period applicable under paragraph (3) of this subsection.

"(g) Nothing in this section requires the Administrator to furnish care to a veteran to whom another agency of Federal, State, or local government has a duty under law to provide care in an institution of such government.".

(b) MEDICAL SERVICES FURNISHED ON AN OUTPATIENT OR AMBULATORY BASIS.—(1) Subsection (a) of section 612 is amended—

(A) by striking out the first sentence and inserting in lieu thereof the following:

"(1) Except as provided in subsection (b) of this section, the Administrator may furnish such medical services as the Administrator determines are needed—

"(A) to any veteran for a service-connected disability (including a disability that was incurred or aggravated in line of duty and for which the veteran was discharged or released from the active military, naval, or air service); and

"(B) for any disability of a veteran who has a service-connected disability rated at 50 percent or more.";

(B) by designating the sentence beginning "The Administrator may also" as paragraph (2) and in such sentence striking out "The Administrator may also furnish to any such veteran" and inserting in lieu thereof "As part of medical services furnished to a veteran under paragraph (1) of this subsection, the Administrator may furnish to the veteran";

(C) by striking out the sentence beginning "In the case of"; and

(D) by adding at the end of such subsection the following:

"(3) In addition to furnishing medical services under this subsection through Veterans' Administration facilities, the Administrator may furnish such services in accordance with section 603 of this title.".

(2) Subsection (f) of such section is amended—

(A) by striking out "The Administrator, within the limits of Veterans' Administration facilities, may" and inserting in lieu thereof "(1) Except as provided in paragraph (4) of this subsection, the Administrator may";

(B) by redesignating clause (1) as clause (A), redesignating subclauses (A) and (B) of such clause as subclauses (i) and (ii), respectively, and inserting "and" at the end of such clause;

(C) by striking out clause (2);

(D) by redesignating clause (3) as clause (B);

(E) by designating the second sentence as paragraph (2) and in such sentence striking out "The Administrator may also furnish to any such veteran" and inserting in lieu thereof "As part of medical services furnished to a veteran under paragraph (1) of this subsection, the Administrator may furnish to the veteran";

(F) by striking out the third sentence; and

(G) by adding at the end the following:

"(3) In addition to furnishing medical services under this subsection through Veterans' Administration facilities, the Administrator may furnish such services in accordance with section 603 of this title.

"(4)(A) The Administrator may not furnish medical services under this subsection (including home health services under paragraph (2) of this subsection) to a veteran who is eligible for hospital care under this chapter by reason of section 610(a)(2)(B) of this title unless the veteran agrees to pay to the United States the amount determined under subparagraph (B) of this paragraph.

"(B) A veteran who is furnished medical services under this subsection and who is required under subparagraph (A) of this paragraph to agree to pay an amount to the United States in order to be furnished such services shall be liable to the United States, in the case of each visit in which such services are furnished to the veteran, for an amount equal to 20 percent of the estimated average cost (during the calendar year in which the services are furnished) of an outpatient visit in a Veterans' Administration facility. Such estimated average cost shall be determined by the Administrator.

"(C) A veteran may not be required to make a payment under this paragraph for services furnished under this subsection

during any 90-day period to the extent that such payment would cause the total amount paid by the veteran under this paragraph for medical services furnished during that period and under section 610(f) of this title for hospital and nursing home care furnished during that period to exceed the amount of the inpatient Medicare deductible in effect on the first day of such 90-day period.

"(D) This subsection does not apply with respect to home health services under this subsection to the extent that such services are for improvements and structural alterations.

"(E) For the purposes of this paragraph, the term 'inpatient Medicare deductible' means the amount of the inpatient hospital deductible in effect under section 1813(b) of the Social Security Act (42 U.S.C. 1395e(b)).

"(F) Amounts collected or received by the Veterans' Administration under this paragraph shall be deposited in the Treasury as miscellaneous receipts.".

(3) Subsection (g) of such section is amended to read as follows:

"(g)(1) The Administrator may furnish medical services which the Administrator determines are needed to a veteran—

"(A) who is a veteran of the Mexican border period or of World War I; or

"(B) who is in receipt of increased pension or additional compensation or allowances based on the need of regular aid and attendance or by reason of being permanently housebound (or who, but for the receipt of retired pay, would be in receipt of such pension, compensation, or allowance).

"(2) As part of medical services furnished to a veteran under paragraph (1) of this subsection, the Administrator may furnish to the veteran home health services under the terms and conditions set forth in subsection (f) of this section.

"(3) In addition to furnishing medical services under this subsection through Veterans' Administration facilities, the Administrator may furnish such services in accordance with section 603 of this title.".

(4) Subsection (i) of such section is amended by adding at the end the following:

"(6) To any veteran who is in receipt of pension under section 521 of this title.".

(c) INCOME THRESHOLDS FOR CERTAIN NON-SERVICE-CONNECTED CARE.—(1) Section 622 is amended to read as follows:

"§622. Determination of inability to defray necessary expenses; income thresholds

"(a)(1) For the purposes of section 610(a)(1)(I) of this title, a veteran shall be considered to be unable to defray the expenses of necessary care if—

"(A) the veteran is eligible to receive medical assistance under a State plan approved under title XIX of the Social Security Act (42 U.S.C. 1396 et seq.);

"(B) the veteran is in receipt of pension under section 521 of this title; or

"(C) the veteran's attributable income is not greater than the Category A threshold.

"(2) For the purposes of section 610(a)(2)(A) of this title, a veteran's income level is described in this paragraph if the veteran's attributable income is not greater than the Category B threshold.

"(b) For the purposes of this section:

"(1) The Category A threshold—

"(A) for the calendar year beginning on January 1, 1986, is—

"(i) $15,000 in the case of a veteran with no dependents; and

"(ii) $18,000 in the case of a veteran with one dependent, plus $1,000 for each additional dependent; and

"(B) for a calendar year beginning after December 31, 1986, is the amount in effect for purposes of this paragraph for the preceding calendar year as adjusted under subsection (c) of this subsection.

"(2) The Category B threshold—

"(A) for the calendar year beginning on January 1, 1986, is—

"(i) $20,000 in the case of a veteran with no dependents; and

"(ii) $25,000 in the case of a veteran with one dependent, plus $1,000 for each additional dependent; and

"(B) for a calendar year beginning after December 31, 1986, is the amount in effect for purposes of this paragraph for the preceding calendar year as adjusted under subsection (c) of this subsection.

"(c) Effective on January 1 of each year, the amounts in effect under paragraphs (1) and (2) of subsection (b) of this section shall be increased by the percentage by which the maximum rates of pension were increased under section 3112(a) of this title during the preceding calendar year.

"(d)(1) Notwithstanding the attributable income of a veteran, the Administrator may refuse to make a determination described in paragraph (2) of this subsection if the corpus of the estate of the veteran is such that under all the circumstances it is reasonable that some part of the corpus of the estate of the veteran be consumed for the veteran's maintenance.

"(2) A determination described in this paragraph is a determination—

"(A) that for the purposes of subsection (a)(1)(C) of this section a veteran's attributable income is not greater than the Category A threshold; or

"(B) that for the purposes of subsection (a)(2) of this section a veteran's attributable income is not greater than the Category B threshold.

"(3) For the purposes of paragraph (1) of this subsection, the corpus of the estate of a veteran shall be determined in the same manner as the manner in which determinations are made of the corpus of the estates of persons under section 522 of this title.

"(e)(1) In order to avoid a hardship to a veteran described in paragraph (2) of this subsection, the Administrator may deem the veteran to have an attributable income during the previous year not greater than the Category A threshold or the Category B threshold, as appropriate.

"(2)(A) A veteran is described in this paragraph for the purposes of subsection (a)(1) of this section if—

"(i) the veteran has an attributable income greater than the Category A threshold; and

"(ii) the current projections of such veteran's income for the current year are that the veteran's income for such year will be substantially below such threshold.

"(B) A veteran is described in this paragraph for the purposes of subsection (a)(2) of this section if—

"(i) the veteran has an attributable income greater than the Category B threshold; and

"(ii) the current projections of such veteran's income for the current year are that the veteran's income for such year will be substantially below such threshold.

"(f) For purposes of this section:

"(1) The term 'attributable income' means the income of a veteran for the previous year determined in the same manner as the manner in which a determination is made of the total amount of income by which the rate of pension for such veteran under section 521 of this title would be reduced if such veteran were eligible for pension under that section.

"(2) The term 'corpus of the estate of the veteran' includes the corpus of the estates of the veteran's spouse and dependent children, if any.

"(3) The term 'previous year' means the calendar year preceding the year in which the veteran applies for care or services under section 610(a) or 612(f) of this title.

"(g) For the purposes of sections 610(b)(2) and 624(c) of this title, the fact that a veteran is—

"(1) eligible to receive medical assistance under a State plan approved under title XIX of the Social Security Act (42 U.S.C. 1396 et seq.);

"(2) a veteran with a service-connected disability; or

"(3) in receipt of pension under any law administered by the Veterans' Administration,

shall be accepted as sufficient evidence of such veteran's inability to defray necessary expenses.".

(2) The item relating to such section in the table of sections at the beginning of chapter 17 is amended to read as follows:

"622. Determination of inability to defray necessary expenses; income thresholds.".

(3) The first increase under subsection (c) of section 622 of title 38, United States Code, as added by paragraph (1), shall take effect on January 1, 1987.

(d) CONFORMING AMENDMENTS.—(1) Section 525(a) is amended by striking out "section 612(i)(5) of this title" and inserting in lieu thereof "clauses (5) and (6) of section 612(i)".

(2) Section 601(6) is amended—

(A) in clause (A)(i), by striking out "section 612(f)(1)(A)" and inserting in lieu thereof "section 612(f)(1)(A)(i)", and

(B) in clause (B)(ii), by striking out "section 612(f)(1)(B)" and inserting in lieu thereof "section 612(f)(1)(A)(ii)".

(3) Section 610(e) is amended—

(A) by striking out "may be furnished hospital care or nursing home care under subsection (a)(5)" in subparagraphs (A) and (B) of paragraph (1) and inserting in lieu thereof "is eligible for hospital care and nursing home care under subsection (a)(1)(G)"; and

(B) by striking out "subsection (a)(5)" in paragraphs (2) and (3) and inserting in lieu thereof "subsection (a)(1)(G)".

(4) Section 612A is amended—

(A) by striking out "clause (1)(B)" in subsection (b)(1) and inserting in lieu thereof "paragraph (1)(A)(ii)"; and

(B) by striking out "612(f)(2)" in subsection (e)(1) and inserting in lieu thereof "612(a)(1)(B)".

(5) Section 620(f)(1)(A)(ii) is amended by striking out "612(f)(2)" and inserting in lieu thereof "612(a)(1)(B)".

(6) Section 663(a)(1) is amended by striking out "612(f)(2)" both places it appears and inserting in lieu thereof "612(a)(1)(B)".

(e) REPORTS ON FURNISHING OF HEALTH CARE AND IMPLEMENTATION OF CHANGES IN ELIGIBILITY.—(1) The Administrator of Veterans' Affairs shall submit to the Committees on Veterans' Affairs of the Senate and the House of Representatives a report for each of fiscal years 1986, 1987, and 1988 concerning the implementation of the amendments made by this section.

(2) Each report under paragraph (1) shall provide detailed information with respect to the fiscal year for which it is submitted regarding—

(A) the number of veterans who received health care from the Veterans' Administration during the fiscal year concerned (shown in total and separately for hospital care, nursing home care, outpatient care, and domiciliary care);

(B) with respect to veterans who applied for health care from the Veterans' Administration during such fiscal year but did not receive such care—

(i) the number of such veterans (shown in total and separately for hospital care, nursing home care, outpatient care, and domiciliary care); and

(ii) the primary reasons why such care was not furnished;

(C) the guidelines and processes for—

(i) implementation of the income-threshold criteria for Veterans' Administration health-care eligibility established by paragraph (1)(I) and subparagraphs (A) and (B) of paragraph (2) of section 610(a) of title 38, United States Code (as added by subsection (a)), paragraph (4) of section 612(f) of such title (as added by subsection (b)), and section 622 of such title (as amended by subsection (c)); and

(ii) the collection of payments required by section 610(f) of such title (as added by subsection (a)(2)) and by section 612(f)(4) of such title (as added by subsection (b)(2));

(D) the numbers and characteristics of, and the type and extent of health care furnished by the Veterans' Administration to, veterans eligible for such care by reason of any such authorities, including—

(i) with respect to those eligible by reason of each such authority, the numbers who applied for and were furnished such care, the type and extent of such care that they were furnished, and their incomes and family sizes; and

(ii) with respect to veterans eligible by reason of section 610(a)(2)(B) of such title, the average and total payments made by such veterans for such care (shown in total and separately for hospital care, nursing home care, and outpatient care); and

(E) the numbers of, and the type and extent of health care furnished by the Veterans' Administration to, veterans eligible for such care by reason of each clause of section 610(a)(1) of such title (shown in total and separately for veterans with service-connected disabilities for each percentile disability rating).

The report for fiscal year 1986 shall include information relating only to care furnished on or after July 1, 1986.

(3) Each report under this subsection shall be submitted not later than the February 1 following the end of the fiscal year for which it is required.

(f) EFFECTIVE DATE.—(1) Except as provided in paragraph (2), the amendments made by this section shall apply to hospital care, nursing home care, and medical services furnished on or after July 1, 1986.

(2)(A) The provisions of sections 610 and 622 of title 38, United States Code, as in effect on the day before the date of the enactment of this Act, shall apply with respect to hospital and nursing home care furnished on or after July 1, 1986, to veterans furnished such care or services on June 30, 1986, but only to the extent that such care is furnished with respect to the same episode of care for which it was furnished on June 30, 1986, as determined by the Administrator pursuant to regulations which the Administrator shall prescribe.

(B) During the months of July and August 1986, the Administrator may, in order to continue a course of treatment begun before July 1, 1986, furnish medical services to a veteran on an ambulatory or outpatient basis without regard to the amendments made by this section.

(C) For the purposes of this paragraph, the term "episode of care" means a period of consecutive days—

(i) beginning with the first day on which a veteran is furnished hospital or nursing home care; and

(ii) ending on the day of the veteran's discharge from the hospital or nursing home facility, as the case may be.

SEC. 19012. TECHNICAL REVISION OF AUTHORITY TO CONTRACT FOR HOSPITAL CARE AND MEDICAL SERVICES.

(a) REPEAL OF CONTRACT AUTHORITY FROM DEFINITION OF VETERANS' ADMINISTRATION FACILITIES.—Section 601 is amended—

(1) in paragraph (4)—

(A) by inserting "and" at the end of clause (A); and

(B) by striking out the semicolon at the end of clause (B) and all that follows through the end of such paragraph and inserting in lieu thereof a period; and

(2) by adding at the end the following new paragraph:

"(9) The term 'non-Veterans' Administration facilities' means facilities other than Veterans' Administration facilities.".

(b) REENACTMENT OF CONTRACT AUTHORITY.—(1) Chapter 17 is amended by inserting after section 602 the following new section:

"§ 603. Contracts for hospital care and medical services in non-Veterans' Administration facilities

"(a) When Veterans' Administration facilities are not capable of furnishing economical hospital care or medical services because of geographical inaccessibility or are not capable of furnishing the care or services required, the Administrator, as authorized in section 610 or 612 of this title, may contract with non-Veterans' Administration facilities in order to furnish—

"(1) hospital care or medical services to a veteran for the treatment of—

"(A) a service-connected disability; or

"(B) a disability for which a veteran was discharged or released from the active military, naval, or air service;

"(2) medical services for the treatment of any disability of—

"(A) a veteran described in section 612(a)(1)(B) of this title;

"(B) a veteran described in section 612(f)(1)(A)(ii) of this title; or

"(C) a veteran described in section 612(g) of this title if the Administrator has determined, based on an examination by a physician employed by the Veterans' Administration (or, in areas where no such physician is available, by a physician carrying out such function under a contract or fee arrangement), that the medical condition of such veteran precludes appropriate treatment in Veterans' Administration facilities;

"(3) hospital care or medical services for the treatment of medical emergencies which pose a serious threat to the life or health of a veteran receiving medical services in a Veterans' Administration facility until such time following the furnishing of care in the non-Veterans' Administration facility as the veteran can be safely transferred to a Veterans' Administration facility;

"(4) hospital care for women veterans;

"(5) hospital care, or medical services that will obviate the need for hospital admission, for veterans in a State not contiguous to the contiguous States, except that the annually determined hospital patient load and incidence of the furnishing of medical services to veterans hospitalized or treated at the expense of the Veterans' Administration in Government and non-Veterans' Administration facilities in each such noncontiguous State shall be consistent with the patient load or incidence of the furnishing of medical services for veterans hospitalized or treated by the Veterans' Administration within the 48 contiguous States, but the authority of the Administrator under this paragraph with respect to the Commonwealth of Puerto Rico shall expire on September 30, 1988, and until such date the Administrator may, if necessary to prevent hardship, waive the applicability to the Commonwealth of Puerto Rico of the restrictions in this paragraph with respect to hospital patient loads and the incidence of the furnishing of medical services;

"(6) diagnostic services necessary for determination of eligibility for, or of the appropriate course of treatment in connection with, furnishing medical services at independent Veterans' Administration out-patient clinics to obviate the need for hospital admission; or

"(7) outpatient dental services and treatment, and related dental appliances, for a veteran described in section 612(b)(1)(G) of this title.

"(b) In the case of any veteran for whom the Administrator contracts to furnish care or services in a non-Veterans' Administration facility pursuant to a provision of subsection (a) of this section, the Administrator shall periodically review the necessity for continuing such contractual arrangement pursuant to such provision.".

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 602 the following new item:

"603. Contracts for hospital care and medical services in non-Veterans' Administration facilities.".

(c) CONFORMING AMENDMENTS.—(1) Section 612(b)(3) is amended by striking out "clause (i), (ii), or (v) of section 601(4)(C)" and inserting in lieu thereof "clause (1), (2), or (5) of section 603(a)".

(2) Section 612(b)(4) is amended by striking out "section 601(4)(C)" both places it appears and inserting in lieu thereof "section 603".

(3) Section 612A(e)(1) is amended by striking out "601(4)(C)(ii)" and inserting in lieu thereof "603(a)(2)".

(4) Section 903(a) is amended by inserting "hospital care in accordance with section 603 of this title or" after "was receiving".

(5) Section 102(b) of the Veterans' Administration Health-Care Amendments of 1985 (Public Law 99-166) is amended—

(A) by striking out "such section" in paragraph (1) and inserting in lieu thereof "section 603(a)(5)"; and

(B) by striking out "clause (v) of section 601(4)(C)" in paragraph (5) and inserting in lieu thereof "section 603(a)(5)".

SEC. 19013. RECOVERY OF THE COST OF CERTAIN HEALTH CARE AND SERVICES FURNISHED BY THE VETERANS' ADMINISTRATION.

(a) IN GENERAL.—Section 629 is amended to read as follows:

"§ 629. Recovery by the United States of the cost of certain care and services

"(a)(1) Subject to the provisions of this section, in any case in which a veteran is furnished care or services under this chapter for a non-service-connected disability described in paragraph (2) of this subsection, the United States has the right to recover or collect the reasonable cost of such care or services (as determined by the Administrator) from a third party to the extent that the veteran (or the provider of the care or services) would be eligible to receive payment for such care or services from such third party if the care or services had not been furnished by a department or agency of the United States.

"(2) Paragraph (1) of this subsection applies to a non-service-connected disability—

"(A) that is incurred incident to the veteran's employment and that is covered under a workers' compensation law or plan that provides for payment for the cost of health care and services provided to the veteran by reason of the disability;

"(B) that is incurred as the result of a motor vehicle accident to which applies a State law that requires the owners or operators of motor vehicles registered in that State to have in force automobile accident reparations insurance;

"(C) that is incurred as the result of a crime of personal violence that occurred in a State, or a political subdivision of a State, in which a person injured as the result of such a crime is entitled to receive health care and services at such State's or subdivision's expense for personal injuries suffered as the result of such crime; or

"(D) that is incurred by a veteran—

"(i) who does not have a service-connected disability; and

"(ii) who is entitled to care (or payment of the expenses of care) under a health-plan contract.

"(3) In the case of a health-plan contract that contains a requirement for payment of a deductible or copayment by the veteran—

"(A) the veteran's not having paid such deductible or copayment with respect to care or services furnished under this chapter shall not preclude recovery or collection under this section; and

"(B) the amount that the United States may collect or recover under this section shall be reduced by the appropriate deductible or copayment amount, or both.

"(b)(1) As to the right provided in subsection (a) of this section, the United States shall be subrogated to any right or claim that the veteran (or the veteran's personal representative, successor, dependents, or survivors) may have against a third party.

"(2)(A) In order to enforce any right or claim to which the United States is subrogated under paragraph (1) of this subsection, the United States may intervene or join in any action or proceeding brought by the veteran (or the veteran's personal representative, successor, dependents, or survivors) against a third party.

"(B) The United States may institute and prosecute legal proceedings against the third party if—

"(i) an action or proceeding described in subparagraph (A) of this paragraph is not begun within 180 days after the first day on which care or services for which recovery is sought are furnished to the veteran by the Administrator under this chapter;

"(ii) the United States has sent written notice by certified mail to the veteran at the veteran's last-known address (or to the veteran's personal representative or successor) of the intention of the United States to institute such legal proceedings; and

"(iii) a period of 60 days has passed following the mailing of such notice.

"(c)(1) The Administrator may compromise, settle, or waive any claim which the United States has under this section.

"(2)(A) The Administrator, after consultation with the Comptroller General of the United States, shall prescribe regulations for the purpose of determining the reasonable cost of care or services under subsection (a)(1) of this section. Any determination of such cost shall be made in accordance with such regulations.

"(B) Such regulations shall provide that the reasonable cost of care or services sought to be recovered or collected from a third-party liable under a health-plan contract may not exceed the amount that such third party demonstrates to the satisfaction of the Administrator it would pay for the care or services in accordance with the prevailing rates at which the third party makes payments under comparable health-plan contracts with facilities (other than facilities of departments or agencies of the United States) in the same geographic area.

"(C) Not later than 45 days after the date on which the Administrator prescribes such regulations (or any amendment to such regulations), the Comptroller General shall submit to the Committees on Veterans' Affairs of the Senate and the House of Representatives the Comptroller General's comments on and recommendations regarding such regulations (or amendment).

"(d) Any contract or agreement into which the Administrator enters with a person under section 3718 of title 31 for collection services to recover indebtedness owed the United States under this section shall provide, with respect to such services, that such person is subject to sections 3301 and 4132 of this title.

"(e) A veteran eligible for care or services under this chapter—

"(1) may not be denied such care or services by reason of this section; and

"(2) may not be required by reason of this section to make any copayment or deductible payment in order to receive such care.

"(f) No law of any State or of any political subdivision of a State, and no provision of any contract or other agreement, shall operate to prevent recovery or collection by the United States under this section or with respect to care or services furnished under section 611(b) of this title.

"(g) Amounts collected or recovered on behalf of the United States under this section shall be deposited into the Treasury as miscellaneous receipts.

"(h)(1) Subject to paragraph (3) of this subsection, the Administrator shall make available medical records of a veteran described in paragraph (2) of this subsection for inspection and review by representatives of the third party concerned for the sole purposes of permitting the third party to verify—

"(A) that the care or services for which recovery or collection is sought were furnished to the veteran; and

"(B) that the provision of such care or services to the veteran meets criteria generally applicable under the health-plan contract involved.

"(2) A veteran described in this paragraph is a veteran who is a beneficiary of a health-plan contract under which recovery or collection is sought under this section from the third party concerned for the cost of the care or services furnished to the veteran.

"(3) Records shall be made available under this subsection under such conditions to protect the confidentiality of such records as the Administrator shall prescribe in regulations.

"(i) For purposes of this section—

"(1)(A) The term 'health-plan contract' means an insurance policy or contract, medical or hospital service agreement, membership or subscription contract, or similar arrangement, under which health services for individuals are provided or the expenses of such services are paid.

"(B) Such term does not include—

"(i) an insurance program described in section 1811 of the Social Security Act (42 U.S.C. 1395c) or established by section 1831 of such Act (42 U.S.C. 1395j);

"(ii) a State plan for medical assistance approved under title XIX of such Act (42 U.S.C. 1396 et seq.);

"(iii) a workers' compensation law or plan described in subparagraph (A) of subsection (a)(2) of this section; or

"(iv) a program, plan, or policy under a law described in subparagraph (B) or (C) of such subsection.

"(2) The term 'payment' includes reimbursement and indemnification.

"(3) The term 'third party' means—

"(A) a State or political subdivision of a State;

"(B) an employer or an employer's insurance carrier;

"(C) an automobile accident reparations insurance carrier; or

"(D) a person obligated to provide, or to pay the expenses of, health services under a health-plan contract.".

(b) EFFECTIVE DATE.—(1) Except as provided in paragraph (2), section 629 of title 38, United States Code, as amended by subsection (a), shall apply to care and services provided on or after the date of the enactment of this Act.

(2)(A) Such section shall not apply so as to nullify any provision of a health-plan contract (as defined in subsection (i) of such section) that—

(i) was entered into before the date of the enactment of this Act; and

(ii) is not modified or renewed on or after such date.

(B) In the case of a health-plan contract (as so defined) that was entered into before such date and which is modified or renewed on or after such date, the amendment made by subsection (a) shall apply—

(i) with respect to such plan as of the day after the date that it is so modified or renewed; and

(ii) with respect to care and services provided after such date of modification or renewal.

(3) For purposes of paragraph (2), the term "modified" includes any change in premium or coverage.

(c) REPORTS.—(1) Not later than six months after the date of the enactment of this Act, the Administrator of Veterans' Affairs shall submit to the Committees on Veterans' Affairs of the Senate and the House of Representatives a report on the process for and results of the implementation of section 629 of title 38, United States Code, as amended by subsection (a). Such report shall show the costs of administration (and a detailed breakdown of such costs) and the amount of receipts and collections under such section.

(2) Not later than February 1, 1988, the Administrator shall submit to such Committees a report—

(A) updating the information in the report submitted under paragraph (1); and

(B) providing information on the process and results of such implementation through at least the end of fiscal year 1987.

SUBTITLE B—MISCELLANEOUS PROVISIONS

SEC. 19031. STUDY OF EFFECT OF VIETNAM EXPERIENCE ON HEALTH STATUS OF WOMEN VIETNAM VETERANS.

(a) REQUIREMENT FOR EPIDEMIOLOGICAL STUDY.—(1)(A) Except as provided in paragraph (2), the Administrator of Veterans' Affairs shall provide for the conduct of an epidemiological study of any long-term adverse health effects (particularly gender-specific health effects) which have been experienced by women who served in the Armed Forces of the United States in the Republic of Vietnam during the Vietnam era and which may have resulted from traumatic experiences during such service, from exposure during such service to phenoxy herbicides (including the herbicide known as Agent Orange), to other herbicides, chemicals, or medications that may have deleterious health effects, or to environmental hazards, or from any other experience or exposure during such service.

(B) The Administrator may include in the study conducted under this paragraph an evaluation of the means of detecting and treating long-term adverse health effects (particularly gender-specific health effects) found through the study.

(2)(A) If the Administrator, in consultation with the Director of the Office of Technology Assessment, determines that it is not feasible to conduct a scientifically valid study of an aspect of the matters described in paragraph (1)—

(i) the Administrator shall promptly submit to the appropriate committees of the Congress a notice of that determination and the reasons for the determination; and

(ii) the Director, not later than 60 days after the date on which such notice is submitted to the committees, shall submit to such committees a report evaluating and commenting on such determination.

(B) The Administrator is not required to study any aspect of the matters described in paragraph (1) with respect to which a determination is made and a notice is submitted pursuant to subparagraph (A)(i).

(C) If the Administrator submits to the Congress notice of a determination made pursuant to subparagraph (A) that it is not scientifically feasible to conduct the study described in paragraph (1)(A), this section (effective as of the date of such notice) shall cease to have effect as if repealed by law.

(3) The Administrator shall provide for the study to be conducted through contracts or other agreements with private or public agencies or persons.

(b) APPROVAL OF PROTOCOL.—(1) The study required by subsection (a) shall be conducted in accordance with a protocol approved by the Director of the Office of Technology Assessment.

(2) Not later than July 1, 1986, the Administrator shall publish a request for proposals for the design of the protocol to be used in conducting the study under this section.

(3) In considering any proposed protocol for use or approval under this subsection, the Administrator and the Director shall take into consideration—

(A) the protocol approved under section 307(a)(2)(A)(i) of the Veterans Health Programs Extension and Improvement Act of 1979 (Public Law 96-151; 38 U.S.C. 219 note); and

(B) the experience under the study being conducted pursuant to that protocol.

(c) OTA REPORTS.—(1) Concurrent with the approval or disapproval of any protocol under subsection (b)(1), the Director shall submit to the appropriate committees of the Congress a report—

(A) explaining the reasons for the Director's approval or disapproval of the protocol, as the case may be; and

(B) containing the Director's conclusions regarding the scientific validity and objectivity of the protocol.

(2) If the Director has not approved a protocol under subsection (b)(1) by the last day of the 180-day period beginning on the date of the enactment of this Act, the Director—

(A) shall, on such day, submit to the appropriate committees of the Congress a report describing the reasons why the Director has not approved such a protocol; and

(B) shall, each 60 days thereafter until such a protocol is approved, submit to such committees an updated report on the report required by clause (A).

(d) OTA MONITORING OF COMPLIANCE.—(1) In order to ensure compliance with the protocol approved under subsection (b)(1), the Director shall monitor the conduct of the study under subsection (a).

(2)(A) The Director shall submit to the appropriate committees of the Congress, at each of the times specified in subparagraph (B), a report on the Director's monitoring of the conduct of the study pursuant to paragraph (1).

(B) A report shall be submitted under subparagraph (A)—

(i) before the end of the 6-month period beginning on the date on which the Director approves the protocol referred to in paragraph (1);

(ii) before the end of the 12-month period beginning on such date; and

(iii) annually thereafter until the study is completed or terminated.

(e) DURATION OF STUDY.—The study conducted pursuant to subsection (a) shall be continued for as long after the date on which the first report is submitted under subsection (f)(1) as the Administrator determines that there is a reasonable possibility of developing, through such study, significant new information on the health effects described in subsection (a)(1).

(f) REPORTS.—(1) Not later than 24 months after the date of the approval of the protocol pursuant to subsection (b)(1) and annually thereafter, the Administrator shall submit to the appropriate committees of the Congress a report containing—

(A) a description of the results obtained, before the date of such report, under the study conducted pursuant to subsection (a); and

(B) any administrative actions or recommended legislation, or both, and any additional comments which the Administrator considers appropriate in light of such results.

(2) Not later than 90 days after the date on which each report required by paragraph (1) is submitted, the Administrator shall publish in the Federal Register, for public review and comment, a description of any action that the Administrator plans or proposes to take with respect to programs administered by the Veterans' Administration based on—

(A) the results described in such report;

(B) the comments and recommendations received on that report; and

(C) any other available pertinent information.

Each such description shall include a justification or rationale for the planned or proposed action.

(g) DEFINITIONS.—For the purposes of this section:

(1) The term "gender-specific health effects" includes—

(A) effects on female reproductive capacity and reproductive organs;

(B) effects on reproductive outcomes;

(C) effects on female-specific organs and tissues; and

(D) other effects unique to the physiology of females.

(2) The term "Vietnam era" has the meaning given such term in section 101(29) of title 38, United States Code.

SEC. 19032. ADVISORY COMMITTEE ON NATIVE-AMERICAN VETERANS.

(a) ESTABLISHMENT OF COMMITTEE.—Not later than May 1, 1986, the Administrator of Veterans' Affairs shall establish an advisory committee to be known as the Advisory Committee on Native-American Veterans (hereinafter in this section referred to as the "Committee").

(b) DUTIES.—The Committee shall examine and evaluate programs and other activities of the Veterans' Administration with respect to the needs of veterans who are Native Americans, including American Indians and Alaska Natives. Such examination and evaluation shall include—

(1) an assessment of the needs of such veterans with respect to health care, rehabilitation, readjustment counseling, outreach services, and other benefits and services under programs administered by the Veterans' Administration; and

(2) a review of the manner in which and the extent to which the programs and other activities of the Veterans' Administration meet such needs.

(c) MEMBERS.—The Committee shall consist of—

(1) the Secretary of Labor (or a representative of the Secretary of Labor designated by the Secretary after consultation with the Assistant Secretary of Labor for Veterans' Employment);

(2) the Chief Medical Director and Chief Benefits Director of the Veterans' Administration or their representatives; and

(3) members appointed by the Administrator from the general public, including—

(A) representatives of veterans who are Native Americans, including American Indians and Alaska Natives and such veterans with service-connected disabilities; and

(B) individuals who are recognized authorities in fields pertinent to the needs of such veterans, including the specific health-care needs of such veterans and the furnishing of health-care services by the Veterans' Administration to such veterans.

(d) PARTICIPATION BY OTHER AGENCIES.—The Administrator may invite representatives of other departments and agencies of the Federal Government to participate in the meetings and other activities of the Committee.

(e) NUMBER AND PAY OF MEMBERS.—The Administrator shall determine the number and pay and allowances of the members of the Committee appointed by the Administrator.

(f) REPORTS.—(1) Not later than February 1, 1987, and February 1, 1988, the Committee shall submit to the Administrator a report containing the findings and any recommendations of the Committee regarding the matters described in subsection (b) that

were examined and evaluated by the Committee during the preceding fiscal year.

(2) Not later than 60 days after receiving each such report, the Administrator shall transmit to the Committees on Veterans' Affairs of the Senate and House of Representatives a copy of the report, together with any comments and recommendations concerning the report that the Administrator considers appropriate.

(g) ALASKA NATIVE DEFINED.—For the purposes of this section, the term "Alaska Native" has the meaning given the term "Native" in section 3(b) of the Alaska Native Claims Settlement Act (43 U.S.C. 1602(b)).

(h) TERMINATION.—The Committee shall terminate 90 days after the date on which the second report is transmitted by the Committee pursuant to subsection (f)(2).

SEC. 19033. WAIVER OF CONGRESSIONAL NOTICE-AND-WAIT PERIOD FOR ADMINISTRATIVE REORGANIZATION OF CERTAIN VETERANS' ADMINISTRATION AUTOMATED DATA PROCESSING ACTIVITIES.

(a) WAIVER.—The Administrator of Veterans' Affairs may undertake the administrative reorganization described in subsection (b) without regard to the requirements of section 210(b)(2) of title 38, United States Code.

(b) COVERED ADMINISTRATIVE REORGANIZATION.—The administrative reorganization referred to in subsection (a) is a reorganization that—

(1) involves the transfer of certain functions from the Office of Data Management and Telecommunications of the Veterans' Administration to the Department of Veterans' Benefits of the Veterans' Administration; and

(2) is described in letters dated November 1, 1985, that were submitted by the Administrator to the chairmen and ranking minority members of the Committees on Veterans' Affairs of the Senate and House of Representatives.

SEC. 19034. RATIFICATION OF CERTAIN TEMPORARILY EXPIRED AUTHORITIES.

(a) VETERANS' ADMINISTRATION REGIONAL OFFICE IN THE REPUBLIC OF THE PHILIPPINES.—Any action by the Administrator of Veterans' Affairs in providing, during the ratification period, for a Veterans' Administration Regional Office in the Republic of the Philippines under section 230 of title 38, United States Code, is hereby ratified with respect to that period.

(b) CONTRACT CARE AUTHORITY IN PUERTO RICO AND THE VIRGIN ISLANDS.—Any action by the Administrator in entering into a contract applicable to the ratification period for furnishing care described in subclause (v) of section 601(4)(C) of title 38, United States Code, any action by the Administrator under such contract, and any waiver described in that subclause made by the Administrator that is applicable to that period, is hereby ratified with respect to that period.

(c) ALCOHOL AND DRUG TREATMENT AND REHABILITATION CONTRACT PROGRAM.—Any action by the Administrator in entering into a contract described in section 620A(a) of title 38, United States Code, that is applicable to the ratification period, and any action by the Administrator under such contract, is hereby ratified with respect to that period.

(d) RATIFICATION PERIOD DEFINED.—For the purposes of this section, the term "ratification period" means the period beginning on November 1, 1985, and ending on December 3, 1985.

TITLE XX—MISCELLANEOUS PROVISIONS

SEC. 20001. MISCELLANEOUS PROVISIONS.

(a) When the Senate is considering a reconciliation bill or a reconciliation resolution pursuant to section 310 of the Congressional Budget Act of 1974, upon a point of order being made by any Senator against material extraneous to the instructions to a committee which is contained in any title or provision of the bill or resolution or offered as an amendment to the bill or resolution, and the point of order is sustained by the Chair, any part of said title or provision that contains material extraneous to the instructions to said Committee as defined in subsection (d) shall be deemed stricken from the bill and may not be offered as an amendment from the floor. An affirmative vote of three-fifths of the Members, duly chosen and sworn, shall be required to sustain an appeal of the ruling of the Chair on a point of order raised under this section, as well as to waive or suspend the provisions of this subsection.

(b) No motion to waive or suspend the requirement of section 305(b)(2) of the Congressional Budget Act of 1974, as it relates to germaneness with respect to a reconciliation bill or resolution, shall be agreed to unless supported by an affirmative vote of three-fifths of the Members, duly chosen and sworn, which super-majority shall be required to successfully appeal the ruling of the Chair on a point of order raised under that section, as well as to waive or suspend the provisions of this subsection.

(c) This section shall become effective on the date of enactment of this title and shall remain in effect until January 2, 1987.

(d)(1)(A) Except as provided in paragraph (2), a provision of a reconciliation bill or reconciliation resolution considered pursuant to section 310 of the Congressional Budget Act of 1974 shall be considered extraneous if such provision does not produce a change in outlays or revenues, including changes in outlays and revenues brought about by changes in the terms and conditions under which outlays are made or revenues are required to be collected; (B) any provision producing an increase in outlays or decrease in revenues shall be considered extraneous if the net effect of provisions reported by the Committee reporting the title containing the provision is that the Committee fails to achieve its reconciliation instructions; (C) a provision that is not in the jurisdiction of the Committee with jurisdiction over said title or provision shall be considered extraneous; (D) a provision shall be considered extraneous if it produces changes in outlays or revenues which are merely incidental to the non-budgetary components of the provision.

(2) A provision shall not be considered extraneous under (1)(A) above if: (A) it is designed to mitigate the direct effects clearly attributable to a provision changing outlays or revenues and both provisions together produce a net reduction in the deficit; (B) it will result in a substantial reduction in outlays or a substantial increase in revenues during fiscal years after the fiscal years covered by the reconciliation bill or reconciliation resolution; (C) a reduction of outlays or an increase in revenues is likely to occur as a result of the provision, in the event of new regulations authorized by the provision or likely to be proposed, court rulings on pending litigation, or relationships between economic indices and stipulated statutory triggers pertaining to the provision, other than the regulations, court rulings or relationships currently projected by the Congressional Budget Office for scorekeeping purposes; (D) such provision will be likely to produce a significant reduction in outlays or increase in revenues but, due to insufficient data, such reduction or increase cannot be reliably estimated.●

THE MEDICAL MALPRACTICE INSURANCE PROBLEM

● Mr. DURENBERGER. Mr. President, the medical malpractice problem in this country continues to grow. All 50 States have considered some form of legislation to address the problem this year alone and there are bills pending in Congress as well. Some say the problem is reaching a crisis point. However we label it, there is no question that the health care system of the United States is being adversely affected by the fallout of the malpractice problem.

Malpractice insurance premiums are skyrocketing, reaching as high as $100,000 a year for some specialty physicians, such as neurosurgeons. These higher malpractice insurance costs are forcing doctors and hospitals to raise their charges and then pass these costs on to third-party payers and individual consumers. The number of malpractice claims has tripled over the past decade and million-dollar settlements happen on a regular basis. The average settlement has grown from $5,000 to over $300,000 in just 6 years.

We all know the statistics. We all have our theories on why the malpractice system is out of control. We all have our fingers pointed at someone to blame. But this fingerpointing and theorizing miss the critical issue: The malpractice crisis is pricing some physicians out of business, particularly doctors in rural areas, and especially those who deliver babies. And this is affecting access to health care in rural America, and individuals there can ill afford to lose this service.

In my home State, the Minnesota Medical Association estimates that over 100 Minnesota doctors have stopped delivering babies, primarily because malpractice insurance costs double when the practice includes obstetrics. Last week, as I traveled in southwestern Wisconsin, I read of a physician in Viroqua, Dr. Jessica Ambelang, who has seen her malpractice premium increase 500 percent in the past 5 years. This year she expects to pay between $32,000 and $40,000. Dr. Ambelang is an obstetrician-gynecologist. She has decided that she must soon leave this rural community, where she thought she'd always live and work, if she wants to continue practicing medicine and avoid bankruptcy.

I suggest that my colleagues read the newspaper article about Dr. Ambe-

lang, and I ask that it be printed in the RECORD following my statement. Her situation is being repeated every day across this country. A solution to the malpractice problem must be found, and fast. Rural Americans need available and accessible health care, and doctors who deliver babies are vital to that system.

[From the La Crosse Tribune, Apr. 3, 1986]

MALPRACTICE INSURANCE CHASING DOCTORS AWAY

(By Carol Kaufmann)

VIROQUA, Wis.—Jessica Ambelang still cries when she thinks about her decision to leave Viroqua.

As Jessica's 3½-year-old son George sat on her lap, making a futile attempt to keep his sleep-laden eyes open, Jessica said George and his three brothers are chief reasons she and her husband plan to leave the Vernon County community of about 3,700 people at the end of June.

Jessica, the 36-year-old wife and mother of four preschool-aged sons, cannot afford to also be Jessica, the doctor with more than 300 economically-strapped patients to see and skyrocketing malpractice rates to pay.

Jessica is an obstetrician and a gynecologist who, like doctors within her specialty across the nation, has seen her malpractice rates rise much more quickly than those other doctors pay. Neurosurgeons, she added, also have been hit hard by rising costs.

Part of the reason obstetricians are paying higher rates, Jessica said, has to do with unrealistic expectations.

Across the country, more people are expecting babies to always be born perfect. When some of those babies aren't perfect, more people are suing.

"It's socially acceptable," said Jessica, "that if you're not satisfied with an outcome, you sue."

High monetary awards by sympathetic juries and judges, she said, also have contributed to rising rates.

Wisconsin, she claimed, "is one of the worst. Malpractice is the equivalent to having a lottery in Wisconsin."

Jessica cited a $9 million award recently given in Milwaukee as an example of a judgment that was "too high."

Rep. John Medinger, D-La Crosse, said Wisconsin's legislature is trying to do something about the growing malpractice problem.

Medinger said he served on the legislative council committee that developed a bill that would cap the amount of malpractice awards, including medical costs and pain-and-suffering judgments, at $3.3 million.

Neither the doctors nor the lawyers, Medinger said, are happy with the proposed legislation—"so I figure that means it's a good compromise."

Medinger said "the doctors want to see a bill that would cap pain-and-suffering at $1 million, with unlimited awards for medical expenses."

Nothing was settled in a recent session of the Wisconsin Legislature, although it was expected a special session would be called later on the matter.

Besides setting limits on awards, Jessica said she would like to see "discounts given to people who choose to practice in underserved areas—and increasing rates for being in an overserved area. . . . People in rural areas don't sue as often as people living in a city.

"That's because," she said, "patients are also your friends. And people are less likely to sue someone who's a friend."

Jessica and Medinger agreed that they would like to see doctors policing their profession with heavier hands, weeding out physicians prone to making mistakes.

Jessica said she was hoping a law controlling malpractice claims would pass before financial burdens forced her and her physician husband, Tom to leave Viroqua. That hasn't happened.

When Jessica started her practice in 1982 from Vernon Memorial Hospital, she took out a loan to pay a $7,000 malpractice insurance policy. This year she paid $23,000 for the protection.

Next year, Jessica predicted, coverage for specialists like her will rise to between $32,000 and $40,000—about five times what it was five years earlier.

"That is more than 50 percent of everything I collect," she said adding that if she stays in the rural community, taking out loans won't be the answer—"We'll be filing for bankruptcy."

But, said Jessica, there is another reason she can't make ends met by staying in Viroqua.

Unlike obstetricians in other communities who pass on their increasing insurance rates to their patients, Jessica said that won't be her solution in Viroqua.

"This area is so poor. . . . I cannot charge $1,200 for a C-section because they don't have it," she said adding, "I could be obnoxious about making collections, but I still believe we should take care of the poor. Sure these people might have farms, but they have no liquid assets."

Jessica estimated that about 25 percent of the patients she sees do not pay their bills. Another 25 percent, she said "pay promptly."

The remaining 50 percent, said Jessica, receive medical assistance. That means their bills get paid in amounts set by the government, not subject to change just because malpractice rates rise.

By the time she pays insurance, baby sitters and office expenses, Jessica's net income from her parttime practice—which includes about 18 hours a week in the office and about 22 hours on-call and in the hospital delivering babies and making rounds—is $7,000 for the year.

"There are plenty of rich doctors around, but," Jessica said, "you're not going to find them in the inner-city and you're not going to see them in the rural areas."

Tom, 35, is a family practitioner who, before taxes, insurance and other expenses earns $38,000 from his practice at the Hirsch Clinic in Viroqua. He also moonlights in Vernon Memorial's emergency room one weekend a month and covers the office for Phillips Bland in Westby each Friday. That gives him an extra $1,200 each month.

"A family practitioner (in an urban area), fresh out of medical school, with the same number of patients, can make the same or more than a family practitioner in this area makes in his or her whole life," said Jessica.

Despite his lower-than-average income, Tom still comes out better in terms of paying malpractice rates as a family practitioner than does his obstetrician-gynecologist wife. He would do even better if he stopped delivering babies.

Tom said his malpractice rates, which this year amounted to $12,000, would be about $10,000 lower if he did not deliver babies.

"There are family practitioners in this community who don't deliver babies for just that reason," he said, adding that he knows of three such doctors. When he and Jessica leave, the Viroqua area will have lost a total of five doctors who will be able to deliver babies.

Jessica said that in Wisconsin, doctors who specialize in obstetrics-gynecology cannot drop obstetrics, as they can and have done in other states because of malpractice rates.

Jessica and Tom are angry with a legal system and insurance rates that they say are robbing them of their dreams to practice medicine in the Wisconsin countryside

The Ambelangs graduated together from Sparta High School and went to the University of Wisconsin. They began dating in high school.

Tom started preparing to become a doctor during his first year in college and Jessica took pre-med courses even though she said she had planned originally to be a teacher.

But they both applied and were accepted into the University of Wisconsin's Medical School.

Tom and Jessica married during their senior year of medical school.

While they were in medical school, Jessica said she and Tom committed to something else. Along with Jessica's brother, J.R. Menn—who is a pediatrician serving the Viroqua area—they made plans to serve the rural community.

"We like the rural lifestyle. We like the people and think they're underserved," said Jessica. "We're not here for the money. We're here to help people.

"We made up our minds a long time ago that we'd never be rich. But now it's not a matter of not getting rich. We're looking at filing for bankruptcy if we stay," she said.

As her second son George sat dozing on her lap, his battle against sleep lost, Jessica talked about wanting to make enough money to pay for her sons' educations and for her and Tom's retirements—something she said is impossible now.

"If we stay, we would have nothing to show for it," said Jessica. "If I didn't have a husband and children, I wouldn't leave."

Jessica said the only way she could afford to keep practicing medicine in Viroqua would be to set full-time hours, "and then," she added, "I'd never see my children."

Jessica and Tom's other children are Charlie, 5; Henry, 2; and John, 6 months.

She and Tom try to alternate their hours so that their children do not have baby sitters all of the time.

But being on-call and rushing out at all hours of the day or night go with the territory—especially in a rural area, said Jessica. She said their phone rings between six and 12 times a day with demands for her medical attention.

Getting a reliable baby sitter who is willing to also work on-call, said Jessica, can be expensive. Sometime, she added, it is not even possible.

Jessica recalled how one brisk fall evening, the phone rang while whe was bathing her three sons, calling her to an emergency. John hadn't been born yet.

Tom wasn't home to take care of the boys.

"I had no car because Tom had it. So," she said, "I had to load the three little boys into a stroller and dash down the street to the hospital . . . I left them with a nurse and kept running down the hall to the patient.

"That would have never happened in a city," said Jessica.

What also would have never happened in a city happened six months ago, when her youngest son was born.

While she was having mild contractions of her own, Jessica delivered another woman's child. She also delivered one baby each day she was in the hospital after her baby was born.

Jessica was quick to add, "I didn't feel that I was imposed on at all. Mine was an easy delivery."

Jessica said "my life is centered around my patients, my kids, my husband and my house."

The Ambelangs' belief in sustaining rural life in their community extends into where they spend their money.

"We have made a policy of not buying out of town unless we can't find it here," Jessica said. "We are trying to return the money we earn here to the community. That goes for Westby, too."

They have carried that attitude into their considerations about where to relocate their medical practices.

Jessica said they want to stay in Wisconsin—or at least within a four-or-five-hour drive from their families in Sparta and Norwalk. But La Crosse is not a likely site because, Jessica said, "I think if we went to La Crosse we would have patients follow us there and it would put a drain on the local hospitals and doctors."

As she nudged George gently, needing to wake him so she could see a patient at the hospital, Jessica returned to her feelings about leaving Viroqua:

"I feel like a traitor abandoning the rural areas. The federal government has abandoned the rural people. So has the state. If I didn't have a husband and children, I wouldn't leave."

George was awake, ready to go with his mom.●

BUDGET SCOREKEEPING REPORT

● Mr. DOMENICI. Mr. President, I hereby submit to the Senate, the budget scorekeeping report for this week, prepared by the Congressional Budget Office in response to section 5 of the first budget resolution for fiscal year 1986. This report also serves as the scorekeeping report for the purposes of section 311 of the Congressional Budget Act, as amended.

I ask that the report be printed in the RECORD.

The report follows:

CONGRESSIONAL BUDGET OFFICE,
Washington, DC, April 8, 1986.

Hon. PETE V. DOMENICI,
Chairman, Committee on the Budget, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: The attached report shows the effects of Congressional action on the budget for fiscal year 1986. The estimated totals of budget authority, outlays, and revenues are compared to the appropriate or recommended levels contained in the most recent budget resolution, S. Con. Res. 32. This report meets the requirements for Senate scorekeeping of Section 5 of S. Con. Res. 32 and is current through March 27, 1986. The report is submitted under Section 308(b) and in aid of Section 311 of the Congressional Budget Act, as amended.

No changes have occurred since my last report.

With best wishes,
Sincerely,

RUDOLPH G. PENNER,
Director.

FISCAL YEAR 1986 CBO WEEKLY SCOREKEEPING REPORT FOR THE U.S. SENATE AS OF MARCH 27, 1986

[In billions of dollars]

	Budget authority	Outlays	Revenues	Debt subject to limit
Current level [1]	1,057.1	980.7	778.6	2,007.9
Budget resolution, S. Con. Res. 32	1,069.7	967.6	795.7	[2] 2,078.7
Current level is:				
Over resolution by		13.1		
Under resolution by	12.6		17.1	109.7

[1] The current level represents the estimated revenue and direct spending effects (budget authority and outlays) of all legislation that Congress has enacted in this or previous sessions or sent to the President for his approval. In addition, estimates are included of the direct spending effects for all entitlement or other programs requiring annual appropriations under current law even though the appropriations have not been made. The current level excludes the revenue and direct spending effects of legislation that is in earlier stages of completion, such as reported from a Senate Committee or passed by the Senate. The current level of debt subject to limit reflects the latest U.S. Treasury information on public debt transactions.

[2] The current statutory debt limit is $2,078.7 billion.

FISCAL YEAR 1986 SUPPORTING DETAIL FOR CBO WEEKLY SCOREKEEPING REPORT, U.S. SENATE, AS OF MARCH 27, 1986

[In millions of dollars]

	Budget authority	Outlays	Revenues
I. Enacted in previous sessions:			
Revenues			777,794
Permanent appropriations and trust funds.	723,461	629,772	
Other appropriations	525,778	544,947	
Offsetting receipts	−188,561	−188,561	
Total enacted in previous sessions.	1,060,679	986,159	777,794
II. Enacted this session:			
Commodity Credit Corporation urgent supplemental appropriation, 1986 (P.L. 99–243).			
Federal Employees Benefits Improvement Act of 1986 (P.L. 99–251).		4	
VA home loan guarantee amendments (P.L. 99–255).		−51	
Omnibus Budget Reconciliation Act of 1985 (H.R. 3128).	−4,259	−6,001	765
Department of Agriculture urgent supplemental, 1986 (P.L. 99–263).			
Advance to hazardous substance response trust fund (P.L. 99–270).			
Total	−4,259	−6,048	765
III. Continuing resolution authority			
IV. Conference agreements ratified by both Houses.			
V. Entitlement authority and other mandatory items requiring further appropriation action:			
Veterans compensation	272	185	
Veterans readjustment benefits.	91	91	
Compact of free association	205	205	
Special benefits (Federal employees).	14	14	
Family social services	100	75	
Guaranteed student loans	6		
Payment to civil service retirement [1]	(37)	(37)	
Total entitlements	688	570	
Total current level as of March 27, 1986.	1,057,108	980,681	778,559
1986 budget resolution (S. Con. Res. 32).	1,069,700	967,600	795,700
Amount remaining:			
Over budget resolution		13,081	
Under budget resolution	12,592		17,141

[1] Interfund transactions do not add to budget totals.

Note.—Numbers may not add due to rounding.●

BINGHAMTON HIGH SCHOOL PATRIOTS

● Mr. MOYNIHAN. Mr. President, among the many great schools in New York, one is especially proud today. Binghamton High School, home of the Patriots basketball team, now celebrates the culmination of a tremendous 25–1 season.

Mr. President, I share in the pride Binghamton feels for its team today, and I ask that, in recognition of the accomplishments of this very special group of young people, an article from last week's Binghamton Press & Sun-Bulletin, entitled "Pats Give Binghamton a New Identity," be printed in the RECORD.

The article follows:

[From the Binghamton Press & Sun-Bulletin, Mar. 26, 1986]

PATS GIVE BINGHAMTON A NEW IDENTITY

(By John W. Fox)

"I bet now when someone says Binghamton, they'll all know who we are."

Steve Brundage, who made the proclamation after Binghamton High's ultimate basketball victory on Sunday, may never again find himself the first person quoted in the top story on the front page of a daily newspaper.

Brundage has been an integral part of the Patriots' whole for two seasons, despite what the playing-time stats may say. And his remark could be that of Everyman.

Every city, town and hamlet yearns for identity. Sports is often the only avenue.

Who had heard of Cut'n Shoot, Texas, before the brief challenge by a heavyweight fighter named Roy Harris? Or of French Lick, Ind., until Larry Bird ventured out?

Some places have race cars to thank. What few would know of a bend in the River Sarthe, except for 24 Hours of LeMans? Or recognize an interior Florida milk stop, except for its 12 Hours of Sebring?

Add now the annual 19½ Hours of Binghamton, to which Brundage referred. It takes place in late March on the Glens Falls Civic Center playing court, in one reviewer's words when The Riceman Cometh, from 9 p.m. on a Saturday night until the checkered flag shortly before 4:30 the next afternoon.

Binghamton surely was not an unknown city, just a misspelled city, before its current high school athletic dynasties. However, in the quest for identity, nearly all of us pray that it be favorable identity, not the monkey on the back that Apalachin and Three-Mile Island still live with.

Binghamton has not been fortunate in that respect. Its two most protracted national mentions of the last quarter century have been the chemical contamination of the State Office Building and the tragic deaths in Binghamton General Hospital's "salt babies" mixup.

On the positive front, what? The senate majority leader in Albany is ordinarily identified by the media as being from Binghamton. The professional hockey team's games and won-lost standing appear daily in the newspapers of at least 12 other U.S. and Canadian cities with a provincial interest in the American Hockey League. In maybe 200 to 300 papers, "Binghamton State" shares one line of small print for some 25 basketball games a year.

After that, the going gets tougher. Granted, Rod Serling came from here, and Elmar Oliveira, Singer-Link and Security Mutual live here, but the association is infrequent in national press.

But for week-in, week-out identity in big, boldface type, what has Binghamton ever had to equal Section C, Page 8 in yesterday's editions of USA Today for the last five months. First, late-developing inclusion in that paper's national "Super 25" of high-school football teams. Then, overlapping the latter for a couple of weeks, the similar basketball rankings.

There it was yesterday, in almost quarter-inch-deep letters and numerals: "13, Binghamton, NY (25-1) . . ."

The five lines of small print that follow succinctly complete the season saga of the Messrs. Rice, Coleman, Tolerson, Middlebrooks, Mack, et al, et Brundage—straitjacketing previously unbeaten Hempstead and New York City champion Brooklyn Lincoln.

No reason to cry over spilt milk, but at the time of its one late-January stumble at Vestal, Binghamton was No. 4, ahead of Camden, NJ, the current top banana. Just multiply those weekly bold letters by the USA Today's daily circulation of roughly three million copies, coast to coast, and it may put the Patriots' national "ink" in contention for the all-time high to sports recognition with a Binghamton attachment.

When baseball players such as Whitey Ford and Thurman Munson made rapid risers to stardom, writers often referred to their coming up from the Yankees farmclub in Binghamton (the one that played in Johnson City!), but such a printed association was short-lived.

Number one in sport page credits for Binghamton would surely have been former heavyweight champion Jack Sharkey, had he not deserted Clinton Street for Boston before becoming a professional boxer. As it is, No. 1 probably belongs to the stable of horses—Kentucky Derby winner Exterminator, Sun Beau, etc.—whose owner without fail as identified as Willis Sharpe Kilmer of Binghamton.

Compared to horsemen and boxers, athletes in team sports are far less commonly identified by hometown. So Bill Hallahan's World Series pitching feats were those strictly of a St. Cardinal, not a Binghamton resident, in publications outside Broome County.

When this Monday's out-of-town papers reached local newsstands, one lingering fear was dispelled. With Bridgehampton High—mighty little Suffolk County neighbor of Southampton and Westhampton—romping to the state Class D title in the first half of the Sunday double-header. I shuddered that possessive New York writers would applaud "Binghampton" for completing a sweep for Long Island.

However, just as Steve Brundage bet, the metropolitan papers knew "who we are." The Post's Steve Barenfield, for instance "(Lincoln High's) Railsplitters ran into a buzzsaw called Binghamton and were over powered."

Newsday's Mike Candel wrote: ". . . Hempstead was only a pretender to the throne. Binghamton has the real King."

The New York Times even magnified the Patriots' proportions. Its report described MVP Rice as "burly."

(John W. Fox is sports editor of the Press & Sun-Bulletin.)●

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

● Mr. McCLURE. Mr. President, with regard to S. 2031, a bill to authorize the Secretary of the Interior to release restrictions on certain property located in Calcasieu Parish, LA, I request that the Congressional Budget Office estimate of the costs of this measure be printed in the RECORD at this point. The cost estimate was not available at the time the report was filed.

The estimate follows:

CONGRESSIONAL BUDGET OFFICE,
Washington, DC, March 27, 1986.

Hon. JAMES A. MCCLURE,
Chairman, Committee on Energy and Natural Resources, U.S. Senate, Dirksen Senate Office Building, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has reviewed S. 2031, a bill to authorize the Secretary of the Interior to release restrictions on certain property located in Calcasieu Parish, Louisiana, and for other purposes, as ordered reported by the Senate Committee on Energy and Natural Resources, March 26, 1986.

The bill would release public purpose and other restrictions on several parcels of land located in Calcasieu Parish, Louisiana. Mineral rights to the land would continue to be reserved to the federal government. Based on information from the Department of the Interior, we estimate that enactment of this bill would result in no cost to the federal government or to the state or local governments.

If you wish further details on this estimate, we will be pleased to provide them.

With best wishes,

Sincerely,

RUDOLPH G. PENNER,
Director.●

NBC PROGRAM ADDRESSES THE NEEDS OF TEENS

● Mr. SIMON. Mr. President, I want to commend NBC for their new after-school news program called "Main Street," which premiered late last year. This program, aimed at teenagers, features hard news as well as human interest and trivia. It is broadcast monthly on Tuesdays—4-5 p.m., e.s.t. "Main Street" is the first network news effort directed at the needs and desires of young people.

The host of "Main Street" is Bryant Gumbel, coanchor of "Today." His experience and personality provide the setting necessary to promote active participation by the teenage correspondents. Several youths, from different areas and different backgrounds, discuss their feelings about an issue with Mr. Gumbel after each major segment of the program.

The stories are reported as seen through young people's eyes. In addition to the hard news, the program provides features on personalities who interest young people, such as Bruce Springsteen. The object of the show is to inspire young people to watch and learn—to consider the news as important and as interesting as entertainment television.

The program has already covered a range of issues, from AIDS and its effect on schools in America to warning labels on rock and roll records that contain sexually explicit lyrics. These issues are serious and deserve attention, not only from adults, but from the young people whom they affect.

The key to the success of "Main Street" is the belief that teenagers should be aware and actively involved in the issues of today. The program provides an opportunity for different opinions to be heard. In return, the teenagers receive the respect they have earned. NBC has opened up a whole new and unique opportunity for teenagers. Hopefully, this program will also spark new interest and awareness among adults. It is up to every American to realize that the future of our Nation lies in the hands of our youth. We cannot ignore their problems and "Main Street" has begun to take an interest in helping them and society address these problems.

Again, I commend those at NBC who had the wisdom to undertake the "Main Street" project.●

S. 1625—CONGRESSIONAL OFFICE COST ESTIMATE

● Mr. McCLURE. Mr. President, with regard to S. 1625, a bill to permit the use and leasing of certain public lands in Nevada by the University of Nevada, I request that the Congressional Budget Office estimate of the costs of this measure be printed in the RECORD at this point. The cost estimate was not available at the time the report was filed.

The material follows:

CONGRESSIONAL BUDGET OFFICE,
U.S. CONGRESS,
Washington, DC, March 27, 1986.

Hon. JAMES A. MCCLURE,
Chairman, Committee on Energy and Natural Resources, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has reviewed S. 1625, a bill to permit the use and leasing of certain public lands in Nevada by the University of Nevada, as ordered reported by the Senate Committee on Energy and Natural Resources, March 26, 1986.

The bill would override a public purpose use clause on 470 acres of former public lands now owned by the University of Nevada to allow the university to use the land for a research and development center. Based on our review, we estimate that enactment of this bill would result in no cost to the federal government or to state or local governments.

If you wish further details on this estimate, we will be pleased to provide them.

With best wishes,

Sincerely,

(For RUDOLPH G. PENNER.)●

SOVIET JEWRY

● Mr. BOREN. Mr. President, I am pleased to take this opportunity to join with my colleagues in expressing the concern of the U.S. Congress about the fate of Soviet Jewry. Each of the past 3 years, I have participated in the congressional call to conscience vigil in order to dramatize the plight of those who have been denied the right to emigrate or have been imprisoned by the Government of the Soviet Union. I believe that this type of sustained, coordinated effort by Members of Congress is very effective in letting the Government know of our deep concern about certain Soviet policies.

I am tremendously concerned about the emigration policy of the Soviet Union. There are so many Soviet citizens who have been denied permission to leave that country to live with their families outside the Soviet Union. These practices of the Soviet Government are particularly troublesome because they are usually related to the religious practices of the citizens involved. Persecution against Jews and Christians has increased in recent months, and we in the United States must speak out about this situation. As a number of my colleagues and I pointed out in a March 11 letter to our President, anti-Semitism is part of the military indoctrination program in the Soviet Union. Viewings encouraging this line of thinking are often offerings of prime-time television, also under Communist control. The harassment, beatings, arrests and jailings of many Jews for simply attempting to leave the country continue to go on without any account having to be given. These people continue to struggle to maintain any semblance of Jewish social, religious or cultural life while they are trapped in the Soviet Union, always living under the fear of being discovered.

Most of us are aware of the alarming decrease in the number of Jews who have been allowed to emigrate from the Soviet Union during the past few years. This type of persecution and discrimination continues to increase dramatically. It is critical that in the midst of ongoing discussions between our Government and that of the Soviet Union, we must not forget our responsibility to the "refuseniks." There are approximately 2.5 million Soviet Jewish citizens that are the targets of undeserved pressure by their Government, and 400,000 persons that are struggling to reach Israel. President Reagan must especially insist that those in the Soviet Union who openly express their Jewish identity are not isolated from any ongoing contact with outside Jewish cultural and religious institutions.

The continuance of negotiations between President Reagan and Soviet Leader Gorbachev is crucial. It has proven encouraging that in the past, there has been a correlation between levels of emigration from the Soviet Union and relations between the United States and the Soviet Union. In times of positive relations between our two Governments, emigration levels have been higher than in times of poor relations. It will take all of our hopes and prayers to ensure the continuance of these peacetime discussions.

There are strong signals being sent back and forth between the White House and the Kremlin that every issue is negotiable. That does offer a glimmer of hope, but what is really needed is substantive policy changes. Even after the Geneva summit, it is difficult to see any real change in the policy of Soviet emigration. Nor is there any promise or indication that there will be a more open policy in the future. Last year, only 1,140 Jews were allowed to be free to live in the country of their choosing.

I urge the President to press for the release of these prisoners of conscience. Those citizens who desire to emigrate to a Western democratic country should be granted that freedom. We, as representatives from our Nation's 50 States, must continue to advocate this freedom which every person in every country is entitled to. In my own State of Oklahoma, there are several groups, affiliated with national and international organizations, who speak out and actively challenge Soviet policy regarding emigration.

Furthermore, the release of these prisoners would enhance the goodwill between our two countries and would inevitably facilitate the lessening of tensions including the ongoing discussion of arms control. Mr. President, we do have a stake in this battle, and I urge my colleagues' continuing concern to bring justice to those so unfairly oppressed.●

SOCIAL SECURITY COLA

● Mr. D'AMATO. Mr. President, I rise today in support of vital legislation for the senior citizens of this country. My distinguished colleague, Mr. HEINZ, has introduced Senate Resolution 375, of which I am an original cosponsor, to insure that senior citizens continue to receive Social Security benefits which take into account the rate of inflation. I wholeheartedly support this legislation, and I am pleased that Mr. HEINZ has brought this matter to the attention of the Senate.

Currently, Social Security beneficiaries receive a cost-of-living adjustment when the consumer price index rises by at least 3 percent in a single year. However, without a 3-percent increase in the CPI, Social Security benefits receive no adjustment for an increase in the cost of living. No cost of living adjustment is made for recipients until the combined CPI for one or more years is greater than 3 percent.

This type of system could create a great deal of hardship for beneficiaries. A 2.9-percent increase in the cost of living has no immediate impact on a recipient's payment. A beneficiary would be forced to stretch last year's payments to meet this year's prices.

In addition, a postponed COLA would result in a long-term loss to the Federal Government. Beneficiaries who retire the year of the postponed COLA would eventually drain the Social Security trust funds of a greater amount than they would have had there not been a postponement of the cost-of-living adjustment. When these individuals receive their first year of payments, their COLA would include compensation for inflation that occurred before their retirement.

A 1985 report by the actuary's office at the Social Security Administration states that postponing the COLA would result in a long-term net loss because the extra COLA is permanently included in the benefits received. An August 1985 report from the office of the actuary of the Social Security Administration estimates that the cost of this COLA trigger could be 0.02 percent, approximateley $364 million per year at 1986 levels.

Furthermore, no cost-of-living increase would cancel scheduled increases in the taxable wage base. No COLA would mean less taxable income and less income for the Social Security trust funds.

Triggering the COLA was a device designed to cut administrative costs. With increased computerization, these savings are not very substantial. There does not appear to be a single legitimate reason for continuing the 3.9 percent COLA trigger.

Congress realized the futility of postponing the COLA in 1984 and voted to cancel the COLA trigger. I believe we should make that decision a permanent one. I encourage my colleague to give this proposal the same support it received 2 years ago.

Thank you, Mr. President.●

DOD's GROWING "BLACK" BUDGET

● Mr. SIMON. Mr. President a recent article by David Morrison in the National Journal shows the alarming increase in the Pentagon's top secret spending accounts, commonly referred to as the "black" budget. This budget, containing items so highly classified that none but a very few legislators can review them, has grown from $5.5 billion in 1981 to an estimated $22 billion in the 1987 request—an increase of over 300 percent.

This figure represents 7 percent of the Pentgon's budget authority request that is effectively removed from

congressional scrutiny and oversight. This $22 billion equals roughly 60 percent of the $38 billion deficit reduction package the Congressional Budget Office [CBO] has identified will be necessary to reach the Gramm-Rudman-Hollings target of a $144 billion deficit in fiscal year 1987. Now some of this money probably goes to projects that deserve funding; some clearly does not. My point is that we simply don't know. We could well be wasting huge sums of money that should be directed at reducing the deficit. And we don't have a clue whether this money is well spent, or whether we need to undertake this or that project.

A pattern has emerged in the Reagan defense requests. Each year, since 1981, the administration has requested more and more "black" funding. Many of the projects rumored to be under lock and key ought to be at least discussed. Should we research this kind of weapon? Do we need that kind of requirement? What are the arms control and foreign policy implications?

We're not talking about discussing blueprints. We're talking about Congress' role in shaping defense policy. The Weinberger strategy seems to be one of classifying projects and budget figures in order to stave off debate over a growing number of highly questionable programs. We all recognize the need for strict security controls for certain defense programs, but this increasing classification is not warranted. In many cases, it is likely that the Soviet KGB knows more about these supersecret efforts than the American public. Who then are we keeping secrets from? This is not a stellar example of democracy in action.

The irony is that many items of interest to the Pentagon are now receiving more attention by virtue of their secrecy than they otherwise would have received. Questions about the Stealth advanced technology bomber are now widespread, for example, in large measure because DOD refuses to comment on budget projections and technical assessments. Some of this criticism may be unjustified; some may not. Until the Pentagon becomes more forthcoming on its "black" spending, this controversy will continue. Effective congressional oversight is crucial, and in many cases this involves the public's right to know as well.

Mr. President, I ask that Mr. Morrison's article be printed in the RECORD.

The article follows:

[From the National Journal, Mar. 1, 1986]

PENTAGON'S TOP SECRET "BLACK" BUDGET HAS SKYROCKETED DURING REAGAN YEARS

(By David C. Morrison)

The United States, most observers would agree, maintains one of the most open defense establishments in the world, even if only by comparison with its major foreign counterparts.

Just one manifestation—and guarantor—of this remarkable degree of military disclosure is the small army of Pentagon officials who parade each year before the 19 congressional subcommittees with direct oversight responsibility for defense matters to explain and justify, often in nitpicking detail, their weapons programs and operating plans.

The 40-odd volumes of printed testimony these hearings produce each budget season, even though carefully sanitized to remove what the services regard as sensitive data, divulge a wealth of information about current U.S. military affairs to anyone dogged enough to plow through thousands of pages of fine print. The Defense Department itself consumes uncounted reams of paper every year churning out reports on its budgets and activities.

Members of Congress, outside analysts and a small handful of Pentagon insiders complain, however, that this generally observed tradition of military openness is being undermined by an unsettling new budgetary trend.

Since the Reagan Administration arrived in Washington five years ago, a steadily growing proportion of the Pentagon's budget has been funneled into highly classified programs—the so-called black budget. Defense policy analysts may disagree on the exact size and rate of increase of the "black" defense budget, but few dispute that it has grown significantly over the past half-decade.

A review of Defense Department budget reports by National Journal confirms the surge in secret defense spending—to more that $22 billion in the fiscal 1987 budget request—a 300 per cent increase over the $5.5 billion in 1981.

The amount of classified funds earmarked for research and development (R&D) and procurement projects that the Pentagon declines to enumerate in specific budgetary line items has jumped from $891.9 million in fiscal 1981 to $8.6 billion in the fiscal 1987 request, a tenfold increase.

That $8.6 billion—a lot of money by most yardsticks, but only 3 per cent of the Defense Department's $311.6 billion request for fiscal 1987—nevertheless constitutes only one piece of the Pentagon's classified budget puzzle.

The 1987 defense budget also contains almost $14 billion worth of another kind of black money: programs for which the department enumerates the budget request in specific line items—generally worth billions of dollars each and bearing either code-word nicknames or vague, nondescriptive titles—and for which it does not publicly reveal the purpose.

The dollar value of five such large line items in the Air Force procurement budget has jumped from $3.8 billion in fiscal 1981 to $11.5 billion in the request for 1987; that's an increase of more than 200 per cent, or double the percentage increase in the Pentagon's total procurement budget over the same period.

Additional pockets of black dollars are reportedly tucked away in the operations and maintenance and military personel budgets, although the amounts of those funds are difficult to gauge.

The Defense Department, not surprisingly, maintains an official stance of strict silence on the growth in black budgeting and the reasons for its growth. "Nobody here ever discusses that aspect of the budget," said a Pentagon spokesman. "That's an area we cannot talk about."

Other players in the Washington budget game, however, are more vocal in commenting on the black hole that is rapidly widening in the Pentagon budget.

"You are talking about 20 per cent of the [defense R&D] budget being hidden and, of that 20 per cent, I would say most of it is on the basis of national security, but a lot of it doesn't belong there." Anthony R. Battista, the staff director of the House Armed Services Research and Development Subcommittee, warned members in a briefing last March. "That is the kind of stuff you got to pay close attention to this year, because the number and scope of the black programs is growing at a phenomenal rate."

Defense reporter Richard C. Barnard has written on several occasions about the Pentagon's black budget, first for *Defense Week* and more recently as editor of a new weekly, *Defense News*.

"The problem was first pointed out to me in 1982 by a deputy assistant secretary of Defense," Barnard said. "We were discussing other matters and he said, 'By the way, if you want to see a problem we have around here, you should take a look at the black programs.' His main objection was that at least a third of this stuff was black to make it easy [to manage] or to cover somebody's ass."

One concern of critics is that through black budgeting, the Pentagon and its contractors might be attempting to end-run normal procurement procedures. Others however, maintain that the defense acquisition process is so hopelessly screwed up that shielding programs from the multilayered oversight bureaucracy that typically manages or micromanages weapons production actually yields significant cost and performance benefits.

Precisely because classified weapons programs are scrutinized by fewer agencies and individuals, however, there is worry in some quarters that black budgeting might permit misguided programs to flourish while facilitating the king of procurement abuse that has generated so much juicy fodder for headline writers and Pentagon-bashers in recent years.

"In part," said Gordon Adams', director of the Defense Budget Project, a Washington-based research organization, "this whole problem of enormous growth of black programs has to do with a larger issue, which is the extent to which [the Defense Department] does not trust Congress and the public. There's a tremendous paranoia these days about what Congress will do with your program and what the public will think about it."

These concerns become especially acute as the roster of secret projects expands beyond spy satellites and other traditionally black intelligence-gathering activities to include such big-ticket strategic nuclear weapons as the radar-evading Advanced Technology Bomber (ATB), also called stealth, and even tactical cruise missiles.

"I would prefer to see more of it [black money] moved into the public domain," Les Aspin. D-Wis., chairman of the House Armed Services Committee, said in an interview. "They have programs in there that it's time they were moved out into the open."

HIDING THE FUNDS

Black budgeting is by no means a new phenomenon. Some Pentagon projects have always been financed secretly and run strictly behind closed, triple-locked doors. The U.S. photoreconnaissance satellite program; for one, while generally known to the

outside world, was not officially acknowledged from 1962, when a special secrecy directive was signed by Defense Secretary Robert S. McNamara, until 1978, when President Carter alluded to the two decades-old program in a speech designed to bolster support for the verifiability of the pending second Strategic Arms Limitation Treaty.

The National Reconnaissance Office, which manages satellite and aircraft reconnaissance for a variety of user agencies, has yet to be acknowledged even though its existence has been known ever since its name was inadvertently mentioned in a 1973 congressional report. The office reportedly has an annual budget of $3 billion-$4 billion.

Almost as secretive is the National Security Agency. Charged with overseeing all U.S. signals intelligence gathering activities, the agency functions as a sort of global electronic vacuum cleaner, intercepting a wide range of communications, radar and weapons test telemetry signals. Estimates of its annual budget range from $5 billion-$10 billion.

Funds for the agency and for the reconnaissance office, as well as for the CIA, are reportedly tucked away somewhere in the Defense Department's black coffers. The budgetary pockets many analysts believe are likely repositories for these intelligence-related dollars are four big Air Force procurement line items labeled special programs, special update programs, selected activities and special update program—and another line item in that service's R&D budget called special activities. All told, those five items account for $9.6 billion in the fiscal 1987 Air Force budget request.

John E. Pike, a defense analyst for the Federation of American Scientists who spends much of his time studying obscure Defense Department documents, contends that the $4.1 billion selected activities line item holds operating funds for the intelligence agencies.

"The Air Force Cost and Planning Factors Manual gives you outlay rates for the various procurement categories, and they break it down by chocolate [classified] and vanilla [unclassified]," Pike said. "The outlay rate for 'classified Air Force other procurement' is like 85 percent in the first year. An outlay rate like that screams 'agency operating budget.'"

The average outlay rate—the pace at which new defense appropriations are spent—for the first year of an actual procurement program is 13 percent. Funds for personnel and operations are spent much more quickly, lending support to Pike's thesis that the Air Force's selected activities include a lot more than miscellaneous procurement.

Most experts interviewed believe that intelligence and reconnaissance programs were quite properly conducted under the cloak of secrecy, although some felt the extreme degree of secrecy—the National Reconnaissance Office classifying its letterhead, for instance—often bordered on the absurd. Those same sources, however, were generally less tolerant of the thick veil of secrecy that has been drawn over the budgetary details of the stealth fighter, bomber and cruise missile programs.

"The way we piss away money, how do the budget numbers mean anything?" asked Paul Hoven, a research associate at the Project on Military Procurement, a Washington public-interest group. "If we buy a $7,000 coffee pot, how can anyone tell anything just by looking at the budget?"

Combing defense budget documents looking for telltale traces of stealth money has become a popular sport in Washington and on Wall Steet. The heavy betting this year on where advance procurement money for the stealthy ATB might be cached rides on a line item in the Air Force's aircraft procurement category, entitled other production charges. The $3.7 billion request for that line item is a $1.5 billion increase over this year's allocation and a $2.9 billion jump over fiscal 1981 funds—a good sign that it is a catchall for black money.

Research funds for the ATB have long been rumored to reside in a classified Air Force R&D line item called advanced concepts. But the program element number—the six-character alphanumeric code appended to all R&D programs—indicates that advanced concepts involves some sort of black missile program. A more likely candidate for ATB funds is a line item called special improvement projects.

Both of those unhelpfully titled programs are found in the Air Force's strategic R&D budget listings, which contain eight black line items worth a total of $2.6 billion for fiscal 1987. Among them are two, called Bernie and Leo, the unknown purpose of which has been driving outside analysis mad with curiosity. Cute code names are nothing new; in the mid-1970s, Air Force stealth aircraft research was called Harvey, after the invisible rabbit in the play in that title.

The procurement line item for the secret Advanced Cruise Missile is clearly labeled, although the Air Force declines to say how much it plans to spend in fiscal 1987. Since there are only two black projects in that budget category—the other, called tactical drones, is generally thought to be the Pave Tiger, a small, unpiloted attack aircraft—it is easy to subtract out the black funds, $841.6 million, most of which can be assumed to be for the stealthy new cruise missile.

Also stashed away somewhere in the defense budget is research and production money for the secret F-19 stealth fighter and the Army-Air Force Joint Tactical Cruise Missile, designed to attack Soviet targets far behind the lines in a European war. (See NJ, 1/4/86, p. 22.)

Along with $548.8 million for black intelligence and communications projects, the Navy R&D budget contains another half-billion dollars for 15 research projects with such code names as Chalk Banyan, Link Hazel and Retract Maple, all thought to involve secret submarine silencing and detection efforts.

The Army procurement budget contains $251 million for such black electronics programs as Trojan, which 1984 congressional testimony identified as a signals intelligence collection effort. Another $100 million worth of M-1 tank cannon shells and 155-millimeter howitzer nerve gas shells have, for some reason, been blacked out.

Zeroing in on black funds concealed in the $86.4 billion operations and maintenance budget for 1987 is a more difficult undertaking. But a congressional reporting document. Justification of Estimates for Operations and Maintenance, reveals at least one black item; $158.7 million this year for something eliptically termed the Special Tactical Unit Detachment.

Those millions, apparently, finance operations at "Dreamland," a restricted site on the enormous expanse of Nellis Air Force Base near Las Vegas, Nev., where the Air Force tests secret aircraft. Lt. Gen. Robert M. Bond, vice commander of the Air Force Systems Command, died two years ago in a mysterious, highly publicized crash at Dreamland.

Finding the black in the proposed $10.2 billion military construction budget is much less arduous because the Pentagon sets out the $57.5 million for secret construction in identifiable line items. Among the black projects are $2.9 million for housing at "Base Thirty," a TR-1 spy plane base at a classified overseas location, and $5.5 million for a satellite control facility at "Base Forty-Three," a secret site in the United States.

It is difficult to discern how much black money is in the Pentagon's personnel budget, $76.8 billion in the fiscal 1987 request. "The number of people who work for the [National Security Agency] is classified, and the same thing goes for the CIA," said Jeffrey T. Richelson, a professor of government at the American University and author of "The U.S. Intelligence Community" (Ballinger, 1985). "So I would suppose that there probably are black activities included in the personnel budget."

There is a great deal, obviously, that outsiders can never hope to learn about the Pentagon's black budget by deciphering open documents. "If they don't want you to find it, it's hard to find; these people are not fools," cautioned Joseph F. Campbell, an aerospace analyst for Paine Webber Group Inc. in New York.

"They screw around with those numbers," said David J. Smith, a senior analyst with Sanford C. Bernstein & Co., a New York-based broker. "Now that people are chasing it [black financing], they're putting things in there to throw them off the track."

ACCOUNTABILITY

Sources, even those with inside knowledge, disagree on the extent to which black programs are subjected to adequate oversight.

"In my experience, some of the black programs have a much more attentive level of oversight than some of the regular programs," said William J. Perry, a former Defense undersecretary for research and engineering.

"There are three reasons to have black programs," asserted Thomas S. Amlie, who works with gadfly A. Ernest Fitzgerald in the office of the Air Force assistant secretary for financial management. "One, it deserves to be black. There may be five of those, and Stealth isn't one of them. Two, you're doing something so dumb you don't want anyone to know about it. Or, three, you want to rip open the money bag at both ends and get out a big scoop shovel, because there's no accountability whatsoever."

On several recent occasions, officials have publicly aired the possibility that some black programs are established precisely to elude oversight. Such a note of caution found its way into the report issued last November by the Commission to Review Department of Defense Security Policies and Practices, chartered in the wake of the Walker family Navy spy scandal.

"The possibility exists that such programs could be established for other than security reasons," suggested the Stillwell Commission, so named after its chairman, retired Army Gen. Richard G. Stillwell; "in other words, to avoid competitive procurement processes, normal inspections and oversight or to expedite procurement actions."

Battista of the House Armed Services Committee staff lent flesh to the commission's suggestion in his briefing last spring, describing "a jamming system one year that was funded in the black world, not because of national security [because] it was devel-

oped as a white world program. It turns out they funded the losing contractor in a competition [and made the program black] so Congress wouldn't be aware of that."

A March 1983 General Accounting Office (GAO) report also uncovered cases of inappropriate program classification. The report was a review of Pentagon oversight of "carve-out" contracts written for classified programs that are supposedly of such great sensitivity that the Defense Investigative Service is relieved of its usual security inspection responsibility, which devolves instead to the Pentagon office managing the program.

The information restrictions of such programs are sweeping. According to a 1984 Pentagon memorandum, "mere knowledge of the existence of a [carve-out] contract or of its affiliation with the [black] Special Access Program is classified information." L. Brit Snider, director for information security in the office of the deputy Defense undersecretary for policy, said most black programs involve carve-out contracts.

The GAO told of a service carving out a contract only to "prelude someone from identifying the military service involved and the amount of money being spent." Several contractors and Pentagon officials, the GAO said, "told us that they thought that carve-out contracts were being used to expedite procurement and facilitate sole-source [noncompetitive contract] awards."

Hoven of the Project on Military Procurement, which acts as a conduit to the news media for Pentagon whistle blowers, maintained that "black almost tends to be synonymous with a major boner. There must be some programs that are really crest-of-the-wave kind of technology that you don't want the Russians to read about in The Washington Post. But from the [Pentagon] underground, we keep getting word that more and more problems get shifted into the black programs."

In response to concerns expressed by members of the House Appropriations Subcommittee on Defense last spring. Defense Secretary Caspar W. Weinberger assured the panel that the Air Force "has always maintained both stringent management controls and independent audits of these [black] programs."

Amlie, however, after reciting a litany of contracting abuses prevalent in "white" programs, stated that "the black programs are worse, much worse, because nobody's looking over their shoulder. The few that I know something about are abominably run."

John D. Dingell, D-Mich., chairman of the House Energy and Commerce Committee and its Oversight and Investigations Subcommittee, who is conducting a long-running investigation into defense contractor ethics, also has grave concerns about accountability for black projects.

On Jan. 16, Dingell wrote to Weinberger that "the subcommittee is aware of an increasing number of abuses by the contractors involved in these 'black' programs. We have documented evidence that abuses are occurring. Secrecy is being used by the contractors as a device to cloak mischarging, overcharging and, in some cases, engaging in outright illegal activities."

The most glaring example Dingell cited was the Brousseau case, Ronald E. Brousseau Sr., a purchasing agent for Northrop Corp.'s stealth bomber program, pled guilty to fraud and bribery in 1984 after being snared in an FBI sting operation while hustling subcontractors for kickbacks. Transcripts of conversations taped by a wired informant and quoted in the U.S. Attorney's sentencing memorandum suggest that Brousseau, at least, was not impressed by the oversight of black programs.

"We don't have any heads, we don't have any supervisory people," Brousseau bragged during a May 1984 meeting "Nobody questions dollars or anything like that as long as I can show competition, whether it's true competition or courtesy [fraudulent] competition or bullshit competition."

A Northrop spokesman, queried about Brousseau, said, "We turned him in; that was our controls that got him." But the U.S. Attorney's memorandum states that Brousseau was fingered by an executive from RH Manufacturing, one of the southern California subcontractors to whom he had offered kickbacks.

Dingell said in an interview that he has been getting "generally good cooperation from Northrop folks" in his subcommittee investigation. His biggest problem, he said, lay in judging the adequacy of the disclosure filings that Northrop and other contractors working on black projects made to the Securities and Exchange Commission. In his letter to Weinberger, therefore, Dingell requested a list of all black Air Force programs worth more than $10 million and information on the auditing procedures for such contracts.

Dingell's request triggered a heated Jan. 29 letter to Weinberger from Senate Armed Services Committee chairman Barry Goldwater, R-Ariz. "The increasing number of claims that the so-called 'black' programs are growing out of control and are subjected to too little oversight is a matter that I take strong exception to," Goldwater wrote. His committee, he asserted, "has subjected these programs to far more scrutiny and review than 'white' programs with comparable budgets."

Citing the success of black program procedures in "keeping information of unprecedented military value from the pages of our newspapers and the halls of the various rumor mills in town," Goldwater told Weinberger, "I think you ought to resist any, stretching of jurisdictional boundaries that expands access to these critically sensitive national security programs."

Peter D.H. Stockton, an investigator for Dingell's subcommittee, took exception to the Senator's argument. "Goldwater mischaracterizes the hell out of what Dingell is after," said Stockton. "No one's raised any question about our jurisdiction to look into how defense contractors do their business. When he says we're asking for broad access to these programs, you can see from our letter that it's really quite limited."

Concerning security, Stockton pointed to a recent lapse committed by Goldwater, who last June, after viewing the stealth prototype, disclosed to reporters that the ATB has a flying-wing configuration similar to Northrop's experimental YB-49 aircraft of the late 1940s. Further, a Senate Armed Services Committee press release last April let slip the fiscal 1986 Pershing II missile production run, which, for reasons best known to the Army, remains a classified number.

"We've been dealing very responsibly with the most sensitive information in the government—vulnerabilities in nuclear weapons production plants—and no information on that has leaked out of here," Stockton asserted. "So it's bullshit that we can't handle that stuff."

Gerry Smith, a Goldwater defense aide, declined to address recent committee security lapses but reasserted the Senator's position. "There's already too many people with their fingers in the pie," Smith said, "and it just doesn't do any good to increase that."

As to the adequacy of congressional oversight of black procurement, Arnold L. Punaro, staff director for Senate Armed Services Committee Democrats, agreed with Goldwater that black programs receive as much oversight as their unclassified counterparts. "Some people's definition of doing proper oversight is that if they don't agree with what was done, then there is no oversight," he complained.

Black programs largely fall outside of the many reporting requirements that Congress has imposed on the Pentagon. Every quarter, for example, Congress receives Selected Acquisition Reports detailing the cost growth of about 100 major weapon programs. The Defense Department, however, informed the House Appropriations Subcommittee on Defense two years ago that "the Secretary of Defense has determined that certain programs, because of their highly sensitive classification, are exempt from [the reporting] procedures."

In the House Armed Services Committee, according to chairman Aspin, black procurement is scrutinized by the Procurement and Military Nuclear Systems Subcommittee and black R&D by the Research and Development Subcommittee. Later in the authorization process, a panel that includes members of those subcommittees and members of the Permanent Select Committee on Intelligence looks at all of the black programs. The Pentagon, Aspin said, "is pretty forthcoming. There's always a concern about whether you're getting the full story, but that's true about any program."

One Member who has found the Pentagon less than forthcoming is Rep. Mike Synar, D-Okla. He was instrumental in attaching to the fiscal 1986 defense authorization bill an amendment requiring a Defense Department report detailing costs for the Advanced Technology Bomber.

Synar was displeased with the Air Force report that arrived on Feb. 1. "Although the report is top secret and I can't discuss its contents," he said in a press release. "I can tell you that the essence of the report is only three sentences long. This is an obvious affront to Congress." The ATB cost estimate, a Synar aide said, was expressed in unadjusted fiscal 1981 dollars and was not supported by requested reliability assessment.

Synar has asked the GAO to conduct an independent audit of the bomber's costs. "I think this is typical of the attitude of the Pentagon," he charged in an interview, "and has triggered some new [congressional] interest in looking deeper into these black programs."

The Synar case and the Dingell-Goldwater tussle highlight the jurisdictional problems that can arise when Members who lack formal defense oversight responsibility seek wider access to information about projects on the Pentagon's lengthening list of black projects.

"There isn't any general rule, and that's awkward," said Russell Murray, special counselor to the House Armed Services Committee. "All Members have to vote on appropriations, and so they have a right to know what they're voting about. But at the same time, you have very properly classified development programs that you don't want bruited about by 535 Members."

Punaro of the Senate Armed Services Committee said that any Senators who want

information on black programs can get it, the only issue being whether or not they have the time and interest to pursue the matter. "The same situation exists on bills that come out of other committees," he said.

Aspin said it is more difficult for House Members to get fuller disclosure on black programs. "If a Member wants to know about it because he votes on it, he should be allowed to do so," Aspin said. "We're in a tug-of-war with the Pentagon over Mike Synar on that right now."

TWO-EDGED SWORD

Whatever the merits of black programming in promoting procurement efficiency or outfoxing the Soviets, the Pentagon may find, as programs hidden in its black box continue to burgeon in size and number, that secrecy, like the truth, can be a two-edged sword.

Hiding budget projections does stifle unwanted debate. But, as is happening now with the ATB program, the very fact that the numbers are hidden becomes, in itself, an unwanted controversy. In the process, the rumored costs conceivably become vastly more inflated than the actual costs. The Pentagon, its lips firmly zipped, is powerless to decisively dispel rising speculation about a stealthy flying pork barrel.

Withholding even the most general technical information can also defuse some of the contentious wrangling about military requirements that has beset such weapons as the MX missile and the B1-B bomber while allowing officials to make almost mystical claims for performance.

In his fiscal 1987 report to Congress, for instance, Weinberger dangled the tantalizing prospect of stealth aircraft enabling the United States "to reach into the Soviet Union and destroy selectively highly valued targets." While the specifics of stealth technology are "appropriately classified," he continued, "publicly available evidence should suggest that these possibilities are not fanciful."

But persistent rumors percolating in both the liberal and conservative wings of the defense analysis community hold that the ATB might well prove an under-powered and overfinanced turkey. The Pentagon is now confronted by what promises to become a heated bomber debate with little meaningful that it can say publicly in its own defense.

In a gloomy assessment last September of the Air Force's budgetary and hardware prospects for the rest of the century, Armed Forces Journal International editor Benjamin F. Schemmer took that service to task for its "self-defeating secrecy."

Noting that one out of every five procurement dollars in the Air Force budget, and two out of every five of its R&D dollars, were slated for black programs, Schemmer worried that "so much secrecy doesn't bode well for future Air Force budgets . . . It's hard to win public support—and thus congressional votes—for programs [the Air Force] can't even name, much less brag about."●

KURT WALDHEIM TO NAZI WAR CRIMES

● Mr. D'AMATO. Mr. President, I am proud to be an original cosponsor of Senate Resolution 373. I commend Senator WILSON for introducing this resolution urging the Department of Justice to review documents brought forward by the World Jewish Congress concerning former U.N. Secretary General Kurt Waldheim. These documents indicate that Mr. Waldheim served with the Nazi Secret Service, the Abwehr, and that he was actively involved in Nazi war crimes.

The documents released by the World Jewish Congress indicate that Kurt Waldheim was part of the command staff of a German Army unit that massacred 5,000 Yugoslavs in July 1942. Mr. Waldheim has insisted that he was only a translator in the Balkans in the army of General Alexander Loehr.

Mr. President, I ask that the letters I sent on March 24 to U.S. Attorney General Edwin Meese III and U.N. Secretary General Javier Perez de Cuellar be printed in their entirety at the conclusion of my remarks. In these letters, I urge the Department of Justice to ask for all charge files compiled by the U.N. War Crimes Commission, including those on Mr. Waldheim, and that the United Nations comply with this request.

I also ask that a letter I sent to the Department of State's Bureau of European and Canadian Affairs on April 2 be printed in its entirety at the conclusion of my remarks. In this letter, I ask that the Department contact Yugoslavian officials to request that they make available to the United States copies of documents concerning Waldheim's involvement in Nazi war crimes.

On April 2, the Israeli Government asked the World Jewish Congress for its documents on Kurt Waldheim so it could begin its own investigation. Israeli Prime Minister Shimon Peres is quite right when he says that Mr. Waldheim must answer the questions raised by these documents.

I urge my colleagues to give Senate Resolution 373 their wholehearted support to express the united will of the Congress that our Government vigorously work to identify, investigate, and enforce our laws concerning Nazi war criminals.

The letters referred to follow:

U.S. SENATE,
Washington, DC, March 24, 1986.

Hon. EDWIN MESSE III,
Attorney General of the United States, Department of Justice, Constitution Ave. & 10th St. N.W., Washington, DC.

DEAR MR. ATTORNEY GENERAL: It is common knowledge that there are as many as 40,000 "charge files" now being held in the United Nations archives. These files were compiled by the United Nations War Crimes Commission in the period following World War II. Although their contents have remained secret, there is considerable speculation that the evidence obtained in them will be of great help to the Office of Special Investigations, to the Immigration and Naturalization Service, and to law enforcement agencies worldwide in pursuing the perpetrators of the Holocaust.

In the past, the Justice Department has requested access to these files from the United Nations Secretariat. Although access was apparently promised in 1980 to then Attorney General Benjamin Civiletti, there has been no follow through on this. With the exception of 3 files that have been turned ove for law enforcement purposes (those of Adolf Eichmann, Klaus Barbie, and Josef Mengele), the rest of the files have been kept secret.

I ask now that you formally renew the Justice Department's request for access to these files. Such a request now is especially timely in light of the recent revelation that former U.N. Secretary General Kurt Waldheim himself has been identified as being a subject of charge file 79/724.

I am not seeking public disclosure of these files, but we do need them to be made available for legitimate law enforcement purposes. I have also written U.N. Secretary General Javier Perez de Cuellar asking that he grant this request when it is made by our office.

Sincerely,

ALFONSE D'AMATO,
United States Senator.

U.S. SENATE,
Washington, DC, March 24, 1986.

Hon. JAVIER PEREZ DE CUELLAR,
Secretary General of the United Nations, 799 United Nations Plaza, New York, NY.

DEAR MR. SECRETARY GENERAL: As you know, up to 40,000 "charge files" compiled by the United Nations War Crimes Commission in the period following World War II have been kept closed to law enforcement agencies worldwide for these past 40 years. To the best of my knowledge, only three have been released: those of Adolf Eichmann, Klaus Barbie, and Josef Mengele. This secrecy has frustrated the work of such U.S. law enforcement agencies as the Office of Special Investigations and the Immigration and Naturalization Service, as well as similar organizations in other nations.

I call on you to reverse this policy, especially in light of the relevation that former U.N. Secretary General Kurt Waldheim is a subject of charge file 79/724. I have requested U.S. Attorney General Edwin Meese to make a formal request of you on behalf of the United States Justice Department that these files be opened for legitimate law enforcement purposes. It is my hope that you will be able to grant this request when made.

This is not a witch hunt. We seek the opening of the entire charge file archive for legitimate law enforcement purposes.

Sincerely,

ALFONSE D'AMATO,
United States Senator.

U.S. SENATE,
Washington, DC, April 2, 1986.

Hon. ROZANNE RIDGEWAY,
Assistant Secretary, Bureau of European and Canadian Affairs, Department of State, Washington, DC.

DEAR SECRETARY RIDGEWAY: Last month, documents were made public which indicate that former United Nations Secretary General Kurt Waldheim served with the Nazi Secret Service, the Abwehr, and his involvement in war crimes. I ask that you contact Yugoslavian officials and request that they make available to the United States copies of documents concerning Waldheim's involvement in Nazi war crimes.

Various press reports indicate the existence of these documents, and that they are in Yugoslavian possession. In fact, the Yugoslavian government made these documents available for scrutiny by selected members of the press, but did not allow the documents to be copied. In view of the urgent public interest in this case, I strongly believe that these documents should be obtained and made available to responsible authorities in the United States.

As you are aware, participation in Nazi war crimes is grounds for exclusion of an individual from entry into the United States under law. Accordingly, you should be taking steps to gather evidence on this issue to make an informed determination concerning Waldheim's suitability to enter the United States. Because of the pendency of the Austrian Presidential election and Waldheim's candidacy for that office, it is all the more urgent that all available evidence be gathered and assessed in a timely manner.

I look forward to hearing from you soon concerning this urgent and very important matter.

Sincerely,

ALFONSE D'AMATO,
U.S. Senator.●

NAUM AND INNA MEIMAN: A TREATY WHICH CAN BE PREVENTED

● Mr. SIMON. Mr. President, I want to call to the attention of my colleagues the dire case of two Soviet Jews, Naum and Inna Meiman.

I spoke to Naum a few weeks ago and he was extremely concerned that their phone had been disconnected. Inna is suffering from cancer and is in constant pain and danger. Without a telephone, the Meimans are even more isolated in case of an emergency.

The Meimans applied to leave the Soviet Union over 10 years ago and have been refused permission to go to Israel many times. The Soviets maintain that Naum is a security risk because he did "secret" research work 25 years ago. Naum correctly asserts that any "classified" work that he may have performed is outrageously out of date.

All the Meimans wish to do is to spend their last remaining days in the land of their fathers and mothers—Israel.

I urge the Soviet Government to restore phone service and to permit the Meimans to emigrate.●

REAUTHORIZATION OF WORKSHOP ELIGIBILITY FOR GOVERNMENT CONTRACTS

● Mr. D'AMATO. Mr. President, I rise today in support of legislation which promotes sheltered workshops for the blind and handicapped. I commend my colleague, Mr. WEICKER, for introducing this worthy legislation.

S. 2147 reestablishes the eligibility of sheltered workshops for the blind and handicapped to compete for Small Business contracts with the Federal Government. Sheltered workshops are nonprofit organizations licensed by the Department of Labor which hire at least 75 percent of their work force from the handicapped and blind. Work centers for the handicapped citizens of this country cannot compete with large companies. Work centers, if looked at realistically, are nothing more than small businesses.

Currently, sheltered workshops are allowed, under provisions of the Javits-Wagner-O'Day Act, to request that certain services or commodities be set aside permanently and placed on a "procurement" list. If the list is approved, the Government must purchase these goods exclusively from sheltered workshops.

These workshops, however, are currently excluded from bidding on Federal Government projects that are not set aside because they are nonprofit organizations. S. 2147 would restore the eligibility which existed from 1981–83, during which time workshops successfully bid on $6.7 million of contracts out of a total of $38 billion awarded under the Small Business Act.

The Javits-Wagner-O'Day Act provides approximately $250 million a year in business to workshops. Workshops, however, complain that the application process is too long and too complicated, and that they need a speedier, more efficient process in order to compete in the "spot" market for Government contracts. A recent example of how the process is not working occurred when a sheltered workshop was disqualified from a contract with Hill Air Force Base in the State of Utah, even though its bid of $26,650 was almost $5,000 lower than the next lowest bidder. As a result of the loss of contracts like this, disabled workers who were making quality goods at competitive prices are gradually being laid off.

I am pleased, that Mr. WEICKER has recognized the importance of this problem. Allowing these nonprofit employers of the blind and handicapped to operate as normal small businesses is the only feasible way to promote sheltered workshops.●

PROPOSED ARMS SALES

● Mr. LUGAR. Mr. President, section 36(b) of the Arms Export Control Act requires that Congress receive prior notification of proposed arms sales under that act in excess of $50 million or, in the case of major defense equipment as defined in the act, those in excess of $14 million. Upon such notification, the Congress has 30 calendar days during which the sale may be reviewed. The provision stipulates that, in the Senate, the notification of proposed sales shall be sent to the chairman of the Foreign Relations Committee.

In keeping with the committee's intention to see that such information is available to the full Senate, I ask to have printed in the RECORD at this point the notifications which have been received. The classified annexes referred to in several of the covering letters are available to Senators in the office of the Foreign Relations Committee, room SD–423.

The material follows:

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, DC, April 8, 1986.

[In reply refer to: I–00895/86ct]

Hon. RICHARD C. LUGAR,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b)(1) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 86–27 and under separate cover the classified annex thereto. This Transmittal concerns the Department of the Air Force's proposed letter(s) of Offer to the People's Republic of China for defense articles and services estimated to cost $550 million. Shortly after this letter is delivered to your office, we plan to notify the news media of the unclassified portion of this Transmittal.

Sincerely,

GLENN A. RUDD,
Acting Director.

[Transmittal No. 86–27]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b)(1) OF THE ARMS EXPORT CONTROL ACT

(i) Prospective Purchaser: People's Republic of China.

(ii) Total Estimated Value:

	Million
Major Defense Equipment*	$412
Other	138
Total	550

*As defined in section 47(6) of the Arms Export Control Act.

(iii) Description of Articles for Services Offered: Fifty-five integrated avionics system kits, support equipment, training and system installation.

(iv) Military Department: Air Force (SAA).

(v) Sales Commission, Fee, etc., Paid, Offered, or Agreed to be Paid: None.

(vi) Sensitivity of Technology Contained in the Defense Articles or Defense Services Proposed to be Sold: See Annex under separate cover.

(vii) Section 28 Report: Case not included in Section 28 report.

(viii) Date Report Delivered to Congress: April 8, 1986.

POLICY JUSTIFICATION

PEOPLE'S REPUBLIC OF CHINA—INTEGRATED AVIONICS SYSTEM KITS

The Government of the People's Republic of China (PRC) has requested the purchase of 55 integrated avionics system kits, support equipment, training and system installation. The estimated cost is $550 million.

This sale will contribute to the foreign policy and national security of the United States by helping to improve the security of a friendly country which has been an important force for political stability and economic progress in Asia and the world.

These integrated avionics system kits will be used by the PRC to modernize fifty F–8

interceptor aircraft. This sale will provide the PRC with certain defensive capabilities. The PRC will have no difficulty absorbing these avionics system kits into its armed forces.

The sale of this equipment and support will not affect the basic military balance in the region.

The prime contractor for procurement of these kits will be a U.S. aerospace manufacturer to be selected by a USAF source selection board.

This sale will require the assignment of 25 U.S. contractor personnel in the PRC for a minimum of nine months; eleven of these 25 contractor personnel will remain in the PRC for three years. Up to five USAF personnel will be in the PRC from one to six years on temporary or continuing assignments.

There will be no adverse impact on U.S. defense readiness as a result of this sale. All equipment will be from new procurement.

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, DC, April 8, 1986.

[In reply refer to: I-00586/86ct]

Hon. RICHARD C. LUGAR,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b)(1) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 86-28 and under separate cover the classificed annex thereto. This Transmittal concerns the Department of the Army's proposed Letter(s) of Offer to Pakistan for defense articles and services estimated to cost $20 million. Soon after this letter is delivered to your office, we plan to notify the news media of the unclassified portion of this Transmittal.

Sincerely,

GLENN A. RUDD,
Acting Director.

[Transmittal No. 86-28]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b)(1) OF THE ARMS EXPORT CONTROL ACT

(i) Prospective Purchaser: Pakistan.

(ii) Total Estimated Value:

	Million
Major Defense Equipment*	$20
Other	0
Total	20

*As defined in Section 47(6) of the Arms Export Control Act.

(iii) Description of Articles or Services Offered: Two thousand thirty I-TOW missiles, including 30 to be expended during Fly-to-Buy program.

(iv) Military Department: Army (VFU).

(v) Sales Commission, Fee, etc., Paid, Offered, or Agreed to be Paid: None.

(vi) Sensitivity of Technology Contained in the Defense Articles or Defense Services Proposed to be Sold: See Annex under separate cover.

(vii) Section 28 Report: Case not included in Section 28 report.

(viii) Date Report Delivered to Congress: April 8, 1986.

POLICY JUSTIFICATION

PAKISTAN—I-TOW MISSILES

The Government of Pakistan has requested the purchase of 2,030 I-TOW missiles, including 30 to be expended during Fly-to-Buy program. The estimated cost is $20 million.

This sale will contribute to the foreign policy and national security of the United States by helping to improve the security of a friendly country which has been and continues to be an important force for political stability and economic progress in Southwest Asia.

The Government of Pakistan will use these I-TOW missiles to upgrade its overall force mobilization plan and to enhance its basic defense capability. Since this is a follow-on sale Pakistan will have no difficulty absorbing these I-TOW missiles into its armed forces.

The sale of this equipment and support will not affect the basic military balance in the region.

The prime contractor will be the Hughes Aircraft Company of Tucson, Arizona.

Implementation of this sale will not require the assignment of any additional U.S. Government personnel or contractor representatives to Pakistan.

There will be no adverse impact on U.S. defense readiness as a result of this sale.

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, DC, April 8, 1986.

[In reply refer to: I-01201/86ct]

Hon. RICHARD C. LUGAR,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b)(1) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 86-29 and under separate cover the classified annexes thereto. This Transmittal concerns the Departments of the Army, Navy, and Air Force proposed Letters of Offer to Saudi Arabia for defense articles and services estimated to cost $354 million. Shortly after this letter is delivered to your office, we plan to notify the news media of the unclassified portions of this Transmittal.

Sincerely,

GLENN A. RUDD,
Acting Director.

[Transmittal No. 86-29A]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b)(1) OF THE ARMS EXPORT CONTROL ACT

(i) Prospective Purchaser: Saudi Arabia.

(ii) Total Estimated Value:

	million
Major Defense Equipment*	$77
Other	21
Total	98

*As defined in Section 47(6) of the Arms Export Control Act.

(iii) Description of Articles or Services Offered: Nine hundred ninety-five AIM-9L SIDEWINDER missiles and associated spare parts, 30 SIDEWINDER training missiles, training, technical assistance and support equipment.

(iv) Military Department: Navy (AAX).

(v) Sales Commission, Fee, etc., Paid, Offered, or Agreed to be Paid: None.

(vi) Sensitivity of Technology Contained in the Defense Articles or Defense Services Proposed to be Sold: See Annex under separate cover.

(vii) Section 28 Report: Case not included in Section 28 report.

(viii) Date Report Delivered to Congress: April 8, 1986.

POLICY JUSTIFICATION

SAUDI ARABIA—AIM-9L SIDEWINDER MISSILES

The Government of Saudi Arabia has requested the purchase of 995 AIM-9L SIDEWINDER missiles and associated spare parts, 30 SIDEWINDER training missiles, training, technical assistance and support equipment. The estimated cost is $98 million.

This sale is consistent with the stated U.S. policy of assisting friendly nations to provide for their own defense by allowing the transfer of reasonable amounts of defense articles and services. It will demonstrate the continuing willingness of the United States to support Saudi Arabian efforts to improve the security of the country through modernization of its forces. In a regional context, continuing support of defensive capabilities of Saudi Arabia will also contribute to overall Middle East security and will serve to deter further expansion of the Iran-Iraq war in the Arabian Gulf.

The sale of these additional missiles will add to the stability of the region by contributing to the ability of the Royal Saudi Air Force to sustain defense against hostile, advanced aircraft which could attack Saudi Arabia and to protect vital targets such as oil fields and Saudi shipping lanes with minimum warning.

The sale of this equipment and support will not affect the basic military balance in the region.

The Royal Saudi Air Force will be able to absorb this missile into its inventory both from the operational and maintenance perspectives, as it has already demonstrated capabilities to operate and maintain AIM-9 series missiles.

The prime contractors for this sale will be the Raytheon Corporation of Lowell, Massachusetts and Ford Aerospace Corporation of Newport Beach, California.

Implementation of this sale will not require the assignment of any additional U.S. Government personnel or contractor representatives to Saudi Arabia.

There will be no adverse impact on U.S. defense readiness as a result of this sale.

[Transmittal No. 86-29B]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b)(1) OF THE ARMS EXPORT CONTROL ACT

(i) Prospective Purchaser: Saudi Arabia.

(ii) Total Estimated Value:

	Millions
Major Defense Equipment*	$48
Other	12
Total	60

*As defined in Section 47(6) of the Arms Export Control Act.

(iii) Description of Articles or Services Offered: Six hundred seventy-one AIM-9P4 SIDEWINDER air-to-air missiles, spares, and support equipment.

(iv) Military Department: Air Force (AJF).

(v) Sales Commission, Fee, etc., Paid, Offered, or Agreed to be Paid: None.

(vi) Sensitivity of Technology Contained in the Defense Articles or Defense Services Proposed to be Sold: See Annex under separate cover.

(vii) Section 28 Report: Case not included in Section 28 report.

(viii) Date Report Delivered to Congress: April 8, 1986.

POLICY JUSTIFICATION

SAUDI ARABIA—AIM-9P4 SIDEWINDER MISSILES

The Government of Saudi Arabia has requested the purchase of 671 AIM-9P4 SIDEWINDER aid-to-air missiles, spares and support equipment. The estimated cost is $60 million.

This sale is consistent with the stated U.S. policy of assisting friendly nations to provide for their own defense by allowing the transfer of reasonable amounts of defense articles and services. It will demonstrate the continuing willingness of the United States to support Saudi Arabian efforts to improve the security of the country through modernization of its forces. In a regional context, continuing support of defensive capabilities of Saudi Arabia will also contribute to overall Middle East security and will serve to deter further expansion of the Iran-Iraq war in the Arabian Gulf.

The sale of these additional missiles will add to the stability of the region by contributing to the ability of the Royal Saudi Air Force to sustain defense against hostile, advanced aircraft which could attack Saudi Arabia and to protect vital targets such as oil fields and Saudi shipping lanes with minimum warning.

The sale of this equipment and support will not affect the basic military balance in the region.

The Royal Saudi Air Force will be able to absorb this missile into its inventory both from the operational and maintenance perspectives, as it has already demonstrated capabilities to operate and maintain AIM-9 series missiles.

The prime contractor will be Ford Aerospace and Communications Corporation of Newport Beach, California.

Implementation of this sale will not require the assignment of any additional U.S. Government personnel or contractor representatives to Saudi Arabia.

There will be no adverse impact on U.S. defense readiness as a result of this sale.

[Transmittal No. 86-29C]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b)(1) OF THE ARMS EXPORT CONTROL ACT

(i) Prospective Purchaser: Saudi Arabia.

(ii) Total Estimated Value:

	Million
Major Defense Equipment *	$29
Other	60
Total	89

*As defined in Section 47(6) of the Arms Export Control Act.

(iii) Description of Articles or Services Offered: Two hundred basic STINGER air defense guided missile systems including 200 missiles, an additional 600 missiles, support and training equipment, spare parts, technical support and training.

(iv) Military Department: Army (VIG).

(v) Sales Commission, Fee, etc., Paid, Offered, or Agreed to be Paid: None

(vi) Sensitivity of Technology Contained in the Defense Articles or Defense Services Proposed to be Sold: See Annex under separate cover.

(vii) Section 28 Report: Case not included in Section 29 report.

(viii) Date Report Delivered to Congress: April 8, 1986.

POLICY JUSTIFICATION

SAUDI ARABIA—STINGER MISSILES

The Government of Saudi Arabia has requested the purchase of 200 basic STINGER air defense guided missile systems including 200 missiles, an additional 600 missiles, support and training equipment, spare parts, technical support and training. The estimated cost is $89 million.

This sale is consistent with the stated U.S. policy of assisting friendly nations to provide for their own defense by allowing the transfer of reasonable amounts of defense articles and services. It will demonstrate the continuing willingness of the United States to support Saudi Arabian efforts to improve the security of the country through modernization of its forces. In a regional context, continuing support of defensive capabilities of Saudi Arabia will also contribute to overall Middle East security and will serve to deter further expansion of the Iran-Iraq war in the Arabian Gulf.

The sale of these additional STINGER systems and missile rounds will add to the stability of the region by contributing to the low level point air defense capability to protect vital military installations and oil fields, and oil related facilities.

The sale of this equipment and support will not affect the basic military balance in the region.

The Saudi Arabian Land Forces will be able to absorb these additional missiles, from both an operational and maintenance standpoint, based on demonstrated capabilities developed from a previous sale.

The prime contractor will be the General Dynamics Corporation of Pomona, California.

Implementation of this sale may require the assignment of additional U.S. Government personnel and contractor representatives; however, the number of persons and the length of time they will be needed in Saudi Arabia has not yet been determined.

There will be no adverse impact on U.S. defense readiness as a result of this sale.

[Transmittal No. 86-29D]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b)(1) OF THE ARMS EXPORT CONTROL ACT

(i) Prospective Purchaser: Saudi Arabia.

(ii) Total Estimated Value:

	Millions
Major Defense Equipment *	$84
Other	23
Total	107

*As defined in Section 47(6) of the Arms Export Control Act.

(iii) Description of Articles or Services Offered: One hundred air launched HARPOON missiles with containers, spare parts, technical assistance and support equipment.

(iv) Military Department: Navy (AAY).

(v) Sales Commission, Fee, etc., Paid, Offered, or Agreed to be Paid: None.

(vi) Sensitivity of Technology Contained in the Defense Articles or Defense Services Proposed to be Sold: See Annex under separate cover.

(vii) Section 28 Report: Case not included in Section 28 report.

(viii) Date Report Delivered to Congress: April 8, 1986.

POLICY JUSTIFICATION

SAUDI ARABIA—HARPOON MISSILES

The Government of Saudi Arabia has requested the purchase of 100 air launched HARPOON missiles with containers, spare parts, technical assistance and support equipment. The estimated cost is $107 million.

This sale is consistent with the stated U.S. policy of assisting friendly nations to provide for their own defense by allowing the transfer of reasonable amounts of defense articles and services. It will demonstrate the continuing willingness of the United States to support Saudi Arabian efforts to improve the security of the country through modernization of its forces. In a regional context, continuing support of defensive capabilities of Saudi Arabia will also contribute to overall Middle East security and will serve to deter further expansion of the Iran-Iraq war in the Arabian Gulf.

These missiles will be used on Saudi Arabian F-15 aircraft to expand the degree of protection currently afforded Saudi coastal facilities and shipping lanes by the Royal Saudi Naval Forces' shipborne surface-to-surface HARPOONS. In addition, reaction time to hostile surface vessels will be significantly reduced.

The sale of this equipment and support will not affect the basic military balance in the region.

The Royal Saudi Naval Forces have already demonstrated the ability to operate and maintain this missile in its surface-to-surface mode. The Royal Saudi Air Force is expected to demonstrate this same capability.

The prime contractor will be the McDonnell-Douglas Astronautic Corporation of St. Louis, Missouri.

Implementation of this sale may require the assignment of additional U.S. Government personnel and contractor representatives; however, the number of persons and the length of time they will be needed in Saudi Arabia has not yet been determined.

There will be no adverse impact on U.S. defense readiness as a result of this sale.●

WE HONOR ARMENIAN-AMERICANS

● Mr. SIMON. Mr. President, April 3 was Armenian Appreciation Day, a day to honor those Armenians who will continue to struggle for freedom throughout their lives. Over the centuries the Armenians have fought against Persians, Romans, Mongols, and the Ottoman Turks. Armenians independence was achieved in 1920, only to be ended abruptly by an invasion of Russian and Turkish troops. In 1921, Eastern Armenia became the Armenian Soviet Socialist Republic. The territory once known as Armenia is now divided between Iran, Turkey, and the Soviet Union.

During the 19th century there was a resurgence of nationalism and culturalism in Armenia after almost 400 years of Turkish dominance. In 1894 the Sultan of Turkey began a campaign to drive Armenians from their homeland and a wholesale massacre broke out. Emigration of Armenians to the United States increased significantly.

In 1915 Russia invaded the Moslem Ottoman Empire which was allied with Germany. The Turks ordered the deportation of all Armenians from the Anatolian highlands. Turkish authorities forced the Armenians into the Syrian deserts under conditions of plague, starvation, and extreme exhaustion. In addition, the Turkish tribes massacred the Armenians. As a result of the deportation and massacres, approximately half of the Armenian population was annihilated. The remaining Armenians were incorporated into Soviet Armenia, Europe, the Middle East, and the United States.

Between 1915 and 1923, an estimated 600,000 to 1.5 million Armenians died at the hands of the Turks. The Turks deny any accusations of genocide of the Armenians. The facts can speak for themselves.

Despite the conditions under which the Armenians fled to the United States, we Americans are indebted to them for the valuable contributions that they have made to our society. Their contributions can be seen in the areas of art, architecture, music, and literature, as well as many other facets of our lives.

Today is a special day to remember these Armenians who constitute increasing population in our country. In my home State of Illinois, a large community of Armenians is located in Chicago. I see this population as an added asset to our city.

With ratification of the Genocide Treaty, the United States hopes to prevent any further acts such as the Armenian massacres. I hope that the Armenians will continue to prosper and enjoy the freedoms of our country by overcoming the painful memories of their past.●

Mr. SIMPSON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. SIMPSON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDERS FOR WEDNESDAY

Mr. SIMPSON. Mr. President, after consultation with the Democratic leader, I ask unanimous consent that once the Senate completes its business today it stand in recess until 9:30 a.m., Wednesday, April 9, 1986.

I further ask unanimous consent that following the recognition of the two leaders under the standing order, there be special orders in favor of the following Senators not to exceed 5 minutes each: HAWKINS—and that will be read in her absence, or presented for the RECORD—PROXMIRE, DOMENICI, CRANSTON, METZENBAUM, RIEGLE, and HEFLIN.

Following the special orders just identified, I ask unanimous consent there be a period for the transaction of routine morning business not to extend beyond 10:30 a.m., with Senators permitted to speak therein for not more than 5 minutes each.

At 10:30, I ask unanimous consent the Senate resume consideration of S. 1017, the regional airport bill.

I ask unanimous consent the Senate stand in recess between the hours of 12 noon and 2 p.m., to allow the Democrats to meet in caucus.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. SIMPSON. Mr. President, at 2 p.m., by a previous unanimous consent, there will be 10 minutes of debate and a vote will occur on final disposition of S. 8, a bill to grant a Federal charter to the Vietnam Veterans of America. Following the vote on S. 8, it will be the intention of the majority leader to resume consideration of S. 1017, the regional airport bill. Therefore, rollcall votes can be expected throughout the day on Wednesday, April 9, 1986.

RECESS UNTIL 9:30 A.M. TOMORROW

Mr. SIMPSON. Mr. President, there being no further business, I move, in accordance with the previous order, that the Senate stand in recess until 9:30 a.m., on Wednesday, April 9, 1986.

There being no objection, the Senate, at 4:41 p.m., recessed until Wedneday, April 9, 1986, at 9:30 a.m.

NOMINATIONS

Executive nominations received by the Secretary of the Senate April 7, 1986, under authority of the order of the Senate of January 3, 1985:

DEPARTMENT OF JUSTICE

Frank W. Donaldson, of Alabama, to be U.S. attorney for the northern district of Alabama for the term of 4 years. (Reappointment.)

Henry E. Hudson, of Virginia, to be U.S. attorney for the eastern district of Virginia for the term of 4 years vice Elsie L. Munsell, resigned.

James P. Jonker, of Iowa, to be U.S. marshal for the northern district of Iowa for the term of 4 years. (Reappointment.)

Laurence C. Beard, of Oklahoma, to be U.S. marshal for the eastern district of Oklahoma for the term of 4 years. (Reappointment.)

IN THE ARMY

The following-named officer to be placed on the retired list in grade indicated under the provisions of title 10, United States Code, section 1370:

To be general

Gen Robert W. Sennewald, xxx-xx-xxxx (age 56), U.S. Army.

The following-named officer under the provisions of title 10, United States Code, section 601, to be assigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be general

Lt. Gen. Joseph T. Palastra, Jr., xxx-xx-xxxx xxx-... U.S. Army.

The following-named officer under the provisions of title 10, United States Code, section 601, to be assigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be lieutenant general

Maj. Gen. H. Norman Schwarzkopf, xxx-... xxx-xx-x... U.S. Army.

IN THE ARMY

The following-named Army National Guard of the United States officers for promotion in the Reserve of the Army of the United States, under the provisions of title 10 United States Code, section 3385:

ARMY PROMOTION LIST

To be colonel

Austin, Duane, xxx-xx-xxxx
Bailey, Paul W., xxx-xx-xxxx
Eason, Richard A., xxx-xx-xxxx
Galioto, Joseph J., xxx-xx-xxxx
Greenhaw, Robert J., xxx-xx-xxxx
Hapner, Jon C., xxx-xx-xxxx
Hirshorn, Donald P., xxx-xx-xxxx
Howard, John C., xxx-xx-xxxx
Ice, Thomas R., xxx-xx-xxxx
Jackson, Robert A., xxx-xx-xxxx
Jennette, David L., xxx-xx-xxxx
Kissam, John B., xxx-xx-xxxx
Kutz, Bruce R., xxx-xx-xxxx
Lindsay, Roscoe, Jr., xxx-xx-xxxx
Love, James F., xxx-xx-xxxx
Lujan, Lawrence S., xxx-xx-xxxx
Maher, Joseph J., xxx-xx-xxxx
McClure, Samuel J., xxx-xx-xxxx
Nixon, William R., xxx-xx-xxxx
Perugino, Joseph F., xxx-xx-xxxx
Portante, Guido J., Jr., xxx-xx-xxxx
Stark, Allen L., xxx-xx-xxxx
Whisenhunt, Bobby J., xxx-xx-xxxx
Woodson, Ronald P., xxx-xx-xxxx

CHAPLAIN

To be colonel

McLellan, Charles A., xxx-xx-xxxx

MEDICAL CORPS

To be colonel

McGee, Thomas P., Jr., xxx-xx-xxxx
Porter, Richard I., xxx-xx-xxxx

MEDICAL SERVICE CORPS

To be colonel

Franch, Gary L., xxx-xx-xxxx

ARMY PROMOTION LIST

To be lieutenant colonel

Baird, Robert T., III, xxx-xx-xxxx
Baker, Larry J., xxx-xx-xxxx
Barger, Floyd A., xxx-xx-xxxx
Bowen, Murriel D., Jr., xxx-xx-xxxx
Branton, William S., xxx-xx-xxxx
Cameron, Everett Jr., xxx-xx-xxxx
Cecil, Gerald G., xxx-xx-xxxx
Chrosniak, Kenneth D., xxx-xx-xxxx
Cook, Arthur K., xxx-xx-xxxx
Dalto, Robert E., xxx-xx-xxxx
Davis, Chester C., xxx-xx-xxxx
Denmead, Charles F., xxx-xx-xxxx
Dunlap, Wayne C., xxx-xx-xxxx
Dunn, David S., xxx-xx-xxxx
Fernandez, Jose A., xxx-xx-xxxx
Fligg, Claude M., Jr., xxx-xx-xxxx
Gajewski, Thaddeus J., xxx-xx-xxxx
Gilbreath, Ronald L., xxx-xx-xxxx
Goff, John J., Jr., xxx-xx-xxxx
Goss, Robert J., xxx-xx-xxxx
Grayson, Brett L., xxx-xx-xxxx
Grimes, Forrest M., xxx-xx-xxxx
Heatherly, Charles R., xxx-xx-xxxx
Hengeveld, Cecil B., xxx-xx-xxxx
Hennesey, Charles K., xxx-xx-xxxx
Hines, Timmy L., xxx-xx-xxxx
Hoffman, Richard L., xxx-xx-xxxx
Hurston, Morton C., Jr., xxx-xx-xxxx
Kolman, Michael R., xxx-xx-xxxx
Lachance, Philip A., Jr.
Latona, Vincent, xxx-xx-xxxx
Lattanzi, Ronald J., xxx-xx-xxxx

Linker, Sidney J., xxx-xx-xxxx
Lippert, Giles J., Jr., xxx-xx-xxxx
O'Connor, Michael P., xxx-xx-xxxx
Oien, Anthony L., xxx-xx-xxxx
Parker, William L., xxx-xx-xxxx
Prentice, Walter C., xxx-xx-xxxx
Rayl, Charles R., xxx-xx-xxxx
Roleff, Edmund F., Jr., xxx-xx-xxxx
Rosenberg, James J., xxx-xx-xxxx
Roskens, Roger C., xxx-xx-xxxx
Savidge, Keith A., xxx-xx-xxxx
Serie, William A., xxx-xx-xxxx
Stone, Henry D., xxx-xx-xxxx
Suhre, William R., xxx-xx-xxxx
Surface, Ronald J., xxx-xx-xxxx
Taylor, Clinton R., xxx-xx-xxxx
Wall, Leroy A., xxx-xx-xxxx
Wood, Gerald D., xxx-xx-xxxx

CHAPLAIN

To be lieutenant colonel

Mariotti, Dilio E. xxx-xx-xxxx
York, Billy L., xxx-xx-xxxx

Phillips, Lawrence F., xxx-xx-xxxx
Poland, William H., xxx-xx-xxxx

ARMY NURSE CORPS

To be lieutenant colonel

Thaggard, Vita H., xxx-xx-xxxx

DENTAL CORPS

To be lieutenant colonel

Duke, Thomas E., xxx-xx-xxxx

MEDICAL CORPS

To be lieutenant colonel

Acree, Maurice M., Jr., xxx-xx-xxxx

The following-named Army National Guard of the United States officers for appointment in the Reserve of the Army of the United States, under the provisions of title 10, United States Code, sections 593 and 3353:

MEDICAL CORPS

To be lieutenant colonel

Griffiths, Richard C., xxx-xx-xxxx

Shorts, Paul F., xxx-xx-xxxx

Executive nominations received by the Senate April 8, 1986:

THE JUDICIARY

Alfred J. Lechner, Jr., of New Jersey, to be district judge for the District of New Jersey vice Frederick B. Lacey, resigned.

HARRY S. TRUMAN SCHOLARSHIP FOUNDATION

Richard J. Fitzgerald, of Illinois, to be a member of the Board of Trustees of the Harry S. Truman Scholarship Foundation for a term expiring December 10, 1991. (Reappointment.)

IN THE COAST GUARD

Rear Adm. Donald C. Thompson, U.S. Coast Guard, to be the commander, U.S. Coast Guard Atlantic area with the grade of vice admiral while so serving.

EXTENSIONS OF REMARKS

THE POLISH AMERICAN STRING BAND, CHAMPIONS AGAIN

HON. ROBERT A. BORSKI

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 8, 1986

Mr. BORSKI. Mr. Speaker, I rise to honor a great fraternal and musical group from my hometown, the Polish American String Band. The Polish American String Band recently earned its 10 prestigious first prize in Philadelphia's famous annual Mummers' Day Parade.

The Polish American String Band has a long tradition of excellence among Philadelphia's great Mummers bands. It was founded in 1933 by Mr. Joseph Jankowski and the Polish business community in Port Richmond. For the past 47 years, it has participated in the traditional New Year's Day Mummers' Parade, giving an opportunity for musical excellence and community involvement to hundreds of men and boys.

Participation in the Polish American String Band offers its members a chance to learn the values of teamwork and friendship. It offers them a chance to strive for success each New Year's Day. It gives them a chance to make great music while working with their friends and neighbors.

I salute the officers of the Polish American String Band, its president, Bob Dombroski, and its captain, Ray Danielewicz, and all the band members for their championship performance last New Year's Day. I would also like to honor all hard-working wives, mothers, daughters, and sisters who contribute to the band's successful efforts. And I would like to join in wishing good luck to the new officers of the band for 1986–87, including its new president, Stan Magenta, Sr.

The Polish American String Band has been winning friends and honors for its members and its community for over 50 years. I salute them for their most recent honors and I wish them many years of continued success.

PAUL CRAIG ROBERTS ON THE DEFENSE BUDGET DEBATE

HON. JIM COURTER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 8, 1986

Mr. COURTER. Mr. Speaker, as the following article by Paul Craig Roberts demonstrates, the current debate over the defense budget has a little something for everyone. The defense critics can lambaste the Reagan defense buildup, and the Reagan administration can point to modest progress which warrants continued robust funding.

Meanwhile, the intelligence community is reporting that Soviet defense spending is approaching 15 to 17 percent of their gross national product, dwarfing our present 6 percent GNP commitment. Even if the spending numbers are in dispute, there is no disputing the figures that show the Soviet Union outstripping United States production in every significant category of military hardware since 1974. By comparison, the defense budget debate is a mere sideshow.

The article follows:

[From Business Week, Apr. 14, 1986]

THE PENTAGON BUDGET: FACT VERSUS FICTION

(By Paul Craig Roberts)

The Reagan Administration and its critics are at odds on many issues, but on one critical matter they agree: There has been a massive buildup in the nation's defense.

Critics on the left bemoan this buildup as a resurrection of the arms race, while the Administration claims that the buildup is forcing the Soviets back to the bargaining table for arms-reduction talks. Even the conservative chairman of the Senate Budget Committee, Pete V. Domenici (R-N.M.), believes that Reagan has achieved such a large increase in defense that it is safe to cut $25 billion from the latest defense budget.

To an extraordinary degree, the facts are different from the perception. As the chart shows, the actual path of real defense spending under Reagan closely parallels that projected by the outgoing Carter Administration in 1981. Real defense spending bears no relationship at all to the buildup that Reagan proposed.

The level of real defense spending that the Reagan Administration had planned to reach by 1986 is not expected to be attained even by 1991. Real defense spending in 1986 is $19.8 billion below the amount projected in Reagan's first budget and only $2.2 billion above the projections in Carter's last budget.

Everyone exaggerates. Because the public does not accurately perceive the actual course of military spending during Reagan's Presidency, the defense budget is exposed to the peril of the Gramm-Rudman Act's deficit-reduction formula. If the latest projections of the Congressional Budget Office are based on an accurate assessment of attitudes in Congress, the increase in real defense spending is over. The CBO projects no rise in real defense spending from 1986 to 1991 and shows the defense budget declining as a share of GNP from 6.4% in 1986 to 5.7% in 1991, the same share as in 1975.

Fiction often prevails over fact because of the partisan nature of political competition. First of all, an Administration and its supporters naturally seek to exaggerate its success in accomplishing its goals and to minimize the failures. When faced with a setback, they show a strong tendency to declare victory. At the same time, an Administration's opponents, who are attacking these goals, also exaggerate the degree to which they have been achieved. In this way, both the Administration and its critics scaled down what was to be a major military buildup into little more than a modest improvement in our defense posture—without producing any change in the public's perception of what was happening to defense spending.

Absorbed, as they must be, in public relations and political maneuvering, the participants in the Washington power game often lose sight of the real issues. If this modest military buildup becomes a casualty of hyperbole and misperception and as a consequence is further cut back, the U.S. is likely to remain the world's second most powerful nation. If Ronald Reagan, with his electoral victories, cannot succeed with a military buildup, no one is likely to succeed. The Soviet Union is not blind to the implications. The prospect of being the dominant power in the international arena is scarcely an incentive for the Soviets to restrain their own ongoing military buildup.

It is dangerous for the Reagan Administration and its critics to project the image of a buildup that is greater than its substance. On the one hand, it misleads the American public and U.S. allies about our relative strength. On the other hand, it tells the Soviet government that in this country the political stake in maintaining a pretense is so great that illusion crowds out reality. The sputtering Reagan defense buildup indicates that the U.S. does not perceive the increase in Soviet defense efforts as threatening. As Defense Secretary Caspar W. Weinberger said last year, if this perception proves wrong: "History will not give us a second chance."

CONGRESSIONAL SALUTE TO THE HONORABLE PETER KALFE OF PASSAIC, NJ, IMMEDIATE PAST COMMANDER, ROSOL-DUL MEMORIAL POST NO. 359 AMERICAN LEGION

HON. ROBERT A. ROE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 8, 1986

Mr. ROE. Mr. Speaker, on Saturday, April 12 residents of the city of Passaic, my congressional district and State of New Jersey will gather together at the annual past commanders dinner of Rosol-Dul Memorial Post No. 359 of the American Legion, a gala anniversary celebration of the veterans of our community in testimony to the outstanding endeavors of their leadership in veterans affairs—always giving willingly and unselfishly of their time in seeking justice and equity for all of our people. This year's featured honored guest is the immediate past commander—the Honorable Peter Kalfe of Passaic, NJ—whose standards of excellence as the chief executive officer of Rosol-Dul Memorial Post No. 359 during 1984–85 has served to carry on the sterling traditions and purpose of this highly esteemed veterans organization with quality leadership and sincerity of purpose which has

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

truly enriched our community, State, and Nation.

Mr. Speaker, I know that you and our colleagues here in the Congress will want to join with me in extending our heartiest congratulations and best of wishes to Peter Kalfe and share the pride of his wife Natalie; their children: Carol, John, Mark Lynd, and Maryann Coral; and granddaughter, Michele on this milestone of achievement in their family endeavors.

Mr. Speaker, the Rosol-Dul Memorial Post No. 359, which was organized in the fall of 1945, is one of our Nation's most prestigious affiliates of the American Legion. We are all familiar with the noble goals and objectives of the 2.6 million-member organization of the American Legion. These military service veterans, working through 16,000 community level posts, dedicate themselves to God and country and traditional American values; a strong national security; adequate and compassionate care for veterans, their widows and orphans; community service; and the wholesome development of our Nation's youth. Peter Kalfe has, by his example and lifetime of dedication to these same true American ideals, personified exemplary leadership in his responsible service to our people.

Mr. Speaker, Pete was raised in Passaic, NJ and attended local schools in Passaic. He served our people and our Nation with distinction during World War II as a gunner in the Navy with the armed guard in the South Pacific from 1944 to 1946.

In his career pursuits he has served our community, State and Nation as a distinguished public safety officer. He is a detective with the Passaic Police Force and has just announced his retirement from the department where he has served for the past 35 years.

Throughout his lifetime Detective Kalfe has forged ahead with dedication, devotion, and sincerity of purpose in combating crime and protecting the life of our people. We applaud his knowledge, training, hard work, and personal commitment that has enabled him to achieve the fullest confidence and strongest support of the people of our community. He has always applied the most sophisticated and advanced techniques of his profession. During the past three and a half decades he has received many citations for his meritorious service as a law enforcement officer and we are especially proud of his most recent highly coveted award—the "Cop of the Year" which he received from the Passaic Optimists.

Mr. Speaker, Pete Kalfe has been a member of Rosol-Dul Memorial Post No. 359 for the past 18 years and has served on various committees before attaining the high office of public trust as commander of this esteemed veterans organization. At this point in our historic journal of Congress may I commend Peter Kalfe to you along with all of the past commanders of Rosol-Dul Memorial Post No. 359 who throughout the past 41 years have served their membership and the people of our community with their leadership endeavors in veterans affairs, as follows:

Rosol-Dul Memorial Post No. 359 American Legion Passaic, NJ past commanders

The Honorable:

Benjamin Kwiatkowski	1946–47
Emil Olszowy[1]	1947–48
Stanley Blazowski	1948–49
Fabian Izsa, Jr.	1949–50
Joseph P. Lazur	1950–51
Stanley Benedict	1951–52
Edward Serafin	1952–53
Thaddeus Tecza	1953–54
Frank Duplak	1954–55
Edward Lazur	1955–56
William Gonsisko	1956–57
Andrew Tylawsky	1957–58
Bruno Czerniak[1]	1958–59
Stanley Pych	1959–60
Stanley Tomczyk[1]	1960–61
Bruno R. Stolarz[1]	1961–62
Alexander Bednarz[1]	1962–63
John Yaroslawski	1963–64
William Fitzgerald	1964–65
Stanley Madey	1965–66
John Galka[1]	1966–67
Walter Chmielowiec[1]	1967–68
Henry Lesnick[1]	1968–69
Edward F. Sadlowski[1]	1969–72
John Yaroslawski	1972–73
Edward Byra	1973–74
Edward Wieczerzak[1]	1975
Stanley Turecki	1975–76
Michael Pohrischak	1976–77
Joseph Ruda	1977–78
Anthony Nead	1978–79
Martin J. Fucio	1979–80
Martin Kobylarz	1980–81
Stanley Procko	1981–82
Joseph Szewczyk	1982–83
Fred Gnapinski	1983–84
Peter Kalfe	1984–85

[1] Deceased.

Mr. Speaker, it is indeed appropriate that we reflect on the deeds and achievements of our people who have contributed to the quality of our way of life here in America and I am pleased to call your attention to Pete's lifetime of outstanding public service. We do indeed salute a most distinguished public safety officer, good friend, and great American—the immediate past commander of Rosol-Dul Memorial Post No. 359 of the American Legion—the Honorable Peter Kalfe of Passaic, NJ.

PROPOSED TVA CHANGES WOULD IMPROVE EMPLOYEE MORALE AND EFFICIENCY

HON. RONNIE G. FLIPPO

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 8, 1986

Mr. FLIPPO. Mr. Speaker, previously, I have discussed some of the problems at the Tennessee Valley Authority and a proposed change in the management structure of the agnecy. The proposal also includes changes designed to improve TVA employee morale and efficiency which I want to discuss.

COMPENSATION AND EMPLOYEE POLICIES

Compensation of a job may include regular salary or wages, other monetary renumeration, such as bonuses and awards; psychic satisfaction for a job well done, peer approval and admiration; and perquisites such as office size, furnishings, dining rooms, automobiles, parking spaces, insurance, and other advantages not available to most other employees.

Traditionally, the TVA has eschewed individual employee bonuses, perquisites, and recognition in favor of recognition of team effort and the psychic rewards of completion of worthwhile projects which had a high approval factor within the community.

However, as TVA began to move technically into the nuclear age, some of the traditions began to present problems. Management policies which had worked well under a different set of circumstances began to become problems for the TVA and thus for the people of the region who pay TVA's bills.

For example, TVA's management adopted a policy that limited candidates for reactor operator or senior reactor operator to non-degreed persons. Another policy excluded nuclear onsite engineers from consideration as reactor operators or senior reactor operators.

As the program developed, the need for nuclear management people at higher levels grew. Yet the people in TVA's management tract had not necessarily had in-depth nuclear experience, especially at the operating level. Partially as a result of TVA's management policies which failed to put in place an effective management training program to develop an adequate number of nuclear managers, problems began to surface for the agency. The Nuclear Regulatory Commission criticized TVA for promoting people to middle- and upper-level management positions in the nuclear program without regard for the nuclear experience of these people. In July 1985, before the nuclear shutdown, NRC cited TVA for a total of 10 management policies, primarily relating to personnel, as possible factors in TVA's nuclear difficulties.

Earlier, in response to this developing personnel problem, TVA management attempted to alter compensation practices at the agency. These efforts were poorly developed from the standpoint of justification in face of tradition and statutory restraint. The attempts met with loud and widespread opposition from some employees and many ratepayers.

As with any organization, TVA employees are the agency's greatest asset. Without the dedication, hard work, understanding, and support of the employees, any organization can fail. In a highly technical operation with safety concerns, such as the nuclear program, the prospect for failure is magnified without full and ardent employee support.

The legislaton allows the new board to take a fresh look at the entire matter of employee relations, compensation policies, and similar issues which bear on the success of the corporation. If found appropriate after public hearings and review, the legislation also allows the new board to establish a fund each year to recognize unusually meritorious acts which benefit the corporation. This program might be patterned after other Federal employee reward programs.[1]

[1] At least two different types of Federal award programs are in place. Under the Incentive Awards Program, an employee (or group) who proposes a suggestion, develops an invention, or makes a contribution beyond the scope of the job, may receive up to $25,000. Top managers, in the Senior Executive Service, are eligible for lump sum payments for performance up to 20 percent of basic pay. Additional awards in the SES are limited to 5 percent of executives designated as meritorious ($10,000 lump sum payment) and to 1 percent designated as distinguished ($20,000 lump sum payment).

In addition, the board each year would have authority to authorize retention or recruitment supplements for positions where the pay was found to be higher in other Government positions, such as in the Senior Executive positions, and in certain other engineering, medical or technical positions or in cases where no similar positions are found within the Federal Government.

The payment to an employee during any fiscal year for wages, salary, supplements, bonuses, or other compensation could not exceed the rate payable for level I of the Executive Schedule (currently $86,200). The payment for basic wages or salary could not exceed level V (currently $68,700).

COST FACTORS INVOLVED IN IMPROVED POLICY AND MANAGEMENT PROPOSALS

The objective of the restructuring is to provide the TVA and its customers with a management mechanism to enable the agency to be more efficient, responsive, and accountable. An improved management system, even if the managers are better rewarded, should produce savings through more efficient operations.

The legislation recognizes that an outstanding CEO for an organization such as TVA can earn and should be paid more than current Federal salary ceilings. The legislation relies on the good judgment of board members living among the ratepayers to take into account reasonable peformance objectives, regional variations, and the public nature of TVA in establishing the compensation package for such a person.[2]

The costs of the changes in the board itself are more easily identified. The salaries of the three-person full-time board total $218,200 a year at present. Travel and staff support costs are in addition.

After the initial organizational phase, a restructured TVA board would probably average 30 or 40 meeting days per year. During years when members averaged 40 meeting days each, the compensation for the restructured board would be a total of $167,859.

If the restructured eight-person part-time board required use of all authorized meeting days, the total compensation would be $212,200 a year. If only 50 percent of the authorized days were required, the total compensation would be $146,000.

Variables such as distance from meeting places and number of days of meeting would influence the travel cost. To the extent that the board functions are policy-oriented rather than for day-to-day management, total staff support attributable to the board should be less than presently expended.

Current board staff cost attributable to day-to-day management and operations would be attributed to the CEO under the proposed arrangements.

From the standpoint of the individual board members, the annual stipend provided by the legislation ($10,000) is somewhat less than the stipend for similar business corporation. Korn/Ferry indicates the average annual fee for the 1,000 largest U.S. corporations was $11,700 per director in 1983.

Because of the public service nature of the TVA, it seems inappropriate to provide complete parity with stipends provided to those serving on boards of private business corporations.

The directors' fees for each day of actual meetings would be at the daily rate for level V of the Executive Schedule (currently about $264 per day). This compares to the average per meeting fee provided by business corporations of $717 in 1983.[3] The average total compensation for directors of business corporations in 1983 was $18,090. This average is a reflection of the relatively few days the boards of established corporations meet annually.

Travel expenses would be reimbursed as they are for other Government employees.

THE TVA INSPECTOR GENERAL BACKGROUND

Several Members from the TVA region have introduced legislation (H.R. 3464, 99th Congress) to bring the TVA under the provisions of the Inspector General Act of 1978, with a statutory IG appointed by the President and confirmed by the Senate. The bill would also vest the TVA's IG with certain electric rate review jurisdiction.

Democrat JACK BROOKS has introduced legislation (H.R. 3077, 99th Congress) to provide all Federal entities, such as TVA, with a single, consolidated internal audit unit and audit unit director with the powers and authority of the statutory IG's designated for certain departments. H.R. 3077 audit unit directors would be appointed by the agency head and would not require Senate confirmation.

The TVA board hired, in late January 1986, a person designated as inspector general of TVA. Whether all the internal audit functions will be effectively transferred to this new office remains to be seen. In any event, the TVA-designated IG is unlikely to be able to function as a statutory IG because TVA lacks the ability to confer on the office all of the authority and jurisdiction provided by the Inspector General Act of 1978 and its amendments.

H.R. 3464 for a TVA inspector general was based on the TVA management structure as it exists; that is, the board is responsible for establishing policy and then dons another hat to attempt to manage the agency. The present situation, with the board appointing the IG, has been compared to having the board investigate itself to see how well the board is carrying out its policies and the laws and regulations the board is attempting to administer. Should the board err in either of its functional roles, the appeal is to the board.

A completely different set of circumstances would prevail under the TVA board restructuring proposal. Under the proposal, the board's function is to establish policy, monitor the administration and execution of the policy, and regulate electric rates. The management, administration, and execution of the policy is the responsibility of the chief executive officer and the professionals employed to assist the CEO.

Under the proposed new structure, it seems appropriate to have the inspector general as an arm of the board because the monitoring and review responsibilities of the board would be separated from the operational responsibilities which are vested in the chief executive officer.

Thus, the new board proposal calls for the IG to be appointed by the restructured board.

IMPROVED IG FUNCTION

This section of the bill would establish an office of the inspector general in the TVA. Additionally, it would strengthen audit and investigative activities in TVA by requiring that existing audit and investigative offices be consolidated. The IG would report directly to the board and be given the same duties and authorities as statutorily established inspectors general.

Nobody likes to have their actions reviewed. The need for offices of inspector general, however, is well established, and Congress has created statutory IG's in 17 departments and agencies. Statutory offices of inspector general have proven highly successful. Over the last 2½ years, their work has resulted in about $15 billion annually in monetary benefits to the government, including recoveries from investigative activities and savings resulting from management improvements.

By providing, through this legislation, the TVA's IG with the authority granted to Presidentially appointed, statutory IG's, the role of the TVA's IG function will be enhanced and strengthened. By assuring that various audit and investigative functions are placed under the TVA's IG, coordination and efficiency in the discharge of the IG function are more likely. Should the TVA board remove the IG, such action would have to be reported to the Congress.

The earlier legislation, H.R. 3464, also provided the proposed TVA IG with certain rate review responsibilities. By restructuring the board's responsibilities, as the new legislation does, by giving the board monitoring, review and oversight duties divorced from responsibilities for day-to-day operations, the board itself should be independent enough to give more confidence to the rate review function.

[2] Although the TVA lacks some of the criteria frequently used in establishing compensation packages for CEO's in private corporations (earnings per share, return on assets, return on equity, market penetration, or such factors), TVA should have other annual and long-term management objectives which could be used as a basis for evaluating a CEO's performance and eligibility for a particular level of bonus payment.

[3] Data for director compensation such as that presented by Korn/Ferry may reflect the large number of major corporations clustered in the high-cost major metropolitan areas of the country.

STATEMENT OF HON. HELEN DELICH BENTLEY ON LAUNCHING OF THE "FORT McHENRY"

HON. MARCY KAPTUR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 8, 1986

Ms. KAPTUR. Mr. Speaker, I would like to take this opportunity to recommend to our colleagues, a statement made recently by our esteemed colleague from Maryland, HELEN BENTLEY, on the occasion of the launching of the *Fort McHenry*. Her's is an intelligent and thought-provoking piece on the state of our defense industrial base.

STATEMENT OF HON. HELEN DELICH BENTLEY ON THE LAUNCHING OF THE "FORT MCHENRY"

The launching of a ship is a happy event for all concerned . . . a happy event as are all births, a time of excitement and hope! In ancient times, a new vessel was christened by a sacrifice to the Gods . . . human or animal . . . a blessing against the rigors and dangers of life at sea.

To all nations throughout history, the ability to travel in search of trade has been the hope for the future of their people. And, in times of threat to that future, hope lay in the ability to withstand invasion from those who would pillage and destroy. History, joined with necessity, has built the great Naval and Merchant fleets of the world.

This morning we are privileged to be invited to participate in this historic panorama celebrated by the Psalmist;

"They that go down to the sea in ships;
That do business in great waters; These see the works of the Lord, and His wonders in the deep."

As a Marylander, I am so especially proud to be asked here to christen the USS Fort McHenry. The defeat of the British at Fort McHenry in Baltimore Harbor during September, 1814, signaled the end of the War of 1812 and forever ended any threat of future English intervention in the affairs of our young country.

It was that battle which inspired Francis Scott Key to compose the Star Spangled Banner. Many people are unaware that Key was aboard one of the British ships during the battle. He had been sent as an emissary from the government seeking the freedom of an American doctor who had been captured and taken hostage on board one of the British frigates.

Not only did Maryland give the nation its National Anthem at Fort McHenry, we gave the country a major victory. The men who fought at Fort McHenry and North Point were members of the Maryland Militia, not federal government troops. They were provisioned and supported by the citizens of Baltimore.

Are we scrappy in Maryland? You bet we are! In the 1812 War, our ships' captains were so good at capturing British ships that the London Press called Baltimore a "nest of pirates."

Isn't it fitting that the USS Fort McHenry is an LSD—Whidbey Island Class? A scrappy ship used as a durable dock? A ship which can be loaded at sea and carry virtually any type of cargo, including troops?

The LSD has a valiant history which started in World War II. And to many of my generation, the "landing barge," as it was known then, calls to mind picture after picture of helmeted, young Americans pouring onto beaches of the world. From Iwo Jima and Tarawa—to Normandy, the LSD was the symbol of the power of the United States moving onto the islands of the Pacific and the continent of Europe of bringing freedom, once again, to those beleaguered nations.

Forty years later, those countries still look to us to be the leaders of the free world. The young men who disembarked in those far off lands came home many years ago—their jobs well done. Now, it is their sons and grandsons who will be loading this ship—who may well be landed off this ship on distant shore.

The world has changed a great deal in forty years, but America still assumes the responsibility for defending freedom where it is threatened, where it needs our support.

Because I believe this so strongly, I have been a major supporter of the President's effort to restore the Defense budget after the deep cuts of the Carter years. It is critical that we always be ready in a world where the Russians view civil unrest in a foreign nation as an opportunity to extend Soviet ideology and interests far beyond the territory of continental Russia.

In truth, since the all out Defense efforts of the 1940's, we have not been able to disarm. The Second World War went from hot to cold. Our Defense appropriations ebbed and waned as did the support of the American taxpayer for an unseen war being waged for minds and hearts . . . for territory, half the world away.

But the Russian commitment to domination of the West has not waned one whit. Forty years later, Russian civilians are still suffering shortages of housing and consumer goods in order to feed the Soviet military machine. The Russians see many guns on May Day, but they rarely see butter on their tables.

We have been blessed over these years, as the leading industrialized nation of the world, to be able to have produced both. Though the price for Defense has been heavy—the expansion and diversity of the American economy since the 1940's has generated tax revenues to accommodate not only the needs of both our civilian and military sectors—but, we have also assumed the larger share of the Defense costs for the rest of the free world.

We may be fast approaching the end of the era—Pax Americana. Basic changes in the economic structure of the country over the last decade are bound to impact on our Defense posture—in several areas—in a very few years.

To illustrate the depth of this change in our nation's economic fabric, I will recall to you what manufacturing in this country meant—a few short years ago.

I grew up in the mining country of Nevada—my father was a copper miner. The American West was a place of coal and copper mines, iron and silver and gold mines. The Northwest cut timber. Texas was wild-cat oil wells and the gas industry was digging lines to the East. The South and North Central States and New England were busy manufacturing centers producing products for the American market and the world.

Everywhere the railroad went taking these raw resources to smelters and furnaces. The ports and the rivers were filed with traffic moving to and from refineries . . . always moving the energy to the source of the finishing process of the raw material.

Raw material in, finished product out. Trains and trucks, boats and barges picked up iron and steel, sheets of tin and copper and moved them on to manufacturing plants where machine tools made better machine tools and they in turn were shipped out to make nuts and bolts, rivets, ball bearings—hundreds of thousands of parts and pieces of parts—which in turn became other manufactured goods—then needing to be packaged and shipped—and, at the end, the wholesalers and retailers took over.

On every level of this production, energy was used, jobs created, value added at each step and always—always—remember—tax revenues were paid to every level of government.

To service this manufacturing base—several tiers deep—a service industry developed. Banks, insurance companies, restaurants, motels: McDonald's grew apace with the tourist industry which grew in proportion to the expanding affluence of well paid, well trained workers.

This total picture has been changed!

A great part of that manufacturing base has been lost. Because of the high levels of imports of all products, demand for raw materials and onshore energy has gone down as the plants have shut their doors. Every industry involved in the handling of raw material to finished product has been severely impacted and we are left with an increase in GNP barely above two percent—half of that accounted for by Defense expenditures.

Oil refineries are closed—cheaper to buy refined oil abroad and ship it; 8 out of 10 nuts, bolts and large screws are imported as are 60% of all N/C turning Machine Tools. 80% of all strategic ball bearings under 30 millimeters come from abroad. Steel import penetration reached 30% in one month of 1985, and every month—on average—25,000 jobs are lost in manufacturing jobs in America.

We are being asked to accept the proposition that only one sector of that widely diversed economy of the last forty years will support America into the year two thousand. Services.

I strongly disagree.

Defense is much more than capital ships of the Navy! Missiles which can be launched once . . . at great expense . . . never to be recovered! State-of-the-art High Technology weapons which freeze up when their computers are exposed to blowing sand or intense jungle humidity.

Defense demands an industrial base—on shore—to build the weapons, to repair the weapons, to ship the weapons out!

Defense demands clothing—uniforms and boots for the men and women who fight—vehicles—trucks, tanks, ambulances, weapons carriers, radios, watches, televisions, computers, typewriters, binoculars. Every article demanded by the civilian sector with a vengeance.

"Fortress America" which must go seven thousand miles away for ball bearings and fasteners, radios and watches and a myriad of other parts needed for an active war machine . . . has already been breached.

The rising demand for strategic Defense imports comes at the same time that our Merchant Marine has reached a historic low point. U.S. Navy ships . . . for the first time in the history of the country . . . outnumber merchant ships.

It is not outrageous to suggest that the Merchant Marine Act of 1936—which provided for the rebuilding of our Merchant fleet—was one of two major factors in winning the Second World War.

The other factor was our industrial base and the wealth of natural raw materials which fed it. The Great Depression had left us with idle manufacturing lines and many operations were being run on one shift, but production machinery had not been sold off abroad, mines flooded.

Machine tools are so important to a war effort that D-Day was put off for one whole year because of the shortage of machine tools in 1941. All those lives lost not for lack of weapons, but for the lack of machining centers to make the weapons.

Behind every batallion in the field stands a phalanx of machinists and tool and die makers, pattern makers and welders.

The average age of a machinist in this country—two years ago—was 59 years of age. It takes 8 years to fully train a machinist!

We are at a grave time in the history of this nation. We are making decisions not just for this year, but for the next century. We are charged with taking a course which will effect not only Defense, not only our position as the Leader of the free world, but—we are charged to cast a mold which will determine the political and social future of the year two thousand.

I reject the notion that we will be servants to the rest of the world. I reject the theory that we will import raw materials and all the finished products that a consumer-Defense society needs. I dispute the idea that a nation dependent upon the rest of the world for what it needs can be a leader or in the end, even remain "independent" as our Constitution says we must!

We have proved over two hundred years that we are the greatest, most compassionate nation the world has ever known. Were it not so, Japan and Europe would not be competing with us today. We rebuilt them with our nation's money—not as Conquerer's, but as an enlightened country—never turning our face away from suffering.

Now—it must be our turn! It is time that we look to our own needs as a nation, to the good of our own people. I will sponsor, this year, legislation calling for a "Marshall Plan for America."

The empty factories and the men and women without jobs are no longer abroad . . . in the ruins of the Second World War . . . Today, they are here . . . in America! Too many of our steel mills stand empty. Too many machine shops are in ruin . . . their machinery long ago sold off to Singapore, to South Korea. The desolation is here. And, we are much the poorer for it.

I want to put the "Chrysler bail-out" program in place once again to re-industrialize America. Our companies have starved for long term, low interest capital and they need time to recover the awful effects of the high dollar.

Right now . . . today . . . we are producing steel more cheaply, and more competitively . . . per ton . . . than any country in the world. However, when American steel enters the world market, the high dollar clobbers it and it must compete with foreign steel whose losses, many times, are under-written through government subsidization. The steel industry . . . all of our industries . . . need time to ride out the fall of the dollar. We must also find some formula which will compensate our companies for the competitive edge which government subsidization gives foreign products.

The President's Voluntary Restraint Agreement with the European Community of steel producers started October 1, 1985 . . . and still, many countries have not signed on. The clock on the five year agreement is running, and they will not sit down with us to negotiate. All the while European exports of steel have been as high as 30% of the American market—the Restraint Agreement calls for 18.5%.

I have asked the Congressional Steel Caucus to urge that the clock be stopped. The five year period should begin to count when ALL Countries have signed aboard. The nonconforming countries should not be given a shorter overall period of time in which to control their shipments.

I think we have to get after these people. If, in Defense, America must always be ready, so must we also be ready to defend our vital industrial base! For a year now, I have been pushing DOD and AID to ship American-flag bottoms on foreign purchases . . . conforming to the law. The shock, to me, is that I have to push. That the issue would even be moot.

To be a leader means many things. Primary in the world today . . . it means to protect freedom. To do that, we must be strong in all ways. We must not forget that without domestic industry, there can be no weapons. That in previous wars this has been our major strength, our major contribution to our allies.

We must secure this promise, not only for them, but for our future independence and safety.

We stand here today in debt to the generations of brave Americans who did not come back from places like Iwo Jima, who did not survive the battle of Fort McHenry. We also owe it to their memory to fight for the return of America's strength.

As I christen this ship, please join me in committing your energies to the continuing fight for a stronger America!

OSCAR J. KUNKLE, WINNER OF THE SPIRIT OF PHILADELPHIA AWARD

HON. ROBERT A. BORSKI

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 8, 1986

Mr. BORSKI. Mr. Speaker, I rise to recognize Mr. Oscar J. Kunkle, recipient of the Spirit of Philadelphia Award for his 43 years of service in the Burholme First Aid Corps. Through all these years of volunteer work and leadership, Mr. Kunkle has demonstrated the highest dedication to the ideal of community service.

Mr. Kunkle joined the Burholme First Aid Corps in 1943 and has served continuously since. He has been a State-certified emergency medical technician and served as a dispatcher and ambulance attendant. For the past 12 years he has been president of the corps. Even now, at age 74, he still drives an ambulance every week and works as a dispatcher.

It is important to realize that Mr. Kunkle has contributed over 40 years of work as a volunteer. He has never received any compensation for his contributions to the ambulance corps, but has simply done it to help serve his community.

The Spirit of Philadelphia Award is given by WCAU TV, channel 10, to honor just such people. It exists to recognize the people who help keep our community going, who freely give of themselves and their time to help their neighbors. WCAU has chosen a particularly fitting recipient of its honor in Mr. Kunkle.

I join channel 10 and the members and supporters of the Burholme First Aid Corps in saluting Oscar Kunkle for his many years of dedicated work in behalf of his neighbors and his community. Both he and the first aid corps deserve our respect, admiration and support for all their work.

READER'S DIGEST ON SOVIET SPECIAL FORCES

HON. JIM COURTER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 8, 1986

Mr. COURTER. Mr. Speaker, most of my colleagues are probably unaware that the first Pershing II missile deployed in Europe was not part of NATO forces. In fact, a model of the Pershing II was deployed prior to 1983 at a Soviet special forces training base. As the following article from Reader's Digest explains, the Soviet Spetsnaz, special purpose forces have detailed plans for disrupting vital NATO military plans and destroying key military installations—including Pershing II and GLCM bases—during time of crisis. Perhaps most chilling is the revelation that senior U.S. and NATO military authorities are marked for assassination, to prevent the granting of permission for nuclear weapons release.

Soviet special forces have been instrumental in some of the most successful and brutal Soviet military operations in recent years. Czechoslovakia in 1968; Afghanistan in 1979; Sweden in 1984—all bear the unmistakable fingerprints of the shadowy Spetsnaz. And, as a recent magazine article indicates, they are busy planning the next operation, perhaps using female commandos against United States military bases in Britain. I commend the Reader's Digest article to your careful attention.

The article follows:

[From Reader's Digest, Apr. 1986]

SPETSNAZ: THE SOVIETS' SINISTER STRIKE FORCE

(For some years, Western intelligence agencies have been piecing together evidence of a clandestine Soviet military force, a large, covert army, brutally trained and poised to spearhead an invasion of Western Europe—or beyond. Here, in a comprehensive report, are the shocking facts compiled for Reader's Digest by syndicated columnist Dale Van Atta.)

A military bus pulls up to a U.S. Army training center in West Germany. Assuming it is filled with GIs coming back from town, sentries approach the bus routinely, only to be cut down by bursts of fire from weapons with silencers. The bus roars into the base as the two commando teams on board don gas masks.

Inside the facility, Americans, whose duty is to guard Pershing II nuclear-missile launchers, die within minutes beneath an invisible blanket of nerve gas, and the launchers are rendered useless.

A second Pershing base in Heilbronn falls in similar fashion. At the same time, five key NATO communications facilities—in Maastricht, the Netherlands, and in the German towns of Boerfink, Kindsbach, Massweiler and Vogelweh—are knocked out. Confusion reigns at the NATO high command in Brussels. Top officers and political leaders are missing. Some are found dead in their homes.

Meanwhile, frogmen emerge from the chilly waters near Keflavik, Iceland, a vital link in NATO's antisubmarine operations. Using equipment deposited on the sea beds months earlier, they immobilize reconnaissance and communications facilities.

No allied—or even neutral—country is immune. In Stockholm, Sweden, a machine-gun battle near the palace ends with the abduction of the royal family by frogmen, who had lain in wait until signaled by agents in the capital.

The best Soviet commandos, with the help of long-established covert agents, have suddenly brought the NATO alliance to an excruciating crisis. With its tactical nuclear capability, its communications and its leadership crippled in one stroke, what will the West do to prevent a Soviet invasion of Western Europe.

Although these events are hypothetical, planning for them is real. Gen. Pyotr Ivanovich Ivashutin, the balding, bull-necked commander of Glavnoye Razvedyvatelnoye Upravleniye (GRU), the intelligence arm of the Soviet military, has at his disposal a force of 30,000 men and women trained to carry out these tasks.

Western intelligence services have been slow to learn of the existence and makeup of these commando groups, which already credited with such operations as the 1979 assassination of the president of Afghanistan and the suppression of anti-Soviet activities in Bulgaria in the mid-1960s. But now their threat is known, as is the group's real name: Spetsnaz, from *spetsalnaya naznacheniya*, meaning special-purpose forces.

"The development of Spetsnaz is a particularly menacing aspect of the growth of Soviet military power," says U.S. Deputy Assistant Secretary of Defense Noel Koch. "Their job is to destroy a nation's infrastructure and kill people. They are an integral part of Soviet peacetime operations, and in wartime could pose a grave threat of strategic disruption in the NATO area—and in the United States itself."

SCOUTING FOR SABOTAGE

A typical Spetsnaz unit has a senior and a junior officer, a communications man, a medic, and at least two demolition and four reconnaissance specialists. Commonly used equipment includes surface-to-air missiles, "burst" communications transmitters (which send a short "squirt" of encrypted signals by satellite back to headquarters), and a list of targets, which may be attacked or merely watched. A Spetsnaz brigade, made up of 100 of these teams, includes ten career-officer units, the elite of the elite, whose primary mission is assassination of enemy leaders. Altogether, U.S. intelligence reckons that Spetsnaz's total wartime strength includes 20 brigades, each with 900 to 1200 men, plus at least four naval brigades.

Selection to a Spetsnaz unit is a high honor. "Only recruits who pass rigorous tests are accepted,"; says a GRU defector who lives in England under the pseudonym Viktor Suvorov. He maintains (and intelligence sources concur) that many of the Soviet Union's best athletes, particularly members of its Olympic team, are Spetsnaz commandos. International sporting events give them the double advantage of horning skills in marksmanship, skiing and swimming, while familiarizing themselves with the countries to which they might return someday as saboteurs.

Spetsnaz officers and men enjoy higher pay, better food, longer leaves, quicker promotion and earlier retirement than regular army personnel do. But they earn their perks. In survival exercise they are dropped over wilderness areas and then required to spend days or weeks on their own—without sleeping bags.

But on a typical mission, each Spetsnaz member carries the Kalashnikov light automatic rifle with 300 rounds of ammunition and a bayonet that doubles as a saw and wire cutter, a P6 pistol with silencer, six hand grenades or a hand-grenade launcher, and a James Bondish knife that, at the touch of a button silently propels a lethal blade a full 30 feet.

Sheer brutality marks Spetsnaz methods. One of their main training centers—at Zheltyye Vody in the Ukraine—is close to concentration camps. According to Suvorov, gulag inmates are used in hand-to-hand combat training, allowing Spetsnaz troops to punch, gouge, kick and maim at will. "It's much more realistic than sticking a knife in a sack of sand," he says.

INFILTRATE, ASSASSINATE

Intelligence reports on a secret Spetsnaz training base west of the Urals prove that they train against U.S. and NATO targets. There are fullsize mockups of civilian airliners (for hijack training), American and French jet fighters, nuclear-missile launchers, Pershing and ground-launched cruise missiles. Ironically, the first Pershing II "missile" deployed in Europe was not in West Germany in 1983, but at an earlier date in the Soviet Union as a model at the training center.

In an actual confict, Spetsnaz teams would infiltrate Western Europe and the United States during a period of international tension— but before the U.S.S.R. declared war. Besides clandestine airdrops, frogmen and mini-sub landings, there would be a higher-than-normal number of sports and cultural delegations entering the targeted countries.

The staffs of Soviet embassies and consulates would be augmented by unusually fit young men and women acting as guards, chauffeurs and gardeners. These teams would activate networks of "sleeper" agents, who already live near bases, arsenals and communications centers. They keep watch, provide information and maintain safe houses where Spetsnaz teams could hide.

In the event of a sneak attack, the teams would target or attack nuclear-weapons facilities; destroy command-control systems and neutralize military bases; disrupt public-power and broadcasting stations; and assassinate political and military leaders.

Assassination is key to Soviet blitzkrieg planning. Since NATO's nuclear weapons can be unleashed only by political leaders, eliminating them would delay the decision to retaliate with nuclear arms. C.N. Donnelly, head of the Soviet Studies Research Centre at Britain's Royal Military Academy, says, "It is the total political collapse of key NATO governments that the U.S.S.R. must seek to accomplish in as short a time as possible."

This audacious strategy takes advantage of NATO's unwieldy structure. Alliance procedures require consultation among its 16 member countries in the event of hostilities, and it takes a few days to mobilize NATO's forward defense. Trucks have to line up at storage sites in Western Europe, for example, to load nuclear warheads, then take take them to their units along public roads, making ideal targets for Spetsnaz ambush teams. As Britain's Military Defence warned in 1984, "the main threat is not large-scale invasion but sabotage by squads of specially trained troops."

MYSTERIOUS SUBMARINES

According to U.S. intelligence, Spetsnaz troops have been at work for years. In *Special Operations in U.S. Strategy*, Defense Intelligence Agency expert John Dziak writes: "In Czechoslovakia in 1968, the Soviet seizure of the Prague airport was carried out by Spetsnaz troops under KGB orders. These units arrested party leader Aleksandr Dubcek and dispatched him to Moscow. Similar missions were carried out against other 'enemies' on KGB lists."

The Christmastime invasion of Afghanistan in 1979 was a classic Spetsnaz operation. Key Afghan army officers were lured to a reception in honor of "Afghan-Soviet friendship." As the officers celebrated, they were locked in the hall and blown up by a Spetsnaz unit.

But according to KGB defector Maj. Vladimir Kuzichkin, the primary objective of the several hundred Spetsnaz men flown into Kabul was the assassination of President Hafizullah Amin. On December 27, Spetsnaz forces wearing Afghan uniforms and under KGB command approached the Darulaman Palace from three sides, fought their way to Amin, and killed him, his family and guards.

Western intelligence, which depends heavily on radio intercepts, refugee and defector reports, indicates that the greatest Spetsnaz involvement today is in Afghanistan, where they are helping 120,000 Red Army troops fight guerrillas. "While costly, Afghanistan is considered by the Soviet military to be the first real operational laboratory for their armed forces since World War II," Dziak reports.

"Spetsnaz forces have influence well beyond the Soviet Union because their unconventional warfare tactics make them an excellent tool for exporting revolution," says U.S. Secretary of the Army John Marsh. Not only Afghan, but Cuban and other Third World troops have been to Spetsnaz training camps in the U.S.S.R.

Units of Spetsnaz are deployed regularly to probe the intelligence and military reflexes of the West. A favorite tool is a mini-submarine, able to crawl on the sea bed with tanklike tracks. Spetsnaz mini-subs spy on Swedish naval bases and look for potential landing beaches for assault swimmers. They have crept underwater to within a mile of Stockholm's Royal Palace. In March 1984 the Swedish army, using machine guns and hand grenades, repulsed Spetsnaz frogmen near a large navy base. More recently, these subs have been reported off the Strait of Gibraltar, the choke point between the Atlantic and Mediterranean, and have left tracks on the ocean bottom near Japanese naval bases.

Contemplating the Kremlin's bold use of Spetsnaz, Edward Luttwak, a top military analyst at The Center for Strategic and International Studies at Georgetown University, comments, "It's yet another sign that the Soviet Union is seriously planning its offensives."

Our Western allies have begun to cope with the ugly reality of Spetsnaz. For example, Britain is strengthening its Territorial Army and has established a Home Service Force for defense and to improve its guard systems for vital installations. And with good reason. Jane's Defence Weekly reported last January: "The Soviet Union has maintained a secret detachment of female Spetsnaz forces near Greenham Common Air Base since the deployment of U.S. Air Force land-based Tomahawk cruise missiles there in December 1983. Soviet defectors have disclosed that several trained agents infiltrated women's protest groups at

Greenham Common and were present at all times."

The Pentagon believes a multilayered response is necessary to foil Spetsnaz. Those groups, including leading public officials threatened by such a strike force, should be made aware of its capabilities. Agencies such as the FBI and Border Patrol, which would detect and respond to an attack by Spetsnaz forces, must know what to look for and be prepared to react. Finally, our intelligence-gathering on Spetsnaz—leanring how, when and where they will strike—must be beefed up.

"The development of Spetsnaz has been rapid, and we are only now recognizing the magnitude of the threat they pose," concludes the Pentagon's Koch. "We must vastly improve our rear-area security to deal with that threat."

THE ACTUAL EFFECTS OF GRAMM-RUDMAN ON FEDERAL AID TO HIGHER EDUCATION

HON. ROBERT A. ROE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 8, 1986

Mr. ROE. Mr. Speaker, I rise to share with my colleagues information about the disastrous effects that Gramm-Rudman will have on the College Work-Study Program on colleges and schools in my district and on the State of New Jersey. While we had been led to believe by the sponsors of that budget-balancing legislation that the sequestration of funds would be even-handed, a careful reading of the report (attached) reveals that such is not the case.

At congressional request, on March 27, 1986, the U.S. Department of Education produced a computerized survey showing marked differences in the College Work-Study Program for institutions in New Jersey and across the whole country. This document is entitled the "United States Department of Education Campus-Based Student Financial Assistance Programs-Comparison of Award Year 1986–1987 Tentative Awards: Actual Awards According to the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99–177) and Estimated Awards According to the Fiscal Year 1986 Appropriations Act (Public Law 99–178)." The data reveals that some institutions face cuts of as much as 80 percent in the face of a 4.3-percent reduction as mandated by Gramm-Rudman.

In my district, William Paterson College will lose 2 percent in student assistance funds, Passaic County Community College will lose 9.3 percent in college work-study awards, and Montclair State College will lose 11 percent in supplemental educational opportunity grants [SEOG]. The Berdan Institute in Totowa stands to lose 2.7-percent SEOG awards, the Clifton School of Business will lose 4.5-percent SEOG awards, and the Katherine Gibbs School in Montclair will lose 5-percent SEOG awards.

The inequities in these reductions in my own district can be found elsewhere in the State of New Jersey. Hudson County Community College in Jersey will lose 22.4 percent of its Federal assistance, the Wilfred Academies will suffer an 11-percent reduction in aid, and the Institute of Business and Technology in Newark will have its Federal aid cut by 23.8 percent. At the same time, there will be no reduction in college work-study allocations for both Princeton University in Princeton and Rutgers University in New Brunswick.

Mr. Speaker, it strikes me as blatantly unfair to reduce allocations for Federal support for higher education in this manner. Some students will be penalized while others will not; some colleges and universities will suffer reduced enrollments; others will not. Career opportunities for some New Jersey students will be jeapordized; others will not see their career goals threatened. These inequitable reductions in allocation for Federal aid to education violate the basic principles of American democracy, and should not be allowed to stand, for they are not in the best interests of our Nation.

U.S. DEPARTMENT OF EDUCATION CAMPUS-BASED STUDENT FINANCIAL ASSISTANCE PROGRAMS—COMPARISON OF AWARD YEAR 1986–87 TENTATIVE AWARDS: ACTUAL AWARDS ACCORDING TO THE BALANCED BUDGET AND EMERGENCY DEFICIT CONTROL ACT OF 1985 (PUBLIC LAW 99–177) AND ESTIMATED AWARDS ACCORDING TO THE FISCAL YEAR 1986 APPROPRIATIONS ACT (PUBLIC LAW 99–178)

Institution and city	SEOG awards		CW–S awards		NDSL awards	
	Actual Public Law 99–177	Estimate Public Law 99–178	Actual Public Law 99–177	Estimate Public Law 99–178	Actual Public Law 99–177	Estimate Public Law 99–178
NEW JERSEY						
Academy of Business Careers, Woodbridge	$5,152	$5,152	0	0	0	0
American Business Academy, Hackensack	51,208	51,208	0	0	0	0
Atlantic Community College, Mays Landing	30,513	37,701	$60,139	$68,578	$100,000	$100,000
Berdan Institute, Totowa	5,116	5,260	0	0	7,295	7,872
Bergan Community College, Paramus	156,740	156,740	165,843	170,691	0	0
Beth Medrash Govoha of America, Lakewood	121,923	121,923	441,066	441,066	49,046	49,046
Bilingual Institute, Newark	5,508	5,508	6,412	7,022	0	0
Bloomfield College, Bloomfield	101,605	108,183	172,717	172,717	100,000	100,000
Brick Computer Science Institute, Brick	10,300	10,978	10,000	10,000	0	0
Brookdale Community College, Lincroft	35,683	46,397	90,243	105,721	15,000	15,000
Burlington County College, Pemberton	28,220	32,084	59,480	64,923	0	0
Caldwell College, Caldwell	29,588	29,588	50.801	50,801	0	0
Camden County College, Blackwood	169,739	182,608	241,556	276,073	0	0
Capri Institute of Hair Design, Clifton	6,817	6,817	0	0	0	0
Capri Institute of Hair Design, North Haledon	5,000	5000	0	0	0	0
Capri Institute of Hair Design, Paramus	5,000	5,000	0	0	4,000	4,000
Capri Institute of Hair Design, Kenilworth	5,000	5,000	0	0	4,000	4,000
Capri Institute of Hair Design, Bricktown	5,000	5,000	0	0	4,500	4,500
Centenary College, Hackettstown	32,317	41,291	49,066	54,353	18,737	21,720
Cittone Institute, Edison	19,199	19,688	5,000	5,000	0	0
Clifton School of Business, Clifton	29,559	30,982	0	0	0	0
College of St. Elizabeth, Convent Station	20,053	21,592	20,000	20,000	0	0
Computer Learning Center, Paramus	36,013	38,6338	22,723	26,227	52,114	53,852
Concorde School of Hair Design, Estontown	5,000	5,000	0	0	6,764	6,764
County College of Morris, Randolph	33,103	38,376	124,115	124,115	50,000	50,000
Cumberland County College, Vineland	10,870	11,664	23,000	23,000	0	0
Devry Technical Institute, Woodbridge	224,961	275,197	0	0	450,000	450,000
Don Bosco College, Newton	0	0	9,234	9,234	0	0
Dorothy Aristone's School, Maple Shade	7,072	7,072	0	0	4,462	4,462
Dover Business College, Dover	5,654	5,792	0	0	0	0
Drake College of Business, Elizabeth	10,188	12,085	0	0	27,488	30,261
Drake Secretarial College, Jersey City	8,366	9,034	0	0	0	0
Drew University, Madison	125,638	151,061	212,862	232,710	174,981	174,981
Elec. Computer Prog. Inst.-Paterson, Paterson	45,666	45,666	0	0	0	0
Elizabeth General Med. Ctr. Sch. of Nursing, Elizabeth	18,587	18,587	29,750	29,750	0	0
Empire Technical Schools of New Jersey, Inc., East Orange	45,625	45,625	0	0	40,224	40,225
Engine City Technical Institute, Union	8,100	8,100	0	0	10,935	10,935
Essex College of Business, Newark	93,932	101,137	66,929	80,456	0	0
Essex County College, Newark	116,600	116,600	481,314	481,314	0	0
European Academy of Cosmetology, Union	8,694	8,694	0	0	0	0
Fairleigh Dickinson University, Rutherford	798,181	798,181	516,411	536,288	0	0
Felician College, Lodi	16,973	16,973	27,990	27,990	0	0
Franklin Beauty School, Jersey City	5,216	5,394	0	0	0	0
Franklin Beauty School—Elizabeth, Elizabeth	5,355	5,355	0	0	0	0
Georgian Court College, Lakewood	20,000	20,000	18,000	18,000	0	0
Glassboro State College, Glassboro	434,250	434,250	734,038	734,038	0	0
Gloucester County College, Sewell P.O.	15,881	17,583	45,069	47,374	0	0
Hudson County Community College, Jersey City	43,241	50,760	111,873	144,192	0	0

U.S. DEPARTMENT OF EDUCATION CAMPUS-BASED STUDENT FINANCIAL ASSISTANCE PROGRAMS—COMPARISON OF AWARD YEAR 1986–87 TENTATIVE AWARDS: ACTUAL AWARDS ACCORDING TO THE BALANCED BUDGET AND EMERGENCY DEFICIT CONTROL ACT OF 1985 (PUBLIC LAW 99–177) AND ESTIMATED AWARDS ACCORDING TO THE FISCAL YEAR 1986 APPROPRIATIONS ACT (PUBLIC LAW 99–178)—Continued

Institution and city	SEOG awards		CW–S awards		NDSL awards	
	Actual Public Law 99–177	Estimate Public Law 99–178	Actual Public Law 99–177	Estimate Public Law 99–178	Actual Public Law 99–177	Estimate Public Law 99–178
Immaculate Conception Seminary, South Orange	0	0	10,000	10,000	0	0
Institute of Business and Technology, Newark	45,969	57,261	70,727	92,878	0	0
Institute of Business Careers, Trenton	10,278	10,278	0	0	0	0
Jersey City State College, Jersey City	108,870	108,870	432,823	432,823	0	0
Katharine Gibbs School, Montclair	32,797	34,510	36,675	36,675	0	0
Kean College of New Jersey, Union	140,000	140,000	270,288	294,251	50,000	50,000
Kubert's School of Cartoon & Graphic Art, Inc., Dover	6,881	7,636	0	0	0	0
Lincoln Tech Business Institute, Pennsauken	17,106	17,756	0	0	36,490	40,418
Lincoln Technical Institute, Union	31,805	31,805	0	0	7,497	7,786
Lyons Institute, Hackensack	115,790	115,790	0	0	73,872	73,872
Maison de Paris Beauty College, Haddonfield	9,580	11,266	0	0	0	0
Mercer County Community College, Trenton	55,593	59,754	124,466	128,090	0	0
Middlesex County College, Edison	40,166	40,200	109,189	121,815	25,000	25,000
Monmouth College, W. Long Branch	176,558	181,965	163,797	176,430	0	0
Montclair State College, Upper Montclair	173,397	195,027	332,176	370,210	4,165	11,227
Muhlenberg Hosp. Sch. of Nursing, Plainfield	5,148	5,303	6,820	7,560	0	0
National Education Center—Bryman Campus East, East Brunswick	10,810	10,810	10,000	10,000	1,718	1,718
National Education Center—Rets. Campus Nutley, Nutley	16,780	19,695	10,000	10,000	0	0
Natural Motion Institute of Hair Design, Jersey City	27,674	27,674	0	0	0	0
New Horizons Institute of Cosmetology, Inc., Union City	5,148	5,148	0	0	15,522	15,966
New Jersey Institute of Technology, Newark	141,546	165,237	184,477	221,097	90,000	90,000
Northeastern Bible College, Essex Fells	6,013	6,467	35,000	35,000	0	0
Ocean County College, Toms River	30,634	32,000	88,087	90,000	30,000	30,000
Omega Institute, Cinnaminson	7,950	8,788	0	0	19,441	20,000
P.B. School of Beauty Culture, Gloucester City	6,292	6,843	0	0	0	0
Passaic County Community College, Paterson	50,364	58,300	149,161	164,539	0	0
Paterno College of Beauty Culture, Dover	6,753	6,753	0	0	0	0
Pennco Tech., Blackwood	11,895	11,895	0	0	22,879	25,272
Placido's School of Hair Design, Rutherford	5,000	5,000	0	0	0	0
Plaza School of Drafting, Paramus	10,756	11,770	9,288	10,901	0	0
Popkin School of Court Reporting, Inc., Cherry Hill	5,000	5,000	0	0	0	0
Princeton Theological Seminary, Princeton	0	0	55,000	55,000	65,850	65,850
Princeton University, Princeton	885,045	885,045	1,060,000	1,060,000	415,885	472,173
Rabbinical College of America, Morristown	45,146	45,146	93,517	93,517	0	0
Ramapo College of New Jersey, Mahwah	82,965	82,965	213,274	213,274	0	0
Rider College, Lawrenceville	140,538	158,390	320,338	320,338	22,133	28,104
Roberts-Walsh Business School, Union	53,781	57,418	0	0	50,750	50,750
Roman Academy of Beauty Culture, Hawthorne	5,000	5,000	0	0	0	0
Rutgers—State University—New Jersey, New Brunswick	1,555,263	1,555,263	1,959,278	1,959,278	0	0
St. Peter's College, Jersey City	196,675	209,663	414,465	414,465	0	0
Salem Community College, Carneys Point	18,495	18,495	39,983	41,798	0	0
Sawyer School—Elizabeth, Elizabeth	33,719	33,719	2,000	2,000	0	0
School of Business Machines, Jersey City	72,185	72,185	0	0	0	0
Seton Hall University, South Orange	214,020	265,529	390,158	486,110	450,000	450,000
Somerset County Technical Institute, Bridgewater	0	0	3,500	3,500	0	0
Somerset County College, Somerville	28,000	28,000	14,428	17,833	0	0
Stevens Institute of Technology, Hoboken	143,716	172,727	625,772	625,772	178,169	202,616
Stockton State College, Pomona	70,681	82,628	147,616	163,022	120,000	120,000
Talmudical Institute of Central Jersey, Adelphia	8,869	8,869	17,000	17,000	0	0
Teteboro School of Aeronautics, Inc., Teterboro	14,221	14,724	0	0	1,289	1,290
The Claire Demarzo Institute of Professional, Westwood	5,000	5,000	0	0	0	0
Trenton State College, Trenton	96,581	100,412	167,225	176,558	0	0
Union County College, Cranford	51,306	58,537	76,794	98,320	0	0
Union Technical Institute, Neptune	21,290	21,290	0	0	47,882	47,822
University of Medicine and Dentistry of New Jersey, Newark	17,940	17,940	392,794	450,000	749,909	805,513
Upsala College, East Orange	274,627	274,627	305,908	305,908	0	0
Westminster Choir College, Princeton	41,749	43,805	76,337	76,337	32,467	36,935
Wilfred Academy, Newark	93,143	93,143	117,277	131,745	81,597	81,598
William Paterson College of New Jersey, Wayne	111,166	113,443	229,583	229,583	0	0
State totals for New Jersey	8,616,080	9,003,288	12,560,852	13,115,268	3,712,001	3,881,528

BACKGROUND ON TVA PROBLEMS

HON. RONNIE G. FLIPPO

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 8, 1986

Mr. FLIPPO. Mr. Speaker, the Tennessee Valley Authority is an Agency of Government which has been and continues to be of great value to the Nation and to the region in which it is located.

However, problems have begun to surface in recent years. Because of my great esteem for the potential service of TVA to the Nation, I have devoted considerable time to a review of the problems and an evaluation of corrective actions. I want to share my findings with my colleagues.

WHAT IS THE PROBLEM?

An elephant, the old story goes, is a creature put together by a committee.

The Tennessee Valley Authority [TVA] is a Federal corporation running the Nation's largest electric power system—and managed by a committee. It may be the only organization of its size in the Nation operating under a board of directors that both makes policy and carries out the management of that policy—by a three-member committee.

It is time to end this inefficient system by which the Agency is under a three-headed creature, a troika system that means no one person is responsible, no one person is accountable, no one monitors management.

If management by troika were not bad enough, this Federal Agency is virtually a law unto itself, insulated from outside forces. It makes decisions in a closed manner. It is insulated from "interference" by the Congress and the President—and insulated from "interference" by the people who pay for its electric power program, the electricity ratepayers in the Tennessee Valley.

This Agency, amazingly, sets its own electricity prices—prices that have skyrocketed in the past 15 years. TVA may be the only electric service provider in the United States that sets its own prices, without a formal public hearing process, without regulation from any outside force or group of forces.

What, then, are the problems that have led to the proposal to amend the TVA Act?

First, an archaic, irrational management structure—established without extended analysis more than half a century ago. This management-governance structure has two serious flaws:

It mixes apples and oranges—putting into the hands of one body the jobs of policy and management. When the Board also manages, there is no one to monitor management.

Management by committee, with no person responsible and no one accountable.

Second, a bureaucratic organization that is virtually a law unto itself, insulated from outside forces. TVA may have more autonomy, and less accountability to outside forces, than any Federal agency of its size and scope.

Third, no voice in policy making by the electric ratepayers of the region—who pay every dollar of TVA's electric power costs. Six million electric ratepayers, paying TVA well over $4 billion a year, but with no representation on the TVA Board, no formal process to critique the Agency on billion-dollar decisions.

What has been the result of these circumstances?

The results have been:

Ineffective management, so ineffective that the TVA Board has been forced to bring in outside private consultants to manage the nuclear power program. Employee morale has suffered.

Bad policy making, perhaps the most disastrous in this Nation's electric utility industry. Bad decisions—made without input, by a three-member committee—that may cost the Tennessee Valley ratepayers as much as $10 billion—for nuclear power facilities that will not produce 1 dollar's worth of electricity. Waste, on a huge scale.

No clear responsibility to the ratepayers for these multibillion dollar policy mistakes. The ratepayers, who pick up the tab for every dollar of TVA's power system costs, have no representation, no formal process of input and protest. No voice.

An agency that sets its own prices, without even an adversarial hearing process.

A weakened agency internally, due in part to the Board's attempt to handle both policy making and management, and doing neither well.

What does this proposal offer to deal with these problems?

The proposal would:

Put the Agency under a modern management setup, based on the model of a business-like corporation. This would include a part-time board concentrating on policy-making and on monitoring the Agency's performance, a professional manager—chief executive officer—selected by the Board, to manage the Agency on a day-to-day basis, and Board committees to deal in depth yet at an arms length from day-to-day management with such policy issues as electric rate-making.

Require, for the first time, that TVA directors be representative of the region, and of the electric ratepayers.

Provide for an Inspector General, under Federal law, to report to the new, part-time, policy-making board. The recently appointed TVA Inspector General reports to the Board, but this is the same board that manages the Agency. So, at present, the IG, in effect, reports to management. Under this proposal, the part-time Board would focus on policy. Thus, the Board would oversee and monitor management, not be a part of it.

TVA became half a century old in 1985. From TVA's early days questions have been raised about the wisdom of the dual role of policy and management thrust on the three-member Board. Rhetoric, New Deal enthusiasm, and the delivery of highly desirable services helped to mask the structural problems and to thwart those who expressed concern about the symptoms of the problems. As the TVA faces serious real problems in operation of a nuclear power system, in employee morale, in the confidence of those it serves, and in its role for the future, it is time to move beyond lamenting the symptoms of the problem. This proposal is an effort to prepare TVA for continued service to the people of the region and of the Nation by updating TVA management structure through introduction of modern corporate governance concepts for greater responsiveness and accountability. The people of the United States and the electric ratepayers of the TVA region deserve at least this much in this valuable institution.

THE SCOPE OF THE PROPOSAL

The legislation is in two parts. The first focuses on a small portion of the Tennessee Valley Authority Act, section 2, and a paragraph in section 3, dealing with the composition and duties of the board of directors. No other sections of the TVA Act are invovled. The second part amends the Inspector General Act to give the TVA's inspector general statutory structure, authority and responsibilities.

The proposal:

First, recognizes the TVA's special role as a Federal corporation.

Second, reflects the fact that TVA is a complex organization with some highly technical activities and requires sophisticated, professional management of its operations plus the public participation and support of its policy function due to its statutory political nature.

Third, is based on the reality that the TVA is a different enterprise than a publicly held business corporation and a different enterprise than the original institution itself.[1]

Fourth, establishes a new form of management which incorporates essential elements of prevailing corporate governance structure for greater control, accountability, and responsiveness.

The thrust of the proposal would fix the responsibility for day-to-day operations of TVA in a single chief executive officer, the same as is found today in most of the corporations in this country and in all the cooperatives and municipal systems which distribute TVA power. The responsibilities of the board would change from day-to-day management of the agency to monitoring and regulating the agency and making policy adjustments as necessary.

Under such a concept, the board should be viewed as trustees for the combined constituencies of the agency, rather than the current concept of the board as technocrats attempting to manage a complex public organization. The major change is the elimination of the board's present dual, and sometime conflicting responsibilities, for establishing policy and then implementing the policy without any other independent review or evaluation. The board remains the ultimate corporate authority.

THE HISTORY

Compared to other elements of the TVA Act and its predecessors, the composition and duties of the board and the functions of governance of the TVA received scant attention of the Congress of 1933. The initial TVA or Muscle Shoals legislation originated in the War Department in 1919 and called for a board of from 3 to 11 members appointed by the Secretary of War. The first Norris bill in 1922 called for three full-time board members appointed by the President for no fixed term.

In 1928, the first TVA bill approved by the Congress established a five-member, part-time board and a chief executive officer. The second TVA bill to pass both Houses—in 1931—provided three part-time board members and general control and management of the agency by a general manager. The first bills introduced in 1933 still called for a strong general manager but differed on the number of days board members could serve per year. After President Roosevelt's April 10, 1933, message on TVA, new bills were introduced calling for three full-time board members. Ultimately, the idea of a general manager was dropped from the enacted version. But for most of the period when Congress was actively considering TVA or Muscle Shoals legislation, emphasis was on a part-time board, or Muscle Shoals legislation, emphasis was on a part-time board, and chief executive officer chosen by the board to manage the agency.

From the perspective of the first board members who had a hand in drafting the final version of the TVA Act, the nature of the tasks facing the start up of the agency and the political urgency for rapid results in those desperate early New Deal days may have seemed to favor the kind of three-man full-time board which emerged from the conference committee. Yet the most noted early TVA scholars expressed grave doubts about the wisdom of this structure. Even the first board changed its views on the matter of a chief executive officer and established a general manager in 1936.[2]

One early TVA scholar, Herman Finer, writing in 1944 on "TVA: Lessons for International Application," was clear about the question:

> Whether a full-time board of directors was, or is, necessary is doubtful. It was not the deliberate result of careful congressional meditation on alternatives * * *. Experience of the first 8 years of the TVA's operation * * * certainly raises the question whether a board of three men each with equal authority could not be better replaced with a single administrator.

Another scholar, C. Herman Pritchett has written:

> My experience and information concerning the TVA are largely limited to the first 10 years of its existence. However, during that period the problems resulting from a small full-time board were only too evident.

Thus, it seems the problems attributable to the board structure and size are not limited to recent times. The difficulties have been there from the beginning.

While various constituencies may differ with positions expressed by individual TVA directors over the years, it is unproductive to attempt to second guess or berate prior decisions and actions of particular directors or boards. Under the tripartite management scheme established by the original legislation,

[1] There is no evidence either early legislators or TVA boards anticipated the current situation regarding financing of the agency or the scope of the electric program.

[2] For an expanded review of the early management structure proposals, see staff discussion paper: The Tennessee Valley Authority Board: Why Three Full-Time Members?

no single director can assume the responsibility nor suffer the blame for specific management failures. While the simple approach to TVA's problems would be to fault board members with whom one disagrees, a more thorough analysis points strongly to the structure through which the board operates as the weak link in the governance of the agency.

THE 1959 CHANGES

A profound change in the nature of TVA was brought about by the self-financing legislation of 1959 when the responsibility for the electric power program was transferred from the people of the United States to the people of the TVA region. In expressions through the political process in the early 1950's, the people of the United States refused to provide further resources for development of the TVA's electric power program. The decision was intolerable to the people of the TVA region and their desire for the continued availability of electric energy culminated in the 1959 TVA self-financing legislation, again through the political process.

Thus, in 1959 the TVA became basically a regionally-financed agency in regard to electricity, an agency whose policies directly affected the pocketbook of every citizen in the region. But though this drastic change in accountability and responsibility took place a quarter of a century ago, there has been no change in TVA's formal methods of accountability to the people.

For example:

There is no independent regulation of TVA's wholesale electric rates—which make up more than 80 percent of the total retail cost of electricity for the Valley's users—by any entity other than a TVA Board composed of policymaker/managers, who also have the responsibility for operations of the agency.

There is no formal process by which TVA's decisions, sometimes multibillion-dollar decisions, are subject to public review, through hearings or other methods.

There is no administrative device through which the people of the region are represented in the TVA decision-making process.

There is no formal procedure by which the region's people or their representatives can effectively comment on TVA actions.

In practice, numerous informal methods are used by the TVA Board to air public opinion. The agency, in fact, has in recent years stepped up its efforts to obtain the views of people in the region. But—in an era where public participation and organizational responsiveness are the trend of the times—TVA policymaking rests almost totally in the hands of three persons who not only make those policies, but manage the execution of the policy as full-time agency employees.[3]

The TVA's statutory mandate is so broad that no single outside institution can effectively control the agency. Congress cannot—and has done nothing to control the TVA for a quarter of a century, since the self-financing amendments of 1959. Congressional attention is primarily after-the-fact due to the nature of the relationship between the executive and the legislative branches. Presidents do not, even though they nominate TVA directors. Presidents appear to have more pressing national and international problems to absorb their attention. OMB does not—even though OMB and TVA engage in constant skirmishes.

As important as the TVA decisions are to the people of the region in terms of the agency's ability to make commitments which require payment by the people of the service area, the business of TVA fades to inconsequential in comparison to other pressing national problems with which the President and the Congress must deal. As the national budget approaches a trillion dollars a year, the TVA's appropriated program of a mere $100 million or so appears in only the most detailed accounts.

The essential result of the 1959 amendments was to make the people of the Tennessee Valley region totally responsible for paying for whatever costs the TVA power program incurred. The TVA Board tells the people of the region what expenditures are necessary and what the costs will be. There is no other appeal or review, even an ineffective procedure, available to the public to challenge these charges or question the appropriateness of actions.

[3] An apparent exception to this situation is the recently hired "nuclear czar." Here, the board is said to have given extraordinary authority to a recognized nuclear expert to make any necessary changes to restore the TVA's nuclear plants to operation. But the very fact that the board was forced to bring in a "nuclear czar" indicates that a three-member body is an ineffective management device. Someone has to be in charge and responsible.

THE PHILADELPHIA PROTESTANT HOME

HON. ROBERT A. BORSKI

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 8, 1986

Mr. BORSKI. Mr. Speaker, I rise to pay tribute to the Philadelphia Protestant Home, which has just completed a $13 million construction project which will greatly improve the services it offers to its residents.

The Philadelphia Protestant Home was formed in 1890 by 14 local churches. Since then it has grown into a group of 34 churches representing five different denominations. These churches provide full support for the Protestant Home, which has a staff of 160 and serves over 500 residents.

The Protestant Home makes a strong commitment to caring for its residents, even devoting $500,000 a year to supporting residents who cannot pay themselves.

To honor the completion of 3 years of work in expanding and upgrading their facilities, the Protestant Home is sponsoring a week long series of seminars on issues concerning older persons. These sessions will address the important matters of retirement planning, coping with retirement itself, and the role of religious groups in supporting older persons. They will also focus on how young people can better understand the elderly.

The Philadelphia Protestant Home has played a very positive role in its community, offering its social hall to local groups like the AARP and the Boy Scouts.

I strongly commend the Philadelphia Protestant Home for the fine services it offers its residents and for its efforts in promoting better understanding of the needs of retired persons among all of us. As a member of the House Select Committee on Aging, I share these very concerns. I am pleased that the Protestant Home will continue to make a highly positive contribution to the people of the Third Congressional District and to everyone in the Philadelphia area.

I know I am joined by all my colleagues in wishing the Philadelphia Protestant Home the best of all possible success in its new facilities, and with all its future activities.

BIELARUSIAN INDEPENDENCE DAY

HON. FRANK ANNUNZIO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 8, 1986

Mr. ANNUNZIO. Mr. Speaker, March 25 marked the 68th anniversary of the Bielarusian National Republic, and I am glad to take this opportunity to commemorate this important event in the history of a free people.

The Bielarusian Coordinating Committee of Chicago, dedicated to the restoration of human liberty in Bielarus, held their annual commemorative banquet and program to mark this occasion. This year's observance was held on Sunday, March 23, at 1 p.m. at the Regency Inn, 5319 West Diversey Avenue in Chicago, and I join with the members of the Committee in their prayers, hopes, and determination that the Bielarusian people will once again have a free nation.

As noted by the committee, the Bielarusian independence commemoration is a sad occasion, and one seldom hears about Bielarus in our press reports because Bielarus has been completely cut off from the world by the heavy presence of Soviet troops, and because Moscow continues to destroy the Bielarusian Nation by assimilation. The Russians have attempted to wipe out the Bielarusians' history, their culture, and their language, and want them to completely forget their past. The communists have written new books, manufacturing a new culture and inventing a new history for the Bielarusian people in an attempt to completely liquidate the Bielarusian people. Nevertheless, many Bielarusians have stood firm in their resolve to oppose the actions of the Communists.

To mark this 68th anniversary, I added my name to a Congressional letter sent to General Secretary Gorbachev in which I called for the immediate release of Mikhail Kukobaka, the brave Bielarusian dissident who was first arrested in 1970 for "anti-Soviet slander," and had continually been rearrested each time his prison term has been served. His only crime is that he has renounced his Soviet citizenship and desires to emigrate from Russia. This courageous individual who continues to stand up against the tyranny of his oppressors is a source of strength and inspiration for Bielarusians throughout the world, who hope and pray for the day when their beloved country may once again join the community of free nations. The text of the letter to General Secretary Gorbachev follows:

MIKHAIL GORBACHEV,
General Secretary, Central Committee of the Communist Party USSR, The Kremlin, Moscow, RSFSR, USSR.

DEAR SECRETARY GORBACHEV: We, the undersigned Members of the United States Congress, are writing to request your intercession in the case of Mikhail Kukobaka.

Since 1970, when he was first confined for anti-Soviet slander, Mr. Kukobaka has been rearrested each time that his sentence has been served. Eligible for release in October 1984, he was given a new sentence of 7 years detention in a labor camp and 5 years in internal exile. Mr. Kubobaka has renounced Soviet citizenship and has expressed the desire to emigrate to a Western country.

As evidenced by the long period of confinement, we believe that Mikhail Kukobaka has served ample time for the charges brought against him and can see no purpose for extending his sentence. He posseses no state secrets and would pose no threat to Soviet security. On behalf of many Bielarusian-Americans concerned about the plight of Mr. Kukobaka and in the interest of improving U.S.-U.S.S.R. relations, we urge you to release Mikhail Kukobaka and to allow him to emigrate.

Thank you for your consideration of this matter and we eagerly await your response.

Mr. Speaker, the United States has benefited enormously from the courage and vitality of Bielarusian-Americans, who have contributed spiritually, economically, and intellectually to the strength of our Nation. It is with pride that I join with Bielarusian-Americans in the 11th Congressional District of Illinois which I am honored to represent, and Americans of Bielarusian descent throughout the country, who are commemorating the 68th anniversary of the independence of Bielarusia, and I share their hope that one day the people of Bielarusia can once again enjoy the blessings of freedom and national self-determination.

A TRIBUTE TO FRANK H. MACHADO

HON. TONY COELHO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 8, 1986

Mr. COELHO. Mr. Speaker, on April 11, 1986, friends and admirers of Mr. Frank H. Machado will gather to honor him on the occasion of his retirement from his position as director of the Stanislaus County Veterans Service Office after 25 years of service to the veterans of Stanislaus County, CA.

Frank first began working for Stanislaus County in 1961 when he was hired as a veterans' service officer, and in 1979 he was promoted to the position of director of the Veterans Service Office. Over the years he has been highly involved in veterans affairs throughout the State of California. He has served as president of the Modesto post of the American Legion, has served in a variety of statewide legion offices, and ,s currently a candidate for the position of California Department Commander.

Frank's efforts on behalf of veterans have not gone unrecognized. He has received an award from the U.S. Naval Sea Cadets in appreciation for his dedicated service to the military, and received both the Man of the Year and Loyalty awards from the Modesto chapter of the Veterans of Foreign Wars. Last year, his service to veterans throughout the State was recognized by the California State Assembly.

In addition to his service to our community and State, Frank has also worked hard to serve our country. Last month he retired from the U.S. Naval Reserves after 20 years of dedicated service in the Reserves.

I would like to join with Frank's other friends in saluting him for all his efforts on behalf of veterans throughout California over the last quarter century. I wish him continued health and happiness in his retirement.

BILL KUCEWICZ PINPOINTS "YELLOW RAIN" EVIDENCE

HON. JIM COURTER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 8, 1986

Mr. COURTER. Mr. Speaker, one of the most tiresome "fool's errands" in United States-Soviet relations has been the protracted search for conclusive evidence that the "yellow rain" chemical weapons samples found in Southeast Asia are not, in fact, bee feces. In their efforts to absolve the Soviet Union of any blame for chemical weapons attacks, several noted scientists have been demanding "smoking gun" evidence before they will abandon their quaint insect excrement hypothesis.

But, as the following article from the Wall Street Journal notes, the Canadian Government may be preparing to produce the most damning evidence thus far, linking Soviet client states to the conduct of despicable chemical weapons "experiments" on the people of Cambodia and Thailand. Together with numerous eyewitness accounts and independent laboratory analyses, the Canadian report may finally convince the obstinate skeptics that the Soviet Union is capable of committing atrocities at the same time that it is excoriating the Reagan administration for poisoning "the spirit of Geneva." I urge my colleagues to pay careful attention to the following article.

[From the Wall Street Journal, Mar. 31, 1986]

YELLOW RAIN CONFIRMED

(By William Kucewicz)

The Canadian government is about to release the most conclusive proof yet that yellow rain is a man-made weapon. The evidence supports the U.S. charges that the Soviet Union and its allies have used deadly toxin weapons in Southeast Asia. The Canadians have not only found positive yellow-rain samples from an attack site, but they also have what appears to be part of a weapon. The new data go a long way toward solving some of the yellow-rain riddles that have baffled scientists and military experts ever since the first attacks more than a decade ago.

The study was conducted by the Ottawa-based Defense Research Establishment, an agency of the Ministry of Defence whose work includes chemical weaponry. The analysis, titled the "Final Summary Report on the Investigation of Yellow Rain Samples from Southeast Asia," is expected to be released in mid-April. Canadian officials refused to provide any information about the report; however, sources familiar with the report provided the Journal with the essential details.

Canadian scientists found trichothecene mycotoxins—the same deadly fungi identified by the U.S. government and independent American scientists—in yellow-rain samples collected from a 1982 attack site in Thailand. The Canadians also apparently acquired part of a yellow-rain weapon—a piece of plastic bag—from the same site. The plastic was covered with high concentrations of various trichothecenes and carried no pollen grains.

PRIMITIVE EXISTENCE

On Feb. 19, 1982, at 9:30 a.m., an unmarked, single-engine plane circled the Thai village of Ban Sa Tong, located about 10 kilometers west of the Cambodian border. After five or six circuits, the aircraft dropped a yellow substance from a height of about 5,000 feet. According to previously published reports, six houses in the southeast sector of the village were "liberally covered" with a yellow powder that stuck to roofs, walls, foliage and ground.

The people of Ban Sa Tong live a primitive existence. Their houses are raised on piles and consist primarily of a single communal room, largely devoid of furniture, with one wall open to the outside. Despite these conditions, visitors reported that the houses and people were clean. The villagers' primary occupation is tending crops in surrounding fields. Immediately following the attack, the shocked inhabitants notified Thai authorities.

The incident was most striking at the time because no area of Thailand had ever been hit before by a yellow-rain attack. All of the previous evidence compiled by the U.S. government involved attacks in Laos—mainly against the primitive H'Mong people—and in Cambodia. The U.S. has said that these attacks were conducted by Vietnamese and, occasionally, Laotian forces. The U.S. has charged the Soviet Union with supplying the yellow-rain material and providing military advisers to assist in its use. This violates the Biological Weapons Convention of 1972 and the Geneva Protocol of 1925.

Thai authorities sent public-health officials and military experts to investigate the incident. They found, however, that no major epidemic had occurred as a result of the yellow rain. Absent were the severe symptoms reported by the H'Mong and Cambodians, especially the profuse internal hemorrhaging and agonizing deaths. None of the villagers, for instance, were hospitalized. Thai authorities concluded that the event was a ruse, perhaps intended to test Thai reactions.

Canada then sent in its own epidemiological team to investigate the incident at Ban Sa Tong. The medical experts, with the cooperation of Thai authorities, interviewed 33 villagers, most of whom lived in the area where the substance actually landed. Blood samples were taken and about 200 leaf samples were collected. Several metal roofs and walls were scraped clean of the yellow powder. Control samples were also collected from surrounding areas. All of the samples were sent back to the National Defense Headquarters in Ottawa for analysis.

Unlike the Thai doctors, the Canadian medical team "soon discovered minor symptoms which appeared unusual." The team found that 21 of the 33 villagers (or an un-

usually high 64%) were ill due to the yellow-rain attack, though none had died. Their symptoms included mouth and throat soreness, increased thirst, stiffness, trembling, cough, shortness of breath, chest pain, nausea, itching of the skin, rapid heart beat, blurred vision, weakness and dizziness. All of these symptoms are associated with yellow-rain attacks elsewhere in Asia. The epidemiological findings were published by the medical branch of Canada's National Defence Headquarters in August 1982.

The team concluded that the "uncommon level of illness" in Ban Sa Tong was the result of no other "possible causal mechanism common to all those affected except the yellow substance dropped on the village." Without laboratory analysis of the samples, however, the Canadian team stopped short of declaring that Ban Sa Tong had been hit by chemical weapons, though the report as a whole concluded that chemical-biological weapons "are being used" in Southeast Asia "against unprotected troops and civilians with inadequate medical support." Moreover, it added, "Most of the deaths associated with the use of CW/BW agents are the result of inadequate or inappropriate medical care."

The new report on the Ban Sa Tong samples concludes that there was in fact a chemical-weapon attack using the same mycotoxins that the U.S. government has found in Laos and Cambodia (and also on two Russian gas masks from Afghanistan) The Thai samples included three different types of trichothecenes—T2, HT-2 and DAS—which don't naturally form in combination. None of the control samples for neighboring areas showed any traces of the relatively rare trichothecenes, and villagers in those areas showed no signs of trichothecene-associated illnesses. The Canadian report, therefore, rules out the possibility these particular mycotoxins were naturally occurring. They could only come from man-made weapons.

The environmental samples showed relatively low levels of the toxins. This may explain why these villagers didn't suffer the types of violent deaths seen at other yellow-rain attack sites. By comparison, high levels of trichothecenes were found on the piece of plastic bag. And this has led Canadian researchers to conclude that the plastic is actually part of the cleverly simple weapon itself.

Villagers said that the aircraft had dropped something that appeared to explode in midair releasing its yellow contents, according to previously undisclosed evidence in the new report. Among the remnants of the device was the piece of plastic. Canadian experts surmise that the yellow powder was contained in a plastic container with an explosive charge that would rip the plastic apart and scatter the powder in a big yellow cloud. This would help to explain the nagging question of why no shrapnel has ever been found at attack sites. (The other most commonly used technique for disseminating yellow rain has been aerial spraying, much like cropdusting, which leaves noting but the yellow powder behind.)

TEST FINDINGS

Back in Ottawa, experts were mindful of the controversy that yellow rain might be nothing more than pollen or droppings of Asian honeybees. Harvard biochemist Matthew Meselson and some of his colleagues had challenged the U.S. data on yellow rain. They said the yellow-rain samples were not trichlothecene-laced weapons but rather merely bee feces. In an attempt to settle this dispute, the Canadian scientists used electroscanning pictures, or photomicrographs, to look closely at the samples. They found no pollen or feces on the plastic. They only discovered unusually high concentrations of the trichothecenes. The new report adds a typical scientific caveat: Because the Canadians were given the plastic, they cannot vouch for its authenticity. Nonetheless, all the other evidence points to the plastic as part of a Soviet-inspired yellow-rain device.

The plastic also helps to explain another running question. In late 1981, Joseph Rosen of Rutgers University tested a yellow-rain sample for ABC News. Besides finding three types of trichothecenes, he also discovered a man-made, industrial compound—polyethyleneglycol. It is possible that this came from the plastic containing the yellow rain.

Canada is not the only country to have tested yellow-rain samples from Ban Sa Tong. Britain and France have conducted their own tests, and Thai authorities sent samples to Japan for analysis. According to well-placed sources, all of these tests showed positive results for the mycotoxins, though not one of the governments has ever publicly confirmed the tests or results. Officials at the U.S. Army's chemical-testing lab in Aberdeen, Md., wouldn't comment on the Canadian report, and refused to say whether they had tested yellow-rain samples from the Thai site.

The Canadian yellow-rain evidence—along with the still-unpublished results from British, French and Japanese laboratories—vindicates the U.S. position. Yellow rain is indeed a Soviet developed and distributed biochemical weapon. The results from Ban Sa Tong also make ludicrous the theory that yellow rain is only bee feces.

FEDERALISM

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 8, 1986

Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington Report for Wednesday, April 2, 1986 into the CONGRESSIONAL RECORD:

FEDERALISM

Over the years, Hoosiers have often expressed to me their lack of confidence in the federal government. They believe that it is badly run, that its policies are poorly implemented, that it is mired in bureaucracy, and that it intrudes too much into private activities. At least since the mid-1970's, Washington has been sympathetic to these complaints, and has tried to deal with them, with mixed success, through a wide range of proposals to reorganize, reduce and improve government. One area these complaints are being taken seriously is in the relation between the states and the federal government.

The division of responsibility for governing between the federal government and the states is fundamental to our constitutional system. The balance of responsibility between the states and the federal government is constantly evolving. It is not the type of issue that can be resolved once and for all because it depends on the political and economic trends of the period. In the last decade, after nearly fifty years growth in federal responsibility, a transformation has taken place; as the federal role diminishes, state and local governments have gradually assumed greater responsibility for many domestic policies.

The shift in responsibility from the federal government to the states has been accompanied by a drop in federal aid to the states and localities. In 1980, federal aid made up a quarter of all revenues of state and local governments. It now makes up a fifth. Assistance has dropped from 15.5 percent of the total budget and 3.4 percent of GNP in 1980 to 11.2 percent of the total budget and 2.7 percent of GNP in 1985. The heaviest cuts in federal spending in recent years have been among the state and local assistance programs. The budget proposed by the President for 1987 would continue this reordering of fedral budget priorities. Federal aid to state and local governments, which has been declining since 1978, could be cut even more over the next several years under the new federal deficit reduction plan.

President Reagan came to office promising to adjust the relationship between the federal and other levels of government. In 1982 he proposed a major reordering of responsibility. As part of that plan, the federal government was to swap all responsibility for welfare in exchange for becoming the main health care provider. The federal government, which runs Medicare for the elderly and disabled, was to take over Medicaid for the poor. In turn, state governments were to take over Aid to Families with Dependent Children (AFDC) and the Food Stamp Program. A second part of the plan would have consolidated more than forty other forms of federal aid to state and local governments and gradually reduced federal aid for them. As that happened, state governments could either levy their own taxes and continue the programs or let the programs expire. The plan failed, partly because the states were uneasy about having to assume the welfare burden, and partly because the states viewed it as a reduction in aid, not as a way to sustain programs.

Even though this swap failed, the President has had significant impact on the federal/state balance of power. The changes add up to a large increase in state influence. States now have greater discretion to spend money allotted under the new block grant setup and a larger role in job training. Less regulation and administrative oversight for many federal domestic programs and changes in Medicaid have improved states' ability to cut and control costs. More significant is the underlying shift in perception of what the federal government can do. With few exceptions, the federal government is no longer expected to create programs to correct domestic problems.

The role of state governments has been enhanced in several ways. State and local officials have become policy innovators in areas formerly dominated by the federal government. Workfare programs, in which recipients "pay back" benefits by doing public service jobs, have been introduced in 39 states with promising results. States are experimenting with new ways to provide quality, affordable health services, setting up community-based alternatives to nursing homes, encouraging preventive health care, and ensuring that the poor have access to health services. Many states have instituted reforms in their school systems, including competency tests and merit pay for teachers, tougher graduation requirements, and longer school days. States and local communities are competing aggressively for outside investors. States use tax incentives to en-

courage corporations to invest in blighted urban areas, and state-sponsored private corporations are providing investment capital, Virtually every state is seeking new ways to help those with marginal income find homes they can afford. In these and other domestic policy areas, the states have emerged as the new engines of innovation.

Overall, I am favorably impressed by the resurgence of state and local governments. The character and the degree of this resurgence varies from state to state, but the shift seems to be both important and lasting. As the President and Congress search for ways to reduce the deficit, state and local officials will be asked to assume a greater role in U.S. domestic policy. As federal aid shrinks, state and local governments will increasingly have to rely on their own resources. I doubt that the federal government will have the fiscal flexibility either to take responsibility back from the states or to increase funds to them, at least in the near future. I do have the uneasy feeling that many local and state governments may not have the resources to fill the gaps left by federal budget cuts. That means the new federalism must be monitored closely to assure that important services are not dropped. I also expect that local governments will increasingly look to their state capitals for assistance as the federal government pulls back in domestic areas.

At every stage of our political and economic development, the question of the relation of the states to the federal government will be addressed anew. For now, state and local governments are taking on added duties and importance.

INSURANCE COMPANY ACCOUNTING QUESTIONED

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 8, 1986

Mr. FLORIO. Mr. Speaker, I recently inserted in the RECORD an article regarding questions raised about the manner in which insurance company reserves are reported. I am here inserting three subsequent articles from the Journal of Commerce on this subject and on insurance industry accounting in general. These articles report on the doubts of regulators and accounting experts about current industry practices.

Mr. Speaker, with the country now in the midst of a crisis in the availability of liability insurance, this somewhat technical issue takes on great significance. Responsible officials cannot begin to deal with the insurance crisis if they cannot get accurate data. For example, if we rely on incomplete data, we could be hit almost without warning by a wave of insurance company insolvencies leaving unpaid claims and widespread economic damage in its wake.

I hope these articles will help inform my colleagues about this important issue—an issue with very serious implications.

[From the Journal of Commerce, Mar. 25, 1986]

BOTH SETS OF UNDERWRITING BOOKS UNDER FIRE

(By James Nolan)

For arcane reasons dating to the 1920s, the commercial insurance industry keeps two sets of books.

But now, with the industry under pressure to reform its underwriting practices, both accounting systems are coming under heavy fire.

Public companies report to both the Securities and Exchange Commission and to state regulators. However, mutual companies, owned by their policyholders, report only to the states.

The rationale is that the reports to the SEC serve the investment interests of stockholders. Reports to the states are supposed to assure policyholders that companies can and will pay claims.

Evidence is mounting that for myriad reasons both reporting methods are falling far short of their goals.

Recent events show statutory reporting rules in the states are being applied unevenly and enforcement of the rules is sporadic.

In Iowa, the insurance commissioner says he can't trust accounting reports filed with his office, particularly by companies in questionable financial health.

In California, legislation is pending to call on independent third parties to certify the statutory accounting reports. Regulators want more intense scrutiny to protect policyholders.

Early this month, the National Association of Insurance Commissioners denounced lenient state accounting techniques established by their predecessors.

A pervasive discontent with statutory insurance industry bookkeeping has been simmering for two years. The issue came to a boil in January when Cigna Corp., the nation's second-largest property/casualty insurance company, boldly announced an enormous accounting change.

In a press release, Cigna said it was adding $1.2 billion to its reserve account for the payment of future claims.

What Cigna didn't say was that it was putting only $600 million in cash into the fund. The balance would come from interest income over the years on the cash. That is to say, the reserves would be discounted.

State insurance regulators permit discounting only for workers compensation reserves. With compensation payments, the pay-out stream for the future can be calculated with a great deal of precision.

For general commercial liability, discounting on a future that is highly uncertain isn't accepted. The reserves must be put aside dollar for dollar.

Peter W. Gillies, Connecticut insurance commissioner, uncovered Cigna's discounting when he questioned the firm by telephone. His discovery came in the last week in February, the eve of the March 1 deadline for the insurance industry to file financial statements with the state regulators.

In Connecticut and Pennsylvania, Cigna's state of domicile, regulators said Cigna did indeed file statements with the discounting entries on the books.

At the moment, both states are conferring and a decision on accepting the statements is expected momentarily.

In California, however, Bruce Bunner, insurance commissoner, flatly warned Cigna and any other company of like mind in mid-February that if they submitted financial statements containing discounted reserves, the filing would "be construed as the filing of a false or misleading financial statement with intent to deceive, which is against the law."

Cigna went ahead and filed the statements with the discounting reports included. In mid-March California sent the statements back to Cigna and ordered that the offending numbers be stricken from the reports.

Coincidently, the Securities and Exchange Commission signaled discontent with insurance industry the discounting issues also.

The American Institute of CPAs, the governing body for the profession, formed a committee this year to study the issues and make recommendations.

G. Michael Crooch, a partner at Arthur Andersen & Co., one of the nation's largest accounting firms, said that "traditionally, insurance companies have been under-reserved. If you discount, the reserves will be lower still."

The problem for the CPAs, Mr. Crooch said, is to reach common ground with actuaries, the professionals within the companies who work out the complex formulas for establishing reserves.

The gulf separating the two accounting systems can be seen specifically in the SEC reports for 1984. The Travelers Insurance Co., the nation's third largest public underwriter, told the SEC it was discounting more than $700 millon reserves, mostly for workers compensation.

Questioned later, Travelers said it dutifully reported the transaction in its state reporting. But the $700 million bookkeeping entry did not appear in summaries of the statutory accounting reports published by the A.M. Best Co., and industry rating and reporting service.

A Best spokesman said the clerks who go over the voluminous state accounting reports and type them into computers do not always pick up all of the accounting entries.

[From the Journal of Commerce, Mar. 25, 1986]

HISTORY OF ACCOUNTING IN INSURANCE ANALYZED

Double entry bookkeeping was perfected in Venice about 500 years ago.

The basic idea is that every transaction has two sides, a debit and a credit. When tens of thousands of transactions are separated this way, there is a marvelous check on the honesty of the accounting system. It's called balancing the books.

But quicker than you can say "green eye shade," skillful accountants learned to economize with the truth and make the books say other things.

Thus, the independent audit was devised. An outsider stands between buyer and seller and attests to the accuracy of the books.

In the insurance industry, the history of accounting has taken strange turns.

There has been state regulatory accounting for all insurance companies for some 60 years. But over the years the bookkeeping paths have divided for publicly held stock companies and mutual companies owned by the policyholders.

After the stock market crash of 1929, President Roosevelt got Congress to pass the Securities and Exchange Act in 1933, establishing the Securities and Exchange Commission. The basic charge to the SEC was to oversee the accounts of public stock companies, including some in insurance.

Now, public insurance companies keep books as ordered by the SEC. A third party

audit by independent certified public accountants is mandated.

But, on the so-called convention, or regulatory financial statement filed by insurance companies with the states, there is virtually no independent third party analysis of the books. The accounting reports are submitted by company officers, with the word of a notary public that they are, indeed, the officers.

State regulatory examiners go over the books, but as a New Jersey insurance commissioner once said, "we are outmanned and outgunned by the companies."

In a few states, CPAs are brought into the picture. They add separate comments to the statutory statements. But the CPAs do not feel easy about it by any means.

The American Institute of CPAs has begun a special study to determine what is good and bad about how the insurance industry actuaries set up reserves to pay claims, the largest single item on the liability side of the balance sheet.

[From the Journal of Commerce, Mar. 14, 1986]

PROPERTY/CASUALTY RESERVE DISCOUNTING HIT

(By James Nolan)

State insurance regulators "are very unhappy" with the prospects that property/casualty insurance companies "are discounting reserves all over the lot," said John E. Washburn, Illinois director of insurance.

Mr. Washburn said the discounting issue was of major concern at a number of committee meetings during the Western Zone meeting of the National Association of Insurance Commissioners in San Francisco this week.

The discounting of reserves argument was thrust to the fore last month when it was revealed that the Cigna Corp. the nation's second largest property/casualty insurer, was adding $1.2 billion to its reserve account for an array of commercial lines of insurance.

Cigna said the $1.2 billion was only half in cash. The other $600 million of reserves to pay future claims would come from interest income on the cash.

After the NAIC meeting Mr. Washburn said that the regulators from the 50 states assembled in San Francisco were "very apprehensive already about the quality of the industry reserves. We must determine how widespread the practice is. We need a full scale look at this because of the obvious effect it has on the reserves."

Because all of the state departments are swamped at the moment with financial statements from hundreds of companies, it can not be determined which, in particular, are discounting, Mr. Washburn said.

"But in our shop, we are devoting all of our attention to the problem." he said.

The volume of the paper work is huge and most state departments are grossly understaffed.

In New York, for example, one of the better-staffed departments, each examiner must read 60 financial statements, each of which in some cases can run to several hundred pages.

Cigna made its announcement one month before the March 1 deadline for companies to file their statutory accounting data with the state regulators.

As events unfolded after the Cigna news, Bruce Bunner, California insurance commissioner, sent a blistering warning to all companies licensed to do business in California.

"It appears," Mr. Bunner said, "that a growing number of property and casualty insurers are reporting unpaid losses and loss adjustment expenses (reserves) on a discounted basis in their statutory financial statements."

He said that such discounting of loss reserves "overstates statutory net worth."

Mr. Bunner concluded that the filing of financial statements that included discounted reserves for anything other than workers compensation claims "may be construed as filing a false or misleading statutory financial statement with intent to deceive, which is against the law."

In another pressing concern, the commissioners began work in San Francisco on an unforseen problem with a new claims-made form adopted by the industry.

The new Commercial General Liability form specifies conditions for a so-called "long tail" form of coverage, that protects a policyholder against claims that arise after the policy period ends.

The "tail" to be purchased by a corporation may run up to five years.

But now in court cases, the question has been raised that if the insurer that sold the long-tail coverage goes insolvent, will the responsibility fall to the state guaranty fund to pay claims? An amendment to the NAIC model law government guaranty funds is expected to be developed.

THE VOICE OF WISCONSIN'S THIRD DISTRICT

HON. STEVE GUNDERSON

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 8, 1986

Mr. GUNDERSON. Mr. Speaker, few sessions in recent history have been as crucial as this one in determining America's future. With the passage of the Gramm-Rudman-Hollings deficit reduction legislation, Congress is now mandated to finally put to death a legacy of financial carelessness which has left our Nation with hundreds of billions of dollars in yearly deficits. It's quite clear, though, that this crisis can be solved only with the cooperation and shared effort of all Americans.

I'm proud to say, Mr. Speaker, that the people of Wisconsin's Third District have broadcast their commitment to the discipline necessary to end $200 billion annual deficits. They have clearly demonstrated their willingness to take their eyes off their own special interests and focus instead on what's necessary for the continued prosperity of our Nation.

Earlier this year, I mailed my legislative questionnaire to all Third District residents, giving them another opportunity to express their opinions on many of the major issues of this Congress.

Those who responded spoke loud and clear on the urgency to reduce the deficit. Over 62 percent—more than four times those who selected any other issue—named deficit reduction as Congress' top priority for this session. What's more, a solid two-thirds favored deficit reduction through spending cuts, rather than tax increases.

Of those responding, a majority wanted these cuts carried out in all Government programs, with no exemptions. This concern for fairness was also reflected in their feelings on Social Security and Medicaire. Fifty-five percent of the respondents said all Government entitlement programs' cost of living adjustments should be frozen, rather than just those of Federal retirees' pensions. And almost two-thirds favored Medicare eligibility based on need as well as age.

My constitutents even expressed their concern for rising deficits in their attitudes on foreign affairs. They chose our foreign trade deficit as Congress' top foreign policy priority.

Mr. Speaker, like many of my colleagues, I view the results of this annual survey as one of the many tools that I will use to ensure accurate representation of my constituents. It's my responsibility to speak for the Third District in this Chamber. In that regard, today I submit the complete results of my 1986 general legislative questionnaire.

1986 QUESTIONNAIRE

Total participants: 2,456.

1. This year will be dominated by "deficit reductions." Such action should be achieved through:

	Number	Percent
Spending cuts	1638	66.7
Tax increases	87	3.5
Combination	731	29.7

2. If cuts are to be made, which areas should be exempted from cuts:

	Number	Percent
Low-income programs	759	30.9
Agriculture	626	25.5
Assistance to local governments	317	12.9
Veterans programs	594	24.2
Education	527	21.4
Defense	363	14.8
Senior citizen programs	761	31.0
No programs should be exempt	1,020	41.5

3. While the Farm Bill has been enacted, government will still play a major role in agriculture through implementation of the bill. The federal priority in 1986 should focus on:

	Number	Percent
Regulating imports	1,371	55.8
Changing the Tax Code	1,068	43.5
New ag technology for the family farm	430	17.5
Credit assistance for needy farmers	719	29.3

4. Recent actions have seen federal retirees lose their cost of living adjustment (COLA) for 1986. At the same time, Social Security recipients received theirs. To be fair, in the future:

	Number	Percent
All COLA's should be frozen	1,280	54.4
None should be frozen	445	18.9
Maintain present policy	629	26.7

5. With the recent increase in federal outlays for Medicare, some have suggested eligibility for Medicare should be based on financial need, not just age.

	Number	Percent
Agree	1,583	65.8
Disagree	822	34.2

6. Economic development is of vital importance to western Wisconsin. The government can best assist in this development by:

	Number	Percent
Reducing deficits and interest rates	1,676	68.2
Providing government loans and grants	216	8.8
Providing more training and retraining	373	15.2
Promoting manufacturing industry	1,217	49.6
Promoting tourism	520	21.2

The first chart lists the number of participants who selected each item as first priority, second priority, etc. The second chart is a ranking calculated as follows: each first priority vote is worth 7 points, each second priority vote 6 points, etc.

7. What are the most important foreign policy issues facing us today? Please rank in priority, with the most important first.

	1	2	3	4	5	6	7
Terrorism	492	527	500	288	158	68	7
Foreign trade deficit	1,001	578	291	138	104	69	9
Arms control	579	516	359	197	152	141	18
Central America	140	324	438	471	311	100	6
Khadfy and Libya	63	141	267	369	497	336	33
South Africa	16	55	121	221	360	801	54

WRITE-IN SELECTIONS

	1	2	3	4	5	6	7
Cut foreign aid	43	5	7	6	3		
Prevent Comm. expansion	10	3					
Middle East	9	3		6	1		
U.S.S.R.-U.S. relations	3	6					
World hunger	6	1	3				
Illegal aliens	5		3	4			
Increase foreign aid	3		1	1	3		
Environmental concerns	3	1		3			
Support freedom fighters	3						

Foreign policy priorities for 1986

Rank and Item:	Score
1. Foreign trade deficit	12,941
2. Terrorism	10,875
3. Arms Control	10,488
4. Central America	8,137
5. Khadafy and Libya	6,294
6. South Africa	4,667
7. Cut foreign aid	399
8. Middle East	108
9. Prevent Comm. expansion	88
10. Illegal aliens	66
11. World hunger	63
12. U.S.S.R.-U.S. relations	57

8. The top priority of this session of Congress should be:

	Number	Percent
Deficit reduction	1,544	62.9
Tax reform	377	15.4
Improving our agricultural economy	419	17.1
Foreign trade deficit	280	11.4
Environment	66	2.7
Arms control	281	11.4

CONGRESSIONAL SALUTE TO THOMAS P. RALEY

HON. ROBERT T. MATSUI

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 8, 1986

Mr. MATSUI. Mr. Speaker, I would like to call my colleagues' attention to a very special businessman and community leader will be honored on April 7, 1986 for his many years of civic involvement and contributions with the Torch of Liberty Award from the Anti-Defamation League of B'nai B'rith at a testimonial dinner in my Sacramento, CA congressional district.

Mr. Thomas P. Raley, who will receive the highly prestigious award, is owner and chairman of Raley's Supermarkets/Drug Centers, one of the largest supermaket chains in the Nation. Widely known as one of Sacramento's first and foremost entrepreneurs, he built his business from its humble, single-store beginning in 1935 into a massive 47-store operation today.

Throughout his career, Mr. Raley has been widely recognized as one of the leaders in the grocery store business, especially for introducing several innovations, including self-service meat sections, drug services and development of the superstore concept. But that leadership in the industry also has extended to his hometown through involvement and support for a number of civic organizations and community groups. He has been a long-time supporter of the Crocker Art Museum and the Stanford Home as well as numerous other humanitarian and social causes.

In addition, Mr. Raley has been honored by numerous active and successful community groups and organizations for his many contributions of time, talent, and resources, including his appointment in 1985 to the Junior Achievement Greater Sacramento Chamber of Commerce's Certificate of Appreciation for his support and involvement in that organization's programs and activities. He has also received the Good Scout Award from the Golden Empire Council of the Boy Scouts of America.

On behalf of the people of Sacramento, I would like to congratulate Mr. Raley on the recognition he has received and thank him for his many efforts to making our community a better place to live and work.

BUSH WRONG ON OIL PRICES

HON. BARNEY FRANK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 8, 1986

Mr. FRANK. Mr. Speaker, among the more glaring hypocrisies that flourish in our public dialog today is the one which holds that the free market was a wonderful device for setting oil prices when it sent them upward, but that Government intervention becomes essential if the free market sends prices in the opposite direction.

The recent venture by Vice President BUSH to persuade the Saudi Arabians to cooperate in keeping oil prices from dropping was one of the most flagrant examples of this glaring inconsistency. I have made a hasty search of various texts which preach the advantages of the free market. In none of them did I discover chapters—or even footnotes—which asserted that the virtues of the market do not apply when commodity prices are going down. To argue, that the free market must be allowed to set energy prices, and then to call for various forms of government intervention when that free market behaves in ways that the oil producers find inconvenient, is hypocrisy of the most basic sort.

If Vice President BUSH wants to act as a representative of the oil producing interests, he ought to find a more appropriate forum from which to do that than the Vice Presidency of the United States. And those Members of the Congress who are clamoring for oil import taxes and other forms of Government intervention to prop up oil prices ought to go back to 1981 and before and re-read some of their own rhetoric about the virtures of the free market. Or perhaps, since their own understanding of the free market appears flawed, they would profit by reading the attached editorial from the Boston Herald which makes the point against intervention to prop up oil prices quite cogently.

[From the Boston Herald, Sunday, Apr. 6, 1986]

FIRM COURSE NEEDED IN OIL-PRICE "CRISIS"

By far the worst move the White House could make to deal with the unchecked slide in oil prices would be to heed the counsel of those aides and experts who see it as a "crisis."

They'd like President Reagan to help solve the problem either by talking Saudi Arabia into cutting production, thereby starting prices on the way up again, or imposing an import fee on foreign oil to help U.S. oil firms weather the storm—or both.

Thus far, despite the dissenting voices of Vice President George Bush and Energy Secretary John Herrington, Mr. Reagan is, we are told, committed to allow supply and demand, rather than political tinkering, set the price structure.

We urge him to continue on this course, because the overwhelming weight of the evidence proves its wisdom.

Consider what the 30-cent-a-gallon cut in the cost of gasoline and heating oil in the past few months will mean if it holds for the rest of the year.

It will enable the average consumer in this state to save a minimum of $360 on fuel for his or her car and home.

It will reduce the energy expenses of private industry by hundreds of millions of dollars, generating jobs and still more prosperity in the process.

It will give cities and towns some small measure or relief from other rising costs and the shrinking supply of federal dollars.

It will hold the annual inflation rate to 1.7 percent, encourage lower interest rates and lop an estimated $30 billion from the nation's trade deficit.

And, forgive us, but all these boons are made sweeter by the fact that they are in large part coming at the expense of OPEC nations, whose oil prices from the early 1970s to late 1985 were nothing less than highway robbery committed on the rest of the world.

We waste no worry on them—but yes, we are concerned about the hardship the price

cuts are causing our major oil-producing states—Texas, Oklahoma and Louisiana. They're being hurt by wholesale layoffs in the oil industry and in smaller businesses dependent on it for their livelihood. They're being pinched by the loss of a large chunk of the tax revenues that they relied on those companies to pay.

Their prospects for improvement aren't helped by the reluctance of the industry to spend money on exploring for new wells while oil prices are so low.

However, we cannot agree that government should impose an import fee—or any other type of subsidy-in-disguise—to help U.S. drillers out of the doldrums. American consumers in all 50 states, not overseas producers, will foot the bill for that in one form or another.

That's not an answer; it's a handout—of a kind the president has consistently and rightly opposed. Massachusetts and other industrial states proved that when they thought, and fought, and conserved their way out of hard times during the years of oil shortage. Texas, et al, deserve the same chance now.

TRIBUTE TO SHEILA BURKE

HON. TONY COELHO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 8, 1986

Mr. COELHO. Mr. Speaker, the entire community of Merced, CA, shares in the pride stemming from the appointment of Sheila Burke as Senate Majority Leader ROBERT DOLE'S chief of staff. Sheila was raised in Merced, in the county I also call home, and attended school there prior to pursuing her college education and political career.

As this article from the Merced Sun-Star reflects, Sheila has quickly earned respect and admiration as the first woman to hold the position of the top aide to the Senate majority leader. I join in offering her my own congratulations and best wishes.

[From the Merced (CA) Sun-Star, Mar. 10, 1986]

BURKE: FORMER MERCEDIAN IN POLITICAL ARENA

Former Mercedian Sheila P. Burke, named chief of staff for Senate Majority Leader Robert J. Dole (R-Kan) in early February, has proven someone from a small town can make it big in Washington.

Described by the Washington Post as "the most powerful woman in the vast, invisible machine that supports the work of the Senate's 100 visible components," she is believed to be the first woman to hold the job—"one of the most influential, exacting and exhausting staff positions in Congress.

Burke believes it is not unusual for someone from a small town to accomplish this. "It's possible for someone from a small community to do this who works well in the field and who has the technical experience to move into this kind of job," she said.

After graduating from Merced schools, Burke worked as staff nurse for Alta Bates Hospital in Berkeley. Nine years ago, Burke became program director of the 40,000-member-National Student Nurses Association in New York, filling in as a medical-surgical nurse on weekends at Manhattan's Doctors Hospital.

Her expertise in politics brought her to the attention of staff members of the Senate Finance Committee at the time Dole was looking for someone with medical experience to be his aide for health issues.

As Dole's legislative assistant, she was responsible for preparing legislative proposals and amendments on matter regarding health, welfare, social security, and women's rights. This position also gave her first-hand experience working with constituent problems and developing issue memoranda for the Senator.

Her practical and political experience as a nurse paid off in her work on dramatic changes in the health field including hospital prospective payment systems and major changes in Medicare.

Burke is known in Washington as being remarkably open and having excellent judgment on what will work and what will not. She gives the appearance of working with unusual calm, with an assured command of the issues, and a confident can-do attitude.

She served as a staff member of the Senate Finance Committee from 1979-82, while earning a master of public administration degree from Harvard's Kennedy School of Government.

She also served as a research assistant in the school's center of health policy and management and service as a visiting lecturer, and on the adjunct faculty of Georgetown University, University of Pennsylvania, and Marymount College in Arlington, Va.

From 1982-84, as deputy staff director on the U.S. Committee on Senate Finance, she supervised staff members responsible for all the income security programs including Social Security, Aid to Families with Dependent Children, supplemental security income, and disability insurance.

She also served as the main staff contact for health issues before the Finance Committee, including Medicare, Medicaid, maternal and child health, and peer review organizations.

She had major responsibility for evaluating legislative proposals, drafting committee documents, legislation and presentation of income security issues to committee members.

From 1985-86, she served as deputy chief of staff for the office of the Senate Majority Leader.

According to Burke, "My most important job is being sure Senator Dole is prepared—and with both sides of an issue." Understanding the perspective of the different players and where they may be willing to compromise is the other crucial component in moving legislature through.

Long days are routine for Burke, married to David Chew, a high-level official and deputy to the president.

They were married in Merced three years ago, Chew was on Dole's staff previously and worked for Donald Regan when he was Secretary of the Treasury.

Burke, 35, moved from San Francisco to Merced when she was 10, and attended Our Lady of Mercy schools here. She attended college at the University of San Francisco, a Jesuit institution, where she received her nursing degree.

LIBYAN ACTION AND WAR POWERS

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 8, 1986

Mr. HAMILTON. Mr. Speaker, I would like to bring to your attention a public statement and a letter sent by the chairman of the House Committee on Foreign Affairs, DANTE FASCELL, to President Reagan concerning the recent incidents involving United States naval forces off the coast of Libya. Also, included with these observations by Chairman FASCELL is an article by J. Brian Atwood, published in the Washington Post on March 30, 1986.

As Chairman FASCELL explains, the United States had the right to conduct naval exercises in international waters. However, he has raised questions pertaining to the requirements of the War Powers Act which must be addressed in order to obtain a full understanding of the President's use of U.S. forces in the Gulf of Sidra starting on March 24, 1986.

The President argued, subsequently, that the War Powers Act did not apply in the case of the U.S. maneuvers in the Gulf of Sidra, but Mr. Atwood's article points out that there were legal reasons in this instance to raise the War Powers Act.

It is critical for the Congress to know all the circumstances surrounding the use of U.S. forces. There is understandably deep concern about the aggressive and contemptible actions taken by Libya, but Mr. FASCELL's letter and remarks, with the argument of Mr. Atwood's article, points out that there were important considerations of legal and constitutional procedure which must be considered in examining United States actions as well.

I encourage my colleagues to consider the questions Chairman FASCELL raised and the views expressed in Mr. Atwood's article.

The press release, letter, and article follows:

STATEMENT OF THE HONORABLE DANTE B. FASCELL, MARCH 24, 1986

The attack on Libyan missile sites—no matter how justified they may appear in light of Qudhafi support for terrorism and other aggressive actions—raises serious questions and concerns, especially in relation to the War Powers Resolution.

The United States has the right to conduct military exercises anywhere in international waters and it would be wrong to let an irrational dictator like Qudhafi unilaterally determine where the boundary of those waters lies. If deliberately provoked, the United States also has a right to respond to armed attacks from Libya.

A calm and rational review suggests the clear possibility that this incident could erupt into a significant conflict resulting in the loss of American lives.

My concern in this matter also relates to full compliance with our nation's laws and constitutinal procedures, most appropriately the War Powers Resolution. To my knowledge, for example, the administration has not consulted with Congress on the policy which produced this situation as required under Section 3 of the Resolution. Further, to the extent that U.S. armed forces have now clearly become involved in

hostilities, I would expect the administration to provide a War Powers Report.

COMMITTEE ON FOREIGN AFFAIRS,
Washington, DC, March 24, 1986.

THE PRESIDENT,
The White House, Washington, DC.

DEAR MR. PRESIDENT: Your recent policy decision involving the deployment of American naval forces off the coast of Libya has been a matter of great concern to me. That concern was heightened this morning by reports that an American aircraft was fired on by a Libyan missile.

I write you in the context of my oversight responsibilities for full implementation of the War Powers Resolution. As the original House sponsor of that legislation I have an abiding determination to assure full compliance with the law.

Like you, I recognize that the actions of Libyan leader Qudhafi are contemptible in every respect. His repeated support for terrorism and his direct aggression against neighboring states merit the world's harshest condemnation.

In pursuing policies intended to offset Mr. Qudhafi actions, I am sure you would agree that we must respect and abide by our own laws and constitutional procedures. In that connection, I believe your Administration's actions in the Gulf of Sidra have failed to adequately satisfy the requirements of the War Powers Resolution.

As demonstrated by today's reported attack, these deployments constituted from the outset a situation where imminent involvement in hostilities was a distinct possibility clearly indicated by the circumstances even prior to today's development.

Under the circumstances, prior consultation with Congress was required under the War Powers Act.

In view of these circumstances, I respectfully urge you to comply fully with the provisions of the War Powers Resolution before the situation evolves further.

With best wishes, I am

Sincerely yours,

DANTE B. FASCELL,
Chairman.

[From the Washington Post, Mar. 30, 1986]

CONGRESS: BYPASSED AGAIN

(By J. Brian Atwood)

When the chairman of the House Foreign Affairs Committee, Rep. Dante Fascell (D-Fla.), complained last week that the administration should have consulted with Congress under the War Powers Act over the conflict in the Gulf of Sidra, he received little support from his congressional colleagues. The president's provocation of Libyan strongman Qudhafi was in its early stages a popular move that received strong bipartisan support. Reference to the War Powers Resolution must have seemed to many a throwback to Vietnam-era concerns.

But Fascell was correct in pressing the legal case. The resolution created a procedure to bring Congress into the fateful decisions involving war and peace. If the administration felt no need to consult Congress in the case of a popular engagement, can we expect any more when troops are committed in more controversial circumstances? Perhaps Fascell's legal position will be more appealing in the situation evolving on the Honduras-Nicaragua border.

The administration's attitude toward the War Powers Resolution was expressed explicitly by Secretary of State George Shultz during the Lebanon crisis. He angrily called it an unacceptable constraint on presidential power and subsequently called for its repeal.

It is even more revealing to consider the maneuvers of the administration lawyers who planned the last Gulf of Sidra exercise in 1981.

No one in the working group convened to plan the exercise doubted its purpose. The intention was to provoke Qudhafi while challenging Libya's bogus territorial claim to the gulf.

It was felt that a strong rationale had to be developed to get around the resolution's requirement to consult Congress "in all possible instances" when hostilities are "imminent" or clearly indicated by the circumstances." The methods chosen should be instructive to today's Congress.

The lawyers asked the Pentagon to review the military plans and determine the likelihood that U.S. forces would become engaged in combat. If the "probability of conflict" rose to 50 percent or above, then, according to the legal construct, consultations with Congress were required. Not surprisingly, the Pentagon's computers never produced a probability-of-conflict scenario reaching the threshold.

Then the Navy sought a change in the "rules of engagement." They wanted to allow Navy pilots to fire on Libyan planes when they "locked on" with their radars, indicating they were targeting U.S. aircraft.

This request was abandoned when the lawyers suggested that a change in the rules of engagement would demonstrate that the administration knew in advance that hostilities were "clearly indicated by the circumstances." The Navy apparently took the view that it was more important to avoid congressional consultation than to gain a slight edge. In any case, when the anticipated engagement took place on Aug. 19, 1981—and two Libyan aircraft were destroyed by two F-14s—Pentagon spokesman Gen. Philip Gast was able to claim that U.S. pilots were "adhering to the rules that U.S. aircraft would be adhering to anywhere in the world."

Once again in 1986, administration spokesmen were emphasizing the routine nature of the military exercise while simultaneously seeking political credit for the decision to use force against a tyrant. Early in the week high officials were quick to praise their president for being aware in advance that sending the Navy into the gulf could cause a confrontation. Later in a letter to Congress explaining why prior notice was not required, the operation took on the benign qualities of a "peaceful exercise" and part of a "global freedom of navigation program . . . on international waters."

Congress' reaction to the current Gulf of Sidra crisis is sure to be watched by administration lawyers seeking precedents to circumvent the War Powers Resolution. Perhaps Fascell's colleagues were intimidated by the initial popularity of the president's action. Whatever the cause, Congress cannot now afford to acquiesce in a clear circumvention of its legal prerogative.

LIMITING FOREIGN INVESTMENT IN AMERICAN AGRICULTURE

HON. STEVE GUNDERSON

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 8, 1986

Mr. GUNDERSON. Mr. Speaker, it's certainly no secret that we have an overproduction problem in virtually every sector of the agricultural economy. For several years now, we have tried to address surplus dairy production through a series of supply management programs which have been, in large part, producer financed.

The 1984–85 dairy diversion program successfully reduced dairy production by 8 billion pounds at a savings of $1 billion to the taxpayers.

The recently announced dairy termination program—whole-herd buyout program—will remove a total of 12.28 billion pounds of milk production over the next 18 months. Producers who signed up for the program have to stay out of dairying for 5 years.

In short, American dairy producers have made real efforts to deal with the domestic surplus we face in the dairy industry.

You can, then, imagine their outrage when an Irish investment company, Masstock International, announced that they would be investing $35 million in new milk production and processing facilities in and around Macon, GA, over the next 5 to 6 years.

Their plan is to establish 10 1,000-cow operation—2 this year, 3 more over the next 3 years, and 5 more over the following 3 years—all of which can be expanded to 2,000 cows at any time without new additions. Besides bottling milk, their processing facilities will produce yogurt, cottage cheese, and ice cream.

When completed, the Masstock operation will result in an 8-percent increase in the total Georgia dairy operation which presently numbers some 847 producers and 120,000 cows.

More importantly, it will singlehandedly wipe out 1.25 percent of the reduction we will accomplish through the whole-herd buyout program. Further, this sole operation will cost the taxpayers $2 million annually simply to buy up the dairy products created by the milk it supplants.

Now, what makes a bad situation worse is that—believe it or not—Masstock has received $4.5 million in financing through low interest, tax-exempt industrial development bonds [IDB's]. Not only do we have foreign investors building huge operations during a period of surplus production, but we're actually giving them Federal financial encouragement to make those investments.

In response to this situation, I am today introducing two bills to limit the use of IDB's and the benefits of Federal farm programs to foreign interests involved in American farm operations. Senator KASTEN is introducing the same legislation in the other body today as well.

The first bill would simply eliminate the Federal tax-exempt status of any IDB used to finance the purchase, construction, or improvement of farm property by foreign persons.

The second bill would prohibit foreign persons, except a foreign person who is operating a single small- or mid-sized family farm, from receiving any benefits under USDA crop insurance, FmHA loan, storage facility, disaster payment, price support or other Commodity Credit Corporation programs.

Obviously, at the Federal level we cannot stop foreign interests from engaging in farm operations in any particular State. However, we can eliminate any Federal incentive that might encourage such foreign investments.

The bills I am introducing today are intended to do just that and I urge my colleagues to give them their careful consideration.

CONGRESSIONAL SALUTE TO D.W. McKENZIE

HON. ROBERT T. MATSUI

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 8, 1986

Mr. MATSUI. Mr. Speaker, I would like to call to the attention of the U.S. House of Representatives a very special public servant who has performed his most important job with dedication and success over a period of nearly three decades.

On March 27, 1986, friends, family members, elected officials and his working associates will honor Mr. Dee W. McKenzie, Public Works Director for Sacramento County, for his many years of outstanding service to the people of his community.

Mr. McKenzie is retiring from his position with Sacramento County without much fanfare or notice, but those of us who know how important our roads, streets and highway systems are feel a very personal sense of gratitude to him for his tireless efforts in this important area of critical infrastructure development and maintenance. During his tenure with Sacramento County, Mr. McKenzie was largely responsible for the construction of three bridges and road systems across the American River that tie important segments and suburbs of the metropolitan community together through a coordinated transportation network.

Not surprisingly, Mr. McKenzie also is the person most responsible for bringing Sacramento County out of the dark ages of sewer disposal by leading efforts to finance and construct a regional wastewater treatment plant.

Mr. Speaker, on behalf of the people of Sacramento, I would like to take this opportunity to personally thank Mr. McKenzie for his many years of dedicated service to our community and extend my personal best wishes to him and his family for a very happy and successful retirement.

REAGAN NOT SERIOUS ABOUT ARMS CONTROL

HON. BARNEY FRANK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 8, 1986

Mr. FRANK. Mr. Speaker, it has sadly become apparent in the last several months that the Reagan administration has no serious interest in arms control or arms reduction. One of the areas in which agreement to control nuclear arms is likeliest is that of a cessation of nuclear tests. A verifiable agreement to stop all nuclear testing between the United States and the Soviet Union would be an enormous step on behalf of a more peaceful and stable world. An end to testing would give some assurance to people that newer and more terrible—and potentially more destabilizing—weapons were not being developed.

In recent weeks, the Soviet Union has been far more forthcoming on this issue than it has been in a long time. The Soviets have been observing a moratorium on testing, and have been far more willing than previously to discuss the critical issue of verification. We cannot be sure that the Soviets are interested in signing a fully verifiable treaty to ban all nuclear tests, and, tragically, because of the apparent lack of interest in the Reagan administration in achieving this goal, we may never know what the Soviets are willing to agree to.

President Reagan and his national security advisors have become more and more clearly hostile to the notion of negotiating an end to nuclear tests. Large majorities in both Houses of Congress have urged the administration to get on with the issue of nuclear test bans. But this administration continues to refuse to support the work of its Republican predecessors in the area of nuclear tests. The President will not agree to ratification of treaties already agreed to, and he will make no serious effort to negotiate a comprehensive test ban.

It is official policy of this Government to oppose nuclear proliferation but a government which insists on continuing nuclear testing, and refuses to explore the seriousness of a Soviet offer of a ban all tests, has little persuasive force in trying to lead others into a nonnuclear commitment.

William V. Shannon, former American Ambassador to Ireland, is a very thoughful and independent analyst of American foreign policy. He has by no means been uniformly critical of the President, and indeed, in his recent article published in the Boston Globe headlined "An Opportunity for Arms Control, but the President is Not Listening," he makes statements partially supportive of the star wars program with which I disagree. There are other statements in there with which I and others might take issue, but the central point of Mr. Shannon's article is a telling and undeniable one: President Reagan does not appear to be seriously interested in arms reduction.

I ask that Mr. Shannon's article be printed here.

AN OPPORTUNITY FOR ARMS CONTROL, BUT THE PRESIDENT IS NOT LISTENING

(By William V. Shannon)

The prospects are poor for a significant agreement between the United States and the Soviet Union to reduce the number of nuclear weapons. President Reagan has resumed weapons testing in Nevada and rejected the Soviet proposal for a comprehensive nuclear test ban. He believes that further testing will enhance America's relative military strength.

The new Soviet leadership headed by Mikhail Gorbachev wants to stabilize the military competition at existing levels. Since the gross national product of the Soviet Union is little more than half that of the United States and since the technological gap between the two economies is widening. Gorbachev and his associates would presumably like to cut back on military spending and shift resources to more productive uses.

The Reagan administration sees this as an opportunity not to slow down and possibly halt the arms race but to "close the gap" between ourselves and the Russians. There is no doubt that the Soviet Union by a sustained drive has achieved what can be seen as military superiority over the United States. It has more long-range missiles on land and in submarines, and more warheads. In terms of medium-range missiles and warheads aimed at Western Europe, it has more than the British and French combined, plus US cruise and Pershing missiles.

With regard to conventional forces, the Russians outnumber the North Atlantic Treaty Organization in Western Europe, deploy a sizable army along the border with China, and have several divisions fighting a nasty little war in Afghanistan.

It is equally true, however, that this military superiority is not sufficiently great to guarantee the Soviets victory in a major war. A nuclear war remains an adventure in mutual suicide.

When there is an arms race under way, military planners on both sides can always see the need for testing new weapons. The United States, for example, is now working on a new missile to be launched from submarines that will be powerful enough and accurate enough to reach every land-based missile site in the whole of the Soviet Union. If work proceeds on the Strategic Defense Initiative ("star wars") project, this country might eventually have a defensive system strong enough to blunt any Soviet counterattack.

Both the new submarine-launched missile and "star wars" are immensely attractive if one assumes, as military planners tend to do, that a major war is inevitable. A halt to testing new offensive weapons and new defensive systems makes sense only if one assumes that a nuclear war would be an unimaginable catastrophe and that it is the first duty of statesmen to try to diminish the possibility of its occurring.

Although President Reagan unquestionably and sincerely thinks of himself as a man of peace, it is not at all clear that he has thought through the implications of nuclear warfare. Unlike all of his post-World War II predecessors, he has consistently given arms control a low priority. He has opposed every arms-control agreement beginning with President Kennedy's Limited Nuclear Test Ban Treaty in 1963 and including President Nixon's Antiballistic Missile Treaty and the Strategic Arms Limitation Treaty (SALT I) in 1972 and President Carter's SALT II in 1979.

Reagan has been obsessed with notions of American military weakness and of Soviet cheating. Soviet strength, and Soviet aggression. Only the other day he was recalling in an interview American military maneuvers

in 1941 when some soldiers were using wooden sticks for lack of sufficient rifles.

If the details of on-site inspections could be worked out, a comprehensive ban on all nuclear testing could dramatically slow the arms race and be a long step toward a more stable peace, it would be another great gain if both sides reaffirmed the ABM treaty and banned antisatellite weapons in outer space. Except for Edward Teller and the coterte of young scientists gathered around him at the Livermore Radiation Laboratory in California, physicists are overwhelming of the opinion that defensive systems in space would confer no lasting advantage that the other superpower could not overcome.

The chief value of "star wars" is that it has made the Soviet leaders more amenable to discussing arms control. If "star wars" were sacrificed now in exchange for a Soviet agreement to scale down the number of nuclear warheads on longrange missiles and bombers from about 10,000 on each side of about 1,000, the savings in money and the gain in mutual confidence and stability would be enormous. But this will not happen.

In President Reagan, this country has a leader who hears the trumpet call of the cavalry and dreams of victory.

RETURN TRIP TO CENTRAL AMERICA

HON. VIN WEBER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 8, 1986

Mr. WEBER. Mr. Speaker, one of my constituents, Mrs. Linda Westrom, recently traveled to Central America a second time to see the changes occurring in Nicaragua, El Salvador, and Costa Rica since her trip in 1984.

As we continue to prepare ourselves for another vote on aiding the Nicaraguan democratic resistance. I urge my colleagues to read Mrs. Westrom's report. Her first-hand report reiterates the importance of these countries to the future of her people and to the United States. The future lies in our support of efforts to ensure that these people retain their right to basic civil liberties.

The report follows:

REPORT ON CENTRAL AMERICAN TRIP, COSTA RICA, NICARAGUA, AND EL SALVADOR, JANUARY 18–28, 1986

(By Linda Westrom)

PREFACE

In November 1984, I visited the countries of Mexico, El Salvador and Nicaragua. This was with a group sponsored by the Augsburg College Center for Global Service and Education. It was a trip purported to show us the root causes of poverty and injustice. What it proved to be was a liberal, biased message telling us that the root causes of poverty and injustice was the "evil, capitalist United States." Another participant, Jane Otten of Big Fork, Montana, and I wrote a report on our findings of this trip, which was printed in the CONGRESSIONAL RECORD on April 16, 1985.

In January 1986, I again visited El Salvador, Nicaragua, and also Costa Rica. This time the group was CODECA, Council for Democracy in Central America, led by Gay Johnson of Denver, Colorado. It was very worthwhile as I could again verify many of the facts and feelings from the first trip.

The United States is so vast, that we often forget that the countries in Central America are sovereign nations because of their proximity to one another. To us geographically, they seem similar to our states.

COSTA RICA

Costa Rica is a small, agricultural country of 2.5 million people. They are a democracy and important ally of the United States. National security, foreign policy and economic policies are prime topics of discussion in this country.

PRESIDENTIAL ELECTIONS

At the time of our visit, the presidential election was two weeks away. The enthusiasm of the people in the campaigns was marvelous. Children were included, giving away pamphlets and flags. According to the Editor of La Nacion, Eduardo Ulibarri, there was not a major issue in this campaign as the two parties had a high degree of consensus. Corruption had become a minor issue, with charges of different kinds.

There was a consensus between the parties that an economic policy is vital. Costa Rica has a debt of four billion dollars. According to Ulibarri, the government previously thought that it was cheaper to import than produce, and to pay for the imports, credit was obtained and then Costa Rica could not pay the credit.

CHAMBER OF COMMERCE

The Chamber of Commerce in Costa Rica is now 70 years old. The Chamber President, Armando Guarida, listed their objectives, "First in our minds is the interest of our country. We defend private enterprise. There is no liberty or democracy without private enterprise." They are trying to change the tax codes to encourage private investments. Unfortunately, they cannot change their geographical location. As Leonard Ferris of the Chamber told us, "North Americans are geographically ignorant. They come down here, interested in investing, but when they realize that Nicaragua is right next door, they leave on the next plane and take their money with them."

An additional burden on their economic stability is the large number of refugees flooding in from Nicaragua. The refugees are willing to work, but there are not enough jobs available for both Costa Ricans and refugees.

NATIONAL SECURITY

Foreign policy and national security are linked together, and the major cause for alarm is Nicaragua. Costa Rica did assist the Sandinistas to come to power, and Costa Rica still carries a balance of 100 million dollars which the Sandinistas owe them.

Because Costa Rica has no standing army, they must depend on their civil guards, about 4500, and their rural guards, about 3500. Thus, the massive buildup of men, armaments and air power in Nicaragua is exceedingly ominous.

Foreign policy as linked to the United States is good, Ulibarri told us. "We have similar values, interest, and political values. Here, it is unpopular to be against the United States." In addition, he said, "We do not see pressure from the United States in foreign policy (as related to Nicaragua), although we do in economic policies." However, a note of wariness was evident as he told us that some Costa Ricans would like the United States to solve Costa Rica's problems. They would like the United States to invade Nicaragua or to prevent Nicaragua from invading Costa Rica. "We are somewhat skeptical of the degree of commitment, however. The United States' stand in international affairs is not necessarily a longlasting policy.

Foreign policy in regards to their other neighbors is good. Panama, for instance, has a national government with no desire to expand so there are good relations there. Also, there are good, strong relations with other Central America countries, especially, the three who have had elections, Guatemala, Honduras, and El Salvador.

The Catholic Church in Costa Rica is free and uncensored. Archbishop Ramon Arrietta spoke to us one evening. His comments on the coming election were that the church tells the people that we are going to elect many people and to be sure to choose the best.

NICARAGUA

Nicaragua has now become the country of the "haves" and the "have-nots". The "haves" are now the Sandinistas, who have effectively extended their system of controls to exclude the "have-nots" who comprise those who do not embrace the party line 100%. The problems are rife, the blame is easy to place—always the United States.

The Sandinista flag is displayed beside the National flag of Nicaragua. The Sandinista party army has effectively become the national army. The spy system, or the CDS block system, has systematically put everyone in reach of the Nine Comandantes.

MISKITO, SUMO AND RAMA INDIANS

The Miskito Indians know all too well the results of opposing the controls of the Sandinistas. After Somoza was ejected, the Miskito Indians were willing to work with the Sandinistas for a better Nicaragua. Too late they realized the cost. Their automony was ignored, their culture was ignored, their livelihood was ignored, they were persecuted for their religious beliefs, their claims to their land were ignored. At first, they fled their land, but then they returned to fight back, this time with bullets.

Now, even though the Sandinistas have publicly stated their government policy was a mistake, Miskito Indians question the validity of the Sandinistas' statements. In visiting with two Miskito Indians they questioned, "If they admit they were in error, why are they still committing these atrocities against us? Why are they still persecuting us for our religious beliefs? Why did they promise to accept our claims to our land, and then deny them the next day? Why do they still take our homes and or businesses?"

One of our group asked if he could get to the east side of Nicaragua, where the Miskito, Rama and Sumo Indians live. According to the Miskito Indians we spoke to, he would have to come across the sea. Later, in visiting with a journalist from La Barricada, the Sandinista's party-line newspaper, she told us of a plane which goes from Managua to the east side. But, permission must first be obtained from the Ministry of Interior, the plane holds only 30 people, goes once a week, and preference is given to people who live on the East side.

The Miskito Indians and also a man from the FDN whom we spoke to, asked for our aid. They asked for food, uniforms, and socks and boots. They asked for medicine, communication equipment, boats, motors, guns and ammunition. They specifically and repeatedly stated they do not want United States people to fight for them. They are willing to do the fighting, they said, and the dying. The Miskito Indians and the man

from FDN want their children to live in freedom and accept the fact that they themselves may have to die to accomplish this.

They also feel that this is a conflict that Nicaraguan citizens must solve. In total contrast, the journalist from La Barricada, and Martin Vega, from the Ministry of Foreign Relations deny citizenship to any who fight against the Sandinistas. The contras are regarded as mercenaries who fight for a foreign country, we were told. The Cuban, PLO, East German, Libyan and Russian presence were either ignored or not considered foreign countries. The only ones that the Sandinistas will negotiate with, they said, is the United States.

CENSORSHIP

Censorship is a major tool of the Sandinistas. Last October 15, 1985, the Sandinistas took further measures. The Catholic Church is now forbidden to be on the radio, (television access had been previously denied.) A bulletin issued from the Catholic Church was seized on the grounds it was hostile to the Sandinistas. To justify seizing this bulletin, the Sandinistas changed articles, re-printed it on church letter-head paper, and then seized it.

According to the journalist at La Barracada, they also do not like the censorship. "However", she said, "it is necessary, because we are at war and have political foes, who are always pretending to attack. Everyone should be responsible for censorship so as not to cause chaos. Those who transgress should be fined or closed. This is not the way it is now, but that is what we want. The irresponsibility of La Prensa is affecting everybody and the freedom of the press. People need accurate information, but La-Prensa is only provoking unrest and upheaval. As an example, La Prensa wrote about the price of sugar, and that it would be rationed. So, people went out and bought it, to hoard it, and the price went up. Barricada also wrote about it, but with information to get a better system. We explained that the cane fields are lacking for workers and that we need to have more workers to get more sugar. Where are the workers? They are at war, out fighting."

RATIONING

It is now illegal to speak of scarcities, which also include butter, milk, and meat. Food is rationed and each person gets 4 oz. of rice and 1 lb. of beans. Clothing is also rationed and each person gets 2 shirts, 2 pairs of pants, and 1 pair of underpants in 6 months. A ration card is received for attendance at block meetings. Water is also rationed now. The water is turned off two days a week, from 7 a.m. to 10 p.m.

Personal rights are non-existent if you are a have-not in Ncaragua. The private people that we spoke to in Nicaragua, heads of non-Sandinista unions, professional people, all mentioned the lack of habeus corpus. Most said that they, too, had been in Sandinista jails. They were all aware that at any time of the day or night, they could again be picked up by the Sandinista soldiers, their businesses confiscated, given a number instead of a name and thrown into jail.

INFLATION AND ECONOMY

The economy of Nicaragua is reflected by the inflation and is a major problem for the people. At the airport, travelers must exchange $60 into cordobas, with the rate of exchange at 28 cordobas to $1.00. At the Intercontinental Hotel, where we stayed, the exchange rate was 750 cordobas to $1.00. The black market rate now ranges anywhere from 900 to 1200 cordobas to $1.00.

A law was recently passed that everyone must put their cash in a bank, and use a checking account.

There are 5 major laws pertaining to the economic system. 1. Law of export. This empowers the government to have a military monopoly on exports. The people sell to the government and the government then sells the produce where and as they wish. 2. Law of imports. People must buy from the government and cannot import for their own business. 3. Law of internal trade. The government tells people what price to sell for, from whom to buy, to whom to sell, when to sell and where. 4. Finance system. The banks are monopolized by the state and this also includes insurance. 5. National system of salaries. People are permanently "pigeon holed" in 28 categories. To be promoted, an entepreneur must ask permission of the labor industry.

Any job application now includes questions on class extraction, political and ideological background, if the person fought against Somoza, and who with and why or why not.

The national debt of Nicaragua now stands at 6 billion dollars, which does not include the military debt. Contrary to the propaganda of the Sandinistas, the economy was deteriorating long before the contra activities began taking a toll.

Esso and Shell signs are still seen, and Nicaragua still can buy from these companies. However, one man said, "these companies are very business like"—in other words, they expect to be paid.

Several members of COSEP signed and sent a critique of the economic system under the Sandinistas to the Nine Commandantes in October of 1981. For their efforts, some were put in jail for up to seven months, and others managed to leave the country just ahead of the Sandinista soldiers.

FREEDOM OF RELIGION

Freedom of religion is almost non-existent now in Nicaragua. The Sandinistas state that they have no official religion. They insist that God does not exist. Oddly enough, they also insist that God is against the Revolution. Thus, they have a standard reply for all situations.

Although Nicaragua is predominantly Catholic, there are also Protestant denominations who have been repeatedly harrassed. Campus Crusade, Child Evangelism Fellowship, the Nicaraguan Bible Society, Assembly of God are among these. Jimmy Hassan of Campus Crusade for Christ reported in a recent article that the Sandinista authorities told him, "The problem is that you preach to young people about Jesus Christ, and because of that, they separate themselves from Marxism. And we will never permit this in Nicaragua." This was borne out by a billboard in Managua which proclaimed that God is against the Revolution.

There are Catholic priests who claim to have no problems with the Sandinistas, who have not been harrassed, or censored.

According to Msgr. Carballo, there are 320 priests in Nicaragua and 15 are for the Sandinistas. In addition, there are priests in Nicaragua who are not officially registered with the Catholic Church of Nicaragua.

One recent mass, organized by the Sandinistas, paid homage to and used the photos of guerrilla leaders who had died and were now proclaimed as heroes. The Columbian terrorists who assassinated the 12 magistrates were also hailed as heroes. We were told of baptisms in which the child was baptized in the name of Carlos Fonseca, a Sandinista who died in 1976.

The appointment to the office for Cardinal for Obando y Bravo was dismissed as a contrived and political appointment, the Sandinista people told us.

Cardinal Obando y Bravo faces many harrassments, including having his mail censored, speaking invitations delivered too late, telephone calls at odd hours, death threats and limited mobility.

CONTRAS

The Contras, or freedom fighters, came into existence under several different people. One was Eden Pastora, who had been a Sandinista leader. He had been instrumental in the taking of the National Palace in 1978. After the 1979 takeover, Pastora became disillusioned and left Nicaragua in 1981. According to the Sandinista authorities now, Eden Pastora was not a "true revolutionary and did not understand the full depth of the Revolution."

Propaganda of the Sandinistas says that the Contras consist of former National Guardsmen who are fighting to return to the old days under Somoza. In actuality, in the Contras, there are 13 National Guardsmen and these held a rank lower than captain. In addition there are 53 MDs and there are 43 former Sandinistas, according to a spokesman from the FDN.

The Sandinistas point to their "accomplishments" in the decrease in infant mortality rates, of being named a model government in health care by WHO.

The literacy campaign boasts that now people can sign their name and read up to a 6th grade level. When asked about the textbooks and their content, such as: 2 grenades plus 2 grenades equals 4 grenades, the reply was: "Education is not neutral. Look at these books for yourself." But to see them, we would have to go to the Nicaraguan Embassy in Washington, D.C.

When questioned about the huge national debt, the human rights violations, the reply of the Sandinistas was to point to other countries who had larger debts and more human rights violations.

FUTURE FOR PEOPLE

Repeatedly we were told by Nicaraguan people that they, too, fought against Somoza. They, too, gave the Sandinistas a chance to prove that as they had been good revolutionaries, they could govern well. But now they realize that the Marxist-Leninist line had been from the beginning. Now they recognize that the Sandinistas have formed a totalitarian government. "Other people in South America talk about us and we don't have the right to talk about ourselves," they told us.

No one wanted to go back to Somoza's dictatorship, or even make comparisons. But many felt that those days were not as oppressive, or devoid of human rights as now. Fear makes it difficult to live and work, we were told. Some regretfully admitted having doubts about trusting their own family members.

In capitalism, one man told us, he who does not *work* does not eat or have a place to live. But, under Communism, if you do not *obey*, you do not eat or have a place to live.

EL SALVADOR

El Salvador, also, has a history of juntas, coups and violence, and the last revolution was in 1979. Since that time, there has been

an effort to stabilize the country by strengthening the economy, by free elections, and by respecting human rights.

Although they have made progress, they do have problems, and complex problems.

AGRARIAN REFORM

The Agrarian Reform which took the land from the large land-owners and gave it to the peasants is still in the first phase, the coop phase. The smallest acreage taken over by the government was 40 hectares although most acreages seized were 500 hectares or more. The landowners were paid with 25% cash and 75% bonds. As of yet, title to the land remains in the coop, and not with the peasants.

Even though peasants had worked the land for years, they were woefully lacking in management skills. Organization, bookkeeping, bank loans, marketing were new skills that needed to be learned, and quickly. Because these problems had not been anticipated and planned for, production dropped. This in turn, resulted in more economic problems for the whole country.

The coffee growers who before marketed their own coffee on an individual basis, no longer do so. The government buys the coffee and markets it. The coffee growers are protesting that the incentive to take the financial risks to grow the coffee is no longer there. Also, the growers feel that coffee is not being marketed by people with know-how and is only being used a political tool.

At the same time that the land was taken away, the banks were nationalized. No forewarning was given, soldiers marched in and told the employees that the banks and all furnishings now belonged to the state.

GUERRILLA MOVEMENT

Coronel Hernandez of COPREFA, the press arm of the military, gave us a view of the guerrilla movement which still exists in El Salvador. Helped by Cuba and Nicaragua from the beginning, the guerrillas originally numbered about 15 thousand men. But because the Salvadoran army has become better trained in guerrilla warfare, the guerrillas now number 4 to 6 thousand men. The guerrillas have also changed their tactics. Before, they would stop traffic and extract a "war tax" from motorists, and would also stop the agricultural products from getting to market. The Salvadoran army now has regular patrols and guards in key areas and roads. This has forced the guerrillas to resort to small groups who commit acts of sabotage, especially of electricity and communication.

HUMAN RIGHTS

Human rights violations was and is major concern. At the height of the Death Squads, murders numbered up to 800 a month. Human rights improvement thus became a contingent of aid from the United States. We visitied the Commission of Human Rights and talked to Sonja Mundoz. There are 3 offices located in different parts of El Salvador where people can come and report human rights violations. This group visits the security forces daily, and records names of captives. These prisoners can be kept in a garrison for 15 days. During this time, private interviews can take place, family can take medicine, clothing and food to them. If they are sent to another place, the Human Rights group keeps track of them. The figures given by the Human Rights Commission of atrocities are those that they have verified.

If Salvadoran soldiers are involved in atrocities, they are discharged from the army and then tried by a civilian court.

Interestingly enough, the guerrillas will not allow the Human Rights Commission to investigate atrocities committed by guerrillas.

Progress has been made in human rights. A small thing, but important, is that policemen now wear visible ID numbers.

FREEDOM OF SPEECH

Freedom of the press is alive and well in El Salvador. President Duarte had made the rate of exchange official in El Salvador—5 colones to $1.00 and the black market was 6 colones to $1.00—and also frozen the price of the Family Food Basket. Many people disagreed with this, and were on TV giving their viewpoint.

The newspaper that we visited, El Diario de Hoy, often disagrees and says no. One group took out a subscription to this newspaper in the name of President Duarte.

FREE ELECTIONS

March of 1984 was a major stepping stone for the people of El Salvador. Elections, free elections, were held, and Duarte was elected President. Then, in March of 1985, free elections were held to elect a national assembly.

Although El Salvador is a very small country with a large population, they would like to be completely self sufficient. Many people we spoke to acknowledged the assistance of the United States, and also acknowledged that they still need our help.

PRESIDENT DUARTE

President Duarte has been continually criticized in the media of the United States as being merely a puppet of the United States. El Salvador had had a history of upheavals, of military coups and juntas. Democracy does not come easy. As one lady put it, "He is the best of the worst."

The Arena party would like to see Duarte out of office. In meeting with their president, Freddy Cristiani, and their treasurer, Orlando Menendez, they told us their party's philosophy. They believe in private enterprise with as few restrictions as possible. The agrarian reform is a disaster, they said. The majority of the population is below 40, and education is badly needed. Because the economy is struggling, most children must work in agriculture and cannot finish school. Then, too, there are not enough schools to meet the need.

DISPLACED AND REFUGEE CAMPS

The uncertainty and upheaval produced by the guerrillas sabotage and fighting have resulted in approximately 500 thousand people who have left their homes. Those who have left El Salvador are termed refugees, and those who have re-located are termed displaced people.

Because these people regarded their moving as temporary, the government has no policy or regulations in regards to camps. Some families have gone to relations and resettled themselves. But approximately 5 to 8% end up in a camp. There is a constant movement from camp and camp, and some families have been in their camps up to 5 years. Now the government has instituted the Ministry of Planning to bring order out of this chaos.

People living in these camps have chosen sides, either the guerrilla side or the government side. If they are linked to the guerrilla side, they go to the private church camps. If they are linked to the government side, they go to the government run camps.

Aid comes to El Salvador for these people from about 45 different organizations, from the Red Cross and the UN, and denominational church groups. The private church groups are of the few teaching the people a trade to enable them to be self supporting.

The problems surfacing in these camps are many. Although these people receive only the most basic needs, there is a growing dependency on these handouts. Families have been disrupted, and fathers are not there to give families stability. There is delinquency, prostitution and drug and alcohol abuse. And, because the economy is down, there are fewer jobs available for all Salvadoran people, resulting in a lack of motivation for these displaced people.

PROGRESS

Even though El Salvador is often portrayed in our media as war-torn and in constant upheaval, there is progress being made. Particularly noteworthy is the people who are returning to El Salvador to work for their country's future. These people had lived and worked in the United States for many years, and have now moved back to El Salvador. One lady to whom I spoke lives in the United States, but her children live with her ex-husband in El Salvador. When I asked if she didn't miss them, she replied "Yes, but I think there are too many freedoms in the United States. It is better for them here."

El Salvador contends with the guerrillas being aided by the Sandinistas of Nicaragua, and they are very aware of the political ideologue of the Sandinistas. Coronel Hernandez stated his belief that the Sandinistas do not have the people's support in Nicaragua, and that El Salvador must help the contras, not militarily but in other ways. Both he and Rolando Monterosa of El Diario de Hoy told us that if the Sandinistas are successful, their next stop will be El Salvador.

SUMMARY

In Central America, Nicaragua has become the focal point. In the American hemisphere, Nicaragua has become the focal point.

Even though her Sandinista Marxist/Leninist history is brief—since 1979—she has gained world-wide notoriety.

The phrase "Revolution without borders" applies to the Sandinista Marxist/Leninist movement. This alone makes her neighbors exceedingly nervous. The traditional Latin American dictator is harmful for his people, but not for his neighbors, as Armando Guardia of Costa Rica told us.

Terrorism. Kidnapping. Hijacking. Murder. Each has been linked to the network of which Nicaragua has become a part.

Disinformation. Nicaragua has not only employed a public relations firm in the United States to disseminate disinformation, but has also had assistance of the expertise of the USSR KGB.

Throughout history, indecisiveness is catastrophic. We of the United States need to make a decision. Will we assist Nicaragua to become a model for the world—the first country who won against Communism. Or will we continue to vacillate, giving the Sandinistas more time to further oppress Nicaraguan citizens.

We must help the Contras, the Freedom Fighter, the Miskito Indians, the Rama and Sumo Indians. These people deserve the right to participate in governing themselves, to have freedom of religion, to have freedom of speech, and above all, to have freedom from fear. One member of our group put it in perspective, that this is really a fight for men's souls.

NATIONAL GOVERNORS' ASSOCIATION POSITION ON SUPERFUND

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 8, 1986

Mr. FLORIO. Mr. Speaker, the conference committee is currently considering the many important issues involved in final legislation to extend and expand the superfund toxic waste cleanup program. The States have been partners with the Federal Environmental Protection Agency (EPA) in the implementation of this program and have many valuable insights to share with us.

Recently, the National Governors' Association wrote to members of the conference committee to explain its priorities for the final legislation. The NGA letter underscores the importance of strong, specific uniform national cleanup standards in the legislation as well as the procedures that will guarantee meaningful State involvement in the cleanup process. I recommend the NGA position to my colleagues as the Congress continues to develop final legislation.

NATIONAL GOVERNORS' ASSOCIATION,
March 13, 1986.

Hon. JAMES J. FLORIO,
U.S. House of Representatives, Rayburn House Office Building, Washington, DC.

DEAR CONGRESSMAN FLORIO: The Superfund hazardous waste cleanup program is the cornerstone of the nation's effort to protect the public health and the environment by correcting past mismanagement of hazardous wastes, and the National Governors' Association strongly supports its reauthorization as a top priority of this Congressional session. As Chairman and Vice-Chairman of the NGA Energy and Environment Committee, we are writing to ask your attention to several issues which are critical to the states and to the success of the Superfund cleanup effort. In particular we urge you to:

Adopt the provisions of the House bill regarding cleanup standards. The Governors strongly support the presumption that applicable or relevant and appropriate state or federal standards will guide cleanup decisions. Under the House bill the EPA Administrator retains sufficient flexibility to waive such standards when there is a substantial evidence as to the necessity of meeting a different level of cleanup, but we believe better, more permanent cleanups will result when existing standards are used.

Maintain the opportunity provided by the House bill for "substantial and meaningful involvement" by the states in the initiation, development, and selection of the remedial action to be undertaken. This should specifically include an opportunity to review and comment on the remedial investigation and feasibility study, the planned remedial action, the engineering design, and relevant technical data and reports, as well as notice and an opportunity to participate in settlement negotiations.

Preserve permits issued under state law as provided by the Senate bill, for both on-site and off-site cleanups. During House markup the Governors also argued strongly in favor of maintaining permits under federal law, with the exception of permits under Subtitle C of the Resource Conservation and Recovery Act where remedial action is taken on the site of the release. We do not believe that state or federal permits will be a substantial cause of delay in cleanups, yet they will be instrumental in ensuring that the public is adequately protected in the event incineration, underground injection, or other remedial measures transfer waste residues off site or into other media.

Adopt the provisions of the House bill establishing a response program for the release of petroleum into the environment from an underground storage tank. Leaking underground tanks represent a serious and growing public health threat, and we believe the time has come to address this problem.

We know that the decisions you must make in reauthorizing Superfund are difficult, but the national interest requires a full five-year reauthorization of this important statute. We would like to work you in the weeks ahead to secure the reauthoriztion, and hope you will contact us if we can be of any assistance. We have enclosed a copy of the NGA position on Superfund, and will very much appreciate your consideration of our views on these matters.

Sincerely,

GOVERNOR ANTHONY S. EARL,
Chairman, Committee on Energy and Environment.
GOVERNOR ARCH A. MOORE, JR.,
Vice-Chairman, Committee on Energy and Environment.

SUPERFUND

The Governors believe that the protection of public health and the environment requires a major and very long-term commitment from businesses, the federal government, and the states to clean up abandoned and leaking hazardous waste sites, spills, and other releases of hazardous and toxic substances. As the next step in this commitment, the Governors urge the Congress to expeditiously reauthorize and extend for five years the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA/"Superfund"). In reauthorizing this important law, the Congress should address the following issues:

Response Trust Fund. The Governors urge the Congress to reauthorize and expand the Hazardous Substance Response Trust Fund. The fund should be increased to at least $9 billion so that it will be adequate to address the sites on the national priority list and new sites, including hazardous waste facilities which may close before final RCRA permits are issued. At least one-fifth of the total trust fund amount should be made available each year. To develop additional revenues for the Superfund, the Governors recommend that the petroleum and chemical feedstock taxes, which are the mainstays of the existing fund, be increased. In developing any other revenue sources, the Governors favor taxes which create economic incentives for minimization and proper disposal of hazardous wastes as a preferred alternative to increasing the general fund share of the Superfund program beyond the current level.

State Response Funds. It is imperative that the states have adequate resources to carry out their responsibilities under Superfund and to respond to situations in the absence of EPA action. CERCLA should be amended to repeal any preemption of the development or use of state trust funds, including those based on chemical feedstock and waste-end taxes, for purposes related to environmental protection and restoration.

State Role. The Governors believe that centralized decision-making has unnecessarily slowed the Superfund program, and that public health protection demands quicker response actions. The remedial action program is particularly cumbersome and should be streamlined. The Superfund program can be made more efficient if the states and regional offices are given larger decision-making authorities than they currently have. In particular, states should have the option to take the lead role in planning and implementing Superfund response actions, with a right of first refusal to assume the lead at particular sites. State concurrence should be required before EPA or responsible parties undertake any removal or remedial action under CERCLA. The law should allow states to develop a statewide generic response for sites on the national priorities list, and the administrator of EPA should be required to approve such programs within a reasonable period of time or show cause why he has not done so. Once this program has been approved, the state should be able to assume full and complete responsibility for management of the cleanup effort at national priorities list sites where it chooses to take the lead. Such responsibility should include establishing priorities, undertaking remedial investigations/feasibility studies, selecting contractors, conducting removals or remedial cleanups, and similar actions.

Cost Recovery. The Governors urge the Congress to provide clear guidance to the EPA to clean up hazardous sites as the first priority and negotiate with responsible parties second. If negotiations have not succeeded after a reasonable period, litigation is appropriate. The current practice of the state and the federal government litigating separately to recover their respective share of cleanup costs is duplicative and wasteful. It should be made clear that states already have a cause of action to recover costs at sites where they have contributed matching funds, and the states and the EPA should be directed to agree that one or the other will have the lead in litigation for full recovery of both the state and federal shares.

Cleanup Standards. EPA, the states, and responsible parties have been hampered in site cleanup decisions by the lack of a clear definition of "how clean is clean." The EPA should be directed to work in close cooperation with the states to develop criteria or guidelines to be included in the national contingency plan on the level of remedial action which is acceptable to protect public health and the environment. These criteria should reflect considerations such as relevant and appropriate federal and state standards, the hazardous or toxic materials involved, the environmental pathways which could lead to human exposure or environmental damage, the population at risk at a particular site, and the cost effectiveness of optional cleanup strategies.

State Program Grants. The Governors believe that Superfund cleanup will be faster and more effective if the states have adequate capacity to plan and implement the program. To develop such capacity, the fund should be used to support grants to states for program development, site identification and assessment, enforcement, oversight, and administrative expenses at all sites.

State Match. The Governors believe there is no justification for requiring a larger state match for Superfund cleanup at sites which have been publicly owned or operated than at privately owned sites. CERCLA should be amended to provide that the match required against cleanup actions is 10 percent at all sites, whether or not owned or operated by the state or a political subdivi-

sion. The 10 percent state share for sites owned or operated by states or political subdivisions should be considered a final settlement of all liability under CERCLA for the state or political subdivsion. In addition, the Governors believe that the Congress should liberalize conditions under which states may generate credits which can be used to offset the state match requirement for remedial actions. In particular, the period for which state cleanup expenditures can be credited should extend from January 1, 1978, to the date a cooperative agreement was signed or cleanup commenced at a particular site. Such credits should be useable against further cleanup at that site, or at other sites in the same state.

Operation and Maintenance Expenses. CERCLA should be amended to provide that the response trust fund should be used to support operation and maintenance activities for a specified period at sites after cleanup actions have been taken commensurate with the expected operation and maintenance life. It should be clear that these expenditures are subject to the same state match requirements as cleanup actions.

Post-Closure Liability. The Governors believe that the post-closure liability fund, established to provide monitoring and maintenance at hazardous waste sites beginning five years after closure, is not adequately funded and should be at least doubled in size. In addition, the law should be amended to extend the liability period for owners or operators from five to at least thirty years after closure. EPA should also be directed to review insurance requirements for owners and operators of hazardous waste facilities to ensure there are adequate resources available to perform monitoring and take any corrective actions necessary during the thirty years after closure. For purposes of cost recovery, the Superfund and states which have contributed matching funds should be considered priority claimants in bankruptcy proceedings against the owner or operator of any site or any other responsible party who declares bankruptcy before all closure requirements have been satisfied.

Natural Resource Damage Claims. The three-year window provided by CERCLA for states to file claims for damages for natural resources damage expired before the Department of the Interior published guidelines necessary to file such claims. The Department of the Interior should be directed to expeditiously develop such guidelines, and funds should be appropriated for that purpose. In addition, the window of opportunity for states to file such claims should be extended to at least five years after the date of enactment of the CERCLA reauthorization.

Federal Sites. Cleanup of federal sites should be expedited. EPA should have responsibility for assuring that remedial actions at federal sites are consistent with the national contingency plan. Federal site cleanups should not be financed by the trust fund.

Petroleum Exemption. Congress should affirm that, notwithstanding the "petroleum exemption," sites containing listed hazardous substances are within the scope of CERCLA coverage. This amendment is directed to the leaking underground storage tank problem. It is not the intent of the Governors that CERCLA apply to oil production and refining activities.

Voluntary Cleanups. The Governors believe that voluntary cleanup activities by responsible parties can make a significant contribution towards the nation's hazardous waste cleanup goals. To foster such voluntary cleanups, CERCLA should provide a mechanism through which responsible parties may negotiate and sign cleanup agreements with the federal government without having to admit to causing an "imminent and substantial endangerment." These agreements must be fully enforceable and should have clauses allowing cleanup negotiations to be reopened in the event additional environmental risks are discovered, which were unknown at the time the original cleanup agreement was developed or in the event a remedial action selected proves to be inadequate to protect human health and the environment. If negotiations with responsible parties do not result in acceptable cleanup agreements within a reasonable period, EPA should undertake regular cleanup, enforcement, and cost recovery actions. This recommendation is not intended to have any effect on other parties' suits against potentially responsible parties.

Land Disposal. The Governors recognize that CERCLA can play an essential role in the development, application, and siting of alternative hazardous waste disposal technologies. To that end, the Governors believe that EPA should consider alternative hazardous waste disposal technologies—for both on-site and off-site application—as the preferred means of disposal with regard to CERCLA remedial actions. Additionally, the Governors believe that CERCLA should be amended to prohibit deep-well injection and land burial of hazardous wastes removed from Superfund remedial action sites unless, consistent with P.L. 98-616, EPA determines that such disposal is acceptable under specified circumstances which protect human health and the environment.

THE FIRST REFORMED CHURCH OF POMPTON PLAINS, NJ

HON. DEAN A. GALLO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 8, 1986

Mr. GALLO. Mr. Speaker, the spirit of rededication is the driving force of our American dream. We look to our past as a source of strength and guidance. No matter how far we may stray from the path of the past, we will eventually return to the way that is clearly marked for us throughout our history.

Forty years before the birth of our Nation, a small band of Dutch farmers gathered together in a new land.

In April 1736, a church was founded in the plains of Morris County, NJ. In 1986, 250 years later, that church, the First Reformed Church of Pompton Plains, celebrates a landmark anniversary.

The original church was dedicated on April 7, 1736, under the pastorate of the Rev. Johannes Van Driessen. The church prospered in its early years, with a membership of 72 in the spring of 1738. A new building was built in 1771, on land donated by Theunis Dey. This new building was located on what is now Newark Pompton Turnpike—the site of the present church.

Throughout the years, the church grew physically and spiritually. One hundred years after it was built, the church was enlarged and repaired under the leadership of the Rev. John Van Neste Schenck. The church was dedicated on November 22, 1871, 7 months after the 100th birthday of the church. It was also on that day, however, that the church family mourned the passing of their energetic minister.

Addressing the needs of parishioners from the surrounding towns, small chapels were built for the purpose of education. These chapels were located in various towns, including Wayne, Lincoln Park, and Towaco—known as Jacksonville at the time. Throughout the years, due to the growth of the mother church, these chapels came to form independent churches, most of which remain a part of the Reformed Church in America.

The decade of the 1900's brought tremendous growth to the church. With more people joining the congregation, the financial status of the church has enabled the construction of a "church house" in 1926, and a fellowship hall in 1965. But the period also brought tragedy to the life of the church, as well as growth. On October 24, 1937, little over a year after the bicentennial celebration of the church, the sanctuary was completely destroyed by fire. While the actual cause of the inferno is not known, faulty wiring seems probable. This tragic loss, however, brought out the invigorating spirit of the congregation and its dynamic minister, the Rev. Eugene H. Keator. One and a half years later on April 7, 1939, the 203rd anniversary of the church, a new building, larger than the old, was dedicated. This grand edifice, it should be noted, was completed free of debt.

In 1953, the church acquired another piece of property—the Mandeville home, adjacent to the church proper, which dates back to 1788. This old stone house, which once served as the Pompton Plains Post Office, is now the church manse.

During this special anniversary year, the congregation looks to a future of growth. Under the leadership of Rev. Andrew R. Rienstra, and associate pastor Vincent A. Fasano, the congregation renews its commitment to spreading the good news, both at home and around the world.

Spring is a time of rededication. Our religious tradition recognizes this need for renewal through the celebration that begins with Ash Wednesday and culminates with Pentecost Sunday.

On the occasion of the 250th Pentecost to be celebrated by the congregation of the First Reformed Church of Pompton Plains, we honor and recognize a tradition that is both religious and secular. Rooted in our history, it continues to grow upward toward the stars.

CATASTROPHIC ILLNESS

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 8, 1986

Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington Report for Wednesday, March 26, 1986, into the CONGRESSIONAL RECORD:

CATASTROPHIC ILLNESS

In one public meeting after another, Hoosiers tell me of their worry that serious injury or illness could lead them to financial ruin. They point out that few families have the resources to meet the cost of catastrophic illness.

Their concerns are well-founded. Although rare, medical bills for devastating cases can easily exceed $100,000. Catastrophic illness can strike anyone, but the problem is especially severe for the elderly. More than 200,000 older persons each year are hospitalized for more than 60 days and are personally responsible for extraordinary medical costs. The cost of long-term care in a nursing home averages $60 a day, or $23,725 a year. Even with some coverage, illnesses such as a stroke or heart attack, or long-term disabling conditions like Alzheimer's disease or cancer, can quickly exhaust retirement funds saved from a lifetime of work.

Such costs have fueled discussion on the need for catastrophic health care coverage. Medicare, a major federal health insurance plan, is designed for acute, not long-term, illness. The 30 million older persons on Medicare have all their hospital bills covered for 60 days, after a deductible is paid. Illnesses lasting longer than 60 days can be devastating. Heavy coinsurance costs begin on the 61st day. Coinsurance can last up to 90 days longer. After that, Medicare payment ends.

Medicare patients must also worry about doctor's fees and nursing home costs. Government insurance pays part of approved doctors' charges, but, with major surgery, the remainder can total thousands of dollars. For nursing home care, Medicare pays only for short-term skilled care, not custodial care of any kind. Only after a patient is impoverished will Medicaid take over.

Almost two-thirds of Medicare beneficiaries now buy widely-advertised "Medigap" policies. These policies, costing between $500 and $1,500 a year, pay certain costs Medicare does not cover. Many people mistakenly believe these policies cover the costs of catastrophic illness. Many Medigap policies pay only for skilled care in a certified home and stop after 100 days, the time Medicare funds end. Insurance policies for long-term care still are not widely available.

There is broad agreement on the need for protection against the financial risks of catastrophic illness, but there are questions over how best to do so: What are the proper roles of the federal government and the private insurance industry? How should the financial burden of health care be distributed? Who should be eligible, and how comprehensive should coverage be? What are the long-term effects of different proposals? Various proposals suggest either a larger government role, greater reliance on the private insurance industry, or a mix of both.

Because of fiscal constraints, it is likely that any government plan would initially be limited to the elderly and would take up where Medicare insurance stops. One recent proposal by doctors and health care experts would expand the federal health insurance system. Its aim is to aid Medicare patients who need prolonged hospital or nursing home care, to reduce their costs, and to improve home health care benefits. Funds could come from a variety of sources, including increased social security taxes, a new tax on high income retirees, and increased Medicare premiums. Supporters stress the comprehensive coverage and widely shared costs of such a plan, while critics worry about the new taxes and broad program expansion in an era of fiscal restraint.

The Reagan administration prefers reliance on private insurers rather than on government. The Administration's proposed voucher system would allow recipients to buy policies from private insurers and group plans, comparable to Medicare's coverage, but not for long-term care. Some private policies provide limited long-term care. Such policies typically provide benefits of between $30-$60 per day for up to four years coverage of skilled and intermediate nursing home care, with varying home-care benefits sometimes included. Cost ranges from $200 yearly for limited coverage for those 55 years old to over $4,000 for broader coverage for those 75 or older. Supporters of vouchers maintain that the marketplace will assure cost-effective delivery of medical services, while critics charge that such a system lacks comprehensive coverage and will leave vulnerable people uncovered.

Other proposals would mix public and private involvement. In his state of the Union Address, the President directed former Indiana Governor Otis Bowen, now Secretary of Health and Human Services, to find ways to provide affordable insurance for those whose life savings are at risk from catastrophic illness. I commend this initiative. Dr. Bowen, before he became Secretary, had a plan to cover unlimited hospitalization and some physician charges not now under Medicare, with a limit on patient liability. Coverage would be funded by increased premiums. It is unclear if his study, due in December, will be similar. In addition, new tax laws would encourage investment in "individual medical accounts" to insure against catastrophic illness. Congress has held hearings on catastrophic health insurance, and limited hospital catastrophic proposals are expected. Other proposals mixing public and private involvement are broader in scope than the Bowen proposal, including coverage for long-term care and dental, eye, hearing and prescription costs. Debate on these proposals centers on breadth of coverage and funding.

I am impressed by the sense of urgency with which Hoosiers discuss the problems caused by catastrophic illnesses. I am also encouraged by the new attention we are giving the problem. I have made no judgment on the various proposals, but I expect any solution to rely on both the private and public sectors. Although shrinking budgets are an important restraint, it is essential that attention be given to catastrophic insurance for both acute and long-term illness. Only then will the widespread fear of the financial impact of catastrophic illness be eased.

A TRIBUTE TO MAESTRO SANDOR SALGO

HON. TONY COELHO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 8, 1986

Mr. COELHO. Mr. Speaker, on May 1, 1986, friends and admirers of Maestro Sandor Salgo, the music director and conductor of the Modesto Symphony, will gather to pay tribute to the maestro in honor of his 10th season with the symphony.

Maestro Salgo joined the Modesto Symphony in 1976. Since that time attendance has increased dramatically, and the symphony has consistently played to a sold-out house. Maestro Salgo has also worked hard to serve the Modesto community—he regularly arranges special concerts for senior citizens and children. He also has given a number of educational presentations to the community.

Maestro Salgo has received international acclaim for his excellence as a conductor and as a music director. He has served as a guest conductor with the Royal Philharmonic Orchestra of London, the Staatsoper of Berlin, and the National Symphony Orchestra of Mexico. He received the Dinkelspeil Award from Stanford University for his outstanding service to undergraduate education there, and most recently was awarded the Chevalier of the National Order of Arts and Letters by the French Government in recognition of his contribution to French music in California.

I would like to join with Maestro Sandor Salgo's other admirers in expressing my deepest appreciation for all that he has done over the last decade for the Modesto Symphony and for the people of Modesto. I wish him continued success in the years to come.

THE NEVADA TEST SITE: ITS IMPACT ON THE STATE, THE NATION, AND THE WORLD

HON. HARRY REID

OF NEVADA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 8, 1986

Mr. REID. Mr. Speaker, the recent underground nuclear explosion at the Nevada test site has spurred international reaction to the testing program itself. This has occurred in the shadow of a test ban treaty resolution passed by the House on February 26, 1986.

I voted against the resolution. Of course, I believe that nuclear testing should eventually be stopped, but, Nevada should be protected in the process. It is critical to the State of Nevada and its people that we are provided with just compensation for the lost use of the land and the loss of jobs for at least 7,000 people.

That's why I would like to share again with you the speech I delivered on the floor of the House just prior to the vote on the test ban resolution.

Mr. REID. Mr. Chairman, Nevada is a unique State. Not only does it have the bright lights of Las Vegas and the Strip, the beautiful alpine glacial lake of Lake Tahoe, but our State is unique in that it contains the only nuclear test territory in the Free World. On my trips out to the test site I have seen the destruction and the contamination of what was once beautiful and potentially productive land. I think it is difficult to describe unless you have been there. Not only did we have the atmospheric tests in the early days of testing, but since then we have had the underground testing and the whole countryside is a pockmark of holes from 100 feet to hundreds of feet deep. Hundreds and hundreds of bombs have laid waste to Nevada's precious countryside making it worthless for future generations.

When we tested in Micronesia after World War II we allowed them to be compensated

for the damage done. The testing in Micronesia represents only a fraction of the testing activity we have seen over the last few decades in Nevada. We in Nevada expect the same or better treatment. This land is not only desert, it has a multitude of uses from grazing to mining to recreational activities. These economic opportunities are no longer available to Nevada.

Before I can support a comprehensive test ban it must include compensation for Nevada's scorched lands. Today I am introducing a resolution to have Congress express its sense that the United States should pay compensation to civilians working at the Nevada test site who lose their jobs due to ratification of a Comprehensive Test Ban Treaty and to the State of Nevada for degradation of the land at the test site caused by nuclear weapons testing.

The Nevada test site presently employs about 7,000 men and women. If you include the support industries, the site generates nearly $1 billion for our economy. Many have come to depend on nuclear testing in Nevada for their livelihood.

Yes, we should stop testing eventually, but we cannot do that without provisions for the many families in Nevada who have come to depend on it in one way or another. I cannot support a bill that will not compensate Nevadans for this loss as well as the state for the loss of the countryside.

Nevadans should not be abandoned. I will be introducing, as I will talk about in a few minutes, a bill to provide for compensation for our land and for our people.

We in Nevada have accepted nuclear waste disposal on our doorstep and we have put up with decades of bombing in our backyard because we knew it was in the interests of our country. We are only asking for what we know we deserve.

PROPOSED CHANGES TO IMPROVE TVA MANAGEMENT

HON. RONNIE G. FLIPPO

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 8, 1986

Mr. FLIPPO. Mr. Speaker, earlier I discussed some of the background leading up to the management problems evident in the Tennessee Valley Authority today. In the near future I will be introducing legislation to improve the management structure of this agency which is so useful to the people of the Tennessee Valley and of the Nation. I want to share with my colleagues my thoughts on the proposed changes.

THE CORPORATE MODEL

In rhetoric and in fact, the TVA's corporate structure borrowed heavily from the corporate business world of the time of its creation as opposed to the general form for public institutions in a democratic society. No words in the act address the concepts of limitation of powers or of separation of powers inherent in the system of dual Federal State sovereignty or in the tripartite organization of the Federal Government. (The original board's attempt to divide administration of the TVA major programs among themselves is generally regarded as a disastrous experiment in management.) The Agency was even given broad blanket authority to conduct its business without the annual authorizations required of many programs. Only through the appropriations process did those who were paying the construction bills have a voice in operations of the TVA. When the national taxpayer said "no more" in the 1950's, the self-financing act transferred this obligation for power programs to the people who lived in the region and needed the energy if the region were to develop and prosper. The role of the electric program seemed to be growing in TVA's total program.

Franklin Roosevelt in 1933 had asked for "a corporation clothed with the power of government but possessed of the flexibility and initiative of private enterprise." The TVA Act itself states, "The board shall direct the exercise of all powers of the corporation." This is similar to the concept of the model corporation statute of the 1920's and 1930's, which stated: "The business of the corporation shall be managed by the board of directors."

The impossibility of such an arrangement has since been recognized in business literature and the model statute has been changed to reflex the more realistic concept: "The business of the corporation shall be managed under the direction of the board of directors.[1]

While private enterprise has been flexible and innovative in its approach to corporate governance, the same cannot be said of TVA. The TVA still clings to the concept that the three-member board can effectively manage the corporation (actually, any two members at any moment in time can direct the corporation). This fragments the responsibility and accountability.

The uniqueness of TVA, its roles and functions, limits the blanket adoption of the business corporate governance model for the agency. However, enough similarity to large private corporations exists—size, complexity, technical challenges, delivery of services, huge financial obligations, a large number of employees, diverse constituencies—to recommend modification of such a model of the governance structure which is found in the major business institutions in this country, such as General Motors, Ford, AT&T, and others.

The business corporation board model, with outside directors to monitor, oversee and regulate the day-to-day management by professionals, seems to offer other advantages for TVA because of the differences between the TVA and private business organizations.

TVA is not subject to the constraints of competition and the marketplace to the same extent as a business. Outside directors could provide a valuable new perspective of the feelings of consumer stockholders who must pay the bills TVA incurs.

TVA is not subject to regulatory review of its actions in its electric power operations as other utilities are. Outside directors could come closer to providing a more creditable armslength review of rate questions.

TVA does not have to respond to the pressures and probing of the financial markets before undertaking major projects. Outside directors could effectively seek justification of need before major projects are launched.

Thus, a broader based Board of concerned members, detached from the responsibilities of day-to-day operations, could provide useful policy guidance to TVA and service some of the functions listed above which are absent under the present governance arrangements.

MEMBERSHIP OF THE NEW BOARD

Generally, the same statutory requirements as apply to Board members now would apply to the members of the new Board. This involves U.S. citizenship, a belief in the feasibility and wisdom of the TVA Act, and a ban on financial interests in businesses which would be adversely affected by the success of TVA (primarily electric utilities and chemical fertilizers). Additionally, a requirement for geographic diversity would be added and the prohibition against engaging in any other business or professional activity would be removed.[2]

Citizens of the valley, in making recommendations to the President, and the President, in proposing nominations to the new TVA Board, should also consider in candidates the other attributes commonly sought in directors for large, complex organizations. These include:

First. Integrity;

Second. Wisdom;

Third. Independence;

Fourth. A valid knowledge or experience that can bear on TVA's problems and deliberations of the board;

Fifth. A record of accomplishment within organizations;

Sixth. An inquiring mind;

Seventh. A willingness to speak one's mind;

Eighth. An ability to challenge and stimulate management;

Ninth. An orientation to the future; and

Tenth. A willingness to commit time and energy.

The proposal directs the President to consider for nominations the recommendation of the Governors, individual citizens, and business, industrial, labor, environmental, electric power distribution, and civic and service organizations. The proposal also calls for the President to seek qualified board members to reflect the diversity and needs of the service area, that is, no single constituency should dominate the board.

Essentially, the same political process which has applied to the selection of TVA directors for more than 50 years would still apply under the proposal. That is, interested constituencies of the TVA would make suggestions to the President who would send nominations to the Senate for public hearings and confirmation. At all points in the political process, the people of the region would still be free to express their thoughts on the nominees through the media, through their elected officials, and through other means of expression available to citizens of this country.

[1] The form of corporate governance which emerged for TVA could be said to reflect the public administration reform theme of the 20's which exaulted "professional" or "technocratic" management over "political" or "people-oriented" management. This reform effort's most enduring contribution to public administration has been the strong city manager movement.

[2] To assure geographic diversity the legislation requires that three of the board members be residents of Tennessee; one a resident of Alabama; one, Kentucky; one, Mississippi; one a resident of either Georgia, North Carolina or Virginia, and one a resident of any state in the Union. Terms would be for 3 years with reappointment possible for two additional terms.

What changes is the number of board members and their potential for increased contacts with the total constituency of TVA through the larger number of board members and the location of board members at diverse geographic points within the service area.

The critical difference under the proposal is in the function and purpose of the board. While the initial TVA board evolved into a three-person policy and management entity, the restructured board's function would be to establish policy and monitor its execution by full-time professional managers.

Although the new board members may come from a specific constituency, organization, group or geographic area, as they always have, the new board and its members would reflect a broader view than the view constrained by the somewhat different perspective of day-to-day management which may have more narrow obligations and responsibilities.

Except for the few guidelines of the legislation and the report and legislative history, no quotas or other restrictions would be imposed for board membership so the President would have the greatest possible flexibility to nominate a diverse board of the most excellent people available for service on the TVA board.

The 6-month delay from enactment of the legislation to its implementation would allow the President time to select and nominate the new board members. During this period the incumbent board members would continue to serve. Nothing in the legislation prevents the President from nominating incumbent members to service under the restructured board.

HOW THE NEW BOARD WOULD FUNCTION

After confirmation by the Senate, the new board would be organized under the direction of the Chairman designated by the President. The Chairman would name members to the various committees the board might find necessary: a nominations and compensation committee (to seek a chief executive officer and fix compensation); the rate review committee (to review electric rate structure and changes) the audit committee (to name auditors and review audit reports) and an executive committee (to set board agendas and other designated functions).

One of the initial priorities would have to be the drafting and adoption of a set of bylaws for the board. This would define the exact duties of the committees and the responsibilities and authority of the chief executive officer. Another would be the search for and hiring of a chief executive officer to actually operate the agency. The board has great flexibility in seeking this individual either inside or outside of the TVA. (See The Chief Executive Officer, below.)

Board members would serve on two-to-five committees depending on the number of committees in being at any one time. Service on the statutory committees should generally be considered for the duration of the term of the member appointed. (See Board Committees, below.)

If monthly meetings of the full board were established, up to 48 meeting days would be available for each member to attend committee meetings and other authorized activities.

As is the case of board members in business corporations, TVA board members would not be expected to have individual staff assistants. However, some of the board's committee functions would probably require assistance of a small permanent staff and perhaps, depending on the nature of the activity, augmentation by temporary staff from time to time.

Any attempt to completely describe board functions and operations runs the risk of either providing a potential straight jacket that fits only the current moment or being incomplete or imprecise. On the whole, the original TVA Act leans toward the latter position.[3]

Board members who are unacquainted with the role of boards in the corporate world would be well served by a review of the considerable current business literature on the subject.

In discussing the changing role of boards as observed in the business world, J. Spencer Letts observed in the July 1980 issue of Business Lawyer:

> Although it has been defined in many ways, the contemplated role for the board usually contains an element which may be characterized as that of "corporate watchdog." In the performance of this role, board members would proceed from an attitude of skepticism and would be expected to raise questions broadly probing the wisdom of proposals made by management as well as the procedures by which such proposals are formulated.
>
> The value of having the board play this role seems apparent if one presumes that management will consistently follow the profit motive and bring to the board proposals which will be in its own and the corporation's best economic interest. The role of the board would then be to raise questions to determine whether the proposals in fact would serve the corporation's economic interest and also to determine whether their implementation would contravene some larger social or moral interest, as might proposals involving the creation of pollutants or the making of "sensitive payments".
>
> The directors would also be responsible for monitoring self-dealing by the management and making sure that corporate acts are properly recorded and disclosed so that potentially objectionable practices would be sure to receive scrutiny . . . .
>
> The more independent the director, the more likely that he will be fully able to perform this function. While not expressed in precisely these terms. SEC Chairman Harold Williams seems to have followed somewhat this line of reasoning. His suggestions that boards of directors might best be composed entirely of independent directors other than the chief executive, have usually be premised on his view that forces working on directors who are not completely independent may cause them to be too supportive. . . .
>
> . . . The significant contributions of directors need not be made at routine meetings. Most corporate boards in fact are simply too large to lend themselves to collective decision making, and the most important matters of necessity have been and continue to be resolved prior to the board meeting.

THE CHIEF EXECUTIVE OFFICER

The legislation creates a new position within TVA, the chief executive officer [CEO]. This individual would have the responsibility for the day-to-day management of TVA and the carrying out of policies established by the board of directors, a pattern of operation found in almost every business corporation. This is also the pattern of operation found in the electric distribution systems within the TVA area. In naming a nuclear "czar" TVA appears to be moving in the direction of a strong chief executive officer, that is, the transferring of some of the board's authority for operating the nuclear division to a single individual for at least a limited period of time.

Although the first TVA board members eliminated the concept of a statutory executive or manager which had been provided in early versions of the TVA legislation, a position of general manager was soon found useful and was created by the board in 1936.

The proposal's statutory CEO would probably acquire some of the functions of the TVA's present office of general manager and certainly some of the management functions now exercised by the three-man board.

The CEO would appoint, with the advice and consent of the board, and without regard to the provisions of Civil Service laws applicable to officers and employees of the United States, such managers, assistant managers, officers, employees, attorneys, and agents as are necessary for the transaction of the business of the Corporation. The CEO would define the duties of these people and would establish, subject to board approval, the rate of basic pay for such managers, assistant managers, officers, employees, attorneys, and agents, not to exceed the annual rate payable for positions at level V of the Executive Schedules in effect at the end of the applicable fiscal year.

The present level V rate is set at $68,700 per year, an amount lower than some TVA executives are paid today. However, procedures to prevent reduction in pay and, under some circumstances, to provide increases in compensation over what is now allowed, are provided under section 2(h). (See Compensation and Employee Policies, below.)

The detailed definition of the CEO's responsibilities, authority and compensation would be set out initially by the board and then negotiated as to specifics into contract form by the board and the selected individual. The legislation requires the CEO have management experience in large, complex organizations. The CEO would not necessarily have to be well versed in all aspects of TVA's operations because of the exceptional quality of many of the TVA's managers and operators available to assist the CEO in management of the corporation.

The concept of compensation incentives for performance is also introduced. This is a move toward the idea reflected in some business organizations that outstanding performance should be rewarded and failure should result in penalty.

The legislation allows the board the flexibility to hire the most outstanding CEO available and provides the board with ability to reward the CEO or discharge him. Because such people are never in great supply, an outstanding CEO could exert great influence within the organiza-

[3] In some parts where the TVA Act gets precise, such as the pay limits for employees of the agency, removal of the straight jacket has been suggested by TVA management.

tion because of the possibility the officer would retire or take some other job.

BOARD COMMITTEES

The legislation mandates the board establish at least two committees. The audit committee, composed entirely of nonmanagement directors, would be similar to the audit committee of a business corporate board of directors. Considerable business literature offers guidance for the new board in defining the details of this committee's obligations and responsibilities.

The electric rate review committee introduces a new concept and a new step in the rate review process for TVA. The committee's responsibilities include both rates (generally reviewed annually) and rate structure (examined as the board determines necessary but generally less frequently than rates).

The concept is for the rate review committee to function as a regulatory review body in examining the rate adjustments recommended by the management and agency staff. The committee would look at the details of the requested adjustments, the assumption behind the adjustment requests, hold public hearings on the proposals to receive the views and observations of ratepayers and make some recommendations to the full board for rate changes or rate structure changes. The board would be the ultimate decision maker on rate questions.

The difference in the proposed procedure and the existing procedure is the independence and separation of those making final rate decisions from those involved in putting the request together. The present board structure, with board members having both policy and day-to-day operating involvement in the agency, does not provide the appearance of the kind of independent rate examination to which other utilities are generally subject. Under the present arrangement, the same board reviewing and passing on rates may have already made decisions and judgments about projects, purchases, or programs which influence the factors requiring rate adjustments.[4]

The board could create other committees of board members as the board deemed appropriate. A restraining factor would be the number of days individual board members are authorized work each year. A restructured TVA board would probably be more active, in terms of meeting days, than the board of a private corporation. In 1983, the average private corporation board had eight regular meetings. The largest number, 31.8 percent, had between 10 and 12 regular meetings. In private corporations the average board member spent 125 hours annually on board matters including review, preparation, meetings and travel.

Initially, during the reorganization phase, considerable time might be required of the restructured TVA board. For that reason, up to 60 meetings a year are provided in the legislation. After the reorganization phase, the new TVA board members should find an average of 30 to 40 meeting days a year adequate for regular sessions, committee meetings and hearings.

The most prevalent permanent committees of business corporations, in addition to the audit committee, include the executive committee and the compensation and nomination committee, the latter is involved in selection of the CEO and the compensation of the CEO and other executives. Other committees, temporary or permanent, might be created by the board to examine issues and hold public hearings on matters that would have a substantial effect on the economic, environmental, social or physical well-being of the people of the region.

The board would determine whether the committee functions required staff support. A small administrative staff might be appropriate to support the executive function of the board. The rate review function, because of the complex technical nature of some of the factors in rate review, probably will require permanent staff or consultants to assure the kind of independent rate review the ratepayers deserve. The only extra staff cost incurred under the new arrangement, if any, would be to the extent that current personnel levels in support of policy functions were increased.

[4] The TVA board function in regard to rates should completely differ from the function of the board of an investor-owned public utility. The obligation of the board of an investor-owned utility is to maximize the return to stockholders (profits) within statutory guidelines. The rate proposals are reviewed by and finally determined by state-established regulatory commissions (or in some cases the Federal Energy Regulatory Commission). Under this proposal, the restructured TVA board would perform an arms-length review of the rate requests presented by TVA's management. In effect, the restructured board would function as a regulatory body.

THE GLOBAL ECONOMY: A THREAT TO AMERICAN POWER

HON. JAMES T. BROYHILL

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 8, 1986

Mr. BROYHILL. Mr. Speaker, I have long been an advocate of free trade and open markets around the world. Today, world markets are not open to American products for a number of reasons. At the same time, the United States is a victim of unfair and illegal imports to the tune of billions of dollars each year. These two problems have created disastrous conditions for American industry. They have also led thoughtful Americans to react strongly and advocate very restrictive actions against imports.

While I continue to support meaningful trade reform and strong action against unfair and illegal trade practices, I think it is important for my colleagues to be aware that many Americans are advocating far more drastic action. As an example, I have included for the RECORD a recent speech by William Hawkins entitled "The Global Economy: A Threat to American Power." If we do not act now to bring about reasonable reforms and better enforcement, the measures being advocated by Mr. Hawkins in the following address may be unavoidable.

THE GLOBAL ECONOMY: A THREAT TO AMERICAN POWER

(By William R. Hawkins)

Unemployment and business failures have drawn most of the attention from those who have been concerned by the growing foreign trade imbalance. This is natural given their immediate and visible impact. However, an even more dangerous long-term trend is in progress which, if not countered, will undermine not only the wealth but the power of the United States in the world arena.

The de-industrialization of the American economy which started under the pressure of imports from other developed economies and from the developing economies of East Asia will continue as other less developed nations attempt to accelerate the industrialization process by penetrating the affluent American market.

In many countries, the domestic market alone is too small to justify investment in heavy industry or high technology and exports become necessary if new industry is to be established in the near future. This means that the rapid advance of the Third World can only be accomplished by slower growth, higher unemployment and the decline of the industrial sector in the U.S. and other developed capitalist nations.

The leaders and partisans of the Third World understand this. That is why the demand for more open markets in America and Europe was part of the program for a New International Economic Order (NIEO), a program which explicitly called for the transfer of wealth and power from the developed capitalist nations (the West) to the Less Developed Countries (LDC) of the Third World (the South). The industrial sector of the West was to be relocated to the South and with it, its immense ability to generate wealth. In 1972, the LDCs accounted for only 6.9 percent of world manufacturing, by 1980 had growth to 15.5 percent. The NIEO target was 25 percent.

What was to replace this loss in the West was not addressed. Perhaps nothing was to replace it since the purpose of the NIEO was to narrow the gap between West and South, a process which can be pursued not only by the rise of the South but also by the decline of the West.

The U.S. and other Western nations have not agreed to dismantle their industrial bases by government decree in order to accommodate the LDCs. However, inaction on the part of the U.S. government in respect to the protection of its industrial base from foreign assault threatens to produce the same dismal outcome. Between 1980 and 1984, U.S. manufacturing exports fell 16 percent while imports increased 65 percent. Over two million jobs in manufacturing were lost. A manufacturing trade deficit of $50 billion developed in 1984 from what had been a $19 billion trade surplus in 1980.

The U.S. still has a manufacturing trade surplus with the LDCs, but it declined over the 1980-1984 period, just as the U.S. trade deficit with Japan, East Asia and Europe increased. As the LDCs continue to industrialize, this one regional area of U.S. surplus will erode and vanish, making the future of American industry bleak indeed.

Any change in the distribution of world wealth will also produce a change in the balance of world power. This is especially true if the economic change occurs in the industrial sector. Defense material is composed mainly of tanks, ships, vehicles, aircraft, missiles, and ordnance. All of these are made largely of metal which has been

forged, shaped, coated, or fabricated. It is then combined with a broad range of other manufactured products as optics, electronics, chemicals and computers. The peacetime defense industry does not possess enough excess capacity to meet the demands of even a limited conflict.

In a crisis, the industrial sector will have to be mobilized to meet national needs. This means that the definition of strategic industry must be broadened beyond just the peacetime defense establishment.

In World War II, the U.S. was the only nation able to expand its output to meet not only its own needs but a substantial share of the needs of its allies without drastic reductions in domestic living standards. It is unlikely that the U.S. could repeat that performance as the "Arsenal of Democracy" today. And the capability is deteriorating. Secretary of Defense Caspar Weinberger stated in his 1983 Report that the "problems which remain in the defense industry are, in fact, a subset of our overall economic industrial problems."

Many strategic industries are under siege by imports which have captured an overall 17 percent share of domestic merchandise sales. Foreign producers have captured 22 percent of the U.S. market for steel, 37 percent for machine tools, 60 percent of consumer electronics, over 27 percent for automobiles, 34 percent of wide-bodied jet aircraft and over 60 percent for industrial robots.

The ferroalloy industry is near collapse. Mineral refining is moving offshore. Shipbuilding is kept afloat only by government subsidy. Threats run the spectrum from the older "smoke stack" industries to the newest "high-tech" fields. The struggle for control of world industry will be fought for the rest of this century, with the winners set to dominate the first part of the next century.

To think of international economic policy as an aspect of power politics requires a change of assumptions from those which normally govern policy-making. There are essentially three ways to think about how the world economy works. The viewpoint which currently controls trade policy is Classical Liberalism. In its system, the individual is the central actor, usually in the role of consumer.

Economic relations are harmonious and cooperative. The goal is to maximize global material benefits. Distribution of these benefits are not a major concern, nor is there any constructive role for national governments. Indeed, the hope was that economics could be separated from politics completely. The system would work best in a peaceful world without borders, an environment its advocates either mistake for the real world or enshrine as an ideal from whose worship one must not wander by invoking such lowly concerns as national advantage.

The most vocal critics of the Liberal view have been Marxists. They see the world as a struggle between classes, the minority of oppressive "have" versus the mass of noble "have-nots" which in global terms means championing the LDCs against the West. Their support for policies of redistribution and for socialist governments have had the effect of pushing conservatives into a knee-jerk support of "free trade" liberalism.

Yet, the Marxists and the Liberals have a flaw in common. Neither thinks of the world in terms of autonomous nation-states representing organic societies based on shared values and interests. Both are based on subsets of society; individuals or classes, and thus miss the essential fact of human social organization.

A simple look around the world should suffice to convince one that the world is organized into nations with conflicting goals, scrambling to acquire wealth and power so that their goals can be attained.

Thinking of economic policy as an arm of national security in a dangerous and unstable world is the third alternative system: Mercantilism. In practice, if not in theory, the Marxists have adopted much of the thinking of mercantilism with one major difference. The Marxists are working for the decline of the U.S. while an American mercantilist works to gain every advantage possible for his country. The mercantilist can be expected to be more successful than the Marxist because the mercantilist intends to harness the dynamic, progressive qualities of capitalism for the national interest.

In 1979, the staff of the OECD published a report entitled "Facing the Future", which attempted to predict the shifts in economic power that would occur under different international conditions. It predicted that in an open global economy, the U.S. share of world GNP would fall by more than one-third, from 29 percent of 1975 to 19 percent in the year 2000.

The U.S. has certain advantages which make protectionism a viable option whereas in other nations it would not be. The U.S. has the world's largest domestic market, large enough to sustain internal competition and economies of scale while still maintaining diversification.

It already has core of basic industries and a skilled labor force. It is a leader in new technology. It needs only to preserve these capabilities from being undermined by foreign rivals. Historically the U.S. reached a position of economic pre-eminence as the wealthiest, most productive industrial state with minimal involvement in world trade and a record of protecting its domestic producers.

The U.S. should reject global interdependence. The fact that needed manufactured products could be made off-shore more cheaply does not offer a viable alternative if the potential reliability of these suppliers is examined objectively. How secure would the nation be at the outbreak of a war if 50 or 60 percent of the goods, technology, production facilities or equipment needed for mobilization had to be obtained quickly from foreign sources?

Of course, the aim of a protectionist policy is not to stifle all trade. The U.S. needs to import certain raw materials and oil and to export agricultural goods. There are broad areas of consumer goods where imports pose no strategic problems. And exports should be encouraged. The aim is to eliminate the U.S. trade deficit in a manner which preserves the industrial base of the country.

Selective protectionism is thus more logical and less damaging to trade than the solution to the deficit advocated by most free traders. Free traders usually blame the rise of the dollar's value on the world currency markets for the decline of U.S. exports and the increase in imports. While this is a contributing factor now, it does not explain the industrial malaise of the 1970s when the dollar was weak.

The policy implication of the "strong dollar" argument is that the dollar should be weakened. This will either "automatically" occur as a consequence of recurring deficits or could be brought on by intervention by monetary authorities. However, such a move would raise the price of all imports, not just those in strategic industries and is thus a more radical approach than selective protection which would leave most of the economy untouched.

A strong dollar is a strategic asset. It makes necessary imports relatively less expensive and improves the nation's terms of trade. It also makes the maintenance of the extensive American military infrastrcutre and troop deployments in foreign lands less burdensome to taxpayers. Deficits will eventually weaken the dollar unless the deficits are ended by protective measures.

The U.S. is de-industrializing because it is no longer profitable to invest in the restructuring/renewing of basic industry. Competition from foreign rivals, usually made possible by cheap labor and/or government support, lowers prices and sales, thus the return on investment. Expansion in the Third World promises higher returns and attracts capital (sometimes too much capital as the world debt crisis would indicate). Transnational corporations mover all or part of their plants out of the U.S., free to ship back to the U.S. whatever they produce offshore.

American industry and investors find it more profitable to put their money into areas other than manufacturing, even when new technology is available. The U.S. has the worst record of any industrial nation in terms of investment in new plant and equipment. American industry must be made profitable again. Imports must be curtailed either by quotas or by tariffs, either by negotiation or by law.

The survival of basic industries and the expansion of new high-technology firms are interdependent. A major market for high-technology is basic industry which must apply these new tools to become more productive. The pace of American high-tech industry will be slowed if it must seek its markets primarily through exports. High technology cannot be substituted for basic industry in the economy, they must work together.

Slogans about "free trade" and "automatic" market adjustments have little relevance for American security needs. Left to itself, the economy will structure itself to meet the normal peacetime desires of consumers, which is not the same structure required to meet the needs of the nation during those infrequent but decisive periods of crisis which can be expected in the future

The United States cannot allow the actions of others to determine its destiny. The challenge confronting the U.S. is to keep its basic industry alive in the face of intense global pressures on all manufacturing sectors and to encourage new industry.

The targeting of key industries which are at the core of the American industrial base and vital to the mobilization of American strength, by foreign producers who only want to use the U.S. market for their own expansion, is of crucial concern to the future of the U.S. economy and the nation it supports. A passive non-policy which simply hopes that the problem will go away does not serve the national interest.

ON DEFENSE PROCUREMENT

HON. JIM KOLBE
OF ARIZONA
IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 8, 1986

Mr. KOLBE. Mr. Speaker, although I'm not a member of the House Armed Services Committee, I have seen the statement presented by Earle C. Williams before the Senate Armed Services Committee on March 19, 1986, in which he makes a number of excellent points with respect to the defense acquisition process. As a member of the Small Business Committee, I believe the points made are of such significance that they should be shared with my colleagues.

Mr. Williams, president and chief executive officer of BDM International, Inc., called for "a framework of consensus" between the private and public sectors in the interest of an efficient and economical defense acquisition process.

He cited several instances where recently enacted procurement legislation and proposed legislative changes will not achieve improvements that are necessary in the process.

Mr. Speaker, because of the importance of this subject to the Nation's defense and to many of my colleagues, I am pleased to submit the following excerpts from Mr. Williams' testimony:

The media and others have made the topic of defense procurement a favored one for discussion, and I regret to say, they have created very unfavorable images of the defense contractors in the minds of the American people . . . The problems we have today won't go away, and constructive actions are needed to bring about a change in public attitudes.

These hearings, the legislation your committee is considering, and the Packard Commission Report all contribute to a favorable change by proposing actions which I hope will bring about the balanced and sound perspective to the procurement process that is sorely lacking . . . We should seek to have everyone involved in the procurement process—Congress, the Executive Branch, the military services, the press, and the public—understand what is involved for industry and business if we are to participate in the procurement process in an economically viable and positive manner.

The avalanche of enacted and proposed legislative changes, with topics ranging from travel expenses to false claims to criminal penalties, will not achieve the improvements we seek. Legislation prescribing operating details, which up until now have been handled administratively by DOD within the general policy guidance found in the procurement statutes, will not affect the procurement system in a positive way. We will find that the consequences of this "zero-defects approach" will outweigh the advantages that come with effective use of the private sector, namely the defense contractor community, to achieve real improvements in the current system.

DOD's procurement system is losing the flexibility, responsiveness, and quality people it needs to do the job . . . Fear of criticism is causing people to act unwisely. People are buying data they don't need because someone might criticize them for not doing it. Auditors are questioning costs, not because sound judgment requires it, but because if they don't they might be criticized . . . Then, there are in-house auditors and inspector general staffs plus the defense contract audit agency and the defense investigative service to assure enforcement of the rules and regulations . . . It's no wonder that program managers and contracting officers are no longer able to keep things moving and turn out systems in a timely and economic way.

The professional and technical services industry shares many of the concerns expressed by our colleagues in the hardware business. There are, however, several specific matters of particular concern to the services industry which I would like to discuss.

FEDERALLY FUNDED RESEARCH AND DEVELOPMENT CENTERS

The enactment of the Competition in Contracting Act of 1984, Public Law 98-369, was indeed landmark legislation in terms of its impact upon the acqusition process. While espousing competition, it nevertheless permits exempting from this requirement certain oreganizations which provide professional and technical services, thus organizations which provide professional and technical services, thus potentially providing them with a protected market . . . The Competition in Contracting Act, authorizes the head of an agency to use procedures other than competitive procedures to award a contract to a federally funded research and development center or to a nonprofit or educational institution to establish or maintain an essential engineering, research or developmental capability.

This exemption for nonprofit institutions and federally funded research and development centers enables them to provide, without competition, professional and technical services which are available from the private sector, and may prevent for-profit companies from competing for the contract.

I recommend that the principle of effective competition be restored by removing the present exemption from competition which nonprofit institutions and federally funded research and development centers now enjoy . . . This change would preserve the unique contributions that educational institutions make to our economy and society. At the same time, for-profit firms would be able to compete with federally funded research and development centers and nonprofit institutions in those instances where all of them possessed comparable professional and technical services expertise. This would assure the government of a broader critical mass of skills from which it could draw to establish or maintain essential engineering, research or developmental capabilities.

NON-COMPETITIVE PROCEDURES AWARDS

Another industry concern has been the deleterious effect the Competition in Contracting Act has had on the willingness of agencies to award sole source contracts in response to unsolicited proposals reflecting unique ideas . . . Companies are reluctant to advance innovative or creative concepts which are needed by DOD and the military services in order to develop systems and to solve operational problems. Unsolicited proposals submitted for those reasons, we find, are apt to emerge in the form of a competitive procurement or, in time, to be turned over to a federally funded research and development center to pursue.

TECHNICAL CAPABILITIES AND COST

A topic of major concern to the professional and technical services industry is the issue of technical capabilities or quality of services versus cost or "lowest bid" in the procurement of sophisticated services that are required by complex programs and systems. Quality of service should not be equated with the ability to simply deliver nominally satisfactory services. The technical capabilities of the professional and technical services sought by the client for his or her system is as critical as the equipment or manufactured component if the system is to function effectively. The professional and technical services firms that provide such services are frequently required to conceive, develop, evaluate, test, and modify systems or programs and, therefore, have a direct impact on the cost and effectiveness of the system or program being provided to the client. A $60,000-a-year physicist retained for system design and architecture cannot be replaced by two $30,000-a-year physicists.

It is essential that the defense acquisition process recognize that the procurement of professional and technical services is different from the procurement of equipment and other manufactured items and routine and mechanical types of services. Primary emphasis should be placed on technical capabilities.

If we are to achieve a proper balance between technical capabilities and cost when procuring professional and technical services, the Congress must include a clear, strong policy statement in appropriate legislation. The statement should underscore the legitimacy of allowing technical capability, at a reasonable cost, to be the dominant factor in procurement and selection of professional and technical services. The importance of technical capabilities in relation to cost should be reflected in the acquisition process from the procurement request stage through the source selection phase.

I wish to assure you that the best firm in the professional and technical services industry are not worried by legislative and regulatory requirements calling for competition . . . Competition, however, should be viewed as a means of improving the acquisition process, not as a religious concept.

I am concerned by a tendency, under the guise of a competitive procurement request, for agencies to include in the solicitation request requirements that are largely irrelevant to the statement of work and that serve to limit the competition . . . I point out this type of situation to the committee because I believe that it is important to assure that the procuring agencies do not intentionally or unintentionally frustrate the principles of competition when competition is truly appropriate. (These hearings) are timely and will focus attention on the need for a consensus by all involved which will establish the improved ground rules for the defense acquisition process.

TRADE RECIPROCITY NEEDED BETWEEN IMPORTS OF JAPANESE STEEL AND UNITED STATES EXPORTS OF MET COAL TO JAPAN

HON. NICK JOE RAHALL II
OF WEST VIRGINIA
IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 8, 1986

Mr. RAHALL. Mr. Speaker, as the various committees in Congress involved with trade

begin to formulate a comprehensive fair trade bill, I believe we are all very much aware of 1985's record trade deficit of $148.5 billion and the fact that one single country, Japan, is responsible for approximately one-third of this trade imbalance.

One of the major causes of the United States-Japan trade deficit is the continued and aggressive exportation by Japan of steel products into this country. Despite the voluntary restraint agreement which has been negotiated with Japan on steel, it appears that country continues to circumvent both the intent and scope of the agreement with respect to certain steel products.

For that matter, the Japanese have not honored the November 1983 Joint Policy Statement on Energy Cooperation issued by President Reagan and Prime Minister Nakasone, particularly as it relates to United States exports of metallurgical coal to Japan.

This is a matter of grave concern to myself, and other representatives of coal-producing regions. Metallurgical coal is an essential ingredient in the production of steel. The joint policy statement sought to, among other items, maintain purchases of United States metallurgical coal over future years as steel production in Japan improved.

This agreement provided the United States with an element of trade reciprocity between Japanese steel imports and United States metallurgical coal exports. After all, the United States is Japan's largest market for steel products.

Since November 1983, however, we have witnessed the collapse of what was to be a two-way street on the steel and metallurgical coal trade between Japan and the United States. Despite the fact that steel production has increased in Japan, and despite the fact that Japanese steel exports into the United States continue at a level beneficial to Japan, that country has slashed the amount of United States metallurgical coal it is purchasing and has riden roughshod over what the world market views as being a reasonable price for the dwindling amount of United States metallurgical coal it is still buying

Because of this situation, today I, along with the gentleman from Kentucky, Hal Rogers, am introducing a concurrent resolution which seeks reciprocity in the steel and metallurgical coal trade between the two countries.

If the Japanese value their exports of steel to the United States, then they should place equal value on United States metallurgical coal exports to Japan.

The resolution urges the negotiation of an enforceable agreement under which Japan will import United States metallurgical coal in quantities equivalent to that used in the production of Japanese steel products exported to the United States.

Mr. Speaker, I believe we have given the Japanese a chance to play a fair game in this trade. Instead, with respect to the coal trade, they have negotiated in bad faith. It is time for strong action.

NICARAGUA: A MORE EFFECTIVE POLICY

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 8, 1986

Mr. HAMILTON. Mr. Speaker, I would like to insert my Foreign Affairs Newsletter for March 1986 into the CONGRESSIONAL RECORD:

NICARAGUA: A MORE EFFECTIVE U.S. POLICY

The U.S. needs a more effective policy toward Nicaragua. Our policy of military pressure has failed to change Sandinista behavior, and Nicaragua is less democratic, more repressive, more pro-Cuba and pro-Soviet than it was five years ago. The President himself admits as much: he now says that Nicaragua is a communist state—something he didn't say in 1981.

U.S. funding of the Contras has made democracy and a negotiated settlement in Nicaragua more remote. Within Central America, the Contras war is now more destabilizing than the Sandinistas, and our fixation with Nicaragua means that we are neglecting far more important problems in Latin American, such as the debt crisis and its impact on new, fragile democracies we support.

After five years the U.S. is still unclear about its goals in Nicaragua. Do we want the Sandinista to change their policies, or do we want to oust them? Rhetoric and actions do not mesh. The President says that "Nicaragua is a foreign policy question of supreme importance." If this is so, then why are we trying to fund an ineffective, untrained peasant army—which has little support in Nicaragua—to protect our supremely important interests?

We need to re-think the fundamental premises of our policy toward Nicaragua. First, unilateralism cannot succeed. We need the active support of Latin America and Western Europe. We cannot conduct a war on the pretext of promoting democracy if Latin democracies oppose that war. Second, the Contras are simply not capable in the next several years, whether we fund them or not, of changing Sandinista policies. Barring the use of the Marines, only a long-term policy supported by our friends will be sustainable or successful over the long-term. There are simply too many questions about the Contras relating to their political viability, adherence to democracy, military performance, respect for human rights, and support in the region for the U.S. to invest heavily in them. Third, policy must be articulated accurately. We must be clear about what behavior threatens vital U.S. interests and cannot be tolerated, but we must not exaggerate the threat posed by Nicaragua or exaggerate what interests we consider vital. Otherwise our policy will lose credibility.

A better policy toward Nicaragua would consist of three parts in equal measure: isolation and containment of the Sandinistas; a long-term strategy of carrots and sticks; and active U.S. support for Contadora and negotiations.

First, we should prevent the Soviet Union or its allies from developing an offensive capability in Central America that threatens U.S. security. We should support economic and military assistance to strengthen the democracies of Central America against threats from Nicaragua or anywhere else. We should use skillful diplomacy, encouraging the support of our friends and allies, to isolate and contain Nicaragua—diplomatically, politically, economically, and militarily.

Second, we should use carrots and sticks. If Nicaragua were to agree to a ceasefire, remove Soviet and Cuban advisers, reduce the size of its armed forces, or make progress toward national reconciliation and a pluralistic democracy, we should respond positively. We could suspend U.S. military exercises in the region, resume normal trade, and support bilateral and multilateral assistance for Nicaragua. On the other hand, if Nicaragua's behavior worsened we could press Europe and Japan—now Nicaragua's largest trading partners—to cut trade and cooperate in blocking assistance. We could impose more comprehensive economic sanctions. We could break diplomatic relations with Nicaragua. Such steps, however, would only be effective if taken together with our friends and allies.

Third, the U.S. must effectively support the Contadora negotiations. For the European Community, Japan, and 13 Latin American governments, including each in Central America, Contadora is the preferred course. No democratic government publicly supports U.S. funding of the contras, and the Contradora countries are on record that this policy is counterproductive to the goal of a negotiated settlement.

The U.S. has yet to make public comment on the third Contadora treaty draft issued six months ago. If we do not like the draft, we should work to improve it. The current draft has many positive elements which serve U.S. interests. If agreed to and implemented by Nicaragua, it would stop new military deliveries to the Sandinistas, establish a ceiling on the size of their military forces and a schedule for their reduction, prevent the establishment of Soviet or Cuban military bases, force Nicaragua to send home all foreign military advisers, and end Nicaragua's support for the export of revolution. A Contadora agreement would also substantially increase Latin American and Western European political pressure on Nicaragua to live up to treaty commitments for national reconciliation, a pluralistic democracy and free elections.

Why would Nicaragua live up to a deal made with the U.S. through the Contadora process? Because its survival would depend on it. The Sandinistas know that the heart of the bargain is that we would let them survive in exchange for a halt to foreign policies we do not like and improvement in their domestic record. If they reneged, all bets would be off, including any U.S. pledges at Contadora. With a regional agreement in place, the U.S. would have a much better legal and diplomatic basis to respond to Nicaraguan misdeeds than it does now. With strong diplomatic support from Western Europe and Latin America, the United States could make life for Nicaragua very difficult.

Nicaragua needs peace and economic development. The Soviets and Cubans cannot provide either one. Nicaragua knows that Latin America, Western Europe and the United States hold those keys—and that only a Contadora agreement can lead them to open the door.

CARVING OUT LAMB'S SHARE OF THE MARKET

HON. TONY COELHO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 8, 1986

Mr. COELHO. Mr. Speaker, recently, an article appeared in the Fresno Bee about a good friend of mine, Mr. Stanley Kooyumjian, of Fresno, CA.

For many years, Stanley was the proprietor of the well-known Fresno restaurant, "Stanley's," which specialized in Armenian cuisine. He sold the restaurant a few years ago, and since that time has served as a marketing director for the American Lamb Council. In this capacity, Stanley has been working to increase the market for lamb by demonstrating new and innovative ways to prepare and serve it.

Stanley has been working with lamb for many years, and as the article discusses, has been quite successful in convincing others about the variety of uses that lamb is well suited for. Due to the efforts of Stanley and others like him, lamb consumption in the United States has been increasing rapidly every year.

In recognition of Stanley's fine efforts on behalf of the U.S. lamb industry, I ask that the article from the Fresno Bee be reprinted here in the RECORD.

[From the Fresno Bee, Mar. 2, 1986]

CARVING OUT LAMB'S SHARE OF THE MARKET

(By Richard D. Hall)

Using a meat saw and two knives, former Fresno restaurateur Stanley Kooyumjian expertly divided a 75-pound lamb carcass into a variety of cuts, some of them new to the trade.

His small, attentive audience at the Fresno Hilton Hotel included three executive chefs from major restaurants in Chicago, San Francisco, and Portland, Ore.

Kooyumjian, 52, began working with lamb as a boy in his father's Home Market on Broadway, then he featured lamb dishes in his Armenian restaurant. "Stanley's," downtown and later on Shaw Avenue.

Tired of the long hours, he sold the restaurant. For the last 2½ years he has been one of seven marketing directors for the American Lamb Council, the industry's promotion arm. Kooyumjian's territory is California and Nevada, where his duties include demonstrating new ways to break a carcass, changes the council says will benefit packers, purveyors, retailers and food-service markets.

Talking as he worked at the session last week, Kooyumjian said, "All I'm trying to do is stimulate some ideas, using nice cuts."

Lamb consumption has been growing by leaps and bounds, especially in restaurants. The increase is 56 percent in four years, Kooyumjian said.

Within the last five years, lamb dishes have climbed from 28 percent to 48 percent of the red meat consumed at his restaurants, said David Asher-Tournant. He is executive chef for the Bankers Club, Carnelian Room and Montgomery Street Bar and Grill, all in the Bank of America headquarters building in San Francisco.

By comparison, beef consumption has dropped from 55 percent to 32 percent, Asher-Tournant said. Veal has dropped in popularity from second to third place, and fresh pork has remained last in the red meats, although it increased from 1 to 5 percent, he added.

The San Francisco restaurants are part of the Fine Dining Division of ARA Services. The three executive chefs and their general manager, Christian De Vos, came to Fresno for Kooyumjian's demonstration as part of their quarterly meeting to plan new menus.

Despite the upsurge in lamb consumption, beef and veal continue to lead on the red meat side in ARA restaurants generally, De Vos said fish and poultry are 50 percent of the business, he added.

"Lamb is a cut of meat people do not know how to cook at home," De Vos said. "That's why it's a good piece to have in restaurants."

When he came from Belgium 12 years ago as an executive chef, De Vos said, lamb was "only considered an ethnic food, or to serve at Easter. That's really turned around in the last several years.

Tim Indart of Clovis, president of the American Sheep Producers Council, expressed optimism that after some tough years the industry has begun to build back. The council includes the American Lamb Council and the American Wool Council. Financed by assessments, from the 116,000 lamb producers, the U.S. industry promotes itself on a $6 million budget, far less than the beef and pork industries spend.

Consumption outstrips domestic supply, and the visiting chefs said they preferred U.S. lamb over the imports from Australia and New Zealand. American lamb tastes better, and a larger selection of cuts are available from domestic producers, they said.

Indart said that another factor in lamb's new popularity "is people are beginning to realize lamb is a healthful item, and a change from beef or chicken. I think it's lower in cholesterol than a lot of the other meats. I think people have become more health-conscious."

However, Bonnie F. Liebman, staff nutritionist at the Center for Science in the Public Interest, said in a telephone interview from Washington, D.C., that "there is no difference between beef and lamb."

Although some cuts are less fatty than others, she said, "the problem with lamb is the same as with beef—high in fat. Saturated fat [in lamb] is in the same range as beef. Saturated fat raises cholesterol in the blood."

Low-fat foods are poultry with the skin removed and fish, she said.

The Lamb Council contends that its product "satisfies today's customer preference for light, nutritious meals," noting that lamb contains "as few as 158 calories per 3-ounce serving."

Liebman countered that most serving portions are larger than three ounces. Lamb recipes the council distributed call for serving sizes of 5 to 8 ounces.

Asked about their concern for diners' nutrition, the visiting executive chefs said they paid more attention to customer satisfaction.

Kooyumjian's demonstrations are aimed at increasing customer pleasure by encouraging food-service officials and retail stores to work with various lamb cuts.

He showed the all-male audience a revision in lamb shoulder cuts the American Lamb Council recommends: In separating the shoulders from the hotel rack, one of the four major wholesale cuts of a lamb carcass, the break should be made between the 5th and 6th ribs, instead of the traditional separation between the 4th and 5th ribs. The 5th rib, which contains a portion of the hard shoulder blade bone, is not desirable when left on the hotel rack.

Watching Kooyumjian work, Durbin W. Breckenridge of Fresno, vice president of Hestbeck's wholesale meats, told him, "On the retail and wholesale level, we need to know where we can go with that shoulder." Kooyumjian replied that he may schedule a local program just for stores.

As he picked up the lamb breast, Kooyumjian said the piece has "never been particularly successful because of a stigma by the public." Then, as he cut a "Denver rib" from the breast, Kooyumjian pronounced it, "good eating. I think the people you are getting your racks from will be happy to give you Denver rib."

Kooyumjian moved quickly to a "Saratoga roll," one of several cuts possible from the lamb shoulder, which is boned and formed into a compact roll. Pinned with skewers, the roll may be cut into individual chops and become a restaurant's "special of the day."

"It's an extension of the rack," Kooyumjian commented, referring to the roll. "An underworked piece of meat. Not a tough piece of meat." It may be cut into cutlets, medallions, or a Wellington, he added.

"Very few people want to work with the shoulder," said Asher-Tournant. "It's unpleasant."

"There are some problems there," Kooyumjian admitted, referring to packing procedures. He added, "I'll talk to your supplier."

Kooyumjian's many stops each month include packing houses, where, he says, "they're beginning to believe me" that growers should not be penalized financially for delivering carcasses weighing more than 55 pounds. The traditional thinking has been that a large animal is tough, he added.

Despite the traditional thinking that a large animal is tough, the lamb council says, improved production methods are achieving "larger, meatier and higher-quality lambs."

The larger animals permit some cuts of meat that could not be obtained from smaller lambs, Kooyumjian said.

THE MARTIN LUTHER KING ESSAY CONTEST

HON. MAJOR R. OWENS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 8, 1986

Mr. OWENS. Mr. Speaker, despite the fact that the Peace Academy which Congress authorized has not come to fruition every effort must be made to promote peace. On January 20, 1986, at the first celebration of the birthday of Martin Luther King, the 12th Congressional District awarded prizes to students who participated in an essay contest on peace. More than 400 students submitted essays. The following are the winners in the elementary school essay contest.

THE TIME I MADE PEACE IN MY CLASS

(By Darlene Maxis, Public School 628, District 18)

The time I made peace in my class was when I was in the third grade. The class was walking through the halls when a boy named Kevin stepped on Michael's new pair

of Pro-players sneakers. They began to argue because Kevin didn't say he was sorry. I heard loud voices. I strolled over to see what was happening. As I got even closer to the boys they began to fight. I tried to stop the fight as quickly as I could by asking them back into their classroom. As soon as we did Michael turned to all the boys and asked them to jump Kevin after school or at lunchtime. I knew I had to do something before lunchtime or it would be too late. I stood in front of the room and started talking. I explained to the boys that it doesn't make sense to fight because Kevin stepped on Michael's Pro-Players and didn't say he was sorry. Wouldn't it be stupid getting all the boys against Kevin just for stepping on another boy's sneakers? The class grew silent and I could tell they were thinking. Then Kevin got up and walked over to Michael and said "Sorry." Michael said "Sorry" too. Everything was okay. That's how I made peace in the third grade.

I think fighting makes no sense because it makes things worse in your life. It causes a lack of communication with people. God didn't put us on this planet to fight. He put us on this Earth to live together in harmony.

I REMEMBER THE TIME I MADE PEACE IN MY CLASS

(By Candace Mounsey, Public School 135, District 18)

A long time ago in second grade, I made peace in my class. A girl in my class stole a sharpener from someone's desk. I was the only one in my class who saw her take it. I wanted to tell the teacher, but I wanted her to confess for herself. It was time to go home, but the teacher said she wasn't leaving without the sharpener taken from the student's desk. I talked to the girl but she said she was never going to confess. She asked me to tell the teacher she stole it but I told her "Honesty is the Best Policy" so use it. She didn't want to listen but I still spoke to her. I told her she would never live with herself if she didn't return that sharpener. So she confessed. The teacher was proud of her and me for encouraging her. The teacher didn't punish her because she was honest. That was the time I made peace in my class.

THE TIME I MADE PEACE IN MY CLASS

(By Ayana Lewis, Public School 335, District 16)

Before I started to write my composition I sat down and thought about what the title really means. I think this composition stands for making peace between people, just like the late Dr. Martin Luther King, Jr. did. He was a preacher and a man of peace. He believed in settling disagreements in a non-violent way.

I remember a time when I used a peaceful way to help two classmates settle an argument. A boy during lunchtime, called one of the girls in our class "black." The young lady began to cry. She said she knows she is darker skinned than he is but why is he picking on me for that?

I told her that she should be proud of her skin color, no matter how dark or light it is. Dr. King fought for the rights of all people to be equal no matter what color their skin was. I tried to get her to feel good about herself and have pride.

I then went over to speak to the young man. I asked him why he called her "black" when he is also black. Did we win equal rights so that now we should call each other names? Shouldn't we feel proud of our skin color and not pick on each other?

Dr. King made a beautiful speech in which he told of his dream. He wanted all people, especially the children to grow up in a world of peace.

I got the two children to talk over the problem. The young man apologized to the young lady. I felt good about my part in this and I felt I had carried on Dr. Martin Luther King, Jr.'s dream.

I REMEMBER THE LAST TIME I MADE PEACE IN THE CLASSROOM

(Sulaimann Abdul-Malik, Public School 9, District 13)

It was a rainy, soggy, gloomy Monday and everyone seemed to be frustrated about something. My mother was nagging and rushing me out to school. People on the train were arguing and shouting more than ever. I got to school thinking I was safe from the anger outside. In school it was the same all over again. Just like outside. The teachers weren't in their usual cheery mood. We got in the class and got to work. Things seemed to be fine until math period. The teacher walked out of the room for a moment. One of the girls said, "Girls are smarter than boys." The boys got immediately insulted and shouted back, "Girls are stupid." "They don't know anything!" Before I knew it the girls and boys were having a shouting match and some of them were about to do battle. Everything went crazy. I knew I had to do something before the teacher came back and suspended all of us. I got up on my chair and shouted, "Shut up!", instant silence arose and I had time to make peace between them. I said, "everyone is equal. Everyone has their own way of showing wisdom. One person might do better in one subject and another person in another subject. You shouldn't badmouth people because there's always something someone knows that you don't know." They saw my point and went back to their seats and their work. As I stepped down off of my chair the teacher walked in. Just in time I made peace.

THE TIME I MADE PEACE IN MY CLASS

(Penelope Webster, Public School 156, District 23)

The time I made peace in my class was when two of my closest friends were arguing over who would get picked for a computer class. One day my teacher put us in different groups and then called out the names of the people who would be in the computer class. Bernice was chosen for the class, but, Angela was not chosen.

During school, the next day, Angela wanted to fight Bernice because she was very angry that she wasn't in the computer class. Angela followed Bernice after school and began hitting her. Bernice did not defend herself because she did not like fighting. I observed the actions of my friends and felt I had to do something because I didn't want to see either one get hurt. Since I was smaller than both of them, I knew I had to be careful.

I had to think of something fast so I started to cry and this got Angela's attention. She stopped hitting Bernice and now I could talk to them. I told Angela that fighting Bernice would not help her get into the class. I also told her to try to come to school more often and work very hard. Angela seemed happy with my explanation and my two friends shook hands and became friends again.

I felt so good about my part as a peace maker that I told my teacher the next day. I know now how Dr. King Jr. must have felt when he helped to make peace, many many times. We were reading about Dr. M.L. King Jr. last week and the teacher asked me to share my experience with the class. Everyone seemed to like my story and made me feel like a real "Hero."

LEGISLATION PROTECTING THOSE WEARING UNOBTRUSIVE RELIGIOUS GARMENTS

HON. CHARLES E. SCHUMER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 8, 1986

Mr. SCHUMER. Mr. Speaker, the Supreme Court recently decided that an Orthodox Jewish psychiatrist in the U.S. Air Force would have to make a choice between his loyalty to his country and his religious beliefs. By deciding that S. Simcha Goldman, an ordained rabbi, does not have the constitutional right to wear a yarmulke indoors while in uniform, the Court has forced him and others like him to make that gut-wrenching decision.

Today I introduced a bill H.R. 4525 to protect anyone who desires to wear an unobtrusive religious garment like a yarmulke, from punishment or discrimination under the authority of the U.S. Government.

This bill prohibits the exercise of U.S. Government authority to prevent any person wishing to wear a yarmulke or a similarly unobtrusive religious symbol from holding any position or from performing any function that that person would otherwise be qualified. Violations could be redressed through an implied civil action on behalf of anyone who is punished for wearing an inconspicuous religious article.

Without the clarification provided in this legislation young Jewish men who have always been patriotic defenders of the rights of all Americans would have to choose between duty to their country and duty to their religious beliefs. Putting these soldiers and potential soldiers in such a dilemma certainly would not improve the quality of our Armed Forces.

This bill if enacted would undo regulations that have no basis in necessity. A look at the very successful Israeli Army clearly demonstrates that our national security would in no way be compromised by allowing young military men to wear yarmulkes. Israeli soldiers with yarmulkes fight side by side with those who don't without any morale problems at all.

The purpose of the bill I have introduced is to balance the legitimate right and necessity of the military to regulate the dress in the Armed Forces with the constitutional rights of those employees to the full exercise of their religion. I encourage my colleagues to join me in sponsoring H.R. 4525.

H.R. 4525

A bill to vindicate the principles of the first article of amendment to the Constitution of the United States by preventing persons acting under the authority of the United States from forbidding the wearing of inconspicuous religious symbols by individuals

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That a person acting under the authority of the United States, or under color of that authority, shall not forbid any individual from wearing any inconspicuous religious symbol, such as a yarmulke.

1986 CONGRESSIONAL CALL TO CONSCIENCE VIGIL

HON. THOMAS N. KINDNESS

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 8, 1986

Mr. KINDNESS. Mr. Speaker, during the first session of the 99th Congress some 50 Members of this body participated in efforts to focus attention on the plight of prisoners of conscience and others living under oppression in the Soviet Union—individuals who seek freedom, but are neither permitted to freely practice their religion or to leave the Soviet Union.

While emigration numbers have been severely reduced over the last few years, Soviet harassment and discrimination have continued unabated.

With the assistance of the membership of this body, the Congressional Call to Conscience Vigil for Soviet Jews, sponsored by the Union of Councils for Soviet Jews, will continue these efforts in this session of the Congress.

The purpose of the vigil, which began in 1976, is to use weekly CONGRESSIONAL RECORD statements as a vehicle to expose and denounce Soviet oppression. In the past, the vigil has been particularly useful in voicing bipartisan congression-' support for individuals and families wishing to emigrate to the free world, as illustrated by numerous statements through the vigil on behalf of recently released prisoner of conscience, Anatoly Shcharansky.

Given the renewed dialog between the United States and the Soviet Union and the subsequent meeting between President Reagan and Secretary Gorbachev scheduled for later this year, it is particularly important that we continue to demonstrate our concern about human rights issues and violations in the Soviet Union. Efforts of the vigil to raise human rights issues can have a profound impact on these discussions.

As chairman of the House Call to Conscience Vigil for 1986, I invite my colleagues to join me in the continuation of vigil activities this year.

Our statements will provide hope in the struggle for freedom and expression, and will demonstrate the congressional commitment to efforts to lift the dark curtain of Soviet oppression so that the light of liberty may burn brightly for those who are persecuted in the Soviet Union.

NO ROSE WOULD BLOW SO RED AS ONE WHERE ELMER BLED

HON. CHARLES E. BENNETT

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 8, 1986

Mr. BENNETT. Mr. Speaker, for the purpose of the RECORD, I would like to submit herewith an inspiring article that was written by Brig. Gen. J.D. Hittle, USMC-Retired, that appeared in the March 3, 1986, issue of the Navy Times.

The article follows:

[From the Navy Times, Mar. 3, 1986]

NO ROSE WOULD BLOW SO RED AS ONE WHERE ELMER BLED

(By Brig. Gen. J.D. Hittle, USMC-Retired)

In late February each year my mind reaches back to a little island in the far Pacific called Iwo Jima and a man named Elmer Montgomery.

We first met on Guam in late 1944 during the final phases of that campaign. I had been ordered to take over the G-4 logistics job for the 3rd Marine Division. We needed a clerk-typist Sgt. Elmer Montgomery reported.

Elmer looked like the vindication of the whole Marine Corps personnel system. He wore the stripes of a buck sergeant, but there was nothing tough or fierce about this young man from Montana. His sensitive face, deep-set eyes, thin, almost frail figure hardly matched gung-ho Marine prototype.

As we began to work together, I became more and more convinced that Elmer was the right man in the right job. He typed well, took shorthand, understood administration, kept things moving. He was a perfect man behind the man behind the gun.

After Guam was secured, attention shifted to the invasion of Iwo Jima. Work piled high, and the hours were long in that little quonset hut office. But, when Elmer did have a moment, I noticed he would lean his chair against the wall and pull a small, white leather-covered Bible from the hip pocket of his fatigues.

Wherever the Bible fell open in his hand, he would begin to read—and find serenity.

I remember one evening when we were working late.

Elmer's glance fell on a stack of books.

"I see you have a copy of Omar Khayyam's Rubaiyat," he said. "It's one of my favorites."

I explained that it offered a mental change of pace.

"What's your favorite verse?" I asked.

"I sometimes think that never blows so red,

"The rose as where some buried Ceasar bled."

He had it perfect.

In February we sailed for Iwo Jima.

After several days of fierce fighting, division staff sections were ordered to provide replacements for badly mauled front-line units. I had to provide two.

It's not a pleasant job to pick men trained in support tasks for the "meat grinder." I selected the two I thought could best be spared from my supply operation.

I was just about to send the names to the division adjutant when my executive officer, Maj. Malcolm Beyer (later a brigadier general) popped into my dugout.

Sgt. Montgomery wanted to see me.

The sergeant saluted and informed me he had heard about the call for reinforcements.

"You're not one of them," I told him, thinking it would put his mind at ease.

"That's what I wanted to talk to you about, Colonel," he said. "I want to go forward."

"I'll never feel right if I don't go up when I'm needed," he said. "I'm needed now.

"I'm older than most of these kids. I've had a lot of experience looking after myself while hunting back home in Montana. I can look after them up forward."

"Alright, I'll grant your request, but only because you're old enough to know what you're doing and because it means so much to you."

I never saw Elmer again.

A Marine from his front line unit told me the story.

The platoon commander had been killed and Elmer was assigned, under a staff sergeant, as assistant platoon commander.

The order came to attack.

The patched-up platoon moved across a slight rise and into a small saucer-shaped area where it was pinned down by a carefully camouflaged Japanese machinegun. If the men tried to move back across the rise, the gun would get them. If they stayed, they would soon be blasted apart by mortars.

Elmer crawled and rolled within yelling distance of the staff sergeant.

"Sgt. Montgomery yelled, "When I draw the fire, roll the platoon back over the rise," he said.

"And while the platoon commander was saying "no," Sgt. Montgomery stood up, and firing his rifle from his hip, walked into the machinegun.

"We're here because he drew the fire long enough for us to slide back over that rise."

They never found Elmer. A few minutes after his platoon reached safety our artillery laid down a barrage on the machinegun emplacement. The big shells churned the ground and everything on it mercilessly.

He and his little white, leather-covered Bible became, forever, part of the hallowed ground of Iwo Jima.

I suppose memories fade and maybe Sgt. Montgomery's Navy Cross is almost forgotten. But whenever I think back to all the brave men I have been privileged to know, Elmer heads the list.

And whenever my eye falls on a copy of the Rubaiyat, I can't help but believe that if a rose were ever to bloom where Elmer fell, it would be more red than any "Where some buried Caeser bled."

(This article first appeared in the March 9, 1969 issue of the San Diego Union. It is reprinted here with permission. But Brig. Gen. Hittle adds the following postscript.)

On 21 Nov. 1970, while serving as assistant secretary of the Navy (manpower and Reserve) I had the pleasure to be the speaker at the launching ceremonies for the Knox-class frigate Elmer Montgomery (FF1082). If anyone had asked if I had used my influence to have the ship named after that heroic Marine, I could have answered the questioner honestly: "I sure did!"—JDH.

ATTORNEY GENERAL SHOULD EXAMINE EVIDENCE AGAINST KURT WALDHEIM

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 8, 1986

Mr. WEISS. Mr. Speaker, last month, the World Jewish Congress uncovered evidence that former U.N. Secretary General Kurt Waldheim gravely misled the world about his Nazi background. If the records implicating Waldheim in Nazi war crimes are verified, pursuant to section 212(a)(33) of the Immigration and Nationality Act Waldheim should be and would be barred from entering the United States.

Today I am introducing a resolution asking the Attorney General to examine all available evidence regarding Waldheim's activities during World War II, to determine whether under the Immigration and Nationality Act Waldheim must be excluded from admission into the United States.

The evidence against Waldheim is disturbingly persuasive. For years, Waldheim claimed that although he served in the German Army during World War II, he never belonged to any Nazi organization, and that he left active duty in 1942 after a leg injury. He has now retracted these accounts, admitting that he joined two Nazi organizations, including the notorious brownshirts; that he served until 1945 in a German Army command that brutally attacked Yugoslav partisans and engaged in the mass deportation of Greek Jews; and that he participated in "Operation Kozara," during which the Nazis deported some 68,000 people—including 23,000 children—from the Kozara Mountains of western Bosnia. Waldheim insists, however, that he committed no crimes personally.

Yet even Waldheim's revised account of his Nazi background does not square with the documentary evidence. According to records produced by the World Jewish Congress, Waldheim joined the Nazi brownshirts on November 18, 1938, just 8 days after the infamous Kristallnacht, when the Nazis attacked, burned, and looted Jewish communities all over Germany and Austria. In Vienna, 42 of 43 synagogues were burned to the ground. The Kristallnacht marked the beginning of the holocaust.

In September 1942, records show, Waldheim was awarded a medal for "brave conduct" in battles fought against partisan units in central Yugoslavia. And although he claims that he only served as a translator in the German Army, documents from the West German military archives and the World Jewish Congress identify Waldheim as an intelligence officer with responsibility for questioning Allied prisoners and checking the loyalty of fellow intelligence officers.

Waldheim deserves to have all of the evidence that has been uncovered carefully examined and scrutinized. If after a careful examination, he is found to have participated in Nazi war crimes, under section 212(a)(33) of the Immigration and Nationality Act he will be ineligible to receive a U.S. visa and must be excluded from admission into the United States. The resolution I am introducing asks the Attorney General to undertake the examination and to make the appropriate determination.

The text of the resolution follows:

HOUSE RESOLUTION 409

Resolution expressing the sense of the House of Representatives that the Attorney General should examine evidence regarding the activities of former United Nations Secretary General Kurt Waldheim during the Second World War and should determine whether such evidence requires that Kurt Waldheim be denied admission into the United States

Whereas the atrocities committed by the Nazis during the Second World War were an unprecedented affront to the dignity and conscience of all humanity and resulted in the death of millions of innocent people;

Whereas questions have been repeatedly raised about the wartime activities of former United Nations Secretary General Kurt Waldheim and his possible association with the Nazis;

Whereas substantial evidence has recently become available suggesting that former United Nations Secretary General Kurt Waldheim was a party to the crimes of the Nazis; and

Whereas section 212(a)(33) of the Immigration and Nationality Act (8 U.S.C. 1182(a)(33)) provides in part that any individual who, in association with the Nazi Government in Germany or with any government allied with or located in any area occupied by the Nazi Government of Germany, participated in the persecution of any person because of race, religion, national origin, or political opinion shall be ineligible to receive visas and shall be excluded from admission into the United States: Now, therefore, be it

Resolved, That it is the sense of the House of Representatives that the Attorney General of the United States should thoroughly and expeditiously examine all available evidence regarding the activities of former United Nations Secretary General Kurt Waldheim during the Second World War, including those documents obtained by the World Jewish Congress, to determine whether, as provided in section 212(a)(33) of the Immigration and Nationality Act (8 U.S.C. 1182(a)(33)), Kurt Waldheim is ineligible to receive visas and must be excluded from admission into the United States.

DON'T ABANDON THE NICARAGUAN PEOPLE

HON. NORMAN D. SHUMWAY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 8, 1986

Mr. SHUMWAY. Mr. Speaker, during the recent recess, an excellent editorial appeared in the Washington Post. I would like to share with my colleagues the very eloquent words of Jaime Chamorro, editor of La Prensa, the newspaper which played an active role in ousting the Somoza dictatorship.

I hope my colleagues will give serious and thoughtful attention to the words of Jaime Chamorro in his editorial, "Don't Abandon the Nicaraguan People." He offers compelling evidence to support the warning that the battle in Nicaragua is not limited to political squabbling—it is instead the cradle of potential insurgency throughout our hemisphere. To quote Chamarro:

. . . making concessions by restoring democracy and freedom in Nicaragua will be (the Sandinistas') political death. The negation of the system that has been established will be the end of their international and expansionist aims.

I believe we should move quickly and positively by aiding the Contras, to ensure that the end is accomplished.

The article follows:

DON'T ABANDON THE NICARAGUAN PEOPLE

MANAGUA.—As the question of sending $100 million in aid to the anti-Sandinista rebels was being discussed in Congress, the bishop of León, Nicaragua, Monsignor Julian Barni, made the following comment: "While in the United States they are discussing the $100 million, the Soviet Union has already given $100 million and much more without any discussion at all." Bishop Barni added: "What is necessary is that both imperialist powers, not one alone, stop complicating matters in Nicaragua. The Nicaraguan people have fought to establish a true democratic regime and hope to achieve one. This is what matters most."

Nicaragua's problem, in effect, is not only a problem of the Nicaraguan people—their loss of freedom, civil and political rights. The problem is not only the total absence of democracy and political pluralism or the suppression of freedom of expression. Nor is it just the problem of discontent that prevails as a result of the same kinds of disastrous social and economic conditions that brought on the revolution. Nor is it only the persecution of the church, as if we have never seen this in the history of our country. Nor is it the 10,000 political prisoners.

In addition to these disgraces, which in one form or another we have seen appear and disappear in most Latin American countries, there emerges a particularly grave situation: the Sandinistas are transforming the Nicaraguan revolution, fought for by all Nicaraguans, into a revolution that serves the purposes of Marxism-Leninism. That is to say, they are taking a national movement and turning it into a beachhead for communist expansion. And they have sacrificed the national interest for the benefit of this cause.

Before the Sandinistas reach this goal, those Nicaraguans who are fighting for democracy have the right to ask for help from wherever they can get it. It is a cause far too important to lose. For the Nicaraguan people, the issue at hand is of such transcendental importance that they cannot vacillate at all in choosing the right position. The future of the freedom of generations of Nicaraguans hangs in the balance.

Those who argue that to give aid to the Nicaraguan rebels would be a violation of the "principle of a people's right to self-determination" are mistaken. These people seem to ignore or perhaps forget deliberately that self-determination applies to peoples, not oppressive governments that do not legitimately represent the will of the people.

They try to forget as well that the same Sandinistas received direct military aid from other countries when they were fighting to overthrow the Somoza dynasty. And despite the fact that the Sandinistas were receiving aid in the form of arms from other countries, no one accused those countries of being guilty of aggression toward Nicaragua. The reason is that the Somoza regime, like

the Sandinistas today, did not represent the will of the people.

The free peoples of the world, and particularly those in America, both North and South, must not at this critical time abandon the Nicaraguan people because their struggle is also the struggle for the future of the Western democracies. Nicaragua has become an important point of East-West confrontation. That Nicaragua in the long term could determine the balance of forces between the East and the West and ultimately the security of the United States and the Western Hemisphere as a whole may seem an exaggeration. But everything depends on future actions and the capacity of the democracies to defend themselves.

In the United States, the debate centers on whether the Sandinistas represent a serious threat to U.S. security. President Reagan argues firmly that they do. Nicaraguan President Daniel Ortega has declared that he is prepared to discuss matters of regional security, but he refuses to speak with anyone regarding Nicaragua's internal situation.

A short time ago, two members of the U.S. Congress debated on television whether to give the $100 million to the Nicaraguan rebels. One of them, who opposed aid, asked: How is it possible that such a small country with a population of only 3 million could pose a security threat to a great military power such as the United States? Against a power like the United States it would be impossible for even a single plane or tank to reach San Antonio, Texas, without it being destroyed.

When I heard the congressman's statement I couldn't believe he was serious. The danger is not military; naturally, when we speak of the military, we think of a war between the United States and Nicaragua. The danger is that the Sandinista revolution is not a revolution of the Nicaraguan people. Managua is filled with internationalists from Latin American countries who wield influence in this revolution and whose aims are the expansion of communist influence and Soviet domination in the region.

Nicaragua with its army of 60,000 men (Somoza's army had only 7,000) cannot be a military threat, nor can Cuba, whose army and militia consist of more than a million men. This absurd idea of a direct military threat from the Sandinistas is an attempt to obscure the real danger of the Sandinistas.

Their strategy is to prop up their communist regime in Nicaragua by sacrificing the freedom of the Nicaraguan people while they inspire, aid and arm, from Managua, insurgencies throughout Latin America, "movements of national liberation" that will convert the entire continent into an immense base of insurrection.

Perhaps now the idea of Nicaragua's becoming a serious military threat to the United States seems absurd, but in the future it could take on a far more serious air. Sooner or later, in 20 or 30 years, Latin America is going to succumb to one form or another of communist domination. Mexico is not necessarily an exception. It might one day be the country most likely to fall. Moreover, Mexico is considered by the communitsts to be the country that best fits into their strategy.

If all of this comes to pass, the balance of power between East and West will be definitely in favor of the East and spending $100 million or a billion dollars will not reverse it. It could bring a world war to the doorstep of the United States. When Latin America, or much of Latin America, is under the influence of the Eastern bloc, NATO will no longer be in Europe; it will be in San Antonio, Texas.

But if the president of Nicaragua wants to have a dialogue on the subject of U.S. security, why not do it? We believe that dialogue is necessary. It should not be a dialogue solely on U.S. security, but also on our democracy and freedom—something that repels the Sandinistas, because making concessions by restoring democracy and freedom by restoring democracy and freedom in Nicaragua will be their political death. The negation of the system that has been established will be the end of their internationalist and expansionist aims.

In addition, the Sandinistas have no reason or motivation to negotiate because the counterrevolution is in a ruinous states. This is because Reagan has not and will not be able to, as a result of congressional opposition, give effective aid so that the resistance can achieve its objective. In negotiations one concedes something in exchange for something else. The Sandinistas have a lot they can give. Reagan has nothing left to offer; Congress has already given it.

Daniel Ortega hopes to achieve the total elimination of the counterrevolution in exchange for the promise not to be a military threat to the United States to Nicaragua's neighbors; not to allow the Soviets to install military bases, and to remove all Cuban advisers. With this the Sandinistas could achieve their consolidation and a free way to continue their expansionist aims through nonmilitary, but not less dangerous or effective, means.

As Jean-Francois Revel, in his book "How Democracies Perish," writes: Democracy "awakens only when the danger becomes deadly, imminent, evident. By then, either there is too little time left for it to save itself, or the price of survival has become crushingly high."

SOUTH PACIFIC ISLANDS VEX WASHINGTON

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 8, 1986

Mr. LAGOMARSINO. Mr. Speaker, the attention of the United States was recently focused on the Philippines in the distant Western Pacific. A recent front page article in the Wall Street Journal discussed other issues of U.S. concern in another part of the Pacific, the vast South Pacific Ocean. A companion article dealt with the specific issue of the impact of U.S. tuna policy in the Pacific islands.

The South Pacific is a newly evolved region of independent island countries. This evolution began January 1, 1962, with the emergence of the first independent island country of Western Samoa. Since then, a total of 11 countries have become independent and that does not include the 3 prospectively freely associated states in Micronesia.

The article quotes a statement from the New Zealand Times: "This may be remembered as the year the Pacific Ocean ceased to be an American lake". While I don't believe the United States ever considered the Pacific Ocean an American lake, it is true that we have enjoyed decades of peace and goodwill among the South Pacific islands, along with our two longtime friends, Australia and New Zealand. It is also true that the Soviets have increased their activities in the region with the successful conclusion last year of a fishing agreement with the country of Kiribati. They are continuing to solicit offers throughout the region, while Cuba and Libya have made official and unofficial contacts in Vanuatu and New Caledonia respectively.

In order to maintain and expand the goodwill of the United States in the South Pacific, and thereby countering third party intrusions in the region, the issues troubling the region need to be resolved.

One of the most sensitive issues is the lack of a U.S. fishing agreement with the island countries. The State Department was actively addressing this fishing issue this past week in Canberra, with the sixth round of negotiations to formulate a regional fishing agreement. This is an extremely difficult task, as the agreement must meet the requirements and needs of our tuna industry and those of the islands, as well as being consistent with U.S. fishing policy.

A nuclear free-zone fervor is permeating the South Pacific. The catalyst for this movement was set in motion with New Zealand Prime Minister Lange's decision to ban nuclear powered and armed ships from New Zealand ports. Not long after the implementation of the New Zealand policy, a South Pacific Nuclear Free Zone treaty was signed by eight Pacific countries.

Pacific island countries are now under pressure to decide whether or not to keep their ports open to U.S. ship visits. They are being strongly influenced by one of their largest donors of aid, New Zealand.

United States aid in the South Pacific islands is approximately one-tenth of the total. Our $6 million assistance is multilateral, with little credit to the United States. The individual countries want direct bilateral aid such as the $1.5 million to Fiji—proposed in 1984 but not yet appropriated. Direct funding would be a welcomed change in the islands, and it would heighten U.S. visibility. While U.S. aid funds are tight, they remain as a concrete demonstration of our concern.

Only two U.S. embassies have been established among the Pacific island countries, in a region of several million square miles. Not only is the United States' representation in the Pacific bleak, but our accessibility by island governments is limited. Without a readily available communications channel, the United States is unable to provide assistance and feedback as problems and issues arise.

The United States must take an active role in dealing with the concerns of this newly evolved region of independent Pacific islands. The solutions to these problems are vexing, given the numerous entities and multifaceted issues. However, by resolutely concluding and implementing a fishing agreement, addressing the nuclear free zone treaty, and providing appropriate and adequate bilateral aid, establishing adequate U.S. representation, the United States can maintain our national security in a peaceful Pacific and keep it from becoming a Russian lake.

Following is the article from the March 5, 1986, Wall Street Journal:

LONG IGNORED AS SAFE, SOUTH PACIFIC ISLANDS NOW VEX WASHINGTON—A TROUBLED AREA IS RESENTFUL OVER U.S. FISHING POLICY, FRENCH TESTS OF WEAPONS

THE RUSSIAN BEAR IS FLIRTING

(By James P. Sterba)

AUCKLAND, NEW ZEALAND.—Think of the South Pacific. Paradise usually springs to mind. Lush, idyllic vacation spots like Tahiti and Fiji. Cute little countries like Tonga, with a king who takes up two first-class airline seats, and Tuvalu, which earns its way in the world mainly by selling colorful postage stamps to collectors.

There is Papua New Guinea, with its vast, exotic jungles. But you have to squint to find the others on an average-size globe: Kiribati, Vanuatu, Western Samoa—in all, two dozen microstates, five million people, some 1,300 islands, most of them so tiny and far away from the world's troubles that it is difficult to conceive of their causing trouble or being troubled themselves.

That has been Washington's view, too. The affection that the U.S. gained by pushing Imperial Japan out of the region four decades ago seemed boundless. Diplomacy, what little seemed required, was often put in the hands of generous campaign contributors who had to consult maps to discover exactly where they were going as ambassadors. With two staunch allies, Australia and New Zealand, looking after the region, it was an easy part of the world to ignore.

A 40-YEAR POLICY

Not anymore. With U.S. policy in its 40th year of what a Heritage Foundation study calls "benign neglect," the Reagan administration has discovered that neglect has its price. The region is troubled economically and socially. It is angry over U.S. fishing policy and French nuclear-weapons tests in the area. Anti-West Third World rhetoric is on the rise. The Soviet Union's flirtations are beginning to pay off.

On Dec. 29, the New Zealand Times summed up the trends in an article that began: "This may be remembered as the year the Pacific Ocean ceased to be an American lake."

That is overstating it, Western diplomats say. But U.S. military strategists, for one, are disturbed by what they see. While the end of the presidential crisis in the Philippines would seem to improve the odds of America's holding on to its bases there, that can't be considered certain, and when these strategies look for backup positions in the Pacific, the view is no longer so pleasant. To have to worry about—let alone contest for influence in—a huge watery patch of the globe that has been uncontested since World War II isn't appealing.

FLIRTING BACK

Most regional leaders don't savor the prospects of superpower competition, either, although they have discovered that the best way to get the Reagan administration's attention is to flirt back at Communists. They are doing so because today theirs is a region of resentment. U.S. tuna boats and U.S. support of French nuclear-weapons testing on Polynesian atoll of Muroroa have fertilized budding anti-Americanism and used up much residual good will.

Meanwhile, the Anzus alliance, a mutual-security pact between Australia, New Zealand and the U.S., is under strain, perhaps unraveling. And Australia and New Zealand, especially the latter, are under growing pressure—from anti-nuclear groups, leftist trade unions, environmentalists and peace groups—to abrogate the treaty, kick out U.S. military facilities, dismantle joint intelligence-gathering and communications sites, and even join the nonaligned movement.

These groups have helped organize islanders into anti-U.S. groups as well. Through some leftist New Zealand trade unions, Moscow dispenses money and support.

U.S.-NEW ZEALAND RIFT

Prime Minister David Lange of New Zealand carried out a popular 1984 campaign pledge of banning U.S. warships' port visits unless the U.S. certifies that the ships are nuclear-free—which it won't. Fearing that the New Zealand action might be copied elsewhere, the U.S. retaliated with strong denunciations and suspended all military cooperation with New Zealand. The U.S. also cut New Zealand out of a secret and elite intelligence-sharing network that includes the United Kingdom, Canada and Australia and involves swapping secrets that the U.S. won't share, for example, with NATO.

The U.S.-New Zealand actions strained relations and rendered largely inoperative the 35-year-old Anzus alliance, which most island leaders viewed as a regional security blanket. The U.S. retaliation made it difficult for New Zealand to carry out what had been its primary intelligence-gathering mission in the five-power network: keeping a military and political eye on the South Pacific.

The region's nuclear allergy was aggravated when French agents bombed a Greenpeace environmental protest ship, the Rainbow Warrior, in Auckland harbor, killing a photographer. The ship had been en route to Muroroa to protest French testing, which has gone on underground since 1975 and was carried out in the atmosphere before that.

Eight nations of the 13-member South Pacific Forum, including Australia and New Zealand, meanwhile agreed to a treaty creating a South Pacific Nuclear Free Zone. Australia declined to cooperate with the U.S. in MX missile testing.

Of far more immediate concern, however, was Moscow's success, for the first time, in getting an economic-cooperation agreement with one of the microstates. The Republic of Kiribati, frustrated by U.S. fishing abuses, last summer opened its 1.4 million square miles of Central Pacific waters to a Soviet fishing fleet.

And last fall, Soviet cruise liners, banned from plying the region in retaliation for the Afghanistan invasion six years ago, were invited back in to help a sagging tourist trade. (On Feb. 16, one of them struck a reef and sank in New Zealand's Cook Strait.)

At least six financially strapped nations in the region—Fiji, Kiribati, the Solomon Islands, Tuvalu, Vanuatu and Western Samoa—received fresh offers of Soviet aid and economic cooperation last year. Such offers have been spurned in the past. Now, some leaders suggest that they will wait and see how the Kiribati fishing arrangement works out before turning Moscow down. The accord nets Kiribati $1.7 million, about 10% of its national budget. Other aid-dependent islanders could use that kind of money, too.

In the meantime, Vanuatu, already best friends with Cuba, has agreed to receive Vietnamese foreign aid in the form of a medical-aid team sent by Hanoi. And in New Caledonia, pro-independence forces acknowledge that one faction in their coalition sent a team to Libya for training in the fall of 1984. They say they haven't ruled out another visit.

Even Western successes have their qualifications. While the voters of Palau, for example, have just overwhelmingly approved a new political relationship with Washington that gives military concessions to the U.S., the arrangement also bars the use, testing or storing of nuclear weapons there.

While the Soviets increase their friendly overtures in the region—for example, by passing out free airline tickets to visit Russia and offering scholarships to study there—anti-American feelings are growing and regional diplomats blame the Reagan administration.

Mr. Reagan's first-term rejection of the 1982 Law of the Sea treaty was viewed by islanders as an official endorsement for U.S. fishing vessels to steal their most valuable economic resource: tuna. Under a 1976 U.S. law, tuna are exempt from claims of a 200-mile economic-zone because they are a "highly migratory species." So U.S. tuna fishermen freely take catches in violation of the laws of the island nations involved. The Reagan administration also angers islanders by backing French colonial claims to French Polynesia and New Caledonia.

"The United States must stop stomping around the South Pacific like a heedless hippopotamus, following damaging policies dictated by North Atlantic interests," says an editorial in Pacific Islands Monthly, an Australian-based magazine that reflects regional thinking.

MILITARY CONCERNED

All this hardly makes for the next superpower flashpoint. But a succession of U.S. Pacific military commanders, including Adm. William J. Crowe, who is currently the chairman of the Joint Chiefs of Staff, have expressed concern and quietly lobbied the Reagan administration to clean up its act in the region. That process began last summer, after the Anzus crisis and the Kiribati-Soviet fishing agreement, when Secretary of State George Shultz toured the region.

A December 1984 study for the State Department's Office of Long Range Assessments and Research notes that "the bull is not yet amongst the china" but that the situation could quickly change. Good will toward the U.S. is large, the study said, but "the real question is how long can the reservoir be tapped without replenishment?" Discussing Soviet offers to trade aid for fishing rights, the study went on:

"The current U.S. fishing difficulties in the region to make the Soviet fisheries offers appear more attractive than perhaps they would otherwise. Secondly, the financial problems of the smaller atoll countries are perceived to be such that cash income even from the Soviet Union would be difficult to refuse."

Contrary to the travel brochures, most of the microstates are economically troubled. They have growing populations, rising numbers of restless unemployed youths, and spreading problems with urbanization, crime, suicide, alcoholism and drug abuse.

As a group, the microstates receive more foreign aid per capita than any other place in the world, although the amount is relatively small because total populations are tiny. But living space is tiny, too, and unhealthful.

Randy Thaman, who heads the University of the South Pacific's school of social and economic development, says the South Pacific is one of the world's most unhealthful places to live. Other parts of the world may be slowly winning battles against diseases. Not this region. Malaria, hepatitis, meningitis, intestinal diseases, tuberculosis, anemia, syphilis and gonorrhea are growing health

problems. There are no sewers, sanitary garbage removal or clean-water sources for most islanders. Thus, diarrhea has become a major killer.

Enormous political, social and economic changes were under way in the region long before the Soviet bear began dangling his toe in these tropical waters. At World War II's end, six Western colonial powers administered island dependencies. Today, most are independent nations or moving toward sovereignty.

By the late 1970s, most had staked claim to waters and resources within 200 miles of their shores in accordance with Law of the Sea deliberations, as did the U.S. and other maritime nations. Instead of a Pacific dotted by island pinpricks, says F. Rawdon Dalrymple, the Australian ambassador to the U.S., "you suddenly had a map where huge areas of the earth's surface were marked off [with claims of] political entities most of which were virtually unknown to the outside world."

FIVE MILLION SQUARE MILES

They claim, in fact, about 5.6 million square miles of sovereign territory—an area almost twice the size of the continental U.S., and there is precious little free ocean left. Most of these tiny nations have few land resources to exploit beyond coconuts; the 200-mile economic zones gave regional leaders the hope that for the first time, economic self-sufficiency might be possible.

But fisheries development is only beginning. In the meantime, says the Heritage Foundation study:

"The World War II generation of island leaders is being succeeded by a younger generation, whose concern with economic development and anger over perceived U.S. insensitivity make them susceptible to Soviet offers of economic assistance as well as to pleas by Third World radicals to join the Third World bloc in its anti-West, anti-U.S. and anti-free-market policies."

Despite these trends, the Soviets haven't made much headway until now, largely because of painstaking diplomacy by Australia and New Zealand. "Dealing with these micro- and mini-states requires a very delicate touch—a feel for the cultures involved, close personal contacts and a fine sense of how much is enough," Owen Harries, a former Australian diplomat, wrote in the American magazine Commentary.

He added that it was "doubtful whether the U.S. could do it anything like or as well as its allies.

ISLAND LEADERS SAY U.S. TUNA POLICY IS MADE BY ASSOCIATION IN SAN DIEGO

AUCKLAND, New Zealand.—Most people think that American foreign policy is made in Washington and carried out by State Department diplomats. But they think otherwise in the island microstates of the South Pacific.

U.S. policy, island leaders charge, is made in San Diego, the home of the American Tunaboat Association, and carried out by poachers who are protected by Washington.

Tuna is the island nations' most important economic resource, and U.S. fishing policy angers them in two ways. First, Washington doesn't recognize their 200-mile economic-zone claims as far as tuna is concerned. Second, the Fisheries Protection Act of 1967 provides that if any nation seizes a U.S. fishing boat, Washington must impose an embargo on all fish products from that nation. The same law also requires Washington to reimburse the boat owner for the cost of the seizure and of recovering the boat and to pay him the amount of money he would have made fishing if the boat hadn't been stopped.

BUCCANEERING BEHAVIOR

"The buccaneering behavior of the American Tunaboat Association" infuriates island countries even more than French nuclear weapons testing in French Polynesia, says the region's news magazine, Pacific Islands Monthly.

But U.S. tuna fishermen say they couldn't compete with cheap foreign imports without Washington's protection, August Felando, the president of the American Tunaboat Association, notes that 21 of the 33 boats in the U.S. tuna fleet are currently tied up in bankruptcy proceedings.

Partly because of chicken's increased popularity, tuna prices to fishermen have dropped to about $700 a ton from $1,100 a ton four years ago, he says. Fast, modern purse-seiners, with on-board helicopters to locate tuna schools, cost $10 million five years ago; Mr. Felando says they are for sale at half that now.

Other tuna fleets, from Japan and South Korea, for example, pay island nations annual fees to fish. The U.S. fleet has had similar agreements with a few island nations in the past but has none now. After a visit to the region last summer, Secretary of State George Shultz ordered a speedup of talks on the issue.

KIRIBATI-SOVIET PACT

The president of Kiribati, Ieremia Tabai, says that anger over U.S. fishing policy is what propelled his tiny nation to sign a fishing agreement last August with the Soviet Union—Moscow's first ever in the region.

Kiribati is a nation of 62,000 people on 33 tiny islands, including Tarawa, which cost some 3,000 U.S. Marine casualties to take from Japan during World War II. It lives off a tiny copra crop, foreign aid and fishing agreements.

The one-year Soviet accord allows 16 trawlers to fish in a maritime zone of about 14 million square miles. The Soviets paid about 20% more than the going rate for the agreement. Cost: $1.7 million. In contrast, it cost U.S. taxpayers an estimated $3.5 million after a single U.S. tuna boat, the Jeanette Diana, was seized on poaching charges in June 1984 by the government of the Solomon Islands.

IN HONOR OF MAYOR GILL

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 8, 1986

Mr. STARK. Mr. Speaker, northern California is honoring this month Mayor Valance Gill of San Leandro, CA, for a long career of public service well done.

Mayor Gill will be retiring soon, but he leaves as a monument one of the finest cities in California—or any State. San Leandro under his direction, both as a councilman and as a mayor, has become one of the most livable and pleasant neighborhood communities in America. This fresh looking, young-in-spirit city is a product of the work of Val and his fellow activists in city government.

Mayor Gill was born in Jaraiz de la Vera, Spain in 1917. His parents and family came to the beautiful San Francisco Bay area in 1921 and settled in, helping build the East Bay. Val worked in the area shipyards and for Standard Oil Co. and then for the world-famous Lawrence Livermore National Laboratory, from which he retired in 1973.

But Val started his public service in 1956, when he was elected to the San Leandro City Council. He served for 8 years, and then took an 8-year break, before returning to the council in 1972. That spring, he was elected by his fellow council members as vice mayor, the job he held until his election as mayor in 1978. As mayor he has been a national leader in urban organization efforts to maintain and improve revenue sharing, trade opportunities, and other community development and improvement programs.

Val's record of service is an example of public leadership that we should all admire and strive to emulate. I join Bernice, his wife of 46 years, and all the people of San Leandro, in wishing Mr. Mayor a happy and healthy future.

I would like to list at this point some of the groups that Mayor Gill has worked with in improving the life of the citizens of the East Bay:

Appointed San Leandro's Representative to the Association of Bay Area Governments on 2-6-78. (Was also a member of ABAG's Executive Committee to 7/82.)

Member, United States Conference of Mayors Community Development, Housing and Economic Development Standing Committee.

Alternate Member, Bay Conservation and Development Committee.

Member, Board of Directors, American Red cross (Oakland-South Alameda County Chapter).

Vice Chairman, U.S. Conference of Mayors Task Force on Revenue sharing.

Member, Conference of Mayors Transportation Committee.

Member of Advisory Committee, Muscular Dystrophy Association.

Member, Metropolitan Transportation Commission (appointed 2/83).

Member, National League of Cities General Revenue Sharing Task Force (appointed 1/83).

Member, International Affairs Standing Committee, United States Conference of Mayors.

Member, Honorary Board of Directors, Association for Retarded Citizens—Alameda County.

Chairman of the Subcommittee on Trade of the International Affairs Committee, United States Conference of Mayors.

FIFTEENTH ANNIVERSARY OF THE BRIDGE

HON. ROBERT A. BORSKI

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 8, 1986

Mr. BORSKI. Mr. Speaker, I rise to pay tribute to The Bridge, on their 15th anniversary in providing help to young victims of drug and alcohol dependency. The Bridge has played a critically important role in helping young people with problems get their lives together and has become an important part of the community in Philadelphia.

The Bridge was founded in 1971 by a group of concerned Philadelphians. In its 15 years, it

has received the acclaim of community groups like the Better Business Bureau and the Philadelphia County Medical Society. In that time, it has developed into an organization offering comprehensive rehabilitation services through six different programs. These programs include the Adolescent Treatment Program, the Bridge School, Family and Youth Services, Educational Services, and Community Educational Services.

The Bridge offers young victims of chemical dependencies a full range of treatment. It addresses not only the dependency itself but the whole range of problems that a person may have, including personal, social and psychological probems, and educational needs. These programs help provide an environment that is rich and stimulating for Bridge residents and patients. The Bridge also maintains strong links with community organizations and is a leader in efforts to educate everyone about the problems of drug and alcohol dependency, and the needs of people with these problems.

The Bridge has completed 15 years offering critically needed assistance to young people in Philadelphia. Its programs have set a standard for full and effective treatment of chemical dependencies. I join the many grateful Philadelphians who now commend them and express our appreciation for their years of services.

STANDARDS ARE NEEDED TO ENSURE PROPER ASBESTOS REMOVAL AND DISPOSAL

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 8, 1986

Mr. FLORIO. Mr. Speaker, asbestos contamination in our Nation's schools is a grave problem. More than 15 million children are exposed to deadly asbestos in 30,000 school buildings throughout the country. Presently, there are no Federal regulations dictating how to properly abate asbestos in schools and dispose of the debris. Shoddy abatement work is worse than no clean-up work at all because more hazardous fibers are released into the air than if the asbestos had not been touched. The Environmental Protection Agency [EPA] estimates that 75 percent of all abatement work has been done improperly because without Federal regulations guiding cleanup work, this difficult, dangerous work is often left to disreputable contractors, who intentionally skip safety precautions or use slipshod measures. It is imperative that only fully trained contractors do this cleanup work.

Unfortunately, the problem gets worse. Disposal of asbestos debris when not done correctly can also have potentially deadly results. Recently, several bags of asbestos debris from abatement work were discovered in an abandoned house in Camden, NJ. Luckily, the bags were not damaged, but, if children playing in the house had come across these bags and ripped them open, the results could have been disastrous. Last week, according to the Camden Courier-Post, those who dumped the bags into the house were arrested.

If EPA had promulgated regulations establishing a contractor accreditation program and regulations prescribing proper disposal of asbestos debris, it is unlikely the problem in Camden would have occurred. The perpetrators were caught in Camden, but who knows how many situations exist around the country where bags have been improperly disposed of and then ripped open by unsuspecting victims or where the dumpers were not identified.

Senator STAFFORD and I have introduced legislation that would force contractors who do school cleanup work to be fully trained and accredited and would require the proper disposal of asbestos debris. The Asbestos Hazard Emergency Response Act of 1986 (H.R. 4311) also establishes a roadmap showing school officials how to properly inspect for hazardous asbestos and how they should clean it up once it is found. Following the establishment of standards, schools will be required to inspect where they have not done so already and prepare and implement cleanup plans for any hazardous asbestos found in buildings.

Proper cleanup only alleviates part of the problem. Asbestos must also be disposed of correctly so situations like the one in Camden can be avoided. We must act now to end this national problem.

I urge my colleagues to cosponsor this legislation and commend the article from the Courier-Post detailing the arrest of the persons who dumped asbestos into the vacant house.

[From the Courier-Post, Mar. 15, 1986]

ASBESTOS DUMPING CHARGES LODGED

Camden—Police yesterday charged Bertryn Brown, 33, as the person responsible for leaving six bags of asbestos in a van in South Camden last summer.

Brown, of the 500 block of Viola Street, already in the county jail on other unrelated charges, is accused of violating the city's illegal dumping ordinance and faces imprisonment of up to a year and a fine upon conviction, according to Detective Richard Arensberg.

The detective said Brown, who had been a partner in a firm called Asbestos Removal Inc., of 319 York St., drove the potentially dangerous asbestos to a parking spot in the 400 block of Chestnut Street last summer.

Arensberg said he turned the title to the van over to a man identified as Pete Dixon, formerly of Camden, to settle a debt.

The van sat there until early August, when two Philadelphia men purchased it from Dixon and drove it away. Before leaving, however, they removed the marked bags filled with asbestos and left them in a vacant, city-owned house at 430 Chestnut.

Those two, identified as George McNeil and Cecil Fitzpatrick, were arrested on Monday for violating the illegal dumping ordinance.

Arensberg said the Brown arrest closes the investigation ordered by Mayor Melvin R. "Randy" Primas Jr. on Feb. 13 after he met with concerned South Camden residents who found the asbestos in the building. Primas also ordered the building demolished, and it was, the next day.

SALUTE TO CHURCH OF ST. MARK EPISCOPAL

HON. MAJOR R. OWENS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 8, 1986

Mr. OWENS. Mr. Speaker, families and neighborhoods have recently received a considerable amount of national attention. Both social scientists and elected officials have been reaffirming the pivotal role of the family in the complex fabric which makes our Nation great. Neighborhoods and the institutions which make up local communities are of vital importance in the process of nurturing strong families. Within the black community, none of the institutions are of greater importance than the church.

For 150 years, the Church of St. Mark Episcopal has stood like a beacon providing services to thousands of individuals who reside in the Crown Heights community and other parts of the 12th Congressional District of Brooklyn.

This stately church is located in the center of the Crown Heights area of Brooklyn and is considered one of the neighborhood's exceptional landmarks. The church was founded in 1835 in the village of Williamsburgh, which was then a suburb of Brooklyn and Manhattan. In 1893 the construction of the Williamsburgh Bridge forced the church to relocate. In 1895 the land on Brooklyn Avenue and Union Street was purchased, and on January 26, 1901 the cornerstone was laid. Reportedly, this was the first stone church of gothic design in Central Brooklyn.

By the time the church celebrated its 100th anniversary in 1935 many changes were taking place—especially the composition of the congregation. The population in Crown Heights was becoming a mixture of blacks of American and West Indian origins as well as whites. Persons of the Caribbean background sought out an Anglican—Episcopal—church to attend, and so the numbers of parishioners grew slowly at first, but with increasing momentum in the last 12 years.

The statement of purpose for this old and venerable institution is: "The Church of St. Mark is a sanctuary for human experience where commitment of families and individuals is being demonstrated through worship and activity." These words convey the direction of St. Mark's ministry for the past 12 years. Since becoming rector, the Reverend Dr. Heron A. Sam has accepted the concept of a shared servanthood in his ministering to his congregation of some 2,000 parishioners. He has sought to make the congregation coresponsible for the church's growth economically, programmatically, and spiritually.

While maintaining the essence and content of worship of the American Episcopal Church, the Church of St. Mark has managed to infuse its devotional life with many features of the Caribbean Anglican church so beloved by its parishioners. There are over 20 active parish organizations carrying out the programs of this busy parish. The sunday school is attended by some 200 young people.

In addition, a number of community programs have been offered, including nutritional,

recreational, and cultural programs for seniors; youth employment information and activities; and a school for young people from nursery to high school with an enrollment of 800 students.

The church's efforts to respond to the present needs of the community include the heightening of social and political awareness of its parishioners by making available to them information on voting, citizenship, and current issues. The Church of St. Mark Episcopal must also be commended for creating a nonpartisan coalition to bring together the many different ethnic groups of Crown Heights in order to deal with common community concerns.

Many religious, social, and cultural events have been sponsored by the church in celebration of this sesquicentennial year. It is a historical milestone in the life of the church parish and for the entire community. The church's commitment to family life, education, and community service will continue to be a major asset to the central Brooklyn area. We salute the work of the church for the past 150 years and we look forward to the continuing contribution of the Church of St. Mark Episcopal for another 150 years.

A TRIBUTE TO THE REVEREND DR. E. MITCHELL MALLETTE

HON. NORMAN F. LENT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 8, 1986

Mr. LENT. Mr. Speaker, it is my distinct pleasure to rise today in recognition of a distinguished citizen from my Fourth Congressional District in Long Island, NY, the Reverend Dr. E. Mitchell Mallette. Pastor Mallette has served with distinction for over 30 years as the spiritual leader to the congregation of the Second Baptist Church and the community of Freeport, NY.

Pastor Mallette's family and friends, as well as many members of his congregation at the Second Baptist Church will be honoring him at a testimonial banquet on April 25. At this time, I'd like to take a moment to recognize Pastor Mallette's many accomplishments and contributions to his church and the Freeport community.

Pastor Mallette was called to the ministry at the young age of 12 and became pastor of his first church, the First African Baptist Church of Savannah, GA, at the age of 16. He studied for many years under the late Dr. Ralph Mark Gilbert and, in 1956, he was introduced to the small congregation of the Second Baptist Church in Freeport where he has remained ever since. In May 1971, the degree of doctor of sacred scripture was conferred upon him by the Pillar of Fire Pentecostal Seminary, York, England.

He has dedicated his career to helping people as a teacher, adviser, evangelist, and active member of the Freeport community. Pastor Mallette was appointed to the Freeport Board of Ethics and served as a commissioner of the Freeport Housing Authority for more than 15 years. During his term, a 100-unit senior citizen apartment complex was constructed and named in his honor as the "Dr. E. Mitchell Mallette Senior Citizens Apartments."

Committed to spreading the gospel's message and teachings, Dr. Mallette is heard weekly over radio station WTHE, the "Gospel Out-reach Ministry." He is also an accomplished gospel singer who has made several recordings.

Pastor Mallette is beloved by his congregation. Over the past 30 years, he has performed many marriages, blessed many children, and comforted the bereaved. He was watched over and cared for the well-being of his following as he would his own family, and under his guidance and leadership, the Second Baptist Church and congregation has grown and prospered.

I'd like to extend my deepest appreciation to the Reverend Dr. E. Mitchell Mallette for his many years of dedicated service to the Second Baptist Church and the entire Freeport community. And on behalf of his many friends and supporter, I wish him happiness and continued success in the years ahead.

THE 62D ANNUAL SCOUT'S RECOGNITION EVENING, SAN GABRIEL VALLEY COUNCIL OF THE BOY SCOUTS OF AMERICA

HON. CARLOS J. MOORHEAD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 8, 1986

Mr. MOORHEAD. Mr. Speaker, I would like to take this moment to bring to the attention of my distinguished colleagues in the House of Representatives, the "62d Annual Scout's Recognition Evening" of the San Gabriel Valley Council of the Boy Scouts of America to be held Tuesday, April 15, 1986, in Pasadena, CA.

With an expected crowd of 900 people, including dignitaries from the National, State, and local governments, the Scout's Recognition Evening will honor those individuals, packs, and troops who have provided outstanding leadership within the San Gabriel Valley Council.

In keeping with the longstanding tradition of the Boy Scout Councils throughout the Nation, the Council will also be awarding nine "Silver Beaver Awards." This most prestigious of volunteer scouting honors will be presented to Mr. Walter Bacon of the Mission Amigos District; Mr. James R. Campbell and Mr. Lawrence A Harrington of the Lucky Baldwin District; Mr. Bill Hayes, Mr. Kenneth A. Lane, Jr. and Mrs. Rosanne Mueller of the Valle Del Sol District; Mr. Bruce G. McGregor of the Rose Bowl District; Mr. James A. Meskan of the Golden Eagle District and Mr. James H. Chaney of the Council.

Mr. Speaker, I am pleased to congratulate the recipients of the Silver Beaver Award and to thank them for the immeasurable contributions they have made to the community in general and scouting in particular.

THE RIGHT TO EXIST; THE RIGHT TO BE FREE

HON. MARK D. SILJANDER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 8, 1986

Mr. SILJANDER. Mr. Speaker, for 30 years the Cyprus dispute has caused animosity and mistrust between Greeks and Turks. It has affected relations with the United States and within the NATO alliance, of which both nations are an integral part.

Now, U.N. Secretary-General Peres de Cuellar has presented both sides in the dispute with a Draft Framework Agreement in an effort to bring about a peaceful settlement of the dispute. While both the Turkish Cypriots and the Greek Cypriots are currently studying the terms of the proposed agreement, there is reason for optimism.

Against this backdrop, the respected syndicated columnist Georgie Anne Geyer recently visited the northern part of the island. What she saw and heard while in northern Cyprus were recorded in her column which appeared March 27, 1986, in the Washington Times and more than 40 newspapers across the United States.

The objective of the Turkish Cypriots is really quite simple. As Rauf Denktash, leader of the Turkish Cypriots, is quoted by Ms. Geyer: " * * * the right to exist and the right to be free" is their quest.

In an effort to aid in a better understanding of both sides of this dispute, I am pleased to call my colleagues' attention to Ms. Geyer's column.

VISIT TO A CYPRIOT COUNTRY THAT DOESN'T EXIST

(By Georgie Anne Geyer)

NICOSIA, CYPRUS.—On Cyprus Airways maps, a Turkish Republic of Northern Cyprus does not exist. When you ask here at the Hilton Hotel to call the "Turkish side," the operators tell you crisply that there are "no telephone numbers there."

Yet across a meandering "border" that stretches across this gloriously beautiful island, there exists, since Nov. 15, 1983, a strange little "nation" or place of its own.

"We had to establish our state," the Turkish "President" Rauf Denktash told me in his homey office in Turkish Nicosia. "We were left with no alternative but to show to the world that a second people existed with a vested right in the island of Cyprus: the right to exist and the right to be free.

"Is it a state?" this heavyset and intelligent natural leader asked. "Well, we have a legislative, judicial, and administrative system. We are completely independent, with a multiparty democracy, with full press freedom, and with our own army. We have our own budget and we tax ourselves.

"The establishment of the state had become a necessity after 20 years because people could not live stateless forever."

The last time I had been to the Turkish side was in 1974. The Greek and Turkish bodies and souls of the legendary island of Cyprus were in a nasty war that started when certain of the less palatable Greek political forces tried to unify the island with Greece. Turkish troops swept over the island, and it was soon totally divided, as

refugees poured into their own national parts of the island.

And today a dozen years later? In order to cross from the thriving Greek Cypriot side, you still walk the long, tree-shaded No Man's Land to the country that doesn't exist. Yet there are customs inspectors on both sides. They check your passport . . .

I looked around curiously. It had all changed, a lot. Turkish Nicosia is bustling now. It is not nearly so prosperous as the Greek side, but it is quite alive. I visited "The Museum of Barbarism," which shows how the Greeks massacred a family of Turks. I see a lot of pictures of the great Turkish leader Ataturk, showing the reinvigorated ties to Turkey. I sit having lunch atop the modern Saray Hotel.

Yes, Turkish Cyprus exists, but as what? That is the question nobody seems to be able to answer.

Looking into the "Cyprus question" makes something like, say, the Central American question seem easy. The history here is a twisting maze, complicated by a history of unnatural British legalism imposed upon a world of Byzantine treacheries.

Looking only at 1974—the last of many crises between the two peoples doomed to inhabit this beaufiful island—the Turks say that after all it was the Greek side that tried to upset the independent Cyprus agreement. The Greeks say fine, but now we are a different Greek government, that it is Turkey which rules in Turkish Cyprus, and that the two sides should be united again.

"There is no willingness to have confederation—or federation," President Denktash tells me, speaking of the Greek side's insistence upon re-establishing the unity of the island under a central government. "What they want is domination in a country in which Turkish Cypriots are granted certain rights. They do not really want a solution based upon partnership."

As I walk around in the glimmering Cyprus sunlight, beautiful valleys and mountains sweeping out from the divided city that is Nicosia, I try to think over this curious, and different, situation, which in fact speaks to other situations in the world today.

After World War II particularly, new countries were created all over the postcolonial world. In these countries, peoples, tribes, clans, and religions were all mixed up. The new loyalty to "state" was to overcome those old blood loyalties.

Now we seen that, whether in Lebanon, in Cyprus, in Africa, or in the Middle East, people are returning to the old loyalties.

This is not an ideal situation. The Greek Cypriots have a point in saying that the island will develop only if united. And the Turkish "state" has no international recognition whatsoever. And yet . . .

It was a nasty, if now largely forgotten, war here in 1974. And President Denktash constantly reminds people that, since the division, not one person has been killed.

I find myself thinking that, after all, there is realistically something to be said for people having their own national home and group—if they can then use that integrity to approach with respect the other national groups around them.

A TRIBUTE TO DEANE DANA

HON. DAN LUNGREN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 8, 1986

Mr. LUNGREN. Mr. Speaker, for many years the United States and the State of Israel have enjoyed a unique relationship based on mutual respect, friendship, and trust. The years have also seen many citizens of both our great nations give unselfishly of themselves in the promotion of that relationship. It is an honor to recognize one of those individuals, Deane Dana, a member of the Los Angeles County Board of Supervisors.

In recognition of his efforts in the promotion of peace and safety in Israel, and for his part in strenghthening the overall relationship between our countries, Supervisor Dana was recently awarded the Torch of Freedom Award by the Government of Israel. Mr. Speaker, in appreciation of Deane Dana's dedication to this vitally important cause, I would request that the resolution granting this honor be placed in the CONGRESSIONAL RECORD.

DEANE DANA

Whereas, Los Angeles County Supervisor Deane Dana will be accorded the Torch of Freedom Award by the State of Israel at the Salute to the Business, Labor and Cultural Communities of California on Wednesday, March 27, 1986 for his lifelong dedications and concern for people everywhere; and

Whereas, the traditional mutual friendship, respect, and esteem between the United States and Israel have been reaffirmed by every President since Israel achieved independence; and

Whereas, the economic stability of Israel is fortified by the Israel Bond program, now in its 35th year of providing urgently needed finances to develop every major aspect of Israel's resources; and

Whereas, Israel Bond dollar remain in the United States to pay for American goods and services produced by American labor and transported to Israel in American transport; and

Whereas, Deane Dana has supported the efforts of the Israel Bond program, recognizing that only in an economically secure world can all citizens maintain their dignity; and

Whereas, because of his deep consideration for the less fortunate, he created the first Los Angeles County shelter program for homeless families and has taken the lead in establishing national and international business ties to generate a more sound economic environment; and now, therefore, be it

Resolved by the ——— That Deane Dana is hereby highly commended for his outstanding public record of diligent and dedicated service and concern for his community and sincere warm congratulations are extended for being the recipient of Israel's Torch of Freedom Award.

RADIO MARTI: A REMARKABLE SUCCESS

HON. DANTE B. FASCELL

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 8, 1986

Mr. FASCELL. Mr. Speaker, in the past 12 months, the Voice of America's Radio Marti has proven to be a remarkable success, promoting the cause of freedom by bringing unbiased news to the people of Cuba—and, I am delighted to add, confounding the island's Communist leaders while allaying fears in this country that the station would be broadcasting "propaganda" rather than facts.

These fears quickly proved groundless, and even early-on critics now concede that Radio Marti's broadcasting has been fair, accurate, and even-handed. And the facts, it seems, are proving far more damaging to Fidel Castro than any propaganda could ever be.

Castro has reacted, forbiding listening, threatening reprisals, attempting to jam broadcasts, More importantly, he has unwittingly underscored the effectiveness of the VOA broadcasts by responding to news reports that were not carried by his state-controlled media, and by revising local programming in an effort to compete with the popular broadcasts of Radio Marti.

In the arsenal of democracy, the truth remains our greatest weapon, and the one most feared by our adversaries. And, I would note in the days of Gramm-Rudman, one of the most cost-effective.

I have been a long-time advocate for, and supporter of, Radio Marti, which began broadcasting from south Florida last May 20.

Castro promptly responded by suspending an agreement to take back more than 2,700 criminals and mentally disturbed Cubans dumped on our shores during the Mariel exodus of 1980. This led the New York Times to propose in a recent editorial that Radio Marti be cut off the air in hopes of reviving the agreement.

In the resulting uproar, the paper looked into the matter further, then took the unusual step of editorially reversing its position and concluding that "the station appears to have found a responsive audience and filled a void in Cubans' information."

The Times added: "Contrary to our fears last year, it has avoided propaganda and supplemented, not duplicated, commercial Spanish-language broadcasts from Florida."

I commend the Times for investigating further, and for the courage to admit it had been mistaken. We cannot allow Fidel Castro to use the Mariel emigres to blackmail the United States into taking Radio Marti off the air; his desperation to end the broadcasts, I submit, are a strong justification to continue them.

Radio Marti has recently increased its daily broadcasts to 17½ hours, added variety to its music and entertainment programs and rearranged its schedule to add bold new programs and reach new audiences.

Interviews with recent arrivals from Cuba indicate listenership to Radio Marti is extensive and growing. When Cuban media failed to report the death of a prominent Cuban politi-

cal prisoner but Radio Marti did, more than 500 people showed up at the funeral.

The young people of Cuba, exposed to unrelenting Communist propaganda, find Radio Marti one of the few sources of accurate and unbiased information; they are among the station's most loyal listeners.

Increased broadcasting has severely strained Radio Marti's facilities. New studios are being constructed, and shortly the Marathon site will be upgraded with a new transmitter and refurbished antenna system.

Meanwhile, VOA is closely monitoring a new superstation which Cuba has put on the air. Called Radio Taino, it purports to be a tourist-information station but it is the most powerful station operating from the island.

Radio Marti was made possible through the strong, bipartisan support of the Congress, and the experience of the past year has more than justified our enthusiasm for this program.

Our colleagues will find interesting a recent analysis of Radio Marti in the February 19 issue of the Times of Americas.

The article follows:

[From the Times of the Americas, Feb. 19, 1986]

RADIO MARTI GETS GOOD MARKS

(By Jon Basil Utley)

"Very professional" are the words one repeatedly hears from critics about Radio Marti. Now in its sixth month, it's receiving high praise from the Cuban American community, and even many of its earlier opponents now state admiration for its quality. It's already had a noticeable effect upon Cuban government radio and TV programming.

News Director Jay Mallin, formerly with *Time* and the *Washington Times* says, "the most effective weapon is a continuous stream of accurate news, something the Cuban people haven't had for 26 years. We seek balance and calmness, we try to give a well-rounded, credible news service. Our weekly roundtable discussions even include opposition viewpoints to give credibility. Havana says we're 'old fashioned' and officially ignores us, but there is some low key interference now with our AM broadcasts."

Programming includes four hours daily of news and information, music and special features. Reports concentrate on news about censored happenings inside Cuba, news about Cuban soldiers abroad, historical documentaries about past events under Castro's rule, news of happenings in other communist countries, and world news. According to travelers' reports and information from families of Miami's Cuban community, it is widely listened to inside Cuba, this despite jail sentences or fines for persons caught listening. The station has been overheard on taxicab radios and at least once from a Cuban police car. Taped Radio Marti music, complete with the voice of the announcer, was reportedly used at a party held by the Union of Communist Youth. A popular soap opera, "Esmeralda," is widely listened to as well as horoscopes, a forbidden fare in communist nations. Church services are broadcast each Sunday. They are very widely listened to. The radio also reaches other Caribbean nations. *Time* magazine's correspondent in Nicaragua told me that she can receive it on her car radio.

Audience reaction is studied from interviews with travelers and new arrivals from Cuba. (Contrary to Radio Marti, the Voice of America's Spanish language service is criticised by many as being particularly weak. Indeed, the U.S. Embassy in Nicaragua has reportedly sent a cable complaining about its news coverage on Nicaragua. The Spanish service also uses very few of the pro-supply side and anti-marxist programs put out by other VOA services.)

DOCUMENTARIES

Marti's feature programming includes such studies as a documentary series titled "Cuba without Censorship" focusing on events inside Cuba which the Cuban government has suppressed. One titled, "The Canimar Massacre," told of the Cuban navy's 1980 shooting and sinking of a pleasure boat loaded with families which has been hijacked by soldiers trying to flee. Another described and refuted official myths about Fidel Castro's first military action in 1953 attacking former dictator Batista's troops at Moncada. Another series of broadcasts analyzed the conversion of French leftists to anti-communism and reported on their new recognition (and criticism) of Cuba's marxism.

Audiences have been told about arrests in Las Villas province of workers trying to form a trade union and about the conditions of Cuban soldiers in Africa, including interviews with Angolan resistance (Unita) spokesman. Many programs deal with Angola where disease is reported to be widespread and 6,000 to 7,000 Cubans have died. The dead are buried in Africa, the wounded sent to East Germany. Other programs include interviews with Cuban defectors and debates about issues of the day. Marti also tells Cubans about what foreign correspondents living in Cuba report to their home countries about Cuba, something Cuba's official news organs often covered up.

Ernesto Betancourt, Radio Marti's director, says that Cuban government response has not been what was expected. The programs are not being jammed. Betancourt thinks that it's a matter of personal pride for Fidel Castro, who considers himself as the world's greatest communicator, that he would be admitting defeat if he ordered jamming. He says that Castro thinks he can compete, that he can still win over Cubans with this own messages. Officially the government radio, after initial denunciations, now ignores Marti's existence, but indirectly it tries to respond to Marti programming. If Marti were jammed, some short wave broadcasts would get through anyway, and the station would be authorized to buy time on local Miami stations.

But major changes have been undertaken by Cuban government broadcasts. Betancourt says that they include timing new, livelier, imported TV programs to coincide with key Marti news broadcasts, 18 new programs, greater emphasis on entertainment for youth, and a livelier format for news broadcasts. Sources are reported, something not previously often done, so as to try to show credibility like Radio Marti. For the first time, the domestic radio also gives Cubans reports direct from its own foreign correspondents. The Government has even started a call-in show to try to show responsiveness to the public and is putting on its own soap opera. Betancourt says that the Cubans dropped their main 17-year-old program, called "Political information," and replaced it with straight news. The government radio even now broadcasts entertainment programs without propaganda and even modern music for young Cubans. Betancourt added that the Cubans now take satellite news from American TV stations to show anything bad they can about life in the United States.

Ernesto Betancourt, 28 years ago, was a supporter of Fidel Castro, like most middle class Cubans at the time. Later he served in Castro's Cuba as a director of a bank and of the monetary exchange divison. After fleeing Cuba he worked for 16 years in the OAS rising to Budget Director. Like many ex-leftists, Betancourt is said to know how Cuban marxists think and therefore how to combat them. "He knows how Washington functions, he'll be able to get things done," says Frank Calzon, a supporter of Betancourt and director of the staunchly anti-communist Cuban American National Foundation. Humberto Medrano is the deputy director. He is a former columnist and radio commentator from Miami's Cuban community.

The concept of a station with news specifically about matters of local concern to Cubans follows the Radio Free Europe pattern for East Europeans. Voice of America broadcasts are designed and meant for all Latin Americans, not totally isolated peoples such as the Cubans.

Local American stations in Miami, even with Spanish broadcasts, are mostly irrelevant for island Cubans. Marti is relevant, and it has the financial resources to research stories and develop foreign news sources, with "stringers" geared to covering news of interest to Cubans, for example about troops in Africa. It has set up a network of 60 part-time foreign reporters to follow worldwide news involving Cubans.

For conservatives a key reason for establishing a new radio station was to bring in fresh, dedicated people, and to keep its administration out of the hands of foreign service officers, many of whom, as with the Voice of America, are considered to be too accommodative and bureaucratic, too loyal to their own "old boy" network, and simply unable to program effective responses to hard line marxism. Foreign Service officers are trained as diplomats, not as activists promoters of freedom, that is "propadandists" in the positive sense of the word.

Indeed, State Department officers assigned to the information services often consider it a dead end for their careers. This is a very different concept of the battle to that of the communists who put their most capable people into information and propaganda efforts. Such officers are far more likely to advance their careers than mere diplomats.

Radio Marti's establishment also had bipartisan support, even including such liberals as Senator Metzenbaum, Senator Ted Kennedy spoke on the first day's broadcasts. Often quoted Reagan critic. Wayne Smith, the Carter appointed former chief of the U.S. interests section in Havana, expressed "great respect" for director Ernesto Betancourt's "honor and competence" although he said he disagreed with Betancourt in many areas. Larry Birns, director of the leftist Washington think tank, the Council on Hemispheric Affairs, says "its professionalism and competence are making (Radio Marti) influential."

News editor Mallin thinks that perhaps Marti's detractors expected shrill or one-sided programming. Betancourt says that Marti must carry out Congress' mandate to give a balanced view and to include various American opinions. Also Marti is under the overall jurisdiction of the Voice of America so it does not have the same independence as Radio Free Europe.

The Cuban government itself spends the equivalent of hundreds of millions of dollars

on radio broadcasting to the whole world. It sends in six languages plus numerous special Indian dialects to Latin America. It relays Soviet programs to the Americas, while its programs are relayed by Russia to Europe, the Mediterranean and North Africa. Obviously the communists consider radio to be a vital element in their battle.

For many years the U.S. ignored its international radio during the detente era. Today the Voice of America still has the oldest transmitters and is still unusually the hardest to hear compared to Russian, British, and West Germany. Marti uses a 20 year old VOA transmitter. It is, however, getting a new one next year.

The importance of just getting true information to people living under communism is often underestimated by Americans, because our own experience with news is so different. Many knowledgeable anti-communists consider that expenditures and attention to the war of ideas have been woefully neglected by Washington. Some even think that communist societies would implode upon themselves if their people really knew what the rest of the world was like. Certainly communist regimes seem deathly afraid of their citizens getting any access to outside information. The Soviets spend an estimated $1 billion more just on jamming than America spends on all its Voice of America broadcasting.

Radio Marti is fulfilling an important role. Its eventual effect remains to be judged. Like Radio Free Europe it has already become a principal source for news behind the Iron Curtain. Also like Radio Free Europe it is forbidden to instigate revolt. However, it's fair to assume that the unrest, and eased dictatorships for some East Europeans, is largely because the peoples there are so knowledgeable of what life is like in the outside world.

Radio Marti represents the first time that Washington has so concerned itself with trying to influence events outside Cuba. Armando Valladares, the famous 20 year-long imprisoned Cuban poet, was asked at congressional hearings about what the U.S. could best do to promote change in Cuba. He replied, "At present, the best service would be by giving the Cuban people access to information."

REMEMBERING THE "CHALLENGER" ASTRONAUTS

HON. JOHN P. MURTHA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 8, 1986

Mr. MURTHA. Mr. Speaker, I wanted to share with the Members of Congress a poem written recently by a constituent of mine concerning the tragic death of the *Challenger* Astronauts.

The poem was written by Mildred Metro of Seward shortly after the tragic accident and she read it in church the following Sunday placing seven red, white, and blue carnations on the alter.

I submit the poem for the RECORD.

FEB. 1, 1986.

A TRIBUTE TO SEVEN SOULS

The happy smiles, the joyful waves they showed, on that tragic day.
A day many will remember in many, different ways.
People cheering, flags waving, eyes closed in prayer.
Praying for their loved ones, as they waited there.
A second can be a lifetime, we don't think of it that way.
But Seven Souls saw the Face of God on that fateful day.
Their families became our families, God meant us to be one.
Their sorrows, our sorrows, losing a Mother, Father, Daughter and a Son.
We cried our tears, said our prayers, gave love to ease their pain.
Keeping our Faith in God, believing His Word, we shall see them again.
So say your prayer for the Seven, all so brave and strong.
Remember God talked to them; God walked with them, the day he called them home.
God Loves us all.

NATIONAL STUDENT LOBBY REPRESENTATIVES VOICE CONCERNS ABOUT STUDENT LOANS

HON. BARBARA BOXER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 8, 1986

Mrs. BOXER. Mr. Speaker, on February 14, 1986, in a hearing before the Committee on the Budget in San Francisco, California, I had the privilage of hearing the testimony of Tom Malinowski and Edith Kaneshiro. They were representing the National Student Lobby and thousands of students across the Nation who are concerned about their chances of completing a college education because of threatened Federal cutbacks in funding of student loans.

I call the attention of my colleagues to their eloquent words. I also intend to send a copy of their testimony to President Reagan in the hope that he will be moved to reconsider his position on a matter which reaches to the heart of the future of this great nation—full access to higher education. Their statements follow:

TOM MALINOWSKI, NATIONAL STUDENT LOBBY

I have been a student at UC-Berkeley for three years now, and during that time, and especially during the time I have worked for student government, I have met many students who receive federal financial aid benefits. And I can say with complete assurance that they fit the profile presented to you by Edith Kaneshiro. the vast majority come from low income families. They work hard during the summer, they work hard during the academic year, and they work hard in school which, at Berkeley, constitutes a full-time job in itself.

They plan to repay society with interest for the investment that was made in them, and little of their great promise would be fulfilled if it were not for the chance to go to college.

Gramm-Rudman-Hollings and the President's budget seek to cut the deficit. But they administer the necessary pain selectively.

Education comprises less than two percent of the federal budget. It will account for six percent of the cuts under the Gramm-Rudman Sequester and eight percent of the cuts under the President's budget proposal. The fiscal year 1987 budget, coupled with the linear reductions in the Pell Grant Program, will result in a 28 percent cut in the student financial assistance budget. This will, in turn, result in an average loss to Berkeley students receiving financial aid of $700 per student.

It is estimated by the Department of Education that about 1.7 million students will lose all of their benefits. This means that over 2,000 students at the Berkeley Campus alone will lose their benefits.

Now, how are these savings to be achieved? In some of the silliest ways imaginable. A case in point is the proposal to combine the Supplemental Educational Opportunity Grants with a work/study program with an overall funding cut of over 60 percent. It can reasonably be said that work/study is the best financial aid program in existence. It encourages students to work for their benefits. It does not cause indebtedness, and funding is shared by the employer and government. And yet this valuable program is being cut more than just about anything else.

Supplemental grants go specifically to the neediest of all students and these, too, are facing the largest cuts. This just does not make sense, it does not make good public policy, and I simply cannot go back to campus and explain this to students. It has been argued that financial aid is taken advantage of by students who do not need it. Yet randomized cuts like these do not differentiate between honest and dishonest recipients. 1.7 million students might lose their federal aid. But has the Department of Education documents somewhere that these 1.7 million are cheaters? No. They have no idea whether those being asked to sacrifice are deserving or not; not even an idea whether the level of dishonesty is significant or insignificant. Weeding out cheaters in this way is like punishing ten innocent suspects in order to nab one guilty criminal. It is a lazy way to make public policy.

The shattering loss to the needy students at Berkeley could be justified by a commensurate loss to students who are well off. My own case I think is interesting, and I would like the Committee to compare it to that of Edith.

I do not receive aid. I come from a fairly well-to-do family that can afford to fund my education. I am a recipient of the Harry S. Truman Scholarship which alone is enough to fund my entire education. I am also employed by the Associated Students. I can afford to sacrifice. I can afford to pay a little more in taxes. But Gramm-Rudman does not touch me in any way. In order to protect me from higher taxes, even though I can afford them, people like Edith are being asked to sacrifice. That just does not make me feel very good. I am more than willing to pay a few more cents at the gap pump in order to help her out.

I am also willing to see a reasonable increase or a slow-down in defense spending. Defense is crucial. I was born in Poland, so I have a realistic view of the Soviet Union. With regard to that country, I believe that the greatest harm it is capable of doing us is to scare us into abandoning education and into ignoring egalitarianism. These are the things which make us strong. If the Soviets hurt their economy by diverting resources from things like education and domestic programs, why must we emulate their mistake?

I bring up these broader points because I think that when we talk about the budget we talk about more than just dollars and cents. We talk about national priorities. Let us keep education as a priority.

EDITH KANESHIRO, NATIONAL STUDENT LOBBY

As of today, I believe that college is not restricted to the upper middle class. Talks of reducing student aid make me wonder whether or not a college education would be limited to this elite. If student aid is going to be drastically reduced, I believe that college will be for these select few, and I will not be a part of it.

I am a UC student who depends upon a PELL grant, a CAL grant, a GSL, and various merit scholarships, and I am not unique. There are many other students like myself.

At the Berkeley Campus, I work as an equal opportunity affirmative action peer advisor. In this role, I am continually reminded of the many students who depend on financial aid.

If financial aid is going to be reduced according to these proposed cuts, these are a few of the effects which I foresee.

First of all, reducing financial aid will change the face of the university. It is not a coincidence that many Black, Hispanic, Native-American, and Asian students depend on financial aid. Therefore, a reduction made will most likely lessen the minority student population.

Secondly, reducing financial aid will consequently force students to work a good number of hours. This can have an adverse effect on the student. Freshmen and sophomores are considered high risk students, in that they are still trying to adjust to the university system. If forced to work, they will be put in a greater risk group. They will be the ones most likely to drop out. Many students who work while in school do poorly in school.

Thirdly, many qualified and deserving high school students will have little hope of attending college. I have many friends who have stayed at the junior college level because a university education would be too expensive.

And, most importantly, I think a cutback will greatly affect the quality of education in the classroom. When students have to divide their time between work and school, students seem to be less productive in the classroom. I can say that it is physically and psychologically exhausting to be a student.

In addition, college is expensive and is getting more expensive every year. Many students come to our office worrying about interest rates on loans, worrying about the debts they will be accumulating, and worrying about the effects that working will have on their grades. I, myself, have these worries, too. If financial aid were reduced, I would not be able to attend college. My sister, my three brothers, and I will constitute the first generation in our family to go to college and to graduate from college. Federal student aid has affected us for the last five years and will affect us for the next seven or eight.

If federal aid was limited, I and my siblings would not be able to attend college, let alone attend the college of our choice. It costs me approximately $7,000 a year to attend Berkeley. Tuition is $1,300; books and supplies about $400; housing about $3,200; and figure about a thousand for utilities and laundry, et cetera, about $1,500 a year. And I receive about $4,400 in grants and scholarships and $2,500 from a GSL. From my work, I earn about $250 a month.

It is very expensive to go to school. It is expensive to buy books. It is expensive to live in a dorm. It is expensive to find cheaper housing than a dorm. And many students have to drop out because they cannot meet these expenses. And many low-income students would probably not qualify for market rate loans.

It is quite difficult for single parents to finance their children's educations, and it is quite difficult for two working parents to finance a college education. Both my parents work. My father is a gardener and my mother works in food service. It would be virtually impossible for my parents to send all five of us to college.

Realizing that I was going to college, I assumed my own responsibilities. I worked throughout high school and I still work while in college. Yet this is not enough. Without financial aid, without a college education, I could never become the teacher that I wish to be. Student aid is not a handout; it is an investment. We are not here to have a good time. We have goals that can be realized only through a higher education. Eventually, we will be productive tax paying citizens; yet without an education, these things will never happen.

A TRIBUTE TO SENATOR STROM THURMOND

HON. FLOYD SPENCE

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 8, 1986

Mr. SPENCE. Mr. Speaker, on April 2, 1986, the State of South Carolina conferred upon its senior U.S. Senator, STROM THURMOND, one of its greatest honors in hanging his official portrait in the chamber of the State senate.

This tribute is reserved for our State's most distinguished leaders, and Senator THURMOND certainly belongs among them because of his lifetime of distinguished and devoted service to South Carolina and our entire Nation.

Mr. Speaker, this ceremony was a moving testimonial to the courage, integrity, devotion to duty, and vision that have characterized STROM THURMOND's life and public service career.

He is a man loved and revered by his fellow South Carolinians, regardless of party affiliation or political philosophy, and the portrait ceremony was solid proof of the respect in which people hold him. Democrats and Republicans alike, three former South Carolina Governors, members of the State senate, State and Federal judges, members of the South Carolina House of Representatives, and hundreds of everyday people jammed the small Senate chamber last week to witness the dedication of his official portrait.

It is only fitting that Senator THURMOND's portrait be displayed in the historic State senate chamber, where he began his statewide political career that would eventually encompass service as a State circuit judge, decorated war veteran, Governor, Presidential candidate, and U.S. Senator.

His service in the Senate spans almost 32 years, and the record of accomplishment he has compiled for South Carolina and, indeed, our Nation as a whole, is nothing short of amazing.

Three words, inscribed on a plaque affixed to Senator THURMOND's portrait, best describe his life and career: educator, soldier, statesman. STROM THURMOND has excelled in all of those endeavors, and the people of South Carolina and America have been the beneficiaries of his service. That, perhaps, is the highest tribute to STROM THURMOND: That he has dedicated his entire life to unselfishly serving his fellow man, his State, and his Nation.

So that my colleagues can know more about this great tribute to Senator THURMOND, the program from the portrait dedication, Senator THURMOND's address, a letter from President Reagan, and some selected newspaper articles about the ceremony follow:

REMARKS BY SENATOR STROM THURMOND (R-SC) AT THE DEDICATION OF HIS OFFICIAL PORTRAIT, STATE SENATE CHAMBER, COLUMBIA, SC, APRIL 2, 1986, 3 P.M.

Governor Riley; Lt. Governor Daniel; Senate President Pro Tempore Dennis; Chmn. Courson and other Members of the Portrait Committee; Members of Finance Committee; Members of Selection Committee; Reverend Meetze; Reverend Glenn; Distinguished Members of the South Carolina Senate; members of the Thurmond family; Mr. Del Priore; Honored Guests; Ladies and Gentlemen:

I stand before you today humbled by your tribute, and yet deeply grateful for all of your generous words of praise. As your United States Senator from South Carolina for almost 32 years, and as a former Governor and State Senator, I am no stranger to this chamber. However, today I feel as though I am visiting it for the very first time.

Indeed, I feel much as I did 54 years ago when, as a young attorney and farmer from Edgefield County, I was first elected to this distinguished body. On that day, I entered this historic Chamber, awed by its greatness and majesty, and intensely proud of my birthright as a South Carolinian.

To have my portrait displayed in this revered place, is simply a tribute beyond description for my family and for me.

Yet, it is an experience that is somewhat unsettling. Who would not feel overwhelmed to have his portrait hang near those who long ago established their place in history as individuals who built this State/and challenged its citizens to dream daringly/and accomplish great things?

Their dreams live on in this Statehouse, just as they live on in our hearts. They challenged us to renounce selfishness and cowardice and to aspire instead to serve our State and Nation with courage and conviction.

These great people—their valor, compassion, strength, and vision—are more than a legacy for South Carolina. They stand out/as historical giants for all Americans. Their names are as familiar to us/as those of old friends: Calhoun, Marion, Sumter, Hampton, Tillman, Jackson, and Byrnes/just to name a few. Their advice and wisdom, some of it more than a century old, continues to echo through these halls.

Listen carefully and you can hear it:

It was President Andrew Jackson who said: "One man with courage makes a majority." He knew a great deal about courage both as a valiant soldier and later as President of the United States.

Senator John C. Calhoun, who later became Vice President warned that "liberty is harder to preserve than to obtain," spent

his entire lifetime fighting to protect that most precious human commodities—liberty.

The place of South Carolina's leaders looms large in American History, and the role our great State played in our Nation's founding and struggle for independence will forever be a source of pride for us and for generations to come.

Many of these people were present at America's birth, when we were a bold, young Nation, alive with the spirit of freeing ourselves from the tyranny of a British king.

They were the signers of our Declaration of Independence and our Constitution, like the Rutledges and Pickneys; the merchants who pledged their fortunes, and the soldiers who fought and gave their lives for a risky experiment in self-determination.

We should never forget that South Carolinians paid a heavy price in winning our freedom. More tears were shed, more blood was spilled, and more battles and engagements fought in South Carolina than in any other State during the Revolutionary War.

It was on those smoke-filled battlefields of Fort Moultrie, Kings Mountain and Cowpens—battles which would ultimately determine the outcome of our war for independence—that our forefathers cast their lot with the future, and forged their commitment to freedom.

History surrounds us here, and it is vitally important that we take stock of what has gone before us. The past is our roadmap for the future; and if we listen, it is our constant teacher about what is yet to come.

"Those who do not study the past," it has been said, "are destined to repeat it." That is more than good advice; it is a fact of life.

For it is in our history that we can draw our strengths as a people and reject our weaknesses; we can see where man has glorified in his wisdom and failed in his excesses.

There is little that is uniquely new to historians. The strategies of war, for instance, remain virtually unchanged from ages ago. Only our weapons have become more sophisticated and fearsome. Likewise, the past can be our teacher about the downfall of democracies. We need not look far to see what toppled the mighty empires like Rome and Greece, and what gave rise to despots and dictators.

Therefore, as we move into the 21st Century, let us take the best of our past with us, and leave the worst of it behind.

Let us leave behind the failed policies which seek to strip our people of their initiative and self-reliance; and our State and local governments of their rightful powers and responsibilities, making each a servant to Washington bureaucrats, instead of a master of their own destiny.

Let us reject selfish philosophies which preach that there are no moral absolutes—no rights and no wrongs—only an inexhaustable pursuit of personal pleasure at any cost.

Let us discard the misguided belief that our people, by virtue of their birthright alone, are somehow entitled to a guaranteed way of life, without personal sacrifice, hard work, or struggle.

Let us repudiate those who would weaken our ability to defend ourselves against enemies, both foreign and domestic, which seek our demise as a democracy.

Finally, let us dismiss the mistaken concept that there are only rights, not responsibilities, as citizens of this great State and Nation, and that our people can reap the benefits of living in America without ever having to support or defend her.

These forces can do more than diminish our character and resolve as a people, left unchallenged, they threaten our very existence as the greatest Nation on Earth.

Let us, instead, recommit ourselves to those virtues and strengths which built this republic; to the standards and sacrifice of our forefathers; to the concept of individual initiative and hard work; and to a strong and abiding belief in God and Country. These principles have always sustained our people.

We must also rekindle that spirit of "trusteeship"—that belief that we are here on this earth, not merely to consume without replenishment, but to build a better, more secure future for the next generation.

Government has become too big and too intrusive, as we have repeatedly called upon it to cure each and every social and economic ill that can only be conquered through individual enterprise and community involvement.

It is important to remember that America did not achieve greatness through a dependence on its government. Our real strengths have always sprung from individuals, not from Government institutions.

By reaffirming a true commitment to our State and Nation, and to the values which propelled us forward, America will always be a shining beacon of freedom and opportunity for the world.

As South Carolinians, ours is a proud heritage of leadership and sacrifice. let us join together today—just as our ancestors did more than two centuries ago—and go bravely into the future, "prepared," as our State Seal proudly proclaims, "in Mind and Resources," and firm in knowledge that we are the true caretakers of the American Dream.

Thank you again for this tremendous honor, and may God bless each of you.

THE WHITE HOUSE,
Washington, March 10, 1986.

Hon. STROM THURMOND,
President Pro Tempore, of the U.S. Senate, Washington, DC.

DEAR STROM: The South Carolina Senate, I hear, is dedicating an official portrait of the Senior United States Senator from that great State. Congratulations! Even bigger congratulations should go to the people of South Carolina for keeping you in the U.S. Senate for so many years.

You have served your state and your nation with distinction and devotion. As a decorated veteran of World War II, as Governor, as United States Senator, and as Senate President pro tempore, you have given your all to preserve the bedrock principles that make America the admiration of the world. And through it all you've displayed the sense of joy and devotion to duty that we all love in you.

Nancy joins me in sending heartfelt best wishes. God bless you.

Sincerely,

RONALD REAGAN.

[From the Florence Morning News, Apr. 3, 1986]

THURMOND PORTRAIT UNVEILED IN SENATE

COLUMBIA.—U.S. Sen. Strom Thurmond, praised as a statesman who redefined public service, was honored Wednesday with the unveiling of his portrait in the state Senate chamber where his political career began.

"There are few men or women who have committed so much of themselves to the people as Strom Thurmond," said Gov. Dick Riley, one of a host of dignitaries attending the ceremony.

Most South Carolinians feel they know Thurmond personally because constituent service has been a hallmark of his career, Riley said.

President Reagan noted the event in a brief letter to Thurmond.

"Even bigger congratulations should go to the people of South Carolina for keeping you in the U.S. Senate for so many years," Reagan wrote.

"You have served your state and your nation with distinction and devotion."

The velvet drape covering the 3-foot-by-4-foot oil painting by Michael Del Priore of Columbia was removed by Thurmond's four children as the packed Senate chamber gave the lawmaker a standing ovation. Another crowd watched on closed circuit television in the House chamber across the lobby.

"I stand before you today, humbled by your tribute and yet deeply grateful for all your generous words of praise." Thurmond said.

"I feel much as I did 54 years ago when, as a young attorney and farmer from Edgefield County, I was first elected to this distinguished body. On that day, I entered this historic chamber, awed by its greatness and majesty and intensely proud of my birthright as a South Carolinian.

"To have my portrait displayed in this revered place is simply a tribute beyond description for my family and for me."

Thurmond served six years as a state senator before moving on to become a circuit judge, governor, presidential candidate of the State Rights Party in 1984 and U.S. senator.

"In every way, Strom Thurmond's personal life personifies South Carolina—independent in thought and deed, fierce in genuine patriotism and sense of duty and devoted to the people and their rich heritage," said Lt. Gov. Mike Daniel, president of the Senate.

The portrait will hand between those of Sen. Rembert Dennis, president pro tem of the state Senate, and the late Sen. Edgar Brown of Barnwell in the southeast corner of the chamber.

"Welcome back to your South Carolina Senate home," said Dennis, D-Berkeley. "You are taking your place on the walls with some of the greatest South Carolinians who have ever served."

Senate Judiciary Chairman Marshall Williams, who double dated with Thurmond when they were young, called the senator "a flower for all seasons. He blooms year-round."

"This is where you really started," Williams said. "You are one of us."

Black Sen. John Matthews, D-Orangeburg, noted Thurmond had championed states' rights, but said the 83-year-old senator eventually forged a new attitude and has served the state with pride and dignity.

Thurmond demonstrated his commitment to all the people of the state by nominating a former political adversary, black lawyer Matthew Perry, to become a federal judge, Matthews said.

"He has redefined the definition of public service," said Sen. John Courson, R-Richland, who proposed the portrait.

Del. Priore said Thurmond, his family and the Senate's portrait committee had to approve the painting before it was unveiled.

Thurmond sat for four 90-minute sittings, and Del Priore also worked from photographs to complete the work in 30 to 40 hours, the artist said.

[From the State Paper, Columbia, SC, Apr. 3, 1986]

RARE TRIBUTE—THURMOND PORTRAIT HUNG IN SC SENATE

(By Jerry Adams)

U.S. Sen. Strom Thurmond claimed another permanent place in South Carolina history Wednesday when his portrait was unveiled in the state Senate, where he began a political career that set new standards for public service.

Thurmond called it a "tribute beyond description" to have his portrait in the chambers where he came 53 years ago, a young lawyer-farmer from Edgefield "awed by its greatness and majesty and intensely proud of my birthright as a South Carolinian."

The portrait hangs between those of Sen. Rembert Dennis, the state Senate president pro tem, and the late Sen. Edgar Brown.

"Welcome back to your South Carolina home and congratulations on taking your place on the walls here with some of the greatest statesmen who ever lived and served," said Dennis.

Thurmond is a former senator, former circuit judge and former governor who now serves as president pro tempore of the U.S. Senate and chairman of the Senate Judicial Committee.

He has served in the Senate since 1954, and his constituent service has been a source of awe for political friends and opponents. He has enjoyed unprecedented bipartisan support as a Democrat-turned-Dixiecrat-turned-Republican in a predominantly Democratic state.

Gov. Dick Riley said Thurmond's "service to the people—no matter how prominent or obscure—has become the hallmark" of his career."

"He has touched many lives . . . but he has never lost touch with the people, has never forgotten his roots, has never put anything before his love and loyalty to this great state," said Riley, who noted he was born in the same month and year that Thurmond started serving in the state Senate.

Thurmond listened for more than an hour to the praise—and occasional ribbing—from an assortment of politicians, many half his age or younger, before joining them in a trademark joke about his longevity.

"They are a generation older than I am," he said. "They've got grandchildren, but I've just got children."

Hundreds of Thurmond's friends and admirers filled House and Senate chambers to listen to tributes and see the oil painting that was unveiled by the senator's wife and four young children.

The portrait, painted by Michael Del Priore, cost $10,000, but about $25,000 was spent on the entire project, which included a $2,300 frame, the reception, solicitations for contributions and invitations to the unveiling.

It was financed with private contributions, according to Thurmond's personal philosophy, said Sen. John Courson, the chief sponsor of the project.

"Not a dime of state money was spent on it," said Courson, R. Richland, a longtime friend of Thurmond, Republican national committeeman and chairman of Thurmond's re-election campaigns.

Courson said the fund-raising effort spanned racial, political and religious boundaries. He cited the help of the late Sen. I. DeQuincey Newman, a Thurmond foe on civil rights and social issues, as an example. Newman was raising money for the project from his deathbed last year, Courson said.

"This is emblematic of the fact that we have come a long way and people can recognize greatness regardless of political philosophies or political parties," Courson said. "God bless South Carolina and God bless Sen. Thurmond."

Courson also read greetings from President Reagan, who wrote Thurmond last month congratulating him on the upcoming honor.

"You have given your all to preserve the bedrock principles that make America the admiration of the world," Reagan wrote. "And through it all, you've displayed the sense of joy and devotion to duty that we all love in you."

Thurmond was also praised by Lt. Gov. Mike Daniel and by a succession of state senators who served on the portrait committee.

"In every way, Strom Thurmond's personal life personifies South Carolina—independent in thought and deed, fierce in genuine patriotism and sense of duty and devoted to the people and their rich heritage," Daniel said.

Sen. Marshall Williams, D-Orangeburg, called Thurmond a "flower for all seasons. You bloom all year round."

Williams said he and Thurmond used to double-date many years ago, when Thurmond was a judge and Williams was a young attorney. Williams noted that Thurmond always made him drive because "he needed both hands to gesture."

Williams, who has been in the state Senate since 1953, also said Thurmond had waved the banner of four political parties.

"He was a Democrat, a Dixiecrat, a write-in candidate and a Republican, and he was a good one every time he made a move," Wiliams said. "He was brave enough to lead the charge."

"You are one of us," he told Thurmond. "This is where you really started. We love you."

Sen. John Matthews, D-Orangeburg, a black legislator, said Thurmond has served with pride and dignity and had changed through the years.

"It was Sen. Strom Thurmond who developed a new attitude and had growth and foresight and fostered many positive changes that affected all the citizens of this state," he said.

"He has demonstrated his commitment to all the people of this state," Matthews said, citing Thurmond's nomination of Matthew Perry, a former adversary, to a federal judgeship. Thurmond, Matthews said, "has served his people well."

STATE OF SOUTH CAROLINA, THE SENATE UNVEILING OF PORTRAIT HONORING SENATOR STROM THURMOND, PRESIDENT PRO TEMPORE, U.S. SENATE, WEDNESDAY, THE SECOND OF APRIL, NINETEEN HUNDRED AND EIGHTY-SIX AT THREE O'CLOCK, STATE HOUSE

THE THURMOND PORTRAIT COMMITTEE—MEMBERS OF THE SENATE

The Honorable John Edward Courson, chairman; The Honorable Marshall Burns Williams, The Honorable James Madison Waddell, Jr., The Honorable John Drummond, The Honorable Thomas Lucius Moore, The Honorable John Wesley Matthews, Jr.

Finance Committee: The Honorable Joseph Fletcher Anderson, Jr., Paula H. Bethea, Bachman S. Smith, III, Esq., The Honorable David Horton Wilkins, The Honorable John Edward Courson.

Selection Committee: The Honorable James Madison Waddell, Jr., The Honorable John Drummond, The Honorable John Edward Courson, Paula H. Bethea, Bristow Marchant, Esq., Dr. John J. O'Neil.

Presiding: the Honorable Michael Roland Daniel, Lt. Governor of South Carolina.

Invocation: the Reverend Doctor George Elias Meetze, Chaplain of the Senate.

"National Anthem": led By Doctor Richard Conant.

Recognition of Artist, Michael Del Priore: the Honorable James Madison Waddell, Jr.

Recognition of Thurmond Portrait Committees and Introduction of Family: the Honorable John Edward Courson.

Presentation of Portrait of Senator Thurmond: the Honorable Rembert Coney Dennis.

Unveiling of Portrait: Nancy Moore Thurmond, James Strom Thurmond, II, Juliana Gertrude Thurmond, Paul Reynolds Thurmond.

Acceptance on Behalf of the State of South Carolina: the Honorable Richard Wilson Riley, Governor of South Carolina.

Remarks: The Honorable Marshall Burns Williams, The Honorable James Madison Waddell, Jr., The Honorable John Drummond, The Honorable Thomas Lucius Moore, The Honorable John Wesley Matthews, Jr., The Honorable John Edward Courson.

Response: Senator Strom Thurmond.

"God Bless America": led by Doctor Richard Conant.

Benediction: the Reverend Michael L. Glenn.

SENATOR STROM THURMOND

1902, Born December 5 at Edgefield, S.C. (Present home, Aiken, S.C.).

1923, B.S. degree from Clemson University (also holds over 20 honorary degrees).

1923–29, Teacher and Athletic Coach; McCormick, Ridge Spring and Edgefield, S.C.

1924, 2nd Lt., U.S. Army Reserve; commissioned upon becoming 21 years old.

1929–33, Superintendent of Education, Edgefield County, S.C.

1930, admitted to S.C. Bar (studied law under father, Judge J. William Thurmond).

1930–38, Attorney at Law, Edgefield, S.C. (City and County Attorney).

1933–38, State Senator, representing Edgefield County, S.C.

1938–46, Circuit Judge of South Carolina (four year leave of absence for World War II service).

1942–46, World War II; First U.S. Army—American, European and Pacific Theaters, Landed in Normandy on D-Day with 82nd Airborne Division, awarded 5 Battle Stars, Earned 18 decorations, medals and awards, including the Legion of Merit with Oak Leaf Cluster, Purple Heart, Bronze Star for Valor, Belgian Order of the Crown, and French Croix de Guerre.

1947–51, Governor of South Carolina.

1948, Candidate for President of the U.S., carried 4 States and received 39 electoral votes as States Rights Democratic candidate (third largest independent electoral vote in U.S. history).

1951–55, Attorney at Law, Aiken, S.C. (City Attorney of North Augusta, S.C.).

1955–Present, U.S. Senator; elected as write-in candidate; first person ever elected to major office in U.S. by this method; appointed Dec. 24, 1954 to complete term of Senator Charles E. Daniel, who resigned. Served until April 4, 1956, when resigned to place office in a primary, pursuant to a

promise made to the people during the 1954 campaign. Re-elected U.S. Senator and resumed duties November 7, 1956; re-elected 1960, 1966, 1972, 1978 and 1984.

President Pro Tempore, U.S. Senate, 1981.

Chairman, Senate Judiciary Committee, 1981 (member since 1967).

Ranking Majority Member, Armed Services Committee, (member since 1959).

Senior Majority Member, Veterans Affairs Committee, (member since 1971).

Member, Labor and Human Resources Committee, (since 1984).

1959, Major General, U.S. Army Reserve; served 36 years in Reserve and on Active duty. (Past National President, Reserve Officers Association, 1954-55)

1964, Switched from Democratic to Republican Party (delegate to 6 Democratic and 5 Republican National Conventions)

1968, Married Nancy Moore of Aiken, S.C. Four children: Nancy Moore, J. Strom II, Juliana Gertrude and Paul Reynolds

1983, President's Commission on Organized Crime (appointed by President Reagan)

1985, Commission on the Bincentennial of The U.S. Constitution (as President Pro Tempore, U.S.S.)

Member: Baptist Church, American and South Carolina Bar Associations, Lions Club (50 years), and numerous defense, veterans, civic, fraternal and farming organizations.

FACILITIES NAMED FOR SENATOR THURMOND:

Thurmond Hall, Winthrop College, Rock Hills, S.C., 1939

Strom Thurmond High School, Edgefield County, S.C., 1961

Strom Thurmond Student Center, Baptist College, Charleston, S.C., 1972

Strom Thurmond Federal Building, Columbia, S.C., 1975

Strom Thurmond Center for Excellence in Government and Public Service, Clemson University, 1981

Strom Thurmond Auditorium at the University of South Carolina School of Law, 1982

Life-sized statute on the Town Square, Edgefield, S.C., 1984 erected by people of edgefield County

SELECTED AWARDS

Clemson University: Alumni Distinguished Service (1961), Medallion (1981), and Athletic Hall of Fame (1983)

WIS "South Carolinian of Year" (1968)

33° Mason (1969)

National Patriot's Award by Congressional Medal of Honor Society (1974)

South Carolina Trial Lawyers Association Service Award (1980)

American Judges Distinguished Service Award (1981)

South Carolina Hall of Fame (1982)

Textile Man of Year (1984)

Napoleon Hill Gold Medal Humanitarian Achievement Award (1985)

Major awards from American Legion, VFW, DAV, AMVETS, National Guard, Army and Navy associations, farm and education groups, and foreign countries.

A TRIBUTE TO DR. VINCENT LECCESE

HON. NORMAN F. LENT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 8, 1986

Mr. LENT. Mr. Speaker, it is my distinct pleasure at this time to recognize an individual who has made a significant contribution to excellence in the field of education. This individual is Dr. Vincent Leccese, superintendent of schools in Oceanside, NY. After 30 years of distinguished and dedicated service to the schools, the students and the community, Dr. Leccese will be retiring from the Oceanside School District. On May 8, Dr. Leccese's family, friends, and colleagues will hold a testimonial dinner in his honor. In recognition of this memorable occasion, I'd like to take this opportunity to recognize Dr. Leccese's many outstanding accomplishments and his valuable contributions to education and the Oceanside community.

Dr. Leccese began his professional career in 1956 as a guidance counselor with the school district. Since that time he has served in many capacities, as director of pupil personnel, principal of the Boardman Junior High School, coordinator of secondary education, and as assistant superintendent, before assuming the position as superintendent of Oceanside schools. In his various positions, he has been responsible for nearly every facet of management, including curriculum, personnel, budget development, and administration.

Dr. Leccese has been an effective leader in the field of education who is well-respected by his colleagues. This past summer, I met with Dr. Leccese and representatives of the Oceanside PTA Council and Board of Education to discuss the impact of tax reform on our local schools and education. I was presented with petitions signed by over 7,500 Oceanside residents protesting an end to the State and local tax deduction so important to New York taxpayers. This deduction is critically important to preserving the high standard of education in Long Island's public schools. Their help was essential in winning the fight in the House to retain this important deduction, and I am grateful for their support.

Admired by many for his dedication to meeting the educational needs of our young people, Dr. Leccese has worked hard so that our children could have the best possible education. His guidance and sound judgment have been a source of inspiration for many, and he will be sorely missed.

I'd like to extend my deepest appreciation to Dr. Leccese for his 30 years of dedicated service and valuable contributions to education and to the Oceanside community, and I wish him much health and happiness in the years ahead.

HERBERT GODDARD AND DONALD PELLEGRINO 1986 ARCADIA CITIZEN OF THE YEAR AWARD

HON. CARLOS J. MOORHEAD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 8, 1986

Mr. MOORHEAD. Mr. Speaker, I would like to call to the attention of my colleagues in the House of Representatives the selection of Mr. Herbert H. Goddard and Mayor Donald Pellegrino as recipients of the "1986 Arcadia Citizen of the Year Award". On March 28, Messrs. Goddard and Pellegrino were officially bestowed the award at the 72nd Annual Installation Dinner of the Arcadia Chamber of Commerce which was held on the Queen Mary in Long Beach, CA.

In Aracadia, the name of Herbert H. Goddard is synonymous with dedication and hard work, with efficiency, success and achievement. His contributions are many, including extensive involvement in the PTA, the boy scouts, youth sports, the Chamber of Commerce, business and community work.

He has been director and president of the Arcadia Chamber of Commerce, director of the West Arcadia Merchant's Association and a 10-year officer and director of the Arcadia Board of Realtors. Don is a member of the Masonic Temple, the Arcadia High Twelve Club and the Shriners. He was a prime mover in the city's drive to establish a museum for the historical society.

Don Pellegrino, who will be ending a term as mayor of Arcadia on April 15 along with an 8-year span on the city council, is recognized as an active, involved community leader. As a resident of Arcadia, Don has been a member of the Optimist Club, HOY [Help Our Youth], Arcadia Downtown Businessman's Association, March of Dimes, Kiwanis, Chamber of Commerce, and the American Red Cross.

Mayor Pellegrino was instrumental in establishing the Red Cross Chapter Building. Because of his dedication and hard work, Arcadians now receive the services of Meals-On-Wheels, the Blood Bank, disaster preparedness programs, and in association with Arcadia Methodists Hospital, a 24-hour emergency service facility. As a major facilitator of this project, Don demonstrated a talent for bringing together the people of the community so a dream could become a reality.

Mr. Speaker, I am delighted to take this moment to pay tribute to two fine citizens. Arcadia is a better place to live because of the efforts, the vigor, and the altruism of Herb Goddard and Don Pellegrino. On behalf of my constituents in the city of Arcadia, I extend my thanks for their untiring devotion to the people of the community and congratulate them on being named recipients of a grand and distinguished honor.

THE 125TH ANNIVERSARY OF ARMED SERVICES YMCA

HON. LES ASPIN

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 8, 1986

Mr. ASPIN. Mr. Speaker, I am honored to be a member of the Armed Services YMCA's Anniversary Committee; which is headed by General Dynamics chairman and CEO Stanley Pace as chairman and GEICO chairman and CEO William B. Snyder as vice-chairman. This year marks the 125th anniversary of service by the Armed Services YMCA to our military community. In celebration of this event and to attract attention to our military community, a dinner honoring the President, as Commander in Chief, the Joint Chiefs of Staff and other key Armed Forces leaders will be held by the ASYMCA on April 22. April was chosen for this initial celebration because National Volun-

teer Week falls in that month and it is the anniversary of the commencement of the Civil War, when YMCA volunteers first began their service to the military.

Mr. Speaker, I would like to take a moment to inform my colleagues in the House of the history of this outstanding organization and the types of services it provides to our military community.

One week after the outbreak of the Civil War, a group of YMCA members voluntarily sought to provide helpful services to men in uniform. The volunteers aided and comforted soldiers in nearby encampments and later followed them to the battlefields.

On November 15, 1861, representatives from 15 YMCA's formed the U.S. Christian Commission. The Commission was created to coordinate overall YMCA efforts to alleviate the suffering of thousands of sick and wounded. The Commission's initial purpose of providing spiritual and physical comfort to soldiers on both sides of the war was commended and encouraged by President Lincoln.

During the Civil War, the ASYMCA established a War Prisoners Aid Program which was later undertaken on more massive scales during World Wars I and II. This prisoner-of-war work involved the distribution of books, magazine, cases of food, clothing, and medical supplies to soldiers in enemy camps throughout the Civil, First and Second World Wars. General Pershing stated that during World War I the YMCA conducted nine-tenths of the welfare work among American Forces in Europe. In the Second World War, similiar programs cost the YMCA $15,000,000 and involved POW camps in 33 countries, with supplies sent to 20 other countries which precluded personal visits by YMCA War Prisoners Aid staff. The Armed Services YMCA continued these types of programs to the military through the Korean war, the Vietnam conflict, and into the mid-1970's.

At this time the establishment of an All-Volunteer Armed Forces brought new demands to organizations serving young military people. In addition to the change in recreational patterns of young people, the number of young military families was increasing. The changing lifestyles of single personnel and the shifting patterns of military family needs in the eighties has resulted in a change of emphasis and style in the programs and activities that are provided by the Armed Services YMCA. One of the major trends of YMCA work with the military has been the increasing number of outreach programs provided for these young citizens in uniform.

The expanding network of branches and outreach units of the Armed Services YMCA will mean that an increasing number of our young service men and women will be helped in the months and years ahead. Some of those people will be married, some will be single. Most of them will be young. A few will need a great deal of help. Most will need only a friendly, home-like place where they can sort things out as they begin their new lives.

The Armed Services YMCA is committed to helping young military people by augmenting the people-oriented programs conducted by the Armed Forces themselves. Among the programs initiated by the Armed Services YMCA is the distribution of a newsletter called "Military Family Life." This newsletter currently goes out to some 45,000 military families across the Nation and overseas. Another important activity of the ASYMCA was the successful completion of a special project involved in family violence and child abuse and neglect issues as they relate to the military.

The Military Family Resource Center [MFRC], created and operated by the Armed Services YMCA for more than 4 years, develops resources and research materials, promotes interdisciplinary cooperation, and enhances an understanding of family advocacy issues as related to the military. The center was found to be so valuable that the Department of Defense formally institutionalized the center within the Office of the Secretary of Defense.

Activities and programs setup by the Armed Services YMCA serve as a bridge between local communities and military installations in areas where they are operated. They provide channels through which local citizens can offer help to the young service men and women stationed in their communities.

The Armed Services YMCA has provided invaluable service to our military community for 125 years. The main focus of this organization is enriching the quality of life for military people and their families. The Armed Services YMCA understands the importance of healthy, wholesome families and lifestyles, not only to the individuals in the Armed Forces, but also to the Defense Establishment itself.

Please join me in supporting the Armed Services YMCA, both in your own States as well as here in Washington on April 22.

LET US NOT FORGET

HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 8, 1986

Mr. DOWNEY of New York. Mr. Speaker, Government regulation; given the current rhetorical climate, you might think these are two of the most obscene words in the English language. But don't tell my constituent, "Triangle Fire" survivor Pauline Pepe, that; 75 years ago she saw 146 of her fellow garment workers die in a crowded ninth story sweatshop that had locked exits and crumbling fire escapes.

This is an unpleasant anniversary to contemplate. Try, if you can, to picture the scene: Hundreds of women literally trapped in a burning inferno, impossible to rescue due to ladders that only reached to the sixth floor of the nine story edifice. Many jumped to their death, unable to stand the smoke that poured from the windows. Others were asphyxiated. The lucky, like Pauline Pepe, escaped.

What is the moral of this sad story? Well, there are many. But let us consider what resulted. Due to the outrage over this tragedy, reforms in occupational-safety laws and fire codes were instituted. Future Triangle shirtwaist fires were avoided. That is one good thing that came out the human pain and suffering endured by so many who were unfortunate participants in this horror.

Quite rightly, the labor and the wounds of those who died and were injured in the Triangle shirtwaist fire were not in vain. Things have changed for the better. No longer do our garment and industrial workers labor in survival of the fittest factories.

But there are always those among us who would prefer to forget the past and move toward a completely deregulated workplace. Well, there is a word for a completed deregulated workplace. That word is "sweatshop" and it is not a proud part of our history. Let us make sure that today's deregulators do not deregulate us back to the stone age.

HARVEST OF DESPAIR FILM

HON. WILLIAM O. LIPINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 8, 1986

Mr. LIPINSKI. Mr. Speaker, I want to bring to the attention of my colleagues the internationally acclaimed Canadian documentary "Harvest of Despair.

For those not fully aware of the facts of the Soviet-induced Ukrainian Famine of 1932-33, the film provides rare footage and insights into the systematic starvation of upward of 7 million people. Coming at a time when the congressionally-mandated Commission on the Ukrainian Famine is about to begin its official factfinding work, Harvest of Despair will provide the necessary visual backdrop to the oral recollections and research into that dark period.

As in those all-too-frequent modern instances where historic facts have been subordinated to murky foreign policy objectives, Harvest of Despair has not enjoyed the wide opportunities for viewing so befitting a film of its stature. Foreign policy objectives aside, we can never allow past facts to be sacrificed to current political expediencies. If Harvest of Despair gives the Soviets cause to squirm, so be it. When we are dealing with historic facts, we need not extend equal time to those who have committed genocide and would now like a coverup.

Today, more than ever, we need for our broadcasters to take note of Harvest of Despair and to plan its showing as soon as possible. Americans should be able to judge for themselves the merit of this important work. We do not need to have the networks make this judgment for us.

Today, I call on my colleagues to bring this important work to the attention of their constituencies so that they can directly petition broadcasters to air the film. Until we have all seen this work and judged for ourselves, the true story of the Ukrainian Famine will be obscured.

NOTICE OF HEARINGS

HON. THOMAS J. BLILEY, JR.

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 8, 1986

Mr. BLILEY. Mr. Speaker, I would like to announce for the information of the House of Representatives and the public that the Congressional Coalition on Adoption is holding its first public hearing at 2 p.m. on Thursday, April 17, 1986, in room 485 of the Russell Senate Office Building. Witnesses at the hearing will address one of three issues: First, adoption benefits; second, adoption counseling; and third, health care for special needs adoptions. For further information about the hearing, or to recieve a detailed witness list as it becomes available, please call Maggie Wynne on my staff at (202) 255-2815 or Emily Cooke on Senator HUMPHREY's staff at (202) 224-2841.

TRIBUTE TO VENETIAN WOMEN'S CLUB

HON. DENNIS M. HERTEL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 8, 1986

Mr. HERTEL of Michigan. Mr. Speaker, ours is a nation built upon the hopes, aspirations, and sacrifices of men and women who have come to America in search of a more rewarding and humane existence. Their new surroundings, coupled with language and customs barriers, often many of them experienced frustrations and loneliness and a nostalgic longing for their old country.

In an effort to facilitate adjustment and assimilation into American culture, many subcultures banded together. One such group, founded 50 years ago on April 13 is the Venetian Women's Club of Mutual Benefit. It started with 30 women born in Venice, Italy, residing in Detroit, MI, dedicated to promoting a feeling of unity among its members and their families, were able to ease the transition into American society without sacrificing their cultural traditions.

Since its inception, the Venetian Women's Club has been active in civic and community projects, ethnic projects that gave visibility to their programs and their outreach activities. They have extended their activities among the poor, the elderly, and the disadvantaged and most recently have become involved in assisting battered women and children.

On April 13, 1986, the Venetian Women's Club will be celebrating its 50th anniversary at a banquet at which time they will reflect with pride on their many achievements in their humanitarian efforts in the Detroit area. In addition to assisting needy and distressed immigrants, these dedicated women have enhanced the quality of life through their generosity and constant concern for those who desperately needed counciling and guidance.

I feel this statement is a significant way to express my own congratulations to a group of community-minded individuals who deserve to be recognized nationally as a model of compassion, dedication, and concern. They set an example of the positive relationship that can be fostered by promoting a better understanding of peoples of varying backgrounds.

I salute them for their many innovative programs and achievements and congratulate them for 50 years of dedicated service.

CONGRESSIONAL SALUTE TO THE SALVATION ARMY

HON. ROBERT T. MATSUI

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 8, 1986

Mr. MATSUI. Mr. Speaker, I would like to call to the attention of my colleagues in the U.S. House of Representatives a very special time in the life of a tremendously valuable and important Christian service organization in Sacramento. On April 3, 1986, the Sacramento Citadel Salvation Army will celebrate its 101st anniversary of dedicated, sacrificial service to those people in our community who have unmet spiritual and social needs.

Under the able leadership of Capt. Hal Smith, his staff, a literal army of volunteers and a very active advisory board, the Salvation Army has established an excellent reputation of working to help meet important needs in our diverse, growing community. The Salvation Army does this through a wide variety of programs designed to assist those in our society who are less fortunate or who have fallen through the social safety net or through the cracks of other governmental assistance programs.

In many ways, this organization mirrors the very best attributes of our country: friendship, caring, and material assistance in times of true need. One needs only look at the people who are receiving this critical helping hand to see how successful this grassroots organization is: the elderly, the unemployed, the handicapped. Perhaps the most impressive aspect of the Salvation Army is that is always involved in helping meet basic needs like food, shelter, and clothing no matter the color or creed of a person.

As our community continues to grow and expand, the Salvation Army will play an ever more important role in developing and operating programs to help reinforce positive social and spiritual values in our young people and provide assistance to the basic family unit.

On behalf of the people of Sacramento, I would like to thank the men and women of Salvation Army who have committed their lives to helping others who are less fortunate and to commend them for their selfless devotion to this unhearalded but so meaningful task.

KILDEE INTRODUCES NATIONAL COMMUNITY EDUCATION DAY

HON. DALE E. KILDEE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 8, 1986

Mr. KILDEE. Mr. Speaker, today I am introducing a measure to designate November 18, 1986, as National Community Education Day.

Beginning in Flint, MI, in 1935, community education has become a significant force to help people find the best ways to use their resources to respond to their own needs and those of their neighborhoods. Flint has served as an example for other communities, showing how effectively community education works to promote interagency cooperation and community involvement. Success in Flint have led to the adoption of community education programs in an estimated 3,500 school districts in this country and around the world.

Within the last 4 years, 39 Govenors have proclaimed Community Education Days in their States. These State observances have served as occasions to recognize and support strong relationships between public schools and the communities they serve. They have provided community schools and community colleges opportunities to showcase collaborative programs and projects and to develop new community partnerships in support of public education. Past State Community Education Day events have included school open houses, exhibits and demonstrations at regional shopping malls, school-community-business luncheons, interagency workshops and meetings, poster and essay contests, and school-community awards programs.

I encourage my colleagues to join in this effort to recognize and commemorate community education.

WEST POINT HONORS THE MEMORY OF GENERAL EDWARD GILLETTE, JR.

HON. BILL GREEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 8, 1986

Mr. GREEN. Mr. Speaker, I ask my colleagues to join in paying tribute to the memory of Brig. Gen. Edward C. Gillette, Jr. (retired) who died on March 14 at the age of 85. General Gillette retired from active duty in 1964 after 44 years of service. He spent the last 18 years of his Army career at the U.S. Military Academy at West Point where he was head of the physics and chemistry department.

General Gillette had a distinguished military career. Before World War II his assignments included tours at Army headquarters in Washington and at West Point where he was an instructor. He served with the Signal Corps personnel during the war.

After World War II, General Gillette was chief signal officer at the Potsdam conference, held in Soviet occupied Germany, where he helped develop a pioneering VHF radio line-of-sight system that kept the Ameri-

cans in contact with U.S. Army headquarters in West Germany. The Soviets had refused to allow the Americans to use secure-land lines. General Gillette also participated in the 1946 atomic bomb tests.

His military decorations included the Distinguished Service Medal, two Legions of Merit, and the Bronze Star Cross.

Memorial Services for General Gillette were conducted by our own House of Representatives Chaplain, Dr. James Ford who had served with the general at West Point.

I thank my colleagues for taking time to honor the memory of this outstanding American.

SUPPORT FOR HUMAN RIGHTS

HON. BARBARA A. MIKULSKI

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 8, 1986

Ms. MIKULSKI. Mr. Speaker, I rise to address two areas in which the United States now lags behind many other Western nations—human rights and international trade.

Last Friday in South Africa thousands of blacks rallied to honor countrymen slain at Sharpesville and Uitenhagen. In the past 19 months, nearly 1,200 people have died in protests, two-thirds of them at the hands of the government and local police. Their sacrifice stands as a monument to black resistance to the evil of apartheid.

Now, the testimony of a courageous South African doctor, and 134 sworn statements taken in a lawsuit she has brought against the government, confirm what we have suspected all along: antiapartheid activists, imprisoned and detained, are being beaten and tortured by the South African police.

Apartheid enslaves South Africans. And its consequences undermine our own economic security and prosperity. The competitive trade advantage enjoyed by authoritarian regimes is a direct result of repression. Workers are not paid a living wage. They are denied the right to organize against political and economic exploitation.

The availability of cheap apartheid labor leads American corporations to export jobs rather than invest in jobs here at home. Exports from South Africa then unfairly undercut American goods in the world market.

We can't compete against slave labor with give-backs and give-ups. We spend too much time blaming American workers and too little time blaming repressive regimes. The answer to cheap South African coal flooding world markets is not for American coal miners to give up their pensions, but for South Africa to give up apartheid.

The issue isn't coal. The issue isn't American productivity. The issue is apartheid.

American citizens are doubly penalized by this administration's human rights and trade policies. First, the decently paid jobs that once formed the backbone of our economy are being lost. Second, our trade policy, by turning a blind eye to human rights violations, leaves America too often identified with regimes whose policies contradict American values, traditions and morality.

CONTINENTAL SCIENTIFIC DRILLING AND EXPLORATION ACT OF 1986

HON. CLAUDINE SCHNEIDER

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 8, 1986

Mrs. SCHNEIDER. Mr. Speaker, I am extremely pleased today to introduce the Continental Scientific Drilling and Exploration Act of 1986. This legislation, together with S. 1026 now before the Senate, represent the first step toward formally implementing one of the most exciting programs in the Earth sciences of the last 20 years. The objective of scientific drilling on continents is simple—to study the Earth in the third dimension, to explore a domain never before sampled, and to understand processes which are at the very roots of the evolution of our planet, and ultimately, are the keys to the survival of its children.

The Earth is a living planet, breathing and pulsing with volcanic fire, shuddering with earthquakes, and nurturing its children on its water, mineral, and energy resources. Quite simply, this program is aimed at studying the fundamental way in which the Earth works and how humanity can best adapt to living on this sometimes bountiful, sometimes cantankerous, giant.

Mr. Speaker, the Continental Scientific Drilling Program joint resolution which was signed into law by President Reagan on October 12, 1984, has been of inestimable help in drawing together the interests of university scientists, industry and government agencies over the last year. The bill described here serves to set guidelines for implementing such a program. This research activity represents a unique opportunity for scientists and engineers from universities, government agencies and industry to work together to explore one of the most important frontiers of man's knowledge—the Earth's interior. This is not esoteric, invory-tower science favoring one or a handful of universities, but rather research of enormous societal benefit, from identifying new sources of energy and minerals to mitigating the effects of natural catastrophes. Unfortunately the earthquake last year in Mexico City and the volcanic eruption in Columbia underscore the importance of understanding and being able to predict these phenomena. Equally as unfortunate is that both of these phenomena are analogs of catastrophes waiting to happen within the coterminous United States. On the positive side is that problems such as these are precisely the kind of issues that the Continental Scientific Drilling Program proposes to study in order to predict and minimize the negative impacts.

Whereas natural catastrophes capture the headlines with loss of thousands, even hundreds of thousands of lives, we must recognize that literally millions of people are affected by the supply of energy resources, minerals and fresh water supplies. Paradoxically, the Earth is the receptor of our chemical, nuclear, and domestic waste at the same time that it is the provider of the resources we consume. How do all of these activities affect the natural systems we know so little about? How can we best utilize the Earth today, and yet maintain its integrity for future generations?

All of these questions lie at the heart of the multi-agency, multi-institutional research program to be implemented by the Continental Scientific Drilling and Exploration Act of 1986. I urge you to support this new legislation as one of the most innovative and most widely endorsed programs to be embarked upon in the Earth Sciences for the last two decades. The thrust of the legislation is largely explained in the text of the bill itself. I highly commend it to my colleagues' attention and ask unanimous consent that a copy of the bill be printed in the RECORD, as follows:

A TRIBUTE TO PEGGY DOSSER BENSON

HON. GEORGE (BUDDY) DARDEN

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 8, 1986

Mr. DARDEN. Mr. Speaker, the arts community of Marietta and Cobb County, GA, has benefitted for more than 40 years from the generous and unselfish contributions of Peggy Dosser Benson. Soon she will be honored, appropriately, by the naming in her honor of a performance stage in Marietta's Glover Park.

This facility, in the restored park which is at the heart of downtown Marietta, will become a showcase for the performing arts which Peggy Benson has done so much to nurture and promote. It is a fitting monument to her tireless efforts on behalf of music, theater, and dance.

Mrs. Benson has lived in Marietta since childhood and is best known for founding the Cobb Arts Council. She was instrumental in the opening of the cultural arts theater in the Cobb Civic Center complex.

Her performance credits include singing with the Atlanta Civic Opera, Atlanta Choral Guild, the Marietta Madrigal Singers, and the Marietta First United Methodist Church choir.

A graduate of the voice and drama program at Sullins College in Bristol, VA, Mrs. Benson also earned a degree in Christian education from Asbury College in Wilmore, KY. She was a public school music teacher in Marietta and, later, director of Christian education at Marietta First United Methodist Church.

Her community service spans not only the arts and church activities, but also medicine, education, human services and civil and garden clubs. She has served on the boards of directors of Marietta-Cobb Fine Arts Center, Kaleidoscope, Cobb-Marietta Ballet, Marietta Community Symphony trustees, Marietta Music Club, Marietta Little Theater, Georgia Citizens for the Arts, Greater Atlanta Arts Council, Atlanta String Academy, and the Atlanta Symphony Guild.

Mr. Speaker, I invite my colleagues to join me in saluting Peggy Dosser Benson for the devotion of much of her life to broadening public appreciation of the arts, and for her priceless contributions to the cultural life of her community.

A FEDERAL TAX AMNESTY?

HON. WILLIS D. GRADISON, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 8, 1986

Mr. GRADISON. Mr. Speaker, the desperate search for ways to reduce the budget deficit has revived the idea of a Federal tax amnesty.

Last year, the Federal Government lost $100 billion in revenues due to underrreported and unpaid taxes. A Federal tax amnesty, promising a surge of revenues without a tax increase, is obviously very appealing. A number of States have offered tax amnesties in recent years with apparent success. In Massachusetts, for example, a 1983 tax amnesty which was expected to collect $20 million actually picked up three times that amount.

Success in a few States, however, does not necessarily translate into comparable results for the Federal system. Amnesties have been most productive in States with slack tax collection programs. Federal enforcement, on the other hand, is relatively tight. The people who know most about tax collection, such as IRS Commissioner Roscoe L. Egger, Jr., question claims that forgiving tax cheaters could bring in $10 to $25 billion in a one-time coup for the Treasury.

A Federal tax amnesty would also set a bad precedent, as well as violate a sense of equity. Those who cheat, expecting future amensties, would have no incentive to change their practices. Honest taxpayers, on the other hand, would correctly perceive an amnesty as special treatment for dishonest taxpayers and an erosion of the policy of administering tax laws uniformly. A Federal tax amnesty would also contradict our system of voluntary compliance.

A better way to raise the revenues would be to provide additional resources with which to go after uncollected taxes. Though not a popular subject, the fact is that the IRS has been underfinanced for years. This austerity has reduced the number of Federal tax audits to little more than 1 percent of the returns, compared with 5 percent 20 years ago.

At the margin, the IRS collects taxes quite efficiently. For every dollar spent on matching information documents, the IRS collects $20; for every dollar spent on audits, the IRS collects $10; for every dollar spent on collections, the IRS gains $6.

Furthermore, one-time revenue pickups do not address the fundamental problem of structural deficits. Even a big revenue pickup from a Federal tax amnesty would only see the deficit return to preamnesty levels. In fact, a tax amnesty could even result in a larger deficit by encouraging taxpayers to cheat in the expectation that there would be future amnesties.

Congress should resist the temptation to try a dubious, one-shot revenue gainer and instead face up to the task of real deficit reduction.

MARTIN LUTHER KING ESSAY CONTEST

HON. MAJOR R. OWENS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 8, 1986

Mr. OWENS. Mr. Speaker, despite the fact that the Peace Academy which Congress authorized has not come to fruition, every effort must be made to promote peace. On January 20, 1986, at the first celebration of the birthday of Martin Luther King the 12th Congressional District awarded prizes to students who participated in an essay contest on peace. More than 400 students submitted essays. The following are the winners in the junior high school and high school essay contests.

IF I LIVED IN A PEACEFUL WORLD—A MARTIN LUTHER KING DREAM

(By Gail Fraser, Summit SP Junior High School, District 13)

Dr. Martin Luther King, Jr. was a man with a very hopeful and promising dream. He dreamed of a world where hate, prejudice and social injustice hardly existed. He dreamed of a peaceful world.

I, too, like Martin Luther King, have a dream of a world filled with peace. It's a world complete with social justice, love and equality, a world surrounded with happiness and joy. I dream of a place where all people are bound together, united and free, and are not segregated for any reason. I dream of a place that surmounts the harshness and cruelty of mankind. I wish for a world that is like a dove in the sky.

To visualize this peaceful world is to have a vision of Dr. King's dreams and teachings. He told us to love each other, fight for what we thought was right without the use of violence, and, most of all, to be proud of ourselves. We have to work together, live together and strive together to achieve that one common goal! He preached love and kindness with such eloquent words that it touched the hearts of many.

The man is gone today and people everywhere were robbed of someone very special. Nevertheless, his ideas, deeds and his exceptional dream of peace will never be forgotten!

IF I LIVED IN A PEACEFUL WORLD—DR. MARTIN LUTHER KING DREAM

(By Suzanne Holmes, Intermediate School 391, District 17)

If I lived in a peaceful world, I would wake up every morning and not hear that seven people were killed with handguns; that terrorists had killed little children and adults at an airport waiting to come home; that individuals had thrown a smoke bomb in a crowded disco room and then held the door causing eighteen to twenty people to be overcome by smoke. If I lived in a peaceful world, I wouldn't hear that a doctor who hadn't even performed surgery on a patient would be killed in his own office inside a hospital; that a newborn baby could be left in a plastic bag inside a hallway or that thieves had robbed a church's poor box at Christmas time.

If I lived in a peaceful world, I would expect to see evidence of the love Jesus taught us to have for one another. Neighbor helping neighbor: man helping those who are a little less fortunate than they are: families that are together eating, playing and praying and not torn apart by strife, greed, jealousy or divorce. I would expect to see children going to school and playing with each other and not be concerned if one's black or not, that all would have an equal chance to higher education regardless of one's financial status.

If I lived in a peaceful world, I would see one country reaching a helping hand to help another one that has suffered a disaster; I would not expect to hear of arms building up and talk of nuclear attack or star wars.

If I lived in a peaceful world, I would expect my troubles to be minor and that 99 44/100 percent of my days to be happy peaceful ones.

IF I LIVED IN A PEACEFUL WORLD—DR. MARTIN LUTHER KING DREAM

(By Raquel Baker, Intermediate School 390, District 17)

If I lived in a peaceful world my life would be entirely different from the one I'm living now. I would have more friends of all races, and I would be able to go anywhere I want to without fear. I would not worry about getting mugged or killed. There would not be so much fighting and violence among the people. More people would be treated with more respect. There would be less crime and the world would be a better place to live in.

More kids would be eager to get an education instead of using drugs. Neighborhoods would be safer. There would be no war among countries and people would be free to move from one country to another without restrictions. Doors and windows would not have to be locked at all times. There would be less people in prison. There would be less of a need for armed forces and nuclear arms, and so the people would pay less taxes. We would be healthier because there would be less pollution and cleaner surroundings.

If I lived in a peaceful world, life would be beautiful. All people would be my brothers and sisters.

IF I LIVED IN A WORLD OF PEACE—A DR. MARTIN L. KING JR. DREAM

(By Ashton Cudjoe, Intermediate School 390, District 17)

If I lived in a world of peace, violence would be unknown. It would be very nice in such a world. Wars would never exist and no one would be thinking of nuclear weapons. There would be no simple accident which can cause the world to be destroyed.

Dr. Martin L. King, Jr. said "I have a dream that my four children will one day live in a nation where they will not be judged by the color of their skin but by the content of their character." If we lived in such a nation you would see black and white children playing together and holding hands. This would prove that people are created equally, and that we should all care for each other.

Many people are still prejudiced today, but we must all in some way try to overcome this. It is said "We are not born prejudiced, we are taught to be prejudiced." If people no longer taught their children to be prejudiced, we might just be able to create this world of peace.

If I lived in a world of peace, I would even try to make things better. This can never be a perfect world. If we try to change the things that are wrong, we can try to make the world as close to perfect as we can.

PROLOGUE

(By Kim Cherry, Bishop Loughlin Memorial H.S., District 13)

On January 15, 1929, a child was born, born into a destiny that could not be avoided, that of being black in a white society. As this child became a man, he fought for racial equality with a force never used before. He wanted someday "for the sons of former slaves and the sons of former slave owners to be able to sit together at the table of brotherhood."

If only Dr. King were alive today to see what great things he has done. None of it would have been possible without this.

In the 1950's and 1960's, the goal of a great man known throughout the world today as Dr. Martin Luther King, Jr. was to achieve a status of racial equality throughout this great nation. Dr. King went about reaching this goal in a manner rarely thought of today. He did it in a respectable manner, through non-violent retalliation and peace. His philosophy was this, "If I react to your evil with hate, you will respond with more evil. But if instead I meet your evil act with love, you will be inspired to abandon your evil ways. Brotherly love stops evil in its tracks." It was upon these words of the Indian leader, Mahatma Ghandi, that King based his pursuit for freedom.

King had a dream, a dream that "one day this nation would rise up and live out the true meaning of its creed," a dream that people of their character," a dream that is a reality today, a dream that was made a reality through the non-violent principles King so deeply believed in.

In order to build a peaceful world today, we need to follow in the peaceful footsteps made by Dr. King. I wonder how many others besides myself have this dream. But no matter the number, there is only one way for this dream to become a reality, and that is through peace and non-violence.

EPILOGUE

(By Iramane Desrosiers, Prospect Heights H.S., District 17)

On April 4, 1968, as Dr. King leaned from the balcony of his motel in Memphis, Tennessee, across the street James Earl Ray fired a shot that killed Dr. King. The man is dead, but the dream lives on.

Thank you Dr. King.

In 1863, President Lincoln signed the Emancipation Proclamation freeing the slaves in the states, but the Thirteenth Amendment actually ended slavery in the United States. In other parts of the world, people in slavery were still fighting for their freedom.

One hundred years later, Blacks in the United States still were not free. They were still "chained" to many endured injustices. It took a man with devotion, courage and love to show white people that freedom was given to every American. The minds of Black people should no longer be enslaved under this prejudices of whites. Everyone should have the same rights and should acquire their citizenship to the fullest. The man who believed in such ideas was Dr. Martin Luther King, a black man.

He wanted all Americans to have the same rights. He believed that if everyone had the same rights, there would not be superior and inferior classes in the United States. Prejudices and pressure between Whites and Blacks would not exist. There would be justice and every American would be satisfied and happy.

I believe that if people lived by the "laws of the lands," and saw to it that equality was not something we had to dream of, there would not be any strikes against government rules. Justice would be the center of everyones life. And if we accepted the concept of equality, the right to live, to vote and voice our opinions, people would respect each other more.

Dr. King guided his people into protest in an imaginative and unprecedented manner to stimulate powerful federal legislatation. He used non-violent actions to gain justice and respect for Blacks as Ghandi did to free his country from British colonization. Dr. King pointed out, during a meeting, that the choice was no longer between violence and more violence. It's either non-violence or non-existence. He used non-violence as a way of perfecting social change in a world of brutality and war.

I believed that we can resolve our problems without using violence and injustice by being fair and responsible for our actions. We will not survive with all of our differences, languages, customs and points of view if we think that violence is the solution. I think that people must avoid violence, murders and brutality. Nuclear bombs, weapons and pollution should also be banished because there will be no use for such things on earth if we follow his teachings. There won't be any need for violent and aggressive television shows because everyone will want to keep violence out of their minds, and live in a quiet and peaceful world.

Unity was also something Dr. King invisioned. He guided his people to be united because he knew that "unity created strength." Every Black at the meetings shared a communion of spirit. Everyone agreed to others' suggestions because each of them knew that they had the same hopes and were in the same predicament. They stayed united to fight for what they believed was right.

However, unity is a word that is losing its power in our world. People think that they can, by themselves, arrive at a solution to solve our problems. We musn't forget that "unity creates strength," and we all want that strength to put an end to governmental conflicts.

If something happens to our planet, it will affect all of us and nobody will be able to blame the other because we could have avoided the disaster if we only had given up our differences and had done what we thought was best for all human beings. The two things that Dr. King insisted upon was that everyone love their enemies and for everything to be disciplined. Justice cannot be right if there is no discipline. People cannot be united if there is no love for all mankind. Dr. King said that no matter what the whites had done to Black people, they should not be treated violently.

There will be many changes that we haven't seen before. A time when everyone will start to care for others and forgetting our problems. We will try to relieve others of their pains, fears, illnesses, fatigue, suffering and hate. Everyone will try to make life better for others. People will live in harmony. God compassionately will do the rest of the work for us as he will know that there is a change in our heart. We will conduct our struggle "on a high plane of dignity and discipline." We will never drink from the cup of hatred and bitterness.

All of our problems and conflicts won't be anymore. People will live happily and will have longer life spans. Respect, love, truth, discipline, unity and non-violence will be the new laws on earth. All of this we can have if we follow the examples that Dr. King gave to us during the protest against segregation aimed to Blacks in America.

He was right. The situation between Blacks and Whites has been improving. White and Black children are now going to the same schools. There are fewer segregated seats in churches, and also there is less injustice. His rules might be difficult to follow, but if we believe that it is the only way to reach the top of the temple of peace, then it will not be difficult. Love, justice and truth always wins.

HOUSE OF REPRESENTATIVES—*Wednesday, April 9, 1986*

The House met at 10 a.m.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

Gracious God, by whose act of creation we have come and to whom we shall return, bless Your people as they seek to do justly, love, mercy, and walk humbly with You. Speak, O God, to those people who have any special concern and may Your Holy Spirit give strength to those who are weak and give healing to those who have need. Make real Your presence so that we will never walk alone but will ever know Your love, a love that will be with us always. In Your name, we pray. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

Mr. BARTON of Texas. Mr. Speaker, pursuant to clause 1, rule I, I demand a vote on agreeing to the Speaker's approval of the Journal.

The SPEAKER. The question is on the Chair's approval of the Journal.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. BARTON of Texas. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will inform absent Members.

The vote was taken by electronic device, and there were—yeas 269, nays 103, not voting 62, as follows:

[Roll No. 68]

YEAS—269

Ackerman	Biaggi	Coelho
Akaka	Boggs	Coleman (MO)
Alexander	Boland	Coleman (TX)
Anderson	Boner (TN)	Collins
Andrews	Bonior (MI)	Combest
Annunzio	Borski	Conyers
Anthony	Bosco	Cooper
Applegate	Boulter	Coyne
Archer	Boxer	Craig
Aspin	Breaux	Crockett
Atkins	Brooks	Daniel
Barnard	Brown (CA)	Darden
Barnes	Broyhill	Daschle
Bateman	Bruce	Davis
Bates	Burton (CA)	de la Garza
Bedell	Bustamante	Dellums
Beilenson	Carper	Derrick
Bennett	Carr	Dicks
Berman	Chappell	Donnelly
Bevill	Clinger	Dorgan (ND)
Dowdy	LaFalce	Robinson
Downey	Lantos	Rodino
Duncan	Leath (TX)	Roe
Dwyer	Lehman (CA)	Rose
Dymally	Lehman (FL)	Rostenkowski
Early	Levin (MI)	Rowland (CT)
Eckart (OH)	Levine (CA)	Rowland (GA)
Eckert (NY)	Lipinski	Roybal
Edgar	Livingston	Rudd
Edwards (CA)	Long	Russo
English	Lowry (WA)	Sabo
Erdreich	Luken	Savage
Evans (IL)	MacKay	Scheuer
Fascell	Manton	Schneider
Fazio	Markey	Schulze
Feighan	Martin (NY)	Schumer
Fish	Matsui	Sharp
Flippo	Mavroules	Shumway
Foley	Mazzoli	Sisisky
Ford (MI)	McCain	Skelton
Ford (TN)	McCloskey	Slattery
Frank	McCollum	Smith (FL)
Franklin	McCurdy	Smith (IA)
Frenzel	McDade	Smith (NE)
Frost	McEwen	Smith (NJ)
Fuqua	McHugh	Snyder
Garcia	McKinney	Solarz
Gaydos	McMillan	Spratt
Gejdenson	Meyers	St Germain
Gibbons	Mica	Staggers
Gilman	Mikulski	Stallings
Glickman	Miller (CA)	Stark
Gonzalez	Mineta	Stenholm
Gordon	Moakley	Stratton
Gradison	Mollohan	Studds
Gray (IL)	Montgomery	Sweeney
Gray (PA)	Moody	Swift
Green	Moore	Synar
Hall (OH)	Morrison (CT)	Tallon
Hall, Ralph	Morrison (WA)	Tauzin
Hamilton	Mrazek	Thomas (GA)
Hammerschmidt	Murphy	Torricelli
Hartnett	Natcher	Towns
Hatcher	Nelson	Traficant
Hayes	Nielson	Traxler
Hefner	Nowak	Udall
Hertel	Oakar	Valentine
Hillis	Oberstar	Vento
Holt	Obey	Visclosky
Hopkins	Olin	Volkmer
Horton	Ortiz	Walgren
Howard	Owens	Watkins
Hoyer	Packard	Waxman
Hubbard	Panetta	Weaver
Huckaby	Pease	Weiss
Hughes	Pepper	Wheat
Hutto	Perkins	Whitley
Hyde	Petri	Whitten
Jeffords	Pickle	Williams
Johnson	Porter	Wirth
Jones (OK)	Price	Wise
Jones (TN)	Pursell	Wolpe
Kanjorski	Quillen	Wortley
Kaptur	Rahall	Wright
Kasich	Rangel	Wyden
Kastenmeier	Ray	Wylie
Kennelly	Regula	Yates
Kildee	Reid	Yatron
Kleczka	Richardson	Young (MO)
Kolter	Ritter	

NAYS—103

Armey	Chappie	Durbin
Badham	Coats	Dyson
Bartlett	Cobey	Emerson
Barton	Coble	Evans (IA)
Bentley	Coughlin	Fawell
Bereuter	Courter	Fiedler
Bilirakis	Crane	Fields
Bliley	Dannemeyer	Gallo
Boehlert	Daub	Gekas
Brown (CO)	DeLay	Gingrich
Burton (IN)	DeWine	Goodling
Carney	Dornan (CA)	Gregg
Chandler	Dreier	Gunderson
Hansen	Monson	Smith, Robert (NH)
Hendon	Moorhead	Smith, Robert (OR)
Henry	Oxley	Snowe
Hiler	Parris	Solomon
Hunter	Pashayan	Spence
Ireland	Penny	Stangeland
Jacobs	Roberts	Strang
Kindness	Roemer	Sundquist
Kolbe	Rogers	Swindall
Kramer	Roth	Tauke
Leach (IA)	Roukema	Taylor
Lent	Schaefer	Walker
Lightfoot	Schroeder	Weber
Lloyd	Schuette	Whitehurst
Loeffler	Sensenbrenner	Whittaker
Mack	Shaw	Wolf
Marlenee	Shuster	Young (AK)
McCandless	Sikorski	Young (FL)
McGrath	Siljander	Zschau
McKernan	Skeen	
Miller (OH)	Slaughter	
Mitchell	Smith, Denny (OR)	
Molinari		

NOT VOTING—62

Addabbo	Gephardt	Martinez
AuCoin	Grotberg	Michel
Bonker	Guarini	Miller (WA)
Boucher	Hawkins	Murtha
Broomfield	Heftel	Myers
Bryant	Jenkins	Neal
Byron	Jones (NC)	Nichols
Callahan	Kemp	O'Brien
Campbell	Kostmayer	Ridge
Chapman	Lagomarsino	Rinaldo
Cheney	Latta	Saxton
Clay	Leland	Seiberling
Conte	Lewis (CA)	Shelby
Dickinson	Lewis (FL)	Stokes
Dingell	Lott	Stump
DioGuardi	Lowery (CA)	Thomas (CA)
Dixon	Lujan	Torres
Edwards (OK)	Lundine	Vander Jagt
Florio	Lungren	Vucanovich
Foglietta	Madigan	Wilson
Fowler	Martin (IL)	

□ 1015

So the Journal was approved.

The result of the vote was announced as above recorded.

PERSONAL EXPLANATION

Mr. LEWIS of Florida. Mr. Speaker, due to official business I was not present for rollcall vote No. 68. Had I been present I would have voted "no" on rollcall 68, the Speaker's approval of the Journal.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Hallen, one of its clerks, announced that the Senate had passed bills and a joint resolution of the following titles, in which the concurrence of the House is requested:

S. 1707. An act to authorize the President to present a gold medal to the parents of Father Jerzy Popieluszko;

S. 1756. An act to authorize the President to present to Sargeant Shriver, on behalf of the Congress, a specially struck medal;

S. 1895. An act for the relief of Marlboro County General Hospital Charity, of Bennettsville, SC;

S. 1952. An act to provide for the striking of medals to commemorate the Young Astronaut Program;

S. 2084. An act authorizing the President to present gold medals to the families of the crew members of mission 51-L of the space shuttle *Challenger;*

S. 2179. An act to amend the Communications Act of 1934 to provide for reduction in the term of office of members of the Federal Communications Commission, and for other purposes; and

S.J. Res. 222. Joint resolution concerning the cruel and inhuman killing of Leon Klinghoffer and Robert Stethem by international terrorists because they did not submit to the demands of these terrorists.

1025

RED MEAT BUYOUT

(Mr. CRAIG asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CRAIG. Mr. Speaker, last week when the Department of Agriculture announced that it was implementing the milk production termination program, a shock wave, truly a shock wave hit the red meat livestock industry of this country. It is now estimated that this program may well have taken from the cattle markets of this country as of last night over $300 million.

It is now critically important that this body urge the Secretary of Agriculture to move immediately in the buyout of the red meat that was ordered in Public Law 99-198, that ASCS, under his direction, establish an orderly slaughter program within the designated three-period approach.

If we do not do this, the cattle industry of this country, that has suffered under adverse market conditions for the last 5 years, will be ultimately broke. It is now critical as one Government program destroys a segment of our livestock industry that we now ask our Secretary to respond immediately, to send a message to our markets that we will solve this problem, we will do it in an orderly fashion, within the confines of the current law.

CREDIBILITY OF THE CIVIL RIGHTS COMMISSION

(Mr. MITCHELL asked and was given permission to address the House for 1 minute.)

Mr. MITCHELL. My colleagues, I want to talk to you for just a moment about the issue of credibility. There was the old Malthusian theory of population which is outmoded, and it is not credible anymore. There is a man who wrote a book about the life of Howard Hughes, and it turned out to be a bogus publication, and it is not credible. In the Christian faith, there was Judas who betrayed Jesus, and of course, Judas has no credibility.

Now we have a noncredibility item coming out of the U.S. Civil Rights Commission, a typical, nonsubstantiated report about set-asides for minority business. I would suggest to you that that Commission has no more credibility than the old Malthusian theory, that Mr. Pendleton has no more credibility than does Judas, and that any report that comes out of the Civil Rights Commission is a biased and nonobjective report because of the philosophical orientation.

My hope would be that we get rid of that whole pesky bunch over there, because they lack credibility, and anything that is turned out ought to be viewed with suspicion and doubt because they are a noncredible entity.

This Civil Rights Commission that once was a decent, fighting body that has turned into a toady instrument for the Reagan administration.

CUT OFF YOUR TAIL TO SAVE MY FACE

(Mr. DANNEMEYER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DANNEMEYER. Mr. Speaker, one of Aesop's fables tells us about a fox that lost his tail in a trap and felt ashamed of his disfigurement. He wanted to persuade the other foxes to maim themselves in the same manner; then, he thought, his own loss would not be so conspicuous. At the assembly of foxes he pleaded with his peers thus: "Your tail is a superfluous appendage, ugly to look at, and cumbersome to carry around. You should snip off the offender." But an elderly fox objected: "Wait a minute! You only give us this advice because it suits your own book."

Mr. Speaker, 2,500 years after Aesop, the word became flesh. Foreign currencies have lost much of their value and the American dollar, which has been depreciating more modestly, appeared to be stronger. The foreigners became envious and prevailed upon us to cut off our tail—in the name of helping our farmers and our workers employed in the export industry. To add insult to injury, they also insisted that we should do the cutting piecemeal—in the name of preserving orderly conditions in the foreign exchange markets. Never has a more cruel trick been played on the American farmers and workmen. They are certainly not getting the benefits promised, while they are being paid ever cheaper dollars for their effort.

Those who applaud us as we are cutting the value of the dollar do so because they stand to reap the benefits of riskless speculation against the dollar, at the expense of the American saving public. They have a free ride in selling the dollar short. Like Aesop's fox, they suit their own book. We should not be so foolish as playing right into their hands. The help to American farmers and workmen does not lie in the direction of further destabilization, but in the direction of the stabilization of the dollar: In the direction of the resumption of a gold standard.

PROTECTING AMERICANS IN GERMANY

(Mrs. SCHROEDER asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. SCHROEDER. Mr. Speaker, in Germany I think we all know we have the highest concentration of Americans outside of America, and they are there because we have ordered them there, and they are there protecting the Western Alliance.

I think we also know from the news events of the last few weeks that they are in great jeopardy because we do not know quite what is happening in the whole terrorist area.

There is one thing I would like to have other Members join me in asking the Western Republic of Germany to do to help protect these people. For a long time, they have had license plates on their cars that stand out and are very different than everyone else's. We have made a tremendous emphasis in trying to protect property over there, but we now need to protect our people over there. One of the ways we can do it is to try and make their cars less a target and make them less a target.

Greece has now granted our troops plates that look just like other Greek plates, and I certainly hope the Western Republic of Germany, without further ado, or any other Mickey Mouse, will give us those kinds of plates for American servicemen in Germany. I think it is the least they can do to protect their well-being.

WELL WISHES TO MANUEL LUJAN AND BILL NICHOLS

(Mr. SKEEN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SKEEN. Mr. Speaker, I want to take this opportunity to wish our colleague from New Mexico, and my friend, MANUEL LUJAN, a quick and complete recovery. As almost everyone knows, MANUEL underwent triple bypass surgery Sunday morning in Albuquerque and after talking with his family, I am happy to report that his recovery from surgery is progressing very well. In fact, MANUEL is up and walking and beginning to catch up on his reading just yesterday.

I am pleased to say that he is in good hands and in good spirits. MANUEL has been a tireless and dedicated Member of this distinguished body for some 18 years. And while he is recuperating, MANUEL's leadership will be sorely missed here in Washington, and I am sure I speak for the entire House when I say we all look forward to MANUEL's return.

Mr. MONTGOMERY. Mr. Speaker, will the gentleman yield?

Mr. SKEEN. Certainly I am pleased to yield to the gentleman from Mississippi.

Mr. MONTGOMERY. Mr. Speaker, I appreciate the gentleman bringing up MANUEL LUJAN. But I would also like to point out that Congressman BILL NICHOLS from Alabama has also had a heart bypass. He is making a wonderful recovery, and I thought maybe the membership would like to know about BILL NICHOLS.

Mr. SKEEN. I would certainly join with the gentleman in that regard and thank him.

DELAWAREANS CELEBRATE THEIR SWEDISH-AMERICAN HERITAGE

(Mr. CARPER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CARPER. Mr. Speaker, I am pleased to have the opportunity to bring to the attention of my colleagues House Joint Resolution 560, which I joined Representative HUGHES of New Jersey in introducing last month as an original cosponsor. The resolution commemorates the 350th anniversary of the landing of the first Swedish settlers in America by making 1988 the "Year of New Sweden."

The people of Delaware are proud of the historic significance of the first Swedish settlement in America on the shores of the Christina River at what is today Wilmington, DE. That small group of pioneers, who came to this land in 1638, along with thousands of Swedes who have immigrated since, have grown with our country. Today, they number over 4 million, and reside in every State in the Union.

From the time they landed in Delaware and established the colony of New Sweden to the present, Swedish-Americans have made invaluable contributions to the cultural, political, and economic development of our country. Swedish-Americans have been involved in virtually every aspect of the American experiment, from being signers of the Declaration of Independence, to being some of the first pioneers in America's westward expansion, to their present-day prominence as captains of industry, political leaders, and eminent scholars and artists. The contributions of Swedish-Americans to our national heritage is great, and continues to grow.

In recognition of the first Swedish settlers' 350th anniversary, 14 communities throughout the United States from California to New Jersey and Minnesota to Texas are planning celebrations of their landing in Delaware. In my State, Ms. Camille Julin and the Kalmar Nyckel Commemorative Society are planning to construct a replica of one of the ships that brought the first Swedes to America as part of Delaware's celebration of this historic event.

Mr. Speaker, I urge my colleagues in the House to join me in supporting this important resolution to designate 1988 as the "Year of New Sweden."

THE CONSTITUTIONAL RIGHT TO BEAR ARMS

(Mr. WALKER asked and was given permission to address the House for 1 minute.)

Mr. WALKER. Mr. Speaker, there are people in this House who honestly believe that the crime problem can be dealt with by keeping guns away from the American people. They honestly think the problem is guns rather than criminals. I think they are wrong.

Others of us do not believe that responsible gun ownership is the problem in this country. In fact, we believe that responsible gun ownership is a fundamental constitutional right that should be protected and enhanced by our actions in this House.

Those differing philosophies will be in conflict in our debate today. We will hear a lot of rationalizations, but the basic argument is clear. We are being asked to stand with this country's sportsmen or against them. All of the fancy words and protests to the contrary will not change the basics of the debate.

If you believe that responsible gun ownership is a right, you should not be voting for gun control. If you think it is time to get tough with criminals who use guns in crimes, you should not be voting for bills that concentrate law enforcement on guns rather than on criminals. Law-abiding, gun-owning sportsmen will be watching our votes very closely today, and they will know who is for them and who is against them.

Gun ownership is a right. I intend to stand with our sportsmen with my vote for the Volkmer substitute.

GUN CONTROL

(Mr. OWENS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. OWENS. Mr. Speaker, gun control is a life-and-death matter. The murder rate in New York City went down last year slightly. Unfortunately, the rest of the crime rate did not go down, but the murder rate certainly went down, and part of that is due to the fact that we are enforcing more stringently very strong State gun-control laws.

Unfortunately, last weekend, there was an announcement made that the National Rifle Association will open a crime prevention center in my district—in Bedford-Stuyvesant, a part of my district—and that crime prevention center, I assume, will advocate that more guns are the answer to less crime. You can have less crime if you have more guns.

The senior citizens in my district do not think that more guns mean less crime. They are frightened of guns. The teenagers who go to school and are always alarmed at the appearance of a gun—1 gun will generate 1,000 knives in defense of themselves, and they do not want more guns. More guns are not the answer.

We could have greater control of narcotics at the border, greater enforcement of the laws to stop the selling of narcotics, of marijuana, the new drug, crack, cocaine. There are a number of things that can be done to lessen the crime in my district, but we do not need the National Rifle Association opening a center to advocate more guns as the answer to crime.

The people in my district are already terrified. There is too much crime already. More guns will mean that the criminals have more of an advantage than they already have. It is a life-and-death matter, and what we do here today is very important in determining whether or not people live or die in my district.

INTRODUCTION OF CREDIT CARD INTEREST RATE BILL

(Mr. KOLBE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KOLBE. Mr. Speaker, in recent months, the national media has devoted a good deal of attention to the subject of credit card interest rates, particularly why these rates have not declined along with others, and what the appropriate governmental solution, if any, should be. Today, I am introducing legislation which I believe will go a long way toward helping the American consumer without undue interference by the Federal Government in the marketplace.

My bill is very simple. It would require all depository institutions that offer credit cards to report to the Federal Reserve Board, on a quarterly basis, the following information: Annual percentage rate, "grace period," annual fee, and any other fees or service charges. The Federal Reserve would compile this information

on a State-by-State basis, based on solicitations within a State, and publish the information in the Federal Register. This information would also be available for sale to the public through the Consumer Information Center in Pueblo, CO.

This legislation is designed to accomplish two goals: It provides a mechanism for comparison shopping by the consumer, and this comparison shopping should lead to increased competition and lower rates among those institutions that offer credit cards.

I urge my colleagues to join me in cosponsoring this important consumer legislation.

□ 1040

H.R. 4332: A FAIR AND BALANCED BILL

(Mr. HUGHES asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HUGHES. Mr. Speaker, I have never in my life experienced an issue that generates more heat and less light than firearms legislation. It is absolutely incredible. I just spent 2 weeks back in my district; a district that is extremely rural; a district that has probably as many gun clubs per capita as any district, certainly any in the Northeast. I am a hunter myself. I chair the Subcommittee on Crime, as you know. I have spent 25 years in law enforcement, one way or another, either as a prosecutor or working, trying to develop legislation that would improve the criminal justice system.

The issue is not whether or not we want to take people's guns away; that is not the issue. We are going to hear Members get up here and say that, basically, "You're either for the sportsman or you're against the sportsman." That is nonsense.

This bill came out of the Committee on the Judiciary, 35 to 0—unanimously—because it is a fair and balanced bill. Both the Volkmer bill and the Hughes substitute, so to speak, or the Hughes bill, both ease restrictions, both decontrol ammunition, and do a number of other things requested by the sportsman.

It does a number of other things, however. It strengthens law enforcement. You just received this slip of paper as you came in. It is such nonsense, that the Hughes law enforcement amendment would reduce by one-half a penalty for illegal transfer or possession of a silencer. Nonsense. The Hughes amendment does not change existing law.

This slip says that "It would require ammunition recordkeeping of all sales * * *." That is nonsense. We decontrol ammunition for everything except for large sales and armor-piercing ammunition.

The suggestion that we would require Federal licensing of millions of firearms owners is just absolute nonsense.

EUROPEAN COMMUNITY VIOLATES VOLUNTARY RESTRAINTS ON STEEL

(Mrs. BENTLEY asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. BENTLEY. Mr. Speaker, last week, newspaper articles described the European Community's attempt to cram every ton possible of high-priced specialty steels into the United States before trade restraints were implemented March 1.

Our trading partners, the European Community, more than tripled their exports to the United States, making a mockery of the voluntary limit set by previous negotiations.

What is even more discouraging: the United States had delayed implementation of restraints several months at the insistence of our partners and after promises of continued compliance with voluntary restraints.

The dictionary defines partner as a person associated with another in some activity of common interest—implying a relationship between two people in which each has equal status and a certain independence but also implicit or formal obligations to the other.

With this definition, it is obvious we have no partners. When will we learn this lesson? Until we enforce true partnership status on our allies—enforce the concept of reciprocity—our taxpayers will pay for the lesson, and then pay with their jobs.

CONGRESS CAUGHT IN THE CROSSFIRE

(Mr. GEKAS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GEKAS. Mr. Speaker, Members of the House, everyone knows by now that a great duel will occur in this House today; a duel between two respected participants in our society, the sportsman and the police officer. That duel will have all the earmarks of the ancient duels; the seconds will be standing all around, hoping for the best for their protagonist. In the crossfire will be caught the Congress of the United States.

Which one shall we choose? Is it a choice between the sportsman and the law enforcement officer? I hope that we can put that kind of thing aside or else both will be mortally wounded at the outcome of this debate. I hope that we can find a basis where each will withdraw from that deadly fire, and agree that the restrictions that have been lifted by all versions of the bills that are coming before us will be the basis for a compromise that will have the participants and their seconds withdraw from the deadly duel and allow the business of the Congress to proceed, having solved a very difficult issue.

NATIONAL WOMEN VETERANS' RECOGNITION WEEK

(Mr. BILIRAKIS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BILIRAKIS. Mr. Speaker, today I am introducing, for the third year in a row, a joint resolution to declare the week beginning November 9, 1986, as "National Women Veterans' Recognition Week."

Legislation designating this week in honor of women veterans has been enacted into public law in both 1984 and 1985. As a result, public awareness of the needs and contributions of women veterans has increased, and the VA has taken positive steps to inform the female veteran of the benefits and services available to her.

The women who have served this country in our Armed Forces have made, and continue to make, tremendous contributions to the well-being and security of this Nation. We can honor them for their service, and express our support for a VA system that is truly responsive to their needs, by designating a National Women Veterans' Recognition Week again in 1986. I urge all my colleagues to join me in this effort by becoming cosponsors of this resolution. Timely passage of this measure will permit the kind of public awareness efforts necessary to ensure a successful celebration.

LSU'S THRILLING CONTRIBUTION TO COLLEGIATE BASKETBALL'S "FINAL FOUR"

(Mr. MOORE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MOORE. Mr. Speaker, during the Easter work period, one of each year's most exciting sports events took place in Dallas—the climax of the college basketball season and the NCAA tournament, the Final Four. Its spectacle and excitement are unsurpassed and certainly the biggest thrill for all of us back home was our State university, LSU, being a vibrant part of the 1986 event.

I'd like to recognize my friend, Coach Dale Brown, for the superb job he's accomplished this 1985-86 basketball season. The Tiger basketball team can today glow in the light of placing among those top four teams.

LSU, tabbed as destiny's darlings and the Cinderella of the Nation during Final Four Week, beat all the odds. The Tigers were the 11th-seeded team in their regional, meaning 44 other college teams were ranked higher by the NCAA selection committee. They made that invitation stand up, though, with four gutsy wins in a row, including victories over the top three seeds. The Tigers earned a well-deserved ticket to the Final Four, losing in Dallas to the eventual national champions, the Louisville Cardinals.

The LSU basketball team and Dale Brown overcame so many adversities during the course of the year—problems on and off the court, including illness, injuries, academic hardships—to prove the pundits wrong, to prove that determination can pay off. They're a great example of success, and my hearty congratulations for their super effort.

THE ENERGY INCENTIVES AND AGRICULTURAL FINANCIAL RESOURCES ACT OF 1986

(Mr. BOULTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BOULTER. Mr. Speaker, today I will introduce the Energy Incentives and Agricultural Financial Resources Act of 1986. This legislation addresses the oil and gas industry, the agriculture industry, as well as the banking and financial industry which is involved in lending its financial resources to both energy and agricultural concerns.

As virtually all of us are aware, due to a number of factors, we are experiencing dramatic declines in both the agricultural and energy sectors of our economy, which has in turn caused widespread and far-reaching concern to many other sectors of the national economy.

The legislation I am introducing tomorrow addresses these problems in a number of ways: It expresses through a sense-of-the-Congress resolution, that H.R. 3838 or any other tax reform legislation which detrimentally affects the oil and gas industry not be included in any final form of legislation.

Second, the bill establishes certain regulatory procedures that allow the restructuring of appropriate oil and gas or agricultural loans. These measures are intended to allow Federal banking agencies the regulatory abilities to work in cooperation with well-managed financial institutions whose capital may be temporarily impaired by adverse economic conditions beyond their control.

Finally, this bill allows the natural gas industry the ability to make their product available to electric utility plants and major industrial users who may wish to choose natural gas as their energy source. It provides for the transportation of natural gas without undue discrimination, and repeals incremental pricing requirements of NGPA.

Mr. Speaker, for those of us who are concerned that our country may be losing our productive capacities in the oil and gas industry, I urge your cosponsorship and support.

NONSMOKERS RIGHTS BILL

(Mr. RITTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RITTER. Mr. Speaker, we hear about, and are involved in, the political decisions made in smoke-filled rooms. Well, if the bipartisan legislation introduced today by Representatives BEREUTER, CHANDLER, COLLINS, NIELSON, OBERSTAR, STARK, SYNAR, WHITTAKER, and myself—is successful, those decisions will have to be made in designated smoke-filled rooms.

It is time we acknowledge that involuntary smoking is a public health hazard and that it is appropriate for the Federal Government, following the lead of States, municipalities, and private companies to do something about it in its own backyard.

A Gallup poll released last December by the American Lung Association found that 75 percent of all adults—that includes both nonsmokers and smokers—feel that smokers should refrain from smoking in front of nonsmokers and that 79 percent—again, of all adults—support the concept of designated smoking areas in the workplace.

I have met with several of the scientific investigators. I have a reputation in this field as a hardnose on the facts and a stickler for providing the scientific health reasons for regulation.

On a more personal level, but, perhaps, for many, the most significant one, all of us, smokers and nonsmokers alike, are familiar with the irritation—itching, burning eyes, coughing, headache, and a general feeling of discomfort—that can result from exposure to tobacco smoke.

More than three dozens States, hundreds of municipalities, and numerous private companies already have enacted policies to limit smoking both in public places and in the workplace. Undoubtedly, there are ordinances in effect in your district, and many State and local organizations are involved in developing and promoting these projects for nonsmokers.

We are not breaking new ground here today; rather, we are playing catchup.

The bill will:

Require the designation of specific smoking and nonsmoking areas in all Federal buildings, including congressional buildings and courthouses.

Encourage consultation by Federal agency heads with employee unions and health organizations in implementing nonsmoking rules.

Permit individual agencies to enact rules that are more stringent than those required by this bill.

Require the development of all regulations to be coordinated with the Surgeon General.

Require signs to designate smoking and nonsmoking areas.

A comparable bill has been introduced in the Senate and is awaiting floor action.

BILL TO PERMIT SUITS TO COMPEL FEDERAL ENFORCEMENT OF THE ANIMAL WELFARE ACT

(Mr. CHANDLER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CHANDLER. Mr. Speaker, I am pleased to join Congressman ROSE to introduce today a bill to amend the Animal Welfare Act to permit private suits to compel its enforcement. The Animal Welfare Act is the Federal law that protects animals used in research, experimentation, and exhibition, and that outlaws animal fighting ventures. The act requires the Secretary of Agriculture to promulgate regulations for its implementation, and provides enforcement authority to several agencies, primarily the USDA. The bill we are introducing today will not alter the substance of the law. Rather, it will help to ensure that the law, as it stands, will be enforced.

This bill essentially adds a citizen suit provision to the Animal Welfare Act. This provision is modeled on a similar provision in more than a dozen Federal environmental laws. Actually, it does not go as far as the citizen suit provisions in most of those laws. The environmental laws, such as the Clean Air Act and the Clean Water Act, allow citizens both to sue the Federal Government to compel it to enforce the environmental laws, and to sue violators of those laws. The bill I am introducing today only allows suits against the Government. It does not authorize suits against universities, research facilities, or any other alleged violators of the Animal Welfare Act.

We need this bill because the USDA has not adequately been enforcing the act. In the first 10 years after the law was enacted in 1966, USDA brought a total of two enforcement actions. USDA's more recent failure to enforce the act is documented by the General Accounting Office in its May 16, 1985, report. Every major violation of the act that has been revealed in recent years has been brought to light by a

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source other than USDA. Many of these violations have resulted in the cutoff of Federal funds for the research projects in question; these include projects at Columbia University and the University of Pennsylvania. This bill will certainly remove the incentive that the more radical animal rights groups have had to conduct break-ins and sit-ins of research facilities.

The bill follows the pattern of the Federal civil rights laws and environmental laws, as they have been interpreted by the courts, with respect to awards of attorneys' fees. When the Government loses a suit it will ordinarily be liable for the plaintiff's attorneys' fees, and when it wins it will be allowed to recover its attorneys' fees provided the action or proceeding was frivolous, unreasonable, or without foundation. This will provide an incentive to the Government to enforce the Animal Welfare Act, and to settle quickly when it is meritoriously sued for failing to enforce it. It will also ensure against the Government's being burdened by frivolous lawsuits.

The Congress in its last session enacted substantive amendments to the Animal Welfare Act. We now must do something to ensure that this law is enforced. There is little point in having a law on the books that is not enforced.

LET US THROW LIBYA OUT OF THE UNITED NATIONS

(Mr. MACK asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MACK. Mr. Speaker, later today I will be introducing a sense-of-the-Congress resolution calling for the expulsion of Libya from the United Nations.

The Charter of the United Nations clearly states that the central purpose of the organization is to maintain international peace and security and to suppress acts of aggression.

Mr. Speaker, I believe the integrity of the United Nations is being deeply tarnished by the membership of Qadhafi's Libya.

In direct contradiction of the U.N. Charter, Qadhafi repeatedly and openly has promoted international terrorism. The world we live in is infested with a Libya-sponsored climate of intimidation. The terrorists Libya arms and funds exhibit a callous disregard for the lives of innocent civilians, including children.

Mu'ammar Qadhafi is committed to sabotaging the peace process in the Middle East. He has interfered militarily and politically in the soverign affairs of Chad, Egypt, the Sudan, Tunisia, and other countries. And he has exported arms to combat democratic movements in Nicaragua and the Philippines.

Should Libya be part of an organization committed to peace? I think not. I urge my colleagues to join with me in calling for Libya's immediate expulsion from the United Nations.

CHINA'S ABOUT-FACE ON PURCHASE OF WESTERN NUCLEAR REACTORS AND EQUIPMENT

(Mr. SOLOMON asked and was given permission to address the House for 1 minute.)

Mr. SOLOMON. Mr. Speaker, once again the Communist People's Republic of China has tipped its hand—and the card sharks in the State Department who have been playing the vaunted "China card" all these years are left without any chips.

I am referring to an announcement made last Thursday by the director of the PRC's Nuclear Power Program that his country is reducing significantly its anticipated purchases of Western-built nuclear reactors and equipment. Now that the PRC's nuclear cooperation agreement with the United States has been signed, sealed, and delivered, China is making overtures to—you guessed it. The Soviet Union for nuclear purchases and cooperation.

You remember, of course, the song and dance we all heard from the State Department about how we must suppress our doubts and swallow our qualms about China's policies regarding nuclear proliferation so that American manufacturers can cash in on the Chinese market for nuclear reactors and equipment. And let's not forget about all of that leverage the State Department promised we'd have over the Chinese if only this nuclear cooperation agreement could be approved.

Mr. Speaker, our Government seems to have a compulsion to give away the store every time we sit across the conference table from the Chinese. Now that the Chinese seem to be taking lessons from Daniel Ortega on the science of good timing and when to visit Moscow once the necessary concessions have been gained from the United States, I hope that we'll all wise up.

IN FAVOR OF THE VOLKMER SUBSTITUTE

(Mr. MARLENEE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MARLENEE. Mr. Speaker, today the American people will be given a clear choice.

Handgun registration and the potential for arrest and harassment because of transportation of a handgun. Or, the right to legally own and transport a handgun as provided in the Constitution on the Volkmer substitute.

Make no mistake about it the committee bill provides for notifying local law jurisdictions and the FBI whenever a handgun is purchased. This, in my opinion, is back door registration.

The proponents will tell you that the records must be destroyed in 90 days, but the questions should be asked—who is going to police the Bureau of Alcohol, Tobacco and Firearms? How responsible has the Treasury Department been in the past. IRS-BTAF it seems harassment has been part of their style. And we're going to allow them to draft the regulations on accumulation and investigation of handgun purchases.

Be safe and vote against potential back door registration and for the Volkmer substitute.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER pro tempore (Mr. ALEXANDER) laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, DC,
April 8, 1986.

Hon. THOMAS P. O'NEILL, Jr.,
The Speaker, House of Representatives, Washington, DC.

DEAR MR. SPEAKER: Pursuant to the permission granted in Clause 5, Rule III of the Rules of the U.S. House of Representatives, I have the honor to transmit a sealed envelope received from the White House at 3:50 p.m. on Tuesday, April 8, 1986 and said to contain a message from the President wherein he transmits the Annual Report of the National Endowment for the Arts and the National Council on the Arts for the Fiscal Year 1985.

With kind regards, I am,
Sincerely,

BENJAMIN J. GUTHRIE,
Clerk, House of Representatives.

ANNUAL REPORT OF THE NATIONAL ENDOWMENT FOR THE ARTS AND THE NATIONAL COUNCIL ON THE ARTS—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Education and Labor:

(For message see proceedings of the Senate of yesterday, Tuesday, April 8, 1986, at page 6650.)

PROVIDING FOR CONSIDERATION OF H.R. 4332, FEDERAL FIREARMS LAW REFORM ACT OF 1986

Mr. DERRICK. Mr. Speaker, by direction of the Committee on Rules, I

call up House Resolution 403 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 403

Resolved, That at any time after the adoption of this resolution the Speaker may, pursuant to clause 1(b) of rule XXIII, declare the House resolved into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 4332) to amend chapter 44 (relating to firearms) of title 18, United States Code, and for other purposes, and the first reading of the bill shall be dispensed with. After general debate, which shall be confined to the bill and shall continue not to exceed two hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on the Judiciary, the bill shall be considered for amendment under the five-minute rule. Immediately after the enacting clause is read, it shall be in order to consider the amendment in the nature of a substitute recommended by the Committee on the Judiciary now printed in the bill, and said amendment shall be considered as having been read. Before the consideration of perfecting amendments to said amendment, it shall be in order for Representative Volkmer of Missouri to offer a substitute for said amendment consisting of the text of his amendment printed in the Congressional Record of March 18, 1986, and said substitute shall be considered as having been read. Before the consideration of other perfecting amendments to the amendment or to the substitute it shall be in order, notwithstanding the prohibition against a member offering an amendment to his own amendment, to consider a perfecting amendment printed in the Congressional Record of March 19, 1986 by, and if offered by Representative Volkmer of Missouri to his substitute. No amendment to the amendment or to the substitute shall be in order except pro forma amendments for the purpose of debate and amendments printed in the Congressional Record. At the expiration of five hours of consideration of said amendment and substitute for amendment under the five-minute rule, no further amendment to the amendment, to the substitute or to the bill shall be in order, and the question shall occur on the pending amendment or amendments. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit. After the passage of H.R. 4332, the Committee on the Judiciary shall be discharged from the further consideration of the bill S. 49, and it shall then be in order in the House to move to strike out all after the enacting clause of the said Senate bill and to insert in lieu thereof the provisions contained in H.R. 4332 as passed by the House.

SEC. 2. The resolution (H. Res. 290) providing for the consideration of the bill (H.R. 945) to protect the rights of firearm owners is hereby laid on the table.

The SPEAKER pro tempore. The gentleman from South Carolina [Mr. DERRICK] is recognized for 1 hour.

Mr. DERRICK. Mr. Speaker, for purposes of debate only, I yield the customary 30 minutes to the gentleman from Tennessee [Mr. QUILLEN], pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 403 is a modified open rule providing for consideration of H.R. 4332, the Federal Firearms Law Reform Act of 1986. The rule provides 2 hours of general debate, with the time divided and controlled by the chairman and ranking minority member of the Committee on the Judiciary.

Mr. Speaker, the purpose of this rule is not so much to provide waivers of points of order as it is to provide a very specific and orderly procedure for the consideration of H.R. 4332, as well as a comprehensive substitute to be offered by the gentleman from Missouri [Mr. VOLKMER]. I would therefore like to take a moment to outline these procedures.

House Resolution 403 provides that after general debate, the bill shall be considered for amendment under the 5-minute rule. Immediately after the enacting clause of the bill is read, the first amendment to be considered will be an amendment in the nature of a substitute recommended by the Committee on the Judiciary now printed in the bill. Mr. Speaker, this is a very common practice which we regularly incorporate in rules to simply allow the product of the committee's deliberations to be considered in place of the bill as introduced.

Before perfecting amendments may be offered to the Judiciary Committee amendment, however, this rule provides that it shall be in order for Representative VOLKMER of Missouri to offer a substitute for the Judiciary Committee's amendment. The Volkmer substitute made in order under this rule is the amendment which was printed in the CONGRESSIONAL RECORD of March 18, 1986.

Mr. Speaker, because a technical drafting error was discovered in the Volkmer substitute after it was printed, this rule further provides that the next amendment made in order will be a perfecting amendment printed in the CONGRESSIONAL RECORD of March 19, 1986, by Mr. VOLKMER, to his substitute. This perfecting amendment is made in order notwithstanding the prohibition against Members offering an amendment to his or her own amendment.

At this point in the process provided under this rule, Mr. Speaker, both the Judiciary Committee bill and the Volkmer substitute would be pending before the House for amendment under the 5-minute rule. Technically, the Judiciary Committee proposal will be pending as an amendment in the nature of a substitute to H.R. 4332, as introduced, and the Volkmer alternative will be pending as a substitute amendment to the Judiciary amendment.

Next, the rule provides for the offering of both pro forma amendments for the purpose of gaining recognition, as well as perfecting amendments which were printed in the CONGRESSIONAL RECORD. I would like to stress, Mr. Speaker, that any amendment which was previously printed and which does not violate the rules of the House could be offered as a perfecting amendment to either the Judiciary Committee amendment or the Volkmer substitute.

The only constraint on the offering of such perfecting amendments to either vehicle, other than the printing requirement, is a time constraint. This rule provides that after the expiration of 5 hours, no further amendments shall be in order, and the question will occur on the pending amendment or amendments.

The sequence of voting at the expiration of the 5 hours will be as follows: The question will be put first on any perfecting amendment pending to the Judiciary Committee amendment in the nature of a substitute; second, on any perfecting amendment pending to the substitute amendment offered by Mr. VOLKMER; third, on the substitute amendment offered by Mr. VOLKMER, as amended; and finally, on the Judiciary Committee amendment in the nature of a substitute, as amended.

The Committee of the Whole will rise and report back to the House H.R. 4332 with such amendments as may have been adopted. One motion to recommit is provided under the rule.

At the conclusion of action on the measure, Mr. Speaker, this rule provides for a hook up with the bill containing the version of this legislation which passed the other Chamber, S. 49. And finally, the rule provides that House Resolution 290, a resolution providing for the consideration of H.R. 945, an earlier version of this legislation introduced by Representative VOLKMER, will be laid on the table.

Mr. Speaker, as our colleagues are aware, a discharge petition had been filed to discharge the Committee on Rules of a resolution providing for consideration of H.R. 945, the Firearms Owners Protection Act. The discharge petition received 218 signatures last month, and would therefore allow for consideration of the rule, and thereby H.R. 945, in the near future.

However, because the Judiciary Committee has reported this measure, and because this rule provides for the full and fair consideration of both the committee bill and the Volkmer substitute, the effort to consider this issue under the procedures of a discharge petition is now moot. Therefore, this rule tables the resolution which was the focus of the discharge petition.

Mr. Speaker, the issue of firearms law reform has been with us for several years. It is an issue on which many

of our colleagues have very strong feelings. It is time for us to deal with the issue.

Under this rule, the Members of the Chamber will have a full opportunity to consider two very distinct positions on this issue. While I intend to support the substitute to be offered by the gentleman from Missouri, I would note that this rule provides for the full consideration of both proposals. Both proposals are open to the amending process. By operation of this rule, the substitute will be voted on first, as is the normal practice in voting on amendments in the House. Our colleagues will thereby have a straight up-or-down vote on the proposition. If the substitute is defeated, the next vote would occur on the committee amendment, as amended.

Mr. Speaker, I would like to congratulate the leadership of the Committee on the Judiciary, as well as my colleague from Missouri, for getting this issue to the floor today. I have nothing but the highest respect for the persistence with which Mr. VOLKMER has pursued this objective. The leadership of the Committee on the Judiciary is also to be commended for their efforts in moving this issue through committee and to the floor.

Mr. Speaker, this is a rule which treats all parties fairly and which will facilitate our consideration of an issue which a majority of our colleagues have indicated their intentions to consider either by way of the committee process, or by way of a discharge petition.

I urge adoption of the rule, and I now defer to the gentleman from Tennessee [Mr. QUILLEN].

□ 1105

Mr. QUILLEN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the rule has been ably explained by the gentleman from South Carolina [Mr. DERRICK], so there is no need for me to describe it in detail. This is a good rule providing both the committee bill and the Volkmer substitute a full and fair hearing, providing for both measures to be open for amendment for a period of 5 hours, and then providing for a vote on the Volkmer substitute as an amendment for the committee bill. Finally, the rule nullifies the Volkmer discharge petition, which received 218 signatures several weeks ago.

The rule deserves Members' support, regardless of their views on the two measures, because it is a fair rule for all sides of the debate and for all the Members on this controversial issue.

What this rule brings before the House are two competing measures making changes to the Gun Control Act of 1968. As a long-time cosponsor of the bills introduced over the years by the gentleman from Missouri [Mr. VOLKMER]—and I want to congratulate the gentleman for his leadership and persistance—and as a signer of the discharge petition, I am, of course, a firm supporter of the Volkmer substitute. I feel it strikes a proper balance between the legitimate interests of sportsmen, hunters, and gun collectors, and the interests of law enforcement. The committee bill fails to do this and should be rejected.

The purpose of the Volkmer substitute is to concentrate the resources of the Federal Government on criminal activities connected with firearms, and at the same time to strengthen our efforts to protect the legitimate rights of law-abiding citizens who own guns.

The Volkmer substitute achieves this dual purpose when viewed as a whole. It is similar to a bill which received the affirmative votes of 79 Members of the other body last July. At that time, it was pronounced "dead on arrival" in the House, recalling to mind Mark Twain's remark that the report of his death was greatly exaggerated.

So it is with the Volkmer substitute. It has arrived on the House floor; it is not dead; and it will, I predict, pass the House.

Because the Volkmer substitute has such strong support here in the House, its opponents appear to have devised their last-ditch effort to weaken it and to defeat it. They have apparently abandoned hope that their bill, the committee bill, can be passed, and have decided to offer a package of amendments in the hope of gutting the Volkmer substitute.

I ask the Members to remember from where these amendments arise. If the Members pressing these amendments to gut the Volkmer substitute had had their way, the Volkmer substitute would have never reached the House floor.

Reject these amendments. Support the Volkmer substitute and defend it against these efforts to destroy its balance and its content.

□ 1115

I am reminded of the fact that some of the amendments offered will require gun registration. Go back in your memory and you will find, in the countries that have carried out gun registration, that it leads to confiscation. This must never happen in America. The Constitution provides for a right to bear arms.

Mr. Speaker, I ask for a "yes" vote on the rule so that we can get down to the business of passing the Volkmer substitute without any weakening amendments.

Mr. DERRICK. Mr. Speaker, for purposes of debate only, I yield 8 minutes to the gentleman from New Jersey [Mr. HUGHES].

Mr. HUGHES. First, Mr. Speaker, I want to thank my colleague from South Carolina for yielding to me.

Mr. Speaker, I rise in support of the rule for the consideration of H.R. 4332, the Federal Firearms Law Reform Act of 1986.

This bill was reported last month by the Judiciary Committee unanimously, by a recorded vote of 35 to 0. In fact, it came out of my Subcommittee on Crime 10 to 0 unanimously. It is a consensus bill that positively reforms the Nation's firearms law. It is the result of careful deliberation after the Crime Subcommittee received testimony for over 25 hours from some 75 witnesses representing all points of view.

The bill is designed to relieve the Nation's sportsmen and firearm owners from unnecessary burdens and to strengthen law enforcement. Our committee believes that those two goals are perfectly compatible if the legislation is drafted carefully and the issues are considered on their merits. That is the way the Crime Subcommittee considered this particular bill, the way the full Judiciary Committee considered the legislation and the way that the House will be able to consider this legislation under this particular rule.

The committee has reported a single amendment in the nature of a substitute. Representative HAROLD VOLKMER of Missouri, who has been the principal advocate of this reform legislation in the House for a number of years, has prepared and noticed a substitute to the committee-reported bill. The rule permits perfecting amendments to be offered to the committee bill and the Volkmer substitute. The rule allows 2 hours of general debate and 5 hours of debate on the many amendments which have been noticed in the RECORD. In my judgment, it is a fair rule. It is a rule, I believe, that was sought by my colleague, the gentleman from Missouri [Mr. VOLKMER].

The Judiciary Committee's bill has the following key features:

It benefits law-abiding gun owners. Make no mistake about that.

First, it permits interstate sale of rifles and shotguns if the sale is made face to face between buyer and seller and it complies with the laws of the place of sale and the laws of the residence of the buyer, and applies the usual rules of criminal law.

Second, it permits hunters, target shooters, and other sportsmen to travel with their rifles and shotguns in and between States, notwithstanding State and local law to the contrary. The possession of the firearm has to be legal under the law of the State from which the travel with the firearm begins and legal under the law of the destination State, which is only reasonable, I submit. The firearm has

to be secured, unloaded, and not readily accessible.

Third, the committee bill eliminates some unnecessary recordkeeping.

Fourth, it protects against improper forfeiture of firearms.

Fifth, it improves the ability of deserving members of the public, who may be under a legal disability, to obtain relief from that disability.

The bill also benefits law enforcement and does not weaken it. It strengthens the mandatory prison sentences for firearms used in the commission of crime—violent crime, drug trafficking crime or if a machinegun is used in the commission of a violent offense or a drug trafficking offense.

It improves the control on parts that are designed and intended to be used to convert firearms into machineguns.

It strengthens the controls on selling firearms to criminals, mental incompetents, drug addicts, and illegal aliens.

It benefits law-abiding gun dealers. It provides for gun show sales by dealers. It reduces recordkeeping requirements and reduces the penalties for minor recordkeeping offenses to a misdemeanor.

It limits compliance inspections of gun dealers to three in any 18-month period unless personally approved by the Secretary of the Treasury or the Director of the Bureau of Alcohol, Tobacco and Firearms.

These are just the highlights of the committee's bill.

The substitute offered by Mr. VOLKMER has omitted some of the most egregious problems with earlier versions of his legislation, H.R. 945 and S. 49. In particular, he has omitted from his substitute now the provisions weakening the mandatory prison term for using or carrying a firearm during and in relation to a crime of violence. I congratulate him on that particular omission. It is an improvement to the substitute. He has dropped the self-defense provision in S. 49 that even supporters of the bill conceded would have the effect of allowing fleeing felons to claim self-defense. I congratulate him on dropping that particular provision because it made no sense to immunize those people. He has adopted a couple of the law-enforcement provisions, such as creating a new extra mandatory prison term for carrying a machinegun in a violent crime or a drug trafficking offense. I congratulate him on including that provision. That was developed in our subcommittee, and it is an improvement to the substitute.

His substitute indeed is a move in the right direction. But there are still very, very serious problems with his substitute. Principally, it would wipe out State and local laws concerning carrying and transporting of handguns and would allow interstate sale of handguns in a manner that is almost totally unworkable and will be extremely hard and expensive to enforce. Moreover, it will see, unfortunately, the possession of handguns in the hands of felons, mental incompetents, and drug traffickers. It is inadvertent, there is no question about that. I do not think that is the intent, but that is the net effect of what that provision would do.

His substitute still is rife with loopholes for criminals and criminal defense lawyers to exploit. His substitute would elevate gun dealers to a special level of privilege never before seen in the law. The substitute would have us paying attorneys' fees for persons charged with illegally possessing weapons who successfully defend themselves, something we do not do for others that in fact avoid conviction in criminal offenses. The substitute would prevent efficient administration of the law and waste the taxpayers' money.

The rule will allow us to consider perfecting amendments to his substitute which I, as well as other Members, will be offering.

Many Members have expressed a desire to consider Mr. VOLKMER's bill, and this rule gives them this opportunity. Mr. VOLKMER's bill was extensively examined by the Judiciary Committee. This is important. Throughout our markup, at both subcommittee and full committee, any member of the Judiciary Committee, any member, could have offered Mr. VOLKMER's substitute or S. 49, and opted not to do it.

On my committee, I have both extremes. I have some Members of Congress who want to pass out bazookas to anybody who wants to take bazookas, to be able to carry bazookas into the gallery. I have that extreme. I have the other extreme that wants to take away all weapons from people. And I believe that both extremes are wrong. There is a rational course for us to follow, and that is what the Subcommittee on Crime in fact did, and that is why it came out of the Subcommittee on Crime on a 10-to-0 vote and out of the Judiciary Committee on a 35-to-0 vote.

The committee has, in effect, rejected the Volkmer bill on the merits and devised this reasonable compromise.

Now, I have said before and I will say again that there is nothing that generates more emotionalism than firearms legislation. I do not even recognize some of the gross distortions that have been made about what is in the legislation. They are just that: Gross distortions. I hope that the Members of Congress—and I have confidence that they will—will read the bills, read the amendments so that the decision here today will be on the merits. It is not a question of second amendment or other constitutional rights. It is a question of trying to balance the interests of the sportsmen, of which I am one, and the hunters of this country against the interests of the police and society which wants to protect you and me from those who would abuse handguns in particular.

Now, there is going to be a lot of debate, a lot of rhetoric, and I know that the Members will be able to sift through that rhetoric and, hopefully, come to the right decision. It is an important vote. The police of this country view this as a life-or-death issue for them because if the provisions of the Volkmer bill carry and we have the indiscriminate carrying of handguns in people's automobiles throughout this country in interstate commerce, they know that their lives are at direct risk.

I support the rule and I urge my colleagues to support it.

Mr. QUILLEN. Mr. Speaker, I yield 2 minutes to the gentleman from Idaho [Mr. CRAIG].

Mr. CRAIG. I thank the ranking minority member of the Committee on Rules, my colleague, the gentleman from Tennessee [Mr. QUILLEN], for yielding me the time.

Mr. Speaker, I would ask my colleagues today to support this rule that is before us, a rule that, as has been mentioned, is a modified open rule that establishes an orderly procedure for the consideration of the Judiciary bill, H.R. 4332, and of course the very comprehensive substitute that my colleague, the gentleman from Missouri [Mr. VOLKMER], has put before this body.

We, in the minority, oftentimes feel that the Rules Committee seldom reacts in the right way. And by that I mean that they limit, oftentimes, the ability of me or other Members, minority or majority, to engage in debate, to have the opportunity to amend and affect legislation as it comes to the floor. Today, this rule does not do that, and I congratulate the Rules Committee for their responsiveness to this most critical issue by providing a format, a procedure of operation here on the floor, that parallels both bills and clearly gives us an opportunity and equal access to the issue, as I think all of my colleagues have asked for.

I would also like to congratulate my colleague, the gentleman from Missouri [Mr. VOLKMER], for his tremendous effort in working with us in pushing the discharge petition that was successful; 218 Members of this body have spoken very clearly to date as to how they want to deal and what they want to deal with as it relates to changes in the 1968 Gun Act.

We have believed and we sincerely believe that that law did not serve the American people properly, and it is time now to modify and to adjust that, to provide people, our citizens, those who will be subjected to the laws

passed on this floor and the law passed on this floor today, to an orderly and effective procedure in which their rights are preserved but the rights of the criminal are not preserved.

So once again, I thank the Rules Committee, and I appreciate my colleague's yielding me this time.

Mr. DERRICK. Mr. Speaker, for purposes of debate only, I yield 2 minutes to the gentleman from Missouri [Mr. VOLKMER].

Mr. VOLKMER. Mr. Speaker, I want to first give my overwhelming and grateful thanks to the gentleman from Tennessee and the gentleman from South Carolina, and other members of the Rules Committee, who have provided this rule for the House in bringing up this much-needed legislation.

I agree and support the rule, even though it does do away with the resolution provided for under the discharge petition, with the understanding from the leadership that we will complete action on the legislation today; however late it may take, we will complete it. With that, I support the rule.

The gentleman from New Jersey has made some points that he feels are in opposition to my legislation. I would like to point out that in the interstate transportation provision, we provide that that weapon, whether it is a rifle, shotgun, of handgun can only be carried by a lawful person and for lawful purposes.

We also provide that it has to be inaccessible, and we will point this out during debate on the bill. In the report in the Senate and in the Senate debate, it is strictly pointed out that that does not mean that it can be under the car seat or in the back seat or anyplace else because that is accessible. That would have to be locked up in the trunk or in the glove compartment. And so this idea that we are going to have people running around with weapons illegally is not going to happen.

I would like to point out also to the Members of the House that in the Judiciary's own bill, H.R. 4332, in section 4, subsection (D), where they are amending 922(g), the bill provides that a convicted murderer can possess a handgun.

Now, present law prohibits convicted felons from owning or possessing handguns. Our bill restricts that and prohibits convicted felons and murderers from possessing handguns, but the Judiciary Committee bill authorizes a convicted murderer to have a handgun, and yet law enforcement says they support that. I do not support that in any way. And I do not think that the Judiciary Committee—it may have been inadvertent, but you can read it, anybody can read the language, and I brought it to the attention of the Treasury Department, the BATF, and they agree that the Judiciary Committee bill would allow convicted felons to possess handguns.

Mr. QUILLEN. Mr. Speaker, I yield 2 minutes to the gentleman from Montana [Mr. MARLENEE].

Mr. MARLENEE. I thank my colleague for yielding.

Mr. Speaker, as I said earlier on the floor of the House, I believe that we have the potential for handgun registration and the potential for arrest and harassment because of transportation of a handgun, or we have the opportunity to legally own and transport a handgun as provided in the Constitution and the Volkmer substitute.

□ 1130

Now, I rise in support of the rule because it allows a parallel track to consider both pieces of legislation, but I think that we need not make any mistake or have mistaken assumptions about the committee bill, because it does in fact provide for notifying the local law jurisdictions and the FBI whenever a handgun is purchased and once that information goes into the computerized, sophisticated systems that we have, I doubt very much that they will retract that information totally and completely.

If the gentleman from Missouri, the author of the substitute, would respond, is it true that the committee bill as printed provides for the notification of the local law jurisdictions and the FBI when that handgun is purchased?

I yield to the gentleman.

Mr. VOLKMER. Yes, an after the fact background check is provided, which really does not make sense in my home State because the person who is going to get the notice is the same person who has already been given a permit. In other words, before you can buy a handgun in the State of Missouri, you have to get a permit from the local sheriff and he is going to make sure that you are not a felon or anything like that.

Mr. MARLENEE. It also provides that that information is supposed to be destroyed within 90 days, is that not correct?

Mr. VOLKMER. That is correct, that is by the bill.

Mr. MARLENEE. I have some concern about that particular provision because in the past, part of the style of the Treasury Department and the Bureau of Alcohol, Tobacco and Firearms, has in fact been harassment. It appears to me that once they get this information, we would have to police them rather heavily to see that we did not have back door registration by the committee bill.

Mr. VOLKMER. That is correct.

Mr. QUILLEN. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. DERRICK. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. HUGHES. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 410, nays 2, not voting 22, as follows:

[Roll No. 69]

YEAS—410

Ackerman	Coble	Frenzel
Akaka	Coelho	Frost
Alexander	Coleman (MO)	Fuqua
Anderson	Coleman (TX)	Gallo
Andrews	Collins	Garcia
Annunzio	Combest	Gaydos
Anthony	Conte	Gejdenson
Applegate	Conyers	Gekas
Archer	Cooper	Gephardt
Armey	Coughlin	Gibbons
Aspin	Courter	Gilman
Atkins	Coyne	Gingrich
AuCoin	Craig	Glickman
Badham	Crockett	Gonzalez
Barnard	Daniel	Goodling
Barnes	Dannemeyer	Gordon
Bartlett	Darden	Gradison
Barton	Daschle	Gray (IL)
Bateman	Daub	Gray (PA)
Bates	Davis	Green
Bedell	DeLay	Gregg
Beilenson	Dellums	Guarini
Bennett	Derrick	Gunderson
Bentley	DeWine	Hall (OH)
Bereuter	Dickinson	Hall, Ralph
Berman	Dicks	Hamilton
Bevill	Dingell	Hammerschmidt
Biaggi	Dixon	Hansen
Bilirakis	Donnelly	Hartnett
Bliley	Dorgan (ND)	Hatcher
Boehlert	Dornan (CA)	Hawkins
Boggs	Dowdy	Hayes
Boland	Downey	Hefner
Boner (TN)	Dreier	Hendon
Bonior (MI)	Duncan	Henry
Bonker	Durbin	Hertel
Borski	Dwyer	Hiler
Bosco	Dymally	Hillis
Boucher	Dyson	Holt
Boulter	Early	Hopkins
Boxer	Eckart (OH)	Horton
Breaux	Eckert (NY)	Howard
Brooks	Edgar	Hoyer
Broomfield	Edwards (CA)	Hubbard
Brown (CA)	Emerson	Huckaby
Brown (CO)	English	Hughes
Broyhill	Erdreich	Hunter
Bruce	Evans (IA)	Hutto
Bryant	Evans (IL)	Hyde
Burton (CA)	Fascell	Ireland
Burton (IN)	Fawell	Jacobs
Bustamante	Fazio	Jeffords
Callahan	Feighan	Johnson
Campbell	Fiedler	Jones (NC)
Carney	Fields	Jones (OK)
Carper	Fish	Jones (TN)
Carr	Flippo	Kanjorski
Chandler	Florio	Kaptur
Chapman	Foglietta	Kasich
Chappell	Foley	Kastenmeier
Chapple	Ford (MI)	Kemp
Cheney	Ford (TN)	Kennelly
Clinger	Fowler	Kildee
Coats	Frank	Kindness
Cobey	Franklin	Kleczka

Kolter	Natcher	Smith (NE)
Kostmayer	Neal	Smith (NJ)
Kramer	Nelson	Smith, Denny (OR)
LaFalce	Nielson	Smith, Robert (NH)
Lagomarsino	Nowak	Smith, Robert (OR)
Lantos	Oakar	Snowe
Latta	Oberstar	Snyder
Leach (IA)	Obey	Solarz
Leath (TX)	Ortiz	Solomon
Lehman (CA)	Owens	Spence
Lehman (FL)	Oxley	Spratt
Leland	Packard	St Germain
Lent	Panetta	Staggers
Levin (MI)	Parris	Stallings
Levine (CA)	Pashayan	Stangeland
Lewis (CA)	Pease	Stark
Lightfoot	Penny	Stenholm
Lipinski	Pepper	Strang
Livingston	Perkins	Stratton
Lloyd	Petri	Studds
Loeffler	Pickle	Stump
Long	Porter	Sundquist
Lott	Price	Sweeney
Lowery (CA)	Pursell	Swift
Lowry (WA)	Quillen	Swindall
Luken	Rahall	Synar
Lundine	Rangel	Tallon
Lungren	Ray	Tauke
Mack	Regula	Tauzin
MacKay	Reid	Taylor
Madigan	Richardson	Thomas (CA)
Manton	Ridge	Thomas (GA)
Markey	Ritter	Torricelli
Marlenee	Roberts	Towns
Martin (IL)	Robinson	Traficant
Martin (NY)	Rodino	Traxler
Matsui	Roe	Udall
Mavroules	Rogers	Valentine
Mazzoli	Rose	Vander Jagt
McCain	Rostenkowski	Vento
McCandless	Roth	Visclosky
McCloskey	Roukema	Volkmer
McCollum	Rowland (CT)	Vucanovich
McCurdy	Rowland (GA)	Walgren
McDade	Roybal	Watkins
McEwen	Rudd	Waxman
McGrath	Russo	Weaver
McHugh	Sabo	Weber
McKernan	Savage	Weiss
McKinney	Saxton	Wheat
McMillan	Schaefer	Whitehurst
Meyers	Scheuer	Whitley
Michel	Schneider	Whittaker
Mikulski	Schroeder	Whitten
Miller (CA)	Schuette	Williams
Miller (OH)	Schulze	Wilson
Miller (WA)	Schumer	Wirth
Mineta	Seiberling	Wise
Mitchell	Sensenbrenner	Wolf
Moakley	Sharp	Wolpe
Molinari	Shaw	Wortley
Mollohan	Shelby	Wright
Monson	Shumway	Wyden
Montgomery	Shuster	Wylie
Moody	Sikorski	Yatron
Moore	Siljander	Young (AK)
Moorhead	Sisisky	Young (FL)
Morrison (CT)	Skeen	Young (MO)
Morrison (WA)	Skelton	Zschau
Mrazek	Slattery	
Murphy	Slaughter	
Murtha	Smith (FL)	
Myers	Smith (IA)	

NAYS—2

Crane	Yates

NOT VOTING—22

Addabbo	Jenkins	Olin
Byron	Kolbe	Rinaldo
Clay	Lewis (FL)	Roemer
de la Garza	Lujan	Stokes
DioGuardi	Martinez	Torres
Edwards (OK)	Mica	Walker
Grotberg	Nichols	
Heftel	O'Brien	

□ 1145

Mr. CRANE change his vote from "yea" to "nay."

Mr. DICKINSON and Mr. WAXMAN changed their votes from "nay" to "yea."

PERSONAL EXPLANATION

Mr. LEWIS of Florida. Mr. Speaker, due to official business I was not present for rollcall vote No. 69. Had I been present I would have voted aye on rollcall No. 69, approval of House Resolution 403.

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

The SPEAKER pro tempore. Pursuant to House Resolution 403, House Resolution 290 is laid on the table.

□ 1155

PERSONAL EXPLANATION

Mr. WEISS. Mr. Speaker, I was unavoidably absent for rollcall votes 58, 59, and 60 on Tuesday, March 18, 1986.

On rollcall No. 58, the Walker amendment to H.R. 4151, Omnibus Anti-Terrorism Act, I would have voted "no" had I been present.

On rollcall No. 59, (final passage of the Omnibus Anti-Terrorism Act as amended), I would have voted "aye" had I been present.

On rollcall No. 60, (passage of the conference report on Older Americans Act Amendments of 1986,) I would have voted "aye" had I been present.

FEDERAL FIREARMS LAW REFORM ACT OF 1986

The SPEAKER pro tempore. Pursuant to House Resolution 403 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 4332.

□ 1204

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 4332) to amend chapter 44 (relating to firearms) of title 18, United States Code, and for other purposes, with Mr. RANGEL in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the first reading of the bill is dispensed with.

Under the rule, the gentleman from New Jersey [Mr. HUGHES] will be recognized for 1 hour and the gentleman from Florida [Mr. MCCOLLUM] will be recognized for 1 hour.

The Chair recognizes the gentleman from New Jersey [Mr. HUGHES].

Mr. HUGHES. Mr. Chairman, I yield such time as he may consume to the gentleman from New Jersey [Mr. RODINO], the distinguished chairman of the full Judiciary Committee.

Mr. RODINO. Mr. Chairman, I thank the gentleman for yielding me this time.

Mr. Chairman, let me say that today we are going to debate and then finally, ultimately, vote on a very important measure that in effect deals with life and death. I know that many of us have pondered and pondered long over this issue. The committee bill that is before us today is a measure that is reasonable, that is sensible and that is going to accommodate the concerns of law-abiding gun owners, sportsmen, and hunters. The most important question we will answer today is whether or not we are also going to assure that we protect the lives of innocent individuals, innocent citizens, and those who are on the firing line every day protecting our lives—the police—the law-enforcement individuals.

Mr. Chairman, I think we have a very balanced bill that the Judiciary Committee is presenting, after careful and long deliberation, with a recorded vote of 35 to nothing. If I had to consider whether or not I was going to accommodate sportsmen and whether or not we had made it entirely convenient for everyone, as against the possibility of losing more lives, more individuals killed, check the records. We find that in the last decade there have been over 200,000 killings as the result of handguns. Some 700 policemen have been killed in the last decade protecting our lives, killed in the line of duty because of handguns getting into the wrong hands, into the hands of mental incompetents, criminals and addicts.

Let me say, Mr. Chairman, this bill has been debated for a long period of time, and I must say that the bill that the Judiciary Committee has reported with a recorded vote of 35 to 0—a unanimous vote—is not a bill that I am entirely pleased with. Frankly, we discouraged the offering of an amendment which would provide for what I consider to be essential—a waiting period in order to check the backgrounds of individuals who seek to get a handgun. The Attorney General's Task Force on Violent Crime of this administration recommended a waiting period.

I introduced a proposal dating way back in 1985, with bipartisan support, calling for a waiting period. As I said, I would have preferred a waiting period. But I know that the gentleman from New Jersey [Mr. HUGHES], the chairman of the Subcommittee on Crime, felt that it was necessary to have a bill that would not immediately alienate some people who might support reasonable legislation. As a result, we, in the committee, after careful deliberation—and that committee is composed of individuals who are liberal, not so liberal, conservative, not so conservative, Republican and Democrat—unanimously reported the bill that is before us today, 35 to 0. The subcom-

mittee of the gentleman from New Jersey [Mr. HUGHES] unanimously reported the bill, 10 to nothing.

The committee heard the plea and the appeal made by Sarah Brady, a conservative, a Republican, who unfortunately is able to tell us a tale that is not a happy one. It is one of her husband's having been shot when the attempted assassination of the President took place, and how Jim Brady lives a very painful life, a life that he is not able to enjoy even his children. And Sarah Brady appeared before our committee as a great crusader and said the bill passed by the other body and sent here, and the Volkmer bill now being presented, does not provide any safeguards, weakens the present law and makes it easier for criminals, for the wrong people, to get their hands on a handgun.

□ 1205

So I am opposed to the Volkmer substitute. Sarah Brady said she wanted to see a bill that will protect people from experiencing the same tragedy that she experienced, that Jim Brady experienced, that made it possible for John Hinckley, who went into a shop in Texas, never asked a question, and picked up a gun; and then went on a spree to attempt to assassinate the President of the United States.

All of this was before the committee, a very compelling argument. The police officers came before the committee, and the police officers were the first to oppose and described—S. 49—a "cop-killing, citizen-killing" bill. Those are not my words; those are the words of law enforcement people; every major law enforcment organization and all of its officers with the exception of very few, despite the fact that the National Rifle Association said that the law enforcement people had supported its proposal. The law enforcement people instead, testifying before our committee, said they had never had a chance to be heard and were opposed to S. 49 and any measure that weakened the present law.

As a result, that was the reason why, Mr. Chairman, we, in the Committee on the Judiciary, wanting to do a responsible job, recognizing that there are accommodations to be made, recognizing the fact that there are sportsmen and there are hunters who are law-abiding people who do not want to be inconvenienced, we reported a bill that was unanimously adopted. It is a bill that I am sure when the details are presented, when its provisions are presented, will, I am sure, convince you that it does just that; it accommodates sportsmen; it protects law-abiding citizens, it protects the police officers who are on the firing line every day because it has a provision to ensure that these handguns are not transported in interstate traffic.

The bill that we have presented to this House is a reasonable, responsible measure. It is a measure that is concerned with the safety and the lives of many people. It is a bill that will protect law-abiding gun owners. It is a bill, Mr. Chairman, that this House should adopt.

The measure which is being proposed instead by the gentleman from Missouri [Mr. VOLKMER], well-intentioned as it might be, creates more loopholes and, I must say to you, if you talk to any police officer—and there are many around today—they are here because they recognize that there were 700 or so killed in the last decade, and they wonder whether or not they might be next.

They are concerned, and so are the citizens of America, when we consider that over 200,000 killings have taken place in the past decade.

Mr. Chairman, we can do no less—and let me say I mention the name of Sarah Brady, and I said that Sarah Brady is a Republican, a conservative and proud of it. She firmly believes in the right of law-abiding citizens to own and carry guns, but she also favors stronger handgun laws. She favors a consensus bill, and she opposes both the proposed substitute amendment and S. 49.

Sarah Brady feels in a deeply personal way the agony we all feel from an assassination attempt and the damage it has done her life and the life of her husband. She feels the way thousands of other grieving Americans feel who have lost loved ones to a handgun, and she wants something done about it.

That is why she has been crusading, and as a lone crusader, you might say, but a voice that has been heard now over the length and breadth of this Nation against the Volkmer bill and for the committee bill.

For the sake of Sarah Brady, for the sake of countless Americans, for the sake of our Nation's law enforcement people, for the sake of our law-abiding gun owners and sportsmen, let us pass H.R. 4332, so that we may be able to accommodate the hunters, and they will hunt with fewer restrictions, but the American people can live with less fear.

Mr. MCCOLLUM. Mr. Chairman, I yield such time as he may consume to the distinguished gentleman from New York [Mr. FISH], the ranking Republican on the Committee on the Judiciary.

Mr. FISH. Mr. Chairman, this obviously is a highly emotional issue, and, I expect that this will be a highly emotional debate. But, while there have been charges and countercharges from both ends of the spectrum on this issue, what may be lost is a recognition that two seemingly irreconcilable sides are now largely in agreement that major modifications in the Gun Control Act of 1968 are, in fact, warranted. While still differing in important respects, H.R. 4332 and the Volkmer substitute both make needed and overdue remedial changes in existing Federal firearms law.

Before we even reach the amendment stage, legitimate sportsmen and law-abiding, licensed firearms dealers have already prevailed. Both groups will receive considerable relief through the legislation we ultimately will pass.

Individuals who once expressed horror at the prospect of the enactment of the Volkmer-McClure bill, now support significant changes in the 1968 act. The Judiciary Committee bill—H.R. 4332—contains numerous provisions that are either similar or identical to provisions contained in the S. 49, the Senate-passed version of the Volkmer-McClure legislation. Provisions of the 1968 law that are without question onerous, unnecessary or unfair will be repealed or modified. Likewise, both the committee bill and the Volkmer substitute accommodate a number of the concerns expressed by law enforcement. Today, we will have the opportunity to consider additional concerns.

Allow me to cite some of the major areas where both sides are already in substantial agreement. First, both H.R. 4332 and the Volkmer substitute permit interstate sale of rifles and shotguns—not currently allowed under Federal law. Both versions assure the right of individuals to travel in and between States with an unloaded and not readily accessible rifle or shotgun. Both approaches would reduce recordkeeping requirements for ammunition sales—although in varying degrees. Furthermore, firearms forefeiture in minor recordkeeping violation situations would no longer be possible. In addition, both the bill reported by the Judiciary Committee and the Volkmer substitute allow licensed dealers to "do business" on a temporary basis at gun shows. Importantly, recordkeeping offenses are reduced to misdemeanors, rather than felonies. Finally, both approaches would limit compliance inspections to a specified maximum rather than the current open-ended situation.

Again, all of the above-mentioned provisions were either contained in the original Volkmer-McClure legislation in their entirety or in modified form. These changes in existing law will go a long way toward eliminating many of the unjust burdens now faced by hunters and firearms dealers throughout this Nation. The fact that these revisions in the 1968 Gun Control Act are no longer an element of this debate, confirm that the law's original scope was too broad and that its enforcement was often misdirected.

Admittedly, there are major issues of disagreement that remain to be re-

solved. Most notably, these include: First, interstate sale and transportation of firearms other than rifles and shotguns; second, the breadth of the "engaged in business" language currently in the 1968 law; and third, whether or not there should be a waiting period applied to the sale of handguns.

Mr. Chairman, I believe it is important that this debate not be couched solely in polarization terminology. The Judiciary Committee bill, while certainly not perfect, does implicitly recognize that major reforms in the 1968 Gun Control Act were called for and are justified. The differences between the two sides and the remaining focus of this debate have been significantly narrowed. The Members of this House should not lose sight of that fact.

Mr. HUGHES. Mr. Chairman, I yield 20 minutes to the gentleman from Missouri [Mr. VOLKMER].

Mr. VOLKMER. Mr. Chairman, it has been a long time in coming, but today this body is finally discussing what will truly return constitutional rights to the citizens of this country. We are here today to discuss and debate reform in this Nation's firearms legislation. And, again, I say it has been a long time in coming.

This legislation represents this second most important step in the history of American gun owners. The first was the second amendment to the U.S. Constitution. The Volkmer legislation is the result of more than 6 years of effort to guarantee the liberties of those who enjoy the right to own firearms for sport, recreation, and protection.

The legislation will make the provisions of the 1968 Gun Control Act reflect the values and heritage of this country by directing enforcement toward those who illegally traffic in firearms, toward those who criminally use firearms and away from regulation of the law-abiding citizen. This bill will assure that the civil rights of our 200,000 licensed firearms dealers and 80 million firearms owners and collectors will not be abused. The time is now for us to assure David Moorhead of New Hampshire, H.W. Phillips of Virginia, R.C. Lindsey of Florida, Paul Hayes of New Mexico, Patrick Mulcahey of South Carolina, and other law-abiding citizens who have suffered under current legislation, that civil rights do apply to gun owners as well as all other Americans.

The 1968 Gun Control Act was hastily drafted during a time of tumult in this country. One of its stated purposes was to provide support to Federal, State, and local law enforcement in their fight against crime and violence. Along the way, this act required persons engaging in the business of dealing in firearms to obtain a license, required those dealers to maintain records of sales, and imposed felony penalties, forefeiture of firearms and other penalties on unintentional violators. But somehow the issue of civil rights was pushed to the wayside.

Enforcement agencies, like most organizations, seek to grow. Over the dozen years following enactment of the Gun Control Act, the firearms enforcement unit grew from an IRS, subunit with 214 agents to a full Treasury bureau—alcohol, tobacco, and firearms—with more than 1,200 agents on firearm-related duties. Such explosive growth required impressive results, and the Gun Control Act provided the open door to make easy cases against unsuspecting persons. With the strict liability provided by the act, even the most trivial and unintentional misstep would do. As a result, many of these trivial cases began to be brought to my attention in which the purpose of the original act had clearly been ignored. This potential for abuses continues today. Another stated intent of the act, not to place undue or unnecessary Federal restriction or burdens on law-abiding citizens with respect to the aquisition, possession, or use of firearms was clearly violated by the technical enforcement practices being utilized. Citizens such as a disabled veteran and Boy Scout leader, a policeman in Maryland, and an elderly couple in New Mexico, were just examples of those law-abiding individuals caught up in the web of bureaucratic technical enforcement. This is why I first introduced the Firearms Owners' Protection Act in September 1979. But earlier, in fact in October 1978, I first began legislative attempts to remedy some of the unduly restrictive portions of the law. I introduced legislation in September 1979. At the time, I was a member of the Judiciary Committee and a member of the Subcommittee on Crime, having jurisdiction over firearms legislation. Despite a broad base of support for my legislation, no hearings were held, even after repeated requests of the chairman. The legislation and the 180 Members of this House, including a majority of the Crime Subcommittee, who were cosponsors of my legislation, were ignored. I reintroduced the legislation the following session and each session thereafter. And in each session, my legislation received the same response from the Judiciary Committee—it was ignored.

But at least there was some activity on the Hill concerning such legislation. During the 97th Congress, 3 days of hearings were held in the other body. During this same Congress, a series of meetings among officials of BATF, the White House, and myself resulted in a number of modifications which met Federal law enforcement concerns, and were agreed to. Ultimately, the Senate Judiciary Committee reported a modified version of the bill but, unfortunately, the Congress adjourned sine die before the full Senate could act.

In the 98th Congress, the other body held 2 additional days of hearings on the merits of the legislation and following another series of meetings with Treasury and White House officials, further refined the bill to ensure no adverse law enforcement effects. This brings us up to the current Congress.

As we all know, on July 9, the other body passed a companion version of my legislation overwhelmingly. But the day after this passage, my colleague, the chairman of the Judiciary Committee, said the legislation was dead on arrival in this House. The will of this body, supported by the 180 Members who have consistently cosponsored my legislation, was being ignored once again. We had no choice but to use the discharge petition. A majority of this body signed that petition. But the delaying tactics still have not ended. March 20, this body was scheduled to take up this legislation on this floor. Moments before the debate was to begin, the legislation was pulled, over my objections. Once again, we were blocked. Today is a new beginning; today we are discussing gun legislation reform—finally.

There is a need for this legislation. For reasons known to us all, other than the hurriedly called hearings of late, there have been no real hearings in this House on the civil liberties abuses which inspired my legislation. I stress that the need for the substitute is not based upon hypotheticals, but upon civil rights abuses perpetrated against real people. These abuses were documented in 6 years of hearings before two different committees, and deserve our attention.

Let's talk about David Moorhead, a decorated and disabled Vietnam veteran. Moorhead's gun shop, located in a small New Hampshire town, was visited by an undercover agent who asked if Moorhead would make an illegal sale. Moorhead instead noted his auto license plate and called BATF to report the man. But the informant saw in Moorhead's shop an M-14, which Moorhead had bought from a Boy Scout leader and kept as a memento of his service. Although the gun was semiautomatic, BATF's experts felt it was originally designed to work, if fitted with extra parts, as a machinegun. BATF sent a team of agents to raid the shop and take Moorhead into custody on felony charges. Following their policy of involving local officials in a search party, the agents had taken the county sheriff with them. But the sheriff immediately agreed to become a character witness for Moorhead.

At the trial, the prosecution argued that good faith was no defense. Moorhead should be subject to 10 years' imprisonment for an honest act. Judge

Bownes, since elevated to the circuit, had the courage to dismiss the case. From the bench, he asked Moorhead to stand. The judge apologized to him on behalf of the United States, calling the case a travesty. Moorhead, who at this point was indigent, was still being sued by BATF for license revocation and forfeiture of the rifle. Under these pressures, he finally gave up his gun shop.

Another dealer, H.W. Phillips of Virginia, had a related experience. He was approached by an undercover agent who had proper personal identification and was legally entitled to purchase a firearm. The agent later claimed he had made a statement about wanting to transfer the firearm to his girlfriend who resided in another State. Phillips was charged with aiding an interstate sale. The case fell apart so completely that the judge directed a verdict of acquittal. The agency had seized some 44 firearms from Phillips' shop. It took two court orders to get them returned. The Bureau also withheld Phillips' license for more than 1 year after his acquittal. Although ultimately vindicated, the experience left Phillips out of pocket some $7,000 in legal fees.

A third witness documented a different abuse, R.C. Lindsey of Florida, like many collectors, held a dealer's license in order to purchase collectible firearms for himself and friends. BATF sought to revoke it, not upon the grounds that he had ever done wrong, but on the grounds that he was not selling enough guns to merit the license. He had sold three, at a time when the Bureau was prosecuting unlicensed persons selling three or four guns for dealing without a license. The agent inspecting his rather limited books told him to resign the license; upon his refusing, the agent said he would see to it that Lindsey had to hire a lawyer to keep it. He kept that promise. It cost Lindsey some $4,000 in legal fees. The Bureau granted Lindsey the revocation hearing required by law, and appointed J.E. McDevitt as the hearing officer.

□ 1215

Mr. MARLENEE. Mr. Chairman, will the gentleman yield?

Mr. VOLKMER. I yield to the gentleman from Montana.

Mr. MARLENEE. I thank the gentleman for yielding. Who paid for the defense of the these people even though they were found innocent of these charges and harassments?

Mr. VOLKMER. It came out of their own pockets.

Mr. MARLENEE. It came out of their own pockets?

Mr. VOLKMER. Yes. Some of them became indigent and destitute as a result of it.

Mr. MARLENEE. It seems to me that this is exactly what we are arguing about with the substitute of the gentleman from Missouri.

Mr. VOLKMER. Yes. We have a provision in our bill which the gentleman from New Jersey now in his amendment attempts to strike which would authorize the payment of attorneys' fees to those people who had to sue to get back their own weapons and are vindicated, because of vexatious and unwarranted suits by BATF.

Mr. MARLENEE. One other question: The people who perpetrated this harassment, Are these the same people who would develop the regulation for the computation and investigation of backgrounds and backdoor registration and compilation of reports?

Mr. VOLKMER. These were BATF people back in the early years, back in the seventies.

Mr. MARLENEE. These are the same people who would develop the regulations.

Mr. VOLKMER. Yes.

Mr. MARLENEE. I thank the gentleman for yielding.

Mr. VOLKMER. If I may return to my statement, not surprisingly, McDevitt, the hearing officer, ruled against Lindsey. Lindsey's breakthrough came after he made a freedom of information request. Although the Administrative Procedure Act requires hearing officers to be unbiased and prohibits appointing one who has had anything to do with the case, Lindsey discovered a memorandum from McDevitt, dated only a few months before the hearing, in which McDevitt took a part in pressing the case against him and indicated how his superiors in the Bureau should handle it, together with his suggestion as to why the license should be revoked. Upon being confronted with the document, the Bureau promptly reversed its position and issued the license.

These three cases are only a sample of documented abuses. There are others.

Paul and Billi Hayes of New Mexico testified to a raid on their gunshop in which agents claimed they had sold firearms to an undercover agent who, while claiming to be a resident of New Mexico, had mentioned in passing that he would give the guns to a resident of Texas. Although neither New Mexico nor Texas had any gun laws that would have been violated even if the charge was true, both husband and wife were arrested on felony charges, their shop was raided, and their inventory confiscated. The firearms were largely hunting rifles, new from the manufacturer in their protective boxes. In an apparent effort to damage them, the agents unboxed the rifles, then pitched them into large boxes which were then hauled away by a pickup. The jury took 7 minutes to acquit both the Hayes. Yet the agency then moved to revoke their license. The hearing officer concluded that the Hayes' actions were honest—they proved that in the midst of one transaction they had called BATF to make sure that what they were doing was legal—and reissued their license. Yet the agency still proceeded with a forfeiture suit. The motive became clear when it offered to return all their guns if they would agree to waive the right to sue the agents for false arrest, abuse of process and civil liberties violations. The Hayes refused and eventually, some years and tens of thousands of dollars in legal fees later, the guns were returned.

And there is a gun collector, Patrick Mulcahey of South Carolina, who had been arrested on charges of dealing without a license after he sold three firearms from his personal collection over the period of 1 year. The collection, which included gifts from his late father, was also confiscated. Mulcahey also won acquittal by jury, and the Bureau also followed this with a suit to forfeit every firearm he owned. At the hearing, the BATF brought in his collection piled into 55-gallon drums. Mulcahey added that he was only one of about a dozen collectors raided at the same time.

Once again, these cases are but a sampling of those documented during the hearings. Another collector, Herbert Van Buren of Arizona, wrote that he had been convicted of engaging in the business for five sales at gun shows, to legitimate purchasers. At his trial, the prosecution's own tapes showed he had told the purchasing informant to make sure than he never had anything to do with anyone who might use a firearm illegally, that such persons, though few, brought disrepute upon honest gun owners everywhere. He also told the informant that he kept good records on every gun he owned and swapped or sold, so that if the day when police needed to trace one he could know exactly where it had gone. But the court ruled that honest intent was no defense. Van Buren became a felon.

Later that same year similar hearings were held. This time collectors were the prime focus. I won't go into detail on the dozens of cases documented by testimony or written submissions. One case alone might be mentioned. William Smith, a 62-year-old veteran from South Carolina, was set up on charges of sale to a nonresident. He had sold to a resident. But the resident, an undercover agent, mentioned that he would transfer to a nonresident. Smith was unlucky, as he wrote, "Now I have no rights, I am a felon." Apart from all else, he could never own a gun again, for under the Gun Control Act a person convicted under the act itself cannot apply for relief from disability to own a gun. No matter how good his record, no matter

how unintentional his violation, he is forever barred. Nor was Smith's case an isolated one; 31 other small businessmen had been set up in the same series of cases.

These are the abuses at which my legislation is aimed. The Hughes bill will do nothing about any of these. It will not protect David Moorhead, it will not protect Paul and Billi Hayes, it will not protect Willie Smith. It will do nothing for any of the real problems at which my legislation is directed. The Hughes bill is, to put it simply, an attempt to trample upon the civil rights of our tens of millions of legitimate gun owners. It has no definition of engaging in business. It does not restrict prosecution of inadvertent violations. It allows confiscations and revocations despite acquittal. It does not require an agency to bring judicial actions within 120 days, or any other limit, of a seizure. It makes no provision to reimbuse attorneys' fees upon proof of vindictive or vexacious proceedings.

As for my legislation. There has been a great deal of misinformation about what my bill does and doesn't do. This legislation will not undercut State handgun laws requiring registration, licenses to carry, waiting periods and criminal background checks. Purchase must still be made from a federally licensed firearms dealer. This will ensure that proper records are kept for tracing purposes. The sale must take place over the counter, face to face. This is to ensure that the current prohibition on mail order sales is continued. All interstate sales of firearms, including handguns, must comply with the laws and local ordinances of both the buyer's and seller's States and communities. The licensed dealer is legally responsible for knowing those laws which are printed in the Treasury Department manual distributed to all dealers. The dealer can be charged with a felony if he is wrong. Under these strict requirements it would be extremely difficult for a felon to purchase a firearm.

My legislation provides for one unannounced inspection for recordkeeping every year; my legislation addresses the question of multiple handgun sales; my legislation includes armorpiercing ammunition for recordkeeping purposes; my legislation includes stiff mandatory sentences for the use of firearms, including machineguns and silencers, in relation to violent or drug trafficking crimes; my legislation bars the importation of Saturday-night special barrels. My legislation is not simply progun; it is not antilaw enforcement. My legislation is procivil rights for gun owners. My legislation will assure that every gun owner in this country is guaranteed his and her rights provided by the Constitution. Mr. Speaker, I urge passage of my legislation in the hopes that constitutional rights are returned to our American citizens, including those who own guns.

□ 1230

Mr. ROBINSON. Mr. Chairman, will the gentleman yield?

Mr. VOLKMER. I yield to the gentleman from Arkansas.

Mr. ROBINSON. Mr. Chairman, I thank the gentleman for yielding to me.

Mr. Chairman, I rise in support of the Volkmer substitute. I would like to share for a few moments with my colleagues some facts that I think ought to be addressed.

Recently the U.S. Department of Justice commissioned a survey of incarcerated felons incarcerated in penitentiaries throughout the United States, and I would like to reveal what that study found.

Sixty-nine percent did not carry firearms in the commission of a crime, but carried knives, razors, brass knuckles, et cetera. Eighty-eight percent of the criminals questioned felt the 1968 Gun Control Act only applied to law-abiding citizens. Eighty-three percent of the criminals surveyed stated that if they could not obtain a handgun, they would simply get a rifle or a shotgun.

Fifty percent of the criminals expected to unlawfully purchase a gun through unregulated channels; 25 percent would borrow a gun; 12 percent would steal a gun. In other words, criminals are thieves. They do not go down to the local sporting goods store and buy a firearm.

But furthermore, from 1952 to 1968 in this country, the rate of homicides increased by 28 percent, and the rate of robberies increased by 154 percent.

Post-Gun Control Act, after the 1968 Gun Control Act, from 1968 to 1980, the rate of homicides increased by 50 percent, and the rate of robberies increased by 85 percent.

Clearly, the Gun Control Act of 1968 did not deter crime.

In addition, I have witnessed over the past several weeks and months the flow of police officers into the District of Columbia to lobby Members of Congress against the Volkmer-McClure bill.

Just to show you how ridiculous the gun control laws are in this country, every police officer that brought his firearm to the District of Columbia violated the gun control laws of this District, because a police officer only in the performance of his official duties can carry a firearm in the District of Columbia. That is just one example of how stupid the gun control laws are.

In fact, in the District, if this District really wanted to do something to combat crime, they would give everyone a pistol when they crossed the 14th Street Bridge, because they have one of the highest crime rates of any city in the United States of America.

Mr. Chairman, in closing, I would like to remind my colleagues how we got on the floor today in this situation we are in. We are here today because after the Senate passed S. 49 on July 9, 1985, the chairman of the Judiciary Committee stated publicly that this bill was dead on arrival.

The CHAIRMAN. The Chair would like to remind Members to refrain from mentioning specific votes by the other body.

Mr. ROBINSON. I am talking about the chairman of the Judiciary Committee in this body. But I stand corrected on mentioning the votes in the other body.

The CHAIRMAN. There had been an earlier reference by another Member. The gentleman may proceed.

Mr. ROBINSON. The Chairman stated that this was a cop-killing, citizen-killing bill. If this bill is so bad, why did the Judiciary Committee incorporate 60 percent of our bill into their bill? It must not be a cop-killing or citizen-killing bill or they would not have incorporated that.

Mr. McCOLLUM. Mr. Chairman, I yield 3 minutes to the gentleman from Idaho [Mr. CRAIG].

Mr. EMERSON. Mr. Chairman, will the gentleman yield?

Mr. CRAIG. I yield to the gentleman from Missouri.

Mr. EMERSON. Mr. Chairman, I congratulate the gentleman from Idaho and my colleague from Missouri. I am a cosponsor of their bill, and I commend them for their leadership in this issue.

Mr. CRAIG. Mr. Chairman, I thank my colleague from Florida for yielding me this time.

Mr. Chairman, this is a very significant debate on a truly important national issue. It is not a question of who is killing who; it is a question of the American public's civil liberties under the Constitution. It is really a very basic and simple argument.

In 1968 this body and the other body rushed to judgment, and that judgment over the course of time has been proven irresponsible. It did not curb the crime that it was supposed to curb. We know that. We have heard testimony here today, debate by our colleagues, giving facts and figures that are now in the RECORD, that so clearly say to us here and to the American people at large that this law begs reform. Yet, it was not until 218 Members of this House responding to an outcry of unconstitutional acts by this Government from the citizens of this country forced this issue to this floor.

So today, ladies and gentlemen, we are not talking about a bill that belongs to the police of this country. We are talking about a bill that belongs to the citizens of this country. I will tell

you that, although there are police organizations that oppose the legislation that I support, and that is the Volkmer substitute, there are a multitude of police organizations in this country that do support us.

There is the International Union of Police Associations of the AFL-CIO, my letter from them supporting this action. The international union, the U.S. Secret Service Uniformed Division of Officers Association, a broad cross-section of law enforcement officials endorse because they recognize, as the citizens of this country recognize, and as is stated here, that criminals do not acquire their guns through legal methods. Ninety percent in that Justice Department survey found that the felons who used guns in the commission of a crime had stolen them or acquired them in the black market, and the legislation before us today does not stop that process. But it clearly limits the ability of the private, the free, and the innocent citizens in pursuit of his or her civil liberties, under the second amendment to the Constitution, to have that right and to have that freedom.

Members of this body, do not forget that point today. It is fundamental in our debate, and it is fundamental in this body's pursuit of justice by changing through the Volkmer substitute the 1968 gun law to rectify those violations that have come down upon the free and the innocent of our country.

□ 1240

Mr. HUGHES. Mr. Chairman, I yield 1 minute to the gentlewoman from Colorado [Mrs. SCHROEDER].

Mrs. SCHROEDER. I thank the gentleman for yielding time to me.

Mr. Chairman, I want to applaud Mr. HUGHES and Mr. RODINO for their work on H.R. 4332. It's a compromise that law enforcement and constitutents in my district say they can live with.

Each day, 50 Americans—at least one a child under 14—are killed by handguns. That's nearly 20,000 citizens a year who die accidentally, by suicide, or who are murdered with handguns.

I have heard from the Police Departments in Denver and Colorado how the McClure-Volkmer bill was a "cop killer." I'm sure that many of my colleagues have heard similar comments from law enforcement officials from their districts.

Each year, 70 cops are killed with handguns, 708 in the last 10 years. In the first 9 months of 1985, 62 cops were killed by firearms, 45 of those were with handguns. Police are beginning to say "enough is enough" to this indiscriminate killing of cops and citizens by handguns.

I would also like to address another aspect of this issue: the kid killer aspect. I'm speaking of the number of suicides and accidental deaths of children resulting from handguns.

Teenage suicides in this country have reached epidemic proportions. And what is behind these escalating numbers? The availability of handguns. A recent report by Dr. Pamela Cantor of Boston revealed that almost two-thirds of the 5,200 American teens who kill themselves every year use guns that are kept at home. The teen suicide rate has almost tripled over the last 30 years.

Let's look at some of the statistics:

In 1983, 174 children 14 and younger were the victims of firearm murders—131 were victims of handguns.

In 1983, 260 children under 14 died in firearms accidents—163 died by handguns.

In 1977, gun accidents were the fifth-ranking cause of accidental death among children under 15.

From 1960 to 1974, handgun sales in this country quadrupled to more than 6 million a year. In this same period, the homicide rate for young people aged 15-24 jumped from 5.9 per 100,000 to 14.2.

There is one teenage suicide every 2 hours—more than 6,000 in 1983—and an attempt every minute. Nearly two-thirds of teens who kill themselves use guns, and four-fifths of them use handguns, according to experts.

Police officials in Houston report that childern playing with pistols are being killed or injured at an unprecedented rate. Twelve children have been shot in unrelated incidents. Of those shot, six have died. The shooting victims have ranged from teenagers to a 3-year-old, the police said. The police say they cannot offer any reason for the rash of shootings other than the easy availability and lax handling of pistols.

These are not just numbers. Behind every number is the life of a child that has been cut short. These are kids. These are real cases. These are the horror stories that we would rather not hear about when we discuss the handgun control issues.

We don't want to hear about the child in Cleveland, a 7-year-old who was killed by his 10-year-old cousin with a gun he found in a vacant lot.

We don't want to hear about the problem of guns in our schools. For example, in Boston, four teenagers were arrested for illegal possession of handguns on school property within one 2-week period. Two guns were loaded. In Miami, a student was shot twice and critically injured by another teenager who was trying to settle a quarrel in a lunchroom across from a high school. The school reports an almost 50-percent increase last year, from 62 to 91, in instances where a gun was found on or near school property.

Casey Simpson of the Denver Police Department wrote me that if the same language that passed the Senate passes the House, it would endanger the lives of the street cop. I'm glad the legislation has been improved by the Judiciary Committee, not only for the lives of the street cops, but also for the lives of our children.

I think H.R. 4332 establishes the balance that we have been seeking by providing necessary compromises between those in favor of stronger gun control and those opposed.

Mr. Chairman, with your approval I would like to drop into the RECORD these letters I received from police chiefs in Colorado expressing their dissatisfaction with the McClure-Volkmer legislation:

GRAND JUNCTION, CO,
April 4, 1986.

Representative PATRICIA SCHROEDER,
House of Representatives,
Washington, DC.

I am the chief of police in Grand Junction, CO, as well as the representative of all of the Colorado police chiefs on national legislative issues. I urge you to stand with law enforcement and support the Hughes law enforcement amendment. This amendment makes the McClure/Volkmer bill acceptable to the law enforcement community. I have been in touch with my counterparts in 15 Western States, and they are united in their opposition to the McClure/Volkmer bill in its present form but would accept it with the Hughes law enforcement amendment.

Sincerely,

GARY LEONARD,
Chief of Police.

DENVER POLICE DEPARTMENT,
Denver, CO, March 3, 1986.

Hon. PATRICIA SCHROEDER,
House of Representatives,
Washington, DC.

MY DEAR MRS. SCHROEDER: From time to time it becomes apparent that legislation which would prove harmful to the citizenry of our country becomes a positive consideration by our elected legislators and therefore becomes a real concern to that citizenry who are most aware of the widespread negative affects the enactment of such legislation would produce.

It would appear that enactment of the McClure/Volkmer Bill or S. 49/HR, is of this particular nature and certainly the legislators who are considering passage of such a law should be made aware of the intense opposition of a great number of citizens as well as the opposition of numerous organizations the least one not being the Law Enforcement Steering Committee Against S. 49 representing each of the federal, international and national police associations with a total combined membership of some 280,000 law enforcement officers and officials.

Please consider this communication as an added expression of total and complete opposition to the passage of any such legislation which is embodied in the provisions of this measure by the members of the Denver Police Department, Denver, Colorado.

The ratification of the enactment of such legislation would be a vote against law enforcement's efforts to control crime.

How could legislators in all sense of sincerity enact legislation which would allow for the interstate sale of handguns which in

turn would make it possible for criminals of all types to bypass state and local handgun laws? A law which would weaken federal laws which now impose a five-to-ten year mandatory prison term for use or possession of a firearm in the commission of a violent felony. A law which would undermine the ability of law enforcement to trace thousands of weapons used in violent crime every year. A law which would prevent the identification and prosecution of unscrupulous gun dealers by requiring advance notice of every annual regulatory inspection.

If for no other reason, it would appear that the endangerment of the lives of the street cop as well as added limitations to their ability to function effectively as a law enforcement officer would cause our legislators to give an indepth study of the ramifications the passage of such legislation would undoubtedly pose.

We of the Denver Police Department, in conjunction with the other 280,000 officers, join in seeking your assistance in the defeat of the McClure/Volkmer bill or S. 49/HR as we attempt to continue future performance as law enforcement officers for the protection of the members of our communities whom we have pledged to serve, to protect and to support rather than to pave the way for a more lucrative way of life for the criminal element of our society.

In the name of sanity, we are soliciting your support for the defeat of this unwarranted and prejudicial legislation.

Respectfully submitted,

CASEY J. SIMPSON,
Division Chief, Juvenile and Community Services Division.

CITY OF LOVELAND, POLICE DEPARTMENT,
Loveland, CO, March 26, 1986.

Hon. PATRICIA SCHROEDER,
Longworth House Office Building, Washington, DC.

DEAR MRS. SCHROEDER: I would like to express my opposition to the McClure/Volkmer Bill as it is currently written. This bill would weaken existing laws designed to keep guns away from criminals and would increase the danger for police officers and the citizens they are sworn to protect.

Among the serious flaws in this bill:

It would allow for the interstate face-to-face sale of handguns and, thus, make it easier for criminals to bypass state and local handgun laws.

It would weaken current federal laws which impose a five to ten year mandatory prison term for use or possession of a firearm in the commission of a violent felony.

It would undermine the ability of law enforcement to trace thousands of weapons used in violent crime every year.

It would prevent the identification and prosecution of unscrupulous gun dealers by requiring advance notice of every annual regulatory inspection.

It would preclude the prosecution of a licensed gun dealer for violations of law uncovered during the annual regulatory inspection other than willful recordkeeping violations and illegal gun sales to felons and other prohibited persons.

I urge you not to sign the discharge petition for this legislation or to remove your name if you have already signed. This bill must not be passed without careful consideration and amendment which will only occur through the normal legislative process. Please help to defeat this anti-law enforcement bill.

Sincerely,

LAWRENCE J. SEIB,
Chief of Police.

CITY OF FORT COLLINS,
Fort Collins, CO, March 5, 1986.

Representative PAT SCHROEDER,
Rayburn House Office Building, Washington, DC.

DEAR REPRESENTATIVE SCHROEDER: As a law enforcement executive and member of the International Association of Chiefs of Police, Police Executive Research Forum, Colorado Association of Chiefs of Police and Colorado Major Cities Chiefs of Police, I would like to express my opposition to the McClure/Volkmer Bill as it is currently written. This bill would weaken existing laws designed to keep guns away from criminals and would increase the danger for police officers and the citizens they are sworn to protect.

The main problems with this bill are that in its current state it will:

1. Allow the interstate face-to-face sale of handguns, thus making it easier for criminals to bypass current state and local handgun laws and purchase these weapons.

2. Weaken current Federal laws which impose a five to ten year mandatory prison term for use or possession of a firearm in the commission of a violent Federal felony. It would require the prosecution to prove the weapon was carried "in furtherance" of the crime. It would also allow a criminal to escape the mandatory penalties if he used the gun to protect himself or another from a "perceived immediate danger."

3. Relax current recordkeeping requirements that would undermine the ability of law enforcement officers to trace thousands of weapons used in violent crimes each year.

4. Prevent the identification and prosecution of unscrupulous gun dealers by requiring advance notice of every annual regulatory inspection.

5. Preclude the prosecution of a licensed gun dealer for violations of law uncovered during the annual regulatory inspection other than willful recordkeeping violations and illegal gun sales to felons and other prohibited persons.

As I am sure you are well aware, ten major law enforcement organizations in the United States have united in opposition to the bill and to the discharge petition. All of these organizations, including those that I have mentioned above, have concerns about the effect the McClure/Volkmer bill would have on crime control and law enforcement capabilities. We also strongly feel that the use of the discharge petition is an unwarranted means of bypassing the legislative process. The legislative procedure enables Congress and the American people to sift through legislation and determine its strengths and weaknesses, permitting us to eliminate or improve upon the weak points. In the case of the McClure/Volkmer Bill, this is especially important because there are constructive provisions in the bill which could meet the needs of law abiding gun owners without endangering the lives of our law enforcement officers and, above all, our citizens.

I urge you not to sign the discharge petition for this legislation or to remove your name if you have already signed. This bill must not be passed without careful consideration and amendment which will only occur through the normal legislative process.

If I or any members of the associations to which I belong can assist you with additional information, please do not hesitate to contact my office.

Sincerely,

BRUCE D. GLASSCOCK,
Chief of Police.

Lafayette, CO, February 28, 1986.

Hon. PATRICIA SCHROEDER,
House of Representatives, Washington, DC.

DEAR REPRESENTATIVE SCHROEDER: I would like to express my opposition to the McClure/Volkmer bill as it is currently written. This bill would weaken existing laws designed to keep guns away from criminals and would increase the danger for police officers and the citizens they are sworn to protect.

Among the serious flaws in this bill:

It would allow for the interstate face-to-face sale of handguns, thus, make it easier for criminals to bypass state and local handgun laws.

It would weaken current federal laws which impose a 5- to 10-year mandatory prison term for use or possession of a firearm in the commission of a violent felony.

It would undermine the ability of law enforcement to trace thousands of weapons used in violent crimes every year.

It would prevent identification and prosecution of unscrupulous gun dealers by requiring advance notice of every annual regulatory inspection.

It would preclude the prosecution of a licensed gun dealer for violations of law uncovered during the annual regulatory inspection other than willful recordkeeping violations and illegal gun sales to felons and other prohibited persons.

I urge you not to sign the discharge petition for this legislation or to remove your name if you have already signed. This bill must not be passed without careful consideration and amendment which will only occur through the normal legislative process. Please help to defeat this anti-law-enforcement bill.

Sincerely,

Chief LARRY S. STALLCUP,
Lafayette Police Department.

CITY OF STERLING
POLICE DEPARTMENT
Sterling, CO, March 19, 1986.

Representative PATRICIA SCHROEDER,
Longworth House Office Building, Washington, DC.

DEAR REPRESENTATIVE SCHROEDER: I would like to express my opposition to the McClure/Volkmer bill as it is currently written. This bill would weaken existing laws designed to keep guns away from criminals and would increase the danger for police officers and the citizens they are sworn to protect.

Among the serious flaws in this bill:

1. It would allow for the interstate face-to-face sale of handguns and, thus, make it easier for criminals to bypass state and local handgun laws.

2. It would weaken current federal laws which impose a 5- to 10-year mandatory prison term for use or possession of a firearm in the commission of a violent felony.

3. It would undermine the ability of law enforcement to trace thousands of weapons used in violent crimes every year.

4. It would prevent identification and prosecution of unscrupulous gun dealers by requiring advance notice of every annual regulatory inspection.

5. It would preclude the prosecution of a licensed gun dealer for violations of law uncovered during the annual regulatory inspection other than willful recordkeeping violations and illegal gun sales to felons and other prohibited persons.

I urge you not to sign the discharge petition for this legislation or to remove your name if you have already signed. This bill must not be passed without careful consideration and amendment which will only occur through the normal legislative process. Please help to defeat this anti-law-enforcement bill.

Sincerely,

BILL FINCH,
Chief of Police.

THORNTON POLICE DEPARTMENT,
Thornton, CO, March 19, 1986.

Hon. PATRICIA SCHROEDER,
House of Representatives,
Washington, DC.

DEAR MS. SCHROEDER: I would like to express my opposition to the McClure/Volkmer bill as it is currently written. This bill would weaken existing laws designed to keep guns away from criminals and would increase the danger for police officers and the citizens they are sworn to protect.

Among the serious flaws in this bill:

It would allow for the interstate face-to-face sale of handguns and, thus, make it easier for criminals to bypass state and local handgun laws.

It would weaken current federal laws which impose a 5 to 10 years mandatory prison term for use or possession of a firearm in the commission of a violent felony.

It would undermine the ability of law enforcement to trace thousands of weapons used in violent crime every year.

It would prevent the identification and prosecution of unscrupulous gun dealers by requiring advance notice of every annual regulatory inspection.

It would preclude the prosecution of a licensed gun dealer for violations of law uncovered during the annual regulatory inspection other than willful recordkeeping violations and illegal gun sales to felons and other prohibited persons.

I urge you not to sign the discharge petition for this legislation or to remove your name if you have already signed. This bill must not be passed without careful consideration and amendment which will only occur through the normal legislative process. Please help to defeat this anti-law enforcement bill.

Sincerely,

CHARLES W. LONG,
Acting Chief of Police.

RIFLE POLICE DEPARTMENT,
Rifle, CO.

Hon. Representative PATRICIA SCHROEDER,
House of Representatives,
Washington, DC.

DEAR MRS. PATRICIA SCHROEDER: I would like to express my opposition to the McClure/Volkmer bill as it is currently written. This bill would weaken existing laws designed to keep guns away from criminals and would increase the danger for police officers and the citizens they are sworn to protect.

Among the serious flaws in this bill:

It would undermine the ability of law enforcement to trace thousands of weapons used in violent crime every year.

It would prevent the identification and prosecution of unscrupulous gun dealers by requiring advance notice of every annual regulatory inspection.

It would allow for the Interstate face-to-face sale of handguns and, thus, make it easier for criminals to bypass state and local handgun laws.

It would weaken current federal laws which impose a 5- to 10-year mandatory prison term for use or possession of a firearm in the commission of a violent felony.

It would preclude the prosecution of a licensed gun dealer for violations of law uncovered during the annual regulatory inspection other than willful record keeping violations and illegal gun sales to felons and other prohibited persons.

I urge you not to sign the discharge petition for this legislation or to remove your name if you have already signed. This bill must not be passed without careful consideration and amendments which will only occur through the normal legislative process. Please help to defeat this anti-law enforcement bill.

Sincerely,

L.P. ALLEC,
Chief of Police.

SHERIDAN POLICE DEPARTMENT,
Englewood, CO, March 20, 1986.

Representative PATRICIA SCHROEDER,
Longworth House Office Building,
Washington, DC.

I would like to express my opposition to the McClure/Volkmer bill as it is currently written. This bill would weaken existing laws designed to keep guns away from criminals and would increase the danger for police officers and the citizens they are sworn to protect.

Among the serious flaws in this bill:

It would allow for the interstate face-to-face sale of handguns and, thus, make it easier for criminals to bypass state and local handgun law.

It would weaken current federal laws which impose a 5- to 10-year mandatory prison term for use or possession of a firearm in the commission of a violent felony.

It would undermine the ability of law enforcement to trace thousands of weapons used in violent crime every year.

It would prevent the identification and prosecution of unscrupulous gun dealers by requiring advance notice of every annual regulatory inspection.

It would preclude the prosecution of a licensed gun dealer for violations of law uncovered during the annual regulatory inspection other than willful recordkeeping violations and illegal gun sales to felons and other prohibited persons.

I urge you not to sign the discharge petition for this legislation or to remove your name if you have already signed. This bill must not be passed without careful consideration and amendment which will only occur through the normal legislative process. Please help to defeat this anti-law enforcement bill.

Sincerely,

J.A. STEPHENSON, Jr.,
Chief of Police.

POLICE DEPARTMENT,
Glenwood Springs, CO, March 20, 1986.

Hon. PATRICIA SCHROEDER,
House of Representatives,
Washington, DC.

DEAR MRS. SCHROEDER: I would like to express my opposition to the McClure/Volkmer bill as it is currently written. This bill would weaken existing laws designed to keep guns away from criminals and would increase the danger for police officers and the citizens they are sworn to protect.

Among the serious flaws in this bill:

It would allow for the interstate face-to-face sale of handguns and, thus, make it easier for criminals to bypass state and local handgun laws.

It would weaken current federal laws which impose a 5- to 10-year mandatory prison term for use or possession of a firearm in the commission of a violent felony.

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I urge you not to sign the discharge petition for this legislation or to remove your name if you have already signed. This bill must not be passed without careful consideration and amendment which will only occur through the normal legislative process. Please help to defeat this anti-law enforcement bill.

Sincerely,

ROBERT C. HALBERT,
Chief of Police/Director of Public Safety.

Mr. McCOLLUM. Mr. Chairman, I yield 1 minute to the gentleman from New York [Mr. SOLOMON.]

Mr. SOLOMON. I thank the gentleman for yielding.

Mr. Chairman, as a long-time member of the National Rifle Association myself and a life-long hunter and fisherman in the Adirondack Mountains in northern New York, I rise in the strongest possible support for the McClure/Volkmer position throughout this debate.

I represent a district in northern New York that consists of thousands and thousands of square miles of desolate, rural area, whose geography is such that, more often than not, there is not a police officer within 40 or 50 miles of many rural residents and the only protection that those families have, whether it be a mother or a wife or a daughter, or an aged couple, is the fact that they have a family firearm in their home. That is the only protection they have. We do not need stiffer gun laws. What we need throughout this country is a death penalty which will impose capital punishment on anyone who commits a murder with a firearm. What we need are laws that mandate minimum sentences for anyone convicted of committing a crime with a firearm. McClure-Volkmer does just that. I support it 100 percent.

Mr. HUGHES. Mr. Chairman, I yield 6 minutes to the gentleman from Florida [Mr. SMITH].

Mr. SMITH of Florida. Mr. Chairman, I rise in strong support of the Judiciary Committee's bill, on which I serve, and I want to take this opportu-

nity to thank both the gentleman from New Jersey [Mr. HUGHES] and the gentleman from New Jersey [Mr. RODINO], the chairman of the subcommittee and the full committee, for the phenomenal work they have done on this bill, and to set the record straight right now. This bill did not reach the floor based upon the discharge petition. This bill had hearings for months all around this country, where every group, every individual citizen could come and speak their minds about this bill, and the bill that we are debating today passed the full committee 35 to 0 well before the 218 signatures came on that discharge petition. And this bill motivated by the desire to do what is right for everyone and not because some people want to circumvent the proper way to bring legislation to the floor. This bill is fair, this bill is balanced, and if it were not, I doubt that the Judiciary Committee would have voted it out 35 to 0.

For years this issue has generated more heat than light. Today we have the opportunity to eliminate that veil of ignorance and prejudice that has shrouded the issue of gun control and gun ownership. We often hear that perception is more important than reality. To my colleagues who have indicated their support of the original Volkmer bill, H.R. 945, and the substitute, I say read the committee bill, H.R. 4332. You may be pleasantly surprised at the committee's conscientious effort to correct real and, even, in some cases, only perceived inequities in the 1968 law. We never hid the fact that there were inequities, that it could be corrected in certain areas, and we have done it.

For the legitimate sportsman who may need or want to purchase a shotgun or rifle in another State for legal purposes, we have a provision. For the legitimate sportsman who wants to transport without violating State laws an unloaded rifle or shotgun from his home State, for hunting or legitimate sporting events, we have a provision. For the legitimate enthusiast, such as one of my colleagues who may want to purchase a rifle or shotgun at a gun show, we have a provision. For the licensed gun dealer who feels unwarranted intrusion by Federal officials or who objects to unnecessary paperwork, we have a provision. For the legitimate dealer and owner, we have provided administrative flexibility for license-related matters, including the right to petition for relief on the penalties of the law, which they do not have now.

In addition to these sections, H.R. 4332 also addresses the legitimate and, in my view, paramount concerns of our law-enforcement community. For the majority of Americans and the law-enforcement community, and the vast majority of the law-enforcement community in this country, 99 percent of the law-enforcement community in this country, not only the heads but the rank and file, we have provided relief for their concerns. We do not permit the interstate sale of handguns, which they oppose bitterly, which most right-thinking Americans oppose bitterly and which I oppose bitterly.

For the majority of Americans and the law-enforcement community, we do not permit the interstate transportation of handguns, which we all oppose. For all of us interested in crime and preventing it, we make it illegal for anybody to knowingly sell or transfer a firearm to a disqualified person. For all of us, we make the use of firearms in the commission of certain crimes subject to heavy extended mandatory sentences. For all of us we prohibit the transfer and possession of silencers not otherwise lawfully possessed. Silencers have absolutely no legitimate sporting purpose. We have also prohibited parts that could be used to convert firearms into automatic weapons.

As you know, the law already provides a prohibition on conversion kits.

For the majority of Americans we have a record check, to see, however belatedly, whether the purchaser of a firearm is legally entitled to that firearm. And what about this argument criminals do not go into gun shops and buy handguns? John Hinkley bought a handgun in a gun shop in this country and then attempted to assassinate the President of the United States.

Mr. Chairman, we hear a lot about keeping guns out of the hands of the criminal element. The Subcommittee on Crime heard testimony from many people complaining criminals do not purchase those handguns, but I just gave you an example of where they do.

And, by the way, the cop-killing, citizen-killing statement about the Volkmer bill and the McClure bill came from testimony from police before the full committee. That is who made that statement.

If anybody doubts that the committee bill is the anticrime bill before us, I urge that person to read the recommendations of the Attorney General's Task Force on Violent Crime. It calls for mandatory sentences for the use of the firearm in the commission of a felony. The committee bill improves existing law. It talks about the importation of parts for Saturday-night specials. The committee bill deals with this. This is a balanced bill. It meets the legitimate needs of American hunters and law-abiding gun owners. But it also addresses the concerns of the majority of American people and the law-enforcement community.

A moment on the substitute: The Volkmer substitute is allowed under the rule. It is not S. 49 nor is it the original Volkmer bill. What the proponents of the substitute bill have done is to change one or two provisions of the original bill, after hearing the hue and cry that arose from the entire law-enforcement community and from average Americans who were opposed to it. However, the changes are cosmetic. In fact, in some of the provisions, the NRA, which clearly wrote the substitute, went further in gutting the 1968 Gun Control Act. Law enforcement and right-thinking Americans still oppose the substitute. It is a large wolf in sheep's clothing.

Mr. Chairman, today is the day for political courage. Say "no" to the NRA. Say "yes" to the police and "yes" to the American citizens of this country.

The CHAIRMAN. The Chair observes that the gentleman from Florida [Mr. MCCOLLUM] has 53 minutes remaining and that the gentleman from New Jersey [Mr. HUGHES] has 20 minutes remaining.

Mr. HUGHES. Mr. Chairman, does the gentleman from Florida [Mr. MCCOLLUM] intend to yield to me 10 minutes?

Mr. MCCOLLUM. Mr. Chairman, I do intend to do that. Under whatever the appropriate procedure is to do that, I intend to yield to the gentleman, since he has given the full 20 minutes to the gentleman from Missouri [Mr. VOLKMER]. By a previous agreement with the gentleman from New Jersey [Mr. HUGHES], I certainly want to yield that time to him.

Mr. HUGHES. Mr. Chairman, that would give the gentleman from New Jersey 30 minutes total.

The CHAIRMAN. The gentleman from New Jersey [Mr. HUGHES] would have 30 minutes and the gentleman from Florida [Mr. MCCOLLUM] would have 43 minutes remaining.

Mr. MCCOLLUM. Mr. Chairman, I now yield 2 minutes of my remaining time to the gentleman from Montana [Mr. MARLENEE].

Mr. MARLENEE. I thank the gentleman from Florida for yielding.

Mr. Chairman, I think we need to ask the question: Why does a police officer wear a revolver? As a deterrent to assault and a control of crime.

And that is exactly why many, many Americans own and possess a revolver, including myself. And I defy those who would stop me from traveling across State lines with that revolver, if I have it unloaded and inaccessible. I carry one, and I intend to continue carrying one until you lock me up in some pokey in Daisy Breath, IL, or perhaps New Jersey, if I should happen to get up there, but I will try to avoid it.

Now, I think, Mr. Chairman, that we need to address two recent full-page newspaper ads that speak volumes about those who would oppose the Volkmer substitute. What do they really want?

The first ad was run against our colleagues HAROLD VOLKMER and STAN PARRIS. I have a copy of the Parris ad run by Handgun Control, Inc. Not only is it full of misrepresentations, they could not even find a real policeman for their ad. He is an actor.

The Handgun Control, Inc., ad implies that all law enforcement officers oppose the Volkmer substitute. That isn't true. In fact, a recent survey of police chiefs and sheriffs conducted by the National Association of Chiefs of Police found that the overwhelming majority support the Volkmer-McClure approach to this legislation.

The second ad, again run by Handgun Control, Inc., shows a series of pictures, right here for those who cannot see well, of revolvers, followed by a picture of the same phony policeman. Both of these ads make it clear that their objective is to control, register, and eventually ban and eliminate, the ownership of handguns. If this were not their objective, why would they be running these kinds of ads which portray a revolver as inherently evil in itself?

Mr. Chairman, if you support the constitutional right to keep and bear arms, if you want to support the rights of your sportsmen and gun owners, then vote for the Volkmer substitute as is. If you oppose these rights, you'll support the committee bill.

I would like to key in on one of the many failures of the committee bill, and the need for the Volkmer substitute.

One provision that sportsmen are very interested in deals with the interstate transportation of firearms. I am particularly interested in this section because the substitute more closely mirrors my own bill on this subject, H.R. 2565.

The Volkmer substitute allows interstate travel with a firearm as long as it is unloaded and not readily accessible. Thirty-seven States have handgun hunting seasons, and all too often hunters and competitive shooters have been harassed as they passed through one jurisdiction to another on their way to a hunt or shooting competition.

A good example is that of a Mr. Brown from North Carolina. Mr. Brown was traveling to Maine with his dogs to go bear hunting and, in accordance with North Carolina law, he had his guns unloaded and unconcealed.

Mr. Brown was arrested in New Jersey and prosecuted for transporting his hunting weapons through the State. While he was in custody, his dogs were confined in a hot garage, and one of them died—all because this law-abiding gun owner was transporting his guns according to the laws of his home State.

The problem is even worse in New York because you are required to have a license in that State, but section 400.00 of the New York penal code prohibits issuing licenses to nonresidents.

The substitute takes care of this problem while H.R. 4332, the committee bill, limits interstate transportation to rifles and shotguns only, on the erroneous assumption that handguns need to be restricted.

Yet, in actual interviews with convicted felons, a study done by the University of Massachusetts found that fully three-quarters of these criminals obtained their guns in-state. The point is, stopping interstate travel with firearms only harasses law-abiding citizens—it isn't going to stop hardened criminals.

Mr. Chairman, I haven't tried to cover all of the bill's shortcomings, some of my colleagues have already done that. But the bottom line is that the committee bill is not good legislation for America's hunters and sportsmen. Support the Volkmer substitute.

Mr. MCCOLLUM. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I believe that the two bills that are before us today, the products of the work in our committee, H.R. 4332, and the substitute proposal by the gentleman from Missouri [Mr. VOLKMER], are both a delicate balance between the interests of sportsmen and the needs of the law-enforcement community in our country. I want to take a moment to especially commend the gentleman from New Jersey for all of the hard work he has put in, as the chairman of the Subcommittee on Crime, in crafting a balanced bill to put out here today. It has not been without a lot of work and personal time and sacrifice on his part, and I think he is to be commended for it.

On the other hand, I think though, there is a great deal of difference of opinion about issues between various parties here today, the gentleman who has drafted the substitute to be presented today, the gentleman from Missouri [Mr. VOLKMER], is also to be commended, because he has crafted something that is really a compromise today, and we are about to try to come up with the best bill possible, from all of the amendments that are to be offered later today.

From the annual duck/goose hunting seasons on the Chesapeake Bay to the wild, wild West, the firearm has been playing a role in American history and in the development of our country.

In 1968, the Congress reacted to the tragedies of the assassinations of both Robert F. Kennedy and Dr. Martin Luther King, Jr., by adopting the Gun Control Act of 1968. Unfortunately, the implementation of this act resulted in frustration, confusion, and unnecessary restrictions for lawful gun owners. As a member of the Subcommittee on Crime, I have heard numerous testimonies which point to sections of the Gun Control Act that place unfair burdens on sportsmen without significant contributions to law enforcement. I, therefore, support this effort to reform the Gun Control Act to favor the sportsmen and the interests that they represent to the best extent that we can, while still protecting the interests of our law-enforcement officials.

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While neither bill is perfect, the debate today enables us to achieve these changes while respecting the law enforcement interests which have been shared with us by law enforcement officials from around the Nation.

Throughout the amendment process, this body will work its will and develop a balance between the basic American right to bear arms and the freedom of sportsmen on the one hand and adequate law enforcement on the other. I sincerely hope that we can establish a firearms law that is directed at the criminal elements in society, rather than law-abiding citizens.

To this end, I plan to offer one amendment to the substitute introduced by the gentleman from Missouri [Mr. VOLKMER]. My amendment responds to six technical or otherwise noncontroversial requests from the Department of the Treasury.

This amendment is supported by the administration and has the approval of the sponsor of the substitute. I am unaware of any opposition to this proposal. I look forward to the opportunity to offer this amendment and thereby contribute to the development of good firearms legislation today and I look forward to being able to support a number of amendments being offered by other Members today that will perfect both the bill, H.R. 4332, and the substitute, so we can get to a vote on the final product.

When all the smoke is cleared today, I think we are going to find that we will be able to reaffirm the words of the great Republican sportsman, Abraham Lincoln, who said, "The ballot is stronger than the bullet." I think we will produce a good product and I commend everybody who has participated in this.

Mr. SMITH of Florida. Mr. Chairman, I yield 1½ minutes to the gentleman from New York [Mr. BIAGGI].

Mr. BIAGGI. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, it is not my intention to go into extensive debate on this issue at this point. I am only allowed 1 minute but I do intend to speak later under the 5-minute rule; however, there is something I would like to clear up. I think we should know exactly who the participants are. It is law enforcement against the NRA, pure, simple, and unadulterated.

There is one issue I would like to clear up and eliminate the confusion, because you will hear that the police community is divided. I have heard it before. I heard it again just a few moments ago and I'm certain we will hear it again.

The law enforcement community supports the bill as reported by the Judiciary Committee. I know about the union of the police, AFL-CIO related. I know the history of it. I know

its terrible internal difficulties. I know its financial problems and I know it is lock, stock and barrel owned by the NRA.

Let me give you the names of those national groups that support the legislation:

The Federal Law Enforcement Association.

The Fraternal Order of Police.

The International Association of Chiefs of Police.

The International Brotherhood of Police Officers.

Major Cities' Chiefs.

The National Association of Police Organizations.

The National Organization of Black Enforcement Executives.

The National Sheriffs' Association.

The National Troopers' Coalition.

The Police Executive Research Forum.

The Police Foundation.

I hope this puts this myth to rest and deals with this smokescreen once and for all. The police of this Nation support the Hughes legislation vigorously and unequivocally.

Mr. McCOLLUM. Mr. Chairman, I yield 1 minute to the gentleman from Pennsylvania [Mr. CLINGER].

Mr. CLINGER. Mr. Chairman, I represent a district in Pennsylvania which issues more hunting licenses than any other district in my State and I suspect one of the major hunting areas in the country. I have just spent 2 weeks talking to literally hundreds of my constituents who are sportsmen, who have told me that the McClure bill is a much needed reform of the 1968 Gun Control Act.

Today and over the last months we have heard differing philosophies about the right of American citizens to own, obtain, and use a firearm for lawful activity.

I would urge my colleagues to preserve this right for our law abiding citizens.

The McClure bill corrects a wide range of problems faced by law abiding hunters and sportsmen from Pennsylvania and around the country. The bill defines exactly who will need a firearms license, eliminates useless ammunition recordkeeping requirements, provides mandatory prison sentences for Federal crimes committed with a gun, which is where the focus should be, and codifies existing regulations for conducting firearms tracing to aid law enforcement.

Mr. Chairman, I would urge passage of the McClure substitute and I would like to commend the gentleman from Missouri [Mr. VOLKMER] for working so hard to bring this vitally needed bill to the floor and to effect these reforms which my constituents and hundreds of sportsmen have told me are vitally necessary.

Mr. HUGHES. Mr. Chairman, I yield 1 minute to the gentleman from Arkansas [Mr. ALEXANDER].

Mr. ALEXANDER. Mr. Chairman, I rise today in support of the amendment to be offered by my friend from Missouri, Mr. VOLKMER. I also rise today on behalf of the thousands of citizens of my State who are lawful gun owners, and dedicated sportsmen and women, who support the Volkmer amendment because it restores an appropriate balance between the right of Americans to bear arms and the needs of law enforcement officials to police the criminal elements in our society.

The Volkmer legislation would allow citizens to transport firearms across State lines—if the firearm is unloaded and inaccessible. For states like Arkansas, which are known for their hunting and competitive shooting, this measure will enhance the prospect of more visitors to our communities and greater economic gain for our citizens.

Further, this legislation would allow a citizen of another State to purchase a firearm from a licensed dealer if the laws of both the State of sale and the State of the purchaser's residence are followed and the purchaser conducts the transaction in person. This would permit hunters and gun collectors to purchase firearms when and if they needed them while visiting in another State.

The Volkmer legislation also addresses the issue of criminal intent. All too frequently, law-abiding citizens have been prosecuted for simple unintentional errors in obtaining a firearm. The Volkmer bill protects gun owners by requiring that Federal agents prove criminal intent in the prosecution of such cases.

Mr. Chairman, I support the Volkmer amendment to restore balance. The key word in this debate is "balance." The purpose of this legislation is to balance the rights of law-abiding citizens to bear arms against the very real needs of law enforcement officials to fight crime. Mr. Volkmer's bill achieves this appropriate balance, and I congratulate him on his efforts to bring this to the floor today.

Mr. McCOLLUM. Mr. Chairman, I yield 2 minutes to the gentleman from Louisiana [Mr. MOORE].

Mr. MOORE. Mr. Chairman, I rise in strong support of the Volkmer substitute.

Concerns are being expressed that interests of private gun owners and law enforcement officers are set on a collision course today, but both can be reconciled.

I was a military policeman and my only brother is a career police officer.

So, I can see the concerns of law enforcement in preventing crimes and the misuse of guns, but also of the importance for legitimate gun owners, which include our country's citizens, to have the opportunity to buy, own, and transport firearms for sporting purposes or for self-defense.

Allowing gun owners to transport an unloaded, not readily accessible, firearm does not lessen our crime-fighting efforts, and without this provision, our law-abiding citizens are punished.

The Volkmer substitute protects gun owners' rights by allowing the transport of not only long guns which the committee allows but also handguns. Many law-abiding citizens have been arrested, jailed, and fined because of innocently carrying firearms through States and communities with laws prohibiting unlicensed possession of such firearms. Gun owners whether they are sportsmen or even law enforcement officers who carry their handguns through States when they travel on vacation or to sporting events or even to move their households interstate now under current law could face criminal charges.

The transportation provisions in the Volkmer substitute are vitally needed to protect legitimate gunowners and the transportation provision in the committee bill and in the Hughes amendment does not go far enough in protecting these rights.

In addition to the transportation provision, I support the Volkmer substitute on the whole which is largely based on H.R. 945, the Firearm Owners Protection Act, which Representative VOLKMER introduced and I cosponsored. I oppose the Hughes amendment to it.

I want to commend the Judiciary Committee for finally bringing gun legislation to the floor, and I am particularly pleased that the discharge petition which I signed early was successful in providing the motivation for the committee to move legislation after 6 years to give the full House this important opportunity to debate gun legislation.

The Volkmer substitute, in my opinion, does three key things:

First, it will protect the rights of law-abiding gun owners, dealers, and sportsmen;

Second, it will help law enforcement implement Federal gun laws and fight crime which I believe all Members want to see reduced. My brother is a career police officer and I was a military policeman. I am a strong supporter of law enforcement so I know full well law enforcement concerns and the dangers they face; and

Third, it will appropriately target our efforts where they should be—at the criminal, not the weekend hunter or the concerned citizen or legitimate gun dealer who has been treated like a criminal because of unintentional, minor violations, with no criminal intent. Addressing these enforcement abuses along with criminal deterrents should be our goals in drafting consensus changes in gun laws.

In my home State of Louisiana, my constituents feel strongly about our second amendment rights to keep and bear arms. They want us to protect those rights. Even the preamble of the Gun Control Act states that it is not intended "to place any undue or unnecessary Federal restrictions or burdens on law-abiding citizens" in their purchase, possession, or use of firearms.

We have heard numerous abuses of our citizens in the enforcement of the gun laws and in the interpretation of their vague and undefined provisions.

The Volkmer substitute is intended to be a fairer, more comprehensive measure, striking a balance between law enforcement and sportsmen concerns.

For gun owners and dealers—the Volkmer substitute:

First, it allows the interstate sale of firearms if the sale is face-to-face and complies with laws of both buyers' and sellers' States;

Second, it allows interstate transport of unloaded and not readily accessible firearms;

Third, it clarifies the term "engaged in the business" to end confusion of who needs a license for firearm sales, so unsuspecting, law-abiding gun owners and hunters do not find themselves guilty of a felony for sales without a license such as an exchange of firearms from their personal collection;

Fourth, it repeals ammunition recordkeeping requirements (except armor-piercing bullets) which BATF and Treasury says have no substantial law enforcement value; and

Fifth, it reduces minor and technical recordkeeping offenses to a misdemeanor since now violations are felonies.

On the other side of the scale, the Volkmer substitute strikes at criminals by strengthening criminal penalties as it:

First, provides a 5-year mandatory prison term for drug traffickers who use or carry a firearm in a drug trafficking crime;

Second, provides a mandatory 10-year prison term for using or carrying a machinegun or silencer in the commission of a violent crime or drug trafficking offense and a 20-year mandatory term for a subsequent offense; and

Third, provides a mandatory penalty for using armor-piercing ammunition in a drug trafficking felony.

I support these penalties as throughout my tenure in Congress, I have authored and sponsored mandatory penalties legislation as a deterrent for crimes committed with firearms as a far more effective way of deterring the use of guns in the commission of crimes.

In contrast, the Volkmer substitute is better than the Hughes amendment which does not address some of the abuses which have burdened legitimate gunowners and gun dealers. The Hughes amendment does not address the definitional problem of who is considered a dealer nor the problems arising from minor technical violations which were not intentionally committed. It does not allow the interstate sale or transportation of all firearms.

Again, I feel the Volkmer substitute is a good compromise, bringing a balance to law enforcement and sportsmen concerns. It gives law enforcement the tools with which to prosecute and punish criminals, and it protects the rights of gun owners, sportsmen, and dealers. I do not think it makes it easier for criminals to get guns.

I urge my colleagues to support the Volkmer substitute.

Mr. HUGHES. Mr. Chairman, I yield 1½ minutes to the gentleman from Ohio [Mr. TRAFICANT].

Mr. TRAFICANT. Mr. Chairman, as a former sheriff, I would like to say that it is very easy to turn the clock back. It is pretty tough to do what is responsible and there is a cloud that is hanging over the House today. It is a cloud that may divide two very great bodies, one known as the NRA and one known as the police.

The NRA basically consists of honorable, law-abiding citizens. However, I do not believe there are five people, if any in this House who want to take guns away from people.

However, Mr. Chairman, we are dealing with a complex issue. During the 7 major years of the Vietnam war, there were more Americans killed with handguns in this country than soldiers killed in Vietnam. We have let this problem go unabated for too long.

We have a tremendous problem in this country where the psychological edge rests with people who take a casual approach to a handgun or a weapon, and God forbid, the results are evident.

In 1981, we had 11,522 Americans killed with a handgun. The figure was 77 in the next leading democratic type of society in Japan, with 120 million-people, half our population, crammed into a country the size of California.

Today we can make a decision, give the psychological edge to all police officers and send a message across the country that guns are not to be handled just casually, like other pieces of apparatus purchased at any particular store.

I think the Hughes bill, the committee bill, represents a better picture for this country, even though neither of them in my opinion would serve the country as well as they should. I do commend the gentleman from Missouri [Mr. VOLKMER] who has made a valiant effort to perfect parts of this bill which have been tempered in the last several weeks.

Mr. McCOLLUM. Mr. Chairman, I yield 3 minutes to the gentleman from Pennsylvania [Mr. GEKAS], a distinguished member of the subcommittee.

Mr. GEKAS. Mr. Chairman, there is no question about it, the whole issue has resolved itself down to a tremendous legislative duel between two titans, one being the police officer and the other the sportsman of our country, both fellow citizens, both worthy of our support, both eager to gain our support in their roles in life; but I believe that the sportsman can already proclaim a victory. The sportsmen have gained beyond what they might have imagined just a few years ago, full relief on what they considered to be burdensome restrictions on their ability to transport long guns across State lines, on the ability to transact the sales that are so important to them, and no matter which version applies here today, it grants that relief.

Therefore, I believe that I, as a politician who tries to respond to the wishes of my constituents, have done to this moment yeoman service to the sportsmen and outdoorsmen and hunters and sportsmen's federation in my district.

I have not yet, however, come to the point where I am ready to accept the Volkmer bill in its entirety because of the unresolved handgun issue. To me it is still unresolved.

It remains for this debate, as the gentleman from Florida has determined and so eloquently proposed, for the full debate of this House to finally paint the picture which will evolve for the final vote; but I do believe that I can forever, no matter what the outcome is politically for me the remainder of my incumbency. I can forever feel proud that I have done my duty as I saw it to the sportsman, to the hunter, to the outdoorsman, and to those who feel that the long gun does not require the kind of restriction that has been placed upon it so long.

Mr. McCOLLUM. Mr. Chairman, I yield 2 minutes to the gentleman from Ohio [Mr. KINDNESS].

Mr. KINDNESS. Mr. Chairman, I would like to add my commendations to the gentleman from New Jersey, the gentleman from Florida, and the other members of the subcommittee, for the fine work they have done in bringing this legislation to the House floor and my particular commendations to the gentleman from Missouri [Mr. VOLKMER], who has struggled and led so valiantly the effort over a good period of years now to get this matter to this stage.

I think it is quite regrettable that there has been so much polarization of the positions that have evolved with regard to this legislation. It is too bad.

That brings me down on the side of the Volkmer substitute.

I think it is regrettable that we could not have approached this point several years ago. Perhaps this is a lesson for the Committee on the Judiciary to learn, not to simply bury things forever, because the pot will boil over. The pot has boiled. The Volkmer substitute ought to carry the day.

I believe that there is a sincere effort on the part of both sides here to have their point of view put across well and it is even possible that there might have been further compromise to bring the two views together more closely. That does not appear to be the setting in which we will operate today.

Therefore, I urge my colleagues to support the Volkmer substitute and at the same time to pay respects to the committee for the work that it has done in bringing the measure to the floor today.

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Mr. HUGHES. Mr. Chairman, I yield 2½ minutes to the gentleman from Maryland [Mr. MITCHELL].

Mr. MITCHELL. I thank the gentleman for yielding this time to me.

My colleagues, 9 months ago we became so concerned in my city about the violence that a group of citizens formed themselves together to combat the killings that are taking place in my city, and my city is not too different from other cities.

We go out regularly putting up these bumper stickers on doors, on windows, on automobiles, "Us Killing Us Equals Genocide." The police department has given us excellent cooperation. The State's attorney works with us. Therefore, I rise in support of the committee legislation rather than the Volkmer substitute because I would have to oppose any legislation that gave greater access to guns for people to kill each other.

I just talked with my Baltimore City Police Department. It is estimated that there are 100,000 illegal guns in the city of Baltimore. That is not too different from any other city. Of great concern to my police department and to me and to all well thinking people is the fact of gratuitous violence which is now taking place in connection with crime; not just a robbery, but after the robbery, kill them; not just a burglary or an attempted burglary, but after that, shoot the person. Gratuitous crimes.

In my city and in every other city, I know in Newark, NJ, there is an underground economy in handguns, where one can rent a handgun for the commission of a crime, or one can borrow a handgun for the commission of a crime. Last year in my city, in Baltimore, handguns accounted for 54 percent of all the homicides. This year, handguns account for 60 percent. And that ratio has obtained for the last 14 or 15 years. Us killing us equals genocide.

I think every one of us who is concerned about the sanctity of life, about the well being of our communities, should bitterly oppose any legislation at all that increases accessibility to weapons of death and maiming in our communities.

I will support the committee's legislation. I would urge my colleagues in this House to oppose the Volkmer legislation, because it does increase access to handguns. Remember, us killing us equals genocide.

Mr. McCOLLUM. Mr. Chairman, may I inquire how much time remains on this side?

The CHAIRMAN. The gentleman from Florida [Mr. McCOLLUM] has 31 minutes remaining and the gentleman from New Jersey [Mr. HUGHES] has 23½ minutes remaining.

Mr. McCOLLUM. Mr. Chairman, I yield such time as he may consume to the gentleman from Georgia [Mr. DARDEN].

Mr. DARDEN. I thank the gentleman for yielding time to me.

Mr. Chairman, I rise today in support of the Volkmer substitute to H.R. 4332. This substitute—the Gunowners Protection Act—balances protection of public safety with the constitutional right of Americans to keep and bear arms.

The Gun Control Act of 1968, though well-intentioned in its concern over controlling crime, has burdened weapons dealers and those who would use firearms for sport and personal protection with layers of complex and unnecessary regulation.

The Volkmer substitute would lift much of the regulatory burden from law-abiding dealers and gunowners, while preserving necessary restrictions on the importation and sale of weapons likely to be used by criminals and terrorists.

Millions of Americans use firearms responsibly for recreation. Others have a justifiable need to keep a gun for their protection, especially in rural areas. These law-abiding citizens should not be denied their constitutional right to keep and bear arms because the criminal element ignores the laws we already have.

As a former district attorney, I know that gun control only hampers those who already obey the law; hardened criminals continue to buy, carry, and use guns as they choose, regardless of the legal requirements.

I urge my colleagues to support this long-needed revision of our Federal firearms laws.

Mr. McCOLLUM. Mr. Chairman, I yield 1½ minutes to the gentlewoman from Nevada [Mrs. VUCANOVICH].

Mrs. VUCANOVICH. I thank the gentleman for yielding this time to me.

Mr. Chairman, I rise in support of the Volkmer substitute.

It is very clear that millions of law-abiding sportsmen and gunowners in this country have been adversely affected by gun control legislation. The purpose of the Volkmer substitute is not to make life easier for the criminal element in our society, but to correct the unnecessary burden placed on the law-abiding American citizens who exercise their constitutional right to own a firearm.

Naturally, there must be a balance between individual rights and the protection of our citizens. But the 1968 Gun Control Act has failed because it does not recognize the realistic difference between law-abiding citizens and criminals. Criminals do not often purchase guns from authorized dealers, and if they do, it is unrealistic to think they will provide truthful information to the dealer.

Instead of infringing upon the rights of law-abiding citizens, instead of searching for new ways to license, tax, and regulate law-abiding citizens, Congress should pass laws that toughen and enforce penalties against criminals.

My State of Nevada, has considerably less State regulation on firearms than most States, and it is clear that most Nevadans would like to see it stay that way, because I have received an overwhelming amount of constituent support for Mr. VOLKMER's legislation.

Mr. Chairman, it is time the Federal Government stops harassing sportsmen and gunowners by treating them like criminals. The Volkmer substitute treats the gun owners as law-abiding citizens, by giving them an opportunity to conduct legitimate business transactions in a reasonable manner. It also treats criminals as criminals through the use of mandatory penalties.

The Volkmer substitute returns basic American principles to firearms laws. H.R. 4332 does not adequately reform the abuses contained in the 1968 Gun Control Act. The Volkmer substitute is a realistic, rational approach to reform. I urge my colleagues to vote for the law-abiding citizens and uphold the Constitution by voting for the Volkmer substitute.

Mr. HUGHES. Mr. Chairman, I yield 1½ minutes to the gentleman from New Jersey [Mr. TORRICELLI].

Mr. TORRICELLI. I thank the gentleman for yielding this time to me.

Mr. Chairman, let me first extend my congratulations to the gentlemen from New Jersey [Mr. RODINO and Mr. HUGHES]. They have made this a proud day for my State of New Jersey.

My colleagues, we have a problem. Year after year we have stood in this well and we have talked about the problems of crime, guns in the schools, teenage suicides, mounting homicides, and people thought we were serious. They did not understand that these were just speeches. They did not know that there were not people prepared to come to this Congress and to vote for laws to protect law enforcement officers and to meet the problem.

My friends, I am sorry if it is inconvenient that we want to keep records of those who buy guns. I am sorry if it is inconvenient that we need to check criminal records, mental records, before people buy deadly guns. It is too bad; but if you think it is inconvenient for you to check the records, ask Sarah Brady, ask police officers, ask the 10,000 Americans who are going to be murdered next year by guns in this country. Ask about their inconveniences.

There is not just a gun problem in America. There is a gun epidemic in America and it is time we stand up and be counted. It is easy to put a bumper sticker on your car to "Support Your Local Police." It is so simple to stand here and make a speech about the problems of crime. It is another thing to stand up to the gun lobby. That is what we need to do here today.

Mr. McCOLLUM. Mr. Chairman, I yield 1½ minutes to the gentleman from Alabama [Mr. DICKINSON].

Mr. DICKINSON. I thank the gentleman for yielding this time to me.

Mr. Chairman, I rise today to voice my strong support for the Firearm Owners Protection Act, as a substitute to H.R. 4332.

H.R. 4332 has been billed as a compromise between the rights of law-abiding gunowners and law enforcement. Nothing could be further from the truth. The bill actually creates a whole new set of enforcement problems for the Secretary of the Treasury, the FBI and State and local police.

The substitute, on the other hand, clarifies and codifies provisions of existing law to benefit police in their fight against crime—a fight, I might add, that they are beginning to win.

Mr. Chairman, the substitute will protect the rights of law-abiding gunowners, dealers, sportsmen, and collectors, and will target violent felons and drug traffickers.

Mr. Chairman, I would like to focus on just one onerous aspect of H.R. 4332. That of denying persons under indictment the ability to possess firearms.

Under current law, and under the substitute, a person who has been indicted for a State or Federal crime may not receive or transfer any firearm. He may, however, possess any guns he might have at the time of his indictment. After all, it is our system of judicial review that deems a person innocent until proven guilty.

H.R. 4332 would prohibit the receipt and possession of firearms by persons under indictment thereby creating instant criminals. At the moment of indictment on a State or Federal charge, a gunowner would be in violation of H.R. 4332—a felony. Even if the person is acquitted of the charges or the charges are dismissed, he would be a felon for possessing a gun while under indictment.

The substitute adequately addresses this problem. It provides safeguards for law enforcement and persons under indictment but not yet convicted for a crime.

There are many other onerous provisions in H.R. 4332 that I will defer to my colleagues.

Mr. Chairman, the substitute was introduced 7 years ago to correct the abuses and problems of the 1968 Gun Control Act, While H.R. 4332 does address some of these concerns, it also creates new ones. And for that reason—and others that this body will hear today—I support the substitute.

In closing, I urge my distinguished colleagues to consider this: Should we pass a bill, H.R. 4332, that creates new problems for gunowners and law enforcement, or should we adopt the substitute, a bill that will correct old problems, protect law-abiding gunowners from future problems and help law enforcement combat existing crime problems?

Mr. HUGHES. Mr. Chairman, I yield 2 minutes to the gentleman from Texas [Mr. FROST].

Mr. FROST. I thank the gentleman for yielding this time to me.

Mr. Chairman, I rise in support of the Hughes-Rodino bill on the floor today. It is a well-thought-out and reasoned approach to the issue of firearm sales and transfer in this country. I believe its enactment today will be a victory for sportsmen and the law enforcement community alike.

This legislation most certainly involves one of the most emotional issues I have faced in my 8 years in Congress. Feelings run high on both sides and, as a result, I have given the matter a great deal of time and attention. I have listened to the views of my constituents and to the people charged with enforcing the laws in my congressional district. I decided when I came here 8 years ago that I would consider each issue on its own merits and would vote in the best interest of my district and my country, regardless of the passions of the moment.

Prior to making my decision on the legislation before us, I had my staff contact literally every one of the local police departments in my district as well as the Dallas offices of the FBI, the Drug Enforcement Administration, and the Texas Rangers. Each department chief was asked to comment on the Hughes-Rodino bill and the Volkmer substitute. Every single sheriff, police chief, commander, and inspector spoken to said that Hughes/Rodino is preferable to McClure-Volkmer and will make our streets safer for law enforcement officers and the citizens they are charged with protecting.

I would like to share with you a few short comments offered by the law enforcement officials I contacted:

The Dallas Police Chief, himself a sportsman, stated that "the Hughes-Rodino bill is a fair compromise that will help protect my officers in the street".

The Police Chief in Duncanville, Texas stated that "provisions in the bill will be of assistance in keeping handguns out of the hands of known criminals".

The Police Chief in Irving, Texas strongly endorsed Hughes-Rodino as a bill that makes sense and fairly addresses any concerns legitimate sportsmen may have.

The DeSoto Police Chief acknowledged that the retention of limited control on handguns and increased penalties for crimes committed with firearms is an effective approach to dealing with violent crimes.

A Captain at the Cedar Hill Police Department expressed the view that any effort to lessen restrictions on concealable firearms threatens the safety of officers in the street.

The Sheriff of Dallas County stated that "the resolution of violent crimes often depends solely on the availability of records that can be used to track the ownership of weapons".

The Senior Ranger Captain of the Texas Rangers expressed that enactment of legislation lessening restrictions on handguns will make law enforcement a much more dangerous and difficult job.

A spokesman from the Dallas office of the FBI stated that "making the sale and availability of handguns easier is a mistake from the law enforcement point of view".

Finally, the Dallas Regional Commander of the Drug Enforcement Agency stated that "Hughes-Rodino is fair to sportsmen but retains needed restrictions on concealable firearms."

After reviewing the comments of the officers in my district, I'm convinced that lessening restrictions on handguns would be a mistake that we would pay for with the lives of citizens and police officers.

Hughes-Rodino is a responsible measure. It allows hunters the flexibility they need to pursue and enjoy their sport. Law abiding sportsmen, gun collectors, and dealers have nothing to fear from its provisions. Criminals, however, and those who seek to make firearms easily available to criminals, will be thwarted by the provisions of this bill. It's a good bill. It's a fair bill. I urge my colleagues to join me in supporting it.

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Mr. McCOLLUM. Mr. Chairman, I yield 7 minutes to the gentleman from California [Mr. LUNGREN].

Mr. LUNGREN. Mr. Chairman, I am one of those who is pleased that we are here today. I understand the frustration of many who have wanted to deal with amendments to the 1968 firearms bill for some time. I understand their frustrations, and I understand their concerns. In fact, I applaud them for putting pressure so that we are here.

I am not one who is adverse to using a discharge petition. I have used a discharge petition before to gain the attention of the House to help move the immigration bill. I have used other procedures to get the omnibus crime

bill out here. Yet I have tried to work within my committees when that was possible to bring forward what I consider to be strong law-enforcement legislation.

I would say as one who did not sign the discharge petition, I do not argue with anybody who did. I think it was a healthy thing for us to move this legislation.

I will say that I think the subcommittee, when it finally got an opportunity to act on this, passed out a pretty good product. I think that is recognized by the gentleman from Missouri, Mr. VOLKMER, who in some cases has taken part of that product and placed it into his substitute today. He admitted when he came and testified before us that there were problems with the bill he had introduced, with the bill that had come from the other body, and he was going to attempt to rectify them, and that is where we are now. His substitute does rectify some of the concerns he had about his own bill.

On the other hand, I think we have made some changes, in the subcommittee version, which go further in rectifying some of those problems. But the fact of the matter is that there is going to be an up-or-down vote on the Volkmer bill before we ever really vote on the entire committee bill. So we are really going to be talking about how we amend the Volkmer substitute, which is an amended form of the original bill that the gentleman from Missouri [Mr. VOLKMER] had introduced some time ago.

It is in this direction that I would like to address my remarks. I happen to think that the members of the National Rifle Association have legitimate concerns about the present law. They have expressed those concerns, and I think we have a duty to meet those concerns.

At the same time, I believe that members of law enforcement agencies have a legitimate concern about some of the things that are contained in the original Volkmer bill and the Volkmer substitute, I know there has been some discussion about the fact that there is a split in the law enforcement community. The president of one of the groups that is represented in the AFL–CIO has come out in support of the McClure-Volkmer bill. I have tried to have my staff do a survey of the various groups involved. As close as I can determine, this is what it amounts to: Of the law enforcement groups that support major amendments to the McClure-Volkmer substitute, they represent 173,393 police officers in America. Of the one group that supports McClure-Volkmer without amendment, they represent 7,000 police officers in America.

So if you want to know where the overall number of police officers are in terms of the number of amendments that are to be offered, I think you know they go in the direction of amending the Volkmer substitute.

We will have several opportunities to do that. One is the Hughes law enforcement package amendment. Then subsequently, if that is not successful, there will be individual amendments.

I will support the Hughes law enforcement package which consists of nine major amendments en bloc because I think they make reasonable changes to the McClure-Volkmer substitute.

Let me just talk about one of them that I think is important. This will be dealt with in an individual amendment if the Hughes law enforcement package is not agreed to, and that bans the sale of silencers. I, frankly, for the life of me, cannot understand the arguments of anybody that it serves a legitimate sportsman interest to use a silencer. Maybe when you shoot one grouse, you do not want the other grouse to get up and walk away because they hear the noise. Maybe you have some concern about other deer running around when you fire a weapon with a silencer at a particular deer that is in front of you. But for the life of me, I cannot understand anybody suggesting that there is legitimate interest in dealing in and selling silencers. I hope when we have an opportunity for the amendment that the gentleman from Florida [Mr. SHAW], and I might offer, that someone who does believe there is a legitimate sportsman interest will come forward and explain it to me.

Perhaps the major difference that is going to be voted on here, and either will be encompassed in the Hughes law enforcement package or by a separate amendment, will be what I think this is the bottom line for law enforcement organizations, the transport across State lines of handguns. We have made a legitimate decision in both versions to allow the interstate transportation of long guns; that is, shotguns and rifles. That is what the sportsmen in my community have asked me about.

I had one come up to me in a townhall meeting just this week and said, "Please allow me to do that. I am not someone breaking the law. All I want to do is to be able to take my rifle or shotgun hunting." And I said, "What about handguns?" And he said, "I don't want handguns, I don't want to go that far." I said, "that may be the major difference in the vote that takes place."

The law enforcement community, for whatever it is worth, has decided that this change in law would interfere with their ability to enforce the law with respect to the transport of handguns in their own communities. It seems to me we ought to take cognizance of that.

I think we are finally going to come up with something that is an improvement on current law. I suspect that in some ways it will have the contributions of the gentleman from Missouri [Mr. VOLKMER] and the contributions of others. But I would just ask that Members not flock to one side or the other because the NRA says this, or law enforcement says that, or because we got more phone calls at home on this, or somebody down the street said that. Please take a look at the various amendments as they are presented. Please take a look. For someone to say to vote for any amendment will gut the Volkmer substitute means that when we offer our amendment to outlaw silencers, that that somehow is going to gut the Volkmer substitute. I do not understand that. I cannot understand that.

It seems to me we owe it to ourselves to look at each and every amendment, and make a judgment on the amendments as they come forward. Then we can vote up or down the final package. As I say, I think we need to amend the current law. I stand against handgun control. I have never supported it and I never will. But I think we have a far distance from one extreme to the other. We will have an opportunity to try and make informed judgments all along that distance during the debate today.

I would just ask Members please, open up your eyes and vote on these amendments on their merits. Please do not disregard the legitimate concerns of law enforcement.

Mr. HUGHES. Mr. Chairman, I would ask, how much time remains?

The CHAIRMAN. The gentleman from New Jersey [Mr. HUGHES] has 20 minutes remaining and the gentleman from Florida [Mr. MCCOLLUM] has 21 minutes remaining.

Mr. HUGHES. Mr. Chairman, I yield 1 minute to the gentleman from Connecticut [Mr. MORRISON].

Mr. MORRISON of Connecticut. Mr. Chairman, I thank the gentleman for yielding this time and rise in support of the Judiciary Committee bill. I think it is good work and good legislation and I commend the gentleman from New Jersey [Mr. HUGHES] and the ranking member, the gentleman from Florida [Mr. MCCOLLUM] for the cooperative process that brought it to the floor.

But we know that the real vote today is going to be the vote on the law enforcement package that the gentleman from New Jersey [Mr. HUGHES] is going to offer. It provides the alternatives for all Members in this body to speak with a voice that says we want to accommodate in this gun control legislation the reasonable concerns of law enforcement to protect people. We should follow the advice of the broad spectrum of law enforcement organizations across the

country that are saying this is the minimum that is required.

I think the gentleman from New Jersey [Mr. HUGHES] has been diligent in picking an amendment and fashioning an amendment that will make that kind of change in the Volkmer bill. I would hope that a majority of this body on both sides of the aisle will see the wisdom of that amendment and support it.

Mr. McCOLLUM. Mr. Chairman, I yield 2 minutes to the gentlewoman from New Jersey [Mrs. ROUKEMA].

Mrs. ROUKEMA. Mr. Chairman, first let me commend my good colleagues, Mr. HUGHES and Mr. MCCOLLUM for this outstanding legislation.

Lives may be on the line as a result of today's vote on gun legislation. Not surprisingly, then, passions run high whenever this issue is debated. At its most basic level, the Constitution clearly guarantees the right to keep and bear arms. Yet, the need for reasonable restrictions on firearms should be beyond question. Our goal should be to maintain the greatest level of public safety while preserving personal freedom. The question, then, is for reasonable people to find that balance.

The Hughes alternative, which passed the Judiciary Committee without a single dissenting vote, would allow hunters and sportsmen greater freedom to pursue their sport. They would be able to travel between States with secured, unloaded rifles and shotguns. They could purchase these guns in person outside their home State. These are reasonable changes which will not make concealable weapons more available. As such, I support them.

The Volkmer proposal, however, would permit handguns to be brought across State lines. First, this infringes on the rights of my constituents who helped enact New Jersey State law that restricts the entry of unregistered handguns. The Volkmer proposal would specifically preempt our reasonable and necessary handgun regulations. Second, the Volkmer proposal would prevent New Jersey authorities from prosecuting violations of its own gun laws by permitting people to buy handguns in other States and bring them back to my State, without notifying New Jersey authorities.

There are many other provisions of the Hughes proposal which would address the needs of gun owners without endangering innocent lives. But since my time is short, let me address the one key fact that should control our consideration of this legislation: All major police organizations in this country support the Hughes proposal and reject the Volkmer substitute. These are the people who put their lives on the line every day to protect our citizenry, and they say that the Volkmer substitute would aid criminals and will lead to the deaths of police officers. I will not vote for legislation that may have this effect!

Now, the National Rifle Association tells us that these police organizations are out of touch with the cop on the street. By the police officers in my district—Sheriffs Fred Cooper, Edwin Englehardt, and William McDowell—in addition to the local police officers I have spoken to, all support the Hughes reforms and oppose the dangerous provisions of the Volkmer substitute. I will not support a gun bill which these people tell me will aid criminals and kill police officers.

I urge my colleagues to join me in supporting the Hughes proposal and rejecting the dangerous Volkmer substitute. Our police forces deserve better. The Hughes proposal is the better, balanced, and reasonable compromise between safety and freedom.

Mr. BREAUX. Mr. Chairman, I rise in strong support of the Volkmer substitute to H.R. 4332 and I would like to address a part of the amendment which is of particular concern to me as a hunter. That is the provision which deals with the transportation of firearms across State lines.

As most of you know, the District of Columbia has a very strict gun control law. Possession of an unlicensed firearm in the District is a crime. Yet each fall, thousands of residents of Virginia and Maryland load their hunting equipment in their cars on Friday morning, drive to work in the District of Columbia, and leave after work for hunting trips in Pennsylvania, Maryland, Delaware, Virginia, and West Virginia. These people are not criminals; they're hunters like I am and like a number of my good friends in the House. Yet, under current law, they could be arrested in the District of Columbia.

I know that the Rodino-Hughes bill attempts to deal with this problem by providing for interstate transportation of shotguns and rifles. This overlooks the fact that, according to the Interior Department's 1980 Survey of Fish and Wildlife Associated Receation, over 1.3 million Americans hunt with pistols or handguns, and many more Americans carry pistols with them when they hunt to finish off wounded game.

Mr. Chairman, I submit that people who hunt with pistols should not be treated as criminals either. The Volkmer substitute would protect hunters who use pistols and I urge my fellow Members to give it their support.

I would also like to add my voice in support of the Volkmer substitute's provision which exempts people who collect guns as a hobby from the registration and recordkeeping requirements of the Gun Control Act. It makes no sense for persons who collect guns as a hobby and trade or sell three or four guns a year to be required to register as gun dealers and maintain records on their hobby. It is hard to imagine what use these records would serve.

Mr. DREIER of California. Mr. Chairman, on behalf of an overwhelming number of my constituents who have written in favor, I rise in strong support of the Volkmer substitute. Proper reform of the 1968 Gun Control Act and its abuses are long overdue. As a cosponsor of the Firearm Owners Protection Act and a signer of its discharge petition, I look forward to the passage of the substitute which would focus the efforts of gun control on criminals who use guns. Freed from prosecution would be the honest citizen who may inadvertently violate current gun laws.

Mr. Chairman, we continue to hear that law enforcement opposes McClure-Volkmer. I have just gotten off of the telephone with Los Angeles Police Chief Daryl Gates. Chief Gates told me that no legislation will prevent wanton criminals from obtaining guns. He said that the solution is to intensify our efforts against those who commit crimes with firearms. I agree with Chief Gates.

Mr. Chairman, I think we all appreciate Congressman VOLKMER's efforts to meet the legitimate concerns of the law enforcement community, the Attorney General, and the Bureau of Alcohol, Tobacco and Firearms. I especially want to commend my colleagues' attention to the substitute's proposal for even stiffer mandatory sentences for the use of a gun in a violent crime, and a codification of current Federal gun tracing regulations. Therefore, I repeat my support and urge my colleagues to vote for this pro-gunowner, pro-law enforcement substitute.

Mr. HEFTEL of Hawaii. Mr. Chairman, I want to express my support for amendments to the Volkmer substitute offered by my distinguished colleague, House Crime Subcommittee Chairman BILL HUGHES. I would also like to associate myself with the general approach to reforming the Gun Control Act of 1968 contained in H.R. 4332, which was unanimously approved by the Crime Subcommittee and the full Judiciary Committee.

The primary objective of any initiative to reform Federal gun laws should be to refine the law in response to prevailing conditions in our society. I recognize that the 1968 act might have been implemented in a manner that places undue burdens on law-abiding sportsmen and hunters. It is also, however, necessary to note that the terrible plague of handgun-related crime that prompted the 1968 act continues unabated today. Violent crime, especially violence perpetrated with firearms, disturbingly, has become ingrained in our society. Violent crime is not inevitable. There is a definite link between crime and the ready availability of the tools of crime. Japan, a nation of roughly half the United States population crowded into an area the size of the State of California, had six handgun murders in 1983. In 1983, 10,000 U.S. citizens were murdered with handguns. It is no coincidence that Japan's handgun laws are among the strictest in the world. We can never ignore the role of Federal firearms laws in protecting the public, nor our responsibility for this function.

Although we should respond today to the reasonable needs of the sporting community, we also have an inescapable responsibility to respond to the needs of law enforcement personnel who are at the front lines in protecting the public from gun-bearing criminals. H.R. 4332, and Chairman HUGHES' amendments, meet this challenge in a balanced manner. This legislation indeed represents a meaningful compromise. Police officials from across the country and from my home State of Hawaii have contacted me to point out that

the Volkmer legislation would simply erode their ability to control crime and enforce State and local gun laws. H.R. 4332 answers the concerns of law enforcement, but this approach is tempered with provisions which provide relief to legitimate sportsmen and law-abiding gun dealers.

I also strongly support amendments to ban the sale and possession of parts to convert certain firearms to fully automatic weapons, silencers, and firearms which cannot be detected by security screening systems. These weapons have no place in the hunting field or on the target range. They are the tools of criminals, contract killers, and terrorists, not true sportsmen. I also support amendments to create a 15-day waiting period for hundgun sales. My esteemed colleague in the other body, DAN INOUYE, offered a similar amendment, which was unfortunately defeated.

I commend Chairman HUGHES and all my colleagues who helped to bring the Judiciary Committee legislation to the floor today. They have displayed considerable fortitude and leadership in calling for a measured and balanced approach to reform our Federal gun laws in the face of heated and emotional rhetoric associated with this difficult issue.

Mr. DOWNEY of New York. Mr. Chairman, we Members of Congress are faced with a simple choice today. We can either turn our backs on our law enforcement officers or we can lend them a hand. I am proud to stand with our police officers in their uphill battle against violent crime. I also stand with them in their fight for reasonable and fairminded firearms legislation.

The American people do not need a law which will aid itinerant would-be assassins like John Hinckley. The American people do not need a law which the Justice Department says would benefit "the suppliers of underworld weapons." The American people do not need a law which allows the interstate sale of handguns. And certainly, the American people do not need a bill which would make it easier for terrorists to get their hands on sophisticated weaponry like machineguns, silencers, and armor-piercing bullets.

Instead, we need a law which will allow law-abiding sportsmen and hunters to go about their activities freely. Such a law will exist if this august body has the wisdom to pass H.R. 4332, a bill which passed in the Judiciary Committee by a unanimous vote of 35 to 0.

This is a vote for tough law enforcement. Our police officials have voiced their support for this legislation. Will we honor the memory of the 700 police officers who have given their lives for us in the past decade by relaxing resirictions on the very weapons that led to their demise? Or will we restrict the flow of the deadly handgun while allowing for the legitimate rights of law-abiding gun owners and hunters. The choice is clear. I urge my colleagues to vote for H.R. 4332 and the Hughes law enforcement amendment package.

Mr. BEVILL. Mr. Chairman, I rise today on behalf of the many, many law-abiding citizens in my district who own firearms. I believe the rights of these citizens to keep and bear arms can best be protected if we pass the Volkmer substitute to revise the 1968 Gun Control Act. Current gun control laws have created mountains of bureaucratic redtape. Some of these provisions serve no legitimate purpose and sometimes law-abiding gun owners are subjected to harassment by Federal officials. I believe the Volkmer substitute goes a long way to correct these deficiencies.

At the same time, I believe this amendment also strengthens the law against criminal use of firearms. All of us cringe when we hear about the criminal use of weapons against innocent victims. None of us wants it to be easy for criminals to obtain and use firearms. But, let's face it. Criminals and hoodlums are not going to pay attention to any law restricting the sale and possession of firearms. If they want guns, they will find a way to get one. I want law enforcement officials to have the tools they need to track down criminals and to prevent crimes from happening. At the same time, I don't think law-abiding citizens should have to suffer undue hardships to own a gun.

The Volkmer bill defines those individuals who must obtain a Federal license to manufacture, import, or deal in firearms. Current law provides no such guidance for these individuals. The bill would allow hunters and sportsmen, traveling through a State with restrictive gun laws, to transport their guns. Those guns, however, must be unloaded and inaccessible.

A citizen would be allowed to purchase a firearm in another State as long as the seller is a licensed firearms dealer and the laws of both States are met. The buyer must appear in person to make the transaction. No mail order sales of firearms would be allowed.

Most importantly, the Volkmer bill would prohibit the sale of a firearm to a convicted felon by an individual. Current law makes it a crime only for a licensed dealer to make such a sale. Individuals are currently not prohibited from selling a gun to a criminal. This bill eliminates that loophole. Felons, drug addicts, and mental incompetents would not be allowed to possess, ship or receive firearms.

I believe the Volkmer substitute will shift the focus of the Federal law enforcement effort away from a regulatory mentality and toward an actual law enforcement strategy aimed at the criminal. I believe this addresses the concerns of a majority of citizens in my district.

Miss. SCHNEIDER. Mr. Chairman, as you well know, our responsibility as legislators is to cast our votes on the basis of the facts. As we consider amendments today which would make it quicker and simpler to gain access to firearms, I urge my colleagues to consider the following statistics:

In 1984, nearly 9,000 Americans were murdered with handguns. Nationwide, handguns were used in 48 percent of homicides.

In 1982, 19 States, including my home State of Rhode Island, reported that not once was a handgun used by a civilian to kill a criminal. In those same 19 States, 562 innocent citizens were killed by handguns.

Nationally, for every time a criminal was killed by a civilian with a handgun in 1982, 41 innocent lives were terminated by handgun homicides.

Two-thirds of all police officers who died in the line of duty last year were victims of handguns.

The facts speak for themselves. Handguns do not keep our streets safe but they do increase the chances that a street corner confrontation will turn into a deadly crime scene. Handguns cannot effectively protect innocent people in their homes but they do turn family squabbles into homicides. Handguns rarely deter criminals but they frequently bring a tragic end to the lives of police officers and children who have the misfortune to be playing with daddy's gun.

Clearly, no law will bring a complete stop to the shooting and the senseless accidents. We should not, however, abandon our efforts to save lives. Making handguns more readily accessible simply defies common sense. I urge my colleagues to join me in opposing the Volkmer substitute and all other amendments which would weaken gun control laws already on the books. Let's keep our society safe and stop handgun crime before it stops us.

Mr. CLAY. Mr. Chairman, America is the only Western Nation without strong handgun control laws. Everyday 38 Americans are murdered with handguns, 45 use handguns to commit suicide, and another 5 are accidentially killed with handguns. The patchwork of State handgun laws is weak and ineffective. Fortunately, today, we have the opportunity to correct this drastic situation.

In 1969, Congress enacted the first step toward a national handgun control law. The Gun Control Act of 1968 regulates who can sell guns, and prohibits criminals, minors, and the mentally incompetent from purchasing guns. It requires that dealers keep records to aid police in tracing guns used in crimes and prohibits the interstate sale of handguns to enable States to regulate handgun traffic within their borders. I supported the 1968 act and I believe its enactment has proven to be an important first step toward long needed national handgun control laws.

The basic issue before this Congress is a about law enforcement. H.R. 4332, a bill passed unanimously by the House Judiciary Committee is supported by every major law enforcement organization in America. Although I am not convinced that it goes far enough toward strengthening our Federal gun control laws, it is absolutely a step in the right direction. The Judiciary Committee bill is a well-balanced bill which has been drafted to provide real relief to the Nation's hunters and sportsmen without impairing the ability of law enforcement to respond to violent crime.

On the contrary, the substitute bill offered by Mr. VOLKMER is opposed by every major police organization in America. Similar to the legislation passed by the Senate last year (S. 49), the substitute bill loosens Federal controls over interstate sales of handguns as well as rifles and shotguns, preempts States and local laws to permit interstate travel with both handguns and long guns, and does not impose any notification requirements for handgun sales. Our Nation's law enforcement community has assured us that the Volkmer substitute poses an immediate and unwarranted threat to American citizens and the law enforcement officers sworn to protect them.

Mr. Chairman, we live in a dangerous world and there are no shortcuts to security. But, today this body has a very serious choice—we can act to improve the effectiveness of our Nation's gun laws or we can act to reduce the effectiveness of our handgun laws. I encourage my colleagues to vote against any weak-

ening of our handgun control laws and to join me in supporting H.R 4332, a bill which will help modernize our firearms laws to prevent crime while protecting the rights of lawful firearms users.

Mr. TALLON. Mr. Chairman, I rise in support of the Firearms Owners Protection Act and in opposition to H.R. 4332. I do so in the interest of firearms ownership which is our constitutional right and a basic part of our American heritage. I believe the Firearms Owners Protection Act is necessary to restore fundamental fairness and clarity to our Nation's firearms laws.

As they exist now, firearms laws are often inconsistent and contradictory. There are currently over 17 million licensed hunters in the United States. Often they travel by automobile through a neighboring State to reach a legitimate hunting area. Yet many law-abiding sportsmen transporting their guns legally in their home States have crossed State lines and been arrested and jailed simply because the State has different requirements.

The majority of America's sportsmen support passage of the McClure-Volkmer substitute. This is indicated by the volume of mail that I have received from sportsmen encouraging me to sign the discharge petition and vote for McClure-Volkmer.

Further, three of the largest hunter magazines—Petersen's Hunting, Field & Stream, and Outdoor Life—with a joint circulation of nearly 4 million, supported the discharge petition to send the McClure-Volkmer bill for a vote on the House floor.

Under McClure-Volkmer, States would be prohibited from interfering with the lawful transport of unloaded firearms. This pass through provision would allow sportsmen to transport their firearms through all 50 States as long as guns are unloaded and not readily accessible. It would not, however, affect local and State laws governing residents.

America's sportsmen, however, can expect no such relief under H.R. 4332. It authorizes the interstate transportation of secured shotguns and rifles only. This bill does not authorize the transportation of handguns, as the McClure-Volkmer does, which may be used for hunting in 37 States.

McClure-Volkmer would repeal the existing prohibition against over-the-counter sales of firearms by licensed dealers to out-of-State residents, providing that the transaction is legal in the buyer's place of residence and the seller's place of business. This would allow a hunter who may want to purchase a new or replacement firearm to do so as long as all State laws are observed. By contrast, under H.R. 4332, purchase of firearms in another State is limited to rifles and shotguns.

Mr. Chairman, the contributions of America's sportsmen are innumerable. Last year alone, licensed sportsmen through hunting licenses, excise taxes and duck stamps contributed nearly $300 million for wildlife and habitat conservation, hunter safety programs and funding of State fish and game departments.

And, since 1923, American sportsmen have contributed nearly $5 billion to wildlife conservation projects including the purchase of nearly 4 million acres as wildlife reserves.

The sportsmen of America need and deserve relief from the overly restrictive provisions of the Gun Control Act of 1968. McClure-Volkmer will provide that relief. I urge my colleagues to pass this substitute.

Mr. GREEN. Mr. Chairman, I rise today in vehement opposition to the McClure-Volkmer substitute legislation which would relax our Nation's gun control laws, and in strong support of H.R. 4332, the Federal firearms law reform bill, sponsored by Representatives RODINO and HUGHES.

I was honored last year, Mr. Chairman, when I was asked by Congressman RODINO to be one of three original cosponsors of the legislation from which H.R. 4332 originated. H.R. 4332, unlike McClure-Volkmer, is endorsed by all major police organizations—a fact which many of my constituents have stated very forcefully in their letters and telephone calls in opposition to McClure-Volkmer and in favor of the Federal firearms law reform bill.

There is no doubt that Rodino-Hughes represents a compromise among the major firearms reform bills introduced in the House. The legislation benefits legitimate sportsmen as well as law enforcement personnel, and it cuts down on most gun dealers' paperwork. In essence, Mr. Chairman, the Hughes-Rodino bill eases current Federal restrictions on the interstate sale of rifles and shotguns, but not handguns. It preempts State laws to create a uniform standard for interstate travel with long guns. Travel with handguns would continue to be subject only to State law. It also requires dealers to notify police of each handgun sale. McClure-Volkmer, on the other hand, loosens Federal controls over the interstate sale of handguns as well as rifles and shotguns, it preempts State and local law to permit interstate travel with both handguns and long guns, and does not impose any notification requirements for handgun sales. Though I wish H.R. 4332 were stronger, it is obviously preferable to McClure-Volkmer, which effectively guts our Nation's 1968 gun laws, enacted after the assassinations of Martin Luther King and Senator Robert Kennedy.

Mr. Chairman, voting for this bill is a very personal act. In recent years, two friends of mine from school, the renowned Dr. Michael Halberstam, whom I knew in college, and Allard Lowenstein, a friend from high school, were killed by handguns. I can think of few other causes which deserve our attention and vigilance as much as strengthening our Nation's gun control laws. For these reasons, I urge my colleagues, in the strongest possible manner, to vote against McClure-Volkmer and in favor of the Hughes-Rodino gun control bill.

Mr. WIRTH. Mr. Chairman, I rise in support of the law enforcement amendments to the Volkmer substitute. I rise in favor of a balanced approach to performing the Gun Control Act of 1968—an approach that respects the needs and rights of both our sportsmen and our law enforcement officers.

As a sportsman and gun user myself, I deplore any government infringement on the American people's constitutional right to own and use firearms. At the same time, I oppose any efforts which handcuff the ability of our police and sheriffs to keep firearms out of the hands of criminals and mentally deranged individuals.

The need to balance these two very important objectives is at the heart of my approach to the legislation we consider today. It is a need reflected in the views of many Coloradans, most importantly our State's law enforcement officials.

Take, for example, the words of Sheriff Bernard Barry, from El Paso County, who wrote to me last month:

> Obviously, the right to keep and bear arms must be delicately balanced with the requirement to maintain public safety. For that reason, I am basically supportive of the Gun Control Act of 1968. However, I do feel that some of its provisions are overly bureaucratic and serve no valid purpose with respect to deterring crime.

He went on to remark that McClure-Volkmer also "seems to be a mixture of good and bad ideas" and that "in order to make this bill an effective piece of legislation, it would appear that use of the full legislative process will be required." He urged me to "continue (my) support for both gun owners and law enforcement. Despite opinions to the contrary, there is no conflict of interest between these two elements of our society!"

Mr. Chairman, I fully agree with Sheriff Barry. I believe that it is possible to craft firearms legislation that serves the needs of gun owners, law enforcement officials and the American public. That is why I support the amendments being proposed by the gentleman from New Jersey [Mr. HUGHES]. The Hughes amendments, together with provisions in the Volkmer substitute, will produce a superior piece of legislation that meets the needs of these different constituencies.

Let me briefly review the merits of a combined Voklmer-Hughes bill. For sportsmen, the legislation would permit the interstate sale of rifles and shotguns and would assure sportsmen's rights to travel in and between States with a secured, unloaded rifle or shotgun when participating in legal sporting activities or when changing residences. It would also eliminate recordkeeping for sales of ammunition in quantities of less than 1,000 rounds and limit the forfeiture of firearms to only those involved in felony violations of the law.

For law enforcement, a combination of VOLKMER's and HUGHES' initiatives would have many benefits, including the expansion of mandatory sentencing to those persons who use a machinegun in the commission of a violent crime or who carry a firearm in connection with a narcotics-related crime. Among other things, this combination would also control armor-piercing ammunition and eliminate a loophole for illegal and untraceable traffic in firearms.

Sheriff Barry and I are not the only Coloradans who see the merit in pursuing a balanced approach to fireams legislation. I have received letters in support of this position from many other law enforcement officials in Colorado, including the police chiefs from Denver, Fort Collins, Arvada, Littleton, Lafayette, Cortez, Thornton, Estes Park, Glenwood Springs, Rifle, Sheridan, and Sterling. I have also heard the same sentiments from the directors responsible for public safety in Lakewood, Broomfield, and the State of Colorado. Their opinion has been affirmed in the press, most notably a recent article in the Denver

Post, by the police chiefs of Durango, Greenley, Pueblo, Colorado Springs, and Grand Junction.

Colorado law enforcement's opposition to the Volkmer bill—as it now stands—is crystal clear. But do not misconstrue their opposition to the Volkmer bill as opposition to reforming the Gun Control Act. It is clear that there are a number of onerous provisions in the act which must be either removed or modified. That is why I strongly support provisions which allow sportsmen such as myself the opportunity to transport long guns across State lines and to purchase small quantities of ammunition without undue hindrance. It is also why I favor reducing undue burdens on law abiding gun dealers.

I realize, however, that my precious rights as a sportsman and gun user may be abridged if we are not vigilant in keeping firearms out of criminal hands. That is why any gun legislation approved by this body today must have the support of our police officers and sheriffs, who are responsible for this task. We must crack down on criminal access to firearms if we are to protect law-abiding Americans' right to bear arms.

I have made clear Colorado law enforcement's dissatisfaction with Mr. VOLKMER's bill, as presently constituted. But our sheriffs and police officers do support his bill as amended by Representative HUGHES' package of amendments. A combination of these two legislative vehicles would ease unwarranted restrictions on our sportsmen and hunters while increasing the ability of law enforcement to arrest the individuals who abuse the privilege of possessing a firearm. It is a combination that would meet Sheriff Barry's standard for gun legislation that "target(s) the criminal misuse of firearms, not legitimate gun ownership by law-abiding citizens."

Mr. Chairman, a vote against the Hughes package is a vote against the very men and women who are responsible for protecting us. According to police officers and sheriffs from across Colorado, a vote against the Hughes package would endanger their lives and ours. In the name of crime control and long-term respect for the rights of gun owners and users, I urge our colleagues to vote for the Hughes amendment to the Volkmer substitute.

Mr. GALLO. Mr. Chairman, I want to thank my constituents in the 11th District of New Jersey who took the time to contact me with their views on the gun legislation being considered in the House of Representatives today. I want to take this opportunity to let my constituents know the reasons that I intend to support the McClure-Volkmer substitute legislation.

For sportsmen, this bill permits the interstate sale of firearms if the sale is made face to face between buyer and seller and only if the sale complies with laws of both States. It assures the rights of individuals to travel in and between States with a secured, unloaded, not readily accessible firearm for the purpose of participating in legal sporting activities or for changing their residence.

For law enforcement, this bill provides an important new weapon against narcotics traffickers by mandating a 5-year mandatory prison sentence for any person who uses a firearm during commission of a drug trafficking crime; provides a mandatory prison term of 10 years for using a machinegun during commission of a crime; bans the use or sale of silencers; bans the importation of parts used to make saturday night specials; bans parts used to convert guns into machineguns; and makes it a felony to transfer a firearm to another person knowing or having reason to believe that such person is unqualified.

For gun dealers, this bill requires a knowing state of mind for felony violations; reduces technical recordkeeping offenses to a misdemeanor; permits sales at gun shows; and limits unannounced inspections to one per year with other inspections requiring a warrant.

Again, let me state that this bill will not make it easier for criminals to obtain guns. Criminals already go outside the law to obtain guns. This bill will not allow someone to escape the jurisdiction of their State laws and purchase in a State with more lenient laws since all interstate sales must comply with State laws of both the owner and the seller. As my constituents know, New Jersey has very stringent gun control laws which will remain in effect under this bill.

In sum, this bill will aid law enforcement by simplifying the administration of the law, eliminating some ambiguities and, overall, will benefit law abiding shooters, sportsmen, and other gunowners.

Mr. HUGHES. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, first I want to thank my colleagues on the Judiciary Committee, particularly the ranking Republican, the gentleman from Florida [Mr. MCCOLLUM], for his yeoman work, and so many others on the Subcommittee on Crime that assisted in drafting this particular legislation. This is a difficult issue to deal with. It is one that does generate, as has often been said, more heat than light. It is a very emotional issue, and I want to tell you quite candidly I will be very happy to get this vote over with today so that our subcommittee can get back to money laundering and drug trafficking and a whole host of other matters we have before the Subcommittee on Crime. It is all consuming. It has been that kind of an issue, because it generates, unfortunately, so much interest, so much controversy.

I have been in Congress for 12 years. I am in my 12th year, and I can truthfully say I have never seen an issue so grossly distorted as the issue dealing with firearms. The letters that just come into the districts are just overwhelming, thousands and thousands of pieces of mail are being dropped upon Members of Congress. Their telephones are ringing off the hooks. They are interrupted in townhall meetings with people that are outraged over those that want to take their firearms away, and I just regret that Members have been subjected to that type of a campaign because it does not help in trying to address the major issues here.

□ 1335

A lot has been said about why the bill was not reported out. It has been introduced in a number of Congresses. The other body never reported out a bill until July 1985.

My colleague from Florida knows that our subcommittee sits down each year, and we try to map out priorities. We sit down with our counterparts in the other body, and we decide what matters, what crime matters we are going to have on the table for that session of Congress. We just cannot take up the hundreds and hundreds of bills that are introduced each year; we have to prioritize.

We sit down with the White House and we try to determine what their priorities are, and I can tell the membership that firearms legislation was never placed on the table; by the White House, by the other body, by Members in this body.

We attempted to move a very modest bill in the last Congress; the so-called cop-killer bullet bill, armor-piercing ammunition. Ammunition that really has no sporting value whatsoever; its only value is that it penetrates the bulletproof vests worn by police officers. The police do not even use this ammunition because it is so powerful that it can penetrate an automobile engine block; it is that powerful.

We developed a bill last year that would actually forbid the sale and manufacture of that ammunition. What happened to it, I asked my colleauges last year? Well, the answer is, the leadership pulled the bill; they did not want to put Members of Congress on the spot in that year, in voting on that particular bill, because it generated so much controversy; and so it is with firearms legislation.

In all fairness, the reason we have not had it before is because the Senate never reported out anything before, and because the leadership was hesitant to put Members of Congress on the spot of even a modest bill like the cop-killer bullet bill.

Well, here we are, and so we should be after 18 years debating an extremely important issue to sportsmen, to hunters, to police officers, to society in general.

A lot of things have been said on this floor that I just do not believe. I spent 25 years of my life, one way or another working in law enforcement matters. I worked as a young assistant prosecutor in the trenches with police officers, making cases, so I know a little bit about the necessity of tracing handguns used in the commission of crimes. I know how important it is to try to be able to run record checks on weapons, particularly handguns, so that the police can screen out the felons, the mental incompetents, and the drug addicts.

I have heard it said that felons do not buy handguns in gunshops. I have heard that twice today. Well, ladies and gentlemen, let me tell you, felons look for handguns that are clean. They do not want handguns that might appear in NCIC; they do not want handguns that have a history. They like to purchase their handguns in gunshops because it has a clean record. They do not want handguns that can be traced, and that is why they use fictitious identification when they walk into gunshops to purchase their guns.

My colleague, HAROLD VOLKMER and I came to the Congress back in 1974. He is a good Member of Congress. We are good friends. He is to be commended because he helped us prove that the legislative process does work. His substitute is far better than when it first came to us, and he conceded when he came to the subcommittee and testified that it needed some improvements.

He indicated he did not support S. 49 that we have heard so much about, because that had so many major problems. So the bill has been improved through the legislative process.

Our subcommittee took that product and the product of a lot of other bills that were introduced, and through a series of hearings, some 25 hours of public hearings, 75 witnesses; we heard from all points of view—in fact, we heard some points of view ad nauseum. We heard from everybody that wanted to testify.

We sat down, as a subcommittee, from scratch and we wrote what we thought was a fair and rational bill, one that would address the concerns of the sportsmen, the hunters; one that would address the concerns of the police, and one that would address the concerns of the victims of crime, and of society generally.

I am proud of the work product. I will stack my rural district up against any other district, in having as many hunters and sportsmen—we have major deer hunting woods in my area; we have fine hunting of all kinds in my district—when my priorities were straight, I was a hunter and a sportsman, and I am proud of that fact. I think it helped me be sensitive to the needs and the concerns of sportsmen.

We are not talking about legislation that is going to harm sportsmen and hunters. We have addressed their concerns in both bills, it seems to me.

The National Rifle Association's rhetoric and their effort has been one to try to protect the interests of the dealers and the manufacturers; not the hunters. They have used the hunters in this propaganda campaign of theirs, in trying to portray it as a hunter/sportsmen's bill. It is not a hunter's or sportsmen's bill.

The police have told us what it is: It is a bill that is going to put police in jeopardy in this country. and it is going to weaken the law enforcement community's effort to identify and vigorously prosecute those that commit criminal offenses.

It is interesting, Mr. Chairman. The NRA lobbies differently than other lobby groups. I had a lobby group in yesterday that was concerned about the alcohol beverage excise tax over in the Senate side. Lobbyists come in to our office, as you well know, and they tell us of their concerns. They understand that there is a problem with the deficit and that other people have concerns, and they are willing to be flexible; they are not locked in to any one position. They just want us to know how it is going to impact them, and they ask us to take into account their concerns as we try to craft legislation that is in the public interest, that will in fact protect everyone.

Not so with the National Rifle Association. The National Rifle Association determines what they want. They determine what is in their self-centered interest, and then they tell us what they want. Then they try to bully and intimidate their way in the decisionmaking process by trying to get Members to not focus on the merits of the legislation but on the thousands and thousands of letters that they generate and the telephone calls that they originate, and they encourage, to try to bombard Members and take the impression that the overwhelming sentiment supports the NRA.

Today is going to be a day of courage for Members. I think that their strategy has backfired. I think that Members of Congress resent that kind of bullying and intimidation. Members of Congress resent being told what to do.

When the Washington Post portrays the vote today as one of the police versus the NRA, that is where it is. It is not a vote between the hunters and the police; or the hunters and the rest of society. The issue boils down to who we are going to support: Are we going to support the police on the one hand who have legitimate concerns, and do we express those concerns; are we going to support the NRA and their very selfish, self-centered, self-serving interests?

The CHAIRMAN. The time of the gentleman from New Jersey has expired.

Mr. HUGHES. Mr. Chairman, I yield myself 5 additional minutes.

The key differences in this legislation, in my judgment, fall into just half a dozen categories: Interstate sale and interstate transportation. To the police, interstate sale means a proliferation of handguns to tens of thousands of additional people around the country who are not qualified. Because it defies reason to believe that dealers around the country will know the tens of thousands of laws that exist at the State, county, and local level. We cannot expect a dealer in Alabama to understand what the laws are in Ohio, because you have so many different laws, even within one State, and court interpretations.

As a backup in the Volkmer bill, unless the dealer commits a willful violation; that is, knowingly violates a law that he is aware of, the dealer walks and the weapon is sold to the felon, to the mental incompetent, and to the person who is a drug trafficker.

It is as simple as that. To the police, the interstate transportation of handguns—we are not talking about long guns, rifles, and shotguns, because the subcommittee bill deals with that. We make that transportation interstate and the sale interstate of long guns permissible as long as it is a face-to-face transaction and they are qualified in both States. We are only talking about handguns.

The police view the possible carrying of handguns in automobiles as one of the more pernicious provisions in the Volkmer legislation, for this reason: The police are the first line of defense. They are the ones who are going to be stopping the automobiles on the road, and they are the ones who are going to face those handguns in those automobiles.

□ 1345

We are going to have an interesting dilemma. We are going to have people claim they are in interstate commerce and therefore they can carry a handgun in their automobile for any purpose whatsoever, and if they are in New Jersey, for instance, or other States that forbid that kind of transportation except for target practice or for hunting purposes, why, the ones that claim they are in interstate commerce on highways heading for Delaware, Pennsylvania, or New York, they have Federal immunity. They can carry those handguns.

However, those that live within New Jersey who do not claim that they are in interstate commerce have to abide by New Jersey law. That does not make sense. But more importantly it means that police officers and society are going to face the prospect of tens of thousands of more people carrying their handguns in their cars. Sure they say it is going to be unloaded, inaccessible. What does inaccessible mean? In a briefcase in the back of the seat with the ammunition here in your pocket? That would be inaccessible in my judgment.

It would be a field day for defense lawyers because, I can tell you what is going to happen, that every situation is going to be challenged and everybody is going to be in interstate commerce. Make no mistake, the police of this country get concerned about taxing their pension benefits but they know that they are not going to be

around to collect those pensions if in fact they face somebody who has one of those weapons. It is a life-or-death issue to them.

Mr. BEDELL. Mr. Chairman, will the gentleman yield?

Mr. HUGHES. I yield to the gentleman briefly.

Mr. BEDELL. I thank the gentleman for yielding.

First of all I was pleased to hear the gentleman say what he did.

I can probably speak more freely because of the fact that I am not running for reelection again.

I guess the challenge I would have to the Members of this body would be, as we face this issue, I hope you will look at what is right and look at what should be done. The problem I see with the vote today is that it appears to me it is coming to be a power play. It is a power play of who can tell us what we have to do. That is not what we are here for. We are here to serve our people.

Mr. VOLKMER is about the best friend I have here. We are together on most other issues. I do not question for a minute his stand on what he is doing, and I am sure he is doing it because he thinks it is right.

I should tell you that as I had the votes in my district when it came up, there was near unanimity as they looked at the issues between two bills, that they were not for the Volkmer bill, they were for what is in the gentleman from New Jersey's bill.

And I am a hunter. I come from an area where we hunt all the time. I grew up with a gun in my hand. But I just so completely agree with that fact that we ought to look at what is right and not look at what is political, not look at what people are telling us we have to do. To do that is the only thing I plead with the people on this issue.

Mr. HUGHES. I thank the gentleman and I thank the gentleman for that very fine statement.

Let me just move on quickly to recordkeeping. It has been said in this Chamber and often that recordkeeping is not important, as if the ability to trace handguns is not important.

Well, if the Volkmer bill carries, I want to tell you you might as well just kiss goodbye effective handgun tracing capability.

As a prosecutor for 10 years I could name you dozens and dozens of cases that we made and that would not have been made if we had not had the ability to trace a handgun used in the commission of a crime.

The CHAIRMAN. The time of the gentleman from New Jersey [Mr. HUGHES] has expired.

Mr. HUGHES. Mr. Chairman, I yield myself 4 additional minutes.

For instance, carrying a handgun under the front seat of the car, you find when you stop them, you find a handgun that you can trace to a burglary in Pennsylvania. Already you have a prime suspect for that burglary. That is only done because you have the ability to trace that handgun.

Let me tell you the story of an outstanding police officer and he is typical of police officers throughout this country. I am talking about trooper Phillip Lamonaco who, 4 days before Christmas, December 21, 1981, one of the most decorated troopers of the New Jersey State Police, was on patrol by himself on Interstate Highway 80 near the Delaware Water Gap. At about 4:30 p.m. he made a routine traffic stop. He was not aware that he had pulled over Richard Charles Williams and Thomas Manning, members of a leftwing terrorist group based in New England who called themselves the United Freedom Front.

Manning was, in fact, a fugitive from an armed bank robbery in Maine in 1975.

Trooper Lamonaco asked Manning, the driver, to exit the car. Manning began waving his arms which momentarily distracted Trooper Lamonaco and the passenger, Richard Charles Williams, opened fire on the trooper and killed him. After shooting him some seven times from the car, he then pumped the rest of the ammunition into Trooper Lamonaco's body. They could not get a lead on Manning for the longest time. It was not until November 1984 that they arrested this Richard Charles Williams, a member of this front organization in Cleveland, OH. While they searched the premises they found this weapon, a Derringer .38, .357 caliber. It was loaded with ammunition which on impact explodes, does not penetrate very much but fragments and leaves a hole about five times the size of a .357 magnum.

They traced this particular weapon. The serial number had been erased. They sent it to FBI headquarters. The serial number had been obliterated. They restored it at FBI and BATF. They traced it to a gunshop in Virginia. The people that bought it in Virginia gave a name and address in Virginia. The FBI put in place a stakeout and within a couple of weeks Mrs. Manning arrived at what was then a mail drop for them. She led them to another safe house in Virginia and as a result Mr. Manning, the defendant, was apprehended.

If it were not for the ability of the BATF and the FBI in restoring that serial number and tracing that weapon to a gunshop in Virginia they would never have been able to make that bust when they did. It was because of that particular trace. That is typical of the traces that are made every day of the week by the Bureau of Alcohol, Tobacco, and Firearms.

If Volkmer carries, you are going to open up Pandora's box. What he wants to do is he wants only those individuals whose primary livelihood depends upon firearms sales to keep records. What that would mean is if you were a terrorist and you were not in business for a profit, you could buy as many weapons as you want, you would not have to keep records. He also wants to permit those 200,000 or so dealers out there who do not have storefronts, who are part-time dealers who operate out of their cars or homes, to be able to transfer to their personal collection firearms and not keep records.

I want to say to my colleagues that you are going to have tens of thousands of nontraceable weapons out there in neighborhoods. When PARREN MITCHELL says it is 100,000 illegal weapons right now in Baltimore, you can double or triple that if the Volkmer substitute carries. It is an important bill today, it is one that deserves your serious attention. It is going to require a lot of courage, there is no question about it. But I have every confidence that this House will do what is right and if you do what is right you will support the police in their effort to bring out of this Committee of the Whole rational legislation, legislation that balances the interests of the sportsmen, the police, and of society in general.

The CHAIRMAN. All of the time of the gentleman from New Jersey [Mr. HUGHES] has expired.

The gentleman from Florida [Mr. MCCOLLUM] has 19 minutes remaining.

Mr. MCCOLLUM. Mr. Chairman, I yield 2½ minutes to the gentleman from Michigan [Mr. SCHUETTE].

Mr. SCHUETTE. I thank the gentleman from Florida for yielding.

Mr. Chairman, I rise in support of the Volkmer substitute. I signed the discharge petition in the hopes of having free and honest debate and review and discussion on this fundamental right and this fundamental issue under our Constitution, and that is the right to bear arms, which is so central to our system of government.

Before I go further, I want to commend by friend and colleague, Mr. VOLKMER, who has been such a leader on this issue. My basis and philosophy of support for the Firearms Owner Protection Act, as incorporated into the Volkmer substitute, is the second amendment of our Constitution, the right to bear arms. The framers were wise and recognized that this concept needs to exist and should exist under our government of laws.

Those words of expression, the right to bear arms, in today's world must be maintained and interpreted to protect the law-abiding citizen, the collector, and those who wish to bear arms for protection. And for purposes of hunting, sporting purposes, collection, and for protection, the law-abiding citizen

should not be punished and the law-abiding citizen should not be penalized or treated unfairly in the honest exercise of our constitutional rights. Nor should the law-abiding citizen be treated or categorized or stigmatized like a common criminal, those lawbreakers who commit criminal acts and who terrorize our society.

In my closing comments I have discussed and conversed with local law-enforcement officials in the district that I am from, which I am fortunate to represent in mid-Michigan, the 10th district, in talking with men and women who deal with the law-abiding citizens and who will protect our citizenery from the lawbreakers.

One such law-enforcement official is Howard Haskin, county sheriff in Clare County. He and other law-enforcement officers in mid-Michigan recognize that we should not punish the law-abiding citizen but rather our focus should be on the lawbreaker. This is why I rise to suport the Volkmer substitute, to protect our constitutional right to bear arms under our form of government.

I thank the gentleman for yielding.

Mr. McCOLLUM. Mr. Chairman, I yield 2 minutes to the gentleman from Illinois [Mr. CRANE].

Mr. CRANE. I thank the gentleman for yielding time to me.

Mr. Chairman, today, this body is considering an emotionally charged issue—handguns. There are many different views on how best to control those individuals who are abusing their right to own a handgun. Rather than using my time to explain the many reasons why people legitimately own a gun and why they should not be unnecessarily regulated, I would like to discuss one particular aspect that my colleagues will be considering today which is background and waiting periods.

Currently there is no Federal waiting period. H.R. 4332 and the Volkmer substitute do not require a waiting period, however, an attempt is expected to amend one or both of these measures to require a waiting period.

Much has been said about the supposed effectiveness of the proposed background check for purchasers of handguns. The FBI estimates that if a nationwide system is implemented, it will cost approximately $45 million per year. This does not count, however, the man-hours wasted and the massive diversion of scarce law enforcement resources that would be the result of such a plan. In addition, there is no estimate of money and labor that would be spent by State and local law enforcement agencies in the furtherance of this scheme. When all is said and done, the sky is really the limit on the costliness of this venture.

The residents of my State are already living under a background check scheme. Illinois residents are in a unique position to let the Nation know how ineffective this type of system is. A researcher at the University of Illinois recently completed a study of my State's Firearms Owners Identification Card Program [FOIC]. I would like to make a few brief points to share with this House the knowledge gained through this research.

The FOIC Program in my State has employed a total of 412 staff persons and spent $5.9 million since its inception in 1968. Yet the percentage of applicants denied, prior to the 1984 study, averaged only one-half of 1 percent. We must ask, isn't there a better way for law enforcement to spend $5.9 million and employ 412 individuals.

In addition to this low rate of denial—proof once again that the criminal element simply does not subject itself to the type of background check discussed today—the Illinois researchers found that most of those denied were apparently mistakenly rejected. Under the Illinois system, an individual has the right of appeal upon denial of an ID card. The administrator of the program estimated that 95–98 percent of those appealing unfavorable rulings or petitioning for a hearing were granted relief. Obviously, that system is catching a great deal of honest folks.

So we have a system that is costly, time-consuming, and an infringement on the rights of law-abiding citizens. Some still may ask: But does it fight crime? The answer, according to this research, is an emphatic "No."

If I may quote from this study: "Illinois police do not see or at least do not use the ID charge as a device to assist directly in the prosecution of violent crime." Quoting again, the study stated: "It is simply too minor a charge to levy where there is a serious offense for the lead charge * * * the felon gets a free firearm owners identification violation." Mr. Speaker, it is clear that the background check employed in my State does nothing to fight crime. On the contrary, the diversion of resources to the wasteful investigation of law-abiding citizens can only be said to enhance the criminal's chances of evading arrest.

The Illinois study concludes by saying "Legitimate users of firearms * * * do pay in aggregate for the cost of a system that, as yet, seems to have had little or no demonstrated benefit. In that sense, the FOIC system does 'exploit' the legitimate firearms owners."

In conclusion, I am hopeful that I will not have to return to my constituents and explain why this body voted for an ineffective and costly program that also represents an infringement of their constitutional rights. I urge my colleagues to defeat all proposals for background checks or waiting period schemes.

Mr. McCOLLUM. Mr. Chairman, I yield 2 minutes to the gentleman from North Carolina [Mr. HENDON].

Mr. HENDON. I thank the gentleman for yielding.

Mr. Chairman, I rise today with the greatest respect for those who might disagree with me, to speak, if I might for just a moment, for the "good old boys" from rural America who cherish their way of life and who deserve positive reform of the Gun Control Act of 1968.

Mr. Chairman, good old boys they are; I was with them, as I always am, recently at a gun show just this past weekend in my hometown. They are good friends, they are good citizens, they are good neighbors, they are good people, they are my friends; who, with their families and their friends, enjoy hunting and other lawful recreational use of firearms.

□ 1400

The present law has not done anything to the crooks, but it has placed undo hardship on these law-abiding citizens, and that is why I wholeheartedly support the Volkmer substitute, because it rolls back onerous provisions of the Gun Control Act which unnecessarily penalize these honest people, the sportsmen and gun enthusiasts of rural America.

Mr. Chairman, though some of our good friends here have worked hard and put forth some good arguments today, I believe, and I say this with the greatest respect, that they are simply wrong. The folks of Main Street America want, support and deserve the carefully crafted substitute offered by our colleague, the gentleman from Missouri [Mr. VOLKMER]. I, therefore, urge my colleagues to vote "yes" for the American sportsmen by voting "yes" on the Volkmer substitute.

Mr. McCOLLUM. Mr. Chairman, I yield 2 minutes to my good friend and colleague, the gentleman from Florida [Mr. SHAW], a member of the subcommittee.

Mr. SHAW. Mr. Chairman, I thank the gentleman from Florida for yielding me this time.

Mr. Chairman, I do not think that there are many issues that have created as much emotion in this Chamber as this particular issue. I am reminded of a bumper sticker that I saw many years ago that said, "My wife, yes; my dog, maybe; my gun, never."

This body is never going to satisfy that type of mentality. But there is a situation which we have to look at, and that is that there is a second amendment to the Constitution and that this body has the responsibility of upholding that particular right, and that is the right to bear arms.

But none of the rights given to the citizens of this country under the Bill

of Rights are absolute. They both are qualified and they both require responsible legislation and responsible citizens.

Mr. Chairman, we have before us today two excellent pieces of legislation. Admittedly, both of them can be improved, and this body will have an opportunity to improve upon both of them as they see fit and they see that the law should be. But it does give us an opportunity to let the system work and let democracy work.

I think both sides have certainly had their say, law enforcement has had their say, the community has had their say, the National Rifle Association has had their say, and the sportsmen of the country have had their say. No one at this point can say that they were muzzled. No one at this point can say that they were locked out of the process.

That is not to say that this body does not sometimes lock some of us out of the process, but this is going to be our day.

Mr. Chairman, I would encourage the Members of the House to look carefully at each and every amendment and vote your own conscience. But then I would say to look at the two bills that are presented to us, make a choice, and vote yes for one of them. They are definitely an improvement over existing law. They both emphasize the right in the Constitution, and that is the right guaranteed by the second amendment.

Mr. McCOLLUM. Mr. Chairman, I yield such time as he may consume to the gentleman from California [Mr. ZSCHAU].

Mr. ZSCHAU. Mr. Chairman, I thank the gentleman for yielding this time to me.

Mr. Chairman, I rise today in qualified support of the Volkmer substitute. I agree with a majority of the provisions contained in the substitute that would correct many of the nuisance laws that have unnecessarily harassed law abiding gunowners, gun dealers, and sportsmen. In particular, I support the following constructive provisions that:

Permit law-abiding sportsmen to travel to different States without the threat of unnecessary harassment of State and local governments through which they pass;

Eliminates the application of felony penalties for unintentional violations of the act;

Limits the forfeiture of firearms only to those involved in or intended to be involved in felony violations of the law;

Improves the ability of qualified individuals to petition the Secretary of the Treasury to obtain permission to own firearms if they have been disqualified. This is important for individuals who were convicted during the Carter administration for unintentional gun violations;

Reduces gun dealers recordkeeping offenses to a misdemeanor;

Permits sales at gun shows by licensed dealer;

Reduces the recordkeeping provisions for the sale of ammunition, which the Department of the Treasury has recognized as having no substantial law enforcement value.

The Volkmer substitute also contains provisions that would benefit law enforcement. In particular, the measure provides that:

It is a crime for any person to transfer a firearm to another person knowing or having reasonable cause to believe that the other person is unqualified under the law to own a gun;

Reinforces the prohibition against a drug addict being able to secure a gun;

Bans the import of key components of "Saturday night specials."

Makes it unlawful for any person to sell or otherwise dispose of firearms to convicted felons. This proposal closes an existing loophole whereby qualified purchasers have acquired firearms from licensees on behalf of prohibited persons.

Mr. Chairman, these changes adequately address the concerns of gunowners in my State of California and would enhance public safety as well. During a recent meeting with representatives of the National Rifle Association in my office, they indicated that these constructive provisions were the top priorities for the gunowners that they represent. The mail that I have received from my district and my conversations with gunowners confirm this.

There are, however, two provisions of the Volkmer substitute that, I believe, would be detrimental to law enforcement and public safety: The provision permitting the interstate sale of handguns, and the provision allowing part-time dealers to sell firearms without the current recordkeeping requirements.

Proponents of the first provision argue that criminals do not now buy handguns through legal channels. This is true in most cases. However, we must also ask: "Would permitting interstate sale of handguns make it the least bit easier for criminals to purchase such weapons?" I think it would. That's why I hope that we can amend the Volkmer substitute to limit interstate sales to only rifles and shotguns that are used by sportsmen.

Regarding the provision that addresses the definition of a "dealer," I share the concerns that have been raised by the Justice Department. In particular, Justice has indicated that if the current definition of a "dealer" is narrowed to allow part-time, marginal dealers to sell firearms without meeting Federal recordkeeping, it would be easier for criminals and terrorists to secure untraceable weapons. Again, I hope the House today can amend the Volkmer substitute to maintain the current licensing and recordkeeping requirements for any dealer who sells firearms so that weapons can be traced. Such an amendment would improve the Volkmer substitute.

In addition, to the two concerns raised above, I intend to offer an amendment to the committee bill which would delete the records check section. The committee bill requires that the FBI be notified of every handgun purchase and in turn search its records for the background of the purchaser. The Bureau believes that a records check based solely on name will be of little value in the effort to locate persons who are prohibited from possessing a handgun. The process can be easily circumvented by the use of readily available and cheap false ID's by criminals. Also, a records check would cost taxpayers at least $30 to $40 million annually. That's why this section should be deleted.

Mr. Chairman, I hope the Volkmer substitute will be amended in the two ways that I have just indicated and passed today by the House. As amended, the Volkmer substitute would free law-abiding gunowners from needless harrassement while providing law enforcement officials with the responsible and effective controls they need to do their jobs.

Mr. McCOLLUM. Mr. chairman, I yield 2 minutes to the gentleman from New York [Mr. Boehlert].

Mr. BOEHLERT. Mr. Chairman, I thank the gentleman for yielding this time to me.

Mr. Chairman, I support the Volkmer substitute for a variety of reasons. However, this is one very simple reason that commands special consideration. Rodino-Hughes has no provision requiring that intent be proved before a conviction results. The Volkmer legislation requires that before any gunowner or dealer can be prosecuted for violating a technical provision of the Gun Control Act of 1968, the Government must prove that his or her actions were "willful"—that the citizen violated the law with some sort of criminal intent.

We aren't talking here of serious violations that threaten the public safety; the Volkmer legislation only provides that the Government must prove that the accused violated those provisions "knowingly." Both the language and the intent of the Volkmer legislation are exceptionally clear: No honest citizen should be vulnerable to prosecution on Federal felony charges for minor mistakes made in filling out one of the multitude of forms required under present law.

The judiciary legislation, on the other hand, discards this provision in favor of a mere "knowing" standard for all violations of the Gun Control Act. While drafters offer firearms dealers some protection by making recordkeeping violations misdemeanors rather than felonies, this "knowing" standard which they advocate implies that all errors in bookkeeping are criminal—regardless of how innocent of criminal intent that gunowner may be.

Mr. Chairman, to some it may seem as if this squabble over words is unnecessary, but the fact remains that this legislation has gone through several revisions after hours of negotiations. The Treasury Department, which is, after all, the body charged with enforcing any law we pass here today, helped write these finely crafted distinctions that the Hughes-Rodino legislation would eliminate. So I ask the Members of this body: If the agency most directly affected by this legislation wants to define the distinctions between "willful" and "knowing" that

are found in the Volkmer legislation, then why should we ignore their recommendations and pass a bill without this crucial language?

The provisions relating to "willful intent" found in the Volkmer substitute are an integral part of our efforts to reform Federal firearms laws. Without those provisions, our efforts here today are wasted. I urge my colleagues to assist our Treasury Department by supporting the Volkmer substitute. By doing so, we will be accomplishing the primary purpose of any law: To assist law enforcement in the performance of its duties while protecting law-abiding citizens from the unintended excesses of the law.

Mr. McCOLLUM. Mr. Chairman, I yield 3 minutes to the gentleman from Ohio [Mr. FEIGHAN].

Mr. FEIGHAN. Mr. Chairman, I thank the gentleman for yielding this time to me.

Mr. Chairman, I want to begin by saying, as a member of the subcommittee and a member of the full Judiciary Committee, how proud I am of the leadership and the hard work of our committee on this issue, particularly the leadership of our full committee chairman, Mr. RODINO, and the endless hours of work that has been put into this issue by our chairman of the subcommittee, Mr. HUGHES. I think that when the gentleman from Florida [Mr. SHAW] earlier mentioned that no one has been denied the opportunity to have their full hearing on this issue, that is one matter that we can all be in full agreement on. We could not have had the full and thorough and important debate that we had in the committee without the assistance and the extremely effective work of our ranking minority leader from Florida [Mr. McCOLLUM]. I, on behalf of the committee members, would like to thank both our leadership members for that work and for that effort.

Mr. Chairman, last July, the U.S. Senate voted to repeal many of the gun laws enacted after the assassinations of Robert F. Kennedy and Martin Luther King, Jr. Today, the House of Representatives is in danger of making the same mistake.

For the past several months, the House Judiciary Committee has conducted hearings on the issue of gun control. After listening to hundreds of hours of testimony from across the country, we drafted a strong and sensible alternative to the dangerous Senate bill. Last month, the Judiciary Committee unanimously approved this comprehensive gun control legislation that would strengthen, rather than weaken, this Nation's gun laws.

Our proposal, which has overwhelming support from law enforcement officials, is the most significant anti-crime legislation we will consider this year. With 20,000 Americans murdered each year by handguns, Congress must uphold and strengthen our gun laws, not dismantle them.

By supporting the committee amendments, the House can help protect the public from the terror of armed criminals and illegal guns. Volumes of statistics prove that we need a waiting period and background check for all handgun sales. We must also curb abuses in the sale of machineguns, prohibit the sale of silencers, and crack down on the use of assault and semiautomatic weapons.

Current handgun laws are ineffective and ridden with loopholes. They must be strengthened to protect the public and our police.

Studies from across the country consistently show that illegal handgun use is a major factor in crimes of violence. The Justice Department reports that handguns are used in 75 percent of all murders and assaults and 90 percent of all robberies in which guns are used.

Firearm homicides penetrate all age groups and income levels in our society. Every single day, one American child under the age of 15 is killed by a handgun. A 25-year study of child deaths in the Greater Cleveland area shows a terrifying rise in the number of children killed by guns. Since 1958, the number of Greater Cleveland children killed skyrocketed nearly 600 percent. What is the major factor behind the slaying of these children? Handgun violence. More than 70 percent of these children were killed by guns.

This is not the time for Congress to repeal Federal gunlaws. The law enforcement officials of our Nation are doing all that they can to protect the public. We must continue to support them in their efforts. Effective gun control is the key to effective law enforement.

Speaking in 1968, less than a month before his murder, Robert F. Kennedy expressed the horrors of handgun violence. "The victims of the violence," said Senator Kennedy, "are black and white, young and old, rich and poor, famous and unknown * * *. No one, no matter where he lives or what he does, knows who next will suffer from some senseless act of violence. Yet it goes on and on in this country of ours. Why?"

Almost 20 years later, I ask my colleagues to consider the same question.

Mr. McCOLLUM. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I think it is important as we conclude this debate in this general debate period today and go into the amendment process that we reflect upon one very important fact about the legislation before us.

□ 1410

There is no new gun control legislation out here today. Both the committee bill, H.R. 4332, and the Volkmer substitute, both of them, are receding from the restrictions in the present Gun Control Act of 1968. They are receding from restrictions that have hampered sportsmen and those who would participate in sporting matches and hunting. They are acquiescing to the learned, studied, considered experience of the past 8 years, or so, with the present law, and knowing that changes can be made that will not unduly affect the ability of law enforcement to fight criminals in this country.

The debate today and the amendments we are going to go through will be over relatively narrowed differences between those who think we ought to take more than we have in the committee bill, in the way of restrictions, off the backs of those who would be sportsmen and use weapons as private citizens, and those who are believing that some of the restrictions that would be removed and are going to be proposed will in some way hamper law enforcement efforts and that the restrictions should remain.

But I again want to reiterate, as this general debate closes, that both of these measures are fundamentally good pieces of legislation. Despite the harsh feelings and the rhetoric that is here, I think that we are going to wind up today proud of what wer produce, proud of the fact that we have made a major statement for the sportsmen of this country and for those who want reasonable laws on the books with regard to the guns of our Nation and the usage by our private citizens. I think this is extremely important. I urge my colleagues to consider each amendment that is offered with great care today, because I think that we have a chance to improve what is out here but, in any event, we are going to have a good bill.

Mr. GEKAS. Mr. Chairman, will the gentleman yield?

Mr. McCOLLUM. I yield to the gentleman from Pennsylvania.

Mr. GEKAS. Mr. Chairman, I was glad to see the gentleman from Florida reiterate the proposition that, no matter what happens here today, we do not change for the worse, in the eyes of the sportsman and the hunter, the present law as it exists with respect to handguns; that is, no one here has made that situation more restrictive in any version that has come before the floor.

Is that the gentleman's belief?

Mr. McCOLLUM. The gentleman is correct. And, as the gentleman well knows, in both versions we do remove restrictions on long guns, and no one is debating that, even, today; so the hunter with the rifle, the shotgun, is going to be exceedingly pleased with this today. And we certainly do not increase any restrictions, no matter what is adopted.

Mr. GEKAS. If the gentleman will yield further, it is fair to say, as I have tried to state before and which the gentleman has confirmed, as we leave the Hall here today, the sportsmen of our Nation can rejoice in the fact that those burdensome restrictions that have so long vexed them have been removed from the aegis of the laws of this country.

Mr. McCOLLUM. They can rest assured, if the gentleman will allow me to take my time back, that after we finish with the bill today and we get a conference and the Senate and the House pass that version and it goes to the President, you are going to be correct, that will occur; but I think it is equally important for the Members and the sportsmen to know that there are honest differences of opinion over the fine points, and the fine points will be debated today.

I believe my time has about expired. I thank the gentleman for his participation in the colloquy. I thank my colleagues on the committee and on the subcommittee for the work product. Again I thank particularly the gentleman from New Jersey [Mr. HUGHES] for his hard work product in bringing this legislation out today.

Mr. Chairman, whatever time is left on my side for general debate, I yield back the balance of my time.

The CHAIRMAN. Pursuant to the rule, it shall be in order to consider immediately after the enacting clause is read the amendment in the nature of a substitute recommended by the Committee on the Judiciary now printed in the reported bill, and said amendment is considered as having been read.

Before the consideration of perfecting amendments to the committee amendment, it shall be in order to consider a substitute printed in the CONGRESSIONAL RECORD of March 18, 1986, by and if offered by, Representative VOLKMER, which is considered as having been read.

It shall be in order to consider a perfecting amendment to the substitute printed in the CONGRESSIONAL RECORD of March 19, 1986, by, and if offered by, Representative VOLKMER prior to the consideration of any other perfecting amendments.

No amendments to the committee amendment or to the substitute are in order except pro forma amendments for the purpose of debate and amendments printed in the CONGRESSIONAL RECORD.

At the expiration of 5 hours, no further amendments are in order to the committee amendment, the substitute, or the bill.

The Clerk will designate the amendment in the nature of a substitute recommended by the Committee on the Judiciary.

The text of the Judiciary Committee amendment in the nature of a substitute is as follows:

H.R. 4332

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Federal Firearms Law Reform Act of 1986".

SEC. 2. PROHIBITION ON TRANSFER AND POSSESSION OF SILENCERS.

(a) DEFINITION.—Section 921(a) of title 18, United States Code, is amended by adding at the end the following:

"(21) The terms 'silencer' and 'muffler' mean any device for silencing, muffling, or diminishing the report of a portable firearm, including any part or combination of parts designed or redesigned and intended for such use with a firearm.".

(b) PROHIBITION.—Section 922 of title 18, United States Code, is amended by adding at the end the following:

"(n)(1) Except as provided in paragraph (2), it shall be unlawful for any person to transfer or possess a silencer.

"(2) This subsection does not apply with respect to—

"(A) a transfer to or by, or possession by or under the authority of, the United States or any department or agency thereof or a State, or a department, agency, or political subdivision thereof; or

"(B) any lawful transfer or lawful possession of a silencer that was lawfully possessed before the date this subsection takes effect.".

(c) CONFORMING AMENDMENTS.—

(1) Section 921(a)(3) of title 18, United States Code, is amended by striking out "any firearm muffler or firearm silencer" and inserting "any muffler or silencer for a firearm" in lieu thereof.

(2) Section 5845(a)(7) of the National Firearms Act (26 U.S.C. 5845(a)(7)) is amended to read as follows:

"(7) any silencer (as defined in section 921 of title 18, United States Code);".

(3) Sections 922(a)(4) and 922(b)(4) of title 18, United States Code, are each amended by striking out "(as defined in section 5845 of the Internal Revenue Code of 1954)," and inserting "silencer," in lieu thereof.

SEC. 3. LAWFUL INTERSTATE SALE OF LONG GUNS.

Subparagraph (A) of section 922(b)(3) of title 18, United States Code, is amended to read as follows: "(A) shall not apply to the sale or delivery of any rifle or shotgun to a resident of a State other than a State in which the licensee's place of business is located if the transferee meets in person with the transferor to accomplish the transfer, and the sale, delivery, and receipt fully comply with the legal conditions of sale in both such States (and any licensed manufacturer, importer or dealer shall be presumed, for purposes of this subparagraph, in the absence of evidence to the contrary, to have had actual knowledge of the State laws and published ordinances of both States),".

SEC. 4. UNLAWFUL SALE, POSSESSION, OR RECEIPT OF FIREARMS OR AMMUNITION.

(a) IN GENERAL.—Section 922(g) of title 18, United States Code, is amended to read as follows:

"(g)(1) It shall be unlawful for any person—

"(A)(i) if such person is a licensee under this chapter, to sell or otherwise dispose of any firearm or ammunition to any other person, knowing or having reasonable cause to believe that such other person is unqualified; or

"(ii) if such person is not such a licensee, to sell or otherwise dispose of any firearm or ammunition to any other person, knowing that such other person is unqualified;

"(B) to ship or transport any firearm or ammunition in interstate or foreign commerce, if such person is unqualified;

"(C) to receive any firearm or ammunition which has been shipped or transported in interstate or foreign commerce, if such person is unqualified; or

"(D) to receive, possess, or transport any firearm in or affecting interstate or foreign commerce, if—

"(i) such person is unqualified (unless such person is unqualified only because such person is under indictment for, or has been convicted in any court of, a crime punishable by imprisonment for a term exceeding 1 year); or

"(ii) in the course of such person's employment by another person, such person knows that other person is unqualified (unless such other person is unqualified only because such person is under indictment for, or has been convicted in any court of, a crime punishable by imprisonment for a term exceeding 1 year).

"(3) For purposes of paragraph (1), a person is unqualified if that person—

"(A) is under indictment for, or has been convicted in any court of, a crime punishable by imprisonment for a term exceeding 1 year;

"(B) is a fugitive from justice;

"(C) is an unlawful user of or addicted to any controlled substance (as defined in section 102 of the Controlled Substances Act (21 U.S.C. 802));

"(D) has been adjudicated as a mental incompetent or committed to any mental institution;

"(E) has been discharged from the Armed Forces under dishonorable conditions;

"(F) has renounced that person's United States citizenship; or

"(G) is an alien illegally in the United States.".

(b) CONFORMING REPEAL AND AMENDMENT.—

(1) Title VII of the Omnibus Crime Control and Safe Streets Act of 1968 (18 U.S.C. App. 1201 et seq.) is repealed.

(2) Section 923(d)(1)(B) of title 18, United States Code, is amended by striking out "and (h)".

SEC. 5. GUN SHOW SALES.

(a) IN GENERAL.—Section 922(h) of title 18, United States Code, is amended to read as follows:

"(h) In any case not otherwise prohibited by this chapter, a licensed dealer may sell or otherwise dispose of a firearm to a person who does not appear in person at the licensee's business premises if such sale or disposition takes place during and at a temporary gun show or event sponsored by any national, State, or local organization, or affiliate of any such organization devoted to the collection, competitive use, or other sporting use of firearms, or an organization or association that sponsors events devoted to the collection, competitive use, or other sporting use of firearms and the location of such sale or disposition is in the State specified in the license of such licensee. Records of receipt and disposition of firearms transactions conducted at such temporary location shall include the location of the sale or disposition and shall be entered in the permanent records of the licensee and retained on the location specified on the license of such li-

censee. Any inspection or examination of inventory or records under this chapter by the Secretary at such temporary location shall be limited to inventory consisting of, or records relating to, firearms held or disposed at such temporary location. Nothing in this subsection shall authorize such licensee to conduct business in or from any motorized or towed vehicle.".

(b) CONFORMING AMENDMENT.—Section 923(a) of title 18, United States Code, is amended by inserting "(other than at a temporary location described in section 922(h) of this title)" after "each place".

SEC. 6. PROHIBITION ON IMPORTATION OF PARTS OF CERTAIN FIREARMS.

Section 922(1) of title 18, United States Code, is amended by adding at the end the following: "It shall be unlawful for any person knowingly to import into the United States the barrel of any firearm if the importation of that firearm is prohibited by this section.".

SEC. 7. ADMINISTRATIVE FLEXIBILITY FOR INVOKING LICENSE-RELATED PENALTIES AND OTHER LICENSING-RELATED MATTERS.

(a) RELEVANT LICENSE INFORMATION.—Section 923(a) of title 18, United States Code, is amended by striking out "such information" and inserting "only that information necessary to determine eligibility for licensing".

(b) ADDITIONAL LICENSE APPROVAL CRITERION.—Section 923(d)(1)(B) of title 18, United States Code, is amended by striking out the semicolon at the end and inserting in lieu thereof "and is not prohibited by applicable State law from engaging in conduct necessarily incident to business subject to license under this chapter;".

(c) AUTHORITY TO SUSPEND LICENSES.—

(1) Section 923(e) of title 18, United States Code, is amended by inserting "suspend or" before "revoke".

(2) Section 923(f) of title 18, United States Code, is amended—

(A) in paragraph (1)—

(i) by inserting "suspended or" before "revoked" each place it appears; and

(ii) by inserting "suspension or" before "revocation";

(B) in paragraph (2)—

(i) by striking out "revokes, a license," and inserting in lieu thereof "suspends or revokes a license";

(ii) by striking out "his denial or revocation" and inserting in lieu thereof "that action"; and

(iii) in the second sentence, by inserting "suspension or" before "revocation" each place it appears; and

(C) in paragraph (3)—

(i) in the first sentence, by striking out "his decision to deny an application or revoke a license" and inserting in lieu thereof "the action reviewed";

(ii) in the second sentence, by striking out "denial or revocation" and inserting in lieu thereof "action"; and

(iii) in the last sentence, by inserting "suspend or" before "revoke".

(d) LIMITATION ON FREQUENCY OF COMPLIANCE INSPECTIONS.—Section 923(g) of title 18, United States Code, is amended by inserting "The Secretary may inspect the inventory and records of a licensee for the purpose of ensuring compliance with the recordkeeping requirements of this chapter not more than three times during any 18-month period, unless the Secretary or the Director of the Bureau of Alcohol, Tobacco, and Firearms approves such inspection." before "The Secretary".

SEC. 8. MODIFICATION OF PENALTY PROVISIONS AND REENACTMENT OF ARMED CAREER CRIMINAL PROVISIONS.

Section 924(a) of title 18, United States Code, is amended—

(1) by inserting "(1)" after "(a)";

(2) by striking out "Whoever violates" and inserting "Except as otherwise provided in this subsection, whoever knowingly engages in conduct that is a violation of" in lieu thereof; and

(3) by adding at the end the following:

"(2) Whoever knowingly engages in conduct that is a violation of section 922(b)(5), 922(m), or 923(h) of this title and has not been previously convicted of a violation of such section shall be fined under this title or imprisoned not more than one year, or both, rather than as provided under paragraph (1) of this subsection.

"(3) Any person who knowingly engages in conduct that is a violation of section 922(g)(1)(D) of this title and has been convicted on 3 previous occasions of robbery, burglary, or both—

"(A) shall be fined under this title and imprisoned not less than 15 years;

"(B) notwithstanding any other provision of law, shall not be granted any suspended or probationary sentence with respect to such violation; and

"(C) shall not be eligible for parole from any sentence imposed with respect to such violation.

"(4) As used in paragraph (3)—

"(A) the term 'robbery' means any felony consisting of the taking of the property of another from the person or presence of another by force or violence, or by threatening or placing another person in fear that any person will imminently be subjected to bodily harm; and

"(B) the term 'burglary' means any felony consisting of entering or remaining surreptitiously within a building that is the property of another, with intent to engage in conduct constituting a Federal or State offense.

"(5) As used in paragraph (4), the term 'felony' means any offense punishable by imprisonment for a term exceeding one year, but does not include any offense (other than one involving a firearm or explosive) classified as a misdemeanor under the laws of a State and punishable by a term of imprisonment of two years or less.".

SEC. 9. RECORDKEEPING AND REPORTING AMENDMENTS.

(a) ELIMINATION OF CERTAIN AMMUNITION RECORDKEEPING.—Section 923(g) of title 18, United States Code, is amended—

(1) by striking out "Each" and inserting "(1) Except as provided in paragraph (2), each" in lieu thereof; and

(2) by adding at the end the following new paragraph:

"(2) The Secretary shall not require the keeping of any records under this chapter with respect to the sale of ammunition (other than armor-piercing ammunition, as such term is defined in section 929 of this title) in transactions involving less than 1,000 rounds.".

(b) CODIFICATION OF EXISTING REGULATION REQUIRING REPORTS OF MULTIPLE FIREARM SALES.—Section 923(g) of title 18, United States Code, is amended by inserting after the second sentence the following: "Each licensee shall submit such a report to the Secretary with respect to each sale or other disposition to an unlicensed person by that licensee, in 1 or more transactions during any period of 5 consecutive business days, of any combination of pistols and revolvers totaling 2 or more. Such report with respect to such sale or disposition shall be forwarded to the office specified by the Secretary not later than the close of business on the day such sale or other disposition is completed.".

SEC. 10. IMPOSITION OF ADDITIONAL PENALTIES FOR USING OR CARRYING A FIREARM OR ARMOR-PIERCING AMMUNITION IN CONNECTION WITH FELONY INVOLVING DRUG TRAFFICKING.

(a) FIREARM.—Section 924(c) of title 18, United States Code, is amended—

(1) by inserting "(1)" before "Whoever,";

(2) by striking out "violence," each place it appears and inserting in lieu thereof "violence, or drug trafficking crime,";

(3) by inserting "or drug trafficking crime" before "in which the firearm was used or carried."; and

(4) by adding at the end the following:

"(2) As used in this subsection, the term 'drug trafficking crime' means any felony violation of Federal law involving the distribution, manufacture, or importation of any controlled substance (as defined in section 102 of the Controlled Substances Act (21 U.S.C. 802)).".

(b) ARMOR-PIERCING AMMUNITION.—Section 929(a) of title 18, United States Code, is amended—

(1) by inserting "(1)" before "Whoever,";

(2) by striking out "violence" each place it appears and inserting in lieu thereof "violence or drug trafficking crime,"; and

(3) by adding at the end the following:

"(2) As used in this subsection, the term 'drug trafficking crime' means any felony violation of Federal law involving the distribution, manufacture, or importation of any controlled substance (as defined in section 102 of the Controlled Substances Act (21 U.S.C. 802)).".

SEC. 11. ENHANCED PENALTY FOR MACHINEGUN USE IN CRIME AND OTHER MACHINEGUN-RELATED MATTERS.

(a) ENHANCED PENALTY.—Section 924(c) of title 18, United States Code, is amended—

(1) in the first sentence, by striking out the period at the end and inserting in lieu thereof ", and if the firearm is a machinegun, to imprisonment for 10 years."; and

(2) in the second sentence, by striking out the period at the end and inserting in lieu thereof ", and if the firearm is a machinegun, to imprisonment for 20 years."

(b) DEFINITION—

(1) Section 921(a) of title 18, United States Code, is amended by adding after the paragraph added by section 2(a) the following:

"(22) The term 'machinegun' has the meaning given such term in section 5845(b) of the National Firearms Act (26 U.S.C. 5845(b)).".

(2) Section 5845(b) of the National Firearms Act (26 U.S.C. 5845(b)) is amended by inserting "part or" before "combination of parts designed and intended".

(c) CONFORMING AMENDMENT.—Section 925(d)(2) of title 18, United States Code, is amended by striking out "as defined in section 5845(b) of the Internal Revenue Code of 1954".

SEC. 12. LIMITATION ON FORFEITURE.

Section 924(d) of title 18, United States Code, is amended—

(1) by inserting "felony" before "violation" each place it appears; and

(2) by striking out "or any rule or regulation promulgated thereunder".

SEC. 13. BROADENED RELIEF FROM DISABILITIES.

Section 925(c) of title 18, United States Code, is amended—

(1) by striking out "has been convicted of a crime punishable" and all that follows

through "National Firearms Act)" and inserting in lieu thereof "is prohibited by Federal law from acquiring, receiving, transferring, shipping, transporting, or possessing firearms or ammunition";

(2) by inserting "transportation," after "shipment,";

(3) by striking out "and incurred by reason of such conviction"; and

(4) by adding at the end the following: "If the Secretary determines that relief from disabilities, incurred by reason of a conviction under State law and imposed by Federal laws with respect to the acquisition, receipt, transfer, shipment, or possession of firearms, would be consistent with the purposes of this chapter when such expungement or elimination occurs under any State law regarding the expungement of criminal convictions, the Secretary may declare that all persons obtaining relief under such State law are relieved from such disabilities.".

SEC. 14. INTERSTATE TRANSPORT OF RIFLES AND SHOTGUNS.

Section 927 of title 18, United States Code, is amended—

(1) by inserting "(a)" before "No"; and

(2) by adding at the end the following:

"(b) Notwithstanding any provision of State law or of any published ordinance to the contrary, any individual may transport any secured shotgun or secured rifle from such individual's place of origin to any destination State if—

"(1) such transport is—

"(A) incident to the change of the individual's State of residence; or

"(B) for the purpose of lawful participation in, or returning from lawful participation in—

"(i) hunting;

"(ii) a shooting match or contest; or

"(iii) any other lawful sporting activity; and

"(2) the individual may lawfully transport and possess such shotgun or rifle—

"(A) in the individual's place of origin, the destination State, and the destination political subdivision of the destination State; and

"(B) under Federal law.

"(c) For purposes of subsection (b)—

"(1) a rifle or shotgun is secured if the rifle or shotgun—

"(A) is enclosed or cased;

"(B) is not readily accessible; and

"(C) is not loaded with ammunition; and

"(2) the term 'place of origin' means—

"(A) in the case of a change of residence, the State and political subdivision thereof from which residence is changed; and

"(B) in any other case, the State and political subdivision thereof in which the possession or transport of the rifle or shotgun begins.".

SEC. 15. RECORD CHECK FOR CRIMINAL CONVICTIONS AND OTHER DISQUALIFICATIONS FOR PURCHASE OF HANDGUNS.

"(a) DEFINITION.—Section 921(a) of title 18, United States Code, is amended by adding after the paragraph added by section 11(b) the following:

"(23) The term 'handgun' means a firearm which has a short stock and is designed to be held and fired by the use of a single hand.".

"(b) PROHIBITION.—Section 922(d) of title 18, United States Code, is amended to read as follows:

"(d)(1) It shall be unlawful for a licensed importer, licensed manufacturer, or licensed dealer to sell, deliver, or otherwise transfer a handgun to an individual who is not licensed under section 923 unless such importer, manufacturer, or dealer promptly sends by registered or certified mail (return receipt requested), a copy of the documentation of the transaction required under this chapter, in a form prescribed by the Secretary—

"(A) to the chief law enforcement officer of the place of residence of the transferee notifying such officer of the transaction; and

"(B) to the Federal Bureau of Investigation which shall—

"(i) examine Federal official records which may reveal any circumstance making illegal the receipt or possession of a handgun by the transferee; and

"(ii) report to the chief law enforcement officer of the place of residence of the transferee if any such records show any such circumstance.

"(2) The chief law enforcement officer of the place of residence of the transferee and the Federal Bureau of Investigation shall each destroy each report received under this section from any licensee concerning any transferee, within 90 days after the date such report is received, if such report does not indicate any circumstance making illegal the receipt or possession of a handgun by the transferee.".

PARLIAMENTARY INQUIRY

Mr. GEKAS. Mr. Chairman, I have a parliamentary inquiry, a point that has been vexing me since the debate on the rule itself.

My parliamentary inquiry is: What is the exact status at this moment of the discharge petition?

As I understand it, the rule, when we approved it, made that entire matter moot.

Now, this was stated during the explanation of the rule, at the outset, but I want to know if, procedurally, legally, we did accomplish that? Have we, by the passage of the rule, determined once and for all that the discharge petition is no longer in any kind of status for consideration?

Mr. CHAIRMAN. It is the Chair's understanding that the resolution which the discharge petition would permit to be considered was laid on the table by the rule.

Mr. GEKAS. So that, Mr. Chairman, in effect it still remains, it has not been eliminated, so to speak, it is just laid on the table?

Mr. CHAIRMAN. It has been adversely disposed of by having been laid on the table by the rule.

Mr. GEKAS. I thank the Chairman.

AMENDMENT OFFERED BY MR. VOLKMER AS A SUBSTITUTE FOR THE JUDICIARY COMMITTEE AMENDMENT IN THE NATURE OF A SUBSTITUTE

Mr. VOLKMER. Mr. Chairman, I offer a substitute for the Judiciary Committee amendment in the nature of a substitute.

The CHAIRMAN. The Clerk will designate the amendment offered as a substitute for the Judiciary Committee amendment in the nature of a substitute.

The text of the amendment offered by Mr. VOLKMER as a substitute for the Judiciary Committee amendment in the nature of a substitute is as follows:

Strike out all after the enacting clause and insert in lieu thereof the following:

SECTION 1. SHORT TITLE AND CONGRESSIONAL FINDINGS.

(a) SHORT TITLE.—This Act may be cited as the "Firearms Owners' Protection Act".

(b) CONGRESSIONAL FINDINGS.—The Congress finds that—

(1) the rights of citizens—

(A) to keep and bear arms under the second amendment to the United States Constitution;

(B) to security against illegal and unreasonable searches and seizures under the fourth amendment;

(C) against uncompensated taking of property, double jeopardy, and assurance of due process of law under the fifth amendment; and

(D) against unconstitutional exercise of authority under the ninth and tenth amendments;

require additional legislation to correct existing firearms statutes and enforcement policies; and

(2) additional legislation is required to reaffirm the intent of the Congress, as expressed in section 101 of the Gun Control Act of 1968, that "it is not the purpose of this title to place any undue or unnecessary Federal restrictions or burdens on law-abiding citizens with respect to the acquisition, possession, or use of firearms appropriate to the purpose of hunting, trapshooting, target shooting, personal protection, or any other lawful activity, and that this title is not intended to discourage or eliminate the private ownership or use of firearms by law-abiding citizens for lawful purposes.".

SEC. 101. AMENDMENTS TO SECTION 921.

Section 921 of title 18, United States Code, is amended—

(1) in subsection (a)(10), by striking out "manufacture of" and inserting in lieu thereof "business of manufacturing";

(2) in subsection (a)(11)(A), by striking out "or ammunition";

(3) in subsection (a)(12), by striking out "or ammunition";

(4) in subsection (a)(13), by striking out "or ammunition";

(5) by amending paragraph (20) of subsection (a) to read as follows:

"(20) The term 'crime punishable by imprisonment for a term exceeding one year' does not include—

"(A) any Federal or State offenses pertaining to antitrust violations, unfair trade practices, restraints of trade, or other similar offenses relating to the regulation of business practices, or

"(B) any State offense classified by the laws of the State as a misdemeanor and punishable by a term of imprisonment of two years or less.

What constitutes a conviction of such a crime shall be determined in accordance with the law of the jurisdiction in which the proceedings were held. Any conviction which has been expunged, or set aside or for which a person has been pardoned or has had civil rights restored shall not be considered a conviction for purposes of this chapter, unless such pardon, expungement, or restoration of civil rights expressly provides that the person may not ship, transport, possess, or receive firearms."; and

(6) in subsection (a), by inserting after paragraph (20) the following new paragraphs:

"(21) The term 'engaged in the business' means—

"(A) as applied to a manufacturer of firearms, a person who devotes time, attention, and labor to manufacturing firearms as a

regular course of trade or business with the principal objective of livelihood and profit through the sale or distribution of the firearms manufactured;

"(B) as applied to a manufacturer of ammunition, a person who devotes time, attention, and labor to manufacturing ammunition as a regular course of trade or business with the principal objective of livelihood and profit through the sale or distribution of the ammunition manufactured;

"(C) as applied to a dealer in firearms, as defined in section 921(a)(11)(A), a person who devotes time, attention, and labor to dealing in firearms as a regular course of trade or business with the principal objective of livelihood and profit through the repetitive purchase and resale of firearms, but such term shall not include a person who makes occasional sales, exchanges, or purchases of firearms for the enhancement of a personal collection or for a hobby, or who sells all or part of his personal collection of firearms;

"(D) as applied to a dealer in firearms, as defined in section 921(a)(11)(B), a person who devotes time, attention, and labor to engaging in such activity as a regular course of trade or business with the principal objective of livelihood and profit, but such term shall not include a person who makes occasional repairs of firearms, or who occasionally fits special barrels, stocks, or trigger mechanisms to firearms;

"(E) as applied to an importer of firearms, a person who devotes time, attention, and labor to importing firearms as a regular course of trade or business with the principal objective of livelihood and profit through the sale or distribution of the firearms imported; and

"(F) as applied to an importer of ammunition, a person who devotes time, attention, and labor to importing ammunition as a regular course of trade or business with the principal objective of livelihood and profit through the sale or distribution of the ammunition imported.

"(22) The term 'with the principal objective of livelihood and profit' means that the intent underlying the sale or disposition of firearms is predominantly one of obtaining livelihood and pecuniary gain, as opposed to other intents, such as improving or liquidating a personal firearms collection.

"(23) The term 'machinegun' has the meaning given such term in section 5845(b) of the National Firearms Act (26 U.S.C. 5845(b)).

"(24) The terms 'firearm silencer' and 'firearm muffler' mean any device for silencing, muffling, or diminishing the report of a portable firearm, including any part or combination of parts, designed or redesigned, intended only for such use in assembling or fabricating a firearm silencer or firearm muffler.".

SEC. 102. AMENDMENTS TO SECTION 922.

Section 922 of title 18, United States Code, is amended—

(1) so that paragraph (1) of subsection (a) reads as follows:

"(1) for any person—

"(A) except a licensed importer, licensed manufacturer, or licensed dealer, to engage in the business of importing, manufacturing, or dealing in firearms, or in the course of such business to ship, transport, or receive any firearm in interstate or foreign commerce; or

"(B) except a licensed importer or licensed manufacturer, to engage in the business of importing or manufacturing ammunition, or in the course of such business, to ship, transport, or receive any ammunition in interstate or foreign commerce;";

(2) in subsection (a)(2)—

(A) by striking out "or ammunition"; and

(B) by striking out "or licensed dealer for the sole purpose of repair or customizing;" and inserting in lieu thereof "licensed dealer, or licensed collector;";

(3) in subsection (a)(3), by striking out "(B)" and all that follows through "(b)(3) of this section," and inserting in lieu thereof the following: "(B) shall not apply to the transportation or receipt of a firearm obtained in conformity with subsection (b)(3) of this section,";

(4) in subsection (b)—

(A) in paragraph (2), by striking out "or ammunition" each place it appears;

(B) in paragraph (3), by striking out "(A)" and all that follows through "intrastate transactions other than at the licensee's business premises," and inserting in lieu thereof "(A) shall not apply to the sale or delivery of any firearm to a resident of a State other than a State in which the licensee's place of business is located if the sale, delivery and receipt fully comply with the legal conditions of sale in both such States (and any licensed manufacturer, importer or dealer shall be presumed, in the absence of evidence to the contrary to have had actual knowledge of the State laws and published ordinances of both States) and if the transferee (other than a licensed manufacturer, importer, or dealer) meets in person with the transferor to accomplish the transfer or to negotiate the transfer (and, notwithstanding any other provision of law, the transportation or shipment of such firearm to such transferee in interstate or foreign commerce shall be permitted, but this exception does not authorize mail order sales of firearms),";

(C) in paragraph (3), by inserting "and" before "(B)";

(D) in paragraph (3), by striking out ", and (C)" and all that follows through the end of such paragraph and inserting in lieu thereof a semicolon; and

(E) in paragraph (5), by striking out "or ammunition except .22 caliber rimfire ammunition" and inserting "or armor-piercing ammunition" in lieu thereof;

(5) in subsection (d)—

(A) by striking out "licensed importer, licensed manufacturer, licensed dealer, or licensed collector" the first place it appears and inserting in lieu thereof "person";

(B) by amending paragraph (3) to read as follows:

"(3) is an unlawful user of or addicted to any controlled substance (as defined in section 102 of the Controlled Substances Act (21 U.S.C. 802));";

(C) in paragraph (4), by striking out the period and inserting in lieu thereof a semicolon; and

(D) by inserting after paragraph (4) the following:

"(5) who, being an alien, is illegally or unlawfully in the United States;

"(6) who has been discharged from the Armed Forces under dishonorable conditions; or

"(7) who, having been a citizen of the United States, has renounced his citizenship.";

(6) in subsection (g)—

(A) in paragraph (1), by striking out "is under indictment for, or who";

(B) by amending paragraph (3) to read as follows:

"(3) is an unlawful user of or addicted to any controlled substance (as defined in section 102 of the Controlled Substances Act (21 U.S.C. 802));";

(C) by inserting after paragraph (4) the following new paragraphs:

"(5) who, being an alien, is illegally or unlawfully in the United States;

"(6) who has been discharged from the Armed Forces under dishonorable conditions; or

"(7) who, having been a citizen of the United States, has renounced his citizenship;"; and

(D) by striking out "to ship or transport any firearm or ammunition in interstate or foreign commerce." and inserting in lieu thereof "to ship or transport in interstate or foreign commerce, or possess in or affecting commerce, any firearm or ammunition; or to receive any firearm or ammunition which has been shipped or transported in interstate or foreign commerce.";

(7) by striking out subsection (h); and

(8) by inserting after subsection (m) the following:

"(n) It shall be unlawful for any person who is under indictment for a crime punishable by imprisonment for a term exceeding one year to ship or transport in interstate or foreign commerce any firearm or ammunition or receive any firearm or ammunition which has been shipped or transported in interstate or foreign commerce.".

SEC. 103. AMENDMENTS TO SECTION 923.

Section 923 of title 18, United States Code, is amended—

(1) in subsection (a)—

(A) by striking out the first sentence and inserting in lieu thereof "No person shall engage in the business of importing, manufacturing, or dealing in firearms, or importing or manufacturing ammunition, until he has filed an application with and received a license to do so from the Secretary."; and

(B) by striking out "and contain such information", and inserting in lieu thereof "and contain only that information necessary to determine eligibility for licensing.";

(2) in subsection (a)(3)(B), by striking out "or ammunition for firearms other than destructive devices,";

(3) in subsection (b), by striking out "and contain such information" and inserting in lieu thereof "and contain only that information necessary to determine eligibility";

(4) in subsection (c), by adding at the end "Nothing in this chapter shall be construed to prohibit a licensed manufacturer, importer, or dealer from maintaining and disposing of a personal collection of firearms, subject only to such restrictions as apply in this chapter to dispositions by a person other than a licensed manufacturer, importer, or dealer. If any firearm is so disposed of by a licensee within one year after its transfer from his business inventory into such licensee's personal collection or if such disposition or any other acquisition is made for the purpose of willfully evading the restrictions placed upon licensees by this chapter, then such firearm shall be deemed part of such licensee's business inventory.";

(5) in subsection (e), by inserting "willfully" before "violated";

(6) in subsection (f)—

(A) in paragraph (3)—

(i) by inserting "de novo" before "judicial"; and

(ii) by inserting "whether or not such evidence was considered at the hearing held under paragraph (2)." after "to the proceeding"; and

(B) by adding at the end the following new paragraph:

"(4) If criminal proceedings are instituted against a licensee alleging any violation of this chapter or of rules or regulations prescribed under this chapter, and the licensee is acquitted of such charges, or such proceedings are terminated, other than upon motion of the Government before trial upon such charges, the Secretary shall be absolutely barred from denying or revoking any license granted under this chapter where such denial or revocation is based in whole or in part on the facts which form the basis of such criminal charges. No proceedings for the revocation of a license shall be instituted by the Secretary more than one year after the filing of the indictment or information.";

(7) so that subsection (g) reads as follows:

"(g)(1)(A) Each licensed importer, licensed manufacturer, and licensed dealer shall maintain such records of importation, production, shipment, receipt, sale, or other disposition of firearms at his place of business for such period, and in such form, as the Secretary may by regulations prescribe. Such importers, manufacturers, and dealers shall not be required to submit to the Secretary reports and information with respect to such records and the contents thereof, except as expressly required by this section. The Secretary, when he has reasonable cause to believe a violation of this chapter has occurred and that evidence thereof may be found on such premises, may, upon demonstrating such cause before a Federal magistrate and securing from such magistrate a warrant authorizing entry, enter during business hours the premises (including places of storage) of any licensed firearms importer, licensed manufacturer, licensed dealer, licensed collector, or any licensed importer or manufacturer of ammunition, for the purpose of inspecting or examining—

"(i) any records or documents required to be kept by such licensed importer, licensed manufacturer, licensed dealer, or licensed collector under this chapter or rules or regulations under this chapter, and

"(ii) any firearms or ammunition kept or stored by such licensed importer, licensed manufacturer, licensed dealer, or licensed collector, at such premises.

"(B) The Secretary may inspect or examine the inventory and records of a licensed importer, licensed manufacturer, or licensed dealer without such reasonable cause or warrant—

"(i) in the course of a reasonable inquiry during the course of a criminal investigation or a person or persons other than the licensee;

"(ii) for ensuring compliance with the record keeping requirements of this chapter not more than once during any 12-month period; or

"(iii) when such inspection or examination may be required for determining the disposition of one or more particular firearms in the course of a bona fide criminal investigation.

"(C) The Secretary may inspect the inventory and records of a licensed collector without such reasonable cause or warrant—

"(i) for ensuring compliance with the record keeping requirements of this chapter not more than once during any 12-month period; or

"(ii) when such inspection or examination may be required for determining the disposition of one or more particular firearms in the course of a bona fide criminal investigation.

"(D) At the election of a licensed collector, the annual inspection of records and inventory permitted under this paragraph shall be performed at the office of the Secretary designated for such inspections which is located in closest proximity to the premises where the inventory and records of such licensed collector are maintained. The inspection and examination authorized by this paragraph shall not be construed as authorizing the Secretary to seize any records or other documents other than those records or documents constituting material evidence of a violation of law. If the Secretary seizes such records or documents, copies shall be provided the licensee within a reasonable time. The Secretary may make available to any Federal, State, or local law enforcement agency any information which he may obtain by reason of this chapter with respect to the identification of persons prohibited from purchasing or receiving firearms or ammunition who have purchased or received firearms or ammunition, together with a description of such firearms or ammunition, and he may provide information to the extent such information may be contained in the records required to be maintained by this chapter, when so requested by any Federal, State, or local law enforcement agency.

"(2) Each licensed collector shall maintain in a bound volume the nature of which the Secretary may by regulations prescribe, records of the receipt, sale, or other disposition of firearms. Such records shall include the name and address of any person to whom the collector sells or otherwise disposes of a firearm. Such collector shall not be required to submit to the Secretary reports and information with respect to such records and the contents thereof, except as expressly required by this section.

"(3) Each licensee shall prepare a report of multiple sales or other dispositions whenever the licensee sells or otherwise disposes of, at one time or during any five consecutive business days, two or more pistols, or revolvers, or any combination of pistols and revolvers totalling two or more, to an unlicensed person. The report shall be prepared on a form specified by the Secretary and forwarded to the office specified thereon not later than the close of business on the day that the multiple sale or other disposition occurs.

"(4) Where a firearms or ammunition business is discontinued and succeeded by a new licensee, the records required to be kept by this chapter shall appropriately reflect such facts and shall be delivered to the successor. Where discontinuance of the business is absolute, such records shall be delivered within 30 days after the business discontinuance to the Secretary. However, where State law or local ordinance requires the delivery of records to other responsible authority, the Secretary may arrange for the delivery of such records to such other responsible authority.

"(5)(A) Each licensee shall, when required by letter issued by the Secretary, and until notified to the contrary in writing by the Secretary, submit on a form specified by the Secretary, for periods and at the times specified in such letter, all record information required to be kept by this chapter or such lesser record information as the Secretary in such letter may specify.

"(B) The Secretary may authorize such record information to be submitted in a manner other than that prescribed in subparagraph (A) of this paragraph when it is shown by a licensee that an alternate method of reporting is reasonably necessary and will not unduly hinder the effective administration of this chapter. A licensee may use an alternate method of reporting if the licensee describes the proposed alternative method of reporting and the need therefor in a letter application submitted to the Secretary, and the Secretary approves such alternate method of reporting."; and

(8) so that subsection (j) reads as follows:

"(j) A licensed importer, licensed manufacturer, or licensed dealer may, under rules or regulations prescribed by the Secretary, conduct business temporarily at a location other than the location specified on the license if such temporary location is the location for a gun show or event sponsored by any national, State, or local organization, or any affiliate of any such organization devoted to the collection, competitive use, or other sporting use of firearms in the community, and such location is in the State which is specified on the license. Records of receipt and disposition of firearms transactions conducted at such temporary location shall include the location of the sale or other disposition and shall be entered in the permanent records of the licensee and retailed on the location specified on the license. Nothing in this subsection shall authorize any licensee to conduct business in or from any motorized or towed vehicle. Notwithstanding the provisions of subsection (a) of this section, a separate fee shall not be required of a licensee with respect to business conducted under this subsection. Any inspection or examination of inventory or records under this chapter by the Secretary at such temporary location shall be limited to inventory consisting of, or records relating to, firearms held or disposed at such temporary location. Nothing in this subsection shall be construed to authorize the Secretary to inspect or examine the inventory or records of a licensed importer, licensed manufacturer, or licensed dealer at any location other than the location specified on the license. Nothing in this subsection shall be construed to diminish in any manner any right to display, sell, or otherwise dispose of firearms or ammunition, which is in effect before the date of the enactment of the Firearms Owners' Protection Act.".

SEC. 104. AMENDMENTS TO SECTION 924.

(a) IN GENERAL.—Section 924 of title 18, United States Code, is amended—

(1) so that subsection (a) reads as follows:

"(a)(1) Except as otherwise provided in this section or in section 929, whoever—

"(A) knowingly makes any false statement or representation with respect to the information required by this chapter to be kept in the records of a person licensed under this chapter or in applying for any license or exemption or relief from disability under the provisions of this chapter;

"(B) knowingly violates subsection (a)(4), (a)(6), (f), (g), (i), (j), or (k) of section 922;

"(C) knowingly imports or brings into the United States or any possession thereof any firearm or ammunition in violation of section 922(1); or

"(D) willfully violates any other provision of this chapter.

shall be fined not more than $5,000, imprisoned not more than five years, or both, and shall become eligible for parole as the Parole Commission shall determine.

"(2) Any licensed dealer, licensed importer, licensed manufacturer, or licensed collector who knowingly—

"(A) makes any false statement or representation with respect to the information required by the provisions of this chapter to

be kept in the records of a person licensed under this chapter, or

"(B) violates subsection (m) of section 922, shall be fined not more than $1,000, imprisoned not more than one year, or both, and shall become eligible for parole as the Parole Commission shall determine.";

(2) in subsection (c)—

(A) by inserting "(1)" before "Whoever,";

(B) by striking out "violence" each place it appears and inserting in lieu thereof "violence or drug trafficking crime,";

(C) by inserting "or drug trafficking crime" before "in which the firearm was used or carried.";

(D) in the first sentence, by striking out the period at the end and inserting in lieu thereof ", and if the firearm is a machinegun, or is equipped with a firearm silencer or firearm muffler, to imprisonment for 10 years.";

(E) in the second sentence, by striking out the period at the end and inserting in lieu thereof ", and if the firearm is a machinegun, or is equipped with a firearm silencer or firearm muffler, to imprisonment for 20 years."; and

(F) by adding at the end the following:

"(2) For purposes of this subsection, the term 'drug trafficking crime' means any felony violation of Federal law involving the distribution, manufacturer, or importation of any controlled substance (as defined in section 102 of the Controlled Substances Act (21 U.S.C. 802)).";

(3) so that subsection (d) reads as follows:

"(d)(1) Any firearm or ammunition involved in or used in any willful or knowing violation of the provisions of this chapter or any rule or regulation prescribed under this chapter, or any violation of any other criminal law of the United States, shall be subject to seizure and forfeiture. All provisions of the Internal Revenue Code of 1954 relating to the seizure, forfeiture, and disposition of firearms, as defined in section 5845(a) of that Code, shall, so far as applicable, extend to seizures and forfeitures under the provisions of this chapter, but, upon acquittal of the owner or possessor, or dismissal of the charges against him other than upon motion of the Government before trial, the seized firearms or ammunition shall be returned forthwith to the owner or possessor or to a person designated by the owner or possessor unless the return of the firearms or ammunition would place the owner or possessor or his delegate in violation of law. Any action or proceeding for the forfeiture of firearms or ammunition shall be commenced within 120 days of such seizure.

"(2)(A) In any action or proceeding for the return of firearms or ammunition seized under this chapter, the court shall allow the prevailing party, other than the United States, a reasonable attorney's fee, and the United States shall be liable therefor.

"(B) In any other action or proceeding under this chapter, if the court finds that such action was without foundation, or was initiated vexatiously, frivolously, or in bad faith, the court shall allow the prevailing party, other than the United States, a reasonable attorney's fee, and the United States shall be liable therefor.

"(C) Only those firearms or quantities of ammunition particularly named and individually identified as involved in or used in any violation of this chapter, or of any rule or regulation issued under this chapter, or any other criminal law of the United States, shall be subject to seizure, forfeiture, and disposition.

"(D) The United States shall be liable for attorneys' fees under this paragraph only to the extent provided in advance by appropriation Acts."; and

(4) by adding at the end the following new subsection:

"(e)(1) In the case of a person who violates section 922(g) of this title and has three previous convictions by any court referred to in section 922(g)(1) of this title for robbery or burglary, or both, such person shall be fined not more than $25,000 and imprisoned not more than 15 years, and, notwithstanding any other provision of law, the court shall not suspend the sentence of, or grant a probationary sentence to, such person with respect to the conviction under section 922(g), and such person shall not be eligible for parole with respect to the sentence imposed under this subsection.

"(2) As used in this subsection—

"(A) the term 'robbery" means any crime punishable by a term of imprisonment exceeding one year and consisting of the taking of the property of another from the person or presence of another by force or violence, or by threatening or placing another person in fear that any person will imminently be subjected to bodily harm; and

"(B) the term 'burglary' means any crime punishable by a term of imprisonment exceeding one year and consisting of entering or remaining surreptitiously within a building that is the property of another with intent to engage in conduct constituting a Federal or State offense.".

(b) CONFORMING REPEAL.—Title VII of the Omnibus Crime Control and Safe Streets Act of 1968 (18 U.S.C. App. 1201 et seq.) is repealed.

SEC. 105. AMENDMENTS TO SECTION 925.

Section 925 of title 18, United States Code, is amended—

(1) in subsection (c)—

(A) by striking out "has been convicted of a crime punishable by imprisonment for a term exceeding one year (other than a crime involving the use of a firearm or other weapon or a violation of this chapter or of the National Fireamrs Act)" and inserting in lieu thereof "is prohibited from possessing, shipping transporting, or receiving firearms or ammunition";

(B) by inserting "transportation," after "shipment,";

(C) by striking out "and incurred by reason of such conviction"; and

(D) by inserting "Any person whose application for relief from disabilities is denied by the Secretary may file a petition with the United States district court for the district in which he resides for a judicial review of such denial. The court may in its discretion admit additional evidence where failure to do so would result in a miscarriage of justice." after "the public interest."; and (2) in subsection (d)—

(A) by striking out "may authorize" and inserting in lieu thereof "shall authorize";

(B) by striking out "the person importing or bringing in the firearm or ammunition establishes to the satisfaction of the Secretary that";

(C) in paragraph (3), by inserting before the semicolon ", except in any case where the Secretary has not authorized the importation of the firearm pursuant to this paragraph, it shall be unlawful to import any frame, receiver, or barrel of such firearm which would be prohibited if assembled"; and

(D) by striking out "may permit" and inserting in lieu thereof "shall permit".

SEC. 106. AMENDMENTS TO SECTION 926.

Section 926 of title 18 of the United States Code is amended—

(1) by inserting "(a)" before "The Secretary" the first place it occurs;

(2) by inserting "only" after "prescribe";

(3) by striking out "as he deems reasonably" and inserting in lieu thereof "as are";

(4) by striking out the last sentence and inserting in lieu thereof "No such rule or regulation prescribed after the date of the enactment of the Firearms Owners' Protection Act may require that records required to be maintained under this chapter or any portion of the contents of such records, be recorded at or transferred to a facility owned, managed, or controlled by the United States or any State or any political subdivision thereof, nor that any system of registration of firearms, firearms owners, or firearms transactions or dispositions be established. Nothing in this section expands or restricts the Secretary's authority to inquire into the disposition of any firearm in the course of a criminal investigation."; and

(5) by adding at the end the following:

"(b) The Secretary shall give not less than 90 days public notice, and shall afford interested parties opportunity for hearing, before prescribing such rules and regulations.

"(c) The Secretary shall not prescribe rules or regulations that require purchasers of black powder under the exemption provided in section 845(a)(5) of this title to complete affidavits or forms attesting to that exemption.".

SEC. 107. TRANSPORTATION OF FIREARMS.

(a) IN GENERAL.—Chapter 44 of title 18, United States Code, is amended by inserting between section 926 and section 927 the following new section:

"§ 926A. Interstate transportation of firearms

"Any person not prohibited by this chapter from transporting, shipping, or receiving a firearm shall be entitled to transport an unloaded, not readily accessible firearm in interstate commerce notwithstanding any provision of any legislation enacted, or any rule or regulation prescribed by any State or political subdivision thereof.".

(b) CLERICAL AMENDMENT.—The table of sections for chapter 44 of title 18, United States Code, is amended by inserting between the item relating to section 926 and the item relating to section 927 the following new item:

"926A. Interstate transportation of firearms.".

SEC. 108. AMENDMENTS TO SECTION 929.

Section 929(a) of title 18, United States Code, is amended—

(1) by inserting "(1)" before "Whoever,";

(2) by striking out "violence" each place it appears and inserting in lieu thereof "violence or drug trafficking crime,"; and

(3) by adding at the end the following:

"(2) For purposes of this subsection, the term 'drug trafficking crime' means any felony violation of Federal law involving the distribution, manufacture, or importation of any controlled substance (as defined in section 102 of the Controlled Substances Act (21 U.S.C. 802)).".

SEC. 109. AMENDMENT OF NATIONAL FIREARMS ACT.

Section 5845(b) of the National Firearms Act (26 U.S.C. 5845(b)) is amended by striking out "any combination of parts designed and intended for use in converting a weapon into a machinegun," and inserting in lieu thereof "any part or combination of parts designed and intended solely and exclusively for use in converting a weapon into a machinegun,".

SEC. 110. EFFECTIVE DATE.

(a) IN GENERAL.—The amendments made by this Act shall become effective 180 days after the date of the enactment of this Act. Upon their becoming effective, the Secretary shall publish and provide to all licensees a compilation of the State laws and published ordinances of which licensees are presumed to have knowledge pursuant to chapter 44 of title 18, United States Code, as amended by this Act. All amendments to such State laws and published ordinances as contained in the aforementioned compilation shall be published in the Federal Register, revised annually, and furnished to each person licensed under chapter 44 of title 18, United States Code, as amended by this Act.

(b) PENDING ACTIONS, PETITIONS, AND APPELLATE PROCEEDINGS.—The amendments made by sections 103(6)(B), 105, and 107 of this Act shall be applicable to any action, petition, or appellate proceeding pending on the date of the enactment of this Act.

(By unanimous consent, Mr. VOLKMER was allowed to proceed for 5 additional minutes.)

The CHAIRMAN. The gentleman from Missouri [Mr. VOLKMER] is recognized for 10 minutes in support of his amendment.

Mr. VOLKMER. Mr. Chairman, I would like to take this time to briefly go over the provisions of the substitute so that the Members will be cognizant of what it does contain and that it does not contain other provisions that have been stated by the Members, such as provide felons or criminals with handguns.

To begin with, the first part is the definition. The definition, basically, is in the "engaged in business" definition. This definition was not arrived at easily. It was done through hard work by myself, Senator MCCLURE, the BATF, Justice Department, and Treasury Department. A long period of time has gone into this definition. This definition does not mean that terrorists can go out and get guns and provide guns to other people.

The definition does provide that those who are engaged in the business for a profit are those who should be licensed as dealers. It differs from the definition that is being promoted by the gentleman from New Jersey in his amendment to the substitute. In the amendment of the gentleman from New Jersey, you do not even have to sell a gun to have to be licensed. You merely have to trade a gun. And then if you go to trade a second gun, you are going to have to be licensed as a dealer. Therefore, if you, even as a hunter, sell to your neighbor or friend one of your shotguns, and the amendment says on a recurring basis—that means if I have other guns and that later on, in another 6 months or a year, I would like to trade my other shotgun or rifle or handgun to a fellow sportsman, that I would have to be licensed as a dealer.

Basically, what this means, to every sportsman here in the United States, if I want to protect myself from being prosecuted for dealing in weapons without a license, if we had the Hughes definition, that means that I would have to be registered as a dealer. And that means that every gun owner has to be registered as a dealer, that means that every gun owner is known to the BATF and we have an insidious way of registration of every gun in the United States. That is the definition of Mr. HUGHES.

I have talked to BATF about the two different definitions. They clearly state that the definition which they helped write, which is in our substitute, is far more superior to the definition of the gentleman from New Jersey.

Yes, we do provide, on interstate sale of firearms, for both rifles, shotguns, and handguns, but we do provide that they have to be face to face sales.

We also provide that they have to be in compliance—a person who purchases has to be in compliance with the laws of both States and local subdivisions thereof.

That means that no local law, no State law is being changed.

If a person from New Jersey goes to the State of Missouri to buy a handgun, he or she can only purchase that handgun, if they fully comply with all the laws of both New Jersey and the State of Missouri.

If New Jersey has a waiting period, that would have to be complied with.

It does not offer to felons or people who commit crimes any opportunity to get handguns that they do not have.

Some persons have said it means that a person can use a false or fictitious identification, and it would be easy to get a handgun. Well, you can do that today. If I have a driver's license, a Social Security number, and everything else, from another State, showing that I am a resident of that State, and I can get a gun today, it would not make any difference whether you do it in an interstate purchase or a local State purchase, if that is the case. This does not change or make it easier for felons to get handguns.

We also provide, as the Judiciary bill has copied from us, additional persons who are disqualified, along with persons who are felons, illegal aliens, dishonorably discharged veterans, and former citizens of the United States.

In that regard, I would like to point out, especially to the law enforcement people who are in the Capitol, that the bill that came out of the Judiciary Committee clearly states that any convicted felon can possess and receive a handgun.

Now, present law prohibits any convicted felon from possessing a handgun. Our bill prohibits any convicted felon from possessing a handgun. But the Judiciary Committee clearly states, on page 5 of that bill, that a convicted felon, a murderer, can possess a handgun.

Mr. HUGHES. Mr. Chairman, will the gentleman yield?

Mr. VOLKMER. I yield to the gentleman from New Jersey.

Mr. HUGHES. Mr. Chairman, as the gentleman knows, when the substitute, the Volkmer substitute, came out, it was discovered there were a number of technical drafting amendments needed to correct some of the inadvertent provisions of the Volkmer bill, and it may very well be that there is some ambiguity about the language in the substitute.

Would the gentleman agree to a unanimous-consent request to make the necessary conforming changes, the technical changes, that would eliminate that?

Mr. VOLKMER. The gentleman from New Jersey admits that his bill that came out of the Judiciary Committee does provide that a convicted felon can possess a handgun?

Mr. HUGHES. I am prepared to concede that that argument could be made. Just to clarify that, to make sure that that argument cannot be made, would the gentleman agree to a unanimous-consent request, to an amendment——

Mr. VOLKMER. I have no objection as long as the gentleman will not object to any that I may have later on, which I do not know of.

Mr. HUGHES. If the gentleman will yield further, I think we are both acting in good faith. We want to develop the very best bill that we can develop, whatever it is, to come out of this Congress; and in the spirit of trying to develop the very best bill, is the gentleman willing to do that?

Mr. VOLKMER. I said I would not object if you make that unanimous-consent request at the appropriate time.

Mr. HUGHES. If the gentleman has made some additional inadvertent mistakes, I think you will find that the gentleman on this side of the aisle would be very happy to accede to the gentleman's request.

Mr. VOLKMER. Continuing on, Mr. Chairman, we also limit the licensing of ammunition dealers because ammunition and recordkeeping for ammunition, BATF and most everybody agrees, there is just a waste of time because you cannot trace ammunition. We provide that a dealer, along with a private individual, presently, as long as it is not in the case of doing business, can sell from his private collection. The reason for that is that BATF has had an ambiguity as far as the reasons for requiring dealers to keep records on those. At one time BATF said that it was not necessary because they are no different than any other private individual. A lot of dealers are hunters and sportsmen, and they have their own guns that they use. We do put a provision in there that they cannot

sell any more than any other private individual can without being licensed. That means that under that they cannot sell whole carloads or truckloads of guns from their private collection, because that would be in violation of the law pertaining to private individuals, as they would be treated from selling from their private collection, and that means that the argument that would give people the right to sell a lot of weapons out of their private collection is wrong. People again just have not read the substitute.

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They do not understand it or they have not read it.

We provide for revocation of license for willful violations.

We provide for no civil proceedings to revoke if criminally charged and acquitted in civil proceedings based on the same evidence as criminal charges. This is because of some of the abuses that I have pointed out in prior years from BATF as necessary.

We provide for inspections. Today under the law there are no specific guidelines for inspection of records. We provide those, without a warrant, you can do it once a year for purely recordkeeping without notice.

During a criminal investigation for firearms tracing, we specifically provide that if any police officer or BATF needs to do it for firearms tracing, that they may inspect the records at any time.

We provide for requirements for inspection of license collectors records.

We provide for codifying, as the Senate bill, which is a good thing and it is good for law enforcement, multiple sales report requiring if a dealer sold two or more handguns within 5 business days and then there has to be an immediate report to BATF. That is not in the Judiciary bill at all.

We provide for out-of-business records to the Secretary to go to him so they can be used for tracing specifically in the legislation. Law enforcement can use those out-of-business records for purposes of tracing.

We provide, which the Judiciary Committee has also, for gun show sales. This language came basically from S. 49.

I would like to point out to the members of the committee that S. 49 could not have been all as bad as a lot of people put it, because some of the provisions of S. 49 are now contained in the Judiciary bill as well as my bill.

We provide for penalty provisions.

Mr. CHAIRMAN. The time of the gentleman from Missouri [Mr. VOLKMER] has expired.

(By unanimous consent, Mr. VOLKMER was allowed to proceed for 3 additional minutes.)

Mr. VOLKMER. We provide that violations by a dealer have to be willful when they are concerned with recordkeeping, and that all other violations for nonlicensed persons transporting constructive devices, et cetera, purchasers making false or fictitious oral or written statements or false I.D.'s to get guns or to get a license, knowingly making a false statement for records of gun purchases. Those are all knowing violations under our bill. They are not willful. But we are providing for willful violations when it comes to certain technical violations by the dealer.

Another thing I would like to point out in my limited time is that in the legislation, although we do provide for interstate transportation of firearms, you have got to remember that the firearms have to be inaccessible. I would like to point out and put it on the record at this time that inaccessible means not in the back seat or under the seat of a car. It means, as is stated in the Senate and in the Senate report when S. 49 was taken up there, that it has to be locked up and away. That means in a trunk or a glove compartment or somewhere where it cannot be readily accessible and it has to be unloaded. Therefore, it is not going to lead to a proliferation of guns being transported all over the country.

I would like to point out, too, that in States west of the Mississippi that this is more restrictive than our present State law. Our present State law is a lot less restrictive than this.

I can take today in my home State, I can take a gun and put it on the seat of my car and I can load it and I can drive all over my State and I can go all over the West with that same gun, interstate or anything else. Now, that is the present law.

What we have in our bill is more restrictive than that, but what we are trying to do is to permit other persons to be able to travel in States that they cannot presently do on lawful purposes and only for lawful citizens having guns to be able to make that interstate transportation.

I would like to point out, too, that when we were working on this, and I admit with many law enforcement groups, that I had been provided and I discussed in meetings with the Law Enforcement Steering Committee and some of my own from the State of Missouri, they said their principal objections to the bill are allowing the interstate sale of handguns.

All right, that is one that we have not corrected. We feel that it does not provide criminals access to guns.

They say that it would weaken current Federal law which imposes a 5- to 10-year mandatory prison term for use or possession of firearms in the commission of a violent felony. That was never in my bill. It is not in the substitute. It was never in H.R. 945. That is not in here. So that law enforcement concern is taken away.

And it would undermine the ability of law enforcement to trace thousands of weapons used in violent crimes every year. We have corrected that. That is taken away. It would prevent the identification and prosecution of unscrupulous gun dealers, requiring advance notice of every annual regulatory inspection. That is not true. That has been corrected in my substitute.

So really, out of those that I was given by the Law Enforcement Steering Committee, basically three out of four have been taken care of, and as many of us know on legislation, if you get that much, you should be happy, rather than trying to get everything.

The CHAIRMAN. The time of the gentleman from Missouri has again expired.

(At the request of Mr. MCCOLLUM, and by unanimous consent, Mr. VOLKMER was allowed to proceed for 2 additional minutes.)

Mr. McCOLLUM. Mr. Chairman, will the gentleman yield?

Mr. VOLKMER. Yes, I yield.

Mr. McCOLLUM. I would like to enter into a colloquy with the sponsor of this amendment, Mr. VOLKMER, regarding the meaning of the term "willfulness" as it appears in his amendment. My purpose is to clarify the congressional intent with regard to "willfulness." Is the gentleman agreeable?

Mr. VOLKMER. I am.

Mr. McCOLLUM. I would like to know if it is the gentleman's intent to imply the same meaning of the term "willfulness" that the other body intended. The Judiciary Committee in the other body filed a report on the predecessor of S. 49, the companion to your bill, H.R. 945, during the last Congress. In the Judiciary Report 98-583 on page 20, the Judiciary Committee of the other body stated:

> For purposes of 18 U.S.C. 924(a), the committee intends "willful" conduct to cover situations where the offender has actual cognizance of all of the facts necessary to constitute the offense, but not necessarily knowledge of the law.

Is this intent consistent with the gentleman's understanding of the meaning of the term "willful" in the gentleman's substitute?

Mr. VOLKMER. Yes, it is identical to the Senate meaning.

Mr. McCOLLUM. So by adopting the gentleman's language, the House will intend the same interpretation that the other body intends. I thank the gentleman from Missouri.

AMENDMENT OFFERED BY MR. VOLKMER TO THE AMENDMENT OFFERED BY MR. VOLKMER AS A SUBSTITUTE FOR THE JUDICIARY COMMITTEE AMENDMENT IN THE NATURE OF A SUBSTITUTE

Mr. VOLKMER. Mr. Chairman, I offer an amendment to the amendment offered as a substitute for the Judiciary Committee amendment in the nature of a substitute.

The Clerk read as follows:

Amendment offered by Mr. VOLKMER to the amendment offered by Mr. VOLKMER as a substitute for the Judiciary Committee amendment in the nature of a substitute: (1) In the Volkmer amendment (on page H1319 of the March 18, 1986, CONGRESSIONAL RECORD) following the amendments made to subsection 924(c) add the following new paragraph:

"(3) For purposes of this subsection the term 'crime of violence' means an offense that is a felony and—

"(A) has as an element the use, attempted use, or threatened use of physical force against the person or property of another, or

"(B) that by its nature, involves a substantial risk that physical force against the person or property of another may be used in the course of committing the offense.".

(2) (On page H1319 of the March 18, 1986, CONGRESSIONAL RECORD,) strike all amendments made to subsection 924(d) and insert in lieu thereof the following:

(3) by amending section (d) to read as follows:

"(d)(1) Any firearm or ammunition involved in or used in any knowing violation of subsection (a)(4), (a)(6), (f), (g), (h), (i), (j), or (k) of section 922, or knowing importation or bringing into the United States or any possession thereof any firearm or ammunition in violation of section 922(l), or knowing violation of section 924, or willful violation of any other provision of this chapter or any rule or regulation promulgated thereunder, or any violation of any other criminal law of the United States, or any firearm of ammunition intended to be used in any offense referred to in paragraph (3) of this subsection, where such intent is demonstrated by clear and convincing evidence, shall be subject to seizure and forfeiture, and all provisions of the Internal Revenue Code of 1954 relating to the seizure, forfeiture, and disposition of firearms, as defined in section 5845(a) of that Code, shall, so far as applicable, extend to seizures and forfeitures under the provisions of this chapter: *Provided*, That upon acquittal of the owner or possessor, or dismissal of the charges against him other than upon motion of the Government prior to trial, the seized firearms or ammunition shall be returned forthwith to the owner or possessor or to a person delegated by the owner or possessor unless the return of the firearms or ammunition would place the owner or possessor or his delegate in violation of law. Any action or proceeding for the forfeiture of firearms or ammunition shall be commenced within one hundred and twenty days of such seizure.

"(2)(A) In any action or proceeding for the return of firearms or ammunition seized under the provisions of this chapter, the court shall allow the prevailing party, other than the United States, a reasonable attorney's fee, and the United States shall be liable therefor.

"(B) In any other action or proceeding under the provisions of this chapter, the court, when it finds that such action was without foundation, or was initiated vexatiously, frivolously, or in bad faith, shall allow the prevailing party, other than the United States, a reasonable attorney's fee, and the United States shall be liable therefor.

"(C) Only those firearms or quantities of ammunition particularly named and individually identified as involved in or used in any violation of the provisions of this chapter or any rule or regulation issued thereunder, or any other criminal law of the United States, or as intended to be used in any offense referred to in paragraph (3) of this subsection, where such intent is demonstrated by clear and convincing evidence, shall be subject to seizure, forfeiture, and disposition.

"(D) The United States shall be liable for attorneys' fees under this paragraph only to the extend provided in advance by appropriation Acts.".

"(3) The offenses referred to in paragraph (1) and (2)(C) of this subsection are—

"(A) any crime of violence, as that term is defined in section 924(c)(3) of this title;

"(B) any offense punishable under the Controlled Substances Act (21 U.S.C. 801 et seq.) or the Controlled Substances Import and Export Act (21 U.S.C. 951 et seq.);

"(C) any offense described in section 922(a)(1), 922(a)(3), 922(a)(5), or 922(b)(3) of this title, where the firearm or ammunition intended to be used in any such offense is involved in a pattern of activities which includes a violation of any offense described in section 922(a)(1), 922(a)(3), 922(a)(5),or 922(b)(3) of this title;

"(D) any offense described in section 922(d) of this title where the firearm or ammunition is intended to be used in such offense by the tranferor of such firearm or ammunition;

"(E) any offense described in section 922(i), 922(j), 922(l), 922(n), or 924(b) of this title; and

"(F) any offense which may be prosecuted in a court of the United States which involves the exportation of firearms or ammunition."; and

Mr. VOLKMER (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The CHAIRMAN. The Chair would inquire of the gentleman, is the gentleman's amendment the one printed in the RECORD?

Mr. VOLKMER. That is correct, Mr. Chairman.

The CHAIRMAN. The gentleman from Missouri [Mr. VOLKMER] is recognized for 5 minutes in support of his amendment.

Mr. VOLKMER. Mr. Chairman, this is basically a technical amendment. At the time of the drafting of the substitute we were taking provisions from H.R. 945 and other provisions from S. 49. The provision in regard to use of weapons, firearms, et cetera, the definition that was taken in the substitute was inadvertently taken by the staff and by the legislative counsel from the old provisions, what we call the old provisions under H.R. 945, when they were supposed to be taken from S. 49.

The language in S. 49 had been worked out in conjunction with the Bureau of Alcohol, Tobacco and Firearms, and the Department of the Treasury and was agreeable to them, while the language in H.R. 945 was not.

The specific provision that was required by the BATF was to say that any firearm or ammunition intended to be used in any offense referred to in paragraph 3 of this section where such intent is demonstrated by clear and convincing evidence.

We have agreed to this language. It was originally intended to be in the substitute, but as I say, was inadvertently omitted in the drafting of the substitute.

If there are no questions, I move the adoption of the amendment.

Mr. HUGHES. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I wonder if I could get the gentleman's attention. I really do not have any intent to oppose the technical amendment, but I just want to question the gentleman.

Mr. VOLKMER. Yes.

Mr. HUGHES. It was the gentleman's intent, I presume from his explanation, to have included these provisions in the original bill and inadvertently they were not.

Mr. VOLKMER. That is correct.

Mr. HUGHES. I see.

Mr. VOLKMER. Not in the original bill as introduced, but in the substitute as introduced for the CONGRESSIONAL RECORD.

Mr. HUGHES. The way I read the definition of the crime of violence provision, it would seem to only apply to felony crimes of violence and not to all of the crimes of violence, which are defined in the first category of the code. Is that the gentleman's intent?

A crime of violence is interpreted under the United States Code in title 18, section 16, as (A) an offense that has as an element, the attempted use or threatened use of physical force against the personal property of another, or (B) any other offense that is a felony and that by its nature involves a substantial risk of physical force against the person or property of another may be used in the course of committing an offense.

If I read that correctly, the gentleman basically is just limiting this to crimes of violence involving felonies.

Mr. VOLKMER. This is for the purpose of confiscation of firearms and ammunition when it has been used in a felony or intended to be used or in violation of certain provisions of the Gun Control Act.

Mr. HUGHES. So the gentleman would not require a forfeiture of nonfelony types of crimes of violence, in other words?

Mr. VOLKMER. Well, the definition is one that has been agreed to by the Department of the Treasury. They helped write it. They are the ones that wanted it in the legislation, rather than what we had before.

I would say if the gentleman has a disagreement, he should discuss it with them.

Mr. HUGHES. No, no. I have no disagreement with anybody. I am just trying to clarify just what it does. It seems to me that what the gentleman is doing is watering down those areas where forfeiture can attach. It also undermines the mandatory prison term for using or carrying a firearm during and in relation to a crime of violence.

In other words, if in fact the police in investigating, prosecuting, and convicting individuals of nonviolent felony offenses, forfeiture would not lie under the gentleman's provision.

Mr. VOLKMER. If it is a nonviolent—does the gentleman mean a felony that is——

Mr. HUGHES. Let me read it. There is a whole category of crimes of violence in title 18 which the gentleman would seem to deny forfeiture, and I am talking about offenses that have as an element the use or attempted use or threatened use of physical force against the person or property of another. That whole category would be excluded from the gentleman's definition of crime or violence.

Mr. VOLKMER. I understand those types of things can also be felonies.

Mr. HUGHES. No; not in your amendment, because it is the second category in current law that is the only part limited to felonies. Any other offense, that is in category (B) that is a felony and that by its nature involves a substantial risk of physical force against the person or property of another may be used in the course of committing the offense.

The effect, I think, of the gentleman's amendment essentially is a watering down of existing law—we are going to deny to the law enforcement community the opportunity to forfeit weapons that are intended to be used in acts of violence where they do not amount to a felony violation.

Mr. VOLKMER. Well, all I have to say to the gentleman is that this is the language that has been agreed to again by the law enforcement body that enforces the Gun Control Act of 1968, the BATF.

Mr. HUGHES. Let me just ask also, if I understand it, the gentleman substitutes the S. 49 forfeiture provisions for the H.R. 945 forfeiture provisions.

Mr. VOLKMER. That is correct.

Mr. HUGHES. And both provisions, if I understand it, narrow the forfeiture for firearms that are intended to be used to commit a Federal crime.

Mr. VOLKMER. It does not narrow it. As originally used, it did not have it intended before.

Mr. HUGHES. Well, originally it did not allow for the forfeiture of such firearms.

Mr. VOLKMER. That is correct, but this does.

Mr. HUGHES. It seems to me that the gentleman would not be permitting a forfeiture of firearms if it was intended to be used in the commission of such crimes as espionage, smuggling, money laundering, labor racketeering, among others. Is my reading of that correct?

Mr. VOLKMER. Well, if it is through any of the violations listed.

Mr. HUGHES. Well, why would we not want to permit the forfeiture of weapons used——

Mr. VOLKMER. I disagree. It says or any violation of any other criminal law in the United States.

Mr. HUGHES. No, it does not with respect to this provision.

Mr. VOLKMER. Well, let me see. It says any firearm willful violation of any other provision of this chapter or any rule or regulation promulgated thereunder or any violation of any other criminal law of the United States.

The CHAIRMAN. The time of the gentleman from New Jersey has expired.

(By unanimous consent, Mr. HUGHES was allowed to proceed for 2 additional minutes.)

Mr. HUGHES. It would seem to me from a reading, and it may be inadvertent, that we would be eliminating such offenses as espionage.

Mr. VOLKMER. Well, I do not believe that espionage is, because it says if used in any violation of any other criminal law in the United States and that would include even the nonfelonies. That is specifically in the amendment and it specifically says that any firearm or ammunition involved in or used in any knowing violation, et cetera, or willful violation of any other provision of this chapter or any rule or regulation promulgated thereunder or any violation of any other criminal law in the United States.

Mr. HUGHES. And it goes on to read, or any firearm or ammunition intended to be used in any offense referred to in paragraph (3). And that paragraph is very limited—it does not include most Federal crimes.

Well, I just point out that I am not going to object. It just may be that we have some language problems. It may be once again that that is not the gentleman's intent. I would have no objection to the gentleman offering clarifying language or making technical amendments, if in fact that is what is needed to change it, but the gentleman's intent is to cover all the offenses I have enumerated.

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Mr. VOLKMER. That is correct.

Mr. HUGHES. And that includes also violent offenses that are nonfelonies?

Mr. VOLKMER. That is correct; as long as it is a criminal violation of a criminal law.

Mr. HUGHES. That would require, I would think, some technical amendment.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN pro tempore (Mr. BIAGGI). The question is on the amendment offered by the gentleman from Missouri [Mr. VOLKMER] to the amendment offered by the gentleman from Missouri [Mr. VOLKMER] as a substitute for the Judiciary Committee amendment in the nature of a substitute.

The amendment to the amendment offered as a substitute for the Judiciary Committee amendment in the nature of a substitute was agreed to.

AMENDMENT OFFERED BY MR. HUGHES TO THE JUDICIARY COMMITTEE AMENDMENT IN THE NATURE OF A SUBSTITUTE

Mr. HUGHES. Mr. Chairman, I ask unanimous consent to offer a technical clarifying amendment to correct a deficiency in a section of the bill dealing with qualified and unqualified persons to own weapons.

The gentleman from Missouri [Mr. VOLKMER] has, I think, rightfully brought to our attention that inadvertently there might have been some language in the bill that would modify current law with regard to certain individuals in the disqualified class of individuals who can own, possess, and use weapons.

The Clerk read as follows:

Amendment offered by Mr. HUGHES to the Judiciary Committee amendment in the nature of a substitute:

Page 5, beginning in line 3, strike out ", or has been convicted in any court of,".

Page 5, beginning in line 10, strike out ", or has been convicted in any court of,".

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from New Jersey [Mr. HUGHES]?

There was no objection.

Mr. HUGHES. Mr. Chairman, this is very simple. I am not going to spend a lot of time on it. It is a technical clarifying amendment.

It was never intended by the committee to add the words "or has been convicted in any court" in addition to "under indictment."

I would ask my colleagues to support the amendment.

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentleman from New Jersey [Mr. HUGHES] to the Judiciary Committee amendment in the nature of a substitute.

The amendment to the Judiciary Committee amendment in the nature of a substitute was agreed to.

AMENDMENT OFFERED BY MR. HUGHES TO THE AMENDMENT AS AMENDED BY MR. VOLKMER AS A SUBSTITUTE FOR THE JUDICIARY COMMITTEE AMENDMENT IN THE NATURE OF A SUBSTITUTE, AS AMENDED.

Mr. HUGHES. Mr. Chairman, I offer amendments to the amendment, as amended, offered as a substitute for the Judiciary Committee amendment

in the nature of a substitute, as amended.

The CHAIRMAN pro tempore. Have the gentleman's amendments been printed in the RECORD?

Mr. HUGHES. The amendments have been printed in the RECORD, Mr. Chairman.

The Clerk read as follows:

Amendments offered by Mr. HUGHES to the amendment, as amended, offered by Mr. VOLKMER as a substitute for the Judiciary Committee amendment in the nature of a substitute, as amended: Page 3, strike out line 19 and all that follows through line 16 on page 5 and insert in lieu thereof the following:

"(21) The term 'engaged in the business', with respect to an activity, means devoting time, attention, and labor to that activity on a recurring basis, and for that purpose maintaining firearms on hand or being willing and able to procure firearms, but such term does not include the sale by the owner of a personal collection in connection with liquidation of such a collection.".

Page 11, after line 22, insert the following:

(5) Section 923(d)(1)(E)(i) of title 18, United States Code, is amended—

(A) by striking out "conducts" and inserting "engages in" in lieu thereof; and

(B) by striking out "conduct" and inserting "engage in" in lieu thereof.

Redesignate succeeding paragraphs accordingly.

Page 7, line 10, strike out "shall not apply" and all that follows through "firearms)" in line 2 on page 8, and insert in lieu thereof the following: "Shall not apply to the sale or delivery of any rifle or shotgun to a resident of a State other than a State in which the licensee's place of business is located if the transferee meets in person with the transferor to accomplish the transfer, and the sale, delivery, and receipt fully comply with the legal conditions of sale in both such States (and any licensed manufacturer, importer or dealer shall be presumed, for purposes of this subparagraph, in the absence of evidence to the contrary, to have had actual knowledge of the State laws and published ordinances of both States)".

Page 11, strike out line 9 and all that follows through line 22 and redesignate succeeding paragraphs accordingly.

Page 11, strike out line 23 and all that follows through line 24 and redesignate succeeding paragraphs accordingly.

Page 14, beginning in line 3, strike out "of a person" and all that follows through "licensee" in line 4.

Page 14, line 6, strike out "once" and insert "twice" in lieu thereof.

Page 14, line 7, insert ", unless the Secretary or the Director of the Bureau of Alcohol, Tobacco, and Firearms approves such application" after "period".

Page 14, line 10, strike out "in the course" and all that follows through "investigation" in line 11.

Page 13, line 25, strike out "or".

Page 14, line 1, insert ", or a licensed collector" after "dealer".

Page 14, strike out line 12 and all that follows through line 21 and redesignate succeeding subparagraphs accordingly.

Page 19, line 15, strike out "willfully" and inserting "knowingly" in lieu thereof.

Page 26, strike out line 16 and all that follows through the matter immediately following line 5 on page 27 and insert in lieu thereof the following:

SEC. 108. INTERSTATE TRANSPORT OF RIFLES AND SHOTGUNS.

Section 927 of title 18, United States Code, is amended—

(1) by inserting "(a) before "No"; and

(2) by adding at the end the following:

"(b) Notwithstanding any provision of State or local law to the contrary, any individual may transport any secured shotgun or secured rifle from such individual's place of origin to any destination State if—

"(1) such transport is—

"(A) incident to the change of the individual's State of residence; or

"(B) for the purpose of lawful participation in, or returning from lawful participation in—

"(i) hunting;

"(ii) a shooting match or contest; or

"(iii) any other lawful sporting activity; and

"(2) the individual may lawfully transport and possess such shotgun or rifle—

"(A) in the individual's place of origin, the destination State, and the destination political subdivision of the destination State; and

"(B) under Federal law.

"(c) For purposes of subsection (b)—

"(1) a rifle or shotgun is secured if the rifle or shotgun—

"(A) is enclosed or cased;

"(B) is not readily accessible; and

"(C) is not loaded with ammunition; and

"(2) the term 'place of origin' means—

"(A) in the case of a change of residence, the State and political subdivision thereof from which residence is changed; and

"(B) in any other case, the State and political subdivision thereof in which the possession or transport of the rifle or shotgun begins.".

Page 27, beginning in line 23, strike out "part" and all that follows through "exclusively" in line 1 on page 28 and insert in lieu thereof "part designed and intended solely and exclusively, or combination of parts designed and intended,".

Page 10, line 5, strike out "and".

Page 10, line 12, strike out the final period and insert "; and" in lieu thereof.

Page 10, after line 12, insert the following:

(9) by inserting after the subsection added by paragraph (8) of this section the following:

"(o)(1) Except as provided in paragraph (2), it shall be unlawful for any person to transfer or possess a firearm silencer.

"(2) This subsection does not apply with respect to—

"(A) a transfer to or by, or possession by or under the authority of, the United States or any department or agency thereof or a State, or a department, agency, or political subdivision thereof; or

"(B) any lawful transfer or lawful possession of a firearm silencer that was lawfully possessed before the date this subsection takes effect.".

Page 28, after line 20 insert the following:

(c) PROHIBITION ON FIREARM SILENCERS.—Section 102(9) shall take effect on the date of the enactment of this Act.

Page 2, strike out line 16 and all that follows through line 21 and redesignate succeeding paragraphs accordingly.

Page 6, strike out line 3 and all that follows through line 16 and redesignate succeeding paragraphs accordingly.

Page 6, beginning in line 17, strike out "(2)" and all that follows through line 22 and insert in lieu thereof the following: "(2), by striking out 'or licensed dealer for the sole purpose of repair or customizing;' and inserting in lieu thereof "licensed dealer, or licensed collector;';".

Page 7, strike out line 5 and all that follows through line 6 and redesignate succeeding subparagraphs accordingly.

Page 8, line 4, insert "and" after the semicolon.

Page 8, strike out line 8 and all that follows through line 12.

Page 10, line 19, strike out ", or importing or manufacturing" and insert "or" in lieu thereof.

Page 11, strike out line 2 and all that follows through line 4 and redesignate succeeding paragraphs accordingly.

Page 13, line 1, insert ", ammunition (other than armor-piercing ammunition) in transactions involving 1,000 rounds or more, and armor-piercing ammunition," after "firearms".

Mr. HUGHES (during the reading). Mr. Chairman, I ask unanimous consent that the amendments be considered as read and printed in the RECORD.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. HUGHES. Mr. Chairman, this is an amendment that looks at the Volkmer-NRA bill and tries to address the basic, core concerns that makes the NRA bill so revolting to the law enforcement community of the United States.

The vote on this amendment may be the most important vote we cast on this particular bill. Adoption of this amendment will not make the NRA bill a balanced bill, or even a sound piece of legislation, in my judgment. It is, however, an amendment that will remove the label of "Cop Killer Legislation" that police organizations of this country have placed on the NRA bill.

It is an amendment that will allow the hundreds of police officers gathered here in the Capitol today and the thousands of other police officers who have raised their voices in outrage against the legislation to return home without a bitter message that the House of Representatives has turned its back on them. They will not have to go home in bewilderment and disbelief to report that their elected Representatives slammed the door in the face of law enforcement in order to blindly proclaim their allegiance to a ruthless and uncompromising special-interest group.

Let me describe for my colleagues briefly, if I might, the features of the amendment.

First, no interstate sale of handguns. This addresses the provision in the NRA bill that the police call the Cop Killer provision. They are convinced that this provision, more than any other, will permit felons and other disqualified persons to get guns. Proponents of permitting interstate sale of handguns argue that if the sale is legal in the purchaser's State of residence, and in the State of the sale, what is wrong with this?

What is wrong is that it ignores reality. Dealers cannot possibly keep abreast of the tens of thousands of gun laws throughout the country, as well as the court interpretations. Here is the BATF's most recent compilation of State and local firearms purchase laws. Is that what the dealers are supposed to know? I do not think so. Two hundred and twenty-five pages of what is literally fine print is what we send out to dealers. The task of keeping abreast of these laws is very difficult, if not impossible. In fact, the administration just recently asked Congress to repeal the requirement that this annual compilation be prepared for the use of dealers. They say it is impossible for even the enforcement agencies to keep up with the ever-changing laws throughout the country.

The use of false identification by disqualified persons would be certain to increase greatly, since even the most scrupulous dealer cannot be expected to be familiar with the appearance of typical ID documents far distant from their States.

My amendment adopts a position approved by a 35 to 0 vote of the Committee on the Judiciary. Interstate sale of rifles and shotguns is permitted, but not handguns.

There is no preemption of State and local handgun laws. This, in my view, is the single most objectionable provision of the Volkmer bill. We must strike out the provisions in the Volkmer bill which effectively undermine hundreds if not thousands of State and local laws restricting the possession and carrying of handguns. These laws are wiped out, because the NRA bill says if you are legal under Federal law, and if you are traveling in interstate commerce, Federal law now says you can thumb your nose at State and local laws.

Some of my colleagues may think this is merely the hunters' exception, a special rule to allow hunters to take their guns when they hunt in another State. Unfortunately, it is not limited to hunting or sporting purposes, and it is not even limited to crossing State lines. A person can carry a handgun, for any reasons he chooses, or none at all, so long as he claims to be in interstate commerce. Any motorist stopped on an interstate highway could claim to be headed out of the State. Any person who is on a State highway indicating he is traveling to another State can claim he is in interstate commerce.

Unlike the Judiciary Committee bill, the NRA bill could preempt even the State and local laws of the home of such a person. It could also make it legal to carry a gun from a State where it is illegal into another State where it is illegal. For example, in New Jersey it is illegal under most circumstances to transport a handgun without a permit. In New York, one must have a license. Yet a person, regardless of whether they were New Yorkers or Jerseyites or Floridians or Sandinistas or whatever could travel legally through or into either State as a result of the NRA override provisions. "Not to worry," we are told, because handguns have to be unloaded and not readily accessible. However one can, in a very few seconds, pull a pistol from its position of inaccessibility, in the glove compartment, in a briefcase behind the seat, take an ammunition clip from one's coat pocket, and insert it in the pistol and be ready for a freeway fireaway fight.

I appeal to my colleagues not to approve this assault upon federalism and upon State and local laws. I appeal particularly to those of you who are NRA members and NRA supporters.

The CHAIRMAN pro tempore. The time of the gentleman from New Jersey [Mr. HUGHES] has expired.

(On request of Mr. SMITH of Florida and by unanimous consent, Mr. HUGHES was allowed to proceed for 5 additional minutes.)

Mr. HUGHES. Mr. Chairman, the NRA has always fought against Federal licensing of gun owners. This is Federal licensing, ironically, of every handgun owner to ignore all State and local laws restricting carrying of handguns in their cars and luggage.

As they need to do in order to bask in Federal immunity, all they have to do is to carry, along with their handgun, enough money for a couple tanks of gas, a AAA map showing the route to the State line, and maybe for good measure an "I Love New York" or "Seven Flags Over Georgia" bumper stickers.

This issue here is not whether Federal law should prohibit citizens generally from carrying handguns in glove compartments and trunks of their cars as they drive on interstate highways or State highways heading for other States, or in their luggage as they travel on public conveyances. Federal law does not even address these questions, except to prohibit a few, narrow classes of persons, felons, dope addicts, mental incompetents and the like from owning guns.

When must a person be licensed to own a handgun? When, where and how may one carry a handgun when one travels about in one's car or in public? Are short-barreled handguns, which are readily concealable, to be treated the same as larger, less concealable handguns?

These are all matters which, until the Volkmer-NRA bill surfaced, were left to State and local discretion. We are going to change all that. We are now going to have a new, overriding Federal law to deal with handgun transportation and sale.

□ 1450

It is interesting in this context to note that the NRA attacks a relatively minor provision in the Judiciary Committee bill, one which provides that BATF should not grant a dealer's license to a person it knows to be disqualified under State law. The NRA claims this would involve BATF in interpreting local zoning laws, and that this is poor federalism.

Is it for the Congress to come in via the back door, I should say the back seat, not to legislate positively, but to override in the most heavy-handed way decisions we have always left to local and State jurisdictions?

My amendment limits Federal override of State and local laws in three ways: First, no override of handgun restrictions; second, preemption only of laws of States being transited, not of a person's home State and not of a destination State; and third, purposes for which one may lawfully transport long guns under Federal protection are limited to lawful sporting activities.

There is no major loophole for illegal and untraceable traffic in firearms in the so-called Hughes legislation. However, there is in the Volkmer legislation. Currently, anyone who deals in firearms must be licensed and keep records for tracing weapons used in crimes. The Volkmer-NRA bill would drop this requirement for part-time, marginal dealers. It would provide that a person who sells guns as a sideline, without it being a "principal objective of livelihood and profit," does not have to have a license or keep records. It is precisely these dealers who sell guns out of their garages and the trunks of their cars, not the legitimate storefront dealers, who commit most dealer violations.

The Justice Department listed this provision first in a group of four most objectionable features of the bill, the Volkmer bill. The Department stated and I quote: "* * * restricting the term 'engaged in the business' to one who manufactures or deals in firearms, as a 'regular course of trade or business,' even if this includes a part-time business, would in our view, either remove controls from significant suppliers of underworld weapons or at best invite unnecessary litigation."

The Justice Department has strongly objected to this provision in the past, fearing it might "remove controls from significant suppliers of underworld weapons."

In the view of the Treasury Department, which enforces the gun laws, this provision of the Volkmer bill might permit unrestricted and unrecorded sales of guns by persons sympathetic to the causes of terrorist groups around the country. The loophole is the sympathizer's claim that he was not interested in profit, but only in

supporting the terrorist causes. And he made no money on it, that it was not a part of the trafficking for pecuniary gain.

Similarly, a machinist turning out a few assassination rifles a month in his garage workshop could likely do so without complying with the requirements applicable to manufacturers of firearms under the Volkmer bill. Is that what you really want?

My amendment adopts a working definition of when one is engaged in the gun business developed and applied by several Federal courts.

The CHAIRMAN pro tempore. The time of the gentleman from New Jersey [Mr. HUGHES] has expired.

(By unanimous consent, Mr. HUGHES was allowed to proceed for 5 additional minutes.)

Mr. HUGHES. It has been said here often today that the definition of a dealer in the law enforcement amendment would, in fact, open up the floodgates and would require everybody to become a dealer that is buying and selling more than two weapons. That is nonsense.

We have taken basically the Fifth Circuit U.S. Court of Appeals definition of dealer. And we have endeavored to fashion that into something that is coherent and rational and that is what we have in the legislation. Unlike the Volkmer bill, which has a massive loophole in that it is based on the subjective motives of the dealer, my amendment provides an objective standard. It provides that a person must maintain guns on hand or be ready and able to obtain them for sale. It excludes one-time sales. There must be recurring sales, and the individual must commit time and energy to the trafficking of weapons to qualify, and, of course, there is an exception to allow a person to liquidate a personal collection of guns without having a license or risking being charged with a violation of law.

Fourth, we permit no backdoor sales by gun dealers. The Volkmer bill would allow a licensed dealer to transfer guns from his business inventory to a personal collection and later sell them without recordkeeping or compliance. My amendment maintains present law. That means that the quarter of a million gun dealers out there who do not have a storefront, who operate out of their home, will be able to transfer hundreds of weapons out of their personal collection. They can sell any number of guns that they want out of their personal collection and not keep any records. That means that they are selling untraceable weapons when that occurs.

The Justice Department has rightfully and strongly opposed this provision, stating that it would provide "a too-convenient source of guns for a person under a firearms disability or for a person wanting an untraceable gun for use in a crime."

Fifth, we knock out the provisions that elevate gun dealers to a privileged class status. Under the guise of correcting alleged past discriminatory treatment of gun dealers, the NRA bill, in a number of ways, places gun dealers and collectors in a special privileged status before the law.

The amendment is directed at the single most damaging of these, the requirement in the Volkmer bill that dealers can be found guilty of violating the law only if they "willfully" break the law. This is more than a mere technicality, I say to my colleagues. The NRA has made it clear that the purpose of creating this privileged class is to make it next to impossible to convict dealers, particularly those who engage in business without acquiring a license, because the prosecution would have to show that the dealer was personally aware of every detail of the law, and that he made a conscious decision to violate the law. We do not do that for any other class that I am aware of. A pharmacist who sells prescription drugs illicitly and violates the controlled substances laws of this country does not face that kind of a standard. We are going to carve out a special place in the law for gun dealers, more than those who are peddling pills to the kids, and who are convicted of diverting licit drugs, prescription drugs, into illicit markets, and we are going to treat gun dealers differently.

I have seen television interviews with NRA spokesmen in which they attempt to justify this provision by stating that "under current law, you do not have to prove intent to convict a dealer." That is totally false. The general rule in American law is that one must know that he is committing the conduct which is made a crime or that he must intend to commit the conduct, or intend to commit the act and the consequences of the act. It is not necessary that he knew that what he was doing was against the law. In this respect, the old cliche "ignorance of the law is no excuse" is accurate. The committee's bill retains the normal rules for everyone. Under the NRA bill, a dealer would practically have to sign a statement saying that, before committing the crime, he had studied the law, knew that what he had in mind was illegal, and did his damnedest to make sure he violated the law. Terrorists may make such proclamations, but most offenders, gun dealers included, do not. And we are not talking about the overwhelming majority of gun dealers, because they are honest, law-abiding citizens. We are talking about the people that are diverting weapons by the hundreds and thousands to the illicit market. The normal rules, not the NRA rules, should apply.

If such a proposal for handcuffing prosecutors came from the American Civil Liberties Union, it would be hooted down as coddling criminals. It should be firmly rejected now when advanced by the NRA.

In the area of silencers, silencers have no sporting purpose.

The CHAIRMAN pro tempore. The time of the gentleman from New Jersey [Mr. HUGHES] has again expired.

(By unanimous consent, Mr. HUGHES was allowed to proceed for 5 additional minutes.)

Mr. HUGHES. Mr. Chairman, will somebody, will somebody in this Chamber please come forward and tell me, if they would, what sporting value silencers have? Why do people need silencers? The silencer is a contract murder weapon. We find it increasingly in parts of our country in the hands of drug traffickers and organized crime figures. Who in the world needs a silencer? Why would the NRA oppose a ban on silencers? I do not understand it, I really do not.

What we do is we attempt to ban silencers, and one of the law enforcement provisions is directed at silencers.

Mr. VOLKMER. Mr. Chairman, will the gentleman yield?

Mr. HUGHES. I will be happy to yield to the gentleman from Missouri.

Mr. VOLKMER. I would just like to inquire if the gentleman knows it is presently against the law, a violation, a felony to have a silencer unless it is registered?

Mr. HUGHES. It is against the law if it is unregistered, but you can get a silencer if you can register it.

Mr. VOLKMER. Not everybody can register. Does the gentleman know what you have to go through to get a registration for a silencer?

Mr. HUGHES. I say to the gentleman that I am very familiar with it, and we oversee on our subcommittee the activities of the Bureau of Alcohol, Tobacco and Firearms.

Mr. VOLKMER. You have to have a full background check, and you have to have fingerprints and identification.

Mr. HUGHES. I will say to the gentleman that indeed we on this Subcommittee on Crime do oversee the operations of the Bureau of Alcohol, Tobacco and Firearms, and frankly, we know the silencer procedures as have been authorized by law, and that they have to go through fingerprinting, and there is a record check and the gentleman is correct.

But my question is: Is the gentleman opposed to banning silencers?

Mr. VOLKMER. I am just saying does the gentleman realize——

Mr. HUGHES. Let me ask you, is the gentleman saying that he is opposed to banning silencers?

Mr. VOLKMER. I am trying to point out to the gentleman that by banning silencers, you are not going to stop one crime, you are not going to prevent one crime.

Mr. HUGHES. Is the gentleman opposed to banning silencers?

Mr. VOLKMER. I am not saying. I am just saying that you are not going to stop one crime, because not one crime that has ever been committed in the United States with a silencer has been committed with a registered one, not one. I have the statement of the BATF, and I will use it.

Mr. HUGHES. I want to say to my colleague that we have an increasing number of silencers, and we have silencer kits. We have do-it-yourself kits at home to build your silencers, and that is the next point. We are trying to ban conversion parts for machine guns, conversion kits for silencers. As the gentleman knows, you can read in publications today all kinds of silencer kits. Who in the world would be opposed to banning silencer kits? We are trying to address silencers and silencer kits and conversion parts for machineguns. The Volkmer bill creates loopholes for underworld gunsmiths converting semiautomatic weapons into machineguns. It amends the existing ban on machinegun kits to add language exempting these kits from the ban unless the kits are intended "solely and exclusively" for converting semiautomatic weapons to fully automatic weapons. We need to close that loophole.

In the area of unannounced inspections of dealers and criminal investigations, the Volkmer bill limits unannounced inspection of gun dealers to one per year, and limits other inspections of dealers' records in the course of normal criminal investigation. Police have been quick to point out that the one-per-year provision creates an opportunity for an unscrupulous dealer to ignore the law once he has had his single inspection. The amendment would permit two such inspections, the amendment we are offering would permit two such inspections per year, and would remove the language of the Volkmer bill barring even a normal criminal investigation of a gun dealer.

Like the Judiciary Committee bill, the amendment would allow additional unannounced inspections only if the Secretary of the Treasury or the Director of the Bureau of Alcohol, Tobacco and Firearms personally approves the inspection.

In the area of armor-piercing ammunition, the Volkmer bill opens up ammunition sales to anyone, no license is necessary. All that is required is that if a license sells armor-piercing ammunition, a record must be kept. This does nothing to protect against sales or armor-piercing ammunition. The amendment maintains current law requiring that ammunition be sold only by licensees and that they keep records of armor-piercing ammunition sales and transactions of more than 1,000 rounds. I think it is important for the Government to know if we have somebody buying 50,000 rounds of ammunition. I think it is important for us to know. We have decontrolled over 1,000 rounds. I think that that is a fair and a rational compromise.

I say to my colleagues that the provisions that I have described are extremely important to the bill. Recordkeeping is essential. Do not permit Pandora's box to be opened up by permitting the back-door sale of firearms or a change in definition to permit people to buy and sell and profit in firearms as long as it is not for their primary source of income or for profit. There are so many groups in this country that are purchasing weapons of all kinds where the motive is not for profit, and it is that the police amendment package is directed to.

It is a good amendment. It is a basic amendment. It is an amendment that you can support. It is an amendment directed to the Volkmer bill. It perfects many of the provisions in the Volkmer bill, and I think it is important for us to support the police on what is their bottom line in making the Volkmer bill at least acceptable to the police of this country.

The CHAIRMAN. The time of the gentleman from New Jersey [Mr. HUGHES] has again expired.

(On request of Mr. RODINO and by unanimous consent, Mr. HUGHES was allowed to proceed for 3 additional minutes.)

Mr. RODINO. Mr. Chairman, will the gentleman yield?

Mr. HUGHES. I am happy to yield to the gentleman from New Jersey.

□ 1505

Mr. RODINO. I merely want to first of all commend the gentleman for offering this amendment, but more importantly, I think that it would be important for him, as a former prosecutor, as one who has drafted this legislation, to show the significance of the change that you have brought about in the provision whereby under the Volkmer amendment, the gun dealer would be given a privileged status in that there would have to be proof of a willful state of mind.

Mr. HUGHES. The gentleman is absolutely right. There is no other provision I am aware of. I cited the example of controlled substances offenses. As the gentleman knows, the drug laws fall within our committee's jurisdiction. We oversee both the Bureau of Alcohol, Tobacco and Firearms and the Drug Enforcement Administration.

The Drug Enforcement Administration has responsibility for overseeing the pharmacists and the doctors around the country where unfortunately we see a tremendous diversion of prescription drugs into the illicit market by a dishonest few.

We are giving gun dealers a privileged status. We do not require that kind of proof when we prosecute somebody who is diverting these pills to youngsters that are found on our schoolyards today, and we are requiring, as I indicated, a dealer to know what the law is, every detail of the law, but that he intended to violate the law. I mean, it would be a prosecutor's nightmare. And for the defense attorneys, they would have a field day—knowing how easy it is to frustrate that kind of a standard.

I shudder to think what would occur if, in fact, we elevated gun dealers to this privileged status. So I share the gentleman's concern.

Mr. RODINO. Again, I want to thank the gentleman for offering this amendment. It does not go as far as I would have liked. I would have preferred we have a waiting period so that there would be a complete check of prospective handgun purchasers. But in the interests of trying to gain a consensus and knowing how important it was to strengthen this provision rather than to weaken it, as Volkmer does, I think we have got to support the gentleman.

Mr. HUGHES. Something else I find interesting, I say to the Chairman. I heard Members get up here on the floor and make the statement that the 1968 gun control has not worked; that only the crooks have been affected; that basically they are the only ones who benefit from it. The law-abiding people have not benefited; "Look at the increase in crime," they say.

That is like saying, because we have a far more serious epidemic of drug crime today than we ever had before we ought to begin to dismantle all the drug enforcement laws and the new asset forfeiture provisions we have created to aid law enforcement, the new penalty provisions we have created, or the wiretap provisions we have provided for financial investigations to find the assets of drug traffickers and organized crime—I mean, what would the crime rate have been and the numbers of victims of drug abuse if we did not have these protections or these laws?

The fact of the matter is that the argument that there is still a serious problem of violent crime just turns logic right on its head because in the final analysis, nobody can say what would be the case today if, in fact, we did not have these minimal protections that we now have in the law.

Mr. OXLEY. Mr. Chairman, I move to strike the last word.

Mr. Chairman, it seems to me as we have worked our way through this bill, and I must give a great deal of credit to the committee for the work that

they have done, I had an opportunity not too long ago to meet with several constituents who are concerned about this issue, and I asked them what they were interested in in changing current law. They said that they were interested, as hunters, to be able to transport their shotguns and rifles across State lines; that they were from Ohio and they were hunting in Michigan; they wanted to do that and to do it lawfully.

I said to them that in my estimation, I agreed with them, and as a matter of fact felt that both the approach of the committee as well as the Volkmer approach took care of that concern.

As a matter of fact, both approaches; the Hughes approach and the Volkmer approach, it seems to me, provide a great deal of relief to some of the more onerous things that were in the 1968 act, including the deregulation of ammunition sales, eliminating other abuses of present law.

So I guess it comes down to this, at least for this Member's opinion, and that is this: I would like to ask the sponsor of the substitute, the gentleman from Missouri, if he could answer this:

Does the Volkmer substitute, as we are considering it currently, make it easier than present law to obtain handguns and to transport handguns across State lines?

Mr. VOLKMER. It provides that in certain States which now have restrictions on transportation of handguns that you could, as long as it is inaccessible and unloaded, like locked in the trunk of the car, you could—where you cannot like in New York, Connecticut, New Jersey and places without permits, you cannot.

As far as obtaining handguns, we do not change any of the present, existing local or State laws as to who must be qualified to have purchased a handgun. We do provide that instead of having to have a dealer send it from one State to another State as you presently can do, that the person, if he is qualified in both States, can purchase a handgun in the State of nonresidence, if he is qualified—only if that, in both States, yes.

Mr. OXLEY. So that it, in some ways it does indeed relax the interstate availability of handguns.

Mr. VOLKMER. Yes; for people who are law-abiding citizens, but not for disqualified people. It does not relax or change the law as far as who can purchase a handgun, or what you have to go through to get a handgun.

Mr. OXLEY. I thank the gentleman for responding.

As I have studied the issue, and this is a tough issue, very frankly, for myself; and I have worked my way through it over the last couple of weeks and it is a very difficult issue. It comes down to balancing what may be a potential inconvenience to handgun purchasers and those who own handguns with the very legitimate risk of law enforcement personnel.

If we put it in that kind of context, we are trying to be very objective in dealing with this major piece of legislation where we are making public policy, it seems to me that is a no-contest decision, at least for this Member.

I think that that is the ultimate question that each Member has to ask himself. We have really taken care of, in my estimation, the concerns that my constituents had about transporting those long guns and shotguns across State lines if they are legitimate hunters.

I think that change makes a great deal of sense. What concerns me is the availability, the easily available handgun that has committed so much mayhem in this country.

Mr. LUNGREN. Will the gentleman yield?

Mr. OXLEY. I yield to the gentleman.

Mr. LUNGREN. I know the gentleman is talking about this; he and I have discussed this for several weeks, and I know how he has studied this. I just want to know: The gentleman is a former member of the FBI, an agent; is that correct?

Mr. OXLEY. That is correct.

Mr. LUNGREN. I might just ask the gentleman, in terms of coming to his decision, does he make this judgment with respect to the question of interstate transport of handguns based partly on your experience as a law enforcement officer?

Mr. OXLEY. I guess that is right; one can never disassociate himself from one's background. Clearly that is a great concern that I have.

For example, the person who is going down the highway that is pulled over on the side of the road by the State patrol for any number of violations, that State trooper who comes up to that car has no idea whether that person behind the wheel is a law-abiding citizen who is transporting that handgun is doing so lawfully and safely or whether in fact that person is a criminal who seeks to do him harm, and the record is replete with those law enforcement officials who have been cut down in the line of duty because of that type of situation.

Mr. VOLKMER. Will the gentleman yield on that?

Mr. OXLEY. I yield to the gentleman.

Mr. VOLKMER. I want to try and resolve something here. In the first place, the criminal, the person who is out to commit a crime, is not going to just lay a handgun up on the dash or next to him where any officer can see it—he is going to try to conceal it, and he is going to do that today, if he is going to go somewhere and commit a crime.

So the laws that we presently have, such as in New Jersey or New York are not preventing those people from doing it.

(On request of Mr. VOLKMER and by unanimous consent, Mr. OXLEY was allowed to proceed for 2 additional minutes.)

Mr. VOLKMER. Will the gentleman yield?

Mr. OXLEY. I yield to the gentleman.

Mr. VOLKMER. So those laws are not, but what they are preventing is to attend, like in my district come May, we will have a pistol competition. There will be not only sportsmen there, but military and law enforcement officials will participate in that, it is a national competition.

If that was held in a State such as New York—well, you could not, in New York, New Jersey, or Massachusetts. You can do it in Missouri because in Missouri you can transport, and it does not even have to be unloaded; and yet the law enforcement—we do not have the crime that you have in the East; we do not have people going around sticking guns, just because they can do it in their cars, in a glove compartment or under the seats; they do not do that. Even though they can put it—I can lawfully transport in Missouri, through Iowa, to Minnesota, through South Dakota, North Dakota, Nebraska, Kansas, down through Oklahoma and Texas—I can put a loaded gun on my seat and do that, presently, today.

The provisions in this bill are more restrictive than that.

Mr. OXLEY. I appreciate the gentleman's position. Again, it is a balancing act; it is a balancing of a potential inconvenience for the purchaser of a handgun versus the potential mayhem that could result to law enforcement officials. I think it is as simple as that.

When it comes down to that kind of decision, of an inconvenience versus a potential loss of life, that decision in my estimation is very easy.

Mr. VOLKMER. If the gentleman will yield further, who is going to commit the mayhem on the officer? The law-abiding sportsman who is going hunting, who is going to a pistol meet?

Mr. OXLEY. The point is, it is very difficult for that law enforcement official to know whether in fact that person is law-abiding or not, until the action occurs. In many cases, that is far too late.

Mr. HUGHES. Will the gentleman yield?

Mr. OXLEY. I yield to the gentleman.

Mr. HUGHES. I want to tell the gentleman, I really respect the time and effort that he has put in to try to understand what is in both bills.

□ 1515

The gentleman is absolutely correct. The bottom line, and if Members would do this, just weigh the minimum inconvenience on the one hand to sportsmen who can freely transport that handgun from State to State, against the concerns of the police, the police have to win out by a big margin.

The CHAIRMAN. The time of the gentleman from Ohio [Mr. OXLEY] has expired.

Mr. HUGHES. Mr. Chairman, I ask unanimous consent that the gentleman be allowed to proceed for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey?

Mr. SHAW. Mr. Chairman, reserving the right to object, and I shall not object, but I rise under this reservation to remind the House that we are under a 5-hour rule. We have now consumed one-fifth of the time allowed for amendments and we have yet to have a single recorded vote on a substantive amendment. I know the gentleman from New Jersey is going to offer, if this amendment does not pass, is going to offer a series of amendments. I have one to offer on silencers. We are going to be shut off from opportunity for further debate unless we do slow this thing down.

So I will serve notice that I am as one Member going to start to object to extensions at a further time, but it is not directed certainly to my friend in the well, the gentleman from New Jersey, or anyone else. It is simply directed at the clock.

Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. HUGHES. Mr. Chairman, will the gentleman continue to yield?

Mr. OXLEY. I yield to the gentleman from New Jersey.

Mr. HUGHES. I thank the gentleman for yielding. I understand what the gentleman is saying but as the gentleman, a member of the subcommittee, understands, many of the amendments noticed individually are within this package. So much of the debate would be repetitious and it is important for us to explore all aspects of this amendment because I intend to object also if we get to the point where we are shortchanging Members who have other amendments noticed.

But New Jersey has been mentioned.

In New Jersey you can transport your handgun or your long gun for hunting or sporting purposes as long as you have a license to do so and you are legal in the State in which you own it, that is New Jersey or Pennsylvania where a lot of our hunters go to hunt for deer in particular.

The legislation that we have before the full House today does not restrict States like Missouri, it just sets standards basically and we do not say that Missouri cannot permit an unloaded firearm to be carried on the seat of an automobile if that is what Missouri says.

So we do not change that. But the bottom line is, and why the police are so upset, and the gentleman put his finger right on it, you never know when you stop that automobile, just like Phillip Lamonoco. He was a State trooper who back in 1981 when he stopped that car did not know he had some terrorists, he did not know what he had.

You are going to see a proliferation of handguns in automobiles. That is why the police are scared to death because they see a proliferation of handguns.

What does inaccessible mean? What is going to happen when people get upset on the highways and they decide that they want to take a shot at somebody? Are you going to have a shootout at O.K. Corral? I think the police understand that. Their lives are in jeopardy, No. 1.

But more importantly we are going to see more experiences like we too often see where motorists get upset and they resort to a handgun which is readily accessible. There are no restrictions on it. You can carry a handgun under the Volkmer bill for any reason.

Mr. OXLEY. I thank the gentleman for his comments.

Again I think it is a decision that all of us have to make in that balancing act. I appreciate the efforts on the part of the committee.

Ms. MIKULSKI. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the Hughes subsitute and the leadership of the gentleman from New Jersey [Mr. RODINO] and in support of a great police chief from Baltimore County.

Mr. Chairman, 2 months ago I brought to the attention of my colleagues an op-ed written by Baltimore County Police Chief Cornelius Behan.

In that op-ed, Chief Behan recited the horrors caused by handguns—horrors he had seen firsthand as a cop-on-the-beat for 39 years.

On behalf of police officers throughout the State of Maryland, Chief Behan has been leading a tireless effort opposing the McClure-Volkmer bill.

Why is he taking this courageous stand? He's doing it because he wants to protect the lives of police officers and the safety of our streets.

But in today's Washington Post, we see what happens to good and decent people who dare to speak out against the gun dealers of this country.

On page 4 of today's Post is a story headlined "Baltimore County Police Chief Is Under Fire."

This article tells us that Chief Behan has been targeted for attack by a gun lobby located 3,000 miles from Maryland in Washington State.

This organization has sent a mailgram to 10,000 Maryland residents calling Chief Behan a "gun-grabber." They want him fired. They say he has misled members of the Maryland congressional delegation.

Mr. Chairman, I've known and worked with Chief Behan for 8 years. I've never been misled by him on any issue. He has not misled me about gun control. He has not misled me about the problems police officers face in hostage situations.

And he has not misled me when we've worked together on the problem of missing children.

Why, then, is this gun lobby so afraid of Chief Behan? I'll tell you why. It's because he's a leader in the law enforcement community. And it's because his leadership gives the lie to the argument of the gun lobby.

Chief Behan says in his op-ed:

McClure-Volkmer is a bad, dangerous, unconscionable anti-police bill. It will increase the number of guns on the street, as well as increase the chances of cops—and citizens—getting killed. It's mainly a gun-dealers' bill. And that's wrong.

Mr. Chairman, if I have to choose between cops-on-the-beat and the gun lobbyists in Washington, I'll go with the cops everytime!

I'm with the Chief. This bill is a gun dealer's bill. It's anticop and anticitizen. And it should be defeated.

Mr. BIAGGI. Mr. Chairman, will the gentlewoman yield?

Ms. MIKULSKI. I yield to the gentleman from New York, a former police officer himself.

Mr. BIAGGI. I thank the gentlewoman for yielding.

Mr. Chairman, I want to commend the gentlewoman for making her comments in support of Chief Cornelius Behan, formerly of the New York City Police Department, a gentleman with whom I have worked and who is held in the highest regard in the police profession throughout the world.

I am confident that the county executive, Mr. Hutchinson, will give little or no regard to those individuals who send telegrams from a most remote part of these United States, trying to influence and intimidate the county executive in dealing with Mr. Behan, who has spoken well and is leading the fight in this police officers protection legislation with which we are confronted.

His primary concern is law enforcement and people. Clearly he is on the right track.

Ms. MIKULSKI. I thank the gentleman for his comments.

You know, I thought in this country we were supposed to go after the crooks and not go after the cops.

Mr. CRAIG. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I think it is important that we pause for a moment to understand something that has been alleged here today as being false. It has been said that this is a shootout between the Nation's law enforcement people and the NRA. And if I did not know better I guess I would find that a rather humorous statement. It is a long way from the truth. I have here in my hand a letter from the National Wildlife Federation endorsing the Volkmer substitute. They only have 4.3 million citizens as their membership. They are not the NRA. I guess we do not want to recognize the better than 3 million citizens who are members of the NRA. I think we ought to be more intelligent in understanding that this is no such thing as a shootout. What we are really talking about, I guess, are our basic civil liberties.

Ladies and gentlemen, the law does not belong to the Nation's police.

I said that once and I will say it again. And we really ought to pay some attention to that.

It belongs to the Nation's people. And our Nation has said for a long time that we will be a Nation of law and that will govern us and I strongly support the law enforcement people of this country. That is not what should be debated here today.

The law enforcement people do have some concerns and we well ought to be concerned about their problems. They truly are on the front lines of law enforcement in this country.

But you know, I suspect that there an awful lot of citizens out there who wish we would pay as much attention to their civil liberties as we seem to be paying to the concerns of the law enforcement community today. And I suspect there are some awfully concerned citizens out there who wish we would pay more concern to laws that somehow the IRS tends to spread and stretch in the enforcement and pursuit of what they call justice, and what we allow them to do. And yet that does not seem to be an issue here today.

Ladies and gentleman, I guess the point I am trying to make is there is no such thing as a shootout between law enforcement and the NRA. They have historically worked together and we do have some common divisions today and those common divisions lie on the lie of what is right and what is wrong, and more importantly: Are we in fact restricting the freedoms of the law enforcement, law-abiding citizens of this country? I have here now an endorsement from the administration and from treasury for the Volkmer substitute and for some of the amendments that will be coming that my colleague from Florida [Mr. MCCOLLUM] will be offering. And they support it based on the fact that they recognize that there needed to be change in the 1968 gun law. But they do not support H.R. 4332. The so-called Hughes law enforcement in fact guts every major provision of the Volkmer substitute, of importance to American sportsmen and law-abiding gun owners, and we ought to recognize that. That is what we are talking about right now.

In doing so it fails to remedy the major problem areas law-abiding gun owners have encountered under the 1968 Gun Act, and some of those problems it even makes worse.

Let us look at some of those provisions. The Volkmer substitute has let the Treasury Department pick those offenses that they feel are most likely to inadvertently catch the honest citizen in the net. And that was a reasonable and responsible approach and my colleague from Missouri has responded to that. The Treasury Department has applied the higher willful-intent standard to these provisions likely to affect the honest citizen. The Volkmer substitute has let the Treasury Department decide the violations most likely, and I repeat, most likely to involve those citizens where there is criminal intent or lower intent in the standards. And the Rodino-Hughes amendment does away with the distinction, and once again throws honest citizens in with real criminals, and that has never been the intent of the law—the very problem of the bill that our bill intends to solve. The Treasury and Justice Departments are opposed to this provision.

Ladies and gentleman, this amendment as proposed by my colleague from New Jersey is absolutely key and we well ought to understand it. It guts McClure-Volkmer and that is important, and all Members should recognize that.

The CHAIRMAN. The time of the gentleman from Idaho has expired.

(By unanimous consent, Mr. CRAIG was allowed to proceed for 2 additional minutes.)

Mr. VOLKMER. Mr. Chairman, will the gentleman yield?

Mr. CRAIG. I yield to the gentleman from Missouri.

Mr. VOLKMER. I thank the gentleman for yielding.

Mr. Chairman, the memo that the gentleman is reading as to the objections to the Hughes amendment which is pending now is from the administration and specifically states that both Treasury and Justice do not support the Hughes amendment and they oppose the Hughes amendment.

Mr. CRAIG. That is correct.

□ 1530

Mr. BIAGGI. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, it seems like we have gone this round before. I will try to be incisive on the issue, but before I do that, I would like to remove the cloak of confusion and of obfuscation from the issue.

One of my colleagues rose and said that in his district the folks are comfortable when their husband leaves the house, and they want the family to have a gun at home. I do not quarrel with that. I do not quarrel with that at all.

Others have said we have the target shooters and gun clubs in our country who feel encroached upon and who are out there and have been practicing the sport for a long time, and want to have handguns available. I do not quarrel with that at all and never have.

They also say the sportsmen, the hunters, should not have their rights inhibited. They should be able to have shotguns and rifles. I agree with them on that score.

But those arguments are offered to enrage the hunter, to infuriate the target shooter, to activate the gun clubs across the country, because they are told that if you vote for the Hughes amendment or if you vote for the Hughes bill, your rights will be diminished.

Nothing could be further from the truth. Nothing could be further from the truth.

It is an old tactic of the NRA. That is who we are fighting, the National Rifle Association of America, and nobody else. It has to be said just the way it is. They engage in tactics that leave a great deal to be desired. They bully and they intimidate. They lobby in the worst possible way. In my 18 years in the Congress, I have never seen as base an approach on an issue as engaged in by the NRA.

I respect my colleagues. If they have honest differences of opinion, they will express it, and they have. We have always respected difference of opinion. And I would ask that they vote on the merits of the issue, nothing else. If that be the case, there is no doubt in my mind as what the outcome of this legislation would be, the Hughes amendment would carry overwhelmingly.

The gentleman who spoke before said let us not talk about law enforcement personnel rights. Let us talk about people rights. Why not. Who are they? They are our neighbors. They are our relatives. They are our friends. Any attempt to contrast their rights to the rights of people is indeed puzzling. I do not know how they make the demarcation. The rights of people and the rights of law enforce-

ment in this case are similar, identical. We are talking about protecting the life and property of American society.

Mr. Chairman, I have been in the New York City Police Department some 23 years. Most of you know that. It was one of my earlier careers. I can tell you from a practical perspective the Volkmer bill makes provisions about the dealers, about accessibility that are absolutely Cinderella-like. How naive can one be, accessible? Put the gun in the trunk, they say this will make the weapon inaccessible, unbelievable! If I am a criminal and have intention to commit crime, I am certainly not going to wear a gun on my person, or even in the glove compartment. Many damn fools do use the glove compartment—to their regret. I would secret it in the trunk until I reached the point of activity, the site of my criminal act. Then I would take it out.

Accessibility. How ridiculous a comment when you are talking about the real world.

Dealers. We have rules and regulations for dealers today, and it is working out fairly well. Can you imagine eliminating or preempting all the rules under the Volkmer bill? You would have hucksters and sellers in flea markets walking around and peddling guns to all. It boggles my mind to think that this is possible. What is the rationale of this proposal?

I only ask you, ladies and gentlemen, in you deliberations to have only one concern: Is it right? Nothing else. Have the courage to vote on the merits.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. BIAGGI was allowed to proceed for 2 additional minutes.)

Mr. BIAGGI. The Chairman, Mr. HUGHES, made some comments early on that were very comprehensive and very thorough, chapter by chapter, verse by verse, which should be sufficiently persuasive. Comments in defense of silencers, was a crime ever committed by a silencer. A report, the gentleman tells about the BATF, how would they know? Come on, let us not insult one's intelligence. This is a world in which I lived for a quarter of a century. You open the floodgates to terrorists and to the underworld. As stated once before, I am confident that is clearly not the intention of anybody here, not even the NRA.

Let me tell you about the NRA and the police and they were locked in together. They were, yes. They no longer are because the NRA is concerned about the NRA, dealers and munitions manufacturers, and not police officers. They misled them in the past. They sang that siren song to them just once too often, but no more, because the police out there know what is good for them and they are here to demonstrate and lobby for their concerns.

I know we talk about the police and the high regard we have for them. Yes, and when they die, we make a few appropriate comments and for some we shed crocodile tears. That is of little moment, because when it is over, the survivors go on to live a lesser life and we go on to do our daily business. If you are really concerned about the deceased police office, and all those who have given their lives, all those citizens who have been killed by criminals, take action today. Now is the time, the moment of truth.

I know that the NRA will not let you forget it if you vote against them. They say that police will forget.

But I ask you this: Will your consciences permit you to forget?

The CHAIRMAN. The Committee will rise informally in order that the House may receive a message.

MESSAGE FROM THE PRESIDENT

The SPEAKER pro tempore (Mr. MONTGOMERY) assumed the chair.

The SPEAKER pro tempore. The Chair will receive a message.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Saunders, one of his secretaries, who also informed the House that on the following dates, the President approved and signed bills and joint resolutions of the House of the following titles:

On March 20, 1986:

H.R. 1614. An act entitled the "Food Security Improvements Act of 1986."

On March 24, 1986:

H.J. Res. 534. Joint resolution making an urgent supplemental appropriation for the Department of Agriculture for the fiscal year ending September 30, 1986, and for other purposes.

On March 27, 1986:

H.J. Res. 563. Joint resolution to provide for the temporary extension of certain programs relating to housing and community development, and for other purposes; and

H.R. 4399. An act to designate the Federal building located in Jamaica, Queens, NY, as the "Joseph P. Addabbo Federal Building."

On April 1, 1986:

H.J. Res. 573. Joint resolution making a repayable advance to the Hazardous Substance Response Trust Fund; and

H.R. 2453. An act to amend the Older Americans Act of 1965 to increase the amounts authorized to be appropriated for fiscal years 1985, 1986, and 1987 for commodity distribution, and for other purposes.

On April 7, 1986:

H.R. 3128. An act to provide for reconciliation pursuant to section 2 of the first concurrent resolution on the budget for fiscal year 1986 (S. Con. Res. 32, 99th Congress).

The SPEAKER pro tempore. The Committee will resume its sitting.

FEDERAL FIREARMS LAW REFORM ACT OF 1986

The Committee resumed its sitting.

The CHAIRMAN. For what purpose does the gentleman from California [Mr. LUNGREN] rise?

Mr. LUNGREN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, unfortunately, this debate is one which makes me and others feel rather uncomfortable. That is because we are not siding with either of the most emotional sides on this. That is, some of us have felt there was a real obligation for Congress to reform the 1968 Firearms Act, but at the same time, we did not buy all of the suggestions made by different groups. As a result, I guess we find ourselves in the position of trying to strike a compromise and, therefore, being criticized for not doing enough from either side.

I rise in support of the law enforcement amendment that the gentleman from New Jersey [Mr. HUGHES] has presented before us. It does not give everybody everything that the NRA wants. That is true. It, frankly, does not give everything that all of the law enforcement groups want. It tries to give what I would say is a bottom line of what various law enforcement organizations felt they needed in the context of a reform of a law that they recognized needed to be reformed. That is where we are right now.

There are perhaps a couple of crucial changes that are affected by the amendment brought forward by the gentleman from New Jersey. One, as has been mentioned, it bans silencers. Now someone can get up and say we have never proven that any crime has been committed by someone who has used a silencer that has been registered.

I, frankly, do not care whether that is true or not. I still ask, what legitimate sports interest is served by selling silencers? I ask anyone to get up here and tell me. I do not think there is. That is part of this.

A second question is, it seems to me, one of federalism: Should we decide that States and localities have no right to make decisions with respect to handguns? I do not support handgun control. I have never supported handgun control. I do not anticipate ever supporting handgun control.

But what this bill does, unless it is amended in the way suggested by this amendment, is to say the following: If a State or locality makes a decision with respect to carrying, inaccessible but concealed handguns in your car, under most circumstances, Federal law will supersede that and the States and localities will have no judgment to make.

Now I happen to think some communities are wrong. They are wrong by

some of the restrictions they place on handguns. But federalism does mean you have a right to be wrong. Othewise, there is no federalism.

□ 1540

We have tried to say: Is there a need, a legitimate need, presented by sportsmen for long guns, that is, rifles and shotguns? And we all agree that is true. This does not affect it whatsoever. Most of the sportsmen who come to me in my district have said, "That's what we want relief on."

Well, this amendment allows it. It just says we will not go forward, in terms of handguns.

Now, I know some feel very, very strongly that they ought to have the right to carry their handgun in every particular jurisdiction in America. And if that is true, then they should vote against the Hughes substitute. But it seems to me we ought to recognize that is what we are doing, and we ought to also recognize that the police associations, who, in my memory, have never supported overall handgun control, have said this is the most worrisome part of the bill that is before us, the Volkmer substitute.

Now, I do not agree with the police officers groups on every occasion. But it seems to me on this particular concern we ought to give them at least the benefit of the doubt. And that is all we are doing, it seems to me, by this particular amendment.

In the letter signed by the Nation's 12 principal law enforcement organizations in support of this particular amendment, they say: "We are relying on your dedication to public safety when you vote April 9. Don't fail us. Don't legalize the interstate sale and transport of handguns."

Now, I have stood on this floor supporting tough Federal legislation dealing with law enforcement. But at the same time I have always said that, as much as we can do, most of crime is taken care of on the local level, most of law enforcement is on the State and local level. And these are the State and local law-enforcement people coming to us and saying, "Don't supersede us on this point." They are willing to allow a lot of changes. In fact, they support a lot of the changes that are part and parcel of the Volkmer substitute. But they are saying to us, they are literally begging us, "Don't make this one change with respect to handguns because that puts us at risk."

It is awfully easy for us to sit here and say, "Yes, let the police officers go out there and try and defend the country, let them take the shots"—and I mean the real shots out there—"and we will put in money for armor that they can wear."

But at the same time, when they come to us and say, "This is not a labor-union question, this isn't a question of money, this isn't a question of something like that; this is an essential question of our lives on the line," we say, "Well, they are entitled to their opinion, but, really, it is not that important."

All I am saying is: recognize that with the amendment before us, we are making substantial changes in the 1968 law, and I think we ought to make substantial changes. We are reaching the concerns that most people have given us in terms of sporting, in terms of hunting, and so forth. In this one area, let us not go too far. I would just ask my colleagues to look seriously at this amendment and support this amendment in favor of law enforcement and the legitimate needs of hunters and sportsmen.

Mr. SMITH of Florida. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I want to thank my colleague, the gentleman from California [Mr. LUNGREN], who just spoke, who is also a member of the subcommittee, for quite honestly being right upfront about the issue, and that really is where we should be on all of these things.

There has been a lot of heated debate, there will be a lot more before we are finished. But the reality is that it is really a clearcut case.

Are there, in fact, some parts of the 1968 Gun Control Act that can be, need to be, and can effectively be changed for the better?

The answer to that question is yes.

Has the Volkmer substitute addressed some of those problems?

The answer is "Yes."

Are there parts of the 1968 Gun Control Act that should not be changed, that cannot be effectively controlled, that will open, as the gentleman from New York said, Pandora's box, the floodgate for terrorists, for criminals and for the proliferation of untraceable, unlicensed handguns?

The answer to that question is "Yes."

Now, we are faced with a dilemma. We have substitute that says more than many of us think it ought to, to address the legitimate concerns of people in this country.

What do you do about it? You, like Mr. HUGHES, the chairman of the subcommittee, tried to strike those portions which do not—do not aid law enforcement, aid average Americans or really aid gun owners and, at the same time, keep the provisions which will make the changes that even the NRA wants. The NRA is not wrong on every single one of their issues. And we have tried to recognize that at the subcommittee and full committee level. This is not our fight against the NRA issue by Issue. It is our fight to make the law better and more effective and to make the law more enforceable.

Now, let me go over quickly the Hughes package. It takes out from the Volkmer substitute the allowability of the interstate sale of handguns. That is all it does. It takes out of the package and returns to current law interstate sale and transmission, transportation of handguns.

It does not wipe out State and local handgun laws with reference to transportation, like the Volkmer bill does, by taking it out of the Volkmer bill.

It does not allow for major loopholes for illegal and untraceable trafficking in firearms, which would be the case if the Volkmer substitute is passed in its present form, because currently anyone who deals in firearms must be licensed and keep records so that weapons used in crimes can be traced. The single most important issue for tracing crimes where a weapon is used is the traceability, the tracking for those handguns.

Every prosecutor in this House has acknowledged that. And there are a lot of former prosecutors.

The Volkmer bill makes it a change in the law that dealers, marginal dealers, who do not operate for profit, which is the standard that they put in their bill, do not have to keep records. It is precisely these dealers who sell guns out of their garages and their trunks, not the legitimate storefront, every-day arms dealer gun shop that you and I would go to, who commit most dealer violations. These are the people we want to get out, and these are the people that the Volkmer bill would give more freedom to.

It provides no backdoor sales by gun dealers because the Volkmer bill would allow a licensed dealer to transfer guns from his business inventory to a personal collection and then later sell them without recordkeeping or compliance.

No privileged class status for gun dealers.

The NRA and the Volkmer bill puts the gun dealer in special privileged status because it makes it harder to convict them for most offenses.

The CHAIRMAN. The time of the gentleman from Florida [Mr. SMITH] has expired.

(By unanimous consent, Mr. SMITH of Florida was allowed to proceed for 3 additional minutes.)

Mr. SMITH of Florida. Mr. Chairman, under current law it is now a crime for a dealer to sell a gun to anyone he has good reason to believe is a convicted felon.

Under the Volkmer substitute that would be changed.

The bill would require proof that the dealer willfully broke the law.

So that not only do you have reasonable grounds to believe that the person is a convicted felon, but now you must have an additional element of proof—and every prosecutor knows

every additional element is going to make it harder to convict—that they willfully sold that gun, and that is a very difficult burden of proof, willfulness.

Why change the law when there has been no showing that the law in its current form has brought any undue hardship to gun dealers?

Mr. HUGHES talked about it, Mr. LUNGREN talked about silencers. And I agree with Mr. LUNGREN. Name me one good reason why any law-abiding American citizen must have a silencer. The Volkmer bill allows it. The Hughes amendment brings it back to current law.

Conversion parts for machineguns. Our bill would make it more difficult to legally convert semiautomatic weapons to fully automatic. The Volkmer bill creates loopholes for people who convert semiautomatic weapons into machineguns because it amends the existing controls on machinegun conversion kits to decontrol the kits unless—and they add these words—"they are intended solely and exclusively for converting semiautomatic weapons."

You do not buy a kit to sweep your garage floor with. You buy it to convert a semiautomatic to a full machinegun. And ask any Member from Florida about machineguns.

The Volkmer bill prevents unannounced inspections of dealers and criminal investigations.

There are 90 BATF agents in the employ of the U.S. Government. There are 225,000 licensed gun dealers. The law of averages is that each dealer is reached once every 25 years.

There have been no complaints made to the subcommittee, to the full committee, to the Senate committee, or to BATF, about harassment of dealers. Yet they want to change the law. It is not a good idea. The Hughes amendment makes sure that unannounced inspections still can happen, and more than one inspection is allowed per year.

And, finally, the Hughes amendment removes what is a particular sticking point for all Americans, but certainly for law enforcement.

In the Volkmer substitute, armor-piercing ammunition is decontrolled. We worked for years to get armor-piercing ammunition banned for sale. There is no legitimate sporting purpose.

The CHAIRMAN. The time of the gentleman from Florida [Mr. SMITH] has again expired.

(By unanimous consent, Mr. SMITH of Florida was allowed to proceed for 1 additional minute.)

Mr. SMITH of Florida. Mr. Chairman, this amendment, the Hughes amendment, would allow for maintaining current law that ammunition be sold only by licensees and that they keep records of armor-piercing ammunition sales and transaction of large amounts.

There is nothing that I have here in front of me about the Hughes amendment, which I have just gone through, that any sportsman, any hunter, any gun collector, any gun fancier or any licensed dealer, should or could object to. And yet it makes the Volkmer substitute much better when added on. It protects the police, it protects the average citizen and protects the interests of the Federal Government in making sure that we have in place the controls that are necessary to prevent crime, the responsibility of the Congress of the United States.

It is all right here, when laid on top of the Volkmer bill. This is the crux of it, ladies and gentlemen. This is the nub, the heart, the kernel, whatever word you want to use. If you vote for the Hughes bill, the Volkmer bill becomes a better bill, and you can vote for it. That is it, plain and simple.

Mr. FISH. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, we have before us a package of nine controversial amendments, matters that I would personally prefer that we deal with separately. On some of these issues I would agree with the sponsor of the amendment and on some we disagree. While I plan to oppose the amendment as presented. I am concerned that time permit us to consider these matters separately. I think the law-enforcement community deserves our consideration of these important issues. We are restricted, as we know, by a rule in our consideration of amendments, and I would hope that the gentleman from New Jersey would agree to setting a limit on further consideration of the pending amendment, the time to be equally divided between the proponents and the opponents. On our side, I understand, there are only two more Members who would like to speak, and it would seem to me that a limit of 20 minutes would certainly accommodate the wishes of the Members.

Mr. HUGHES. If the gentleman will yield, I share the gentleman's concern, but I am not prepared to accept any such limitation. It is an important amendment.

Mr. FISH. It is an important amendment.

Mr. HUGHES. It should be fully aired. I do not concede that we have any more Members on this side of the aisle either. Let us see how it goes.

Mr. FISH. May I ask how many Members on the gentleman's side?

Mr. HUGHES. I think we have maybe one or two more.

Mr. FISH. All right, but I certainly will renew my request after two or three more colleagues have spoken. I cannot see the fact that there are four Members of Congress who have not spoken is a reason for failing to set a time limit.

Mr. MARLENEE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, we have heard a lot of rhetoric here and it seems to be getting heavier and hotter and the debate seems to be carrying on with issues that are not relevant to the legislation at hand.

There are 225,000 licensed gun dealers, for instance. This is one statement that I have heard. Has anybody ever thought that perhaps the reason that we have 225,000 licensed gun dealers is because of the harassment of the BATF and the requirements that are placed on them? You cannot polish a gun. You cannot clean a gun hardly without having a license. That is the situation we find ourselves in. That is the reason we are at the point of changing it in the U.S. Government.

Are you fighting the NRA? This has been portrayed, the Volkmer substitute has been portrayed as the NRA bill. Is that really the case? No. It has been pointed out that the National Wildlife Federation supports this.

You know, conversely, we could say is the Hughes bill or the committee bill really the Coalition to Ban Handguns bill? Is that their bill?

I do not think the portrayal of this bill as the NRA bill is a fair portrayal whatsoever.

We have not portrayed your bill as the Coalition to Ban Handguns bill and that is not a responsible organization in my opinion, but we have not castigated it totally and loudly. We could. We could say that those full-page ads that they have run in the paper were misleading. We could say that their goal and the bill's goal is to totally ban handguns altogether.

And when they portray them as six handguns and a policeman or five handguns and a policeman, there is no other objective.

Now, I would like to pose a question to the author of the substitute, the gentleman from Missouri [Mr. VOLKMER].

Mr. VOLKMER. Yes.

Mr. MARLENEE. We have heard a lot about the question of this committee bill will allow the transportation of shotguns and rifles to anywhere in the United States, that the sportsman, the hunting enthusiast is going to be able to travel anywhere in the United States if we pass the committee bill.

Now, if we look on page 16, it says that notwithstanding any provision of State law or of any published ordinance to the contrary, any individual may transport any secured shotgun or secured rifle from such individual place of origin to any destination State if—and here come the qualifiers—if such transport is, first, incident to the change of the individual's State of residence, or second, for the purpose of lawful participation in or re-

turning from lawful participation in hunting, a shooting match or contest or any other lawful sporting activity.

Now, suppose that I am on the way to a trap shoot from the State of Montana on the way to a trap shoot in Florida and I have my shotgun. That is a lawful participation in a sporting event, but suppose I decide to take my rifle along, to carry my rifle along in case that I want to hunt. Is it legal for me to do that, I would ask under the committee bill.

I yield to the gentleman from Missouri.

Mr. VOLKMER. Well, I would say that under the committee bill that if the gentleman did not go hunting with his rifle, that he is in violation of the law. He had better not take it along unless he is going to go hunting.

Mr. MARLENEE. That is the interpretation I got, that this really does not allow such transportation.

Mr. VOLKMER. That is right.

Mr. MARLENEE. That it is not as wide open as they would like to portray it as being.

Mr. SMITH of Florida. Mr. Chairman, will the gentleman yield?

Mr. MARLENEE. I am happy to yield just briefly.

Mr. SMITH of Florida. As a member of the committee, I can tell the gentleman that it was never the intention of the committee, and I do not think that the language even brings that intention perceptibly up, to limit that interpretation that the gentleman is making to the language of the bill.

Mr. MARLENEE. Reclaiming my time, Mr. Chairman, I am not going to a sporting event. I have got my rifle along just in case that I might.

*Mr. SMITH of Florida. Mr. Chairman, I ask unanimous consent that the gentleman may have 1 additional minute.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. SMITH of Florida. Mr. Chairman, will the gentleman yield further?

Mr. MARLENEE. I yield.

Mr. SMITH of Florida. We intended it to cover any situation where a person who owns those, a hunter, if he is going to a trap shoot in Florida and may want to hunt in North Carolina thereafter, is not barred from carrying that weapon. That is a lawful purpose under the law.

There is nothing in the language of this bill that would say that you have only a primary purpose in going to shoot in Florida with a shotgun, and therefore you could not carry your rifle if you intended possibly to go hunting elsewhere. That strains the credibility. It is the lawful purpose that is the most important.

Mr. DINGELL. Mr. Chairman, will the gentleman yield?

Mr. MARLENEE. I yield to the gentleman from Michigan.

Mr. DINGELL. Mr. Chairman, there has been a great deal of discussion on this and I have got to observe that not an awful lot of it relates to fact.

The hard fact of the matter is the Hughes amendment regarding the interstate transportation of firearms is not the type of improvement I expect in the 1968 Gun Control Act. The 1968 Gun Control Act says that you may transport firearms only where it is permitted by State law. That is what it says.

Now, the hard fact is what that does to a law-abiding citizen. Let us take a citizen of Maryland or Virginia who wants to go bear hunting in Maine.

The CHAIRMAN. The time of the gentleman from Montana has expired.

(At the request of Mr. DINGELL, and by unanimous consent, Mr. MARLENEE was allowed to proceed for 2 additional minutes.)

Mr. DINGELL. Mr. Chairman, will the gentleman yield further?

Mr. MARLENEE. I yield.

Mr. DINGELL. Under current law, a citizen of Maryland or Virginia cannot go through New Jersey, cannot drive up the New Jersey Turnpike, because it is presumably illegal for him to have a firearm or handgun in that State. As he passes through from the State where possession of firearms is lawful into the State where he is going to go hunting, or where he is going to engage in a sporting activity, he violates the law in the State of New Jersey by innocently passing through that State, probably unaware of any violation of law of which he might be guilty.

If that sportsman decides to transport a handgun, the Hughes amendment and existing law makes criminals everyday out of law-abiding sportsmen and citizens. It does not stop the Mafia or criminals from trafficking in New Jersey with enormous diligence. What we are talking about here would correct that abuse.

Mr. LUNGREN. Mr. Chairman, will the gentleman yield?

Mr. MARLENEE. I am happy to yield to the gentleman from California.

Mr. LUNGREN. Mr. Chairman, the Hughes amendment would change the law as it presently exists so that if you were carrying a long gun, a rifle or a shotgun, for the various purposes mentioned, including sporting or hunting, you would be allowed to do that. It would supersede that law in New Jersey. It would not supersede the law with respect to the handgun. That is the basic objection.

Mr. MARLENEE. Regaining my time, Mr. Chairman, there are stipulations in the law under which you can transport those firearms, long gun or shotgun. If I am going with my rifle and I am carrying a shotgun maybe just because I feel comfortable having a shotgun along, I could well be arrested in the State of New Jersey.

Mr. LUNGREN. Well, if the gentleman will yield further, those purposes are articulated in the bill, for hunting, shooting match or contest or any other lawful sporting activity. I think that covers it.

Mr. MARLENEE. Well, my shotgun is not for lawful sporting activity or a shooting event. I have it along in case that I may at some point.

Mr. LUNGREN. Well, that is a lawful sporting activity.

Mr. DINGELL. Mr. Chairman, will the gentleman yield?

Mr. MARLENEE. I am happy to yield to the gentleman form Michigan.

Mr. DINGELL. As a matter of fact, Mr. Chairman, there is a rather celebrated case where an innocent citizen of a southern State was going to Maine to hunt bear, passing innocently through that State, was arrested and convicted. His firearms were seized and stolen from him under process of law by law enforcement authorities. That situation would be continued under the Hughes amendment or the Hughes bill.

The CHAIRMAN. The time of the gentleman from Montana has again expired.

(At the request of Mr. SMITH of Florida, and by unanimous consent, Mr. MARLENEE was allowed to proceed for 1 additional minute.)

Mr. SMITH of Florida. Mr. Chairman, will the gentleman yield?

Mr. MARLENEE. I am happy to yield to the gentleman from Florida.

Mr. SMITH of Florida. Mr. Chairman, the gentleman from Michigan unfortunately has I think out of a matter of omission not understood what the Hughes amendment would do. That case would be no longer illegal, I say to the gentleman from Michigan [Mr. DINGELL], under the provisions of the Hughes amendment when attached to the Volkmer substitute.

Then the argument of the gentleman from Montana [Mr. MARLENEE] about the language, whether he could carry a rifle if your main purpose was going to Florida to shoot with a shotgun, might come into play.

The reality is that I do not believe that this committee nor any of the members had any intention of denying the transport for any lawful purpose, so long as it was in connection with the use of that weapon for which it was made or intended and that is to be used in a lawful sporting way. No one had ever intended anything but that.

Mr. SHAW. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I did not intend to rise, but I think there has been some confusion in this House as to what the language of the committee bill does.

The committee bill plainly sets forth an easing of the existing restrictions. The gentleman from Michigan [Mr. DINGELL] rightly pointed out some inequities in existing law, but both the Volkmer bill and the committee bill correct that. The difference between the committee bill, the primary difference between the committee bill and the Volkmer bill is that the Volkmer bill would include in interstate commerce and carrying of pistols. The committee bill clearly does not. That is the primary distinction and the distinction that I think that people should have in mind when they are voting; but the committee bill which has been referred to as the Hughes bill corrects that inequity and it does allow the movement of long guns, that is your rifles and your shotguns, for lawful sporting purposes. I think the Committee should keep this in mind.

Mr. ROEMER. Mr. Chairman, will the gentleman yield?

Mr. SHAW. I yield to the gentleman from Louisiana.

Mr. ROEMER. Mr. Chairman, let me make sure I understand what the gentleman just said. The gentleman is telling us that the debate, that included the gentleman from Michigan [Mr. DINGELL], was a fact in error, that the Hughes amendment does not in fact put the kind of restrictions on legitimate transport that the gentleman from Michigan [Mr. DINGELL] was complaining about.

Mr. SHAW. Well, if I might regain my time, Mr. Chairman, I am certainly not going to go as far as to say the gentleman from Michigan [Mr. DINGELL] is in error, but I think that the Committee may have misunderstood the gentleman from Michigan [Mr. DINGELL] when he made the point with regard to someone being arrested for carrying a gun between States.

The existing law does provide for that and the States can make it a felony, as I believe the District of Columbia has.

I think someone right now under existing law going from Virginia through the District of Columbia over to Maryland to go goose hunting is violating the laws of the District of Columbia by having a shotgun or a rifle or any other firearm in his car. The Hughes bill corrects that. The Volkmer bill corrects that, but the Volkmer bill goes further than the Hughes bill.

Mr. FIELDS. Mr. Chairman, will the gentleman yield?

Mr. SHAW. I yield to the gentleman from Texas.

Mr. FIELDS. Mr. Chairman, the question I was going to ask, if we would use the example of the gentleman from Michigan [Mr. DINGELL], but instead of talking about a long gun, if we talk about a pistol, carrying a pistol from Maryland to Maine to hunt bear, some of us hunt with pistols; as I understand the law, we are still talking about gun control in regard to that particular pistol.

Mr. SHAW. We are talking about the right of States to regulate your going through their State carrying pistols. Of course, being in Texas, it may be that a pistol is a long gun.

Mr. FIELDS. Mr. Chairman, if the gentleman will continue to yield, I think the answer to the question is, under the example of the gentleman from Michigan [Mr. DINGELL], if you are carrying a pistol, it is still regulated.

Mr. SHAW. Under the committee bill, that is absolutely correct.

Mr. DINGELL. Mr. Chairman, will the gentleman yield?

Mr. SHAW. I yield to the gentleman from Michigan, whose name has been used at great length.

Mr. DINGELL. Mr. Chairman, I thank my friend for yielding. Is it not true that the interstate transport of a firearm under the bill of the gentleman from New Jersey [Mr. HUGHES] must be done in consonance with the law of the State across which one travels, which means that if one then travels across New Jersey——

Mr. SHAW. No, let me reclaim my time.

Mr. DINGELL. Under the existing law or under the Hughes amendment it would appear that a sportsman transporting firearms through several States can be in violation of law.

The Volkmer amendment would correct that. It would correct it with both long guns and handguns. The Hughes amendment would not in any event correct it with regard to pistols.

Mr. SHAW. Mr. Chairman, if I may regain my time, that is not what the Hughes bill or the committee bill says. The committee bill says that you can carry it if it is for participation in hunting, a shooting match or contest, or any other lawful sporting activity; so if he is carrying it for that purpose, he is OK.

Mr. HUGHES. Mr. Chairman, will the gentleman yield to me?

Mr. SHAW. I am glad to yield to the gentleman from New Jersey.

Mr. HUGHES. Mr. Chairman, the language is extremely clear. It says that notwithstanding any provision of State law or any published ordinance to the contrary, any individual may transport any secured handgun or secured rifle, and goes on with the standards.

Now, the gentleman is correct when he says that it has to be for any sporting purpose, but the gentleman's hypothetical, which I happened to hear, would be covered by the language of the bill.

The subcommittee crafted this so that we would take care of the gentleman's concern and the gentleman would be able to transport his weapon for trap shooting and a weapon for hunting and not be in violation of the law of the particular State.

Mr. ROEMER. Mr. Chairman, will the gentleman yield?

Mr. SHAW. I yield to the gentleman from Louisiana.

Mr. ROEMER. Mr. Chairman, I thank the gentleman for yielding again.

Just to try to make it as clear as possible, because some of us need that clarity, it seems in reading the bill and listening to the debate, that the examples previously used that relate to long guns are not applicable, either under Hughes or Volkmer, and the difference relates to handguns only; and by the way, if you are hunting bears with handguns, see me after this meeting.

□ 1610

Mr. RODINO. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I shall not take the 5 minutes, but I think it is important to point out that there has been confusion. First of all, let us state unequivocclly that all of us now recognize that the Hughes amendment as well as the Volkmer amendment both would relax present restrictions which deal with sportsmen and hunters. However, the difference that exists now between the Volkmer substitute and the Hughes law enforcement package amendment is that the Volkmer substitute weakens present law and makes it easier for licensed dealers to be able to avoid some of the restrictions that are presently there so that one would have to prove willfulness if a licensed dealer turned over or transferred a gun to someone. That is absolutely important for us to consider.

When we consider, as one gentleman stated here so eloquently, and stated it in very simple language that it comes down to a question of inconvenience versus a question of lives. We are now confronted with weighing whether we come down on the side of the individuals who are concerned with protecting the life and safety of citizens and protecting police themselves or somewhat inconveniencing sportsmen.

The Hughes amendment will insure that we do not have silencers, that we are not able to convert parts for machineguns, and that the BATF may be able to make the kinds of inspections that it is required to protect the safety and the lives of people—people who may be killed, who will die, as a result of our failure to say, "Yes, we are going to come down on the side of strengthening the law a little bit," while we have taken care of and accommodated the hunters and the sportsmen.

I think that is a very, very simple decision to make. When we consider that over 200,000 people have been killed in the last decade, and 750 police officers

in line of duty—not counting the many people who have been maimed for life, not counting the Jim Bradys—I do not think that, Mr. Chairman, we ought to find if difficult. Notwithstanding what side one may have been on before, when we get it down to this basic argument, we have to come down on the side of saying, "I am going to inconvenience a little bit in order to assure that more lives will be saved."

Mr. FIELDS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I am a member of the National Rifle Association, and I feel that I am representative of over 3 million people in this country who are legitimate hunters and gun enthusiasts.

I think the focus of our debate today is wrong; that instead of debating ways to limit my rights as a gun owner, we should be talking about mandatory death penalties for those who commit murder with firearms and mandatory sentences for those who commit other crimes with firearms, and I understand there is some language in the bill in that particular direction.

But instead, it appears that we are debating whether Congress can pass a law to inhibit, to limit, or to prohibit criminal activity using firearms; in other words, whether we can do something by passing a gun control bill. I do not believe such a law can be conceived to accomplish that particular purpose, and I think all we are doing here is hindering and limiting my rights as an average American gun owner.

I think it is important to go back and look at exactly what the Volkmer substitute does and what the Hughes amendment will do. The Volkmer substitute lets sportsmen know when they need a Federal firearms license and when they do not. The Treasury Department has written a very clear definition and it is contained in the Volkmer substitute.

The Hughes amendment provides a nightmare definition that gun owners would have to live under. The Treasury Department and Justice Department think it is clearly unworkable and would basically require anyone who sells more than two firearms a year to obtain a Federal firearms license. The end result could be 20 million Federal firearms licenses, all with the ability to do mail order sales.

The definition is not only unworkable; it is much worse than our current situation.

Also, the Volkmer substitute does something I think is very important, personal to me. It allows a pass-through provision. Each year thousands of citizens must travel on interstate trips with firearms for hunting purposes, for competitions, for matches, moving residences, and personal protection upon arrival. There should be some way for law-abiding Americans to exercise their right to interstate travel with personally owned firearms. Criminals simply ignore the laws.

The Hughes amendment does not solve the problem honest citizens have in interstate travel. It clearly eliminates any reason for traveling with a handgun, and it is important to remember that 37 States allow handgun hunting. To respond to the gentleman from Louisiana just a moment ago who questioned whether you could actually have a handgun hunt with a bear, using a handgun. I did, and I used it as my primary weapon. I have also used a handgun as a backup when hunting other dangerous game, so a handgun is a legitimate weapon to use when hunting.

But going further, the Hughes amendment prohibits interstate sale of handguns. The Volkmer substitute simply says that the matter should be a State decision and there should be no overriding Federal ban. Under the Volkmer substitute, only face-to-face sale, with records kept and all State laws upheld, would be allowed. The Volkmer substitute would prohibit mail order sales.

In summary, and I think one could sum up this way, the Hughes amendment is simply an attempt by some to gut the major provisions of the McClure-Volkmer bill intended to help clarify the law for honest American sportsmen and firearm owners. I think that is the best summary.

To me, the Hughes amendment limits law-abiding sportsmen, and the heart of the problem that we are talking about today is criminal use of firearms, which will not be solved with gun control but can only be satisfied by strong and mandatory criminal penalties, stronger than those contained in the bills that we face today. Unfortunately, that is not what we are talking about here.

Mr. MARLENEE. Mr. Chairman, will the gentleman yield?

Mr. FIELDS. If I have any time left, I would be glad to yield to the gentleman from Montana.

Mr. MARLENEE. I thank the gentleman for yielding.

Mr. Chairman, I congratulate the gentleman on his statement and want to associate myself with his remarks.

Further, I know that the gentleman has traveled great distances to hunt, and where the carrying of a handgun is essential for the safety of the hunter, in addition to the rifle. I know the gentleman has hunted in Africa. Under the committee bill, if you travel to Newark, NJ, to disembark for the continent of Africa and you have your revolver with you, would you be subject to arrest?

Mr. FIELDS. As I understand the debate that has taken place earlier, yes, I would be subject to arrest.

Mr. MARLENEE. And under the Volkmer substitute, would you be subject to arrest?

Mr. FIELDS. No, I would not.

Mr. MARLENEE. I thank the gentleman.

Mr. HUGHES. Mr. Chairman, will the gentleman yield?

Mr. FIELDS. If I have any time left, I yield to the gentleman from New Jersey.

Mr. HUGHES. I thank the gentleman for yielding.

Mr. Chairman, everybody around here seems to be discussing New Jersey law inaccurately. In the first place, if you were heading for Africa and you needed a handgun for that purpose, you could transport that handgun for that purpose under New Jersey law, provided the handgun is uncased, not readily accessible, you are traveling a direct route; in fact, on your trip to Newark you did not find yourself in Havre de Grace, MD. If you were going the direct route, you would be all right under New Jersey law.

Let me just also make a couple of other points.

The CHAIRMAN. The time of the gentleman from Texas [Mr. FIELDS] has expired.

(On request of Mr. HUGHES and by unanimous consent, Mr. FIELDS was allowed to proceed for 1 additional minute.)

□ 1620

Mr. HUGHES. The gentleman indicated, if he would yield to me, that under the Hughes amendment that we created a whole new definition of dealer that would be unworkable. I think the gentleman said the BATF said it was unworkable.

It is interesting. We oversee the BATF, and we have never heard that before. The definition we use is the definition already ruled on by the courts. It was taken from the Fifth Circuit, U.S. Court of Appeals decision. It requires in order to be a dealer that one devote time, attention and labor in dealing with guns on a recurring basis, and for that purpose maintain inventory or represent to the public that they can secure weapons for sale.

So it is not accurate to suggest that it is unworkable, because it is presently being workable.

Mr. FIELDS. If I can reclaim my time for just a moment, what I said was that the Treasury Department and the Justice Department said that it was clearly unworkable.

Mr. HUGHES. It is the law of the land today, the law of the land today. Insofar as handguns in your State, the Judiciary Committee does not change State law.

There is some misunderstanding about that. What the Volkmer bill

would do would be to change State law. We are not changing existing law with regard to handguns. The laws that presently exist with regard to handguns remain the same. Under the Volkmer bill, that changes the law with regard to handguns, and that is where the police officers of this country are so upset about it.

The CHAIRMAN. The time of the gentleman from Texas [Mr. FIELDS] has again expired.

(By unanimous consent, Mr. FIELDS was allowed to proceed for 1 additional minute.)

Mr. FIELDS. Mr. Chairman, I would like to ask a question of the gentleman from New Jersey [Mr. HUGHES] because I want to make sure I have a clear understanding. I have hunted with handguns in this country. Are there some States that would preclude my ability to transport handguns through their particular jurisdiction under your piece of legislation?

Mr. HUGHES. No, not under my piece of legislation. We do not change any existing law. We change existing law with regard to the long guns. We say notwithstanding any other laws within the United States, but that is the overriding law with regard to long guns, and we are not changing the law with regard to handguns.

Mr. FIELDS. There are certain States that would preclude me from transporting a firearm through that particular State?

Mr. HUGHES. Yes.

Mr. FIELDS. And we do not change it?

Mr. HUGHES. No. I find it interesting that folks around here talk about federalism all of the time and leave it to all of the States to regulate firearms. Now all of a sudden we are going to overrule all of those laws, and that is what I find very interesting.

Mr. MARLENEE. Mr. Chairman, will the gentleman yield?

Mr. FIELDS. I yield to the gentleman from Montana.

Mr. MARLENEE. Mr. Chairman, that gets back to the basic point. Yes, perhaps you could go through Newark in transporting that handgun to protect yourself in Africa. But if they changed the law and said that it was unlawful to have a handgun in your possession, you could not do it. You could not do it in the District of Columbia.

Mr. ROBINSON. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I have followed this debate very closely over the last several hours, and I must say that I am disappointed that some Members of this great body have, probably not intentionally, but they have misrepresented certain facts on both sides. So what I would like to do for my few minutes this afternoon is present some facts and hopefully focus that debate back on the real issue, and that is whether or not the 1968 Gun Control Act has deterred homicides in this country, and whether or not relaxing those standards will cause the crime rate to either go up or down.

Let us look at pre-1968 gun control crime statistics. I use the years 1952 to 1968. The rate of homocides increased in the United States by 28 percent. That is pre-1968 Gun Control Act.

Now let us look at post-Gun Control Act, 1968 to 1980. The homocide rate did not go down after we passed the 1968 Gun Control Act. It has increased by 50 percent. Bear in mind pre-1968, the homocide rate went up by 28 percent. After we passed this, it went up by 50 percent.

Mr. HUGHES. Mr. Chairman, will the gentleman yield to me, just briefly on that point?

Mr. ROBINSON. I yield to the gentleman from New Jersey.

Mr. HUGHES. Mr. Chairman, it is interesting that our Subcommittee on Crime passed a forfeiture bill, major new initiatives in dealing with drug traffickers, I mean, a whole host of new initiatives, new wiretap authority in some areas, and you know the crime rate went up. Does that mean that the tools are not working?

Mr. ROBINSON. Mr. Chairman, that is not germane to what I am talking about.

Furthermore, in a recent study commissioned by the U.S. Department of Justice, we found among convicted felons incarcerated in our penitentiaries around this country that 88 percent of those criminals surveyed thought that the 1968 gun control laws only applied to law-abiding citizens. They did not think that law applied to them because they were criminals. The reason they thought that was simple. They do not buy guns at the local sporting gun stores. Statistics will prove that they steal guns or buy them on the black market.

But please listen to this statistic from that survey. The criminal's fear of an armed victim was pronounced. In States with less restrictive gun control laws, criminals are less likely to attack citizens because of the possibility that they might be armed.

Furthermore, the Hughes amendment, in my opinion, like the 1968 Gun Control Act, could cause the arrest of every police officer that traveled to the District of Columbia, the U.S. Capitol, to lobby us because they are not allowed to transport their pistol across State lines unless they were going up here to hunt us, and in one sense, they were hunting us, but for different purposes. The Gun Control Act of 1968, in my opinion, has not worked. The Hughes amendment is an overreaction to the 218 signatures on the petition of discharge. That is the real issue.

This body spoke, 218 of us said enough is enough. We sent a message to the chairman of the Judiciary Committee that we were tired of that committee being a graveyard of bills that citizens want debated on this floor.

In fact, if you will look at the track record of this committee, in the 96th Congress, they only reported out 8 percent of the bills referred to that committee; in the 97th, 6 percent; in the 98th, 9 percent; and in this Congress, 4 percent.

I ask all 218 of you to think about two things. First, you can demonstrate that the Members still rule this great body. But second, and most importantly, think about the Constitution of the United States of America. Our citizens have a constitutional right to bear arms, to buy weapons, and to travel interstate with those weapons.

This is not a law enforcement bill. This is a citizen-killing bill. It is taking constitutional rights away from our citizens.

I ask you to vote against the Hughes amendment and vote for the Volkmer substitute.

Mr. MORRISON of Connecticut. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, there has been an extensive debate on this amendment. But I think it is time to focus attention down to the merits of what is to be decided on the Hughes amendment. I think a moment should be taken in defense of the work of the Crime Subcommittee in bringing this amendment and the bill that is the underlying vehicle here to the floor.

Some people have spoken of graveyards and the like. That is popular rhetoric here on the floor. But the truth is that the Crime Subcommittee, of which I am proud to be a member, and under the leadership of our chairman, the gentleman from New Jersey [Mr. HUGHES] and the ranking member, the gentleman from Florida [Mr. MCCOLLUM] that subcommittee, I think, has been diligent with respect to several law enforcement issues. And I think that that committee, our committee has credibility on that subject. Whatever might be said about other judiciary issues and how people feel about them, and where they want them to go, the committee has worked these issues hard. And on this bill, and on bringing this bill to the floor, extensive hearings and hard work and a 35-to-0 vote reporting the bill out and bringing it to the floor. So let us not have this issue decided on some notion of whether the Judiciary Committee has covered all of the bases or done all of the things that need doing. This subcommittee has considered this legislation responsibly and it has been brought to the floor in a responsible bipartisan fashion, and I hope the action with respect to this amendment

will get the same consideration and bipartisan decision on the merits as the subcommittee and the committee gave it during the consideration this spring.

It seems clear to me that there are specific issues that are at stake on this amendment. This is not some generalized debate about gun control or no gun control. We are all agreed that there are things that need to be modified and improved in the 1968 act. We are all agreed that there are certain impositions on dealers and on hunters that can be modified without doing any damage to the law enforcement interest that we have in the gun control area.

But it seems to me that there are specific things in the Hughes amendment that are critical and that ought to persuade a majority of Members here in this body that it is necessary to pass this amendment. They have been discussed. Interstate sale of handguns, something that we do not need to relax. The interests of hunters is accommodated with the relaxation of interstate sales of long guns, and that ought to be sufficient to accommodate the real needs that are being addressed.

We hear a lot in this body about States' rights and the need for States to determine their own local laws. This legislation, as amended by the Hughes amendment, will respect the right of States to make their determinations on local gun laws.

The Volkmer bill will override those decisions.

Some people have objections to the laws of some states about interstate transport. But that is not the point. The point is that the Hughes amendment maintains the existing rights of States to make that local determination, and it does not federalize that decision.

Silencers. Silencers have been debated and discussed, and I have not yet heard one reason why it would be that silencers need to be legalized. Silencers should be illegal. It is a very strong and an appropriate law enforcement tool that is in the amendment offered by the gentleman from New Jersey.

Machinegun parts once again, we do not need people with machineguns. Hunters are not hunting with machineguns. There is no sporting interest, and the conversion parts for machineguns, which are banned under this amendment, ought to be banned.

We also have preservation of the enforcement possibilities against dealers, both with respect to unannounced inspections and with respect to a reasonable, sensible definition of what a dealer is. The fact is that we are talking about modifying, improving, making more effective the 1968 act, taking away impositions that may exist without doing any damage to the proper law enforcement interests.

Striking that balance means a "yes" vote for the Hughes amendment. As so modified, the Volkmer bill is not perfect, but it is something that moves in a sensible and a supportable and a reasonable direction, and I hope this body will support the Hughes amendment.

Mr. HUGHES. Mr. Chairman, I rise to determine how many additional Members want to be heard on this particular amendment because we have been on this now for almost 2½ hours. There are a number of Members that have noticed amendments, and it would be unfair for us not to give them adequate time. I would propose that we cease all debate on this amendment in 15 minutes.

Mr. McCOLLUM. If the gentleman would yield, would he mind shortening that, if the Members would agree, to 10 minutes? Would the gentleman yield to that suggestion?

Mr. HUGHES. The gentleman from Missouri [Mr. VOLKMER] needs at least 5 minutes. Is there objection to 10?

Mr. VOLKMER. I would object to 10 minutes, because a lot has been said here.

Mr. HUGHES. Mr. Chairman, I ask unanimous consent that all debate on this amendment cease in 15 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

The CHAIRMAN. Members standing at the time the unanimous-consent request was agreed to will be recognized for 2½ minutes each.

The Chair recognizes the gentleman from Ohio [Mr. TRAFICANT].

□ 1635

Mr. TRAFICANT. Mr. Chairman, I want to commend Mr. HUGHES, and his leadership of the Subcommittee on Crime, and the efforts he has made; and that is not a derogatory statement toward the gentleman from Missouri who has also worked very hard and his intentions are very honorable.

However, we just heard a litany of an awful lot of statistics. One of the things that we are dealing with today, I think, is more than just the gun issue; I think we are dealing with the lobby issue today as well. We are dealing with a commonsense issue.

If anybody is endangering, limiting the rights of Americans to have guns, it will be the overzealous that continue to try to hold to laws that are not only outdated but make the use of guns the most dangerous thing in our society.

We, in here today, are making a decision on whether or not a lobby in this country sets the policy for the use of guns, or the Representatives duly elected by the people. That decision, I think, is quite clear today. If anybody here can tell me what a silencer has to do with a hunter, what a machinegun has to do with a hunter, what a cop-killer bullet has to do with a hunter, my God, we have taken that rationale and beat it like a dead horse to try to continue to maximize some argument to keep lenient laws that have literally caused havoc in this country.

It is time for us to do the responsible thing. It is time for us all now to vote for what is best for America; and the vote that is best for America will be to tighten this thing up, and it will protect the people's right to bear arms, and it will preserve that constitutional right.

Believe me, do not let the American people suffer some major tragedy and react by demanding our scalps for letting this business of guns go unattended and unabated by the responsible people elected to handle it.

That is our job today. This is a bunch of rhetoric, and we have loosened it up too much. I would appreciate it if the Members would consider that when they come to vote.

I had seen the former FBI agent from Ohio up here, and his comments were very, very relevant; and I appreciated them, Mr. OXLEY, and I believe many others have.

Let us take emotion out of this, let us forget the PAC's, let us forget the lobbies, let us vote our conscience, and let us look at what is best for the country today. This is a very important vote; maybe one of the most important of this session.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. SCHEUER].

Mr. SCHEUER. Mr. Chairman, we heard a few minutes ago the proposition that since crime rates went up after the 1968 Firearms Act was passed that the law does not do much good.

Well, Mr. Chairman, we have a crisis problem on our hands. Nobody around the world can understand why America is bathed in its own blood. An average of four to six people are killed every year by handguns in Australia. About eight people a year die in Great Britain and in Canada. Sweden averages about 18 people a year, while Israel averages about 25 people a year, and that is a country where virtually every adult citizen is armed to the teeth to protect themselves against terrorism.

Mr. Chairman, I regret to say that our figure, for our country, is 50; but it is not 50 a year, it is 50 a day. It is 20,000 deaths caused by sidearms each year—200,000 in the last decade. Our rate is 600 times higher than Great Britain's, 300 times higher than Australia's, 250 times higher than Canada's, 14 times higher than Israel.

We have talked about the bizarre, the absurd, the almost monstrous idea of this Congress sitting seriously and talking about protecting the right of sportsmen to use silencers, sportsmen

to use machineguns, sportsmen to use plastic sidearms that go through metal detectors without being detected. The dream of the terrorist world, the dream of Mu'ammar Qadhafi is that we would pass a bill that makes it possible for terrorists and the other madmen of the world to overrun our country with guns that cannot be detected, but can kill helpless citizens.

We have an opportunity here today to pass a bill that will help to protect the lives and safety of our citizens and our law enforcement officers, while providing sportsmen with reasonable and responsible benefits.

The bill sponsored by our distinguished colleague from New Jersey [Mr. HUGHES] and reported out unanimously by the Judiciary Committee continues to prohibit the interstate sale of handguns.

It also insures that those who use firearms in the commission of a crime or those who possess vicious instruments of death such as machineguns and silencers will face mandatory penalties.

Handguns are a serious and deadly problem in our country.

This House cannot let a small group of armed zealots succeed in diluting Federal firearms laws and make our local, State, and Federal police officers targets for every gun-toting thug in America.

A number of responsible and reputable organizations, including: The Fraternal Order of Police; the National Sheriffs' Association; the International Brotherhood of Police Officers; the International Association of Police Chiefs; the National Troopers' Coalition; and the National Conference of Mayors, have endorsed the Judiciary Committee bill.

In addition, New York City Mayor Koch and law enforcement representatives of the New York-New Jersey Port Authority have urged me to support the Hughes bill.

I have no gripes with hunters and gun collectors who use firearms in a responsible manner—and they should realize that the Hughes bill will not hinder their pursuit of their sport or hobby.

What the bill will do is make it a little harder for drug addicts, muggers, deranged individuals, and other criminal elements to procure handguns.

Mr. Chairman, I hope this body will go one step further and vote in favor of amendments that will ban the newly developed plastic handguns and require a waiting period for those who wish to purchase handguns.

We are a civilized society.

Let us represent that civilized society in this House and vote for the safety of our police officers, our public officials, and every other citizen who fears that someday he or she may be looking down the barrel of a handgun.

The CHAIRMAN. The Chair recognizes the gentleman from New Jersey [Mr. TORRICELLI].

Mr. TORRICELLI. Mr. Chairman, today debate arms control; not the kind of arms control discussed in Geneva that may or may not ever bring harm to the American people, but the real threat of arms, the spiraling growth of arms in America, 100 million guns in the streets and the homes of the United States.

The threat is real; an additional gun sold every 13 seconds in this country. Look at yourselves. One out of every five of you, in your lifetime, will be a victim of the misuse of a gun. One in eight of you have already been fired upon, held up, or had a gun pointed at you. That is the real threat.

What do we ask? Restrictions in silencers? What legitimate reason is there that an American wants to have a silencer in their home? Machineguns? What legitimate hunter wants to take a machinegun out for an afternoon?

Recordkeeping. So we know when a criminal tries to buy a gun, we can check the record, find out where they bought the gun, after the abuse has been committed.

Mr. Chairman, reasonable controls work. The laws of my State of New Jersey have been at issue here. I tell you, I am proud of those laws and they have worked. The murder rate in my State, where we have reasonable controls, is half your rate, what it is in Texas. Next year, on a per capita basis, that means that 100 citizens of my State will live while 100 citizens of your State of Texas will die.

I ask that you join in the support of the Hughes amendment. Make this a victory today for the American people. Defeat this Hughes amendment: I tell you, there will be cheering among the drug dealers of Miami; there will be cheering among organized crime in New York and Chicago.

This is a victory you can give to the American people. Give America a new freedom, a freedom to be free in our homes and the fear of guns. Free to walk our streets, knowing that this proliferation of guns will stop.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. DINGELL].

Mr. DINGELL. Mr. Chairman, I have listened to this debate for a goodly while. One of the reasons that we are here today under the strictures under which we labor is that the Judiciary Committee has opposed the consideration of this type of legislation for a long period of time. The committee has demonstrated its extraordinary opposition to any relief for sportsmen and other law-abiding citizens.

The Volkmer substitute does not make it easier for criminals to obtain guns; it simply eliminates those abuses which unfortunately afflict honest citizens.

I observe that the late arrival of legislation from the Committee on the Judiciary carries with it all of the earmarks of being simply an attempt to derail something which 218 Members of the House have said is necessary.

This legislation is supported by law-abiding honest citizens, by the International Union of Police Associations, by the National Wildlife Federation, by the National Rifle Association, and by scores of other organizations of law-abiding citizens inside and outside law enforcement.

With regard to H.R. 4332, and the so-called Hughes law enforcement amendment, the Department of Justice and the administration have raised some critical points. They point out that the Hughes amendment does away with the distinction between willfulness and knowledge as a criminal intent standard for various violations of our firearms laws. Such a slurring of distinction throws honest citizens in with real criminals with regard to enforcement matters on subjects of intent.

The Hughes amendment provides a nightmare definition of "engaged in the business" which gun owners would have to live under. Such a definition could require anyone who buys or sells more than two guns a year, the duty to become a licensed firearms dealer.

The amendment also departs from the Volkmer substitute by requiring certain types of recordkeeping on ammunition. The Hughes amendment also would seriously impair the rights of law-abiding citizens and sportsmen to transport firearms from State to State in a law-abiding fashion, while permitting criminals to continue their nefarious practices.

□ 1645

In summary, the Hughes amendment is simply an amendment put forward to gut the major provisions of the Volkmer substitute, which is a well reasoned bill intended to help clarify the law for honest sportsmen and firearms owners.

The CHAIRMAN. The Chair recognizes the gentleman from Missouri [Mr. VOLKMER] for 2½ minutes.

Mr. HUGHES. Mr. Chairman, may I inquire how much time I have remaining?

The CHAIRMAN. The gentleman from New Jersey [Mr. HUGHES] has 2½ minutes remaining.

(By unanimous consent, Mr. HUGHES yielded 1½ minutes to Mr. VOLKMER.)

The CHAIRMAN. The Chair recognizes the gentleman from Missouri [Mr. VOLKMER].

Mr. VOLKMER. Mr. Chairman, I yield to the gentleman from Georgia [Mr. THOMAS].

Mr. THOMAS of Georgia. Mr. Chairman, I rise in support of the Volkmer substitute and in opposition to the Hughes amendment.

I am an avid outdoorsman, hunter, and sporting enthusiast, as well as a firm believer in the constitutional right of all citizens to keep and bear arms. After a very careful examination of the 1968 Gun Control Act, it is my firm belief that the Volkmer substitute addresses the need to ease existing restraints against le-

gitimate gun owners, collectors, and dealers. It does not, in my opinion, undermine the efforts of our law enforcement officers to apprehend known criminals or those persons who willfully violate existing law.

Unlike the committee bill, the Volkmer substitute would allow for the interstate sale of handguns, as well as long guns and rifles. The seller of these weapons must be a licensed dealer and both the buyer and the seller must be physically present at the time of the sale. Any sale must comply with applicable State and local laws in both the buyer's and the seller's State.

In my view, it is not valid to say that a citizen can buy a handgun in his own State, but not in a neighboring State. A criminal is not going to be more or less inclined to buy a handgun as a result of the Volkmer provision.

A criminal is going to steal his gun or buy it outside the legal retail trade. If he is inclined to use false identification or other subterfuge to buy a gun from a law-abiding dealer, he will certainly not be deterred by the committee bill. Only the legitimate purchaser will be inconvienced.

The Volkmer substitute clearly defines a licensed dealer as any person engaged in the business of gun dealing to mean persons selling guns primarily from a motive of monetary gain. Exchanges between collectors strictly for hobby purposes would be excluded from the definition.

The substitute, like the committee bill, makes it illegal for anyone to sell or transfer a firearm to any person who they know or reasonably believe is a convicted felon, a fugitive from justice, a drug addict or user, a mental incompetent, a dishonorably discharged veteran, or who has renounced U.S. citizenship.

In my judgment, these provisions relating to interstate sales will only allow law-abiding citizens who are legally entitled to purchase firearms in their own States to do so in other States. State and local laws in the buyer's and the seller's State would have to be complied with, but no State and local laws could be usurped.

The substitute proposal provides for one unannounced dealer record compliance inspection per year by the Bureau of Alcohol, Tobacco and Firearms. Most recordkeeping related to the sale of ammunition, except armor-piercing ammunition, would be eliminated. The bill specifically exempts the transfer of firearms to and from a dealer's personal collection from any recordkeeping requirements.

One of the disturbing provisions of the committee bill is the requirement that all firearms dealers must give notice to law enforcement authorities in the purchaser's residence and the FBI at the time of the sale or transfer of handguns. The records of these purchases would have to be destroyed within 90 days of receipt unless the investigation of the purchaser's record indicates any illegal activity.

Law enforcement officials in my own State have told me that they do not have the manpower or financial resources to comply with these types of record checks. In addition, no criminal is likely to give his proper name and address at the time of purchase, so for all practical purposes this burdensome notice requirement will have little impact on criminals obtaining handguns. For these reasons, I strongly support the provision in the Volkmer substitute which does not require gun dealers to notify the police of handgun sales.

There is one final provision in the Volkmer substitute which I would like to address, and that provision guarantees individuals the right to travel in interstate commerce with a secured unloaded firearm, including a handgun, for legitimate purposes or to change residence.

The committee bill, on the other hand, only authorizes the interstate transportation of secured handguns and rifles for sporting purposes or when moving. Thirty-seven States have laws which allow handguns to be used for hunting purposes, and it makes no sense to allow for the interstate transportation of shotguns and rifles, while denying that clearance for handguns which are used only for legitimate purposes. Existing protections against the transportation of firearms with the intent to commit a crime would remain in effect.

Let me summarize by stating that the Volkmer substitute is a balanced approach to meeting the concerns expressed by legitimate gun owners while still allowing our law enforcement personnel to do their job effectively.

It will not result in increased criminal activity, but simply provides some needed revision and clarification of an 18-year-old statute that in some cases has placed burdensome requirements on legitimate gun collectors and dealers. I urge a "yes" vote on the Volkmer substitute.

Mr. VOLKMER. Mr. Chairman, I yield to the gentleman from Idaho [Mr. STALLINGS].

Mr. STALLINGS. Mr. Chairman, I also rise in strong support of the Volkmer amendment.

Mr. Chairman, it is ironic that Mr. Volkmer's bill is the substitute when we all know which of the two bills came first and the circumstances under which the committee bill originated.

Nonetheless, I am pleased to have the chance finally to vote on legislation that will ease unnecessary Government restrictions on law-abiding gun owners.

Over the past few months, I have had the privilege to work closely with Mr. VOLKMER on the discharge petition, and I would like to thank him now for his leadership on and commitment to this issue.

In addition, I would like to thank the many concerned and dedicated members in both parties who joined together to gather the signatures needed to free the Volkmer bill from committee. I am pleased to join this bipartisan group of supporters to endorse legislation which will protect our constitutional right to bear arms, and I value the relationships that I have gained.

Mr. Chairman, there has been much disinformation spread about this bill. The antigun lobby continues to claim that this legislation is opposed by every law enforcement agency. This is simply not true. I have received letters from six national law enforcement agencies who support the Firearms Owners Protection Act. Included among these was a letter from the AFL–CIO police association, which is the largest police organization in America. I have also received many letters from individual police officers who support this legislation.

Gun ownership is a basic constitutional right in America. Responsible gun ownership is a right, not a crime, and it should be treated as such. A person who commits a crime while using a firearm should be punished, not law-abiding sportsmen.

Consequently, I urge all Members to support the Volkmer substitute.

Mr. VOLKMER. Mr. Chairman, I probably have about 3 minutes left which is not nearly enough to refute all of the allegations made here with regard to the Hughes amendment against the Volkmer substitute. We do have unannounced inspections provided in our bill. The definition of "engaged in business" in our bill has been written with and approved by both the Justice Department and Treasury—BATF. The definition that is in the Hughes amendment is defective. The BATF in discussing this with them yesterday admitted that their definition would probably require even hand loaders of ammunition to be licensed as ammunition manufacturers; it would require that persons who have traded a gun in their lifetime and want to recur and trade another one later on, honest citizens and sportsmen, would have to be licensed. That definition really guts this bill. If this amendment passes with this definition, you can forget the whole legislation in my opinion.

You have got to remember that the definition in the substitute was written in conjunction with those who are enforcing the gun control act. I would like to point out that we do provide for recordkeeping, for armor-piercing bullets, that we do provide the same definition with the McCollum technical amendment to ours which we will accept, the same definition on parts, conversion parts or kits for machine guns, which is identical to what is in the Hughes bill. So there is no difference in regard to that.

I would like to also state that the Hughes amendment basically is very defective, that it would basically gut the substitute bill, that the provisions with regard to what many people have said, silencers, there will be a later amendment on that, if you want to vote on that, you can have a separate amendment. The gentleman from Florida and the gentleman from California as I understand will be offering a separate amendment on the question of silencers. And on the matter of transportation of handguns, you have got to remember that we are not doing away with any State or local law. The State or local law is still there. All we are saying is that if you are arrested and you have been doing it for a lawful purpose, if you are transporting for a lawful purpose, you can raise it as a defense. This is specifically set out in the Senate report; it is specifically the language in the bill. All it is is a defense to prosecution that you

are transporting a handgun for a lawful purpose. It does not do away with New Jersey or New York law or any other law.

The final thing that I would like to point out with the amendment is that it does not make any big major difference as far as, as I said, the machinegun parts. We are taking care of that. We will have the same definition. There will be no difference between our bills. We agree on the definition of conversion kits, and we are going to take care of it. So basically the amendment is one with a definition that we have would really do major harm to all the firearms owners of this country. Basically it leads to registration of everybody that owns a gun in the United States, he is really going to have to end up and be registered.

The CHAIRMAN. Does the gentleman from Florida [Mr. McCOLLUM] seek recognition?

Mr. McCOLLUM. I do not, Mr. Chairman, seek recognition.

Mr. HUGHES. Mr. Chairman, will the gentleman from Florida yield his time to me?

Mr. McCOLLUM. What would the gentleman like yielded to him?

Mr. HUGHES. Two and one-half minutes.

(By unanimous consent, Mr. McCOLLUM yielded his time to Mr. HUGHES.)

The CHAIRMAN. The Chair recognizes the gentleman from New Jersey [Mr. HUGHES] to conclude debate.

Mr. HUGHES. Mr. Chairman, I yield to the gentlewoman from Illinois [Mrs. COLLINS].

Mrs. COLLINS. Mr. Chairman, I rise in vehement opposition to the Volkmer substitute to H.R. 4332. I have always worked vigorously for effective gun control legislation. This year I have introduced two such measures. One of my bills, H.R. 299, provides for mandatory registration of handguns. I have been invited to testify on this legislation before the House Judiciary Subcommittee on Crime. My second bill H.R. 306, creates an additional tax on handguns, and uses the proceeds of the tax to establish a program to compensate victims of handgun crime. In addition, I have cosponsored H.R. 2861, which bans the import, manufacture, sale, and transfer of small concealable handguns. These measures respond to the clear evidence that there is a need for strong gun control legislation.

Given the shocking statistics on handgun crime, we must continue to press for their passage, as well as for State and local efforts to control firearms. We simply cannot ignore the fact that we live in a country where over 20,000 die annually in handgun related deaths. As the FBI's 1984 report "Crime In the United States" shows, handguns were used in nearly half of all the murders in this country. Moreover, according to the 1984 Uniform Crime Report, 60 percent of the murderers in this country were not unknown criminal intruders or assailants, but were instead either family, friends, or acquaintances of their victims. This is further justification that there is a need for strong gun control legislation.

A survey by the U.S. Bureau of Alcohol, Tobacco and Firearms indicated that handguns are used in about 75 percent of all crimes in which weapons could be traced. Perhaps most shocking of all are estimates that 30 people are murdered every day with a handgun. This data convincingly shows that there is a need for strong gun control legislation.

Importantly, the 1984 Uniform Crime Report has shown that gun control regulations work. Regions of the country with strict handgun regulations have significantly lower murder rates than regions having lax or no gun control regulations. Accordingly, we can conclude that the strong regulations in my home State of Illinois, in such towns and cities as Oak Park, Morton Grove, Evanston, and Chicago, are saving lives. Clearly this demonstrates that there is a need for strong gun control legislation.

Despite all this evidence crying out for stronger gun control measures, the Volkmer substitute would foolishly water down existing gun control laws. Specifically the measure would permit the interstate sale of both rifles and handguns, make it easier to travel between States with rifle and handguns, and ease restrictions on gun dealers. This is a measure that ignores a plague of gun-related misery, of assassinations, of suffering. This is a measure that must be soundly defeated. Please join me in sending a message throughout the Nation: There is a need, a vital need, for strong gun control legislation.

Mr. JEFFORDS. Mr. Chairman, I rise today in reluctant support of the Hughes amendment package. As the Representative from Vermont, I come from one of the most rural areas in the Nation where hunting is an integral part of our tradition and way of life. Gun ownership is considered a cherished right and one that I, as a gunowner, have always supported.

In Vermont, gun control laws are few and far between and, thankfully, so, too, are serious crimes committed with firearms. In the 18 years since passage of the Gun Control Act of 1968, law-abiding gunowners in Vermont and nationwide have often borne the brunt of unworkable, unnecessary provisions in this law.

I support many of the provisions contained in the Volkmer substitute before us today that correct those longstanding problems. I also commend Mr. VOLKMER for revising his substitute to take into account some of the problems that were highlighted by the administration and the law enforcement community during the House Subcommittee on Crime's hearings on the issue last year.

However, as the former chief law enforcement officer for Vermont, I emphasize with additional concerns raised by law enforcement officers in Vermont and across the Nation. I am especially concerned about the provision in the Volkmer substitute that opens up the ability to cross State lines to purchase handguns. This overrides existing law. I agree with the provisions in both the Hughes amendment and the Volkmer substitute allowing interstate sales of shotguns and rifles. I see no overriding inconvenience, however, that necessitates altering existing law to allow the crossing of State lines to purchase handguns. Here, law enforcement considerations should prevail.

While there are some provisions within the Hughes amendment that I do not support, overall I believe the amendment—taken as a whole—improves the Volkmer substitute. It leaves intact many provisions to alleviate unnecessary complications created by the 1968 act, while taking into account the concerns of our law enforcement community.

Mr. HUGHES. You know, I sit here and get confused by some of the debate because I hear charges and countercharges. There are so many distortions it is just unfortunate. First of all make no mistake if Volkmer carries there will be a preemption, a preemption of New Jersey law, and a series of other laws that will not permit people to carry handguns in their cars.

There is no mistake about that, that will be a preemption. Now there has been a lot said about the Judiciary Committee. I want to tell you serving on the Judiciary Committee is a frustrating experience, not just for members on that side of the aisle, but for this side of the aisle.

I am proud of my 5 years of leadership of the Crime Subcommittee. I have had two great ranking Republicans. We have worked together and we got a lot of things done. "Hal" Sawyer of Michigan was a fine ranking Republican and "BILL" McCOLLUM is a fine ranking Republican and we work in a bipartisan fashion.

The Congressional Quarterly described my subcommittee as a mill. We passed out in the last two Congresses, and I will just mention a few: child pornography, career criminal, forfeiture bills, trademark counterfeiting, justice assistance, drug diversion, the drug czar, computer-crime legislation, antiterrorism legislation, credit cards, pharmacy robbery, antiterrorism, money-laundering, I could go on and on. We have turned out about 40 pieces of legislation in the last 5 years in the Subcommittee on Crime. You have given that subcommittee on many instances unanimous support. Those bills carried on this floor unanimously. It was the nucleus of that subcommittee that worked on this bill. We started from scratch and the bill that we developed in the Subcommittee on Crime on firearms legislation is a subcommittee that you have supported for the last several Congresses. It was a rational approach, thoughtful approach. We went through issue by issue, ask any member on either side of the aisle and they will tell you the same thing. That is why we ended up with a 10-to-zip vote and a 35-to-0 vote on firearms legislation.

Now on the full committee, as I said before, we have those who want to pass out bazookas at one extreme and those who want to take all handguns and everything else away, on the other extreme; and they are both wrong. We charted a rational course. What we

have in this amendment, this law enforcement package is the bottom line. It is what the police officers of this country believe they need to maintain, first of all, to secure their lives. You know, we ought to think about that for just a minute. You and I can debate about this but it is the police officer up there, out there on the streets throughout this country on the highways and byways, who are the people who stop the cars day in and day out and they are the ones who are faced with these handguns. Believe me when I tell you we are going to take a giant step backwards if we pass the Volkmer bill without this law-enforcement-amendment package in it.

Mr. Chairman, I urge my colleagues to support it.

The CHAIRMAN. All time has expired.

The question is on the amendments offered by the gentleman from New Jersey [Mr. HUGHES] to the amendment, as amended, offered by the gentleman from Missouri [Mr. VOLKMER] as a substitute for the Judiciary Committee amendment in the nature of a substitute, as amended.

The question was taken, and on a division (demanded by Mr. VOLKMER) there were—ayes 20, noes 23.

RECORDED VOTE

Mr. HUGHES. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 176, noes 248, not voting 10, as follows:

[Roll No. 70]

AYES—176

Ackerman	Durbin	Kaptur
Akaka	Dwyer	Kastenmeier
Anderson	Dymally	Kennelly
Annunzio	Early	Kildee
Anthony	Eckart (OH)	Kleczka
Applegate	Edgar	Kostmayer
Aspin	Edwards (CA)	LaFalce
Atkins	Evans (IL)	Lantos
Barnes	Fascell	Leach (IA)
Bateman	Fawell	Lehman (CA)
Bates	Fazio	Lehman (FL)
Bedell	Feighan	Leland
Beilenson	Florio	Lent
Bennett	Foglietta	Levin (MI)
Berman	Ford (TN)	Levine (CA)
Biaggi	Frank	Lipinski
Boland	Frenzel	Lowry (WA)
Bonior (MI)	Frost	Lundine
Bonker	Garcia	Lungren
Borski	Gejdenson	Manton
Boxer	Gephardt	Markey
Broomfield	Gibbons	Martin (IL)
Brown (CA)	Gonzalez	Matsui
Burton (CA)	Gradison	Mavroules
Carper	Gray (PA)	Mazzoli
Clay	Green	McGrath
Coelho	Guarini	McHugh
Coleman (MO)	Hall (OH)	McKinney
Collins	Hatcher	Meyers
Conte	Hawkins	Mica
Conyers	Hayes	Mikulski
Coughlin	Henry	Miller (CA)
Courter	Hertel	Miller (WA)
Coyne	Hillis	Mineta
Crockett	Howard	Mitchell
Dellums	Hoyer	Moakley
DeWine	Hughes	Molinari
Dicks	Hyde	Moody
Dixon	Jacobs	Morrison (CT)
Donnelly	Jeffords	Mrazek
Downey	Johnson	Nowak
Oakar	Savage	Torricelli
Owens	Saxton	Towns
Oxley	Scheuer	Traficant
Panetta	Schneider	Vento
Parris	Schroeder	Visclosky
Pease	Schumer	Walgren
Pepper	Seiberling	Waxman
Porter	Slaughter	Weiss
Pursell	Smith (FL)	Wheat
Rangel	Smith (NJ)	Whitehurst
Rinaldo	Solarz	Wirth
Rodino	St Germain	Wolf
Roe	Stark	Wolpe
Rostenkowski	Stenholm	Wright
Roukema	Stratton	Wylie
Roybal	Studds	Yates
Russo	Synar	Zschau
Sabo	Tauke	

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Alexander	Ford (MI)	Moorhead
Andrews	Fowler	Morrison (WA)
Archer	Franklin	Murphy
Armey	Fuqua	Murtha
AuCoin	Gallo	Myers
Badham	Gaydos	Natcher
Barnard	Gekas	Neal
Bartlett	Gilman	Nelson
Barton	Gingrich	Nielson
Bentley	Glickman	Oberstar
Bereuter	Goodling	Obey
Bevill	Gordon	Olin
Bilirakis	Gray (IL)	Ortiz
Bliley	Gregg	Packard
Boehlert	Gunderson	Pashayan
Boggs	Hall, Ralph	Penny
Boner (TN)	Hamilton	Perkins
Bosco	Hammerschmidt	Petri
Boucher	Hansen	Pickle
Boulter	Hartnett	Price
Breaux	Hefner	Quillen
Brooks	Hendon	Rahall
Brown (CO)	Hiler	Ray
Broyhill	Holt	Regula
Bruce	Hopkins	Reid
Bryant	Horton	Richardson
Burton (IN)	Hubbard	Ridge
Bustamante	Huckaby	Ritter
Byron	Hunter	Roberts
Callahan	Hutto	Robinson
Campbell	Ireland	Roemer
Carney	Jenkins	Rogers
Carr	Jones (NC)	Rose
Chandler	Jones (OK)	Roth
Chapman	Jones (TN)	Rowland (CT)
Chappell	Kanjorski	Rowland (GA)
Chappie	Kasich	Rudd
Cheney	Kemp	Schaefer
Clinger	Kindness	Schuette
Coats	Kolbe	Schulze
Cobey	Kolter	Sensenbrenner
Coble	Kramer	Sharp
Coleman (TX)	Lagomarsino	Shaw
Combest	Latta	Shelby
Cooper	Leath (TX)	Shumway
Craig	Lewis (CA)	Shuster
Crane	Lewis (FL)	Sikorski
Daniel	Lightfoot	Siljander
Dannemeyer	Livingston	Sisisky
Darden	Lloyd	Skeen
Daschle	Loeffler	Skelton
Daub	Long	Slattery
Davis	Lott	Smith (IA)
de la Garza	Lowery (CA)	Smith (NE)
DeLay	Luken	Smith, Denny (OR)
Derrick	Mack	
Dickinson	MacKay	Smith, Robert (NH)
Dingell	Madigan	
DioGuardi	Marlenee	Smith, Robert (OR)
Dorgan (ND)	Martin (NY)	
Dornan (CA)	McCain	Snowe
Dowdy	McCandless	Snyder
Dreier	McCloskey	Solomon
Duncan	McCollum	Spence
Dyson	McCurdy	Spratt
Eckert (NY)	McDade	Staggers
Emerson	McEwen	Stallings
English	McKernan	Stangeland
Erdreich	McMillan	Strang
Evans (IA)	Michel	Stump
Fiedler	Miller (OH)	Sundquist
Fields	Mollohan	Sweeney
Fish	Monson	Swift
Flippo	Montgomery	Swindall
Foley	Moore	Tallon
Tauzin	Vucanovich	Wilson
Taylor	Walker	Wise
Thomas (CA)	Watkins	Wortley
Thomas (GA)	Weaver	Wyden
Traxler	Weber	Yatron
Udall	Whitley	Young (AK)
Valentine	Whittaker	Young (FL)
Vander Jagt	Whitten	Young (MO)
Volkmer	Williams	

NOT VOTING—10

Addabbo	Lujan	Stokes
Edwards (OK)	Martinez	Torres
Grotberg	Nichols	
Heftel	O'Brien	

□ 1710

Mr. TAUZIN and Mr. BARNARD changed their votes from "aye" to "no."

So the amendments to the amendment, as amended, offered as a substitute for the Judiciary Committee amendment in the nature of a substitute, as amended, was rejected.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. MCCOLLUM TO THE AMENDMENT, AS AMENDED, OFFERED BY MR. VOLKMER AS A SUBSTITUTE FOR THE JUDICIARY COMMITTEE AMENDMENT IN THE NATURE OF A SUBSTITUTE, AS AMENDED

Mr. McCOLLUM. Mr. Chairman, I offer an amendment to the amendment offered as a substitute for the Judiciary Committee amendment in the nature of a substitute.

The Clerk read as follows:

Amendment offered by Mr. MCCOLLUM to the amendment, as amended, offered by Mr. VOLKMER as a substitute for the Judiciary Committee amendment in the nature of a substitute, as amended:

Page 7, strike out line 22 and all that follows through "firearms" on line 2 on page 8 and insert in lieu thereof "accomplish the transfer or to negotiate the transfer".

Page 19, line 2, strike out "this section" and insert "paragraph (2) of this subsection, subsection (b) or (c) of this section," in lieu thereof.

Page 27, beginning in line 23, strike out "part" and all that follows through "exclusively" in line 1 on page 28 and insert in lieu thereof "part designed and intended solely and exclusively, or combination of parts designed and intended,".

Page 5, line 22, strike out "part or".

Page 5, line 23, strike out "intended only" and insert "and intended" in lieu thereof.

Page 5, line 25, after "muffler" insert ", and any part intended only for use in such assembly or fabrication".

Page 22, line 24, strike out "not more" and insert "not less" in lieu thereof.

Page 23, line 1, strike out "suspsend" and insert "suspend" in lieu thereof.

Page 10, strike out line 5 and insert in lieu thereof the following:

(7) so that subsection (h) reads as follows:

"(h) it shall be unlawful for any individual, who to that individual's knowledge and while being employed for any person described in any paragraph of subsection (g) of this section, in the course of such employment—

"(1) to receive, possess, or transport any firearm or ammunition in or affecting interstate or foreign commerce; or

"(2) to receive any firearm or ammunition which has been shipped or transported in interstate or foreign commerce."; and

Page 27, line 20, insert "(a)" before "Section".

Page 28, after line 2, insert the following: "(b) CONFORMING AMENDMENT.—Section 5845(a)(7) of the National Firearms Act (26 U.S.C. 5845(a)(7)) is amended to read "(7) any silencer (as defined in section 921 of title 18, United States Code);".

Mr. McCOLLUM (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. McCOLLUM. Mr. Chairman, the amendment I am offering is in response to a six-part request from the Department of Treasury for amendments to the Volkmer substitute. I have worked carefully with Mr. VOLKMER and others to address the Department of Treasury concerns in a manner that I believe is noncontroversial. Most of this amendment is technical. Other parts merely maintain existing law.

First, my amendment would delete a provision in the Volkmer substitute that would permit a dealer to mail firearms to a purchaser after an interstate sale that complies with the requirements of the substitute. Without this language, the interstate sale provision in the Volkmer bill will parallel the language in S. 49. The administration supports that provision of S. 49 which allows only shipment of firearms by a licensee to another licensee. This portion of my amendment is taken from an amendment previously published by Mr. CRAIG.

Second, my amendment merely clarifies the intent of Mr. VOLKMER to apply a "knowing" standard of intent to sections 924(b) and 924(c) of title 18 of the United States Code. Under current law, both section 924(b), which prohibits the interstate receipt, shipment or transport of firearms with intent to commit a felony, and section 924(c), which creates a mandatory minimum sentence for the commission of a violent Federal felony, have a "knowing" standard. The word "knowing" does not appear in the language of these sections, but that clearly is the congressional intent and the manner in which these sections have been interpreted. It was Mr. VOLKMER's intent that the "knowing" standard be maintained in his substitute for sections 924(b) and 924(c) and this amendment merely clarifies that intent. It is based on another amendment published earlier by Mr. CRAIG.

Third, my amendment, again, incorporates language put forward by Mr. CRAIG as well as others including Chairman HUGHES. This section would clarify that the current law defining machinegun parts or combination of parts as machineguns themselves is maintained. This is accomplished by removing the language requiring that these parts or combination of parts be designed solely and exclusively for machineguns. This amendment also clarifies that the definition of machineguns includes a "part" that is intended solely and exclusively for a machinegun. This is not intended to alter current law regarding parts or the combination of machinegun parts or the intent in the Volkmer substitute.

The fourth part of my amendment incorporates language in the silencer definition to address a problem similar to the machinegun definition that I just discussed. Put simply, this portion of the amendment maintains the existing definition of silencer to include the parts or combination of silencer parts. The amendment also includes in the silencer definition any "part intended only for use in such assembly of fabrication." This amendment is not intended to alter the current law regarding parts or combination of silencer parts or the intent of the Volkmer substitute.

The fifth part of this amendment is taken from an amendment published by Mr. CRAIG to maintain the current mandatory minimum sentence of 15 years for career criminals. The Volkmer substitute inadvertently changed this current law and my amendment reasserts current law in a manner consistent with the committee bill and S. 49.

Finally, the sixth part of my amendment maintains current law in a section referred to as the "body guard amendment" or the "Mafia hit-man amendment." This provision is in existing law, the committee bill, and S. 49. It is inadvertently absent from the Volkmer substitute. This amendment maintains current law to prevent a convicted felon or other person prohibited from owning firearms from hiring another to carry a firearm solely for the benefit of the prohibited person.

One spelling error is corrected.

These amendments are presented at the request of the Department of the Treasury and are supported by the sponsor of the substitute, Mr. VOLKMER, and by the sponsor of other amendments on which much of this amendment is based, Mr. CRAIG. I believe this amendment improves the bill from a technical standpoint and from a law enforcement perspective. I urge its adoption.

Mr. Chairman, I believe the gentleman from Missouri [Mr. VOLKMER] would like to engage in a colloquy, and I yield to the gentleman for that purpose.

Mr. VOLKMER. Yes. Mr. Chairman, I do support the technical amendment offered by the gentleman from Florida. I would like to engage in a colloquy in regard to one part of it, and that is on the "hit-man" part of a felon. If the gentleman would be willing, I would like to discuss this part of the amendment.

Mr. McCOLLUM. Please proceed.

Mr. VOLKMER. The amendment would, in part, maintain existing law that is inadvertently missing from the Volkmer substitute. The language I am referring to, however, is included in S. 49 and in the Judiciary Committee bill, H.R. 4332. The purpose of this language is to make it a crime for the employee of a felon to ship, transport, or possess a firearm in the course of his employment. Is this correct?

Mr. McCOLLUM. That is how I read this provision and the current law. It is my intent by offering this amendment to maintain existing law.

Mr. VOLKMER. As I read this amendment, the employee would have to know that his employer is a felon. Is that correct?

Mr. McCOLLUM. Yes, that is correct.

Mr. VOLKMER. As I read this amendment, the employee would have to ship, transport, or possess the firearm in the course of his employment. Would this amendment prohibit the employee from owning firearms as a collector, a hunter, or for any other personal reason?

The CHAIRMAN. The time of the gentleman from Florida [Mr. McCOLLUM] has expired.

(By unanimous consent, Mr. McCOLLUM was allowed to proceed for 1 additional minute.)

Mr. McCOLLUM. Mr. Chairman. This amendment would not affect the employee's right to possess, ship, or transport firearms for any non-work-related reason. So long as the employee's attachment to the firearm is not for the benefit of the employer with a previous felony conviction, the employee is free to ship, transport, or possess firearms.

Mr. VOLKMER. Do you then believe that this amendment would not prohibit a garage mechanic, whose boss was previously convicted of a felony, from otherwise lawfully possessing his target pistol at the garage so that the mechanic could leave straight from work to attend his target shooting competition?

Mr. McCOLLUM. The garage mechanic would not be in violation of this amendment or current law under the facts you have just expressed. This amendment is supported by the Department of Treasury.

Mr. VOLKMER. I thank the gentleman for that clarification of congressional intent.

□ 1725

Mr. LUNGREN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of this amendment. I think it is a noncontroversial amendment. I think it

helps the bill. I think it is technical in nature.

I would also like to enter into a brief colloquy with the gentleman from Missouri regarding the references in his substitute to the U.S. Parole Commission. Would the gentleman discuss this issue with me briefly?

Mr. VOLKMER. Certainly. I would be more than happy to discuss the question of the gentleman from California.

Mr. LUNGREN. Section 104 of the Volkmer substitute sets forth both felony and misdemeanor penalties. On page 19 and 20 of the substitute, following these sentences is the language "and shall become eligible for parole as the Parole Commission shall determine."

In the sentencing provisions of the Comprehensive Crime Control Act of 1984, which we passed, we set forth a timetable to abolish parole for all cases occurring subsequent to the issuance of sentencing guidelines by the U.S. Sentencing Commission. The Parole Commission is scheduled to be abolished in 1991.

Is the gentleman's intent in referring to the Parole Commission in his substitute to comply with the existing treatment of parole in the Comprehensive Crime Control Act or to somehow exempt these gun crimes from our planned sentencing system?

Mr. VOLKMER. It is my intent to work within the framework set forth in the Comprehensive Crime Control Act of 1984, and I want to thank the gentleman from California for getting that legislation through. Thus, persons convicted under these sections will be subject to the sentencing guidelines like all other convicted persons. This language will become obsolete at the time that parole is no longer available to persons convicted of violating Federal criminal laws.

Mr. LUNGREN. I thank the gentleman for that clarification of congressional intent. I think it is an important point. Under that explanation, does the gentleman believe that we need an amendment to delete the reference to the Parole Commission?

Mr. VOLKMER. I do not think such an amendment is necessary since the language will not interfere with the current sentencing process. However, I have no strong objection to the gentleman's amendment since I do not believe it changes the impact of the substitute.

Mr. LUNGREN. Well, I thank the gentleman for his explanation.

I will not offer the amendment at this time because I agree with the gentleman's interpretation and his intent of the language in the substitute. We do not intend to change the life of the parole commission by reference to the parole commission in the substitute and it would only be with reference to those things that would take place prior to the scheduled expiration of the parole commission.

I thank the gentleman.

Mr. SHAW. Mr. Chairman, I move to strike the requisite number of words. I rise in support of the amendment of the gentleman from Florida.

Mr. Chairman, I rise in support of the amendment and urge its immediate passage.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida [Mr. MCCOLLUM] to the amendment, as amended, offered by the gentleman from Missouri [Mr. VOLKMER], as a substitute for the Judiciary Committee amendment in the nature of a substitute, as amended.

The amendment to the amendment, as amended, offered as a substitute for the Judiciary Committee amendment in the nature of a substitute, as amended, was agreed to.

AMENDMENT OFFERED BY MR. HUGHES TO THE AMENDMENT, AS AMENDED, OFFERED BY MR. VOLKMER AS A SUBSTITUTE FOR THE JUDICIARY COMMITTEE AMENDMENT IN THE NATURE OF A SUBSTITUTE, AS AMENDED

Mr. HUGHES. Mr. Chairman, I offer an amendment to the amendment offered as a substitute for the Judiciary Committee amendment in the nature of a substitute.

The Clerk read as follows:

Amendment offered by Mr. HUGHES to the amendment, as amended, offered by Mr. VOLKMER as a substitute for the Judiciary Committee amendment in the nature of a substitute, as amended: Page 26, strike out line 16 and all that follows through the matter immediately following line 5 on page 27 and insert in lieu thereof the following:

SEC. 108. INTERSTATE TRANSPORT OF RIFLES AND SHOTGUNS.

Section 927 of title 18, United States Code, is amended—

(1) by inserting "(a)" before "No"; and

(2) by adding at the end the following:

"(b) Notwithstanding any provision of State or local law to the contrary, any individual may transport any secured shotgun or secured rifle from such individual's place of origin to any destination State if—

"(1) such transport is—

"(A) incident to the change of the individual's State of residence; or

"(B) for the purpose of lawful participation in, or returning from lawful participation in—

"(i) hunting;

"(ii) a shooting match or contest; or

"(iii) any other lawful sporting activity; and

"(2) the individual may lawfully transport and possess such shotgun or rifle—

"(A) in the individual's place of origin, the destination State, and the destination political subdivision of the destination State; and

"(B) under Federal law.

"(c) For purposes of subsection (b)—

"(1) a rifle or shotgun is secured if the rifle or shotgun—

"(A) is enclosed or cased;

"(B) is not readily accessible; and

"(C) is not loaded with ammunition; and

"(2) the term 'place of origin' means—

"(A) in the case of a change of residence, the State and political subdivision thereof from which residence is changed; and

"(B) in any other case, the State and political subdivision thereof in which the possession or transport of the rifle or shotfun begins.".

Mr. HUGHES (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

The CHAIRMAN. The Chair would inquire of the gentleman, is the amendment printed in the RECORD?

Mr. HUGHES. It is printed in the RECORD, Mr. Chairman.

The CHAIRMAN. The gentleman from New Jersey [Mr. HUGHES] is recognized for 5 minutes in support of his amendment.

Mr. HUGHES. Mr. Chairman, I know it has been a long day. I will say to my colleagues that if we can just settle down a little bit, I think we can get over a series of amendments.

The amendment I offer deals with the preemption of State and local handgun laws and the transportation of handguns across State lines.

In my view, this is one of the most objectionable provisions of the Volkmer bill. It certainly is a provision that concerns the policy greatly. I believe we must strike out the provisions of the Volkmer bill which undermine hundreds, if not thousands of State and local restrictions against the possession and carrying of handguns. These laws were wiped out because under the Volkmer bill it says that if you are legal under Federal law and if you are traveling in interstate commerce, Federal law now says that you can thumb your nose really at State and local laws.

Some of us may think this is merely the hunter's exception, a special rule to allow hunters to take their guns when they hunt in another State. Unfortunately, it is not limited to hunting or sporting purposes and it is not even limited to crossing State lines. A person could carry a handgun for any reason he chooses, or none at all, so long as he had a claim to be in interstate commerce. Any motorist stopped on an interstate highway could claim to be headed out of the State. Unlike the Judiciary Committee bill, the Volkmer bill would preempt even the laws of the home State and locality of such a person.

It could also make it legal to carry a gun from a State where it is illegal into another State where it is illegal.

For example, in New Jersey it is illegal under most circumstances to transport a handgun without a permit. In New York, one must have a license, yet a person regardless of whether they were New Yorkers or New Jer-

seyites or Floridians could travel legally through or into any State.

We are told not to worry about the provision, because the handguns have to be unloaded and not readily accessible; however, one in a very few seconds can pull a pistol from its position of inaccessibility in an automobile glove compartment or other part of the car, take an ammunition clip from their coat pockets and insert it into the pistol and be ready for a fight to take it out on a police officer, or whatever.

I appeal to my colleagues, it just does not make sense to put firearms in the possession of individuals in their automobiles. We have enough incidents on highways. Police officers stop cars day in and day out on the highways and byways and they are killed by people carrying weapons in their automobiles.

If this amendment is not taken out of the Volkmer substitute, it means that police officers will see a proliferation, a tremendous proliferation of weapons and handguns in the automobiles of people carrying them around for any purpose whatsoever.

Now, I say that does not make sense. I am not going to prolong the debate. We have debated this and a number of other issues as part of the law enforcement package. This is one of the most serious concerns of the law enforcement community.

I would urge my colleagues to support the amendment. We do not need to put more handguns into automobiles, and it is as simple as that.

Mr. VOLKMER. Mr. Chairman, I rise in opposition to the amendment.

I would like to point out to the members of the committee that when the language that is in the Volkmer substitute was offered in the other body, by a Senator in the other body, there was an explanation and colloquy in regard to it.

I quite agree with the language that is presently in the substitute because it is taken verbatim from the language of the amendment to S. 49 in the Senate. There one of the sponsors of the amendment stated that the purpose of this amendment is to make clear that it is the intention of Congress that state and local statutes and regulations shall remain in effect, except that in certain narrow circumstances involving travel through one or more states other than the State of residence, a defense is available to prosecutions under State and local gun control laws.

We do not by the language in the substitute do away with or void any State or local ordinances in regard to transportation of handguns, rifles, and shotguns. We only say that if you do as a hunter and if you are arrested for going through that state without a permit, some States require permits, if you are arrested then you have a defense to a prosecution if you can prove that you have a legal right to own the gun, that you comply with Federal laws and that you are on a lawful purpose. You would have to prove it.

Therefore, it does not mean that State police, local police or anybody else, cannot stop somebody that has a gun in their car and arrest them. They can still do it even with our language. We do not change the local law.

Mr. CRAIG. Mr. Chairman, will my colleague yield?

Mr. VOLKMER. Yes.

Mr. CRAIG. Mr. Chairman, has not the problem in the past been a question of defense for being an innocent transporter through a State?

Mr. VOLKMER. Right.

Mr. CRAIG. And in no way does our substitute override State law; it simply says that in these instances where this kind of proof can be substantiated that this individual has that type of flexibility.

Mr. VOLKMER. Yes. He would have a defense to a prosecution if he can prove to the satisfaction of a judge or a jury that it was for a lawful purpose. He would have to prove that and therefore we are not letting it wide open for any criminals or crooks or anybody else to drive through states that they cannot drive through now with guns in their cars, because if they do they can be arrested. They have no legitimate purpose. They can be fined or jailed for doing it, just like they can now.

Mr. CRAIG. Mr. Chairman, I thank my colleague.

Mr. VOLKMER. Mr. Chairman, I just would like to reiterate so that we have it on record in regard to the language that is in here that it is provided in the CONGRESSIONAL RECORD during the debate last July, on July 9 in the Senate, it says:

> Many firearms owners currently travel through Massachusetts or some localities like New York City local laws may forbid possession of firearms that may be used to arrest interstate travelers in commerce.

That is not unforeign. I was just out in my district in the last Easter recess, Mr. Chairman, and I had a constituent of mine who pointed out, as was earlier talked about, going to Africa and going hunting. He had gone to Africa and he came back through Kennedy, and that is in New York. He has his rifles and handguns. He was illegal while he was in Kennedy going through. He could have been arrested if they knew about it and he could have gone to jail and been prosecuted for just traveling through and going back to Missouri.

This would not permit that. They could still arrest him, but he would have a defense that he was lawfully traveling for a lawful purpose and therefore they would probably not arrest him after they found out the circumstances, but they could still make the initial arrest under our bill.

Now, I admit perhaps the problem that has come about in interpretation is the result of the original language that was in S. 49 and in H.R. 945 that would have voided, actually voided State and local laws to the contrary.

We eliminated that language. It is no longer in the bill. We only provide that the law is still there, but that it gives a defense to the people.

Therefore I speak in strong opposition to the amendment of the gentleman from New Jersey.

The CHAIRMAN. The time of the gentleman from Missouri has expired.

(At the request of Mr. HUGHES, and by unanimous consent, Mr. VOLKMER was allowed to proceed for 1 additional minute.)

Mr. HUGHES. Mr. Chairman, will the gentleman yield to me?

MR. VOLKMER. Yes; I yield.

Mr. HUGHES. Mr. Chairman, let me ask the gentleman, is this language still in the Volkmer substitute:

> "Any person not prohibited by this chapter from transporting, shipping, or receiving a firearm shall be entitled to transport an unloaded, not readily accessible firearm in interstate commerce notwithstanding any provision of any legislation enacted, or any rule or regulation prescribed by any State or political subdivision thereof.".

MR. VOLKMER. That is correct.

Mr. HUGHES. Well, I ask my colleague, is that not a direct preemption of State and local law?

MR. VOLKMER. No; it is not.

□ 1740

Mr. HUGHES. What does this mean, then; notwithstanding any provision of any legislation enacted or any rule or regulation prescribed by a State or political subdivision?

Mr. VOLKMER. That means that you have a defense to a prosecution in the event that you are charged, if you can prove that the things are not for an unlawful purpose.

Mr. HUGHES. If the gentleman will yield further, that is not what it says.

Mr. VOLKMER. Yes, it does.

Mr. HUGHES. It says notwithstanding any provision of any legislation enacted. That is a preemption pure and simple.

Mr. McCOLLUM. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise very briefly and very reluctantly to oppose this amendment. It is the critical amendment that I unfortunately opposed that the chairman had in the previous vote that we had on his omnibus amendment.

I do not happen to personally agree with the views that he has with regard to the dangers and concerns over the provisions in the Volkmer substitute regarding the interstate transportation of handguns. I hope that this debate can be limited very briefly. I am not going to extend it to any

extent, but I would very much like the opportunity to vote for some of the other amendments which the gentleman has out of his omnibus package, hopefully to offer here shortly.

Unfortunately, as I said, I must oppose the amendment.

Mr. FISH. Mr. Chairman, will the gentleman yield?

Mr. McCOLLUM. I yield to the gentleman from New York.

Mr. FISH. I thank the gentleman for yielding.

Mr. Chairman, what we are talking about here is the transport of inaccessible and unloaded handguns from State to State. It is my opinion that the Volkmer substitute adequately addresses this issue.

I think it is important for the Members to understand that the word "inaccessible" under both case law and in the report of the other body means locked in a car trunk or a glove compartment. I see no need to frustrate honest, law-abiding citizens in the pursuit of a lawful activity, which is the transport of a handgun on an interstate basis to facilitate legitimate sporting purposes.

Mr. LUNGREN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of this amendment. This is a crucial amendment. It really comes down to what we want to do. As I say, in my particular district, the sportsmen have said to me, "Please give us an opportunity to transport our long guns for purposes of sporting."

We have heard on the floor here that that ought to be extended to handguns. That is the argument, whether you think that is necessary for legitimate sportsmen's purposes or whether, in this case, you would resolve doubt in favor of the law enforcement organizations that have asked us, in fact have pleaded with us, not to go this far.

Maybe they are in error. Maybe I am in error. Maybe after we make this change in the 1968 firearms law with respect to long guns, we will have a reconsideration and find down the line that this does not provide the problem for law enforcement that they think it is. But it just seems to me that when we have the law enforcement organizations, literally tens of thousands if not hundreds of thousands of people who serve us every day of every year, who put their lives on the line every day of every year, we ought to owe them something more than lipservice when they come to us and say, "We understand the legitimate needs of sportsmen. At the same time, we think this goes too far."

Inaccessible, yes; inaccessible weapons, handguns we are talking about, inaccessible in most cases probably means concealed. In many jurisdictions, we have a law against concealed handguns being carried in a car, even if unloaded. You may disagree with that. You may disagree with your local school district making a law. You may disagree with your local county making a law. You may disagree with your local State legislature making a law. But if federalism means anything, it means that we should tread very, very lightly when we are superseding local and State laws.

Despite what the gentleman from Missouri might say, this supersedes, this preempts State and local law. There are no two ways about it. The language says, "notwithstanding any local ordinance or State law." If that is not superseding, superseding has no meaning in the English language. This precisely means we are going to supersede, we are going to preempt State law and local law with respect to carrying handguns, inaccessible, yes; concealed, yes, in our cars.

I happen to think when the police in my area say to me, "On this question, be very, very careful. We happen to think it goes too far. We ask you, we plead with you, to keep us in mind," then I think we might tip the scales in their favor. That is what it is.

We had the omnibus bill. There are a lot of things in there some people wanted to pick and choose. This is the one, single question on interstate transport of single type of weapons, that is, handguns. It has nothing to do with long guns. A simple question: Do you think we ought to supersede, ought to preempt local law, State law, with respect to handguns being transported in your car. Police officers are very worried about it. I would hope that we would at least give them the benefit of the doubt here, recognizing that with all of our fury and all of our thunder in passing tough law enforcement legislation, most of the tough law enforcement comes to bear on local jurisdictions, with local police officers and State police. They are asking us. Let us at least give a nod to them in terms of their experience.

Mr. SMITH of Florida. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, the gentleman from California once again has done a very capable job of following up what the chairman of the subcommittee, the gentleman from New Jersey [Mr. HUGHES] has said with reference to this amendment.

Please, let me take 2 minutes of your time. There has been debate here about whether or not the heads of these police organizations really speak for the rank and file. We know that many members of police agencies also belong to the NRA. We appreciate the fact that they enjoy handguns to use in relaxing sport-type activities, hunting and the like. They use long guns. they use shotguns. Many Americans do.

But in Florida, there is also a move to take away the right of individual municipalities to make restrictions on handguns. So Florida International University did a poll only of rank and file police officers. Florida is a rather big State when it comes to the use of sporting weapons. There are a lot of handguns in Florida, as you know. There are a lot of rifles and shotguns. Florida is a place where there is a lot of sports activity. They did a poll only of rank and file police officers.

Ninety-two percent of the rank and file police officers responded to the poll by saying that they believe their lives would be placed in much greater jeopardy if there was a law which removed restrictions on the movement of handguns inside the State. We are talking about nationally. We are talking about the 50 States. We are talking about a major change in the law.

Ladies and gentlemen, my colleagues, where is the problem? Who has come to you individually and asked you for this? Has there been a hue and cry since you have been in Congress to change this law? Have you gotten thousands of letters, like you did on withholding tax on income savings, to change the interstate transportation of handguns? Has the Government come to you and said, "We have a major problem. We need to change the law?"

You have not gotten it. I have not gotten it. There has not been that problem. There is not that problem now. The Volkmer substitute will allow for the free flow of the long guns and the shotguns.

Please, I beg you, do not change what is not a problem law. There does not need to be any redress. There is no problem to redress. Allow the Hughes amendment to pass. Make the Volkmer substitute have some reasonable relation to curing real problems. That is what we ask at this stage. It would be only fair. As the gentleman from California [Mr. LUNGREN] said: "It would certainly be right for the safety of the police in this country."

□ 1750

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Jersey [Mr. HUGHES] to the amendment as amended, offered by the gentleman from Missouri [Mr. VOLKMER] as a substitute for the Judiciary Committee amendment in the nature of a substitute, as amended.

The question was taken; and on a division (demanded by Mr. VOLKMER), there were—ayes 20, noes 24.

RECORDED VOTE

Mr. HUGHES. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 177, noes 242, not voting 15, as follows:

[Roll No. 71]

AYES—177

Ackerman	Frost	Mrazek
Akaka	Garcia	Nowak
Anderson	Gejdenson	Oakar
Annunzio	Gibbons	Owens
Anthony	Gonzalez	Oxley
Applegate	Goodling	Panetta
Aspin	Gradison	Pease
Atkins	Gray (PA)	Pepper
Barnes	Green	Pickle
Bateman	Guarini	Porter
Bates	Hall (OH)	Price
Bedell	Hatcher	Pursell
Bellenson	Hawkins	Rangel
Bennett	Hayes	Ridge
Bereuter	Hertel	Rinaldo
Berman	Hillis	Rodino
Biaggi	Howard	Roe
Boggs	Hughes	Rose
Boland	Hutto	Rostenkowski
Bonior (MI)	Jacobs	Roukema
Bonker	Johnson	Rowland (CT)
Borski	Jones (NC)	Roybal
Boxer	Kaptur	Russo
Broomfield	Kastenmeier	Sabo
Brown (CA)	Kennelly	Savage
Burton (CA)	Kildee	Saxton
Carper	Kleczka	Scheuer
Chandler	LaFalce	Schneider
Clay	Lantos	Schroeder
Coleman (MO)	Leach (IA)	Schumer
Collins	Lehman (CA)	Seiberling
Conte	Lehman (FL)	Slaughter
Conyers	Leland	Smith (FL)
Courter	Lent	Smith (NJ)
Coyne	Levin (MI)	Solarz
Crockett	Levine (CA)	Spratt
Dellums	Lipinski	St Germain
Dicks	Lowry (WA)	Stark
DioGuardi	Lungren	Stratton
Dixon	Madigan	Studds
Donnelly	Manton	Torricelli
Downey	Markey	Towns
Dwyer	Matsui	Traficant
Dymally	Mavroules	Udall
Early	Mazzoli	Vento
Edgar	McGrath	Visclosky
Edwards (CA)	McHugh	Walgren
Evans (IL)	McKinney	Waxman
Fascell	Meyers	Weiss
Fawell	Mica	Wheat
Fazio	Mikulski	Whitehurst
Feighan	Miller (CA)	Wirth
Fiorio	Miller (WA)	Wolf
Foglietta	Mineta	Wolpe
Ford (MI)	Mitchell	Wright
Ford (TN)	Moakley	Wylie
Fowler	Molinari	Yates
Frank	Moody	Young (FL)
Frenzel	Morrison (CT)	Zschau

NOES—242

Alexander	Chappell	Durbin
Andrews	Chappie	Dyson
Archer	Cheney	Eckart (OH)
Armey	Clinger	Eckert (NY)
AuCoin	Coats	Emerson
Badham	Cobey	English
Barnard	Coble	Erdreich
Bartlett	Coelho	Evans (IA)
Barton	Coleman (TX)	Fiedler
Bentley	Combest	Fields
Bevill	Cooper	Fish
Bilirakis	Coughlin	Flippo
Bliley	Craig	Foley
Boehlert	Crane	Franklin
Boner (TN)	Daniel	Fuqua
Bosco	Dannemeyer	Gallo
Boucher	Darden	Gaydos
Boulter	Daschle	Gekas
Breaux	Daub	Gilman
Brooks	Davis	Gingrich
Brown (CO)	de la Garza	Glickman
Broyhill	DeLay	Gordon
Bruce	Derrick	Gray (IL)
Bryant	DeWine	Gregg
Burton (IN)	Dickinson	Gunderson
Byron	Dingell	Hall, Ralph
Callahan	Dorgan (ND)	Hamilton
Campbell	Dornan (CA)	Hammerschmidt
Carney	Dowdy	Hansen
Carr	Dreier	Hartnett
Chapman	Duncan	Hefner
Hendon	Mollohan	Slattery
Henry	Monson	Smith (IA)
Hiler	Montgomery	Smith (NE)
Holt	Moore	Smith, Denny (OR)
Hopkins	Moorhead	Smith, Robert (NH)
Horton	Morrison (WA)	Smith, Robert (OR)
Hubbard	Murphy	Snowe
Huckaby	Murtha	Snyder
Hunter	Myers	Solomon
Hyde	Natcher	Spence
Ireland	Neal	Staggers
Jeffords	Nelson	Stallings
Jenkins	Nielson	Stangeland
Jones (OK)	Oberstar	Stenholm
Jones (TN)	Obey	Strang
Kanjorski	Olin	Stump
Kasich	Ortiz	Sundquist
Kemp	Packard	Sweeney
Kindness	Parris	Swift
Kolbe	Pashayan	Swindall
Kolter	Penny	Synar
Kostmayer	Perkins	Tallon
Kramer	Petri	Tauke
Lagomarsino	Quillen	Tauzin
Latta	Rahall	Taylor
Leath (TX)	Ray	Thomas (CA)
Lewis (CA)	Regula	Thomas (GA)
Lewis (FL)	Reid	Traxler
Lightfoot	Richardson	Valentine
Livingston	Ritter	Vander Jagt
Lloyd	Roberts	Volkmer
Loeffler	Robinson	Vucanovich
Long	Roemer	Walker
Lott	Rogers	Watkins
Lowery (CA)	Roth	Weaver
Luken	Rowland (GA)	Weber
Lundine	Rudd	Whitley
Mack	Schaefer	Whittaker
MacKay	Schuette	Whitten
Marlenee	Schulze	Williams
McCain	Sensenbrenner	Wilson
McCandless	Sharp	Wise
McCloskey	Shaw	Wortley
McCollum	Shelby	Wyden
McCurdy	Shumway	Yatron
McDade	Shuster	Young (AK)
McEwen	Sikorski	Young (MO)
McKernan	Siljander	
McMillan	Sisisky	
Michel	Skeen	
Miller (OH)	Skelton	

NOT VOTING—15

Addabbo	Heftel	Martinez
Bustamante	Hoyer	Nichols
Edwards (OK)	Lujan	O'Brien
Gephardt	Martin (IL)	Stokes
Grotberg	Martin (NY)	Torres

□ 1805

Messrs. TAUKE, LUNDINE, SYNAR, KOSTMAYER, COUGHLIN, DURBIN, and STENHOLM changed their votes from "aye" to "no."

So the amendment to the amendment, as amended, offered as a substitute for the Judiciary Committee Amendment in the nature of a substitute, as amended, was rejected.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. HUGHES TO THE AMENDMENT, AS AMENDED, OFFERED BY MR. VOLKMER AS A SUBSTITUTE FOR THE JUDICIARY COMMITTEE AMENDMENT IN THE NATURE OF A SUBSTITUTE, AS AMENDED

Mr. HUGHES. Mr. Chairman, I offer an amendment to the amendment offered as a substitute for the committee amendment in the nature of a substitute.

The Clerk read as follows:

Amendment offered by Mr. HUGHES to the amendment, as amended, offered by Mr. VOLKMER as a substitute for the Judiciary Committee amendment in the nature of a substitute, as amended: Page 7, line 10, strike out "shall not apply" and all that follows through "firearms)" in line 2 on page 8, and insert in lieu thereof the following: "shall not apply to the sale or delivery of any rifle or shotgun to a resident of a State other than a State in which the licensee's place of business is located if the transferee meets in person with the transferor to accomplish the transfer, and the sale, delivery, and receipt fully comply with the legal conditions of sale in both such States (and any licensed manufacturer, importer or dealer shall be presumed, for purposes of this subparagraph, in the absence of evidence to the contrary, to have had actual knowledge of the State laws and published ordinances of both States)".

Mr. HUGHES (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. HUGHES. Mr. Chairman, I understand the leadership wants the Committee to rise after this amendment. This will not take very long; so if the membership will bear with me.

Mr. VOLKMER. Mr. Chairman, if the gentleman will yield on that, I would address a question to the Chair. I just discussed it with the Parliamentarian, and I have been informed that at 7:16 we quit on all amendments, we go to a vote on my substitute, and then the Committee will rise.

Mr. HUGHES. I say to my colleague I did not yield to my colleague, and I say to my colleague that I do not set the schedule around here.

Mr. O'NEILL. Mr. Chairman, will the gentleman yield?

Mr. HUGHES. I yield to the Speaker.

Mr. O'NEILL. Mr. Chairman, a very interesting thing has happened. I have been asked by the Sergeant at Arms, "Can we close the Capitol on Saturdays and Sundays?" Why? Because we are running out of money; there is no money for protection and police and things of that nature, because of Gramm-Rudman.

The fact is that we are running every night after a certain hour, we are taking so much of the time because we have to have overtime, and there is a police officer at every one of these doors that is open in the Chamber.

In view of the fact that we have no legislative business tomorrow, there is a possibility, at 7:16 when we close, that we could have seven rollcalls. I have just taken this up with the Parliamentarian, and there is the possibility that there could be seven rollcalls.

There is no business for tomorrow. I do not see why the Committee cannot rise now and come in at 10 o'clock tomorrow, and, in an orderly way, finish the business. I think we ought to start expediting the business around here, and we have got to start watching the

pennies as we go along, because we do not even have franking money out there.

Mr. HUGHES. Mr. Chairman, I yield the balance of my time, and move that the Committee do now rise.

The CHAIRMAN. The gentleman yields back the balance of his time and moves that the Committee rise.

PARLIAMENTARY INQUIRY

Mr. VOLKMER. Mr. Chairman, during all that, do we have an amendment pending?

The CHAIRMAN. The Hughes amendment is pending.

Mr. VOLKMER. Mr. Chairman, I did not even hear it read during all of that.

I move to strike the last word.

The CHAIRMAN. The reading of the Hughes amendment was dispensed with by unanimous consent.

The gentleman, then, instead of speaking to the amendment, has yielded back the balance of his time and moved that the Committee rise.

□ 1815

The question is on the motion offered by the gentleman from New Jersey [Mr. HUGHES] that the Committee do now rise.

PARLIAMENTARY INQUIRIES

Mr. ROEMER. Mr. Chairman, I have a parlimanentary inquiry.

Mr. CHAIRMAN. The gentleman will state it.

Mr. ROEMER. Is it the position of the House, Mr. Chairman, that when we rise and meet tomorrow, the Hughes amendment pending now would begin the debate?

Mr. CHAIRMAN. The gentleman from Louisiana is exactly correct.

Mr. VOLKMER. Mr. Chairman, I have a parliamentary inquiry.

Mr. CHAIRMAN. The gentleman will state it.

Mr. VOLKMER. When we come in tomorrow and the Committee begins to act on the bill, we will have only the time left under the 5 hours for amendments, is that not correct?

Mr. CHAIRMAN. The gentleman is correct.

Mr. VOLKMER. Which right now is approximately 1 hour?

Mr. CHAIRMAN. The gentleman is correct.

Mr. VOLKMER. And then the rest of the amendments, are they cut off? Or do we go ahead for those that are in the RECORD and vote on them after 5 minutes each?

Mr. CHAIRMAN. There will not be any amendments that would be in order after the conclusion of the 5-hour consideration.

Mr. VOLKMER. In other words, really we could finish this up tonight in 1 hour and we would be out of here. So tomorrow morning we are going to come in for 1 hour and then we are going to vote?

Mr. CHAIRMAN. The Committee of the Whole could conclude the work but there could be votes, in both the Committee and in the House which could certainly go beyond the 1 hour.

The question is on the motion offered by the gentleman from New Jersey [Mr. HUGHES] that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. RANGEL, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 4332) to amend chapter 44 (relating to firearms) of title 18, United States Code, and for other purposes, had come to no resolution thereon.

COMPACT OF FREE ASSOCIATION SETTING FORTH FUTURE POLITICAL RELATIONSHIP BETWEEN THE UNITED STATES AND PALAU—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 99-193)

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Foreign Affairs and the Committee on Interior and Insular Affairs and ordered to be printed:

(For message, see proceedings of the Senate of today, Wednesday, April 9, 1986.)

HOUR OF MEETING ON TOMORROW, APRIL 10, 1986

Mr. SCHUMER. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 10 a.m. tomorrow.

Mr. Speaker, this is by agreement with the minority.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

COMMUNICATION FROM THE HONORABLE F. JAMES SENSENBRENNER, JR., MEMBER OF CONGRESS

The SPEAKER laid before the House the following communication from the Honorable JAMES F. SENSENBRENNER, Jr., Member of Congress.

HOUSE OF REPRESENTATIVES,
Washington, DC, April 4, 1986.

Hon. THOMAS P. O'NEILL, Jr.,
Speaker, House of Representatives, Washington, DC.

DEAR MR. SPEAKER: On February 25, 1986, I informed you that Thomas Schreibel, Patricia Piekenbrock, and James Murphy of my district office, and Paul Zanowski, formerly of my district office and currently in my Washington office, have been served with subpoenas issued by the Circuit Court for the State of Wisconsin, Waukesha County.

After consultation with the General Counsel to the House, I have determined that compliance with the subpoenas is consistent with the precedents and privileges of the House.

Sincerely

F. JAMES SENSENBRENNER, Jr.,
Member of Congress.

COMMUNICATION FROM THE HONORABLE NORMAN D. SHUMWAY, MEMBER OF CONGRESS

The SPEAKER laid before the House the following communication from the Honorable NORMAN D. SHUMWAY, Member of Congress:

HOUSE OF REPRESENTATIVES,
Washington, DC, April 9, 1986.

Hon. THOMAS P. O'NEILL, Jr.,
Speaker, House of Representatives, Washington, DC.

DEAR MR. SPEAKER: In accordance with House Rule 50, I am writing to advise you that I have received a subpoena to appear in person as a witness in the Municipal Court of California, County of San Joaquin, on April 14, 1986.

The case in question is the People of California vs. John Edward Morearty.

My appearance at this trial will necessitate my absence from Washington during a time when the House is scheduled to be in session.

With best regards,

Sincerely,

NORMAN D. SHUMWAY,
Member of Congress.

PERSONAL EXPLANATION

Mr. NIELSON of Utah. Mr. Speaker, I was unavoidably absent on March 20 for rollcalls 66 and 67.

On rollcall 66, the budget reconciliation, had I been present I would have voted yes.

On rollcall 67, to adjourn, if I had been present I would have voted no.

SPECIAL ORDER VACATED

Mr. JONES of Oklahoma. Mr. Speaker, I ask unanimous consent that the special order speech for 5 minutes on Thursday, April 10, for the gentleman from Massachusetts [Mr. FRANK] be vacated.

The SPEAKER pro tempore (Mr. MONTGOMERY.) Is there objection to the request of the gentleman from Oklahoma?

There are no objection.

H.R. 4332 PLACES PUBLIC AND POLICE SAFETY FIRST

(Mr. VENTO asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous material.)

Mr. VENTO. Mr. Speaker, today the House will consider the Federal Firearms Law Reform Act, H.R. 4332. I want to state my support for the bill that was passed by the Committee on the Judiciary.

Mr. Speaker, I want to point out to my colleagues that very frequently we ask the law enforcement agencies across this country at local and State and national levels to carry out and execute the laws that we pass at those various jurisdictional levels. I think it is only fair, when we ask people to do a job, that we give them the tools to do that job.

I want to say that I feel that removing restrictions on the Interstate sale of handguns, concealable weapons, silencers, ammunition laws, eliminating inspections, is the wrong way to go about this, and that is, removing those tools from those individuals who are expected to enforce our laws. That is not the way to make sure that they can do their job well.

I think that we deserve more than just excuses to these local law enforcement officials that we charge with this responsibility. I think they are speaking out on this issue. They are telling us that they do not favor the removal of these restrictions, and I think we ought to heed their warning in consideration of the legislation that we have before us.

There are some problems, and the law addresses those problems. I do not think we want to remove the tools from law enforcement.

This measure comes to the floor today with the unanimous bipartisan recommendation of our 35 colleagues who serve on the Judiciary Committee, chaired by our distinguished friend and colleague, Chairman PETER RODINO. While there has been much emotion and controversy surrounding this legislation, it is important that we understand what this bill will do.

First, it will ease some of the current restrictions on the interstate transport and sale of shotguns and rifles. Second, it will modify Federal recordkeeping requirements involving the sale of ammunition and will reduce the penalties for unintentional violations of the recordkeeping requirements. Finally, this legislation sets a new limitation upon compliance inspections by the Bureau of Alcohol, Tobacco, and Firearms [BATF].

H.R. 4332 represents an honest, good-faith effort to minimize any unreasonable instrusion or infringment upon the rights of law-abiding citizens who own, sell, purchase, or transport firearms. In my view, this legislation accomplishes this important objective while placing the safety of the public and our police and law enforcement officers first.

Yesterday, (April 8), I received a letter signed by 13 Minnesota law enforcement officials, including the chiefs of police of the city of St. Paul and the city of Minneapolis. This letter asks that I stand with them and support H.R. 4332, which will protect our police and law enforcement personnel and the public which they serve and protect. I will support this legislation which has also been endorsed by the International Association of Police Chiefs, the Police Executive Research Forum, the Fraternal Order of Police, the National Troopers' Coalition, the National Sheriffs Association, the National Organization of Black Law Enforcement Executives, the International Brotherhood of Police Officers, and the National Association of Police Organizations, among others.

APRIL 7, 1986.

BRUCE F. VENTO,
2433 Rayburn House Office Building, Washington, DC.

DEAR CONGRESSMAN VENTO: On Wednesday, April 9th, you will cast an important public safety and crime control vote. As leaders of the Minnesota law enforcement community, we hope you stand with us and support legislation that will further protect our police officers and the citizens we serve.

We specifically urge you to vote for Representative William Hughes' Law Enforcement Admendment to the Volkmer substitute.

Thank you for listening to our needs and concerns.

Sincerely,

Anthony V. Bouza, Chief of Police, City of Minneapolis; Thomas G. Brownell, President, Minnesota Chiefs of Police Association; Lee A. Field, Minneapolis Police Sergeant, Board Members, Police Management Asosociation; Kenneth V. Collins, President, Ramsey County Chiefs of Police Association.

Carl W. Lindgren, President, Hennepin County Chiefs of Police Association; William W. McCutcheon, Chief of Police, City of St. Paul; Donald J. Omodt, Sheriff, Hennepin County, First Vice President, National Sheriffs Association; Raymond O. Presely, Minneapolis Police Lieutenant, Member National Organization of Black Law Enforcement Executives.

William Gillespie, President, Minnesota Police and Peace Officers Association; Bruce W. Lindberg, President, Minneapolis Police Federation; Jack Erskine, Superintendent Minnesota Bureau of Criminal Apprehension; Robert Kunz, President, St. Paul Police Federation; Charles L. Zacharias, Sheriff, Ramsey County.

THE MAJORITY LEADER ON "THE PILLARS OF NATIONAL SECURITY"

(Mr. ALEXANDER asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. ALEXANDER. Mr. Speaker, during the consideration of budget issues, it is all too easy for some to define our commitment to national security in terms of future Pentagon spending. Fortunately, there are some in Congress who understand that national security is more than simply out spending our enemies.

Yesterday, our distinguished majority leader addressed the National Press Club to outline his view that America's strength lies not only in a strong military, but a strong military working with equally strong economic, social, and industrial structures.

The majority leader correctly asserted that America's national security is at risk—when its industrial base is eroded—when its family farms are threatened—when its source of energy and strategic materials is jeopardized—when the education of its people is no longer competitive with other nations—and, finally, when its ultimate foreign policy objective is "not a Fortress America but an America surrounded by friends in a reasonably secure world."

Mr. Speaker, I submit the text of the majority leader's speech for consideration of all Members:

THE PILLARS OF NATIONAL SECURITY

(Remarks of Congressman Jim Wright, The National Press Club, April 8, 1986)

Let's talk today about national security, about what it takes to make our nation strong and self-reliant in the modern world.

There has been a tendency in recent years to mesmerize ourselves with a one dimensional view of national security, as though it consisted exclusively of military power and could be guaranteed simply by a plentitude of bristling armaments.

The truth is that our national strength and security depend upon a number of very important things in addition to armed might. Some of these pillars of our security are being dangerously neglected.

Weapons, of course, are important. But weapons alone are not enough. History is replete with examples of that truth. Supporting the most powerful army of its day, Rome fell victim to the barbarian hordes.

Weapons were not enough for King George, whose strength in arms greatly exceeded that of unruly American revolutionaries.

Unquestioned superiority in tactical and strategic firepower and a willingness to outspend the enemy by a ratio of at least ten-to-one were not enough for the United States in Vietnam.

And a preponderance of military power apparently has not been sufficient for the Soviet Union, unable in six long years to crush the spirit of the Afghan resistance.

There is no doubt that America must be—and is—militarily strong. In the last five years we have doubled military spending. This year we're investing nearly $300 billion on the Pentagon. Surely with our vast stockpiles of nuclear and conventional weapons, there is a reasonable limit to just how much more actual security we can buy with ever more sophisticated and ever more costly implements of destruction—particularly if in our preoccupation with them we forget about the other essential ingredients of national security.

OUR INDUSTRIAL BASE

Surely one pillar of our national strength is a strong and vibrant industrial base. Today America's industrial base is eroding dangerously. Every week we read of some new plant closure, spilling skilled American industrial workers out into a marketplace incapable of absorbing them and their skills.

The trade deficit, now surpassing $150 billion annually, saps our strength as it chips away our basic industries. Factory closures driven by rising imports in the past three year have thrown three million Americans out of their jobs.

America today is in the dangerous process of de-industrializing. More and more, we sell raw products to foreign countries which process them into finished goods and return those goods to sell them to us. It is a role reversal that is putting us in the classic position of an underdeveloped country.

And it isn't only the old heavy rust belt industries that are affected—steel and machine tools and automotive manufacturing, important as these are to our industrial survival. Increasingly our high technology base is crumbling. The contagion has spread to Silicon Valley and the Sun Belt, and a very few lines of manufacturing remain unaffected.

In the past three years, more than 200 domestic oil refineries have closed, and our national refining capacity has suffered a 30% decline. It isn't only crude oil that we're importing now; it is refined products.

The chief executive officer of one of our large auto companies told me two weeks ago that he sees evidence of the erosion taking on a new and dangerous dimension. In the past, we have provided the technology and design for foreign companies even as they grew competitive with us in production and marketing. Now, other countries are beginning to develop their own basic design technology which soon we may be having to lease from them.

Our nation needs a coordinated trade initiative to recapture our rightful role in world commerce. Yet the administration has given only lackadaisical lip service to this problem which increasingly threatens our position as an economic power.

The House is in the process of developing a clear and consistent trade policy. Our best draftsmen have been working on it for more than a year. It will not be a "protectionist" policy, but it will insist that the playing field be level in both directions.

We must promote the vibrant reality of free trade as a two way street by providing incentives for other countries to abandon the protectionism which some of them currently and flagrantly practice against American goods.

Even more important, we must be better. We must be as good as we can be. We must create powerful incentives for modernizing our own outmoded processes and our own aging industrial machinery so that "made in the U.S.A." once more will be the emblem of quality and value throughout the world.

AMERICAN AGRICULTURE

A second pillar upon which our national security rests is a healthy agriculture, rooted in a matrix of successful family farms. For years our agricultural production was the primary account which kept our trade balance on the positive side. One in every three of our cultivated acres produces food or fiber for world markets. But last year we exported one-third less than the year before.

In World War II and after, we were the Larder of Democracy, producing a bountiful harvest for a hungry world.

Now that has turned for most of America's farm families into a bitter harvest of soaring debts, declining land values, mounting foreclosures and numbing hopelessness. Anywhere you look, family farms that were debt-free for two generations are mortgaged to the hilt. And this isn't a problem of inefficient farmers. A typical farmer with a history of successful operation owes more today than he owns.

Farm foreclosures last year exceeded the number for any year since the Great Depression. Very nearly one-half of our farmers in the mid-western United States are on the brink of bankruptcy. Throughout rural America small business failures and small town bank failures are occurring at rates unheard of since the 1930s.

When other parts of our big American family have fallen on hard times, we have rallied around and given them a hand—not a handout but a hand up. We have thrown out a lifeline. Along with most of my colleagues I enthusiastically supported loan guarantees for the city of New York and for the Chrysler Corporation. Our faith was vindicated. The loans have been repaid and the taxpayers lost nothing.

Just a little over a year ago, the President unilaterally committed some $8 billion of our government's good faith and credit to bail out one big bank in Chicago. But when Congress enacted a substantially less costly system of loan guarantees to help save perhaps 200,000 American family farms from foreclosure, President Reagan vetoed the bill.

We spend a smaller share of our disposable income on food than any other nation, and the farmer's share of the American consumer's food dollar has fallen to only 31 cents, an all-time low. If we let the family farmer be squeezed out by a network of corporate farms, you can be certain that the consumer will pay more.

I, for one, am unwilling to accept as an inevitability that our national future lies in ever larger and ever fewer farms, ever larger and ever fewer banks, ever larger and ever fewer airlines—until each of our great industries ends up like the automotive industry did with only three competitors and one of them in financial trouble.

Because of our system of individually owned family farms, we have enjoyed abundance. Americans eat better and more cheaply than any other people on earth. That, in my opinion, is an essential element of our national security. It is worth preserving, worth more in the long run than weapons.

ENERGY AND STRATEGIC MINERALS

Most certainly our national security depends heavily upon energy independence and a reliable source of strategic minerals. Petroleum is the lifeblood of our economy. With 75 percent of the oil in the world produced by governments, not by companies, it is unavoidably an instrument of national policy.

I tell you nothing new when I remind you that America is running out of oil and gas. Each year we use more than we discover in new domestic reserves. As inevitably as the setting of the sun this evening, we face a time—in 20 or 30 or 40 years—when our voracious thirst for power shall have eaten its way inexorably through our finite underground supplies of oil and gas. Our national gas tank will be on "empty."

When that day comes, the quality of our present vision and the strength of our leadership will be determined by whether we acted boldly to provide sufficient supplies from alternate sources to take up the slack before our domestic oil and gas were exhausted.

Tragically, the present administration has never understood the need for alternative supplies—the need for solar energy, for tertiary recovery, for coal liquifaction, for ethanol and methanol from the waste products of America's farms. While it spends billions on new military weapons which will be of questionable value a generation from now, this administration seeks to save money at the expenses of our energy future. Surely that is penny-wise and pound-foolish.

Right now the world is reveling in an orgy of cheap oil. But how long will that last? How short are our memories? Have we forgotten 1973? 1979? We have begun backsliding down the slippery slope of renewed dependence on foreign sources of unrenewable energy. Oil imports provide about one-third of our needs. By 1995, at the present rate, we will be 50 percent dependent on foreign oil.

Wouldn't now be the very best time to fill the strategic petroleum reserve, while the price is low? Surely Don Regan could apply some lesson from Wall Street.

Let us not forget that we have already become 90 percent dependent on foreign sources for seven strategic minerals—including manganese, bauxite and cobalt, absolutely essential in meeting defense readiness needs.

To strengthen America and reduce our dependence on the whims of countries on the African continent and elsewhere, we created a Strategic Petroleum Reserve and a critical minerals stockpile.

Ironically, the administration now says it doesn't want to continue filling our petroleum reserve and it wants to sell off both our Elk Hills Navy reserves and our strategic minerals to private speculators. Solomon warned that "where there is no vision, the people perish." That need never be our national epitaph, but it could be if—knowing the problem—we indulgently fritter away our declining reserves, shut in our stripper wells and lose that production forever, and lazily refuse to face the future until that future is upon us.

The cardinal sin of this administration is its eagerness in so many ways—economically, ecologically, in energy, in education and the public infrastructure—to sacrifice tomorrow for today.

Our chief executive, pleasantly and winsomely, has pandered to the credit card mentality, to instant gratification, to feeling good now whatever the future cost—and this public abandonment of social discipline has resulted in adding one trillion dollars to our national debt while putting off the serious problems of our nation's future.

EDUCATION

In the final analysis, the most important pillar of our national security is education. This, more than any other thing is what has made us great.

However sophisticated our weapons and our machines of production, we cannot long expect to be first in defense, or again to be first in commerce among the nations, if we laconically settle for second best in education.

Three years ago, the President's own commission on Excellence in Education warned the nation in its alarming report, *A Nation At Risk.*

The following quotation from that shocking study is worth repeating today:

"Our Nation is in crisis. Our once unchallenged preeminence in commerce, industry, science and technological innovation is being overtaken by competitors throughout the world . . . The educational foundations of our society are presently being eroded by a rising tide of mediocrity that threatens our very future as a nation and a people."

If a foreign country had forcefully imposed this educational mediocrity upon us, the report concluded, we might well have regarded it as an "act of war."

And yet, three years later, Mr. Reagan continues his relentless drive to reduce funds for education.

A few statistics tell the alarming results. Japan, with one-half our population, graduates half again more scientists, mathematicians, and engineers than we do. While the quality of training admittedly is different, the Soviet Union has four times as many "electrical engineers" as we have.

Or consider how we have lagged in language training. Japanese firms have about 10,000 business representatives in this country. All of them speak excellent English. We have only about 500 American business representatives in Japan, and fewer than 50 of them speak Japanese. We ignore education and wonder why we fall behind in trade.

At a more basic level, 10% of all Americans over the age of 16—about 25 million people—are functionally illiterate.

Yet the administration seems oblivious to the problem. Faced with the doubling of college tuitions in the past 10 years and lagging enrollments, the Reagan administration repeatedly proposes deep cuts in student assistance.

The President's budget request for 1987, while calling for $34 billion more in military spending, would cut student loans and work-study programs and thus would make it harder for some three million young Americans of modest economic circumstance to get a college education.

Challenged by high rates of youth unemployment, the administration has slashed job training programs and proposes a subminimum wage for teenagers.

In its mania to sell off the nation's assets to private investors, this administration even wants to "privatize" our greatest asset of all, our public school system. Turning his back on the needs of our public schools, the president offers tax advantages to parents to send their children to private elementary and secondary schools.

With a tide of children from homes where English is not spoken inundating the public schools in some of America's poorest communities—and these schools under a federal court order to admit the children of illegal aliens—the President tries to avoid allocating any of the meager $30 million appropriated by Congress to help those beleagured schools cope with the rising crisis.

Hobart Rowen in a recent column for the Washington Post, quotes Thomas P. Rohlen of the University of California that the "average Japanese high school graduate has the equivalent basic knowlege of the average American college graduate." That is a recipe for national self-destruction, not to be tolerated by enlightened leadership.

And Lester R. Brown of the Worldwatch Institute concludes that Japan, initially barred from the international arms race, has mastered the new geopolitics, that in the nuclear age military power is of limited value, and that political influence derives more from the economic strength of a highly productive, internationally competitive economy."

I speak not against an adequate level of national defense but as a lifelong supporter. I speak for a better balance between the military and non-military aspects of national security.

It is difficult to escape the conclusion that both Superpowers, in our intense preoccupation with the arms race, have tended to forget those things which have greater long term value.

It is hard to avoid the conclusion that unless both Mr. Reagan and Mr. Gorbachev can stop thinking of security solely in traditional military terms, we both may see the future slip from us in mounting debt and interest rates that suffocate the capacity of our families and our foreign friends to support the common efforts which promote security.

A STRATEGY FOR PEACE

And so a final pillar of American security must be a strategy for peace. A secure America is not a Fortress America but an America surrounded by friends in a reasonably secure world.

More than two decades ago, John F. Kennedy said, "I speak of peace because of the new face of war. . . I speak of peace as the necessary rational end of rational men."

It does little good to match the Soviets weapon for weapon in a continued leapfrogging race if political instability, oppressive poverty and the crushing burden of foreign debt make our friends in our own hemisphere easy targets for Marxist subversion.

Let us be clear about the threat in Latin America. Hopelessness—spawned by hunger, illiteracy, disease and debt—is the real malignacy, Marxist idealogy, whether in Nicaragua or elsewhere, is but a symptom of the cancer. We face a brewing crisis in Central America in large part because we lacked a policy of prevention in years past.

Like St. George drawing his sword to slay the dragon of war and then slinking home to pick his teeth with it, we raised hopes throughout Latin America with the Alliance for Progress and then lost interest and blythly abandoned them.

How much more effective—and how much cheaper in the long run—to send a literacy corps, a medical corps, an agricultural development corps—a well-equipped and well-trained Peace Corps in vastly expanded numbers, than to sit back in languid if benign neglect until a fire breaks out and then send the Marine Corps to put out the fire.

Finally, security depends upon the humility and common sense in high places to set aside the temptations to one-upmanship and collaborate in earnest for a mutual and verifiable moratorium in the arms race.

The Soviet Union, surely no less than we, has a long deferred list of positive and beneficial things on which a portion of its arms budget could be productively spent.

As President Kennedy said, we seek "not a Pax Americana enforced by the weapons of war. Not the peace of the grave or the security of the slave." Instead we seek "a genuine peace, the kind of peace that makes life on earth worth living, the kind that enables men and nations to grow and to hope and to build a better life for their children—not merely a peace for Americans but for all men and women—not merely peace in our time but peace for all time."

Surely it is in that direction that real security lies, and toward that end that enlightened leadership will lead us.

THE ECONOMIC CRISIS IN THE OIL- AND GAS-PRODUCING STATES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oklahoma [Mr. JONES], will be recognized for 5 minutes.

Mr. JONES of Oklahoma. Mr. Speaker, I take this special order to call the attention of my colleagues in the House to the very serious conditions which exist in those States that are heavily into oil and gas production.

The conditions in the oil- and gas-producing States, the economic conditions, are as bad as they have existed since the 1930's in the Great Depression.

Clearly the precipitous decline in the price of oil has created economic chaos in States such as mine, Oklahoma, the States of Texas and Louisiana, and other States that are heavily dependent upon oil and gas.

This has found its way throughout our society with the stories of the legislature having to cut an additional $467 million coming just a year after a large tax increase placed on the citizens of Oklahoma.

In these oil-producing States teachers are being given notices that they will not be rehired because their education budgets are having to be cut back. The budgets for human services, capital improvements, are all being cut seriously.

Unemployment is increasing. General economic conditions are declining rapidly.

That is a very deep economic issue for States like Oklahoma. It is an even more important national security issue for the United States because we are rapidly going to the same direction that we were in the 1970's when we became so heavily dependent on unstable foreign sources of oil that we found ourselves victims of an embargo which, along with the price increases of 1974 and 1979, put the United States in an economic hole that has been very difficult to dig out of. So it is a very serious national security issue.

Without plentiful and stable supplies of oil with which our military can operate, our military simply cannot operate at all.

Now the administration regrettably has taken a very cavalier hands-off attitude. Spokesmen for the administration said they do not want to interfere in a free market. Well, the fact is, and this is something that the President ought to know and his advisers ought to be telling him, the fact is there is no free market in international oil.

□ 1830

The conditions that we are being victimized on in Oklahoma are a deliberate attempt to manipulate the international oil market. It is a deliberate manipulation by a handful of the OPEC cartel who have lost market share over the last 5 years and who are deliberately trying to drive down the price of oil so that it will not be economic to produce and to explore for oil in non-OPEC areas such as the United States. Once OPEC, the Saudis and their allies get us in a position of being dependent upon them again, they will

jerk the string and we will be like on a yo-yo ride with prices shooting up, American consumers hurting, American manufacturing hurting more.

So it seems to me that this administration needs to be aware that there is no free market and that they need to take action to stem this precipitous decline before we become so dependent on OPEC again.

A number of us have been meeting, those of us Members from oil and gas producing States, and several of us today have signed and sent a letter to the President asking for a meeting to discuss the serious conditions in the oil producing States. It is our opinion that the President is being given bad advice and is not fully aware of what this means not only to our economy, but to our national security. We have sent this letter and, hopefully, the President will agree to meet with us and that he will agree to meet with the Governors from oil and gas producing States so that some action can be taken.

Tomorrow I will be introducing legislation, the Secure Energy Supply Act, which is designed to stem the decline in the domestic oil industry in the short run, and to provide incentives for further exploration and further production in the long run.

The fact is we are using up more of the oil reserves than we are replacing and, if we continue to do that, we are going to become ever more dependent on unstable foreign sources of oil.

I would call my colleagues' attention to some things that we can do that will be included in this National Energy Security Act, such things as directing the Department of Energy to give preference purchases to stripper production to fill the strategic petroleum reserve. But most important, if we want to gain some control of our own destiny, we are going to have to put an oil import fee on foreign oil coming into this country so that we can stabilize the domestic industry.

We will be talking about this further tomorrow, but I wanted to bring this to the attention of my colleagues.

BILINGUAL EDUCATION ACT AMENDMENTS OF 1986

The SPEAKER pro tempore (Mr. DURBIN). Under a previous order of the House, the gentleman from Vermont [Mr. JEFFORDS] is recognized for 5 minutes.

Mr. JEFFORDS. Mr. Speaker, today I am pleased to be joined by several of my colleagues in introducing amendments to the Bilingual Education Act. What joins us all together is not only a concern for the improvement and quality of general education, but a particular concern for those students for whom English is not a native language.

As we all know, this segment of the student population is becoming a larger portion of this Nation's student population. In addition, not only is the size of this cohort growing, but the scope and diversity of their native language is increasing. It is clear that for the economic and political viability of this Nation these students must become both fluent in English and achieve in their academic programs. For this reason it is important that we maintain Federal support for these students through the bilingual education program while allowing for greater flexibility in meeting their special needs.

These amendments do not undermine the established purposes or goals of the act. Instead, they acknowledge that there is no one method by which limited English proficient students can be taught. Rather, that there should be flexibility at the local level to design programs which can best meet the educational needs of these students.

It is not the role of the Federal Government to dictate the method of instruction to be used at the local level, but rather to establish policy which supports the attainment of English language proficiency by the target population. The bilingual education program is the only Federal program in which one particular method of instruction is favored.

The overriding purpose of bilingual education has been to enable children of limited English proficiency to become fluent in English as quickly as possible. Research and program experience reinforces the fact that no one instructional approach is most effective in meeting this objective under all circumstances.

Since 1969, bilingual education grants have been made primarily for transition bilingual projects which make extensive use of the native language as a medium of instruction while English is learned. Although many students have achieved English proficiency under this instructional method, it is not always the superior mode of instruction. Alternative methods such as English as a second language [ESL] and structured immersion have also demonstrated their effectiveness.

The current definition of transitional bilingual education allows school districts some flexibility, but not to a sufficient extent. As part of the 1984 reauthorization, an important first step was taken. Special alternative instructional programs were included along with transitional bilingual education programs. However, the funding for the alternative programs was limited to a four percent set-aside. The demand for this funding has far exceeded its availability. The Department of Education was only able to fund one out of every three applications received for this set-aside.

This bill removes the restrictive language which limits the availability and use of funds under the bilingual education act for special alternative instructional programs. These amendments remove the statutory requirement in current law that mandates that 75 percent of the funds appropriated for local bilingual programs be used for transitional bilingual education programs. The 4 percent cap on special alternative instructional programs is also removed. The funds available can then be utilized to provide the instructional approach which the local education agency determines most appropriate for educating its limited English proficient students. Further, the bill asserts that both academic achievement and English proficiency are important goals as outcomes of participation in a bilingual education program. Finally, a series of conforming amendments is included to provide consistency within the law.

I encourage others to join us in seeing that this bill gets serious consideration. Programs have to reflect the learning needs of the children involved first and foremost. Providing flexibility to design at the local level bilingual programs that meet these needs, is one means by which this challenge can be met. The text of the bill follows:

H.R. 4538

A bill to amend the Bilingual Education Act to make Federal financial assistance available for children of limited English proficiency without mandating a specific method of instruction, to encourage innovation at the State and local level through greater administrative flexibility, to improve program operations at the Federal level, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Bilingual Education Act Amendments of 1986".

SEC. 2. FUNDING FLEXIBILITY.

Section 702(b) of the Bilingual Education Act (20 U.S.C. 3221 et seq.; hereinafter referred to as "the Act") is amended—

(1) by striking out "paragraph (7)" each place it appears in paragraphs (1) and (2) and inserting in lieu thereof "paragraph (6)";

(2) by striking out paragraph (3);

(3) in paragraph (4), by striking out the semicolon and everything that follows through the end thereof and inserting in lieu thereof a period;

(4) in paragraph (6), by striking out "paragraphs (4) and (5)" and inserting in lieu thereof "paragraphs (3) and (4)"; and

(5) by redesignating paragraphs (4), (5), (6), and (7) as paragraphs (3), (4), (5), and (6), respectively.

SEC. 3. GOALS OF PROGRAM.

Section 702(a) of the Act is amended—

(1) by redesignating paragraphs (5) through (14) as paragraphs (6) through (15), respectively; and

(2) by inserting after paragraph (4) the following new paragraph:

"(5) that, regardless of the method of instruction, programs which serve children of limited English proficiency have the equally important goals of developing both academic achievement and English proficiency."

SEC. 4. TECHNICAL AMENDMENTS.

(a) Section 703(a)(13) of the Act is amended by striking out "areas of high concentrations of persons" and inserting in lieu thereof "individuals".

(b) Section 721(b) of the Act is amended by redesignating paragraphs (1) (A) and (B) as paragraphs (1) and (2), respectively.

(c) Section 721(f)(7)(C) of the Act is amended by striking out "and with" and inserting in lieu thereof "with".

(d) Section 733 of the Act is amended by striking out the subsection designation "(a)".

SEC. 5. EFFECTIVE DATE.

The amendments made by this Act shall take effect on July 1, 1986.

COMMUNICATION FROM CHAIRMAN OF COMMITTEE ON THE BUDGET REGARDING CURRENT LEVEL OF SPENDING AND REVENUES FOR FISCAL YEAR 1986

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from South Carolina [Mr. DERRICK], is recognized for 5 minutes.

Mr. DERRICK. Mr. Speaker, on behalf of Chairman WILLIAM H. GRAY III, pursuant to the procedures of the Committee on the Budget and section 311 of the Congressional Budget Act of 1974, as amended, I am submitting the official letter to the Speaker advising him of the current level of spending and revenues for fiscal year 1986. The current level was last filed on February 26, 1986. Since my last report, Congress has cleared and the President has signed, the VA Home Loan Guarantee Amendments of 1986 (Public Law 99-255), the Department of Agriculture Urgent Supplemental Appropriations 3.11 (Public Law 99-263), and the Consolidate Omnibus Budget Reconciliation Act Public Law 99-272).

This report reflects congressional action on the fiscal year 1986 budget through March 27, 1986. In addition, this report incorporates the reductions in budgetary resources and outlays required by the Balanced Budget and Emergency Deficit Act of 1985 (Public Law 99-177, Gramm-Rudman) which took effect on March 1, 1986, pursuant to the Presidential sequestration order of February 1, 1986. All budget authority, outlay, and revenue estimates in this report have been revised to be consistent with CBO's February economic and technical estimates. While the Budget Committee does not normally incorporate reestimates until a revised budget resolution is adopted, a revised budget resolution for fiscal year 1986 is not contemplated. It is necessary at this time to reflect revised economic and technical reestimates to accurately reflect the effect on the Presidential reduction order under Public Law 99-177.

The current level is used to compare enacted spending after the start of a fiscal year with the aggregate ceiling on budget authority, outlays, and revenues established in a budget resolution and enforced by point of order pursuant to section 311(a) of the act. The term current level refers to the estimated amount of budget authority, outlays, entitlement authority, and revenues that are available—or will be used—for the full fiscal year in question based only on enacted law.

The procedural situation with regard to the spending ceiling is affected by section 311(b) of the Congressional Budget Act of 1974, as amended by Public Law 99-177. Enforcement against possible breaches of the spending ceiling under section 311(a) of the Budget Act will not apply where a measure would not cause a committee to exceed its "appropriate allocation" made pursuant to section 302(a) of the Budget Act. In the House, the appropriate 302(a) allocation includes "new discretionary budget authority" and "new entitlement authority" only. It should be noted that under this procedure neither the total level of outlays nor a committee's outlay allocation is considered.

The intent of the section 302(a) "discretionary budget authority" and "new entitlement authority" subceiling provided by section 311(b) of the Budget Act, as amended, is to protect a committee that has stayed within its own spending allocation—discretionary budget authority and new entitlement authority—from points of order if the total spending ceiling has been breached for reasons outside of its control. The 302(a) allocations to House committees made pursuant to the conference report on Senate Concurrent Resolution 32 were printed in the CONGRESSIONAL RECORD, September 5, 1985, H. 7290.

As chairman of the Budget Process Task Force, and on behalf of Chairman GRAY, I intend to keep the House informed regularly on the status of current level.

HOUSE OF REPRESENTATIVES,
COMMITTEE ON THE BUDGET,
Washington, DC, April 9, 1986.

Hon. THOMAS P. O'NEILL, Jr.,
Speaker, U.S. House of Representatives, Washington, DC.

DEAR MR. SPEAKER: On January 30, 1976, the Committee on the Budget outlined the procedure which it had adopted in connection with its responsibilities under Section 311 of the Congressional Budget Act of 1974 to provide estimates of the current level of revenues and spending.

Pursuant to Committee Rule 10, I am herewith transmitting the status report under S. Con. Res. 32, the First Concurrent Resolution on the Budget for Fiscal Year 1986. This report incorporates the reductions in budgetary resources and outlays required by the Balanced Budget and Emergency Deficit Control Act of 1985 (P.L. 99-177) which took effect on March 1, 1986, pursuant to the Presidential sequestration order of February 1.

In the House of Representatives, the procedural situation with regard to the spending ceiling is affected by Section 311(b) of the Congressional Budget Act of 1974, as amended by P.L. 99-177. Enforcement against possible breaches of the spending ceiling under Section 311(a) of the Budget Act will not apply where a measure would not cause a committee to exceed its "appropriate allocation" made pursuant to Section 302(a) of the Budget Act. The appropriate 302(a) allocation includes "new discretionary budget authority" and "new entitlement authority" only. It should be noted that under this procedure neither the total level of outlays nor a committee's outlay allocation is considered.

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The enclosed tables compare enacted legislation to each committee's 302(a) allocation of discretionary budget authority and of new entitlement authority. The table showing the Current Level of Budget Authority also includes an item showing the budget authority reductions accomplished through the sequestration order of February 1, 1986 which, effective March 1, 1986, reduced outlays in fiscal 1986 by the amount required by Gramm-Rudman Act.

Sincerely,

WILLIAM H. GRAY III,
Chairman.

REPORT TO THE SPEAKER OF THE U.S. HOUSE OF REPRESENTATIVES FROM THE COMMITTEE ON THE BUDGET ON THE STATUS OF THE FISCAL YEAR 1986 CONGRESSIONAL BUDGET, ADOPTED IN SENATE CONCURRENT RESOLUTION 32

REFLECTING COMPLETED ACTION AS OF MARCH 27, 1986

[In millions of dollars]

	Budget authority	Outlays	Revenues
Appropriate level	1,069,700	967,600	795,700
Current level	1,057,108	980,681	778,559
Amount over ceilings		13,081	
Amount under ceilings	12,592		
Amount under floor			17,141

BUDGET AUTHORITY

Any measure providing budget or entitlement authority that is not included in the current level and exceeds $12,592 million, for fiscal year 1986, if adopted and enacted, would cause the appropriate level of budget authority for that year as set forth in S. Con. Res. 32 to be exceeded.

OUTLAYS

Any measure providing budget or entitlement authority that is not included in the current level and would increase outlays for fiscal year 1986, if adopted and enacted, would cause the appropriate level of outlays for that year as set forth in S. Con. Res. 32 to be exceeded.

REVENUES

Any measure that would result in a revenue loss for fiscal year 1986, if adopted and enacted, would cause revenues to be less than the appropriate level for that year as set forth in S. Con. Res. 32.

Fiscal year 1986 budget authority comparison of current level and budget resolution allocation by committee

[In millions of dollars] *Current level Budget authority*

House committee:	
Total current level	−12,592
Appropriations Committee: Discretionary	−1,351
Authorizing Committee—Discretionary Action:	
Agriculture	(+1,608)
Armed Services	(+280)
Banking, Finance, and Urban Affairs	(+816)
District of Columbia	(. . .)
Education and Labor	(. . .)
Energy and Commerce	(+28)
Foreign Affairs	(+75)
Government Operations	(. . .)
House Administration	(. . .)
Interior and Insular Affairs	(−1,032)
Judiciary	(. . .)
Merchant Marine and Fisheries	(+78)
Post Office and Civil Service	(. . .)
Public Works and Transportation	(−71)
Science and Technology	(. . .)
Small Business	(+108)
Veterans' Affairs	(−48)

	Budget authority
Ways and Means	(+801)
Sequester order	(−19,382)

NOTE: Committees are over (+) or under (−) their 302(a) allocation.

ALLOCATION OF NEW ENTITLEMENT AUTHORITY [NEA]—PURSUANT TO SECTION 302(a)

[In millions of dollars]

Committee	NEA target	House reported	House passed	Enacted
Agriculture:				
H.R. 2100	−1,250	−954	−819	+3,250
H.R. 3128				−5
S. 1851			−20	−20
Subtotal		−954	−839	+3,225
Armed Services: H.R. 1872	−100	+1,336	+1,336	+1,780
Education and Labor:				
H.R. 3500	−339	−375	−375	
H.R. 2811		−174		
H.R. 2812		−174		
H.R. 7		+61	+61	
H.R. 3128		−174	−174	−455
Subtotal		−836	−488	−455
Energy and Commerce: H.R. 3128	−80	+23	+23	+37
Interior and Insular Affairs: H.J. Res. 187	+307	+285	+352	+175
House Judiciary: H.R. 484		+2	+2	
Post Office and Civil Service:				
H.R. 2851	−145	+2		
H.R. 3128		−145	−145	−72
H.R. 4061			+4	+4
Subtotal		−143	−141	−68
Veterans Affairs:				
H.R. 1538	+45	+311	+311	+286
H.R. 752		+2	+2	
H.R. 3500		+311	+311	
H.R. 2343		+1	+1	
H.R. 3128				+2
Subtotal		+625	+625	+288
Ways and Means:				
H.R. 3452	−2,454	−229	−229	−229
H.R. 3721		−155	−155	−155
H.R. 3918		−20	−20	−20
H.R. 3981		−6	−6	−6
H.R. 4006		−465	−465	−465
H.R. 3128		−2,366	−2,366	−382
H.R. 3838		+40	+40	
H.R. 2817		+2	+2	
Subtotal		−3,199	−3,199	−1,257

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, April 8, 1986.

Hon. WILLIAM H. GRAY III,
Chairman, Committee on the Budget, U.S. House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: Pursuant to section 308(b) and in aid of section 311 of the Congressional Budget Act, as amended, this letter and supporting detail provide an up-to-date tabulation of the current levels of new budget authority, estimated outlays and estimated revenues in comparison with the appropriate levels for those items contained in the most recently agreed to concurrent resolution on the 1986 budget (S. Con. Res. 32). This report for fiscal year 1986 is tabulated as of close of business March 27, 1986. A summary of this tabulation is as follows:

[In millions of dollars]

	Budget authority	Outlays	Revenues
Current Level	1,057,108	980,681	778,559
1985 Budget Resolution, S. Con. Res. 32	1,069,700	967,600	795,700

[In millions of dollars]

	Budget authority	Outlays	Revenues
Current level is:			
Over resolution by		13,081	
Under resolution by	12,592		17,141

Since my last report the VA Home Loan Guarantee Amendments of 1986, P.L. 99-255, the Department of Agriculture Urgent Supplemental, P.L. 99-263, the Omnibus Budget Reconciliation Act of 1985, H.R. 3128, and Advances to the Hazardous Substance Response Trust Fund, P.L. 99-270, have been signed by the President, changing budget authority, outlay, and revenue estimates.

At your request this report incorporates the latest Congressional Budget Office economic assumptions and estimating procedures of February 1986 and reflects the effects of reductions in budgetary resources required by the Balanced Budget and Emergency Deficit Control Act of 1985, P.L. 99-177. Reductions under P.L. 99-177 were reported in a Presidential order dated February 1, 1986 and became effective on March 1, 1986.

With best wishes,

Sincerely,

RUDOLPH G. PENNER,
Director.

PARLIAMENTARIAN STATUS REPORT HOUSE SUPPORTING DETAIL, FISCAL YEAR 1986 AS OF CLOSE OF BUSINESS MARCH 27, 1986

[In millions of dollars]

	Budget authority	Outlays	Revenues
I. Enacted in previous sessions:			
Revenues			777,794
Permanent appropriations and trust funds	710,401	629,772	
Other appropriations	538,839	544,947	
Offsetting receipts	−188,561	−188,561	
Total enacted in previous sessions	1,060,679	986,159	777,794
II. Enacted this session:			
Commodity Credit Corporation Urgent Supplemental Appropriations, 1986 (P.L. 99-243)			
Federal Employees Benefits Improvement Act of 1986 (H.R. 4061)		4	
VA Home Loan Guarantee Amendments (P.L. 99-255)		−51	
Department of Agriculture Urgent Supplemental, 1986 (P.L. 99-263)			
Omnibus Budget Reconciliation Act of 1985 (H.R. 3128)	−4,259	−6,001	765
Advance to the Hazardous Substance Response Trust Fund (P.L. 99-270)			
Total	−4,259	−6,048	765
III. Continuing resolution authority			
IV. Conference agreements ratified by both Houses			
V. Entitlement authority and other mandatory items requiring further appropriation action:			
Veterans compensation	272	185	
Veterans readjustment benefits	91	91	
Compact of free association	205	205	
Special benefits (federal employees)	14	14	
Family social services	100	75	
Guaranteed student loans	6		
Payment to civil service retirement [1]	(37)	(37)	
Total entitlements	688	570	
Total current level as of March 27, 1986	1,057,108	980,681	778,559
1986 budget resolution (S. Con. Res. 32)	1,069,700	967,600	795,700
Amount remaining:			
Over budget resolution		13,081	
Under budget resolution	12,592		17,141

[1] Interfund transactions do not add to budget totals.

Note: Numbers may not add due to rounding.

THERE IS HUMOR IN POLITICS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Georgia [Mr. GINGRICH] is recognized for 5 minutes.

Mr. GINGRICH. Mr. Speaker, I take the floor tonight to remind all of us that in a free society a sense of humor is a very useful thing.

For citizens who watched tonight, thy may have been confused as to why one of the most famous big spending liberals in America was explaining that the cost of keeping the Congress in session would lead us to have a drastic problem, and so we should rise. It was one of the most humorous, I think, and inciteful opportunities to study American politics we have had in a long time.

The fact was that the liberals were losing a series of votes. The fact was that in the middle of their disarray, the liberals asked their Speaker to rise. The fact was that the Speaker legitimately exercised the power of the Chair and decided to rise. That was perfectly reasonable.

What I loved was the chutzpah of the Speaker, not in getting up and saying, my team is losing and I am going home, but getting up and saying, because of my deep and passionate concern for spending, because of my undying commitment to bringing the deficit under control, because I am worried that the House has been in session too much, we must go home now.

I might have asked the Speaker had he recognized us. "How much did your trip to South America cost?" But that would not have been fair. I might have asked, "How many times did you play golf and was the Air Force plane waiting while you tried out various golf courses across South America?" But that would not have been fair.

I might have asked, "How many different ways do we have foolish oversecurity that we ought to look at because it does not stop bombers, and all it does is waste money, and maybe we should go to a leaner, trimmer security and make sure we keep the Capitol open on Saturdays and Sundays?"

I might have asked, "How many of the folks on your side, the liberals who were losing today, voted the wrong way last summer when four times we offered the opportunity not to spend so much money?"

For example, Mr. Speaker, I might have asked, "Do we really need automatic elevator operators? If our choice was between the U.S. House being in session and having automatic elevator operators, should we have looked more carefully? Do we really need to pay $85 per copy to put Playboy in Braille without the picture or the cartoon? Do

we really need, Mr. Speaker, if we are in trouble, to send out $10 million in additional franking for mail which was approved last year? And were not precisely the liberals who were losing today, on whose behalf you rose, were they not the people who again and again voted for that spending?"

So I might have said, Mr. Speaker, "As a Johnny Carson Show performance, it was wonderful. As an act of chutzpah, it was wonderful." As an explanation for what was really going on, it had absolutely no connection, except that in the great tradition of American politics, the Speaker can say pretty much what he wants to, and within the spirit of good fellowship, it will be taken with a grain of salt, and that is the way politics works in America.

But the American people should understand what is happening. What was happening was the liberals were losing today. The liberal Speaker decided to rise. We in fact in the Congress face a problem of money because of mismanagement. We face a problem of money because of politics. But if in fact the way we are going to try to solve that is by not having the Congress meet, I think that one should question why then we in fact have a Congress. We are precisely paying all these salaries to meet in this Chamber and vote; not to go on foreign trips, not to play golf, not to have meetings with lobbyists, not to have meetings with PAC's, but to vote. And if the Speaker had honestly believed what he said, one would have questioned his 50 years of experience in politics.

But then we understood it would have been embarrassing to admit the truth, which was the liberals were losing, and it was time to take their marbles and go home for the night.

NATIONAL LIBRARY WEEK

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York [Mr. STRATTON] is recognized for 5 minutes.

Mr. STRATTON. Mr. Speaker, I want to thank Congressman OWENS for reserving this time for us to take note of the important role libraries play in our society, particularly our education, both formal and informal. Certainly Congress would be hard put to function effectively without the Library of Congress next door. And this National Library Week serves as a worthwhile reminder that the rest of the country depends on the valuable resources of libraries, big and small, as well.

Education has always been the backbone of American democracy and at the heart of the American dream. If you could get to America and get an education, you were on your way. And libraries are inseparable from that education system. They are a vital resource for schoolchildren and an invaluable link for the people studying on their own.

I am an inveterate student and vocarious reader myself, even when I'm not enrolled officially in any class. So I rely on libraries—both their books on every subject and their employees, who are knowledgeable on an array of topics. To me, reading is not a chore, but a pleasure, and I have a great appreciation for the resources libraries provide.

Yet libraries do more than educate: They entertain, they enlighten, and they open new worlds for those who explore them. People young and old visit libraries every day—for whatever reason. Therefore, I am glad to join my colleagues today in honoring a fine institution, our Nation's libraries.

ORDER OF BUSINESS

Mr. GAYDOS. Mr. Speaker, I ask unanimous consent that I be permitted to proceed for 10 minutes, prior to the gentleman from New York [Mr. OWENS] who precedes me on the list.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

TOXIC CHEMICAL PLANTS ARE TIME BOMBS WAITING FOR A DETONATOR

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania [Mr. GAYDOS] is recognized for 10 minutes.

Mr. GAYDOS. Mr. Speaker, today there are some 5,000 to 6,000 plants in this country that manufacture toxic and hazardous materials and many thousands more that use those substances in the manufacturing process.

For as long as we have been manufacturing those toxic chemicals, using them in other workplaces and moving them from one locale to another, we have lived with the threat of a major catastrophe—a ticking time bomb—that could be caused by a major leak, spill, or runaway chemical reaction.

In this country, we have had numerous cases where leaks and spills have caused deaths and severe injuries to workers. We have had incidents, such as the one in San Francisco where a paint factory exploded causing deaths and injuries.

We have had cases where tanker trucks and railroad cars carrying these toxic and hazardous chemicals have overturned, spilling their contents onto public streets or blanketing neighborhoods with clouds of deadly or, at the very least, damaging fumes. And, in those instances, people have been hospitalized and neighborhoods, and even cities, have been evacuated.

But, more often than not, these instances have been treated as local phenomena, rating little more than a paragraph in the national newspapers or a sentence or two and a picture on the evening news.

Those of us who have been concerned about the health and safety of workers at those plants where these chemicals are made and used have warned for years that there is a danger, that we were getting too complacent with the way we have handled these substances, but few people took our concerns seriously and many involved in health and safety thought we were just speaking to hear ourselves talk.

On December 2, 1984, however, a tragedy of unprecedented dimension occurred that will change our attitude toward the manufacture, use, and storage of these toxic and hazardous materials.

On that day in December 1984, at a Union Carbide Corp. facility in Bhopal, India, a leak of methyl isocyanate, a highly toxic chemical, occurred, turned into a runaway reaction which spilled a cloud of toxic gas over the general populace and, before it ended, some 2,000 people were dead and many thousands more will suffer from long-term health problems.

According to what we have learned since then, there were safety procedures that, had they been followed, would have kept the leak under control, but they were not followed and some of the safety devices supposed to prevent such a runaway reaction were not working or were out of service.

Whatever the cause, the tragedy made headlines across the Nation. All at once, public interest focused on the chemical industry and its safety systems in general and on Union Carbide's Institute, WV, plant, a sister plant to the one in India, where methyl isocyanate, MIC, also was manufactured.

Within 10 days after the tragedy in India, Mr. Speaker, the Subcommittee on Health and Safety, which I chair, had the first of two hearings on operations at the Union Carbide plant in West Virginia.

At that hearing on December 12, 1984, and the subsequent one on February 19, 1985, witnesses from Union Carbide, the Occupational Safety and Health Administration, and Machinists' Union Local 656 told the subcommittee that all was well, that the MIC unit at Institute was secure and safe and that the likelihood of a Bhopal-like accident at Institute, WV, or at any of the other 5,000 or so chemical plants in this country fell between slim and none.

OSHA saw no reason to revise the policy of voluntary compliance for industry instituted by this administration or to replace that policy with the kind of vigorous inspection that we on the subcommittee believed was necessary.

We were proven more right than either OSHA or Union Carbide last summer when another leak occurred, this time in the aldicarb oxime unit at Institute, hospitalizing 6 workers and about 130 citizens who lived near the plant.

At our subcommittee hearing on October 2, 1985, all of our witnesses again agreed that the accident at the aldibarb unit was just a freak circumstance, resulting from some workers failing to follow proper company procedures and some equipment being used for purposes not designed.

There was a difference, though, Patrick Tyson, Acting Assistant Secretary for Labor for OSHA, announced a special emphasis program for the chemical industry which would result in a series of wall-to-wall inspections at some 80 plants where the most toxic and hazardous chemicals were either manufactured or used.

The first plant to be so inspected, Tyson said, would be the entire Union Carbide facility at Institute, WV.

Just last week, Mr. Speaker, OSHA and Union Carbide again made headlines across the country, only this time instead of a leak or spill, OSHA cited Union Carbide for 221 violations of safety and health rules and regulations at the Institute, WV, plant.

The big news, at least as far as the national media was concerned, was the fine of almost $1.4 million that OSHA proposed against Union Carbide—the largest fine ever levied by OSHA in its 16-year history.

As chairman of the Subcommittee on Health and Safety with direct jurisdiction over the health and safety of American workers, I, however, am far more concerned by the violations themselves.

I am particularly concerned with those violations that relate directly to the company's ability to detect chemical leaks, to design deficiencies and work practices which contribute to the probability of major chemical releases, to the failure to provide adequate back-up systems in the event of a chemical release or spill, and to the potential exposure of employees to highly toxic materials.

All or most of those violations are just the kinds of circumstances that could lead to a Bhopal-like tragedy here in the United States, just the kind of ticking time bomb that witnesses at three previous hearings on Union Carbide operations conducted by the Subcommittee on Health and Safety said did not exist.

And, while I commend Secretary of Labor Bill Brock and Mr. Tyson for their interest in protecting workers and the public faced with the threat of dangerous and, in some cases, fatal exposures to so many of these toxic and hazardous substances, I can only hope that this new effort on their part is not too late.

I can only hope that the violations for which Union Carbide has been cited are exceptions to current practices rather than the rule in the chemical industry and other industries where toxic materials are used.

We know that about 100,000 Americans die each year because of disease related to toxic exposures that occurred during their working lives. What we don't know is how many other Americans living in close proximity to plants that manufacture or use toxic substances have been exposed to the fumes and leaks from those plants and have also contacted a variety of diseases that have led to disability and, ultimately, death.

One of the tragedies created by this administration has been the lack of rigorous enforcement of OSHA rules and regulations through the inspection process. Under the program of voluntary compliance designed by this administration, companies that kept their injury/illness rate and lost-workday rate below the average for their industry, were often exempted from anything more than a records inspection.

Now, as we see in the allegations against Union Carbide, a large number of injuries and illnesses were never reported as required by the Occupational Safety and Health Act. The actual citation mentions 130 specific instances that were not reported during the years of 1983, 1984, and 1985.

According to some information I have been able to gather, the instances of under reporting of injuries and illnesses cited are only the most blatant. OSHA inspectors believed that another 100 instances of injuries and illnesses not reported weren't as clear and, therefore, were not mentioned.

Thus, according to OSHA personnel, Union Carbide, for the 3-year-period in question, reported some 120 injuries and illnesses, about a third of those that should have been reported.

If all of those injuries and illnesses had been reported, Union Carbide's injury/illness rate, instead of being below the national average for the chemical industry, would have been above the 3.4 percent rate for the industry.

My concern is that there may be a similar pattern in the chemical industry as well as other industries as part of an effort to avoid inspections under the administration's voluntary compliance program.

I have invited Secretary Brock and Acting Assistant Secretary Tyson to appear before the Subcommittee on Health and Safety on April 23 and have asked them to focus on the special emphasis program in the chemical industry with particular regard to the status of inspections at other companies and any similarities in violations for which those companies are likely to be cited and the ones for which Union Carbide has been cited.

If there a is pattern throughout the chemical industry, then it is incumbent on Secretary Brock and his new Assistant Secretary of Labor for OSHA to insure that the industry conforms to the rules. If it is not a pattern, then it will be up to the company to dispute the allegations.

Having been involved with OSHA and its activities since its inception, I have come to realize that the Occupational Safety and Health Act provides the right framework to insure a safe and healthy workplace for Americans, but it is the way the act is interpreted and the way the rules and regulations are enforced that will ultimately determine how safe and how healthy our workplaces are, whether a construction site, a chemical manufacturing plant, a manufacturing plant where toxic substances are used, an assembly operation, a hospital laboratory, or a farm.

□ 1840

NATIONAL LIBRARY WEEK

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York [Mr. OWENS] is recognized for 60 minutes.

Mr. OWENS. Mr. Speaker, each year we observe National Library Week, as we observe many other weeks and special days. However, I take this special order for National Library Week because I think it is very important that we recognize the fact that libraries are very vital institutions, and we often take them for granted, or generally the population takes libraries for granted. Libraries are a vital part of the total educational infrastructure of our Nation. They are important at the level of local public schools, elementary and secondary. They are important at the level of colleges and universities. They are important at the level of research libraries, special libraries. They are important in numerous Federal agencies, including the Department of Defense, which has one of the most extensive library and information networks in the world.

Libraries are important, and yet we take them for granted. For that reason, the special observance each year for libraries I think has a significance beyond many of the other special days and weeks and months that we observe.

This week the National Library Week theme is "Get a head start at the library," and like many other Americans the President of the United States has saluted the American Library Association on this 29th annual observance of National Library Week. The President's letter states:

> Many centuries ago, Euripides said, "Who neglects learning in his youth, loses the past and is dead for the future." Today, Euripides' words might very well be, "Get a Head Start at a Library," the theme chosen for this year's observance of National Library Week.

I will not quote the rest of the President's letter, but I will submit the entire letter for the RECORD:

THE WHITE HOUSE,
Washington.

NATIONAL LIBRARY WEEK, APRIL 6-12, 1986

I am pleased to salute the American Library Association on the 29th annual observance of National Library Week.

Many centuries ago. Euripides said, "Who so neglects learning in his youth, loses the past and is dead for the future." Today, Euripides; words might very well be, "Get a Head Start at a Library," the theme chosen for this year's observance of National Library Week.

Many children get a head start when their parents take the time to introduce them to the wonders of the library at an early age, and they continue to get ahead as they use that precious intellectual resource to pursue their formal education, develop career plans, or seek the pleasure of literature.

An acquaintance with the library is truly an introduction to life, because our libraries are the crossroads for every human interest from business to leisure, from agriculture to art.

I take this opportunity to congratulate all those at every age who are taking advantage of the opportunities our libraries provide for intellectual and personal growth. And, let me especially commend the dedicated librarians and volunteers who have made libraries a vital and integral part of our society. God bless you.

RONALD REAGAN.

The President's letter, like numerous citizens across the Nation, gives recognition to the fact that libraries are important. Libraries are taken for granted, often, like apple pie and motherhood. In terms of the general concept, we all like the idea, but when it comes to providing the necessary funds to maintain our libraries, we do not recognize the necessity.

This year we have had a particularly significant example of the importance of libraries brought before us as a result of the Gramm-Rudman cuts at the Library of Congress. We have had a particularly graphic example of what it means when libraries are taken for granted. Although the budgets of libraries in general are only a tiny portion of the governmental budget throughout the Nation, only a tiny portion of municipal budgets, they get only a tiny portion of the total State aid budget, and, of course, at the Federal level they get only a tiny portion of the total Federal budget, and certainly the Library of Congress, a major institution of world renown, an institution which has a very practical significance for this body, takes only a very tiny portion of our total budget and yet it had to undergo the same automatic cuts that all other agencies and departments had to undergo as a result of the Gramm-Rudman legislation.

So the Library of Congress has been cut 4.3 percent after having already received a cut from the Congress, and that cut has dramatized the ridiculous nature of the Gramm-Rudman cuts in general and, specifically, the nature of the Gramm-Rudman cuts with respect to education.

No education programs were exempted in the Gramm-Rudman process. While we are very much concerned and are at every level determined to make no significant cuts in our defense budget, we failed to recognize the fact that the long-term security of the Nation is very much affected and impacted by what we do with our libraries. In the case of our other educational institutions, they are very much a part of our long-term national security effort.

But the closing of the Library of Congress reading rooms has served to dramatize the seriousness of the situation in a way which has not been dramatized in recent history. The Library of Congress in modern history has never had to close its reading rooms or alter its schedule in any dramatic way, preventing scholars from all our the Nation and indeed from all over the world from coming to use its collections, it has never had to do that before, and now Gramm-Rudman has forced the action upon the Library of Congress.

The Librarian of Congress appeared before one of our subcommittees and made a very eloquent statement, and I think that statement speaks better than I could to the seriousness of this particular matter. I read this because of the fact that the Library of Congress is at the center, at the core, of a whole network. The entire network of libraries that operate throughout the Nation look to the Library of Congress. They all depend upon the Library of Congress. When you make cuts at the Library of Congress, you are cutting all libraries because they provide services for all libraries, they provide catalogue cards and a number of other services that every library in the Nation makes use of. So the cut there is very serious. And, symbolically, when you cut the Library of Congress, you have made a symbolic statement, I think, which is devastating to the libraries throughout the Nation.

The Librarian of Congress, appearing before a subcommittee of the Congress, made a very lengthy statement. I am just going to quote part of that statement and enter it into the RECORD. I quote from the statement of the Librarian of Congress:

If the announced budgetary policy is pursued for the Library of Congress, the Nation's library—your main resource of knowledge and information—will quickly deteriorate. It has taken two centuries to build this institution. It can be disintegrated in a decade and destroyed in two decades. And so it will be unless the fiscal policy toward the Library is repaired and reversed.

This greatest Library on Earth—a monument to our Founders' faith in knowledge, a byproduct of our Nation's faith in freedom of inquiry, will become a byword and a symbol of Nation's lack of faith in itself, a symptom of a nation in terror and decline. Historians will not fail to note that a people who could spend $300 billion on their defense would not spend $18 million on their knowledge—and could not even keep their libraries open in the evening. Historians will look with amazement and incredulity at a nation that could once afford to build grand structures bearing the names of Thomas Jefferson, John Adams, and James Madison—all lovers and champions of knowledge—yet decided it could no longer afford to acquire as effectively and abundantly as possible, the current sources of knowledge. They will recall the last epoch of the Roman empire when Romans were so fearful of the barbarians that they imitated the barbarians. These are not the priorities of civilization and freedom.

The two large retreats mandated on us by the Congress are both antidemocratic and antiknowledge. How can we justify or explain this to our people or to the world? Dare we say, simply, that our Nation, perhaps the first nation on Earth explicitly founded on knowledge, is now ready to disintegrate and destroy its own foundations. Knowledge is not a rock that we inherit from the geologic past, it is a living growing organism constantly in need of nourishment and renewal—the special task of your Library of Congress.

The disaster which I describe, the shame which will come on this Nation, if the Congress pursues a policy of disintegrating its Library, can be averted only if this committee restores in our 1987 budget the cuts made in 1986, and keeps your library thriving and growing, to keep pace with the progress of knowledge and the need for information. Of course, it is within the power of Congress to proceed as it wishes. But it is my sworn duty under the Constitution to alert the Congress to what it is doing, and use all my efforts to save the Congress and all of us from a historic disaster.

The Congress has become understandably suspicious of all claims for priority on our Nation's public resources. We have been told that the "Government" should only take on what the "Government" can afford. But I would respectfully suggest that the "Government" can afford nothing, not one bomber or aircraft carrier. It is the American people who can or cannot afford. And the Congress determines the priorities in expending what they provide. The fact that some claims of priority are ill-founded or bizarre does not mean that there are no priorities. The fact that "special interests" seek improper special consideration does not mean that there are no rational or patriotic priorities. Among these, alongside our Nation's defense, we must put our Nation's knowledge. An ignorant Nation, an incompletely informed Congress, will not have the power to defend itself. Nor can a nation that undervalues knowledge hope to remain free.

I beg this committee to recognize that knowledge is not simply another commodity. On the contrary, knowledge is never used up; it increases by diffusion, and grows by dispersion. Knowledge and information cannot be quantitatively assessed, as a percentage of the GNP. Any willful cut in our resources of knowledge is an act of self-destruction.

I said at the outset that I am not an alarmist, but an honest person sounding the alarm. We have seen many groups march on Washington—farmers, advocates of school prayer, and many others—all witness to the constitutional freedom of all of us to peti-

tion our representatives in Congress. The strength—and the weakness—of the cause which I espouse on behalf of the Congress' Library and the world of learning is precisely that we do not speak for any special interest or any one party or opinion. The cause of knowledge is the most general of all interests for a free people. The beneficiaries of knowledge, of the information supplied to Congress and the free explorers of knowledge, are everywhere. Their largest numbers are still unborn. We will fail in our duty to our posterity if we do not hang on to them the fully-stocked, properly organized treasure of wisdom of the past which it has taken us two centuries to accumulate.

As a servant of the Congress, I beg this committee to do what it can to repair the damage being done by budgetary cuts. To restore your great resource of knowledge, your Library, to its statute, its progress, and its promise. My eloquent predecessor, during the last world war, described the Library of Congress as a fortress of freedom. There can be no more accurate description of our proper role, and the priority that your committee should help restore.

□ 1855

This is a portion of the statement made by Mr. Daniel Boorstin, the Librarian of Congress, and he stated it very well in terms of the crucial role, the crucial position occupied by the Library of Congress within the total system of libraries within our Nation.

The general state of library funding is even more precarious and even more devastating than the state of the Library of Congress. For the fifth year in a row, the President of the United States, who has saluted National Library Week, has placed in his budget zero for the funding of the Library Services and Construction Act.

The losses from LSCA would be tremendous if the Congress again does not rally to the aid of libraries and replace the money which has been stricken from the budget by the President.

School libraries are also suffering great losses.

In general, the impact of Gramm-Rudman-Hollings means that all Federal libraries and related programs will be cut 4.3 percent, programs that give aid to libraries across the country. The effect is particularly severe on agencies such as the Library of Congress, as I have already stated.

They are also quite severe on grant programs, such as the Library Services and Construction Act, where 17 States already are being required to return funds that they have received. As a result of the late sequestering order, 17 States are being forced to give up money that they had already received.

Mr. GILMAN. Mr. Speaker, will the gentleman yield?

Mr. OWENS. I am happy to yield.

Mr. GILMAN. Mr. Speaker, I thank the gentleman for yielding.

It is with pleasure that I rise in recognition of the week of April 6-12 as "National Library Week." I would like to commend the gentleman from New York [Mr. OWENS] for allowing us to take this time to draw the fundamental but sometimes overlooked connection between the service which our libraries furnish us, and the continuation of a knowledgeable and enlightened public.

It may seem obvious to state that we are all in our own way, dependent on the services which our libraries provide. We have all come to rely on the library as a source of community service information, the most up-to-date scientific and research-related materials, and on the other end of the spectrum, as a storehouse of historical records which would otherwise be lost if our libraries did not take painstaking efforts to perserve and organize every document that was ever written.

Indeed, the services which our libraries provide have become such an integral part of our daily lives that we sometimes forget what goes into maintaining and improving our library collections; our libraries are not only storehouses of historical information, but are changing and evolving in the same way that the human experience is changing and evolving. Everytime that a new periodical or scientific study is created, it is the responsibility of our libraries to obtain directly or through the library network the new information. Without such a comprehensive and systematic method of information collection, it is disturbing to think that amount of information would become inaccessible to the public and in the worst scenario, completely lost.

When one considers the enormous wealth of information which flows steadily into our Nation's library system, I am genuinely pleased by the fact that we have all been given an opportunity to celebrate National Library Week. By devoting a week to the achievements of this Nation's libraries, I am hopeful that we will all enhance our appreciation of the monumental task our libraries have undertaken to record and make accessible every aspect of human knowledge. I am also hopeful that as we gain a more thorough understanding of the invaluable service provided by our libraries, we will make more knowledgeable decisions regarding crucial funding for library services.

HOUSE JOINT RESOLUTION

In the spirit of National Library Week, I would also like to bring your attention to House Joint Resolution 244, to establish a White House conference in 1989 to afford librarians, public officials, and other interested parties an opportunity to discuss library services with the goal of formulating more cost-effective methods of information storage and more effective means of disseminating this information to the public. As a cosponsor of this important measure, I would like to urge my colleagues to support this worthwhile resolution.

It is truly an exciting prospect to think that future generations will be better educated because of this generation's dedication to maintaining and improving our libraries. I would hope that this new-found enlightenment will be instrumental in combatting all forms of prejudice, racial intolerence, bigotry, and other evils that stem fundamentally from man's ignorance. Accordingly, I urge my collegues to join in celebrating National Library Week as a testimony to man's thirst for knowledge and as a means to improving his quality of life.

Mr. OWENS. Mr. Speaker, I thank the gentleman.

I would like to point out the fact that the White House Conference on Libraries is very necessary for the same reasons this special order is necessary and that is to call attention fully to a basic resource, a major resource, which we continually neglect and take for granted.

To continue the present situation with respect to the impact on libraries of Federal budget and policymaking decisions has led to the present situation where several States are having to return money. Other States are going to have to forgo their funding for the coming year in order to meet Gramm-Rudman requirements.

They are also proposing library rescissions, rescissions of funds that were appropriated.

In addition, the administration has proposed cancellations of all library program funding not already substantially allocated.

If Congress does not agree by mid-April, $34,500,000 in funds for LSCA-2 and LSCA-6 and the Higher Education Assistance Act 2-A, -B and -C, must be released; but that will be already halfway through the fiscal year when this rescission process will end.

It has already caused and will cause a hardship when applications are being prepared for this year, as it has for previous applications.

Two States have been prevented already from spending any LSCA-2 funds that they had already received.

Another threat to libraries is, of course, the postal revenue forgone.

The postal revenue forgone situation poses a particular problem to libraries which have traditionally been able to ship materials or receive materials at prices much lower than the usual mail rates.

For the second year the administration has proposed elimination of Federal funding which replaces revenue forgone by the U.S. Postal Service, so that this allows some rates to be free and others are reduced.

The U.S. Postal Service estimates that $833 million is needed for fiscal year 1987, of which $28.5 million

would be for free mail for the blind and $22 million would be for the fourth-class library rate used for interlibrary loans and books by mail programs. These are used to serve rural and homebound patrons.

At the full commercial rates which would prevail October 1 if we get no subsidies, if we do not override the President and provide for a postal forgone subsidy, a 2-pound library rate book package would be 94 cents, which represents a 27-percent increase over previous prices. This would be on top of a 10-percent increase which was already mandated March 9 and a 24-percent increase which took place on January 1 due to insufficient appropriations in the GRH cut.

There was also a general rate increase in February 1985. Prior to that, a 2-pound package was 47 cents. Under the President's budget, the library rate would go up 100 percent in less than 2 years' time.

I am only citing these details because they add up to tremendous amounts of money when large amounts of transactions are taking place through the mail, as in the case of most library systems. Libraries could not function if they depended on their own collections alone. A small library in Saline, MI, for example, with a budget of $125,000, barely enough to pay a librarian, a clerk, and provide for the building, could not function unless it had the Michigan State resources behind it. The Michigan State libraries and all of the university and public libraries of the State are at their command and books and materials from all of these libraries are transmitted by mail in order to serve the needs of that small population in that small town.

This is not unusual. All libraries operate in this way and no small library would be worth very much to its citizens if it could not draw on the resources of library networks and library systems. The mail becomes very important.

Beyond the mail is the problem of telecommunications. Many of our libraries, certainly our college and university libraries, are special libraries and are research libraries that make use of electronic data bases, electronic data bases which must make use of telecommunications for transmission. The telecommunication rates are also rising and those data bases which are so vital to the education and training of our youth in college, vital to our scholars doing research and vital to laboratory experimentation, the costs have increased greatly merely by the increased telecommunication costs.

Mr. Chairman, I will submit the entire statement on the impact on libraries of Federal budget policy decisions and proposals in order to give a total picture of the kind of problem that libraries are facing.

I will also submit a summary of the American Library Association appropriation recommendations. This is a summary which shows what the President has proposed, what the amount would be after the 4.3-percent cut and what the new authorization recommended by the American Library Association would be.

I will also submit for the RECORD a list of the budget cuts for each State, showing what each State would lose under the Library Services and Construction Act. Part I is the Public Library Services, where New York State would lose $4,639,000 and numerous other States would lose tremendous amounts of money just for public library services.

I will also submit a list of what the States would lose in public library construction if the President's proposals for the Library Services and Construction Act are carried out.

I will submit also what the States would lose in interlibrary cooperation funds if the States are forced to take the cuts as the President has proposed.

IMPACT ON LIBRARIES OF FEDERAL BUDGET AND POLICY DECISIONS AND PROPOSALS

EFFECT OF GRAMM-RUDMAN-HOLLINGS

All federal library and related programs were cut 4.3 percent due to the presidential sequester order which took effect March 1, 1986, as mandated by the Balanced Budget and Emergency Deficit Control Act of 1985 (Gramm-Rudman-Hollings amendment or G-R-H). The effect is particularly severe on agencies such as the Library of Congress which had already received a cut in FY 1986, and on current funded grant programs such as LSCA, where 17 states are being required to return funds already received. The alternative was a double cut for states which had not yet received allocations. Should the automatic sequestering of funds be implemented October 1, 1986, for FY 1987, all programs would be cut an estimated 25 percent!

ZERO BUDGET FOR LIBRARY PROGRAMS

For the fifth year in a row, the Administration has proposed elimination of the Library Services and Construction Act title I public library service improvement and extension to targeted populations, title II public library construction, title III interlibrary cooperation among all types of libraries and across local and state boundaries, title IV library services to Indian tribes, and title VI library literacy programs; and elimination of the Higher Education Act title II-A college library resources grants (unfunded pending reauthorization with need criteria), title II-B graduate fellowships targeted to minorities, plus research and demonstrations, and title II-C grants to major research libraries to make their holdings more widely available. FY 1986 funding for these programs is $127,500,000 ($122,018,000 after March 1 G-R-H cut).

LIBRARY RESCISSIONS PROPOSED

In addition, this year the Administration has proposed rescission or cancellation of all library program funding not already substantially allocated. If Congress does not agree by mid-April, $34,500,000 in funds for LSCA II and VI and HEA II-A, B and C must be released, but that will be over half way through the fiscal year—a hardship when applications have been prepared, plans have been made, matching funds may have been promised, and some salaries may be at stake. Two states have been prevented from spending LSCA II allocations they had already received!

POSTAL REVENUE FOREGONE THREATENED

For the second year, the Administration has proposed elimination of the federal funding which replaces revenue lost or "forgone" by the U.S. Postal Service (USPS) so that some rates can be free (for the blind and visually handicapped) or reduced (preferred, 2nd, 3rd, and 4th class rates for local newspapers, charitable and nonprofit groups, and libraries, schools and colleges). USPS estimates $833,211,000 is needed for FY 1987, of which $28.5 million would be for free mail for the blind, and $22 million for the 4th class library rate used for interlibrary loan, books-by-mail programs for rural and home-bound patrons, film circuits, and orders from publishers/distributors.

At the full commercial rates which would prevail October 1 without any subsidy, a two-pound library rate book package would be $0.94, a 27 percent increase. This would be on top of a ten percent increase March 9 and a 24 percent increase January 1 due to insufficient appropriations and the G-R-H cut. There was also a general rate increase in February 1985; prior to that the two-pound package was $0.47. Under the President's budget, the library rate would go up 100 percent in less than two year's time.

LIBRARY OF CONGRESS—DOUBLE CUTS

FY '86 funding to the Library of Congress was 3.5 percent below FY '85; on March 1 the G-R-H cut was a further 4.3 percent. Thus, LC funding is reduced by $18.3 million or eight percent. Some 300 positions are being eliminated. Public service hours have been cut from 77½ to 54½ per week. All Sunday and holiday hours have been eliminated and all evening hours except Wednesday, restricting access of working researchers and scholars on limited travel to LC's unique resources. There will be 22 percent fewer purchases of new, needed, or rare items (which may not be available or in print in future years). About 25,000 fewer books will be cataloged, affecting all libraries who rely on LC's high-quality and comprehensive cataloging data. About 77,000 LC books reach a brittle state each year, but preservation microfilming will be cut 25 percent, and 75,000 books will go without binding. LC's National Library Service for the Blind and Physically Handicapped is being cut 12 percent, resulting in 80,000 fewer copies of braille and recorded magazines (the subscription waiting list is growing at 1,000 names per month), and 2,000 fewer braille bood copies.

LOSS OF SCHOOL LIBRARY PROGRAM

The Elementary and Secondary Education Act title II (funded from FY 1966-76) provided assistance for the acquisition of school library resources, textbooks and instructional materials. One of the major effects of this program was the establishment of stocked and staffed elementary school libraries in many schools which had none previously. A "small" consolidation, the ESEA IV-B program (funded in FY 1976-81) combined title II with educational equipment and guidance, counseling and testing, but still provided an estimated 20-30 percent of all funds spent on school library resources and instructional equipment. ESEA IV-B received $161 million in its last year of

funding, FY '81. A "big" consolidation, the Education Consolidation and Improvement Act of 1981, combined ESEA IV-B with 27 other programs in a block grant. Preliminary results of an Education Department evaluation show 67 percent of school districts spent $97 million on library resources and instructional equipment. Information from school librarians shows the effect to be very uneven under the block grant, with some schools receiving more funds for libraries while others get none. New York received $12.4 million in the last year of IV-B, but spent only $2.1 million of its $31.1 million Chapter 2 allocation on school libraries in the 1984-85 school year.

PROPOSED END OF REVENUE SHARING

The Administration has proposed terminating general revenue sharing when the current authorization expires at the end of 1986, and has proposed rescinding this year's fourth quarter payment to local governments. In FY '83, libraries received 1.65 percent of revenue sharing funds or $76 million. In West Virginia, 22 percent of local support of public libraries comes from revenue sharing; in Pennsylvania it is 14 percent. If revenue sharing is eliminated, many libraries will be severely and directly affected. Most public libraries will be affected indirectly as localities seek to cut some services for funds to replace federal revenue sharing used for other services, such as police and fire protection.

INCREASED TELECOMMUNICATIONS COSTS

Divestiture of the Bell system and FCC deregulatory policies have resulted in revised AT&T tariffs for the private leased lines used by thousands of libraries to transmit bibliographic data. In October 1983, AT&T proposed a 73 percent increase in a tariff that, after considerable library community and congressional involvement, was found unlawful by the FCC. New tariffs eventually took effect in April 1985 with a 20 percent increase for libraries, with state and regional library network increases ranging from 5 to 64 percent. Libraries were affected much more substantially than the average for all private line customers of four percent. Since April, three incremental increases have been approved, raising library costs by about another 23 percent. With such large and frequent increases, planning becomes impossible, and small libraries are being priced out of online systems.

OTHER FEDERAL PROGRAM CUTS

The National Endowment for the Humanities, already cut back in recent years over ten percent below its FY '81 level, would be cut again another ten percent in the Administration's FY '87 budget. NEH Humanities Projects in Libraries, kept alive only through congressional support, would be cut 52 percent. The National Historical Publications and Records Commission is once again proposed for elimination. The Government Printing Office Superintendent of Documents operation which supports distribution of government documents to almost 1,400 designated depository libraries, is down 14 percent from the previous year. Other programs which have received cuts or not kept pace with increased costs include the National Commission on Libraries and Information Science, the National Library of Medicine (including the Medical Library Assistance Act), the National Agricultural Library, and the National Archives and Records Administration.

RESTRICTIONS ON ACCESS TO GOVERNMENT INFORMATION

A series of federal policy decisions in recent years have had the effect of restricting the amount of information collected or compiled by the federal government, the amount of such information published, and the amount disseminated. Various policy directives have caused agencies to cut back or discontinue such activities, making it more difficult for libraries to meet their users' needs. These policies and examples of their effects have been documented by the ALA Washington Office in a series of chronologies entitled "Less Access to Less Information By and About the U.S. Government." A more recent example was a March 17 Joint Economic Committee hearing on the declining quality of U.S. economic data (on which many funding and other decisions depend) due to budget cuts for statistics collection and analysis. Another example is the March 14 letter to legislators from the Joint Committee on Printing announcing that because of the G-R-H cut, House and Senate Document Rooms would soon close to the public, and constituents could not expect to obtain bills, reports, etc., from their Members of Congress.

OMB CIRCULAR A-130

Issued December 24, 1985, the Office of Management and Budget Circular A-130, Management of Federal Information Resources, is a significant presidential policy directive which will likely increase restrictions on the public's access and accelerate the trend to privatization of government information. Although an improvement over the draft circular originally proposed, A-130 still allows dissemination only when required by law or necessary for proper performance of agency functions, and when it does not duplicate any current or potential private sector product or service. Agencies are to place maximum feasible reliance on the private sector for dissemination, which could easily lead to higher prices and selective rather than comprehensive coverage.

PRIVATIZATION AFFECTS LIBRARY SERVICE

The Administration's policy of contracting out to the private sector as many government activities as possible (OMB Circular A-76) is affecting the services of federal libraries. Libraries are on OMB's list of "commercial" activities and thus are especially vulnerable to being contracted out. Over 200 A-76 library actions have taken place between 1983 and October 1985 including the Departments of Transportation, Labor, Interior, Commerce, the National Oceanic and Atmospheric Administration, Census, the Office of Personnel Management, the U.S. Information Agency, the Consumer Product Safety Commission, and the Equal Employment Opportunity Commission. The libraries of the Department of Housing and Urban Development, the Department of Energy, and the Environmental Protection Agency have already been contracted out. However, libraries are not off-the-shelf products; they require personnel competencies likely to be sacrificed if contracted out, with consequent reductions in the productivity of government scientists, lawyers, administrators and others.

COSTS OF MATERIALS GOING UP

Since 1967, when the average book and journal each cost about $8.00, the cost of printed materials has generally risen faster than the consumer price index. This is especially true of periodicals. If a library had the same acquisitions budget in 1985 as it had in 1967, it would be able to purchase only 15 percent of the periodicals it could have in 1967, or twice the inflation rate of the CPI. The average U.S. periodical cost almost $60.00 in 1985, an 8.6 percent increase in one year, still well over twice the CPI of 3.8 percent. The price of the average U.S. hardcover book was $30.00 in 1984, and has stabilized in recent years. However, non mass-market paperbacks went up to $13.86 in 1984, a 17.5 percent increase. Libraries have tried to maintain their journal subscriptions, often at the expense of book purchases. A ten-year analysis of data from 84 research libraries indicates that while expenditures for books rose by 93 percent, and expenditures for serials rose by 155 percent, the number of volumes held by those libraries increased by only 31 percent.

COSTS HIGHER TO LIBRARIES

It is common practice for publishers to charge a higher periodical subscription rate to libraries and institutions than to individuals. About 70 percent of the periodical titles most often ordered by libraries are available to them only at prices which may be from 10 to 100 percent more than the rates charged individuals. Beginning about 1980, British publishers began charging American libraries far higher prices. A 1984 study of 17 British publishers of scholarly and scientific journals showed they charged North American libraries 67 percent more than subscribers in the UK and 34 percent more than customers elsewhere in the world. One German publisher has followed suit, and librarians fear the practice will spread.

TECHNOLOGY CHANGING NATURE OF MATERIALS

Technology can increase information access for users but also exerts cost pressures on libraries. There are now over 2,000 online databases provided through about 300 different online systems. Each database provides data and information, or citations to the literature of a certain field, or both. Unlike printed material on shelves, where the cost of acquiring and maintaining the information does not depend directly on the number of users, retrieving information from online databases costs money each time, even for the same information. Some material is now available only online. How to budget for these services, and whether to charge users are questions each library must answer.

WHITE HOUSE CONFERENCE II

These and many other issues and trends affecting libraries are likely to be a focus of public discussions and recommendations during the second White House Conference on Library and Information Services. Measures—H.J. Res. 244, introduced by Rep. William Ford (D-MI) and S.J. Res. 112, introduced by Sen. Claiborne Pell (D-RI)—are pending in Congress to authorize a second WHCLIS in 1989.

SUMMARY OF AMERICAN LIBRARY ASSOCIATION APPROPRIATIONS RECOMMENDATIONS FISCAL YEAR 1987—LABOR-HHS-EDUCATION APPROPRIATIONS

Library programs	Fiscal year 1986— Appropriation	After 4.3 percent sequester [1]	Rescission proposal [2]	Fiscal year 1987— Authorization	Reagan request	ALA recommendation [3]
Total, Library Services and Construction Act	$120,500,000	$115,318,000	−$26,318,000	$170,000,000	0	$126,525,0000
Title I, public library services	75,000,000	71,774,000		85,000,000	0	78,750,000
Title II, public library construction	22,500,000	21,533,000	−21,533,000	50,000,000	0	23,625,000
Title III, interlibrary cooperation	18,000,000	17,226,000		30,000,000	0	18,900,000
Title IV, Indian libraries	[4]	[4]	[4]	[4]	[4]	[4]
Title V, libraries literacy	5,000,000	4.785.000	−4.785.000	5,000,000	0	5.250.000
Total, Higher Education Act	7,000,000	6,699,000	−6,699,000	[5] 30,000,000	0	12,350,000
Title II–A, College library resources	0	0		[5] 12,500,000	0	[6] 5,000,000
Title II–B, Library training and research	1,000,000	957,000	−957,000	[5] 5,000,000	0	1,050,000
Title II–C, research libraries	6,000,000	5,742,000	−5,742,000	[5]12,500,000	0	6,300,000
Education Consolidation and Improvement Act: Ch. 2 EI/Secretary of Education State block grant [7]	528,909,000	506,166,000		([8])	528,909,000	555,354,000
National Commission on Libraries and Information Science	690,000	660,000		750,000	690,000	725,000
Center for Statistics, ED (including library surveys)	8,747,000	8,371,000		14,000,000	12,000,000	12,000,000
National Library of Medicine (including Medical Library Assistance Act)	57,808,000	55,322,000		([8])	56,408,000	60,698,000

[1] Balanced Budget-Emergency Deficit Control Act (Gramm-Rudman-Hollings Amendment) required 4.3 percent cut Mar. 1, 1986.
[2] ALA recommends that Congress reject the administration's rescission proposals for library programs.
[3] ALA recommends funding at amounts required to maintain the current level of services (before G-R-H sequester).
[4] Funded at 2 percent set-aside of appropriations for LSCA I, II, and III.
[5] As in House-passed H.R. 3700; Senate Subcommittee's S. 1965 has $5,000,000, $1,050,000 and $6,300,000 for II-A, B and C.
[6] Would fund about 1,000 neediest institutions under need criteria included in both H.R. 3700 and S. 1965.
[7] Forward funded consolidation of 28 programs including former ESEA IV–B school library resources and instruction equipment.
[8] Such sums.

What the States Would Lose—Public Library Services (Library Services and Construction Act Title I)

PURPOSE

Grants to the states for the extension and improvement of public library services to geographic areas or groups of persons in the state for whom current services are inadequate. When appropriations exceed $60 million, a portion of the additional funds is earmarked for urban libraries.

Appropriation fiscal year 1986	$75,000,000
After 4.3 percent sequester fiscal year 1986	71,774,000
Budget request fiscal year 1987	0
Recommendation fiscal year 1987	78,500,000

IMPACT OF PROPOSED PROGRAM ELIMINATION

In FY '87, for the fifth year in a row, the Administration proposes zero LSCA funding. Despite these recommendations, Congress held the appropriations at the FY '85 level. This was subsequently reduced by the Balanced Budget and Emergency Deficit Control Act of 1985 (Gramm-Rudman-Hollings). Although federal funding accounts for only four percent of public library support, these funds enable libraries to serve disadvantaged citizens who otherwise would be denied access to library services enjoyed by others. Because LSCA is not yet advance funded, the impact of zero-funding would be immediate. If LSCA is zero-funded, the states would lose the following sums based on the FY '86 appropriation:

State:	*Loss* [1]
Alabama	$1,195,607
Alaska	320,901
Arizona	946,519
Arkansas	784,395
California	6,530,564
Colorado	990,755
Connecticut	988,995
Delaware	352,320
District of Columbia	356,592
Florida	2,900,029
Georgia	1,640,753
Hawaii	455,877
Idaho	488,085
Illinois	3,084,019
Indiana	1,575,401
Iowa	929,928
Kansas	809,781
Kentucky	1,133,272
Louisiana	1,316,005
Maine	487,799
Maryland	1,280,564
Massachusetts	1,648,544
Michigan	2,474,740
Minnesota	1,241,605
Mississippi	848,741
Missouri	1,447,462
Montana	404,852
Nebraska	601,159
Nevada	425,463
New Hampshire	440,796
New Jersey	2,076,095
New Mexico	551,642
New York	4,639,639
North Carolina	1,727,218
North Dakota	371,171
Ohio	2,898,520
Oklahoma	1,031,977
Oregon	868,095
Pennsylvania	3,188,330
Puerto Rico	1,019,911
Rhode Island	440,293
South Carolina	1,018,404
South Dakota	375,696
Tennessee	1,375,324
Texas	4,166,091
Utah	606,688
Vermont	331,960
Virginia	1,596,514
Washington	1,281,318
West Virginia	693,153
Wisconsin	1,392,919
Wyoming	329,698

[1] Based on $70,339,000. Of the $75,000,000 appropriated, 4.3 percent was cut Mar. 1 due to the Gramm-Rudman-Hollings sequester order, and 2 percent is setaside for LSCA IV library services for Indian tribes and Hawaiian natives.

What the States Would Lose—Public Library Construction (Library Services and Construction Act Title II)

PURPOSE

Grants to states for building new library structures, purchase of existing historic buildings for conversion to public libraries, renovation of libraries and initial equipment except books. Includes remodeling to meet handicapped accessibility requirements, to conserve energy and to accommodate new technology. Federal share of each project may not exceed one half.

Appropriation fiscal year 1986	$22,500,000
After 4.3 percent sequester fiscal year 1986	21,533,000
Rescission request fiscal year 1986	0
Budget request fiscal year 1986	0
Recommendation fiscal year 1987	23,625,000

IMPACT OF PROPOSED PROGRAM ELIMINATION

The Administration has recommended elimination of LSCA title II for the fifth year in a row. Additionally, a request to rescind, or un-appropriate, funds for FY '86 has been made. In FY '85, of the approximately 665 local project applications submitted to state library agencies, only about 290 could be funded. Many of those unfunded have been resubmitted and are competing with new projects in the FY '86 cycle. Federal funds are desperately needed to help provide adequate library facilities. If LSCA II is zero-funded, the states would lose the following amounts based on the FY '86 appropriation:

State:	*Loss* [1]
Alabama	$363,355
Alaska	131,980
Arizona	297,467
Arkansas	254,583
California	1,774,544
Colorado	309,168
Connecticut	308,703
Delaware	140,291
District of Columbia	141,421
Florida	814,204
Georgia	481,104
Hawaii	167,684
Idaho	165,623
Illinois	862,873
Indiana	463,817
Iowa	293,079
Kansas	261,298
Kentucky	346,867
Louisiana	395,203
Maine	176,128
Maryland	385,828
Massachusetts	483,165
Michigan	701,708
Minnesota	375,523
Mississippi	271,603
Missouri	429,975
Montana	154,187
Nebraska	206,113
Nevada	159,639

New Hampshire	163,695
New Jersey	596,260
New Mexico	193,015
New York	1,275,361
North Carolina	503,976
North Dakota	145,278
Ohio	813,805
Oklahoma	320,072
Oregon	276,723
Pennsylvania	890,465
Puerto Rico	316,881
Rhode Island	163,562
South Carolina	316,482
South Dakota	146,474
Tennessee	410,894
Texas	1,149,100
Utah	207,576
Vermont	134,906
Virginia	469,402
Washington	386,027
West Virginia	230,448
Wisconsin	415,548
Wyoming	134,307

[1] Based on $21,102,000. Of the $22,500,000 appropriated, 4.3 percent was cut Mar. 1 due to the Gramm-Rudman-Hollings sequester order, and 2 percent is setaside for LSCA IV library services for Indian tribes and Hawaiian natives.

WHAT THE STATES WOULD LOSE—INTERLIBRARY COOPERATION (LIBRARY SERVICES AND CONSTRUCTION ACT TITLE III)

PURPOSE

Grants to states for planning, establishing and operating cooperative networks of libraries at local, regional or interstate levels. These cooperative networks provide for "the systematic and effective coordination of the resources of school, public, academic and special libraries and information centers for improved supplementary services for the special clientele served by each type of library or center."

Appropriation fiscal year 1986	$18,000,000
After 4.3 percent sequester fiscal year 1986	17,226,000
Budget request fiscal year 1987	0
Recommendation fiscal year 1987	18,900,000

IMPACT OF PROPOSED PROGRAM ELIMINATION

Interlibrary cooperation of all kinds has been stimulated by LSCA III. Zeroing-out title III will severely limit the effectiveness of the cooperative library networks operating in all 50 states. These networks are able to serve the public efficiently because each library shares its resources with other libraries. Private telecommunications lines allow networks of libraries to communicate with each other, but AT&T is raising these rates significantly and making library networks more costly. Books and other materials are often shared by sending them through the U.S. Postal Service. These rates have been raised twice since January 1, 1986. A two-pound book package now costs $.74 to send. Zero LSCA III funding would strike an unbearable blow to many struggling library networks.

State:	*Loss* [1]
Alabama	$285,839
Alaska	69,853
Arizona	224,333
Arkansas	184,301
California	1,603,169
Colorado	235,256
Connecticut	234,822
Delaware	77,611
District of Columbia	78,666
Florida	706,702
Georgia	395,757
Hawaii	103,182
Idaho	101,258
Illinois	752,134
Indiana	379,620
Iowa	220,237
Kansas	190,570
Kentucky	270,447
Louisiana	315,569
Maine	111,064
Maryland	306,817
Massachusetts	397,681
Michigan	601,688
Minnesota	297,197
Mississippi	200,190
Missouri	348,019
Montana	90,583
Nebraska	139,056
Nevada	95,672
New Hampshire	99,458
New Jersey	503,253
New Mexico	126,829
New York	1,136,254
North Carolina	417,107
North Dakota	82,266
Ohio	706,330
Oklahoma	245,435
Oregon	204,969
Pennsylvania	777,891
Puerto Rico	242,456
Rhode Island	99,334
South Carolina	242,084
South Dakota	83,383
Tennessee	330,216
Texas	1,019,324
Utah	140,421
Vermont	72,584
Virginia	384,833
Washington	307,004
West Virginia	161,772
Wisconsin	334,560
Wyoming	72,025

[1] Based on $16,881,000. Of the $18,000,000 appropriated 4.3 percent was cut Mar. 1 due to the Gramm-Rudman-Hollings sequester order, and 2 percent is setaside for LSCA IV library services for Indian tribes and Hawaiian natives.

Mr. Speaker, I would like to go further and say that our present administration not only has neglected libraries and information system, the present administration is guilty of a hostility toward library and information systems which is dangerous. Previous Presidents may have been neglectful, previous administrations may have failed to grasp the need for funding in order to maintain modern library systems, but the present administration has shown great hostility toward libraries. The present administration is the author of a process, which for lack of a better description I will call the A-76 contracting out process, and the A-76 contracting process is a small part of the total thrust of this administration toward privatization; that is, they have chosen to place libraries on a list of 14 original functions to be part of an experiment in privatization.

□ 1910

Libraries were placed on this list of 14 functions along with janitorial services, laundry services, technical and repair services, and forced to undergo a process of contracting out. All of those executive agencies that had libraries had to submit studies which justified the continuation of their libraries in-house, and if those studies were not considered adequate by the Office of Management and Budget, then the library for that particular agency was contracted out.

Several libraries have already been contracted out at the Department of Energy, the HUD Library has been contracted out, and several other key libraries have already been contracted out to private contractors who run the libraries. Already, it has been seen among the Federal agency libraries that still remain that the staffs of the agencies which lost their libraries to private contractors have been forced to turn to the libraries which still exist within the executive branch and make use of their services, despite the fact that they are paying for contracted services.

The contracting-out process is weak and inadequate for libraries in many ways, because libraries are part of a decisionmaking apparatus. They must be geared to the needs of the people who are making decisions, and in every agency which had libraries previously, those libraries were geared to serve the particular needs of that agency. Those libraries had accumulated years of experience in the form of the knowledge of the personnel retained, they had accumulated collections and understanding of exactly how to spend the available funds to get the best possible collections, the best possible resources, the best possible materials.

All of that is lost when a private contractor moves into the situation and bids at the lowest rate and begins to use inadequate personnel in order to cut costs. The experience has been a bad one. The Office of Management and Budget has now at least agreed to restudy the situation, is in that process, but given the impetus for privatization, and the fact that this is all part of a larger philosophical commitment of this administration, we do not think they will turn back.

The results, however, will be devastating. If the private concerns do not do an adequate job, and if they have the contract for a period of 2 or 3 or 5 years, it will be almost impossible to rebuild and restore a library once it is returned to the control of the agency. The gaps that accumulate cannot be easily covered because current knowledge, serials, current knowledge on data bases, numerous kinds of materials, are not available as time goes on. They are either acquired immediately or they are not available later on, or if they have to be acquired at a later date, the cost is tremendous because they become rare materials and they can be brokered in the market as the people who possess them see fit.

In addition to A-76, this contracting-out process, there is a larger effort called A-130, the Management of Federal Resources, a memo and a regulation now which has been put out by the Office of Management and Budget, which takes a hostile attitude

toward the whole Government publication operation. They are attempting to limit Government publications as much as possible. They are attempting to distort and to twist the publication process to suit the aims and the needs of the administration. In other words, those publications and that information and that data which is not consistent with the philosophical needs of the Reagan administration. Those publications which talk about such things as the fact that there has been a dramatic shift in the way the income distribution takes place in this country, that fewer and fewer people are making more and more money, and more and more people are making less, and that kind of monthly publication which talks about the distribution of income has been cut out as one that is not needed by the American public. The administration does not see any need for it and, therefore, they have cut it out.

The Monthly Labor Review, which gives unemployment data and interprets it, has been slated to become a Quarterly Labor Review because we do not need that kind of information, it is felt by this administration.

Numerous other documents and numerous other services which provide information and data have not been cut out completely, but they are now provided only if you can pay for them. Either the Federal Government is charging more for the publications, or they have turned that particular function over to some private publisher, and you must pay that private publisher in many cases three or four times what was paid when the publication was a part of the Federal Government process.

I want to read from an American Library Association statement which is called "Government Publications—An Endangered Species":

Because the Federal Government is the largest single producer, consumer and disseminator of information in the Nation, it finds itself, with the dawn of the electronic information age, at a critical juncture at which policy decisions are being formulated with wide-ranging implications which will take us into the next century.

The Office of Management and Budget Circular A-30, "Management of Federal Information Resources," which OMB issued on December 12, 1985, and published in the Federal Register on December 24, is one of those policy decisions. In a December 23rd editorial entitled "Privatizing the Numbers," the Washington Post said that the circular would likely reduce the number of printed government publications available to libraries, or at a low cost to citizens in general, and it would increase the already widespread practice of private outfits interfacing with government computers and providing print-outs for users at hefty fees.

Private outfits can now make enormous fees off information which is generated by the public sector, by the Federal Government.

The American Library Association believes that the final circular establishes official government policy which will contribute to the curtailment of the Federal Government's efforts to collect and disseminate information to the general public, business, government policymakers, and the academic community, and will accelerate the current trend toward the commercialization and privatization of government information. All of us concerned about public access to government information must watch the circular's implementation carefully.

Development of the Circular. Circular A-130 is a presidential policy directive to Executive agencies which provides a general policy frame work for the management of Federal information resources. The circular does not have the force of law; it is not a regulation. However, agencies ignore it at their own peril. The Director of OMB will use fiscal budget reviews and other measures to evaluate agency compliance with the circular from time to time. This umbrella circular supersedes 4 existing circulars but its scope is much broader than the incorporated directives. The circular implements provisions of the Paperwork Reduction Act of 1980, as well as other statutes, Executive Orders, and Executive branch management philosophy.

OMB made substantial changes to the March draft, but refused to make the final draft available for further public review before publication despite requests from Members of Congress, from the American Library Association and others. In its rewrite of the controversial March proposal in response to the more than 350 comments it received, the Office of Management and Budget accepted some of the recommendations which had been made, but ignored others. However, other provisions heavily criticized by the library and academic community were not changed or were modified only slightly. The final circular still delineates debatable policies regarding access, dissemination, data collection, "maximum feasible reliance on the private sector," user fees, cost-benefit analysis, and other matters.

Mr. Speaker, I include the full statement by the American Library Association on Government publications on the A-130 policy for the RECORD.

The statement follows:

GOVERNMENT PUBLICATIONS: AN ENDANGERED SPECIES

Because the federal government is the largest single producer, consumer, and disseminator of information in the nation, it finds itself, with the dawn of the electronic information age, at a critical juncture at which policy decisions are being formulated with wide-ranging implications which will take us into the next century. The Office of Management and Budget Circular A-130, Management of Federal Information Resources, which OMB issued on December 12, 1985, and published in the *Federal Register* on December 24, is one of those policy decisions. In a December 23 editorial, "Privatizing the Numbers," *The Washington Post* said that the circular "would likely reduce the number of printed government publications available to libraries or at low cost and increase the already widespread practice of private outfits interfacing with government computers and providing printouts for users at hefty fees."

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PUBLIC ACCESS TO GOVERNMENT INFORMATION

The main body of the circular consists of definitions, basic considerations and assumptions, policies, and assignments of responsibility; the appendices consist of procedures for implementing various policies and with analysis of Key sections. It is important to read Appendix IV-Analysis of key Sections when reviewing the circular. OMB added this section to the final version in response to many requests that the explanatory materials in the March draft not be lost when the circular was published in final form.

OMB accepted the recommendation of many commentators to include language requiring that agencies establish procedures to ensure that government publications are made available to depository libraries as required by law. However, the elimination of government documents and publication programs will mean consequential losses of materials for depository libraries, which provide efficient and economical means for dissemination of government information. And since more and more, government information is likely to be available only in electronic format, the depository library program seemingly will be undermined. The implementation, of the Joint Committee on Printing proposal for pilot projects to provide electronic data bases to depository libraries would help to ensure that depositories will be able to meet the needs of the public in the future.

On February 12, at a forum sponsored by the Federal Library and Information Center

Committee on federal information policies, Franklin Reeder from OMB said that agencies may hit information programs through Gramm-Rudman-Hollings budget cuts. While he thinks that public notice of proposed cuts is "good because these things may be easy targets," what he didn't mention is how difficult it is going to be for the public to keep track of proposed cuts. Although OMB's new Circular A-130 requires that agencies provide the public with "adequate notice" before disseminating "significant" new, or terminating "significant" existing information products, the determination of what constitutes a significant product and the method in which to give notice is left to the agency head. There is no requirement to give such notice in the *Federal Register*. If news releases are the method of adequate notice, not many of the general public will see them, especially outside Washington. Besides, press releases are the kind of time sensitive information which is being incorporated into electronic data bases, available to those with the equipment to access them and money for connect time.

What kind of information is disappearing? Some recent examples include:

A January 30 news release from the Federal Election Commission announced that "drastically curtailed public disclosure of federal campaign finance information will result from a series of budget cuts forced upon the FEC." Effective March 1, the computerization of itemized information filed by political committees on the '86 election will be reduced severely, although candidate and political committee reports will continue to be available on microfilm for public review and copying. Among the effects of the reduction in computerization will be a reduction in timeliness, since data entry time probably will double; accuracy of detailed information may be reduced because less expensive methods of data entry will be used; and availability of detailed information will be reduced. Stepping into the breach is Washington Online's Campaign Contribution Tracking System which includes all FEC reports filed since 1983 and costs $3,500 in annual subscriptions for unlimited usage.

The Federal Communications Commission (FCC) issued a news release on February 24 announcing that effective immediately it will publish summaries instead of the full texts of Notices of Proposed Rulemaking, rulemaking decisions and policy statements in the Federal Register. The FCC decided that "publication of detailed summaries would be a reasonable and cost-efficient way of apprising the general public of its actions." Federal Register publication of the actual texts of final rules will be continued. Budgetary constraints and the rising cost of Federal Register publication were given as the rationale for the cuts. To cut publication cost further, the FCC also amended its rules to enable it to reduce the amount of material published in FCC Reports. Hereafter, only those rulemaking decisions and policy statements summarized in the Federal Register and not published in Pike and Fischer (a private sector service which costs $1,875 to initiate and $1,375 for an annual subscription) will be published in FCC Reports.

Due to budget cutbacks, the U.S. Department of Agriculture can no longer report to the nation the total poundage of food consumed per capita in the United States. The information has been lost primarily due to the discontinuance of crop reports from USDA. The Food Institute says that the information as now published prevents food industry researchers from making any meaningful comparisons in the fruit and vegetable areas, such as comparing changes in the national diet (like the changeover from animal to crop products), and a host of other analyses.

IMPORTANCE OF THE CIRCULAR TO THE PUBLIC

Many who reviewed the March draft were concerned that OMB's reationale of sound management practice, cost-cutting, and efforts to eliminate duplication were being used to bury a fundamental principle—that democratic government is accountable to its citizens, and that this accountability requires that information must be easily accessible and readily available to its citizens so they may participate fully and effectively in the democratic government. In response to these criticisms, OMB now acknowledges the value of government information to the entire nation, and the importance of a free flow of government information to its citizens. Whether statements of principle and OMB's clarifications of its "intentions" in Appendix IV will be enough to mitigate the complex and restrictive directives in the policies section of the circular (sec. 8) remains to be seen. ALA's concerns with the circular lie primarily in these areas:

1. The circular directs agencies to disseminate information only when it is either required by law or necessary for the proper performance of agency functions and only when it will not duplicate current or potential similar products or services provided by other government or private sector organizations. These restrictive conditions can place insurmountable barriers between the public and government information.

2. Agencies are to place maximum feasible reliance on the private sector for dissemination of the products or services, a reliance that can lead to the dissemination of only that information with strong profit potential in the market place. The private sector is under no obligation to make government information available to the American public at an affordable price, nor to keep that information easily accessible and readily available. A gap based on ability to pay between information "haves" and "have-nots" can easily evolve. Such a gap unfairly limits individual opportunity in our free and democratic society.

3. The circular states that access would be provided consistent with the Freedom of Information Act. Yet for years the Administration has been trying to broaden the exemptions to FOIA, increase fees for its use, and make it more difficult for the public to use the Act.

4. The circular directs federal agencies to create or collect only that information necessary for proper performance of agency functions. Will information not mandated by agency mission no longer be available? If so, government information needed by citizens will be cut off effectively at the source.

In addition, other factors are likely to restrict federal government information: for example, the Gramm-Rudman-Hollings deficit reduction process; and OMB Circular A-3, Government Publications, which requires agency heads to annually submit to OMB for approval a list of current and proposed periodicals, with detailed justifications for proposed periodicals. It will also be necessary to pay close attention to the revision of other OMB circulars which have a close relationship to Circular A-130, such as Circular A-76, Performance of Commercial Activities, and Circular A-25, User Charges.

One of the fiscal year 1987 budget documents released in early February, Management of the United States Government, states that since 1982 one-quarter of the 16,000 government publications have been eliminated. Agencies were directed to explore more efficient printing and photocopying management: "For example, the Secretary of Defense has issued guidance to the military departments to reduce spending on periodicals from $22.5 million to $10 million in 1986—a 55% reduction."

Given these various factors, ALA is convinced that government publications are an endangered species. ALA plans to foster cooperation among other groups concerned about public access to government information by developing a Coalition on Government Information. Nancy Kranich of New York University Libraries chairs the ALA committee setting up the coalition.

The stakes are high. Are we going to weigh the cost of information access on the marketplace scales of the Office of Management and Budget or on the scales of justice and equality? What price tag can we put on an informed electorate and democracy?

In closing, I want to emphasize and undergird the statement made by the Librarian of Congress which I read earlier. Libraries are an essential part of our national infrastructure, educational infrastructure. Libraries are very important to our national security. I have often said that we are engaged in a competition or a battle or a struggle which can be compared to the struggle between ancient Athens and ancient Sparta, the battle between the Soviet Union and the United States, a peaceful struggle, because no one wins if we have a nuclear violent struggle, but that peaceful struggle will be a long-term struggle and I would compare it to the struggle between ancient Sparta and ancient Athens.

We would like to see, and it is our duty to guarantee, that the results of the struggle come out differently this time; that it is Athens and not Sparta which wins. But we cannot do that if we abandon, as the Librarian of Congress stated, our own values and if we act more like barbarians than the barbarians themselves. If you compare the Soviet Union information systems to our information systems, which is rarely done, every year we get a comparison of Soviet military power, a lengthy document which the Pentagon puts out which talks about Soviet military power, which is very interesting. I would like to see a statement on Soviet brain power, the Soviet educational infrastructure. What are they doing now which will produce 10 years from now a body, a pool, of geniuses, technicians, people at every level who are well educated and able to run a complex, modern society in ways which will dwarf the effort of a society like ours.

□ 1920

We have a serious brain pool problem in this Nation. We are constantly faced with a situation where shortages

appear in areas where high degrees of skill, intellectual capability are needed.

Our failure to understand that education at every level is necessary, that we need to adopt a value-added theory of education, and that theory is that everybody who receives any education becomes a person who is improved and has value added to their effectiveness and their ability to survive in our society, their ability to produce in our society. If we fail to understand the value-added theory and provide education at every level of all kinds, through every possible educational institution, we will not be able to survive as the leader of the free world. We will not be able to deal with the recurrent shortages at every level.

I am always comforted when I get on a plane. And I fly at least once a week. When I get on a plane, I am confident of the skills of the pilot. I know that airline pilots receive some of the most expensive training in the world. They are thoroughly trained. But what I worry about is the man who did the lubrication work for the airplane, and I worry about the man who had to read the guages and put the right kind of fuel in the plane, and I worry about some other key technicians that are unknown, unseen, who also need the best possible training.

In our complex society, unless we have that kind of training at every level, unless we are dedicated to the proposition that education is a major priority and must be carried out in every way possible, unless we are dedicated to the proposition that our environment needs to be saturated, saturated with education of all kinds, educational opportunities of all kinds, unless we understand that the libraries which under the Library Services and Construction Act provide such services as education and job information centers, unless we understand that the libraries which under the Library Service and Education Act, funded by the Federal Government provide the only opportunity for certain not only students and young people but adults who have access to certain kinds of data bases, that certain kinds of electronic information processing, it cannot be done unless you have the funding from the Federal Government.

It is only a small part of the total funding for libraries throughout the Nation. The Federal funding is only 2 percent, but it is a strategic, a critical 2 percent. That 2 percent has set in motion certain kinds of networks and certain kinds of cooperative systems, certain kinds of services that are provided to small libraries by large libraries. That 2 percent has made all of that possible, and if that 2 percent is taken away, there would be a collapse of a total system out there.

Already the Library of Congress has indicated that it will no longer be able to catalog every book published in the United States as it does at present. The failure to catalog every book published means other libraries will have to take that on themselves. About 74,000 books may not be cataloged this year, and that would be a great burden for other libraries to have to take on to catalog themselves.

More important is the fact that symbolically, it is ridiculous for the American collosus, and I say we are more than just a Nation, we are a collosus, we are the richest, the most powerful entity that has ever existed on the face of the Earth. We have influence and powers far beyond our borders, far beyond our military machine, far beyond our wealth and the control of the financial institutions in other nations. We have tremendous influence and power, and for the American collosus to conclude that it cannot afford to fund libraries, it cannot afford to maintain its educational institutions is ridiculous. Our priorities are wrong, and they should be corrected. We should heed the voice of the Librarian of Congress and understand our civilization is threatened when we make these kinds of backwards decisions.

This is National Library Week. It is a time, I hope, that we will pay attention to the fact that every possible educational effort that we can get and maintain is necessary in order to keep our democracy alive.

Mr. FRENZEL. Mr. Speaker, will the gentleman yield?

Mr. OWENS. I am happy to yield to the gentleman from Minnesota.

Mr. FRENZEL. Mr. Speaker, I came into this room about 35 minutes ago on my way to my office and I heard the distinguished gentleman from New York discoursing on the subject of libraries. A year ago at this time during National Library Week, I heard him speak previously.

I am enormously impressed with his breadth of knowledge, his depth of feeling, and for the most part, the good sense which he expresses on the floor of the House. I do not know whether the gentlemen has been a librarian in a previous incarnation or not, but it makes me feel a lot better about the Congress to think that we have somebody who is this concerned and this serious about an item that looms very small in our budget, and which many of us tend to forget.

I share the gentleman's attitudes on the White House Conference, on the need for us not to approve rescissions.

If the gentleman would continue to yield, I would suggest that I have a little different opinion about the Library of Congress and its troubles. I agree with the gentleman that it is our central and our national library, and it is one that needs our attention, and our affection, and it needs a lot of our dollars.

On the other hand, here is a $220 million institution that seems to be unable to take a 4.3-percent cut without denying some of the services which I consider to be the most elemental that it offers. I and other Members of my committee which exercise not full jurisdiction, but a very limp jurisdiction in the House Administration Committee wrote to the Librarian and said we would like to go through your budget with you. We notice you are talking about the same number of employees, most of the same functions. Why is it that keeping scholars out of the library would be the thing that you are wanting to do.

He wrote back a very sad letter about that was the only way that he thought he could manage the situation. At 4.3 percent, my judgment is that the situation could have been managed better, and I still believe that the library should be maintained, because I believe an open library on weekends and in the evenings is terribly important.

Mr. OWENS. Reclaiming my time, I appreciate the gentleman's remarks. But I would like for us to keep the facts straight.

Would the gentleman agree with me that a 4.3-percent cut initiated in March was a much higher cut, closer to 8 percent as a result of the fact that it came late in the fiscal year? Would the gentleman also, because he has a greater knowledge of this if he sits on the House Administration Committee, note the fact that Congress had already cut the Library of Congress' budget from its previous year before it had to take the 4.3-percent cut?

Mr. FRENZEL. I will agree with the gentleman that the Congressional Research Service took a bit of a kick last year. But I think that the basic appropriation to the library itself was up slightly. And I did call for the figures for the last 10 years when I got interested in reviewing this with the librarian, and I noticed both of those services which I indicate have a total value of around $220 million—maybe a little light after Gramm-Rudman—had been increased at approximately the same rate that our total budget had been increased over the past 10 years.

I think the gentleman would agree that it is vitally important that Congress meet its targets so that we do not subject the Library of Congress to further unnecessary Gramm-Rudman cuts. And I agree with the gentleman with respect to rescissions as well.

But I do think that we need to call on the library for a management that will get us over these difficult things. I personally give a lot higher priority to opening that library to scholars than I do to some of the other expenses, particularly when, as I understand it, we

are talking about the same level of employees.

So I think what we all need to do is get together and try and work with the librarian.

Mr. OWENS. Reclaiming my time, if the gentleman will yield back for a moment, I would like to note the fact that you state that the library's budget has risen over the last 10 years at approximately the same rate as the other part of the legislative budget.

Mr. FRENZEL. As our total budget.

Mr. OWENS. Total budget has gone up. I hope the gentleman is aware of the fact that the increase in the price of books alone has risen at a much more rapid rate so that the cost of acquiring just books alone is much greater. All other materials, microfiche, electronic data base services, numerous other materials and services have been added which did not exist 10 years ago. So you are talking about a very prudently managed operation that has been able to bring in all of these modern and necessary new forms of information services, and yet the rate of the budget increase has not been much greater, or about as great as the budget increase for the rest of the Government.

So I think if you look closely, you will find very prudent management. Everywhere there are probably things that can be changed, or trimmed. But in the case of the Library of Congress, and in the case of most libraries across the country, you have some of the best management of any institution you will find. And you will find that they are stretching the rubber band all of the time, and Gramm-Rudman is an example of where the rubber band just breaks. They cannot go any further. We cannot stretch it any further and really provide adequate information, library information services.

Mr. FRENZEL. I thank the gentleman for that information. I think it is important, as I said before, and I place a very high value on the gentleman's experience and on his evaluation of these matters.

Nevertheless, I believe that every department of Government can stand improvement, and with many I believe that at least the libraries that I know in my locality are terribly well-managed, and I think it might be a good idea to perhaps call in a consulting group of managers to look at this situation and find out why the first service cut was the service to scholars who need to make use of that library.

Perhaps I am placing an inordinate priority on that particular library function. But to me, it is one of the most important. Like the gentleman, I have an enormous regard for our library systems, our libraries and those who use them. And like the gentleman from New York, I think they are really the pillar of American culture. They are just an absolutely essential adjunct to our educational system. For some people, they are our educational system, and I want to preserve them.

But I notice that whenever we reduce defense spending a little bit, the Secretary comes in and says that he will have to ground the Air Force and dock the Navy, and fire the Army. I got the impression that that is what the Librarian of Congress was doing. When he was subjected to a small cut, he was picking something that may have irritated us.

Mr. OWENS. Reclaiming my time, I would object to the gentleman's comparison of the Library of Congress to the Pentagon where tremendous examples of tremendous waste have been found, where you are dealing in mega, megabucks, billions of dollars, and cuts are much easier to absorb. And I would also accept the gentleman's endorsement and expand on the gentleman's recommendation that a consultant be brought in, an objective consultant be brought in, only on condition that the recommendation of the consultant be accepted in total, that they be allowed to look at the total operation of the library, and if they recommend additional funding in order to keep pace with our modern civilization, and the responsibility that our Nation's libraries as the premier libraries of the free world, if you will, if you are willing to also accept recommendations which call for increases in its budget, then I certainly would endorse your call for a consulting firm.

Mr. FRENZEL. I thank the gentleman. Perhaps in size and scale of waste, the Defense Department was not an apt comparison. But I still have the feeling that we were being subjected to very visable cuts which may or may not have been necessary, and I maintain my belief that public use of that library is a higher priority than it is given under the March-to-September budget which the Librarian has chosen to put into effect.

But I do not want to prolong this unnecessarily. I would like to close the way I opened, and that is to express my admiration to the gentleman for the scope of his knowledge, for sharing his wisdom with the House, and for caring about a system running from the Library of Congress to the smallest local library that is of extraordinary importance to the United States of America.

□ 1935

I thank him for having this special order, and I hope that together with other Members of Congress we will be able to work out these matters which concern us, knowing that there are limits on our resources, trying to see that, with respect to libraries, those limits are not unfair and that we employ them in the best way that we can manage them.

I thank the gentleman for yielding and thank him for taking the special order.

Mr. OWENS. I thank the gentleman and I appreciate his support.

Mr. DYMALLY. Mr. Speaker, I wish to commend my friend and colleague, MAJOR OWENS, for calling this special order on libraries today. Of all the public services that are provided to the citizens of this country through Federal, State, and local government and through the benevolence of private enterprise, our libraries are among the most precious services. Some might say I overstate the case. But one needs only walk into a library to see what value libraries have for the American people. Americans, from those babies barely able to crawl to the most senior of our senior citizens, make daily use of the library. To see the value of libraries to our citizens, one need only take a look at the evening news here in Washington to see normal everyday Americans, literally our next-door neighbors, being led to police vans as they are arrested for protesting the curtailing of evening and weekend hours at the Library of Congress. Imagine that. Everyday citizens who would not otherwise consider breaking the law are willing to engage in civil disobedience for the sake of libraries. In view of their actions, who can doubt the esteem our people bestow on their libraries?

Why are people willing to go so far to preserve libraries? I think it is because our libraries contain our world. In them we may look back into the past, we may peer into the future. We may gain insight about our present situation. We may, through libraries, leave the confines on Earth and explore outer space, We may go even beyond that to the world of fantasy. We need not be confined by physical space or by the events of the day when we use our libraries, for they allow us to enter the world of thought. In the library we can get in touch with Albert Einstein or Lord Byron or any of the panoply of thinkers who have shaped our environment from the beginning of recorded history. Access to the world is worth fighting for. Libraries are worth fighting for.

Mr. SPENCE. Mr. Speaker, a key element of American education at all levels is our library system. Just as books are our window to the world, libraries are the means to open the window. Therefore, I want to commend our colleague, MAJOR OWENS, for taking this special order to commemorate National Library Week.

In South Carolina we are especially proud of our extensive library system. The oldest separate college library building in the Nation—the Carolinian Library—is located in my congressional district on the historic Horseshoe of the University of South Carolina, and, going back to our colonial days, both educators and elected officials in South Carolina have recognized the importance of making libraries available to our citizens in both urban and rural areas.

Of course the greatest library in the world is our own Library of Congress. The Library of Congress provides a wonderful program of cooperative services which assists public libraries, rehabilitation agencies and State libraries to the blind and physically handicapped. It is good to report that in South Carolina alone

over 8,000 or our blind and handicapped citizens are currently using this service which includes recorded books, Braille books, and large print books. It should and must be national policy for all nonsighted and handicapped persons to have access to library services.

In closing, I want to pay special recognition to all the men and women throughout America who work on a daily basis in our libraries. They are truly an integral part of America's educational system, and I am very pleased to join my colleagues today in giving them a well deserved pat on the back for a job well done.

Mr. ANNUNZIO. Mr. Speaker, as chairman of the Joint Congressional Committee on the Library, I would like to thank Congressman MAJOR OWENS for scheduling this special order today on libraries and library issues.

While many of my colleagues will speak about those issues which concern libraries in their respective districts, I would like to address how the Deficit Reduction Act—Gramm-Rudman-Hollings—and the subsequent sequestration of funds from the Library of Congress' annual authorization impacts all public and university libraries.

Founded in 1800, the Library of Congress was established to assist Members, of both the House and Senate, in fulfilling their official responsibility to make the laws for our country. However, Congress' Library soon took on a second task: to capture the history of the American people. In 1975, former Senator Howard W. Cannon, who also served as chairman of the Joint Committee on the Library, said "* * * One unique aspect of the Library's work, at issue in certain quarters, is the dual nature of its services, namely, as legislative library for the Congress, and as a national library for the general public, the professional library community, the executive agencies of the Federal Government, plus scholars, historians, and scientists from around the world. This combination has benefited everyone."

The Library of Congress is indeed our Nation's library. It houses the best and most extensive library collection in the world. All libraries benefit from the services and activities it provides and all suffer from the curtailment of services when the Library's budget is cut.

The following are only four of the many services provided by the Library of Congress, impacted by the cuts resulting from the Deficit Reduction Act, which deeply affect libraries in our congressional districts:

NATIONAL LIBRARY SERVICE FOR THE BLIND AND PHYSICALLY HANDICAPPED

Probably, the most spectacular of these services is the Library's program for blind and physically handicapped readers. Created in 1897 with 200 "raised letter" books, this program now reaches out to over 600,000 people. The Library Service for the Blind and Physically Handicapped supplies these readers with books and magazines in braille or disc recordings. In addition, music books and periodicals, scores, and instructional cassettes for piano, organ, guitar, and other instruments are made available in braille and recorded formats. This service also trains volunteers for braille transcription and proofreading for tape narration.

It is the nationwide network made up of over 160 regional and local public libraries that are the key to the program's entire distribution system. The Library of Congress selects the titles to be transcribed and sees that the tapes, records, and braille are made and duplicated. The various formats are then sent to central units—usually the State library or the largest public library—in each State. These serve as regional libraries for their States, or they in turn designate local public libraries as distribution centers. Materials are shuttled back and forth through the system to get maximum advantage out of the thousands of titles ready to be used.

CATALOGING DISTRIBUTION SERVICE

In order to keep up with the world's publishing output libraries must work together to manage the collection, cataloging, housing, and preservation of material. The Library of Congress provides the leadership in the development and operation of cooperative programs for standardized ways to describe collections. This standardization enables libraries, across the Nation, to exchange bibliographic records that describe the available materials. The Library's bibliographic records are accepted as authoritative and are relied upon for their consistency, thus eliminating the need for other libraries that acquire the same title to duplicate the cataloging effort. The Library of Congress' records are depended upon to provide access to local collections and to identify material available in other libraries. It is the Library's bibliographic services that are the keystone to the success of cataloging operations in all libraries.

PRESERVATION OF BOOKS

This program preserves and restores deteriorating and damaged portions of collections so that these collections will continue to be available for future use by Congress, the public, and scholars. The Library also provides assistance and guidance to other institutional holders of deteriorating or damaged materials through consultation and an active publishing program which distributes, throughout the country, preservation information developed by the Library of Congress.

The Library's National Register of Microform Masters keeps a record of those deteriorating titles which have been transferred to microfilm. Other libraries are alerted to the existence of the film and the Library of Congress loans and sells prints of film—over 25,000 reels of brittle book and manuscript films were sold in fiscal year 1985. This service assures access to the title and notifies preservation administrators in other libraries that the same title need not be treated locally, avoiding duplication of effort and expense.

PURCHASE OF BOOKS—FOREIGN PUBLICATIONS

Research libraries, across this country, rely heavily upon the Library of Congress' field offices and expertise in the area of foreign publications. People seeking to understand, appreciate, and compete economically with other nations of the world depend upon the Library's acquisitions of foreign publications. Typically, foreign publications are in-print for a very short time and any postponed acquisition by the Library of Congress may result in those materials not being available anywhere in the United States because acquisition at a later date may be impossible.

America's public and university library system will, if they have not already, feel the impact of the $18 million cut in the Library's annual budget, which includes $9.8 million in sequestered funds. The Library of Congress has begun to cease collecting needed current material, materials acquired will remain uncataloged and hence inaccessible, materials deteriorating for lack of treatment will not be preserved and many of our Nation's blind and physically handicapped people will no longer have access to the publications and special reading materials they once enjoyed.

I would like to end my statement with a most timely quotation from President James Madison which is appropriately inscribed on one of the walls of the Library's Madison Building:

Learned institutions ought to be favorite objects with every free people. They throw the light over the public mind which is the best security against crafty and dangerous encroachments on the public liberty.

Mr. SPRATT. Mr. Speaker, I am pleased today to join in recognizing the significant contributions of public libraries. Throughout this week, which is "National Library Week," efforts are being made through various events to increase public awareness of the many services that public libraries provide.

Public libraries play an important role in our communities. However, greater assistance is needed to enable libraries to fulfill their functions properly. For example, many of our libraries are located in inadequate facilities. I am pleased that title II of the Library Service and Construction Act [LSCA] provides funding for construction, expansion, and remodeling of existing buildings, as well as for accommodation of new technologies that strengthen libraries' educational function.

As a result of the 1985 jobs bill, four public library construction projects were completed in my district. Although in most cases LSCA funds represent a very small percent of construction costs, they are often the catalyst needed to move a project from discussion to construction.

A recent survey indicates that 130 additional library construction projects are needed in South Carolina. Eighteen of these proposed projects would be located in the Fifth Congressional District. Since only a few projects can be funded each year, it is essential that funding continues to be available for library construction.

I strongly support our public libraries. I hope that the activities held during "National Library Week" will help to inform the public of the vital role these institutions play in our communities.

Mr. WORTLEY. Mr. Speaker, I rise in support of National Library Week. Libraries provide vital services to preschoolers, students, professionals, and our senior citizens. Our libraries are a hub of information ranging from math to music.

In my congressional district, we are privileged to have extensive library services. Job information, literacy programs, story-telling for children, minority outreach, senior citizen programming, as well as the new "Urban Educa-

tion for Survival Program." Funding library programs is one of the best investments we can make in our communities.

Last year in New York, $7.2 million in Federal LSCA and HEA funds were awarded. We must continue our commitment on the Federal level to these programs that bring people together from all walks of life. Let us keep the wealth of information flowing from these precious resources—our libraries.

Mr. SOLARZ. Mr Speaker, I rise today to express my deep concern over the future of one of this Nation's greatest assets—our libraries.

I am deeply distressed at the present attack by the Reagan administration on our library system—the freest, finest and most extensive in the world. Americans can be proud of a system they helped build, and watched grow, over the past decades. Libraries have helped fill our Nation's insatiable quest for knowledge and have enabled us to reap the benefits and pleasure of literature and other forms of scholarship.

In every year since he has been in office, President Reagan has tried to eliminate Federal assistance to libraries. Fortunately, Congress has repeatedly rebuffed him in his attempts. In his budget proposal this year, the President again seeks an enormous cut of nearly $600 million. In addition, he wants to rescind over $30 million already appropriated for this year. Cuts of this magnitude would result in the loss of vital and effective programs such as the Literacy Volunteer Program and the Child's Place Program. Surely our commitment to educational excellence and literacy cannot be so weak that we would endanger such important projects.

In my constituency of Brooklyn, we are fortunate to have a dedicated and hard-working group of librarians, staffing a vibrant and well-stocked library system. The Brooklyn Public Library is a major urban resource center offering services to over 3 million children and adults. It would be terribly shortsighted, to say the least, to reduce by even $1 the Federal assistance to this precious resource.

Instead of cutting services to libraries, we should be reaffirming our commitment to provide all Americans the opportunity to gain access to the wealth of information we find in these institutions. By providing the forum for a free and healthy exchange of ideas, we not only strengthen the virtures and values of this Nation, but we improve our standard of living and our security.

Libraries are the pursuit of excellence. It would be a tragedy for the people of Brooklyn and this Nation if the administration is allowed to compromise our commitment to this objective. This cruel and insensitive measure must be defeated and a proper level of funding restored, so that we may continue to allow this Nation's living heritage to grow and prosper.

Mr. BROWN of California. Mr. Speaker, as Congress decides exactly where to nip and tuck expenses, it seems to me proper that we designate this week as "National Library Week." In serving our communities, libraries and library personnel perpetuate our national belief in freedom of information. The theme for this 29th annual observation of National Library Week—April 6 to 12, 1986—is "Get a Head Start at a Library." Keep in mind that no matter what the cost of this "head start," the cost of illiteracy and ignorance to America's very special brand of democracy would be much more dear. In the United States, children approach libraries as an introduction to intellectual curiosity. Students, especially in the American university setting, use libraries to address the problems of the world. For most of us, the public library system is the only educational facility accessible for free, available, and uncensored information.

The laudatory role that America assigns its libraries, however, is not reflected in the administration's attitude toward library policy. How is it possible for the children of America to get a head start when Federal assistance to library maintenance and development is refused? I am concerned that the administration's proposed zero budget for the Library Services and Construction Act for the fifth year in a row will only lead to fiscal year 1987 cuts and a darker picture for library programs. The President's fiscal year 1987 budget would refuse to allocate the funds necessary to build new libraries, train librarians and information researchers, and expand interlibrary loan programs in targeted communities. This neglect hampers the growth of knowledge that should accompany the growth of a population. We must further strengthen our Nation's future by continuing the literacy programs and student library grant programs that are jeopardized by the fiscal year 1987 budget proposal.

The most immediate impact of the zero budget to the Members of Congress is the reduction in hours and services at the Library of Congress. The $18.3 million cut in the fiscal year 1986 Library of Congress budget affects a wide range of services provided to local users as well as to libraries nationwide. As a result of the cuts, about 25,000 fewer books will be cataloged, hurting comprehensive cataloging and bibliography data. Hours have been limited, restricting researchers and scholars on tight schedules or travel to the Library of Congress' unique resources. It is becoming difficult for all libraries to meet their users' needs because various policy directives have restricted the amount of information collected or compiled by the Federal Government and disseminated for public use.

Opportunity in America has always held equality as the ideal. Yet budget cuts have been directly aimed at library service for the blind and physically handicapped, resulting in 80,000 fewer copies of braille and recorded magazines, and 2,0000 fewer braille book copies. The ability of the handicapped to receive information material is further inhibited by foregone postal revenues, which cancels special free rates, as well as the reduced 2nd-3rd- and 4th-class rates for local newspapers, charitable and nonprofit groups, and libraries, schools, and colleges. These rates would be raised to full commercial rates.

Of notable concern to me, also, is the imminent deterioration of the library system's emerging information technology. Small libraries are especially being priced out of online computer systems as a result of large and increasing tariffs for the private leased lines used to transmit bibliographic data. A coordinated, comprehensive information policy is needed to aid this Nation's information centers in their increasingly efficient growth. To address this issue, in fact, I have introduced legislation to establish a foundation that would coordinate information policy (H.R. 744).

Mr. Speaker, I reemphasize the need to support the progress of America's library system in order to maintain and improve our greatest national resource—our people. For these reasons, I encourage the meeting of the White House Conference on Library and Information Services to be held no later than 1989. This conference, requested and authorized by Senate Joint Resolution 112 and House Joint Resolution 244, is vital to the future of the U.S. library system, to insure continued and complete access to information for all Americans.

Mr. BIAGGI. Mr. Speaker, I rise today in support and recognition of one of our Nation's greatest resources—the library. Yesterday, I had the great privilege of having in my office distinguished members from the library communities of New York Public Library and Yonkers Public Library. A successful democracy demands the informed judgment of the people. For most Americans, libraries are the only education agency available for two-thirds of their lives—their life outside the school. An informed, educated citizenship relies on access to the records of government, books, and journals—a broad range of information. Libraries are necessary to the availability of this information. Therefore, it is important that we carefully examine the role of the Federal Government in supporting and preserving our public and private libraries, so necessary to our democracy.

The library is an important learning center, whether it be the college or university library, which serves as the source of information for those involved in formal education; the corporate, government, or union library, which assists continued learning in a working environment; the special library in institutions, correctional facilities, hospitals, or nursing homes, which contributes to the personal growth and future productivity of the individual; or the public library, which benefits all ages, from the child first learning the wonders of books, to the student research a term paper, to the adult preparing for a high school equivalency exam, seeking career advise and guidance, pursuing independent study, requiring assistance in literacy or bilingual programs, or using materials for the blind or physically handicapped. It is no coincidence that we are both a high technology and high learning society. The fuel for economic development is knowledge. Through continuation of already existing library programs and development of new ones we must continue to guard against a fuel shortage—a learning shortage.

The major source of Federal support for libraries is the Library Services and Construction Act [LSCA]. Since its establishment in 1956, New York State has received $70 million to provide services to groups including the disabled, disadvantaged, elderly, institutionalized, and those with limited ability in English. One sign of the effectiveness of LSCA is the Department of Education's estimate that library accessibility has increased from 56 percent of the population in 1956 to 96 percent of the current population. In my congressional district, LSCA provides funding to the New

York Public Library, the Westchester Library System, and the New York Metropolitan Reference and Research Agency [Metro]. Projects funded through the New York Public Library include the Outreach project, the Library for the Blind and Physically Handicapped, the Learners Advisory Center, the Job Information Center, microcomputer literacy centers, and centers for reading and writing. Services rendered by these programs include literacy tutoring for adults who read and write below the 8th grade level, classes in English as a second language for non-English-speaking adults, informing the unaware and nonuser about library services, circulating special books in braille or recorded materials to the visually handicapped, and increasing access to library services for persons with disabilities, the homebound, and the institutionalized. With LSCA funding, New York Public Library also provides information clearinghouses on career opportunities, techniques for finding employment, résumé writing, educational opportunities and career change counseling. The microcomputer literacy centers provide free access to microcomputers and appropriate software in an effort to promote computer literacy. The New York Public Library uses the LSCA funds to provide knowledge and learning opportunities to those who otherwise may remain uninformed. They service the blind, the physically handicapped, those from disadvantaged neighborhoods, the various minority and ethnic groups so prevalent in the New York community, and the non-English speaking, all of whom greatly benefit from LSCA funds.

The funding for the Westchester Library system promotes programs which include: Literacy and English as a second language [ESL] project, which provides free basic reading training and ESL instruction on a one-to-one basis. This center is staffed by volunteers, with LSCA funding used to administer the program. This is an excellent example of the high yield a small investment can return. Westchester County Public Libraries conduct an information and referral service, which is a computerized data base to provide information on nationwide educational and employment opportunities; this program is a prototype for programs in other libraries across the country. Metro funds began the development of a union list of serials, which will ultimately benefit all library users in New York City and Westchester County. Despite the effectiveness of and the necessity for these important programs, the administration has requested that no funding be extended for LSCA for fiscal year 1987 and recommends a recission or cancellation of all noncommitted and nonallocated fiscal year 1986 funds. The results would be devastating to those who are currently served by these programs; it would impair their learning and consequently weaken our Nation, by both weakening our voter base and failing to fully develop our potential.

Another concern of the library community from the New York/Westchester County is the recent cuts in the Library of Congress budget. Since most libraries in the country use Library of Congress services, these cuts will be felt nationwide. The New York Public Library will be forced to reduce its services to the blind, decrease efforts for preservation of materials, and reduce availability of Library of Congress materials for New York borrowers.

Another administration proposal which would greatly hamper library services is the proposed elimination of postal revenue foregone. Libraries, in an effort to become self-sufficient through private donations, must mail fund-raising materials at the 3d-class nonprofit bulk rate. Newsletter, bibliographic materials, and other library information is mailed out using the postal subsidies. Perhaps the hardest hit will be the blind and physically handicapped, who now receive library materials without postage charges. The New York Public Library's Library for the Blind and Physically Handicapped estimates that elimination of revenue foregone will cost them $800,000 per year, which is more than the Library for the Blind's entire budget. Also, because of new developments in technology, we must investigate the ability to increase library networking. Our library systems must be statewide, regional, and community information systems. New York State has been sharing information between libraries for over 30 years. The New York interlibrary loan service uses computer and telecommunications systems to link the 730 public libraries through the 22 public library systems, 9 reference and research library systems, and 10 major research libraries. With advanced technology, lower rates for library telecommunications are needed. We need to examine the possibility of "library rates" for telecommunication costs.

Another important goal for the library community is the establishment of a 1989 White House Conference on Libraries and Information Systems to set priorities and recommendations for legislation, public policy, and action by local, State, and Federal governments. That is why I have cosponsored House Joint Resolution 244, calling for a White House conference to enable library users, librarians, library policymakers, and public officials to assess the capacity of our libraries to serve the learning public and to encourage sound, long-range, community-based planning for library services.

The administration's proposals for reductions in the budget for the National Endowment of the Arts and the National Endowment for the Humanities would negatively impact many libraries which use these funds, along with their own funding, to preserve deteriorating books, extend hours, provide special exhibits, and filming of dance and theater productions to include in the library collection. The administration's proposal to eliminate funding for libraries under title II of the Higher Education Act would eliminate funds necessary to assist libraries in maintaining and improving their library collections and increasing access to shared resources and library networks.

Libraries are one of this Nation's resources. We can all remember our first visit to the library, as a young child, awed by the number of books, magazines, and records that lined the shelves, and amazed by the wealth of knowledge contained in that building. Many of us were tempted to try the impossible—read every book on the shelf. We've used libraries throughout our schooling; and we all take advantage of the services of the great Library of Congress. Therefore, Mr. Speaker, I call upon my colleagues to closely examine the current role of the Federal Government in library services. We must guard against the weakening of one of our most precious commodities, the library. This institution guarantees and promotes one of our fundamental rights and freedoms—one freedom that continues to distinguish us from other nations—the freedom of access to information, our freedom of speech through the written word. The library is the fortress that protects that freedom. We have made great strides in the past 30 years. Where 56 percent of our population had library access, now 96 percent can take advantage of this great liberty. However, we cannot stop here—we must strive for the day when every member of this great Nation has the privilege of access to information, of access to a library.

Mr. MANTON. Mr. Speaker, I am pleased to join my good friend and colleague from New York [Mr. OWENS] in his special order on issues affecting our Nations's libraries. I would like to commend him for organizing today's special order and for his tireless leadership in protecting our Nation's libraries from unfair and unwise budget attacks.

I would first like to take a moment to share with my colleagues some facts about the Queens Borough Public Library which consists of a central library and 59 branches. Queens is the fifth largest public library system in the country, both in circulation and number of branches. In fact, Queens Library has the highest circulation among libraries in New York State. Furthermore, the Queens Public Library can be proud of the excellent and diversified services it offers to the borough including adult literacy programs and special services for the blind, the handicapped, and the elderly.

However, the continued excellence of the Queens Borough Public Library is severely threatened by President Reagan's fiscal year 1987 budget. For the fifth year in a row, the administration has requested zero funding for the Library Services and Construction Act. Under this proposal, many important special library services would be ended, including services for the blind or handicapped and delivery service to the elderly. Important funding for the construction, purchase, and renovation of library buildings would also be eliminated. Furthermore, the President has requested a rescission of all fiscal year 1986 funding for construction. Although there are 27 million adults in the United States who are functionally illiterate, the Reagan budget provides no funding for library literacy programs. This incomprehensible neglect is compounded by a proposal for a rescission of fiscal year 1986 funding for library literacy programs.

Mr. Speaker, clearly the Reagan library plan condemns the future of our Nation's libraries. Our Nation's libraries provide an opportunity for children and adults to grow, to learn and to enhance their knowledge. The cornerstone of a strong nation is an educated people. In the everchanging and challenging world of today, it is unwise to limit our citizens access to the treasures and knowledge available in our Nation's libraries. As the Congress seeks to shape a responsible and fair budget, I urge

my colleagues to continue our strong support for America's libraries.

Mr. MAZZOLI. Mr. Speaker, a community bereft of a solid, functioning, and complete library system is a community in danger of having its light of knowledge, cultural awareness and career improvement extinguuished.

I freely confess that my proposal experiences with the public library in my home district, the Louisville Free Public Library, color and influence my feelings about the health of our Nation's public library systems.

I recall with undiminished pleasure the splendid times I spent as a youth browsing the book shelves at the Louisville Free Public Library's Highland Branch.

I visited exotic and mysterious foreign lands. I rode balloons around the world, I survived many a shipwreck at sea—all without leaving the safe confines of my chair at the Highland Library.

And, in a slightly different context, the library system has been a positive influence on my two children.

Michael and Andrea—now talented young adults and college graduates—recall to this day with pleasure and warmth their visits to the main branch of the Lousiville Library to listen, wideeyed, to the tales read by Mrs. Barbara Miller, the Storytelling Lady.

How much of their intellectual formation, literacy and solid value system is attributable to Mrs. Miller and how much to Helen and me may be debatable. What is not debatable, though, is that Michael and Andrea were, at Mrs. Miller's knee, exposed early in their lives to the beauty, mystery, charm, and wisdom of the printed word. Future generations of Michaels and Andreas will not have these same opportunities unless America's library system remains strong and vibrant.

In another way, the library has played a pivotal role in my family's life. My late father, who came to this country and to Louisville from Italy in 1914, did not have a chance to receive much formal education. He completed about seven grades of school and then went to work as a tile and marble washer.

Dad received the rest of his education by haunting the library in Louisville and in any city where he was living and working at the time.

I reflected on Dad and the Louisville Public Library System in comments which I prepared in 1979 for the book by Whitney North Seymour, entitled "For the People, Fighting for Public Libraries":

Many times over the years, Dad told me that, in his judgment, he was 'Americanized' by the Free Public Library system in the City of Louisville. What Dad meant by this, of course, was that the libraries enabled him to gain the knowledge and the appreciation of things around him which he was unable to acquire in the formal setting of a classroom.

The Public Library system enabled him—a man of few means—to grow socially and intellectually.

It also gave him the necessary business background to open and run, with Mother's help, his own tile company, to send his children to reputable schools and to become a respected, productive citizen of the community.

It becomes evident from the personal experiences I have described here that, simply stated, I love libraries and I deeply appreciate the opportunities that were opened to me—that enabled me and my children to grow intellectually and socially as they did my father.

Libraries are the intellectual, the social and the economic underpinnings of any community entitled to be called a community. And, even in these most stern of budgetary times, we must preserve our public library system.

Mr. ROE. Mr. Speaker, the Reagan administration continues its unabated assault on one of the fundamental institutions of a democratic society, the public library. In addition to recommending zero in the budget for the Library Services and Construction Act, they have gone even further this time, and recommended rescission or cancellation of all of fiscal year 1986 library grant funds that have not already been committed and allocated. For these reasons, and on the occasion of the American Library Association's annual legislative day, April 8, 1986, I am pleased to participate in this special order.

Our Nation's libraries are a vital resource for our population, shielding our citizens from ignorance, illiteracy, and isolation. Our Founding Fathers recognized the crucial importance of broad access to information for the success of American democracy. We would do well to recall the words of James Madison in this context, words that are as appropriate today as they were two centuries ago:

Knowledge will forever govern ignorance. And, a people who mean to be their own governors must arm themselves with the power that knowledge gives. A popular government without popular information, or the means of acquiring it, is but a prologue to a farce or a tragedy, or perhaps both.

Our libraries help us to insure that we do not lose the most vital race of all, the race for knowledge to overcome ignorance.

Mr. Speaker, this administration does not seem to understand the importance of our libraries, and they ignore the caveats of James Madison. The President's fiscal year 1987 budget includes the termination of all Federal support for public libraries, the elimination of the fourth class library postage rate and free postage for the blind and the handicapped, the discontinuation of special programs for the handicapped, and calls for the accelerated trend toward the commercialization and privatization of library services within the Federal Government. These proposals do a great disservice to the American people, especially to our children and to our senior citizens who are so dependent on the public library. We simply cannot afford the cost of these proposals if we are to govern ourselves in an effective and proper way.

We are faced today with a crisis of information, of how to assure adequate access for our constituents to knowledge. The technologies that are being used in our society for communication are changing at a rapid rate. Communication services, such as libraries, are also rapidly changing. Yet the administration ignores this crisis by continually eroding our capacity to keep up with these rapid advancements in information services. Their priorities do not include the free access to information called for by James Madison.

Mr. Speaker, libraries remain the major component in the education growth of all American citizens. Libraries enhance our exposure to the repositories of knowledge, and without them, we all suffer. Clearly, there are other portions of the budget that can be reduced which would do far more for lowering the deficit and would do far less damage to our national security than would cutting the funds for one of our most precious vital resources, our libraries.

Mr. TALLON. Mr. Speaker, public library service is delivered from buildings of every size and shape; buildings designed as libraries and those adapted for library use. However, the most efficient means of delivering service in terms of books circulated per hour may not be a building at all. In South Carolina 35 books are circulated per hour on bookmobiles compared to 26 books for headquarters and 17 per branches. Bookmobiles bring library service to the rurally isolated and those in inner cities. Many times new communities are served by bookmobiles until a permanent structure can be justified. The Library Services and Construction Act has enabled libraries to purchase bookmobiles to ensure that all citizens have access to the information needed to survive in our modern society. My district is largely rural. Without bookmobiles there would be no library service for many of my constituents. I commend our public libraries for their foresight in their outreach endeavors.

Mr. GREEN. Mr. Speaker, I should like to commend my colleague from New York, Mr. OWENS, for sponsoring this special order once again. I note that it is National Library Week, which provides us a special opportunity to recognize that libraries continue to be one our Nation's greatest educational and cultural resources.

Unfortunately, there are still those who would prefer they did not exist. Once again, we have a number of issues affecting libraries on the agenda this year. Funding remains at the top of that list. In the 98th Congress, we reauthorized the Library Services and Construction Act [LSCA] through fiscal year 1989, with a clear demonstration of bipartisan support. Further, my colleagues and I on the Appropriations Committee, supported by the fulll House and the other body, have taken the responsibility, year after, for providing continued funding for library programs.

Nonetheless, the administration has proposed eliminating funding for libraries in fiscal year 1987 as it has for the past 5 years. Last year we appropriated $127.5 million for libraries. Of course that appropriation has suffered the fate of the Gramm-Rudman knife. As if that isn't enough, the administration proposed a fiscal year 1986 recission of over $30 million. Now, it proposes to eliminate even the $127.5 million, a small amount that goes a long way to support public and college library programs which serve everyone from our small children to our senior citizens. Yet this administration has no qualms about proposing $158 million in chemical weapons funding—despite the fact that most House Members oppose this because our current stockpile is sufficient. Clearly, this is another example of the administration trying to dismantle American education while it spends lavishly on tools of war.

Perhaps opponents of library programs are unaware of the varied services they provide and the many constituencies they serve. In New York, the LSCA supports a wide range of services provided throughout the city. Our libraries meet the needs of special groups, such as the blind and other physically disabled. Numerous urban library programs are funded through these appropriations, such as job information centers, which help persons trying to find employment. The literacy centers, which always have waiting lists, enable illiterate adults to learn to read from volunteer tutors. Further, library outreach projects provide services to the disadvantaged and minorities.

In addition, our Nation's libraries will suffer from cuts in funds for the Library of Congress, the National Endowments for the Arts and Humanities, and the revenue foregone postal subsidy. Further, the administration's proposed termination of revenue sharing would have a severe affect on libraries.

Mr. Speaker, our libraries still have not recovered from the Gramm-Latta cuts of 1981. We are all cognizant of the need for fiscal restraint in order to restrain a growing Federal deficit. But the educational foundation of our country is not the place to cut. Let's continue to support our libraries.

Mr. HAMMERSCHMIDT. Mr. Speaker, greatly concerned over the proposed budget cuts for various local library services and programs nationwide, I rise along with my colleagues, librarians, students, and many other concerned readers to the occasion of the special order on libraries in speaking out against those factors which currently threaten our Nation's library network.

Knowing that library and information services are currently undergoing rapid expansion and change, I believe Federal action is necessary to strengthen and assist local statewide planning, to coordinate present services for maximum effectiveness, and to meet the needs of many sectors of our population for existing and additional services and facilities.

As information services become the focal point of our Nation's progress, libraries confront head on any obstacles to generating awareness by providing a readily available, free entrance to the world of learning. The Library Services and Construction Act [LSCA] has benefited the people of Arkansas immeasurably by, among other things, reaching the elderly, handicapped, and invalids with bookmobile services; providing book deposits in local areas so that those living in rural, mountainous terrain do not have to travel into large cities to obtain reading materials; providing assistance for serving the deaf and blind; and operating programs for functional illiterates. In fact, the opening of a new library in my hometown of Harrison, AR, was celebrated just yesterday. Its construction, like many others in the State, was made possible through LSCA funds.

However, with the fiscal year 1987 budget proposal and other rescissions ordered by the President, the LSCA would be discontinued, as would funds for public library construction; library literacy programs; and grants for library training, research, and demonstrations; all of which are valuable tools for serving the public's reading and information needs.

Another inhibiter to the dissemination of library information has proven to be a growing concern, and that is the series of private line tariffs, resulting from the AT&T divestiture. These tariffs represent increases from 50 to 100 percent in user charges for the useful but increasingly inaccessible telecommunications services which libraries have to offer.

These are but several of the issues which threaten to curtail the future success of our libraries' functions—an achievement that has always before been an object of national pride. Knowing that budget concerns are on the mind of every congressional leader, I would like, nonetheless, to emphasize the past support shown by Congress in the annual reauthorization of the LSCA and other library grants. I believe this support indicates a sage recognition that our Nation's extensive library network services are invaluable to all American citizens and call upon my colleagues to further endorse our libraries as an institution for reading and learning.

Mr. BRUCE. Mr. Speaker, during National Library Week, I am pleased to once again join my colleagues in acknowledging the great debt of thanks we owe our public libraries. Public libraries are the cornerstone and the foundation of our educational system. Their resources provide opportunities for lifelong learning, expand our cultural experience and improve the education of our young. As the repository of knowledge, libraries provide the very means by which we can better ourselves and humanity for a price that far understates its value.

I would like to commend the libraries in the 19th District of Illinois which I represent and throughout the State of Illinois, which have made enormous contributions to the communities they serve. The Lincoln Trail library system in southern Illinois for example, has begun an impressive program of activities. Local librarians are currently being trained to help reduce illiteracy in the community; new approaches are being developed to meet the public library needs in rural areas; and a program to assess the technology needs of local libraries is underway in order to greatly expand resources to smaller libraries. Finally, at the Winchester House project near Chicago, which set up a library in the Lake County Nursing Home, is being held as a model program nationwide in providing library resources for the elderly. The library programs in Illinois, like many across the Nation, have moved beyond their traditional boundries. This trend is to be applauded.

Over 150 years ago, Thomas Jefferson spoke eloquently on the essentials of knowledge and information to a democratic society when he said:

> Enlighten the people generally, and tyranny and oppressions of the body and mind will vanish like evil spirits in the dawn of a new day.

America's libraries remain committed to these fundamental ideals and to the principles so nobly represented by National Library Week. We, in Congress would do well to emulate their example and continue to support their progress for more than 1 week a year.

GENERAL LEAVE

Mr. OWENS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous material on the subject of my special order this evening.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

NONSMOKERS RIGHTS BILL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania [Mr. RITTER] is recognized for 60 minutes.

GENERAL LEAVE

Mr. RITTER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous matter on the subject of this special order.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. RITTER. Mr. Speaker, today we introduced legislation whose time has come and may even be overdue. If we care about clean air and worry about air pollution, then we must be concerned about the exposure to tobacco smoke. It is probably the most polluted air we breathe.

The Surgeon General, Dr. C. Everett Koop, has stated that there is all the medical evidence necessary to support reasonable protections for the nonsmoker from the irritation and potential harm of secondhand smoke. We have ceased wondering whether a health risk exists, and are now asking what we can do to minimize this risk. This question finds its answer in a bill which we introduced today that restricts smoking to designated areas in all U.S. Government buildings.

More than three dozen States, hundreds of municipalities, and numerous private companies already have enacted policies to limit smoking both in public places and the workplace. In my own congressional district, there are several institutions that have smoking policies. The city of Allentown has one. The Lehigh Valley Hospital Center and Allentown Hospital both initiated smoking policies just last week. Also in my district, the Good Shepherd Rehabilitation Center, Easton Hospital, Metz Mechanical, Inc., Air Products and Chemicals, Inc., and Rodale Press are among the many institutions that have smoking policies. We are not breaking new ground here today; rather, we are playing catchup. It is time we acknowledge that involuntary smoking is a public health hazard and that it is appropriate for the Federal Government, fol-

lowing the lead of States, municipalities, and private companies, to do something about it in its own back yard.

My scientific background and my work on the key environmental committees in the House, has led me to review the major studies on involuntary smoking before proposing this legislation. I have met with several of the scientific investigators. I have a reputation in this field as a hardnose on the facts and a stickler for providing the scientific and health reasons for regulation. As in all science, conclusions about the adverse health effects of exposure to secondhand smoke are not nailed shut, and those who have an interest in disputing these findings will probably find ways to do so. But, I am convinced that there exists a sufficient and growing body of evidence linking involuntary smoking with elevated risk for respiratory dysfunction, lung cancer, and, potentially, of heart disease. Such evidence merits the Federal Government taking steps of its own to protect nonsmokers in Federal buildings. Allow me to quickly run through what we know about secondhand smoke and what involuntary smoking can do to the nonsmoker's health.

Tobacco smoke has approximately 4,000 chemical constituents. Some 40 or so of these are known carcinogens, or tumor initiators, as these two charts show (1 and 2). In addition, as shown in this chart (3), every air polluting substance as defined and regulated by EPA is contained in tobacco smoke. Several investigators have shown that certain hazardous chemical constituents in sidestream smoke are found in much greater concentrations than in mainstream smoke.[1-4] Nonsmokers who are exposed to tobacco smoke absorb nicotine, carbon monoxide, and other constituents of tobacco smoke, as do smokers.[5-7]

[Charts and maps referred to not printed in RECORD.]

Scientific studies linking involuntary smoking and cancer are the most numerous. In the past 6 years, 17 studies have been published, all but 3 of them showing a positive relationship between tobacco smoke exposure and cancer. Studies in both Japan [8] and Greece [9] revealed that women married to smokers have higher risks of lung cancer. In the Japanese study, nonsmoking wives of heavy smokers had an 80 percent higher risk of acquiring lung cancer. The Greek study showed nonsmoking wives of heavy smokers had a risk of developing lung cancer three times higher.

In a case-control study by the American Cancer Society of 134 lung cancer cases and 402 controls, which used four different methods to measure exposure to tobacco smoke, involuntary smoking increased the risk of lung cancer from 13 to 31 percent.[10] This overall risk was comparable to that shown by an earlier American Cancer Society prospective study, although the earlier study did not show a relationship between an increased risk of lung cancer in the nonsmoking wife and the number of cigarettes smoked per day by her husband.[11] The latest American Cancer Society study did show a dose response relationship between the number of cigarettes smoked by the husband. The risk of lung cancer doubled in nonsmoking women whose husbands smoked 20 or more cigarettes a day at home.

Another area of significant study is the association of exposure to tobacco smoke with respiratory disease and impaired pulmonary function. Several studies focusing on exposure to tobacco smoke at home have shown the susceptibility of children to the adverse health effects of involuntary smoking.[12 13] Maternal smoking has been linked to impaired pulmonary function in children,[14] and other studies have revealed an increased incidence of pneumonia and bronchitis during the first year of life as a result of parental smoking.[15 16]

The final link in the chain of adverse health effects resulting from involuntary smoking is its effect on individuals suffering from symptomatic coronary heart disease. Although these reports are preliminary, the initial findings—that exposure to tobacco smoke increases the risk for death from coronary heart disease [17]—are particularly troubling. If these findings are confirmed, it would greatly increase the magnitude of the public health problem posed by involuntary smoking, as many more deaths would be involved in the scenario than with lung cancer alone.

On a more personal level, but perhaps, for many the most significant one, all of us, smokers and nonsmokers alike, are familiar with the irritation—itching, burning eyes, coughing, headache and a general feeling of discomfort—that can result from exposure to tobacco smoke. A scientific study of this issue revealed that nearly 70 percent of nonallergic persons exposed to environmental tobacco smoke experienced eye irritation, 30 percent indicated nasal discomfort, 30 percent got headaches, and 25 percent developed a cough.[18] It is not surprising, then, that a Gallup poll released last December by the American Lung Association found that 75 percent of all adults—that includes both nonsmokers and smokers—feel that smokers should refrain from smoking in front of nonsmokers, and that 79 percent support the concept of designated smoking areas in the workplace.[19] Here is a chart (4—picture of cigarette pack) of those Gallup poll results. In addition, this chart (5—map of U.S.) and this one (6) show the States with laws in effect restricting smoking, and some of the major companies with smoking policies.

[Charts and maps referred to not printed in RECORD.]

I would like to thank the original bipartisan group of cosponsors of my bill—Representatives BEREUTER, BOEHLERT, CHANDLER, COLLINS, NIELSON, OBERSTAR, SCHNEIDER, STARK, SYNAR, WAXMAN, and WHITTAKER—for their input and strong support. I commend Senator STEVENS for his introduction of similar legislation in the Senate, as well as the Coalition on Smoking OR Health, which includes the American Heart Association, the American Lung Association, and the American Cancer Society. Those organizations, along with others, have endorsed our bill.

I am sure that millions of Federal Government workers, as well as visitors, will be well served by this legislation. Many of us have been involved in, political decisions that have been made in smoke-filled rooms. Well, if our bill is successful, those decisions will have to be made in designated smoke-filled rooms.

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H.R. 4546

A bill to restrict smoking to designated areas in all buildings or building sections occupied by the United States Government

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Non-Smokers' Rights Act of 1986".

SEC. 2. FINDINGS.

The Congress finds the following:

(1) The presence of tobacco smoke in offices with typical occupancy rates and normal ventilation can expose workers to air pollution levels which violate both the national primary ambient air quality standards for particulate matter and the national secondary ambient air quality standards for particulate matter promulgated by the Administrator of the Environmental Protection Agency (40 C.F.R. 50.6 et. seq.). To the general population, tobacco smoke is the greatest source of this harmful type of pollution.

(2) Numerous studies have shown that exposure to indoor air polluted by tobacco smoke is a significant health hazard for non-smokers.

(3) Recent court decisions recognize an emerging right of employees to work in a smoke-free environment.

(4) Studies show that smoking results in increased costs to employers and the public in the form of more frequent absenteeism by employees who smoke and higher costs for health insurance, life insurance, and worker's compensation.

SEC. 3. DESIGNATION OF SMOKING AREAS.

(a) PROMULGATING REGULATIONS.—The Secretary of Health and Human Services (hereinafter in this Act referred to as the "Secretary"), in consultation with the Surgeon General, shall promulgate regulations designating the exclusive areas in which smoking shall be allowed within all buildings or building sections occupied by the United States Government.

(b) PERIOD FOR PROMULGATING RULES.—The Secretary shall promulgate regulations under subsection (a) within 180 days after the date of enactment of this Act.

(c) SIGNS.—Regulations promulgated under subsection (a) shall require the conspicuous display of signs as follows:

(1) Signs shall be displayed, at each entrance of each building or building section subject to such regulations, which specify that smoking is allowed within such building or building section only in posted smoking areas.

(2) Signs shall be displayed, in each area designated as a smoking area under such regulations, which specify that smoking is permitted in such area.

SEC. 4. SOLICITING COMMENTS FROM LABOR ORGANIZATIONS AND LOCAL HEALTH ORGANIZATIONS.

Before promulgating regulations for a building or building section under section 3(a), the Secretary shall solicit and consider comments regarding the designation of smoking areas within such building or building section from public health organizations serving the area in which such building is located and from any labor organization representing employees working in such building or building section. Such comments shall suggest the size, number, and location of smoking areas that would be most mutually convenient for the smokers and nonsmokers using such building or building section.

SEC. 5. ENFORCEMENT.

The Secretary shall provide for the enforcement of the regulations promulgated under section 3(a).

SEC. 6. LIMITATIONS.

(a) EFFECT ON EXISTING REGULATIONS.—No regulation promulgated under section 3(a) shall repeal or otherwise affect the application of any existing regulation which curbs smoking more stringently than the regulations promulgated under section 3(a).

(b) POWER TO PROMULGATE MORE STRINGENT REGULATIONS.—Nothing in section 3(a) shall prevent the promulgation of regulations which curb smoking more stringently than the regulations promulgated under section 3(a).

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IS ANOTHER VOTE ON NICARAGUAN AID NECESSARY?

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts [Mr. FRANK] is recognized for 30 minutes.

Mr. FRANK. Mr. Speaker, I want to say just a few words about the debate that will be coming up on the question of Nicaragua. Now I must say that I have been and continue to be opposed to any American money being spent to finance that war in Nicaragua. I have listened a lot to the debate and I have yet to hear a coherent rationale either moral or strategic for spending scarce American dollars to help people kill each other in Nicaragua. I also have to wonder why we will be debating this again in April. One of the problems in this debate has been excessively apocalyptic rhetoric on both sides. I guess that assumes that rhetoric can be appropriately apocalyptic since it cannot be excessively apocalyptic unless it is possibly appropriately apocalyptic and maybe it can be appropriately so. But in this case it seems to me clear excess.

One example of that makes me wonder why we will even be debating this in April.

There has been a strong propensity on the part of those who favor the President's position that we should spend not just $100 but clearly several hundred million dollars a year to finance that war because we do not just send money to the Contras, we send money to Honduras to deal with the problems that are created by the Contras being there. We build bases in Honduras which this Government denies are American bases but which clearly are and clearly it is going to cost us a lot of money.

But in an effort to get votes for the President's proposal back in March the minority leader, Mr. MICHEL, a very distinguished gentleman, and I have told him that I intended to discuss that at some point on the floor although I did not realize it would be today, the minority leader said, and he is a man of honesty and I do not think he would consciously mislead us, I am sure he would not. So I am puzzled as to why he is going to be asking us to vote money for the Contras next week because he said on March 20, and I quote from the CONGRESSIONAL RECORD: "To those of you gazing longingly at the April 15 vote, the escape hatch offered by the Speaker, let me tell you what a national security expert told me yesterday. He said, 'Bob, if you lose that vote tomorrow, Nicaragua is gone. A month from now will be too late because the Communists are even now mobilizing for an offensive.' "

Now if the minority leader was telling the truth when he said that, if he was not just quoting idly, he was quoting with approval, the minority leader said on March 20 there will be no point doing it April 15, Nicaragua will be gone. Rand McNally will presumably be around any day now to collect back the maps.

One of two possibilities exhausts the logical spectrum here. Either the minority leader was simply wrong when he said that, an example of the excessively apocalyptic rhetoric people on that side have been indulging in, or if he was right when he said that, there is no point in voting on April 15. And I think he was probably in error when he first said it. But the fact is that we have the minority leader a very honest guy, getting up and telling us, "If you don't vote for this proposal today, forget about it a month from now," and it is now a month from now. And guess what? It is time to disregard what he said awhile ago.

You know there is this danger that if you walk around with a sign that says "The world will end next week," that the week after will come and you will have trouble with your sign. You should always say "next week," you should not say on April 15.

But I would hope the minority leader would explain to us: Was he misleading the House when he said that we had to vote for it or Nicaragua would be gone then. And if he was not misleading the House, why are we wasting the money?

I would like to just examine briefly what the rationales have been for financing a lot of people killing each other in Nicaragua with American

money, taking several hundred million dollars a year by the time we pay for the Contras and pay for the money that we give to the Honduran Government and pay for the bases in Honduras; one has to do with repression.

Frankly, Mr. Speaker, I find few spectacles less persuasive than that of Ronald Reagan as the Paladin of worldwide civil liberties. The notion that Ronald Reagan is so offended by a failure of the Nicaraguan Government to live up to democratic principles that he must finance a war against them is very hard to take. Ronald Reagan is the man who had to be pried almost by force away from Ferdinand Marcos. After Ferdinand Marcos had that disastrous, disgraceful election, Ronald Reagan declared that it was a sign of the vibrancy of the two-party system in the Philippines.

Only after the Marcos regime had totally collapsed and it was obvious to almost everybody, did Ronald Reagan come aboard.

Well, we are told but no we cannot do this because the Nicaraguans after all do not have respect for religious freedom. I have to say that I have been very disappointed in the Sandinistas. I was not here in this body until 1981. They were in power when I came. I was not involved in the events which happened when they came to power.

I regret their failure to live up to democratic ideals. I do not think the fact that people are making war on you justifies repressing civil liberties in most cases and the Sandinistas have been guilty of doing that.

Unfortunately so have many other governments. What we get is a total inconsistency in our policy.

Now it is true that we have problems with religion in Nicaragua. The cardinal, Cardinal Obando, who is a very brave man, has I think been harassed. But let us compare Nicaragua with some of the countries with which President Reagan is very friendly.

For instance while we are sending people to shoot each other in Nicaragua, while we are paying for killing on a large scale in Nicaragua for no legitimate American purpose in my judgment, we are going to be sending arms to other countries. Well, if you listen to the rhetoric of this administration and our need with the new human rights administration that Ronald Reagan has announced, who are we sending arms to? Two great bastions of civil liberties, Saudi Arabia and the People's Republic of China are among our current recipients.

Now no cardinal is being harassed in China. It is true that Cardinal Obando is being harassed unfortunately in Nicaragua. No cardinal is being harassed in China because they ran all the cardinals out of China. They ran the Catholic Church out of the People's Republic of China. It is illegal for the Catholic Church as a worldwide institution to operate in the People's Republic of China, the country with which Ronald Reagan is so friendly and to which he wants to send arms has its own Catholic Church, and it is illegal in that Catholic Church to recognize the Vatican.

As a matter of fact we have a country where, and I quote now from the State Department human rights report most recently: "Despite the greater freedom of recent years, the authorities still react harshly to unsanctioned religious activity." That is the People's Republic of China. I do not think Ronald Reagan likes that. I know he is critical of that. But when you are sending arms to the People's Republic of China, where they have outlawed the Roman Catholic Church and forbidden people to be faithful to the Vatican, where they have ruled out practicing that religion at all, it is enormous hypocrisy to pretend that it is an unhappiness with the harassment of Cardinal Obando and other priests that is a part of the decision to send money for people to kill each other in Nicaragua.

Then we have had the argument that says that the Jews are being mistreated in Nicaragua. Well, there has been some distressing evidence to that effect. But we are sending arms to Saudi Arabia. I do not know how many shules there are in Managua but I know there are more than there are in Saudi Arabia. To pretend that one is so offended by a failure to recognize the full rights of Jews in Nicaragua that that is motivating you to send guns to shoot them, but then to be sending guns for people to use in Saudi Arabia, that is hypocrisy. In other words a government which wants to send weapons and counts them as among its greatest friends the People's Republic of China and Saudi Arabia simply is incredible when it suggests that part of its reason for making war in Nicaragua is that it does not like the religious practice.

I yield to the gentleman from Georgia.

Mr. GINGRICH. I thank my distinguished colleague because I think at one level he is essentially right. That is the——

Mr. FRANK. I am tempted to take back my time at this point, but I will not do it. I will continue to yield.

Mr. GINGRICH. Well, we could play games with each other, and the gentleman is certainly bright enough and witty enough that I am sure he would score more points than I would, but I would rather, because I think there is a serious underlying point here that ought to be pursued by this House. That is that there are a number of ad hoc or ad hominem, I guess, arguments made by the administration that distract from the central issue. And I will just state briefly what I think the central issue is, and use the People's Republic of China as an example because it is certainly not a paragon of any values that the gentleman and I would agree on. Almost all of my motivation in being concerned about Nicaragua is a function of the existence of the Soviet empire and of its capacity to use a Communist Cuban colonial army as essentially a transnational strategy. I happen to take that analysis fairly seriously.

The People's Republic of China, as an ally in containing the Soviet empire, makes some sense to me. I happen to agree with the gentleman in that I think that this administration would do far better if it would calm down and slow down and make one central overpowering case that there is a Soviet empire, that there is a transnational strategy to extend tyranny, and that the Communist Cuban colonial forces are a threat and just state that case.

Yes, it is unfortunate that there is religious persecution as there are in many places, as the gentleman correctly points out; yes, it is unfortunate that there are dictatorial repressions of civil liberties as the gentleman points out not just in Nicaragua. But the central issue which I think this administration has not come to grips with yet for a variety of reasons is whether or not in the long run the Soviet empire threatens the United States and whether or not in the long run containing that empire is the No. 1 priority of our foreign policy.

I think the gentleman in that sense does a service for this administration if they would read carefully what I think are intellectually legitimate points that if in fact they are going to make a series of isolated nation-by-nation arguments then it is very hard to distinguish from a lot of other places that are not very tidy and not very desirable. If on the other hand they would calm down and focus on the central intellectual debate of our foreign policy for the next decade, I think they would both win the debate and I think the gentleman would agree they would have a much more powerful case and a much more rational case.

I thank the gentleman for yielding.

Mr. FRANK. I thank the gentleman, I thank him for both the intellectual and the moral honesty of that. I think all of us on all sides ought to have more of this. I will address that argument.

As the gentleman knows, I agree with some of what he says and I disagree with other parts of what he says. We may draw different conclusions from it, but I appreciate the honesty of what he is saying. He did me an ad hoc argument. The ad hominem arguments are coming from Mr. Bu-

chanan. We were not talking about that.

Mr. GINGRICH. No, no; I may have used the wrong word.

Mr. FRANK. Well, ad hoc is correct. I think the gentleman is correct. There is a tendency that all of us have when you get into an issue that you pick up any stick that is laying around and you try to beat the other person with it and you often hit yourself over the head. I think it is very clear as we look at a variety of things, South Africa, Saudi Arabia, the People's Republic of China, it simply is incredible that Ronald Reagan has decided to be the 911 of the Civil Liberties Union on a worldwide basis. If you have a newspaper shutdown or a religious freedom interfered with, you dial America and we will send this out. None of us want to do that. Let me say I am critical of the lack of religious freedom in a lot of places. I cannot think of any place where I have advocated that we should fund people to start shooting each other over that.

In other words I think it is entirely legitimate for America through diplomatic pressure, through economic sanctions, through censures at the United Nations, that we ought to make clear our disapproval of repression. But I cannot think of another case where we have made that part of the argument. I think the gentleman from Georgia is quite correct. The argument has to be on the strategic side. But I would point out as the gentleman knows, not just the President but people on both sides of this aisle and in other contexts have used this argument. I also would note that some of the compromises that are put forth, most of them, many of them coming from a place to which we are not allowed to allude in this Chamber.

Mr. GINGRICH. If I may point out——

Mr. FRANK. I yield to the gentleman.

Mr. GINGRICH. We may allude but we may not refer to any actions in that place.

Mr. FRANK. Well, OK. Since we are talking about the United States Senate and not referring to its actions, it is sometimes very easy to do that. But we have had compromises put forward by other officials and some of them say, "We will withhold our arms if they will agree to have free elections." It simply is not sensible to pretend it is going to be American policy. Now it ought to be American policy to press for free elections. We ought to be pressing for free elections and freedom of religion, et cetera, but not by force of arms. There are different levels at which you intervene. The gentleman and I would both agree that we ought to have a consistent policy in favor of freedom everywhere. I appreciate what the gentleman has done with regard to South Africa, for instance, and elsewhere. But we have not advocated that that is a reason for sending arms.

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And I think we also to be intellectually honest have to say this cannot be an additive process. It cannot be that 20 percent of the reason for sending money to the Contras is free speech, et cetera. I do not think that could be any percent of reason, because it is not in any other context, but of course it would have to be strategic.

I yield to the gentleman from Pennsylvania.

Mr. RITTER. I thank the gentleman for yielding.

The gentleman has on one occasion referred to the threat from Connecticut to Massachusetts as greater than the threat from Nicaragua to Massachusetts. I know this was said in the spirits of political hyperbole that he has accused the distinguished minority leader of.

Mr. FRANK. No, that is not what I said. I reclaim my time.

I said I would be afraid of Connecticut if they were hostile. I do know that in the intelligence field you have to distinguish or you are going to worry about capabilities of intentions. I did not impute hostile intentions to Connecticut. I should say I thought their capabilities would be greater than those in Nicaragua.

Mr. RITTER. I guess that still serves the point. Does the gentleman give any credence to the fact that there is a Soviet imperial presence in this strategically located country of Nicaragua connecting North and South America? Does the gentleman give any credence to the fact that Cuba runs the military, runs the intelligence, runs the war, flies the MI-25 Hinde's? Does the gentleman at all care that there is a massive Soviet military presence there that essentially threatens the other countries of the region and essentially threatens the interests of the United States?

The gentleman from Georgia pointed out that his central focus was that the Soviet empire has extended itself to Nicaragua and that we would all do well in this debate perhaps to focus on that question as opposed to doing a nation-by-nation survey as to who has got more human rights, who has got less human rights.

Can the gentleman respond to that? Does the gentleman feel there is a Soviet empire——

Mr. FRANK. Having been asked to respond, would the gentleman mind if I responded? The gentleman asked me to respond and I was trying to do that. Rhetorically, the gentleman was urging response, and I would be glad to do that. I would point out that I only have a half hour, This is not a 60-minute special order.

Mr. RITTER. If the gentleman wants, we can get some more time.

Mr. FRANK. The gentleman can do that when we are through with another half hour, but with the acting Speaker being very angry, but that is between the genteman and the acting Speaker.

I raised the question of country-by-country comparison because that is part of the justification that the administration has put forward.

I think it is rank hypocrisy—and this is part of the debate. It is not I who has framed it. The debate has come from the administration. George Shultz has said it and the President has said it. Part of the argument is we should go into the situation in Central America in part because of the Nicaraguans not being good in civil liberties and democracy, and some of the specific compromises we are getting say we will withhold the aid if they have free elections. I believe that is wholly intellectually and morally invalid and not to be part of the debate. But I have to deal with that because it has been put forward.

I want to say, and I appreciate what I think is the agreement that all of us have, that that is really not a valid argument.

So then we do get the other argument the gentleman makes, the strategic one, and I intend to get to that in a couple of minutes. I do want to deal with the strategic question. But I want to finish because not everyone is as perspicacious as myself and the two gentlemen opposite me. There are still people who have gotten bogged down on both sides, and people feel we are going to show that Nicaragua is democratic so we will not fund the Contras; or we will show that they are not democratic so they are.

What we want to say is it is a legitimate American interest to say we are going to press for democratic rights in Nicaragua and in Chile and in the People's Republic of China and Poland and a whole range of other countries on all sides. It is not, however, except in the most extreme possible circumstances which I cannot think of at this point, a cause for America going to war with that country, either by proxy as they are doing in Nicaragua, or indirectly.

I appreciate what the gentleman form Georgia has said, because that has been a large part of the administration's argument, and I think it is wholly invalid.

Now the next question the gentleman asked is do I recognize a military threat and do I care that there is Russian involvement, et cetera.

Yes, I do care. The next level point I want to make, though, is that not every situation which we regard as a threat to our interests requires us to deal with it militarily.

Let me read from an Executive order from the President of the United States, Ronald Reagan, September 9, 1985:

I find that the policies and actions of that government constitute an unusual and extraordinary threat to the foreign policy and economy of the United States, and hereby declare a national emergency to deal with that threat.

Now here is the President telling us that the government involved has policy that threatens our national security and threatens our foreign policy and our economy—not our national security. They threaten our economy and it is a national emergency.

Now there is in this country a group of people who do not recognize the government as legitimate and who are prepared, we are told, to make war on it. Does that mean we should send them $100 million a year? No. I do not think we should send the African National Congress $100 million a year. I am reading from Ronald Reagan's proclamation prohibiting trade and certain other transactions involving South Africa. Ronald Reagan says to us South Africa is a threat to America. The apartheid regime of South Africa, he tells us, threatens America. I think it does threaten our interests. If we vote the money for the Contras, is the next logical step $100 million to the African National Congress?

The apartheid regime is a hateful and oppressive regime, and there are people prepared or are already engaging in violent resistance. And not only that, the South African Government is sending out South African troops to invade countries which we have had friendly relationships with, although not everyone here thinks we should be so friendly with Mozambique. But the Mozambique Government, which is a recipient of assistance from the United States, has been physically—I do not know what it is when you have had an incursion into you. Have you incurred the invasion? I do not understand that. But there have been South African incursions into Mozambique.

So we have a country that everybody admits is a racist, oppressive, undemocratic regime for the great majority of its people. It is a threat to us. It invades other countries. Are we going to send money in there to start a war against it? The fact is that you only in extreme circumstances do that.

Let me talk specifically about the strategic argument.

The gentleman said there is this massive military presence. Cubans are flying the planes.

But there is a more massive military presence where the Cubans are flying the planes, in Cuba. I respect very much the gentleman from Florida [Mr. PEPPER]. The gentleman said we are not going to let those Communists take a foothold in our hemisphere. Well, has Cuba been transferred when I was not looking to some other hemisphere? Cuba is, I think, closer to the United States physically than Nicaragua. I know you can drive in 2 days, the President said, to Texas. Cuba is 90 miles away.

I think the government of the Cuban people by Fidel Castro has been very negative to the Cuban people. I do not think the Cubans being there have been a physical threat to the United States. And that is the distinction you have to make.

The gentleman said that Nicaragua is a strategic country. I have to say one thing that I found out in my following of foreign policy. There are no nonstrategic countries. Every country is strategic. I never heard of a country where people said, well, it is not strategic. Almost all countries are by definition strategic apparently. That is just an adjective that you throw in, I think, as a kind of a make-weight.

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The question is: Does the presence of the Sandinista regime in Nicaragua add materially to the threat?

Yes, the Soviets are a threat to us in a lot of ways. They would like to be.

I do not believe it does. I do not believe that we are ourselves physically any more threatened by their being in Nicaragua. The President talks about choke points. Frankly, I think it is errant nonsense to suggest that even a totally hostile regime—if Nicaragua became a constituent republic of the U.S.S.R., I do not believe it would be a threat to American shipping, and I regard it as preposterous to assert that.

I do not think that Nicaragua is in any way a strategic threat to the United States. I favor a policy of saying to the Nicaraguans that "we do not and we will not tolerate your sending armed forces against any of your neighbors."

And the other point I would make—and then I will yield—is this:

We had the Communist regime in Cuba. I hope people are not suggesting—I do not mean to say that you gentlemen are here—that it was Castro who gets the credit for the Sandinistas coming to power. Somoza gets the credit for the Sandinistas coming to power.

The fact is that the Cubans being in our hemisphere, and a Communist regime, they sent troops to Angola, they sent troops to Ethiopia, they have not had any successes themselves in bringing about through their influence and force another government like their own in Central America or in South America.

Mr. RITTER. Will the gentleman yield on that?

Mr. FRANK. No. I have yielded twice. I only have 30 minutes. I want to finish the point. I will yield to the gentleman as soon as I finish these points. As the gentleman will remember, he kind of anticipated me before I got to what I want to say in this area. I do want to say it, and the point is this:

I do not like to see pro-Russian regimes come to power because I think they are unfair to their own people, and I think they do cause problems. Cuba has sent troops to Ethiopia and Angola and has been a problem elsewhere. But the problem is that it is giving the Castro regime much too much credit and being too simple to suggest that is why other regimes like this come to power. What threatens to bring another pro-Russian regime to power in this hemisphere are internal conditions in those countries. It was not the example of Cuba that led to Nicaragua moving in whatever direction it is moving; it was internal conditions in Nicaragua. So I agree that it ought to be American policy to say we would not tolerate a Nicaraguan invasion of one of its neighbors. I see no sign that it is planning any. I want to make that clear. But I would still say we will not tolerate it. But I do not think the continuation in power of the Sandinista regime in any way jeopardizes the security of the United States, and I think any potential threat it would offer to its neighbors we can deal with very easily, noting again that many of its neighbors are, of course, quite critical of our policy, and for people who feel threatened, there has been very little support at all. The notion, for instance, that the Mexicans are worried that what goes on in Nicaragua is going to be directly relevant to the composition of Mexico—maybe we would be better off if it were that simple, maybe if I really felt that if you wiped out the Sandinista government you would ensure stability in Mexico—some people might take some comfort from that. I do not think that would give us the right to do that. I think the future of Mexico depends much more on internal affairs in Mexico than it does on the Nicaraguan situation. So I do not think it offers any strategic threat to the United States. I do not see it threatening its neighbors militarily. But we can easily deal with that by an announcement if it did.

I yield again now to the gentleman from Pennsylvania.

Mr. RITTER. I thank the gentleman for yielding.

The gentleman is saying that he does not feel the Nicaraguans are threatened.

Frankly, I think the gentleman from Georgia and this gentleman from Pennsylvania would agree what is in Nicaragua is not a Nicaraguan peasant army; what is in Nicaragua are 10,000 Cubans, 3,000 directly military and 7,000 paramilitary. We all saw how the Cuban construction battalion fought

in the invasion of Grenada. What is in Nicaragua is 800 Soviet military advisers. What is in Nicaragua is the Soviet international fighting force——

Mr. FRANK. I have to ask the gentleman a question on my time here. First of all——

Mr. RITTER. It is not a Nicaraguan situation——

Mr. FRANK. I am taking back my time. The gentleman is out of order.

The SPEAKER pro tempore. The time is allotted to the gentleman from Massachusetts.

Mr. FRANK. I will not continue to yield unless I can control my time.

Mr. RITTER. The thing is, if you yield to me and then you take the time right back——

Mr. FRANK. I no longer yield to the gentleman from Pennsylvania.

The point is this: Yes; there are Cuban troops in Nicaragua. But if they were not in Nicaragua, they would be in Cuba. I do not think they are any more threat to the United States in Nicaragua than they would be in Cuba. The fact is that if the gentleman is worried about a Cuban military presence in our hemisphere, he does not have to look to Nicaragua. He can look to the much greater Cuban military presence in Cuba. I do not think the Cuban troops either in Cuba or in Nicaragua are a threat to the United States. They could be if they threatened to invade their neighbors, but I think an American policy which said "We won't tolerate that" takes care of that, and as far as the 800 Soviet military advisers, many of them are now advising the Nicaraguans about how to deal with the Contras. However, many Soviet military advisers they had I do not believe they would offer any substantial threat to the United States, nor do I think that the American military advisers and bases we have on the borders of the Soviet Union materially threaten the Soviet Union. What in fact threatens us about the Soviet Union, and vice versa, are nuclear submarines, nuclear missiles. I think warfare has changed a great deal, and I do not think proximity means very much at all in the strategic balance.

I yield to the gentleman from Georgia.

Mr. GINGRICH. It seems to me that the Soviets have rather successfully invented a kind of transnational warfare, almost like a team inventing the forward pass to overcome the goal line stand, in that we clearly have evidence in El Salvador and in Honduras——

Mr. FRANK. I only have 1 minute. I will ask the gentleman to wind up.

Mr. GINGRICH. Yes. We have evidence that in El Salvador and in Honduras the Nicaraguans are training and supplying guerrillas. Does that not constitute an attack——

Mr. FRANK. I will take back my time, and I will say this: We are not in a good position to complain about that since we are funding the Contras. I favor a policy of saying: All of this stops. We will stop funding the Contras, and you must stop funding those guerrillas.

And I would point out to the gentleman that the initial policy that I supported in the early 1980's was to say that we would allow American money to be used to prevent the Nicaraguans from sending help, interdicting arms, et cetera. That was not a controversial policy here. That was supported. The administration had that consensus and betrayed it because they pretended that that was the policy when they instead wanted to overthrow that government.

So I would be in favor of a uniform policy of all of us getting together, Central American and Latin American powers and America, saying all of us will enforce rules against anybody training guerrillas against anybody else. But, of course, while we are training the Contras to make war against Nicaragua we are in no position to object when they are doing the same in other countries.

I am for calling a halt to all of it.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. LUJAN (at the request of Mr. MICHEL), for today and the balance of the week, on account of illness.

Mr. GROTBERG (at the request of Mr. MICHEL), for today and the balance of the week, on account of illness.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. ARMEY) to revise and extend their remarks and include extraneous material:)

Mr. LUNGREN, for 60 minutes, on April 14.

Mr. RITTER, for 60 minutes, today.

Mr. DREIER of California, for 5 minutes, today.

Mr. JEFFORDS, for 5 minutes, today.

Mrs. BENTLEY, for 5 minutes, on April 10.

Mr. BURTON of Indiana, for 60 minutes, on April 10.

Mr. GINGRICH, for 5 minutes, today.

Mr. GINGRICH, for 60 minutes, on April 10.

(The following Members (at the request of Mr. JONES of Oklahoma) to revise and extend their remarks and include extraneous material:)

Mr. JONES of Oklahoma, for 5 minutes, today.

Mr. DERRICK, for 5 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. STRATTON, for 5 minutes, today.

Mr. FRANK, for 30 minutes, today.

Mr. FRANK, for 30 minutes, on April 10.

Mr. RAY for 5 minutes, on April 10.

Mr. STUDDS, for 60 minutes, on April 10.

Mr. GONZALEZ, for 60 minutes, on April 14 and 15.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. JEFFORDS, prior to the vote on the Hughes amendment to the Volkmer substitute amendment, in the Committee of the Whole today.

Mr. LEWIS of Florida, following rollcall vote 68 in the House today.

Mr. LEWIS of Florida, following rollcall vote 69 in the House today.

(The following Members (at the request of Mr. ARMEY) and to include extraneous matter:)

Mr. BILIRAKIS.

Mr. OXLEY.

Mr. JEFFORDS in three instances.

Mr. SILJANDER.

Mr. GRADISON.

Mr. WHITEHURST.

Mr. HAMMERSCHMIDT in three instances.

Mr. CRAIG.

Mr. HUNTER in two instances.

Mr. RUDD.

Mr. COURTER.

Mr. DAUB.

Mr. MOORE.

Mr. FAWELL.

Mr. KEMP in five instances.

Mr. QUILLEN.

Mr. LENT.

Mr. CHAPPIE.

Ms. SNOWE.

Mr. HILER.

Mr. GUNDERSON.

Mr. SHUMWAY.

Mr. GOODLING.

Mr. HYDE.

Mr. WORTLEY.

Mr. DUNCAN.

Mrs. VUCANOVICH.

Mr. GALLO.

Mr. LOWERY of California.

(The following Members (at the request of Mr. JONES of Oklahoma) and to include extraneous matter:)

Mr. BARNES in four instances.

Mr. LEVINE of California in three instances.

Mr. SIKORSKI.

Mr. ROE.

Mr. KILDEE.

Mr. CLAY.

Mr. LEHMAN of Florida.

Mr. TALLON in two instances.

Mr. TRAXLER.

Mr. FRANK in two instances.

Mr. BONER of Tennessee.

Mr. LIPINSKI.

Mr. MRAZEK.

Mr. GAYDOS.

Mr. YATRON.
Mr. HALL of Ohio.
Mr. SCHUMER.
Mr. MORRISON of Connecticut.
Mr. MURTHA.
Mr. DOWNEY of New York.
Mr. ANNUNZIO.
Mr. PEPPER.
Mr. FASCELL.
Mr. DYMALLY.
Mr. FLORIO.
Mr. ACKERMAN.
Mr. MILLER of California.
Mr. MATSUI in two instances.
Mr. EDGAR.
Mr. GEPHARDT.
Mr. WHITLEY.
Mr. MANTON.

SENATE BILLS AND A JOINT RESOLUTION REFERRED

Bills and a joint resolution of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 1707. An act to authorize the President to present a gold medal to the parents of Father Jerzy Popieluszko; to the Committee on Banking, Finance and Urban Affairs.

S. 1756. An act to authorize the President to present to Sargent Shriver, on behalf of the Congress, a specially struck medal; to the Committee on Banking Finance and Urban Affairs.

S. 1952. An act to provide for the striking of medals to commemorate the Young Astronaut Program; to the Committee on Banking, Finance and Urban Affairs.

S. 2084. An act authorizing the President to present gold medals to the families of the crew members of mission 51-L of the space shuttle *Challenger*, to the Committee on Banking, Finance and Urban Affairs.

S.J. Res. 222. Joint resolution concerning the cruel and inhuman killing of Leon Klinghoffer and Robert Stethem by international terrorists because they did not submit to the demands of these terrorists; to the Committee on Banking, Finance and Urban Affairs.

ADJOURNMENT

Mr. GINGRICH. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 8 o'clock and 16 minutes p.m.), under its previous order, the House adjourned until tomorrow, Thursday, April 10, 1986, at 10 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

3215. A letter from the Acting Comptroller General of the United States, transmitting notification of his intention to institute a civil action in the United States District Court to require that the budget authority of two appropriation accounts, Maritime Administration (Mar Ad) operations and training account and Urban Mass Transportation Administration (UMTA) discretionary grants, be made available for obligation, pursuant to 2 U.S.C. 687 (H. Doc. No. 99-192); to the Committee on Appropriations and ordered to be printed.

3216. A letter from the Assistant Secretary of Defense (Force Management and Personnel), transmitting a report on the adequacy of pay and allowances for members of the Armed Forces, pursuant to 37 U.S.C. 1008(a), 1009(f); to the Committee on Armed Services.

3217. A letter from the Acting Director, Defense Security Assistance Agency, transmitting information concerning the Departments of the Army, Navy, and Air Force's proposed Letters of Offer to Saudi Arabia for Defense Articles and services (Transmittal No. 86-29), pursuant to 10 U.S.C. 133b (96 Stat. 1288); to the Committee on Armed Services.

3218. A letter from the Deputy Assistant Secretary (Logistics and Communications), Department of the Air Force, transmitting notification of the decision to convert the audiovisual services function at Keesler Air Force Base, MS, to private contractor performance, pursuant to 10 U.S.C. 2304 nt.; to the Committee on Armed Services.

3219. A letter from the Deputy Secretary of Defense, transmitting certification with respect to the PEACEKEEPER program acquisition unit cost, pursuant to 10 U.S.C. 139b(e)(i); to the Committee on Armed Services.

3220. A letter from the Secretary of Defense, transmitting a report on the assessment and evaluations of NATO weapons systems standardization and results achieved, pursuant to 10 U.S.C. 2457 (96 Stat. 1295); to the Committee on Armed Services.

3221. A letter from the General Counsel, Department of Defense, transmitting a draft of proposed legislation to increase the rates of basic pay, basic allowance for quarters, and basic allowance for subsistence for members of the uniformed services; to the Committee on Armed Services.

3222. A letter from the First Vice President and Vice Chairman, Export-Import Bank of the United States, transmitting a report on loan, guarantee, and insurance transactions supported by the Eximbank during February 1986 to Communist countries, pursuant to 12 U.S.C. 635(b)(2); to the Committee on Banking, Finance and Urban Affairs.

3223. A letter from the Secretary of Housing and Urban Development, transmitting reports on the status of the evaluations of the Multifamily and Local Property Urban Homesteading Demonstrations, pursuant to 12 U.S.C. 1706e(j) (Pub. L. 93-383, sec. 810 (97 Stat. 1172)); to the Committee on Banking, Finance and Urban Affairs.

3224. A letter from the Acting General Counsel, Federal Emergency Management Agency, transmitting a draft of proposed legislation to extend for 5 years the expiration date of the Defense Production Act of 1950; to the Committee on Banking, Finance and Urban Affairs.

3225. A letter from the Chairman, Federal Deposit Insurance Corporation, transmitting a report on the Corporation's Office of Consumer Programs, pursuant to the Act of September 26, 1914, chapter 311, section 18(f)(6) (88 Stat. 2197; 93 Stat. 95; 94 Stat. 174); to the Committee on Banking, Finance and Urban Affairs.

3226. A letter from the Secretary of Education, transmitting a draft of proposed legislation to amend the Rehabilitation Act of 1973 and the Helen Keller Center Act to reauthorize activities through fiscal year 1991, to authorize the development of transition services and supported employment assistance to disabled individuals, and for other purposes; to the Committee on Education and Labor.

3227. A letter from the Secretary of Education, transmitting a draft of proposed legislation extending for 5 years and making substantive amendments to the Higher Education Act (HEA) of 1965, which expires at the end of fiscal year 1986; to the Committee on Education and Labor.

3228. A letter from the Secretary of Education, transmitting a report entitled "The Condition of Bilingual Education in the Nation, 1986"; to the Committee on Education and Labor.

3229. A letter from the Secretary of Health and Human Services, transmitting a report on the status of State compliance with the Consumer-Patient Radiation Health and Safety Act of 1981, pursuant to 42 U.S.C. 1006(d); to the Committee on Energy and Commerce.

3230. A letter from the Acting Director, Defense Security Assistance Agency, transmitting a copy of the Department of the Navy's proposed lease of defense articles to Greece (Transmittal No. 24-86), pursuant to 22 U.S.C. 2796(a); to the Committee on Foreign Affairs.

3231. A letter from the Acting Director, Defense Security Assistance Agency, transmitting a copy of the Department of the Navy's proposed lease of defense articles to North Atlantic Treaty Organization (NICSMA), (Transmittal No. 26-86), pursuant to 22 U.S.C. 2796(a); to the Committee on Foreign Affairs.

3232. A letter from the Acting Director, Defense Security Assistance Agency, transmitting a copy of the Department of the Navy's proposed lease of defense articles to Turkey (Transmittal No. 23-86), pursuant to 22 U.S.C. 2796(a); to the Committee on Foreign Affairs.

3233. A letter from the Acting Director, Defense Security Assistance Agency, transmitting a copy of the Department of the Navy's proposed lease of defense articles to Italy (Transmittal No. 19-86), pursuant to 22 U.S.C. 2796(a); to the Committee on Foreign Affairs.

3234. A letter from the Acting Director, Defense Security Assistance Agency, transmitting a copy of the Department of the Navy's proposed lease of defense articles to Uruguay (Transmittal No. 15-86), pursuant to 22 U.S.C. 2796(a); to the Committee on Foreign Affairs.

3235. A letter from the Acting Director, Defense Security Assistance Agency, transmitting a copy of the Department of the Navy's proposed lease of defense articles to Korea (Transmittal No. 20-86), pursuant to 22 U.S.C. 2796(a); to the Committee on Foreign Affairs.

3236. A letter from the Acting Director, Defense Security Assistance Agency, transmitting a copy of the Department of the Navy's proposed lease of defense articles to Turkey (Transmittal No. 21-86), pursuant to 22 U.S.C. 2796(a); to the Committee on Foreign Affairs.

3237. A letter from the Acting Director, Defense Security Assistance Agency, transmitting a copy of the Department of the Navy's proposed lease of defense articles to North Atlantic Treaty Organization (SACLANTCEN) (Transmittal No. 25-86), pursuant to 22 U.S.C. 2796(a); to the Committee on Foreign Affairs.

3238. A letter from the Acting Director, Defense Security Assistance Agency, trans-

mitting a copy of the Department of the Navy's proposed lease of defense articles to Turkey (Transmittal No. 22-86), pursuant to 22 U.S.C. 2796(a); to the Committee on Foreign Affairs.

3239. A letter from the Acting Director, Defense Security Assistance Agency, transmitting a copy of the Department of the Navy's proposed Letter(s) of Offer to the Netherlands for defense articles (Transmittal No. 86-30), pursuant to 22 U.S.C. 2776(b); to the Committee on Foreign Affairs.

3240. A letter from the Acting Director, Defense Security Assistance Agency, transmitting notice of the Departments of the Army, Navy, and Air Force's proposed Letters of Offer to Saudi Arabia for defense articles and services (Transmittal No. 86-29), pursuant to 22 U.S.C. 2776(b); to the Committee on Foreign Affairs.

3241. A letter from the Acting Assistance Secretary, Legislative and Intergovernmental Affairs, Department of State, transmitting a report on the allocation of military assistance funds for Tunisia; to the Committee on Foreign Affairs.

3242. A letter from the Deputy Assistance Secretary of Defense, transmitting notification of a proposed new record system submitted by the Department of the Air Force, pursuant to 5 U.S.C. 522a(o); to the Committee on Government Operations.

3243. A letter from the FOIA Director, Federal Home Loan Mortgage Corporation, transmitting a report of activities under the Freedom of Information Act during calendar year 1985, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

3244. A letter from the Chairman, Occupational Safety and Health Review Commission, transmitting a report on the Commission's compliance with the requirements of the internal accounting and administrative control system, pursuant to 31 U.S.C. 3512(c)(3); to the Committee on Government Operations.

3245. A letter from the Secretary of Labor, transmitting notification of the Department's intention to extend the period of performance and to provide additional funding to complete the nonseverable litigation support services required in the ERISA cases concerning the Teamsters' Central States Pension and Health and Welfare Funds, pursuant to 41 U.S.C. 253(c)(7); to the Committee on Governmental Operations.

3246. A letter from the Assistant Secretary for Water and Science, Department of the Interior, transmitting notification of the deferment of a construction repayment installment due the United States from Almena Irrigation District No. 5, Pick-Sloan Missouri Basin Program, KS, pursuant to 43 U.S.C. 485b-1; to the Committee on Interior and Insular Affairs.

3247. A letter from the Assistant Secretary for Water and Science, Department of the Interior, transmitting notification of the deferment of the 1985 Small Reclamation Projects Act loan payment due the United States from the West Bench Irrigation District, Dillon, MT, pursuant to 43 U.S.C. 485b; to the Committee on Interior and Insular Affairs.

3248. A letter from the Secretary of the Interior, transmitting a report on amounts expended by Massachusetts, the city of Lowell, and by other nonprofit entities in furtherance of the Lowell National Historical Park, pursuant to 16 U.S.C. 410cc-13(d)(1); to the Committee on Interior and Insular Affairs.

3249. A letter from the Director, Administrative Office of the United States Courts, transmitting a draft of proposed legislation to renew authority to contract for the detection and treatment of drug-dependent offenders, and for other purposes; to the Committee on the Judiciary.

3250. A letter from the Acting Administrator, National Aeronautics and Space Administration, transmitting a report on NASA's plan to report to the General Services Administration, as excess real property, approximately 37.085 acres of land without structures at the NASA Johnson Space Center (JSC), Houston, TX, pursuant to Public Law 85-568, Section 207 (87 Stat. 175); to the Committee on Science and Technology.

3251. A letter from the Executive Secretary, Office of the Secretary, Department of Defense, transmitting a report on procurement from small and other business firms for the period October 1985 through January 1986, pursuant to 15 U.S.C. 639(d); to the Committee on Small Business.

3252. A letter from the Administrator, Veterans' Administration, transmitting a report covering the disposition of cases granted relief from administrative error, overpayment and forfeiture, pursuant to 38 U.S.C. 210(c)(3)(B); to the Committee on Veterans' Affairs.

3253. A letter from the General Counsel, Department of Defense, transmitting a draft of proposed legislation to repeal the Veterans' Educational Assistance Act of 1984 and for other purposes; jointly to the Committees on Armed Services and Veterans' Affairs.

3254. A letter from the Acting Assistant Secretary, Legislative and Intergovernmental Affairs, Department of State, transmitting notification that the Department has terminated the designation of Kuwait as a danger pay location, pursuant to 5 U.S.C. 5928 (97 Stat. 1028); jointly, to the Committees on Foreign Affairs and Post Office and Civil Service.

3255. A letter from the Secretary of the Interior, transmitting the annual report for fiscal year 1985 covering the Outer Continental Shelf (OCS) Oil and Gas Leasing and Production Program administered by the Department of the Interior through the Minerals Management Service; jointly, to the Committees on Interior and Insular Affairs and Merchant Marine and Fisheries.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. UDALL: Committee on Interior and Insular Affairs. H.R. 1116. A bill to implement certain recommendations made pursuant to Public Law 98-360; with an amendment (Rept. 99-525, Pt. 1). Ordered to be printed.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. BERMAN: Committee on the Judiciary. H.R. 483. A bill with amendments (Rept. 99-514). Referred to the Committee of the Whole House.

Mr. MAZZOLI: Committee on the Judiciary. H.R. 737. A bill for the relief of Ms. Chang Ai Bae; with an amendment (Rept. 99-515). Referred to the Committee of the Whole House.

Mr. FISH: Committee on the Judiciary. H.R. 1693. A bill for the relief of Enrique Montano Ugarte; with an amendment (Rept. 99-516). Referred to the Committee of the Whole House.

Mr. FRANK: Committee on the Judiciary. H.R. 1756. A bill to provide for the relief of Herbert Tichauer; a bill with an amendment (Rept. 99-517). Referred to the Committee of the Whole House.

Mr. BERMAN: Committee on the Judiciary. H.R. 1757. A bill for the relief of Leonard Leslie Gambie; with an amendment (Rept. 99-518). Referred to the Committee of the Whole House.

Mr. LUNGREN: Committee on the Judiciary. H.R. 3093. A bill for the relief of Juan Ricardo McRae (Rept. 99-519). Referred to the Committee of the Whole House.

Mr. FRANK: Committee on the Judiciary. H.R. 3154. A bill for the relief of John Patrick Brady, Ann M. Brady, and Mark P. Brady (Rept. 99-520). Referred to the Committee of the Whole House.

Mr. BRYANT: Committee on the Judiciary. H.R. 3323. A bill for the relief of Alexander Lockwood; with an amendment (Rept. 99-521). Referred to the Committee of the Whole House.

Mr. MAZZOLI: Committee on the Judiciary. H.R. 3365. A bill for the relief of Mountaha Bou-Assali Saad; with an amendment (Rept. 99-522). Referred to the Committee of the Whole House.

Mr. LUNGREN: Committee on the Judiciary. H.R. 3577. A bill for the relief of Milanie C. Escobal Norman and Angela Dawn Norman; with amendments (Rept. 99-523). Referred to the Committee of the Whole House.

Mr. BRYANT: Committee on the Judiciary. S. 381. A bill for the relief of Mishleen Earle (Rept. 99-524). Referred to the Committee of the Whole House.

SUBSEQUENT ACTION ON A REPORTED BILL SEQUENTIALLY REFERRED

Under clause 5 of rule X, the following action was taken by the Speaker:

H.R. 4079. The Committee on Appropriations discharged from further consideration of H.R. 4079; H.R. 4079 referred to the Committee of the Whole House on the State of the Union.

H.R. 4105. The Committee on Appropriatons discharged from further consideration of H.R. 4105; H.R. 4105 referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. CONYERS (for himself and Mr. KEMP):

H.R. 4528. A bill to provide for the continuation of the Martin Luther King, Jr. Federal Holiday Commission until 1989, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. ANNUNZIO (for himself and Mr. HILER, by request):

H.R. 4529. A bill to authorize appropriations for the U.S. Mint for fiscal years 1987 and 1988; to the Committee on Banking, Finance and Urban Affairs.

By Mr. BENNETT:

H.R. 4530. A bill to amend the Department of defense authorization Act, 1985, to provide that members of the Commission on Merchant Marine and Defense shall not be considered to be Federal employees for certain purposes, to extend the deadline for reports of the Commission, and to extend the availability of funds appropriated to the Commission; to the Committee on Armed Services.

By Mr. BREAUX:

H.R. 4531. A bill to extend the Wetlands Loan Act, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. DUNCAN (for himself, and Mr. CRANE, Mr. HORTON, and Mr. ECKERT of New York):

H.R. 4532. A bill to suspend for a 4 year period the duty on certain parts of indirect process electrostatic copying machines; to the Committee on Ways and Means.

By Mr. GEPHARDT (for himself, and Mr. CAMPBELL):

H.R. 4533. A bill relating to the tariff classification of extracorporeal shock wave lithotripters; to the Committee on Ways and Means.

By Mr. GEPHARDT (for himself, Mr. VANDER JAGT, Mr. DASCHLE, Mr. DAUB, Mr. DORGAN of North Dakota, and Mr. MADIGAN):

H.R. 4534. A bill to amend the Tariff Act of 1930 with respect to the definitions of industry in antidumping and countervailing duty investigations involving certain processed agricultural products; to the Committee on Ways and Means.

By Mr. ROSE (for himself, Mr. CHANDLER, Mr. MOAKLEY, Mrs. BOXER, Mr. SMITH of New Hampshire, Mr. WHITEHURST, Mrs. SCHROEDER, and Mr. LANTOS):

H.R. 4535. A bill to amend section 19 of the Animal Welfare Act (7 U.S.C. 2149); jointly, to the Committees on Agriculture, and the Judiciary.

By Mr. GRADISON:

H.R. 4536. A bill to change the tariff classification of certain color pigments; to the Committee on Ways and Means.

By Mr. HAMMERSCHMIDT (for himself, and Mr. TAYLOR):

H.R. 4537. A bill to appropriate $10,000,000 to the Dairy Indemnity Program; to the Committee on Appropriations.

By Mr. JEFFORDS (for himself, Mr. GOODLING, Mr. PETRI, Mr. GUNDERSON, Mr. FAWELL, Mr. COLEMAN of Missouri, Mrs. ROUKEMA, Mr. CHANDLER, Mr. MCKERNAN, Mr. PENNY, Mr. BOULTER, Mr. PORTER, Mr. PURSELL, Mr. MILLER of Ohio, Mr. EVANS of Iowa, Mr. SOLOMON, Mr. HYDE, Mr. NIELSON of Utah, Mr. LOWERY of California, Mr. PACKARD, Mr. MONTGOMERY, and Mr. COURTER):

H.R. 4538. A bill to amend the Bilingual Education Act to make Federal financial assistance available for children of limited English proficiency without mandating a specific method of instruction, to encourage innovation at the State and local level through greater administrative flexibility, to improve program operations at the Federal level, and for other purposes; to the Committee on Education and Labor.

By Mr. KASTENMEIER:

H.R. 4539. A bill to amend the patent and trademark laws of the United States, and for other purposes; jointly, to the Committees on the Judiciary, and Ways and Means.

By Mr. KOLBE:

H.R. 4540. A bill to amend the Truth in Lending Act to require credit card issuers which are depository institutions to disclose the credit card costs and interest rates and to require the Board of Governors of the Federal Reserve System to publish such information for consumers; to the Committee on Banking, Finance and Urban Affairs.

By Mr. LOEFFLER:

H.R. 4541. A bill to provide for certain measures which will strengthen the energy security of the United States; jointly, to the Committees on Energy and Commerce, Ways and Means, and Armed Services.

By Mr. MARKEY:

H.R. 4542. A bill to prohibit the obligation or expenditure of funds appropriated to the Department of Defense or the Department of Energy for the development, explosive testing, or production of strategic defense systems incorporating nuclear explosive devices; to the Committee on Armed Services.

By Mr. MAVROULES:

H.R. 4543. A bill to require the Secretary of Defense to conduct a test program to streamline the efficiency of the management structure of major defense acquisition programs; to the Committee on Armed Services.

By Mr. MAVROULES (for himself, Mr. DICKINSON, Mr. MCCURDY, Mr. SPRATT, and Mr. KASICH):

H.R. 4544. A bill to amend title 10, United States Code, to establish in the Department of Defense the position of Under Secretary of Defense for Acquisition; to the Committee on Armed Services.

By Ms. OAKAR:

H.R. 4545. A bill to authorize appropriations for the American Folklife Center for fiscal years 1987, 1988, and 1989, and for other purposes; to the Committee on House Administration

By Mr. RITTER (for himself, Mr. BEREUTER, Mr. BOEHLERT, Mr. CHANDLER, Mrs. COLLINS, Mr. NIELSON of Utah, Mr. OBERSTAR, Mrs. SCHNEIDER, Mr. STARK, Mr. SYNAR, Mr. WAXMAN, and Mr. WHITTAKER):

H.R. 4546. A bill to restrict smoking to designated areas in all buildings or building sections occupied by the U.S. Government; to the Committee on Energy and Commerce.

By Mr. SCHULZE:

H.R. 4547. A bill relating to the tariff classification of slabs of iron or steel; to the Committee on Ways and Means.

By Mr. SPRATT (for himself, and Mr. MAVROULES):

H.R. 4548. A bill to amend the provisions of title 10, United States Code, known as the "Truth in Negotiations Act" in order to improve control of the cost of Department of Defense contracts; to the Committee on Armed Services.

By Mr. VANDER JAGT:

H.R. 4549. A bill to suspend for a 3-year period the duty on 3-Ethylamino-p-cresol; to the Committee on Ways and Means.

By Mr. BILIRAKIS:

H.J. Res. 584. Joint resolution designating the week beginning November 9, 1986, as "National Women Veterans Recognition Week"; to the Committee on Post Office and Civil Service.

By Mr. GOODLING:

H.J. Res. 585. Joint resolution to designate the week beginning April 13, 1986, as "National Education for Business Week"; to the Committee on Post Office and Civil Service.

By Mr. GRADISON (for himself, Mr. PANETTA, Mrs. BYRON, Mr. ROWLAND of Georgia, Mr. HORTON, Mr. SKELTON, Mr. FUSTER, Mr. MURPHY, Mr. CONYERS, Mr. MRAZEK, Mr. LEHMAN of Florida, Mr. ROE, Mr. DE LA GARZA, Mr. LAGOMARSINO, Mr. WOLF, Mr. WAXMAN, Mr. SCHEUER, Mrs. HOLT, Mr. WORTLEY, Mr. MARKEY, Mr. DYMALLY, Mr. DWYER of New Jersey, Mr. CONTE, Mr. MARTINEZ, Mrs. KENNELLY, Mr. BOEHLERT, Mr. FAZIO, Mr. VENTO, Mr. MATSUI, Mr. SHUMWAY, Mr. MAZZOLI, Mr. HOWARD, Mr. LANTOS, Mr. PURSELL, Mrs. BOXER, Mr. CROCKETT, Mr. TAUKE, Mr. TOWNS, Mr. BEDELL, Mr. DOWDY of Mississippi, Mr. MONSON, Mr. MCGRATH, Mr. STRATTON, Mr. BIAGGI, Mr. HUGHES, Mr. RALPH M. HALL, Mr. ANDERSON, Mr. BARNES, Mr. STARK, Mr. GUARINI, Mr. RAHALL, Mr. LEWIS of Florida, Mr. KEMP, Mr. TRAXLER, Mr. HALL of Ohio, and Mrs. BURTON of California):

H.J. Res. 586. Joint resolution to designate the month of November 1986 as "National Hospice Month"; to the Committee on Post Office and Civil Service.

By Mr. HUNTER:

H.J. Res. 587. Joint resolution to designate August 13, 1986, as "Berlin Freedom Day"; jointly, to the Committees on Foreign Affairs, and Post Office and Civil Service.

By Mr. KOLBE (for himself and Mr. NELSON of Florida):

H.J. Res. 588. Joint resolution commemorating January 28, 1987 as a National Day of Excellence in honor of the crew of the space shuttle Challenger; to the Committee on Post Office and Civil Service.

By Mr. LEVINE of California (for himself, Mr. KEMP, Mr. WEBER, Mr. SMITH of Florida, Mr. SILJANDER, Mr. BARNES, Mr. SMITH of New Jersey, Mr. HUNTER, Mr. TORRICELLI, Mr. LANTOS, Mr. FEIGHAN, Mr. ACKERMAN, Mr. ANNUNZIO, Mr. ATKINS, Mr. AUCOIN, Mr. BATES, Mr. BEILENSON, Mr. BERMAN, Mr. BIAGGI, Mr. BOEHLERT, Mr. BONER of Tennessee, Mr. BORSKI, Mr. BOUCHER, Mr. BOULTER, Mrs. BOXER, Mr. BROWN of California, Mr. BRYANT, Mrs. BURTON of California, Mr. BUSTAMANTE, Mr. CALLAHAN, Mr. CARR, Mr. COBEY, Mr. COBLE, Mr. COELHO, Mrs. COLLINS, Mr. COUGHLIN, Mr. COYNE, Mr. CRANE, Mr. DASCHLE, Mr. DELLUMS, Mr. DIOGUARDI, Mr. DIXON, Mr. DORGAN of North Dakota, Mr. DORNAN of California, Mr. DOWDY of Mississippi, Mr. DOWNEY of New York, Mr. DREIER of California, Mr. DURBIN, Mr. DWYER of New Jersey, Mr. ECKART of Ohio, Mr. ECKERT of New York, Mr. EDWARDS of California, Mr. EVANS of Illinois, Mr. FAZIO, Ms. FIEDLER, Mr. FISH, Mr. FLORIO, Mr. FOGLIETTA, Mr. FORD of Michigan, Mr. FOWLER, Mr. FRANK, Mr. FRENZEL, Mr. FROST, Mr. GALLO, Mr. GARCIA, Mr. GEJDENSON, Mr. GILMAN, Mr. GLICKMAN, Mr. GORDON, Mr. GRAY of Illinois, Mr. GREEN, Mr. HALL of Ohio, Mr. HAWKINS, Mr.

HAYES, Mr. HERTEL of Michigan, Mr. HORTON, Mr. HOWARD, Mr. HOYER, Mr. HUGHES, Mrs. JOHNSON, Mr. JONES of Oklahoma, Mr. KINDNESS, Mr. KOSTMAYER, Mr. KRAMER, Mr. LEHMAN of California, Mr. LEHMAN of Florida, Mr. LELAND, Mr. LENT, Mr. LEVIN of Michigan, Mr. LIGHTFOOT, Mrs. LLOYD, Mr. LOWRY of Washington, Mr. LUKEN, Mr. LUNDINE, Mr. MACK, Mr. MANTON, Mr. MARKEY, Mr. MATSUI, Mr. MAVROULES, Mr. MCCOLLUM, Mr. MCGRATH, Mr. MCHUGH, Mr. MCKINNEY, Mr. MICA, Ms. MIKULSKI, Mr. MILLER of California, Mr. MINETA, Mr. MITCHELL, Mr. MOAKLEY, Mr. MOODY, Mr. MORRISON of Connecticut, Mr. MRAZEK, Mr. NEAL, Mr. OWENS, Mr. PANETTA, Mr. PENNY, Mr. PEPPER, Mr. PICKLE, Mr. REID, Mr. RICHARDSON, Mr. RINALDO, Mr. ROBINSON, Mr. ROE, Mr. ROYBAL, Mr. SAXTON, Mr. SCHEUER, Mrs. SCHNEIDER, Mrs. SCHROEDER, Mr. SCHUMER, Mr. SHARP, Mr. SHELBY, Mr. SIKORSKI, Mr. SISISKY, Mr. SLATTERY, Mr. SOLARZ, Mr. STARK, Mr. SWINDALL, Mr. SYNAR, Mr. TAUZIN, Mr. TORRES, Mr. TRAFICANT, Mr. UDALL, Mr. VENTO, Mr. VOLKMER, Mr. WAXMAN, Mr. WEAVER, Mr. WEISS, Mr. WILLIAMS, Mr. WIRTH, Mr. WOLPE, Mr. WORTLEY, Mr. YATES, and Mr. YOUNG of Missouri):

H.J. Res. 589. Joint resolution prohibiting the proposed sales of certain missiles to Saudi Arabia; to the Committee on Foreign Affairs.

By Mr. MURPHY (for himself and Mr. REGULA):

H.J. Res. 590. Joint resolution to designate June 21, 1986, as "National Save American Industry and Jobs Day"; to the Committee on Post Office and Civil Service.

By Mr. SHUMWAY (for himself, Mr. BADHAM, Mr. BATEMAN, Mr. DEWINE, Mr. DORNAN of California, Mr. FAZIO, Mrs. HOLT, Mr. HORTON, Ms. KAPTUR, Mr. KOLBE, Mr. MCCOLLUM, Mr. MURPHY, Mr. PASHAYAN, Mr. REID, and Mr. WORTLEY):

H.J. Res. 591. Joint resolution designating October 20, 1986, as "Leyte Landing Day"; to the Committee on Post Office and Civil Service.

By Mr. SILJANDER:

H.J. Res. 592. Joint resolution prohibiting the proposed sale of integrated avionics system kits to the People's Republic of China, unless the United States sells advanced aircraft to the Republic of China on Taiwan; to the Committee on Foreign Affairs.

H.J. Res. 593. Joint resolution prohibiting the proposed sale of integrated avionics system kits to the People's Republic of China; to the Committee on Foreign Affairs.

By Mr. BIAGGI:

H. Con. Res. 311. Concurrent resolution to permit the 1986 Special Olympics Torch Relay to be run through the Capitol grounds; to the Committee on Public Works and Transportation.

By Mr. KRAMER:

H. Con. Res. 312. Concurrent resolution calling for support for the assertion by the United States of the legitimate right of self defense against hostile attacks by Libya in international waters; to the Committee on Foreign Affairs.

By Mr. MACK (for himself, Mr. DERRICK, Mr. LAGOMARSINO, Mr. SILJANDER, Mr. SENSENBRENNER, Mr. MCCAIN, Mr. WEBER, Mr. WHITEHURST, Mr. SMITH of New Jersey, Mr. DORNAN of California, Mr. PACKARD, Ms. FIEDLER, Mr. KOLBE, Mr. WORTLEY, Mr. KINDNESS, Mr. ARMEY, Mr. BLILEY, Mr. LEWIS of Florida, Mr. BOULTER, Mr. MCCOLLUM, Mr. SKEEN, and Mr. GINGRICH):

H. Con Res. 313. Concurrent resolution calling for the expulsion of Libya from the United Nations; to the Committee on Foreign Affairs.

By Mr. YATES (for himself, Mr. GARCIA, Mr. SOLARZ, Mr. GREEN, and Mr. LEHMAN of Florida):

H. Con. Res. 314. Concurrent resolution authorizing the rotunda of the U.S. Capitol to be used on May 6, 1986, for a ceremony commemorating the days of remembrance of victims of the Holocaust; to the Committee on House Administration.

By Mr. BEILENSON:

H. Res. 410. Resolution amending the Rules of the House of Representatives to require that the Speaker entertain unanimous-consent requests to address the House for 1 minute only after the conclusion of legislative business; to the Committee on Rules.

By Mr. GREEN:

H. Res. 411. Resolution to express the sense of the House of Representatives that the deferral process established by the Impoundment Control Act of 1974 is unconstitutional under the U.S. Supreme Court decision in "Immigration and Naturalization Service v. Chadha et al."; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

Mr. LEWIS of California introduced a bill (H.R. 4550) for the relief of Young Sook Chon; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

[Omitted from the Record of April 8, 1986]

H.J. Res. 234: Mr. MCEWEN, Mr. HENRY, Mr. CAMPBELL, Mr. FISH, Mr. ANDREWS, Mr. BRUCE, Mr. GINGRICH, Mr. DICKS, Mr. COBEY, Mr. EARLY, Mr. WHITTAKER, Mr. DERRICK, Mr. YOUNG of Alaska, Mr. GREEN, Mr. LUJAN, Mr. WISE, Mrs. BOXER, Mr. APPLEGATE, Mr. EDGAR, Mr. GRAY of Pennsylvania, Mr. MURTHA, Mr. QUILLEN, Mr. MCKINNEY, Mr. LEWIS of Florida, Mr. ROBERTS, Mr. TAUZIN, Mr. LUKEN, Mr. O'BRIEN, Mr. VISCLOSKY, Mr. CARNEY, Mrs. JOHNSON, Mr. ASPIN, Mr. YATES, Mr. HAMILTON, Mr. VALENTINE, Mr. SPRATT, Mr. SHELBY, Mr. BEILENSON, Mr. PASHAYAN, and Mr. ATKINS.

[Submitted April 9, 1986]

H.R. 229: Mr. GILMAN.

H.R. 230: Mr. PANETTA.

H.R. 471: Mr. WHITTAKER, Mr. SUNDQUIST, Mr. SMITH of New Hampshire, and Mr. BOULTER.

H.R. 524: Mr. ANDREWS, Mr. BOLAND, Mr. DORGAN of North Dakota, Mr. GINGRICH, Mr. HENRY, Mr. HENDON, Mr. KOLBE, Mrs. MARTIN of Illinois, Mr. MCDADE, Mr. MINETA, Mr. PORTER, Mr. SCHUMER, Mr. TRAFICANT, and Mr. VANDER JAGT.

H.R. 585: Mr. DONNELLY, Mr. KOLBE, Mr. HEFTEL of Hawaii, Mr. LIGHTFOOT, and Mr. WAXMAN.

H.R. 620: Mr. SHUMWAY.

H.R. 839: Mr. CLINGER.

H.R. 864: Mr. RITTER, Mr. MICA, Mr. HUBBARD, and Mr. MCMILLAN.

H.R. 893: Mr. GEJDENSON, Mr. YATRON, Mr. FROST, Mr. WHEAT, Mr. HEFTEL of Hawaii, Mr. WALGREN, Mr. EVANS of Illinois, Mr. WILLIAMS, Mr. ECKART of Ohio, Mr. BOUCHER, Mr. TORRICELLI, and Mr. SEIBERLING.

H.R. 1398: Mr. BATES.

H.R. 1400: Mr. MOAKLEY, Mr. BONKER, Mr. MURPHY, Mr. BIAGGI, Mr. ANDERSON, Mr. BONIOR of Michigan, Mr. MANTON, and Mr. ROE.

H.R. 1435: Mr. ROBINSON, Mr. GUARINI, and Mr. CARPER.

H.R. 1579: Mr. FOGLIETTA.

H.R. 1809: Mr. ROE and Mr. EDGAR.

H.R. 1946: Mr. PEPPER.

H.R. 2295: Mr. WHITTEN and Mr. MOORHEAD.

H.R. 2364: Mr. GEJDENSON, Mr. DE LUGO, Mr. ROSE, and Mr. BONIOR of Michigan.

H.R. 2406: Mr. LAFALCE, Mr. CARNEY, Mr. MRAZEK, Ms. OAKAR, Mr. COELHO, Mr. MANTON, and Mr. SCHEUER.

H.R. 2509: Mr. KEMP.

H.R. 2512: Mr. KEMP.

H.R. 2607: Mr. TRAFICANT and Mr. MCKINNEY.

H.R. 2867: Mr. DAVIS, Mr. FOGLIETTA, Mr. FOWLER, Mr. FRANK, Mr. GUARINI, Mr. MINETA, Mr. RODINO, Mr. ROYBAL, Mr. SCHUMER, Mr. TRAFICANT, Mr. WAXMAN, and Mr. WOLPE.

H.R. 2897: Mr. HUNTER, Mr. HENDON, and Mr. BURTON of Indiana.

H.R. 2952: Mrs. BOXER and Mr. STARK.

H.R. 3040: Mr. MCHUGH.

H.R. 3041: Mr. DOWNEY of New York, Mr. CARR, Mr. GORDON, Mr. GRAY of Illinois, Mr. FOWLER, and Mr. WIRTH.

H.R. 3042: Mr. BATES, Mr. WEISS, Mr. DONNELLY, and Mr. COYNE.

H.R. 3062: Mr. STAGGERS and Mr. APPLEGATE.

H.R. 3099: Mr. BRUCE, Mr. ROYBAL, Mr. YOUNG of Florida, and Mr. LAFALCE.

H.R. 3114: Mr. BARNES, Mr. DELLUMS, Mr. HAYES, and Mr. RAHALL.

H.R. 3120: Mr. MCGRATH, Mr. APPLEGATE, Mr. GALLO, and Mr. NEAL.

H.R. 3232: Mr. GILMAN.

H.R. 3263: Mr. EDWARDS of Oklahoma.

H.R. 3298: Mr. RITTER.

H.R. 3378: Mr. HAYES, Mr. SAVAGE, Mr. EDWARDS of California, Mr. KOSTMAYER, Mr. VENTO, Mrs. COLLINS, Mr. BUSTAMANTE, Mr. TOWNS, Mr. THOMAS of California, Mr. HAWKINS, Mr. BLILEY, Mr. LELAND, and Mr. SEIBERLING.

H.R. 3408: Mr. DE LUGO, Mr. DAVIS, and Mr. BROWN of California.

H.R. 3439: Mr. STARK, Mrs. KENNELLY, Mr. VOLKMER, Mrs. BENTLEY, Mr. NEAL, Mrs. BOXER, Mr. SWINDALL, Mr. WORTLEY, and Mr. AUCOIN.

H.R. 3505: Mr. DELAY, Mr. PACKARD, Mr. SHUMWAY, and Mr. MONSON.

H.R. 3554: Mr. WEAVER, Mr. DENNY SMITH, and Mr. WYDEN.

H.R. 3555: Ms. KAPTUR, Mr. WAXMAN, Mr. MANTON, Mr. ORTIZ, Mr. LUJAN, Mr. OBEY, Mr. BENNETT, Mr. DAVIS, Mr. LIGHTFOOT, Mr. ROE, Mr. MORRISON of Connecticut, Mr. CHAPPELL, Mr. VALENTINE, Mr. ROBERTS, Mr. STRATTON, Mr. WHEAT, Mr. BLILEY, Mr. ANTHONY, Mr. DICKS, Mr. SMITH of Iowa, Mr. BROOMFIELD, Mr. WILLIAMS, Mr. LEATH of Texas, Mr. MCEWEN, Mr. BOUCHER, Mr. JONES of North Carolina, Mr. LEVIN of Michigan, Mr. PRICE, Mr. WOLF, Mr. BROWN of California, Mr. SWIFT, Mr. JENKINS, Mr. CARR, Mr. FASCELL, Mrs. KENNELLY, Mr.

YOUNG of Florida, Mr. KLECZKA, and Mr. VANDER JAGT.

H.R. 3594: Mr. TOWNS, Mr. OWENS, Mr. STARK, Mr. CROCKETT, Mr. MARTINEZ, Mr. KLECZKA, Mr. DE LUGO, Mr. BIAGGI, Mr. MATSUI, and Ms. OAKAR.

H.R. 3712: Mr. MANTON.

H.R. 3761: Mr. WAXMAN, and Mr. BERMAN.

H.R. 3766: Mr. LAGOMARSINO, Mr. MYERS of Indiana, Mr. HANSEN, and Mr. FRANKLIN.

H.R. 3799: Mr. ROBINSON, Mr. RAY, Mr. OWENS, Mr. LAFALCE, Mr. KOLTER, Mr. GLICKMAN, Mr. GILMAN, Mr. BONKER, Mr. KASTENMEIER, and Mr. DYMALLY.

H.R. 3807: Mr. HUCKABY.

H.R. 3921: Mr. LOTT.

H.R. 4003: Mr. KOSTMAYER.

H.R. 4020: Mr. FOGLIETTA.

H.R. 4025: Mr. BERMAN, Mr. SOLOMON, Mr. PRICE, Mr. FRANK, Mrs. JOHNSON, Mr. BATES, Mr. STOKES, Mr. STAGGERS, Mr. KOLTER, Mr. DOWNEY of New York, Mr. HENRY, Mr. YATRON, and Mr. KILDEE.

H.R. 4037: Mr. KILDEE, Mr. SUNIA, and Mr. AKAKA.

H.R. 4051: Mr. ROTH.

H.R. 4067: Mr. DASCHLE, Mr. HORTON, Mr. MONSON, and Mr. WILSON.

H.R. 4075: Mr. HAYES, Mr. HORTON, Mr. MICA, Mr. LAGOMARSINO, and Mr. STANGELAND.

H.R. 4080: Mr. BRUCE.

H.R. 4093: Mr. KOSTMAYER.

H.R. 4119: Mrs. BOXER, Mr. BROWN of California, Mr. FOGLIETTA, Mr. DIXON, Mr. FAUNTROY, Mr. FAZIO, Mr. KASTENMEIER, Mr. MORRISON of Connecticut, Mr. RANGEL, Mr. RODINO, Mr. SAVAGE, Mr. SEIBERLING, and Mr. VENTO.

H.R. 4126: Mrs. MARTIN of Illinois and Mr. ARMEY.

H.R. 4145: Mr. PORTER, Mr. MONSON, Mr. YOUNG of Florida, Mr. WHITEHURST, Mr. COURTER, Mr. LAGOMARSINO, Mr. HENRY, Mr. BLILEY, and Mr. LOTT.

H.R. 4154: Mrs. BENTLEY Mr. CHAPPIE, Mr. HUNTER, Mr. LEHMAN of Florida, Mr. MCKINNEY, Mr. MARKEY, Mr. MITCHELL, Mr. MRAZEK, Mr. OLIN, Mr. RAHALL, Mr. SCHEUER, Mr. TOWNS, Mr. WYDEN, Mr. YATES, Mr. RANGEL, Mr. AKAKA, Mr. COBEY, Mr. CHAPPELL, Mr. MCGRATH, Mr. DAUB, Mr. DYMALLY, Mr. ANNUNZIO, Mr. EDGAR, Mr. BONIOR of Michigan, Mr. JONES of North Carolina, Ms. KAPTUR, Mr. CROCKETT, Mr. DORGAN of North Dakota, Mrs. COLLINS, Mr. ANDERSON, Mr. DE LUGO, Mrs. SCHROEDER, Mr. COELHO, Mr. DE LA GARZA, Mr. FAUNTROY, Mr. FOGLIETTA, Mr. DWYER of New Jersey, Mr. COATS, Mr. BERMAN, Mr. BOEHLERT, Mr. WIRTH, Mr. MCCAIN, and Mrs. LONG.

H.R. 4157: Mr. TOWNS, Mr. MONSON, Mr. WALKER, Mr. BILIRAKIS, Mr. DE LUGO, Mr. KOLBE, and Mr. RIDGE.

H.R. 4186: Mr. STRATTON, Mr. BARNES, Mr. EVANS of Illinois, Mr. MOAKLEY, Mr. ATKINS, Mr. BRYANT, Mr. SIKORSKI, Mr. BLILEY, Mr. BOSCO, Mr. WEBER, Mr. LELAND, Mr. FEIGHAN, Mr. BATEMAN, Mr. OWENS, Mr. FOGLIETTA, and Mr. JEFFORDS.

H.R. 4191. Mr. WORTLEY.

H.R. 4194: Mr. DWYER of New Jersey, Mr. MINETA, Mr. WAXMAN, and Mr. MARTINEZ.

H.R. 4195: Mrs. BOXER and Mr. HEFNER.

H.R. 4197: Mrs. BURTON of California, Mr. MITCHELL, Mr. OXLEY, Mr. SCHEUER, Mr. MCKINNEY, and Mr. MARTINEZ.

H.R. 4204: Mr. BERMAN.

H.R. 4210: Mr. MILLER of California.

H.R. 4213: Mr. WORTLEY, Mr. MURPHY, Mr. TORRICELLI, Mr. BIAGGI, Mr. KLECZKA, Mr. FAZIO, Mr. BEVILL, Mr. RICHARDSON, Mr. FUSTER, Mr. DE LUGO, Mr. LAGOMARSINO, Mr. RINALDO, Mr. GORDON, Mr. DARDEN, Mr. CLINGER, Mr. ERDREICH, Mr. MARTINEZ, Mr. TOWNS, Mr. EDWARDS of Oklahoma Mr. HOWARD, Mr. ANDREWS, Mr. HAWKINS, Ms. OAKAR, Ms. KAPTUR, and Mr. DORNAN of California.

H.R. 4228: Mr. VANDER JAGT.

H.R. 4239: Mr. FOGLIETTA.

H.R. 4243: Mr. CLAY.

H.R. 4287: Mr. MITCHELL, Mr. BOEHLERT, Mr. MARKEY, Mr. ST GERMAIN, Mr. RODINO, Mr. DE LUGO, Mrs. BURTON of California, Mr. PRICE, Mr. RAHALL, Mr. EVANS of Illinois, Mr. EDWARDS of California, Mr. MARTINEZ, Mr. FROST, Mr. BROWN of California, Mr. HAWKINS, Mr. AKAKA, Mr. BEILENSON, Mr. TRAFICANT, and Mr. SOLARZ.

H.R. 4299: Mr. JONES of North Carolina, Mr. MARTIN of New York, Mr. DAUB, and Mr. HENDON.

H.R. 4300: Mr. AKAKA, Mr. EVANS of Illinois, Mr. FUSTER, Mr. HAYES, Mr. MITCHELL, Mr. ACKERMAN, Mr. BARNES, Mrs. BOXER, Mr. APPLEGATE, Mr. SEIBERLING, Mr. WAXMAN, Mr. WEAVER, Mr. WOLPE, Mr. FAZIO, Mr. FRANK, Mr. FASCELL, Mr. MATSUI, Mr. VENTO, Mr. GEJDENSON, Mr. OBERSTAR, Mr. EDWARDS of California, Mr. SCHEUER, Mr. TORRICELLI, and Mr. DELLUMS.

H.R. 4304: Mr. KOLBE.

H.R. 4311: Mr. LAGOMARSINO, Mr. KASTENMEIER, Mr. MATSUI, Mr. GILMAN, and Mr. TRAFICANT.

H.R. 4333: Mr. SMITH of Florida, Mr. TAUKE, Mr. NEAL, and Mr. MCMILLAN.

H.R. 4337: Mr. CHAPPIE, Mr. MCCANDLESS, Mr. VANDER JAGT, Mr. JEFFORDS, Mr. WORTLEY, and Mr. WHITEHURST.

H.R. 4338: Mr. JACOBS, Mr. MURPHY, Mr. FRANK, Mr. MARTINEZ, Mr. SAVAGE, Mr. WALGREN, Mr. VOLKMER, Mr. HOYER, Mr. MATSUI, Mr. ROE, Mr. HORTON, Mr. HENDON, Mr. EDGAR, Mr. YOUNG of Missouri, Mr. FAZIO, Mr. BIAGGI, Mr. TORRICELLI, Mr. SCHEUER, Mr. APPLEGATE, and Mr. SHELBY.

H.R. 4344: Mr. TRAFICANT, Mr. FIELDS, Mr. BEVILL, Mr. CLINGER, Mr. WORTLEY, and Mr. KINDNESS.

H.R. 4391: Mr. BOUCHER, Mr. BEVILL, Mr. WATKINS, Mr. GREGG, Mr. BUSTAMANTE, and Mr. ROSE.

H.R. 4406: Mrs. SMITH of Nebraska.

H.R. 4412: Mr. BERMAN, Mr. TRAFICANT, Mr. DE LUGO, Mr. EDWARDS of California, Mr. SAVAGE, Mr. FRANK, Mr. MARTINEZ, Mr. BROWN of California, Mr. LELAND, and Mr. FORD of Michigan.

H.R. 4421: Mr. COATS.

H.R. 4422: Mr. LEVIN of Michigan.

H.R. 4450: Mr. HENRY, Ms. KAPTUR, Mr. BOSCO, Mr. MONSON, Mr. BARTON of Texas, Mr. CHENEY, Ms. SNOWE, Mr. STAGGERS, Mr. DAUB, Mrs. BENTLEY, Mr. CHANDLER, and Mr. GLICKMAN.

H.R. 4463: Mr. OBEY, Mr. ANDERSON, Mr. TOWNS, Mr. ACKERMAN, Mr. HALL of Ohio, Mr. MATSUI, Mrs. BOGGS, Mr. CONYERS, Mrs. BURTON of California, Mr. FRANK, and Mr. WHEAT.

H.R. 4483: Mr. CLAY, Mr. EDWARDS of California, Mr. KASTENMEIER, Mr. LELAND, Mr. WEAVER, and Mr. BROWN of California.

H.R. 4484: Mr. MATSUI, Mr. FAZIO, Mr. MARTINEZ, Mr. MINETA, Mrs. BOXER, Mr. OBERSTAR, and Mr. DORNAN of California.

H.R. 4494: Mr. RAHALL.

H.J. Res. 7: Mr. CAMPBELL.

H.J. Res. 131: Mr. HOWARD, Mr. TAUKE, Mr. NELSON of Florida, Mr. FOLEY, Mr. HENRY, Mr. JACOBS, Mr. LENT, Mr. SWINDALL, and Mr. DICKINSON.

H.J. Res. 133: Mr. BEDELL, Mr. ANDERSON, Mr. TAUKE, Mr. ERDREICH, Mr. DERRICK, Mr. WAXMAN, Mr. LEHMAN of Florida, Mr. DARDEN, Mr. CAMPBELL, and Mr. BROYHILL.

H.J. Res. 234: Mr. MAVROULES, Mr. WOLF, Mr. HOYER, Mr. TORRICELLI, and Mr. DORNAN of California.

H.J. Res. 244: Mr. EVANS of Illinois, Mr. SMITH of New Jersey, Mr. MOAKLEY, Mr. HEFNER, Mr. LEWIS of Florida, Mr. LENT, Mr. PERKINS, Mr. GREEN, Mr. BOUCHER, Mr. PORTER, Mr. EDGAR, Mr. STAGGERS, Mr. SHAW, Mr. DORGAN of North Dakota, Mr. WISE, and Mr. DONNELLY.

H.J. Res. 266: Mr. FORD of Michigan, Mr. LEWIS of Florida, Mr. FOGLIETTA, Mr. LEVIN of Michigan, Mr. DOWDY of Mississippi, Mr. WALGREN, Mr. PICKLE, Mr. ALEXANDER, Mr. HUNTER, Mr. WAXMAN, Mr. WEAVER, Mr. MORRISON of Washington, Mr. MCCOLLUM, Mr. JONES of North Carolina, Mr. APPLEGATE, Mr. PETRI, Mr. HOYER, Mr. LEHMAN of Florida, Mr. BREAUX, Mr. DICKINSON, Mr. LIVINGSTON, Mr. LEHMAN of California, Mr. SWINDALL, Mr. KILDEE, Mr. WORTLEY, Mr. SPRATT, Mr. CLAY, Mr. STENHOLM, Mr. THOMAS of Georgia, Mr. WEBER, Mr. ROWLAND of Georgia, Mr. NATCHER, and Mr. ERDREICH.

H.J. Res. 297: Mr. HAYES, Mr. ACKERMAN, Mr. FUSTER, Mr. RICHARDSON, Mr. MCDADE, Mr. SAVAGE, Mr. BONER of Tennessee, Mr. DORGAN of North Dakota, Mr. CARNEY, Mr. FLORIO, Mr. DASCHLE, and Mr. PASHAYAN.

H.J. Res. 336: Mr. BOEHLERT, Mr. BRYANT, and Mr. SOLARZ.

H.J. Res. 444: Mr. FASCELL, Mr. LEHMAN of Florida, Mr. HORTON, Mr. DYMALLY, Mr. O'BRIEN, Mrs. HOLT, Mr. OWENS, Mr. CROCKETT, Mr. HAMMERSCHMIDT, Mr. STARK, Mr. YATRON, Mr. NEAL, Mr. ANTHONY, Mr. KOSTMAYER, Mr. TOWNS, Mr. BIAGGI, Mr. MATSUI, Mr. MARTINEZ, Ms. MIKULSKI, Mr. DE LA GARZA, Mr. WHEAT, Mr. BRYANT, Mr. BEDELL, Mr. WORTLEY, Mr. RAHALL, Mr. GUARINI, Mr. LIVINGSTON, Mr. RANGEL, Mr. LOTT, Mr. KEMP, Mr. ADDABBO, Mr. WILSON, Mr. KANJORSKI, and Mr. FAZIO.

H.J. Res. 470: Mr. DANIEL, Mr. FRENZEL, Mr. NEAL, Mr. ROWLAND of Connecticut, Mrs. KENNELLY, and Mr. WEBER.

H.J. Res. 475: Mr. HOYER, Mr. TRAXLER, Mr. LUKEN, Mr. BORSKI, Mr. TORRICELLI, Mr. FISH, Mr. LANTOS, Mr. CONTE, Mr. DANNEMEYER, Mr. ANDERSON, Mr. RODINO, Mrs. KENNELLY, Mrs. JOHNSON, Mr. HATCHER, Mr. CROCKETT, Mr. QUILLEN, Mr. OWENS, Mr. LUJAN, Mrs. BOXER, Mr. LEVIN of Michigan, Mr. BONER of Tennessee, Mr. MONSON, Mr. BARNARD, Mr. MONTGOMERY, Mr. SMITH of Iowa, Mr. BOEHLERT, Mr. BROWN of California, Mr. BUSTAMANTE, Mr. CHAPPIE, Mr. DARDEN, Mr. DEWINE, Mr. EVANS of Illinois, Mr. GALLO, Mr. GARCIA, Mr. HERTEL of Michigan, Mr. KANJORSKI, Mr. FAUNTROY, Mr. HANSEN, Mr. MARTIN of New York, Mr. MICHEL, Mr. DIOGUARDI, Mr. DOWDY of Mississippi, Mr. EVANS of Iowa, Mrs. BOGGS, Mr. RINALDO, Mr. PURSELL, Mr. LIVINGSTON, Mr. MATSUI, Mr. STOKES, Mr. STRANG, Mr. FEIGHAN, Mr. ORTIZ, Mr. RICHARDSON, Mr. BOUCHER, Mr. CALLAHAN, Mr. KOLTER, Mr. BROOKS, Mr. NICHOLS, Mr. SCHEUER, Mr. GEJDENSON, Mr. MCDADE, and Mr. CARNEY.

H.J. Res. 479: Mr. SKELTON, Mr. SMITH of Florida, Mr. SMITH of New Jersey, Mr. GEPHARDT, Mr. PASHAYAN, Mr. FEIGHAN, Mr. TORRICELLI, Mr. DANIEL, Mr. APPLEGATE, Ms. OAKAR, Mr. JONES of North Carolina, Mr. ADDABBO, Mr. MCHUGH, Mr. DYMALLY, Mr. BEVILL, Mrs. BYRON, Mr. ROE, Mr. WYLIE, Mr. WOLF, Mr. REGULA, Mr. GORDON, Mr. EDGAR, Mr. KOSTMAYER, Mr. OLIN, Mr. LIPINSKI, Mr. MAVROULES, Mr. MARTIN of New York, Mr. WORTLEY, Mr. REID, Mr. VENTO, Mr. DE LA GARZA, Mr. KRAMER, Mr. LAGOMARSINO, Mr. ROTH, Mr. WEISS, Mr. THOMAS of

Georgia, Mr. PETRI, Mr. HALL of Ohio, and Mr. HATCHER.

H.J. Res. 480: Mr. GUARINI, Mrs. LLOYD, Mr. CHAPPIE, Mr. DYMALLY, Mr. HEFNER, and Mr. LIVINGSTON.

H.J. Res. 492: Mr. HILER, Mr. EARLY, Mr. STUDDS, Mr. ROSE, Mr. YOUNG of Florida, Mr. MAVROULES, Mr. CONTE, Mr. LUNDINE, Mr. MURPHY, Ms. MIKULSKI, Mr. WAXMAN, Mr. GRADISON, Mr. LEHMAN of California, Mrs. BOGGS, Mr. HOYER, Mr. MAZZOLI, Mr. STARK, Mr. LEWIS of Florida, Mr. PASHAYAN, Mr. RITTER, Mr. DYMALLY, Mr. BUSTAMANTE, Mr. MANTON, Mr. O'BRIEN, Mr. NEAL, Mrs. COLLINS, Mr. HARTNETT, and Mr. MILLER of California.

H.J. Res. 500: Mr. STRATTON, Mr. COYNE, Mr. DREIER of California, Mr. CRANE, Mr. DEWINE, Mr. EMERSON, Mr. BURTON of Indiana, Mr. BLILEY, Mr. MCDADE, Mr. DIOGUARDI, Mr. FRENZEL, Mr. MICHEL, Mr. SILJANDER, Mr. DAUB, Mr. GEKAS, Mr. JACOBS, Mr. SOLOMON, Mr. BARNES, Mr. BERMAN, Mr. SYNAR, Mr. RAHALL, Mrs. KENNELLY, Mr. BONER of Tennessee, Mr. PEPPER, Mr. FRANK, Mr. ACKERMAN, Mr. MARKEY, Mr. STOKES, Mr. CHANDLER, Mr. BORSKI, Mr. THOMAS of California, Mr. CARR, Mr. DURBIN, Mr. DELAY, Mr. DIXON, Mr. ERDREICH, Mr. FAZIO, Mr. DARDEN, Mr. FOGLIETTA, Mr. HEFNER, Mr. MURPHY, Mr. NEAL, Mr. RODINO, Mr. SISISKY, Mr. KOLTER, Mr. ORTIZ, Mr. YOUNG of Alaska, Mr. HAMMERSCHMIDT, Mr. MOORE, Mr. TALLON and Mr. ST GERMAIN.

H.J. Res. 519: Mr. JACOBS, Mr. COBEY, Mr. BEDELL, Mr. RICHARDSON, Mr. TAUKE, Mr. WEISS, Mr. KRAMER, Ms. MIKULSKI, Mr. HOYER, Mr. MAVROULES, Mr. TORRICELLI, Mr. HOPKINS, Mr. HUBBARD, Mr. SUNIA, Mr. BLAZ, Mr. ATKINS, Mr. LEACH of Iowa, Mr. SMITH of Iowa, Mr. AUCOIN, Mr. BIAGGI, Mr. ROBERTS, Mr. PETRI, Mr. PACKARD, Mr. LEWIS of Florida, Mr. BARTON of Texas, Mr. OLIN, Mr. GRAY of Pennsylvania, Mr. STOKES, Mr. WATKINS, Mr. EMERSON, Mr. DANIEL, Mr. MCCAIN, Mr. SKELTON, Mr. GOODLING, Mr. DUNCAN, Mr. MCEWEN, Mr. FIELDS, Mr. FAUNTROY, Mr. ALEXANDER, Mr. ORTIZ, Mr. MOODY, Mr. ACKERMAN, Mr. KASICH, Mr. NEAL, Mr. YATRON, Mr. RUSSO, Mr. MCHUGH, Mr. EARLY, Mr. BATEMAN, Mr. CHAPPIE, Mr. MCDADE, Mr. LENT, Mr. YATES, Mr. SPRATT, Mr. SUNDQUIST, Mr. CARPER, Mr. SCHUMER, Mr. LOTT, Mr. COLEMAN of Texas, Mr. RODINO, Mr. FLIPPO, Mr. BONER of Tennessee, Mr. LIVINGSTON, Mr. ECKERT of New York, Mr. BEVILL, Mr. SKEEN, Mr. MINETA, Mr. ROE, Mr. WIRTH, Mr. BROWN of California, Mr. NELSON of Florida, Mr. MONSON, Mr. RINALDO, Mr. KANJORSKI, Mr. MADIGAN, Mr. WEBER, Mr. FRENZEL, Mr. GREGG, Mr. LELAND, Mr. DASCHLE, Mr. MCKERNAN, Mr. MANTON, Mr. PANETTA, Mrs. LLOYD, Mrs. BURTON of California, Ms. SNOWE, Mr. DWYER of New Jersey, Mr. HATCHER, Mr. HARTNETT, Mr. OBERSTAR, Mr. FORD of Michigan, Mr. DIXON, Mr. MRAZEK, Mr. PERKINS, Mr. ROSE, Mr. VANDER JAGT, Mr. CARNEY, Mr. WEAVER, Mr. ANDREWS, Mr. DERRICK, Mr. KILDEE, Mr. BERMAN, Mr. HAYES, Mr. ERDREICH, Mr. MURTHA, Mr. HEFTEL of Hawaii, Mr. STANGELAND, Mr. COYNE, Mr. VALENTINE, Mr. STUDDS, Mr. STUMP, Mr. JEFFORDS, Mr. LEVINE of California, Mrs. BOXER, Mr. BORSKI, Mr. MARKEY, Mr. SCHUETTE, Mr. PURSELL, and Mr. LANTOS.

H.J. Res. 526: Mr. BROYHILL, Mr. GREGG, Mr. NIELSON of Utah, Mr. SHUMWAY, Mr. JEFFORDS, Ms. KAPTUR, Mr. DERRICK, Mr. SAXTON, Mr. MCKINNEY, Mr. FROST, Mr. YOUNG of Florida, Mr. NOWAK, Mr. HUCKABY, Mr. COATS, Mr. SCHAEFER, Mr. MONSON, Mr. GEJDENSON, Mr. STOKES, Mr. STUMP, Mr. FRENZEL, Mr. WIRTH, Mrs. BOGGS, Mr. STUDDS, Mr. YATRON, Mr. MOLLOHAN, Mr. RALPH M. HALL, Ms. OAKAR, Mr. RUSSO, Mr. KASICH, Mr. SPRATT, Mr. MARTIN of New York, Mr. BADHAM, Mr. LOTT, Mr. MURTHA, Mr. PURSELL, Mr. LIVINGSTON, Mr. LEVIN of Michigan, Mrs. LONG, Mr. VOLKMER, and Mr. SOLOMON.

H.J. Res. 529: Ms. OAKAR, Mr. BURTON of Indiana, Mrs. BURTON of California, Mr. HUBBARD, Mr. JACOBS, Mr. ANDERSON, and Mr. DANNEMEYER.

H.J. Res 532: Mr. OWENS, Mr. VALENTINE, Mr. MARKEY, Mr. HUCKABY, Mr. PACKARD, Mr. HUTTO, Mr. HOYER, Mr. STOKES, Mr. CARNEY, Mr. SLAUGHTER, Mr. KASICH, Mr. TAUKE, Mr. PURSELL, Mr. BONER of Tennessee, Mr. MACK, Mr. LEHMAN of Florida, Mr. WYDEN, Mr. DANNEMEYER, Mr. BADHAM, and Mr. DUNCAN.

H.J. Res. 533: Mr. CHENEY, Mr. MCDADE, Mr. BIAGGI, Mr. HORTON, Mrs. BENTLEY, Mr. RINALDO, Mr. DYMALLY, Mr. JONES of North Carolina, Mrs. BURTON of California, Mr. RALPH M. HALL, Mr. RODINO, Ms. OAKAR, Mr. MANTON, Mr. MRAZEK, Mr. HOYER, Mr. PURSELL, Mr. SCHEUER, Mr. BRYANT, Mr. WORTLEY, Ms. SNOWE, Mr. DWYER of New Jersey, Mr. DAUB, Mr. LEHMAN of Florida, Mr. FAZIO, Mr. SKELTON, Mr. DANNEMEYER, Mr. RAHALL, Mr. SMITH of Florida, Mr. VALENTINE, Mr. NATCHER, and Mr. DORNAN of California.

H.J. Res. 539: Mr. TRAFICANT, Mr. SCHUETTE, Mr. KOLTER, Mr. DANNEMEYER, and Mr. MOORHEAD.

H.J. Res. 541: Mr. ECKART of Ohio, Mr. ROEMER, Mr. TAUKE, Mr. WEAVER, Mr. LANTOS, Mr. LELAND, Mr. COELHO, Mr. KOLTER, Mr. DYSON, Mr. ATKINS, and Mr. TORRICELLI.

H.J. Res. 542: Mr. AKAKA, Mr. ANNUNZIO, Mr. BARNARD, Mr. BROWN of California, Mr. CONYERS, Mr. DERRICK, Mr. DEWINE, Mr. ERDREICH, Mr. FLORIO, Mr. SPENCE, Mr. ROGERS, Mr. COLEMAN of Texas, Mr. KOLBE, Mr. MACKAY, Mr. SAVAGE, Mr. SAXTON, Mr. SHELBY, Mr. STRANG, Mr. SUNIA, Mr. CHANDLER, Mr. LOWERY of California, Mr. DAVIS, Mr. LEVIN of Michigan, Mr. GEKAS, Mr. GEPHARDT, Mr. HAMMERSCHMIDT, Mr. HANSEN, Mr. HEFNER, Mr. JACOBS, Mr. JENKINS, Mr. DICKINSON, Mr. DOWDY of Mississippi, Mr. COUGHLIN, Mr. WAXMAN, Mr. DIXON, Mr. BROOKS, Mr. MOLINARI, Mrs. BURTON of California, Mr. CAMPBELL, Mr. ANDERSON, Mr. WEISS, Mr. MACK, Mrs. KENNELLY, Mr. LUNGREN, Mr. MILLER of Washington, Mr. RINALDO, Mr. CHENEY, Mr. FUQUA, Mr. SOLOMON, Mr. FORD of Tennessee, Mr. HOYER, Mr. MCKINNEY, Mr. COYNE, Mrs. BOXER, Mr. SPRATT, Mr. DE LA GARZA, Mr. HATCHER, Mr. BLILEY, Mr. TALLON, Mr. TAUKE, Mr. TAYLOR, Mr. FOGLIETTA, Mr. SMITH of New Jersey, Mr. STUMP, Mr. TAUZIN, Ms. SNOWE, Mr. DENNY SMITH, Mr. WIRTH, Mr. SCHAEFER, Ms. OAKAR, Mr. DONNELLY, Mr. MOLLOHAN, Mr. FIELDS, Mr. MAZZOLI, and Mr. BROYHILL.

H.J. Res. 548: Mr. MONSON, Mr. STRATTON, Mr. DORNAN of California, Mr. COATS, Mr. RALPH M. HALL, Mr. LOTT, Mr. AKAKA, Mr. BRYANT, Mr. ARMEY, Mr. BARNES, Mr. FAUNTROY, Mr. PASHAYAN, and Mr. MICHEL.

H.J. Res. 553: Mr. DASCHLE, Mr. DORNAN of California, Mr. LEVINE of California, Mr. STRATTON, Mr. TORRES, and Mr. TORRICELLI.

H.J. Res. 554: Mr. ANDERSON, Mr. ANDREWS, Mr. ANTHONY, Mr. APPLEGATE, Mr. ARCHER, Mr. BARNES, Mr. BEDELL, Mr. BERMAN, Mr. BEVILL, Mr. BLAZ, Mr. BLILEY, Mr. BONIOR of Michigan, Mr. BORSKI, Mr. BOUCHER, Mrs. BOXER, Mr. BRYANT, Mrs. BURTON of California, Mr. BUSTAMANTE, Mr. CARNEY, Mr. CARR, Mr. CHAPPIE, Mr. COELHO, Mr. CONYERS, Mr. CROCKETT, Mr. COURTER, Mr. DANIEL, Mr. DANNEMEYER, Mr. DARDEN, Mr. DASCHLE, Mr. DAUB, Mr. DE LA GARZA, Mr. DE LUGO, Mr. DINGELL, Mr. DIXON, Mr. DOWDY of Mississippi Mr. DYMALLY, Mr. EARLY, Mr. ERDREICH, Mr. EVANS of Illinois, Mr. EVANS of Iowa, Mr. FASCELL, Mr. FAUNTROY, Mr. FAZIO, Mr. FEIGHAN, Mr. FLIPPO, Mr. FOGLIETTA, Mr. FUQUA, Mr. FUSTER, Mr. GALLO, Mr. GEJDENSON, Mr. GEKAS, Mr. GEPHARDT, Mr. GORDON, Mr. GRAY of Pennsylvania, Mr. GREEN, Mr. RALPH M. HALL, Mr. HALL of Ohio, Mr. HAMMERSCHMIDT, Mr. HANSEN, Mr. HAYES, Mr. HEFTEL of Hawaii, Mr. HENRY, Mrs. HOLT, Mr. HORTON, Mr. HOWARD, Mr. HOYER, Mr. HUGHES, Mr. HUTTO, Mr. JEFFORDS, Mr. JONES of North Carolina, Ms. KAPTUR, Mr. KASICH, Mrs. KENNELLY, Mr. KOLTER, Mr. LAGOMARSINO, Mr. LANTOS, Mr. LEHMAN of Florida, Mr. LELAND, Mr. LENT, Mr. LEVIN of Michigan, Mrs. LLOYD, Mr. LOWRY of Washington, Mr. LUJAN, Mr. LUKEN, Mr. LUNDINE, Mr. MCGRATH, Mr. MANTON, Mr. MARTIN of New York, Mr. MARTINEZ, Mr. MCDADE, Mr. MILLER of Washington, Mr. MINETA, Mr. MOAKLEY, Mr. MONTGOMERY, Mr. MRAZEK, Mr. NEAL, Mr. NELSON of Florida, Mr. NIELSON of Utah, Ms. OAKAR, Mr. ORTIZ, Mr. PERKINS, Mr. PORTER, Mr. PRICE, Mr. PURSELL, Mr. QUILLEN, Mr. RAHALL, Mr. RANGEL, Mr. RICHARDSON, Mr. RINALDO, Mr. RODINO, Mr. ROE, Mr. ROSE, Mr. ROYBAL, Mr. SABO, Mr. SAVAGE, Mr. SCHEUER, Mr. SCHUMER, Mr. SHARP, Mr. SHAW, Mr. SKELTON, Mr. SMITH of Florida, Mr. SMITH of Iowa, Mr. SNYDER, Mr. SOLARZ, Mr. STOKES, Mr. STUMP, Mr. TALLON, Mr. TAUKE, Mr. TOWNS, Mr. VALENTINE, Mr. VENTO, Mr. WALGREN, Mr. WAXMAN, Mr. WHITTAKER, Mr. WILSON, Mr. WOLF, Mr. WOLPE, Mr. WORTLEY, Mr. WRIGHT, Mr. WYDEN, Mr. YATES, Mr. YATRON, Mr. YOUNG of Alaska, Mr. YOUNG of Missouri, Mr. DELLUMS, and Mr. TRAXLER.

H.J. Res. 561: Mr. MURPHY, Mrs. LLOYD, Mr. PRICE, Ms. KAPTUR, Mr. SKELTON, Mr. CARPER, Mr. TRAXLER, Mr. BOUCHER, Mr. MACK, Mr. MINETA, Mr. MARTINEZ, Mr. MCKINNEY, Mr. ROWLAND of Connecticut, Mr. PEPPER, Mrs. BOXER, Mr. BROWN of California, Mr. EMERSON, Mr. SOLOMON, Mr. LEVIN of Michigan, Mr. MANTON, Mr. LUKEN, Mr. BIAGGI, Mr. TORRES, Mr. WOLPE, Mr. REID, Mr. DENNY SMITH. Mr. STALLINGS, Mr. DYSON, Mr. IRELAND, Mr. WAXMAN, Mr. LEHMAN of Florida, Mr. FRANK, Mr. SILJANDER, Mr. BOEHLERT, Mr. QUILLEN, Mr. ROSTENKOWSKI, Mrs. COLLINS, Mr. TORRICELLI, Mr. ROTH, Mr. ROEMER, Mr. HEFNER, Mr. BREAUX, Mr. DIOGUARDI, Mr. BROOKS, Mr. HALL of Ohio, Mr. MAVROULES, Mr. CARR, Mr. VOLKMER, Mr. NOWAK, Mr. SHAW, Mr. WHITTAKER, Mr. YATRON, Mr. FOWLER, Mr. SMITH of Iowa, and Mr. MOLINARI.

H.J. Res. 567: Mr. ACKERMAN, Mr. BUSTAMANTE, Mr. DORNAN of California, Mr. FISH, Mr. FROST, Mr. DE LA GARZA, Mr. LEVINE of California, Mrs. MEYERS of Kansas, Mr. NIELSON of Utah, Mr. REID, and Mr. WALGREN.

H.J. Res. 574: Mr. MCCAIN, Mr. SMITH of Florida, Mr. HEFNER, Mr. MORRISON of Connecticut, Mr. ROSE, Mr. WORTLEY, Mr. BONER of Tennessee, Mr. BEDELL, Mr. COLEMAN of Missouri, Mr. KASTENMEIER, Mr. WILSON, Mr. DANNEMEYER, Mr. BUSTAMANTE, Mr. COLEMAN of Texas, Mr. MONTGOMERY, Mr. IRELAND, Mr. GORDON, Mr. FISH, Mr. WISE, Mr. BROYHILL, Ms. OAKAR, Mr. FUSTER, Mr. DENNY SMITH, Mr. MCCURDY, Mr. RAHALL, Mr. DORGAN of North Dakota, Mr. MARTINEZ, Mr. MATSUI, Mr. FAZIO, Mr. YOUNG of Alaska, Ms. KAPTUR, Mr. SMITH of

New Hampshire, Mr. REID, Mr. MCDADE, Mr. WOLPE, Mr. BIAGGI, Mr. TORRICELLI, Mr. VOLKMER, and Mr. DE LA GARZA.

H. Con. Res. 26: Mr. MURPHY and Mr. Smith of New Hampshire.

H. Con. Res. 126: Mr. SHAW.

H. Con. Res. 294: Mr. RAHALL, Mr. FRANK, Mr. WORTLEY, Mr. LELAND, Mr. WEISS, Mr. LEVIN of Michigan, Mr. WHITEHURST, Mr. HAYES, Ms. KAPTUR, Mr. BARNES, and Mr. FAZIO.

H. Con. Res. 299: Mr. FUSTER, Mr. JONES of North Carolina, Mr. BURTON of Indiana, Mr. HEFNER, Mr. FRANK, and Mr. WORTLEY.

H. Con. Res. 307: Mr. BLILEY, Mr. FUSTER, Mr. JONES of North Carolina, Mr. HEFNER, Mr. MARTINEZ, Mr. FRANK, Mr. LELAND, and Mr. WORTLEY.

H. Res. 182: Mr. GONZALEZ, Mr. MURPHY, Mr. TAUZIN, Mr. VOLKMER, Mr. SMITH of Florida, Mr. MARTIN of New York, Mr. JONES of North Carolina, Mr. HUGHES, Mr. TALLON, Mr. SKELTON, Mr. PANETTA, Mr. BERMAN, Mr. MOLLOHAN, Mr. DE LA GARZA, Mr. BEVILL, Mr. ORTIZ, Mr. VENTO, Mr. ENGLISH, Mr. MATSUI, Mr. ROE, Mr. DINGELL, Mr. FROST, Mr. LOTT, Mr. TRAFICANT, Mr. BATEMAN, Mr. EMERSON, Mr. LAGOMARSINO, Mr. TRAXLER, Mr. ANDREWS, Mr. SAXTON, Mr. BURTON of Indiana, Mr. FAZIO, Mr. PARRIS, Mr. SOLOMON, Mr. DEWINE, Mr. LEVINE of California, Mr. ROWLAND of Georgia, Mr. WILSON, Mr. YOUNG of Florida, Mr. DYMALLY, and Mr. SHUMWAY.

H. Res. 219: Mr. SIKORSKI.

H. Res. 377: Mr. SYNAR, Mr. HENRY, and Mr. JACOBS.

H. Res. 383: Mr. SKEEN, Mr. SOLOMON, and Mr. CARNEY.

H. Res. 395: Mr. COYNE, Mr. RUSSO, Mr. MINETA, Mr. FAZIO, Mr. KOSTMAYER, Mr. WOLPE, and Mr. MARTINEZ.

H. Res. 404: Mr. BLILEY, Mr. LELAND, Mr. CALLAHAN, and Mr. MORRISON of Connecticut.

PETITIONS, ETC.

Under clause 1 of rule XXII,

298. The SPEAKER presented a petition of the Nevada Commission on Nuclear Projects, Carson City, Nevada, relative to high-level radioactive waste; which was referred to the Committee on Energy and Commerce.

SENATE—*Wednesday, April 9, 1986*

(Legislative day of Tuesday, April 8, 1986)

The Senate met at 9:30 a.m., on the expiration of the recess, and was called to order by the Honorable RUDY BOSCHWITZ, a Senator from the State of Minnesota.

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

Let us pray.

"The steps of a good man are ordered by the Lord, and he delighteth in his way."

Sovereign Lord, God of perfection in all virtue and infinite in perfection, we beseech You to grant to the Senate and all who labor here the riches of Your wisdom and guidance. Infuse this Chamber, every office, and the hearts and homes of every individual in this large Senate family, with Your justice, peace, and love. Transcendant Father, touch our lives individually and corporately in ways which will make us know it is Your touch and which will demonstrate Your immanence. Awaken us to the reality that You are God of the macrocosm and microcosm—You transcend the universe and a sparrow does not fall to the ground without Your knowledge. Lead us in ways that will provide the greatest good for the greatest number. In the name of Him Whose unconditional love covers all. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore [Mr. THURMOND].

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC., April 9, 1986.

TO THE SENATE: Under the provisions of Rule I, Section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable RUDY BOSCHWITZ, a Senator from the State of Minnesota, to perform the duties of the Chair.

STROM THURMOND,
President pro tempore.

Mr. BOSCHWITZ thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE ACTING MAJORITY LEADER

The ACTING PRESIDENT pro tempore. The acting majority leader is recognized.

SCHEDULE

Mr. EVANS. Mr. President, under the standing order, the two leaders will have 10 minutes each.

There are special orders in favor of the following Senators for not to exceed 5 minutes each: Senator HAWKINS—and I understand that Senator BOSCHWITZ will deliver her statement during her special order—Senator PROXMIRE, Senator DOMENICI, Senator CRANSTON, Senator METZENBAUM, Senator RIEGLE, and Senator HEFLIN.

Following the special orders just identified, there will be a period for the transaction of routine morning business not to extend beyond 10:30 a.m., with Senators permitted to speak therein for not more than 5 minutes each.

At 10:30 a.m., the Senate will resume consideration of the unfinished business, S. 1017, the regional airport bill.

The Senate will stand in recess between 12 noon and 2 p.m. today, in order for the minority party to meet in caucus.

At 2 p.m., under a previous unanimous consent, there will be 10 minutes of debate on S. 8, a bill to grant a Federal charter to Vietnam Veterans of America, to be followed by a vote on final passage. Following the vote, the Senate will resume consideration of S. 1017.

Therefore, rollcall votes will occur throughout the day on Wednesday.

CAMPAIGN COMMITTEE REPORTS DUE APRIL 15, 1986

Mr. DOLE. Mr. President, the mailing and filing date for the 1986 April Quarterly Report required by the Federal Election Campaign Act, as amended, is Tuesday, April 15, 1986. Principal campaign committees supporting Senate candidates in 1986 elections file their reports with the Senate Office of Public Records, 232 Hart Building, Washington, DC 20510.

The Public Records Office will be open from 9 a.m. until 9 p.m. on the filing date for the purpose of accepting these filings. In general reports will be available to the public 24 hours after receipt. For further information, please contact the Public Records Office at (202) 224-0322.

RECOGNITION OF THE MINORITY LEADER

The PRESIDING OFFICER (Mr. ANDREWS). Under the previous order, the minority leader is recognized.

Mr. BYRD. I thank the Chair.

SOWING THE SEEDS OF THE NEXT ENERGY CRISIS: U.S. ENERGY POLICY AND OIL PRICES IN FREE-FALL

Mr. BYRD. Mr. President, the salubrious short-term effects of the falling price of oil on the economies of the United States and our allies has been widerly applauded—and rightly so. World oil prices have fallen more than 50 percent in the last 6 months. Clearly, falling oil prices hold forth the prospect of lower energy prices, less inflation, and economic growth. Against the experience of the 1970's when the economies of industrial nations were buffeted by OPEC oil price shocks, and the massive transfer of wealth from oil consuming nations to producing nations, this is, indeed, a cause for celebration. On the other hand, falling oil prices may also have long-term consequences in terms of the Nation's energy future, the outlines of which can only be dimly perceived at this time. Indeed, as former Energy Secretary James Schlesinger recently noted, we may be "sowing the seeds of the next oil crisis."

Mr. President, in considering the rapid decline in oil prices, one must recognize the distinction between "disinflation" and "deflation." Disinflation is a decline, over time, in the consumer price index. This is certainly desirable for the economy, for it may lead to greater economic activity and economic growth. Economic growth means more jobs for Americans. Deflation, on the other hand, involves a general decline in the level of economic activity. Slower economic growth will mean less job creation, and may even bring an increase in unemployment.

It is probably too early to be able to determine whether the U.S. economy is confronting the prospects of disinflation or deflation. In the early stages of the oil price decline, it is clear that the American economy benefited, especially with lower inflation. However, there is evidence that the current free-fall of oil prices may be having a substantial deleterious impact. For example, dramatically falling oil prices have resulted in reduced domestic oil production. A recent article in the New York Times noted that the collapse in the price of oil has already had an impact on current and future domestic oil production. A number of major oil

companies have announced cutbacks in their exploration budgets totaling more than $1 billion. Similarly, the Wall Street Journal reports that, partly as a result of the falling oil prices, U.S. oil producers are beginning to close smaller-volume wells, with the result that U.S. domestic oil output has fallen about 30,000 barrels per day to slightly less than 9 million barrels per day. The wells being closed are primarily the so-called "stripper wells"—oil wells producing 10 barrels of oil per day or less—which account for 12 to 15 percent of domestic production. According to the Interstate Oil Compact Commission, if oil prices stabilize at $15 per barrel, 22.5 percent of the 450,000 U.S. stripper wells would be abandoned in 1986. The Commission estimates that in the first year this would amount to the loss of about 280,000 barrels per day of production, or about 3 percent of current domestic production.

The prospects of declining U.S. production as a result of the shutting of wells and declining oil exploration budgets may also be accompanied by an increase in oil consumption, and a decline in the use of coal, as electric utilities and industrial facilities find the use of oil to be cheaper than using coal or natural gas. For example, the Wall Street Journal recently reported that falling oil prices have led many domestic industries to consider switching for coal or natural gas to oil. Many industries have already made the switch, and coal-fired electric utilities in the Northeast are giving serious consideration to switching from coal to oil. If there is a strong movement away from coal to oil, this will have a negative impact on the already depressed domestic coal industry, which, in turn, will have a deleterious effect on the economies of coal-producing States such as West Virginia.

In short, at a time when there are changes taking place in the structure of the domestic oil industry, resulting in reduced current and future domestic oil production, there is a likelihood that domestic oil consumption may be increasing. We may be witnessing the beginnings of another severe imbalance in oil supply and demand which could, once again, lead us into the OPEC oil trap. Indeed, there is reason for concern regarding the Nation's energy security in the future. An article in Business Week magazine on the energy situation noted that the falling price of oil "has demolished the economics of new drilling and has hastened the dismantling of an elaborate energy-finding industry * * *." This, Mr. President, should be a matter of some concern, for while the laws of supply and demand determine the shape of the oil industry at any given time, they will not override the laws of geophysics which have determined the distribution of the world's oil resources, largely in favor of the Middle East.

In the current oil price environment, prices for refined products, such as gasoline, have also been falling, more so in some places than in others. This has been welcomed by consumers. But it has also produced dwindling profit margins for domestic refiners. As a result, the Wall Street Journal recently reported, U.S. refiners are selling refining capacity, and that capacity is being purchased by foreign oil producers in an effort to establish direct links to American consumers. For example, Venezuela has agreement to buy a half interest in Southland's Citgo unit which will give that Nation's oil producers access to retail outlets and a 320,000 barrel per day refinery in Lake Charles, LA. Kuwait and Abu Dhabi have indicated that they are prepared to purchase United States refineries. The result may be that oil exporting nations establish the basis for greater influence than ever before in U.S. energy markets.

According to the Journal story, foreign oil traders and oil producers could secure control over nearly 1 million barrels per day of U.S. refining capacity—about the same as Mobil oil, or Texaco, which could provide foreign oil producers the capability of squeezing American consumers in the future when oil supplies get tight again.

Mr. President, we have the luxury of basking in the economic glow of low oil prices. Since no one is sure how long such felicitous circumstances will continue, a prudent administration would consider this an opportunity to continue long-term investments which will enhance the Nation's energy security in the future. Unfortunately, year after year this administration proposes to do just the opposite. For example, in the administration's fiscal year 1987 budget request they propose an indefinite moratorium on further development of the Nation's strategic petroleum reserve, after the reserve reaches 500 million barrels, 250 million barrels less than the level required by law. Mr. President, oil prices are at the lowest level in years, yet this administration is willing to be pennywise and pound foolish.

In a triumph of ideology over vision, the administration has proposed a budget which is a plan for disinvestment in the Nation's energy future by withdrawing support for the development of alternative energy technologies, such as synthetic fuels from coal and oil shale, and through an ill-conceived scheme for the privatization of public assets. For example, the administration proposes to sell the naval petroleum reserve [NPR] for $3.6 billion, despite the fact that the Department of Energy estimates profits from the NPR during the period 1986-91 at $5.3 billion.

Mr. President, even if the Congress were to allow the administration to conduct such a sale, the proceeds would do little to address the massive Federal budget deficits. The budget deficit is a problem, Mr. President, because it places a demand for resources on the Nation's capital markets, one result of which is higher interest rates. Selling public assets, whether it be Conrail or the naval petroleum reserve, creates the same demand. To be sure, the Nation's capital markets will supply the $3.6 billion necessary to purchase the naval petroleum reserve. The only difference is that a private borrower will be seeking to finance its acquisition of the reserve, rather than the Federal Government seeking to finance the deficit.

In more general terms, the administration's fiscal year 1987 budget request for the Department of Energy represents a major shift in emphasis away from the Nation's energy security to atomic weapons. This massive shift in priorities occurs at the expense of other DOE energy research and development programs, the effect of which will be to eliminate the development of energy alternatives for the future. For example, the administration's request for DOE's coal research and development activities is only $82.2 million, a reduction of 66 percent from fiscal year 1986. Conservation programs are slashed 82 percent. In contrast, Mr. President, 80 percent of the DOE budget in fiscal year 1987 would be devoted to defense-related atomic weapons activities. To put this in perspective, consider the fact that defense-related atomic weapons programs accounted for 58 percent of the Department of Energy's budget in fiscal year 1985. In fiscal year 1986, that figure had climbed to 73 percent of the DOE budget. Based upon this trend, one may be legitimately concerned that the Department of Energy is rapidly being annexed by the Department of Defense.

Mr. President, I am as committed to maintaining a strong national defense as is anyone in this Chamber, or at the White House, or in the Defense Department. However, I do not believe that national security depends solely and exclusively upon massive expenditures for armaments. Let us not succumb to the illusion that a nation bristling with weapons is necessarily secure. America's security depends upon investments for the future we as a nation make in natural recources, research and development, education and human capital, transportation systems, and physical infrastructure. In the area of energy policy, shortsightedness in the guise of fiscal necessity is certainly no virture. Viewed in these terms, the administration's budget request falls far short of what the future demands.

Mr. President, I ask unanimous consent that articles on the energy situation from the Wall Street Journal, the New York Times, Business Week, and the Washington Post be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Wall Street Journal, Apr. 4, 1986]

FOREIGN OIL PRODUCERS BUY REFINERIES IN U.S. FOR STAKE IN MARKETING—OR THEY ACT THROUGH TRADERS IN THE DISTRESS-SALE DEALS, RAISING FEAR OF NEW CARTEL

ROLE OF HOLLAND'S JOHN DEUSS

(By Steve Frazier and James Tanner)

A year ago, Charter Co.'s Houston oil refinery was a prime candidate for the refinery graveyard. But when the plant went on the block in bankruptcy court a month ago, three of the world's shrewdest oil-trading firms surprised Charter by waging a bidding war over it. "The courtroom was a sea of lawyers and 'oilies.'" a Charter official recalls.

Philipp Brothers, the giant trading arm of New York's Phibro-Salomon Inc., opened with a $30 million bid. Coastal Corp., a Houston energy company noted for savvy trading, topped that by $500,000. A lawyer for trader Marc Rich, the tax-law fugitive living in Switzerland, upped the ante further. Finally, Philipp Brothers bid $45 million, clinching its second refinery purchase in less than a year.

The remarkable competition showed how a diverse group of oil operators are clamoring for a foothold in U.S. refining, even while major oil companies and others are still trying to get out. And when the dust settles, oil exporting nations from South America to the Mideast will have obtained greater influence than ever over the U.S. energy markets.

(Oil companies' profits on refining and marketing, which had held up well in the oil glut, have suddenly begun to sag. See story on page 2.)

THE TRADERS' ROLE

Locked in a pitched battle for market share, foreign crude-oil producers are snatching up refineries all over the U.S. establishing direct links to American consumers. And for foreign exporters of crude oil too shy or too poor to buy their own U.S. refineries, the next best thing is cutting a deal with a friendly oil trader whose newly purchased refinery can process their crude. This helps explain the interest of U.S. trading firms such as Philipp Brothers and Coastal Corp. in acquiring refineries here. The traders also benefit by having captive refineries available for the imported oil that is their stock in trade.

For now, U.S. oil companies are delighted to unload their unwanted oil refineries. And consumers are too busy celebrating the drop in gasoline prices to worry about the future. But some energy experts say the involvement of foreign producers in the U.S. refinery business gives them more chances to squeeze consumers during oil shortages.

Taken together, the deals and expansion plans announced so far will give the traders and foreign oil producers control over nearly a million barrels a day of refining capacity—about the same as Mobil Oil Corp. or Texaco Inc., and not far behind Exxon.

"This crisis environment of falling crude prices may accelerate the trend," says John P. Venners, president of a Washington, D.C., firm that is offering stakes in U.S. refiners to foreign investors. As prices for oil—and for refineries—scrape bottom, "the foreign producers are going to take advantage of a window that may not be open later," he adds.

USE OF SHELL COMPANIES

Some of the shoppers have tried to hide behind shell companies. The elusive Mr. Rich, who faces arrest if he returns to the U.S., bid for the Charter refinery through a recently established company he controls (and he continues to seek a U.S. refinery). Other buyers range from Venezuela, which has agreed to buy 50% of Citgo Petroleum Corp., to Dutchman John Deuss, the secretive supplier of oil to South Africa who has a plan to become the largest refiner on the East Coast by 1990.

According to industry officials and consultants, Kuwait, Abu Dhabi and other Mideast oil exporters are ready to buy U.S. refineries. Most recent or prospective buyers want service stations, too, to extend their reach into the marketplace.

Oil exporters hope that by buying so-called downstream assets—or by helping traders set up business through favorable crude-supply contracts—they can regain through the end markets some of the control over prices that they have lost at the wellhead. "The OPEC of 1995 will certainly be different from today," says Rene Ortiz, the former secretary general of the Organization of Petroleum Exporting Countries. "Several national oil companies will become true new transnational oil companies."

THE HAZARDS INVOLVED

In doing so, they will follow the historic precedent of the major U.S. oil companies, which in the past built gas stations on every corner, mainly as a place to push refined products. "We're doing what the major oil companies did years ago," says Carlos Castillo, a Venezuelan oil executive. "In essence, we're going back to an integrated, international industry."

By happily consigning to others their refinery "cracking" towers, tank farms and other such properties, U.S. oil companies could be setting themselves up for more competition than they bargain for, some experts warn. Through closer ties to U.S. refineries, foreign oil exporters can unload their crude oil directly into the world's biggest oil market—and never even reveal the actual sales price of the crude. And despite the recent flurry of buyer interest in refineries, the complex processing plants still sell for as little as a tenth of their original cost, giving new entrants a huge competitive advantage over established refiners.

Foreign oil producers may also wish to subsidize their U.S. refining operations to enhance their ability to push more crude to the U.S.

Peter Killen, a refinery consultant in Houston, recalls the succinct explanation offered by one representative of a foreign crude-oil supplier negotiating to buy a U.S. refinery: "We aren't worried about 50 cents or $1 a barrel refinery margins either way," the foreign buyer said. "Our concern is to move X barrels of crude oil at whatever price, as opposed to not moving oil at all."

Such talk frightens some independent refiners, who measure profits and losses in pennies per barrel. "If they don't care about a dollar a barrel (refinery margins), they will murder the independents and play hell with the majors," contends George Jandacek, president of Crown Central Petroleum Corp.

Mr. Jandacek leads a coalition of independent refiners lobbying for barriers against another form of foreign competition: oil products refined in huge new Mideast plants and exported to the U.S. If crude exporters also obtain closer links to U.S. refineries, he maintains, "it's the same as having an export refinery located on our shores."

The independent refiners contend that subsidized foreign competition has helped to wipe out an estimated 20% of U.S. refining capacity in recent years, limiting the nation's ability to convert oil into gasoline, jet fuel and other critical materials during any emergency.

"Whether you close a refinery or turn it over to a foreign entity means the same." asserts Ray F. Bragg Jr., an official of a refiners' trade group. And if the upstart refinery owners suffer political instability or crude-oil production problems at home, "we could have pocket shortages in the U.S.," says Charles K. Ebinger, director of energy studies at the Georgetown University Center for Strategic and International Studies.

But others contend that such fears are exaggerated. For starters, some experts argue that it is better to find foreign owners for domestic refineries than to let them go out of business. And industry executives say existing foreign-controlled oil companies such as Shell Oil Co. (owned by Royal Dutch Shell) and Standard Oil Co. (controlled by British Petroleum) behave pretty much like any other oil company. Competition is too great, major oil companies say, for any group of refiners to get too far out of line.

And for their part, the new owners of U.S. refineries say all they really want is home for crude oiland a reasonable return on their refining investment. "I really can't conceive of any U.S. 'cartel' of foreign refiners," says Edward McMahon, a former Shell veteran now working for Mr. Deuss's growing refining company. "All somebody has to do is go out into the marketplace and see how companies fight it out," he adds.

CONTROVERSIAL DUTCHMAN

Mr. Deuss, a 43-year-old former used-car salesman described as a financial wizard by acquaintances, is one of the more intriguing new players in the U.S. refining business. After failing in an effort to buy a Gulf refinery in Louisiana, he succeeded last year in acquiring Arco's 125,000-barrel-a-day Philadelphia refinery and 600 Northeastern service stations for $192 million.

Little known in the U.S., Mr. Deuss is one of the world's largest oil traders and a controversial figure at home in the Netherlands. Anti-apartheid activitsts there sharply criticize his trading company's role in circumventing the world-wide boycott of oil sales to South Africa; last year, a group calling itself "Pyromaniacs Against Apartheid" took responsibility for firebombing his Dutch villa.

Traders and oil executives say Mr. Deuss was among the first traders to recognize the potential for buying into the refining business. The oil glut has reduced the need for traders who had obtained oil supplies and reaped huge profits on them when supplies were tight. But the glut has simultaneously increased the urgency for oil exporters to find a home for their production, giving shrewd traders a new role.

Mr. Deuss's well-established trading ties to Mideast producers, especially Oman, have stirred continuing speculation that he was representing their interests in the Arco

deal, which his representatives and Omani sources deny. Mr. Deuss could probably have afforded to buy the refinery himself, but other refiners say that his connections to favorably priced crude is more important than who paid for the real estate. One of the first visitors to the refinery after it changed hands was Mana Saeed al Otaibi, oil minister of the United Arab Emirates. He told Mr. Deuss during a brief public appearance that "the oil supply which you have from the other side of the world should improve the economics of the refinery."

PLANS FOR AN EMPIRE

Mr. Deuss's prospects are bright enough that he has laid plans to build his empire to 500,000 barrels a day of refinery capacity, more than anyone else operates on the East Coast. He was a losing bidder for the former Gulf stations in the Northeast sold by Chevron Crop. to a convenience-store chain; he and Kuwait also bid on the former Gulf refinery in Philadelphia, which Chevron still hasn't sold.

Meanwhile, his Atlantic Refining & Marketing Corp. is working to reopen a mothballed section of the former Arco refinery to allow increased gasoline production. And Atlantic is busy shopping for new service stations and trying to sign up wholesale distributors on the East Coast, says Mr. McMahon, who is Atlantic's executive vice president. "Market ownership is very important," he adds. "I don't think anybody would just buy a refinery today without knowing what's going to happen to the product."

Phibro, on the other hand, doesn't feel the need to assemble a network of service stations to back up its newly purchased 180,000 barrels of daily refining capacity. For one thing, the adroit trading firm reckons that it can deal away refined products every bit as expertly as it trades crude oil.

"I can't say that in 10 or 20 years we will still be a refining company, but we will be a trading company," says Thomas O'Malley, the head of Phibro's energy division. "We're doing this on an opportunistic basis." Refineries are cheap, he explains, and the spreading popularity of crude-oil "netback" arrangements—which tie the refiner's crude-oil cost to the price at which he eventually sells his products—eliminates much of the risk in running a refinery.

BENEFITS OF REFINERIES

But to obtain a netback deal, a trader first has to own a refinery. "Countries like to sell to refiners," says Mr. O'Malley. "The addition of these two refineries to our company has already made us a much more acceptable partner for producing countries."

Traders who don't move quickly could find themselves shut out by oil exporters who beat them to the punch. Kuwait, which already owns extensive marketing properties in Europe, bid on a former Gulf Oil refinery in Louisiana and on the Philadelphia Gulf refinery that Mr. Deuss covets. Industry sources say Abu Dhabi has assembled a $400 million war chest to enter the U.S. refining business, while Oman has been studying similar moves. Pakistani investors, said to be financed by Persian Gulf producers, are shopping for U.S. refineries on the East and Gulf coasts.

To some extent, foreign producers are simply dusting off long-range strategies they shelved during the oil-short 1970s. Before the Arab oil embargo of 1973, Saudi Arabia's oil minister, Sheik Ahmed Zaki Yamani, offered to become America's oil "partner" by supplying the U.S. with all the oil it needed in exchange for permission to buy into U.S. refinery and marketing networks. The Saudi government never put the plan into action, choosing instead to build huge export refineries and eventually to arrange netback crude sales to existing refiners.

However, individual Saudis have invested in U.S. refineries, and industry sources say Petromin, the national oil company, has explored the possible purchase of an idle Caribbean refinery.

VENEZUELA'S PUSH

The most active foreign-government investor so far is Venezuela, which could prove to be a model for other oil exporters. Venezuelan officials say that while they will continue upgrading their refineries at home, any additional capacity will be acquired in energy-consuming nations. Venezuela's agreement to buy a half interest in Southland's Citgo unit, for example, gives it access to retail outlets and a 320,000-barrel-a-day refinery in Lake Charles, La., that is well suited to handling Venezuela's heavy crude.

Venezuela also has agreed to purchase half of Steuart Petroleum Corp. in Washington, D.C., a fuel oil distributor and service-station operator. And the South American exporter has leased a large former Shell refinery in Curacao. Its negotiators also approached Ashland Oil Co. prior to the takeover attempt of Ashland by the Belzberg family of Canada, Ashland says.

Despite all the activity, the Venezuelans say the domestic industry has little to fear from their entry. They have pledged to continue oil sales to unaffiliated refiners on the same basis as they sell to their own. "We'll go first for deals that will stand on their feet in a free competitive market," says Mr. Castillo, who heads one of Venezuela's national oil operating companies.

It is understood that as intensely as Venezuela competes with Mexico on a commercial level, on a ministerial level it has encouraged its troubled Latin neighbor to establish its own presence in the U.S. refining market. The Mexicans already own a share of a Spanish refinery, but financial problems may leave Mexico with only a low price as a selling tool for crude.

"The blows to the Mexican economy would make it a little difficult," says Lee Solomon of Dallas, a consultant to refinery purchasers. "But it makes so much sense for them they really ought to think about it."

[From the Wall Street Journal, Mar. 13, 1986]

FUEL OIL USE SURGES AS FIRMS ABANDON GAS

FALLING PRICES PROMPT SWITCHOVERS BY INDUSTRIES

(By Bill Paul and Frederick Rose)

Fuel oil consumption is starting to surge as plunging oil prices cause many industrial firms, utilities and commercial concerns to switch from natural gas.

The switch to oil, which still is gathering momentum, will mean lower costs for industry and utility customers in coming months. But it also will boost oil consumption and revive U.S. dependence on petroleum imports. For gas producers, pipeline operators and distributors—already suffering from earlier gas price declines—the switch to oil is bad news.

Residential electricity users stand to benefit as utilities pass along fuel savings. But some residential gas customers could pay higher prices if utilities slash industrial gas prices to keep their big customers.

'WAVE OF SWITCHOVERS'

Nonetheless, many predict gas producers won't be able to stem the move to oil. "We're on the leading edge of a wave of switchovers," says Marc Goldsmith, president of Energy Research Group, a Waltham, Mass., consulting firm. Adds John Anderson, executive director of the Electricity Consumers Resource Council, a trade group for many of the nation's largest industrial energy users: "There's going to be a dramatic increase in oil use by industrial firms."

It's estimated that about 10% of the nation's electric generating capacity can be fired either by oil or gas, meaning that demand for vast amounts of energy can swing quickly between the two fuels.

Both Mr. Goldsmith and Michael Smolinski, director of Data Resources Inc.'s world oil service, estimate that switchovers could increase domestic oil consumption by as many as 500,000 barrels a day within the next few weeks—a 3% gain over current daily U.S. consumption of about 16 million barrels. Mr. Smolinski, however, expects that figure to fluctuate weekly as oil and gas producers jockey for market share. He expects fuel oil's net gain to be closer to 100,000 barrels a day.

BIG COMPANIES CONVERT

Whoever is right, many switchovers are occurring, with more in the offing. Bethlehem Steel Corp. now uses fuel oil to meet 10% of its energy needs, compared with only 2% a few months ago. General Motors Corp. has switched to oil from gas to run one of its assembly plant's boilers, and says it may switch as many as 40 other plants as fuel oil prices ride downward with crude oil prices.

Ronald Slinn, a vice president of the American Pulp and Paper Institute, says, "We've had reports from member companies that they are indeed looking at switching back to oil because it makes economic sense." San Diego Gas & Electric Co. "pounced" over to oil from natural gas last month because of falling oil prices, says Mike Niggli, director of fuel and power contracts for the utility. The company is burning oil at the rate of about half a million barrels a month.

Meanwhile, in Miami, Florida Power & Light Co. has significantly increased the amount of electricity it produces from oil, though the utility hasn't cut back on gas purchases. Rather, Florida Power & Light has curtailed purchases of electricity from Atlanta-based Southern Co.

In New York, Consolidated Edison Co. hasn't yet switched, but only because it has used the threat of switching to extract price concessions from its gas suppliers. A Con Ed spokesman says a switch is always possible given that, "It's nip and tuck" between oil and gas prices.

CONCESSIONS ON GAS PRICES

Indeed, how much fuel oil consumption rises in coming weeks will depend partly on how much profit gas producers and pipelines are willing to sacrifice to keep market shares. For example, Bethlehem Steel recently decided not to switch at a Chicago-area plant after it obtained price concessions from its gas supplier.

Still, Gerhard Stein, GM's energy section director, says he doesn't think gas producers will be willing to go much below $1.50 a thousand cubic feet, compared with about $1.90 currently. He said he expects fuel oil prices to drop to 45 cents a gallon or less,

making oil a more attractive buy than $1.50 gas. (In some parts of the Midwest, fuel oil already is selling below 45 cents a gallon.)

James L. Ketelsen, chairman of Tenneco Inc., a Houston-based gas pipeline and energy producer, sees customers for about 10 percent of the gas market switching to oil, with the process "only beginning."

Some companies and utility ratepayers stand to profit handsomely. Mr. Slinn of the Pulp and Paper Institute says that if crude oil prices settle at around $17 a barrel—they're now at about $14, compared with $27 a barrel last fall—switchovers will enable several hundred pulp and paperboard firms to reap a total annual energy savings of about $750 million.

SAVINGS FOR ELECTRIC CUSTOMERS

Mr. Goldsmith, meanwhile, estimates that an average monthly residential electric bill should show a $2 to $3 drop wherever an electric utility can, after switchovers, generate 20 percent to 30 percent of its power from oil.

For consumers whose utilities are already heavily dependent on oil, the savings could be a lot more. Long Island Lighting Co., for example, expects "really dramatic reductions" in March bills as the utility passes along savings from lower fuel oil prices.

Savings should also accrue to customers of electric utilities whose plants are powered by gas where those utilities and their gas suppliers decide to meet the fuel oil price challenge. For instance, Southern California Gas Co., a unit of Pacific Lighting Corp., has cut the price it charges electric utilities by 25 percent in the last two months. Yet despite that 25 percent reduction, Southern California Gas acknowledges having lost about 10 percent of its utility and industrial customers to oil, so the company is considering an additional 20 percent rate reduction.

For smaller gas customers, however, rates could go up as gas utilities try to recoup the erosion of industrial revenues. "It's not beyond the realm of possibility," says John Sproul, executive vice president fuels and gas resources development at Pacific Gas & Electric Co.

Pacific Lighting's Southern California Gas unit, for instance, is proposing to chop the price it sells gas to utilities by 60 percent. The company says that the profit it can't recoup by lower prices from its suppliers must come from higher residential and commercial bills. It says it is studying the possibility of filing a residential rate increase request.

Meanwhile, industry experts say that increased fuel oil consumption is yet another sign that the U.S. may soon become more dependent on imported oil. Currently, for example, gasoline consumption is forecast to rise modestly during the spring and summer, while domestic crude oil production is expected to fall sharply.

While most energy experts say a switch back to gas from oil could happen quickly, Tenneco's Mr. Ketelsen says that, in his opinion, Saudi Arabia still basically controls world oil prices, and that so long as Saudi production holds at about 4.5 million barrels a day, the price of oil is likely to stabilize at $10 to $12 a barrel. Industrial users aren't likely to switch back to gas if oil prices remain below $18 a barrel, Mr. Ketelsen says.

[From the New York Times, Mar. 13, 1986]

DROP IN OIL PRICES IS RAISING FEARS OF NEW U.S. RELIANCE ON IMPORTS

(By Robert D. Hershey Jr.)

WASHINGTON, March 12.—Tumbling oil prices, which have made economists euphoric and brought glee to investors and motorists, are also raising fears that the nation may again allow itself to become dangerously dependent on foreign supplies.

Some analysts maintain that low prices will cause a sharp falloff in American production and a rise in consumption, a combination that could double reliance on imports by 1990 and risk a renewal of the disruptions of the 1970's.

"The United States is now in the process of creating a substantially increased oil dependency for the 1990's," James R. Schlesinger, a former Defense and Energy Secretary, said. "We are sowing the seeds of the next oil crisis." Mr. Schlesinger is to testify in the Senate Friday on the oil outlook.

DANGER OF 'COMPLACENCY'

His fear is shared by many, including oil industry executives, some politicians and outside analysts, such as Charles K. Ebinger of Georgetown University's Center for Strategic and International Studies.

"I'm worried about what's happening," Mr. Ebinger said. "There is a danger we will lull ourselves into complacency."

This winter's price collapse has already taken a toll on the nation's current and future oil production. Several large companies have announced cutbacks totaling more than $1 billion in their budgets for exploration, the number of drilling rigs in operation has fallen 40 percent below the 1985 level and hundreds of additional low-volume "stripper" wells have been plugged. The rig count is 75 percent below the peak in 1981.

The initial effects on consumption are not yet clear, but use of refined oil products last month was about 1 percent higher than in February 1985. Use is certain to rise further in light of price cuts that have dragged the pump price of regular gasoline below 90 cents a gallon at many stations in Los Angeles and below 80 cents in Denver.

Some utilities, moreover, are said to be considering shutting coal-fired electric generating plants and replacing this capacity with mothballed oil-fired plants. Even if disinclined to switch, specialists say, some companies could be forced to do so under state laws requiring that power be generated in the least expensive way.

So far, the Reagan Administration has stressed only the undoubted benefits of lower oil prices, particularly the spur to economic growth and the dampening of inflation. It has also noted that the nation's Strategic Petroleum Reserve will soon contain 500 million barrels of crude oil, enough to replace all imports for about four months at current consumption rates.

But a large number of analysts point to what they say is the danger that the United States will again make itself vulnerable to a supply disruption such as the Arab embargo of 1973-74, in which a shortfall of only 5 percent brought nightmarish gasoline lines and other forms of rationing.

"I'm not predicting that third world countries will be holding us up again, but the possibility exists," declared Alan R. Buckwalter, a senior vice president of Chemical Bank and head of its worldwide energy group.

Some analysts take comfort in the realization that the United States has not only cut its dependence on imports to just under 30 percent, from the 1977 peak of 46 percent, but has also shifted the source of the bulk of the imports to countries in the Western Hemisphere.

Oil obtained from Arab members of the Organization of Petroleum Exporting Countries has plummeted to about half a million barrels a day, 85 percent less than a decade ago.

Nonetheless, nations of the politically unstable Middle East still hold 75 percent of the world's total reserves. Moreover, nearly all of the non-Arab suppliers are already producing oil at close to their maximum levels, leaving the Middle East as the only important source of additional imports.¡

The biggest American suppliers in December, the latest month for which data are available, were Canada, Mexico, Saudi Arabia, Venezuela and Nigeria, according to Platt's Oilgram News. Saudi Arabia, once the perennial No. 1, dropped out of the top 10 for half of 1985 but has climbed back almost to second place.

"You can be sure that insulation won't be taken out, new more energy-efficient equipment won't be replaced and the mileage per gallon on all the new cars will still be greater than that of the old cars," he added.

Nonetheless, most experts expect consumption to rise somewhat, particularly if, as expected, the price declines cause the economy to expand more rapidly.

Although several proposals, all involving the Government, have been advanced to reduce the risk of renewed vulnerability in oil, most have slim chances of adoption. President Reagan, after ruling out an import fee on oil and then expressing his willingness to reconsider, now says he cannot accept such a fee.

A gasoline tax imposed at the pump, on the other hand, would be fought by Western states, where driving distances are great and, in any event, would probably have little near-term effect on consumption.

Although the Reagan Administration proposes for budgetary reasons to stop filling the Strategic Petroleum Reserve, there are indications that the Government may be persuaded to add to this stockpile. The main impetus could be desire to aid Mexico, a major casualty of the price fall and a country with nearly $100 billion of foreign debt.

A production drop in the United States—and some analysts are predicting that current prices will cut output by one million barrels a day, or 11 percent, within a year—probably means a comparable rise in demand for OPEC's oil. Increases in consumption would make the gap even larger.

"You're strengthening the position of the countries that have most of the world's reserves—and that's OPEC," asserted Leonard G. Bower, director of policy analysis for the American Petroleum Institute, a trade association.

And with the price declines, Mr. Bower added, "you have to say that as early as 1990" the United States could make itself susceptible again to OPEC's pricing pressures.

Oil prices on trading markets have begun to rise in recent days, but many analysts expect the price of oil to remain depressed for at least a year or two. As a result, United States production has already begun to fall as marginally economic wells, particularly "stripper" wells producing fewer than 10 barrels a day, are abandoned. The returns do not justify the labor costs, taxes and royalty payments incurred for such small wells.

The Interstate Oil Compact Commission estimates that oil at $15 a barrel will cause

22.5 percent of the 450,000 American strippers to be abandoned with a loss of output in the first year of 280,000 barrels a day—3 percent of the nation's production.

"Once plugged and abandoned, these wells will not be redrilled," said W. Timothy Dowd, executive director of the commission."

Earlier price declines were probably the most important factor in causing the United States to retreat from its once ambitious attempt to establish a synthetic fuels industry. The five-year-old Synthetic Fuels Corporation, chartered by the Government to spur the development of alternative fuels, is to formally disappear next month.

There is considerable debate over what effect lower prices will have on consumption. Motorists may buy more big cars, for example, but many analysts remain fairly optimistic that the "conservation ethic" of the last decade will not be lost.

"To be sure, there will be some setting of thermostats higher, some expansion in the market for larger cars and some increase in miles driven per vehicle, but this will be more than offset by the conservation in place," Bruce C. Netschert of National Economic Research Associates, a consulting firm, told Congress last week.

[From the Wall Street Journal, Mar. 5, 1986]

U.S. OIL OUTPUT DECLINE IS SEEN FOR 1986 AS COLLAPSE IN PRICES BATTERS PRODUCERS

(By James Tanner)

U.S oil production, drubbed by falling prices, is expected to decline this year for the first time since 1981, portending a greater dependence on imported oil.

The impact of U.S. production cuts is hardly noticeable at the moment and is partly obscured by seasonal and possibly statistical factors. But U.S. oil producers are beginning to close smaller-volume wells. And current total crude oil output in the U.S., at slightly under nine million barrels a day, is down some 30,000 barrels a day in the past three weeks.

The free-fall in the price of oil since January is to blame. Oil producers, industry executives and analysts agree that the U.S. production decline will accelerate in the months ahead unless oil prices rebound sharply, which isn't expected. Currently, posted prices paid to U.S. oil producers by refiners range between $14 and $21 a barrel. The average is $17 to $18 a barrel—down from $20 only two weeks ago—and is dropping at a rate of about $1 a week.

Yesterday, crude oil futures dipped below $12 a barrel on the New York Mercantile Exchange. On the spot market, prices for West Texas Intermediate, a key U.S. crude, fell 25 cents a barrel to $12.

Because of that price climate, said Lloyd Unsell, president of the Independent Petroleum Association of America, "We will see a marked decline in production by the U.S. oil industry in six months." Some estimates put the decline in a year's time at more than one million barrels a day, or 12% of current production.

LONG-RANGE IMPLICATIONS

This holds long-range implications for the U.S. Oil imports—currently about five million barrels a day and a major factor in the nation's trade deficit—will increase even if petroleum demand remains sluggish. But oil consumption, currently around 16 million barrels a day, is also expected to increase as prices come down. In some areas of the U.S., residual fuel oil already is beginning to recapture some industrial customers that had been lost to natural gas.

Oil prices could begin going up again soon, of course. But some industry observers suggest prices may fall below $10 a barrel before recovering. Even at current prices, companies are sharply cutting exploration budgets.

For example, Texaco Inc. said Monday that declining oil revenue will force it to slash this year's capital spending almost 11%, or $300 million. Texaco said it expects to make further cuts at a later date. Conoco Inc. is reducing planned 1986 spending for oil and gas exploration and production by $300 million. Cuts of 20% to 30% or more in capital and exploration spending have already been made by Atlantic Richfield Co., Phillips Petroleum Co., Amoco Corp. and Unocal Corp. These cuts will have more of an impact on future than on current production.

DRILLING CUTBACKS

Meanwhile, U.S. drilling rig activity, according to the Hughes Tool Co. weekly count, is down to 1,248 active units from 1,915 at the start of the year. The latest figure is the lowest U.S. rig activity level since September 1983.

Leonard Moore, an oil driller of Evansville, Ind., said he doesn't plan to use any drilling rigs this year. "We have everything on hold," said Mr. Moore, who drilled 25 wells last year. He is still pumping all 200 wells he operates in Illinois, Indiana and Kentucky. But at the new price of $15 a barrel posted yesterday for his crude, down from $19, Mr. Moore said he expects "to lose about 25% of the wells" in four to six months.

In Jackson, Miss., Wyatt E. Craft said he ceased pumping two of his 18 wells when the price he receives for the oil dropped to $13.45 a barrel the other day. Four more will be closed, he said, "if the price doesn't stabilize at $15." An oil man for 30 years, Mr. Craft said his income is down 75% since the start of the year and "I am looking for another business to get into."

So-called independent operators aren't the only ones reducing production because of the oil price crash. Phillips Petroleum Co. has had a policy for a month that any of its wells in the Permian Basin of West Texas producing two barrels a day or less will be closed when maintenance becomes necessary. Since the policy went into effect a month ago, Phillips has closed 35 wells.

[From Business Week, Feb. 10, 1986]

CASUALTIES START TO PILE UP IN THE OIL PATCH

James M. Nicklos heaves a sigh: "I thought someday my 11-year-old son would be in business with me. Now he talks about being a doctor." In the oil-boom years of the late 1970s, the Houston family rigs each earned as much as $12,000 a day. But by last fall only three rigs were operating—and at just $4,000 a day. Some $45 milion in debt and weary of battling the banks for the last three years, Nicklos finally pulled the plug on the company his grandfather founded 51 years ago. He filed for bankruptcy and in December sold his remaining reserves to Entex Inc., the big Houston gas utility, for about $7.5 million.

Nicklos Oil & Gas Co. is not the first casualty in the oil patch—nor will it be the last. The rest of the world may be cheering, but the recent break in oil prices is reverberating like a death rattle throughout major segments of the industry. The price drop has demolished the economics of new drilling and hastened the dismantling of an elaborate energy-finding industry hurriedly assembled in the 1970s—and leveraged to the hilt. As far as most oilmen are concerned, all this will mean a replay of the 1970s oil shock sometime in the 1990s.

Already, one of the premiere oil-field service giants has fallen. Global Marine Inc., which borrowed heavily at the peak of the market to expand its offshore drilling fleet, filed for Chapter 11 on Jan. 27. "We stayed alive 'til '85," quipped its ashen-faced chairman, C. Russell Luigs, when he made the announcement. "But now it's 1986." The company, which owns the nation's largest fleet of deep-water rigs, had a 1985 loss of $220 million and was carrying $1.1 billion in long-term debt.

MASSIVE CLOUT

For the major oil companies, the price drop will be painful but not fatal. Salomon Bros. analyst Paul D. Mlotok figures a decline from $25 to $20 per bbl. means a 30% earnings dip on average for the six largest international oil companies. The earnings drop will be much greater for such debt-heavy majors as Phillips, Texaco, and Unocal. But their still-sizable cash flows, sales of some remaining assets, and cuts in exploration spending could protect even their dividends.

On the plus side, "downstream" profits in refining and marketing should improve. Most refining analysts expect the prices of gasoline, fuel oil, and other refined products to drop much more slowly than crude costs because of massive refinery cutbacks in recent years and a general shortage of capacity for high-octane unleaded gas. That would benefit the majors most, since they are all net buyers of imported crude.

The consolidation of the U.S. oil industry that began in the 1980s will continue, as the majors use their massive financial clout to pick up bargain-price reserves from debt-strapped independents. Last year, Exxon, Shell, and Amoco each bought some $600 million worth of existing U.S. oil and gas reserves, and analyst Thomas A. Petrie of First Boston Corp. expects their buying to reach $1 billion this year. Houston investment banker William E. Strevig says that in the fourth quarter, reserve sales hit a record $4 billion—despite a steady fall in the acquisition price of oil in the ground to about $6 a bbl. from a 1982 peak of $12. As bank lenders tighten the screws on insolvent independents, more—and better—properties are coming on the market, says Strevig.

All this could well accelerate a trend that began in 1984 when the 10 largest companies increased their share of U.S. oil and gas reserves for the first time in a decade. By the end of last year these companies had 50% of domestic reserves, up from just 43% in 1983.

As the big get bigger, of course, the small will disappear. David W. Wilson, president of the Independent Petroleum Association of Mountain States, which represents 1,500 independent drillers, says the industry could undergo a washout like that of the 1960s—when half the independents were wiped out. Already, they're bracing for the worst. "Many of them won't even answer the phone," says Wilson. "They're afraid it's their bankers." Jaye F. Dyer, president of Minneapolis-based Dyco Petroleum Corp., seconds that view. "It's grim," he moans. "People are giving up." Dyco, which recently merged with Diversified Energies Inc., has cut its exploration and begun buying ex-

isting reserves. Last year it bought the producing properties of Bracken Exploration Co., which sold off nearly everything to pay its debt. "There wasn't enough left to have a decent party," says Dyer, who picked up 10 free drilling rigs in the deal.

All this is bad news for local banks, which are already hurting from lower real estate values—partly caused by falling oil prices—and shaky agricultural loans. "For Texas banks, it will take a minimum of two to three years to work out of these problems," says James J. McDermott of bank analysts Keefe, Bruyette & Woods Inc. BancTexas Group, for one, has hired an investment banker and is looking for buyers. But, says Frank W. Anderson, as analyst at Weber, Hall, Sale & Associates in Dallas, "I don't see any evidence of bank failures."

WIPED OUT

But the decimation in the oil patch even extends to debt-free independents. Sunny South Oil & Gas Inc. in Houston, for example, is cashing out. It once had 100 employees and $120 million a year in revenues. But Sunny sold its reserves last year and is liquidating. Rather than drill marginally profitable wells, its owners are putting their money into Treasury bills. "In this business, you're a dead duck unless you keep drilling," says Executive Vice-President John O. Kiser.

For many independnets, it is too late to cash out. The latest price drop has wiped out much of the value remaining in some properties—particularly so-called stripper wells. About one-eighth of the nation's nearly 9 million bbl. of daily crude production comes from these pump-driven wells that average just 3 to 4 bbl. a day. If world prices continue to fall into the teens, the operating costs of many of these wells will exceed revenues. Steven M. Cantrell, a third-generation independent in Ada, Okla., says that even at $20 a bbl., "I will lose about a third of my production."

The lost cash flow means less money available to look for new oil. If prices drop to $15, "most independents won't survive," says Abe Phillips, president of Coors Energy Co., a subsidiary of Adolph Coors Co. "Drilling would just dry up" in the Rocky Mountains, where the climate is rugged, the geology tough, and the discoveries small.

IN LIMBO

Meanwhile, the price of natural gas—the main source of income for most independents—is dropping below the finding costs of even the most efficient U.S. explorers. In some cases, spot-market gas prices have dipped to $1.25 per Mcf as pipelines scramble to keep their delivered costs competitive with residual oil—an alternative boiler fuel that Northern industries and utilities can easily switch to when it becomes economical. As the pipelines that supply them cancel more and more high-priced contracts with producers, that gas will be feed up, adding to the already glutted spot market. If the trend continues, the already capitalized finding costs of many exploration companies will exceed the market value of their reserves, forcing companies to write off billions of dollars from their balance sheets.

Even major oil companies with ample cash flow have slammed on the brakes. Altantic Richfield Co. just announced it plans to sell off some of its oil properties and eliminate 2,000 jobs. Others are on hold. "Our budget is in limbo," says Larry W. Funkhouser, exploration vice-president with Chevron Corp. "I've told my people, 'If you don't need to do it, wait.'" Funkhouser expects the industry, which in recent years has spent some $6 billion to lease offshore drilling tracts from the federal government, to let large numbers of those leases expire undrilled over the next two years.

This new doubt about frontier exploration makes it all the more difficult for the support companies, such as Global Marine, to survive. "Service companies will be dropping like flies," declares Robert L. Parker Sr., chairman of Parker Drilling Co. in Tulsa. This hard-pressed company, which recently renegotiated $183 million in debt, now has work for just 40% of its rigs. It currently has 2,700 employes vs. a peak of 6,000 in 1981. At Baker International Corp., in Orange, Calif., President James D. Woods says that late last year, in anticipation of further oil-price declines, his company laid off 500 of its more than 20,000 employees and began planning layoffs and plant consolidation for 1986. Now, he says, "we may have to consider an acceleration of the closedowns of some plant and field locations." At Western Co. of North America, another debt-laden and loss-plagued offshore driller, Chairman H.E. Chiles says glumly: "We could last another year or two."

In an effort to hang on, many of the larger oil-field service companies, such as Oceaneering International Inc. and Weatherford International Inc., are moving operations and even corporate staff to overseas areas where drilling is still active. That way costs can be charged against foreign profits. Others are desperately seeking joint ventures—even with archrivals—to further pare overhead costs (BW—Nov. 4).

But for many companies, no amount of retrenchment will do the trick. Somehow, the industry must service the massive debt in took on to fund its breakneck buildup in the 1970s and its acquisition binge in the early 1980s. "I think the banks are in a lot more trouble than is acknowledged," says W.H. Helmerich III, president of debt-free land driller Helmerich & Payne Inc. Mere liquidation is no answer, he notes, because there is absolutely no market for drilling rigs—even at 10¢ on the dollar. "I had one operator offer me seven rigs—five of them working—for $2.75 million. He had paid $33 million for them."

PAINFUL CURE

The solution, Helmerich and others say, is inescapable: Scrap vast amounts of relatively new equipment and let companies die. Coming on top of the consolidation that has already taken place, that will be painful indeed. Employment in oil-field equipment manufacturing has shrunk by 60% from its 1981 high. The *Oil and Gas Journal's* tally of the industry's 400 largest companies now includes players with less than $300,000 in assets—one-tenth the size of the 1983 minimum. Enrollment in the petroleum engineering program at Texas A&M University has plummeted to 678, from 1,750 in 1982. By 1990, A&M will be turning out only 50 to 75 graduates, predicts Professor W. Douglas Von Gonten.

So, as consumers root for cheaper oil, the oil and gas industry slips into a tailspin. But with no end to the glut in sight, no one can say for sure when—or even if—this downward spiral will lead to another national energy squeeze.

[From the Washington Post, Feb. 12, 1986]

DOMESTIC PETROLEUM INDUSTRY UNDERGOING MAJOR RESTRUCTURING

(By Peter Behr)

The cargoes of low-priced oil streaming out of the Persian Gulf are fundamentally changing the structure of the U.S. oil industry, strengthening the largest, strongest companies at the expense of the smaller or weaker, according to industry officials and securities analysts.

"The big, strong companies are coming out fine," said Ted Eck, chief economist for Amoco Inc. The fourth-largest international oil company, Amoco is one of three companies that would prosper most during an extended period of lower oil prices, industry analysts say. The others are Exxon Corp. and the Royal Dutch/Shell Group.

"These are the preeminent companies in the industry. If anything, they should widen that lead over the next five years," said Barry Good, an oil analyst with Morgan Stanley & Co. Inc. "Nobody else is quite in that position."

"The industry is going through some restructuring in a dramatic way," said C.J. (Pete) Silas, chairman and chief executive officer of Phillips Petroleum Co.

The severity of that restructuring will depend upon where oil prices bottom out this year and how soon they head upward again. Each dollar that crude oil falls drives a wedge deeper between the haves and have-nots in the industry.

Since November, crude-oil prices have plummeted, with "spot," or cash, prices falling at times below $16 a barrel. Average U.S. prices—including long-term contracts—have declined one-third, to about $22 a barrel, and further cuts of $1 to $2 in contract prices were announced yesterday.

The decline puts a tourniquet around the cash flowing into the oil companies, and at the same time it slashes the value of their inventories of crude oil and refined petroleum products.

In greatest jeopardy are the several thousand independent oil drilling companies and small oil producers, many of them already struggling with heavy debts. The Chapter 11 bankruptcy petition filed last month by Global Marine Inc., a Houston offshore oil driller, will be repeated many times, the energy industry acknowledges.

As those assets are put up for sale, the U.S. oil business will become a bargain basement for those companies with enough cash to buy out their failing competitors, said Paul Mlotok, an analyst with Salomon Brothers Inc. The bidding for those assets will further separate the strong from the weak.

"You'll find that companies that are cash-rich can buy properties at fire-sale prices—entire independent companies, or prices of the majors that are sold off to weather the storm," Mlotok said. The cash-rich companies' "time horizon is the 1990s, and they'll move into that decade in a stronger position."

But only the oil companies with light debt loads and ample cash will be able to take full advantage of the bargains, he added.

Half of the six international oil companies—Mobil Corp., Chevron Corp. and Texaco Inc.—still are channeling vast amounts of cash into reducing the billions of dollars in debt they took on earlier in the 1980s to buy other oil companies. Texaco also is fighting an $11.1 billion judgment imposed by a Texas court in its legal battle with Pennzoil Co.

"Chevron and Mobil survive quite handily at $20 a barrel [for crude oil]." Mlotok said. "But they don't have the free cash to buy the firesale assets."

Other industry observers, such as John Lichtblau, president of Petroleum Industry Research Associates, believe the gap between the stronger and weaker of the big oil majors may not be so pronounced. "Mobil and Chevron are not exactly helpless," Lichtblau said. "If they see attractive buys, they will find a way to get them." That doesn't seem to be the prevalent view, however.

"There will be some great opportunities that open up [because] companies [that] are financially strapped will have to forsake leases or sell assets at low prices," said Frederick P. Leuffer, an analyst with C.J. Lawrence Inc. "The stronger companies will be in a position to take advantage of that and will emerge on a relative basis much stronger than before." Heading the list of haves are Exxon, Royal Dutch/Shell and moco, Leuffer agreed.

"The strong get stronger and the weak get weaker, probably," said Sanford Margoshes, and industry analyst with Shearson Lehman Brothers Inc.

The "walking wounded" are headed by Phillips Petroleum Co., Texaco and Unocal Corp., whose debt loads are heaviest, Leuffer said.

Phillips' debt, for example, is monumental. To fend off takeover attempts led my Mesa Petroleum Co. Chairman Chairman T. Boone Pickens Jr. and New York financier Carl Icahn, Phillips brought back about half its stock last year, tripling its debt from $2 billion to more than $6 billion.

Its strategy since then has been to pare operations back so that it can defend profitable niches in its strongest markets. "Where you're strong, you're going to protect your market share, and where you're not, you're going to get out," Phillips' Silas said

"We're not anxious to have [the oil price] drop like it's dropping, but we feel we can meet our commitments," Silas said.

But Phillips and most of the industry face a painful dilemma on how to finance the search for oil—a search that can't be abandoned for long even though prices are falling, Margoshes said. "In the oil business, you must run fast to stand still because it's a rapidly depleting resource," he asserted.

The fall in oil prices means that many companies will be lucky simply to stand still, Amoco's Eck predicted. The sudden plunge in oil prices since November has caused an abrupt change of view within the financial community about investing in energy, accentuating the gap between the haves and have-nots, Eck said.

Companies with heavy debt loads and strained cash flows will be hard pressed from now on to raise capital from financial markets for additional exploration and production efforts. Investors—now on edge because of the fall in prices—will regard these companies as much riskier investments than before, boosting the cost of capital if those companies try to issue new stock or debt securities, he said.

"I think the shock is so serious that those companies dependent upon external capital won't be able to get it . . .," Eck said. For marginal companies, capital may not be available on any terms.

Phillips' dilemma is an example, Leuffer said. "If we end up with oil prices in the high teens, [Phillips] either cuts their spending to continue to pay a dividend . . . or they cut their dividend," and see their stock price slammed even harder, he said. If they don't add to their oil reserves, they are robbing their future, he said.

Many smaller or weaker companies will have no choice but to do just that.

There are some 8,500 small "stripper" wells in Texas, producing less than 10 barrels a day of crude oil, noted William Fisher, director of the Bureau of Economic Geology at the University of Texas at Austin. He estimated that one-quarter of those wells will be plugged if oil prices fall below $20 a barrel and remain there. "When the value of that oil falls below the lifting cost, the well gets plugged and abandoned," Fisher said.

The result is likely to be a more concentrated industry with fewer competitors at each level—production, refining and marketing.

"You might see the majors achieve much more importance than they've had. Whether or not that's bad remains to be seen," said Joseph Egan, an analyst with Wood, Mackenzie & Co. Inc. in New Orleans. "Usually, when things turn around in the industry, you see a lot of independents spring up, as money from outside [the industry] becomes available."

While the strength of the major oil companies seems certain to grow, they will have to contend with new strategies on the part of the producing nations, who have begun investing in U.S. and European refineries to gain a guaranteed outlet for their crude oil.

The upheaval, after all, is not just in this country, Margoshes said. "You have a restructuring on a global basis."

Mr. BYRD. Mr. President, I yield the floor.

SENATOR HAWKINS' SPECIAL ORDER

The PRESIDING OFFICER. Under the previous order, Senator BOSCHWITZ is recognized for the Senator from Florida, Mrs. HAWKINS, for not to exceed 5 minutes.

Mr. BOSCHWITZ. Mr. President, I will make the following statement for Senator HAWKINS, who is absent. As you know, Mr. President, Senator HAWKINS had a most unfortunate accident some time ago while sitting on a stage and that has caused her considerable pain. She has undergone an operation which, hopefully, will end that. She makes statements each day on the floor with respect to narcotics and the control of narcotics and has played a leading part in fighting the entry of narcotics into this country. And so it is with great pleasure that I present this statement in her name this morning. The statement reads as follows:

CUSTOMS COMMISSIONER'S CANDOR ON MEXICO

Mrs. HAWKINS. Mr. President, I would like to call the attention of my colleagues to the candid and important testimony of our distinguished Commissioner of Customs, William Von Raab, before the House Select Committee on Narcotics on March 18, 1986, concerning the alarming lack of cooperation of the Mexican authorities with our narcotics control efforts. This development is particularly alarming, in view of the growing importance of Mexico as a center for transshipment of South American cocaine and marijuana into our country, as a result of the effectiveness of the Florida Task Force. In his testimony, Commissioner Von Raab relates a number of specific examples of sinister developments, such as the following:

"We are beginning to see many of the same warning signs we saw in South Florida now turning up along our 2,000-mile border with Mexico. Late last month, a customs patrol officer was gunned down in Sells, Arizona, by what we believe were members of a Colombian drug smuggling group."

To cite another example:

"We recently had an incident at Naco, Arizona, when a Mexican Customs officer was found to be bringing 150 pounds of marijuana into the United States in the trunk of his car. He assaulted our officer and fled back into Mexico. We kept the car, the marijuana, and his uniform jacket. To date, there has been no action taken against this officer that I am aware of, in spite of our numerous official requests. At their request, we returned his jacket."

Commissioner Von Raab pointed out that Colombian drug smugglers are settling along the border in Mexico with the protection of the local authorities. These Colombians are buying the services of Mexicans as narcotics freight forwarders and security forces. He also reported that the drug smugglers have been building new landing strips in Mexico, less than 100 miles south of our border, along with warehouses to store their transshipments of illicit drugs.

Apart from the Commissioner's testimony, we are also disappointed in the slippage that has occurred in the once highly touted aerial eradication program for marijuana and heroin. While this program was acknowledged as a success story and example to the world several years ago, the Department of State reports.

I need not recount for you the U.S. Government's unhappiness with the lack of full Mexican cooperation in apprehending and bringing to justice the kidnappers and murderers of our Drug Enforcement Agency Officer, Enrique Camarena, in Guadalajara. Suffice it to say that more than 1 year after his murder, the Mexican government has still not prosecuted anyone for this crime. We hear reports that some major suspects, still running free, have been sighted in public in Guadalajara.

Mr. President, we have, over the years, provided over $100 million in narcotics assistance to the government of Mexico. Is it expecting too much to feel deep disappointment with the seeming inability of the Mexican authorities to stem corruption and clean up their act in the battle against drug trafficking on their side of the border? Should we sit idly by if we see drug smugglers provided with safe haven along the Mexican border?

I agree wholeheartedly with our Customs Commissioner, who sees no real possibility of stemming the flood of illegal narcotics coming across our border with Mexico without a significant change in attitude by the Mexican authorities. Unlike many high officials in public life, Commissioner Von Raab has not lost his admirable ability to recognize when it is necessary to cut through the fog of empty rhetoric and tell it like it is. I only wish that some of our other agencies would take a lesson or two from him once in a while.

Mr. BOSCHWITZ. Mr. President, that concludes the statement of Senator HAWKINS. I hope other Members

will read it, and address the problem of narcotics as fearlessly and persistently as she has. Certainly, if we lose control over the border with Mexico in regard to narcotics, the problem that will come to our country will certainly be accentuated.

Mr. President, I yield the floor.

RECOGNITION OF SENATOR PROXMIRE

The PRESIDING OFFICER. Under the previous order, the Senator from Wisconsin is recognized for not to exceed 5 minutes.

ARE THE RUSSIANS 10 FEET TALL AND GROWING?

Mr. PROXMIRE. Mr. President, is the Soviet Union building a stronger military force than the United States? The answer is a qualified "No." Certainly the Soviet Union continues to spend a great deal for its military forces. But overall the military strength of the Soviet Union is in the most significant military areas less—I repeat, less—than that of the United States. In some areas Soviet military strength is superior. This is true in total military manpower, the number of tanks, the number of artillery pieces, the number of combat ships, the number of planes, the total megatonnage in the Soviet's nuclear arsenal, the throw-weight of the Soviet nuclear arsenal, the accuracy of the Soviet's nuclear arsenal. Is that not a formidable list of solid military advantages? Indeed it is. How then can I say the Soviet Union does not have a stronger military force than the United States?

Here is why. First, Soviet military shortcomings are far more serious than their advantages. Consider: The Soviet's allies in the Warsaw Pact are much weaker militarily than the American allies in NATO. The United Kingdom is in the process of building a nuclear arsenal that will have a thousand strategic nuclear warheads capable of delivery on Soviet Union targets. France is technically not part of the NATO military alliance but it is firmly associated with NATO in defense against the Soviet Union.

Strictly for the purpose of deterring Soviet attack the French, like the British, are also in the process of building a thousand-warhead nuclear force. Both the United Kingdom and France will deploy their nuclear power primarily in submarines and bombers. Much of this nuclear deterrent will be virtually invulnerable to a Soviet preemptive attack. If only one-tenth of either the United Kingdom or French nuclear deterrent should strike Russian cities, the Soviet Union would be finished as an organized society.

It gets better. The Soviet Union faces on its eastern front a military force that in manpower is far larger than the Soviet forces. This is China. The Soviet Union has no ally that now has or in the foreseeable future will have nuclear capability. In fact its Warsaw Pact allies are a sullen, undependable, resentful combination of countries whose only adherence to the Soviet Union is based on the suppression and force of generally unpopular Communist governments. There are four nuclear powers in the world outside of the Soviet Union. Every one is opposed to the Soviet Union. Each of these nuclear powers has targeted its nuclear arsenal on the Soviets. In a nuclear world, the Soviet Union stands alone.

And that is not all. The Soviet Union is in a deep dilemma. Its economy is only half the size of the American economy. It already pours twice as much of this Soviet economy into its military effort as does the United States. The Soviets do this at a clear economic cost that Gorbachev and his subordinates painfully recognize. Economic and technological strength is the rock bottom basic foundation on which military strength rests. So the Soviets have an extraordinarily difficult choice.

The steel and skilled manpower that goes into building warships, tanks, and artillery pieces is not available for the machine tools, the generators and all the other massive equipment necessary to build a modern industrial capacity. The research scientists that could bring the marvelous efficiency of the latest computers, physical and chemical engineering, robotics and other industrial advantages are diverted to immediate military needs. Every year in which the Soviets persist in pouring a high proportion of their industrial resources into building their military force, they lose in their capacity to build the industrial plant on which future military power must rest.

This dilemma was highlighted in a combined report by the Central Intelligence Agency and the Defense Intelligence Agency to the Joint Economic Committee that has just been declassified and released. That report showed that for the past 8 years the Soviet Union has increased its overall military spending by only about 2 percent per year. This period included the Soviet war in Afghanistan which itself certainly caused significantly increased military spending as did our war in Vietnam some 15 years ago. During this period the two top intelligence agencies of our Government reported that the Soviets increased their procurement by a mere 1 percent.

Let us compare that with what we have done. Meanwhile, American military spending started a sharp increase beginning about 10 years ago. Consider the facts: During the last 10 years while the Soviet military force was plodding along with an annual increase of 2 percent, the United States was increasing its military spending between 1975 and 1985 almost twice as fast—by 3½ percent in real terms; that is, allowing fully for inflation. Then in the past 5 years U.S. military spending really took off. Between 1981 and 1985 the United States increased its military spending overall by a whopping 7.2 percent. In procurement—that is, buying tanks, planes, ships, and missiles—the U.S. pace has been even more dazzling. While the Soviet Union had an increase of 1 percent annual rate since 1975, our country increased its procurement spending by 7.6 percent. From 1981 through 1985, the pace of U.S. military procurement stepped up to an astonishing 13.3 percent annual rate. Keep in mind, the United States did all this while, unlike the Soviet Union, the United States was not engaged in the cost of a significant war.

Finally, Mr. President, we should keep in mind any comparison between the United States and the Soviet Union military force that this country has enormous advantages in the quality of our arms and almost certainly in the quality of training and skill of our military personnel.

The Under Secretary of Defense for Research only a few weeks ago reported to the Congress that the United States leads the Soviet Union in 14 of the 20 most significant areas of military technology. The two superpowers are about even in six. The Soviets lead in exactly none—zero, zip. This technology advantage has been translated into military advantage in the capacity of our air, sea, and land forces.

In combat in the Middle East, Israeli pilots manning United States fighter aircraft have utterly routed opposing forces flying Russian planes. Our submarines are quieter and far less vulnerable than Soviet submarines. They carry more than twice the nuclear weapons power as the Soviet submarines. United States aircraft carrier task forces soon to number 15 overwhelmingly outnumber the 2 or 3 small aircraft carriers in the Soviet fleet. Overall the United States naval firepower enormously exceeds Soviet naval firepower. Our tanks in production or in the field are outnumbered but U.S. tanks are superior in firepower, maneuverability, speed, and command and control.

President Reagan and Secretary Weinberger have frequently criticized the Congress for failing to provide even more funding for the military. The President, trots out the much larger number of Soviet tanks and artillery pieces as the justification. Where are the requests from the President or his Secretary of Defense for funds to match the Soviet in tanks? There are not any. Has the administration asked for more funds to

increase our artillery? No. And they should not. The fact is that in the relevant military force this country already has a decisive and growing advantage over the Soviet Union.

Mr. President, in later speeches, later this month and next month, I am going to go into some detail on the documentation of our superiority over the Soviet Union militarily. I think the Congress should have that in acting on appropriate military appropriations this year.

APRIL FLEECE GOES TO THE FEDERAL HIGHWAY ADMINISTRATION

Mr. PROXMIRE. Mr. President, I awarded my Golden Fleece for the month of April to the Federal Highway Administration [FHA] for hitting the taxpayers with a $21 million toll to pay for unused and unneeded roads and bridges. This waste occurred in only one FHA region so the potential loss in all nine could easily top a whopping $100 million. The FHA has shown that although some sections of the road to hades were paved with good intentions, other wrong turns have been paid for with a different medium—the taxpayers' money.

In one FHA region, covering Missouri, Kansas, Iowa, and Nebraska, departmental auditors found that 15 percent of the highway and bridge projects they analyzed were either unneeded and unused, or else used far below expectations. Some of the unneeded projects had been sitting, lonely and forlorn, for over two decades. The Federal share of the cost of these projects came to $21.4 million.

Here are some examples of road and bridge projects with which the taxpayers were tarred:

The FHA paid $900,000 for a four-lane bridge, which has one little problem. Two years after completion of the bridge, no road led to it or from it. The taxpayers had a dirty trick pulled on them in this bridge game.

The FHA helped pay for 6.5 miles of new roadway because traffic was supposed to nearly double within 20 years. In 1974, an average of 3,410 vehicles per day used the old road. A dozen years later traffic has gone down to a measly 1,600 vehicles per day on the new road, which is less usage than the old road received.

The FHA approved construction of two extra long overpass bridges in anticipation that the road underneath would be widened to four lanes. More than 25 years have passed, but the road underneath is still only two lanes wide. These bridges are overly long and the taxpayers are at least $26,000 short.

When the auditors asked FHA management for a response, those officials offered a litany of excuses. My favorite: "Their designs were consistent with the needs identified by the planning process." Let us all bow down and pay homage to the omnipotent process. In fact, if management's excuses were traffic, then these roads and bridges would be jammed.

This is one interchange between the FHA and the taxpayers where the taxpayers have been sideswiped. FHA deserves a ticket for reckless spending.

THE MYTH OF THE DAY

Mr. PROXMIRE. Mr. President, the myth of the day is that Congress will meet its self-imposed deadline of April 15 to approve a budget. This deadline, set by the Balanced Budget and Emergency Deficit Control Act of 1985, will be shattered and that bodes ill for our attempts to reduce the deficit.

It will be shattered because of politics—pure and simple. The Senate Budget Committee did its duty and reported a budget on March 24, well in advance of its April 1 due date. In fact, the full Senate was scheduled to have acted on this budget before we left for the Easter break.

What happened to that schedule? The Senate leadership decided to delay floor action on the budget, possibly at the urging of the White House. The Senate budget recommends two real "no-nos," higher revenues and reductions for defense. The White House is upset at both recommendations.

This Senate foot dragging means further delays in the House of Representatives, which has refused to start work on its budget until the Senate is finished. The House is fearful of the political consequences of recommending new taxes unless the Republican Senate takes the first step. Thus, in the first test between political reality and Gramm-Rudman, politics won.

It is not going to be any easier to meet other Gramm-Rudman targets, such as the $144 billion limit on the fiscal year 1987 deficit. This is a congressional election year and the stakes—control of the Senate—are breathtaking. Every week that passes brings the election that much closer and increases the odds for bickering and delays.

Congress would be foolish to count on a sequester order—automatic across-the-board cuts—to reduce the deficit. This part of the bill may be ruled unconstitutional. Even if it is not, Congress will debate, modify, or postpone such an order during the month of September. The election will be less than 2 months away. Any sequester order will propose cuts which would decimate the military, and that will bring forth howls from the administration and Congress. Cuts on the domestic side of the budget will be just as painful.

Under those circumstances, the administration and Congress may both blink rather than stare down the deficit. Then a lameduck Congress could deal with the problem.

RECOGNITION OF SENATOR METZENBAUM

The PRESIDING OFFICER. Under the previous order, the Senator from Ohio [Mr. METZENBAUM] is recognized for not to exceed 5 minutes.

THE BUDGET RESOLUTION

Mr. METZENBAUM. Mr. President, on March 19, the Senate Budget Committee passed a budget resolution on a 13 to 9 vote. The package had bipartisan support; seven Republicans and six Democrats.

Now, it is nearly a month later, and that budget resolution has yet to see the Senate floor.

The majority leader has made it clear that the April 15 deadline for passage of the resolution will not be met. This is not the first time the Senate has turned a blind eye to a Gramm-Rudman requirement. It will not be the last.

I understand the majority leader's position. I believe he really wants to get the job done. But the White House does not want the job done and that is the real problem.

But, Mr. President, why the delay? Why has the White House tried to put the Senate's No. 1 priority on the back burner?

Remember the $200 billion deficits? Remember the letter telling the President deficit reduction first, tax reform second? Remember the expressions of urgency from the Senate leadership?

What happened?

The Budget Committee has done its job. We have a bipartisan resolution which meets the Gramm-Rudman targets for the next 3 years without triggering the doomsday sequester.

But why can we not get this package to the Senate floor? Why has the majority party suddenly gone fishing? What are they afraid of? The White House? Is the White House the real concern? I think so.

The White House had its chance to play a constructive, facilitating role in the budget process. But it chose ideology over responsibility.

The White House gave the committee a budget which increased military spending by $93 million a day, while cutting programs for poor children and families by $16 million a day.

They gave us a budget which spent more on increased subsidies for a single water project in Arizona than it did on elderly housing. A budget which spent more on military bands than it did on legal services for the poor.

Parenthetically, I might ask, when is Congress going to wake up and recog-

nize the wastefulness of the approximately $150 million a year we spend on military bands? Some money for military bands, yes. That much money, no.

The President's budget did not even meet the Gramm-Rudman deficit reduction targets, according to the CBO, falling $16 billion short in fiscal year 1987—$60 billion short over the 3-year period of the resolution.

The President said "Here's my budget. Take it or leave it."

The committee vote was 16 to 6 against the President's budget.

Mr. President, the committee went on to pass a resolution more in line with the priorities of the American people. It is not perfect. I do not think it is a great budget. But it does the job.

Make no bones about it. There are, of course, a number of provisions with which I do not agree. The cuts in Medicaid, low income energy assistance, subsidized housing, the elimination of the WIN Program. These, to me, do not make sense. I will do what I can to address these issues if the resolution ever comes to the floor.

But, Mr. President, I voted for the resolution in committee for one simple reason. It was the responsible thing to do.

Simply put, the price of doing nothing is too high a price to pay.

The Gramm-Rudman sequester for fiscal year 1986 was simply the hors d'oeuvre. This year we get the main course.

If a budget resolution, meeting the Gramm-Rudman targets, is not implemented, the Gramm-Rudman doomsday machine is triggered.

It will chop over $25 billion in budget authority from this Nation's social programs. The budget for national defense will not fare any better. The CBO estimates that such a sequester would require cuts of at least $50 billion in budget authority from the President's defense budget.

A national defense sequester of this size would require drastic reductions. Hundreds of thousands of active duty personnel would be discharged. Readiness would be devastated.

The sequester would wreak havoc on critical domestic programs with drastic cuts in cancer research, the FBI, air traffic control, drug enforcement, and home heating assistance for the poor and elderly.

When Gramm-Rudman cuts, it does so mindlessly, mechanistically, with no thought given to national priorities. Everyone, including the President of the United States, knows that it would be irresponsible in the extreme to allow the Gramm-Rudman "doomsday machine" to be triggered in October.

That is why it is so important to start to work on the budget. We have 50 hours in which we can discuss it, amend it, and work with it. Yet, where is the budget? It is not on the floor. Why does not the President want us to move this package forward to the Senate floor where it can be amended and finally passed? Why should we delay? Why should we flirt with disaster?

Again, I do not claim that the budget resolution passed in committee is a perfect package. But it gives the Senate a rational alternative to Gramm-Rudman as well as a road map for the committees as they get down to work on the various money bills and authorization bills in the Senate.

Mr. President, the budget resolution contains $14.5 billion in cuts in nondefense spending in fiscal year 1987, $62.3 billion over the 3 years. For defense, $295 billion in budget authority in fiscal year 1987, nearly $1 trillion over the 3 years.

While the President's budget contained $22 billion in revenues over the 3 years, the budget resolution contains $74 billion in new revenues over the same period.

There are some who claim that this resolution contains an increase in individual income taxes, but let me quote from the committee report:

> The committee assumes that revenue increases can come from such measures as improved compliance of existing tax laws, tax amnesty, excise taxes, closing of tax loopholes, and a slowing of the growth in tax expenditures, and other efforts. The committee specifically rejected any increase in individual income tax rates.

Mr. President, I strongly believe that the revenues designated in the committee budget resolution can be raised by closing corporate and individual tax loopholes.

From 1981 to 1984, 10 of America's biggest and most profitable corporations earned over $25 billion in profits, and received a total of over $1.4 billion in tax rebates. Their tax rate was a minus 5.7 percent.

What an absurd national tax policy.

During the 1981–84 period banks earned profits of $4.8 billion but collected rebates of $139 million. That means banks, who are always first in line to tell us about our obligation to balance the budget, paid an effective tax rate of negative 2.9 percent.

Citicorp, the Nation's largest bank, paid more in taxes in 1984 to foreign governments—$540 million—than it did to the U.S. Government—as a matter of fact, almost 20 times as much, having paid the United States $28 million, as compared to the $540 million paid overseas.

E.F. Hutton, in 1984 earned $20.9 million but collected $66.8 million in tax refunds. It should be noted that it did better business with the U.S. Treasury than it did with its clients.

W.R. Grace & Co., the Nation's cheerleader for self-sacrifice as long as it is somebody else whose ox is gored—headed up by that great humanitarian, Peter Grace, who is so concerned about congressional responsibility but somehow overlooks the matter of corporate responsibility and not once in all of the Grace Commission report has he addressed himself to the fact that corporations do not pay a fair share of the tax burden in this country. Mr. Peter Grace is remiss in his responsibility to the American people when he runs around the country and goes on TV shows attacking Congress and attacks those of us who are attempting to do something about balancing the budget. Never does Mr. Grace mention corporate responsibility.

That is understandable, because W.R. Grace & Co. earned $803 million between 1981 and 1984. On that $803 million, it paid only $1.6 million in Federal taxes, a tax rate of 0.2 percent—0.2 percent.

Mr. Grace, we in Congress think that you ought to do for the U.S. Treasury what you are trying to do with respect to cutting spending. You ought to be concerned about the revenue side as well, the failure of your company and so many other major American corporations in this country to carry a fair share of the tax burden.

Mr. Grace loves to travel around the country and make bombastic speeches on congressional responsibility. But when it comes to corporate welfare from the Federal Government, W.R. Grace & Co. is one of the first in line to feed at the public trough. Cut those food stamps, says Mr. Grace; just do not touch my corporate tax subsidies.

Mr. President, it is time the Senate took up the business of the budget.

We have all the time in the world to discuss the balanced budget amendment because a balanced budget amendment sounds good but it does not cut anything. It does not reduce the deficit.

We who opposed that constitutional amendment said it was time for us to stand on the floor of the U.S. Senate and bite the bullet and stand up and be counted with respect to programs and revenues as well. Now is the time to do it. Let us bring the budget resolution to the floor. We have a budget resolution containing the tough decisions which have to be made to reduce the deficit and the White House does nothing. The majority party cannot run away fast enough.

We have a bipartisan resolution which was hammered out over lengthy negotiations between the chairman, Mr. DOMENICI, and the ranking member, Mr. CHILES. I am sure the chairman is particularly eager to get to work. I share his frustration over having this critical issue put off. So let us get going. Let us end the delays. Let us understand that the Congress and the White House have an obligation.

But let us also remember, this is a congressional budget resolution. If the President does not like it, that is his problem. That is too bad.

But all he keeps saying is "make my day." Hopefully, he will soon realize that the responsible thing to do is stop daring Congress and start dealing with Congress to produce a budget—in the best interest of this Nation.

My fear is this delay brings the disastrous sequester closer and closer. Let us not play a game of budget chicken, waiting until the very last minute to see who blinks first.

Let us get the bipartisan budget resolution—passed by the Republican-controlled Senate Budget Committee—on the floor. Let us begin our work.

Mr. President, the alternative—triggering the Gramm-Rudman doomsday machine—is simply too awful to contemplate.

I yield the floor.

RECOGNITION OF SENATOR RIEGLE

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Michigan is recognized for not to exceed 5 minutes.

Mr. RIEGLE. I thank the Chair.

THE NEED TO CONSIDER THE BUDGET RESOLUTION

Mr. RIEGLE. Mr. President, I rise to discuss the grave matter of the budget problem we face and the fact that we are failing to move on it on a timely basis here, on the Senate floor. Three weeks ago, the Senate Budget Committee, after weeks of hearings and markup sessions and very tough negotiations, reported a concurrent resolution on the budget for fiscal year 1987. I think we ought to be calling that up on the floor today because further delay in acting on the budget can only hurt the budget process and our Nation's economy.

Those who are taking a look at the budget package produced by the Senate Budget Committee should understand that a majority of the Members of both parties got together to produce that document. It was under the leadership of Senator DOMENICI and Senator CHILES on the minority side working together that I, with other active participants, worked together to create a compromise that enabled us to meet the legally mandated Gramm-Rudman deficit reduction targets—not only the $144 billion deficit reduction target for fiscal 1987 but the lower figures in the 2 years to follow that. So the budget we have produced, looking forward out through the 3-year period, meets the legal requirements of Gramm-Rudman. The problem is that another aspect of the Gramm-Rudman law mandates, that on April 15, Congress must have passed its budget resolution. Unless we bring it up now, there is no way that we are going to have time to get it done by the date that the law requires.

When we were in here debating Gramm-Rudman several months ago, one of the great issues that was raised was whether or not we were serious about meeting these deadlines we were establishing as a matter of law. So I hope that the majority leader will decide to bring this issue to the floor now.

I know the chairman of the Senate Budget Committee, Mr. DOMENICI has asked that that be done. There really is no good purpose served by delay. In the end, the Senate will have to act and decide in its wisdom what it wants to do on a budget. Certainly no budget will emerge from the Senate that does not have at least 51 votes. But we ought to get started with the debate. We ought to act on a timely basis so we meet the April 15 deadline and so we do not just start sliding over these deadlines one after the other.

Some people have been saying—and it has been reported in the press—that the deficit problem is somehow magically going away on its own. That is not the case at all. I want to share with my colleagues some information now that we are 5 months into this fiscal year.

In the first 5 months of fiscal year 1985, last year, our deficit was $99.5 billion, and that eventually reached a total of $202.8 billion—in other words, the $200 billion-plus deficits that all of us were worried about.

But this year, through the first 5 months, the problem is even worse. Our deficit is running at a total of $107.7 billion, or a figure of $7 billion plus higher than was the case in the prior year.

So there is not anything to this notion that deficits are somehow magically disappearing. As a matter of fact, they are continuing, and through the first 5 months of this fiscal year they are actually running at a higher rate than last year.

So we face the prospect of failing to meet the Gramm-Rudman legally mandated targets on deficits by several tens of billions of dollars if we stay on the present course.

I just do not think we can do that. I do not think it is responsible. I do not think it is right. Unless we act now, we are not going to have a balanced package that meets those deficit reduction targets.

Certainly, in terms of the Senate Budget Committee resolution, there were parts of it I did not like. Parts of it I would like to see changed. But I have to stand here today and say that in terms of the package as a whole, I support it, even though some programs that are damaged beyond what I would like to see. I support it because in the overall I think it is balanced. I think it is fair. It basically caps off the sharp increase in defense spending, it reserves some of the revenue from the tax reform process, loophole closing, for deficit reduction, and it makes further domestic spending cuts. The combination of those three items is sufficient in each of the next 3 years to let us sharply reduce Federal budget deficits in order to meet the legally required Gramm-Rudman targets.

So I think it is a fair package on balance, and I am prepared to defend it on the floor. If the Senate has a different view, well, then, that is the will of the Senate. Certainly the Senate ought to have a chance to act. But inaction is really the wrong course. For us to be going through the motions in trivial matters and failing to take up the budget at a time when it is ready to be acted upon, when the law mandates that we act on it is irresponsible. I do not think there is any excuse for us not to do it.

While the financial markets have been strong because of the fall of oil prices and the fall in interest rates and the kind of disinflation that we have been seeing, I do not think the financial markets are going to respond favorably if they do not think we are serious about dealing with deficit reduction. I talk with people from the financial markets all the time. They are all concerned about the deficits. If the message gets across that this is all just a big finesse, that we are not serious about dealing with the deficits, then I think we are going to see a very changed attitude in the financial markets.

One other thing is the constitutional test of Gramm-Rudman with respect to the automatic cutting mechanism. Some people are saying we do not have to worry about the automatic cuts under Gramm-Rudman because the Federal district court has already ruled that the automatic cutting mechanism is unconstitutional. Of course, that is now before the Supreme Court, and it is going to have to make its own judgment.

But I call to the attention of my colleagues that just 12 days ago the Third Circuit Court of Appeals in a case unrelated to Gramm-Rudman, unanimously ruled that it was constitutional to vest executive powers in the Comptroller General, yet these are precisely the grounds for the Federal district court's opposite finding earlier that the role of the Comptroller General in the Gramm-Rudman statute was unconstitutional and thereby the sequester process itself was not workable.

So we have here now two very high ranking courts having exactly opposite findings on this important question of the authority of the Comptroller General. So it may well be that the Su-

preme Court will hold with this more recent decision and retain that automatic cutting mechanism, which I think would pose a great jeopardy to this country in terms of our defense capability and our domestic agenda.

So let us get the budget to the floor. It is ready for action. The chairman of the committee wants it here. We ought to be acting on it, if not today, then certainly sometime this week so we can try to meet the April 15 deadline.

I thank the Chair and I yield the floor.

Mr. MELCHER addressed the Chair.

The ACTING PRESIDENT pro tempore. Will the Senator withhold, please.

ROUTINE MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of routine morning business, not to extend beyond 10:30, with statements limited therein to 5 minutes each.

Mr. MELCHER addressed the Chair.

The ACTING PRESIDENT pro tempore. The Senator from Montana.

A FLABBY RAMBO

Mr. MELCHER. Mr. President, even wearing the most rosy of rose-colored glasses, the best that can be said about the U.S. economy is that it is sluggish. My best judgment is that it is treacherously teetering upon the brink of a disastrous slide due to the continual sagging of commodity prices, coupled with the past 36 months of a trade imbalance averaging $10 billion per month and totaling $368 billion.

The White House line, which President Reagan dutifully recites, is that inflation is down, interest rates are dropping, and the stock market is up, which is to infer that increased U.S. economic activity is just around the corner.

Each of those three positive items needs closer examination. The first, inflation is down, is largely because commodity prices are down and the positive effect for consumers has to be weighed against the devastating effect the price decreases have extracted from farmers, ranchers, miners, steel, copper, aluminum, energy and forest products producers. Agricultural producer liquidation has been a continuous, 3-year tragic disruption blighting rural America. Mining, metals and steel producers have seen their communities turn into either ghost towns or depressed areas. Oil and gas producers have seen their slump from last year's $27 per barrel steamrolled into a slide down to $10-a-barrel oil, bringing the same results that other commodity producers have absorbed. That is, shutdown, liquidation or bankruptcy. And despite the recent housing boom, the forest products industry staggers with uncertainty but ever closer to decimation.

All of these are factors in the drop in inflation, but the toll paid by these producers has been so desperate that their demise threatens the entire U.S. economy.

The interest rate drop, long overdue, is uneven with the above industries having to pay higher rates because the price they receive for their commodity production is generally less than their costs and, therefore, they fall into high-risk categories. These producers are so much the backbone of the economy that the transportation industry is or will be damaged by the decline in commodity hauling. Without the production from the basic industries, their volume has to drop or at best there is disruption as transporters attempt to modify their hauling to wherever there is business.

The decline in both inflation and interest rates has brought on a vigorous surge in the stock market. But without the underpinning of strong, or at least stable activities by the basic industries, the confidence of Wall Street is built on a foundation of shifting sand. Pending earnings reports of a great number of the blue chip stocks over the next 6 months will be disappointing, and that's putting it mildly.

Some of the rosy soothsayers in and out of the White House will undoubtedly tell us that the U.S. trade imbalance will be helped by lower oil prices and the declining value of the dollar. There is some truth to that, but it also means that there will be significantly less domestic petroleum production and that means not only economic havoc in the oil patch, but also a return to the rut of greater dependence on imported oil. There is a further negative involved with lower oil prices that requires U.S. adjustment. Mexico and other countries heavily dependent upon oil exports will purchase less from the United States and perhaps default on their outstanding loans to United States banks. If nothing about the economic devastation that has sapped commodity producers will stir the White House into corrective action, perhaps the looming losses to the banks will awaken them from their slumbering posture.

President Reagan may want to focus the public's attention on Qadhafi and the ragtag 15,000 Nicaraguan Contras. Indeed, they deserve some public attention. But unless there is an economic policy in the United States that works, solving foreign policy matters will be only weak whimpering. Playing Rambo implies muscle, and there is no muscle in the U.S. economy. It is a flabby Rambo.

THE BUDGET RESOLUTION

Mr. STENNIS. Mr. President, over the recent recess period, I had a chance to reflect on our budget situation and to study the resolution reported by our Budget Committee for consideration of this body.

Because I deeply believe that putting our financial affairs in order is of profound importance to the future of this country, I urge our capable leaders and my colleagues that the resolution to which I have referred may mark a turning point of restoring order and discipline to the process by which the legislative body carries out its unique responsibilities vested by the Constitution. That, of course, means that the resolution would be taken up on the floor.

In my judgment, this is by far the fairest, most reasonable, and best-balanced proposal for balancing the income and outgo, meeting the absolute necessities and commitments of the Government, under our laws, that we have had. It is a great credit to the members of the Budget Committee who worked on it so hard. It is a great example of courage and leadership, also.

The distinguished chairman of this Senate committee, the Senator from New Mexico [Mr. DOMENICI], and the Democratic ranking member, the Senator from Florida [Mr. CHILES], and all of the other members of the committee, whether they voted for the resolution or not, deserve the praise of this body and of the people at large for this effort.

At this point in the RECORD I wish to note the names of all the members of the Budget Committee. They are:

Pete V. Domenici, of New Mexico, Chairman.
William L. Armstrong, of Colorado.
Nancy Landon Kassebaum, of Kansas.
Rudy Boschwitz, of Minnesota.
Orrin G. Hatch, of Utah.
Mark Andrews, of North Dakota.
Steven D. Symms, of Idaho.
Chuck Grassley, of Iowa.
Bob Kasten, of Wisconsin.
Dan Quayle, of Indiana.
Slade Gorton, of Washington.
John C. Danforth, of Missouri.
Lawton Chiles, of Florida.
Ernest F. Hollings, of South Carolina.
J. Bennett Johnston, of Louisiana.
Jim Sasser, of Tennessee.
Gary W. Hart, of Colorado.
Howard M. Metzenbaum, of Ohio.
Donald W. Riegle, Jr., of Michigan.
Daniel Patrick Moynihan, of New York.
J. James Exon, of Nebraska.
Frank R. Lautenberg, of New Jersey.

The committee vote is a testament to the committee's effort. They had a divided vote of 13 to 9, but they got the politics out of it, as a majority of each party's members have agreed to this resolution.

Mr. President, the resolution fully complies with the new requirements of the recently enacted Balanced Budget

and Emergency Deficit Control Act of 1985, the so-called Gramm-Rudman-Hollings Act. By establishing a budget plan—I repeat, a plan—for reducing the deficit by $38.8 billion to achieve a deficit target of $143.9 billion for fiscal year 1987, the tax and spending policies set forth in this plan, if unchanged, will bring the Federal budget into balance by the end of this decade, when the budget for fiscal year 1991 shall be considered.

In my opinion, the soundness of the committee's recommended resolution is its balanced approach to reducing the huge Federal deficit by which we are still encumbered and which is still dragging us down. It evenly seeks a contribution from Government spending and from new revenues.

I have strongly felt for several years that to stop this runaway deficit, we would have to take back some of the revenues which were given up in the 1981 tax bill.

We know now that the 1981 budget plan, which called for building up the defense program with revenues gained from the economic growth that was to come from the tax cut, did not work out. The failure of this plan was by no particular person's fault. I believe it was conceived with good intentions, but history and the size of the national debt, which has increased in size more in the last 5 years than in all the previous years since this Government was founded, has conclusively proven, in my opinion, that this plan would not and certainly did not work.

I voted for this plan, this 1981 tax plan. I am as much to blame as anyone, but I have recognized for 3 years now that we had to get a grip on the deficit and part of any solution should include new revenues. That is not a happy thought particularly, but it is an absolute necessary part, as I see it, of any effective cure and clearing up of our budget dilemma.

This resolution, I know, recommends that Congress fund the defense program at a level less than recommended by the President. This concerns me greatly because I firmly believe that we must be prepared militarily and that is my record here, Mr. President. I am not boasting of my record. But I have consistently year after year tried to improve my knowledge of the situation, of the threat, or whatever we may call it, the need, the necessity of our having effective military manpower and womanpower even to be called to places far around the globe.

I have said in order to have enough, we must have too much to be certain that we are on the topside. Of course, I still firmly believe that we must be prepared militarily. It is highly important that we apply the great resources that we have in this country to this end. I have always been a strong supporter of the Defense Department to see that they got the necessary money each year to build up this defense.

It was my privilege to be chairman of the Armed Services Committee of this body for more than 10 years. I never did unduly bend over backwards to keep a dollar from being voted out. But I never did consciously vote to throw away any money nor spend any money except on those programs which seemed to be necessary for the protection of our country. But under current circumstances, I think we have gone high enough in our spending for this purpose this year.

Now we have gone to the $300 billion a year mark for these military purposes alone and that huge amount is required, I think, because of the enormity of our worldwide commitments. But the time has come to stop and begin a savings program. We must work hard for a stronger defense, without spending more this year. I am convinced that such a plan must be worked out. Except in emergencies, such a a plan might link growth in defense spending to growth in our economy in the future. Such a plan would keep defense spending in line with the economy. A plan along this line must be worked out and must be adhered to by Congress.

I merely say now that as to the military, it seems clear to me that there is time now and a chance for a pause in the expenditure of the larger sums of money in order to pick up and make amends and make strong other parts of our Government, particularly the financial part, the budget part, so essential and so demanding from all those that we would attempt to lead. We think we are leaders, and we are in many and most places of the world, but we could not lose it faster than to fail to provide the necessary military strength and a leadership in the field of finance and sound financing and in what we generally call the budget area because without that, our first place, our leadership position, our position of advantage is gone—gone with the wind—gone down, and I doubt that we could retain it once we actually lose it.

In the 1940's we were economically strong enough to become the most powerful Nation on Earth militarily. We are still the strongest now and we can continue to be the strongest Nation in the world. But, this strength will depend—and I say this for emphasis—on our ability to remain economically strong as well as strong in the military.

This is the imperative case for restoring responsibility—responsibility—to the Nation's overall finances. I deeply believe that the future security of this Nation depends upon the elimination of these large and persistent annual budget deficits.

I want to take the liberty of using here an old-time expression that I have heard since my earliest memories. "If you spend more than you take in, you are courting trouble and you will find it."

So I think unless we carry along together this military power and also what I briefly call the power of financial leadership, carry them along together for a good number of years to come, then we strike out, we lose out, we become without leadership, a position of leadership, and there is only one direction we could go—down. We are worthy of something better than that. We have the ability to recognize it and we have the means to build our way now, if we do not pass up the chance, on theories, but get down to the nub of the matters.

We who are now in this body have the power given to us by the people under the Constitution and therefore have the responsibility to make the decisions that are required to eliminate these deficits. The Budget Committee has reported a framework for the Congress to work within. It was reported on time and it presents an opportunity for this body and our committees to give the proposals in this resolution, the budget resolution, due consideration.

We might not all agree on the targets, the budget targets, established in this resolution but, under the rules, these targets may be amended by this body or by the House of Representatives. Then there is also the opportunity to consider the recommendations of the committee of conference between the two Houses before this resolution is finally agreed to. Although this resolution is nonbinding, it will serve as a valuable guideline for the Congress as it considers individual authorization, appropriations, and tax bills. It is not a finally binding item in the law or a limitation on the money, one that cannot be changed or modified, but it is a plan, it is a plan for effective legislation in these fields as may be decided by a majority vote or whatever vote may happen to be required under our Constitution.

It will serve as a valuable guideline, I say with emphasis, for the Congress as it considers individual appropriations and tax bills. It can help the body focus on the critically important problem of the deficit as we consider issues on individual bills.

If we are not prepared to move ahead on the resolution before us in this field, this budget resolution, then who is going to be able to write one that we can and will move ahead on? The alternative is continued stagnation, which can be the more effective enemy of them all.

We are not going that path. Stagnation is not characteristic of this body nor of the American people. We will find our way. If things this resolution calls for do not fit the majority or the proper number, we will find other lan-

guage that will fit that majority. But the urging here now with me is that we must move ahead. Stagnation will win if we do not move.

I strongly urge that we move to this resolution and urge that we keep within the deficit goal recommended by the committee. In my opinion, it is a well-balanced plan worthy of consideration on its merits, but its real strength is in the discipline that it imposes on us. It can be the turning point in solving our fiscal problem.

Mr. President, I have briefly covered here this whole picture in a way that I think is unmistakable. I do not expect every Member to agree with me. I want to consider even further what other Members say or do or recommend. But I feel that I know that our duty now is to proceed. Other Congresses, this body and the House of Representatives, have marked a path and laid the way in the passage of the Budget Act. Our men now have acted here. They have given us their proposal. They are ready to defend it I know. They are able men. They are forceful men.

I think we clearly understand our duty, and I believe that in the end they have no doubt about the integrity, character, and honor of the men that make up this body.

I believe that we ought to come to order now, seek this above all else, and with that purpose in our hearts and minds, we will find a way.

Mr. President, I yield the floor.

(The following proceedings occurred later and are printed at this point in the RECORD, by unanimous consent:)

Mr. DOMENICI. Mr. President, will the Senator from Maryland yield for a question from the Senator from New Mexico?

Mr. SARBANES. Yes.

Mr. DOMENICI. I wonder if the Senator would consider permitting the Senator from New Mexico and the Senator from Florida to have about 10 minutes as if in morning business to discuss the status of the budget without interrupting, as far as the RECORD, the discussion and dialog on the subject matter that is pending?

Mr. SARBANES. The Senator will be happy to accommodate the chairman of the Budget Committee.

Mr. DOMENICI. I thank the Senator from Maryland.

Mr. President, I ask unanimous consent that the Senator from New Mexico joined by the Senator from Florida have 10 minutes to discuss the budget as if in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. Mr. President, I ask unanimous consent that the remarks of the Senator from New Mexico and the Senator from Florida not interrupt in the RECORD the discussion that is taking place with reference to the pending matter.

The PRESIDING OFFICER. Without objection, it is so ordered.

WHERE IS THE BUDGET?

Mr. DOMENICI. Mr. President, I believe that the distinguished senior Senator from Florida, Senator CHILES, is on his way so that he and I might engage in a bit of discussion here this morning with reference to the status of the budget.

Let me first say to the Senate that my inquiry this morning is a very simple one. It is, where is the budget?

I remember vividly the waning months of last year when the Senate was confronted once again with increasing the debt limit of the United States, that is the authority for our Federal Government to borrow additional funds to pay for the expenditures of Government that we have not seen fit to cover with revenues.

At that point, it was clear to everyone that we were soon going to break the $2 trillion debt mark and in order to muster enough votes to increase the debt limit, and in order to accomplish something constructive, that bill became a legislative vehicle for a 6-year emergency deficit reduction package.

I think the country remembers, since it was not too long ago, all of the debate, the brilliant speeches about the national debt, and how we had to do something because it had become such an enormous figure. The growing deficit was clearly thought by a compelling majority here and in the House of Representatives to be directly related to the future of this country.

As a result, after about 2½ months of voting, debate, and conference, we produced the Balanced Budget and Emergency Deficit Control Act of 1986, the so-called Gramm-Rudman-Hollings Act. The President, after suggesting some need for amendments, many of which were incorporated into the law, signed it. He indicated, with a great amount of joy, that finally we had come to our senses, and that we were considering the right issue. We were going to be governed by a mandatory set of deficit reduction targets and temporary new budget procedures so that we could stand before the American people and say that in each of the next 5 years we are going to vote on policy changes, program changes, restraints, cuts, and, yes, maybe even revenue increases, so that we could meet those targets.

Isn't it amazing? That was just a few short months ago. And while things may be looking somewhat better in terms of the deficit, clearly it remains a serious problem. For those who think the deficit will go away or for those who think times are so good that we ought not worry about it, I just want to remind everyone that the only way anybody can produce a budget trendline that is significantly improving, without any action on our part, is to make some assumptions that I do not believe we ought to make at this particular time in history.

First of all, those assumptions assume that there will be no significant real increase in defense spending for 5 years. Those assumptions expect the American economy to go for the next 5 years with somewhere between 3.5 and 4 percent real growth. Those assumptions expect interest rates to come down, as they are starting to come down, and continue down so that 3 or 4 years from now we would have 4.5 percent interest rates on Treasury bills, and on and on.

I want to tell the Senate that if any of those assumptions in any of the 5 years turn out to be substantially in error, then we are right back on the same path of $180 billion deficits as far out as we can see. All of that should be known by everyone.

Then the history goes on from passing that bill, to the President sending us his budget.

I think everyone in this institution knows that for the past 5 years, the Senator from New Mexico has done his very best to turn this country around, joining with the President many times in reducing expenditures of the Federal Government, so that we can begin to see the day when we pay for what we buy. But I must say that the President sent us a budget that had about a $34 billion to $35 billion programmatic increase in defense over this year's levels. It asked us, over the course of 3 or 4 years, to get rid of 90 domestic programs, some of them very small, some very significant in the minds of many Senators and Representatives. It asked for about $22 billion in tax increases over the next 3 years, starting with $6 billion for the 1987 budget cycle.

Interestingly enough, when you add all that up and draw the line, the problem with that budget, in addition to the fact that it had very little support either on the Budget Committee or, as I understand it, on the Senate floor—and we will have to find that out in ensuing weeks—it missed the target. It missed the target by $16 billion in outlays.

I have not heard the Budget Director of late denying that fact. I attribute no intentional attempt to breach the $144 billion mandatory ceiling for 1987. It was clearly $16 billion off the mark because of assumptions on how fast defense would spend out based on the programs in place and the historic estimates of the costs, of the outlays per year.

So there we stood, with a budget that did not meet the mark, with the Budget Committee made up of a cross-section of Senators from all parts of the Nation—liberals, conservatives,

moderates, centrists—and only four or five could see their way clear to vote for it. In another way, you might say that even of those four or five, only two or three would vote for it on the floor of the Senate.

So, I ask the first question: Where is the budget? Clearly, the budget submitted by the President will not work. I do not say that in any way derogatorily. It just will not work. We just cannot pass it.

Our distinguished majority leader is now confronted with having to bring a budget to the floor of the Senate; and I think his remarks of late would indicate that he believes that, very soon, the U.S. Senate will have to begin a debate of this issue. I think he believes that very soon we will have to decide if there are 51 Senators or more in support of a budget resolution to accomplish the Gramm-Rudman-Hollings mandates and aspirations of 3 or 4 months ago.

I think there are some who wonder whether we should do anything. However, I submit that an overwhelming number of U.S. Senators who voted for Gramm-Rudman-Hollings voted for it under the assumption that we would follow the mandates, substantive and procedural, laid out in the law. Next week, April 15, is the first of those mandates. That is the day we are supposed to have finished the budget resolution.

Many of those who supported that procedure rose on the floor and said: "We will do it. It is important for the United States and our people that we do it."

The Budget Committee proposed a budget resolution. It is pending at the desk for deliberation by the U.S. Senate and ultimate disposition. Most of the Senators who supported the new process also said: "We will vote in the policy decisions, the changes and reforms, requisite to get the $144 billion target." No one I know of voted for that bill under the assumption that we would wait until October and have another sequester to produce outlay reductions of $25 or $35 billion. Few, if any, expected the triggering mechanism to become the policy of this land.

It should come as no surprise that if we do not vote on a budget, go to conference with the House, and use it as the target for policy changes, come this summer and fall we will have to cut across the board again or pass some makeshift continuing resolution through the appropriations process which atttempts to get to the goal.

On that score, almost everyone in the U.S. Senate will lose significant prerogatives they have. First of all, I am not reluctant to say that we will not even know what is going on when that kind of CR comes through with references to House-passed bills, Senate bills that came out of committee, and the like.

What a way to legislate. What a legacy of Gramm-Rudman-Hollings, the reform approach that was going to get us where we should be in a timely manner, with orderly appropriations, all packaged up with a nice ribbon on it, saying, "This is what we are going to do."

I ask again: Where is the budget? It is amazing. I just described the only other one in town, the President's. I just described what I assume will happen to it if it comes to the floor of this Senate.

Instead of a year of budget ideas and budget proposals, this is a year of budget letters. We have letters from one group of Senators saying that they do not like what the Senate Budget Committee produced, and they would like our distinguished leader to negotiate an alternative. We have another group of Senators who have passed out their critique of the bipartisan budget that Senator DOMENICI and Senator CHILES led through the Budget Committee.

I give to the authors of these letters every bit of consideration and courtesy; and, yes, I even have great admiration for some of the ideas they have. However, it is amazing that even those letters, critical in nature, have no proposals in them. They are merely saying that somebody, somewhere, ought to negotiate something else.

Well, the Senator from New Mexico is not a newcomer to negotiation. In the past 5 years, because of the nature of this process, I think I have probably negotiated more times on more issues, produced more negotiated budgets out of the back room of the leadership or out of the committee room of the Senate Budget Committee or in a conference room of the House and the Senate, than any other Senator here, and probably more than any Member of the House.

So, negotiate? Yes. But, clearly, we cannot continue to talk about this budget process, to take great pride in the fact that we have a mechanism in place to solve this problem, and then, from day to day, put off the eventual way that this democracy decides these kinds of issues—by voting on significant issues on the floor of the Senate.

So I suggest that the way we will solve this problem is, first, if the President of the United States and his Director of OMB, Mr. Miller, are seriously interested in negotiating, then we should sit down and see what they have in mind. I have asked them not once, not twice, but even again today, in the presence of the President. At the leadership meeting at the White House, I indicated: "If you don't like what we produced, what do you suggest we put in its place, so long as it is not the budget that you just sent up, because, clearly, there is no support—perhaps 10 Senators—for that game plan and that set of policies? So is there anything else you have in mind?"

I hope that from the discussions today, there will be some serious efforts at determining what the White House position on this budget resolution, or any amendments to it, will be.

I suggest that those who believe we can complete our job by voting out a budget resolution without differences of opinion are clearly mistaken. There is no way that we can put together all of the Republican Senators to pass a budget resolution this year. I am convinced it has to be bipartisan. I need not go into detail other than to say there are some Senators who want substantially more for defense, and I do not mean $5 billion or $6 billion, some want $10 billion, $12 billion or $15 billion. There are some who want $5 billion or $6 billion more. There are some who would cut some more domestic programs to make up for that defense. There are a substantial number of Senators who have concluded that you cannot get to where you have to go without some additional revenues; that is, taxes. And clearly that is not the position of all of the Republican Senators. When you add up those three issues, there is no way we can get this done unless we do it in a bipartisan manner.

I have pledged to my colleague from Florida, the senior Senator from Florida, the ranking Democrat, that we will continue down this avenue of bipartisan effort to produce the very best budget we can.

So I conclude by saying that I know where the Senate Budget Committee's budget is. It is here waiting to be taken up. And, as I indicated before, none of my remarks here are directed at the distinguished majority leader. He obviously is trying his very best to get the White House to decide whether they want to be a player here or whether they prefer to let us go it alone. And even with that decision behind us, however it is made, there will be disagreements on the floor of the Senate between the Senators who are going to vote as to what they want.

I started this process, the Gramm-Rudman-Hollings process, as a constructive player in these temporary emergency procedures. I remain convinced that, even with its shortcomings, it had to happen because of the frustration that set in after all of the grid-lock that has occurred in the last 2 years between the President, the Speaker, and others. The only way we would truly get to this deficit-reduction path and stay on it was some extraordinary pressure imposed upon both Houses of Congress and on the President of the United States.

It is in that regard that I offered many amendments and changes to the

now historic Gramm-Rudman-Hollings law and, frankly, I think it has a chance of working. I see less demand by special interest groups for increases than I have ever seen in my 5 years of being budget chairman and 14 years of serving as a Senator. That, in and of itself, bodes well. I see more concern among Senators for getting the job done and getting on with it and trying to put one budget in place that will solve the problem for 3, 4 or 5 years given reasonable and realistic assumptions.

So I say to those who have alternatives: Where are they? To those who have some suggestions for us as to how to make this better: Where are they? Perhaps the only way we will get to discuss them thoroughly and analyze their propriety as policy and their ability to get the support of a majority of U.S. Senators is to go ahead and let those who have better ideas bring their amendments to the floor and have them thoroughly debated and let the chips fall where they may.

Now I note that my friend, the distinguished Senator from Florida, is on the floor and I now yield to him but before I do that, might I ask, how much time do we have remaining in our 10 minutes?

The PRESIDING OFFICER. The Senator has consumed 10 minutes.

Mr. DOMENICI. I ask unanimous consent that we have an additional 5 minutes under the same conditions.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. DOMENICI. I yield as much time as the Senator needs of that reserved time.

Mr. CHILES. I thank the distinguished chairman and my friend. I am delighted to see that he is on the floor today and making these remarks.

I think the time to act is now. The budget deadlines certainly have some meaning. It takes time to implement a budget resolution, to get a reconciliation bill enacted. Even last year's small reconciliation bill lost $50 million a day every day it languished because of the delays in trying to get it finally passed. Those were savings we lost. We cannot afford that kind of delay, especially with the Gramm-Rudman-Hollings guillotine waiting to fall in September.

I trust that if we stand on the floor here a few days, hopefully the budget will be up here right away. And I join with my friend in saying that this is not a criticism of the majority leader. The quicker we can get the budget before, us, the quicker we can act. But I trust if we are on the floor a couple of days, we will certainly be joined by the sponsors of Gramm-Rudman-Hollings who put in the deadline of April 15. I know they want us to comply with their law. I have heard Mr. GRAMM has been in my State over the weekend talking about the law and I know as an author he will be here to force us to comply with that law and that deadline of April 15.

Certainly what we are talking about is not a partisan problem. It was not created that way. And the solution has got to be a bipartisan solution as the chairman suggests. I think the chairman and I found there is no one simple part of the budget that you can blame on the deficit. It is caused by increases in defense spending, increases over the years in domestic spending, and by the fact that we were not willing to raise the revenue to take care of the spending. So we just borrowed the money and accumulated higher and higher deficit and we all have to take a part in trying to cure it.

The White House certainly has a role. We need them to negotiate. We have been trying to say that I think for the last 4 years. But over that period of time we have learned the only way you really get them to negotiate is to show them that Congress is going to produce a product on its own and only when we have that will we be able to get the White House to participate. If the Senate acts and passes a budget resolution, then I think we have a lot of opportunities for negotiation. We have a conference with the House, we have consideration of the actual reconciliation bill. There are all kinds of opportunities and they can participate in some of those opportunities. But as long as we sit and wait for the White House—which, of all of the public statements I have heard, has not shown any willingness to negotiate and has said they do not think we seriously can do anything. They think it is too early. They think we should wait until the fall. But we would just be losing time, all of that time that we wait.

We know that the Gramm-Rudman-Hollings Act is alive and if the White House will not bargain, then at some time the Congress might just pass the sequester resolution and dump it in the President's lap. We wee what we thought was a negative Federal court ruling that took away some of the powers of GAO. But now we see that there has been another ruling in New Jersey that suggests differently in regards to the powers of GAO and so the Supreme Court now has those considerations in front of them. In any event, even if they upheld the lower court in the provisions of the GAO, it still comes back to Congress. It is still dumped in our lap. It is still the Budget Committee's job to just package what CBO and OMB sends to us and bring that to the floor where, I understand, we have a very limited debate.

I think it is 2 hours. And then Members of this body are going to get a chance to vote yes or no as to whether they support the actions that they took a year ago.

We know a lot of people would like to spend more on defense, and raise less taxes. I would like to do that myself. I am sure the distinguished chairman would like to do that. But how? Then you would have to be willing to cut much more off the domestic programs than we did in the committee.

I think we reached a point where neither side was willing to cut much more. In fact, before we could pass it out, we know there were negotiations in which the Democrats demanded some things be added back, and the Republicans did, too. Those were agriculture, foreign aid, Eximbank, on the Republican side, and we had our list of projects on our side as well.

So there was certainly moves made in the committee reflecting its makeup as a cross-section of the Senate. We reached a point where we were not going to make additional major cuts off the domestic side.

So maybe that will happen on this floor. But I join with the chairman in saying let the Senate work its will. Let us get it out here. If there is another proposal, and I understand the Senator from Texas, Mr. GRAMM, has talked about a complete alternative, let us get that out here. He is persuasive in this body. He has been persuasive in the body at the other end of the Hall. He may convince 51 Senators here that they ought to vote for his proposal. If he does, that will start us down the track.

But I think we ought to get out the budget resolution. Then he has an opportunity to offer his substitute, and the Senate can work its will. If the Members want deeper domestic cuts to buy more defense or less taxes, then they need to bring their amendments to the floor, and they need to take them up when we have the provision before us.

I think the bill that we passed is a pretty good mix on spending and taxes. We reduce the deficit from 4.8 percent of GNP in 1986 to 1.3 percent in 1989. Of that 3.5 percent of the GNP drop by which we would be reducing it, 2.5 percent would come from reduced spending, and 1 percent would come from increased revenues. Of that 2.5 percent drop in reduce spending, 1.4 percent is domestic, 0.6 percent is defense, and 0.4 percent is interest.

So the balanced package, I think, meets the Gramm-Rudman-Hollings goals. Defense would be cut $18 billion, domestic would be cut $69 billion, and interest would be $12 billion which would give us a spending cut of $99 billion to go with revenues—an increase of about $74 billion.

Is defense adequate? That is a question we need to debate on this floor. But the BA is up under our provision,

$8 billion over last year, so it continues a slower growth. It certainly does not cut into the investment base which has doubled over the last 6 years.

So I join with the chairman in saying I think the sooner we get the resolution out here on the floor and see what alternatives people have and what amendments they have the better. I hope and trust that a majority may come to the same conclusion that we did starting from separate places. If you are going to get a majority, you have to put together a mix similar to the mix we voted out with a majority vote on the Republican side and the Democratic side of the Budget Committee.

Mr. DOMENICI. Will the Senator yield the remaining minute?

Mr. CHILES. I am glad to yield.

Mr. DOMENICI. Mr. President, I want to thank my colleague from Florida, the ranking minority member on the Budget Committee, and close by reminding one other institution, and one other group of legislators that is a part of the U.S. Congress about their responsibility, and also ask them where the budget is. The U.S. House has a responsibility. They adopted the same laws. They set the same deadlines. They engaged in the same kind of rhetoric about the deficit. They voted by a rather compelling majority to modify the Budget and Impoundment Control Act of 1974 to require the 5-year reform measure imposed upon it. Yet, it appears to me that the Senate Budget Committee has done its work. I am positive that in short order the U.S. Senate will begin its debate, and start by having its vote.

And I close by asking the U.S. House of Representatives: Where is the budget?

I hope they will understand that without it, we are asking for a very, very difficult year and taking some inordinate chances with our future. We do not really have to do that. We can just get on with what we told the American people we were going to do when we passed that law.

I yield the floor.

(Conclusion of later proceedings.)

CONCLUSION OF MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Morning business is closed.

METROPOLITAN WASHINGTON AIRPORTS TRANSFER ACT

The ACTING PRESIDENT pro tempore. Under the previous order, the hour of 10:30 a.m. having arrived, the Senate will now resume consideration of S. 1017, which the clerk will report.

The assistant legislative clerk read as follows:

A bill (S. 1017), to provide for the transfer of the Metropolitan Washington Airports to an independent airport authority.

The Senate resumed consideration of the bill.

Mr. TRIBLE addressed the Chair.

The ACTING PRESIDENT pro tempore. The Senator from Virginia.

Mr. TRIBLE. Mr. President, as the clerk has reported, the business before the Senate is again the regional airport legislation.

This legislation has now been the subject of debate and discussion for many days before this body. Before the Easter recess the Senate managed to cut short the opposition of the Senator from Maryland and others against what I believe is a sound bipartisan bill to get the Federal Government out of the business of running airports.

Now the challenge will be to address a number of amendments, whose purpose is to destroy the airport transfer bill, a bill that makes so much practical and financial sense. A bill that has benefits for both Federal budget and for the National Capitol region.

I was struck this morning by an editorial that appeared in the Washington Post. It is not often that I can quote with approval from the Washington Post. So I would like to do that this morning.

I would quote in part from that editorial, and I ask unanimous consent that the entire editorial be made a part of the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

WHY THE AIRPORTS BILL MAKES SENSE

Before the Easter break the Senate managed to survive and short-circuit the filibustering of Sen. Paul Sarbanes against a sound bipartisan bill to get the federal government out of the expensive business of operating two airports. Now the challenge will be to endure a series of equally shortsighted and long-winded efforts by the senator to destroy the airport transfer bill that makes so much practical and financial sense for the federal budget and for regional responsibility.

The bill as it is represents the carefully considered work of a commission appointed by Transportation Secretary Elizabeth Dole, headed by former Virginia governor Linwood Holton and supported by Gov. Gerald Baliles, former governor Charles Robb, Sens. Paul Trible and John Warner and just about anybody else who has given thought to the folly of the U.S. government's continuing to run and repair National and Dulles airports.

In one breath (that took hours), Mr. Sarbanes argued that the bill would permit unfair competition against Baltimore-Washington International Airport and that BWI has been a stunning success, an efficient and convenient airport. There's no reason BWI's success can't continue—and indications are that this excellent Maryland airport will flourish as part of this region's air transportation system. Dulles and National, already linked as government properties, would be leased to a regional authority that could relieve the federal government of an estimated $500 million in necessary improvements.

That should be fiscal incentive enough for the federal government to place responsibility for Dulles and National where it belongs, in a public authority that includes representatives of Virginia, the District and—yes—Maryland. But Mr. Sarbanes has tried to raise all sorts of other scares, contending that the transfer could lead to flights in the night over National and nonaviation use of Dulles some day. What it will lead to is the operation of two airports with improved facilities, under a 35-year lease (not a sale) that will better serve Congress, the airlines, this region and the traveling public. That's incentive enough for senators to support the bill as submitted.

Mr. TRIBLE. Mr. President, let me quote in pertinent part from that editorial:

Before the Easter break the Senate managed to survive and short-circuit the filibustering of Sen. Paul Sarbanes against a sound bipartisan bill to get the federal government out of the expensive business of operating two airports. Now the challenge will be to endure a series of equally shortsighted and long-winded efforts by the senator to destroy the airport transfer bill that makes so much practical and financial sense for the federal budget and for regional responsibility.

The opponent argued that:

The bill would permit unfair competition against Baltimore-Washington International Airport and that BWI has been a stunning success, an efficient and convenient airport. There's no reason BWI's success can't continue—and indications are that this excellent Maryland airport will flourish as part of this region's air transportation system. Dulles and National, already linked as government properties, would be leased to a regional authority that could relieve the federal government of an estimated $500 million in necessary improvements.

That should be fiscal incentive enough for the federal government to place responsibility for Dulles and National where it belongs, in a public authority that includes representatives of Virginia, the District and—yes—Maryland. But Mr. Sarbanes has tried to raise all sorts of other scares, contending that the transfer could lead to flights in the night over National and nonaviation use of Dulles some day. What it will lead to is the operation of two airports with improved facilities, under a 35-year lease (not a sale) that will better serve Congress, the airlines, this region and the traveling public. That's incentive enough for senators to support the bill as submitted.

Mr. President, I am pleased that we are now at a point where we can turn to the substantive amendments about which we heard over the last several weeks. This bill, I suggest, is important to all of our citizens. Washington National and Dulles are the two jetports that serve our Nation's Capital and all of our citizens that travel to this great city. Yet the operation of these airports has been limited by Federal control. They have not been able to show the flexibility of management essential to modern jetports in this day of deregulated airline taffic.

Moreover, the Federal Government over the last several decades has dem-

onstrated a disinclination and an inability to provide the hundreds of millions of dollars that are essential to modernizing these airports. The only way that we can get on with the important business of modernizing, enhancing, and improving these airports and their service to all of our citizens is to turn these airports over to a regional authority. These airports then can be managed and operated in the same fashion as all other commercial airports throughout our country.

The regional authority can enter the capital markets and secure the huge funding necessary to enhance these jetports.

That is the essence of this measure. That is why it is important that we take the step of turning these airports over to a local authority that can better manage them and go about the important task of improving their operation.

There are those who suggest that in some way this will put the Baltimore-Washington International Airport at a disadvantage, that this action in some way will conspire against the best interests of Maryland. That is simply not the case. We are not engaged here in a zero sum game. Rather, these airports are part of a dynamic growing region. BWI is an excellent airport, well-managed, and it is highly successful. And it will continue to be in the days ahead. This legislation will simply make it possible for us to have three modern, highly efficient, and highly effective airports to serve the growing needs of this region and our Nation.

Much has been said, perhaps too much, to this point about the merits and demerits of this measure. The central fact now is that we can turn to the amendments put forward by the opponents of this measure. Now we will have the opportunity to discuss in detail the concerns that have been expressed in very general terms.

I look forward to that opportunity. I look forward to meeting the concerns that have been raised. I look forward to debating the amendments propounded by my colleagues who are opposed to this measure.

I see my distinguished friend and colleague from Virginia has risen. I yield to my friend and colleague, Senator WARNER.

Mr. WARNER. Mr. President, I thank my distinguished colleague.

Mr. President, the Senate is prepared to work its will on this piece of legislation. I say with the utmost respect to my distinguished colleague from Maryland that he clearly has an obligation to the citizens of that State, and indeed others who have legitimate questions concerning the bill in its present form as it is being presented to this body.

I commend him for diligently bringing to the attention of all those concerned those points which I presume will be debated very carefully and resolved by such votes or other actions that may be necessary by the U.S. Senate.

But I urge in the interest of the overall work of this body that we proceed with dispatch on this piece of legislation, allow the Senate to work its will, and bring this matter to conclusion as promptly as possible.

Mr. SARBANES addressed the Chair.

The ACTING PRESIDENT pro tempore. The Senator from Maryland.

BETTER AIR SERVICE FOR THE WASHINGTON REGION

Mr. SARBANES. Mr. President, after a considerable amount of time spent by the Senate on the question of whether to take up S. 1017, the Senate invoked cloture on the Tuesday before the Easter recess on the motion to proceed to the legislation, and subsequent to the envocation of that cloture, it was made in order for the bill to come up and be before us this morning, which is now the case.

It was my view from the discussion at the time that there were sufficient deficiencies in the legislation that we really needed to take another look at the whole problem and come at it with a different approach; that the legislation before us really did not offer an opportunity, even with an amending process, to achieve that.

I was particularly concerned because the junior Senator from Virginia, at one point in the debate, indicated to one of our colleagues in the Senate that an amendment our colleague was talking about offering really would be a very difficult amendment to consider because it would undo a carefully put together arrangement involving a number of local jurisdictions, and, therefore, that the proposal before us really could not be amended.

I expect over the next few days we will have an opportunity to consider these amendments to the legislation, some to be offered by myself and others by other Members of this body, designed to address particular problems that we see in the legislation.

I do believe that the current debate in the Senate about the future of National and Dulles, which, along with Baltimore-Washington International, are the region's three major airports, has raised a number of controversial issues.

I known my colleague from Virginia was unwilling, in a sense, to discuss those controversial issues at the time that the motion to proceed was being debated, and, in fact, with rare exception abstained from doing so. I assume that now in the course of the debate that will take place, he will come forth and address them in a substantive way.

I think it is important to underscore at the outset that I think all Members agree that major improvements at the two federally-owned airports are needed, but whether the airports should be transferred from Federal ownership, and, if so, how and on what terms, are more difficult questions. In other words, some Members have raised the question of whether the transfer from Federal ownership should take place at all, and others, while conceding that the Federal Government divesting itself of the operation of these airports may be desirable, have serious questions about the way in which and the terms upon which this transfer is to be accomplished.

In my own view, the airport transfer bill now before the Senate is not the answer. It fails to recognize the fact that all three airports serve the National Capital Area—National, Dulles, and BWI—the latter two, Dulles and BWI, being equidistant from the Nation's Capital; that all three serve the National Capital Area and that a fair airport policy will result in better air service for the region.

In 1984, Secretary of Transportation Elizabeth Dole directed an ad hoc Commission which she appointed, chaired by the distinguished former Governor of Virginia, Linwood Holton, to devise a plan for divesting the Federal Government of National-Dulles Airports. Regrettably, the final report, which was not supported by a single Maryland representative on the whole Commission, ignored, in my judgment, a viable and sensible proposal for addressing this difficult problem of the future course for the airports, ignored a viable and sensible proposal put forth by the Maryland members.

The Maryland proposal recommended the transfer of National to an interstate authority composed of three members each from the District of Columbia, Virginia, and Maryland, and representatives of the Federal Government. In other words, you would have nine members divided equally among the three jurisdictions, with additional members from the Federal Government in recognition of the national interest in the central airport serving the capital.

Under that proposal, Dulles would have been transferred to Virginia, which would then have been able to develop it in the same way that Maryland has developed BWI, thus allowing those two airports, Dulles and BWI, which compete with one another directly, to do so on an equal footing. Placing National under a regional authority and selling Dulles to Virginia would have avoided the deficiencies in the transfer bill now before the Senate. These deficiencies include, and these are matters that I expect will be addressed in the amending process which we are about to undertake:

One, unequal representation on the authority board governing the airports.

In other words, the composition of the board established in this legislation and proposed by the Holton Commission is very much skewed because Virginia has 5 of the 11 members and therefore, in effect, dominates the authority. Maryland has only two and is very much in a minority and dissenting position.

Two, the ability of the authority to use profits from one airport to subsidize the other, for example, the highly profitable National underwriting Dulles in unfair competition with BWI. Dulles and BWI compete with one another and Maryland welcomes that competition, but it does not feel that it ought to take place on the basis of Dulles being able to obtain an underwrite or a subsidy from National, which runs a highly profitable operation. In effect, you are then being forced to compete with both facilities and on unfair terms.

Three, an incredibly low price for both facilities in which hundreds of millions of dollars have been invested.

Only $47 million is being realized by the Federal Government from the sale of these two facilities. At a time of a difficult budget situation, that obviously does not make sense.

Four, the potential use of thousands of acres of land at Dulles for nonaviation business or activities.

Five, the power of the authority after the lease period to use the transferred properties for purposes other than an airport.

I hope to spend some time developing that point because I think it is a very important one that Members of this body need to be aware of and consider very carefully.

Six, a lack of adequate protections for the present employees at the two airports.

The labor protection provisions in this legislation are very limited, both as to time and as to scope. I think we need to examine them more carefully than has been done with respect to what is going to happen to a very dedicated and committed work force which has done outstanding service over the years.

Seven, the possibility of significantly increasing nighttime use and, hence, noise at National Airport.

There is a real danger, in fact, I think, in this legislation, of National becoming a 24-hour-a-day airport and that there will be very strong pressures at work to bring that about.

By focusing exclusively on National and Dulles and treating them as a single unit, the bill sets up a competitive situation unfair to Baltimore-Washington International and places in jeopardy BWI's ability to maintain a high level of service for the benefit of the entire region. At the heart of this problem is cross-subsidization between National and Dulles, allowing revenues at one to be used to underwrite costs at the other.

Mr. President, that is a very important point. In other words, this legislation would allow the revenues at one of the two airports to be used to underwrite costs at the other and therefore structure the costs at the subsidized airport in an unfair, noncompetitive fashion.

Acknowledging the unfair competitive nature of such a practice, the airport transfer bill contains some provisions seeking to limit direct cross-subsidization. Unfortunately, these provisions contain a loophole wide as an airplane hangar door, that permits any revenues at one airport to be used for capital costs, like debt service and depreciation, at the other and permits some revenues, like concessions and leases, at one airport to be used for any costs at the other. Clearly, the loophole swallows the limitation.

If the cross-subsidization provision raises the prospect of unfair competition between Dulles and BWI, the selling price for the two airports makes the situation even worse. The authority established by the bill to buy and operate National and Dulles would be required to pay only $47 million over a 35-year period, to be financed with tax-exempt bonds.

Whatever the arguments for or against selling the airports, $47 million is hardly a serious price. Estimates of the two airports' value have ranged in the hundreds of millions and a group of private investors has offered $1 billion for them. While the issue of privatizing the airports is complex, the offer only underscores the ridiculously low price established by the bill.

While the cut-rate price would be controversial in any circumstance, it is, I submit, irresponsible in the context of today's deficit pressures on the Federal budget. Furthermore, the use of tax-exmpt bonds represents additional significant revenue loss to the Treasury.

In other words, it is proposed to dispose of the airport at an extraordinarily low price, a bargain-basement price, and at the same time to finance that sale and other capital improvements at the airport through the use of tax-exempt bonds, which, of course, represent an additional revenue loss to the United States Treasury.

Curiously enough, at a time when the administration is seeking to end the use of tax-exempt bonds, it is proposing their use in this instance. All in all, the sales package adds up to the Federal equivalent of a fire sale, and at a time when National and Dulles are increasingly profitable.

From both the fiscal and competitive perspectives, therefore, the proposed transfer is indefensible. It is further unacceptable because it would open the way to repeal of the limits on nighttime noise which Washington area residents fought long and hard to obtain.

Apart from a few, well-defined exceptions, a 10 p.m. to 7 a.m. curfew is now in effect at National. To minimize the impact of noise on the densely populated areas surrounding the airport, the required approach and takeoff patterns all follow the Potomac River; but the points at which pilots leave these patterns are located in large part over Maryland. All the communities which have successfully fought for the curfew now face the stark fact that the bill gives the authority power to ease the hard-won restrictions on operating hours and noise levels.

The composition of the independent authority only adds insult to injury. Of its 11 members, 5 would be appointed by the Governor of Virginia, 3 by the Mayor of the District of Columbia, 2 by the Governor of Maryland and 1 by the President. The airport transfer bill, in effect, rides roughshod over the regional, and indeed national, interest in airport facilities serving the national capital area. BWI and Dulles are, after all, equidistant from downtown Washington, and both have important roles to play in the region's air transportation network.

BWI is proof that a State authority can turn a struggling airport into a stunning success. Fourteen years ago, Maryland purchased Friendship Airport from Baltimore, and with vision, hard work, and an investment, in current dollars, of over $250 million, created an efficient and convenient airport. Virginia can certainly do as much with Dulles and Maryland would welcome the competition Dulles would provide. Since National is a vital concern to residents of the District, Maryland, and Virginia alike, it belongs under a truly tripartite local authority with Federal membership to represent the Federal interest.

In sum, the problems facing our regional airports are real but they require fair and sensible solutions. These are not found in the airport transfer bill. It would be better for all the parties to seek a more balanced and constructive proposal, which would command a regional consensus. Then we could all get on with the job of providing quality air service for the national capital area.

Mr. President, those, in brief summary, are in my view the major deficiencies of the legislation before us which we will now have to address. In turning to that point, I want to address some questions to my colleague from Virginia [Mr. TRIBLE] because, depending on the understanding of some of this legislation, weaknesses or loopholes in the amendment can perhaps be closed out.

In his short statement, the Senator from Virginia, quoting the Post editorial, said that "this is a 35-year lease and not a sale." I simply direct the attention of my colleague to the legislation, to the language at the end of the legislation on page 49, and ask him what will happen to this property at the end of the 35-year period.

(Mr. KASTEN assumed the chair.)

Mr. TRIBLE. It is the intention of this legislation for these properties to be administered by the regional authority for the course of 35 years, during which time Congress would have a substantial oversight authority. During that time there will be specific rules and regulations as drafted by Congress that would shape the operation of these airports.

At the end of the 35-year lease, the properties would be turned over to the authority.

Mr. SARBANES. So, in effect, you have a lease period with these limited payments but at the end of that period the property is transferred to the authority.

Mr. TRIBLE. There is no doubt there will be a transfer of these properties at the end of the 35 years but during the course of that 35-year period——

Mr. SARBANES. I am concerned about the moment after the 35-year period.

Mr. TRIBLE. At the end of the 35-year lease period it is envisioned by this legislation that the properties would be transferred to the regional airports authority.

Mr. SARBANES. What could the authority do with the properties then? As I read the legislation, there is no restriction on what the authority could do with the property after the 35-year period.

Mr. TRIBLE. It is certainly the purpose of this legislation to transfer these properties to a regional airports authority for use as airports to serve the public. The bill, as you know, is replete with references to the use of the airports for airport purposes. The failure to use the airport lands for airport purposes during the course of the 35-year lease period would cause a reversion of these properties to the Secretary of Transportation. The board is constituted for the sole purpose of governing airports.

It is my purpose, by way of this legislation, to transfer these airports from the Federal Government to a regional airports authority so that these properties can be used for airport purposes to serve the public.

Mr. SARBANES. I understand the restrictions on the 35-year period, although I think they are inadequate in terms of the restraints they place but there are some commitments to airport use. But after the 35-year period, it seems to me that under this bill the authority could if it wished, in effect, cease to use the property, let us say, at National for an airport. What in the legislation prevents that from happening?

Mr. TRIBLE. The whole purpose of this legislation is clearcut. Moreover, in the enabling legislation passed by the Commonwealth of Virginia and the District of Columbia, the authority is set up for a single purpose, that is, of operating an airport.

If the Senator has continuing concerns about how these properties will be used, I would suggest that in preparing the lease, which would be drafted pursuant to the adoption of this legislation, the lease arrangement could once again provide that these properties are to be used for airport purposes and airport purposes alone.

Mr. SARBANES. I am not concerned with the lease period. I am concerned for the period beyond the lease. Is it the Senator's intention that after the 35-year period the authority should be able to cease to use these properties for airport purposes?

Mr. TRIBLE. No, that is not the intention of this Senator. My intention is to work for the passage of legislation that will free these airports from the shackles of the Federal Government and turn them over to a regional authority composed of citizens of this metropolitan area so that these properties can be used for airport purposes.

Mr. President, we are fast approaching the noon hour at which time the Senate will recess for 2 hours. But before that bewitching time arrives, I want to complete a colloquy that I was having with Senator SARBANES, the distinguished Senator from Maryland, about the use to which these airports can be placed. Heretofore I said it was the intention of the Senator that these properties would be used for airport purposes now and in the future.

I want to direct the attention of my colleagues to two provisions in the legislation, Senate bill 1017 now before us. Section 7 of this legislation provides the powers of the independent Airports Authority. Paragraph 1 of section 7 of the bill provides:

(1) authorized to acquire, maintain, improve, operate, protect, and promote the Metropolitan Washington Airports for public purposes;

Then in paragraph 5, the bill goes on to say:

(5) a corporation constituted solely to operate both Metropolitan Washington Airports as primary airports serving the Metropolitan Washington area;

It is my judgment that this language makes it very clear that these airports are to be used for airport purposes and airport purposes only.

I will tell the Senator there is no intention to do otherwise. If he believes there needs to be further qualification of that point, that can certainly be accomplished. The object of this legislation simply put is to turn these airports over to a regional authority that can operate them more effectively. These important jetways to our Nation's Capital must be expanded, modernized, and their operations enhanced so that all of our citizens, whether they live in the great metropolitan area of Washington or in South Dakota, Oregon, or Louisiana, will be better served.

Again, these properties are to be used for airport purposes, for airport purposes alone, and the bottom line of those operations is not profit. It is service.

Mr. SARBANES. Mr. President, I say to my colleague it will be my intention this afternoon, because I know we are about to recess, after those of our colleagues who indicated that they intend to offer amendments immediately after the luncheon recess, to offer an amendment which would ensure that after the end of the 35-year lease the real property would continue to be used for airport purposes. I do not think it should be able to be shifted into a different purpose unless the authority came back to the Congress. I do not think the authority ought to be able at any point, even after the 35-year period, to cease to operate one of these airports on its own judgment, and to divert that real property then to some other use.

Mr. TRIBLE. On that point there is no quarrel. Hopefully, we can resolve the other concerns the Senator has as expeditiously and as positively. If the Senator will advance those concerns in the form of amendments, and I know that is his intention, the Senate will be able to proceed and then this legislation can be adopted by this body.

Mr. SARBANES. While I have the Senator on that point, on page 58 of the bill, it says in paragraph 3, right in the middle of the page: "All of the facilities of the Metropolitan Washington Airports shall, during the term of the lease, be available to the public," including commercial and general aviation on fair and reasonable terms without unjust discrimination.

In light of the conversations we just had, I assume that the Senator would have no objection to that nondiscriminatory provision carrying over beyond the lease agreement?

Mr. TRIBLE. Mr. President, is it possible to ask unanimous consent to continue this colloquy for 1 additional minute? If so, I make that request.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TRIBLE. I would point the Senator from Maryland to section 7, paragraph 1, which says expressly, without qualification, that this Airports Authority is "authorized to acquire, maintain, improve, operate, protect, and promote the Washington Metropolitan Airports for public purposes." There is no limitation there. It is to

public purposes that this property should be placed now and in the future.

Let us continue this colloquy at 2 o'clock. Moreover, there are amendments that will be offered by our colleagues. Two Senators have expressed their intention to offer amendments this afternoon, Senator LAUTENBERG and Senator KASSEBAUM. Those amendments will be pending before us this afternoon.

Mr. SARBANES. I would say to the Senator, this Senator from Maryland is also prepared to offer amendments.

Mr. TRIBLE. Good. The more amendments that can be offered, dispatched, and resolved this afternoon the better.

RECESS UNTIL 2 P.M.

The PRESIDING OFFICER. Under the previous order, the Senate will now stand in recess until the hour of 2 p.m.

Thereupon, at 12:02 p.m., the Senate recessed until 2 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. RUDMAN).

Mr. FORD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. SIMPSON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

FEDERAL CHARTER TO THE VIETNAM VETERANS OF AMERICA, INC.

The PRESIDING OFFICER. Under the previous order, the hour of 2 p.m., having arrived, the Senate will now resume consideration of S. 8, which the clerk will report.

The assistant legislative clerk read as follows:

A bill (S. 8) to grant a Federal charter to the Vietnam Veterans of America, Inc.

The Senate resumed consideration of the bill.

The PRESIDING OFFICER. The time for debate on this bill is limited to 10 minutes, to be equally divided and controlled by the chairman and ranking member of the Judiciary Committee, with no amendment except the committee reported amended to be in order, and with a vote on final passage to occur immedately following the debate.

The acting majority leader.

Mr. SIMPSON. Mr. President, I yield to the chairman of the Veterans' Affairs Committee and the ranking minority member, and ask for 1 minute for my remarks, if I may, after they conclude.

Mr. MURKOWSKI. Mr. President, I rise in support of S. 8, a bill to grant a Federal charter to the Vietnam Veterans of America.

The Vietnam war was itself a conflict of controversy. But, Mr. President, the men and women whose duty took them to Southeast Asia to fight, and all those who served during that era, do not deserve to be stigmatized by such controversy.

They did their jobs. They served America.

During those days of national frustration, while our politicians debated and our students demonstrated, our soldiers were fighting real battles * * * they were suffering real injuries * * * and they were dying.

They did because they were—and still are—dedicated to duty. Dedicated to America.

Down on the Mall is an eloquent and stark reminder of the Vietnam veterans' dedication to, and love of, this country. Nearly 60,000 names are reflected back in the faces of the millions of visitors who are visiting the Vietnam Memorial every year. Among those visitors are members of the Vietnam Veterans of America.

How ironic to be a Vietnam veteran and to stand before those black walls and wonder whether the sacrifice of your generation is considered by the Congress to be important enough to merit the approval of the same charter granted to veterans of other combat eras.

Mr. President, it took America almost 10 years to hold a homecoming parade for Vietnam veterans. It seems we are slow to accept the truth that those who served are not those who set the policy.

Mr. President, let us not be slow to accept this appropriate request for a charter: A Vietnam soldier was an American soldier. And his or her duty was an American duty.

In granting a Federal charter to the Vietnam Veterans of America, the Congress recognizes the important role to be played by this organization—to serve their fellow veterans of Vietnam and the Vietnam era. The Vietnam Veterans of America has an excellent track record in its first decade of existence. This organization has been in the forefront of legal and service representation for its members. I expect the Vietnam Veterans of America to continue on this course which will have the added prestige and responsibilities provided by a congressional charter.

I urge my colleagues to join with me in support of granting a charter to the Vietnam Veterans of America; no group of America's veterans has done more to deserve our approval.

Mr. SIMPSON. Mr. President, I believe we have a situation of 10 minutes equally divided. I do not believe there will be anyone to speak in opposition. I ask unanimous consent that if there is no one in opposition, that the time for opposition be assigned to proponents of the legislation.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SIMPSON. Mr. President, I ask that I be recognized for 1 minute.

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. SIMPSON. Mr. President, let me say very quickly, during my time as chairman of the Veterans' Affairs Committee, I worked with the remarkable Senator from California [Mr. CRANSTON] and now the new chairman of the committee the Senator from Alaska [Mr. MURKOWSKI]. I have seen how they have worked on this issue and have given such great effort to it.

I just want to say that the Vietnam Veterans of America has proved to me to be a remarkable group. Whatever situations occurred years ago I should think have no place any longer in the national debate.

I have found them to be a very delightful group with which to work. They do not go into a "knee-jerking" posture on veterans' legislation. When we try to do something reasonable or responsible with the Veterans' Administration budget, they are very responsible, sensible, and reasonable.

Mr. President, they are a marvelous group to work with and I think they are very deserving of this grant of a Federal charter.

I cannot imagine a more deserving group. I commend their leader, Bobby Muller, who has brought them from their beginning. Perception of the organization has certainly changed. They are most worthy of a charter from the Federal Government.

Mr. CRANSTON addressed the Chair.

The PRESIDING OFFICER. The Senator from California.

Mr. CRANSTON. Mr. President, I yield myself 2 minutes.

Mr. CRANSTON. Mr. President, as the ranking minority member of the Veterans' Affairs Committee and the author of the pending-measure, S. 8, a bill that would grant a Federal charter to the Vietnam Veterans of America, Inc. [VVA], I am delighted to rise in its support. Introduced on January 3, 1985, and ordered reported on an 18 to 0 vote by the Judiciary Committee on March 20, 1986, this measure is cosponsored by the following 67 of my Senate colleagues: Senators SIMPSON, MATSUNAGA, STAFFORD, SPECTER, BRADLEY, BURDICK, CHILES, COHEN, DODD, FORD, GLENN, HART, HATFIELD, KASSEBAUM, KENNEDY, LEAHY, LEVIN, MATHIAS, METZENBAUM, PELL, PRESSLER, PROXMIRE, PRYOR, SASSER, WILSON, BYRD, KERRY, BIDEN, DECONCINI, SARBANES, LAUTENBERG, GORE, DURENBERGER, GORTON, MITCHELL, HAWKINS, HECHT, JOHNSTON, SIMON, EVANS, RIEGLE, ROCKEFELLER, ANDREWS, EXON, BUMPERS, BOSCHWITZ, PACKWOOD,

HARKIN, CHAFEE, EAGLETON, ZORINSKY, MOYNIHAN, HOLLINGS, HEINZ, BENTSEN, MURKOWSKI, D'AMATO, NICKLES, ROTH, BOREN, BINGAMAN, MELCHER, NUNN, INOUYE, BAUCUS, KASTEN, and ABDNOR.

The VVA is a national service organization devoted to the welfare of Vietnam-era veterans. Formed in 1978, VVA has grown into an organization with over 220 active chapters stretching from New England to California and its membership is over 30,000 strong—a nearly 50-percent increase since last year.

For 8 years, the VVA has addressed the major issues that face Vietnam veterans, including needs for readjustment, employment, and economic assistance, the adequacy of GI bill benefits, VA health-care programs, agent orange, and posttraumatic stress disorder. In the past several years, as it has become a truly national organization, it has acted as a progressive catalyst on major legislative issues and has promoted the importance of recognizing Vietnam veterans as a valued and valuable national resource for America.

The members of VVA represent a wide spectrum of income levels, political beliefs, religions, professions, and ethnic groups. The VVA, through its State councils and local chapters, brings these different backgrounds and experiences together in order to seek to accomplish several purposes. One is to provide mechanisms through which Vietnam veterans can develop positive identification with their Vietnam service and with those who served with them. A second is to deal with the physical, psychological, and economic consequences of the war for individual veterans. A third is to seek to effect basic reform in the governmental and private institutions that have major impact on the lives of veterans.

The VVA is recognized by the Veteran's Administration under section 3402 of title 39, United States Code, to provide representation for veterans in connection with claims for benefits before the VA. Through VVA Legal Services—VVA's in-house law firm—the organization represents veterans with individual claims, brings lawsuits to advance Vietnam veterans issues, and has developed and distributed a comprehensive claims manual for use by VVA's service officers and others involved in assisting Vietnam veterans.

Mr. President, the VVA has also been deeply involved in efforts to gain a better understanding of the psychological and other health-related problems of Vietnam veterans and to foster their readjustment to civilian life. It has joined in the ongoing fight—in which the U.S. Senate has been deeply engaged for 10 years—to seek judicial review of VA decisions denying veterans' benefit claims. The organization has also contributed to efforts to promote employment opportunities for Vietnam veterans and to heighten recognition of the needs of women, minority groups, and incarcerated Vietnam veterans.

The VVA's 220 chapters are its local service providers. Each chapter sets its own goals to address the needs of its members and the community in which it operates. Each chapter has in common with others that they all serve as the primary contact point for information and referral services. Many have established local rap groups to help Vietnam veterans express their concerns and interests. They also operate other programs to meet the needs of Vietnam veterans, such as job fairs and substance abuse programs. Chapters also work to portray a positive image for Vietnam veterans in their commuities by sponsoring such programs as Special Olympics, Big Brothers, and other community programs.

Most importantly, Mr. President, the VVA works to enable Vietnam veterans to be proud of their time in the service in spite of the many controversies surrounding the war itself.

Mr. President, S. 8 is—with the exception of some minor technical changes—identical to legislation I introduced with Senator SIMPSON in the 98th Congess, S. 2266, and which was cosponsored by 51 of our Senate collagues then. Although no action was taken on S. 2266 in the 98th Congress, the companion measure, H.R. 4774—introduced by the distinguished chairman of the House Veterans' Affairs Committee [Mr. MONTGOMERY]—was passed by the House by a vote of 295 to 96 on June 11, 1984.

I am aware, Mr. President, of the concerns that some have had about the granting of a charter to the VVA. However, the VVA has come a very long way in its struggles for recognition and is continuing to move constructively forward in the veterans' community. The overwhelming vote—16 to 2—to waive the Judiciary Committee's 10-year rule—the VVA was founded 8 years ago in 1978—and thereby facilitate the committee's consideration of this measure, the committee's 18-0 vote to order this measure reported favorably to the floor, as well as the great bipartisan support in the form of cosponsorship of the bill, are evidence of the great strides that the VVA has made and is continuing to make.

Mr. President, I believe that the granting of a Federal charter is an appropriate form of recognition for the VVA and should help promote its valuable ongoing work as the largest organization which represents exclusively those who served during the very difficult Vietnam era. A charter would constitute both an appropriate and important recognition of the valuable contributions which Vietnam veterans have made to our Nation and a bolstering of the VVA's effectiveness to move forward with the significant work that remains to be done on behalf of Vietnam veterans.

Mr. President, before closing, I want to take this opportunity to express my special thanks to a number of Senators for their extraordinary assistance in this matter and for their efforts to bring this measure to the floor today, including the distinguished majority whip and principal cosponsor of S. 8—Mr. SIMPSON—the Senator from Arizona [Mr. DECONCINI], and Ohio [Mr. METZENBAUM], all three of whom provided such stalwart support in the Judiciary Committee, and, of course, our very able colleague and veteran of the Vietnam conflict, the Senator from Massachusetts [Mr. KERRY]. His fellow Vietnam veterans in the Senate, the Senators from Tennessee [Mr. GORE], Iowa [Mr. HARKIN], and South Dakota [Mr. PRESSLER], were also of great assistance. Each of these Senators was instrumental in facilitating the Senate's consideration of S. 8.

Mr. President, it is important that we recognize this group. I am delighted that we are about to do so.

I urge the Senate to provide overwhelming approval of the pending measure, S. 8.

Mr. DECONCINI. Mr. President, I rise in support of S. 8, a bill to grant a Federal charter to the Vietnam Veterans of America.

On January 24, 1985, my distinguished colleague, Senator CRANSTON, introduced S. 8, and I was pleased to add my name as a cosponsor. This legislation has been one of Senator CRANSTON's priority issues and it has been a pleasure to work with him and his outstanding staff as this bill has worked its way through the legislative process.

After months of intensive negotiations in which I was actively involved, the Senate Judiciary Committee unanimously approved S. 8, and I am pleased that the full Senate finally will have the opportunity to vote on this important legislation today. I would particularly like to compliment Senator DENTON without whose cooperation this bill would never have reached the floor of the Senate. I would also like to compliment the leadership of the VVA for negotiating in good faith with Senator DENTON and the other members of the Judiciary Committee who had a special interest in this legislation. When two opposing sides on an issue are entrenched, it is difficult, if not impossible, for the full Senate to work its will. S. 8 is an outstanding example of what can be accomplished in a cooperative spirit, and I commend all the active participants in the process.

The Vietnam Veterans of America is the largest national service organization devoted exclusively to Vietnam veterans. During the more than 8

years since its establishment, the VVA has worked tirelessly to provide services to Vietnam veterans and to represent their interests before Congress. As a member of the Senate Committee on Veterans' Affairs, I can personally attest that the VVA has been effective and persuasive in presenting testimony before our committee on a wide array of legislation impacting on Vietnam veterans. When the successful Vet Center Program was in jeopardy, the VVA was a crucial factor in it being saved. When the employment problems of Vietnam veterans became painfully apparent, the VVA was in large measure responsible for the enactment of the Emergency Veterans Job Training Act. When the health problems related to exposure to agent orange could no longer be ignored, the VVA was instrumental in helping to enact Public Law 97-72 which provides health care to veterans who may be suffering from diseases resulting from agent orange exposure.

The VVA is a legitimate veterans service organization with a membership of approximately 27,000 which includes many Members of Congress. It has over 200 chapters nationwide in 40 States. Enactment of this bill will enhance the VVA's ability to provide needed services to the 9 million men and women who served during the Vietnam era. This much we, the Members of the United States Senate, owe to those who answered their Nation's call.

Mr. CRANSTON. Mr. President, I am delighted to yield to the Senator from Mississippi.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KERRY. Mr. President, I would like to thank the distinguished Senator from California [Mr. CRANSTON], the distinguished Senator from Wyoming [Mr. SIMPSON], the distinguished Senator from Alaska [Mr. MURKOWSKI], and also the distinguished Senator from Alabama [Mr. DENTON], all of whom played a significant part in seeing that this bill would come to the floor.

I think all of us know that the Vietnam veterans fought in two struggles. The first struggle, obviously, was the 10-year, the longest war in the history of this country, in and of itself. The second struggle has in many ways, though never quite as difficult, been a difficult struggle and been a longer struggle. That has been the struggle here, at home, to find respect and to bring themselves home—ourselves home, veterans as a group.

Today, the Senate, by finally giving formal charter for the first time to any group of veterans from the Vietnam War, I think is taking a very significant step in moving one further milestone toward closing the chapter of that second struggle.

For myself, as a member of the Vietnam Veterans of America, as a friend of Bobby Muller and of many of those who have kept that struggle going for so long, this is a very, very important day and a very gratifying day. I hope my colleagues will join in an overwhelming vote in support of this effort.

I know for myself that the Vietnam Veterans of America have been dedicated as no other group to outreach programs, to dealing with the post-Vietnam stress syndrome, to dealing with drug problems and unemployment problems, and I join with my colleague from Wyoming and others and congratulate them on the reasonableness of their approach.

Mr. President, I thank all of my colleagues who have joined in this effort and I look forward to this vote as a firm expression of the Senate's welcoming Vietnam veterans.

I thank the Chair.

Mr. SIMPSON. Mr. President, I think the Senator from North Carolina has a statement. How much time remains?

The PRESIDING OFFICER. Thirty seconds.

Mr. SIMPSON. I ask unanimous consent for an additional 2 minutes for the Senator from North Carolina.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HELMS. Mr. President, I thank the distinguished Senator from Wyoming. I thank the Chair.

Mr. President, after reviewing materials about the VVA I have decided I cannot support S. 8, a bill to grant a Federal charter to the Vietnam Veterans of America. The VVA's past activities and its rapidly declining membership rolls does not warrant, in this Senator's opinion, congressional approval of a Federal charter.

Let us look at the facts: Since its inception in 1978, the VVA's national leadership has engaged in a number of activities which unduly interfered in U.S. foreign policy initiatives. Documentation shows that in the early 1980's the VVA leadership visited the Communist regimes of Vietnam and Cambodia. During the second trip, Robert Muller, the VVA's national president, laid a wreath on Ho Chi Minh's grave with the inscription "With respect from the Vietnam Veterans of America."

The VVA leadership has also interfered with the United States Government's efforts to resolve the status of our MIA's by separately calling for normalization of relations with Vietnam before the United States had a full accounting of all United States MIA's. It has sought reconciliation with the Government of Vietnam and presented itself as the official liaison between Hanoi and Washington. It continues to welcome to membership those men and women who were dishonorably discharged or who deserted. The anti-American nature of these activities should not be rewarded in my judgment, by granting the VVA a national charter.

The VVA also fails to represent a significant number of Vietnam-era veterans. It is my understanding that over 10,000 members have left the organization since November 1985, leaving fewer than 17,000 members on its rolls. In contrast, the Veterans of Foreign Wars lists over 500,000 Vietnam-era vets. The American Legion lists approximately 700,000 Vietnam vets. Even the Veterans of the Vietnam War, a veterans organization still seeking a Federal charter, lists 30,000 members. Clearly the VVA's declining rolls demonstrate that the VVA does not reflect the philosophy of the majority of Vietnam veterans.

This Senator is well aware of the amendment adopted by the VVA this past fall to restrict the VVA's activities in the area of foreign policy. It is this Senator's opinion that the language of the amendment would not, in fact, halt the anti-American activities of the VVA's leadership.

This Senator's vote against S. 8 should not be interpreted by anyone as a vote against Vietnam veterans. I will support chartering any veterans organization that I believe warrants a Federal charter. But until there is a real "change of heart" on the part of VVA's national leadership and greater support from the Vietnam vet population, I cannot sanction the VVA's activities by supporting legislation to grant them a Federal charter.

I thank the Chair.

Mr. THURMOND. Mr. President, I rise in support of S. 8, a bill to grant a Federal charter to the Vietnam Veterans of America, Inc.

Senator DENTON raised some serious reservations in the Senate Judiciary Committee concerning many of the activities of this organization. There is no Senator in this Senate that I have more respect for than the able Senator from Alabama, Senator DENTON. If there was ever a true patriot, he is one. He was a prisoner of war for 7 years during the Vietnam conflict. No one know what he underwent. He expressed a desire to look into the matter further. After meetings with the president of the Vietnam Veterans of America, Robert Muller, Senator DENTON now feels that "the intentions of the leadership are just and honorable and that past discretions will not be repeated." He subsequently has removed his reservations to the charter, allowing the measure to come before the full committee.

On March 20, 1986, the Senate Committee on the Judiciary, pursuant to committee rule, waived by two-thirds vote the standard to require a private organization to have been in operation

under a charter granted by a State or the District of Columbia for a minimum of 10 years. The committee, without objection, then approved S. 8 with a technical amendment and ordered the bill favorably reported.

I think the time has come for us to acknowledge more fully the commitment of service made by these Vietnam veterans. I urge my colleagues to support this legislation.

Mr. DENTON. Mr. President, S. 8, a bill to grant a Federal charter to the Vietnam Veterans of America, Inc. [VVA], was introduced on January 3, 1985. At the time of introduction, I had serious reservations about the bill.

I had serious reservations about the VVA's past history of activities, about its original orientation, and about its direction of leadership. Since it is the national leadership that is seeking the Federal charter, its activities are pertinent to the decision on whether or not to support the request. Many of its past activities appeared to have been unwarranted interferences in the conduct of our foreign policy. Other activities had seemed to bring dishonor upon Americans who served our country in Vietnam, including those who gave their lives.

The questionable activities included:

First, welcoming to membership men and women who were discharged with dishonorable status or who deserted rather than basing the membership upon honorable service to the United States.

Second, conducting visits to the Communist regimes of Vietnam and Cambodia. During one such trip, Robert Muller, the national president, laid a wreath at the grave of Ho Chi Minh with the inscription "With respect from the Vietnam Veterans of America." That action has considerably less merit than President Reagan's visit to Bitburg Cemetery, which was condemned in the Senate.

Third, interfering with our Government's efforts to resolve the status of our MIA's by separately calling for normalization of relations with Vietnam prior to a full accounting of all American MIA's; and

Fourth, seeking reconciliation with the Government of Vietnam, and in fact presenting itself as the official liaison between Hanoi and Washington.

As a result of the perception I had of the VVA based on the past activities of its leadership, I decided to meet with Bobby Muller, the organization's president. In fact, we had a number of good meetings entailing several hours. As a result of these meetings, I must say that I understand and respect Bobby, and I commend him for his military service to this country. I must also state that these meetings developed a degree of commonality between Bobby and myself as to the special needs of the Vietnam-era veterans.

Finally, during the course of these meetings it became apparent that Bobby and the leadership of the VVA have realized the past errors of politicizing the organization by involving the VVA in nonveteran policy issues. In fact, at the national convention this past November, Bobby pushed through an amendment to the organization's constitution which specifically prohibits the national organization and the State chapters from becoming involved in political issues outside of the veteran's area. I believe that Bobby has done his organization a tremendous service by compelling it to focus on the needs of the Vietnam vet and not on extraneous highly political issues.

Mr. President, I now believe that the intentions of the VVA are just and honorable and that the past discretions will not be repeated because of the modification of the organization's constitution.

In light of the foregoing, I removed my reservation as to the bill and joined the other members of the committee in unanimously voting to report S. 8 to the floor.

Mr. RIEGLE. Mr. President, I am pleased that the Senate is today considering S. 8, a bill to grant a Federal charter to the Vietnam Veterans of America, Inc. As a cosponsor of this important legislation, I urge the Senate to vote its approval without further delay.

Several months ago, I was privileged to participate in the VVA's annual convention which was held in Detroit, MI. Although the veterans attending that convention represented a variety of backgrounds and political attitudes, they were unanimous in their desire to achieve a Federal charter.

In granting a charter to the VVA, we salute Vietnam veterans for their devotion to our country, and for their service during the Vietnam war. We confirm our belief in their organization, in its purpose, and in its future.

As a nation, we are indebted to our Vietnam veterans for many things. Above all, we owe them our appreciation and understanding for performing the tasks that were asked of them, and for carrying the physical and mental scars which came from that service.

It is not right for America to look away from its Vietnam veterans because we may wish to block the Vietnam war out of our thinking. Instead, we must make ourselves understand the Vietnam war. We must open our arms and hearts to every Vietnam veteran, and provide the support which they have never fully received.

We must be as committed to our servicemen and women during times of peace as we are during times of war. When a Vietnam veteran is without a job, or is suffering the effects of agent orange, America must be there to help. If the Pentagon can pay $9,000 for a coffee pot, surely we can find the necessary resources to cure the service-connected illnesses of our veterans.

Our duty as a nation is not just to fight the wars. It is to build the peace that follows the wars.

Because of their experiences, our Vietnam veterans have been forced to think deeply about national values and national purpose. They are one of the most important parts of the conscience of America, and their greater personal awareness is one of our great national assets. Perhaps that is one reason why the Vietnam Veterans Memorial attracts more visitors than almost any other site in Washington. America is coming to honor its Vietnam vets and to search and find meaning, to think, to share a sense of national grief, and to understand the lessons of the past for the future.

With their special insights, strength and dedication, our Vietnam veterans can play a key role in helping America decide its destiny. But before they can help us build the America of our dreams, we must first help heal their wounds. Granting official status to their organization is an important first step.

Since its birth 8 years ago, the VVA has been invaluable in helping veterans deal with their special problems. On March 20, 1986, the Senate of the State of Michigan adopted a resolution urging the U.S. Congress to enact legislation granting the Vietnam Veterans of America a Federal charter.

Their resolution read, in part:

* * * the people of this country have been especially blessed in the dedication of the individuals who have made immeasurable sacrifices to preserve our way of life and our liberties. In addition to the obvious debt we harbor for those who have served in the Armed Forces, our country also is greatly enriched through the programs and efforts of several veterans groups. These organizations have assisted veterans and their families, as well as fostering a spirit of patriotism and service at the local, State and national levels; and

* * * an organization which epitomizes this tradition of service to veterans and the community is the Vietnam Veterans of America. This group touches many lives, especially for those among us with personal knowledge of the hardships, triumphs, and losses of this war. The unique services of this organization are most essential and highly commendable.

To ensure that the special needs of millions of Vietnam veterans are given the priority attention they deserve, it is both necessary and appropriate that Congress promptly grant a Federal charter to the VVA, so that it may work effectively on behalf of those who have sacrificed so much.

Mr. DOLE. Mr. President, over the years, much has been written and spoken about the Vietnam war. As a nation, we still debate the wisdom of our involvement in the Vietnam war and our strategies and tactics for

waging it. But I do think we have achieved a national consensus on at least one issue—that America's fighting men and women in that war, not less than in any other war, deserve our honor for their patriotism, respect for their courage, and admiration for their good intentions.

The granting of a Federal charter to the Vietnam Veterans of America is one very symbolic step in recognizing the tremendous contribution this organization has made to not only the veterans of the Vietnam war but to the discourse on national policy these men and women have truly given of themselves both on and off the battlefield.

DISABLED AMERICAN VETERANS

Two nights ago, I was privileged to be recipient of the Victory of the Human Spirit Award for the injuries I received in World War II. As a disabled veteran, I can appreciate the needs of our Vietnam veterans and recognize the tremendous debt we owe them. These brave Americans shall for the rest of their lives carry with them harsh reminders of the hell of war. Their disabilities range from the loss of limbs, sight, hearing and mobility to delayed stress syndrome. They have made a sacrifice that can never fully be repaid. We have honored them with ceremonies, speeches, and remembrances. While important, it is not enough. The Vietnam Veterans of America have done a great deal in helping the many disabled veterans of Vietnam become productive members of society. This must be recognized.

OUR POW-MIA'S MUST NEVER BE FORGOTTEN

However, for many, the war did not end in 1975 and, in fact, has not yet ended. These are still Americans whose fate remains unknown and whose families and loved ones still live lives of fear, pain and frustration. The attitude of the Vietnamese Government is the single most important factor in resolving the fate of our POW-MIA's. Many, many Americans—in Kansas and around the country—are waiting, as they have for more than a decade, to see if Hanoi is serious, to see if the Vietnamese Communists will live up to minimum standards of humane behavior, to see if they will do what is right.

A NOTE OF THANKS TO THOSE WHO MADE IT POSSIBLE

Mr. President, a great deal of thanks should go to Senator MURKOWSKI, chairman of the Senate Veterans Affairs Committee and Senator SIMPSON, ranking member of the committee, who took such an interest in the granting of this charter. Also, Senator CRANSTON, ranking minority member of the committee deserves a note of thanks for his work on behalf of the charter. A great deal of the credit goes to Robert Mueller, president of the Vietnam Veterans of America. Bob, a former marine who is 100-percent disabled—along with the many dedicated members of the organization—has done an admirable job in keeping this issue on the congressional front burner. I look forward to joining my colleagues and others at the White House when the President signs this bill granting a Federal charter.

Mr. President, this vote pays tribute to those who have accepted the ultimate responsibility for the well-being of our Nation. Let us demonstrate our individual consideration and respect to these men, and on a larger scale, by insuring the efficient and adequate maintenance of programs, benefits and services our veterans justly deserve—we can do this by granting a Federal charter to the Vietnam Veterans of America.

Mr. CHAFEE. Mr. President, the U.S. Senate is presented with a unique opportunity today. By adopting S. 8, legislation which will grant a Federal charter to the Vietnam Veterans of America, Inc., this body will have the chance to positively affect the lives of many veterans at no cost to the Federal Government.

I am a proud cosponsor of this measure and I urge my Senate colleagues to join me in enacting it.

As many Senators know, the Vietnam Veterans of America, Inc. [VVA], was founded in 1978. Incorporated in New York the same year, VVA aimed to foster and promote improvement of the condition of Vietnam veterans, widows and orphans of Vietnam veterans, and veterans of other wartime service.

If membership is any indication, Mr. President, VVA aimed well. In fact, it is now the largest national service organization exclusively devoted to Vietnam veterans. The organization claims about 32,000 members in over 40 States and more than 200 chapters. Its national activities benefit the more than 40,000 Rhode Islanders who served our country during the Vietnam era.

The VVA has been accredited by the Veterans' Administration for several years. It has been providing valuable service since its inception. Approval of a Federal charter will greatly enhance the VVA's credibility as a viable, top-notch veterans service organization and bolster its position in the fraternity of service organizations.

This legislation has been cosponsored by over 60 of my Senate colleagues and has the unqualified endorsement of nearly every veterans service and employment organization in Rhode Island, including the Rhode Island Veterans Action Center, the Vietnam-Era Veterans Association, the Vietnam Veterans Betterment Organization, and others.

Mr. President, the truly remarkable feature about this bill is that its adoption will come at no cost to Federal, State, or local governments, according to estimates of the Congressional Budget Office. With acrimonious budget debates looming in the immediate future, today's vote could be the last opportunity Senators will have in the 99th Congress to cast a vote for a worthy cause, without spending American taxpayer dollars.

Mr. President, I commend S. 8 to my colleagues and urge its adoption.

Mr. BIDEN. Mr. President, I rise in support of this charter and believe we should move quickly to see that the Vietnam Veterans of America can take their place alongside our other fine veterans organizations. In recognizing the contributions this organization has already made we only need to look at the increase in membership and new chapters they have achieved in the last 5 years. In 1980, the Vietnam Veterans of America had 2,000 members and 15 chapters. Today there are 32,000 members and 250 chapters. As the chairman and ranking member of the Veterans' Affairs Committee have indicated the testimony of the Vietnam Veterans of America is often sought in considering numerous veterans' issues.

I believe the wounds from the Vietnam war have left some veterans of that conflict disillusioned and reluctant to participate and seek their rightful place in the mainstream of America. This is an area where I believe the Vietnam Veterans of America have already made a valuable contribution in seeking out these men and women. I can't imagine any of us not wanting to help an organization that is working to secure the rightful benefits and the appreciation owed to the nearly 3 million Americans who served in Southeast Asia.

I think it is important that we understand the type of people who are affiliated with the Vietnam Veterans of America. Their elected leaders include a Congressional Medal of Honor winner, a wheelchair-bound marine, a former POW, and a banker. Their membership also includes doctors, teachers, active duty military personnel, blue collar, white collar, and men and women who may be unemployed. Their goal is to foster, encourage, and promote improvements of the condition of the Vietnam veterans, widows, and orphans of Vietnam veterans, veterans of other wartime service, and others. Their publications, training services, and assistance programs are widely praised throughout the Nation.

In my home State the work of this organization is well recognized. Delaware Chapter No. 83 of the Vietnam Veterans of America has been doing good work in assisting veterans in our State and I believe they have been instrumental in rekindling a sense of patriotism among some Vietnam vets who had been very disillusioned. In fact, in October 1985, when my State

established a Veterans' Affairs Committee, the first chairman chosen from among representatives of all the major veterans organizations, was James H. Harbison who was the president of Delaware Chapter No. 83 of the Vietnam Veterans.

In summary I would like to quote from an editorial that appeared in the Stars and Stripes, which is well recognized as the veterans newspaper. This editorial succinctly explains why this charter should be passed today. I will quote from the last paragraph:

* * * in war Vietnam Veterans of America were there when their country called. In peacetime they are there for fellow vets. Now the U.S. Senate should be there when VVA needs its well deserved congressional charter. It's time * * *

I ask my colleagues to join with me in voting for S. 8, the Vietnam Veterans of America, Inc., Charter.

Mr. LAUTENBERG. Mr. President, I rise as a cosponsor of S. 8, the bill to grant a Federal charter to the Vietnam Veterans of America [VVA], to urge the swift passage of this bill.

Formed in 1978, the VVA has devoted itself in an outstanding way to the welfare and the problems of Vietnam-era veterans. The VVA nationally, and the New Jersey Chapter, led by the New Jersey State chairman, Bob Hopkins, have provided valuable leadership on Vietnam veterans' problems like needs for readjustment, employment and economic assistance, the adequacy of GI bill benefits, VA health-care programs, agent orange, and posttraumatic stress disorder. Now over 32,000 members strong, the VVA has ably and conscientiously advanced these causes through the legislative process as well as by increasing public awareness.

At the same time, VVA provides valuable practical assistance to veterans by representing them in connection with claims for benefits before the Veterans' Administration. The VVA claims service department has gone one step beyond this traditional veterans organization service by developing and distributing a comprehensive claims manual for use by its service officers and others involved in assisting Vietnam veterans.

As the local service providers, the VVA's 150 chapters are the backbone of the organization. Every chapter serves as the primary contact point for information and referral services, and many have established local rap groups to help Vietnam veterans express themselves and address their common problems in a supportive environment.

Perhaps as important as the practical services provided by VVA, this organization has helped to instill pride and a sense of positive identification into Vietnam veterans who served their country at a different and divisive time in our national history.

As a World War II veteran myself, it is clear that granting a Federal charter to the VVA would be a fitting way to express our recognition of the contributions which Vietnam veterans have made to our country, both during that war and in its aftermath. This charter would strengthen the ability of VVA to continue to serve its veterans in meaningful and effective ways. As important a tribute as the Vietnam Veterans Memorial erected in this city, this charter will help those who survived the war to go on living and contributing to our society in the fullest way possible.

I urge my colleagues to approve this legislation and send VVA a strong signal of support for their important work.

Mr. HEINZ. Mr. President, I am pleased to be a cosponsor of S. 8, to grant a Federal charter to the Vietnam Veterans of America. Since 1979 this organization has served the veterans of Pennsylvania and the Nation with distinction, and I am looking forward to the passage and enactment of this measure.

In the past 6 years VVA has shown themselves to be worthy of a charter by concentrating on services to veterans. In Pennsylvania this has been accomplished through local VVA chapters, and local business and volunteer groups working together to provide opportunities for veterans. Through VVA, small businesses have been developed, and have succeeded. Unemployed veterans have been located, job search assistance provided, and productive employment has been the result. Of equal importance is the counseling and representation VVA provides to its members. Veterans suffering from posttraumatic stress syndrome or other service-related difficulties have a friend and adviser in the VVA. In addition, VVA provides full representation to members seeking to ajudicate claims before the Veterans Administration.

These services which VVA makes available not only to my consitituents, but throughout the Nation, prove that VVA deserves a charter. But, moreover, VVA is of real help here in Washington as well. The Washington office has worked tirelessly to secure compensation for agent orange victims and job training for unemployed vertans, among many, many other issues.

For these reasons I have been a cosponsor of the VVA charter measure, and will glady vote in favor of it. I urge all my colleagues to join me and do likewise.

Mr. DODD. Mr. President, as one of its original sponsors I rise in strong support of the pending legislation, S.8, granting a Federal charter to the Vietnam Veterans of America, Inc. It is one of our country's noblest traditions to honor those among us who have served in our Armed Forces at the time of war or other conflicts short of actual war. For a long time, however, the veterans of the Vietnam war had not been given the recognition and gratitude by the Nation that they were entitled to. That war has divided our Nation in a way no war did since our Civil War. Amidst the political infighting about that war, the mutual recriminations from its opponents and supporters our servicemen at best were forgotten, at worst were made scapegoats for the division that was, the least of all, their fault.

I am very pleased that with time most Americans have recognized the injustice that was done to our Vietnam veterans and they have been given belated recognition for their sacrifices for our Nation. Still, there were many issues and concerns that were specific and important to Vietnam veterans and that called for a service organization dedicated to those concerns. The Vietnam Veterans of America, Inc., has filled that gap and has institutionalized a specific advocacy service to the Vietnam vet.

This organization was not formed to rival older, more established service organizations but to complement their work. Indeed, many members and leaders of Vietnam Veterans of America also belong to the American Legion and the Veterans of Foreign Wars, just to mention two of the most prestigious older groups.

Mr. President, a Federal charter is an official acknowledgment of the record and commitment of a service organization in providing assistance to those it was formed to support. It also enables the organization to take advantage of certain forms of Federal and State benefits to its work. During its existence the Vietnam Veterans of America has established and outstanding record in support of Vietnam veterans. Its membership now surpasses 30,000. I see absolutely no reason to deny them the honor of a Federal charter and I urge all my colleagues to approve this legislation.

Mr. GLENN. Mr. President, I rise to express my support for S. 8, a bill to grant a Federal charter to the Vietnam Veterans of America. My State of Ohio boasts the largest number of VVA chapters, with 28 active chapters and an additional 16 to 20 in formation. The Ohio VVA has been actively involved in veterans employment assistance activities, operating six job counseling and placement centers in the State in conjunction with the Vietnam Veterans Leadership Program. Later this year the Ohio VVA will cosponsor a Small Business Veterans Business Conference with the SBA. Ohio VVA has 10 trained veterans service representatives around the State whose advice and assistance are available to all veterans and dependents. The Ohio VVA also participates

in voter registration efforts and the antidrug abuse program called "Just Say No." They are members of the Governor's Advisory Commission on Veterans Affairs and the Veterans Association of State Commanders and Adjutants. With respect to community service, Ohio VVA chapters run an annual soapbox derby for handicapped children and participate in a Christmas "Toys for Tots" Program.

On the national level the VVA has become an active and effective advocate of Vietnam veterans concerns before Congress and executive agencies. Their voice has heard and heeded on a range of issues including Vietnam veteran unemployment, the Vet Center Program and agent orange. The VVA operates an active Legal Services Program offering claims assistance to veterans.

In 8 short years the VVA has established itself as a true veterans service organization, and as such deserves the recognition of a Federal charter.

Mr. HOLLINGS. Mr. President, I am pleased to be a cosponsor of S. 8, a bill which grants a Federal charter to the Vietnam Veterans of America, Inc. [VVA]. VVA is the largest national service organization devoted exclusively to encourage and promote the welfare of Vietnam-era veterans.

Its membership, which doubled in 1982 and again in 1983, currently stands at 21,000. Each of the 150 chapters across the country works to meet the individual needs of the Vietnam veteran by providing information and referral services, substance abuse programs and job fairs. Events and activities such as Special Olympics and Big Brothers organized by VVA chapters not only benefit the communities in which they are held, but also portray a positive image for Vietnam veterans and help to foster their readjustment to civilian life.

Vietnam Veterans of America, Inc., addresses the major issues that confront all veterans of Vietnam, inlcuding not only their readjustment needs, but also employment opportunities and economic assistance, adequacy of GI bill benefits, and VA health-care programs. In addition, this organization has been involved in efforts to seek judicial review of veterans' benefit claims.

Since its formation in 1978, Mr. President, VVA has made great strides. Its rapid growth attests to the important work it does and the respect our Vietnam-era veterans have for it. It has become a major voice in all aspects of veterans affairs, providing valuable counsel to Federal and local agencies, to the Senate Veterans Affairs Committee and individual Members of the Senate. Because of its commitment to providing this insight and assistance, and the need for it to continue to do so, the VVA should have access to the many veterans' affairs forums which are limited to organizations with Federal charters.

I am happy to lend my support to this important bipartisan legislation, and, Mr. President, I urge my colleagues to join with me and vote for its passage.

Mr. LEAHY. Mr. President, 25 years ago this country embarked on what was to become the most divisive and destructive war since the 1860's. By the time we finally extracted ourselves from the horrors of Vietnam, 59,000 Americans and many more Vietnamese had lost their lives.

The brave men and women who served in that war came home to a country that wanted to forget. For many of them the nightmare of Vietnam was far from over. Some, still suffering from the physical and psychological injuries of the war, were rejected by families and friends, and succumbed to drugs and even suicide. For the past decade, Vietnam veterans have struggled to gain the honor and the respect they deserve.

Vietnam Veterans of America was begun in 1978, when Vietnam veterans were almost forgotten. VVA now has over 200 chapters in 41 States. It is the only national organization devoted solely to providing vital services, advocacy and opportunity to the 9 million Americans who served in the armed services during the Vietnam war.

VVA has proven many times over that it deserves our strongest support, for the central role it has played in reuniting this country. It has provided legal representation to thousands of Vietnam veterans in Veterans' Administration claims and discharge review cases. Hundreds of veterans have had their discharges upgraded as a result of this advocacy.

It has lobbied hard for legislation to benefit veterans, including the Emergency Job Training Act, funding to support Veterans centers, compensation for agent orange victims, and the Vietnam War Memorial.

VVA has worked tirelessly with the Veterans' Administration and other Federal agencies, and sponsored community projects on issues that directly aid veterans, including jobs and substance abuse programs, special Olympics, veterans small business conferences, blood drives and State and local Vietnam memorials.

By these efforts and many others, VVA has helped tens of thousands of Vietnam veterans succeed in government, in education, in business and in countless other endeavors that benefit all of us.

By adopting S. 8 to grant a Federal charter to VVA, we can give it our full support to build on its past record of achievements. VVA will then have access to important Veterans' Administration support services, and to State funds and resources for Vietnam veterans services.

This legislation has the overwhelming support of Republicans and Democrats, including several who served in Vietnam. Like the Vietnam War Memorial, visited by more Americans than any other memorial, and last year's New York City parade in honor of Vietnam veterans, this Federal charter is an expression of our recognition of the veterans of an unpopular war, and of the organization that has done the most to put that war behind us all.

Mr. HART. Mr. President, I am pleased that the Senate will vote today on S. 8, which grants a Federal charter to the Vietnam Veterans of America [VVA]. As an original cosponsor of this measure, I support granting this charter to recognize and further the work of VVA.

VVA has grown to become the largest national service organization exclusively devoted to the Vietnam veteran. The organization works with veterans who need job counseling and training; it offers them legal aid, and promotes overall assistance to veterans through legislative lobbying activities.

It has been over a decade since the end of the Vietnam war, but, the wounds are only now beginning to heal. Most veterans have moved quietly back into the mainstream of American society. And many have taken up positions of leadership in our government—leaders like Senators JOHN KERRY, ALBERT GORE, TOM HARKIN, LARRY PRESSLER, JEREMIAH DENTON, Gov. Bob Kerrey, of Nebraska, and Representatives TOM DASCHLE and BYRON DORGAN to name but a few. Yet some veterans continue to have problems related to their wartime experiences and will continue to need our help and encouragement.

One way we have helped is last year's action by the U.S. Senate in granting the right to judicial review for veterans benefit claims. This legislation is long overdue, and a much deserved and needed boost for those who fought in wars defending our country.

But even this legislation is not enough. It has taken years for American citizens and our Government to fully realize the gripping reality of the war in Vietnam. VVA has worked diligently over the last 8 years to help the people and Government of this country understand how we must move forward to secure the future for the hundreds of thousands of Vietnam veterans in the United States today.

Bobby Muller, president and founder of VVA has been the principal behind many of these efforts. His accomplishments for veterans are many. In addition to founding VVA, he lead an American delegation of Vietnam veterans in 1981 to Vietnam to create a dialog between our countries on the effects of agent orange, the fate of American soldiers still listed as miss-

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ing in action, and the plight of outcast Amerasian children. His delegation contained the first group of combat veterans to visit Vietnam since the United States disengaged from the fighting in 1975.

Since the creation of VVA in 1978, the organization has grown to nearly 30,000 members with over 200 chapters in 41 States. There, Mr. Muller's efforts have really borne fruit. His work has been primarily to seek justice on behalf of the thousands of veterans who fought the war in Vietnam and for the survivors of the men killed.

One of the most fitting ways to honor this man and the organization he started is for the Senate to pass a Federal charter for the Vietnam Veterans of America.

A congressional charter for VVA would enable the organization to continue its invaluable efforts for the veterans of that war and to act as a catalyst for enacting legislation they need.

Enactment of S. 8 will place this latest generation of veterans on the same footing as veterans from previous wars whose representative organizations have received similar recognition.

Mr. President, VVA is an outstanding group of caring men and women who have served our country with distinction. I support S. 8, and I urge the entire Senate to join me in voting for the VVA Federal charter today.

The PRESIDING OFFICER. All time has expired.

Mr. PRESSLER addressed the Chair.

The PRESIDING OFFICER. The Senator from South Dakota is recognized.

Mr. PRESSLER. Mr. President, I ask unanimous consent that I may proceed for 1 minute on the Vietnam Veterans of America charter resolution.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. PRESSLER. Mr. President, as a Vietnam veteran, and as a member of the Vietnam Veterans of America, I strongly support this legislation. I have spoken many times on the Senate floor about the need to give recognition to Vietnam veterans. It has been much easier in the last 3 or 4 years. It was much more difficult 5 or 6 years ago.

I have had a particular interest in Vietnam veterans since serving in the Army in Vietnam myself some years ago. In the past I have led efforts in this body in support of legislation to aid the Vietnam veterans cause. Today I join with many of my distinguished colleagues in cosponsoring this legislation on behalf of the Vietnam Veterans of America.

Every recognized veterans' organization today was formed with a particular interest in mind. The American Legion was formed in 1919 by veterans of World War I and was granted a Federal charter the same year. AMVETS was organized by World War II veterans in 1944 and was granted a Federal charter in 1947. The Veterans of Foreign Wars, of which I am a member, was formed in 1899 and was granted a Federal charter in 1936. There are veterans' organizations which pertain to religion. For example, the Jewish War Veterans organization was founded in 1896 and received its Federal charter in 1984. The Catholic War Veterans group was founded in 1935 and in 1985 received a Federal charter. The Disabled American Veterans organization, of which I am a member was founded in 1920 and was granted a Federal charter in 1932. The Paralyzed Veterans of America group was founded in 1947 and was granted a Federal charter in 1971. The VVA is a legitimate interest group, and should be granted this charter so that they may better care for their own.

The VVA is a national organization devoted to the welfare of the Vietnam era veterans. They are the largest service organization for Vietnam veterans with a national membership of more than 25,000 members in over 200 chapters nationwide. Their main purpose is to promote a cultural, economic, educational and emotional readjustment to civilian life. The VVA's local chapters conduct rap groups and job fairs. They are active in charitable organizations, Special Olympics, Boys' Clubs and Girls' Clubs, walkathons for the March of Dimes, and telethons for Muscular Dystrophy, soap box derby races for the handicapped, food programs, blood drives, and drug and alcohol abuse programs. They are involved in veterans' counseling and referral services, veterans' small business conferences and veterans' business resource councils.

But most important is their work which enables Vietnam veterans to be proud of their service to this Nation. The Vietnam war was a difficult period in our Nation's history. Many veterans of Vietnam suffered feelings of guilt and great psychological stress as a result of their service and the treatment they received upon returning home. They had severe difficulties adjusting to the job market, and sometimes were discriminated against in their efforts to readjust to civilian life. I recall vividly that when I first returned home from Vietnam, very few veterans wore their uniforms publicly for fear of insults. They became ashamed to admit that they had served in the Armed Forces. They were unlike veterans from other wars, who were welcomed home with ceremonies and parades.

Fortunately, Mr. President the Nation is moving toward a better understanding of its veteran population. The Vietnam Veterans of America already have made valuable contributions to this Nation. The granting of a Federal charter will recognize their accomplishments and help them toward further achievements. I urge the immediate adoption of this resolution.

The PRESIDING OFFICER. All time under the agreement with relation to S. 8 has expired.

The question is on agreeing to the committee amendments.

The committee amendments were agreed to.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendments to be proposed, the question is on the engrossment of the amendments the third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

On this question, the yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. SIMPSON. I announce that the Senator from Florida [Mrs. HAWKINS] and the Senator from Vermont [Mr. STAFFORD] are necessarily absent.

I further announce that, if present and voting, the Senator from Florida [Mrs. HAWKINS] would vote "yea."

Mr. CRANSTON. I announce that the Sentor from Missouri [Mr. EAGLETON] is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 94, nays 3, as follows:

[Rollcall Vote No. 52 Leg.]

YEAS—94

Abdnor	Goldwater	Metzenbaum
Andrews	Gore	Mitchell
Armstrong	Gorton	Moynihan
Baucus	Gramm	Murkowski
Bentsen	Grassley	Nickles
Biden	Harkin	Nunn
Bingaman	Hart	Packwood
Boren	Hatch	Pell
Boschwitz	Hatfield	Pressler
Bradley	Hecht	Proxmire
Bumpers	Heflin	Pryor
Burdick	Heinz	Quayle
Byrd	Hollings	Riegle
Chafee	Humphrey	Rockefeller
Chiles	Inouye	Roth
Cochran	Johnston	Rudman
Cohen	Kassebaum	Sarbanes
Cranston	Kasten	Sasser
D'Amato	Kennedy	Simon
Danforth	Kerry	Simpson
DeConcini	Lautenberg	Specter
Denton	Laxalt	Stennis
Dixon	Leahy	Stevens
Dodd	Levin	Symms
Dole	Long	Thurmond
Domenici	Lugar	Trible
Durenberger	Mathias	Warner
Evans	Matsunaga	Weicker
Exon	Mattingly	Wilson
Ford	McClure	Zorinsky
Garn	McConnell	
Glenn	Melcher	

NAYS—3

East	Helms	Wallop

NOT VOTING—3

Eagleton Hawkins Stafford

So the bill (S. 8, as amended) was passed, as follows:

S. 8

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

RECOGNITION AS CORPORATION AND GRANT OF FEDERAL CHARTER

SECTION 1. The Vietnam Veterans of America, Inc., a nonprofit corporation organized under the laws of the State of New York, is hereby recognized as such and is granted a charter.

CORPORATE POWERS

SEC. 2. The Vietnam Veterans of America, Inc. (hereinafter in this Act referred to as the "corporation"), shall have only those powers granted to it through its articles of incorporation filed in the State in which it is incorporated and its constitution and bylaws, and subject to the laws of such State.

OBJECTS AND PURPOSES OF CORPORATION

SEC. 3. The objects and purposes of the corporation are those stated in its articles of incorporation, constitution, and bylaws and include a commitment to—

(1) uphold and defend the Constitution of the United States;

(2) foster the improvement of the condition of Vietnam-era veterans;

(3) promote the social welfare (including educational, economic, social, physical, and cultural improvement) in the United States by encouraging the growth and development, readjustment, self-respect, self-confidence and usefulness of Vietnam-era veterans and other veterans;

(4) improve conditions for Vietnam-era veterans and develop channels of communication to assist Vietnam-era veterans;

(5) conduct and publish research, on a nonpartisan basis, pertaining to the relationship between Vietnam-era veterans and the American society, to the Vietnam war experience, to the role of the United States in securing peaceful coexistence for the world community, and to other matters which affect the educational, economic, social, physical, or cultural welfare of Vietnam-era veterans and other veterans and the families of such veterans;

(6) assist disabled Vietnam-era veterans and other veterans in need of assistance and the dependents and survivors of such veterans; and

(7) consecrate the efforts of the members of the corporation and Vietnam-era veterans generally to mutual helpfulness and service to their country.

SERVICE OF PROCESS

SEC. 4. With respect to service of process, the corporation shall comply with the laws of the State in which it is incorporated and those States in which it carries on its activities in furtherance of its corporate purposes.

MEMBERSHIP

SEC. 5. Except as provided in section 8, eligibility for membership in the corporation and the rights and privileges of members shall be as provided in the constitution and bylaws of the corporation.

BOARD OF DIRECTORS

SEC. 6. Except as provided in section 8, the board of directors of the corporation, and the responsibilities of the board, shall be as provided in the constitution and bylaws of the corporation and in conformity with the laws of the State in which it is incorporated.

OFFICERS

SEC. 7. Except as provided in section 8, the officers of the corporation, and the election of such officers, shall be as provided in the constitution and bylaws of the corporation and in conformity with the laws of the State in which it is incorporated.

NONDISCRIMINATION

SEC. 8. In establishing the conditions of membership in the corporation and in determining the requirements for serving on the board of directors or as an officer of the corporation, the corporation may not discriminate on the basis of race, color, religion, sex, national origin, handicap, or age.

RESTRICTIONS ON CORPORATE POWERS

SEC. 9. (a) No part of the income or assets of the corporation shall inure to any person who is a member, officer, or director of the corporation or be distributed to any such person during the life of this charter. Nothing in this subsection shall be construed to prevent the payment of reasonable compensation to the officers of the corporation or reimbursement for actual necessary expenses in amounts approved by the board of directors.

(b) The corporation shall not make any loan to any officer, director, or employee of the corporation.

(c) The corporation shall have no power to issue any shares of stock nor to declare or pay any dividends.

(d) The corporation shall not claim congressional approval or Federal Government authority by virtue of this Act for any of its activities.

LIABILITY FOR ACTS OF OFFICERS AND AGENTS

SEC. 10. The corporation shall be liable for the acts of its officers and agents when acting within the scope of their authority.

BOOKS AND RECORDS; INSPECTION

SEC. 11. The corporation shall keep correct and complete books and records of accounts and shall keep minutes of any proceeding of the corporation involving any of its members, the board of directors, or any committee having authority under the board of directors. The corporation shall keep at its principal office a record of the names and addresses of all members having the right to vote. All books and records of the corporation may be inspected by any member having the right to vote, or by any agent or attorney of such member, for any proper purpose, at any reasonable time. Nothing in this section shall be construed to contravene any applicable State law.

AUDIT OF FINANCIAL TRANSACTIONS

SEC. 12. The first section of the Act entitled "An Act to provide for audit of accounts of private corporations established under Federal law", approved August 30, 1964 (36 U.S.C. 1101), is amended by inserting after paragraph (71) the following new paragraph:

"(72) The Vietnam Veterans of America, Inc.".

ANNUAL REPORT

SEC. 13. The corporation shall report annually to the Congress concerning the activities of the corporation during the preceding fiscal year. Such annual report shall be submitted at the same time as is the report of the audit of the corporation required by section 2 of the Act entitled "An Act to provide for audit of accounts of private corporations established under Federal law", approved August 30, 1964 (36 U.S.C. 1102). The report shall not be printed as a public document.

RESERVATION OF RIGHT TO ALTER, AMEND, OR REPEAL CHARTER

SEC. 14. The right to alter, amend, or repeal this charter is expressly reserved to the Congress.

DEFINITION OF "STATE"

SEC. 15. For purposes of this Act, the term "State" includes the District of Columbia, the Commonwealth of Puerto Rico, and each of the territories and possessions of the United States.

TAX-EXEMPT STATUS

SEC. 16. The corporation shall maintain its status as an organization exempt from taxation as provided in the Internal Revenue Code of 1954.

EXCLUSIVE RIGHT TO NAMES

SEC. 17. The corporation shall have the sole and exclusive right to use the name "The Vietnam Veterans of America, Inc.", "Vietnam Veterans of America, Inc.", and "Vietnam Veterans of America", and such seals, emblems, and badges as the corporation may lawfully adopt. Nothing in this section shall be construed to interfere or conflict with established or vested rights.

FAILURE TO COMPLY WITH RESTRICTIONS OR PROVISIONS

SEC. 18. If the corporation shall fail to comply with any of the restrictions or provisions of this Act, the charter granted by this Act shall expire.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. TRIBLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

METROPOLITAN WASHINGTON AIRPORTS TRANSFER ACT

The PRESIDING OFFICER. The pending business is S. 1017, which the clerk will state by title.

The assistant legislative clerk read as follows:

A bill (S. 1017) to provide for the transfer of the Metropolitan Washington Airports to an independent airport authority.

The Senate resumed consideration of the bill.

The PRESIDING OFFICER. The Senator from Virginia is recognized.

Mr. BYRD. Mr. President, will the distinguished Senator yield?

Mr. TRIBLE. I am happy to yield to the minority leader.

Mr. BYRD. Mr. President, I inquire of the distinguished majority leader what the program will be for the remainder of the day and whether or not he anticipates any more rollcall votes today and possibly if he could also indicate how late the Senate might be in today.

Mr. DOLE. Mr. President, if we could have order.

The PRESIDING OFFICER. The majority leader is correct. The Senate is not in order.

The majority leader is recognized.

Mr. DOLE. Mr. President, I think how late we are in depends on whether or not we can start offering amendments to this bill. This is a very minor piece of legislation, in many respects. It is the seventh day it has been on the Senate floor. I am advised that there are some who do not want anything done today or tomorrow. They just want to talk for a couple more days. So I am prepared to stay here late this evening so we can start offering amendments to this bill. It is a matter that ought to be disposed of.

We have had adequate debate. No one has quarreled about anybody's right to debate. We have tried to protect the rights of everyone.

I am advised there are at least 15 amendments to the bill. I am not certain all of them will be offered. But if we can start offering amendments and having votes this afternoon, it would certainly help us get out earlier this evening and tomorrow evening. But, unless there is some disposition to do that, I am prepared to stay until midnight and later tomorrow night.

Mr. BYRD. Mr. President, will the distinguished Senator yield further?

Mr. TRIBLE. I am happy to yield to the distinguished minority leader.

Mr. BYRD. Mr. President, I can associate myself with the Senator's problem of having the responsibility to move the program along.

Is the distinguished majority leader in a position to say now that definitely the Senate will be in tonight until 10 o'clock or that it will be in until midnight or that there will be no votes beyond 6 o'clock or 7 o'clock? Is he in a position to let our colleagues know about the prospects in those regards?

Mr. DOLE. If the Senator from Virginia will yield further.

Mr. TRIBLE. I am happy to yield.

Mr. DOLE. I am not yet prepared to make that statement, because I would like to complete action on this bill. There are a number of other Members pushing other pieces of legislation that we cannot dispose of until we deal with this. I am told there are at least two amendments have now been taken off the list—about 15 amendments and there may be others. I am not certain they all will be offered. But if we could start voting on the amendments, I believe we would be in a position to try to accommodate some of the concerns on both sides, to have votes start about 7 o'clock this evening. But let me try to advise my colleague by, let us say, 4:30.

Mr. BYRD. By 4:30; I thank the Senator.

I have one more question, if the Senator from Virginia will permit me and if the majority leader will be patient with me. The budget resolution is a privileged matter and regardless of the unfinished business now before the Senate, the budget resolution can be brought up. Is the distinguished majority leader today, tomorrow, or Friday, even, to call the budget resolution up? I believe there are 50 hours of debate thereon.

Mr. DOLE. Let me indicate, if the Senator from Virginia will yield.

Mr. TRIBLE. I am happy to yield.

THE BUDGET RESOLUTION

Mr. DOLE. I met with most of the committee chairmen this morning, along with the OMB Director. It is my hope to have additional meetings during the afternoon. I doubt that we will get on the budget resolution this week. Then we will probably have the Republican conference later on in the week. I think it is fair to say—it is public information—that there are rather sharp divisions on this side on the budget resolution. About 24 or 25 Senators have indicated in writing their opposition to the budget resolution. The others, I guess, without checking, may be on the other side of the issue.

Mr. BYRD. Let me encourage the distinguished majority leader, if I may presume to do so, to bring this budget resolution up as soon as possible. It came out of committee on a bipartisan vote. I would hope that, with debate on the floor and Senators having amendments which they feel will improve the measure, fix this or fix that, I believe the distinguished majority leader would probably hasten the final action on the resolution if the Senate could get to it earlier. And, I feel confident that he is going to get some good support from this side of the aisle.

I wish to take, while I have this opportunity, the time to compliment the chairman and the ranking member for hammering out what appears to be a pretty moderate and balanced approach. We will have some amendments, but I hope that we can get to the budget sooner rather than later, if the distinguished majority leader will allow me to say so without appearing too presumptuous as to what is his responsibility.

Mr. EXON. Will the Senator yield for a question?

The PRESIDING OFFICER. The Senator from Virginia has the floor.

Mr. TRIBLE. I yield to the Senator from Nebraska for a question.

Mr. EXON. Mr. President, I wish to ask a question of the minority leader and majority leader before they leave the floor. I wish to associate myself with the remarks just made by the minority leader. As a member of the Budget Committee, we hammered out a proposal that is not perfect but at least it had strong bipartisan support. I think the quicker we bring that matter to the floor of the U.S. Senate and get on with the business of enacting a budget, the better off we will be.

My question has to do with the April 15 magical date. The law clearly states that we are to have action by April 15, which is 6 days away from right now, on the budget proposal. I know that we have conveniently ignored those dates from time to time, but that should not be precedent setting, especially in the situation that we find ourselves in right now.

This Senator did not support the Gramm-Rudman-Hollings proposal, but that is standing back there, I suggest. And if you think things are tough now, those of you who voted for Gramm-Rudman-Hollings, I would be scared to death if I voted for that bill and started to see a slippage of these dates that were set to bring some fundamental changes to the budget.

Therefore, I say, good, bad, or indifferent, I support strongly the able chairman of the Budget Committee who has done an outstanding job in bringing a coalition together. Senator DOMENICI, working together with Senator CHILES, the ranking Democrat, came out with not a perfect budget, but a budget that is fully workable, fully sound, protects many of the programs that we think should be protected, and meets the Gramm-Rudman proposal for a $144 billion deficit by the end of this fiscal year.

I just encourage our leaders to bring this up. The way we work our will here is that, after the appropriate body has made their decision, in this case the Budget Committee, if the committee system means anything in this body, it should come up on the floor of the Senate where it is fully amendable. I would think the quicker we get on with that the better.

My question, and I would like to ask the majority leader and the minority leader: What happens if we let the April 15 date slip by, which apparently we are about to do? Is that not a major concern to finding the give and take and the compromising and the votes that are going to be necessary on this floor to oppose those amendments that obviously are going to be offered? What do we do if we miss the April 15 date; nothing?

Mr. DOLE. Take it up later.

Mr. EXON. Take it up later.

Mr. TRIBLE. Mr. President, let me reclaim my time and say that we are now prepared, I believe, to consider a number of amendments to the airports legislation. Senator METZENBAUM is prepared now to proceed with an amendment. I promised him he would have an opportunity to do that before 3 o'clock. After the resolution of that amendment, it would be my hope then that we could proceed to an amendment to be offered by the Senator from New Jersey, Senator LAUTENBERG.

AMENDMENT NO. 1733

(Purpose: To protect the interests of the United States in the transfer of the Metropolitan Washington Airports)

Mr. METZENBAUM. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Ohio [Mr. METZENBAUM] proposes an amendment numbered 1733.

Mr. METZENBAUM. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment reads as follows:

On page 37, line 6, beginning after the words "or for", strike through the word "Authority" on line 8, and insert in lieu thereof: "activities necessary and appropriate to serve passengers or cargo in air commerce, or for non-profit, public use facilities".

Mr. METZENBAUM. Mr. President, we are today considering legislation to transfer control of Dulles Airport and National Airport to a regional airports authority for the price of $47 million. In return this new authority is committed to make long-needed improvements at National and Dulles, and to continue to operate the airports in the public interest.

This amendment would help to ensure that the bill does what it is supposed to do by tightening a provision that relates to the future development of land at Dulles Airport.

Much of Dulles' 10,800 acres of land is currently used to provide adequate runway clear zones and airport noise buffer space. In addition, some of the land is reserved for future development of a new runway.

At the same time, however, this land would undoubtedly yield the airports authority a far greater return if it were instead developed for commercial purposes. That is the basis of my concern.

Here is one possible scenario. As drafted, the bill would permit the new airports authority to lease Dulles for a period of 35 years, during which time it may not develop the reserved or buffer land for profit. However, there is nothing in the bill that would prevent the authority from entering into a 50-year lease with a developer to build an industrial park or some other totally nonaviation related enterprise on the buffer land. Under this scenario, the airports authority could realize its profit in the form of a balloon payment after its 35-year lease with the Federal Government expires.

Again, this is the land that Dulles' planners had the foresight to acquire 30 years ago so that Dulles would have adequate runway clear zones and noise buffer space.

Members of the Holton Commission, the administration, and the Washington-Dulles Task Force have attempted to assure me that there are no plans to develop this land for commercial purposes.

But the fact is, there is nothing in this bill that would prevent it.

Section 8(a)(1) of the bill says that the airports authority shall use the real and personal property of Dulles Airport only for "airport purposes." The same provision defines airport purposes to include both aviation business and nonaviation business.

The fact is, this language would permit the airports authority to do anything it darn well pleases with the land at Dulles.

I do not question the motives or the sincerity of the Holton Commission or the local coalitions that developed this bill.

That is why I believe they should have no objection to this amendment.

This amendment simply ensures that the land at Dulles Airport is used for aviation business purposes and activities necessary to move passengers or cargo engaged in air commerce. It does not prohibit the types of commercial development needed by an airport and that already exist at Dulles, such as car rentals or parking.

I believe it is a good amendment, and I urge my colleagues to accept it.

Mr. TRIBLE addressed the Chair.

The PRESIDING OFFICER. The Senator from Virginia is recognized.

Mr. TRIBLE. Mr. President, this amendment would lay to rest the concerns of a number of my colleagues about the possibility of commercial development unrelated to the airports' proper function.

The amendment, as my colleague from Ohio has explained, eliminates the ability of the authority to lease space to nonaviation related business.

I have maintained that there is no excess land available for these purposes at Dulles. In fact, the implementation of the master plan will leave a mere 15 acres north of the terminal for business activities that are not strictly speaking directly related to aviation such as a hotel, or a filling station.

In other words, the potential for commercial development is minimal at best. However, this amendment will assure my colleagues that the authority will not engage in commercial real estate development, and that the integrity of the airports will be maintained.

For that purpose, I am pleased to accept the amendment.

The PRESIDING OFFICER. Is there further debate on the amendment? If not, the question is on agreeing to the amendment of the Senator from Ohio.

The amendment (No. 1733) was agreed to.

Mr. METZENBAUM. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. TRIBLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. Who seeks recognition?

Mr. LAUTENBERG addressed the Chair.

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. SARBANES. Mr. President, will the Senator from Ohio yield for a question?

The PRESIDING OFFICER. The Senator from New Jersey was just recognized.

Mr. LAUTENBERG. I yield to the Senator from Maryland for a question.

Mr. SARBANES. As I understand the amendment, the activities would have to be necessary and appropriate to serve passengers or cargo in air commerce. Is that correct?

Mr. METZENBAUM. That is correct.

Mr. SARBANES. So they would have to be necessary activities?

Mr. MATZENBAUM. That is correct.

AMENDMENT NO. 1734

Mr. LAUTENBERG. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from New Jersey [Mr. LAUTENBERG], Mr. KERRY, Mr. DODD, Mr. MOYNIHAN, Mr. SARBANES, Mr. MATHIAS, Mr. EAGLETON, Mr. LEVIN, and Mr. CRANSTON, proposes an amendment numbered 1734.

Mr. LAUTENBERG. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place, add the following:

Safe and efficient air transportation is essential to the economy of the nation; and

The margin of safety in the skies is jeopardized by a serious experience drain in the air traffic control system; and

The total number of air traffic controllers is significantly below the level employed in 1981; and

At a time of rising air travel, the air traffic controller system is at 59 percent of full performance level as of September 30, 1985 as contrasted to 82 percent in 1981 and is subject to further experience drain due to expected retirement: Now, Therefore,

(1) it is the Sense of the Senate that the Executive Branch should employ the quickest and most cost efficient means to return the air traffic control system to past experience levels;

(2) the Executive Branch should, to the extent required, rehire, as new employees,

those experienced air traffic controllers fired from the Federal Aviation Administration in 1981, who meet standards for employment in the Federal civil service, necessary to fulfill this objective;

(3) the Executive Branch should, in implementing the intent of this resolution, insure that no involuntary displacement of existing Federal Aviation Administration personnel results from the reentry of former controllers.

Mr. LAUTENBERG. Mr. President, the amendment I am offering is a revised version of Senate Resolution 276, a sense of the Senate Resolution which I introduced last December 18. It is cosponsored by 11 Senators. While not immediately relevant to the bill before us, I believe it raises an important issue which the Congress should address: the margin of safety in our skies and how we can widen it.

Mr. President, there is an acute need for more experienced, seasoned air traffic controllers in our Nation's air traffic control towers and facilities. This resolution urges the executive branch to return the air traffic control system to past experience levels at the earliest possible date. To accomplish this goal, to the extent required, it calls for the selective rehiring of previously terminated air traffic controllers in 1981 who have been denied employment in the Federal Aviation Administration since that time.

Mr. President, 1985 was the worst year in commercial aviation since 1977 in terms of lives lost in air crashes; 526 people lost their lives in crashes involving U.S. airlines. These tragic crashes have heightened the public's concern over air safety. That concern is shared by the Congress, which has provided funds for more air traffic controllers and safety inspectors.

Evidence of how the margin of safety in our skies has been compromised is provided by the growing number of near midair collisions. Pilot-reported near misses are up 93 percent from 1981. There were 395 such incidents in 1981 and 763 near misses reported by pilots in 1985.

A recent poll of its membership conducted by the International Airline Passengers Association, revealed that 64 percent of respondents said they are more concerned with flying than before these crashes, 52 percent said they would avoid certain airlines and 67 percent thought the Government and airline industry were not reporting the facts of accidents accurately.

Mr. President, the public is not alone in its concern for air safety. In a recent report based on an extensive survey of FAA personnel, the General Accounting Office found that the controller workforce at many major facilities is being stretched too thin and the margin of safety in the skies is becoming increasingly difficult to maintain. On-line controllers and their supervisors are clearly saying that they are overworked and understaffed.

In July 1981, Mr. President, the Nation has 15,244 air traffic controllers; 13,205 of whom were full performance level controllers. In September 1985, the FAA had only 12,532 controllers; 8,315 of whom were at the full performance level. The shortage of seasoned air traffic controllers is most acute at the busiest FAA facilities.

In the New York Air Traffic Control Center, there are less than half the full performance level controllers than were there in 1981, although air traffic has increased by 15 percent. At the Tracon radar facility, there are 87 full performance level controllers today; in 1981, there were 124. This situation is repeated in Chicago, Cleveland, and Minneapolis.

Now, Mr. President, most people agree we need more air traffic controllers. In fact, the administration has requested funding for another 500 air traffic controllers in fiscal year 1987. I support this request.

Why then do we need to get involved in rehiring controllers from the 1981 strike? Because, Mr. President, there is a vast difference between funding more controller positions and actually getting experienced controllers on the job. At the end of September 1985, for example, there were 13,998 controllers on duty if you count, as FAA does, air traffic assistants as part of that total. At the end of January 1986, despite the growth in air traffic, that number had actually decreased to 13,972.

Simply, Mr. President, it takes a long time to train controllers. Money alone cannot solve the problem. Further, the administration's plan to add more controllers could fall victim to a heavy rate of retirement expected in the controller workforce. The GAO reports that more than 80 percent of the controllers and supervisors they surveyed, who are eligible for retirement, will in fact retire.

Mr. President, the air traffic control system is being asked to handle more traffic than it can safely handle. In major traffic areas, increases in traffic over 1981 levels have been substantial. Newark Airport in New Jersey has seen traffic grow by 54.3 percent. The New York area has seen a 14.1 percent increase. Atlanta has had a 25.2 percent growth, Salt Lake City 18.5 percent and Washington, DC a 16.6 percent increase.

The combination of increased air traffic and the failure of the air traffic control system to keep pace with that traffic has seriously eroded the margin of safety in our skies. This is a problem of concern to every State.

Mr. President, the amendment I am offering expresses the sense of the Senate that the FAA should not rule out any option in returning the air traffic control system to pre-1981 experience levels. One option rejected to date is the recertification of controllers fired in 1981. This amendment calls on the executive branch to reexamine that issue.

This amendment does not suggest that all of those who struck in 1981 be granted an amnesty and be returned to work at the expense of controllers presently in the system. It merely calls on the administration to allow some of those now excluded from FAA service to apply for the positions that must be filled. The resolution provides the Office of Personnel Management with the discretion to discriminate between those who led the strike in 1981 and those who followed the leadership of their union.

Mr. President, there are those who say that rehiring will not work, because the present work force will not stand for the fired controllers return. Studies commissioned by the FAA itself do not support that position. Experience does not support that position. Hundreds of fired controllers have been returned to the work force through various appeal procedures. There has been no widespread revolt against these controllers among controllers who stayed on the job in 1981 or were subsequently hired. In fact, the management relations report commissioned by the FAA, commonly known as the Jones report, found no strong opposition and some support for rehiring among present controllers.

Because this resolution does not support a general amnesty for fired controllers, its recommendations pose no threat to the existing work force. Controllers who return to the FAA would do so as new employees. They would be starting over, going to the back of the line, in terms of seniority and benefits. If changes in statutes are required to accomplish the transition of former controllers back into the work force as new employees, the administration should so inform the Congress.

In offering this resolution, I am not suggesting that those who left their jobs in 1981 did so legally. The President was within his rights and duty to fire those who struck in 1981. The question now is: Have those who struck suffered enough as a result of their actions to serve as a deterrent to any future job action and do the costs of not rehiring them outweigh the gains? I believe the answer to both of these questions is yes. I believe the time for a selective rehiring has arrived.

Mr. President, I urge my colleagues to support this amendment. I urge that they support the amendment, not for any ideological reason, but for the very practical reason that we must not exclude any pool of talent in the effort to address a serious national aviation safety problem.

We owe it to the traveling public, to the citizens of our communities, and to our families.

Mr. President, I urge adoption of the amendment and I ask for the yeas and nays.

The PRESIDING OFFICER (Mr. NICKLES). Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mrs. KASSEBAUM addressed the Chair.

The PRESIDING OFFICER. The Senator from Kansas.

Mrs. KASSEBAUM. Mr. President, I have great respect for the Senator from New Jersey in his always thoughtful and very constructive approaches to aviation matters, and for his concern for the margin of safety in our skies, an issue that he has addressed regularly in the years he has been here in the Senate. As chairman of the Aviation Subcommittee of the Commerce Committee I share that concern. It is something that we have focused on in hearings ever since the air traffic controller strike. We have carefully studied the Jones Commission, and the second commission that Mr. Jones worked on, as far as oversight of the progress being made by the Secretary of Transportation in protecting the safety of the airways.

It is my belief that Secretary of Transportation Dole and Adm. Donald Engen, Administrator of the Federal Aviation Administration, are dedicated to the safety of our airways and, through careful planning, they are successfully addressing this issue and are laying out a course which I believe will further address the issue in the future.

I do not think there are any of us who would not be concerned by the situation we face today. As the Senator from New Jersey has pointed out, the retirement of those who have been professionals in this field causes us concern.

However, I would like to pose several questions, because I believe that some are attracted to the notion of hiring new controllers. We do now have the new FAA cross option program, which has encouraged controllers nationwide to apply for positions and transfer to those facilities where controller problems exist.

Yet I wonder whether selective rehiring, with no standards set for such rehires, would be able to draw back into the system without further retraining—it has been some 5 years now since the strike—those who would make a substantial addition to the system almost immediately?

I do not know if the Senator from New Jersey has thought this through as far as the difficult questions raised by a selective rehiring process.

It seems to me it would be very difficult to lay down criteria that could be met nationally.

Mr. LAUTENBERG. I appreciate and respect the comments of the Senator from Kansas. We have worked together very closely on matters in this field and other fields, but particularly those concerning aviation. I know we share a common view on what our goals are. I would like to respond to the concern of how we could continue to populate the air traffic control system with experienced people.

I would say that what we have seen so far, and I invite the Senator from Kansas to travel to some of the installations that I have traveled to—Newark Airport and a couple of others—is how stressful the situation is in the towers and how difficult it is to stay on top of all of the events that are occurring—takeoffs and landings, ground control, et cetera—and to point out to the Senator from Kansas that we have not had a very good success rate in terms of building up that force. We have a budget out there that calls for a far higher complement of people, or a significantly higher complement of people, than we have been able to recruit and train. The failure rate is also high once people are on the job.

We had a tragic incident in northern New Jersey recently at a general aviation airport, Teterboro Airport where a combination of circumstances including a controller miscue and a breakdown of the system occurred, where we had a midair collision with the loss of lives and a terrible loss of property and damage on the ground nearby.

We just have not been able to find a better way to do this. Believe me, Mr. President, as I said in my earlier remarks, it is not my intention at all to reward the behavior of those who illegally struck in 1981. But we are not in a position to evaluate that. What we must do is improve the system to the point that we know, when our families and our friends and our constituents get into an airplane, that their chances are better all the time of arriving safely, as opposed to taking the risks that are now imposed upon them. We have seen recent reports that, in addition to a shortage of trained people in the towers, in fact, we are beginning to run shortages of people who fix the equipment that is used in air traffic control.

I see a breakdown in the system that I think we have to repair as quickly as we can. We have searched and thought very carefully about how we do this in the best fashion possible and what we have come up with is this selective program. I think that, certainly within the management of the administration of the FAA, they can find a way to select those who would be able to be brought up to grade most quickly, those who, as I said earlier, followed the lead as opposed to those who were the leaders in the strike of 1981, and to be able, without any placing of any undue burden or obstructions on the filling of the positions necessary, to select those who would fill the bill. I hope we shall be able to give them the opportunity to do so.

Before I yield the floor, I ask unanimous consent that Senator BYRD be added as an original cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mrs. KASSEBAUM. Mr. President, I think that the Senator from New Jersey has raised one of the main issues that seems to come up when we analyze the situation at the control centers. I have visited several myself.

For the most part it has always been a question of managing peak traffic periods. Over and over again, we hear the issues of morale and tension and pressure during the peak hours, and how to better manage time and resources and thereby address this problem. Unfortunately, I do not believe that problem is necessarily addressed by bringing back former air traffic controllers. There was a story in the Atlanta, GA, paper on April 2 which states that the supervisors there were unanimously opposed to the rehiring of controllers.

I think it is of great concern that at a time when we are trying to sort through some troubling questions regarding the air traffic control system, that such a proposal interjects further tension, further pressure, and does not really help us resolve the problem.

I realize this is just a sense-of-the-Senate resolution, but even that, I think, sends a message from the Senate that, at this time, is the wrong message.

I share with the Senator from New Jersey his concern about the safety of our skies and our airways. I think we all share that concern. I think, Mr. President, it is wrong for us at this point to send this particular message about rehiring the striking air traffic controllers, through a sense-of-the-Senate resolution.

Mr. LAUTENBERG. Mr. President, we have a limited number of choices to make. I am not convinced at all, and I draw from my own experiences as a corporate executive of a substantial corporation. We in the commercial and business world often wrestled with the problems of morale and leadership. There are times when unpopular decisions are made about promoting somebody, advancing the career of somebody who has not perhaps spent as much time as others or has come up through a different route. I believe, and I have said this to Admiral Engen, that there are times in leadership that promoting those who might have a dissenting view becomes necessary, that at times their mission is better served by bringing in these people and explaining why it is that we have to go out and resort to this pool of talent to fill our reservoir of need. I think it is a part of the executive responsibility to do so.

I think we have now proven over a period of time that we are unable to manage it in any other way and I would argue that whether or not we like the peak hour problems, as the Senator from Kansas had discussed, the fact is that that is when most people want to travel, that is when the demand is there. We have an obligation to try to satisfy that demand as much as we can. Commerce depends on it, jobs depend on it, our ability to help our economy grow depends on our ability to move people and goods as rapidly as we can. That, very frankly, is what enabled the United States in this post World War II period to build its economy to the strength it has, the fact that they were able to travel conveniently and quickly at whatever times they needed to be able to conduct their business. I think that is no different than the number of clerks needed at Christmas time in the retail business. At some point, you have to adjust to peak hours.

That is, I think, our requirement. The fact that there is a little bit less to do at other times notwithstanding, during the heavy hours is when we need those control towers to be fully manned.

I hope that we shall have an opportunity to consider carefully what our responsibility is here. We have been talking about this problem now for some time, at least for a couple of years, since we have gotten past the period when the strikers have been duly punished, I think. Again, the mission is not to reward them.

I would like to take just a minute more to remind my colleagues about the situation we are discussing and what the numbers are here. We have now been counting clerical personnel for the first time as air traffic controllers to make the public and the Congress think that we have, in fact, 14,000 air traffic controllers at work. We have about 12,500 air traffic controllers. I remind my colleagues that the need is something over 14,000. Of the 12,500 who are at work, only 8,300—only 8,300—are at full performance level. That compares to 13,000 full-performance-level controllers that we had in 1981, when air traffic, before the days of deregulation, was substantially lower.

Mr. President, the majority leader told us that unless Congress reaches agreement with the White House on a budget, the second round of Gramm-Rudman-Hollings cuts are going to be triggered. I do not have to repeat his observations about how far we are from any such agreement. The FAA administrator, Donald Engen, has told Congress there is no way his administration can take the budget cut and assure safety. I agree with him that that situation will be compounded by the automatic budget triggering action. So we do not really have the ability to keep faith with those who have entrusted us with the maintenance of air safety. We face difficult days ahead and I think we ought to get on with asserting our view.

Again, this is not a binding amendment or a binding piece of legislation. This is a resolution of the Senate directed to the FAA to keep its complement up to full staffing as quickly as we can. I think we can do it by reaching into this pool of talent that is presently unused.

Mr. SIMON. Mr. President, I am pleased to support the amendment offered by the Senator from New Jersey.

The real question is not whether we are going to do justice to the air controllers. The question is, How do we get safer skies?

In the first 7 months of 1985, we had more near misses than we did in the entire previous year of 1984, and 1984 was a record year of near misses.

In order to get some greater feel for what we should be doing in this matter, I dropped into the Air Control Center at Aurora, IL. I see the Senator from Kansas [Mrs. KASSEBAUM] in the Chamber. She heads the subcommittee that deals with this whole question. I am sure she recognizes that as the center that deals with more air traffic, I am told, than any other center in the Nation. That may be a little provincial talk on the part of the people there, but that is what they told me.

I talked to the management people; and I talked to the air controllers. I must have talked to 30 people there. One person said that he did not believe that the older air controllers should be rehired. But every one of the others said, in one form or another, that, No. 1, we have problems; No. 2, we ought to be rehiring the former air controllers, with some screening. I hasten to add that, and I looked over the amendment very carefully; and it is a carefully crafted amendment that permits that screening.

The point that was made by some of the people there is that some of the air controllers, frankly, have had physical problems in the meantime. Some of them also, perhaps understandably, have some bitterness about what has happened, and emotionally they really are not equipped to become air controllers again.

I happen to believe that President Reagan did the right thing in firing the air controllers. You cannot strike against the Federal Government. But the question is, How do we effectively have greater air safety?

It is still true that it is safer to travel by air than it is by automobile, but that is not really the question. The question is, Is it as safe as it could be? The answer, unfortunately, is that it is not as safe as it could be.

One of the ways in which we can make it safer is to adopt this amendment and to rehire some of the people who were air controllers. The argument may be made: "Won't that encourage people to strike against the Federal Government?" These people lost their jobs 4 years ago. They have lost 4 years of advancement. They have lost 4 years of retirement benefits. I do not think anyone believes that you are giving them some kind of award.

We have a tradition of forgiveness in this country. Even if you rob a service station—and I am not equating this with that—but if you rob a service station, you may be put in prison for 90 days, or whatever it may be, and then you are brought back into society. We have that tradition of forgiveness.

The key question, I say to my colleagues here and to my colleagues who may be listening in their offices, is this: Is air traffic in this country as safe as it could be? The answer is clearly no.

The second question is, Would it become safer if we rehired some of these air controllers? The answer, unquestionably, is that it would be.

So I commend my colleague from New Jersey. I think he has a sensible amendment here.

Forgetting national interest, all 100 of us do a lot of flying, and just in terms of self-protection, we ought to adopt this amendment. I hope we do the sensible thing. I again commend my colleague.

Mr. LAUTENBERG. Mr. President, I just want to add a short comment to the remarks of the Senator from Illinois, and that is to clarify what we are doing and what we are not doing.

We are not rewarding those who took a decision to strike when it was illegal. We are not offering them compensation for the time they lost. We are not restoring their standing. We are not giving them seniority. We are not adding to their pension rights. We are not doing any of those things.

What we are doing with this vote—and I urge each colleague to consider it—is saying to the American people, "We want to protect you when you travel as much as we can."

If we vote against this amendment, we are saying that we would rather stick to procedure and make sure the punishment that was laid out continues to be administered, as opposed to saying, once and for all, to the traveling public—friends, family, children, adults, business people, those traveling for recreation or for whatever purpose—"We want to do the best we can, as quickly as we can, to assure your safety."

We have a choice, and that is between the status quo and reaching into this pool of talent. We are not saying "must"; we are not saying "im-

mediately." We are saying: "Look at this; and, on a selective basis, take those who can be of help in getting this system functioning as it should be, with deregulated air travel." Air travel has now become the mass transit mechanism of the United States. More and more people are traveling every day. We have an obligation, each of us in this body, a constitutional obligation, to protect the health and well-being of our citizens. One way we do that is to make sure that they travel under a system that functions as efficiently as it can.

Mr. SIMON. Mr. President, will the Senator yield?

Mr. LAUTENBERG. I yield.

Mr. SIMON. Mr. President, I simply want to add another point.

The Aurora Beacon News, in Aurora, IL, where this air traffic control center is, is a newspaper that is so Republican that I do not think they have ever endorsed a Democratic candidate for anything. They are more for the Reagan program than the President is. They know what the facts are, and they had an editorial that said what we are doing just does not make sense. It is not in the national interest. I think they are right. I hope all of us listen to their good advice.

Mr. BYRD. Mr. President, I commend my distinguished colleague from New Jersey for this amendment. I ask unanimous consent that I be added as a cosponsor.

This amendment addresses a concern I know many of my colleagues share about the condition of the Nation's air traffic control system. Since the air traffic controllers' strike in 1981, a number of studies have indicated that there is considerable room for improvement in the air traffic control system. Recently, the GAO completed a study of air traffic controllers and the air traffic control system. The GAO report included the following key findings:

One, about 70 percent of the controllers in a systemwide survey reported that they are handling more traffic than they should handle. Indeed, the FAA is heavily dependent on controller overtime to make the system work. In 1985 controllers worked 908,000 hours of overtime, compared to 377,000 hours in 1980.

Two, the FAA has 4,900 fewer controllers at the highest experience level than before the air traffic controllers' strike in 1981.

Three, retirement of experienced controllers will be a greater problem than the FAA has estimated. About 84 percent of air traffic controllers, and 81 percent of supervisors eligible to retire in the next 2 years said they will do so.

Based on these findings, the GAO suggested that it would be prudent to limit the growth in air traffic before the air traffic control system loses its proper margin of safety.

What is the FAA's response to the GAO report? It appears that the FAA has simply dismissed and disregarded the study. According to a story which appeared in the New York Times on March 18, GAO representatives who conducted the study of air traffic controllers told a House subcommittee that "officials of the FAA had belittled their study * * * and later dismissed the findings of the study as just another survey."

When the GAO began its study, the Agency presented the questionnaire that was to be used to gather information to the FAA for comments and suggestions. According to GAO, FAA's response was that the FAA could derive nothing of value from the questionnaire. Incredibly, Mr. President, FAA apparently dismissed the GAO findings as just another opinion survey, and, according to the New York Times story, FAA officials said that "controllers were predictable complainers."

Mr. President, I ask unanimous consent that the article to which I referred from the New York Times be inserted in the RECORD at the end of my statement.

Mr. President, I believe that the distinguished Senator from New Jersey has hit the nail right on the head with his amendment. I urge my colleagues to support this amendment, and vote against tabling.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times, Mar. 17, 1986]

AIR SAFETY CHIEF MINIMIZES SURVEY FINDINGS

(By Reginald Stuart)

WASHINGTON, March 17.—The head of the Federal Aviation Administration today minimized the importance of a survey by a Congressional agency that reflected a high level of dissatisfaction among air traffic controllers.

Donald Engen, Administrator of the F.A.A., appearing before the Subcommittee on Oversight and Investigations of the House Committee on Public Works and Transportation, also rejected a recommendation in the survey that his agency restrict air traffic until the number of fully qualified traffic controllers and overtime requirements meet the goals of the air safety agency.

Referring to the survey by the General Accounting Office, a Congressional investigative arm, Mr. Engen said it was "a good tool for me to use in gauging the perceptions of our controllers." He said the report also tended to confirm the findings of earlier ones done by the agency itself.

His comments came after a panel of air traffic controllers echoed the lawmakers in urging the F.A.A. to take the study seriously.

'SLOW THE SYSTEM DOWN'

"If the F.A.A. ignores this survey, we're just going to have more of the same," said Michael Connor, chairman of the F.A.A. conference of the Federal Managers Association. Predicting a retirement rate larger than anticipated in the future of seasoned controllers, Mr. Connor said, "The remaining supervisors are going to slow the system down and slow it down to a walk if they have to."

The comments of Mr. Engen and the controllers followed testimony by General Accounting Office representatives who told the House panel that officials of the F.A.A. had belittled their study of the air traffic control work force and later dismissed the findings of the study as just "another survey."

This report made public earlier this month, said the F.A.A. had not met its goal of replacing the thousands of fully qualified controllers who were dismissed by President Reagan after they struck in 1981, and their union was decertified.

The Congressional researchers also reported that the growth in air traffic activity, most of it stemming from deregulation of the airline industry, has brought the workload for controllers to "a point where controllers are stretched too thin." Controllers and their supervisors have expressed "serious concern about their ability to maintain the proper margin of safety," despite F.A.A. assurances to the contrary, the report said.

"NOTHING OF VALUE"

Joseph M. McGrail, evaluator in charge of the G.A.O. study, told subcommittee members that last April he presented the agency's proposed questionnaire for F.A.A. employees to the office of Walter S. Luffsey, associate administrator for air traffic, for comments and suggestions.

The response, he said, was "that the F.A.A. could derive nothing of value from the questionnaire.

"The only comments we got back were grammatical changes," he said. An official of the investigative agency said later that the grammatical errors were intentionally included to make sure the proposal was carefully reviewed.

Once the survey of some 4,000 air traffic control personnel had been completed and the results analyzed, G.A.O. officials met with aviation agency officials in December to present their findings, the research agency officials said.

The findings were "dimissed as just another opinion survey," Mr. McGrail said. He said that he thought the large percentage of negative comments on work conditions would cause the F.A.A. concern, but that its officials said controllers were predictable complainers.

"You said the F.A.A. said the controllers are by nature complainers and they discount your conclusions?" asked Representative Newt Gingrich, Republican of Georgia, ranking minority member of the subcommittee. "There is a problem," he said.

Mr. DIXON. Mr. President, I am pleased to join my distinguished colleague from New Jersey, Senator LAUTENBERG, in offering this amendment urging the administration to upgrade our air traffic control system, and to selectively rehire some former air traffic controllers as a way of helping to ensure a proper level of air safety.

There is no doubt that we need to expand our controller work force. Air traffic is up substantially above the 1981 levels. What is more, the problem is growing worse, not better. Many of

the senior controllers are now eligible for retirement—or soon will be. If, as expected, they begin to exercise their rights, and retire, then the pressure on the remaining inadequate controller force will be even more severe.

The GAO, in a recent report, recognized these problems, but I cannot agree with its proposed solution. The GAO is recommending that air traffic in this country be curtailed until the air controller work force can safely handle it.

Frankly, I find that recommendation totally unacceptable. The ability to travel freely is an important contributor to the strength of our economy. Further, it is the Government's job to meet the demand for safe and efficient airline travel. It is not the Government's job to place artifical constraints that limit Americans' ability to travel.

I find this recommendation particularly appalling because there is a way to address this problem: selectively rehire some of the former air traffic controllers. I supported the President's decision to fire the striking controllers in 1981, but I think we have made our point. Now is the time to take advantage of the skills those former controllers have.

I do not advocate this course of action to reward those who struck. On the contrary, the strikers have been severely punished by losing their jobs and their pensions. I believe some of these controllers should be selectively rehired because the safety of our air traffic system depends on it. Traveling Americans deserve a safe air traffic system; they also deserve a system that is adequate to meet transportation needs. Selectively hiring some of the former controllers can help ensure that we continue to have that kind of system. I hope my colleagues will support this essential amendment.

Mr. TRIBLE. Mr. President, the Senator from New Jersey advises me that he knows of no other Democrats who wish to speak on this issue. I know of no other Republicans who wish to speak. Therefore, at this time I move to table the pending matter, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to table the amendment. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. SIMPSON. I announce that the Senator from Arizona [Mr. GOLDWATER], the Senator from Florida [Mrs. HAWKINS] and the Senator from Vermont [Mr. STAFFORD] are necessarily absent.

Mr. CRANSTON. I announce that the Senator from Missouri [Mr. EAGLETON] is necessarily absent.

The PRESIDING OFFICER (Mr. EVANS). Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 57, nays 39, as follows:

[Rollcall Vote No. 53 Leg.]

YEAS—57

Abdnor	Ford	Murkowski
Andrews	Garn	Nickles
Armstrong	Gorton	Nunn
Boren	Gramm	Packwood
Boschwitz	Grassley	Pressler
Bumpers	Hatch	Pryor
Chafee	Hecht	Quayle
Chiles	Heflin	Roth
Cochran	Heinz	Rudman
Cohen	Helms	Simpson
Danforth	Humphrey	Stennis
DeConcini	Kassebaum	Stevens
Denton	Kasten	Symms
Dole	Laxalt	Thurmond
Domenici	Long	Trible
Durenberger	Lugar	Wallop
East	Mattingly	Warner
Evans	McClure	Wilson
Exon	McConnell	Zorinsky

NAYS—39

Baucus	Harkin	Melcher
Bentsen	Hart	Metzenbaum
Biden	Hatfield	Mitchell
Bingaman	Hollings	Moynihan
Bradley	Inouye	Pell
Burdick	Johnston	Proxmire
Byrd	Kennedy	Riegle
Cranston	Kerry	Rockefeller
D'Amato	Lautenberg	Sarbanes
Dixon	Leahy	Sasser
Dodd	Levin	Simon
Glenn	Mathias	Specter
Gore	Matsunaga	Weicker

NOT VOTING—4

Eagleton	Hawkins
Goldwater	Stafford

So the motion to lay on the table the amendment (No. 1734) was agreed to.

Mr. TRIBLE. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mrs. KASSEBAUM. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. TRIBLE addressed the Chair.

The PRESIDING OFFICER. The Senator from Virginia.

Mr. TRIBLE. Mr. President, the Senate has now resolved two amendments, one by a voice vote and one by a recorded vote.

I understand that the Senator from South Dakota is now prepared to offer an amendment, and I yield the floor for that purpose.

Mr. SARBANES. Mr. President, have we entered into an agreement? I do not understand that any consent agreement has been entered into that would allow the manager of the bill to control recognition for an amendment. Am I correct in that regard?

The PRESIDING OFFICER. There is no such agreement.

Mr. TRIBLE. If the Senator will yield, that is precisely the case. The Senator from South Dakota indicated a willingness to proceed. I asked him to speak to the Senator from Maryland to see if that was agreeable.

Mr. SARBANES. That is fine. There is no agreement to control recognition.

Mr. TRIBLE. Every Senator has the opportunity to stand up and be recognized. On that note, I will sit down.

Mr. PRESSLER addressed the Chair.

The PRESIDING OFFICER. The Senator from South Dakota.

AMENDMENT NO. 1731

(Purpose: To change composition of membership on the board of the Airports Authority)

Mr. PRESSLER. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from South Dakota [Mr. PRESSLER], for himself, and Mr. EXON, Mr. HOLLINGS, and Mr. SPECTER, proposes an amendment numbered 1731.

Mr. PRESSLER. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 35, strike all from line 7 through line 13 on page 36 and insert in lieu thereof the following:

(A) Two members shall be appointed by the Governor of Virginia,

AMENDMENT NO. 1732

Mr. PRESSLER. Mr. President, I ask unanimous consent to send a second-degree amendment to the desk, and I ask for its immediate consideration.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will report.

The assistant legislative clerk read as follows:

The Senator from South Dakota [Mr. PRESSLER], proposes an amendment numbered 1732 to amendment numbered 1731.

At the end of the amendment, add the following: two members shall be appointed by the Mayor of the District of Columbia, two members shall be appointed by the Governor of Maryland, and five members shall be appointed by the President with the advice and consent of the Senate; the Chairman shall be appointed from among the members by majority vote of the members and shall serve until replaced by majority vote of the members.

(B) Members shall (i) not hold elective or appointive political office, (ii) serve without compensation other than for reasonable expenses incident to board functions, and (iii) reside within the Washington Standard Metropolitan Statistical Area, except that the members appointed by the President shall not be required to reside in that area.

(C) Appointments to the board shall be for a period of 6 years; however, initial appointments to the board shall be made as follows: each jurisdiction shall appoint one member for a full 6-year term and a second member for a 4-year term; and the President shall appoint one member for a full 6-

year term, a second member for a 4-year term, and the final three members for a 2-year term, with such Federal appointees subject to removal for cause.

Mr. PRESSLER. Mr. President, the purpose of this amendment is to spread out a bit the composition of the board. Under the legislation now before this Chamber, the board would basically be controlled by the State of Virginia, and indeed if you are a Virginian that would be a very desirable thing. But the two airports we are talking about, Dulles and National, have a much broader connotation to Americans.

Many of my constituents come to Washington, DC to petition their Government. Some come to appear before regulatory committees. Others come to meet with their Members of Congress. We do not know what the environment will be in the next few years insofar as regulation or deregulation of airlines. We do not know who will determine whether jumbo jets can land at prime times at Dulles and National. We cannot foresee all of the legislation, rules, and conditions that might exist in the future.

This amendment would provide for two representatives to be appointed from the State of Virginia rather than five as under the current provisions of S. 1017. There would be two appointed from the State of Maryland, which is the same as is now provided for the State of Maryland. Maryland gets a rather raw deal under the present proposed legislation. It would be better for Maryland because Maryland would remain at two but the number of Presidential appointees would increase to five.

The District of Columbia under the current provisions of S. 1017 has three members. This amendment would allow it to have two. The major difference would be that the Presidential appointees would change. Under S. 1017 there is only one Presidential appointee. Under this amendment there would be five Presidential appointees.

I think that is of great interest to people from across the country. I might say this amendment is cosponsored by Senators SPECTER, EXON, and HOLLINGS. We did not make a great effort to get additional cosponsors. But there are enough here to indicate that States from all across the country have an interest on what goes on at National and Dulles.

This amendment really addresses the controversy surrounding the makeup of the airports authority board. The amendment is very simple and straightforward. It would redistribute the composition of the governing board in order that a single State would not dominate the decisions of this authority.

As the bill is now drafted and before the Senate, there would be five members from Virginia, two from Maryland, and three from the District of Columbia, and, with the advice and consent of the Senate, only one for the President to appoint.

My amendment would change the composition of this authority by allowing two members from each of Virginia, Maryland, and the District of Columbia, with five members appointed by the President with the advice and consent of the Senate.

The purpose of the amendment is to provide for a more equitable division of the authority's voting power. Rather than allowing any one State to dominate, the amendment would give a substantial voice to all three local constituencies, with the balance of the membership appointed to represent the overall national interests of these uniquely national airports.

One might ask, why should there be any national representation on the governing board? Why not just let the local people in Virginia, Maryland, and the District of Columbia decide?

First of all, even the distribution between those three is very inequitable under S. 1017. I think that Maryland would always be outvoted by Virginia and the District of Columbia.

So basically, we have one State and the District making all the decisions. That is the truth of the matter.

Even the authors of the bill recognize that there should be some national recognition by allowing for the appointment of one national representative. The problem with that approach, however, is that the one vote on an 11-member Board makes little difference when the rest of the deck is stacked in favor of a particular parochial concern.

Therefore, this amendment would provide that there be five appointed by the President, not one, and that these would have the advice and consent of the Senate.

Why would that be important to Senators and Congressmen? Let us think it through for a minute.

Let us say that some constituents from the State of California have come to Washington, DC, and have a particular legitimate grievance about the way they were treated at the airports, either in terms of flights or in terms of treatment at the airports, and they came in to see their Senator. Their Senator can say, "Well, we have one person on the Board that I can go to," and that person appointed on the advice and consent of the Senate would be responsible. But that person would have very little to say on the 11-member Board.

Under my amendment, there would be five such people, not a majority. There is a majority of six on the Board from Virginia, Maryland, and the District of Columbia. They would still have a majority of six if they all got together and outvoted the Presidential appointees.

Certainly, the five members appointed by the President would be acting in the interest of the local airports also, but they would give it some national scope.

The truth of the matter is that Congress is providing bonding authority, which is a tax break; Congress is selling this at a very low price to the State of Virginia, to the local authority, and there would be additional demands on Congress as time passes regarding these airports, regardless of what we might say here.

We already have one member appointed by the President. Certainly, it would not hurt to have five. It would probably improve the operations of the airports. It would give them a national scope.

This amendment is an attempt to restore some semblance of equity by preventing decisions affecting these two special airports, recognizing them, since their inception, as unique in purpose and governments, to be dominated by the interests of any single State.

So, Mr. President, in conclusion of my presentation on this amendment, let me say that I look forward to working very closely with my colleagues from Virginia on this matter, but I would ask for their assistance in expanding the number of Presidential appointees. It certainly will not hurt. No one has feared Presidential appointees. I am sure the President would appoint people who would act in the interest of the local airports and not act against them. But since these two airports have a national nature to them, since our constituents come from all 50 States, since many people have business before the Federal Government, Congress will be called upon from time to time to have input into the local authority. I think it is terribly important that we expand the number of Presidential appointees. This in no way will take Virginia, Maryland, or the District of Columbia out of the picture. If they should find their courses conflicting locally, if such a situation would ever occur—and I would doubt that it would because I would think that the local members would work closely with the Presidential appointees on most issues—the local members still control a majority. Let us imagine at some future time that the local interests had a division with the Presidential interests, that is, with the national appointees. The local appointees would still have a majority of 1 at 6 to 5.

Mr. President, I conclude by urging my colleagues to support this amendment. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. WARNER. Mr. President, might I explain the statement of the manag-

er of the bill by way of a question? The Senator raised the issue of flights from his home State directed to one or two of the airports, or perhaps both of them. I do not know how many flights he has in mind. I am sure that is a consideration of many other Senators.

First, I would like to ask the Senator, what is his understanding on the procedure by which you initiate a flight into either National or Dulles?

Mr. PRESSLER. First, I think the point that the Senator is coming to is that currently these things are decided by the airlines.

Mr. WARNER. Together with the Federal Aviation Administration.

Mr. PRESSLER. Together with the Federal Aviation Administration. But that may not always be the case.

Let me continue to answer the question. They would certainly act in consultation with the authority of the airports. That may not be the only question, but that is one example. I can imagine the issue of evening hours and all kinds of issues under some new regulation or deregulation legislation that may pass. Indeed, my colleague has served on the Commerce Committee and knows that when he and I came to this body the rules for airports were much different than they are today. The rules will probably be much different 4 or 5 years from now.

But whatever the rules or whatever the problems are, I can stand and perhaps go through 8 or 10 potential problems that might arise. Why would my colleague be fearful if members were appointed by the President of the United States with the advice and consent of the Senate? My colleague from Virginia would surely stop any member he did not feel was well qualified. Why should my friend fear appointees appointed by the President of the United States with the advice and consent of this body, in which each State has two members?

Mr. WARNER. Mr. President, it was my privilege to serve as a member of the commission presided over by the distinguished former Governor of Virginia, Governor Holton. This composition was arrived at after many sessions of consideration.

I cannot recall any of the commission members—from the State of Maryland, the District of Columbia, the State of Virginia was represented on the commission, as well as the persons who had no clear identification with any of those specific localities—this concern was never raised at all. Nor was it really addressed in the Commerce Committee at the time.

Mr. PRESSLER. It was addressed in the Commerce Committee. My friend from Nebraska [Mr. EXON] offered substantially identical amendment.

I do think also that several of the Pennsylvania airports have expressed some concern about this matter. I do not know if Senator SPECTER is going to speak—I cannot speak for him.

Would my colleague answer a question? Why is it that he is fearful of Presidential appointees? He was once one himself, a very distinguished one.

Mr. WARNER. Mr. President, I thank my distinguished colleague for bringing up the past. I do not know if it is relevant to the present or the future.

Indeed, I have full confidence in the ability of a President, together with the advice and consent of the Senate, to select a person to serve on this Commission as well as others who would be highly competent. Nevertheless, the Holton commission and the Commerce Committee addressed this issue in various ways and it was the consensus that this was the formula that best served the objectives that are sought by the legislation.

What troubled me is the Senator raised the point of flights coming in as if this Board of Directors would have anything to do with the fact that he wants a flight from his State or other Senators might want a flight from their States into one or more of these airports. That is a question that is outside the purview of the Board and we should not use that type of example, in my judgment, in fairness in the debate.

Mr. PRESSLER. Certainly, the Board would have something to say about it.

Mr. WARNER. I think they should say we welcome it, because they are trying to promote opportunities.

Mr. PRESSLER. It is obvious they would welcome the flight, because they are concerned with times and so forth.

Mr. WARNER. I think we would recognize the community of the Greater Metropolitan Area must be taken into consideration as to times. That question is carefully addressed in the bill elsewhere.

Mr. PRESSLER. I do not understand the point.

Mr. WARNER. The point is the Senator is using an example that he would like to have a flight from his State into one or two of these airports. I do not think that point is germane as the laws and regulations are presently written.

Mr. PRESSLER. Mr. President, I do not think I would require that a flight from my State get into the airport at a certain time. Indeed, the five Presidential appointees may rule the same in some instances and work the same in some instances as the local board. But for those parts of the country that are distant from these airports, or even Pennsylvania, which has a lot of smaller airports and smaller cities, what will happen to them with the present composition of the Board—five being from Virginia, three from the District of Columbia, and two from Maryland—Maryland will be cut out of most things almost entirely? The Presidential appointee, being one, will have very little to say. And the bottom line is that Virginia will make all the decisions.

It is true that the Federal Aviation Administration has jurisdiction, it is true that the airlines make some of the decisions. We do not know what sort of airline deregulation or re-regulation bill might be proposed. But why does my friend fear two from Virginia, two from Maryland, two from D.C., and five appointed by the President?

Mr. WARNER. Mr. President, I say to my colleagues there is no fear on my part. It is just that this bill has been carefully drawn reflecting the work of two bodies—namely, the Holton Commission and the Commerce Committee. The issue was looked at, not with the intent that the Senator raises. My point is that the examples which are being used by the Senator from South Dakota, in my judgment, are not relevant to his request.

Mr. PRESSLER. Do not the operating hours and the nighttime hours considerations affect the number of flights coming in? Would not the operating hours affect the number of flights coming in?

Mr. WARNER. Mr. President, I point out as a member of the Commerce Committee that the number of flights into National is controlled by the FAA.

Mr. PRESSLER. Would not the operating hours of this airport be largely controlled by this board? That affects the number of flights that can land in any given day.

Mr. WARNER. They would have a voice in it but again, it is a matter that is largely under the jurisdiction of the FAA.

Mr. PRESSLER. But they would certainly have a voice in it, would they not?

Mr. WARNER. They would have a voice in it?

Mr. PRESSLER. Why would the Senator object to this arrangement?

Mr. WARNER. Is the Senator from South Dakota suggesting that this airport be turned into a 24-hour airport?

Mr. PRESSLER. No: I am not suggesting that.

Mr. WARNER. The hours are in the legislation right now, based on a large history of experience.

Mr. SARBANES. Would the Senator from South Dakota yield on that point?

Mr. PRESSLER. I yield.

Mr. SARBANES. In fact, this legislation allows the Airports Authority to do just that to turn this into a 24-hour airport. That is in there right now. It is the impact of a Trible amendment which was a late starter in the committee and was added 2 months after

the committee reported out the bill. That is exactly what this legislation allows to happen.

I say to the Senator from South Dakota that the perspective that he is bringing to this bill is a perspective that was not available in the Holton Commission. I am prepared to plead guilty to that myself, as I think my distinguished colleague, the senior Senator from Virginia [Mr. WARNER], would probably also agree to do.

The Holton Commission, which Mrs. Dole appointed, was composed entirely of local representatives from Virginia, Maryland, and the District of Columbia, of certain representatives of private interests—the Air Transport Association and the Business Aircraft Association. Bill Ronan was perhaps the only person who did not bring this local perspective. So there was no one in the whole commission looking at the question from the national perspective which the Senator from South Dakota is discussing.

In other words, all the members, including the Maryland members, were thinking of addressing this thing at a local level.

I differ with my Virginia colleagues, because I think this authority is dominated by Virginians unfairly. We had a proposal for a tripartite authority for National and for Dulles to go to Virginia. I am prepared to concede that even that does not reflect the national perspective which the Senator from South Dakota is now putting forward, with this contention that these airports, particularly National, have a strong Federal interest.

I certainly want to clear up that item of fact. I think therefore it ought to be appreciated that the examination by the Holton Commission was really an examination by people who were locally oriented, who essentially were tied to one of the local jurisdictions and were looking at this problem in that perspective. They were not looking at it in the perspective that the Senator from South Dakota is presenting his amendment.

Second, in fact, the Airports Authority board can have some influence over what comes in and out of the airports because they would be engaged in trying to attract carriers. It is reasonable to assume they would be seeking carriers from heavily traveled routes rather than lesser traveled routes. In their whole approach to the carriers, trying to bring them into these facilities, they might well reflect that attitude. So I think the concern that the Senator from South Dakota has suggested is not irrelevant and not beside the point. Given the part of the country where he comes from, I understand why he is advancing this proposition.

It was not the way it was looked at in the Holton Commission but that may well have been a deficiency in the Holton Commission which the Senator is now trying to correct with his amendment. I do not think we should leave on the record the notion that the Holton Commission considered this perspective. I think it did not do that and it was really structured in such a way that that was simply not going to happen.

Furthermore, I do believe that the authority can influence what happens at its facilities. It is my contention, which I will get into later in the course of considering a different amendment, that under this legislation, National could be turned into an around-the-clock operation. I am not saying it would be, but the authority, the authorization, the power is there for that to happen.

Mr. PRESSLER. Mr. President, let me emphasize that I do not want this amendment to be entirely coupled with the example of landing flights or times. That is a small example. I fully understand that these things are done basically by the airlines in conjunction with the Federal Government. It certainly takes into account what the local authority says.

It could be other things. It could be operating hours, noise levels, a lot of things that affect flights. It could be operations of the airport and various things this board is going to control.

Also, let me emphasize that I do not want to take away control from the local States. But unless you are from Virginia, you should support my amendment, because every other State needs to have the potential of some representation. Under my amendment, the President would appoint 5 members of an 11-member board, with the advice and consent of the Senate, which would give every Senator some input or a chance to have some input.

This does not mean that the members appointed by the President would work against Virginia, Maryland, and the District. Indeed, it may enrich the board in terms of the national experience they would bring to it.

These particular airports enjoy, and Virginia enjoys, the fact that visitors come from all over the United States, from all 50 States, for the purpose of petitioning their Government or doing business. Some might say that Virginia suffers from having all those people come through. But it is an asset to the economy of Virginia, Maryland, and the District to have those visitors, not only in terms of people petitioning their Government but also coming to see the Government, as tourists, to see the Capitol, to see the monuments. There is a legitimate national interest in these two airports.

This amendment does not do anything to hurt Virginia, Maryland, or the District. Indeed, they would each have two representatives on the board, and I should emphasize that. I want to emphasize in this debate that I do not want it to be hung up on whether or not direct flights could come in from Pennsylvania, South Dakota, or North Carolina. We do not know what the rules are going to be in 4 years or 2 years.

This is my 12th year in Congress, and in that time we have changed the rules several times in terms of what flights come into airports, and we might change them again. But in each case, under each system, the local authority has a lot to say about it. There are many things the local authority has a lot of control over.

I think we need to write this legislation in such a fashion that we can live with it for many years to come.

There are certain things that the board decides—for example, operating hours, nighttime hours, noise control levels, capital expenditures financed by Federal tax-exempt bonds, and so forth. But there are many other things the board will decide that will affect travelers. So I think every Senator has an interest in this.

I say to my friends from Virginia, with whom I work and for whom I have a high regard, that it has been pointed out by the Senator from Maryland that the Holton Commission did not consider the national aspect of this. They were all local people. It would be as though North Dakota and South Dakota had two national airports and everybody on the commission was from North Dakota and South Dakota. If there are national airports, there should be national representation.

Next, it is said that the Commerce Committee considered this thoroughly. The Commerce Committee considered it briefly and decided to go on to other amendments and try to resolve it on the Senate floor or through compromise.

I predict that, before this measure goes through the two Houses, whether this amendment succeeds or fails, there is going to be an insistence that the number of Presidential appointees is increased, because it is too unbalanced the way it is. If this amendment fails, there will be other amendments offered seeking to do the same thing to a lesser degree.

So I believe that this represents a good balance and a healthy balance. I still have not heard a single argument from anybody as to why Virginia fears Presidential appointees, with the advice and consent of the Senate. This would give a Senator a chance to question nominees about their beliefs. There would be five members of the board who would have gone through the Commerce Committee and the full Senate. Once appointed, they would act according to their consciences. It would give every Member of the Senate some input as to how this board is run.

The way we presently have it structured, if someone comes into our office in 5 years and says, "How did you let this happen? We are doing everything in favor of a certain section of the country. Virginia is getting too good a deal out of this"—or something of that sort—we will have to shrug our shoulders and say, "There is nothing we can do about it. It is a local board appointed by Maryland, Virginia, and the District."

Mr. WARNER. Mr. President, the two airports are located in the State of Virginia. Their relationship to the community, and the infrastructure, the roads, any number of issues that are uniquely with the Commonwealth of Virginia, bear upon the operation of these airports. It is for that reason that Virginia should take a greater interest, so that they can foster the growth, prosperity, safety, and welfare of these two airports. They are not located in no-man's land. They are in the Commonwealth of Virginia.

Mr. PRESSLER. Virginia will have two representatives on the board. Five will be appointed by the President. The Senator from Virginia would not want someone to go through on advice and consent who would act against the State of Virginia.

Mr. TRIBLE. Mr. President, I have listened with special interest to the colloquy of the Senators, and let me respond directly.

This amendment is directed at the concerns of citizens in Maryland on the one hand and, on the other, the concerns of the Senator from South Dakota that in some way his constituents will be unfairly represented or unfairly served by this new authority.

Let me speak to these concerns. First of all, in terms of Maryland's representation: During the course of this enterprise, Maryland was asked to become a full participant. It was suggested on several occasions that BWI, National, and Dulles all be made part of a system of airports serving this greater metropolitan area. Maryland said, no.

It was then necessary to focus on the two airports located in Virginia that are now the centerpiece of this legislation. How then can we draft representation that is fair for the interests to be served, Maryland, the District of Columbia, Virginia, and all the citizens of this great land?

I point out that roughly 20 percent of the passengers at National and Dulles originate their trips in Maryland, and Maryland's representation is roughly proportionate. Moreover, these two airports lie in Virginia. Virginia does have a special interest in what is at stake here. I would also suggest, as this debate shows so persuasively, it would hardly make sense to give Maryland greater representation. Maryland officials have shown only competitive hostility to the proper development of Dulles and National through the decades.

What we have here is representation that reflects the use of these airports. These airports are operated for their users, and those users will have an opportunity to influence the deliberations of the authority.

Mr. PRESSLER. Mr. President, will my colleague yield?

Mr. TRIBLE. Let me complete the point and then I will be more than happy to talk to the Senator about this issue or any other issues of concern to him.

So this board represents, as I said in the debates before Easter, a carefully drafted agreement that reflects, I believe very fairly, the culmination of years that look to us to enhance these airports and to improve dramatically the service.

Let us discuss the national interest because it is about the national interest that my colleague from South Dakota speaks here today.

During the several days that we have had an opportunity to talk about his concerns, my good friend has failed to put forward a specific concern that he believes this proposal will address. In fact, when we debated this several weeks ago, he said, "Well, I can't really think of anything today, but I am concerned about the future."

The truth is that in this day of deregulated airplane traffic, the decisions about flights and markets are made by the airlines themselves within regulatory parameters established by the FAA. These decisions are not made by the authority.

Therefore, the Senator's constituents will not be disadvantaged by their collective wisdom.

Mr. PRESSLER. Will my colleague yield on that point?

Mr. TRIBLE. Let me complete this point and then I will be happy to yield.

My colleague from South Dakota suggested, moreover, that the Holton Commission and those of us involved in shepherding this legislation through Congress have not focused on the national interest at stake. That is very, very wrong.

We recognize that these airports serve our Nation's Capital. We want to encourage all people to come and visit this dynamic metropolitan region, and we surely want them to have the opportunity to knock on the door of my distinguished colleague from South Dakota.

To that end, this bill requires that on matters of budget and major improvements, the most weightiest decisions that will be made by this authority, an extraordinary majority of seven votes is required for action. That means that Virginia standing alone will not be able to undertake these kinds of actions but Virginia, of necessity, will have to reach across the Potomac and work in concert with her neighbors in the District of Columbia and Maryland. That is an important consideration.

Moreover, we have attempted to protect the Federal interest, even further by way of a lease agreement which for 35 years gives Congress oversight responsibility. We can ensure that this airport authority lives up to its promises.

Finally, I point out that, notwithstanding the dynamics of the political process of the Washington metropolitan area, the slots are frozen and cannot be reduced at Washington National. So, flights will continue at the present rate, and that is a rate, of course, established by the FAA.

So in these ways, I think this bill, as decisively supported by Republicans and Democrats on the Commerce Committee, is fair. It is fair to Maryland, and it is surely fair to the national interests that are at stake here.

I am happy to yield for questions by my distinguished colleague.

Mr. PRESSLER. I thank my colleague.

First of all, he stated that 20 percent of the passengers originate in Maryland; therefore, 20 percent of the representation was given to Maryland. Did I understand that correctly?

Mr. TRIBLE. Roughly 20 percent of the passengers in National and Dulles originate their trips in Maryland, roughly 40 percent in Virginia, and 40 percent in the District of Columbia. Forty percent, 40 percent, and 20 represents a 100 percent mix.

Mr. PRESSLER. What percentage of the total traffic is from out of town, that is properly coming into Maryland, Virginia, and the District and stay in hotels?

Mr. TRIBLE. I do not know.

Mr. PRESSLER. I would venture to say that between 30 and 50 percent at least and maybe higher.

So if my colleague's logic is we are going to use percentages to allocate representatives, then surely the people from outside Virginia, the District, and Maryland should have higher representation on the board. Would he not apply that same percentage to people who are making trips but who do not live permanently in Maryland, the District, or Virginia?

Mr. TRIBLE. The only figure that I have seen are those that I have shared with the Senator that indicate the mix of passengers is 20, 40, 40, as I have enumerated earlier on.

I would tell the Senator that I would be more responsive to his amendment if I could see some indication of what it would achieve, but my distinguished colleague has yet to put forward a specific example of how his constituents will benefit.

Mr. PRESSLER. Let me list seven specific things that might be affected:

operating hours, nightime hours, noise control levels, capital expenditures financed by Federal tax-exempt bonds, ground transportation, general airport services, and physical facility expansion or curtailment. Those are seven things at least that are determined by the board that could affect people who do not live in Maryland, the District, or Virginia, but live elsewhere. The fact of the matter is that a lot of people in this country come to the Nation's Capital and they would be affected by all these things.

We might have complaints to Congress on any of these things or there might be problems even if there were not complaints. I have now listed seven specific areas that there could be problems with.

Mr. TRIBLE. The Senator seems to suggest that this authority action will disadvantage some passengers. That is simply not the case. This authority will obviously possess certain responsibilities and certain rights as do all the operators of all commercial airports in the country.

The point I am making is that since the Senator cannot delineate his concern more precisely, it demonstrates the fairness of this arrangement. Clearly, the only way that we are going to enhance service to the Senator's constituents is to enact this legislation and to turn these airports over to a regional authority that can get on with the important job of enhancing their operations.

Mr. PRESSLER. My colleague asked me for specific examples of where people from all over the United States might be unfairly affected. Would he give me some specific examples of how it would be bad for Virginia to have more Presidential appointees?

Mr. TRIBLE. I think we have thoroughly discussed this, and I am not sure that we are shedding any more light on the subject, although I enjoy my discussions with my colleagues both on and off the floor. Obviously, we are not going to agree.

I have attempted to establish for the record as persuasively as I can that this bill is fair for both Maryland and for our citizens, and for the life of me, I cannot see how increasing by an arbitrary number the representation of people from beyond the metropolitan area is going to improve one whit the quality of service at this airport.

It is specific concerns that I have asked for. Obviously, we can delineate a long list of responsibilities and rights that this authority has, but there is no evidence to suggest that the authority will not undertake those responsibilities constructively and positively.

That is indeed the only way that the Senator's constituents can be better served.

Mr. PRESSLER. I would say these numbers are not arbitrary. They are designed in such a fashion to give a majority vote to the local States—Virginia, Maryland, and the District of Columbia—and the Presidential appointees would be in a minority. They are not arbitrary.

Indeed, I could say that giving Virginia five members to the board would be an arbitrary move and the District of Columbia three. With Virginia and the District voting together, they would have eight votes and Maryland and the Presidential combined add up to three.

Indeed, we cite something that might appear arbitrary to someone who does not reside in one of these States but uses the airport. Indeed, I am a Member of Congress and I use that airport to get back home to my constituents. So I am in that category. That percentage is crying out for more representation.

Let me repeat again—I have given seven specific examples. It seems all the burden has been on me, and I am offering the amendment.

Mr. TRIBLE. You are the only proponent.

Mr. PRESSLER. Could my colleague from Virginia give me a specific example of how Virginia would be hurt by this amendment?

Mr. TRIBLE. Well, I would suggest to the Senator that I think the national interests have been fully protected both in terms of their voice on the board and also in terms of the freezing of slots which will prohibit a diminishing of service to your constituents or to people throughout the country and in terms of the lease agreement which will give to the Congress oversight responsibilities and the right to ensure that these airports are run properly.

I do not see anything accomplished by changing the composition of that board. It could be highly destructive to this process.

Mr. PRESSLER. But why would it be destructive to the process?

Mr. TRIBLE. Tell me what your proposal will do. What will it accomplish?

Mr. PRESSLER. It will prevent a single State from completely dominating the operation of two airports that are national in scope, two airports which I travel through frequently, two airports which probably over 50 percent of the passengers, I would say, even a much higher number, come from the other 48 States. Indeed, Maryland does not have enough votes on this board to make much difference, so we are down to one State. And it could make a great deal of difference in the following areas: Ground transportation, general airport services, physical facility expansion or curtailment, operating hours, nighttime hours, noise control level, capital expenditures financed by Federal tax-exempt bonds, and the spinoff effects of all of those specific examples.

Mr. TRIBLE. Those are all responsibilities and rights of commercial airports and commercial airports operate to provide quality service to people that use them. There is no suggestion here that those that use this airport would not be well served. Indeed, it is clear from the debate the only way to enhance service to those individuals, wherever they come from, is by adopting this legislation.

I would say that my experience is, and the experience of others that have been engaged in these kinds of things, that the politics of who serves on these boards is always of much greater moment before the fact than after the fact, because once these people are appointed, they will establish a consensus as to what must be done and that consensus will reflect the obvious need to improve these airports, to build new facilities, to improve the transportation system, and to do the kinds of things we have discussed here today.

I would point out one final point, and that is simply that Virginia is not receiving these airports. These airports are being turned over to the regional authority of which Virginia is a part and the Virginia representatives on the commission are not in the position to contemplate substantial action without achieving a consensus and agreement on the part of those that preside on the other side of the Potomac and those that represent the national interests.

Mr. PRESSLER. Mr. President, I would say that many of the things in my colleague's statement argue for this amendment in the sense there is nothing to say that people appointed by the President will not act in the interest of the airports. They will do that. They will take into consideration the interest of other States.

Let me address the arbitrariness argument. When one State has such a dominant position as having 5 members on an 11-member board representing 4 constituencies, that appears to me to be maybe not arbitrary, but a deliberate stacking of the deck so to speak.

So, Mr. President, I urge my colleagues from throughout the Nation to support this amendment.

The PRESIDING OFFICER. Is there further debate?

Mr. SARBANES addressed the Chair.

The PRESIDING OFFICER. The Senator from Maryland.

Mr. SARBANES. Mr. President, I want to address the comments made by the junior Senator from Virginia about the Maryland approach to this issue, because I think they are factually inaccurate and I think it is very important to put this on the record.

Governor Holton, in the Holton Commission, actually ruled out considering the possibility of putting all three airports in one authority. The Senator from Virginia has, in effect,

sought to blame Maryland for that, but that is just not correct. In fact, at one point in the deliberations, Governor Holton stated: "And it is certainly beyond our charter as written by the Secretary of Transportation."

And I want this point to be very clear, because I do not think it is either accurate or fair or reasonable to make that argument when it runs completely contrary to the very tight constraints in which the Holton Commission was operating.

The charter establishing that commission directed the commission to develop a comprehensive proposal for the transfer of the Metropolitan Washington Airports, which embraces Dulles and National, to an appropriate State, local, or interstate governmental body. In other words, Mrs. Dole had a plan in mind and she circumscribed it very narrowly in the charter, so narrowly that Governor Holton himself stated that the notion of considering all three airports in a common authority was beyond the charter as written by the Secretary of Transportation.

Now I realize this is moving on a divergent path from the amendment of the Senator from South Dakota, but I am really responding to assertions made by my colleague from Virginia.

Not only did Mrs. Dole set out this very narrow charter language, but it was subsequently given a very strict construction by Chairman Holton at the opening session of the commission when he stated:

I would like to emphasize as part of my remarks the very narrow charter that this commission has. This commission is charged with making a recommendation to carry out a decision that Secretary Dole has made. That decision is that the airports will be transferred from the FAA jurisdiction to the jurisdiction of a local, regional, or State government entity.

In fact, that charge was being read as so narrow that the Maryland proposal just dealing with the two airports, which is all Mrs. Dole contained in the charter, that they ought to be separate in terms of how they were transferred and operated, was initially rejected as being procedurally outside the scope of the commission.

Now, fearing later, Governor Holton's strict construction on that point gave away a bit, and he said:

The Chair may be giving you a little bit too much leeway to start talking about splitting National and Dulles, but I think it is closely enough related to what we are talking about. It is not the principal consideration of this Commission to divide these two airports because that is not going to be done.

So I think it is completely contrary to the historical record, in effect, to assert that Maryland precluded the consideration of the option of including all three airports in one authority. That, in fact, was precluded by the chairman of the commission on the basis of the charge given in the charter from the Secretary of Transportation.

My colleague has made that point before, and we questioned it before. But I think the record of the commission from which I have just quoted is very clear on this issue.

The other point on the question of competition, as I have repeatedly asserted Maryland is perfectly happy to have competition between BWI and Dulles which are essentially directly competitive airports. We do not think it ought to be possible to cross subsidize those airports, and therefore structure an unfair competitive situation.

That in fact was even recognized by some of the Virginia members of the Holton Commission in the course of the discussion. It was a problem.

There are even some provisions in the bill included by the Commerce Committee to address that which are in my view inadequate. But clearly they reflected some concern about this issue. We are perfectly happy to have competition between BWI and Dulles. But it ought to be structured on a fair and equitable basis which this bill does not do.

Mr. WARNER addressed the Chair.

The PRESIDING OFFICER. The Senator from Virginia.

Mr. WARNER. Mr. President, as I have noted earlier in this debate, I was a member of that commission. I recall the discussion several times with respect to the incorporation of Maryland into a three-airport situation.

I just momentarily stepped from the floor to refresh my recollection with Governor Holton and other persons who actively participated in those commission hearings and staff members. It is clear to the Governor's recollection, as it is mine—and eventually we will find a place in the record of the proceedings where it is documented—that the commission as a whole was petitioned by the Government to determine if there is any basis on which, irrespective of the charter from the Secretary of Transportation, all three airports could be combined under one authority.

At that point the representatives from Maryland—bear in mind the Governor of Maryland was a representative. The distinguished Senator, the junior Senator from Maryland, present on the floor was a member of that commission. I cannot recall that he was present at that time, and a Member of the House of Representatives from Maryland was a member, Congressman HOYER.

It is the recollection of both Governor Holton and myself that those present from Maryland at that particular meeting summarily rejected any notion that all three airports could be included in this authority. And thereafter, the Commerce Committee likewise considered the impossibility, and again representatives from Maryland—so I am told those members of the committee speaking on behalf of Maryland—rejected the proposition.

Mr. SARBANES. If the Senator will yield, in the deliberations of the commission, Governor Holton's statement related to Jim Truby's discussion, which was one of the Maryland representatives.

And he and I had a little dialog earlier about whether the effect of it should be that all three airports be considered together. And he and I agreed. And I think everybody here would agree. That is not a politically feasible option to put all three of them in. And it is certainly beyond our charter as written by the Secretary of Transportation.

That is Governor Holton talking.

So all I am saying to the Senator from Virginia is, in effect, as his colleague has sought to do—actually I do not think the senior Senator has done so in the course of the debate, but his colleague has sought to do—to hang all this around Maryland's neck is really contrary to the historical record.

Really what happened is the Holton Commission was put in extraordinarily narrow parameters by the charter given to it by Secretary Dole. In other words, it is almost as though Secretary Dole had predetermined where this thing was going to end up. In fact, the change was so narrow as I indicated earlier that not only was it seen as precluding reaching out to bring in an airport that she did not include in the charge, but it was even seen originally in the deliberation as precluding dealing with the two airports in the way that did not keep them together as a unit.

That was subsequently discussed within the commission because Governor Holton decided I think wisely to allow discussion of that sort to take place. But all I am saying is what happened is the commission was placed in very narrow constraints. The Governor originally started out to stay very closely to those narrow constraints, and somewhat bent them a little bit so we could consider that Maryland proposal with respect to separating National and Dulles.

So I want this record to be clear here, and that is why I quoted extensively from the record. I am not simply making these assertions out of the air. I am quoting from the record. I just want this discussion to be very clear on this point.

Mr. WARNER. Mr. President, I also say to my distinguished colleague that elsewhere in the record I hope to find documentation to support Governor Holton's representation that there was consideration.

I should also point out that nowhere in the record I think can be found any initiative by any of the representatives

from Maryland to try to work this thing out on a three-way basis with all airports.

Mr. SARBANES. As I said, Maryland had a different option which constituted its initiative which it put forth, which is seen to us as a more reasonable response which would be for Dulles to go to Virginia just as BWI is to Maryland, directly competitive, and for National Airport to go into a tripartite authority with Federal representatives. It seems to me that Maryland in effect carried the burden of trying to offer a constructive option, which is what I think our proposal was.

The PRESIDING OFFICER. Is there further debate?

Mr. PRESSLER. Mr. President, let me conclude the argument for my amendment by again very briefly describing it for the benefit of any Senator or staff listening on the boxes.

First of all, under the current bill before the Senate, the composition of the board is as follows: There would be five members from Virginia, two from Maryland, three from the District of Columbia, and one appointed by the President of the United States with the advice and consent of the Senate. That will total 11 members.

This amendment would change the bill. There would still be 11 total members. But there would be two from Virginia, two from Maryland, two from the District of Columbia, and five appointed by the President with the advice and consent of the Senate. Thus, the local three jurisdictions would still have a majority, but the Presidential appointees would be increased.

This amendment would take away almost exclusive control of one State as it is now and would spread it out in a more equitable fashion.

The PRESIDING OFFICER. Is there further debate?

Mr. TRIBLE addressed the Chair.

The PRESIDING OFFICER. The Senator from Virginia.

Mr. TRIBLE. I at this time move to table the amendment now before us, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Virginia to lay on the table the amendment of the Senator from South Dakota. On this question, the yeas and nays have been ordered and the clerk will call the roll.

Mr. TRIBLE addressed the Chair.

The PRESIDING OFFICER. The Senator from Virginia.

Mr. TRIBLE. Let me ask a parliamentary question.

The PRESIDING OFFICER. The motion to table is not debatable.

The clerk will call the roll.

Mr. SIMPSON. I announce that the Senator from Florida [Mrs. HAWKINS] and the Senator from Vermont [Mr. STAFFORD] are necessarily absent.

Mr. CRANSTON. I announce that the Senator from Missouri [Mr. EAGLETON] and the Senator from Mississippi [Mr. STENNIS] are necessarily absent.

The PRESIDING OFFICER (Mr. DANFORTH). Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 52, nays 44, as follows:

[Rollcall Vote No. 54 Leg.]

YEAS—52

Armstrong	Gramm	Murkowski
Bentsen	Hatfield	Nickles
Chafee	Hecht	Nunn
Cochran	Helms	Packwood
Cohen	Humphrey	Quayle
D'Amato	Inouye	Rockefeller
Danforth	Johnston	Roth
Denton	Kassebaum	Rudman
Dodd	Kasten	Simpson
Dole	Kerry	Stevens
Domenici	Lautenberg	Symms
Durenberger	Laxalt	Thurmond
East	Long	Trible
Evans	Lugar	Wallop
Garn	Mattingly	Warner
Goldwater	McClure	Wilson
Gore	McConnell	
Gorton	Metzenbaum	

NAYS—44

Abdnor	Exon	Melcher
Andrews	Ford	Mitchell
Baucus	Glenn	Moynihan
Biden	Grassley	Pell
Bingaman	Harkin	Pressler
Boren	Hart	Proxmire
Boschwitz	Hatch	Pryor
Bradley	Heflin	Riegle
Bumpers	Heinz	Sarbanes
Burdick	Hollings	Sasser
Byrd	Kennedy	Simon
Chiles	Leahy	Specter
Cranston	Levin	Weicker
DeConcini	Mathias	Zorinsky
Dixon	Matsunaga	

NOT VOTING—4

Eagleton	Stafford
Hawkins	Stennis

So the motion to lay on the table Amendment No. 1732 was agreed to.

Mr. TRIBLE. Mr. President, I move to reconsider the vote by which the motion to table was agreed to.

Mr. WARNER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. WARNER. Mr. President, on behalf of the managers, we thank our colleagues for supporting the work that has been done on this bill in the Commerce Committee and for the manner in which we are moving along in an expedited way to consider this bill. I hope that now other amendments will be brought forth and that we will be able to bring this matter to a conclusion.

AMENDMENT NO. 1735

(Purpose: To add provisions regarding the transfer of slots at certain airports)

Mrs. KASSEBAUM. Mr. President, I send an amendment to the desk, and I ask for its immediate consideration.

Mr. TRIBLE. Mr. President, will the Senator yield?

Mrs. KASSEBAUM. I yield.

Mr. TRIBLE. I am advised by the Parliamentarian that the underlying amendment of the Senator from South Dakota is still pending. In view of the expression of this body, I ask that he withdraw that, so that we can move on with the amendment of the Senator from Kansas.

The PRESIDING OFFICER. The Senate is not in order. The Senate will be in order.

Mr. TRIBLE. Mr. President, the Senate has now spoken on the Pressler amendment, but I am advised that the underlying amendment of the Senator from South Dakota is still pending. In view of the expression of the Senate, I now ask that the underlying amendment be withdrawn, and then we can turn to the amendment to be offered by the Senator from Kansas.

Mr. PRESSLER. Mr. President, it would be my intention to do so, but also to state that I am filing a second amendment, which I will offer later this week or later this evening. The amendment would increase the Presidential appointees to two, leaving three for Virginia, Maryland and the District of Columbia, respectively. If my colleague from Virginia would be interested in accepting that amendment, I would be interested in his response. However, that is not pertinent to the question my colleague asks about the present amendment at the desk.

The second-degree amendment was tabled. Therefore, I withdraw that amendment, without losing the right to offer an additional amendment. I ask that the text of the amendment I am now filing be inserted in the RECORD at this point.

The PRESIDING OFFICER. The amendment (No. 1731) is withdrawn.

The text of the proposed amendment will be printed in the RECORD.

The amendment follows:

On page 35, strike all from line 7 through line 13 on page 36 and insert in lieu thereof the following:

(A) Three members shall be appointed by the Governor of Virginia, three members shall be appointed by the Mayor of the District of Columbia, three members shall be appointed by the Governor of Maryland, and two members shall be appointed by the President with the advice and consent of the Senate; the Chairman shall be appointed from among the members by majority vote of the members and shall serve until replaced by majority vote of the members.

(B) Members shall (i) not hold elective or appointive political office, (ii) serve without compensation other than for reasonable expenses incident to board functions, and (iii) reside within the Washington Standard Metropolitan Statistical Area, except that the members appointed by the President shall not be required to reside in that area.

(C) Appointments to the board shall be for a period of 6 years; however, initial appointments to the board shall be made as

follows: each jurisdiction shall appoint one member for a full 6-year term and two members for 4-year terms; and the President shall appoint two members for full 6-year terms, with such Federal appointees subject to removal for cause.

Mrs. KASSEBAUM. Mr. President, I have sent an amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Kansas [Mrs. KASSEBAUM], for herself and others, proposes an amendment numbered 1735.

Mrs. KASSEBAUM. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 50, insert the following immediately after line 9:

AIRPORT SLOTS

SEC. 13. (a) The Secretary and the Administrator of the Federal Aviation Administration (hereinafter referred to as the "Administrator") shall—

(1) repeal the final rule regarding Slot Allocation and Transfer Methods at High Density Traffic Airports, issued on December 20, 1985 (50 Fed. Reg. 52180), as in effect on the date of enactment of this Act; and

(2) after the date of enactment of this Act, not promulgate any rule or regulation or issue any order (other than on an emergency basis) relating to restrictions on aircraft operations at high density traffic airports designated in Subpart K of part 93 of title 14, Code of Federal Regulations (14 CFR 93.121 et seq.), that is inconsistent with the provisions of this section.

(b) Consistent with aviation safety, the Administrator shall, not later than 120 days after the date of enactment of this Act, provide by rule or otherwise for the recall and subsequent allocation pursuant to subsection (c) of this section of any air carrier or commuter operator instrument flight rule takeoff and landing operational privilege at high density traffic airports, hereinafter in this section referred to as a "slot", that is substantially unused. The provisions of this subsection shall not apply to any slot reserved for international operations or for essential air transportation (as defined in section 419 of the Federal Aviation Act of 1958 (49 App. U.S.C. 1389)).

(c)(1) Consistent with aviation safety, the Administrator shall, not later than 120 days after the date of enactment of this Act, establish by rule or otherwise, after affording the opportunity for and considering public comment, a mechanism for the equitable allocation of slots to which Subpart K of part 93 of title 14, Code of Federal Regulations, applies, in accordance with the provisions of this subsection.

(2) The allocation of slots (other than on a basis consistent with paragraph (4) of this subsection) shall be made by a separate air carrier and commuter air carrier scheduling committee established for each of such high density traffic airports. The administrator shall establish the composition of each such scheduling committee.

(3) The scheduling committee shall allocate and reallocate slots according to a time schedule to be established by the Administrator.

(4)(A) The Administrator shall, no later than 120 days after the date of enactment of this act, and after affording the opportunity for and considering public comment, establish a special mechanism for the allocation of slots, to be utilized in the event that any scheduling committee is unable to reach agreement on the manner in which it will allocate slots within the time period established by the Administrator. Such special mechanism may include commitment of the issues involved to binding arbitration, lottery, lease by the Administrator (by auction or other market mechanism) of some or all of the slots currently in use at such airports, or any other non-market mechanism determined by the Administrator to be appropriate. The duration of any lease or other allocation of slots shall be determined by the Administrator, after giving due consideration to the need for maintaining competition between and among airlines at high density traffic airports, the capital investment of existing users of slots at such airports, and the need for adequate air service to such airports from small- and medium-sized communities, except that no such lease or other allocation of slots shall remain in effect after December 31, 1988. Notwithstanding any other provision of law, the revenues generated by any lease of slots by the Administrator under this paragraph shall be credited to the Airport and Airway Trust Fund established in section 9502 of the Internal Revenue Code of 1954 (26 U.S.C. 9502). The Administrator shall also formulate a mechanism to allocate all new slots, voluntarily returned slots, and unused slots.

(B) Any allocation mechanism established by the Administrator under this paragraph shall be adequate to ensure the opportunity for new entry, to maintain essential air transportation, and to protect the access rights of commuter operators. In addition, the Administrator shall employ a method for the withdrawal of slots currently in use that ensures that no carrier incurs the loss of an undue proportion of its slots.

(d) No mechanism formulated or utilized under section 93.123 of title 14, Code of Federal Regulations, as in effect on February 1, 1986, or under this section shall be construed to create a permanent property right in any slot. Any such slot shall be public property, and its use shall represent a non-permanent operating privilege within the exclusive control and jurisdiction of the Administrator. Any such privilege may be withdrawn, recalled or reallocated by the Administrator for reasons of aviation safety or airspace efficiency, or to enhance competition in air transportation.

(e)(1) Other than on an emergency basis, the Administrator shall not promulgate any rule or regulation or implement any practice that restricts aircraft operation by means of slot controls at any airport or air traffic control facility other than those specified in section 93.123 of title 14, Code of Federal Regulations, as in effect on February 1, 1986, unless the Administrator first transmits to the Congress a written report justifying the need for such rule, regulation or practice not less than 90 days before the effective date of such rule, regulation or practice.

(2)(A) No later than January 1, 1987, and every two years thereafter, the Secretary shall conclude a rulemaking to reauthorize or eliminate all high density traffic airport slot controls specified in section 93.123 of title 14, Code of Federal Regulations, and any other slot control created subsequent to such date by the Administrator. Each such rulemaking shall include a report to Congress concerning the extent to which the retention of slot controls at any airport, or the creation of new slot controls, is required in the public interest. Such report shall describe possible improvements in facilities or related air traffic control facilities or procedures that would allow slot controls to be reduced or eliminated, and shall describe any action taken by the Administrator to reduce or eliminate the need for such controls.

(B) No regulation imposing slot controls to which this paragraph applies shall have the force and effect of law after two years from the date on which it becomes effective, unless such regulation is reauthorized pursuant to subparagraph (A) of this paragraph.

(f) The Secretary and the Administrator shall make timely recommendations to the Congress regarding any additional statutory authority they consider necessary or appropriate to carry out the purposes of this section. In addition, the Secretary and the Administrator shall report annually to the Congress on the extent to which the allocation mechanisms established pursuant to subsection (c) of this section and any slot control regulations reauthorized pursuant to subsection (e) of this section have minimized barriers to entry at high density traffic airports.

Mrs. KASSEBAUM. Mr. President, I am offering this amendment on behalf of myself and Senators DANFORTH, HOLLINGS, EXON, FORD, ROCKEFELLER, KASTEN, GOLDWATER, PROXMIRE, METZENBAUM, ABDNOR, NUNN, SIMON, BURDICK, LAUTENBERG, DECONCINI, MATSUNAGA, RIEGLE, BUMPERS, STENNIS, PRESSLER, GORE, COCHRAN, MATHIAS, LEVIN, and STEVENS.

I am offering as an amendment, S. 1966, legislation favorably reported by the Commerce Committee which prohibits implementation of a regulation issued by the Department of Transportation. The DOT rule permits airlines to buy, sell, and lease valuable takeoff and landing rights at the four busiest airports in this country—LaGuardia, Kennedy, O'Hare, and National.

In December 1985 the DOT issued this rule over the strenuous objection of several Senators, and serious concern of both parties and both Houses. The rule would immediately affect the Nation's four high density airports—LaGuardia, JFK, Washington National, and O'Hare. At each of these airports, either air traffic control capacity or lack of runway has constrained traffic. Historically, it has been difficult to allocate takeoff and landing rights at these high-demand airports. Scheduling committees made up of representatives of each airline using a particular airport have tried to do the allocation. However, for a variety of reasons they have failed, not the least of which was the potential issuance of the DOT buy/sell rule.

DOT has chosen to come forward with a rule that relies on market forces to allocate these slots—slots that exist in a market, however, that is not free and that is in fact artificial-

ly created by the high density rule. Under this rule, incumbent carriers will be allowed to buy and sell takeoff and landing rights for which they never paid a cent. They will reap profits from these sales estimated by some to be worth $750,000 and $1 million per slot.

The rule creates another barrier for entry to new carriers. They will be forced to pay for landing rights that the incumbents were given and can now profit from. DOT claims it solves this problem by requiring a one-time lottery of some of the existing slots at the beginning of the rule. A grand total of 5 percent of existing slots would be reserved for new entrants. This does nothing for the entry problem 6 months from now.

The DOT rule creates other, very real dangers. Air service to small- and medium-size communities will be adversely impacted as carriers try to recoup the costs of their slots by flying long-haul, larger planes. As the large carriers gain total dominance of an airport by control of these slots, there will be no incentive to increase airport capacity, for such an increase could only diminish the worth of their new-found assets.

Perhaps even more disturbing than these known flaws is the fact that no thought has been given to the long-term consequences of this rule. At a time when flow control again seems a possibility—at a time when the airline mergers and potential anticompetitive problems are only now beginning to be addressed—at this time DOT has chosen to introduce a rule with anti-competitive effects which have not been studied—a rule which, I believe, will only exacerbate the congestion at peak times at crowded airports.

My amendment addresses many of the problems which I have just described. It may not be the perfect solution, but I believe it offers a rational alternative to totally abandoning takeoff and landing rights to the airlines.

First of all, it requires DOT to repeal their buy/sell rule. Next, it imposes a use it or lose it provision, meaning that if an airline is not using a slot a certain percentage of the time, the slot would be made available to an airline which would. This eliminates the airlines' incentive to pocket a slot in anticipation of future right to sell it for a profit.

The amendment than requires the Administrator of the FAA to fashion a new deadlock-breaking mechanism to encourage scheduling committees to reach agreement. The Administrator may choose binding arbitration, a lottery, or lease, of some or all slots at the deadlocked airport. He may not, however, opt for buy/sell. The proceeds from leasing would be credited to the Aviation Trust Fund. By prohibiting buying and selling, my amendment assures that slot ownership remains with the Government, and by directing any lease revenues to the trust fund it cures the windfall profits problem.

The amendment further requires the FAA to review every 2 years the continued need, if any, for the high density rule, and to justify its retention to Congress. I believe this is essential as congestion becomes an ever increasing problem, and we are faced with the spectre of the high density rule spreading across the country. It is important to note that any high density rule could soon apply to dozens of airports. By the 1990's, it is estimated that 33 airports will require some allocation of slots.

I am convinced that this amendment is sensible, solid transportation policy. The Aviation Subcommittee held extensive hearings on this legislation in February, and positive suggestions received there were incorporated in the amendment that is being addressed today. The legislation has 24 cosponsors, and was reported out of the Commerce Committee by a 15-to-1 vote. I believe it is a rational blueprint for dealing with a complicated problem, one that avoids the excesses of abandoning our responsibilites to the airlines. I hope my colleagues will join me and the cosponsors in this effort to replace the Department of Transportation's flawed buy/sell rule with a more positive and responsible approach.

I yield the floor, Mr. President.

Mr. STEVENS. Mr. President, I support the amendment of the distinguished subcommittee chairman. I do so as a cosponsor.

I think it is most important to understand what this policy that was announced by DOT would do.

I am informed by our staff that at these four airports some 4,200 slots are currently available and it has been suggested the value of those slots would be approximately $750,000 to $1 million each. In other words, these 4,200 slots that exist today are worth some $4 billion under the concept of selling the slots or giving them value.

It is ironic that 50 percent of those slots are currently controlled by two companies, Eastern and U.S. Air. They control almost 50 percent of the slots, I am informed. At least they have 50 percent at National and I think they control about 50 percent of those that are of the 4,200 slots.

I see no reason to give value to these slots and to allocate them on a basis that the slots themselves have economic value in excess of the value of the airlines involved. I certainly agree with the chairman of our subcommittee, Senator KASSEBAUM, with regard to the future. But 32 airports coming on by 1990 will require flight slot restrictions and 61 by the year 2000.

If this policy, is pursued, we will be creating a fantastic monopolistic block to the development of any new airlines and once more we will have the ironic situation that the failing airline may have more value in the slots that are created by this governmental policy than they will in their equipment and their rights that they are operating under.

I oppose entirely the proposed DOT rule and suggest that the proposal of Senator KASSEBAUM, which we have almost unanimously supported in the Commerce Committee, is the basic policy that should be established.

In this day of trying to get away from regulation, I see no reason to adopt a national policy that in effect is more monopolistic than the regulatory policy of the past has been.

I see no reason why we should expect that an existing carrier would sell at a fair price slots that are allocated to them by this policy to some newly developed competitor that might well develop into a carrier that will provide better service to the public and at a lesser cost were it not for the fact that it would have to come up with extremely high capital payments in order to acquire the basic access to the airports that have been created at taxpayers' expense.

I urge the support of the Senator's amendment.

Mr. GRAMM. Mr. President, I rise in opposition to the amendment.

Mr. President, I passed third grade arithmetic on the second time around, so it is pretty obvious to me that the distinguished Senator from Kansas has the vote on this amendment.

In fact, I constantly grieve that in the political process there is so little support for anything that appears to be letting the market make a decision instead of letting Government make the decision.

I hear my distinguished colleague from Alaska remarking that he does not want to give value to these slots. Let me remind my colleagues that we are not giving value to these slots. The market has given value to these slots. We all want to fly out of National. Some of us would like to fly to Texas out of National but we have to stop somewhere on the way because of policy.

But, nevertheless, slots at National are very valuable, not because someone gives it to them. It is because the supply and demand for those slots is such that they are valuable.

So the question is not whether we are going to give them value. They already have value. The question is, Who is going to determine who gets the value?

In reading the material sent out in favor of this amendment, I read the question "Is it good policy to allow private air carriers to obtain a public property right at no cost?" My feeling is that it is not good policy to do that

but that this amendment does not change the fact that they still do it. Under this amendment, people will still get a public property right that will have value.

So the question is not whether the slot should have value, whether private companies should get something that the public owns that has value. That is not the issue here. The question is, How are we going to decide who gets the slots?

Now, the Secretary of Transportation looked at the process that existed and found that it was not working, and interestingly we should not be surprised. The process of determining who gets the slots is basically a bureaucracy made up of the people who already have the slots. So, needless to say, they have a hard time deciding who should get this thing that is of great economic value.

The proposal of the Senator from Kansas is to continue to allow, granted in a modified function and probably better than what existed prior to the action of the Secretary of Transportation, the Government decide who gets the slots.

The argument is made that selling these slots, allowing them, because they do have value, to reflect it in price and allowing them to be bought and sold, is a barrier to entry, that since someone would have to come out and buy the slots either from the Government, if they issued new slots, or from the people who already own it, that that is a barrier to entry.

I would like to ask my colleagues how do you think you get a slot? How does an airline go about getting a slot at National? Do we assume it is free to get that slot?

I think the answer is no. They end up paying a tremendous price to get the slot. Only they do it by having to hire lawyers and lobbyists. They have to go through the bureaucratic process of trying to get the decision. They often get it on the basis of their ability to build a political coalition.

The slot often goes to people that do not have the best economic case or provide the most valuable service. And, in the process, we, as Members of the Senate, and I am sure it is true as Members of the House, have our constituents, who happen to be in the airline business, call up and say, "Could you help us? We are trying to get a slot at National," or, "We are trying to get a slot at one of these other airports." And we all pretend that we have this great influence and say "yes," we will write a letter and help them.

It is not free to get a slot. It is not free because slots are valuable, and the market forces that there be a process to allocate them. The process today is political favoritism. The process today is bureaucracy and the ability of companies to go out and hire lawyers and lobbyists and build a political base, and the process has broken down.

The new process proposed by the Senator from Kansas may be better, but it is still a bureaucracy. And as a bureaucracy it is going to make the decision not on the basis of efficiency, not on the basis of the ability of an airline to provide a service that people value, but on the basis of political pull and lobbying.

I hear the argument made that this is a barrier to entry because new airlines will not be able to buy the slots; they will not have the money. The point is they are already going to have to pay for it through this lobbying bureaucratic process. Now, I ask, what does a new airline have more of, money or political clout? Is it more likely that the existing carrier that is going broke would have more political clout than the new carrier that is trying to provide a new and competitive service?

The truth is, in my opinion, and I think it is borne out 1,001 times every day in the economy in which we operate, the existing inefficient provider of the service always has the political clout. The new, efficient provider rarely ever has it. The new provider does not have employees that can write their Congressmen. The new provider does not have the political connections that go with having gone through the process before, already having a retainer at those law firms that are specialists in this area. The truth is, in my humble opinion, that the barriers to entry are greater under regulation than they are in the market process; that the new provider providing the new and innovative service is benefited by the action taken by the Secretary of Transportation and will be hurt by this amendment.

What about small stops in small towns? Do we have a guarantee that under the current system the slots are going to small towns or small stops? Maybe we do, maybe we do not. But should they? Should we have slots being allocated for political reasons? Because I believe that the citizens of College Station, TX, ought to have a slot for a flight coming out of National Airport to College Station and because I might be able to go around and make political deals to try to line up support, should they get the slot because there is a Senator that lives in that little town? Or should they get the slot based on their ability to provide the service?

And how do you measure somebody's ability to provide the service? Well, you do not do it by their ability to influence bureaucrats. You do it by their ability to compete in terms of paying a price. And, in fact, in selling the slots you would not guarantee that each of our favorite cities would get a slot. You most certainly would not guarantee that. If you want to have political influence over the determination of selling the slots, you lose the influence. Nobody will write you again for help when they have got to go out and buy the slot, because they are going to have to go into the marketplace.

And where will the slots go? Are we guaranteed they will go to small stops? No. Maybe they should not. If we have a limited number of slots, maybe we ought to allocate them based on efficiency. And what other measure of efficiency is there than the ability of the service to earn money to pay for the slots?

So the truth is that while we hear the argument about small stops, small towns not getting slots if the slots we sold, but possibly getting them if they are given away, what we are really saying here is that politics will play a greater role over the use of the slots and they will not go to the highest user. Now, that is claimed as a benefit, but I see it as a cost. If we have got a limited number of slots at National, they ought to go to the highest valued user in terms of who can provide the greatest service. And the ability to buy the slot is clearly the measure of who can provide the greatest service to the American people.

The next argument is the argument about holding slots. If slots cost money—and slots do not pay interest; if you have got a gate out at National and you do not use it, you do not collect any interest on it—people are not going to hold them. They are going to either sell them or use them.

And again the argument—and it is a peculiar argument to be made here in the era of deregulation—the argument is that, by bureaucracts making decisions instead of the market, you are going to get better usage of resources. In no society in 5,000 years of history as a general consistent day-by-day principal has that ever been true. The market allocation of the slots would clearly be superior if your objective is maximum efficiency and the greatest benefit to the American people. If your objective is politics as usual and bureaucracy, then you do not want the market to do it.

Let me conclude my remarks, because I know a lot of people want to head out and we are heading toward 6 o'clock, by simply saying this: I have supported their sale of these two airports because I always rejoice when the Federal Government gets out of business and anybody else gets into that business. I figure that they may or may not do it as well as we do it, but at least we are not going to have to pay for it.

The idea of separate entities going out and raising capital rather than the taxpayers' money is an appealing one to me. But I must be honest, and that is this is a pretty marginal deal. We

are not getting very much money from this deal and, certainly, in terms of the physical assests that are being transferred, they are very valuable.

But while I have supported this effort to this point, if this amendment is adopted, I intend to vote against final passage. And I intend to argue with those in the administration who have argued that the passage of this amendment makes this bill unacceptable in the sense that we do benefit from the fact that we get out of the business of running two airports, but we lose in the sense that one of the most important innovations that we have come up with is in an area where we have deregulated the airlines but we have not deregulated in the sense of letting markets allocate who gets the slots. We are still letting politics decide the slots, but we are letting markets decide the profits and losses of the airlines.

In my opinion, the adoption of this amendment into law is far more harmful to our objective of trying to promote the public welfare, trying to promote the interests of the people of America who either use airports for travel or for the shipments of freight, that the loss of the adoption of this amendment is far greater than any gain from selling these airports could be.

In short, Mr. President, what this amendment does is it reverses the first real step toward bringing the market forces that we brought to bear on the airlines in allocating the slots. It is an indispensible part, in my opinion, of any effort to promote general efficiency.

There is a problem with allowing the people who own the slots to sell them. And the argument is they did not pay for them. Quite frankly, if I could go back and do it over again, they should have been sold to begin with, and perhaps we should have a proposal to sell them now. But that does not make valid the argument that we are giving people something of value. We are already giving them something of value. They have the slots. They are going to continue to have the slots so long as they use them. What we are doing is not allowing the market mechanism and system to work in allocating those slots. I think it is a tragic mistake.

I do not have any doubt about the fact that the amendment will be successful. But I did want to come to the floor and speak in opposition to it because I think we have seen a bold an ingenious action by the Secretary of Transportation, an action that was not politically popular because quite frankly we like politics in these things, but it was right in terms of the public interest—bringing market forces to bear in allocating a scarce resource. It is in every way in line with the platform of the President that appointed this Secretary of Transportation, and it is in every way in line with the general movement that we have undertaken in recent years in my opinion to the great benefit of the American people.

Unfortunately, we are here in the process of reversing it, and going back to a system of allocating these slots, a system that is being used in two-thirds of the world today to allocate resources but it is failing everywhere it is being used—allocation based on bureaucracy, privilege, and politics when we know in our national experience that the most efficient way to distribute resources is through a market.

I urge my colleagues to oppose the amendment, and I am certain that it will be adopted. But I wanted to go on record to explain why I intend to oppose final passage of this bill, and urge that the bill be vetoed when this amendment is adopted.

I yield the floor.

Mrs. KASSEBAUM. Mr. President, I would like to answer the Senator from Texas on a couple of points. I greatly respect his knowledge of the marketplace; he is an economist. When he says market allocation is superior, that may be true when one has an unrestricted marketplace. But one of the very troubling aspects of this issue, is that we are not dealing with an unrestricted marketplace, and slot allocation is not a proper subject for free market theories. The high density rule restricts the market because it limits flights in and out of airports during the day. It limits the slots that can be used because of high density of traffic at these particular airports. Where there is unrestricted use, where there is ample runway, then there is no problem. That is why we have to deal with the high density airports in a different manner, and why I think we all become frustrated at how best to handle the problem there. We simply cannot handle it in such a way that would allow the market to work its will in this limited environment.

Second, politics to my knowledge has not been an influence in slot allocation. I think all of us are concerned about allowing the status quo to continue. We are all concerned about the slots that are not being used. But it is not politics that has caused a breakdown of the scheduling committees. These committees, composed of the airlines that operate and desire to operate at the airports have been designated to solve the problems of slots that are not in use but were not given the tools to make this system work. The system has not been working largely because the industry has long believed that buy-sell would be implemented by rule. This of course gave the airlines reason to sit back, wait, and hope that they would be handed valuable landing rights to do with as they pleased.

To my knowledge it is the carriers that have been jockeying for position to own as many slots as possible which have impeded sensible, fair slot allocation. Politics has not really entered in. Of great concern is the fact that the high density rules I mentioned earlier may soon spread to other airports. If additional airports are restricted because they are not able to handle the growing volume of traffic, then all the problems we have seen with the high density rules and slot allocation could spread across the country. It thus behooves us at this point to create a sound, equitable method to handle the problem of allocation of scarce resources.

Mr. GRAMM and Mr. METZENBAUM addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas.

Mr. GRAMM. Mr. President, I do not want to engage in a prolonged debate. But I would like to answer those two points because these arguments are made over and over again, and I basically am in disagreement with them.

First of all, is this notion because you have limits on something that market forces do not apply, and if you have a limited supply of something, supply and demand forces do not work? Mr. President, we see examples of markets working well in areas of limited supply. There are so many lots that are on a lake. There are so many acres on river. There is only one mountain top on each mountain. But yet, we do not go around and say, well, we will not let the market allocate those things because it is limited.

The idea that we have only so many slots at National and Dulles is an argument for using the market, not an argument against it. I would not worry about the Government doing it instead of the market if it were relatively inexpensive and relatively unvaluable. If the Government wants to regulate something that is free, nobody is hurt by it. The more scarce it is, the more limited it is, the more harmful Government is.

A second point that somehow there will not be any incentive to create new slots if you sell these, in my opinion, is exactly the opposite of the fact. If we have Government regulation allocating slots, then there is no incentive for us to create new slots. In fact, the people that have the slots and have the political power will lobby us not to do it, and since we do not get anything for doing it, we will not do it.

On the other hand, if we are selling the slots, and the airport board, the airports authority or the taxpayer benefited from creating more, then there would be an incentive to create more slots.

The point I want to make is that by selling the slots by a market value, we not only get a better use out of them, but also we create an incentive to

build more of them because the airport board or the Government would benefit from it. That does not exist or did not exist prior to April 1, and will not exist if this amendment is adopted.

I yield the floor.

Mr. METZENBAUM addressed the Chair.

The PRESIDING OFFICER (Mr. GORTON). The Senator from Ohio.

Mr. METZENBAUM. Mr. President, I rise in support of this amendment, and in doing so, I want to direct the attention of my colleagues to an article in Barron's of February 24, 1986, which is headed "Golden Gates," and then a subheading "Landing Slots, A Windfall for the Airlines."

In the fifth year of the Presidency of Ronald Reagan, Uncle Sam is still a sugar daddy to more than a few American corporations. On April 1st, some airlines will get the latest multimillion dollar bauble. Their gift will come in the name of economic efficiency for the Federal Aviation Administration, the watchdog of civil aeronautic safety, and home of the last few airline regulators in the age of deregulation.

Then it goes on, and in part of the article that I think is particularly relevant, you find the following statement:

But as Eastern returns to the brink of bankruptcy for the third time in 4 years some investors are beginning to look at the company's breakup value.

Here is the important point:

A conservative value of the carrier's landing rights represents about a third of its book value, and nearly half of its market capitalization.

Under what possible logic would the U.S. Government make it possible for certain airlines who have paid nothing for the privilege to be entitled to have in perpetuity these landing slots, and be in the position to sell them? What have they given for the right for those rights?

As we talk about it, I thought about how this Nation so many years ago, and even at the present time, gave radio stations and TV stations the right to operate in and control certain portions of the airwaves. They are now selling those rights for sums that are totally unbelievable, up into the hundreds of millions of dollars, rights that, in my opinion, rightfully belong to the people of this country.

The rights at the airports do not belong to the airlines. There is no reason why the Department of Transportation should be permitting those rights to be sold or owned by the airlines that have them.

I am pleased to support this amendment because it would stop the Department of Transportation's rule permitting the buying and selling of takeoff and landing rights for airports, the names of which have previously been mentioned. That rule took effect April 1 of this year and it is unjustified and it is illogical public policy. It is bad public policy. It is bad economics. It would likely be disastrous for small community air service.

The Department of Transportation is promoting its proposed buy/sell rule as a market-based approach to allocating landing rights that is consistent with the concept of airline deregulation.

Nothing could be further from the truth.

It is not a solution to the problem of allocating limited airspace at these four congested airports. The rule is simply a giveaway of valuable public property for the private gain of a few airlines.

Frankly, I am disturbed by DOT's penchant for anticompetitive giveaways to big air carriers.

If DOT approves, for instance, the proposed merger between Texas Air and Eastern Airlines, the merged airline would control 24 percent of takeoff and landing slots at Washington National Airport and 27 percent of these slots at La Guardia.

That is a tremendous benefit for the merged airline but a tremendously bad deal for airline competition and American consumers.

Right now, there is true competition in the airline industry. But by the time the mergers take place and the landing slots are given to certain airlines in perpetuity, the American consumer is going to wind up holding the bag and the American Government will have let down that consumer once again.

But I am not certain DOT views it the same way.

They do not seem to be worried about promoting competition in the airline industry.

Instead of aiding entry into the airline business—one of the cornerstones of deregulation—DOT's buy-sell rule will perpetuate the results of 40 years of Government regulation. It will give the select group of incumbent airline companies who received the most valuable slots as route awards under regulation prior to 1978, title to those slots in perpetuity.

To that I can only say, why, why, why?

Of course, under the DOT rule the incumbent airline would be free to sell its slots to other airlines—for a very substantial profit.

How much are the slots worth?

Who said that those airlines should be given those valuable rights? What possible logic is there to say that an airline has the right and the ownership to a slot in perpetuity?

According to the Office of Management and Budget, a prime time landing slot at La Guardia or Washington National will sell for between $500,000 and $1 million—a substantial windfall considering the incumbent airline will have received the slot from the Department of Transportation for nothing.

I would say that may be the figure that the Office of Management and Budget uses, but I stand here on the floor of the U.S. Senate and I say that if that practice is continued, those slots in the future will sell for 2, 4, 5, and 10 times that $500,000 to $1 million that the OMB talks about.

You cannot operate without having those rights. Therefore, if there are fewer and fewer airlines, the premium about updating a slot is going to be that much more valuable.

I, for one, do not believe that a small commercial carrier or a startup budget airline will be able to afford that price, whether it be $500,000, $1 million, or $5 million. No airline entreprenuer putting together his first public stock deal is going to be able to afford $1 million for the right to land one plane per day at Washington National Airport.

A more likely scenario is that incumbent carriers will decide to keep most of their slots, no matter how inefficient, rather than sell or lease them to potential competitors, particularly low-budget airline competitors.

The fact is, the DOT proposal amounts to a multimillion dollar distortion of the marketplace by the Federal Government, rather than free enterprise at work. The practical effects of buy-sell are unearned profits to large, incumbent airlines and the loss of service to small and medium size communities.

In 1982, when buy-sell was tried on a temporary basis the loser was small community air service. Slot buyers were airlines with long haul, high density, highly profitable markets. Sellers were airlines with short haul, low density markets.

For example, Rocky Mountain Airways sold five of its slots at Denver Stapleton Airport from which it had previously flown to Laramie, Cheyenne, Colorado Springs, and Pueblo. United and Continental bought the slots, and now use them to fly from Denver to New Orleans, Oakland, Albuquerque, and San Jose.

There is no question that the slot allocation problem in New York, Washington, and Chicago is a serious one that needs to be addressed. The current scheme of having committees, composed of airlines that operate at airports, allocate limited slots is not working.

That is because there is no mechanism to force the airlines to reach agreement.

The commuter airlines, on the other hand, have such a mechanism to break deadlocks. When these airlines cannot agree on slot allocations, a lottery is automatically used to reallocate up to 20 percent of the incumbents' slots.

This is not the situation for the major air carriers. There is no deadlock-breaking mechanism in their committee systems.

In attempting to deal with the problem, DOT should have sought ways to ensure more competition at airports, instead of handing a few airlines an economic windfall.

Mr. President, the amendment before us incorporates a committee system with a deadlock-breaking mechanism. It represents a major improvement over the DOT proposal.

Mr. President, the issue is clear. DOT's buy-sell rule will do more harm than good. It is anticompetitive, anticonsumer, and it would set a dangerous precedent for the allocation of slots at other airports in the future. This amendment would rescind the rule, and replace it with a system that better protects competition in the airline industry and service for consumers. I commend the author of the amendment and I urge my colleagues to support the amendment.

AMENDMENT NO. 1738

(Purpose: To add provisions regarding the transfer of slots at certain airports)

Mr. GRAMM. Mr. President, I send a substitute amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Texas [Mr. GRAMM] proposes an amendment numbered 1738 to amendment numbered 1735.

In lieu of language, insert:

AIRPORT SLOTS

SEC. 13. (a) The Secretary and the Administrator of the Federal Aviation Administration shall reclaim slots that have been allocated to private airlines and sell those slots to the highest bidder.

Mr. GRAMM. Mr. President, I have offered a substitute to see basically who is for real and who is not for real in terms of who wants to see we get value out of those slots.

I have listened to our distinguished colleague talk about how unfair it is that private airlines have these slots.

The truth is they have them today and they have them free today. What was proposed and what has been implemented by the Secretary is to allow them to be sold so that they will be allocated on an efficiency basis.

Our distinguished colleague has raised questions about giving the slots to the people who already have been given the slots and allowing them to resell them.

In this simple substitute, I propose to redress that problem by having the slots reclaimed and having them sold to the highest bidder. We can debate the issue about whether or not you want the slots given away—which they are now in a political process—or whether you want them sold to the highest bidder on an efficiency basis.

I yield the floor, Mr. President.

Mr. STEVENS. Mr. President, I have great respect for my friend from Texas and what he is trying to do. That is, somehow or other, to put value on the slots. I think our committee ought to be given an opportunity to explore the whole concept to see where we go if there is to be some system of charging for slots, but putting value on slots is an entirely different item. That is giving to the private sector—in this case, those who are involved in current air transportation—a means of acquiring these on the basis of value without regard to service, without regard to schedules, without regard to distance that the aircraft is going to travel.

We have a policy, as everyone knows, in terms of radius that people can fly out of National. What are we going to do if the high bidder is somebody who wants to fly directly to California from National? This idea to test where we are in terms of whether we believe in the concept of somehow or other acquiring some value for the use of the slots, in my opinion, is the wrong way to go. With due respect to my friend, those of us who have been in this aviation subcommittee for some years now would be compelled to say that this is not the way to go about it.

I am not opposed to people having a slot paying the Government some money for the rights that they have. But to create a system whereby someone could disrupt the current regulatory scheme by simply having more money than the person who was there providing service, and service in accordance with the existing regulations, I think, is the wrong way to go.

Maybe the Senator from Texas did not hear. What would happen—there is a 1,000-mile radius out of National. Suppose someone wants to bid who operates a plan on a 2,000-mile radius?

Mr. GRAMM. Would the Senator yield?

Mr. STEVENS. Yes.

Mr. GRAMM. They would be bound by the same radius restrictions, though I happen to disagree with that radius restriction. Why would somebody bid? Somebody would bid only if they could provide a service that other people were willing voluntarily to pay for. If they could pay a higher price, I think it would indicate that they had a better service.

Mr. STEVENS. With due respect, Mr. President, I say to my friend that the question of value and the question of service are separate and distinct items. In my judgment, the question of service to the public as far as air transportation is concerned comes first. We should see if we cannot find some way to meet the objectives that many people seem to have, to acquire some compensation for the use of these rights.

I oppose this and I hope the distinguished subcommittee chairman is prepared to make a motion to table it, because I just do not think this is the way to deal with the subject. It is too complex and it is not the way to deal with it. By having a substitute, we would create an entirely new disposition in the air transportation industry this way.

Mrs. KASSEBAUM. Mr. President, I certainly do agree with the Senator from Alaska. I think that he has addressed very well the chaos that the Senator from Texas' amendment would add. I do not think it answers the problems that my amendment, supported by 24 cosponsors, tries to address.

Mr. President, I move to lay on the table the amendment of the Senator from Texas. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Kansas to lay on the table the amendment of the Senator from Texas.

The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. SIMPSON. I announce that the Senator from Florida [Mrs. HAWKINS] and the Senator from Vermont [Mr. STAFFORD] are necessarily absent.

Mr. CRANSTON. I announce that the Senator from Missouri [Mr. EAGLETON] and the Senator from Mississippi [Mr. STENNIS] are necessarily absent.

The PRESIDING OFFICER (Mr. COCHRAN). Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 82, nays 14—as follows:

[Rollcall Vote No. 55 Leg.]

YEAS—82

Abdnor	Garn	Melcher
Andrews	Glenn	Metzenbaum
Baucus	Goldwater	Mitchell
Bentsen	Gore	Moynihan
Biden	Gorton	Murkowski
Bingaman	Grassley	Nickles
Boren	Harkin	Nunn
Boschwitz	Hatfield	Packwood
Bradley	Hecht	Pell
Bumpers	Heflin	Pressler
Burdick	Heinz	Proxmire
Byrd	Hollings	Pryor
Chafee	Inouye	Riegle
Chiles	Johnston	Rockefeller
Cochran	Kassebaum	Roth
Cohen	Kasten	Rudman
Cranston	Kennedy	Sarbanes
D'Amato	Kerry	Sasser
Danforth	Lautenberg	Simon
DeConcini	Laxalt	Simpson
Denton	Leahy	Specter
Dixon	Levin	Stevens
Dodd	Long	Thurmond
Dole	Lugar	Trible
Domenici	Mathias	Warner
Evans	Matsunaga	Weicker
Exon	Mattingly	
Ford	McConnell	

NAYS—14

Armstrong	Hatch	Symms
Durenberger	Helms	Wallop
East	Humphrey	Wilson
Gramm	McClure	Zorinsky
Hart	Quayle	

NOT VOTING—4

Eagleton	Stafford
Hawkins	Stennis

So the motion to lay on the table Amendment No. 1738 was agreed to.

Mrs. KASSEBAUM. Mr. President, I move to reconsider the vote by which the motion to lay on the table was agreed to.

Mr. DOLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Democratic leader.

Mr. BYRD. Mr. President, I would like to ask the distinguished majority leader if he can tell us at this time how many more rollcall votes he expects this evening, how late we will be voting, and what he anticipates for tonight.

Mr. DOLE. As I understand there will be a vote immediately on the Kassebaum amendment and then I would hope there would be a few other amendments tonight.

It seems to me we are making some progress on this bill finally.

There are still, if offered, 10 amendments outstanding that we know of. There may be additional amendments we have not been apprised of. So I would like to stay for a while.

Mr. BYRD. Would the distinguished majority leader indicate whether there is going to be any window for votes, and I am not asking for any, but if there is going to be one, I would like for us to know about it.

Mr. DOLE. The only request I have is from one Member. I said, "I just suggest you take your beeper." I do not know who is going to lay down the amendment following this one, but if whoever that might be could indicate how long he would take, certainly I would make that known to all Members.

Senators METZENBAUM, SARBANES, SARBANES, MATHIAS, MATHIAS, HOLLINGS, HOLLINGS, HOLLINGS, HOLLINGS—how about Senator TRIBLE's amendment—is that going to take long?

Mr. TRIBLE. That will be offered by Senator METZENBAUM. He can do this and that will be agreed to.

Mr. DOLE. Senator BENTSEN has an amendment.

Mr. BENTSEN. I am willing to proceed any time the majority leader wants me to.

Mr. DOLE. How long is that going to take, I ask the distinguished Senator.

Mr. BENTSEN. I hope it will not take very long. I do not think it is a controversial amendment. My understanding was that it would be accepted on both sides unless it is amended.

Mr. TRIBLE. If the majority leader will yield, there are a number of amendments that can be disposed of without substantial debate and we could move forward to those amendments after the Senate has expressed its will on the amendment of the Senator from Kansas.

Mr. DOLE. I might suggest then that following the vote on this amendment that we take up the Bentsen amendment and the Pressler amendment.

Mr. TRIBLE. Metzenbaum amendment.

Mr. DOLE. And the Metzenbaum amendment.

Mr. FORD. Would there be a vote on those?

Mr. DOLE. I understand those amendments will be accepted without a rollcall. That would give everyone at least 30 or 40 minutes, or maybe even longer, before the next rollcall.

Mr. BYRD. Mr. President, I do not think it is unreasonable for me to ask the distinguished majority leader to speak definitively and specifically as to whether he anticipates a rollcall vote within the next hour. If there is any—the distinguished majority leader said something about a beeper.

I would infer that to mean that there may be votes but there might be a window. It does not matter to me whether there is a window or not, if we could just be informed on our side whether there is going to be a window and how long we will be here voting. If we know that we are going to have additional rollcall votes, we would like to know it.

Mr. DOLE. Let me suggest if there are any votes ordered, the vote will not come until 7:45 p.m. and we will be here for a long time this evening.

Mr. BYRD. All right. That would indicate there is going to be a window of an hour?

Mr. DIXON. After this vote?

Mr. BYRD. After this rollcall vote?

Mr. DOLE. I hope Members who have amendments that will be accepted and those that are going to be contested will be here to offer the amendments.

Mr. BYRD. So there will be an immediate rollcall vote, an hour in which there will be no rollcall votes, and the majority leader will indicate that there will then be another rollcall vote or votes; am I correct?

Mr. DOLE. That is correct. I think there will not be a vote following this vote until at least 7:45 p.m.

Mr. BYRD. I thank the majority leader.

The PRESIDING OFFICER. The Senator from Kansas.

Mrs. KASSEBAUM. Mr. President, I ask for the yeas and nays on my amendment.

The PRESIDING OFFICER. Is there is sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. FORD. Mr. President, I rise in support of the amendment of the Senator from Kansas. I am a cosponsor of Senator KASSEBAUM's bill, S. 1966, and I am pleased that she has chosen to offer the language of S. 1966 to prohibit the buying and selling of airport slots on the airport transfer bill.

I am totally opposed to the concept of buying and selling airport slots. It is inconceivable that the Federal Government would devise a windfall to be gained by private entities from the sale of public property rights. There is definitely a capacity problem in the Nation's largest airports, but the Department of Transportation's rule is not the answer.

There are many parts of the country that did not fare as well under airline deregulation as some large metropolitan areas. I happen to serve one of the areas that has paid the price for airline deregulation. Fortunately, we now have super savers to Kentucky. I used to read with envy the airline ads that offered low cost fares to Dallas, Los Angeles, and San Francisco. For many years after deregulation, I believe the travelers from my part of the country paid the price for the low-cost fares from New York to California. Now that Kentucky is experiencing the benefits of airline price wars, I now have to be concerned whether or not Kentucky will continue to have flights to high density airports.

Prior to the final rule being published, the Aviation Subcommittee held a meeting with OMB and DOT officials to discuss the rule. My staff was in attendance and asked the representative of OMB how this would affect mid-size cities and how could a city like Louisville, KY, guarantee service to Washington National, Chicago O'Hare, and New York's JFK and LaGuardia. The answer from OMB was for the city of Louisville to purchase slots in each of these airports. I really wonder what funds OMB expects the cities to use to purchase airports slots since we have done away with revenue sharing. If you want to get even more ridiculous, you could consider awarding grants from the trust fund to cities to purchase slots. An airport slot is a public property right and should not be sold. If the DOT rule stands, it will certainly reduce airline service to smaller communities.

Another of my concerns is that this rule will eventually apply to many more airports. DOT testified during the Commerce Committee hearings that only the four airports currently included would fall under this rule. Many witnesses followed DOT and suggested other airports with capacity problems—Atlanta, LAX, Boston,

Denver, and DFW. Don't be surprised if DOT is successful with this rule that many other airports will eventually be included. I must warn my colleagues that, although you might not be concerned with service to Washington, Chicago, or New York, you may be interested in service to Denver or Los Angeles. During the PATCO strike in 1982, DOT experimented with a buy/sell program. This experiment was extended to 22 airports with capacity restrictions, not just the four under consideration for the present rule. What you vote on today may eventually be extended to your airport.

I wholeheartedly support the amendment to require DOT to repeal the buy/sell rule and direct the DOT to issue an alternative rule. Once we allow DOT to start selling slots, we can never reverse the rule. This rule must be stopped now. A lot more thought needs to be given to solving our airport capacity problems.

Mr. KASTEN. Mr. President, I rise today in support of the amendment being offered by my friend, the distinguished Senator from Kansas. I commend you, Senator KASSEBAUM, for your leadership in recognizing the need to overturn the ill advised and potentially disastrous airport slot rule. I was pleased to join you as an original cosponsor of your legislation and I am proud to join you today as a cosponsor of the amendment.

Even though this rule technically affects only four airports—National, JFK, La Guardia, and O'Hare—the impact is actually much greater. Hundreds of airports around the Nation rely on small commuter carriers to get their passengers to the central airline hubs at one of these four airports. Since this rule went into effect on April 1, it is now possible that they could be faced with no service whatsoever.

Mr. President, as the law read before April, a carrier would not receive any compensation if they gave up a slot since it never paid for it in the first place. But because of this rule, airlines can make millions from selling their slots. Small commuter airlines might sell their short-haul route time slots—even if they're profitable—to airlines with intentions to fly more profitable long-haul routes. Before, no small airline that was flying a profitable route would think of giving it up. But under this present rule, the greater profits from slot sales could be incentive enough to give up slots.

In my own State of Wisconsin, eight communities rely on commuter service to O'Hare. Six of them—Green Bay, Appleton, Oshkosh, La Crosse, Wausau, and Rhinelander—rely exclusively on commuter airlines for service to Chicago. Chicago serves as their gateway to the rest of the Nation as well as the world.

Without the service to Chicago by Midstate Airlines and Air Wisconsin—both are commuter airlines—these six cities could go the way of Marshfield and Wisconsin Rapids.

These two communities suffered greatly from a trial buy/sell which occurred a few years ago. At that time, Lakeland Airlines, a small commuter line, sold its time slots which had previously been used for service from O'Hare to these two cities. Since no other airline served either city, their terminals have gone empty. This forced passengers to travel long distances by car just to get to an airport. As a direct result of the loss of air service, the cities have had additional problems in their attempts to bring in new businesses to help their struggling economies. As you can see, I have witnessed in my own State of Wisconsin the disastrous impact that this rule can have on a community, as well as the domino effect that can follow.

Mr. President, I would ask why airlines should be allowed to buy and sell slots when they never paid for them in the first place. All this rule does is to effectively put money in the pocket of every airline that now owns a slot. Even though a more prudent idea might have been for the Government to sell the slots to the airlines, our smaller communities that depend on air service to these four airports could still be hurt.

In sum, I believe this new rule is ill advised, shortsighted, and could prove disastrous to my home State of Wisconsin. The Kassebaum amendment addresses the problem of slot turnover, while protecting the smaller communities that depend on service to National, JFK, La Guardia, and O'Hare to get to the rest of the world. Thusfar, very few slots have changed hands. The Senate must act immediately before any more slots are sold. We should adopt this amendment today.

Mr. President, I am pleased to be a cosponsor and it is my hope that my colleagues will join me in supporting this necessary amendment.

Mr. GORTON. Mr. President, although I applaud the goals of the chairman of the Aviation Subcommittee, Senator KASSEBAUM, I must express my opposition to this amendment as it is presented today. I share her view that the present system of allocating slots at high density airports does not assure the maximum availability of service to the flying public. And I agree that we should not adopt a radical buy/sell solution without first examining other options. However, I believe that the imbalance that exists as a result of months and years of inaction by scheduling committees requires us to give some consideration to carriers who have been continually frozen out of desirable slots.

As the Senator from Kansas is aware, the rule issued by the Secretary of Transportation last December calls for the reassignment, by lottery, of 5 percent of existing slots to new entrants or limited incumbents, in addition to implementing the buy/sell concept. This reassignment will generate new competition and compensate in part for the lack of movement by scheduling committees. This amendment contains no similar provision for short-term relief during the time it would take for DOT to formulate its new rule. It is for this reason, and not any enthusiasm for buy/sell, that I will oppose this amendment.

The PRESIDING OFFICER. If there be no further debate, the question is on agreeing to the amendment of the Senator from Kansas.

On this question, the yeas and nays have been ordered and the clerk will call the roll.

The bill clerk called the roll.

Mr. SIMPSON. I announce that the Senator from Florida [Mrs. HAWKINS], the Senator from Nevada [Mr. LAXALT], the Senator from Pennsylvania [Mr. SPECTER], and the Senator from Vermont [Mr. STAFFORD] are necessarily absent.

Mr. CRANSTON. I announce that the Senator from Missouri [Mr. EAGLETON] and the Senator from Mississippi [Mr. STENNIS] are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 82, nays 12, as follows:

[Rollcall Vote No. 56 Leg.]

YEAS—82

Abdnor	Ford	Metzenbaum
Andrews	Glenn	Mitchell
Baucus	Goldwater	Moynihan
Bentsen	Gore	Murkowski
Biden	Grassley	Nickles
Bingaman	Harkin	Nunn
Boren	Hart	Packwood
Boschwitz	Hatfield	Pell
Bradley	Hecht	Pressler
Bumpers	Heinz	Proxmire
Burdick	Helms	Pryor
Byrd	Hollings	Riegle
Chafee	Inouye	Rockefeller
Chiles	Johnston	Roth
Cochran	Kassebaum	Rudman
Cohen	Kasten	Sarbanes
Cranston	Kennedy	Sasser
D'Amato	Kerry	Simon
Danforth	Lautenberg	Simpson
DeConcini	Leahy	Stevens
Denton	Levin	Thurmond
Dodd	Long	Trible
Dole	Lugar	Warner
Domenici	Mathias	Weicker
Durenberger	Matsunaga	Wilson
East	Mattingly	Zorinsky
Evans	McConnell	
Exon	Melcher	

NAYS—12

Armstrong	Gramm	McClure
Dixon	Hatch	Quayle
Garn	Heflin	Symms
Gorton	Humphrey	Wallop

NOT VOTING—6

Eagleton	Laxalt	Stafford
Hawkins	Specter	Stennis

So the amendment (No. 1735) was agreed to.

Mrs. KASSEBAUM. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. BENTSEN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 1739

Mr. BENTSEN. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Texas [Mr. BENTSEN] proposes an amendment numbered 1739.

Mr. BENTSEN. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the bill, add the following new section:

SEC. . (a) Notwithstanding any other provision of this Act, or any other law, or any regulation issued pursuant thereto, a person shall not be prohibited from operating an air carrier aircraft nonstop between Washington National Airport and any other airport which is located within 1250 miles of Washington National Airport.

(b) Notwithstanding any other provision of this Act or any other law, the Airports Authority shall have no authority to issue any regulation imposing any such prohibition referred to in subsection (a) of this section.

Mr. BENTSON. Mr. President, today, I offer an amendment to the Metropolitan Washington Airports Transfer Act of 1985—S. 1017, which will extend the 1,000-mile Washington National Airport perimeter rule to 1,250-miles.

The perimeter rule is neither a noise rule nor a safety rule, but was put in place in 1966 to prevent a diversion of traffic from Dulles to Washington National. In the early 1960's Dulles Airport was plagued by access and convenience problems; no restrictions existed on the number of operations at Washington National. The FAA was quite properly concerned about the economic viability of Dulles over the long term. Dulles is now enjoying rapid traffic growth and no longer needs protection.

My principal reason for offering the amendment is the unfair effect that the 1,000-mile perimeter rule has on many of the Nation's airlines, which in the wake of deregulation have restructured their route systems so as to permit the combination of traffic flows over hub-and-spoke systems. The requirement of an additional stop along the way makes that service less attractive to the passenger. Additionally, the 1,000-mile perimeter rule has given rise to the wasteful and inefficent hops between Dulles and BWI.

Extension of the perimeter rule will present immediate opportunity for Dallas/Fort Worth and Houston. There is no reason to believe that such extension would result in any reduction of service between National and smaller cities within 1,000-miles.

The 1,000-mile perimeter rule is an anachronism that has been left on the book despite the fact that it no longer serves a valid purpose.

Mr. President, the amendment that I am offering is one that I have discussed with the manager for the majority, and the manager for the minority. It is my understanding that they see no objection to it. What I am dealing with is a perimeter rule of 1,000 miles from Washington National Airport. That was one we put on many years ago when you were really concerned about the economic viability of Dulles. There were problems with the facilities there, and with the access there while Washington National was exploding. That situation now is reversed. You are seeing Dulles growing, and growing at a very splendid rate. But this anachronism has remained. When we talk about moving it out to 1,250 miles, this is one that will take care of some of the very uneconomic things that are happening. You have planes flying from BWI to Dulles and from National to Dulles, and then in turn going on to airports such as Houston, Forth Worth and Dallas.

That is frankly a most inefficient way to use aircraft. Now that you have the hub and spoke system that is being used by airlines, it would be much more effective and efficient if we were to avoid that, and extend that perimeter out to 1,250 miles.

That is what I am urging. That is what my amendment provides for. I urge its adoption, Mr. President.

Mr. PRESSLER addressed the Chair.

The PRESIDING OFFICER. The Senator from South Dakota.

Mr. BENTSEN. My understanding, Mr. President, is that there has been no objection. I just discussed it with the Senator from Virginia, and earlier I had discussed it with the Senator from South Carolina.

The PRESIDING OFFICER. Is there further debate on the amendment of the Senator from Texas?

Mr. SARBANES. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. TRIBLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TRIBLE. Mr. President, I have reviewed the amendment offered by the Senator from Texas [Mr. BENTSEN], and I have no objection to its adoption.

Mr. BENTSEN. Mr. President, I have had this discussion with the manager for the minority and he, in turn, discussed it with the Senator from South Carolina. They have no objection. I move adoption of the amendment.

The PRESIDING OFFICER (Mr. EAST). If there is no further debate on the amendment, the question is on agreeing to the amendment.

The amendment (No. 1739) was agreed to.

Mr. BENTSEN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. TRIBLE. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 1740

Mr. TRIBLE. Mr. President, I send an amendment to the desk on behalf of myself and the Senator from Ohio [Mr. METZENBAUM] and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Virginia [Mr. TRIBLE], for himself and Mr. METZENBAUM, proposes an amendment numbered 1740.

Mr. TRIBLE. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 38, line 15 insert the following after the period:

"(4) In acquiring by contract supplies or services for an amount estimated to be in excess of $200,000, or awarding concession contracts, the Airports Authority shall obtain, to the maximum extent practicable, full and open competition through the use of published competitive procedures: *Provided*, that by a vote of seven members, the Airports Authority may grant exceptions to the requirements of this paragraph."

Renumber paragraphs (4)-(7) accordingly.

Mr. TRIBLE. Mr. President, this amendment represents both good government and good management. The amendment establishes a condition to the lease that requires the Airports Authority to employ full and open competition to the maximum extent practicable in acquiring supplies or services in excess of $200,000 or awarding concession contracts. Published competitive procedures must be used, and the Airports Authority can make exceptions only by a vote of seven members, the same number required to approve bond issues and the annual budget. The amendment will ensure that substantial purchases of goods and services are made at competitive prices. It therefore is fully consistent with the efforts to guarantee the

proper and prudent procurement of goods and services.

The PRESIDING OFFICER. Is there further debate? If not, the question is on agreeing to the amendment.

The amendment (No. 1740) was agreed to.

Mr. TRIBLE. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. PRESSLER. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. TRIBLE. Mr. President, I have been asked to say that there are a couple of other amendments which we hope to have offered at this time which could be disposed of without substantial debate or controversy.

Mr. President, I see my colleague from Maryland, Senator SARBANES, in the Chamber, and would inquire if he is in a position to offer one or more of his substantive amendments this evening.

Mr. SARBANES. I will inquire of the manager of the bill what procedure does he envision pursuing.

Mr. TRIBLE. The majority leader has said that there would be no recorded votes until the hour of 7:45 or 8 o'clock. The majority leader has further suggested that we would continue in session this evening and hopefully resolve further amendments. There could very possibly be votes after the 8 o'clock hour.

I would hope that we could turn to one or more substantive amendments this evening and resolve the amendments, voting on them tonight, and permit the Senate to work its will.

Mr. SARBANES. How long does the Senator expect we will be in session?

Mr. TRIBLE. It is obvious to me the majority leader hopes we can resolve this matter as quickly as possible. That would call for our continued presence on the floor. I am prepared to stay here late into the night. I am not sure, I must tell the Senator, whether that is the disposition of the majority leader. But he had indicated to our colleagues that they should expect votes after the 8 o'clock hour.

Mr. SARBANES. I take it there are to be no votes before 8 o'clock?

Mr. TRIBLE. My recollection is the majority leader actually said 7:45, but I would take it we would want to protect our colleagues for the remainder of this hour until about 8 o'clock, yes.

What is the Senator's disposition?

Mr. SARBANES. This Senator's disposition is to suggest the absence of a quorum.

Mr. TRIBLE. I was hoping that the Senator could offer one of the substantive amendments about which we have heard for several days.

Mr. SARBANES. As I understand, we will not have any rollcall vote until 8 o'clock.

Mr. TRIBLE. The Senator is correct.

Mr. SARBANES. Mr. President, I suggest the absense of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. PRESSLER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 1741

(Purpose: To change composition of membership on the board of the Airports Authority)

Mr. PRESSLER. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from South Dakota [Mr. PRESSLER] proposes an amendment numbered 1741.

Line 5, page 35, strike the word "eleven" and insert in lieu thereof "thirteen".

Line 11, page 35, strike "one member" and insert in lieu thereof "three members".

Line 22, page 35, strike "member" and insert in lieu thereof "members".

Line 11-12, page 36, strike "a 6-year term" and insert in lieu thereof "6-year terms".

Line 14, page 36, strike "Seven" and insert in lieu thereof "Eight".

Mr. PRESSLER. Mr. President, I withdraw the amendment.

The amendment (No. 1741) was withdrawn.

AMENDMENT NO. 1742

(Purpose: To change composition of membership on the board of the Airports Authority)

Mr. PRESSLER. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from South Dakota [Mr. PRESSLER] proposes an amendment numbered 1742.

Line 5, page 35, strike the word "eleven" and insert in lieu thereof "thirteen".

Line 11, page 35, strike "one member" and insert in lieu thereof "three members".

Line 22, page 35, strike "member" and insert in lieu thereof "members".

Line 11-12, page 36, strike "a 6-year term" and insert in lieu thereof "6-year terms".

Mr. PRESSLER. Mr. President, this amendment increases the number of Presidential appointees from one to three. It changes the other portions of the bill from singular to plural when referring to Presidential appointees.

The thinking behind it is that Dulles and National have national and international implications and there is a great deal of interest in these airports throughout the country. Many of the arguments for this increase have already been aired here today. I thank my colleagues for their consideration of this amendment.

Mr. WARNER. Mr. President, the managers of the bill, together with a very broad spectrum of Senators on both sides of the aisle, have looked at this issue and feel that the amendment offered by the Senator from South Dakota does strengthen the bill. It clearly indicates the national aspect of this combination of the two airports and I think it will go a long way to reassure Members of this Chamber that indeed we are, all of us, working to secure this transfer in a manner that is consistent with the interests of not only the States of Virginia and Maryland and the Nation's Capital, the District of Columbia, but other jurisdictions located beyond. I thank the Senator for his cooperation.

Mr. President, if there is no further discussion on the amendment, I move the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 1742) was agreed to.

Mr. PRESSLER. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. WARNER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. WARNER. Mr. President, the managers of the bill are under the impression that the Senator from New Hampshire will be coming to the floor shortly to offer an amendment. While we are awaiting the arrival of the Senator from New Hampshire, I join with my colleague (Mr. TRIBLE) in expressing our appreciation to the majority and minority leaders and others, indeed our colleagues from Maryland, who are all joined together now in trying to expedite the consideration of this bill.

We are making considerable progress. We anticipate that the debate on the amendment to be offered by the Senator from New Hampshire will be reasonably brief, such that we can meet the schedule earlier laid down by the majority leader.

I see the Senator from Maryland on his feet. I would be happy to yield the floor if he seeks recognition.

Mr. SARBANES. As I understand it, there are not going to be any recorded votes for a while, and I would expect any amendment that I would offer to require a recorded vote. Therefore, I will defer until we get closer to the time when we are going to be able to have votes.

AMENDMENT NO. 1743

(Purpose: To provide for the sale of National and Dulles Airports for the highest cash offer, and for other purposes)

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the quorum call be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HUMPHREY. Mr. President, I send an amendment to the desk and ask it be considered.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from New Hampshire [Mr. HUMPHREY] proposes an amendment numbered 1745.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 24, line 13, strike out all through line 16 and insert in lieu thereof:

SHORT TITLE

SECTION 1. This Act may be cited as the "Metropolitan Washington Airports Sales Act of 1986".

TITLE I—SALE OF THE METROPOLITAN WASHINGTON AIRPORTS

DEFINITIONS

SEC. 101. As used in this title, the term—

(1) "employees" means all permanent Federal Aviation Administration personnel employed on the date of sale by Washington National Airport;

(2) "Metropolitan Washington Airports" means Washington National Airport and Washington Dulles International Airport, and includes the Dulles Airport Access Highway and Right-of-way, including the extension between the Interstate Routes I-495 and I-66;

(3) "Secretary" means the Secretary of Transportation;

(4) "Washington Dulles International Airport" means the airport constructed under the Act entitled "An Act to authorize the construction, protection, operation, and maintenance of a public airport in or in the vicinity of the District of Columbia", approved September 7, 1950 (64 Stat. 770); and

(5) "Washington National Airport" means the airport described in the Act entitled "An Act to provide for the administration of the Washington National Airport, and for other purposes", approved June 29, 1940 (54 Stat. 686).

PROCEDURE FOR SALE OF THE METROPOLITAN WASHINGTON AIRPORTS

SEC. 102. (a) Within sixty days after the date of enactment of this title, the Secretary shall issue a request for proposal to purchase Washington National Airport and a request for proposal to purchase Washington Dulles International Airport.

(b) Such requests shall provide for—

(1) closed offers for the purchase of each such airport in accordance with the provisions of section 103;

(2) such information as is necessary to determine whether the offers meet such provisions; and

(3) a period of one hundred and twenty days for submission of offers.

(c) Within sixty days after the one hundred and twenty-day period submission of offers, the Secretary shall select the winning offers for the purchase of such airports, in accordance with the provisions of section 103.

(d)(1) The Secretary shall take such actions as necessary to negotiate the terms of sale and transfer of each such airport to the highest offeror in accordance with the provisions of this Act.

(2) Within sixty days after the date of selection of the purchasers of the Metropolitan Washington Airports, the Secretary shall complete the sale and transfer of such airports, unless any such sale is disapproved by the enactment of a joint resolution.

SELECTION OF PURCHASERS

SEC. 103. (a) Subject to the provisions of section 104, the Secretary shall select as the purchaser of each airport from the offers received pursuant to section 102—

(1) the offeror who offers the greatest cash amount for Washington National Airport; and

(2) the offeror who offers the greatest cash amount for Washington Dulles International Airport.

(b) Notwithstanding the provisions of subsection (a), Washington National Airport and Washington Dulles International Airport may not be sold to the same purchaser. If one person offers to pay the highest cash amount for each Metropolitan Washington Airport—

(1) such person shall be selected to purchase the airport for which he offers to pay the higher cash amount; and

(2) the other airport (which such person shall be disqualified from purchasing) shall be sold to the person who offers to pay the second highest cash amount for such airport.

TERMS OF SALE FOR THE WASHINGTON METROPOLITAN AIRPORTS

SEC. 104. The sales of Washington National Airport and Washington Dulles International Airport shall be subject to the following terms:

(1) All real and personal property sold and transferred shall be used for airport purposes, or for purposes that are complementary to use as an airport.

(2) The owner of each airport may not set landing fees higher than necessary to cover the costs of operating each airport each year.

(3) Each airport shall be subject to the environmental standards, noise standards, safety reguiations, and other applicable standards and regulations in effect of the date of the sale and transfer of such airport.

(4) The purchaser of Washington National Airport shall pay a minimum of $100,000,000 in cash for the purchase of such airport and the purchaser of Washington Dulles International Airport shall pay a minimum of $50,000,000 in cash for purchase of such airport.

(5) In addition to the amount paid pursuant to paragraph (4), the purchaser for Washington National Airport shall pay $39,000,000 to the United States for settlement of retirement obligations relating to employees and former employees.

(6) A majority of the equity interest in each airport shall be owned by citizens of the United States or corporations of the United States.

(7) All rights to landing aircraft, including landing slots, shall be included in the property rights sold and transferred to purchasers pursuant to this Act.

TITLE II—TRANSFER OF THE METROPOLITAN WASHINGTON AIRPORTS

FINDINGS

SEC. 201. The Congress finds, for purposes of implementing this title, that—

On page 27, line 4, strike out "SEC. 3." and insert in lieu thereof "SEC. 202.".

On page 27, line 5, strike out "Act" and insert in lieu thereof "title".

On page 27, line 13, strike out "Act" and insert in lieu thereof "title".

On page 27, strike out line 21 and insert in lieu thereof:

"SEC. 203. In this title, the term—"

On page 27, line 26, strike out "section 7 of this Act" and and insert in lieu thereof "section 206 of this title".

On page 28, line 3, strike out "Act" and and insert in lieu thereof "title".

On page 28, line 6, strike out "section 5 of this Act" and and insert in lieu thereof "section 204 of this title".

On page 29, line 8, strike out "SEC. 5." and insert in lieu thereof "SEC. 204.".

On page 29, line 14, strike out "section 7 of this Act" and insert in lieu thereof "section 206 of this title".

On page 29, strike out line 16 and insert in lieu thereof "effective date of this title".

On page 30, line 19, strike out "section 9(e) of this Act" and insert in lieu thereof "section 208(e) of this title".

On page 30, line 23, strike out "9(e) of this Act" and insert in lieu thereof "208(e) of this title.

On page 31, line 9, strike out "section 9 of this Act" and insert in lieu thereof "section 208 of this title".

On page 31, line 14, strike out "section 8 of this Act" and insert in lieu thereof "section 207 of this title".

On page 31, line 22, strike out "Act" and insert in lieu thereof "title".

On page 32, line 2, strike out "Act" and insert in lieu thereof "title".

On page 32, line 5, strike out "SEC. 6." and insert in lieu thereof "SEC. 205.".

On page 32, line 15, strike out "section 7 of this Act" and insert in lieu thereof "section 206 of this title".

On page 32, line 18, strike out "SEC. 7." and insert in lieu thereof "SEC. 206.".

On page 34, strike out line 11, and insert in lieu thereof "effective date of this title;".

On page 35, line 1, strike out "8 of this Act" and insert in lieu thereof "207 of this title".

On page 36, line 17, strike out "SEC. 8." and insert in lieu thereof "SEC. 207.".

On page 37, line 17, strike out "section 5 of this Act" and insert in lieu thereof "section 204 of this title".

On page 37, line 10, strike out "Act" and insert in lieu thereof "title".

On page 38, line 19, strike out "Act" and insert in lieu thereof "title".

On page 42, line 17, strike out "SEC. 9." and insert in lieu thereof "SEC. 208.".

On page 44, line 14, strike out "8 of this Act" and insert in lieu thereof "207 of this title".

On page 46, line 12, strike out "SEC. 10." and insert in lieu thereof "SEC. 209.".

On page 46, line 15, strike out "Act" and insert in lieu thereof "title".

On page 46, line 16, strike out "section 5 of this Act" and insert in lieu thereof "section 204 of this title".

On page 47, line 16, strike out "Act" and insert in lieu thereof "title".

On page 48, line 25, strike out "section 5(b) of this Act" and insert in lieu thereof "section 204(b) of this title".

On page 49, line 2, strike out "SEC. 11." and insert in lieu thereof "SEC. 210.".

On page 49, line 7, strike out "8(a)(1) of this Act" and insert in lieu thereof "207(a)(1) of this title".

On page 50, line 2, strike out "SEC. 12." and insert in lieu thereof "SEC. 211.".

On page 50, line 9, strike out "date of enactment of this Act" and insert in lieu thereof "effective date of this title".

On page 50, line 11, strike out "Sec. 13." and insert in lieu thereof "SEC. 212.".

On page 50, line 11, strike out "Act" and insert in lieu thereof "title".

On page 50, line 13, strike out "Act" and insert in lieu thereof "title".

On page 50, add after line 14 the following new section:

EFFECTIVE DATE

SEC. 213. The provisions of this title shall not take effect if both Metropolitan Washington Airports are sold pursuant to the terms of title I. The provisions of this title shall take effect and be applicable to either or both Metropolitan Washington Airports if no offer is received for either such airport—

(1) within the one hundred and twenty-day period pursuant to section 102(b)(3) of this Act; and

(2) which meets the terms of sale specified pursuant to section 104 of this Act.

Mr. HUMPHREY. Mr. President, two things bother the Senator from New Hampshire with respect to the pending legislation. The first is that the proposal does not represent an effort at privatization. If the bill is passed by the Senate and becomes law, we will simply be transferring Washington National and Dulles Airports from one government entity to another. It is simply a reshuffling of the cards. There is not the slightest element of privatization in the proposal. What a great pity that is because we are in the dawn of the age of privatization, and what better bill and what better properties to dispose of by means of true privatization that Washington National and Dulles Airports.

There are many other properties that ought to be disposed of by way of privatization—the power marketing associations for an example, but those are big challenges, those are great big entities. They are much more complicated to sell than are these two airports. So we are missing a wonderful opportunity here because of the nature of the properties and their size and their relative simplicity in terms of operation to set the pattern for the future in true privatization. So that is my first disappointment; that is, that we are not undertaking anything here that represents privatization.

The second disappointment the Senator from New Hampshire has is that nowhere in the process that has led us to this point in lawmaking has privatization ever been considered—nowhere in the process, not so far here on the floor, not in the Commerce Committee, not in the Holton Commission and apparently not at the Department of Transportation, at the source.

Reviewing the transcript of the Commerce Committee proceedings, there was one proposal and one proposal only considered by the Commerce Committee, and that is the one handed down by the Holton Commission which in turn was a recommendation largely of the Department of Transportation. There has never been consideration of any alternative than the one which now lies before us. That is unfortunate because there are alternatives, there are options, in my view better options than simply shuffling the deck. In the view of this Senator, we ought to sell these properties to the highest bidder, to a private entity, and indeed in the last few weeks several respectable private banking firms have indicated interest in financing private sales of these properties. The well-respected British bank, N.M. Rothschild & Sons of London stated that a consortium of organizers could expect to put together a bid of $500 million to $1 billion for the sale of these airports. Instead, the measure before us proposes to settle for $47 million. That is a mighty good deal for the State of Virginia but a mighty poor deal for the taxpayers of our country.

But that is not all. It is not just the question of purchase price. It is also a question of efficiency of operation. It is a question of putting these valuable resources to their highest and most efficient use and that is not going to happen. We will not under any circumstance from now until eternity make the highest and most efficient use of any resources when they are fully controlled by government, whether it is a regional commission or the high and mighty Federal Government. So we are kissing away for decades, if this bill becomes law, the opportunity to put these properties to their highest and most efficient use by selling them to a private operator.

Mr. President, I mentioned that two banking firms have expressed interest in recent weeks in financing private sales, N.M. Rothschild and Sons of London and more recently the Morgan Stanley Bank of New York.

Mr. President, a research group, the Citizens for a Sound Economy, in May 1985, put together a very cogent and in my view enlightened research report entitled "privatizing Washington's Airport."

Mr. President, the report of Citizens for a Sound Economy recommended a sale to a private party; that Dulles and National Airports be sold separately so as to compete with one another.

We are all in favor of competition, it seems, until we get down to the nitty-gritty of voting for it.

The amendment which I place before the Senate incorporates this recommendation. It would require the separate sale of each of these airports.

The CSE recommendations propose that the new owners would have full pricing freedom for landing fees, but the high density rule artificially limiting operations at National would be abolished, as well as the 1,000-mile limitation at National. It recommends that the night-time noise limitations at National would be retained, that the new owners would grant present FAA employees first right of refusal for jobs. All these recommendations have been incorporated in the amendment I have offered.

Mr. President, I started out saying that no other option has been examined. I want to retrace the history of this proposal—that is, the bill now before the Senate.

Last year when the Secretary of Transportation came before the Commerce Committee, that distinguished person testified in part on the subject of dealing with these two airports:

I visited with many former Secretaries of Transportation, and they confirmed my view that the airports should be transferred to a local or regional authority. Therefore, in June 1984, I appointed a commission made up of local and State officials and airport users to determine not whether but how a transfer should be accomplished.

Mr. President, after deliberating for several months, the Holton Commission came up with a plan that is basically embodied in the legislation before us. The bill, S. 1017, was referred to the Commerce Committee, where hearings were held last summer before the Subcommittee on Aviation. According to the hearing record available from the committee, at no time did members consider alternatives other than a transfer to a regional authority.

The point I want to make, and which I am emphasizing, is that other options—and there are other good options, in the view of this Senator—were never even given the slightest consideration, never even discussed. The proposal has hardly been changed since it came from the Secretary of Transportation's office. That is tragic, because better options exist.

Mr. President, I want to highlight now the provisions of the amendment I have offered.

Within 60 days of enactment of the bill—if the amendment is incorporated—the Secretary of Transportation shall issue a request for proposals to purchase the two airports. Bids will be closed—that is, they will be closed bids.

There will be a period of 120 days for submission of bids.

Within 60 days after the 120 days, the Secretary shall select the winning offers for the purchase of the airports.

Within 60 days, the Secretary shall complete the sale and transfer of the airports unless such sale is disapproved by enactment of a joint resolution.

The terms of sale shall be as follows:

All real property will be transferred for the use as an airport.

The owner of the airport may not set landing fees higher than necessary to cover the cost of operating each airport each year.

Each airport shall be subject to environmental standards, safety standards, etc., that presently apply to the airports.

A minimum bid of $100 million for National and $50 million for Dulles would be applied.

The new owners will have all rights to landing slots and may sell them to the airlines.

A majority of the stock must be owned by citizens of the United States.

There will be a payment of $39 million from the buyer to the United States for settlement of retirement funds related to the present employees of the airports.

Mr. President, should no acceptable bids be received, the provisions of this amendment would be nullified, and the present provisions of S. 1017 would take effect once again.

In other words, in essence, what I am proposing is to stop for a moment and to say, "Whoa!" We have not looked at all the options. The record shows that we have not looked at all the options. Indeed, the record shows that the only option we have looked at is the original recommendation of the Department of Transportation, which is embraced pretty much intact by the Holton Commission, which in turn was embraced by the Commerce Committee, and which the Senate is now being asked to embrace, without any consideration of the options which might or might not be superior to this, and in my view are clearly superior.

So the amendment is intended to put the brake on this process, to require that the Secretary of Transportation open up the sale of these airports to bidders. The amendment sets in train a schedule which would conclude with the privatization—the sale of these airports to a private party—if a bid meeting the standards outlined in the amendment is received.

So it would be fair to say that I am presenting the Senate with a choice. We can shuffle the deck, as the Department of Transportation wishes us to, and the Holton Commission wishes us to, and the Commerce Commission wishes us to. We can transfer the airports from one governmental entity to another. Or we can embark on something much more enlightened, and we can set an example for ourselves and those who succeed us in the decades to come, in privatizing governmental properties and services.

It is a pity that this country, the land of free enterprise, lags behind other Western nations in privatizing Government services. It is time we caught up, and this is one way in which to do it.

Mr. President, in view of the vote on the Gramm amendment earlier this evening, the Senator from New Hampshire is not overly optimistic that his amendment will be approved. It would seem, at least in the judgment of this Senator, that our colleagues could stand a little more enlightenment on the subject of privatization. So I have concluded not to seek a rollcall vote on this amendment, but chose to offer it and speak on it and to answer any questions that might be raised about it, in hopes that before the House locks itself in lockstep with the Secretary of Transportation and the Holton Commission and the Senate Commerce Committee, and evidently the U.S. Senate, it take an independent look at better options.

I hope that in some small way what I have said this evening and the materials I have put in the RECORD will make a contribution to the process of enlightenment such that the House of Representatives will distinguish itself in this matter as the Senate apparently will not.

So, Mr. President, I ask that my amendment, which has been printed in the RECORD be as model legislation, shall we say, for consideration of the House of Representatives.

If there are any questions or comments from my colleagues I will be happy to entertain them at this point and then I will withdraw the amendment after they have that opportunity.

Does the floor manager wish to address the amendment?

Mr. TRIBLE. I am sorry? I did not hear my colleague's question.

Mr. HUMPHREY. The question is does he like my amendment, is he prepared to accept it?

Mr. TRIBLE. I am sure there is some merit to the Senator's proposal, but I cannot accept it and would be prepared to oppose it at this hour.

Mr. HUMPHREY. Let me ask the Senator from Virginia why he would favor transferring these valuable properties, these valuable resources from one Government entity to another in preference to requiring the Secretary of Transportation to open the sale to bids and if bids not meeting the requirements laid out in the amendment are received, then we would revert to the transfer. Does the Senator understand the proposal? What I am proposing is that we modify the bill before the Senate to require the Secretary of Transportation to open this to bids.

If, however, no bids meeting the qualifications laid out are received, then we would revert to the process which is now before us.

Mr. TRIBLE. It seems to me the Senator's amendment represents a fundamental rethinking of the way our Nation operates its commercial airports. As you know, commercial airports throughout the country are not run by private interests for profit but rather by regional airport authorities and bodies like that for service.

Here my colleague has talked about the highest and most efficient use of these properties.

Does that mean that no private planes would be able to use these facilities?

Mr. HUMPHREY. If I may respond, the answer to that is, "No."

Mr. TRIBLE. Does this mean——

Mr. HUMPHREY. May I fully respond?

Mr. TRIBLE. I am sorry.

Mr. HUMPHREY. The answer to the question is, "No," there will be no restrictions upon general aviation, that the same provisions in the bill requiring that a proportionate number of landing slots be allocated to general aviation after sale as exist on a historical level.

Mr. TRIBLE. What about commuters to surrounding States? Will they not have to yield to the higher and most efficient use, which would be the more profitable airplane traffic to distant points?

Mr. HUMPHREY. Again, the same provisions which are incorporated in the bill on that point are encompassed by this amendment. Let me say this, that with respect to the allocation of slots the owner would have the right to sell the slots to the highest bidders. Therefore, the best use of the airport would be made. You would not have a 20-passenger commuter airliner landing at the 5 o'clock slot, or whatever is considered to be the choicest slot. You would have a 200-passenger aircraft probably using that slot because that operator would be willing to pay more for that slot.

Indeed, the Senator is quite correct. On that basis, we would have the most efficient use of the landing slots and of these resources because those who have the greatest need and the greatest ability to pay for and justify the best slots probably would be the highest bidders. But anyone could bid, of course.

Mr. TRIBLE. What does "highest and most efficient" mean in terms of the concerns of this region about noise and safety?

The Senator, for example, has said that it would mean an end to the high density rule. It seems to me these are important interests and argue against privatizing these facilities and turning them over to those that are simply bound by profit. Instead we should turn them over to a regional airport authority that can operate them more effectively and efficiently but yet show some sensitivity to concerns about noise and safety and the other concerns shared by the citizens of this metropolitan region.

Mr. HUMPHREY. The FAA would continue to enforce standards of safety under operation either by the regional authority or by private owners.

With respect to noise, surrounding communities could presumably enact whatever ameliorating regulations they chose to enact.

Mr. TRIBLE. You see what troubles me is that the highest and most effi-

cient use may well argue for 24-hour flights. That would hardly respond to the concerns of the citizens of this region about noise and safety. That's, why I am concerned about turning these airports over to private interests that are concerned about profit and not about these other kinds of issues.

I will say to my colleague that again this amendment would require fundamental rethinking in the way we operate our airports.

I believe that by freeing these airports from the shackles of Congress and the Federal Government and by turning them over to the local authority, we can substantially enhance their operations and at the same time we can assure a sensitivity to the best interests of the traveling public and the citizens of this metropolitan region.

Let me add to that. It is suggested that we should proceed by way of bid.

First, let me point out that the terms of this legislation provide that these airports must be used for a public purpose. They cannot be operated for profit.

Mr. HUMPHREY. May I interject that the amendment the Senator from New Hampshire offered requires the same use of these properties.

Mr. TRIBLE. Under those terms, I think it is a flight of fancy to think that these properties would fetch huge sums of money that they otherwise would command if they could be put to their highest commercial use.

But for the sake of our conversation, let us assume that the Senator's amendment would permit a $1 billion payment. How then does this new owner go about investing an additional one-half to one billion dollars in improvements and if the owner can do that who pays? The traveling public, it seems to me, by raising landing fees by imposing other costs on the traveling public.

Mr. HUMPHREY. Not necessarily, if I may answer the question.

Mr. TRIBLE. Please.

Mr. HUMPHREY. It happens that privately owned airports are now qualified eligible for grants from the Airport Improvement Trust Fund. Furthermore, communities, which have an interest in assisting local businesses, as this would be, can sell tax-exempt bonds. It happens all the time in Virginia and in every State.

So the sources of funds to provide capital improvements would be the very same sources available to this regional authority.

Mr. TRIBLE. It is my understanding that a private airport would not have access to airport improvement funds.

Mr. HUMPHREY. That used to be the case but a revision in the law now makes eligible for these grants privately owned airports.

Mr. TRIBLE. I am not sure that is the case. But I will let the facts speak for themselves.

It is the Senator's intention to press his amendment? If so, not wanting to cut the Senator off or those who might want to speak in favor of this amendment, I would intend to move to table his amendment. But if it is the Senator's intention not to press the amendment, then I would sit down and listen further to the arguments of my colleague from New Hampshire.

Mr. HUMPHREY. The Senator from Virginia offers me an interesting choice. If he would just permit me to respond further to one other of his observations and contentions, then I shall be finished.

The implication seems to be that airports are somehow monopolies or utilities and, therefore, should be operated by governments.

Let me point out to colleagues that the electrical utilities in this country, as an example, are monopolies in most cases, in every case as far as I know. They are utilities. Clearly they are monopolies, but virtually all of them, except maybe the TVA, are privately owned.

So the argument that an airport cannot be privately owned because it is a utility does not hold water.

Let me point out also, with respect to the monopoly consideration, that these particular airports, if sold under the amendment of the Senator from New Hampshire, would have to be sold to separate buyers. They would be separately owned. They would compete between themselves and with Baltimore-Washington International Airport, just as O'Hare Airport competes with Midway and Kennedy competes with LaGuardia and Newark, as is the case in so many regions of our country.

So I do not think the Senator's point about a monopoly or a utility aspect of this dictates that it should be in Government hands. Indeed, it does not, as the examples I have cited, I think, demonstrate.

Mr. President, I do not really expect to win over the Senator from Virginia. After all, his State is getting a monumental handout here—property worth at least $1½ billion for 47 million bucks. That is a good deal. I would not want it otherwise, if I were from Virginia, I suppose.

Mr. TRIBLE. I say to my colleague that I would be happy to have the full Senate pass judgment on the Senator's amendment.

Mr. HUMPHREY. Well, the problem is that somehow or other this measure sort of sneaked up on us. The Department of Transportation said, "Here is what we ought to have: the regional authority." And the Holton commission, chaired by a former Governor of Virginia, said, "Yeah, that is a great idea. It ought to go to a regional commission for $47 million." And the Commerce Committee never considered any other alternative, just sort of apparently rubber stamped this thing. And now the Senate is going to do likewise, apparently. On what basis, I suppose I should not say, but I do not think it is on the most enlightened basis. I hope the House, as a result of this debate, will take a more enlightened approach to this; indeed, to embrace some new thinking, the kind of thinking which is so utterly essential to the whole idea of privatizing without which, in the view of this Senator, there is little hope ever of getting Government spending under control or bringing efficiency to the delivery of the essential services.

Mr. President, as I stated earlier, my purpose in rising is not to seek a vote on this amendment because, in view of the vote on the Gramm amendment, it does not look too optimistic but, rather, to expand the record with a different point of view in hopes that our colleagues in the House will deal with this more responsibly, I must say, than apparently the Senate is willing to do.

So, Mr. President, I have said my piece and I put into the RECORD what I wanted to put it and, therefore, I withdraw the amendment.

The PRESIDING OFFICER. The amendment is withdrawn.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that a number of communications from the N.M. Rothschild & Sons, Ltd. banking interests be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

STATEMENT BY N.M. ROTHSCHILD & SONS, LTD.

PRIVATISING WASHINGTON'S AIRPORTS

N.M. Rothschild & Sons, Ltd. (NMR) is encouraged by the recent interest shown in privatising National and Dulles Airports, but wishes to clarify several points:

1. The airports would be kept as airports.

NMR would not be interested in developing the airports for residential purposes nor in seeking major changes in currently permitted land uses. The purposes of a privatisation designed by NMR would be to upgrade both airports, especially National, and improve their financial viability and their contribution to regional economic development. Several opportunities for improvement can already be identified:

Improvement of car parking facilities at both airports;

Improvement of the connection to the Metro station at National;

Expansion of the North Terminal at National; and

Development of mid-field terminals at Dulles.

If any changes in land use were sought, they would be for purposes complementary to airport operation.

2. NMR will not try to organize or participate in a consortium to purchase the airports until the legislative or executive branch of the U.S. Government indicates that it would welcome offers from private investors. N.M. Rothschild & Sons would be happy to advise the Federal Government on

regulation and organization of the sale, if that was preferred, rather than acting for prospective buyers.

As clearly stated previously, NMR would work on assembling a group of investors only after receiving an indication that the Administration would be willing to consider airport privatisation. The amount of the bid would depend on investor response and on the conditions set down by the U.S. authorities for the use of the airports.

3. NMR's interest in Washington's airports is an outgrowth of its successful participation in other privatisation ventures, both inside and outside the United Kingdom.

The experience of N.M. Rothschild & Sons in privatisation is described in the accompanying materials. NMR has worked on privatisation in Europe and the Far East, and is currently retained by the British Government to sell the British Gas Corporation, the largest privatisation ever attempted anywhere in the world.

4. Privatisation of the airports could bring early benefits to the U.S. taxpayer.

N.M. Rothschild & Sons understands that, as part of the plan to transfer the airports to the State of Virginia, the airlines using them would be allowed to sell their landing rights ("slots") to other airlines. Thus, these landing rights would in effect be given to the airlines without charge. Under an NMR privatisation plan, on the other hand, these valuable assets could be bought by the private sector from the Federal Government, and the amounts paid to the Government would accrue to the taxpayers through reduction of the budget deficit. Furthermore, under private ownership, property and other taxes would be payable by the private sector to the State of Virginia and relevant government authorities.

To Gabriel Roth, the Service Group, Virginia, Telex No. 292072.

If the Federal authorities wish to sell the airports they would need to set out the rights and obligations of the new managers including:

1. The extent of the property interest to be transferred and the rights and obligations covering future development of the properties.

2. The way in which landing slots would be allocated, airlines charged for landing facilities and whether there would be controls to prevent excess pricing.

3. The operating conditions governing ownership and use of airport-related facilities, including shops, duty free concessions, car parking, taxi and other transport facilities.

4. The regulations covering safety and the relationship between the airport owner/manager and air traffic control services.

N.M. Rothschild believes that a successful privatisation could be carried out whilst permitting the U.S. Federal authorities or a delegated body to retain regulatory control over safety and over the most sensitive charges.

The value of the airports will be increased if the owners are given considerable leeway to develop the properties and to add an additional range of airport-related facilities. This would be good for the traveling passenger, for the U.S. tax-payer and for the airlines themselves.

Regards,

JOHN REDWOOD.

To Mr. Gabriel Roth, the Services Group, Virginia, USA, Telex 292072.

Following our conversation today, I just wish to stress that Rothschilds are not making an offer for the Washington airports as we are not yet in any position to do so.

What we are doing is saying that we would like to have the opportunity to find investors to try to raise a better price as an option for the Government.

Regards,

JOHN REDWOOD.

Mr. SARBANES. Mr. President, I indicated earlier to the manager of the bill that I would be prepared to offer a substantive amendment. Actually, the amendment I will offer—and the Senator is well acquainted with the subject—deals with the noise question. But it seems to me, under the circumstances, that maybe the best thing to do—and I suggest this to the manager for his consideration—would be for me to send the amendment to the desk. I would be happy to debate it for a while this evening, if the manager chooses to do so, and agree to a time shortly after we come in tomorrow, a time of half an hour after we come in, the time equally divided, or something of that sort, to vote on that amendment. That would assure us an early vote tomorrow and we would be back on the bill and on the amendment and then we could proceed from there with other amendments. That would, I believe, save a lot of our colleagues a problem. I think it is fitting that the noise amendment ought to come up tonight, but I am not sure. It may be helpful to me, actually, if they were all here to vote on it, the way it dovetailed. But I am prepared to send it up and we can discuss it a bit and set a time agreeable on a vote tomorrow.

Mr. TRIBLE. I say to my colleague from Maryland, I think that is a reasonable and proper suggestion at this hour. I would be inclined to agree that that is precisely what we should do. I would like to consult with the majority leader, however.

Mr. SARBANES. Certainly.

Mr. TRIBLE. What hour would my colleague suggest we might be able to vote on this measure tomorrow and how much time would he require to debate the matter tomorrow morning?

Mr. SARBANES. On the noise amendment?

Mr. TRIBLE. Yes.

Mr. SARBANES. Well, no more than a half an hour, equally divided.

Mr. TRIBLE. I think that is eminently fair and we can start in at an early hour tomorrow, as well. Better an early hour tomorrow morning than a late hour tomorrow night.

Mr. SARBANES. I am not quite sure what the Senator means. We have been coming in at 9:30 or 10 o'clock.

Mr. TRIBLE. It is a very relative term when one speaks about the practice of the U.S. Senate. But I would like to argue for as early an hour as possible, given the traditions of this body.

Mr. HUMPHREY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DOLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. DOLE. Mr. President, apparently there is no way to do any more on this measure tonight. There are still a number of amendments. Senator HOLLINGS does not want to offer his amendment until tomorrow. Senator MATHIAS also has an amendment. Senator SARBANES is willing to lay down an amendment and complete action on it tomorrow morning. We appreciate that.

I would say to my colleagues that it appears we cannot force people to offer their amendments, but I would again indicate this is the seventh day on this proposal. Again, I know it is a very important piece of legislation to the people involved, but in the scheme of things we could have finished the budget resolution in 7 days. There are about four or five bills of this same magnitude that are on the calendar. If everybody takes 7, 8 or 9 days, and they are rather important bills to a lot of people, I would hope we would keep this in mind before we decide whether or not we are going to have television on a permanent basis in the Senate. This should be a reason to change the rules, so that we can proceed to legislation, offer amendments, have the votes, and let the Senate work its will. Some you win and some you lose.

I do not have any quarrel with the Senator from Maryland, who certainly has every right to use the rules, but I would suggest that maybe they ought to be changed. If we cannot move any more quickly than this in the U.S. Senate on a bill, I do not know what we will do when we get into issues that are hundreds of millions of dollars. At least the budget resolution has a 50-hour time agreement.

We are at the mercy of those who have the amendments and will not offer the amendments after 7 days. I have no recourse except to indicate that there will be no more votes this evening.

I apologize to Members who left here with the impression that there would be votes. There would have been votes but the distinguished Senator from New Hampshire [Mr. HUMPHREY] withdrew his amendment. I think he did intend to ask for a rollcall later on. I think we were on firm ground in making that announcement.

I think we can finish the bill tomorrow night. I know that, tomorrow night, there is an event that a number of Members on each side may be involved in as guests. That will start about 7:30 or 8 o'clock. But I am not certain we will finish tomorrow night; I am not certain we will finish on Friday. I would like at least to conclude debate on this matter sometime in the next couple of weeks.

So I am going to send two cloture motions to the desk, one on the substitute, one on the bill itself. If we can finish tomorrow night, OK. If not, there will be votes on Friday.

CLOTURE MOTION

The ACTING PRESIDENT pro tempore. The first cloture motion having been presented under rule XXII, the Chair directs the clerk to read it.

The assistant legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, hereby move to bring to a close debate on the reported committee substitute to S. 1017, a bill to provide for the transfer of the Metropolitan Washington Airports to an independent airport authority.

Bob Dole, Paul Trible, Bob Kasten, Thad Cochran, Jake Garn, Mitch McConnell, Pete Wilson, Warren B. Rudman, Ted Stevens, Chic Hecht, John Danforth, John Warner, Paul Laxalt, Slade Gorton, Nancy L. Kassebaum, Dan Quayle, Pete V. Domenici, Al Simpson, and Jesse Helms.

CLOTURE MOTION

The ACTING PRESIDENT pro trempore. The second cloture motion having been presented under rule XXII, the Chair directs the clerk to read it.

The assistant legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, hereby move to bring to a close debate on S. 1017, a bill to provide for the transfer of the Metropolitan Washington Airports to an independent airport authority.

Bob Dole, Paul Trible, Bob Kasten, Thad Cochran, Jake Garn, Mitch McConnell, Pete Wilson, Warren B. Rudman, Ted Stevens, Robert T. Stafford, John Danforth, John Warner, Paul Laxalt, Slade Gorton, Nancy L. Kassebaum, Dan Quayle, Pete V. Domenici, Al Simpson, Jesse Helms and Chic Hecht.

Mr. DOLE. Mr. President, again, let me indicate that we shall be on this bill at 10 o'clock in the morning and there will be votes throughout the day, because I assume amendments will be offered. We are really down to amendments that will be involving the principals in this matter—Senators SARBANES, MATHIAS, and HOLLINGS—who have been opposed to the bill. They have substantial amendments and they will be debated. Hopefully, we shall be permitted to vote on them.

I want to indicate again to my colleagues that we intend to be here tomorrow night and intend to finish the bill. Having said that, obviously, I cannot make it happen. If somebody decides they do not want to finish the bill, there is no time agreement and the debate can go on and on. In any event, we hope the debate would go on and on and there will be votes of one kind or another tomorrow night if we stay here. We will be sending out the Sergeant at Arms or we will be doing something to make certain that we at least try to come to a conclusion on this legislation.

Again, I indicate to my colleagues that if we do not dispose of the legislation on tomorrow, we will be on it on Friday and if we should dispose of the legislation tomorrow, there will be a Friday session; there will be votes on Friday. Everyone should be on notice that there will be votes on Friday. We have, I think, at least two measures that we can get agreement on to bring up on Friday, one with a couple of amendments and one, a crime bill, that I understand is not controversial but will require a vote.

So, I hope we can conclude at a fairly reasonable hour Friday afternoon.

Mr. TRIBLE addressed the Chair.

The ACTING PRESIDENT pro tempore. The Senator from Virginia.

Mr. TRIBLE. Mr. President, the Senator from Maryland [Mr. SARBANES] and I talked about this measure and we have agreed, at least between ourselves, that he would now offer one of his substantive amendments and we would discuss that this evening and then carry on over until tomorrow.

At that time, then, we shall move very quickly to a vote.

We have talked in terms of 30 to 40 minutes equally divided. I think that would certainly accommodate the manager of the bill and would give the proponent of the amendment and his allies ample opportunity to make their case tomorrow morning as well.

I simply say in response to the comments of the majority leader that we can and will start early tomorrow morning. We shall resolve the first amendment within 30 or 40 minutes after turning to this measure. Then I am hopeful we will be in a position to entertain and resolve other amendments as well.

Three Senators have indicated an intention to offer additional amendments, Senators MATHIAS and SARBANES from Maryland and Senator HOLLINGS from South Carolina. These issues involve several central questions, and very likely the resolution of one amendment may lead to the prompt resolution of others. It would be my hope, and I believe it is a reasonable expectation, that we can resolve this matter tomorrow. As manager of the bill, I want to tell the majority leader that I am prepared to be here from early in the morning until late at night.

I am prepared to be here for as many hours as necessary to resolve this matter, I know to the relief and applause of our colleagues who are fully prepared to move on to other things. Senator WARNER will be standing at my side tomorrow and we will be prepared to move forward as our colleagues permit.

AMENDMENT NO. 1744

(Purpose: To provide that nighttime noise limitations shall remain unchanged or shall be made more restrictive)

Mr. SARBANES. Mr. President, I send an amendment to the desk.

The ACTING PRESIDENT pro tempore. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Maryland [Mr. SARBANES] for himself and Mr. MATHIAS, proposes an amendment numbered 1744:

On page 39, line 9, insert before the period ", and that the nighttime noise limitation standards currently set out at 14 CFR 159.40 may not be amended, unless such standards are made more restrictive of nighttime noise".

Mr. SARBANES. Mr. President, I earlier suggested to the manager of the bill that perhaps the best way to proceed this evening would be to lay down this amendment, to discuss it, not at great length, and then to agree in the morning that we would go to a vote on it a reasonable period of time after we turn to the bill, perhaps 40 minutes equally divided since my colleague, Senator MATHIAS, is a cosponsor of it and may wish to be here to speak to it.

As I understood the conversation that was held earlier, we would probably be back on the bill, I guess, somewhere around 10 o'clock, is that correct? And then we would be able to resume the consideration of this amendment and then go to a vote on it. Does the Senator want to seek the yeas and nays now on the amendment?

Mr. TRIBLE. That will be fine. Anything that we can do to expedite the proceedings.

Mr. BYRD. Is the amendment down yet? Has it been laid down?

The PRESIDING OFFICER (Mr. RUDMAN). The amendment has been laid down.

Mr. SARBANES. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. SARBANES. Mr. President, this amendment is the noise amendment. I will not take long now because my colleague from Virginia has joined with me I guess in extended discussion of

this particular amendment over the last few days. In some ways, I think it is appropriate that it come up this evening, although I think for the sake of our colleagues, it is just as well they were not drawn back. But the noise amendment addresses the question that under this legislation the authority that is being created will have the power to change the nighttime noise limitations at National and to change them in a direction that is more lenient. In other words, it would allow an increase in the amount of nighttime noise.

Now, the local communities in this area worked very hard with others, including their Representatives, over the years to get some limitations and restraints on nighttime noise in the use at National. Obviously, it is a pressing problem for anyone who lives in the flight pattern into National. Unfortunately, that pattern tends to place a disproportionate burden on the Maryland side, although it clearly also affects Virginia and the District of Columbia.

Now, when the legislation was introduced at the recommendation of the Holton Commission, it contained a provision in it which froze into law the current nighttime noise limitation standards, said they could not be amended.

Subsequently, after the markup some couple of months, the Senator from Virginia offered an amendment that was accepted which changed that. It took out the freezing of that standard. Now, it was argued that this would allow the authority to set a tougher standard. In other words, to be more restrictive on the noise question. However, the statutory authorization in fact puts discretion in the authority to move the standard in a more lenient or a less lenient direction. In other words, the authority can really go both ways. Now, it has been asserted, "Well, the authority would not do that." But who is to know? Particularly, all of those people who have been concerned for years about the noise problem, including, very strangely, Members of this body, now face the prospect that the curfew hours could be changed. It is even possible that this could become an around-the-clock facility.

I was interested in the minority views of the distinguished Senator from South Carolina [Mr. HOLLINGS] and the distinguished Senator from Nebraska [Mr. EXON] on an amendment on nighttime noise restrictions at National Airport. Let me quote from the minority views:

> The provision giving the new airport commission power to revise the nighttime noise restrictions at National was added by the Committee as an amendment to S. 1017 a full 2 months after the bill was originally ordered reported. It will most certainly result in the eventual easing of those restrictions and an increase in late night flights into Washington's principal airport.
>
> Why is this amendment needed in the first place? Current FAA regulations specify that all flights in and out of National after 10 pm and before 7 am are restricted by noise levels. The original approach endorsed by supporters of S. 1017 was to freeze these rules in place for the 35-year duration of the lease. Then the same people who claimed that the Holton Commission had worked out every detail of the bill, turned around and wanted to amend it. Since no one has proposed an earlier curfew at National, we can only conclude that the reason for giving the local authority this power is to pave the way for more late night flights.

Let me repeat that sentence:

> Since no one has proposed an earlier curfew at National, we can only conclude that the reason for giving the local authority this power is to pave the way for more late night flights.
>
> Originally, the Committee agreed to try to resolve this issue on the Senate floor. However, supporters of the bill panicked at the thought of 100 Senators, many of whom live in National's flight path, having the opportunity to debate this issue and discovering the truth about it. That's why the decision was made to schedule a second markup and add the amendment at the Committee level, thereby hoping to bury it from view.
>
> This amendment is simply another reason why this bill should be defeated. And it should alert others in the Senate who are suspicious about the effect this legislation will have on air service in Washington.

I might simply observe that the committee meeting in which the amendment was added lasted all of 4 minutes, and it took place on November 14, after the bill had been reported by the committee on September 11, 1985.

So the problem I am seeking to address, Mr. President, I think is a very real one; and that is that after all the effort over the years to achieve nighttime noise restrictions at National, efforts in which countless numbers of people were involved, responding really to the very legitimate, heartfelt complaints of residents in the flight path whose lives were made absolutely miserable, who could not lead a normal existence, this legislation now puts into this authority the power, in effect, to ease these restrictions.

In effect, the amendment would set the current standards, provide that they could not be amended, unless the standards were made more restrictive of nighttime noise. In other words, you could not get a movement into the curfew hours in order to accommodate more flights. As the minority views said, "We can only conclude that the reason for giving the local authority this power is to pave the way for more late night flights."

This amendment is designed to guard against that possibility. It leaves open the possibility of being more restrictive, conceivably lengthening, expanding the curfew hours, but it would not allow a contraction of curfew hours.

I think it is a very badly needed amendment on this legislation, if people are to be assured that the noise problem is not to resurface. They have contended too long and too hard to try to bring it under some control, to simply allow it now to be lost.

This amendment, which I and my colleague from Maryland have offered, is designed to preclude that possibility and to provide a continuing assurance for the people living in the flight paths that they will not have to worry about the possibility of increased nighttime noise.

Mr. TRIBLE. Mr. President, it would not be my intention to respond to the arguments of my colleague from Maryland tonight, but, rather, to address his amendment in the morning hours, during the time allotted by the unanimous-consent agreement that I will soon put to the Senate, representing the understanding of the manager of the bill and the chief opponents of the bill, as expressed in our earlier discussion. I await that unanimous-consent proposal. Once it is received, I will place it before the body, and I hope that will permit us all to return to our homes for the evening and return tomorrow at an early hour and resolve this amendment with dispatch.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. SIMPSON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. TRIBLE). Without objection, it is so ordered.

BRAZIL'S ECONOMIC PROGRAM

Mr. KENNEDY. Mr. President, earlier this year I had the opportunity to travel to South America and to visit with the executive and legislative leadership of several of our hemispheric neighbors. Throughout the region the spirit of democracy is in accendency. That spirit is matched by a deep commitment to economic growth and increased economic opportunity.

The economic problems of our neighbors have been widely commented upon. What has received less attention are the extraordinary measures that our friends have taken to solve these problems.

Nowhere, Mr. President have those measures been more dramatic than in Brazil. President Sarney and Finance Minister Funaro have undertaken a far-reaching program of monetary reforms designed to assure continued real growth and a halt to inflation.

These reforms have reduced inflation to negligible levels, maintained

the purchasing power of wages, and allowed Brazil to balance its budget.

Minister Funaro put it well in a recent letter to me:

Since you were here we have managed to introduce a far-reaching monetary reform. We have eliminated the so-called "inertial" component of our inflation by de-indexing practically the entire economy. This had to be accompanied by a price freeze, while wages will be adjusted only by a percentage (60%) of future rates of inflation. There is now complete, integrated control of public spending, including that by the state-owned enterprises and by state and local administrations.

The implications for everyday life in this country are many, but perhaps the most important one has been to restore people's confidence in the country's ability to act responsibly. In other words, renewed confidence in democrary.

As I see other democracies in Latin America struggling like us to solve their financial problems, I can only hope that these efforts will be supported by concerted action by the large creditor countries to reestablish equilibrium in world finance. One efficient way of doing it would be through further reductions in their interest rates. The ensuring acceleration of growth in the highly industrialized economies could do more to raise standards of living in debtor countries than the relief in their debt burden itself.

Today Minister Funaro developed these thoughts in a speech to the combined meeting of the World Bank and the International Monetary Fund.

As this Congress considers measures to address the continuing Third World debt crisis, we would do well to pay careful attention to Minister Funaro's views.

Democracy and economic opportunity are intimately linked. Brazil's bold measures combine hard-headed economic realism with a fundamental understanding of that linkage. Their efforts deserve our support.

I ask unanimous consent that the full text of Minister Fumaro's speech be printed in the RECORD.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

SPEECH OF FINANCE MINISTER FUMARO

Mr. Chairman, it is now four years that the current payments and financing crisis started, in the wake of an abrupt and unprecedented rise in interest rates.

For debtor developing countries it has been a period of hardship. The sharp reduction in financial flows from abroad and the harsh programs to correct the imbalances in their internal and external accounts have brought about recession, lower standards of living and generalized social and political insecurity.

Coupled with the imbalance in the internal accounts of some of the more heavily industrialized countries, particularly of the United States of America, the crisis has introduced a deep disequilibrium in the international financial system.

It has given rise to uncertainty, increased risks and a consequent loss of confidence in the recovery capacity of both debtor countries and the system as a whole. The prevalence of high levels of interest rates has compounded the extended effects of the crisis by inhibiting investment and precluding the return to growth of the world economy.

The mechanisms designed to manage the crisis, though helpful in ensuring the immediate survival of the system and of its main financial agents, have contributed little to solve the basic problems at hand. It seems evident that such mechanisms have been exhausted. Instead of just managing the crisis what is needed today is concerted action to get us out of it. The insistence on inappropriate remedies is making it more difficult for debtor countries to pursue their adjustment efforts. A case in point is the ritualistic requirement that, in order to negotiate their debts in the Paris Club, debtor countries should enter into an agreement with the IMF, whether they need it or not.

The developing countries have been seeking dialogue and joint action. The Group of 24 has evolved throughout these years a set of proposals which are no doubt couched in an innovative spirit and foresight, but also fraught with realism and reason. There has been simply no reaction to these proposals. The developed countries do seem prepared to wait until the situation becomes much worse, only then to give some attention to the repeated warnings about the fragility of the system.

I think these countries are taking an increasingly greater risk. By passively watching the deterioration of the system and by condoning the application of worn-out models, we are doing nothing but perpetuate the crisis and foster insecurity.

We must do away once and for all with the notion that developing countries are remiss. At the exorbitant rates of interest charged since 1980, my country is paying every seven years an amount equivalent to the totality of the principal of our debt. It is also necessary to stop misinforming about the debtors' joint effort by labeling it debtors' cartel, when in fact what goes on is the conspicuous operation of a creditor's cartel.

Public conscience in the debtor countries now hold the clear view that we are paying excessively for the disarray of world finances and for the policies of creditor countries.

It is about time we muster resources, creativeness and the statesmanship of our leaders to bring world finances back to normality.

We all have a part to play, debtors and creditors alike. But, as far as adjustment efforts by debtor nations are concerned, it must be understood that reforms cannot be imposed from abroad. Much less if these intended reforms ignore the fundamental requirement that debtor countries must be able to generate additional income in order to regain their payment capacity. Nor should one except any program to stand a chance of success if it cannot count on the consent and support of the people.

Leaders of debtor countries bear a heavy responsibility, but so do those of the largest creditor countries. Just as the unparalleled increase in their interest rates triggered the crisis, it is now in their hands to bring it to an end. Let them do it promptly.

It must not be forgotten that it was not the debtor countries that caused the crisis. They were simply caught in the pincer movement of high interest rates and the sudden shut-down of the market where they refinanced their debts. The market which formerly offered them abundant funds at historically normal cost suddenly vanished through a unilateral decision of the creditors.

It is therefore the creditors that now owe it to the world to responsibly return to the financial system its normal function, that of financing the development of deficit countries with the funds of surplus countries, at remunerative but not prohibitive rates.

Mr. Chairman, at this juncture, developed countries enjoy a unique opportunity to act in a concerted way to spur non-inflationary growth in the world economy. By bringing their interest rates down and thus stimulating their own economic growth they could contribute as much to the recovery of debtor countries as the relief the latter would experiment in their debt-servicing burden itself.

The situation in which the developing countries now find themselves, of suddenly becoming exporters rather than importers of real resources, is clearly untenable. My country alone transferred abroad in 1985, on a net basis, real assets of the order of 11.2 billion US dollars, roughly equivalent to 5.1% of its GNP and 23% of its gross savings. Latin American debtor nations altogether transferred abroad over the past four years more than 100 billion US dollars, also net. This does not augur well for the health of world finances and investment.

To make matters even worse, developed countries with a trade deficit seem to think they are entitled to adopt openly protectionist measures. Here again they are taking the very opposite way to a solution for the crisis.

Mr. Chairman, the figures could hardly be more telling. The present juncture could hardly be more propitious. Let us not pass this opportunity to put the current crisis behind us.

As a first step in this direction I urge the financial authorities of the world's leading economies to bring their interest rates down to levels compatible with the historical trend and thus create conditions to redeem world growth. In spite of the recent reduction, nominal rates remain excessively high and, given the likelihood of lower inflation, real rates remain 3 to 5 times higher than the historical level.

As a second step, I urge them to accept the challenge of facing the debt problem frankly and courageously and sit with their counterparts from the main debtor nations with the specific purpose of seeking lasting solutions, through open, creative dialogue. The International Monetary Fund and the World Bank would assist the financial authorities of the main creditor and debtor countries in their task of providing innovative responses that would reverse the current debt strategy, rethink conditionalities and adapt multilateral financial institutions to the realities of our time. This would be the way to demonstrate our determination to meet the responsibility of coping with the current situation.

A RHODE ISLANDER REMEMBERS OLOF PALME

Mr. PELL. Mr. President, following the tragic death last month of Sweden's remarkable Prime Minister, Olof Palme, a brief but poignant reminiscense was written by Dr. John O. Pastore for the Providence Journal. As secretary of International Physicians for the Prevention of Nuclear War, Dr. Pastore had met Olof Palme and had recognized in him one of the 20th century's great statesmen. I ask unani-

mous consent that Dr. Pastore's moving tribute to Olof Palme be printed in full in the RECORD so that it may be appreciated more widely.

There being no objection, the tribute was ordered to be printed in the RECORD, as follows:

OLOF PALME: AN APPRECIATION

(By John Pastore)

Within minutes of first reading that Olof Palme had been slain at night on a Stockholm street as he walked home from a movie with his wife, I recalled vividly two images from my experience with the Swedish prime minister.

The first of these encounters took place in Athens on a cold January morning 14 months ago. The Five Continent Peace Initiative, comprising six heads of state (including Palme), had summoned to Greece the representatives of many citizen peace movements from around the world. The occasion was the announcement that the six world leaders, in their Delhi declaration, were embracing a ban on all nuclear weapons testing and would personally bring their case for complete nuclear disarmament to the leaders of the two nuclear superpowers. I was there representing the International Physicians for the Prevention of Nuclear War, a federation now comprising 140,000 doctors from 41 countries, both East and West.

Palme, pressed for time, had to leave the meeting before its conclusion. I remember clearly the concern on the part of the heads of state of Argentina, Greece, and Tanzania that he handle the diplomatic language of our communique to the press and public.

Raul Alfonsin, Andreas Papandreou and Julius Nyerere, each had spoken eloquently and forcefully on the Delhi declaration and their own commitment to ridding the world of nuclear weapons. But they clearly and unabashedly deferred to Olof Palme when it came time to frame the document that would represent the work of our meeting. It was clear that even within this illustrious group, Olof Palme of Sweden was felt to be a diplomat's diplomat. Although Palme had addressed eloquently our IPPNW Congress in Helsinki the previous June, this incident in Athens impressed me that he was a man apart, a statesman of the very first rank.

Later that year and shortly after the 1985 Nobel Peace Prize was awarded to IPPNW, Mr. Palme invited our executive committee to travel to Stockholm after the Dec. 10 Nobel ceremony in Oslo. Of all world leaders, he had been our strongest supporter, even in difficult times. We accepted his invitation with alacrity and pleasure. Along with our two co-presidents, Drs. Bernard Lown from the United States and Eugueni Chazov from the Soviet Union, I attended a dinner at the prime minister's official country residence one evening. Mrs. Lown and my wife also enjoyed the two-hour ride through the Swedish countryside to the famous estate where Eisenhower and Khrushchev had been entertained by former Swedish prime ministers. Mrs. Palme and my wife commiserated on the anxieties of raising three boys committed to highly physical sports.

As usual, Mr. Palme was a charming but stimulating host, probing each of us for our views on a variety of topics in the arts and world politics. The splendor of the man, however, became evident during the toasts preceding dinner—often a stiff and forced formality, in my experience. The prime minister saluted our physicians' movement and had several nice things to say about Dr. Lown. He reserved his surprise for Chazov, whom he toasted by reciting a long and lyrical poem by Pushkin in flawless Russian. I had known that Palme was fluent in many Europeans languages, but this was an astonishing development, taking all of us by surprise. Clearly, we were in the presence of a man unique among world leaders, unsurpassed in grace and erudition.

What Olof Palme lived and died for is a world view—the belief that diplomacy and the cause of peace are best served by internationalism. While fiercely loyal to the interests of Sweden, this great intellect—educated in part at Kenyon College in Ohio, fluent in seven languages—considered the world his proper constituency. He believed with John Donne that, "No man is an island, entire of itself; every man is a piece of the continent, a part of the main."

In a real sense, when the bell tolled in Stockholm last Saturday, it tolled for all of us. The peace movement worldwide will bury its grief over the violent death of this great man and will flourish again, as it must. But for now, we have lost our prince.

Of course, this is the greatest irony. Palme, though born an aristocrat, despised elitism. His nobility was earned, a pearl of great price. He refused to separate himself from the people, even with bodyguards in this age of terrorism.

It is reported that as bystanders gathered on the sidewalk in Stockholm to help Mr. Palme after the shooting, his wife, rather than referring to him as the prime minister said simply, "I am Lisbeth Palme, and this is my husband, Olof Palme."

He was the prime minister of peace, but he was also an egalitarian model for us all.

LOS ANGELES TIMES INVESTIGATION INTO AIRLINE SAFETY: NO PLACE FOR BUDGET-CUTTING

Mr. CRANSTON. Mr. President, last Sunday the Los Agneles Times in an editorial declared that "Congress and the administration must recognize that air safety enforcement is one area in which budget-cutting simply is unacceptable. The FAA must hire more air-traffic controllers, safety inspectors and navigation-facility maintenance personnel."

To back up this important editorial, the Los Angeles Times published the results of a 6-month investigation into air safety which the Times conducted.

One chart, from the five full pages of newprint reporting the study, sums up the critical situation we face. That chart simply states that in 1979 there were 2,012 Federal aviation safety inspectors, and in 1984, there were 1,332, and in 1979 there were 237 airline carriers operating in the United States and in 1984, there were 407. In that time the fleet size has nearly doubled. Maintenance workers employed dropped.

These facts are alarming, Mr. President.

Last year was one of the worst on record for air disasters. We are sitting on top of a deteriorating situation in which more can go wrong. To make matters worse, our nation is threatened by terrorism and the possibility of repetitions of the TWA bombing here at home.

The LA Times is right, Mr. President, air safety is one area where budget-cutting simply is unacceptable.

I urge my colleagues to read the Times articles and I ask unanimous consent that the articles, which I send to the desk, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

WARNING SIGNALS

Before deregulation of the airlines in 1978, the federal government allocated routes and had a veto power over ticket prices. Deregulation has been a windfall for consumers in economic terms, because competition has produced sharply lower special fares between major cities. But cheaper fares cannot be allowed to compromise safety.

Airlines officials say that flying is by far the safest means of long-distance travel, and so far the record supports that view. But there is growing concern that the airlines are cutting corners on maintenance while federal safety enforcement is deteriorating because of budget cuts.

Times staff writers Richard E. Meyer and Ralph Vartabedian, aided by professional air-safety analysts retained by The Times, spent months investigating whether the concerns are justified. The verdict, published today; They are.

Commercial air's safety record actually improved from 1980 through 1984. But 561 people died in U.S. airline accidents last year, the second-highest one-year toll on record. And many industry observers fear that the potential for disaster is rising sharply because of the combined effects of deregulation and the budget squeeze.

Thanks in large part to deregulation, the number of air carriers has grown from 237 to 526 since 1979. This means that more planes are flying for more airlines. Because planes are kept in service longer, the average age of planes is going up. There is nothing inherently unsafe about older airplanes if they are scrupulously maintained. It is especially important to watch for cracks that appear after a plane has made a few thousand flights.

At a time when more emphasis on maintenance is needed, however, the airlines are in fact spending less money on maintenance per flying hour than they were before. They are making do with substantially fewer mechanics. Because of competitive pressures to meet schedules and minimize maintenance time, they tend to let seemingly non-crucial defects go longer without repairs. Airlines are lobbying the Federal Aviation Administration to allow even more time between major component inspections or replacements.

During the same period, budgetary pressures have cut the ranks of federal safety inspectors. The force of specialists who maintain and repair the FAA's radar and other air-traffic-control facilities has declined. In short, the FAA's enforcement capacity has fallen at the very time it should have been rising.

The airlines deny that competition is eroding safety, and they point out that they are doing more preventive maintenance and taking other steps to get more mileage from maintenance dollars.

The argument is not convincing. An intensive federal inspection of more than 300 airlines found a "high rate" of non-compliance with the FAA's standards. Of 43 airlines that were looked at more closely, 16 were penalized for infractions. The FAA has levied heavy fines against one major airline, and is proposing similar penalties against two more.

Several congressional subcommittees are looking into the air-safety situation, but already the case is clear for action on several fronts.

The federal government can't really get into the business of telling airlines how many mechanics to hire and how to use them. But it can get strict safety standards and hold airline managers strictly accountable for meeting them.

Congress and the Administration must recognize that air-safety enforcement is one area in which budget-cutting is simply unacceptable. The FAA must hire more air-traffic controllers, safety inspectors and navigation-facility maintenance personnel than now planned. The agency must also tighten its reporting requirements on structural defects and other maintenance problems. The minimum standards for qualifying as an airline pilot should be raised; cost-cutting has caused a drop in the average experience level in the cockpit. There should be stricter financial and technical standards for new airlines.

Finally, there is no denying the fact that the strains on the nation's air-safety system are mostly the product of airline deregulation. It may be premature to call for an end to that national policy, but the issue should by no means be considered closed.

AIRCRAFT SAFETY: CRACKS BEGIN TO SHOW IN THE SYSTEM

(By Richard E. Meyer and Ralph Vartabedian)

Air travelers, unaware and unsuspecting, face a hidden, potentially catastrophic peril.

Airline passengers are less safe today than they were five years ago. And, if current trends continue, they will be at even greater risk a year from now.

With every passing year, the average age of the planes that carry them is increasing. Advancing age makes these planes more likely to crack. And the nation's airlines are spending less to find and fix those cracks.

At the same time, the airlines are filing fewer legally required reports on structural defects, providing additional strong evidence that they are not finding the cracks. Since the government relies on such reports to evaluate the health of commercial aircraft, the decline has crippled the nation's already deficient early warning system against air crashes caused by structural failure.

In the face of these developments, the Reagan Administration has let the task of holding the airlines to minimum safety standards outgrow the number of inspectors assigned to do the work—a job of policing that has burgeoned with each new airline expansion since deregulation.

"Altogether, it's a formula for disaster," said Jerry J. Presba, one of three aircraft engineering and maintenance experts hired by The Times to analyze reporting and spending on structural maintenance performed by the airlines over five years. Their analysis was part of a six-month investigation by the Times into the structural airworthiness of the U.S. commercial air fleet.

The investigation focused on the six types of aircraft that make up the preponderance of the fleet. They are the Boeing 727, 737 and 747; the McDonnell Douglas CD-9 and DC-10; and the Lockheed L-1011.

The Times found that:

The average age of each of the six types of aircraft has climbed every year from 1980 through 1984. By the beginning of 1985, all six were approaching or had passed the midpoint of what the Boeing Co. considers their economic lives.

Cracking caused by metal fatigue in the frame and skin of heavy jetliners increases sharply as the planes get older. Data obtained from Boeing shows that this cracking begins to grow at the midpoint of each airplane's economic life.

Despite the increasing likelihood of cracking caused by advancing age and metal fatigue, the amount of money the airlines are spending to find and fix cracks has *dropped* over the five years from 1980 through 1984 for all six types of aircraft. This drop is documented in records filed by the airlines with the federal government.

Fatigue-crack reports filed with the government also have *dropped.* Information in these reports, called Service Difficulty Reports (SDRs), serves as the FAA's early warning system against aircraft crashes caused by structural failures.

The drop in SDRs correlates with an overall decline in the number of orders from the FAA to inspect for specific cracks and repair them.

Arrayed against these downtrends is an FAA inspector force that has been shrinking in relation to the size of the air fleet. In 1979, the inspectors numbered 2,012. By 1984, because of budget cuts by the Reagan Administration, the number had dwindled to 1,332. During the period, the number of commercial airlines grew from 237 to 407.

Such trends erode the airworthiness of the fleet and cause a corresponding decline in air safety.

The aircraft and airline industries reacted sharply to The Times' findings.

Thomas Tripp, spokesman for the Air Transport Assn., which represents 33 major air carriers, said the question "is whether the industry has less of a commitment now to maintenance and to safety than it did years ago. . . . Certainly, it's not true for ATA carriers."

However, many aviation experts around the nation and the findings confirmed their own views.

"We (also) say a trend towards trying to get by with less quality maintenance," FAA Administrator Donald D. Engen acknowledged in an interview. "We've nipped that in the bud . . . and we should see that trend reverses itself."

C.O. Miller, one of the nation's leading air safety consultants and former chief accident investigator for the National Transporation Safety Board, said he is concerned that the worst consequences are yet to come. "You have had wholesale dilution of the safety effort," Miller said.

"I see an erosion of safety margins everywhere," Miller declared. "Your (new airlines) don't have anything to erode from. They are only meeting the minimum standards anyway. The new guys are so strapped financially that they are not going to go above the minimums."

FAA Administrator Engen agreed.

"I would be less than candid," he told The Times, "if I didn't acknowledge that your SDR figures lend some credence to that."

DEREGULATION

The drop in maintenance spending appears to be a consequence of the U.S. government's decision to deregulate the airline industry.

In 1978, the federal government suspended regulations that set ticket prices and allocated routes. Soon, new non-union airlines with lower wages and overhead forced ticket prices down and saddled several major airlines with multimillion-dollar losses. Some of the older airlines went bankrupt.

The industry as a whole tumbled into economic chaos. Before, it had the stability it needed to plan maintenance investments years into the future. Now, its carriers are engaged in day-to-day survival. Government regulation had permitted the biggest carriers to build large maintenance organizations with huge engineering staffs and enormous capital investments in both plant and equipment. Now that has become impossible.

Before deregulation, for instance, United Airlines built a central maintenance base that employs 7,000, including an engineering staff of 982. The airline repairs its own electronic equipment, and it sews its own seat covers. When United pilots have problems during flight, they can call the maintenance base and discuss these problems with engineers who are experts in every area. New, start-up airlines don't have these capabilities. In many cases, they do not employ a single engineer. They contract out their maintenance to older, larger airlines, or to aircraft service stations.

"The capital investments to build up those (older larger) facilities will never exist again," said Roger Knight, flight standards division manager at the FAA's regional office in Fort Worth, Tex. "Carriers coming along aren't going to build those kinds of facilities. They'll never have the resources to do it. They are going to have to rely on the existing plant created before."

Deregulation, said James M. Dimin, another of the maintenance experts retained by The Times, "has been a disaster both in terms of its effect on maintenance practices and, ultimately, in its effect on safety."

In addition to concern over facilities, some experts worry about a lack of experience that new operators bring to the industry.

"You have a lot of non-aviation people owning these airlines and making decisions for their companies," said Robert W. Baker, senior vice president for operations at American Airlines. "The United Airlines, TWAs and Pan Ams have been around for 50 or 60 years, and the people at those companies have been around for years and years. Under deregulation, anybody who hasn't committed a felony could get into the airline business."

In defense of deregulation, some in the airline industry and the government note that fatality rates in air travel were higher before 1970 than they have been since. Safety experts, however, say that can be misleading.

"The FAA and industry reaction sometimes seems to be that you need an accident to know there is a problem," said Miller, the safety consultant and former NTSB accident investigator. "If you need an accident to know you have a problem, then you are part of the problem."

Sen. Nancy Landon Kassebaum (R-Kan.), chairwoman of the Senate aviation subcommittee, noted that last year's rash of accidents in the United States and around world made 1985 the worst year in world aviation history and one of the worst in the United States since deregulation.

"The deaths have been so enormously high," she said, "I think we have become

very conscious today of things that have caught up with us since deregulation."

THE DROP IN REPORTING

Aircraft manufacturers know that eventually their planes will crack.

Thus, for the last 30 years, the FAA has certified the structural airworthiness of commercial jetliners under a "fail-safe" design philosophy. It requires an airframe to be strong enough to carry at least normal flight and ground loads even when one of its members is ruptured.

But long before major structural parts of an aircraft fail, periodic inspections are supposed to find the inevitable cracks in them.

Hence, the key to the fail-safe system is inspection. This is especially true since, as an aircraft ages, metal fatigue accumulates, and parts begin to crack at an accelerating rate. "Cracks get more serious as time goes on," Isaac H. Hoover, the third of The Times' maintenance experts, said.

The trend of this cracking over an airplane's life follows what is known as the "bathtub" curve, so-called because its shape resembles that of a bathtub.

The line of the curve charts the rise and fall in the number of cracks a typical fleet of aircraft experiences over its lifetime. There is an initial surge in cracks during the first six months to a year that an aircraft enters service. This is a period of "infant mortality," in which manufacturing glitches are worked out of the product, Hoover said.

After 10 years of typical service, most aircraft fleets experience fatigue damage at an accelerating rate. At 20 years, according to the bathtub curve represented in Boeing technical reports, the rate of damage has turned significantly upward.

"For all fleets, the general shape of the curve is the same," Ulf Goranson, manager of structural damage technology at Boeing, said in an interview. "It has a fair amount of validity."

J.A. McGrew, chief technology engineer for airframes at McDonnell Douglas, agreed in principle: "You fly the same aircraft more and more, you would expect to find more problems. Nobody will argue with that."

"I would expect any aircraft to have increased cracking as it gets older," concurred Elliott Green, a Lockheed vice president who was chief engineer on the L-1011 program. "There is no question about the fact that as an airplane ages, you will get more corrosion and more fatigue cracks."

And, indeed, airplanes in the United States' commercial fleet are aging.

Middle age is approaching or has passed for all six aircraft types. For example, the average age of 727s went from 9.05 years in 1980 to 12.16 years in 1984; and the 747 went from 7.68 to 11.4 For all six planes:

AVERAGE FLEET AGE

Aircraft	1980	1981	1982	1983	1984
727	9.05	9.59	10.50	11.81	12.16
737	8.21	8.88	8.76	8.84	8.44
747	7.68	8.73	9.70	10.64	11.40
DC-9	10.68	10.82	11.66	11.19	11.75
DC-10	6.29	7.08	8.10	8.95	9.84
L-1011	5.62	6.10	6.67	7.56	8.33

Since these are average ages, many aircraft of each type are well past the 10-year midpoint of their economic service life as defined by Boeing. In the 727 category, for example, more than 80 aircraft now flying in the United States are over 20 years old.

Thus, each of the fleets has at least some aircraft that should be on the upward slope of the bathtub curve. They should be experiencing increased fatigue cracking, triggering an increase in Service Difficulty Reports to the FAA.

However, when The Times studies SDRs for the years 1980 through 1984—the last year for which complete data is available—it found that the number of reports did not increase as it should have.

In fact, for five of the six aircraft, the trends dropped. For the DC-9, for instance, SDRs per aircraft declined from 1.82 in 1980 to 0.65 in 1984. Only the 747 showed an increase. For all six planes:

STRUCTURAL PROBLEMS

[Structural Service Difficulty Reports per aircraft]

Aircraft	1980	1981	1982	1983	1984
727	.760	0.61	0.38	0.36	0.46
737	1.82	2.18	1.56	2.46	1.21
747	1.27	1.24	0.97	1.28	1.43
DC-9	1.82	1.76	1.64	0.99	0.65
DC-10	0.74	0.51	0.32	0.29	0.29
L-1011	1.02	1.24	0.73	0.62	0.58

Because Service Difficulty Reports sometimes prompt the FAA to issue Airworthiness Directives ordering repairs, the drop in SDRs might mean a similar drop in ADs. This would mean that, as planes grow older and more likely to crack, the FAA might be issuing fewer orders to find the cracks and fix them.

The Times reviewed ADs issued in each of the five years for each of the six aircraft types and selected those that called for inspection and repairs on structural components. These were tabulated.

The results correlated with the SDR findings. As the six aircraft advanced in age, only one showed an increase in ADs—the 747.

THE LOOPHOLES

In an order issued Feb. 22, 1978, the FAA made it clear to all of its regional and district offices, which deal firsthand with the airlines and aircraft maintenance stations in their areas, that every malfunction, failure or defect in 16 categories specified in federal law must be reported in SDRs every time they occur.

But McGrew and Kenneth Peterson, the chief systems technology engineer at McDonnell Douglas, said some of the FAA regional and district offices enforce the order—and other do not.

"With SDRs," Peterson said, "you don't have any homogeneous coverage."

Worse, says an analyst at the FAA's Safety Data Branch who asked to remain anonymous, SDR regulations themselves leave the airlines a loophole.

Apart from the 16 categories and "major repairs," federal regulations on SDRs leave it up to each airline to report other mechanical failures only if *"in its opinion"* they are dangerous. "Because of this loophole," the analyst said, "any airline can say of whatever isn't specified, *'In our opinion,* this particular thing isn't dangerous.' And then it doesn't have to report it."

Thus, aircraft manufacturers have developed their own systems for acquiring information about structural defects and failures. They encourage customer airlines to report problems directly to them. "The number of reports that Boeing gets from the airlines is greater by orders of magnitude than the number the FAA gets," noted Ulf Goranson, the structural damage technology manager at Boeing.

Nonetheless, the aircraft maintenance experts retained by The Times say the SDR system is an acceptable data base for a study of trends.

The system has not changed significantly over five years, Isaac Hoover noted. "And I do not think anyone can claim," he said, "that there has been any major change in the practice of reporting SDRs." Since problems with the system and with the way it is used have remained constant, Hoover said, a decrease in SDRs over five years most likely reflects a decline in actual reporting—not any deficiency in the system.

Moreover, the Air Line Pilots Assn., a union representing 34,000 pilots who fly for 47 airlines, thinks that maintenance reporting is in fact even more deficient than The Times' findings indicate.

Because SDRs tend to encourage underreporting, said John O'Brien, ALPA's engineering and safety director, "if we had all the data, the case would actually be worse than what you are showing."

THE DROP IN MAINTENANCE

To determine whether decreases in SDRs and ADs reflect merely a decline in reporting or, more significantly, a down-trend in inspections—and, consequently, inattention to structural repairs—The Times also investigated airline spending on structural maintenance over the same five years covered by the SDRs and ADs.

Despite the increasing likelihood of structural cracking because of advancing age, The Times found that spending by airlines for structural inspection and repairs has dropped over the five years for each of the six aircraft types. For example, cash spending on the 747 fell from $175.64 per flight hour to $152.55. On the L-1011, expenditures declined from $165.33 per flight hour to $139.03. For all six planes:

MAINTENANCE SPENDING

[Annual structural maintenance spending per flight hour]

Aircraft	1980	1981	1982	1983	1984
727	$42.34	$43.20	$37.16	$39.88	$42.87
737	80.79	67.97	59.32	67.42	65.99
747	175.64	171.59	137.30	140.37	152.55
DC-9	76.66	80.82	72.58	71.33	69.18
DC-10	153.06	153.48	118.16	123.66	111.06
L-1011	165.33	153.62	139.81	129.78	139.03

These decreases in spending for structural maintenance have come at a time when airline revenue has been increasing. Air Transport Assn. figures show that total operating revenues for U.S. scheduled airlines climbed from $33.7 billion in 1980 to $43.8 billion in 1984. Airline profits fell from $17.4 million in 1980 to net losses of $915.8 million in 1982—but then climbed back up to net profits of $842.7 million in 1984.

As a percentage of total operating expenses, maintenance overall has decreased from 8.85% of airline budgets in 1980 to 7.6% in 1984. These Department of Transportation figures include all spending on inspection and repairs of engines, hydraulic systems and avionics as well as structures.

To some, these figures suggest a disturbing conclusion about the maintenance practice of many airlines.

"They *are* shaving corners," declared Frank Celona, assistant airline coordinator at the International Assn. of Machinists, which represents airline mechanics. "They are trying to get by with what they can. There's no question about it. The air carriers are looking for means to cut costs, and

one of the most expensive areas is maintenance. That's where they want to cut. And the FAA has gone along with them."

In 1984 Labor Department survey shows that the airlines cut more than 4,300 mechanics at line stations along their routes between September 1980, and June 1984. Although the airlines added mechanics at their maintenance depots, the additions were too few to make up the difference. Overall, the survey shows, the number of mechanics employed by airlines decreased by at least 3,000.

The Air Transport Assn. acknowledges a drop of 2,000 mechanics between 1974 and 1984 at scheduled airlines. During the same period, ATA figures show, the number of planes flown by all scheduled, supplemental, commuter, air taxi and cargo carriers climbed by more than 1,700 aircraft.

Rep. Norman Y. Mineta (D-San Jose), chairman of the House aviation subcommittee, expressed surprise at the downtrends in maintenance spending. If the SDR system were being used properly and if structural maintenance were up to par, he said, "it just doesn't seem logical that those numbers would seem to be going down."

Maintenance spending and SDRs for the L-1011 and the DC-10, at least, because of their age, should be going up, said John Enders, president of the Flight Safety Foundation, which is funded in part by the airlines. "It raises a lot of question in my mind."

John O'Brien, the engineering and air safety director at the Air Line Pilots Assn., said the decreases in SDRs and in spending on structural maintenance show that air lines "are not reporting cracks they find, and they are not finding cracks that must exist." He cited analogous cutbacks in maintenance on flight equipment.

"It's because of the competitive environment," O'Brien said. "It's more so now than five years ago. We get calls about it from pilots several times a week."

It is possible, he said, to operate an aircraft safety only if it is properly maintained.

"You cannot say this is just an aging aircraft problem," O'Brien said. "The problem is the capability or the willingness to inspect and maintain. You may not be capable of doing what is necessary because of the competitive environment. Or you may not be willing. You may think profitability is much more important.

"I'm not saying every airline is in this situation. Delta, Northwest—they're not having maintenance problems. But for every Delta and Northwest that is doing well, you can find five or six that are not doing well. And we are raising the overall exposure to accidents and to incidents if this kind of trend continues.

"Obviously, there already is some erosion of the airworthiness of the fleet."

THE INDUSTRY

When presented with The Times' findings, McDonnell Douglas and Delta charted trends in ADs and maintenance spending for more than five years. J.A. McGrew at the manufacturer described the longer-term trends shown on these charts as "pretty stable." But in more recent years, the industry charts, like those of The Times, showed decreases in maintenance spending.

Spokesmen for airlines and manufacturers offered these explanations for the downtrends in maintenance.

1. Better preventive maintenance and aircraft design.

"If the airlines fix a problem before it becomes more costly, the costs of maintenance go down," said Ulf Goranson at Boeing. In addition to early fixes, said D.P. Hettermann, senior vice president for technical operations at Delta, airlines and manufacturers improve aircraft both during and after production to reduce maintenance. Elliott Green at Lockheed and Robert Wallace, maintenance and ground operations systems manager at Boeing, cited improvements in corrosion prevention.

"We're building airplanes better," said Kenneth Peterson at McDonnell Douglas.

But nobody suggested that either preventive maintenance or design improvements immunize aircraft from the course of aging represented by the bathtub curve, which makes every plane more likely to develop cracks as it grows older.

2. Increased maintenance efficiency and productivity.

"Cost-cutting is part of our corporate life," said Richard Tabery, senior vice president for maintenance operations at United. "But at United, we achieve cost reductions through improved technology or a smarter approach to doing our tasks." Airlines, said Robert Wallace at Boeing, "are able to do maintenance with fewer maintenance hours, because cost-saving measures have made aircraft upkeep more efficient."

However, airlines and aircraft manufacturers agree that the ways to find structural cracks are limited. They cite visual inspection, X-rays and the use of electrical current, sound waves or penetrating dye. Asked to name recent developments in technology or methodology that improve on these ways, Anthony Broderick, FAA associate administrator for aviation standards, was unable to do so.

So were Hettermann at Delta and Goranson at Boeing.

"Safety depends on detection," Goranson acknowledged. "yes, it's labor intensive."

Every method of inspection, said Frank Celona of the International Assn. of Machinists," still requires some kind of visual look-see." He said improvements in efficiency and productivity cannot account for the downward trends in maintenance spending.

"If that were the case," he said, "I don't know why, at every round of bargaining, the airlines come in and want all of these work-rule changes."

3. Extensions in heavy maintenance intervals.

"Experience allows you to extend some of the times between maintenance checks," said Robert Baker at American. More time means fewer inspections, Baker said, and fewer inspections mean less spending for maintenance.

"We do a sample, an L-1011 landing gear, for instance," Hettermann said. "We started with a 6,000-hour maintenance interval, say. So we pull the gear. And, predicated on what we find on the gear, we move the interval out to 8,000 hours. And we will sample again. And, perhaps, with proper maintenance, we move it on out to 13,000 hours. And costs go down."

Goranson, the structural damage technology manager at Boeing, defends such extensions.

"Strictly maintenance to have maintenance is not good," he said. If a man goes over a wing from one end to the other every day and finds no cracks, Goranson said, "he is going to start thinking about his girlfriend or about whether it's going to snow. He won't keep his mind on what he's doing, and he'll start missing cracks that do exist."

But Goranson and Robert Wallace at Boeing caution that there also is potential for abuse. Extensions must be approved by the FAA's Principal Maintenance Inspector (PMI) assigned to each airline. "A lot of it," Wallace said, "depends upon the relationship between the PMI and the airline. If the PMI wants to be real loose, then . . ."

"I am sure," Goranson said, "there is some looseness among some PMIs."

Safety consultants point out that extensions can be an indirect way of cutting corners.

"There is a hell of a lot of negotiation that goes on between the FAA and the airlines over what is an allowable maintenance program," said C.O. Miller, the former chief accident investigator at the National Transportation Safety Board. "Within your five years, I'm willing to bet that airlines have gone to the FAA and told them, 'We've got good experience with this or that part, and let us defer maintenance.'

"What they are doing when they do that is coming in and selling maintenance reductions."

To Sen. Kassebaum, none of these three explanations is persuasive. "I am not convinced," she said, "that there isn't corner-cutting."

Donald Engen, the FAA administrator, said of The Times' study: "It bothers me. It bothers me. . . . I will look at our own figures. It is of concern to me." He acknowledged that some airlines have been cutting corners.

"I hate to make it that black and white," Engen said, "but look at the actions that we have taken with respect to operationally constraining airlines. Fifty-two of them in the last 20 months. In past years, you know, the FAA did two or three a year.

"You can see the actions we are taking, and there must be a reason."

THE CONSEQUENCES

Three recent developments show consequences of an aging fleet and declining expenditures for maintenance:

An intensive "white glove" inspection of more than 300 of the nation's airlines revealed what a government task force called a "high rate" of non-compliance with FAA standards.

A subsequent series of special evaluations, or "audits," at several of the major airlines resulted in procedural changes and fines, including a record $9.5-million proposed assessment against Eastern Airlines and a $1.5-million fine against American Airlines.

Most recently, cracks that could have caused catastrophic failure were discovered on Boeing 747s. The cracks triggered an emergency order by the FAA for mandatory inspections, which turned up even more cracks.

The first of these developments, the "white glove" inspection, began March 4, 1984, and lasted 90 days. It was called the National Air Transportation Inspection, or NATI.

In Phase I, more than 776,000 items and systems were inspected at 327 airlines and 25 air transportation support firms. Despite advance word that the inspection was coming, 43 airlines were singled out because inspectors found that their compliance with FAA safety regulations warranted more intensive Phase II investigations.

To analyze the results, the FAA assembled a task force of retired federal inspectors who computerized 13,634 inspection reports on 303 of the airlines. Here is how various airlines fared:

THE FAA'S REVIEW [1]

	1	2	3
The major airlines:			
American	450	21	4.7
Continental	271	59	21.8
Delta	433	57	13.2
Eastern	384	82	21.4
Flying Tiger	114	30	26.3
Northwest	238	20	8.4
Pan American	184	80	43.5
Piedmont	170	11	6.5
Republic	315	20	6.3
TWA	283	13	4.6
United	384	52	13.5
US Air	336	42	12.5
Western	113	11	9.7
A sampling of others:			
Air California	43	9	20.9
Alaska	66	12	18.2
America Weat	51	4	7.8
Braniff	184	14	7.6
Frontier	113	15	13.3
Jet America	35	9	25.7
Muse	41	4	9.8
New York Air	88	3	3.4
Ozark	158	2	1.3
People Express	129	46	35.7
PSA	50	7	14.0
Southwest	113	13	11.5
World	34	8	23.5

[1] Each airline is listed alphabetically along with 1—the number of inspections it received (generally determined by how many types of aircraft it flew and how many FAA regions it operated in); 2—the number of severely adverse comments it got; and 3—its rate of severely adverse comments per inspection expressed as a percentage.

The task force concluded that the "white glove" inspection showed "a less-than-desirable overall industry compliance posture."

It blamed "poor quality carrier management." In its final report, the task force added that "air carrier management is ultimately responsible for assuring compliance with the safety standards provided by the Federal Aviation Regulations and other established good/safe operating practices—and therefore should be held accountable."

Of the 43 airlines that were given in-depth Phase II inspections, 16 were penalized. Some had their operating certificates revoked or suspended. Others surrendered certificates, grounded aircraft voluntarily or withdrew pilots from service. Still other airlines had restrictions placed on their expansion.

More recently, in the second significant development, the FAA has begun special evaluations that have gone beyond the "white glove" inspections.

These special "audits" have been conducted at a number of the larger carriers, including Continental, United, Western, Eastern, Northwest and American. Results have included changes in maintenance procedures, repair manuals and record keeping. In some cases, the government assessed penalities.

The largest proposed fine was a record $9.5-million against Eastern, and the largest fine actually levied was $1.5 million against American. Eastern is contesting the size of its penalty.

FAA inspectors investigated Eastern between Dec. 3, 1985 and Feb. 20, 1986, and said they found 78,000 violations, including improper deferral of maintenance, failure to conduct inspections or make repairs, failure to maintain proper records, flights without the minimum required equipment and failure to follow maintenance manuals.

Among its infractions, Eastern was reported as have used landing gear on several Boeing 727 flights that should have been removed from the fleet. The gear on one plane reportedly collapsed during a landing, but no one was hurt. Eastern officials were said to have responded that 60% of the charges were inaccurate.

Since the investigation, FAA officials have said the problems at Eastern, which sold out last month to Texas Air, have been corrected. Inspectors said they are now satisfied with the safety of its operations.

American's fine followed a series of incidents that included:

An engine that fell off an American 727 after it was hit by a chunk of "blue ice" from disinfectant which had leaked from a faulty toilet and frozen in high-altitude flight. The investigators found that American had not repaired the toilet despite reports for five months that it had been leaking.

A wing slat that fell from an American DC-10 as it landed at Dallas-Fort Worth. The investigators blamed the problem on the use of plastic pulleys. They discovered that American had installed plastic pulleys instead of aluminum pulleys on three of its DC-10s.

The investigators discerned a larger problem behind these incidents. "I don't think American Airlines consciously decided to cut back on maintenance," said Roger Knight, the flight standards division manager at the FAA's regional office in Fort Worth, which has jurisdiction over American's maintenance operation. Instead, he cited American's growth—estimated at nearly 20% annually. Like other airlines, Knight noted, it adopted hub-and-spoke scheduling between outlying airports and its central operations.

"If you go to a hub operation," Knight said, "You have to have on-time departures. And the system was not able to provide for the maintenance on a day-to-day level at those hubs. The outlying airports, where some of the aircraft were spending the night, did not have the capability to provide the necessary maintenance. The capability was at the hubs, where the aircraft may spend only an hour in a turnaround. And there is only so much maintenance you can do in an hour."

American has acknowledged that during its 20% growth it increased its maintenance workers by only 7%.

"The instant that I gave American Airlines their fine," said Donald Engen, the FAA administrator, "I saw reverberate throughout the entire industry a desire for greater compliance. And I saw mirrored in other airlines out there there determination that they were going to be caught like that."

To this day, however, American is reluctant to say that it did anything wrong.

"Many of the things they found and objected to were items of interpretation and items of record keeping," said Robert Baker, the senior vice president for operations. "They did not find anything that jeopardized the airworthiness of this airline's fleet."

Finally, in the third and most recent development, Boeing enginers who were modifying a 747 for a customer airline early this year discovered three cracks in adjacent fuselage frames. One was below the cockpit window, the second right above it and the third at the top of the airplane's characterstic hump. Boeing contacted operators of similarly aging 747s and found three more planes with cracks.

On Jan. 31, the FAA issued an emergency Airworthiness Directive to all 747 operators. It said the three adjacent fuselage frames in the first plane had been "found essentially severed" and added that "failure of adjacent frames could lead to rapid decompression of the fuselage and possible loss of the airplane." The AD said the cracks in the other three aircraft were found between the windows and the floor of the first-class section just below the cockpit and about 25 feet behind the nose.

The four cracked planes were being flown by Pan American, TWA and British Airways.

Discovery of the cracks indicated, the FAA said, "that current inspection intervals are inadequate to assure continued airworthiness." Cracks, the agency said, "could exist on other 747s." As a consequence, the AD ordered a special inspection of all 747s that had flown 10,000 flights or more. The order applied to all U.S. airlines with 747s and all overseas carriers that use 747s to serve U.S. cities.

Up to 160 aircraft were affected, the FAA said.

The AD said all 747s which had logged 10,000 to 14,000 flights had to be inspected within the next 50 flights, and all 747s that had logged 14,000 flights or more were to be inspected within the next 25 flights. The AD required close visual inspection of the aircraft skin—and further inspection under the skin if it showed signs of trouble with the frame.

British Airways began a detailed examination of its entire 28-plane 747 fleet. The airline stripped the interior of all first-class sections to look at the frames close-up. Other airlines followed suit. And by Feb. 17, the internal inspections showed cracks in 19 parts of the structures on 12 aircraft.

Now the FAA has made such internal inspections mandatory.

By the end of February, Japan Air Lines, which had been conducting a separate inspection of five of its 747s after a crash last August that killed 520 people, reported it had found scores of cracks in all of them. Each of the planes had logged more than 15,000 flights. There were between 73 and 188 cracks in each.

Most of these, too, were in the front of the fuselage between the wing and cockpit.

THE INSPECTORS

Against these downtrends in maintenance spending, the FAA is pitting an inspector force that has been shrinking in relation to the size of the air fleet.

Figures compiled by the Air Line Pilots Association show that in 1979 the FAA had 2,012 inspectors assigned to 237 large airlines, commuter airlines and air taxi operators. By the end of 1982, the ALPA figures show, the Reagan Administration had cut the number of inspectors by 14% to 1,735—while the number of airlines, commuters and air taxis had increased by 64% to 389.

By March of 1984, the number of inspectors had been reduced even further—to only 6% of the 1979 force, or 1,332. At the same time, the number of airlines, commuters and air taxis had increased again—to 72% more than the number in 1979, or 407. Although there was a slight climb in the number of inspectors last year, they continued to lag 27% behind the total six years earlier, while the number of air carriers was 122% greater.

"In addition," pointed out Louis McNair, ALPA's executive central air safety chairman, "consider that, for each new operator, two FAA inspectors must devote full time, for a period of approximately 45 days, to certifying each new entrant's maintenance, training and flight operations." Between 1980 and 1985, McNair said, the FAA certified 76 new large carriers and 233 new commuter airlines. This meant, he said, that FAA inspectors devoted about 27,000 man-days just to certifying new operators.

While inspectors are certifying new airlines, McNair said, "their normal duties cannot be performed."

To take up some of this slack, he said, the FAA has shifted some of the private aircraft inspectors, called "general aviation inspectors," back and forth between commuter operators and air carrier operators. But their new jobs, McNair declared, "put them far beyond their level of experience."

Pilots, he said, "have been reporting to us for a number of years that they see more and more maintenance discrepancies being deferred for longer periods of time."

Last summer, the General Accounting Office, an investigatory arm of Congress, found that FAA inspections were erratic at best. Between September, 1983, and October, 1984, the GAO noted, the FAA inspected electronics maintenance records 71 times at Ransome Airlines, which flies along the East Coast, and did not conduct a single similar inspection at Flying Tiger, a cargo line based in Los Angeles, even once—although Flying Tiger has five times as many aircraft.

The GAO cited a number of similar instances.

"Some carriers are falling through the cracks," said Rep. Mineta and Rep. William Lehman (D-Fla.), chairman of the House transportation subcommittee, in a letter to the FAA. Mineta proposed adding 200 inspectors and 100 support staff. "When we deregulated domestic route entry and fares," Mineta said, "the Congress did not deregulate the safety standards."

Shortly afterward, the Administration proposed a similar increase in inspectors. The proposal won airline industry support.

Members of Congress and the Administration have talked about making even more increases later, but McNair at ALPA doubts that the increases will be enough.

"In order to provide the same capability that existed in 1979," he declared, "we need an additional 2,453 inspectors."

That total exceeds anything the Administration has mentioned by nearly 2,000.

Worse, the FAA, like other government agencies, is facing cuts mandated by the Gramm-Rudman deficit-reduction law.

Administration officials have said some domestic programs will have to be cut by 20 percent.

"I can visualize no reasonable way in which the FAA could absorb that kind of reduction overall," Engen, the FAA administrator, told Sen. Kassebaum's subcommittee last month. There would be "serious deterioration of the current levels of safety services we provide," the administrator said.

"I don't think a 20 percent cut in aviation safety," Engen said, "is a viable option."

(Times researcher Nina Green and senior computer programmer Paul Orwig contributed to this story.)

RECIPIENTS OF 1985 PRESIDENTIAL MANAGEMENT IMPROVEMENT AWARDS

Mr. STEVENS. Mr. President, on March 24, 1986, the Office of Personnel Management hosted a ceremony for 11 individuals and 8 groups who have saved the American taxpayers more than $270 million. Vice President Bush, on behalf of the President, made the presentations of the 1985 Presidential Management Improvement Awards. Present, in addition to the recipients, were senior officials of the agencies involved.

Examples of the savings ranged from $28 million for the redesign of propellers on certain naval vessels to $6 million for an adapter which allows the M-16 rifle to fire .22 caliber ammunition rather than the expensive standard ammunition during marksmanship training. The President praised 42 other employees not present at the ceremony by letters of commendation for ideas and achievements that go "beyond job requirement and result in significant cost savings to the taxpayers."

Mr. President, I want to take this opportunity, as chairman of both the Civil Service, Post Office, and General Services Subcommittee and the Defense Appropriations Subcommittee, to salute these outstanding Federal employees and commend them on their efforts. Their actions are excellent examples of the fine work our Federal employees perform. I ask unanimous consent to insert in the RECORD at the end of my comments the names and accomplishments of the recipients.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

RECIPIENTS OF 1985 PRESIDENTIAL MANAGEMENT IMPROVEMENT AWARDS

Morgan Birge II, a Senior Technical Advisor with the Imagery Analysis Division of the Defense Intelligence Agency in Washington, D.C., led a design and development effort which contributes immeasurably to the maximum effective exploitation of our national imagery collection assets and realizes significant savings to the United States Government. First-year savings from his efforts were $5.5 million.

Robert J. Boswell, Ernest J. Czyryca, Robert D. Rockwell, Angelos Zaloumis, of the David Taylor Naval Ship Research and Development Center in Washington, D.C., identified and solved a major fleet problem relating to controllable pitch propeller blade attachments, involving 110 ships and nearly 200 propellers. This group of employees developed redesigns and backfits within the constraints of the existing propellers. First-year savings to the Government were in excess of $28 million.

Christopher G. Conrad, a Quality Assurance Specialist at the Naval Air Rework Facility, Norfolk, Virginia, proposed a means whereby brake components, which had been previously rejected because of chips or cracks, could be reused. His contribution significantly reduced costs and saved the Government over $4 million.

Virgil L. Conrad, Deputy Administrator of the Family Nutrition Programs, Food and Nutrition Service, Department of Agriculture, Alexandria, Virginia, led efforts to reduce fraud, waste and abuse in the Food Stamp Program. His work resulted in savings to the Government of nearly $19 million.

James R. Dinkins, Kenneth N. Cole, Charles L. Crowder, Jr., Joseph Getsug, Robert R. Moore, Jr. and Jimmy H. Wilson, of the Langley Research Center, National Aeronautics and Space Administration, Hampton, Virginia, are recognized for their initiative and innovativeness in negotiating a contract with the local power company which led not only to a reduction in electrical power costs, but also to increased flexibility in the operation of major research facilities, thus saving the Government $5,700,000.

James L. Durham, Robert A. Gaddy, Norman W. Lager, Daniel K. McCrady, and John A. Smith, Internal Revenue Service, Washington, distinguished themselves through efforts which resulted in presorted mass mailings to be at the Internal Revenue Service a full year ahead of schedule. First-year savings resulting from their contribution was nearly $2.5 million.

Allen Easterday, a Supervisory Auditor at Martin Marietta Aero Resident Office, Atlanta Region, and Robert T. Higgins, Orlando Branch Office, Atlanta Region, Defense Contract Audit agency, distinguished themselves by their outstanding contributions to the development and presentation of sound evidence leading to a conviction of Government contractors for a fraud of more than $50 million.

Herman L. Engle, Logistics Assistance Coordinator and Charles E. Anderson, Logistics Assistance Representative, U.S. Army Armanent, Munitions, and Chemical Command, Rock Island, Illinois (duty station overseas), suggested the use of a filtering system to flush and reuse hydraulic oil rather than draining and replacing oil in the system on the M110A2 8" Howitzer cannon every six months, which resulted in savings of nearly $1.3 million.

Alfonso D. Esposito and Michael A. Hupfer, Health Care Financing Administration, Department of Health and Human Services, Baltimore, Maryland, distinguished themselves by suggesting a change in Medicare hospital payments which corrected an erroneous subsidy for the use of private rooms, resulting in an estimated savings to the Government of $30,000,000 to $50,000,000 annually.

Phyllis A. Gardner, Executive Officer, Civil Division, Department of Justice, distinguished herself through her initiative in contracting with the private sector to provide many support services, including an integrated office productivity through automation program and an automated litigation support program. First-year savings to the Government were over $500,000. These new projects promise additional savings of at least $30.5 million by the end of fiscal year 1986.

Donald H. Holloman, Chief Master Sergeant, USAF, Retired, suggested that the Air Force convert to a different light water concentrate for fighting fires. His suggestion saved the Government over $1 million during the first year.

Julius V. Jurek, Chief Master Sergeant, USAF, Retired, designed and manufactured a rimfire adapter to permit the firing of .22 Caliber rifle rimfire ammunition in the M-16 rifle during small arms marksmanship training. First year savings to the Government were nearly $6 million.

Jack L. Justice, a Division Bridge Engineer with the Federal Highway Administration, West Virginia Division, distinguished himself in administering the bridge program in West Virginia, which resulted in savings to the Government in excess of $16 million on bridge construction and rehabilitation projects.

Reis R. Kash, former Chief of the Prisoner Transportation Division, U.S. Marshals Service, improved the trip scheduling of prisoners using centralized ticketing for commercial air flights and scheduling prisoner trips on large charter aircraft, result-

ing in savings to the Government of $10 million.

Arthur E. Luedtke, a former employee of the Federal Communications Commission, distinguished himself over a career of more than 40 years, by inventing more than 39 separately identifiable communications equipment items which saved millions of dollars for the Government.

James D. Murphy, Chief, Field Support and Review Branch, Agency for International Development developed a program for Defense Base Act workers compensation insurance which has resulted in substantial savings of $40 million.

Donald E. Parker, a General Engineer with the Ballistic Missile Defense Advanced Technology Center, Huntsville, Alabama, suggested a modification of the design of a sensor synthesizer to test signal processing performance in the Forward Acquisition System Program. First-year savings to the Government were nearly $1.3 million.

Wayne A. Railsback, Victor L. Reddle, and Jean Janzegers, of the Central Intelligency Agency distinguished themselves by their exceptional performance in the concept, design, and production of a High Intensity Tracking Light Source, resulting in savings to the Government of nearly $1 million.

Michael J. Smith and Howard V. Grubb, Bureau of Engraving and Printing, Washington, D.C. suggested a mechanized currency processing system, designed to cull out the perfect sheets and accumulate the defective sheets for destruction. First-year savings to the Government was $2.2 million.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Saunders, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

PROPOSED LEGISLATION TO APPROVE THE "COMPACT OF FREE ASSOCIATION"—MESSAGE FROM THE PRESIDENT—PM 129

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with accompanying papers, which was referred to the Committee on Energy and Natural Resources:

To the Congress of the United States:

There is enclosed a draft of a Joint Resolution to approve the "Compact of Free Association," the negotiated instrument setting forth the future political relationship between the United States and Palau, a political jurisdiction of the Trust Territory of the Pacific Islands.

This Compact of Free Association is the result of more than sixteen years of continuous and comprehensive negotiations, spanning the administrations of four Presidents. The transmission of the proposed Joint Resolution today, and congressional enactment of it, marks the last step in the process for approval of the Compact.

The full text of the Compact is part of the draft Joint Resolution, which I request be introduced, referred to the appropriate committees, and enacted. I also request that the Congress note the agreements subsidiary to the Compact. Also enclosed is a section-by-section analysis to facilitate your consideration of the Compact.

On March 30, 1984, and again on February 20, 1985, I submitted to Congress a Compact of Free Association relating to the Marshall Islands and the Federated States of Micronesia, two other jurisdictions of the Trust Territory. That Compact was approved as House Joint Resolution 187 by Congress on December 13, 1985, and with my signature on January 14, 1986, became Public Law 99-239. The people of the fourth jurisdiction of the Trust Territory—the Northern Mariana Islands—have voted to become a United States territory when the Trusteeship is terminated. The Congress approved their political status instrument as Public Law 94-241.

The defense and land use provisions of the Compact with Palau, and the right of the United States to foreclose access to the area for military purposes of third countries, are of great importance to our strategic position in the Pacific and enable us to continue preserving regional security and peace. Under the Palau Compact, the minimum term of United States defense authority and responsibility will be fifty years; otherwise, the Palau Compact is very similar to the Compact that the Congress approved for the Marshall Islands and the Federated States of Micronesia.

For almost four decades, the Trust Territory has been administered under a Trusteeship Agreement with the United Nations Security Council, which the United States entered into pursuant to the Joint Resolution of July 18, 1947. This Compact of Free Association with the government of Palau fulfills our commitment under that Agreement to bring about self-government in accordance with the freely expressed wishes of the Palauan people. Termination of the Trusteeship Agreement and the formal assumption of freely chosen political status arrangements by all parts of the present Trust Territory are important foreign policy objectives of the United States.

The Compact with Palau was signed for the United States by Ambassador Fred M. Zeder II and the President of the Republic of Palau on January 10, 1986. It was approved on January 24, 1986, by both houses of the Palau National Congress. On February 21, 1986, the Compact was approved by the Palauan people in a United Nations observed plebiscite. The President of Palau has certified that the approval process has been completed in full compliance with Palau's constitutional requirements.

Enactment of this draft Joint Resolution approving the Compact of Free Association for Palau will complete the enterprise of self-government we began with the peoples of the Trust Territory many years ago. It is the final step preceding full termination of the Trusteeship Agreement. Therefore, I urge the Congress to approve the Compact of Free Association for Palau.

RONALD REAGAN.

THE WHITE HOUSE, *April 9, 1986.*

PRESIDENTIAL APPROVALS

A message from the President of the United States announced that he had approved and signed the following enrolled bill and joint resolutions:

March 21, 1986:

S.J. Res. 205. Joint Resolution to designate March 21, 1986, as "National Energy Education Day".

S.J. Res. 272. Joint Resolution to authorize and request the President to issue a proclamation designating March 21, 1986, as "Afghanistan Day", a day to commemorate the struggle of the people of Afghanistan against the occupation of their country by Soviet forces.

March 24, 1986:

S. 1396. An act to settle unresolved claims relating to certain allotted Indian lands on the White Earth Indian Reservation, to remove clouds from the titles to certain lands, and for other purposes.

March 25, 1986:

S.J. Res. 254. Joint Resolution to designate the year of 1987 as the "National Year of Thanksgiving".

March 27, 1986:

S.J. Res. 226. Joint Resolution to designate the week of April 6, 1986, through April 12, 1986, as "World Health Week", and to designate April 7, 1986, as "World Health Day".

April 1, 1986:

S.J. Res. 262. Joint Resolution to authorize and request the President to issue a proclamation designating June 2 through June 8, 1986, as "National Fishing Week".

MESSAGES FROM THE HOUSE

At 2:02 p.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the House has passed the following bills and joint resolution, in which it requests the concurrence of the Senate:

H.R. 917. An act to amend title 5, United States Code, to extend to certain employees

in the excepted service the same procedural and appeal rights as are afforded to employees in the competitive service with respect to certain adverse personnel actions;

H.R. 3002. An act to provide for the establishment of an experimental program relating to the acceptance of voluntary services from participants in an executive exchange program of the Government;

H.R. 4143. An act to name the National Talented Teacher Fellowship Program after Christa McAuliffe

H.R. 4350. An act to amend the Wild and Scenic Rivers Act, and for other purposes; and

H.J. Res. 17. Joint resolution to consent to an amendment enacted by the legislature of the State of Hawaii to the Hawaiian Homes Commission Act, 1920.

MEASURES REFERRED

The following bills and joint resolution were read the first and second times by unanimous consent, and referred as indicated:

H.R. 917. An act to amend title 5, United States Code, to extend to certain employees in the excepted service the same procedural and appeal rights as are afforded to employees in the competitive service with respect to certain adverse personnel actions; to the Committee on Governmental Affairs.

H.R. 3002. An act to provide for the establishment of an experimental program relating to the acceptance of voluntary services from participants in an executive exchange program of the Government; to the Committee on Governmental Affairs.

H.R. 4143. An act to name the National Talented Teacher Fellowship Program after Christa McAuliffe; to the Committee on Labor and Human Resources.

H.R. 4350. An act to amend the Wild and Scenic Rivers Act, and for other purposes; to the Committee on Energy and Natural Resources.

H.J. Res. 17. Joint resolution to consent to an amendment enacted by the legislature of the State of Hawaii to the Hawaiian Homes Commission Act, 1920; to the Committee on Energy and Natural Resources.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-2841. A communication from the Assistant Secretary of Defense (Force Management and Personnel), transmitting, pursuant to law, a report on the adequacy of pay and allowances of the Armed Forces; to the Committee on Armed Services.

EC-2842. A communication from the Assistant Secretary of the Navy (Shipbuilding and Logistics), transmitting, pursuant to law, a report on the conversion of various functions at certain naval installations to performance by contract; to the Committee on Armed Services.

EC-2843. A communication from the Secretary of Defense, transmitting, pursuant to law, a report on standardization of equipment within NATO; to the Committee on Armed Services.

EC-2844. A communication from the Chairman of the National Credit Union Administration, transmitting, pursuant to law, the annual report of the National Credit Union Administration for 1985; to the Committee on Banking, Housing, and Urban Affairs.

EC-2845. A communication from the First Vice President and Vice Chairman of the Export-Import Bank of the United States, transmitting, pursuant to law, a report on loan, guarantee, and insurance transactions supported by Eximbank during February 1986 to Communist countries; to the Committee on Banking, Housing, and Urban Affairs.

EC-2846. A communication from the Chairman of the Federal Maritime Commission, transmitting, pursuant to law, the annual report of the Commission for fiscal year 1985; to the Committee on Commerce, Science, and Transportation.

EC-2847. A communication from the Secretary of Commerce, transmitting, pursuant to law, the report on Federal Coastal Programs review, dated December 1985; to the Committee on Commerce, Science, and Transportation.

EC-2848. A communication from the Secretary of Transportation, transmitting, pursuant to law, the fourth annual report of accomplishments under the Airport Improvement Program for fiscal year 1985; to the Committee on Commerce, Science, and Transportation.

EC-2849. A communication from the Secretary of the Interior, transmitting, pursuant to law, the annual report on the Outer Continental Shelf Oil and Gas Leasing and Production Program for fiscal year 1985; to the Committee on Energy and Natural Resources.

EC-2850. A communication from the Administrator of the Energy Information Administration, Department of Energy, transmitting, pursuant to law, a report entitled "Outlook for U.S. Coal Imports"; to the Committee on Energy and Natural Resources.

EC-2851. A communication from the Administrator of the Energy Information Administration, Department of Energy, transmitting, pursuant to law, the quarterly report on coal imports for October-December 1985; to the Committee on Energy and Natural Resources.

EC-2852. A communication from the Acting Assistant Secretary of the Interior (Water and Science), transmitting, pursuant to law, a report on the deferment of the construction repayment installment due from Almena Irrigation District No. 5, Pick-Sloan Missouri Basin Program, Kansas; to the Committee on Energy and Natural Resources.

EC-2853. A communication from the Secretary of the Interior, transmitting, pursuant to law, a report by the Massachusetts Department of Environmental Management, and four reports by the Middlesex Area Commission on certification of expenditures; to the Committee on Energy and Natural Resources.

EC-2854. A communication from the Acting Assistant Secretary of the Interior, transmitting a draft of proposed legislation authorizing expenditures by the Secretary of the Interior for services necessary to the nonperforming arts functions of the John F. Kennedy Center for the Performing Arts, and for other purposes; to the Committee on Environment and Public Works.

EC-2855. A communication from the Chairwoman of the United States International Trade Commission, transmitting, pursuant to law, the quarterly report on trade between the United States and the nonmarket economy countries, dated March 1986; to the Committee on Finance.

EC-2856. A communication from the Board of Trustees of the Federal Old-Age and Survivors Insurance and Disability Insurance Trust Funds, transmitting, pursuant to law, the annual report on these funds for 1986; to the Committee on Finance.

EC-2857. A communication from the Secretary of State, transmitting, pursuant to law, the semiannual report for the period April-September 1985 listing voluntary contributions made by the U.S. Government to international organizations; to the Committee on Foreign Relations.

EC-2858. A communication from the Acting Administrator of the Small Business Administration, transmitting a draft of proposed legislation to establish within the Department of Commerce a Small Business Administration, to terminate certain functions of the present Small Business Administration, to transfer certain functions of the present Small Business Administration to the Secretaries of Commerce and the Treasury, and for other purposes; to the Committee on Governmental Affairs.

EC-2859. A communication from the Director of the Accounting and Financial Management Division, General Accounting Office, transmitting, pursuant to law, a report entitled "Civil Service Retirement System's Financial Statements for 1984"; to the Committee on Governmental Affairs.

EC-2860. A communication from the Secretary of Agriculture, transmitting, pursuant to law, a report on two altered Privacy Act systems of records; to the Committee on Governmental Affairs.

EC-2861. A communication from the Deputy Assistant Secretary of Defense (Administration), transmitting, pursuant to law, a report on a new Privacy Act system of records; to the Committee on Governmental Affairs.

EC-2862. A communication from the Executive Secretary, Office of the Secretary of Defense, transmitting, pursuant to law, the report on Department of Defense procurement from small and other business firms for October 1985 through January 1986; to the Committee on Small Business.

EC-2863. A communication from the Under Secretary of Agriculture, transmitting, pursuant to law, a report on commodity allocations and current programming plans for food assistance by country under Public Law 480; to the Committee on Agriculture, Nutrition, and Forestry.

EC-2864. A communication from the Deputy Assistant Secretary of the Air Force, transmitting, pursuant to law, a report on a decision to convert the audiovisual services function at Keesler AFB, MS, to performance under contract; to the Committee on Armed Services.

EC-2865. A communication from the Deputy Secretary of Defense, transmitting, pursuant to law, certain certifications with respect to a certain weapons system; to the Committee on Armed Services.

EC-2866. A communication from the general counsel of the Department of Defense, transmitting a draft of proposed legislation to increase the number of members of the Selected Reserve who may be ordered to active duty without their consent; to the Committee on Armed Services.

EC-2867. A communication from the Deputy Assistant Secretary of Defense, transmitting, pursuant to law, a report on the condition and operating results of the Working Capital Funds of DOD for fiscal

year 1985; to the Committee on Armed Services.

EC-2868. A communication from the general counsel of the Department of Defense, transmitting a draft of proposed legislation to increase basic pay, allowance for quarters, and allowance for subsistence for members of the uniformed services; to the Committee on Armed Services.

EC-2869. A communication from the acting general counsel of the Federal Emergency Management Agency, transmitting a draft of proposed legislation to extend for 5 years the Defense Production Act of 1950; to the Committee on Banking, Housing, and Urban Affairs.

EC-2870. A communication from the Secretary of Housing and Urban Development, transmitting, pursuant to law, reports on the status of evaluations of the Multifamily and Local Property Urban Homesteading Demonstrations; to the Committee on Banking, Housing, and Urban Affairs.

EC-2871. A communication from the Chairman of the Federal Deposit Insurance Corporation, transmitting, pursuant to law, the annual report of FDIC's Office of Consumer Programs; to the Committee on Banking, Housing, and Urban Affairs.

EC-2872. A communication from the Chairman of the Federal Financial Institutions Examination Council, transmitting, pursuant to law, the Council's 1985 annual report; to the Committee on Banking, Housing, and Urban Affairs.

EC-2873. A communication from the Secretary of Transportation, transmitting a draft of proposed legislation to authorize appropriations for certain maritime programs of the Department of Transportation; to the Committee on Commerce, Science, and Transportation.

EC-2874. A communication from the Deputy Associate Director of the Minerals Management Service, transmitting, pursuant to law, a report on 27 refunds of excess oil and gas lease royalty payments; to the Committee on Energy and Natural Resources.

EC-2875. A communication from the Deputy Associate Director of the Minerals Management Service, transmitting, pursuant to law, a report on 28 refunds of excess oil and gas lease royalty payments; to the Committee on Energy and Natural Resources.

EC-2876. A communication from the Acting Assistant Secretary of the Interior, transmitting, pursuant to law, a report on approval of the deferment of construction repayment installments from Webster Irrigation District No. 4, Pick-Sloan Missouri Basin Program, Kansas; to the Committee on Energy and Natural Resources.

EC-2877. A communication from the Secretary of Energy, transmitting, pursuant to law, energy information requirements; to the Committee on Energy and Natural Resources.

EC-2878. A communication from the Commissioner of the Bureau of Reclamation, transmitting, pursuant to law, a report on the Teton Dam Claims Program for 1984; to the Committee on Energy and Natural Resources.

EC-2879. A communication from the Acting Assistant Secretary of the Interior, transmitting, pursuant to law, a report on approval of a deferment of payments due the United States from the West Bench Irrigation District, Dillon, MT; to the Committee on Energy and Natural Resources.

EC-2880. A communication from the Administrator of GSA, transmitting, pursuant to law, a prospectus for design of a new Federal building in Oakland, CA; to the Committee on Environment and Public Works.

EC-2881. A communication from the Deputy Associate Director of the Minerals Management Service, transmitting, pursuant to law, a report on two refunds of excess oil and gas lease royalty payments; to the Committee on Energy and Natural Resources.

EC-2882. A communication from the Acting Assistant Secretary of the Interior, transmitting, pursuant to law, a report on approval of a deferment of the 1985 construction repayment to the United States from Kirwin Irrigation District No. 1, Pick-Sloan Missouri Basin Program, Kansas; to the Committee on Energy and Natural Resources.

EC-2883. A communication from the Deputy Associate Director of the Minerals Management Service, transmitting, pursuant to law, a report on 28 refunds of excess oil and gas lease royalty payments; to the Committee on Energy and Natural Resources.

EC-2884. A communication from the Deputy Associate Director of the Minerals Management Service, transmitting, pursuant to law, a report on six refunds of excess oil and gas lease royalty payments; to the Committee on Energy and Natural Resources.

EC-2885. A communication from the Chairman and the Director of the Tennessee Valley Authority, transmitting, pursuant to law, TVA's 52d annual report; to the Committee on Environment and Public Works.

EC-2886. A communication from the Administrator of the Environmental Protection Agency, transmitting a draft of proposed legislation to authorize appropriations for the Environmental Research, Development, and Demonstration Program; to the Committee on Environment and Public Works.

EC-2887. A communication from the Administrator of the Environmental Protection Agency, transmitting a draft of proposed legislation to extend the Federal Water Pollution Control Act, as amended, for 2 years; to the Committee on Environment and Public Works.

EC-2888. A communication from the Administrator of the Environmental Protection Agency, transmitting a draft of proposed legislation to extend the Safe Drinking Water Act, as amended, for 2 years; to the Committee on Environment and Public Works.

EC-2889. A communication from the Administrator of the Environmental Protection Agency, transmitting a draft of proposed legislation to extend the Clean Air Act, as amended, for 2 years; to the Committee on Environment and Public Works.

EC-2890. A communication from the general counsel of the Department of the Treasury, transmitting a draft of proposed legislation to authorize appropriations for the Customs Service for 1987 and 1988; to the Committee on Finance.

EC-2891. A communication from the general counsel of the Department of Defense, transmitting a draft of proposed legislation to grant comparable tax treatment of allowances permitted to certain DOD personnel; to the Committee on Finance.

EC-2892. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, a report on a study of registered dietitians' services in home care; to the Committee on Finance.

EC-2893. A communication from the Secretary of Health and Human Services, transmitting a draft of proposed legislation to make administrative changes in the programs of aid to families with dependent children and child support enforcement; to the Committee on Finance.

EC-2894. A communication from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting, pursuant to law, copies of international agreements, other than treaties, entered into by the United States within the 60 days previous to April 3, 1986; to the Committee on Foreign Relations.

PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and were referred or ordered to lie on the table as indicated:

POM—612. A resolution adopted by the Senate of the Legislature of the State of Arizona; to the Committee on Armed Services.

"SENATE MEMORIAL 1002

"To the Congress of the United States of America:

"Your memorialist respectfully represents:

"Whereas, it is the constitutional duty of the United States Government to 'provide for the common defense'; and

"Whereas, the United States Government does not now possess any defensive means of protecting the American people against incoming enemy missiles launched from any country in the world; and

"Whereas, the shift in the strategic balance in favor of the Soviet Union has undermined the credibility of our deterrent, which is based on the doctrine of mutual assured destruction and the use of offensive nuclear weapons; and

"Whereas, President Ronald Reagan asked a crucial question on March 23, 1983: 'Isn't it better to save lives than to avenge them?', and the United States needs a new strategy of mutual assured survival which can make nuclear weapons obsolete; and

"Whereas, arms control treaties alone cannot protect us, since even a perfect agreement with the Soviet Union would leave the United States undefended against the threat of nuclear missiles launched accidentally, launched by a terrorist or launched by an irrational decision of a Third World regime; and

"Whereas, the Soviet Union is moving to defend its people from nuclear attack, and we cannot afford to let the Soviet Union seize the high frontier of space and develop a defensive system before we do; and

"Whereas, on June 10, 1984, the United States Department of Defense successfully conducted a test over the South Pacific which proved that we have current technology to intercept and destroy incoming missiles before they destroy us; and

"Whereas, a system, commonly known as High Frontier, involving the use of nonnuclear satellites to intercept and destroy nuclear missiles targeted at the United States or the territories of our allies is currently available; and

"Whereas, The Strategic (High Frontier) Defense Initiative offers the United States a way out of the continuing spiral of building more and more costly offensive weapons because it cannot kill people (it can "kill" only missiles) and it would function to keep war out of space because it is solely defensive.

"Wherefore, your memorialist, the Senate of the State of Arizona, prays:

"1. That the Congress of the United States give prompt attention to the development, construction and placement of a space-based, nonnuclear defensive system.

"2. That the Secretary of State of the State of Arizona transmit copies of this Memorial to the President of the United States Senate, the Speaker of the House of Representatives of the United States and to each Member of the Arizona Congressional Delegation."

POM-613. A resolution adopted by the House of Representatives of the Legislature of the State of Indiana; to the Committee on Banking, Housing, and Urban Affairs:

"HOUSE RESOLUTION No. 23

"Whereas, Article 1, Section 8, of the Constitution of the United States provides that only the Congress of the United States shall have the power "to borrow money on the credit of the United States"; and

"Whereas, The Federal Reserve Act of December 23, 1913 (Act of December 23, 1913; 38 Stat. 251; 12 U.S.C. 221 et seq.) transferred the power to borrow money on the credit of the United States to a consortium of private bankers in violation of the prohibitions of Article 1, Section 8, of the Constitution of the United States; and

"Whereas, The Congress of the United States is without authority to delegate any powers which it has received under the Constitution of the United States established by the people of the United States; and

"Whereas, Article 1, Section 1, of the Constitution of the United States, provides that "all legislative powers herein granted shall be vested in a Congress of the United States, which shall consist of a Senate and House of Representatives"; and

"Whereas, The Federal Reserve Act of December 23, 1913 was imposed upon the people of the State of Indiana in violation of the provisions of Article 1, Section 1, of the Constitution of the United States; and

"Whereas, Members of the Federal Reserve System, a consortium of private bankers, have threatened the very integrity of our national government through their arbitrary and capricious control management of the nation's money supply; and

"Whereas, The United States is facing, in the current decade, an economic debacle of massive proportions due in large measure to a continued erosion of our national currency and the resultant high interest rates caused by the policies of the Federal Reserve Board; and

"Whereas, A consortium of private bankers which is not subject to any official periodic review or oversight by Congress has unconstitutionally controlled the economy of the United States through the Federal Reserve Act since 1913; and

"Whereas, The Federal Reserve System has never had an external audit; and

"Whereas, The Federal Reserve System does not pay federal income tax like other private banks; and

"Whereas, The national debt is approaching two trillion dollars ($2,000,000,000,000) and the interest on the national debt the past fiscal year was 178 billion, 945 million dollars which is approximately $.19 of each tax dollar; and

"Whereas, The Gramm-Rudman Bill does not permit the third largest line item in the national budget, payment of interest on the national debt, to be reduced along with other items in the national budget: Therefore,

Be it resolved by the House of Representatives of the General Assembly of the State of Indiana:

"Section 1. That the Indiana House of Representatives urges the Congress of the United States to enact immediately such legislation as is necessary to repeal the Federal Reserve Act and restore the gold standard.

"Section 2. That the President of the United States immediately sign the necessary enabling legislation once it reaches his desk.

"Section 3. That the Principal Clerk of the House of Representatives transmit copies of this Resolution to the President of the United States, the President of the United States Senate, the Speaker of the House of Representatives of the United States and to each member of the United States Senate, and to each member of the House of Representatives."

POM-614. A joint resolution adopted by the Legislature of the State of Wyoming; to the Committee on Banking, Housing, and Urban Affairs:

"ENROLLED JOINT RESOLUTION No. 2, SENATE

"Whereas, the Federal Reserve Banks are private corporations and not government institutions; and

"Whereas, the special stocks of Federal Reserve Banks are nominally owned by private commercial banks; and

"Whereas, the Federal Reserve Banks are largely responsible for determining the money supply in the United States; and

"Whereas, the money supply is in large part responsible for interest rates which determine the business and economic climate of our nation.

"Now, therefore, be it resolved by the members of the Legislature of the State of Wyoming:

"Section 1. That the Congress of the United States cause to be made a complete audit by the General Accounting Office of the income and expenses of the Board of Governors and the twelve Federal Reserve Banks which comprise and regulate the Federal Reserve System, and a detailed report published and made available to the public no later than October 1, 1987.

"Section 2. That the Secretary of State of Wyoming transmit copies of this Resolution to the President of the United States Senate, the Speaker of the House of Representatives of the United States, each member of the Wyoming Congressional Delegation and to the Chairman of the banking committees of each House of Congress."

POM-615. A concurrent resolution adopted by the Legislature of the State of New Hampshire; to the Committee on Commerce, Science, and Transportation:

"RESOLUTION

"Whereas, many household products contain materials which are, when improperly discarded, potential threats to the environment by release to the air or by filtering through landfills and entering into waters and groundwaters; and

"Whereas, proper disposal of these household hazardous wastes can significantly decrease the potential threat these products pose to the environment and to the health and welfare of our citizens; and

"Whereas, educating the public as to the proper procedures for disposing of household hazardous wastes is an essential first step in understanding, identifying, and controlling the threat posed by these products; and

"Whereas, identification of household hazardous wastes for the consumer may be best accomplished by labelling such products with an internationally recognized symbol designating the product as a household hazardous waste; now, therefore, be it "Resolved by the House of Representatives, the Senate concurring: "That the Congress of the United States enact legislation implementing an identification and coding system for household hazardous substances that may be discarded as waste that uses the internationally recognized prohibition symbol, a sample of which is attached hereto; and

"That the members of the New Hampshire congressional delegation sponsor and support such legislation; and

"That copies of this resolution be sent to the President of the United States, the President of the United States Senate, the Speaker of the United States House of Representatives, and the members of the New Hampshire congressional delegation."

POM-616. A joint resolution adopted by the Legislature of the Senate of Wyoming; to the Committee on Energy and Natural Resources:

"ENROLLED JOINT RESOLUTION No. 3, HOUSE OF REPRESENTATIVES

"Whereas, Yellowstone National Park and Grand Teton National Park are essential to the tourism sector of the economy of the State of Wyoming; and

"Whereas, use of Yellowstone National Park and Grand Teton National Park has steadily declined over a period of several years.

"Now, therefore, be it resolved by the members of the Legislature of the State of Wyoming:

"Section 1. That the members of the Wyoming legislature urge the United States Congress and the United States Department of the Interior to cooperate with the State of Wyoming in planning future management and use of Yellowstone National Park and Grand Teton National Park;

It is further resolved, that the Governor of Wyoming initiate discussions with the United States Secretary of the Department of the Interior on cooperative efforts between the State of Wyoming and the federal government relative to the future management and use of Yellowstone National Park and Grand Teton National Park, and explore methods implementing and administering proposed cooperative efforts.

"Section 2. That the Secretary of State of Wyoming send copies of this resolution to the President of the United States, the President of the Senate and the Speaker of the House of Representatives of the United States Congress, each member of the Wyoming congressional delegation and the United States Secretary of the Department of the Interior."

POM-617. A resolution adopted by the Senate of the Commonwealth of Massachusetts; to the Committee on Energy and Natural Resources:

"RESOLUTIONS MEMORIALIZING CONGRESS, THE PRESIDENT AND THE VETERANS ADMINISTRATION OF THE UNITED STATES TO RECORD THE SUPPORT OF THE MASSACHUSETTS SENATE TO THE CONSTRUCTION OF A KOREAN WAR VETERANS MEMORIAL

"Whereas, on June twenty-fifth, nineteen hundred and fifty, Communist forces of the Korean people's army launched an offensive against the Republic of Korea; and

"Whereas, in response to this atrocious act of aggression against freedom, the President of the United States, Harry S. Truman, on Tuesday, June twenty-seventh, nineteen hundred and fifty, ordered United States air and sea forces to give the Korean Government troops, cover and support, thus beginning involvement of the United States in the Korean conflict which ended on July twenty-seventh, nineteen hundred and fifty-three; and

"Whereas, of the six million Korean era veterans, fifty-four thousand, two hundred and thirty-five Americans were killed in action and eight thousand, one hundred and seventy-seven are unaccounted for, including three hundred eighty-nine who were prisoners of war; and

"Whereas, these Americans served their country with dignity, displaying the ideals of America, fighting for freedom on foreign territory, far from home and loved ones; and

"Whereas, those Americans who had made the supreme sacrifice, and those Americans who were willing to make the supreme sacrifice of life, remain the only veterans not recognized with a memorial in our country's capital; Now therefore be it

"*Resolved*, That the Massachusetts Senate hereby urges Congress, the President and the Veterans Administration of the United States to memorialize the Korean era veteran with an appropriate memorial in Washington, DC; and be it further

"*Resolved*, That a copy of these resolutions be transmitted by the clerk of the Senate to the President of the United States, the Speaker of the House of Representatives, the President of the Senate, members of the Massachusetts Congressional Delegation, and the Director of the Veterans Administration."

POM-618. A resolution adopted by the Common Council of Kenosha, Wisconsin opposing the provisions of H.R. 3838 relating to tax-exempt financing for local government; to the Committee on Finance.

POM-619. A resolution adopted by the Common Council of Boscobel, Wisconsin opposing the provisions of H.R. 3838 pertaining to tax-exempt financing for local government; to the Committee on Finance.

POM-620. A resolution adopted by the Board of Redevelopment Commissioners of the City of Gary, Indiana opposing the provisions of H.R. 3838 relating to tax-exempt financing for local government; to the Committee on Finance.

POM-621. A resolution adopted by the President and Board of Trustees of the Village of Oak Lawn, Illinois opposing the provisions of H.R. 3838 relating to tax-exempt financing for local government; to the Committee on Finance.

POM-622. A resolution adopted by the Senate of the Commonwealth of Pennsylvania; to the Committee on Foreign Relations:

"RESOLUTION

"Whereas, newspapers have published reports conducted by nationally recognized investigative reports confirming the presence of American prisoners of war in Southeast Asia; and

"Whereas, these reports draw on information obtained from ranking military officials, top secret military intelligence reports, satellite photos, communications intercepts and agents operating in Southeast Asia; and

"Whereas, it is estimated that there are approximately 200 living Americans being held by hostile governments, as prisoners of war in a war that ended over ten years ago, for the purpose of torture, technical assistance and psychological experiments; therefore be it

"Resolved, Tthat the Senate of the Commonwealth of Pennsylvania memorialize the Congress of the United States to conduct a meaningful investigation into these reports and others concerning Americans being held as prisoners of war in Southeast Asia; and be it further

"Resolved, That the Senate of the Commonwealth of Pennsylvania memorialize the Congress of the United States to redouble its efforts to locate and rescue these valiant men of the Vietnam Conflict who remain in enemy territory and return these servicemen to their families here in the United States; and be it further

"Resolved, That copies of this resolution be transmitted to the presiding officers of each house of Congress and to each member of Congress from Pennsylvania."

POM-623. A resolution adopted by the Senate of the State of Michigan; ordered to lie on the table:

"RESOLUTION

"Whereas, the people of this country have been especially blessed in the dedication of the individuals who have made immeasurable sacrifices to preserve our way of life and our liberties. In addition to the obvious debt we harbor for those who have served in the Armed Forces, our country also is greatly enriched through the programs and efforts of several veteran groups. These organizations have assisted veterans and their families, as well as fostering a spirit of patriotism and service at the local, state, and national levels; and

"Whereas, an organization which epitomizes this tradition of service to veterans and the community is the Vietnam Veterans of America. This group touches many lives, especially for those among us with personal knowledge of the hardships, triumphs, and losses of this war. The unique services of this organization are most essential and highly commendable; and

"Whereas, presently there is pending before the Congress of the United States legislation, S. 8, which would extend to the Vietnam Veterans of America a federal charter. This formal recognition is most appropriate and will undoubtedly further its excellent work; Now, therefore, be it

"Resolved by the Senate, That we hereby memorialize the Congress of the United States to enact legislation, such as S. 8, to grant the Vietnam Veterans of America a federal charter; and be it further

"Resolved, That copies of this resolution be transmitted to the President of the United States Senate, the Speaker of the United States House of Representatives, and the members of the Michigan congressional delegation."

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. GOLDWATER, from the Committee on Armed Services:

Mr. GOLDWATER. Mr. President, from the Committee on Armed Services, I report favorably the attached listing of nominations.

Those identified with a single asterisk (*) are to be placed on the Executive Calendar. Those identified with a double asterisk (**) are to lie on the Secretary's desk for the information of any Senator since these names have already appeared in the CONGRESSIONAL RECORD and to save the expense of printing again.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The nominations ordered to lie on the Secretary's desk were printed in the RECORD of March 14, March 20, March 24, March 26, and March 27, 1986, at the end of the Senate proceedings.)

APRIL 9, 1986

*1. Lt. Gen. David K. Doyle, U.S. Army, to be placed on the retired list; and Maj. Gen. Thurman D. Rodgers to be lieutenant general. (Ref. No. 954)

*2. Lt. Gen. Nathaniel R. Thompson, Jr., U.S. Army, to be placed on the retired list; and Maj. Gen. Henry Doctor, Jr., to be lieutenant general. (Ref. No. 955)

*3. Gen. John K. Davis, U.S. Marine Corps, to be placed on the retired list. (Ref. No. 956)

**4. In the Army there are 44 appointments to the grade of major and below (list begins with Melvin Abercrombie). (Ref. No. 958)

**5. In the Marine Corps there are 5 permanent appointments to the grade of second lieutenant (list begins with Michael T. Barry). (Ref. No. 959)

*6. Lt. Gen. Robert L. Moore, U.S. Army, to be placed on the retired list; Lt. Gen. Lawrence F. Skibbie to be reassigned; and Maj. Gen. Peter G. Burbules to be lieutenant general. (Ref. No. 965)

**7. In the Air Force there are 2 permanent promotions to the grade of lieutenant colonel and below (list begins with Nina K. Rhoton). (Ref. No. 967)

**8. In the Air Force there are 2 appointments to the grade of major and below (list begins with Janet C. Flournoy). (Ref. No. 968)

**9. In the Air Force there are 1,529 appointments to a grade not higher than captain (list begins with Warren O. Abraham). (Ref. No. 969)

**10. In the Navy Reserve there are 27 appointments to the grade of permanent lieutenant in the Navy (list begins with Michael S. Anisowicz). (Ref. No. 970)

*11. Lt. Gen. Thomas R. Morgan, U.S. Marine Corps, to be general. (Ref. No. 973)

**12. In the Air Force there are 52 appointments of students of the Uniformed Services University of the Health Sciences Class of 1986 to a grade to be determined by the Secretary of the Air Force (list begins with Thomas E. Applegate). (Ref. No. 974)

**13. In the Navy there are 5 promotions to the grade of commander and below (list begins with Timothy Higgins). (Ref. No. 975)

**14. In the Navy there are 18 appointments to the grade of lieutenant commander and below (list begins with Jeffery J. Iovine). (Ref. No. 976)

**15. In the Navy and Navy Reserve there are 28 appointments to the grade of captain and below (list begins with Kathryn K. Murray). (Ref. No. 983)

**16 In the Army there are 13 permanent promotions to the grade of colonel and below (list begins with Charles B. Savely). (Ref. No. 987)

Total 1,734.

By Mr. PACKWOOD, from the Committee on Finance:

J. Roger Mentz, of New Jersey, to be an Assistant Secretary of the Treasury.

(The above nomination was reported with the recommendation that it be confirmed, subject to the nominee's commitment to appear and testify before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. KASTEN (for himself and Mr. PROXMIRE):

S. 2273. A bill to amend the Internal Revenue Code of 1954 to deny the tax exemption for interest on industrial development bonds used to finance acquisition of farm property by foreign persons; to the Committee on Finance.

S. 2274. A bill to provide that certain individuals who are not citizens of the United States and certain persons who are not individuals shall be ineligible to receive financial assistance under the price support and related programs administered by the Secretary of Agriculture; to the Committee on Agriculture, Nutrition, and Foresty.

By Mr. LAUTENBERG:

S. 2275. A bill for the relief of Dynamic Technology International, Inc., Lew Malnak Associates, Star Design Inc., Riverside Precision Machines, and certain other individuals; to the Committee on the Judiciary.-:- Ewan, Elmer H. -:- %118 -:- April 9, 1986 -:- Jacket No. 071-060 -:- Folio(s) 40/w1s -:- Extension A09AP6.382

By Mr. MOYNIHAN:

S. 2276. A bill to amend part C of the Balanced Budget and Emergency Control Act of 1985 to exempt certain programs, projects, and activities of the Library of Congress, the National Endowment for the Humanities, and the Department of Education from sequestration or reduction under an order issued by the President under section 252 of such Act; to the Committee on Governmental Affairs.

By Mr. QUAYLE:

S. 2277. A bill to amend the Fair Labor Standards Act of 1938 to exclude from sections 6, 7, and 12 of that act individuals of league baseball teams who serve as bat boys and bat girls; to the Committee on Labor and Human Resources.

By Mr. DODD (for himself, Mr. SPECTER, Mr. HART, and Mr. MOYNIHAN):

S. 2278. A bill to grant employees parental and temporary medical leave under certain circumstances, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. HEINZ:

S. 2279. A bill to improve the administration of the temporary emergency food assistance program and to reestablish food bank special nutrition projects, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. GRASSLEY (for Mrs. HAWKINS (for herself, Mr. ANDREWS, Mr. BENTSEN, Mr. BRADLEY, Mr. BURDICK, Mr. CHILES, Mr. COHEN, Mr. CRANSTON, Mr. DOLE, Mr. DURENBERGER, Mr. GLENN, Mr. GOLDWATER, Mr. GRASSLEY, Mr. HATCH, Mr. HEINZ, Mr. HOLLINGS, Mr. INOUYE, Mr. JOHNSTON, Mr. MATSUNAGA, Mr. NICKLES, Mr. NUNN, Mr. PRYOR, Mr. RIEGLE, Mr. ROTH, Mr. SARBANES, Mr. STENNIS, Mr. WARNER, Mr. ZORINSKY, Mr. HUMPHREY, and Mr. D'AMATO)):

S.J. Res. 315. Joint resolution designating May 1986 as "Older Americans Month"; to the Committee on the Judiciary.

By Mr. CRANSTON (for himself, Mr. PACKWOOD, Mr. DIXON, Mr. D'AMATO, Mr. LAUTENBERG, Mr. METZENBAUM, Mr. HEINZ, Mr. KENNEDY, Mr. NICKLES, Mr. KERRY, Mr. HECHT, Mr. SARBANES, Mr. DANFORTH, Mr. BURDICK, Mr. MATTINGLY, Mr. SIMON, Mr. TRIBLE, Mr. PELL, Mr. ANDREWS, Mr. EXON, Mr. SASSER, Mr. SPECTER, Mr. LEAHY, Mr. FORD, Mr. DECONCINI, Mr. HART, Mr. BOSCHWITZ, Mr. JOHNSTON, Mr. WILSON, Mrs. HAWKINS, Mr. LEVIN, Mr. BIDEN, Mr. DODD, Mr. BINGAMAN, Mr. BRADLEY, Mr. BUMPERS, Mr. GORE, Mr. HARKIN, Mr. HEFLIN, Mr. MELCHER, Mr. PRYOR, Mr. INOUYE, Mr. MATSUNAGA, Mr. MITCHELL, Mr. PROXMIRE, Mr. RIEGLE, Mr. ROCKEFELLER, Mr. MOYNIHAN, Mr. GLENN, Mr. BAUCUS, Mr. WEICKER, Mr. KASTEN, Mr. BOREN, Mr. HOLLINGS, Mr. MURKOWSKI, Mr. GORTON, Mr. GRASSLEY, Mr. ROTH, Mr. BYRD, Mr. DURENBERGER, and Mr. PRESSLER):

S.J. Res. 316. Joint resolution prohibiting the sale to Saudi Arabia of certain defense articles and related defense services; to the Committee on Foreign Relations.

By Mr. HEINZ (for himself, Mr. GLENN, Mr. WILSON, Mr. HOLLINGS, Mr. SYMMS, Mr. KERRY, Mr. COHEN, Mr. ZORINSKY, Mr. ROCKEFELLER, Mr. BAUCUS, Mr. DOLE, Mr. LUGAR, Mr. GORE, Mr. NUNN, Mr. ROTH, Mr. BRADLEY, Mr. LAUTENBERG, Mr. WARNER, Mr. DURENBERGER, Mr. MATSUNAGA, Mr. KASTEN, Mr. SARBANES, Mr. ANDREWS, Mr. RIEGLE, Mr. COCHRAN, Mr. KENNEDY, Mr. PRYOR, Mr. CHAFEE, Mr. STAFFORD, Mr. JOHNSTON, Mr. LEVIN, Mr. BENTSEN, Mr. CRANSTON, Mr. THURMOND, Mr. HATCH, Mr. DIXON, and Mr. MCCLURE):

S.J. Res. 317. Joint resolution to designate the month of November 1986 as "National Hospice Month"; to the Committee on the Judiciary.

By Mr. ABDNOR (for himself, Mr. DURENBERGER, Mr. WEICKER, Mr. STENNIS, Mr. MOYNIHAN, Mr. PRESSLER, Mr. BOSCHWITZ, Mr. ROCKEFELLER, Mrs. HAWKINS, Mr. DOLE, Mr. BRADLEY, Mr. DODD, Mr. HOLLINGS, Mr. MCCLURE, Mr. STEVENS, Mr. NUNN, Mr. SYMMS, Mr. BURDICK, Mr. GARN, Mr. HEINZ, Mr. GORE, Mr. KERRY, Mr. WARNER, Mr. NICKLES, Mr. CHILES, Mr. ANDREWS, Mr. MATHIAS, Mr. TRIBLE, and Mr. INOUYE):

S.J. Res. 318. Joint resolution designating November 1986 as "National Diabetes Month"; to the Committee on the Judiciary.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. LAUTENBERG:

S. Res. 378. Resolution to refer S. 2275 entitled, "A bill for the relief of Dynamic Technology International, Inc., Lew Malnak Associates, Star Design, Inc., Riverside Precision Machines, and certain other individuals" to the chief judge of the U.S. Claims Court for a report thereon; to the Committee on the Judiciary.

By Mr. BAUCUS (for himself, Mr. SYMMS, Mr. MCCLURE, Mr. EXON, Mr. GORE, Mr. PRYOR, Mr. BENTSEN, Mr. MELCHER, Mr. SIMPSON, Mr. ANDREWS, Mr. ZORINSKY, and Mr. ARMSTRONG):

S. Con. Res. 124. Concurrent resolution expressing the sense of the Congress with respect to the milk production termination program; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. HEINZ (for himself, Mr. LAXALT, Mr. KENNEDY, Mr. MOYNIHAN, Mr. DODD, Mr. SPECTER, Mr. HART, Mr. MATSUNAGA, and Mr. WEICKER):

S. Con. Res. 125. Concurrent resolution recognizing the achievements of the Ireland Fund and its founder, Dr. Anthony J.F. O'Reilly; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. KASTEN (for himself and Mr. PROXMIRE):

S. 2273. A bill to amend the Internal Revenue Code of 1954 to deny the tax exemption for interest on industrial development bonds used to finance the acquisition of farm property by foreign persons; to the Committee on Finance.

S. 2274. A bill to provide that certain individuals who are not citizens or nationals of the United States and certain persons who are not individuals shall be ineligible to receive financial assistance under price support and related programs administered by the Secretary of Agriculture; to the Committee on Agriculture, Nutrition, and Forestry.

DISCOURAGING FOREIGN CORPORATE INVESTMENT IN U.S. AGRICULTURE

Mr. KASTEN. Mr. President, today I am introducing two pieces of legislation aimed at discouraging foreign corporate investment in agriculture.

As some of my colleagues may be aware, an Irish firm called Masstock International recently announced plans to invest up to $35 million in the construction of 10, 2,000-cow dairy farms in Georgia, along with a processing plant. Ostensibly, this enormous investment is motivated by the fact that Georgia and the Southeast are milk-deficient areas where large population growth is expected in the near future.

This may be true—but it is surely not the whole story. Masstock new milk factories will benefit from the reduced price uncertainty created by the price support and other farm programs we have set up to help our own farmers. And, Masstock is being assisted with tax-exempt financing through

a $4.5 million industrial development bond issued by one Georgia county.

Mr. President, the dairy farmers of Wisconsin are outraged at this development, and they have a right to be. For several years now, the dairy industry in Wisconsin has been plagued by declining prices and high interest rates. Repeatedly they have been told of the need to reduce the dairy surplus.

Yet now, at the very same time when we have instituted a progam to pay family farmers to quit dairying to reduce milk production, we are subsidizing a giant corporate investment in increasing milk production. This kind of inconsistent Federal policy defies common sense.

One simple statistic makes this clear; 1,681 Wisconsin farmers with an average herd size of 37 cows will leave dairy farmers through the buy-out program. The completion of Masstock's project will mean 20,000 more cows producing milk. In other words, the Masstock project will add enough milk production to make up for the loss of 540 of those 1,681 Wisconsin dairymen who are participating in the whole-herd buyout.

I am introducing two bills today. The first would deny foreign individuals or corporations controlled by foreign interests access to tax-exempt financing through industrial development bonds. The second would make foreign individuals or interests ineligible for Federal price support and other farm program benefits.

Mr. President, I believe industrial development bonds are useful tools to generate economic growth and create jobs. But tools can be abused, and granting an IDB to Masstock was clearly as abuse. There are two reasons for this.

First, we don't need more investment in agriculture. Especially in the dairy industry, we already have more productive capacity than we can use. Second, IDB's are intended to help create jobs for people. Not that many people will be needed to manage Masstock's milk factories. What the IDB issued on Masstock's behalf will really do is create jobs for cows.

Federal farm programs—including the Dairy Price Support Program—are also tools. They are tools to help our family farmers adjust to changes in the economic environment and weather hard times. They are not intended to encourage massive foreign investment in agriculture at a time when our own farmers are struggling.

The legislation I am introducing today is not intended as an antiimmigrant bill in any sense. The bill making foreign-controlled interests ineligible for farm program benefits specifically exempts foreign interests who are operating single, small to mid-sized family farms. Immigrants have made an important contribution to family farming in virtually every State including Wisconsin.

Foreign-owned corporate investors, however, have not. If organizations like Masstock want to try their hand in American agriculture, without the benefit of Federal subsidies, they are welcome to.

But for heaven's sake, let us not encourage foreign investors to take away markets from our family farmers through farm program and tax subsidies. I urge my colleagues to support my legislation to withdraw access to those subsidies to foreign interests investing in agriculture.

Mr. President, I ask unanimous consent to have the text of both bills printed in the RECORD at this point.

There being no objection, the bills were ordered to be printed in the RECORD, as follows:

S. 2273

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. TREATMENT OF INDUSTRIAL DEVELOPMENT BONDS USED TO FINANCE THE ACQUISITION OF FARM PROPERTY BY FOREIGN PERSONS.

(a) IN GENERAL.—Subsection (b) of section 103 of the Internal Revenue Code of 1954 (defining industrial development bonds) is amended by adding at the end thereof the following new paragraph:

"(19) LIMITATION ON FARM PROPERTY ACQUIRED BY FOREIGN PERSONS.—

"(A) IN GENERAL.—Paragraphs (4), (5), and (6) shall not apply to any obligation issued as part of an issue if any portion of the proceeds of such issue is to be used (directly or indirectly) for the acquisition, construction, reconstruction, or improvement of farm property (or an interest therein) by any foreign person.

"(B) FARM PROPERTY.—For purposes of this paragraph, the term 'farm property' means any real or personal property to be used for farming purposes.

"(C) FOREIGN PERSON.—For purposes of this paragraph, the term 'foreign person' means—

"(i) any individual who is not a citizen or national of the United States.

"(ii) any foreign corporation, foreign partnership, foreign trust, or foreign estate,

"(iii) any domestic corporation more than 10 percent of the value of the stock of which is held (directly or indirectly) by 1 or more foreign persons (as defined in clause (i) or (ii)),

"(iv) any domestic partnership more than 10 percent of the capital or profits interests in which is held (directly or indirectly) by 1 or more foreign persons (as defined in clause (i) or (ii)), and

"(v) any domestic trust more than 10 percent of the beneficial interests in which is held (directly or indirectly) by 1 or more foreign persons (as defined in clause (i) or (ii)).

"(D) ATTRIBUTION OF OWNERSHIP.—For purposes of subparagraph (C), stock (or other interest) owned, directly or indirectly, by or for a corporation, partnership, estate, or trust shall be considered as being owned proportionately by its shareholders partners, or beneficiaries. Any stock (or interest) treated as owned by a person by reason of the preceding sentence shall, for purposes of applying such sentence, be treated as actually owned by such person."

"(b) EFFECTIVE DATE.—The amendment made by this section shall apply to obligations issued after the date of the enactment of this Act.

S. 2274

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. INELIGIBILITY TO RECEIVE AGRICULTURAL ASSISTANCE.

(a) DISQUALIFICATION OF CERTAIN PRODUCERS.—Notwithstanding any other provision of law, no producer disqualified by subsection (b) is eligible to receive—

(1) any type of price support or payment made available under the Agricultural Act of 1949 (7 U.S.C. 1421 et seq.), the Commodity Credit Corporation Charter Act (15 U.S.C. 714 et seq.), or any other Act that is administered by the Secretary of Agriculture and is applicable to a commodity,

(2) a farm storage facility loan made under section 4(h) of the Commodity Credit Corporation Charter Act (15 U.S.C. 714b(h)),

(3) any payment under crop insurance issued in accordance with the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.),

(4) a disaster payment made under the Agricultural Act of 1949 (7 U.S.C. 1421 et seq.),

(5) a loan made, insured, or guaranteed under the Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.) or any other provision of law administered by the Farmers Home Administration, or

(6) a payment made under section 4 or 5 of the Commodity Credit Corporation Charter Act (15 U.S.C. 714b or 714c) for the storage of an agricultural commodity acquired by the Commodity Credit Corporation.

(b) INELIGIBLE PRODUCERS.—

(1) GENERAL DISQUALIFICATION.—Except as provided in paragraph (2), subsection (a) shall apply with respect to any producer—

(A) who is an individual who is not a citizen or national of the United States, or

(B)(i) which is a person who is not an individual, and

(ii) more than 10 percent of which is owned by individuals who are not citizens or nationals of the United States,

or any combination of such individuals and such persons.

(2) EXCEPTION.—Paragraph (1) shall not apply with respect to producers, other than individuals, who operate a single small- or medium-sized family farm.

SEC. 2. EFFECTIVE DATE; APPLICATION OF ACT.

(a) EFFECTIVE DATE.—Except as provided in subsection (b), this Act shall take effect on the date of the enactment of this Act.

(b) EXCLUSION.—This Act shall not apply with respect to any loan, payment, or financial assistance specified in section 1(a) made available—

(1) before the date of the enactment of this Act, or

(2) under any agreement entered into before the date of the enactment of this Act.

By Mr. LAUTENBERG:

S. 2275. A bill for the relief of Dynamic Technology International, Inc., Lew Malnak Associates, Star Design, Inc., Riverside Precision Machines, and certain other individuals; to the Committee on the Judiciary.

RELIEF OF CERTAIN FORMER NAVY CONTRACTORS

● Mr. LAUTENBERG. Mr. President, I introduce today a congressional reference resolution and accompanying private relief bill concerning the claims of Dynamic Technology International [DTI], Lew Malnak Associates [LMA], and their affected employees and subcontractors. This resolution provides for a referral of DTI and LMA's claims to the Court of Claims to determine whether they are justified.

DTI was an electronics contractor for the Navy in the 1970's. DTI had a contract to develop a computer-controlled automatic guard receiver terminal, designed to receive emergency signals from nuclear submarines in distress. The submarines were to be equipped with automatically activated submarine emergency communications transmitters [SECT], being developed by another contractor. The SECT system was designed to enable a submarine in distress to release a buoy which rose to the surface to signal the submarine's position.

DTI alleges that it discovered flaws on the SECT system. According to DTI, the SECT system released transmitting buoys accidentally, thereby betraying a submarine's location when it was not in distress. DTI argues that its "whistle-blowing" on the SECT program's flaws led to retaliation by Navy contract officers. It alleges that contract obligations to it were breached, and that DTI and the various individuals involved in the firm were blackballed, and their reputations harmed.

DTI has pursued its legal remedies in the Court of Claims. However, its claims in the nature of libel and slander have been dismissed as not remediable under the law. The congressional reference procedure set in motion once this resolution is passed calls on the Court of Claims to determine whether or not DTI and the involved individuals and firms were in fact wronged by the Government, and the measure of their damages. Once the Court of Claims reports back to the Senate, the Senate would then consider whether or not to pass the underlying private bill, granting appropriate and equitable relief. Introduction of this resolution reflects a desire to determine if DTI's claims have merit, not a conclusion that that they do.

It appears that those involved with DTI and Lew Malnak Associates have suffered greatly from the claimed blackballing. I urge my colleagues to act swiftly in approving this legislation to enable us to determine whether the claims are substantiated, and if so, to grant proper relief.

I ask unanimous consent that a copy of this private relief bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2275

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Dynamic Technology International, Inc., a New Jersey corporation, the sum of $———. The payment of such sum shall be in full satisfaction of all claims of Dynamic Technology International, Inc. against the United States for damages allegedly sustained as a result of certain actions of agents, officers, and employees of the United States committed prior to, during and after various investigations of contracts number N00030-76-C-1534 (dated March 13, 1970) and number N00039-69-C-1567 (dated January 15, 1969) between, Lew Malnak Associates and the United States.

SEC. 2. (a) The Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Lewis D. Malnak, doing business as Lew Malnak Associates, the latter being a sole proprietorship organized in the State of New Jersey, the sum of $———. The payment of such sum shall be paid in full satisfaction of all claims of Lewis D. Malnak, doing business as Lew Malnak Associates against the United States for damages allegedly sustained as result of certain actions of agents, officers, and employees of the United States committed prior to, during and after various investigations of contracts numbers N00039-70-C-1534 (dated March 13, 1970), N00039-69-C-1567 (dated January 15, 1969), N00039-68-C-1530 (dated January 4, 1968) and DAAD07-70-C-0150 (dated May 12, 1970) between Lew Malnak Associates and the United States.

(b) The payment of money under subsection (a) of this section shall not bar recovery of damages by Lew Malnak Associates for alleged breach by United States of contracts number N00039-70-C-1534 (dated March 13, 1970) and number N00039-69-C-1567 (dated January 15, 1969) with Lew Malnak Associates currently being litigated in the United States Claims Court (Case Number 429-79C), so long as payment under subsection (a) is for damages other than those arising from said action for breach of contract.

SEC. 3. The Secretary of Treasury shall pay, out of any money in the Treasury not otherwise appropriated, to each of the following persons or their heirs, the amounts listed below. Said persons being former employees of Lew Malnak Associates, Dynamic Technology International, Inc., or both. The payment of such sum shall be in full satisfaction of all claims of said persons against the United States for damages allegedly sustained as the result of certain actions of agents, officers, and employees of the United States committed during various investigations in 1971 by the United States Navy of Lew Malnak Associates, Dynamic Technology International, Inc., and certain individuals:

Name of Claimant, Address: Amount of Claim

Stanley E. Gualtieri: Philadelphia, Pennsylvania ..... $.....

Harold Ritchey: Chester, Pennsylvania ..... $.....

Vincent F. Ryan, Jr. Haddonfield, New Jersey ..... $.....

Alden Dupont: Perkasie, Pennsylvania ..... $.....

Harvey Gilman: Mount Laurel, New Jersey ..... $.....

Robert J. Gawlinski: Mount Laurel, New Jersey ..... $.....

Gerald Grygo: Somerdale, New Jersey ..... $.....

Leona Rose: Wichita, Kansas ..... $.....

Delores Litsch: Delran, New Jersey ..... $.....

Charles Dempsey: Mount Laurel, New Jersey ..... $.....

Bernard Cory: Philadelphia, Pennsylvania ..... $.....

James Yates; Sewell, New Jersey ..$.....

Alonzo Mercier: New Bedford, Massachusetts ..... $.....

Edward Gresick: Middletown, Delaware ..... $.....

SEC. 4. The Secretary of the Treasury shall pay, out of any money in the Treasury not otherwise appropriated, to each of the following companies the amounts listed below. The payment of such sum shall be in full satisfaction of all claims of said persons against the United States for damages allegedly sustained as the result of certain actions of officers and employees of the United States committed before, during and after various investigations in 1971 by the United States Navy of Lew Malnak Associates, Dynamic Technology International, Inc. and certain individuals.

Name of Claimant, Address: Amount of Claim

Star Design, Inc.: Morristown, New Jersey ..... $.....

Riverside Precision Machines: Riverside, New Jersey ..... $.....

Sec. 5. No part of the amount appropriated by sections 1, 2, 3, and 4 of this Act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, any contract to the contrary notwithstanding. Violation of the provisions of this section is a misdemeanor punishable by a fine not to exceed $1,000.

SEC. 6. Nothing in this Act shall be construed as an inference of liability on the part of the United States.●

By Mr. MOYNIHAN:

S. 2276. A bill to amend part C of the Balanced Budget and Emergency Control Act of 1985 to exempt certain programs, projects, and activities of the Library of Congress, the National Endowment for the Humanities, and the Department of Education from sequestration or reduction under an order issued by the President under section 252 of such act; to the Committee on Governmental Affairs.

EXEMPTING CERTAIN PROGRAMS FROM SEQUESTRATION

● Mr. MOYNIHAN. Mr. President, today I rise to introduce a bill to exempt from sequestration under the Balanced Budget and Emergency Control Act of 1985 certain Federal programs and assistance that support the Library of Congress and our Nation's other major research libraries.

In "Meditationes Sacrae" (1597), Francis Bacon wrote, "Nam et ipsa scientia potestas est"—knowledge is power.

I have always tried to make my students understand the significance of Bacon's insight, for while I have spent much of my life in government, I am a teacher by profession and have always returned to it. I firmly believe that Bacon's words have never been of more importance to the Nation than they are today, as we move into the postindustrial information age.

Learning, pursuing knowledge for its own sake as well as for its practical applications, continues to be one of the best means of improving the quality of our lives and those of generations to come. But progress is dependent on understanding what has come before, and it is our research libraries that hold many of the fruits of our precious intellectual and cultural endeavors. Such fruits as Johannes de Ketham's "Fasciculus Medicinae" (1495), Sir Isaac Newton's "Philosophiae Naturalis Principia Mathematica" (1687); the "Declaration of Independence"; Robert Fulton's drawings of submarines and submarine bombs (1804); Oscar Hammerstein's three albums of clippings and memorabilia related to "Oklahoma!"; and Gian Carlo Menotti's original scores to his operas. Thus, it is our research libraries that play an undisputed role in assisting those who seek to expand and enhance our knowledge.

Mr. President, by far the largest collection of stored knowledge in the world—by last count, 81,905,916 items—is here in our Nation's Capital, at our own Library of Congress.

The Library has accumulated more books from England and America than any other Library—but barely one quarter of its collection is in English.

It has more maps, globes, charts, and atlases than any other repository on Earth.

It has almost every phonograph record ever made in the United States, the largest collection of motion pictures in America, more Civil War photographs, more personal letters in Sigmund Freud's handwriting, more flutes, and more handwritten copies of the Gettysburg Address in Lincoln's own hand than any other institution in the world.

But it is not solely the Library's collections that are worthy of praise.

Credentials are not required to use the resources of the Library of Congress. Its use is not restricted to advanced scholars, like the Lenin State Library, or to U.S. citizens, or to those who are "politically reliable." Its doors are open to all, and last year the Library welcomed 2.8 million library users and visitors.

And service the public it does. In 1984, the Library prepared 807 bibliographies containing a total of 124,823 entries; it aided scholars and researchers by circulating 3,196,537 volumes within the Library; it answered 931,980 inquiries in person, 138,175 by mail, and 562,421 by telephone through reference specialists. In 1984, the Educational Liaison Office arranged tours and programs for ore than 5,000 distinguished visitors—Prince Charles among them.

For those who are not able to visit the Library, a number of special services are available. Through its interlibrary loan program, the Library extends the use of its books and other research materials to scholars working at academic, public, or other libraries across the country. This service is intended to make available unusual materials not readily accessible elsewhere.

Among those who have used the Library of Congress' research materials for their works are several recent Pulitzer Prize winners: Leonard Baker (1979), Leo Beck (1979), Edmund Morris (1980), William McFeely (1982), susan Sheehan (1983), and Louis Harlan (1984). Other notable authors, historians: Arthur Schlesinger ("Age of Roosevelt"), Dumas Malone ("Jefferson"), Irving Brandt ("Madison") and C. Van Woodward ("Origins of the New South") have used the Library's extensive historical collections. Even Ellery Queen, author of mystery stories, did research at the Library of Congress.

The Library also offers assistance in locating source materials in libraries across the United States and throughout the world, and publishes bibliographies, guides, and selected lists of materials on many subjects. It compiles the National Union Catalog of books published since 1454, which identifies the holdings of more than 1,200 North American libraries, as well as other union catalogues which record the locations of books in Slavic, Hebraic, Japanese, and Chinese languages.

The Library's Copyright Office administers the operation of the U.S. copyright law. This office maintains records of more than 16 million copyright registrations and copyright transfers. Nearly half a million registrations are added every year.

It has served the Congress and the public quite well over the years. But we have not always been so blessed.

In 1772, when the Continental Congress convened in Carpenter Hall, Philadelphia, our Founding Fathers—learned and professional men who were accustomed to having a library at their disposal—utilized the Library Company of Philadelphia, just down the hall from where the Continental Congress was meeting. This same collection was used again by our Founding Fathers in 1787, during the Constitutional Convention, and in 1791 by the Second Congress. When the first Congress of the United States convened in New York City's City Hall, our elected representatives utilized the New York Society's library of 4,000 volumes, which was located upstairs from where they were meeting.

It was not until the year 1800 that Congress first spent the public's money to acquire a much-needed library. In that year, as Congress was preparing to move from New York to Washington, DC, a bill appropriating $5,000 for the purchase of books and for the fitting up of a suitable apartment for containing them was passed.

In June 1800, the Secretary of the Senate and the Clerk of the House sent to London for 740 volumes on law, political science, and history.

Unfortunately, this collection was housed in the Capitol building, which the British burned on August 24, 1814, during the War of 1812.

The Library's current collection was born in that year, when President Thomas Jefferson offered to sell his personal library to Congress. Two years later, President Madison approved the legislation which acquired Jefferson's library for the Nation.

Being a man of letters, Jefferson's collection contained volumes of a myriad of topics—6,487 volumes in all, which were appraised at $23,950. Cicero's "Orations," Gibbon's "History of the Decline and Fall of the Roman Empire," Aristotle's "Politics," Knox's "History of the Reformation in Scotland," and Burke's "History of Virginia" were among his collection.

From this meager beginning, the Library grew such that by the 19th century, the Library had 50,000 volumes and was second only to Harvard University in size.

It was under the stewardship of Ainsworth Rand Spofford, whose tenure as Librarian extended from 1864 to 1897, that the Library truly began to expand. In 1870, Congress passed a copyright law that Spofford had supported, stipulating that "all records and other things relating to copyrights and required by law to be preserved, shall be under the control of the Librarian of Congress." As a result, anyone claiming a copyright on any book, map, chart, dramatic or musical composition, engraving, cut, print, or photograph was required to send two copies to the Librarian within 10 days of its publication.

As a result, in the next 25 years, the Library received: 371,636 books; 257,153 magazines; 289,617 pieces of music; 73,817 photographs; 95,249 prints; and 48,048 maps.

Needless to say, the collection soon outgrew its rooms in the Capitol. Wooden shelves were built in the corridors of the Capitol to store library materials; the Capitol attics were utilized; the crypt under the Capitol dome was appropriated.

In 1886, President Cleveland approved legislation to authorize the construction of a new building to house the Library of Congress. Con-

struction began in 1889 by the Army Corps of Engineers—and, I might add, they met all deadlines and brought the project in well under contract.

The Jefferson Building opened in 1897, but by 1935, was filled, and another annex—the Adams Building—was built. This too, became filled by 1965. The Madison Building, larger than the first two buildings combined, was constructed and opened in June 1980.

If Spofford's legacy was the acquisition of materials Herbert Putnam, a successor, transformed the Library into what we know today. During his 56-year tenure from 1899 to 1955, he founded a national program for the blind, invented a special classification system to fit what had become the largest library collection in the world, and began to print and sell the resulting catalog cards so that every library in the West could acquire them. He published bibliographies so that scholarly institutions could know what the Library had, and then built the largest interlibrary loan system in the country so that everyone could borrow the books; he designed a legislative reference service, the precursor to the Congressional Research Service that we know today; and he built the largest collection of oriental literature outside the Far East. He even convinced a donor to give five Stradivari violins and another donor to build an auditorium in which to play them, so that the sheet music in the Library's collection could be used.

By the time of Herbert Putman's resignation in 1955, the Library possessed almost 6 million volumes.

Mr. President, the Library of Congress is truly the cross patee in the crown of our Nation's research libraries. But there are numerous other gems as well, such as the New York Public Library, the Newberry Library in Chicago, the Huntington Library in San Marino, CA; the Massachusetts Historical Society in Boston, and the Virginia Historical Society in Richmond, as well as those research libraries affiliated with major universities such as Harvard.

Permit me to take just a few moments to discuss one of these institutions—the New York Public Library's research libraries—now composed of the Central Research Library on Fifth Avenue, the Performing Arts Research Center in Lincoln Center, the Schomburg Center for Research in Black Culture in Harlem; and the Annex. Founded in 1895, the research collection was formed out of the extensive libraries of John Jacob Astor and James Lenox, and the financial resources of the Samuel J. Tilden Trust. The City of New York then agreed to erect and maintain a building to house this unified reference library, which was completed in 1911.

Today, the Research Libraries of the New York Public Library contain more than 27 million noncirculating items in over 3,000 languages and dialects, covering almost every field of recorded knowledge.

The New York Public Library is the only public library in the United States to offer a research facility of such size, depth, and quality, and the only comprehensive research facility in the United States other than the Library of Congress that is freely accessible to the public. Since the turn of the century, the caliber of the New York Public Library has been compared to several of the great national libraries of the world—France's Bibliotheque Nationale, England's British Library, the Soviet Union's Lenin State Library, and of course, the Library of Congress—and rightly so.

Every year, some 1.5 million people use the New York Public Library, and more than 20 percent of these people are from outside New York City.

Such noted authors as Barbara Tuchman, E.L. Doctorow, and Norman Mailer have used the Research Libraries' collections. Steven Sondheim, a noted composer, often utilizes the Music Collection, which ranks second in this country only to that of the Library of Congress.

Unlike most university libraries, the Research Libraries usually acquire only a single copy of each item. I use the word "item" because of the 27 million pieces in the Research Libraries, only 6 million are actually books! The remainder includes newspapers, periodicals, pamphlets, manuscripts, archives, prints, maps, recordings, sheet music, photographs, videotapes, films, and miroforms—the raw materials of scholarly research.

In 1974, the New York Public Library became a founding member of the Research Libraries Group [RLG], a national consortium to undertake a coordinated program of collection development. The RLG has allowed the New York Public Library to make the best use of its resources by collecting comprehensively in the subject areas where it is already strong. The preeminence of the New York Public Library's collections is suggested by the fact that of the 315 subjects, languages, and geographic areas that have been designated by the RLG, the New York Public Library has accepted primary collecting responsibility for 65, most of which are in the Humanities.

The Research Libraries maintain a number of unique collections. For example, the Dance Collection is the world's largest and most varied archive devoted solely to collecting and preserving the literature and images of dance. Over 97 percent of the collection consists of nonbook material, such as drawings, programs, videotapes, and oral tap interviews. It is interesting to note that of all books published on dance in the last 15 years, 98 percent contain extensive credits to the Dance Collection.

The Research Libraries also contain extensive holdings of American newspapers—5,000 titles in over 24,000 bound volumes and nearly 90,000 reels of microfilm. This comprehensive collection contains many early American newspapers from the colonial and Revolutionary periods; the most complete file of Zenger's Weekly Journal, virtually complete files of most general newspapers published in New York City from 1801 to the present—many of which are in foreign languages—titles from all 50 States, and black-owned and edited papers of the 19th and 20th centures, includng the first, Freedom's Journal (1827-29).

The ship passenger lists maintained by the Research Libraries is the most important resources available to genealogists and historians seeking a record of immigrants who sailed from Europe to North America.

The Research Libraries' Schomburg Center is one of the world's premier collections of materials on black cultures and experience. This Center subscribes to 900 current periodicals from all over the world, and has over 5,000 hours of oral history recordings, over 150,000 photographs—some dating from the 1840's—and a collection of African and Afro-American art and artifacts which date back to the eighth century.

The Rare Books and Manuscripts Division contains over 20,000 linear feet of material, and is a major source of study of American history and culture. The "Petition of the American Congress to George III, 1775," Thomas Jefferson's handwritten draft of the "Declaration of Independence," one of seven known copies of the original Bill of Rights, and a draft of Washington's "Farewell Address"—written in his own hand—are among the treasures contained in this Division.

Mr. President, we should not let Gramm-Rudman-Hollings destroy these institutions.

On February 1, Congress and the public received official notification of the Gramm-Rudman-Hollings across-the-board cuts for fiscal year 1986. Daniel Boorstin, Librarian of Congress, learned that the 3.5-percent budget cuts for fiscal year 1986 were to be augmented by an additional 4.3-percent reduction under Gramm-Rudman-Hollings. As a result, in the current fiscal year, the Library of Congress will lose $18.3 million in funding. And more cuts can be expected in the future.

How will these losses affect our Library of Congress?

Drastically.

Access, as of March 9, has been greatly reduced. All Library buildings

are now closed on Sundays and holidays, and closed to the public at 5:30 each evening except Wednesday—shutting out those employed in the daytime and those from out of town who are unable to visit it during the work week. Many of you, I am sure, have read of those who have risked arrest to protect the earlier closing times.

The Library's work force is being reduced by almost 300 staff members—70 workers in the research services department alone.

Funds for the automation of Library services are being reduced by 6.8 percent—affecting the purchase of computer terminals, microprocessors, and software.

Preservation of the Library's current collection of microfilm, books, motion pictures, and documents is being curtailed.

Cataloging is being reduced by 25,000 books per year, or about 14 percent.

The budget for the purchase of books and Library materials is being cut by $626,000, affecting the purchase of new books of research value, serials, periodicals, microfilm, maps, and recordings. Gaps in the Library's present collection will not be filled, and the purchase of rare and unique materials will be minimal.

The National Library Service for the Blind and Physically Handicapped is being cut 12 percent, resulting in 80,000 fewer copies of braille and recorded magazines and 2,000 fewer braille book copies.

Funds for the Congressional Research Service are being cut by $1.7 million—a loss to every Member of this Congress.

The effects of Gramm-Rudman-Hollings on the Library of Congress—the library created by this body 186 years ago—are indeed severe because the Library is funded solely by the Federal Government. But our Nation's other research libraries are also suffering under Gramm-Rudman-Hollings.

Federal assistance to our research libraries—only a relatively modest $10 to $15 million annually to begin with—comes from three programs: First, the Research Libraries Program at the Department of Education; second, the Office of Preservation at the National Endowment for the Humanities; and third, National Endowment for the Humanities challenge grants provided to research libraries.

Although many of these libraries receive most of their support from private sources, Federal assistance is vital to their ability to fulfill important functions—such as the preservation of unique collections of benefit to the Nation as a whole. For example, the New York Public Library has used Federal funding to preserve and film its World War I collection—the outstanding such collection in the country.

Thus, for a relatively small expenditure, we are often able to preserve priceless collections and maintain excellence in research, collecting, and cataloging.

Congress should not let Gramm-Rudman-Hollings destroy the legacies of the Library of Congress and our Nation's other research libraries.

Augustine Birrell once said, "Libraries are not made, they grow." It took our ancestors almost two centuries to build the Library of Congress into what it is today, but it will not take long to destroy it. We must continue to nurture our Nation's research libraries, in spite of Gramm-Rudman-Hollings.

Let us then, heed the advice of John Adams: "Let us * * * cherish, therefore, the means of knowledge. Let us dare to read, think, speak, and write * * * Let every sluice of knowledge be opened and set a-flowing."

I urge my colleagues to support this legislation, and I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2276

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. EXEMPT PROGRAMS AND ACTIVITIES.

(a) EXEMPT ACCOUNTS.—Section 255(g)(1) of the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 905(g)(1)) is amended by inserting after the item relating to Intragovernmenal funds the following new items:

"Library of Congress, books for the blind and physically handicapped, salaries and expenses (03-0141-0-1-503);

"Library of Congress, collection and distribution of library materials (03-0144-0-1-503);

"Library of Congress, copyright office, salaries and expenses (03-0102-0-1-376);

"Library of Congress, salaries and expenses (03-0101-0-1-503);".

"Library of Congress, Congressional Research Service, salaries and expenses (03-0127-0-1-801);".

(b) EXEMPT PROGRAMS, PROJECTS, AND ACTIVITIES WITHIN ACCOUNTS.—

(1) Section 255(g) of such Act is further amended by adding at the end thereof the following new paragraph:

"(3) The following programs, projects, and activities within the specified budget accounts shall be exempt from reduction under any order issued under this part:

"Challenge funds, PPA No. 13, National Endowment for the Humanities, Grants and Administration (59-0200-0-1-503) provided to research libraries;

"Office of Preservation, PPA No. 10, National Endowment for the Humanities, Grants and Administration (59-0200-0-1-503); and

"Research Libraries, PPA No. 9, Department of Education, Libraries (91-0104-0-1-503).".

(2) Section 255(l) of such Act is amended by adding at the end the following new sentence: "For purposes of paragraph (3) of subsection (g), an exempt program, project, or activity within a budget account that is not exempt is identified by the program, project, activity (PPA) number given to it in Sequestration Order for Fiscal Year 1986, Message of the President, and Related Communications, February 4, 1986 (S. Doc. 99-24).".

(c) APPLICATION.—The amendments made by this section shall apply to fiscal years beginning after September 30, 1986.●

By Mr. QUAYLE:

S. 2277. A bill to amend the Fair Labor Standards Act of 1938 to exclude from sections 6, 7, and 12 of that act individuals of league baseball teams who serve as bat boys and bat girls; to the Committee on Labor and Human Resources.

EXCLUSION OF LEAGUE BAT BOYS AND BAT GIRLS FROM CERTAIN SECTION OF THE FAIR LABOR STANDARDS ACT

● Mr. QUAYLE. Mr. President, in the words of the immortal poem "* * * there is no joy in Mudville, mighty Casey has struck out." Or more prosaically, Secretary of Labor Brock has ruled that bat boys and girls are "employees" of the baseball teams, that they are "working," and that the teams that "hire" bat boys and girls are violating Federal child labor statutes if the bat boys and girls are under age 16, because Federal child labor laws prohibit "working" past 9 p.m. on summer evenings, and past 7 p.m. while school is in session. All Americans know ball games do not fit into those times.

In a letter to baseball commissioner Peter Ueberroth, Secretary of Labor William E. Brock recently admitted "* * * being a bat boy is a dream opportunity for many youngsters."

He's right. Baseball is the All-American sport but the dream of being a baseball star, of hitting that clutch home run, is now closed to those bat boys and girls who want to associate with the players of their home town teams.

That dream has been extinguished for children across the Nation. Kids are not going to get a chance to meet the players, nor play with the players, nor be a bat boy, because the Labor Department has struck out.

Now I am the first to say that young children should not hold jobs in dangerous professions, nor should they displace older workers, nor should they work long hours whether while school is in session, or when it is out. However, a bat boy is none of the above—it is an opportunity to have fun and share in reflected glory.

Mr. President, I remind you that Casey got another turn at bat—and so should my good friend the Secretary of Labor. I invite him, as well as all my colleagues to support S. 2277, a bill to amend the Fair Labor Standards Act to specifically permit boys and girls between 14 and 16 to volunteer to be bat or ball "boys" for a league team so

long as, while school is in session, they do not attend more than 2 games per week which last past 11 p.m. In the summertime, if a 14 or 15 year old wants to serve a league team as a bat or ball "boy", for home games, I think we should permit it.

Mr. President, baseball is first and foremost, a game. To adults it may be a serious game, but to youngsters, it is just a game—even when played by adults. Let's keep this dream alive. Let's permit young boys and girls to be bat boys and girls for their baseball teams.

I offer this bill for the baseball fans of this Nation. I offer this bill for the little leaguers of this Nation and for their parents who vicariously enjoy the experiences of their children. But most of all, I offer this bill for the dreamers, those kids for whom "being a bat boy is a dream opportunity".

Mr. President, I ask unanimous consent that the text of S. 2277 be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2277

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 13(d) of the Fair Labor Standards Act of 1938 is amended—

(1) by inserting "(1)" after the subsection designation; and

(2) by adding at the end thereof the following new paragraph:

"(2) The provisions of sections 6, 7, and 12 shall not apply with respect to any individual who serves a league baseball team as a bat boy or bat girl for the team if the individual—

"(A) has attained 14 years of age but not 16 years of age;

"(B) serves as a bat boy or bat girl not more than two nights per week; and

"(C) while school is in session, works not later than 11 post meridian.".●

By Mr. DODD (for himself, Mr. SPECTER, Mr. HART, and Mr. MOYNIHAN):

S. 2278. A bill to grant employees parental and temporary medical leave under certain circumstances, and for other purposes; to the Committee on Labor and Human Resources.

PARENTAL AND MEDICAL LEAVE ACT

Mr. DODD. Mr. President, today I am introducing a bill to establish something we have gone without in this country for far too long: Namely, a national policy on parental leave. The Parental and Medical Leave Act of 1986 would promote the economic security of families by providing for parental leave upon the birth, adoption, or serious illness of a child, and temporary medical leave when a serious health condition prevents a parent from working. I am pleased to have Senators SPECTER, HART, and MOYNIHAN join me as cosponsors of this important legislation.

Because such leave would be unpaid, it will not add to the deficit nor to the economic burdens carried by employers. Yet it will provide parents with continuing health benefits and a most important assurance: that of a job when they are ready to return to work. Similar legislation has been introduced on the House side by Representatives SCHROEDER and CLAY.

The critical need for a national policy on parental leave has been underscored by the Yale Bush Center in child development and social policy, in a project focusing on infant care leave policies here and abroad. As director Ed Zigler of the Yale Bush Center in my State of Connecticut has pointed out so well, the time has come when we can no longer ignore the changing demographics of our work force.

Today, close to half of all mothers with infants under 1 year of age work outside of the home. That figure has doubled since 1970 and shows no signs of abating. In fact, 85 percent of all women working outside of the home are likely to become pregnant at some point during their child-bearing years. As a result, child care for infants is the fastest growing, most expensive form of supplemental care in this country.

These percentages translate into a total today of 24 million children under age 13 with mothers working outside of the home. In a report entitled the Subtle Revolution," The Urban Institute predicts that over the next 5 years, an additional 5 million children will have mothers joining the labor force.

The reasons behind this demographic resolution are quite simple: Mothers are entering the work force out of economic necessity. Two out of every three women working outside of the home today are either the sole providers for their children or have husbands who earn less than $15,000 a year. In 1983, 25 percent of the married women in the work force had husbands earning less than $10,000; 50 percent under $20,000, and nearly 80 percent less than $30,000. In short, these women's wages are critical to the support of their families.

As founder and cochairman of the Senate Children's Caucus, I have heard and seen first-hand the adverse consequences of forcing parents to choose between their children and their jobs. One new parent took an unpaid leave from her job in a retail store, only to find when she returned after her 6 weeks checkup at the doctor's that she has been replaced by a new employee. Another parent had arranged to adopt a child under the condition that she stay at home with the child for 6 months. When her employer refused to grant her more than 2 weeks' leave, the agency turned down her request to become an adoptive parent. Unfortunately, the list of such cases appears endless in contrast to the comparatively small group of employees who are able to obtain leave to stay at home for a short time with a new child.

The United States is the only industrialized nation without a policy to guarantee parents who want to stay home temporarily with a new child that their jobs will be waiting for them when they are able to return to work. This is a most dubious distinction, given the importance of the economic security of families to the defense and over security of any nation. Our economic summit partners, Canada, France, Britain, Japan, West Germany, and Italy, have already recognized this connection between the economic security of families and national security. In having established national parental leave policies, they have more in common with the Soviet Union than they do with us. Likewise, a whole host of developing nations, including Haiti and the Philippines, have national policies on maternity leave firmly in place.

We know that children do not fare well when their parents undergo economic stress: children of the unemployed are three times more likely to suffer abuse than other children. Neither do children thrive when their parents are suffering from physical and emotional exhaustion in their efforts to work full-time and incorporate a new infant into the family.

In a survey of women in the New Haven area in my State of Connecticut, Yale researchers found that the vast majority of working mothers said they had to return to work sooner than they felt was suitable. They returned out of fear of losing their jobs, jobs their families depend upon.

Even though many physicians assert it takes a women 6 to 8 weeks to recover from a normal, safe delivery, the typical working mother returns to her job after 3 to 4 weeks. She returns before recovering fully from childbirth, let alone coping with the dramatic changes in finances, scheduling, and family relationships that go along with caring for a new infant.

The Pregnancy Discrimination Act of 1978 mandates that all serious health conditions related to pregnancy be treated like all other short-term serious health conditions. However, only five States have temporary disability insurance policies. Likewise, only half of all private employers offer short-term disability coverage to assist mothers recovering from a complicated delivery or fathers recuperating from surgery.

The Parental and Medical Leave Act of 1986 provides for up to 6 months of temporary medical leave for both mothers and fathers. Just as importantly, it provides for up to 4 months parental leave to give a mother or

father time to integrate a new child into the family or to care for a child who is seriously ill. Although such leave is unpaid, health benefits will be assured as will a job when the parent is ready to return to work.

In endeavoring to assist parents, we must not forget the plight of employers, especially small businessmen and women to whom a stable work force can mean the difference between failure and success. For this reason, my bill exempts small businesses with fewer than 15 employees. The legislation introduced in the House of Representatives exempts small businesses with fewer than five employees. The small business exemption is an issue which should be addressed in both Senate and House hearings.

Likewise, the provision allowing parents to take unpaid leave to care for a seriously ill child should be reviewed in hearings. The Senate bill would grant such leave in the case of serious illness until a child turns 18 years of age. The House bill would continue such leave for the parents of disabled, dependent daughters and sons over the age of 18. The need for economic, physical, and emotional security for families with adult sons and daughters with disabilities is a pressing problem and one which should be explored further.

In closing, Mr. President, the need for a national policy on parental leave is clear. I urge my colleagues to join me in sponsoring the Parental and Medical Leave Act of 1986. For if we are to assure a strong, healthy future for coming generations of Americans, caring for your child can no longer mean losing your job.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2278

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Parental and Medical Leave Act of 1986".

(b) TABLE OF CONTENTS.—

TITLE I—GENERAL REQUIREMENTS FOR PARENTAL AND TEMPORARY MEDICAL LEAVE
Sec. 101. Findings and purposes.
Sec. 102. Definitions.
Sec. 103. Parental leave requirement.
Sec. 104. Temporary medical leave requirement.
Sec. 105. Certification.
Sec. 106. Employment and benefits protection.
Sec. 107. Prohibited acts.
Sec. 108. Administrative enforcement.
Sec. 109. Enforcement by civil action.
Sec. 110. Investigative authority.
Sec. 111. Relief.
Sec. 112. Notice.
TITLE II—PARENTAL LEAVE AND TEMPORARY MEDICAL LEAVE FOR CIVIL SERVICE EMPLOYEES
Sec. 201. Parental and temporary medical leave.
TITLE III—ADVISORY PANEL ON PAID PARENTAL AND MEDICAL LEAVE
Sec. 301. Establishment.
Sec. 302. Duties.
Sec. 303. Membership.
Sec. 304. Compensation.
Sec. 305. Powers.
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TITLE I—GENERAL REQUIREMENTS FOR PARENTAL AND MEDICAL LEAVE

SEC. 101. FINDINGS AND PURPOSES.

(a) FINDINGS.—Congress finds that—

(1) the number of two-parent households in which both parents work and the number of single-parent households in which the single parent works are increasing significantly;

(2) it is important for the development of children and the family unit that fathers and mothers be able to participate in early childrearing and the care of children who have serious health conditions;

(3) the lack of employment policies to accommodate working parents forces many individuals to choose between job security and parenting; and

(4) there is inadequate job security for employees who have serious health conditions that prevent the employees from working for temporary periods.

(b) PURPOSES.—It is the purpose of this Act—

(1) to balance the demands of the workplace with the needs of families;

(2) to promote the economic security and stability of families; and

(3) to entitle employees to take reasonable leave for medical reasons, for the birth or adoption of a child, and for the care of a child who has a serious health condition, without the risk of termination or retaliation by employers.

SEC. 102. DEFINITIONS.

As used in this title:

(1) COMMERCE.—The terms "commerce" and "industry or activity affecting commerce" mean any activity, business, or industry in commerce or in which a labor dispute would hinder or obstruct commerce or the free flow of commerce, including "commerce" and any activity or industry "affecting commerce" within the meaning of the Labor Management Relations Act, 1947 (29 U.S.C 141 et seq.).

(2) EMPLOY.—The term "employ" has the same meaning given the term in section 3(g) of the Fair Labor Standards Act of 1938 (29 U.S.C. 203(g)).

(3) EMPLOYEE.—The term "employee" has the meaning given the term in section 3(e) of the Fair Labor Standards Act of 1938, except that—

(A) the term does not include any Federal officer or employee covered under subchapter III of chapter 63 of title 5, United States Code; and

(B) the term includes permanent part-time employees.

(4) EMPLOYER.—The term "employer"—

(A) means any person who employs 15 or more employees and is engaged in commerce or in any industry or activity affecting commerce;

(B) includes—

(i) any person who acts directly or indirectly in the interest of an employer to one or more employees; and

(ii) any successor in interest of such an employer; and

(C) includes any public agency, as defined in section 3(x) of the Fair Labor Standards Act of 1938 (29 U.S.C. 203(x)), except that employees of any such agency shall be considered employees engaged in "health condition" means an illness, injury, impairment, or physical or mental condition that involves—

(A) inpatient care in a hospital, hospice, or residential medicare care facility; or commerce.

(5) EMPLOYMENT BENEFITS.—The term "employment benefits" means all benefits provided or made available to employees by an employer, including group life insurance, health insurance, disability insurance, sick leave, annual leave, educational benefits, and pensions, regardless of whether the benefits are provided by a policy or practice of an employer or by an employee benefit plan as defined in section 3(3) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1002(1)).

(6) PERSON.—The term "person" has the same meaning given the term in section 3(a) of the Fair Labor Standards Act of 1938 (29 U.S.C. 203(a)).

(7) REDUCED LEAVE SCHEDULE.—The term "reduced leave schedule" means leave scheduled for fewer than the usual number of hours of an employee per workweek or hours per workday.

(8) SECRETARY.—The term "Secretary" means the Secretary of Labor.

(9) SERIOUS HEALTH CONDITION.—The term "serious health condition" means an illness, injury, impairment, or physical or mental condition that involves—

(A) inpatient care in a hospital, hospice, or residential medical care facility; or

(B) continuing treatment or continuing supervision by a health care provider.

(10) SON OR DAUGHTER.—The term "son or daughter" means a biological, adopted, or foster child, stepchild, legal ward, or child of a de facto parent, who is under 18 years of age.

(11) STATE.—The term "State" has the same meaning given the term in section 3(c) of the Fair Labor Standards Act of 1938 (29 U.S.C. 203(c)).

SEC. 103. PARENTAL LEAVE REQUIREMENT.

(a) IN GENERAL.—(1) An employee shall be entitled to 18 workweeks of parental leave during any 24-month period—

(A) as the result of the birth of a son or daughter of the employee;

(B) as the result of the placement, for adoption or foster care, of a son or daughter with the employee; or

(C) in order to care for the employee's son or daughter who has a serious health condition.

(2) The leave may be taken on a reduced leave schedule. Under the schedule—

(A) the total period during which the 18 workweeks may be taken may not exceed 36 consecutive workweeks; and

(B) the leave shall be scheduled so as not to disrupt unduly the operations of the employer.

(3) In the case of a child who has a serious health condition, the leave may be taken intermittently when medically necessary.

(b) UNPAID LEAVE PERMITTED.—Except as provided in subsection (c), leave granted under subsection (a) may consist of unpaid leave.

(c) RELATIONSHIP TO PAID LEAVE.—(1) If an employer provides paid parental leave for fewer than 18 weeks, the additional weeks of leave added to attain the 18-week total may be unpaid.

(2) An employee may elect to substitute any accrued paid vacation leave, personal leave, or other appropriate paid leave for any part of the 18-week period.

SEC. 104. TEMPORARY MEDICAL LEAVE REQUIREMENT.

(a) IN GENERAL.—(1) Any employee who, as the result of a serious health condition, becomes unable to perform the functions of the position of the employee, shall be entitled to temporary medical leave. The entitlement shall continue for as long as the employee is unable to perform the functions, except that the leave shall not exceed 26 workweeks during any 12-month period.

(2) The leave may be taken intermittently when medically necessary.

(b) UNPAID LEAVE PERMITTED.—Except as provided in subsection (c), leave granted under subsection (a) may consist of unpaid leave.

(c) RELATIONSHIP TO PAID LEAVE.—(1) If an employer provides paid temporary medical leave or paid sick leave for fewer than 26 weeks, the additional weeks of leave added to attain the 26-week total may be unpaid.

(2) An employee may elect to substitute accrued paid vacation leave, sick leave, or other appropriate paid leave for any part of the 26-week period.

SEC. 105. CERTIFICATION.

(a) IN GENERAL.—An employer may require that a claim for parental leave under section 103(a)(1)(C), or temporary medical leave under section 104, be supported by certification issued by—

(1) the duly licensed health care provider of the son, daughter, or employee, whichever is appropriate; or

(2) any other health care provider determined by the Secretary to be capable of providing adequate certification.

(b) SUFFICIENT CERTIFICATION.—The certification shall be considered sufficient if it states—

(1) the date on which the serious health condition commenced;

(2) the probable duration of the condition; and

(3) the medical facts within the knowledge of the provider regarding the condition.

SEC. 106. EMPLOYMENT AND BENEFITS PROTECTION.

(a) RESTORATION TO POSITION.—(1) Any employee who exercises any right provided under section 103 or 104 shall be entitled, on return from the leave—

(A) to be restored by the employer to the position held by the employee when the leave commenced; or

(B) to be restored to a position with equivalent status, benefits, pay, and other terms and conditions of employment.

(2) The taking of leave under this title shall not result in the loss of any benefit accrued before the date on which the leave commenced.

(3) Except as provided in subsection (b), nothing in this section shall be considered to entitle any restored employee to—

(A) the accrual of any seniority or benefits during any period of leave; or

(B) any right or benefit other than any right or benefit to which the employee would have been entitled had the employee not taken the leave.

(b) MAINTENANCE OF HEALTH BENEFITS.—During any period of leave taken under section 103 or 104, health benefits of an employee shall be maintained for the duration of the leave at the level at which the benefits would have been maintained if the employee had continued in employment continuously from the date the employee commenced the leave until the date the employee is restored under subsection (a).

SEC. 107. PROHIBITED ACTS.

(a) INTERFERENCE WITH RIGHTS.—(1) It shall be unlawful for any employer to interfere with, restrain, or deny the exercise of or the attempt to exercise, any right provided under this title.

(2) It shall be unlawful for any employer to discharge or in any other manner discriminate against any individual for opposing any practice made unlawful by this title.

(b) INTERFERENCE WITH PROCEEDINGS OR INQUIRIES.—It shall be unlawful for any person to discharge or in any other manner discriminate against any individual because the individual—

(1) has filed any charge, or has instituted or caused to be instituted any proceeding, under or related to this title;

(2) has given or is about to give any information in connection with any inquiry or proceeding relating to any right provided under this title; or

(3) has testified or is about to testify in any inquiry or proceeding relating to any right provided under this title.

SEC. 108. ADMINISTRATIVE ENFORCEMENT.

(a) IN GENERAL.—The Secretary shall issue such rules and regulations as are necessary to carry out this section, including rules and regulations concerning service of complaints, notice of hearings, answers and amendments to complaints, and copies of orders and records of proceedings.

(b) CHARGES.—(1) Any person (or person, including a class or organization, on behalf of any person) alleging an act that violates this title may file a charge respecting the violation with the Secretary. Charges shall be in such form and contain such information as the Secretary shall require by regulation.

(2) The Secretary shall serve a notice of the charge on the person charged with the violation not more than 10 days after the Secretary receives the charge.

(3) A charge may not be filed more than 1 year after the last event constituting the alleged violation.

(c) INVESTIGATION; COMPLAINT.—(1) Within the 60-day period after the Secretary receives any charge, the Secretary shall investigate the charge and issue a complaint based on the charge or dismiss the charge.

(2) If the Secretary determines that there is a reasonable basis for the charge, the Secretary shall issue a complaint based on the charge and promptly notify the charging party and the respondent as to the issuance.

(3) If the Secretary determines that there is no reasonable basis for the charge, the Secretary shall dismiss the charge and promptly notify the charging party and the respondent as to the dismissal.

(4) The charging party and the respondent may enter into a settlement agreement concerning the violation alleged in the charge. To be effective such an agreement must be determined by the Secretary to be consistent with this title.

(5) On the issuance of a complaint, the Secretary and the respondent may enter into a settlement agreement concerning a violation alleged in the complaint, except that any such settlement may not be entered into over the objection of the charging party.

(6) If, within the 60-day period referred to in paragraph (1), the Secretary—

(A) has not issued a complaint under paragraph (2);

(B) has dismissed the charge under paragraph (3); or

(C) has not approved or entered into a settlement agreement under paragraph (4) or (5),

the charging party may bring a civil action under section 109.

(7) The Secretary may issue and serve a complaint alleging a violation of this title on the basis of information and evidence gathered as a result of an investigation initiated by the Secretary pursuant to section 110.

(8) On issuance of a complaint, the Secretary shall have the power to petition the United States district court for the district in which the violation is alleged to have occurred, or in which the respondent resides or transacts business, for appropriate temporary relief or a restraining order. On the filing of any such petition, the court shall cause notice of the petition to be served on the respondent. The court shall have jurisdiction to grant to the Secretary such temporary relief or restraining order as the court considers just and proper.

(d) RIGHTS OF PARTIES.—(1) In any case in which a complaint is issued under subsection (b), the Secretary shall, not less than 5 days and not more than 30 days after the complaint is issued, cause to be served on the respondent a copy of the complaint.

(2) Any person filing a charge alleging a violation of this title may elect to be a full party to any complaint filed by the Secretary alleging the violation. The election must be made before the commencement of a hearing.

(e) CONDUCT OF HEARING.—(1) The Secretary shall prosecute any complaint issued under subsection (b).

(2) An administrative law judge shall conduct a hearing on the record with respect to a complaint issued under this title. The hearing shall be conducted in accordance with sections 554, 555, and 556 of title 5, United States Code, and shall be commenced within 60 days after the issuance of the complaint.

(f) FINDINGS AND CONCLUSIONS.—(1) After a hearing is conducted under this section, the administrative law judge shall promptly make findings of fact and conclusions of law, and, if appropriate, issue an order for relief as provided in section 111.

(2) The administrative law judge shall inform the parties, in writing, of the reason for any delay in making the findings and conclusions if the findings and conclusions are not made within 60 days after the conclusion of the hearing.

(g) FINALITY OF DECISION; REVIEW.—(1) The decision and order of the administrative law judge shall become the final decision and order of the Secretary unless, on appeal by an aggrieved party taken not more than 30 days after the action, the Secretary modifies or vacates the decision, in which case the decision of the Secretary shall be the final decision.

(2) Not later than 60 days after the entry of the final order, any person aggrieved by the final order may obtain a review of the order in the United States court of appeals for the circuit in which the violation is al-

leged to have occurred or in which the employer resides or transacts business.

(3) On the filing of the record with the court, the jurisdiction of the court shall be exclusive and its judgment shall be final, except that the same shall be subject to review by the Supreme Court of the United States on writ of certiorari or certification as provided in section 1254 of title 28, United States Code.

(h) COURT ENFORCEMENT OF ADMINISTRATIVE ORDERS.—(1) If a respondent does not appeal an order of an administrative law judge under subsection (g)(2), the Secretary may petition the United States district court for the district in which the violation is alleged to have occurred, or in which the respondent resides or transacts business, for the enforcement of the order of the administrative law judge, by filing in the court a written petition praying that the order be enforced.

(2) On the filing of the petition, the court shall have jurisdiction to make and enter a decree enforcing the order of the administrative law judge. In the proceeding, the order of the administrative law judge shall not be subject to review.

(3) If, on appeal of an order under subsection (g)(2), the United States court of appeals does not reverse or modify the order, the court shall have the jurisdiction to make and enter a decree enforcing the order of the administrative law judge.

SEC. 109. ENFORCEMENT BY CIVIL ACTION.

(a) RIGHT TO BRING CIVIL ACTION.—(1) Subject to the limitations in this section, an employee or the Secretary may bring a civil action against any employer to enforce this title in any appropriate court of the United States or in any State court of competent jurisdiction.

(2) A civil action may be commenced under this subsection without regard to whether a charge has been filed under section 108(b).

(3) No civil action may be commenced under paragraph (1) if the Secretary—

(A) has approved a settlement agreement under section 108(c)(4), in which case no civil action may be filed under this subsection if the action is based on a violation alleged in the charge and resolved by the agreement; or

(B) has issued a complaint under section 108(c)(2) or 108(c)(7), in which case no civil action may be filed under this subsection if the action is based on a violation alleged in the complaint.

(4) Notwithstanding paragraph (3)(A), a civil action may be commenced to enforce the terms of any such settlement agreement.

(5)(A) Except as provided in subparagraph (B), no civil action may be commenced more than 1 year after the date on which the alleged violation occurred.

(B) In any case in which—

(i) a timely charge is filed under section 108(b); and

(ii) the failure of the Secretary to issue a complaint or enter into a settlement agreement based on the charge (as provided under section 108(c)(6)) occurs more than 11 months after the date on which any alleged violation occurred,

the employee may commence a civil action not more than 30 days after the date on which the employee is notified of the failure.

(6) The Secretary may not bring a civil action against any agency of the United States.

(b) VENUE.—An action brought under subsection (a) in a district court of the United States may be brought—

(1) in any appropriate judicial district under section 1391 of title 28, United States Code; or

(2) in the judicial district in the State in which—

(A) the employment records relevant to the violation are maintained and administered; or

(B) the aggrieved person worked or would have worked but for the alleged violation.

(c) NOTIFICATION OF THE SECRETARY; RIGHT TO INTERVENE.—A copy of the complaint in any action brought by an employee under subsection (a) shall be served on the Secretary by certified mail. The Secretary shall have the right to intervene in a civil action brought by an employee under subsection (a).

(d) ATTORNEYS FOR THE SECRETARY.—In any civil action brought under subsection (a), attorneys appointed by the Secretary may appear for and represent the Secretary, except that the Attorney General and the Solicitor General shall conduct any litigation in the Supreme Court.

SEC. 110. INVESTIGATIVE AUTHORITY.

(a) IN GENERAL.—To ensure compliance with this title, or any regulation or order issued under this title, subject to subsection (c), the Secretary shall have the investigative authority provided under section 11(a) of the Fair Labor Standards Act of 1938 (29 U.S.C. 211(a)).

(b) OBLIGATION TO KEEP AND PRESERVE RECORDS.—An employer shall keep and preserve records in accordance with section 11(c) of such Act.

(c) REQUIRED SUBMISSIONS GENERALLY LIMITED TO AN ANNUAL BASIS.—The Secretary may not under this section require any employer or any plan, fund, or program to submit to the Secretary any books or records more than once in any 12-month period, unless the Secretary has reasonable cause to believe there may exist a violation of this title or any regulation or order issued pursuant to this title, or is investigating a charge brought pursuant to section 108.

(d) SUBPOENA POWERS, ETC.—For purposes of any investigation conducted under this section, the Secretary shall have the subpoena authority provided under section 9 of the Fair Labor Standards Act of 1938 (29 U.S.C. 209).

(e) DISSEMINATION OF INFORMATION.—The Secretary may make available to any person substantially affected by any matter that is the subject of an investigation under this section, and to any department or agency of the United States, information concerning any matter that may be the subject of the investigation.

SEC. 111. RELIEF.

(a) INJUNCTIVE RELIEF.—(1) On finding a violation under section 108 by a person, an administrative law judge shall issue an order requiring the person to cease and desist from any act or practice that violates this title.

(2) In any civil action brought under section 109, a court may grant as relief any permanent or temporary injunction, temporary restraining order, or other equitable relief as the court considers appropriate.

(b) MONETARY DAMAGES.—Any employer that violates this title shall be liable to the injured party in an amount equal to—

(1) any wages, salary, employment benefits, or other compensation denied or lost to the employee by reason of the violation, plus interest on the total monetary damages calculated at the prevailing rate; and

(2) an additional amount equal to the greater of—

(A) the amount determined under paragraph (1), as liquidated damages; or

(B) general or consequential damages.

(c) ATTORNEYS' FEES.—A prevailing party (other than the United States) may be awarded a reasonable attorneys' fee as part of the costs, in addition to any relief awarded. The United States shall be liable for costs in the same manner as a private person.

(d) LIMITATION.—Damages awarded under subsection (b) may not accrue from a date more than 2 years before the date on which a charge is filed under section 108(b) or a civil action is brought under section 109.

SEC. 112. NOTICE.

(a) IN GENERAL.—Each employer shall post and keep posted, in conspicuous places on the premises of the employer where notices to employees and applicants for employment are customarily posted, a notice, approved by the Secretary, setting forth excerpts from, or summaries of, the pertinent provisions of this title and information pertaining to the filing of a charge.

(b) PENALTY.—Any employer who willfully violates this section shall be fined not more than $100 for each separate offense.

TITLE II—PARENTAL LEAVE AND TEMPORARY MEDICAL LEAVE FOR CIVIL SERVICE EMPLOYEES

SEC. 201. PARENTAL AND TEMPORARY MEDICAL LEAVE.

(a) IN GENERAL.—(1) Chapter 63 of title 5, United States Code, is amended by adding at the end thereof the following new subchapter:

"SUBCHAPTER III—PARENTAL AND TEMPORARY MEDICAL LEAVE

"§ 6331. Definitions

"For purposes of this subchapter:

"(1) 'employee' means—

"(A) an employee as defined by section 6301(2) of this title (excluding an individual employed by the government of the District of Columbia); and

"(B) an individual under clause (v) or (ix) of such section;

whose employment is other than on a temporary or intermittent basis;

"(2) 'serious health condition' means an illness, injury, impairment, or physical or mental condition that involves—

"(A) inpatient care in a hospital, hospice, or residential medical care facility; or

"(B) continuing treatment, or continuing supervision, by a health care provider; and

"(3) 'child' means a biological, adopted, or foster child, stepchild, legal ward, or child of a de facto parent, who is under 18 years of age.

"§ 6332. Parental leave

"(a) Leave under this section shall be granted on the request of an employee if the leave is requested—

"(1) as the result of the birth of a child of the employee;

"(2) as the result of the placement for adoption or foster care of a child with the employee; or

"(3) in order to care for employee's child who has a serious health condition.

"(b) Leave under this section—

"(1) shall be leave without pay;

"(2) may not, in the aggregate, exceed the equivalent of 18 administrative workweeks

of the employee during any 24-month period; and

"(3) shall be in addition to any annual leave, sick leave, temporary medical leave, or other leave or compensatory time off otherwise available to the employee.

"(c) An employee may elect to use leave under this section—

"(1) immediately before or after (or otherwise in coordination with) any period of annual leave, or compensatory time off, otherwise available to the employee;

"(2) under a method involving a reduced workday, a reduced workweek, or other alternative work schedule;

"(3) on either a continuing or intermittent basis; or

"(4) any combination thereof.

"§ 6333. Temporary medical leave

"(a) An employee who, because of a serious health condition, becomes unable to perform the functions of the position of the employee shall, on request of the employee, be entitled to leave under this section.

"(b) Leave under this section—

"(1) shall be leave without pay;

"(2) shall be available for the duration of the serious health condition of the employee involved, but may not, in the aggregate, exceed the equivalent of 26 administrative workweeks of the employee during any 12-month period; and

"(3) shall be in addition to any annual leave, sick leave, parental leave, or other leave or compensatory time off otherwise available to the employee.

"(c) An employee may elect to use leave under this section—

"(1) immediately before or after (or otherwise in coordination with) any period of annual leave, sick leave, or compensatory time off otherwise available to the employee;

"(2) under a method involving a reduced workday, a reduced workweek, or other alternative work schedule;

"(3) on either a continuing or intermittent basis; or

"(4) any combination thereof.

"§ 6334. Job protection

"An employee who uses leave under section 6332 or 6333 of this title shall be entitled to be restored to the position held by the employee immediately before the commencement of the leave.

"§ 6335. Prohibition of coercion

"(a) An employee may not directly or indirectly intimidate, threaten, or coerce, or attempt to intimidate, threaten, or coerce, any other employee for the purpose of interfering with the exercise of the rights of the employee under this subchapter.

"(b) For the purpose of this section, 'intimidate, threaten, or coerce' includes promising to confer or conferring any benefit (such as appointment, promotion, or compensation), or taking or threatening to take any reprisal (such as deprivation of appointment, promotion, or compensation).

"§ 6336. Health insurance

"An employee enrolled in a health benefits plan under chapter 89 of this title who is placed in a leave status under section 6332 or 6333 of this title may elect to continue the health benefits enrollment of the employee while in leave status and arrange to pay into the Employees Health Benefits Fund (described in section 8909 of this title), through the employing agency of the employee, the appropriate employee contributions.

"§ 6337. Regulations

"The Office of Personnel Management shall prescribe regulations necessary for the administration of this subchapter. The regulations prescribed under this subchapter shall be consistent with the regulations prescribed by the Secretary of Labor under title I of the Parental and Medical Leave Act of 1986.".

(2) The table of contents for chapter 63 of title 5, United States Code, is amended by adding at the end thereof the following:

"SUBCHAPTER III—PARENTAL AND TEMPORARY MEDICAL LEAVE

"6331. Definitions.
"6332. Parental leave.
"6333. Temporary medical leave.
"6334. Job protection.
"6335. Prohibition of coercion.
"6336. Health insurance.
"6337. Regulations.".

(b) EMPLOYEES PAID FROM NONAPPROPRIATED FUNDS.—Section 2105(c)(1) of title 5, United States Code, is amended by striking out "53" and inserting in lieu thereof "53, subchapter III of chapter 63,".

TITLE III—ADVISORY PANEL ON PAID PARENTAL AND MEDICAL LEAVE

SEC. 301. ESTABLISHMENT.

(a) ESTABLISHMENT.—There is established an Advisory Panel to be known as the Advisory Panel on Paid Parental and Medical Leave (hereinafter in this title referred to as the "Panel").

SEC. 302. DUTIES.

The Panel shall—

(1) compile and review, to the extent practicable, all studies of existing and proposed methods designed to provide workers with full or partial salary replacement or other income protection during periods of temporary medical leave, parental leave, and leave for care of dependents;

(2) conduct, where it deems appropriate, research activities;

(3) within 2 years after the date on which the Panel first meets, submit a report to Congress, including legislative recommendations concerning implementation of a system of salary replacement for temporary medical leave and parental leave.

SEC. 303. MEMBERSHIP.

(a) COMPOSITION.—The Panel shall be composed of 15 members appointed not more than 60 days after the date of the enactment of this Act as follows:

(1) Three Senators shall be appointed by the majority leader of the Senate, in consultation with the minority leader of the Senate.

(2) Three members of the House of Representatives shall be appointed by the Speaker of the House of Representatives, in consultation with the minority leader of the House of Representatives.

(3) The Secretary of Health and Human Services.

(4) The Secretary of Labor.

(5) Seven members shall be appointed jointly by the majority leader of the Senate and the Speaker of the House of Representatives. The members shall be appointed by virtue of demonstrated expertise in relevant family and temporary disability issues.

(b) VACANCIES.—Any vacancy on the Panel shall be filled in the same manner in which the original appointment was made.

(c) CHAIRPERSON AND VICE CHAIRPERSON.—The Panel shall elect a chairperson and a vice-chairperson from among the members of the Panel.

(d) QUORUM.—Eight members of the Panel shall constitute a quorum for all purposes, except that a lesser number may constitute a quorum for the purpose of holding hearings.

SEC. 304. COMPENSATION.

(a) PAY.—Members of the Panel shall serve without compensation.

(b) TRAVEL EXPENSES.—Members of the Panel shall be allowed reasonable travel expenses, including a per diem allowance, in accordance with section 5703 of title 5, United States Code, while performing duties of the Panel.

SEC. 305. POWERS.

(a) MEETINGS.—The Panel shall first meet not more than 30 days after the date by which all members are appointed. The Panel shall meet thereafter on the call of the chairperson or a majority of the members.

(b) HEARINGS AND SESSIONS.—The Panel may hold such hearings, sit and act at such times and places, take such testimony, and receive such evidence as the Panel considers appropriate. The Panel may administer oaths or affirmations to witnesses appearing before the Panel.

(c) ACCESS TO INFORMATION.—The Panel may secure directly from any Federal agency information necessary to enable the Panel to carry out this Act. On the request of the chairperson or vice chairperson of the Panel, the head of the agency shall furnish the information to the Panel.

(d) DIRECTOR.—The Panel may appoint an Executive Director from the personnel of any Federal agency to assist the Panel in carrying out the duties of the Panel.

(e) USE OF SERVICES AND FACILITIES.—On the request of the Panel, the head of any Federal agency may make available to the Panel any of the facilities and services of the agency.

(f) PERSONNEL FROM OTHER AGENCIES.—On the request of the Panel, the head of any Federal agency may detail any of the personnel of the agency to assist the Panel in carrying out the duties of the Panel.

SEC. 306. TERMINATION.

The Panel shall terminate 30 days after the date of the submission of the final report of the Panel to Congress.

TITLE IV—MISCELLANEOUS PROVISIONS

SEC. 401. EFFECT ON OTHER LAWS.

(a) FEDERAL LAWS.—Nothing in this Act shall be construed to modify or affect any Federal law prohibiting discrimination on the basis of race, religion, color, national origin, sex, age, or handicapped status.

(b) STATE AND LOCAL LAWS.—Nothing in this Act shall be construed to supersede any provision of any State and local law that provides greater employee parental or medical leave rights than the rights established under this Act.

SEC. 402. EFFECT ON EXISTING EMPLOYMENT BENEFITS.

(a) MORE PROTECTIVE.—Nothing in this Act shall be construed to diminish the obligation of an employer to comply with any collective-bargaining agreement or any employment benefit program or plan that provides greater parental and medical leave rights to employees than the rights provided under this Act.

(b) LESS PROTECTIVE.—The rights provided to employees under this Act may not be diminished by any collective bargaining agreement or any employment benefit program or plan.

SEC. 403. REGULATIONS.

The Secretary shall prescribe such regulations as are necessary to carry out title I.

SEC. 404. EFFECTIVE DATES.

(a) IN GENERAL.—Titles I, II, and IV, and the amendments made by title II, shall become effective 6 months after the date of enactment of this Act.

(b) ADVISORY PANEL.—Title III shall become effective on the date of enactment of this Act.

● Mr. HART. Mr. President, I am pleased to join Senator DODD in introducing a bill that is truly profamily—the Parental and Medical Leave Act of 1986.

This legislation recognizes the economic and social realities of today. Economic changes have brought many parents of young children into the work force out of financial necessity. Shifts in social attitudes, too, have encouraged large numbers of women to enter into employment outside the home.

These phenomena have caused ripples throughout our society, but no institution has been more strongly affected than our families. Mothers holding jobs outside the home now outnumber mothers working in the home. Most children no longer can expect to receive full-time care from a parent; many young children are lucky to receive full-time care from any adult.

The purpose of the Parental and Medical Leave Act is to promote the stability and economic security of families by allowing up to 26 weeks of unpaid leave to employees with a serious health condition or upon the birth, adoption, or serious illness of a child. These Federal guidelines will clarify parental child care policy which, up to now, has been the subject of a confusing hodgepodge of State laws.

It is high time that our country establish a national parental child care policy. Every industrialized country except the United States provides some period of leave for new parents. Indeed, most provide benefits equal to 100 percent of wages during such periods. The emergence of the modern American family calls for a Federal policy that encourages workplaces to adapt to the needs of families.

The needs of young children have changed little over the last several decades: day after day, their most basic need is for care and nurturing. The needs of many parents, on the other hand, have changed drastically. The number of single-parent households and two-parent households in which the single parent or both parents are working has increased sharply.

Now, half the mothers of children under 3 are in the work force, compared with a third a decade ago. For mothers of children aged 3 to 5, that proportion increased from 45 to 60 percent over the last 10 years. And most working mothers are employed full time: from 67 percent of those with children under 3 to 77 percent of those with children aged 14 to 17.

Not only have large numbers of women entered the full-time work force but, as well, they are increasingly responsible for providing or contributing to family income. More and more two wage-earner families rely on contributions from both spouses: 27 percent of married working women have husbands who earn less than $10,000; 41 percent have husbands who earn less than $15,000.

Changes in workplace practices are needed to accommodate a work force that is increasingly composed of working parents. Too often, workers have had to choose between job security and their parental responsibilities. Mothers and fathers should be given the opportunity to participate in early childrearing and to care for their children when they are seriously ill.

The Parental and Medical Leave Act would balance the demands of the workplace with the needs of families. Under the act, an employee is entitled to 18 weeks of unpaid leave per year upon the birth, adoption, or serious illness of a child. As well, an employee who is unable to perform a job because of a serious health condition, including pregnancy, is provided 26 weeks of unpaid leave.

On return from leave, a worker is entitled to be restored to his or her previous position, or a comparable position, without loss of seniority or other benefits. The act applies to employees in all sectors of government and to most workers in the private sector.

The Parental and Medical Leave Act of 1986 establishes necessary and innovative Federal policy. It's necessary because our children are our future—they must grow up with the care and security that only parents can provide. And it's innovative because, for the first time, both fathers and mothers can take temporary leave, with job security, during the critical times in their children's lives which require a parent's at-home care. Most important, it promotes family stability—the core of a stable society—during a time of economic, technological, and social change.

The comapanion measure has been developed and introduced by Representative PAT SCHROEDER and several other Members of the House. My colleague from Colorado and Senator DODD deserve our forward-looking legislation.●

● Mr. MOYNIHAN. Mr. President, I rise today to join my distinguished colleagues Senators DODD, HART, and SPECTER in introducing the Parental and Medical Leave Act of 1986. A similar version of this important legislation was recently offered in the House of Representatives, where it is cosponsored by 40 Members.

The purpose of this bill could not be more straightforward: to promote the security of the American family by providing job protection for parents who must temporarily leave their jobs due to the birth, adoption, or serious illness of a child, or who are temporarily unable to work because of a disabling health condition.

Under the Parental and Medical Leave Act, all employers would be required to provide a minimum of 18 weeks leave for any parent—mother or father—who chooses to stay home to care for a newborn, newly adopted, or seriously ill child, with reinstatement to the same or equivalent job upon his or her return. An employer would not be required to pay the absent employee, but would have to maintain preleave benefits, including health insurance coverage, during the employee's absence. In addition, employees would be entitled to a minimum of 26 weeks leave for an inability to work due to non-job-related, short-term disability; employees could return to the same or equivalent job thereafter. All employers—except those with fewer than 15 employees—would be bound to the provisions of this bill.

Legislation like that being proposed today is vital, and the need for these parental protections continues to grow. For as the composition of the work force has become increasingly populated by women and parents of younger and younger children, the American workplace has not adequately met their changing needs. Since the late 1940's, the number of women entering the American work force has increased by over 170 percent. By 1984, according to data published by the Bureau of Labor Statistics, nearly 4½ million mothers with children under 3 were employed, or actively seeking employment. Of these, fully half had infants under 1 year of age. Professors Sheila Kamerman and Alfred Kahn of Columbia University, offer some interesting data on this point. They report that 80 percent of women in the work force today are of childbearing age, and that 93 percent of these women will become pregnant during their working lives. Thus, three out of four working women will become pregnant at some point in their working lives.

In the face of such facts, there is no longer any excuse for our failure to establish a Federal policy on child care leave for working parents. Currently, only five States in the Nation mandate job leave for employees with temporary disabilities, including those related to childbirth. Many employers voluntarily offer paid and unpaid leave to their pregnant employees. Yet such leave is usually granted for only 1 or 2 months—generally insufficient time for a new mother to adapt to the arrival of an infant, or to care for a seriously ill child.

I, for one, believe that it is now time to acknowledge the needs of working parents. By failing to recognize the competing demands on them, we have neglected millions of mothers and fathers who face both employment and family responsibilities. The Parental and Medical Leave Act of 1986 is the first step in addressing the needs of many workers who have had to choose between job security and family obligations. I trust our colleagues in the Senate will agree, and will join us to assure the passage of this important piece of legislation in the 99th Congress.●

By Mr. HEINZ:

S. 2279. A bill to improve the administration of the Temporary Emergency Food Assistance Program and to reestablish food bank special nutrition projects, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

FOOD ASSISTANCE IMPROVEMENT ACT

● Mr. HEINZ. Mr. President, the farm bill which the President recently signed into law reauthorized the Temporary Emergency Food Assistance Program [TEFAP] for another 2 years. TEFAP is now over 4 years old, and we have yet to create sufficient guidelines and reporting requirements for effectively administering it. The result, Mr. President, has been wasted food and frequent mishandling of the program.

Throughout 1984 and 1985 the General Accounting Office [GAO] examined State administration of the TEFAP Program. It found many problems, some of which denied needy families access to commodities and others which resulted in wasted or spoiled foodstuffs. My purpose in bringing legislation before the Senate today is not to blame the Department of Agriculture [USDA] or any of the States. My purpose is to bring the States and USDA closer together in jointly administering and monitoring a program which is extremely important to low-income Americans.

GAO found that the temporary nature of TEFAP resulted in improper inventory management—the warehousing and handling of surplus commodities—at the State and local level. GAO also found that USDA's Food and Nutrition Service needed to improve its oversight of State programs. The legislation I am introducing today will accomplish these goals and open up a highly efficient, supplemental system of distribution through the Nation's network of regional food banks.

Section 1 of my legislation would require additional reporting procedures and the creation of an annual plan by the States demonstrating their ability to account for and move commodities through emergency feeding organizations. Section 2 would create a special nutrition program to supplement TEFAP distribution by reopening the Food Bank Demonstration Program. The USDA ran this program as a demonstration project 2 years ago. Although authority for the program never expired, USDA stopped running it after only 1 year, despite a successful progress report. My bill would reactivate the program and allow food banks to again distribute commodities through their network of emergency feeding organizations.

The difficulties raised by the GAO study clearly call for efficient and carefully monitored distribution of surplus USDA commodities. My legislation would accomplish this goal without adding further costs to the program, indeed it may help stretch existing dollars still further.

Mr. President, I ask unanimous consent that a section-by-section analysis of this legislation and the bill itself appear at the conclusion of my remarks. I urge all my colleagues will join me as cosponsor of this sensible, cost-effective solution to a problem which is denying citizens access to desperately needed foodstuffs.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 2279

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. TEMPORARY EMERGENCY FOOD ASSISTANCE PROGRAM.

(a) ANNUAL PLANS.—Section 203B of the Temporary Emergency Food Assistance Act of 1983 (7 U.S.C. 612c note) is amended by adding at the end thereof the following new subsection:

"(d) Each State shall submit to the Secretary an annual plan for the distribution of commodities made available to the agency under this Act, including plans for the provision of technical assistance and training to eligible recipient agencies (in accordance with regulations issued by the Secretary).".

"(b) QUARTERLY REPORTS.—Section 203B of such Act (as amended by subsection (a)) is amended by adding at the end thereof the following new subsection:

"(e) Each State shall submit to the Secretary a quarterly report that includes—

"(1) an inventory of commodities made available to the agency under this Act;

"(2) a description of the allocation of the commodities to, and acceptance of the commodities by, the agency;

"(3) a comparison of the amount of the commodities distributed to the State agency and the amount of the commodities distributed by the State agency to eligible recipient agencies and needy persons; and

"(4) such other matters as the Secretary considers appropriate.".

(c) STORAGE, DISTRIBUTION, AND LOSSES OF COMMODITIES.—Subsection (a) of section 210 of such Act is amended to read as follows:

"(a) The Secretary shall issue such regulations as are necessary to carry out this Act, including regulations that establish standards for—

"(1) the warehousing and storage of commodities made available under this Act in facilities owned by States or private companies;

"(2) the monitoring by State agencies of the distribution of the commodities by eligible recipient agencies; and

"(3) the liability of eligible recipient agencies for the loss of the commodities, taking into consideration—

"(A) the special needs and circumstances of emergency feeding organizations, including the use of volunteers and limited financial resources;

"(B) the effect liability could have on the ability of the organizations to meet the needs of low-income populations; and

"(C) situations in which there is no evidence of negligence, fraud, or continuing problems.".

SEC. 2. FOOD BANK SPECIAL NUTRITION PROJECTS.

The first sentence of section 211(d) of the Agricultural Act of 1980 (7 U.S.C. 2004(d)) is amended by striking out "a progress report on July 1, 1983, and a final report on January 1, 1984," and inserting in lieu thereof "an annual report".

SECTION-BY-SECTION ANALYSIS FOOD ASSISTANCE IMPROVEMENT ACT OF 1986

SECTION ONE

This section provides for new procedures to improve the management and handling of surplus commodities distributed by the Temporary Emergency Food Assistance Program (TEFAP). In addition, it requires an annual plan for state-level distribution of commodities made available to volunteer and emergency feeding organizations and requires states to describe their proposed efforts to train and assist local agencies in distributing commodities. Quarterly reports on commodity inventories, allocations, and distribution to needy persons will also be required.

The Secretary of Agriculture will be required to issue regulations for proper warehousing and storage of surplus commodities in order to prevent loss or waste. Monitoring of agency performance and commodity distribution is also required. Liability of volunteers and emergency feeding organizations for commodity loss is modified in order to protect feeding programs.

SECTION TWO

This section creates a special Food Bank Nutrition project in order to utilize the existing distribution and feeding services available through the Nation's regional food banks. By reopening existing statutory authority for these programs, Food Banks will be eligible for USDA surplus commodities, which they in turn may distribute through their network of emergency feeding organizations.●

By Mr. GRASSLEY (for Mrs. HAWKINS, for herself, Mr. ANDREWS, Mr. BENTSEN, Mr. BRADLEY, Mr. BURDICK, Mr. CHILES, Mr. COHEN, Mr. CRANSTON, Mr. DOLE, Mr. DURENBERGER, Mr. GLENN, Mr. GOLDWATER, Mr. GRASSLEY, Mr. HATCH, Mr. HEINZ, Mr. HOLLINGS, Mr. INOUYE, Mr. JOHNSTON, Mr. MATSUNAGA, Mr. NICKLES, Mr. NUNN, Mr. PRYOR, Mr. RIEGLE, Mr. ROTH, Mr. SARBANES, Mr. STENNIS, Mr. WARNER, Mr. ZORINSKY, Mr. HUMPHREY, and Mr. D'AMATO):

S.J. Res. 315. Joint resolution designating May 1986 as "Older Americans'

Month"; to the Committee on the Judiciary.

OLDER AMERICANS' MONTH

● Mr. GRASSLEY. Mr. President, on behalf of my colleague from Florida, Senator HAWKINS, I am introducing today a joint resolution which would designate May 1986 as "Older Americans' Month." Senator HAWKINS is joined in this myself, Senator MATSUNAGA, chairman and ranking minority member of the Subcommittee on Aging, Senators HEINZ and GLENN, chairman and ranking minority member of the Special Committee on Aging and 24 other Members.

The Congress has been so honoring older Americans since 1963, and I am pleased to join in this now traditional recognition of the contributions made by older Americans to our national life.

The designation of May as "Older Americans' Month" by the Congress will kick off activities in the States and in local communities which will also honor older Americans.

I am pleased to join with my colleagues in this effort.

Mr. President, I ask unanimous consent that the text of the joint resolution be printed in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 315

Whereas older Americans have contributed many years of service to their families, their communities, and the Nation;

Whereas the population of the United States is comprised of a large percentage of older Americans representing a wealth of knowledge and experience;

Whereas older Americans should be acknowledged for the contributions they continue to make to their communities and the Nation; and

Whereas many States and communities acknowledge older Americans during the month of May: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That in recognition of the traditional designation of the month of May as "Older Americans Month" and the repeated expression by the Congress of its appreciation and respect for the achievements of older Americans and its desire that these Americans continue to play an active role in the life of the Nation, the President is directed to issue a proclamation designating the month of May 1986 as "Older Americans Month" and calling on the people of the United States to observe this month with appropriate programs, ceremonies, and activities.●

By Mr. CRANSTON (for himself, Mr. PACKWOOD, Mr. DIXON, Mr. D'AMATO, Mr. LAUTENBERG, Mr. METZENBAUM, Mr. HEINZ, Mr. KENNEDY, Mr. NICKLES, Mr. KERRY, Mr. HECHT, Mr. SARBANES, Mr. DANFORTH, Mr. BURDICK, Mr. MATTINGLY, Mr. SIMON, Mr. TRIBLE, Mr. PELL, Mr. ANDREWS, Mr. EXON, Mr. SASSER, Mr. SPECTER, Mr. LEAHY, Mr. FORD, Mr. DECONCINI, Mr. HART, Mr. BOSCHWITZ, Mr. JOHNSTON, Mr. WILSON, Ms. HAWKINS, Mr. LEVIN, Mr. BIDEN, Mr. DODD, Mr. BINGAMAN, Mr. BRADLEY, Mr. BUMPERS, Mr. GORE, Mr. HARKIN, Mr. HEFLIN, Mr. MELCHER, Mr. PRYOR, Mr. INOUYE, Mr. MATSUNAGA, Mr. MITCHELL, Mr. PROXMIRE, Mr. RIEGLE, Mr. ROCKEFELLER, Mr. MOYNIHAN, Mr. GLENN, Mr. BAUCUS, Mr. WEICKER, Mr. KASTEN, Mr. BOREN, Mr. HOLLINGS, Mr. MURKOWSKI, Mr. GORTON, Mr. GRASSLEY, Mr. ROTH, Mr. BYRD, Mr. DURENBERGER, and Mr. PRESSLER):

S.J. Res. 316. Joint resolution prohibiting the sale to Saudi Arabia of certain defense articles and related defense services; to the Committee on Foreign Relations.

PROHIBITING ARMS SALES TO SAUDI ARABIA

Mr. CRANSTON. Mr. President, late yesterday, the Reagan administration formally notified Congress of its intent to sell another $354 million worth of advanced missiles to Saudi Arabia. This sale would include about 995 AIM-9L Sidewinder missiles, 671 AIM-9P4 Sidewinders, 200-man portable Stinger ground-to-air missiles with another 600 Stinger reloads, and 100 Harpoon air-to-sea missiles.

Today, Senators PACKWOOD, DIXON, D'AMATO, and LAUTENBERG, join me and another 56 of our Senate colleagues—for a total of 61—in introducing a print resolution disapproving the proposed sale.

We oppose this sale of more than 2,500 missiles to Saudi Arabia because of the hostility Saudi Arabia has shown for fundamental United States national security interests in the Middle East. These vital interests include: Combatting terrorism and denying terrorists support; broadening the peace process by building on the Camp David treaties; and securing the military and economic health of our key allies, Israel and Egypt.

In each of these crucial efforts, Saudi Arabia has not only failed to support American efforts, but has also worked actively to oppose us.

Specifically, the Saudi monarchs have continued to fund PLO terrorists, and Syria—the protectors of terrorists who have murdered hundreds of Americans.

The Saudis have undermined the fitful efforts of King Hussein to move forward in the peace process, working against him in pan-Arab conferences and attempting to isolate Jordan and Egypt because of their willingness to pursue peace with Israel.

Finally, under Saudi leadership, pan-Arab conferences have stepped up efforts to punish American businesses and workers who cooperate with Israel—and have backed Colonel Qadhafi, pledging to make good on any losses incurred from the American boycott of Libyan goods.

Mr. President, I do not believe it is consistent with United States national security interests to reward the Saudi kingdom for its hostility toward key United States foreign policy objectives.

PRELUDE TO MORE ARMS SALES

The current sale is "just the camel's nose under the tent" and there is every liklihood that Congress will be asked to approve additional arms sales to the Saudis after our elections this fall or early next year.

The administration has indicated to the Saudis that the State Department is prepared to respond favorably to subsequent Saudi requests for such items as Blackhawk helicopters, F-15 retrofit equipment—speed enhancement—and ECM—electronic countermeasure—kits for the F-15's. The Saudis have also requested more F-15 aircraft, M-1 tanks, bomb racks for their F-15's and more fuel tanks to extend the F-15's range.

ADMINISTRATION JUSTIFICATION FOR THE SALE

The administration attempts to support its request with three basic arguments. The Saudis are said to need this equipment desperately to maintain their existing capabilities. The Saudis are said to need the missiles to defend against a possible Iranian advance through Iraq. And the United States needs to proceed with the sale—which is said to be a "test of our friendship"—so that we can get back to "business as usual" in our arms relationship with the Saudis.

I reject each of these arguments.

These missiles are needed only to further fill bulging Saudi supply warehouses. That should be clear. Consummation of this sale would give the Saudis an astonishing total of 37 advanced missiles per capable aircraft, versus a ratio of 9:1 of the NATO forces, and 6:1 in Israel.

The antiaircraft missiles have no relevance to the ground war between Iran and Iraq. Iran has only 60 aircraft left capable of flying and the Saudis can already overwhelm these.

The Congress seeks to bar the pending sale to avert a return to "business as usual"—we do not wish to continue unchanged a relationship that has seen the United States supply the Saudis since 1971 with more than $44 billion in our most sophisticated weaponry—half in the past 5 years alone—while the Saudis have consistently scorned our basic interests.

Mr. President, I would like to submit for the RECORD at this point the joint resolution disapproving the sale of arms to Saudi Arabia. I would also like to submit an article I wrote for the San Jose Mercury-News discussing the proposed sale. Finally, I would like to include the text of remarks I made

earlier today at a press conference on this subject, and I ask unanimous consent that the material be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S.J. RES. 316

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the issuance of a letter with respect to any of the following proposed sales to Saudi Arabia (described in the certifications transmitted to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate pursuant to section 36(b) of the Arms Export Control Act on April 8, 1986) is hereby prohibited:

(1) The proposed sale of AIM-9L Sidewinder missiles, and related defense articles and defense services (Transmittal Numbered 86-29A).

(2) The proposed sale of AIM-9P4 Sidewinder air-to-air missiles, and related defense articles (Transmittal Numbered 86-29B).

(3) The proposed sale of basic Stinger air defense guided missile systems, and related defense articles and defense services (Transmittal Numbered 86-29C).

(4) The proposed sale of air-launched Harpoon missiles, and related defense articles and defense services (Transmittal Numbered 86-29D).

REMARKS OF SENATOR CRANSTON

I will introduce today a resolution sponsored by 58 Senators and supported by still others to block the proposed Saudi arms sale.

In moments of candor, the administration admits that they want this sale so as to send a signal to the Saudis "That we're ready to get back to business as usual".

This is precisely the kind of business-as-usual that a majority of the Senate rejects.

We are fed up with Third World dictators and potentates who thwart vital American national interests—and then expect unhampered delivery of our most advanced military weapons.

We are also fed up with Saudi arguments that they deserve these weapons because they are doing us a favor by checking the advance of communism and maintaining a free flow of oil.

They are pumping oil not as a favor to us but to make money.

And stopping communism is in their own interest, no less than ours.

There's another aspect of the proposed Saudi arms sale that is particularly disturbing to me and which is not getting the attention it should.

That is: Terrorism.

200 years ago, France suffered through a reign of terror.

Today, the world is suffering from a reign of terrorism.

With Americans a primary target.

Khadaffi and other Arab extremists threaten more and more attacks.

Think for a moment:

Is this the time to supply 2,600 more missiles to Khadaffi's friends: The Saudis?

Saudi Arabia: Which has repeatedly supported Khadaffi at pan-Arab conferences,

Which has sided with Khadaffi against the U.S. in every confrontation,

Which has offered to make good Khadaffi's economic losses because of the American boycott,

Which bankrolls PLO terrorists and Syria,

Which has thwarted every effort by Jordan to join in the peace process and which still doesn't have diplomatic relations with Egypt because of Camp David.

Two years ago, President Reagan used his emergency powers to send 400 Stingers to Saudi Arabia when Congress refused to go along.

Is this the time to supply the Saudis with 800 more Stinger missiles and reloads?

I say no.

Imagine if even one of these weapons should fall into the hands—or be placed in the hands—of one of the multitude of terrorist-fanatics who abound in the Middle East!

The Stinger is a highly portable, shoulder-launched missile.

It is extremely effective.

With one of these advanced heat-seeking weapons, you could fire at an on-coming aircraft from more than five miles away.

That gives you plenty of time to escape and avoid detection if you are a terrorist and your target is an American airliner.

Stingers have been called the "ideal terrorist weapon", "the terrorist's weapon of choice", "the terrorist's delight".

Fifty years ago, Robert Sherwood won the Pulitzer Prize for his play forecasting World War II.

It was called "idiot's delight".

Congress should refuse to play a role in the latest version of "idiot's delight"—sending 800 more Stinger missiles, "the terrorist's delight", into the Arab world.

[From the San Jose Mercury News, Mar. 19, 1986]

ARMING SAUDIS OFFERS NO BENEFIT TO U.S. SECURITY

(By Alan Cranston)

The recent defense by the Mercury News of the latest Saudi arms sale request and the attack on the Senate majority opposing this sale fail to address crucial American interests.

In its peculiar focus on what Israel might like; on what some Washington lobbyists seek, and on what might make the Saudis feel better, the Mercury News editorial completely misses the main point.

This is not really a debate between Washington and Jerusalem or between Congress and the "American Israeli lobby." The central issues are between the United States and Saudi Arabia. And the real question is: How do we advance American security interests?

The Reagan administration defends its proposal to sell another 2,600 advanced anti-aircraft missiles to the Saudis on three grounds, asserting that the sale is a crucial "test of our friendship"; that the missiles are needed urgently to defend against the threat Iran is posing by ground advances into Iraq; and that the Saudis require these missiles "to maintain" minimum defense capabilities.

The Mercury News editorial accepts these assertions as indisputable facts, deploring what it calls "knee-jerk reaction against a legitimate weapons request by a legitimate U.S. friend with a legitimate security need against a menacing adversary."

Why is it that a majority of the Senate rejects these arguments?

First, we have sold the Saudis more than $44 billion in military equipment and services since 1971—$22 billion worth in the past five years alone. Virtually every transaction has been pressed as a "test of our friendship." When do we make the grade? When does the U.S. earn the right to request in return some greater sympathy for our security needs?

Second, these missiles wouldn't even be delivered to the Saudis until 1989. The line about the urgency of their delivery to counter Iran and the "legitimacy" of the Saudis' need for this type of weapon is a canard.

Iran has less than 100 air-capable planes left, and its war with Iraq has been reduced to World War I-style ground combat where anti-aircraft missiles are of virtually no use.

Finally, the notion that this is a "maintenance package" is equally misleading. The warehouses of the Saudi arsenal are already teeming. Delivery of these missiles would give them 37 advanced AIM 9L missiles per F-15 aircraft; the comparable ratio for NATO is nine to one.

The United States shares Saudi Arabia's desire to keep OPEC's oil flowing and to reduce targets of opportunity for Soviet adventurism. But the Saudis don't pursue these policies as any favor to us, and we do have other vital interests in the region.

These interests include combating terrorism while denying terrorists any base of support; broadening the Camp David peace process; and helping our allies Egypt and Israel to maintain their military and economic security.

The Saudi kingdom has not only failed to support the U.S. government in each of three crucial areas—they've actively opposed us. Specifically, the Saudis have continued to bankroll the Palestine Liberation Organization, and Syria—the protector of terrorists implicated in the murder of hundreds of Americans.

The Saudis have undermined King Hussein's efforts to involve Jordan in the peace process, working against him in pan-Arab conferences and continuing to isolate Egypt simply because it signed the Camp David treaty.

Under Saudi leadership, pan-Arab organizations have stepped up efforts to punish American businesses trading with Israel. Finally, the Saudis sided with Moammar Khadafy in our recent showdown with the Libyan dictator, and reportedly pledged to make good on any losses incurred from the American boycott of Libya.

Past readiness to meet Saudi desires for our most advanced armaments has not yielded Saudi support for key U.S. initiatives.

This, therefore, is the reason a majority of the Senate is opposed to the latest Saudi arms request. We believe that the pending missile sale—which meets no legitimate, urgent Saudi need—is an appropriate place to draw the line. It is time for American policymakers to get serious with the Saudis.

● Mr. DIXON. Mr. President, I regret that the joint resolution we are introducing today is necessary. At the same time I would like to point out that 61 Members of the U.S. Senate see the President's request for selling arms to Saudi Arabia as inadvisable.

There has been a great deal of publicity about this sale, and whether or not it is in Israel's best interests. Well, Mr. President, it is not in the best interests of the United States or the entire Middle East region.

Although Saudi Arabia is perceived by the Reagan administration to be a moderate Arab nation, there are very disturbing facts which lead me to be-

lieve that this sale is very ill-advised and that such a perception is inaccurate.

First, the administration maintains that this sale is necessary because of the escalation of the Iran-Iraq war. According to the administration, however, the sale is not scheduled for delivery until 1989 and would stretch to 1991. Given the nature of the region, it would seem unwise to make such a long-term commitment to a nation which has repeatedly scorned both American and Israeli Interests.

Second, a major part of the package consists of 200 portable Stinger ground-to-air missiles. This weapon would not enhance the Saudis, defenses against Iran, whose real threat to Saudi Arabia is terrorism and subversion. Futher, in the hands of terrorists, this weapon could have disastrous consequences. It can be carried by one person and has enough destructive capability to obliterate civilian aircraft—and action which is all too possible in these times of international turmoil and tragedy.

Third, the Saudis have repeatedly acted against the interests of the United States in their support of Libya by condemning American erforts to constrain the outlaw agenda of Qadhafi and his cohorts in brutality. Saudi Arabia has publicly stated its allegiance to these international criminals, in direct opposition to American policy and interests.

Fourth, the Saudis continue to serve as a major contributor to the Palestine Liberation Organization. Last year alone, they provided Yassar Arafat and his followers with $28.5 million so that they could continue carrying out their agenda of terror and destruction long after other Arab States have abandoned financial support of these extremists.

Fifth, Saudi Arabia doesn't live up to its agreements and the administration apparently ignores this. The 1981 agreement to sell AWACS to them was based upon several conditions, one being that a peaceful resolution of disputes in the region was to have been successfully completed or significant progress toward that goal was to have been accomplished with substantial assistance from Saudi Arabia. This commitment was made by the Saudis to President Reagan nearly 5 years ago, and I daresay, that none of it has come to pass.

The situation in the region is, if possible, more unstable than ever, and there has been no positive action by the Saudis to bring peace to the area. In fact, the Saudis continue to lead the Arab boycott against Israel. They are seeking to gain additional allies in Africa to confront Israel. They continue to reinforce the isolation of Israel at every opportunity.

For these and many other reasons, this sale is not in the best interests of any nation which advocates peace in the Middle East and deplores terrorism against innocent civilians. Saudi Arabia is in a declared state of war with Israel. This sale would give her additional weapons which could be used against our closest ally in the Middle East.

America has already sold more military equipment and services to Saudi Arabia than any other single country in the world. Our sales to the Saudis exceed $50 billion, including $20 billion remaining to be delivered. Total sales to all of our European allies amounted to just $50 billion.

What should we be getting from Saudi Arabia in return? If the administration's decision to go ahead with this sale, after postponing it for over a year, is based on a real military and strategic threat to our interests, then now is the time to exact more cooperation from Saudi Arabia.

The Saudi defenses are strong, and the immediate need, other than "sending a message to Iran" does not seem to this Senator to be sufficient. Instead, we should send another message, which is that the United States should not provide additional arms to Saudi Arabia, a declared enemy of our closest ally in the Middle East, Israel, and a declared supporter of Qadhafi and Arafat, both of whom have perpetrated atrocious acts of violence against the United States and many innocent civilians traveling abroad.

Before we consider sending additional implements of war to Saudi Arabia, we need to elicit from them a comment to work for peace with Israel, as well as their concurrence with policies which are in the best interests of responsible people everywhere.●

● Mr. PACKWOOD. Mr. President, I rise today to join 60 of my colleagues in introducing the joint resolution opposing the sale of additional arms to Saudi Arabia.

Yesterday, the administration sent formal notification to Congress of its plans to sell a package of $354 million in advanced missiles to Saudi Arabia. Specifically, the package includes approximately 1,700 advanced Sidewinder air-to-air missiles, 100 Harpoon antiship missiles, and 800 Stinger handheld antiaircraft missiles.

I am opposed to this sale of more than 2,500 missiles to Saudi Arabia because I do not believe the sale is in the best interest of the United States, nor in the interest of our allies and friends in the Middle East. I believe our interests in the Middle East are best served by encouraging peace through negotiations rather than contributing further to instability in the region through yet another arms sale.

Mr. President, proponents of the sale argue that this sale is necessary to demonstrate our commitment to the security of Saudi Arabia. They argue that the Saudis need the additional missiles contained in the proposed package to offset a growing threat from Iran and to upgrade and maintain their existing defense capabilities. Finally, supporters of the sale argue that the sale would help provide American jobs and help offset our growing trade deficit, and that this sale poses no threat to Israel because Saudi Arabia already possesses weapons of the type the administration proposes to sell. Sadly, Mr. President, they make no claim that this sale will help encourage Saudi Arabia to assist in efforts to promote peace in the region through direct negotiations between Israel and her Arab neighbors.

Mr. President, we should not sell additional arms to Saudi Arabia until they join the peace process and make peace with Israel. To date, Saudi Arabia has not only failed to support American efforts to promote peace in the region, but they have worked actively against us.

Saudi Arabia continues to fund PLO terrorists and Syria—which provides safe haven and training for terrorists who have killed scores of innocent Americans. The Saudis have actively resisted the efforts of Jordan and Egypt to make peace with Israel. Finally, they have expressed support, openly and through Saudi leadership in pan-Arab conferences, for Libya in the wake of the United States' antiterrorist efforts.

Mr. President, since 1971, we have provided Saudi Arabia with over $44 billion of our most advanced military weaponry. I find it astonishing that we should be asked to further reward Saudi Arabia for working against us and our allies in each of these critical areas with yet another arms sale.

Let me also remind my colleagues that the proposed arms package before us is only part of a much larger arms package proposed last year—a package which was to contain Blackhawk helicopters, fuel tanks, bomb racks, and other enhancements for the Saudi F-15 fighters, Bradley armored fighting vehicles, and possibly M-1 tanks and additional F-15 fighters. Clearly, the current package is only the tip of the iceberg. There is every indication that Congress will be asked to approve the rest of last year's huge arms package sometime in the near future.

In conclusion, Mr. President, providing weapons contained in the current package, such as Stinger missiles—the ideal terrorist weapon—and sophisticated Harpoon antiship missiles without asking anything in return is extremely dangerous, unwise, and counterproductive. As I've said many times in the past, we should sell no arms to countries in the Middle East that are not willing to make peace with Israel and participate in the peace process. I urge the administration to reconsider

this unwise sale, and withdraw the package from consideration. I urge my colleagues to support this joint resolution and oppose the proposed arms sale to Saudi Arabia.●

● Mr. LAUTENBERG. Mr. President, today I join with Senators CRANSTON, PACKWOOD, DIXON, and D'AMATO in introducing a joint resolution to disapprove the administration's request to sell $354 million in advanced arms to Saudi Arabia. Fifty-three of our colleagues have joined as original cosponsors of this resolution.

I oppose the sale of arms to Saudi Arabia because such a sale could harm United States national security interests and jeopardize Israeli security, without fulfilling any justifiable Saudi need for these weapons.

Mr. President, the administration proposes to sell 1,700 Sidewinder air-to-air missiles, 100 Harpoon air-to-sea missiles, and 800 Stinger ground-to-air missiles to Saudi Arabia to help it defend itself against Iranian advances.

Mr. President, the rationale supporting this sale is unconvincing at best. Though the administration says Iran poses an immediate military threat to Saudi Arabia, deliveries of these weapons won't begin till 1989, and won't be completed till 1991. And Saudi Arabia's arsenals are already full to bursting with the very weapons we propose to sell them. This sale would give them at least 36 missiles per aircraft, a ratio far higher than that enjoyed by either the United States or Israel. Even that ratio underestimates the Saudis' firepower from other air-to-air missiles in their arsenals, like the American Sparrow and the French Magic.

If we look at the targets against which these missiles could be used, it is equally apparent that Saudi Arabia already has more than enough missiles to meet her defense needs. Iran has less than 100 aircraft capable of flying, and Saudi Arabia already has an arsenal of 3,000 Sidewinders to overcome these craft. Further, these antiaircraft missiles are useless against the true threat Iran poses, ground attack.

Mr. President, the administration has argued that we need to sell these weapons to Saudi Arabia to signal our determination to back the Saudis in their own defense. But the logic of this argument escapes me. How can selling the Saudis weapons they have no military need for and will not receive for several years deter Iran today? We are already signaling our determination to support Saudi Arabia in more meaningful ways—by stationing four U.S. Air Force AWAC's in Saudi Arabia to assist the Saudi Air Force in the Persian Gulf. And our past record speaks for itself. We have sent combat units to Saudi Arabia, including F-15 fighters when needed. And we have already sold Saudi Arabia far more military goods and services than any other country, over $50 billion, including future deliveries.

The administration argues that Saudi Arabia needs these missiles to defend itself against a possible threat on its southern border from South Yemen. But the South Yemen military, weakened by the recent internal fighting, is in no position to undertake military operations against the Saudis now. Future conventional military attacks from South Yemen are unlikely since the Saudi-South Yemen border traverses the "Empty Quarter," an uninhabited wasteland without roads. Even if South Yemen did threaten Saudi Arabia, its current forces are enough to defeat such a threat.

Mr. President, this administration argues that if we don't make this sale, our relationships and credibility with the Gulf Arab states and with Saudi Arabia itself will be undermined. But, Mr. President, Saudi Arabia is already our biggest customer for military goods and services. We have sold Saudi Arabia 50 million dollars' worth of military goods and services, as much as our total sales to all our European allies, and more than our sales to any other single country. How often, and for how long must we sell arms to Saudi Arabia until we are no longer told that each proposed sale is a test of our credibility in the Arab world?

Mr. President, while the rationale for this sale is weak, there are many reasons not to sell these arms to Saudi Arabia. One reason is the strong possibility that the Stingers might be obtained by the PLO through the Saudis. The Saudis provide financial support to the PLO and allow the Palestinians to work with their military. Since the Saudis already have enough Stingers for their own needs, and have a history of cooperation with the PLO, the Stingers we sell might be provided or fall into the hands of the PLO. Since Stingers are probably the ideal terrorist weapon, their use by the PLO would pose a real threat to Israel's security.

Further, in a more general sense, supplying Israel's enemies with more weapons forces Israel to spend scarce defense dollars to counter that threat. In a time of economic austerity in Israel, this sale can only add to the Israeli defense burden.

Finally, the Saudis have a long history of working against American and Israeli interests in the Middle East. I would like to bring to my colleague's attention a letter I wrote to the President, expressing my opposition to selling arms to Saudi Arabia for this reason. The letter points out Saudi Arabia's recent support for United Nations' resolutions that castigate Israel, and lay the groundwork for expelling her from the United Nations. It also points out Saudi support for the Islamic Conference resolution that expresses solidarity with Libya in the aftermath of the imposition of United States sanctions against that country. Mr. President, I ask that a copy of the letter be printed in the RECORD, along with copies of the United Nations resolution.

Mr. President, not only has Saudi Arabia's voting record in the U.N. and the Islamic Conference pointed up her hostility to United States and Israeli interests, her past behavior is equally telling. Saudi Arabia has taken the lead in trying to impose sanctions on American companies doing business with Israel, and is a strong financial backer of the PLO.

When her record is added to the lack of military justification for this sale, and Saudi Arabia's hostility to American and Israeli interests, a strong case in made for Congress to tell Saudi Arabia: No sale.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, DC, March 6, 1986.

The PRESIDENT,
The White House,
Washington, DC.

DEAR MR. PRESIDENT: I am writing to express my concern over Saudi Arabia's recent voting record on United Nations resolutions that condemn Israel and on her support for the Islamic Conference Resolution expressing solidarity with Libya and opposition to U.S. sanctions. In light of these recent actions, and the fact that Saudi Arabia is still in a state of war with Israel, I urge you not to propose the sale of arms to Saudi Arabia at this time.

On December 16, 1985, Saudi Arabia voted in support of a group of United Nations resolutions, collectively known as Agenda Item 38, which condemn Israel, her actions, and her policies. These resolutions lay the groundwork for expelling Israel from the United Nations and making her into an international pariah.

Saudi Arabia voted in favor of the "isolation resolution" which declares that Israel's record, policies, and actions establish conclusively that she is not a peace-loving Member State, and that she has persistently violated the principles of and failed to carry out her obligations under the Charter. It calls on all Member States to refrain from supplying Israel with weapons or military assistance, to suspend economic, financial and technological assistance to and co-operation with Israel, and to sever diplomatic, trade and cultural relations with Israel. The resolution further calls on all Member States to cease all dealings with Israel in order to totally isolate her in all fields.

Saudi Arabia also supported a resolution which condemns Israel's continued occupation of the Palestinian and other Arab territories, including Jerusalem, demands the immediate, unconditional and total withdrawal of Israel from all the territories occupied since 1967, and labels Israel's establishment of settlements as a terrorist, aggressive measure which violates the U.N. Charter and international law. That resolution also states that the U.S.-Israeli agreements on strategic co-operation and free trade, and the United States' continued supply of modern arms and substantial economic aid have encouraged Israel to pursue

her aggressive and expansionist policies and practices.

Saudi Arabia voted favorably on a resolution which condemns the Israeli control of Jerusalem, and determines that Israel's decision to impose her laws, jurisdiction, and administration on Jerusalem is illegal, null and void.

Furthermore, the 16th Islamic foreign ministers conference, of which Saudi Arabia is a member, adopted a statement in closed session in January 9, 1986 that condemns American sanctions against Libya, expresses its categorical solidarity with Libya, demands that the U.S. government cancel its unjust measures, and calls on Islamic countries to adopt the arrangements they consider suitable to confront these unjust U.S. measures. Saudi support of this resolution is consistent with the telephone call by King Fahd to Qaddafi on January 6, 1986 expressing support for Qaddafi. The Saudi position is a direct slap at American foreign policy and your recent actions with regard to Libya. It undercuts our efforts to eradicate terrorism.

Supporters of the sale of arms to Saudi Arabia have argued that these sophisticated weapons will induce Saudi Arabia to be more cooperative with our efforts to make peace in the Middle East. But Saudi Arabia's recent votes in the U.N. and her opposition to U.S. policy on Libya give no hint of that. Instead, Saudi Arabia voted to endorse U.N. resolutions which not only violently condemn everything which Israel stands for but deny her the right to live in peace. And Saudi Arabia voted to support the actions of Muammar Qaddafi, a sworn enemy not only of Israel but of the United States. Saudi Arabia continues to be in a state of war with Israel, refuses to recognize her right to exist, and continues to support the Arab boycott of Israel.

Saudi Arabia must begin to act as if she wants peace if we are to seriously consider selling her lethal weapons which could be used against Israel.

I urge you, in light of this record, not to propose the sale of arms to Saudi Arabia.

Sincerely,

FRANK R. LAUTENBERG.

THE SITUATION IN THE MIDDLE EAST

Bahrain, Bangladesh, Djibouti, India, Indonesia, Iraq, Kuwait, Malaysia, Mauritania, Morocco, Oman, Pakistan, Qatar, Saudi Arabia, Somalia, Sudan, Tunisia, United Arab Emirates, Yemen and Yugoslavia: draft resolution

The General Assembly:

Having discussed the item entitled "The situation in the Middle East",

Reaffirming its resolutions 36/226 A and B of 17 December 1981, ES-9/1 of 5 February 1982, 37/123 F of 20 December 1982, 38/58 A to E of 13 December 1983, 38/180 A to D of 19 December 1983 and 39/146 A to C of 14 December 1984,

Recalling Security Council resolutions 425 (1978) of 19 March 1978, 497 (1981) of 17 December 1981, 508 (1982) of 5 June 1982, 509 (1982) of 6 June 1982, 511 (1982) of 18 June 1982, 512 (1982) of 19 June 1982, 513 (1982) of 4 July 1982, 515 (1982) of 29 July 1982, 516 (1982) of 1 August 1982, 517 (1982) of 4 August 1982, 518 (1982) of 12 August 1982, 519 (1982) of 17 August 1982, 520 (1982) of 17 September 1982, 521 (1982) of 19 September 1982 and 555 (1984) of 12 October 1984,

Taking note of the reports of the Secretary-General,[1]

Reaffirming the need for continued collective support for the resolutions adopted by the Twelfth Arab Summit Conference, held at Fez, Morocco, on 25 November 1981 and from 6 to 9 September 1982,[2] reiterating its previous resolutions regarding the Palestinian question, and its support for the Palestine Liberation Organization as the sole, legitmate representative of the Palestinian people, and considering that the convening of an International Conference for Peace in the Middle East, under the auspices of the United Nations, in accordance with the General Assembly resolution 38/58 C and other relevant resolutions related to the question of Palestine, would contribute to the promotion of peace in the region,

Welcoming all efforts contributing towards the realization of the inalienable rights of the Palestinian people through the achievement of a comprehensive, just and lasting peace in the Middle East, in accordance with the United Nations resolutions relating to the question of Palestine and to the situation in the Middle East,

Welcoming the world-wide support extended to the just cause of the Palestinian people and the other Arab countries in their struggle against Israeli aggression and occupation in order to achieve a comprehensive, just and lasting peace in the Middle East and the full exercise by the Palestinian people of its inalienable national rights, as affirmed by previous resolutions of the General Assembly relating to the question of Palestine and to the situation in the Middle East,

Gravely concerned that the Palestinian and other Arab territories occupied since 1967, including Jerusalem, still remain under Israeli occupation, that the relevant resolutions of the United Nations have not been implemented and that the Palestinian people is still denied the restoration of its land and the exercise of its inalienable national rights in conformity with international law, as reaffirmed by resolutions of the United Nations,

Reaffirming the applicability of the Geneva Convention relative to the Protection of Civilian Persons in time of War, of 12 August 1949,[3] to all the occupied Palestinian and other Arab territories, including Jerusalem,

Reaffirming further all relevant United Nations resolutions which stipulate that the acquisition of territory by force is inadmissible under the Charter of the United Nations and the principles of international law and that Israel must withdraw unconditionally from all the Palestinian and other Arab territories occupied by Israel since 1967, including Jerusalem,

Reaffirming also the imperative necessity of establishing a comprehensive, just and lasting peace in the region, based on full respect for the Charter and the principles of international law,

Gravely concerned also at the continuing Israeli policies involving the escalation and expansion of the conflict in the region, which further violate the principles of international law and endanger international peace and security,

Stressing once again the great importance of the time factor in the endeavours to achieve an early comprehensive, just and lasting peace in the Middle East,

1. Reaffirms its conviction that the question of Palestine is the core of the conflict in the Middle East and that no comprehensive, just and lasting peace in the region will be achieved without the full exercise by the Palestinian people of its inalienable national rights and the immediate, unconditional and total withdrawal of Israel from all the Palestinian and other occupied Arab territories;

2. Reaffirms further that a just and comprehensive settlement of the situation in the Middle East cannot be achieved without the participation on an equal footing of all the parties to the conflict, including the Palestine Liberation Organization, the representative of the Palestinian people;

3. Declares once more that peace in the Middle East is indivisible and must be based on a comprehensive, just and lasting solution of the Middle East problem, under the auspices of the United Nations and on the basis of relevant resolutions of the United Nations, which ensures the complete and unconditional withdrawal of Israel from the Palestinian and other Arab territories occupied since 1967, including Jerusalem, and which enables the Palestinian people, under the leadership of the Palestine Liberation Organization, to exercise its inalienable rights, including the right to return and the right to self-determination, national independence and the establishment of its independent sovereign State in Palestine, in accordance with the resolutions of the United Nations relevant to the question of Palestine, in particular General Assembly resolutions ES-7/2 of 29 July 1980, 36/120 A to F of 10 December 1981, 37/86 A to D of 10 December 1982, 37/86 E of 20 December 1982, 38/58 A to E of 13 December 1983 and 39/146 A to C of 14 December 1984;

4. Considers the Arab Peace Plan adopted unanimously at the Twelfth Arab Summit Conference, held at Fez, Morocco, on 25 November 1981 and from 6 to 9 September 1982,[2] reiterated by the Extraordinary Summit Conference of the Arab States held at Casablanca 1985, as well as relevant efforts and action to implement the Fez Plan, as an important contribution toward the realization of the inalienable rights of the Palestinian people through the achievement of a comprehensive, just and lasting peace in the Middle East;

5. Condemns Israel's continued occupation of the Palestinian and other Arab territories, including Jerusalem, in violation of the Charter of the United Nations, the principles of international law and the relevant resolutions of the United Nations, and demands the immediate, unconditional and total withdrawal of Israel from all the territories occupied since 1967;

6. Rejects all agreements and arrangements which violate the inalienable rights of the Palestinian people and contradict the principles of a just and comprehensive solution to the Middle East problem which ensures the establishment of a just peace in the area;

7. Deplores Israel's failure to comply with Security Council resolutions 476 (1980) of 30 June 1980 and 478 (1980) of 20 August 1980 and General Assembly resolutions 35/207 of 16 December 1980 and 36/226 A and B of 17 December 1981; determines that Israel's decision to annex Jerusalem and to declare it as its "capital" as well as the measures to alter its physical character, demographic composition, institutional structure and status are null and void and demands that

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[1] A/40/168-S/17014, A/40/668 and Add. 1 and A/40/779-S/17581 and Corr.1.

[2] See A/37/696-S/15510, annex.

[3] United Nations, *Treaty Series*, vol. 75, No. 973, P. 287.

they be rescinded immediately; and calls upon all Member States, the specialized agencies and all other international organizations to abide by the present resolution and all other relevant resolutions and decisions;

8. Condemns Israel's aggression, policies and practices against the Palestinian people in the occupied Palestinian territories and outside these territories, including expropriation, establishment of settlements, annexation and other terrorist, aggressive and repressive measures, which are in violation of the Charter and the principles of international law and the relevant international conventions;

9. Strongly condemns the imposition by Israel of its laws, jurisdiction and administration on the occupied Syrian Golan Heights, its annexationist policies and practices, the establishment of settlements, the confiscation of lands, the diversion of water resources and the imposition of Israeli citizenship on Syrian nationals, and declares that all these measures are null and void and constitute a violation of the rules and principles of international law relative to belligerent occupation, in particular the Geneva Convention relative to the Protection of Civilian Persons in Time of War, of 12 August 1949;

10. Considers that the agreements on strategic co-operation between the United States of America and Israel, signed on 30 November 1981, and the continued supply of modern arms and materiel to Israel, augmented by substantial economic aid, including the recently concluded Agreement on the Establishment of a Free Trade Area between the two Governments, have encouraged Israel to pursue its aggressive and expansionist policies and practices in the Palestinian and other Arab territories occupied since 1967, including Jerusalem, and have had adverse effects on efforts for the establishment of a comprehensive, just and lasting peace in the Middle East and would threaten the security of the region;

11. Calls once more upon all States to put an end to the flow to Israel of any military, economic, financial and technological aid, as well as of human resources, aimed at encouraging it to pursue its aggressive policies against the Arab countries and the Palestinian people;

12. Strongly condemns the continuing and increasing collaboration between Israel and the racist régime of South Africa, especially in the economic, military and nuclear fields, which constitutes a hostile act against the African and Arab States and enables Israel to enhance its nuclear capabilities, thus subjecting the States of the region to nuclear blackmail;

13. Reaffirms its call for the convening of an International Peace Conference on the Middle East under the auspices of the United Nations and on the basis of relevant resolutions of the United Nations—as specified in paragraph 5 of the Geneva Declaration on Palestine [4] and endorsed by General Assembly resolution 38/58 C of 13 December 1983;

MEETING No. 118—VOTE No. 26—ITEM No. 38

Recorded vote—64 Yes; 33 No; 41 Abstain:

Y—Afghanistan; Y—Albania; Y—Algeria; Angola; A—Antigua-Barbuda; A—Argentina; N—Australia; N—Austria.

A—Bahamas; Y—Bahrain; Y—Bangladesh; A—Barbados; N—Belgium; Belize; Benin; Y—Bhutan; N—Bolivia; Botswana; A—Brazil; Y—Brunei Darussalam; Y—Bulgaria; Y—Burkina Faso; A—Burma; Y—Burundi; Y—Byelorussian S.S.R.

A—Cameroon; N—Canada; Cape Verde; A—Central African Republic; A—Chad; N—Chile; Y—China; N—Colombia; Comoros; Y—Congo; N—Costa Rica; Y—Cuba; Y—Cyprus; Y—Czechoslovakia.

Democratic Kampuchea; Y—Democratic Yemen; N—Denmark; Y—Djibouti; A—Dominica; N—Dominican Republic.

N—Ecuador; A—Egypt; N—El Salvador; A—Equatorial Guinea; Y—Ethiopia.

N—Fiji; N—Finland; N—France.

A—Gabon; A—Gambia; Y—German Democratic Rep.; Germany, Federal Rep. of; Ghana; N—Greece; A—Grenada; N—Guatemala; Guinea; Guinea-Bissau; Y—Guyana.

A—Haiti; N—Honduras; Y—Hungary.

N—Iceland; Y—India; Y—Indonesia; Y—Iran (Islamic Rep. of); Y—Iraq; N—Ireland; N—Israel; N—Italy; A—Ivory Coast.

A—Jamaica; N—Japan; Y—Jordan; Y—Kenya; Y—Kuwait.

Y—Lao P.D.R.; Y—Lebanon; Lesotho; A—Liberia; Y—Libyan Arab Jamahiriya; N—Luxembourg.

Y—Madagascar; A—Malawi; Y—Malaysia; Y—Maldives; Y—Mali; A—Malta; Y—Mauritania; N—Mauritius; A—Mexico; Y—Mongolia; Y—Morocco; Y—Mozambique.

A—Nepal; N—Netherlands; N—New Zealand; Y—Nicaragua; A—Niger; Y—Nigeria; N—Norway; Y—Norway; Y—Oman.

Y—Pakistan; A—Panama; Papua New Guinea; A—Paraguay; A—Peru; A—Philippines; Y—Poland; N—Portugal; Y—Oatar.

Romania; A—Rwanda; St. Christopher and Nevis; A—Saint Lucia; A—Saint Vincent—Grenada; A—Samoa; Sao Tome and Principe; Y—Saudi Arabia; Y—Senegal; Seychelles; A—Sierra Leone; A—Singapore; Solomon Islands; Y—Somalia; South Africa; N—Spain; Y—Sri Lanka; Y—Sudan; Suriname; A—Swaziland; N—Sweden; Y—Syrian Arab Republic.

A—Thailand; A—Togo; A—Trinidad and Tobago; Y—Tunisia; Y—Turkey.

Y—Uganda; Y—Ukrainian S.S.R.; Y—Union of Soviet Socialist Republics; Y—United Arab Emirates; N—United Kingdom; Y—United Republic of Tanzania; N—United States; A—Uruguay.

Vanuatu; A—Venezuela; Y—Viet Nam; Y—Yemen; Y—Yugoslavia; A—Zaire; Y—Zambia; Y—Zimbabwe.

THE SITUATION IN THE MIDDLE EAST

Algeria, Bahrain, Bangladesh, Democratic Yemen, Djibouti, India, Indonesia, Iraq, Jordan, Kuwait, Lebanon, Libyan Arab Jamahiriya, Malaysia, Mauritania, Morocco, Oman, Pakistan, Qatar, Saudi Arabia, Somalia, Sudan, Syrian Arab Republic, Tunisia, United Arab Emirates, Yemen and Yugoslavia: draft resolution

The General Assembly:

Having discussed the item entitled "The situation in the Middle East",

Taking note of the report of the Secretary-General of 22 October 1985,[1]

Recalling Security Council resolution 497 (1981) of 17 December 1981,

Reaffirming its resolutions 36/226 B of 17 December 1981, ES-9/1 of 5 February 1982, 37/123 A of 16 December 1982, 38/180 A of 19 December 1983 and 39/146 B of 14 December 1984,

Recalling its resolution 3314 (XXIX) of 14 December 1974, in which it defined an act of aggression, inter alia, as "the invasion or attack by the armed forces of a State of the territory of another State, or any military occupation, however temporary, resulting from such invasion or attack, or any annexation by the use of force of the territory of another State or part thereof" and provided that "no consideration of whatever nature, whether political, economic, military or otherwise, may serve as a justification for aggression",

Reaffirming the fundamental principle of the inadmissibility of the acquisition of territory by force,

Reaffirming once more the applicability of the Geneva Convention relative to the Protection of Civilian Persons in Time of War, of 12 August 1949,[2] to the occupied Palestinian and other Arab territories, including Jerusalem,

Noting that Israel's record, policies and actions establish conclusively that it is not a peace-loving Member State and that it has not carried out its obligations under the Charter of the United Nations,

Noting further that Israel has refused, in violation of Article 25 of the Charter, to accept and carry out the numerous relevant decisions of the Security Council, in particular 497 (1981), thus failing to carry out its obligations under the Charter,

1. Strongly condemns Israel for its failure to comply with Security Council resolution 497 (1981) and General Assembly resolutions 36/226 B, ES-9/1, 37/123 A, 38/180 A and 39/146 B;

2. Declares one more that Israel's continued occupation of the Golan Heights, and its decision of 14 December 1981 to impose its laws, jurisdiction and administration on the occupied Syrian Golan Heights constitute an act of aggression under the provisions of Article 39 of the Charter of the United Nations and General Assembly resolution 3314 (XXIX);

3. Declares once more that Israel's decision to impose its laws, jurisdiction and administration on the occupied Syrian Golan Heights is illegal and therefore null and void and has no validity whatsoever;

4. Declares all Israeli policies and practices of, or aimed at, annexation of the occupied Palestinain and other Arab territories, including Jerusalem, to be illegal and in violation of international law and of the relevant United Nations resolutions;

5. Determines once more that all actions taken by Israel to give effect to its decision relating to the occupied Syrian Golan Heights are illegal and invalid and shall not be recognized;

6. Reaffirms its determination that all relevant provisions of the Regulations annexed to the Hague Convention IV of 1907,[3] and the Geneva Convention relative to the Protection of Civilian Persons in Time of War, of 12 August 1949, continue to apply to the Syrian territory occupied by Israel since 1967, and calls upon the parties thereto to respect and ensure respect of their obligations under these instruments in all circumstances;

7. Determines once more that the continued occupation of the Syrian Golan Heights since 1967 and their annexation by Israel on

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[4] *Report of the International Conference on the Question of Palestine, 29 August-7 September 1983* (United Nations publication, Sales No. E.83.I.21), chap. I, sect. A.

[1] A/40/779-S/17581 and Corr. 1.

[2] United Nations, *Treaty Series*, vol. 75, No. 973, p. 287.

[3] Carnegie Endowment for International Peace, *The Hague Conventions and Declarations of 1899 and 1907* (New York, Oxford University Press, 1915), p.100.

14 December 1981, following Israel's decision to impose its laws, jurisdiction and administration on that territory, constitute a continuing threat to international peace and security;

8. Strongly deplores the negative vote by a permanent member of the Security Council which prevented the Council from adopting against Israel, under Chapter VII of the Charter, the "appropriate measures" referred to in resolution 497 (1981) unanimously adopted by the Council;

9. Further deplores any political, economic, financial, military and technological support to Israel that encourages Israel to commit acts of aggression and to consolidate and perpetuate its occupation and annexation of occupied Arab territories;

10. Firmly emphasizes once more its demand that Israel, the occupying Power, rescind forthwith its illegal decision of 14 December 1981 to impose its laws, jurisdiction and administration on the Syrian Golan Heights, which resulted in the effective annexation of that territory;

11. Reaffirms once more the overriding necessity of the total and unconditional withdrawal by Israel from all the Palestinian and other Arab territories occupied since 1967, including Jerusalem, which is an essential prerequisite for the establishment of a comprehensive and just peace in the Middle East;

12. Determines once more that Israel's record, policies and actions confirm that it is not a peace-loving Member State, that it has persistently violated the principles contained in the Charter and that it has carried out neither its obligations under the Charter nor its commitment under General Assembly resolution 273 (III) of 11 May 1949;

13. Calls once more upon all Member States to apply the following measures:

(a) To refrain from supplying Israel with any weapons and related equipment and to suspend any military assistance that Israel receives from them;

(b) To refrain from acquiring any weapons or military equipment from Israel;

(c) To suspend economic, financial and technological assistance to and co-operation with Israel;

(d) To sever diplomatic, trade and cultural relations with Israel;

14. Reiterates its call to all Member States to cease forthwith, individually and collectively, all dealings with Israel in order totally to isolate it in all fields;

15. Urges non-member States to act in accordance with the provisions of the present resolution;

16. Calls upon the specialized agencies and other international organizations to conform their relations with Israel to the terms of the present resolution;

17. Requests the Secretary-General to report to the General Assembly at its forty-first session on the implementation of the present resolution.

MEETING No. 118—VOTE No. 27—ITEM No. 38

Recorded vote—98 Yes; 19 No; 31 Abstain:

Y—Afghanistan; Y—Albania; Y—Algeria; Angola; A—Antigua-Barbuda; Y—Argentina; N—Australia; A—Austria.

A—Bahamas; Y—Bahrain; Y—Bangladesh; A—Barbados; N—Belgium; Belize; Y—Benin; Y—Bhutan; Y—Bolivia; Y—Botswana; Y—Brazil; Y—Brunei Darussalam; Y—Bulgaria; Y—Burkina Faso; A—Burma; Y—Burundi; Y—Byelorussian S.S.R.

A—Cameroon; N—Canada; Y—Cape Verde; Y—Central African Republic; Y—Chad; A—Chile; Y—China; A—Colombia; Comoros; Y—Congo; N—Costa Rica; Y—Cuba; Y—Cyprus; Y—Czechoslovakia.

Y—Democratic Kampuchea; Y—Democratic Yemen; N—Denmark; Y—Djibouti; A—Dominica; A—Dominican Republic.

Y—Equador; Y—Egypt; N—El Salvador; Y—Equatorial Guinea; Y—Ethiopia; A—Fiji; A—Finland; N—France.

Y—Gabon; Y—Gambia; Y—German Democratic Rep.; N—Germany, Federal Rep. of; Y—Ghana; Y—Greece; A—Grenada; A—Guatemala; Y—Guinea; Y—Guinea-Bissau; Y—Guyana.

A—Haiti; A—Honduras; Y—Hungary; N—Iceland; Y—India; Y—Indonesia; Y—Iran (Islamic Rep. of); Y—Iraq; N—Ireland; N—Israel; N—Italy; A—Ivory Coast.

A—Jamaica; A—Japan; Y—Jordan; Y—Kenya; Y—Kuwait.

Y—Lao P.D.R.; Y—Lebanon; Y—Lesotho; A—Liberia; Y—Libyan Arab Jamahiriya; N—Luxembourg.

Y—Madagascar; A—Malawi; Y—Malaysia; Y—Maldives; Y—Mali; Y—Malta; Y—Mauritania; Mauritius; Y—Mexico; Y—Mongolia; Y—Morocco; Y—Mozambique.

Y—Nepal; N—Netherlands; N—New Zealand; Y—Nicaragua; Y—Niger; Y—Nigeria; N—Norway; Y—Oman.

Y—Pakistan; A—Panama; Papua New Guinea; A—Paraguay; Y—Peru; Y—Philippines; Y—Poland; N—Portugal; Y—Qatar.

Y—Romania; Y—Rwanda; St. Christopher and Nevis; A—Saint Lucia; A—Saint Vincent—Grenada; A—Samda; Y—Sao Tome and Principe; Y—Saudi Arabia; Y—Senegal; Seychelles; Sierra Leone; Y—Singapore; Solomon Islands; Y—Somalia; South Africa; A—Spain; Y—Sri Lanka; Y—Sudan; Suriname; A—Swaziland; A—Sweden; Y—Syrian Arab Republic.

Y—Thailand; Y—Togo; Y—Trinidad and Tobago; Y—Tunisia; Y—Turkey.

Y—Uganda; Y—Ukrainian S.S.R.; Y—Union of Soviet Soc. Rep.; Y—United Arab Emirates; N—United Kingdom; Y—United Republic of Tanzania; N—United States; A—Uruguay.

Y—Vanuatu; Y—Venezuela; Y—Viet Nam; Y—Yemen; Y—Yugoslavia; A—Zaire; Y—Zambia; Y—Zimbabwe.

MEETING No. 118—VOTE No. 28—ITEM No. 38

Recorded vote—86 Yes; 23 No; 37 Abstain:

Y—Afghanistan; Y—Albania; Y—Algeria; Y—Angola; A—Antigua-Barbuda; Y—Argentina; N—Australia; A—Austria; A—Bahamas; Y—Bahrain; Y—Bangladesh; Y—Barbados; N—Belgium; Belize; Y—Benin; Y—Bhutan; A—Bolivia; Y—Botswana; A—Brazil; Y—Brunei Darussalam; Y—Bulgaria; Y—Burkina Faso; A—Burma; Y—Burundi; Y—Byelorussian S.S.R.

A—Cameroon; N—Canada; Y—Cape Verde; Central African Republic; Y—Chad; Chile; Y—China; A—Colombia; Y—Comoros; Y—Congo; N—Costa Rica; Y—Cuba; Y—Cyprus; Y—Czechoslovakia.

Y—Democratic Kampuchea; Y—Democratic Yemen; N—Denmark; Y—Djibouti; A—Dominica; A—Dominican Republic.

A—Ecuador; A—Egypt; N—El Salvador; A—Equatorial Guinea; Y—Ethiopia; A—Fiji; N—Finland; N—France.

Y—Gabon; Y—Gambia; Y—German Democratic Rep. of; N—Germany, Federal Rep.; Y—Ghana; Y—Greece; A—Grenada; A—Guatemala; Y—Guinea; Y—Guinea-Bissau; Y—Guyana.

N—Haiti; A—Honduras; Y—Hungary; N—Iceland; Y—India; Y—Indonesia; Y—Iran (Islamic Rep. of); Y—Iraq; N—Ireland; N—Israel; N—Italy; A—Ivory Coast.

A—Jamaica; N—Japan; Y—Jordan; Y—Kenya; Y—Kuwait.

Y—Lao P.D.R. Y—Lebanon; Y—Lesotho; A—Liberia; Y—Libyan Arab Jamahiriya; N—Luxembourg; Y—Madagascar; A—Malawi; Y—Malaysia; Y—Maldives; Y—Mali; Y—Malta; Y—Mauritania; Mauritius; Y—Mexico; Y—Mongolia; Y—Morocco; Y—Mozambique.

A—Nepal; N—Netherlands; N—New Zealand; Y—Nicaragua; Y—Niger; Y—Nigeria; N—Norway; Y—Oman.

Y—Pakistan; A—Panama; Papua New Guinea; A—Paraguay; A—Peru; A—Philippines; Y—Poland; N—Portugal; Y—Qatar; Romania.

Y—Rwanda; St. Christopher and Nevis; A—Saint Lucia; A—Saint Vincent-Grenadines; A—Samoa; Y—Sao Tome and Principe; Y—Saudi Arabia; Y—Sengal; Seychelles; A—Sierra Leone; A—Singapore; Solomon Islands; Y—Somalia; South Africa; A—Spain; Y—Sri Lanka; Y—Sudan; Suriname; A—Swaziland; N—Sweden; Y—Syrian Arab Republic. A—Thailand; Y—Togo; Y—Trinidad and Tobago; Y—Tunisia; Y—Turkey.

Y—Uganda; Y—Ukrainian S.S.R.; Y—Union of Soviet Soc. Rep.; Y—United Arab Emirates; N—United Kingdom; Y—United Republic of Tanzania; N—United States; A—Uruguay.

A—Vanuatu; A—Venezuela; Y—Viet Nam; Y—Yemen; Y—Yugoslavia; A—Zaire; Y—Zambia; Y—Zimbabwe.

THE SITUATION IN THE MIDDLE EAST

Algeria, Bahran, Bangladesh, Democratic Yemen, Djibouti, Egypt, India, Indonesia, Iraq, Jordan, Kuwait, Lebanon, Libyan Arab Jamahiriya, Malaysia, Mauritania, Morocco, Oman, Pakistan, Qatar, Saudi Arabia, Somalia, Sri Lanka, Sudan, Syrian Arab Republic, Tunisia, United Arab Emirates, Yemen and Yugoslavia: draft resolution

The General Assembly:

Recalling its resolutions 36/120 E of 10 December 1981, 37/123 C of 16 December 1982, 38/180 C of 19 December 1983 and 39/146 C of 14 December 1984, in which it determined that all legislative and administrative measures and actions taken by Israel, the occupying Power, which had altered or purported to alter the character and status of the Holy City of Jerusalem, in particular the so-called "Basic Law" on Jerusalem and the proclamation of Jerusalem as the capital of Israel, were null and void and must be rescinded forthwith,

Recalling Security Council resolution 478 (1980) of 20 August 1980, in which the Council, *inter alia*, decided not to recognize the "Basic Law" and called upon those States that had established diplomatic missions at Jerusalem to withdraw such missions from the Holy City,

Having considered the report of the Secretary-General of 22 October 1985, [1]

1. Determines that Israel's decision to impose its laws, jurisdiction and administration on the Holy City of Jerusalem is illegal and therefore null and void and has no validity whatsoever;

2. Deplores the transfer by some States of their diplomatic missions to Jerusalem in violation of Security Council resolution 478 (1980) and their refusal to comply with the provisions of that resolution;

3. Calls once upon those to abide by the provisions of the relevant United Nations resolutions, in conformity with the Charter of the United Nations;

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[1] A/40/779-S/17581 and Corr.1.

4. Requests the Secretary-General to report to the General Assembly at its forty-first session on the implementation of the present resolution.

MEETING No. 118—VOTE No. 29—ITEM No. 38

Subject: The situation in the Middle East.

Recorded vote: 137 yes, 2 no, 10 abstain.

Y—Afghanistan; Y—Albania; Y—Algeria; Angola; A—Antigua-Barbuda; Y—Argentina; Y—Australia; Y—Austria.

Y—Bahamas; Y—Bahrain; Y—Bangladesh; Y—Barbados; Y—Belgium; Belize; Y—Benin; Y—Bhutan; Y—Bolivia; Y—Botswana; Y—Brazil; Y—Brunei Darussalam; Y—Bulgaria; Y—Burkina Faso; Y—Burma; Y—Burundi; Y—Byelorussian S.S.R.

Y—Cameroon; Y—Canada; Y—Cape Verde; Y—Central African Republic; Y—Chad; Y—Chile; Y—China; Y—Colombia; Y—Comoros; Y—Congo; N—Costa Rica; Y—Cuba; Y—Cyprus; Y—Czechoslovakia.

Y—Democratic Kampuchea; Y—Democratic Yemen; Y—Denmark; Y—Djibouti; A—Dominica; Y—Dominican Republic.

Y—Ecuador; Y—Egypt; Y—El Salvador; Y—Equatorial Guinea; Y—Ethiopia.

Y—Fiji; Y—Finland; Y—France; Y—Gabon; Y—Gambia; Y—German Democratic Rep.; Y—Germany, Federal Rep. of; Y—Ghana; Y—Greece; Y—Grenada; A—Guatemala; Y—Guinea; Y—Guinea-Bissau; Y—Guyana.

Haiti; Y—Honduras; Y—Hungary; Y—Iceland; Y—India; Y—Indonesia; Y—Iran (Islamic Rep. of); Y—Iraq; Y—Ireland; Y—Israel; Y—Italy; Y—Ivory Coast.

Y—Jamaica; Y—Japan; Y—Jordan.

Y—Kenya; Y—Kuwait.

Y—Lao P.D.R; Y—Lebanon; Y—Lesotho; A—Liberia; Y—Libyan Arab Jamahiriya; Y—Luxembourg.

Y—Madagascar; A—Malawi; Y—Malaysia; Y—Maldives; Y—Mali; Y—Malta; Y—Mauritania; Y—Mauritius; Y—Mexico; Y—Mongolia; Y—Morocco; Y—Mozambique.

Y—Nepal; Y—Netherlands; Y—New Zealand; Y—Nicaragua; Y—Niger; Y—Nigeria; Y—Norway; Y—Oman.

Y—Pakistan; Y—Panama; Papua New Guinea; A—Paraguay; Y—Peru; Y—Philippines; Y—Poland; Y—Portugal; Y—Qatar.

Y—Romania; Y—Rwanda.

St. Christopher and nevis; Y—Saint Lucia; Y—Saint Vincent-Grenada Y—Samoa; Y—Sao Tome and Principe; Y—Saudi Arabia; Y—Senegal; Seychelles; Sierra Leone; Y—Singapore; Solomon Islands; Y—Somalia; South Africa; Y—Spain; Y—Sri Lanka; Y—Sudan; Y—Suriname; A—Swaziland; Y—Sweden; Y—Syrian Arab Republic.

Y—Thailand; Y—Togo; Y—Trinidad and Tobago; Y—Tunisia; Y—Turkey.

Y—Uganda; Y—Ukrainian S.S.R.; Y—Union of Soviet Soc. Rep.; Y—United Arab Emirates; Y—United Kingdom; Y—United Republic of Tanzania; A—United States; Y—Uruguay.

Y—Vanuatu; Y—Venezuela; Y—Viet Nam.

Y—Yemen; Y—Yugoslavia.

A—Zaire; Y—Zambia; Y—Zimbabwe.●

● Mr. KENNEDY. Mr. President, yesterday the administration formally notified Congress of its intention to sell sophisticated missiles to Saudi Arabia. Today I am joining Senators CRANSTON, PACKWOOD, DIXON, D'AMATO, LAUTENBERG, and 55 other Senators in introducing a resolution of disapproval of the administration's request for advance weapons to Saudi Arabia.

This administration has yet to learn a fundamental truth about the Middle East—that the way to bring peace and stability to the Middle East is through a peace policy, not an arms policy. The United States must not sell advanced weapons to the enemies of Israel unless and until that nation accepts the existence of Israel and begins direct negotiations for peace.

Opponents of this sale do not seek another confrontation with the administration. But neither can we remain silent while the administration pursues a reckless course that could endanger Israel and her people in a future confrontation in the Middle East.

Saudi Arabia has received $44 billion in arms and other military aid from the United States since 1971. Saudi Arabia already has adequate stockpiles of weapons for its own defense. This latest request for Sidewinders, Stingers, and Harpoons can only escalate the already dangerous arms race in the Middle East.

The addition of these Sidewinder missiles will bring the total to nearly 5,500—providing a far greater number of missiles per plane than that of any of our allies. These heat-seeking missiles are extremely effective—most of the 85 Syrian MIG's downed in Lebanon were destroyed by Sidewinders—with an accuracy rate of 80 percent. These missiles also enabled the British to destroy 19 Argentine aircraft in the Falklands war—using only 23 Sidewinders.

The Stinger missiles are portable weapons which can be carried and fired by individual soldiers, and which have a range of 5,000 meters and can hit planes at altitudes of up to 3,000 meters; a single missile could destroy a civilian aircraft. We need only remind ourselves of the tragic death of the Klug family in the skies over Greece last week to realize the havoc terrorists could cause should these weapons fall into their hands.

The air-launched harpoon is an antiship missile with a range of up to 85 nautical miles; it is not yet in the Saudi inventory. These new weapons would be used on Saudi Arabian F-15 aircraft and possibly the newly acquired British Tornados and would enhance the Saudi capacity to control the sea lanes around it.

Finally, Saudi Arabia has not lived up to the specific condition set down in writing by President Reagan in 1981 that no future advanced arms sales to Saudi Arabia would take place until significant progress toward peace in the region is not only accomplished—but accomplished with the substantial assistance of Saudi Arabia.

Yet the Saudis have consistently opposed American peace initiatives since the AWAC's sale including the Reagan plan in 1982, the May 17, 1983 Lebanon-Israel accord and the Camp David peace process. And they continue to bankroll the PLO and Syria. Clearly, there has been no progress toward peace and no Saudi assistance—and the obvious question is whether the administration meant what it said in 1981.

It is time for this administration to direct its efforts to move the peace process forward between Israel and her neighbors, not to continue trying to move one arms deal after another through Congress. No further sophisticated weapons should be sold to the Saudis until that nation accepts the existence of Israel and begins direct negotiations for peace. Unless this fundamental condition is met, this latest arms deal should be rejected by Congress.●

● Mr. D'AMATO. Mr. President, I rise today to strongly support the resolution introduced by my good friend, the senior Senator from California, which will disallow the proposed $354 million arms sale to Saudi Arabia.

The administration has formally notified Congress that it intends to sell $354 million worth of advanced missiles to Saudi Arabia. The administration cites Saudi Arabia's moderating influence in the Middle East, its close friendship with the United States, and the dangers it faces from the Iran-Iraq war.

I find fault with these arguments. Saudi Arabia has consistently worked to undermine the Arab-Israeli peace process. Saudi Arabia supports two of America's main terrorist threats, Libya and Syria. Saudi Arabia has provided not only over $4 billion of monetary assistance to the P.L.O. but also sanctuary, training, and logistics for P.L.O. militants.

I am unconvinced that we can trust the Saudis with such advanced missiles. The Saudis have not lived up to the AWAC's agreements. Congress was assured that future deliveries to Saudi Arabia of AWAC's and other advanced arms would take place only if peace efforts in the region have the substantial assistance of Saudi Arabia. This has not happened.

We do not have to prove our friendship with Saudi Arabia. We have supplied the Saudi's with over $44 billion in arms since 1971, $22 billion just during this administration. The simple fact of the matter is that Saudi Arabia does not truly need the missiles. This is just a preliminary sale. I expect the administration to come back in the future if we do not stop it now and ask to sell even more sophisticated weaponry. I also question the urgency of this sale if the missiles are not going to be sent to Saudi Arabia for quite some time.

Part of the proposed sale includes advanced hand-held Stinger missiles. The Iranian Air Force has a limited number planes capable of flying. Saudi Arabia, which already has Stinger mis-

siles, has more than enough missiles to defend against this threat.

Our total arms sales to Saudi Arabia are larger than those to any other nation. No other nation has exceeded $12 billion in total arms purchases. Total arms sales to all of our European allies combined amounts to just $50 billion, barely more than Saudi Arabia's purchases alone. Last year Saudi Arabia, by purchasing $3.5 billion of American arms, purchased 25 percent of all United States arms exports.

It is not in the best interest of the United States and our allies in the Middle East, particularly Israel, that this sale go through. Saudi Arabia has to prove that it is truly for peace in the Middle East before the United States provides billions more in military sales.

Mr. President, the fact that so many of my colleagues have joined with me on this resolution shows the true concern of this body over this proposed sale. I urge other colleagues to cosponsor this important resolution and I ask for its quick passage.●

By Mr. HEINZ (for Mr. GLENN, Mr. WILSON, Mr. HOLLINGS, Mr. SYMMS, Mr. KERRY, Mr. COHEN, Mr. ZORINSKY, Mr. ROCKEFELLER, Mr. BAUCUS, Mr. DOLE, Mr. LUGAR, Mr. GORE, Mr. NUNN, Mr. ROTH, Mr. BRADLEY, Mr. LAUTENBERG, Mr. WARNER, Mr. DURENBERGER, Mr. MATSUNAGA, Mr. KASTEN, Mr. SARBANES, Mr. ANDREWS, Mr. RIEGLE, Mr. COCHRAN, Mr. KENNEDY, Mr. PRYOR, Mr. CHAFEE, Mr. STAFFORD, Mr. JOHNSTON, Mr. LEVIN, Mr. BENTSEN, Mr. CRANSTON, Mr. THURMOND, Mr. HATCH, Mr. DIXON, and Mr. MCCLURE):

S.J. Res. 317. Joint resolution to designate the month November 1986 as "National Hospice Month"; to the Committee on the Judiciary.

NATIONAL HOSPICE MONTH

● Mr. HEINZ. Mr. President, I am pleased to be joined today by Senator GLENN and 35 additional distinguished colleagues in introducing a resolution designating November 1986 as "National Hospice Month." A companion resolution is being introduced today in the House of Representatives by Congressman GRADISON.

This resolution will mark the third annual National Hospice Month recognizing hospice care as a humane response to the needs of those who are terminally ill.

Hospice provides support and care for persons in the last phase of life. It enables terminally ill persons to live out the end of their lives in dignity, as fully and comfortably as possible. Hospice offers hope to family members as well by providing them with emotional support and understanding at this most difficult time.

The first hospice was established in New Haven, CT, in 1974. Hospice was a health-care innovation that was sorely needed and has been wholeheartedly embraced. In the 12 years that have passed, the hospice movement has grown dramatically, and public awareness and support for the program has grown as well. According to the Joint Commission on Accreditation of Hospitals, there are an estimated 1,400 hospice programs in the United States. Almost 100,000 patients a year receive hospice care. And thousands of volunteers each year contribute many hours of service to the care of hospice patients.

Mr. President, hospice care is very different from traditional hospital care. Most hospice patients are faced with months of severe pain and suffering while their families are faced with feelings of helplessness and frustration. While traditional hospital care is committed to treating and curing diseases, for most hospice patients there is no cure. Pain control and family support are often the only antidotes for these patients.

Hospice is an alternative for these patients—an alternative to institutionalization, to separation from families, and to purely clinical treatments. Hospice focuses not just on how long life lasts, but on the quality of that life.

Mr. President, this resolution also recognizes the many people who work as teams to make hospice care a valuable service. Hospice services are provided through the use of home health aides, social workers, registered nurses, clergy, and volunteers—all united to help those most in need.

This resolution celebrates the hope and caring that hospice brings to terminally ill patients and their families. I urge my colleagues to support this resolution, so that we may again reaffirm Congress' support for hospice. I ask that the text of the resolution be printed in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 317

Whereas hospice care has been demonstrated to be a humanitarian way for terminally ill patients to approach the end of their lives in comfort with appropriate, competent, and compassionate care in an environment of personal individuality and dignity;

Whereas hospice advocates care of the patient and family by attending to their physical, emotional, and spiritual needs and specifically, the pain and grief they experience;

Whereas hospice care is provided by an interdisciplinary team of physicians, nurses, social workers, pharmacists, psychological and spiritual counselors, and other community volunteers trained in the hospice concept of care;

Whereas hospice is rapidly becoming a full partner in the Nation's health care system;

Whereas the recent enactment of the medicare hospice benefit makes it possible for many more elderly Americans to have the opportunity to elect to receive hospice care;

Whereas private insurance carriers and employers have recognized the value of hospice care by the inclusion of hospice benefits in health care coverage packages; and

Whereas there remains a great need to increase public awareness of the benefits of hospice care: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the month of November 1986 is designated "National Hospice Month". The President is requested to issue a proclamation calling upon all Government agencies, the health care community, appropriate private organizations, and people of the United States to observe that month with appropriate forums, programs, and activities designed to encourage national recognition of and support for hospice care as a humane response to the needs of the terminally ill and a viable component of the health care system in this country.●

● Mr. GLENN. Mr. President, I am proud to join many of my colleagues today in introducing a resolution designating November 1986, as "National Hospice Month." Most American families have, at one time or another, faced the painful ordeal of providing care and support for a relative or friend with a terminal illness. While death is something we all must face, the death of a loved one—especially one suffering through illness—is particularly traumatic.

Hospice care provides support and care for persons in the last phase of life, enabling the terminally ill patient to live his or her remaining days surrounded by the love and support of family and friends. Hospice is an alternative to traditional hospital care; instead of focusing on treating and curing diseases, hospice care concentrates on pain control, and comfort, and family support. For most hospice patients there is no cure, so the focus of care is on the quality rather than the quantity of life.

The "National Hospice Month" resolution recognizes the efforts of the people—the nurses, social workers, physicians, and volunteers to name but a few—who work to make hospice care a reality. Their compassion and dedication to what is often a difficult job is commendable. These people provide the kind of care upon which the hospice program is based: "to cure sometimes, to relieve often and comfort always."

It is fitting that the "National Hospice Month" resolution is being introduced today. Earlier this week, on Monday, April 17, the reconciliation bill was signed into law. It puts into place two very important changes in the Medicare Hospice Program. First, the hospice benefit becomes permanent rather than expiring, as previously scheduled, on October 1, 1986. Second, it raises the daily reimbursement rate by $10 per day—to a more realistic level—which should lead to

more hospice participation in Medicare.

Mr. President, as a long-time supporter of hospice it is my hope that by drawing attention to those who work within the hospice movement, we will create more opportunities to bring their special type of care to many who are dying. We in Congress must remain firm in our support of their purpose and efforts in the care of the terminally ill. We can show our support by again enacting this resolution. I urge my colleagues in the Senate to join me in supporting the resolution designating November 1986, as "National Hospice Month."●

By Mr. ABDNOR (for himself, Mr. DURENBERGER, Mr. WEICKER, Mr. STENNIS, Mr. MOYNIHAN, Mr. PRESSLER, Mr. BOSCHWITZ, Mr. ROCKEFELLER, Mrs. HAWKINS, Mr. DOLE, Mr. BRADLEY, Mr. DODD, Mr. HOLLINGS, Mr. MCCLURE, Mr. STEVENS, Mr. NUNN, Mr. SYMMS, Mr. BURDICK, Mr. GARN, Mr. HEINZ, Mr. GORE, Mr. KERRY, Mr. WARNER, Mr. NICKLES, Mr. CHILES, Mr. ANDREWS, Mr. MATHIAS, Mr. TRIBLE, and Mr. INOUYE):

S.J. Res. 318. Joint resolution designating November 1986 as "National Diabetes Month"; to the Committee on the Judiciary.

NATIONAL DIABETES MONTH

Mr. ABDNOR. Mr. President, I am today introducing a joint resolution to designate the month of November, 1986, as "National Diabetes Month." Although the ongoing war against diabetes has yielded significant advances in basic and clinical research aimed at prevention, diagnosis, and treatment of persons who are afflicted with this disease, much more remains to be done.

I am convinced of the need for this effect to call to the attention of the public the toll diabetes takes on the 11 million Americans afflicted with the disease and their families. Some 5 million of those afflicted are not even aware of their illness. Tens of millions of Americans—the friends and families of those with the disease—are personally affected by the grave impact which diabetes has on their loved ones. Over $14 billion are spent each year for health care, disability payments, and premature mortality costs resulting from diabetes.

Health complications resulting from diabetes affect a variety of bodily functions and organs. The lasting effects of these complications are extremely severe. For example, the National Diabetes Data Group has reported that:

Diabetes causes almost 50 percent of foot and leg amputations among adults;

Twenty percent of all cases of kindney failure, and 15 percent of all blindness is due to diabetes;

Diabetes is a major cause of birth defects and infant mortality;

The United States ranks among the highest five nations in the world in mortality due to diabetes;

Diabetes is a major risk factor for cardiovascular disease;

A disproportionately large number of black Americans, Hispanic Americans, Native Americans and women suffer from diabetes and its numerous complications;

One in every 600 children suffer from insulin dependent diabetes;

Those afflicted with diabetes spend twice as many days in hospitals as persons without the disease; and

Diabetes, which is the fourth leading cause of visits to general and family practice physicians, places a significant drain on our Nation's health resources.

Mr. President, I would like to take this opportunity to commend the American Diabetes Association, which works so diligently on behalf of the 11 million Americans who suffer from diabetes, and the South Dakota Affiliate of the American Diabetes Association for its efforts on behalf of more than 30,000 South Dakotans afflicted with diabetes and their loved ones.

Mr. President, the designation of November of this year as National Diabetes Month will serve to call to the wider attention of the American people the human and economic costs of diabetes. It is my sincere hope and belief that this increased understanding of the disease—both by those afflicted and by others—will lead to more intensive research, improved methods of preventing serious complications, new types of treatment, and general awareness of the challenge we face in seeking to lessen the impact of diabetes. I urge the speedy adoption of this joint resolution.

Mr. President, I ask unanimous consent that the text of the resolution be printed.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 318

Whereas diabetes with its complications kills more than any other disease except cancer and cardiovascular diseases;

Whereas diabetes afflicts eleven million Americans and five million of these Americans are not aware of their illness;

Whereas more than $14,000,000,000 annually is used for health care costs, disability payments, and premature mortality costs due to diabetes;

Whereas up to 85 per centum of all cases of non-insulin dependent diabetes may be preventable through greater public understanding, awareness and education;

Whereas diabetes is particularly prevalent among black Americans, Hispanic Americans, Native Americans, and women; and

Whereas diabetes is a leading cause of blindness, kidney disease, heart disease, stroke, birth defects, and lower life expectancy, which complications may be reduced through greater patient and public understanding, awareness, and education: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the month of November 1986 is designated as "National Diabetes Month" and the President is authorized and requested to issue a proclamation calling upon the people of the United States to observe that month with appropriate programs, ceremonies, and activities.

Mr. DURENBERGER. Mr. President, I am pleased to join my distinguished colleague from South Dakota [Mr. ABDNOR] in sponsoring this important resolution designating November 1986, as National Diabetes Month. Through my past support of this initiative, including being its chief sponsor last year, I have had the opportunity to meet some impressive individuals who have diabetes or who have devoted their professional lives to researching the causes, treatments, or cures for this disease.

Diabetes is a potentially devastating disease, and yet so many diabetics have taken the bull by the horns and have mastered the management of their diabetes. They are making full use of the newest methods of home glucose monitoring, receiving laser treatments to stop hemorrhages of the eye that often lead to blindness, or are using insulin pumps to achieve the tightest control possible of their blood sugars.

Tight blood sugar control seem to be the way to go, so the latest research indicates, to prevent or arrest the development of long-term complications of diabetes—blindness, kidney disease, heart disease, stroke, and amputation. But the jury is not 100 percent in on this, and more research is needed to answer critical questions about diabetes. How important is tight blood glucose control to the long-term effects of diabetes? Through what methods of diabetes management is this best achieved? How can pancreas or islet cell—the cells in the pancreas that manufacture insulin—transplantation be perfected and made more widely available to diabetics who could most benefit from these methods of treatment?

As chairman of the Health Subcommittee of the Senate Finance Committee, I have pursued many initiatives to reform our Nation's health care system, such as championing legislation to encourage more health promotion and disease prevention in our health care delivery system. A proposal of mine to set up five Medicare demonstration programs designed to reduce the risk of disability and death or through the provision of preventative health services to Medicare beneficiaries was just signed into law by the President as part of the fiscal year 1986 budget reconciliation package. In

this way, individuals will be encouraged to take more responsibility for how they manage their own health and where they spend their health care dollars.

This approach to health care is important for successful health outcomes for diabetics. Diabetes accounts for over $10 billion annually in health care expenditures in the United States, and the 2 million-plus elderly diabetics cost the Medicare Program alone about $3 billion a year. And most of these costs are from curative measures for the long-term complications of the disease—the kidney disease, the heart attacks, the amputations.

A diabetic, at the same time, is the premier example of someone whose life story plays out best when the diabetic, along with his or her physician and others in the health team, takes responsibility up front and controls the disease rather than letting the disease be in control. This management can reduce the cost of health care for the diabetic and can allow that individual to be as healthy as possible for as long as possible. With this kind of health promotion and disease prevention teamwork, costs can be less and responsibility is appropriately placed in the hands of the individual.

This approach to health care management can be a model for us all as we continue to examine ways to reform our health care system. National Diabetes Month will serve to focus the Nation on understanding the disease, intensify the scientific and educational efforts that are currently underway, and help us move another step forward in shaping a healthy future for everyone involved.

ADDITIONAL COSPONSORS

S. 471

At the request of Mr. DODD, the name of the Senator from Montana [Mr. BAUCUS] was added as a cosponsor of S. 471, a bill to amend the Federal Election Campaign Act of 1971 and the Internal Revenue Code of 1954 to provide a 100 percent tax credit for small contributions to candidates for the Senate of the United States who agree to abide in the general election by an overall spending limit and a limit on the use of personal funds; to create a new overall limit on contributions by nonparty multicandidate political committees to Senate election campaigns; to provide Senate candidates with the ability to respond free or at reduced costs to independent expenditures made against a candidate or in favor of the candidate's opponent; and for other purposes.

S. 670

At the request of Mr. PELL, the name of the Senator from Tennessee [Mr. SASSER] was added as a cosponsor of S. 670, a bill to amend the National Labor Relations Act to give employers and performers in the performing arts rights given by section 8(e) of such act to employers and employees in similarly situated industries, and to give to employers and performers in the performing arts the same rights given by section 8(f) of such act to employers and employees in the construction industry, and for other purposes.

S. 856

At the request of Mr. NICKLES, his name was added as a cosponsor of S. 856, a bill to amend the Internal Revenue Code of 1954 to allow the deduction for certain expenses paid or incurred by an individual in connection with the adoption of a child.

S. 896

At the request of Mr. NICKLES, his name was added as a cosponsor of S. 896, a bill to amend the Internal Revenue Code of 1954 to apply rural electric cooperative plans to the provisions relating to cash or deferred arrangements.

S. 974

At the request of Mr. WEICKER, the name of the Senator from West Virginia [Mr. ROCKEFELLER] was added as a cosponsor of S. 974, a bill to provide for protection and advocacy for mentally ill persons.

S. 1154

At the request of Mr. MATSUNAGA, the name of the Senator from South Carolina [Mr. HOLLINGS] was added as a cosponsor of S. 1154, a bill to amend title XVIII of the Social Security Act to provide direct medicare reimbursement for services performed by registered nurse anesthetists.

S. 1220

At the request of Mr. HATFIELD, the names of the Senator from Georgia [Mr. MATTINGLY], and the Senator from Nebraska [Mr. ZORINSKY] were added as cosponsors of S. 1220, a bill entitled the "Renewable Energy and Conservation Transition Act of 1985".

S. 1654

At the request of Mr. STEVENS, the names of the Senator from Nevada [Mr. LAXALT], and the Senator from Kentucky [Mr. MCCONNELL] were added as cosponsors of S. 1654, a bill to amend title 18, United States Code, to provide for criminal forfeiture of proceeds derived from espionage activities and rewards for informants providing information leading to arrests in espionage cases.

S. 1662

At the request of Mr. PELL, the name of the Senator from New Mexico [Mr. BINGAMAN] was added as a cosponsor of S. 1662, a bill to encourage the transfer of training technology developed by the Federal Government to commercial users and public industrial users.

S. 1747

At the request of Mr. ROTH, the names of the Senator from Arizona [Mr. DECONCINI], and the Senator from Connecticut [Mr. DODD] were added as cosponsors of S. 1747, a bill to amend the Foreign Assistance Act of 1961 to protect tropical forests in developing countries.

S. 1748

At the request of Mr. ROTH, the names of the Senator from Arizona [Mr. DECONCINI] and the Senator from Connecticut [Mr. DODD] were added as cosponsors of S. 1748, a bill to amend the Foreign Assistance Act of 1961 to protect biological diversity in developing countries.

S. 1810

At the request of Mr. SYMMS, the name of the Senator from South Dakota [Mr. ABDNOR] was added as a cosponsor of S. 1810, a bill to require United States representatives to international financial institutions to oppose assistance by such institutions for the production of agricultural commodities in competition with United States produced agricultural commodities, and for other purposes.

S. 1835

At the request of Mr. METZENBAUM, the name of the Senator from Alabama [Mr. HEFLIN] was added as a cosponsor of S. 1835, a bill to provide assistance in alleviating the suffering of victims of Alzheimer's disease and their families.

S. 1855

At the request of Mr. QUAYLE, the name of the Senator from New York [Mr. MOYNIHAN] was added as a cosponsor of S. 1855, a bill to revise the provisions of the Public Health Service Act relating to health planning.

S. 1888

At the request of Mr. BUMPERS, the name of the Senator from New Mexico [Mr. DOMENICI] was added as a cosponsor of S. 1888, a bill to provide for a program of cleanup and maintenance on Federal public lands, national parks, recreation areas, and for other purposes.

S. 1917

At the request of Mr. BRADLEY, the names of the Senator from Alaska [Mr. STEVENS], the Senator from North Dakota [Mr. ANDREWS], and the Senator from Florida [Mr. CHILES] were added as cosponsors of S. 1917, a bill to amend the Foreign Assistance Act of 1961 to provide assistance to promote immunization and oral rehydration, and for other purposes.

S. 1941

At the request of Mr. DENTON, the names of the Senator from North Carolina [Mr. EAST] and the Senator from Nevada [Mr. LAXALT] were added as cosponsors of S. 1941, a bill to pro-

tect the security of the United States by providing for sanctions against any country that provides support for perpetrators of acts of international terrorism.

S. 1942

At the request of Mr. DENTON, the names of the Senator from North Carolina [Mr. EAST] and the Senator from Nevada [Mr. LAXALT] were added as cosponsors of S. 1942, a bill to amend title 10, United States Code, to improve the security of United States military installations.

S. 1966

At the request of Mrs. KASSEBAUM, the names of the Senator from Alaska [Mr. STEVENS], and the Senator from Iowa [Mr. HARKIN] were added as cosponsors of S. 1966, a bill to provide for efficient and equitable use of operating rights at congested airports, and for other purposes.

S. 1979

At the request of Mrs. KASSEBAUM, the name of the Senator from Hawaii [Mr. MATSUNAGA] was added as a cosponsor of S. 1979, a bill to fulfill the purposes of the Airport and Airway Improvement Act of 1982, promote air passenger safety, and provide equity to airway users.

S. 2040

At the request of Mr. MATHIAS, the names of the Senator from Michigan [Mr. RIEGLE] and the Senator from Illinois [Mr. DIXON] were added as cosponsors of S. 2040, a bill to amend title VIII of the Act commonly called the Civil Rights Act of 1968, to revise the procedures for the enforcement of fair housing, and for other purposes.

S. 2059

At the request of Mr. NICKLES, his name was added as a cosponsor of S. 2059, a bill to control franking costs.

S. 2176

At the request of Mr. BOREN, the names of the Senator from Nebraska [Mr. ZORINSKY] and the Senator from North Dakota [Mr. ANDREWS] were added as cosponsors of S. 2176, a bill to amend chapter 11 of title 18, United States Code, to prohibit any former high-level Federal civilian officer or employee or high-ranking officer of a uniformed service from representing or advising a foreign principal for a period of at least 5 years after leaving Government service.

S. 2187

At the request of Mr. DECONCINI, the names of the Senator from Maryland [Mr. SARBANES], the Senator from Illinois [Mr. SIMON], and the Senator from North Dakota [Mr. ANDREWS] were added as cosponsors of S. 2187, a bill to amend title 38, United States Code, to exempt from sequestration certain benefits for veterans and dependents and survivors of certain veterans which are paid based on the service-connected disability or death of veterans.

S. 2190

At the request of Mr. SARBANES, the name of the Senator from Maryland [Mr. MATHIAS] was added as a cosponsor of S. 2190, a bill to provide that the full cost-of-living adjustment in benefits payable under certain Federal programs shall be made for 1987.

S. 2220

At the request of Mr. CRANSTON, the name of the Senator from Vermont [Mr. LEAHY] was added as a cosponsor of S. 2220, a bill to provide for a mutual, verifiable moratorium on the testing of nuclear warheads, and for other purposes.

S. 2221

At the request of Mrs. KASSEBAUM, the name of the Senator from South Carolina [Mr. THURMOND] was added as a cosponsor of S. 2221, a bill to amend section 108 of the Internal Revenue Code of 1954 to provide that the discharge of certain farm indebtedness shall not be included in gross income.

S. 2229

At the request of Mr. DODD, the names of the Senator from Massachusetts [Mr. KERRY] and the Senator from Kentucky [Mr. FORD] were added as cosponsors of S. 2229, a bill to amend the Impoundment Control Act of 1974 to provide that deferrals of budget authority by the President shall not take effect unless within 45 legislative days Congress completes action on a deferral bill, and for other purposes.

S. 2261

At the request of Mr. HUMPHREY, the name of the Senator from North Carolina [Mr. HELMS] was added as a cosponsor of S. 2261, a bill to amend the Service Contract Act of 1965 to reform the administration of such act, and for other purposes.

SENATE JOINT RESOLUTION 2

At the request of Mr. HATCH, the name of the Senator from Kansas [Mrs. KASSEBAUM] was added as a cosponsor of Senate Joint Resolution 2, a joint resolution proposing an amendment to the Constitution of the United States relating to voluntary silent prayer or reflection.

SENATE JOINT RESOLUTION 112

At the request of Mr. PELL, the name of the Senator from New York [Mr. MOYNIHAN] was added as a cosponsor of Senate Joint Resolution 112, a joint resolution to authorize and request the President to call a White House Conference on Library and Information Services to be held not later than 1989, and for other purposes.

SENATE JOINT RESOLUTION 237

At the request of Mr. NICKLES, his name was added as a cosponsor of Senate Joint Resolution 237, a joint resolution to designate the month of January 1986 as "United States Savings Bonds Month".

SENATE JOINT RESOLUTION 241

At the request of Mr. DOLE, the names of the Senator from Mississippi [Mr. STENNIS] and the Senator from Oklahoma [Mr. NICKLES] were added as cosponsors of Senate Joint Resolution 241, a joint resolution designating the week beginning on May 11, 1986, as "National Asthma and Allergy Awareness Week".

SENATE JOINT RESOLUTION 282

At the request of Mr. MOYNIHAN, the name of the Senator from Alaska [Mr. MURKOWSKI] was added as a cosponsor of Senate Joint Resolution 282, a joint resolution to express the disapproval of the Congress with respect to the proposed rescission of budget authority for the general revenue sharing program.

SENATE JOINT RESOLUTION 284

At the request of Mr. METZENBAUM, the names of the Senator from Ohio [Mr. GLENN] and the Senator from Rhode Island [Mr. PELL] were added as cosponsors of Senate Joint Resolution 284, a joint resolution to designate the month of May 1986 as "Better Hearing and Speech Month."

SENATE JOINT RESOLUTION 287

At the request of Mr. BOREN, the name of the Senator from Ohio [Mr. GLENN] was added as a cosponsor of Senate Joint Resolution 287, a joint resolution designating September 29, 1986, as "National Teachers Day."

SENATE JOINT RESOLUTION 289

At the request of Mr. ROTH, the names of the Senator from California [Mr. WILSON], the Senator from Alaska [Mr. MURKOWSKI], the Senator from Pennsylvania [Mr. SPECTER], and the Senator from North Dakota [Mr. ANDREWS] were added as cosponsors of Senate Joint Resolution 289, a joint resolution to designate 1988 as the "Year of New Sweden" and to recognize the New Sweden '88 American Committee.

SENATE JOINT RESOLUTION 290

At the request of Mr. DECONCINI, the names of the Senator from Minnesota [Mr. BOSCHWITZ] and the Senator from Alabama [Mr. HEFLIN] were added as cosponsors of S.J. Res. 290, a joint resolution to designate July 4, 1986, as "National Immigrants Day."

SENATE JOINT RESOLUTION 293

At the request of Mrs. HAWKINS, the names of the Senator from Hawaii [Mr. MATSUNAGA], the Senator from Arkansas [Mr. BUMPERS], the Senator from Utah [Mr. HATCH], the Senator from Ohio [Mr. METZENBAUM], the Senator from Vermont [Mr. STAFFORD], and the Senator from Georgia [Mr. MATTINGLY] were added as cosponsors of Senate Joint Resolution 293, a joint resolution to designate the month of May 1986 as "National Child Safety Month."

SENATE JOINT RESOLUTION 298

At the request of Mr. QUAYLE, the names of the Senator from Maine [Mr. MITCHELL], the Senator from North Carolina [Mr. EAST], the Senator from New Jersey [Mr. BRADLEY], and the Senator from Kansas [Mrs. KASSEBAUM] were added as cosponsors of Senate Joint Resolution 298, a joint resolution to designate the week of October 5, 1986, through October 11, 1986, as "Mental Illness Awareness Week."

SENATE JOINT RESOLUTION 303

At the request of Mr. MATHIAS, the names of the Senator from Minnesota [Mr. BOSCHWITZ], the Senator from Iowa [Mr. GRASSLEY], and the Senator from Massachusetts [Mr. KENNEDY] were added as cosponsors of Senate Joint Resolution 303, a joint resolution to designate April 1986, as "Fair Housing Month".

SENATE JOINT RESOLUTION 307

At the request of Mr. MATTINGLY, the names of the Senator from North Carolina [Mr. EAST], the Senator from Oklahoma [Mr. NICKLES], the Senator from New York [Mr. D'AMATO], the the Senator from Mississippi [Mr. COCHRAN], the Senator from Kansas [Mr. DOLE], the Senator from Pennsylvania [Mr. SPECTER], the Senator from Rhode Island [Mr. CHAFEE], the Senator from Florida [Mrs. HAWKINS], the Senator from Mississippi [Mr. STENNIS], the Senator from Arkansas [Mr. BUMPERS], the Senator from Arkansas [Mr. PRYOR], the Senator from Louisiana [Mr. JOHNSTON], the Senator from Tennessee [Mr. GORE], and the Senator from Missouri [Mr. EAGLETON] were added as cosponsors of Senate Joint Resolution 307, a joint resolution to designate the week of April 18, through April 27, 1986, as "National Carpet and Floorcovering Week."

SENATE JOINT RESOLUTION 312

At the request of Mr. D'AMATO, the names of the Senator from Illinois [Mr. DIXON], the Senator from Alaska [Mr. MURKOWSKI], the Senator from Tennessee [Mr. GORE], the Senator from Oklahoma [Mr. BOREN], the Senator from Pennsylvania [Mr. SPECTER], and the Senator from Georgia [Mr. MATTINGLY] were added as cosponsors of Senate Joint Resolution 312, a joint resolution designating the week beginning April 13, 1986, as "National Medical Laboratory Week."

SENATE JOINT RESOLUTION 314

At the request of Mr. QUAYLE, the name of the Senator from Minnesota [Mr. DURENBERGER] was added as a cosponsor of Senate Joint Resolution 314, a joint resolution to designate the week beginning July 27, 1986, as "National Nuclear Medicine Week."

SENATE CONCURRENT RESOLUTION 119

At the request of Mrs. KASSEBAUM, the name of the Senator from South Carolina [Mr. THURMOND] was added as a cosponsor of Senate Concurrent Resolution 119, expressing the sense of the Congress relating to an amendment to the Internal Revenue Code of 1954 excluding the discharge of qualified agricultural indebtedness from cancellation of indebtedness income.

SENATE RESOLUTION 279

At the request of Mr. NICKLES, his name was added as a cosponsor of Senate Resolution 279, a resolution expressing the sense of the Senate with respect to any transfer of U.S. territory, including certain islands in the Arctic Ocean.

SENATE RESOLUTION 332

At the request of Mr. ARMSTRONG, the names of the Senator from Alabama [Mr. DENTON], the Senator from Louisiana [Mr. LONG], the Senator from Georgia [Mr. NUNN], the Senator from Idaho [Mr. SYMMS], the Senator from Alaska [Mr. MURKOWSKI], and the Senator from Louisiana [Mr. JOHNSTON] were added as cosponsors of Senate Resolution 332, a resolution to honor the *Challenger* Space Shuttle astronauts.

SENATE RESOLUTION 335

At the request of Mr. PELL, the name of the Senator from Minnesota [Mr. BOSCHWITZ] was added as a cosponsor of Senate Resolution 335, a resolution expressing the Senate's opposition to the imposition of a fee on imported oil and refined petroleum products.

SENATE RESOLUTION 374

At the request of Mr. FORD, the names of the Senator from Utah [Mr. GARN] and the Senator from California [Mr. CRANSTON] were added as cosponsors of Senate Resolution 374, a resolution limiting the amount that may be expended by Senators for mass mailings during the remainder of fiscal year 1986.

SENATE CONCURRENT RESOLUTION 124—RELATING TO THE MILK PRODUCTION TERMINATION PROGRAM

Mr. BAUCUS (for himself, Mr. SYMMS, Mr. MCCLURE, Mr. EXON, Mr. GORE, Mr. PRYOR, Mr. BENTSEN, Mr. MELCHER, Mr. SIMPSON, Mr. ANDREWS, Mr. ZORINSKY, and Mr. ARMSTRONG) submitted the following concurrent resolution; which was referred to the Committee on Agriculture, Nutrition, and Forestry:

S. CON. RES. 124

Whereas the Food Security Act of 1985 established a milk production termination program intended to reduce the current oversupply of milk products, and

Whereas the Food Security Act of 1985 also provided that the Secretary of Agriculture should make purchases of specified amounts of red meat in order to offset the effects of the milk production termination program on the red meat market, and

Whereas the implementation of the milk production termination program has resulted in substantial declines in both current prices of red meat and futures prices for red meat, and

Whereas both cattle and dairy farmers would benefit from more stable red meat prices, and

Whereas immediate action is necessary to counteract the adverse effects of the dairy diversion program,

Resolved by the Senate (the House of Representatives concurring), That it is the sense of Congress that the Secretary of Agriculture shall immediately take the following steps to address the current instability in the red meat market.

(1) The Department shall increase the present purchase of red meat and defense distributions during the first bid period, which has been announced by the Department to be from April 1, 1986 to August 31, 1986. The purchases should proportionately reflect the presently scheduled 633,176 cows; 216,970 heifers; and 165,900 calves, which are to be slaughtered during each disposal period in the program. The red meat purchases should reflect the number of cattle that are slaughtered during each disposal period in the program.

Specifically, the Department should immediately begin purchasing more of the 200 million pounds of red meat that are to be purchased during the milk production termination program during the first disposal period. This purchase amount is in contrast to the 130 million pounds that the Department is presently scheduled to purchase during the first disposal period. Further, the Senate expresses it concern that the Department has not scheduled the present purchase of 130 million pounds until April 14, 1986 for canned meat and April 21 for frozen ground beef. These purchases do not correspond to the April 1 starting date of the first disposal period.

The Department should accomplish this purchase goal by expediting school lunch purchases and domestic feeding program purchases to begin in April rather than the traditional month of July. Toward the same end, the Department should act immediately on the provision of the law that requires that the meat be channeled through the Department of Defense.

(2) The Department should move approximately 200,000 dairy cows and corresponding heifers and calves, which are presently scheduled during the first disposal period, to later periods by moving those producers who submitted multiple bids at the same price. The move should be conducted on a voluntary basis. Any changes in the disposal period should be consistent with the existing contracts with dairy producers who are participating in the program.

(3) The Department immediately should take additional steps as necessary to alleviate the concerns in the red meat industry regarding the adverse impact on total red meat supplies due to the additional dairy cattle that are being slaughtered. The Department should implement a plan to encourage proportional spacing of dairy cattle slaughter within each disposal period for producers in the program. This could include monthly and weekly targets for dairy cattle slaughter during the disposal periods to minimize jamming of slaughter house facilities occurring in some parts of the country. The Department should also include the actual count of all dairy cattle which are marketed as a result of this program in the published weekly slaughter reports.

(4) The Department also should take further steps that would offset any further damage to the red meat industry. Producers must be assured that the Federal Government will purchase a pound of red meat to

offset every pound of red meat which enters the market as a result of the milk production termination program, and that the Department is taking other steps to provide for the orderly marketing of dairy cattle slaughtered under the program.

MILK PRODUCTION TERMINATION PROGRAM

Mr. BAUCUS. Mr. President, all of us in the Cattle Belt know that the USDA Milk Production Termination Program has devastated the cattle and beef market. As a consequence, I, working with Representative COELHO of the House, have written a Dear Colleague letter to the Members of the Senate.

In addition, I am now submitting a concurrent resolution cosponsored by Senator SYMMS, Senator MCCLURE, Senator EXON, and others, expressing the sense of the Senate and the House that the USDA should increase the present purchase of red meat and defense distribution programs; second, that the USDA should move approximately 200,000 dairy cows and a corresponding number of heifers and calves in the periods; third, that the Department immediately should take additional steps as necessary to alleviate the concerns in the red meat industry regarding the adverse impact on total red meat supplies due to the additional dairy cattle that are being slaughtered; and, fourth, that the Department should take further steps that will offset any further damage to the red meat industry.

Mr. President, this concurrent resolution is essential, I think, and I shall urge, at the appropriate time, consent to take it up and pass it.

Mr. EXON. I thank the Senator from Montana for submitting the concurrent resolution I am a cosponsor of. Both sides recognize that we have a major problem in the cattle industry right now. I hope the Secretary of Agriculture will read this concurrent resolution and act appropriately, as he has authority to do.

SENATE CONCURRENT RESOLUTION 125—RECOGNIZING THE ACHIEVEMENTS OF THE IRELAND FUND

Mr. HEINZ (for himself, Mr. LAXALT, Mr. KENNEDY, Mr. MOYNIHAN, Mr. DODD, Mr. SPECTER, Mr. HART, Mr. MATSUNAGA, and Mr. WEICKER) submitted the following concurrent resolution; which was referred to the Committee on the Judiciary:

S. CON. RES. 125

Whereas the Ireland Fund characterizes the friendship between the United States and Ireland and the goodwill which the American and Irish people have for each other;

Whereas the Ireland Fund is a nonpolitical, nonsectarian organization which raises funds in the United States to promote peace, culture and charity in Ireland;

Whereas the goal of the Ireland Fund is to realize the highest in human potential, regardless of creed or economic background;

Whereas donations to the Ireland Fund reflect the warm feelings of Americans for the people of Ireland and for the unique heritage which has contributed so much to America's growth and diversity;

Whereas the Ireland Fund has provided an opportunity for concerned Americans to support projects aimed at establishing peace and harmony in Ireland, preserving Irish culture, and fostering charitable giving to the less fortunate;

Whereas over the centuries the Irish have created one of the world's great bodies of literature, poetry, drama, art, and music and the Ireland Fund has fostered Irish culture by supporting libraries, visual arts, drama, dance, opera, classical and choral music programs as well as historic, cultural, and wildlife preservation;

Whereas the Ireland Fund supports economic and social programs in the Catholic and Protestant areas of Northern and Southern Ireland in an effort to develop the economy of both communities through programs for employment, job training, youth sports, and educational opportunities for children;

Whereas the Ireland Fund has supported many hospitals, health care facilities, and programs for the sick, the handicapped, the deaf, the blind, the abused, the homeless, the rural poor, and the elderly; and

Whereas Dr. Anthony J.F. O'Reilly, the founder and chairman of the Ireland Fund, will celebrate his fiftieth birthday on May 7, 1986: Now, therefore, be it

Resolved by the Senate (The House of Representatives concurring), That the Congress recognizes the laudable charitable achievements of the Ireland Fund and further recognizes its Founder, Dr. Anthony J.F. O'Reilly, for the humane work he has inspired on behalf of the people of Ireland.

● Mr. HEINZ. Mr. President, it is my pleasure to introduce legislation to honor the Ireland Fund and its founder, Dr. Anthony O'Reilly. The Ireland Fund is a nonsectarian society which promotes peace, culture, and charity in Ireland. Its programs are geared toward the less fortunate in Irish society, both in the North and South.

Let me emphasize to my colleagues that the Ireland Fund is completely nonpolitical. Its limited resources are entirely used for community development, employment and training, youth programs, cultural preservation, health care, the improvement and development of social services, agricultural training, and care for the elderly.

One of the most important aspects of the fund's work is its commitment to joining Catholics and Protestants in common activities of work, education, religion, and play. Their hope and their goal is to bring peace through the joint efforts of all the Irish people, North and South, Protestant and Catholic, and thus forge a better society.

The concurrent resolution which Senators LAXALT, KENNEDY, MOYNIHAN, DODD, SPECTER, HART, and I are submitting today recognizes the achievements of the Ireland Fund and its founder, Dr. Anthony O'Reilly, on the occasion of Dr. O'Reilly's 50th birthday, May 7. An identical resolution passed the House of Representatives on March 14, and I hope we in the Senate can move as quickly to honor an outstanding organization.

Mr. President, I ask unanimous consent that a list of the charities and aid societies which are supported by the Ireland Fund be printed in the RECORD at the conclusion of my remarks. I urge all my colleagues to join me in sponsoring this tribute to one of the best hopes for peace in Ireland.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

ORGANIZATIONS SUPPORTED BY THE IRELAND FUND, NORTHERN AND SOUTHERN IRELAND

COMMUNITY DEVELOPMENT ORGANIZATIONS

Ballymacarrett Youth & Community Project, Belfast.
Belfast Housing Aid Society, Belfast.
Belfast Simon Community, Belfast.
Center for Neighborhood Development, Belfast.
Crossmaglen Community Association, Armagh.
Derry Youth Project, Derry.
Divis Drop-in Club, Belfast.
Falls Community Council Resource Centre, Belfast.
Gingerbread, Northern Ireland, Belfast.
Irish Council for Civil Liberties, Dublin.
Irvinestown Fairs & Market Trusteest, Fermanagh.
Mullaghmore Tenants Association, Omagh.
Royal Town Planning Institute—Irish Branch, Belfast.
Ulster People's College Association, Derry.
Waveney Community Centre, Antrim.

EMPLOYMENT ORGANIZATIONS

Crescent Youth Service, Limerick.
Education Centre, Derry.
Flax Trust, Belfast.
Glenand Youth & Community Workshop, Ltd., Belfast.
Marieville/Moor Youth Club, Derry.
Newry & Mourne Co-Operative Society, Ltd., Down.
North West Center for Learning and Development, Derry.
Northern Ireland Cooperative Enterprises, Belfast.
Omagh and District Unemployed Advice Center, Tyrone.
Shankill Photographic Workshop, Belfast.
St. Mary's Parish, Tyrone.
Worker's Educational Association, Belfast.

YOUTH AND SOCIAL PROGRAMS

Armagh Citizen's Advice Bureau, Armagh.
Ashton Street Youth Club, Belfast.
Ballymurphy Community House, Belfast.
Bangor Boys Club, Down.
Belfast Community Action, Belfast.
Buncranna Youth Club, Donegal.
Candel, Down.
Channel '78, Derry.
Dismas House, Belfast.
Divis Community Centre, Belfast.
Drumquin Youth Centre, Tyrone.
Edward Street Hostel, Armagh
Foyle Day Care Association, Derry
Holiday Projects West, Derry
Holywood School, Down
Frank McConellougue House, Derry
National Council of YMCA's of Ireland, Down

National Federation of Youth Clubs, Dublin
Northern Ireland Association of Youth Clubs, Belfast
Northern Ireland Children's Holiday Scheme, Donegal
Northwest Council for Social Services, Derry
Rathenraw Tenants Association, Antrim
Samaritans, Belfast
Shelagh Youth Club, Down
St. Eugene's Cathedral Parish Council
St. Savior's Youth and Community Centre, Dublin
Springmartin Youth Club, Belfast

PEACE AND RECONCILIATION PROGRAM

Ballyarneet/Shantallow Resource Centre, Derry
Ballyfermot Peace Corps, Dublin
Belfast Women's Aid, Belfast
Coleraine Education Centre, Derry
Columbia House, Derry
Comchairdes-Irish Workcamp Movement, Dublin
Coolure House, Westmeath
Cornerstone Community, Belfast
Corrymeela Community, Antrim
Dalkey School Project, Dublin
Extern, Belfast
Folkschool Trust, Belfast
Free Legal Advice Centres, Dublin
Glencree Centre for Reconciliation, Wicklow
Harmony Community Trust, Belfast
Hope, Dublin
Irish School of Ecumenics, Dublin
Lagan College, Belfast
Models of Political Cooperation in Divided Societies, Queens
University, Belfast
Omagh Community Research Group, Omagh
Peace Week
Souther Movement for Peace, Limerick
Tallaght Welfare Society, Dublin
Voluntary Services, Lisburn

CULTURAL PRESERVATION

Archbishops Marsh's Library, Dublin
Belfast Library & Society for Promoting Knowledge, Belfast
Guild of Agricultural Journalists of Ireland, Dublin
Public Broadcasting System Program on James Joyce's Life, U.S.A.
Rooney Prize in Irish Literature, Ireland
Slane Community Council, Meath
Stonehill College Irish Studies Program, Massachusetts
United Arts Club, Dublin
Yeats Society, Inc., Sligo

IRISH HERITAGE

American Committee for Irish Studies
An Cumann Gaelach, Co. Monaghan
An Taisce, Dublin
An T-Oireachtas, Dublin
Arts Council, Dublin
Church of John the Evangelist, Dublin
Cinegael, Co. Galway
Crane Bag, Dublin
Gaelic Athletic Association, Dublin
Glenstal Abbey Building Fund, Co. Limerick
Graphic Studio, Dublin
Holy Cross Abbey, Co. Tipperary
Irish American Cultural Institute, St. Paul, Minnesota
Irish Wildlife Federation, Dublin
Kilkenny Archeological Committee, Kilkenny
Kilkenny Design Workshops, Kilkenny
National Film Institute of Ireland, Dublin
Out of the Shadows Photography Exhibit, Columbus, Ohio
R.O.S.C., Dublin
Royal Horticultural Society, Dublin
Royal National Lifeboat Institute, Dublin
Fraunces Tavern Museum, New York City
West Kerry Development Cooperative, Kerry

MUSIC AND THE PERFORMING ARTS

Armagh Pipers Club, Armagh
Association of Irish Composers, Dublin
Bantry Brass and Reed Band, Co. Cork
Cois na hAbhana, Co. Clare
Colaiste Muire Development Fund, Co. Clare
Colmcille Choir of Derry, Derry
Comhaltas Ceoltoiri Eireann, Co. Dublin
Cork International Choral & Dance Festival, Cork
Cumann Piobairi Uilleann and Ceoltoiri Traidisiunta, Belfast
Field Day Theater, Co. Donegal
Irish Ballet Company, Cork
Limerick Music Association, Limerick
Moving Theater, Dublin
Music Association of Ireland, Dublin
Na Piobaire Uilleann, Dublin
National Theatre Society, Limerick
Playzone Theatre Company, Belfast
St. Mary's Concert Band, St. Mary's Youth Association, Derry
Scoil Samhraidh, Galway
Team Educational Theatre Company, Dublin
Ulster Folk News, Belfast
Ulster Singers, Belfast
Wexford Opera Festival, Wexford

HEALTH CARE AND COUNSELING

Aim Group, Dublin
Arch, Dublin
Armagh Multiple Sclerosis Support and Discussion Group, Armagh
Bantry District Mentally Handicapped Association, Co. Cork
Blind Centre for Northern Ireland, Belfast
Central Remedial Clinic, Dublin
Cherish, Dublin
Connemara Association of Mentally Retarded, Galway
Contact, Dublin
Coolemine Lodge, Co. Dublin
Friends of the Rotunda Hospital, Dublin
Hanley Centre, Dublin
Irish Heart Foundation, Dublin
Irish Stone Foundation, Dublin
Mid-Western Association for Spina Bifida & Hydrocephalus, Limerick
National Association for Cerebral Palsy, Dublin
National Association for the Deaf, Dublin
National Children's Hospital, Dublin
National Medical Rehabiliation Centre, Co. Dublin
Northern Ireland Rape Crisis Association, Belfast
Our Lady's Hospital for Sick Children, Dublin
Rutland Centre Ltd., Dublin
S.H.A.R.E., Belfast
St. Joseph's Invalids' Hostel, Co. Mayo
St. Laurence Cheshire Home, Co. Cork
St. Michael's House, Dublin
Spod, Dublin
Stanhope Alcoholism Counselling Service, Dublin
Western Care Association, Co. Mayo

CHILDREN AND YOUTH

Association of Parents and Friends of Scoil
Chiarian, Dublin
Ballymun Holiday House, Dublin
Camphill Village Community of Ireland, Kilkenny
Clare Special School Project, Co. Clare
Day Centre for Children at Risk, Cork
Dublin Samaritans, Dublin
Dublin Simon Community, Dublin
Francis Xavier Community Center Project, Dublin
Friends of St. Vincent's, Dublin
Galway Sunshine Holiday Committee, Galway
Glinsk Community Council, Co. Galway
Irish Society for Austic Children, Dublin
Irish Society for the Prevention of Cruelty to Children, Dublin
Laois Association for Mentally Handicapped Children, Co. Laois
Limerick Adapt, Co. Limerick
Limerick Youth Service, Limerick
Midleton Community & Recreation Center, Cork
National Federation of Youth Clubs, Dublin
Parents and Friends of Mary Immaculate School for Deaf Children, Co. Dublin
S.H.A.R.E., Cork
St. Benedict's Athletic Club, Co. Wicklow
St. Kieran's Enterprise Centre, Dublin
St. Vincent's Day Center, Dublin

THE RURAL POOR

An Oige Treathneach, Co. Dublin
Ballinamore Community Centre, Co. Leitrim
Bantry Bay Development Group, Co. Cork
Between, Co. Cork
Connemara West, Galway
Fairgreen Training Centre for Travellers, Galway
Kilkenny Social Services, Kilkenny
Newpark Sports Training Centre, Dublin
Northern Ireland Council for Travelling People, Belfast
Quigley's Point Community Centre, Co. Donegal
Sacred Heart College of Agriculture, Co. Mayo
St. Joseph's Social & Cultural Club, Co. Clare
St. Kieran's Training Centre for Travelling
People, Co. Wicklow
St. Martin's Centre, Co. Limerick
Women's Aid, Coleraine

EDUCATION

Clongowes Wood College, Dublin
Dublin Institute of Adult Education, Dublin
Royal College of Surgeons in Ireland, Dublin
St. Patrick's College, Maynooth
University College, Cork

THE ELDERLY

Age Concern Northern Ireland, Belfast
Ballinasloe Social Services Council, Co. Galway
Ballygall Youth & Cultural Society, Dublin
Bantry Homes for the Aged, Cork
Charles Sheils Charity, Co. Tyrone
Invalid Residential Care Group, Co. Mayo
Lourdes Day Care Centre, Dublin
Our Lady of Knock Shrine, Knock
Secular Franciscan Sisters, Dublin
Upper Springfield Family Project, Belfast●

SENATE RESOLUTION 378—TO REFER THE BILL S. 2275 TO THE COURT OF CLAIMS

Mr. LAUTENBERG submitted the following resolution; which was referred to the Committee on the Judiciary:

S. RES. 378

Resolved, That the bill (S. 2275) entitled "a bill for the relief of Dynamic Technology International, Inc., Lew Malnak Associates, Star Design, Inc., Riverside Precision Machines, and certain other individuals" now pending in the Senate, together with all the accompanying papers, is referred to the Chief Judge of the United States Claims Court. the Chief Judge shall proceed with the same in accordance with the provisions of sections 1492 and 2509 of title 28, United States Code, and report thereon to the Senate, at the earliest practicable date, giving such findings of fact and conclusions thereon as shall be sufficient to inform the Congress of the nature and character of the demand as a claim, legal or equitable, against the United States or a gratuity and the amount, if any, legally or equitably due to the claimants from the United States.

AMENDMENTS SUBMITTED

METROPOLITAN WASHINGTON AIRPORT TRANSFER

PRESSLER (AND OTHERS) AMENDMENT NOS. 1730 AND 1731

(Ordered to lie on the table.)

Mr. PRESSLER (for himself, Mr. EXON, Mr. HOLLINGS. and Mr. SPECTER) submitted two amendments intended to be proposed by them to the bill (S. 1017) to provide for the transfer of the Metropolitan Washington Airports to an independent airport authority; as follows:

AMENDMENT NO. 1730

On page 35, line 7, strike "Five" and insert in lieu thereof "Two".

On page 35, line 8, strike "three" and insert in lieu thereof "two".

On page 35, line 11, strike "one member" and insert in lieu thereof "five members".

On page 35, line 22, strike "member" and insert in lieu thereof "members".

On page 36, line 5, strike "term," and insert in lieu thereof "term and".

On page 36, line 5, strike all from "and," through "term," on line 12 and insert in lieu thereof the following: "; and the President shall appoint one member for a full 6-year term, a second member for a 4-year term, and the final three members for 2-year terms,".

AMENDMENT NO. 1731

On page 35, strike all from line 7 through line 13 on page 36 and insert in lieu thereof the following:

(A) Two members shall be appointed by the Governor of Virginia,

PRESSLER AMENDMENT NO. 1732

(Ordered to lie on the table.)

Mr. PRESSLER submitted an amendment intended to be proposed by him to amendment No. 1731 proposed by himself (and others) to the bill S. 1017, supra; as follows:

At the end of the amendment, add the following: two members shall be appointed by the Mayor of the District of Columbia, two members shall be appointed by the Governor of Maryland, and five members shall be appointed by the President with the advice and consent of the Senate; the Chairman shall be appointed from among the members by majority vote of the members and shall serve until replaced by majority vote of the members.

(B) Members shall (i) not hold elective or appointive political office, (ii) serve without compensation other than for reasonable expenses incident to board functions, and (iii) reside within the Washington Standard Metropolitan Statistical Area, except that the members appointed by the President shall not be required to reside in that area.

(C) Appointments to the board shall be for a period of 6 years; however, initial appointments to the board shall be made as follows: each jurisdiction shall appoint one member for a full 6-year term and a second member for a 4-year term; and the President shall appoint one member for a full 6-year term, a second member for a 4-year term, and the final three members for 2-year terms, with such Federal appointees subject to removal for cause.

METZENBAUM AMENDMENT NO. 1733

Mr. METZENBAUM proposed an amendment to the bill S. 1017, supra; as follows:

On page 37, line 6, beginning after the words "or for", strike through the word "Authority" on line 8, and insert in lieu thereof: "activities necessary and appropriate to serve passengers or cargo in air commerce, or for non-profit, public use facilities".

LAUTENBERG (AND OTHERS) AMENDMENT NO. 1734

Mr. LAUTENBERG (for himself, Mr. DIXON, Mr. SIMON, Mr. BRADLEY, Mr. KERRY, Mr. DODD, Mr. MOYNIHAN, Mr. SARBANES, Mr. MATHIAS, Mr. EAGLETON, Mr. LEVIN, Mr. CRANSTON, and Mr. BYRD) proposed an amendment to the bill S. 1017, supra; as follows:

At the appropriate place, add the following:

Safe and efficient air transportation is essential to the economy of the nation; and

The margin safety in the skies is jeopardized by a serious experience drain in the air traffic control system; and

The total number of air traffic controllers is significantly below the level employed in 1981; and

At a time of rising air travel, the air traffic controller system is at 59 percent of full performance level as of September 30, 1985 as contrasted to 82 percent in 1981 and is subject to further experience drain due to expected retirement: Now, therefore,

(1) it is the Sense of the Senate that the Executive Branch should employ the quickest and most cost efficient means to return the air traffic control system to past experience levels;

(2) the Executive Branch should, to the extent required, rehire, as new employees, those experienced air traffic controllers fired from the Federal Aviation Administration in 1981, who meet standards for employment in the Federal civil service, necessary to fulfill this objective;

(3) the Executive Branch should, in implementing the intent of this resolution, insure that no involuntary displacement of existing Federal Aviation Administration personnel results from the reentry of former controllers.

KASSEBAUM (AND OTHERS) AMENDMENT NO. 1735

Mrs. KASSEBAUM (for herself, Mr. DANFORTH, Mr. HOLLINGS, Mr. EXON, Mr. FORD, Mr. ROCKEFELLER, Mr. KASTEN, Mr. GOLDWATER, Mr. PROXMIRE, Mr. METZENBAUM, Mr. ABDNOR, Mr. NUNN, Mr. SIMON, Mr. BURDICK, Mr. LAUTENBERG, Mr. DECONCINI, Mr. MATSUNAGA, Mr. RIEGLE, Mr. BUMPERS, Mr. STENNIS, Mr. PRESSLER, Mr. GORE, Mr. COCHRAN, Mr. MATHIAS, Mr. LEVIN, and Mr. STEVENS) proposed an amendment to the bill S. 1017, supra; as follows:

On page 50, insert the following immediately after line 9:

AIRPORT SLOTS

SEC. 13. (a) The Secretary and the Administrator of the Federal Aviation Administration (hereinafter referred to as the "Administrator") shall—

(1) repeal the final rule regarding Slot Allocation and Transfer Methods at High Density Traffic Airports, issued on December 20, 1985 (50 Fed. Reg. 52180), as in effect on the date of enactment of this Act; and

(2) after the date of enactment of this Act, not promulgate any rule or regulation or issue any order (other than on an emergency basis) relating to restrictions on aircraft operations at high density traffic airports designated in Subpart K of part 93 of title 14, Code of Federal Regulations (14 CFR 93.121 et seq.), that is inconsistent with the provisions of this section.

(b) Consistent with aviation safety, the Administrator shall, not later than 120 days after the date of enactment of this Act, provide by rule or otherwise for the recall and subsequent allocation pursuant to subsection (c) of this section of any air carrier or commuter operator instrument flight rule takeoff and landing operational privilege at high density traffic airports, hereinafter in this section referred to as a "slot", that is substantially unused. The provisions of this subsection shall not apply to any slot reserved for international operations or for essential air transportation (as defined in section 419 of the Federal Aviation Act of 1958 (49 App. U.S.C. 1389)).

(c)(1) Consistent with aviation safety, the Administrator shall, not later than 120 days after the date of enactment of this Act, establish by rule or otherwise, after affording the opportunity for and considering public comment, a mechanism for the equitable allocation of slots to which Subpart K of part 93 of title 114, Code of Federal Regulations, applies, in accordance with the provisions of this subsection.

(2) The allocation of slots (other than on a basis consistent with paragraph (4) of this subsection) shall be made by a separate air carrier and commuter air carrier scheduling committee established for each of such high density traffic airports. The Administrator shall establish the composition of each such scheduling committee.

(3) The scheduling committee shall allocate and reallocate slots according to a time schedule to be established by the Administrator.

(4)(A) The Administrator shall, no later than 120 days after the date of enactment of this Act, and after affording the opportunity for and considering public comment, establish a special mechanism for the allocation of slots, to be utilized in the event that any scheduling committee is unable to reach agreement on the manner in which it will allocate slots within the time period established by the Administrator. Such special mechanism may include commitment of the issues involved to binding arbitration, lottery, lease by the Administrator (by auction or other market mechanism) of some or all of the slots currently in use at such airports, or any other non-market mechanism determined by the Administrator to be appropriate. The duration of any such lease or other allocation of slots shall be determined by the Administrator, after giving due consideration to the need for maintaining competition between and among airlines at high density traffic airports, the capital investment of existing users of slots at such airports, and the need for adequate air service to such airports from small- and medium-sized communities, except that no such lease or other allocation of slots shall remain in effect after December 31, 1988. Notwithstanding any other provision of law, the revenues generated by any lease of slots by the Administrator under this paragraph shall be credited to the Airport and Airway Trust Fund established in section 9502 of the Internal Revenue Code of 1954 (26 U.S.C. 9502). The Administrator shall also formulate a mechanism to allocate all new slots, voluntarily returned slots, and unused slots.

(B) Any allocation mechanism established by the Administrator under this paragraph shall be adequate to ensure the opportunity for new entry, to maintain essential air transportation, and to protect the access rights of commuter operators. In addition, the Administrator shall employ a method for the withdrawal of slots currently in use that ensures that no carrier incurs the loss of an undue proportion of its slots.

(d) No mechanism formulated or utilized under section 93.123 of title 14, Code of Federal Regulations, as in effect on February 1, 1986, or under this section shall be construed to create a permanent property right in any slot. Any such slot shall be public property, and its use shall represent a nonpermanent operating privilege within the exclusive control and jurisdiction of the Administrator. Any such privilege may be withdrawn, recalled or reallocated by the Administrator for reasons of aviation safety or airspace efficiency, or to enhance competition in air transportation.

(e)(1) Other than on an emergency basis, the Administrator shall not promulgate any rule or regulation or implement any practice that restricts aircraft operation by means of slot controls at any airport or air traffic control facility other than those specified in section 93.123 of title 14, Code of Federal Regulations, as in effect on February 1, 1986, unless the Administrator first transmits to the Congress a written report justifying the need for such rule, regulation or practice not less than 90 days before the effective date of such rule, regulation or practice.

(2)(A) No later than January 1, 1987, and every two years thereafter, the Secretary shall conclude a rulemaking to reauthorize or eliminate all high density traffic airport slot controls specified in section 93.123 of title 14, Code of Federal Regulations, and any other slot control created subsequent to such date by the Administrator. Each such rulemaking shall include a report to Congress concerning the extent to which the retention of slot controls at any airport, or the creation of new slot controls, is required in the public interest. Such report shall describe possible improvements in facilities or related air traffic control facilities or procedures that would allow slot controls to be reduced or eliminated, and shall describe any action taken by the Administrator to reduce or eliminate the need for such controls.

(B) No regulation imposing slot controls to which this paragraph applies shall have the force and effect of law after two years from the date on which it becomes effective, unless such regulation is reauthorized pursuant to subparagraph (A) of this paragraph.

(f) The Secretary and the Administrator shall make timely recommendations to the Congress regarding any additional statutory authority they consider necessary or appropriate to carry out the purposes of this section. In addition, the Secretary and the Administrator shall report annually to the Congress on the extent to which the allocation mechanisms established pursuant to subsection (c) of this section and any slot control regulations reauthorized pursuant to subsection (e) of this section have minimized barriers to entry at high density traffic airports.

PRESSLER AMENDMENT NO. 1736

(Ordered to lie on the table.)

Mr. PRESSLER submitted an amendment intended to be proposed by him to the bill S. 1017, supra; as follows:

On page 35, strike all from line 7 through line 13 on page 36 and insert in lieu thereof the following:

(A) Three members shall be appointed by the Governor of Virginia,

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PRESSLER AMENDMENT NO. 1737

(Ordered to lie on the table.)

Mr. PRESSLER submitted an amendment intended to be proposed by him to amendment No. 1736 proposed by him to the bill S. 1017, supra; as follows:

At the end of the amendment, add the following: three members shall be appointed by the Mayor of the District of Columbia, three members shall be appointed by the Governor of Maryland, and two members shall be appointed by the President with the advice and consent of the Senate; the Chairman shall be appointed from among the members by majority vote of the members and shall serve until replaced by majority vote of the members.

(B) Members shall (i) not hold elective or appointive political office, (ii) serve without compensation other than for reasonable expenses incident to board functions, and (iii) reside within the Washington Standard Metropolitan Statistical Area, except that the members appointed by the President shall not be required to reside in that area.

(C) Appointments to the board shall be for a period of 6 years; however, initial appointments to the board shall be made as follows: each jurisdiction shall appoint one member for a full 6-year term and two members for 4-year terms; and the President shall appoint two members for full 6-year terms, with such Federal appointees subject to removal for cause.

GRAMM AMENDMENT NO. 1738

Mr. GRAMM proposed an amendment to amendment No. 1738 proposed by Mrs. Kassebaum (and others) to the bill S. 1017, supra; as follows:

In lieu of language, insert:

AIRPORT SLOTS

SEC. 13. (a) The Secretary and the Administrator of the Federal Aviation Administration shall reclaim slots that have been allocated to private airlines and sell those slots to the highest bidder.

BENTSEN (AND GRAMM) AMENDMENT NO. 1739

Mr. BENTSEN (for himself and Mr. GRAMM) proposed an amendment to the bill S. 1017, supra; as follows:

At the end of the bill, add the following new section:

SEC. . (a) Notwithstanding any other provision of this Act, or any other law, or any regulation issued pursuant thereto, a person shall not be prohibited from operating an air carrier aircraft nonstop between Washington National Airport and any other airport which is located within 1250 miles of Washington National Airport.

(b) Notwithstanding any other provision of this Act or any other law, the Airports Authority shall have no authority to issue any regulation imposing any such prohibition referred to in subsection (a) of this section.

TRIBLE (AND METZENBAUM) AMENDMENT NO. 1740

Mr. TRIBLE (for himself and Mr. METZENBAUM) proposed an amendment to the bill S. 1017, supra; as follows:

On page 38, line 15 insert the following after the period:

"(4) In acquiring by contract supplies or services for an amount estimated to be in excess of $200,000, or awarding concession contracts, the Airports Authority shall obtain, to the maximum extent practicable, full and open competition through the use of published competitive procedures: *Provided*, that by a vote of seven members, the Airports Authority may grant exceptions to the requirements of this paragraph."

Renumber paragraphs (4)-(7) accordingly.

PRESSLER AMENDMENT NOS. 1741 AND 1742

Mr. PRESSLER proposed two amendments to the bill S. 1017, supra; as follows:

AMENDMENT NO. 1741

Line 5, page 35, strike the word "eleven" and insert in lieu thereof "thirteen".

Line 11, page 35, strike "one member" and insert in lieu thereof "three members".

Line 22, page 35, strike "member" and insert in lieu thereof "members".

Lines 11-12, page 36, strike "a 6-year term" and insert in lieu thereof "6-year terms".

Line 14, page 36, strike "Seven" and insert in lieu thereof "Eight".

AMENDMENT NO. 1742

Line 5, page 35, strike the word "eleven" and insert in lieu thereof "thirteen".

Line 11, page 35, strike "one member" and insert in lieu thereof "three members".

Line 22, page 35, strike "member" and insert in lieu thereof "members".

Lines 11-12, page 36, strike "a 6-year term" and insert in lieu thereof "6-year terms".

HUMPHREY AMENDMENT NO. 1743

Mr. HUMPHREY proposed an amendment to the bill, S. 1017, supra; as follows:

On page 24, line 13, strike out all through line 16 and insert in lieu thereof:

SHORT TITLE

SECTION 1. This Act may be cited as the "Metropolitan Washington Airports Sales Act of 1986".

TITLE I—SALE OF THE METROPOLITAN WASHINGTON AIRPORTS

DEFINITIONS

SEC. 101. As used in this title, the term—

(1) "employees" means all permanent Federal Aviation Administration personnel employed on the date of sale by Washington National Airport;

(2) "Metropolitan Washington Airports" means Washington-National Airport and Washington Dulles International Airport, and includes the Dulles Airport Access Highway and Right-of-Way, including the extension between the Interstate Routes I-495 and I-66;

(3) "Secretary" means the Secretary of Transportation:

(4) "Washington Dulles International Airport" means the airport constructed under the Act entitled "An Act to authorize the construction, protection, operation, and maintenance of a public airport in or in the vicinity of the District of Columbia", approved September 7, 1950 (64 Stat. 770); and

(5) "Washington National Airport" means the airport described in the Act entitled "An Act to provide for the administration of the Washington National Airport, and for other purposes", approved June 29, 1940 (54 Stat. 686).

PROCEDURE FOR SALE OF THE METROPOLITAN WASHINGTON AIRPORTS

SEC. 102. (a) Within sixty days after the date of enactment of this title, the Secretary shall issue a request for proposal to purchase Washington National Airport and a request for proposal to purchase Washington Dulles International Airport.

(b) Such requests shall provide for—

(1) closed offers for the purchase of each such airport in accordance with the provisions of section 103;

(2) such information as is necessary to determine whether the offers meet such provisions; and

(3) a period of one hundred and twenty days for submission of offers.

(c) Within sixty days after the one hundred and twenty-day period for submission of offers, the Secretary shall select the winning offers for the purchase of such airports, in accordance with the provisions of section 103.

(d)(1) The Secretary shall take such actions as necessary to negotiate the terms of sale and transfer of each such airport to the highest offeror in accordance with the provisions of this Act.

(2) Within sixty days after the date of selection of the purchasers of the Metropolitan Washington Airports, the Secretary shall complete the sale and transfer of such airports, unless any such sale is disapproved by the enactment of a joint resolution.

SELECTION OF PURCHASERS

SEC. 103. (a) Subject to the provisions of section 104, the Secretary shall select as the purchaser of each airport from the offers received pursuant to section 102—

(1) the offeror who offers the greatest cash amount for Washington National Airport; and

(2) the offeror who offers the greatest cash amount for Washington Dulles International Airport.

(b) Notwithstanding the provisions of subsection (a), Washington National Airport and Washington Dulles International Airport may not be sold to the same purchaser. If one person offers to pay the highest cash amount for each Metropolitan Washington Airport—

(1) such person shall be selected to purchase the airport for which he offers to pay the higher cash amount; and

(2) the other airport (which such person shall be disqualified from purchasing) shall be sold to the person who offers to pay the second highest cash amount for such airport.

TERMS OF SALE FOR THE WASHINGTON METROPOLITAN AIRPORTS

SEC. 104. The sales of Washington National Airport and Washington Dulles International Airport shall be subject to the following terms:

(1) All real and personal property sold and transferred shall be used for airport purposes, or for purposes that are complementary to use as an airport.

(2) The owner of each airport may not set landing fees higher than necessary to cover the costs of operating each airport each year.

(3) Each airport shall be subject to the environmental standards, noise standards, safety regulations, and other applicable standards and regulations in effect on the date of the sale and transfer of such airport.

(4) The purchaser of Washington National Airport shall pay a minimum of $100,000,000 in cash for the purchase of such airport and the purchaser of Washington Dulles International Airport shall pay a minimum of $50,000,000 in cash for purchase of such airport.

(5) In addition to the amount paid pursuant to paragraph (4), the purchaser for Washington National Airport shall pay $39,000,000 to the United States for settlement of retirement obligations relating to employees and former employees.

(6) A majority of the equity interest in each airport shall be owned by citizens of the United States or corporations of the United States.

(7) All rights to landing aircraft, including landing slots, shall be included in the property rights sold and transferred to purchasers pursuant to this Act.

TITLE II—TRANSFER OF THE METROPOLITAN WASHINGTON AIRPORTS

FINDINGS

SEC. 201. The Congress finds, for purposes of implementing this title, that—

On page 27, line 4, strike out "Sec. 3." and insert in lieu thereof "Sec. 202.".

On page 27, line 5, strike out "Act" and insert in lieu thereof "title".

On page 27, line 13, strike out "Act" and insert in lieu thereof "title".

On page 27, strike out line 21 and insert in lieu thereof:

SEC. 203. In this title, the term—

On page 27, line 26, strike out "section 7 of this Act" and insert in lieu thereof "section 206 of this title".

On page 28, line 3, strike out "Act" and insert in lieu thereof "title".

On page 28, line 6, strike out "section 5 of this Act" and insert in lieu thereof "section 204 of this title".

On page 29, line 8, strike out "Sec. 5." and insert in lieu thereof "Sec. 204.".

On page 29, line 14, strike out "section 7 of this Act" and insert in lieu thereof "section 206 of this title".

On page 29, strike out line 16 and insert in lieu thereof "effective date of this title".

On page 30, line 19, strike out "section 9(e) of this Act" and insert in lieu thereof "section 208(e) of this title".

On page 30, line 23, strike out "9(e) of this Act" and insert in lieu thereof "208(e) of this title".

On page 31, line 9, strike out "section 9 of this Act" and insert in lieu thereof "section 208 of this title".

On page 31, line 14, strike out "section 8 of this Act" and insert in lieu thereof "section 207 of this title".

On page 31, line 22, strike out "Act" and insert in lieu thereof "title".

On page 32, line 2, strike out "Act" and insert in lieu thereof "title".

On page 32, line 5, strike out "Sec. 6." and insert in lieu thereof "Sec. 205.".

On page 32, line 15, strike out "section 7 of this Act" and insert in lieu thereof "section 206 of this title".

On page 32, line 18, strike out "Sec. 7." and insert in lieu thereof "Sec. 206.".

On page 34, strike out line 11, and insert in lieu thereof "effective date of this title;".

On page 35, line 1, strike out "8 of this Act" and insert in lieu thereof "207 of this title".

On page 36, line 17, strike out "Sec. 8." and insert in lieu thereof "Sec. 207.".

On page 36, line 17, strike out "section 5 of this Act" and insert in lieu thereof "section 204 of this title".

On page 37, line 10, strike out "Act" and insert in lieu thereof "title".

On page 38, line 19, strike out "Act" and insert in lieu thereof "title".

On page 42, line 17, strike out "Sec. 9." and insert in lieu thereof "Sec. 208.".

On page 44, line 14, strike out "8 of this Act" and insert in lieu thereof "207 of this title".

On page 46, line 12, strike out "Sec. 10." and insert in lieu thereof "Sec. 209.".

On page 46, line 15, strike out "Act" and insert in lieu thereof "title".

On page 46, line 16, strike out "section 5 of this Act" and insert in lieu thereof "section 204 of this title".

On page 47, line 16, strike out "Act" and insert in lieu thereof "title".

On page 48, line 25, strike out "section 5(b) of this Act" and insert in lieu thereof "section 204(b) of this title".

On page 49, line 2, strike out "Sec. 11." and insert in lieu thereof "Sec. 210.".

On page 49, line 7, strike out "8(a)(1) of this Act" and insert in lieu thereof "207(a)(1) of this title".

On page 50, line 2, strike out "Sec. 12." and insert in lieu thereof "Sec. 211.".

On page 50, line 9, strike out "date of enactment of this Act" and insert in lieu thereof "effective date of this title".

On page 50, line 11, strike out "Sec. 13." and insert in lieu thereof "Sec. 212.".

On page 50, line 11, strike out "Act" and insert in lieu thereof "title".

On page 50, line 13, strike out "Act" and insert in lieu thereof "title".

On page 50, add after line 14, the following new section:

EFFECTIVE DATE

SEC. 213. The provisions of this title shall not take effect if both Metropolitan Washington Airports are sold pursuant to the terms of title I. The provisions of this title shall take effect and be applicable to either or both Metropolitan Washington Airports if no offer is received for either such airport—

(1) within the one hundred and twenty-day period pursuant to section 102(b)(3) of this Act; and

(2) which meets the terms of sale specified pursuant to section 104 of this Act.

SARBANES (AND MATHIAS) AMENDMENT NO. 1744

Mr. SARBANES (for himself and Mr. MATHIAS) proposed an amendment to the bill S. 1017, supra; as follows:

On page 39, line 9, insert before the period ", and that the nighttime noise limitation standards currently set out at 14 CFR 159.40 may not be amended, unless such standards are made more restrictive of nighttime noise".

NOTICES OF HEARINGS

SUBCOMMITTEE ON NATURAL RESOURCES DEVELOPMENT AND PRODUCTION

Mr. WARNER. Mr. President, I would like to announce for the information of the Senate and the public, the scheduling of a public hearing before the Natural Resources Development and Production Subcommittee of the Senate Energy and Natural Resources Committee.

The hearing will take place on Thursday, May 1, 1986, beginning at 10 a.m. in room SD-366 of the Dirksen Senate Office Building in Washington, DC. Testimony is invited regarding the impacts of coal and electricity imports on the domestic coal industry.

For further information regarding this hearing, you may wish to contact Ms. Ellen Rowan on the subcommittee staff at (202) 224-5205. Those wishing to testify or who wish to submit a written statement for the hearing record should write to the Natural Resources Development and Production Subcommittee, Committee on Energy and Natural Resources, Dirksen Senate Office Building, Washington, DC. 20510.

Mr. President, I would like to announce for the information of the Senate and the public, the scheduling of a public hearing before the Natural Resource Development and Production Subcommittee of the Senate Energy and Natural Resources Committee.

The hearing will take place on Thursday, May 15, 1986, beginning at 10 a.m. in room SD-366 of the Dirksen Senate Office Building in Washington, DC. Testimony is invited regarding the prospects for exporting American coal.

For further information regarding this hearing, you may wish to contact Ms. Ellen Rowan on the subcommittee staff at (292) 224-5205. Those wishing to testify or who wish to submit a written statement for the hearing record should write to the Natural Resources Development and Production Subcommittee, Committee on Energy and Natural Resources, Dirksen Senate Office Building, Washington, DC 20510.

COMMITTEE ON SMALL BUSINESS

Mr. WEICKER. Mr. President, I would like to announce that the Senate Small Business Committee will hold a field hearing on the cost and availability of liability insurance for small business in Eau Claire, WI, on April 14, 1986. The hearing will be held at the city hall council chambers in Eau Claire, and will commence at 9 a.m. For further information, please call Erline Patrick of the committee staff at 224-5175, or Steve Loucks of Senator KASTEN's office at 224-4632.

COMMITTEE ON RULES AND ADMINISTRATION

Mr. MATHIAS. Mr. President, I wish to announce that the Committee on Rules and Administration will meet at 4:15 p.m., in SR-301, Russell Senate Office Building, on Wednesday, April 9, 1986, to receive testimony on S. 2059, to control franking costs; S. 2255, to prohibit the expenditure of Federal funding for congressional newsletters; and Senate Resolution 374, to limit the amount that may be expended by Senators for mass mailings during the remainder of fiscal year 1986.

Senators wishing to testify or to submit a statement for the hearing record are requested to contact John Childers, staff director of the Rules Committee, at 224-0299.

For further information regarding this hearing, please call Mr. Childers.

AUTHORITY FOR COMMITTEES TO MEET

SELECT COMMITTEE ON INTELLIGENCE

Mr. TRIBLE. Mr. President, I ask unanimous consent that the Select Committee on Intelligence be authorized to meet during the session of the Senate on Wednesday, April 9, in closed session, to hold a hearing on the fiscal year 1987 intelligence authorization.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ARMED SERVICES

Mr. TRIBLE. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet during the session of the Senate on Wednesday, April 9, 1986, in closed executive session, in order to conduct a hearing on the defense of NATO, in review of S. 2199.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

Mr. TRIBLE. Mr. President, I ask unanimous consent that the Committee on Commerce, Science, and Transportation be authorized to meet during the session of the Senate on Wednesday, April 9, to conduct a hearing on the nomination of Patricia Diaz Dennis, to be a member of the Federal Communications Commission.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ARMED SERVICES

Mr. TRIBLE. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet during the session of the Senate on Wednesday, April 9, in closed session, to mark up an original bill to reform the military retirement system, and consider pending military nominations.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON THE JUDICIARY

Mr. TRIBLE. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet during the session of the Senate on Wednesday, April 9, 1986, in order to receive testimony concerning the following nominaton:

U.S. DISTRICT JUDGE

Kenneth L. Ryskamp, of Florida, to be U.S. district judge for the southern district of Florida.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TRIBLE. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet during the session of the Senate on Wednesday, April 9, 1986, in order to receive testimony concerning S. 2160, the "Merger Modernization Act of 1986".

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON RULES AND ADMINISTRATION

Mr. TRIBLE. Mr. President, I ask unanimous consent that the Committee on Rules and Administration be authorized to meet during the session of the Senate on Wednesday, April 9, 1986, in order to receive testimony on S. 2059, to control franking costs, S. 2255, to prohibit the expenditure of Federal funding for congressional newsletters; and Senate Resolution 374, to limit the amount that may be expended by Senators for mass mailings during the remainder of fiscal year 1986.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

TIMBER COMES FIRST IN CANADIAN NEGOTIATIONS

● Mr. BUMPERS. Mr. President, on Friday, the Finance Committee will hold an important hearing on the question of the proposed negotiations about a United States-Canada free

trade zone. These negotiations potentially have a significant impact on the State of Arkansas so I have submitted a written statement to the Finance Committee making a series of points.

Let me be clear about my position: The United States should not begin negotiations about a free trade zone with Canada until Canada ceases providing an unfair subsidy for its timber producers. The only way in which the United States can make progress on the timber subsidy issue is hold off negotiations on the free trade zone until the subsidies are eliminated.

If the Finance Committee gives the President the green light to begin negotiations with Canada, Canada will have every incentive to postpone resolution of the subsidy issue until the very end of these negotiations, when the really hard bargaining will begin and when the Canadian subsidy practice will be valuable to Canada as a bargaining chip.

I have heard estimates that these negotiations may take 3 to 5 years to complete. If Canada can continue to avoid the timber subsidy issue throughout these negotiations, Canada may even drag out these negotiations longer than that. While there is talk, there will be no action.

The committee also should reject the President's request until he and his deputies show some understanding of the timber subsidy issue. Only then will I have some confidence that the interests of U.S. timber producers will be protected in these negotiations.

The current attitude of this administration on timber imports could not be less encouraging. Commerce Secretary Baldrige appeared before the Appropriations Committee a few weeks ago and I asked him whether the Department has reconsidered its position in the Softwood Lumber case in light of the decision of the U.S. Court of International Trade in the Carbon Black case, which held that the Department's legal rationale in both cases was nonsensical. He said the Department had not changed its position.

I then asked Secretary Baldrige how U.S. negotiators could have any credibility in arguing that the Canadian stumpage system constitutes a subsidy when the U.S. Government has explicitly rejected that finding and continues to reject this finding. He had no answer to this question.

As if this were not bad enough, the President has explicitly stated that he will veto any meaningful trade bill adopted by Congress, particularly any bill which contains any provision on the natural resource subsidy issue. In 1984 the President made this threat and, as a direct result, the natural resource subsidy provision in the trade remedies reform legislation was deleted.

If our Government agrees with Canada on the subsidy issue and if the President will prevent the Congress from taking any action against Canadian subsidies, why does Canada have any incentive to negotiate? Then, if the United States permits Canada to fold the natural resource subsidy issue into the larger free trade negotiations, Canada can ignore any protests it hears from United States timber producers at least until the final bargaining sessions 3 or 4 years from now. By then, U.S. timber producers will be so weak, they may not be able to mount an effective protest.

I am aware that there have been some meetings between United States and Canadian representatives on the timber subsidy issues, but it should come as no surprise that Canada would be willing to talk, especially now when Congress still could reject the negotiations on the free trade zone. A little talk now by Canada can prevent actions for years to come. The administration can huff and puff about the timber subsidy issue, but when it comes right down to it, Canada knows that this administration agrees with Canada on this issue.

Failing to reject the President's request for negotiating authority effectively endorses his and Canada's donothing approach to the timber subsidy issue. Until we get the President's attention on this issue and until he and his advisers come to see the Canadian stumpage system as a subsidy, I am hesitant about the President negotiating with Canada and, in any event, Canada will not listen if he does raise the issue. As it stands now our President does not represent the interests of U.S. timber producers. Until we get his attention he will continue to agree with Canada and protect its interests from any action by Congress.

I urge the Finance Committee to reject the President's request and put both our President and the Canadian Government on notice that this timber subsidy issue must be resolved now and it must be resolved first.●

PRIDE OF NEW JERSEY

● Mr. BRADLEY. Mr. President, I rise today to acknowledge the exceptional accomplishments of eight New Jersey citizens who serve as outstanding examples of determination and commitment to critical problems that face not only New Jersey, but the entire Nation. I am proud to join New Jersey Monthly magazine in saluting the recipients of the second annual New Jersey Pride Awards. These dedicated individuals exemplify the pride that New Jerseyites feel about our home State.

I would like to commend the following New Jerseyites for their diligence and hard work in their respective fields:

In the arts, Morris Pesin of Jersey City, known to many as the father of Liberty State Park, who has given over 25 years of service to the development of Liberty State Park, the preservation of the Statute of Liberty, and the cultural arts in Jersey City;

In community development, Lois M. Teer of Camden, who initiated a 3-year campaign to revitalize the residential communities of Camden and lure middle-income citizens to buy, rehabilitate, and move into abandoned homes;

In economic development, Leslie E. Smith, Jr., of Flanders, NJ, executive director of the International Trade Center, who conceived of the idea of a foreign trade zone in Morris County, an area that has since experienced substantial economic growth and financial stability;

In education, Saul Cooperman of Rocky Hill, New Jersey commissioner of education, under whose guidance the New Jersey Department of Education has launched programs to improve education in urban districts, raise standards for students in basic skills and in bilingual education programs, and improve the quality of teachers in the State;

In energy and environment, Jean Clark of Upper Montclair, founder of the Montclair Organization for Conservation and the current president of the New Jersey State Recycling Forum. Ms. Clark has responded to New Jersey's serious environmental and energy problems by organizing her community and others throughout the State to begin recycling;

In health, Eva Gottscho of Short Hills, founder of the Ruth Gottscho Kidney Foundation, which has been instrumental in sustaining the lives of hundreds of people by providing them with artificial kidney machines for home use;

In science and technology, Dr. David N. Goldenberg of Short Hills, founder of the Center for Molecular Medicine and Dentistry, and recent recipient of a $9.7 million grant from the National Cancer Institute, for his pioneering cancer research work;

In social services, Henry I. DeGeneste of Maplewood, superintendent of police for the Port Authority of New York and New Jersey, who has served over 17 years in law enforcement and had been involved in numerous community service projects.

All of these individuals deserve the recognition and gratitude of the people of New Jersey. Their contributions to solving problems should serve as an example for citizens and communities around the Nation.

Mr. President, New Jersey is indeed fortunate to have such outstanding and dedicated citizens as these eight individuals. I am proud to serve them as their Senator and ask that my colleagues join in my appreciation of their efforts. On behalf of the people

of New Jersey, I offer my sincere thanks and heartfelt congratulations to the 1986 New Jersey Pride Award winners.●

NO NEED TO SELL ARMS TO COMMUNIST CHINA

● Mr. GOLDWATER. Mr. President, I was pleased that the Washington Post reported in a recent article that opposition exits in Congress to the concept of strengthening Communist China's military forces. The thrust of the news item left the false impression, however, that opponents of arms help to Red China are concerned only with the threat these sales may pose to the defense of the Republic of China on Taiwan.

It is true that Taiwan's security is important to the United States, not only because we have given our word in the Taiwan Relations Act to support her self-defense capabilities, but because the availability of facilities on a friendly Taiwan is essential to a credible United States deterrence strategy in Northeast Asia.

The substantial modernization of the so-called Peoples' Liberation Army Air Force and Navy may create a situation in which the ROC Air Command is unable to maintain general air superiority over the Taiwan Strait. In this eventuality, Peking would be able to impose a blockade of Taiwan at its discretion.

Should the United States allow the Republic of China on Taiwan to be neutralized or to fall under the control of Peking, it would foreclose the use of facilities on Taiwan to the United States and to the non-Communist coalition of free nations in the region. The neutralization or loss of Taiwan to Communist China would considerably strengthen the Soviet strategic position in Northeast Asia and it could also render Japan hostage to Peking.

But Taiwan's independence and security are not the only grounds for not helping Peking's military buildup. Other reasons include:

First, Red China is an uncertain and unproven military partner whose Government leaders and policies can change erratically.

Second, Red China is fast warming its relations with the Soviet Union and cannot be depended on to support United States strategic interests.

Third, many non-Communist nations in East Asia fear Red China as the greater or nearer threat than the Soviet Union, even if Russia is our greatest adversary at the moment. It is not only Taiwan who is threatened.

Fourth, Red China is involved in the arms race up to its ears and has sold well over $4 billion of military arms to poor countries in Africa and South America since 1973. Why should we help Red China fuel the arms race by modernizing forces and releasing her current inventory for foreign sales often harmful to United States interests?

Fifth, Red China may lack sufficient foreign exchange to pay for United States arms help. With the drop in oil prices Communist China is in even worse shape since much of her foreign revenue comes from oil exports.

Mr. President, the reason why the United States should not pursue a policy of strengthening mainland China are clearly and succinctly discussed in a recent article by Dr. Ray S. Cline of the Georgetown University Center for Strategic and International Studies in a special commentary he wrote for the magazine, the World & I. Dr. Cline asks the disturbing question:

Can we possibly risk building up Communist China in the same way we built up Communist Russia at the end of World War II, only later to regret our folly?

I know my colleagues will find the article informative and to the point, and I submit it for the RECORD.

The article follows:

[From the World & I, January 1986]

CHINA'S CONVERSION CAUSE FOR CAUTION

(By Ray S. Cline)

President Ronald Reagan is right about the Soviet Union. It is, in its political structure, an empire tightly controlling a large number of non-Russian peoples. Its dictatorial rulers are hostile and, when circumstances permit, aggressive toward the outside world. The Soviet Communist Party's centralized totalitarian system is a cruel anachronism in modern society. Oppressing its own people, the Soviet Union sets itself up as the main strategic adversary of the United States.

Soviet leaders clamor for the empty detente of the early 1970s, which enabled Moscow to build up intimidating military power and extend its influence into Afghanistan, Syria, Yemen, Ethiopia, Angola, Nicaragua, and Vietnam. Soviet rulers react to the facts of power, not rhetoric, and this is why Mikhail Gorbachev, present chief executive of the Soviet Communist Party and State, met with Reagan in Geneva in November 1985.

The Strategic Defense Initiative (SDI), and the technological threat it represents, brought Gorbachev to the negotiating table to try to get the United States to relax tensions, as it did in the 1970s under the detente illusion.

TRAGIC ERRORS

Unfortunately, in another strategically important part of the international forest, the president appears to be allowing himself to slip into tragic errors, contrary to his own personal beliefs in his relations with the second giant communist state on the face of the globe, the People's Republic of China (PRC). The Reagan administration treats the government of a billion Chinese people, with immense potential for good or harm and how under the fist of a communist dictatorship, on the basis of sentimentality rather than realism. Bureaucrats in the U.S. State and Defense departments, who persuaded President Jimmy Carter to abandon American long-time alliance with the energetic 19 million freedom minded Chinese people of Taiwan and to pursue Peking as a strategic partner against the Soviet Union, have gone right on with this policy under Reagan. The president has gradually let the wishful thinkers about China commit the United States to continuing the humiliating restrictions on relations with the Republic of China (ROC), while offering high technology and military equipment, as well as economic assistance, to the impoverished totalitarian mainland.

This help to the PRC will never be used for American benefit. It is likely to be used against American interests in Asia, first and foremost against the U.S. strategic outpost island of Taiwan and subsequently against other friends of the United States in East Asia.

It appears that President Reagan has been hijacked by the pro-Peking clique in the U.S. Foreign Service. This group has never considered Chinese communists to be unfriendly even when Mao Zedong was murdering his own people by the millions and assisting in the murder of American soldiers in two regional Asian wars, one in Korea and the other in Vietnam.

This China policy may be good domestic politics with people who are always charitable and trusting toward communist regimes and harsh on free societies.

The question is, is wooing the PRC right for Asia and for the United States during the rest of the century? The answer is already clear in the recent Peking moves closer to Moscow, and the answer is no.

NONFRIENDLY NATION

Our appeasement of communist China in hopes of buying a friend to play off against the communist Soviet Union will not pay. It did not pay Americans to appease and enrich Hitler or Stalin. The PRC is not a friendly nation despite its wish to get our money, markets, and technology. It is an adversary, weaker than the Soviet Union but basically hostile to our form of government, our society, and our people.

It is critical to distinguish between peoples and governments. The Chinese people are products of an ancient and civilized culture, and they are friendly when they are treated well. On the mainland, the Chinese people have absolutely no influence on what the 20 million communist cadre bureaucrats or the 40 million communist party members do. This vast ruling structure follows orders from a handful of Politburo members (25) now dominated by one man 82-year-old Deng Xiaoping, just as it was dominated by one man, Mao Zedong, for 30 years. Deng is more reasonable than Mao, but he is committed to the communist system of totalitarian rule. He is not in any way friendly to democratic processes or democratic societies.

The PRC leaders are moderating their central economic controls, just as Lenin did in Russia in the 1920s, in order to milk the Americans of economic favors and use every benefit for leverage to gain strength for the future. Already, American help is building new Chinese communist bridges to the political system on which the Chinese state is modeled, the communist centralized dictatorship of the Soviet Union. If our China policy brings the two rival communist behemoths back close enough together to undermine the American position in Asia—or even to go so far as to join forces to fight Americans without declaring war, as they did in Korea and Vietnam—it will in the long run negate what President Reagan and all Americans stand for—freedom.

The headlong U.S. pursuit of the friendship of the PRC's feisty, crafty leader, Deng Xiaoping, is positively undignified. He knows how to use language soothing to American capitalist ears, but he has made no concessions whatsoever to freedom in China and has not relinquished state ownership or control of the instruments of economic production. The PRC has opposed almost every American foreign policy position adopted since he came to power. Deng recently sent Vice-premier Li Peng, educated in Moscow, to see Mikahil Gorbachev to urge improvement in Sino-Soviet relations, as he said, between "the two great neighbors and socialist countries."

Li assured Gorbachev that, contacts with the United States notwithstanding, Peking "is not aligned with, nor does it establish stategic relations with other countries." In other words, the Pentagon myth of strategic benefits from improving relations with Peking is just a fantasy.

SINO-SOVIET TIE

In the meantime a high ranking Soviet official visited Peking at the end of last year, signed a trade agreement, and arranged for pacts coordinating both countries' next five-year economic plans (1986-1990). The two countries agreed on establishing a joint commission on economic, scientific, and technological cooperation.

It is obviously easier for two centrally planned economies to mesh than for the United States to get major benefits from exchange with the state-owned enterprises of the PRC. So far, as the offshore oil industry amply demonstrates, the money has gone one way—from the market economies to the PRC—and all the United States has received is a flood of cheap textiles displacing other friendlier supply sources, including the American textile industry.

In pursuit of the presumed conclusion that the PRC will be helpful in opposing the Soviet Union, rather than using the American connection as a bargaining chip to draw closer to Moscow, a parade of U.S. notables to Peking has taken place in recent years. The list is all the more remarkable because the State Department, in response to Peking's demands, will not permit any senior United States official to visit Taipei.

June 1981: U.S. Secretary of State, Alexander Haig, visited China, concluding "U.S. will supply arms on a case by case basis."

September 1981: Former President Jimmy Carter.

January 12, 1982: Assistant Secretary of State for East Asian and Pacific Affairs, John H. Holdridge.

June 12, 1982: Senate Majority Leader Howard Baker, Jr., (R-Tenn.).

February 1983: Secretary of State George P. Shultz.

September 1983: Defense Secretary Caspar Weinberger.

April 1984: President Ronald Reagan.

August 1984: Navy Secretary John F. Lehman, Jr.

January 1985: Chairman of the Joint Chiefs of Staff John W. Vessey, Jr., and Commander-in-Chief, Pacific Forces, Admiral William Crowe.

March 1985: Undersecretary of State for political affairs, Michael Armacost.

October 13, 1985: Vice President Bush.

What has happened as a result of all these visits? All the PRC has done is scold Washington about selling arms for "sufficient self-defense" of Taiwan, as mandated in law by the Taiwan Relations Act of 1979, while demanding high technology for the mainland. What Washington has done is restrict advanced weapons for Taipei and release them for Peking. Mainframe computer sales to the PRC are ballooning. Trade in all U.S. high-technology items doubled in 1984, and the backlog of requests is swamping the control system.

The U.S. Navy wants to provide turbine engines and anti-submarine weapons for the PRC destroyers, while the Chief of Staff of the U.S. Armed Forces and the Commander-in-Chief, Pacific, spoke enthusiastically of close "military ties." Nuclear energy reactors and components have been promised for sale, although the PRC has been unwilling to make formal nonproliferation pledges.

TAIWAN TAKEOVER

Chinese communist officials furthermore have resolutely refused to renounce the use of military force to recover Taiwan. Recently Deng Xiaoping himself spoke of possible need to use "military power" to impose a "blockade" of the island to bring it into the communist fold. Presumably the destroyers enforcing a blockade, something expressly forbidden in the congressional language introduced in the Taiwan Relations Act, will have superior American missiles to face the ROC destroyers restricted to older United States equipment.

To look at China these days is confusing to most Americans because of the attempts of Deng Xiaoping's ruling clique to have their communist political cake and eat it too in the form of private incentive reforms. The ensuing semantic obfuscation is extraordinary. Close study of the facts reveals only a Chinese gamble on benefiting from American gullibility about a benign new kind of "socialism with Chinese characteristics."

Many Americans believe "reforms" will cause the PRC to emulate capitalism instead of Soviet totalitarianism. Ronald Reagan himself was persuaded to describe China as "so-called communist."

What a close examination of policies on the mainland reveals is that the Stalinist-Leninist-Maoist style of socialism has indeed proved to be an economic failure and is thoroughly discredited from the point of view of most of the Chinese populace. Peking authorities, nonetheless, have no intentions of giving up the communist party dictatorship. Deng is simply scrambling for a new economic formula that preserves tight totalitarian political control but raises standards of living so his group can stay in power.

The odds against success in the maneuver are high. In more than three decades of rule, the communist leaders have made one adjustment after another to overcome political instability, economic crises, and ideological disillusionment. All this time they have been initiating successive reforms, mostly thereby creating new problems, and never yet attaining their objectives.

Deng's post-1977 goals of modernizing agriculture, industry, national defense, and science and technology by the year 2000 seem almost as far away today as ever.

Increases in agricultural output have been achieved by giving peasants the chance to farm the land as family units—a kind of sharecropping arrangement—and to keep some surplus crops if they work hard and exceed state norms. These incentives have produced higher yields, but they do not change land ownership from what is basically a landless tenant system. The state still owns the farms and can adjust policies whenever Peking bureaucrats decide to curtail the privileges peasants have always wanted. China's rural families have always known how to raise crops if given the opportunity.

All these measures, Premier Zhao Ziyang asserted, are designed to boost the nation's gross output and to lessen the nation's financial difficulties in carrying the heavy burdens of large-scale construction for "socialist," modernization.

Peking's Communist Party Central Committee formally and with fanfare announced a drastic decision on October 20, 1984. It committed the nation to alter the economic structure of light industry and consumer services by adopting controversial quasi-capitalist market mechanisms.

This great lunge forward is designed to create a new kind of "socialism with Chinese characteristics," something different from the Soviet model, more like the Hungarian state.

UNCERTAIN OUTCOME

The task is formidable, and the ultimate results are far from certain. Freedom of small urban industry from direct and complete state control is much more complex and susceptible to individual abuse or failure than the 1978 experiment in letting peasants farm their land and keep excess profits. Already there have been massive scandals of misuse of public funds, notably in Hainan Island where the whole bureaucracy was found guilty of profit-taking and non-Marxist thinking.

The hope in the minds of the communist party leaders is to avoid competition under the capitalist system, "where the law of the jungle prevails." they say, but to derive a rational set of prices that will not create inflation and will expand the availability of foreign exchange.

Deng is staking everything on the concept that a little economic freedom plus outside money and technology will finally begin to modernize communist China's long-stagnant economy. He is betting on American financing and technology to get the process started. When he does, he or his successors are very likely to bargain for a better relationship with Moscow.

Meanwhile, Peking's leaders for 35 years have been unwilling to renounce the use of force as a way of bringing Taiwan under the flag of communist China, and their present attempt to merge the "two systems" in "one nation"—the communist nation—is a veiled threat to Taiwan.

During this period from 1949 to 1984, while the mainland struggled from one disaster to another, the government in Taipei developed a much more open society. It has marched wholeheartedly down the freedom road and brought its per capita income for its people up to ten times that of the mainland.

The Chinese people of Taiwan know their accomplishments and do not intend to retrogress in terms of standard of living or representative government.

UNIVERSAL TRUTH?

When Deng set China on its present policy course, he made it clear he was promoting his own updated version of Mao's ideology, integrating the "universal truth of Marxism with the concrete realities of China." He claimed he could blaze a new path to bring prosperity to the party and the socialist cause. "We do not want capitalism," he said. "We want a socialist society with a prosperous economy." History does not give much encouragement for success in this combination.

In fact, the odds are strongly against economic success in the PRC so long as the leadership demands, as it does, loyalty to the "Four Basic Principles" of communist propriety. These principles are the socialist road, dictatorship of the proletariat, leadership of the communist party, and Marxist-Leninist Mao Zedon Thought.

Deng has no intention of abandoning these principles, and his successors are even less likely to do so in the foreseeable future. Under this rigid political system, economic incentives, and even so-called market socialism cannot really flourish.

In these circumstances, the United States and other democracies should hold out encouragement and help toward greater freedom to the long-suffering Chinese people rather than strengthening the present communist regime. The fate of future China is at stake, with the people admiring the Taiwan economic miracle and the regime on the contrary strengthening ties to Moscow.

It would be tragic if the pro-Peking romantics in Washington undermine the stability of Taiwan by the present Carteresque restrictions on full implementation of the Taiwan Relations Act, just as Taiwan is serving as a magnet to pull mainland China toward interchanges with capitalist economies and away from cooperation with the Soviet Union.

The place in history of President Reagan may depend on the steadfastness of his own views on dealing with Taipei and Peking, concerning which the United States stands to win or lose a great deal, geopolitically. The protracted struggle with Moscow seems destined to continue inevitably, for a still longer time, but there is no need to strengthen China as a second powerful totalitarian adversary.

Undercutting the defense capability of the government in Taiwan and building up a strong military communist state on the mainland is the wrong move at this time in history. It would change the world balance of power in one of the few regions where in non-communist nations market economies and imitation of the American model of society are creating a favorable strategic trend.

Can we possibly risk building up communist China in the same way we built up communist Russia at the end of World War II, only later to regret our folly? Not if the values of a free society prevail over a naive trust in cooperation with communist dictatorships—against all the evidence of the past 65 years.●

S. 2269—TO OVERTURN SUPREME COURT DECISION IN GOLDMAN VERSUS WEINBERGER

● Mr. LAUTENBERG. Mr. President, I join with Senator D'AMATO in introducing legislation to overturn the Supreme Court's 5 to 4 decision in Goldman versus Weinberger.

In Goldman, the Supreme Court held that the military's perceived need for uniformity of dress and discipline overrode the first amendment right of a male Orthodox Jewish serviceman, on duty inside a military hospital, to fulfill his traditional Jewish obligation by wearing a yarmulke.

Capt. S. Simcha Goldman is an Orthodox Jew and an ordained rabbi. He joined the Air Force as a commissioned officer, and worked as a clinical psychologist at the mental health clinic on the March Air Force Base in Riverside, CA. Until 1981, he was permitted to wear his yarmulke on the base. But in 1981, after testifying for the defense at a court-martial, the opposing attorney registered a complaint arguing that Dr. Goldman's practice of wearing a yarmulke violated Air Force regulations.

Our citizens in uniform should not be deprived of their basic constitutional rights, such as the free exercise of religion, simply because they have joined the military. There must be a compelling and supportable argument justifying such a prohibition. As the dissenting justices in Goldman versus Weinberger point out, there was no evidence in the record that the discipline of the Armed Forces would be subverted if Orthodox Jews are allowed to wear yarmulkes with their uniforms, nor did the Air Force offer any basis for such a contention as a general proposition.

This legislation is not confined to the wearing of yarmulkes, but addresses the wearing of any item of apparel that is part of the member's religious observance. The legislation states:

In order to preserve constitutional rights to the free exercise of religion, a member of the Army, Navy, Air Force or Marine Corps may wear any neat, conservative, and unobstrusive item of apparel if the wearing of such apparel is part of the religious observance of the member, unless the wearing of such apparel interferes with the performance of the member's military duties.

I urge my colleagues to pass this legislation swiftly so that the ability of members of the armed services to freely exercise their religious beliefs by wearing apparel that is part of their religious observance will be preserved.●

ADHERENCE TO SALT NUCLEAR ARMS LIMITS

● Mr. CHAFEE. Mr. President, the Reagan administration is approaching a decision on an issue which is vital to our national security: adherence to the SALT nuclear arms limits.

The sea trials of the eighth Trident submarine, the U.S.S. *Nevada*, this May will push the United States over the MIRV'ed missile sublimit of the SALT II Treaty. To remain within the SALT II limits, a similar number of older MIRV'ed missile systems must be dismantled.

Senator JOHN HEINZ recently wrote an op-ed piece for the Philadelphia Inquirer on SALT II restraint which I think is worth the careful attention of my colleagues. I ask that the editorial by Senator HEINZ be printed in the RECORD.

The editorial follows:

[From the Philadelphia Inquirer, Apr. 7, 1986]

UNITED STATES SHOULD KEEP SALT II LIMITS

(By Senator John Heinz)

Attention is focused on the next summit between President Reagan and Soviet party Secretary Mikhail S. Gorbachev. Yet the future of any nuclear arms reduction agreement will be decided by a critical decision the President must make before any summit takes place.

At issue is the superpowers' common interest in restraining the nuclear arms race by adhering to ceilings in the second Strategic Arms Limitation Treaty that limit the quantity and type of nuclear missile launchers on each side. Before May, President Reagan must decide whether to continue to abide by these limits. Some favoring a more confrontational approach, argue that Reagan should ignore the limits.

A presidential decision is necessary because the May sea trials of the eighth Trident submarine, the USS Nevada, will push the United States over the MIRVed (multiple independently targeted re-entry vehicles) ballistic missile (ICBM) sublimits of SALT II. He must decide if the United States is to dismantle a number of older MIRVed systems in order to stay within these limits. His alternative is to abrogate the ceilings now observed by both sides.

If the limits are broken and a new arms race develops, it is virtually inconceivable that the military on either side would be willing to discard weapons bought today in order to implement tomorrow's substantial reductions in nuclear arsenals, reductions that both Reagan and Gorbachev set as a goal at last year's summit.

For the last seven years, SALT II has been the sole framework for restraining the nuclear arms race because it has effectively limited the number of strategic launchers and, indirectly, warheads that each side can deploy.

Independent assessments have concluded that without the SALT II constraints, both superpowers could increase the size of their nuclear arsenals to about 27,000 strategic weapons by 1994—up dramatically from today's levels of around 10,000. More importantly, the Soviet Union could increase its strategic weapons levels by almost 7,000 during the next four years, whereas the United States could only increase its strategic weapons by about 3,700. Reagan has stated the Soviet Union has "a capacity to increase weaponry much faster than the treaty permitted" and that the United States does not.

Both Reagan and the Joint Chiefs of Staff have concluded that the United States is more secure with the SALT II limits than without them. Nothing in the strategic situation has changed from last June when the President endorsed interim restraint. Now is clearly not the time to move in the opposite direction, toward an unconstrained arms race, by discarding the SALT II limits.

Critics of this policy argue, with some justification, that the Soviets have violated other provisons of the unratified treaty. There is no dispute, however, that the Soviets are complying with the key provisions of the SALT agreement limiting both sides' offensive arsenals: the numerical ceiling of 1,320 MIRVed ICBMs, SLBMs (submarine-launched ballistic missiles) and ALCM-carrying (air-launched cruise missiles) bombers. Until now, both sides have dismantled older

systems as newer systems are deployed in order to comply with these SALT II ceilings.

The President has indicated, correctly in my view, that the resolution of compliance issues must be incorporated into any new arms control treaty.

A strong and meaningful response to Soviet violations, however, does not require abandoning the numerical limits imposed by SALT II, as long as the Soviets continue to comply with them. Other avenues of proportionate response are available.

The adminsitration, however, is reportedly considering a decision that would abandon proportionate response and bring bout only partial compliance with the MIRVed-launcher limits by temporarily dry-docking two Poseidon subs instead of dismantling them as SALT II requires. Such a decision would be a violation of the mutually accepted dismantling procedures if the dismantling is not carried out within six months.

The question we must ask, therefore, is will such a MIRV-related violation by the United States bring the Soviets into compliance with the non-MIRV provisions of SALT II? Few think it will, and I fear that it may lead both sides down a slippery, dangerous slope of noncompliance with the important MIRVed-launched subceilings.

Continued observance of the MIRV limits does not prevent a forceful response to other Soviet violations. An example of an appropriate, proportionate response would be accelerating the deployment of the Midgetman missile in response to the Soviet flight testing and deployment of the single warhead SS-25 missile, which is in violation of the SALT II provisions prohibiting the deployment of a second type of new ICBM.

In my view, a policy of proportionate response is preferable to scrapping adherence to SALT II. Mutual adherence at today's limits is essential to negotiating mutual reductions tomorrow.

Last June, President Reagan said, "Despite the Soviet record over the last years, it remains in our interest to establish an interim framework of truly mutual restraint on strategic offensive arms as we pursue . . . the ongoing negotiations in Geneva."

Reagan was correct in announcing that the United States was more secure with SALT II than without it. Nine months later, that is still the case. Until a comprehensive arms-reduction package is reached, it would be unwise to discard SALT II's pragmatic restraints on the nuclear arms race.●

AMERICAN SALUTE TO CABANATUAN PRISONER OF WAR MEMORIAL DAY

● Mr. WILSON. Mr. President, through a joint resolution of the Congress and a Presidential proclamation, April 12, 1982, was designated "American Salute to Cabanatuan Prisoner of War Memorial Day." The Cabanatuan Memorial is located in the central valley of Luzon, Philippine Islands, at the site of the infamous Cabanatuan Prisoner of War Camp. Here, nearly 3,000 American servicemen—veterans of Bataan, Corregidor, and other fiercely contested areas throughout the Philippine archipelago—died of disease, starvation, execution, and other brutality and neglect at the hands of their captors.

The 10,300 battle-weary, starved, disheartened survivors of the rigors of combat in Bataan's jungles, all "Battling Bastards of Bataan," died on the 85-mile march enroute to their first POW camp, Camp O'Donnell. In June 1942, following the surrender of the Corregidor garrison, most of the American servicemen who had survived the hell of the Bataan Death March and the horror of the O'Donnell POW Camp were joined with those captured on Corregidor and elsewhere throughout the Philippines at the Cabanatuan POW Camp. This camp was the principal camp in which the Americans were held during the war.

In the fall of 1944, the Japanese transferred more than 1,600 Cabanatuan prisoners to "hell ships" destined for Japan, where they were to be used as slave laborers working the mines, dock areas, and factories. Because these ships were unmarked, they were attacked by U.S. aircraft and submarines. The casualties resulting from those attacks which destroyed two of the three ships on which the POW's were being transported, together with the deaths which resulted from starvation, disease, and exposure during the 49-day trip between Manila and Japan, accounted for 90 percent of those prisoners having perished during that indescribably gruesome voyage.

The 500 American prisoners who had not been moved from the camp because of illnesses were liberated in January 1945 by a team of American Rangers, Alamo Scouts, and Filipino guerrillas. These units overcame a Japanese force of 1,000 to lead the American prisoners on foot and in water buffalo drawn carts to freedom.

Of the 25,000 American servicemen who were in the Philippines at the outbreak of World War II, only some 5,000 are living today. Battle deaths and the depredations and cruelty they suffered while prisoners account for the major loss among those most unfortunate men.

I ask that we remember today the bravery of these men who fought and suffered for the freedom we enjoy. It is especially important that we regard the Cabanatuan Memorial as a combined Filipino and American effort which pays tribute to the dedication of both our people to the cause of freedom. It is an important and enduring testimonial to the historic friendship and cooperation of the two nations and to the gallantry and sacrifice of the individuals who participated in a joint quest for honor, freedom, and peace.

STATE AND LOCAL TAX DEDUCTIONS

● Mr. HUMPHREY. Mr. President, I would like to bring to the attention of my colleagues an editorial which recently appeared in the largest daily newspaper in my home State of New Hampshire. The editorial, which was in the March 28 issue of the Manchester Union Leader, focuses on the issue of tax reform.

As this editorial points out, Mr. President, "any worthwhile tax reform proposal would of necessity require elimination of the deduction for State and local taxes." There is just no good reason to retain this deduction. It benefits the rich at the expense of the poor. In addition, as the editorial states, "The Federal levy, then, is being used to subsidize irresponsible State and local spending." Such spending is being paid for not by the residents of those States, but by all taxpayers through higher rates. This situation, Mr. President, is neither fair nor equitable. It is for this reason that the Union Leader's comment about worthwhile tax reform could not be more true.

Mr. President, I would urge my colleagues to consider the issues of tax reform and deductibility with this editorial in mind.

Mr. President, I ask that the editorial mentioned above appear in the RECORD at this time.

The editorial follows:

TAX REFORM FORGOTTEN?

President Reagan's drive for a meaningful reform of the federal tax code must not be forgotten in the press of other news. Tax reform is long overdue. It is critically needed.

The present tax system is virtually incomprehensible, weighed heavily toward the special interests, and encourages excessive state and local taxation.

Congress, highly susceptible to the pressures of special interest lobbies, obviously would prefer not to be forced to deal with tax reform, and most especially would prefer not to be forced to deal with a meaningful tax reform that might shift the balance in favor of the beleaguered wage-earning taxpayer.

To enact real tax reform would require increasing the burden on the special interests, and any worthwhile tax reform proposal would of necessity require elimination of the current deduction for state and local taxes.

That component of the present system discourages taxpayers from exercising any control over excessive spending by state or local governments, since that excessiveness can be written off in full against the federal income tax. The federal levy, then, is being used to subsidize irresponsible state and local spending—and taxpayers in low tax states, such as New Hampshire, shoulder a higher burden as a result.

Tax reform deserves a higher priority than it has received in Congress, but without greater public pressure, without a public outcry, there is little indication it will receive more attention than it already has been given. After all it is the special interests who provide the bulk of the money senators and representatives need to finance expensive reelection campaigns, and they treasure those funds far more than they do equity for beleaguered wage-earning taxpayers.

Don't let the drive toward meaningful reform of the U.S. Tax Code falter and die.

Demand positive congressional action, particularly now with all members of the U.S. House facing reelection and a third of the members of the Senate also on the campaign trail. Demand that they cast a vote for equity now, this year, before the election in November.●

THE MEDICAL MALPRACTICE PROBLEM

● Mr. DURENBERGER. Mr. President, I have stood before this esteemed body before in an effort to alert my colleagues to the growing medical malpractice problem in this country and the need to define whether there is an appropriate Federal role in this as all 50 States desparately look for solutions to the escalating crisis.

As legislators at both the State and Federal levels examine possible changes in laws, the legal and medical professions are also turning within and searching for solutions among their colleagues. A recent article in the New York Times, written by Morris Abram, a lawyer who was the chairman of the President's Commission for the Study of Ethical Problems in Medicine and Biomedical and Behavioral Research, describes one solution to the problem that I believe has even more far-reaching potential than any changes in any laws anywhere.

If we want to see a downturn in the number of malpractice lawsuits and a decrease in the cost of malpractice insurance premiums, Mr. Abram suggests a doctor-patient relationship in which information is shared and decisions jointly made. I can't help but point out that he also calls this a new kind of relationship. What does that suggest? It suggests that a healthy give and take of information and respect for each others needs is now lacking in many doctor-patient relationships and that this is one thing at the root of the malpractice problem.

In the high technology, highly specialized world of modern medicine, this kind of shared relationship has more than likely suffered, resulting in patients feeling uninvolved and not taking responsibility for their own care, and physicians giving the orders as technical experts. Not only that, but modern medicine has an aura about it that has led to a doctor-can-cure-all syndrome. A shared partnership has the advantages of creating a sense of respect, trust, and mutual participation in decisionmaking. When patients feel they are part of this team, they may be more willing to accept their responsibility in the shared enterprise and realize that medicine has limitations and cannot cure all ills. The payoff of this relationship would be that it could help decrease lawsuits while encouraging better medical outcomes as well.

Mr. President, I suggest to my colleagues that they read the article by Morris Abram, and I ask that it be printed in the RECORD. He offers us an important statement on a fundamental issue that is at the heart of the medical malpractice situation in our country.

The article follows:

[From the New York Times, Mar. 31, 1986]

TO CURB MEDICAL SUITS

(By Morris B. Abram)

In all the talk about how to deal with the medical malpractice crisis, a simple yet potent idea is being ignored: creation of a new kind of doctor-patient relationship in which information is fully shared and decisions jointly reached.

This approach to treatment, known as the "shared relationship," and recommended by the President's Commission for the Study of Ethical Problems in Medicine, is beneficial both for doctors and patients. It would help curb escalating insurance premiums and malpractice verdicts, which inescapably are reflected in higher fees and hospital charges. It would stanch the exodus from certain high-risk specialties. It would stanch the unwarranted diagnostic and treatment procedures known as "defensive medicine."

As envisioned, the shared relationship does more than diminish conditions that breed litigation and reduce a patient's disposition to sue. It enhances the prospect of better medical outcomes. It assuages anxiety about complications and diminishes the number of patient days in the hospital and the amount of pain-killing medicines required. It is thus a part of good care. Moreover, it includes the legal requirement of informed consent—the patient's permission for a medical procedure—but treats it as an ethical imperative as well. This implies hospitably inviting the patient to ask questions.

Unfortunately, this preferred relationship is not commonly found. Surveys by Louis Harris Associates tell us that 79 percent of patients interviewed believe that the informed consent document primarily protects the doctor; astonishingly, 55 percent of doctors agree. Moreover, only 14 percent of physicians surveyed thought informed consent included the mentioning of alternative treatment. The Presidential commission's studies found that in hospitals often little or nothing is discussed with patients about either the recommended treatment or alternatives.

As medicine is able to do more and more, treatment is divided into increasing numbers of specialties and subspecialties, administered in larger, more complex facilities, using more advanced equipment and delivered by an ever-changing cast of characters. The patient's body and its ailments are parsed into components and assigned to teams of personnel who do not know the patient and whom the patient does not know. This system offers too many opportunities for slippage in carrying out doctors' orders and observing side-effects.

Today's patient, surrounded by science, feels bereft of care; entangled in technology, he is bewildered; enveloped by a team of physicians, he feels he is without a doctor. Little wonder that when the outcome is adverse many strike out in anger through the courts. To prevent such suits and to increase the chances of positive results from all the scientific expertise provided to patients, every hospital patient should have one physician through whom health-care teams relate. This physician should coordinate orders for tests, feedings and nursing, and should convey in understandable words information the patient needs to know about his condition and treatment.

This is not to say various specialists should not also work to establish shared relationship with the patient. But there must be one responsible for making sure the patient understand what is happening, and why.

This cooperative relationship would diminish the patient's resistence to needed diagnostic and therapeutic procedures. In a spirit of mutuality, he would be better able to monitor his treatment, to be sure that prescribed orders are carried out and the many opportunities for slippage are avoided. The patient would have a practiced ability to detect and report side-effects. Having participated in the choice of treatment, he would have a deeper appreciation of what he has undergone, the reasons for having done so and the risks involved. Finally, the patient—less surprised in the outcome is unfavorable—would be more inclined to accept his responsibility in the shared enterprise.

The worth of this approach may appear obvious; it is. It may seem easy to introduce; it is not. There are very few American medical institutions including the best, where medicine is practiced so as to create this partnership. But is is the best prescription for improving medical care and quickly reducing medical malpractice claims and expensive verdicts.●

OLDER AMERICANS MONTH

● Mr. D'AMATO. Mr. President, the month of May traditionally has been designated as "Older Americans Month." As I have in the past, I rise again this year to lend this effort my full support. I urge my colleagues to do the same by lending their support to legislation, Senate Joint Resolution 315, to designate May 1986 as "Older Americans Month," introduced today by Senators GRASSLEY, HAWKINS, GLENN, HEINZ, and MATSUNAGA.

This has become an important tradition for the month of May, as we take time to reflect upon the innumerable contributions made to society by older Americans. These commendable Americans have been through it all, from the Great Depression and times of war, to a point in life, which we hopefully will all reach, when days are consumed with the richness of reflection and the education of others.

"Older Americans Month" is established to pay tribute to those who sustain our past by passing memories and experiences on to our youth, enabling future generations to maintain the spirit of patriotism and devotion to a nation that has remained strong for more than 200 years. The purpose of "Older Americans Month" is to honor the many contributions older Americans have made to the greatness of this country.

Unfortunately, many people harbor a negative attitude toward old age, and they expect it to be worse than it turns out to be. Such a view is nonsense—most older people are alert, active, and open-minded. In many countries, especially in nonindustrial

societies, the longevity and experience of the elderly gives them a respected position in society. Older Americans certainly have my respect, as well as my support for programs which serve to meet their needs.

As the older population in the United States grows, we must meet the demand for adequate health care, decent housing, and other services for them to actualize the American dream. Nationwide, the percentage of individuals who are 65 or older has increased from 4 percent in 1900 to 11 percent today. In other words, there were 3 million such individuals in 1900; in 1980, there were 25.5 million. By the year 2000, this figure will jump to 30 million. The demand for services for the elderly has increased. So, too, has the amount of money needed to fund them.

In the State of New York alone, there are 2,799,000 eligible recipients of Social Security benefits. The dollar amount withdrawn each year from the Social Security Trust Fund for these benefits is $15,120,000,000. The number of Medicare recipients in New York is roughly 2,420,000. The total amount of Medicare dollars spent on these recipients is $6 billion per year.

Mr. President, we, as a nation, will continue to benefit from our older Americans. In particular, we will continue to enjoy the richness of life given to us by the elderly among us, and we will continue to protect programs which meet their needs. During "Older Americans Month," let us all reflect upon all that older adults contribute to our lives, as well as to the life of this great Nation.●

NATIONAL CARPET AND FLOORCOVERING WEEK

● Mr. D'AMATO. Mr. President, I rise today to join my distinguished colleague from Georgia in cosponsoring a joint resolution designating the week of April 18, 1986, through April 27, 1986, as "National Carpet and Floorcovering Week."

Carpet and floorcovering manufacturers have been an important part of the American business community since the first carpet mill was established in 1791. Today, carpet manufacturers are located in 23 States including my State of New York.

Mr. President, during a time when the textile industry is experiencing keen competition from increased imports, the carpet and floorcovering industry is keeping pace. Investing in technologically advanced equipment and maintaining its competitive spirit are the primary reasons for this industry's success. Incredibly, the price of domestic carpet has increased by only 52 percent during the past 30 years.

Mr. President, I commend the carpet and floorcovering manufacturers for their diligence and hard work, and I urge my colleagues to pass this important legislation expeditiously.●

NAUM AND INNA MEIMAN: TWO PERSONAL FRIENDS

● Mr. SIMON. Mr. President, for almost 1 month, I have spoken out on the critical situation facing my friends, Naum and Inna Meiman. I will continue to remind my colleagues and the public of the Meimans' plight every day until they are given permission to emigrate to Israel.

Much has been said about the merits and drawbacks of both quiet diplomacy and public outcry when dealing with human rights and the Soviet Union. I happen to believe in both methods. The Soviet Union is acutely aware of public opinion. They have no appetite for condemnation on such obvious issues as human rights. The release of the famous cases, like Shcharansky and Essas, is a welcome and heartwarming development. In addition, prominent releases offer the Soviets good public relations.

The fact remains, however, that thousands of Jews in the Soviet Union continue to be harassed for expressing their desire to emigrate. The Meimans are such a couple. They are not terribly well-known. They simply want to go to Israel to live out their remaining days.

Speaking out against the injustice which the Soviets perpetrate is a must when the injustice is directed at a couple like the Meimans who are elderly, sick and retired.

I strongly urge the Soviet Government to allow the Meimans to emigrate to Israel.●

ORDERS FOR THURSDAY

Mr. SIMPSON. Mr. President, after cenferring with the Democratic leader, I ask unanimous consent that once the Senate completes its business today it stand in recess until the hour of 9 a.m. on Thursday, April 10, 1986.

I further ask unanimous consent that following the recognition of the two leaders under the standing order there be special orders in favor of the following Senators for not to exceed 5 minutes each: Senators HAWKINS, PROXMIRE, DOMENICI, CHILES, QUAYLE, CRANSTON, WILSON, MELCHER, and LAUTENBERG.

Following the special orders just identified, I ask unanimous consent that there be a period for the consideration of routine morning business not to extend beyond the hour of 10 a.m. with Senators permitted to speak therein for not more than 5 minutes each.

Mr. BYRD. Mr. President, reserving the right to object, would the distinguished assistant Republican leader provide that morning business extend until the hour of 10 a.m.?

Mr. SIMPSON. I ask, Mr. President, that the request be so modified and without objection.

Mr. BYRD. I thank the distinguished majority whip.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request? If not, without objection, it is so ordered.

THE AIRPORTS AUTHORITY BILL

Mr. SIMPSON. At the conclusion of routine morning business, the Senate will resume the unfinished business, S. 1017, the regional airport bill. Votes can be expected throughout the day on Thursday, and it is the intention of the majority leader to complete action on the regional airport bill by the close of business tomorrow. Therefore, the Senate could be in session late into the evening on Thursday. I so inform my colleagues.

Pending is amendment No. 1744 offered by the Senator from Maryland, Senator SARBANES.

I ask unanimous consent that there be 40 minutes of debate on Senator SARBANES' amendment to be equally divided and no amendments be in order to the Sarbanes amendment.

Mr. SARBANES. Would we have a vote on the amendment?

Mr. SIMPSON. And, therefore, a vote will be expected prior to 11 a.m. tomorrow.

Mr. BYRD. Mr. President, would the distinguished assistant Republican leader provide that the vote on the amendment by Mr. SARBANES occur at 10:40 a.m., following the 40 minutes. I am concerned that some of the time might be yielded back and certain Senators are going to be away and will need to be assured that the vote will not occur earlier than when it would occur if time were all used and not yielded back.

Mr. SIMPSON. Mr. President, may I amend my unanimous-consent request that the vote would be no earlier than 10:40 a.m. tomorrow and the vote be on or in relation to the amendment.

The PRESIDING OFFICER. Is there objection?

Mr. BYRD. No objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL 9 A.M. TOMORROW

Mr. SIMPSON. Therefore, in accordance with the previous order, I move that the Senate stand in recess until the hour of 9 a.m. on Thursday, April 10, 1986.

The motion was agreed to; and at 9:04 p.m., the Senate recessed until Thursday, April 10, 1986, at 9 a.m.

NOMINATIONS

Executive nominations received by the Senate April 9, 1986:

DEPARTMENT OF STATE

Paul H. Nitze, of the District of Columbia, to be Ambassador at Large.

THE JUDICIARY

Patricia C. Fawsett, of Florida, to be U.S. district judge for the Middle District of Florida vice John A. Reed, Jr., resigned.

FEDERAL LABOR RELATIONS AUTHORITY

Jean McKee, of the District of Columiba, to be a member of the Federal Labor Relations Authority for the remainder of the term expiring July 1, 1989, vice William J. McGinnis, Jr.

IN THE ARMY

The following-named officers for permanent promotion in the U.S. Army in accordance with the appropriate provisions of title 10, United States Code, sections 624 and 628:

JUDGE ADVOCATE GENERAL'S CORPS

To be lieutenant colonel

Geroge C. Baxley, xxx-xx-xxxx
Charles W. Beardall, xxx-xx-xxxx
Robert J. Boonstoppel, xxx-xx-xxxx
John T. Burton, xxx-xx-xxxx
Brian X. Bush, xxx-xx-xxxx
Richard W. Cairns, xxx-xx-xxxx
Robert W. Curtis, xxx-xx-xxxx
Thomas J. Duffy, III, xxx-xx-xxxx
Sanford W. Faulkner, xxx-xx-xxxx
William G. Fischer, xxx-xx-xxxx
Warren D. Hall III, xxx-xx-xxxx
James W. Hewitt, Jr., xxx-xx-xxxx
Jacob J. Holeman, xxx-xx-xxxx
Gene G. Hood, xxx-xx-xxxx
William S. Key III, xxx-xx-xxxx
Glen D. Lause, xxx-xx-xxxx
Steven B. Lundberg, xxx-xx-xxxx
Michael J. Marchand, xxx-xx-xxxx
Joel D. Miller, xxx-xx-xxxx
Timothy E. Naccarato, xxx-xx-xxxx
Joseph A. Neurauter, xxx-xx-xxxx
Stephen V. Saynisch, xxx-xx-xxxx
Paul G. Thomson, xxx-xx-xxxx
James B. Thwing, xxx-xx-xxxx
Everett M. Urech, xxx-xx-xxxx

IN THE ARMY

The following-named officers for promotion in the Reserve of the Army of the United States, under the provisions of title 10, United States Code, section 3383:

ARMY PROMOTION LIST

To be colonel

Blechl, Henry E., xxx-xx-xxxx
Chase, Jack S., xxx-xx-xxxx
Haworth, David S., III, xxx-xx-xxxx
Hillard, George O., xxx-xx-xxxx
Kilfoil, John J., xxx-xx-xxxx
Koshan, John L., xxx-xx-xxxx
Mahoney, James M., xxx-xx-xxxx
Mayo, Michael R., xxx-xx-xxxx
Seiber, Elvert H., xxx-xx-xxxx
Sellers, William D., xxx-xx-xxxx
Suemori, Peter T., xxx-xx-xxxx
Tabaka, Leonard J., xxx-xx-xxxx
Vanderhoff, Gary L., xxx-xx-xxxx
Yost, David R., xxx-xx-xxxx

MEDICAL CORPS

To be colonel

Kennard, John W., xxx-xx-xxxx
May, Duane L., xxx-xx-xxxx
Umhey, Charles E. Jr., xxx-xx-xxxx

MEDICAL SERVICE CORPS

To be colonel

Woodyard, Timothy C., xxx-xx-xxxx

ARMY PROMOTION LIST

To be lieutenant colonel

Barber, Melvin D., xxx-xx-xxxx
Bishop, Ronald E., xxx-xx-xxxx
Black, James C., xxx-xx-xxxx
Budacz, Ronald M., xxx-xx-xxxx
Bushart, Robert D., xxx-xx-xxxx
Caffey, Eldred Y., Jr., xxx-xx-xxxx
Chun, Charles, Jr., xxx-xx-xxxx
Ciccolini, Thomas A., xxx-xx-xxxx
Colley, Rob D., xxx-xx-xxxx
Connolly, Stephen J., xxx-xx-xxxx
Cork, Tommy D., xxx-xx-xxxx
Courville, Thomas, xxx-xx-xxxx
Driver, Russell W., xxx-xx-xxxx
Dull, Daniel F., xxx-xx-xxxx
Fielding, Michael R., xxx-xx-xxxx
Fitzgerald, Stephen, xxx-xx-xxxx
Geizentanner, Jan A., xxx-xx-xxxx
Hartman, William V., xxx-xx-xxxx
Henricks, Robert A., xxx-xx-xxxx
Holley, James D., xxx-xx-xxxx
Iverson, Gregory K., xxx-xx-xxxx
Jacoby, Theodore C., xxx-xx-xxxx
Kino, Jensen Y., xxx-xx-xxxx
Livingston, Dannis, xxx-xx-xxxx
Lolley, John L., xxx-xx-xxxx
MacGregor, Bruce P., xxx-xx-xxxx
McCool, Lynn E., xxx-xx-xxxx
McMinn, Robert K., xxx-xx-xxxx
Morrell, Lance A., xxx-xx-xxxx
Morris, Thomas A., Jr., xxx-xx-xxxx
Morrison, Jerry W., xxx-xx-xxxx
Morrow, James W., xxx-xx-xxxx
Reneau, Marvin B., xxx-xx-xxxx
Roth, Robert W., xxx-xx-xxxx
Runyon, Damon L., xxx-xx-xxxx
Salvatore, Ronald A., xxx-xx-xxxx
Siemens, John L., xxx-xx-xxxx
Steffen, Howard W., xxx-xx-xxxx
Steger, William J., xxx-xx-xxxx
Worsely, Peter T., xxx-xx-xxxx
Yuskiewicz, Vincent., xxx-xx-xxxx

CHAPLAIN

To be lieutenant colonel

Allen, Delmar, xxx-xx-xxxx

MEDICAL CORPS

To be lieutenant colonel

Amster, Steven M., xxx-xx-xxxx

VETERINARY CORPS

To be lieutenant colonel

Trask, David R., xxx-xx-xxxx

The following-named officers for promotion in the Reserve of the Army of the United States, under the provisions of title 10, United States Code, section 3370:

ARMY PROMOTION LIST

To be colonel

Ackerman, Thomas A., xxx-xx-xxxx
Allen, Gerald S., xxx-xx-xxxx
Alvarez, Abraham P., xxx-xx-xxxx
Ambrose, William P., xxx-xx-xxxx
Anduss, Lynn E., xxx-xx-xxxx
Armistead, Bobby H., xxx-xx-xxxx
Armstrong, Alan L., xxx-xx-xxxx
Armstrong, Henry A., xxx-xx-xxxx
Armstrong, Robert C., xxx-xx-xxxx
Baker, Darrel P., xxx-xx-xxxx
Ballard, Terry O., xxx-xx-xxxx
Bambrough, Craig, xxx-xx-xxxx
Barker, Larry C., xxx-xx-xxxx
Barton, Kenneth P., xxx-xx-xxxx
Beatty, Norman G., xxx-xx-xxxx
Bell, Harvey L., xxx-xx-xxxx
Bellis, Edward A., II, xxx-xx-xxxx
Bennette, Jerry C., xxx-xx-xxxx
Benson, Sumner, xxx-xx-xxxx
Bergquist, William, xxx-xx-xxxx
Blank, Gerald L., xxx-xx-xxxx
Boatright, Spessard, xxx-xx-xxxx
Bohannon, Robert L., xxx-xx-xxxx
Boleware, Garland, xxx-xx-xxxx
Borcher, Dale H., xxx-xx-xxxx
Bowden, Jackson R., xxx-xx-xxxx
Bowman, Charles L., xxx-xx-xxxx
Brandt, Robert J., xxx-xx-xxxx
Brantley, Shelby K., xxx-xx-xxxx
Brewster, Olin F., Jr., xxx-xx-xxxx
Broadway, Buddy S., xxx-xx-xxxx
Brown, Guy C., xxx-xx-xxxx
Brown, John L., xxx-xx-xxxx
Brown, Raymond A., xxx-xx-xxxx
Bryan, Alan J., xxx-xx-xxxx
Buch, Floyd H., Jr., xxx-xx-xxxx
Bunker, Edward A., xxx-xx-xxxx
Butterworth, Billy, xxx-xx-xxxx
Byrdsong, Vallie D., xxx-xx-xxxx
Byrne, Michael E., xxx-xx-xxxx
Byrne, Robert J., xxx-xx-xxxx
Cacciola, Philip P., xxx-xx-xxxx
Cahill, Bernard J., xxx-xx-xxxx
Caldwell, James E., xxx-xx-xxxx
Camp, Joseph W., xxx-xx-xxxx
Campbell, Franklin, xxx-xx-xxxx
Capps, Richard G., xxx-xx-xxxx
Carlan, Carl R., xxx-xx-xxxx
Carragher, John P., xxx-xx-xxxx
Casellasjovet, Rafa, xxx-xx-xxxx
Catlett, Thomas T., xxx-xx-xxxx
Chandler, James H., xxx-xx-xxxx
Charles, Craig E., xxx-xx-xxxx
Cheesman, George A., xxx-xx-xxxx
Childress, Russell, xxx-xx-xxxx
Chladek, Richard M., xxx-xx-xxxx
Clark, William B., xxx-xx-xxxx
Clifton, Charles E., xxx-xx-xxxx
Cluck, Gary D., xxx-xx-xxxx
Cobb, Stephen H., xxx-xx-xxxx
Coleman, Bestor W., xxx-xx-xxxx
Collins, William J., xxx-xx-xxxx
Colvin, Kenneth H., xxx-xx-xxxx
Cooper, Carl B., xxx-xx-xxxx
Cox, John G., xxx-xx-xxxx
Cross, Ronald W., xxx-xx-xxxx
Cunha, Herbert J., xxx-xx-xxxx
Curl, Robert L., xxx-xx-xxxx
Daddona, Richard A., xxx-xx-xxxx
Dampier, William E., xxx-xx-xxxx
Dancer, Charles R., xxx-xx-xxxx
Davis, Eddie J., xxx-xx-xxxx
Davis, John C., xxx-xx-xxxx
Decker, Dale H., xxx-xx-xxxx
Degroat, Arthur B., xxx-xx-xxxx
Deloatch, Voneree, xxx-xx-xxxx
Dennis, Larry J., xxx-xx-xxxx
Derham, Richard A., xxx-xx-xxxx
Diazsantiago, Ramon, xxx-xx-xxxx
Dickerson, Wallace, xxx-xx-xxxx
Dinardo, John R., xxx-xx-xxxx
Distefano, Joseph A., xxx-xx-xxxx
Dolan, Robert, xxx-xx-xxxx
Donald, Carroll D., xxx-xx-xxxx
Drew, Garland A., xxx-xx-xxxx
Drolla, John C.D., xxx-xx-xxxx
Duffie, John B., xxx-xx-xxxx
Dunn, David A., xxx-xx-xxxx
Dupree, Charles C., xxx-xx-xxxx
Eagerton, John D., xxx-xx-xxxx
Eagon, Herbert B., Jr., xxx-xx-xxxx
Eckstrom, Ivan P., xxx-xx-xxxx
Edwards, Richard A., xxx-xx-xxxx
Elmore, James L., xxx-xx-xxxx
Encarnacao, John B., xxx-xx-xxxx
Engelage, Marcia E., xxx-xx-xxxx
Erdley, Larry L., xxx-xx-xxxx
Estes, Stokes R., xxx-xx-xxxx
Falcon, Glenn D., xxx-xx-xxxx
Fallin, Norman, Jr., xxx-xx-xxxx
Farrar, Andrew W., xxx-xx-xxxx
Feedham, Donald F., xxx-xx-xxxx
Ferreira, John J., xxx-xx-xxxx
Fetch, Vernon F., xxx-xx-xxxx
Fidurski, Richard S., xxx-xx-xxxx
Fields, Jerry W., xxx-xx-xxxx
Finlayson, John D., xxx-xx-xxxx
Fish, Ernest B., xxx-xx-xxxx
Flahavan, Richard S., xxx-xx-xxxx
Flemate, Henry, Jr., xxx-xx-xxxx
Ford, Howard F., xxx-xx-xxxx
Forster, Lawrence P., xxx-xx-xxxx
Fortney, Kenneth R., xxx-xx-xxxx
Frank, Francis W., xxx-xx-xxxx
Franke, Loren W., xxx-xx-xxxx

Franklin, Donald E., xxx-xx-xxxx
Frederick, Carrol J., xxx-xx-xxxx
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Halm, David G., xxx-xx-xxxx
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Holen, Harold R., xxx-xx-xxxx
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Houston, Charles D., xxx-xx-xxxx
Howell, Richard H., xxx-xx-xxxx
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Hunteman, Donald M., xxx-xx-xxxx
Ice, Thomas R., xxx-xx-xxxx
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Jackson, Gary W., xxx-xx-xxxx
Jackson, Philip G., xxx-xx-xxxx
Jendras, Jerome J., xxx-xx-xxxx
Jenkins, John A., xxx-xx-xxxx
Jennette, David L., xxx-xx-xxxx
Jennings, Oscar J., xxx-xx-xxxx
Jermann, David A., xxx-xx-xxxx
Johnson, Axel A., xxx-xx-xxxx
Johnson, Melvin H., xxx-xx-xxxx
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Jones, David L., xxx-xx-xxxx
Jones, James L., xxx-xx-xxxx
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Jones, John W., Jr., xxx-xx-xxxx
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Kearney, Frederick, xxx-xx-xxxx
Keener, Allan W., xxx-xx-xxxx
Kelly, Donald P., Jr., xxx-xx-xxxx
Keltner, James C., xxx-xx-xxxx
Kendall, Charles L., xxx-xx-xxxx
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Kessler, James S., xxx-xx-xxxx
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Krebs, Joseph G., xxx-xx-xxxx
Krick, Harold D., xxx-xx-xxxx
Kropp, Anthony R., xxx-xx-xxxx
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Miller, Eskel N., III, xxx-xx-xxxx
Mitkus, Robert J., xxx-xx-xxxx
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Monroe, Wayne A., xxx-xx-xxxx
Moore, Howard R., xxx-xx-xxxx
Moore, Thomas J., xxx-xx-xxxx
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Morris, Rodney W., xxx-xx-xxxx
Morrison, Edgar, xxx-xx-xxxx
Morrison, James L., xxx-xx-xxxx
Morrow, Paul C., xxx-xx-xxxx
Mosley, Joe E., xxx-xx-xxxx
Moss, Bruce E., xxx-xx-xxxx
Motokawa, Stephen H., xxx-xx-xxxx
Mullinix, Bobby R., xxx-xx-xxxx
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Murphee, Carl E., xxx-xx-xxxx
Murphy, Bernard M., xxx-xx-xxxx
Murray, Thomas J., xxx-xx-xxxx
Murtha, Glen E., xxx-xx-xxxx
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Myron, Paul E., xxx-xx-xxxx
Nagle, Kenneth R., xxx-xx-xxxx
Neely, Richard C., xxx-xx-xxxx
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Okimoto, Kenneth K., xxx-xx-xxxx
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Orvis, Charles C., xxx-xx-xxxx
Overgard, Richard N., xxx-xx-xxxx
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Patrick, Stephen B., xxx-xx-xxxx
Paul, Dave O., xxx-xx-xxxx
Pav, Peter A., xxx-xx-xxxx
Pazlar, John M., xxx-xx-xxxx
Peabody, Albert R., xxx-xx-xxxx
Pena, Gilberto S., xxx-xx-xxxx
Pennington, James R., xxx-xx-xxxx
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Pezely, Martin J., xxx-xx-xxxx
Pezzullo, Joseph A., xxx-xx-xxxx
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Piker, Roderick G., xxx-xx-xxxx
Pilcher, David H., xxx-xx-xxxx
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Predmore, Leland C., xxx-xx-xxxx
Preston, Robert A., xxx-xx-xxxx
Provost, Rene C., xxx-xx-xxxx
Pruter, Roger A., xxx-xx-xxxx
Pugh, Joel N., xxx-xx-xxxx
Quagliata, Francis, xxx-xx-xxxx
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Quirk, Thomas J., xxx-xx-xxxx
Radice, Anthony D., xxx-xx-xxxx
Ramey, John B., xxx-xx-xxxx
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Regrut, Andrew J., xxx-xx-xxxx
Rehard, Dale F., xxx-xx-xxxx
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Runyon, Ronald L., xxx-xx-xxxx

Russell, James W., xxx-xx-xxxx
Ryan, Michael W., xxx-xx-xxxx
Salcito, Donald P., xxx-xx-xxxx
Sanchezmiranda, Lui, xxx-xx-xxxx
Santiago, Jose R., xxx-xx-xxxx
Sargis, Robert S., xxx-xx-xxxx
Sauve, John M., xxx-xx-xxxx
Scavo, Sam A., xxx-xx-xxxx
Schissell, Robert J., xxx-xx-xxxx
Schlegel, Robert F., xxx-xx-xxxx
Schmidt, Herman A., xxx-xx-xxxx
Schwer, Frederick O., xxx-xx-xxxx
Scully, John J., xxx-xx-xxxx
Seymour, Joel W., xxx-xx-xxxx
Shank, David M., xxx-xx-xxxx
Sharp, Robert L., xxx-xx-xxxx
Shaw, Donald L., xxx-xx-xxxx
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Shirley, William A., xxx-xx-xxxx
Shoemaker, John H., xxx-xx-xxxx
Sievers, Donald R., xxx-xx-xxxx
Sigler, David P., xxx-xx-xxxx
Simmons, Jerry D., xxx-xx-xxxx
Smith, Gregory A., xxx-xx-xxxx
Smith, Jack B., xxx-xx-xxxx
Smith, John L., xxx-xx-xxxx
Smith, Kenneth R., xxx-xx-xxxx
Smith, Kenneth W., xxx-xx-xxxx
Smith, Robert R., xxx-xx-xxxx
Smith, Stanley B., xxx-xx-xxxx
Smith, Vernal J., xxx-xx-xxxx
Soisson, William H., xxx-xx-xxxx
Solmo, Joseph A., xxx-xx-xxxx
Sowers, Edward F., xxx-xx-xxxx
Spears, Stanhope S., xxx-xx-xxxx
Staub, William M., xxx-xx-xxxx
Steele, Philip M., xxx-xx-xxxx
Sterling, Warren L., xxx-xx-xxxx
Stetson, Lawrence L., xxx-xx-xxxx
Stiglets, Jimmy W., xxx-xx-xxxx
Stilley, Kenneth J., xxx-xx-xxxx
Stockwell, Robert M., xxx-xx-xxxx
Stone, Gary R., xxx-xx-xxxx
Strothman, Frederick, xxx-xx-xxxx
Stultz, Stuart G., xxx-xx-xxxx
Sturdivant, Bobby L., xxx-xx-xxxx
Suedekum, Clarence, xxx-xx-xxxx
Sulzen, Robert H., xxx-xx-xxxx
Summers, Charles R., xxx-xx-xxxx
Surgent, Joseph, xxx-xx-xxxx
Taddy, Peter A., xxx-xx-xxxx
Tatum, Earl R., xxx-xx-xxxx
Teague, Kenneth P., xxx-xx-xxxx
Tellan, Marsh J., xxx-xx-xxxx
Thomas, William III, xxx-xx-xxxx
Thompson, Hoyte E., xxx-xx-xxxx
Tietenberg, Enn, xxx-xx-xxxx
Tincher, Ronald D., xxx-xx-xxxx
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Undem, Robert J., xxx-xx-xxxx
Vachon, Reginald I., xxx-xx-xxxx
Vaiden, Herbert W., xxx-xx-xxxx
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Vansickle, James A., xxx-xx-xxxx
Vigelis, Eugene R., xxx-xx-xxxx
Vinyard, Sherman L., xxx-xx-xxxx
Waddle, Harry I., xxx-xx-xxxx
Waldner, Donald J., xxx-xx-xxxx
Waldrop, Woodrow W., xxx-xx-xxxx
Walgreen, John A., xxx-xx-xxxx
Wallen, Francis M., xxx-xx-xxxx
Walsh, Mark C., xxx-xx-xxxx
Weaver, Thomas C., xxx-xx-xxxx
Weir, John M., xxx-xx-xxxx
Wellen, Donald L., xxx-xx-xxxx
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Wharton, Loren L., xxx-xx-xxxx
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Whilden, Kenneth W., xxx-xx-xxxx
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Wilkens, William W., xxx-xx-xxxx
Williams, Richard J., xxx-xx-xxxx
Wilmoth, Guy E., xxx-xx-xxxx
Wilson, Roye S., xxx-xx-xxxx
Winterle, David D., xxx-xx-xxxx
Winzinger, Robert J., xxx-xx-xxxx
Witt, Ellwood H., xxx-xx-xxxx
Wood, John F., Jr., xxx-xx-xxxx
Woodson, Ronald F., xxx-xx-xxxx
Woody, Robert B., xxx-xx-xxxx
Wright, Allen D., xxx-xx-xxxx
Wyatt, Jerry R., xxx-xx-xxxx
Young, Carl L., xxx-xx-xxxx
Zang, Joseph H., xxx-xx-xxxx
Zolnoski, Vincent J., xxx-xx-xxxx
Zyok, Edmund C., xxx-xx-xxxx

CHAPLAIN

To be colonel

Barkley, Thomas B., xxx-xx-xxxx
Carlson, Bryn A., xxx-xx-xxxx
Forrester, Jester S., xxx-xx-xxxx
Green, Jesse C., xxx-xx-xxxx
Hall, Robert B., xxx-xx-xxxx
Halpern, Harold D., xxx-xx-xxxx
Keenen, Marvin D., xxx-xx-xxxx
Lantz, Donald L., xxx-xx-xxxx
Metcalf, Max P., xxx-xx-xxxx
Meyer, Galen H., xxx-xx-xxxx
Novikoff, John M., xxx-xx-xxxx
Reed, George L., xxx-xx-xxxx
Stiscia, Alfred R., xxx-xx-xxxx
Turley, Donald L., xxx-xx-xxxx
Vedeler, Donald G., xxx-xx-xxxx
Watson, William B., xxx-xx-xxxx

The following-named officers for promotion in the Reserve of the Army of the United States, under the provisions of title 10, United States Code, section 3366:

CHAPLAIN

To be lieutenant colonel

Anderson, Craig B., xxx-xx-xxxx
Anderson, Ronald C., xxx-xx-xxxx
Beck, William H., xxx-xx-xxxx
Boyd, William J., III, xxx-xx-xxxx
Diegel, Ronald L., xxx-xx-xxxx
Fleming, Michael G., xxx-xx-xxxx
Fox, Leroy xxx-xx-xxxx
Goldsmith, Sheldon xxx-xx-xxxx
Goudreau, Joseph L., xxx-xx-xxxx
Graham, William C., xxx-xx-xxxx
Hamm, Dennis G., Jr., xxx-xx-xxxx
Henke, James T., xxx-xx-xxxx
Hollis, Anthony W., xxx-xx-xxxx
Jackson, John E., xxx-xx-xxxx
Johnson, John A., xxx-xx-xxxx
Key, James B., xxx-xx-xxxx
Koch, John G., xxx-xx-xxxx
Luedeman, Craig D., xxx-xx-xxxx
Mack, Arthur R., xxx-xx-xxxx
Madus, Peter P., xxx-xx-xxxx
McDonald, James L., xxx-xx-xxxx
Mullen, Owen J., xxx-xx-xxxx
Needham, James P., xxx-xx-xxxx
Pierce, David W., xxx-xx-xxxx
Rasmussen, John A., xxx-xx-xxxx
Rennell, James E., xxx-xx-xxxx
Renner, Homer W., xxx-xx-xxxx
Rhyne, David M., xxx-xx-xxxx
Ruddle, Raymond D., xxx-xx-xxxx
Setzler, John L., xxx-xx-xxxx
Singleton, James E., xxx-xx-xxxx
Switz, Robert W., xxx-xx-xxxx
Thomas, David I., xxx-xx-xxxx
Welton, Arthur T., xxx-xx-xxxx

The following-named officers for appointment in the Reserve of the Army of the United States, under the provisions of title 10, United States Code, section 3359:

MEDICAL CORPS

To be colonel

Morgan, Andrew M. xxx-xx-xxxx

MEDICAL CORPS

To be lieutenant colonel

Brinkman, Larry K., xxx-xx-xxxx
Marshall, William, xxx-xx-xxxx
Mootz, John R., xxx-xx-xxxx
Nase, Harold W., xxx-xx-xxxx

IN THE NAVY

The following-named Naval Reserve Officer's Training Corps candidates to be appointed permanent ensign in the Line or Staff Corps of the U.S. Navy, pursuant to title 10, United States Code, section 531:

Lori P. Anderson
Matthew E. Bannon
Mark A. Barnao
Michael S. Briddell
Timothy T. Burr
Josh Canchola
Tami H. Chandler
Carrington L. Chatham
Michael W. Degraw
Alan J. Dudziak
Dennis P. Durocher
Victor M. Engel
Sidney Foster III
Robert D. Ghim
Glennon T. Gingo
Philip B. Green
Harold H. Gunji
Stephen C. Hamilton,
Walter S. Harders
Thomas E. Hatke
Larry W. Hellemn
Andrew W. Hietala
Frank L. Husted
James M. Ingalls
Owen D. Keck
Raymond F. Keledie
John D. Klas
John T. McClelland
Benjamin C. McMillan
Jefferson C. McNair
Robert L. McPhail, Jr.
Robert A. McSwain
Edward A. Molchany
Steven E. Muir
Per E. Provencher
Peter M. Ryan
Jeff S. Salsieder
Craig M. Schilling
Corey S. Shearn
Mark A. Smith
Gregory L. Steinberger
Michael R. Stewart
Michael A. Tormenti
Bart A. Vinskey
Tony L. Yoder

The following-named Navy Enlisted Commissioning Program candidate to be appointed permanent ensign in the Line or Staff Corps of the U.S. Navy, pursuant to title 10, United States Code, section 531:Q02

Richard P. White

EXTENSIONS OF REMARKS

NO MATTER WHO WINS CONTRA VOTE, HONDURAS LOSES

HON. LANE EVANS

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 9, 1986

Mr. EVANS of Illinois. Mr. Speaker, although we have won a battle on the issue of military aid to the Contras, the war in a very real sense continues in Congress and, more importantly, in Central America.

During my visit to Honduras last May, it was clear that United States policy toward Nicaragua is having an enormous impact on Honduras. The site of United States troop maneuvers and home base to the Contras, Honduras is the linchpin for United States policy in the region. Therefore, I would recommend the following article on the impact of this vote on Honduras to the attention of my colleagues.

The article follows:

[From the Christian Science Monitor, Mar. 14, 1986]

NO MATTER WHO WINS CONTRA VOTE, HONDURAS LOSES

(By Peter Ford)

TEGUCIGALPA, HONDURAS.—No matter who wins the battle in Congress over President Reagan's request for aid to the Nicaraguan "contras," there will be one sure loser: Honduras.

This view is shared by diplomats and observers here as well as Honduran officials in private conversations.

If Congress gives the go-ahead for the $100 million in aid requested, attention would focus on Honduras, where many of the contras are widely acknowledged to be based. Such a major influx of aid would be tough to hide, making it difficult for Honduras to maintain credibly its official line that there are no contras in Honduras and that it has no knowledge of supplies going to the contras.

If the aid is rejected, Honduran officials say privately, the contra army may begin to break up, posing a threat to law and order in Honduras. The main contra force, the Honduras-based Nicaraguan Democratic Force (FDN), is estimated to have between 12,000 to 18,000 fighters.

"This year will be the final straight," says FDN spokesman Frank Arana. Although confident that Congress will approve the military aid to his fighters, he also says "this will be the last money. We have to win or lose this year."

Recent statements by U.S. officials, including Secretary of State George Shultz and Defense Secretary Caspar Weinberger, have drawn embarrassing attention to Honduras's relations with the FDN. Mr. Weinberger, speaking before a congressional committee March 5, said Honduras actively supports the contra war effort and "from time to time" serves as a resupply point.

A day earlier, Mr. Shultz said that because Honduras stopped (in October) all transfer of supplies to the contras through Honduran territory, the US had had problems in delivering the "nonlethal" aid (referring to $27 million Congress approved last August). But many of the supply difficulties have been resolved.

Foreign Minister Carlos López Contreras's response that "officially" Honduras "is not, nor will be, a sanctuary nor will it be used to channel aid to insurgent groups," met weary skepticism among observers here.

"By adding the world 'officially,' " a senior European diplomat says, "[López] seems to be saying almost as clearly as can be said that unofficially [Honduras] has agreed" to facilitate contra aid.

Honduras's readiness to help US policymakers in their campaign against Nicaragua's ruling Sandinistas "has damaged Honduras's image in Latin America," a Honduran Foreign Ministry official says. Continued US aid to the contras, he adds, "would put us in a very difficult position internationally," because everyone believes Shultz's word over that of López.

"The weight of US policy is heavy in all small countries, particularly in the [US's] backyard. Honduran policy will continue unchanged," he says. Honduras is the US's closest regional ally. In 1985, the US sent more than $261 million in economic and military aid.

This official's fears were shared by Carlos Roberto Reina, a leading dissident in the ruling Liberal Party. "Honduran foreign policy over the past four years has suffered from a lot of inexactitudes," Mr. Reina says. "If we maintain this duality of words and deeds, it will give Honduras the worst possible image."

Should the $100 million not be forthcoming ($70 million in military assistance and $30 million humanitarian), President José Axcona Hoyo may have more than an image problem on his hands: the presence of several thousand armed Nicaraguans in his country.

Armed forces spokesman Napoléon Santos says the Army "is aware of the problem, and a little fearful of it." He insists, officially, that there are no contras in Honduras. He says that if the contras were in disarray, "they could not stay here armed. They would have to accept being disarmed, or they would be acting against our security."

"This is a preoccupation here that the contras might be left without food, without clothes, or medicine," adds Roberto Suazo Tomé, the Foreign Ministry official responsible for Central American affairs.

Whether Honduras would seek a military or diplomatic solution to the contra presence or whether this would be feasible is unclear. Honduran officials speak hopefully of dispersing rebels around other Central American countries or of persuading the U.S. to take them.

Foreign observers doubt this would be acceptable to the potential host governments. "In the long term that might be one of the things the Hondurans hope the U.S. would do," comments a Western diplomat. "But I can't see the U.S. administration seeing that as a popular thing to do in the States, quite apart from it being a confession of the failure of its contra policy."

The U.S. ambassador to Honduras, John Ferch, says that "the Honduran government has never asked the U.S. government what it would do with the contras if they were running around the country. The only way I know the Hondurans are concerned about this is be reading the international press."

"There is no real solution to this problem," argues one local political analyst, "We can't send them [contras] elsewhere, we can't accept them as refugees, and we can't give them jobs. The government would have no option but to push them into Nicaragua militarily. It would be a difficult situation."

"Sending the contras off and hoping they will never come back is every Honduran's dream," suggests one European diplomat. But as long as Honduras depends so heavily on U.S. economic and military assistance, he adds, "no one believes it will happen."

C-SPAN: A CREDIT TO TV

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 9, 1986

Mr. KEMP. Mr. Speaker, we are all aware of the power of television to educate and inform, as well as to entertain. Certainly, the leader in realizing television's potential to serve the public is the Cable Satellite Public Affairs Network, best known as C-SPAN. Since its founding in 1977, C-SPAN has provided a lesson to the American people in the workings of our Government and about the issues—both great and small—that demand our attention. For this, we owe a great deal of thanks to Brian Lamb, C-SPAN's founder and chairman.

While C-SPAN is probably best known for its live coverage of House proceedings, it also carries congressional committee hearings, call-in programs that allow viewers to talk one-on-one with today's news makers, and important meetings of State and local officials. In addition, C-SPAN has been the only television news organization that has provided gavel-to-gavel coverage of recent presidential nominating conventions.

In recognition of C-SPAN's unique niche in the medium of television, I commend to my colleagues' attention an article written by Robert Walters which appeared in the February 25, 1986, edition of the Washington Times.

[From the Washington Times, Feb. 25, 1986]

C-SPAN: A CREDIT TO TV

(By Robert Walters)

"The instrument can teach, it can illuminate," pioneer television journalist Edward R. Murrow once said in explaining the awesome potential of his medium.

"It can even inspire," Mr. Murrow added. "But it can do so only to the extent that

humans are determined to use it to those ends. Otherwise, it is merely lights and wires in a box."

Unfortunately, Mr. Murrow's employer and the other commercial television networks have severely restricted their role as providers of inspiration and illumination, opting instead to dispense least-common-denominator entertainment.

The Public Broadcasting Service has been somewhat more rewarding, but it too has been disappointing as a vehicle that might have advanced the viewers' understanding of their world.

There is, however, one television news organization that comes close to fulfilling Mr. Murrow's vision and achieving the medium's potential for serving the public through offerings that are enlightening yet compelling.

It is the Washington-based Cable Satellite Public Affairs Network, aptly characterized by one industry expert as "cable's most unique and, in some ways, greatest contribution to television."

Distributed to approximately 23 million homes by 2,000 cable systems throughout the country, C-SPAN is an oasis in the television desert, providing informative and intriguing around-the-clock programming interrupted by neither disruptive commercials nor intrusive commentary.

Best known as the cable operation that broadcasts the live, complete, unedited proceedings of the House of Representatives, C-SPAN also covers:

Hearings of both House and Senate committees on such diverse topics as obscene record lyrics, ambient air quality standards, organized crime, airline deregulation, health care, and offshore fishing rights.

National Press Club speeches made by news-makers ranging from politician Geraldine Ferraro and evangelist Jerry Falwell to New York Philharmonic Musical Director Zubin Mehta, and actress Jessica Lange.

Call-in programs that encourage viewers to question politicians, diplomats, lobbyists, and journalists. Guests have included Vice President George Bush, feminist leader Gloria Steinem, and consumer advocate Ralph Nader.

Although C-SPAN's programming is Washington-oriented, its crews regularly travel to other cities. Last year, it broadcast the annual meetings of the National Governors Association in Boise, Idaho; the Republican Governors Association in Wilmington, Del.; the Council of State Governments in Lake Tahoe, Nev.; and the U.S. Conference of Mayors in Anchorage, Alaska.

In recent presidential election years, it has been the only television news organization to offer uninterrupted gavel-to-gavel coverage of the nominating conventions of both major political parties.

C-SPAN's history dates back to 1977, when Brian Lamb, its founder and chairman, persuaded a number of television industry executives to invest $400,000 to launch the non-profit cooperative venture. Live coverage of House proceedings began in 1979, and the Senate could soon authorize similar coverage of its sessions.

Today, C-SPAN operates on an annual budget of about $6.5 million, slightly more than the three major commercial networks spend on the combined yearly salaries of Dan Rather, Tom Brokaw, and Peter Jennings.

Most members of the C-SPAN's staff of slightly more than 100 are young men and women in their 20s and 30s, but their work is thoroughly professional—and it is appreciated by viewers seeking innovative programming.

"C-SPAN brings us as close to pure democracy as anything we have known," says an Illinois follower. "It is a university . . . for all of us to attend, learn, and form our own opinions to keep alive the free exchange of ideas," a Massachusetts C-SPAN enthusiast adds.

ROBERT COHEN

HON. MICHAEL D. BARNES

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 9, 1986

Mr. BARNES. Mr. Speaker, I would like to direct my colleagues' attention to a profile of one of my constituents, Mr. Robert Cohen, which appeared recently in Washington Jewish Week.

As the article makes clear, Bob Cohen is a man of extraordinary fortitude and accomplishment. One of his greatest contributions to the community is his work in providing for the establishment of group homes for the handicapped—a program which has been so successful in this area that he has extended his reach to other communities across the country—helping them to plan similar housing.

Bob Cohen has served as an inspiration to me and to many others, through his persistence, his dedication, and his enthusiasm.

The article follows:

[From the Washington Jewish Week, Mar. 20, 1986]

BOB COHEN: PASSIONATE VISIONARY AND FAMILY MAN

(By Lisa Schneider)

Thursday is Bob Cohen's favorite day of the week.

That's the day he takes time from his busy day in the oil business to give tours of the group homes for the disabled, proudly showing off a project that has become his main preoccupation in life.

Parents of handicapped children, and therefore sensitive to the need for an alternative to placing the disabled in an institution, it was Bob and his wife Joy who embarked on a passionate mission to provide adequate housing for the handicapped.

"Ours is the house that Bob built," says Leslie Milk, who succeeded Cohen as president of the Jewish Foundation for Group Homes (JFGH). Constructed with the mortar and stone of Cohen's vision and persistence, the JFGH now has four homes in operation—the Estelle and Melvin Gelman Home, Sondra and Howard Bender Home, Ina and Jack Kay Home and Ryna and Melvin Cohen Home. And commitments have been pledged for 12 more homes.

This week, 1,200 people are expected to attend a luncheon at the Washington Hilton Hotel where the Women's Auxiliary of the Hebrew Home will honor Cohen with the Aunt Minnie Goldsmith Award, for his outstanding community leadership.

Cohen, whose given name is Stephen Robert, shortens it to S. Robert. With his signature deep chuckle, Cohen explains, "Everyone calls me 'Bobby.' You're younger if you're a Bobby," says the soon to be 59-year-old.

GENTLE PERSUASION

How has one man almost singlehandedly persuaded members of the community to donate some $100,000 to purchase a home?

"It's unthinkable to say 'no' to Bob Cohen," says Melvin Cohen, whose friendship with Bob dates back some 40 years to their college days at the University of Pennsylvania. "He is that rare combination of a person who by his own example can inspire others to follow him."

Cohen typically refuses to take credit, praising instead the enthusiasm of others who have become involved with the group home and apartment project. "Most donated homes not because I asked them," says Cohen, "but because they all wanted to be a part of the program. Really, that's the *emmes.*"

But what Cohen doesn't say is that so many have become involved because of *his* enthusiasm. Cohen has a guileless talent, say his friends, for drawing others into his excitement—making them a part of what's happening.

Last year, when entertainer Marvin Hamlisch came to town for the JFGH's annual scholarship fund dinner, Cohen insisted on showing him the Gelman Home, a spacious, professionally decorated home in Rockville. The residents were ecstatic, but they were not the only ones marked by the experience. Hamlisch was so impressed with the project that he later told Cohen to buy sport equipment for the homes and send him the bill.

DEVOTED FAMILY MAN

Surrounded by Israeli wood carvings and family photographs in the airy den of his Bethesda home, Cohen's sparkling blue eyes light up suddenly. "Would you like to see my son's new house?" he asks, explaining that his son Brian, 23, is a participant in the group home's special needs apartment program.

In a flash, the interviewer is seated in Cohen's Volvo (wife Joy has the car with the license plate "Simcha"), listening to a tape of Israeli music and exchanging notes on new Hebrew slang.

Once at the Grosvenor townhouse complex, Cohen notes happily that Brian's Camaro is freshly washed and then bounds into the house with a cheerful, "Hi pal, how's your new home?"

The affable Brian, an avid Redskin fan like the rest of the family, introduces himself saying, "Hi, I'm Brian and I'm a new homeowner." "Isn't that great?" bubbles his father, his chest swelling with pride.

Bob and Joy, married for 31 years, are the parents of five boys (including a set of twins), ranging in age from 20 to 28. All five are out of the house (two participate in the group home program) and are employed.

Devoted parents, the Cohens insist on calling the handicapped the "handi-capable," and it is this positive attitude that has contributed to their children's independence. "Bob has never let life's vicissitudes detract or upset him," says Melvin Cohen, who adds that Cohen takes special pride in all of his children's accomplishments.

But Cohen admits to a little normal parental worry once in awhile. When a child moves into a group home, the rules are that a parent is not allowed to visit for three weeks, says Cohen. "You shouldn't print this, but . . . when my son Alan moved into the Gelman Home I snuck around the house . . . driving a modest distance behind them when they went on their first walk. I was that anxious," he admits.

OTHER PASSIONS

Cohen's other passions are Israel—the people, the country, the music—and the tennis court, where he keeps score by counting in Hebrew. Says Mel Cohen, "He loves Israelis. We kid him that he collects Israeli friends."

That love for Israel has translated into support for Israel Bonds, which he served as co-chairman of the Washington Committee, Bonds Ambassador Trustee Society.

"He's a real mensch," says Israel Bonds retiring executive director Stanley Segal. "Warm, generous, he has a tremendous love of Israel. And when he takes on a task, he does it wholeheartedly."

"He has done a wonderful thing," continues Segal. "In order to assist both Israel Bonds and the Group Homes, he and I worked out a deal where sponsors who wish to buy a group home can purchase a special, high-interest yielding bond, called the Variable Rate Issue, which is bought in the name of the group home. This way both organizations benefit."

OIL BUSINESS

A native Washingtonian, Cohen graduated from Wilson High School and after receiving a degree in economics from UPenn in 1949, came home to work in the family business, called Central Fuel, which eventually merged with the Hess Oil Company. Cohen left Hess in 1979 to work for Steuart Petroleum Company, where he now serves as senior commercial fuel sales representative.

A member of Adas Israel Congregation, Cohen has served on the boards of almost every Jewish organization in town. Honored last month by the Housing Opportunities Commission of Montgomery County, Cohen is also a member of the Rotary Club, where he has 17 years of perfect attendance.

He and Joy are the recipients of Adas Israel's Lion of Judah award, and the UJAF campaign award for outstanding participation in the 1984 Combined Jewish Appeal. And in 1984, Joy Cohen received the Aunt Minnie Award.

For now, Cohen's labor of love is flying around the country, helping fledgling communities plan group homes similar to the Washington program. "Many parents of handicapped kids worry . . . what's going to happen to my child when I die?" he says. "I can't tell them there's no hope. I'm not made that way."

ST. LOUIS CHURCH HONORS CELEBRITIES

HON. WILLIAM (BILL) CLAY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 9, 1986

Mr. CLAY. Mr. Speaker, it is my pleasure to take this opportunity to commend two outstanding members of the St. Louis community, Mrs. Wynnetta Lindsey Smith and Mr. Charles Williams Tabor. Both Mrs. Smith and Mr. Tabor are members of the Christ's Southern Mission Baptist Church and Adult Choir.

The Christ's Southern Mission Celebrity Committee has informed me that these two church celebrities will be honored at a special dinner at the Salad Bowl Restaurant on April 25, 1986.

Mrs. Wynnetta Lindsey Smith, the pianist and choir director is being given a special tribute on the occasion of her retirement after 50 years of devoted service to her church.

Deacon Charles William Tabor, the president of Christ's Southern Mission Baptist Church is being given a special honor for contributing 40 years of untiring service to his church.

I extend my warmest congratulations to Mrs Smith and Deacon Tabor on their very special achievements. Our community has benefited from the dedicated service these individuals have given to Christ's Southern Mission Baptist Church.

KILDEE HONORS DISTINGUISHED MEMBERS OF UAW 599

HON. DALE E. KILDEE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 9, 1986

Mr. KILDEE. Mr. Speaker, I would like to bring to the attention of my colleagues and the Nation a recognition ceremony that will be held Sunday, April 13. Several members of the United Auto Workers [UAW] Local 599 will be honored for their many years of dedication and extraordinary service to the UAW.

Mr. Fred Myers and Mr. Terry J. Burgess will receive the highly coveted Walter P. Reuther Distinguished Service Award. This award reflects over 20 years of devotion and unselfish leadership on the part of both Mr. Myers and Mr. Burgess. Fred Myers began his illustrious career in local 599 as a committeeman in 1965 and rose to this current position of president in 1984. Terry Burgess has also served in an outstanding manner in local 599 as a committeeman and in various leadership positions including his current position as plantwide committeeman. These men have gone above and beyond the call of duty and serve as constant reminders of what can be achieved through hard work and dedication.

Also being honored on this auspicious occasion are Mrs. Estelle Hodges, Mrs. Louise DuPilka, Mrs. Katie Wood, Mrs. Etta Woodard, and Mrs. Edith French. These extraordinary women have distinguished themselves in various capacities through their exceptional service and sincere loyalty to local 599 and the UAW. In addition, Mr. Edward Moreau and his son, Mr. Earl Moreau, are being honored for their combined service to Buick of over 89 years. Edward Moreau, 97, is the oldest living member of local 599.

Mr. Speaker, as a result of the great efforts of these men and women and others like them, the UAW has been a stabilizing force in our national economy and a bulwark of our democratic society. The gains that the UAW has been able to achieve have brought benefits, direct and indirect, to the public as a whole. Over the past 50 years, the UAW has played an important role in the elevation of the American standard of living. The benefits which the UAW negotiated for workers are now widespread in the economy and enjoyed by millions of their fellow citizens. It is often not remembered that many benefits we now take for granted never existed on any meaningful scale until the UAW, fellow unions, and labor's supporters in legislative halls won them for working people.

These men and women we will honor on Sunday are the embodiment of the UAW heritage. I am honored to have had an opportunity to know each of these union brothers and sisters who have distinguished their lives through helping others.

CONGRESSIONAL SALUTE TO THE HONORABLE FRED GNAPINSKI OF NEW JERSEY PAST COMMANDER, ROSOL-DUL MEMORIAL POST NO. 359 AMERICAN LEGION

HON. ROBERT A. ROE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 9, 1986

Mr. ROE. Mr. Speaker, on Saturday, April 12, residents of the city of Passaic, my congressional district and State of New Jersey will gather together at the annual past commanders dinner of Rosol-Dul Memorial Post No. 359 of the American Legion, a gala anniversary celebration of the veterans of our community in testimony to the outstanding endeavors of their leadership in veterans affairs—always giving willingly and unselfishly of their time in seeking justice and equity for all of our people. Among the honored guests is past commander—the Honorable Fred Gnapinski of New Jersey—whose standards of excellence as the chief executive officer of Rosol-Dul Memorial Post No. 359 during 1983–84 has served to carry on the sterling traditions and purpose of this highly esteemed veterans organization with quality leadership and sincerity of purpose which has truly enriched our community, State, and Nation.

Mr. Speaker, I know that you and our colleagues here in the Congress will want to join with me in extending our heartiest congratulations and best of wishes to Fred Gnapinski and share the pride of his children: Debra Ann Marasitz, Barbara Semancik, Alice, and Christopher; and granddaughters: Rachael Marasitz and Jenifer Semancik on this milestone of achievement in their family endeavors.

Mr. Speaker, the Rosol-Dul Memorial Post No. 359, which was organized in the fall of 1945, is one of our Nation's most prestigious affiliates of the American Legion. We are all familiar with the noble goals and objectives of the 2.6 million-member organization of the American Legion. These military service veterans, working through 16,000 community level posts, dedicate themselves to God and country and traditional American values; a strong national security; adequate and compassionate care for veterans, their widows and orphans; community service; and the wholesome development of our Nation's youth. Fred Gnapinski has, by his example and lifetime of dedication to these same true American ideals, personified exemplary leadership in his responsible service to our people.

Mr. Speaker, Fred was raised on the eastside of Passaic, NJ, and received his elementary and secondary education at Holy Rosary Grammar School and Pope Pius XII High School. He graduated with high honors from

Rutgers the State University with a bachelor of science degree.

He served our people and our Nation with distinction as a fire control technician in the U.S. Navy. He enlisted in 1952 and received his honorable discharge in 1956 with the rank of petty officer second class.

His professional expertise in the science and technology of electronic phenomena and the commercial industry of electronic devices and systems is applauded by all of us. In his career pursuits he achieved success in electronic component sales to industry and quality control and is presently an electronic quality assurance specialist with the U.S. Department of Defense.

Mr. Speaker, Fred Gnapinski has been a member of Rosol-Dul Memorial Post No. 359 for the past 18 years and has served on various committees before attaining the high office of public trust as commander of this esteemed veterans organization. At this point in our historic journal of Congress may I commend Fred Gnapinski to you along with all of the past commanders of Rosol-Dul Memorial Post No. 359 who throughout the past 41 years have served their membership and the people of our community with their leadership endeavors in veterans affairs, as follows:

Rosol-Dul Memorial Post No. 359 American Legion, Passaic, NJ—past commanders

Benjamin Kwiatkowski	1946–47
Emil Olszowy [1]	1947–48
Stanley Blazowki	1948–49
Fabian Izsa, Jr.	1949–50
Joseph P. Lazur	1950–51
Stanley Benedict	1951–52
Edward Serafin	1952–53
Thaddeus Tecza	1953–54
Frank Duplak	1954–55
Edward Lazur	1955–56
William Gonsisko	1956–57
Andrew Tylawsky	1957–58
Bruno Czerniak [1]	1958–59
Stanley Pych	1959–60
Stanley Tomczak [1]	1960–61
Burno R. Stolarz [1]	1961–62
Alexander Bednarz [1]	1962–63
John Yaroslawski	1963–64
William Fitzgerald	1964–65
Stanley Madey	1965–66
John Galka [1]	1966–67
Walter Chmielowiec [1]	1967–68
Henry Lesnick [1]	1968–69
Edward F. Sadlowski [1]	1969–72
John Yaroslawski	1972–73
Edward Byra	1973–74
Edward Wieczerzak [1]	1975
Stanley Turecki	1975–76
Michael Pohrischak	1976–77
Joseph Ruda	1977–78
Anthony Nead	1978–79
Martin J. Fucio	1979–80
Martin Kobylarz	1980–81
Stanley Procko	1981–82
Joseph Szewczyk	1982–83
Fred Gnapinski	1983–84
Peter Kalfe	1984–85

[1] Deceased.

Mr. Speaker, it is indeed appropriate that we reflect on the deeds and achievements of our people who have contributed to the quality of our way of life here in America and I am pleased to call your attention to Fred's lifetime of outstanding public services. We do indeed salute an outstanding citizen, good friend and great American—past commander of Rosol-Dul Memorial Post No. 359 of the American Legion—the Honorable Fred Gnapinski of New Jersey.

ROBERT S. HOROWITZ

HON. MICHAEL D. BARNES

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 9, 1986

Mr. BARNES. Mr. Speaker, I would like to extend a special tribute to Robert S. Horowitz, the editor of the Montgomery Journal, who is retiring after 34 years with the Times Journal Co.

Mr. Horowitz has, indeed, made a valuable contribution to the readers of one of Montgomery County's most influential newspapers. I wish to commend him for his excellence in journalism and for his attention to the issues of concern to Montgomery County residents.

The following is Mr. Horowitz's farewell editorial in the Montgomery Journal dated Tuesday, April 1, 1986:

EDITOR SAYS FAREWELL TO JOURNAL READERS

I'm retiring today, and this is my first, and last, personal note to Journal readers. As the founding editor, I have watched The Journal grow from a circulation of zero on June 7, 1973, to a daily paid circulation of 40,000-plus households today. After 13 years, two things stand out above the daily alarms and crises of our public life, most of which don't seem to amount to much months or even weeks later:

1. The people who live in Montgomery County are blessed with one of the best governments anywhere. The integrity of our officials is of a very high order. Their dedication to the public good is beyond what most people believe it to be.

The quality of the people who serve on boards, commissions, civic associations, PTAs and special interest groups is the highest, and mostly they do it for free. It is difficult in Montgomery County to fix tickets, rig contracts, shop for judges, buy favorable zoning and bribe the police. Undoubtedly there are a few rotten apples in our society, but Montgomery County appears to have as few of them as human nature will allow.

2. The people in Montgomery County are not aware, for the most part, of how fortunate they are to be served by quality, independent daily newspapers.

When The Journal was founded 13 years ago, this editor's instructions from the owners were to put out the best newspaper possible and to make editorial decisions as seemed appropriate. Period.

From day one, this newspaper's editorial columns have never been concerned about offending Democrats or Republicans, conservatives or liberals, right-to-lifers or freedom-of-choicers. We have not been concerned about offending or supporting advertisers, chambers of commerce and labor unions.

The editor has had the luxury of agreeing and disagreeing with both political parties (as well as the local Libertarians), the League of Women Voters, the government establishment, School Board and leaders of many of the 300-plus civic associations in our county.

Never has anyone in The Journal's chain of command told the editors of this newspaper which candidates to endorse and which to oppose in any election. Never have there been orders to favor one school over another, to support or oppose any ballot question, to favor one side in Nicaragua or Takoma Park, Washington or Laytonsville. The Journal editors in Montgomery and Prince George's counties and at our three Northern Virginia newspapers don't even have to agree with one another, and we often don't.

Looking back, I can see that some of the 1,600 editorials I have written for this space were unfair to causes and to individuals. I wish I could take some of them back. Most of us do get wiser as we get older.

But by and large, I believe that most of our readers and officials, and the passage of time, have supported most of the positions we have advocated over the years.

The Journal now goes under the control of a new editor, Ed Miller, a Hoosier who came to us three years ago by way of The Jacksonville (Fla.) Journal, and assistant editors Susan Hedling and Les Brindley. It is a good team of bright, experienced, serious and responsible journalists. Our community is fortunate to have them.

So, I say goodbye with thanks to the officials of The Times Journal Co., who have put up the money and the courage to allow the editorial department to produce the best newspaper we know how to produce. I say farewell to a staff of 35 capable and caring writers and photographers who take their journalistic responsibilities very seriously.

And I say goodbye to a group of readers who are inquiring, demanding of quality and willing to sock it to us when we're wrong and to support us when we're right. They have made the last 13 years marvelously exciting. But our readers' energy has just about worn me down—after 34 years with The Times Journal Co., I'm ready for retirement.

J. RICK RICCIARDELLI

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 9, 1986

Mr. LEHMAN of Florida. Mr. Speaker, Rick and Debbie Ricciardelli are what the American Dream is all about. Their commitment to family, community, and the free enterprise system exemplifies the best in good citizenship.

The following story appeared in the Miami Herald's Business Monday magazine. However, more than business it is about people who are sensitive, caring, and concerned. For those who don't usually read business news, and especially for those who like me have the privilege of being a friend of the Ricciardellis, I am inserting this story in the CONGRESSIONAL RECORD.

LONG HOURS PAY BIG PREMIUMS FOR INSURER

(By Cornelius F. Foote Jr.)

J. "Rick" Ricciardelli, 64, is a self-described workaholic.

He and his wife, Debbie, still spend 70 hours a week and some weekends running their two insurance companies, which together serve more than 700 agents in the state. They never take vacations. They have telephones in their cars.

"I get my joy out of the business," he said, seated in his West Dade office headquarters office, filled with plaques, pictures and proclamations. "I don't like when things go bad, but I get bored when things go too smoothly

for too long. I like to tackle problems and solve them."

Throughout the area, Ricciardelli is known as a generous man who not only gives money, but also time, to a variety of groups from the Boys Town of Italy to the Greek Orthodox Church of North Miami and political candidates. Other insurance company owners say he is a tough, fair and knowledgeable competitor.

Florida Secretary of State George Firestone, a friend of Ricciardelli's for 25 years, call him "one of the modern pioneers who has paid his dues and developed his business." Last year, the Italian government knighted him for his donations to the area's Italian community.

But Ricciardelli's hard work has also paid off personally. His companies, Underwriters Financial of Florida and Specialty Insurance Underwriters, were ranked No. 480 and No. 485 respectively on the Inc. Magazine list of the fastest-growing private companies. It is is the first time a husband and wife team has had two companies ranked on the list.

Last year, Specialty Insurance, which insures high-risk motorists at rates 20 percent higher than normal policies, wrote premiums worth $35.3 million, up from $7.95 million in 1972. Underwriters Financial, which lends money to pay for his company's policies, loaned $18.6 million, up from $2.5 million in 1968.

Ricciardelli, who moved to Miami from Pittsburgh in 1947, has come a long way from opening Specialty Insurance Underwriters in a nine-foot wide, 17-foot-long office in a downtown Miami building in 1963. He and Debbie Wilkerson, then his secretary, used a door placed on two wooden carpenters work-horses as a desk.

"He's very well-organized and has a high level of motivation," said A. Roger Infante, the company's accountant. "He has been doing this for 35 years and has no problems working 12 to 14 hours a day. He's a prfectionist and isn't satisfied until it's done right.

In the early days, his secretary solely handled the paperwork and the telephones, while he drove around the state in his 1960 white Plymouth Fury trying to convince insurance agents to sell his policies.

In 22 years, a great deal has changed.

Debbie, 58, is now his wife and is in charge of the company's 60 workers; he travels rarely and if he does, it's by airplane. Instead of a cramped office, the company is located in a 22,000-square-foot building just west of Miami International Airport and is equipped with a computer that is linked to agents throughout the state.

Ricciardelli is even living more comfortably. He and his wife live in a four-bedroom, four-bath North Miami home with a swimming pool valued at nearly $500,000, according to Dade property records. He owns a 68-foot yacht, docked at the Jockey Club, which he uses as his "district office." It has a telephone and a computer terminal that hooks directly to the company's West Dale headquarters.

A short, heavy-set man, Ricciardelli loves to talk. His wife is quiet and usually sits back to listen.

"In 1964, I must have put 113,000 miles on my car," he recalled. "I drove from Chipley, Fla., to Miami, and back then, the state was still a bit of a Wild West state. Go ahead, Debbie, you finish the rest of this story."

Before she can say a sentence, he has picked up where he left off.

"With a 12-letter last name and being Italian, I had a lot of shots against me. But while I was on the road, Debbie was back answering the phones. I was able to convince the agents because we were willing to take on risks."

"He's the talker in the family," she adds. They both laugh.

Ricciardelli and his partners, Charles Dahdah and Ed Sirkin, own various pieces of property in Dade County. By mid-year, they plan to break ground on a $6 million shopping center on West Flagler Street.

"Anything he does, he doesn't do it for a reason," said Father Phylemon Payiatis, pastor at the Greek Orthodox Church of North Miami. "He's willing to give of himself as long as someone is honest and truthful with him."

Dahadh, Ricciardelli's business partner and friend for the past 20 years, said he doesn't know where he gets the energy and drive to be so involved.

"I've been telling him that he's got to slow down," he said. "But he just laughs at me."

Ricciardelli, the son of a ditch-digger and plumber's helper who was too poor to send him to college, has been an insurance salesman, a North Miami city councilman, a jazz guitarist and is a World War II veteran.

While he always makes time for his five children, eight grandchildren and one great-great grandchild, Ricciardelli has also been very involved in the community. In 1950, he won a seat on the North Miami city council, but lost his bid for re-election when he accused his opponent, Edmund Vichy, of being a Communist. Vichy's campaign manager sued Ricciardelli for $100,000 in libel damages; Ricciardelli countersued. Both cases were dropped, but Ricciardelli lost the election. He said he has no regrets about the incident or the loss.

"It really changed my life," said Ricciardelli. "If I had been re-elected I probably would have stayed in public service and devoted less time to my business."

In addition, Ricciardelli has been commander of the North Miami Amvets. For two years, he was vice chairman of the Dade County Urban Renewal Agency and since 1975 has held several positions with the Florida Insurance Council, including the presidency.

As chairman of the Florida Insurance Fraud Committee in 1977, he led a statewide campaign against insurance fraud. He was so active in his fight, his life was threatened several times. One time, a bomb was found under his car.

Despite his civic duties, Ricciardelli continued to run his insurance firms, which had grown steadily since the late 1960s when the companies began to market itself to the area's changing population.

"During this period, there were a lot of Negroes and Cubans who were new to the area or country who had a hard time getting insurance," he said. "Most insurance companies wouldn't insure them, but we would."

None of Ricciardelli's companies sell insurance directly to the public, but they provide agents with different kinds of policies.

Underwriters Financial is one of the largest premium finance companies for auto insurance in the state, according to the Florida Department of Insurance. It issued loans worth $16.2 million last year, up from $14.1 million in 1984.

The companies had their roughest years in 1969, 1975 and 1979, suffering heavy losses when several larger insurance companies reduced the number of policies they were issuing to Ricciardelli's and other firms.

"It's frightening," he said. "We've been broke almost three times. In 1975, we couldn't sell any business."

Each time, the companies have bounced back. To attract new agents, Ricciardelli began sending out "special bulletins," which were single-page fliers with cartoons that spelled out the latest policy he was offering.

During the past three years, Ricciardelli hired a computer expert to write programs to better communicate with agents around the state, prepare policies and process claims much quicker.

He still hasn't abandoned some of his old habits. On a huge, desk top calendar, he writes down daily, weekly and monthly premium totals of each of his businesses. He has calendars dating back to 1963. He also uses the same printing company he started with 22 years ago. His mother, Margaret, 82, helps out the company by addressing nearly 4,000 envelopes a month.

"We're still a little Mom and Pop company," Ricciardelli said. "I serve as the orchestra leader and try to pull everything together. It's hard for me to let go. I'm here in the office more hours of the day than I'm home. I see things around here that bring back memories and heartaches. I know I'll never quit."

THE 25TH ANNIVERSARY OF PICO RIVERA SOROPTIMIST CLUB

HON. ESTEBAN EDWARD TORRES

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 9, 1986

Mr. TORRES. Mr. Speaker, I ask my fellow colleagues to join me in honoring the Soroptimist Club of Pico Rivera. On Thursday, April 17 the club will celebrate its 25th anniversary as a service organization in Pico Rivera.

The Soroptimist Club spans the globe with 4 federations in 71 countries, close to over 2,300 clubs and over 73,600 members. The Soroptimist goal is to foster the ideal of service as a basis of all worthy enterprises and to encourage its members to broaden their interests in the social, business, and civic affairs of the community.

As a service organization the Pico Rivera club has contributed to the following community events: Huck Finn Day, Miss Pico Rivera, Christmas Baskets, Girl Scouts, Campfire Girls, Bobby Sox League, and the Youth City Award Program.

During the celebration on April 17 the 1986 "TAP" Training Award will be presented to this year's winner, Mary Alice Artes. This award was established to promote upward mobility for mature women, assisting them in their efforts to enter the labor market. Candidates are preferably heads of households completing undergraduate programs or entering vocational or technical training.

Also receiving an award will be Ceasar Moreno. The Youth Citizenship Award is presented in recognition of outstanding contributions by young people to home, school, community, country, and the world.

Mr. Speaker, I commend the members of the Pico Rivera Soroptimist Club for their work and commitment.

PRIVATE PHILANTHROPHY AND SCHOLARSHIP—THE TAUBE-BARON COLLECTION GIVEN TO STANFORD UNIVERSITY

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 9, 1986

Mr. LANTOS. Mr. Speaker, universities and research institutions are facing intense pressures to maintain the quality of education and the caliber of scholarly research, but at the same time traditional sources of funding for these vital activities are increasingly difficult to maintain. Federal appropriations for research and education have been significantly cut back in recent years. State and local governments have been unable to increase their support for these important activities because they have been forced to raise taxes or cut back services in many other areas in order to cope with the decline in Federal funds.

In some important cases, however, private philanthropists have stepped forward to provide important and much-needed assistance to maintain the quality of scholarship and education at our Nation's colleges and universities.

Mr. Speaker, I would like to call to the attention of the Congress an outstanding example of public-spirited concern for scholarship. The largest known private collection of books on Jewish history, culture, and religion has been donated to Stanford University through the leadership of my dear friend Tad Taube and his family, and the Jewish Community Endowment Fund of the Jewish Community Federation of San Francisco, the Peninsula, Marin, and Sonoma Counties.

This collection of 20,000 scholarly books, pamphlets, manuscripts, and journals—valued at over $1 million—was acquired from Salo Wittmayer Baron, professor emeritus of Jewish studies at Columbia University and author of the monumental multivolume work, "A Social and Religious History of the Jews." The collection will be known as the Taube-Baron collection in honor of Tad Taube's deceased father, Zyg Taube, who like Professor Baron was born in Poland.

The contribution of this outstanding collection to Stanford University is only the latest example of Tad Taube's philanthropic leadership in the bay area, and indeed in the country. Tad is a Stanford graduate, a prominent real estate developer, chairman of the Oakland Invaders football team, and president of the Koret Foundation.

The generous gift to Stanford will be a great impetus to Jewish studies. It will make the university a major center for the study of Jewish culture, religion, and tradition. The Taube-Baron collection is an extraordinary group of extremely rare and valuable materials covering centuries of European and Middle Eastern Jewish history and tradition. This collection will bring world-rank scholars of the Jewish experience to the bay area and make an important contribution to our understanding of mankind.

In the Talmud it is written, "When a man does charity and philanthrophy, it is as if he has filled the whole world with kindness." Mr. Speaker, the generosity of Tad Taube and the others who have given the Taube-Baron collection of Stanford University is a great kindness and a great service to scholars and students. I sincerely hope their example will inspire others to similar acts that will benefit education and scholarship.

BEWARE OF OIL TAX SOOTHSAYERS

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 9, 1986

Mr. KEMP. Mr. Speaker, I would like to call my colleagues' attention to an incisive article by Warren Brookes on why an oil import tax would be bad news for our economy and a disaster for our allies and neighbors. It's a message that bears repeating in light of the attempt by some of our colleagues to impose new taxes on the American people.

The current drop in world oil prices means higher economic growth, lower inflation, more jobs, and a welcome break for both consumers and our hard-pressed manufacturers. Every $5 drop in the price of a barrel of oil helps boost our GNP by one-half of a percentage point in the first year and almost an entire percentage point in later years.

Imposition of a new oil tax would strip away these benefits to our own economy, as well as push our trade deficit even higher by making our exports less competitive in world markets. An oil levy also would fall most heavily on some of our closest allies, including the United Kingdom, Canada, and especially Mexico. An oil tax could very well push heavily debt-laden Mexico over the brink into an economic collapse.

As Mr. Brookes succinctly states, we would only be shooting ourselves in the foot by imposing an oil import tax. His article, which appeared in the January 30, 1986, edition of the Washington Times follows:

BEWARE OF OIL TAX SOOTHSAYERS

Earlier this month President Reagan implicitly promised Mexico's President Miguel de la Madrid to keep the U.S. credit pipeline open to prevent Mexico's economy from totally unraveling.

The most important thing President Reagan could do for both Mexico and the United States is to veto any oil-import tax Congress might pass. Any such tax could push Mexico into bankruptcy—and force the United States to construct a 1,400-mile wall on our border from Brownsville, Texas, to San Diego, Calif., to stem the potential refugee tide.

Since Dec. 16, when the OPEC nations effectively signaled the end of their worldwide oil-pricing cartel and announced "every man for himself" in the pursuit of their dwindling share of the world market, Capitol Hill has been abuzz with talk about its being "time for an oil-import tax."

Now when the U.S. economy and consumer are in line for the added stimulus of as much as $20-30 billion in lower crude oil prices from a deregulated oil market, Congress wants to take it away.

Many of the same politicians who helped give OPEC its cartel power, by holding down the price of domestic oil and gas, are now eager to "hit OPEC while it's down" with a $5, $10, or $15 levy per barrel, whatever would push the domestic price back *up* to $27.

And, with Gramm-Rudman-Hollings in the offing, politicians are justifying this tax increase with lots of "economic" reasons.

The theory behind this "revenue enhancer" is that a $5-plus drop in crude oil prices would be "bad for the economy" because it would cut into already weak domestic oil exploration and development, and encourage consumers to stop conserving.

By imposing a tax on imported oil to keep it at a market price of about $27, not only would U.S. producers be insulated from falling world prices, but consumers would never miss what they never got and would continue to conserve.

There are many flaws in this logic. But the most obvious is that this tax would fall most heavily not on OPEC (from whom we get less than 9 percent of our oil) but on our friendly neighbors, debtors, and allies—and on American industry, which would be further priced out of world markets, which would enjoy an even greater relative price cut.

Today the United States gets less than 2 percent of its oil from Persian Gulf nations. It gets more than 56 percent of its imports from Mexico, Venezuela, Canada, and the United Kingdom. The first two are heavy debtors and friends—the latter two are among our most valued trading partners and allies.

More important, virtually all of our imported oil comes from countries that are in the weakest position to deal with a real price collapse. Our chief suppliers have little excess production capacity. Almost none of our oil comes from those "swing producers" in OPEC, Saudi Arabia, Kuwait, Libya, Qatar, and the United Arab Emirates, who can easily offset falling prices with rising production out of excess capacity.

This essentially is the message of an insider report by its economist Steve Hanke to the clients of Friedberg Commodity Management. Mr. Hanke says the effort to hold the line on prices by cutting back production means "the swing producers (the ones who have cut production deeply to keep prices up) . . . will increase output as prices decline," contrary to normal market response. This is because it is the only way they can maintain or increase their revenues.

Mr. Hanke told us that an oil-import tax would actually accelerate this process, forcing prices down further and faster, and "when OPEC collapses, world crude production will reach about 65 million barrels a day . . . and prices will range from $5.38 to 16.39 a barrel.

"Producers without excess capacity will be hit hardest by an OPEC collapse." Such producers, including Mexico, would experience not only a drop in prices but a matching drop in total income.

Mr. Hanke says Mexico will begin to "hurt" when oil falls below $25.77, Venezuela at $20.72—but Saudi Arabia can get the same level of revenue as now with oil as low as $14.30.

"This means that a U.S. oil-import tax is likely to push the swing producers much faster to their break-even point, with even greater damage to our debtor-nations, especially Mexico.

"More important, this would give our major trading competitors, Japan, Germany, France, a huge oil-cost windfall even as

American manufacturers continued to pay high prices—and this would make our trade deficit much worse."

In other words, an oil-import tax would be a bonanza for Japan and Europe, but a trading catastrophe for U.S. industry, and would mean certain collapse for our big debtor-neighbor, Mexico. Yet, exempting Mexico would cut our oil-import tax revenues by nearly 40 percent, and force an even more punishing tax rate.

It's called shooting yourself (and your neighbor) in the foot.

ANN MILLER

HON. MICHAEL D. BARNES

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 9, 1986

Mr. BARNES. Mr. Speaker, I would like to call my colleagues' attention to an article that appeared in the Baltimore Sun recently about the inspiring career of Ann Miller, a founder of the Maryland Food Committee and retiring director of the Maryland Food Bank, a nonprofit warehouse that provides food to soup kitchens and emergency grocery programs throughout the State.

Ms. Miller had already served in the Army Nurse Corps and in the Baltimore Health Department before becoming involved in food issues in 1969. Since then she has accomplished more than anyone believed possible in making sure that surplus food is distributed to hungry people in Maryland. I believe that we owe a debt of gratitude to Ms. Miller for doing a job that, as she says, really belongs to the Government. The tremendous effort which she put forth serves to remind us of our own responsibility to find long-term solutions to the problem of hunger in America.

The article follows:

[From the Baltimore Sun, Apr. 7, 1986]

ANN MILLER RETIRES FROM FOOD BANK—BUT NOT ACTIVISM

(By Eileen Canzian)

She has spent 17 years fighting the everyday battles of a war against hunger in Maryland, and now Ann Miller has decided it's time for a change.

Ms. Miller, who is 70, retired last week as director of the Maryland Food Bank, the non-profit warehouse that provides food to soup kitchens and emergency grocery programs throughout the state.

Yesterday, her years of service on behalf of the state's poor were marked at a ceremony in Annapolis, where Gov. Harry Hughes awarded Ms. Miller a Certificate of Distinguished Citizenship. The House of Delegates later passed a resolution in her honor.

"She's made unique contributions—far above what most of us do," said Baltimore Delegate James Campbell, one of its sponsors.

A registered nurse, Ms. Miller already had had a notable career—she was a lieutenant in the Army Nurse Corps during World War II and later helped to establish the Baltimore Health Department's day-care division—when she turned her attention to food issues in 1969.

That year, alarmed at data showing that thousands of schoolchildren in Baltimore had anemia, she became part of a small group of volunteers who started the Maryland Food Committee. "Our purpose was to see that there would be no more hunger in Maryland—and in 1969, that really seemed possible," Ms. Miller recalled recently.

The group's early efforts centered on pressing state and local officials to make use of the federal school lunch program, which at that time wasn't available in many inner-city schools.

Soon, the group was a self-appointed watchdog of the food-stamp program, forcing changes in the state's distribution system to make it easier for applicants to receive the stamps. The group raised money for outreach workers to make low-income Marylanders aware of federal aid for which they were eligible. And it financed an experimental feeding project in Cherry Hill which drew national recognition and led to the development of the federal Women, Infants and Children (WIC) nutrition assistance program.

Describing her efforts at the Food Committee, Ms. Miller says she played what might be regarded as a supporting role, working as a volunteer behind Susan Tippett, the organization's first director. It is the Maryland Food Bank, created in 1979 as offspring of Food Committee, which has come to be known as Ms. Miller's project. She is credited with founding the Food Bank—the first on the East Coast—and leading it through its dramatic expansion over the past seven years.

Starting with just 38 member agencies—and volunteers who wondered how the new group would come up with enough food to serve them—Ms. Miller began a campaign to make wholesalers, supermarkets and other food distributors aware they could donate surplus goods to the Food Bank, which in turn would see that the food reached soup kitchens and other emergency feeding programs.

"I remember looking around the first time I came here and thinking "This is crazy; they'll never be able to fill this warehouse with food," said Bill Ewing, an early volunteer with the organization who is succeeding Ms. Miller as director.

Seven years later, the bank now distributes 450,000 pounds of food each month to 600 programs throughout the state, and the organization is raising money to move to a larger warehouse.

If she is proud of the bank's success, Ms. Miller also regards it as an institution that shouldn't be necessary—at least not at its current scale. She once felt the bank would be a way of helping churches and other groups to help people who were facing true emergencies, the sudden loss of a job or other family crisis.

Instead, she said, the Food Bank is serving agencies that have been forced to take over a role that she believes belongs to government.

In that light, Ms. Miller said she has always regarded her work at the Food Bank as a complement to—and not a replacement for—ongoing efforts by groups like the Food Committee that advocate expansion of government programs to help the poor.

"There are a lot of people who say to me, 'What are you doing, just preventing the revolution?" Ms. Miller said. "I tell them, 'While you all are talking . . . there are poeple who are going to starve. So we'll feed them until you come up with a permanent solution.'"

Of her future, Ms. Miller makes clear that she is retiring as head of the Food Bank—not as an activist. She said she decided she had had enough of handling "day-to-day emergencies."

But first, she said, she is going to take a vacation in Europe—where she plans to tour food banks in France.

TRIBUTE TO RABBI AND MRS. SAMUEL DAVID RAICHIK

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 9, 1986

Mr. WAXMAN. Mr. Speaker, on June 8, 1986, the Los Angeles Jewish community will gather at the Century Plaza Hotel in Los Angeles to pay tribute to Rabbi and Mrs. Samuel David Raichik. As I have the signal honor of counting the Raichicks among my close friends and as well as among my constitutents, I wish also to share with the Members of this House an account of the enormous contributions Rabbi and Mrs. Raichik have made to our community.

Both Rabbi and Mrs. S.D. Raichik were among the fortunate remnants of Polish Jewry to survive the Holocaust. Both saw the virtual destruction of their distinguished families of origin. Both were determined to pursue with all their energy the values reflected in the lives of their learned and pious families over the generations.

Rabbi Raichik from his youth on has been a devoted follower of the Chabad-Lubavitch School of Chassidism. He studied at the Lubavitcher Academy for Advanced Talmudic Studies near Warshaw, Poland. Rabbi Raichik was personally involved in the escape of the late Lubavitcher Rebbe, Joseph Isaac Schneerson, from German occupied Poland in 1940. Rabbi Raichik's life was saved from the Nazis by the sage advice of Rabbi Schneerson. Rabbi Schneerson guided the entire academy eastward across the Soviet Union into China and finally to their city of refuge—Japanese occupied Shanghai.

Mrs. Leah Raichik—nee Rapaport—comes from one of the most illustrious families in all of Jewish history. Her father, the late Abraham Abba Rapaport, was a renowned Talmudic scholar, a key figure in the Court of the Gerer Chassidim, a major manufacturer and wholesaler of textiles, and economic adviser to the prewar Polish Government. Mr. Rapaport died shortly after the German invasion of Poland. His wife, Sabina, and four Rapaport daughters spent the entirety of the war hiding underground in a barn of friendly gentile farmers. The constant search by German troops for Jews placed them in perpetual danger until the liberation of Poland.

After the war both Rabbi and Mrs. Raichik settled in Brooklyn, NY, and sought to rebuild their lives. With the blessing and approval of the late Rabbi Joseph I. Schneerson the Raichiks were wed in 1948. Rabbi Schneerson dispatched the young couple to represent him and the Lubavitcher movement on the west coast. He designated Rabbi Raichik as his personal emissary and entrusted him with the wide range of both spiritual and material responsibilities.

Within a very short time the Chabad-Lubavitch movement, hitherto unknown in the Far West, became familiar to most Orthodox Jews

and to many Jews of other orientations. The non-Jewish community came to respect the Chabad movement for its integrity, compassion, and special emphasis on the needs of young people.

The Raichiks first settled in the Boyle Heights area of Los Angeles. They subsequently moved to the Beverly-Fairfax section where they have lived for the past 32 years.

It is impossible to describe in the available space the range of activities undertaken first by Rabbi and Mrs. Raichik and subsequently by their children. The rabbi has been involved in every area of Jewish communal life bringing his own insights and the wisdom of his leaders to the problems of both institutions and individuals. He is renowned as one who "loves peace and pursues it." Even those who do not share his views deeply respect his gentle, compassionate, and accepting approach.

With the passing of Rabbi Joseph I. Schneerson the mantle of leadership fell upon his son-in-law the present Lubavitcher Rebbe, Rabbi Menachem Mendel Schneerson. The present Rebbe renewed Rabbi Raichik's appointment as personal emissary to the west coast and expressed his prayer and blessing that the work of Chabad Lubavitch would grow and flourish.

In the ensuing years the Chabad Lubavitch movement has indeed grown. And over the past decade there has been an even greater expansion of Chabad's work. The expansion program has been guided by Rabbi Boruch Shlomo Cunin and has included the development and growth of the Yeshiva Ohr Elchonon Chabad under the direction of its dean, Rabbi Ezra Schochet. Chabad now has branches in such far-flung placed in California as San Diego, Westminster, Torrance, Santa Monica, San Fernando Valley, and the bay area.

Each and every Chabad rabbi turns to Rabbi Samuel David Raichik for guidance in his personal life and in his communal work. Each recognizes Rabbi Raichik's unique ability to put every issue in the context of Torah thought and the teachings of the Lubavitcher Rebbe.

In all his years as an emissary, Rabbi Raichik has never recognized a distinction between his public and private lives. He has no office, he keeps no appointment book. His home is a gathering place for visiting dignitaries, for troubled youth, for divided families, and for spiritual seekers. His days are filled with service to his Creator and loving service to the community. From his wedding day on, not only his life, but the lives of his wife and children have belonged to the community. In order to fulfill their mission Rabbi and Mrs. Raichik and their family have sacrificed privacy, luxury, convenience, and comfort.

Those who seek out Rabbi Raichik's well-known Edinburgh Avenue address are always accepted and nourished both physically and spiritually. And those who do not seek out the Raichik's home are nevertheless touched by them. Rabbi Raichik brings the teachings of the Torah, the wisdom of Chabad philosophy, and the instructions of the Lubavitcher Rebbe into homes, offices, and synagogues across the city. And when he visits prisoners in California jails he takes not only his messages but also his wife's personally prepared foods and baked goods.

Rabbi and Mrs. Raichik are the proud parents of 10 children—all of whom are devout Lubavitcher Chassidim and devoted followers of the Lubavitcher Rebbe. They are also the grandparents of seven grandchildren some of whom have already taken the first steps along the path that their grandparents trod with so much commitment and self-sacrifice.

I ask that my esteemed colleagues in the House of Representatives join me in saluting Rabbi and Mrs. Samuel David Raichik for their 38 years of service to the city of Los Angeles. I ask also that my peers join me in wishing the Yeshiva Ohr Elchonon Chabad continued success in its commitment to educate and guide its students in the ways of Torah as exemplified by the lives of Rabbi and Mrs. Samuel David Raichik and their family. Please also join me in wishing the Rabbi and his wife long life, good health, continued success in their communal roles, and spiritual satisfaction from the achievements of their children and grandchildren.

INSEARCH

HON. EDWARD R. ROYBAL

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 9, 1986

Mr. ROYBAL. Mr. Speaker, I would like to take this time to recognize and commend INSEARCH, an organization created to assist society in its quest for timely solutions to some of the significant problems facing our world. INSEARCH is an independent nonprofit "think tank" not aligned with any particular funding source, philosophy, constituency, or issue. In one of its first actions, INSEARCH conducted a forum on aging which I attended along with nine experts in the field of aging. Those experts are: Dr. Vern L. Bengtson, Andrus Gerontology Center at USC; Dr. Joyce M. Gattas, San Diego State University; Mrs. Janet Goeske, Janet Goeske Center for Senior/Handicapped Citizens; Dr. Iseli K. Krauss, Syracuse University; Dr. Huey B. Long, University of Georgia; Dr. Harry R. Moody, Brookdale Center on Aging at Hunter College; Mr. Jules Power, Power/Rector Productions, Inc.; Mr. Robert S. Rubenstein, the Aerospace Corp.; and Dr. Edward L. Schneider, National Institute on Aging.

SUCCESSFUL AGING: A LIFELONG PROJECT

The primary object of this forum was to decide, in the fact of the growing difficulties posed by the demographic statistics, how best to improve the capacity of Americans during aging, how to enhance their mature development. For every aspect of the problem, the forum urged the need for research, notably:

First, greatly increased support for research into the diseases which cause most dependence in the aged, the greatest difficulty for their families, and the highest expense. By far the most important of these is Alzheimer's disease.

Second, research into how best the elderly can maintain their independence and free choice of how to spend their leisure time; and research into the best means of caring for the old who need it, including care by families or other support groups.

Third, research into methods of education at all ages, with emphasis on how to bring attitudes about the older generations up to date and how to change education from a youthful experience at school to a continuous, lifelong process.

Fourth, reseach in the workplace into productivity of employees in all age groups.

Fifth, research into the development of products adapted to the rapidly growing market offered by people over 50 years of age.

A second set of recommendations dealing with advocacy for senior citizens was made to the board:

First, create a professional legislative advocacy group for senior citizens, based on a coalition of the leading national organizations for retired or elderly citizens. Ensure that this is on a permanent basis so that it is effective. Simultaneously, form a nationwide system of ombudsmen, both paid and volunteer, as advocates for senior citizens.

Second, urge the media to present mature and elderly people as they are in fact today; most are alert, mobile, and spending a discretionary income much larger than that in the hands of the young. Because of this, advise the media in the interests of their advertisers to promote products suited to the older generation. Replace outmoded stereotypes in television and the print media by present-day images of aging, and show the changing societal attitudes in a positive way.

Third, take strong action in industry for employees 40 years old and over, giving them options for the time they retire, opportunities to retrain for new work, and later to continue working part time.

Fourth, change out-of-date attitudes about aging in education, starting at ground level with elementary textbooks and continuing throughout school curricula. Regard education as lifelong, promote opportunities for adult education such as the elderhostels, and encourage partnerships between public education authorities and private industries to coordinate programs for adult education.

I feel it is important to share the results of this forum with my colleagues in the congress because these recommendations go to the heart of the aspirations of older Americans. As chairman of the Aging Committee, I have heard testimony from senior citizens throughout our land who want to maintain their independence; receive better health and long-term care; remain productive in the work force beyond the so-called age of retirement and erase the stereotype of the elderly being feeble and useless. We have a responsibility as legislators to take the wishes and needs of our senior citizens into consideration when we make decisions on programs and funds that are important to them.

Vern L. Bengston has written in A Generation Gap that:

> Old age reflects survivorship and a lifetime of experience and coping. Too many of us look at the dependency of old age and ignore the autonomy.

I want to thank INSEARCH for its contributions in the field of aging. I am sure that we will continue to hear good things about this new and forward-looking organization.

HELPING CHILDREN ABSORB THE SHOCK

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 9, 1986

Mr. LANTOS. Mr. Speaker, none of us will ever forget the tragedy of the explosion of the space shuttle *Challenger*. A nation watched in stunned silence as the horror of the event unfolded. The pain was intensified by the fact that tens of thousands of schoolchildren were watching in eager anticipation of witnessing this historic occasion of the first teacher in space.

In a recent article, Dr. Edna Mitchell, the distinguished head of the department of education at Mills College in Oakland and a member of a NASA research advisory team, discusses the problems due to the fact that the children, while carefully prepared for the events of the mission, had not been prepared for the possibility of a failure of the mission. Without warning, and still trying to cope with their own pain, parents and teachers were faced with questions from shocked and confused children.

Dr. Mitchell's excellent article assists parents and teachers in their task of helping the children come to terms with the accident. In particular, Dr. Mitchell stresses the importance of not ignoring the tragedy, but helping children accept it. She writes:

Teachers and parents must help children absorb the shock. We may question how much time should be spent dwelling on tragedy. But to turn away from it encourages us to think of the event as another television drama, rather than as real life. Daily routine will resume quickly enough. All adults would like to protect children from unnecessary fears, but we don't want to do this by deadening feelings.

Dr. Mitchell's article is helping not only in dealing with the explosion of the space shuttle *Challenger*, but also with other tragedies that might arise in the lives of children. I commend Dr. Mitchell on her outstanding work and highly recommend the article to all my colleagues.

HELPING CHILDREN ABSORB THE SHOCK

A nation of school children and their teachers spent weeks preparing to watch the lift-off of the space shuttle with the first average citizen, a teacher, aboard. They planned to be her students as she taught her lessons from the Challenger.

Thousands of students had been carefully prepared for this experience, which focused the space mission on education and particularly on science education. Lessons planned by Christa McAuliffe had been nationally distributed by NASA. Many children had written letters to her.

While the personal involvement of children and their teachers had been carefully cultivated as a national effort, no preparation had been made for the possibility of failure or for the horrible tragedy that occurred as these children watched and listened.

So now adults, coping with their own confusion, must act as sources of comfort and strength for the youth who became so directly involved with Christa McAuliffe and this mission.

For many children, this event shakes the foundation of confidence in their lives. Each crew member was attractive as a role model, as well as superbly talented. This flight was not only racially integrated but included two women—one a scientist and one a teacher and mother, comparable to those women who figure securely in the daily lives of children.

Teachers and parents must help children absorb the shock. We may question how much time should be spent dwelling on tragedy. But to turn away from it encourages us to think of the event as another television drama, rather than as real life. Daily routine will resume quickly enough. All adults would like to protect children from unnecessary fears, but we don't want to do this by deadening feelings.

Age makes a difference. Children of different ages have quite different understanding of the accident and will think of it in different ways. For children of all ages, however, a basic fear is the underlying sense of impending loss to themselves . . . the death of their own parents, their teachers, even the possible total destruction of the world.

Younger children may show signs of their deeper fears in their play, in their unwillingness to be separated from their parents, in fears of going to bed, and in nightmares. Talking with them now, for a few days following the tragedy, can be reassuring.

Death is real, but life is also real and continuing. Accidents do happen, sometimes many lives are lost, but people are strong. We help each other in times of trouble.

For adolescents, the fears are both immediate and far ranging. Adolescents will express personal concerns about the security of their own lives but will also raise questions about the use of power in society. They will ask not so much why the crew had to die as why such a risk was taken with the life of a citizen teacher. What political purpose was this designed to accomplish? The cynicism, pessimism, and the idealism of youth will be close to the surface.

Thoughtful adults must be available to all youth at this time. Values are going to be brought into focus that need adult experience and perspective. Peer persuasion about life and death values by teenagers, who themselves have a life experience of less than two decades, is an inadequate source of information.

We must take time to talk about this tragedy with our children, and to let them talk about it. In a few days television will turn to the next news event, but classrooms will still have posters of the Challenger on the walls and stacks of teaching materials now never to be used with the teacher from space.

TRIBUTE TO PHIL BEUTH

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 9, 1986

Mr. KEMP. Mr. Speaker, for the past 10 years, Phil Beuth has served as one of America's top broadcasters as the general manager of WKBW Television—channel 7 in Buffalo, NY.

Under his leadership, WKBW was the acknowledged leader among all television stations in western New York. In part, this reputation was earned on the basis of Phil Beuth's commitment to public service for our community and our country.

While Phil Beuth was an activist in many civic organizations, none was more precious to him than the Variety Club, Tent No. 7 and its work on behalf of the Children's Hospital of Buffalo.

For the past 24 years, Variety Club has sponsored a telethon whose proceeds benefit Children's Hospital. Under Phil Beuth's leadership, this telethon has become the most successful telethon in the United States. No other telethon raises more money per capita at less cost than does Phil Beuth's Variety Club Tent No. 7.

On March 1 and 2, 1986, the Variety Club Telethon raised a record $1,476,612. It was also Phil Beuth's last telethon as general manager of WKBW since he has recently assumed new executive responsibilities with Capital Cities Communications, Inc. During his 10-year tenure at WKBW, Phil Beuth and Variety Club Telethons have raised millions.

On April 16, 1986, the people of Buffalo and Western New York will hold a testimonial dinner in Phil Beuth's honor to express their appreciation for all he has done to improve the quality of life in our community. On behalf of my constituents, I hereby submit for the RECORD on March 2, 1986, a Buffalo News article which captures how Phil Beuth used his remarkable talent for the children of western New York and our whole community.

We in western New York will miss Phil and his dear family but wish him well at Capital Cities/ABC in New York City.

PHIL BEUTH REACHES FOR THE STARS—AND THEY REACH FOR THE TELETHON

(By James E. Brennan)

When Phil Beuth first came to Buffalo on Labor Day ten years ago, one of his first accomplishments as the new general manager at WKBW-TV was to plug a Jerry Lewis Muscular Dystrophy telethon on another station.

"I was watching a football game on Channel 7 and Stewart Dan was working the telethon on Channel 2," Beuth recalls. "I called the chief engineer at KB, identified myself as the new boss and told him to put a crawl across the bottom of the screen during the game asking viewers to donate the price of a football ticket to Jerry's kids."

That was the beginning of Phil Beuth's success story on behalf of a number of Buffalo charities. One of the closest to his heart is the Variety Club Telethon for Children's Hospital, which is airing this weekend on Channel 7.

His philosophy in associating both himself and his top-rated station with the Variety Club fund-raising effort is summed up in the simple statement: "When you do well in business, you ought to do good for the community."

"I consider myself a very fortunate person, and I like to put something back into the community," he adds.

On a personal level, Beuth has been doing a great deal of good by putting in long hours brainstorming new approaches to raise money for Children's Hospital. He has opened the door for corporate support from Burger King, Liberty Bank, Hills department stores, K-Mart, Tops, Bells and Super Duper, plus a host of bowling proprietors, car dealers and restaurateurs.

Beuth also worked with The Buffalo News on Kids Day and has personally spoken to almost all 40 satellite groups that collect money for the telethon.

In his first year with the Variety Club telethon, Beuth and his fellow members promised $250,000, then $500,000 and then $1 million.

The goal this year is to top the $1.4 million raised last year. The phone number to call in a pledge is 633-4357 or donations may be brought directly to the Courtyard at the Executive Hotel in Cheektowaga, where the telethon is being held.

To reach that goal, the telethon is employing the talents of "Growing Pains" star Alan Thicke, actresses Judy and Audrey Landers, "Partridge Family" drummer Barry Williams, "Young and Restless" player Patti Weaver, singer Clint Holmes, commedian Rip Taylor, former "Lassie" star June Lockhart, 1984 Miss America Suzette Charles, jazz singer Michael Danso and nightclub singer Kay Christ.

Two other stars who will be contributing their wonderful smiles to the telethon are Erin and Eileen Couglin, this year's Celebrity Children.

The parents of the 11-year-old twins from West Seneca are Mr. and Mrs. William Coughlin. The girls also have a sister, Kelly, 16 and a 15-year-old brother, Bill.

Erin and Eileen both receive ongoing medical care through the Cerebral Palsy Clinic at Children's Hospital's Robert Warner Rehabilitation Center.

Beuth and show producers Bill and Ruth Halle helped recruit all these stars for the telethon. Under union rules, the entertainers are paid an honorarium, but in years past many of the big names have turned around and written a check right back to Variety Club.

"That's been true of Jack Klugman, Ted Knight and Hal Linden," Beuth recalls. "After seeing the work Variety Club does at Children's, they were overwhelmed. You'd have to have ice water in your veins not to be touched."

"When Burt Reynolds was here filming 'Best Friends' with Goldie Hawn, we tried to get him for the telethon," Beuth says. "I tried everything—phone calls, letters, champagne—but I couldn't get him."

Finally Beuth was able to take Reynolds and Hawn on a teary-eyed tour of Children's Hospital. "After the tour, nurses and patients were asking Burt for his autograph," Beuth continued. "In the limo ride back to the hotel, I asked him for an autograph, too—on a check.

"Burt did better than that, he came onto the telethon and began matching callers' pledges dollar-for-dollar to the tune of about $20,000. Not bad for a guy who volunteered to roll down a flight of stairs for a $5 pledge during a telethon here in 1974. That's when he was doing stunts on his 'Dan August' TV series."

Another star who appeared here a few years ago when she was an aspiring singer was Pia Zadora. At that time, Beuth asked for and got a contribution from her wealthy husband, Meshulam Riklis.

Every year Beuth makes out a list of local and national celebrities and business executives, and then proceeds to call them for gifts to the telethon. Last year he raised more than $35,000 through his personal solicitation of pledges. For his efforts, Beuth was honored both by a prestigious citation from President Reagan and with an International Citizenship Award from Variety Club. He also was named Citizen of the Year by The Buffalo News for his work on the $7.5 million capital drive of Children's Hospital.

Ed Pantano, an officer of local Variety Club Tent No. 7, describes Beuth's community service this way: "Without question, Phil Beuth is the mainspring that makes the heart of Variety tick. We are fortunate and gratified that he chose to be involved in Variety Club. He has put in far more time and effort than we ever hoped he could or would for our club. Phil has great compassion for people and he has earned the respect of the community for his efforts on behalf of those in need."

Beuth is leaving Channel 7 for an executive position with Capital Cities/ABC, but he says, "My membership will always stay with the Buffalo Variety Club tent. Even though I'll be working in another city, I'll still figure out a way to contribute."

ARKANSAS' VOICE OF DEMOCRACY WINNER

HON. JOHN P. HAMMERSCHMIDT

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 9, 1986

Mr. HAMMERSCHMIDT. Mr. Speaker, each year the Veterans of Foreign Wars sponsors a Voice of Democracy contest. Competition takes place in all 50 States among high school students. Finalists in these contests are brought to Washington to compete during the winter meeting of the VFW. Members of Congress witness the final winner as he or she presents their operation during the annual banquet. It is always a most inspiring event.

The Arkansas winner this year is Alan Keith Lacewell, son of Bill and Becky Lacewell of Fort Smith. Keith is a senior at Northside High School, and is interested in broadcasting and the Arkansas Razorbacks.

It is my pleasure to enter into the CONGRESSIONAL RECORD, Keith's award-winning oration.

Thank you, Mr. Speaker.

NEW HORIZONS FOR AMERICA'S YOUTH

(By Keith Lacewell)

This year in America billions of dollars will be spent on the education process, in a mighty effort to teach our young people and to prepare this generation to become the most successful and productive individuals in the world. They'll be taught everything, English, Science, Mathematics and History, even the practicalities of getting a job. But in spite of all this, educators will very likely fail to teach the most vital concept for human progress—the awesome power of dreaming.

How many times has a teacher said to a student "stop that daydreaming and pay attention right now". How different would life have been for all these students if they had been encouraged to continue to dream and then taught how to make their dream into visions of reality.

It is an indisputable fact that every person who has achieved major success or greatness in life, started off with a dream. For example, the Wright brothers dreamed of flying, and they did. Albert Einstein, although he had never seen or proven there was such a thing as an Atom, had a dream. That dream grew into the Nuclear Age. Many people said that man could not survive moving faster than the speed of sound. Well, Chuck Yeagar had no problem fixing that, because he had a dream.

How can we ever forget the immortal words of Martin Luther King Jr.: "I have a dream". Scientists said it was almost impossible to go to the moon, but John F. Kennedy had a vision that America could put a man on the moon, and we did many times. We believed President Kennedy because he was a visionary and he made us believe in that vision. Therefore I believe that youth need a vision. A vision is very broad; it is devised of dreams and aspirations. Or, a vision could be a simple goal in life.

America's success had depended on dreamers who had a dream or vision that began as a youth and was fulfilled later on in life. Man stands above the animal kingdom because of his ability to dream and even greater, man can carry out that dream.

To give up our dream would be to give up the greatest quality of mankind. As a nation we can never let that happen. As youth we must appreciate the opportunity to serve and to lead, for America's future is in our hands. So why don't you pick yourself a dream, form it into a vision, and mold several goals you want to accomplish—goals to help you climb the ladder of life.

WATER PROJECT REFORM

HON. G. WILLIAM WHITEHURST

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 9, 1986

Mr. WHITEHURST. Mr. Speaker, I would like to bring to the attention of my colleagues an editorial that appeared in the April 1 edition of the Virginia-Pilot newspaper in Norfolk, VA.

As the article correctly states, the water project legislation passed by the House and Senate contains many funding reforms that reflect the realization that these programs should be partnerships between the Federal Government and the localities.

I want to commend the U.S. Army Corps of Engineers and the members of the respective committees for their tireless efforts to forge legislation that addresses the needs of the country, while recognizing the financial limits of the Federal Government.

ENDING THE DROUGHT

Without public-works projects, the nation's colonial economy might have foundered. Canals were built and harbors improved to promote commerce and communication, both domestic and foreign, because, among other reasons, overland travel was impractical through the wilderness. Thus was begun a tradition of federal support for water-related projects.

But no major federally funded water projects have been undertaken for the past decade and a half. The reason is Eastern-state congressional delegations' loss of appetite from watching Western-state representatives' hoggishness during the drafting of such "pork-barrel" bills. In 1970, Congress passed its last major water-projects legislation.

Now, the water-projects drought is breaking. Last week the U.S. Senate passed on a voice vote without debate a bill to authorize $11.5 billion for 181 water projects, including deepening of the Hampton Roads harbor. A similar but more expensive ($20

billion) version passed the House of Representatives earlier.

The two bodies will confer to iron out their differences, but the conference almost certainly will produce a water-projects bill that can be called "major" not for the cost so much as for the principle of cost-sharing that it incorporates.

The application of this principle would remove the old pork-barrel stain of 100 percent federal funding for such projects and would apply instead a requirement that local governments share the burden of harbor improvements. Under the Senate provisions, the local share would be 60 percent, the federal share, 40 percent. The House version calls for a 50-50 split.

Either way, the principle is sensible. Both contributors—the federal government and the state or locality—derive benefit from the improvements: The federal government supplies allies with U.S. coal through Hampton Roads, for example, and in the process helps to reduce the U.S. trade imbalance; local government collects revenue generated by the commerce flowing through the harbor. It makes sense that both should contribute to paying for the improvements.

Another sensible aspect of the cost-sharing principle is its tendency to weed out the wasteful. Too often in the past, localities begged for water projects that they wanted Uncle Sam to finance—but which they weren't willing to help finance themselves. Localities are less likely to lobby for major water projects when they must help pay for them.

The water-projects reform has wide support: the Reagan administration, members of both parties on Capitol Hill and state officials, including Virginia Gov. Gerald Baliles and the General Assembly, which this year pledged half the $52 million cost of Hampton Roads harbor dredging. That pledge may have to increase a little if the Senate's legislative version prevails in conference. But it would be a small price to pay for ending the drought in harbor improvements.

THE HIDDEN STING OF THE TRADE DEFICIT

HON. LANE EVANS

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 9, 1986

Mr. EVANS of Illinois. Mr. Speaker, this article by Economist Lester Thurow confirms what my constituents already know: the middle class is being eaten away by the trade deficit. In areas that depend on manufacturing, like western and central Illinois, minor improvements in the employment picture since 1982 have not brought about a commensurate rise in income. Overall prosperity has declined.

And now, according to the latest statistics, joblessness in Illinois is on the rise again. Mr. Speaker, we must have a coherent trade policy which combines trade law reform with investments in the long term competitiveness of American workers and industries. If we fail to do this, the vision of middle class opportunity, so important to the fabric of American society, will fade forever. Its replacement will be the hardened class lines and expanded, volatile underclass, which our Founding Fathers sought most to avoid in planning the American experiment. I recommend this article to our colleagues who share our concern about the trade deficit.

THE HIDDEN STING OF THE TRADE DEFICIT

(By Lester C. Thurow)

American history is marked by periodic surges in economic inequality that have to be contained by government action. The Interstate Commerce Commission and the antitrust laws were designed to stop the surge in inequality created by the robber barons of the mid- and late-19th century. Social Security and unemployment insurance were our answer to the surge in inequality produced by the Great Depression.

Today, the United States is again in the midst of a surge in economic inequality, the origins of which are poorly understood. Demographics have virtually nothing to do with it, and the "feminization of poverty," while important, works mostly at lower income levels. In fact, what is contributing most to the growing inequality is the trade deficit, which is destroying America's best-paying jobs, driving many workers out of the middle class.

Wherever one looks, one now finds rising inequality. The percentage of the population living below the poverty line reached a low of 11.1 percent in 1973, hovered between 11 and 12 percent until 1979, and then began a steep ascent—rising to 15.2 percent in 1983 before falling back to 14.4 percent in 1984.

From 1976 to 1984 the number of middle-income male jobs (jobs paying between 75 percent and 125 percent of median male earnings—$12,769 to $21,282 in 1984) declined from 23.4 percent to 19.7 percent of the male work force. The trend continues during the current recovery in a boom year, 1983, the total number of males with earnings rose by 500,000, one-half million, but the number of males with middle-income earnings fell by 500,000. In 1984, the total number of male earners rose by 216,000 but the number of middle-income earners fell by 197,000.

If one corrects for inflation and looks at median personal income between 1976 and 1984, one finds that real earnings have fallen 9.3 percent for males and risen 5.3 percent for women. Yet, over the same period, the real per capita gross national product rose 16.3 percent.

The income share going to labor is falling, with total labor compensation down to 54.6 percent of G.N.P. in 1984 from 56.2 percent in 1976. And among laborers' income a larger share is going to those at the top.

Among families, the share of total income going to the top 10 percent of all families has risen from 29 percent in 1969 to 33 percent in 1982, using Federal Reserve Board definitions of income (definitions that include much of the capital income included from census income data). According to the data of the Census Bureau, the income share going to the bottom 60 percent of the population (32.7 percent in 1984) is the lowest in recorded history. The Federal Reserve Board also reports the percent of American households owning at least one share of stock has fallen from 25 percent of the population in 1977 to 19 percent of the population in 1983.

If there were just one number pointing toward more inequality, it could be ignored as a statistical fluke. Given the wide variety of data, all of which point in the same direction, there can be little doubt that what is happening is a real event. Moreover, with the percentage of middle-income households declining within every age group, the trend cannot be attributed to demographics and the baby-boom generation (and thus dismissed as a temporary condition that will melt away as younger workers gain experience and, presumably, higher wages).

A number of factors explain what is going on, but two stand out. At the bottom of the income distribution, poverty is rapidly being feminized. Eighty percent of people in poverty now are women and children. Those men who are in poverty are mostly elderly. Given rising pensions, one can foresee the day when there will be virtually no men in poverty.

But a less familiar force is operating at higher income levels. Here, a lack of international competitiveness—manifested in a $150 billion annual trade deficit—is eliminating some of America's best-paying jobs. The industries that pay the highest wages, and thus help narrow inequalities in income, are suffering the most from our lack of competitiveness.

If one examines the distribution of earnings for both export industries and import-competing industries, one finds that they employ many fewer low-income workers and many more upper-income workers than does the general economy. In 1983, 41 percent of the entire work force earned less than $12,500 a year, but only 31.3 percent of the work force in the exporting industries and only 30.4 percent of the work force in the import-competing industries earned less than this amount.

Conversely, while only 56.3 percent of the entire work force earned between $12,500 and $50,000 a year. 66.1 percent of those in the exporting industries and 66.9 percent of those in the import-competing industries earned this amount. While median earnings for the entire economy were $16,168 in 1983, export industries were generating median earnings of $18,637 and import-competing industries median earnings of $19,583.

As a result, when imports rise and exports fall, as they have in the last five years, a large hunk is taken out of the middle of the earnings distribution. Between 1980 and the middle of 1985, for example, the rise in imports drove the wages of 300,000 American workers below $12,500 a year.

Whatever one thinks about the role of transfer payments (which remain today's answer to yesterday's surge in inequality), they clearly are not the appropriate means of counteracting what is going on now. New problems require new answers.

Part of the answer is clearly to be found in regaining international competitiveness, not just in a sense of a balance between exports and imports, but in the sense of import-competing industries that can really compete. This is going to require improvements in social organizations so that the United States deploys an economy where investments in plant and equipment, the skills and education of the work force, the amount spent on civilian research and development and the ability of its managers are equal to those found among its most aggressive competitors.

Part of the answer is to be found in another form of social organization. Mother Nature makes mothers but societies have to make fathers. Perhaps it is beyond society's ability to stop the proliferation of female-headed families, but it is not beyond society's abilities to make fathers pay for the support of their children. One easy solution: If a court orders child support payments, the Federal Government automatically sends a mother a monthly check for that

amount and collects the money from the fathers through the Internal Revenue Service.

Surges provoke counter-surges. At the moment there are no political counter-surges on the horizon to counter the economic surge toward inequality that is now under way. If history is any guide, however, there soon will be.

NATIONAL WOMEN VETERANS RECOGNITION WEEK

HON. MICHAEL BILIRAKIS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 9, 1986

Mr. BILIRAKIS. Mr. Speaker, today, I am introducing, for the third year in a row, a joint resolution to declare the week beginning November 9, 1986, as National Women Veterans Recognition Week. I am pleased that an identical resolution, Senate Joint Resolution 311, has been offered in the Senate by Senator ALAN CRANSTON.

Legislation designating this week in honor of women veterans has been enacted into Public Law in both 1984 and 1985. As a result, public awareness of the needs and contributions of women veterans has increased, as has the VA's responsiveness to those needs. Therefore, I think it is fitting to continue this positive momentum by celebrating National Women Veterans Recognition Week again in 1986.

Women represent approximately 4.2 percent of the total veteran population in this country. Yet, a 1982 GAO report and a 1984 study by the Veterans' Administration found that many women veterans were not aware of the benefits and services available to them by virtue of their service to this country. Coupled with this lack of awareness and, indeed, a factor in it, was the inadequacy of the VA's efforts to reach out to and properly serve its female constituency.

I am pleased to report that much progress has been made in the last several years to address these problems. A permanent VA Advisory Committee on Women Veterans now reviews the needs and concerns of women veterans and recommends to the VA positive actions it can take to better inform the female veteran of the services available to her and to make those benefits more responsive to her special needs. One of the most significant steps taken to date is the establishment of the position of Women Veteran Coordinator in each VA medical center to help make each facility more accessible and sensitive to the needs of women veterans.

This progress is encouraging. Yet, much remains to be done. The women who have served this country in our Armed Forces have made and continue to make tremendous contributions to the well-being and security of this Nation. We can honor them for their service, and express our support for a VA system that is truly responsive to their needs, by designating a National Women Veterans Recognition Week in 1986. I urge all my colleagues to join me in this effort by becoming cosponsors of this resolution. Timely passage of this measure will permit the kind of public awareness efforts necessary to ensure a successful celebration.

Thank you, Mr. Speaker.

BILINGUAL REFORMS GIVE SCHOOL DISTRICTS GREATER CHOICE

HON. HARRIS W. FAWELL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 9, 1986

Mr. FAWELL. Mr. Speaker, today I am joining several of my colleagues on the Education and Labor Committee in introducing legislation which will provide local school districts greater flexibility in operating bilingual education programs. This legislation is long overdue and should be enacted into law.

Since Federal support for bilingual education began in 1969, $1.7 billion has been distributed to school districts under title VII of the Elementary and Secondary Education Act. The assistance has been primarily in the form of grants to school districts to assist them in establishing projects for limited English proficient children (LEP's). These projects are intended to prepare each LEP student as quickly as possible to eventually enter classes in which English is the language of instruction.

Prior to the passage of the Education Amendments of 1984, title VII basically required that all school district projects use the non-English language for classroom instruction until the child was ready to enter an all-English classroom. This approach to the education of LEP's is known as "transitional bilingual education." Under the 1984 amended law, other approaches such as English as a second language (ESL) and immersion are now permitted. Funding for such projects, however, is limited to 4 percent of the total appropriations for bilingual education ($139 million for fiscal 1986).

Although the 1984 law, which allows for alternative instructional programs, is a step in the right direction, it still falls way short of meeting the desires of many local school districts. Of the approximately 400 applications for bilingual education funds for fiscal 1985, one-fourth requested funding for special alternative instructional programs. Thus, 25 percent of the applications were for 4 percent of the total funds available.

What does this all mean? It means that many local school districts feel that they are better able to determine the needs of their LEP students. It also means that transitional bilingual instruction is not necessarily the preferred method of instruction among all school districts.

What is the solution? The solution is found in the legislation my colleagues and I are introducing today. This legislation lifts the 4 percent cap mandated under the 1984 Education Amendments. Lifting the cap ensures that no one method of bilingual instruction is preferred over another. Instead, it allows each school district to determine which method of instruction best meets the educational needs of its LEP students, and subsequently moves these students into mainstream instruction as quickly as possible.

Why shouldn't any one method of instruction be preferred over another? There is no consensus among the education community that one method of instruction is better than another. Diane Ravitch, one of the Nation's leading education historians, recently concluded in her book, "The Schools We Deserve:"

> The bilingual method may or may not be the best way to learn English. . . . Immersion programs may not be appropriate for all children, but then neither is any single pedagogical method. The method to be used should be determined by the school authorities and the professional staff, based on their resources and competence.

If there exists no conclusive evidence that one approach is better than another, Congress should not mandate that a majority of the Federal bilingual funds be used for transitional instruction. The legislation we are introducing does just that.

The time has come to give school districts the flexibility they need for providing English instruction to LEP students. In the words of the New York Times: The Federal Government should not limit funds to only one pedagogical method. It should be concerned with the ultimate goal, helping children become proficient in English as quickly as possible.

THE MYTH OF THE VIETNAM VET

HON. JOHN P. HAMMERSCHMIDT

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 9, 1986

Mr. HAMMERSCHMIDT. Mr. Speaker, I would like to submit for the attention of my colleagues, an article entitled, "Viet Vets Didn't Kill Babies and They Aren't Suicidal," which appeared in the Sunday's Washington Post.

The writer, Mr. Speaker, is currently the Assistant Secretary of Defense for Reserve Affairs and a Vietnam veteran himself, James Webb. In this writing, he challenges the assumptions of a study which supposedly "demonstrates the long-term excessive mortality of men who served in the military during the Vietnam war." In a war where the problems of returning soldiers, rather than the successes have become the dominant theme, Jim Webb questions the studies and statistics that have categorized Vietnam veterans as a group unable to lead normal lives because of the serious emotional effects suffered from their Vietnam experience.

During his service, Jim served with the 5th Marine Regiment in Vietnam as a rifle platoon and company commander. He earned the Navy Cross, the Silver Star, two Bronze Star medals for valor and two Purple Hearts. He has since authored several books based on his military experience, "Fields of Fire," a novel about ground combat in Vietnam, "A Sense of Honor," a novel about the Naval Academy set in 1968, and most recently, "A Country Such as This."

I have had the pleasure of working with Mr. Webb as he has served both as assistant minority counsel and minority counsel for the House Veterans' Affairs Committee. His work

included direct liaison with the Department of Defense, Veterans' Administration, and Health and Human Services. His military service coupled with his knowledge of the budget, oversight and legislative activities within each of these agencies, made Jim one of the most sensitive and effective spokesman for veterans.

Mr. Speaker, for the RECORD I submit the following:

VIET VETS DIDN'T KILL BABIES AND THEY AREN'T SUICIDAL

(By James Webb)

Give yourself the Great Rorschach Test of Vietnam. What comes to mind when you hear the words "Vietnam veteran"? Quite frankly, whether your reaction is anger, arrogance, sympathy or respect, chances are it is also filled with negative connotations. When we think Vietnam veterans, we think problems.

The problems of the Vietnam veteran have reached metaphorical heights. They receive broad media play. One's perspective on them often defines one's attitude about the war itself. Interpretations of them often goes beyond facts, causing those who served to become the symbol of what one would like to believe about the war itself. Not unlike Moby Dick, this has become more than a story about a whale.

On March 6, the prestigious New England Journal of Medicine published a "special article" entitled "Delayed Effects of the Military Draft on Mortality," replete with an accompanying editorial proclaiming that this "ingenious epidemiologic analysis . . . demonstrates the long-term excessive mortality of men who served in the military during the Vietnam war."

On that same day, an article in The Washington Post outlined this study under the headline "Viet-Era Draftee's Suicide Rate High." The article maintained that "military draftees who served during the Vietnam war era are as much as 86 percent more likely to die by suicide than their peers who did not serve and as much as 53 percent more likely to die in motor vehicle accidents." Dr. Norman Hearst, the chief among three co-authors of the study, was quoted as saying that "we are looking at an expression, a final, tragic expression, of the very serious long-term effects that this experience of being in Vietnam had."

The network evening news shows gave the study major play. CBS proclaimed that "the study documents for the first time that there is a cause and effect relationship between having served in the military during Vietnam and problems later, including suicide." NBC tied the story in with a recent double suicide in which a veteran who had never been to Vietnam and his girlfriend killed themselves and her three children "in protest over government treatment of Vietnam veterans," and mentioned the study as finding that "Vietnam veterans are 86 percent more likely" to commit suicide.

These reports matched the study's major conclusion, which stated that "before sending young men to war, especially one in which they may have experiences similar to those of Vietnam veterans, those who make the decision should weigh all the costs. The casualties of forced military service may not be limited to those that are counted on the battlefield."

Rather strange that a limited epidemiological study should result in a major conclusion of sweeping political dimension. But well and fair, except the study established nothing of the sort, even if one accepts its methodology, which is questionable and very likely flawed.

Among other limitations, the study dealt only with men born in three years, 1950 to 1952, who died in California and Pennsylvania between 1974 and 1983. It failed to identify any of those who had died specifically as a veteran or nonveteran. Its aggregate numbers did not count as veterans men born in those years who began serving in the military before they would have been screened by the draft lottery. It wrongly presumed that the socioeconomic bias against men who served was screened out of the study. It ignored the fact that very few of these men would have served in Vietnam.

And yet this examination of blind data has already been extrapolated and accepted by many who reported it. The study is "ingenious." In the news accounts it quickly is "found" to apply to all Vietnam veterans. It "demonstrates long-term excessive mortality of men who served in the military during the Vietnam war."

What it does demonstrate is that those who served in Vietnam indeed continue to have problems, but perhaps not the one envisioned by the study.

The real problem began in the 1960's with the debates about the war itself and continues because of our inability as a nation to assimilate that divisive experience. The affirmative public image of a nation's soldiers as basically good men involved in a just cause, and of the enemy's as somewhat less than good representing a cause to be defeated, has been a vital underpinning of virtually every war experience in history. One of the lingering and incredible ironies of the Vietnam war is that these two assumptions were reversed by many Americans, with the communist soldiers taking on the aura of "goodness" in a "just cause" while our own fighting men were sometimes subjected to the sort of propagandist ridicule normally reserved for enemy soldiers in other wars.

This defamation, which continues today in more subtle form, has been carried on with such viciousness and lack of regard for the truth that the typical veteran searches vainly to understand its depths. A starting point, however, is remembering that the United States went through an intellectual civil war during the Vietnam era, a war of values and ideas, and the men who fought the war were the most tangible reminders of the values, and ideas the antiwar movement wished to defeat.

Thus, the allegations of an "immoral, genocidal war" often translated into "our soldiers are rapists and baby killers." Similarly, exhortations by antiwar leaders that the avoidance of the draft was just the honorable translated syllogistically into "military service is either dishonorable or stupid." That this logic permeated the more advantaged members of the age group and eventually polarized it along class lines is demonstrable in many ways. Harvard College graduated 12,595 men from 1962 to 1972, and lost 12 in the entire war. Princeton graduated 8,108 during that same period, and lost six. MIT graduated 8,998, losing two. By contrast, South Boston, Mass., which had perhaps 2,000 draft eligible males, suffered 25 men dead on the battlefields of Vietnam, and West Point lost 34 dead from the 579 men of the class of 1966 alone.

From about 1968, when the the war effort began to be discredited after the misperceived U.S. and South Vietnamese "loss" of the Tet offensive, until about 1978, when hundreds of thousands of Vietnamese began jumping into the sea in order to flee their "liberators," those who had not served could and often did perpetrate a moral and intellectual arrogance over those who had. As James Fallows, one of the very few of those who did not serve to have spoken honestly of the long-term implications of such a split in the age group, pointed out several years ago in the Atlantic Monthly, "to those who opposed the war, the ones who served were, first, animals and killers; then "suckers" who were trapped by the system, deserving pity but no respect; and finally invisible men . . . A returned veteran might win limited redemption if he publicly recanted, like a lapsed communist fingering his former associates before the HUAC. Otherwise, he was expected to keep his experiences to himself."

One would think that the brutal aftermath of the communist takeover in 1975, with its continuing expansionism, bloodletting and Gulag mentality, would have mellowed some of the earlier antagonism. What-ever one's opposition to the Vietnam war or to its actual conduct (which deserves no prizes), it is clear that the stakes for which we fought were real. The loss of a country the size of Poland to a Stalinist regime tied strongly to the Soviet Union was a dreadful blow to the ideals our nation cherishes.

Unfortunately, however, the antagonism persists. A major reason relates to the ongoing debate over what Harrison Salisbury a few years ago termed "the mythology of the Vietnam war."

History's judgment is not yet firm as to why we failed in Vietnam. Was it because of the misplaced idealism, indeed the frequent naivete of those who opposed the war, which gave sustenance to our enemy? Was it because of failed political policy? Was it because of the impact of the media on our national morale? Was it because our soldiers simply could not defeat their soldiers? Or all of the above or maybe none? The lines seem still to be drawn, although the arguments are more carefully muted than fifteen years ago. And in many ways the symbolic center of mass in this debate is the pursuance of the war by, and its impact on, the veteran who fought it.

One reaction, perhaps intentional and perhaps subliminal, has been to continue to degrade the veterans' experience and its later impact on those who served so that the experience itself loses its credibility in the debate, except on negative terms. This is the 1980s version of what James Fallows described as the veteran's alternative in the 1970s: Recant or shut up.

And so we see a tendency to ignore the good news accompanied by a compulsion to broadcast loudly the bad. Examples are voluminous. A few:

The man who fought in Vietnam is typically depicted as a draftee, unwilling and probably black. In fact, two-thirds of those who served during the era were volunteers, 73 percent of those who died were volunteers and 12.5 percent of those who died were black (out of an age group that comprised 13.5 percent of the male population).

While readjustment problems were great for many, (as was true in World War II, where the National Academy of Sciences estimated 25 percent of returning soldiers had emotional difficulties upon return), this is the first war where the problems rather than the successes have become the dominant theme in the media. No responsible Vietnam veteran would wish to diminish the difficulties encountered by many of his com-

rades, and it is a lasting credit to those who served that the impetus for the treatment of the approximately 20 percent who experienced readjustment difficulties came from within the veterans' community. What upsets Vietnam veterans is not the attention given to those who have been less fortunate, but that their plight is the unwarranted symbol of the entire peer group. for instance:

In the most comprehensive survey of Vietnam veteran attitudes ever done (1980, Harris Survey), 91 percent of those who served indicated they were "glad they served their country," 74 percent stated they "enjoyed their time in the service," 80 percent disagreed with the statement "the United States took unfair advantage of me," and 72 percent agreed strongly with the statement "The trouble in Vietnam was that our troops were asked to fight in a war which our political leaders in Washington would not let them win." The media response to this survey was almost total silence.

Similarly, during March, 1985, a Washington Post/ABC news poll conducted a random sample of Vietnam veterans, "precise to within a 4 percentage point margin," which indicated that Vietnam veterans were more likely to have gone to college, more likely to own a home and more likely to earn $30,000 a year or more than others in their age group. A majority of the veterans interviewed felt they had benefited from being in Vietnam, supported the bombing of the North and the use of napalm and did not seem bothered by the fact that others avoided military service. The Post, it must be said, reported this survey fairly. No one else seems to have picked it up. One needn't wonder what would have happened if the story had indicated otherwise.

Dozens of features, both in print and visual media, have focused on Vietnam veterans in prisons, the implication being that service in the war zone turned untold legions on to crime. To the contrary, the Bureau of Justice Statistics figures indicate that Vietnam veterans are less likely to be in prison than their nonveteran peers.

And now the New England Journal of Medicine study. The issue of veteran suicides has surfaced before. In 1978, the Carter administration issued a presidential memorandum which was widely circulated claiming that Vietnam veterans were 23 percent more likely than their nonveteran peers to commit suicide. A few months later, VA officials discovered that the statistic was erroneous, arrived at by projecting the suicide rate among hospitalized psychotic veterans onto the entire Vietnam veteran population. Nonetheless, the damage done was almost impossible to revise.

The New England Journal study analyzed 14,145 men who were born in the years 1950 to 1952 and died in California and Pennsylvania between 1974 and 1983. These were the principal years of birth involved in the draft lottery system which came into effect in 1970, basing eligibility for conscription on a man's birthday. Birthdays were selected randomly under the lottery system, making some men eligible for the draft and some exempt.

The researchers broke the deceased down according to their birthdays and thus classified them as "draft eligible" or "draft exempt." The "draft eligible" pool showed a 4 percent higher death rate overall and a 13 percent higher suicide rate. The study did not determine the veteran status of any of the deceased. Rather, it presumed that 25.6 percent of the "draft eligibles" were conscripted and that 9.3 percent of the "draft exempts" volunteered. Quite obviously, it did not address whether a man had been in Vietnam.

The researchers claimed that the randomness of the lottery made it possible for them to eliminate other considerations regarding the cause of higher death and suicide rates, such as socioeconomic status or medical problems. They then concluded that the one distinction between the "draft eligible" and "draft exempt" groups was the effect of military service. Consequently, they attributed all of the excess mortality on the "draft eligible" side of the equation to the effects of military service on the 25.6 percent in the lotteries who were, in fact, drafted.

Thus, the 13 percent higher suicide rate for a whole group of unidentified draft eligibles translated into an 86 percent higher suicide rate among draftees who would have begun military service between 1971 to 1973. In the media (with a little help from Dr. Hearst) this conjecture suddenly covered all draftees in the Vietnam era, and then in a flash all Vietnam veterans—all without a single veteran having been identified!

Curiously, the cause of death which showed the greatest difference between the two groups was cirrhosis of the liver—the draft-eligibles were only 75 percent as likely to die from this ailment as the draft-exempts. If we had pushed this inconsistency through the same bottleneck as the suicides, the headlines might have read, "Viet Vets Much Less Likely to Die from Cirrhosis." The researchers dismissed this anomaly to "chance."

Despite the predictable media attention, there are numerous questions which must be addressed before one could take this study seriously. A few:

The lottery process was not purely a function of birthdates. In 1970, it included not only those born in 1950, but others born from 1945 to 1949 who previously had been exempt. In all three years, it excluded those who were already in the military, and others who were deferred or exempt for reasons other than date of birth.

The study presumed that only 9.3 percent of those who were not drafted ever served, which is the estimate for voluntary enlistments after the lottery. To the contrary, two thirds of the people who served in the military during the Vietnam era were volunteers. As an example of how this affects the study, Department of Defense historical data indicates that, by the time those born in 1952 became eligible for the lottery in 1972, 273,110 were already in the military. In contrast, only 43,706 from this year's group were drafted—including 1,678 from the noneligible pool! The rather cavalier usage of rough aggregates, when subject to this sort of statistical bias, not only could affect the premises and analysis of the study, but also its rather macrocosmic conclusions.

The study recognizes that mortality tends to be higher among men of lower socioeconomic status, but claims that the randomness of the lottery eliminated this bias. Hardly. The lottery may have brought more of the advantaged elements in for physicals, but did nothing to eliminate what James Fallows termed "the loopholes in the physical qualification standards that, for college students armed with a doctor's letter and advice from the campus draft counseling center, could so easily be parlayed into the 'unfit for service' designation known as a 1-Y."

The socioeconomic bias not only is important when considering mortality rates, but quite often impacts on such things as the "coding" of deaths such as suicides. Those of higher socioeconomic status are frequently able, through legal and other means, to negotiate the suicides of family members into such categories as accidental deaths. The reasons, in addition to questions of family stigma, also include important financial considerations such as insurance benefits. When it comes to coding, the poor commit suicide, while the rich merely die lonely, accidental deaths.

Very few of this group of conscriptees could have served in Vietnam, and particularly in combat. Hearst's assertion that the study measures the "serious long term effects that this experience of being in Vietnam had" is highly improbable. By late 1971, when these inductees would have first been eligible to serve in Vietnam, few would have been sent, and by the time the men of the other year groups were inducted it would have been almost impossible. Our combat role has almost ended by late 1971 (387 soldiers died in the last six months of 1971, 172 in all of 1972), and was completely ended by January, 1973.

The "case control" study which allegedly validates the major study may actually invalidate it.

Since 1979, Pennsylvania has required a notation of veteran status to be included in death certificates. For 2,003 of the men in the major study, this status was known. Those who conducted the study examined these numbers and claimed that the breakdown among these men verified the major study. Twenty percent of the veteran deaths, and 14.7 percent of the nonveteran deaths, were suicides.

But only 26 percent of the total Pennsylvania deaths were veterans, while 33 percent of the population in the age group are veterans. This means that the overall Pennsylvania death rate among veterans was lower than nonveterans, and inflates one particular cause of death—suicides—that appears constant between veterans and nonveterans. One-third (32.8 percent) of the total suicide deaths were veterans, 30.7 percent of motor vehicle accident deaths were veterans, and 31 percent of deaths from cirrhosis were veterans. The major distinction was in the largest category, deaths by "other causes" (such as long-term disease), where only 22.9 percent were veterans. This fits with the historic notion that veterans are less "unhealthy" than their nonveteran peers, since those with serious medical problems are screened from service.

What drives such macrocosmic political conclusions from such a tenuous examination of data? One is tempted to take a hint from the study itself. In the opening paragraphs, the three doctors mentioned that "men of low socioeconomic status . . . may be less adept at avoiding military service." Perhaps in the wake of the Vietnam war, men of high socioeconomic status should talk less about avoidance as a goal and more about the dignity and importance of military service.

The failure to ratify this principle for Vietnam veterans has been the biggest problem, from whence all others have derived.

NATIONAL JEWISH COALITION SUPPORTS THE PRESIDENT ON NICARAGUA

HON. MARK D. SILJANDER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 9, 1986

Mr. SILJANDER. Mr. Speaker, I recently received a letter from leading Jewish Americans regarding the Nicaragua debate. As many of my colleagues know, I have long been an advocate of the Reagan doctrine in Central America. Also, in the pages of the CONGRESSIONAL RECORD, I have pointed out the involvement of the PLO and other terrorists with the Communist dictatorship in Nicaragua.

The letter speaks most eloquently for itself and I urge my colleagues to consider it before the likely vote on Nicaragua in the days ahead.

The letter follows:

415 SECOND STREET NE.,
Washington, DC, March 18, 1986.

DEAR CONGRESSMAN SILJANDER: We write to you as Americans concerned about the growing threat to U.S. strategic interests in Central America. Our concern is heightened by the increasing Soviet-supplied arsenal being accumulated by the Sandinista government of Nicaragua, and by the Sandinistas' willingness to export this weaponry to anti-democratic forces throughout Latin America.

We watched as the Sandinistas joined enemies of the West to provide a beachhead for the Soviet Union in Central America. We have also witnessed the Sandinistas' support for revolutionaries in Latin America and beyond.

We watched with dismay as Nicaragua's Jewish community suffered under Sandinista rule. In 1978, Sandinista gunmen firebombed Managua's synagogue. Individual Jews were hounded until, by 1981 they had fled the country, fearing for their lives. The anti-Semitism continued even after the Jews had left. Jewish-owned property was seized, and in July, 1982, the government-approved press referred to "synagogues of Satan" and resurrected the calumny that "the world's money, banking and finance are in the hands of descendants of Jews."

Prominent among the Sandinistas' allies are the PLO's Yasir Arafat and Libya's Muammar Quaddaffi. In a 1980 speech, Interior Minister Tomas Borge praised the relationship between Nicaragua and the PLO, pledging that "the PLO cause is the cause of the Sandinistas." In addition, over the past four years, Libya has provided the Sandinistas with $400 million in aid, and now helps to train the Sandinistas' political police.

The anti-Semitism in Nicaragua is a reflection of the repression inherent in the Marxist-Leninist society the Sandinistas seek to establish. Furthermore, the Sandinistas' ties to Libya and the PLO exemplify the support that the Managua regime gives to the world's terrorist groups.

We cannot remain silent as Nicaragua denies human rights at home while attempting to undermine democracy abroad. Many victims of this government have taken up arms in the hope of wresting power from the Sandinistas and of establishing freedom and democracy where dictatorship now rules.

We support a negotiated settlement to this conflict. But we recognize that, at this time, unless the United States aids the democratic forces, the Sandinistas will continue to resist the establishment in Nicaragua of a pluralistic, democratic society. We therefore urge that, in the interests of freedom, democracy and our own security, you support the administration's request for aid to the anti-Sandinista resistance.

Sincerely,

Max M. Fisher, Former Chairman, United Jewish Appeal; Morris Abram, Attorney, New York, NY; David Bar Illan, New York, NY; Abel E. Berland, Chicago, IL; Julius Berman, Former Chairman, Conference of Presidents of Major Jewish Organizations; Samuel H. Dresner, Rabbi, Riverdale, NY; Samuel Eisenstat, New York, NY; Richard J. Fox, Philadelphia, PA; Mendy Ganchrow, M.D., Monsey, NY. Joshua O. Haberman, Rabbi, Washington Hebrew Congregation, Washington, DC; Hart Hasten, President, Herut Zionists of America; George Klein, New York, NY; William J. Lowenberg, San Francisco, CA; Ivan Novick, Chairman of the Board, Zionist Organization of America; Stanley Rabinowitz, Rabbi, Adas Israel Congregation, Washington, DC; Fritz A. Rothschild, Rabbi, New York, NY; Morris Sherer, Rabbi, Agudath Israel of America, New York, NY; Jack Stein, Former Chairman, Conference of Presidents of Major Jewish Organizations; Gordon Zacks, Columbus, OH.

A CONGRESSIONAL SALUTE TO THOMAS A. TIDEMANSON, DIRECTOR OF PUBLIC WORKS FOR THE COUNTY OF LOS ANGELES

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 9, 1986

Mr. ANDERSON. Mr. Speaker, I am honored today to inform my colleagues that Thomas A. Tidemanson, director of public works for the county of Los Angeles, has been selected by the prestigious American Public Works Association as one of the Top Ten Public Works Leaders of the Year for 1986.

Tom, who is a native of Colorado, has been in his current position as leader of the county's important public works division since 1984. As some may already know, the county of Los Angeles is larger than most States. Geographically, it is an area of 4,083 square miles and its population is over 8 million.

Specifically, Tom is responsible for a department of 3,600 employees which performs the construction, installation, operation, maintenance, and repair of the county's roads, bridges, airports, sewers, and water and flood control facilities.

Prior to his current duties, Tom was the county's road commissioner whose job included the planning, programming, design, construction, inspection, maintenance, and repair of roads, highways, bridges, and traffic and lighting systems.

Professionally, Tom is a member of the following organizations: National Association of County Engineers, American Society of Civil Engineers, National Association of Counties Transportation Steering Committee, American Road and Transportation Builders Association, City-County-State Cooperation Committee, Southern California Association of Governments, Public/Private Task Force on Bidding Procedures and Contract Administration, State Topics Advisory Committee, Metropolitan Transportation Engineers Board, City-County Street and Road Technical Advisory Committee, Commuter Computer Board of Directors, American Public Works Association, County Supervisors Association of California, County Engineers Association of California and the Southern California Regional Association of County Engineers.

He has also somehow found the time to be actively involved with the Los Angeles Civic Center Authority, Los Angeles Olympic Organizing Committee, Town Hall, and the Los Angeles Coliseum Commission.

As the ranking majority member of the Public Works and Transportation Committee, I am profoundly aware of the importance of a sound infrastructure. Unfortunately, many of us take for granted the massive planning and strategy associated with making the system work. For, without dedicated individuals, such as Tom Tidemanson, our great country would grind to a halt.

My wife, Lee, joins me in congratulating Tom Tidemanson on this special occasion. We know that he has done a tremendous job over the years and we wish him continued success and happiness in all his future endeavors.

TEST-BAN BLINDNESS

HON. BARNEY FRANK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 9, 1986

Mr. FRANK. Mr. Speaker, the opposition of the Reagan administration to any progress in ending nuclear testing is a national embarrassment. This administration refuses to take any serious steps toward the banning of all nuclear tests, and evern refuses to move ahead in ratification of treaties signed by his two Republican predecessors, the Ford and Nixon administrations.

Both the House and the Senate by large majorities have passed resolutions urging the administration to be forthcoming in this area. But the administration will not listen. Six nations, led by the late Olof Palmer of Sweden, urge the United States and the Soviet Union to move seriously toward the cessation of nuclear testing. Sadly, to the chagrin of many of us in the United States, the Soviet Union appears to date to have been far more responsive to that request than the United States. The President's adament refusal to make any progress in this vital area shows that he is in fact bent on a continued arms race, despite cosmetic gestures to the contrary. The recent resignation of John Tower as an American arms negotiator obviously is related to the fact that this administration does not seek any serious arms reduction at this time. And this is nowhere more clear than any vital area of nuclear testing.

I ask that the attached article from The Boston Globe stressing the failures of the Reagan administration policy in this regard be printed here.

TEST-BAN BLINDNESS

For five years the Reagan administration's stony resistance to a ban on nuclear test explosions has not only made security problems more intractable, but also has put the United States at a disadvantage in competing with the Soviet Union for world opinion.

Last weekend, Soviet leader Mikhail Gorbachev again called for the administration to join in the voluntary moratorium that he imposed last August. The administration instantly refused. As Spurgeon Keeny, former deputy director of the Arms Control and Disarmament Agency, noted, that refusal leaves the United States "totally isolated in the world on this issue."

All American presidents since Dwight Eisenhower—until Ronald Reagan—considered a test ban to be in America's interest. A ban would complement arms-control treaties that bring cuts in nuclear arsenals. It would slow the development of weapons, such as the "star wars" laser gadgetry, that would be especially wasteful and destabilizing. Another effect would be the creation of a "good example," a moral barrier against nuclear proliferation among nonnuclear powers.

In earlier days, a total test ban seemed impractical because of doubt that an agreement could be monitored. Advances in seismology have ended doubt about the United States' ability to detect an illegal Soviet text. Moreover, the Soviets are increasingly open to follow-up, on-site inspections.

Administration officials have used another argument: that periodic tests are needed to test the reliability of the US arsenal. In fact, bomb triggers can be tested for reliability without setting off the nuclear material.

The administration's real reason for rejecting the Soviet offer is that, unlike other administrations, it is not satisfied with the US-Soviet strategic balance, which leaves the superpowers about equal. It seeks a margin of military superiority with which to coerce the Soviet Union in future crises. That objective is dangerous and almost certainly illusory. One lesson of the arms race is that the Soviet Union eventually copies US inventions; as a result, the mutual threat remains roughly balanced, but higher.

Secretary of State Shultz objected to Gorbachev's televised call for a special summit meeting to agree on a test ban. Shultz complained that when diplomacy is waged in the public domain it is less likely that initiatives will get serious consideration. Shultz would have a point, except that under this administration, no arms-control proposal seems to get serious consideration.

Since the administration appears bent on continuing test explosions, most observers assumed Gorbachev will be impelled to follow suit, if only to mollify Kremlin hawks, who presumably argue, as do US hawks, that restraint constitutes "unilateral disarmament."

If Gorbachev resists this pressure, he will retain the high ground and make his case to Europe and the Third World that the United States deserves most of the blame for the pointless continuation of the arms race.

WALL STREET JOURNAL ON SOUTH KOREA'S POLITICAL STRENGTHS

HON. JIM COURTER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 9, 1986

Mr. COURTER. Mr. Speaker, I rise today to draw the Members' attention to an analogy which, though remarkable for its failings of logic, has begun to gain fashionability. It has arisen since the fall of the Marcos government, and holds that as went Marcos, so goes President Chun Doo Hwan.

My colleague from New York [Mr. SOLOMON] has prepared for the Republican Study Committee a very effective rebuttal to this argument. His paper makes it clear that Marcos' imposition of martial law in 1972 nearly ended a century-long, American-assisted democratic tradition in the Philippines. The South Koreans, by contrast, have had much less exposure to democracy, but have moved toward it with few interruptions. Mr. Marcos resolutely clung to power, while President Chun has often reiterated his intention to step down after overseeing the 1988 elections. The barriers to such elections are demonstrably lower than they were in the Philippines. The Marcos policies were suffocating the economy of the Philippines and so encouraging subversion and costing the Government the confidence of the Filipino people, while the Koreans are roaring ahead with economic growth.

The editors of the Wall Street Journal have made their own examination of this new Philippines-Korea parallel, and have made their own critique of its inaccuracies. I think my colleagues will find its argument accurate and spirited; the article follows my remarks below.

The real parallel between these two very different Asian friends of America is this: The victory of President Aquino points toward the full democratization of the Philippines; the commitment of President Chun to upcoming national elections points toward the full democratization of South Korea.

[From the Wall Street Journal, Mar. 27, 1986]

THE KOREAN CAMPAIGN

At the moment, the itinerant political reformers of the U.S. left are preoccupied trying to figure out where they stand on the invasion of Honduras and the maltreatment of Muammar Qadhafi by the U.S. Navy. But we know, just as sure as anything, that when all that dies down they will get back to a special project, South Korea.

Some of them, who seem to have formed their ideas of modern Korea by watching ancient reruns of "M*A*S*H*," already have lavished attention on President Chun Doo Hwan. Robert White, the Carter/era scourge of El Salvador, and Rep. Thomas Foglietta (D., Pa.) showed up in South Korea not long ago to declare solidarity with the political opposition. In Washington, Rep. David Obey (D., Wis.) attacked an administration request for more military loans to South Korea because, he said, it doesn't meet his standards of political tolerance.

The press is playing easy analogy, meanwhile, hinting that South Korea is going the way of "the Philippines," which has now supplanted "the shah" as Washington's favorite word-association.

Forgive us if we offer a few caveats. For starters, South Korea is not the Philippines. It is not Iran. The Seoul government has been steadily liberalizing since 1981. It held a National Assembly election last year in which the opposition won 40% of the seats; the "contras" of South Korea hold elected office. Mr. Chun also promises to step down in 1988, in what would be Korea's first peaceful transition in decades.

The economy, unlike that of Mr. Marcos' Philippines, is robust and increasingly modern. It grew by some 5% last year. As for human rights, the State Department's annual report, issued in February, says this: "Koreans enjoy considerable personal freedom, including economic and religious freedom and broad rights to pursue private interests." Tell that to the Miskito Indians.

We don't want to apologize for Mr. Chun's excesses, nor do we entirely buy the line so often expressed by South Korean leaders over the years, that having a hard-line North Korean enemy a few miles from Seoul forces a certain degree of authoritarianism. Indeed, we're sure South Korea's well-educated and mostly conservative citizens could handle far more political debate than they're allowed. The problem for the U.S., however, is how best to encourage more freedom. We doubt it's by cutting military aid or raising fists with the opposition.

Mr. Chun, after all, knows what's at stake. His country is hosting the Olympics in 1988 and the Asian Games this year. The last thing he wants is riots or stories about repression. When political tension was running especially high last month, Mr. Chun met with opposition leaders and promised to consider amending the constitution to allow direct presidential elections in 1989. The opposition wants direct elections before 1988, however, so it can have a greater say in choosing Mr. Chun's successor. The two sides are going to have to work out some compromise, but this doesn't look to us like something Americans, and especially the American left, should settle.

Old "M*A*S*H" reruns to the contrary, South Korea is a dynamic society with a cautious government struggling to accommodate growing demands for political freedom. American reformers would win a great deal more sympathy from us if they focused more on regimes that rank at the bottom of the human-rights scale. But of course those just happen to be regimes of the left.

BRYAN ORTIS, WINNER 1986 FREE ENTERPRISE WEEK ESSAY

HON. W. HENSON MOORE

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 9, 1986

Mr. MOORE. Mr. Speaker, I would like to call to the attention of my colleagues the winning essay of the 1986 Free Enterprise Week, an event I have sponsored in my district for the last 8 years. I am extremely proud of Mr. Bryan Ortis of Plaquemine, LA, for his interesting and relevant observations on the correlation an adequate education has on the earning power of the labor force. I appreciate his intellect and participation in the competition and hope my colleagues will find his message of interest.

EDUCATION AND LOUISIANA'S ECONOMY

"Louisiana is one of the wealthiest states in terms of its natural resources. The value of its mineral production, per square mile, is highest among all states . . . However, Louisiana has far too large a population who lack an adequate education to earn a decent living and, hence, it is one of the poorest states in terms of human resources."[1] In order to increase personal wealth, the state must first improve these human resources through a better educational system.

Because education is a predominant factor in the determination of a person's income level, the poorly educated tend to be poor. Likewise, those with an adequate education tend to be financially stable. Jobs that require little or no education or training are low paying and are quickly disappearing. With increasingly technological job markets, the poorly educated are often unemployed and dependent on those who possess the knowledge necessary for steady employment. As the Public Affairs Research Council of Louisiana (PAR) has revealed, there is a mismatch between the education of the unemployed in Louisiana and the education required for available jobs. Additionally, the lack of education and job training is a major disadvantage to expanding or locating new industry in Louisiana. These industries want highly educated workers who are productive and efficient. Due to the state's poor education ratings, the industries are not coming to Louisiana. They feel that the workers here do not have the adequate education to work profitably. Those workers who have been educated in other states do not want to bring their families to Louisiana because they realize that their children will be educated in inferior schools.

In a culture of high and increasing technology, machines are steadily replacing human labor. As a result, man must secure a superior level of training and intelligence to invent and design the machines that substitute for muscular and manual effort. Automation lowers the physical and raises the intellectual demands on the working force. Therefore, the predicament of the person without preparation is increasingly evident. Those who are unemployable due to a lack of education have become one of the problems of a highly technical society. Unable to produce, they require support from others. They seek work but are eventually added to the unemployment and welfare rolls. "To reduce to the absolute minimum the unemployable in a highly technical culture is a matter of elementary importance. We do this through education because the absence of education is the cause of unemployment."[2]

Several problems arise from the employment of workers in Louisiana today. As an economic principle, earning power should expand over one's lifetime. However, studies show that those who have low levels of education reach the pinnacle of their earning power at a younger age than those who are better educated. Those with inadequate training remain stationary in their jobs and have little chance of promotion to higher paying ones. Also, people who earn more money pay more in taxes. Since those with low levels of education tend to have low income, the tax base for all levels of government is decreased. If Louisianians were to earn more money through further progress in education, state and local tax revenue would increase. This additional money would alleviate some of the financial problems of the government. Furthermore, formerly low income families receiving higher earnings would reduce government spending on programs created for their support.

Contrary to some citizens' beliefs, low graduation requirements will not help students by assuring that very few students will not receive a diploma. Such diplomas would be invitations to remedial classes for college-bound students and meaningless pieces of paper for most other graduates searching for employment. The development of character and intelligence is the idea behind a diploma, not the receipt of a page that requires twelve years of meaningless effort to achieve. According to a survey from Louisiana Tech University, most of the educated residents in Louisiana believe the quality of public education has declined in the last decade and that schools should set more stringent graduation requirements. Many of those surveyed said that state and local government spending on education should be increased. However, the government is not receiving enough revenue to do so.

In view of the fact that the Southern Regional Education Board has concluded that teachers are not learning their subjects, students do not feel capable of learning lessons under the instruction of teachers who have not yet learned the material. To remedy this problem, many are suggesting additional tests to measure teachers' competency and higher salaries to attract intelligent students to the teaching profession. Teachers are instrumental in the development of students who will be Louisiana's future entrepreneurs.

"Educators can help interest and motivate students, seek alternative ways to keep children in school, make reading proficiency a top priority, design more effective programs for slow learners, and concentrate on meeting individual needs of students, particularly in the basic skills, rather than gearing teaching to the 'average child.' "[3]

Not only must the educators prepare the students, but the students must also be willing to learn. Regardless of the improvements made in education, the receptiveness of the students is the key. They must take advantage of the educational opportunities that are available to them. The cooperation of the students and the public could possibly effect a considerable improvement in Louisiana's schools. Students need not face their requirements alone, however. Parents should motivate their children to study and remain in school. Volunteers can assist those who are unable to read, and citizens can become more involved in the decisions of their schools and school boards.

One of the most effective means to increase educational accomplishments in Louisiana may be to inform the students themselves of the serious problems that their government faces and the unfavorable effects of an uneducated citizenry on the state's economy. By encouraging them through patriotic and self-interest methods, educators may see an improvement in those students who realize that failing to achieve academically damages not only their future, but also the future of the state as a whole.

In brief, education and Louisiana's economy are interrelated because they determine each other's success. If Louisiana continues to strive in the establishment of a better education system, more qualified workers will enter the labor force. Because of the additional competent workers, the economy will gradually but undoubtedly improve. "While citizens in Louisiana are increasingly demanding and receiving improvements in their government, the key to an even better government is a better educated and more informed citizenry."[4]

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[1] "THE IMPACT OF ILLITERACY IN LOUISIANA." (Baton Rouge: Public Affairs Research Council of Louisiana, Inc., February 1978), p. 18.

[2] Alan H. Jones, ed., "The Education Digest," (Prakken Publications, Inc., November 1985), p. 110.

[3] The Impact of Illiteracy in Louisiana, op. cit., p. 19.

[4] *Ibid.*, p. 18.

A TEACHER'S GIFT TO US

HON. LARRY E. CRAIG

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 9, 1986

Mr. CRAIG. Mr. Speaker, several months after the shuttle tragedy, our Nation still mourns the loss of the *Challenger* crew. I recently received a poem written by Sean Smith, a 14-year-old from Meridian, ID. Although it expresses the grief and sense of loss experienced by our Nation, its conclusion focuses on more positive future. I commend Sean for his eloquence and foresight which have prompted me to submit his poem for the CONGRESSIONAL RECORD:

A TEACHER'S GIFT TO US

(By Sean Smith)

It was a beautiful Winter day,
the day seven dreams went up in flame.
They had no warning,
now the world is mourning, about what happened that Winter day.
The countdown was heard all through the land,
a historical event was now at hand.
As a teacher would be flown into space,
in a machine that flies with such grace.
Her students watched as the rockets flared,
they all wondered if she was scared.
Then in a wink of an eye,
the shuttle disappeared out of the sky,
without giving the crew a chance to say Good-Bye.
The flags are now flown at half mast,
and the students cry that were in her class.

But they all know that she would want them to go on with life,
and make her proud of what they do.
Now she didn't know me or you,
but I'm sure that's what she would want us to do.
So keep your chin up, and always remember that a new school year starts next September,
and always keep in the back of your mind,
that the crew of the space shuttle Challenger was one of a kind.

A TRIBUTE TO FLOYD JONES

HON. ED JONES

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 9, 1986

Mr. JONES of Tennessee. Mr. Speaker, last year, the Rural Electrification Administration celebrated its 50th anniversary. REA was an agency created by President Franklin Roosevelt's New Deal. It has meant for many rural communities and millions of rural people that they could have all the benefits of electricity at prices they could afford. Without this agency and the credit it extends to rural electric and telephone cooperatives, I am convinced that there would be rural areas of this country today without affordable electric power or telephone service.

Because REA is a relatively young agency, there remain people around this country who remember what it was like to live without electricity. I happen to be one of them. We can remember how much our lives were improved with the advent of electricity and most of us can remember exactly what it was like to turn on the bare electric light bulb that hung in our homes for the first time.

That was a significant achievement for those days, and they came about because of the foresight of President Roosevelt and because of the hard work and vision of people in the rural communities throughout this country who stepped forward to provide the leadership, experience, and technical expertise necessary to organize and operate rural cooperatives everywhere. One of those people was Mr. Floyd Jones, a resident of my home county, and a pioneer in bringing electricity to that county.

Mr. Jones, though we bear the same name, is not related to me but his pioneering efforts and leadership in the establishment of the Gibson County Electric Membership Corp., may have had as much effect on me as if he was related to me.

That can be said of thousands of people whose standards of living and whose opportunities for employment over the past 50 years were improved because of the early work Floyd Jones did. He headed up the Gibson County Electric Membership Corp., from its founding in 1936 to 1958 when he took a position with the National Rural Electric Cooperative Association where he used his talent and expertise to help other areas of the country develop similar organizations.

Floyd Jones dedicated much of his life to making electricity available to northwest Tennessee and to many other areas of this country. The small organization he helped to establish in 1936 now serves all or part of seven counties. While Mr. Jones gives credit to others, it is obvious that he deserves to be honored at this time when the Gibson County Electric Membership Corp. is celebrating its 50th anniversary.

Most of us, as we go through life, hope that we can contribute something to the generations that follow after us. Floyd Jones has made that kind of contribution. His dedication and his willingness to use his talent throughout his life have made many parts of this country, including his own native west Tennessee, a better place to live. He has made the difference for many people to live a better, more comfortable life and deserves a moment of tribute from all of us.

ARKANSAN NAMED HANDICAPPED AMERICAN OF THE YEAR

HON. JOHN P. HAMMERSCHMIDT

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 9, 1986

Mr. HAMMERSCHMIDT. Mr. Speaker, a distinguished constituent of mine from Fort Smith, AR, has been named as the Handicapped American of the Year by the President's Committee on Employment of the Handicapped.

Ralph "Chad" Colley has long been an inspiration to all who know him. He is a prime example of the great American spirit of "never say die." He has overcome tremendous personal adversity to become a leader of people, and a positive force for good in every task he has ever undertaken.

Mr. Speaker, I am pleased to place in the CONGRESSIONAL RECORD the announcement of Chad Colley's selection as the Handicapped American of the Year.

VET WHO LOST BOTH LEGS AND ONE ARM IN VIETNAM NAMED HANDICAPPED AMERICAN OF THE YEAR

Ralph "Chad" Colley, who lost both legs and one arm in Vietnam combat, has been chosen as this year's Handicapped American of the Year by the President's Committee on Employment of the Handicapped (PCEH).

The 42-year-old businessman will receive the President's Trophy on April 30 at PCEH's annual meeting to be held at the Washington Hilton Hotel in Washington, DC, April 30 to May 2. Making the presentation to Colley will be PCEH Chairman Harold Russell and a representative of the White House.

More than 4,000 people—including disabled people from across America and around the world—will attend the PCEH annual meeting. PCEH's mission is to build an acceptance for disabled people in the nation's workforce through a year-round program of education and information.

Colley has been active in issues affecting handicapped people for many years, but the highlight of that involvement came in 1984-85 when he served a one-year term as National Commander of the Disabled American Veterans (DAV). The DAV is a nonprofit association of more than one million veterans disabled during time of war or under conditions similar to war.

Colley was an officer with the Army's 101st Airborne Division in July 1968 when he was leading a company of men on a combat mission 45 miles northwest of Saigon and a land mine explosion threw him into the air. Both of his legs and one arm were amputated in a military hospital in Vietnam as a result of his wounds.

The inner resources, which enabled Colley's rapid rehabilitation, spurred his business success, and led to his recognition as Handicapped American of the Year, were there right from the start, according to his wife, Betty Ann. She cited a letter he wrote to her just a few days after he was wounded.

"Even though I'm banged up pretty bad," he wrote, "I'm still me. I can put my loss of limbs into an asset. I have a big challenge to undertake now." That pretty much sums up Colley's life since he became disabled. Today he's an active, physically powerful man, who enjoys such athletic activities as sit-skiing, and he's won several medals on the ski slopes.

Colley, who holds a degree in mathematics from North Georgia College, moved right into his career after he finally got out of the hospital. He dug right in on courses that led to licensing in real estate, a field in which he achieved tremendous success despite the doubts of others who felt a triple amputee in a wheelchair wouldn't be able to cut it in a profession that required physical mobility.

But, to the young Vietnam vet, such worries were for other people. "I've always been determined to prove myself the equal, in any way, of any other member of our society," he said. "And I simply will not allow anything associated with my disability to get in the way."

After working in real estate and banking for a few years, Colley decided to strike out on his own. And, today, he's president of Colley Home Center, Inc., in Barling, Ark., where he lives with Betty Ann and their two children.

Colley also wasted no time in getting involved in the DAV following his release from the hospital. The pinnacle of the involvement came when he was elected to lead the organization in the summer of 1984. He took over an organization of 879,058 disabled vets. But, by the following spring, the DAV's membership had climbed well past the one-million mark.

"Chad worked relentlessly to push our membership strength into an entirely new realm," remarked DAV National Adjutant Denvel D. Adams. "And the organizational strength he built has already proven essential in battling major threats to benefits and programs for disabled veterans, as well as all handicapped people."

Another great achievement was Colley's leadership in the DAV's decision to donate $1 million to the Statue of Liberty-Ellis Island foundation to be used in making this national treasure entirely accessible to all handicapped people. And he served as spokesman in a DAV public service announcement addressing the issue of architectural barriers that confront disabled people.

The combat-disabled veteran's activity in the DAV didn't begin in the organization's highest leadership levels. He's been active in DAV Chapter 1 in Fort Smith, Ark., and the DAV Department of Arkansas for many years. Those activities were noticed by the DAV's national leadership from the start, and he was chosen by the DAV as the national Outstanding Disabled Veteran of the Year in 1970.

The glare of his achievements on the national scene, however, could lead some to

forget what Colley has meant to any number of disabled people as individuals. It's not widely known that rehabilitation professionals in his community frequently ask the triple amputee to participate in counseling newly disabled people. And it's here that Colley says he gains his greatest personal satisfaction.

"Talking mostly with amputees and paraplegics," explained Colley, "I try to turn around the negative attitudes and despair that so frequently follow catastrophic physical injuries.

"Many of these folks see their futures as extremely limited," he emphasized. "I guess I'm a pretty good example that this just isn't the case. I've done pretty well in business. I'm happy with my life. I'm dealing with the inconveniences of my disabilities. What I try to do is refocus people's attention on the positives."

RESOLUTION TO DISAPPROVE PRC ARMS SALE

HON. MARK D. SILJANDER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 9, 1986

Mr. SILJANDER. Mr. Speaker, yesterday, the administration proposed an avionics modernization package for China's high altitude interceptor, the F-8.

The administration has made several arms sales to the People's Republic of China, but this is by far the most controversial arms sale yet. The F-8 is a twin-engined, delta wing, high altitude interceptor. The avionics package would give 50 F-8's an all-weather, day-night capability. The $500 million package includes avionic components integrated by a U.S. prime defense contractor under U.S. Air Force supervision.

The integration would take 6 years to complete and would include an airborne radar; navigation equipment; a heads-up display; mission computer; an air data computer; and a data base. The F-8's receiving the avionics package would have to be modified; but this modified version, dubbed the F-8-2 or F-8B, may already exist.

There are several reasons why this arms sale should be opposed:

First, the PRC seems to be distancing itself from the United States strategically while improving relations with the Soviet Union.

Second, all of our Asian friends (Japan, South Korea and ASEAN) oppose the sale. Of course, Taiwan opposes it. The reason is simple. The sale of advanced avionics to the PRC adversely affects the regional balance of power. While the United States is looking at the sale in terms of how to best help the PRC deter the U.S.S.R., our friends in Asia are worried about how the sale adds to the Chinese threat to the region.

Third, the avionics sale would upset the delicate military balance in the Taiwan Strait, which the United States is committed to preserve under the 1979 Taiwan Relations Act. Taiwan's defense depends solely on maintaining qualitative air superiority over the strait. This would clearly be threatened if the PRC's F-8 fighters gain, as they would under the proposed sale, all-weather capability.

Fourth, the sale could also threaten Taiwan's security in the long term. For one thing, it would give Beijing greater confidence that it could use military force to resolve the Taiwan issue. For another, it would weaken domestic investor confidence in Taiwan's future.

Fifth, although the avionics package is an end-item sale and does not involve coassembly or coproduction or the transfer of design or production technologies, end items may not be the intention of the PRC purchase. What is important is not the 50 avionics packages, but rather the technology the packages contain and the possibility of reproducing and integrating that technology with other systems. Examples include the radar system can be integrated with radar-guided missiles and heat-seeking short-range missiles.

I have introduced two resolutions of disapproval. The first would simply disapprove the sale. The second would disapprove the sale unless the administration concurrently sells Taiwan advanced fighter aircraft.

Before the administration proceeds with any further arms sales to the PRC it should take steps to enhance the defensive capability of non-Communist Asia. In particular in the case of Taiwan this would mean a strengthened United States defense commitment, the sale of advanced fighter aircraft such as the F-20 with appropriate avionics and armament, or a very significant upgrading of the military technology sold to Taiwan to enable it to build its own air defense capabilities. To do any less would be to send a signal that the United States was abandoning Taiwan and its commitment to the TRA.

Next, the Reagan administration should set guidelines for arms and technology transfers to the PRC. At the core of these guidelines must be the principle embodied in the Taiwan Relations Act: That the United States ensures that the Republic of China on Taiwan has the weapons to protect itself from military attack.

This principle simply means that if the United States upgrades Beijings' offensive capabilities in a way posing a potential threat to Taiwan, than Taipei's capabilities must be upgraded as well. If the United States feels that because of the PRC's confrontation with the U.S.S.R. it is necessary to make the pending avionics deal, then Washington should also agree to sell, Taipei a modern jet fighter such as the F-20 or F-16. Taiwan has been trying to purchase such planes since 1978. Roughly half of Taiwan's fighter inventory are aging F-104's and early model F-5's slated for retirement.

It is my hope that we can work with the administration to avoid a conflict on this issue. But if they should go ahead with this sale in its present form, then I'm sure the Congress will once again express its commitments to our friends in Aisa.

I urge you to cosponsor one or both of the resolutions.

DISTINGUISHED RADIO MAN CELEBRATES 20 YEARS

HON. BARNEY FRANK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 9, 1986

Mr. FRANK. Mr. Speaker, a very important anniversary was recently observed in the city of Attleboro, MA. Twenty years ago, Frank Titus began a very distinguished career on radio station WARA. I have had the privilege of being interviewed by Frank on a number of occasions over the past few years, and I have found him to be consistently well informed, incisive, and well prepared. He is a man with a deep sense of public service, who understands the responsibilities of the broadcasting industry to helping our democracy to function.

Frank Titus shows that you can be a gentleman and simultaneously be an aggressive and fair reporter. I want to congratulate him on this anniversary and I would like at this point to insert a few paragraphs which talk some about the career of Frank Titus.

"Good morning, beautiful. My, you look lovely this morning. Your hair so shiny, your eyes sparkling. And what a gorgeous outfit".

For many listeners this was a first introduction to popular Frank Titus and his "Good Morning" show.

Countless numbers of young and older mothers in the area loved Frank for his compliments and were so eager to see just what he looked like.

Frank's first radio broadcast was January 1, 1949 with WLIV-FM in Providence. Following his start he served in the army but returned to radio WWON in Woonsocket, serving as disc jockey and newsman. In 1956 he was named Program Director.

Chronologically, Frank Titus next moved to WEAN in late 1957, then to WPRO-TV (now WPRI-TV) in 1962 where many of us saw him performing on game shows during the late movies, brought us the TV weather, and also served as "the voice", another term for the Booth Man.

In April of 1966 Frank launched his talents on WARA listeners. "Done just about everything" is the way Frank explains his activities here, but for the past two years he has served as a full time newsman.

His home is in East Providence with wife, Mary, and two great children.

A CONGRESSIONAL SALUTE TO UCLA FOOTBALL COACH TERRY DONAHUE

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 9, 1986

Mr. ANDERSON. Mr. Speaker, it is my distinct honor today to rise and pay tribute to UCLA's head football coach, Terry Donahue, for his many outstanding achievements and his contributions to UCLA and the State of California. Coach Donahue will be honored by the Long Beach Bruin Club at a special program abroad the Queen Mary on April 17, 1986, which has been designated "Terry Donahue Day" by the city council of Long Beach.

Only the third former Bruin player to become head coach at his alma mater, Terry Donahue took over direction of the UCLA football program in February 1976 and is presently entering his 11th season at the helm. In his 10 success filled seasons, Coach Donahue has amassed an amazing 79–31–6 career record and has become the winningest head football coach in UCLA history, breaking Bill Spaulding's school record of 72 victories. In the decade of the 1980's, Coach Donahue has led UCLA to a record of 50–16–4, a winning percentage of over 0.740, and five postseason bowl games.

A native of Los Angeles who has enjoyed great success at UCLA as a player, an assistant coach, and now as head coach, Terry Donahue is the only coach in the Nation to win a New Year's Day Bowl game each of the last 4 years, including three Rose Bowl victories. Along with three consecutive victories over crosstown rival USC and four in 6 years, Coach Donahue has led his teams to a "Top 20" ranking in each of the last four seasons. Coach Donahue's teams have appeared in seven bowl games since 1976, and during this 10-year span, Terry Donahue has developed 13 first team All-American selections. Presently, 41 of his former players are with National Football League teams, while 15 are on United States Football League rosters.

Mr. Speaker, it is with great pride that my wife, Lee, joins me in honoring one of the finest coaches in all of college football, Terry Donahue, for his many outstanding achievements at UCLA and for his contributions to our community and the State of California. We congratulate him on the great honor of having April 17, 1986 designated "Terry Donahue Day," and we wish Terry, his wife Andrea, and their children—Nicole Denise, Michele Lynn, and Jennifer Erin—all the best in the years ahead.

THE 35TH ANNIVERSARY OF HOME BUILDERS ASSOCIATION OF NEW HAVEN COUNTY

HON. BRUCE A. MORRISON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 9, 1986

Mr. MORRISON of Connecticut. Mr. Speaker, this year marks the 35th anniversary of the Home Builders Association of New Haven County [HBANH], the New Haven affiliate of the National Association of Home Builders [NAHB]. I am pleased to extend my congratulations to Mr. Jack Muller, president of the New Haven chapter, and to all of the association's 180 members throughout the Greater New Haven area.

In recognition of this special occasion, a formal awards banquet will be held in New Haven on April 10. Ms. Shirley McVay Wiseman, vice president of the National Association of Home Builders, will present awards to the HBANH's past presidents and to members who have belonged to the group for 20 or more years.

As an affiliate of the NAHB, a nationwide, nonprofit trade organization, the New Haven chapter carries out the goals of the parent organization on a local level. This includes following housing legislation as well as monitoring the housing industry to ensure that those engaging in the business are well-qualified and comply with standards for building materials. In addition, the HBANH assists government officials on a State and local level in the formulation of building codes and zoning of business and residential areas.

More than just a trade association, the HBANH has made a lasting mark on the community it serves. New Haven Mayor DiLieto's Christmas Fund, the New Haven Jimmy Fund and many other local charities have benefitted from the generosity of this civic-minded group.

Mr. Speaker, I know my colleagues join me in extending congratulations to the Home Builder's Association of New Haven on the special occasion of their 35th anniversary. I thank the many dedicated members of this special organization for all they have contributed to the citizens of Connecticut's Third District, and I wish them continued success in their future endeavors.

A TRIBUTE TO RALPH NISSEN

HON. GENE CHAPPIE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 9, 1986

Mr. CHAPPIE. Mr. Speaker, I'd like to take this opportunity to recognize Ralph Nissen for his many years of dedicated service to his community, his State, an his country. Ralph Nissen has been an integral part of northern California affairs for over half a century. As a farmer, water leader, down-to-earth politician, and community activist, it is obvious that Ralph lives by his motto of, "* * * working hard and doing what you can for your community.

As a community leader, Ralph spent the past 16 years as president of the Glenn-Colusa Irrigation District. His other leadership roles have included; serving as vice president of the California State Farm Bureau, head of the Natural Resource Committee, and director of the Rice Growers Association. At the statewide level, Ralph has been a member of the Association of California Water Agencies board of directors since the late 1960's, serving as president from 1969 to 1971. Furthermore, Ralph has been involved in national politics, lobbying Congress in order to gain passage of water and agriculture legislation of importance to northern California, such as the Reclamation Reform Act of 1982.

Uncle Ralph, as he is known to his friends, has also been active on the school board, in his local lodge, and in his church. He is a man respected by all and appreciated for his devotion and dedication to the betterment of his community.

Thus, in light of his numerous contributions to the State and community, it is an honor for me to recognize Ralph with the highest of praise and admiration.

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Thursday, April 10, 1986, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

APRIL 11

9:00 a.m.

Appropriations

Labor, Health and Human Services, Education, and Related Agencies Subcommittee

To hold hearings to review the impact of the President's proposed budget on health research programs.

SD-138

Armed Services

Strategic and Theater Nuclear Forces Subcommittee

To continue closed hearings on S. 2199, authorizing funds for fiscal year 1987 for the Department of Defense, focusing on strategic command, control and communications and warning assessment.

SR-222

9:30 a.m.

*Energy and Natural Resources

Public Lands, Reserved Water and Resource Conservation Subcommittee

To hold hearings on S. 977, to establish the Hennepin Canal National Heritage Corridor in Illinois, S. 1374, to establish the Blackstone River Valley National Heritage Corridor in Massachusetts and Rhode Island, S. 1413 and H.R. 2067, bills to validate conveyances of certain lands in California that form part of the right-of-way granted by the United States to the Central Pacific Railway Co., S. 1542, to designate the Nez Perce Trail in Oregon and Montana, as a component of the National Trails System, S. 1946, to designate the west branch of the Farmington River as a study area for inclusion in the National Wild and Scenic Rivers System, S. 2265, to authorize the establishment of the Burr Trail National Rural Scenic Road in Utah, and H.R. 3556, to provide for the exchange of land for the Cape Henry Memorial site in Fort Story, VA.

SD-366

Finance
To hold hearings on proposed negotiation of United States-Canada free trade agreement.
SD-215

10:00 a.m.
Armed Services
Military Construction Subcommittee
To hold hearings on the strategic homeporting initiative.
SR-232A

Armed Services
Strategic and Theater Nuclear Forces Subcommittee
To hold hearings to review the proposed budget request for fiscal year 1987 for the Federal Emergency Management Agency.
SR-222

11:00 a.m.
Armed Services
Preparedness Subcommittee
To resume open and closed hearings on S. 2199, authorizing funds for fiscal year 1987 for the Department of Defense focusing on ammunition readiness, sustainability, and procurement.
SR-325

2:00 p.m.
Armed Services
Military Construction Subcommittee
To continue hearings on the strategic homeporting initiative.
SR-232A

APRIL 14

9:30 a.m.
Finance
Business meeting, to resume markup of proposed legislation providing for revisions in Federal tax laws.
SD-215

10:00 a.m.
Appropriations
Energy and Water Development Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for energy and water development programs.
SD-192

2:00 p.m.
Appropriations
Energy and Water Development Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for energy and water development programs.
SD-192

Energy and Natural Resources
To hold hearings on the nominations of William F. Martin, of the District of Columbia, to be Deputy Secretary of Energy, and David B. Waller, of the District of Columbia, to be an Assistant Secretary of Energy for International Affairs and Energy Emergencies.
SD-366

Finance
Business meeting, to resume markup of proposed legislation providing for revisions in Federal tax laws.
SD-215

APRIL 15

9:30 a.m.
Appropriations
Agriculture, Rural Development and Related Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1987 for the Department of Agriculture, focusing on the Animal and Plant Health Inspection Service, Agricultural Marketing Service, and the Food Safety and Inspection Service.
SD-138

Appropriations
Labor, Health and Human Services, Education, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for the Department of Education, including education for the handicapped, rehabilitation services and handicapped research, and special institutions (including Howard University).
SD-116

Banking, Housing, and Urban Affairs
Housing and Urban Affairs Subcommittee
To hold oversight hearings on mass transit.
SD-538

Commerce, Science, and Transportation
Aviation Subcommittee
To hold hearings to review safety issue relating to an aging commercial airline fleet.
SD-628

Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold hearings on proposed legislation authorizing funds for National Oceanic and Atmospheric Administration, focusing on funds for satellite and atmospheric programs.
SR-253

Finance
Business meeting, to continue markup of proposed legislation providing for revisions in Federal tax laws.
SD-215

Judiciary
Patents, Copyrights and Trademarks Subcommittee
To resume hearings to examine whether the United States should participate in the Berne Convention, an international union for the protection of literary and artistic works.
SR-485

10:00 a.m.
Appropriations
Energy and Water Development Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for energy and water development programs.
SD-192

Energy and Natural Resources
Energy Regulation and Conservation Subcommittee
To hold hearings on S. 1302, proposed Natural Gas Regulatory Reform Act of 1985, S. 1251, proposed Natural Gas Utilization Act of 1985, and S. 2205, to eliminate certain restrictions on the use of natural gas and petroleum.
SD-366

Foreign Relations
To hold hearings on nuclear testing.
SD-419

Governmental Affairs
Civil Service, Post Office, and General Services Subcommittee
To hold hearings on S. 1327, to establish higher minimum rates of basic pay in geographic areas where the Federal Government is experiencing significant recruitment and retention problems, S. 1727, to establish alternative personnel management systems for scientific and technical employees, and provisions of S. 2082, to improve the management of major defense acquisition programs, to establish a Defense Acquisition Service, and to limit employment contacts between senior officials of the Department of Defense and defense contractors.
SD-342

Select on Indian Affairs
To hold hearings on S. 1988, to establish a program for the prevention and control of diabetes among Native Americans.
SR-385

10:30 a.m.
Judiciary
To resume hearings on S. 2162, to promote and improve efficient and effective enforcement of the antitrust laws.
SD-226

1:00 p.m.
Judiciary
Security and Terrorism Subcommittee
To hold closed oversight hearings on activities of the Federal Bureau of Investigation, Department of Justice.
S-407, Capitol

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for the Agency for International Development.
S-126, Capitol

Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for the National Endowment for the Arts and the Institute of Museum Services.
SD-138

Appropriations
Energy and Water Development Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for energy and water development programs.
SD-192

Armed Services
Strategic and Theater Nuclear Forces Subcommittee
To resume closed hearings on S. 2199, authorizing funds for fiscal year 1987 for the Department of Defense, focusing on Air Force classified programs.
SR-232A

Finance
Business meeting, to continue markup of proposed legislation providing for revisions in Federal tax laws.
SD-215

APRIL 16

9:00 a.m.
Veterans' Affairs
To hold joint hearings with the House Committee on Veterans' Affairs to review the legislative priorities of AMVETS, Vietnam Veterans of America, World War I Veterans, Jewish War Veterans of the U.S.A., and Atomic Veterans.
SD-106

9:30 a.m.
Appropriations
District of Columbia Subcommittee
To resume hearings on the overcrowding issue of the District of Columbia prison system.
SD-562

Appropriations
Labor, Health and Human Services, Education, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for the Department of Education, including student financial assistance, guaranteed student loans, higher education, higher education facilities loans and insurance, and college housing loans.
SD-116

Appropriations
Commerce, Justice, State, the Judiciary, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for the National Oceanic and Atmospheric Administration, Department of Commerce, and the Marine Mammal Commission.
S-146, Capitol

Banking, Housing, and Urban Affairs
Housing and Urban Affairs Subcommittee
To continue oversight hearings on mass transit.
SD-538

Energy and Natural Resources
Business meeting, to resume consideration of S. 1225, to compensate the public for injuries or damages suffered in the event of an accident involving nuclear activities undertaken by the Nuclear Regulatory Commission licensees or Department of Energy contractors, S. 570, S. 372, S. 913, and S. 946, measures to improve the administration of the Federal coal leasing program, and other pending calendar business.
SD-366

Finance
Business meeting, to continue markup of proposed legislation providing for revisions in Federal tax laws.
SD-215

Judiciary
To hold oversight hearings on computer crime.
SD-628

Labor and Human Resources
To hold hearings on Acquired Immune Deficiency Syndrome.
SD-430

Select on Intelligence
To resume closed hearings on proposed legislation authorizing funds for fiscal year 1987 for the intelligence community.
SH-219

10:00 a.m.
Appropriations
Energy and Water Development Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for energy and water development programs.
SD-192

Appropriations
Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for the U.S. Coast Guard, Department of Transportation.
SD-138

Foreign Relations
Business meeting, to consider pending calendar business.
SD-419

Judiciary
Security and Terrorism Subcommittee
To hold oversight hearings on activities of the Drug Enforcement Administration, Department of Justice.
SD-226

Judiciary
Patents, Copyrights and Trademarks Subcommittee
To hold joint hearings with the House Committee on the Judiciary's Subcommittee on Courts, Civil Liberties, and the Administration of Justice to review intellectual property law and technological change.
SR-301

2:00 p.m.
Appropriations
Energy and Water Development Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for energy and water development programs.
SD-192

Appropriations
Treasury, Postal Service, and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for the Department of the Treasury, Postal Service, and general government programs.
SD-124

Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold hearings on the National Aeronautics and Space Administration and the Department of Defense assured access to space.
SR-253

Judiciary
To hold hearings on pending nominations.
SD-226

4:00 p.m.
Select on Ethics
Closed business meeting.
S-146, Capitol

APRIL 17

9:30 a.m.
Appropriations
Labor, Health and Human Services, Education, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for the Department of Education, including bilingual education, vocational and adult education, education research and improvement, and libraries.
SD-116

Finance
Business meeting, to continue markup of proposed legislation providing for revisions in Federal tax laws.
SD-215

10:00 a.m.
Banking, Housing, and Urban Affairs
To hold hearings on S. 571, proposed Drug Money Seizure Act.
SD-538

Commerce, Science, and Transportation
To hold hearings with the National Ocean Policy Study on S. 2138 and H.R. 2935, bills to establish a National Marketing Council to enable the United States fishing industry to establish a coordinated program of research, education, and promotion to expand markets for fisheries products.
SR-253

Energy and Natural Resources
Water and Power Subcommittee
To hold hearings on S. 1319, to relieve the Washoe County Water Conservation District, Nevada, of certain Federal repayment obligations, and S. 1772, to convey certain real property to the Pershing County Water Conservation District.
SD-366

Foreign Relations
To hold hearings on arms sales to Saudi Arabia.
SD-419

Select on Indian Affairs
To hold hearings on S. 2118, to provide for the distribution of funds appropriated to pay a judgment awarded to the Sisseton and Wahpeton Tribes of Sioux Indians in Indian Claims Commission dockets numbered 142 and 359.
SD-485

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for foreign assistance programs.
S-126, Capitol

Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for the U.S. Fish and Wildlife Service, Department of the Interior.
SD-192

Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold hearings on information provided by NASA's 51-L Data and Design Analysis Task Force to the Presidential Commission on the Space Shuttle Challenger Accident.
SR-253

4:00 p.m.
Select on Intelligence
To resume closed hearings on proposed legislation authorizing funds for fiscal year 1987 for the intelligence community.
SH-219

APRIL 18

9:00 a.m.
Armed Services
Strategic and Theater Nuclear Forces Subcommittee
To resume open and closed hearings on S. 2199, authorizing funds for fiscal year 1987 for the Department of Defense, focusing on Navy nuclear and reactor programs.
SR-232A

9:30 a.m.
Commerce, Science, and Transportation
Business, Trade, and Tourism Subcommittee
To hold hearings on proposed legislation authorizing funds for the U.S. Travel and Tourism Administration.
SR-253

Finance
Business meeting, to continue markup of proposed legislation providing for revisions in Federal tax laws.
SD-215

APRIL 21

9:30 a.m.
Finance
To hold hearings on the federal excise tax provisions of H.R. 3838, proposed Tax Reform Act of 1985.
SD-215

Foreign Relations
To hold oversight hearings on activities of the Agency for International Development.
SD-419

APRIL 22

9:30 a.m.
Appropriations
Agriculture, Rural Development and Related Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1987 for the Department of Agriculture, focusing on the Soil Conservation Service, Agricultural Stabilization and Conservation Service, Office of the General Sales Manager, Foreign Agricultural Service, Office of International Cooperation and Development, and the Food for Peace program (P.L. 480).
SD-138

Appropriations
Labor, Health and Human Services, Education, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for the Soldier's and Airmen's Home, Prospective Payment Commission, Railroad Retirement Board, National Labor Relations Board, National Mediation Board, Occupational Safety and Health Review Commission, Federal Mediation and Conciliation Service, and the United States Institute of Peace.
SD-116

Appropriations
Commerce, Justice, State, the Judiciary, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for the Federal Bureau of Investigation and Drug Enforcement Administration, Department of Justice, and the Equal Employment Opportunity Commission.
S-146, Capitol

Foreign Relations
To continue oversight hearings on activities of the Agency for International Development.
SD-419

10:00 a.m.
Select on Indian Affairs
To hold hearings on S. 1991, to authorize funds for fiscal years 1987-1990 for Native American programs.
SR-385

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for the Department of State, focusing on international narcotics control, migration and refugee assistance, and anti-terrorism programs.
S-126, Capitol

Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for the Navajo-Hopi Indian Relocation Commission, and the Office of Surface Mining, Reclamation and Enforcement, Department of the Interior.
SD-192

Environment and Public Works
Water Resources Subcommittee
To hold hearings on S. 1696, to establish a federally declared floodway for the Colorado River.
SD-406

APRIL 23

9:30 a.m.
Appropriations
Labor, Health and Human Services, Education, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for ACTION (domestic programs), Corporation for Public Broadcasting, National Council on the Handicapped, Mine Safety and Health Review Commission, and the National Commission on Libraries and Information Science.
SD-116

Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To resume hearings on proposed legislation authorizing funds for fiscal year 1987 for the National Aeronautics and Space Administration, focusing on the space station program.
SR-253

Labor and Human Resources
To hold hearings on S. 1815, to prohibit any employer from using any lie detector test or examination in the work place, either for pre-employment testing or testing in the course of employment.
SD-430

Select on Intelligence
To resume closed hearings on proposed legislation authorizing funds for fiscal year 1987 for the intelligence community.
SH-219

10:00 a.m.
Appropriations
Defense Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for Navy aircraft procurement programs.
SD-192

Appropriations
Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for the United States Railway Association and Conrail.
SD-138

Energy and Natural Resources
Business meeting, to consider pending calendar business.
SD-366

Foreign Relations
Business meeting, to consider pending calendar business.
SD-419

1:30 p.m.
Foreign Relations
To continue oversight hearings on activities of the Agency for International Development.
SD-419

2:00 p.m.
Appropriations
Energy and Water Development Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for energy and water development programs, focusing on atomic energy defense activities.
SD-116

APRIL 24

9:30 a.m.
Agriculture, Nutrition, and Forestry
Rural Development, Oversight, and Investigations Subcommittee
To hold hearings on S. 1121, to encourage foreign agricultural trade by improving the quality of grain shipped from U.S. export elevator facilities.
SR-332

Appropriations
Agriculture, Rural Development and Related Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1987 for the Department of Agriculture, focusing on Farmers Home Administration, and the Farm Credit Administration.
SD-192

Appropriations
Labor, Health and Human Services, Education, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for the Departments of Labor, Health and Human Services, and Education, and certain related agencies.
SD-116

Foreign Relations
To continue oversight hearings on activities of the Agency for International Development.
SD-419

Labor and Human Resources
Labor Subcommittee
To hold hearings on S. 1018, to clarify the meaning of the term "guard" for the purpose of permitting certain labor organizations to be certified by the National Labor Relations Board as representatives of employees other than plant guards.
SD-430

10:00 a.m.
Appropriations
Defense Subcommittee
To hold closed hearings on proposed budget estimates for fiscal year 1987 for intelligence programs.
S-407, Capitol

Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for the Department of State, focusing on voluntary contributions to international organizations programs, and for the Office of the U.S. Representative to the United Nations.
SD-138

Energy and Natural Resources
Natural Resources Development and Production Subcommittee
To hold hearings on S. 1322, proposed Geothermal Steam Act Amendments of 1985.
SD-366

Labor and Human Resources
Education, Arts, and Humanities Subcommittee
To hold hearings on S. 1662, proposed Training Technology Transfer Act of 1985.
SD-628

2:00 p.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for the Energy Information Administration and the Economic Regulatory Administration, Department of Energy.
SD-192

4:00 p.m.
Select on Intelligence
To hold closed hearings on intelligence matters.
SH-219

APRIL 25

10:00 a.m.
Governmental Affairs
Civil Service, Post Office, and General Services Subcommittee
To resume hearings on S. 1327, to establish higher minimum rates of basic pay in geographic areas where the Federal Government is experiencing significant recruitment and retention problems, S. 1727, to establish alternative personnel management systems for scientific and technical employees, and provisions of S. 2082, to improve the management of major defense acquisition programs, to establish a Defense Acquisition Service, and to limit employment contacts between senior officials of the Department of Defense and defense contractors.
SD-342

APRIL 29

9:30 a.m.
Appropriations
Labor, Health and Human Services, Education, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for the Departments of Labor, Health and Human Services, and Education, and certain related agencies.
SD-116

10:00 a.m.
Appropriations
Defense Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for certain defense programs.
SD-192

Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for the Department of Housing and Urban Development and certain independent agencies.
SD-124

Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold hearings on the findings of the Presidential Commission on the Space Shuttle Challenger Accident.
SR-253

Select on Indian Affairs
To hold hearings on S. 2105, S. 2106, and S. 2107, bills to provide for the settlement of certain claims of the Papago Tribe of Arizona.
SR-385

2:00 p.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for the Bureau of Indian Affairs, Department of the Interior.
SD-192

APRIL 30

9:30 a.m.
Appropriations
Commerce, Justice, State, the Judiciary, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for the Office of U.S. Trade Representative, and the Federal Communications Commission.
S-146, Capitol

Labor and Human Resources
To hold oversight hearings on the human resources impact of reentry of women into the labor force.
SD-430

Select on Intelligence
To hold closed hearings on intelligence matters.
SH-219

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for the Department of Housing and Urban Development and certain independent agencies.
SD-124

Energy and Natural Resources
Business meeting, to consider pending calendar business.
SD-366

Foreign Relations
To hold hearings on embassy security enhancement.
SD-419

Governmental Affairs
Civil Service, Post Office, and General Services Subcommittee
To resume hearings on S. 1327, to establish higher minimum rates of basic pay in geographic areas where the Federal Government is experiencing significant recruitment and retention problems, S. 1727, to establish alternative personnel management systems for scientific and technical employees, and provisions of S. 2082, to improve the management of major defense acquisition programs, to establish a Defense Acquisition Service, and to limit employment contacts between senior officials of the Department of Defense and defense contractors.
SD-342

2:00 p.m.
Appropriations
Agriculture, Rural Development and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for the Food and Drug Administration of the Department of Health and Human Services, and the Commodity Futures Trading Commission.
SD-138

MAY 1

9:30 a.m.
Appropriations
Labor, Health and Human Services, Education, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for the Departments of Labor, Health and Human Services, and Education, and certain related agencies.
SD-116

Labor and Human Resources
Labor Subcommittee
To hold oversight hearings on employee benefit and pension policy implications contained in proposed tax reform legislation.
SD-430

10:00 a.m.
Appropriations
Defense Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for certain defense programs.
SD-192

2:00 p.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for territorial affairs, Department of the Interior
SD-192

MAY 2

10:00 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To resume hearings on proposed legislation authorizing funds for fiscal year 1987 for the National Aeronautics and Space Administration, focusing on the space transportation system.
SR-253

MAY 6

9:30 a.m.
Appropriations
Labor, Health and Human Services, Education, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for the Departments of Labor, Health and Human Services, and Education, and certain related agencies.
SD-116

10:00 a.m.
Appropriations
Defense Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for Air Force aircraft procurement programs.
SD-192

MAY 7

9:30 a.m.
Appropriations
Commerce, Justice, State, the Judiciary, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for the Supreme Court of the United States, U.S. District Courts/Courts of Appeals, and the Commission on the Bicentennial of the U.S. Constitution.
S-146, Capitol

Labor and Human Resources
To hold oversight hearings on medical malpractice.
SD-430

10:00 a.m.
Appropriations
Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for the Urban Mass Transportation Administration, Department of Transportation, and the Washington Metropolitan Area Transit Authority.
SD-138

Energy and Natural Resources
Business meeting, to consider pending calendar business.
SD-366

MAY 8

9:30 a.m.
Appropriations
Labor, Health and Human Services, Education, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for the Departments of Labor, Health and Human Services, and Education, and certain related agencies.
SD-116

10:00 a.m.
Appropriations
Defense Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for strategic systems.
SD-192

Appropriations
Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for the Federal Aviation Administration, Department of Transportation.
SD-138

2:00 p.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for the Holocaust Memorial Council and the Smithsonian Institution.
SD-192

MAY 9

9:30 a.m.
Finance
Health Subcommittee
To hold hearings to examine the condition of rural hospitals under the Medicare Program.
SD-215

MAY 13

9:30 a.m.
Appropriations
Labor, Health and Human Services, Education, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for the Departments of Labor, Health and Human Services, and Education, and certain related agencies.
SD-116

MAY 14

9:30 a.m.
Appropriations
Labor, Health and Human Services, Education, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for the Health Resources and Services Administration, Department of Health and Human Services.
SD-116

Appropriations
Commerce, Justice, State, the Judiciary, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for the Legal Services Corporation, and the Securities and Exchange Commission.
S-146, Capitol

Labor and Human Resources
Business meeting, to consider pending calendar business.
SD-430

10:00 a.m.
Appropriations
Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for the Department of Transportation and certain related agencies.
SD-138

Governmental Affairs
Energy, Nuclear Proliferation and Government Processes Subcommittee
To hold hearings on S. 525, to provide for the transfer to the Secretary of Health and Human Services the authority of the Secretary of Energy to conduct epidemiological studies of radiation effects.
SD-342

MAY 15

9:30 a.m.
Appropriations
Labor, Health and Human Services, Education, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for the Department of Labor, Health and Human Services, and Education, and certain related agencies.
SD-116

Labor and Human Resources
Labor Subcommittee
To hold hearings on S. 2050, to notify workers who are at risk of occupational disease in order to establish a system for identifying and preventing illness and death of such workers.
SD-430

2:30 p.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for fossil energy and clean coal technology.
SD-192

MAY 20

2:00 p.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for the Indian Health Service, Department of Health and Human Services.
SD-192

MAY 21

9:30 a.m.
Appropriations
Commerce, Justice, State, the Judiciary, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for the U.S. Information Agency, and the National Endowment for Democracy.
S-146, Capitol

Labor and Human Resources
To hold oversight hearings on strategies to reduce hunger in America.
SD-430

MAY 29

2:00 p.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for the Office of the Secretary and Office of the Solicitor, Department of the Interior.
SD-192

JUNE 3

10:00 a.m.
Governmental Affairs
Energy, Nuclear Proliferation and Government Processes Subcommittee
To hold hearings on statistical policy for an aging America.
SD-342

JUNE 4

9:30 a.m.
Appropriations
Commerce, Justice, State, the Judiciary, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for the Departments of Commerce, Justice, and State, the Judiciary, and certain related agencies.
S-146, Capitol

Labor and Human Resources
To hold oversight hearings to review the imposition of user fees in FDA approval procedures for new drugs.
SD-430

JUNE 11

9:30 a.m.
Labor and Human Resources
To hold hearings on pending nominations to the National Advisory Council on Women's Educational Programs.
SD-430

JUNE 17

9:30 a.m.
Labor and Human Resources
To resume oversight hearings on medical malpractice.
SD-430

JUNE 18

9:30 a.m.
Labor and Human Resources
Business meeting, to consider pending calendar business.
SD-430

JUNE 25

9:30 a.m.
Labor and Human Resources
To hold hearings on the administration of the Mine Safety and Health Review Commission.
SD-430

JULY 16

9:30 a.m.
Labor and Human Resources
To hold hearings on measures to improve the health of children.
SD-430

JULY 30

9:30 a.m.
Labor and Human Resources
Business meeting, to consider pending calendar business.
SD-430

AUGUST 13

9:30 a.m.
Labor and Human Resources
To hold hearings to review the private sector initiatives in human services.
SD-430

SEPTEMBER 10

9:30 a.m.
Labor and Human Resources
To hold hearings to review the human resources impact on drug research and space technology.
SD-430

SEPTEMBER 16

9:30 a.m.
Labor and Human Resources
To hold hearings on pending nominations.
SD-430

SEPTEMBER 24

9:30 a.m.
Labor and Human Resources
Business meeting, to consider pending calendar business.
SD-430

CANCELLATIONS

APRIL 11

10:00 a.m.
Appropriations
Defense Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for the strategic defense initiative.
SD-192

APRIL 15

1:00 p.m.
Select on Intelligence
Closed business meeting, to mark up proposed legislation authorizing funds for fiscal year 1987 for the intelligence community.
SH-219

APRIL 16

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for the National Aeronautics and Space Administration.
SD-124

APRIL 23

10:00 a.m.
Governmental Affairs
Energy, Nuclear Proliferation and Government Processes Subcommittee
To hold hearings on S. 2009, to require that Federal employees be paid by electronic funds transfer or any other economical or effective method.
SD-342

APRIL 25

9:30 a.m.
Appropriations
Labor, Health and Human Services, Education, and Related Agencies Subcommittee
To hold hearings on the impact of proposed budget estimates on health research programs.
SD-138

HOUSE OF REPRESENTATIVES—*Thursday, April 10, 1986*

The House met at 10 a.m.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

Gracious God, as we seek to learn how to walk the way of righteousness, help us to discern the transient from the eternal. May our actions be tempered by the things that bring lasting benefit and good will among people and may we resist the temptation to gain personal advantage. Fill our spirits with thoughts and feelings of gracefulness that we will be the people You would have us be. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Hallen, one of its clerks, announced that the Senate has passed a bill of the following title, in which the concurrence of the House is requested:

S. 1660. An act to grant a Federal charter to the Confederate Memorial Association.

The message also announced that pursuant to section 4355(a), title 10, of the United States Code, the Vice President appoints Mr. WEICKER from the Committee on Appropriations and Mr. GRAMM at large, to the Board of Visitors of the Military Academy.

PERMISSION FOR COMMITTEE ON EDUCATION AND LABOR TO MEET TODAY DURING 5-MINUTE RULE

Mr. KILDEE. Mr. Speaker, I ask unanimous consent that the Committee on Education and Labor be permitted to meet during the 5-minute rule today.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

Mr. JEFFORDS. I reserve the right to object, Mr. Speaker, just to say that I have checked with all the Members on the minority on the committee and we have no objection to meeting during this period and would recommend that we do.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

REMEMBERING OUR HOSTAGES

(Mr. COBLE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. COBLE. Mr. Speaker, last night, President Reagan told the American public that not a single day goes by that he does not think about the plight of the American hostages still being held captive in Lebanon. I applaud the President for his concern about the well-being of our fellow citizens.

I have delivered speeches here in the House to continue to let those hostages, their families and the Nation realize that we have not forgotten, and that we are continuing to work to win their freedom.

Since the last time I spoke, some new developments have occurred. Two British teachers have been kidnaped in Lebanon. Both men were professors at the American University in Beirut. That is the same school where several of the American hostages worked. The Government of France also announced that it was removing its military observers from Lebanon because of the escalation of attacks on French citizens there.

These developments dramatize the fact that terrorists are going to continue to plague us in the Middle East. We have to be constantly vigilant in fighting terrorism.

I will continue to keep you apprised of any new developments regarding the Americans being held hostage in Lebanon. Please join me in this effort to aid their return home.

FEDERAL FIREARMS LAW REFORM ACT OF 1986

The SPEAKER. Pursuant to House Resolution 403 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 4332.

□ 1006

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 4332) to amend chapter 44—relating to firearms—of title 18, United States Code, and for other purposes, with Mr. RANGEL in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee of the Whole rose on Wednesday, April 9, 1986, pending was the Judiciary Committee amendment in the nature of a substitute, the substitute by the gentleman from Missouri [Mr. VOLKMER] and an amendment to the substitute by the gentleman from New Jersey [Mr. HUGHES].

One hour of consideration for amendments under the 5-minute rule remains.

The question is on the amendment offered by the gentleman from New Jersey [Mr. HUGHES].

For what purpose does the gentleman from Missouri [Mr. VOLKMER] rise?

Mr. VOLKMER. Mr. Chairman, I rise in opposition to the amendment.

The CHAIRMAN. The gentleman from Missouri is recognized for 5 minutes.

Mr. VOLKMER. Mr. Chairman, the allegations from the opponents of the substitute in regard to the interstate sale of handguns is that it would allow massive interstate sales of guns.

First, I would like to address that point because it is erroneous. It is a misrepresentation.

Under the substitute, an interstate sale must comply with all the laws of both States and with Federal laws.

Second, only a licensed gun dealer is allowed to make an interstate sale of a gun. Thus, all interstate sales are carried on dealers' books showing the serial number, the buyer's identity and residence and the buyer's drivers license or other ID number.

Third, as far as the claim that truckloads of guns could be bought goes, section 103 continues the existing requirement that a dealer selling more than one handgun to a person in any one week also must report the transaction to the BATF.

Thus, anyone buying a truckload of pistols or even two of them from a dealer has the name, address, and serial number promptly reported to the BATF. The objection is thus specious.

I know that back in 1982 when the then current bill would have allowed transfers by nondealers, Handgun Control, Inc., suggested that a limitation to dealers would make the interstate sales provision enforceable.

I want to point that out again, that back in 1982 when our language in our bill would have permitted transfers by nondealers, the strong opponents to anyone owning handguns, Handgun Control, Inc., suggested a limitation to

dealers would make the interstate sales provision enforceable, and that is what we have.

So even the Handgun Control, Inc., said in 1982 that this language in our bill was very enforceable. They even testified before the Senate Judiciary Committee that since dealers must undergo a Federal eligibility check before they are licensed, they are subject to continuing Federal oversight and are more familiar with actual laws and procedures, a system that relies on dealers for interstate transfers also helps to reduce the ultimate number of illegal sales.

Well, the substitute relies on dealers for interstate sales, so now they have had to manufacture contradictory nonsense to oppose it, and that is the reason for the amendment. It is specious. It really does not stop criminals from getting handguns. Criminals do not worry about whether it is an interstate purchase or a local purchase. They buy their guns from individuals and we try to prevent that with language in our bill by making it a felony for an individual to sell to a felon or a convicted felon or even an individual. Right now they can do that.

We make that a crime, a Federal crime.

I would also like to point out that in the other body when this amendment was brought up, it was overwhelmingly defeated.

The amendment, such as the present Hughes amendment, was defeated by more than three to one in the Senate and, therefore, it is clear that the amendment does not really stop criminals from getting handguns. It only makes it harder for private individuals, honest citizens, to acquire handguns as well as rifles and shotguns.

The idea that has been put forward that the dealers will not know all State laws and stuff like that again is a specious argument, because even the Judiciary bill and even the amendment that we have before us would allow interstate sales of rifles and shotguns.

Now, in that the dealer is going to have to know what the laws of the other States are for rifles and shotguns. They have to admit that they know those and if they know those, they can know what the handgun laws are in other States, just as easily as you can rifles and shotguns; so that argument that the Judiciary Committee makes is also specious.

Mr. Chairman, I would just like to again voice my overwhelming opposition to this amendment, because it really does not prevent criminals from getting handguns. All it does is try to prevent law-abiding honest citizens from getting handguns.

Mr. MORRISON of Connecticut. Mr. Chairman, I rise to speak in favor of the amendment.

Mr. Chairman, there has been agreement in the House and there was agreement between the committee and the gentleman from Missouri [Mr. VOLKMER] that there should be a relaxation of interstate sales with respect to long guns, but we are not talking here about long guns. We are talking about handguns and it is in this context that this amendment is offered to remove from the Volkmer substitute the relaxation of interstate sales with respect to handguns.

Now, why is this important? First, gun dealers would have to find, know, and understand thousands of State and local laws. We know that is virtually impossible.

What that means is that under this provision if it becomes law, the sale of handguns interstate to those with bad intentions will become more likely. There is no reason that we need to take this risk.

Second, the provision as it is is unenforceable and will remove from the States their ability to prosecute gun dealers who sell guns to citizens illegal as a practical matter. The burden would then be upon the Federal Government to pick up the investigation and prosecution in these cases.

This is a responsibility which the Federal Government just does not have the resources for. These are matters that can and should be enforced as local law, yet the passage of the Volkmer substitute, unamended, will make that an impossibility.

The requirement that fails willfully violates State and local laws makes it next to impossible that there be a conviction.

Finally, the Volkmer substitute, unamended, would open the door for the itinerant would-be assassins, like John Hinckley and Arthur Bremmer and other felons, to pick up guns as they travel around stalking their victims. Interstate sales will make it easier to buy guns with false ID's because dealers are not going to be familiar with the various forms of identification in other States.

The police have called this the "cop killer" provision. It should be stricken, and the amendment offered by the gentleman from New Jersey [Mr. HUGHES] should be adopted.

□ 1015

Mr. MCCOLLUM. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment offered by the gentleman from New Jersey [Mr. HUGHES].

Mr. Chairman, I think this is a critical amendment, and perhaps it is the most critical amendment. Lots of people characterized some we voted on yesterday that way, but I think, personally, this one is.

We are talking about, in this legislation, removing restrictions and impediments on sportsmen, to be able to go out into the field, and carry their weapons through States without impediment, to be able to do things that we found in the course of the last few years, since the 1968 Gun Control Act was adopted, are not necessary to law enforcement and would be helpful if we changed the laws in order to allow sportsmen a better opportunity.

That is what the thrust of the committee bill and really the thrust of the Volkmer substitute is all about. This amendment that the gentleman from New Jersey is offering now to maintain the present law with regard to the interstate sale of handguns is an amendment which is important for law enforcement, and is an amendment to a provision in the Volkmer substitute, which provision is not at all necessary for sportsmen to be able to go about their business in ways which they want to do.

I think it is essential that we come down on this amendment, on the ballot, in favor of law enforcement. Let us talk about that for a minute.

We talk about the question of the handgun sale and we talk about the question of the right to bear arms, and we talk about the question of the criminal's ability to get arms. We have to balance all of those considerations in the discussion.

When we talk about the criminal, most people, including this Member, will gladly accede to the face in the argument that most criminals will be able to obtain a handgun regardless of restrictions or prohibitions, the laws, the penalties, or anything else, especially the hardened criminal and the organized criminal. Consequently, I have always opposed the ban proposals on sales of handguns. I have opposed the waiting periods, the cooling-off periods, because I think that impairs too much on the right to bear arms.

But the question I asked my police chief, several police chiefs in my district, "What do you say in response to those who would charge that criminals can get handguns anyway, so why restrict the interstate sale of handguns, as the law now does?"

They say, "Bill, you are right. The criminal, especially the hardened criminals, or at least most of them, will be able to. But it is a question of making it easier for them to be able to. If you change the present law, you are going to make access that much easier for a criminal."

It is going to be next to impossible for every gun dealer in State X, Y, or Z, Minnesota, North Dakota, to keep up with, despite the regulations promulgated and sent to them, the laws of Florida, New Jersey, and so on. It is going to be easier for someone to come in with a driver's license that is forged that they do not recognize, to show identity, and so on, or whatever it may

be. It is going to be easier to get that handgun in a State where the dealer just is not that personally familiar with what it looks like, what the documents look like, just through who you are or where you are from.

Consequently, the safeguards that I know that the gentleman from Missouri [Mr. VOLKMER] has put into his substitute in hopes that he can protect this sale provision just simply, in my judgment, will not work. When I balance the interest involved and the concerns of our law enforcement community, I have to come down on the side of the Hughes amendment in this case. I happen to believe that it is absolutely essential for the future protection of society against the criminal that we have on the books the present laws that exist, and it is in no way an impediment to those who want to go hunting, or certainly a very minor inconvenience to have the laws the way they are with regard to the interstate sale of handguns.

I remind my colleagues that we have already changed the law in both of the proposals before us today with regard to long guns, shotguns, and rifles, so that that interstate purchase will be available, and so forth. I think it is essential, as I said, that we not change the law with regard to handguns, and I strongly urge my colleagues to vote "yes," in favor of the amendment before us at the present time.

Mr. HUGHES. Mr. Chairman, we only have about 50 minutes left to debate, and I wonder if we can agree to limit debate on this amendment to not more than 5 more minutes, on this particular amendment, and to limit debate on each of the additional amendments to no more than 10 minutes.

Mr. McCOLLUM. Mr. Chairman, if the gentleman would yield, I would be glad to do that. I think that would be a fair thing to do.

The CHAIRMAN. Does the gentleman from New Jersey have a unanimous-consent request?

Mr. HUGHES. Mr. Chairman, I ask unanimous consent to limit debate on this amendment to 10 minutes, and on any additional amendments offered to 10 minutes, so that we can at least get to a number of the amendments that have been noticed by other Members.

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey?

Mr. McCOLLUM. Mr. Chairman, reserving the right to object, I would like to ask the chairman, it is the chairman's concern, as it is mine, I believe, in his request, that we only have a few minutes left, maybe 50 minutes or so altogether. There are any number of amendments that Members would like to offer besides the one now pending.

In all sense of fairness, some kind of time accord needs to be worked out.

Is that not the gentleman's objective in this proposal?

Mr. HUGHES. If the gentleman will yield, that is the purpose of it.

Mr. McCOLLUM. I think it is fair.

Mr. HUGHES. I would hope that Members would not object.

Mr. ROEMER. I am constrained to object, Mr. Chairman.

Mr. HUGHES. Mr. Chairman, I withdraw my request.

The CHAIRMAN. The gentleman withdraws his request.

Mr. SHAW. Mr. Chairman, I move to strike the requisite number of words, and I rise to speak in favor of the amendment offered by the gentleman from New Jersey [Mr. HUGHES].

Mr. Chairman, yesterday I voted pretty consistently against the amendments that were offered by the gentleman from New Jersey [Mr. HUGHES]. In doing so, I recognized that I did not feel that they were that important as far as law and order were concerned, but I think we have come to a point now in the debate where the amendment that is before us is a very important amendment to law enforcement.

I would urge my colleagues, my colleague who voted along with the Volkmer substitute and tried to keep it pure yesterday, that they take another close look. This has got to be the key vote with regard to whether we want any controls whatsoever over the out-of-State sales of arms.

I do not believe and did not believe and still do not believe that the question of transporting handguns is really that important an amendment, and I thought it was really going to be more of an impairment to honest people than it was going to be a tool for law enforcement, but this is most important.

It is most important that we allow the States to keep their own laws for its own citizens, and those of us who do believe in States rights cooperate. I would urge all of my colleagues who went along with the NRA position yesterday, as I did, that this is the time to part company; that on this amendment, and at least one other regarding silencers, we have got to go back to some reasonable controls.

Mr. ROEMER. Mr. Chairman, will the gentleman yield?

Mr. SHAW. I yield to the gentleman from Louisiana.

Mr. ROEMER. I thank the gentleman both for his statement and for yielding to me.

Mr. Chairman, I agree with the gentleman's statement. There were many in this body yesterday who, torn between two broad-brush approaches to a difficult subject, came down on the side of Volkmer. But there were reservations within many of us who did that about this specific point in the law.

I agree with the gentleman from Florida that in terms of law enforcement, this is a key vote on this bill. What the Hughes amendment would do would be to keep the law as is in regard to interstate sales of handguns. Since 1968, we have had that prohibition in the law, and the basis of the prohibition, Mr. Chairman, was that handguns are difficult to find, easy to conceal, and are often dangerous. While they have legitimate uses in the world, they are different from long guns.

One of the things that we did in the law was require a local thread for the purchase of a handgun. That was the basis of the 1968 law. It is in force today, and we ought to stick with the gentleman from New Jersey [Mr. HUGHES] to make sure that when this body does its work today we keep the 1968 law the same with regard to interstate sales of handguns.

Point No. 2, if I could. I have heard no reason, no solid, substantive reason, as to why this law should be changed. Until I hear that, I stand with the gentleman from Florida and ask my colleagues who yesterday voted with the Volkmer broad brush to come back and clean it up on this targeted issue. Let us give law enforcement officers a chance. Let us hold the 1968 law on the interstate sale of handguns just like it is today.

Mr. SHAW. I thank the gentleman for a very fine statement.

Mr. Chairman, I would urge all of my colleagues to recognize that this is the key vote for law enforcement. This is the most important vote that we are going to have all day, and I would urge a "yes" vote on the Hughes amendment.

Mr. SMITH of Florida. Mr. Chairman, I move to strike the requisite number of words, and I rise to speak in favor of the amendment offered by the gentleman from New Jersey [Mr. HUGHES].

Mr. Chairman, there is near unanimity on that side and on this side on this amendment. Please, I urge my colleagues, it is an important amendment. Everything that has been said is all that is going to be said.

There are other amendments. They have importance. Let us not beat a dead horse. We know the vote on this. We know where it is going. We know what the issue is. Let us stop. There are other amendments people have on important issues.

I would urge my colleagues to take a vote on this issue now.

□ 1025

Mr. FISH. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I support this amendment to prohibit the interstate purchase of handguns for several reasons. The law enforcement community sees this particular provision of the Volkmer substitute as a serious threat to

its safety and its effectiveness in solving crime.

Although I support the provisions in the Volkmer substitute that would, for the first time, permit the purchase of rifles and shotguns outside of a buyer's State if the purchase is legal in the State of the purchase and the purchaser's resident State, I cannot agree to the application of these provisions for handguns. First, the local laws are so varied with regard to handguns that compliance is doubtful even where dealers do their utmost to comply with the law. Second, handguns are more often used in crime, and the ability to trace these weapons to the criminal is jeopardized if the handguns are purchased anywhere in the United States.

I urge the adoption of this amendment.

Mr. GEKAS. Mr. Chairman, will the gentleman yield?

Mr. FISH. I yield to the gentleman from Pennsylvania.

Mr. GEKAS. Mr. Chairman, I thank the gentleman for yielding.

I too want to urge support for this particular amendment. Let us face it, we gamble whatever we do on any of these amendments. It is a gamble, but here we are gambling on the side of at least protection that the 1968 law has thus far given. Maybe it is not perfect, but why change it? Why loosen it?

I am in favor of the amendment and I thank the gentleman for yielding.

Mr. CRAIG. Mr. Chairman, I move to strike the requisite number of words and I rise in opposition to the amendment.

Mr. Chairman, a lot of people have said this is key to law enforcement. Others have said give us justification as to why we ought to change the 1968 law.

I guess the only justification I can give you is that State lines ought not serve as a barrier for the sale of firearms unless the laws of the State prohibit such sales. That is, I guess, a States right argument. But it is something that we have lived with, that does work, and the dealers can understand.

That is a chance, I think, and that is what we have changed in the Volkmer substitute. If the State or a community has enacted a restrictive firearm acquisition law, it would be respected and protected under the Volkmer substitute which could become Federal law. If a State has chosen not to enact such a law, then the Federal law no longer would impose. To limit interstate sales to long guns only is nothing but an unjustified Federal interference, in my opinion, in State affairs.

The fact that it has been in place for 18 years does not necessarily make it acceptable. When you examine the facts of the law as they have been administered over those 18 years, I think it is very hard to argue that this is a panacea in law enforcement, because it simply is not the case.

Because of an overwhelming majority of interstate firearm sales, like all other interstate sales occur primarily in contiguous States, and we know of situations, border relationships within communities, across the river from another community, and it just so happens that one may be rural and the other may be metropolitan. That river may be the boundary, and that is where those rural people go to buy firearms if they so choose.

I think this is an interference at the Federal level, and we do not object, nor in any way do we object to State law, to local community law, to a city ordinance. And under present law, long guns may be purchased in contiguous States. For some reason, we have to believe that there is a firearm that is more dangerous than another firearm. Depending on who holds it and who uses it is the determiner of danger to the citizen out there, and we all know that.

I would simply believe that the Volkmer substitute offers a reasonable compromise and does not take Federal law and cram it down on the top of State law when it should not be necessary.

Mr. VOLKMER. Mr. Chairman, will the gentleman yield?

Mr. CRAIG. I yield to the gentleman from Missouri.

Mr. VOLKMER. The gentleman has pointed out something that I think is very important, and that is that the substitute bill, the language in that permits interstate sales of handguns and does not in any way change any local law or State law or ordinance. If any one State, if every State wished to ban interstate sale of handguns within their borders, all they have to do is pass a law that says no one but a resident of X State can buy a handgun in X State. That stops it, and this provision in our bill does not abrogate that in any way.

I would also like to point out that back in 1982 Ferris Lucas, who was speaking in behalf of the National Sheriffs Association before the Senate Judiciary Committee, said the entire existing Federal gun law makes it a felony for a private citizen, and they still do, to give or sell a firearm to a resident of a different State, even though this would violate the laws of neither State. And the present law does that, even though you may not violate the laws of either State. You still violate the Federal law.

If my brother, who lives in the State of Washington, was to come to visit me, and he would like to acquire a handgun and is qualified in both States—by the way, he just retired from the Federal Bureau of Corrections, so I do not think he is a crook in any way. He is a law-abiding citizen in every respect—he could not purchase that handgun in the State of Missouri, even though he qualified both in the State of Washington and in the State of Missouri. And you would make it difficult.

All you are trying to do is make it more difficult for that private citizen to acquire that handgun. You are not making it any more difficult for crooks to acquire handguns. You are not making it any more difficult because the crook is not going to go into that dealer and buy the handgun. He is going to go to the private individual, to the black market and get his handgun. That is where he gets all of them.

Mr. ROBINSON. Mr. Chairman, I move to strike the requisite number of words.

Mr. ROBINSON. Mr. Chairman, I will be very brief this morning. I rise in opposition to the Hughes amendment, and in favor of the Volkmer substitute.

I have in my hand a book published by the U.S. Department of Justice, entitled "Crime in the United States." I think all of my colleagues need to read this because clearly the U.S. Department of Justice does not consider firearm laws to be a crime factor. Nowhere in this book can one find where firearm laws are considered to be a crime-causing factor.

Furthermore, as I mentioned yesterday, in a recent survey commissioned by the U.S. Department of Justice, 69 percent of criminals surveyed did not carry firearms, but knives, razors, brass knuckles, et cetera. The truth of the matter is over 40 percent of the homicides committed in this country are committed with other objects and instruments other than firearms. For example, we know that in 40 percent of the homicides, the murder weapon was a knife, club, hammer, some object, poison, explosive, fire, narcotics, drowning, strangulation, and other factors.

The bottom line is simply this: Most criminals in this country do not abide by the Gun Control Act of 1968.

In closing, I want to remind my colleagues that since the passage of the 1968 Gun Control Act, we have seen homicides go up over a period of time by 50 percent.

I yield back the balance of my time.

Mr. HUGHES. Mr. Chairman, I move to strike the requisite number of words.

The CHAIRMAN. Without objection, the gentleman is recognized for 5 minutes.

There was no objection.

Mr. HUGHES. Mr. Chairman, just briefly, I rise in strong support of the amendment. It is a key law enforcement amendment.

We have 200-some-odd-thousand dealers around this country. They cannot possibly know the laws of each State. We are just going to proliferate

the sale of handguns to disqualified individuals.

I urge my colleagues to support the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Jersey [Mr. HUGHES] to the amendment, as amended, offered by the gentleman from Missouri [Mr. VOLKMER] as a substitute for the Judiciary Committee amendment in the nature of a substitute, as amended.

The question was taken; and on a division (demanded by Mr. VOLKMER), there were—ayes 17, noes 15.

RECORDED VOTE

Mr. VOLKMER. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 233, noes 184, not voting 17, as follows:

[Roll No. 72]

AYES—233

Ackerman	Feighan	Madigan
Akaka	Fish	Manton
Anderson	Florio	Markey
Annunzio	Foglietta	Martin (IL)
Anthony	Ford (MI)	Martinez
Applegate	Fowler	Matsui
Aspin	Frank	Mavroules
Atkins	Frenzel	Mazzoli
Barnard	Frost	McCandless
Barnes	Fuqua	McCollum
Bateman	Gallo	McGrath
Bates	Garcia	McHugh
Bedell	Gejdenson	McKinney
Beilenson	Gekas	Meyers
Bennett	Gibbons	Mica
Bentley	Gilman	Michel
Bereuter	Glickman	Mikulski
Biaggi	Gonzalez	Miller (CA)
Boggs	Goodling	Miller (WA)
Boland	Gradison	Mineta
Bonior (MI)	Green	Mitchell
Bonker	Guarini	Moakley
Borski	Hall (OH)	Molinari
Bosco	Hatcher	Moody
Boxer	Hawkins	Morrison (CT)
Broomfield	Hayes	Morrison (WA)
Brown (CA)	Henry	Mrazek
Burton (CA)	Hertel	Myers
Carper	Hiler	Neal
Carr	Hillis	Nelson
Chandler	Howard	Nielson
Clay	Hoyer	Nowak
Coats	Hughes	Oakar
Coelho	Hutto	Owens
Coleman (MO)	Hyde	Oxley
Collins	Jacobs	Panetta
Conte	Jeffords	Parris
Conyers	Johnson	Pease
Coughlin	Jones (NC)	Pepper
Courter	Kaptur	Petri
Coyne	Kasich	Porter
Crockett	Kastenmeier	Price
de la Garza	Kennelly	Pursell
Dellums	Kildee	Rangel
DeWine	Kindness	Ray
Dicks	Kleczka	Regula
DioGuardi	Kostmayer	Ridge
Dixon	LaFalce	Rinaldo
Donnelly	Lantos	Ritter
Dorgan (ND)	Leach (IA)	Rodino
Downey	Lehman (CA)	Roe
Durbin	Lehman (FL)	Roemer
Dwyer	Leland	Rose
Dymally	Lent	Rostenkowski
Early	Levin (MI)	Roukema
Eckart (OH)	Levine (CA)	Rowland (CT)
Edgar	Lewis (FL)	Rowland (GA)
Edwards (CA)	Lipinski	Roybal
Edwards (OK)	Long	Russo
Evans (IA)	Lowery (CA)	Sabo
Evans (IL)	Lowry (WA)	Savage
Fascell	Lundine	Saxton
Fawell	Lungren	Scheuer
Fazio	MacKay	Schneider
Schroeder	Studds	Wheat
Schumer	Swift	Whitehurst
Seiberling	Synar	Whittaker
Sensenbrenner	Tauke	Wirth
Shaw	Torres	Wolf
Slattery	Torricelli	Wolpe
Slaughter	Towns	Wright
Smith (FL)	Traficant	Wylie
Smith (NJ)	Udall	Yates
Solarz	Vento	Yatron
St Germain	Visclosky	Young (FL)
Stark	Walgren	Young (MO)
Stenholm	Waxman	Zschau
Stratton	Weiss	

NOES—184

Alexander	Gingrich	Rahall
Andrews	Gordon	Reid
Archer	Gregg	Richardson
Armey	Gunderson	Roberts
AuCoin	Hall, Ralph	Robinson
Badham	Hamilton	Rogers
Bartlett	Hammerschmidt	Roth
Barton	Hansen	Rudd
Bevill	Hartnett	Schaefer
Bilirakis	Hefner	Schuette
Bliley	Hendon	Sharp
Boehlert	Holt	Shelby
Boner (TN)	Hopkins	Shumway
Boucher	Horton	Shuster
Breaux	Hubbard	Sikorski
Brooks	Huckaby	Siljander
Brown (CO)	Hunter	Sisisky
Broyhill	Jenkins	Skeen
Bruce	Jones (OK)	Skelton
Bryant	Jones (TN)	Smith (IA)
Burton (IN)	Kanjorski	Smith (NE)
Bustamante	Kemp	Smith, Denny (OR)
Byron	Kolbe	Smith, Robert (NH)
Callahan	Kolter	Smith, Robert (OR)
Campbell	Lagomarsino	Snowe
Carney	Latta	Snyder
Chapman	Leath (TX)	Solomon
Chappell	Lewis (CA)	Spence
Chappie	Lightfoot	Spratt
Cheney	Livingston	Staggers
Clinger	Lloyd	Stallings
Cobey	Loeffler	Stangeland
Coble	Lott	Strang
Coleman (TX)	Luken	Stump
Combest	Mack	Sundquist
Cooper	Marlenee	Sweeney
Craig	Martin (NY)	Swindall
Crane	McCain	Tallon
Daniel	McCloskey	Tauzin
Dannemeyer	McCurdy	Taylor
Darden	McDade	Thomas (CA)
Daschle	McEwen	Thomas (GA)
Daub	McKernan	Traxler
Davis	McMillan	Valentine
DeLay	Miller (OH)	Vander Jagt
Derrick	Mollohan	Volkmer
Dickinson	Monson	Vucanovich
Dingell	Montgomery	Walker
Dornan (CA)	Moore	Watkins
Dowdy	Moorhead	Weaver
Dreier	Murphy	Weber
Duncan	Murtha	Whitley
Dyson	Natcher	Whitten
Eckert (NY)	Oberstar	Williams
Emerson	Obey	Wise
English	Olin	Wortley
Erdreich	Ortiz	Wyden
Fiedler	Packard	Young (AK)
Fields	Pashayan	
Flippo	Penny	
Foley	Perkins	
Franklin	Pickle	
Gaydos	Quillen	

NOT VOTING—17

Addabbo	Gray (PA)	Nichols
Berman	Grotberg	O'Brien
Boulter	Heftel	Schulze
Ford (TN)	Ireland	Stokes
Gephardt	Kramer	Wilson
Gray (IL)	Lujan	

□ 1050

The Clerk announced the following pairs:

On this vote:

Mr. Heftel, for, with Mr. Nichols against.

Mr. Gephardt, for, with Mr. Schulze against.

Mr. Stokes, for, with Mr. Gray of Illinios against.

Messrs. DANNEMEYER, NEAL, SCHAEFER, and GINGRICH, Mrs. BYRON, and Mrs. SMITH of Nebraska changed their votes from "aye" to "no."

Messrs. CARR, ROSE, COELHO, and NEAL changed their votes from "no" to "aye."

So the amendment to the amendment, as amended, offered as a substitute for the Judiciary Committee amendment in the nature of a substitute, as amended, was agreed to.

PARLIAMENTARY INQUIRY

Mr. ROEMER. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. ROEMER. Mr. Chairman, how much time do we have left in the debate and what happens to amendments not debated?

The CHAIRMAN. There are 4 minutes remaining for consideration of all amendments to the bill and all amendments that have not been offered to the Volkmer substitute could not be offered.

Mr. ROEMER. Mr. Chairman, explain to me under the rules of the House and under this debate for amendments not able to be discussed within the next 240 seconds, what happens to those amendments? Do we have a chance to vote yes or no?

The CHAIRMAN. Under the special order under which the Committee is operating, the time expires for purposes of considering amendments to the bill in 4 minutes. So any amendments that have not been offered within the time allocated by the rule which has been voted on by the House will not be offered.

The CHAIRMAN. For what purpose does the gentleman from New Jersey rise, the chairman of the subcommittee?

Mr. HUGHES. Mr. Chairman, I would inquire of my colleague from Missouri if my colleague would agree to an additional hour of debate beyond the time permitted so that Members who have noticed amendments will have an opportunity to offer those amendments.

The CHAIRMAN. It is impossible for the Chair to recognize any Member for purposes of changing the rule adopted by the House. The Committee is restricted by the rule which has been voted on by the House.

The Committee is not authorized to change the rule in that way.

Mr. HUGHES. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I yield to my colleague from Maryland [Mr. BARNES]

Mr. BARNES. Mr. Chairman, I rise in strong opposition to weakening gun

controls. We ought to be strengthening gun control laws in this country.

The CHAIRMAN. The Chair recognizes the gentlewoman from Illinois [Mrs. COLLINS].

Mrs. COLLINS. Mr. Chairman, I rise to express my regret that, under the rule, I will not be allowed to offer my amendment to the Volkmer substitute. Had I had the opportunity, my amendment, which was printed in the CONGRESSIONAL RECORD prior to debate, would have strengthened gun control in a number of significant ways.

First, the measure would require each State to establish a State handgun registration system. Second, each State would be responsible for imposing suitable penalties for noncompliance, including: First, mandatory imprisonment for a period of not less than 15 years imposed on persons who violate the registration provision; and second, fines of not more than $250,000. Moreover, under my amendment, no suspended sentences or probation would be allowed. In the event the States fail to adopt this gun registration program, the U.S. Attorney General shall be authorized to establish a Federal handgun registration program.

Thus, my amendment would have strengthened gun control in three important ways. First, the greatest value of the system of handgun registration is that it will enable law enforcement officers to trace weapons used in crimes. This is one major reason why police groups support handgun registration. Second, registration can be used as an additional weapon against suspects arrested with an unregistered handgun. Even while there is not enough evidence to support a conviction for a substantive crime, violation of the registration law will be enough for conviction. Third, registration also induces accountability on the part of handgun owners. Knowing there is an official record of ownership, they will act more responsibly in the care of their guns, promptly reporting any loss, theft, or sale.

I regret that I was prevented by the rule from introducing this important measure today. But I will continue to pursue handgun registration at every opportunity, including fighting for adoption of my handgun registration bill (H.R. 299). By mandating handgun registration, we will forge a double-edged sword for fighting violent crime. First, we will give State law enforcement officials—the people on the front lines in war on crime—an important weapon they need to solve crimes. Second, we will put in place a strong deterrent to violent crimes committed with handguns. Clearly, if we are serious about reducing handgun crime, we can do no less.

Mr. LEVINE of California. Mr. Chairman, I am strongly opposed to all efforts to weaken handgun controls because access to handguns significantly increases violent crime. Every year, handguns are used in the murders of over 10,000 Americans and last year in the murder of 58 police officers. We should respond to this carnage with laws aimed at saving lives and reducing crime. Instead, we are considering legislation which significantly erodes current laws under the guise of protecting the rights of hunters and sportsmen.

Provisions in this amendment will enable criminals to travel to other States to purchase handguns, buy untraceable handguns from unregistered dealers, and transport their new weapons back to their home States.

Law enforcement abhors this legislation because of the mayhem it will create on our streets and in our homes. If this language is passed, we will see more violent crimes, more crimes of passion, and more accidental shootings.

This legislation goes far beyond the concerns of hunters and sportsmen by actually increasing the availability of handguns. These weapons have little sporting use, but can be easily concealed by criminals.

Under the Volkmer proposals individuals who cannot obtain handguns in their own locales can travel to other States for weapons. Although this legislation provides that the State and local laws of the buyer and seller are to be followed in handgun transactions, it then negates this provision by allowing dealers who break State and local laws to use ignorance of the law as a defense for their actions. Dealers will essentially be able to sell to anyone who walks in the door.

Further, this language overrides State and local laws regarding the transportation of handguns by allowing handguns to be carried for "interstate commerce" or for hunting or sporting purposes. This provision will drastically increase the number of handguns on the street, and further handicap law enforcement efforts to control handgun crime.

This legislation additionally weakens law enforcement efforts by relaxing dealer registration provisions and allowing unlicensed individuals to sell handguns without keeping records. Additionally, licensed dealers may transfer stock to their "personal collections" and then sell from these collections without the records. Essentially, this means that there will be more untraceable weapons on the streets for criminal use.

This is not a prosportsman bill. This is a procrime bill.

We have a moral responsibility to protect the safety of the citizens of this country. Every year, 10,000 deaths result from handguns. These deaths often occur in the commission of senseless crimes. Some deaths occur in the passion of the moment, and additional tragic deaths occur accidently. But all have in common the easy access to handguns. We have a moral responsibility to fight this violence. To decrease the rate of violent crimes, halt the crime of passion, protect the innocent. The Volkmer legislation will not achieve any of these goals, and will impede what progress we have achieved.

I have heard from people from all walks of life who are deeply concerned about handgun violence and the impact of this legislation. Physicians, judges, clergy members, and citizens are calling for stronger and tougher laws. We should hear those voices and not further erode these laws.

Mr. WOLPE. Mr. Chairman, much has already been said about the gun control legislation that we are considering today. However, I feel compelled to share with my colleagues a letter that was recently presented to me by a group of local police chiefs in my congressional district who are strongly opposed to the Volkmer substitute.

Like literally thousands of other law enforcement personnel across the country, the police in my district are concerned that the Volkmer substitute would add considerably more peril to their job than already exists, and that it would effectively undermine their already difficult fight against violent crime. A line from their letter perhaps best sums up their views on this issue: "We can only be as effective as the law permits."

Mr. Chairman, I am pleased to insert the letter from the police in my district into the CONGRESSIONAL RECORD. I hope my colleagues will take their appeal to heart. In my mind, this is not only just a vote for the law enforcement community, but for the entire pulbic interest.

KALAMAZOO COUNTY
SHERIFF'S DEPARTMENT,
Kalamazoo, MI, April 2, 1986.

Hon. HOWARD WOLPE,
U.S. House of Representatives, Longworth House Office Building, Washington, DC.

DEAR REPRESENTATIVE WOLPE: We respectfully request your support on a current issue coming up for a House vote in early April; the Hughes Law Enforcement Amendment (H.R. 4332) to the McClure-Volkmer Gun Decontrol Act (S. 49 & H.R. 945).

We believe House approval of the Hughes Amendment will be a major contribution to continued reasonable and rational federal control on the sale, use and interstate commerce of firearms. This Amendment seeks to retain essential elements of law to help keep guns and the transport of guns out of the hands of the criminals as well as persons disposed to seek ready access to a gun for a single violent act.

As you know, crime continues to be a primary fear and concern of all law abiding Americans. We, like you, maintain a close communication with our constituents. We cannot believe the average American would agree with McClure-Volkmer bill or its amendment (H.R. 945) after having it explained in detail. In fact, what we hear in the community is "why can't you get these people and their guns off the street before they commit more violence?" As you know, we can only be as effective as the law permits. The citizens need your help.

Our second concern comes from the "street" police officers across the nation who must face guns either responding to crime scenes, or by happen-stance during a routine traffic stop. Police officers also need your help. The current Gun Control Act of 1968 provides for legitimate gun ownership and without unreasonable restraint. We believe S. 49 weakens the present law without amendment and we have unified to show our opposition. The bill's sponsors have recognized major points raised as being valid by introducing a substitute amendment (H.R. 945), however, it doesn't go far enough.

We need the Hughes Amendment and the American people need it. Please support the Hughes Amendment (H.R. 4332) and encourage your colleagues to support it.

Thank you for your consideration in this matter. If we can provide any further assistance, please let us know.

Respectfully,

John E. Ross, Chief of Public Safety, City of Kalamazoo; Richard Butler, Chief of Police, Kalamazoo Township; Thomas N. Edmonds, Sheriff, County of Kalamazoo; George VonBehren,

Chief of Police, City of Portage; Lanny Wilde, Chief of Public Safety, Western Michigan University.

Mr. FRENZEL. Mr. Chairman, a clear majority of this House, including myself, believes that the current law needs revision. The Volkmer proposal was a good start. The committee bill was also a useful proposal.

It had been my intention to support the Volkmer version until I listened to law enforcement officials in my district. The chiefs in my area, the sheriffs, the police and peace officers' groups, even the State bureau of criminal apprehension, have requested my support of the Hughes amendment to the Volkmer proposal.

The strong feelings expressed by these frontline troops in the war against crime, and the unanimity of all the law enforcement groups, was persuasive, and so I voted for the Hughes amendment yesterday. That nine-part amendment did not, in my judgment, do great violence to the general intent of the Volkmer proposal, but it failed to pass.

When the Hughes amendment to preserve current law with respect to interstate sales of handguns was passed, I supported it since it was the most important feature of the original nine-part Hughes amendment, and because of the support of the law enforcement groups. It did not disturb the Volkmer reform relaxing such sales of rifles and shotguns.

I then supported the Volkmer proposal, as amended by the interstate handgun and machinegun amendment against the original committee bill, and on final passage.

I am disappointed that our local police officers did not get the changes they sought, but I am glad that needed changes were made in our nearly 20-year-old gun laws.

The procedures, however, deserve strong criticism. First, the Judiciary Committee apparently tried to bury the Volkmer bill despite its strong support from a majority of Members. When a discharge petition was initiated, I told the subcommittee chairman that I would sign the petition if he could not bring a bill to the floor by May 1.

The committee and the petition finished in a dead heat. It is always better to handle important legislation under regular procedures, so one must give the committee bad marks for delay.

The committee looks good, however, compared to the Rules Committee and the House leadership. The Rule was a ridiculous restraint on debate and amendments on an issue on which interest was obviously keen. The Speaker personally disrupted his own schedule at the last minute in a way that personally inconvenienced many Members. The confusion that accompanied the expiration of time in the Committee of the Whole was a disgrace, and the refusal of the Acting Speaker to recognize minority Members seeking to move amendments was a breach of the House's regular customs.

The result was satisfactory, but the procedures by which we achieved it were not. That procedure is one more bit of evidence that the leadership of this House is tired and needs change.

Mr. GALLO. Mr. Chairman, I want to thank my constituents in the 11th District of New Jersey who took time to contact me with their views on the gun legislation considered in the House of Representatives today. I am pleased that the House of Representatives reached a compromise that addresses the concerns of both law enforcement and law-abiding sportsmen and hunters.

I want to take this opportunity to let my constituents know, of the reasons why I supported the Volkmer substitute legislation, which passed in the House of Representatives today by a vote of 292 to 130.

For sportsmen, this bill permits the interstate sale of certain, but not all, firearms if the sale is made face to face between buyer and seller and only if the sale complies with laws of both States. It assures the rights of individuals to travel in and between States with a secured, unloaded, not readily accessible firearm for the purpose of participating in legal sporting activities or for changing their residence. While the bill permits the interstate sale of long guns and shotguns, this bill in no way permits the interstate sale of handguns. I specifically voted in favor of the amendment to prohibit the interstate sale of handguns.

For law enforcement, this bill provides an important new weapon against narcotics traffickers by mandating a 5-year mandatory prison sentence for any person who uses a firearm during commission of a drug trafficking crime; provides a mandatory prison term of 10 years for using a machinegun during commission of a crime; bans the use or sale of silencers; bans the importation of parts used to make Saturday night specials; bans parts used to convert guns into machineguns; and makes it a felony to transfer a firearm to another person knowing or having reason to believe that such person is unqualified.

For gun dealers, this bill requires a knowing state of mind for felony violations; reduces technical recordkeeping offenses to a misdemeanor; permits sales at gun shows; and limits unannounced inspections to one per year with other inspections requiring a warrant.

Again, let me state that this bill will not make it easier for criminals to obtain guns. Criminals already go outside the law to obtain guns. Purchasing a handgun in any State other than the person's residence is strictly prohibited. For shotguns and long guns, this bill will not allow someone to escape the jurisdiction of their State laws and purchase in a State with more lenient laws since all interstate sales must comply with State laws of both the owner and the seller. As my constituents know, New Jersey has very stringent gun control laws which will remain in effect under this bill.

In sum, this bill will aid law enforcement by simplifying the administration of the law, eliminating some ambiguities and, overall, will benefit law-abiding shooters, sportsmen, and other gun owners.

Mr. MILLER of Washington. Mr. Chairman, I rise in opposition to the McClure-Volkmer substitute, and in support of H.R. 4332, a bill by Representative HUGHES to improve the regulation of firearms in this country.

Both bills make it easier for hunters and sportsmen to transport legally acquired rifles safely and securely across State lines. And rightly so. But McClure-Volkmer does and does not do some things that alarm me. McClure-Volkmer allows the interstate sale of handguns and of Saturday night specials, weapons that have contributed to thousands of homicides in our country.

Some refinements in current law may indeed be necessary to protect individual rights and to correct inequities. But, for heavens sake, while making these adjustments, let us not remove or weaken those very few requirements which provide the public and the police a minimum of protection.

The McClure-Volkmer substitute allows the interstate sale of silencers and plastic guns, and of automatic weapon assemblies—all weapons or weapon parts that are not used for any good. What sportsman would want to use a plastic gun? What hunter would want to use a silencer?

In this debate Mr. Chairman, we should be very clear about one thing: The Hughes bill, not the McClure-Volkmer amendment, is the law and order bill. This may not be the opinion of the National Rifle Association, but it is the opinion of just about every major law enforcement and police organization in this country. Police officers around the Nation are pleading for our help to stem the flood of lethal handguns now engulfing our towns and cities. These officers support this bill. And I hope, I pray that we here today, heed their pleas, because they are pleading for our—and their—lives.

Let me say again, the Hughes bill is a law and order bill. It is not antihunter; this Hughes bill is not antitarget shooter. In fact, this bill contains key provisions which will protect the rights of hunters and target shooters who travel across State lines to shoot or who wish to buy rifles and shotguns in other than their home States. These are the same protections that are in the McClure-Volkmer substitute. This bill also contains added protections for gun dealers. It permits the sale of rifles and shotguns at gun shows and the bill clarifies several other provisions of the 1968 law which have proven cumbersome to dealers and unnecessary for effective law enforcement.

But, more importantly, the Hughes legislation gives our police the legal tools they need to protect themselves and us from machineguns and the justly infamous Saturday night special cheap handguns that so often find their way into the hand of the criminally sane and insane. This bill says if you deal drugs and use a gun, you go to jail for at least 5 years. If you use a machinegun in your criminal activities, you get 10 years in jail. And if you repeat the offense, you get another 20 years. At the President's request, this bill places tighter controls on the sale of parts used to convert semiautomatic weapons into machineguns. This bill bans the sale of silencers or silencer kits, a tool used almost exclusively in contract killings. And finally, this bill bans the importation of cheap handguns, the justly infamous Saturday night special.

I read a newspaper interview recently of Mrs. Sarah Brady. Mrs. Brady as we all know is the wife of Presidential Press Secretary James Brady, the same James Brady who was almost killed by a would-be Presidential assassin's bullet. The bullet came from a handgun, purchased from a pawn shop by a man with a history of mental illness. Now in

this interview, Mrs. Brady said she had to be careful and not become too emotional in her opposition to the effort to weaken controls on handgun sales. Mrs. Brady rightly feels that too much emotion about this issue, particularly on her part, would obscure the simple fact that thoughtful, careful controls on the sale of handguns will save lives. It will save the lives of policemen, preschoolers, and yes, Presidents.

Mr. WOLPE. Mr. Chairman, I rise in opposition to final passage of the Volkmer substitute. I cannot in good conscience support a proposal that will significantly undermine our Nation's law enforcement community in their fight against violent crime.

Let's be clear about one thing in today's debate: This is not a discussion about the right to own firearms. Nor is it about preventing the legitimate use of firearms by hunters, sportsmen, and collectors. I have always supported the rights of hunters and sportsmen and will continue to do so. This is why I supported the Hughes amendment which, in my view, was both a responsible and balanced approach in reforming our Federal gun laws; it provided our Nation's police personnel with the necessary tools they need to effectively fight violent crime, while protecting the interests of hunters and sportsmen by allowing the interstate sale and transportation of rifles and shotguns for hunting purposes.

Mr. Chairman, it is no great secret that the Volkmer substitute is vehemently opposed by the 12 principal police organizations throughout the country. In fact, I have just returned from my congressional district where I personally met with a number of local police officials who expressed grave concerns about this proposal. The police officials whom I met with don't understand why we should add more danger to their jobs than already exists, and why we would seek to undermine their fight against violent crime. Specifically, they don't understand why we should provide loopholes for the interstate sale of handguns; for the sale of silencers and machineguns; and for cop-killer teflon-coated bullets that can penetrate bullet-proof vests. Furthermore, they don't understand why we would—of all things—support a plastic gun which terrorists can smuggle undetected through Federal aviation approved airport security systems, and why we would oppose a simple background check and waiting period for those persons who purchase handguns. And, quite frankly, they wonder why the national leadership of the NRA—who have traditionally been strong supporters of the law enforcement community—are now trying to make their jobs so much more difficult.

Mr. Chairman, let me take a moment to address a few of their concerns. I strongly believe there is a major difference between the extremist views of the national leadership of the NRA and the much more reasonable and responsible views of their rank and file members. The sportsmen in my district support vigorous and effective law enforcement. They resent the bum rap they are tagged with when reckless measures—like the Volkmer substitute—that would destroy effective law enforcement are advanced in their name. They know that machineguns and silencers are not used by sportsmen or responsible citizens. They know that handguns must be kept out of the hands of racketeers and professional killers. They understand that a background check and a reasonable waiting period for those persons who purchase handguns are necessary if we are serious about reducing violent crime. They know that roughly 10,000 Americans—more than 70 of them police officers—are killed by handgun wielding criminals every year.

National polls are telling us that one of the most serious concerns of the American people is the problem of violent crime. This is not the time to retreat in our fight against violent crime. Rather, it is time to listen to the voices of reason on this issue. Listen to Sarah Brady—whose husband, Jim Brady, and Presidential Press Secretary, was seriously wounded in the assassination attempt on President Reagan—who declared her support for "finding ways to keep handguns out of the wrong hands * * *. The case of John Hinckley is a vivid reminder of how easy it is for a handgun to fall in the wrong hands." Listen to the 12 principal police organizations and to the police officials in my district who have warned the Volkmer substitute contains "gravely dangerous provisions that pose an immediate threat to American citizens and the law enforcement officers sworn to protect them." Listen to sportsmen and hunters who are saying that they do not believe that the Volkmer substitute is in their best interests. And, finally, listen to Attorney General Ed Meese, who now expresses misgivings about the Volkmer substitute and calls Rodino-Hughes "the kind of bill that I would feel comfortable with."

Mr. Chairman, we have an opportunity today to help our Nation's law enforcement community in their efforts to combat violent crime. I hope my colleagues will recognize this critical opportunity by rejecting the McClure-Volkmer substitute.

Mr. GUNDERSON. Mr. Chairman, in the minds of millions of Americans the Gun Control Act of 1968 was an unintentional overreaction to the increasing number of firearm related crimes in the United States. Since then there have been several attempts to modify the law. After 18 years, the House now has before it the legislation to accomplish this goal.

Both the Volkmer substitute and H.R. 4332 offer several provisions that would facilitate the purchase of sport and collectors' firearms by law-abiding citizens. They also bar the importation of Saturday night special barrels. They prohibit the transferring of firearms by nonlicensees to unqualified persons as well. Finally, they both expand mandatory penalties for using a firearm during a crime.

Despite these similarities, it is my intent to support the Volkmer substitute because it provides greater freedom to gunowners that abide by the law, while at the same time, providing penalties for persons who violate that law.

The Volkmer substitute makes it lawful to transport all rifles, shotguns, or handguns as long as they are not readily accessible. It also allows the sale of any firearm to an out-of-State purchaser if that sale is in person and complies with the applicable laws of both the State of purchase and the buyer's residence. Representing the Third District of Wisconsin, which lies along the Minnesota, Iowa, and Illinois borders. This is an important point because H.R. 4332 would prohibit my constituents from crossing a State line to purchase certain guns for their gun collection.

The Volkmer substitute also protects gunowners from having their entire collection or inventory of firearms confiscated or their dealer license revoked if they are found not guilty of criminal charges.

By including a definition of "engaged in the business," the Volkmer substitute also removes an ambiguity in H.R. 4332. Specifically, this definition makes a distinction between persons who sell guns primarily for monetary gain and those who collect and trade guns as a hobby. It provides greater protection for those that trade and transfer guns as a hobby against the seizure of their collections.

Granted the Volkmer substitute is not a perfect bill. Yet, I believe its intent is to allow access to the purchase and transfer firearms that are used for sport and collection purposes.

While I recognize that many of my colleagues have serious and legitimate concerns in reference to the use of handguns in crimes, it seems to me that efforts to control handgun-related crimes by a complete prohibition on the sale and possession of handguns is akin to controlling drunk driving by prohibiting the sale and possession of automobiles. I don't believe this is the best way to deter violent crimes involving handguns.

It has made more sense to me to address handgun control crimes through sentencing procedures. Specifically, if a crime is committed while in the possession of a handgun, an additional period of time is tacked onto the sentence. Further, such additional jail time would be mandatory and not subject to commutation or parole. Finally, repeat offenders using handguns would be sentenced to life imprisonment without parole. I have cosponsored such legislation in the past and will do so in the future.

As I noted the Volkmer substitute is not perfect. It could more positively address waiting periods prior to the purchase of a handgun and the recordkeeping of firearm transfers.

Although waiting periods may be somewhat burdensome for purchasers, they provide a means to keep firearms out of the hands of people who intend to use them for violent crimes. That's why about 18 States have their own waiting period for handgun purchases.

Accurate recordkeeping of transfers is also important as it is often the only means that law enforcement officials have to trace a firearm that been used in a violent crime.

Yet, on balance, the Volkmer substitute has much more good than bad in it. Afterall, no law ought to be immune from oversight and change. For too long, that's exactly what happened with the Gun Control Act of 1968.

I believe that the Volkmer substitute goes a long way in revising some of the problems in the current law.

Mr. MOLLOHAN. Mr. Chairman, I rise today in support of the substitute being offered by the gentleman from Missouri, and I want to commend him for his leadership on this legislation. The substitute being offered by my colleague truly protects the rights of law-abiding

citizens who wish to own a firearm for legitimate purposes.

My colleague's substitute also addresses the concerns of law enforcement by providing them with clear language that effectively addresses the problem of criminal misuse of firearms.

A recent study commissioned by the Department of Justice uncovered statistics that will be useful to this body when considering the value of Mr. VOLKMER's substitute.

The study found that among convicted felons 69 percent did not carry firearms. The fear of stiffer sentences caused 79 percent of those respondents not to carry guns. Of the criminals questioned, 88 percent stated that gun laws only affect law-abiding citizens.

The Justice study also determined that criminals fear the armed citizen. In States with less restrictive gun control laws, criminals were less likely to victimize citizens because of the possibility they might be armed.

These statistics bear out the need for stiff penalties for criminal misuse of guns. These penalties, along with the fair treatment for honest gun owners, are all found in my colleague's substitute.

Although the Gun Control Act of 1968 was touted as a measure to curb crime, it has not done so. This substitute, on the other hand, is a boon to law enforcement. It provides tough mandatory penalties for criminals who use a firearm in the commission of a crime. That's jail time on top of any other sentence the judge delivers. Probation, parole, and work furloughs are not an option. This substitute extends these same stiff penalties to drug traffickers as well. I'm sure my colleagues will agree that including drug traffickers under this sentencing provision adds real strength to the law and aids our Nation's law enforcement officers.

This substitute makes it a crime for any person to transfer a firearm to a criminal or other prohibited person. It further creates specific, uniform classes of prohibited persons, so law enforcement has a precise definition under the law of seven classes of persons who would be banned from all receipt, purchase, or possession of firearms.

The substitute also provides reasonable and efficient provisions for law enforcement officials in regard to tracing and criminal investigations.

Clearly, the gentleman from Missouri has offered a substitute that will benefit all of our Nation's citizens. By refocusing current law away from peaceful, honest citizens and toward violent criminals the valuable resources of our law enforcement community will be better served. As we all know, the vast majority of citizens in this country do not misuse firearms. Federal legislation should not deprive them of their ability to acquire and possess firearms for legitimate purposes. The safeguards in this substitute will certainly make it tough for the criminal element without restricting or abusing honest citizens.

Mr. MILLER of Washington. Mr. Chairman, I rise in support of the amendment to ban the manufacture and importation of plastic guns—an amendment on which the majority refuses to allow a vote.

I want to give my colleagues something to think about as we think about this amendment. You've got 5 minutes to catch a plane. The line at the airport metal detector is a block long, stalled by a fellow who is oh so slowly taking everything out of his pockets before he goes through the metal detector for a third try. As the seconds tick by your blood pressure is about to go through the roof—until you remember why those metal detectors are there. You think about the hijackings, the killings, the terrorists and suddenly you're awfully glad for those metal detectors. But what if the metal detector were "blind?" What if there were weapons the metal detector could not detect?

Well, forget the "what ifs" because plastic explosives have already killed four people just this past week on board a commercial airliner. And, Mr. Chairman, plastic weapons are real and they are invisible to the x-ray machines and metal detectors at most airports.

The Libyan Government has ordered 100 of these undetectable handguns from a manufacturer in Austria. The same Libyan Government that trained and harbored the terrorists responsible for murders around the world. They are among the first customers for these invisible weapons.

We must do everything we can now to stop the spread of this weapon. I urge you, in the strongest terms possible, to vote to prevent the importation and domestic manufacture of these weapons before it is too late.

Mr. LIGHTFOOT. Mr. Chairman, I rise today to support the Volkmer substitute to the Rodino-Hughes bill, H.R. 4332. The Volkmer substitute is a good compromise which makes much needed reforms in the Gun Control Act of 1968 while also addressing some of the concerns of the law-enforcement community and the Justice Department. It is a bill which also satisfies the concerns of sportsmen who have been subjected during the past several years to burdensome and confusing regulations.

The Volkmer substitute is a prosportsmen bill; the Rodino-Hughes bill is not. The Volkmer substitute contains provisions which benefit sportsmen that the Rodino-Hughes bill does not contain. For example, hunters, particularly active hunters, often have several firearms and frequently "trade up" their guns. When they buy a new, more modern, or just a different firearm, these sportsmen frequently trade or sell an older gun. Under the Gun Control Act of 1968, with its nondefinition of "engaged in the business," an activity like this risked prosecution. Under the proposed Hughes definition, such activities would probably either require most active hunters to acquire Federal firearms licenses—if they could—or become felons, or use licensed dealers for transfers, at a substantial loss of money each time they traded a firearm.

The Volkmer substitute, on the other hand, defines engaged in the business so that these occasional sales or trades would be allowed without turning our Nation's hunters into felons. We are not talking about risky sales of guns which may be used in crime or bought by criminals; we are talking about sportsmen and sportswomen selling or trading rifles and shotguns, and an occasional handgun, with their friends and hunting buddies. The sportsmen of this country should not be hindered or deemed suspect because of this activity. The Volkmer substitute clarifies and improves the law; the Hughes-Rodino measure considers hunters likely to be felons.

Another provision important to our Nation's sportsmen deals with the interstate transportation, or passthrough, provision. When sportsmen go hunting, they take what guns they need with them, and frequently must pass through a number of States, and countless cities and counties, to get where they want to go. Those guns may include rifles or shotguns, and may frequently include a handgun. Handguns are used by hunters and outdoorsmen for protection in the wilderness, as a means of signaling in an emergency, as a snake gun on trails, or for killing a wounded animal. There is no reason these persons should have to risk prosecution if they pass through some antihandgun jurisdiction with an unloaded handgun locked in the trunk.

For that matter, there is no reason that the only competitive shooters who will be allowed to pass through without risk are trap, skeet, and riflemen. I would remind my colleagues that pistol shooting is an Olympic event, accounting for 30 percent of the medals offered in Olympic shooting competition. In addition to international-rule pistol shooting competitions, practical or action pistol competition and silhouette hunter's pistol competition are becoming increasingly popular. And, of course, there is police pistol combat competition. Unlike the Volkmer substitute, the Hughes-Rodino bill would not even guarantee the ability of law-enforcement officers to pass through restrictive States, cities, and counties, to reach places like Des Moines to compete with their service arms.

And finally, our Nation's sportsmen, as exemplified by the National Wildlife Federation, are interested in allowing law-abiding citizens to buy firearms of all kinds in whatever State they happen to be in so long as the purchase is in compliance with the laws of both the dealer's and the purchaser's States. Current law only allows for replacement of lost, stolen, or damaged rifles and shotguns while on hunting trips, and with considerable inconvenience. The Rodino-Hughes bill would improve the situation somewhat by allowing the purchase of rifles and shotguns in other States so long as the laws of both States allow the sale.

Again, however, I want to remind my colleagues that sportsmen, hunters, and target shooters, use handguns as well as rifles and shotguns in their legitimate sport. And there is no reason they should not be allowed—in full compliance with the laws of their home State and in full compliance with the laws where they are making the purchase, and only through a federally licensed dealer—to purchase handguns either because their gun was damaged or because they found one that they wanted to add to their collection.

A myth that needs to be dispelled among nongun owners is that hunters, target shooters, and outsdoorsmen and outdoorswomen do not own or use handguns. That misconception is not held by those who use guns in their sport, such as the over 4 million members of the National Wildlife Federation, the over 3 million members of the National Rifle Association, and the over 16 million licensed

hunters in this Nation. These law-abiding citizens use handguns for legitimate sporting purposes and prefer the Volkmer language dealing with the interstate sale and interstate transport of firearms.

In conclusion, I urge my colleagues to support our Nation's sportsmen and sportswomen and conservationists by adopting the language on interstate sales and transportation, and "engaged in the business" of the Volkmer substitute to the Rodino-Hughes gun bill.

Mr. BORSKI. Mr. Chairman, I rise in strong opposition to the Volkmer substitute and urge my colleagues to join me in defeating this antilaw enforcement legislation.

I support the efforts of Congressman WILLIAM HUGHES and the Judiciary Committee to develop a compromise bill, H.R. 4332, which represents a bipartisan, balanced, and reasonable effort to strengthen the 1968 Gun Control Act and relieve sportsmen and dealers of excessive burdens without compromising the safety of law enforcement officers.

Despite what the NRA claims, the Judiciary bill has nothing to do with the right of hunters or law-abiding citizens to "bear arms." What we're talking about is criminals and convicted murderers getting a hold of concealable weapons that kill innocent citizens and police officers. Unfortunately, the strongarm tactics of the NRA have undermined the efforts of Congress to aid law enforcement in a responsible manner.

Every law enforcement group in the country opposes McClure-Volkmer. The job of police officers is difficult enough without approving a bill that they clearly view as life threatening. There is little Congress can do to help law enforcement; but it can vote against weakening necessary and effective gun control laws.

The changes offered by McClure-Volkmer pose an immediate and unwarranted threat to the law enforcement community. Police officers are particularly concerned about easing recordkeeping and licensing requirements because the changes mandated by McClure-Volkmer would make it harder to trace weapons and would undercut State and local laws. McClure-Volkmer will make it easier for criminals to do their work and harder for police to do theirs.

Just 10 days ago, the Philadelphia Police Department and the people of Philadelphia were hit with a glaring reminder of why tough gun control laws are needed. Sgt. Ralph Galdi, a 20-year veteran of the Philadelphia Police Force, was fatally struck down by a convicted felon with a .357 magnum handgun.

Galdi and his partner had been driving back to headquarters when they came upon a car whose driver had caused a series of automobile accidents in a crowded Philadelphia commercial neighborhood. When the driver attempted to flee, Galdi jumped out of his car and apprehended the man. As Galdi was about to frisk the suspect, the man turned and shot him twice in the chest and abdomen. Sergeant Galdi died on a hospital operating table after surgeons battled for more than 2 hours to save his life.

The man charged with firing the shots that killed Sergeant Galdi, Pedro Vega, was a fugitive with a pending bench warrant for his arrest issued in June 1985, after he failed to appear in court on drug charges. Previously, Vega had been prosecuted in New Jersey on two separate charges of receiving stolen cars and was sentenced to 1 year in jail and 3 year's probation.

If there had been a background check when Vega bought his gun, Sergeant Galdi would be alive today. Instead, a dedicated 20-year veteran of the Philadelphia Police Force is dead today because our laws did not protect him.

The violent handgun death of Sergeant Galdi illustrates the urgent need for stronger laws to protect our police and citizens. In fact, Philadelphia Police Commissioner Kevin Tucker called for stiffer standards for gun permits to reduce the danger of citizens being hurt when large numbers of weapons are easily available. In Pennsyvlania, once a permit is issued, the license holder has the right to carry any type and number of weapons. Commissioner Tucker is concerned that rather than being used to stop crime, the weapons would end up being used improperly or lead to shootings injuring or killing innocent people.

This is not the time to weaken handgun sales restrictions. Passage of the McClure-Volkmer bill permitting interstate sales of handguns poses a serious threat to law-abiding citizens and to law enforcement officers by making it easier for criminals to obtain handguns, by loosening gun dealer recordkeeping requirements and by making it almost impossible to verify the legality of sales involving out-of-State residents.

The McClure-Volkmer bill completely guts the only handgun law we have, and allows the interstate sale of handguns without any restrictions, regulations, or background checks. That means that convicted murderers back out on our streets will have even easier access to guns than they have now.

Today's vote is really very simple: you're either for police officers and law-abiding citizens or you are against them.

Mr. STANGELAND. Mr. Chairman, I rise today in support of the Volkmer substitute because, for me, the right of law abiding citizens to keep and bear arms is not an issue of compromise.

Today, approximately 60 million hand guns and rifles are in the possession of lawful Americans. These firearms are used for hunting, collection, protection, and other legitimate purposes.

Many people in my congressional district use firearms for hunting. In fact, I am an avid, lifelong sportsman. Because of this, let me give examples of why the substitute offered by my friend Mr. VOLKMER is superior to the Rodino-Hughes Judiciary Committee bill (H.R. 4332).

Let us suppose one of my fellow Minnesotans decides to do some hunting in Alaska, however, when he arrives his guns have been damaged or lost. Under current law, he can replace his long guns, albeit with considerable difficulty, but any lost or damaged handguns cannot be replaced until he returns home, even though hunting with such firearms is perfectly legal in Alaska and 36 other States. Unlike the Rodino-Hughes bill, the Volkmer substitute ensures that hunters, marksmen or other responsible Americans will, on the spot, be able to replace their guns even if they are not in their home State.

Currently, hunters cannot transport their firearms without fear of violating a hodgepodge of restrictive gun laws at the state and local level. Unfortunately, the lives of many honest citizens have been ruined or disrupted simply because they did not understand that the transport of a firearm, by a law abiding citizen, in certain states or localities is not legal. This should never happen again. The Volkmer substitute remedies this situation, Rodino-Hughes does not.

Several months ago the other body overwhelmingly passed S. 49. The Volkmer substitute largely incorporates the provisions of H.R. 945—companion legislation to S. 49—modified slightly to meet concerns raised by the attorney general and law-enforcement organizations. Because the House leadership initially declined to take action on this measure, I and 217 Members signed the discharge petition to bring the matter before the House. Today, we have the first real opportunity to reform the Gun Control Act of 1968. I believe we should use it to do justice and reverse 18 years of unfair regulation and harassment. Perhaps then Congress and the courts will begin focusing their attention on the criminals who misuse guns, and not abiding, responsible citizens.

If you believe in the Constitutional right of Americans to keep and bear arms then you will vote yes on the Volkmer-Stangeland substitute.

□ 1105

AMENDMENT OFFERED BY MR. HUGHES TO THE AMENDMENT, AS AMENDED, OFFERED BY MR. VOLKMER AS A SUBSTITUTE FOR THE JUDICIARY COMMITTEE AMENDMENT IN THE NATURE OF A SUBSTITUTE, AS AMENDED

Mr. HUGHES. Mr. Chairman, I offer an amendment to the amendment offered as a substitute for the committee amendment in the nature of a substitute.

PARLIAMENTARY INQUIRY

Mr. VOLKMER. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. VOLKMER. Mr. Chairman, before the amendment is read, I would like to know if the amendment was one of those printed in the RECORD prior to today.

The CHAIRMAN. The Chair will so inquire of the gentleman from New Jersey whether his amendment has been printed in the RECORD?

Mr. HUGHES. It has been printed in the RECORD, Mr. Chairman.

The CHAIRMAN. The Clerk will read.

Mr. VOLKMER. Mr. Chairman, has it been printed in the RECORD by Mr. HUGHES?

The CHAIRMAN. Under the rule, it is not required that the sponsor of the amendment have it printed in the RECORD.

The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. HUGHES to the amendment as amended, offered by Mr. VOLKMER as a substitute for the Judiciary

Committee amendment in the nature of a substitute, as amended:

Section 102 of the matter proposed to be inserted is amended—

(1) in paragraph (7), by striking out "and";

(2) in paragraph (8), by striking out the period at the end and inserting in lieu thereof "; and"; and

(3) by adding at the end the following:

(9) by inserting after the subsection added by paragraph (8) of this section the following:

"(o)(1) Except as provided in paragraph (2), it shall be unlawful for any person to transfer or possess a machinegun.

"(2) This subsection does not apply with respect to—

"(A) a transfer to or by, or possession by or under the authority of, the United States or any department or agency thereof or a State, or a department, agency, or political subdivision thereof; or

"(B) any lawful transfer or lawful possession of a machinegun that was lawfully possessed before the date this subsection takes effect.".

Section 110 of the matter proposed to be inserted is amended by adding at the end the following:

(c) MACHINEGUN PROHIBITION.—Section 102(9) shall take effect on the date of the enactment of this Act.

Mr. HUGHES (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey?

Mr. WALKER. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

The Clerk continued the reading of the amendment.

Mr. HUGHES (during the reading). Mr. Chairman, I renew my request that the amendment be considered as read and printed in the RECORD. I ask my colleagues, in all fairness and rationality—we only have 3 minutes left—to give me an opportunity to explain why machineguns should be banned.

Mr. WALKER. Mr. Chairman, regular order and reserving the right to object——

The CHAIRMAN. The Clerk will read.

The Clerk continued the reading of the amendment.

Mr. HUGHES (during the reading). Mr. Chairman, I renew my request for a waiver of the reading of the amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey?

Mr. SENSENBRENNER. Mr. Chairman, I object.

The CHAIRMAN. The Clerk will read.

The Clerk continued the reading of the amendment.

Mr. HUGHES (during the reading). Mr. Chairman, I renew my request for a waiver of the reading of the amendment. I do not know why anyone would object to the banning of machineguns.

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey?

Mr. SENSENBRENNER. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

The Clerk concluded the reading of the amendment.

Mr. HUGHES. Mr. Chairman, I move that the Committee do now rise.

Mr. SENSENBRENNER. Mr. Chairman, I demand a recorded vote.

The CHAIRMAN. Is it the Chair's understanding that the gentleman from New Jersey moves that the Committee do now rise?

Mr. HUGHES. That is my motion, Mr. Chairman. I move that the Committee do now rise.

The CHAIRMAN. The question is on the motion offered by the gentleman from New Jersey [Mr. HUGHES].

The question was taken; and the Chairman announced that the ayes appeared to have it.

RECORDED VOTE

Mr. SENSENBRENNER. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 124, noes 298, not voting 12, as follows:

[Roll No. 73]

AYES—124

Ackerman	Ford (TN)	Moody
Akaka	Frank	Morrison (CT)
Anderson	Garcia	Mrazek
Annunzio	Gejdenson	Oakar
Anthony	Gibbons	Owens
Aspin	Gonzalez	Porter
Atkins	Gordon	Price
Barnes	Gray (PA)	Rangel
Bates	Green	Rodino
Bellenson	Guarini	Roe
Bennett	Hawkins	Rostenkowski
Berman	Hayes	Roybal
Biaggi	Henry	Russo
Boland	Hertel	Sabo
Bonior (MI)	Howard	Savage
Borski	Hoyer	Scheuer
Boxer	Hughes	Schroeder
Broomfield	Jacobs	Schumer
Burton (CA)	Kaptur	Seiberling
Carper	Kastenmeier	Smith (FL)
Clay	Kennelly	Solarz
Collins	Kildee	Spratt
Conyers	Kleczka	St Germain
Cooper	LaFalce	Stark
Coyne	Lehman (CA)	Stratton
Crockett	Lehman (FL)	Studds
Dellums	Leland	Torres
Dixon	Levin (MI)	Torricelli
Donnelly	Levine (CA)	Towns
Downey	Lipinski	Traficant
Durbin	Lowry (WA)	Udall
Dwyer	Manton	Vento
Dymally	Markey	Visclosky
Early	Martinez	Walgren
Edgar	Matsui	Waxman
Edwards (CA)	Mavroules	Weiss
Evans (IL)	McKinney	Wheat
Fascell	Mikulski	Whitehurst
Fawell	Miller (CA)	Wolpe
Fazio	Miller (WA)	Yates
Feighan	Mineta	
Foglietta	Moakley	

NOES—298

Alexander	Gallo	Myers
Andrews	Gaydos	Natcher
Applegate	Gekas	Neal
Archer	Gilman	Nelson
Armey	Gingrich	Nielson
AuCoin	Glickman	Nowak
Badham	Goodling	Oberstar
Barnard	Gradison	Obey
Bartlett	Gray (IL)	Olin
Barton	Gregg	Ortiz
Bateman	Gunderson	Oxley
Bedell	Hall (OH)	Packard
Bentley	Hall, Ralph	Panetta
Bereuter	Hamilton	Parris
Bevill	Hammerschmidt	Pashayan
Bilirakis	Hansen	Pease
Bliley	Hartnett	Penny
Boehlert	Hatcher	Pepper
Boggs	Hefner	Perkins
Boner (TN)	Hendon	Petri
Bonker	Hiler	Pickle
Bosco	Hillis	Pursell
Boucher	Holt	Quillen
Breaux	Hopkins	Rahall
Brooks	Horton	Ray
Brown (CA)	Hubbard	Regula
Brown (CO)	Huckaby	Reid
Broyhill	Hunter	Richardson
Bruce	Hutto	Ridge
Bryant	Hyde	Rinaldo
Burton (IN)	Jeffords	Ritter
Bustamante	Jenkins	Roberts
Byron	Johnson	Robinson
Callahan	Jones (NC)	Roemer
Campbell	Jones (OK)	Rogers
Carney	Jones (TN)	Rose
Carr	Kanjorski	Roth
Chandler	Kasich	Roukema
Chapman	Kemp	Rowland (CT)
Chappell	Kindness	Rowland (GA)
Chappie	Kolbe	Rudd
Cheney	Kolter	Saxton
Clinger	Kostmayer	Schaefer
Coats	Kramer	Schneider
Cobey	Lagomarsino	Schuette
Coble	Lantos	Sensenbrenner
Coelho	Latta	Sharp
Coleman (MO)	Leach (IA)	Shaw
Coleman (TX)	Leath (TX)	Shelby
Combest	Lent	Shumway
Conte	Lewis (CA)	Shuster
Coughlin	Lewis (FL)	Sikorski
Courter	Lightfoot	Siljander
Craig	Livingston	Sisisky
Crane	Lloyd	Skeen
Daniel	Loeffler	Skelton
Dannemeyer	Long	Slattery
Darden	Lott	Slaughter
Daschle	Lowery (CA)	Smith (IA)
Daub	Luken	Smith (NE)
Davis	Lundine	Smith (NJ)
de la Garza	Lungren	Smith, Denny (OR)
DeLay	Mack	
Derrick	MacKay	Smith, Robert (NH)
DeWine	Madigan	
Dickinson	Marlenee	Smith, Robert (OR)
Dicks	Martin (IL)	
Dingell	Martin (NY)	Snowe
DioGuardi	Mazzoli	Snyder
Dorgan (ND)	McCain	Solomon
Dornan (CA)	McCandless	Spence
Dowdy	McCloskey	Staggers
Dreier	McCollum	Stallings
Duncan	McCurdy	Stangeland
Dyson	McDade	Stenholm
Eckart (OH)	McEwen	Strang
Eckert (NY)	McGrath	Stump
Edwards (OK)	McHugh	Sundquist
Emerson	McKernan	Sweeney
English	McMillan	Swift
Erdreich	Meyers	Swindall
Evans (IA)	Mica	Synar
Fiedler	Michel	Tallon
Fields	Miller (OH)	Tauke
Fish	Mitchell	Tauzin
Flippo	Molinari	Taylor
Florio	Mollohan	Thomas (CA)
Foley	Monson	Thomas (GA)
Ford (MI)	Montgomery	Traxler
Fowler	Moore	Valentine
Franklin	Moorhead	Vander Jagt
Frenzel	Morrison (WA)	Volkmer
Frost	Murphy	Vucanovich
Fuqua	Murtha	Walker

Watkins	Wilson	Yatron
Weaver	Wirth	Young (AK)
Weber	Wise	Young (FL)
Whitley	Wolf	Young (MO)
Whittaker	Wortley	Zschau
Whitten	Wyden	
Williams	Wylie	

NOT VOTING—12

Addabbo	Heftel	O'Brien
Boulter	Ireland	Schulze
Gephardt	Lujan	Stokes
Grotberg	Nichols	Wright

□ 1115

Mr. RITTER and Mr. RINALDO changed their votes from "aye" to "no."

Mr. LELAND and Mr. HOYER changed their votes from "no" to "aye."

So the motion was rejected.

The result of the vote was announced as above recorded.

Mr. WEISS. Mr. Chairman, on April 4, 1968, Martin Luther King was assassinated in Memphis, TN. I find it bitterly ironic that 18 years later almost to the day, this body is gutting the 1968 Gun Control Act, the law that was put in place to stop exactly this kind of senseless violence. In fact, it seems that most Members have completely forgotten the reason why we have gun control laws in the first place.

Eighteen years ago, our country was shocked by the brutal assassinations of two of its most brilliant young leaders—Reverend King, the man who revolutionized civil rights laws in this country and became the youngest person ever to win the Nobel Peace Prize, and Robert Kennedy, our great New York Senator, former Attorney General, and brother of the President who himself was slain.

In the wake of these tragic events, this Nation came to its senses and realized that laws were needed to keep dangerous weapons out of the hands of dangerous individuals. And Americans realized that any small inconvenience to gun dealers and hunters that resulted from minimal gun control laws would be vastly outweighed by the benefits of keeping the wrong guns out of the wrong hands.

If anything, the events of the last few years show the need to strengthen, not dilute our gun control laws. Despite the controls enacted earlier, we have again been witness to a series of shocking handgun crimes, including the assassination of one of our dear friends and distinguished colleague, Allard Lowenstein, and of course, the assassination attempt on President Reagan. It is revealing that John Hinckley, the man who shot President Reagan and Jim Brady, was found by the courts to be insane, and hence, not guilty. But nothing in the law kept him from getting a handgun. Even the Attorney General's Task Force on Violent Crime called for tightening gun control laws, and instituting a waiting period before the purchase of handguns, to allow time for background record checks.

Congress, at the behest of the NRA, has committeed a national disgrace by eviscerating our Nation's gun control laws. The memories of Dr. King, of Senator Robert Kennedy, and of President Kennedy deserve much, much better.

□ 1130

The CHAIRMAN. All time has expired for consideration of the Hughes amendment to the Volkmer substitute.

For what purpose does the gentleman from New Jersey [Mr. HUGHES] rise?

Mr. HUGHES. Mr. Chairman, I have a unanimous-consent request.

Mr. Chairman, I made the motion to rise so that I could get additional time for the Rules Committee to finish debate on a number of amendments that were noticed, have not been reached and will not be heard, and that is unfortunate. It is an important matter.

My unanimous-consent request is that I have 5 minutes to explain this vote.

Mr. SENSENBRENNER. A point of order. Mr. Chairman, that is not a proper inquiry.

Mr. DINGELL. Mr. Chairman, a point of order. Regular order.

The CHAIRMAN. The gentleman will state his unanimous-consent request.

Mr. HUGHES. Mr. Chairman, my unanimous request is that I have 5 minutes to explain this vote on machinegun bans.

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey?

Mr. McCOLLUM. Reserving the right to object, Mr. Chairman, would the gentleman explain why he wants that 5 minutes?

Mr. HUGHES. So we can explain what is pending before the House.

Mr. McCOLLUM. Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey [Mr. HUGHES]?

Mr. SENSENBRENNER. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

The question is on the amendment offered by the gentleman from New Jersey [Mr. HUGHES] to the amendment, as amended, offered by the gentleman from Missouri [Mr. VOLKMER] as a substitute for the Judiciary Committee amendment in the nature of a substitute, as amended.

The amendment to the amendment, as amended, offered as a substitute for the Judiciary Committee amendment in the nature of a substitute, as amended, was agreed to.

The CHAIRMAN. The question is on the amendment, as amended, offered by the gentleman from Missouri [Mr. VOLKMER], as a substitute for the Judiciary Committee amendment in the nature of a substitute, as amended.

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. VOLKMER. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 286, noes 136, not voting 12, as follows:

[Roll No. 74]

AYES—286

Alexander	Flippo	McKernan
Anderson	Foley	McMillan
Andrews	Ford (MI)	Meyers
Anthony	Ford (TN)	Michel
Applegate	Fowler	Miller (OH)
Archer	Franklin	Molinari
Armey	Frenzel	Mollohan
Aspin	Fuqua	Monson
AuCoin	Gallo	Montgomery
Badham	Gaydos	Moody
Barnard	Gekas	Moore
Bartlett	Gilman	Moorhead
Barton	Gingrich	Morrison (WA)
Bateman	Glickman	Murphy
Bentley	Goodling	Murtha
Bereuter	Gordon	Myers
Bevill	Gray (IL)	Natcher
Bilirakis	Gregg	Neal
Bliley	Gunderson	Nelson
Boehlert	Hall, Ralph	Nielson
Boner (TN)	Hamilton	Oberstar
Bonker	Hammerschmidt	Obey
Bosco	Hansen	Olin
Boucher	Hartnett	Ortiz
Breaux	Hatcher	Oxley
Brooks	Hefner	Packard
Brown (CO)	Hendon	Parris
Broyhill	Hiler	Pashayan
Bruce	Holt	Pease
Bryant	Hopkins	Penny
Burton (IN)	Horton	Perkins
Bustamante	Hubbard	Petri
Byron	Huckaby	Pickle
Callahan	Hunter	Price
Campbell	Hutto	Quillen
Carney	Hyde	Rahall
Carr	Jeffords	Ray
Chandler	Jenkins	Regula
Chapman	Johnson	Reid
Chappell	Jones (NC)	Richardson
Chappie	Jones (OK)	Ridge
Cheney	Jones (TN)	Ritter
Clinger	Kanjorski	Roberts
Coats	Kasich	Robinson
Cobey	Kemp	Roemer
Coble	Kindness	Rogers
Coelho	Kleczka	Rose
Coleman (MO)	Kolbe	Roth
Coleman (TX)	Kolter	Rowland (CT)
Combest	Kostmayer	Rowland (GA)
Cooper	Kramer	Rudd
Courter	Lagomarsino	Saxton
Craig	Latta	Schaefer
Crane	Leach (IA)	Schuette
Daniel	Leath (TX)	Sensenbrenner
Dannemeyer	Lehman (CA)	Sharp
Darden	Lent	Shaw
Daschle	Lewis (CA)	Shelby
Daub	Lewis (FL)	Shumway
Davis	Lightfoot	Shuster
de la Garza	Livingston	Sikorski
DeLay	Lloyd	Siljander
Derrick	Loeffler	Sisisky
DeWine	Long	Skeen
Dickinson	Lott	Skelton
Dicks	Lowery (CA)	Slattery
Dingell	Luken	Slaughter
Dorgan (ND)	Lundine	Smith (IA)
Dornan (CA)	Lungren	Smith (NE)
Dowdy	Mack	Smith (NJ)
Dreier	MacKay	Smith, Denny (OR)
Duncan	Madigan	
Dyson	Marlenee	Smith, Robert (NH)
Eckart (OH)	Martin (IL)	
Eckert (NY)	Martin (NY)	Smith, Robert (OR)
Edwards (OK)	McCain	
Emerson	McCandless	Snowe
English	McCloskey	Snyder
Erdreich	McCollum	Solomon
Evans (IA)	McCurdy	Spence
Fiedler	McDade	Spratt
Fields	McEwen	Staggers
Fish	McGrath	Stallings

Stangeland	Thomas (GA)	Williams
Stenholm	Traxler	Wilson
Strang	Udall	Wirth
Stump	Valentine	Wise
Sundquist	Vander Jagt	Wolf
Sweeney	Volkmer	Wortley
Swift	Vucanovich	Wyden
Swindall	Walker	Yatron
Synar	Watkins	Young (AK)
Tallon	Weaver	Young (FL)
Tauke	Weber	Young (MO)
Tauzin	Whitley	Zschau
Taylor	Whittaker	
Thomas (CA)	Whitten	

NOES—136

Ackerman	Garcia	Mrazek
Akaka	Gejdenson	Nowak
Annunzio	Gibbons	Oakar
Atkins	Gonzalez	Owens
Barnes	Gradison	Panetta
Bates	Gray (PA)	Pepper
Bedell	Green	Porter
Beilenson	Guarini	Pursell
Bennett	Hall (OH)	Rangel
Berman	Hawkins	Rinaldo
Biaggi	Hayes	Rodino
Boland	Henry	Roe
Bonior (MI)	Hertel	Rostenkowski
Borski	Hillis	Roukema
Boxer	Howard	Roybal
Broomfield	Hoyer	Russo
Brown (CA)	Hughes	Sabo
Burton (CA)	Jacobs	Savage
Carper	Kaptur	Scheuer
Clay	Kastenmeier	Schneider
Collins	Kennelly	Schroeder
Conte	Kildee	Schumer
Conyers	LaFalce	Seiberling
Coughlin	Lantos	Smith (FL)
Coyne	Lehman (FL)	Solarz
Crockett	Leland	St Germain
Dellums	Levin (MI)	Stark
DioGuardi	Levine (CA)	Stratton
Dixon	Lipinski	Studds
Donnelly	Lowry (WA)	Torres
Downey	Manton	Torricelli
Durbin	Markey	Towns
Dwyer	Martinez	Traficant
Dymally	Matsui	Vento
Early	Mavroules	Visclosky
Edgar	Mazzoli	Walgren
Edwards (CA)	McHugh	Waxman
Evans (IL)	McKinney	Weiss
Fascell	Mica	Wheat
Fawell	Mikulski	Whitehurst
Fazio	Miller (CA)	Wolpe
Feighan	Miller (WA)	Wright
Florio	Mineta	Wylie
Foglietta	Mitchell	Yates
Frank	Moakley	
Frost	Morrison (CT)	

NOT VOTING—12

Addabbo	Grotberg	Nichols
Boggs	Heftel	O'Brien
Boulter	Ireland	Schulze
Gephardt	Lujan	Stokes

□ 1145

The Clerk announced the following pairs:

On this vote:

Mr. Nichols for, with Mr. Heftel of Hawaii against.

Mr. Schulze for, with Mr. Gephardt against.

Mr. Ireland for, with Mr. Stokes against.

Mr. MAZZOLI and Mr. ANNUNZIO changed their votes from "aye" to "no."

Messrs. TAUZIN, KLECZKA, and WIRTH changed their votes from "no" to "aye."

So the amendment, as amended, offered as a substitute for the Judiciary Committee amendment in the nature of a substitute, as amended, was agreed to.

The result of the vote was announced as above recorded.

PERSONAL EXPLANATION

Mr. FORD of Tennessee. Mr. Chairman, on rollcall No. 74 on the adoption of the Volkmer substitute to the Federal Firearms Law Reform Act, I inadvertently voted "aye." I am strongly opposed to the provisions of the Volkmer substitute and meant to vote "no."

The CHAIRMAN. The question is on the Judiciary Committee amendment in the nature of a substitute, as amended.

The Judiciary Committee amendment in the nature of a substitute, as amended, was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. RANGEL, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 4332) to amend chapter 44 (relating to firearms) of title 18, United States Code, and for other purposes, pursuant to House Resolution 403, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT OFFERED BY MR. GREEN

Mr. GREEN. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. GREEN. I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. GREEN moves to recommit the bill, H.R. 4332, to the Committee on the Judiciary.

The SPEAKER. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER. The question is on the motion to recommit.

The motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. McCOLLUM. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 292, nays 130, not voting 12, as follows:

[Roll No. 75]

YEAS—292

Alexander	Ford (MI)	Molinari
Anderson	Fowler	Mollohan
Andrews	Franklin	Monson
Anthony	Frenzel	Montgomery
Applegate	Fuqua	Moody
Archer	Gallo	Moore
Armey	Gaydos	Moorhead
Aspin	Gekas	Morrison (WA)
AuCoin	Gilman	Murphy
Badham	Gingrich	Murtha
Barnard	Glickman	Myers
Bartlett	Goodling	Natcher
Barton	Gordon	Neal
Bateman	Gray (IL)	Nelson
Bentley	Gregg	Nielson
Bereuter	Gunderson	Oberstar
Bevill	Hall, Ralph	Obey
Bilirakis	Hamilton	Olin
Bliley	Hammerschmidt	Ortiz
Boehlert	Hansen	Oxley
Boggs	Hartnett	Packard
Boner (TN)	Hatcher	Parris
Bonker	Hefner	Pashayan
Bosco	Hendon	Pease
Boucher	Hiler	Penny
Breaux	Hillis	Perkins
Brooks	Holt	Petri
Brown (CO)	Hopkins	Pickle
Broyhill	Horton	Price
Bruce	Hubbard	Quillen
Bryant	Huckaby	Rahall
Burton (IN)	Hunter	Ray
Bustamante	Hutto	Regula
Byron	Hyde	Reid
Callahan	Jeffords	Richardson
Campbell	Jenkins	Ridge
Carney	Johnson	Rinaldo
Carr	Jones (NC)	Ritter
Chandler	Jones (OK)	Roberts
Chapman	Jones (TN)	Robinson
Chappell	Kanjorski	Roemer
Chappie	Kasich	Rogers
Cheney	Kemp	Rose
Clinger	Kindness	Roth
Coats	Kleczka	Rowland (CT)
Cobey	Kolbe	Rowland (GA)
Coble	Kolter	Rudd
Coelho	Kostmayer	Saxton
Coleman (MO)	Kramer	Schaefer
Coleman (TX)	Lagomarsino	Schuette
Combest	Lantos	Sensenbrenner
Conte	Latta	Sharp
Cooper	Leach (IA)	Shaw
Courter	Leath (TX)	Shelby
Craig	Lehman (CA)	Shumway
Crane	Lent	Shuster
Daniel	Lewis (CA)	Sikorski
Dannemeyer	Lewis (FL)	Siljander
Darden	Lightfoot	Sisisky
Daschle	Livingston	Skeen
Daub	Lloyd	Skelton
Davis	Loeffler	Slattery
de la Garza	Long	Slaughter
DeLay	Lott	Smith (IA)
Derrick	Lowery (CA)	Smith (NE)
DeWine	Luken	Smith (NJ)
Dickinson	Lundine	Smith, Denny (OR)
Dicks	Lungren	Smith, Robert (NH)
Dingell	Mack	Smith, Robert (OR)
Dorgan (ND)	MacKay	Snowe
Dornan (CA)	Madigan	Snyder
Dowdy	Marlenee	Solomon
Dreier	Martin (IL)	Spence
Duncan	Martin (NY)	Spratt
Dyson	Mazzoli	Staggers
Eckart (OH)	McCain	Stallings
Eckert (NY)	McCandless	Stangeland
Edwards (OK)	McCloskey	Stenholm
Emerson	McCollum	Strang
English	McCurdy	Stump
Erdreich	McDade	Sundquist
Evans (IA)	McEwen	Sweeney
Fiedler	McGrath	Swift
Fields	McKernan	Swindall
Fish	McMillan	Synar
Flippo	Meyers	
Florio	Michel	
Foley	Miller (OH)	

Tallon	Vucanovich	Wise
Tauke	Walker	Wolf
Tauzin	Watkins	Wortley
Taylor	Weaver	Wyden
Thomas (CA)	Weber	Yatron
Thomas (GA)	Whitley	Young (AK)
Traxler	Whittaker	Young (FL)
Udall	Whitten	Young (MO)
Valentine	Williams	Zschau
Vander Jagt	Wilson	
Volkmer	Wirth	

NAYS—130

Ackerman	Frost	Mrazek
Akaka	Garcia	Nowak
Annunzio	Gejdenson	Oakar
Atkins	Gibbons	Owens
Barnes	Gonzalez	Panetta
Bates	Gradison	Pepper
Bedell	Gray (PA)	Porter
Beilenson	Green	Pursell
Bennett	Guarini	Rangel
Berman	Hall (OH)	Rodino
Biaggi	Hawkins	Roe
Boland	Hayes	Rostenkowski
Bonior (MI)	Henry	Roukema
Borski	Hertel	Roybal
Boxer	Howard	Russo
Broomfield	Hoyer	Sabo
Brown (CA)	Hughes	Savage
Burton (CA)	Jacobs	Scheuer
Carper	Kaptur	Schneider
Clay	Kastenmeier	Schroeder
Collins	Kennelly	Schumer
Conyers	Kildee	Seiberling
Coughlin	LaFalce	Smith (FL)
Coyne	Lehman (FL)	Solarz
Crockett	Leland	St Germain
Dellums	Levin (MI)	Stark
DioGuardi	Levine (CA)	Stratton
Dixon	Lipinski	Studds
Donnelly	Lowry (WA)	Torres
Downey	Manton	Torricelli
Durbin	Markey	Towns
Dwyer	Martinez	Traficant
Dymally	Matsui	Vento
Early	Mavroules	Visclosky
Edgar	McHugh	Walgren
Edwards (CA)	McKinney	Waxman
Evans (IL)	Mica	Weiss
Fascell	Mikulski	Wheat
Fawell	Miller (CA)	Whitehurst
Fazio	Miller (WA)	Wright
Feighan	Mineta	Wylie
Foglietta	Mitchell	Yates
Ford (TN)	Moakley	
Frank	Morrison (CT)	

NOT VOTING—12

Addabbo	Heftel	O'Brien
Boulter	Ireland	Schulze
Gephardt	Lujan	Stokes
Grotberg	Nichols	Wolpe

□ 1205

The Clerk announced the following pairs:

On this vote:

Mr. Nichols for, with Mr. Heftel of Hawaii against.

Mr. Schulze for, with Mr. Gephardt against.

Mr. Ireland for, with Mr. Stokes against.

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

The SPEAKER pro tempore (Mr. BOLAND). Pursuant to the provisions of House Resolution 403, the Committee on the Judiciary is discharged from the further consideration of the Senate bill (S. 49) to protect firearms owners' constitutional rights, civil liberties, and rights to privacy.

The Clerk read the title of the Senate bill.

MOTION OFFERED BY MR. HUGHES

Mr. HUGHES. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. HUGHES moves to strike out all after the enacting clause of the Senate bill, S. 49, and to insert in lieu thereof the provisions of H.R. 4332, as passed by the House, as follows:

SECTION 1. SHORT TITLE AND CONGRESSIONAL FINDINGS.

(a) SHORT TITLE.—This Act may be cited as the "Firearms Owners' Protection Act".

(b) CONGRESSIONAL FINDINGS.—The Congress finds that—

(1) the rights of citizens—

(A) to keep and bear arms under the second amendment to the United States Constitution;

(B) to security against illegal and unreasonable searches and seizures under the fourth amendment;

(C) against uncompensated taking of property, double jeopardy, and assurance of due process of law under the fifth amendment; and

(D) against unconstitutional exercise of authority under the ninth and tenth amendments;

require additional legislation to correct existing firearms statutes and enforcement policies; and

(2) additional legislation is required to reaffirm the intent of the Congress, as expressed in section 101 of the Gun Control Act of 1968, that "it is not the purpose of this title to place any undue or unnecessary Federal restrictions or burdens on law-abiding citizens with respect to the acquisition, possession, or use of firearms appropriate to the purpose of hunting, trapshooting, target shooting, personal protection, or any other lawful activity, and that this title is not intended to discourage or eliminate the private ownership or use of firearms by law-abiding citizens for lawful purposes.".

SEC. 101. AMENDMENTS TO SECTION 921.

Section 921 of title 18, United States Code, is amended—

(1) in subsection (a)(10), by striking out "manufacture of" and inserting in lieu thereof "business of manufacturing";

(2) in subsection (a)(11)(A), by striking out "or ammunition";

(3) in subsection (a)(12), by striking out "or ammunition";

(4) in subsection (a)(13), by striking out "or ammunition";

(5) by amending paragraph (20) of subsection (a) to read as follows:

"(20) The term 'crime punishable by imprisonment for a term exceeding one year' does not include—

"(A) any Federal or State offenses pertaining to antitrust violations, unfair trade practices, restraints of trade, or other similar offenses relating to the regulation of business practices, or

"(B) any State offense classified by the laws of the State as a misdemeanor and punishable by a term of imprisonment of two years or less.

What constitutes a conviction of such a crime shall be determined in accordance with the law of the jurisdiction in which the proceedings were held. Any conviction which has been expunged, or set aside or for which a person has been pardoned or has had civil rights restored shall not be considered a conviction for purposes of this chapter, unless such pardon, expungement, or restoration of civil rights expressly provides that the person may not ship, transport, possess, or receive firearms."; and

(6) in subsection (a), by inserting after paragraph (20) the following new paragraphs:

"(21) The term 'engaged in the business' means—

"(A) as applied to a manufacturer of firearms, a person who devotes time, attention, and labor to manufacturing firearms as a regular course of trade or business with the principal objective of livelihood and profit through the sale or distribution of the firearms manufactured;

"(B) as applied to a manufacturer of ammunition, a person who devotes time, attention, and labor to manufacturing ammunition as a regular course of trade or business with the principal objective of livelihood and profit through the sale or distribution of the ammunition manufactured;

"(C) as applied to a dealer in firearms, as defined in section 921(a)(11)(A), a person who devotes time, attention, and labor to dealing in firearms as a regular course of trade or business with the principal objective of livelihood and profit through the repetitive purchase and resale of firearms, but such term shall not include a person who makes occasional sales, exchanges, or purchases of firearms for the enhancement of a personal collection or for a hobby, or who sells all or part of his personal collection of firearms;

"(D) as applied to a dealer in firearms, as defined in section 921(a)(11)(B), a person who devotes time, attention, and labor to engaging in such activity as a regular course of trade or business with the principal objective of livelihood and profit, but such term shall not include a person who makes occasional repairs of firearms or who occasionally fits special barrels, stocks, or trigger mechanisms to firearms;

"(E) as applied to an importer of firearms, a person who devotes time, attention, and labor to importing firearms as a regular course of trade or business with the principal objective of livelihood and profit through the sale or distribution of the firearms imported; and

"(F) as applied to an importer of ammunition, a person who devotes time, attention, and labor to importing ammunition as a regular course of trade or business with the principal objective of livelihood and profit through the sale or distribution of the ammunition imported.

"(22) The term 'with the principal objective of livelihood and profit' means that the intent underlying the sale or disposition of firearms is predominantly one of obtaining livelihood and pecuniary gain, as opposed to other intents, such as improving or liquidating a personal firearms collection.

"(23) The term 'machinegun' has the meaning given such term in section 5845(b) of the National Firearms Act (26 U.S.C. 5845(b)).

"(24) The terms 'firearm silencer' and 'firearm muffler' means any device for silencing, muffling, or diminishing the report of a portable firearm, including any combination of parts, designed or redesigned, and intended for use in assembling or fabricating a firearm silencer or firearm muffler, and any part intended only for use in such assembly or fabrication.".

SEC. 102. AMENDMENTS TO SECTION 922.

Section 922 of title 18, United States Code, is amended—

(1) so that paragraph (1) of subsection (a) reads as follows:

"(1) for any person—

"(A) except a licensed importer, licensed manufacturer, or licensed dealer, to engage in the business of importing, manufacturing, or dealing in firearms, or in the course of such business to ship, transport, or receive any firearm in interstate or foreign commerce; or

"(B) except a licensed importer or licensed manufacturer, to engage in the business of importing or manufacturing ammunition, or in the course of such business, to ship, transport, or receive any ammunition in interstate or foreign commerce;";

(2) in subsection (a)(2)—

"(A) by striking out "or ammunition"; and

"(B) by striking out "or licensed dealer for the sole purpose of repair or customizing;" and inserting in lieu thereof "licensed dealer, or licensed collector;";

(3) in subsection (a)(3), by striking out "(B)" and all that follows through "(b)(3) of this section," and inserting in lieu thereof the following: "(B) shall not apply to the transportation or receipt of a firearm obtained in conformity with subsection (b)(3) of this section,";

(4) in subsection (b)—

(A) in paragraph (2), by striking out "or ammunition" each place it appears;

(B) in paragraph (3), by striking out "(A)" and all that follows through "intrastate transactions other than at the licensee's business premises," and inserting in lieu thereof "(A) shall not apply to the sale or delivery of any rifle or shotgun to a resident of a State other than a State in which the licensee's place of business is located if the transferee meets in person with the transferor to accomplish the transfer, and the sale, delivery, and receipt fully comply with the legal conditions of sale in both such States (and any licensed manufacturer, importer or dealer shall be presumed, for purposes of this subparagraph, in the absence of evidence to the contrary, to have had actual knowledge of the State laws and published ordinances of both States),";

(C) in paragraph (3), by inserting "and" before "(B)";

(D) in paragraph (3), by striking out ", and (C)" and all that follows through the end of such paragraph and inserting in lieu thereof a semicolon; and

(E) in paragraph (5), by striking out "or ammunition except .22 caliber rimfire ammunition" and inserting "or armor-piercing ammunition" in lieu thereof;

(5) in subsection (d)—

(A) by striking out "licensed importer, licensed manufacturer, licensed dealer, or licensed collector" the first place it appears and inserting in lieu thereof "person";

(B) by amending paragraph (3) to read as follows:

"(3) is an unlawful user of or addicted to any controlled substance (as defined in section 102 of the Controlled Substances Act (21 U.S.C. 802));";

(C) in paragraph (4), by striking out the period and inserting in lieu thereof a semicolon; and

(D) by inserting after paragraph (4) the following:

"(5) who, being an alien, is illegally or unlawfully in the United States;

"(6) who has been discharged from the Armed Forces under dishonorable conditions; or

"(7) who, having been a citizen of the United States, has renounced his citizenship.";

(6) in subsection (g)—

(A) in paragraph (1), by striking out "is under indictment for, or who";

(B) by amending paragraph (3) to read as follows:

"(3) is an unlawful user of or addicted to any controlled substance (as defined in section 102 of the Controlled Substances Act (21 U.S.C. 802));";

(C) by inserting after paragraph (4) the following new paragraphs:

"(5) who, being an alien, is illegally or unlawfully in the United States;

"(6) who has been discharged from the Armed Forces under dishonorable conditions; or

"(7) who, having been a citizen of the United States, has renounced his citizenship;"; and

(D) by striking out "to ship or transport any firearm or ammunition in interstate or foreign commerce." and inserting in lieu thereof "to ship or transport in interstate or foreign commerce, or possess in or affecting commerce, any firearm or ammunition; or to receive any firearm or ammunition which has been shipped or transported in interstate or foreign commerce.";

(7) so that subsection (h) reads as follows:

"(h) It shall be unlawful for any individual, who to that individual's knowledge and while being employed for any person described in any paragraph of subsection (g) of this section, in the course of such employment—

"(1) to receive, possess, or transport any firearm or ammunition in or affecting interstate or foreign commerce; or

"(2) to receive any firearm or ammunition which has been shipped or transported in interstate or foreign commerce.";

(8) by inserting after subsection (m) the following:

"(n) It shall be unlawful for any person who is under indictment for a crime punishable by imprisonment for a term exceeding one year to ship or transport in interstate or foreign commerce any firearm or ammunition or receive any firearm or ammunition which has been shipped or transported in interstate or foreign commerce."; and

(9) by inserting after the subsection added by paragraph (8) of this section the following:

"(o)(1) Except as provided in paragraph (2), it shall be unlawful for any person to transfer or possess a machinegun.

"(2) This subsection does not apply with respect to—

"(A) a transfer to or by, or possession by or under the authority of, the United States or any department or agency thereof or a State, or a department, agency, or political subdivision thereof; or

"(B) any lawful transfer or lawful possession of a machinegun that was lawfully possessed before the date this subsection takes effect.".

SEC. 103. AMENDMENTS TO SECTION 923.

Section 923 of title 18, United States Code, is amended—

(1) in subsection (a)—

(A) by striking out the first sentence and inserting in lieu thereof "No person shall engage in the business of importing, manufacturing, or dealing in firearms, or importing or manufacturing ammunition, until he has filed an application with and received a license to do so from the Secretary."; and

(B) by striking out "and contain such information", and inserting in lieu thereof "and contain only that information necessary to determine eligibility for licensing.";

(2) in subsection (a)(3)(B), by striking out "or ammunition for firearms other than destructive devices,";

(3) in subsection (b), by striking out "and contain such information" and inserting in lieu thereof "and contain only that information necessary to determine eligibility";

(4) in subsection (c), by adding at the end "Nothing in this chapter shall be construed to prohibit a licensed manufacturer, importer, or dealer from maintaining and disposing of a personal collection of firearms, subject only to such restrictions as apply in this chapter to dispositions by a person other than a licensed manufacturer, importer, or dealer. If any firearm is so disposed of by a licensee within one year after its transfer from his business inventory into such licensee's personal collection or if such disposition or any other acquisition is made for the purpose of willfully evading the restrictions placed upon licensees by this chapter, then such fiream shall be deemed part of such licensee's business inventory.";

(5) in subsection (e), by inserting "willfully" before "violated";

(6) in subsection (f)—

(A) in paragraph (3)—

(i) by inserting "de novo" before "judicial"; and

(ii) by inserting "whether or not such evidence was considered at the hearing held under paragraph (2)." after "to the proceeding"; and

(B) by adding at the end the following new paragraph:

"(4) If criminal proceedings are instituted against a licensee alleging any violation of this chapter or of rules or regulations prescribed under this chapter, and the licensee is acquitted of such charges, or such proceedings are terminated, other than upon motion of the Government before trial upon such charges, the Secretary shall be absolutely barred from denying or revoking any license granted under this chapter where such denial or revocation is based in whole or in part on the facts which form the basis of such criminal charges. No proceedings for the revocation of a license shall be instituted by the Secretary more than one year after the filing of the indictment or information.";

(7) so that subsection (g) reads as follows:

"(g)(1)(A) Each licensed importer, licensed manufacturer, and licensed dealer shall maintain such records of importation, production, shipment, receipt, sale, or other disposition of firearms at his place of business for such period, and in such form, as the Secretary may by regulations prescribe. Such importers, manufacturers, and dealers shall not be required to submit to the Secretary reports and information with respect to such records and the contents thereof, except as expressly required by this section. The Secretary, when he has reasonable cause to believe a violation of this chapter has occurred and that evidence thereof may be found on such premises, may, upon demonstrating such cause before a Federal magistrate and securing from such magistrate a warrant authorizing entry, enter during business hours the premises (including places of storage) of any licensed firearms importer, licensed manufacturer, licensed dealer, licensed collector, or any licensed importer or manufacturer of ammunition, for the purpose of inspecting or examining—

"(i) any records or documents required to be kept by such licensed importer, licensed manufacturer, licensed dealer, or licensed collector under this chapter or rules or regulations under this chapter, and

"(ii) any firearms or ammunition kept or stored by such licensed importer, licensed

manufacturer, licensed dealer, or licensed collector, at such premises.

"(B) The Secretary may inspect or examine the inventory and records of a licensed importer, licensed manufacturer, or licensed dealer without such reasonable cause or warrant—

"(i) in the course of a reasonable inquiry during the course of a criminal investigation of a person or persons other than the licensee;

"(ii) for ensuring compliance with the record keeping requirements of this chapter not more than once during any 12-month period; or

"(iii) when such inspection or examination may be required for determining the disposition of one or more particular firearms in the course of a bona fide criminal investigation.

"(C) The Secretary may inspect the inventory and records of a licensed collector without such reasonable cause or warrant—

"(i) for ensuring compliance with the record keeping requirements of this chapter not more than once during any 12-month period; or

"(ii) when such inspection or examination may be required for determining the disposition of one or more particular firearms in the course of a bona fide criminal investigation.

"(D) At the election of a licensed collector, the annual inspection of records and inventory permitted under this paragraph shall be performed at the office of the Secretary designated for such inspections which is located in closest proximity to the premises where the inventory and records of such licensed collector are maintained. The inspection and examination authorized by this paragraph shall not be construed as authorizing the Secretary to seize any records or other documents other than those records or documents constituting material evidence of a violation of law. If the Secretary seizes such records or documents, copies shall be provided the licensee within a reasonable time. The Secretary may make available to any Federal, State, or local law enforcement agency any information which he may obtain by reason of this chapter with respect to the identification of persons prohibited from purchasing or receiving firearms or ammunition who have purchased or received firearms or ammunition, together with a description of such firearms or ammunition, and he may provide information to the extent such information may be contained in the records required to be maintained by this chapter, when so requested by any Federal, State, or local law enforcement agency.

"(2) Each licensed collector shall maintain in a bound volume the nature of which the Secretary may by regulations prescribe, records of the receipt, sale, or other disposition of firearms. Such records shall include the name and address of any person to whom the collector sells or otherwise disposes of a firearm. Such collector shall not be required to submit to the Secretary reports and information with respect to such records and the contents thereof, except as expressly required by this section.

"(3) Each licensee shall prepare a report of multiple sales or other dispositions whenever the licensee sells or otherwise disposes of, at one time or during any five consecutive business days, two or more pistols, or revolvers, or any combination of pistols and revolvers totalling two or more, to an unlicensed person. The report shall be prepared on a form specified by the Secretary and forwarded to the office specified thereon not later than the close of business on the day that the multiple sale or other disposition occurs.

"(4) Where a firearms or ammunition business is discontinued and succeeded by a new licensee, the records required to be kept by this chapter shall appropriately reflect such facts and shall be delivered to the successor. Where discontinuance of the business is absolute, such records shall be delivered within 30 days after the business discontinuance to the Secretary. However, where State law or local ordinance requires the delivery of records to other responsible authority, the Secretary may arrange for the delivery of such records to such other responsible authority.

"(5)(A) Each licensee shall, when required by letter issued by the Secretary, and until notified to the contrary in writing by the Secretary, submit on a form specified by the Secretary, for periods and at the times specified in such letter, all record information required to be kept by this chapter or such lesser record information as the Secretary in such letter may specify.

"(B) The Secretary may authorize such record information to be submitted in a manner other than that prescribed in subparagraph (A) of this paragraph when it is shown by a licensee that an alternate method of reporting is reasonably necessary and will not unduly hinder the effective administration of this chapter. A licensee may use an alternate method of reporting if the licensee describes the proposed alternate method of reporting and the need therefor in a letter application submitted to the Secretary, and the Secretary approves such alternate method of reporting."; and

(8) So that subsection (j) reads as follows:

"(j) A licensed importer, licensed manufacturer, or licensed dealer may, under rules or regulations prescribed by the Secretary, conduct business temporarily at a location other than the location specified on the license if such temporary location is the location for a gun show or event sponsored by any national, State, or local organization, or any affiliate of any such organization devoted to the collection, competitive use, or other sporting use of firearms in the community, and such location is in the State which is specified on the license. Records of receipt and disposition of firearms transactions conducted at such temporary location shall include the location of the sale or other disposition and shall be entered in the permanent records of the licensee and retained on the location specified on the license. Nothing in this subsection shall authorize any licensee to conduct business in or from any motorized or towed vehicle. Notwithstanding the provisions of subsection (a) of this section, a separate fee shall not be required of a licensee with respect to business conducted under this subsection. Any inspection or examination of inventory or records under this chapter by the Secretary at such temporary location shall be limited to inventory consisting of, or records relating to, firearms held or disposed at such temporary location. Nothing in this subsection shall be construed to authorize the Secretary to inspect or examine the inventory or records of a licensed importer, licensed manufacturer, or licensed dealer at any location other than the location specified on the license. Nothing in this subsection shall be construed to diminish in any manner any right to display, sell, or otherwise dispose of firearms or ammunition, which is in effect before the date of the enactment of the Firearms Owners' Protection Act.".

SEC. 104. AMENDMENTS TO SECTION 924.

(a) IN GENERAL.—Section 924 of title 18, United States Code, is amended—

(1) so that subsection (a) reads as follows:

"(a)(1) Except as otherwise provided in paragraph (2) of this subsection, subsection (b) or (c) of this section, or in section 929, whoever—

"(A) knowingly makes any false statement or representation with respect to the information required by this chapter to be kept in the records of a person licensed under this chapter or in applying for any license or exemption or relief from disability under the provisions of this chapter;

"(B) knowingly violates subsection (a)(4), (a)(6), (f), (g), (i), (j), or (k) of section 922;

"(C) knowingly imports or brings into the United States or any possession thereof any firearm or ammunition in violation of section 922(1); or

"(D) willfully violates any other provision of this chapter,

shall be fined not more than $5,000, imprisoned not more than five years, or both, and shall become eligible for parole as the Parole Commission shall determine.

"(2) Any licensed dealer, licensed importer, licensed manufacturer, or licensed collector who knowingly—

"(A) makes any false statement or representation with respect to the information required by the provisions of this chapter to be kept in the records of a person licensed under this chapter; or

"(B) violates subsection (m) of section 922, shall be fined not more than $1,000, imprisoned not more than one year, or both, and shall become eligible for parole as the Parole Commission shall determine.";

(2) in subsection (c)—

(A) by inserting "(1)" before "Whoever,";

(B) by striking out "violence" each place it appears and inserting in lieu thereof "violence or drug trafficking crime,";

(C) by inserting "or drug trafficking crime" before "in which the firearm was used or carried.";

(D) in the first sentence, by striking out the period at the end and inserting in lieu thereof ", and if the firearm is a machinegun, or is equipped with a firearm silencer or firearm muffler, to imprisonment for 10 years.";

(E) in the second sentence, by striking out the period at the end and inserting in lieu thereof ", and if the firearm is a machinegun, or is equipped with a firearm silencer or firearm muffler, to imprisonment for 20 years."; and

(F) by adding at the end the following:

"(2) For purposes of this subsection, the term 'drug trafficking crime' means any felony violation of Federal law involving the distribution, manufacture, or importation of any controlled substance (as defined in section 102 of the Controlled Substances Act (21 U.S.C. 802)).

"(3) For purposes of this subsection the term 'crime of violence' means an offense that is a felony and—

"(A) has as an element the use, attempted use, or threatened use of physical force against the person or property of another, or

"(B) that by its nature, involves a substantial risk that physical force against the person or property of another may be used in the course of committing the offense.";

(3) by amending subsection (d) to read as follows:

"(d)(1) Any firearm or ammunition involved in or used in any knowing violation of subsection (a)(4), (a)(6), (f), (g), (h), (i), (j), or (k) of section 922, or knowing importation or bringing into the United States or any possession thereof any firearm or ammunition in violation of section 922(l), or knowing violation of section 924, or willful violation of any other provision of this chapter or any rule or regulation promulgated thereunder, or any violation of any other criminal law of the United States, or any firearm or ammunition intended to be used in any offense referred to in paragraph (3) of this subsection, where such intent is demonstrated by clear and convincing evidence, shall be subject to seizure and forfeiture, and all provisions of the Internal Revenue Code of 1954 relating to the seizure, forfeiture, and disposition of firearms, as defined in section 5845(a) of that Code, shall, so far as applicable, extend to seizures and forfeitures under the provisions of this chapter: *Provided*, That upon acquittal of the owner or possessor, or dismissal of the charges against him other than upon motion of the Government prior to trial, the seized firearms or ammunition shall be returned forthwith to the owner or possessor or to a person delegated by the owner or possessor unless the return of the firearms or ammunition would place the owner or possessor or his delegate in violation of law. Any action or proceeding for the forfeiture of firearms or ammunition shall be commenced within one hundred and twenty days of such seizure.

"(2)(A) In any action or proceeding for the return of firearms or ammunition seized under the provisions of this chapter, the court shall allow the prevailing party, other than the United States, a reasonable attorney's fee, and the United States shall be liable therefor.

"(B) In any other action or proceeding under the provisions of this chapter, the court, when it finds that such action was without foundation, or was initiated vexatiously, frivolously, or in bad faith, shall allow the prevailing party, other than the United States, a reasonable attorney's fee, and the United States shall be liable therefor.

"(C) Only these firearms or quantities of ammunition particularly named and individually identified as involved in or used in any violation of the provisions of this chapter or any rule or regulation issued, thereunder, or any other criminal law of the United States or as intended to be used in any offense referred to in paragraph (3) of this subsection, where such intent is demonstrated by clear and convincing evidence, shall be subject to seizure, forfeiture, and disposition.

"(D) The United States shall be liable for attorneys' fees under this paragraph only to the extent provided in advance by appropriations Acts.

"(3) The offenses referred to in paragraphs (1) and (2)(C) of this subsection are—

"(A) any crime of violence, as that term is defined in section 924(c)(3) of this title;

"(B) any offense punishable under the Controlled Substances Act (21 U.S.C. 801 et seq.) or the Controlled Substances Import and Export Act (21 U.S.C. 951 et seq.);

"(C) any offense described in section 922(a)(1), 922(a)(3), 922(a)(5), or 922(b)(3) of this title, where the firearm or ammunition intended to be used in any such offense is involved in a pattern of activities which includes a violation of any offense described in section 922(a)(1), 922(a)(3), 922(a)(5), or 922(b)(3) of this title;

"(D) any offense described in section 922(d) of this title where the firearm or ammunition is intended to be used in such offense by the transferor of such firearm or ammunition;

"(E) any offense described in section 922(i), 922(j), 922(l), 922(n), or 924(b) of this title; and

"(F) any offense which may be prosecuted in a court of the United States which involves the exportation of firearms or ammunition"; and

(4) by adding at the end the following new subsection:

"(e)(1) In the case of a person who violates section 922(g) of this title and has three previous convictions by any court referred to in section 922(g)(1) of this title for robbery or burglary, or both, such person shall be fined not more than $25,000 and imprisoned not less than 15 years, and, notwithstanding any other provision of law, the court shall not suspend the sentence of, or grant a probationary sentence to, such person with respect to the conviction under section 922(g), and such person shall not be eligible for parole with respect to the sentence imposed under this subsection.

"(2) As used in this subsection—

"(A) the term 'robbery' means any crime punishable by a term of imprisonment exceeding one year and consisting of the taking of the property of another from the person or presence of another by force or violence, or by threatening or placing another person in fear that any person will imminently be subjected to bodily harm; and

"(B) the term 'burglary' means any crime punishable by a term of imprisonment exceeding one year and consisting of entering or remaining surreptitiously within a building that is the property of another with intent to engage in conduct constituting a Federal or State offense.".

(b) CONFORMING REPEAL.—Title VII of the Omnibus Crime Control and Safe Streets Act of 1968 (18 U.S.C. App. 1201 et seq.) is repealed.

SEC. 105. AMENDMENTS TO SECTION 925.

Section 925 of title 18, United States Code, is amended—

(1) in subsection (c)—

(A) by striking out "has been convicted of a crime punishable by imprisonment for a term exceeding one year (other than a crime involving the use of a firearm or other weapon or a violation of this chapter or of the National Firearms Act)" and inserting in lieu thereof "is prohibited from possessing, shipping transporting, or receiving firearms or ammunition";

(B) by inserting "transportation," after "shipment,";

(C) by striking out "and incurred by reason of such conviction"; and

(D) by inserting "Any person whose application for relief from disabilities is denied by the Secretary may file a petition with the United States district court for the district in which he resides for a judicial review of such denial. The court may in its discretion admit additional evidence where failure to do so would result in a miscarriage of justice." after "the public interest."; and (2) in subsection (d)—

(A) by striking out "may authorize" and inserting in lieu thereof "shall authorize";

(B) by striking out "the person importing or bringing in the firearm or ammunition establishes to the satisfaction of the Secretary that";

(C) in paragraph (3), by inserting before the semicolon ", except in any case where the Secretary has not authorized the importation of the firearm pursuant to this paragraph, it shall be unlawful to import any frame, receiver, or barrel of such firearm which would be prohibited if assembled"; and

(D) by striking out "may permit" and inserting in lieu thereof "shall permit".

SEC. 106. AMENDMENTS TO SECTION 926.

Section 926 of title 18 of the United States Code is amended—

(1) by inserting "(a)" before "The Secretary" the first place it occurs;

(2) by inserting "only" after "prescribe";

(3) by striking out "as he deems reasonably" and inserting in lieu thereof "as are";

(4) by striking out the last sentence and inserting in lieu thereof "No such rule or regulation prescribed after the date of the enactment of the Firearms Owners' Protection Act may require that records required to be maintained under this chapter or any portion of the contents of such records, be recorded at or transferred to a facility owned, managed, or controlled by the United States or any State or any political subdivision thereof, nor that any system of registration of firearms, firearms owners, or firearms transactions or dispositions be established. Nothing in this section expands or restricts the Secretary's authority to inquire into the disposition of any firearm in the course of a criminal investigation."; and

(5) by adding at the end the following:

"(b) The Secretary shall give not less than 90 days public notice, and shall afford interested parties opportunity for hearing, before prescribing such rules and regulations.

"(c) The Secretary shall not prescribe rules or regulations that require purchasers of black powder under the exemption provided in section 845(a)(5) of this title to complete affidavits or forms attesting to that exemption.".

SEC. 107. TRANSPORTATION OF FIREARMS.

(a) IN GENERAL.—Chapter 44 of title 18, United States Code, is amended by inserting between section 926 and section 927 the following new section:

"§ 926A. Interstate transportation of firearms

"Any person not prohibited by this chapter from transporting, shipping, or receiving a firearm shall be entitled to transport an unloaded, not readily accessible firearm in interstate commerce notwithstanding any provision of any legislation enacted, or any rule or regulation prescribed by any State or political subdivision thereof.".

(b) CLERICAL AMENDMENT.—The table of sections for chapter 44 of title 18, United States Code, is amended by inserting between the item relating to section 926 and the item relating to section 927 the following new item:

"926A. Interstate transportation of firearms.".

SEC. 108. AMENDMENTS TO SECTION 929.

Section 929(a) of title 18, United States Code, is amended—

(1) by inserting "(1)" before "Whoever,";

(2) by striking out "violence" each place it appears and inserting in lieu thereof "violence or drug trafficking crime,"; and

(3) by adding at the end the following:

"(2) For purposes of this subsection, the term 'drug trafficking crime' means any felony violation of Federal law involving the distribution, manufacture, or importation of any controlled substance (as defined in section 102 of the Controlled Substances Act (21 U.S.C. 802)).".

SEC. 109. AMENDMENT OF NATIONAL FIREARMS ACT.

(a) Section 5845(b) of the National Firearms Act (26 U.S.C. 5845(b)) is amended by striking out "any combination of parts designed and intended for use in converting a weapon into a machinegun," and inserting in lieu thereof "any part designed and intended solely and exclusively, or combination of parts designed and intended, for use in converting a weapon into a machinegun,".

(b) CONFORMING AMENDMENT.—Section 5845(a)(7) of the National Firearms Act (26 U.S.C. 5845(a)(7)) is amended to read "(7) any silencer (as defined in section 921 of title 18, United States Code);".

SEC. 110. EFFECTIVE DATE.

(a) IN GENERAL.—The amendments made by this Act shall become effective 180 days after the date of the enactment of this Act. Upon their becoming effective, the Secretary shall publish and provide to all licensees a compilation of the State laws and published ordinances of which licensees are presumed to have knowledge pursuant to chapter 44 of title 18, United States Code, as amended by this Act. All amendments to such State laws and published ordinances as contained in the aforementioned compilation shall be published in the Federal Register, revised annually, and furnished to each person licensed under chapter 44 of title 18, United States Code, as amended by this Act.

(b) PENDING ACTIONS, PETITIONS, AND APPELLATE PROCEEDINGS.—The amendments made by sections 103(6)(B), 105, and 107 of this Act shall be applicable to any action, petition, or appellate proceeding pending on the date of the enactment of this Act.

(c) MACHINEGUN PROHIBITION.—Section 102(9) shall take effect on the date of the enactment of this Act.

The motion was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed.

The title of the Senate bill was amended so as to read: "An Act to amend chapter 44 (relating to firearms) of title 18, United States Code, and for other purposes."

A motion to reconsider was laid on the table.

A similar House bill (H.R. 4332) was laid on the table.

THE SILENCER DEFINITION

(Mr. VOLKMER asked and was given permission to address the House for 1 minute.)

Mr. VOLKMER. Mr. Speaker, I ask for this time in order to engage in a colloquy with the gentleman from Idaho [Mr. CRAIG].

I yield to the gentleman from Idaho.

Mr. CRAIG. I appreciate the gentleman from Missouri yielding to enter into a colloquy regarding the silencer definition in the Volkmer substitute as modified by the McCollum amendment. I have just a few questions.

Mr. VOLKMER. Go ahead with the questions.

Mr. CRAIG. The language of the silencer definition in the substitute, which begins on page 5, line 20, states that a silencer is "any device or silencing * * *." I would like to know if this term is designed to change the current interpretation. For example, according to BATF, the current law does not include conventional chokes, muzzle breaks, flash hiders, and compensators that are not designed or altered to be silencers, even though these devices may quash sound in addition to their other lawful purposes.

Mr. VOLKMER. My substitute, as modified by the McCollum amendment, does not change existing law. No conventional choke, muzzle breaks, flash hiders, or compensators will fit within the definition of silencer in the substitute because they are not "devices for silencing * * *." Each of these devices has a common sporting purpose totally apart from muffling sound. If someone modified these legitimate devices however for the purpose of silencing, then the modified device would be a silencer.

Mr. CRAIG. I thank my colleague for that explanation.

FOREIGN POLICY SHOULD NOT BE HELD HOSTAGE TO PARLIAMENTARY PROCEDURES

(Mr. MICHEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MICHEL. Mr. Speaker, the speaker has decided to place the question of aid to the freedom fighters in Nicaragua on the supplemental appropriation bill to be voted on next Tuesday.

We all know that placing this vitally important question on such a bill makes a foreign policy issue hostage to legislative manuevering. We all know there are so many things wrong with the supplemental that it faces an almost inevitable veto by the President.

Given these facts, forcing us to vote on the Contra aid issue on a bill that is otherwise deeply flawed, dooms any realistic chance for the House to express its will on this issue.

We will go through the motions. We will not help the Contras even if the President's policy is overwhelmingly voted for in the supplemental.

It is as if a used-car salesman sells us a shiny car that is perfect in every way—except that it lacks an engine. It may look great, but its not going anywhere.

That's where the supplemental is going—nowhere.

When the Sandinistas made their incursion into Honduras, my good friend, the majority leader, joined with me in a colloquy on the floor. He showed his deep concern that we get a fair and relevant vote on this issue.

At approximately the same time, the Speaker and the administration talked about the possibility of a clear and freestanding vote on these questions.

I understand that there has been a dispute over exactly what was agreed to during the conversations between the Speaker and the administration.

I don't know the specifics of the case. But whatever sins the Speaker may think the administration is guilty of, there is no use making American foreign policy pay the price.

There is an irony in all this: The majority wishes to micromanage American foreign policy through legislative maneuvering and is able to do so by putting its hands on the most detailed and specific parts of our process; but at the same time, the majority claims it cannot operate legislative machinery well enough to come out with a budget that meets the needs of our country—and the requirements of the law.

I strongly urge the majority to stop this manipulation of legislative machinery in order to doom needed foreign policy legislation. This may be a slick maneuver—but is it really just and fair?

□ 1215

LEGISLATIVE PROGRAM

(Mr. LOTT asked and was given permission to address the House for 1 minute.)

Mr. LOTT. Mr. Speaker, I am pleased to yield to the distinguished majority whip so that he may provide us with the schedule for today, the balance of the week, and for the week of April 14 to 15.

Mr. FOLEY. Mr. Speaker, I thank the distinguished Republican whip for yielding.

The gentleman from New York [Mr. GARCIA] has a commemorative resolution to present to the House following this announcement, which will conclude the business for today and for the week. The House will meet at noon on Monday next and consider five bills under suspension of the rules:

H.R. 2721, require collection of statistics on domestic apparel and textile industries;

H.R. 3559, amend act establishing a Commission on the Bicentennial of the Constitution of the United States;

H.R. 3826, sexual molestation of minors on Indian reservations;

H.R. 2998, victims of Crime Act amendments;

H.R. 44, Electric Consumers Protection Act; and

H.R. ——, extension of Net Worth Certificate Program and Emergency Acquisition Program for financial institutions.

Mr. LOTT. There had been one other bill listed earlier on the tentative schedule, H.R. 44, Electric Consumers Protection Act. That bill has been removed from suspension list for next week?

Mr. FOLEY. It is my understanding the committee would prefer for that bill to be brought up the following week, I think it is.

Mr. LOTT. I thank the gentleman.

Mr. FOLEY. Tuesday and Wednesday, April 15 and 16, we will consider votes that have been ordered on the suspensions debated on Monday, and then H.R. 4515, the Urgent Supplemental Appropriations Act for fiscal year 1986, subject to a rule being granted. We will of course consider the rule and begin the consideration of the supplemental on that day.

On Thursday and the balance of the week, April 17 and 18, the House will meet at 11 and consider H.R. 4420, the United States Code, title 10 amendments: To revise military retirement system for new members of the armed services, subject to a rule being granted, and H.R. 281, the Construction Industry Labor Law Amendments of 1985, open rule, 1 hour of debate.

The House will adjourn by 7 p.m. on every day of next week, and conference reports, of course, may be brought up at any time and further program could be announced later.

I think Members should be advised that there is a possibility of votes on Friday next week.

Mr. LOTT. Let me propound some questions to the gentleman. First of all, I note this new policy apparently that the House will adjourn by 7 p.m. next week, is this a policy that started last night and is it going to go forward just for next week or for the rest of this year? We heard the Speaker come into the well last night and talk about Gramm-Rudman and not wanting the policemen to work overtime. Frankly I think it is an excellent idea that we not stay in past 7 o'clock because we usually mess things up when we do that at night. But is this a policy that has been decided upon?

Mr. FOLEY. I believe I can say without fear of more than an extraordinary exception that I can say categorically that it will be the general policy of the leadership not to continue debate or consideration on legislation beyond 7 p.m. in the evening.

Frankly this is the result in part of the problem we face with late sessions requiring the attendance of security forces in the Capitol, police, and that requires payment of overtime for the police. And under those circumstances we are faced with some very real restraints which the gentleman knows have been imposed on the House to a greater degree.

Mr. LOTT. By the House itself.

Mr. FOLEY. By the House itself.

Mr. LOTT. OK.

Mr. FOLEY. By almost twice the figure that is imposed either on the civilian agencies of the United States or on the Defense Department of the United States. We are bearing reductions in our expenditures across the board that are at a level of about twice and in some cases more than twice the level of reductions of the civilian and military branches of the executive. And under those circumstances decisions have to be made and I think for Members' information, they should be guided by that. It is not for any other purpose, although if I may give you my personal impression, that in general the business of this House can be conducted effectively without going beyond 7 o'clock in the evening and it probably provides a degree of welcome predictability in the affairs of the House that I think suits the interests of the Members and orderly legislation as well.

Mr. LOTT. Well, we could talk further about that, I guess, at a later time. But let me ask you a couple of questions about the schedule.

With regard to the additional spending bill, sometimes referred to as the supplemental appropriations, would the gentleman give us any indication of when he would expect a vote on the Nicaraguan freedom fighters aid, when do we expect that to be brought up? I have heard Tuesday and then I have heard Wednesday. I think the Members would want to know as well in advance as they could, as far in advance, whether it will be Tuesday or Wednesday. Does the gentleman know?

Mr. FOLEY. My own advice to the House would be that subject to the rule which, as the gentleman knows, has not yet been granted, or reported for that matter, subject to the rule it is my belief that we will take up the issue of the so-called Contra aid early in the proceedings on Tuesday, on Tuesday; and that the remainder of the supplemental appropriation consideration would be probably extending into Wednesday. But Members who are particularly concerned about the schedule of the Contra vote should assume that that will be on Tuesday rather than on Wednesday.

Mr. LOTT. Assuming the rule does pass, and the way things are going, it may have difficulty passing, then you are saying probably it will come up on Tuesday.

I know the gentleman has to work with what the Rules Committee does, he has to work with the majority leader, he has to work with the Speaker and all of that. But I think the Members get very frustrated on both sides of the aisle when we are told for instance we are going to complete a piece of legislation, like yesterday, that day and then the last minute we come in and, no, we are going to quit at 7 o'clock. If we are not going to have the vote on Contra aid on Tuesday, I would urge the leadership to please give their membership as well as ours as much advance notice as possible.

Mr. FOLEY. I will tell the gentleman that if it appears that my prediction of a vote on this matter on Tuesday turns out not to be likely, that I will take it upon myself to advise the membership so far as I am able to do at the earliest possible moment. But at the moment I think the safest assumption for Members would be, subject to the rule, of course, that it will be on Tuesday.

I would also like to say to the gentleman that I have already made the statement about 7 o'clock, but it often is difficult as the gentleman knows to predict the course of the debate, particularly on very important legislation and one that is controversial. It was assumed yesterday that we could complete the action on the bill by 7 o'clock in the evening. That turned out to be overly optimistic in terms of the schedule. So it probably is now clear from my announcement that except in extraordinary cases which we will announce earlier, Members can assume that 7 o'clock will be the deadline.

Mr. LOTT. One final question, and then I would like to yield to our leader, who may be seeking recognition. I notice that next week is the week of April 15.

Mr. FOLEY. Yes.

Mr. LOTT. Which under Gramm-Rudman legislation we are supposed to have acted certainly here in the House, as a matter of fact, the House and the Senate, to have acted on the budget resolution. I notice that the budget resolution is not scheduled. I know personally that the Budget Committee is not having hearings other than the road show it had earlier this year. They do not have a chairman's mark, they do not have any agreements with regard to assumptions.

Do we have any idea of when maybe the House would consider acting on the budget resolution? I mean other than just waiting to see what the Senate will do, do we have any agenda of our own around here anymore?

Mr. FOLEY. Well, I think that the gentleman knows that Members of his own party have been meeting and considering budget alternatives and positions and there have been Members on our side who have been talking about this issue. I cannot assure the gentleman, obviously it is not on the schedule for next week, that it will be considered next week. The gentleman knows that the committee has not yet reported the budget.

It would not be the first time that we have technically missled the schedule that is our target.

Mr. LOTT. It is not the first time?

Mr. FOLEY. It is not the first time, as the gentleman knows. A more important consideration——

Mr. LOTT. It is the first time we have missed it under Gramm-Rudman, though, right?

Mr. FOLEY. Well, we have not missed it yet. But if we miss it, it will be the first time we missed it under Gramm-Rudman. But of course every day is the first day that something has happened under Gramm-Rudman.

I would say this, that I think the more important question, and I am sure the gentleman will agree, is whether we conclude a budget that meets the terms of Gramm-Rudman and satisfies the Congress, House and Senate, and I would hope a bipartisan majority of both sides on the substance of Gramm-Rudman rather than on the technical timetable. It is important if we can to meet the technical timetable, certainly.

Mr. LOTT. Well, if the gentleman would let me comment on that, that is our goal, we certainly want that. We should not necessarily be controlled totally by the time schedule. But we only have about 98 days left in this session of Congress and we are not doing anything on the budget resolution. We are not going to go beyond 7 o'clock, I mean we do not want to rush too much into things. Maybe a Tuesday-to-Thursday schedule is all we would want to rush headlong into here this early in the year. I am being sarcastic, but honestly we need to be meeting. We are ready on this side of the aisle to begin markup on the budget resolution today. We are ready to go.

Now I realize the gentleman is not chairman of the Committee on the Budget, but I am trying to emphasize for our colleagues that the deadline of April 15 is going by and nothing is happening in the Budget Committee whatsoever.

I would like for the House and the Senate to simultaneously move forward on the budget resolution in a bipartisan way. But we are never going to get it until we get started.

Mr. FOLEY. If the gentleman will yield further, I believe he overstates the circumstance. We have not yet had a report from the Committee on the Budget. But much is happening in fact on both sides of the aisle to move us toward that direction. I remain, personally, very confident that we will have a budget and that we will successfully meet the requirements of Gramm-Rudman on the substance of a budget resolution, whether the precision of a particular date that is after all the target is met is less important in my view than the substance.

Mr. LOTT. I yield to the distinguished minority leader.

Mr. MICHEL. I would like to inquire: On Tuesday, would those votes, any votes that would be demanded on the suspensions from the day before, be done initially on Tuesday or toward the end of business?

Mr. FOLEY. I think we would probably do them at the end of the day. If the gentleman thinks that that would be a convenience, we would be glad to schedule it that way.

Mr. MICHEL. Quite frankly, there are Members who have been inquiring of me whether or not there would be rollcalls.

Mr. FOLEY. Personally, I would assure the gentleman, I would have to assure the gentleman that it is probably better to take them first because we are going into a fairly long procedure with respect to the supplemental appropriation bill and I think to give Members fair notice I will take the burden of saying that we will consider any votes ordered on suspensions as the first order of business on Tuesday prior to the adoption of the bill.

Mr. LOTT. I thank the gentleman.

Mr. MICHEL. I thank the gentleman.

Mr. FOLEY. Without going into the subsequent week, I think the gentleman may know that the subsequent week after next week will be the beginning of the Passover season and that Members should be advised that because that week will, of course, require the observance of Passover probably beginning on Wednesday afternoon before sundown, that Members should assume business on Monday, Tuesday, and Wednesday of that week.

□ 1230

Mr. LOTT. But not on Thursday or Friday?

Mr. FOLEY. Correct.

Mr. LOTT. Mr. Speaker, I thank the gentleman for that information.

ADJOURNMENT TO MONDAY, APRIL 14, 1986

Mr. FOLEY. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet at noon on Monday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

HOUR OF MEETING ON WEDNESDAY, APRIL 16, 1986

Mr. FOLEY. Mr. Speaker, I ask unanimous consent that when the House adjourns on Tuesday next, it adjourn to meet at 12 o'clock noon on Wednesday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. FOLEY. Mr. Speaker, I ask unanimous consent that business under the Calendar Wednesday rule be dispensed with on Wednesday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 3921

Mr. EDWARDS of California. Mr. Speaker, I ask unanimous consent to remove my name as a cosponsor of H.R. 3921.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

AGRICULTURAL EXTENSION SERVICE

(Mr. COBEY asked and was given permission to address the House for 1 minute.)

Mr. COBEY. Mr. Speaker, one of the greatest assets to American farmers is the Agricultural Extension Service.

However, the administration has proposed reducing Federal support of the Extension Service by $188 million in fiscal year 1987—a cut of roughly 59 percent.

This program should be given a higher priority in the Federal budget.

Without this 72-year-old service, American farmers couldn't benefit like they have from the agricultural research done at land-grant colleges and universities.

I introduced today a resolution expressing the House's desire to provide enough funds to maintain the current operations of the Extension Service.

I urge my colleagues to cosponsor this legislation.

Let's help American farmers and consumers alike by continuing the vital efforts of the Agricultural Extension Service.

NATIONAL MATHEMATICS AWARENESS WEEK

Mr. GARCIA. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the Senate joint resolution (S.J. Res. 261) to designate the week of April 14, 1986, through April 20, 1986, as "National Mathematics Awareness Week," and ask for its immediate consideration.

The Clerk read the title of the Senate joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

Mr. HANSEN. Mr. Speaker, reserving the right to object, I do not object, but I simply would like to inform the House that the minority has no objection to the legislation now being considered.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read the Senate joint resolution, as follows:

S.J. RES. 261

Whereas mathematics is vital to the economic security and defense of the United States;

Whereas enrollment in mathematics programs at all levels is declining;

Whereas in 1984, only 55 percent of doctoral graduates in mathematics from institutions in the United States were United States citizens;

Whereas medical science, space science, computer science, business, defense, and government have increasing need of the technological innovations brought about in recent years by the application of mathematics to such areas; and

Whereas the National Research Council in a report on the current state of mathematics expresses the need for citizens to be aware of the vital role that mathematics plays in daily lives: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the week of April 14, 1986 through April 20, 1986 is designated as "National Mathematics Awareness Week" and the President is authorized and requested to issue a proclamation calling upon the people of the United States and all Federal, State, and local government agencies to observe such week with appropriate programs and activities.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. GARCIA. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days within which to revise and extend their remarks on the Senate joint resolution just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

CORNELIUS BEHAN

(Mrs. BENTLEY asked and was given permission to address the House for 1 minute.)

Mrs. BENTLEY. Mr. Speaker, this House just concluded a very difficult and heated issue on gun legislation. We have all seen that there are more than one view on many of the issues that were involved. It is to be expected that some will say things in the heat of the moment which they will regret on mature reflection.

But I must speak out here about an intemperate, unfair and untrue attack upon a great police officer. My district and Baltimore County are fortunate to have a police chief who is experienced, professional, and of unquestioned integrity, Chief Cornelius Behan.

I sought his counsel on matters of the pending legislation and have found him straightforward and honorable in pressing his views. The people of Baltimore County and I will not tolerate slurs upon his reputation. His concerns have always been for the people of the county committed to his care and for his men and all policemen. We in Baltimore County prize his competence and his concern and reject efforts from those who would deprive us of him for expressing his views forcefully. Chief Behan has pressed his views without making personal attacks on those who disagree with him. Let us follow his example.

GENERAL LEAVE

Mr. BATEMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and to include extraneous material on the subject of the special order today by the gentleman from North Carolina [Mr. BROYHILL].

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Virginia?

There was no objection.

REAGAN WANTS TO USE, NOT ENDORSE CONTRAS

(Mr. DANIEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. DANIEL. Mr. Speaker, there is an ancient saying in the Middle East: "The friend of my enemy is my enemy; the enemy is my friend."

While I would personally be less harsh in my assessment of those Nicaraguans who are fighting to remove the Communist government in that country, certainly these people qualify as the "enemy of my enemy."

Enclosed is an editorial which appeared in the April 7 edition of the Lynchburg, VA, News. This editorial addresses the issue in understandable language. I commend it to your attention.

[From the Lynchburg (VA) News and Daily Advance, Apr. 7, 1986]

REAGAN WANTS TO USE, NOT ENDORSE CONTRAS

The American public is still being grieviously misinformed about the issues in the Reagan administration's dispute with Nicaragua's Sandinista government.

Despite his political statements for public consumption, the president is not seeking $100 million to aid the Contra rebels opposing the Soviet-Cuban Sandinistas because he really considers the rebels democratic-inspired patriots. He wants to aid them because they are making life miserable for the Sandinistas—and the Soviet-Cuban attempt to build a base in Central America.

It's a matter of supporting the thugs who oppose the thugs who oppose you.

Reagan is taking the long view here, and the long view is inescapable. If we don't hamper Soviet-Cuban-Sandinista efforts to establish a base in Nicaragua by providing money and equipment now, we eventually will have to provide our blood.

To hear the president's Democratic opponents tell it, he's supporting thugs who aren't any better than the Sandinistas. In an interview in this paper last Sunday, the chairman of the politics department at Randolph-Macon Woman's College went along with that. The Contra rebel record of violence, he said, is "five times worse than the Sandinistas."

While that may be, it is a moot point, since Reagan is not endorsing the Contras but is using them in the best interests of the United States. And that interest is to hinder in any way he can the establishment of a Soviet-Cuban stronghold in Central America.

The president's opponents seem not to fear such a stronghold, or to oppose it. Their alternative seems to be to "negotiate" with the people who are establishing the base. How they can expect to negotiate with totalitarians, or bring them around to our way of thinking, flies in the face of historical experience and logic.

Ernest A. Duff at R-MWC has impressive credentials in the foreign service field, with special emphasis upon Central and South America. He considers a military solution in Nicaragua to be insane.

What we have there now, however, is a military solution. Military regimes are seldom, if ever, toppled or removed by negotiation or peaceful means. That is counter to their nature.

In turning down Reagan's $100 million aid request, the House Democrats signaled to the Sandinistas that they were willing to go along to get along.

The Sandinistas read it right: Within hours after that vote they send some 1,500 to 2,000 troops into neighboring Honduras to attack the Contra rebel camp there. Quick Reagan response in the form of helicopters to ferry Honduran troops, and fierce resistance by the Contras apparently repulsed the Nicaraguans.

The press, ironically, wondered why such fuss was made of the invasion when the Nicaraguans have violated the Honduran borders dozens of times in recent years, and as late as last May, sent some 1,000 troops into the same remote area. Whose fault is it if the invasions were not reported in the press? The press obviously knew about them.

It is inimical to our safety to have a Soviet-Cuban base in Nicaragua. It is to our interests to block the establishment of such a base, and if possible to eliminate the government responsible for it.

If we can do that without shedding our blood we should do so. Aiding the Contras does not mean we endorse them; it merely means that we are helping them to oppose our enemy.

APRIL IS CHILD ABUSE PREVENTION MONTH

(Mr. AKAKA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. AKAKA. Mr. Speaker, I rise to draw your attention to the profound physical, emotional, and psychological

trauma associated with child abuse. Thousands of victims are overwhelmingly subjected to such abuse not once, not even a dozen times, but consistently and regularly over years, perhaps throughout a lifetime. Almost always, retribution is out of the question in the minds of the victims because they suffer at the hands of their caretakers, their loved ones, their parents. My friends, I speak for the nearly 2 million infants, children, and adolescents who are the victims of child abuse and neglect.

According to the American Association of Protecting Children, between 1976—the first year national statistics on child abuse were collected and reported—and 1983, reports of child abuse and neglect have increased 142 percent. In 1984, 1,024,000 reports were documented, involving 1.7 million children. These figures reflect a 16-percent increase over reported cases in 1983. In Hawaii, the number of reports has increased by an average of 20 percent a year since 1980. Whether this trend reflects an increase in the actual number of child abuse cases or is solely due to an increase in reporting cannot be determined.

The steadily increasing numbers mean two things; on the positive side, we can be encouraged that the increase in reporting is a manifestation of greater awareness of the problem of child abuse and neglect, and that more cases reported mean more children getting the attention and help they so desperately need. On the darker side, the alarming and ever-growing numbers are indicative of a very serious and widespread problem. Even more disturbing, the directors of three leading clinics that treat young victims, in Denver, Boston, and Washington, DC, concur that the severity of cases and the number of fatalities have increased significantly.

Mr. Speaker, April has been designated Child Abuse Prevention Month. I want to urge all of you to contact your local schools, hospitals, police stations, and child abuse prevention centers and voice your concern over this heartbreaking problem. Experts have suggested that reported cases represent only one-third to one-fifth of all cases. We must make an effort to reach out to the millions of children who suffer in silence. All too often, cases go unreported due to the stigma associated with involving oneself with another family's affairs. Raising public awareness and consciousness will help remove the stigma.

May I take this opportunity, Mr. Speaker, to enlist the support of my colleagues for H.R. 2999, known as the Children's Justice Act, introduced by the distinguished gentleman from New York [Mr. DIOGUARDI]. This bill will amend the Child Abuse Prevention and Treatment Act to establish a program to encourage States to enact child protection reforms which are designed to improve legal and administrative proceedings regarding the investigation and prosecution of child abuse cases, especially sexual abuse cases. Among other things, in order to qualify for a grant under this bill, a State must provide for the handling of child abuse cases in a manner which reduces the trauma to the child victim. A State must also establish administrative reforms for the purpose of improving procedures to protect children from abuse.

The Senate companion bill, S. 140, passed the Senate on August 1, 1985. The House Subcommittee on Select Education, in cooperation with the offices of Mr. DIOGUARDI and Mr. SIKORSKI and the other committees with jurisdiction over this bill, have worked out an amendment in the nature of a substitute to S. 140. The amended bill will be forwarded to the House floor in the near future. In the meantime, additional cosponsorship of Mr. DIOGUARDI's bill can help expedite action on this important legislation.

Child abuse is a complex problem surrounded by many unanswered questions, which is why it is so crucial that we do the most we can where we can, such as raising public awareness and improving legal proceedings for child abuse investigation and prosecution. The sheer number of children involved constitutes it as a national tragedy. Mr Speaker, this month, Child Abuse Prevention Month, our children, who are our future, deserve our special attention.

VIETNAM VETERANS AGAINST CONTRA AID

(Mr. ALEXANDER asked and was given permission to address the House for 1 minute to revise and extend his remarks, and to include extraneous material.)

Mr. ALEXANDER. Mr. Speaker, I learned yesterday of the organization of a new group. The name of this new group is Vietnam Veterans Against Contra Aid. They submitted to me a foreign policy statement which addresses the question of fighting communism.

The thesis of the Vietnam Veterans Against Contra Aid says that the current policy of the administration actually encourages communism in Central America.

I include a copy of their document for the review of all Members:

VIETNAM VETERANS
FOREIGN POLICY WATCH,
Washington, DC.

WHY THE KREMLIN LOVES THE CONTRAS

Ever since he took office in 1981, one of President Reagan's primary goals has been to overthrow the Sandinista-led government of Nicaragua. Rather than do it directly with American troops, he hired the job out to an outfit called the Nicaraguan Democratic Force (FDN), more commonly known as the Contras. Well, after five years (half a decade!) and over $100 million in aid from the U.S. government and other sources, how are they doing?

They certainly have grown. The Contras are now nearly 20,000 strong and are very well armed with all sorts of small arms, including mortars, anti-tank rockets and ground-to-air missiles. They enjoy safe base areas and air transport logistical support in Honduras, and they receive all the intelligence they need from extensive and sophisticated American sources in the area. Finally, they have relied on the direct help of CIA-paid mercenaries (who are not part of the FDN) to carry out the big high-risk operations like the commando boat raids on the port cities of Potosi and Corinto in 1984. Yet, even with all these advantages the FDN has managed no more than a few small-unit ambushes of army patrols and truckloads of civilian coffee-pickers on their way to the harvest. The CIA has even had to chide them for their lackadaisical performance.

This does not mean that the Contras are not a threat. Had the Nicaraguan government not been able to find outside sources for military aid, or if they did not have at least the passive support of most of the population, even a smaller Contra force could have taken over the country.

Nicaragua has naturally taken the Contra growth seriously and has responded as any nation rightfully should by increasing the size and firepower of its own forces. After provoking this build-up by boosting the Contras, Reagan now says that the Nicaraguan military is "stronger than necessary for self defense." But how much is enough when under threat of invasion by an army backed by the most powerful nation on earth? More seriously, the threat-induced build-up has now become the rationale for support of the Contras, and may yet become the excuse for the direct use of American troops.

Ironically, from the Administration's standpoint, the threat posed by the unpopular FDN has enabled the Sandinistas to retain a certain amount of popular support and tolerance which might otherwise have been lacking, depending on their ability to govern and manage the economy. In other words, if the Sandinista regime is inept, corrupt and oppressive, the Contra threat and American economic sanctions shield them from being harshly judged so by the people. One is reminded of how the cloak of nationalism obscured the faults of the North Vietnamese and spotlighted Ngo Dinh Diem's dependency on foreign support.

Despite the threat, however, it is clear that the FDN has become a welfare army, neither capable of feeding or clothing itself through the support of the people, nor of arming itself by raids on enemy armories—hallmarks of a true revolutionary army. And every additional dollar we send down there makes them even more welfare-dependent.

Obviously, unless the military balance is significantly altered, or unless the bulk of the population turns actively against the Sandinistas for economic reasons, the Contras will not be able to overthrow the present government of Nicaragua. The Soviet Union will simply not permit Nicaragua to become that vulnerable militarily or economically. At least so far, every step that the Reagan Administration has taken up the escalation ladder has been countered by the Soviets.

There are two dangerous aspects to this escalation tango. First, the next potential steps involve much more powerful weapons than those employed until now; these could influence events to get out of control and drag in more direct participation by other nations. Second, at what stage will Soviet involvement turn into Soviet commitment? It will be remembered that sometime during the Kennedy Administration, a reversible U.S. involvement in Vietnam became a national commitment, the credibility of which was the determining factor in the decisions which led us in ever more deeply. The consequences of the Kremlin following the same path are appalling to contemplate.

U.S. policy has led to a precarious and lethal stalemate, the continuation of which will result in more money going down the Contra drain and more people being killed. It is not unreasonable to think that Soviet leaders are probably quite pleased with the situation and would like to see it go on and on. Since they have no vital strategic stakes in Central America there is nothing they absolutely need to win there. They "win" by merely continuing to aid Nicaragua, thereby appearing to the rest of the world like helpmates of Third World victims of lawless American aggression. In this way the Reagan policy serves Soviet interests more than America's

U.S. policy should not, cannot, continue this way much longer. The interventionists are in favor of ending this bloody stalemate with a direct American invasion. Most analysts agree that such an invasion would succeed in short order; all that is needed is a triggering excuse. After defeating the regular Nicaraguan army and several militia units the American troops could then turn the country over to the Contras and withdraw after five or six months.

Once in power, would the Contras establish a pluralistic democracy for Nicargua? Because of scattered post-invasion resistance and popular resentment, the Contras would begin ruling by martial law, thereby getting a taste of the fruits of dictatorial power and all its opportunities for self-enrichment. It is naive to think that they would give up such power, given their political experience and values learned from service to Somoza. And finally, the former ruling families now insconced in Florida resorts would surely return to impose oligopolistic control over the economy.

But wouldn't we be able to influence them to eliminate corruption and govern by democratic principles? Unfortunately, we would be committed to them just as we were committed to Ngo Dinh Diem in South Vietnam during the early 1960's. We have only to remember how ineffectual were our efforts to influence his regime. Just as in the case of Diem, there would simply be no credible threat we could use to make the FDN comply without at the same time admitting failure and imposing imperialistic control. Democratic ideals cannot be imposed from without.

Now, as the Administration seeks higher levels of aid for the Contras "in order to pressure the Sandinistas to negotiate seriously" we are reminded of the "graduated response" which was to have driven Ho Chi Minh to the negotiating table. The folly of gradual escalation is one of the most elemental "lessons of Vietnam," yet is a folly now repeated with similar consequences in Nicaragua's adjustments and in the mobilization of adverse world opinion. What a windfall for the Kremlin propagandists! They don't have to think up any lies about our actions in Central America; the actions do their work for them.

By now it should be obvious that continued or increased support of the Contras is a "no-win" policy. But direct U.S. invasion, a violation of basic American values as well as of international and domestic law, would validate Soviet accusations of U.S. aggression, saddle us with the blame of creating an unpopular dictatorship and polarize American society.

The only alternative that can truly serve American interests is a negotiated settlement with the existing Nicaraguan government. Once the Administration stops insisting on conditions which no sovereign nation would accept, mutually agreeable terms would likely emerge. The legitimate security concerns of the neighboring countries would be ensured by the collective security arrangements in the charter of the Organization of American States, while the matter of the basing of long-range offensive weapons would continue to be covered by the existing tacit understandings on the subject in this hemisphere.

If the Sandinistas prove to be politically and economically inept in peacetime, or if their regime becomes intolerable, the responsibility for dealing with them lies with the Nicaraguans, not us. There are generally acceptable ways the U.S. can express its disapproval if they are harming themselves. If they are helping themselves we have the opportuntiy of joining them and sharing the credit, so long as we are not at war with them.

The current policy serves Soviet interests and damages our own; a disaster looking for a catastrophe for us and the people of Nicaragua. For them the deprivation and death caused by the warfare is real, not the abstract game of "hardball" borne in some strategist's mind. They know, indeed the whole world knows, that their present pain and suffering is caused by American sponsorship of the FDN. That is why the Kremlin loves the Contras.

Our Czechoslovakia

As a Vietnam veteran and a careful student of the history of that war I have learned how to smell certain kinds of foreign policy blunders a mile away. In fact, I can smell one right now, 2,000 miles away, along the border between Nicaragua and Honduras. Yes, I'm talking about the contras.

Now first of all, I'm not about to say that there's going to be another "Vietnam" down there. Nor am I going to talk about who's right and who's wrong; that argument has long since degenerated to the level of an adolescent squabble:

"Your side did this terrible thing."

"Oh, yeah? Well, your side did that terrible thing!"

"No, they didn't!"

"Yes, they did!"

My question is whether support for the contras is going to work or not, and whether it's in America's interest.

Do you really think that ten and twelve or twenty thousand guerillas are going to be able to defeat a 60,000-man Nicaraguan army equipped with tanks and helicopter gunships, and backed by an armed civilian militia of 80,000?

And isn't it obvious that any increase in contra strength will be offset by a corresponding increase in Soviet and Cuban aid?

If the prospect for a contra victory is so remote, it is naive to think they can force the Sandinistas to the negotiating table on the terms laid out by the Reagan Administration.

Perhaps you are expecting the Nicaraguan people to rally to the contra side? After five years of declining economic conditions and rising discontent they haven't yet done so in any great number. Nor are they likely to do so, chiefly because they are not a homegrown revolution. The contras are entirely a creation of the CIA and the old Somoza crowd, and consequently will never have legitimacy in the eyes of the Nicaraguan people.

Just look at them! The contras is an army of welfare cheats, unable to even feed or clothe itself through support from the people as any genuinely democratic revolutionary force should do.

So, where is this policy of supporting the contras leading? Intimations of the future can be found in echoes from the past.

Back then the dominoes were Thailand, Malasia, Burma, Pakistan and India. Now they are Central America, Panama, Mexico.

Back then it was, "Fight them over there or else on the beaches of Hawaii and California." Now, it's at the gates of El Paso.

Back then the real clincher was, "We've got to maintain the credibility of our commitments." We hear the same thing today.

And remember when President Johnson promised to never send American boys to fight an Asian war?

South Vietnam was illegitimate, an artificial creation of the Geneva Accords of 1954, and they were never able to do the job. The contras are an illegitimate, artificial creation, too, not able to do the job.

Can't you just smell what's coming? All that's needed to set the Marines in motion is an excuse like the Gulf of Tonkin Incident. (In case you haven't heard, that was a sham, according to Admiral Stockdale, who was flying overhead at the time.)

But it won't be another "Vietnam." We'll win this one. The Sandinista army is no match for three or four American divisions and a couple wings of fighter-bombers. After victory we'll turn the country over to the contras, who will have to rule with harsh police powers due to their unpopularity and illegitimacy.

No, it won't be another "Vietnam." The whole world, and tens of millions of loyal Americans, will call it our "Czechoslovakia."

Is the only alternative to abandon the Western Hemisphere to the Nicaraguan "red tide?" Of course not. Even with the Contadora process faltering, there is a wide range of universally recognized legitimate ways to deal with Nicaragua, including the use of military force, if they attack the sovereignty of their neighbors.

Concerning their internal politics, let's let the Nicaraguan people themselves handle it. When the Somoza dictatorship became unbearable, they were able to pick him out without our help, now weren't they?

Contra Aid; a Perspective of Linkages, From Peace Corps Experience

A recent press photo shows President Reagan holding up a T-shirt given him by a group of stockbrokers. The shirt's lettering proclaims: "Stop Communism in Central America." Festive, laughing faces of the people huddled around—and of the president—reveal the distance from which Central America is viewed.

Having worked and studied for four years in Latin America, I do not view it from such distance. My view is from real experience

there, not just high level diplomatic or business contacts.

Notice who is saying what on the contra issue. Of those of us with reasonably long experience at a "people-level" in the region, the far predominant view is that all Contra aid should be stopped.

I am happy to hear Administration spokesmen mention Vietnam parallels, even if their conclusions are twisted. Reminded of Vietnam, the public may see the similarity of economic underpinnings of the conflict there and the conflict in which the Nicaraguan revolution was born. Primary in both cases was maltreatment of the peasantry for many decades, with land ownership concentrated in few hands.

Indeed, we should observe parallels in the direction of farmland ownership in the U.S. A world market oriented price policy has eroded farmer (and public) influence over our farm economy for about thirty years. In Central America, world market factors have predominated over any public price policy for much longer.

People in Midwestern farm communities like mine have much reason lately to be sympathetic of landless Third World peasants. Also, the Midwest lost many youth to our SE Asian venture. Two who did not come back were high school friends of mine.

If the president persists in his approach to Central America, he may wind up sending more American youth to join battle. I advise that he not expect so many from the Midwest this time. Let him try Wall Street.

Sincerely,

DON DEICHMAN,
Rural Route 1,
Laddonia, MO 63352.

(Peace Corps Volunteer in Colombia, 1971–74; Land Travel through Central America and Mexico, 1974; On Study Grant for Agriculture Economic Research in Peru, 1977–78.)

NATIONAL ANDREI SAKHAROV DAY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Maryland [Mr. HOYER] is recognized for 5 minutes.

Mr. HOYER. Mr. Speaker, today I, along with my colleagues and good friends, Representatives JACK KEMP, BARNEY FRANK, and BEN GILMAN, am introducing a resolution authorizing and requesting the President to proclaim May 21, 1986, "National Andrei Sakharov Day" to honor Dr. Andrei Sakharov and the principles of liberty he so nobly personifies.

In bringing the plight of Dr. Andrei Sakharov and Dr. Elena Bonner to light, we hope to impress upon the Soviet Union's leaders, indeed the world community, that the Congress of the United States and the American people are concerned and will not cease in their efforts to secure the freedom of Sakharov and Bonner.

Clearly Dr. Sakharov has been deprived of his human rights. Denied freedom of expression, of travel and association, and isolated because of his political beliefs, Sakharov remains a political prisoner of the Soviet Government. Committed to the human rights cause throughout his life, in his book, "Progress, Coexistence and Intellectual Freedom," Dr. Sakharov explains that:

• • • Intellectual freedom is essential to human society—freedom to obtain and distribute information, freedom for open-minded and unfearing debate and freedom from pressure by officialdom and prejudices. Such a trinity of freedom of thought is the only guarantee against the infection of people by mass myths, which, in the hands of treacherous hypocrites and demagogues, can be transformed into bloody dictatorship.

The freedoms Dr. Sakharov extols are those which are guaranteed by the Helsinki Final Act signed by the representatives of 35 states including the Soviet Union.

At this moment, Mr. Speaker, representatives of all 35 participating states are meeting in Bern, Switzerland, at a human contacts experts meeting to discuss implementation of those provisions calling for the greater flow of information and increased contacts between people. Those representatives will be dealing with questions related to the reunification of families, marriage between citizens of different states, contacts and regular meetings on the basis of family ties, travel for personal or professional reasons and promotion and expansion of contacts between people and between organizations.

This is a critically important meeting for it brings forward for review and thorough discussion, implementation by the participating states of certain provisions of the Helsinki Final Act, which at a very human level describe how a state treats its citizens. And it is that treatment which so poignantly and clearly distinguishes the United States—and its allies—from the Soviet Union and the Eastern bloc.

Although the meeting in Bern is scheduled to end May 26, the efforts of the Helsinki Commission and of my colleagues to bring to the attention of the world the persecution of dissidents, the denial of religious freedom, and the repression of national minorities by the Soviet Government shall continue. The plight of Dr. Sakharov is not an isolated example. It epitomizes the Soviet Union's disregard for the human freedoms and moral standards which guide relations among the states as set forth at Helsinki in 1975.

In conclusion, Mr. Speaker, we are all aware that Dr. Elena Bonner is scheduled to return to the Soviet Union next month. This is not an easy time for Dr. Bonner, for her family remains divided. By returning to her husband, she leaves behind her mother, children and grandchildren, perhaps with the expectation that she may never see them again. So as the time draws near for her return, the pain and anxiety must increase. I want Dr. Bonner to know that she carries with her the dedication of the U.S. Congress to continue in its efforts to secure for both her and Dr. Sakharov the freedoms which they both so nobly personify.

□ 1240

Mr. GILMAN. Mr. Speaker, will the gentleman yield?

Mr. HOYER. At this time, Mr. Speaker, I yield to the distinguished gentleman from New York [Mr. GILMAN], long a fighter for human rights in this Nation.

Mr. GILMAN. I thank the gentleman for yielding.

Mr. Speaker, I am pleased to rise in support of this joint resolution, and I want to thank the gentleman from Maryland, the cochairman of the distinguished Helsinki Commission, Mr. HOYER, for introducing this legislation designating May 21, 1986, as "Andrei Sakharov Day." I am pleased to be able to join with our distinguished colleagues, the gentleman from Massachusetts [Mr. FRANK] and the gentleman from New York [Mr. KEMP], in cosponsoring this important resolution. It is our hope that this continued focus on the plight of the Sakharov family will soon help to bring about his release from the closed city of Gorky.

Many of us are aware of the prolonged harassment and physical punishment to which Soviet officials subjected this illustrious Nobel Peace Prize winner. Force fed during hunger strikes in which he advocated the release of his wife, Dr. Yelena Bonner, for much needed medical treatment in the West, Dr. Sakharov finally achieved his goal of convincing Soviet authorities to grant Dr. Bonner a temporary exit visa.

In between surgeries, she took time to visit Washington recently. We were all taken by her courage and by her firm commitment and her concern for human rights and for her husband's health as he lingers alone in exile in Gorky.

It has been almost 1 year since Alexei Semyonov, Dr. Sakharov's stepson, conferred with Congressman BARNEY FRANK and myself in an attempt to discern the authenticity of postcards received from his parents in the Soviet Union. Andrei Sakharov and Yelena Bonner have, for years advocated the principles of the Helsinki Final Act and the Universal Declaration of Human Rights. Being in the forefront of the human rights cause in the Soviet Union, unfortunately, means that one is subjected to gross violations of international law to which the Soviet Union is signatory. Arbitrary confinement, confiscation of property, and eternal harassment by KGB agents becomes the order of the day. Yet, both Dr. Sakharov and Dr. Bonner have maintained their courage and their dignity in the face of this continued oppression.

However, it is not without hope that we continue to be advocates on their behalf. Some of the leaders of the human rights movement in the Soviet Union have recently been freed, including most recently Anatoly Shcharansky. Their struggle is our struggle. Recognition of that unity of purpose is why the proclamation of Andrei Sakharov's 65th birthday as "National Andrei Sakharov Day" is so vitally important. I urge our colleagues to join us in this effort by their cosponsorship of this measure, and I thank the gentleman for his outstanding continuing leadership in this most important matter.

Mr. FRANK. Mr. Speaker, will the gentleman yield?

Mr. HOYER. I yield to the gentleman from Massachusetts.

Mr. FRANK. I thank the gentleman for yielding.

Mr. Speaker, I want to congratulate the gentleman from Maryland, and I associate myself fully with his remarks. I admire his initiative on this subject.

Mr. HOYER. I thank the gentleman.

Mr. KEMP. Mr. Speaker, I would like to thank the gentleman from Maryland, the cochairman of the Helsinki Commission and my cosponsor on this resolution for his leadership and unflagging efforts, and the gentlemen from New York and Massachusetts for their contribution in making this a truly bipartisan effort. I recently had the honor of meeting Dr. Yelena Bonner, wife of Dr. Andrei Sakharov and a leader in the fight for freedom in her own right. Dr. Bonner was in the United States to obtain the medical treatment she so desperately needed, which she could not get in the Soviet Union. She took advanatage of the opportunity to visit with her children, who reside in Boston, and with Members of Congress who are concerned with her fate, and that of her husband. The fact that Dr. Bonner was allowed to leave at all, even temporarily and without her husband, was most likely the result of the intensive campaign launched by governments and individuals the world over who are concerned with the issue of human rights, and appalled by the treatment the Soviets accord those citizens who dare to voice their dissent from the established party line.

But Dr. Bonner must return to the internal exile she shares with her noted husband, Nobel Prize laureate Andrei Sakharov. It is a crime of international proportion that these two individuals should be so poorly treated by their country of birth. Separated from their families, sentenced to internal exile for more than 6 years in a closed city, cut off from nearly all communication, denied necessary medical treatment, these two individuals still maintain their courageous stance.

It is important that we declare a national commemorative day on Dr. Sakharov's birthday to honor Dr. Sakharov and his wife, Dr. Bonner, and all others who suffer under the oppressive Soviet regime. This signals the Soviets that no matter how tightly the Government may try to contain internal dissent, the courage of the dissidents, the refuseniks, will shine like a beacon for all the world to see.

ORDER OF BUSINESS

Mr. FRANK. Mr. Speaker, I ask unanimous consent that the gentleman from Massachusetts [Mr. STUDDS] and myself be allowd to switch our positions in the order of today's special orders.

The SPEAKER pro tempore (Mr. SKELTON). Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

PERSONAL EXPLANATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas [Mr. BOULTER] is recognized for 5 minutes.

Mr. BOULTER. Mr. Speaker, due to a death in my family, I was unavoidably absent today, April 10, 1986. Had I been present, I would have voted in the following manner:

Rollcall No. 72, the Hughes amendment to the Volkmer substitute, to prohibit the interstate sale of handguns; "no."

Rollcall No. 73, motion for the Committee to rise; "no".

Rollcall No. 74, Volkmer substitute amendment to H.R. 4332; "yes."

Rollcall No. 75, final passage of H.R. 4332, as amended by the Volkmer substitute; "yes."

THE 3-YEAR BASIS RECOVERY RULE RESOLUTION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Virginia [Mr. BATEMAN] is recognized for 5 minutes.

Mr. BATEMAN. Mr. Speaker, as we continue to study the effects of the House version of tax reform H.R. 3838, I urge my colleagues to join with me to insure that the 3-year basis recovery rule for the taxation of civil service employee benefits not be eliminated as section 1122(c)(1) of H.R. 3838 will require. I am introducing a resolution which will express the sense of the House of Representatives that the current 3-year basis recovery rule for the taxation of employee benefits be continued.

As you probably know, Mr. Speaker, the House version of tax reform, H.R. 3838, included a provision that would eliminate the tax-free period upon retirement that individuals currently receive while they recoup the portion they contributed to their pension. Instead, retirees will pay taxes on their pensions immediately following retirement. Although this cannot be considered a double tax, it will result in higher taxes being paid over the life of the retiree.

Civil service employees have contributed to their pension funds in good faith and this change in current law would be an unnecessary compromise of the integrity of the system. In addition, there are approximately 210,000 active Government workers currently eligible to retire. A change in the 3-year recovery rule could result in the retirement of many of these eligible workers, including some of the most qualified public servants with management and technical expertise whose experience would be difficult and expensive to replace. High wage earners will be especially hard hit by this change, which could leave the Federal as well as State and local governments with a shortage of qualified, experienced top-level professionals.

In addition, Mr. Speaker, it is quite possible that the tax revenues gained by this change in taxation of employee benefits could be significantly offset by increased Government expenditures for pension benefits in addition to continued salaries for personnel replacing retired workers. This disruption to Government services is unnecessary and would place a needless burden on the Government as well as the citizens of the United States who deserve continued efficient government service.

The resolution that I am introducing today expresses the sense of the House that the benefits that had been guaranteed to our 19 million public employees will not be arbitrarily reduced by tax reform legislation. In our effort to reduce the Federal deficit, one group of citizens should not be singled out to bear a disproportinate share of the burden. I urge my distinguished colleagues to join with me in a bipartisan effort to support this resolution and provide our civil service workers the security they deserve.

IT'S TIME TO CONSIDER A MARSHALL PLAN FOR AMERICA

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Maryland [Mrs. BENTLEY] is recognized for 30 minutes.

Mrs. BENTLEY. Mr. Speaker, after World War II, America moved into war ravaged Europe and Asia taking not only American tax dollars, but American technology and manufacturing expertise. It was a gigantic effort. Labor union representatives worked side by side with business managers. Democrats and Republicans mounted a bipartisan effort to put back together a world torn apart by years of war.

It was a noble undertaking. No other nation in history ever treated its enemies in such a humanitarian manner. And politically, we probably saved half of Germany and the rest of Europe from falling to communism.

We recognized that unemployed people and destroyed or desolate factories are fertile ground for revolutionary actions. That if an economy cannot generate wealth in jobs required to pay for the needs of a society, there is always a dictator waiting in the wings to promise a government that will take care of all needs. Slavery as a condition of "full-care coverage" is never mentioned.

We taught not only economic freedom, we spread political freedom and guaranteed it with American troops and armaments. Our commitment is marked by the graves of our sons and daughters from one end of the world to the other.

Today the countries which we saved for Democracy and capitalism have surpassed the teacher in their skills. Of the 10 major manufacturing nations in the world, America ranks 9th in manufacturing growth. Only little Norway is behind us.

This foreign government support of many heavy industries, such as steel, creates unfair competition with our

American industries. The European Economic Community underwrote the European steel industry to the tune of $2 billion last year.

This makes a mockery of free trade in steel. It also makes the provisions of GATT and any idea of an equal trading partnership in steel with the European countries totally empty.

As these conditions accelerate in other product lines both with the EC and Southeast Asia, the offshore flow of United States manufacturing seeking cheaper manufacturing climates in order to become more competitive erodes not only our industrial base, it is destroying the taxing base. This creates a need to borrow more money abroad to pay the increasing deficits of our Government.

There are other major losses. Since 1980, 190,000 jobs have been lost in the steel industry. Since 1979, 300,000 jobs have been lost in the textile industry. Eight out of ten of the nuts, bolts, and screws used in this country come from abroad and 90 percent of all strategic ball bearings under 30 millimeters are imported.

Loss of jobs in these industries and in the shoe and furniture industry, in the radio and television manufacturing industry, in chemicals and agriculture related industries has yet to be totally counted. The list can be endless—watches, machine tools, electrical equipment, microchips, and on and on.

It must stop. No nation can exist in a leadership position in the world without being industrialized. No nation can afford a modern defense without a growing industrial base which can supply—on shore—the basic needs of manufacturing military weaponry.

I want us to examine all laws—taxes, trade, defense, labor—with the idea in mind of reindustrializing America. It should be made more attractive to manufacture in America, to hire workers in America. We can begin anew with legislation already in place. A few tucks and changes with the idea in mind that America must be rebuilt as the leading industrial nation of the world.

It's our turn now for a Marshall Plan for us. We've earned it, we've paid for it a thousand times over for other countries. Let's do it here. Let's begin now in this session of the Congress.

I yield back the balance of my time.

NICARAGUA

The SPEAKER pro tempore. Under a previous order of the House the gentleman from Massachusetts [Mr. FRANK] is recognized for 30 minutes.

Mr. FRANK. Mr. Speaker, yesterday I addressed some aspects of the situation regarding Nicaragua. My view is that it is a grave error for this Government to commit $100 million in assistance primarily for military purposes to the Contras and simultaneously, if we do that, understand that several hundred million dollars additionally will be required in money to Honduras as compensaton for the willingness of that government to serve, perhaps reluctantly, as a base for the Contras and the base building that has gone on that the gentleman from Arkansas [Mr. ALEXANDER] has documented that has been done, in violation, I believe, of the law.

So we are talking about a multi-$100 million commitment, the use of American funds to help people kill each other.

We live in an imperfect, sometimes unpleasant, world. I am not a pacifist. It is sometimes necessary for us as an instrument of Government policy to kill or to pay other people to kill. But we ought not try to pretend that is not what we are doing. We ought to be explicit. If we are going to make an American policy to spend our taxpayers' scarce dollars so that more people can kill each other, we ought to have very good reason. We do not have good reason in Nicaragua.

One of the reasons advanced by this administration has been the commitment to human rights. I was pleased yesterday when the gentleman from Georgia [Mr. GINGRICH] agreed with me that that was not a valid reason for the administration's policy. He disagreed with me on other grounds. He believes that there is a strategic threat to our country, represented by the events in Nicaragua, but he agreed that it is simply not valid for this administration to invoke the human rights aspect as a defense of their policy.

□ 1255

As I said, it seems to me we ought to have very good reason to use our scarce funds to promote a policy of people killing each other.

The human rights argument simply does not wash. Just to recap, we have been told, for instance, that the Nicaraguans mistreat religious groups, and I am critical of the Nicaraguan Government's record in the area of freedom and democracy in many respects, but the Roman Catholic Church in Nicaragua is treated far better than the Roman Catholic Church in the People's Republic of China.

Jews, we are told, have some problems in Nicaragua, but Nicaragua is for Jewish people a paradise compared to Saudi Arabia.

I cite those two countries because Saudi Arabia and the People's Republic of China have been selected by the Reagan administration to be the recipients of American arms.

Now, allegedly, because Nicaragua does not do a good job respecting the rights of Catholics and Jews, we are sending people to shoot them, but with regard to the People's Republic of China and Saudi Arabia, whose record with regard to those two significant religious groups is far worse, we send them guns to shoot other people. I just do not think there is any basis whatever for the pose by the President that he is concerned with human rights, not when it is considered a great move for us to sponsor a resolution critical of Chile in the United Nations, surely which has a far more grievous record of oppression than any country now in our hemisphere in the Latin American continent, when the Chileans do that and we finally under this administration are mildly critical, it is simply hypocritical to suggest that this justifies our sending troops in elsewhere.

Well, we have been told by some others that they might agree that the human rights aspect is not a legitimate one, but what about the strategy? I want to stress, the human rights aspect continues to be used and if we are going to be given compromise proposals next week, and I believe we ought not to be voting any money to the Contras.

I remember the minority leader, as I said last night, the minority leader said on this floor several weeks ago, "If you don't vote for the money for Nicaragua now, it is going to be gone and it will be too late."

Well, apparently the minority leader was either wrong then or he is going to be asking us to waste money next week and I hope that people will not feel free to come on the floor and say things which are apparently patently untrue, because there is no way you can reconcile the minority leader's statement, the quotation he gave approvingly last month, with what he is going to be asking us to do next week.

But now, let us talk about the strategic argument. People have said, "Well, we have Cuban troops and military advisers in Nicaragua." We do. But we have a lot more Cuban troops and military advisers in Cuba. It really does not make any sense at all to argue that the Cuban military, which is present in Nicaragua in relatively small numbers, is any greater threat to our security that might be presented from the Cuban military in Cuba.

I believe there is a threat to us from the Soviet Union. If I did not, I would not be voting for hundreds of millions of dollars in military expenditures. I do not vote for quite as many hundreds of millions as Mr. Weinberger would like me to, but I am prepared and have voted for a significant chunk.

Obviously, there is an aggressive and hostile Soviet Union and in cases elsewhere in the world I am in favor of us supporting resistance, in Afghanistan and in Cambodia, in both cases, since I voted for money to support resistance; but there is a critical difference. In

those two countries, it is very clear that absent external military support, the governments would fall. If it were not for Vietnamese troops in Cambodia or Kampuchea and Russian troops in Afghanistan, those governments would not survive.

In Nicaragua, no one is arguing that it is Cuban or Russian or any other troops that keep that government in power. There are people who do not like the government. There are people who like it. There are those of us who find some very unfortunate aspects along with some positive aspects in the economic field, but no one has argued that it is kept in power by armed forces from without.

I think there is a critical moral difference between us and the Soviet Union that I want to maintain. It is one thing to go to the aid of people like Afghanistan and Cambodia, who are resisting armed external aggression, as they are, whether it be Vietnamese in the Cambodian situation or Russian in the Afghanistan situation.

It is different for us to announce, as some of my colleagues would announce, that we have got a veto over the kind of government you are allowed to have in the Western Hemisphere. There are people who say that we will not allow a Communist government in this hemisphere. I do not think we have the right to say we are going to veto what kind of government you have here. We have a right to be critical of those governments. We have a right to impose economic sanctions to put pressure on with various international bodies to oppose efforts to give them money through international lending agencies. I wish we were more consistent under this administration in doing that on a human rights basis; but we are not the Soviet Union. We do not arrogate to ourselves, as the Soviet Union has done in Eastern Europe, the right to decide how people will govern themselves internally.

No, the people in Czechoslovakia and Poland do not have freedom, because Soviet troops will not let them. Well, I do not want to see anybody argue that we should take a parallel position here and that we will decide what kind of internal conditions obtained in countries in this hemisphere.

But the argument is, "Well, but they are a threat to our security." They are not. It is simply implausible. Among the sillier things that have been said this year was Pat Buchanan's assertion, and there were people who found Pat Buchanan's remarks offensive, and I understand that. Mr. Buchanan takes pride in being offensive.

What bothered me was not so much how offensive the words were, but how silly they were.

We had the reference to the Communists about to enter San Diego if we do not send money to the Contras, the President's announcement that it is only a 2-hour drive from Managua to Harlingen, TX. It is preposterous to assert that this small, poor, disorganized country, could threaten the security of the United States.

Warfare has changed. What threatens us regarding the Soviet Union and vice versa are intercontinental ballistic missiles, cruise missiles fired from planes standing thousands of miles off your shores, nuclear missiles armed and prowling the seas. If there were to be any kind of confrontation between America and the Soviet Union, if there were to be any such military confrontation, Nicaragua would be about as useful as a 2-month-old baby would be on your side in a heavyweight championship fight. That is simply preposterous.

The President then said, "Well, but control there would choke off our shipping lanes." No one believes that. Maybe he does. I doubt it, but no one else does. No one believes that control of Nicaragua by the Communists if it became a constituent republic of the U.S.S.R. which I hasten to point out I see no evidence of happening, they would be choking off our shipping.

In fact, Cuba which is closer to the United States than is Nicaragua, 90 miles away, Cuba has been controlled for 25 years by a regime that is Communist and a full ally of the Soviet Union, and I regret that from the standpoint of the Cuban people and I deplore what the Cubans do in Angola and Ethiopia, but they have not affected this hemisphere in military terms. They have not been a threat to our security.

There was a missile crisis 25 years ago and that has become less relevant because the capability of missiles and the destructive power of missiles has greatly changed.

Yes, there is a Soviet threat to us. Whether or not Nicaragua allies itself with that Soviet threat, and I do not know what the ultimate answer to that would be, by the way, but you certainly cannot judge now, you certainly cannot judge Nicaragua's behavior today when we are paying people to make war on them and say that is how they would be absent that. I do not know. I do not think anybody outside really knows how they would behave in the absence of that. They might choose to ally themselves with the Soviet Union, which I would greatly regret and resent, or they might not; but to point to their activities now when they are under seige literally when they are being attacked, and say, "See, they are nasty," makes no sense, because they are simply responding to a government, ours, which says they want to overthrow that government, make them cry "uncle," get rid of them, so you cannot make any inferences as to their future behavior from that; but even if they were to ally themselves, they would add nothing in that strategic sense, and we have again, as I said, the example of Cuba. The fact that the Cubans have allied themselves with the Soviet Union does not today substantially affect our security one way or the other.

We talk about choke points. I am sure there are a lot of those choke points around the island of Cuba and Cuba has not interfered with American shipping. It could not.

Nicaragua, think what you will about the people who run Nicaragua. No one has suggested to me that they are stupid enough to interfere with American shipping. If they did, as Qadhafi did, and there are people in this world who do very dumb things, we have countries run by people like Qadhafi who in a rational world would not even be allowed to have a driver's license, but his efforts to interfere with American rights in the Gulf of Sidra was brushed aside. No one that I know of says that if there was any threat from anybody to our shipping in the Caribbean, we should back off; but it is simply not plausible that this Nation of 3 million, poor and disorganized, adds anything to that strategic threat.

Well, if it is not a threat to the United States, is it a threat to other countries? The first thing that has to be said is that many of the other countries do not think so. Mexico is one of the ones that is invoked. It is said that Mexico would have to fall under the Buchanan silly scenario for them to be into San Diego. The Mexicans do not think much of our policy there.

As a matter of fact, by acting as some people think we acted in the past as an imperialist power in Latin America, and particularly in Central America, I believe we make it easier for those who have our worst interests at heart to prosper politically.

Remember, the Sandinistas did not come to power in Nicaragua because of the Cubans. Radical movement, revolutionary movements, pro-Soviet movements, such as are out there, if they were to come to power in other countries in Central America, it would not be because of Nicaraguan power and force. It would be primarily because of internal conditions. It was Somoza who gave us the Sandinistas, not Fidel Castro. No one denies that.

It simply is not sensible.

Are there threats to the stability and security of Central America and Latin American countries? Of course, there are, but they are an external force.

If there were, by the way, I think there is virtual unanimity in this Chamber that we would repel that force. If there were to be any suggestion of an invasion by Nicaragua or Cuba of any other Central American or Latin American country, of course we would be for financing that coun-

try so it could resist and doing whatever was necessary for that country to resist, but that is not what we have.

Now, let me reiterate what I said last night. The assertion that the Nicaraguan move into Honduras shows hostile intent against the Honduran Government, again is simply nonsense. To pay people to try to overthrow the Nicaraguan Government, to station them in Honduras on the Nicaraguan border from which they then go into Nicaragua and make raids and shoot people and then to express surprise or indignation when the Nicaraguans come back and shoot at them, is not credible.

The fact that the Nicaraguans have responded against the Contras in Honduras tells us absolutely nothing about what Nicaragua would do absent America financing the Contras.

So I do not think they are a strategic threat to the United States by any stretch of the imagination. If they were a Soviet threat, yes, but given that the Soviets are already here and the Cubans are already here, adding Nicaragua, even if it became a full ally, would count for nothing.

The gentleman from Florida [Mr. PEPPER], whom I greatly respect and admire, said, "We will not allow the Communists in this hemisphere," but I was puzzled. Has Cuba left this hemisphere? Has Cuba suddenly become part of Africa or Asia?

The Cubans have been in control of the government that considers itself a Soviet ally for 25 years. It has been bad for the Cuban people. It has not threatened our security. It has led to troubles in other parts of the world, Cuban troops in Ethiopia where they should not be, but Castro has not succeeded in undermining other governments. Where are his successors?

We have the Sandinista regime as the perhaps friendliest of all those in Latin America to Castro, but he does not get credit for that. You do not get these kinds of revolutions and overthrows by infection from outside.

Finally, people have said, "Well, what about the use of Nicaragua as a base for subversion elsewhere?"

Let me remind people that that was noncontroversial in this Chamber, that our policy ought to be giving American funds to any group in Central America that was willing to help combat the spread of weapons from Nicaragua elsewhere. The use of American funds in the Central America area to interdict weapons shipments from Nicaragua to the front in El Salvador was not terribly controversial. In fact, the administration destroyed that consensus.

We had broad support here for a policy which said, "Let's limit what we do to preventing Nicaragua from sending arms elsewhere."

I do not know what the Nicaraguan Government's intentions are. Apparently there are people in that Government who have a revolutionary ideology and who sympathize and want to help revolutions elsewhere. They ought not to do that. We ought to help prevent them physically from doing that, but the Reagan administration was never serious about that. They said, "We are going to try to control the borders." They just misled people. They lied about it.

Originally the policy was, "Let's use these people to patrol the borders." But the Contras were not the border patrol. They did not care about San Salvador. They wanted Managua back.

The administration caused a lot of this problem and destroyed a consensus it could have had.

Yes, I think there could be a consensus on foreign policy. Let us tell every nation in Central America that we will vehemently oppose their financing or directly participating in armed violence against any of their neighbors and we will use American funds and American advisers and help with regional troop movements to prevent that from happening; but as long as we are financing a revolution aimed at overthrowing the Nicaraguan Government on the part of the Contras, it is hypocritical to say, "You bad Nicaraguans, you are sending money to other people."

Yes, people will do things in self-defense when the largest superpower in the history of the world says, "We are going to send money to attack you," when the President uses rhetoric to suggest that he cannot tolerate their continued existence, they are going to behave differently.

□ 1310

Perhaps if we stop funding the Contras, there would continue to be, on the part of some people in Nicaragua, a desire to finance armed attack elsewhere. We should be willing to rebut that, and not just rebut it verbally—a poor choice of words there—we should be willing to oppose it. I think we could get, with the Contadora powers and others, a commission that would say, "Let us form some border patrols. Let us get some neutrals to patrol every border in Central America. Let us enforce a policy of strict economic sanctions and armed force if necessary that says no country will be sending weapons to undercut another country."

That is the only way in which Nicaragua could be a threat. People who think that the Nicaraguan economy is going to be in a shambles because of the rigid Marxism of the Nicaraguan Government should not be worried about it serving as a negative example for other countries. Those who have confidence in a more democratic and a more flexible economy ought to welcome a challenge on that ground.

So that one argument that can be made is that we have a right to stop the Nicaraguans from subsidizing violence elsewhere, but everybody agrees to that. I stipulate again that it is not clear how much violence they would be willing to finance elsewhere. They were involved in some cases in the past. There are elements in that Government that would want to be more involved in the future. We have every right morally, and I think the capacity, to try to stop that. But by concentrating on financing the Contras, people, many of whom are controversial themselves, some of whom are associated with the former hated regimes, some of whom are not, by financing them we divert the political argument and we make the Sandinistas look like the victims of American imperialist aggression.

Let us judge the Sandinistas on the merits. I want to be able to be critical, as I am, of their harassment of the church, of their knocking the church radio station off the air. Those are not justifiable by any stretch of the imagination. I want to hold every country in Central America and Latin America, including Nicaragua, to a high standard of internal democracy and to be critical, as I am, of the Sandinista government and other governments in that region when they fail to live up to it.

But we have diverted the political argument in Central America. We make ourselves the villain by financing these people who are making war on them.

Just to summarize, Mr. Speaker, I hope that we will vote not to continue to finance people killing each other in Nicaragua. The human rights argument that the President makes, I will congratulate the Secretary of State, a serious and thoughtful man, on being able to repeat it with a straight face. The notion that Ronald Reagan has become the head of the International 911 for the Civil Liberties Union and that he is so offended by a lack of free speech or a lack of free access to the media or full religious freedom that he has to send in troops is nonsense.

Just to draw the greatest contrast of all, we have in the Republic of South Africa a regime which is as repressive toward its citizen majority, the black people of South Africa, as any in the world. It denies their humanity. It is not only repressive; it is a threat in its policies to America's interests. Ronald Reagan said that in his proclamation last September. He declared a national emergency because South Africa is such a threat to our interests. It is in the CONGRESSIONAL RECORD. It has been reprinted.

Not only that. We not only have a government that is terribly repressive and a threat to our interests; they attack their neighbors. They attack

their neighbors with whom we have friendly relations. They send South African Army troops in to kill people in Mozambique, to whom we are giving money.

I find all that deplorable and I want to oppose it, but I am not suggesting that we send $100 million a year or more to the African National Congress to subsidize a war there. I do not think that would be good policy. But Ronald Reagan, who was until very recently South Africa's very best foreign friend in the world, and who only moved against South Africa when it was clear that Congress was going to act more strenuously and he imposed sanctions as mild as he thought he could get away with to keep Congress from imposing greater sanctions, for him to pretend to be the human rights advocate is nonsense.

For the man who greeted Ferdinand Marcos' election fraud of a massive sort with the announcement that that showed that a two-party system was alive and well in the Philippines, declaring that he is upset about what goes on in Nicaragua, is nonsense.

So there is no human rights argument. That does not mean there are no human rights violations in Nicaragua. I think there are, and I regret them and criticize them. I believe it is implausible to argue that the American response is where there are human rights violations of that sort internally that we send in people to shoot them and start a war. We do other things to express our displeasure. Nowhere else have we funded a war because of that.

Then the national security argument. They are no threat to our security. Nicaragua's adhesion as a full ally to the Soviet bloc would not add anything substantial to their ability to cause us problems in any serious way.

A threat to their neighbors? Their neighbors, of course, think that we are causing them more problems, many of them, by our belligerence with the Contras than not. The Contadora powers are not European or African or Asian; they are Latin Americans, and we have disregarded and refused to work with them.

To the extent that there are people within Nicaragua who have hostile intents against their neighbors, and I am afraid there are some, to the extent that there are revolutionaries inside Nicaragua prepared to export revolution with guns and with money to other revolutionaries, there is virtual unanimity in this Chamber that we should oppose that policy. But that is not what we are doing now. That is not what we are doing now and, in fact, we are making it easier for them to sell their revolution in many ways because we put them in the guise of resisters against American imperialism. We, I think, enhance their ability to do that.

I hope we will vote next week to save the American taxpayers several hundred million dollars and to diminish somewhat the killing of people in Nicaragua.

Let me just close by talking about atrocities. People who are on the side of the President's policy talk about atrocities committed by the Sandinistas and people who are on the other side or my side talk about atrocities by the Contras. Let us be honest. There are atrocities committed by both sides. When you send people to kill each other, when you give them money and say, "Shoot them. Kill them. Blow up their homes. Blow up their factories," people do not behave in a civilized fashion. You do not go to war either directly or by proxy without incurring all the moral responsibilities for all the terrible things human beings do to each other under those circumstances.

I do not think there is in Nicaragua today any threat to our security or the security of other countries that justifies our spending scarce dollars to engage in that kind of killing and all the attendant immoralities that will go with it. A policy which makes it clear that we will not tolerate, anywhere in Latin America, armed attack on a neighbor or efforts to finance armed subversion, and that we will work in a multinational capacity with others to prevent that by economic sanctions, by financing and building up local defense forces, and other ways, those all make sense.

Let me close with this. The President was offended because people said that his intention might be to go to war. I do not know what the President's intentions are. I am not good at guessing them. I do know that if you listen to his rhetoric and believe what he says, then a war in Nicaragua is a likely outcome.

If you, contrary to what I think, believe that Nicaragua is a threat to American interests, if you listen to people on this floor who said we cannot tolerate them in that guise there, then if you do not think the Contras can win, and I do not mean anybody who can, we are being asked to pay for a tie, not for a win, then the inevitable and logical result is that you send American troops down there. What many of us fear is that they do not have a rationale sufficient, in my judgment, to justify the $100 million being spent in Nicaragua. They have a policy, and they are trying to create a rationale to justify the policy. In the process of hyping up that rationale, they are increasing and inflating the Nicaraguan threat to the point where they are going to put themselves in a box and might find themselves pressured into sending troops down there. In other words, in order to justify spending scarce American dollars to have people kill each other in Nicaragua, they are magnifying enormously the extent to which there is any threat at all to our interests from the Nicaraguans, and they have succeeded in doing that. If you really believe, as Pat Buchanan does, that if we vote down the money for the Contras they are going to be in San Diego, and if you believe, as the President implicitly believes, that they are about to have a road race to Harlingen, TX, if you really believe that they are about to engage in this kind of physical attack on us and they have these ships ready to choke off our choke points, then the probable logical argument is that you send troops.

Many of us do not believe that. Many of us believe that there is no threat to us, and that to the extent that there is any kind of threat to finance subversion of their neighbor, and we will not know that, we will not know the extent of that until we stop financing the Contras, we deal with that in ways that would be virtually unanimously accepted in this Chamber.

What we have, I believe, is an ideologically inflexible administration, acting sadly, because I think the moral superiority of this country over the Soviet Union is very important to us. It is important to us who live here and it is an important message that we maintain for the rest of the world. I do not want to see us become a geographical mirror image. I do not want us to be announcing that we have got a right, by armed force, to determine the way in which Nicaragua is governed, just as the way in which the Soviets have so tragically asserted their right by armed force to determine the way in which Czechoslovakia, Hungary, East Germany, and Poland are governed. It will be a grave policy mistake and a grave moral mistake to take our money and continue encouraging and subsidizing people to kill each other in that small, poor country.

FARM CREDIT SYSTEM

(Mr. TALLON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TALLON. Mr. Speaker, I rise today in support of House Concurrent Resolution 310 which expresses the sense of Congress that the Farm Credit System should restructure troubled farm debt, rather than foreclose, when such action will result in a smaller loss to the System and its borrowers.

Last year, in the process of losing an unprecedented $2.7 billion, the Nation's largest agricultural lender, the Farm Credit System, foreclosed on thousands of ranchers and farmers, forcing them and their families off the land, which was in turn dumped on an already depressed market.

The commonsense approach contained in this resolution would put the outstanding loans of the System on a more solid foundation and ultimately reduce the prospect of losses to the System and all its borrowers.

This concurrent resolution expresses the sense of Congress that the Farm Credit System should undertake measures that will result in: One, debt restructuring for many Farm Credit System [FCS] borrowers who would otherwise be forced off their land due to circumstances beyond their control; two, stemming the rising tide of farm foreclosures initiated by the FCS; three, easing downward pressure on already depressed land values; and four, minimize System losses which will benefit all FCS borrowers, bondholders, and the Federal Government.

I urge my colleagues to cosponsor House Concurrent Resolution 310.

□ 1320

DECLARATION OF WAR AGAINST NICARAGUA

The SPEAKER pro tempore (Mr. GAYDOS). Under a previous order of the House, the gentleman from Massachusetts [Mr. STUDDS] is recognized for 60 minutes.

Mr. STUDDS. Mr. Speaker, I oppose the policy of the Reagan administration toward Nicaragua. I do not believe the United States should declare war against that country. But, if we are to debate the President's plan to train and arm the Nicaraguan rebels, we must logically debate, as well, the question of war.

For this reason, I am today introducing a joint resolution that would, if enacted, declare a state of war between the United States of America and Nicaragua.

I am taking this extraordinary step because the Reagan administration has asked Congress and the American people to support the commission of acts of war against that country. I believe that before we commit acts of war, we have an obligation to declare war; for if we are unwilling to declare war, we should be seeking our objectives through other means.

This resolution is a proper focus for debating the foreign policy of this administration. The questions raised by a potential declaration of war are precisely the questions that must be answered before we commit ourselves further to violence against a government with whom we claim to be at peace.

Last month, the President's Director of Communications wrote that a failure to provide military aid to the Contras in Nicaragua "would lead, as night follows day, to the loss of Central America. A Congress that will not send missiles to save Nicaragua," he continued "will not send American boys to save Guatemala."

The President, himself, last year declared that "the policies and actions of the Government of Nicaragua constitute an unusual and extraordinary threat to the national security and foreign policy of the United States * * * I hereby declare a national emergency to deal with that threat."

It is the administration that has established the stakes in the debate over Nicaragua. Its policies and its rhetoric demand from Congress a firm and determined response. Compromise and half measures will not produce good policy. The central issue raised by the administration must be clearly and unflinchingly addressed. That central question is whether violent action—tantamount to a declaration of war—is consistent with American ideals and interests, and whether it will, in the long run, help the people of Nicaragua. I believe the answer is no, but only the full Congress, by considering this resolution, can provide a decisive answer to this question.

Three decades ago, a Senate committee declared that the most important lesson to be derived from the Korean conflict was that the lives of American servicemen should never again be put at risk without the explicit consent of the Congress.

Yet in Vietnam, America lost 50,000 lives without ever considering a declaration of war. According to the Pentagon papers, White House strategy during the early years of that conflict was:

> To deepen the American involvement in Vietnam piecemeal, with each step minimizing pulic recognition that the American role was growing.

In 1966, Secretary of Defense Robert McNamara said that:

> The greatest contribution Vietnam is making—right or wrong is beside the point—is that it is developing an ability in the United States to fight a limited war, to go to war without the necessity for arousing the public ire.

Today, the best and brightest of another administration have the same fascination with what they call "low-level war." They believe it necessary, moral, and wise for America:

To sponsor military ventures overseas.

To judge others solely by their attitude toward communism.

To invest in proxy forces the dollars, weapons, and prestige of the United States.

To dismiss as propaganda any evidence that such forces may be corrupt, or ineffective, or unpopular, or undemocratic.

To equate support for these military ventures with patriotism, and persistence in their execution with national strength.

The goals of these desk-bound, self-styled fighters for freedom are ambitious, for at stake, they argue, is nothing less than the future of liberty, itself.

But the means they have chosen, although violent and extreme, will not get the job done. Those controlling the Contras of Nicaragua do not have the unity, the military skills, the political credibility, the domestic popular support, or the international respect that will bring them close to victory or even significant progress in the battle they now wage.

Thus, the administration's policy is certain to lead in one of two directions: First, the Contras will continue to fail, but U.S. Armed Forces do not intervene, in which case the cost in lives and money on all sides will have been in vain. Second, the Contras fail, and U.S. forces do intervene; in which case, we will have war.

The administration has argued that military pressure will produce a negotiated settlement in Nicaragua. But history lends little support to the notion that "low-level war" is a prelude to peace; or that violence is a friend to diplomacy; or that killing is a spur to reconciliation.

There is not a shred of evidence in the events of the past 5 years to support the fundamental premise of the administration's approach: That arming the Contras will bring democracy to Nicaragua. The bulk of the evidence is to the contrary, that U.S. policy has made it more and more difficult for voices of moderation whether inside or outside of that country's government to be heard.

The fact is that the administration has given up on the possibility of peaceful coexistence; for that is what it means to believe that only by shipping weapons can you bring peace; that only by expanding a civil war can you unite the Nicaraguan people.

Because this administration clearly intends to persist in its failed policy, Congress must draw the line, clearly and decisively, and soon. If Congress truly agrees with the President about the issues that are at stake in Nicaragua, then it makes abundant military, political, and legal sense for it to act boldly on those convictions, and to declare war. But if Congress is less fearful and more optimistic than the President, let us reject war, and pursue our goals with equal boldness but by other means.

The President has asked Congress to approve $100 million in direct military and economic aid to the Nicaraguan rebels, or $10,000 per Contra. It has been reported widely that included in this package will be advanced surface-to-air Stinger missiles, at a cost of $60,000 apiece. Also included will be direct U.S. military training, provided by Green Berets. In addition, restrictions will be lifted on the provision of reconnaissance, logistics, communications, training, and material aid pro-

vided secretly and at an undisclosed cost by the CIA.

In addition to arming and training the Contras, the United States will continue to expand its military presence throughout Central America; continue to schedule military exercises in Honduras; continue to stockpile military equipment; and continue to improve airfields and build roads to facilitate combat operations by United States personnel should those be ordered.

But the administration, seeking to isolate undemocratic Nicaragua, has—in a hemisphere of democracies—isolated only itself:

The request for military aid for the Contras has not been supported publicly by a single Latin American head of state.

The foreign ministers of eight Latin American democracies traveled to Washington last February for the specific purpose of asking the White House to delay this request.

The aid proposal has been denounced by the newly elected civilian Presidents of Guatemala and Costa Rica.

The request is inconsistent with the statement recently endorsed by 13 Latin American governments that "Foreign support to the irregular forces and insurrectional movements operating in the region must be stopped."

The request violates the chapter of the Organization of the American States, which provides that:

> No state * * * has the right to intervene, directly or indirectly, for any reason whatever, in the internal or external affairs of any other State.

The International Court of Justice ruled last year that U.S. aid to the Contras violates the U.N. Charter, the International Convention on the Rights and Duties of States, and customary international law.

United States military training for the Contras could very well be illegal if carried out during peacetime in the United States, because of the Neutrality Act. but the burden of responsibility for hosting this training will fall primarily on Honduras, a country of desperate poverty, fragile democracy, and damaged pride. United States policy has turned Honduras into a no man's land, a regional free fire zone, with an international legal identity that has been blurred, and without real sovereignty over a portion of its own territory.

Let us remember that the President is not asking Congress simply to agree that the Government of Nicaragua is extreme; he is not asking us to oppose violations of human rights; he is not asking military support to defend against armed aggression or to interdict the shipment of weapons; the President is asking Congress to make an open-ended military and political commitment to the violent overthrow of a government with whom we are at peace, and against whom we can fully protect ourselves and our friends without resorting to armed invasion or support for violent counterrevolution.

War is a simple solution. It means that you kill those with whom you disagree. It means you kill until the other side cries "uncle." But are the challenges we face in Central America that simple? Is that what the so-called struggle for freedom is all about? Are our options truly this limited?

There is an alternative to war, an alternative to our ever-deepening military commitment to the Contras. The foes of freedom within Nicaragua's Government can and should be isolated; their policies can and should be effectively opposed. But this will not occur until we loosen our embrace of the Contras, and join instead with the internal democratic opposition, and with Argentina, Uruguay, Brazil, Peru, Colombia, Venezuela, Panama, Mexico, Costa Rica, Guatemala, and the rest of Latin America's democrats in an effort to encourage Nicaragua to become not necessarily what we want it to be, and certainly not what Fidel Castro would like it to be, but instead what the people of Nicaragua themselves determine that it should be.

Recent events in Haiti and the Philippines have demonstrated how much the United States can accomplish when our Government fights for policies that Members of both parties in this Congress—and the American people as a whole—strongly support.

But United States support for military action is not the lever that will make regional pressure for change in Nicaragua possible; it is, instead, the wedge dividing United States methods and goals from those of our democratic neighbors. The Contra operation has been, from the beginning, a violation of international law, and Latin governments care about that; their concern is heightened by past American intervention in the region, especially in Nicaragua. Latins know, too, that despite the bravery of the foot soldiers, military control of the Contras is still held by officers who are more killers than freedom fighters, ex-national guard who may share with us an opposition to communism, but who also possess, in the tradition of their own past President Somoza, a vicious and self-righteous intolerance for those with whom they disagree.

For these reasons, our support for the Contras is a distraction, shifting the world's spotlight away from Nicaragua's misdeeds to our own, strengthening—by our own extremism—the extremist leaders of Nicaragua.

This is not a sensible policy for encouraging change in Nicaragua. It is a policy, rather, or reaction. It is as if our country had lost faith in the sanctity of law, in the skill of our diplomats, in the good will of our neighbors, in our ability to learn from history, and in our commitment—enforced by the will of the American people—not to unleash the forces of war without fully exploring other options and never without due cause.

By introducing today this proposed declaration of war, I do not suggest that covert or otherwise irregular U.S. military actions are never necessary; or that each direct or indirect commitment of American military power must be preceded by a debate over whether to declare war. We must defend our country and our citizens from actual or threatened armed attack; we must defend ourselves against terrorism; and we may with justification support the struggle of others against whom brutality and aggression have been visited, including the freedom fighters in Afghanistan.

But with respect to Nicaragua, Congress cannot merely be a spectator; we must judge whether the course the administration has chosen will achieve the objectives in that wretchedly poor country that we all share; or whether it will lead, instead, to an open-ended commitment; pointless bloodshed, disunity at home and abroad, the loss of American prestige, the blurring of American purpose, and, ultimately, the loss of American lives.

We have a choice, and choose we must. Although the administration does not call it war; its policy will lead inevitably to war or to failure, or to both.

In 1964, when Senator Wayne Morse of Oregon defied conventional political wisdom, stood up to the President, and voted against the Gulf of Tonkin resolution, he argued on the Senate floor that:

> In this resolution, we are planting not seeds of peace, but of war; those who will follow us in the years to come will cry out in anguish and despair over the mistake that was made in 1964.

Next week, in a vote that will doubtless be repeated in one form or another many times in the months ahead, Congress will choose once again whether to plant the seeds of peace or the seeds of war, this time in Central America, instead of Southeast Asia.

Unlike the request for military aid for the Contras that has been submitted by the President; unlike the Gulf of Tonkin resolution two decades ago, the resolution I am introducing today states the real issue clearly and fairly; it provides an opportunity for the President to obtain the bipartisan political backing that he does not yet have, but that he must achieve, if his policy toward Nicaragua is to have any chance of success; while it imposes upon Congress the duty to stand up and be counted, to fulfill its responsibility under the Constitution, and to choose which direction—toward war or

toward peace—our country should now move.

This is a choice that must be made:

If we are to true to our traditions.

If we are to pay heed to the lessons of history.

If we are to comply with international law.

If we are to respect our allies.

If we are to be honest with those who serve in our armed forces; and

If we are to candid with the rebels in Nicaragua, whose cause—without the full backing of the United States Government—the administration has prematurely embraced.

It is a choice that must be made if we are, without further cost in lives, to rise above the brutal and ineffective policy upon which we are now embarked; to tie up the gunboats and muzzle the dogs of war; and move forward, in company with our friends and allies throughout the hemisphere, in peaceful and effective pursuit of social justice and democratic change.

□ 1335

RUNNING FROM REALITY—LEFT-WING IDEOLOGY AND THE SOVIET COMMUNIST THREAT TO AMERICA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Georgia [Mr. GINGRICH] is recognized for 60 minutes.

Mr. GINGRICH. Mr. Speaker, I rise today for a special order entitled "Running from Reality—Left Wing Ideology and the Soviet Communist Threat to America," as illustrated by the House of Representatives' March 1986 debate on Nicaragua.

The two gentlemen from Massachusetts who spoke, in my judgment, have raised legitimate questions. I think for too long we have had a failure to have a clear debate, a debate which is firm, aggressive, a debate which is aimed at trying to think through where we are at, and to explain reality.

I was struck recently by Patrick Henry's great speech, in which he said, and I quote:

• • • no man thinks more highly than I do of the patriotism, as well as abilities, of the very worthy gentlemen who have just addressed the house. But different men often see the same subject in different lights; and, therefore, I hope it will not be thought disrespectful to those gentlemen, if entertaining, as I do, opinions of a character very opposite to theirs, I shall speak forth *my* sentiments freely, and without reserve.

He went on to say—

This is no time for ceremony. The question before the house is one of awful moment to this country. For my own part, I consider it as nothing less than a question of freedom or slavery.

Now, Patrick Henry, speaking—and of course it goes on for some length—was talking at a time of direct, immediate concern for America. Patrick Henry was talking at a time when we were in fact weak, the British empire was strong. He was talking at a time when no one had thought it possible to have a revolution of free men and women and when no one would have bet that George Washington could go to Valley Forge, could create an army, and could win America's freedom; and in fact at a time when if France and Spain had not helped us, we would not have succeeded.

That is why in this very Chamber, against the wall, is the Frenchman Lafayette who was here to help America. Because without his help, it is I think totally appropriate that Washington and Lafayette are the two people who are in this Chamber in their portraits because it was the combination of America and France, of Dutch money, French troops, Spanish support and American courage that made possible our revolution.

The striking thing, if one reads the debate in the House in March, is that we are really having two very different debates. I think my good friends from Massachusetts, both Mr. FRANK last night and again tonight, and Mr. STUDDS, indicated clearly one viewpoint. It is a powerful viewpoint, and I want to talk about it as a frame of reference.

I think frankly those of us who have a different viewpoint have done this debate a disservice by not being clear enough, not being, if I may, sharp enough and consistent enough; and I think in particular last night's special order by Mr. FRANK was entirely appropriate.

The series of ad hoc and ad hominem arguments on the part of those who favor the freedom fighters, the series of general dialog I think have done a disservice to the debate.

The Nicaraguan issue can be understood only within the context of the Soviet empire, its use of Communist Cuban colonial troops, and the historic patterns by which Leninist factions seize power, ally themselves with the Soviet union, and become a threat to the United States.

The McGovern left ignores the Soviet empire, disputes the role of Castro's Cuba, creates its own version of modern history, denies the seriousness of Leninism as a doctrine for tyranny, and rejects the predictability of Communist behavior.

Consequently, the McGovern left sees no threat to the United States. The McGovernites are true believers and committed ideologues. Their commitment is psychological, not intellectual. Their rejection of data is a sign of cognitive dissonance, a psychological problem; not factual disagreement, an intellectual problem.

We cannot convert the McGovernites. Taking them seriously and debating them about detail is a mistake. It elevates their legitimacy by accepting that they have a position that is defensible in the real world.

Let me make this very clear: These are very competent, very patriotic, very sincere people. These are people who believe just as passionately, just as deeply in America as anyone else. The challenge I am raising today, and which I hope in future weeks our friends on the left will take up, and we will be able to discuss together, is a fundamental challenge about the nature of reality.

I would argue that for those who truly believe in their version of reality, that they are not going to be converted, and that our job is the isolation not the conversion of the McGovern left.

Let me make it quite clear: To isolate people who believe deeply but are wrong is not unamerican and not inappropriate. In 1946, Harry Truman was faced with that problem. In 1939, Franklin Roosevelt was faced with that problem. The isolationists of 1939 saw no danger in Japan, saw no danger in Hitler's Germany, were willing to say "America first, don't worry about the world, we won't be threatened."

The isolationists of 1946 saw no danger in Stalin's Russia, did not believe in Leninism, and were opposed, for example, to aid to Greece and Turkey. They were isolated. They were probably never converted. They simply faded away from politics; they did not become part of the debate because people came to realize they frankly were not very relevant.

The audience of those who believe in the Soviet empire's reality, those of us who believe that the Soviet use of Communist Cuban colonial forces is a real threat, those of us who are convinced that there is truly a transnational strategy to extend tyranny.

Our audience is the younger American, untraumatized by Vietnam and willing to look reality in the face.

Our strategy must be to highlight the McGovern left's fantasy world and contrast it with the grim reality of the evening news.

Let me quote again for a second, because it is so appropriate, from Patrick Henry who said, and I quote:

• • • it is natural for a man to indulge in the illusions of hope. We are apt to shut our eyes against a painful truth—and listen to the song of that siren till she transforms us into beasts. Is this the part of wise men, engaged in a great and arduous struggle for liberty?

Let me go on, and from a different place cite what he suggested, Patrick Henry, in his great speech, was the key test. He said, and I quote:

I have but one lamp by which my feet are guided; and that is the lamp of experience. I know of no way of judging the future but by the past. And judging by the past, I wish to know what there has been in the conduct of the British ministry for the last ten years to

justify those hopes with which gentlemen have been pleased to solace themselves and the house?

□ 1345

If you simply replace the word British with "Nicaraguan Communist" "Cuban Communist" "Soviet Communist," you get the same message, and let me read it:

I know of no way of judging the future but by the past and judging by the past I wish to know what there has been in the conduct of the Soviet Communist, Cuban Communist, or Nicaraguan Communist Ministry for the last 10 years to justify those hopes with which gentlemen have been pleased to solace themselves and the House.

I would suggest that in fact the average American, the everyday American watching television news, watching Afghanistan with the Soviet Army there, watching Angola with the Cuban colonial army there, watching South Yemen with the pro-Soviet side winning a war in which there are 3,000 Soviets in the country on the border of the Red Sea, watching Ethiopia where there are thousands of Cubans and Soviets, looking at Nicaragua where there are 3,000 Cuban troops and some 800 Soviet troops. The average American watching television would say yes, there is a grim, frightening dangerous reality called the Soviet empire.

Our goal must be to convince the American people that survival depends on honest realism. We have not gained over the last 16 years by hiding from reality. Freedom has not gained, human beings have not gained, America has not gained. Everytime this country hides from reality, freedom has lost a little bit, America becomes a little weaker, and our future becomes a little more dangerous. Success in this debate over time will be having the McGovern left become discredited just as the forces of isolation became discredited between 1946 and 1952.

Victory will be a bipartisan consensus that the Soviet empire is dangerous and that we must build a successful strategy for the transnational effort to develop freedom. The March 1986 House of Representatives debate on President Reagan's proposal to help Nicaraguan freedom fighters is a case study in the political, intellectual divisions which have undermined America's effectiveness in stopping communism for the past 20 years.

Any observer who studies carefully the 136 pages of the March 19 and 20, 1986 CONGRESSIONAL RECORD, 10 hours of debate, will discover a leftwing world view and analysis which simply blocks intellectual debate. It is clear from this debate that the American left has built a pleasant fantasy world in which only fantasy solutions make sense. Apparently the American left is so paralyzed by the threat from the Soviet empire it has simply withdrawn from reality. Again and again House Members in this debate have made emotional statements, presented nonrational arguments, distorted history, and used false facts to make points. The March debate makes clear the passionate conviction with which the American left articulates its fantasy world.

These are sincere patriots who are at best misinformed and at worst suffer from delusions so great they would be considered psychological problems if encountered as private citizens.

Since the American left passionately advocates a fantasy world view it is very difficult to explain to the casual observer of the debate what is rally happening. Many leftwing politicians went to excellent colleges and use English brilliantly. They cloak their delusions and fantasies in pseudolearning. To the unsophisticated they sound plausible, even if there are occasional phrases and concepts that jar listeners who are more in touch with common sense and reality. When the common themes are brought together, the pseudofacts analyzed, and the stranger debating gimmicks carefully examined, the extent of psychological and intellectual blindness among the American left becomes obvious.

Consider the following patterns in the 2-day House debate in March: 19 Representatives found some way to blame America for communism in Nicaragua; 10 Congressmen blamed the United States for forcing the Nicaraguan Communists to be repressors; four opposed aid to the freedom fighters but said to President Reagan, if he is really worried about communism in our hemisphere, he should go after Cuba and the Soviet Union; 12 suggested that violence never works, ignoring the fact that it was violence that brought Castro and Ortega to power in the first place and violence or the threat of violence which keeps them there; seven suggested we should never aid freedom fighters against the Government we recognize although, by the way, that is precisely our current generally applauded policy in Afghanistan; 15 scoffed at Nicaragua as a threat, while ignoring the Soviets in Cuba; six applied standards to United States behavior which would cut off all aid to the Afghan freedom fighters; 33 asserted confidently that the freedom fighters could not win, including some who 16 years ago predicted peace and freedom in Cambodia and Vietnam if only the United States would withdraw.

I might point out by the way that if you applied the standards that are applied to the freedom fighters to George Washington at Valley Forge, it is almost certain that Lafayette would have written home, "Please don't send these guys any money." Anyone who has read about Washington's troops at Valley Forge, who have read about men who had no shoes, whose feet left blood tracks as they walked across the snow, who were virtually without weapons at times, who were virtually without ammunition, who had many desertions, could read the precisely same language about the freedom fighters and be amazed at the parallels.

Twenty-six analyzed the Nicaraguan Communists in terms that ignore the Leninist Communist Soviet system; 16 suggested that America could not afford $100 million in Nicaragua, while consistenly voting for more spending in everything else.

Let me suggest again, for example: We had a vote last summer on hiring five additional automatic elevator operators.

Now many people may not realize, but in the House there are elevators that acutally have a person who is paid to stand there and they push the button. It is not a very complicated system. Many of you have probably seen this back home. We have buttons that say like "1" for first floor, "2" for second floor, but we have people whose job it is to stand there and when a Member gets on they say code words like "1" or "2" and then the operator punches "1" or "2."

Of the 16 McGovern-left Members who said that America could not afford $100 million in Nicaragua, 15 of the 16 voted to hire more automatic elevator operators.

Now if you consider how proud America once was under Jefferson to say, "Millions for defense, but not 1 cent for tribute," is it not rather ironic that we now have 15 out of 16 Members of the McGovern left who spoke on this issue saying, "Hire automatic elevator operators if you need, but not one penny for freedom fighters." Is there not something almost impossible to debate, about a person who can cheerfully vote to hire more automatic elevator operators because of course we have the money but then when you start talking about helping freedom fighters—and again I am not saying that they could not have very good reasons for voting no, but to use as the reason to vote no that you do not have money while hiring automatic elevator operators tells us something about the gimmickry of the debate.

Two, who had consistently voted against Reagan's Central Amercian policy and helped defeat many of his requests, asserted Reagan has gotten everything he asked for in Central America over the last 5 years, something which is just explicitly not correct.

Two who opposed aid suggested that the President should declare war on Nicaragua. Seventeen who opposed aid said we should use American troops if Nicaraguan communism became a threat.

Again, imagine, you have people on the McGovern left whose basic posi-

tion is we should not use troops. Yet 17 of them said, "Let's not help the freedom fighters but if in fact Nicaragua becomes dangerous, let's send in the Marines."

So not a dime for the Nicaraguans to fight for their own freedom, but we will send our children if it gets tough; an interesting policy position.

Five predicted that a "yes" would lead to escalation and even Nicaraguan Communist attacks into Honduras. None predicted that defeating the aid would lead to the actual event, over 1,000 Nicaraguan Communists attacking into Honduras. In fact it is fascinating: Several bitterly resented any suggestion that a "no" vote had lowered Contra morale and encouraged Communist aggression. In other words, when we were debating on Thursday whether or not to vote the additional aid, a number of Members got up and said that if we vote "yes," we may well have a Nicaraguan Communist attack into Honduras. None of the Members on the left suggested that defeating the aid would lead to that attack. The aid was defeated. Two days later the attack began. And when the attack did begin, the very people who felt calm and confident saying vote "yes" and you will get more violence, when it was pointed out that a "no" vote brought more violence were very angry.

Eighteen who opposed the vote suggested that there was a severe threat of McCarthyism, defend themselves against self-defined smears while mistaking attacks on their record for attacks on their patriotism. I think this is a very important point to understand about this whole debate. The ultimate example of the left's isolation and fear may have been represented by a Member who, after Representative WALKER spoke on Tuesday of that week, protested, and I quote, "Mr. Speaker, I request the gentleman's words be taken down. He is questioning the judgment of other Members of this House."

The Member continued, "He questions the judgment of the Members of the House who oppose the Reagan proposition."

When asked if he insisted on his request, he continued;

Yes, Mr. Speaker, I do, because it followed a statement that I just made when I indicated that I opposed the President's position and certainly by inference he was questioning my judgment and I resent it.

In a Freudian slip this particular left-wing critic of the Reagan administration used the word "judgment" three times when either "motive" or "patriotism" would have been more appropriate to his complaint.

Clearly in a free society questioning judgment is precisely what freedom of speech, political parties, and the U.S. Congress are all about. This incident illustrates the degree to which the left now confuses its belief with righteousness and its judgment with patriotism.

To question the left's record is perceived by the left as an assault on its motives. To question the results of its policies is seen by the left as a smear on its intent. Yet the fact is that meaning well, the American left has performed badly. Now it suffers from cognitive dissonance, a psychological disorder in which new information is rejected if it threatens deeply held beliefs. Furthermore I would suggest that the psychological problem of cognitive dissonance is compounded by a 20-year burden of potential guilt. If the American left has been wrong about communism, then its actions have made it easier for the Communist dictatorship to thrive in Vietnam, the Communist massacres in Cambodia, and Communist colonies imposed in Angola and Mozambique, the Communist savagery imposed on Ethiopia, and the current Communist threat in Nicaragua.

Notice carefully what I am saying: not that the American left willingly helped, not that the American left failed us, not that the American left wants communism to spread. A person can spread a disease without meaning to because they did not know the disease was being spread. A person can permit someone who is drunk to get in their car and drive away without stopping them because they did not realize they were drunk. The question is: Was communism a danger? Did the American left understand it? And did the American left take effective steps to stop it?

Faced with that, one has to look at the historic record. Faced with the refugees from Southeast Asia, the Vietnamese and Cuban boat refugees, the demands of freedom fighters, the assertions of Solzhenitsyn, Shcharansky, and Sakharov and the cries of the refuseniks, the American left finds it easier to hide in a pleasant fantasy world of blaming America first and seeking negotiated solutions by which America could live comfortably with the Soviet empire and its bases in our backyard.

In my judgment it is impossible to debate people who are traumatized by the Vietnam debate as high school and college students. The young Democrats who nominated McGovern in 1972 now serve in the Congress. They are psychologically fixated ideologues acting out their beliefs, and these are honest, sincere, legitimate beliefs, I think in what is a desperate rejection of the frightening reality of the Soviet empire.

In that context they seem to deliberately ignore the Soviet use of Communist Cuban colonial forces to extend tyranny in the Middle East, Africa, and Latin America. To sustain their self-delusion they simply minimize or totally avoid the Soviet Communist threat to American security. I think the record of that debate proves that it is impossible to have a rational debate with ideologues. This 2-day record of 10 hours of talking past each other proves that a new approach is necessary.

There are three keys to a successful future dialog about American survival and the survival of freedom. First, since we cannot debate an unshakeable and willfully ignorant left in the Congress, we must reach beyond them to have a dialog with the American news media and the American people so they can learn and they can choose.

Second, since our opponents live in a fantasy world and describe fantasy solutions, true debate is by definition impossible. The best we can do is educate the news media and the public about the nature of the American left. For example, watching a debate about medicine between two doctors is one experience; watching a debate between a doctor and an alcoholic masquerading as a doctor so he can prescribe whiskey is a totally different proposition. Citizens sitting at home watching the second debate, not knowing which is the alcoholic and which is the doctor, might well not know who to believe because both could be glib, both could be well-educated, both could use words brilliantly.

□ 1400

I would suggest that it is very important to clarify which is which.

The American left replaces fact with fantasy, reality with rhetoric and security with sentiment. The American left can be defined and exposed, but it cannot be debated.

Third, we are at the end of a 20-year foreign policy debate dominated by left-wing language in assumptions. For 20 years, congressional subcommittees, in which leftists hold very powerful and destructive positions, have supervised and molded foreign policy. Consequently, our policies have been implemented by bureaucracies, weakened and made ineffective by two decades of American military and diplomatic decay and withdrawal from the world.

In this context it is very difficult to win tactical victories with lasting effects. Debating Nicaragua in isolation, which removes it from the broader framework of the Soviet empire, means very little. On the other hand, placing Nicaragua in context, looking at the broad issue of what is Nicaragua's relationship to Cuban colonial troops, what is Nicaragua's relationship to Leninism as a doctrine for tyranny, what is Nicaragua's relationship to the Soviet empire, how do those together relate to America, that means a great deal. Getting a few old weapons to Afghan freedom fighters helps a little bit. Getting a system established to develop high technology, easy to

use and cheap antihelicopter weapons for freedom fighters everywhere means a great deal more.

We must define and win the debate on the vision level. The specific tactical victories will follow.

It is important to remember that Harry Truman convinced America that there was a Soviet empire and that it threatened America. Only after he won that debate at the vision level could he win votes on aid to Greece and Turkey, on aid to the Philippines, on NATO, on the Marshall plan for Europe. Truman could never have won the specific votes first and then win the larger argument.

First we have to win the central issue, because vision defines and determines tactics. We must first create the new consensus in American foreign policy at that vision level. To do that, we must look at the real dangers to American survival and how we got where we are now, where we are and how we got here.

First of all, as a basic premise, there is a Soviet Communist empire. The Soviet empire is based on the writings of Lenin. Its doctrines use a triad consisting of a Communist Party, secret police, and the military to control a country. The current Soviet empire reaches from East Germany to the Pacific, from the Arctic to Afghanistan. With its enormous nuclear and conventional military power, the Soviet empire has been working systematically to expand its power beyond Eurasia. Today, the Soviet empire, often through the use of Communist Cuban colonial troops, has extended its power into South Yemen and Ethiopia, thus potentially dominating the mouth of the Red Sea; into Libya and Syria, thus having a major presence in the Mediterranean; Angola and Mozambique, providing bases on both the Indian and Atlantic coast of southern Africa; Vietnam, providing bases in the western Pacific; and in Cuba and Nicaragua, providing bases in the Caribbean and the Pacific coast of North America.

Notice that if you went back prior to 1960, none of the countries I just mentioned would have fit the description I just gave it. There were no Soviet forces in South Yemen; no Soviet-Cuban forces in Ethiopia; no Soviet Forces in Libya; no Soviet-Cuban forces in Syria; no Soviet forces in Angola or Mozambique; South Vietnam was still free and there were no military bases for the Soviets in Vietnam; Cuba, prior to 1960, was not yet Communist; and Nicaragua was not Communist.

So if you have a very long view of history and you look at the gradual extension of Soviet power, you look at it as an empire, a 19th century empire, an extension of power by using secret police and military, you have to say to yourself that this Soviet empire and its Communist Cuban colonial allies are a real threat to the United States and to the free world.

America's concerns about Nicaragua and Central America can be understood only within that context.

Let me make it very clear here. I do not think anybody except those who are the most distant from reality would deny that there is a Soviet Communist empire. I do not think most of our friends on the left would even deny that the Cuban Communists are often used as colonial troops.

Yet, once we start talking about Nicaragua, again and again and again on the left there is a tendency to forget all about the Soviet empire, to forget all about the Communist Cuban troops, and to say, "Now, let's eliminate all of that from the debate; now let's talk about Nicaragua." It is a little bit like trying to discuss cancer without discussing cancer. Let us focus on your little finger and forget that cancer that is in the middle of your body, and why are you threatened by your little finger. In fact, if your little finger does not have cancer, you are not threatened by it. It is the cancer, not the finger, which threatens you. If there were no Soviet empire and if the Cubans were not being used as Communist colonial forces, we would not be worried about Nicaragua. That is where, frankly, I believe this administration has failed to be clear, because it has failed to put Nicaragua in the global context of the Soviet empire and walk through how to survive.

There is a Nicaraguan Communist faction which promised the United States in the Organization of American States it would hold free elections. As a result, it gained their support to overthrow Samoza. Since taking power, the Nicaraguan Communists have systematically squeezed out true Nicaraguan democrats while imposing a Cuban-style Communist dictatorship. The Nicaraguan Communists know what they are doing, and are in alliance with the Soviets and Cubans against freedom and against the United States.

Let me make this point very clear. Again and again, we will hear our friends on the left say, "Gosh, Ortega's dumb," or "Gosh, Ortega does silly things," or "Gosh, Ortega has a bad sense of timing." They do not seem to understand that the Communist dictatorship of Nicaragua is a serious government engaged in serious things, that in fact they are winning.

My question would be: If Ortega is so dumb, how come his side is winning? If Ortega is such a fool, how come his side controls the country right now? If Ortega does not know what he is doing, how come there are Soviet helicopters, Cuban pilots, Bulgarian and East German secret police advisers in Nicaragua? For a guy who is foolish, he is doing pretty well. And how come all of our condescending friends on the left cannot figure that out?

The lesson of 26 years of communism in Cuba is clear. It has consolidated power and trained terrorists and guerrillas against free countries. It systematically votes against Israel and the United States in the United Nations. It provides colonial troops for the Soviets to use against Israel in the Third World. It provides a base for Soviet spying against the United States. It threatens its neighbors. The Nicaraguan Communists give every indication they will be as anti-American and pro-Soviet, as antifreedom and protyranny as their Cuan advisers.

Let me go back again for just a moment and requote Patrick Henry, because it is the very essence of my appeal to the American people in looking at this between the McGovern left and those of us who are worried about the Soviet empire.

Patrick Henry said:

> I have but one lamp by which my feet are guided; and that is the lamp of experience. I know of no way of judging the future but by the past. And judging by the past, I wish to know what there has been in the conduct of the British ministry for the last ten years to justify those hopes with which gentlemen have been pleased to solace themselves and the house?

As I said earlier, replace only the word "British" with the word "Communist," and I would repeat exactly the same question.

Everything we have learned about Castro and Communist Cuba is dangerous to America's future. We know that there are 35,000 Communist Cuban colonial troops in Angola today holding down Soviet bases and a Soviet colony. We know that there are Communist Cuban troops today in Ethiopia. We know that there are Communist Cuban troops today in Nicaragua.

What reason do we have to believe that a Communist Nicaragua will be any different? We know that again and again, Communist Cuba and Communist Nicaragua vote with the Soviet empire and against the United States and against freedom in the United Nations. What possible belief do our McGovernite friends on the left have to suggest, what evidence at all do they have to suggest, that the current Communist government of Nicaragua will somehow be different, that it will not be anti-Israel, anti-America, antifreedom?

I would suggest they have no evidence. They have only what Patrick Henry earlier had described;

> It is natural for man to indulge in the illusions of hope. We are apt to shut our eyes against a painful truth and listen to the song of that siren until she transforms us into beasts.

He went on to say, and I quote, "Is this the part of wise men engaged in a

great and arduous struggle for liberty?"

□ 1410

And I would say: Can our friends on the left offer one single piece of evidence that Communist Cuba is not what I have described—a colonial force for the Soviet empire? Can they offer one piece of evidence that the Nicaraguan Communists are not what I described—precisely allies of the Soviet empire? I believe not.

In that context, a Soviet-Cuban foothold on the North American Continent is a threat to the United States because it gives the Soviets additional bases in our own backyard, because it imposes communism on people who want to be free and because it increases the resources of the Soviet empire.

The rebellion of free Nicaraguans against Communist dictatorship is part of a worldwide rebirth of freedom in defiance of the Soviet empire.

In Afghanistan, Cambodia, Ethiopia, Angola, and Nicaragua, Communist dictatorships and their Soviet and Cuban colonial enforcers are being challenged by nationalist groups determined to free their nations. Both our own security as Americans and our moral heritage, beginning with the Declaration of Independence, compel us to recognize the challenge of the Soviet empire and the opportunity freedom movements create.

The rise of freedom movements is the third round in the struggle between the Soviet empire and freedom. In round 1 Presidents Truman and Eisenhower recognized the threat of communism, aroused and educated the American people and created a new system of institutions and ideas to contain the Soviets.

The revolution of ideas, policies, systems and politics led by President Truman dwarfs anything we have seen since.

A large peacetime military, the Central Intelligence Agency, the North Atlantic Treaty Organization, the Marshall Plan, Greek-Turkish aid, point 4, the unified Department of Defense, the concept of containment, the Berlin airlift, the Rio Treaty and fighting a war to stop Communist aggression in Korea were only highlights of 6 years of strenuous effort and intense debate by Truman and others against isolationists of the left and right.

By 1958 the free world had won round 1 decisively. The Soviet empire was contained, and Japan and Western Europe were protected from conventional attack. Round 2 began with the Communist development of transnational conflict and a transnational strategy to extend the Soviet empire. The Communists found a gap in the free world model of containment.

Think, if you will, of a football team that has perfected the goal-line defense, all 11 are up close to the line. That was the free world in NATO, in Korea, that was containment.

And then the Soviets figured out the equivalent in that setting of the forward pass. They leaped past our containment to a new strategy. Using Lenin's strategy for seizing power in Third World countries, the Soviets discovered that the Western legal, political, diplomatic, and military systems had no effective response to transnational conflict. Western thought was based on clear-cut distinctions between war and peace, legality and illegality, civil war and foreign aggression.

By using Western words to disguise Communist transnational strategies, the Soviets confused and divided the West.

Ho Chi Minh used the language of the Declaration of Independence to deceive Western liberals about his intent. Castro posed as a reformer while consolidating power as a Communist. In fact, Castro's charade is still believed by leftists 26 years later and was cited in the March 1986 House debate on Nicaragua.

There is a famous study of Castro by historians who said that it is incredible that every major historian now understands that Castro was a Communist but they cannot get people on the left to read the histories.

Dwight Eisenhower and then John F. Kennedy moved to develop an American response to Communist transnational strategies. The Army's special forces were dramatically enlarged by President Kennedy. J.F.K.'s Alliance for Progress included both the Peace Corps and Green Beret advisors training the Bolivian troops to track down Che Guevara and wipe out Communist guerrillas.

Under Kennedy's leadership communism was challenged from the Berlin Wall to the jungles of Laos and Vietnam. U.S. political, economic, and military power were used aggressively and risks were run to, in his words, "Let every nation know, whether it wishes us well or ill, that we shall pay any price, bear any burden, meet any hardship, support any friend, oppose any foe to assure the survival and the success of liberty."

That was not a right winger. That was John F. Kennedy in his inaugural address in 1961.

President Kennedy felt so strongly about stopping communism that he risked nuclear war in the Cuban missile crisis, mobilized the National Guard during the Berlin Wall crisis and launched a major buildup of the United States military, including troops in Vietnam.

By November 1963, communism was losing round 2, and the free world was beginning to develop an effective transnational strategy for freedom.

Then Kennedy was killed. Lyndon Johnson proved unable to fill the intellectual-moral-political leadership vacuum created by J.F.K.'s death. The anti-Communist liberal internationalist party of Truman, Kennedy, and Humphrey began to disintegrate. By 1972, the ideological leftwing isolationist Democrats seized control of their party and nominated George McGovern, a 1948 Henry Wallace progressive, who had opposed Truman, opposed aid to Greece in 1947 and opposed active anticommunism.

In 1974, Watergate completed the collapse of the American centrist bipartisan anti-Communist consensus. In the 1974 election, McGovern's antiwar activists won spectacular and improbable victories. While economic pain (the oil price increase) and Watergate corruption decided the 1974 results, the winners were largely leftwing ideologues who were deeply opposed to an actively anti-Communist foreign policy.

The McGovernites moved quickly to impose their views on their party in the House and Senate. Then they voted to cut off aid to South Vietnam. The North Vietnamese Communists promptly launched an offensive, and a nation was captured for the Soviet empire. Next they cut off aid to Cambodia. The Communists won and killed over 1 million people in that holocaust dramatized in the movie "The Killing Fields."

Fresh from crippling freedom in Southeast Asia, the American left turned to Africa and cut off American help to anti-Communist forces in Angola and Mozambique. The Soviets responded to the left's timidity by flying 35,000 Cuban troops into Angola to impose a Communist colonial dictatorship. Surely, to anyone open to reason, the historical record should be clear. On a Thursday we voted in this House not to help the freedom fighters. By Sunday there was a Nicaraguan Communist attack into Honduras against the freedom fighters' camp. Does that sound familiar?

Is that not the same pattern: Cut off South Vietnam, the Communists attack; cut off Cambodia, the Communists attack; cut off Southern Africa, the Communists fly in troops. Again and again and again the McGovern left says, "If only the United States won't be provocative, the Communists will be reasonable." Again and again and again the Communists say, "As long as the United States is weak and timid, we will be daring."

The left turned, after southern Africa, to gutting the Central Intelligence Agency. And I might comment that many of those on the left who today complain about terrorism, many of those on the left who complain about the fact that we do not know enough, were among those who voted to weaken the very Central Intelli-

gence Agency which is the key to knowing about terrorism.

Next, under Jimmy Carter, Soviet Mig-23's went to Cuba and were explained away. A Soviet training brigade in Cuba, in explicit violation of the 1962 missile crisis agreement, was explained away. A Communist threat to Nicaragua was explained away. Again and again new excuses were found to avoid the reality of communism, the threat of the Soviet empire and the dangers to American survival.

By 1979, the free world had lost round 2.

Round 3 in the struggle between the Soviet empire and freedom began in late 1979. The American people were shocked by the Iranian hostage crisis, the boldness of Khomeini and Qadhafi as anti-American revolutionaries, the growing Soviet presence in Cuba, the continued Soviet military buildup despite the weak defense budgets of the Carter administration and, finally, the Soviet invasion of Afghanistan.

By early 1980, the American Nation was moving toward an active, assertive anti-Communist, antiterrorist foreign policy. The first frantic reactions were symptomatic of how weak and ineffective the McGovernite leftwing had made America's defense, intelligence and diplomatic efforts. The desert 1 commando raid failed. Our intelligence services were weak in Iran, Libya, Nicaragua, Grenada, and elsewhere. The Carter grain embargo hurt Iowa farmers while doing nothing to stop Soviet forces invade Afghanistan.

While the McGovern left dominated key Senate and House committees and had debilitated our bureaucracies, President Carter finally began to respond to the obvious threats to our survival. His Defense Secretary announced the Stealth bomber program. The Carter defense budget increased. Carter increased aid to El Salvador and began cutting aid to the increasingly Communist government of Nicaragua.

Round 3, therefore, began before Reagan entered office. Indeed, the American people's rediscovery of the Communist threat and renewed belief that the world was dangerous helped elect Ronald Reagan. That same rejuvenated patriotism led to the defeat of a generation of leftwing Senators in the 1980 election.

For 6 years President Reagan has worked at developing an active anti-Communist foreign policy. Despite a large military buildup, the liberation of Grenada and limited success in Central America, the Reagan administration has failed to create a new consensus and new understanding in American politics, the Congress and the bureaucracy. Indeed, Harry Truman accomplished vastly more in foreign policy in 5 years than President Reagan has in the same length of time.

There are essentially seven reasons the Reagan administration has failed to achieve its foreign policy goals:

First, it has not focused on vision, on clarity of language and on defining and describing reality. The change from the passive McGovernite approach from 1970 to 1979 to an active profreedom strategy requires a vision-level debate.

Second, the Reagan administration has not developed a systematic debate ensuring continuity of public awareness and learning. If the Soviet empire's transnational challenge is as great as President Reagan's occasional speeches imply, then educating the American people and creating a new consensus is a full-time job. The very absence of focus and continuity reassures many Americans that the debate does not require their attention.

Third, a vision-level shift from McGovernite passivism to Reaganite activism must occur first by educating and convincing the Nation's news media and educated leadership at the grassroots, second by having them help educate the country at large, and third by changing the Congress.

You will notice that from 1945 to 1950, President Truman did not start by compromising with the isolationist left or compromising with the isolationist right. President Truman started by going to the country and having the country reelect those who favored stopping communism and defeat those who favored isolationism.

The Reagan administration has followed precisely the opposite formula for 5 years in its efforts to appease the center-left Senators and Congressmen, all of whom are under pressure from the militant McGovernite left.

Remember, there are many people who mean well, who understand reality, who would like to work with the President. But if you serve in a House Democratic caucus in which the majority represents the McGovern left, it is impossible to consistently be with the President without losing opportunities for committee assignments, without being under pressure. This has blurred the debate. Trying to win tactically in a House dominated by leftwing ideologues is a formula for frustration.

Fourth, the Reagan administration has failed and still fails to recognize how many changes are necessary in the executive branch's ability to develop and implement a profreedom transnational strategy powerful enough to meet the Soviet empire's threat. The current diplomatic, intelligence and military systems are simply incapable of achieving President Reagan's goals or implementing his vision. Sixteen years of leftwing McGovernite assault on American Government has led to a bureaucratic timidity and defeatism which is systematically misunderstood and underestimated by the Reagan White House.

While the President wants to defeat communism in Central America, 80 percent of his State Department wants to cut a deal and find an accommodation with the Nicaraguan Communist government. While Reagan wants a military capable of arming and training freedom fighers, the Defense Department has learned the lessons of Vietnam and wants to avoid transnational conflicts.

While Reagan believes in free enterprise, the Agency for International Development continues to export bureaucratic red tape and Government-dominated liberal welfare state economics. Again and again the gap between the Reagan rhetoric and the Reagan administration reality is massive and self-destructive.

The Reagan team can only achieve their goals when they realize that they face a Truman-scale job of fine tuning an already successful system.

Fifth, the Reagan administration can begin to succeed only by requiring and managing dramatic change in the bureaucracy. Getting effective modern antihelicopter weapons now, developing an effective Latin American public education program about the Soviet empire now, launching a United Nations fight against Soviet and Cuban colonialism now and setting up Radio Marti-type branches in Africa and Honduras now is the style and speed necessary.

□ 1425

"Action this day" was Churchill's theme for World War II. If Reagan is to leave behind a revitalized, actively anti-Communist bureaucracy, he must impose his will now.

Sixth, the Reagan administration must accept the fact that its vision of a Soviet empire, Communist Cuban colonial troops, and transnational threat to freedom in general and America in particular, is simply unacceptable to the McGovernite left. We are engaged in a struggle between two visions of America and two visions of the world. These visions are incompatible and beyond compromise. The McGovernite left rejects Reagan's version of reality and therefore are appalled by his proposed response to that reality.

A debate between two visions, or two world views, is dramatically different from a debate over strategy, operations and tactics.

The gap between Reagan and the McGovernite left is the same as that between Truman and the Henry Wallace progressives. Between such differences there can be no compromise. One side will win. The other side will lose.

The Reagan administration should actively court those Democrats who have committed heresy against their

party and encouraged active anti-Communist transnational policies. The 13 Democrats who spoke in the House in favor of helping freedom in Central America are the leadership basis for a future bipartisan consensus on active anti-Communism. The 46 Democrats who voted yes on aid to the freedom fighters represent nearly one-fifth of the House Democrats and if banded together can survive as a pro-freedom activist anti-Communist faction. The Reagan administration goal must be to define, clarify and isolate the McGovernite left. The "soft-no's" must be encouraged to join the active anti-Communists, because they cannot afford to be McGovernites. The strategy must be to divide by defining and polarizing, and to build a stable, self-identified, bipartisan, and active anti-Communist majority.

Seven. President Reagan wants to lead enormous shifts in public opinion, elected officials' behavior, and bureaucratic effectiveness; yet he keeps trying to achieve these things, these changes, incrementally and by courting the very groups who have developed the McGovernite policies he opposes.

The fact is McGovernite House Members sought positions on the Foreign Affairs Committee, on Armed Services, and on the key appropriations committees precisely to fight for their isolationist, ideological world view. They believe in their world view and they will do everything possible to fight for their beliefs. That is their right in a free society and we should honor them for the courage of their commitment.

By nature, the wheelers and dealers and the political technicians who surround any White House keep trying to design conflict-avoidance strategies in foreign policy. They fail to understand the dynamics of change in American politics and government. They seek change through compromise, when in fact in a free society one more often gets change through disagreement and conflict.

If President Reagan truly wants to use his last 3 years in office to reshape the public, political and governmental systems of American foreign policy, he is going to have to fight more often and more tenaciously.

Theodore Roosevelt, Franklin Delano Roosevelt, and Harry Truman would have understood the challenge facing President Reagan. They relished a good spirited fight because they knew fights attract attention, attention is the first step to education, education is the first step to public support, public support is the key to organized political power, and organized political power is the key to building a sustainable activist anti-Communist coalition. If no coalition is built, then no success for President Reagan's beliefs will emerge.

The choice is simple. The change is difficult.

These seven steps are necessary if the Reagan administration is to achieve its foreign policy goals.

Ultimately, President Reagan's achievement may be measured by the survivability of the left wing isolationist fantasy world view.

Harry Truman's greatest accomplishment may have been the 20-year decline of the Henry Wallace progressives. By 1952 isolationism had become an obsolescent anachronism, a relic of a well-meaning but misguided fringe group.

Reading the 10-hour debate in March on Nicaragua, it is proof that Reagan has utterly failed to define and isolate the well-meaning, but self-deceiving left. Indeed, the consistent language, examples and analyses of the left in this debate are positive proof that the isolationist pacifist McGovernist left is still a serious competitor for power in America.

In the next few days it is my hope to take the debate, which itself ran 138 pages in the RECORD, and walk through case by case the basic themes of the McGovern left, the basic issues they developed, their view of the world, and simply leave it up to my colleagues; but let me bring this back for a moment to the challenge facing all of us as citizens, the news media, the President and the Congress.

I think that the gentleman from Florida [Mr. FASCELL], the very able Democratic chairman of the Foreign Affairs Committee, said it sadly and eloquently the last day of the debate in March, when he said, "You know, this debate is not going to go away. This issue is not going to have one more vote and then die. This is going to be with us for a long, long time."

I think I would say to our friends who worry about communism and who worry about the Soviet empire, to our friends who understand that the refugees we now have living in our towns and our neighborhoods, the people who fled from Poland, from Germany and from Hungary, from Czechoslovakia, from Laos, Cambodia, Vietnam, Nicaragua and Cuba, those of us who personally know refugees, I think what I would try to say most is in a way what the gentleman from Florida [Mr. FASCELL] said. We have been faced since 1917 on this planet with a brilliant formula for tyranny, the writings of Lenin. He and his immediate gang seized power in Russia at the end of World War I and built the largest empire in history, created a secret police system that works, developed a Communist Party technique that is transnational, and in many ways stole words. The 1936 constitution of Joseph Stalin is wonderful reading, but of course was never put into effect because it is a police state.

Ho Chi Minh's promises using the Declaration of Independence in 1945 were wonderful reading, but he established a Communist police state.

The left is real. The Leninist left is very different. If there were no Leninists on the planet, I would not have any arguments with my friends in this House on the left who are against aid to the freedom fighters. If Lenin's writings did not exist, if the Communist Party did not control the Soviet empire, if there was no secret police in Cuba and Russia, if terrorists were not being trained this afternoon to kill Americans, to threaten freedom and to disrupt our world, if guerrillas were not this very day being trained by Communists to be used in places in Central and South America, if the Soviet Union itself was not an active threat to our survival, then I would say to my friends on the left, "You were exactly right. We should never vote for a dime because it is not our business to be in Nicaragua."

But my challenge to my friends on the left is equally simple. Read the writings of Lenin. Study the history of the rise of the Soviet empire. Look at the way in which Cuban Communist forces are used in Angola, Ethiopia, Mozambique, South Yemen, Syria, and now Nicaragua.

Read the Grenada documents, where we actually captured an entire Communist government which wrote English and we know it is available from the State Department and you can read the thousand pages of their own speeches, their own minutes, their own dispatches.

Read what the people of Nicaragua have said, the Communist leadership.

In closing, George Will in a brilliant column recently quoted Adolf Hitler, speaking on January 30, 1942 at the Berlin Sports Palace, and Hitler said, "We will exterminate the Jews."

As George Will pointed out, educated, sophisticated, brilliant people, said to themselves, "When Hitler says we will exterminate the Jews, what does he mean? Since obviously reasonable people know he cannot mean that sentence, what would the sentence be a code for?"

Of course, we now know all too tragically from Auschwitz, from Dachau, and from Buchenwald, that he meant, "We shall exterminate the Jews."

I would say to my friends, read the speeches of Castro to the Communist Party of Cuba.

Read the speeches of Ortega. Read the speeches of Borge when he visits with his friend, Qadhafi.

Read the statements in Moscow by the Nicaraguan Communists as they say, "We are solid with the Soviet Union. We are against America."

Read what they say themselves and ask yourselves, what if like Adolf Hitler they just mean what they are

saying? What if like Adolf Hitler they are really just bad people? Not the Nicaraguan people, but the Communists.

What if like Nazi Germany, Communist Russia is a threat to freedom?

What if the reality of the evening news is real? And then what should America do?

This is going to be a long debate, not ending next week or the week after or the month after. This is going to be a debate which lasts for as long as there is a Soviet empire. It is going to be a discussion for as long as there as still free people somewhere on this planet trying to learn how to protect freedom from that empire.

We have only begun round three. We have only begun I think the recovery of the West, the rethinking of our transnational strategies, the development of opportunities to help freedom fighters wherever they have the courage to fight for themselves.

So, Mr. Speaker, I hope we enter next week having a fair chance to have an honorable vote, straight up or down, to send down to the President a bill for the side that wants to help the freedom fighters win, to do that which is right.

All of us are patriots in this House. All of us love America. The question is, how many of us can see clearly and carefully and historically the fundamental threat to America of Communism, the Soviet empire, Communist Cuban colonial troops and a brilliant transnational strategy for extending tyranny and threatening freedom.

MY ADVICE TO THE PRIVILEGED ORDERS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas [Mr. GONZALEZ] is recognized for 60 minutes.

Mr. GONZALEZ. Mr. Speaker, in anticipation of next week's activities, I wish to round out some of the thoughts that I have expressed here in prior weeks with respect to the continuing issue and now at present agitated by the question of the President's request for direct aid to the rebels or the Contras hiding out in Honduras, but also and firstly, I think more importantly, I want to remind my colleagues of the lengthening shadow of the threat that hovers over the heads of some 2,000 of our military who are on active duty, most members of the 101st Airborne, who are in the Sinai Desert.

Now, I have gotten up over the course of the last 6 or 7 months and addressed this issue on three distinct occasions. I had hoped that I could arouse a little bit of interest on the part of those members and chairmen of the committees that have direct jurisdiction.

In this case, there is unfortunately only one committee, and that is the Foreign Affairs Committee, even though it involves a military decision that was mandated by the Congress. For the first time in the history of the Congress, we ordered a military detachment for duty as an active duty military contingent. This was in 1981 when the Congress approved a resolution requested by President Reagan that would authorize the formation of a so-called multinational peacekeeping group and that even though at the time we discussed it on the House floor, which was December 12, 1981, no mention was made other than the limitation on the number of troops that would be allowed under that resolution from the United States as to exactly who or what nation would constitute the peacekeeping mission.

We were told that the reason for the request was that President Reagan wished to honor a request that President Carter had made following the Camp David understandings between Egypt and Israel, since the United States is not a party to the Camp David understandings, as a followup commitment that President Carter in a letter addressed to both the head of state of Egypt, then Mr. Sadat, and the then head of state of Israel, Mr. Begin, in which he said that in order to insure the continuing United States support and shoring up of the agreements that were arrived at in the Camp David meetings, he would initiate, he, President Carter, would initiate the action necessary toward the formation of a peacekeeping unit.

□ 1440

When it was presented on the House floor in December 1981, I was surprised that it was coming from the Committee on Foreign Affairs without a joinder of the Committee on Armed Services of the House. No explanation was given to me when I asked the question of the three ranking members of the committee at the time.

When my second question was also not answered, and as a matter of fact, at that time the overall chairman of the Committee on Foreign Affairs, a very close friend of mine who I highly esteemed, became irritated with me and would not even offer any time for me to be recognized to address the issue. So I then had to quickly formulate an amendment which, in effect, was formulated only so that I would have a forum in which I could raise the questions at least during the 5 minutes that I would be recognized for on the amendment.

The amendment was very simple. It just said that none of the moneys and none of the clauses in that resolution should be ever interpreted to mean that any draftee or conscript would be included in that contingent that the United States was committed.

Second, the other question that I raised was what was the precedent for congressional action in which the Congress was ordering a troop movement of members of the Armed Services of the United States. As far as I knew, I could not recall any instance in the history of the Congress.

Finally, the answer was forthcoming and it was admitted that it was unprecedented. So I then asked the fourth question, and that is, why do you not have the Committee on Armed Services coming in here and explaining to us, from the Armed Services point of view, what the limitations are? Define the mission. What is the mission of these men? Peacekeeping between whom? Between 2 allies, Egypt and Israel. How can the United States come out anything but a loser?

But in the meanwhile, the political environment has deteriorated insofar as a severe anti-American spirit is concerned in that part of the world, in the Middle East. So I consider our troops and the 500 Fiji Islanders that we finally got, and about 500 Colombian soldiers from the country of Colombia, and just a handful, I would say about 15, British, maybe about the same number of French, no West Germans, and that is it. These men do not have armor. They do not have aircraft. They are sitting ducks in a very, very delicate situation in which it would be ideal, I would think, for a so-called terrorist organization or group, or enemy head of state, to really attack and severely hurt this military contingent.

These are battle equipped, other than the fact that they do not have armor, they do not have aircraft. They could not possibly fend off any kind of an organized, in-force, military attack, with just a minimum of artillery or aircraft. I say that we have a serious responsibility not to forget these men. They were brought to the attention of the Nation, even though this happened about 3 or 4 months after I began to get the interest in this forgotten group of Americans, like I had during the time the Marines were in Beirut, and I kept asking the President, "What is their military mission?" The President kept answering indirectly, through the press, that they were peacekeepers and that they were there to shore up the Gemayel regime. That is hardly in keeping with a peacekeeping purpose, because the Gemayel regime was one of four factions in an ongoing civil war in Lebanon, so if we take sides with one, no matter what good purposes we might have, we certainly are not peacekeepers. We are intervening, and in a militarily untenable situation.

I think the precise situation is happening again in the case of these near 2,000 soldiers that we have in the Sinai Desert, even as I am talking. I think that we should not sit around

here and act as if nobody is reminding us that those men are there. I think the least we can do is request of the President, through the proper committees, the President is not going to listen to an isolated voice like mine. He does not even answer letters of a Congressman. So I really feel sincerely that this better be done. It should have been done months ago. The Congress ought to review the whole purpose and mission of these men.

What is their mission? Suppose they are attacked? Suppose there are casualties, whether they are American soldiers or Fiji Island soldiers or Colombian soldiers? We have a responsibility. What do we do to back up? Do we follow through? Do we invade Egypt in order to back up and defend these contingents in the Sinai there in this buffer state, or in case the attack happens to come from a direction of Israeli territory, what do we do, invade Israel?

These are questions that I do not think we should sit here and wait until we have a catastrophe on our hands. So I want to remind my fellow Congressmen, now that everybody is going off and looking forward to no more legislative work and no worries over the weekend, and the main preoccupation has been dominated with this obsession by the President over Nicaragua, and where there the issue is not whether the President wants or really needs $100 million, $70 million of it supposedly outright military. The issue is the fine print that nobody is discussing, and that is the approval on the part of the Congress, when and if it does approve that package, of the use and the permission to use our full service complement in direct aid of the rebel group known as the Contra forces for the first time. The Congress ought to realize that it is not just appropriating and sanctioning and approving the use of an appropriation of $100 million; it is also giving for the first time its direct consent to the President to divert troops. The President said last week that he intended, as soon as possible and feasible, to use Green Berets, Special Forces, in order to act as advisers to this motley group known as the Contras, or the rebels.

In today's New York Times, on page A31, the editorial section, we have a column written by Anthony Lewis, the prestigous columnist for the New York Times, entitled "Freedom Fighters," the story of Maurice Demierre. Maurice Demierre was a civilian Swiss of French descent who went to Nicaragua, was helping in a civilian way the peasants, and a group of Contras came in, wiped him and a group of peasant women and children out completely. These were Contras. He ends his article by saying:

The death of Maurice Demierre cuts through all the words, all the debate about the Reagan policy in Nicaragua. It tells us that when the President speaks of "Freedom Fighters" he means terrorist killers of unarmed civilians. And the world sees it plain.

□ 1450

I have been telling my colleagues several years now that indeed, and in fact, the world sees it plain that the President has been conducting war, that the Congress has not declared war so that he stands in violation of the Constitution. And he stands in direct violation of the legislation approved by the Congress in 1974 known as the War Powers Limitation Act.

Now I listened to one of my colleagues earlier this afternoon say that he had introduced a resolution declaring war. Now I think that his main idea is sound; that is, that it will reduce to the irreducible the absolute basic issue involved. I do not agree with my colleague. I think it is not the way to either realistically or responsibly pursue the matter.

I think all we have to do is live up to our responsibilities as the first branch of the Government, coequal, independent and separate, and call the President and say Mr. President, rather than you demanding and trying to put us on the defensive, we are calling you before the bar of the Congress to account for the war that you have conducted now for 5 years, to account for the fact that the United States, before the International Tribunal of Justice known as the World Court has found you and us, the United States, guilty of violating international law, basic human rights, and have been told to stop and desist the Exo war you have been perpetrating in the name of our country against the Nicaraguan regime.

The issue is not whether or not we are going to lose Central America. There is no such thing. In the first place, we have never owned Central America. We are talking about independent, sovereign nations.

Now we have not considered them that way historically. We have invaded Nicaragua 14 times in less than 100 years. We have invaded them as late as 1929 when Calvin Coolidge sent the Marines and they were kept for 13 years, and where they imposed the Somozo regime, where they formed, they selected, trained, armed and equipped the national guard which today is still a word of anathema among Nicaraguans still in Nicaragua. Eighty percent of the so-called rebel group hiding out in Honduras are ex-Somocistas.

There, like in the case of Cuba, the issue is not whether or not we shall demand ideological purity. If that is the case, then we ought to invade France, because France has two Marxist-Leninists or Communist members of the French Cabinet. Why not invade France so that we can demand ideological purity there?

I have always said that if Latin America were known as a white, Caucasian, English-speaking area, we would never be pursuing the policies that we have pursued. There is one difference this time. This time we do not have the margin of error that we have had in the past. This time, at this most critical juncture, if the President does not, and he has not up to now, and he does not show any intention to do so, rise to the occasion, only the Congress can do so. I do not know what the result will be. The pressures have been tremendous, the accusations have been around that if the President is not supported, mind you, not his request analyzed and evaluated, but loyalty to the President. I recall, as if it were today, when we had the same issue, different form, different scenario, but essentially the basic issue insofar as our Constitution is concerned, and insofar as the independence and the separation of powers is concerned, and that was when the Gulf of Tonkin Resolution, as it was known later, was presented here. I was here. I was the last one to record my vote because of extreme doubts.

I went to the then chairman of the Foreign Affairs Committee, Dr. Morgan of Pennsylvania, and I asked him what is this all about. And he said what do you mean. I said, well, I did not know until I got here that this resolution, that I have a copy now for the first time, had not been printed, and the wording of it is very, very clear, it is to me sort of like a backdoor declaration of war. And the chairman, who was also a very good friend of mine on a personal basis, said, well, what do you want. Do you want to deny your fellow Texan, President Johnson, the same resolution we gave Eisenhower in the case of Lebanon, referring to the time that President Eisenhower sent 20,000 troops to Lebanon, and the one we gave President Kennedy in the case of Berlin. And I said, you mean this is the identical resolution. And he said it is the same thing.

So I came back and pondered, because the headlines were that some of our ships, warships had been attacked in that gulf and that the President was asking for the moral backing and support of the Congress. The resolution, and its plain wording, indicated to me that it was more than moral support. So I hesitated, did not know, and for the first and only time in my career as a legislator, I let fear, fear of being the only one to vote no, and particularly because the incumbent was not only a friend, he was a neighbor, and I did not want to stick out like a sore thumb. And it was not that I feared anything. I had gone through all of that in Texas. I fought every single establishment force anybody can create in any community, so that was not a fear. It was just a fear of ap-

pearances, and I swore after that that I would never let fear ever motivate my vote again, either fear of the loss of office, which frankly speaking never has frightened me. If I had been afraid of that, my whole trajectory in holding public office for 33 years would have been different. I would have never gotten up on the floor of the State senate and filibustered the race bills for 26 hours, not after Martin Luther King, but before Martin Luther King. I would have never gotten up on the City Council of San Antonio and offered a resolution to do away with all discrimination based on race, color or creed in all tax-supported municipal activities. Why, the black population in my whole county has never even reached 8 percent. What kind of a politician would I be to think I could get political mileage out of that? But that was not the issue to me.

The issue then, as the issue now, was the basic responsibility to uphold the oath of office and uphold at that time the Constitution of the State of Texas and the Constitution of the United States, and here to hold and uphold the Constitution of the United States. I think this is the real issue, because the President, instead of being brought before us, and I would suggest to the gentleman from Massachusetts who today announced that he was introducing a declaration of war, not because he wanted war, but because at least it would reduce the irreducible minimum the basic issue confronting us, and that is that the Congress confront the President and say, all right, Mr. President, you want war, you have been conducting war, and well, OK, we will go along with you. Or no, we will not.

But we do not have to do that. All we have to do is have the guts to consider the resolutions that some of us have introduced for 3 years in which we allege that the President is in direct violation of the War Powers Limitation Act. We also specify exactly and in what way, manner, shape and form the President continuously and unceasingly has violated the War Powers Limitation Act.

When we had a session of the House that was supposed to be considering, about 3 years ago, the so-called violation of that act, the debate turned out to be not on whether or not there was a violation of the War Powers Limitation Act, but whether one, we were going to be loyal to President Reagan, or disloyal to President Reagan, or as one of his side traps said, you are either for Reagan or you are for the Communists. I think that when we allow ourselves to be intimidated in that manner, shape and form that we have in effect traduced and have abdicated our duties under our oath of office.

I have thought long in formulating those resolutions. I have introduced a total of two resolutions, one in the case of Beirut where the President was obviously under the obligation, under the law we passed in 1974, to come before the Congress and get Congress' consent. But he never did and the Congress never cared. And what happened? We had 241 young and loyal and brave marines murdered.

The President can never escape the judgment of history, and more important, the infinite for the main and simple reason, as I tried to bring out for 14 months, that the President, as Commander in Chief, was in heedless disregard to the unanimous advice of the Joint Chiefs of Staff.

Ever since then, I have not trusted, have no confidence in either the judgment or the wisdom of President Ronald Reagan. The death of those marines are directly attributable to his obdurate and callous indifference to the recommendation of the top military experts we have in this country.

The same thing is about to happen in Central America. Why? For the main and simple reason that I have heard nobody, either in the Congress or in the executive branch, and I go back to President Kennedy's era, I had a close and an intimate and a personal friendship with John F. Kennedy since 1951, never dreaming at the time that I would be in politics. And after I came to the Congress, and again, not planned, not intended, that friendship was anchored down, and I know through the benefit of that friendship exactly what the thinking was. But even before that, when I was a State senator, and after the election in 1960 where I had to go into 11 States in behalf of the Kennedy-Johnson ticket, I was approached by a very successful and wealthy businessman on our Texas-Mexico border who had married into one of the most prominant Cuban families. He had traveled extensively in Cuba in the late 1920's and 1930's organizing baseball teams. That was his business. He met and married a member of one of the most prominant Cuban families.

After the election and on December 10, 1960, he called me and he advised me that he had to see me because he understood that I knew President-elect Kennedy very well, and that there were some things happening that were going to affect the Presidency even before he had a chance to get sworn in, and that he wanted to arrange a meeting through me with an individual then in Miami who had been a former distinguished Cuban jurist, that has been a member of the World Court representing Cuba and later in the diplomatic corps of Cuba, and he was an exile in Miami and had grave and serious matters. I met with him because I insisted that he give me details, since I did not know anything about Cuba. I had never made myself an expert on anything Latin American, just because my last name is Hispanic, and I keep trying to tell my friends, including President-elect Kennedy, who had called me on Sunday, before January 20 when he was going to be inaugurated, and called me from West Palm Beach to tell me that he wanted to appoint me as an Ambassador to some Latin American country, was the way he put it.

□ 1505

I demurred. I said, I am not ambassadorial material. He explained that he had long considered this vast reservoir of talent in the United States, of culture and tradition and heritage—Hispanic, as a source that would be fruitful in the selection of competent men that could be sent down as envoys for the United States.

I said, "That may be fine, and I'm sure you will find them." This group, like any other, has good, bad and indifferent; and yes, they have been victims of discrimination and all of that in the Southwest, but nevertheless, in our atmosphere of freedom, they will rise, those who have talent, but I am not one of those that has any kind of ambassadorial ability or ambition and I know it, and there is no use wasting your time; I am not interested.

Then he wanted me to come up and I did not. This was the background at the time this man called me from the border town. When he met with me before, I would consent to bothering the President-elect and meeting with him, which I considered a big responsibility. He came and explained to me that he had the most disturbing information; that a decision had been made in 1959 during the Eisenhower administration to invade Cuba, to try to knock out the newly installed Castroite regime.

Just in 1 year the CIA had spent, in the Miami area, $2.5 million training again another disparate group of exiles for the invasion. He told me that it would occur in February; he gave me the exact day, he told me the time that it was scheduled to depart from Florida; he told me the coincidentally departure of a group trained in Nicaragua, in the Somoza regime, anti-Castro, where the CIA also had training camps; and in one other Central American country.

The theory being, and as I later found out, that a group had been formed in the State Department, the Special Operations Group, but it was not supposed to have military purposes in mind.

Somehow or other, as the mysterious submerged groups that have power and no accountability will do, they will soon arrogate power that never has been given to them.

This happened, because by 1959, late in 1959 or April 1959, this group had decided on an incursion into Cuba based on a company-size invasion in each one of the six Cuban provinces.

At the time this man called me, I did not know any of that; who would know? I did not know anything about Cuba, and I told him so. He said, "Well, you're a good friend of John Kennedy, and we are warning you: He doesn't know, and he won't know, and what we're trying to tell you is that even if these men that form this invading group were to succeed in physically occupying Cuba, they would never be able to govern it because they cannot even get together among themselves first.

"Second, unless the United States is prepared to go in and sit and govern, this group won't do it." He said "Furthermore, we know that Castro knows exactly what we know, because we know that these groups and these CIA-sponsored activities have been infiltrated by friends and allies of Castro in the Miami area."

I said, "Fine. I think that's very important." I picked up the phone and I called Mr. Kenny O'Donnell, later the personal secretary of President Kennedy. I called him to Hyannisport and I arranged, because the President-elect had announced that he was coming to visit Lyndon Johnson at the ranch that Friday, which if I remember correctly was around the 11th or 12th of December 1960.

Mr. O'Donnell said, "Just a minute, I'll call you back." He called me back and said, "We're taking your good judgment, Henry, and we can allow you 15 minutes to visit with these friends, with Jack Kennedy, at Bergstrom Air Force Base, on Friday, if you will be there by 12 noon, report to the commander; he will see you at 12:30 for 15 minutes and then proceed by helicopter to Lyndon Johnson's place."

I then called the gentleman who had returned to his home town of Del Rio, and I said, "Fine. When is your man able to come over?" To make a long story short, on the appointed hour which was going to be that Friday, in the morning, and we were going to meet in San Antonio and then I was going to drive them to Bergstrom Air Force Base, this fellow from Cuba did not show up. It turned out something had happened to him. What, I never really knew for sure, but I am sure that the CIA probably intercepted the purposes of his projected trip.

So I then refused to go and bother the President-elect at Bergstrom Air Force Base. I then suggested to my friend that when and if he ever had that man, to let me know and I would contact then-U.S. Senator Ralph Yarborough, and let him set up, if he was willing to do so, whatever meeting they thought was necessary.

The reason I am going into this is that I was still in the State senate. I had announced my candidacy for the U.S. Senate. So naturally, I was preoccupied; I did not even come to the inauguration of the President. First because I did not have the money with which to do it and second because I was giving my all to running to the U.S. Senate seat which had been vacated by President Johnson.

On February 17, lo and behold, the date this friend had given me as the invasion date, the hour—all of that was exactly the way it had been explained to me. Ever since then, I made up my mind I would never overlook reliable and absolute foolproof sources of information.

This is what has been happening since 1979 in September in the case of El Salvador, and Nicaragua and Guatemala. That, my colleagues, is the only reason I have ever based myself in coming before the Members of this House, for the record—not for television; for the record—in order to appeal on the basis of the judgments I have formulated, in turn based on absolute reliable sources of information.

I have been pointing out that whatever it is, and I notice that Mr. Lewis in his column says, he refers to President Reagan's "policy." The trouble is, there is no policy. The President has never exerted any leadership in presenting either short-range or long-range, other than spasmodic, ad hoc requests, a policy approach. Our country has yet to develop a policy that will distinguish between an indigenous, native revolution, civil war and one that has been imposed by external forces, be they Communist or any other.

We have paid an extremely heavy price in blood and treasure for this lack of knowledge and perception, compounded by our own willingness to learn the history and the culture of these nations with whom destiny decrees we must share the future, of our children, grandchildren, great grandchildren.

Some of my colleagues have said, in advocating that we vote for this aid, that the reason they are doing it is because they do not want to see their children fighting. Their support of this approach and the actions that President Reagan has been taking, irreversibly, President Reagan is worshipping at the altar of the false bitch goddess of war.

I will say this, whether or not my resolution is considered, whether or not an impeachment resolution is ever considered by the Congress—which it ought to be—I will say this, President Reagan: You have already been impeached. You have been impeached by the infinite and the Almighty. Disgracefully, it will be others, and the children and the young who will face a future of anger and hatred and divisiveness, and the establishment of a history of out-and-out hatred in the New World, with the people that our children will have to deal with.

We have learned nothing. We have learned nothing from the first time we attempted to intervene in the way we have. That we have sold our birthright for—not even a mess of pottage, but for an ideological fear that obsesses the minds of even some otherwise highly intelligent Americans.

□ 1515

This I think should have been revealing to us as a policy of catastrophe, disaster, and further bloodshed.

Let me conclude, Mr. President, by saying you have already been impeached. We have walked out of the tribunals of international law. We are the ones that are trying to evoke the name of law and order in denouncing acts of terrorism among others. We have been found guilty of those actions as a nation by the only tribunal set up by the world's civilized countries. I say that that is indictment enough and that the wise, and I have the utmost confidence that given a chance to evaluate calmly and not under an aura and atmosphere of extreme pressure in a political election year, that the right thing will be done. The only thing is that up to now it has not, and up to now it has meant that we have a price to pay that I think, if the American people, en masse, understood, would say why should we?

Is there any need for it? I never have thought so. I always felt—I antagonized friends, President Johnson, mostly his advisers, when I pointed out that I felt there was an act of unconstitutionality in drafting an unwilling American conscript, and then compelling him, against his will, to go outside the continental United States in an undeclared war. Why did I say that? Because that was the express provision that had to be incorporated into the first Universal Training Act of 1941 that passed only by one vote and not until that clause was in it. Everybody forgot about it because naturally in those intervening years you have World War II and a formal declaration of war. I remind my colleagues, like I am reminding the President, that maybe he will never be called to the bar of the Congress or any other, not earthly, but he has already been impeached by the infinite and so has the Congress that has gone along supinely without rising to the independence, the coequality, and the separation that our Constitution says is our duty to uphold. This is the issue; nothing else is the issue.

Nobody that I know, in or out of the Congress, back home or in my district, has ever had any brief for what we call communism or Castro-ism or anything like that.

That is not the issue. That is a false issue. And if it is, then I will repeat what I have said innumerable times: We will never defeat communism with bombs. The only way will be social justice, which means instead of having traded our birthright we should have lived up to the heritage, our revolutionary heritage, and instead of letting other false hypothetical forces such as Communist and Socialist forces take the credit, we ought to be leading the revolutions in those unhappy lands where, at last, the millions of oppressed, downtrodden peoples who have been oppressed for 300 years, that would not even know what it would mean to have 6 minutes of democratic rule but who now know because the world has contracted, that they do not have to take it any longer and they are not going to take it.

So either we go in and we lead the revolution like we did on our own, or we abdicate and then see ourselves swept into the backwater of history because history is irrevocable and inexorable, and we will never escape that judgment. We can vote and we can satisfy our constituents and we can yield to those that say, "Who are you for? If you don't like it here, why don't you go back from wherever you came from," overlooking the fact that I was born in San Antonio in the United States. But I have had to face that ever since I can first remember, when I first went to school. So I say to my colleagues, next week the issue is not the money. That was proven 2 weeks ago when the President quickly found $20 million that he sent down to Honduras. The President said just 5 days ago that they did not request it, they did not want it. This is a country we are occupying, we are invading. They do not want us. The representatives of Honduras have never said they want us. In fact, they go out of their way, the Speaker or the President of their Assembly as they call it, has come out and said, "We wish you would leave."

We have gone in, we have had the shameful experience of $27 million approved for so-called humanitarian aid last year not even being delivered because the Honduran Government will still officially deny to the world, because they are trying to be law-abiding, international-law-abiding citizens and they will deny to the world that they have Contra bases in Honduras. The only reason they are there is because we have forced them there.

I will say this, my colleagues, and I know I am right, that the best thing we could do right now, and if I had the power, not that I am ambitious for that power, but if I did have it, I would do what I told President Johnson in 1966, I would pull out all our military south of the border, I would pull them all out, pull out the helicopters, and I would send back—and protect them—the priests, the nuns, the Protestant missionaries, the teachers, the doctors, I would recruit nurses, I would take water tanks instead of Sherman tanks. That is what I would do. And let me tell you the United States would have a leadership that would never be in any way eroded and we would find ourselves with a self-contained New World economy that some of us have been advocating for years in which, instead of idle plants in the rust belt we would have the smokestacks producing goods and a market, a ready market. We would be buying the needed goods and prime materials that we need and the other luxury goods like sugar and coffee and would have to be paying like we do now, through the nose and through a lobby who are the ones forging the policies of this administration.

I yield back the balance of my time.

FAIR SHARE LOW-INCOME ENERGY ASSISTANCE ACT OF 1986

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from North Carolina [Mr. BROYHILL] is recognized for 60 minutes.

Mr. BROYHILL. Mr. Speaker, I am introducing today the Fair Share Low-Income Energy Assistance Act of 1986.

This is a simple bill to remedy a clear injustice. The Department of Health and Human Services allots funds to the States under the Low-Income Home Energy Assistance Program [LIHEAP]. These funds are used by the States to help low-income families pay their energy bills.

Prior to fiscal year 1985, the formula for determining each State's share of low-income energy funds did not take into account the most direct measure of need—the amount of money spent by low-income households on energy. An amendment enacted in 1984 under the leadership of my friend and colleague, Mr. MOORHEAD, made low-income household energy expenditures the basis for determining State allotments. There was, however, an important caveat to this new formula. This caveat essentially provided that no State could get less money under the new formula than it would have received under the old one. The purpose of this clause was to prevent any State from suffering a cut in its LIHEAP allotment, due to the change in the formula.

Now HHS is applying this caveat clause in a manner that slashes low-income energy aid for many States while insulating other States from any reduction in funding due to Gramm-Rudman. Rather than cutting each State's fiscal year 1986 LIHEAP share by a uniform 4.3 percent, HHS intends to reduce 20 States' allotments by up to 11.69 percent, while some States' allotments will not be cut at all! Appended to this statement is a chart showing how each State is affected.

Implementation of spending cuts in this manner is tantamount to back-door repeal of the Moorhead amendment. Congress intended, and expected, the Gramm-Rudman sequestration to reduce spending across-the-board except for those programs explicitly exempted. The overriding premise of sequestration is that recipients of Federal moneys should share equally the pain of spending reductions. It makes no sense to undercut this premise because of a clause predating Gramm-Rudman.

Passage of this bill would remove any doubt as to what Congress intends in implementing the Gramm-Rudman sequestration order for LIHEAP. The Fair Share Low-Income Energy Assistance Act would make clear that any sequestration order must operate to reduce each State's share by the same percentage amount. This uniform reduction of funding would ensure that the policies and decisions made by the Congress, and reflected in the allotment formula, are preserved and that each State receives its fair share of LIHEAP moneys.

States	86 allotments $2.1 billion (ADM = $2.235 million; before G/R/H)	86 allotments reduction formula	Percent reduction formula	86 allotments reduction pro rata	Percent reduction pro rata
Col. A	Col. B	Col. D	Col. E	Col. F	Col. G
Alabama	$20,055,090	$17,710,215	−11.69	$19,192,720	−4.30
Alaska	10,815,202	10,815,202	0	10,350,148	−4.30
Arizona	9,698,881	8,564,871	−11.69	9,281,829	−4.30
Arkansas	15,302,982	13,513,731	−11.69	14,644,953	−4.30
California	107,589,719	95,010,144	−11.69	102,963,356	−4.30
Colorado	31,692,305	31,692,305	0	30,329,534	−4.30
Connecticut	41,343,730	41,343,730	0	39,565,948	−4.30
Delaware	5,988,766	5,731,249	−4.30	5,731,249	−4.30
District of Columbia	6,725,747	6,436,540	−4.30	6,436,540	−4.30
Florida	31,733,142	28,022,848	−11.69	30,368,615	−4.30
Georgia	25,089,914	22,156,358	−11.69	24,011,047	−4.30
Hawaii	2,134,629	2,134,629	0	2,042,840	−4.30
Idaho	12,362,111	12,362,111	0	11,830,540	−4.30
Illinois	121,420,693	116,199,597	−4.30	116,199,597	−4.30
Indiana	54,545,812	52,200,340	−4.30	52,200,340	−4.30
Iowa	36,719,670	36,719,670	0	35,140,722	−4.30
Kansas	18,060,013	17,283,432	−4.30	17,283,432	−4.30

States	86 allotments $2.1 billion (ADM=$2.235 million; before G/R/H)	86 allotments reduction formula	Percent reduction formula	86 allotments reduction pro rata	Percent reduction pro rata
Col. A	Col. B	Col. D	Col. E	Col. F	Col. G
Kentucky	30,886,082	28,183,302	−8.75	29,557,979	−4.30
Louisiana	20,503,252	18,105,976	−11.69	19,621,611	−4.30
Maine	26,784,147	26,784,147	0	25,632,427	−4.30
Maryland	37,470,649	33,089,516	−11.69	35,859,409	−4.30
Massachusetts	82,701,153	82,701,153	0	79,145,000	−4.30
Michigan	114,998,162	110,053,236	−4.30	110,053,236	−4.30
Minnesota	78,271,456	78,271,456	0	74,905,780	−4.30
Mississippi	17,194,125	15,183,758	−11.69	16,454,777	−4.30
Missouri	50,087,155	47,778,052	−4.61	47,933,405	−4.30
Montana	14,499,970	14,499,970	0	13,876,471	−4.30
Nebraska	18,159,286	18,159,286	0	17,378,436	−4.30
Nevada	4,555,275	4,022,665	−11.69	4,359,398	−4.30
New Hampshire	15,653,641	15,653,641	0	14,980,534	−4.30
New Jersey	86,626,243	80,250,915	−7.36	82,901,310	−4.30
New Mexico	11,920,234	10,722,624	−10.05	11,407,663	−4.30
New York	250,682,526	250,682,526	0	239,903,166	−4.30
North Carolina	44,221,026	39,050,627	−11.69	42,319,520	−4.30
North Dakota	15,751,355	15,751,355	0	15,074,046	−4.30
Ohio	113,925,355	105,815,466	−7.12	109,026,559	−4.30
Oklahoma	18,434,747	16,279,324	−11.69	17,642,052	−4.30
Oregon	24,562,876	24,562,876	0	23,506,671	−4.30
Pennsylvania	134,653,488	134,653,488	0	128,863,382	−4.30
Rhode Island	13,613,082	13,613,082	0	13,027,719	−4.30
South Carolina	15,927,829	14,065,519	−11.69	15,242,932	−4.30
South Dakota	12,792,859	12,792,859	0	12,242,765	−4.30
Tennessee	32,329,050	28,549,081	−11.69	30,938,899	−4.30
Texas	52,793,359	46,620,669	−11.69	50,523,242	−4.30
Utah	14,727,489	14,727,489	0	14,094,206	−4.30
Vermont	11,732,961	11,732,961	0	11,228,443	−4.30
Virginia	41,694,856	39,901,975	−4.30	39,901,975	−4.30
Washington	40,402,548	40,402,548	0	38,665,237	−4.30
West Virginia	18,737,280	17,931,576	−4.30	17,931,576	−4.30
Wisconsin	70,455,549	70,455,549	0	67,425,957	−4.30
Wyoming	5,896,563	5,896,563	0	5,643,011	−4.30
Total	2,094,924,034	2,004,842,202		2,004,842,202	

Mr. MOORHEAD. Mr. Speaker, I rise today in support of the Fair Share Low-Income Energy Assistance Act of 1986. This bill will assist, to the extent possible under Gramm-Rudman, the equitable allotment of Low-Income Home Energy Assistance Program funds to the States. The Low-Income Home Energy Assistance Program provides block grants to the States to help pay the fuel bills of eligible low-income families. In 1984, under my leadership, an amendment was enacted which required State allotments of Low-Income Home Energy Assistance Program funds to be based on the actual energy expenditures of low-income households. That amendment included a proviso that no State could be allotted less money under the new formula than it would have been allotted under the old formula. The purpose of this proviso was to prevent any State from suffering a cut in its LIHEAP allotment due to a change in the formula.

The Department of Health and Human Services, however, has proposed to allot funds to the States so that certain States suffer no cuts in their allotments from either the new formula or Gramm-Rudman. Thus, HHS is proposing to reduce some State allotments, including the allotment of my own State of California, by up to 11.6 percent rather than cut each State's allotment by a uniform 4.3 percent.

This is obviously unfair and could never have been intended by Congress, either at the time my amendment to LIHEAP was enacted or at that time that Gramm-Rudman was enacted. Moreover, it has the effect of nullifying the formula change adopted in 1984. This injustice should be corrected. Enactment of the Fair Share Low-Income Energy Assistance Act will require any sequestration order under Gramm-Rudman to reduce each State's allotment by the same percentage amount. This uniform, even-handed reduction of allotments will ensure that each State receives its fair share of LIHEAP moneys.

I urge my colleagues to support the Fair Share Low-Income Energy Assistance Act of 1986.

INTELLECTUAL PROPERTY AND TRADE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin [Mr. KASTENMEIER] is recognized for 15 minutes.

Mr. KASTENMEIER. Mr. Speaker, it is now commonplace that the United States must take dramatic steps to address our serious trade problems. Increasingly the private sector, Government officials and politicians have fixated on enhanced protection of American intellectual property as one of the keystones to addressing the trade problem. Without question, the American creative genius has been nurtured by strong legal tradition of protecting the property rights of intellectual property owners. As we think about adjusting our lives and laws to meet the trade problem I hope that we can proceed in a balanced and objective way. As important as this task is we should not take shortsighted and precipitous action as a palliative for short term problems.

Before outlining what are, in my view, the elements of a coherent and comprehensive approach to intellectual property and trade let me set the context.

Our key intellectual property laws—copyright and patent—are derived from the constitutional mandate to "Promote the progress of science and useful arts, by securing for limited times to authors and inventors the exclusive rights to their writings and discoveries." (U.S. Constitution Art. 1, section 8, clause 8.) The Constitution envisions a bargain. Creators and inventors receive a benefit—a form of a limited monopoly right. In exchange, the right. In exchange, the public arguably benefits twice—first when it obtains access to the creation or invention, and second when the term of protection expires and the creation or invention is added to the public domain. This bargain furthers the public interest and does not represent in any way recognition of the natural right of creators and inventors to proprietary protection. Thus, our intellectual property laws—including laws relating to trademark and mask works—represent carefully fashioned compromises which limit the nature and extent of the rights of intellectual property owners. These limits include concepts such as fair use and first sale in copyright and the right to engage in reverse engineering with respect to mask works.

From a political perspective it is safe to say that our intellectual property laws are neither unlimited nor primarily designed to provide a special benefit. "Rather, the limited grant is a means by which an important public purpose may be achieved." *Sony* v. *Universal City Studios,* 464 U.S. 417, 429 (1984).

This perspective is important to keep in mind when addressing trade legislation affecting intellectual property. In my view, it would be a serious mistake to use legislation relating to international trade as a vehicle for changing the positive law relating to intellectual property.[1] I am also hopeful that we will not ignore the public interest in a rush to protect what are currently perceived by some to be embattled industries. Ultimately, I think that we would strike a bad bargain on behalf of the public if we ignored the need for balance.

SUMMARY OF PROPOSALS

As chairman of the Subcommittee on Courts, Civil Liberties and the Administration of Justice, Committee on the Judiciary, I have

[1] For example, we should avoid taking sides in the grey market or parallel import issue in trademark law or on first sale in copyright law, or on reverse engineering in mask work law.

responsibility for overseeing the functioning of both the intellectual property system and the Federal courts. The proposals I offer hopefully will preserve the appropriate role of the courts in adjudicating and enforcing intellectual property rights while simultaneously recalibrating the nature of the rights and remedies available to creators and inventors. In my view, a comprehensive trade-oriented intellectual property bill should include administrative law reform affecting the operation of the International Trade Commission [ITC].[2]

The ITC is an independent Federal agency, whose members are appointed by the President, authorized to adjudicate trade cases. The ITC is not and should not become an intellectual property court. In recent years section 337 of the Tariff Act of 1930 has been used to bring a number of patent, copyright, and trademark cases before the ITC. There is no doubt that the ITC is an important—if not essential—supplement to the remedies available in the Federal judicial branch. Because the ITC has in rem jurisdiction to exclude goods which would injure a domestic industry through unfair trade practices it differs both structurally and procedurally from a Federal court. The ITC remedy does not pose an insurmountable jurisdictional barrier to unauthorized exploitatiion of American intellectual property, because its powers are limited to the exclusion of goods either at the border or before they meld into the stream of commerce. Although the decisions of the ITC are ultimately reviewable by the Court of Appeals for the Federal Circuit, the same circuit that hears all appeals from district courts in patent cases, its procedures are not inherently judicial. For example, the ITC cannot assess damages, exercise any police power, nor can it hear counterclaims. Notwithstanding these limitations, however, the ITC currently is a potent weapon for the enforcement of intellectual property rights. The ITC presents the following advantages: First, availability of an exclusion order preventing entry into the U.S. of all offending goods regardless of source; second, extremely expedited procedures, cases must generally be concluded within a year; and third, the ITC need only follow the Administrative Procedure Act [APA] rather than more cumbersome judicial rules.

Despite the relative advantages of an ITC remedy, there has been a growing consensus to make relief obtained in the ITC more effective and expeditious. While that sentiment is understandable, before acting we should be keenly aware of the nature and extent of the alleged problem.[3] As you know, if it isn't broken don't fix it is a common refrain in Congress. We must also keep in mind the bargain—made on behalf of the public—referred to above.

I cannot tell you exactly what is the problem. I do challenge you to carefully identify the ends served by any legislative solution to see if the ends justify the means.

Some have suggested eliminating the so-called injury test altogether. Such a change is ill-advised. First, it would transform the ITC into a court whose only job would be assessing patent validity and infringement. Such a role would be especially inappropriate for an agency which is five-sixth nonlawyers. Second, retention of the injury requirement is the quid pro quo we offer to importers in exchange for an expedited nonjudicial proceedings in the ITC. Finally, elimination of the injury requirement could very likely produce serious challenges that future ITC orders violate the General Agreement on Tariff and Trade [GATT]. GATT violations, if found, can trigger retaliatory discrimination against innocent American exporters, hardly a desirable result.

The other major suggestion that has received some level of support in the context of intellectual property and trade is the removal of the domestic industry requirement. If enacted, this proposal would allow—if not encourage—foreign patent holders, currently 40 percent of the total to use the ITC to seek to exclude either their foreign or American competition from obtaining access to the U.S. market. Without the domestic industry requirement, this access would not be predicated on any investment in the United States. This change cannot be said to be an attempt to protect American jobs, quite the contrary is true. I should note parenthetically that it is argued that by giving equal access to the ITC by foreign industries will encourage better treatment of American intellectual property abroad. This argument sounds like the hope of a negligent driver who pays part of the victim's hospital bill that he/she won't be sued. Stated differently, if we gratuitously grant access to the ITC to foreign concerns, it is claimed that they will not sue us in GATT.

This is not to say that no changes are required. A careful review of the ITC and its current problems would support the following five modifications:

First, create a rebuttable presumption that once a complainant establishes the existence of a Federal, statutory, intellectual property right and an act of infringement that alone suffices to make a prima facie showing of injury. This change would permit a respondent to show lack of injury; for example, that the acts complained of produced no lost sale or profits.

Second, modify the domestic industry requirement by allowing complaints to be filed by persons who have made a substantial investment in facilities or activities relating to the exploitation of a patent, copyright, trademark, or mask work, including research and development, licensing, sales, and marketing. This adjustment will assure continued access to the ITC by entities, including universities, who have a substantial stake in the United States. This change would also avoid the unfortunate results which have occurred in some recent cases, such as Gremlins, where—because of pertinent legislative history explaining the current law—the ITC has denied relief notwithstanding the existence of a larger service industry exploiting the intellectual property right within the United States. Finally, such a change will enable universities and small businesses who do not have the capital to actually make the good in the United States to still have access to the ITC forum for the protection of their rights.

Third, transfer the economically and efficiently operated criteria from being an element of the complainant's case to a public interest factor to be evaluated by the ITC only in determining whether to approve a remedy. This change alone should limit the real and potential discovery abuse which can occur under current law.

Fourth, grant the ITC authority to penalize or sanction abusive discovery efforts.

Fifth, clarify the ITC's authority to: issue cease and desist orders in addition to exclusion orders; keep certain information confidential; enter limited exclusion orders in default cases without a full hearing; grant preliminary relief; require the posting of bonds by both parties; and provide that certain forfeited bonds can be assigned to the prevailing party.

In sum, there are five nondraconian modifications to the Tariff Act which meet the legitimate concerns expressed by advocates of change. After carefully reviewing these issues, it is my hope that the Congress will agree upon a balanced approach affecting the rights of both consumers and producers while serving the public interest and meeting constitutional criteria.

[2] Additional measures to further classify the rights of intellectual property owners have already been considered. Congress—through legislation processed by the Committee on Ways and Means—has given the United States Trade Representatives and the Department of State powerful weapons to use in bilateral negotiations in the context of the General System of Preferences [GSP] and the Caribbean Basin Initiative [CBI]. By permitting GSP and CBI benefits to be affected by the adequacy of our trading partners' intellectual property laws we have already wielded a big stick to induce greater intellectual property protection abroad.

Currently pending before my Subcommittee are two important measures affecting patent rights; process patent protection and legislation to implement the Patent Cooperation Treaty. Enactment of these measures would further align American law with internationally accepted norms of patent protection.

Finally, there have been proposals to make an intellectual property code part of the GATT and to adhere to the Berne Convention. While I remain skeptical about the wisdom of both of these initatives, I know that the Administration will not proceed on these fronts without full consultation with both the House and the Senate, including all the relevant Committees.

[3] *See* Testimony of ITC Chairwoman Paula Stern before my Subcommittee on Feb. 19, 1986.

GENERAL LEAVE

Mr. GONZALEZ. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and to include extraneous material on the subject of the special order today by the gentleman from Maryland [Mr. HOYER].

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

OSHA

The SPEAKER pro tempore (Mr. GONZALEZ). Under a previous order of the House, the gentleman from Pennsylvania [Mr. GAYDOS] is recognized for 60 minutes.

Mr. GAYDOS. I want to thank the Speaker and I want to, before I get into my formal remarks, refer back to a dissertation I had, through special orders, on the floor here 2 days ago. I did not have time to finish at that time. I think

in order to effect continuity of the remarks then I should make reference to some items. I was talking about OSHA, 2 days ago, the Occupational Safety and Health Act. And a lot of persons and individuals in this country still do not understand OSHA, what it means, what its purpose is, or was, and how it was designed to protect every working man and woman in this country.

My good friend, Mr. GONZALEZ, from Texas, talked about a very critical subject, and he does it on a regular basis, in order to promulgate some subject matters of grave importance to the country. It has a flavor of internationalism. When I talk about OSHA, it is distinguished from that type of analysis because OSHA goes right home, it goes directly to the core of what makes this country a great Nation.

OSHA protects people who work. Now if you cannot work or if you are on some type of a program in this country which does not allow you to work, you are disabled or some other type of a program, then of course you might not be too interested in OSHA. But by far the large majority of the American population is touched directly or indirectly by OSHA.

We have had OSHA in existence in this country for approximately 15 years. I consider it a personal privilege to have been one of the few remaining Members of the House who served on that committee, when we put the concept of OSHA together to protect the working man and woman in this country, both blue- and white-collar workers. That was a short 15 years ago. Other countries have had a like type of legislative enactment in effect for years, 20, 30, 40 years.

In this country after 200 years of existence, being the country that is so powerful, so intellectually advanced, so rich, we have an act in effect approximately 15 years. That is the act I want to speak on very hurriedly, the one I talked about previously.

As the chairman of the Occupational Safety and Health Act, on the general committee, Education and Labor, we are called upon to go throughout the country to take a look at how OSHA is working and when things like, for instance, a fireworks factory explodes or maybe some graineries explode, men and women are killed, blown up, parts of their bodies blown into smithereens, or they find burned corpses or, for instance, like the cooling towers in West Virginia, down at St. Mary's, where we had something in the neighborhood of 29, 30 workers, working in a cooling tower and all at once all of the scaffolding collapsed and they were thrown to their deaths, immediately. I just came back, the committee just came back from Oklahoma not too long ago where they had a fireworks factory located outside of the city back in a very, very rural area and they had people working there that were uneducated, very poor people, scratching out a living on the farm and this fireworks factory, which was never inspected by OSHA, never even listed on their rolls, and yes, a lot of young people working there too, 12, 13 years of age, a secret operation outside of your capital in Oklahoma.

□ 1350

And then when the big explosion came and leveled the whole thing, then they picked up the dead bodies, in the neighborhood of some 21 or 22 of them.

You know, the ironical part about that is that 2 days ago on the floor—I had gone out there and had taken the committee, I would say roughly 6 months or so ago down there to Oklahoma—2 days ago on the floor, the Representative from there, Congressman SYNAR, came up to me and the gentleman said, "Joe, do you remember that hearing we had?"

I said, "Yes, I remember."

Congressman SYNAR said, "Do you remember all the tragedy?"

I said, "Yes, I do remember all the tragedy."

Congressman SYNAR said:

Do you know that they just discovered them again rebuilding that factory in the same spot? Nobody knows it was being done, in violation of zoning ordinances. It is not registered. OSHA is not over there, and they have rebuilt it, and I guess it is about to go back into operation again.

Do you know why they could do that and why they get away with it? No. 1, it is big country. We have something like 11,000 or 12,000 inspectors looking at something like 6 or 7 million work places, covering something like roughly 70 million workers, men and women in this country.

But do you know why it operates down there? It is difficult, yes, to find out, but usually somebody tells. Somebody is going to talk about it. There are rumors that are going to drift back to our OSHA people. But the reason why it works and it is kept alive is because of basic fundamental desperation. The people who work there need the money that desperately and they keep it quite. They will not talk to anybody about it. You ought to see the stinky wages that are being paid, less than minimum wage.

There is an article in today's Washington Post about a factory that blew up, a fireworks factory that blew up in California. I would grant you that it will probably be somewhat along the same situation as the one over in Oklahoma. How it existed and why it existed, again, operating and existing on the fundamental misery of people, a person who cannot make a living because of where he is located, where he is stuck, in some rural area where there are no factories. Particularly in Oklahoma, the oil business is down and the farmers are in trouble. So where does that man or woman or young person work, especially if they come from a poor family? With no opportunity to go to college, what does he do? If he is industrious to any degree whatsoever, he ends up in one of these factories such as that.

I can tell you as a chairman having traveled the width and breadth of this country, talking about all kinds of things—mercury, the mercury problem in New York. They make thermometers there. Again, they are paying less than minimum wage. They were never inspected. Finally, through the grapevine, they sent some inspectors up there and they had some terrible working conditions. There was mercury from these thermometers on the floor. You know, mercury is poisonous and, if it gets into your system, you lose your eyesight, your nervous system is attacked, and you lead a miserable life if you live. It is a poisonous substance fundamentally, and proven without any doubt.

There it was in New York City. Where? Among the poor people over there, the Hispanics that came up and the Puerto Ricans with difficulty in acclimating themselves to this country, and the new language in a lot of situations, thrust into living in those squalored apartments up there in New York, something like 20 and 30 people to a room, sleeping in shifts. As soon as one person gets out of bed, another one jumps in. They cannot afford anything else. They were below minimum wage. And there they were, eating in a room with mercury all over the floor. It was never inspected by OSHA.

I could go on and on and give you so many examples, so many examples.

The St. James River today in adjoining Maryland with the keystone situation that occurred there some 8 or 9 years ago, where they found this poison that got into the river, into the people, into the workers. I remember them testifying before the committee and their eyes were not coordinated and they had the shakes because of that keypone, that poison which is used as a fire ant killer. When it gets into the human anatomy and in the circulation, it attacks the nervous system. That got into the river and all the fish were polluted. They still do not eat fish from that river because it is polluted.

What am I saying? I am saying that we passed this act 15 years ago—this is what I wanted to say the other day, but we did not have time—and we passed it with all good intentions. It is not a perfect act. But here it is 15 years. I think 15 years is a reasonable time, as a reasonable man, I have to conclude it is a reasonable time, for this great country with all of its accomplishments to at least put into effect a half effective act to protect those men and women who are paying taxes in this country, who support this very building in which I speak, those

workers, so that when they go to work, at least the immediate family have a reasonable expectation that the primary breadwinner will find his way back from a half decent workplace; half decent, not mercury all over the walls and all over the floor, and not fall from a scaffold like down there in St. Mary's, and not be exposed to keypone.

We were down in New Orleans where the graineries exploded. If you ever saw a grainery, probably you have in your travels, it is a big structure, 20 or 30 stories high. They get accumulated with dust in there and one little spark sets it off and it blows like a torpedo. It kills everybody and anybody around. We went down to Oswego and down to New Orleans and we saw that. We investigated those series of explosions with a lot of deaths. There were something like 52 people killed. I took the committee down to examine it to try to find out, to get evidence on record why these disasters were occurring.

I think maybe the act is not working as half reasonably as it could or should, because we have not had an OSHA Director of any meaningful duration. We do not have one right now. There is a man there, a professional, a good man, but he is in a temporary position. He is serving as the OSHA Director. We have not appointed one. I think it has been like that for 6 to 9 months. The man before him—I am not going to get into names—the Director before him only lasted some 6 or 9 months and resigned. We had a Director prior to that who resigned and he said his job was finished.

I am telling you that I have in my capacity as a chairman, and also as an individual, a concerned individual, to feel that OSHA is far from working in a reasonable manner. To protect again, whom? The taxpayers of this country, the working man and woman, those that have done it so long.

I do not know if it is unreasonable to conclude that a man or a woman has no right to expect that his work place should be free from maybe a cancer-causing hazardous material. I do not know. All I know is that human decency and a series of precedents throughout the whole world, as evidenced in their enactment and their laws, indicate that governments, if they are doing their job, have a duty, yes, even a holy duty, a duty to their citizens to enact a meaningful act to protect that man and woman who work, a meaningful act to enforce that act.

Secretary Brock is a good man. He served in Cabinet posts under this administration. I know him personally. He was a former Member of this House. In fact, he is going to testify before the committee because I am bringing him in. I have a lot of questions I have to ask him about a lot of things.

□ 1540

Even Secretary Brock, here some 6 months ago, said:

We don't have a standard in the agricultural business. We don't have a standard which would provide fundamental, simple toilet facilities for those who work out on our farms, those migrant laborers who do all of the stoop labor, pick the lettuce, pick the asparagus, do this, do that, there are no facilities out there.

There is no ability to wash their hands after they do work with pesticides in the fields, to wash their hands, for sanitary purposes, after they have handled all of the fruit and all of the pesticides and the crop that they are picking. And, yes, even after they might have used some toilet facilities, had they had them.

Talk about the opposition to such a fundamental and simple need affecting thousands of people, you talk about opposition, why, we have attached on the floor of this House to the appropriation bill that OSHA, the act generally which I am criticizing, does not pertain to any farm with 10 or less employees. They could not do that on the floor because I have had it bottled up and would not let the committee come out to amend that act whereby they may do it, so they do it indirectly, those who do not believe in OSHA, and they attach it to an appropriation bill where we provide money on the floor of this House for the different operations of the government, and they attach it to that and they make law on that bill.

They exclude from OSHA regulations farmers who employ less than 10 individuals.

You ought to go out sometime, if I could take you, and take a look at working conditions and who works out in the agricultural fields, take a look at their living conditions, take a look at families who are born into the trade or the business, born into it and no way to escape. It is very difficult.

Those are the things I wanted to mention that I did not mention the last time when I spoke. I have concluded that we are going to have to take a look at OSHA, try to get more standards in effect. We only have some 20-odd standards, and a standard has to be put into effect before you can enforce something. I am right now putting together and having hearings—and I will conclude with this on this part of the subject matter—involving hazardous communications of the workers, meaning that if you work anyplace where there is some hazardous material, the only decent thing and the only practical thing that you have a right to expect as a worker is to be notified that you are handling some material that potentially might be hazardous, deleterious substances. That is all the bill has in mind. Yet we have terrible opposition along the theory that if you do that it is going to cost so much money, so many records to be kept and that life in the ultimate which you are after, that is, the protection of a person, so that they would be alert to what they are handling, that is not important. The fact remains that it is another problem with the employer and that employee rights should be subjugated along those lines.

I just wanted to put those into the record and, hopefully, our hearing coming up in the near future with Director Brock will shed more light on the subject matter, and we might be able to hopefully influence him as the Labor Secretary to get after that OSHA act, to try to make it a meaningful act and to do what we had in mind when we first passed it.

JAPAN'S BUSINESS SAMURAIS TAKE AN ADVERSARIAL APPROACH TO TRADE

Mr. Speaker, during the course of the past several years, but primarily during the past 2 years, we have been told time and again that Japan is making every effort to increase its imports from the United States as a means of reducing the ever-growing trade deficit between our two countries.

And, as we have heard these pronouncements and watched as Japan's leaders made every effort to win support for their programs, we have seen failure after failure.

Last year, as part of a new national initiative, Japanese Prime Minister Nakasone urged every Japanese citizen to buy $100 worth of imports and, at the same time, 60 major Japanese companies pledged to increase imports by $5 billion.

Those efforts, too, appear to have fallen far short of the expected mark.

While there are no figures available on the push by the Prime Minister to have each citizen buy $100 in imported goods, we do have the results of a survey of Japan's 134 biggest companies and their import purchasing for the fiscal year ending on March 31. The survey shows that imports in the just ended fiscal year for those 134 companies rose by only 3.1 percent to $100.4 billion.

That total is a far cry from the 104.7 billion dollars' worth of imports projected by the Ministry of International Trade and Industry and, even more, it is a clear picture of Japan's practice of adversarial trade. Samuri economics—if you please.

Adversarial trade is a system whereby a seller displaces the goods produced by the "manufacturers" of the buying country without any compensating purchases from that country.

The concept is further outlined in an article in the April 1 issue of the Wall Street Journal. In the article, Peter Drucker, Clarke professor of social sciences at the Claremont Graduate School, notes that there is an ob-

vious difference between the Europeans and the Japanese trade with the United States.

One example cited by Mr. Drucker concerns the Swiss. They, Drucker says, on a per capita basis, are the world's largest exporters of machine tools and textile machinery, but, at the same time, are also the world's largest importers of both.

The West Germans export more motor vehicles, including trucks and buses, than Japan, but, unlike Japan, for every five West German vehicles sold abroad, West Germany imports three.

The adversarial trade pattern developed by the Japanese and now being copied by other Asian nations relies on a massive export program with few purchases of any kind from the buying country and almost no purchases of equalizing value.

The result, all too often, is the eventual destruction of the buying country's domestic competitive industry. We have seen it happen. We have seen it happen in the consumer electronics industry where, today, there are no American manufacturers of video-cassette recorders and only a couple of American radio and television manufacturers—and even they use parts made in foreign nations.

Mr. Drucker, unfortunately, uses an example that is in error. He says that in the mid-1970's, there were at least a dozen American plants manufacturing forklift trucks, whereas today there are none. That is an error. There are several companies still making forklift trucks in the United States, but each of those companies has off-shore operations and each buys components for its American operations from off-shore sources.

We see it happening in the steel industry, too. While it may be true that some American steel operations would have had to shut down because of outmoded equipment and excess capacity, too much of the cause is the heavy flow of imported steel from around the world. Our speciality steel industry is a good example in that it is the must modern and up to date industry in the world but still must be protected from such predatory practices in order to survive.

The one good sign of late is the downward trend of the American dollar. But its movement isn't as fast as many of us would like it and, there are indications that some nations may take steps to artificially shore up the value of their own currency.

The Japanese, concerned about the impact of the dollar's fall on their exports—they are already raising the prices of their cars and other products—have indicated they are considering steps to protect the yen against the dollar before the impact severely impairs Japan's export activities.

Any action of that nature could hasten the kind of negative reaction toward Japan and other adversarial exporting nations that Mr. Drucker says could occur.

And, as Mr. Drucker states, that backlash by Americans toward Japanese goods could open the door for an economic tragedy in Japan, including double-digit unemployment.

There is little doubt in my mind that Mr. Drucker is right when he suggests that Americans could very easily manage without Japanese-manufactured imports. The same, Mr. Drucker says, could apply to Western Europe.

Mr. Drucker offers what appears to be a moderate solution to the problem. He suggests that rather than limiting all sorts of imports, we might consider putting in place trade restrictions aimed at goods from countries that do not buy manufactured goods of a similar kind that at least equal in dollar value a minimum level of 50 percent of their exports.

This type of limiting provision, when coupled with a dollar that is decreasing in value against foreign currencies would enable America to adhere to the principles embodied in international trade laws, including our own, and, at the same time, focus on the truly serious aspect of the trade problem.

There is one other point in Mr. Drucker's article that I would like to single out for comment, Mr. Speaker, and that deals with the efforts by Japanese companies to build and operate manufacturing facilities in the United States.

According to Mr. Drucker, this practice will backfire in the long run because Americans will still consider it a predatory practice of first severely damaging or destroying the domestic manufacturer and then taking over the home turf.

Mr. Drucker suggests two alternatives. First, he says, the Japanese might want to consider the production consortia approach, in which manufactures in the buying country act as suppliers to the sellers. And, second, the Japanese might pay their share by taking over from American Banks some of the problems loans to the developing nations.

Because I believe Mr. Drucker's comments should be read and reviewed by every Member of the House, I will include the full text of his article as it appeared in the April 1 issue of the Wall Street Journal at the conclusion of my remarks.

There are two other items of special interest with respect to America's trade picture and the steel industry upon which I want to touch: The steel import figures for February 1986 and the impact of the merchandise trade deficit on the domestic steel industry.

On March 13 of this year, Commerce Secretary Malcolm Baldrige appeared before the congressional steel caucus to tell us that the President's program to control steel imports through a series of voluntary restraint agreements [VRA] was moving along on target.

During his appearance, Secretary Baldrige pointed to the sharp downturn of steel imports for the month of January as compared to December in an attempt to show the successful movement.

Last week, Mr. Speaker, the steel import figures for February 1986 were released and I certainly hope Secretary Baldrige will look them over carefully before he makes any more predictions as to the success of the President's program.

Just to refresh everyone of what is happening, in January 1986, steel imports totaled 1.748 million tons, a 34.3-percent decrease from January 1985—2.661 million tons—and an 18.6-percent decrease from December 1985—2.146 million tons.

In addition to the actual tonnage, in January 1986, imported steel accounted only for 21.6 percent of the steel supply as compared to a 30.9 percent share in January 1985 and a 27.2-percent share in December 1985.

With those figures in hand, Secretary Baldrige suggested that it was likely the President's program for steel would achieve the expected goal of limiting imports to about a 20.5 percent yearly share of the American steel market.

The Secretary may want to revise his projections and his comments on the President's program based on the February figures. Although imported steel tonnage for February 1986 was down by three-tenths of a percent as compared to February 1985—2.042 million tons in 1986 and 2.047 million tons in 1985, tonnage for February 1986 jumped by 16.8 percent as compared to January 1986—2.042 million tons as compared to 1.748 million tons. Further, the share of the American steel market taken by imports reached 26.6 percent for February and 24 percent for both January and February, substantially higher than the 21.6 percent share that imports had of the market in January 1986 alone.

So, Secretary Baldrige, as I said last month, we'll just have to keep on watching the numbers to see if the President's plan works and keep on praying that the American steel industry can hang on until either the plan works or someone wakes up and tries something different.

Too often, we in the congressional steel caucus forget that it isn't only steel imports that are bad for the steel industry. Some of the principal findings presented in a recent study, "Trade Ripples Across U.S. Industries," prepared by the Office of Business Analysis in the Department of Commerce, show that the merchan-

dise trade deficit itself has a substantial impact on the steel industry.

Among the findings in that report are:

The loss of shipments by U.S. Steel producers, due to steel mill products imports, amounted to $4.8 billion or 17 percent of the value of domestic steel mill shipments in 1984.

In 1984, indirect steel imports—those products containing steel—displaced an additional $8.5 billion or 30 percent of steel shipments, almost twice as much as the direct trade effect.

In 1984, the steel industry had 51 percent of total output displaced by imports, in terms of value, including both direct and indirect effects.

Net trade, both direct and indirect, caused a loss of 148,000 jobs in steel in 1984.

Assuming overall balance in U.S. trade in all goods and services—even though a U.S. merchandise trade deficit of about $80 billion annually would continue in the 1985-90 period—this would generate nearly 2 million jobs in the U.S. economy.

If overall balance in U.S. trade in goods and services were achieved, the steel industry would have one of the largest gains in output in any industry, amounting to about 7 percent—in terms of value—and also creating an increase in jobs of between 6 and 7 percent.

What all this means, very simply, is that the steel industry, as well as other manufacturing industries, is suffering most from the adverse effects of the Nation's trade imbalance and would benefit from a downturn in the overall trade picture.

It will be interesting to see where we stand for 1985. I, for one, want to know how effective the President's steel program has been and what the projections are for the next few years.

So far, I can't say that the results have been overwhelming, but I am willing to wait to see what develops in the next several months.

In the meantime, Mr. Speaker, I strongly suggest that the House take Mr. Drucker's proposal under consideration as we think about ways to bring America's trade imbalance under some kind of control.

We cannot afford, as a nation, to continue on our present path. For our self-defense and for our economic future, we must act and act now to eliminate our trade imbalance.

□ 1555

Mr. Speaker, in conclusion, I strongly recommend to my colleagues to read and study and remember the article in the Wall Street Journal of Tuesday, April 1, 1986. It is captioned "Japan and Adversarial Trade."

With the inclusion of the article, I will conclude my remarks:

[From The Wall Street Journal, April 1, 1986]

JAPAN AND ADVERSARIAL TRADE

(By Peter F. Drucker)

"Why is the West obsessed with our exports?" every Japanese visitor asks. "The West Germans export even more and their trade surpluses are also growing rapidly." But there is a difference—though the Japanese are oblivious to it. The West Germans do indeed top the Japanese as exporters of manufactured goods—only the U.S. exports more. But the West Germans are also the world's second-largest importers of such goods—again topped only by the U.S. The Japanese, however, only sell; they do not buy. They practice adversarial trade.

The original 18th-century model of international trade—the one Adam Smith formulated—assumes complementary trade. Portugal sells wine in exchange for English wool. Each side buys what it cannot produce and sells what it is ideally equipped to make. There are no losers.

But since the middle of the 19th century the growth sector in the international economy has been competitive trade between developed countries. Both parties buy from each other similar goods, which both are capable of producing. Per capita the Swiss are the world's largest exporters of machine tools and textile machinery, but also the world's largest importers of both. West Germany exports more motor vehicles (including trucks and buses) than does Japan; but for every five West German motor vehicles sold abroad, the West Germans import three. In competitive trade there are losers: the U.S.—or West German, or British, or Swiss—manufacturer of weaving looms, for instance, whose technically inferior or more expensive product is being edged out of the market by the more advanced or cheaper make of its foreign competitor. But overall, everybody gains—not only the consumer but also the competing producers that are being forced to concentrate on what they do best, thus optimizing both resources and returns. In fact, in competitive trade the foreign competitor of an industry is commonly also its best customer. The best example is in chemicals, where each major company does more business with other chemical companies than with anyone else.

WEAKENS AND DESTROYS

But in adversarial trade both sides lose—the buyer, right away; the seller, within a decade or so.

In adversarial trade the seller's goods displace the goods produced by the manufacturers of the buying country without any compensating purchases from that country. No alternative markets for the foreign buyer's manufacturers are thus being created, and no purchasing power either. These manufacturers cannot earn the resources needed to modernize these plants and processes or to acquire the production volume needed to bring these costs down. If the seller in adversarial trade is truly successful, it eventually destroys the buyer's industry.

Twelve years ago, for example, there were more than a dozen American plants manufacturing forklift trucks. Today there are none—not even an assembly operation. The same thing has largely happened in consumer electronics, e.g. in videocassette recorders, and in many categories of machine tools and semiconductors. This then also means that in the end even the consumer in the buying country loses, his loss of income as a producer eventually more than offsetting his gains through lower prices as a buyer. Indeed, the effects of adversarial competition—no matter how unintended—are strikingly similar to what economist and lawyer both condemn as "predatory pricing," that is pricing so low as to destroy competitors and establish a monopoly.

Yet the seller in adversarial trade may lose in the end even more than the buyer and be totally unable to prevent it.

The seller has no defense against retaliatory action on the part of the buyer. The seller cannot counteract by stopping its purchases—it does not make any. To be sure, the Japanese are among the U.S.'s best customers for agricultural and forest products. But though the American farmers' political power is still formidable, U.S. primary-product exports have become far too small a part of the total to be a decisive factor—and they are steadily declining. Moreover, there is little doubt that the U.S. could manage without Japanese manufactured-goods imports—and at fairly low cost. And so could Western Europe. But Japan without industrial exports to the U.S. would face a major depression with double-digit unemployment.

Buyers can pay only if they have an income—that is, if they themselves get paid as sellers. The seller in adversarial trade, the seller who does not buy, will therefore find out in the end that it has given away its wares—though it cannot expect the recipient to appreciate the gift.

Japan now has the world's largest-ever surplus of liquid funds—as large as anything OPEC ever had, and soon to be even larger. Japan's banks hold $640 billion in external assets, practically all in cash, or in short-term securities such as U.S. Treasury bills. This is many times what Japan needs to finance its trade, is indeed so large that Japan could for six years pay for all its imports without having to earn a single yen through its exports. The only parallel in economic history is the U.S.'s surplus in the years immediately after World War II when the U.S. had the only functioning major economy in the world. Such a surplus can either be used to buy goods—something the Japanese are not willing to do—or it can be given away, as the U.S. did in the years of the Marshall Plan. Otherwise it will be taken away. How? Through bad debts that aren't repaid. Eventually they'll have to be written off.

Till now Japan has been the only modern practitioner of adversarial trade. It did not plan it, to be sure, though it is a logical outcome of the traditional Japanese approach to international trade—an approach that made ample sense as long as Japan was still catching up, until perhaps 1965 or so. Now, however, Japan's neighbor South Korea is deliberately embarking on adversarial trade. And if China ever develops industrially, it too—at least in its present frame of mine—will surely try to be only a seller and not a buyer.

Some small steps to correct the imbalance created by adversarial trade are being taken. The Japanese, especially the Japanese auto makers, are rapidly moving some production to the U.S. and to Western Europe to counteract anti-Japanese measures. But the Japanese don't realize this is still seen as predatory in the buying country, since it replaces the domestic manufacturer that Japanese adversarial trading has first damaged or destroyed.

More effective would be a "production consortium" in which manufacturers in the buying country supply the seller as subcontractors or partners—the way, for instance, in which Boeing Co. has placed 30% or 40%

of the development and manufacturing work on a new commercial aircraft with Japanese companies, or in which Rolls-Royce Ltd. in Britain is brought in as the engine supplier for American-made planes sold to European airlines. So far, however, consortium deals have been resisted by the Japanese. The Japanese might also pay their share by taking over from the American banks the "problem loans" to developing countries—something that is beginning to be discussed in New York and Washington, though so far only behind closed doors.

But the only true solution would be for the Japanese to become buyers of foreign goods, which is what the Reagan administration has now decided to press them for. Whether this can succeed in a country in which trade is as much social and political as it is commercial is very doubtful. Japanese, after all, find it almost indecent to buy from people who are not part of their own group. But unless Japan changes what is essentially a pattern of culture rather than economics, political measures will surely be taken to abort adversarial trade and pretty soon. Western Europe has already gone quite far in protecting itself against it, especially in respect to Japanese-made automobiles.

MEASURE IS NEEDED

There is a need to stop—or at least to confine—adversarial trade. But there is also a great danger that the measures taken to do so will do far more harm than good, especially to the U.S. economy and manufacturing. None of the proposals now being discussed—for instance, the one before a House subcommittee that bans foreign manufactured goods unless they had 30% or 40% "domestic content"—distinguish between competitive and adversarial trade. They are all uniformly protectionist and penalize all manufactured imports. But this would seriously harm and perhaps destroy our exports to our competitive-trading partners—especially to the industrial European countries. They could and would immediately retaliate. And all our healthy industries—perhaps three-quarters of our industrial base—are dependent for their growth, if not for their very survival, on exports to Europe: from aircraft and analytical instruments, through biomedicine, pharmaceuticals and computers, to chemicals, robots, electrical machinery and software.

We need a measure that arrests the degenerative disease of adversial trade without killing off the healthy tissue of competitive trade—perhaps by limiting whatever trade restrictions we might enact to import from countries and industries that do not buy from other developed countries (including the U.S.) manufactured goods of a similar kind at least equal in value to 50% or 60% of their exports.

The Japanese assert that it is not their fault that we find their goods more attractive than what we produce ourselves, and say that their export strength is simply the result of their working harder and doing a better job, whether in design, in quality, in price or in service. This is right on the whole—Japan Inc. is largely a figment of the Western imagination. But it is also irrelevant. Adversarial trade will not be tolerated very long. It was not planned as such, but it turned out to be a policy to beggar one's neighbor. And that is always self-defeating.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. BOULTER (at the request of Mr. MICHEL), for today, on account of a death in the family.

Mr. IRELAND (at the request of Mr. MICHEL), for today, on account of illness in the family.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. BATEMAN) to revise and extend their remarks and include extraneous material:)

Mr. BOULTER, for 5 minutes, today.

Mr. BATEMAN, for 5 minutes, today.

Mrs. BENTLEY, for 30 minutes, on April 30.

Mr. KEMP, for 5 minutes today.

Mr. BROYHILL, for 60 minutes, today.

(The following Members (at the request of Mr. GONZALEZ) to revise and extend their remarks and include extraneous material:)

Mr. WEISS, for 5 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. GONZALEZ, for 60 minutes, today.

Mr. KASTENMEIER, for 15 minutes, today.

Mr. WRIGHT, for 60 minutes, on April 21.

(The following Member (at the request of Mr. FRANK) to revise and extend his remarks and include extraneous material:)

Mr. GAYDOS, for 60 minutes, today.

(The following Member (at the request of Mr. GINGRICH) to revise and extend his remarks and to include therein extraneous matter:)

Mr. O'BRIEN, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. FORD of Tennessee, following the vote on rollcall No. 74, the Volkmer substitute amendment.

Mr. WEISS, prior to vote on Volkmer substitute to H.R. 4332, in the Committee of the Whole today.

Mr. GARCIA, prior to vote on Volkmer substitute to H.R. 4332, in the Committee of the Whole today.

(The following Members (at the request of Mr. BATEMAN) and to include extraneous matter:)

Mr. BILIRAKIS.

Mr. DIOGUARDI.

Mr. GREEN in two instances.

Mr. SUNDQUIST.

Mr. MILLER of Washington.

Mr. MCKINNEY.

Mr. GALLO.

Mr. SMITH of New Hampshire.

Mr. YOUNG of Florida.

Mr. IRELAND.

Mr. VANDER JAGT.

Mr. MARLENEE.

(The following Members (at the request of Mr. GONZALEZ) and to include extraneous matter:)

Mr. FRANK.

Mr. HOYER.

Mr. FAZIO.

Mr. RANGEL.

Mr. KANJORSKI, in five instances.

Mr. BORSKI.

Mr. STARK, in three instances.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 1660. An act to grant a Federal charter to the Confederate Memorial Association; to the Committee on the Judiciary.

ADJOURMENT

Mr. GAYDOS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 3 minutes p.m.), under its previous order, the House adjourned until Monday, April 14, 1986, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

3256. A letter from the Comptroller General of the United States, transmitting a review of the rescissions and deferrals transmitted in the message from the President dated February 5, 1986 (H. Doc. 99-161), pursuant to 2 U.S.C. 685 (H. Doc. No. 99-194); to the Committee on Appropriations and ordered to be printed.

3257. A letter from the Comptroller General of the United States, transmitting a report on the status of budget authority made available to the Maritime Administration and deferred by the President in his message date February 4, 1986 (H. Doc. 99-161), pursuant to 2 U.S.C. 685 (H. Doc. No. 99-195); to the Committee on Appropriations and ordered to be printed.

3258. A letter from the Deputy Assistant Secretary of Defense (Administration), transmitting a report on the financial condition and operating results of the working capital funds of the Department, pursuant to 10 U.S.C. 2208(l); to the Committee on Armed Services.

3259. A letter from the Secretary of Education, transmitting final regulations in connection with the College Housing Program—loan discount, pursuant to 20 U.S.C. 132(d)(1); to the Committee on Banking, Finance and Urban Affairs.

3260. A letter from the Acting Director, Defense Security Assistance Agency, transmitting notification of the Department of Army's proposed lease of defense articles to Italy (Transmittal No. 31-86), pursuant to 22 U.S.C. 2796(a); to the Committee on Foreign Affairs.

3261. A letter from the Acting Director, Defense Security Assistance Agency, transmitting notification of the Department of the Navy's proposed lease of defense articles

to Canada (Transmittal No. 30-86), pursuant to 22 U.S.C. 2796(a); to the Committee on Foreign Affairs.

3262. A letter from the Acting Assistant Secretary of State for Legislative and Intergovernmental Affairs, transmitting a report on the political contributions of Paul H. Nitze, of the District of Columbia, to be Ambassador at Large, pursuant to 22 U.S.C. 3944(b)(2); to the Committee on Foreign Affairs.

3263. A letter from the Program Inspector General, Department of State, transmitting results of the confidential audit of the Department's emergency expenditures, pursuant to 22 U.S.C. 2671(c) (the act of August 1, 1956, Chapter 841, section 4(c) (97 Stat. 1024)); to the Committee on Foreign Affairs.

3264. A letter from the Director, Office of Legislative Affairs, Agency for International Development, transmitting a report on activities under the Freedom of Information Act, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

3265. A letter from the Chairman, National Labor Relations Board, transmitting a report on activities under the Freedom of Information Act, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

3266. A letter from the Commissioner, Bureau of Reclamation, Department of the Interior, transmitting claims submitted resulting from the Teton Dam failure for the period ending December 31, 1984, pursuant to Public Law 94-400, section 8 (90 Stat. 1213); to the Committee on the Judiciary.

3267. A letter from the Director, Administrative Office of the U.S. Courts, transmitting the 1985 annual report of the Administrative Office of the U.S. Courts and the reports of the proceedings of the Judicial Conference of the United States, pursuant to 28 U.S.C. 604 (a)(4) and (h)(2); 28 U.S.C. 2412(d)(5); to the Committee on the Judiciary.

3268. A letter from the Assistant Attorney General, Office of Justice Programs, U.S. Department of Justice, transmitting the first annual report for justice programs, fiscal year 1985, pursuant to 42 U.S.C. 3712(b); to the Committee on the Judiciary.

3269. A letter from the Under Secretary for International Affairs and Commodity Programs, Department of Agriculture, transmitting the third quarterly commodity and country allocation table showing current programing plans for food assistance under titles I/III of Public Law 480 for fiscal year 1986, pursuant to 7 U.S.C. 1736b(a); jointly, to the Committees on Agriculture and Foreign Affairs.

3270. A letter from the Secretary of State, transmitting a report on the situation in El Salvador, pursuant to Public Law 99-83, sections 702(c) (99 Stat. 238); jointly, to the Committees on Foreign Affairs and Appropriations.

3271. A letter from the Comptroller General of the United States, transmitting an audit of the Panama Canal Commission's financial statements, fiscal year 1984 and 1983 (GAO/AFMD-86-15), pursuant to 22 U.S.C. 3723(b); jointly, to the Committees on Government Operations and Merchant Marine and Fisheries.

3272. A letter from the Comptroller General of the United States, transmitting a copy of the financial audit of the minority printing clerk, House of Representatives, as of September 30, 1984 and 1983 (GAO/AFMD-86-26), pursuant to 40 U.S.C. 193m-1; jointly, to the Committees on House Administration and Government Operations.

3273. A letter from the Comptroller General of the United States, transmitting a copy of the financial audit of the majority printing clerk, House of Representatives, as of August 31, 1984 and 1983 (GAO/AFMD-86-25), pursuant to 40 U.S.C. 193m-1; jointly, to the Committees on House Administration and Government Operations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. ROSTENKOWSKI: Committee on Ways and Means. H.R. 2110. A bill to make technical corrections related to the Retirement Equity Act of 1984; with an amendment (Rept. 99-526, Pt. 1). Ordered to be printed.

Mr. CONYERS: Committee on the Judiciary. H.R. 2998. A bill to make technical amendments to title 18, United States Code, relating to victims of crime and to the Victims of Crime Act of 1984; with an amendment (Rept. 99-527). Referred to the Committee of the Whole House on the State of the Union.

Mr. CONYERS: Committee on the Judiciary. H.R. 3826. A bill to amend section 1153 of title 18, United States Code, to make felonious sexual molestation of a minor an offense within Indian country; with an amendment (Rept. 99-528). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ST GERMAIN (for himself, Mr. ANNUNZIO, Mr. FAUNTROY, Mr. HUBBARD, Mr. LAFALCE, Mr. LUNDINE, Ms. OAKAR, Mr. VENTO, Mr. BARNARD, Mr. GARCIA, Mr. SCHUMER, Mr. FRANK,, Mr. ROEMER, Mr. LEHMAN of California, Mr. MORRISON of Connecticut, Mr. COOPER, Ms. KAPTUR, Mr. ERDREICH, Mr. LEVIN of Michigan, Mr. TORRES, Mr. NELSON of Florida, Mr. KANJORSKI, Mr. GORDON, Mr. MANTON, Mr. FUSTER, Mr. WYLIE, Mr. SHUMWAY, Mr. MCCOLLUM, Mr. WORTLEY, Mrs. ROUKEMA, Mr. BEREUTER, Mr. ROTH, Mr. KOLBE, and Mr. MCMILLAN):

H.R. 4551. A bill to extend for 3 months the emergency acquisition and net worth guarantee provisions of the Garn-St Germain Depository Institutions Act of 1982; to the Committee on Banking, Finance and Urban Affairs.

By Mr. APPLEGATE (by request):

H.R. 4552. A bill to amend title 38, United States Code, to increase the rates of compensation and of dependency and indemnity compensation (DIC) paid by the Veterans' Administration, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. BOULTER (for himself, Mr. DELAY, Mr. FIELDS, Mr. ARMEY, Mr. BARTON of Texas, Mr. GINGRICH, and Mr. WEBER):

H.R. 4553. A bill to provide fair incentives for the domestic production of oil and gas, and give flexibility to financial institutions with regard to energy and agricultural loans, and for other purposes; jointly, to the Committees on Banking, Finance and Urban Affairs, Energy and Commerce, and Ways and Means.

By Mr. BREAUX:

H.R. 4554. A bill to provide for the energy security of the United States; to the Committee on Ways and Means.

By Mr. WYLIE (for himself, Mr. MCEWEN, Mr. KASICH, Mr. LATTA, Mr. MILLER of Ohio, Mr. KINDNESS, Mr. GRADISON, Mr. REGULA, Mr. DEWINE, Mr. OXLEY, Mr. HALL of Ohio, Ms. OAKAR, Mr. APPLEGATE, Mr. FEIGHAN, Mr. SEIBERLING, Mr. LUKEN, Mr. TRAFICANT, Mr. ECKART of Ohio, Ms. KAPTUR, Mr. STOKES, and Mr. PEASE):

H.R. 4555. A bill to designate the Federal Building at Spring and High Streets in Columbus, Ohio, as the "John W. Bricker Building"; to the Committee on Public Works and Transportation.

By Mr. BROYHILL (for himself, Mr. MOORHEAD, Mr. RINALDO, Mr. FIELDS, Mr. OXLEY, and Mr. BARTON of Texas):

H.R. 4556. A bill to establish the manner in which an order issued by the President under any law providing for sequestration of budget authority generally throughout the Federal Government shall be applied to the allotment of funds under the Low-Income Home Energy Assistance Act of 1981; jointly, to the Committees on Energy and Commerce, and Education and Labor.

By Mr. CARPER:

H.R. 4557. A bill to amend title 10, United States Code, to authorize former prisoners of war to use Department of Defense commissary stores and post exchanges; to the Committee on Armed Services.

By Mr. DIOGUARDI:

H.R. 4558. A bill to amend the Federal Aviation Act of 1958 to prohibit domestic air carriers from providing alcoholic beverages on domestic and international flights to persons under 21 years of age; to the Committee on Public Works and Transportation.

By Mr. FLIPPO (for himself, Mr. SHELBY, Mr. ERDREICH, Mr. CALLAHAN, Mr. DARDEN, Mr. JENKINS, and Mr. GORDON):

H.R. 4559. A bill to amend the Tennessee Valley Authority Act of 1933 and the Inspector General Act of 1978; jointly, to the Committees on Public Works and Transportation, and Government Operations.

By Mr. GLICKMAN (for himself, Mr. FRANK, Mr. BERMAN, Mr. BOUCHER, Mr. STAGGERS, Mr. BRYANT, Mr. STARK, Mr. BEDELL, and Mr. IRELAND):

H.R. 4560. A bill to amend title 31, United States Code, with respect to the fraudulent use of public property or money; to the Committee on the Judiciary.

By Mr. HANSEN:

H.R. 4561. A bill to direct the Secretary of the Interior to designate certain public lands in Utah as the Utah Lake National Wildlife Refuge; jointly, to the Committees on Interior and Insular Affairs, and Merchant Marine and Fisheries.

By Mr. HUGHES (for himself, Mr. MCCOLLUM, and Mr. NELSON of Florida):

H.R. 4562. A bill to amend title 18, United States Code, to provide additional penalties for fraud and related activities in connection with access devices and computers, and

for other purposes; to the Committee on the Judiciary.

By Mr. JENKINS:

H.R. 4563. A bill relating to the application of the drawback provisions of the Tariff Act of 1930 to certain importations of raw cane sugar; to the Committee on Ways and Means.

By Mr. JONES of Oklahoma (for himself, Mr. ENGLISH, Mr. WATKINS, Mr. MCCURDY, Mr. BROOKS, Mr. PICKLE, Mr. STENHOLM, Mr. ANDREWS, Mr. BUSTAMANTE, and Mr. CHAPMAN):

H.R. 4564. A bill to amend the Internal Revenue Code of 1954 to provide a deduction and special net operating loss rules with respect to certain losses on domestic crude oil, to increase tariffs on petroleum and petroleum products, to require the Strategic Petroleum Reserve to be filled with stripper well oil, and to eliminate certain restrictions on the sale of natural gas and on the use of natural gas and oil; jointly, to the Committees on Ways and Means, Energy and Commerce, and Banking, Finance and Urban Affairs.

By Mr. RUSSO:

H.R. 4565. A bill to correct the tariff rate inversion on certain iron and steel pipe and tube products; to the Committee on Ways and Means.

By Mr. SCHUMER (for himself, Mr. BRYANT, Mr. REID, and Mr. PEASE):

H.R. 4566. A bill to amend the Federal Deposit Insurance Act and other laws to prohibit the establishment or acquisition of depository institutions by certain foreign nationals and the issuance of Federal deposit insurance to depository institutions controlled by such foreign nationals, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

By Mr. SIKORSKI (for himself, Mr. CONTE, Mr. RICHARDSON, Mr. BOEHLERT, Mr. WIRTH, Mr. ECKERT of New York, Mr. UDALL, Mr. GINGRICH, Mr. WAXMAN, Mr. BILIRAKIS, Mr. MARKEY, Mr. LENT, Ms. MIKULSKI, Mr. RINALDO, Mr. SYNAR, Mr. WEBER, Mr. LELAND, Mr. TAUKE, Mrs. COLLINS, Mr. JEFFORDS, Mr. SCHEUER, Mrs. SCHNEIDER, Mr. BATES, Mr. GREEN, Mr. FLORIO, Mr. WALGREN, Mr. BRYANT, Mr. WYDEN, Mr. RITTER, Mr. ACKERMAN, Mr. AKAKA, Mr. ASPIN, Mr. ATKINS, Mr. BARNES, Mr. BEDELL, Mr. BEILENSON, Mr. BERMAN, Mr. BIAGGI, Mr. BOLAND, Mr. BORSKI, Mr. BOSCO, Mrs. BOXER, Mr. BROWN of California, Mrs. BURTON of California, Mr. BUSTAMANTE, Mr. CHANDLER, Mr. CONYERS, Mr. COUGHLIN, Mr. COURTER, Mr. DASCHLE, Mr. DELLUMS, Mr. DIOGUARDI, Mr. DIXON, Mr. DONNELLY, Mr. DOWNEY of New York, Mr. DWYER of New Jersey, Mr. DYMALLY, Mr. EARLY, Mr. EDWARDS of California, Mr. FAZIO, Mr. FISH, Mr. FOGLIETTA, Mr. FRANK, Mr. GALLO, Mr. GARCIA, Mr. GEJDENSON, Mr. GILMAN, Mr. GLICKMAN, Mr. GONZALEZ, Mr. GOODLING, Mr. GREGG, Mr. GUARINI, Mr. GUNDERSON, Mr. HAWKINS, Mr. HAYES, Mr. HEFTEL of Hawaii, Mr. HORTON, Mr. HOWARD, Mr. HOYER, Mrs. JOHNSON, Mr. KASTENMEIER, Mrs. KENNELLY, Mr. KLECZKA, Mr. KOSTMAYER, Mr. LAFALCE, Mr. LANTOS, Mr. LEACH of Iowa, Mr. LEHMAN of California, Mr. LEVINE of California, Mr. LEWIS of California, Mrs. LONG, Mr. LOWRY of Washington, Mr. LUNDINE, Mr. MACKAY, Mr. MANTON, Mr. MARTIN of New York, Mr. MARTINEZ, Mr. MATSUI, Mr. MAVROULES, Mr. MCDADE, Mr. MCGRATH, Mr. MCHUGH, Mr. MCKINNEY, Mr. MCKERNAN, Mr. MILLER of California, Mr. MINETA, Mr. MITCHELL, Mr. MOAKLEY, Mr. MOLINARI, Mr. MOODY, Mr. MORRISON of Connecticut, Mr. MRAZEK, Mr. NELSON of Florida, Mr. NOWAK, Mr. OBERSTAR, Mr. OBEY, Mr. OWENS, Mr. PANETTA, Mr. PENNY, Mr. PETRI, Mr. PURSELL, Mr. RANGEL, Mr. REID, Mr. RIDGE, Mr. RODINO, Mr. ROE, Mrs. ROUKEMA, Mr. ROWLAND of Connecticut, Mr. ROYBAL, Mr. SABO, Mr. SAXTON, Mrs. SCHROEDER, Mr. SCHUMER, Mr. SEIBERLING, Mr. SMITH of New Jersey, Mr. SMITH of Florida, Mr. SMITH of New Hampshire, Mr. SOLARZ, Mr. SOLOMON, Mr. ST GERMAIN, Mr. STANGELAND, Mr. STARK, Mr. STUDDS, Mr. TORRES, Mr. TORRICELLI, Mr. TOWNS, Mr. VENTO, Mr. WEISS, Mr. WORTLEY, Mr. YATES, and Mr. HUGHES):

H.R. 4567. A bill to amend the Clean Air Act to reduce acid deposition, and for other purposes; to the Committee on Energy and Commerce.

By Mr. SEIBERLING (for himself, Mr. UDALL, Mr. YOUNG of Alaska, Mr. LAGOMARSINO, Mr. WEAVER, Mr. MILLER of California, Mr. MARKEY, Mr. VENTO, Mr. MCCAIN, Mr. BLAZ, Mr. KILDEE, Mr. GEJDENSON, Mr. KOSTMAYER, Mr. MOODY, Mr. LEHMAN of California, Mr. RICHARDSON, Mr. SUNIA, Mr. LEVINE of California, Mr. SCHEUER, Mrs. SCHNEIDER, Mr. BONKER, and Mr. LELAND):

H.R. 4568. A bill to clarify certain authorities of the Secretary of the Interior and of the Advisory Council on Historic Preservation, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. SYNAR (for himself, Mr. LELAND, Mr. BUSTAMANTE, Mr. RICHARDSON, and Mr. BRYANT):

H.R. 4569. A bill to amend the Federal Deposit Insurance Act to provide emergency procedures for dealing with the financial difficulties in the agricultural and energy sectors of the economy, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

By Mr. FAZIO (for himself, Mr. TRAXLER, and Mr. PURSELL):

H.J. Res. 594. A joint resolution to designate the week beginning May 4, 1986, as "National Correctional Officers Week"; to the Committee on Post Office and Civil Service.

By Mr. GILMAN (for himself, Mr. LELAND, Mrs. ROUKEMA, and Mr. HALL of Ohio):

H.J. Res. 595. A joint resolution to designate October 16, 1986, as "World Food Day"; to the Committee on Post Office and Civil Service.

By Mr. HOYER (for himself, Mr. KEMP, Mr. FRANK, and Mr. GILMAN):

H.J. Res. 596. A joint resolution to designate May 21, 1986, as "National Andrei Sakharov Day"; jointly, to the Committees on Post Office and Civil Service, and Foreign Affairs.

By Mr. JENKINS:

H.J. Res. 597. A joint resolution to authorize and request the President to designate the week of April 18, 1986, through April 27, 1986, as "National Carpet and Floorcovering Week"; to the Committee on Post Office and Civil Service.

By Mr. STUDDS:

H.J. Res. 598. A joint resolution declaring war on Nicaragua; to the Committee on Foreign Affairs.

By Mr. MCCLOSKEY:

H. Con. Res. 315. A concurrent resolution to express the sense of Congress that the Secretary of Defense should defer the final award of a contract with respect to Defense Construction Supply Center Solicitation numbered DLA700-85-B-4-4607 (for the purchase of 178 crawler tractors) until Congress completes consideration of the Department of Defense Authorization Act, 1987; to the Committee on Armed Services.

By Mr. NEAL (for himself, Mr. WYLIE, and Mr. LEACH of Iowa):

H. Con. Res. 316. A concurrent resolution relating to predatory tied aid credits; to the Committee on Banking, Finance and Urban Affairs.

By Mr. BATEMAN (for himself, Mr. PARRIS, Mr. WOLF, Mr. WHITEHURST, Mr. ACKERMAN, Mr. HOWARD, Mr. DICKS, Mr. BARNES, Mr. AKAKA, Mr. FAZIO, Mrs. BOXER, and Mr. FRANK):

H. Res. 412. A resolution to express the sense of the House of Representatives that the present 3-year basis recovery rule on taxation of retirement annuities be maintained; to the Committee on Ways and Means.

By Mr. COBEY (for himself, Mr. HENDON, Mr. COBLE, Mr. FUSTER, Mr. ROBINSON, Mr. PASHAYAN, Mr. OBERSTAR, Mr. PERKINS, Mr. LUNDINE, Mr. ROE, Mr. LIPINSKI, Mr. EVANS of Illinois, Mr. HAYES, Mr. WATKINS, Mr. LELAND, Mr. TAUKE, Mr. ROBERTS, Mr. FRANK, Mr. COELHO, Mr. RAHALL, Mr. BEDELL, Mr. BOUCHER, Mr. AUCOIN, Mr. BROOKS, Mrs. BYRON, Mr. WEBER, Mr. WORTLEY, Mr. SCHUETTE, Mr. CAMPBELL, Mr. MITCHELL, Mr. BROYHILL, Mr. ENGLISH, Mr. LAGOMARSINO, Mr. COLEMAN of Texas, Mr. MCMILLAN, Mr. LAFALCE, Mr. FISH, and Mr. OWENS):

H. Res. 413. A resolution expressing the sense of the House of Representatives with respect to Federal funds for the Cooperative Extension Service of the Department of Agriculture; to the Committee on Agriculture.

By Mr. MARLENEE:

H. Res. 414. A resolution expressing the sense of the House of Representatives that the President and the Secretary of Agriculture should take certain actions to minimize the adverse economic effect on beef, pork, and lamb producers resulting from the slaughter of dairy cattle under the milk production termination program, and for other purposes; to the Committee on Agriculture.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

334. By the SPEAKER: Memorial of the Legislature of the State of Idaho, relative to the Kern River pipeline project; to the Committee on Energy and Commerce.

335. Also, memorial of the Legislature of the State and Idaho, relative to Nicaragua; to the Committee on Foreign Affairs.

336. Also, memorial of the Legislature of the State of Idaho, relative to public schools; to the Committee on Interior and Insular Affairs.

337. Also, memorial of the Legislature of the State and Idaho, relative to the Corps of

Engineers; to the Committee on Public Works and Transportation.

338. Also, memorial of the Legislature of the State and Idaho, relative to the Federal Aid Highway Program; to the Committee on Public Works and Transportation.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 524: Mr. AUCOIN.

H.R. 864: Mr. SWIFT.

H.R. 1257: Mr. SHAW.

H.R. 1400: Mr. PEPPER, Mr. PEASE, and Mr. PASHAYAN.

H.R. 1626: Mr. DWYER of New Jersey.

H.R. 1780: Mr. TOWNS, Mr. DE LUGO, Mr. LELAND, Mr. BIAGGI, Mr. HUGHES, Mr. HENDON, Mr. HENRY, Mr. REID, Mr. CHANDLER, Mr. DAVIS, Mr. VALENTINE, Mrs. MARTIN of Illinois, Mr. MINETA, Mr. MRAZEK, Ms. MIKULSKI, Mr. GILMAN, and Mr. KOSTMAYER.

H.R. 1894: Mr. GILMAN.

H.R. 2440: Mr. BRYANT.

H.R. 3061: Mr. HAWKINS, Mr. DE LA GARZA, Mr. TOWNS, Mr. STENHOLM, Mr. WORTLEY, Mr. OWENS, Mr. SMITH of Florida, Mr. KINDNESS, Mr. MITCHELL, Mr. FAZIO, Mr. BERMAN, Mr. OBERSTAR, Mr. GEJDENSON, Mr. RUDD, Mr. TRAXLER, Mr. BARNES, Mr. FRANK, Mr. CLINGER, Mr. ROBINSON, Mr. FUQUA, Mr. GLICKMAN, Mr. OLIN, Mr. WIRTH, and Mr. PETRI.

H.R. 3118: Mr. HAWKINS, Mr. PETRI, Mr. DE LA GARZA, Mr. TOWNS, Mr. STENHOLM, Mr. LAGOMARSINO, Mr. OWENS, Mr. KINDNESS, Mr. MITCHELL, Mr. FAZIO, Mr. BERMAN, Mr. OBERSTAR, Mr. GEJDENSON, Mr. RUDD, Mr. TRAXLER, Mr. BARNES, Mr. FRANK, Mr. CLINGER, Mr. FUQUA, Mr. GLICKMAN, and Mr. WIRTH.

H.R. 3119: Mr. HAWKINS, Mr. PETRI, Mr. DE LA GARZA, Mr. TOWNS, Mr. LAGOMARSINO, Mr. OWENS, Mr. KINDNESS, Mr. MITCHELL, Mr. FAZIO, Mr. BERMAN, Mr. OBERSTAR, Mr. GIJDENSON Mr. RUDD, Mr. TRAXLER, Mr. BARNES, Mr. FRANK, Mr. CLINGER, Mr. FUQUA, Mr. GLICKMAN, and Mr. WIRTH.

H.R. 3655: Mr. CARNEY, Mr. ORTIZ, Mr. KANJORSKI, Mr. DIXON, Mr. DAVIS, Mr. HEFNER, Mrs. BENTLEY, and Mr. MRAZEK.

H.R. 3690: Mr. FRANK.

H.R. 3817: Mr. GALLO, Mr. CAMPBELL, Mr. CHAPPIE, Mr. DELLUMS, Mr. MCCLOSKEY, Mr. ROWLAND of Connecticut, Mr. BOSCO, Mr. GILMAN, Mr. COLEMAN of Missouri, and Mr. SMITH of Florida.

H.R. 3984: Mr. DYMALLY.

H.R. 3989: Mr. CHAPPIE, Mr. CHENEY, Mr. COOPER, Mr. DAVIS, Mr. DORGAN of North Dakota, Mr. DORNAN of California, Mr. DURBIN, Mr. GUNDERSON, Mr. HUTTO, Mr. JONES of Tennessee, Mr. JONES of North Carolina, Mr. KILDEE, Mr. LEACH of Iowa, Mr. MCCLOSKEY, Mr. MCCOLLUM, Mr. MURPHY, Mr. NICHOLS, Mr. PEASE, Mr. PETRI, Mr. RIDGE, Mr. SKEEN, Mr. SPRATT, Mrs. VUCANOVICH, Mr. WEBER, Mr. WILLIAMS, Mr. CARPER, Mr. LAGOMARSINO, Mr. ROWLAND of Georgia, Mr. SKELTON, and Mr. YOUNG of Missouri.

H.R. 3995: Mr. SKEEN, Mr. PORTER, Mr. ZSCHAU, Mr. KOLBE, and Mr. ROE.

H.R. 4046: Mr. THOMAS of Georgia, Mr. LIPINSKI, Mr. HUTTO, Mr. BOSCO, Ms. MIKULSKI, Mr. MCKERNAN, Mr. HORTON, Mrs. BENTLEY, Mr. CARPER, Mr. AKAKA, Mr. DYSON, Mr. EDGAR, Mr. LAGOMARSINO, Mr. HUBBARD, Mr. CARNEY, Mr. BONKER, Mr. MANTON, Mr. JEFFORDS, Mr. TALLON, Mr. KEMP, Mr. MITCHELL, Mr. OLIN, Mr. HAYES, Mr. JENKINS, Mr. VANDER JAGT, Mr. TORRES, Mr. MATSUI, Mr. ORTIZ, Ms. KAPTUR, Mr. FOGLIETTA, Mr. ROYBAL, Mrs. SCHNEIDER, Mr. ANDERSON, Mr. HEFTEL of Hawaii, Mr. COATS, and Mr. BREAUX.

H.R. 4052: Mr. FRANK, Mr. BONIOR of Michigan, Mr. MAVROULES, Mr. EVANS of Illinois, Mr. UDALL, Mr. BOUCHER, Mr. HAYES, Mr. PERKINS, Mr. SEIBERLING, Mr. NEAL, Mr. RANGEL, Mr. MORRISON of Connecticut, and Mr. KOLTER.

H.R. 4125: Mr. BUSTAMANTE, Mr. BLILEY, Mr. LIPINSKI, Mr. HEFTEL of Hawaii, Mr. FIELDS, Mr. REID, Mr. VALENTINE, Mr. MRAZEK, Mr. LOWERY of California, and Mr. DORNAN of California.

H.R. 4142: Mr. NATCHER, Mr. LUJAN, Mr. NELSON of Florida, Mr. MCCAIN, Mr. LOEFFLER, Mr. FISH, Mr. KINDNESS, Mr. WILSON, Mr. PACKARD, Mr. PARRIS, Mr. BROWN of California, Mr. CALLAHAN, Mr. BATES, Mr. SHAW, Mr. HORTON, Mr. COUGHLIN, Mr. MCEWEN, Mr. IRELAND, Mr. MATSUI, Mr. TORRICELLI, Mr. TAUKE, Mr. BADHAM, Mr. STUMP, Mr. CRANE, Mr. CARNEY, and Mr. KOLBE.

H.R. 4148: Mr. PENNY, Mr. OBERSTAR, Mr. TOWNS, Mr. RANGEL, Mr. WOLPE, and Mr. VOLKMER.

H.R. 4154: Mr. WHITEHURST.

H.R. 4186: Mr. BROWN of Colorado, Mr. TAUKE, Mr. SOLOMON, Mr. MOLINARI, Mr. MACK, Mr. DREIER of California, Mr. CHANDLER, Mr. CONTE, and Mr. BATES.

H.R. 4231: Mr. ANDREWS, Mr. GORDON, Mr. VOLKMER, Mr. MINETA, Mr. RALPH M. HALL, Mr. BARTON of Texas, Mr. MONSON, Mr. SYNAR, Mr. MCKINNEY, Mr. STENHOLM, Mr. FAZIO, Mr. SWINDALL, and Mrs. MEYERS of Kansas.

H.R. 4276: Mr. WEISS and Mr. GARCIA.

H.R. 4280: Mr. KLECZKA, Mr. ANNUNZIO, Ms. KAPTUR, Mr. ROYBAL, Mr. ROE, Mr. MRAZEK, Mr. MITCHELL, Mr. VENTO, Mr. MINETA, and Mr. MATSUI.

H.R. 4287: Mr. LEHMAN of Florida, and Mr. LAFALCE.

H.R. 4333: Mr. SWIFT.

H.R. 4343: Mr. SMITH of Florida, Mr. DORNAN of California, Mr. WOLF, Mr. BLILEY, Mr. CRANE, Mr. SHAW, Mrs. BENTLEY, Mr. ARMEY, Mrs. HOLT, and Mr. REID.

H.R. 4388: Mr. SHAW and Mr. MARTINEZ.

H.R. 4391: Mr. QUILLEN.

H.R. 4397: Mr. WILSON, Mr. CHAPMAN, Mr. MATSUI, and Mr. TORRICELLI.

H.R. 4456: Mr. WEBER.

H.J. Res. 10: Mr. DE LA GARZA, Mrs. JOHNSON, and Ms. OAKAR.

H.J. Res. 266: Mr. SAXTON, Mr. AUCOIN, Mr. ASPIN, Mr. CARR, Mr. PRICE, Mr. BOEHLERT, and Mr. HUTTO.

H.J. Res. 379: Mr. SABO, Mr. DORNAN of California, Ms. OAKAR, Mr. HATCHER, Mr. COLEMAN of Missouri, Mr. KOLTER, Mr. WOLPE, Mr. WYDEN, and Mr. SIKORSKI.

H.J. Res. 381: Mr. TORRICELLI and Mr. REGULA.

H.J. Res. 444: Mr. LOWRY of Washington.

H.J. Res. 470: Mr. NELSON of Florida, Mr. SPRATT, Mr. DORGAN of North Dakota, Mr. JONES of North Carolina, Mr. WOLPE, Mr. MADIGAN, Mr. COYNE, Mr. MILLER of California, Mrs. LLOYD, and Mr. HENRY.

H.J. Res. 502: Mr. BOUCHER, Mr. BROWN of California, Mr. HEFTEL of Hawaii, Mr. LIVINGSTON, and Mr. MCEWEN.

H.J. Res. 504: Mr. DARDEN, Mr. GORDON, Mr. LEWIS of Florida, Mr. MCCAIN, Mr. MCDADE, Mr. SMITH of Florida, Mr. SWINDALL, and Mr. WHITTAKER.

H.J. Res. 521: Mr. UDALL.

H.J. Res. 527: Mr. KASICH, Mr. BEVILL, Mr. DANNEMEYER, Mr. KEMP, Mr. BRYANT, Mr. YATRON, Mr. MCDADE, Mr. HOYER, and Mr. FASCELL.

H.J. Res. 531: Mr. KOSTMAYER, Mr. FRANK, Mr. MOAKLEY, Mr. DORNAN of California, Ms. MIKULSKI, and Mr. HUBBARD.

H.J. Res. 533: Mr. EVANS of Illinois and Mr. LAFALCE.

H.J. Res. 554: Mr. ROWLAND of Georgia and Mr. MARKEY.

H.J. Res. 561: Mr. LEHMAN of California, Mr. DE LA GARZA, Mr. TALLON, Mr. HARTNETT, Mr. SISISKY, Mr. STOKES, Mr. COURTER, Mr. ROBERT F. SMITH, Mr. MORRISON of Washington, Ms. MIKULSKI, Mr. MITCHELL, and Mr. RITTER.

H. Con. Res. 200: Mr. PORTER.

H. Con. Res. 299: Mr. KINDNESS, Mr. REID, Mr. MAVROULES, and Ms. MIKULSKI.

H. Con. Res. 307: Mr. REID and Mr. MAVROULES.

H. Res. 12: Mr. EVANS of Illinois, Mr. DELLUMS, and Mr. VISCLOSKY.

H. Res. 408: Mr. KEMP.

DELETIONS OF SPONSORS FROM PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, sponsors were deleted from public bills and resolutions as follows:

H.R. 3921: Mr. EDWARDS of California.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

299. By the SPEAKER: Petition of the Navy League of the United States, Arlington, VA, relative to Western Hemisphere defense; to the Committee on Foreign Affairs.

300. Also, petition of the Board of Chosen Freeholders, Mercer County, NJ, relative to H.R. 3128; to the Committee on Ways and Means.

301. Also, petition of the city of Boscobel, WI, relative to H.R. 3838; to the Committee on Ways and Means.

SENATE—*Thursday, April 10, 1986*

(Legislative day of Tuesday, April 8, 1986)

The Senate met at 9 a.m., on the expiration of the recess, and was called to order by the President pro tempore [Mr. THURMOND].

The PRESIDENT pro tempore. Our prayer this morning will be offered by Navy Chaplain Milford Oxendine, Jr., of the Treasure Island Naval Station, San Francisco, CA. He is sponsored by Senator JESSE HELMS of North Carolina.

PRAYER

The Navy Chaplain Milford Oxendine, Jr., Naval Station, Treasure Island, San Francisco, CA, offered the following prayer:

Let us pray.

O God of the universe, Alpha and Omega, defender of our great Nation. We have been blessed by You who has given us this good land for our heritage. May we always prove ourselves a people mindful of Your favor and glad to do Your will.

O Great One, we thank You that You dwell among us this day. We pray in behalf of all who are in positions of authority who make the laws we are to obey: Our Commander in Chief, the Joint Chiefs of Staff, Members of Congress, Governors, and all other elected and appointed officials.

We remember in gratitude the labor and lives of those who have gone before us. Our land is indeed hallowed by their names and their dedication they had to You and our country.

Bless our land with rich soil, honorable industry, sound learning, and pure manners. In the time of prosperity fill our hearts with thankfulness, and in the day of trouble suffer not our trust in You to fail. Save us from violence, discord, and confusion; from pride and arrogancy, and from every evil way.

Also, we pray for the Members of our Senate, the members of their families, and all who support their service to us.

On this day we call upon You to guide our Senate Members with Your truth, Your compassion, and Your love. May they come to the end of the day strengthened by the service they have given in honor.

We commit ourselves in Your keeping this day in the name of our Lord. Amen.

RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDENT pro tempore. The distinguished acting majority leader is recognized.

Mr. RUDMAN. I thank the Chair.

Mr. President, let me first yield 2 minutes of the leadership time to the distinguished senior Senator from North Carolina.

The PRESIDENT pro tempore. The distinguished Senator from North Carolina.

CHAPLAIN OXENDINE'S PRAYER

Mr. HELMS. Mr. President, I thank the Chair, and I thank my good friend from New Hampshire.

Of course, it is a moment of pride for this North Carolinian to have sponsored the distinguished guest Chaplain today.

Milford Oxendine, Jr., is an ordained clergyman of the United Methodist Church. We Baptists will forgive him for that. [Laughter.] He belongs to North Carolina Conference, and as the distinguished President pro tempore has just indicated, he is chaplain in the U.S. Navy.

He was born in Pembroke, NC. His parents are Milford Oxendine, Sr., and Adief B. Oxendine.

I might add for the edification of our distinguished acting majority leader that he is the first native American to serve in the U.S. Navy as a chaplain.

He received his B.S. degree in math from Pembroke State University. He received his masters of divinity degree from Duke Divinity School.

He was commissioned in May 1977 and went into the USNR in September 1980.

He has a delightful wife, the former Jeannie Hunt. They have four children: Shane, Scarlett, Aaron, and Christopher.

As I have indicated, he is an American Indian of the Lumbee Tribe in North Carolina.

He is presently assigned to the Naval Station in San Francisco, CA, with primary duty at the Transient Personnel Unit.

As I conclude, I want to pay my respect to the gentleman who called to my attention Commander Oxendine, a man whom I have admired for many, many years but have never met: Dr. A Purnell Bailey, who lives in McLean, VA.

He is distinguished in many ways as a clergyman. But I first became acquainted with him through his broadcast ministry, and a newspaper column.

He is a distinguished clergyman, and I thank him for calling my attention to Commander Oxendine.

I thank the distinguished acting majority leader for yielding.

RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDENT pro tempore. The distinguished acting majority leader is recognized.

SCHEDULE

Mr. RUDMAN. Mr. President, the two leaders under the standing order will have 10 minutes each.

I ask unanimous consent to reserve the remainder of the leadership time, both for the Democratic leader, and for the Republican leader.

The PRESIDING OFFICER (Mr. HELMS). Without objection, it is so ordered.

Mr. RUDMAN. There are special orders in favor of the following Senators for not to exceed 5 minutes each: Senator HAWKINS, and her statement will be read by Senator MURKOWSKI; Senator PROXMIRE; Senator DOMENICI; Senator CHILES; Senator QUAYLE; Senator CRANSTON; Senator WILSON; Senator MELCHER; and Senator LAUTENBERG.

There will be routine morning business for not to extend beyond the hour of 10 a.m. with Senators permitted to speak therein for not more than 5 minutes each.

At 10 o'clock this morning, the Senate will resume consideration of S. 1017, the regional airport bill. Pending is amendment No. 1744, offered by Senator SARBANES of Maryland.

By unanimous consent there will be 40 minutes of debate to be equally divided on amendment No. 1744.

A rollcall vote will occur on or in relation to this amendment but not prior to the hour of 10:40 a.m.

Rollcall votes can be expected throughout the day, and into the evening in order to complete action on S. 1017, the regional airport bill.

Mr. President, I reserve the balance of the leadership time.

Mr. MURKOWSKI addressed the Chair.

The PRESIDING OFFICER. The Senator from Alaska is recognized.

SENATOR HAWKINS' SPECIAL ORDER

The PRESIDING OFFICER. Under the previous order, Senator MURKOW-

SKI is recognized for the Senator from Florida, Mrs. HAWKINS, for not to exceed 5 minutes.

Mr. MURKOWSKI. Mr. President, I thank my colleague from New Hampshire, the acting majority leader.

It gives me a great deal of pleasure on behalf of Senator PAULA HAWKINS, who is recuperating in the hospital, to present a statement by her. The subject of her statement this morning is "Foot-Dragging Is Not a Good Posture for a Good Neighbor."

Mr. President, on behalf of Senator HAWKINS, I present the following statement:

FOOT-DRAGGING IS NOT A GOOD POSTURE FOR A GOOD NEIGHBOR

Mrs. HAWKINS. Mr. President, it is a matter of great disappointment to me that a country that ought to be a model of a "good neighbor" is considerably less than that. We have many economic and cultural ties with Mexico. We both are firmly committed to democracy and to capitalism. Mexicans have the same disdain for communism that Americans do. The governments of our nations are friendly. There is a cordiality between us and a spirit of cooperation in many international endeavors. There is a notable exception, however, and that is the effort to curb narcotics trafficking and bring violators to the bar of justice. Here the relationship falls short of what it could be.

Miguel Angel Felix Gallardo, the drug kingpin who is said to have ordered the assassination of American DEA agent Enrique Camarena Salazar, is still at large. Gallardo, supposedly being sought by Mexican authorities, has been seen publicly several times in Mexico in the past year. He is reported to be enjoying shelter and hospitality from high-ranking officials of two state governments. Does that sound like a maximum effort to locate one of the prime suspects in the Camarena kidnap-torture-murder plot?

Ambassador John Gavin says "there are at least 50" people involved in Camarena's slaying who are still at large. Gavin charges that these 50 are not being hunted seriously by Mexican law enforcement authorities. Thirty-seven people, including several policemen, have been arrested in connection with the Camarena case. The charges vary from crimes against health, conspiracy, illegal import of arms and concealment. But when will they be tried and what is the holdup? What of the case against Rafael Caro Quintero? He was indicted in the Federal district of Mexico City on April 8, 1985, one year ago. The weight of the evidence against him would appear to be damning, but when does he go to trial?

The partnership between drug traffickers and police, and others in authority in Mexico, is well-known; what is worse, it is accepted. Corruption in high places has reached a new plateau.

American officials have granted temporary asylum to 29 Mexicans who have been threatened by drug traffickers linked to the Camarena case. The temporary visas were given to 6 Mexicans and their families; four of the men were members of the Mexican federal police force. The group is said to have abducted a suspected drug trafficker, Rene Martin Verdugo, who is believed to have been present during the torture of Camarena, and handed him over to American authorities at the U.S.-Mexican border. Mexican drug smugglers were unhappy about the incident and threatened to retaliate against those involved. I am proud that our officials granted asylum to these Mexicans, and I hope that they and their families are given all the protection possible. But I decry the fact that these six men, who have respect for justice, do not feel secure in their own country, and that drug smugglers have gained so much power and influence they can commit irrational acts with impunity, even crimes so beastly as the fatal bludgeoning of Enrique Camarena Salazar.

Mexico is the number one supplier of illicit amphetamines to the United States. Marijuana shipments to the U.S. are also increasing to the point where statistics are almost meaningless. Every six-month reporting period exceeds the previous six months. One-third of the cocaine coming into the U.S. is smuggled through Mexico. And more than one-third of the heroin entering the U.S. illegally comes from Mexico—the largest single source country for the American market. What is particularly frightening to our drug fighters is Mexico's expanding output of a darker, stronger heroin known on the street as "black tar" or "tootsie roll." This sticky, cocoa-colored powder is 60 to 70 percent pure—twice the strength of the traditional "Mexican brown" heroin.

Small wonder that we worry about Mexico's dedication to fighting the drug traffic and challenge her sincerity to bring it under control. Until we see more solid evidence, we must question her commitment and urge her to take the necessary steps to become a "good neighbor." A "good neighbor" does not do things which threaten your institutions, corrupt your officials, destabilize your economy, wreck the health of your children, and weaken the fabric of your society. Mexico could take definite steps in the direction of becoming a "good neighbor" by bringing to justice the criminals who snuffed out the life of Enrique Camarena Salazar.

Mr. MURKOWSKI. Mr. President, I am pleased to have read that statement into the RECORD. We all wish Senator HAWKINS a speedy recovery as she recuperates.

Mr. President, I, too, have had the opportunity to work with Senator HAWKINS in regard to her tremendous efforts to bring the drug issue to the forefront. I commend her as a member of the special Presidential committee with a number of other colleagues who have pursued this matter.

CREDENTIALS OF VETERANS' ADMINISTRATION PHYSICIANS

Mr. MURKOWSKI. Mr. President, as chairman of the Veterans' Affairs Committee I am deeply concerned about the case of Comdr. Donal M. Billig and the questions it raises for medical care practice in the United States in general, and in the Veterans' Administration in particular.

Commander Billig, chief of heart surgery at Bethesda Naval Hospital, was recently sentenced to 4 years imprisonment for the deaths of three patients. Dr. Billig was convicted on 2 counts of involuntary manslaughter, 1 count of negligent homicide, and 18 counts of dereliction of duty.

It is difficult to imagine how these events were allowed to transpire. Although Dr. Billig was held accountable finally by the military medical care system, this case is a perfect illustration of the critical need for a systematic means of verifying the licenses and clinical competence of health-care professionals.

Patients and their families seek relief from alleged poor medical care practice by turning to the courts to file malpractice claims. The emphasis in this country on litigation as a means to remedy a negative medical outcome has resulted in unprecedented increases in medical malpractice insurance. Patients and their families should have access to the courts. Physicians and other health-care professionals should be held accountable to their patients, their colleagues, and the public for the quality of their work. However, by its very nature, any malpractice claim is filed after the fact, when the damage is done. That is too late. A patient will never be brought back to life or permanent physical damage cannot be reversed.

That is why it is imperative to develop a preventive mechanism to ensure that such incidents do not occur. I believe that accurate, truthful, and complete information is the foundation of any health care credentialing program. The appropriate and timely use of the information, including its exchange with relevant agencies and licensing bodies, is the most critical component of this important process. This exchange is basic to verifying and maintaining the integrity of any health-care system.

Last summer I expressed my concerns to the VA about the need for a comprehensive credentials monitoring process. It is, therefore, timely to note that the Veterans' Administration just submitted its first report to Congress, required by Public Law 99-166, on its current efforts and procedures and future plans for determining and monitoring the credentials of VA health-care professionals. The report covered several major areas of concern. First, for physicians applying for employment, the VA now requires license verification, a check with the applicant's current or most recent employer, questions to the applicant concerning past clinical privilege problems, and a revised physician employment application. Second, the VA is currently negotiating with the Federation of State Medical Boards for a regular screening every 2 years for licensing irregularities of all currently employed physicians. And third, the VA is also negotiating with the federation to arrange for the notification of former VA physicians whose professional clinical practice failed to conform to generally accepted standards of clinical practice.

The VA's efforts to improve the credentials monitoring process are well underway. Although VA health-care professionals are noted for their dedication to providing high quality acute and long-term care services to our Nation's veterans, I continue to be concerned that the credentials monitoring program is not yet fully implemented. I believe that once the VA has the credentials monitoring program firmly in place, the agency will have the capability to be a leader and an example, as it has been in other areas, to other health-care providers of responsible and high quality medical care practice. I intend to continue to monitor closely the VA's efforts in this regard and I encourage the VA to expedite the full implementation of this most comprehensive monitoring program.

RECOGNITION OF SENATOR PROXMIRE

The PRESIDING OFFICER. Under the previous order, the distinguished Senator from Wisconsin [Mr. PROXMIRE] is recognized for not to exceed 5 minutes.

BUDGETARY NECESSITY, NOT ARMS CONTROL, STOPPING THE ARMS RACE

Mr. PROXMIRE. Mr. President, what is the outlook for slowing if not stopping the superpower arms race? Can arms control work? The answer is surprising. Arms control is not working. The outlook for arms control is dismal. But the arms race may slow to a halt for an entirely different reason. What, besides arms control, could begin to halt the arms race? Answer: Gramm-Rudman, not Geneva, will hold down star wars. Gramm-Rudman, not arms control, will cut the prospect of any new major initiative in U.S. strategic arms. Gramm-Rudman, not arms control, will force some serious reductions in plans for expanding the far more costly conventional arms. How about the Soviet Union? Will they not race ahead? No, they will not. Why not? Because Gorbachev recognizes that the long-term strength of the Soviet economy depends on limiting the burden of Soviet military spending in the 1980's and 1990's.

If this is so, why does it not pave the way for an arms control agreement that would serve the interests of both sides? Well there is a different answer for each of the superpowers. President Reagan bounces along under the illusion that he can persuade the Congress to comply with Gramm-Rudman his way. He would hold down nonmilitary Federal spending. He would count on exuberant economic growth, so that even with lower tax rates, revenues would rise and provide the wherewithall to fund an increasingly vigorous military buildup. So he does not want any long term arms control agreement to limit that opportunity for the United States to move well ahead of the Soviet Union militarily on land, sea, air and outer space and in conventional as well as strategic forces.

That is the Reagan dream. Arms control will not spoil it. Gramm-Rudman will. No one can predict what will happen to the economy in the long run. But in the short run every informed Member of the Congress now knows that Gramm-Rudman could force the Congress and the President to stop increased military spending dead in its tracks in fiscal year 1987 that begins next October 1, less than 6 months from now. That will certainly happen if the Congress fails to make the spending cuts the President has proposed in nonmilitary programs. Will the Congress make those cuts? No. The Congress will not make those cuts. That slowdown in military spending will certainly happen if the Congress does not on its own initiative raise taxes and pass that raise over a Presidential veto. Will the Congress do that? No, the Congress will not. So what does that leave? That leaves a simple choice between two options. Here is option No. 1: The Congress lets the Gramm-Rudman sequestering take effect. What does that do to military spending? It results in a 15- to 20-percent reduction in military spending below the base line.

How will that affect our military forces? The top officials in the Army, the Navy, the Marine Corps, and the Navy have all told the Senate Appropriations Subcommittee on Defense within the past few weeks that such reductions would be absolutely devastating for this country's national security. No arms control agreement could begin to make reductions this decisive even over a period of years. Most Members of the Congress believe this cannot happen. Will it? Well, maybe, but maybe not.

But what other option does the President have? He can sit down and negotiate with the Congress. What will come out of those negotiations? Will the Congress agree to make the reductions in domestic programs the President has called for? Mr. President, there is absolutely no way that will happen. The Congress knows that if the deadlock is not broken, Gramm-Rudman sequestering must follow. The Congress knows that the sequestering will be far better for domestic programs than the budget cuts the President has proposed. But how about the effect of Gramm-Rudman sequestering on military spending? The Congress knows that poll after poll has shown a large majority of the American people believe we are spending too much on the military now. The Congress faces an election in a few months. All this means that the President will have to negotiate with the Congress over the budget. He will negotiate from a position of considerable weakness. He will in all likelihood have to make concessions in two areas. First, he will probably have to give up any increase in real terms in military spending. He may even have to surrender part of the inflation increase necessary to prevent any cut in real spending for the military. He will also have to make a concession, probably a substantial concession, in his determination to prevent any tax increase. Even with a tax increase of tens of billions, the President will almost certainly not be able to win an increase in military spending above inflation for 1987. So arms control will not hold down American military spending in 1987. Gramm-Rudman will.

The Soviet Union obviously has no Gramm-Rudman to worry about. It has no election to worry about. But in the long run their military faces an even tougher problem. The Soviet economy is only about half the size of the American economy. Its Warsaw Pact allies have far smaller and weaker economies than our NATO allies. The longrun progress of the Soviet military under Gorbachev depends heavily on economic growth and Gorbachev knows it. He also knows that economic growth cannot progress if the already very heavy Russian military spending burden continues. So in the Soviet Union as well as in the United States the economy and the budget, not arms control, is driving the Government toward slowing the arms race very close to a halt.

THE MYTH OF THE DAY

Mr. PROXMIRE. Mr. President, the myth of the day is that the economy is on the threshold of a recordbreaking boom. This myth is made up of 90 percent hope and 10 percent fact.

Despite the lack of evidence to support this myth, it has been swallowed hook, line, and sinker by official Washington. The administration is talking confidently about gross national product, adjusted for inflation, growing by over 4 percent a year. And Congress is basing its budget on projections of real GNP growth exceeding 3 percent.

Where is the evidence to support these hopes? The most recent economic statistics have been disappointing, at best. During the last quarter of 1985, real GNP grew by only 0.7 percent at an annual rate. Unemployment remains at record levels this long into an expansion. Consumption spending is leveling off, savings are at historic lows, and the farm economy is in shambles.

Most of the euphoria comes from two factors: A fall in the price of oil and lower interest rates. Both are defi-

nite pluses for the economy. Yet even these good signs have downside risks, especially in the near-term. A decline in the price of oil poses serious problems for a financial system, which is already wobbly. Certain sections of the country, which assumed that high oil prices meant good times forever, are now suffering. And drops in interest rates could lead many foreign investors, who helped finance our staggering deficits, to pull their money out of this country. The Federal Reserve might have to respond by drawing tight the credit strings, driving up interest rates, and aborting the recovery.

We may be on the verge of a boom as the optimists contend. This Senator certainly hopes so. Prudence dictates that while we hope for good news we should base fiscal policy on facts, not euphoric myths.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. MURKOWSKI). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MELCHER. Mr. President, I ask unanimous consent that the order of the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECOGNITION OF SENATOR MELCHER

The PRESIDING OFFICER. Under the previous order, the Senator from Montana [Mr. MELCHER] is recognized for not to exceed 5 minutes.

THE DAIRY HERD BUYOUT PLAN

Mr. MELCHER. Mr. President, part of our job here is to help Presidents. I have been here, in the House and in the Senate, about 17 years; and while my desire has been to help whoever happens to be the President, I have always found it quite difficult because the Presidents, no matter who, during those 17 years have thought they had the right idea on what you tried to advise them about. Particularly, their Cabinet members always seem to have their minds set and are not prone to ask or accept too much advice. Particularly is that true as in my case, being a member of the opposite party. But I must hasten to add that during those 17 years, the White House was occupied for only 4 years by a Democratic President, Jimmy Carter, who was not very easy to advise, either.

The case in point right now is the dairy herd buyout plan. I vigorously, in a fighting mood, opposed that proposal. Indeed, in the Senate Agriculture Committee, when it came up for a vote, it was voted down by a substantial number of the membership of that committee and was thrown in the ashcan, where it belonged. However, the dairy buyout plan was accepted in the House and passed in the House, and it became one of the items in the conference between the House and the Senate that had to be ironed out.

While the administration might want to deny now any parentage, any responsibility, for this dairy herd buyout scheme, the fact is that then Secretary of Agriculture John Block was very active, telling conferees that the plan was workable and desirable.

I sat in on several of the many meetings, small meetings of conferees who were interested in the dairy program. The principal point was what to do about the dairy herd buyout, and Jack Block was present at every one of the meetings I attended of those smaller groups.

I attended those meetings with the hope—beyond hope, to get the scheme dropped completely—but with the hope of modifying it, minimizing it, or somehow getting the bad effects of the dairy herd buyout changed in the final bill that would be adopted by the conferees and submitted to the whole Senate and House for acceptance. I was not very successful. The fact is that the only thing we were able to do—or I was able to do—was to get increased the amount of red meat that would be purchased to offset the deleterious effects that the herd buyout plan would obviously have on the beef and pork markets.

What is wrong with the dairy herd buyout plan is that, first of all, it moves in the wrong direction and absolutely pits one part of the agricultural sector against another part of the agricultural sector. It pits the dairyman against the livestock producer. That is a bad way to run the show.

What was feared by the livestock producers was that when the process began to buy out the dairy herds, the livestock markets would take a beating. That is exactly what has happened. In the livestock market, if there is on any given day 5 percent too much offered or even 3 percent too much offered for the market to absorb, the price is likely to decline at least 10 percent. If the perception is that there will be too much livestock available on the market for a period of time, even for 2 or 3 weeks, the market is likely to drop greater than 10 percent.

What has happened with the dairy herd buyout announcement and the implementation of it is that the beef market has dropped about 20 percent. That is all beef. For cows themselves—that is one category, just for slaughter cows—it is down about 30 percent. It is a fiasco. Something has to be done.

This deleterious effect on the livestock market is bad enough, to the extent that the repercussions of that are going to be heard not just by a few of us in the Senate, but by a great number of Senators, as to how bad it is. The same in the House. And it is going to reach the White House. Something has to be done about this, and done quickly.

The new Secretary of Agriculture, Richard Lyng, inherits this bad scheme. So far, it has been handled in the wrong way. Perhaps that is his fault. The announcement and the implementing of it were made in such a way that it had the most staggering, deleterious effect on the livestock markets. How it is handled from now on is going to determine whether or not the White House feels the repercussions of this in a very strong way. So I suspect that Secretary Lyng will attempt to respond very quickly.

What he did yesterday was to announce that there would be some dairy cows sold at a very attractive price south of the border, to the Mexican Government. I hope that can happen. Secretary Lyng also announced yesterday that they tried to make some arrangements for selling some of these dairy cows to Indonesia. I hope that can happen.

The Secretary also announced that they would implement the offsetting purchase of red meat on the market to go to the military exchanges, the commissaries, in Europe, or would be purchased by the U.S. Government to be used in different programs where the meat would end up abroad.

Obviously, that must happen; because if it is just going to be on the market, the Government would purchase meat for the school lunch program that it would ordinarily purchase anyway, or if the Defense Department would purchase some meat that they would ordinarily use for the kitchens of our Armed Forces or the galleys of the Navy, that would be meat they were going to purchase anyway. So it would have no beneficial effect on the market.

What we are involved in here, Mr. President, is seeking to find a solution that will minimize the harmful effects of the dairy herd buyout plan. It could come in two ways. First, a suspension of the program temporarily or a stretchout, a stall, a delay, in accepting for sale these dairy herds; or, having already made the contract with an individual dairyman, making some arrangement for that dairyman not to unload those cows on the market for slaughter for some time, in the meantime purchasing equal amounts or more of red meat, particularly beef, off the market, to offset the staggering effect that shoving these cows on the market would have in dragging the market lower.

I must point out that the reason why there are repercussions felt in the Senate and by Members of the House, and will be felt in the White House, is simply this: The beef market for cattle producers was a disaster in 1985, and

likewise so far in 1986. In 1984, it was not a profitable market for cattle producers. In 1983, it was the same situation. It was an unprofitable situation during most of the year.

So we are speaking about how we are going to minimize the effects of bad judgment on what is the largest single industry of the United States, and that is livestock. That involves a lot of people. They were hurt before. They were not in good economic shape before. Now they are clobbered again.

We cannot act fast enough. Most of the prompt action will be coming through the actions of Secretary Lyng in the Department of Agriculture. I hope he will suspend the actual marketing of these dairy cows. Those that are under contract are, after all, owned by the United States. It will cause some additional expense by the Department of Agriculture to get agreement from dairy herd owners who had contracted to sell these cows to the United States and market it themselves. To get them to hold that market is going to cost something for the Department of Agriculture, but it is the best thing to do under the circumstances; because a further deterioration of the livestock market, or even letting it stay as low as it is, is going to be very damaging for big industry and therefore very damaging to the country as a whole.

The second thing is to do as he announced yesterday: To find a home abroad for those that are marketed. The two countries I mentioned earlier are Mexico and Indonesia, and possibly there are others.

The third thing to do is to purchase more beef out of the market by Government entities at this time, so long as the beef is in addition to what normally would be purchased and so long as the beef will go out of the United States.

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER (Mr. HELMS). Under the previous order, there will now be a period for the transaction of routine morning business, not to extend beyond 10 a.m., with statements therein limited to 5 minutes each.

UNITED STATES-MONACO RELATIONS

Mr. PRESSLER. Mr. President, I would like to share with my colleagues here in the United States Senate some interesting correspondence I have received from Prince Rainier of Monaco. Indeed, I recently had the pleasure of meeting him and his son, Prince Albert.

In an earlier Senate speech, I discussed the importance of examining the significance of smaller states, such as Monaco, to the United States. It is, therefore, very rewarding to see Prince Rainier's strong reaffirmation of the traditionally very close and friendly relationship between our two countries. Both Prince Rainier and his son, Prince Albert, and the people of Monaco are valuable friends of the American people. This is an important indication of the need for appropriate, reciprocal recognition by Americans. Good friends make good allies, and they remain friends and allies when their bonds of friendship are demonstrated—both in private and in public.

Mr. President, I ask unanimous consent that Prince Rainier's correspondence to me be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

PALAIS DE MONACO,
April 3, 1986.

Senator LARRY PRESSLER,
Chairman, Subcommittee on European Affairs.

DEAR SENATOR PRESSLER: Thank you most kindly for your letter of February 20, 1986 concerning the project of your Subcommittee to examine the role of small European states and their relationships with the United States of America. I was also greatly interested in reading your recent Senate speech on this subject.

I regret the slight delay in submitting my comments to you on this subject of great importance. The reason is due to the fact that I wished to give this subject my undivided attention and to prepare the fullest reply possible. You will find my thoughts on this matter outlined on the enclosed document.

I would like to emphasize the importance I attach to the historic—and longstanding—ties of family, friendship and commerce which have linked our two nations. If you examine the diplomatic record of these relations in detail, I think that you will conclude that there has been much gained by both nations. In spite of the size of the Principality, its reputation as a true friend of the United States can never be questioned. The overwhelming majority of my people are indeed pro-American and, as is universally known, my admiration for the American people and nation could never be questioned either.

My only regret, at this moment of our relationship, is the fact that the White House has apparently seen fit to remove its diplomatic mission in Nice/Monaco and transfer the seat to Marseille. I have attempted to outline my feelings on this subject in the attached document. I would like you to be aware, however, that I consider such a move to be false fiscal economy. Such an action will, in my opinion, save no money for the U.S. Government, but may indeed increase expenditures as the staff in Marseille would, of necessity, have to be augmented while travel time and money would have to increase in order to get from one end of the Riviera to the other. Such a diplomatic relationship, conducted from long distance, will never equal the actual situation of having a professional United States diplomat on the spot.

Should you have any questions regarding the attached document or if I could provide your Subcommittee with any additional information, please do not hesitate to ask. I would be pleased to receive any member of your Subcommittee in the Principality, should the need arise.

With best wishes,
Sincerely,

——— ———.

RELATIONS BETWEEN THE PRINCIPALITY OF MONACO AND THE UNITED STATES OF AMERICA

QUALITY OF MONACO'S RELATIONS WITH THE UNITED STATES

For several generations, diplomatic relations between the Principality and the United States of America have been most cordial and fruitful. According to our records, a United States Consular Agency, under the jurisdiction of the American Consulate in Nice, was maintained in the Principality of Monaco for a total of 32 years—from 1874 to 1906. One officer, Emile de Loth, a French citizen, was the sole agent in charge of the Agency from its opening to its closing. In 1927, the Department of State proposed that American Consular Officers accredited to the Alpes Maritimes also be accredited to the Principality of Monaco—with the Consulate being located in the City of Nice, France. As your committee on Foreign Relations is no doubt aware, the Consulate in Nice was closed under the Carter Administration and reopened again under President Reagan. I have recently been informed that the Consulate in Nice will once again be closed in the near future and the consular jurisdiction will be returned to the Consulate General in Marseille. This news of the closing of the Nice Consulate is very distressing for me personally because I fully realize the inconvenience it will cause for those American citizens residing permanently in the Principality, as well as the thousands who annually visit my Country. In my opinion, the Consulate General based in Marseille, France, is too far away to handle those matters which are presently the responsibility of the American Consul in Nice. For your information, Marseille is a 300-kilometer trip from the Principality.

For the past several generations, close and intimate ties have existed between our nations. Several Americans have taken up permanent residence in the Principality—some 500, that is—while thousands of American tourists spend a week or more each year in my Country. According to last estimates, over 150,000 American citizen tourists annually visit the Côte d'Azur. In view of the high volume of consular services provided by the Consulate at Nice, I fail to understand how such emergencies can be taken care of by a Consulate so distant as Marseille. The hardship would incovenience not only American citizens but also those Monègasques and French citizens who require visa services. It is obvious the Consular General in Marseille would experience great difficulty in providing the necessary services in Nice and Monaco—especially during the very active tourist months of June, July and August. I would like to call to the attention of the European Affairs Subcommittee of the United States Committee on Foreign Relations that the Principality of Monaco is a member of 12 international bodies, among which are Intelsat, the International Hydrographic Union and UNESCO. My Ministry of State has, on a number of occasions, cooperated intimately with the Government of the United States—especially when crucial votes are involved in an International Meeting. Although I have been more than pleased to fully cooperate whenever a request for assistance is received from the Government of the United States, I am

presently most concerned and disappointed to learn the United States of America will no longer be represented in the Principality from Nice.

COMMERCIAL INTERESTS

As your Subcommittee may be aware, I have expended great efforts in recent years to attract American commercial interests to the Principality. This has proven to be a most successful venture and, at present, we now have many American financial investments in Monaco. This expansion of American commercial interests has also increased the number of American citizens residing here on a permanent basis. The local business community has, of course, come to rely heavily on the American Consulate in Nice for support.

THE U.S. NAVAL PRESENCE

Monaco has remained, for several decades, a favorite port of call for the United States 6th Fleet in the Mediterranean. The port of Monaco, as well as several official entities in the Principality, have always worked very hard to assure full support is provided to the Fleet in the form of liaison with the Monégasque Government as well as civil authorities, to assure successful fleet visits. I welcome the visits of the 6th Fleet ships to Monaco and I sincerely hope they continue. This is one additonal evidence of the very strong ties which bind our two nations.

TREATIES WITH THE UNITED STATES

At present, I am unaware of any specific treaties between the Principaliity and the United States of America, which need updating or possible changes.

RECOMMENDATIONS ON THE ENHANCEMENT OF MONACO'S RELATIONS WITH THE UNITED STATES

I cannot emphasize strongly enough my personal doubt that a Consulate General based in Marseille could ever maintain the permanent contacts with members of my Government and all of the participants of several international conferences who meet in the Principality throughout the year. The closing of the Nice Consulate would, in my opinion, seriously damage the image of the United States of America in this part of the world. From my personal acquaintance with many principal officers at your Consulate General in Nice, I know for a fact that important political, economic and commercial contacts—which have been greatly beneficial to the United States Government—have been in the Principality of Monaco. I am of the personal opinion much would be lost if the United States continued with its plan to close its diplomatic representation in the Principality. As a chief of State, I fully realize the difficulties a Government faces today in managing its resources more effectively and the need to centralize work in diplomatic missions abroad. Even in an area of fiscal constraints, I wish to emphasize that I consider such a decison to be a case of false economy. I have never been convinced that an adequate level of diplomatic services could be provided to the Principality from the American Consulate General in Marseille and, indeed, it appears to me that by eliminating the Consulate General in Nice, the United States is sending a signal of lessening of interests in this area of the world. I sincerely hope my impression is untrue.

——— ———.

A CLEAN ENVIRONMENT AND A PROSPEROUS ECONOMY: CAN WE HAVE BOTH?

Mr. SIMON. Mr. President, a former Member of this body, Senator Gaylord Nelson of Wisconsin, now serves as counselor of the Wilderness Society of this country.

Recently, he gave a speech at Michigan State University in which he urges us to pay attention to our environment and safeguard it for the future.

Gaylord Nelson was never known for mincing words and letting anyone be uncertain as to what his position was.

This speech is no exception.

I urge my colleagues in the Senate and the House to read his remarks, and I ask unanimous consent that they be printed in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

A CLEAN ENVIRONMENT AND A PROSPEROUS ECONOMY: CAN WE HAVE BOTH?

(By Gaylord Nelson)

I once introduced the late Adlai Stevenson at a dinner in Milwaukee. He opened his remarks saying, "I am the speaker—you are the audience. It is my responsibility to speak, and it is your responsibility to listen. However, if you finish listening before I finish speaking, you are, of course, free to get up and leave."

I shall endeavor to finish speaking before you finish listening. If I fail, I am sure you won't hesitate to exercise your constitutional options.

Out of some thirty-two years in public office, I did finally learn that in public speaking, there is at least one rule that is worthwhile to keep in mind. It is this—never speak to a group of experts about their own field of expertise. Don't talk to dairy farmers about dairying, doctors about medicine, foresters about forestry, or snake charmers about charming snakes.

That is precisely the advice Prime Minister Disraeli gave to a member of Parliament more than 100 years ago who asked whether Disraeli thought it advisable for him to participate in the debate.

Disraeli charmingly replied saying, "I don't think you had better enter this debate. It would be better if the House of Commons were to wonder why you did not speak than why you did." Having said that, I am now about to break that rule and speak on environment, resource and conservation issues to an audience that includes a whole host of authorities with considerable expertise in ecology life systems, resource and environmental issues. Nonetheless, I am willing to risk expression of a viewpoint on these complicated matters knowing, as do you, that our understanding of the environment and the tens of millions of living things that are a part of it is miniscule compared to what we do not know. So we are all in a situation of what might be described as shared ignorance. It's just a question of degree.

Over a period of some four decades, I have particularly concerned myself with environmental and resource issues. Early on I realized the more I learned, the less I knew. This is so because the subject matter is all-encompassing. It is the air, the water, the soil, the forests, the oceans, the rivers, all living things in the seas, on the land, the relationship and influence of each on the others, plus economics, politics, philosophy and more. So, obviously, we will never know or understand more than a small bit about the endless intricacies of nature's works and how the world habitat is affected by it all. Nevertheless, we can learn and understand the general principles that should guide our conduct as a society if we are to preserve a liveable habitat. The overall general guiding principle can be stated in many ways. The proposition is, quite simply, that we must conduct our activities in such a way as to protect the integrity of the ecosystem and its resources which sustain life and determine its physical quality.

Obviously it is easier to state that proposition than it is to practice what we preach in this highly industrialized society which produces waste products capable of destroying the ecosystem that sustains us. Indeed, in the process of producing those goods our society seems to desire, we are degrading and endangering the fabric of our life systems in manifold and increasingly dangerous ways.

There are, of course, powerful forces in the country who do not believe the problem is serious, and therefore the environmental laws and standards are unnecessary and should not be enforced. There are others who think we cannot afford a clean environment, and, there are those who oppose any governmental interference in the market place at any time, under any circumstances. They believe the free market place, good intentions and competition will somehow resolve this problem along with all others in due time. This is the Supply Side School. They believe their formula is applicable to all problems and they are a force to be reckoned with in this Administration.

They proclaim, for instance, that their supply-side, self-help, free market, do-it-yourself environmentalism will work if we will all just calm down and give it a chance for a decade or two. If, for example, you go into the free marketplace to buy some fresh air and none is available, just hold your breath, and as the demand increases, the price will rise and the classic forces of supply and demand will take over; then there will be an abundant supply, the price will fall and even the poor people will be able to buy some. It all sounds pretty good if you don't think about it too hard.

Well, the fact is we are going to have to think about it much harder in the future than we have in the past. As we all know, our resource problems are global as well as national and thus require international cooperation on an unprecedented scale. If we are to live in harmony as passengers on the "spacecraft earth," as Adlai Stevenson once described our planet, then we must understand and cooperate with each other. We have a long way to go. At the Congress of Vienna in 1814-15, when Prince Metternich was informed that the Russian Ambassador had just dropped dead, he paused for a moment or two and then asked: "What can have been his motive?"

We ask the same question today of the Soviets that Metternich did, and they ask the same of us. Some day, and it cannot be too soon, the two superpowers must succeed in de-escalating the arms race and begin cooperation on a global basis with all other countries on the vital enterprise of better husbanding those resources which determine whether we will survive on this planet and in what condition.

If you were asked the question, "What, in the long run, is the most important issue

facing mankind on the planet?", how would you answer?

Is it:

The economy? Jobs? Free speech? Freedom of religion? Freedom in general?

Is it:

World peace? World hunger? Discrimination? Civil rights?

Is it:

The threat of nuclear war? The viability of democratic institutions?

Just what is the most important issue of all?

Well, we could probably argue all day and all night without agreeing on the list or the priorities. . . .

But if you think carefully about it, there is one issue that stands alone, above all others. Right now, at this moment in history and in the longhaul into the next century and the centuries thereafter, no other issue is more relevant to the physical quality of life for the human species than the status of our resources and the quality of our environment, air, water, soil, minerals, scenic beauty, wildlife habitat, forests, rivers, lakes, and oceans.

These resources determine quite precisely the physical condition of our lives on the planet and influence quite dramatically the human condition, spiritually, intellectually, and philosophically. There is quite simply no other issue with a more compelling entitlement to our attention and our time.

And yet, strangely, this issue which is of primary consequence for this and all future generations plays a secondary role to a multitude of other issues such as the economy, jobs, the nuclear arms race, star wars, the never ending Middle East crisis, Soviet expansionism, foreign imports and many more. These are the issues that occupy the front page, the Congress, the President, the public. These kinds of issues, of course, will always make a strong claim on our attention. The puzzling question is why an issue far more important than any of these commands far less attention?

While in the past two decades we have come some appreciable distance in our understanding and sensitivity to resource-environmental issues, we still have advanced only a few steps toward the goal we must achieve if indeed we are to forestall a disastrous degradation of the planet's resource base.

If we, as rational individuals, understand, as I think we do:

That the viability of our economic system depends upon our resource base;

That issues of war, peace, hunger and revolution are mightily influenced by the availability of resources;

That nuclear war is not inevitable but environmental disaster is inevitable unless we act in a timely fashion;

That in many corners of the earth population numbers already exceed the supply of resources necessary to sustain an acceptable quality of life;

That, indeed, our physical well-being, our standard of living, the quality of our lives is directly, specifically and tightly tied to our resources.

If all of this is so, and clearly it is, then why do we not have the foresight and the will to act collectively to meet the challenge before the damage is beyond repair?

The central core of the problem is, I think, that the various political, religious, economic and social power structures which set our goals and guide our direction have their own institutional agendas which take priority over everything else:

The political system is headed by politicians who have a short franchise. The next election is the first order of business, not the next generation or the one after.

Business and industry are primarily concerned about profits this year and next year.

Labor unions must worry about jobs today and tomorrow.

Farmers and their organizations worry about the current price of corn, soy beans, wheat, milk and the mortgage payment.

Religious institutions worry about today and the hereafter.

Educational institutions are heavily preoccupied with training their students for jobs in today's marketplace albeit they do have a broader intellectual mission which affords some hope that they will give us a new generation with a better grasp of this issue and a stronger commitment than past generations.

While the mission of these institutions as I have just described them is overly simplified, the important truth is that long-range resource issues are not a significant institutional priority for any of them.

And, unfortunately, individuals, the public, so to speak, tend to conduct themselves much like institutions in the sense that they are pre-occupied with minding the store, responding to the pressures of daily events and postponing hard decisions on pervasive long-term problems under the illusion that delay won't cost very much, that we can address the problem at some other time. So it goes from one generation to the next.

Until we understand that the problem is urgent, right today as it was yesterday and the day before; that every delay exacts a price, levies a hidden tax, imposes a cost which ultimately will impoverish us; until we understand, and believe, and are willing to act on the proposition that the highest and first priority of our society must be to preserve the integrity and viability of those ecosystems that sustain us and all other creatures; until then, we will continue to delude ourselves with the seductive notion that we are addressing the heart of the matter, when, in fact, we are merely tinkering at the periphery of the problem.

Just a little more control of air and water pollution; just a little more protection of ocean estuaries and salt marshes; saving a few hundred thousand acres of wetlands from mindless destruction; preseving a few million acres of wilderness and wildlife habitat; modest reductions in the use of herbicides and pesticides; reducing the pace of soil erosion; deploring the depletion of aquifers; cleaning up a few hazardous waste dumps while proliferating the production of new toxics; lamenting the siltation of spawning grounds while cutting the forests that protect them; and then, topping it all off by celebrating Arbor Day, is not a prescription for meeting the challenge we face. It may make us feel good, but the effort is inadequate and doomed to failure.

As we look to the decades ahead we must very soon recognize that our present-day focus on the resource issue is far too narrow and superficial. It touches only the visible tip of the iceberg. It is going to be necessary to make many jarring course corrections that will lead us in a different direction from which we have been going since the founding of the Republic. For two hundred years it has been the prevailing philosophy of this society that our resources were boundless, that we could dissipate and exploit them with lavish extravagance without end. We have uncritically assumed that the vast quantities of toxic chemicals, hazardous wastes and all other pollutants that society produces could be safely vented into the air, dumped in the oceans, lakes, marshes, rivers and on the land because nature would somehow contain or neutralize them. This, of course, was not so. Nature's capacity is limited and that capacity was exceeded in many places and in many ways quite some time ago. After many years of debate, Congress initiated some important steps to address the issue of environmental contamination by adoption of a series of historical legislative proposals. The objectives sought in these enactments have overwhelming public support in every opinion poll. We were beginning to make some progress in reducing air and water pollution under the Johnson, Nixon, Ford and Carter Administrations. So, too, in land protection under the Surface Mining Act, wilderness preservation, the Endangered Species Act, pesticide control and a beginning on hazardous wastes and toxic chemicals.

Until the Reagan Administration, we had a decade and a half of encouraging, bi-partisan support in controlling environemental contaminants. While the progress was slow, at least we were moving in the right direction.

Unfortunately, at the very time that circumstances demand a continuous and far more vigorous expansion of our address to the whole spectrum of resource issues, we have an Administration that is turning the clock back because it is either blind to the problem and ignorant of the consequences, or recklessly prepared to dissipate the resources of future generations for short-term political gain and illusory economic benefits.

The loss of time and momentum is only one of the serious damaging consequences of the President's environmental policies. Even more importantly he has trivalized a vital issue at a critical time instead of using the power and prestige of his office to galvanize the necessary public support to move our society more rapidly in the right direction. What a difference in the course of history the President could have made had he invested as much time and energy in advancing the cause of the environment as he has in pushing a tax bill that, at best, will be but a minor footnote in the long perspective of history.

Increasingly in the past half dozen years the argument is advanced that some kind of benefit cost assessment should be made before implementing any environmental enforcement procedures. Many of the proponents of such an assessment are opposed to the laws passed by Congress on the grounds that the controls are unnecessary, or too stringent or too costly. They support such an assessment because they believe it would provide ammunition in support of proposals to weaken or compromise legislative mandates. Others support such assessment because they believe that the overwhelming weight of the evidence will demonstrate that most environmental mandates need to be strengthened not weakened.

The reason the two parties reach opposite conclusions while appearing to support the same proposition is that they, in fact, are not supporting the same kind of benefit cost assessment.

Those who want to use the BCA to weaken support for environmental mandates do not include in their assessment all societal costs and benefits, only those that are easily quantifiable in current dollar costs to the polluter and measurable on the

consumer price index. In their computations they do not include the societal cost of a polluted river, a lake or forest destroyed by acid rain, an aquifer poisoned by toxic chemicals, a wildlife refuge destroyed by selenium or any one of dozens of other societal costs.

In other words, they want society as a whole to continue to shoulder the cost of environmental damage directly caused by the polluter's own activity. To permit that practice to continue is both bad environmental policy and bad economic policy.

If all costs and benefits are included, the case is clear beyond question that preserving a clean environment is a profitable investment. This argument is all part of a major proposition being advanced by environmental critics who insist that at some point soon we must make a choice between a prosperous economy and a dirty environment, or clean environment and a poor economy. A year or two ago I participated in a conference organized around the theme, "The Economy and the Environment: Need We Choose?"

Those who would dramatically weaken environmental protection claim we must, indeed, make a choice between the two. They assume the two are separable and must be addressed as discrete entities standing alone, antagonistic one to the other. They are wrong by every rational standard of measurement. I assume we are using the world's "environment" in its broadest context to include all physical resources—air, water, soil, scenic beauty, minerals, and forests. They are all part of the environment and inseparable from it. The appropriate generalization to be made, I think, is that the economy and the environment are inextricably intertwined; a degraded environment and a poor economy travel hand-in-hand. It is vital to understand that while you can have a country rich in its resources with a poor economy, you cannot have a rich economy in a country poor in its resources or its access to them. That, I assume, is axiomatic. Jeremy Rifkin recently stated the proposition simply and clearly as follows: "The ultimate balancing of budgets is not within society, but between society and nature."

Each incremental degradation of nature's resources—the air, the water, the soil, forests, scenic beauty, habitats—is quite simply a dissipation of capital assets which ultimately will be paid for by a lower standard of living and a lower quality environment.

Dozens of examples easily come to mind which demonstrate the universality of the principle involved in Mr. Rifkin's statement. One or two briefly argued make the case.

Soil, top soil, productive farm land which provides the food and fiber which sustain us. No country on earth matches our great land base of fertile soil. Our agricultural productivity is the wonder of the world.

Nonetheless, we are dissipating that land base at an alarming pace.

In the past 200 years almost one-third of our top soil has been lost by erosion.

Since 1935, millions of acres have become unproductive through soil loss.

Each year one million acres of prime farm land is taken out of production for real estate development and other purposes.

In the past half-century we have paved over an area 20,000 square miles larger than Wisconsin.

Let me quote from the Global 2000 Report:

"In the United States, for example, the Soil Conservation Service . . . has concluded that to sustain crop production indefinitely at even present levels, soil losses must be cut in half. The outlook for making such gains in the United States and elsewhere is not good."

One does not have to pause and think more than a moment or so to recognize that the implication of this situation dwarfs by comparison the importance of any other issue currently confronting us, including the economy, inflation, jobs, unbalanced budget, energy shortages, poverty, or political and military confrontations around the globe. While each of these problems, standing alone, can reasonably be managed by intelligent action, they will all be seriously exacerbated by a reduction in agricultural productivity.

Almost every week another example of the enormous cost to society of a dirty environment surfaces on the front pages of the national press. Just a few days ago The Wall Street Journal carried a front page story with the headline:

Nuclear Mess Uranium-Mill Wastes, Piled High in West, Pose Cleanup Issues

Debate is Raging Over Who Should Pay Burial Costs And When They Should

"Ecological Bombshells" Seen

The story reports, in part, as follows:

"AMBROSIA LAKE, N.M.—The visitor drives past a sign its lettering faded now, welcoming him to the heart of uranium country. But traversing an eerily silent basin guarded by honey-colored buttes, he sees only the industry's bones; abandoned mines, a shuttered mill and, overshadowing all, strange gray mesas—man-made, poisoned hills.

They are mill tailings, wastes left from uranium-ore processing, and 222 million tons of them are heaped up in 10 Western states. Mildly radioactive, they exhale gamma rays and radon gas. The wind blows dust particles off them, spreading contamination. Plumes of pollutants, including selenium and arsenic, feather out beneath them toward ground-water supplies.

A few have seriously fouled nearby areas already, and others threaten to. Randy Sabo, a former executive staffer at a now-moribund uranium producer, calls them 'ecological bombshells waiting to blow up on somebody's desk.' They now confront the West with one of the most gargantuan cleanup jobs in history.

Burial of 25 million tons of this stuff at 24 sites has begun, with the federal government paying 90% of the cost and the states 10%. But these are all so-called inactive sites, which in the industry's early years produced almost entirely for the government anyway. They had shut down and surrendered their operating licenses before 1978, when Congress ordered a tailings cleanup and told the Environmental Protection Agency to set standards for it.

But who will pay to bury the other 197 million tons, and when will they be forced to do it? A huge flap has arisen over this.

These tailings are at so-called active mill sites, those still licensed when the 1978 law was passed. Currently, companies owning them are liable for the whole cost of cleanup when their operations are clearly over. The bills could conceivably total billions of dollars. Alarmed producers, their business almost destroyed, are screaming for relief."

". . . Some idea of the extent of the whole problem can be gleaned from work on the inactive piles scattered from Tuba City, Ariz., to Spook, Wyo. They are small, but several are in or near towns or threaten to slump into rivers. Colorado alone has seven sites, with piles in or near Durango, Gunnison, Grand Junction and Rifle ranked as high health hazards."

". . . At Grand Junction, workers are jacking up houses and scraping mill tailings from beneath them. The tailings have been widely used there as construction fill and have contaminated 4,500 properties. Another 1,000 sites elsewhere in the nation will have to be cleaned up, too.

At Salt Lake, a pile in a populated area has polluted an aquifer and homes and businesses around it. So every day, a 100-car train takes 10,000 tons of it to a remote spot near Clive, Utah for burial."

" . . . Also, no one knows how much it would cost to stabilize the active piles; estimates range up to a maximum $4.4 billion projected by the Energy Department, based on its work with the old sites."

" . . . In the most serious incident, in 1979, a United Nuclear Corp. pile near Church Rock, N.M., partially collapsed, dumping toxic and radioactive wastes into the Puerco River and degrading it all the way into Arizona. Radioactivity was detected in animals watered by the river, and wells near the pile showed alarming concentrations of thorium 230, a dangerous isotope."

The Journal story further states that the producers of the uranium waste now raise the fairness issue:

"They note that the cleanup standards that they now must meet, finally issued by EPA in 1983, were unanticipated years ago; so, they say the price they charged for uranium never reflected the financial burden that government has suddenly dropped on them."

That's hardly a convincing argument. They were certainly aware that the wastes were radioactive and contained other toxics such as selenium and arsenic. If not they, who did they think should be responsible for protecting the aquifers, rivers, soil and the public health from the pollutants they produce in their own commercial activities?

Any benefit-cost assessment that leaves this factor out of the equation so distorts the result as to make such an assessment meaningless.

There continues to be a national controversy over the Clean Air Act and appropriations for waste management treatment facilities. The Administration would like to weaken these statutes and cut appropriations.

Just what do we mean by clean air and clean water? What general principles should guide us in setting air and water quality standards? It would seem obvious that standards must be set at a level that will assure that air or water pollution will not impair health or result in any significant adverse ecological damage. We are a long way from achieving that standard.

"Will it cost too much to achieve that standard?" That is the way the question is usually formed. The proper way to test the question is to ask, "How much will it cost society not to meet that standard?" The answer is that we can pay the cost of meeting the standard, but there is no way for future generations to pay for our failure.

All across the nation, fresh water lakes are being sterilized, made lifeless, by acid rain caused by sulphur oxides from burning fossil fuel and nitrogen oxides from auto emissions. Some three hundred lakes have been rendered sterile in New York, and thousands of others are being degraded in Canada, the Rocky Mountains, Wisconsin, Minnesota, Michigan and elsewhere.

Can anyone tell us what the monumental economic and recreation loss to the nation will be unless we move now to save our lakes from acid rain?

What is the economic value of the protein sources in the oceans and the water in our rivers? If we continue to destroy the salt water marshes and pollute the estuaries and the shallow waters of the continental shelf which provide the breeding habitat of most marine creatures, we ultimately will destroy the productivity of the oceans. Has that been factored into the economic equation in the debate over clean water standards? The answer is, no, it has not.

Is it not cheaper to clean up the Mississippi River and keep it clean than to leave it dirty so that every city, every municipality and every industry from Minneapolis to the Gulf of Mexico takes out dirty water, launders it and returns it polluted again?

These and one hundred other questions can be asked and every time the answer will be that it is far better for the economy and cheaper to maintain a clean environment than a dirty one.

In the short run, some very modest temporary benefit to the economy might result from relaxed air and water quality standards, but it would be dangerous and enormously expensive. If we do that, it simply means we are borrowing capital from future generations and counting it on the profit side of the ledger.

Quite apart from the ethical questions involved, there is simply no way that a future generation could replace the capital we borrow from them because we cannot restore a polluted ocean or a polluted lake.

The ultimate test of man's conscience is his willingness to sacrifice something today for a future generation whose words of thanks will never be heard.

LEADING CONSERVATIONISTS HONORED IN PENNSYLVANIA

Mr. SPECTER. Mr. President, later this month, on April 25, 1986, the Pennsylvania Wildlife Federation will gather in Hershey, PA, to honor the outstanding conservationists in Pennsylvania. It gives me great pleasure to inform my colleagues of the recipients of these distinguished awards.

The Wildlife Federation, the educational arm of the Pennsylvania Federation of Sportsmens' Clubs, will present these honors at their second annual awards banquet. In all, nine individuals or organizations will be honored for their exemplary work in the past year, including: The leading Pennsylvania Conservationist, Mr. Larry J. Schweiger; the year's Conservation Professional, Mr. Gary L. Alt; the finest Conservation Organization, the Pennsylvania Forestry Association; the Conservation Classroom Educator of the Year, Mr. William R. Einsig; the finest General Conservation Educator, Mr. Louis Ritrovato; the year's Conservation Communicator, Ms. Susan Q. Stranahan; the Conservation Legislator of the Year, State Senator Roy W. Wilt; the finest Youth Conservation Group, Butler County Explorer Post No. 100; and the Special Industry and Business Conservation Award to P.H. Glatfelter Paper & Pulp Wood Co.

I am pleased to be able to share my enthusiasm for the accomplishments of all the federation's honorees. As we approach the 21st century, it is essential that on the Federal, State and local levels we continue to focus on the environmental integrity of our Nation. The efforts of those honored by the Pennsylvania Wildlife Federation will encourage expanded emphasis on the vital need for conservation, and I look forward to working with them to achieve this goal.

DEATH OF HON. H. CARL MOULTRIE I

Mr. MATHIAS. Mr. President, it was with sorrow that I learned yesterday morning of the death of the Honorable H. Carl Moultrie I, chief judge of the Superior Court of the District of Columbia. Appointed to the superior court by President Nixon in 1972, Judge Moultrie was an untiring jurist, not only carrying a full trial calendar, but effectively and efficiently administering the court on a day to day basis. His service to the people of the District of Columbia on the trial court and in his civic involvements will long be remembered.

Mr. President, I ask unanimous consent that an article from today's Washington Post detailing Judge Moultrie's life be included in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SUPERIOR COURT'S JUDGE MOULTRIE DIES OF CANCER

(By Elsa Walsh)

H. Carl Moultrie I, 71, the chief judge of D.C. Superior Court, a jurist who put more faith in stiff sentences than in rehabilitation and a widely respected civil rights and community leader who was president of the D.C. branch of the NAACP during the 1968 riots, died of cancer yesterday at the Washington Hospital Center.

Judge Moultrie announced to his colleagues in February that he had inoperable cancer, but that he had no intention of giving up his work. His last day in his chambers was March 25.

Judge George H. Goodrich, the court's senior acting judge, was named acting chief judge until a permanent replacement can be selected.

A former newspaperman, social worker and housing official in Wilmington, N.C., Moultrie came to Washington in 1948 as the national executive secretary of Omega Psi Phi, a noted black fraternity. He studied law at Georgetown University at night and in 1956, at age of 41, received his degree. While continuing his work with the fraternity—he remained executive secretary until 1972—he joined the law firm of Cobb, Hayes, & Windsor.

As a lawyer he distinguished himself by filing the first police brutality suit against the D.C. police department. As was the case with most black lawyers at that time, much of his courtroom work was for little or no pay.

He also immersed himself in civic activities and over the years held positions of increasing responsibility in areas ranging from health and welfare to the provision of legal services. He became a mentor to a generation of younger black leaders, including Marion Barry, Walter E. Fauntroy and Jesse Jackson, who stayed at Moultrie's house on the eve of the 1963 March on Washington that was led by the Rev. Martin Luther King Jr.

In 1964, Moultrie became president of the local NAACP and he held that post in 1968 when rioters torched and looted parts of the city in the aftermath of King's assassination. With then-Mayor Walter E. Washington he rode through the riot areas trying to calm the situation. Later that year, he played an important behind-the-scenes role, helping to feed the participants in the Poor Peoples March who camped on the Mall.

In 1972, President Nixon appointed him a judge at D.C. Superior Court. The court had come into being only in the previous year, replacing the D.C. Court of General Sessions. Its purpose was to serve the citizens of the District of Columbia as a state court, taking over from the U.S. District Court such functions as the trail of felonies and major civil cases, the probation of wills and other functions.

Judge Moultrie was part of this process. In 1978, he succeeded Harold H. Greene as chief judge when Greene was made a judge of the U.S. District Court.

A pressing priority was the court's backlog of cases. As a way to alleviate it, Moultrie initiated several mediation programs that serve as alternatives to full trials. He expanded the number of hearing commissioners from one to 10. These officials handle preliminary hearings, arraignments and other matters that used to fall to judges.

Moreover, Moultrie is credited with furthering opportunities in the court system for minorities, women and younger lawyers and judges. His tall, lean figure with a puff of white hair and wire-rimmed glasses often could be seen in the hallways and on the escalators, talking to attorneys and court officials.

In the process, the judge became for many the embodiment of Superior Court. Most judges began their work yesterday by asking for a moment of silence, and the courthouse closed early out of respect for him.

Apart from his administrative duties, Moultrie had a full trial calendar. He presided over some of the city's most celebrated cases, including that of Bernard Welch, the murderer of Washington cardiologist Michael Halberstam.

It was as a trial judge that he gave heavy sentences. In an interview in February, he said the young defendants appearing before him seemed to be hardened criminals with scant prospect of rehabilitation. He almost always gave them maximum sentences.

"He's just a criminal," he said of young offenders. "He's just damn mean. They don't give a damn. Your life to them is nothing. I would like to see the death penalty. I would use it."

For defendants over 30, however, Judge Moultrie had greater hopes of rehabilitation and was less severe. "Theirs is a one-time act," he said.

In a controversial decision in 1985, he sentenced Edward Strothers, 54, to 365 days of weekends in prison after Strothers pleaded guilty to murdering his girlfriend while her grandmother looked on. He also ordered Strothers to make payments to the victim's

6-year-old daughter and to take out a life insurance policy in her behalf.

"I had only one thing in mind: to see what could be done for the decedent's daughter," Moultrie said in an interview. "I have no qualms about putting people in jail. In fact, it's the easiest, least controversial thing to do. I could have put this man in prison and let the citizens take care of him for the rest of his life. But what good would that do the child?"

Mayor Barry yesterday ordered flags on city buildings flown at half staff in honor of Moultrie. He released a statement that said: "His legal acumen, his judicial temper and his long and successful efforts as the leader of our Superior Court will forever remain a monument to this great lawyer, jurist and public servant."

U.S. Attorney Joseph diGenova said Moultrie reminded him of Socrates' idea of a good judge: "To hear courteously, to answer wisely, to consider soberly, and to decide impartially."

Moultrie was born in Charleston, S.C., April 3, 1915. His parents were the Rev. William Edward and Annie Moultrie. For reasons lost in time, his childhood nickname was "Dick Tracy." He graduated from Lincoln University in 1936 and also studied theology there. He received a master's degree at New York University in 1952.

After Lincoln, he moved to Wilmington, N.C., where he was a newspaper reporter and worked at a boy's club. From 1941 to 1949, he headed the Hillcrest Housing Project in Wilmington. He then moved to Washington to work for Omega Psi Phi.

A resident of Washington, he is survived by his wife, Sara; a son, Dr. H. Carl Moultrie II of Valparaiso, Ind., and two grandchildren.

In the interview he gave in February, Moultrie said: "There are so many things that still need to be done. And you think, you think in terms that it could be a space of months that you are no longer involved. That's very frightening, very frightening. But you learn to live with it."

COUNCIL ON HEMISPHERIC AFFAIRS SITUATION 1985 CHILE ANNUAL HUMAN RIGHTS RECORD

Mr. KENNEDY. Mr. President, last summer the Government of Chile finally lifted its 7-month state of seige, and the United States promptly resumed its support for international loans to Chile. This action was taken despite protests from human rights groups in the United States, in Chile, and from Members of this body.

The lifting of the state of seige last year did not end the Pinochet regime's brutal oppression of its population. That Government still retains the de jure right to continue systematically repressing and terrorizing the Chilean population.

And in fact, the human rights record is just as bad today as it was during the state of emergency. U.S. law clearly states that the U.S. representative to multilateral institutions should not support loans to governments which engage in a pattern of gross human rights abuse. Yet the U.S. World Bank Executive Director has voted in favor of millions of dollars in loans to the Pinochet dictatorship since the lifting of the state of seige, and a record $909 million during 1985.

Last January I visited Chile and met with opposition leaders committed to a restoration of democracy in that country. I also met with victims of human rights abuses who told me of the brutal methods of intimidation, torture, and murder perpetuated by Pinochet and his military supporters.

I direct my colleagues to a recent report on the human rights situation in Chile compiled by the Council on Hemispheric Affairs, one of our Nation's most respected bodies of scholars and policymakers. Contrary to claims by members of the Reagan administration that the Pinochet government is making progress on human rights, the report's findings indicate that there was no improvement in Chile over the last year.

As the report states, "Abuses in the country occurred on such a broad scale throughout the year that Pinochet's human rights record ranks Chile as the worst violator in South America and one of the poorest in the hemisphere."

I have asked Treasury Secretary Baker to reconsider our Government's decision last summer to resume support for international loans to Chile. It is my hope that he and my colleagues in the Senate will take the time to read the Council's report.

Mr. President, I ask that the report may be printed in the RECORD.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

CHILE: WORST VIOLATOR IN SOUTH AMERICA

Human rights conditions in Chile, which had gravely deteriorated in 1984, remained at least as poor if not worse in 1985 despite the lifting June 16 of the seven-month old state of siege. Abuses in the country occurred on such a broad scale throughout the year that Pinochet's rights record ranks Chile as the worst violator in South America and one of the poorest in the hemisphere. A December 10 report by the Chilean Human Rights Commission counted 169 banishments, 7,518 political detentions, and 61 deaths at the hands of security forces. Further figures compile an indicting litany of torture, harassment, threats, and censorship. In addition, Chilean dictator Gen. Augusto Pinochet's rejection of the National Accord, a loose but comprehensive coalition of leftist, rightist and centrist political groups brought together by the country's Cardinal Primate and committed to a peaceful transition to civilian rule, make clear his intention not to follow the lead of many of his South American neighbors in moving towards democratization.

Though the lifting of the state of siege at mid-year was, in itself, taken by the Reagan administration as sufficient proof of improvement in human rights to justify the United States voting in favor of international loans to Chile in June, repression in the second half of the year continued to be widespread. Even without the state of siege, other states of legal exception, particularly the state of emergency, guarantee the authorities broad discretion to violate civil rights, though mere suspension of civil rights pales in view of the torture, intimidation, and murder attributed to security forces and anti-communist paramilitary groups.

One disturbing developoment has been the emergence in the last year of the clandestine right-wing group the Chilean Anti-Communist Action (ACHA), which has intimidated and threatened church and human rights activists and students, and is responsible for some bombings and kidnapings as well. But most abductions, some of which involve rape, beatings, slashings, or inflicting burns, are invariably carried out by unidentified armed civilians, who are generally believed to be connected to the security forces because of the similarity of methods, the impunity with which they operate, and use of "safehouses" to interrogate or torture victims. A direct connection was established between the ACHA and military personnel in at least one case in Oct. 1984 in which ACHA pamphlets were found at the scene when an army lieutenant was killed while placing a bomb in a church.

Students, teachers, human rights activists and labor leaders have been particularly victimized. Demonstrations were routinely broken up with water cannons, tear gas, and demonstrators arrested, beaten, and in some cases killed by National Information Center (CNI) or Carabinero personnel. Killing prisoners by staging "shootouts" with police has been a frequent technique since the onset of Pinochet's rule, and human rights groups in Chile include "supposed shootouts" as a subcategory in their statistics.

Repression of students and campus groups has been a hall mark of the regime since it seized power in 1973. Early this year, members of the Student Association of the University of Chile (FECH), who were working on community projects in several poor neighborhoods were arrested by police. On the second such occasion February 8, 240 students were held for two days during which time they were beaten and forced to do strenuous exercises which led to the death of one student, Patricio Manzano, due to cardiac failure. At the student's funeral, the vice-president of FECH, Gonzalo Rovira, was arrested and banished to a remote concentration camp. In March, five leaders of the national teachers' union were kidnapped, tortured and interrogated by armed civilians. Numerous other arrests and killings of students occurred throughout the year, particularly in the fall when the incidence of student protests and antigovernment demonstration was greater.

Church leaders, who are often considered subversive by the nature of the office that they hold, also were frequently threatened. In one case a priest, Manuel Heiva, was actually beaten, in many others priests or their parishioners were threatened or abducted, and in some cases crosses were cut or burned into victims. Maria Vilicic Wallberg, a worker with the Pastoral Youth Vicarate, was the victim of such an attack in August in which two men attacked her and carved three crosses on her breasts and chest as a warning to Pedro Montiel, an official of the vicarate.

A number of incidents occurred of death threats against prosecutors and judges involved in politically sensitive cases, and included the intimidaton of family members. In a case similar to the attack on Vilicic, Mirta Navarrote, the wife of a court secretary working with Judge Jose Martinez in the investigation of a suicide of a prisoner thought to have actually been staged by

police to cover up the true circumstances of his death, was assaulted June 21 and had a cross slashed into her breast as a warning against pursuing the case. She was attacked again in July and had another cross cut into her forehead.

Numerous other persons directly or indirectly related to human rights work were subject to intimidating attacks, on several occasions against the offices of rights organizations themselves.

1985 was also a bad year for press freedoms, though it should be mentioned that the lifting of the state of siege did allow six publications which had been banned to reopen. In February, a dozen plainclothes policemen, carrying a search warrant issued by the Interior Ministry, raided the offices of the Chilean Journalist Association and seized the latest edition of the journalists' newsletter. Raids on two publishing houses (one by the CNI), and various detentions of journalists, also contributed to a poor press situation. On Dec. 4, Rev. Renato Hevia, a Jesuit priest and editor of the magazine Mensaje, was arrested for violating the State Security Law by criticizing the Pinochet regime and publishing allegations of human rights abuses. Though freed Dec. 19, other individuals accused of similar infractions faced possible 10-year sentences if found quilty.

Labor unions were also a favorite target of the regime. On some occasions, union offices were raided and their leaders detained in the raids, picked up in connection with their fomenting public demonstration, or banished to internal exile. In addition to its normal strike activities, labor has paid dearly, along with students, for its role in protests against specific murders and abductions, "Day for Life" protests against the regime, and demonstrations in commemoration of May Day, former socialist president Salvador Allende's birthday and election, and other occasions.

A rising tide of demonstrations climaxed with huge National Day of Protest held Sept. 4, in which ten demonstrators and bystanders were killed and over 1,000 arrested in connection with the street manifestations. Pinochet's brutal response to the day of protests provoked a rash of other actions creating widespread disturbances in October and November as well. Dozens of opposition and union leaders were arrested for instigating the unrest, although most have since been released.

The reinstatement Dec. 9 of nine of the fourteen Carabineros accused of the March killings of a sociologist, a teacher, and an illustrator who were members of the Communist party, was a major setback for hopes that there would be successful prosecution in the case. The three victims had been arrested by the Carabineros and were found two days later near the road to the airport with their throats slashed and bearing signs of torture. The brutality and openness of the incident sparked outrage in the country and led to a rash of resignation in the security forces. But much of the early success of Judge Jose Canovas Robies' investigation into the case seems due to a rivalry between the Carabineros and the CNI which prompted the latter to cooperate in the prosecution of the case, and hopes for further action in this and other cases against police which arose in its wake, has dimmed with the acquittal of the nine accused Carabineros.

When eleven opposition parties, with the coordination of Santiago Cardinal Juan Francisco Fresno, signed the "National Accord for the Transition to Democracy" August 25, it was considered a watershed in Chilean politics. The accord disavows violence as a means of transition, does not include the participation of the Communist party, and does not call for broad-ranging human rights trials such as occurred in Argentina.

But the same broad representation which makes the agreement unique also limits its cohesion, and Pinochet has ridiculed the accord and dismissed any possibility of ending his own presidency before the 1989 deadline for elections originally stipulated in the 1980 constitution, nor of ending military rule even beyond that year. The all too familiar pattern experienced in Chile this year was that of limited freedoms generating greater opposition, that in turn provokes greater repression rather than the further development of a political opening in the country.

SALT STRENGTHENS AMERICAN SECURITY

Mr. BUMPERS. Mr. President, the President, and the country, are facing a critically important decision in the next few weeks. We have two choices. One is to continue to stay within the limits of the unratified SALT II Treaty II, and thereby force the Soviets to continue to dismantle hundreds of nuclear-tipped missiles over the next few years. The other choice is to violate those limits, and thereby condemn the world to an accelerated nuclear arms race where there are absolutely no limits at all on the deployment of offensive strategic nuclear weapons. To me the choice is clear: SALT strengthens American security, so we should stay with it until we get something better. I am pleased that a total of 52 Senators have agreed and so stated their views in a letter to the President yesterday, and I hope that more Senators will do the same.

This issue is timely because in May, our eighth Trident submarine, with 192 warheads on 24 missiles, will go to sea. This will put us 22 over the SALT II limit of 1,200 multiple warhead missiles unless we dismantle two older submarines, each with 16 missiles. Not surprisingly, some administration officials with a record of unrelenting hostility toward arms control are pushing for the United States to junk SALT and not dismantle the two subs. This would end all limits on offensive nuclear arms and trigger an acceleration of the arms race in several directions. In return, we would increase our missile forces by just 2 percent and get an extra 4 to 5 years of service from the subs, after which they would be scrapped anyway because they would hit their 30-year life limit.

This administration has so far wisely chosen to stay within the limits of SALT. It even went so far last June as to decide to dismantle a Poseidon submarine when our seventh Trident went to sea. However, reports are that the President is less likley to repeat that very statesmanlike decision this time around. I hope those reports prove wrong.

It is important to focus on what we get out of SALT. One of the great untold stories of SALT is that it has forced the Soviets to dismantle over 500 operational missiles and bombers, yet has forced us to dismantle only 16. Through the end of 1987, it will force the Soviets to dismantle 5 times as many missiles as us, 300 to about 60.

If we drop our policy of abiding by SALT, the Soviets will not have to make any of these reductions. Furthermore, they would be free to add up to 20 more warheads on each of their 308 SS-18 ICBM's, adding over 6,000 warheads to their totals. Without SALT, they could build even more SS-18's. They could easily exceed the SALT II limit of 820 MIRVed ICBM launchers—since they now have 818—and are getting ready to deploy their new MIRVed SS-24 this year.

The major increase in Soviet nuclear forces brought on by a breakdown of SALT would weaken U.S. security. It would pose an important and growing threat to the survivability of U.S. ICBM's, submarines, and bombers. It would increase the difficulty of the President's strategic defense initiative by increasing the number of missiles and warheads that SDI would need to defend against. And in this Gramm-Rudman environment, violating SALT would cause us to take money away from conventional forces and shovel still more into nuclear weapons. It's not surprising that the Joint Chiefs are reported to favor staying with SALT II.

Some say that because the Soviets have violated some of SALT's provisions we should junk the treaty.

We should ask three questions: First, are the Soviets in violation? The answer is yes. Second, are the violations sufficient to alter the strategic balance? The answer is clearly no. Third, if not, is our interest well served by continuing our no undercut policy? The answer is clearly yes.

The Senate has spoken out clearly and convincingly on several occasions for maintaining our current SALT policy. In 1984 the Senate accepted our amendment supporting SALT by a vote of 82 to 17. Last year the Senate again approved our SALT amendment by a vote of 90 to 5. And again last year, the Senate rejected by a vote of 79 to 17 an attempt by SALT opponents to overturn the President's wise decision to dismantle a Poseidon submarine.

Our allies strongly support our current SALT policy. Every one of our NATO allies endorsed SALT II back in 1979, and they continue to do so today. In the words of Hans-Dietrich Genscher, West Germany's foreign minister:

We supported the United States sentiment of commitment to the SALT II treaty, although it was never ratified. Because it is very difficult to make new agreements in arms control, it is all the more important to most carefully preserve existing treaties and adhere to them.

Rejecting SALT now, before we have a new strategic arms agreement in place, would be a body blow to the NATO Alliance, and would give the Soviets a propaganda field day in Europe.

Some in the administration are proposing that we drydock the two submarines; that is, inactivate them for a year to put pressure on the Soviets. While some see this as a compromise position, the record was set straight when a senior State Department official, when asked if this would be a violation, said "Drydocking? Yes, it would." There is no doubt we would label such behavior by the Soviets as a violation. We would just be inviting the Soviets to drydock the submarines and ICBM silos they would otherwise dismantle. And while it would take about 3 years before we could return our subs to service, the Soviets could reactivate their ICBM silos in a matter of days. The drydocking ploy thus favors the Soviets numerically—300 versus 60—and qualitatively as well.

As President Reagan so wisely said last June:

Despite the Soviet record over the last years, it remains in our interest to establish an interim framework of truly mutual restraint on strategic offensive arms as we pursue . . . the ongoing negotiations in Geneva.

I am pleased that so many of our Senate colleagues have joined us in reinforcing the message the Senate sent last year: For the sake of vital United States and NATO security interests, and to force the Soviets to continue dismantling hundreds more missiles, Mr. President, please stay within the SALT limits and dismantle the 2 submarines, or 22 Minuteman III's next month.

Mr. LEAHY. Mr. President, yesterday a bipartisan majority of the U.S. Senate—52 Senators in all—wrote to President Reagan to urge him to continue his "no undercut" policy of interim restraint with regard to existing offensive strategic arms agreements.

As many of my colleagues know, the sea trials of the eighth Trident submarine, the U.S.S. *Nevada*, scheduled to occur on May 20, 1986, will require the President to decide whether or not to dismantle existing strategic launchers in our nuclear arsenal in order for the United States to remain within the MIRV'd launcher ceilings imposed by the unratified SALT II Treaty.

Specifically, unless the President orders the dismantling of the launchers of two Poseidon submarines or an appropriate number of Minuteman ICBM launchers, the United States will violate the SALT II Treaty by exceeding the 1,200 subceiling on launchers of MIRV'd ICBM's and SLBM's.

Our letter to the President is a reflection of the strong feeling in the Senate that scrapping the no undercut policy would not serve U.S. national security interests, would damage relations with our NATO allies, and probably destroy any chances for arms control for the rest of his administration.

Mr. President, the no undercut policy has been overwhelmingly endorsed by the U.S. Senate on two previous occasions when Senators BUMPERS, CHAFEE, HEINZ and I offered amendments to the fiscal year 1985 and fiscal year 1986 Department of Defense authorization bills. After the Senate voted 90-5 for our amendment last year, President Reagan stated on June 10, 1985: "It remains in our national interest to establish an interim framework of truly mutual restraint on strategic offensive arms as we pursue * * * the ongoing negotiation in Geneva."

Surely, the President realized—as we do—that, without the SALT limits, the Soviets are capable of producing strategic weapons faster than the United States, at least in the short term. Anyone who takes the trouble to learn the facts knows the no undercut policy constrains the growth of Soviet strategic forces, and at least through 1987 requires the Soviets to dismantle more strategic systems than the United States.

A fierce debate over the no undercut policy is raging in the administration. Evidently, some in the administration are leaning toward drydocking or mothballing the two Poseidon submarines instead of removing their launchers. If that is what the President finally decides, it will, in my judgment, endanger the hopes for a summit, undermine the Geneva arms talks, and probably lead to a collapse of the mutual observance of the key SALT numerical limits.

My colleagues and I are very concerned about the administration's charges of Soviet arms control violations. Yet, none of the alleged violations either alone or collectively significantly alter the strategic balance. The way to address our legitimate concerns about Soviet compliance is through confidential, nonpolemical discussions in the SALT Standing Consultative Commission in Geneva. It is clear to me that the administration has not made serious use of the SCC to resolve compliance issues because the alleged violations help excuse the lack of any progress in arms control for over 6 years.

The President's new decision on the no undercut policy, which we believe is imminent, could be the turning point for the hopes of arms control during his tenure in office. If he decides to stay with it, we can still hope for a breakthrough at a summit or in Geneva. If he turns away from it, I predict a quick poisoning of United States-Soviet relations, the end of any chance for an arms agreement before the President leaves office, and an acceleration of the arms race.

Finally, Mr. President, I would like to thank Senator BUMPERS, Senator HEINZ, and Senator CHAFEE and their staffs for their hard work in preparing our letter to President Reagan. In addition, I would like to express my appreciation to all of our colleagues who joined us in this important effort.

I ask unanimous consent that the text of the letter to the President be printed in its entirety.

The letter follows:

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, DC, April 9, 1986.

The PRESIDENT,
The White House,
Washington, DC.

DEAR MR. PRESIDENT: Your November meeting with Secretary Gorbachev in Geneva established a solid basis to improve U.S.-Soviet relations. One of its more important accomplishments was the agreement, that a follow-up meeting would be held this year in the United States. Despite our profound differences with the Soviet Union, both countries share many common interests, the most important of which is avoiding nuclear war. In this regard, we believe it is important that some restraints continue in place on the Soviet Union and United States on an interim basis while negotiations continue in Geneva to reach a new arms agreement.

We applaud your declaration on June 10 that "despite the Soviet record over the last years, it remains in our interest to establish an interim framework of truly mutual restraint on strategic offensive arms as we pursue . . . the ongoing negotiations in Geneva." We firmly believe that your policy of not undercutting existing strategic arms agreements, while reserving the right to take proportionate responses that enhance U.S. security, is very important in limiting the Soviet nuclear threat to the United States and our allies. Your June decision to dismantle a Poseidon submarine when the USS Alaska went to sea trials has forced the Soviet Union to continue dismantling older weapons as it deploys new ones, a practice they would be unlikely to continue in the absence of SALT restraints. We also note that your June decision received strong support from our NATO allies.

We strongly support your June statements concerning U.S. policy toward existing strategic arms agreements and believe U.S. and NATO security interests would be best served by continuing your "no undercut/proportionate response" policy through 1986. As you know, the Senate strongly endorsed that policy in June by a vote of 90-5 and endorsed your decision to dismantle a Poseidon submarine to stay within SALT limits by a vote of 79-17. As our June votes indicate, we encourage you to continue this wise policy.

As you know, our eighth Trident submarine is scheduled to begin sea trials about May 20. When this important event occurs, we believe that you should ensure that the United States not exceed the ceiling on

launchers of MIRVed ballistic missiles. We believe that discarding the SALT limits will endanger U.S. and NATO security by allowing the Soviets to add thousands of new warheads to their arsenal. They now have a far greater capability than the U.S. to exceed the SALT limits, particularly in MIRVed ICBMs and missile-launching submarines, but have refrained from doing so under the existing "no-undercut" framework.

Without the "no-undercut" policy, we will in all likelihood see a new accelerated arms race, with negative consequences for U.S. and NATO security. Among other harmful effects, a major expansion of Soviet ICBM warheads could pose important survivability problems for the entire triad and would multiply the challenge to your Strategic Defense Initiative.

The U.S. has legitimate concerns about Soviet compliance with some provisions of existing strategic arms agreements, and these concerns should be vigorously pursued. In order to maintain the integrity of those agreements and facilitate reaching a new agreement, the Soviets should be pressed to take positive steps to resolve our concerns.

We look forward to working with you in the coming months to ensure that the United States continues to implement military and diplomatic policies that are in our national interest.

Sincerely,

Senators signing the letter to the President:

REPUBLICANS

John Heinz, John Chafee, Arlen Specter, Bill Cohen, Robert Stafford, John Danforth, Charles McC. Mathias, Mark Andrews, Daniel Evans, Mark Hatfield, Lowell Weicker, Slade Gorton, Nancy Landon Kassebaum, and Bob Packwood.

DEMOCRATS

Pat Leahy, Dale Bumpers, Claiborne Pell, Joseph Biden, Albert Gore, Jr., Donald Riegle, Bill Bradley, Jeff Bingaman, Tom Harkin, Bill Proxmire, Paul Simon, Howard Metzenbaum, Spark Matsunaga, Max Baucus, James Exon, Lawton Chiles, Alan J. Dixon, Patrick Moynihan, Christopher Dodd, Edward Kennedy, George Mitchell, Gary Hart, Carl Levin, Paul Sarbanes, Alan Cranston, Wendell Ford, Tom Eagleton, David Pryor, Daniel Inouye, John Glenn, John Kerry, Quentin Burdick, Frank Lautenberg, Jim Sasser, Jay Rockefeller, Lloyd Bentsen, John Melcher, and Dennis DeConcini.

Mr. CHAFEE. Mr. President, yesterday President Reagan received a letter signed by 52 Senators, expressing our support for a continuation of the no undercut policy with regard to the unratified SALT treaty. I was pleased to join with Senators BUMPERS, HEINZ, and LEAHY in writing this letter, which is based on the belief that mutual Soviet and United States adherence to the SALT limitations has served the national interests of this Nation, and will continue to do so.

Today we find ourselves approaching a crucial juncture in arms control and United States-Soviet relations, as the administration considers whether to maintain its commitment to existing SALT arms limits. The immediate question is: Should the President order the dismantling of two Poseidon submarines carrying multiple-warhead missile launchers, in order to offset the launchers on the new *Trident*—the U.S.S. *Nevada*—which begins sea trials next month? The larger question, however, is whether the so-called no undercut policy we have followed since 1979 has been worth it, and will continue to be worth it, as we work for new arms control agreements and better United States-Soviet relations.

I believe that mutual adherence to SALT arms limits has worked in favor of U.S. security. It has prevented the arms race from escalating out of control, and forced the Soviets to dismantle more than 500 operational missile launchers. In comparison, the United States has had to dismantle only 16 launchers, which—as you know—we did last June. More importantly, the SALT limitations have kept the two superpowers on course in their pursuit of new, formal arms control agreements. In the past 6 years, United States-Soviet relations have crossed some rough terrain, but I am convinced that the road would have been a good deal rougher without the restraints imposed by the SALT framework.

We are not here today to claim that the no-undercut policy has been perfect. Significant questions of compliance have arisen over Soviet encryption of missile test data and the U.S.S.R.'s possible deployment of two new types of ICBM's—the SS-24 and SS-25. But these concerns, which we should attempt to resolve through diplomatic channels and the Standing Consultative Commission, do not justify scrapping the entire arrangement. If we abandon SALT because of these violations, we will move away from prudent arms control policy and almost definitely unleash an arms race of unprecedented proportions.

All the evidence indicates that without the SALT limits the Soviets will be able to build up their arsenal at a much greater rate than the United States. One recent study indicates that Soviet strategic weapons could increase by 65 percent by the end of 1989, compared with only 45 percent for the United States. Soviet missiles, especially the SS-18, are capable of carrying a greater payload than they currently have. Thus, without SALT they could add more warheads to missiles already deployed. In fact, by 1990 the Soviets could deploy twice as many warheads as the United States.

We believe that it is in the best interests of this Nation to maintain the no-undercut approach. In view of yesterday's good news that a Reagan-Gorbachev summit is likely to take place in the United States some time this year, let us continue with the policy that has brought restraint to nuclear arms buildup, and that holds out the promise for future fruitful arms control reductions.

I wish to thank Senators BUMPERS, HEINZ, and LEAHY for working with me on the letter, and on Senate Concurrent Resolution 112, the resolution we introduced last month expressing our support for the SALT limits, as long as the Soviets also continue to abide by them. I urge my colleagues to take a close look at this vital issue, and hope they will join us in working for continued effective arms control.

Mr. HEINZ. Mr. President, President Reagan faces a crucial choice between standing by his policy of preserving the SALT limit on MIRV'd missiles or abandoning it. If the President changes course and scraps SALT restraints, I see three possible consequences: First, a new arms race in warheads which the United States cannot win, second, a setback in achieving a future agreement to reduce nuclear weapons, and third, an enormous increase in military spending without a corresponding increase in American security.

Soviet violations of SALT require an American response. The President, however, has many better options for proportionate response than scrapping key limits that both sides have never broken, limits that serve our security interests.

If we do not dismantle enough missile launchers to stay within the SALT limits when the next Trident submarine goes to sea in May, we give the Soviets the green light to race ahead in an expansion of their nuclear arsenal. Even if the Soviets do not respond with an all-out effort to build their forces, they can raise the stakes at the arms negotiating table. With the unraveling of the most important limit we have on offensive weapons, the United States arms control objective of reductions in nuclear weapons would be more distant than ever.

All of these consequences could follow a decision to keep two of our Poseidon submarines instead of dismantling their missile launchers. Ironically, these two submarines and their 32 missiles will be out of service for major overhaul for 3 years in any case. It is pointless to start an arms race and torpedo arms control in order to add 300 obsolete warheads back to our huge arsenal some 3 years from now. A decision to take the submarines out of service without dismantling the launchers in 6 months would be a violation of SALT as both sides have been observing it.

Today the United States and the Soviet Union each have roughly 10,000 strategic nuclear warheads, but the Soviets are in a much better position to add quickly to their forces. In the first 4 years of a mutual buildup, the Soviets could add at least 7,000 war-

heads to their arsenal, and the United States only 3,700. The United States could eventually catch up, but only at great cost. By the mid-1990's both sides could have amassed some 27,000 warheads apiece. The result would be an enormous outlay of taxpayer dollars, a huge addition to both sides' nuclear overkill, and no improvement in our security.

The Soviets have two ICBM production lines in action, two missile-launching submarine lines, two strategic bomber lines, and vigorous missile development programs. They could expand their production of delivery vehicles faster than the United States. Even without increasing production of missiles, the Soviets could use their 3-to-1 advantage in missile throw weight to add thousands of warheads to existing systems. They could use the lifting capacity of their giant SS-18 missiles to add 6,000 warheads to their forces, and add another 4,000 more simply by replacing older single warhead missiles with their new SS-X-24.

The two Poseidon submarines which some have proposed not dismantling to comply with the SALT ceiling will have to undergo 3 years of overhaul in any event. So we could give the Soviets the go-ahead to add thousands of weapons to their inventory by doing something that will only add about 300 warheads to our forces, and that 3 years down the road.

The Soviets might not race ahead at maximum speed without SALT limits. They might simply stop retiring older missiles as new ones are deployed. They might just keep their submarines in service longer. By doing this, they would raise the ante for the next round of arms talks. When the United States tries to strike a deal on weapon reductions, which is the President's goal in arms negotiations, the Soviets would be starting from a much higher baseline. We could have to pay dearly at the negotiating table to get back just to where our balance of forces is today.

Last spring President Reagan made the right decision to stay within the SALT limits on multiple warhead missiles. At the time he acknowledged that the Soviets are much better positioned to break out of the limits on offensive weapons. That United States disadvantage has not changed. We cannot give the Soviets a chance to exploit it.

Abandoning the MIRV limit that both sides have observed would discard the most important offensive weapon limit we have and would greatly complicate the already difficult task of negotiating reductions in United States and Soviet nuclear forces. Whether the Soviets responded by building up a little, or a lot, an end to the MIRV ceiling would be a giant step backward for United States arms control objectives. Leverage at the negotiating table is crucial. And the Soviets are best positioned to increase their leverage in the short run if we junk the limit on the most destabilizing weapons, multiple warhead missiles.

Soviet violations are a serious issue that threaten to undermine any potential for arms control progress. The problems posed by the SS-25 missile and the Krasnoyarsk radar should be raised by the United States, in the Standing Consultative Commission or directly in summit discussions. But we must recognize that the military balance is not affected by these two Soviet programs. These Soviet activities undermine political support for arms control, but abandoning the MIRV limits would destroy the single most important bilateral restraint on offensive nuclear weapons. And discarding our interim restraint policy would not bring the Soviets into compliance either with the SS-25 or the radar in Siberia.

The President has a variety of proportionate responses he could take to Soviet violations without undermining the SALT limits both sides observe. The Midgetman missile will be a violation of the SALT limits when it is flight tested in 1988 or 1989, but that would be a direct response to the SS-25. Scrapping the MIRV limits does not enhance U.S. security, but other options that would not undermine useful arms restraints could contribute to our military strength.

SENATOR CHILES HONORED FOR HELPING ELDERLY

Mr. GLENN. Mr. President, I would like to call to the attention of my colleagues an event occurring this week which deserves our recognition—the 14th Annual Spring Conference of the American Association of Homes for the Aging [AAHA].

AAHA is the national representative of over 2,700 nonprofit facilities which provide health care, housing, and community services to more than a half million older persons throughout our Nation. Administrators, other key staff, and trustees of AAHA member facilities have come to the Nation's Capital to participate in a comprehensive educational program, to visit with many of their elected officials, and to gain a Washington perspective on significant Federal initiatives affecting the delivery of supportive services to older Americans.

On Thursday, April 10, Senator LAWTON CHILES—my distinguished colleague on the Aging Committee—is being honored as the recipient of AAHA's Distinguished Services Award in recognition of his leadership and efforts on behalf of America's elderly. As ranking minority member of the Senate Budget Committee and member of the Appropriations and Special Aging Committees, Senator CHILES has been a leader in the battle to preserve the Federal Government's commitment to programs which provide vitally needed services to America's older citizens.

The Senator's leadership was readily apparent last month when he worked with Budget Committee Chairman PETE DOMENICI in shaping an unprecedented bipartisan 1987 budget proposal that achieves the deficit targets required under Gramm-Rudman, distributes spending reductions throughout the budget, and rejects major cuts in health care and housing programs. Senator CHILES also initiated the effort last year which protected the Medicare and Medicaid programs for the elderly and poor from the automatic, potentially devastating, spending cuts in Gramm-Rudman.

Additionally, last year, Senator CHILES joined with Senator HEINZ, myself, and other Members of this body to promote legislation which protects elderly residents of continuing care retirement communities from unreasonable personal income tax liability.

In recognition of his numerous endeavors to promote the well-being of elderly Americans, AAHA conferred upon LAWTON CHILES its Distinguished Services Award. I join the association in commending our dedicated colleague.

THE MURDER RATE IS HIGHER IN STATES WITH CAPITAL PUNISHMENT

Mr. LEVIN. Mr. President, legislation to reinstitute capital punishment at the Federal level, S. 239, has been approved by the Senate Judiciary Committee. In anticipation of floor action of the bill, I asked the Library of Congress to check the latest statistics on the correlation between capital punishment and murder rates. The deterrent value of the death penalty is raised by proponents of S. 239 as a principal reason why the Congress should support reinstituting a Federal death penalty. However, a comparison of murder rates in those States with the death penalty and those without the death penalty reveals that the death penalty does not deter murder.

According to the Library of Congress, in 1984, death penalty States had an average murder rate of 8.31 per 100,000 population, while the average murder rate in nondeath penalty States was only 6.41 per 100,000 population.

Mr. President, I join the proponents of S. 239 in their expression of disgust with those who commit violent crimes against innocent victims. I agree that the Senate should consider further measures designed to ensure that those who do commit such crimes

remain in prison for a period of time which is commensurate with their crime. However, in the absence of clear evidence to support the view that the death penalty will protect us from violent crime, the negative aspects of capital punishment outweigh its benefits to society.

The death penalty is irreversible and our mistakes cannot be corrected. Additionally, the death penalty continues to be unfairly applied on the basis of the victim's race against those who are poor and uneducated, and against those who are without the most experienced attorneys. Implementation of a sentence of death also requires the expenditure of enormous resources which could be devoted to better uses.

On balance, reinstituting the death penalty is more harmful than beneficial to our citizenry. I hope the Senate will reject it in favor of more effective law enforcement measures.

Mr. President, I want to confess at this point in my remarks that I had some help in their preparation. Since the very beginning of my service in the Senate over 7 years ago, I have had the great pleasure of working with Ms. Judy Parker Jenkins of my staff. She began as a legislative correspondent, one of those scarcely seen staff members for a Senator, scarcely seen because they are usually buried under mountains of letters from people back home. But Judy couldn't be buried for long. She dug her way through those letters and so impressed me with her intelligence and hard work that within a year I had promoted her to be one of my legislative assistants. That was a decision I have never regretted. The subject of my remarks today—the death penalty—is one of many crucially important areas of public policy which Judy and I have labored on together for many, many hours. I'll never forget Judy stacking up the 20-foot high pile of books I used during extended debate of the last death penalty statute this body was about to consider. The next stack of books for the next extended debate will be compiled by someone else. But we shall not forget Judy's extraordinary commitment. And I'll also never forget her constant professionalism, dedication and loyalty. Tomorrow she leaves my staff, and enters the private practice of law, using the credential she labored many nights after leaving our office to obtain. She leaves with my deepest appreciation and respect.

Mr. MELCHER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. WILSON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

S. 2280—TO SUSPEND APPLICATION OF MILK PRODUCTION TERMINATION PROGRAM

Mr. WILSON. Mr. President, I send a bill to the desk for introduction.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

BILL TO SUSPEND DAIRY BUYOUT PROGRAM

Mr. WILSON. Mr. President, today I am introducing legislation to suspend temporarily the milk production termination program—known as the whole-herd buyout—in order to minimize the adverse effect which the program is having on our Nation's beef, pork, and lamb producers. I am joined in this effort by Senators HAWKINS, MCCLURE, and HEFLIN who have cosponsored the legislation.

The bill would suspend the whole-herd buyout program effective today and would require the Secretary of Agriculture to reestablish the program in order to achieve—to the maximum extent possible—orderly marketing of the 1.5 million dairy cows, heifers, and calves which are scheduled for slaughter over the next 18 months under the terms of the program.

Once the Agriculture Secretary has reestablished an orderly marketing plan, this legislation would direct him to submit it to the Senate and House Committees on Agriculture for review and comment. Under the bill, this "reconstituted" dairy termination program would become effective 30 days after its submission to the Agriculture Committees.

Mr. President, it is regrettable—but very, very clear—that such legislation is necessary. During just the first 10 days of the 18-month dairy buyout program, our Nation's cattle industry has seen their prices decline more sharply than any time in the past 10 years.

According to the National Cattlemen's Association, fed cattle prices dropped by nearly $30 per head during the first week of the whole-herd buyout. Cow prices fell by $35 per head, while the value of feeder cattle dropped $15 per head. The cumulative effect of these lower prices on cattle actually sold last week resulted in an estimated loss of more than $25 million.

In addition to these immediate losses, the industry has experienced a staggering reduction in the value of its inventory. Last week, the commodity futures prices on fed cattle for April were down 550 points which represents a decline of $5.50 per hunderweight, or $60 per head. According to industry estimations, the resulting loss of inventory value exceeds $2 billion. In my State, alone, California cattlemen have told me their losses last week totaled more than $250 million.

Mr. President, I do not believe that I overstate the case by saying that last week's developments are of tragic proportions. While some may attempt to minimize the seriousness of the situation by suggesting that much of the loss to the cattle industry is a paper loss, let me remind them that that paper represents collateral which is essential in order for our Nation's cattlemen to receive credit to finance their operations. And this body has considered more than once in recent months—and will debate again in the near future—measures designed to assist our farmers seeking adequate credit.

The whole-herd buyout provision contained in the 1985 farm bill was intended to provide a gracious out for dairymen willing to leave the business. It was the intent of Congress that the cost of this program—estimated to be $1.8 billion—would be borne by the dairy industry and the Government. I do not believe that any one of us intended that the cost of the dairy program should be extracted from the sales and inventory value of our Nation's cattle, pork, and lamb industries.

The red meat market has tumbled because more than 1 million dairy cows, heifers and calves—representing nearly 70 percent of the program's total participation—will go to market between now and August. As a result of this front loading of this 18-month program, the dairymen who have signed up have been injured, too, because the value of their animals has plummeted.

Indeed, in my view, the only one benefiting from the current situation is not the American consumer. There may be a very short-term gain there, but certainly nothing in the long term. No. The only beneficiary is the Office of Management and Budget which prefers a large, early buyout, in order to reduce long-term support payments to purchase surplus dairy commodities. I fully understand their desire to minimize what they put out in order to purchase these dairy commodities. Certainly I applaud the goal if not the means that has been chosen in the whole dairy buyout program. And I have often appreciated and cooperated with OMB in their effort to control Federal expenditures. I have frequently applauded their efforts. But I cannot condone this method by which they have chosen to distort the marketplace in a way that will not have any long-term benefit to the American consumer, and in a way that threatens dire consequences for beef, pork, and lamb producers.

Indeed, the 1985 farm bill attempted to mitigate the damage that our Nation's red meat industry is presently experiencing and explicitly instructed the Secretary of Agriculture to "take into account any adverse effect"—that is the exact language of the bill—

which this dairy program may have on these producers and to "take all feasible steps to minimize such effect."

While the Secretary has implemented an extremely difficult and complex program in a commendably short period of time, I believe that the events over the past 2 weeks clearly reveal that we can do a better job of designing this program. Indeed, we must do a better job. It is for that reason, Mr. President, that I am introducing this legislation today. By temporarily suspending the buyout program, we can immediately restore some stability to red meat prices, while allowing the Department of Agriculture time to develop an orderly marketing scheme—one that would more evenly distribute over 18 months the number of cows going to market and one that would effectively target the Secretary's authority to acquire and distribute 400 million pounds of red meat.

I urge its prompt and favorable consideration.

I thank the Chair.

I ask unanimous consent to have the bill printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2280

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SUSPENSION OF MILK PRODUCTION TERMINATION PROGRAM.

(a) IN GENERAL.—Section 201(d)(3)(A) of the Agricultural Act of 1949 (7 U.S.C. 1946(d)(3)(A)) is amended by adding at the end thereof the following new clause:

"(viii)(I) The Secretary shall reestablish the milk production termination program required by this subparagraph in a manner that minimizes, to the maximum extent practicable, the adverse effect of the program on beef, pork, and lamb producers in the United States.

"(II) The Secretary shall submit a report describing the program required under subclause (I) to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

"(III) Notwithstanding any other provision of law, the milk production termination program established under this subparagraph shall not be effective during the period beginning on December 23, 1985, and ending 30 days after the Secretary submits the report required under subclause (II).".

(b) APPLICATION.—The amendment made by this section shall not apply to contracts entered into by producers before April 10, 1986, to participate in the milk production termination program established under section 201(d)(3) of the Agricultural Act of 1949 (as in effect before the date of enactment of this Act) with respect to cattle slaughtered or exported under the program before April 10, 1986.

Mr. McCLURE. Mr. President, I rise in support of Senators WILSON, HAWKINS, and HEFLIN in introduction of this bill which will put a stop to the destruction of the beef, pork, and lamb markets which has been caused by the implementation of the Dairy Termination Program. This problem needs immediate attention and swift action.

The implementation of the Dairy Termination Program included in the Food Security Act of 1985 is causing disastrous distortions in U.S. cattle markets. The problem facing America's beef cattle industry has been made worse by a governmental program designed to benefit a relatively small number of already subsidized farmers—dairy farmers. The Federal Government plans to pay 14,000 dairy farmers to go out of business by buying up their herds and sending the cows to slaughter. Congress enacted this program to reduce the purchases of mountains of federally subsidized cheese, butter, and nonfat dried milk in Federal warehouses.

During the debate on the 1985 farm bill, the national cattle industry expressed their concern about sending an expected 930,000 additional cows, dairy cows, to market on an already depressed beef market. Their concerns were recognized, and language was inserted into the farm bill which would have the Federal Government purchase 400 million pounds of red meat to mitigate the damages done to the red meat markets. The cattle industry was also given assurances that USDA would schedule Federal purchases with slaughter dates and spread the slaughter of dairy animals over the full 18 months of the termination program.

But on March 18, Agriculture Secretary Lyng put the number of dairy cows to be diverted under the program at 1.5 million. The USDA stacked the majority of these purchases in the first period, severely distorting the markets. He also said that the Government had immediate plans to buy only about 100 million pounds without a firm schedule. From the view of the cattle industry, this program is a disaster and must be changed.

The USDA announcement has sent the beef futures markets into a tailspin, with contracts dropping down to the limit of $1.50 per 100 pounds for 3 out of 5 days and nearly to the limit on the fourth day last week. Prices paid by the packinghouses follow the futures market down, dropping $5 to about $55 per hundredweight. A 1,000-pound steer, a typical weight, going to slaughter this week was suddenly worth about $50 less than in the last week in March, before the announcement of the dairy buyout.

In addition to the drops in price, the Dairy Termination Program has caused a jamming of the slaughter markets. The untimely and disorderly flow of dairy cattle to slaughter resulting from the Dairy Termination Program has resulted in both lower prices and lost markets for beef cattle sold for slaughter. As slaughterhouses across the Nation buy up relatively cheap dairy cows, cattlemen who traditionally bring cull cows to market at this time are faced with unreasonably low prices or worse—no market at all.

In sum, the beef cattle producers are suffering both price declines and long-term market damages from the Federal Government's attempt to fix a problem created by Government. The market distortions may be lasting; resulting in personal losses which may be enormous. Congress must address this problem. It must address it immediately and forcefully.

We propose an immediate suspension of the Dairy Termination Program and implementation of procedures to ensure an orderly and timely flow of cattle to reduce the adverse effects of this program on U.S. red meat markets. The Secretary of Agriculture has the authority under the Food Security Act to "take into account any adverse effect of such program * * * on beef, pork, or poultry producers in the United States and * * * take all feasible steps to minimize such effect." I encourage the Secretary to take such steps immediately.

After immediate suspension of the program, the Secretary of Agriculture should take two steps to ensure an orderly and timely flow of dairy cattle into the markets. Before resumption of the DTP, the USDA should move more than 200,000 dairy cows which are presently scheduled for the first disposal period to the second and third disposal period. The allocation of bids of the same value to new disposal periods could perhaps be best implemented by distributing 376,500 dairy cows during the first disposal period, 200,000 dairy cows during the second disposal period, and 375,000 cows during the third disposal period. These same proportionate numbers should be placed on the other classifications of dairy cattle under this program. Such a reallocation would reflect the provisions of the law that require the DTP to reflect historical marketing patterns.

In addition, the USDA should establish a schedule for dairy cow slaughter and implement regulations that provide for proportionate spacing of dairy cattle within each disposal period. Bimonthly targets should be established by specifying targets for each dairy producer during each of the disposal periods. Such a schedule would offset the adverse effects suffered by the beef cattle industry due to the large numbers of dairy cattle now being sold for slaughter.

I recognize the difficulty in setting up and running a program such as the Dairy Termination Program. It is a complex program and has many far reaching side effects. The USDA must be more sensitive to the side effects of programs that are set up to help one

section of agriculture. The USDA must be aware that the actions taken in pursuit of one program must be carefully weighed against other areas of agriculture. The beef cattle industry is one area of agriculture which has never had a full fledged Government program to help them survive. However it will not be long before they do if the Government, in its efforts to help one section damages another.

I urge swift and decisive action on this bill and ask my colleagues to lend their support to pass this quickly.

Mr. SYMMS. Mr. President, I am an original cosponsor of the legislation introduced by my respected colleague, Senator WILSON and I rise to support it. I'm extremely sorry that this action is necessary, but it is imperative that we take action to repair, to some extent, the damage that has been done inadvertently to the cattle industry.

The farm bill would not have been allowed to become law if many of us had not believed that it was written to protect the cattle industry from adverse impacts resulting from the Dairy Termination Program. However, the disaster we've witnessed in the past 10 days makes it clear that the bill failed in that part of its mission. The law has specific requirements designed to avoid the effects of a massive increase in cattle on the market. Basically, the law requires orderly marketing. This hasn't happened.

Since the Dairy Termination Program began on April 1 cattle slaughter rates have increased by more than 10 percent over last year's rates and markets have plummeted. In the process some good, longtime cattle operators have been wiped out, as have some feed producers and other intermediate businessmen.

In the last day or two there has been some indication that the crash might be bottoming out. However, I don't think we can depend solely on that. This intolerable situation is directly traceable to the failure of the Department of Agriculture to plan and execute an orderly marketing strategy. Apparently they didn't anticipate the surge of cattle that hit the slaughterhouses nor did they have an active purchasing plan in place.

In order to partially rectify this situation Senator WILSON's bill will impose a moratorium on the Dairy Termination Program until the Department has a program in place that will work. The DPT Program won't resume until the Agricultural Committees of both Houses are convinced that it will work right.

Normally, I'm inclined to avoid legislative fixes. However, in this case, I think we have no choice. I urge you to support this bill.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, morning business is closed.

METROPOLITAN WASHINGTON AIRPORTS TRANSFER ACT

The PRESIDING OFFICER. The Senate will now resume consideration of S. 1017, which the clerk will report.

The bill clerk read as follows:

A bill (S. 1017), to provide for the transfer of the Metropolitan Washington Airports to an independent airport authority.

The Senate resumed consideration of the bill.

Pending:

Sarbanes-Mathias Amendment No. 1744, to provide that nighttime noise limitations shall remain unchanged or shall be made more restrictive.

The PRESIDING OFFICER. The pending amendment, offered by the distinguished Senator from Maryland [Mr. SARBANES], is limited to 40 minutes equally divided between the Senator from Maryland and the Senator from Virginia [Mr. TRIBLE], with the vote on or in relation thereto to occur no earlier than 10:40 a.m. and with no amendments thereto in order.

Who yields time?

Mr. SARBANES addressed the Chair.

The PRESIDING OFFICER (Mr. WILSON). The Senator from Maryland, Mr. SARBANES.

Mr. SARBANES. I yield myself 4 minutes.

The PRESIDING OFFICER. The Senator may proceed.

Mr. SARBANES. Mr. President, this amendment which was laid down yesterday evening deals with the nighttime noise issue at National Airport, and is designed to assure the local communities and the area residents that the current limitations and restrictions which have been placed on nighttime noise, limitations, and restrictions that were very hard to come by—by which I mean there was a very long, hard fight in order to obtain them—would be maintained, and that in fact if changed would be changed in a more restrictive direction in order to give the residents a greater freedom from this imposition upon them.

Area residents have been very sharply impacted by the activities at National and the limitations that were placed were a response to that concern. I think, as Members know, planes flying into National are required to use generally flight patterns over the Potomac River to try to diminish the noise problem, but as they approach and leave they obviously move over the surrounding territory. The way the patterns work a disproportionate amount of that noise falls on the Maryland side but Virginia and the District of Columbia are also heavily impacted under certain circumstances.

Area residents and their respresentatives over the years have fought long and hard to try to have some restraint placed on this. The original bill, as introduced, on page 14 of the legislation, in fact provides: "Froze the nighttime limitation standards that currently exists." Unfortunately, an amendment offered by my colleague, the junior Senator from Virginia, removed this restriction in the committee and gave the authority the power to change the limitations that are currently in the law.

It has been argued they could make them tighter. That is true. But they could also make them looser. It is my own view that the pressure on the authority will in fact be to make them looser, and that is the genesis behind the amendment, and that is what I am fearful will happen to the amendment that was made in the committee.

So the amendment that I have offered with my colleague puts the current limitation standards in, and says they cannot be amended unless such standards are made more restrictive of nighttime noise. So they could be amended to become more restrictive, but not amended to be less restrictive as the current provision in the legislation, as a consequence of the amendment introduced by my colleague from Virginia, does.

The minority report in the committee by Senators HOLLINGS and EXON on this nighttime noise restriction amendment at National Airport notes:

The provision giving the new airport commission power to revise the nighttime noise restrictions at National was added by the committee as an amendment to S. 1017, a full 2 months after the bill was originally ordered reported.

The PRESIDING OFFICER. The Senator's 4 minutes have expired.

Mr. SARBANES. I yield myself an additional 2 minutes.

It will most certainly result in the eventual easing of those restrictions and an increase in late-night flights into Washington's principal airport.

Why is this amendment needed in the first place? Current FAA regulations specify that all flights in and out of National after 10 pm and before 7 am are restricted by noise levels. The original approach endorsed by supporters of S. 1017 was to freeze these rules in place for the 35-year duration of the lease. Then the same people who claimed that the Holton Commission had worked out every detail of the bill, turned around and wanted to amend it. Since no one has proposed an earlier curfew at National, we can only conclude that the reason for giving the local authority this power is to pave the way for more late night flights.

Originally, the Committee agreed to try to resolve this issue on the Senate floor. However, supporters of the bill panicked at the thought of 100 Senators, many of whom live in National's flight path, having the opportunity to debate this issue and discovering the truth about it. That's why the decision

was made to schedule a second markup and add the amendment at the Committee level, thereby hoping to bury it from view.

This amendment is simply another reason why this bill should be defeated. And it should alert others in the Senate, who are suspicious about the effect this legislation will have on air service in Washington.

Mr. President, I could not agree more with the views which have been expressed by Senators HOLLINGS and EXON with respect to this amendment. Clearly, no one is proposing an earlier curfew. I would conclude, as they did, that the reason for giving the local authority this power is to pave the way for more late night flights.

The PRESIDING OFFICER. The Senator's additional 2 minutes have expired.

Mr. SARBANES. Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. TRIBLE addressed the Chair.

The PRESIDING OFFICER. The Senator from Virginia.

Mr. TRIBLE. Mr. President, I yield myself such time as I may require. I rise in opposition to the amendment.

This subject matter was added by committee amendment. It was fully discussed by the Commerce Committee on 2 separate days. The committee amendment sought to eliminate a provision in the original draft of this legislation which froze existing FAA nighttime noise rules at National Airport.

The administration had tried to address the issue by maintaining the status quo at Washington National. Unfortunately, the status quo is not acceptable to either side. Both community groups and airlines objected. Community groups desired the standard to be changed to prohibit all nighttime jet air carrier operations. The airlines, on the other hand, urged that the rule should be changed to allow certain new quiet aircraft to operate after 10 p.m. Both community groups and the airlines argued to us that the new authority should have the power to change the nighttime rule as it could change all other airport proprietary rules.

This, then, is the genesis of the language in the bill that is now subject to this amendment.

The purpose of the committee was to give a measure of flexibility to this new airport authority, to give it the same kinds of latitude of management that other airports enjoy, but mindful of the concerns that we all have about noise in this greater metropolitan region.

The language was very clear and the committee's intent was very clear. Let me read from the committee report.

The Committee notes that noise at National, and particularly noise between 10 p.m. and 7 a.m., has been a controversial and divisive issue. In transferring responsibility for the nighttime noise standards at National to the Authority, the Committee expects that the Authority would waive the existing standard to allow aircraft operations above the standard only in limited circumstances and only when proposed operations exceed the existing standard by a minimal amount. In such cases, the Committee expects the Authority to seek compensating reductions in noise created by other operations of the carrier seeking a waiver, so that the overall impact of noise is not increased.

What we are doing here is providing a measure of flexibility to the airport authority, but we are also making it very clear there is an overriding concern about noise in this community.

I would go on to point out that an authority commission composed essentially of men and women who reside in this metropolitan region, who live under these flight paths, who share our concerns about noise, are going to be responsive to those concerns. Indeed, that is why community groups have argued for this right, because they know they will be able to maximize their arguments. Indeed, they feel confident that if changes are made they will benefit the community in terms of reduced noise.

The existing standards in this bill transfers to the new authority the same kinds of responsibility regarding nighttime noise as all other airports in the Nation presently exercise. To tie the hands of this new airport authority to prevent it from adjusting the noise rule suggests, as Senator INOUYE pointed out in our committee markup, that we do not trust this new authority.

I would suggest to my colleagues that this language, crafted carefully by the Commerce Committee after 2 days of discussions, after a thorough give and take between Members, after much discussion about all of our concerns about noise, gives this airport the kind of operational flexibility that is essential. Moreover, it provides the kind of protection in the community in terms of noise that we all require.

The PRESIDING OFFICER (Mr. HATFIELD). Who yields time?

Mr. SARBANES. Mr. President, I yield myself 2 minutes.

Mr. President, I want to address very directly the argument just put forward by my colleague from Virginia.

The amendment which is now pending which Senator MATHIAS and I have offered leaves with the authority the discretion to make the nighttime noise limitations more restrictive. It says either the current standard or a more restrictive standard will apply.

The only thing it precludes in terms of the discretion to which my colleague has made reference is the discretion to make these restrictions looser.

That must be very clearly understood. If this thing ever comes into play and the airport authority puts in limitations less restrictive than we have now—in other words, imposes more noise on the community and the area residents—the responsibility for that is directly attributable to the Trible amendment. There is no doubt about that.

The bill, as submitted, would have frozen the current standard.

One can make the argument, "Well, the authority may want to tighten it up." That is what our amendment permits.

The Trible amendment permits the authority not only to tighten it up but to loosen it.

As the minority have stated in their dissent, clearly the pressure is going to be to pave the way for more late night flights. So the consequence of the amendment of the Senator from Virginia is to open up the possibility that, in fact, the authority will amend the current regulations to have a looser standard, thereby subjecting area residents to greater noise, more of a nighttime problem, breach of the curfew.

I do not accept the proposition that this is to give the authority discretion to tighten it. Our amendment does that. Our amendment, in effect, takes the current standard and says, "That shall be the standard unless the authority amends it in a more restrictive direction with respect to nighttime noise." So there is the discretion to become more restrictive.

The Trible amendment adopted in the committee 2 months after the bill was reported out permits the authority——

The PRESIDING OFFICER. The Senator's 1 minute has expired.

Mr. SARBANES. I yield myself another minute—permits the authority to in effect have a looser standard, so that the area residents will be impacted by greater noise. That would not have been possible under the bill as originally submitted. It would not be possible under the amendment which Senator MATHIAS and I have sent to the desk, and it is only possible, only possible, because of the amendment of the Senator from Virginia in the committee, which gives to the authority the discretion, total discretion, in terms of which way to move the nighttime noise limitation standards.

Those who are acquainted with this problem know that the most likely result of providing this discretion will be an easing of the restrictions and an increase in late night flights into Washington's principal airport.

The PRESIDING OFFICER. The Senator's 1 minute has expired.

Mr. SARBANES. The pressure will be to pave the way for more late night flights. I reserve the balance of my time.

The PRESIDING OFFICER. Who yields time?

Mr. SARBANES. Mr. President, what is the time situation?

The PRESIDING OFFICER. The Senator from Maryland has 9 minutes and 50 seconds remaining. The Senator from Virginia has 15 minutes and 27 seconds remaining. The time will be equally charged.

Is someone suggesting the absence of a quorum?

Mr. SARBANES. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. To be equally divided, to be charged to both sides. The absence of a quorum has been suggested. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. TRIBLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TRIBLE. Mr. President, how much time remains?

The PRESIDING OFFICER. The Senator from Virginia has 5 minutes remaining and all the time has expired on behalf of the Senator from Maryland.

Mr. TRIBLE. I say to the Senator from Maryland if he would like me to yield to him at this point some additional time I would be happy to do so. It would be my intention to speak for another minute or two and then move to table his amendment.

Mr. SARBANES. Mr. President, I made the arguments earlier and used most of my time. I was hoping that the Senator from Virginia would respond because I think a heavy burden on this amendment which, as I have argued, is going to allow for an increase in nighttime noise at National, much to the disadvantage of people that both he and I represent.

Mr. TRIBLE. I thank the Senator for his contribution.

I will reclaim my time and will complete this debate.

The PRESIDING OFFICER. The Senator from Virginia.

Mr. TRIBLE. I yielded such time as my colleague and friend from Maryland required for an additional statement.

The PRESIDING OFFICER. If the Senator from Maryland wishes to request time from the Senator from Virginia he may do so.

Mr. TRIBLE. Mr. President, Senator WARNER and I are concerned about airport noise just like the Senators from Maryland. Our constituents, no less than theirs, line the flight path from National Airport and we hear from them with the same regularity.

Neither they, Senator WARNER, nor I want to act in a way that would increase the noise in the region. At the same time, it is important that we do not place this new airport authority in a straitjacket, but rather give this airport authority essentially the same kind of operational freedom that all other commercial airports have.

That is done by the language of this bill. It is done within certain very real parameters, as set forth very clearly in the committee report, which says that changes can be made only in limited circumstances and if changes are made they cannot be made in such a way that the overall impact of noise is increased on the citizens of this metropolitan area.

The amendment adopted by the Commerce Committee is realy a rare political phenomenon. Both the community groups concerned about airport noise and the airlines favored the amendment giving regulatory power over noise to the authority.

The airlines believe the authority will be reasonable in its assessment of new technology and will be willing to make appropriate adjustments. The community groups know, and apparently the Senators from Maryland have difficulty fully appreciating this reality, that the local authority will be responsive to local concerns and local demands to prevent the possibility of too much nighttime traffic.

Both sides and the full Commerce Committee agree that the reliance on the authority to balance these competing interests is preferable to a freeze.

That is the genesis, the rationale, and the purpose of this language.

I would suggest that it balances the interests of all in a proper fashion.

I would suggest that the amendment of the Senator from Maryland ought to be rejected.

Mr. President, I move to table the amendment offered by the Senator from Maryland [Mr. SARBANES].

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Virginia to lay on the table the amendment of the Senator from Maryland.

Mr. TRIBLE. Mr. President, I ask for the yeas and nays on that motion.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Virginia to lay on the table the amendment of the Senator from Maryland. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. SIMPSON. I announce that the Senator from Florida [Mrs. HAWKINS] and the Senator from Vermont [Mr. STAFFORD] are necessarily absent.

Mr. CRANSTON. I announce that the Senator from Mississippi [Mr. STENNIS] is necessarily absent.

The PRESIDING OFFICER (Mr. PRESSLER.) Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 60, nays 37, as follows:

[Rollcall Vote No. 57 Leg.]

YEAS—60

Abdnor	Gore	Packwood
Andrews	Gorton	Pressler
Armstrong	Gramm	Pryor
Bentsen	Grassley	Quayle
Boschwitz	Hatch	Riegle
Bradley	Hatfield	Rockefeller
Chafee	Hecht	Roth
Chiles	Heflin	Rudman
Cochran	Helms	Simon
D'Amato	Humphrey	Simpson
Danforth	Inouye	Specter
Denton	Kassebaum	Stevens
Dodd	Kasten	Symms
Dole	Laxalt	Thurmond
Domenici	Lugar	Trible
Durenberger	Mattingly	Wallop
East	McClure	Warner
Evans	McConnell	Weicker
Exon	Murkowski	Wilson
Garn	Nickles	Zorinsky

NAYS—37

Baucus	Glenn	Mathias
Biden	Goldwater	Matsunaga
Bingaman	Harkin	Melcher
Boren	Hart	Metzenbaum
Bumpers	Heinz	Mitchell
Burdick	Hollings	Moynihan
Byrd	Johnston	Nunn
Cohen	Kennedy	Pell
Cranston	Kerry	Proxmire
DeConcini	Lautenberg	Sarbanes
Dixon	Leahy	Sasser
Eagleton	Levin	
Ford	Long	

NOT VOTING—3

Hawkins	Stafford	Stennis

So the motion to lay on the table amendment No. 1744 was agreed to.

Mr. TRIBLE. Mr. President, I move to reconsider the vote by which the amendment was laid on the table.

Mr. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. SARBANES addressed the Chair.

The PRESIDING OFFICER. The Senator from Maryland.

AMENDMENT NO. 1754

(Purpose: To preserve the collective bargaining rights of certain airport employees)

Mr. SARBANES. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Maryland [Mr. SARBANES], for himself and Mr. MATHIAS, proposes an amendment numbered 1754.

On page 40, insert after line 25, the following new subparagraph:

(D) Before the date of transfer, the Secretary shall assure that the Airports Authority has agreed to a continuation of all collective bargaining rights enjoyed before the date of transfer by employees of the Metropolitan Washington Airports.

On page 43, line 24, insert "(1)" after "(b)".

On page 44, insert betwen lines 9 and 10 the following new paragraph:

(2) The arrangements made pursuant to this section shall assure, during the 35-year lease term, the continuation of all collective

bargaining rights enjoyed by transferred employees retained by the Airports Authority.

Mr. SARBANES. Mr. President, earlier in the debate, I spoke about the so-called labor protection provisions that are in this legislation, and made the point then that it was my very deep concern that these provisions, which are on pages 42 and following of the bill, did not provide adequate protection for the Federal employees currently working at National and Dulles Airports.

This problem is further complicated by the fact that this authority is being set up under the laws of the State of Virginia, which we do not have before us. There is very serious questions whether, under those laws, public employees would be able to engage in collective bargaining. In fact, the Supreme Court of Virginia has ruled fairly recently that the clear public policy of the Virginia Legislature is against the concept of public employee collective bargaining. The court then reviewed legislative action taken by the Virginia Legislature over the years designed to lay out that public policy.

In fact, the court stated that it was contrary to the public policy of Virginia for any State, county, or municipal officer or agent to be vested with or possess any authority to recognize any labor union as a representative of any public officers or employees or to negotiate with any such union or its agents with respect to any matter relating to them or their employment or service.

In light of that, this transfer of Federal workers to the new airport authority may have dire and unpredictable consequences for a labor work force which, for years, has enjoyed the benefits of collective bargaining under Federal law.

It is very important to understand these workers now have certain collective bargaining rights. This amendment does not seek to expand those rights. It only seeks to assure them. In other words, it is saying to the Federal employees at National and Dulles that this transfer to an authority, and their transfer to its employ, will not diminish the collective bargaining rights which they enjoyed before the date of transfer, and that those rights should continue through the period of their employment by the airport authority. Clearly, it seems to me an assurance of this sort is essential if the employees are not to find themselves in a totally unacceptable employment situation. In other words, you have longstanding Federal employees who have done, as I have said on previous occasions, an outstanding job at both of these airports. They are now going to be dramatically shifted into a new working environment.

The bill in fact creates a new public body, the airport authority, having the powers and jurisdiction as are conferred upon it jointly by the legislative authority of the Commonwealth of Virginia and the District of Columbia. That is in section 7 of this bill.

Most of the labor protection provisions in this bill in fact are limited to only 2 years, so my first contention is they are not protected on the collective bargaining rights. And if in fact it is asserted that they are through some language or other, it is clear that it is limited only to a 2-year period.

I do not think that we can take employees who have in effect developed a favorable labor environment, who have given of themselves over the years, and then shift them into an entirely different context.

Now, this issue does not relate to the Maryland-Virginia-District of Columbia-Federal issue. It does not relate to the sale price, the bargain basement sale price that is being put forward here. What this issue relates to is the employees and their protection. This amendment seeks to assure them that there will be a continuation of the collective bargaining rights they have enjoyed before the date of transfer.

I am frank to say that I see no basis on which the amendment could be opposed unless one takes the position that the employees ought not to have the collective-bargaining rights they have enjoyed before the date of transfer.

This amendment is designed to make crystal clear that they will continue to enjoy those rights and that they will have them over this 35-year term so that the transferred employees will not find themselves in a totally unexpected labor context and discover that the collective-bargaining rights which were won at a much earlier time and on which they have depended over the years are now being denied to them.

I would think, frankly, that the manager of the bill would want to accept the amendment in order to put this particular issue to rest and provide a tight assurance to these Federal employees that in fact they will have collective-bargaining rights of the nature that they currently have after being transferred to the Airport Authority. It seems to me an amendment of elemental fairness as far as the work force at National and Dulles is concerned, and I look forward to the comments of the manager with respect to this proposal.

Mr. TRIBLE. Mr. President, let me speak to the amendment before the Senate.

It is the intention of this bill to extend to Federal employees the same protections they now enjoy under the Federal Government. The status quo seems to be the only reasonable course of action, recognizing that the District of Columbia enthusiastically endorses collective bargaining and Virginia is a staunch right-to-work State.

I have reviewed the amendment of the Senator from Maryland. It appears that his amendment intends to extend to Federal employees the same collective-bargaining protections they now enjoy. It is fully consistent with the bill before us, the intention of the Commerce Committee, and therefore I have no opposition to the amendment.

The PRESIDING OFFICER. Is there further debate on the amendment? If there is no further debate, the question is on agreeing to the amendment.

The amendment (No. 1754) was agreed to.

AMENDMENT NO. 1755

(Purpose: To provide protection for Federal employees at National and Dulles Airports for a 5-year period)

Mr. SARBANES. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Maryland [Mr. SARBANES] proposes an amendment numbered 1755.

Mr. SARBANES. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 42, line 20, strike out "2-year" and insert in lieu thereof "5 year".

On page 43, line 1, strike out "2-year" and insert in lieu thereof "5 year".

On page 43, line 7, strike out "2-years" and insert in lieu thereof "5 year".

On page 43, line 10, strike out "2-year" and insert in lieu thereof "5 year".

On page 43, line 19, strike out "2-year" and insert in lieu thereof "5 year".

On page 44, line 1, strike out "2-year" and insert in lieu thereof "5 year".

On page 44, line 4, strike out "2-year" and insert in lieu thereof "5 year".

On page 44, line 5, strike out "2-year" and insert in lieu thereof "5 year".

On page 44, line 11, strike out "2-year" and insert in lieu thereof "5 year".

On page 44, line 24, strike out "2-year" and insert in lieu thereof "5 year".

Mr. SARBANES. Mr. President, this amendment is also directed at the question of labor protection for the employees. The bill as drafted limits the protections to a 2-year period commencing on the date of transfer. I am very frank to say that my own view is that a number, if not all, of the protections ought to extend throughout the period covered by the bill; but I am sensitive to the argument that someone will say, "You are trying to freeze a 35-year period."

So what this amendment does is to change the 2-year period contained in section 9, with respect to protection for Federal employees, to a 5-year period.

Mr. President, I ask unanimous consent that it be in order to move to reconsider the vote on the previous

amendment (No. 1754) that was adopted.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SARBANES. I move to reconsider the vote.

Mr. TRIBLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. SARBANES. Mr. President, the legislation before the Senate talks about protection the employment interests of employees during the 2-year period commencing on the date of transfer. It also makes similar provisions with respect to pay rates, annual and sick leave, seniority rights, life insurance and health insurance, termination of an employee, the rights and benefits that the employee would enjoy if terminated, lump-sum payments as they relate to transfer and annual and sick leave. But in each instance, these protections are limited to 2 years. I do not think that is adequate.

It seems to me that in those areas, when you are talking about employees who have really given a lifetime of service to the Federal Government, many of whom are approaching retirement age and now are being shifted into a different environment, a 5-year period of protection is reasonable.

The protections talked about in the legislation speak of protecting the employment interests of an employee during the 2-year period commencing on the date of transfer. It then provides, for example, transfer and retention of employees in their same positions for the 2-year period commencing on the date of transfer; for payment of basic and premium pay, except in cases of separation for cause, resignation or retirement, for 2 years commencing on the date of transfer; for credit for accrued and annual and sick leave, and seniority rights.

What is going to happen is that if this authority comes about—and, of course, many of us think it should not come about—the employees are going to be shifted into a different work context. I do not think that all the problems of the transfer are going to be worked out within a 2-year period, and yet we have the real possibility that at the end of that 2-year period, the employees could be thrown into a total state of changed circumstances, because all these provisions then could be changed on them. I do not think they should be asked to simultaneously accomplish the adjustment of the transfer to the authority, with all the turmoil that in and of itself will bring, and also, within a very short time, adjust to the fact that the protections no longer exist, since they were provided only for a 2-year period.

This amendment would extend those protections for at least 5 years. I must say that I considered making the period even longer. I think they ought to enjoy these protections. Their entire work career has been in the Federal service and has been related to Federal law and Federal benefits, and they are going to lose that, once they go into this authority. Clearly, they will lose it after the 2-year period.

Not only does this cover the items I mentioned with respect to labor agreements, basic and premium pay, accrued annual and sick leave, seniority rights, life insurance and health insurance programs, and termination provisions, but also, once the 2-year period is over, as I read this legislation, these employees are fair game, so far as the employing authority is concerned.

They no longer have the protections provided in the legislation because they terminate after the 2-year period commencing on the date of transfer.

I do not think this is dealing adequately with men and women who have devoted a lot of their career and effort to the Federal service.

Therefore, I put forward this amendment.

Mr. TRIBLE. Mr. President, I must oppose this amendment. I believe that this legislation provides substantial protection to the good men and women who have served at these airports.

I shall read from the report of the committee that discusses the various provisions of this measure. I quote from section 9, page 15, of the committee report:

> This section assures that the permanent Federal employees at the airports who would transfer to the new Authority will retain for 2 years the important existing aspects of their employment relationship with the Federal Government. The Committee adopted the same approach in legislation in 1983 transferring the Alaska Railroad to an entity of the State of Alaska, and believes that this arrangement proved satisfactory.
>
> Employees would be guaranteed retention in their current positions, at current salaries, for 2 years following transfer. Premium as well as basic pay rates would be protected. Annual and sick leave balances would transfer, and leave accrual in these accounts would be guaranteed for 2 years at the same rates as apply to Federal employees. Life and health insurance comparable to Federal programs would be available to the employees for the 2-year period as well. Labor agreements would be honored for up to 2 years while renegotiation occurs. An employee with retirement rights under Federal civil service law would be assured continuation of those rights (not just for the 2-year transition period, but upon retirement, including early retirement). Non-transferring employees would be entitled to the rights and benefits available under Federal law for separated employees, other than severance pay, as all employees are guaranteed a job with the new Authority.

This language, I think, makes clear that the legislation goes the extra mile in providing a host of protections to those Federal employees who work at National and Dulles Airports.

It seems to me that 2 years is a reasonable period of time. To go beyond that simply ties the hands of the new authority.

The whole purpose of this legislation is to free these airports from the shackles of the Federal Government, to turn them over to a regional airport authority that can more efficiently and effectively operate these airports, that can go about the important job of expanding, modernizing and enhancing their operations.

I understand the Senator from Maryland opposes this legislation but again the thrust of this legislation is to turn these airports over to the regional authority that can better manage them and can improve service for all of our citizens.

It seems to me that by extending this period of time, we may very well compromise that ability.

Let me at this point, Mr. President, suggest the absence of a quorum.

Mr. SARBANES. Mr. President, will the Senator defer? I will be happy to speak for a minute.

Mr. TRIBLE. I will defer that request so my colleague can speak.

Mr. SARBANES. Mr. President, I think the Senator's comments have only underscored the concern that I expressed. The employees ought to realize that after 2 years it is fair game as far as they are concerned. Even my amendment only protects them for 5 years' time, but the retention in their current positions, the pay rates, annual and sick leave balances, leave accrual, life and health insurance, comparable to what they now have, labor agreements, termination rights, after 2 years all bets off. And they would be open then, as my friend from Virginia said, to the authority's exercise of "flexibility" which it was seeking.

I do not think that is adequate protection for people who devoted their career to the Federal service who I think have done a good job of it. The difficulty at the airports has been on the question of capital improvements. I do not think it is on the question of the work performance of the employees as that has invariably drawn high praise and commendation and been perceived as being extremely effective.

Mr. President, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There is not a sufficient second.

Mr. SARBANES. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. TRIBLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection it is so ordered.

Mr. TRIBLE. Mr. President, I have listened to the statements of my colleague from Maryland. I have shared with my colleagues the substantial protections that are a part of this measure. I believe the protections are adequate. But I also recognize the hard work and substantial contribution of these Federal employees through the years. Perhaps we should go an extra mile in affording them the fullest possible protection.

Erring on the side of the employees and recognizing their hard work and contribution through the years, I will not oppose the Senator's amendment and would support its adoption at this time.

The PRESIDING OFFICER. Is there further debate on the amendment? The Chair hears none.

The question is on agreeing to the amendment.

The amendment (No. 1755) was agreed to.

Mr. SARBANES. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. TRIBLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. TRIBLE. Mr. President, I wonder if I might now take the opportunity to engage my colleague from Maryland in a colloquy in order to find out precisely what his thoughts are about where we go from here. Senator SARBANES tells me he has a number of amendments and that there are amendments that will be offered by Senator HOLLINGS and Senator MATHIAS. I am anxious that the Senate has an opportunity to work its will on these amendments. I would anticipate a recorded vote in the near term, but I am anxious for us to proceed apace. I would, therefore, ask my colleague what his intentions are at this noonday hour.

Mr. SARBANES. As the manager of the bill knows, I am not the only one interested in offering amendments to this legislation, although I do have a number of amendments to offer. One of my colleagues, as I understand it, is on his way now to the floor in order to offer a major amendment, which he has earlier talked about and filed. It would be my anticipation, upon his arrival, that he would then have the opportunity to present his amendment. As I understand it, he is on his way here, and that would work with his schedule and, I assume, the schedule of the manager of the bill.

Mr. TRIBLE. Well, the manager of the bill expects to remain on the floor prepared to respond to amendments. I would encourage the handful of opponents of this legislation to come forward with their substantive amendments.

Moreover, I would once again ask my colleague from Maryland to share with me, if he could, the amendments that he proposes to offer before they are offered. That will expedite the proceedings. So far, two of his amendments have been accepted, others opposed and defeated. But if our intention is to stengthen this measure, then it seems to me that there will be opportunities for us to agree and work together. So to the extent that it is possible, recognizing the dynamic nature of this legislative process, for my colleague to share his amendments before they are introduced. In that way we can move along expeditiously and hopefully resolve this matter today and permit the Senate to move on to other affairs.

Mr. SARBANES. I would say to the distinguished Senator from Virginia that the areas that I think will need to be covered to one degree or another in the course of the day are the areas of deficiencies that I talked about yesterday. Some of those have already been addressed here this morning. The noise question was dealt with. Whether another amendment on noise might be offered later remains to be seen. We have now discussed airport employees for a considerable amount of time. There is the continuing problem of the representation on the authority board and the very pressing cross-subsidization problem which can be addressed, of course, in a number of ways. And I would say to the Senator that that is a very fluid and dynamic situation because what one does or how you follow on depends on what happens previously. So it is a highly interrelated area but one that is very important.

There is the price question, which others have had, as it were, lead amendments. Then there is the use of property and then I have a few miscellaneous amendments. I touched on them in the debate, I would say to the Senator, one about charging the Federal Government for use of these facilities which seems almost shameful, I guess, in light of the giveaway price at which these airports are being transferred. It is really adding insult to injury. And I have a few other amendments of that sort. But that is generally the lay of the land as I see it with respect to amendments. We would expect to be offering them as we move through the afternoon and debating them for a reasonable period of time and going to a vote on them.

Mr. TRIBLE. Bring them on, I would tell my colleague from Maryland. We are ready to go. We are ready to address your concerns and resolve your amendments.

Mr. President, I see the Senator from South Carolina. I understand it is his intention to offer one or more amendments, and I hope that he could proceed at this time.

AMENDMENT NO. 1745

(Purpose: Add provision relating to transfer price)

Mr. HOLLINGS. Mr. President, I call up my amendment to S. 1017 relative to the price of transferring the Metropolitan Washington Airports to the independent authority, on behalf of myself and the distinguished Senator from Maryland, Senator MATHIAS, and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from South Carolina [Mr. HOLLINGS], for himself and Mr. MATHIAS, proposes an amendment numbered 1745.

Mr. HOLLINGS. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 29, strike all from line 21 through line 6 on page 30, and insert in lieu thereof the following:

(2)(A) Basic lease payments shall be sufficient to repay to the United States an amount equal to the fair market value of Washington Dulles International Airport and Washington National Airport, at an imputed interest rate for such repayment, within thirty-five years after the date of transfer.

(B) In order to assist in determining such fair market value, the Secretary shall solicit three independent appraisals of the value of the Metropolitan Washington Airports, and any such appraisal shall be conducted within six months after the date of enactment of this Act. The Secretary shall determine the fair market value of the Metropolitan Washington Airports by calculating the average of the values specified in such appraisals, except that in no event shall such amount be fixed at less than $111,400,000.

Mr. HOLLINGS. Mr. President, in presenting this amendment, perhaps it would be good for the author himself, by way of emphasis, to read the amendment, that the basic lease payments—this is under section 2—"shall be sufficient to repay the United States an amount equal to the fair market value of Washington Dulles International Airport and the Washington National Airport at an imputed interest rate for such repayment within 35 years after the date of transfer."

The effect of this amendment which I offer for myself and Senator MATHIAS would be to change the transfer price of the two airports from the estimated Department of Transportation price of $47 million to the fair market value of those particular facilities. Section B. In order to assist in determining such fair market value, the Secretary shall solicit three independent appraisals of the value of Metropolitan Washington airports, and such appraisal shall be conducted within 6

months after the date of the enactment of the act. The Secretary shall determine the fair market value of the Metropolitan Washington airports by calculating the average of the value specified in such appraisals except in no event shall such amounts be fixed at less than $111,400,000.

The reason for the $111,400,000 Mr. President, is the book value. We know from the GAO and the Department of Transportation exactly what the value of the airports are, less depreciation. Mind you me, on that book value, it is not necessarily market value by any manner or means. The thousands of acres for example at Dulles, in my opinion, this particular Senator having dealt a little in real estate, would double that amount. Just the plain acreage would be worth several hundred million dollars.

I want to go, before emphasizing these particular features of the bill, to the bottom line argument with respect to this approach. The argument against it is the fact that, look, if you go in, and acquire the fair market value price for the U.S. Government, then all of the users, Senators, and Congressmen are going to have to pay through the nose because when the only way the airport authority can pay for that higher cost is to increase the different fees, the ticket prices, and everything else.

Of course, we like what we have there now. So why vote, and on the one hand make it very difficult for the new authority to manage the airport at a high cost, or otherwise run the price up for you and me, and you, you, you, and everybody else around here. Proponents of this bill will not argue that publicly but that will be the sub rosa mentality in the approach here.

My counter to that as the practical fact of life is that the Metropolitan Washington airports under this particular bill, if and when enacted, shall be designated for the first time as a public airport. One of the big points of resentment to me, this Senator, is that having paid in my 8 percent ticket tax—mind you me, I travel a good many weekends, for example, to my home State or to other commitments. And I can tell you coming in during a Presidential race in 1982, 1983, and 1984 that I have flown in and out of those airports, I would take it, as much as almost anyone.

So I am pretty well familiar with all three airports. I use Baltimore Washington International and National. I use the National Airport here in Washington and Dulles regularly. So you will understand the genuineness of that statement. On a Friday afternoon, for example, if I can get out just about 40 minutes ahead of the 3:20 flight, if I can get away around 2:30 rather than try to go to the National to catch an air flight that connects me through Charlotte to go down to Charleston, it is smarter for me if I can get that break from the floor of the U.S. Senate to go over to BWI. I can get over there in the 40 minutes, catch a 4 o'clock flight that goes directly to Charleston, SC, and not have to stop over in Charlotte. It is a better service.

So we play that game of trying to get back and forth. As we play it, we put 8 percent of that ticket amount—incidentally, the ticket amount makes me, along with the service, a born-again regulator. Having been on the Commerce Committee when we deregulated, and having been told how moderate-size airports were going to receive the benefits and the protection, we were going to get lower costs and increased services, certainly it was not going to diminish—the point in fact of life is that the rights to three regularly scheduled flights from Charleston, SC, to Washington National have been sold off intermittently through National Airlines to Pan Am, to Air Florida, to whoever. I do not know. They got the millions of dollars.

That is why I am so strong in support of and sponsored the Kassebaum-Hollings amendment, so they could not sell off airport slots. Those particular landing rights were given there for the public convenience and necessity of the traveling public from Charleston, SC, to Washington, DC, not to an airline to make money and sell off the service to some other particular community. They were established after appropriate hearings.

Having seen those slots sold off, I now have diminished service. No longer are there three flights into Washington, or three flights out of Washington National back home, but instead I must go through Charlotte or through Atlanta, GA. It costs you $180. You do not get any combined round-trip cut on that. It costs you $360-some round trip this minute to go there.

I happened to have occasion to run across a friend who flew from Washington to San Francisco, to San Diego, and back to Washington DC this last week, and it cost him $278. He went all the way across the continent, all the way down to San Francisco, to San Diego, and came all the way back. I know that this happens regularly all too well, because next to the counter where I usually board the plane is a flight to Miami. You can fly directly down to Miami, some 500 miles further, for $90-some, or one-half the cost, and get there an hour earlier.

So you can understand my experiences. You learn through hard experience about this so-called deregulation, how wonderful it is, about the cheaper price, and the increase of service that you are to receive. The truth is, and it will be a matter of national concern in this Congress in the next year or two, perhaps not this year, where we will understand and appreciate that 85 percent of the travelers of this country are subsidizing some 15 percent of the people—those that travel between the centers of Washington and New York, Los Angeles, San Francisco, Seattle, or to Las Vegas, and what have you.

So we have been subsidizing those, and we are getting diminished service. Yet, we must now come back to the point of Washington National and Dulles under the interpretations, of what is a "public" airport. Really the "public's airport," the one that belonged to the Federal Government of all the citizens of the United States, not under an authority, but belonging under the Constitution, for all the people, we the people of the United States, is an airport that has been designated by the FAA as not public.

Isn't that wonderful?

What they did, under their interpretation, was to say that they could not give any money out of the Airport and Airway Trust Fund to either National or Dulles. They can collect the 8-percent ticket tax there which is deposited into that trust fund, but they could not give any of those moneys to either airport.

Well, that is unconstitutional. If we do not succeed here, we will succeed otherwise. We can bring a case under due process where I am paying my taxes for a stated purpose under the act with the congressional finding and not being able to appreciate and enjoy those things. I just have not had time to practice law as well as being a Senator, but the fact is that that is now being clarified in the substantive bill that has reached the floor, S. 1017.

On page 46, line 18 of the bill it says, "The Metropolitan Washington airports shall qualify as a "public airport" under the terms of the Airport and Airway Improvement Act of 1982."

It is very interesting that the Secretary of Transportation supports that for the authority but not for herself. I asked if she would support that if I put in just a separate bill. Oh, no, she did not want the airports to be declared public airports, Washington National and Dulles, for her own responsibility. She does not want this responsibility. She is trying to get rid of it. There is no doubt about it, that the majority leader is helping her because he has to go home at night.

So we have the full court press to get this thing up, up and away.

The point is to those users, Senators and Congressmen, who are wisely thinking their costs are going up, it is not so. For the Government to get the fair market value, now Washington National and Dulles Airport both should get the $250 million or $500 million, making whatever estimation

you want. As public airports they deserve it. The users have been paying in and not receiving any of the moneys for the past 16 years. Having paid in and participated, now comes the time for Washington National and Dulles to get their moneys without the issuance of bonds.

We have been running around talking about how they could issue the bonds. This Senator has taken the position that in order to get the $250 million they have to spend some $712 million in order to receive the bonds.

The truth of the matter is that under this particular provision they will qualify. I have a list of airports here, just the top 10 recipients, which qualified in the past, fiscal year, for money from the trust fund.

Under the authorization act passed by the Congress in, 1982, a certain amount is authorized to come from the Airports and Airways Trust Fund. One billion dollars was given to that trust fund last year. There is more than $7 billion in the fund today.

Kahilui, HI, got $24.3 million; Miami, $28.8 million; Houston, $23.3 million; Atlanta, $18.5 million; Los Angeles, $16.5 million; JFK, $16.3 million; Newark, $12.6 million; Fort Lauderdale, $11.7 million; St. Louis, $11.1 million; Phoenix, AZ, $11.1 million.

Just that quick listing total $171 million that was given out at the discretion of the Airports and Airways Trust Fund managers. In all, some $939.6 million was given out.

So these two airports will qualify. We are not running up a price for the members and we are not running up a burden for the authorities. In fact, if they ever appointed me on that authority I would wait a long time before I issued all of those bonds and go to all of those extra expenses. Rather, I would wait until I got equal treatment out of that trust fund for both Dulles and Washington National.

That being the case, we know now that $47 million, which the Department of Transportation calls now the transfer price, does not reflect the Federal investment in these two very valuable properties. More importantly, at a time of mounting Federal deficits, the national interest is served really by maximizing the return on our investment at those airports.

Gosh knows, here the Congress sits around day in and day out and tells Secretary Weinberger how to run the Defense Department. They really come up here to a point of exhaustion trying to answer every little picky-picky question that every Member, Senator or Congressman, can think of. One of the big ones is alternative bidding. "Why don't you lower the price? It costs too much. That is too high." Do this and that and everything else, that is in order to get the market value. They would not think of giving away as trustees, as we are, Federal public properties, giving it away to an authority or to anyone, really. But it is pell-mell now because the Secretary of Transportation has never asked the administration for the moneys. She has never asked to qualify the public airport as being a public airport. She has never moved to try to make the improvements. She just says:

> This is one of the responsibilities that I can offload with a sweetheart deal to the former Governor of Virginia and giving him a controlling membership on the new authority and he will come around and smile convincingly what a wonderful businesslike situation this is.

I will have to find that editorial they put out a few days ago. It dovetails right in with the Washington Post. They write what they want the Members to read. They argue more effectively and certainly more extensively in the Washington Post than a Senator is allowed for time and attention on the floor of the Senate itself.

Let us read it.

It says: "Why the Airports Bill Makes Sense.

"Before the Easter break, the Senate managed to survive and short-circuit the filibustering of Senator Paul Sarbanes against a sound bipartisan bill to get the Federal Government out of the expensive business of operating two airports."

That is all fallacious. Start with sentence one. Anybody who writes that is an ignoramus.

The Senator from Maryland is doing his business here to bring to the attention of his colleagues, hopefully, past and direct pressures brought on by the Secretary of Transportation and the majority leader for the giveaway. I have joined him. We have extended debate on this particular measure with very sound amendments, very sound proposals and very sound arguments. Please stop, look, and listen.

So it is not a filibuster by any manner or means.

To get the Federal Government out of the expensive business? Those ignoramuses ought to understand what is making money and what is not making money.

Right to the point, this is a money-making proposition. They made $17 million in 1984. They are making money out there now. They are charging fees. They are getting parking facility charges and all these other things. So that is not an expense to the Federal Government. We are making money out of the two airports. So let us correct sentence No. 1. I never read these things carefully but you do not have to study them because they are really nonsense when they write these editorials. They are authors who obscure the truth and highlight, as they will. Any kind of fanciful nonsense that they can put together and hope you will read and run in Pavlovian fashion, pell-mell, and "Whoppee, I voted for something that made sense," as the Washington Post headline makes sense. We live in the age of headlines rather than headway.

Then they say:

> Now the challenge will be to endure a series of equally shortsighted and long-winded efforts by the Senator to destroy the airport transfer bill that makes so much practical and financial sense for the Federal budget and for regional responsibility.

Where do they get regional responsibility for the National Zoo? Where do they get regional responsibility for the Capitol Building that we are in? Where do they get regional responsibility for the Botanic Gardens? Where do they get regional responsibility for the Library of Congress? These are national facilities and national Federal endeavors built both these airports. They belong to all the people—the people not just of Virginia, but of South Carolina and everyplace else.

Regional responsibility. Those are the people that built up everything around us. The truth is we had the airports and then Crystal City developed thereafter. Then they want to close the airport. They said do not land or take off after a certain time of day because we have built up all the buildings around you.

Regional responsibility. This is regional irresponsibility. Who is the ignoramus that wrote this editorial? I never heard of such nonsense.

The responsibility belonged to the people of the United States to provide facilities. We spent a lot of money building National, a lot of money building Dulles Airport, and we are spending money trying to get transportation out there and highways—millions and millions of dollars' worth in extra highways for access and everything else.

What we have, in essense, done is given a veritable industrial park to the State of Virginia going out to Dulles. It is just booming, going, and growing. I wish I had it in South Carolina. It is better than any kind of thing on the west coast of high technology or any other kind of development of that kind up in Boston, MA, and Lowell and New Hampshire, any kind of high technology park or whatever it is. They will be getting the best of brains, the best of talent, the best of research facilities, the best of corporate headquarters—all because we put, at the expense of all the people of the United States, the facilities out there at Dulles and we have turned farm land into the nicest developmental land that you can find in the United States today.

Last year, Dulles experienced a 47-percent growth in airline traffic. No one else can compare to that. We have the facts to show the Transportation

Secretary, because she furnished them to us on that particular score.

The Senator is not trying to destroy anything. He is trying to bring sobriety and sense to the Congress itself—finanical sense for the Federal budget.

Where is the burden on the Federal budget? I can tell you where the burden is going to come. What we have now that is making money is going to cost 366 million extra dollars in tax expenditures. I say that categorically as a former chairman of the Budget Committee and a present senior member on that particular committee. When I go look at the budget, I look not only at expenses, I look not only at taxes or revenues; I look at the fastest growing item, even faster than interest costs, even faster than national defense. That is the matter of tax expenditures.

The "loophole committee" is what I call the Finance Committee. Senator LONG, and I have said this before most respectfully, did a way better job than Senator STENNIS on defense. The loophole committee expanded the loopholes way, way beyond any expenses, way better than President Reagan right now.

Senator PACKWOOD on the loophole committee, Senator DOLE preceding him, did way better with the loophole committee than Secretary Weinberger and President Reagan did on national defense.

Look at the loopholes, the tax expenditures, and find out where we are losing the money and the sea of red ink is rising.

That is what we are trying to stop. They said we are going to grow out of it. They tell us in this bill to dive in it. We are not going to grow out of a sea of red ink.

"Practical and financial sense." This demeans a supposedly literate and intelligent medium, the Washington Post, to talk about financial sense when they have to know otherwise because they have a good budget section. They have written some splendid articles that are relevant to the Federal budget. Although they really do not understand Gramm-Rudman-Hollings. In any event, they do the nicety of calling it Gramm-Rudman-Hollings. Whether that is a blessing or not is another question.

Reading now from the editorial: "The bill as it represents the carefully considered work of a commission."

If you want to see a ragtag commission, look at that crowd. They did not study anything. I have a copy of the report.

The commission report is on a sheet of paper. Anybody who knows about a commission has sense enough to get the thing bound and published. This is just a letter.

Do not give me that part of it. Where is any kind of commission report?

What they did was put together a conspiracy. It was not a commission. They said, "Politically fix this. Take care of Maryland if you can, take care of Mayor Barry downtown if you can, but do your best to keep control. You know what the idea is. We are trying to give you a billion dollar facility. You are going to get it and you are going to get that money from the airport trust fund. You will all get rich."

So the carefully considered report has five pages to it. It says, "The valuation of the airport property is a difficult business." Ha. So that is all we get out of them. Where is their valuation? Do we have valuation? No.

That carefully considered report. They would not dare put a valuation on it. They were not going to find out what the thing was worth. That would expose the conspiracy, I say to the Senator from Virginia. It would be a terrible thing for this giveaway for "Ferdinand" Holton.

Every fellow wants to get money, whether it is Baby Doc Duvalier from Haiti or the Shah of Iran who wants to get his nose in the Federal till, or Somoza down there with his dictatorship that we got in Nicaragua, or Ferdinand Marcos. Now comes Linwood Holton to get his nose in the Federal till.

What a wonderful sweet deal this is. Millions of bucks for nothing. Pure profit; you pay $47 million. You get that much from the airport and airways trust fund or you ought to resign your job, or at least get $70 million. Jimmy Carter took $100 million back to Atlanta, Lyndon Johnson took $150 million down to Dallas-Fort Worth. Some of these folks that want a suntan in the wintertime and get into St. Thomas, they felt we ought to have $90 million. That was the figure under the airports and airways trust fund, so we could build the runway out in the ocean. That cost $90 million there. They could pick up all these moneys there.

So in essence, they are getting the thing just about free of charge. Yet, they talk about the "careful" commission report.

I had not yet read this editorial. I would have been on the floor a lot earlier and been more helpful to the distinguished Senator from Maryland on this score had I done so. But as it says, it represents "the carefully considered work."

They did not work at all. They conspired and wheeled and dealed, "a commission appointed by Transportation Secretary Elizabeth Dole, headed by former Virginia Gov. Linwood Holton and supported by Gov. Gerald Baliles, former Gov. Charles Robb, Senators PAUL TRIBLE and JOHN WARNER." You do not need your name in the Virginia conspiracy. You ought to have better commonsense than to put your name in a conspiracy. I would have better sense than that, at least as I say, writing this stuff in black and white. Just say they have distinguished Americans. Linwood and Gerry Baliles and PAUL TRIBLE and JOHN WARNER are distinguished, and the Secretary herself. Just say distinguished Americans, If you want to find out anything further, you would have to research.

They have children down there writing editorials now. They just list the conspiracy "and just about anybody else who has given thought to the folly of the U.S. Government's continuing to run and repair National and Dulles Airports."

The folly. That is one of the sensible things they have done. What has been folly about it? No one has been really complaining too much about the whole system. We do need improvements, but you cannot have everything. We have been kind of constrictive. Very few of the Members realize there is a trust fund that the taxpayers, airport users, are paying in those taxes, paid in to embellish and enlarge the fund to the point where it has a $7.7 billion balance.

I was asked just the other day, "With all the problems of the Gulf of Sidra, with all the problems of Libyan terrorism, and Nicaragua, and Contra aid, and the budget and tax reform, why are you folks on the floor of the U.S. Senate taking up all this time?" I said, "Because the majority leader has got to go home at night." That is why. I understand that. Everybody should understand that. He is the leader. You have to be a leader and if he cannot get this bill out of the way, then he is in deep trouble. And so I understand that and I agree with him. But Heavens above, let us not write editorials about giving thought to it, because we have given thought to it. It just did not hit us cold. We have asked everyone around and no one can give a logical argument why we ought to spinoff $1 billion of property for $47 million. In fact, if they did that over in the Pentagon they would just about disband. They would have spasms on the floor around here for months.

Now talking about spasms, here it says "In one breath, that took hours, Mr. SARBANES"—well, they want to demean the Senate, the child who wrote this—"In one breath, that took hours, Mr. SARBANES argued that the bill would permit unfair competition against Baltimore-Washington International Airport and that BWI has been a stunning success, an efficient and convenient airport." Well, we agree with that. "There is no reason BWI's success can't continue—and indications are that this excellent Maryland airport will flourish as part of this region's air transportation system."

Well, you can take the profits. Whoever wrote this ought to understand you take these profits plus the extra moneys and not only put in the facilities, but subsidize the operation out there at Dulles. You could also start putting in extra transportation service to get you from the District of Columbia. They might have a little congressional bus down there. I have got influence with Senator TRIBLE. I am convinced if this bill passes I could go to Senator TRIBLE and he would have a little airport bus, and they could easily afford 25 cents for a ride to Dulles. That would be a pretty good deal for me and a pretty good deal for him because then I would feel a little obligated to him, a little bit more supportive of this. But I am sure we will get the Trible transport that will take you out to Dulles for 25 cents if we pass this thing. And if I can get that, Baltimore-Washington International, which has been paid for by the taxpayers of Maryland, could not possibly afford it. In fact, they would run the Governor and the operation out of Maryland if they tried to do that. But we can do that and take care of each other.

I hope the Senator from Virginia would remember that idea. Please help me get out there and subsidize anything else that he can find for me, because we like each other and we want to show that this thing can really be a success. We would be using the public's money all around, with the taxpayers giving even further subsidization not only from the Airport and Airways Trust Fund but through tax expenditures. We are going to sue the taxpayers of Maryland, South Carolina, including Virginia and California and the several States under tax expenditures to take care of this thing further, which is absolutely fiscally stupid. There is no question about that.

(Mr. GORTON assumed the Chair.)

Mr. SARBANES. Will the Senator yield?

Mr. HOLLINGS. Yes. You are going to give me a little ride out to Maryland?

Mr. SARBANES. The Secretary is transferring as part of this sweetheart deal the Dulles access road over to this authority which cost $60 million to build.

Mr. HOLLINGS. They are giving them a highway, too?

Mr. SARBANES. Yes, they are giving them a highway, too.

Mr. HOLLINGS. Good gosh. We have the Trible bus. This must be the Warner Highway. Golly, this thing gets worse, it really gets worse when you stop and listen to what those who have given a $60 million highway are going to give away here. This is a wonderful deal. Reading further from the Post editorial, "Dulles and National, already linked as Government properties, would be leased to a regional authority that could relieve the Federal Government"—relieve the Federal Government—"of an estimated $500 million in necessary improvements."

Well, the Government was relieved of $1 billion, without this bill, of necessary improvements. That is the policy of this National Government, to take the moneys from the users, put them into a fund and relieve the Government by issuing the moneys from the fund. So we do not need this bill to relieve the Government of $500 million. We have the money down there. We are in a deserved position. We deserve it.

We, who use National and Dulles have been paying for 16 years into the fund and, yet those airports have been barred from getting 1 red cent. So it is now our turn to come to the till and relieve the Government of any kind of expenditures because they cannot expend it save on airports and not necessarily the regional and State airports of the particular States. But, rather, we do have two national facilities that belong to the Federal Government and we are the people of the United States, so we are ready to relieve the Government of that $500 million in necessary improvements without this bill.

The next paragraph: "That should be fiscal incentive enough for the Federal Government to place responsibility for Dulles and National where it belongs, in a public authority"—as if it is in a private authority now. We have a public authority now—"that includes the representatives of Virginia, the District, and—yes—Maryland."

Well, we already have a public authority that includes Virginia, the District, Maryland, and all the other 48 States. We have that now. If the individual who wrote this is trying to look for breadth of authority, we have the breadth of authority, and now we are giving it up, confusing particular regional concerns with national concerns.

Next sentence: "But Mr. SARBANES has tried to raise all sorts of scares"—they are not scares; they are facts. We live in the real world—"contending that the transfer could lead to flights in the night over National"—they could. They could lead to flights in the night over National—"and nonaviation use of Dulles some day." They could do it. You get momentary pressures. You get States in deficit positions.

I am glad this is not down in Texas or Louisiana. Down there by Baton Rouge, where there is a shortfall, they are looking for millions. They are looking for $260 million or more down in one little State of Louisiana. Suppose that happened in Richmond, VA, and you were the Governor and you saw all of these people up here on the public till, making all of this money, coming back and forth, flying in and out, with all of these big high-priced lobbyists and everything else like that coming in and out of this place. They would say, well, we could put on a little fee, charge some more for the parking, take that $60 million highway and put a little toll booth on it and say we have not paid for the highway yet and let us get some more moneys. I can tell you, as the Governor, you can get reelected on that. You can get reelected on relieving your State of a fiscal burden. We are putting ourselves in the lion's den here in order to understand and appreciate it and know what is going on.

Next: "What it will lead to is the operation of two airports with improved facilities"—which can easily be had now—"under a 35-year lease, not a sale"—we will have an amendment to make sure it is a lease. We are not guaranteed that. The measure does not say that. I do not see why they do not put that in the particular bill. It would require an amendment. But this thing has gotten up and obscures the facts just as they write a scare editorial, if you want to talk about scare—"that will better serve the Congress, the airlines, this region and the traveling public. That is incentive enough for Senators to support the bill as submitted."

So you have the message from the Washington Post that dovetails in. That says: "Let's, by gosh, make sense. Act like business people and fix authority there with respect to Virginia and the District and Maryland and everything else of that kind." They will understand, as Alice in Wonderland. Before we decide where we are headed, we had better decide where we are. We are into a fine situation.

There has been no problem. The problem has been political. The problem has been indecision. The problem has been inaction. The problem has been inattention. We in Congress have been guilty of inattention, and those in the Department of Transportation have been guilty of inattention. They have no request of the Office of Management and Budget in the past 5 years to make these particular improvements. The money has been sitting there. They know how to get the money.

They know how to put in a bill to get rid of the responsibility, but they have not been answering to their own responsibility.

If you think that is a fair price, let me refer to the National Taxpayers Union, a letter dated March 18:

DEAR SENATOR: Soon you may be asked to vote on S. 1017, the Metropolitan Washington Airports Transfer Act. This bill would transfer ownership of Dulles and National Airports to an independent authority dominated by the Commonwealth of Virginia. We urge you to vote "No" on this sale.

Although, we agree that the federal government should get out of the business of owning and managing airports, we are ap-

palled at the ridiculously low sale price placed on these valuable properties. The combined market value of the properties is conservatively estimated at $1.5 to $2 billion. Yet, the two airports are to be sold for only $47 million—about 1/35 their actual worth.

In addition, the transfer and future improvements are to be financed with tax-exempt bonds over a 30-year period. This adds up to a double soaking of the taxpayer.

Given the nation's tremendous budget deficits and $2 trillion national debt, it is fiscally irresponsible for the federal government to do anything but seek fair market value for the airports. Sound policy demands that the price tag on Dulles and National be raised to reflect their true worth. Otherwise, the sale should be rejected.

It is signed by Jill Lancelot, Director of Congressional Affairs.

Mr. President, there are two things on which I stand corrected. I was using a price of $1 billion because I knew of the offer made for that amount. But the National Taxpayers Union, which has made an equally in-depth study as the commission did—let us put it that way—has come up with $1.5 to $2 billion. So I stand corrected on that. But I can correct them in the next paragraph, when they talk about a double soaking of the taxpayer. The double soaking of the taxpayer is really a triple soaking of the taxpayer.

The taxpayer comes soaked. All of them, as airport users, have been paying that 8 percent. That is the first soaking. The giveaway price is the second soaking, and the tax-exempt bonds is the third soaking. So we have a triple soaking of the taxpayer.

That is why our amendment would require the Secretary of Transportation to have three independent appraisals made of the airports' fair market value, with the transfer price thereafter to be determined by an average of the three appraisers. The appraisals are to be made as airports and not commercial real estate.

To ensure the realization of the Federal investment, this amendment would require that the airport authority pay at least the book value of the two airports should the fair market value fall below that amount.

The Holton Commission claims to have made such a thorough study and could not find any price, they are coming up in the Department of Transportation with the giveaway price of $47 million, and you get very fearful. So that is why we put a caveat in there that at least the airport authority pay an amount equal to the book value.

As of May 31, 1985, the FAA accounting records indicated that the book value of the two airports was $111.4 million—$29.4 million for National, $81.8 million for Dulles, with the difference being shared accounting and personnel activities.

I strongly believe that asking the proposed authority to pay a mere $47 million over 35 years is simply bad public policy. If this body must agree to this legislation, the Senate must not send a signal to the people throughout this Nation that in spite of trillion dollar deficits, we are willing to give away valuable Federal assets for nothing.

I believe that, at a minimum, the Senate must approve this amendment. It would be irresponsible to do otherwise. No Senator could come back hereafter with face and talk about waste, fraud,, and abuse. No one from the other studies—whether the Grace Commission, or the General Accounting Office—could come with any face and say: "Here is the Golden Fleece Award for you this week, because you have wasted $10 million, you have wasted $20 million, you have wasted $30 million."

On the contrary, you are wasting $1 billion. That is the round figure. You are wasting 1 billion bucks, $1 billion worth of $600 toilet seats.

We could buy how many toilet seats for that? We ought to find out how many coffeepots, because they get on the 7 o'clock news and they preempt the whole news hour, going along with what a terrible thing it is to have a coffeepot and a toilet seat. We last estimated that the cost of issuing bonds for improving these airports, some $712 million would buy 60,000 toilet seats, I think. I do not know how many coffeepots or how many pairs of shoes. They are very good on Madam Marcos' shoes now—size 8½—and how many dresses and whatever else.

We can fix in very dramatic way a coffeepot or a toilet seat and get re-elected on waste, fraud, and abuse because "I'm getting the Golden Fleece Award, and I'm for fiscal responsibility, and I'm for a balance budget, and I'm for a dollar's worth of work and a dollar's worth of pay, and every dollar spent comes from the pocket of a taxpayer in America."

We know all that. But do not come around here because you want to do a favor for the Department of Transportation and your colleagues in Virginia and say: "Well, you know how it is. The people back home in South Carolina or the people back in California or New York do not even know this is going on. It is just a little Washington argument and fight, and I can help out my Senator friends interested in this thing and just give the property away. But when it comes to Cap Weinberger and national defense, let's organize a lynching party and talk about nothing but toilet seats and coffeepots, thousands and thousands of them."

Do not vote for this and ever raise your voice, keep it sealed and at least maintain your dignity about waste, fraud, and abuse, if you cannot support this particular amendment, because this amendment goes with the support of the National Taxpayers Union and the common sense of the Senate itself.

I would like at this particular point to perhaps get ready to yield the floor to my colleague from Maryland, Senator MATHIAS, if he wishes to join in on this presentation, because the distinguished senior Senator has been assiduous and very helpful in this particular presentation we have tried to make. It is not a Maryland presentation but one fairer for the people of Maryland, Virginia, the District of Columbia, and all other States combined as well as the leadership, of course, of the distinguished junior Senator, Senator SARBANES, who has been leading the fight for common sense on this score.

So I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. TRIBLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TRIBLE. Mr. President, as my colleagues may have determined by this time, Senator HOLLINGS opposes this measure. He has spoken now on several occasions at some length. His opposition, I am sure, is multifaceted.

But I want to respond to the provisions of his amendment that are now before us and will reserve further comment on his other thoughts and concerns as amendments are advanced by our colleagues.

Let me, then, speak to the central argument of this amendment and of an amendment that will be offered by Senator MATHIAS following the disposition of this matter. That involves the price.

It is alleged by some that this transfer is, in the words of my colleague from South Carolina, a giveaway, that the Government should obtain much more, indeed huge sums of money, for these properties.

First of all, I point out that under the terms of this legislation the regional airport authority will be required to pay $117 million, not an insubstantial sum, by any means. But why not more?

It is true the properties at Washington National and Dulles would be priceless if, and I repeat, if they could be put to the highest commercial use, but they cannot.

These lands must be used as airports. They must be operated on a nonprofit basis. The purpose of these airports will be not profit but service to the people. Let me repeat, these properties must be used as airports. They cannot be operated for profit.

Indeed, this is the way all carrier airports in our country operate.

How then do we go about evaluating their value? It is a difficult task, I will tell you. There are no easy answers, but I am convinced, after having studied this for some time, I am convinced, after having talked to a whole host of financial experts, that the value as embodied in this legislation is fair and reasonable. It is fair to the Federal Government and to the taxpayers; it is fair to the people who will use these airports, the people who will have to pay the surcharge.

How do you go about establishing value, or, as the Hollings amendment proposes, fair market value? It is difficult. Again, these properties cannot be put to their highest commercial use. Therefore, they will not fetch these astronomical sums of money about which some have talked. You cannot build highrises; you cannot develop them. You have to use them for airports and those airports, by definition, must be operated for the public purpose and not for profit.

Market value is often based on analysis of income. Here income-stream analysis would give the airports the value of zero—zero—because there can be no income derived from these activities. That is not realistic.

Senator HOLLINGS would suggest book value, and it is the book value computation that is employed in his amendment of $111 million. That incudes a number of considerations, but it includes, in part, properties the airlines bought and paid for and gave to the airports, terminals built by Northwestern, TWA, American, all at National Airport.

It is certainly not reasonable to ask that the Federal Government be compensated for these airports, airport facilities that were not paid for by the taxpayers. They were paid for by the airlines. They were given as a gift to the Federal Government.

There are many ways, I guess, one could go about trying to establish the value of these properties. But after everything is said and done, really the only fair way, the only realistic way is to go about making the taxpayers whole.

It is important to determine here how much moneys have been invested in these properties through the years. And then we should go about reimbursing the taxpayers for those expenditures, making them whole. And that is precisely what this legislation would do.

This legislation would require the authority to reimburse the Government for its hypothetical debt of $44 million. It means the Federal Government has invested in these airports through the years moneys that have not been repaid to date, plus interest at market levels. That is fair. That is reasonable. We are making the taxpayers whole.

To require more would require not Virginia, not Maryland, not the District of Columbia, not some creation of law, namely, an airport authority, but rather the users of this airport to pay not once but more than once for these facilities. That is simply not fair.

Moreover, this bill requires the authority to assume a $37 million shortfall in the Federal pension fund for the airport employees and it requires the authority to pay $36 million to Maryland.

You add all this up and you get over $100 million, $117 million to be exact. That exceeds the bottom figure presented in the Hollings amendment which is $111 million.

Be mindful, moveover, this transfer relieves us, the United States, the Federal taxpayers, of a potential $1 billion liability. Everyone agrees it is essential for us to expand, modernize, and enhance these airports. It is my judgment that we will not do that as a Congress, given the fiscal restraints of the time; therefore, this legislation is essential.

But that has to be done by someone because these airports are falling down around us. Those are Senator HOLLINGS' words, not mine. Indeed, they relate rather graphically the reality of these airports. They have to be upgraded. They have to be expanded. They have to be modernized so the citizens of this region and the citizens of our country, be they from South Carolina or South Dakota or California, can be well served.

After all, these are the gateways to our Nation's Capital.

Finally, in regard to price, a higher sales price might bring more to the Treasury but it would make it difficult, indeed impossible, for the authority to make the kinds of dramatic improvements that are central and it would simply amount to a tax on the Washington travelers who will pay the airport cost through fares and through users fees.

We are not socking it to Virginia by requiring a larger price. We are not laying that burden on some kind of airport authority. We are imposing that heavy burden on the people who will use these airports.

And as much satisfaction as it might give us to impose some huge sum of responsibility, it may well make it difficult, indeed impossible, for these airports to be improved, for services to be improved, and that ought not to be our purpose.

Again, the purchase price is not going to be extracted from Virginia or the airlines. It is going to come out of the pockets of our constituents, yours and mine, the travelers who use these airports.

I would say that this amendment is a clear attempt to destroy this measure. It does not speak with any degree of precision to what the value of this property would be or the cost that would be imposed on the traveling public.

By its terms, it suggests that this property should fetch some market value, the highest commercial value to which it could be placed, which is clearly not appropriate to this situation. Because, again by the terms of this legislation, these properties, priceless as they would be if put to their highest commercial use, must be used for airport purposes, must be used to serve the public. And the bottom line of those operations is not profit, but service.

So for these and for other good reasons, I oppose the Hollings amendment and it would be my intention to move to table that amendment, but not at this point if my colleagues would wish to debate the matter further.

I see Senator HOLLINGS rising.

Mr. HOLLINGS. Mr. President, I thought the distinguished Senator from Virginia would accept it. He accepted an amendment with respect to the employees. This is another one making good sense that says use your Secretary of Transportation, let her get three impartial evaluations and take the mean average and say that is the transfer price. In essence, by moving to table, you are afraid to have it appraised. I noticed that in the Holton Commission. You cannot get there from here. You just do not know how to find it out or whatever it is.

I can tell you, if you go to issue bonds—and that is what you are talking about is an authority and they are going to issue bonds—when you go to the bond market, you are going to have an appraised value. You can dance around the fire and you cannot get there from here and there is no way to really find it out, and just to get the money back, let us not do anything about finding out the fair market value.

I would think the Senator from Virginia would show his good spirit in this particular measure, if he would come forward and say, "That is a pretty good amendment. Why do we object to that? What is sanctified about $47 million? Why not?"

I know about these other things with respect to the $36 million in there for Maryland and the unfunded civil service retirement liability. But the $47 million is in there arbitarily in the light of all the other estimates made by the Taxapayers Union. The Republican administration of President Nixon, they had a higher price of over a hundred million dollars back 15 years ago; the Grace Commission report, far more responsible than the Holton Commission that says we cannot get there from here.

It seems like the Senator from Virginia would want to accept this amendment rather than announce now that he wants to table it. What is wrong with three impartial, responsible bodies making evaluations and then taking that and setting the price? That is the way to go, it seems to me, in light of all the other, the commonsensical part of the thousands of acres, 10,000 acres of commercial property that we see. Like I said, there is a silicon valley out there developing around Dulles. And this Senator knows, as I land in my own airport down at home, that our particular authority has every Porsche automobile flown from Europe into the Charleston International Airport. They have constructed a facility, the authority there, that is a commercial venture connected with the airport. Under your bill, this particular new authority could do the same thing. So they have constructed a building and a parking lot and all of the Porsches, ritzy automobiles, that come into the United States of America, come in through my home authority, the Charleston International Airport.

Now you have got literally thousands of acres out there for that kind of development. That is worth more than any $47 million. I say it is a giveaway price, it is a disgraceful price. So we say, "Well, you know."

"No, I'm not an authority."

"No, you are."

No, you are not an authority, but we can find the best persons around not just on the sale but it will have to be determined by way of return for the market, reliability, land worth, building worth, and otherwise, than if you just closed it down for the issuance of the bonds. That will have to be represented in the bond instrument that we sell these bonds for.

So you cannot evade and avoid much longer. Your authority is going to have to do it. What is the matter with the Secretary of Transportation doing it now? Let her pick whoever she wants and then pick the mean average and she will not have to listen to the argument any more about the giveaway price or whatever else you want to call it, because we all know it is absolutely minimum. The Governor of Maryland walked into our hearings last year and he said, "I will double the price." I just happened to talk to the distinguished senior Senator, the conservative from Arizona, the distinguished Senator GOLDWATER. He said, "I would like to get it for that price."

Everybody here knows that this is a matter of embarrassment to come in here at a $47 million price on these properties with all their accoutrements and say that that is sound, good business sense or whatever it is, as the Washington Post says. In addition to waste, fraud, and abuse, that is what we have this day and time, those running for public office say what we need is more business in Government, need business leadership and business practices. And here we come to get a business practice, a market value, and then, as politicians, we want to stand up and say, "No, you can't get there from here. We just won't find out what it is and I am going to have to move to table."

Let me yield the floor at this particular time.

Mr. SARBANES. Will the Senator yield for a question?

Mr. HOLLINGS. Yes.

Mr. SARBANES. The Senator from Virginia made the point, in response to the Senator's amendment, that these properties had to be used for airports. Now, there is some language in here that some of this property can be used for, in a sense, other purposes if they related back, but the other point is what happens after the 35-year period. This Washington Post editorial says, "Under a 35-year lease, not a sale." They talked about this being a 35-year lease, not a sale. But if you read the bill, at the end of the 35 years, the title to the real property passes to the airport authority and the requirement that they use these properties for an airport ceases.

First of all, would you say that if you paid $47 million over 35 years, with tax-free revenue bonds, for properties worth hundreds of millions and then at the end of the 35 years you got the title to the property, would you call that a sale eventually?

Mr. HOLLINGS. You used the harsh word "steal," but that is what you and I could call it in common business parlance. If I had a client and I was practicing law, my reaction would be: "You got a steal there. Get that thing and get it quick. Get them to sign it up. Let them put their names on that thing and don't ask them any further questions. That is wonderful. Go out and celebrate."

That is a steal of the Government's property. That is why I characterized it with all of these others, charlatans, potentates, Baby Doc's, and whatever. Everybody else is stealing the public's money. This is nothing more than a dignified steal. We are going to pass a bill to authorize a steal. That is what it is.

You have to look at it in the cold light of day and understand that we have a steal on our hands. That is what has been going on. It is a sweetheart deal and you have the press—the only ones covering this, the Charleston newspapers; nobody else would have a story about this thing. They would not even know it, would not even understand it.

So it just goes merrily through unless we pique the conscience and common sense of our colleagues here in the Senate.

Now, let me ask for the yeas and nays to my amendment, at least.

Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER (Mr. MCCONNELL). Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. HOLLINGS. I thank the distinguished Chair.

I hope the distinguished Senator from Virginia will not move to table the amendment. I hate to have that motion in the record because the Senator is a most responsible Senator, and one of our leaders on the Commerce Committee. I am privileged to serve with him there. He would not want to table an amendment that says, look, Secretary of Transportation, they have brought in the issue on this matter of the value, and they brought it in in several ways, not only embellishing with the commercial properties the $60 million for the Dulles access road and after the 35-year lease the continued uses thereof, willy-nilly for whatever. But people have come around, the Grace Commission, President Nixon's administration, National Taxpayers Union, Governor of Maryland, a British entity that came and made offers—you have had all kind of offers made, all of them just showing whether or not the value is $100 or $500 million or a billion dollars. We all know it is far in excess of the $47 million.

So why table the Secretary of Transportation coming in and getting three estimates, taking the mean and saying that is the price of the authority? What is wrong with that? I would be glad to amend the amendment if the Senator from Virginia wished me to amend it. I take it he is not responding. So he would rather kill it. He nods in the affirmative.

Well, let me yield the floor at this particular time.

Mr. SARBANES. Mr. President, I want to address a couple of points that have been made in this debate. First of all, at the end of the 35-year period, the authority will acquire these properties free and clear. They will be able to do whatever they want with them. You can have another Crystal City at National Airport if they chose to do that at the end of the 35-year period. So there is no guarantee that these facilities will go on being used as an airport.

Second, no one is arguing that they should necessarily pay a price that is going to burden their ability to function as an airport. But that is not what is happening here. With $47 million paid over 35 years, and financed by tax-exempt bonds, this thing is going to have an enormous cost to the Federal Treasury. It has the cost of the interest on the bonds which would be avoided if they used directly the

money in the Airport Trust Fund. So you have that cost, the interest on the bonds.

Second, you have the cost from the loss of revenues to the Treasury because the bonds are tax exempt. So you have to add that in as well.

Third, you have the cost because you are giving these facilities over at $47 million. The Dulles access road alone—leave out the two airports, just the highway, as the Senator from South Carolina said earlier, there is a highway in here as well as these two airports, the highway alone—is $60 million. That is just being turned over to this authority.

So this is not a bargain basement sale. This is a sub- sub- sub- subbargain basement sale. This is the original fire sale if there ever was one. Of course, it enables the authority to acquire these capital assets at a ridiculously low cost, and then structure its fees in an unfair competitive way. So that is another complication that comes from the fact that this sale is being made on such a ridiculously low price.

There is no wonder that the National Taxpayer Union has taken strong exception to this bill, and this provision for a sale. There is an opportunity here to realize a contribution. The Senator from South Carolina deals with these budget questions in the Budget Committee all the time. He is very much aware of the fiscal constraints in which we find ourselves. Here we are now in effect giving away these facilities when there is an opportunity to recoup at least part of the very significant investment in the range of hundreds of millions of dollars which have been made in these facilities over the years.

As I understand the Senator's amendment, it would provide for obtaining independent appraisals which seems to me to be a very sensible thing. I can tell you, I was on the Holton Commission. There was no independent appraisal of what ought to be paid here. All they did was try to figure some way to find the lowest figure they possibly could. So they took this figure, that supposedly represented what had not been recouped at the airports over the years. They give it an imputed interests rate at 4.9 percent. Then they say that ought to be the sale price.

The question of the sales price was never carefully examined in an objective way. It was only considered in terms of, well, in a sense what is the minimum we can do and legitimatize this transfer. That is exactly what happened. The Senator from South Carolina has put his finger on it.

I strongly support his amendment.

Mr. TRIBLE addressed the Chair.

The PRESIDING OFFICER. The Senator from Virginia.

Mr. TRIBLE. Let me bring this debate on the Hollings amendment to a close. Let me point out simply that the suggestion that these airport propertils can be put to some other use is simply mistaken. That is what is known as a red-herring argument. I would point my colleagues to the bill now before us on page 34. It says that this corporation is constituted solely to operate both Metropolitan Washington airports as primary airports serving the Washington metropolitan area. That is their sole purpose for being.

This is in the document that creates them.

Mr. President, I would now move to table the Hollings amendment, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Virginia to lay on the table the amendment of the Senator from South Carolina. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. SIMPSON. I announce that the Senator from New Mexico [Mr. DOMENICI], the Senator from Florida [Mrs. HAWKINS], and the Senator from Vermont [Mr. STAFFORD], are necessarily absent.

Mr. CRANSTON. I announce that the Senator from Colorado [Mr. HART], is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 49, nays 47, as follows:

[Rollcall Vote No. 58 Leg.]

YEAS—49

Abdnor	Grassley	Pressler
Armstrong	Hatch	Quayle
Boschwitz	Hatfield	Rockefeller
Chafee	Hecht	Roth
Cochran	Helms	Rudman
Cohen	Inouye	Simpson
D'Amato	Johnston	Specter
Danforth	Kassebaum	Stevens
Denton	Kasten	Symms
Dodd	Laxalt	Thurmond
Dole	Long	Trible
Durenberger	Lugar	Wallop
East	McClure	Warner
Evans	McConnell	Weicker
Garn	Murkowski	Wilson
Gore	Nickles	
Gorton	Packwood	

NAYS—47

Andrews	Ford	Mattingly
Baucus	Glenn	Melcher
Bentsen	Goldwater	Metzenbaum
Biden	Gramm	Mitchell
Bingaman	Harkin	Moynihan
Boren	Heflin	Nunn
Bradley	Heinz	Pell
Bumpers	Hollings	Proxmire
Burdick	Humphrey	Pryor
Byrd	Kennedy	Riegle
Chiles	Kerry	Sarbanes
Cranston	Lautenberg	Sasser
DeConcini	Leahy	Simon
Dixon	Levin	Stennis
Eagleton	Mathias	Zorinsky
Exon	Matsunaga	

NOT VOTING—4

Domenici	Hawkins
Hart	Stafford

So the motion was agreed to.

Mr. TRIBLE. I move to reconsider the vote by which the motion was agreed to.

Mr. DOLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Idaho.

AMENDMENT NO. 1764

(Purpose: Expressing the sense of the Senate that actions to control the deficit should take precedence over tax reform legislation during the Second Session of the Ninety-Ninth Congress.

Mr. SYMMS. Mr. President, I have an amendment I send to the desk on behalf of myself, Senators BOSCHWITZ, HELMS, WEICKER, NICKLES, and MATTINGLY, in the form of a sense-of-the-Senate resolution.

The PRESIDING OFFICER. The clerk will report.

The legislataive clerk read as follows:

The Senator from Idaho [Mr. SYMMS], for himself and others, proposes an amendment numbered 1764:

At the appropriate place, add the following:

As recently as February 4, the Office of Management and Budget projected that deficits for Fiscal Years 1986 through 1990 would increase the federal debt by $697,289,000,000;

Congress sought to remedy this problem of escalating debt by enacting the Gramm-Rudman-Hollings deficit reduction program, which was passed by both Houses of Congress and signed into law by the President on December 12, 1985;

Even under Gramm-Rudman-Hollings, the federal debt is projected to grow to $2,323,100,000,000 in fiscal year 1987, $2,523,000,000,000 in fiscal year, 1988, and $2,697,700,000,000 in fiscal year 1989;

As a result, even Gramm-Rudman-Hollings will produce a federal debt which, by fiscal year 1989, will represent well over $10,000 for every man, woman, and child in the United States;

The financial markets of the United States and the other industrialized nations of the world look to the government of the United States for leadership in the resolution of its deficit crisis; and

The consideration of tax reform by the Senate of the United States without first making serious efforts to control the deficit will only succeed in enhancing the uncertainty in financial markets which those deficits create: Now, therefore,

It is the sense of the Senate that tax reform should not be considered or debated by the United States Senate until a firm, definite budget agreement has been reached between the President and the Congress of the United States.

Mr. SYMMS. Mr. President, I think the text of the sense of the Senate resolution is self-explanatory. From my experience in this and the other body there simply is not time to address the

major issue of tax reform while we still have the budget question in the air. In my view the Senate should send a message of predictability to the Americans who are risking capital daily and those who are working to make our economy productive. I think this is the best signal we could send them at this point in time—to set aside this issue of tax reform until we have resolved the question of the budget.

Mr. President, I ask unanimous consent that Senator MATTINGLY be added as an original cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BOSCHWITZ addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. BOSCHWITZ. Mr. President, this sense of the Senate resolution is not unlike a letter that was signed by 50 Senators and sent some time ago to the President saying that we should not consider tax reform prior to moving in a manner that would prevent the sequester under the Gramm-Rudman bill later this year.

This sense-of-the-Senate resolution says that the budget is the first order of business before the Congress of the United States and that the tax bill should be laid aside until the budget deficit and the Gramm-Rudman sequester is resolved. That letter was signed by 50 Senators. However, there were at least two dozen or more who said they would like to vote for a resolution similar to this but that they did not want to sign the letter at that time. We believe this sense-of-the-Senate resolution states the overwhelming desire of the Senate with respect to national priority. There is no question in my mind, Mr. President, that the foremost national priority is the budget and that in the event we go forward with the tax bill we will probably preempt the ability to use additional revenues should they be necessary to balance the budget. I hope that additional revenues are not necessary. I hope that by skillfully cutting or preventing programs from growing too rapidly we will be able to balance the budget in that way and not have to resort to revenues.

Certainly, my friend and colleague from Idaho, Senator SYMMS, feels very strongly that way—that no additional revenues should be sought for the purpose of balancing the budget. But there is no question that the idea of moving forward with the budget is the necessary priority.

In the event we do that, in the event we scale down the deficit each year, in the event it goes from $182 billion, as it is now predicted, to $144 billion, that is a cut of $38 billion. Clearly, if the Government spends that much less money, there will be less economic activity.

It is hoped that by moving toward a balanced budget, you also lower interest rates. That, in turn, stimulates economic activity to replace economic activity that is lost through deficit spending. But we must balance the budget, or there are some other aspects of deficit spending a little more difficult to cope with, and those are inflation and high interest rates.

If at the same time we scale down the spending of the Federal Government we also undertake major tax legislation that changes the taxation and savings; that changes, as the House of Representatives would, the rates of capital gains; that changes the rules applying to depreciation of investment tax credit, all those things can have a very negative impact on the economy as well. To do that simultaneously with slowing the growth in Government spending is indeed risky to the economy.

So I join my friend and colleague. Senator SYMMS and I offer this together with the other Senators whom Senator SYMMS has noted. We hope we get a favorable and overwhelming vote that the budget must go first, that the budget and the balancing of that budget is a matter that has been on our agenda for some time, and that now must be taken care of; because, if not now, it will just go on from year to year and continue to exacerbate the problem.

Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. RIEGLE. Mr. President, I want to comment on this amendment. I am in opposition to it. I want to ask a question about it as we go along.

I am reluctant to see the Senate vote on this particular amendment, for several reasons.

First of all, we have already acted on the budget in the Senate Budget Committee, and that package is waiting to come to the Senate floor. For reasons that are unclear, we cannot seem to get it on the Senate floor to act on it. It could be brought up this afternoon. It should be brought up this afternoon. So the notion that anything else—tax reform or any other issue—is holding up consideration of the budget is nonsense. We have an affirmative package put together, on a bipartisan basis, in the Budget Committee. That should be on the floor and is not. So, to say that anything is blocking it is not the case at all.

Second, the Finance Committee is acting on the President's tax reform proposals this very day. I do not know what they will eventually do in the committee in terms of what they will propose. But when they finally reach a judgment, if they do, and if they report out of the Finance Committee a tax reform proposal, it will come to the Senate floor in due course, and we will have a chance to act on it. If it is not sound, it can be defeated by the Senate, or it can be changed in whatever ways we might think are necessary. That is properly the course of action open to us. But I do not think we should try to judge now what we may be seeing in the way of a tax reform package out of the Finance Committee.

Mr. BOSCHWITZ. Mr. President, will the Senator yield?

Mr. RIEGLE. Not at this point. I will yield when I complete my remarks, I say to the Senator from Minnesota.

Third, the President of the United States has indicated that he feels very strongly that the tax reform issue needs to be addressed this year. If that is going to be done in an orderly fashion, we cannot stop work on it now. We have to continue to work on it. The House acted last year, and the President has said that in his view it is very important that these issues be raised. There are some things in his proposal I agree with and some I disagree with, and that is probably true of every Senator. But there are some very constructive elements in the President's proposal.

For one thing, he proposes closing some loopholes in the tax laws which prevent people from contributing what is thought of as a fair share of income to support the overall costs of Government, in behalf of all the people of the country. He has proposals in there for a minimum tax on corporation and individuals who otherwise may end up not paying anything at all. So there are some constructive elements.

I think reducing the number of tax brackets is a direction of simplication that makes some sense. Whether it should go from 14 to 3 or 14 to 4, whatever the number, we can debate that on the floor.

There are a number of things that I think have been properly raised in terms of fairness. I think the President is proper in raising those issues, and we ought properly to deal with them. It does not mean we have to agree with him. It does not mean we cannot change the proposal in whatever ways a majority of the Senate should desire. But, in the end, we are free to act.

The fourth point is that in the budget document reported from the Budget Committee, with a majority of votes on both sides of the aisle, there is a revenue component. The revenue component contains one part that the President has asked for of roughly $5.9 billion new revenues in 1987, in his own budget proposals, and we have augmented that with this bipartisan package out of the Budget Committee.

I believe the added figure is roughly $12.5 billion, bringing it up to about $18.7 billion for 1987. We do not have the power to indicate how those revenues should be raised. The Finance Committee would have to take a look at how that is to be done.

The point is that in the whole tax reform process—in the closing of loopholes and the establishment of a minimum tax—there is the generation of new revenue that will be brought into the Government, and the Budget Committee thought is that part of that, a small part, should be retained and used for deficit reduction.

So these two issues connect to one another. To try to pretend that they do not, to say that we have to do one and cannot do work on the other until we finish the first, does not face the reality that is upon us. We have to be dealing with these problems simultaneously, which is what we are attempting to do.

There is no reason why we cannot bring the budget to the floor this afternoon and get started on it. We have a package. It is all ready to go. The only reason it has not been brought up is that apparently there is some reluctance on the other side to do it because, I guess, of differences of opinion with the White House or among Members on the other side, or whatever it is. I do not want to get into the reasons for blocking it. There is no good reason for not bringing it up.

We are up against the Gramm-Rudman deadline of April 15 to adopt a budget, so we should bring it up now. So I think this sense-of-the Senate resolution is misleading. I do not think this is a helpful step to take. I believe that, in a sense, it is a sort of gratuitous embarrassment to the President and to his people who are working to try to produce a tax reform proposal. In a sense, it becomes an odd instruction to the Finance Committee to stop work, when we are in the midst of trying to deal with the proposals the President has sent up here, which have come from the House, and which Senator PACKWOOD, on behalf of the Finance Committee and on his own behalf, has developed in the Senate.

I think that work has to continue. In a sense to say all that needs to be set down or to be shunted aside until we deal with the budget, when, in fact, we are not even dealing with the budget, I think that adds almost a comic element to it.

Having said all that, I have great regard for the Senator from Minnesota. He and I talked privately about this matter. I recall the weeks that he spent circulating his letter and obviously with very serious intent to want to make an important point, and it is a point that I think can properly be made and someone who has that view should make it. But to take and ask the Senate today to go on record with a yes-or-no vote on this kind of a sense-of-the-Senate document, as I said before, I think ends up unintentionally having sort of a comic element to it but, more than that, I think it almost is an embarrassing step to take.

I think it needlessly embarrasses the President, who said it is a very high national priority, in his view, to move ahead with tax reform. I think it needlessly embarrasses our colleagues on the Finance Committee who are today under that instruction trying to work and come to some kind of a proposal that they can send to the Senate, and also it is almost a bad joke when you think about holding off on any kind of tax considerations until we get the budget done when we have a budget document that has already been produced by the Budget Committee waiting to come to the floor and we cannot again get it called up to act upon it.

We are here fooling around with giving away two national airports because somehow or other that is thought to be more important than dealing with the budget.

For those reasons and with due respect to my colleagues who hold this view, I think this is the wrong action to take at this time. I hope that this could be tabled without prejudice one way or the other but that we not end up embarrassing outselves here in this fashion.

Mr. PACKWOOD and Mr. METZENBAUM addressed the Chair.

The PRESIDING OFFICER (Mr. PRESSLER). The Senator from Oregon is recognized.

Mr. PACKWOOD. Mr. President, I tried to move along in a timely fashion with the Finance Committee since we have received the tax bill from the House of Representatives.

We are moving along in a timely manner. We are meeting this morning. We met every morning. We met most afternoons. We will get a tax bill done, which I think will be a credible bill.

There is nothing, however, stopping this Senate from going ahead and producing a budget, at least voting on a budget—I do not know we can produce one—but at least we can vote on it.

There may or may not be tax increases in it. I do not know what the will of Congress will be by the time it goes through the House of Representatives and Senate.

It is my intention at this time to produce a tax reform bill. But as we are all aware, a sense-of-the-Senate resolution is not binding on the President, or not binding on the Senate.

If the President wants to bring a tax bill, he can.

It is a nullity. There are some who do not want a tax bill at all, not a House bill, not the President's bill, not Treasury I, not any bill coming of the Finance Committee.

They are willing to use every dilatory tactic they can find to avoid considering a tax bill, although I regard this resolution as the most insane and arcane approach. It is not binding, and it is saying to the Senate "Take up a major item of the President. It is something of great concern to the country—tax reform—until we do a budget," which we can do today, if we want, which we are supposed to do by next Tuesday, and we will not.

To hold the tax reform bill hostage to some specious sense-of-the-Senate resolution, which is not binding, because the Senate and Congress have not taken up the budget, I think I find demeaning to the committee.

I yield the floor.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. METZENBAUM. Mr. President, I believe this resolution is misdirected.

My colleague from Michigan had indicated that there is a comic element in the resolution. The only problem is that the joke will be on the American people and it will not be a very good joke.

If there is an issue in the country that calls for action, it has to do with tax reform, and it just does not make sense to let the American people continue bearing the tax burden while day in and day out special interests in this country pay no taxes and in too many instances even receive a tax refund.

I was upset to learn that the Finance Committee has already concluded that they are not going to make the necessary changes so that the timber industry pays its fair share of the tax burden. Why on Earth should the timber industry be able to treat their profits as capital gains? Everybody else who grows products in this country has to pay their taxes on the same basis as the rest of the Nation. It is a profit. You pay tax on it. That is their business.

But some years ago the timber industry came forward and they were able to get Congress to say that timber was to be treated as a capital gain, meaning they would pay only on half of the profits, and how it appears that that is going to remain in the law if the Finance Committee has its way.

Yesterday, the Finance Committee dealt with the issue of oil company profits. What a sad day it is that only three members of that committee were able to stand up to the oil industry. What is there about the oil industry that makes them so all powerful around here—their political action committees? It was 18 to 3 in the committee not to eliminate some of the special breaks that the oil industry gets.

I know the oil industry is hurting this week or this month. But the oil industry was not paying a fair share of

their taxes when they were not hurting and there is no question in any one's mind that oil prices are going to go back up.

But, no, we are not going to do anything about oil industry tax breaks and we do not even want to touch the issue until we get done with the budget? Why? What logic says that we cannot touch tax reform until such time as we deal with the budget? We are having enough trouble getting the budget to the floor.

I am one of those who has spoken about the need to bring it to the floor promptly. We brought it out of committee. It is not a perfect budget, but it is better than no budget at all and it conforms to the Gramm-Rudman Act. Even though I did not vote for Gramm-Rudman, it is the law.

The banks would not want tax reform. They would like to postpone that as long as they possibly can. If you look at the kinds of taxes that the banks pay, not the taxes they do pay, the kinds of taxes they do not pay, you will understand why they do not want tax reform. It is the only industry in the country that has the right to set up an artificial debt reserve that has no relationship to the facts. It just sits out there and it is an artificial debt reserve, and the banks are permitted to invest in municipal and tax frees, while they go out and borrow money or pay money to their depositors.

So, as a consequence, they pay almost no taxes and in some instances get tax refunds.

There are tax shelters in this country that make it possible if you want to make an investment this year and receive more in tax reduction this year and next year than the total amount that you put into the investment, and in some instances you can work it out so that you get more of a reduction this year than the actual amount that you invest.

So what logical reason is there for 50 Members of the Senate to say, "We don't want to deal with tax reform until we deal with the budgets"? It is a non sequitur. It does not follow. It is illogical. It is ducking the issue.

It is again saying to the American people you are second on the list. We will get on to something that we are more interested in getting on to, although it is only fair to point out that we are not getting on to that issue either.

We may not be able to have a budget resolution here if the matters keep up as they are and the President continues to stonewall.

I heard him last night on the television tube blaming Congress. "Mr. President, I will say to you the buck stops at the White House. You have a responsibility to be a part of this budget process."

And so he is telling us we are not doing our job; we are saying he is not doing his job and now we are having a proposal before us to say, yes, but let us do not get into tax reform until such time as we deal with the budget matter.

The President is saying to us when you have budget reform, whatever you do, see to it that it is tax revenue neutral.

Why should it be revenue neutral? For what reason should it be revenue neutral? Is there some reason that the corporations of this country are not called upon to pay a minimum tax? Some corporations are making billions and billions of dollars and receiving billions of dollars in tax refunds. Is there any reason why we cannot start to tax them and see to it that those dollars are used in order to help us balance the budget?

What is so sacred about those special tax breaks and special refunds that some of the corporations of this country are receiving?

What is holding us up in coming out for a minimum tax both for corporations as well as for individuals who are making substantial profits?

We are ducking the issue. This is a resolution making it possible for us to take a big duck, to not deal with the real issue of tax reform, not see to it that the American people get a fair break.

Tax reform need not and should not be revenue neutral. The moneys that we can pick up fairly, rightly should and could be used to help us balance the budget. And I say to my friend from Minnesota, for whom I have tremendous respect and who I consider a good friend, that you are right about a lot of things but in this instance you are dead wrong. This matter does not make good, logical sense. And I do hope that the chairman of the Finance Committee or someone on that side of the aisle will see fit at an appropriate time to move to lay this ill-founded and ill-thought-out proposal on the table.

Mr. BOSCHWITZ. Mr. President, I have listened to the remarks of my friend from Ohio. I find it unusual that he and the Senator from Michigan are defending the President's priorities in this matter. But, nevertheless, so be it.

It is not a joke on the American people that we are seeking to propagate here. We have no interest in preserving tax breaks for the timber industry, which, as the Senator from Ohio points out, apparently are going to be preserved—I am not a member of that committee so I have not had a vote on that—or oil or banks or the loopholes for special breaks that he speaks about.

There is no more skillful legislator, there is no more skillful negotiator here in the Senate than the Senator from Ohio. And he knows that indeed sometimes one has to be balanced against the other in order to get an important goal achieved. I think that the most important goal that we can achieve—and, as he points out, we can do it rapidly—is indeed the budget. There is indeed an April 15 deadline. We can meet that deadline. Then we should go on and reform the tax bill in many of the ways that the Senator from Ohio is suggesting it be done.

But, those who say, "well, let both go forward at one time," as the Senator from Ohio has said, it is only fair to point out, that the budget is not moving forward. And it is not moving forward and it will not move forward, and it is not a non sequitur to say that there should be some priorities around here and that the priorities can often be established and often be enforced by taking some action that lays something aside. Nobody has done that more often in this body than the Senator from Ohio. Nobody understands legislative tactics, maneuvers, or how to get things done than the Senator from Ohio.

And, indeed, that is our objective, that we can move quickly and that we can move expeditiously and effectively with respect to the budget.

I heard the Senator from Ohio and indeed the Senator from Michigan speak yesterday morning of the necessity of moving and moving rapdily. So I say to him he should support this because if he really does want to move rapidly on the budget, then this sense-of-the-Senate resolution, not binding but a sense-of-the-Senate resolution, should move forward, should move to conclusion. The expression of the Senate should be made clear, otherwise we are going to see that there are revenues used in the tax bill that will be preempted from use in the business of balancing the budget and we will not be able to achieve that end.

I yield the floor.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Montana.

AMENDMENT NO. 1765

(Purpose: To express the sense of the Congress with respect to the milk production termination program)

Mr. BAUCUS. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Montana [Mr. BAUCUS] proposes an amendment numbered 1765 To amendment No. 1764.

Mr. BAUCUS. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment reads as follows:

At the end of the amendment add the following:

The Food Security Act of 1985 established a milk production termination program intended to reduce the current oversupply of milk products, and

The Food Security Act of 1985 also provided that the Secretary of Agriculture should make purchases of specified amounts of red meat in order to offset the effects of the milk production termination program on the red meat market, and

The implementation of the milk production termination program has resulted in substantial declines in both current prices of red meat and future prices for red meat, and

Both cattle and dairy farmers would benefit from more stable red meat prices, and

Immediate action is necessary to counteract the adverse effects of the dairy diversion program; Now, therefore, it is the sense of the Senate that the Secretary of Agriculture shall immediately take the following steps to address the current instability in the red meat market.

(1) The Department shall increase the present purchase of red meat and defense distributions during the first bid period, which has been announced by the Department to be from April 1, 1986 to August 31, 1986. The purchases should proportionately reflect the presently scheduled 633,176 cows; 216,970 heifers; and 165,900 calves, which are to be slaughtered during each disposal period in the program. The red meat purchases should reflect the number of cattle that are slaughtered during each disposal period in the program.

Specifically, the Department should immediately begin purchasing more of the 200 million pounds of red meat that are to be purchased during the milk production termination program during the first disposal period. This purchase amount is in contrast to the 130 million pounds that the Department is presently scheduled to purchase during the first disposal period. Further, the Senate expresses it concern that the Department has not scheduled the present purchase of 130 million pounds until April 14, 1986 for canned meat and April 21 for frozen ground beef. These purchases do not correspond to the April 1 starting date of the first disposal period.

The Department should accomplish this purchase goal by expediting school lunch purchases and domestic feeding program purchases to begin in April rather than the traditional month of July. Toward the same end, the Department should act immediately on the provision of the law that requires that the meat be channeled through the Department of Defense.

(2) The Department should move approximately 200,000 dairy cows and corresponding heifers and calves, which are presently scheduled during the first disposal period, to later periods by moving those producers who submitted multiple bids at the same price. The move should be conducted on a voluntary basis. Any changes in the disposal period should be consistent with the existing contracts with dairy producers who are participating in the program.

(3) The Department immediately should take additional steps as necessary to alleviate the concerns in the red meat industry regarding the adverse impact on total red meat supplies due to the additional dairy cattle that are being slaughtered. The Department should implement a plan to encourage proportional spacing of dairy cattle slaugther within each disposal period for producers in the program. This could include monthly and weekly targets for dairy cattle slaughter during the disposal periods to minimize jamming of slaughter house facilities occurring in some parts of the country. The Department should also include the actual count of all dairy cattle which are marketed as a result of this program in the published weekly slaughter reports.

(4) The Department also should take further steps that would offset any further damage to the red meat industry. Producers must be assured that the Federal Government will purchase a pound of red meat to offset every pound of red meat which enters the market as a result of the milk production termination program, and that the Department is taking other steps to provide for the orderly marketing of dairy cattle slaughtered under the program.

SEC. (a) the Senate also finds and declares that:

(1) the Food Security Act of 1985 established the Dairy Termination Program intended to reduce the current oversupply of dairy products, and

(2) the Food Security Act of 1985 directs the Secretary of Agriculture to minimize the adverse price effect of the Dairy Termination Program on red meat producers through the use of timely and judicious administrative actions, and

(3) the implementation of the Dairy Termination Program has resulted in substantial declines in both the current and future prices for meat, and

(4) immediate corrective action by the Secretary of Agriculture, utilizing the broad discretionary authority available to the Secretary under the Food Security Act of 1985, is necessary to abate the precipitous decline in meat prices:

(b) it is therefore the sense of the Senate that the Secretary of Agriculture should immediately significantly modify the Department of Agriculture's policies relating to the Dairy Termination Program, report to the Congress not later than April 15, 1986, what corrective actions have been taken, and what legislative changes, if any, are necessary to further modify this program to abate the decline in meat prices in a reasonable and judicious manner.

Mr. BAUCUS. Mr. President, this amendment is being offered at this time because it addresses a very imminent problem that our cattle country in America presently faces, and that is the dramatic drop in cattle prices due to the Department of Agriculture's administration of the dairy buyout program.

I do not need to restate the facts as to what happened, except to say that the cattle market is plunging. The equity of cattle producers in our country has fallen at least $5 per 100 in just a matter of a few days because the Department of Agriculture has not followed the provisions in the farm bill with respect to the dairy buyout program. The Department has not followed the orderly market provisions in that bill. As a consequence, because of the Department's buying the cattle early, dairy cows early, putting that red meat on the market, the beef cattle industry is finding that its cattle prices have plummeted.

The buyout program under the farm bill is to be about $1.8 billion. The fact is the equity of cattle producers of the livestock industry has fallen $5 billion, more than the $1.8 billion buyout allocated in this bill.

The point of this resolution is to direct the USDA to follow the law, to have a very orderly market procedure in the buyout program so that more stability and more confidence is restored to the cattle industry.

If I might, Mr. President, let me just briefly outline the provisions of the amendment. Essentially, the amendment will require the Department to increase the present purchase of red meat in DOD distributions during the first bid period, which has been announced by the Department to be from April 1 of this year to August 31 of this year. The purchases should proportionately reflect the presently scheduled approximately 600,000 cows, 200,000 heifers, and 165,000 calves, which are to be slaughtered during each disposal period in the program. The red meat purchases should reflect the number of cattle that are slaughtered during each disposal period in the program.

Specifically, the Department should immediately begin purchasing more of the 200-million pounds of red meat that are to be purchased during the milk production termination program during the first disposal period. This purchase amount is in contrast to the 130-million pounds that the Department is presently scheduled to purchase during the first disposal period.

That is a key point, Mr. President. The purchase program, where the Department is purchasing red meat, has to be moved up in the earlier period in order to provide for stability for the market. That is what the law provides.

Further, the Senate expresses its concern that the Department has not scheduled the present purchase of 130 million pounds until April 14 for canned meat and April 21 for frozen ground beef. These purchases do not correspond to the April 1 starting date of the first disposal period.

Moreover, the Department should move approximately 200,000 dairy cows and corresponding heifers and calves to later periods by moving those producers who submitted multiple bids at the same price.

In addition to that, the Department should take additional steps, as necessary, to alleviate the concerns in the red meat industry concerning the adverse impact on total red meat supplies due to the additional dairy cattle that are being slaughtered.

Mr. President, one final point. We also believe that the Department should take further steps that would offset any further damage to the red

meat industry, and the resolution makes appropriate recommendations.

I would like to at this point, Mr. President, add the cosponsors of this amendment. They are Senator EXON, Senator HEFLIN, Senator ANDREWS, Senator ZORINSKY, Senator GORE, Senator MELCHER, Senator BOSCHWITZ, Senator HARKIN, and Senator SYMMS.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAUCUS. Mr. President, the long and the short of this is the Department has not followed the law. The Department has not purchased red meat in earlier periods as it should. That is in the law.

Second, the Department has not, as it said it would, persuaded DOD and required DOD, when it purchases beef, to purchase American beef instead of beef from foreign countries. Presently the Department of Defense, in its commissaries around the world, is buying about 48 million pounds of beef overseas in order to supply American defense personnel. DOD must buy American beef to help solve this problem to alleviate the dairy surplus, as well as to prevent the kind of bottoming out of the cattle market, the beef cattle market. DOD is not doing that.

In addition, the Department of Agriculture should be placing more of its sales overseas not in the American market. The Department has to do a much better job of doing that. The bottom line is that the Department of Agriculture has to take actions that are necessary to restore confidence and restore more security in the beef cattle market.

Most of the damage has already been done. With the passage of this resolution, Mr. President, more confidence will begin to be restored, and the Department would then be treating the cattle industry, the livestock industry, and the dairy industry as well as the pork industry on a more even footing.

I might add, Mr. President, that this resolution has the support of the various groups of the dairymen, of the pork industry, as well as the cattle industry. It has been worked out, and bases have been touched.

I strongly encourage the Senate to support this resolution. I am very happy, too, to have with me helping draft this resolution the able Senator from Nebraska, Senator EXON. We have worked closely on this with other Senators.

Mr. President, at this time I yield the floor.

Mr. EXON addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. Mr. President, I thank the Chair.

I thank my friend and colleague from Montana. The measure before us is extremely self-explanatory. I would simply say in further explanation that we have a sizable number of cosponsors to the amendment. We have discussed this amendment with the majority leader, and it would appear to me that he is also concerned about the situation that this sense-of-the-Senate resolution addresses.

It may well be that we can move forward in a fairly expeditious fashion to accept this amendment, or if necessary, get it voted on because I believe it will carry.

The Senator from Montana has very well pointed out the new crisis situation that we have in agriculture today. Unfortunately, it seems we move from crisis to crisis to crisis to crisis, almost every other day, not even every other week or month as has been customary.

It is very clear that the situation that confronts us today is a dramatic drop in the cattle market. Last week it went down by the highest amount in the history of markets. Certainly, I would agree that some of that may have been over concern on the part of some of the traders, or speculators as they are commonly termed.

I simply say, Mr. President, the way the program was handled by the Department of Agriculture, they did everything but guarantee that we were going to have a dramatic drop in the cattle market. Certainly, the way the account was enacted, and certainly it was clear what the intention of the Congress was, to give the Department of Agriculture the authority to purchase these herds on an orderly fashion. The problem was that the Department of Agriculture did not proceed with rules, regulations, and other means at their disposal to go about this task in an orderly fashion.

We had chaos in the markets. At the present time, I guess it should be well known, a major portion of the cattle industry is in court today suing the director of agriculture trying to get him to undertake the steps that we are spelling out in this sense-of-the-Senate resolution.

All that we are saying with this is let us use commonsense. Let us use the great ingenuity of the American entrepreneur. Let us use the bureaucracy of the Federal Government, in this case the Department of Agriculture, in a fair and prompt manner to correct the injustice that has been done to still another sector of agriculture.

Mr. President, I suspect that we have little opposition to this matter. We have a substantial number of cosponsors. I hope that we can dispose of this in a reasonable fashion. But I do know there are several Senators who are extremely concerned about this matter, and wish to at least make some brief remarks before we go to a vote, voice or otherwise.

Mr. ANDREWS addressed the Chair.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. ANDREWS. Mr. President, I am happy to join with my colleague, the distinguished Senator from Nebraska, and a number of other Senators, in supporting the sense-of-the-Senate resolution.

Let me point out that in this dairy cattle buyout there was an awareness when it was first brought before the conference committee—not too many of us on the floor of the Senate at this time were a part of that—it could have an adverse impact on the beef industry. Because of that, an amendment to purchase 400 million pounds of beef and dispose of it through additions to the school lunch programs, overseas sales, and the rest was arranged.

There was a relatively market-neutral impact for the 3 or 4 months after that bill was passed and signed by the President.

Suddenly, when the bids came in to retire some 12,300,000,000 pounds of milk, the markets hit the skids and beef producers who were here, Mr. President, selling their cattle below the cost of production found $4.50 to $5 a pound per hundredweight taken off the price that was already depressed.

I do not know whether it was some emaciation in the Board of Trade, or whether it was some supersensitivity, or whatever. But, Mr. President, the reason I am joining with my colleague from Nebraska today, and the other individuals who are cosponsoring this sense-of-the-Senate resolution, just as nervousness and concern, and perhaps wrongheaded concepts have produced this sudden drop, is perhaps the sense-of-the-Senate resolution pointing out to the trade in general, and to the Nation as a whole that we are determined that this was not the intent of that bill, and we are determined to do what we can to make sure that a relatively stable price is returned to the beef industry which might send a strong message to the trading pits, to the auction sales, and the rest that we have to turn this around.

I have had the assurance, Mr. President, of the Secretary of Agriculture just this week when I returned from 10 days out in my State talking to concerned livestock producers that they would find ways as quickly as possible to make sure this impact was not indeed and in fact the impact we have seen registered, and hopefully that prices will begin to move back. It already has, but hopefully it can be back to where it ought to be, and perhaps even a little bit higher to get closer to the cost of production.

But I am happy to join my colleague, Mr. President, and my other colleagues in what we are doing today to give a strong push to the proper direction in livestock pricing. I want to salute the Senator from Nebraska for

his leadership in bringing this to the floor.

Mr. BOSCHWITZ and Mr. BRADLEY addressed the Chair.

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. BRADLEY. Thank you very much, Mr. President.

I rise to speak in opposition to the resolution offered by Senators SYMMS, BOSCHWITZ, HELMS, NICKLES, and MATTINGLY.

Mr. President, I know there are many Members of the U.S. Senate that do not support tax reform. I know there are many Members of the U.S. Senate who like the tax system the way it is.

Mr. President, I do not intend to get into a long explanation of the way the tax system is today except to point out that the tax expenditures in 1967 were worth $37 billion. Today they are worth over $400 billion.

We lose as much money through tax expenditures as we collect through the corporate and individual income tax combined.

What tax reform is attempting to do is to reduce the tax rates on middle- and low-income people, indeed for everyone, and to make the tax system fairer so that families that are out there can provide greater security for their families, so that as a result of the lower tax rates they will be able to keep more of the money they earn.

Mr. President, I know that there are Members of this body who do not agree with that direction for tax policy. As I said, I know there are Members of this body who like the present tax system. But the resolution offered by the Senator from Minnesota I do not think would be successful. It is another one of the attempts to delay and ultimately to kill tax reform efforts.

Mr. President, I know that there is a strong argument from my perspective for moving with tax reform first, before we do budget deficit reduction. If the Republican Budget Committee's deficit reduction package is adopted, that means we will have to raise revenues.

Mr. President, if we raise revenues under the current income tax system, who will be paying those taxes? It will be those same middle-income taxpayers who are paying rates that are too high today. It will be those same individual American taxpayers who cannot utilize the loopholes to avoid paying taxes.

So, Mr. President, a strong argument can be made to do tax reform first. Eliminate the loopholes, drop the rates, and then decide, if you have to raise revenue, to do it in a fair manner in which everyone would be affected, not just middle-income people being forced to pay higher taxes to close the budget deficit.

Mr. President, that is not the argument today, though. The argument is not, "Let us do tax reform first and then get to the budget."

In fact, we are doing what we do always, and that is to do several things simultaneously: to do tax reform, and indeed at this very minute the Senate Finance Committee is marking up the tax reform bill, and we are also working on the budget bill. It has been passed out of the Budget Committee.

The Senator's resolution says that it is the sense of the Senate that tax reform should not be considered or even debated by the U.S. Senate until a definite budget agreement has been reached between the President of the United States and the Congress.

Mr. President, I understand what this is. This is a part of the negotiations now going on between the Republican majority in the Senate, that wants a tax increase, and the White House, which does not want a tax increase. That is what this resolution is all about. This resolution is an attempt by the Senators who have offered it to say, "Mr. President, you have to agree to a tax increase."

Let me say to Senators I appreciate their support. It is similar to the one that the distinguished Senator from Minnesota made not so long ago when he got almost 50 Senators in the U.S. Senate to say, "Let us do the budget first and tax reform second."

But, Mr. President, make no mistake. This is a vote in which those who vote for this resolution will be saying, "Look, we would like to kill tax reform. This resolution will not do it because it is a nonbinding resolution. But this resolution is a declaration of intention that we would like to kill tax reform."

So, Mr. President, I strongly oppose the resolution. I recognize it is part of the negotiations with the White House, but I hope the Senate will pause.

When you think of it, Mr. President, there is a Republican President of the United States who is way out on the limb for tax reform, who wants to give middle-income people in this country lower tax rates.

There is a Democratic House that has passed a tax reform bill that cuts rates dramatically. It takes 6 million taxpayers off the rolls at the low-income level, and it does many other important tax reforms.

So we have a Republican President and a Democratic House saying, "We want to cut tax rates for the American people, for the middle income, for the low income, and we are prepared to bite the bullet and eliminate some loopholes in order to do that."

It is surprising to me that a Republican Senate will be saying to its own President, "Mr. President, we want to kill tax reform. We do not want to do it. Let us delay it. Let us delay it, knowing the further it is delayed, the less likely it will be to be accomplished this year. We want to delay it."

The Republican Senate is saying that.

Mr. President, it is surprising to me that that would be the case. It is surprising to me that with this vote many Members will be essentially saying to the President, "Forget tax reform. We are going to try every effort to try to kill it."

My only hope and my only consolation is that this resolution is totally nonbinding.

I yield the floor.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. BOSCHWITZ. Mr. President, it is surprising for me to hear my friend from New Jersey say that Senator SYMMS, who offered this resolution, is indeed for higher taxes, that he is indeed wanting to increase taxes. Certainly, there is no Senator who has spoken out more often exactly in opposition to that view.

This is not an effort to scuttle tax reform.

I do support the idea of lower tax rates. I always have. I have spoken on the floor about it. I have written about it. I think it has many, many beneficial aspects for economy.

We do not like the present tax system.

Perhaps the Senator from New Jersey was not here when I responded to the Senator from Ohio that it is not that at all. It is not a matter of seeking to prevent tax expenditures, it is not for disallowing continuance. That is not the purpose. I might say to my friend that if indeed tax expenditures were $37 billion in 1967, and now it is $400 billion, 10 times as large, that the budget is now about 10 times higher now than in 1967, as I recall the first time we reached $100 billion being shortly before that.

So this is not an effort to kill tax reform. This is an effort to put our priorities in order. This is an effort to meet the April 15 deadline, the first deadline of the Gramm-Rudman bill; that we push the budget resolution and push all those involved to do so.

Let me say a word about the amendment of the Senator from Montana to the amendment that Senator SYMMS and I have offered.

I support it. I have asked the Senator if I may be added as a cosponsor to the amendment.

It came, I might say, as a surprise to me that the Agriculture Department would act in such manner as to bring about lower feed prices, lower meat prices. It was not the intention of the Senate to pass legislation to help one element of agriculture at the expense of another. As a matter of fact, we just passed the dairy portion of the farm bill to prevent this kind of an occur-

rence. Now it is with great disappointment that we see the action of the Department of Agriculture take place that would effectively negate some of our best efforts.

I say to my friend from New Jersey that indeed I have a plan for tax reform that brings about lower rates, that reduces some of the tax expenditures or tax preferences, as they are often called. I do not want to delay until tax reform. I want to speed up the business of balancing the budget, which I think is the first order of business for this body.

Mr. SYMMS. Mr. President, I want to join with some of the things that my colleague from Minnesota just said and then make a comment or two about some of the things my friend from New Jersey said.

Mr. BOSCHWITZ. Mr. President, I ask unanimous consent that my name be added as a cosponsor of Senator BAUCUS' amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SYMMS. I ask unanimous consent that my name be added also, Mr. President.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SYMMS. Mr. President, I want to correct the misunderstanding—in my view—that the Senator from New Jersey has about the intentions of this Senator with respect to this amendment which Senator BOSCHWITZ and I have tendered here for our colleagues' consideration.

First, as one Member of the Republican part of the Senate, I am not in favor of any tax increases. That is not the intent of this amendment.

Second, true tax reform I would favor. However, I would say that when the President gave his first address on tax reform, he did capture the imagination of the American people with respect to fairness, reducing the rates, equity, and simplicity in the Tax Code. However, the tax reform process, as it has worked inside the beltway in Washington, has been preempted by the bureaucrats in the bowels of the Treasury, I would say, Mr. President. What we are dealing with in the Senate Finance Committee, what passed the House, could hardly be called tax reform. And certainly, it is no progrowth, procompetition, profree enterprise, procapitalist type reform that is going to create jobs, enhance the standard of living and make for a more productive society. My idea of tax reform is to have all income taxed closest to the source, give 100 percent expensing for capital investment and do away with all deductions in the Tax Code and get the rates down to 20 percent.

We have gotten so far away from that, I say to any of my colleagues who are in the Chamber or listening on the speaker boxes, I invite them to come and examine the material we are discussing in the Finance Committee. It is going to make our Tax Code, if this kind of bill passes or the one that passed in the House, much more complicated. It would be pure fraudulence to call it simplicity, Mr. President. Congress does not have to go by truth-in-labeling laws that we pass for the rest of the country. Anytime you get a bill on taxes you can call it tax reform, you can call it simplicity or anything you want.

The fact is it is a transfer within the internal house of the Tax Code to transfer taxes from one group of taxpayers to another group of taxpayers and cause all kinds of unmitigated chaos in the private sector that is going on right today because of business decisions that are not being made, decisions to invest in work and so forth that are not being made.

I think we should get our priorities in order here, in the Nation's Capital, and straighten out the Federal budget as every household in America has to do, as every business has to do. Leave things alone, get some predictability, then straighten out the Tax Code in an area where we do not have a big deficit staring us in the face.

If tax reform moves under the budget deficit we are facing, that is what I am against.

I compliment my colleague from Montana for his amendment. I share what he said. This situation has caused absolutely unnecessary pain and suffering to the cattle industry in this country. There has never been anything in farm programs for the cowboys of America. They are the one group that never asked for any Government help or any Government support and they always end up on the short end of the stick. The people who get the subsidies either get higher prices of grain forced on the cattlemen, or the dairy people get higher dairy prices, then they get their cattle pushed off on America.

I think the Senator from Montana is right on target. We in Congress have to do everything to expedite turning around the bad economy in the cattle market today because much of this is a perception that there is a big oversupply. It is probably not as bad as it appears, but if you are the person out there selling the cattle, it is an unmitigated disaster. I hope both of these amendments will be accepted readily by our colleagues.

I yield the floor.

Mr. BRADLEY. Mr. President, I should like to respond briefly to the distinguished Senator from Idaho and the Senator from Minnesota.

The distinguished Senator from Idaho said that he wanted to set the record straight that he is not for a tax increase; he is an opponent of a tax increase. I take that.

The Senator is also a self-avowed opponent of tax reform, tax reform in particular as we have defined it through the deliberations in the House and now in the Senate Finance Committee. He has confirmed that by his comments on the floor today.

Senator BOSCHWITZ has, indeed, written a letter saying, let us do the budget first, then get to tax reform. We all know that, as we delay longer in the year, it becomes less and less probable that we shall be able to give middle-income people lower tax rates because by the time the tax reform bill comes to the floor of the Senate, it can be delayed almost indefinitely.

So I think it would be wrong to ignore the fact that this vote is a declaration of intention by those who vote for the Boschwitz-Symms resolution. They are saying, "We will try at every opportunity to kill tax reform." This is one of the small tactics in a much larger battle.

Mr. SYMMS. Would the Senator yield on that?

Mr. BRADLEY. I yield the floor, Mr. President. I have made my statement.

Mr. SYMMS. I thank the Senator.

Mr. President, let me just respond to my colleague from New Jersey by saying that any time the Members of the Senate are ready to move forward with tax reform that would get the tax rates below 20 percent or at least to 20 percent—in that range—for working middle-income people and give up all the tax preferences in the Code, this Senator has already cosponsored the legislation with the distinguished Senator from Arizona [Mr. DECONCINI] that would do that.

We have tax reform, the true, simple, flat tax, pending before the Senate. However, when we start talking of tax reform, it always gets clouded and we end up just wanting to shift the burden of taxation from one group of taxpayers to another and call it revenue-neutral.

I say if you are the taxpayer who gets his or her taxes raised, it is not very revenue-neutral. That is the problem we have with this process where we are trying very valiantly to get the budget balanced.

I compliment my colleagues on both sides of the aisle who have worked so hard to bring about a budget process that will bring about a balanced budget. We should accomplish that first. Once we have accomplished that, then we shall be in an arena where tax reform could take place. But to have true tax reform, we must have spending control and reform, I think, first in order to be able to go into a tax reform proposition without killing the patient in order to fix the hospital room, so to speak.

I think that is the problem this Senator sees with the whole process and I

hope we can move to a vote right away.

Mr. BAUCUS. Mr. President, I ask unanimous consent that the Senator from South Dakota [Mr. PRESSLER] be added as a cosponsor to the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAUCUS. Mr President, I also ask unanimous consent that the bill be left at the desk so further Senators may be added as cosponsors.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAUCUS. Mr. President, I also ask unanimous consent that the amendment be modified according to the modification at the desk.

The PRESIDING OFFICER. The Senator will send the modification to the desk.

The amendment (No. 1765) was so modified.

The amendment, as modified, is as follows:

At the end of the amendment, add the following:

The Food Security Act of 1985 established a milk production termination program intended to reduce the current oversupply of milk products, and

The Food Security Act of 1985 also provided that the Secretary of Agriculture should make purchases of specified amounts of red meat in order to offset the effects of the milk production termination program on the red meat market, and

The implementation of the milk production termination program has resulted in substantial declines in both current prices of red meat and futures prices for red meat, and

Both cattle and dairy farmers would benefit from more stable red meat prices, and

Immediate action is necessary to counteract the adverse effects of the dairy diversion program; Now, therefore,

It is the sense of the Senate that the Secretary of Agriculture should immediately take the following steps to address the current instability in the red meat market:

(1) The Department should increase the present purchase of red meat and defense distributions during the first bid period, which has been announced by the Department to be from April 1, 1986 to August 31, 1986. The purchases should proportionately reflect the presently scheduled 633,176 cows; 216,970 heifers; and 165,900 calves, which are to be slaughtered during each disposal period in the program. The red meat purchases should reflect the number of cattle that are slaughtered during each disposal period in the program.

Specifically, the Department should immediately begin purchasing more of the 200 million pounds of red meat that are to be purchased during the milk production termination program during the first disposal period. This purchase amount is in contrast to the 130 million pounds that the Department is presently scheduled to purchase during the first disposal period. Further, the Senate expresses it concern that the Department has not scheduled the present purchase of 130 million pounds until April 14, 1986 for canned meat and April 21 for frozen ground beef. These purchases do not correspond to the April 1 starting date of the first disposal period.

The Department should accomplish this purchase goal by expediting school lunch purchases and domestic feeding program purchases to begin in April rather than the traditional month of July. Toward the same end, the Department should act immediately on the provision of the law that requires that the meat be channeled through the Department of Defense.

(2) The Department should move approximately 200,000 dairy cows and corresponding heifers and calves, which are presently scheduled during the first disposal period, to later periods by moving those producers who submitted multiple bids at the same price. The move should be conducted on a voluntary basis. Any changes in the disposal period should be consistent with the existing contracts with dairy producers who are participating in the program.

(3) The Department immediately should take additional steps as necessary to alleviate the concerns in the red meat industry regarding the adverse impact on total red meat supplies due to the additional dairy cattle that are being slaughtered. The Department should implement a plan to encourage proportional spacing of dairy cattle slaughter within each disposal period for producers in the program. This could include monthly and weekly targets for dairy cattle slaughter during the disposal periods to minimize jamming of slaughter house facilities occurring in some parts of the country.

(4) The Department also should take further steps that would offset any further damage to the red meat industry. Producers should be assured that the Federal Government will purchase a pound of red meat to offset every pound of red meat which enters the market as a result of the milk production termination program, and that the Department is taking other steps to provide for the orderly marketing of dairy cattle slaughtered under the program.

SEC.— (a) the Senate also finds and declares that:

(1) the Food Security Act of 1985 established the Dairy Termination Program intended to reduce the current oversupply of dairy products, and

(2) the Food Security Act of 1985 directs the Secretary of Agriculture to minimize the adverse price effect of the Dairy Termination Program on red meat producers through the use of timely and judicious administrative actions, and

(3) the implementation of the Dairy Termination Program has resulted in substantial declines in both the current and future prices for meat, and

(4) immediate corrective action by the Secretary of Agriculture, utilizing the broad discretionary authority available to the Secretary under the Food Security Act of 1985, is necessary to abate the precipitous decline in meat prices:

(b) it is therefore the sense of the Senate that the Secretary of Agriculture should immediately significantly modify the Department of Agriculture's policies relating to the Dairy Termination Program, report to the Congress not later than April 15, 1986, what corrective actions have been taken, and what legislative changes, if any, are necessary to further modify this program to abate the decline in meat prices in a reasonable and judicious manner.

Mr. BAUCUS. Mr. President, I ask for the yeas and nays on the Baucus resolution.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. BAUCUS. Mr. President, just one final point. The Senator from Idaho made a good point. If there is any industry in America that has nobly not asked for a handout, it is the beef cattle industry. Lots of organizations, lots of industries come to the U.S. Congress and ask for some privilege, some favor, some accommodation, some qualification—whether it is in the tax law or other laws—to help themselves out. The beef cattle industry is the one industry that does not ask for a handout. They are to be very, very much congratulated for that. In fact, they are a model. It is too bad that more Americans do not follow the model of the beef cattle industry and not ask so much for Government help.

The beef cattle industry, ironically, Mr. President, is the one industry that listened to Jack Kennedy's admonition to ask not what your country can do for you, but ask what you can do for your country.

It is the one industry that generally does not ask the Government to do something for it. They take care of themselves. They do not bother people. They do not want to be bothered by people. It is a very noble way of life. It is a very noble way to conduct one's self.

Mr. President, one final point. It is clear, no one denies that the USDA did not follow the law with respect to the dairy buy-out program. They did not follow the orderly marketing procedures as prescribed in the farm bill. For whatever reason I do not know, but the fact is they did not do that. This resolution directs them to do that. It outlines various procedures that were in the farm bill to force the USDA to have a more orderly marketing procedure so we can restore more confidence in the beef cattle industry. I ask Senators to roundly and soundly support the resolution so that USDA is forced to straighten itself out.

Mr. President, I yield the floor.

Mr. HARKIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. HARKIN. Mr. President, I rise in support of the amendment to the underlying amendment offered by the Senator from Montana (Mr. BAUCUS). I compliment the distinguished Senator from Montana and also the distinguished Senator from Nebraska for their work on this and for bringing this to the attention of the Senate at this time.

Mr. President, I thought I had seen, up until this time, the grossest mismanagement of agriculture in the history of our country under the previous Secretary of Agriculture. Well, he is

now gone and we have a new Secretary of Agriculture, and evidently there must be a contest going on downtown, down at the Department of Agriculture, to see which Secretary of Agriculture can mess up the farm program the worst. If the present Secretary, Secretary Lyng, for whom I have a great deal of personal respect—I have known him for a long period of time—continues in the same vein with the buyout of the dairy herds, he is going to put the previous Secretary to shame in terms of mismanagement.

To date the implementation by the Department of Agriculture of this whole herd buyout program has been a textbook example of how not to manage or how not to implement a program and how not to follow the law, how not to take into account what the clear intent of the Congress was in passing the law.

Mr. President, I want to make it clear at the outset that this Senator was not a supporter of the whole herd buyout program. That scheme originated in the other body. But it was left in conference and eventually was signed into law by the President. I still think it is a cockamamy scheme and not one that is going to be conducive either to keeping our dairy farmers in business in the upper Midwest or is it going to be conducive to keeping our beef producers in business.

Now, it is odd, Mr. President, that we had a working dairy program which was started in 1983 called the Dairy Diversion Program, on which the distinguished Senator from Minnesota [Mr. BOSCHWITZ] and I worked when I was a Member of the other body. It was a 15-month program. At the end of the 15-month period of time it was obvious that the Dairy Diversion Program was working. We cut down the amount of milk being purchased by the Government. We saved the taxpayers $1 billion. We were reducing over a longer period of time the number of dairy cows that were producing milk. Everything was working. It did not cause a tremendous disruption in the red meat market. It kept our dairy farmers in business in the upper Midwest. So here was a program that by every yardstick of measurement was working and succeeding, the Dairy Diversion Program. And yet when the 15-month period was up, rather than getting it renewed for another 15-month period of time—I think had we had the Dairy Diversion Program for about 30 months we would have been out of this problem regarding dairy surpluses—the administration let it die on the vine and so we do not have the Dairy Diversion Program. Now what we have is the so-called whole herd buyout, which is causing massive disruption in the red meat market.

Mr. President, the administration took a program that was working and rather than extending it, let it die and now we have this whole herd buyout scheme.

The Congress did put into the bill some measures to protect our cattle producers from being inundated by all these cows coming on the market. There were definite guidelines put into the bill for the Secretary to follow to minimize the impact on our cattlemen, our cow-calf producers, and also our cattle feeders. But this Secretary and this Department have not followed the guidelines of the law.

Mr. President, on March 28 the USDA announced that three-fourths of the 1.6 million head of dairy cattle targeted for slaughter could be slaughtered in 1986, completely ignoring the farm bill intent to have an orderly marketing plan so as to minimize the market impact.

Now, the farm bill mandated that the Secretary of Agriculture limit the number of dairy cattle coming to market to no more than 7 percent of the national dairy herd. Well, the Secretary followed the requirement but then he rigged the game in such a way as to allow most of them to come to the market before the end of the year, and the reaction has been what we have heard from the Senator from Montana and the Senator from Nebraska and I think other Senators who have spoken. The reaction of the cattle market was immediate and dramatic with cattle dropping on the cash and futures market anywhere from $2 to $6 per hundredweight.

So again let me repeat what happened. The bill mandates that no more than 7 percent can come on the market during this period of time. Well, what the Secretary did was he frontloaded it. He put the 7 percent up to now, during this first buyout period, when it should have been spread out over a longer period of time.

Now, I wonder why the Secretary would permit this kind of thing to happen. Well, it is clear to this Senator that the budget considerations outweighed the congressional mandate to have an orderly marketing program. Someone at USDA or at OMB realized that by frontloading the slaughter of these dairy cows, that is, the sooner these cows were sent to market, the quicker milk production would drop, it would save the Government a few bucks. No one at USDA or at OMB seemed to care that this kind of action would cause market chaos and result in the bankruptcy of thousands of cattle feeders. And so what we have to do is get the Secretary to develop a fair marketing plan which will bring these cows to market in an orderly fashion. That, I understand, is what the amendment offered by the distinguished Senator from Montana, as modified by the Senator from Nebraska, does. What it does is it expedites the purchase of 400 million pounds of red meat that are mandated under the program.

Again, Mr. President, I point out that the Secretary is, as he says, moving ahead to purchase this 400 million pounds of red meat but the fact remains the farm bill was signed in December. They could have anticipated the slaughter of these dairy cows and they could have gone into the market at that time, January, February, and March, and begun buying up the red meat that they needed for this 400 million pounds, but they did not do it. But now he says they are going to do it. Well, I am glad they are going to do it because the law specifies they have to do it. But they could have started doing it in January. That is what I mean by mismanagement. They could have started buying this meat in January, February, and March, and we would not have this problem now, but they did not. Again, I have to ask why.

Two hundred million pounds of this red meat was to be used for export. I would anticipate that USDA would probably say that if they bought all this meat and put it on the world market, it would disrupt the world market, countries like New Zealand and Australia. It seems to me that USDA has shown more concern for producers in other countries than for our own. I hope they would move ahead expeditiously to purchase this 400 million pounds of red meat. They could have done that in January, February, and March, and did not do it.

The second thing the resolution says is that the Secretary can move these animals scheduled for the first 6-month period to later periods by voluntarily moving those producers who submitted the same bid for all three bidding periods. In other words, if you had a person who bid in his dairy herd at the same price for all three periods, rather than taking that herd now, they could take it in the second or third 6 months. That would lessen the impact on the red meat market right now. They could develop a plan to proportionately space the slaughter of cattle within each 6-month period, rather than all in the first or second month.

Mr. President, there is no doubt that this is having an effect on the red-meat market. Let me read a UPI wire story that has just come across the wires, at 12:53 today, April 10.

It says:

Beef producers told Agriculture Secretary Richard Lyng Thursday that his steps to counteract a plunge in cattle prices accompanying mass slaughter of surplus dairy cows fall far short of what is needed.

"It's about 25 percent of what we were requesting in the orderly marketing," Don Butler, president of the National Cattlemens Association, told Lyng, who met with a large group of cattle producers.

Mr. President, listen to what Secretary Lyng said:

Lyng replied that he was pleased to hear his limited actions has satisfied 25 percent of beef producers concerns.

Satisfied that he took care of 25 percent of their concerns.

"It's not intended to be the total answer to what you requested," Lyng said. "Weve got a lot of things were working on."

Again, that is really thumbing your nose at a very big problem confronting our cattle producers, who, as others have said, have never been in the forefront of those asking for Federal assistance. Yet, all they are asking is for the Secretary to abide by the law—both the letter of the law and the spirit of the law. I suppose that the Secretary, with his attorneys down there, could say they are abiding by the letter of the law, but certainly not by the spirit.

I will quote from the Food Security Act of 1985, the pertinent paragraph, which says:

In setting the terms and conditions of any milk diversion or milk production termination under this paragraph and of each contract made under this subsection—

That is for the whole herd buyout—

the Secretary shall—

It does not say "should"—

take into account any adverse effect of such program or contracts on beef, pork, and poultry producers in the United States, and shall take all feasible steps to minimize such effect.

The law is clear. It says that he shall take into account adverse effects on the red meat market. It says he shall take all feasible steps to minimize such effect. It does not say he shall take 25 percent of the steps or 50 percent. It says he shall take all feasible steps to minimize such effect on the cattle markets.

So I submit that not only is the Secretary not following the spirit of the law, he also is not following the letter of the law in this case.

Mr. President, I know that many Senators who may be listening on their squawk boxes may say, "What is this all about?" What it is really about more than anything else is the mismanagement by the Department of Agriculture which is unnecessarily costing cattle producers millions of dollars in lost profits. It is a mismanagement that is causing thousands of cattlemen to literally go out of business. It is happening in my State of Iowa, and I am sure it is happening in other States, too.

Cattlemen have not been making a lot of money. They have been on the brink. They are ready to go to market with their cattle and are suddenly having the market pulled out from beneath them.

I do not want to suggest that there is any malevolent mind-set on the part of the Secretary. But I do believe there is an attitude at the Department of Agriculture that says the fewer farmers we have, the better off we are going to be. I think that was evident in the farm bill we passed. I think it is evident in the dairy program that was signed into law, and I think it is evident here.

I really believe that there are those at the Department of Agriculture and OMB who believe that by taking these actions, you are going to drive some cattlemen out of business, and the fewer of them, the better off we will be.

So it is mismanagement, but I do not think it is mismanagement with a blind eye. I think it is mismanagement knowing full well what the end result of this mismanagement is going to be. What it is going to be is a lot of hardship on our cattle producers and a lot of cattle producers probably being forced out of business and fewer cattleman in business in this country.

So I hope we will have a resounding vote in favor of the amendment by the distinguished Senator from Montana to the underlying amendment on this airport bill.

This is probably not a wise place to bring it up, on an airport bill. The fact is that there is more need right now to address this problem than the airport problem—right now. We have to address this problem that is confronting our cattle people. So, lacking any other vehicle, we had to go this route, which the distinguished Senator from Montana has done.

I hope the Secretary of Agriculture would reexamine what he is doing in this program, would follow the letter of the law, and would not be content to say that he is satisfied that his limited actions will take care of 25 percent of the concerns. I hope the Secretary would not be satisfied until he implemented the program in such a way as to minimize the effect on the cattle market in this country, according to the letter of the law.

I yield the floor.

Mr. GORE. Mr. President, as a cosponsor of the pending amendment, I rise to urge my colleagues on both sides of the aisle to support it in overwhelming numbers.

I communicated with the Secretary of Agriculture at the beginning of this week. I joined with others on joint letters that went to the Secretary of Agriculture on Wednesday. I cosponsored legislative remedies proposed by some of my colleagues, and I have cosponsored this amendment.

During the last several days at open meetings in the State of Tennessee I heard from a great many cattle farmers who are justifiably outraged over the lack of action on the part of the Secretary of Agriculture.

The past week saw the largest drop in red meat prices of any week in modern history. Why? Simply because the number of cattle to be slaughtered as a result of the dairy program was in the news and the actions that were supposed to be taken by the Secretary of Agriculture to mitigate the impact of that slaughter on red meat prices were not in the news, because the Secretary of Agriculture has apparently failed to formulate the plan that he was required by law to put into effect when the whole dairy herd buyout program was implemented.

This problem was clearly anticipated by Congress when the whole herd buyout program was put into law. It was for that reason that the Secretary of Agriculture was instructed, not allowed, but instructed, in the law to implement these mitigating purchases.

The Secretary of Agriculture has failed to do so and as a result cattle farmers are being hurt very badly. It is interesting to note that dairy farmers are also being hurt badly because the prices they expected to receive when they made the decision to participate in the whole herd buyout program they are not in fact receiving.

The decisions which they made at that time were made in good faith, based upon an understanding of the law that passed this Senate and passed in the other body and was signed by the President. But due to a failure on the part of the Secretary of Agriculture the prices have fallen dramatically.

Mr. President, my colleagues have elaborated on the reasons why this amendment should pass. I wish to congratulate its principal sponsor, the Senator from Montana.

I urge my colleagues to support it overwhelmingly because it is a sad fact that the Department of Agriculture has failed in its duty to implement the law. As a result, we have no recourse but to take this action and if this action proves to be insufficient when we will have to take other action immediately afterwards.

I hope that this amendment passes. I support it strongly and I urge my colleagues to do so once more.

I yield the floor.

Mr. McCLURE. Mr. President, I ask unanimous consent that I may be listed as an original cosponsor of the pending amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SIMPSON. Mr. President, I wish to join others of my colleagues to express my fullest and strongest concern over the effect that USDA's Dairy Termination Program announcement has had on cash beef cattle prices. This ill-advised termination program has been divided into three disposal periods—and yet nearly two-thirds of the total number of cattle to be slaughtered under the program will be disposed of prior to August 31, 1986. It is absurd. That hardly seems to me to fulfill the "orderly marketing" re-

quirement in the 1985 Food Security Act.

In visiting with some of my fine Wyoming constituents over the past few days, I am simply appalled by the havoc this program announcement is having on Western cattle ranchers. Introducing 1,015,046 head of dairy cattle into an already weak market has cut the value of the beef cattle inventory in the Nation by $5 billion. Beef cattle inventories are at their lowest level since 1962. You see, these cattle ranchers—so very different from many in agriculture—do not have their hands out pawing at the Federal till seeking agriculture price supports. Instead, the beef cattle industry exercises market discipline. After years of drought and low prices, however, this release of more than 1½ million additional cattle on the market could very well be the final death knell for many of those fine, independent Western ranchers—and ironically at the hands of a heavily subsidized industry no less.

The dairy program may have worked fairly well since the CCC Purchase Program came into being in 1949. Consumers have received a steady supply of fresh milk and dairy products at stable prices. Dairy farmers have obtained a fair price for their product. Taxpayers have paid relatively little in program costs.

However, in recent years, the program has not worked well. It is sick. Dairy farmers, consumers, and taxpayers have all suffered. Congress has tried to fix the program on eight different occasions in the past 5 years, and the program is still all out of whack. Some of our cures have been worse than the disease. For example, from January 1984 through March 1985 we tried a diversion program that paid farmers not to produce milk. This program was destined to fail because it addressed the symptom—overproduction—not the root problem—price supports set too high. This nonsolution taxed all dairymen 50 cents per 100 pounds of production in order to pay a small percentage of dairy farmers not to produce as much. It failed to make any permanent reduction in production levels; it caused regional milk shortages and it gave dairy farmers and the whole dairy program a "bad name" and an awful lot of bad publicity. And now we've ignored recent history and implemented another nonsolution, but this time we're hurting more than just the dairy industry. We're hurting this Nation's No. 1, nonsubsidized agricultural commodity—beef.

We should also keep in mind that the dairy sector is healthier than most other major sectors of agriculture. The severe economic distress in the farm economy is largely concentrated in the grains, cotton, and livestock sectors. The plain and simple fact is that most dairy farmers are doing much better than other farmers.

Congress has a sad, sad history of providing agriculture with short-term benefits that turn into long-term liabilities. For example, in 1977 we increased the minimum dairy support level from 75 to 80 percent of parity and provided for semiannual adjustments. Up until then, milk production had been in relative balance with demand, and program costs were running only a few hundred million a year. Increasing the support level seemed to many to be a reasonable way of boosting income for the small- and medium-scale dairy farmers who we felt we were trying to help.

However, the generous support levels, which increased 46 percent from 1977 to 1981, combined with lucrative tax benefits, attracted a lot of new investment into the business. Much of this new investment came from those outside of agriculture. Huge, state-of-the-art dairy operations came into existence, providing unwanted competition for traditional dairymen. Much of our surplus problem today can be traced right to the legislated increases in the price support formula in the late 1970's.

Having just completed a congressional debate on the "nonprogram crops" provision of the Food Security Act, I am ever more increasingly concerned that Federal agriculture policies which create negative effects on free market. Commodities may force our nonsubsidized agriculture friends—and that is two-thirds of American agriculture—to say, "We, too, want some of that action—we've been quiet long enough." And that surely would "bust" the Federal Treasury, for you see, my friends, 90 percent of the $20 billion we'll spend on agriculture this year only reaches some 31 percent of the total agriculture production in this Nation. Goofy isn't it?

The most effective thing this Congress and the administration can do to help hard-pressed farmers and ranchers is to get Federal spending under control. The deficit is the immediate cause of high interest rates and the strong dollar, and those two factors—high interest rates and the overvalued dollar—have done more to depress the farm economy than anything else possible. This is because agriculture's unique production and marketing cycle makes it more dependent on credit than any other sector of the economy. Moreover, agriculture is an export-dependent industry, and the strong dollar has depressed export sales.

Farmers and ranchers have as big a stake in fiscal sanity and responsibility as any other group in our society. They want to get interest rates down and the dollar down. Farmers and ranchers really don't want runaway deficits or a budget-busting farm bill. They only want a bill that will help to restore profitability to farms and ranches by expanding markets, phasing down huge Government surpluses, and bringing supply into balance with demand. Maybe we'll get there yet.

The PRESIDING OFFICER. If there be no further debate, the question is on agreeing to the amendment of the Senator from Montana as modified. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. SIMPSON. I announce that the Senator from Florida [Mrs. HAWKINS] and the Senator from Vermont [Mr. STAFFORD] are necessarily absent.

I further announce that, if present and voting, the Senator from Florida [Mrs. HAWKINS] would vote "yea."

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 86, nays 12, as follows:

[Rollcall Vote No. 59 Leg.]

YEAS—86

Abdnor	Garn	McConnell
Andrews	Glenn	Melcher
Armstrong	Gore	Metzenbaum
Baucus	Gorton	Mitchell
Bentsen	Gramm	Murkowski
Biden	Grassley	Nickles
Bingaman	Harkin	Nunn
Boren	Hart	Packwood
Boschwitz	Hatch	Pressler
Bumpers	Hatfield	Pryor
Burdick	Hecht	Quayle
Byrd	Heflin	Riegle
Chafee	Heinz	Rockefeller
Chiles	Helms	Roth
Cochran	Hollings	Sarbanes
Cohen	Inouye	Sasser
Cranston	Johnston	Simon
Danforth	Kassebaum	Simpson
DeConcini	Kasten	Specter
Denton	Kennedy	Stennis
Dixon	Kerry	Stevens
Dole	Laxalt	Symms
Domenici	Leahy	Thurmond
Durenberger	Levin	Trible
Eagleton	Long	Wallop
East	Lugar	Warner
Evans	Mathias	Wilson
Exon	Mattingly	Zorinsky
Ford	McClure	

NAYS—12

Bradley	Humphrey	Pell
D'Amato	Lautenberg	Proxmire
Dodd	Matsunaga	Rudman
Goldwater	Moynihan	Weicker

NOT VOTING—2

Hawkins	Stafford

So the amendment (No. 1765), as modified, was agreed to.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. SYMMS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BYRD addressed the Chair.

The PRESIDING OFFICER. The Democratic leader.

Mr. BYRD. Mr. President, may we have order in the Senate?

The PRESIDING OFFICER. The Senate will be in order. All conversations will please go to the Cloakroom. The Senate will be in order. Will all conversations please move into the Cloakroom, by staff and others?

The Democratic leader.

Mr. BYRD. Mr. President, I thank the Chair.

I ask the distinguished majority leader about the program for the rest of the day, what we might anticipate by way of rollcalls for the remainder of the day, how late the Senate may be in session today, and then looking forward to tomorrow. What does the distinguished majority leader see by way of rollcall votes and other business as far into and through Friday as he can see at this point?

Mr. DOLE. Mr. President, it is the intention of the leadership to complete action on this bill this evening or late this evening depending on how long it may take. I am not certain how many amendments are remaining. I know both Senators from Maryland have additional amendments. I am not certain about the Senator from South Carolina. I know there will be another amendment to the pending amendment which is not related at all to the subject matter. But that will take some time.

So I guess we will try to complete action on this bill this evening. If we do that, then it would be my hope we could move to the hydro relicensing bill, and also there is a crime bill that I understand is not controversial. But there has been a rollcall vote requested.

I would propose we start early tomorrow morning on those two matters and try to complete action on both matters by early afternoon.

Mr. BYRD. Mr. President, this is Thursday. How late does the distinguished leader plan to keep the Senate in this evening?

Mr. DOLE. I would be happy to complete action by 6 o'clock or so. But I must say that this is sort of the late night, Thursday night. So it could be that we would be in for some time. I am not certain how many amendments are out there. I am willing to reach an agreement with anyone on a time certain to vote on the pending matter. But so far we have not been able to do that.

Mr. BYRD. May we anticipate hearing from the distinguished majority leader by 5 o'clock or 5:30 as to what he then sees as the prospect for getting out today?

Mr. DOLE. It is pretty hard to do otherwise if Members who have amendments do not indicate to the leadership what they intend to do. I am not able to advise the distinguished minority leader. But if I can get some idea of how many amendments there are and how long it will take, I certainly want to cooperate with all Members. I know there is some kind of a function tonight that many of our colleagues on both sides had hoped to attend. I think it is a radio-TV dinner of some kind.

Mr. BYRD. I did not know that. Mr. President, would the distinguished majority leader now, if he is in a position to do so, indicate when the Senate will begin work on the budget resolution? It was reported, I believe, 2 weeks ago from the committee.

Mr. DOLE. I think it has actually been available for consideration for probably 3 or 4 days. I am not yet ready to make that judgment. We had two meetings yesterday. We will likely have more. It may be that the judgment will be made to go ahead and call it up and continue to negotiate while doing that. I must say, as far as I know there will be an amendment to be offered by my friend from Ohio [Mr. METZENBAUM] to build a little fire under the leader, but that is OK. He will bring it up in due time.

Mr. BYRD. Mr. President, I am very desirous that, with the 50-hour time limit on the budget, the Senate begin action on it as soon as possible. We are already going to pass the April 15 deadline, which, under the Gramm-Rudman legislation, would require that the Senate has acted, the House has acted and the conference has acted. We are going to miss that deadline, but the deadline down the road on October 1 is the one I am really concerned about. I suppose we will be up against that one by August or September, and the longer we wait now the longer we will be in finalizing action on the budget.

In the event the distinguished Senator would decide to bring this budget up by Monday, that would give ample time to debate the budget and open it up to the sunlight of public scrutiny. If there are areas in it that need fixing, I would like to help fix them.

I know the position the distinguished majority leader is in; having to walk a very tight rope, he probably is not getting much help from the White House, although I have no factual information on which to base that. I would hope that we would not continue to wait to see whether or not the White House is going to play a role or what the White House wants to do about it. I would like for the Senate to get started on it.

I am sure I speak for Senators on this side of the aisle.

If there are White House negotiations, of course, they can continue. I would implore the majority leader to go to the budget resolution by Monday, or the first part of next week, if not tomorrow.

Mr. DOLE. Mr. President, I thank the distinguished minority leader.

I sent a letter to the Speaker today suggesting that we might do this in tandem. Nobody ever talks about the House budget, which has not even been reported out of committee. It is still languishing in the committee on the House side. So I suggested in a letter I sent with the Republican leader of the House, Congressman MICHEL, to Speaker O'NEILL that we ought to move ahead, that we ought to bring the budget resolutions up on a schedule where we are both considering the budget, the House and the Senate at the same time, so there is no sort of gamesmanship. I have a sort of inner feeling that the House is waiting for us to go first and they have an inner feeling that they want us to go first. I would like to go together. If I walk off this plank, I would like to have some company.

Mr. BYRD. The distinguished majority leader might have someone to walk with him. If the House is going to wait, that is all the more reason for the Senate to act early.

I thank the distinguished majority leader for his patience.

Mr. DOLE. Mr. President, I ask unanimous consent to have printed in the RECORD this letter delivered to the Speaker this morning, where we indicated we are ready to move ahead. In fact, we share the view of the minority leader, that the sooner we get on to the budget, the better. I guess it is a question of which budget we get on to.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE
Washington, DC, April 10, 1986.

Hon. THOMAS P. O'NEILL,
Speaker of the House,
Washington, DC.

DEAR MR. SPEAKER: The deadline for final action on a Congressional Budget Resolution for Fiscal Year 1987 is fast approaching. It is obvious that the Congress will not comply with the Balanced Budget and Emergency Deficit Control Act of 1985, less than a year after its enactment.

While the President, the CBO, OMB, and GAO have all met their obligations under the Act, the Congress has been woefully negligent in our compliance, having only conformed by submitting views and estimates and reporting a budget resolution out of Committee in the Senate.

We now seem to be locked in a political standoff, one body waiting for the other to act, one majority party waiting for the other to blink.

We must not allow the budget and appropriation process to collapse because of a preoccupation by one House with achieving a political advantage over the other. We must move the process forward. We must act sooner rather than later.

We propose the adoption of a mutually agreeable timetable providing for the concurrent consideration of budget resolutions in the House and Senate. We further propose that a timetable be established for complete consideration of a budget through the conference process.

We are ready to meet and discuss such a process at your earliest convenience and given the binding legal deadlines we face, we hope that discussions can begin immediate-

ly. Your immediate response would be greatly appreciated.

Sincerely,

ROBERT H. MICHEL,
Republican Leader, U.S. House of Representatives.
ROBERT DOLE,
Majority Leader, U.S. Senate.

SEVERAL SENATORS. Vote, vote!

Mr. METZENBAUM addressed the Chair.

The PRESIDING OFFICER. The Senate will be in order.

The Senator from Ohio.

Mr. METZENBAUM. Mr. President, the resolution that we have before us, the sense of the Senate resolution, provides that it is the sense of the Senate that tax reform should not be considered or debated by the U.S. Senate until a firm budget agreement has been reached between the President and the Congress of the United States.

It is pretty obvious that we are having difficulty in moving forward with the budget which was reported out of committee on March 24, 1986. Under the law, we have a deadline of April 15, 1986.

It is my feeling that an overwhelming majority of the Members of this body would very much like to act on the budget. We may have our differing points of view. It came out of the committee with a majority on both sides voting for it. It is not a perfect budget. There are some portions of it that I do not like.

But that is an issue we can take up on the floor of the Senate and the matter would certainly be open for debate.

Mr. President, may we have order in the Senate?

The PRESIDING OFFICER. The Senator is correct. The Senate will be in order. Please take conversations to the Cloakrooms.

The Senator from Ohio.

Mr. METZENBAUM. I think that all of us in this body would like to move and to act. The distinguished majority leader, for whom I have the greatest respect, says that I am trying to build a fire under him in order to move it forward.

That is one way of putting it. Another way is that I am just trying to let him know that many of us in this body would like to act on the budget.

As a matter of fact, I think all of us understand his problem. That is that the man at the White House is indicating his differences with respect to the budget resolution that came out of the committee.

But notwithstanding the position of the President of the United States, that still does not provide any reason why we should not get on about our business. Under the law, we have 50 hours to debate it. We have the same amount of time in which we can offer amendments. Hopefully, the President and Congress can come to some understanding or agreement. Even more hopefully, the House and the Senate can come to some understanding with respect to the budget compromise or budget resolution.

I just feel very strongly that for us to be standing out here talking about an airports bill and then getting into a bill having to do with the number of dairy cows that are slaughtered, and then having hung on to it a sense-of-the-Senate resolution indicating that we should take up the budget resolution before we get to tax reform—I think all of that only makes a more convincing case that it is appropriate that we move forward with a sense-of-the-Senate resolution indicating that Members of this body would like to take up the budget, deal with it now, vote it up, vote it down, amend it, debate it, whatever.

I see my distinguished colleague from Louisiana is seeking the floor. I yield the floor in order that he may gain it in his own right.

The PRESIDING OFFICER. The Senator from Louisiana.

Mr. JOHNSTON. Mr. President, I thank my distinguished colleague from Ohio for bringing to the attention of the Senate what I consider to be a vital issue with respect to Gramm-Rudman. That is the clock—the calendar. If you look at the calendar, and I know the majority leader has and I know the distinguished Senator from New Mexico has, there are precious few days left in this year. The Gramm-Rudman grim reaper is going to be upon us before we know it. There is going to have to be a negotiation at some point with the White House. At some point, it has to occur.

As I read in the newspaper, the White House does not want to talk right now. Maybe they do, maybe they do not. But we cannot afford to wait around, week after week, while the White House decides whether they want to talk or not.

I know the distinguished Senator from New Mexico [Mr. DOMENICI] wants to get on with this. These sentiments, Mr. President, are not said in a partisan way at all. To the contrary, they are said in a spirit of bipartisanship with respect to this budget. The same bipartisan spirit that allowed us to get a resolution out of the Budget Committee with a majority of Republicans and a majority of Democrats is the same kind of bipartisanship we are going to have to have on the floor of the Senate. And I hope we can. But it is going to take a certain period of time for the Senate to work its will whether the White House is on board or not.

I think we ought to get that process started and started soon. If we do not, we may end up on October 8 with the sequestration order coming down and everybody wringing their hands, saying, "How did this happen; why didn't we avoid it while there was still time to avoid it?"

Mr. DOMENICI. Mr. President, may I inquire of the Senator from Ohio if he intends to offer an amendment here shortly?

Mr. METZENBAUM. I shall be happy to respond to my colleague in just a few minutes. We are having some discussion of the matter at the moment.

Mr. DOMENICI. I thank my colleague.

Mr. President, I obviously am going to vote for the Symms sense-of-the-Senate resolution. I think that is exactly what we ought to discuss here. We ought to be talking about whether it is important enough to the United States and its people that we bring up a budget resolution and vote on it before we take up tax reform.

I would like also to say that if there are Senators around who support getting on with the budget resolution, if they think the Senator from New Mexico—because obviously, I am ready; I think we ought to get on with it. If they think I am going to support anything on the floor that directly or indirectly tells the leader what he ought to do and when he ought to do it, I guarantee I shall join with the leader in moving to table it. I do not think it does anything to solve the problem we find ourselves in.

The leader made a good point. We do not have just one House of the U.S. Congress that is supposed to be bound by law. The House of Representatives voted overwhelmingly for Gramm-Rudman-Hollings and they have an April 15 deadline, too. They do not have quite the impediments that flow from it that we do. But that law is quite clear. It does not say the U.S. Senate shall have passed a budget resolution, it says both Houses shall have passed a budget resolution by April 15 or there are some consequences and they are very severe. We cannot pass a budget from that day on without it being adopted.

The House has some impediments, too. They are not even supposed to adjourn in July until they have passed all appropriations bills. How are they going to do that? It seems to me we have to have some agreement if we are going to pass a budget.

This is a two-way street. I do not think it is right for me to stand on the floor, when the leader is trying his best, to leave the impression that I would support anyone from either side of the aisle who is introducing sense-of-the-Senate resolutions, resolutions freestanding or otherwise, that directly or indirectly tell the leader precisely how he ought to run the U.S. Senate. I do not think those of us who want the budget resolution to come up at any

time—and I am one of them. I am ready to do it tomorrow, Monday, Tuesday, whenever it comes up. But I do not think they enhance the chances of that resolution coming to the floor one bit by trying to tell the leader of the Senate how to run the Senate when it comes to matters such as this.

Having said that, the distinguished Senator from Kansas says that I am one of those who think we ought to get it up and get it up quickly. I am also one of those who does not think the issue is going to go away. I am also one of those Senators who does not think we can get 50 Republicans to support any budget resolution; I do not think we can get 40. I do not think we can get 40 Democrats to support one; I do not think we can get 30.

It is a very atypical budget year. I wish we could get something around here that would make it easier, make it easier for some of my colleagues to vote no because they do not want to be part of anything positive. It may be easier for the leader to take this up.

I frankly do not think we ought to do anything more today than vote up or down on the Symms sense-to-the-Senate resolution as modified to cover a matter that is rather urgent to the U.S. Senate on an agricultural issue.

I hope those who are contemplating the thought that we might vote up or down here today on telling our leader, the distinguished Senator from Kansas, how to conduct the business of the Senate, would not pursue that. I hope we do not do that.

I yield the floor.

Mr. DOLE. Mr. President, I thank the distinguished Senator from New Mexico for his remarks.

Again, I do not have any quarrel with the Senator from Ohio because I think there are some politics involved in this. I know the budget is very important. I think we have demonstrated that in the past and intend to demonstrate it again. But I do believe that since the budget was only available a day before the recess, the leader—whether he be the majority or minority leader—certainly has the right to try to work out a better proposal and try to get more people on board, whether it is the White House or the Senators themselves.

I have indicated that I certainly understand the urgency of the budget. I served on the Budget Committee. I believe the Budget Resolution is much more important than many other things we are doing around here.

Having said that, I am not so certain that it is absolutely necessary that it be passed by April 15.

I hope the Senator from Ohio, having made his point, would not press the amendment. I does not really make any difference to this Senator, but I think if there is anything I have done since I have been leader, it is that I have kept my word, whether it be on the Genocide Convention or TV in the Senate, whatever it may be. Whether it has made Republicans happy or made Democrats happy, I did what I felt compelled to do. I hope we would not engage in a daily exercise of, in effect, directing the leader as to what he should do next.

Mr. JOHNSTON. Mr. President, would the Senator yield for a question?

Mr. DOLE. I yield, Mr. President.

Mr. JOHNSTON. Would the Senator have any idea at what point he will bring this up? If he cannot put together any coalition, is there any final point out there at which we can say, if all else fails, this will come up?

Mr. DOLE. I intend to try to visit with representatives of the President, if not today, tomorrow.

It may be that there is nothing to work out. It may be that it is better to bring it up and try to work it out while it is pending. We have 50 hours. That is 5 or 6 days. It may be that nothing will pass. It may be that it will be recommitted. It may be that we could offer a substitute that would have bipartisan support—lower the revenues a bit or do some other things. I really do not know.

It just takes so long to have meaningful sessions with those who are directly involved. But it is certainly a matter of priority to the leadership.

Mr. JOHNSTON. I hope the leader will, in that same spirit of bipartisanship that has been very strongly shown under the leadership of the Senator from New Mexico, keep us advised of how the negotiation is going so we might have some idea of when it is.

Mr. DOLE. We have had two meetings just yesterday with the Republican chairman and with the Republican leadership, with Mr. Miller sitting in on the chairman's meeting. There was a good exchange, I think, with a number of Senators on our side.

My view was that the White House indicated a willingness to discuss it. I know they are not involved in the budget process and the budget resolution, but they would be if we implemented the budget resolution. So it would seem to me if there is any way to work out any differences in advance, we generally try to do that around here.

But I do not care whether the amendment is offered or not. I am prepared to table it. I think we will table it. It may be on a straight party line. I would hope I would have every Republican vote. So if they want to offer it, it is fine with me.

Mr. METZENBAUM and Mr. EXON addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. Mr. President, I have been listening with great interest. I am a member of the Budget Committee and I wish we could get the budget out, but I am not sure that I want to partake in trying to tell the majority leader what to do. That is his job. I appreciate the prerogative that he has to have in that area. As one of those who was part of that bipartisan group which was put together under the able leadership of the chairman of the Budget Committee and the ranking Domocrat of that committee, I wish we could get it up. I happen to feel that the majority leader may be in somewhat of a tough position, but maybe not as tough as he indicated when he made a speech in Omaha, NE, this last weekend when he said, among other things about that budget, that the budget that came out of a bipartisan group was "as welcome in the U.S. Senate as a skunk at a lawn party." I would say to the leader that I am not sure it is quite that bad. I would really hope that what we could do, for a little free advice because I think I will be supporting this, if we could get that budget over here, which is here now, and bring it up, I wonder if that would not, as the majority leader just outlined, maybe develop the heat that is necessary for whatever compromise we need to have to get some 50 votes for the budget.

Mr. DOMENICI. Will the Senator yield?

Mr. EXON. I will be happy to yield.

Mr. DOMENICI. I think I could describe the skunk at the lawn party. It was described yesterday a little differently. He said yesterday, if it means the same thing, 25 Republicans are for it, 25 are against it, and the President is undecided. That is apparently what he meant when he was talking about it in Nebraska.

Mr. EXON. None of those skunks, of course, are Republicans.

Mr. DOMENICI. That meant everybody.

Mr. EXON. I thank the Senator.

Mr. DOMENICI. Let me say from my standpoint, as one who chaired that committee and took seriously the deadlines and all those things that we had so much rhetoric about in Gramm-Rudman-Hollings, that is why we worked hard and got the budget out here. But I appreciate the Senator's remarks that he does not intend to join with anyone here on the Senate floor in trying to dictate the schedule to the majority leader. I hope the Senate will join us on that. I think we will get the budget quicker if we do not try to do those things around here than if we try that.

Mr. EXON. I intend to vote that way but I simply say I am not voting that way for some of the reasons that have been enunciated here on the floor. I think it makes little difference to the U.S. Senate in this particular event

what the House of Representatives has done.

The House of Representatives should have acted sooner, but they have not. I would simply say that it was not the House of Representatives where Gramm-Rudman-Hollings was born and thrust upon the public. It was done here in this body. So I simply say that I think we have enough problems right here; we move ahead in an expeditious manner without trying to blame the House of Representatives for the failure to act here.

Mr. METZENBAUM and Mr. BYRD addressed the Chair.

The PRESIDING OFFICER (Mr. EVANS). The Democratic leader.

Mr. BYRD. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

Mr. METZENBAUM. Mr. President, will the minority leader be good enough to withhold that?

Mr. BYRD. I withdraw the suggestion.

Mr. METZENBAUM addressed the Chair.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. METZENBAUM. Mr. President, let me clarify the situation a bit because there seems to be some confusion. The Senator from Ohio has indicated that he intended to offer an amendment on behalf of himself, Senators JOHNSTON and BENTSEN, which would read as follows:

It is the sense of the Senate that the Senate Concurrent Resolution 120, the concurrent budget resolution, should be brought to the Senate floor for consideration at the conclusion of the pending measure in order to comply with the Gramm-Rudman-Hollings law.

That is all there is to the amendment. I did not send it up. I did not send it up purposely in order that the ranking member of the Budget Committee might get here before we did send it up. Nobody is attempting to take away the prerogatives of the majority leader. I discussed it with the majority leader before ever opening my mouth on the issue. I have discussed it with the majority leader since then. The majority leader has indicated that he intends to get the budget resolution up, as I understand it, just as soon as he possibly can and wants to bring it up as do so many of us in this body. He has made the point and I think he is correct, that if there were a vote absent the distinguished Senator from Nebraska I would guess that it would be pretty much along a party-line vote. That would be my opinion.

But regardless of whether or not that would be the vote, I do not think there is much question about it that the majority leader has sufficient following on his side to be able to defeat the proposed amendment.

Passage or failure of passage of the amendment is not the issue. The issue we are making is that many of us in this body want to get on with budget resolution.

We would like to comply with the Gramm-Rudman deadline. We would like to deal with the issue of balancing the budget. We think that the budget resolution which came out of the committee moved in the right direction, not a perfect document but better than no budget resolution at all. We are trying to say in offering this amendment, Mr. Leader, we are anxious to get on with the business of the Senate, and we believe the proper business of the Senate at the moment is to deal with the budget resolution. That is not to deprive him of his prerogatives as the leader. This is a wish, this is a hope, this is an indication of concern and desire on the part of many of us on the floor of the Senate.

Having said that and having been urged by the majority leader not to offer it, and having also had him make the point that when he had given his word with respect to the Genocide Treaty as well as with respect to a number of other matters that he and I have discussed in the past, he has always lived up to his word, I have no doubt in my mind that he is intending to do just that in connection with the budget resolution, and therefore I will not offer the amendment.

Mr. CHILES addressed the Chair.

The PRESIDING OFFICER. The Senator from Florida.

Mr. CHILES. Mr. President, I wanted to address myself 1 minute to the majority leader and say I well understand his desire to keep his prerogative for setting the schedule. I think many of us on this side are sensitive to that. But the majority leader should understand there is a little sensitivity on our side. As the majority leader has said, he is trying to work out something with the White House and see if we could come to some agreement. But there is a little sensitivity on our side when we hear the President in his press conference lead off by saying, first, "The deadline for Americans paying their taxes, April 15, will be upon us in less than a week. April 15 is also the date that Congress is required to complete work on a budget resolution. Tens of millions of Americans will meet their deadline. They'll pay their taxes even if they have to spend the entire weekend figuring out how much they owe, but will the Congress meet its deadline for the budget resolution?"

Now, Mr. President, that is like the old situation where you rub manure in my hair and then you kick me out for smelling. It is one thing, I think, for us to say the President needs some time. But it's something else again for him to castigate the Congress when his people are over here saying do not move on the budget resolution, hold it up, keep it from passing; we do not want to see anything happen on that. To then have the President jump on the Congress, it is a little bit hard to stomach. So I want the majority leader to appreciate the sensitivity on our side when we get those kinds of remarks.

Mr. DOLE. I do not quarrel with the Senator from Florida. I think it applies to all of us. It may be in response to something I said earlier in the week, that I might be going it alone. But in any event, it is a budget resolution. The President does not sign it. It is something with which we have to deal. I would say that they are not trying to hold it up. There are just a couple people I need to touch base with before we start to move. I am fairly realistic. I would like to have a truly bipartisan final package and not one where you have maybe more Democrats voting for it than Republicans. That is bipartisan, but I am not certain how that would wash. So we are looking at some options as anyone would look at options, and I think I properly described it yesterday when I said you got about a 50-50 split and the White House sitting on the fence, except for those statements.

Mr. DOMENICI. Mr. President, I wish to add to what the distinguished Senator from Florida has said—and call to the majority leader's attention—that it is most interesting that the President is saying we should get on with our work.

I do not know whether very many Senators know that if you took the President's budget just as he sent it to us and you substitute that for our proposal and try to offer it on the floor of the Senate, it would be out of order, because it is $14 billion in outlays over the requirements of Gramm-Rudman—$14 billion in outlays. That is almost as much money as the President's budget saves in domestic savings. Slightly over 20 is my recollection. His, when he sent it over, was $14 billion over. Then he sent us another one. Maybe we should start to negotiate with him and ask him, "What would you change in yours to find $14 billion that was not accounted for in the sense of meeting the deadlines?"

To put that in perspective, I do not believe that makes some of the revenues we are talking about so outlandish. I do not think that the White House and all the people helping there could find $14 billion more in domestic cuts. Probably they could put it on a piece of paper, but I do not think they could send that over and expect anybody to vote for it. I do not think they would want to take $14 billion in outlays out of their defense number. That probably put it close to where we are, and they do not like that, and that is way too low.

Maybe if you took all $14 billion out of defense, you might have a number about like ours. That seems to be unacceptable. That is failing to put defense where it should be, and maybe it should be higher than the budget resolution prescribed. I am telling the Senate what I told the majority leader. We are not going to get through this year on budget matters without a lot of tough votes, and people will have to make up their minds so that they really want to vote for something that gets to Gramm-Rudman-Hollings, or whether they want to vote "no" on everything.

I said yesterday, and I want to tell Senators on the floor, that this is a strange year on budgets. I say to the Senator from Louisiana that we used to have an abundance of proposals. When I would get to the floor, I would have 20 proposals people sent me. All I am getting this year is letters, and the letters are saying, "We don't like it," and they are all asking somebody to do something else. There is one with 25 asking the leader to produce one or help produce one—help negotiate an alternative. We have a number saying what is wrong with it. We do not have one saying what they would do.

That puts the debate we will have here—I hope in the not too distant future—into perspective. Everybody thinks there is an easy way out; and when they get down to looking at the numbers, there is not an easy way out. Yes, somebody can propose a lot more cuts, but I do not know who will vote for it after you have done the job of providing more domestic cuts. More defense, a lot more—maybe I would vote for more. Where would they get the money?

Mr. CHILES. I think the Senator knows that the bipartisan budget we voted out of the committee is $4 billion less in spending outlays than the President's budget.

Mr. DOMENICI. Overall.

Mr. CHILES. Yes.

Mr. DOMENICI. It could be.

Mr. BRADLEY. Mr. President, does the Senator think that the resolution that has been offered by the distinguished Senator from Minnesota helps to get Senators to make the tough choices?

Mr. DOMENICI. I certainly do not think it hurts.

I did not cosponsor it because, frankly, I do not think we should make tax reform contingent upon getting a budget resolution negotiated with the President of the United States. I think that is the closing statement. I am going to vote for it. I think we should amend it and take that out and say we should not get on with it until we have a budget resolution passed by Congress and then take up the tax bill. We have never had a budget resolution coming out of conference that has been the President's budget resolution in 14 years. Otherwise, I think the content would be helpful.

Mr. BRADLEY. Mr. President, it seems to me that there is no reason why the Senate Finance Committee should not go ahead and work and see what it can produce in the way of a tax reform bill, as the Senate Budget Committee worked to see what it could produce as a budget bill.

The idea that there should be some kind of precedence given to one thing over the other in timing is contrary to the way the Senate has always functioned, and it is illogical. At a time when we are going to look at the budget to cut, when we are going to look at programs to cut, we also ought to be able to look at the biggest spending program, which is the whole tax expenditure section.

It seems to me, further, that if we are going to ultimately adopt a proposal similar to the one that came out of the Senate Budget Committee, which includes revenues, we almost should deal with tax reform first. I am not making that case or going to make an amendment today.

If you are going to raise revenues and you raise revenues, under the present system the people who will be paying it are the people who are now paying—by and large, middle-income people.

If you were able to do tax reform first, you would get people with equal incomes paying their fair share, paying about equal taxes. Then you could get some increased revenues.

I make the argument—and in the future I will make it longer—that you should do tax reform first, before you get to the budget. But certainly you should not change the way the Senate has always functioned and say, "No, no, you can't even consider tax reform on the floor," if the Finance Committee had managed to move through and managed to mark up a tax reform bill by the time you got a budget resolution, which seems unlikely.

Why should the Senate say, even if the Finance Committee was not able to do that, "You may not bring it to the floor until you have agreement on a budget resolution"?

The modifications that have been offered, as I have heard discussed here by the Senator from Minnesota, do not appreciably change this. They change it in the sense that you can mark it up in the committee, but they do not change it in the sense that if the committee goes ahead and does it, you cannot bring it to the floor.

I view it as a delaying tactic. For someone who is interested in tax reform, there is no reason, if we get through the Finance Committee, why we should not bring it to the floor. I think it is a delaying tactic by the opponents of tax reform. Why we want to mix that up in this whole budget debate, I do not know.

Why you want to tell your President, "No, we're not going to do tax reform," and try to hold him hostage for some kind of agreement on a nonbinding budget resolution is beyond me.

Mr. DOMENICI. The Senator means a nonbinding resolution?

Mr. BRADLEY. A nonbinding resolution.

Mr. DOMENICI. The Senator does not mean the budget resolution?

Mr. BRADLEY. No, a nonbinding resolution, offered by the Senator from Minnesota, on the budget.

Mr. DOMENICI. I say to the Senator from New Jersey that as I read the operative words as presently pending, it says: "It is the sense of the Senate that tax reform should not be considered or debated by the U.S. Senate"—they do not talk about "committee"—"until a firm, definite budget," and so forth.

Frankly, I do not know why the Senator from New Jersey, who is obviously extremely interested in tax reform, is all that concerned. I think we should adopt this because it is the overwhelming sentiment of the U.S. Senate, from what I can tell—that this is what they want to do. They want to have a budget resolution wrapped up and operative before they consider tax reform, and that is what this says.

There are all other kinds of reasons you might bring up, who is for tax reform and who is not. We will get that vote someday, I suspect.

Mr. BRADLEY. Let me just say to the Senator from New Mexico and the Senator from Minnesota that there is no reason to prejudge that now. We should go ahead and do what we can to mark up a tax reform bill and go ahead and do what we can to mark up a budget bill, and whichever one is finished first should come to the floor.

You should not attempt to delay tax reform if we can get it done in the committee. I do not know you would want to delay tax reform if a part of the agenda was not to try to kill tax reform.

Therefore, the changes that I have seen made do not appreciably change from my perspective, and I see this, as I said earlier, as a declaration of intention that the supporters of this resolution want to take every opportunity to delay the consideration of tax reform and ultimately to kill it. That is the agenda.

I ask for the yeas and nays on the resolution.

Mr. BOSCHWITZ. The yeas and nays have been ordered.

The PRESIDING OFFICER. The yeas and nays have been ordered.

Is there further debate?

Mr. BOREN. Mr. President, I will just take one brief moment because I know the Members are anxious to vote on this matter. I compliment the Sen-

ator from Minnesota and the others who have joined with him.

The people of this country have been wanting to know when we are going to put first things first. There is no more pressing need in this country than to take action to get these budget deficits under control and then to develop a strategy for maintaining our competitive position in the world market.

Those are the two priorities that we must face dealing with the budget deficit and the trade deficit.

That is not to say there are not some elements of unfairness in the present Tax Code that should be corrected. There should be and there is room to accomplish some reform of that present Tax Code.

But let us do first things first. We all know that if you spend an hour of your time doing one thing you have made a choice. You cannot spend that same hour doing something else. It is time that we meet the real problems of this country first and spend the precious time we have on the Senate floor and in committee dealing with those issues that are most serious to the American people.

I saw the results of a poll in my State recently. An open-ended question was asked, "What is the most important problem facing the country with which we should be dealing?" It was an open-ended question. Forty-seven percent said doing something about the budget deficit was the most important problem. Then you have an agricultural issue, job issues, the trade deficits, all the rest; then, at three-tenths of 1 percent, action on changing the Tax Code was mentioned. Three-tenths of 1 percent, a threshold of more than 350 to 1 in terms of priorities as the people see them, and the people are absolutely right. It is another case of their being ahead of the politicians.

It is time that we listened to that popular wisdom and did the job that the people sent us up here to do.

I commend the Senator from Minnesota, the Senator from Idaho, and others who are taking this position. It does not mean that we will forever set aside tax reform. It does not mean we will never deal with unfairness in the Tax Code. It simply says let us do first things first for a change. Let us take care of the real problems of this country before we fritter away the precious time available to us on things that ought to follow on after we deal with the underlying economic problems of this country.

I would also point out it will not delay tax reform because I am informed that under the Budget Act itself in terms of the parliamentary rules of this body, it will not be in order for us to take up a bill which alters revenues on the floor of the Senate until we have acted on a budget resolution anyway. Even if the bill is revenue neutral, there are individual portions of the bill which will lose revenue and, therefore, it will not be in order to take it up until we have dealt with the budget resolution.

So, we are in no way delaying progress on tax reform. We are simply saying we agree with the American people. We understand our priorities should be to deal with the budget deficits before we go into other matters, and I think that is exactly what the Senator from Minnesota is saying.

I enthusiastically support his proposal.

The PRESIDING OFFICER. Is there further debate?

Mr. BRADLEY. Mr. President, I will not debate the substance of whether the people of the country want the budget deficit reduced or whether they want fair income taxes more. I think I see where most of the votes on this resolution will come from.

I will simply remind the Senate this is a nonbinding resolution and has no effect whatsoever on the ultimate decision whether we move a tax reform bill through to the floor.

AMENDMENT NO. 1764

Mr. LEVIN. Mr. President, I support reforming the Tax Code. I support a stronger minimum tax on profitable corporations and wealthy individuals. They should pay their fair share.

But I also believe that we should reduce the deficit in a way that does not destroy vital programs. That is why I believe that the revenues from tax reform should be used to reduce the deficit, and not to provide tax cuts. When a nationwide poll was conducted in which people were asked whether the revenues generated through tax reform should be used for deficit reduction or tax cuts, people supported deficit reduction by a margin of 68 to 22 percent.

I believe that if tax reform goes first and the revenues from the minimum tax, for example, are used to provide lower taxes rates, then those revenues will not be available to be used to meet the Gramm-Rudman targets. Thereby, all the burden to meet those targets will be shifted to the spending side and will mean severe cuts in vital programs.

From what I hear, the Finance Committee is turning over every stone to find revenues to keep its tax reform bill revenue neutral. If the Finance Committee continues to do that, and if the final product of tax reform is considered before the Congress considers the budget, then what chance is there for revenue to be available in order to comply with the requirements of a budget resolution that we may subsequently pass—whether it is the $6 billion in revenues that the President's budget calls for or the $18 billion that the Domenici-Chiles budget calls for? You can't sell the Brooklyn Bridge twice, and you can't double-count the revenues generated by tax reform.

Like my colleague from New Jersey, I don't like the Tax Code exactly like it is now. I want to see reform. And that reform, from a strengthened minimum tax for example, should not increase the tax burden on low- and middle-income taxpayers. But that can be accomplished through a nonrevenue neutral tax reform bill. And the revenue raised through nonrevenue neutral tax reform could be used to reduce the deficit, thereby taking some of the pressure off of the vital programs which my colleague from New Jersey and I both support.

Let me clear, however, that if I had my preferences, I would not word this resolution precisely as it is. I think we should consider the budget right away without waiting for an agreement with the President. If he wants to join in, fine. But the deficit reduction train should not wait endlessly at the station for him to decide whether he wants to get on.

The PRESIDING OFFICER. There being no further debate, the question is on agreeing to the amendment of the Senator from Idaho. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The bill clerk called the roll.

Mr. SIMPSON. I announce that the Senator from Arizona [Mr. GOLDWATER], the Senator from Florida [Mrs. HAWKINS], and the Senator from Vermont [Mr. STAFFORD] are necessarily absent.

Mr. CRANSTON. I announce that the Senator from New York [Mr. MOYNIHAN] is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 72, nays 24, as follows:

[Rollcall Vote No. 60 Leg.]

YEAS—72

Abdnor	Ford	McConnell
Andrews	Garn	Melcher
Armstrong	Glenn	Murkowski
Baucus	Gorton	Nickles
Bentsen	Gramm	Nunn
Boren	Harkin	Pressler
Boschwitz	Hatch	Proxmire
Burdick	Hecht	Pryor
Chiles	Heflin	Quayle
Cochran	Heinz	Rockefeller
Cohen	Helms	Rudman
D'Amato	Hollings	Simon
Danforth	Johnston	Simpson
DeConcini	Kassebaum	Specter
Denton	Kerry	Stennis
Dixon	Laxalt	Stevens
Dodd	Leahy	Symms
Dole	Levin	Thurmond
Domenici	Long	Trible
Durenberger	Lugar	Wallop
Eagleton	Mathias	Warner
East	Matsunaga	Weicker
Evans	Mattingly	Wilson
Exon	McClure	Zorinsky

NAYS—24

Biden	Byrd	Grassley
Bingaman	Chafee	Hart
Bradley	Cranston	Hatfield
Bumpers	Gore	Humphrey

Inouye	Metzenbaum	Riegle
Kasten	Mitchell	Roth
Kennedy	Packwood	Sarbanes
Lautenberg	Pell	Sasser

NOT VOTING—4

Goldwater	Moynihan
Hawkins	Stafford

So the amendment (No. 1764), as amended, was agreed to.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. FORD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The majority leader.

The Senate will please be in order, and Senators will clear the well. Will Senators please clear the well and the aisles?

Mr. DOLE. Mr. President, if I could have the attention of my colleagues, I have been discussing the pending business with the distinguished minority leader and the distinguished Senator from Maryland, Senator SARBANES.

It has been suggested perhaps if we could reach some agreement on final disposition fairly early tomorrow, that we might be able to continue to take a couple of amendments or whatever tonight and still leave here at a reasonable hour. I have no objection to that, if we can work on some agreement.

I am going to ask staff to see what we can put together, how many amendments there may be, and see if we can reach some time agreement on when we could have final passage which probably will come, hopefully, before 12 o'clock tomorrow.

There might be another bill called up after that which would require a rollcall or two, but still get us out here hopefully by 2 o'clock or 2:30 tomorrow afternoon.

I will make some definitive announcement after we have had a chance to explore it further with the Senator from Maryland.

Mr. SARBANES. Will the majority leader yield?

Mr. DOLE. I am happy to yield.

Mr. SARBANES. Mr. President, we have the afternoon pretty well chewed up on amendments. I know Senator MATHIAS has one amendment and possibily two of consequence. I need to talk with him. Senator HOLLINGS has an outstanding amendment. I have a number of amendments at the desk, but I think they can be boiled down into just a few. So we might be able to dispose of some of those tonight and have only a couple tomorrow, with a very limited time period, agreeing to a vote at a certain hour, vitiate the cloture and address final passage of this bill sometime at a reasonable hour in the morning.

That was my thought. That would enable Members to make their plans accordingly.

Mr. DOLE. I certainly have no objection to that, if we can determine the amendments and how long it might take. In the meantime, I will be in contact with Senator MATHIAS.

Mr. President, I suggest the absence of a quorum.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MATHIAS. Mr. President, I ask unanimous consent that proceedings under the call of the quorum be suspended.

The PRESIDING OFFICER (Mr. HUMPHREY). without objection, it is so ordered.

AMENDMENT NO. 1766

(Purpose: To provide that certain revenues at one Metropolitan Washington Airport may not be used at the other airport, and for other purposes)

Mr. MATHIAS. Mr. President, I send an amendment to the desk on behalf of myself and on behalf of the distinguished Senator from Maryland [Mr. SARBANES].

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Maryland [Mr. MATHIAS], for himself and Mr. SARBANES, proposes an amendment numbered 1766:

On page 41, strike out lines 17 and 18 and insert in lieu thereof "and in conformance with section 511 of the Airport and Airway Improvement Act of 1982 (49 U.S.C. 2210), no landing fee, automobile parking concession, terminal area or other building rental, land lease, or any other concession, rent of user charge providing operating revenue to the authority."

On page 41, line 19, insert "generated" after "(A)."

On page 41, line 20, insert after "operating" the following: "or capital."

On page 41, line 21, strike out "excluding" and insert in lieu thereof "including."

On page 41, line 23, insert "generated" after "(B)."

On page 41, line 24, insert after "operating" the following "or capital."

On page 41, line 24 continuing on page 42, line 1, strike out "excluding" and insert in lieu thereof "including."

On page 42, insert between lines 2 and 3 the following new paragraph:

(9) To further the intent of paragraph (8), the Airports Authority shall—

(A) maintain separate financial records for Washington National Airport and Washington Dulles International Airport;

(B) prepare an annual report on the operation of the Metropolitan Washington Airports in accordance with the audit procedures set forth in paragraph (6) of this subsection; and

(C) submit such report to the Congress.

On page 42, line 3, strike out "(9)" and insert in lieu thereof "(10)."

Mr. MATHIAS. Mr. President, I am grateful to the clerk for having read the amendment because this amendment, which I submitted on behalf of the Senator from Maryland [Mr. SARBANES] and myself, is slightly different from the amendment on this general subject which I had earlier introduced. Therefore, for all of those fans of this fascinating unfolding drama, I submit that in following their programs they will notice that there is a slight deviation from the schedule. So the clerk has made it clear exactly what is changed.

This amendment in very few words prevents cross-subsidization between National Airport and Dulles Airport, both in terms of operating revenues and in terms of capital improvement funding. It means that the revenue generated at National from the concessions, from the landing fees, from the automobile parking, from other activities—in other words, the revenues that people who went to National have paid—cannot be used to subsidize the fee structure at Dulles for the people who may go to Dulles. It is the principle of keeping your money at home. Revenue from National cannot be used to support debt service associated with capital improvements that may be made at Dulles. It requires that the airports in the new authority operate like all other airports in the country. They have to maintain separate books, separate cash registers. Each barrel has to stand on its own bottom.

Now, a common cash register approach to operating National and Dulles, if that were to be permitted, would in fact be anticompetitive. For example, it would give to Dulles an unfair competitive advantage over the third airport serving the Washington metropolitan area, the Baltimore-Washington International Airport. By treating National and Dulles as a single revenue cost center, landing fees at the more popular National would continue to underwrite the fee structure at Dulles, making Dulles appear to be a lower cost facility than it otherwise would be for both incumbent carriers and for potential new entrants. Additionally, the amendment that my colleague from Maryland and I have offered ensures that the size of any capital improvement program at Dulles would be related directly to the capability of Dulles to support its own bonded indebtedness. You simply would not have what is literally a free ride at Dulles. This would not be a free ride at the expense of National Airport. That is one of the misnomers or misapprehensions or misconceptions that have gotten into this debate. It is not going to be at the expense of National Airport. It is going to be at the expense of people who use National Airport. If you are thinking about consumers and if you are thinking about what is fair, I think this amendment is essential.

Further, operational cross-subsidization is inconsistent with the Airport and Airway Improvement Act of 1982

which requires airport proprietors to operate on the basis of their own revenues and their own resources. It requires that each airport be independently financially stable.

Now, thanks to an amendment that was offered by the Senator from Kentucky [Mr. FORD] during the Commerce Committee consideration of Senate bill 1017, the bill already restricts the authority from using the revenues available from landing fees and from parking at National Airport to subsidize the fee structure at Dulles. It is interesting to note that these revenue centers account for an estimated 50 percent of the two airports' combined revenue.

What the language that we offer here adds is the inclusion of terminal building rentals, land lease revenues, and other concessions to the list of revenues that are declared as being inappropriate and ineligible for cross-subsidization. So this amendment would serve to eliminate the practice of using National Airport as a "cash cow" to underwrite the user fee structure at Dulles.

As I have already stated, our amendment serves to preclude the authority from pooling together revenues to issue consolidated revenue bonds to support the capital needs of those airports. There is no sound financial reason to use National Airport's revenue.

Again I have slipped into the error so common in this debate: There is no reason to use the moneys that are paid into the National Airport coffers by the customers at National Airport—it is not the airport's money; it is the consumers who put it up, in the long run—or to use the revenue to support the capital bonded indebtedness of Dulles.

While improvements are needed at Dulles, the capital development program should be phased to meet passenger demand and the financial capacity of Dulles and of the carriers at Dulles to absorb the cost. Using National Airport simply as a cash cow will serve to promote over-construction at Dulles, while development projects at National will be deferred or canceled because the bonding capacity has been already limited at National.

Mr. President, for these reasons, I respectfully submit to the Senate that this is a simple amendment. It is not hard to understand. It makes common sense. It is consistent with existing law. It just applies to these two airports the rules that are applied in Denver, San Francisco, Fort Worth, Houston, St. Louis, Chicago, Boston—all around the country. We are simply applying the rule which the 1982 act makes otherwise universal throughout the United States. I submit that the Senate should adopt this amendment.

Mr. SARBANES. Mr. President, I rise in very strong support of this amendment. I am pleased to join my able and distinguished colleague from Maryland in bringing it forth.

The amendment addresses a very serious deficiency in this legislation. It is very important for our colleagues to understand what the problem is and why it is of such concern.

The cross-subsidization between National and Dulles, permitted by this bill to the authority, whereby the revenues from one airport could be used to subsidize the other, present a very serious, unfair competitive situation for BWI, which is in direct competition with Dulles.

Second, it presents a difficult situation as between the two airports and their users, because instead of each airport standing on its own, as is the pattern throughout the country, the ability to cross-subsidize would enable one airport to underwrite the other and therefore not reflect what was really occurring in terms of the usage and efficiency at that particular airport.

This bill focused on National and Dulles as a single unit, and this problem is a reflection of that. By structuring an unfair competitive situation for BWI, it places in jeopardy BWI's ability to provide high-level service to the entire region. It is very important to keep in mind that the Washington metropolitan area is served by three major airports and that a fair competitive airport policy as among the three will result in better air services.

The bill recognizes this program, in effect. In other words, there are provisions in the legislation as reported by the Commerce Committee that pay some attention to the cross-subsidization issue.

Unfortunately, it contains a loophole as wide as a hangar door which would allow any revenues at one airport to be used for debt service and depreciation at the other, and would allow some revenues, such as concessions and leases, to be used for any costs at the other.

In other words, on page 41, the bill limits the use of the landing fees and parking revenues at one airport from being used for maintenance or operating expenses at the other. First of all, landing fees and parking revenues are only part of the revenues at a particular airport. I am told that at National they amount to about 50 percent of the revenues. So there is a very significant dimension of revenues not covered in the bill.

Second, the preclusion and the use of those revenues, even the ones that are covered at the other airport, apply only for maintenance or operating expenses and exclude debt service, depreciation, and amortization.

If you can use any revenues from one airport to underwrite capital costs at the other, the limitation that the parking revenues and the landing fees cannot be used for operation and maintenance becomes meaningless, because, in effect, the objective is accomplished indirectly, through the use of parking revenues and landing fees to underwrite capital costs—namely, debt service, depreciation, and amortization.

What this amendment would do would be to expand the revenues covered and bring capital costs within the purview of the costs for which they could not be used.

I think that is a very sensible proposal. It goes to the very heart of the unfair competitive issue which has been raised. It provides, in effect, that each airport is going to have to make its own case, stand on its own, which is what is required of airports all across the country.

Second, what it means is that the development at one of these airports is not going to be shortchanged in order to achieve development at the other airport, in other words, that the authority will not be able to shortchange one of the two airports in order to benefit the other one through the shifting of revenues to underwrite costs.

In effect, what we are seeking is that the two airports, in a financial sense, be handled on a separate basis, and this amendment would accomplish that. It, therefore, would set up a fair competitive situation between Dulles and BWI. In other words, Dulles and BWI are equidistant from Washington. They compete directly from one another. Maryland welcomes that competition. But we do not think we ought to be thrown into a context in which Dulles can be underwritten by the profits from National, just like I would not advocate that BWI be underwritten in the competition with Dulles by the profits from National.

National is a highly profitable airport and if there is the capacity in the authority to use those profits to underwrite the activities at Dulles, they will be able, in effect, to subsidize Dulles and enable it to compete unfairly.

We seek competition. We welcome it. We are prepared to deal with it. We anticipate a revitalized Dulles will be a strong competitor. But we think it should be based on its own situation and not draw sustenance, as my colleague from Maryland said, not draw from a cash cow, which is National Airport.

If that is permitted to happen, you are not going to have a fair competitive situation. It is going to have an impact on the air service that the region receives because to receive the best air service the region needs three first-rate airports and to achieve that I think you do the best by establishing a fair competitive policy.

That is a major weakness in this legislation. The provisions that were put in which recognized the problem—obviously just putting in the provisions was recognition of a problem—do not in fact cover the problem, and the amendment which has not been proposed is designed to do exactly that, by in effect saying that the revenues at one airport cannot be used for maintenance, operating, or capital expenses at the other. In other words, there cannot be a cross-subsidy and therefore—you significantly limit the possibility of an unfair competitive situation.

I think this is a very important and very worthwhile amendment, and I am pleased to join with my colleague in urging its adoption by the Senate.

Mr. TRIBLE. Mr. President, I rise in opposition to this amendment. The purpose of this amendment is to increase costs and slow down the airport improvements. This amendment benefits no one. Indeed, it is a back door way of dividing and thereby attempting to conquer. This is an effort to separate Washington Dulles from Washington National, to drive up costs to the traveling public, and to destroy the symmetry of operation that all airports around this country enjoy.

Let me talk about this amendment. There are no benefits to anyone. It will only drive up costs. It is really only a punitive effort and that I regret at this later hour. The fact is no one does it, and I want the RECORD to be perfectly clear that my distinguished colleague from Maryland was in error when he suggested that the law supports this amendment. The AIP act says only that you must use all revenues for airport purposes. It does not; I repeat does not, prohibit two or more airports from pooling revenues and dividing them between the airports as they see fit. I would read into the RECORD section 511 of the Airport and Airway Improvement Act, 1985. It makes that very clear. It is and I quote:

> All revenues generated by the airport, if it is a public airport, will be expended for the capital or operating costs of the airport, the local airport system, or other local facilities which are owned or operated by the owner or operator of the airport and directly related to the actual transportation of passengers or property.

The law could not be clearer, and, indeed, experience would be more evident that this is common practice throughout the country.

Cities with multiple airports have single management; they have similar financial arrangements among airports, in New York City, Chicago, Los Angeles, Kansas City, and Houston.

Let us go beyond that, beyond the legal base for what is proposed by this bill. Let us go beyond common practice which suggests that this is not only appropriate but also an appropriate method of maximizing resources and providing better services to people.

What is the rationale for this amendment? What is the rationale for this punitive kind of initiative?

The reason seems to be the notion that Dulles competes in some way unfairly with BWI or will at some time in the future. The reality is that BWI does better than Dulles with higher rates now and under this legislation the rates at Dulles will go up and they will go up sharply. Indeed, that will be necessary to support the substantial enhancement of these airports.

Moreover, in the past 5 years, there has been dramatic growth at BWI of 77 percent, with 7 million passengers. This is a good airport. It should not fear competition. Indeed, these airports serve discrete geographic and population areas. The Council of Governments survey recently showed that only 6 percent of the people using BWI would prefer Dulles. Only 5 percent using Dulles would prefer BWI.

These airports are not involved in a zero sum game. With a slot limitation at National, with the dynamic growth of this metropolitan region, all of our airports will continue to grow at a rapid rate, and our challenge is to ensure that we can meet those requirements, and that is why this legislation is so important.

This amendment would split all concession revenues between the two airports, require the airports to keep separate books. Absolutely no benefits are provided by such an arrangement. It would create an added administrative nightmare trying to determine how to pay for equipment and personnel to serve both airports.

The committee has addressed these concerns, and the committee when marking up this measure adopted an amendment proffered by the Senator from Kentucky [Mr. FORD] that meets these concerns head on and it does it in a responsible fashion.

The two largest components of this whole cross-subsidy question are landing fees and parking, and this amendment specifically says you cannot take one from the other at either airport.

The committee addresses the real evil of artificially low rates by ending uniform landing fees. This bill provides that landing fees must be based on the cost of the individual airports.

Moreover, landing fees represent a tiny fraction of the total cost of airlines and, therefore, are not a major consideration, the evidence is BWI's dramatic growth in spite of the fact that landing fees are substantially higher today at BWI than they are at Dulles today.

To do more than this would simply destroy the operating efficiencies, increase costs of improvement, and place a real burden on the traveling public. Nothing is to be gained by that.

And let me say in response further to the observations of my colleagues from Maryland, BWI benefits from a cross-subsidy in its operation today. It is subsidized from the Maryland Consolidated Transportation Fund. Those moneys, in large measure, are generated by motorists who pay motor fee taxes and vehicle registration fees. So cross-subsidization is a reality. This amendment would do violence to this bill by destroying the symmetry of operation, the efficiencies, the ability to establish a more coordinated transportation policy for this metropolitan region.

For all those reasons, this amendment ought to be defeated and it would be my intention to move to table this amendment when my colleagues have had an ample opportunity to make their case.

Mr. WARNER. Mr. President, I also address the issue that capitalization is required for the improvements here and in effect this amendment would curtail the ability of such revenues to be used in connection with the capitalization and the pledging for the proposed bond contentions. So I concur in the observations by my distinguished colleague that that is the real purpose of this amendment to get at the ability to do the proper capitalization for improvements.

Mr. MATHIAS. Mr. President, it is interesting that some difference of opinion has arisen on the question of the current state of the law, but that is not unhealthy.

Mr. TRIBLE. Or unprecedented, I guess.

Mr. MATHIAS. That is one of the reasons this body exists and the courts exist in order to resolve differences of opinion and try to come out with some mutually satisfactory solution. I think it is useful to look at the Airport and Airway improvement Act of 1982, which is rather precise in section 511(9) which provides:

> The airport operator or owner will maintain a fee and rental structure for the facilities and services being provided the airport users which will make the airport as self-sustaining as possible under the circumstances existing at that particular airport, taking into account such factors as the volume of traffic and economy of collection, except that no part of the Federal share of an airport development or airport planning project for which a grant is made under this title or under the Federal Airport Act or the Airport and Airway Development Act of 1970 shall be included in the rate base in establishing fees, rates, and charges for users of that airport.

Now it is perfectly clear that the intent of Congress was that each airport shall operate independently. That is what this amendment mandates. This, of course, refers to operating revenues. The amendment necessarily looks at other aspects, but the law on operating revenues is clear and certainly the intent is clear that the air-

ports shall be as self-sustaining as possible.

Now, I want to say that I appreciate the candor of the distinguished junior Senator from Virginia, because he has been very honest. He has put the Senate on notice. He has put the whole Congress on notice. He has put the future users at National Airport on notice that the money that they paid in at National is going to be put in a C-5A transport plane and shipped to Dulles in large quantities. And that necessarily is going to distort the rate structure at National.

For the moment let us leave BWI out of this. Let us look at what is going to happen to National and to Dulles. This is an internal question within the new authority, if it ever comes into being. And the junior Senator from Virginia has said perfectly frankly we are going to raid the till at National in order to do some things out at Dulles. I think it is commendable that we have got it all out on the table now. I believe it is a mistake. I do not think it is right for the consumer, for the traveling public. I do not think it makes good sense because it does lead to distortions of the process. For that reason I think that the prohibition against cross-subsidization is sound. In the long run it will be in the interest of the new authority, if, as, and when the new authority goes into operation. Those who have to operate that authority will be grateful to us at some time in the future for this element of discipline and restraint that the Congress now has an opportunity to impose.

Mr. WARNER. Mr. President, will the Senator yield for a question?

Mr. MATHIAS. Surely.

Mr. WARNER. I draw the Senator's attention to page 46 of the bill, section 10, which I shall now read:

> In order to assure that the Airports Authority has the same proprietary powers and is subject to the same restrictions with respect to Federal law as any other airport, except as otherwise provided in this Act, during the period that the lease authorized by section 5 of this Act is in effect—
>
> (1) the Metropolitan Washington Airports shall qualify as a "public airport" under the terms of the Airport and Airway Improvement Act of 1982 (49 App. U.S.C. 2201 et seq.), shall be eligible for Federal assistance on the same basis as any comparable public airport operated by a regional authority, and shall be considered to have accepted a grant on the date of transfer.

I read this to say it is the intention here of the Senate, in the event it accepts this bill as now drawn, to comply with the very law that the Senator has pointed out.

Mr. SARBANES. If the Senator will yield on that point, that is clearly not the case, because the bill has a very specific provision on the question of cross-subsidy. But, unfortnately, it is a provision that is so limited in its scope that it does not, in fact, address the cross-subsidy issue, and that is on pages 41 and 42, where it says, "notwithstanding any other provision of the law," and then limits the use of landing fees or revenues from parking automobiles only and limits them only to certain purposes.

Actually, my colleague from Maryland has made a very important point here, and that is that this issue involves not only a fair competitive situation for BWI vis-a-vis Dulles, but also involves the very important question of the relationship between National and Dulles within this authority and the users of those airports ought to think long and hard about a provision whereby the revenues at one can underwrite the cost structure at the other.

Mr. WARNER. Will the Senator yield for a question?

Mr. SARBANES. Surely.

Mr. WARNER. My recollection of the legislative history is that the very provisions the junior Senator from Maryland has just read, that is section (8), "notwithstanding any other provision of law," was added as an amendment during the committee process by Senator FORD at the request of—I see the distinguished senior Senator from Maryland rising.

Mr. MATHIAS. The Senator from Virginia is exactly right. That is fine, as far as it goes. Our only point is that it should go further, it should cover other sources of revenue.

Mr. WARNER. But the point is the provision I read was put in at your request by Senator FORD.

Mr. MATHIAS. And it improved the bill. We just want to make it a little better.

Mr. WARNER. Mr. President, I say to my distinguished colleagues both from Maryland——

Mr. MATHIAS. I would say to my friend from Virginia that the language which the Commerce Committee, in its wisdom and judgment, adopted, was not the language that I personally had proposed. I had something a little more comprehensive in mind.

Mr. WARNER. Very well, then, the wisdom of the committee prevailed here. But, nevertheless, it was done at your request.

Mr. SARBANES. But the consequence of the wisdom of the committee was to create a loophole that swallows the limitation. That is the problem. In other words, this thing is as wide as a hangar door because if you can take your parking revenues, your landing fees, and pay your capital costs, it does not matter that you cannot take them to pay the operating costs. You are simply accomplishing it in a different direction. That is all.

Mr. MATHIAS addressed the Chair.

The PRESIDING OFFICER. The Senator from Maryland.

Mr. MATHIAS. Members of Congress use National Airport. They should be aware that they are going to pay more in costs at National Airport. We are on notice now. Revenues will be siphoned off from National for other purposes than that of operating and developing that airport. The carriers who land and take off at National Airport are now on notice that their fees, and their costs are going to be greater because revenues at National will be siphoned off.

So this is really an important issue. It does not deal with the parochial dispute between the good neighbors of Maryland and Virginia. It deals with the traveling public that is going to use National. That includes every Member of Congress. It includes millions of our constituents throughout the country. It is a basic question of fairness to them.

Mr. TRIBLE addressed the Chair.

The PRESIDING OFFICER. The Senator from Virginia.

Mr. TRIBLE. This amendment demonstrates that our friends from Maryland are never satisfied. They expressed some preliminary concerns about the competition. The amendment offered in committee embodies those concerns. It met those concerns fully.

Mr. MATHIAS. If the Senator will yield, the Senator knows this language that was adopted is not language that we suggested.

Mr. TRIBLE. All I can say is that this was offered by Senator FORD who was advancing the Maryland position and expressing the thoughts and concerns of the opponents of this measure. He agreed to it, and found it eminently fair, as did a decisive margin of Republicans and Democrats in the Commerce Committee.

Now the opponents are not satisfied. They are endeavoring by way of this amendment to separate these airports, to ensure that they stand alone. That simply will defeat the whole purpose of this legislation which is to establish a regional approach to the dynamic transportation needs of this region.

Mr. President, I move to table this amendment and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on the motion of the Senator from Virginia to lay on the table the amendment of the Senator from Maryland. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. SIMPSON. I announce that the Senator from North Dakota [Mr. ANDREWS], the Senator from Florida [Mrs. HAWKINS], and the Senator from Vermont [Mr. STAFFORD] are necessarily absent.

The PRESIDING OFFICER (Mr. GORTON). Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 54, nays 43, as follows:

[Rollcall Vote No. 61 Leg.]

YEAS—54

Abdnor	Grassley	Nickles
Armstrong	Hart	Nunn
Boschwitz	Hatch	Packwood
Chafee	Hatfield	Pressler
Cochran	Hecht	Quayle
D'Amato	Heflin	Rockefeller
Danforth	Helms	Roth
Denton	Inouye	Rudman
Dixon	Johnston	Simpson
Dole	Kassebaum	Specter
Domenici	Kasten	Stennis
Durenberger	Laxalt	Stevens
East	Long	Symms
Evans	Lugar	Thurmond
Garn	Mattingly	Trible
Glenn	McClure	Wallop
Gorton	McConnell	Warner
Gramm	Murkowski	Wilson

NAYS—43

Baucus	Exon	Melcher
Bentsen	Ford	Metzenbaum
Biden	Goldwater	Mitchell
Bingaman	Gore	Moynihan
Boren	Harkin	Pell
Bradley	Heinz	Proxmire
Bumpers	Hollings	Pryor
Burdick	Humphrey	Riegle
Byrd	Kennedy	Sarbanes
Chiles	Kerry	Sasser
Cohen	Lautenberg	Simon
Cranston	Leahy	Weicker
DeConcini	Levin	Zorinsky
Dodd	Mathias	
Eagleton	Matsunaga	

NOT VOTING—3

Andrews	Hawkins	Stafford

So the motion to lay on the table the amendment (No. 1766) was agreed to.

Mr. FORD. Mr. President, I do not know whether there is any time limit on what we are doing here, but my name was used considerably during the consideration of the last amendment.

It is true that I helped work out a compromise, but the original amendment I offered was the best amendment. Senator MATHIAS offered the original amendment, and had I been here and had the opportunity, I would have supported Senator MATHIAS with respect to that amendment. Even though I did participate in the compromise, the Mathias amendment was correct, and I would like to have that as part of the Record.

Mr. GOLDWATER. Mr. President, while we have a little time, I want to take this opportunity to explain why I intend to vote against this legislation.

I know a little bit about airports. I have been connected with them in different parts of the country, helped to build several in my home State. They are very desirable things to own. If run properly, they are great moneymakers.

However, Mr. President, never in my life have I seen such a ridiculous situation as we are getting to here, where we are selling land which, if it is not worth $1 billion, it is not worth a penny. And we are selling it for $47 million!

I think it is time this body has the courage to tell somebody downtown that as much as we want to sell this land to Virginia—and I would love to sell it to Virginia—it does not make common sense to me to give something away.

If the people who want to buy this land want to offer what it is worth and if we have no idea of what it is worth, I can assure you that we can find people all over this country who can come here and appraise the value of Washington National.

Can you imagine what would happen to Washington National if Virginia decided to take up the runways and build condominiums or office buildings down there? Talk about $47 million. It would cost that much to build a parking lot.

How about Dulles, the finest airport that has ever been built in the entire world?

At $47 million?

Mr. President, I think it is absolutely stupid and I think this body is going to go down as one of the most stupid Senates that we have had in our history allowing something like this to happen.

If you want to sell land like this, I have millions of acres in Arizona. I would take $47 an acre just to get it.

Now if we are going to give $47 million for a handful of acres that has two beautiful airports on them, I just want to get in the action. I wish I had that much money. I would come in here and make a bid for it.

I just want to register my very strong complaint, Mr. President. It is not the way to do business. It is not a precedent that we are going to be proud of nor that this Senate can look back on and say with any great deal of pride "Look what we did."

I yield the floor.

Mr. HOLLINGS. Mr. President, I thank the distinguished Senator from Arizona. We have chatted informally.

The distinguished Senator from Arizona has made my feeling, my speech, and my vote for me all in about 5 minutes.

It just shocked my conscience that we sell not only that finest airport out at Dulles but the 10,000 acres as well.

The Senator from Arizona and I worked on the FAA budget, the authorization. They are going to start sending us bills. We are going to have to pay bills to the so-called authority, and everything else.

We have other activities out there and other departments of Government and we are going to start getting the bills for those things.

And the irony of it is that the Senator from Arizona and I have been paying 8 percent tax on flights from Phoenix to Washington, DC, back and forth, under the Airport and Airways Trust Fund. We paid our moneys over the past 16 years.

As the distinguished Senator from Arizona knows, under the authorization $11 million was allocated from the trust fund to the Phoenix Airport. We put in another $11 million at St. Louis. In total, we allocated over $1 billion to airports out of the trust fund last year. That was not by passage of any kind of particular bill for National or Dulles or Phoenix. It was just under the general FAA authorization. The FAA is authorized to dispense those moneys according to the need to modernize and improve those airport facilities.

One hundred million dollars has been sent down to Atlanta, $100 million to Dallas-Fort Worth. We had to lengthen the runway 2 years ago down at St. Thomas. The people get cold around this town and are now able to land out there and get a suntan quick. That was just to lengthen it out and build a runway out in the ocean.

But when it comes to the "we the people" facilities here at the National Capital, we want to have what has been called a steal. I hate to use the harsh language. That is what we use in the parlance or real estate. If you can pick up 10,000 acres in the Silicon Valley of Virginia for $47 million, you have a steal, without even an airport. They have it all phrased around and everything else. The phraseology is used with respect to airport use. I am doing it at the airport of Charleston. Every Porche and expensive French car that is sold in this country lands in Charleston. We built a building out there and a big parking place, and we are making money out of it. That is an industry with airport use. You would not have thought of it. I did not think of it.

But you have been in the international airport here and you can put all kinds of industries there. They can pay things off in a couple years and not even have to issue the bonds. With the proviso to take moneys now from the Airport Trust Fund, they would be on easy street, and it will be the darndest deal you have ever seen.

Our problem is, having been a Governor, when the financial pressures hit in Richmond, the ultimate title and everything else is ultimate politics. The political decisions to be made are going to have to be made with a majority of the controlling membership of that particular authority. That is common sense.

So what, in essence, we have done is taken the people's property, not just at a giveaway, but actually put it beyond the control of the people who have a special interest. You cannot fault the State of Virginia. If I were the Governor of Virginia I would be running around these Halls too. I

mean this is the grandest opportunity since John Smith landed at Jamestown. I can tell you that right now. This is a wonderful situation here, and it just should not be allowed. We have not been able to get the attention.

So I hope as to the statement by the distinguished Senator from Arizona because he is listened to and so respected in this particular body, and everyone knows he has no interest one way or the other, other than the best interest of the people of this Nation, that they listen to what the Senator from Arizona has stated. Please, if Senators are disposed to vote from the friendships they make, and you have to help your friends, and I understand that, but if Senators are going to help their friends, remember, in addition to the help you are giving your friends, do not ever come back to us who are interested in the military and talk about toilet seats and coffeepots. With this money, we can buy 60,000 toilet seats, umpteen coffeepots and everything else we are jumping over Cap Weinberger for.

This is waste, fraud, and abuse, starting right here on the floor of the Senate. Everybody should remember that. Do not come around saying, "Look how they wasted this or did not have an alternative bid." Tell them to go to the Trible-Warner rule where you cannot find a bid. We can just put that in all the defense bills, that somehow you cannot find the value under the Trible-Warner rule, and let us put that in for the Pentagon and let them go their merry way and quit fussing at them.

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. HOLLINGS. I yield.

Mr. GOLDWATER. I do not know if the Senator will remember it or not, but I had a small piece of legislation passed here last year, not that it included any money, but eventually it is going to cost money, and it was for the purpose of obtaining some excess hangars at the north end of Dulles so that we could move the wonderful reconstruction process out here from Suitland Parkway, maintain it, enable it to continue work. They said, "Well, how much are you talking about? I said, "Well, I think it is worth maybe $20 million. I will go out and raise the money myself or do my best."

Now I look at the whole doggone thing—$47 million. I did not even get a runway out of it. I just wanted some old empty hangars.

We have the Marriott Hotel out there. How much do you think that Marriott Hotel costs?

Mr. HOLLINGS. I do not know.

Mr. GOLDWATER. If it did not cost at least $30 million, they have a way of doing things I do not know about. We are just being plain—I hate to say this—we are being stupid, and I hope we can get an amendment in here that would put the price where it should be and then we can vote for it and let Virginia enjoy the luxury of having two airports. They can spend some money on it.

Mr. HOLLINGS. I agree with the Senator.

I yield the floor and I thank the Senator.

The PRESIDING OFFICER. The distinguished Senator from Virginia is recognized.

Mr. TRIBLE. Thank you, Mr. President.

AMENDMENT NO. 1767

Mr. TRIBLE. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Virginia [Mr. TRIBLE] proposes an amendment numbered 1767. On page 49, strike lines 2-3, and insert in lieu thereof the following:

SEC. 11. (a) The Airports Authority may extend the lease entered into under section 5(a) of this Act for an additional term of 15 years for the sole purpose of continuing to operate the airports under the terms and restrictions established in this Act.

(b) During the period of the lease the Secretary and the Airports Authority may negotiate a contract of sale for the transfer of the properties constituting the Metropolitan Washington Airports. Such properties shall not be sold until the Congress approves legislation implementing the terms of such contract.

(c) Upon approval by the Congress of legislation implementing the terms of such contract—

Mr. TRIBLE. Mr. President, I thank the clerk for reading the amendment.

The amendment is short and very direct in its approach.

We have heard a number of Senators take the floor and talk about a giveaway. We have heard a number of Senators talk about how wrong it was to turn over to Virginia or to an Airports Authority these very valuable properties. It is true that under the terms of this agreement after 35 years of operation of an airport under a lease these properties would go over to the Airports Authority. Under the terms and conditions of this legislation there would be a continuing requirement that these airports be used for airport purposes.

The purpose of this legislation is not to turn these properties over to anyone for any purpose but the operation of airports. And it does not concern me if the Federal Government continues to own these properties, as long as we create the opportunity for these airports to be managed effectively, as long as we create the opportunity for these airports to be expanded, modernized, and enhanced.

Therefore, to meet the concerns expressed by some of my colleagues this amendment protects the Federal interest and ensures the Federal Government will continue to own these properties.

What this amendment says is that these properties will be leased to the Airports Authority for a total period of 50 years, one lease of 35 years and a reward of 15 years during which time they have to be operated as airports pursuant to the terms and conditions and restrictions of this legislation.

During that period of time, the Secretary of Transportation and the Airports Authority may negotiate a contract of sale for the transfer of these properties but such properties will not be sold until Congress approves legislation implementing the terms of such contract. I offer this amendment to meet the concerns of those Senators that are concerned that at some point in 35 years, under the present legislation, these properties will then be turned over lock, stock and barrel to an Airports Authority. It is not my purpose. All I want are quality airports. And I am here to tell you the only way we are going to get first-class jet ports for this region, for this Nation, is to implement this legislation.

So to meet those concerns, this amendment quite simply will reside the title to these important pieces of property in the Federal Government and in the hands of the taxpayers now and forever, unless some future Congress decides that there ought to be an actual transfer of these properties.

This amendment is very straightforward. It satisfies very directly the concerns of my distinguished colleague from South Carolina and it will ensure, as far as I am most importantly concerned, that we can have a first-class airport.

So I offer this amendment to my colleagues and I hope that it would be promptly adopted.

Mr. EXON. Mr. President, as a member of the Commerce, Science, and Transportation Committee, of which the Presiding Officer is a member, of which our distinguished colleague from Arizona is a member, of which our distinguished colleague from South Carolina is a member, and others that have been on an off the floor, I listened with great, great interest to the recent exchange. I want to compliment my good friend and great Senator from the State of Arizona. He stated it well. The Senator from South Carolina has spoken on this previously. We discussed it at great length in the Commerce, Science, and Transportation Committee. I was opposed to bringing that bill out of the committee. I did that somewhat reluctantly because of the high respect that I have for the two Senators from Virginia. So I echo the words of the Senator from South Carolina when he said were he the Senators from Virginia he

would be doing about the same thing with the deal that they are getting.

I simply come back to a very fundamental cause that I think has at least been enhanced by the discussion that we have had here this afternoon.

I am delighted to see the amendment that is about to be offered, as I understand it, by the Senator from Virginia, the manager of this bill. I want to take a look at that. It might be a significant step in the right direction. It still does not address a very "minor" concern that I and others have with regard to the management of the airport, the so-called Airports Authority.

There are all kinds of pros and cons on this issue, but from the very beginning, this Senator from Nebraska asked what I thought was a very legitimate question. If this is such a good deal for everyone, if we are going to develop these airports and have this grand three-airport facility, Baltimore and Washington National, and Dulles, and if this is such a good thing for the Nation's Capital, why do we not have more people on that commission representing the people of the Nation as a whole?

The point has been made over and over again that we have to have a good airport facility in the Nation's Capital. I agree, because most of the people that come in and out of this city do not come by automobile, they do not come by train, they do not come by stagecoach, they come by air.

I think one of the major failures of the piece of legislation is the fact that we are giving control, lock, stock, and barrel to the people that live in Virginia, the people that live in Washington, DC and, to a lesser extent, the people that live in neighboring Baltimore, MD.

Mr. TRIBLE. Will the Senator yield?

Mr. EXON. If I could finish my statement, I would be glad to yield, because you and I have talked about this on many occasions.

It seems to me, Mr. President, that at least at a minimum, if we are starting to make compromises now that the Senator from Virginia has outlined, at least we should raise the number of appointees to that commission by the President of the United States from outside the area here of Washington, DC and Baltimore, MD and Virginia and have three or four, rather than one person appointed by the President.

Mr. TRIBLE. Will the Senator please yield on that point?

Mr. EXON. I yield without losing my right to the floor.

Mr. TRIBLE. We have done that. We have done that. We did that last night, I would tell my colleague. I wish that he had been here to be a part of that process.

Mr. EXON. What did you do last night? I am sorry I was not here also. Is it a secret?

Mr. TRIBLE. No, it was in the RECORD. I do not want to quarrel with my friend, but I want to simply point out that what the Senator now seeks has been accomplished. The Senator has won today without being a part of the process. The Senator from South Dakota offered an amendment, which was accepted, which increased the Federal representation on the board to three individuals. And the Senator just said we should have two or three. You have got three and that was to meet the very legitimate concerns expressed by you and by other Senators from distant points in the country that said, "Look, we have got an interest at stake here and we want a stronger voice." We have given you that stronger voice. We believe that point was well-taken.

And, I must say, I accepted that amendment in large measure because of the persuasion of the Senator from Nebraska. The Senator from Nebraska and I have talked about this matter on several occasions, both in committee and on the floor, and I knew of his strong support for expanding the representation of the board.

The amendment was indeed offered by the Senator from South Dakota and it was accepted by the manager of the bill. So there is broader representation and there is a much stronger voice for those citizens that live outside the beltway, as you and I both have discussed and as you have long felt was most appropriate.

Mr. EXON. I thank my friend very much for enlightening me on what I think is a very important matter. If I understand it right, then, we have come back to having three people appointed by the President. We did not expand the representation or decrease the representation from the District or Virginia or Maryland?

Mr. TRIBLE. That is correct. As you will recall, the Senate voted to table an amendment of Senator PRESSLER of South Dakota that would have changed the composition of the board across the board. But what we have agreed to do, indeed, what we have voted to do, was increase the representation from beyond the Washington metropolitan area and there are now three representatives on the board.

So the composition of the board is as follows: We would have five Virginians, we would have three folks from the District of Columbia, two from Maryland, and three from beyond the beltway. We would have, in effect, a 13——

Mr. EXON. Fourteen, total.

Mr. TRIBLE. I think it is 13, but my math never was very good.

Mr. EXON. Five from Virginia, is that right?

Mr TRIBLE. Five, three, three, and two.

Mr. EXON. Two from where?

Mr. TRIBLE. Two from Maryland.

Mr. EXON. Two from Maryland.

Mr. TRIBLE. I believe that adds up to 13. I will yield to my colleague, whose math, I am sure, is much more precise than mine.

Mr. EXON. Evidently, if I could clarify this a little further, this is essentially the amendment the Senator from Nebraska offered in the Commerce Committee, is that right?

Mr. TRIBLE. There is no question about it. The Senator from Nebraska was the person who advanced this position, and argued it most persuasively very early on.

Mr. EXON. I am very delighted that they finally came to the Exon position without me even knowing about it.

Mr. TRIBLE. The reason and persuasion of the good Senator from Nebraska carried the day even in his absence.

Mr. EXON. I think the Senator from Virginia is being a little bit facetious in that regard. I think probably it would be more accurate to state that they finally came around to the original position of the Senator from Nebraska because they wanted to quell some of the rising tide of opposition to many other things that are wrong with this bill. May I ask this question?

Why at this late date was this agreed to? I think it is very interesting. I think the Senator knows that the first time I ever heard about this was when I was called into a meeting with the former Governor of the Senator's State, whom I had the privilege of serving with. I brought it up then. I brought it up time and time again. I asked for a vote on that in the Commerce Committee. I think we got three or four votes. I have been talking with the good Senator from Virginia and others for a long, long time. I got absolutely nowhere.

I cosponsored the amendment offered by the Senator from South Dakota, which I believe, if I remember my arithmetic correctly, have five representatives to be appointed by the President of the United States, which was different from what I proposed in committee.

I am delighted to know that they finally came around to making this concession but I suggest it was not because of the perseverance or the great influence or the insight of the Senator from Nebraska. I suggest the facts of the matter are that it come to that position merely because it was felt that otherwise the bill might not pass in the final analysis. But that is just my suspicious nature. There is probably no basis whatsoever for my thoughts.

But I thank my friend from Virginia for explaining it to me. I am delighted

to know that the Exon amendment has become part of the bill.

Mr. HOLLINGS addressed the Chair.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. HOLLINGS. Mr. President, with respect to the distinguished Senator's amendment, it replaces a proposed amendment by the Senator from South Carolina. I am not a cosponsor of the amendment because I wanted to make clear I am under the duress of commonsense. I cannot carry any amendment. I guess I had my high point with respect to the cost of the transfer of these airports. I had all the authorities, I say to the Senator from Arizona. I had Peter Grace, Richard Nixon, the Taxpayers Union, the British investment bankers—I had more people offering high prices when they were saying they could not get an offer or market value. I was prepared to terminate as really it should be done at the end of the 35 years. Of course the Congress is here. The people are here. We can still negotiate further with the authority, or with the State of Virginia, or whatever.

I wanted to vitiate my kind of fee simple title ownership to the State of Virginia. I have been persuaded, though, that the best result I am going to get is the amendment of the Senator from Virginia, Senator TRIBLE. So we have compromised on 15 years, which in essence gives him a 50-year, rather than a 35-year, lease but it does say at the end of that time the title does remain with the Federal Government. It does not protect anything for the Federal Government because if practically is out of any dealings with the airport during that 50-year period. Of course, any time they get a friendly Secretary of Transportation, as might well occur under this particular Secretary, they can renegotiate the contract of sale. But it would have to come back to the Congress.

That is about the best I can do. I accede to it because my bottomline is that I really resist the bill in its entirety. I think it is not in the public interest. I think what would be in the public interest would be to designate the people's airports at National and Dulles as just that, people's and public airports to comply under the law.

The Senator knows there is a provision under the law that the people's airports are not the people's airports. Airports eligible for moneys from the airport and airways trust fund are defined as public airports, which are State entities and authorities, which has been interpreted to disallow any trust fund moneys for National and Dulles.

What you have in reality is taxation without representation. We have all of these Latin sayings around this hallowed Hall, and how we fought to do away with taxation without representation. But that is what we have with respect to Dulles and National. That is the fundamental involved here, and the difficulty.

We have a law interpreted. I am confident that with the good respect of an attorney I could take it up under the equal protection clause of the 14th amendment, and say I am not getting for my money the protection as other citizens of the United States in a similar situation. I would knock that section out, and then the Federal Aviation Administration under the law would be able to go ahead, give the $250 million, that the FAA says is needed. We could just move on, and would not have all the lawyers and all the delays, all the authorities and political appointments and anything else.

No one has ever complained about Admiral Engen, the Administrator of FAA, about his operation, and his efficiency thereof. We are all talking about public improvements—the midfield terminal at Dulles, the parking facilities, and the modernization of the terminal at National. We could move right ahead with those particular things at this moment, if we did away with that fanciful quirk in the law that defines these airports as not being public airports. The people's airports of National and Dulles are not people's airports, and they are not public.

Whoever heard of that? But that is why we are suffering here. That is why I have to accept this amendment to try to hold a little bit of interest in the people of the United States in these facilities.

Mr. TRIBLE. Mr. President, I move adoption of the amendment.

The PRESIDING OFFICER (Mr. DENTON). Is there further debate on the amendment? If not, the question is on agreeing to the amendment of the Senator from Virginia.

The amendment (No. 1767) was agreed to.

Mr. TRIBLE. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HEINZ. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. TRIBLE. Mr. President, it is the intention of the leadership to offer soon a unanimous-consent agreement. Awaiting the arrival of our distinguished leader, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. TRIBLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

MODIFICATIONS TO AMENDMENT NO. 1740 AND AMENDMENT NO. 1742

Mr. TRIBLE. Mr. President, I ask unanimous consent that amendment No. 1740, previously adopted by the Senate, be modified by striking "seven" and inserting in lieu thereof "nine".

That amendment No. 1742, previously adopted by the Senate, be modified by striking the amendment made to lines 11-12 on page 36 and inserting in lieu thereof the following:

Lines 10-12, page 36, strike:

"The President shall make initial and subsequent appointments for a six-year term, with such" and insert in lieu thereof the following: "The President shall make initial appointments as follows: One member for six-year term, one member for a four-year term, and one member for a two-year term; subsequent appointments by the President shall be for a period of six years, with all such".

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

AMENDMENT NO. 1768

Mr. TRIBLE. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Virginia [Mr. TRIBLE] proposes an amendment numbered 1768.

On page 36, line 14, strike "seven" and insert in lieu thereof "nine".

Mr. TRIBLE. Mr. President, very simply, this is a technical change to make the language heretofore adopted to conform with the remainder of the bill. It has been reviewed by my distinguished colleague from Maryland. I move its adoption.

The PRESIDING OFFICER. Is there further debate? If not, the question is on agreeing to the amendment.

The amendment (No. 1768) was agreed to.

Mr. TRIBLE. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. SARBANES. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. SIMPSON. Mr. President, I want to commend the activities here on the floor of the Senator from Virginia [Mr. TRIBLE] and the Senator from Maryland [Mr. SARBANES]. Theirs has been remarkable work. I see Senator MATHIAS and if I had not seen his presence I would have added his name also. Also, Senator WARNER of Virginia. These four Senators have a deep interest in this measure as they have expressed over these last days—9 of them, to be specific. They have grappled with a very tough issue. We get closer and closer to resolving it. It is a tough one for all of us. It is not just a provincial issue but a national issue. It is a tough issue and I marvel as they

work toward the resolution of it. I thank them sincerely as I have seen their activities as floor managers on these days.

With that, after consulting with the Democratic leader, I believe we are ready to propose a unanimous-consent request.

UNANIMOUS-CONSENT REQUEST

Mr. President, I ask unanimous consent that during the remainder of the Senate's consideration of S. 1017, the regional airports bill, the following amendments be the only first-degree amendments in order, with the exception of the committee-reported substitute, and they be limited to 30 minutes to be equally divided in the usual form: Senator MATHIAS' amendment on price; Senator SARBANES' amendment to limit cross-subsidization of National and Dulles; Senator SARBANES' amendment dealing with restriction on Dulles land development; Senator SARBANES' amendment on membership of the authority.

Further, I ask unanimous consent that there be 10 minutes on any debatable motions, appeals, or points of order if so submitted to the Senate, and no motions to recommit with instructions be in order, and the agreement be in the usual form.

Finally, I ask unanimous consent that final passage occur no later than 12 noon on Friday, April 11, and that paragraph 4 of rule 12 be waived.

Mr. BYRD. Mr. President, reserving the right to object.

Mr. GOLDWATER. Mr. President, reserving the right to object, I want to ask a question. Does the unanimous-consent request of the Senator preclude the introduction of any other amendments than the amendments he has mentioned?

Mr. SIMPSON. Mr. President, that is correct.

Mr. GOLDWATER. I will have to oppose that, Mr. President.

Mr. SIMPSON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. SIMPSON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SIMPSON. Mr. President, I intend to repropose and propound the time agreement on S. 1017. Even though it was not accepted, it was discussed.

For the information of Senators, I indicate preliminarily that we will come in at 9 a.m. tomorrow and get back on the bill by 9:30.

UNANIMOUS-CONSENT REQUEST

Mr. President, I ask unanimous consent that during the remainder of the Senate's consideration of S. 1017, the regional airports bill, the following first-degree amendments be the only amendments in order, with the exception of the committee-reported substitute and that they be limited to 20 minutes, to be equally divided in the usual form: A Mathias amendment on price; a Sarbanes amendment to limit cross-subsidization of National and Dulles Airports; a Sarbanes amendment dealing with restriction on Dulles land development; a Sarbanes amendment on membership of the authority; a Goldwater amendment requiring bidding; an Exon amendment on Airport Authority composition.

I further ask unanimous consent that there be 10 minutes on any debatable motions, appeals, or points of order if such be submitted to the Senate; that no motion to recommit with instructions be in order; and that the agreement be in the usual form.

I ask unanimous consent that passage occur no later than 12 noon on Friday, April 11, and that paragraph 4 of rule XII be waived.

Mr. BYRD. Mr. President, reserving the right to object. Mr. President, is the Senate presently working on the committee reported substitute?

The PRESIDING OFFICER. It is.

Mr. BYRD. Mr. President, is it the intention of the distinguished assistant Republican leader to also vitiate the cloture votes, if the agreement is gotten?

Mr. SIMPSON. Mr. President, it is the intention of the majority leader to then ask, if this agreement is accepted, unanimous consent that the two cloture votes to occur tomorrow be vitiated.

Mr. BYRD. Mr. President, as I have listened to the distinguished Senator, it appears that there are six or seven amendments?

Mr. SARBANES. Six.

Mr. BYRD. Six. Is it believed that some of these amendments will not require rollcall votes? The reason I am asking is because I am afraid that the Senate is going to run out of time, and while the amendments would still be in order we would probably have no time left if there are many rollcalls required on the adoption of the amendments.

Mr. SIMPSON. Mr. President, I would respond to the Democratic leader with the indication that the floor managers seem to indicate that there might be time yielded back on certain of the amendments. They may not all require a rollcall vote. I think that is quite possible. We return to the bill at 9:30 a.m. With some rather crisp voting pattern we might make it. That augurs the "Friday syndrome" may take place.

Mr. SARBANES. I might observe that perhaps all of the amendments might not be offered, and of course we have cut the time down to 20 minutes and even that time might not be used. The assistant majority leader might want to consider coming in somewhat earlier and going on the bill somewhat earlier. I do not know how that works with the schedule. We are scheduled to get on the bill at 9:30. You might want to get on it a little earlier.

Mr. TRIBLE. Will the assistant majority leader yield?

Mr. SIMPSON. I certainly will be happy to yield.

Mr. TRIBLE. I would suggest the possibility that perhaps we come in at 8:30 and begin the bill at 9. I think that would give us ample opportunity to dispose of all these amendments and all of our colleagues would have ample opportunity to debate these issues.

Mr. SIMPSON. Mr. President, I think there will be yielding back of time. There could also be the opportunity to shorten the time on the rollcall voting procedure or even to stack votes on those amendments with a short procedure before noon in accordance with the agreement. I see flexibility there that could be had, and we would come in at 8:30 and be back on the bill at 9 o'clock.

Mr. BYRD. Mr. President, I am afraid that when tomorrow comes and the Senate reaches the hour of 12 noon, it would be quite possible there would be amendments remaining on which there would be no time for debate. I think there would be an objection to stacking the votes also.

TIME LIMITATION AGREEMENT—S. 1017

Mr. SIMPSON. Mr. President, after conferring with the principals, the floor managers, Senator SARBANES, Senator TRIBLE, and their helpful counsel; the Democratic leader and the majority leader; Senator MATHIAS; Senator CRANSTON; and others, I believe that we have resolved this matter and hope that that is the case. We will then begin our proceedings tomorrow at 9 a.m., going to this measure at 9:30 a.m.

I will then repropound the unanimous-consent request and ask unanimous consent that during the remainder of the Senate's consideration of S. 1017, the regional airport bill, the following first-degree amendments be the only amendments in order, with the exception of the committee-reported substitute, and that they be limited to 15 minutes to be equally divided in the usual form.

The Mathias amendment on price; Sarbanes amendment to limit cross-subsidization of National and Dulles; Sarbanes amendment dealing with restriction on Dulles land development; Sarbanes amendment on membership of the authority; Goldwater amendment requiring bidding; and Exon amendment on Airport Authority composition.

Further, I ask unanimous consent that there be 10 minutes on any debatable motions, appeals, or points of order, if so submitted to the Senate, and no motions to recommit with instructions be in order and the agreement be in the usual form.

Finally, I ask unanimous consent that final passage occur no later than 12 noon on Friday, April 11, and paragraph 4 of rule XII be waived.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Wyoming?

Mr. BYRD. Mr. President, reserving the right to object, and I do not think I will have to object.

Mr. President, would the distinguished assistant Republican leader be willing to add to the request a little time for debate on the bill overall?

Mr. SIMPSON. Mr. President, I think that is a very appropriate request, and I submit that the propounded unanimous consent agreement reflect 20 minutes of debate on the bill to be equally divided under the control of Senator TRIBLE and Senator SARBANES.

Mr. BYRD. Mr. President, I remove my reservation. I thank the distinguished Senator.

The PRESIDING OFFICER. Without ojection, it is so ordered.

The text of the agreement follows:

Ordered, That during the remainder of the Senate's consideration of S. 1017, the Regional Airport Bill, the following first degree amendments be the only amendments in order, with the exception of the committee reported substitute, and that they be limited to 15 minutes each, to be equally divided in the usual form:

Mathias amendemnt on price;

Sarbanes amendment to limit cross-subsidization of National and Dulles;

Sarbanes amendement dealing with restriction on Dulles land development;

Sarbanes amendment on membership of the Authority;

Exon amendment on composition of the Authority;

Goldwater amendment on competitive bidding.

Ordered further, That there be 10 minutes debate on any debatable motions, appeals, or points of order if so submitted to the Senate, and that no motions to recommit with instructions be in order, and that the agreement be in the usual form.

Ordered further, That time for debate on the bill be limited to 20 minutes, to be equally divided and controlled by the Senator from Virginia [Mr. TRIBLE] and the Senator from Maryland [Mr. SARBANES].

Ordered further, That final passage occur no later than 12:00 noon on Friday, April 11, 1986.

ORDER VITIATING CLOTURE VOTES ON TOMORROW

Mr. SIMPSON. Mr. President, I then ask unanimous consent that the two cloture votes to occur tomorrow be vitiated.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. Mr. President, just so there will not be any misunderstanding, the vote on final passage is still intended to occur at 12 noon, even though the additional 20 minutes were added for debate on the bill, am I correct?

Mr. SIMPSON. Mr. President, the Democratic leader is correct.

Mr. BYRD. I thank the distinguished Senator.

Mr. SIMPSON. Mr. President, I would then announce that there will be no further rollcall votes tonight and also wish to inform Senators that rollcall votes will occur as early as 9:45 tomorrow morning. I thank all Senators, especially those who have managed the bill. It is most appreciated by the leadership.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Saunders, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGES FROM THE HOUSE

At 3:23 p.m., a message from the House of Representatives, delivered by Ms. Goetz, one if its reading clerks, announced that the House has passed the following joint resolution, without amendment:

S.J. Res. 261. Joint resolution to designate the week of April 14, 1986 through April 20, 1986, as "National Mathematics Awareness Week."

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-2895. A communication from the Assistant Attorney General of the United States transmitting, pursuant to law, a report on a new Privacy Act system of records; to the Committee on Governmental Affairs.

EC-2896. A communication from the Solicitor of the Commission on Civil Rights transmitting, pursuant to law, the Commission's Government in the Sunshine Report for 1985; to the Committee on Governmental Affairs.

EC-2897. A communication from the Chairman of the Federal Maritime Commission transmitting, pursuant to law, a report on the Commission's system of internal accounting and administrative control for 1985; to the Committee on Governmental Affairs.

EC-2898. A communication from the Director of Administration for the NLRB transmitting, pursuant to law, the Board's report on two new Privacy Act systems of records; to the Committee on Governmental Affairs.

EC-2899. A communication from the Acting Chairman of the U.S. Merit Systems Protection Board transmitting, pursuant to law, the Board's 1985 Annual Report; to the Committee on Governmental Affairs.

EC-2900. A communication from the Director of the Office of Personnel Management transmitting a draft of proposed legislation to amend the Civil Service Retirement System to reduce its costs to the Government; to the Committee on Governmental Affairs.

EC-2901. A communication from the Executive Assistant to the Personnel Appeals Board transmitting, pursuant to law, the Board's annual report for fiscal year 1985; to the Committee on Governmental Affairs.

EC-2902. A communication from the General Counsel of the Department of Justice transmitting, pursuant to law, a report on a new Privacy Act system of records; to the Committee on Governmental Affairs.

EC-2903. A communication from the Deputy Administrator of Veterans Affairs transmitting, pursuant to law, a report on a new computer matching program of Privacy Act records systems; to the Committee on Governmental Affairs.

EC-2904. A communication from the Assistant Secretary of the Interior transmitting, pursuant to law, the Department's first annual report on competition in contracting; to the Committee on Governmental Affairs.

EC-2905. A communication from the Administrator of the Small Business Administration transmitting, pursuant to law, the annual report on competition in contracting; to the Committee on Governmental Affairs.

EC-2906. A communication from the Acting Chairman of the Federal Trade Commission transmitting, pursuant to law, the Commission's 1985 Government in the Sunshine Report; to the Committee on Governmental Affairs.

EC-2907. A communication from the Chairman of the Board of Governors of the Federal Reserve System transmitting, pursuant to law, the Board's Government in the Sunshine Report for 1985; to the Committee on Governmental Affairs.

EC-2908. A communication from the Secretary of Energy, transmitting a draft of proposed legislation to promote competition in the natural gas market, to ensure open access to transportation service, to encourage production of natural gas, to provide natural gas consumers with adequate supplies at reasonable prices, to eliminate demand restraints, and for other purposes; to the Committee on Energy and Natural Resources.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. ANDREWS, from the Select Committee on Indian Affairs, with amendments:

S. 1724. A bill to authorize the Cherokee Nation of Oklahoma to design and construct

hydroelectric power facilities at W.D. Mayo Lock and Dam (Rept. No. 99-279).

By Mr. THURMOND, from the Committee on the Judiciary, without amendment and with a preamble:

S. Res. 352. A resolution relating to the commemoration of the bicentennial of the Senate of the United States.

By Mr. THURMOND, from the Committee on the Judiciary, with amendments and with a preamble:

S.J. Res. 188. Joint resolution to designate July 6, 1986, as "National Air Traffic Control Day."

By Mr. THURMOND, from the Committee on the Judiciary, with an amendment and an amendment to the title and an amended preamble:

S.J. Res. 199. Joint resolution to designate the month of November 1985 as "National Elks Veterans Remembrance Month."

By Mr. THURMOND, from the Committee on the Judiciary, without amendment and with a preamble:

S.J. Res. 281. Joint resolution to designate the week of May 11, 1986, through May 17, 1986, as "Senior Center Week."

S.J. Res. 284. Joint resolution to designate the month of May 1986 as "Better Hearing and Speech Month."

S.J. Res. 300. Joint resolution to recognize and honor 350 years of service of the National Guard.

S.J. Res. 303. Joint resolution to designate April 1986, as "Fair Housing Month."

S.J. Res. 306. Joint resolution to designate the week beginning November 23, 1986, as "National Adoption Week."

S.J. Res. 307. Joint resolution to designate the week of April 18 through April 27, 1986 as "National Carpet and Floorcovering Week."

S.J. Res. 309. Joint resolution to designate the week of June 1, 1986 through June 7, 1986, as "National Intelligence Community Week."

S.J. Res. 315. Joint resolution designating May 1986 as "Older Americans Month."

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. THURMOND, from the Committee on the Judiciary:

Eric G. Bruggink, of Virginia, to be a judge of the U.S. Claims Court for a term of 15 years;

Marian Blank Horn, of Maryland, to be a judge of the U.S. Claims Court for a term of 15 years;

Ralph D. Morgan, of Indiana, to the U.S. marshall, for the southern district of Indiana for the term of 4 years;

John R. Kendall, of Michigan, to be U.S. marshall for the western district of Michigan for the term of 4 years;

Emery R. Jordan, of Maine, to be U.S. marshall for the district of Maine for the term of 4 years;

K. William O'Connor, of Virginia, to the U.S. attorney for the district of Guam and concurrently U.S. attorney for the district of the Northern Mariana Islands for the term of 4 years;

Donald W. Peterson, of Missouri, to be Deputy Commissioner of Patents and Trademarks.

By Mr. LUGAR, from the Committee on Foreign Relations:

H. Allen Holmes, of the District of Columbia, a career member of the Senior Foreign Service, class of Career Minister, to be an Assistant Secretary of State.

Otto J. Reich, of Virginia, to be Ambassador Extraordinary and Plenipotentiary of the United States to the Republic of Venezuela.

Contributions are to be reported for the period beginning on the first day of the fourth calendar year preceding the calendar year of the nomination and ending on the date of the nomination.

Nominee: Otto J. Reich.

Post: Ambassador to Venezuela.

Contributions, amount, date, donee:

1. Self, none.

2. Spouse, none.

3. Children and spouses, names, Adrienne Reich, none; Natalie Reich, none.

4. Parents, names: Walter Reich, none; Grace Reich, none.

5. Grandparents, names, Juan Fletites/ Margarita Fleites, deceased/deceased; Otto Reich/ Elsa Reich, deceased/deceased.

6. Brothers and spouses, names, Ronald Reich/Donnalyn Reich, none/none.

7. Sisters and spouses, names: none.

Ronald S. Lauder, of New York, to be Ambassador Extraordinary and Plenipotentiary of the United States to the Republic of Austria:

Contributions are to be reported for the period beginning on the first day of the fourth calendar year preceding the calendar year of the nomination and ending on the date of the nomination.

Nominee: Ronald S. Lauder.

Post: Ambassador to Austria.

Nominated: Feburay 24, 1986.

Contributions, amount, date, and donee:

1. Self: See schedule 1, attached.

2. Spouse: See schedule 2, attached.

3. Children and spouses, names: Jane and Aerin Lauder; see schedule 3, attached.

4. Parents, Mr. and Mrs. Joseph H. (Mrs. Estee) Lauder; see schedule, attached.

5. Grandparents, names: Deceased (Max and Rose Mentzer), (William and Rose Lauder).

6. Brothers and spouses, names: Mr. and Mrs. Leonard A. (Mrs. Evelyn) Lauder; see schedule 5, attached.

7. Sisters and spouses, names: none.

Henry F. Schickling, of Pennsylvania, to be a member of the Board of Directors of the Overseas Private Investment Corporation for a term expiring December 17, 1988.

Carlos Salman, of Florida, to be a member of the Board of Directors of the Overseas Private Investment Corporation for a term expiring December 17, 1988.

(The above nominations were reported from the Committee on Foreign Relations with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

SCHEDULE 1—RONALD S. LAUDER

Date, campaign, amount, for:

January 1, 1981, Republican National Committee, $600.

January 1, 1981, Republican National Committee, $3,000.80

February 25, 1981, Republican National Committee, $600.

March 3, 1981, Republican National Committee, $399.20.

June 11, 1981, National Republican Senatorial Committee, $10,000.

July 29, 1981, Wallop Senate Drive, Inc., $500 primary.

August 7, 1981, Committee to Send Schaus to the House, $100.

March 3, 1982, Prescott Bush for U.S. Senate, $250.

June 19, 1982, 1982 Victory Fund, $2,500, general.

June 22, 1982, Committee for Congressman Bill Green, $500, general.

June 23, 1982, Van B. Poole for U.S. Senate, $500, primary.

June 30, 1982, Evans 1982 Committee, $1,000, primary.

July 30, 1982, Friends of Fossel for Congress, $1,000, primary.

August 5, 1982 Cissy Baker Committee, $1,000 primary.

August 23, 1982 Bush for U.S. Senate Committee, $250.

September 2, 1982 Costello to Congress, $1,000, primary.

September 8, 1982, Seymour/Senate Campaign Committee, $1,000, primary.

September 23, 1982, National Conservative Political Action Committee, $500, primary.

September 30, 1982, Costello to Congress, $1,000, general.

October 4, 1982, Cissy Baker Committee, $1,000, general.

October 12, 1982, Pete Wilson for U.S. Senate, $1,000, general.

October 22, 1982, Friends of Fossel for Congress, $100, general.

October 25, 1982, Campaign America, $1,000, primary.

October 27, 1982, Michel Congress Committee, $500, general.

February 25, 1983, Friends of Senator D'Amato, $1,000, primary.

March 16, 1983, Friends of Senator D'Amato, $1,000, general.

April 6, 1983, Republican Senate-House Dinner Committee, $1,800, primary.

May 10, 1983, Vander Jagt Campaign Committee, $200.

June 6, 1983, National Republican Congressional Committee, $900, primary.

June 9, 1983, Fund to Keep America No. 1, $2,500, primary.

June 29, 1983, National Republican Senatorial Committee, $5,000, primary.

August 10, 1983, National Republican Senatorial Committee, $5,000, primary.

September 8, 1983, Republican Majority Fund, $5,000, primary.

October 21, 1983, Jepsen '84 Committee Amendment, $500, primary.

November 8, 1983, Citizens for Percy—1984, $500, primary.

January 6, 1984, Elise duPont '84 Committee, $500, primary.

January 24, 1984, Republican National Finance Committee, $10,000, primary.

March 23, 1984, Elise DuPont 1984 Committee, $150.

March 23, 1984, Citizens for Dave Smick, $1,000.

April 17, 1984, Vander Jagt Campaign, $100.

April 27, 1984, Committee to Reelect Congressman Carney, $1,000, primary.

June 29, 1984, National Republican Senatorial Committee, $10,000,* primary.

July 31, 1984, Republican National Finance Committee, $1,000, primary.

September 10, 1984, Republican Majority Fund, $2,000, primary.

November 7, 1984, Congressman Bill Green Committee, $250.

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*Mr. Lauder has requested a refund of $2,000 of the contribution.

November 20, 1984, Westchester Republican Chairman's Club, $1,000, primary.
January 2, 1985, Republican National Finance Committee, $1,850.
January 4, 1985, National Republican Senatorial Committee, $800.
January 14, 1985, Republican National Finance Committee, $1,000.
March 11, 1985, Republican National Finance Committee, $10,000.
April 4, 1985, Republican Congressional Leadership, $2,500.
August 8, 1985, Holtzman for Congress, $100.
August 12, 1985, Republican Senatorial Inner Circle, $1,000.
October 15, 1985, Republican Congressional Boosters, $2,000.
October 15, 1985, Kemp Salute Dinner, $1,000.
October 15, 1985, Paul Arneson (Symms for Senate), $750.
Undated, John LeBoutillier for Congress Debt Retirement, $250.

SCHEDULE 2—MRS. RONALD S. (JOCAROLE) LAUDER

Date, campaign, amount, for:
June 19, 1982, 1982 Victory Fund, $2,500, primary.
September 30, 1982, Costello to Congress, $1,000, general.
October 4, 1982, Cissy Baker Committee, $1,000, general.
October 25, 1982, Campaign America, $1,000, primary.
December 31, 1982, Seymour/Senate Campaign Committee, $709, primary.
September 8, 1983, Republican Majority Fund, $5,000, primary.
November 1, 1984, 500 Club, $500, primary.
October 15, 1985, Kemp Salute Dinner, $1,000.

SCHEDULE 3—JANE AND AERIN LAUDER

Date, campaign, amount, for:
December 31, 1982, Seymour/Senate Campaign (JL) Committee, $709, primary.
December 31, 1982, Seymour/Senate Campaign (AL) Committee, $709, primary.

SCHEDULE 4—MR. AND MRS. JOSEPH H. (MRS. ESTEE) LAUDER

All contributions not otherwise designated were jointly made.
Date, campaign, amount, for:
January 6, 1981, Republican National Committee, $1,200.
January 6, 1981, Republican National Committee, $1,600.
January 20, 1981, Citizens for Buckley, Inc., $500, general.
February 7, 1981, Republican National Committee, $399.
March 1981, Norman Lent, $125.
March 21, 1981, 1981 Republican Senate House Dinner, $1,000, primary.
March 27, 1981, 1981 Republican Senate House Dinner, $10,000, primary.
March 27, 1981, National Republican Congressional Boosters Club (JHL), $1,500, primary.
March 27, 1981, National Republican Congressional Boosters Club (EL), $1,500, primary.
March 27, 1981, National Republican Senatorial Committee, $5,000, primary.
March 27, 1981, National Republican Congressional Committee (EL), $2,500, primary.
March 27, 1981, National Republican Congressional Committee (JHL), $2,500, primary.
May 5, 1981, Citizens for Buckley, $300.
May 21, 1981, Citizens for Madigan, $250.
June 22, 1981, People for Jackson, $500.
November 12, 1981, Friends of Senator D'Amato, $1,000, primary.
December 29, 1981, Moynihan Committee Inc. (EL), $1,000, primary.
December 29, 1981, Moynihan Committee Inc. (EL), $1,000, general.
December 29, 1981, Moynihan Committee Inc. (JHL), $1,000, primary.
December 29, 1981, Moynihan Committee Inc. (JHL), $1,000, general.
March 19, 1982, Republican Congressional Boosters Club, $1,000, primary.
October 4, 1982, Cissy Baker Committee (EL), $1,000, general.
October 4, 1982, Republican Congressional Boosters Club, $1,000.
October 4, 1982, Cissy Baker Committee (JHL), $1,000, general.
April 15, 1983, Republican Congressional Boosters Club (EL), $1,000, primary.
November 2, 1983, Friends of John Rockefeller (EL), $1,000.
February 27, 1984, Citizens for Percy 1984 (EL), $100.
February 27, 1984, Citizens for Percy 1984 (EL), $100.
March 2, 1984, Republican Congressional Boosters Club (EL), $1,000, primary.
March 4, 1984, Goldwater for Senate Committee (EL), $500, primary.
March 6, 1984, Salute to Victory II Dinner Committee (EL), $5,000, primary.
May 2, 1984, National Republican Congressional Committee (EL), $7,500, primary.
May 14, 1984, National Republican Congressional Committee (EL), $700, primary.
June 18, 1984, Inner Circle/New York Reception (EL), $1,000, primary.
August 13, 1984, Reelect Senator Pell Committee (EL), $250.
August 24, 1984, Victory 1984 Committee (EL), $1,000, primary.
September 20, 1984, Larry Pressler for U.S. Senate (EL), $500, general.
October 15, 1984, Republicans Abroad (EL), $150.
October 22, 1984, Friends of Jay Rockefeller (EL), $200.
October 22, 1984, Committee for Congressman Bill Green (EL), $250.
October 29, 1984, Elise du Pont 1984 Campaign (EL), $1,000.
February 18, 1985, Friends of Senator D'Amato (EL), $500.
February 28, 1985, The Republican Congressional Boosters (EL), $1,000.
March 9, 1985, Young Republican Club (EL), $1,000.
March 10, 1985, The President's Dinner (EL), $15,000.
May 1, 1985, The President's Dinner (EL), $1,500.
May 16, 1985, Committee for Responsive Government (EL), $5,000.
August 9, 1985, Republican Congressional Booster Club (EL), $1,000.

SCHEDULE 5—MR. AND MRS. LEONARD A. (MRS. EVELYN) LAUDER

All contributions not otherwise designated were jointly made.
Date, campaign, amount, for:
March 23, 1981, Lent for Congress, $125.
May 6, 1981, Friends of Dick Lugar, $1,000, primary.
July 16, 1981, People for Jackson, $500, primary.
July 28, 1981, John Breaux Re-election Committee, $250.
October 14, 1981, Moynihan Committee Inc. (LAL), $1,000, primary.
December 29, 1981, Moynihan Committee Inc. (EL), $1,000, primary.
December 29, 1981, Moynihan Committee Inc. (EL), $1,000, general.
December 29, 1981, Moynihan Committee Inc. (LAL), $1,000, general.
January 13, 1982, Lent for Congress Committee, $150.
April 1982, Congressman Norman Lent, $200.
April 2, 1982, Re-elect Congressman Chuck Schumer, $1,000, primary.
May 14, 1982, Cissy Baker Committee, $500, primary.
June 9, 1982, Fenwick for Senate Committee, $250.
September 21, 1982, Yates for Congress Committee, $200.
September 28, 1982, Friends of Carol Greitzer, $150.
September 30, 1982, Costello to Congress, $1,000, general.
October 4, 1982, Cissy Baker Committee, $1,000, general.
October 12, 1982, Fenwick for Senate Committee, $500, general.
October 25, 1982, Campaign America (EL), $1,000, primary.
October 25, 1982, Campaign America (LAL), $1,000, primary.
May 19, 1983, Lent for Congress, $200.
November 8, 1983, Citizens for Percy—1984, $1,000, primary.
November 23, 1983, People for Boschwitz—1984, $1,000.
December 14, 1983, Friends of Senator D'Amato, $1,000, primary.
March 1984, Congressman Norman Lent, $200.
March 12, 1984, Bill Bradley for U.S. Senate 1984, $1,000, primary.
June 1984, Chris Dodd for Senate, $2,000.
June 5, 1984, Committee for Congressman Bill Green, $1,000, primary.
June 18, 1984, Inner Circle/New York Reception, $1,000, primary.
August 1984, Benbow for Congress, $250.
August 24, 1984, Victory 1984 Committee, $1,000, primary.
September 27, 1984, Bill Bradley for U.S. Senate 1984, $1,000, general.
October 15, 1984, Friends of Senator Carl Levin, $500, general.
October 22, 1984, Teicher for Congress, $75.
October 30, 1984, Re-elect Thurmond Committee, $1,000, general.
December 26, 1984, Friends of D'Amato, $1,000, primary.
January 10, 1985, Re-elect Packwood Committee, $250.
February 1985, Congressman Norman Lent, $200.
April 1985, Congressman Les Aspin Committee, $250.
June 19, 1985, John J. Duncan Campaign 1984, $500.
June 20, 1985, The Chicago Campaign Committee (D. Rostenkowski), $500.
July 30, 1985, Friends of Carol Greitzer, $100.

By Mr. DURENBERGER, from the Select Committee on Intelligence:
Robert M. Gates, of Virginia, to be Deputy Director of Central Intelligence.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. WILSON (for himself, Mrs. HAWKINS, Mr. MCCLURE, Mr. HEFLIN, Mr. SYMMS, Mr. ABDNOR, Mr. GRASS-

LEY, Mr. WALLOP, Mr. DECONCINI, and Mr. SIMPSON):

S. 2280. A bill to amend the Agricultural Act of 1949 to suspend the application of the milk production termination program in order to minimize the adverse effect of the program on beef, pork, and lamb producers; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. TRIBLE (for himself, Mr. LAXALT, Mr. DENTON, Mr. ARMSTRONG, and Mr. DIXON):

S. 2281. A bill to amend title 18, United States Code, to provide additional penalties for fraud and related activities in connection with access devices and computers, and for other purposes; to the Committee on the Judiciary.

By Mr. DOLE (for Mrs. HAWKINS):

S. 2282. A bill to establish a national advanced technician training program utilizing the Nation's eligible colleges to expand and improve the supply of technicians required by industry and national security in strategic, advanced, and emerging technology in order to increase the productivity of the Nation's industries, to contribute to the self-sufficiency of the United States in emerging technology, and to improve the competitiveness of the United States in international trade, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. INOUYE:

S. 2283. A bill for the relief of Marivic Neri and Miyoshi Neri; to the Committee on the Judiciary.

By Mr. NICKLES (for himself, Mr. ABDNOR, Mr. BOREN, Mrs. HAWKINS, Mr. HECHT, Mr. SYMMS, Mr. HEFLIN, Mr. MCCLURE, Mr. ANDREWS, Mr. GORE, Mr. DURENBERGER, Mr. ARMSTRONG, Mr. DENTON, Mr. BOSCHWITZ, Mrs. KASSEBAUM, Mr. GRASSLEY, Mr. DOLE, Mr. SIMPSON, Mr. LAXALT, Mr. DOMENICI, Mr. BAUCUS, Mr. QUAYLE, and Mr. BUMPERS):

S. 2284. A bill to amend the Food Security Act of 1985 to require the Secretary of Agriculture to take certain actions to minimize the adverse effect of the milk production termination program on beef, pork, and lamb producers, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. MCCLURE (by request):

S. 2285. A bill to promote competition in the natural gas market, to ensure open access to transportation service, to encourage production of natural gas, to provide natural gas consumers with adequate supplies at reasonable prices, to eliminate demand restraints, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. DECONCINI:

S. 2286. A bill to prohibit the sale, donation, or other transfer of STINGER antiaircraft missiles to democratic resistence forces in Afghanistan and Angola unless certain conditions are met; to the Committee on Foreign Relations.

By Mr. BRADLEY (for himself and Mr. LAUTENBERG):

S. 2287. A bill to amend the Wild and Scenic Rivers Act to designate a certain portion of the Great Egg Harbor River in the State of New Jersey for potential addition to the wild and scenic rivers system; to the Committee on Energy and Natural Resources.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. ABDNOR (for himself, Mr. NICKLES, Mr. SYMMS, Mr. MCCLURE, Mr. ANDREWS, Mr. BOREN, Mr. HECHT, Mr. GORE, Mr. DURENBERGER, Mr. BOSCHWITZ, Mr. HEFLIN, Mr. DENTON, Mr. ARMSTRONG, Mrs. HAWKINS, and Mrs. KASSEBAUM):

S. Res. 379. A resolution to express the sense of the Senate that the Secretary of Agriculture should take certain actions to minimize the adverse effect of the milk production termination program on beef, pork, and lamb producers, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. LAUTENBERG (for himself and Mr. WEICKER):

S. Res. 380. A resolution expressing the sense of the Senate of the United States of America that the United States Government should not undertake any efforts to interfere with the free market by encouraging OPEC or its members to adopt production controls to artificially raise oil prices; to the Committee on Foreign Relations.

By Mr. DECONCINI:

S. Res. 381. A resolution expressing the sense of the Senate with respect to United States corporations doing business in Angola; to the Committee on Banking, Housing, and Urban Affairs.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. WILSON (for himself, Mrs. HAWKINS, Mr. MCCLURE, Mr. HEFLIN, Mr. SYMMS, Mr. ABDNOR, Mr. GRASSLEY, Mr. WALLOP, Mr. DECONCINI, and Mr. SIMPSON):

S. 2280. A bill to amend the Agricultural Act of 1949 to suspend the application of the milk production termination program in order to minimize the adverse effect of the program on beef, pork, and lamb producers; to the Committee on Agriculture, Nutrition, and Forestry.

(The remarks of Mr. WILSON and the text of the legislation appear earlier in today's RECORD.)

By Mr. TRIBLE (for himself, Mr. LAXALT, Mr. DENTON, Mr. ARMSTRONG, and Mr. DIXON):

S. 2281. A bill to amend title 18, United States Code, to provide additional penalties for fraud and related activities in connection with access devices and computers, and for other purposes; to the Committee on the Judiciary.

COMPUTER FRAUD AND ABUSE ACT

Mr. TRIBLE. Mr. President, I am introducing today a revised version of legislation I sponsored last year to combat computer crime. I am especially pleased that the chairman of the Criminal Law Subcommittee, Senator LAXALT, has joined me in sponsoring this bill, along with Senators DENTON, ARMSTRONG, and DIXON. Congressman HUGHES is introducing identical legislation today in the House of Representatives.

This new bill will supersede S. 440, the computer crime legislation I introduced in February of 1985. That measure was the subject of a hearing before the Criminal Law Subcommittee on October 30, 1985. In the months since, I have worked closely with Senator LAXALT to meet the concerns raised at that hearing, and I believe that this new bill will adequately address the computer crime problems facing the Federal Government, federally insured financial institutions, and the private sector.

In general, this measure will expand the protections against computer crime currently enjoyed by the Federal Government. Likewise, new offenses will be created for theft or intentional destruction of computer data when the offense is committed on an interstate basis, or when the crime is committed against computers belonging to federally insured financial institutions. Trafficking in computer passwords by those who intend to defraud the owner of the subject computer will also be proscribed.

The advent of widespread computer use has brought a great many benefits to the Nation. This Congress must act to ensure that those benefits are protected against computer criminals. I believe this legislation will do so, and I urge my colleagues to join Senator LAXALT and me in cosponsoring this bill.

I also ask unanimous consent that detailed analysis of the legislation and a copy of the bill itself appear in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 2281

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Computer Fraud and Abuse Act of 1986".

SEC. 2. SECTION 1030 AMENDMENTS.

(a) MODIFICATION OF DEFINITION OF FINANCIAL INSTITUTION.—Section 1030(a)(2) of title 18, United States Code, amended—

(1) by striking out "knowingly" and inserting "intentionally" in lieu thereof; and

(3) by striking out "as such terms are defined in the Right to Financial Privacy Act of 1978 (12 U.S.C. 3401 et seq.),".

(b) MODIFICATION OF EXISTING GOVERNMENT COMPUTERS OFFENSE.—Section 1030(a)(3) of title 18, United States Code, is amended—

(1) by striking out "knowingly" and inserting "intentionally" in lieu thereof;

(2) by striking out ", or having accessed" and all that follows through "prevents authorized use of, such computer";

(3) by striking out "It is not an offense" and all that follows through "use of the computer." and

(4) by striking out "if such computer is operated for or on behalf of the Government

of the United States and such conduct affects such operation" and inserting in lieu thereof "if such computer is exclusively for the use of the Government of the United States or, in the case of a computer not exclusively for such use, if such computer is used by or for the Government of the United States and such conduct affects such use".

(c) MODIFICATION OF AUTHORIZED ACCESS ASPECT OF OFFENSES.—Paragraphs (1) and (2) of section 1030(a) of title 18, United States Code, are each amended by striking out ", or having accessed" and all that follows through "does not extend" and inserting "or exceeds authorized access" in lieu thereof.

(d) NEW OFFENSES.—Section 1030(a) of title 18, United States Code, is amended by inserting after paragraph (3) the following:

"(4) knowingly and with intent to defraud, accesses a Federal interest computer without authorization, or exceeds authorized access, and by means of such conduct furthers the intended fraud and obtains anything of value, unless the object of the fraud and the thing obtained consists only of the use of the computer;

"(5) intentionally accesses a Federal interest computer without authorization, and by means of one or more instances of such conduct alters information in that computer, or prevents authorized use of that computer, and thereby causes loss to another of a value aggregating $1,000 or more during any one year period; or

"(6) knowingly and with intent to defraud traffics (as defined in section 1029) in any password or similar information through which a computer may be accessed without authorization, if—

"(A) such trafficking affects interstate or foreign commerce; or

"(B) such computer is used by or for the Government of the United States;".

(e) ELIMINATION OF SECTION SPECIFIC CONSPIRACY OFFENSE.—Section 1030(b) of title 18, United States Code, is amended—

(1) by striking out "(1)"; and

(2) by striking out paragraph (2).

(f) PENALTY AMENDMENTS.—Section 1030 of title 18, United States Code, is amended—

(1) by striking out "of not more than the greater of $10,000" and all that follows through "obtained by the offense" in subsection (c)(1)(A) and inserting "under this title" in lieu thereof;

(2) by striking out "of not more than the greater of $100,000" and all that follows through "obtained by the offense" in subsection (c)(1)(B) and inserting "under this title" in lieu thereof;

(3) by striking out "or (a)(3)" each place it appears in subsection (c)(2) and inserting ", (a)(3) or (a)(6)" in lieu thereof;

(4) by striking out "of not more than the greater of $5,000" and all that follows through "created by the offense" in subsection (c)(2)(A) and inserting "under this title" in lieu thereof;

(5) by striking out "of not more than the greater of $10,000" and all that follows through "created by the offense" in subsection (c)(2)(B) and inserting "under this title" in lieu thereof;

(6) by striking out "not than" in subsection (c)(2)(B) and inserting "not more than" in lieu thereof;

(7) by striking out the period at the end of subsection (c)(2)(B) and inserting "; and" in lieu thereof; and

(8) by adding at the end of subsection (c) the following:

"(3)(A) a fine under this title or imprisonment for not more than five years, or both, in the case of an offense under subsection (a)(4) or (a)(5) of this section which does not occur after a conviction for another offense under such subsection, or an attempt to commit an offense punishable under this subparagraph; and

"(B) a fine under this title or imprisonment for not more than ten years, or both, in the case of an offense under subsection (a)(4) or (a)(5) of this section which occurs after a conviction for another offense under such subsection, or an attempt to commit an offense punishable under this subparagraph.".

(g) CONFORMING AMENDMENTS TO DEFINITIONS PROVISION.—Section 1030(e) of title 18, United States Code, is amended—

(1) by striking out the comma after "As used in this section" and inserting a one-em dash in lieu thereof;

(2) by aligning the remaining portion of the subsection so that it is cut in two ems and begins as an indented paragraph, and inserting "(1)" before "the term";

(3) by striking out the period at the end and inserting a semicolon in lieu thereof; and

(4) by adding at the end thereof the following:

"(2) the term 'Federal interest computer' means a computer—

(A) exclusively for the use of a financial institution or the United States Government, or, in the case of a computer not exclusively for such use, used by or for a financial institution or the United States Government and the conduct constituting the offense affects such use; or

"(B) which is one of two or more computers used in committing the offense, not all of which are located in the same State;

"(3) the term 'State' includes the District of Columbia, the Commonwealth of Puerto Rico, and any other possession or territory of the United States;

"(4) the term 'financial institution' means—

"(A) a bank with deposits insured by the Federal Deposit Insurance Corporation;

"(B) the Federal Reserve or a member of the Federal Reserve including any Federal Reserve Bank;

"(C) an institution with accounts insured by the Federal Savings and Loan Insurance Corporation;

"(D) a credit union with accounts insured by the National Credit Union Administration;

"(E) a member of the Federal home loan bank system and any income loan bank; and

"(F) any institution of the Farm Credit System under the Farm Credit Act of 1971;

"(5) the term 'financial record' means information derived from any record held by a financial institution pertaining to a customer's relationship with the financial institution; and

"(6) the term 'exceeds authorized access' means to access a computer with authorization and to use such access to obtain or alter information in the computer that the accesser is not entitled so to obtain or alter.".

(h) LAW ENFORCEMENT AND INTELLIGENCE ACTIVITY EXCEPTION.—Section 1030 of title 18, United States Code, is amended by adding at the end the following new subsection:

"(f) This section does not prohibit any lawfully authorized investigative, protective, or intelligence activity of a law enforcement agency of the United States, a State, or a political subdivision of a State, or of an intelligence agency of the United States.".

ANALYSIS—COMPUTER FRAUD AND ABUSE ACT OF 1986

This legislation will expand somewhat the types of criminal miconduct involving computers that will be subject to federal jurisdiction. However, I intend, together with the cosponsor of this bill, that the federal role be expanded only to those areas where there is a compelling federal interest in the prevention and punishment of computer crimes. To that end, this bill provides additional protections against computer crimes affecting the Federal Government itself and federally insured financial institutions; it also proscribes some types of computer crimes that are interstate in nature.

AMENDMENTS TO PRESENT LAW

At present, 18 USC 1030(a)(1) provides for punishement of thefts by computer of national security-related information. This is a felony offense and will remain so. This bill will alter that provision of law only to the extent necessary to simplify the language pertaining to those who "exceed authorized access" to a particular computer system.

The same change will be made to present 18 USC 1030(a)(2). In addition, 18 USC 1030(a)(2) will be altered by changing the scienter requirement from "knowingly" to "intentionally". I am concerned that a "knowingly" standard, when applied to computer use and computer technology, might not be sufficient to preclude liability on the part of those who inadventently "stumble into" someone else's computer file. This is particularly true with respect to those who are authorized to use a particular computer, but subsequently exceed their authorized access by entering another's computer file. It is not difficult to envision a situation in which an authorized computer user will mistakenly enter someone else's computer file. Because the user had "knowingly" signed onto the computer in the first place, the danger exists that he might incur liability for his mistaken access to another file. The substitution of an "intentional" standard is meant to focus federal criminal prosecutions under this paragraph on those who evince a clear intent to enter, without authorization, computer files belonging to another.

The premise of 18 USC 1030(a)(2) remains the protection, for privacy purposes, of computerized information relating to customers' relationships with financial institutions. I believe strongly that the protection offered consumer reporting agency's in the 1984 computer crime legislation must be preserved. This was a valuable addition to the federal criminal statutes, and it ought not be reduced or eliminated. But this bill will also extend those privacy protections to the financial records of all customers—individual and corporate—of financial institutions, as defined in this new bill. As under present law, a first offense under this subsection will be punishable as a misdemeanor. Felony penalties will be available for second and subsequent offenses.

This legislation will also clarify the present 18 USC 1030(a)(3), making clear that it applies to acts of simple computer trespass against computers belonging to, or being used by or for, the Federal government. The Department of Justice and others have expressed concerns about whether present law covers mere trespass offenses, or whether it requires a further showing that the information perused was "used, modified, destroyed, or disclosed." To alleviate those concerns, this legislation will make clear that 18 USC 1030(a)(3) is a tres-

pass offense, applicable to those outside the Federal government. Those government employees who lack the requisite authorization to use a particular computer, or who merely exceed their authorized access can be dealt with in an administrative manner, rather than by criminal punishment. This should alleviate concerns that first arose in 1984 about access and use by whistle-blowers of government-related information that was stored in a computer. So too was deletion of the "disclosure" portion of 18 USC 1030(a)(3). The intentional modification or destruction of computerized information belonging to the government will be covered by a different provision of this proposal. As with 18 USC 1030(a)(2), the scienter requirement in this paragraph will be changed from "knowingly" to "intentionally". A first offense under this subsection will be a misdemeanor; second and subsequent offenses will be felonies.

While the provision of present law relating to attempted offenses will remain unchanged, the provision relating to conspiracies (18 USC 1030(b)(2)) will be deleted entirely. Conspiracies to commit computer crimes wil be treatable under the general federal conspiracy statute, 18 USC 371.

NEW OFFENSES

The new paragraph (a)(4) to be created by this bill is aimed at penalizing thefts of property via computer that occur as part of a scheme to defraud. It will require a showing that the use of the computer or computers in question was integral to the intended fraud, and was not merely incidental. To trigger this provision, the property obtained by the offender in wrongfully accessing a particular computer must further the intended fraud, and not be superfluous to it. The mere use of a computer for recordkeeping purposes, for example, is not meant to constitute an offense under this provision. The use of a computer by one who has devised a scheme to defraud should constitute an offense only when the computer was used to obtain property of another which furthers the fraud, or when the use can be shown to constitute an attempted crime under this chapter.

This paragraph is designed, in part, to help distinguish between acts of theft via computer and acts of computer trespass. In intentionally trespassing into someone else's computer files, the offender obtains at the very least information as to how to break into that computer system. If that is all he obtains, the offense should properly be treated as a simple trespass. But because the offender has obtained the small bit of information needed to get into the computer system, the danger exists that his and every other computer trespass could be treated as a theft, punishable as a felony. I do not believe this is a proper approach to this problem. There must be a clear distinction between computer theft, punishable as a felony, and computer trespass, punishable as a misdemeanor. The element in the new paragraph (a)(4), requiring a showing of an intent to defraud, is meant to preserve that distinction, as is the requirement that the property wrongfully obtained via computer furthers the intended fraud. Offenses under this subsection will be treatable as felonies.

The new paragraph (a)(5) is a malicious mischief statute, and is designed to provide penalties for those who intentionally damage or destroy computerized data belonging to another. Such damage may include an act intended to alter another's computer password, thereby denying him access to his own computerized information. It will be necessary, in proving this offense, that the government demonstrate that a loss has been incurred by the victim totaling at least $1,000 in a single year. This is necessary to prevent the bringing of felony-level malicious mischief charges against every individual who modifies another's computer data. Some modifications, while constituting "damage" in a sense, do not warrant felony-level punishment, particularly when they require almost no effort or expense to repair. The $1,000 evaluation is reasonably calculated to preclude felony punishment in those cases, while preserving the option of felony punishment in cases involving more serious damage or destruction. In instances where the requisite dollar amount cannot be shown, misdemeanor-level penalties will remain available against the offender under the trespass statute created by this bill. Thus, the valuation will not exist for determining the presence or absence of federal jurisdiction; it will serve instead to help determine whether the act constituting the offense is punishable as a felony or a misdemeanor.

In addition, the concept of "loss" embodied in this paragraph will not be limited solely to the cost of actual repairs. The Justice Department has suggested that other costs, including the cost of lost computer time necessitated while repairs are being made, be permitted to count toward the $1,000 valuation. I and the other sponsors of this bill agree.

Finally, in new paragraph (a)(6), this bill provides penalties for those who, knowingly and with an intent to defraud, traffic in computer passwords belonging to others. If those elements are present—and if the password in question would enable unauthorized access to a government computer, or if the trafficking affects intrastate or foreign commerce—this provision could be invoked. A first offense under this subsection will constitute a misdemeanor; second and subsequent offenses will constitute felonies.

● Mr. LAXALT. Mr. President, the legislation being introduced today by Senator TRIBLE and Congressman HUGHES represents a cooperative effort to tighten up the existing statute, 18 U.S.C. 1030, and to propose several new criminal offenses that appear to be necessary at this time. The Committee on the Judiciary has already scheduled a hearing on this bill, and I would hope that the committee will report the measure to the full Senate in the near future.

Rather than repeat Senator TRIBLE's excellent analysis of the bill, I would like simply to focus on the new fraud and malicious mischief offenses and indicate what we are trying to achieve in those two sections. (Proposed 18 U.S.C. 1030(a)(4) and (a)(5).)

The acts of "fraud" that we are addressing in proposed section 1030(a)(4) are essentially thefts in which someone uses a Federal interest computer to wrongly obtain something of value from another. We intend that the use of the computer be an integral—not merely an incidental—part of the commission of the theft.

By including the element of "intent to defraud" in the offense, we wish to distinguish between true theft offenses, where obtaining something of value is the intended object of the act, from the acquisition of knowledge or information that is often incidental to a simple act of unauthorized access.

Computer crime brings into sharp focus the fact that information is a valuable commodity and must be considered property that can be stolen. It is also true that persons who commit acts of unauthorized access often complete those transactions in possession of more knowledge, and hence more information or property, than they had before the act, even though the taking of the information was not the intended object of their offense.

Proposed section 1030(a)(4) is intended to reflect the distinction between theft of information, a felony, and mere unauthorized access, a misdemeanor.

The malicious mischief offense, proposed section 1030(a)(5), contains a jurisdictional amount of at least $1,000 in losses in a 1-year period. In light of the disdain of the Department of Justice for jurisdictional amounts— a disdain that I generally share—I want to make clear that the purposes of the $1,000 loss element are: First, to distinguish between alterations that should fairly be treated as misdemeanors and those that should be felonies; and second, to limit Federal jurisdiction to the felonious alterations. Setting a specific loss value is one way to achieve this end, though it may not be the best one.

The issues raised by computer crime and computer crime legislation are often subtle and exceedingly difficult to solve. Senator TRIBLE and Congressman HUGHES have struggled mightily—and, I believe, successfully—to solve many of those problems in this bill. I know that they welcome the good counsel and advice of all interested parties on these issues as the Congress considers this important legislation.●

By Mr. DOLE for Mrs. HAWKINS:

S. 2282. A bill to establish a national advanced technician training program utilizing the Nation's eligible colleges to expand and improve the supply of technicians required by industry and national security in strategic, advanced, and emerging technology in order to increase the productivity of the Nation's industries, to contribute to the self-sufficiency of competitiveness of the United States in international trade, and for other purposes; to the Committee on Labor and Human Resources.

NATIONAL ADVANCED TECHNICIAN TRAINING ACT

● Mrs. HAWKINS. Mr. President, the American economy and the American work force today face global challenges of unprecedented scale. The key to meeting these challenges lies in large measure in skill training, in expanding the pool of technicians employed at the cutting edge of new and

changing industrial technology. The legislation I introduce today, the National Advanced Technician Training Act, addresses this need.

The essence of this bill, Mr. President, is partnerships. Community and technical colleges already have gone further than any other segment of higher education in building programs tailored to the needs of employers and the private sector.

Yet the employer community is just one of many populations knocking at the community college doors. The community colleges serve larger minority populations than any other segment of higher education. Almost 45 percent of the total black community in higher education is attending community colleges; 70 percent of the Hispanic community is tackling its college dreams through community colleges. The community colleges also are serving a more recent phenoomenon in higher education—the so-called reverse transfers. In the State of Washington, among others, the students moving from senior institutions back to community colleges, in order to satisfy the demands of the workplace, are greater in number than the enrollments transferring from the community colleges into the universities and senior colleges.

Growing numbers of adults who already hold higher college degrees—BA's through Ph.D.'s—are using the community colleges to meet the changing skill needs of their careers. For reasons of convenience and economy, the community colleges are the colleges of choice of the innumerable single parents and displaced homemakers who are striving to gain new or better employment. Such diverse demands from the community are putting a severe strain on the budgets of most community colleges. They simply lack the budgetary resources to increase their outreach to employers, and to instigate the courses that will more fully serve the accelerating changes of the workplace. With the seed support that my bill proposes, Mr. President, the partnerships between industry and community colleges that address the emerging priorities of high technology can be encouraged and expanded far beyond their present scope.

In the emerging workplace, Mr. President, virtually all occupations—from auto mechanic, draft and design technician, and machinist to nurse and secretary—require the worker to be prepared in the competencies of high technology. For the nurse and medical technician, it means working with electronically controlled life support systems and exotic lifesaving pharmaceuticals. For the draftsman it means working with computer-aided design, and for the secretary and accountant it means working with word processers and automated ledgers. For the auto mechanic it means working with sophisticated electronic diagnostic equipment, and for the machinist, working with numerical control equipment. Advanced technology is invading almost every worksite, work station and occupation imaginable.

High technology is becoming equally pervasive to the home—sweetening domestic life with everything from food processors and word processors to solar heat.

Some of my colleagues have raised the question, as to why the bill puts the program in the National Science Foundation. There are several reasons, Mr. President.

Perhaps paramount is the simple fact that the National Science Foundation virtually ignores the largest segment of higher education, which is the community colleges. I regard this as a serious breach of the national interest. I see no justification whatsoever for the NSF's thinking that the only stream of talent it needs to keep our country at the forefront of global competition in science and technology comes from the engineering schools and graduate schools of the 90 or so largest research universities.

The NSF has grown topheavy in its preoccupation with graduate and postgraduate work, at the expense of undergraduate science and mathematics. It should be giving much stronger leadership to the needs of undergraduate education, and especially to the community colleges, where more than half the Americans now starting college enroll.

As another reason, the technician training that goes on between industry and the community colleges offers a promising but untapped environment for enhancing American leadership in applied science and applied technology. With seed support from NSF, these partnerships can be used to much greater advantage in strengthening postsecondary instruction in both math and science. Tens of thousands of very bright students are gaining hands-on opportunities to test their inventiveness and their higher aptitudes for math and science, through the community college courses they are taking with industrial laboratories and high-technological employers. Given the proper encouragement and opportunity, many such students will be strong candidates for upper-level courses and eventual graduate work serving the national interest in science and engineering.

As you will note, my bill calls for the establishment of an Office of Applied Technology at NSF, to administer the grant program the bill would establish.

Beyond the grant program, there are at least two important national purposes that could be served by such an office. The NSF should be staffed to work with the Labor Department on long-term projections of the skill base the Nation must have to remain in the forefront of global economic, scientific and technological competition, and this office could serve this function.

It could also provide the leadership on technology transfer that is so badly needed within the Government. Vast amounts of innovation that potentially could enhance American leadership in industry, science and technology are simply dying on the shelves of Federal laboratories, in such diverse Departments as Defense, Education, Energy, and Agriculture, because there is no cohesive Federal strategy for moving the unclassified innovations off the shelves and into the hands of potential users in both the private and public sectors. NSF could be designing and leading such a strategy through this office.

In short, Mr. President, enactment of NATTA would be a major step toward reskilling the American work force to keep our industry and our economy at the forefront of both global competition and applied technology, a step as well toward more employment and greater national productivity.

Mr. President, I ask unanimous consent that the text of the bill and a bill analysis be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "National Advanced Technician Training Act".

STATEMENT OF FINDINGS

SEC. 2. The Congress finds that—

(1) both industry and national security are hampered by shortages of highly skilled technicians to produce, operate, and service highly technical equipment, systems, and processes;

(2) growing numbers of dislocated workers and unemployed youth and adults lack the training to meet the emerging skill needs of industry and the information age;

(3) the United States has become increasingly dependent upon foreign producers for the advanced-technology systems that feed reindustrialization and economic growth; and

(4) a national advanced technician training program will give men and women from all backgrounds more opportunities to pursue training and education programs leading to an associate degree or technical certificate or otherwise to upgrade their competence consistent with the emerging needs of business, industry, and national security.

PURPOSE

SEC. 3. It is the purpose of this Act to increase the productivity of the industries of the Nation, improve the competitiveness of the United States in international trade, and prepare technicians and skilled craftsmen by establishing a national advanced technician training program in the Nation's community and associate-degree granting institutions, with matching non-Federal funds.

NATIONAL ADVANCED TECHNICIAN TRAINING PROGRAM

SEC. 4. (a)(1) The Director of the National Science Foundation shall, in accordance with the provisions of this Act, carry out a three-year advanced technician training program under which eligible colleges will provide training to meet skill needs in strategic, advanced, and emerging technology.

(2) Such program shall include, where feasible, on-the-job training with technical occupational training and shall place special recruiting emphasis on attracting men and women whose skills require retraining or upgrading in order to retain their jobs, or who are unemployed, especially workers dislocated by plant closings and technological change, and individuals who have recently completed high school or who left high school prior to graduation.

(b)(1) In carryng out this Act, the Director shall—

(A) establish within the Directorate of Science, Technology, and International Education in the Foundation an Office of Applied Technology with responsibility both for monitoring the skill needs in emerging and strategic technical fields, and for conducting the grant program authorized by this Act;

(B) award grants on a competitive basis to eligible colleges which possess the demonstrated ability to provide competency-based occupational training to pay the Federal share of advanced technology training programs; and

(C) work with the eligible colleges and other institutions of higher education to establish and maintain, at the National Science Foundation a readily accessible inventory of advanced technician training programs which are serving public and private employers and addressing the changing workforce demands of emerging technology.

(2)(A) For the purpose of clause (B) of paragraph (1), the Federal share shall be 50 percent in each fiscal year.

(B) In carrying out clause (C) of paragraph (1), the Director may enter into contracts with such public and private agencies and organizations as may be necessary.

(C) No grant awarded to a college under this section in any fiscal year shall exceed $50,000.

(c) Each eligible college awarded a grant under this section shall provide an associate-degree training program in designated advanced-technology occupational fields.

(d) The Director, in awarding grants under this section, shall give special considerations to training programs described in subsection (c) which—

(1) include flexibility in scheduling in order to accommodate working people and parents; and

(2) take steps to meet the adaptive and training needs of handicapped young people and adults.

(e) the Director shall prepare and submit to the Congress an annual report on the national advanced technician training program authorized by this Act, together with—

(1) an evaluation of the program;

(2) a catalog of the college programs identified by the required inventory;

(3) a recommendation on the feasibility of expanding the program; and

(4) such other recommendations, including recommendations for legislation, as the Director deems necessary.

(f)(1) In carrying out the duties under this section, the Director shall consult, cooperate, and coordinate with the programs and policies of the Department of Commerce and other relevant Federal agencies including the Department of Labor, the Department of Education, and the Department of Defense.

(2) In carrying out its functions under this Act, the Foundation shall have the same power and authority it has under the National Science Foundation Act of 1950 to carry out its functions under that Act.

USE OF FUNDS

SEC. 5. Funds appropriated to carry out this Act shall be used to establish, strengthen, and expand the advanced technician training capabilities of eligible colleges, including—

(1) the development of associate degree and short-cycle training programs in advanced-technology occupations by two-year and four-year colleges, and by consortia of two-year and four-year colleges, with particular emphasis on model instructional programs to prepare and upgrade technicians and to retrain dislocated workers in state-of-the-art competencies in advanced-technology occupations;

(2) the development of special courses of instruction in advanced-technology fields for faculty and instructors, both full-time and part-time faculty and instructors;

(3) the development of instructional materials in support of advanced technical training programs in eligible colleges and the dissemination of such materials among such colleges;

(4) the development of cooperative advanced technician training programs with business, industry, labor, and government; and

(5) the purchase or lease of state-of-the-art instrumentation essential to training and education programs designed to prepare and upgrade technicians in new and emerging advanced-technology fields.

DEFINITIONS

SEC. 6. For the purpose of this Act—

(1) the term "advanced-technology" includes advanced technical activities such as the modernization, miniaturization, integration, and computerization of electronic, hydraulic, pneumatic, laser, nuclear, chemical, telecommunication, and other technological applications to enhance productivity improvements in manufacturing, communication, transportation, commercial, and similar economic and defense activities;

(2) the term "Director" means the Director of the National Science Foundation;

(3) the term "eligible college" means a junior or community college or other institution of higher education awarding an associate degree accredited under section 1201 of the Higher Education Act of 1965;

(4) the term "junior community college" has the same meaning given that term by section 322(4) of the Higher Education Act of 1965; and

(5) the term "institution of higher education" has the same meaning given that term by section 1201(a) of the Higher Education Act of 1965.

AUTHORIZATION OF APPROPRIATIONS

SEC. 7. There are authorized to be appropriated $20,000,000 for the fiscal year 1986 and $30,000,000 for each of the fiscal years 1987 and 1988, to carry out the provisions of this Act.

THE NATIONAL ADVANCED TECHNICIAN TRAINING ACT

BACKGROUND AND NEED

The current and future condition of the Nation's scientific and technical manpower supply has a significant influence on the country's scientific and technological capacity to innovate as well as compete with other major industrial nations. To be assured of national success in various technologically related ventures, there must be an adequate supply of qualified skilled technicians to support and assist the professional scientists and engineers.

Within the last decade, high technology development has continued to increase along with the rate in which it has been absorbed by the U.S. economy. Hearings testimony has indicated that the demand for technicians to install, operate, perfect, and service such technologies has apparently exceeded the supply.[1] In order for the Nation to continue to develop new products and processes and to thus maintain its international competitiveness, and adequate supply of qualified technicians will be critical and will necessitate educational and training institutions to produce technicians with the needed capabilities.

In the near future, many jobs nationwide will become obsolete because of the emergence of new technologies. In addition, more than 50 percent of future occupations will require the use of some type of technical equipment.[2] Consequently, millions of workers will require training or retraining in order to remain employable. Many persons will become unemployed because of plant closings and technological change. Recent interested high school graduates who did not take vocational education courses and those who left high school prior to graduation will need training if they are to be employed in the technical workforce.

There is already general interest in the two-year community colleges and technical colleges to provide assistance for the worker in these situations because of their all ready existing structure which allows for low-cost training programs and flexible class schedules. Through cooperative partnership efforts with local industries in areas of the Nation where a need existed, many such educational institutions have been infrequently involved within the last 10 years in job training and/or retraining to meet the needs of displaced workers. It may be possible for these schools to focus more assistance on expanding the Nation's skilled technologically astute workforce. An increase in such programs could provide business and industry access to more individuals who are part of a technically trained workforce that is needed for the United States to compete with other major industrial nations.

HOUSE OF REPRESENTATIVES ACTIVITIES

Legislation

The National Advanced Technician Training Act was introduced in the House of Representatives on May 2, 1985 as H.R. 2353 by Representative Doug Walgren, and jointly referred to the Committees on Education and Labor, and Science and Technology.

The bill, which is similar in basic purpose but not identical to the proposed Senate leg-

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[1] U.S. Congress. House. Committee on Science and Technology. Subcommittee on Science, Research and Technology. The National Advanced Technician Training Act. Hearings on H.R. 2353. 99th Cong., 1st Sess., Sept. 30, 1985. Unpublished testimony of Joseph L. Hines, Vice President of the Board of Trustees, Community College of Allegheny College, Pittsburgh, Pa.

[2] Community Colleges: A Training Ground for Technology. In extension of Remarks of Doug Walgren quoting Pat Choate of TRW. Congressional Record, Daily Edition. v. 131, No. 60—Part 2, May 9, 1985. E2101.

islation, would create a National Technician Training program in community and technical colleges to train young people and adults in strategic advanced technology areas; to help improve skills of employed and unemployed workers; and to provide industry with a technically skilled workforce capable of using advanced technology to modernize the Nation's industries.

A matching grant program would be established in the National Science Foundation (NSF) to assist accredited community and technical colleges in the development of technical training in advanced technology disciplines. All grants, which would not exceed $500,000, would be awarded competitively and matched with non-Federal funds from State and local governments, industry, and other private sources. Such funding might be used to develop associate degree and short-cycle training programs and courses; train faculty; organize cooperative programs with industry and government for personnel exchange programs; develop cooperative training programs with industry, labor and government; buy or lease needed equipment; and develop and distribute instructional materials.

The following groups of individuals would be the focus of this legislation: persons who need retraining or an upgrading of skills in order to retain their jobs; workers unemployed because of plant closings and technological change; recent high school graduates and those who left before completing high school; workers who require flexible work schedules; and handicapped individuals who require special needs.

The NSF would be mandated to establish a clearinghouse to maintain an inventory of advanced technician training programs. Also, the NSF Director is instructed to create a 15-member National Advisory Council on Advanced Technician Training to counsel him concerning the goals and implementing the program. The Council would be chaired by the head of a community or technical college and would include representatives of industry, labor, community and technical colleges, the military, and economic development groups.

NSF is instructed to coordinate its activities with other Federal agencies including the Departments of Commerce, Labor, Education, and Defense.

Recommended funding for the program includes $20 million for fiscal year 1986; and $30 million for fiscal years 1987 and 1988.

Hearings

The House Committee on Science and Technology Subcommittee on Science, Research and Technology held two hearings on H.R. 2353 during the 99th Congress, 1st session—a field hearing at the Parkway West Area Technical School in Pittsburgh, Pa. on September 30, 1985 and one in Washington, D.C. on November 19, 1985.

The following individuals testified at the field hearings:

Dr. John Kraft, President, Community College of Allegheny County; Ms. Cheryl Wilson, an employee of the Mellon Bank and former displaced worker; Edward Slack, President, PPG Industries; Harold Hall, President, Hall Industries, Inc.; John T. Smith, Assistant to the International President, United Steelworkers of America; Jean Noble, President, Noble Robots; and Warren Anderson, Vice President for Issues Management, Pittsburgh National Bank.

At the November 19, 1985 hearing, the witness list included:

Dr. John Moore, Deputy Director, National Science Foundation; Dr. Dwight E. Davis, Vice President, Wausau Insurance Company; Mr. Pat Choate, TRW, Inc.; Mrs. Sheila Korhammer, former President of the Association of Community College Trustees and member of the Board of Trustees of Northampton County Area Community College, Easton, Pa.; Dr. Richard Anderson, District Director, Waukesha County Technical Institute, Pewaukee, Wisconsin; Dr. Andrew Korim, Community College of Allegheny County, Pittsburgh, Pa.; Dr. H. James Owen, President, Tri-Cities State Technical Institute; and Dr. Michael Schafer, President, Mohawk Valley Community College, Utica, New York.

SUMMARY AND COMPARISON OF PROPOSED SENATE LEGISLATION WITH HOUSE BILL

Purpose

The purpose of both legislative proposals is to increase the productivity of the Nation's industries, improve U.S. competitiveness in international trade, and prepare technicans and skilled craftsmen by creating a national advanced technician training program in the Nation's community and associate-degree granting institutions with matching non-Federal funding. The bills, however, vary in regard to the mechanisms for achieving these goals. The discussion below will primarily focus on the Senate proposal except in places where differences in the House legislation are mentioned.

Program

In the proposed Senate legislation, the Director of the National Science Foundation is instructed to implement a three-year advanced technician training program that will provide training in technical skills that will meet U.S. needs in strategic, advanced, and emerging technology.

The program will include, as appropriate, on-the-job training along with technical occupational training particularly emphasizing persons who need retraining or an upgrading of skills in order to keep their jobs, who are unemployed as a result of plant closings and technological change, and persons who recently completed high school or left high school prior to graduation.

The NSF Director is instructed to implement the Act by creating an Office of Applied Technology within the Directorate of [Scientific, Technological, and International Affairs]. This differs from the House bill which does not mandate the establishment of such an office. The proposed bill indicates that this office would monitor the need for required skills in emerging and strategic technical fields and conduct the grant program authorized by the Act. The Federal share of the advanced technology training programs would be awarded through competitive grants to eligible colleges that have demonstrated the ability to provide competent occupational training. The Act indicates that the Federal share shall be 50 percent of each fiscal year's funding. This specification also differs from the House proposal. No grant under this section in the Senate proposal can exceed $500,000 in any fiscal year.

The director is authorized to work with the eligible colleges and other higher educational institutions to create and maintain at NSF a readily accessible inventory of advanced technician training programs which are serving public and private employers and addressing the changing workforce demand of emerging technology. In carrying out this section, the Director may make contracts with such public and private employers as necessary.

Each community and technical college awarded a grant shall provide an associate-degree training program in designated advanced technology occupational areas. In awarding such grants for training programs, special consideration for participants shall include flexibility in scheduling in order to accommodate working people and parents, and make arrangements to meet the adaptive and training needs of handicapped individuals.

In a departure from the House legislation, this proposal does not include establishing a National Advisory Council on Advanced Technician Training.

The Director is required to prepare and submit an annual report to the Congress on the national advanced technician training program along with an evaluation of the program; a catalog of the college programs identified by the required inventory; a suggestion regarding the feasibility of expanding the programs; and other suggestions which may include recommendations for legislation as the Director considers necessary.

Coordination with other Federal departments

In implementing these instructions, the Director is required to consult, cooperate, and coordinate with the programs and policies of the Departments of Commerce, Labor, Education, Defense, and any other relevant Federal agencies.

Use of funding

Appropriated funding shall be used to establish, strengthen, and enlarge the advanced technician training capabilities of eligible colleges, including:

Developing associate degree and short-cycle training programs in advanced technology occupations;

Developing special instructional courses for faculty and instructors in advanced technology fields;

Developing and disseminating instructional materials;

Developing cooperative advanced technician training programs with business, industry, labor, and government; and

Purchasing or leasing state-of-the-art instrumentation necessary for training and educational programs designed to prepare and upgrade technicians in new and emerging technology fields.

Authorized appropriations

For fiscal year 1986, $20 million has been suggested to fund this program. For fiscal years 1987 and 1988, $30 million has been recommended to carry out the provisions of this Act.

Definition of advanced technology

Advanced technology includes "advanced technical activities such as modernization, miniaturization, integration, and computerization of electronic, hydraulic, pneumatic, laser, nuclear, chemical, telecommunication, and other technological applications to enhance productivity improvements in manufacturing, communication, transportation, commercial, and similar economic defense activities."●

By Mr. NICKLES (for himself, Mr. ABDNOR, Mr. BOREN, Mrs. HAWKINS, Mr. HECHT, Mr. SYMMS, Mr. HEFLIN, Mr. MCCLURE, Mr. ANDREWS, Mr. GORE, Mr. DURENBERGER, Mr. ARMSTRONG, Mr. DENTON, Mr. BOSCHWITZ, Mrs. KASSEBAUM,

Mr. GRASSLEY, Mr. DOLE, Mr. SIMPSON, Mr. LAXALT, Mr. DOMENICI, Mr. BAUCUS, Mr. QUAYLE, and Mr. BUMPERS):

S. 2284. A bill to amend the Food Security Act of 1985 to require the Secretary of Agriculture to take certain actions to minimize the adverse effects of the milk production termination program on beef, pork, and lamb producers, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

MEAT MARKETING IMPROVEMENTS ACT

● Mr. NICKLES. Mr. President, the U.S. Department of Agriculture's mishandling of a program designed to reduce milk production has resulted in severe price declines for the beef cattle and other red meat industries. Today, along with 21 of my colleagues, I am introducing legislation, the Meat Marketing Improvements Act, which would reduce the adverse impact of the Dairy Termination Program on red meat producers. This measure is also being submitted in resolution form by Senator ABDNOR as Senate Resolution 379.

The week following the March 28 announcement, the beef cattle futures market was down the limit, $1.50 per hundredweight, 4 out of 5 market days. During this 1-week period, cattlemen selling livestock lost an estimated $25 million due to the artificially induced price declines. The value of the Nation's beef cattle inventory dropped an estimated $2 billion during the same period.

The cost of the Dairy Termination program will total $1.8 billion over 5 years. Approximately $650 to $700 million, or 38 percent, of the program costs will be paid by the dairy industry through producer assessments.

The bids accepted will result in a reduction in milk production by 12.3 billion pounds during the 18-month program. In the March 28 announcement, USDA noted that 1,550,403 head of dairy cows, heifers, and calves are included in the termination program. USDA set up three disposal periods when the cattle would be marketed. The three periods are April 1, 1986 to August 31, 1986; September 1, 1986 to February 28, 1987; and March 1, 1987 to August 31, 1987.

Nearly two-thirds of the total number of dairy cattle under the termination program, 1,015,046 head or 65.5 percent, are scheduled to be marketed during the first disposal period. 176,620 head, 11.4 percent of the total, are to marketed during the second disposal period. 358,737 head, 23.1 percent of the total are to be marketed during the third disposal period.

Since USDA's implementation of this program, cash beef markets have declined an estimated $3 to $8 per hundredweight, depending on the type and size of livestock.

The effect on my State of Oklahoma is staggering. Oklahoma is fifth in total cattle numbers with an annual beef cattle inventory of approximately 5.3 million head worth an estimated $1.72 billion. There are 66,000 beef operations in Oklahoma with an average of 80 head per operation worth an estimated $325 per head. This results in a per operation inventory value of $26,000. A $6 per hundredweight drop in cash beef cattle prices, approximately a 10-percent decline, has cost Oklahoma cattlemen a reduction in inventory value an average of $2,600 since USDA's March 28 announcement.

In introducing this legislation, it is my pleasure to be joined by my colleagues Senators ABDNOR, BOREN, HAWKINS, HECHT, SYMMS, HEFLIN, MCCLURE, ANDREWS, GORE, DURENBURGER, ARMSTRONG, DENTON, KASSEBAUM, BOSCHWITZ, GRASSLEY, DOLE, SIMPSON, LAXALT, DOMENICI, and BAUCUS.

Following is a summary and explanation of the legislation we are introducing:

First, the Secretary of Agriculture is required to purchase a percentage of the 400 million pounds specified in the 1985 farm bill during each disposal period in equal proportion to the percent of the total number of dairy cattle under the Dairy Termination Program that are to be marketed during the same disposal period.

If two-thirds of the dairy cattle are going to market in the first disposal period, two-thirds of the 400 million pounds in required meat purchases should be made during the same timeframe.

Second, if the Secretary determines the amount of purchases during each period is inadequate to offset the amount of meat being marketed as a result of the Dairy Termination Program, the Secretary is required to:

Utilize export promotion programs, such as the Export Enhancement Program, to facilitate the export sales of live animals, red meat, or red meat products; or

Decrease imports of meat and meat products.

Third, the Secretary is required to ensure the marketing of dairy cattle during each disposal period occurs in an orderly manner consistent with the historical relationship of dairy cattle marketed to beef cattle marketed. In carrying out this provision, the Secretary shall give consideration to the marketing patterns within various regions.

Steps should be taken to ensure that within each disposal period, dairy cattle are marketed in an orderly manner and not dumped on the market all at once. Additionally, when determining when the cattle should be marketed, consideration should be given to regional marketing patterns. For example, in Oklahoma a large number of cattle are sold during the late spring months as they are pulled off wheat pasture and sent to the feedlots.

Fourth, the Secretary is required, to the extent feasible, to make adjustments in the scheduled marketing of dairy cattle under the termination program to provide for a more even distribution over all periods.

By shifting dairy cattle under the termination program from the overloaded first period to the second or third period, the impact on cattlemen and others could be lessened. One way to achieve such an adjustment would be to accept bids for the second or third period rather than the first from producers who submitted multiple bids. I might point out that 39,534 producers submitted over 100,000 bids.

Mr. President, I hope this legislation isn't necessary. On Apirl 1, I wrote the Secretary of Agriculture, Richard Lyng, asking that he take administrative action to alleviate the beef cattle price declines caused by the implementation of the Dairy Termination Program. Specifically, I called on him to immediately announce that USDA would pull an amount of meat off the market which would offset the market effect caused by the March 28 announcement.

The Secretary knows that a solid game plan must be formulated in short order or we will force his hand with legislation. Mr. President, I ask my colleagues to stand ready to support us in this effort.

Mr. President, I ask unanimous consent that a copy of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2284

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. ADVERSE EFFECT OF MILK PRODUCTION TERMINATION PROGRAM ON BEEF, PORK, AND LAMB PRODUCERS.

(a) IN GENERAL.—Section 104 of the Food Security Act of 1985 (7 U.S.C. 1446 note) is amended—

(1) by inserting "(a)" after the section designation; and

(2) by adding at the end thereof the following new subsection:

"(b)(1) As used in this subsection:

"(A) The term 'milk production termination period' means—

"(i) the period beginning April 1, 1986, and ending August 31, 1986;

"(ii) the period beginning September 1, 1986, and ending February 28, 1987; or

"(iii) the period beginning March 1, 1987, and ending August 31, 1987.

"(B) The term 'milk production termination program' means the milk production termination program established under section 201(d) of the Agricultural Act of 1949.

"(C) The term 'Secretary' means the Secretary of Agriculture.

"(2) During each milk production termination period, the Secretary shall use to carry out clauses (1) and (2) of subsection (a) a percentage of the aggregate amount of funds required to be used to purchase and distribute red meat under such clauses that is equal to the percentage of the total number of dairy cattle the Secretary estimates will be marketed for slaughter as a result of the milk production termination program.

"(3) During each milk production termination period, if the Secretary estimates that the quantity of meat purchased under subsection (a) will be less than the amount of red meat marketed as a result of the milk production termination program, to ensure that the quantity of red meat marketed does not increase during the milk production termination period as the result of the milk production termination program, the Secretary shall—

"(A) increase the quantity of red meat purchased under clause (1) or (2), or both, of subsection (a), with the use of funds referred to in such clause;

"(B) utilize programs operated by the Secretary for the purpose of encouraging or enhancing commercial sales in foreign export markets of United States agricultural commodities or the products thereof (including the payment of a bonus or incentive (in cash, commodities, or other benefits) provided to a purchaser) to encourage and enhance the export sales of live animals, red meat, or red meat food products;

"(C) decrease the aggregate quantity of meat articles otherwise estimated by the Secretary under section 2(e)(1) of the Meat Import Act of 1979 (19 U.S.C. 2253 note); or

"(D) implement any combination of clauses (A) through (C).

"(4) During each milk production termination period, the Secretary shall ensure that dairy cattle marketed for slaughter as a result of the milk production termination program be marketed in an orderly manner consistent with the historical relationship of marketed dairy cattle to marketed beef cattle. In carrying out this paragraph, the Secretary shall consider regional patterns for marketing beef cattle.

"(5) To the extent feasible, the Secretary shall adjust the number of dairy cattle marketed for slaughter as a result of the milk production termination program during each milk production termination period to provide for a more even distribution of such marketings over all such periods.".

(b) TECHNICAL CORRECTION.—Paragraph (3) of section 2(g) of the Meat Import Act of 1979 (19 U.S.C. 2253 note) is amended by striking out "the policy set forth in subsections (c) and (d) will be carried out" and inserting in lieu thereof "the aggregate quantity of meat products entered will not exceed the aggregate quantity estimated under subsection (e)(1)".

● Mr. DURENBERGER. Mr. President, I am pleased to join my colleagues in cosponsoring this legislation to correct the Department of Agriculture's implementation of the Dairy Termination Program.

In implementing the Food Security Act of 1985 the Department of Agriculture has shown that it is unaware of the needs of farmers. Hundreds of my Minnesota constituents have called me to say that participation in the 1986 Farm Program as it is being implemented by the Department means confusion, delay, and added financial problems.

It is unfortunate that Congress must take action at every turn to correct the Department's erroneous interpretation of a bill we passed only 4 months ago in which the Department was directed to implement an orderly and timely flow of cattle to market to reduce the effect of the Dairy Termination Program on red-meat markets.

The fact is that when the Department announced last week that over 1 million head of dairy cattle will be slaughtered in the immediate future, the livestock markets dropped the limit 4 days in a row last week and continue to be unsteady.

This sharp drop has affected not only beef and pork producers, but those dairymen participating in the program. Let me provide an example of how prices have dropped. For large cows the price dropped from 37 to 40 cents per pound to 27 to 30 cents; for those weighing 900 pounds the price dropped from 48 cents per pound to 32 cents; for those weighing between 450 to 900 pounds the price dropped from 45 cents per pound to 24 cents; and for those weighing between 250 to 450 pounds the price dropped from 40 to 50 cents per pound to 20 cents. To say that this represents a significant loss of income to farmers who are already in precarious financial condition is to understate a serious reality.

My office has been handling a steady stream of calls from affected farmers. Serious damage has already been done. But the legislation and resolution being introduced today is clearly needed to prevent a repetition of this situation.

This legislation requires the Secretary of Agriculture to purchase a percentage of the 400 million pounds of red meat in proportion to the percentage of dairy cattle to be marketed during each disposal period. If the Secretary determines that this is inadequate he is directed to take additional steps to provide such an offset. Finally, he is required to develop regulations which will assure an orderly, timely, and even flow of cattle to slaughter to prevent further flooding of the livestock markets.

Mr. President, the agricultural economy is in dire straits. The Federal Government must be sensitive to this situation when implemting the 1986 Farm Program and making decisions which will have far-reaching impacts on not only the individual farmer, but the agricultural economy.●

● Mr. BOREN. Mr. President, today I am joining several of my colleagues in introducing legislation which would require the Secretary of Agriculture to ensure that the Dairy Termination Program, the so-called whole-herd buy-out, will not disrupt the beef market.

The Food Security Act of 1985 authorized a program whereby milk producers could completely discontinue their dairy operations. The program provides for the termination of milk production by producers who agree to: First, sell for slaughter or export all dairy cattle in which the producer has an interest; and second, not to acquire any interest in dairy cattle or the production of milk during a period of 3 to 5 years after completion of such sale.

When we were considering this proposal, there was a great deal of concern about the possible impact this program could have on livestock markets, particularly the cattle market. During Senate consideration of the dairy provisions, Senator ABDNOR and I gained adoption of an amendment which required the Secretary to take all feasible steps to prevent an adverse effect on beef and pork products.

In order to avoid any impact on beef and pork producers, the Food Security Act requires the Secretary to provide for the orderly and timely flow of cattle that are marketed due to the Dairy Program. Further, the act requires the Secretary to purchase 400 million pounds of red meat in addition to those quantities normally purchased and distributed by the Department. The report language of the conference report directs the Secretary, in making these purchases, to recognize the effect of the Dairy Program on the beef, pork, and lamb industries.

One would think all this language would have effectively protected cattle prices from negative effects of the Dairy Program. Last week, however, the bottom virtually fell out from under cattle prices. The cash price for beef cattle fell $6 per hundredweight. If the price remains low for the remainder of the year, this $6 drop could cost Oklahoma cattlemen $163 million in income. That amounts to about 16 percent of total income for cattle marketings in my State.

How could this happen with all the protective language we included in the farm bill one might ask. First of all, when the Secretary announced the number of dairy cattle to be slaughtered under the whole-herd buy-out, he also announced his intention to purchase 400 million pounds of red meat to offset the slaughterings. Unfortunately, the press release announcing his intention to purchase was buried in a stack of press releases issued that day and received little attention by the news media. Second, though the Secretary announced his intention to purchase the additional meat, there was no indication of exactly when he was going to purchase it or the quantity during given periods of time. Finally, under the whole-herd buy-out, roughly two-thirds of the total number of dairy cattle to be slaughtered were going to hit the

market during the first disposal period of the program. That means that 1,015,046 head of dairy cattle will go to the slaughterhouses between now and August 31, putting an additional 250 to 275 million pounds of beef on the market.

If the Secretary were going to purchase two-thirds of the 400 million pounds during the same period, it could prevent a drop in cattle prices. The Secretary never mentioned when he was going to buy the meat; rather, he only stated that the Department would begin purchasing the meat. The Department could purchase 5 pounds this year and then at the end of the whole-herd buy-out program, 18 months from now, purchase the rest. Overall, the amount of meat going on the market would remain the same. Yet, during the 18 month period, the cattle industry in this country could be wiped out!

Mr. President, the cattle industry cannot afford further reductions in price. For 6 consecutive years, the price farmers and ranchers have received for cattle has declined. The 1985 prices were 20 percent lower than the 1980 price. Just prior to the announcement of the Dairy Program, cattle prices were 10 percent lower than they were a year ago. Now is the worst time in the world to lower prices an additional $6 per hundredweight. On average, this cost cattlemen $58.80 per head. In Oklahoma, a $6 drop in prices translates into an average loss per cattleman of almost $5,000. Cattlemen simply cannot afford to lose any money as prices before the announcement of the program barely allowed them to break even on their cattle operations.

The timing of the announcement hit my home State of Oklahoma particularly hard. April happens to be the month when Oklahoma farmers and ranchers take cattle off wheat pasture for immediate sale. Many of Oklahoma's cattlemen planned for the past year to sell their cattle the first couple of weeks in April. Some were able to delay their marketings; others were not so fortunate. I've heard from several cattlemen who had shipped their cattle to auctions before the price had fallen. Regretfully, though shipped prior to the drop, they were sold after the drop. Many Oklahoma farmers and ranchers have already lost thousands of dollars as a result of the Secretary's announcement. Many more are likely to lose thousands if we do not act quickly to ensure that the Dairy Program will not have any more of an adverse effect on cattle prices.

The legislation we are introducing today attempts to reduce the adverse effect of the Dairy Program on livestock producers. Our legislation will require the Secretary to purchase a percentage of the 400 million pounds of red meat in proportion to the percentage of dairy cattle to be marketed during each disposal period. In other words, if two-thirds of the dairy cattle are being slaughtered in one period, two-thirds of the required meat purchases must be made during the same period. Additionally, the legislation requires the Secretary to take additional steps if he determines that the purchases are not adequate to prevent an adverse impact on the meat market. The Secretary would have several options at that point. He could decrease imports, increase exports, or increase purchases.

When we passed the 1985 farm bill, we believed we had effectively protected the cattle market from adverse effects created by our Government programs. Clearly, this program has been grossly mismanaged, and congressional action has become necessary.

It is critical that we act now to reverse the decline in cattle prices. I urge my colleagues to join in support of this legislation.●

By Mr. McCLURE (by request):

S. 2285. A bill to promote competition in the natural gas market, to ensure open access to transportation service, to encourage production of natural gas, to provide natural gas consumers with adequate supplies at reasonable prices, to eliminate demand restraints, and for other purposes; to the Committee on Energy and Natural Resources.

NATURAL GAS POLICY ACT AMENDMENTS

● Mr. McCLURE. Mr. President, pursuant to an Executive communication referred to the Committee on Energy and Natural Resources, at the request of the Department of Energy I send to the desk a bill to promote competition in the natural gas market, to ensure open access to transportation service, to encourage production of natural gas, to provide natural gas consumers with adequate supplies at reasonable prices, to eliminate demand restraints, and for other purposes.

Mr. President, this draft legislation was submitted and recommended by the Department of Energy, and I ask unanimous consent that the bill, the Executive communication which accompanied the proposal from the Secretary, a section-by-section analysis, and a factsheet on the bill be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 2285

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Natural Gas Policy Act Amendments of 1986."

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Sec. 301. Repeal of Certain Sections of the Powerplant and Industrial Fuel Use Act of 1978.

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Sec. 303. Repeal of Incremental Pricing Requirements.

TITLE I—OPEN ACCESS TO TRANSPORTATION NON-DISCRIMINATORY AUTHORIZATIONS

SEC. 101. Section 311(a) of the Natural Gas Policy Act of 1978 (15 U.S.C. §3371(a)) is amended by—

(a) revising paragraph (1) to read as follows:

"(1) IN GENERAL.—The Commission, by rule or order, may authorize any pipeline to transport natural gas on behalf of any person."

(b) redesignating subparagraph (1)(B) as paragraph (2);

(c) deleting subparagraph (2)(A);

(d) redesignating subparagraphs (2)(B)(i), (2)(B)(ii), (2)(B)(ii)(I), and (2)(B)(ii)(II) as subparagraphs (3)(A), (3)(B), (3)(B)(i), and (3)(B)(ii), respectively.

(e) adding a new paragraph (4) to read as follows:

"(4) NON-DISCRIMINATION.—

(A) A pipeline transporting gas pursuant to this subsection shall do so without discrimination.

(B) A pipeline receiving gas pursuant to this subsection shall provide transportation service pursuant to this subsection without discrimination."

OPEN ACCESS CARRIAGE

SEC. 102. (a) Title III of the Natural Gas Policy Act of 1978 (15 U.S.C. §§ 3361-3375) is amended by adding the following new section:

"SEC. 316. OPEN ACCESS CARRIAGE.—Upon request by any person, the Commission shall direct an interstate pipeline to provide transportation service, unless the pipeline demonstrates to the Commission it is incapable of rendering the service. The pipeline shall provide this transportation service without discrimination. The rates and charges for this transportation service shall be just and reasonable within the meaning of the Natural Gas Act. The Commission may implement this section by rule or order, and may attach appropriate terms and conditions consistent with the fullest practicable use of capacity."

(b) The table of contents of the Natural Gas Policy Act of 1978 (15 U.S.C. § 3301 note) is amended by adding after the item relating to section 315 the following:

"Sec. 316. Open Access Carriage."

TITLE II—REMOVAL OF WELLHEAD PRICE CONTROLS AND REPEAL OF JURISDICTION OVER FIRST SALES REMOVAL OF WELLHEAD PRICE CONTROLS

SEC. 201. Section 121 of the Natural Gas Policy Act of 1978 (15 U.S.C. § 3331) is

amended by adding at its end the following new subsections:

"(f) SPECIAL RULE FOR CERTAIN GAS.—The provisions of subtitle A shall not apply to—

"(1) gas subject to any contract for the first sale of natural gas executed after March 1, 1986, or

"(2) gas subject to any contract for the first sale of natural gas renegotiated after March 1, 1986, if the renegotiated contract expressly provides the provisions of subtitle A shall not apply.

"(g) REMOVAL OF WELLHEAD PRICE CONTROLS ON NATURAL GAS.—Beginning April 1, 1987, the provisions of subtitle A respecting maximum lawful price shall cease to apply to the first sale of any natural gas."

REPEAL OF COMMISSION JURISDICTION OVER FIRST SALES OF NATURAL GAS

SEC. 202. (a) Section 601(a)(1)(B) of the Natural Gas Policy Act of 1978 (15 U.S.C. § 3431(a)(1)(B)) is revised to read as follows:

"(B) COMMITTED OR DEDICATED NATURAL GAS.—For purposes of section 1(b) of the Natural Gas Act, the provisions of the Natural Gas Act and the jurisdiction of the Commission under such Act shall not apply to natural gas which was committed or dedicated to interstate commerce as of the day before the date of enactment of this Act solely by reason of any first sale of such natural gas."

(b) Section 315 of the Natural Gas Policy Act of 1978 (15 U.S.C. § 3375) is repealed, and the item relating to section 315 is stricken from the table of contents of that Act.

(1) sections 103(a)(16), (a)(18), (a)(19), and (a)(29) (42 U.S.C. § 8302(a)(16), (a)(18), (a)(19), and (a)(29));

(2) sections 201 and 202 (42 U.S.C. §§ 8311 and 8312);

(3) section 302 (42 U.S.C. § 8342);

(4) section 401 (42 U.S.C. § 8371);

(5) section 402 (42 U.S.C. § 8372); and

(6) section 405 (42 U.S.C. § 8375).

(b) The table of contents in section 101(b) of the Powerplant and Industrial Fuel Use Act of 1978 (42 U.S.C. § 8301(b)) is amended by striking the items relating to the sections repealed by subsection (a) of this section.

CONFORMING AMENDMENTS

SEC. 302. (a) Section 102 of the Powerplant and Industrial Fuel Use Act of 1978 (42 U.S.C. § 8301) is amended by striking "and major fuel-burning installations" and "and new" wherever these phrases appear.

(b) Section 103 of the Powerplant and Industrial Fuel Use Act of 1978 (42 U.S.C. § 8302) is amended—

(1) in subsection (a)(13)(B), by—

(A) striking clause (ii)(III);

(B) striking "; or " at the end of clause (ii)(II), and inserting a period in its place; and

(C) inserting "and" at the end of clause (ii)(I);

(2) in subsection (a)(15), by striking "or major fuelburning installation" and "or new" wherever these phrases appear;

(3) in subsection (a)(20), by striking "or major fuelburning installation";

(4) by redesignating subsections (a)(17), (a)(20), (a)(21), (a)(22), (a)(23), (a)(24), (a)(25), (a)(26), (a)(27), and (a)(28) as subsections (a)(16), (a)(17), (a)(18), (a)(19), (a)(20), (a)(21), (a)(22), (a)(23), (a)(24), and (a)(25);

(5) in subsection (b), by striking or "major fuel-burning installation" wherever this phrase appears;

(6) in subsection (b)(1)(D), by striking everything after "synthetic gas involved" and inserting in its place a period; and

(7) by striking subsection (b)(3), and redesignating subsection (b)(4) as subsection (b)(3).

(c) Section 104 of the Powerplant and Industrial Fuel Use Act of 1978 (42 U.S.C. § 8303) is amended to read as follows:

"The provisions of this Act shall apply in all the States, Puerto Rico, and the territories and possessions of the United States."

(d) Section 303 of the Powerplant and Industrial Fuel Use Act of 1978 (42 U.S.C. § 8343) is amended—

(1) by striking "or installation" and "or installations" wherever the phrases appear;

(2) by striking "or 302" wherever the phrase appears;

(3) by striking subsection (a)(3);

(4) by amending subsection (b)(1) to read as follows:

"(1) The secretary may prohibit, by rule, the use of natural gas or petroleum under section 301(b) in existing electric powerplants.";

(5) in subsection (b)(3), by striking "or major fuel-burning installation"; and

(6) by amending the last sentence of subsection (b)(3) to read as follows: "Any such rules shall not apply in the case of any existing electric powerplant with respect to which a comparable prohibition was issued by order."

(e) Section 403 of the Powerplant and Industrial Fuel Use Act of 1978 (42 U.S.C. § 8373) is amended by striking—

(1) in subsection (a)(1), "major fuel-burning installation, or other unit" and the comma immediately preceding this phrase and "installation, or unit" and the comma immediately preceding this phrase;

(2) in subsection (a)(2), "installation, or other unit" and the comma immediately preceding that phrase, and "installation, or unit" and the comma immediately preceding that phrase;

(3) in subsection (a)(2), the last sentence; and

(4) subsection (a)(3).

(f) Section 404 of the Powerplant and Industrial Fuel Use Act of 1978 (42 U.S.C. § 8374) is amended by striking—

(1) in subsection (c), "new or" in the phrase "applicable to any new or existing electric powerplant"; and

(2) subsection (g).

(g) Section 701 of the Powerplant and Industrial Fuel Use Act of 1978 (42 U.S.C. § 8411) is amended by striking—

(1) in the last sentence of subsection (b), "or installation";

(2) subsection (c);

(3) in the title of subsection (d), "AND EXEMPTIONS";

(4) in the first sentence of subsection (d)(1), "or any petition for any order granting an exemption (or permit)";

(5) in subsection (d)(1)(B), "or in the consideration of such petition";

(6) in subsection (f), "or a petition for an exemption (or permit) under this Act (other than under section 402 or 404), "; and

(7) subsection (g).

(h) Section 702 of the Powerplant and Industrial Fuel Use Act of 1978 (42 U.S.C. § 8412) is amended by striking—

(1) in the title of subsection (a), "OR EXEMPTION";

(2) in subsection (a), "or granting an exemption (or permit)";

(3) subsection (b), and redesignating subsection (c) as subsection (b);

(4) in the first sentence of subsection (b)(1) (as redesignated) ", or by the denial of a petition for an order granting an exemption (or permit) referred to in subsection (b),";

(5) in the first sentence of subsection (b)(1) (as redesignated), "such rule, order, or denial is published under subsection (a) or (b)" and inserting in its place "such rule or order is published under subsection (a)";

(6) in the first sentence of subsection (b)(2) (as redesignated), "the rule, order, or denial" and inserting in its place "the rule or order";

(7) in the second sentence of subsection (b)(2) (as redesignated), "(or denial thereof)"; and

(8) in subsection (b)(3) (as redesignated), "any such rule, order, or denial" and inserting in its place "any such rule or order".

(i) Section 711 of the Powerplant and Industrial Fuel Use Act of 1978 (42 U.S.C. § 8421) is amended by striking in the first sentence of subsection (a), "or major fuel-burning installation".

(j) Section 721 of the Powerplant and Industrial Fuel Use Act of 1978 (42 U.S.C. § 8431) is amended by striking subsection (c) and redesignating subsection (d) as subsection (c).

(k) Section 723 of the Powerplant and Industrial Fuel Use Act of 1978 (42 U.S.C. § 8433) is amended by striking subsection (b) and redesignating subsections (c) and (d) as subsections (b) and (c).

(l) Section 731 of the Powerplant and Industrial Fuel Use Act of 1978 (42 U.S.C. § 8441) is amended by striking—

(1) "or major fuel-burning installation" wherever the phrase appears; and

(2) "title II or" in subsections (a)(1) and (g)(3).

(m) Section 745 of the Powerplant and Industrial Fuel Use Act of 1978 (42 U.S.C. § 8455) is amended by striking in the first sentence of subsection (a), "from new and existing electric powerplants and major fuel-burning installations" and inserting in its place "from existing electric powerplants".

(n) Section 761 of the Powerplant and Industrial Fuel Use Act of 1978 (42 U.S.C. § 8471) is amended by striking—

(1) in subsection (a), "any existing or new electric powerplant or major fuel-burning installation" and inserting in its place "any existing electric powerplant"; and

(2) in subsection (b)—

(1) "new or" in the phrase "In the case of any new or existing facility"; and

(2) "except to the extent provided under section 212(b) or section 312(b)" and the comma immediately preceding that phrase.

REPEAL OF INCREMENTAL PRICING REQUIREMENTS

SEC. 303. (a) Subject to subsections (b) and (c) of this section, title II of the Natural Gas Policy Act of 1978 (15 U.S.C. §§ 3341-3348) is repealed, and the items relating to title II are stricken from the table of contents of that Act.

(b) A rule promulgated by the Commission under title II of the Natural Gas Policy Act of 1978 shall continue in effect only with respect to the flow-through of costs incurred before the enactment of the Natural Gas Policy Act Amendments of 1986, including any surcharges based on such costs.

(c) The Commission may take appropriate action to implement this section.

THE SECRETARY OF ENERGY,
Washington, DC, April 10, 1986.

Hon. GEORGE BUSH,
President of the Senate,
Washington, DC.

DEAR MR. PRESIDENT: We have made great progress in restoring our Nation's energy health in the last five years, but the job of

providing Americans with an adequate supply of energy at a reasonable price is far from over.

Today, natural gas, one of our most important and valuable resources, is caught in a regulatory headlock that is keeping prices artificially high and preventing America from harnessing the enormous benefits and advantages of this important fuel. Comprehensive regulatory relief and decontrol of the natural gas market will remove one of the last remaining hurdles to energy prosperity for the United States, and we should not rest until we reach this goal.

Accordingly, I am pleased to send to the Congress, on behalf of the President, the "Natural Gas Policy Act Amendments of 1986." This proposal will provide a system that ensures open access to nautral gas transportation and will remove controls that discourage production of our lowest cost gas resources.

The result will be lower prices for American consumers, more plentiful supplies of natural gas, increased productivity, more jobs and less imported oil.

In the past, such predictions and efforts for regulatory decontrol and regulatory relief in our energy markets have been met by critics who claimed that removal of controls would lead to higher prices.

The record of the last five years shows quite convincingly, however, that these critics have been wrong and that the best price for commodities is the lowest price that is obtained in a competitive free market.

Five years ago, for example, when regulatory controls were removed from the U.S. oil market, many said it would very quickly lead to gasoline that cost $2.00 at the pumps and oil that cost up to $90 a barrel. The same kind of charges were levied a year ago when price controls were removed from about half of the Nation's gas supplies.

As today's headlines show, energy consumers are enjoying dramatically lower prices and more abundant supplies of oil, gasoline and natural gas than they have seen in years. Removal of price controls from oil and partial decontrol of natural gas were significant strides forward, but now we need to finish the job.

This legislative proposal will realize the benefits and goals of a free natural gas market in a manner that is fair to the consumer, the transporter, and the producer alike. It includes three essential features:

Immediate decontrol of all new and renegotiated contracts, with a total lifting of remaining price controls by April 1, 1987;

A system that ensures open access to transportation, from the gas field to the consumer; and

Elimination of current laws that restrict the use of natural gas.

A section-by-section analysis also is enclosed to provide a detailed description of this proposal.

Today's energy abundance, the success of free energy markets and the example of partial decontrol of natural gas clearly attest to the fact that full deregulation of the natural gas market is long overdue. I strongly urge you to join me this year in taking the final steps toward the removal of the impediments to natural gas transportation and the lifting of counterproductive controls on the natural gas market. These actions can only work to the benefit of the American consumer, our economy, the natural gas industry and our future energy health and stability.

Yours truly,

JOHN S. HERRINGTON.

FACTSHEET—NATURAL GAS POLICY ACT AMENDMENTS OF 1986

SUMMARY

The Administration bill will promote competition in the natural gas market and will ensure that consumers receive adequate supplies of natural gas at reasonable prices.

The Administration bill will result in lower average gas prices, increased domestic gas production and consumption, reduced payments for imported oil and gas supplies, and an improved balance-of-trade.

Reduced prices for high cost supplies and increased production of low-cost old gas supplies will lower gas prices by an average of about $0.10 to $0.20 per thousand cubic feet per year between 1987 and 1995.

Market prices for old gas will result in increased production from existing old gas reserves of about 30 to 34 tcf over the next 40 years, including about 12 to 14 tcf from delayed abandonment, 15.5 tcf from infill drilling, and 2.5 to 4.5 tcf from production enhancement.

The Administration bill will result in net economic benefits of about $16 billion to $24 billion (1984 dollars) over the next ten years relative to current regulations.

PROVISIONS OF THE ADMINISTRATION BILL

The Administration bill includes "open access" provisions that require interstate pipelines to provide transportation on a nondiscriminatory basis and to the fullest extent practicable.

Upon enactment, the Administration bill decontrols all natural gas wellhead prices subject to new or renegotiated contracts. All remaining Federal wellhead price controls are to be removed on April 1, 1987.

The Administration bill will prevent contracts containing an area rate clause, with no other indefinite price escalator clause, from reverting to extremely low fixed prices.

Provisions in current law that arbitrarily restrain the demand for natural gas, including certain provisions of the Fuel Use Act and the incremental pricing provision of the NGPA, are repealed.

BENEFITS OF THE ADMINISTRATION BILL

The Administration bill will open access to available interstate pipeline transportation capacity.

Open access will increase the competition between pipelines and producers and thereby ensure least-cost gas supplies to consumers.

Open access will ensure that the benefits of increased competition in the natural gas market extend to all consumers.

The Administration bill will result in lower average natural gas prices and increased gas market flexibility.

After partial decontrol, average wellhead prices declined by about 5 percent in real terms during 1985. Under full decontrol, average prices are projected to fall by about 14 to 17 percent in the first year after enactment, or by about $0.25 to $0.45 per mcf.

Decontrol of all gas prices will result in the production of 30 to 34 tcf of old gas reserves that would not be produced under current regulations. This additional production will occur at the rate of about 750 to 850 bcf per year for the next 40 years.

Increased production of old gas reserves will lower gas prices and encourage renegotiation of contracts that hold high-cost gas prices above market-clearing levels.

Lower gas prices, increased consumption and production of old gas reserves, and renegotiation of high-cost contracts will rapidly dissipate the inefficient surplus of deliverable gas supplies.

Lower domestic gas prices will also force prices for imported gas to decline, reducing payments for imported gas by about $3 billion to $5 billion between 1987 and 1995.

Lower prices for natural gas will also reduce oil imports by about 300 to 350 thousand barrels per day on an average from 1987 to 1995, resulting in an annual reduction of $1.6 billion to $3.2 billion in the U.S. balance-of-payments def'cit.

Repeal of demand restraints will allow all consumers to choose the least-costly fuel available.

SECTION-BY-SECTION ANALYSIS—NATURAL GAS POLICY ACT AMENDMENTS OF 1986

TITLE I—OPEN ACCESS TO TRANSPORATION

Section 101 would revise Natural Gas Policy Act (NGPA) section 311(a) to expand voluntary transactions for gas transportation. This, and the following section on "Open Access Carriage," are intended to open the transportation system to competition. As a result, all gas supplies, including low-cost gas now shut-in, would become available at prices that reflect the highly competitive nature of the wellhead and burner-tip markets for natural gas.

NGPA section 311(a) currently permits the Federal Energy Regulatory Commission to authorize transportation by interstate pipelines on behalf of any intrastate pipeline or local distribution company, and by an intrastate pipeline on behalf of any interstate pipeline or local distribution company served by an interstate pipeline. Section 101 would expand NGPA section 311(a) to permit the Commission to authorize any pipeline to transport gas on behalf of any person. The use of the phrase "any person" is not intended to reflect any view concerning the persons on whose behalf gas currently can be transported under section 311(a), but rather to indicate the broadest application of section 311(a).

Section 101 also would add a new paragraph (4) to NGPA section 311(a) to make clear transportation under that section must be non-discriminatory. There is no legitimate reason to discrimination in an open, market-oriented system. Discrimination hinders competition, and thus is at cross purposes with the Congressional determination in the NGPA that the wellhead market is competitive and that consumers are best served by letting competitive forces work.

In addition, new paragraph (4) would require any natural gas company which received gas pursuant to section 311(a) to offer section 311(a) transportation service. It is intended that those who benefit from section 311(a) transportation services must offer the same service to others.

These changes would not affect the basic thrust of the Commission's recent action in Order No. 436. Rather, these changes are intended to codify the spirit of that action and to reinforce the Commission's generic authority to promote and provide for voluntary transportation arrangements, and thereby to increase the competitive flow of gas in commerce at market-sensitive prices.

Section 102 would add a new section 316 to the NGPA providing for "Open Access Carriage." Section 316 would provide that, upon application by any person, the Commission shall direct an interstate pipeline to transport gas unless the pipeline demonstrates to the Commission it is incapable of rendering the service. This section is intend-

ed to open the natural gas market to the operation of the laws of supply and demand to the fullest extent. It would remove barriers to open transportation that now exist, and would allow willing buyers and sellers to deal directly to bring low cost, currently shut-in gas to market. This section responds to the failure of most interstate pipelines to participate in Order No. 436, and to the conditions that precipitated Order No. 436 in the first place: the inability of consumers to obtain transportation for gas purchased directly from producers.

In determining whether a pipeline is "incapable" of rendering service for the Commission, it is intended, would avoid interpretations that prevent carriage. The Commission should consider such factors as full pipeline utilization, full use of pipeline interconnections and compression, and displacement or other ways of facilitating transportation. The primary concern of the Commission, in making this determination, must be to ensure competition in the marketplace through the utilization of pipeline capacity to the fullest extent practicable.

The Commission is given the option to implement this section either by rule or order. This is intended to give the Commission the flexibility to act on applications as circumstances vary while preventing abuse of its processes that would delay open carriage. This section makes clear it shall operate without discrimination. Finally, the charge for transportation under this section must be just and reasonable, as that term has been defined under the Natural Gas Act.

TITLE II—REMOVAL OF WELLHEAD PRICE CONTROLS AND REPEAL OF JURISDICTION OVER CERTAIN FIRST SALES

Section 210 would amend NGPA section 121 to provide for the ultimate elimination of all price controls on first sales of natural gas. New subsection (f) would provide that natural gas sold under contracts executed or renegotiated after March 1, 1986, would be free from any NGPA price controls. This provision would permit natural gas prices to be established immediately in accordance with market forces and not the existing artificial price ceilings. With regard to renegotiated contracts, decontrol would occur only if the renegotiated contract expressly so provides. New subsection (g) would remove price controls on April 1, 1987, from all first sales of natural gas not previously decontrolled and thus end the Federal Government's involvement in establishing the wellhead price for natural gas.

Section 202(a) would eliminate the Commission's jurisdiction under the Natural Gas Act (NGA) to regulate non-price aspects (such as certification and abandonment) of first sales of natural gas. NGPA section 601(a)(1)(A) currently exempts from such jurisdiction first sales of natural gas that was not committed or dedicated to interstate commerce prior to the enactment of the NGPA, while NGPA section 601(a)(1)(B) exempts certain committed or dedicated natural gas (such as high-cost gas in section 107). Section 202(a) would amend NGPA section 601(a)(1)(B) to eliminate the Commission's NGA jurisdiction over any first sale of natural gas after enactment of the Natural Gas Policy Act Amendments of 1986. This provision would allow the fullest operation of the market by permitting gas to be sold to any purchaser and not just the purchaser under a contract no longer in effect.

Section 202(b) would repeal NGPA section 315. Currently, section 315(a) provides that the Commission can specify the minimum duration of certain contracts. Section 315(b) provides purchasers with a right of first refusal in certain circumstances. Section 315(c) permits the Commission to require the filing of contracts for the first sale of natural gas. The repeal of the existing NGPA section 315, along with the elimination of the Commission's NGA jurisdiction over first sales (see section 202(a)), would remove all non-price regulation of first sales of natural gas.

Section 203 would add a new section 315 to the NGPA providing for "the effect of area rate clause" following decontrol. For a certain, limited number of contracts, the section would treat the last price paid for NGPA section 104 or 106(a) gas before decontrol on April 1, 1987, as a federally-established rate or charge for purposes of area rate clauses. The contracts involved are those containing an area rate clause and no other indefinite price escalator clause, and only if the contract was entered into when the Federal Government prohibited an indefinite escalator provision other than an area rate clause. The intent of this section is to deal with situations where the Federal Government in effect dictated the price terms to the commercial parties. It would prevent a roll-back to extremely low fixed prices in contracts where the parties were unable to deal with this eventuality because of Federal interference with contract terms. This section would thus continue the status-quo, and would prevent both uncertainty over the applicable pricing terms and litigation that might result from that uncertainty.

TITLE III—REPEAL OF CERTAIN RESTRICTIONS ON NATURAL GAS AND PETROLEUM USE AND PRICING

Sections 301 and 302 would repeal several sections of the Powerplant and Industrial Fuel Use Act of 1978 (FUA).

The bill would repeal (1) the prohibitions on the use of natural gas and petroleum as a primary energy source in new electric powerplants (FUA § 201) and new major fuel-burning installations (FUA § 202), (2) the prohibition on the construction of new powerplants without alternate fuel capability (FUA § 201), and (3) the discretionary authority of the Secretary of Energy to prohibit nonboiler installations from using natural gas and petroleum as a primary energy source (FUA § 202).

The bill would repeal section 302 of FUA which authorizes the Secretary of Energy to prohibit the use of natural gas or petroleum as a primary energy source where coal or alternate fuel capability exists in existing major fuel-burning installations.

The Secretary of Energy's authority under section 401 of FUA to prohibit the use of natural gas as a primary energy source in certain boilers would be repealed.

The bill would repeal section 402 of FUA which prohibits certain installations of new outdoors lighting fixtures that use natural gas and certain uses of natural gas therein.

The bill would repeal section 405 of FUA which authorizes the Secretary of Energy to restrict, by rule, increases in the use of petroleum as a primary energy source in existing powerplants that used coal or another alternate fuel in 1977.

The bill would repeal subsections 103(a)(16), (a)(18), (a)(19) and (a)(29) of the Powerplant and Industrial Fuel Use Act of 1978, which provide certain definitions for general reference that are no longer necessary due to the proposed repeal of many statutory provisions.

Section 303 would repeal title II of the NGPA, which provides for an incremental pricing system whereby low priority users of natural gas pay a larger share of the first sale acquisition costs for natural gas, and thus would end this regulatory system. Acquisition costs incurred prior to the enactment of this bill would be passed through to users on the basis of the existing Commission regulations for incremental pricing. Any acquisition costs incurred after the enactment of this bill would be dealt with without regard to incremental pricing requirements.●

By Mr. BRADLEY (for himself and Mr. LAUTENBERG):

S. 2287. A bill to amend the Wild and Scenic Rivers Act to designate a certain portion of the Great Egg River in the State of New Jersey for potential addition to the wild and scenic rivers system; to the Committee on Energy and Natural Resources.

GREAT EGG HARBOR RIVER

● Mr. BRADLEY. Mr. President, it is my pleasure to send the following bill to the desk on behalf of myself and my distinguished colleague from New Jersey, Senator LAUTENBERG. The purpose of this legislation is to direct the Department of the Interior to study the potential addition of the Great Egg Harbor River in southern New Jersey to the National Wild and Scenic River System. Companion legislation, introduced by Congressman WILLIAM HUGHES, was recently adopted by the House of Representatives as part of the omnibus river bill.

Mr. President, the National Wild and Scenic River Act, passed in 1968, offered the first Federal protection for the Nation's rapidly disappearing network of free-flowing rivers and streams. This landmark law preserves selected rivers and river corridor landscapes which possess outstanding scenic, recreational, historic, and cultural values.

The Great Egg Harbor River is located in a largely undeveloped area of southern New Jersey. A large portion of the river is within the Pinelands National Reserve. The mainstem of the river is 60 miles in length. It rises in urbanized Camden County and flows through Gloucester and Atlantic Counties before it empties into the Atlantic Ocean behind the barrier island of Ocean City.

The slow moving water of the Great Egg Harbor River represents a typical Pine Barrens ecosystem where water is the most important resource. Freshwater is stored in the extensive Cohansey aquifer below the Pine Barrens surface. It is estimated that the Cohansey aquifer is the largest underground reservoir of freshwater in the world.

The unique plant and animal species found in the Great Egg Harbor watershed are peculiarly adapted to the limitations of this naturally highly acidic water. The wetlands support a large number of threatened and endangered

species which are extremely sensitive to changes in water level and quality.

Most of the 39 species of mammals, 299 bird species, 59 reptile and amphibian species and 91 fish species common to the Pine Barrens exist in the Great Egg Harbor watershed. Beaver, otter, and muskrat are found in the wetlands along with 44 species of game birds, ospreys, and nesting bald eagles. The endangered Pine Barrens treefrog, gray treefrog, and timber rattlesnake are also found in the area.

The Great Egg Harbor River has provided opportunities for hunting, trapping, and fishing since the 1700's. Remains of 17th and 18th century sawmills, papermills, and gristmills, early factories, and intact 18th and 19th century villages are common throughout the watershed. Nineteenth and twentieth century ethnic settlements are found in agricultural communities near the river. Two important local agricultural crops are cranberries and blueberries, both of which represent a significant share of New Jersey's agricultural economy.

Mr. President, the Great Egg Harbor River is remarkably diverse. It represents an ecosystem so unique that the United Nations has proclaimed it and the rest of the New Jersey Pinelands National Reserve as an international biosphere. It is a truly remarkable combination of natural features that has been the focus of study by scientists of international reputation.

The Great Egg Harbor River is one of New Jersey's greatest and most beautiful natural resources. Those who live in southern New Jersey would like to assure that the river's water quality and recreational opportunities are maintained through sound planning and management. The Wild and Scenic Rivers Act provides this protection through the development of a management plan. The proposed study has the support of 14 local municipalities and none has opposed the study. Subsequent hearings and the study itself will give local supporters and opponents the opportunity to present their views to determine the future of the river.

Mr. President, the Wild and Scenic Rivers Act has been successful in preserving a number of our Nation's free-flowing rivers. The Great Egg Harbor River is an ideal candidate for inclusion with these natural wonders. I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2287

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. GREAT EGG HARBOR RIVER.

(a) STUDY.—Section 5(a) of the Wild and Scenic Rivers Act (16 U.S.C. 1271-1287) is amended by adding at the end thereof the following new paragraph:

"(92) Great Egg Harbor River, New Jersey: The entire river.".

(b) COMPLETION DATE.—Section 5(b)(3) of such Act is amended by adding at the end thereof the following: "The study of the river named in paragraph (92) of subsection (a) shall be completed not later than three years after the date of the enactment of this sentence.".

(c) AUTHORIZATION OF APPROPRIATIONS.—Paragraph (4) of section 5(b) of such Act is amended by adding at the end thereof the following: "Effective October 1, 1986, there are authorized to be appropriated for the purpose of conducting the study of the river named in paragraph (92) such sums as may be necessary.".●

● Mr. LAUTENBERG. Mr. President, I am pleased to join my distinguished colleague from New Jersey, Senator BRADLEY, in introducing legislation directing the National Park Service to study the Great Egg Harbor River for potential addition to the National Wild and Scenic Rivers System. A similar measure, introduced in the House by our distinguished colleague, Representative BILL HUGHES, was adopted yesterday by that body.

The Wild and Scenic Rivers Act, enacted in 1968, expressed the national policy of balancing the need for dams and other construction at appropriate sections of rivers with the need to preserve other selected rivers and sections of rivers in their free-flowing condition. It was the intent of Congress to protect such rivers and their immediate environments, which possess outstanding scenic, recreational, historic, cultural, or other similar conservation values.

In 1981, the U.S. Department of the Interior recognized the value of the Great Egg Harbor River by placing it on the nationwide rivers inventory. The river was determined to have nationally significant qualities making it eligible, subject to further study, for inclusion in the National Wild and Scenic Rivers System.

The river, located in southern New Jersey, begins in Berlin Township in Camden County and flows in a general southerly direction through Gloucester and Atlantic Counties before it empties into Great Egg Harbor. A large portion of the river is located in the Pinelands National Reserve, one of our greatest natural resources. It is the longest canoeable river in the Pinelands, running through wetlands abundant with wildlife, including many threatened or endangered species. Aquatic life in the watershed is selectively suited to the unique environment of the Great Egg Harbor River. Herring and striped bass return from the Atlantic Ocean to spawn in the gravel of the river's tidal reach.

Historic settlements, residential homes, campgrounds and several State and local parks are located along the river bank. Its unique environment affords a wilderness experience seldom found within proximity to populated centers.

Mr. President, the National Park Service strongly supports this legislation. The municipalities along the River support this effort to protect this great natural resource, as does the State of New Jersey.

The act provides flexibility in the levels of protection and conservation management for a river included in the Wild and Scenic Rivers System. The process for development of a management plan under the Act must involve considerable participation by local citizens and municipalities, along with the State and Federal governments.

The Great Egg Harbor River is an ecosystem which is so unique that the United Nations has proclaimed it and the rest of the Pinelands National Reserve as an "international biosphere", a "truly remarkable combination of natural features that merits preservation and study by scientists of international repute."

Mr. President, the Great Egg Harbor River is a resource enjoyed by nature enthusiasts throughout New Jersey and the United States. I look forward to working with the National Park Service, the State, municipalities, and local citizens to assure that this priceless and beautiful resource is preserved for us and our future generations, and urge my colleagues to support this bill.●

ADDITIONAL COSPONSORS

S. 524

At the request of Mr. ARMSTRONG, the name of the Senator from Connecticut [Mr. DODD] was added as a cosponsor of S. 524, a bill to recognize the organization known as The Retired Enlisted Association, Inc.

S. 2087

At the request of Mr. PROXMIRE, the name of the Senator from Nebraska [Mr. ZORINSKY] was added as a cosponsor of S. 2087, a bill to amend part B of title XIX of the Public Health Service Act to specify the method of determining State allotments.

S. 2190

At the request of Mr. SARBANES, the name of the Senator from New Jersey [Mr. LAUTENBERG] was added as a cosponsor of S. 2190, a bill to provide that the full cost-of-living adjustment in benefits payable under certain Federal programs shall be made for 1987.

S. 2191

At the request of Mr. ROTH, the name of the Senator from Iowa [Mr. GRASSLEY] was added as a cosponsor of S. 2191, a bill to amend the Federal Aviation Act of 1958 so as to prohibit reprisals against certain officers, employees, or contractors of air carriers.

S. 2197

At the request of Mr. ROTH, the name of the Senator from Hawaii [Mr. INOUYE] was added as a cosponsor of S. 2197, a bill to amend title 5, United States Code, to establish an optional early retirement program for Federal Government employees, and for other purposes.

S. 2198

At the request of Mr. TRIBLE, the name of the Senator from Maryland [Mr. MATHIAS] was added as a cosponsor of S. 2198, a bill to provide that the full cost-of-living adjustment in benefits payable under certain Federal programs shall be made for 1987.

S. 2224

At the request of Mr. HUMPHREY, the name of the Senator from Florida [Mrs. HAWKINS] was added as a cosponsor of S. 2224, a bill to limit the uses of funds under the Legal Services Corporation Act to provide legal assistance with respect to any proceeding or litigation which relates to abortion.

S. 2255

At the request of Mr. WILSON, the name of the Senator from South Carolina [Mr. THURMOND] was added as a cosponsor of S. 2255, a bill to prohibit the expenditure of Federal funding for Congressional Newsletters.

S. 2269

At the request of Mr. D'AMATO, the names of the Senator from Pennsylvania [Mr. SPECTER], and the Senator from California [Mr. WILSON] were added as cosponsors of S. 2269, a bill to amend title 10, United States Code, to permit members of the Armed Forces to wear, under certain circumstances, items of apparel not part of the official uniform.

S. 2273

At the request of Mr. KASTEN, the name of the Senator from North Dakota [Mr. ANDREWS] was added as a cosponsor of S. 2273, a bill to amend the Internal Revenue Code of 1954 to deny the tax exemption for interest on industrial development bonds used to finance acquisition of farm property by foreign persons.

SENATE JOINT RESOLUTION 241

At the request of Mr. DOLE, the name of the Senator from South Dakota [Mr. ABDNOR] was added as a cosponsor of Senate Joint Resolution 241, a joint resolution designating the week beginning on May 11, 1986, as "National Asthma and Allergy Awareness Week."

SENATE JOINT RESOLUTION 287

At the request of Mr. BOREN, the name of the Senator from Arizona [Mr. GOLDWATER] was added as a cosponsor of Senate Joint Resolution 287, a joint resolution designating September 29, 1986, as "National Teachers Day."

SENATE JOINT RESOLUTION 289

At the request of Mr. ROTH, the name of the Senator from Pennsylvania [Mr. HEINZ] was added as a cosponsor of Senate Joint Resolution 289, a joint resolution to designate 1988 as the "Year of New Sweden" and to recognize the New Sweden '88 American Committee.

SENATE JOINT RESOLUTION 299

At the request of Mr. COCHRAN, the names of the Senator from South Carolina [Mr. THURMOND] and the Senator from Georgia [Mr. MATTINGLY] were added as cosponsors of Senate Joint Resolution 299, a joint resolution to designate the week of December 7, 1986, through December 13, 1986, as "National Alopecia Areata Awareness Week."

SENATE JOINT RESOLUTION 312

At the request of Mr. D'AMATO, the name of the Senator from Georgia [Mr. NUNN] was added as a cosponsor of Senate Joint Resolution 312, a joint resolution designating the week beginning April 13, 1986, as "National Medical Laboratory Week."

SENATE RESOLUTION 379—RELATING TO ADVERSE AFFECTS OF THE MILK PRODUCTION TERMINATION PROGRAM

Mr. ABDNOR (for himself, Mr. NICKLES, Mr. SYMMS, Mr. MCCLURE, Mr. ANDREWS, Mr. BOREN, Mr. HECHT, Mr. GORE, Mr. DURENBERGER, Mr. BOSCHWITZ, Mr. HEFLIN, Mr. DENTON, Mr. ARMSTRONG, Mrs. HAWKINS, and Mrs. KASSEBAUM) submitted the following resolution; which was referred to the Committee on Agriculture, Nutrition, and Forestry:

S. RES. 379

Resolved,

(a) DEFINITIONS.—As used in this section:

(1) The term "milk production termination period" means—

(A) the period beginning April 1, 1986, and ending August 31, 1986;

(B) the period beginning September 1, 1986, and ending February 28, 1987; or

(C) the period beginning March 1, 1987, and ending August 31, 1987.

(2) The term "milk production termination program" means the milk production termination program established under section 201(d) of the Agricultural Act of 1949 (7 U.S.C. 1446(d)).

(3) The term "Secretary" means the Secretary of Agriculture.

(b) BALANCED PURCHASES.—During each milk production termination period, the Secretary should use to carry out clauses (1) and (2) of section 214 of the Food Security Act of 1985 (7 U.S.C. 1446 note) a percentage of the aggregate amount of funds required to be used to purchase and distribute red meat under such clauses that is equal to the percentage of the total number of dairy cattle the Secretary estimates will be marketed for slaughter as a result of the milk production termination program.

(c) ADDITIONAL ACTIONS.—During each milk production termination period, if the Secretary estimates that the quantity of meat purchased under section 214 of such Act will be less than the amount of red meat marketed as a result of the milk production termination program, to ensure that the quantity of red meat marketed does not increase during the milk production termination period as the result of the milk production termination program, the Secretary should—

(a) increase the quantity of red meat purchased under clause (1) or (2), or both, of section 214 of such act, with the use of funds referred to in such clause;

(2) utilize programs operated by the Secretary for the purpose of encouraging or enhancing commercial sales in foreign export markets of United States agricultural commodities or the products thereof (including the payment of a bonus or incentive (in cash, commodities, or other benefits) provided to a purchaser) to encourage and enhance the export sales of live animals, red meat, or red meat food products;

(3) decrease the aggregate quantity of meat articles otherwise estimated by the Secretary under section 2(e)(1) of the Meat Import Act of 1979 (19 U.S.C. 2253 note); or

(4) implement any combination of clauses (1) through (3).

(d) HISTORICAL MARKETINGS.—During each milk production termination period, the Secretary should ensure that dairy cattle be marketed for slaughter as a result of the milk production termination program in an orderly manner consistent with the historical relationship of marketed dairy cattle to marketed beef cattle. In carrying out this paragraph, the Secretary should consider regional patterns for marketing beef cattle.

(e) BALANCED MARKETINGS.—To the extent feasible, the Secretary should adjust the number of dairy cattle marketed for slaughter as a result of the milk production termination program during each milk production termination period to provide for a more even distribution of such marketings over all such periods.

● Mr. ABDNOR. Mr. President, today I am introducing, along with my colleague Senator NICKLES of Oklahoma and several other Senators, legislation designed to reduce the adverse effects the Dairy Termination Program has had on livestock producers.

The implementation of the Dairy Termination Program has resulted in severe market disruptions for the livestock industry—particularly the beef cattle industry. After the U.S. Department of Agriculture [USDA] announced the acceptance of bids under the dairy herd buy-out program, cattle markets reacted by plummeting the limit for close to a week, thus costing cattlemen hundreds of thousands of dollars.

I ask my colleagues in the Senate to consider for a minute the financial pain the Dairy Termination Program has inflicted upon beef producers. Take for instance the case of a Mission, SD, rancher who has 200 head of steers ready to go to market. Immediately after USDA announced the acceptance of bids under the whole herd buy-out program, the market price for cattle dived. The market has continued to decline since that time and today those 200 head of steers are worth $190,000 less than they were 2

weeks ago! And this is but one example of the financial ruin which has occurred among our cattlemen in recent weeks.

Is anyone in this Chamber willing to tell me that this is fair? Can anyone argue that a $190,000 loss in less than 2 short weeks would not ruin a rancher, farmer, or small businessman?

Why did the markets drop so abruptly? What caused the $190,000 loss to the cattleman from Mission or the hundreds of millions in losses to other ranchers in South Dakota and across the Nation?

Clearly the answer is higher than expected signup in the Dairy Termination Program, USDA's failure to implement an orderly marketing plan for the whole-herd buyout program, and the volatility of the cattle futures market.

The 1985 farm bill included a provision requiring USDA to pull 400 million pounds of red meat off the market in order to neutralize the impact of the termination program upon livestock markets. This obviously has not provided the markets the assurances needed to prevent a drop in red meat prices. I am concerned that the purchase of 400 million pounds over an 18-month period may fall short of providing the beef industry the protection Congress intended.

The legislation we are offering today, in both bill S. 2284, and resolution forms, directs the Secretary of Agriculture to take steps to entirely offset the meat marketed under the dairy program. If the 400 million pound removal as required in current law is inadequate, then the Secretary would be required to take any one or a combination of the following steps:

First, increase the quantity of red meat purchased.

Second, increase the quantity of meat or live animals exported.

Third, decrease meat imports.

Additionally, our legislation contains several provisions dealing with the orderly marketing of dairy cattle as well as the removal of beef. First, it directs the Secretary to purchase a percentage of the 400 million pounds of red meat in proportion to the percentage of dairy cattle to be marketed during each disposal period. Additionally, it requires the Secretary, to the extent feasible, to make adjustments in the marketing of dairy cattle under the Dairy Termination Program to provide for orderly marketing. The goal is not to disrupt the historic and regional marketing trends of beef and dairy cattle.

Mr. President, this legislation has the support of cattlemen from my home State of South Dakota as well as from across the Nation. It is desperately needed to remedy an unfair situation created by the Government—the Dairy Termination Program—and an ill-conceived marketing plan announced by USDA. I urge my colleagues to give this legislation their full consideration and invite their support and cosponsorship.●

SENATE RESOLUTION 380—PROTECTION OF THE FREE MARKET WITH RESPECT TO OIL PRICES

Mr. LAUTENBERG (for himself and Mr. WEICKER) submitted the following resolution; which was referred to the Committee on Foreign Relations.

S. RES. 380

Whereas the OPEC oil cartel has conspired to interfere with the free market to raise the price of crude oil;

Whereas the increase in crude oil prices resulted in lower economic growth, higher consumer prices and interest rates, and economic dislocation in the United States and in other nations;

Whereas the OPEC oil cartel can no longer control oil prices and the worldwide price of oil has dropped by nearly two-thirds since the summer of 1985;

Whereas the drop in oil prices has reduced inflation and produced large savings for consumers of gasoline and heating oil;

Whereas the drop in oil prices has lowered interest rates, stimulated investment in the United States, reduced costs for those segments of the economy which are major energy users such as the airline and petrochemical industries and stimulated the domestic travel and tourism industries;

Whereas the drop in oil prices has significantly reduced the value of oil imports which helps to reduce the overvaluation of the dollar in foreign exchange markets and thereby makes United States industrial goods more competitive in the world market;

Whereas the drop in oil prices has benefited less developed nations by lowering their bills for imported fuel and lowering interest charges on foreign debt, both of which stimulate economic growth in these countries;

Resolved, That it is the sense of the Senate of the United States of America that the United States Government should not undertake any efforts to interfere with the free market by encouraging OPEC or its members to adopt production controls to artificially raise oil prices.

● Mr. LAUTENBERG. Mr. President, I am today submitting a Senate resolution with my distinguished colleague from Connecticut, Senator WEICKER, which expresses the sense of the Senate that the U.S. Government should not undertake any efforts to interfere with the free market by encouraging OPEC to adopt production controls to artificially raise oil prices.

Over the last 15 years, OPEC [Organization of Petroleum Exporting Countries] has conspired to establish production controls for oil to raise the price of oil far above what it would be in a free market. These price increases had a severe impact, both in this country and other oil-importing nations. Billions upon billions of dollars were transferred from consuming to producing countries. Growth slowed, and inflation and unemployment increased. In consuming nations, the rise in oil prices led to economic dislocations. Certain areas of the United States and certain petroleum dependent industries suffered greatly.

The world oil market has changed radically since the oil shock caused by the Arab oil embargo in 1973. Non-OPEC oil production has increased, providing alternatives to OPEC oil. These alternatives, combined by a significant decline in energy consumption as a result of conservation efforts, have had a dramatic effect. OPEC's crude oil production fell during 1985 to half its 1977 peak. This was the lowest level of OPEC crude oil production since 1967.

Today, the OPEC oil cartel can no longer control oil prices and the worldwide price of oil has dropped significantly. This decline has had significant benefits for the United States and the world economy. It has:

Reduced inflation and produced large savings for consumers of gasoline and heating oil;

Lowered interest rates, stimulating investment in the United States, reduced costs for those segments of the economy which are major energy users and stimulated the domestic travel and tourism industries;

Reduced the value of oil imports significantly, which is helping to reduce the overvaluation of the dollar in foreign exchange markets, thereby making U.S. industrial goods more competitive in the world market; and

Benefited less developed oil importing nations by lowering their bills for imported fuel and lowering interest charges on foreign debt, both of which stimulate economic growth in these countries.

Mr. President, these effects are dramatic. The price decline will act like a huge tax cut. American consumers would save $69 billion in 1986 if the average price of crude oil stabilizes at $15 per barrel, according to a Department of Energy study. Some economists see the U.S. economy growing at 4 to 5 percent by the end of the year. Increased growth also will reduce our Nation's budget deficits.

The 0.4-percent fall in February's Consumer Price Index, which was largely the result of dropping oil prices, was the biggest decrease since 1953. The inflation rate of 1986 is expected to drop to levels not seen since the midsixties.

The U.S. trade deficit may decline by $30 billion this year because of less costly oil imports, according to some economists.

Finally, just yesterday, Treasury Secretary James Baker said that lower oil prices, together with lower interest rates and a cheaper dollar, are resulting in the best economic outlook for Third World nations in over a decade.

Mr. President, the oil price decline will also help our farm economy. The

Department of Agriculture has estimated that U.S. farmers will save over $1 billion on gasoline and diesel fuel this year. Additional savings will be realized for price decreases for petroleum based fertilizers and pesticides.

Some may argue that a free market price of oil leaves the United States vulnerable if OPEC is able to regain control of the market. This argument ignores the changes in the United States over the last 15 years. First, conservation efforts have led to more efficient use of energy. The U.S. economy needs far less energy in 1986, less than 21,000 Btu's to produce $1 of gross national product, than it did in 1973 when over 26,000 Btu's were required to produce $1 of gross national product. These conservation efforts, such as more energy efficient cars, houses and appliances, are now institutionalized in the United States and will help prevent a significant increase in energy usage.

The United States also now has a 500-million-barrel strategic petroleum reserve. This reserve will help protect the United States against any attempts by the OPEC cartel to cut off our energy supplies. We must continue filling the strategic petroleum reserve.

In addition, there no longer are any price controls on oil. During the 1970's, controls discouraged production because prices were kept critically low. The absence of oil price controls today has removed artificial barriers to the marketplace setting prices adequate to elicit necessary production.

Finally, non-OPEC oil production has increased, providing alternatives to OPEC oil. Non-OPEC oil production weakens OPEC's ability to control the market. And, Mr. President, I must say that our Government should not support measures that will enrich the coffers of Mu'ammar Qadhafi, a major OPEC oil producer.

Mr. President, it is true that some sectors of our economy will suffer because of the oil price decline. But dislocations sometimes occur when the free market is working. Some sectors suffered when the price of oil escalated. But over time, a free market will lead to a readjustment in the economy. More importantly, the Nation as a whole will achieve significant gains from oil price declines.

Mr. President, the worst thing we could do would be to encourage OPEC to raise the price of oil again.

This sense of the Senate resolution makes clear that the United States should not work to strengthen OPEC and weaken America.

Mr. President, I ask unanimous consent that an editorial on this topic from Business Week be inserted in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From Business Week, Apr. 14, 1986]

WHY UPSET THE OIL CART?

What's going on with the Reagan Administration's energy policy? First, Energy Secretary John S. Herrington sounds the alarm over the "political ramifications" of rapidly falling oil prices. Then Vice-President Bush, reveals that he intends to discuss oil prices with the Saudis and point out to them the importance of "stability in the market" (page 45). Despite his denial, most people interpret that to mean he intends to ask the Saudis to scale back production. (The fact is, the Saudis are producing at only 40% of capacity, while Britain, Mexico, and other non-OPEC producers are running at full speed.) Asked about Bush's comments, the White House says the free market should set oil prices. Still, it looks as if the Administration wants to rescue the oil patch by propping up OPEC. If that's the case, it makes no sense whatever. Even the political benefits the Administration may derive from bailing out the oil-producting states will probably be offset by outrage in other parts of the country.

Yes, attention should be paid to the distress the oil-price decline is causing. But there are far better ways to do this then encouraging Middle Eastern Oil producers to push up prices. Some people favor an import duty on foreign oil. True, that would allow domestic producers to raise prices, and it would transfer revenue to the U.S. Treasury rather than foreign producers. But it would also amount to a subsidy for the U.S. oil industry at the expense of the rest of the economy. What the Administration should do, if it becomes necessary, is provide direct adjustment aid to domestic oil-producing areas. That, too, would be a subsidy—but a more benign one that everybody could see for what it is.

Lower oil prices confer benefits on the economy that far outweigh regional or sectoral dislocations. The Reagan Administration and business must remember that above all else.●

SENATE RESOLUTION 381—RELATING TO UNITED STATES CORPORATE BUSINESS IN ANGOLA

Mr. DECONCINI submitted the following resolution; which was referred to the Committee on Foreign Relations:

S. RES. 381

Whereas the Marxist Popular Movement for the Liberation of Angola (hereafter in this resolution referred to as the "MPLA") has failed to hold fair and free elections since assuming power in Angola in 1975;

Whereas Angola currently harbors more than 35,000 Soviet and Cuban troops and advisers;

Whereas the Cubans and Soviets have channeled more than $4 billion in assistance and military aid in furtherance of this intervention in Africa;

Whereas the MPLA government of Angola obtains more than 90 percent of its foreign exchange from the extraction and production of oil;

Whereas most of Angola's oil is extracted in Cabinda Province, where 75 percent of it is extracted by the Chevron-Gulf Oil Company;

Whereas the MPLA has refused to take meaningful steps to end its dependency on Soviet and Cuban forces, engage in rational reconciliation efforts within Angola, or encourage the independence of Namibia;

Whereas United States business interests are in direct conflict with United States foreign policy objectives in aiding the MPLA government of Angola, which directly opposes Jonas Savimbi and UNITA, recipients of United States support; and

Whereas imposition of severe economic sanctions will encourage the MPLA to promote a fair political solution and negotiate with the United States toward a peaceful settlement: Now, therefore, be it

Resolved, That it is the sense of the Senate that the interests of the United States are best served when United States business transactions conducted in Angola do not directly or indirectly support Cuban troops and Soviet advisers.

SEC. 2. The Senate hereby requests that the President use his special authorities under the International Emergency Economic Powers Act to block United States business transactions which conflict with United States security interests in Angola.

SEC. 3. The Secretary of the Senate shall transmit a copy of this resolution to the President.

AMENDMENTS SUBMITTED

METROPOLITAN WASHINGTON AIRPORT TRANSFER

HOLLINGS (AND MATHIAS) AMENDMENT NO. 1745

Mr. HOLLINGS (for himself and Mr. MATHIAS) proposed an amendment to the bill (S. 1017) to provide for the transfer of the Metropolitan Washington Airports to an independent airport authority; as follows:

AMENDMENT NO. 1745

On page 29, strike all from line 21 through line 6 on page 30, and insert in lieu thereof the following:

(2)(A) Basic lease payments shall be sufficient to repay to the United States an amount equal to the fair market value of Washington Dulles International Airport and Washington National Airport, at an imputed interest rate for such repayment, within thirty-five years after the date of transfer.

(B) In order to assist in determining such fair market value, the Secretary shall solicit three independent appraisals of the value of the Metropolitan Washington Airports, and any such appraisal shall be conducted within six months after the date of enactment of this Act. The Secretary shall determine the fair market value of the Metropolitan Washington Airports by calculating the average of the values specified in such appraisals, except that in no event shall such amount be fixed at less than $111,400,000.

HOLLINGS AMENDMENT NO. 1746

(Ordered to lie on the table.)

Mr. HOLLINGS submitted an amendment intended to be proposed by him to the bill S. 1017, supra; as follows:

On page 49, strike lines 4 through 14 and insert in lieu thereof the following:

(1)(A) title to all real property leased to the Airports Authority pursuant to this Act shall be retained by the United States, and (B) the Airports Authority shall manage and operate all such property in accordance with the provisions of this Act, except that real property that is not then in use for airport purposes as defined in section 8(a)(1) of this Act shall instead be reported to the General Services Administration for disposition under the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 471 et seq.);

SARBANES AMENDMENTS NOS. 1747 THROUGH 1753

(Ordered to lie on the table.)

Mr. SARBANES submitted seven amendments intended to be proposed by him to the bill S. 1017, supra; as follows:

AMENDMENT No. 1747

On page 39, line 9, insert before the period "and that the nighttime noise limitation standards currently set out at 14 CFR 159.40 may not be amended".

AMENDMENT No. 1748

On page 37, strike out lines 1 through "such" on line 3.

AMENDMENT No. 1749

On page 38, line 4, strike out all after "charge" through line 8 and insert in lieu thereof a period.

AMENDMENT No. 1750

On page 37, line 25, strike out "at Federal expense".

AMENDMENT No. 1751

On page 49, line 10, after (40 U.S.C. 471 et seq.): add: "provided further that real property in use for airport purposes shall continue to be used for such purposes."

AMENDMENT No. 1752

On page 38, line 9, strike out "All" and insert in lieu thereof "Notwithstanding the lease authorized pursuant to section 5 of this Act, all".

On page 38, line 10 strike out ", during the term of the lease,".

AMENDMENT No. 1753

On page 35, line 7, strike out "Five" and insert in lieu thereof "Three".

On page 35, line 10, strike out "two" and insert in lieu thereof "three".

On page 35, line 11, strike out "one member" and insert in lieu thereof "two members".

On page 36, lines 5 through 7, strike out ", in the case of the Commonwealth of Virginia and the District of Columbia,".

On page 36, line 8, beginning with "The" strike out all through "appointees" on line 12, and insert in lieu thereof "The President shall make an initial appointment of one member for a 6-year term, and a second member for a 3-year term. All subsequent appointments by the President shall be for a 6-year term. Such Federal appointees shall be".

SARBANES (AND MATHIAS) AMENDMENT NO. 1754

Mr. SARBANES (for himself and Mr. MATHIAS) proposed an amendment to the bill S. 1017, supra; as follows:

On page 40, inset after line 25, the following new subparagraph:

(D) Before the date of transfer, the Secretary shall assure that the Airports Authority has agreed to a continuation of all collective bargaining rights enjoyed before the date of transfer by employees of the Metropolitan Washington Airports.

On page 43, line 24, insert "(1)" after "(b)".

On page 44, insert between lines 9 and 10 the following new paragraph:

(2) The arrangements made pursuant to this section shall assure, during the 35-year lease term, the continuation of all collective bargaining rights enjoyed by transferred employees retained by the Airports Authority.

SARBANES AMENDMENT NO. 1755

Mr. SARBANES proposed an amendment to the bill S. 1017, supra; as follows:

On page 42, line 20, strike out "2-year" and insert in lieu thereof "5-year".

On page 43, line 1, strike out "2-year" and insert in lieu thereof "5-year".

On page 43, line 7, strike out "2-year" and insert in lieu thereof "5-year".

On page 43, line 10, strike out "2-year" and insert in lieu thereof "5-year".

On page 43, line 19, strike out "2-year" and insert in lieu thereof "5-year".

On page 44, line 1, strike out "2-year" and insert in lieu thereof "5-year".

On page 44, line 4, strike out "2-year" and insert in lieu thereof "5-year".

On page 44, line 5, strike out "2-year" and insert in lieu thereof "5-year".

On page 44, line 11, strike out "2-year" and insert in lieu thereof "5-year".

On page 44, line 24, strike out "2-year" and insert in lieu thereof "5-year".

SARBANES AMENDMENT NCS. 1756 THROUGH 1762

(Ordered to lie on the table.)

Mr. SARBANES submitted seven amendments intended to be proposed by him to the bill S. 1017, supra; as follows:

AMENDMENT No. 1756

On page 35, line 5, strike out "eleven" and insert in lieu thereof "fourteen".

On page 35, line 10, strike out "two" and insert in lieu thereof "three".

On page 35, line 11, strike out "one member" and insert in lieu thereof "three members".

On page 35, line 22, strike out "member" and insert in lieu thereof "members".

On page 36, lines 5 through 7, strike out ", in the case of the Commonwealth of Virginia and the District of Columbia,".

On page 36, line 10, strike all after the period through "appointees" on line 12, and insert in lieu thereof "The President shall make an initial appointment of one member for a 6-year term, a second member for a 4-year term, and a third member for a 2-year term. All subsequent appointments by the President shall be for a 6-year term. Such Federal appointees shall be ".

On page 36, line 14, strike out "Seven" and insert in lieu thereof "Nine".

AMENDMENT No. 1757

On page 35, line 5, strike out "eleven" and insert in lieu thereof "fifteen".

On page 35, line 10, strike out "two" and insert in lieu thereof "three".

On page 35, line 11, strike out "one member" and insert in lieu thereof "four members".

On page 35, line 22, strike out "member" and insert in lieu thereof "members".

On page 36, lines 5 through 7, strike out ", in the case of the Commonwealth of Virginia and the District of Columbia,".

On page 36, line 10 strike all after the period through "appointees" on line 12, and insert in lieu thereof "The President shall make an initial appointment of one member for a 6-year term, a second member for a 5-year term, and a third member for a 4-year term, and a fourth member for a 3-year term. All subsequent appointments by the President shall be for a 6-year term. Such Federal appointees shall be ".

On page 36, line 14, strike out "Seven" and insert in lieu thereof "Nine".

AMENDMENT No. 1758

On page 41, strike out lines 17 and 18 and insert in lieu thereof the following: "no revenues, regardless of how derived—".

On page 41, line 20, beginning with "maintenance" strike out all through the parenthesis on line 22 and insert in lieu thereof "any expenses".

On page 41, line 24, beginning with "maintenance" strike out all through the parenthesis on line 2 on page 42 and insert in lieu thereof "any expenses".

AMENDMENT No. 1759

On page 41, strike out lines 17 and 18 and insert in lieu thereof the following: "no revenues, regardless of how derived—".

On page 41, line 20, insert after "operating" the following: "or capital".

On page 41, line 21, strike out "excluding" and insert in lieu thereof "including".

On page 41, line 24, strike out all after "operating" through "debt" on line 1 on page 42 and insert in lieu thereof "on capital expenses (including debt".

AMENDMENT No. 1760

On page 41, strike out lines 17 and 18 and insert in lieu thereof the following: "no revenues, regardless of how derived—".

On page 41, line 21, strike out "excluding" and insert in lieu thereof "including".

On page 41, line 24, strike out all after the parenthesis through "debt" on line 1 on page 42 and insert in lieu thereof "including debt".

AMENDMENT No. 1761

On page 41, line 17, strike out "or" and insert in lieu thereof a comma.

On page 41, line 18, insert after "automobiles" the following: ", or leasing any property".

On page 41, line 20, insert after "operating" the following: "or capital".

On page 41, line 21, strike out "excluding" and insert in lieu thereof "including".

On page 41, line 24, strike out all after "operating" through "debt" on line 1 on page 42 and insert in lieu thereof "or capital expenses (including debt".

AMENDMENT No. 1762

On page 41, line 20, insert after "operating" the following: "or capital".

On page 41, line 21, strike out "excluding" and insert in lieu thereof "including".

On page 41, line 24, strike out all after "operating" through "debt" on line 1 on page 42 and insert in lieu thereof "or capital expenses (including debt".

BAUCUS AMENDMENT NO. 1763

(Ordered to lie on the table.)

Mr. BAUCUS submitted an amendment intended to be proposed by him to the bill S. 1017, supra; as follows:

At the appropriate place, add the following:

The Food Security Act of 1985 established a milk production termination program intended to reduce the current oversupply of milk products, and

The Food Security Act of 1985 also provided that the Secretary of Agriculture should make purchases of specified amounts of red meat in order to offset the effects of the milk production termination program on the red meat market, and

The implementation of the milk production termination program has resulted in substantial declines in both current prices of red meat and futures prices for red meat, and

Both cattle and dairy farmers would benefit from more stable red meat prices, and

Immediate action is necessary to counteract the adverse effects of the dairy diversion program;

Now, therefore,

It is the sense of the Congress that the Secretary of Agriculture shall immediately take the following steps to address the current instability in the red meat market.

(1) The Department shall increase the present purchase of red meat and defense distributions during the first bid period, which has been announced by the Department to be from April 1, 1986 to August 31, 1986. The purchases should proportionately reflect the presently scheduled 633,176 cows; 216,970 heifers; and 165,900 calves, which are to be slaughtered during each disposal period in the program. The red meat purchases should reflect the number of cattle that are slaughtered during each disposal period in the program.

Specifically, the Department should immediately begin purchasing more of the 200 million pounds of red meat that are to be purchased during the milk production termination program during the first disposal period. This purchase amount is in contrast to the 130 million pounds that the Department is presently scheduled to purchase during the first disposal period. Further, the Senate expresses its concern that the Department has not scheduled the present purchase of 130 million pounds until April 14, 1986 for canned meat and April 21 for frozen ground beef. These purchases do not correspond to the April 1 starting date of the first disposal period.

The Department should accomplish this purchase goal by expediting school lunch purchases and domestic feeding program purchases to begin in April rather than the traditional month of July. Toward the same end, the Department should act immediately on the provision of the law that requires that the meat be channeled through the Department of Defense.

(2) The Department should move approximately 200,000 dairy cows and corresponding heifers and calves, which are presently scheduled during the first disposal period, to later periods by moving those producers who submitted multiple bids at the same price. The move should be conducted on a voluntary basis. And changes in the disposal period should be consistent with the existing contracts with dairy producers who are participating in the program.

(3) The Department immediately should take additional steps as necessary to alleviate the concerns in the red meat industry regarding the adverse impact on total red meat supplies due to the additional dairy cattle that are being slaughtered. The Department should implement a plan to encourage proportional spacing of dairy cattle slaughter within each disposal period for producers in the program. This could include monthly and weekly targets for dairy cattle slaughter during the disposal periods to minimize jamming of slaughter house facilities occurring in some parts of the country. The Department should also include the actual count of all dairy cattle which are marketed as a result of this program in the published weekly slaughter reports.

(4) The Department also should take further steps that would offset any further damage to the red meat industry. Producers must be assured that the Federal Government will purchase a pound of red meat to offset every pound of red meat which enters the market as a result of the milk production termination program, and that the Department is taking other steps to provide for the orderly marketing of dairy cattle slaughtered under the program.

SYMMS (AND OTHERS) AMENDMENT NO. 1764

Mr. SYMMS (for himself, Mr. BOSCHWITZ, Mr. HELMS, Mr. WEICKER, Mr. NICKLES, and Mr. MATTINGLY) proposed an amendment to the bill S. 1017, supra; as follows:

At the appropriate place, add the following:

As recently as February 4, 1985, the Office of Management and Budget projected that deficits for Fiscal Years 1986 through 1990 would increase the federal debt by $697,289,000,000;

Congress sought to remedy this problem of escalating debt by enacting the Gramm-Rudman-Hollings deficit reduction program, which was passed by both Houses of Congress and signed into law by the President on December 12, 1985;

Even under Gramm-Rudman-Hollings, the federal debt is projected to grow to $2,323,100,000,000 in fiscal year 1987, $2,523,000,000,000 in fiscal year 1988, and $2,697,700,000,000 in fiscal year 1989;

As a result, even Gramm-Rudman-Hollings will produce a federal debt which, by fiscal year 1989, will represent well over $10,000 for every man, woman, and child in the United States;

The financial markets of the United States and the other industrialized nations of the world look to the government of the United States for leadership in the resolution of its deficit crisis; and

The consideration of tax reform by the Senate of the United States without first making serious efforts to control the deficit will only succeed in enhancing the uncertainty in financial markets which those deficits create: Now, therefore, it is the sense of the Senate that tax reform should not be considered or debated by the United States Senate until a firm, definite budget agreement has been reached between the President and the Congress of the United States.

BAUCUS (AND OTHERS) AMENDMENT NO. 1765

Mr. BAUCUS (for himself, Mr. EXON, Mr. HEFLIN, Mr. ANDREWS, Mr. ZORINSKY, Mr. GORE, Mr. MELCHER, Mr. BOSCHWITZ, Mr. HARKIN, Mr. SYMMS, Mr. HELMS, Mr. NICKLES, Mr. MATTINGLY, Mr. PRESSLER, Mr. WILSON, Mr. BENTSEN, Mr. BOREN, Mr. DOLE, Mr. GRASSLEY, Mr. ABDNOR, Mr. BURDICK, Mr. DENTON, Mr. BINGAMAN, Mr. MCCLURE, and Mr. HATCH) proposed an amendment, which was subsequently modified, to amendment No. 1764 proposed by Mr. SYMMS (and others) to the bill S. 1017, supra; as follows:

At the end of the amendment, add the following:

The Food Security Act of 1985 established a milk production termination program intended to reduce the current oversupply of milk products, and

The Food Security Act of 1985 also provided that the Secretary of Agriculture should make purchases of specified amounts of red meat in order to offset the effects of the milk production termination program on the red meat market, and

The implementation of the milk production termination program has resulted in substantial declines in both current prices of red meat and futures prices for red meat, and

Both cattle and dairy farmers would benefit from more stable red meat prices, and

Immediate action is necessary to counteract the adverse effects of the dairy diversion program; Now, therefore,

It is the sense of the Senate that the Secretary of Agriculture should immediately take the following steps to address the current instability in the red meat market.

(1) The Department should increase the present purchase of red meat and defense distributions during the first bid period, which has been announced by the Department to be from April 1, 1986 to August 31, 1986. The purchases should proportionately reflect the presently scheduled 633,176 cows; 216,970 heifers; and 165,900 calves, which are to be slaughtered during each disposal period in the program. The red meat purchases should reflect the number of cattle that are slaughtered during each disposal period in the program.

Specifically, the Department should immediately begin purchasing more of the 200 million pounds of red meat that are to be purchased during the milk production termination program during the first disposal period. This purchase amount is in contrast to the 130 million pounds that the Department is presently scheduled to purchase during the first disposal period. Further, the Senate expresses its concern that the Department has not scheduled the present purchase of 130 million pounds until April 14, 1986 for canned meat and April 21 for frozen ground beef. These purchases do not correspond to the April 1 starting date of the first disposal period.

The Department should accomplish this purchase goal by expediting school lunch purchases and domestic feeding program purchases to begin in April rather than the traditional month of July. Toward the same end, the Department should act immediately on the provision of the law that requires that the meat be channeled through the Department of Defense.

(2) The Department should move approximately 200,000 dairy cows and corresponding heifers and calves, which are presently scheduled during the first disposal period, to later periods by moving those producers who submitted multiple bids at the same price. The move should be conducted on a

voluntary basis. Any changes in the disposal period should be consistent with the existing contracts with dairy producers who are participating in the program.

(3) The Department immediately should take additional steps as necessary to alleviate the concerns in the red meat industry regarding the adverse impact on total red meat supplies due to the additional dairy cattle that are being slaughtered. The Department should implement a plan to encourage proportional spacing of dairy cattle slaughter within each disposal period for producers in the program. This could include monthly and weekly targets for dairy cattle slaughter during the disposal periods to minimize jamming of slaughter house facilities occurring in some parts of the country.

(4) The Department also should take further steps that would offset any further damage to the red meat industry. Producers should be assured that the Federal Government will purchase a pound of red meat to offset every pound of red meat which enters the market as a result of the milk production termination program, and that the Department is taking other steps to provide for the orderly marketing of dairy cattle slaughtered under the program.

SEC. . (a) the Senate also finds and declares that:

(1) the Food Security Act of 1985 established the Dairy Termination Program intended to reduce the current oversupply of dairy products, and

(2) the Food Security Act of 1985 directs the Secretary of Agriculture to minimize the adverse price effect of the Dairy Termination Program on red meat producers through the use of timely and judicious administrative actions, and

(3) the implementation of the Dairy Termination Program has resulted in substantial declines in both the current and future prices for meat, and

(4) immediate corrective action by the Secretary of Agriculture, utilizing the broad discretionary authority available to the Secretary under the Food Security Act of 1985, is necessary to abate the precipitous decline in meat prices:

(b) it is therefore the sense of the Senate that the Secretary of Agriculture should immediately significantly modify the Department of Agriculture's policies relating to the Dairy Termination Program, report to the Congress not later than April 15, 1986, what corrective actions, have been taken, and what legislative changes, if any, are necessary to further modify this program to abate the decline in meat prices in a reasonable and judicious manner.

MATHIAS (AND SARBANES) AMENDMENT NO. 1766

Mr. MATHIAS (for himself and Mr. SARBANES) proposed an amendment to the bill S. 1017, supra; as follows:

On page 41, strike out lines 17 and 18 and insert in lieu thereof "and in conformance with section 511 of the Airport and Airway Improvement Act of 1982 (49 U.S.C. 2210), no landing fee, automobile parking concession, terminal area or other building rental, land lease, or any other concession, rent of user charge providing operating revenue to the authority—".

On page 41, line 19, insert "generated" after "(A)".

On page 41, line 20, insert after "operating the following: "or capital.

On page 41, line 21, strike out "excluding" and insert in lieu thereof "including".

On page 41, line 23, insert "generated" after "(B)".

On page 41, line 24, insert after "operating" the following "or capital"

On page 41, line 24 continuing on page 42, line 1, strike out "excluding" and insert in lieu thereof "including".

On page 42, insert between lines 2 and 3 the following new paragraph:

(9) To further the intent of paragraph (8), the Airports Authority shall—

(A) maintain separate financial records for Washington National Airport and Washington Dulles International Airport;

(B) prepare an annual report on the operation of the Metropolitan Washington Airports in accordance with the audit procedures set forth in paragraph (6) of this subsection; and

(C) submit such report to the Congress.

On page 42, line 3, strike out "(9)" and insert in lieu thereof "(10)".

TRIBLE AMENDMENT NO. 1767

Mr. TRIBLE proposed an amendment to the bill S. 1017, supra; as follows:

On page 49, strike lines 2-3, and insert in lieu thereof the following:

SEC. 11. (a) The Airports Authority may extend the lease entered into under section 5(a) of this Act for an additional term of 15 years for the sole purpose of continuing to operate the airports under the terms and restrictions established in this Act.

(b) During the period of the lease the Secretary and the Airports Authority may negotiate a contract of sale for the transfer of the properties constituting the Metropolitan Washington Airports. Such properties shall not be sold until the Congress approves legislation implementing the terms of such contract.

(c) Upon approval by the Congress of legislation implementing the terms of such contract—

TRIBLE AMENDMENT NO. 1768

Mr. TRIBLE proposed an amendment to the bill S. 1017, supra; as follows:

On page 36, line 14, strike "Seven" and insert in lieu thereof "Nine".

NOTICES OF HEARINGS

SUBCOMMITTEE ON ENERGY REGULATION AND CONSERVATION

Mr. NICKLES. Mr. President, I would like to announce for the information of the Senate and the public, that the Subcommittee on Energy Regulation and Conservation of the Committee on Energy and Natural Resources has added an additional measure on which the subcommittee will receive testimony at its hearing scheduled for Tuesday, April 15, 1986, beginning at 10 a.m. in room SD-366 of the Senate Dirksen Office Building, Washington, DC.

The additional measure is S. 2285, to promote competition in the natural gas market, to ensure open access to transportation service, to encourage production of natural gas, to provide natural gas consumers with adequate supplies at reasonable prices, to eliminate demand restraints, and for other purposes. As previously announced, the subcommittee also will receive testimony on S. 1302, S. 1251, and S. 2205.

For further information regarding this hearing, please contact Ms. Debbi Rice or Mr. Howard Useem at 202-224-2366.

AUTHORITY FOR COMMITTEES TO MEET

SELECT COMMITTEE ON INTELLIGENCE

Mr. TRIBLE. Mr. President, I ask unanimous consent that the Select Committee on Intelligence be authorized to meet during the session of the Senate on Thursday, April 10, to hold a hearing on the nomination of Robert Gates, to be Deputy Director of Central Intelligence.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON ENERGY RESEARCH AND DEVELOPMENT

Mr. TRIBLE. Mr. President, I ask unanimous consent that the Subcommittee on Energy Research and Development of the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate on Thursday, April 10, to consider the Department of Energy's proposed Uranium Enrichment Service Criteria; 10 CFR Part 762, contained in the Federal Register volume 51, No. 19; the amendments to S. 1004, Uranium Mill Tailings Reclamation Act of 1985; the viability of the uranium industry; and any other legislation relating to this subject which is pending before the subcommittee at the time of the hearing.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON STRATEGIC AND THEATER NUCLEAR FORCES

Mr. TRIBLE. Mr. President, I ask unanimous consent that the Subcommittee on Strategic and Theater Nuclear Forces of the Committee on Armed Services be authorized to meet during the session of the Senate on Thursday, April 10, in closed session, to hold a hearing on theater nuclear forces.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TRIBLE. Mr. President, I ask unanimous consent that the Subcommittee on Strategic and Theater Nuclear Forces of the Committee on Armed Services be authorized to meet during the session of the Senate on Thursday, April 10, 1986, in open session followed by a closed session, on chemical modernization.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON SEA POWER AND FORCE PROJECTION

Mr. TRIBLE. Mr. President, I ask unanimous consent that the Subcom-

mittee on Sea Power and Force Projection and the Subcommittee on Military Construction of the Committee on Armed Services be authorized to hold a joint meeting to conduct an open hearing followed by a closed session, on U.S. security interest in the Philippines, during the session of the Senate on Thursday, April 10, 1986.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON PREPAREDNESS

Mr. TRIBLE. Mr. President, I ask unanimous consent that the Preparedness Subcommittee of the Committee on Armed Services be authorized to meet during the session of the Senate on Thursday, April 10, in open session, followed by a closed session, to conduct a hearing on Air Force readiness status, and ONM.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON SCIENCE, TECHNOLOGY, AND SPACE

Mr. TRIBLE. Mr. President, I ask unanimous consent that the Subcommittee on Science, Technology, and Space of the Committee on Commerce, Science, and Transportation be authorized to meet during the session of the Senate on Thursday, April 10, to conduct a hearing on the reauthorization of the National Bureau of Standards.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TRIBLE. Mr. President, I ask unanimous consent that the Subcommittee on Science, Technology, and Space of the Committee on Commerce, Science, and Transportation, be authorized to meet during the session of the Senate on Thursday, April 10, to conduct a hearing on legislation to authorize the National Aeronautics and Space Administration.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON ENERGY AND NUCLEAR PROLIFERATION

Mr. TRIBLE. Mr. President, I ask unanimous consent that the Subcommittee on Energy and Nuclear Proliferation of the Committee on Governmental Affairs be authorized to meet during the session of the Senate on Thursday, April 10, to hold a hearing on the review of the 1985 Government nonproliferation activities.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FINANCE

Mr. TRIBLE. Mr. President, I ask unanimous consent that the Committee on Finance be authorized to meet during the session of the Senate on Thursday, April 10, in order to continue markup on H.R. 3838, the tax reform bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

CALL TO CONSCIENCE: THE CASE OF VLADIMIR FELTSMAN

● Mr. MITCHELL. Mr. President, I rise today to share with you and the world the tragic story of Vladimir Feltsman. Mr. Feltsman is a virtuoso concert pianist whose artistry is now censored and controlled by the Soviet Government.

Until 1979, when Vladimir Feltsman and his wife Anna applied for emigrant visas Mr. Feltsman played with the finest Soviet orchestras and appeared in many concert tours around world. He recorded extensively on the Melodia label. His interpretations of Chopin are particularly well noted. All this, however, has come to an end.

His records and tapes can no longer be found in the Soviet Union and his concerts have been limited to small Soviet cities. The Feltsman family presently lives on a monthly pension of 120 rubles from the Musician's Union. But the frustration and humiliation does not end there. In February, a concert Mr. Feltsman was to give at the American Embassy residence was disrupted when it was discovered that several of the piano's strings had been severed by vandals. In addition, Soviet guests at the Embassy were subjected to an unusual level of harassment. No Soviet officials were in attendance. In a final show of official hooliganism, Mr. Feltsman also found that the tires of his car had been slashed.

Perhaps most frustrating of all, however, is the fact that Soviet officials of the Department of Emigration have three times refused the Feltsmans the visas they need to join their family in Israel. Although Mrs. Feltsman's brother and aunt both reside in Israel, the visas have been denied under the sentence: "No close relatives in Israel."

This story is not unique. Thousands of Jews in the Soviet Union have expressed their desire to emigrate to Israel—as is their right under the Helsinki accords. Instead of getting visas they lose their jobs, their friends, and put tremendous strains on families as they commit their lives to their decision. This is not right and I call on the leaders of the Soviet Union to search their consciences for ways to change this situation.●

SHAPING TOMORROW TODAY—ADDRESS BY CHARLES M. WEST

● Mr. SIMON. Mr. President, earlier this year the remarks given by Charles M. West, the executive vice president of the National Association of Retail Druggists, to the Illinois Pharmacists Association brought into keen focus our need to look to the future. The remarks clearly set forth the role of pharmacists in that future. I think many of my colleagues would find Mr. West's remarks helpful and I ask that his speech be printed in the RECORD.

The speech follows:

SHAPING TOMORROW TODAY

(By Charles M. West)

Have you ever noticed how difficult it is to make it through a single working day without being confronted—in a newsletter, magazine, or periodical of some sort—with yet another forecast of the future? Predicting the future has become a veritable growth industry. We predict everthing: what's going to become of our domestic auto industry, how big the federal deficit is likely to get, how long mechanical heart transplant patients will survive, who's going to win the World Series, the Super Bowl, the Stanley Cup, what's going to become of the pharmacy profession . . .

That last one got your attention, didn't it? It always does, because all of a sudden the predictions aren't arcane or abstract, they're about you, about your livelihood. Forecasts like these never fail to sell magazines; that's why we keep getting confronted with them. But of what enduring value are they to you really as a pharmacist?

If you pick up a magazine tomorrow and read an article by a seemingly well-informed pharmacy thinker who tells you that in-house HMO pharmacies are going to dominate the pharmacy landscape by 1990, what are you going to do? Fold up shop? What if the nation's independents had taken as gospel FDA Commissioner James Goddard's prediction in the 1960s that the independent corner drugstore would disappear from the American scene within 20 years? Well, if they had taken it as gospel, I wouldn't be here talking to you today. Just for the record, A.C. Neilsen has reported that the number of independent drugstores has in fact held steady at more than 33,000 in each of the last three years.

No, it's best not to take these predictions too seriously. The future is not determined by prognosticators. It is shaped by you and me. The trends the soothsayers divine are of value to us only insofar as they help us see where our next challenges may be coming from and where our next opportunities are likely to arise.

For exampie, if we were to look, we would see that there are now several very encouraging trends pointing to a bright future for the independent. These trends include:

The aging of the Americn population. This will likely mean an increasing demand for pharmaceuticals from readily accessible, convenient sources like the neighborhood drugstore.

The deinstitutionalization of health care services. More and more patients are going to be cared for at home in the decades ahead. This should result in a greater reliance than ever on community-based health care services such as those provided by independent retail pharmacists.

The self-care movement. A better educated, more health conscious public is increasingly taking their health into their own hands. They are no longer content to shop for price alone. They will ask for and expect quality and service from their health care providers—standards that have always distinguished the independent.

A renewed faith in the marketplace. The conservative revolution has rekindled the entrepreneurial spirit and contributed to a surge in the small business community.

I could continue. There are many promising signs for the future of the independent.

But just as the nation's independents turned the other cheek to the predictions of former Commissioner Goddard, I would suggest that we not let our heads be turned by these more positive prognostications. The elderly will not come running to our stores just because we're there. The growing numbers of patients being cared for at home are under no obligation to turn to us for their health care needs. As always, the competition for those patients and for a prosperous future will be keen. The future will be what we make of it.

The battle for pharmacy's future will be waged on two fronts: in the marketplace and in the political arena. The nation's independents demonstrate every day that they are indeed tough competitors in the marketplace. But traditionally pharmacists have been less than willing to take to the political trenches. This is understandable enough, but seriously short-sighted. As long as pharmacy is a health profession, it will be regulated, and as long as it is regulated, politics and pharmacy will be inseparable.

Bold, decisive action must be taken in the political arena as well as the marketplace if we are to be masters of our profession's future. I can think of no better example of the need for such action than our recent victory in the earned discounts battle with HCFA.

For one full year—from the day our House of Delegates passed a resolution on the matter at our 1984 annual convention in Miami Beach—NARD, assisted by several state and national pharmacy groups, waged an all-out war to prevent the implementation of HCFA's proposed policy change that would have confiscated pharmacists' earned discounts from the Medicaid drug program. If we had chosen to stand on the political sidelines, the recommendations of the HHS Inspector General to take as much as 15 percent off AWP would have gone into effect as early as January, 1985 in Region VI. The cost to the nation's pharmacists, by the government's own conservative estimates, would have been $128 million annually. Please note, I said annually. That figure would have been multiplied the next year and the next year, and the next year, without end. The cost of standing clear of the political arena would have been catastrophically high for the nation's pharmacists.

Battles like this one illustrate clearly that pharmacists do indeed control their own destinies. That cannot be said enough. Too many pharmacists have succumbed to the numbing forces of negativism in the profession. They've let themselves be fooled into believing that they are not the masters of their own fate. Well, I can assure you the folks at HCFA know better than that.

It is critically important that the can-do attitude so evident in the earned discounts battle be brought to bear on all the issues confronting the profession. The challenges we face are indeed formidable. The ongoing drug diversion hearings in the House of Representatives, for example, are calling into question no less than the integrity of the entire drug distribution system. CBS News carried a piece on the topic just this week, and more revelations are still to come. Already a wide range of criminal and civil violations of the price discrimination provisions of the Robinson-Patman Act and other illegal drug diversion activities have been revealed.

This Congressional investigation is both a challenge and an opportunity for pharmacy. The burden will be on us to do the right thing, to live up to the high standards for the profession we have set for ourselves, and the public expects of us.

Throughout my career—as a practicing independent retail pharmacist, as a state exec, and as NARD's executive vice president—I have heard no complaint voiced more persistently by independents than that of discriminatory pricing. But, as often as not, that's all we did: complain. Then we threw up our hands, convinced there was nothing we could possibly do to change those seemingly immutable, inequitable laws governing drug prices.

Well, this Congressional investigation is exposing rampant abuses of the Robinson-Patman Act exemption by so-called "commercial nonprofits," including nonprofit hospitals, clinics and HMOs. These institutions—in competition with for-profit independents—have used the exemption to purchase drugs at prices many times below that available to the average retailer.

Here, a quote from the House subcommittee's July report: "An entire industry has sprung up whose sole purpose appears to be to solicit nonprofit hospitals to purchase excess pharmaceuticals using their special discount, which products are then immediately resold to the broker for ultimate resale to a retailer. The current head of the California Board of Pharmacy told the subcommittee staff that it was his guess that hospital diversion was the leading source of products for the diversion market in his state."

You heard it right: "the leading source." We could not have asked for a more clear confirmation of our decision last fall to make discriminatory pricing our top legislative priority for 1985 and for 1986 as well.

We are no longer sitting on our hands convinced that nothing can be done about this longstanding problem. We have resorted to political action. We have petitioned Congress to sponsor legislation that restates the original intent of Congress when it passed the 1938 Nonprofit Institutions Act. Congress did not intend with that legislation to destroy retailers and reward nonprofits actively competing in the marketplace. And it certainly did not intend to provide the catalyst for an illegal, life-threatening marketplace for diverted drugs. As one House subcommittee member put it during the hearing, we are talking here about "the most criminal activity possible."

So, to repeat, an extraordinary opportunity is now before us. Will we be ready to seize it? Political action will again be vital to our success. We can shape our tomorrow with bold, decisive action today.

Another formidable challenge we face is the proliferation of mail order drug programs. These programs are a threat to public health. NARD's Mail Order Task Force and its Mail Order Clearinghouse have already collected disturbing examples of dangerous deficiencies inherent in mail order drug delivery programs. There is simply no way for a mail order drug program, which lacks face-to-face communication between the pharmacist and the patient, to provide comprehensive drug services to their patients.

Independent retail pharmacists know and observe their patients. They are there to determine patient compliance with prescriptions and maintain complete patient profiles—they have a comprehensive view of the patient. This process is reinforced by the personal interaction inherent in pharmacy practice. Proper health care involves more than the delivery of drugs.

Mail order firms, by contrast, can only address one aspect of the patient's drug regimen—maintenance drugs. They cannot examine the patient's entire drug therapy and never see the individuals enrolled in their programs. In addition, we have to question the integrity of a distribution system that relies exclusively on the mails, and cannot help but wonder about the quality of drugs exposed to extreme temperatures, mishandled, delayed, or otherwise compromised.

We consider these problems sufficient threats to the public health that earlier this year we initiated a campaign to further document these abuses through NARD's Mail Order Clearinghouse. We plan to collect more data during the coming year and will use this information to educate consumers and to guide appropriate legislative and regulatory reforms.

Our education efforts on the potential health hazards of mail order drugs cannot stop with consumers, however. They must extend to the group purchasers of mail order drug services—to unions and to employers large and small. The danger mail order drug programs pose is insidious. Decisions affecting the health and well-being of consumers are being made in the quiet of corporate boardrooms without full appreciation of the risks of such programs. The public health is being jeopardized in the guise of cost containment.

We must gain *entrè* to those boardrooms and educate the purchasers of prescription drug services about the vital importance of face-to-face interaction between pharmacist and patient and the sizable risk of mail order drug delivery.

All of us have spent several years in pharmacy school learning to be drug experts. Once we graduate and begin our careers, we are asked to abide by the laws and regulations governing pharmacy practice in our state. Those laws and regulations exist because it is a health profession we have chosen to practice, and no less than the safety of our patients depends upon our adherence to those standards. Is it too much to ask then that those who work in mail order pharmacies abide by the same standards if they wish to dispense drugs in state? After all, we are talking about the health and welfare of the public here, not mail-order widgets.

These are just a few of the challenges we face. None are insurmountable. Let us resolve not to forfeit control of our fate to those outside the profession. Let us resolve not to stand on the sidelines. It is we who will shape our tomorrow, no one else. Our destiny is in our hands.

You know, we do have a great deal to protect. No other secular profession is held in as high public esteem as pharmacy. We provide life-saving, life-extending, and health-restoring products and a wide range of professional services to a grateful public. All of which gives us the satisfaction of being able to enjoy not only the basics of life, but many of the luxuries as well. Pharmacy is rightfully a profession that fills us with pride, without which no man or woman is truly successful.

We have every right to love pharmacy, so let's take it upon ourselves to fight in the marketplace and in the political trenches to preserve, protect, and enhance our profession—to, in short, leave this fine profession better than we have found it.

Thank you.●

MARGARET E. MUIR—A VERY SPECIAL EDUCATOR

● Mr. LEVIN. Mr. President, Miss Margaret E. Muir will be honored in a very special way on May 22, 1986. On that day, just 2 months shy of her 90th birthday, she will be a featured speaker at a Michigan Education Day event.

Miss Muir was a public school teacher for 52 years. Her career began in a one-room schoolhouse, but she is no stranger to the big, modern schools we see today. Over the years nearly 2,000 students passed through her classrooms—that's a lot of names to remember.

Miss Muir retired in 1966. On May 22 of that year, the Huron Valley school system named a new junior high school in the Village of Milford in her honor. It is in the Margaret E. Muir Junior High School that a rededication ceremony will take place on May 22. Over 1,000 people—many her former students—are expected to attend.

During Miss Muir's teaching days, she also helped run a 100 milk cow family farm. In her retirement years, she stays busy with gardening, baking, social clubs, and church activities. She keeps in constant touch with friends and relatives.

Margaret Muir has led a remarkable and busy life. It is fitting that Education Day in Michigan will be celebrated in Milford by honoring once more such an outstanding educator.

I am pleased to join so many others in paying tribute to a remarkable person.●

NOTICE OF DETERMINATIONS BY THE SELECT COMMITTEE ON ETHICS

● Mr. RUDMAN. Mr. President, it is required by paragraph 4 of rule 35 that I place in the CONGRESSIONAL RECORD notices of Senate employees who participate in programs, the principal objective of which is educational, sponsored by a foreign government or a foreign educational or charitable organization involving travel to a foreign country paid for by that foreign government or organization.

The select committee has received a request for a determination under rule 35, for Mr. Edwin S. Jayne, Jr., a member of the staff of Senator JEFF BINGAMAN, to participate in a program in Taipei, Taiwan, sponsored by Tamkang University, from March 28–April 6, 1986.

The committee has determined that participation by Mr. Jayne in the program in Taipei, Taiwan, at the expense of Tamkang University, was in the interest of the Senate and the United States.

The select committee has received a request for a determination under rule 35, for Mr. Roy Neel, a member of the staff of Senator ALBERT GORE, JR., to participate in a program in Taipei, Taiwan, sponsored by Tamkang University, from March 28–April 6, 1986.

The committee has determined that participation by Mr. Neel in the program in Taiwan, at the expense of Tamkang University, is in the interest of the Senate and the United States.

The select committee has received a request for a determination under rule 35, for Mr. Kirk Robertson, a member of the staff of Senator THOMAS EAGLETON, to participate in a program in Taipei, Taiwan, sponsored by Tamkang University, from March 28–April 6, 1986.

The committee has determined that participation by Mr. Robertson in the program in Taiwan, at the expense of Tamkang University, is in the interest of the Senate and the United States.

The select committee has received a request for a determination under rule 35, for Ms. Sandra E. Taylor, a member of the staff of Senator JOHN H. CHAFEE, to participate in a program in Seoul, South Korea, sponsored by the Seoul National University, from March 28–April 7, 1986.

The committee has determined that participation by Ms. Taylor in the program in Seoul, South Korea, at the expense of the Seoul National University, is in the interest of the Senate and the United States.

The select committee has received a request for a determination under rule 35, for Ms. Judith Freedman, a member of the staff of Senator BARRY GOLDWATER, to participate in a program in Taipei, Taiwan, sponsored by the Chinese Culture University, from March 28–April 5, 1986.

The committee has determined that participation by Ms. Freedman in the program in Taiwan, at the expense of the Chinese Culture University, is in the interest of the Senate and the United States.

The select committee has received a request for a determination under rule 35, for Ms. Susan Schwab, a member of the staff of Senator JOHN C. DANFORTH, to participate in a program in Seoul, South Korea, jointly sponsored by Korea's Ilhae Institute and the Brookings Institution, from March 29–April 2, 1986.

The committee has determined that participation by Ms. Schwab in the program in South Korea, at the expense of Korea's Ilhae Institute and the Brookings Institution, is in the interest of the Senate and the United States.

The select committee has received a request for a determination under rule 35, for Mr. John E. Hall, a member of the staff of Senator JOHN C. DANFORTH, and Mr. John Starrels, a member of the staff of the Joint Economic Committee, to participate in a program in Seoul, South Korea, sponsored by Seoul National University, from March 28–April 7, 1986.

The committee has determined that participation by Messrs. Hall and Starrels in the program in Seoul, South Korea, at the expense of Seoul National University, is in the interest of the Senate and the United States.

The select committee has received a request for a determination under rule 35, for Mr. David M. Strauss, a member of the staff of Senator QUENTIN N. BURDICK, to participate in a program in Taipei, Taiwan, sponsored by Tamkang University, from March 28–April 6, 1986.

The committee has determined that participation by Mr. Strauss in the program in Taiwan, at the expense of Tamkang University, is in the interest of the Senate and the United States.●

ROYKO'S NICARAGUAN PROPOSAL

● Mr. SINON. Mr. President, one of the most effective columnists on the American scene today is Mike Royko.

He deals with serious subjects but in a way that can cause us all to chuckle or become infuriated.

Recently, he wrote a column on the Nicaraguan situation which I think my colleagues in the House and Senate would enjoy reading.

And it is not only the fact that they would enjoy it, I think we can profit by reading it.

I ask that Mike Royko's column be inserted in the RECORD.

The column follows:

BUCHANAN TRIP NOT IN THE SCRIPT

(By Mike Royko)

My recent proposal to send Patrick Buchanan to Nicaragua to help the right-wing contras overthrow the left-wing Sandinistas has struck a responsive chord in the White House.

According to a Washington source whom I can identify only as Deep Ear, President Reagan called Buchanan into the Oval Office and the following conversation may or may not have taken place:

"Patrick, I think this is a good idea. Since you're the moving force behind our efforts to overthrow the Sandinistas, you should be there leading the way."

"Uh, Mr. President, as much as I would like to get out there in the front lines, I have to remind you that I have this bad knee. It's the reason I couldn't go to Vietnam, as deeply as I yearned to clang the Cong."

"The knee should be no problem, Patrick. Here, read this secret military document, which I have been studying for the last few hours."

"Mr. President, this document looks like an old movie script. On the cover page, it says the title is 'Nipping the Nips.'"

"Let me see. Ah, you're right, it is an old movie script. Same difference, though. The important thing is that in this scene here, the platoon leader's entire leg is blown off. But that doesn't stop him. He just wraps a tourniquet on it and leads an attack hopping on one foot and firing a bazooka with one hand and tossing grenades with the

other, all the while singing the Marine Corps Hymn. I auditioned for that role. Would have had it, too, if I hadn't developed a painful case of tennis toe while rehearsing the one-legged hop. But it shows what can be done to overcome physical adversity."

"Mr. President, sir, I have to point out that that was a movie."

"Same difference. We can arrange for you to be dropped in by parachute at night. That's the way to go. Blacken your face and always remember to bury the chute so the Nazis don't find it. Look, that's how it's done in this military manual."

"Mr. President, that manual is another old script called "Gung-Ho Way to Go."

"But I've never made a parachute jump. And with this chronic knee . . ."

"Nothing to it. Look at this page. All you do is say to the guy behind you: 'See you in Berlin, Mack.' Then you give a thumbs up, yell 'Geronimo' and jump. Gravity takes care of the rest. But try to avoid landing in a tree. I saw that happen to Red Buttons once. He was a sitting duck for the S.S., poor devil."

"Mr. President, I haven't had any combat experience, much as I yearned for it during Vietnam, when this knee frustrated my desire to fight the Red Menace."

"No problem, Patrick. I can arrange with the contras for you to get a battlefield commission. Maybe the rank of El Supremo. I think that's higher than El Commandante. Or maybe it's the other way around. Either way, you get to ride in a jeep with your own driver."

"Mr. President, I'm proud that you have such confidence in me, but I'm not sure that I'm fully qualified for a command position."

"Don't be silly. The Duke was a bird colonel. Hank Fonda was at least an admiral. Bob Mitchum was a one-star general. And George Scott had four stars when his tanks romped across Germany. Say, maybe you could wear a pair of pearl-handled pistols like Scott did."

"Mr. President, as eager as I am to take to the jungle and overthrow those tools of the Kremlin, those spreaders of the Marxist plague, those liberal-loving lackeys of Lenin, I really feel that I can be of greater use in this struggle with the Sandinistas if I remain here and fight in the White House."

"Fight here? You mean the Sandinistas have advanced this far? Are they in Virginia? Why wasn't I told? I left orders that in an emergency I should be awakened, regardless what time of the day it is. Or at least Nancy should be told."

"No, Mr. President, I meant in the fight against the liberals, the Democrats, the New York Times. I'll fight it with every weapon at my disposal—the White House leak, the op-ed page thunder, the speech writing. I'll fight it in the cloakroom of Congress, the studios of "Night Line," the National Press Club, wherever the forces of the enemy are gathered."

"Maybe you're right, Patrick. I suppose there is some truth in the saying: 'They also serve, who stay behind at the Georgetown cocktail parties.' "

"Not that I don't want to go. But this pesky knee . . ."

"I understand, Patrick. And on your way out, please turn on my VCR and put in the cassette of "Green Berets." Some good military strategy there."

"Yes, Mr. President."

"And Patrick?"

"Yes, sir?"

"You're . . . not . . . limmmpinggg."●

DOMESTIC AND FOREIGN BARRIERS TO U.S. TRADE

● Mr. MURKOWSKI. Mr. President, we are all aware of the impact on U.S. industry and labor of extreme foreign competition. The most recent graphic illustration comes in the April 28 issue of Fortune magazine, which reports on the leading 500 industrial concerns. Not only are there more changes in rankings than one would expect, but there are indications of slowing in productivity. Sales this last year advanced less than the inflation rate, and profits are at their lowest levels since the 1982 recession.

I would like to direct the attention of my colleagues in the Senate to the relationship between competition in the international marketplace and the reversals many U.S. firms and employees are suffering. To develop an understanding of what American firms and labor unions are undergoing, the Task Force on International Trade Policy of the Republican Conference, which I chair, conducted a survey. We asked chief executive officers—of Fortune and Service 500 firms—and labor union leaders what they thought accounted for the trade deficit—and what role domestic barriers to productivity as well as foreign barriers to trade played.

I submit for the RECORD the preliminary report of survey results. I think that my distinguished colleagues will find pause for thought in what business and labor leaders have to say.

The report follows:

DOMESTIC AND FOREIGN BARRIERS TO U.S. TRADE: PRELIMINARY REPORT

U.S. SENATE REPUBLICAN CONFERENCE TASK FORCE ON INTERNATIONAL TRADE POLICY

Senator FRANK H. MURKOWSKI, Chairman, Senators JOHN C. DANFORTH, NANCY LANDON KASSEBAUM, MACK MATTINGLY, JAMES A. MCCLURE, DON NICKLES, WILLIAM V. ROTH, Jr., STEVE SYMMS, PAUL S. TRIBLE, Jr., and JOHN H. CHAFEE, ex-officio.

OVERVIEW

American business and labor leaders are sending a clear message to Congress regarding the United States' growing international trade deficit. The majority is not opposed to certain types of changes in international trade law. But private sector leaders want Congress to consider their views carefully and avoid drastic action.

This message was determined from the responses to a survey conducted by the U.S. Senate Republican Conference Task Force on International Trade Policy, chaired by U.S. Senator FRANK MURKOWSKI of Alaska. Other Senators on the Task Force are JOHN C. DANFORTH of Missouri, NANCY LANDON KASSEBAUM of Kansas, MACK MATTINGLY of Georgia, JAMES A. MCCLURE of Idaho, DON NICKLES of Oklahoma, WILLIAM V. ROTH, Jr. of Delaware, STEVE SYMMS of Idaho, PAUL TRIBLE of Virginia, and JOHN H. CHAFEE of Rhode Island.

The Task Force soon will make recommendations on trade policy to the Republican Conference, the organization of all the Senate Republicans.

Senator MURKOWSKI, a former banking executive, believes Congress must know what those on the "front lines" of the trade action think about the trade deficit, and conducted this survey in order to fully understand what barriers existed to equitable access in foreign markets.

Senator Murkowski contacted the Chief Executive Officers (CEOs) of America's largest firms and labor unions in December 1985, and asked their views on barriers to export trade in the United States and abroad. To date, nearly one-fourth of the private sector leaders have responded—a high response rate for this type of survey.

In summary, the business leaders said three things:

Stop reacting to protectionist sentiment and develop aggressive, positive policies that will spur U.S. global competitiveness,

Look at domestic as well as foreign barriers to U.S. export trade, and

Listen to the problems exporters have with foreign governments and with the way U.S. policy is implemented.

CONCLUSIONS

Business and trade union leaders shared their views on international trade policy because the trade deficit affects them directly—it cuts into their profits and reduces jobs for Americans. Each brought the perspective of his firm or organization, and discussed national policy in terms of its individual effects. Nonetheless, by grouping the comments together as we have done, it is possible to see a pattern and, in some areas, a degree of consensus.

Business leaders attribute much of the export problems to fiscal and monetary policies. They expect that by reducing the federal budget deficit and adjusting the dollar's value relative to other currencies, sales of U.S. products abroad (and domestic manufacturers at home) will rebound. Most leaders could point to laws, regulations, and policies that inhibited their exports, but no single law or regulation was mentioned by the majority of CEOs. Nevertheless, there appeared to be consensus that some domestic laws and regulations were having adverse impacts on international trade. These "domestic barriers", said CEOs, should be evaluated with a view toward reducing if not, eliminating their negative effects.

Comments about foreign barriers to U.S. exports were often vitriolic: CEOs felt tarriffs and duties were unreasonably high and that non-tariff restrictions delayed or denied market access to U.S. exporters. This was only part of the frustration, however. If firms approached foreign government departments, they might not reduce the offending barrier; and U.S. government officials, in the view of most CEOs, were powerless in gaining access to markets abroad. What to do? Suprisingly, most executives rejected protectionism. Legislatively, there appeared to be consensus on rationalizing, modernizing, streamlining trade laws. There was even stronger support for taking a hard-nosed approach to bilateral and multilateral trade negotiations. Throughout CEO comments ran the sentiment that trade policy must take center stage: the government had an obligation to insure that U.S. goods and services competed on an equal footing. But, CEOs implied that for the U.S. government to attempt to referee trade conflicts, when the marketplace had become global, was not enough. Government needed a comprehensive policy to make the U.S. more competitive globally.

DOMESTIC BARRIERS TO U.S. EXPORT TRADE

Less than one of ten organization leaders saw no domestic obstacles that got in the

way of U.S. export trade, and this decidedly was the minority point of view. The single largest block of respondents—about one-third—pointed to fiscal and monetary policy as the chief cause of U.S. trade deficits. Specifically, they mentioned the federal budget deficit, high interest rates, the overvalued dollar, and G-5 monetary policies—saying these priced American products out of the global market.

Most business leaders (61 percent) pointed to American laws or regulations that restricted export of U.S. goods (or stimulated imports). Laws mentioned most often were: Export Administration Act; Trade Act remedy provisions; Anti-Boycott Act; Foreign Corrupt Practices Act; Antitrust, Patent, and Embargo laws.

Only one regulation or policy was mentioned by more than three respondents, and that was the controlled item list (a list of items that it is illegal to export), which 17 percent found fault with. Other objectionable regulations or policies included: Overseas Private Investment Corporation (OPIC) and related procedures; short supply validated license procedures; DOD munitions control regulations; Ex-Im Bank policies; domestic content requirements; EEO, OSHA, and EPA procedures; farm and labor policies; and tax policy.

Several executives reflected general dissatisfaction with the domestic scene as it relates to trade. One such concern was "free trade" policy that, in the opinion of some CEOs, created export trade barriers and invited dumping of foreign subsidized goods into U.S. markets. Some objected to high U.S. labor costs; others complained that multinationals were exporting U.S. jobs abroad; still others said U.S. firms weren't competitive enough.

What to do about domestic barriers? Opinions varied, but a majority favored amending or repealing the offending laws and regulations. Recommendations made by at least 5 percent of the executives were:

	Percent
Improve Ex-Im Bank financing	20
Reduce items on controlled items list/lift export controls	10
Amend Foreign Corrupt Practices Act	9
Strengthen U.S. trade laws (secs. 201/301)	7
Extend investment tax credits	7
Cut technology transfer taxes	6
Amend antiboycott laws	6
Cut regulatory powers	6
Create a wage floor for U.S. labor	6
Enact textile and apparel legislation	5

NOTE.—Other suggestions were to amend antitrust laws, repeal embargoes, terminate OPIC, and the like.

Although a slight majority of respondents wanted changes in law or regulation, a plurality—nearly 45 percent—thought this was not needed. Instead, they proposed changes in U.S. policy and practice. The largest single group urged Congress to cut the federal budget deficit and seek monetary reforms to lower the value of the dollar. Other suggestions were to strenghten domestic production, aid structural changes in U.S. industry, and vigorously promote exports.

In sum, business and labor leaders attribute much of the trade deficit to domestic causes. Fiscal and monetary policies are significant contributing factors. So too are laws, regulations, and policies that, in the opinion of CEOs, shackle U.S. productive forces.

FOREIGN BARRIERS TO U.S. EXPORT TRADE

Almost all respondents believed U.S. products faced significant barriers to trade abroad: tariffs and quotas imposed by trading partners, non-tariff barriers to trade, foreign government promotion, and cultural obstacles to commerce.

A long list of countries imposes tariffs on U.S. products. Business and labor leaders complained of tariff rates ranging from 30 percent to well over 100 percent, the clear effect of which was to sharply reduce product competitiveness. Nearly all executives mentioned increased use of non-tariff barriers. The most universal were:

Standards, specifications, and licensing procedures, tailored to foreign countries' products, that delayed or restricted market access,

"Buy Domestic" requirements,

Restrictive import licensing requirements,

Quotas or embargoes on imports,

Local content laws,

Foreign exchange controls,

Violations of U.S. intellectual property rights, and

Demands for offsets and countertrade.

Foreign government policy also reduced market access of U.S. firms. Several executives complained of domestic subsidies that made U.S. products more expensive, and government-assisted dumping in third countries. Also, respondents objected to competition with state-owned firms that did not have to make a profit.

Cultural obstacles and restraints were mentioned less frequently, except in U.S.-Asian trade. Finally, only 4 percent of the respondents believed there were no restraints to trade at all.

Foreign barriers did not evoke a uniform response from U.S. business and labor leaders. A handful thought there was no problem. Nearly half saw serious difficulties but had not addressed the foreign government—either because they feared an even greater impact on their business or because they suspected this would not solve the problem. (Several executives said they had established foreign subsidiaries to lessen the impact of duties.) A few executives used trade associations, which represented their concerns to foreign governments.

A large number of CEOs—about 40 percent—had taken their concerns over high tariffs/duties or non-tariff barriers to the relevant foreign government department. But only one in ten of these executives was satisfied with the results.

What about U.S. action on trade complaints? Some business leaders—about one in five—had not asked for help from the government, for a variety of reasons: they wanted to establish their firm as "native" so that it might compete better; they feared more problems would result if they complained; they thought U.S. officials were unwilling to deal with the issues; or they believed the problem was caused by U.S. action.

The majority, however, had sought government help. Agencies approached most often were the U.S. Trade Representative (USTR), Commerce, International Trade Commission (ITC), State, DOD, and USDA. A small number of business and labor leaders sought out their Senators or Representatives.

Executives were not happy about their government representation. Less than 10 percent expressed satisfaction with the result. About one-third were ambivalent—believing that the result could go either way. But most were dissatisfied with actions taken by the U.S. government. Some of the disgruntled private sector leaders thought U.S. officials were not aggressive enough, or lacked local knowledge. Others believed the situation might not permit favorable U.S. action. Whatever the reason, the tenor of remarks was critical of U.S. official action.

Although one in five businesses and labor leaders said no new legislation was needed to address foreign trade problems, the majority recommended changes to U.S. law, bilateral, and multilateral agreements. Suggestions with approximate percentages include:

	Percent
GATT-related (new GATT round, broader coverage of services trade, strengthened dispute settlement mechanisms)	23
1974 Trade Act amendments (strengthen protection against deficits with trading partners—mandatory retaliation or reciprocal tariffs)	26
Amend Export Administration Act	10
Amend Foreign Corrupt Practices Act	6
Strengthen anti-dumping laws	5
Countervail natural resource subsidies	5
Modernize/clarify trade laws	7
Amend labor laws	4
Execute bilaterial, United States-Canada trade agreement	3
Other (R&D tax credits, cut anti-boycott laws, reduce regulatory burden, etc.)	11

Although several executives demanded explicitly protectionist legislation, most sought a rationalization and modernization of existing U.S. law and multi-lateral agreements. Comments on the imperative need for "fair trade," "a level international playing field," an environment in which U.S. firms would compete on an equal basis—peppered the letters, memos, and conversations of business and labor leaders.

And there was very strong interest in non-legislative options. Nearly three-fourths of the CEOs recommended stronger enforcement of existing trade laws. They said:

USTR must negotiate hard to improve fairness,

201/301 determinations must be tougher/more aggressive,

ITC enforcement should be tightened,

GATT should be used more effectively to reduce foreign tariffs,

U.S. officials must do a better trade policing job, and

U.S. should threaten to impose import surcharges if barriers don't fall.

Other recommendations were to develop the Foreign Commercial Service into a more effective promoter of U.S. trade interests, and to use diplomatic pressure to reduce or eliminate barriers. Too, mention was made of the need for aggressive use of available trade finance, such as through the Export-Import Bank.

Several CEOs mentioned regulatory and policy changes that would enhance the U.S. trade position. These recommendations were to permit energy exports, particularly of Alaska oil; to revise government procurement policies so they would promote exports (through reciprocal provisions); and to adjust monetary, tax, and labor policies. Finally, labor leaders were unanimous in calling for protection of U.S. jobs, and pointed to the unemployment already caused by the surge in imports.

A specific question asked business leaders was whether U.S. regulatory actions affected their firms' abilities to compete internationally. About half saw no problem, and those citing difficulties mentioned the obvious and direct impediments to exporting, such as U.S. export control regulations. A significant minority, however, objected to social and environmental regulations such as those of OSHA and EPA.

ABOUT THE TRADE SURVEY

The Task Force survey went to 575 chief executive officers in December, with a follow up mailing in late January, 1986. The list of executives included all 1985 FORTUNE 500 companies plus the larger SERVICES 500 firms (except utilities) and leaders of labor unions with more than 20,000 members. Follow-ups were done by phone with many non-respondents, producing a response rate of 124 or 21 percent of the universe to date.

Most CEOs completed a brief, open-ended questionniare, or wrote letters based on questions in the survey. Some sent statements of company policy, trade association positions, testimony given in Congress, even speeches and media articles. A number of business and labor leaders or their deputies called to relay their views, and several made personal visits. Because of the different forms in which comments were expressed, some transformation of data was necessary.

This report is a preliminary statement of findings. With additional responses from CEOs, the percentages may change. A final survey report will be issued by late June, 1986. For further information, contact Dr. Gerald A. McBeath, in the office of Senator Murkowski, (202) 224-6665.●

THE AIR FORCE VERSUS THE YARMULKE

● Mr. LAUTENBERG. Mr. President, I would like to bring to my colleagues' attention an op-ed that appeared in today's New York Times concerning the Supreme Court's recent decision in Goldman versus Weinberger.

The editorial, entitled, "The Air Force vs. the Yarmulke," expresses the view that the Air Force's decision to prohibit the wearing of a yarmulke by Rabbi Goldman, an Air Force captain who was also an Orthodox Jew, and the Supreme Court's deference to that decision, came from a misplaced faith in the value of uniformity. I agree, and have introduced legislation to permit the wearing of any item of apparel that is part of the armed service member's religious observance, provided it is neat, conservative, unobtrusive, and does not significantly interfere with the performance of the member's military duty. I ask that a copy of the editorial be printed in the RECORD.

The editorial follows:

[From the New York Times, Apr. 10, 1986]

THE AIR FORCE VS THE YARMULKE

(By Zick Rubin)

WALTHAM MASS.—The yarmulke lost its latest legal battle March 25, when a black-robed but bareheaded Justice William H. Rehnquist announced the Supreme Court's 5-4 decision that the Air Force need not bend its dress code to allow a Jewish officer to wear his yarmulke while on duty.

No one doubted the sincerity of Capt. S. Simcha Goldman's beliefs, no that he had worn his small, dark skullcap with his uniform for years without objection, nor even that the inflexible application of Air Force Regulation 35-10, Section 1-6(h)(2)(f) ("headgear will not be worn . . . while indoors") would limit the religious freedom of Jewish servicemen who follow the traditional practice of keeping their head covered at all times, as a constant reminder of God's presence.

But despite Captain Goldman's strong First Amendment claim, the Court deferred to the "considered professional judgment" of the Air Force that yarmulke wearing threatened discipline and esprit de corps. "If men strictly obey the regulations about wearing the uniform," Gen. George Patton once said, "they can be held truly disciplined men." From the Air Force's point of view, wearing a yarmulke was like flying out of formation.

This was not the first time that the yarmulke has been toppled in Federal court. In a 1982 decision, a panel of the Seventh Circuit Court of Appeals gave its judicial blessing to the no-headgear rule of the Illinois state high school basketball authorities, even though the rule had the effect of preventing Sholom Menora and his Hebrew Theological Yeshivah teammates from playing interscholastic basketball.

In the Menora case, the issue was not uniformity but safety—the possibility that a hard-driving player would slip on a fallen yarmulke. Since no one could cite a single instance of a yarmulke-caused fall, some court-watchers may have felt that Judge Richard A. Posner, who delivered the ruling, was taking safety too far.

Falling yarmulkes were not an issue in Captain Goldman's case. In the lower court proceedings the Air Force did in fact advance the theory that an unauthorized piece of head-gear might fly into a jet engine and cause it to malfunction or explode. Because the captain's duties were confined to the base hospital, the courts were unpersuaded by this line of attack. But the Supreme Court's majority nevertheless concluded that the Air Force had the right to make its uniforms uniform.

In a concurring opinion, Justice John Paul Stevens expressed the fear that if yarmulkes were permitted, it would be hard for the Air Force to hold the line against more obtrusive exceptions to the dress code without seeming to favor one religion over another. If a Jew could wear a yarmulke while on duty, Justice Stevens asked, could a Sikh wear a turban or a Rastafarian wear dreadlocks? Images of a wildly coutured flying force floated to mind, with airmen of varying faiths taking to the skies in yarmulkes, saffron robes, face and body paint, amulets, jodhpurs and symbolic daggers. The idea that the Air Force might be able to make reasonable accommodations to religious expression seemed to be relegated to the wide blue yonder.

The ideals of freedom for which thousands of airmen have fought and died deserve more protection from the Supreme Court than that. "If . . . Goldman wanted to wear a hat to . . . cover a bald spot, I would join the majority," Justice William J. Brennan wrote in a stinging dissent. But Captain Goldman's yarmulke was an expression not of personal vanity but of humility before God. The freedom to express such religious convictions should be zealously guarded, in military as well as in civilian life.

The Air Force shot down the yarmulke—and the Supreme Court went along—not out of religious favoritism, but out of a misplaced faith in the value of uniformity. The Court's majority tacitly accepted the Air Force's contention that its standardized uniforms are necessary to "encourage the subordination of personal preferences and identities in favor of the overall group mission." A psychologically more plausible view, however, is that morale will be highest in a humane military force that respects individual identity and that accommodates religious conviction.●

REMARKS OF SENATOR HEINZ ON QUALITY HEALTH CARE

● Mr. GRASSLEY. Mr. President, the Senate Special Committee on Aging has devoted a great deal of time and energy in the past 12 months to investigating the quality of care provided to 29 million older Americans on Medicare under the new Prospective Payment System. The committee has found widespread problems that need our immediate attention if we are to continue this Nation's commitment to the highest quality of health care.

As a member of the Senate Special Committee on Aging, I wish to direct my colleagues' attention to a speech delivered by the committee's chairman, Senator JOHN HEINZ, before the American Hospital Association on February 3 of this year. The chairman eloquently describes the major problems uncovered by the committee and outlines a number of important solutions.

I ask that the complete text of Senator HEINZ' speech be printed in the RECORD.

The speech follows:

"PRESERVING QUALITY IN HEALTH CARE: AMERICA'S CHALLENGE FOR THE '80s"

(Senator John Heinz)

I felt a little like Daniel walking into the lion's den when I stepped up to the podium just now. The American Hospital Association and the Aging Committee have not always seen eye-to-eye on how DRGs affect quality. But if I remember my Sunday school lessons, Daniel reached an understanding with the lions and they ended up with sort of a mutual admiration society.

And so today, and in the days ahead, we need to talk to each other—to find a realistic way of maintaining high quality health care while facing severe budget constraints.

For the past 25 years, we have committed an ever growing portion of our GNP to health care. This commitment was fueled by America's resolve that all her citizens deserve the highest quality care available. In our country, so rich in financial, technical and human resources, only our ingenuity and dedication limit access, we've said, to the best medical care in the world.

Since 1960, the Federal Government's commitment to health care has risen from $5.5 billion to $100 billion and represents more than 12 percent of the Federal budget. Last year, we invested nearly $70 billion in the Medicare program alone. Our commitment paid off with longer lives and better quality life in old age.

But our financial naivete during the earlier years of growth almost brought down the

whole house of cards. Like trusting parents, sending a young child to the candy store with a blank check, we structured the Medicare program with a blank check for hospitals and put the onus on them to be prudent providers of quality care.

We further strained the financial soundness of Medicare by trying to make Medicare more than intended. We helped to pay for extended hospital stays in the absence of appropriate long-term care facilities and funneled dollars to capital expansion and graduate medical education.

We got quality—at a price we couldn't afford. By 1980, we faced Medicare's demise, eroded by runaway costs. Just three years later, Congress acted to save the program with a 180-degree legislative turn—the Prospective Payment System.

The American Hospital Association, along with this Senator, argued early on that PPS encourages a prudent buyer approach to health care services and is sound policy for cost containment. Bottom line reports for 1985 justify this confidence. We may not have broken in costs, but we've herded them into the corral and have them saddled and bridled.

Much of the credit goes to you. Congress can legislate, the Administration can regulate . . . but when it comes to doing, we've got to delegate. The hospital industry has remained steady under fire in an extremely confusing new regulatory environment.

For more than two years now you've ferreted out waste and abuse and made an effort to keep it out. That diligence paid off for the taxpayer. Hospital costs in 1985 increased only 6 percent—the lowest rate of increase in the past 20 years.

As the health care providers for America's 27 million seniors, your challenge is to streamline your operations, to be more efficient—with one caveat. Americans must receive the high quality care they deserve.

Which brings me to my point: In cutting our spurs on costs, I fear we are trampling down our commitment to quality.

In January 1985, the Senate Aging Committee launched a major investigation into reports that quality care suffered under PPS. Our Committee accumulated a thousand pages of testimony from patients and their families, doctors, hospital administrators, discharge planners, community health care providers at three hearings this Fall. We requested two General Accounting Office reports, a report from the Office of Technology Assessment, reports from the Inspector General of Health and Human Services, and conducted on-site interviews with the Peer Review Organizations in five states. Here are the Committee's findings.

First, some doctors and hospital administrators out there are discharging patients saying their Medicare benefits have run out. This is wrong. Patient stays are based on need, not days. We need to end this confusion.

Second, Medicare beneficiaries are discharged prematurely or transferred inappropriately. More than a year ago the Inspector General alerted the Administration of evidence of such abuses. Most recently, the IG cited the PROs' failure to take corrective action on the thousands of cases already on record.

A third Committee finding is that Congress's watchdog Peer Review Organization feel "hamstrung" when it comes to quality review, with only a partial "snapshot" of the whole health care continuum and too few resources available for monitoring.

Fourth, DRGs drive patients out of hospitals quicker and sicker. This truth is not dangerous in and of itself, since days-of-stay often exceeded what was medically necessary under the old system. But "quicker and sicker" can be hazardous whem combined with the fifth major Committee finding: post-hospital services are strained by the burden of more patients needing greater care. Some patients may not be getting adequate care.

Finally, DRGs do a poor job of accounting for the cost of caring for severely ill patients whose "principal diagnosis" may be complicated by other chronic conditions.

The Committee's findings polarized Administration, providers, beneficiaries. Our conclusions have been labeled as insightful or inciting, farsighted or farfetched. But we are beginning to see some agreement.

To go back to Daniel's story, we're ahead of Daniel despite our differences. We've agreed on a philsophy of health care that says quality must not bow to economy. In working together towards this end, there are some steps the Administration must take, some tasks for the Congress, and some for you in the hospital industry.

We can't predict what the new HHS leadership will do, but I personally am encouraged by Secretary Otis Bowen's open commitment to quality as a top priority for his administration. He is a real health care professional. Unfortunately, Secretary Bowen's appointment comes long after the Administration dropped the ball on quality. The failure to act has undermined public confidence in America's health care system.

In two weeks I will join with Congressman Pete Stark, Chairman of the House Ways and Means Subcommittee on Health, to try to legislate what the Administration could have done on its own.

Our bill, the Medicare Quality Assurance Act, has six major components. First, it acknowledges that DRGs are often rigid when it comes to compensating hospitals for treating patients with more complex illnesses. As difficult as it may be, we need to adjust the DRGs through some form severity of illness index.

Second, we are for the Administration's expansion of the PRO scope of work, but it is not enough. Our bill has these watchdogs look at readmissions occurring over a longer period and checking quality beyond the hospital door—in home health, nursing home, board and care homes, and outpatient settings.

Third, bad discharge planning, with patients hastily and inappropriately placed for follow up care, can be fatal for the sicker patients. We need standards for discharge planning and we need to require compliance for participation in the Medicare program. The Medicare Quality Assurance Act does that, but it can't work without you.

Here you must act. We need your commitment to improve discharge planning procedures. I'm proud of the efforts of my own State of Pennsylvania's Hospital Association for the leadership they are showing in this area.

Good discharge planning depends on having the right place to send patients. Unfortunately, our post-acute services fall woefully short of demand. Strengthening the continuum of care is the fourth component of our legislation. We increase incentives for skilled nursing facilities and home health agencies to take the heavier care patients once kept in hospitals. Hospitals should develop their own comprehensive plans for post-acute care. And the Administration must halt its cuts in home health and nursing home reimbursements.

Fifth, consumer involvement in quality assurances is limited by that old adage, "ignorance is bliss." Far from bliss, some patients and their families feel panic and rage when discharged without explanation of their appeal rights. Our bill will expand protections to patients and ensure that they know what appeals are available.

Here again, you can do more to improve patient information and ensure that patients' voices are heard. The Hospital Association and the Aging Committee, along with the American Association of Retired Persons and other groups, took a big step for patients' rights in the Beneficiary Appeals notice we sent to the Administration last week. Let's build on the momentum we've achieved and get these notices out to hospitals nationwide.

Last, we need better data to shed light on the problem created by the radical transformation of our health system. HCFA is responding to the criticisms . . . yet I admit to serious impatience with those bureaucrats who continue to say there's no data showing problems.

This reminds me of the man down on his hands and knees on the sidewalk at night under a lamp post. A passerby asks what he is doing and he replies, "I'm looking for my wallet." "Where did you lose your wallet?" the passerby asks. "Down the street," the man replies, "but this is where the light is."

The Medicare Quality Assurance Act would illuminate those areas where quality is most threatened by extending the Administration's reporting requirements in both hospital and post-hospital settings.

We've got one priority: to restore public confidence in the system and assure quality health care. Look closely at proposals for modifying Prospective Payment with this priority. The Medicare Quality Assurance Act is an important step forward and I ask that you support it.

You must take the lead on maintaining quality. Be prepared for a tough struggle with compulsive budgeteers. We're talking about the lives of present and future older Americans.●

NATIONAL ADOPTION WEEK

● Mr. D'AMATO. Mr. President, I rise today to join many of my colleagues who recognize the importance of supporting legislation, Senate Joint Resolution 306, introduced by the distinguished Senator from Utah [Mr. HATCH] designating November 23–29, 1986, as "National Adoption Week." It is most appropriate that this observance take place during the week of Thanksgiving. Thanksgiving is a time for family members, sometimes traveling great distances, to join together to share their experiences and to feel again the personal joys of the sanctuary of their family.

But what happens to the child who has no family? And to adult couples who, for whatever reason, are unable to bear children? It is indeed a sad circumstance that these people needlessly suffer the absence of family life, the absence of growing up under the guidance of loving parents, and the absence of the emotional involvement and responsibility of rearing a child. The remedy to this unfortunate situa-

tion available to all who would like, but do not have, a family is clear: Adoption.

Since the 1960's, the number of couples who wish to adopt has risen substantially. So, too, has the number of single men and women who wish—and, in some cases, are permitted—to adopt. However, these figures are small in comparison to those who are capable of adopting, but are not aware that adoptable children are available. In America today, there are roughly 55,000 adoptable children legally free for adoption, but who remain in foster care or institutions because of various public or private barriers. We must elevate the level of awareness of prospective parents to the availability of these children.

Mr. President, it is necessary that we encourage family life in America. The family unit is the most basic and most important element of our Nation's strength. The stability of the American family has a synergistic effect upon the overall stability of our Nation. I urge those of my colleagues who have not already given their support to "National Adoption Week" to do so.

Thank you, Mr. President.●

NAUM AND INNA MEIMAN: DOGGED DETERMINATION

● Mr. SIMON. Mr. President, imagine living in a place where your only desire is to leave, but you cannot because someone in authority will not grant you permission. No, this is not a prison, where an inmate has criminal tendencies or has broken the law. This is not a mental institution where a patient remains because they do not meet specific requirements of mental health. The place which I am thinking of is a country, the Soviet Union.

Although unaccused, untried, and unconvicted, Soviet Jews who wish to leave their country are prisoners. The determination of these people is remarkable. Naum and Inna Meiman has been waiting for 10 years to leave. Their tenaciousness has led to increased harassment by the Soviets. Most recently, their telephone was disconnected. Despite the years of anguish and fear, Naum and Inna have never wavered in their commitment to living in the land of their ancestors.

The Bible offers many words of faith and wisdom which are truly appropriate for the Meimans and for people everywhere who are not free. "This rather is the fasting that I wish; releasing those bound unjustly, untying the thongs of the yoke, setting free the oppressed, breaking every yoke."—Isaiah 58, 6.

I strongly urge the Soviet Government to allow Naum and Inna Meiman permission to emigrate to Israel.●

ORDERS FOR FRIDAY, APRIL 11, 1986

Mr. SIMPSON. Mr. President, after conferring with the Democratic leader, I ask unanimous consent that once the Senate completes its business today it stand in recess until the hour of 9 a.m. on Friday, April 11, 1986.

Further, I ask unanimous consent that, following the recognition of the two leaders under the standing order, there be special orders in favor of the following Senators for not to exceed 5 minutes each: Senator HAWKINS, Senator PROXMIRE, Senator QUAYLE, Senator CRANSTON, and Senator MELCHER.

I also ask unanimous consent that there be a period for the transaction of routine morning business not to extend beyond the hour of 9:30 a.m., with Senators permitted to speak therein for not more than 5 minutes each.

The PRESIDING OFFICER (Mr. BOSCHWITZ). Is there objection?

Mr. BYRD. Reserving the right to object.

Mr. President, I have no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. SIMPSON. Mr. President, at 9:30 a.m., the Senate will resume S. 1017, the regional airport bill, and by the previous unanimous-consent agreement a final passage vote will occur no later than 12 noon tomorrow.

It will also be the intention of the majority leader to turn to Calendar item No. 355, S. 426, the hydrorelicensing bill, hopefully under a time agreement. The Senate may also be asked to turn to Calendar item No. 596, S. 1236, the crime bill, or Calendar item No. 353, S. 1774, the Hobbs Act.

Again, I emphasize that it is possible that rollcall votes could take place as early as 9:45 tomorrow morning. So our colleagues should be aware of that.

I again thank Senator SARBANES and Senator TRIBLE for their fine cooperation and, of course, the cooperation of the Democratic leader and the majority leader in resolving this matter.

RECESS UNTIL 9 A.M. TOMORROW

Mr. SIMPSON. Therefore, under the previous order, I move that the Senate stand in recess until the hour of 9 a.m. on Friday, April 11, 1986.

The motion was agreed to; and, at 8:08 p.m., the Senate recessed until Friday, April 11, 1986, at 9 a.m.

NOMINATIONS

Executive nominations received by the Senate April 10, 1986:

DEPARTMENT OF DEFENSE

Robert Clifton Duncan, of Massachusetts, to be an Assistant Secretary of Defense, vice Robert S. Cooper, resigned.

INTERNATIONAL MONETARY FUND

Mary Kate Bush, of the District of Columbia, to be U.S. Alternate Executive Director of the International Monetary Fund for a term of 2 years, reappointment.

EXTENSIONS OF REMARKS

CONGRESSIONAL SALUTE TO THE PHILIPPINE MEDICAL ASSOCIATION OF SACRAMENTO

HON. ROBERT T. MATSUI

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 9, 1986

Mr. MATSUI. Mr. Speaker, on April 5, 1986, the Philippine Medical Association of Sacramento will hold its first induction ball. The initiation of this organization stands as testimony of the professional and societal progress that Filipinos have made in our country.

I would like to take this opportunity to make special mention of the association's main goals, which are the continued educational, scientific and cultural growth of its members and the advancement of service to the community at large. In these times of skyrocketing medical costs and insufficient medical attention to the elderly, the association's aim to provide special care to the Filipino elderly is particularly noteworthy. I commend these altruistic goals and extend my every confidence that the association will excel in these endeavors.

I congratulate the Philippine Medical Association of Sacramento on their formation. On behalf of the people of Sacramento, I welcome them to our community and extend my best wishes to them for what promises to be a long and successful future.

IDA NUDEL

HON. NORMAN F. LENT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 9, 1986

Mr. LENT. Mr. Speaker, in protest of the Soviet Union's deplorable treatment of Jews, Ida Nudel has begun her hunger strike. Ida Nudel, herself a Soviet Jew, is almost 60 and in failing health, but this has not dampened her indomitable spirit. For 15 years Ida has suffered the Kremlin's relentless persecution and brutality. Like so many other Soviet Jews, her only wish is to emigrate to Israel to be reunited with her family. Despite the pain and anguish of this separation, Ida continues to work, not just for her own freedom, but for the release of all Soviet Jews. Her selflessness and dedication to this cause has won her acclaim in the free world and has made her a heroine among her peers.

Although I have written weekly to Ida, I have rarely received a reply because of the censorship of mail in the Soviet Union. However, I have recently received a letter from Ida which eloquently describes her plight in the Soviet Union. I would like to share an excerpt from her letter with you:

The stand I have taken in defending my rights and those of other Jews wishing to emigrate to Israel has aroused the hatred of the KGB and induced them to carry out all kinds of vengeful acts. Who needs all this and why? Why does Russia need all these cries and calls for help? What benefit does Russia have from my suffering? After I leave, the world will forget my name and my story, for new tragedies and dramas develop every day all over the world.

These universal questions must be asked for all those whose voices cannot be heard above the din of repression. We, in Congress, must be the voices for those who have none. We must never give up the struggle to win freedom for those, like Ida, who are oppressed and devoid of human rights. We must never forget.

JOHN D. CALLAWAY RECEIVES THE 1986 DANTE AWARD

HON. FRANK ANNUNZIO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 9, 1986

Mr. ANNUNZIO. Mr. Speaker, I rise to call to the attention of my colleagues the achievements of the nationally known senior correspondent for the Public Broadcast Station WTTW-TV channel 11, John D. Callaway, who will receive the 15th Annual Dante Award of the Joint Civic Committee of Italian Americans on May 9, at a luncheon given in his honor at the Como Inn in Chicago.

John Callaway joined WTTW-TV in 1974 after 17 years as a broadcaster and news executive with CBS radio and television in Chicago and New York, and currently he is host of the Emmy-award winning program, "Chicago Tonight with John Callaway," which appears every week night on WTTW-TV.

Well-known and highly respected for his insightful and responsible interviews, and for maintaining the highest standards of integrity in his 29-year career as a broadcast journalist, John Callaway has received more than 50 awards and honors in recognition of his work, including five Emmys and the prestigious Peabody Award. He is a most deserving recipient of the Dante Award for his achievements and contributions to broadcasting have been representative of Dante Alighieri's statement in his Divine Comedy that "man should never be timid about the truth."

The Dante Award was established by the Joint Civic Committee of Italian Americans, an umbrella organization comprised of more than 40 civic organizations in the Chicago area, to extend recognition annually to an individual in the mass media communications field who has made positive contributions to the profession of journalism.

During his career, John Callaway has covered six national political conventions, and was the moderator of the Illinois Statewide Network broadcasts of the four gubernatorial election debates which took place in 1978. In addition, he has compiled an outstanding record of achievement by moderating since 1974 all the WTTW-TV special programs on the congressional, senatorial, and mayoral campaigns in Illinois.

John Callaway has distinguished himself as a most competent and thorough journalist in his coverage of the aftermath of the 1967 Arab-Israeli war, and the career and death of Mayor Richard J. Daley, as well as his coverage of the tragic 1958 fire at Our Lady of the Angels School, where 92 students and 3 nuns died.

Beginning his career in journalism in 1956 as a copy boy and police reporter for the City News Bureau of Chicago, 1 year later John Callaway became a general assignment reporter and documentary producer for WBBM-Radio and WBBM-TV, the CBS-owned station in Chicago. From 1960 to 1968, he served in several major executive positions at the radio station, including editorial director, public affairs director, and news and program director, and he also was host of the award-winning CBS radio documentary discussion and call-in program, "Nightline."

In 1964, John Callaway won seven national awards for his production and narration of a 13-part commentary series which examined the American civil rights movement. Writing, producing, and broadcasting several documentary programs about prison problems in Illinois, he became the first Chicago journalist to gain membership in the Illinois Academy of Criminology.

John Callaway was instrumental in helping to initiate WBBM-Radio's all-news format in 1968, and from 1968 until 1970, he served as vice president of program services for CBS-Radio in New York City, where he developed the expansion of CBS all-news stations throughout the country. In 1970, he began hosting the nationally broadcast interview program, "Crosstalk," and in 1973, he returned to Chicago as a reporter for WBBM-TV.

Joining WTTW-TV channel 11 in Chicago in 1974, John Callaway has hosted numerous nationally syndicated Public Broadcasting System series, including the most highly respected "John Callaway Interviews," "Campaigning on Cue," and the "Paper Chase Addendum." He has also authored two books, and has contributed articles to several newspapers and magazines.

The 15th Annual Dante Award luncheon will be held at the Como Inn, and many political dignitaries, civil leaders, and leaders of the communications industry will be in attendance. Joe Weisman, senior editor and host of WTTW's "Chicago Week in Review," will serve as master of ceremonies of the luncheon, sharing this position on the dais with Emil Venuti, a member of the antidefamation committee of the Joint Civic Committee of Italian Americans. The invocation will be offered by

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.
Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

the Reverend Lawrence Cozzi, C.S., administrator of Villa Scalabrini, the Italian Old Peoples Home in Melrose Park. Charles C. Porcelli, president of the JCCIA, will present the Dante Award to John Callaway.

For the 11th straight year, the John Fischetti Scholarship will also be awarded at the luncheon. The scholarship, which this year is a $1,500 award, was established by the Joint Civic Committee of Italian Americans to further the study of Italian American students in communications and is named after the Pulitzer prize-winning political cartoonist.

Mr. Speaker, I extend my warmest congratulations to John Callaway on meriting this recognition, and for the strong and constructive impact he has made on the broadcast industry. His career, his character, and his splendid record of achievement prove that he is, indeed, a "friend of truth."

HONORING THE CREW OF OUR "SHIP OF STATE"

HON. JOSEPH M. GAYDOS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 9, 1986

Mr. GAYDOS. Mr. Speaker, this year, 1986, marks the 65th anniversary of the founding of NARFE—the National Association of Retired Federal Employees—and across the Nation local chapters of that organization are scheduling special events to mark the occasion.

Started on February 19, 1921, by just 14 people, NARFE today numbers more than a half million members in 1,500 chapters. It serves as the watchdog and voice for all Federal retirees, monitoring legislation that affects their interests and making their opinions known to the Congress.

In western Pennsylvania, two chapters—the Allegheny-Kiski Chapter No. 1556 and the Armstrong County Area Chapter No. 1997—are co-hosting an anniversary banquet on April 18. The Alle-Kiski Chapter is of particular significance to me since many of its members are residents of the 20th Congressional District, which I am privileged to represent in the House.

The Alle-Kiski Chapter was chartered on December 28, 1977, with 52 members. Its founder and first president was James G. Clark, who remains active in the organization today.

Other officers during its first year of operation included Mustafa J. Mohamed, vice president; Clement J. Roethele, secretary-treasurer, and Frank A. Chesaro, legislative chairman.

Today, the Alle-Kiski Chapter numbers 175 members and its leaders include Thomas Richardson, president; Dorothy S. Ditchko, secretary; Michael Zarichnak, treasurer; Ted Krukowski, first vice president; Walter Skohut, second vice president; Audrey K. Wilson, assistant treasurer; Bruno Salvaterra, legislative chairman; Cora P. Clark, Dom Canterna, and Lloyd E. Wilson, trustees; James G. Clark, assistant secretary and editor, and Alfred P. Rich, service officer.

Mr. Speaker, just as no ocean vessel could safely navigate the waters of the globe without skilled personnel aboard, so no administration could sail the seas of government without trained and dedicated employees. If the President is, indeed, the captain of our "Ship of State," then those who make it go—the men and women in civil service—are its crew.

The members of NARFE, the members of Allegheny-Kiski Chapter No. 1556 and Armstrong County Chapter No. 1997 have served our country well. I deem it appropriate, therefore, to take this opportunity on behalf of my colleagues in the Congress of the United States to thank them for their loyalty, recognize their service, and congratulate them on the 65th anniversary of their organization.

UNITED STATES TELECOMMUNICATIONS TRAINING INSTITUTE

HON. DANTE B. FASCELL

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 9, 1986

Mr. FASCELL. Mr. Speaker, perhaps nowhere in the world is the pace of technological change more appreciated than here in the Halls of Congress. Throughout this century Congress has been called on repeatedly to lend financial support to crucial research; to define the paths along which technologies can be allowed to develop; and to deal with the ethical, legal, social, and economic impact of changes rooted in technological innovation.

Today, we find all around us evidence of a series of such changes which many have labeled the information age. This refers to all the technologies growing out of the electronics revolution which has given us everything from computers to communications satellites. All of these devices have vastly increased our ability to gather, formulate, and communicate information and to do so almost instantaneously. We are only now beginning to appreciate how this revolution has already changed our society and to understand the opportunities and problems it presents not only to the United States but to all the countries of the world.

I want to bring to the attention of the House some very positive developments which have taken place in the last year with respect to one small but important aspect of the revolution in communications technology: The international aspect. The full benefits of the communications revolution cannot be realized unless there is cooperation among nations to make it possible for information, in whatever electronic form, to flow easily and economically across national boundaries. Moreover, such benefits can only be attained if there are people trained in the use and management of these often complex systems, where the information originates or is needed. In the last year, important progress has been made in each of these areas.

Within the U.S. Government, the Department of State has taken a very important step in creating a new Bureau of International Communications and Information Policy which will give the United States a more effective voice in the shaping of global policies in the many international fora which influence the development of these technologies. At the international level, the International Telecommunications Union [ITU] has served as a catalyst for the establishment of a new Centre for Telecommunications Development which would function as an autonomous body under the umbrella of the ITU. The centre will serve as a clearinghouse for the benefit of developing countries on information about such important matters as communications policies, equipment, and training opportunities.

Finally, I would like to focus attention upon the U.S. Telecommunications Training Institute [USTTI], which was established in September 1982 as a joint venture between major American telecommunications firms and the U.S. Government to share advances in telecommunications technology with developing countries.

The USTTI annually offers 30 training courses for management and technical staff of developing nation telecommunication organizations and Government agencies using telecommunications systems. For the fourth consecutive year, tuition-free courses will be provided by leading U.S. telecommunications corporations and Government agencies at various sites throughout the United States. Under the very effective leadership and inspiration of board chairman Michael R. Gardiner, the USTTI provides the key elements in fostering the benefits of any technological advance: The training of people to make it work. Thus far, the USTTI has graduated almost 600 men and women from 82 developing countries.

It should be emphasized that the Centre for Telecommunications Development and the USTTI serve very different, distinct, but complimentary purposes. There is no duplication involved, and both Government and the private sector will provide both institutions with the level of support they require.

Mr. Speaker, President Reagan has observed, and I quote:

> Our century of experience has proven that telecommunications is a flexible resource—a resource whose abundance increases in step with the development it makes possible for all mankind. We have enthusiastically shared our experience with the world for a century, and we look forward to continuing that mutually rewarding cooperation.

Both the Centre for Telecommunications Development and the USTTI constitute the means for promoting that very laudable foreign policy objective.

CONGRESSIONAL SALUTE TO MR. CARROLL E. BROCK

HON. ROBERT T. MATSUI

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 9, 1986

Mr. MATSUI. Mr. Speaker, I rise to call to the attention of the Congress a man who has served the business community in Sacramento with firm commitment and great distinction. Mr. Carroll E. Brock has recently ended an outstanding 40-year career with his retirement from the family firm, M.J. Brock & Sons.

His exceptional leadership capabilities and devotion to his field are evident in his numer-

ous accomplishments. Under his careful and consistent management, the firm has grown to be ranked among the top 70 homebuilders in the Nation. M.J. Brock & Sons has successfully constructed more than 14,000 attractive, high quality homes in the Sacramento area since 1952.

Far surpassing the duties of his position, Mr. Brock has worked conscientiously in the realm of his industry and in the community. This is exemplified by his impressive list of accomplishments, including president of the Building Industry Association of Superior California and the Sacramento Area Commerce and Trade Organization. He also has served as vice president of the Sacramento Metropolitan Chamber of Commerce and chairman of the National Council of the Housing Industry. In addition, former California Gov. Edmund G. Brown, Jr., appointed Mr. Brock to the California Building Standards Commission in 1982. Only recently, he was named 1985 Builder of the Year by the BIA for his commitment to the building business and community activities.

Mr. Speaker, it is with great pleasure that I thank Mr. Brock for his many years of generous, sacrificial service to the people of Sacramento and wish him the best of luck in his future endeavors.

ACCOUNTABILITY FOR MILITARY WASTE SITE CLEANUP

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 9, 1986

Mr. FLORIO. Mr. Speaker, as my colleagues know, the Superfund conference is proceeding and Members of both bodies are carefully considering the basic reforms that are needed to revitalize this troubled program.

One of the most important such provisions is identical language in both bills that is designed to put the Federal Government's lead agency on environmental matters—the Environmental Protection Agency [EPA]—firmly in the driver's seat regarding the nature and scope of cleanup at such facilities. This reform is needed because, during the first 5 years of the program, other Federal agencies and departments were left to their own devices regarding cleanup, accountable to no one. The result has been virtually no progress on the identification and assessment—much less cleanup action—at the thousands of Federal hazardous waste sites across the country.

Last week, the Administrator of EPA protested the language in both the House and Senate bills that seeks to give EPA this authority. EPA is apparently concerned that with such authority will come responsibility to make sure cleanup is adequately performed.

Two of our colleagues—VIC FAZIO and JIM MOODY—were the original authors of the Federal facilities provisions in the Superfund bill. They have responded to EPA with a cogent and well-reasoned analysis of the intent of these provisions. I commend their views to my colleagues' attention.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, DC, March 19, 1986.

DEAR SUPERFUND CONFEREE: We urge you to oppose any effort to change the provision in the House and Senate adopted versions of the Superfund reauthorization bill that would in anyway diminish the responsibility of the Administrator of the Environmental Protection Agency to select the final remedial action at all federal sites on the National Priorities List (NPL).

As you are aware, EPA is charged with selecting the appropriate cleanup action at all privately owned sites which qualify for the NPL. EPA should have no less authority over the final remedial action selected at federal sites.

Our concern is that moving from "concurrence" to "selection" would threaten the ladder of responsibility which has been carefully constructed throughout the entire section on federal facilities. Our fear is that it would gut EPA's oversight authority. Permitting simple concurrence, as described by Lee Thomas during Tuesday's conference, would seem to allow EPA to choose a remedial action from one of several options without being held accountable for the adequacy of the cleanup. That's unacceptable. EPA and the applicable federal agency should both be held accountable for the adequacy of the remedial action selected. Using "selection" rather than "concurrence" won't require EPA's daily involvement in agency cleanup efforts. It will, however, require EPA to establish firm guidelines governing the conduct of RIFs and the selection of remedial action options as well as ensure that such guidelines are complied with fully and completely. The bottom-line is that EPA is the federal government's lead agency with respect to the cleanup of hazardous waste sites. Requiring that EPA act as such at our federal facilities is therefore not only necessary but appropriate.

Thank you in advance for your consideration of this request.

Sincerely,

VIC FAZIO,
Member of Congress.
JIM MOODY,
Member of Congress.

TRADE OPPORTUNITY

HON. JOHN P. MURTHA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 9, 1986

Mr. MURTHA. Mr. Speaker, for the information of the members, I want to share my thoughts on the present trade situation and the opportunity present to make progress against the flood of imports affecting our economy.

I want to insert a copy of my recent "Weekly Column" on this subject.

TRADE OPPORTUNITY

With President Reagan meeting with Japanese Prime Minister Nakasone on April 12 and the Western Economic Summit meetings taking place in Japan in May, it is time for the President to confront our allies on the trade problems that persist.

These meetings represent a key and virtually last chance to bring our trade situation within reason.

The trade predicament continues to slow our economy, increase our unemployment, and hurt key American industries. In all of these sessions, the President will be meeting with our trading and defense partners. Yet, while we continue to carry the burden in our budget for defense, these partners refuse to make vital concessions to insure stability and jobs in the U.S. economy.

The most recent trade figures show how far we still have to go:

The March Congressional Monthly Trade Alert showed 13 or 17 key trade indicators worsened.

Export related employment declined by 1.1 million jobs between 1981 and 1983 with little improvement since and has been a key in continuing high unemployment rates.

Slow export growth and rapid import growth during 1980-1984 pushed the unemployment rates about 1.1 percent higher than they otherwise would have been.

Our trade and military partners must be made to realize that they cannot target and destroy sectors of the American economy. In steel, textiles, footwear, semiconductors, and computer chips these nations have targeted our economy, subsidized their imports, and used our markets to keep their workers on the job while our own workers have suffered.

The House of Representatives will soon be considering major trade reform and restrictions legislation. In the absence of meaningful progress in these talks on trade improvement, I believe Congress should move forcefully to guard our borders against these imports which have damaged our industrial base and robbed our Nation's workers of jobs.

One way or another, we must get this trade situation under control. America's economy will never be fully healthy until we do. The President needs to make this point forcefully and insure results at these meetings, or in the continuing absence of cooperation by our trading/military partners, to join with us in shaping legislation that will force import controls to protect our economy.

Even action at this point will have come later than I would have preferred, but we can still turn things around. The administration favors voluntary agreements—rather than strict quotas—as shown in their steel program. Even that approach in these other areas would be a plus. The key is to see action and cooperation—something that will begin moving us away from disastrous trade deficits.

Some speculation holds that the Western leaders at their summit will agree to a new round of multilateral talks. But those will stretch through the rest of the 1980's and produce no results for years. We have already waited too long. The need for results is now.

LIABILITY INSURANCE

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 9, 1986

Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington Report for Wednesday, April 9, 1986 into the CONGRESSIONAL RECORD:

LIABILITY INSURANCE

The insurance liability crisis has emerged as a major issue in Congress this year. Soaring costs and a shortage of liability insur-

ance are taking their toll on businesses, professionals and local governments nationwide. Every day brings word of new repercussions: doctors raising fees, playgrounds closing, swimming meets being cancelled. The liability insurance crunch touches almost every aspect of American life.

Faced with unprecedented liability, insurers have raised premiums sharply and drastically cut coverage, sometimes pulling out altogether. While 1985 property-casualty premiums cost an average 21% more overall, some industries have been hit harder. Bus owners, for example, were charged 1985 premiums 700% larger than in 1984. Many insurers have stopped some lines of coverage. Bars, chemical companies, and nurse midwives, among others, are being refused insurance. Insurers are particularly wary of businesses with delayed liability. Insurers pulled out of day care, for instance, after publicity aroused fear that teenagers would win large awards for pain and suffering for abuse inflicted years before.

Businesses have responded by curtailing or eliminating products and services that cost too much to insure. They often operate without insurance or hike prices to cover premiums. A major corporation can draw on its resources if it is sued, but small businesses and professionals usually do not have that cushion. As a result, services once taken for granted are becoming scarce. Liability coverage for governments is so expensive that taxpayers may pay more for insurance than for police and fire protection. Many states and cities have lost all or part of their liability insurance coverage recently, resulting in cutbacks in important services.

The insurance industry blames the legal system for most of its problems. It claims that expanded legal definitions of "liability" have made it easier for injured parties to win large damage awards. In addition to compensatory damages, which repay economic losses, courts and juries have more willingly awarded damages for intangible "pain and suffering," and to "punish" defendants. Underlying these changes is a change in society's notion of risk. The growing tendency is to insist that someone—particularly someone with "deep pockets" like an insurance company or a city—must pay whenever a person suffers a loss.

Expanded liability and the growth of punitive damages have made it hard to predict a business' insurance needs. But the legal system is only partly at fault. Some of the blame belongs with the insurance industry itself. In the late 1970s, companies slashed prices and sold risky policies so they could invest the premiums at interest rates as high as 20%. These companies no longer get high interest returns, but they must still pay claims on policies sold at deep discounts.

States have primary responsibility for reforming insurance and liability laws, and most states are acting to limit damage awards and strengthen regulation of insurance practices. The most popular approach is "tort reform," which generally seeks to limit damages without restricting the right to sue. Popular ideas include limiting damages to economic loss and cap awards for pain and suffering; limiting punitive damages, or making them payable to courts instead of to plaintiffs; tightening the standard of proof for assigning blame; requiring juries to split shares of fault among several defendants; limiting attorneys' fees to reduce the incentive to seek large damages; forcing the losers in weak cases to pay the winner's legal fees; and fining attorneys who pursue frivolous cases.

Proponents insist that tort reform will allow insurers to manage risks and make policy-writing predictable. But opponents worry that such changes will deprive innocent victims of the right to seek relief in court. As an alternative, they propose overhauling insurance practices, requiring insurers to provide coverage and limiting huge premium increases. Some states have passed laws combining these approaches, limiting insurers' liability but requiring them to provide coverage to communities and small businesses.

While most reforms have been in the states, many want more federal regulation. They claim that under state regulation, insurance prices and supply have fluctuated sharply, and that the variety of state laws makes it hard to predict losses for products sold nationally. One proposal now before Congress would set national product liability standards. Other proposals would provide last-resort federal insurance for industries unable to buy insurance; supervise insurers more closely; make it easier for groups to band together to insure themselves; repeal the anti-trust exemption which, some allege, lets insurers share information and engage in collusive premium-setting. Another evolving idea is to set up alternate ways, such as binding arbitration, to compensate victims without the expense and delay of lawsuits. The President is expected to submit legislation that includes limiting attorneys' fees, capping damages for pain and suffering, and restricting liability to those found at fault. Insurance regulation is a new issue for Congress, and it is unclear what Congress will do to ease the problems of insurers and their customers.

While government discusses these questions, the private sector is trying other remedies. Some business groups have started their own "captive" insurance companies. Many states, counties and municipalities have decided to "go bare"—to operate without insurance—to escape steep premiums and to respond to cuts in coverage. But self-insurance has had only mixed success, and going bare is an act of desperation: one large judgment could financially wipe out a community.

My view is that the liability crisis must be taken very seriously. We all bear the cost of high premiums and excessive awards through taxes and prices and the disappearance of products and services lost to insurance costs. My sense is that, just as the crisis has no single cause, it cannot have a single solution. A combination of public and private measures is needed, and fast.

RESOLUTION TO OPPOSE ARMS SALES TO SAUDI ARABIA

HON. MEL LEVINE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 9, 1986

Mr. LEVINE of California. Mr. Speaker, yesterday the President sent to the Hill a proposal to sell to Saudi Arabia 800 Stinger handheld antiaircraft missiles and 200 launchers, nearly 1,700 Sidewinder missiles, and 100 Harpoon antiship missiles, for a total of $354 million.

Today I am introducing a resolution to prohibit this sale. Its 153 cosponsors are a bipartisan group of Members from across the political spectrum who share a deep concern over U.S. arms sales policy in the Middle East, and for our own national interests. Simply stated, we oppose this sale of more than 2,500 missiles to Saudi Arabia because of the antipathy Saudi Arabia has shown for fundamental United States national security interests in the Middle East. We do not believe this sale would further our own interests in the region.

The United States has several vital national security interests in the Middle East, in addition to just keeping the oil flowing. These interests include broadening the Camp David peace process, combating terrorism while denying terrorists any base of support, and helping our allies Egypt and Israel to maintain their military and economic security.

Saudi Arabia has not only failed to support the United States in each of these three crucial areas, but has actively opposed us.

Examples of this abound. For instance, the Saudis have undermined King Hussein's efforts to involve Jordan in the peace process, working against him in pan-Arab conferences. The Saudis continue to isolate Egypt for its willingness to pursue peace with Israel. They have bankrolled the Palestine Liberation Organization and Syria—the protectors of terrorists implicated in the murder of hundreds of Americans, including the bombing of the Marine barracks in Beirut. Monday morning's Washington Post reported that CIA Director William Casey said in a speech this past Sunday that Saudi Arabia has paid lip service to United States concerns about its funding of the PLO, and that Saudi leaders support the PLO and other terrorist-linked groups. According to State Department representatives, the Saudis give some $90 million a year to the PLO.

Under Saudi leadership, pan-Arab organizations have stepped up efforts to punish American businesses trading with Israel—imposing increasing requirements for United States aid to Israel because of boycott efforts to strangle Israel economically. Finally, the Saudis sided with Mu'ammar Qadhafi in our recent showdown with the Libyan dictator and reportedly pledged to make good on any losses incurred from the American boycott of Libya.

The arguments the administration makes to defend its proposal to sell these missiles to Saudi Arabia are (1) the sale would be a reaffirmation of United States support for and friendship with Saudi Arabia, (2) the missiles are needed to defend against the threat Iran is posing by ground advances into Iraq, and (3) the Saudis need the missiles to maintain their defense capabilities.

None of these arguments are particularly compelling.

First, nearly every transaction between Saudi Arabia and this country has been touted as a "test of friendship." What have we received in return? At what point can we expect that in return for our responsiveness to Saudi security interests, that they respond to ours?

Second, these missiles, which are not scheduled for initial delivery until 1989, will not help Saudi Arabia counter the Iranian threat. The war between Iran and Iraq is being waged on the ground between ground troops, and antiaircraft missiles would be of no use in countering that particular threat.

Lastly, the Saudis already have a full arsenal of missiles, raising significant questions about the credibility of the administration's argument that the Saudis need the missiles to maintain their defense capabilities. Their capabilities are already great.

For nearly two decades the United States has been almost reflexively granting Saudi arms requests. But our policy has neither yielded Saudi support for key United States initiatives, nor resulting in Saudi cooperation in advancing United States security interests in the Middle East. In fact, selling arms seems to be our only policy with respect to Saudi Arabia—irrespective of its sensitivity to our own interests in the region. There are no compelling reasons to continue this policy. If the Saudis want our cooperation, then let them give us theirs. This pending missile, sale, which meets no legitimate Saudi need, is an appropriate place to halt our unproductive policy.

Mr. Speaker, I would like at this point to address my special concern about the inclusion of Stinger missiles in this package. Yesterday morning the Washington Post ran a story about administration concern over the possible diversion to a terrorist group of Stingers sent to Afghanistan.

Two years ago the administration was considering sending hundreds of Stingers to Jordan and Saudi Arabia. The administration was forced to drop these plans because of congressional concern over whether they might fall into the hands of terrorist organizations or might be used against Israel. Eventually 400 Stingers were sent to Saudi Arabia, but only after a firm assurance from the Saudis that strict security would be maintained and that United States military personnel would accompany the missiles to train the Saudis and to provide an additional layer of security.

Mr. Speaker, the Stinger is sophisticated, effective and portable. It has been called the "ideal terrorist weapon," and "the terrorist's delight," and it is. While I oppose the sale of the administration's missile package to Saudi Arabia, I especially object to the inclusion of the Stingers. Terrorism is on the increase, and desperate terrorists will stop at nothing to obtain every possible means to help carry out their brutality and barbaric undertakings. We should keep these weapons under U.S. lock and key, and not send them to a part of the world where terrorism is the game of the day.

I urge my colleagues to support this resolution of disapproval.

LADY OF LIBERTY

HON. HAL DAUB

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 9, 1986

Mr. DAUB. Mr. Speaker, as the renovation of the Statue of Liberty draws near its completion, I would like to take this opportunity to share with my colleagues a beautiful poem by one of my young constituents, Paul Erickson, who is an eighth-grade student at Morton Junior High School in Omaha, NE.

Paul has captured the essence of the American spirit—hope, love, and peace—in "Lady of Liberty" and I am pleased to submit it for preservation in the CONGRESSIONAL RECORD at this time.

LADY OF LIBERTY

(By Paul Erickson)

Crafted of love,
A gift from our friends.
A symbol of hope
Her life she lends
In the nation where souls
And cultures are blended
Though the copper of old
Needs to be mended.
Our symbol grows weary
Against wind and rain,
Her eyes are bleary,
Torch starting to wane.
Our dame needn't worry
Our hearts hold here near.
She needn't be sorry
Our love turns her fear.
Our hearts will be shelter
Against wind and cold,
Our love will shine for her
A light strong and bold
Till our beloved symbol
The lady so fair,
Has regained strength to lead us
To peace . . . from despair.

HIGHER EDUCATION FUNDING CHALLENGED

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 9, 1986

Mr. FLORIO. Mr. Speaker, I wanted to express my concern about the challenges being posed to Federal funding for higher education by proposed funding reductions and qualification changes. Under restrictions imposed by the Gramm-Rudman budget measure and the administration's budget proposal, the financial aid available to needy students in the form of guaranteed student loans, Pell grants and work-study funds will be severely limited and the ability to advance and realize the dream of achieving an education will become a privilege limited to very few and an attainable dream to the majority.

I opposed the Gramm-Rudman measure and voted against the administration's budget, which was rejected by both the House and the Senate. I am concerned about the increasing threat to education programs and I would like to urge my colleagues to ensure that any budget resolution the Congress approves provide for continued funding of these education programs that have been so essential to our Nation's successful development.

The first round of cuts under the Gramm-Rudman measure has already had an impact on higher education institutions in my district and across the Nation. I recently received a document produced by the U.S. Department of Education that indicated that Gramm-Rudman has not had an equal effect on all colleges. Specifically, under the work-study funding, I was concerned to learn that several institutions in New Jersey are being asked to forfeit a higher percentage of work-study funds than the 4.3 percent originally envisoned. Work-study funds for Camden County College students in Blackwood, NJ, were cut by 12.5 percent from an estimate of $276,073 to $241,556. Funds for Gloucester County College were cut by 4.8 percent from $47,374 to $45,069. Hudson County Community College of Jersey City has suffered a 22.41 percent damage from $144,192 to $111,873; the Wilfred Academies of New Jersey a 10.98 percent reduction from $131,745 to $117,277; and the Institute of Business and Technology of Newark a 23.85 percent reduction from $92,878 to $70,727. Larger institutions in New Jersey will suffer the standard 4.3 percent cut. These varying percentages do not indicate an equal sharing of the burden of the Gramm-Rudman cuts.

These figures are taken from the "United States Department of Education Campus-Based Student Financial Assistance Programs—Comparison of Award Year 1986–1987 Tentative Awards: Actual Awards According to the Balanced Budget and Emergency Deficit Control Act of 1985." They indicate in some instances 80 percent cuts in the face of a mandated Gramm-Rudman-Hollings reduction of 4.3 percent in domestic programs.

Higher education funding has been further threatened by the administration's budget proposals which I was pleased to oppose. Under proposed modifications in the Guaranteed Student Loan Program that would have eliminated the interest subsidy, the partial elimination of the special allowance during the repayment period, the elimination of the administrative cost allowance [ACA], and the proposed cost sharing of defaulted loans, the New Jersey allowance would be decreased from $246 million to $173.8 million impacting 49,000 students. Changes in the Pell Grant Program would have eliminated or reduced the awards of 12,600 New Jersey students with a $10 million decrease. Work-study and TRIO programs were again challenged under this proposal.

Currently, the Congress is considering proposals for next year's budget. In addition, the Higher Education Reauthorization bill, H.R. 3700, which I was pleased to support when it was approved by the House last session, is progressing further in the Senate. The Senate version bars Pell grants to students with more than $30,000 in annual family income while the House bill has no income cap. A need test is implemented for the Guaranteed Student Loan Program.

Education programs in our Nation have a long history of success and can only help to enhance our growth and development. I would like to underscore my concern about the future of these vital programs in the face of challenges posed by Draconian budget cuts. Mr. Speaker, I urge my colleagues to join me in continuing to demonstrate support for these programs and in ensuring that their funding is not unjustly and inequitably jeopardized.

REFUGEES FROM NICARAGUA IN THE UNITED STATES: THEY DON'T NEED BOATS

HON. RON PACKARD
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 9, 1986

Mr. PACKARD. Mr. Speaker, debate on aid to the Nicaraguan Contras has focused attention on why we are involved in the affairs of a tiny Central American nation. Those of us who support aiding the anti-Communist Contras want our fellow countrymen to understand the historical parallel between this budding Marxist-Leninist regime and other such governments around the world. Examples abound for our side of the debate: the Soviet Union, Hungary, Czechoslovakia, Poland, China, North Korea, Cuba, Afghanistan, Vietnam, Cambodia, Laos, and now Nicaragua. Our opponents wish to equate intervention in Central America during the 1980's with our previous experience in Southeast Asia.

"No more Vietnams," goes the peace cry. We have a moral obligation to prevent more killing, they tell us. My response to those voices is direct and it considers the tragic consequences of extending the misery in Central America:

No policymaker with whom I have spoken wants to see more blood spilled in Nicaragua. Let us seek answers from historical example, though. Did the killing end in Southeast Asia when Americans left? Just ask Dith Pran or Dr. Haing S. Ngor. Did the killing end in the Soviet Union after Stalin strengthened his grasp there? How are Afghan citizens faring today? Has the incarceration and torture of human rights activists in the Eastern bloc ended?

Of course I ask these questions rhetorically. Turn to one of many nonpartisan publications available in the West to learn of the means by which Soviet doctors fed Dr. Andrei Sakharov—means which Sakharov equated with the dreadful torture Orwell described in his last novel, 1984. Dr. Ngor, whose real life was remarkably similar to the character he portrayed in "The Killing Fields," recently told an audience in San Diego that his movie was not bloody enough. Dan Rather's reports from inside Afghanistan have shown us the extent of Soviet atrocities committed against the men, women and children who have resisted Communist oppression there.

Many common citizens simply would rather not stay and face the uncertain future lived perilously by the people I have just mentioned. Thousands of frightened civilians leave their war-torn homes and seek refuge in the safest host country they can find. Even after the war is over and Communist reeducation begins, many more thousands flee totalitarian oppression. The following table underscores my point as it applies to the situation in Southeast Asia.

IMMIGRATION STATISTICS FOR 1973–85 FOR INDIVIDUALS ENTERING UNITED STATES FROM SOUTH EAST ASIA

	1973	1974	1975	1976	July to September 1976 [1]	1977	1978	1979	1980	1981	1982	1983	1984	1985
Country of origin:														
Kampuchea	66	40	98	103	23	126	3,677	1,432	2,801	12,749	13,438	18,120	11,856	13,563
Laos	46	61	96	137	26	237	4,369	3,565	13,970	15,805	36,528	23,662	12,279	9,133
Thailand	4,941	4,956	4,217	6,923	1,173	3,945	3,574	3,194	4,115	4,799	5,568	5,875	4,885	5,239
Vietnam	4,569	3,192	3,039	3,048	1,182	4,629	88,543	22,546	43,483	55,631	72,553	37,560	37,236	31,895
Total	9,622	8,249	7,450	10,211	2,404	8,937	100,163	30,737	64,369	88,984	128,087	85,217	66,256	59,830

[1] July to September 1976 represents the transition quarter when the federal government's fiscal year calendar was changed to its current schedule.

Note—Total immigration from S.E. Asia from 1973–85: 670,516.

Source: The numbers for each year's immigration were supplied by the U.S. Immigration and Naturalization Service, Office of Statistics.

One significant difference distinguishes Nicaragua and its neighbors from Vietnam and the countries in that region. Central America has been a long-time interest for the United States. We have diplomatic, economic and cultural links with Latin America that extend back to the earliest days of our independence. Among the first settlers in the American West were missionaries of Spanish origin and descent. They left in their trail a northward-bound path of social and commercial activity. Spanish military presence in the Caribbean and in Central America prompted President James Monroe in 1823 to warn all potentially hostile world powers that the United States sphere of influence extended into the region.

Monroe's diplomatic edict has echoed ever since that time. The 1848 Treaty of Vera Cruz gave Mexico's vast holdings north of the Rio Grande River to the United States. Cuba's importance to the United States led to the 1898 Spanish-American War. Our 1903 treaty with Colombia was a first step toward the secession of Panama and construction of the Panama Canal. Mexican revolutionaries secured American support in their 1913 war of independence.

In the early 1960's, the clearest 20th century indications of U.S. interests in Central America were set forth. Cuba presented the greatest foreign policy challenge to President Kennedy during his tenure from 1961 to 1963. Lyndon Johnson sent 14,000 troops to intervene in the Dominican Republic's civil war.

I have tried to present the legitimate historical context and lessons we must appreciate as we decide what our response should be to Nicaraguan communism. We also must see two faces on what is happening in Managua today: the interests we have in encouraging free governments and economies in the region, and the point we must make about Soviet adventurism in our hemisphere.

Efforts to promote free governments and free, healthy economies must persist among our neighbors to the South. The most disturbing side-effect of instability in Mexico today is the flood of illegal aliens who enter the United States. Border patrol officials report that 200,000 illegal immigrants per month cross the border in San Diego alone. Lucrative jobs paid for in United States dollars draw poverty-stricken immigrants from Mexico, whose oil-based economy will only get worse before it gets better. Continued political corruption and insensitivity only increase the stakes.

In this context we deal with Soviet-backed Communists in Nicaragua. Political refugees are now heading North. Best estimates gauge the Nicaraguan exile community in Miami alone at over 60,000. Of the 200,000 refugees who have left Nicaragua, up to 95,000 reside in Costa Rica—only 15,000 are officially documented; 18,000 live in U.N. camps in Honduras, 16,000 live in camps run by Friends of the Americas and an additional 50,000 are undocumented aliens in Honduras. Today more than half of the refugees head north.

Between Costa Rica and the United States border, approximately 103.25 million people live in nations threatened by various stripes of Communist insurgents, one Communist government and a region-wide condition of political instability. If Southeast Asia is a fair measure, and I believe it is if we continue to deny the need for active resistance against the Sandinista's plans for revolution beyond their borders, we can count on a massive exodus of frightened common citizens to our apparently stable land.

In the final analysis, Nicaragua is a latent threat of enormous proportions. This is especially true if we allow their foothold to consolidate and then to move on the American continent. Maybe not tomorrow, but in the very near future the economic burden of so many thousand war and political refugees will undermine our own stability.

Furthermore, a major logistical problem that prevented more Cambodians, Laotians, Thais, and Vietnamese from coming to our shores will not impede Nicaraguans, Salvadorans, Hondurans, Guatamalans, and the rest. We must never forget this about Central Americans: They don't need boats.

AMERICAN BAR ASSOCIATION CONFERENCE REPORT ON TAX REFORM

HON. JOHN J. DUNCAN
OF TENNESSEE
IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 9, 1986

Mr. DUNCAN. Mr. Speaker, the American Bar Association Section of Corporation, Bank-

ing, and Business Law held a conference on tax reform in November 1985. The conference has prepared the following statement on several aspects of tax reform, including corporate income tax, capital gains, and capital investment incentives. The following is a portion of the conference report.

AMERICAN BAR ASSOCIATION SECTION OF CORPORATION, BANKING, AND BUSINESS LAW CONFERENCE

INTRODUCTION

President Reagan established as a goal for his second term a fundamental reform of the Internal Revenue Code (the Code). Criticizing the present Code as being overly complex and inequitable, the President called for simplicity, a lowering of rates and winnowing out of deductions, exemptions, credits and allowances.

The President's proposal (of May 29, 1985) has come to be known as Treasury II, since it was based on a prior Treasury Department Report of November, 1984, now referred to as Treasury I.

In view of the importance of fundamental tax reform to the members of the American Bar Association's Section of Corporation, Banking and Business Law, the Section Chairman, John Subak, appointed an ad hoc committee on tax reform.

That committee prepared a statement of the Case for Reform and Goals for Reform. It then conducted a conference on tax reform from the business perspective and submits this report of that conference.

TAX REFORM CONFERENCE, WINTERGREEN, VA, NOVEMBER 7-9, 1985

Under the sponsorship of the section, fifty-six men and women participated. There were twenty-one lawyers in private practice, seven lawyers with corporations, six academicians, eight governmental representatives, eleven persons from business and finance and three practicing certified public accountants.

The participants divided in small groups debated for one full day six specific issues relevant to business taxation. On the second day similar small groups drafted specific proposals for presentation in the final one-half day to the plenary session for final debate, revision and vote.

POSITIONS TAKEN BY THE CONFERENCE

The views expressed by the Conference are to be ascribed to the Conference as a whole and not to the American Bar Association, or any Section or Committee thereof, nor to any individual participant nor to any of the organizations with which the participants are affiliated.

SUMMARY OF CONFERENCE POSITIONS

1. Corporate Income Tax—While the Conference did not call for the outright repeal of the corporate income tax, it did endorse partial integration of the corporate income tax with the individual income tax by permitting corporate taxpayers a dividend paid deduction.

2. Capital Gains—The Conference found that the existing preferential treatment of capital gains is a significant factor in inducing investment and business growth and should be maintained at current levels. Further, there should be no distinction between the capital gains treatment permitted under the Code for corporations and individuals. Additionally there should be no distinction in the capital gains treatment of different categories of assets now eligible for taxation at capital gains rates. Finally, replacing the capital gains differential with indexing for inflation would be unduly complex and should not be adopted.

3. Capital Investment Incentives—While the Conference recognized the need for maintaining certain capital investment incentives for "over-riding social and economic considerations", it also concluded that such incentives have been afforded too readily. The Conference did agree—

(i) Generally business tax incentives should not be permitted which are likely to result in a pretax loss and an after tax gain;

(ii) Depletion deductions in excess of basis should be eliminated;

(iii) Industrial Development Bonds for non-public purposes should be eliminated;

(iv) ITC should be eliminated so long as the depreciable lives now in the law are retained; and

(v) Recapture of depreciation, including straight line depreciation, upon disposition of an asset is recommended for all property including real property.

4. Time Value of Money—The Conference recognized that there is a need for tax rules dealing with time value of money issues. Noting the complexity of such rules, the Conference called for high thresholds for any such rules to become operable and recommended the simplification of the existing provisions and consolidation of those provisions in one section of the Code.

5. Inflation Indexing—The Conference agreed that taxpayers should not be required to apply indexing formulae and procedures for purposes of calculating any income tax liability.

6. Enactment and Administration of Tax Laws—

A. The need for certainty and stability in our tax laws was emphasized by the Conference and the rapidity of change was decried.

B. Targeted tax provisions based on narrow social and economic goals (as distinguished from revenue raising) were recognized as the "heart of the complexity of the system".

C. The Conference called for better administration and enforcement of our tax laws and recognized the need for greater cooperation between tax practitioners and the Internal Revenue Service (IRS). The Conference applauded the efforts of the Treasury and the IRS to promote the general goal of voluntary compliance and recommended appropriate sections and committees within the ABA maintain ongoing contact with the Treasury, the IRS and other agencies of the Government concerned with the tax system to serve as a basis for more support of taxpayer compliance.

7. Alternative Tax Sources—

A. The Conference expressed profound concern with the way Congress determines spending and tax levels. Without improvements in procedures to control spending, the Conference was most reluctant to entrust the Congress with a Value Added Tax (VAT), or even a simplified income tax.

B. Subject to the concerns expressed in the preceding paragraph, the Conference concluded that no new tax other than a VAT is feasible. A VAT should be at a single rate with regard to all goods and services and with no exclusions and no rate differentials. Concerns with regressivity should be addressed with credits and refunds administered by existing agencies.

C. The Conference did not consider a minimum corporate income tax at a high rate an acceptable source of revenue. Such a double-track system, by its nature, is complex. A minimum tax at a high rate also destroys the incentives which Congress determined were necessary in the basic system. If changes are to be made, they should be made in the basic system.

D. The Conference urged Congress to resist pressure to make any snap decisions, particularly in selecting any alternative source of revenue such as VAT. The effective date of any structural change in the tax law, such as a VAT, should be at least one year after date of enactment.

8. Single Track Litigation System—The Conference rejected a proposal for a single track litigation system for all tax disputes.

The Planning Group's statement of the Case for Reform and Goals of Reform, the six issues prepared for the Conference's deliberations, the full report of the results of the Plenary Session and a list of Conference participants follows.

THE CASE FOR REFORM

The case for tax reform has developed from a broad consensus that the present income tax, as it is written and administered, is unsatisfactory. This consensus has spawned various proposals for change, including the administration proposal of May 28, 1985 described by the President on national television with the catchwords, fairness, simplicity and growth. No one could catalogue all the circumstances that have produced dissatisfaction with the federal income tax, but major problem areas are identified with some regularity.

Complexity, compounded by frequency of change, is a well known major problem with the federal income tax. The results are perceived to include unnecessary costs of compliance, unfair benefits to persons with access to sophisticated advisors, the creation of disrespect for the law, major difficulties in making legitimate business and investment decisions and substantial uncertainties that unnecessarily interfere with economic activity. Complexity, compounded by the accelerating rate of change, has produced advocates for revision in the tax law to make it simple, easily understood and its application known before long-term decisions are made.

The present income tax system also has received widespread criticism for its effect on the allocation of resources within our society. The charge is that the income tax system results in investments that would not otherwise be undertaken at the expense of possibly better alternatives and in unnecessary impediments to an efficient economy. The use of the tax system to influence economic activity also contributes to complexity and reduces revenue with the result that rates must be higher for other taxpayers. Recent changes in the depreciation system, together with the investment tax credit, produced large disparities in marginal tax rates across industries. Although there is agreement that there are too many economic incentives and support for the theory that the income tax should be "neutral" with respect to such matters, various groups will disagree with respect to which incentives should be retained. Incentives packaged as preserving or encouraging economic growth are currently in vogue. Growth promoted by the Code in one area or sector inevitably skews the allocation of capital away from a free market determination.

The view is widespread that the income tax system is unfair for an enormous variety of reasons, including the belief that tax breaks or shelters are the province of the powerful or wealthy. The perception is that persons in comparable circumstances should be treated alike and that special exceptions

and "loopholes" make the income tax unfair.

The public's view of the income tax, the determination of many to avoid taxes and some to evade taxes and the income tax's incredible intricacies have resulted in compliance problems for both the taxpayer and the Government. Taxpayer attitudes have contributed to the growth of tax shelter investments and are generally thought to result in an underground economy. In turn, the current Government efforts against what the IRS views as abusive tax shelters and the underground economy have consumed substantial public and private resources which could better be devoted to other purposes.

The marketing of "aggressive" tax advice by professionals has created problems not only for the Government and taxpayers, but also for professionals in their relationships with the Government, their clients and investors in various enterprises. Despite Governmental standards embodied in Circular 230, increased penalties imposed by the Code, law suits against tax advisors and professional ethics opinions, these problems have continued and are, in part, attributed to the complexities and ambiguities of the current income tax.

The problems associated with the federal income tax have led to suggestions for alternative means of raising revenues, such as a value added tax or a national sales tax. The prospect of serious consideration of such proposals is heightened currently by large deficits which limit suggestions for reform.

HONORING THE UNION CONGREGATIONAL CHURCH ON ITS 100TH ANNIVERSARY

HON. GARY L. ACKERMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 9, 1986

Mr. ACKERMAN. Mr. Speaker, I rise today in honor of a truly momentous occasion—the 100th anniversary of the Union Congregational Church of Richmond Hill, NY.

Located at 115th Street and 86th Avenue in Queens County, the Union Congregational Church had its beginnings when Richmond Hill was still a peaceful country village. In 1884, a group of men and women met at the association hall—a loft over a store on the northwestern corner of Myrtle and Hillside Avenues—and established the Richmond Hill Christian Association, which was later to become the Union Congregational Church and Society of Richmond Hill.

By 1946, the church had an active membership of 1,640 that included among its local luminaries the American journalist, author, and social reformer Jacob Riis and his wife, and Elizabeth and Clarissa Van Ingen—whose family members still attend the church. Today the congregation has a membership of over 300, and is an active member of the United Church of Christ and the Queens Federation of Churches. The Union Congregational Church is a well-established landmark of Richmond Hill and Queens County, a spiritual center with a distinguished legacy and a proud future.

Mr. Speaker, a communal feeling of religious devotion is especially demonstrated by the congregants of this church through their charitable works. The Men's Club and the Women's Fellowship are two church organizations whose main concerns focus on the welfare of the membership and the community. Their faith and good works are a source of inspiration to people of all faiths.

In celebration of its centennial, the church has organized a year-long series of events which will culminate with a special anniversary service on April 13. The service will be a reunion of all former members of the church and will feature several speakers and former ministers of the church.

Mr. Speaker, throughout its distinguished history, the Union Congregational Church has been a source of comfort for its congregation and strength for the entire Queens community. I would particularly like to commend the Reverend Nevin M. Kirk, the dedicated pastor; Robert K. Stower, chairman of the board of trustees; and Herman Thiene, chairman of the board of directors. Their contributions, as well as the commitment of the other fine officers and members, have made the Union Congregational Church such an outstanding institution.

Mr. Speaker, I call on all of my colleagues in the U.S. House of Representatives to join with me now in congratulating the Union Congregational Church of Richmond Hill on the auspicious occasion of its 100th anniversary.

ARIZONA STATE APPROVES MEMORIAL URGING CONGRESS TO PURSUE STRATEGIC DEFENSE INITIATIVE

HON. ELDON RUDD

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 9, 1986

Mr. RUDD. Mr. Speaker, the Arizona State Senate recently approved Senate Memorial 1002, urging the Congress of the United States to pursue a strategic defense initiative and to develop and construct a space-based, nonnuclear defensive system. At the same time, I would like to reaffirm my support for the strategic defense initiative, and I am taking this opportunity to submit the text of Senate Memorial 1002 for consideration.

SENATE MEMORIAL 1002

A MEMORIAL URGING THE CONGRESS OF THE UNITED STATES TO PURSUE A STRATEGIC DEFENSE INITIATIVE AND TO DEVELOP AND CONSTRUCT A SPACE-BASED, NONNUCLEAR DEFENSIVE SYSTEM

To the Congress of the United States of America:

Your memorialist respectfully represents:

Whereas, it is the constitutional duty of the United States Government to "provide for the common defense"; and

Whereas, the United States Government does not now possess any defensive means of protecting the American people against incoming enemy missiles launched from any country in the world; and

Whereas, the shift in the strategic balance in favor of the Soviet Union has undermined the credibility of our deterrent, which is based on the doctrine of mutual assured destruction and the use of offensive nuclear weapons; and

Whereas, President Ronald Reagan asked a crucial question on March 23, 1983: "Isn't it better to save lives than to avenge them?", and the United States needs a new strategy of mutual assured survival which can make nuclear weapons obsolete; and

Whereas, arms control treaties alone cannot protect us, since even a perfect agreement with the Soviet Union would leave the United States undefended against the threat of nuclear missiles launched accidentally, launched by a terrorist or launched by an irrational decision of a Third World regime; and

Whereas, the Soviet Union is moving to defend its people from nuclear attack, and we cannot afford to let the Soviet Union seize the high frontier of space and develop a defensive system before we do; and

Whereas, on June 10, 1984, the United States Department of Defense successfully conducted a test over the South Pacific which proved that we have current technology to intercept and destroy incoming missiles before they destroy us; and

Whereas, a system, commonly known as High Frontier, involving the use of nonnuclear satellites to intercept and destroy nuclear missiles targeted at the United States or the territories of our allies is currently available; and

Whereas, the Strategic (High Frontier) Defense Initiative offers the United States a way out of the continuing spiral of building more and more costly offensive weapons because it cannot kill people (it can "kill" only missiles) and it would function to keep war out of space because it is solely defensive.

Wherefore, your memorialist, the Senate of the State of Arizona, prays:

1. That the Congress of the United States give prompt attention to the development, construction and placement of a space-based, nonnuclear defensive system.

2. That the Secretary of State of the State of Arizona transmit copies of this Memorial to the President of the United States Senate, the Speaker of the House of Representatives of the United States and to each Member of the Arizona Congressional Delegation.

TRIBUTE TO ROSE E. WATSON

HON. BOB TRAXLER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 9, 1986

Mr. TRAXLER. Mr. Speaker, I rise to pay tribute to a most distinguished individual, Mrs. Rose E. Watson, who has dedicated the past 30 of her 97 years to providing personal and financial support to hundreds of high school students. I am honored to recognize Mrs. Watson's outstanding contributions to her community of Saginaw, MI as businesswoman, volunteer, and generous benefactor. A devout Catholic, Mrs. Watson demonstrates her religious commitment through her lifestyle of selfless giving. As director of the Watson Foundation, established by her late husband, John Watson, to provide college scholarships to high school students, Mrs. Watson has provided over 500 students with financial assistance, amounting to over $3 million.

Even more than the monetary support, Mrs. Watson, has generously given of her personal time and friendship to each student individual-

ly, taking a special interest in his or her goals and ambitions. In return, Rose Watson receives the satisfaction of having helped needy young people to achieve their dreams. She is also rewarded through constant letters and phone calls from grateful students.

Prior to her work with the Watson Foundation, Mrs. Watson's career began at age 16 as a factory worker in her hometown of Faribault, MN. She then supported herself through work in a department store until she married John Watson, and became bookkeeper in his J.C. Penney store in Saginaw, MI. In 1953 the couple started the Watson Foundation, and Rose took on the responsibility of distributing scholarships, with the help of a board of directors she assembled. Although she had only an eighth grade education, Mrs. Watson took correspondence courses in English, math, and finance to develop skills needed for running the foundation. In 1976, she received an honorary doctor of humane letters from Aquinas College for her contributions to youth.

Mrs. Watson has spent her life in commitment to her community, through her extraordinary service and generosity to young people, and I ask my colleagues to join me in honoring her and wishing her continued success and much happiness.

EMILY EDWARDS' ESSAY

HON. JAMES H. (JIMMY) QUILLEN

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 9, 1986

Mr. QUILLEN. Mr. Speaker, I am pleased today to bring to the attention of my colleagues the first place essay in Johnson City, TN, radio station WETB's recent American History Month Essay Contest. Miss Emily Edwards, a seventh-grader at Sulphur Springs School in Jonesborough, TN, won the contest with an outstanding essay concerning our cherished liberty which we often take for granted. I want to congratulate Emily Edwards and WETB. Miss Edwards' essay follows:

WHAT AMERICA MEANS TO ME

My name is Dinah. I am in a prison camp because I am Jewish. I was ordered here by a very mean man, Hitler. They took all of my clothes, and I have been standing for seven days. I haven't seen my mother for at least two months. But I was one of the lucky ones; two hundred of us were sentenced to death and twenty were shot on sight. Now I am waiting to be taken to a gas chamber or to be hung, if I don't starve to death first.

My name is Tonel. I have been taking care of my mother for a long time because she is very sick. She doesn't have enough food and water, but neither does anyone else in our village. She needs food to get better, but we can't grow any. Our soil is too poor. It is also very hot here. It is hard to work in the hot sun to try irrigation. We can't do much, but we can pray for a miracle. My baby brother died yesterday; he starved. My older brother died of a fungus infection. He had sores on his head and his body. Right now, more than anything, I would like food and water and good health for my family.

My name is Nadia. I love to write poetry, but the government will not let me write what I want or what I feel. They do not like poetry about other countries and how I wonder what they are like. I get in trouble for asking questions and stating my opinions in school. The government doesn't approve of my curiosity of other nations and their people. I can't practice my own choice of religion; it is chosen for me.

My name is Emily. I am looking forward to a dance my school is having. I realize kids in other countries do not have opportunities to go to dances, ballgames, or even movies; but I enjoy these things. I enjoy being with my friends and making new friends. I also enjoy being able to exercise my own choice of religion. I can also give my opinions to high authorities or my teachers and I won't get in trouble.

Being an American, I am free and have the right to my opinions and opportunities to learn, study, and develop. I have plenty of food and resources and will help those in need. When I get older and have a bigger voice on decisions, I will do my best in making my community, state, and nation better places in which to live.

Dinah, Tonel, Nadia, and Emily are all teenagers of the past and present. Emily is lucky because she lives in America and she is free. I am glad that I am Emily.

LEYTE LANDING DAY

HON. NORMAN D. SHUMWAY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 9, 1986

Mr. SHUMWAY. Mr. Speaker, October 20, 1986, will mark the 42d anniversary of the allied forces' return to Leyte in the Philippine Islands, in fulfillment of a solemn national promise to liberate the Philippine people from the Japanese empire. Led by Gen. Douglas MacArthur, the 420 transports carrying 165,000 men of the U.S. 6th Army and 157 warships manned by 50,000 sailors fought at Red Beach and represented the largest operation yet conducted in the Pacific war. It was the combined efforts of Philippine scouts and the allies which resulted in the eventual defeat of the Japanese forces and changed the direction of World War II in the Pacific.

While much recognition is accorded the events which occurred at Normandy on D-Day, the events which transpired at Leyte over a 4-month period in 1944–45 have not received recognition commensurate with their significance. Last October I attended a ceremony in my congressional district to pay tribute to the brave men who turned the tide of the war in the Pacific theater. The ceremony was highlighted by the reading of a letter from General MacArthur's widow; however, I believe this ceremony and others like it would have been greatly enhanced by a resolution from the U.S. Congress expressing appreciation for the sacrifices of these men and the freedoms for which they fought.

Thus, I am introducing today legislation which would designate October 20, 1986, as "Leyte Landing Day," a day for national remembrance of the return to Leyte. I encourage the support of the Members of the House for this resolution.

MARIA CHAMBERLIN, INDIANA VOICE OF DEMOCRACY WINNER

HON. JOHN HILER

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 9, 1986

Mr. HILER. Mr. Speaker, I would like to share with this body an essay written by an outstanding young Hoosier from my congressional district.

Maria Chamberlin, a senior at Mishawaka High School in Mishawaka, IN, was the winner of the 1985–86 VFW Voice of Democracy Scholarship Program in my State and she went on to place fourth in the national competition in Washington.

In her essay, Maria has some words of advice for her young peers about how to meet the challenges of today's world, which as she puts it, sometimes runs about as smoothly as "a car with square wheels." Some of the deliberations that face us in the House of Representatives are about that smooth too, so I think that while we may not have been Maria's intended audience, we can still be inspired by her message.

NEW HORIZONS FOR AMERICA'S YOUTH

(By Maria Chamberlin)

I doubt if there is any American youth of my generation who hasn't experienced the excitement of following Dorothy and her delightful friends down the yellow brick road—down that yellow brick road until we saw, gleaming on the distant horizon, the Emerald City. The Emerald City—the horizon of hope and dreams. The horizon of knowledge for the scarecrow without a brain, the horizon of love for the Tin Man who longed for a heart, and the horizon of courage for the cowardly Lion.

We remember, of course, that their dreams were temporarily shattered by the well-meaning, but fraudulent wizard. The happy ending, did come, but only after the wizard was forced to admit that the dreams on the horizon were not somewhere "over the rainbow" but lie within.

Isn't it the same America's youth seeking the good things in life, out there on the horizon, rather than realizing that life's greatest gifts really are within each us? And aren't these the same gifts the scarecrow, tin man and lion were seeking—knowledge, love, and courage—the same gifts that millions of young Americans before us have reached for?

But knowledge, love, and courage don't come easily. Oh, we don't have to deal with the wicked witch of the west: However, we must cope with the ever-present obstacles of apathy and ignorance. Isn't knowledge the first step in overcoming these obstacles? . . . a knowledge of the past, of where we've been of who we are: a knowledge of the great contributions to freedom by men like Franklin, Lincoln, Kennedy, and King. It's knowledge that gives young people of this land a sense of home and optimism.

Most of us have only to look around at where we are, at pain, at waste, at confusion, and ask if this has to be. When we allow ourselves to be puzzled, to ask, "Why"? We can start to make things happen in America, rather than let them happen to us. This knowledge, this awareness leads to caring—and to care is to

"love". Love such as the Tin Man experienced when he finally found his heart.

During a recent visit to this country, Mother Theresa told American students, "Each of us has a mission to fulfill, a mission of love!" She's right. Our part in life may be a humble one, but whether we play the instrument, or sweep up after the performance—we have a role to play. Being young and alive means that we have been written into the script of this magnificent drama of America. We are needed . . . to care, to serve, to love.

For many of us, though, to "Reach out and touch someone" is difficult. Psychologists suggest that we hestitate to get involved because of the risk, the fear of the unknown, the kind of fear that frustrated the cowardly Lion on his way to Oz. Fear suggests the presence of danger, but the real danger for America's youth is in refusing to take any risks at all.

I like the advice that Alan Alda gave at his daughter's commencement: "Don't be scared", he said, "You're being flung into a world that's running about as smoothly as a car with square wheels. Be bold! Have the nerve, have the courge to go into unexplored territory". Can we as young Americans find such courage? The courage the cowardly Lion found on his horizon?

We can and we will, if we draw upon our knowledge potential and the inner strength of love. Knowledge, love courage! Without these, despair and hopelessness loom on the horizon. We could find ourselves as despondent as the college student whose world had crumbled about him. With financial hardships, poor grades, family problems and virtually no hope in sight, he yearned for outside help. He finally went to a psychiatrist who claimed he could help and suggested they begin with a visit to the town circus to see Grimaldi. Grimaldi the clown would surely cheer him up. With a disappointed look in his eyes, the young man responded: "But Doctor, I am Grimaldi!". At that moment, the college student, like Dorothy and her lovable companions, made the ultimate human discovery, the same discovery made by millions of young Americans in the past, the discovery that the "New horizons for America's youth", the horizons of knowledge, love, and courage are not out there somehwere over the rainbow, but really do lie within.

A CONGRESSIONAL TRIBUTE TO JAMES EARLE CHRISTO, OUTGOING MAYOR OF BELLFLOWER, CA

HON. MERVYN M. DYMALLY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 9, 1986

Mr. DYMALLY. Mr. Speaker, I rise and extend my hat to honor James Earle Christo. He will be concluding his term as mayor of Bellflower on April 15, 1986. Those of us who have worked closely with Mayor Christo will deeply miss the hand of this dedicated citizen in public life. Through hard work, he has earned the respect of his peers and helped make Bellflower a better place to live and work.

Earle has held many distinguished positions in his 74 years, contributing countless hours of service and dedication to his community.

A 50-year fraternal brother of Al Malakiah Shrine and a charter member of the Bellflower Elks, Mayor Christo and his wife Ruth have been loyal and active citizens of Bellflower for many, many years. Mayor Christo's election to the Bellflower City Council in 1982 was concrete demonstration of the esteem in which he is held by fellow citizens of Bellflower.

Prior to his political career, Earle was a Pacific coast basketball referee and a football, basketball, and baseball coach. He remains highly active in these sports even today.

A respected Republican leader, Mayor Christo has served his constituency with fervor and zeal. He shows no partisanship when it comes to the welfare of his community.

The many achievements of James Earle Christo would fill a book. A noteworthy milestone was his participation and influence in the passage of Proposition 13 in California. This legislation made it possible for homeowners to retain their homes through redress from excessive taxation.

It is with great honor and pleasure that I join with the many organizations and elected officials in our area to honor my good friend James Earle Christo with a certificate of achievement for his outstanding work.

SALUTE TO ELLIS COPELAND

HON. GUS YATRON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 9, 1986

Mr. YATRON. Mr. Speaker, it gives me great pleasure today to recognize and honor Deacon Ellis Copeland of Reading, PA. On April 25, 1986, Deacon Copeland will be honored with a special service at St. John's Baptist Church in Reading.

This special event will recognize Deacon Copeland for his 41 years of tireless, dedicated service to St. John's Baptist Church, the city of Reading and the surrounding area. He served as chairman of the deacon board at St. John's for 40 years and presently serves as deacon meritorious. He has also served on numerous community boards, the Central Baptist Association and the Layman League of Pennsylvania.

I want to commend Deacon Copeland for his hard work and service to St. John's and the surrounding community. Through his efforts and leadership, the St. John's congregation has grown and flourished. The work of citizens like Ellis Copeland helps form the foundation of America's heritage as "One Nation Under God." I know that all of my colleagues will join me in congratulating Deacon Copeland for his 41 years of dedicated service and in wishing him continued success and good fortune in the future.

ADMINISTRATION VIEWS ON INDIAN GAMBLING

HON. BARBARA F. VUCANOVICH

OF NEVADA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 9, 1986

Mrs. VUCANOVICH. Mr. Speaker, H.R. 1920, the Indian Gaming Control Act, has been on the schedule for a number of weeks. I would like to take this opportunity to let the Congress know what the administration's views are on this bill and provide this body with a summary of the administration's proposal to regulate Indian gambling.

The attached letter to Congressman UDALL is from John R. Bolton, Assistant Attorney General, U.S. Department of Justice. It outlines the administration's position on this issue. The administration's proposal does not intend to interfere with so-called ceremonial gaming that is conducted along with tribal rituals. The administration's proposal does establish a Federal commission to regulate bingo, but requires that all other forms of gambling be regulated by the 50 States according to State laws and regulations.

I thought my colleagues should know that this is the administration's position on this bill and that Senator DOMENICI plans to introduce the administration's proposal.

OFFICE OF LEGISLATIVE AND INTERGOVERNMENTAL AFFAIRS,
Washington, DC, March 20, 1986.

Hon. MORRIS K. UDALL,
Chairman, Committee on Interior and Insular Affairs, U.S. House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: We understand that the Committee on Interior and Insular Affairs has reported H.R. 1920, a bill to establish federal standards and regulations for the conduct of gaming activities on Indian reservations and lands, and that the bill may soon reach the floor of the House of Representatives for a vote. This Department has previously expressed its concerns with H.R. 1920 and we would like to reiterate our opposition to its passage as presently drafted.

As you know, the Department of Justice is responsible for criminal law enforcement as well as representation of the Secretary of the Interior in matters involving Indian tribes. Thus, we are in a unique position to perceive all of the possible ramifications of H.R. 1920, recognizing both the very real and serious potential for criminal infiltration in such a lucrative enterprise as well as the economic benefit such an enterprise can afford the Indian tribes. The Department testified in November 1985 on proposals to address the issue and outlined the major concepts of the administration's policy on Indian gambling that is very close to being finalized.

A major objection to H.R. 1920 is that it fails to recognize that widespread, high-stakes gambling on Indian reservations, involving large sums of cash and lucrative peripheral service industries, would draw organized crime like a magnet, and in its trail would follow fraud and corruption. Indians are no more susceptible to infiltration by organized crime than any other segment of society. It is, however, the inherent nature of the enterprise itself that we have seen time and time again draw criminal elements

solely because there is so much profit to be made. H.R. 1920 fails to provide the high degree of regulation and control, including intensive background checks, licensing procedures, management contract review and approval by the Secretary, auditing and oversight that is necessary to ensure the integrity of the games this legislation intends to legitimate.

Of significant concern to this administration is H.R. 1920's fragmented approach to enforcement. First, the bill requires that the National Indian Gaming Commission adopt comprehensive regulations for class III gaming which are "identical to that provided for the same or similar gaming activity by the state within which such Indian gaming activity is to be conducted." While the Committee states that its intent is not to require that all state laws relating to gaming activity be incorporated into a federal Commission's regulatory scheme, this provision could result in 50 different sets of regulations, which would be impossible to monitor or enforce. Second, criminal enforcement of gambling laws would be severely hampered because certain states (those that have criminal jurisdiction under Public Law 280) would be empowered to enforce, while others would not. Federal enforcement authorities do not have the resources or expertise to investigate gambling violations based on state laws. States, on the other hand, already have in place the necessary enforcement mechanisms to regulate and enforce their gambling laws. Prosecution of criminal cases arising out of state gambling laws must remain primarily the responsibility of the states, with the federal government playing a back-up role where states are reluctant to act. This comports with applicable constitutional principles.

The administration's proposal to regulate Indian gambling is nearing completion in a matter of weeks. A summary of that proposal is attached. We feel that it represents a balanced approach to the regulation of this highly lucrative, easily corrupted enterprise while allowing the tribes to improve their economic position by promoting these games. We request that the Committee postpone any further activity on H.R. 1920 until it can consider the administration proposal.

The Office of Management and Budget has advised this Department that there is no objection to the submission of this report from the standpoint of the Administration's program.

Sincerely,

JOHN R. BOLTON,
Assistant Attorney General.

SUMMARY OF ADMINISTRATION PROPOSAL TO REGULATE INDIAN GAMBLING

Gambling is divided into three categories: ceremonial, bingo and "all other" forms. Ceremonial would be uncontrolled; bingo would be controlled by a federal commission; and "all other" gambling would be controlled by the law of the state where the tribe is located.

Tribally operated bingo would not be permitted in any state which does not permit any form of legal bingo. Five states currently prohibit all types of bingo.

The Native American Bingo Commission would be created to license and police tribal bingo operations. The Secretary of the Interior will appoint the majority of the Commission who will serve at his pleasure. The Secretary will also appoint the Chairman. The Attorney General will appoint one member of the Commission, a career Department of Justice employee who will serve at the pleasure of the Attorney General. All expenses of the Commission, except the salaries of the Commissioners, will be borne by the tribes operating bingo through licensing fees.

Subject to approval by the Secretary, the Commission is authorized to draft rules and regulations regarding management contracts and other specified subjects relating to the conduct of gambling.

The Secretary's involvement in the Commission's day-to-day decisions concerning license applications and inspections of bingo operations is to be minimal. The Commission is to operate independently in these areas, although its decisions are subject to judicial review. The Secretary and Attorney General will maintain overall policy control through their authority to dismiss the Commissioners they appointed.

Any federally recognized tribe (except a tribe in one of the five states that prohibits bingo) may apply for a license to operate bingo, or authorize a separate entity, such as a tribal corporation, to do so. The Commission will then conduct a background investigation to determine the prospective licensee's fitness and ability (and that of any management contractor) to run a bingo operation in compliance with the law and for the general economic benefit of the tribe. The Commission may contract with tribal, federal, state, or private agencies for such investigations. If the Commission denies or fails to issue a license within the specified time—90 days if the prospective licensee is not going to use a management contractor and 270 days if the prospective licensee is going to use such a contractor—the applicant is entitled to a hearing before the Commission. An adverse decision would be subject to judicial review.

The Commission must approve management contracts, and the legislation contains a number of provisions relating to such contracts. Management contractors can receive no more than forty percent of the net income from the bingo operation, but the Commission can decide that in a particular case that a certain figure is too much and only approve a contract that provided for a lesser amount. Existing contracts would be allowed to remain in effect until October 1, 1987, unless terminated earlier by the Secretary pursuant to his general supervisory powers over such contracts.

The Commission is authorized to issue regulations concerning which, if any, individual employees of bingo establishments and of management contractors must obtain a license from the Commission and to establish the criteria for a license. The Commission is also authorized to conduct background investigations on persons required to be licensed and may conduct these investigations by contracting with outside agencies. The license must be issued in 90 days or the applicant is entitled to a hearing before the Commission. The Commission's decision is subject to judicial review.

The Commission is authorized to inspect and examine licensed bingo operations and to institute disciplinary action for violations of its rules. When the Commission has reason to believe that a tribal licensee, an individual licensee, or a management contractor has violated a statutory provision or rule of the Commission in such a manner that the license or approval of the management contract should be suspended, modified or revoked, or that a monetary penalty should be imposed, it must give the suspected violator notice and a hearing. Disciplinary action is also subject to judicial review.

LAWS IMPACTED BY SALE OF POWER MARKETING ADMINISTRATIONS

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 9, 1986

Mr. MILLER of California. Mr. Speaker, the Reagan administration has proposed "defederalizing" the Federal power marketing administrations. At a hearing held by the Interior Subcommittee on Water and Power Resources, which I chair, Assistant Secretary Donna Fitzpatrick stated that the Department of Energy plans to initiate sale negotiations for the power marketing administrations in early 1987 and complete all the sales by 1991.

The Committee on Interior and Insular Affairs has grave reservations about this proposal. In its report to the Budget Committee, the committee recommended that the Energy Department not proceed with the sale plans without specific legislative authority. In addition, the committee noted that, "The question of whether to sell all or even a portion of the power marketing administrations is a sensitive issue. It involves difficult choices about the future of public resources."

Mr. Speaker, the administration says it is serious about this proposal. If that is true, we ought to realize the ramification of such a proposal. There are at least 17 laws and amendments thereto, as well as 124 projects, which would be affected by the sale.

At my request, the Library of Congress prepared an analysis of the laws impacted by any proposal to sell the power marketing administrations. A copy of the Library's analysis is attached for the consideration of my colleagues.

The material follows:

CONGRESSIONAL RESEARCH SERVICE,
THE LIBRARY OF CONGRESS,
Washington, DC, March 24, 1986.

To: Honorable George Miller. Attn: Lori Sonken.

From: American Law Division.

Subject: Laws Implicated By the President's Proposal to Sell the Federal Power Marketing Agencies, Including a List of Power Projects Which Supply Them.

Listed below are laws which may be directly implicated by the President's proposal to sell the federal power marketing administrations (PMA's), namely, the Bonneville Power Administration (BPA), the Southeastern Power Administration (SEPA), the Southwestern Power Administration, the Western Area Power Administration (WAPA), and the Alaska Power Administration. The responsibilities of BPA, SEPA, the Southwestern Power Administration and the Alaska Power Administration were transferred from the Department of the Interior to the Department of Energy (DOE) pursuant to § 302 of the Department of Energy Organization Act, P.L. 95-91, 91 Stat. 578 (1977); 42 U.S.C. § 7152. WAPA was not organized until after the transfer of authority to the DOE.

Our basic criterion for selecting laws to be included in this survey was to identify references in energy-related legislation to the PMAs expressly, or to descriptive terms, e.g., "Government agency now or hereafter authorized by law to engage in the production, marketing, or distribution of electric

energy." See § 273 to the Atomic Energy Act of 1954, P.L. 83-703, 68 Stat. 960; 42 U.S.C. § 2020.

At your request, we are also including reference to the various projects which supply power to the PMAs based upon information provided by them.

While our survey of relevant legislation is intended to be comprehensive, it does admit of the possibility of exclusions of some enactments which may be on point.

GENERAL POWER LEGISLATION INVOLVING FEDERAL PMA'S

The Federal Power Act, June 10, 1920, c.285, § 320, as added Aug. 26, 1935, 49 Stat. 863; 16 U.S.C. § 791a *et seq.* (see 16 U.S.C. §§ 796, 824i, 824j, 825s, 825s-1, 825s-2, and 825s-3).

Public Utility Regulatory Policies Act, P.L. 95-617, § 2, 92 Stat. 3119 (1978); 16 U.S.C. § 2601, *eq seq.*

Department of Energy Organization Act, P.L. 95-91, § 302, 91 Stat. 578 (1977); 42 U.S.C.§ 7152.

Wind Energy Systems Act of 1980, P.L. 96-345, § 6, 94 Stat. 1142; 42 U.S.C. § 92505(g).

GENERAL LEGISLATION MANDATING SALES OF SURPLUS POWER FROM FEDERAL PROJECTS

(Originally vested in the Secretary of Interior)*

Act of April 16, 1906, as amended, § 5, 34 Stat. 117; 43 U.S.C. § 522.

P.L. 68-292, 43 Stat. 703 (1924); 43 U.S.C. § 501.

P.L. 75-497, 52 Stat. 322 (1938); 43 U.S.C. § 392a.

Reclamation Project Act of 1939, as amended, P.L. 76-260, § 9(c), 53 Stat. 1194; 43 U.S.C. § 485h(c).

Flood Control Act of 1944, P.L. 78-534, § 5, 58 Stat. 890, amending the Federal Power Act at 16 U.S.C. § 825s.

BONNEVILLE POWER ADMINISTRATION

Bonneville Project Act of 1937, P.L. 75-329, 50 Stat. 731; 16 U.S.C. § 832 *et seq.*

Pacific Northwest Consumer Power Preference, P.L. 88-552, 78 Stat. 756 (1964); 16 U.S.C. § 837 *et seq.*

Columbia River Transmission Act, P.L. 93-454, 88 State. 1376 (1974); 16 U.S.C. § 838 *et seq.*

Pacific Northwest Electric Power Planning and Conservation Act, P.L. 96-501, 94 Stat. 2697 (1980); 16 U.S.C. § 839 *et seq.*

MISCELLANEOUS

Atomic Energy Act of 1954, P.L. 83-703, § 273, 68 Stat. 960; 42 U.S.C. § 2020.

Alaska Federal—Civilian Energy Efficiency Swap of 1980, P.L. 96-571, 94 Stat. 3341; 40 U.S.C. § 795 *et seq.*

Energy Conservation Program of WAPA, P.L. 98-381, Title II §§ 201, 202, 98 Stat. 1340 (1984); 42 U.S.C. §§ 7275, 7276.

Agricultural Credit, 7 U.S.C. § 1926 (a)(15)(A) (Permits the Secretary of Agriculture to make loans to finance construction, acquisition, and operation of transmission facilities for electric systems owned by public bodies in rural areas which receive bulk power from the PMAs).

PROJECTS WHICH SUPPLY THE PMA'S

Alaska Power Administration

Eklunta Project (Bureau of Reclamation).

Snettisham Project (Army Corp. of Engineers).

Southwestern Power Administration

(23 Army Corp. of Engineer projects)

Beaver (Ark.), Blakley Mt. (Ark.), Broken Bow (Ok.), Bull Shoals (Ark.), Clarence Cannon (Mo.), Dardanelle (Ark.) DeGray (Ark.), Dennison (Ok./Tex.), Eufaula (Ok.), Fort Gibson (Ok.), Greer's Ferry (Ark.), H.S. Truman (Mo.), Keystone (Ok.), Narrows (Ark.), Norfolk (Ark.), Ozark (Ark.), Robert S. Kerr (Ok.), Sam Rayburn (Tex.), Stockton (Mo.), Table Rock (Mo.), Tenkiller Terry (Ok.), Webbers Falls (Ok.), and Whitney (Tex.).

Total installed capacity 2,150,350 kilowatts.

Bonneville Power Administration: Appendix A.

Southeastern Power Administration: Appendix B.

Western Area Power Administration: Appendix C.

ROBIN JEWLER,
Legislative Attorney.

APPENDIX A

From Bonneville Power Administration, Annual Report 1984:

Bureau projects: Boise, Columbia Basin, Hungry Horse, Minidoka—Palsades, Yakima.

Corps projects: Albeni Falls, Bonneville, Chief Joseph, Cougar, Detroit—Big Cliff, Dworshak, Green Peter—Foster, Hills Creek, Ice Harbor, John Day, Libby (d), Little Goose, Lookout Point—Dexter, Lost Creek (a), Lower Granite, Lower Monumental, McNary, The Dalles.

APPENDIX B

Information provided by the Office of the Administrator, Southeastern Power Administration:

KERR-PHILPOTT PROJECTS

John H. Kerr, Roanoke, Va-N.C.
Philpott, Roanoke, Va.

GEORGIA-ALABAMA PROJECTS

Allatoona, Alabama, Ga.
Buford, Chattahoochee, Ga.
Clarks Hill, Savannah, Ga.-S.C.
Hartwell, Savannah, Ga.-S.C.
Walter F. George, Chattahoochee, Ga.-Ala.
Millers Ferry, Alabama, Ala.
West Point, Chattahoochee, Ga.-Ala.
R.F. Henry, Alabama, Ala.
Carters, Alabama, Ga.
Richard B. Russell, Savannah, Ga.-S.C.
Center Hill, Cumberland, Tenn.
Dale Hollow, Cumberland, Tenn.
Wolf Creek, Cumberland, Ky.
Old Hickory, Cumberland, Tenn.
Cheatham, Cumberland, Tenn.
Barkley, Cumberland, Ky.
J. Percy Priest, Cumberland, Tenn.
Cordell Hull, Cumberland, Tenn.
Laurel, Cumberland, Ky.
Jim Woodruff, Apalachicola, Ga.-Fla.

APPENDIX C

From Western Area Power Administration, Annual Report 1984:

Billings: Fort Peck, Fort Peck; P-SMBP, Big Bend; P-SMBP, Fort Randall; P-SMBP, Garrison; P-SMBP, Gavins Point; P-SMBP, Oahe; P-SMBP, Canyon Ferry; P-SMBP, Yellowfail; Boulder Canyon, Hoover; Parker-Davis, Davis; Parker-Davis, Parker; Navajo, Navajo.

Loveland-Fort Collins: Colorado-Big Thompson, Big Thompson; Colorado-Big Thompson, Estes; Colorado-Big Thompson, Flatiron; Colorado-Big Thompson, Green Mountain; Colorado-Big Thompson, Marys Lake; Colorado-Big Thompson, Pole Hill; Fryingpan-Arkansas, Mt. Elbert; Kendrick, Alcova; Kendrick, Seminoe; North Platte, Guernsey; P-SMBP, Boysen; P-SMBP, Fremont Canyon; P-SMBP, Glendo; P-SMBP, Kortes; P-SMBP, Medicine Bow; P-SMBP, Yellowtail; P-SMBP, Pilot Butte; Shoshone, Heart Mountain.

Sacramento: Central Valley, Judge F. Carr; Central Valley, Folsom; Central Valley, Keswick; Central Valley, Nimbus; Central Valley, O'Neill; Central Valley, San Luis; Central Valley, Shasta; Central Valley, Spring Creek; Central Valley, Trinity; Central Valley, New Melones.

Salt Lake City: Collbran, Lower Molina; Collbran, Upper Molina; Colorado River Storage, Blue Mesa; Colorado River Storage, Flaming Gorge; Colorado River Storage, Glen Canyon; Colorado River Storage, Morrow Point; Colorado River Storage, Crystal; Provo River, Deer Creek; Seedskadee, Fontenelle; Rio Grande, Elephant Butte; Falcon, Falcon; Armistad, Amistad.

*From *Federal Reclamation and Related Laws Annotated* (R. Pelz ed.

SAVINGS AND LOAN ACCOUNTING ISSUES

HON. GERRY SIKORSKI

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 9, 1986

Mr. SIKORSKI. Mr. Speaker, I wish to call my colleagues' attention to a letter and enclosures I recenlty received from Mr. Harold W. Greenwood, Jr., president of Midwest Federal Savings and Loan Association in Minneapolis, MN, concerning savings and loan accounting issues.

The House Energy and Commerce Committee has held several hearings on these issues. I found the points made by Mr. Greenwood in his letter and by the accompanying enclosures quite interesting. Accordingly, I have placed Mr. Greenwood's letter and enclosures in the RECORD.

I trust that my colleagues will find this information helpful:

MIDWEST FEDERAL,
Minneapolis, MN, March 14, 1986.

Congressman GERRY SIKORSKI,
414 Cannon Building,
Washington, DC.

DEAR CONGRESSMAN SIKORSKI: In response to our recent meeting in your office in Washington, D.C., I am enclosing an article which appeared in the Financial Managers Society magazine, written by a Craig A. Dabroski. Craig has a very prestigious background and the article is very self-explanatory. One point I think that should be straightened out, as it may be helpful to you in your Committee, is that it must be clearly defined that losses for bad loans are not part of RAP accounting. If a bad loan occurs and a loss takes place, that loss is charged against the net worth in earnings of the thrift institution.

When RAP accounting was introduced, I think it was a brilliant move to allow interest rate risk of lending long and borrowing short which was created by the Congress itself in the 1930's. Also, I mentioned to you when I was in your office that the Federal Reserve, Comptroller of the Currency and FDIC are also planning different accounting regulations for certain agricultural loans

and other problem loans. I am enclosing those articles.

The reality of the net worth is really dependent upon the audience and I think that regulators, depositors, investors and other groups as well have their own needs and own formulas for arriving at a preferred version of net worth. And I refer to the insurance companies who use what is referred to statutory accounting principles which took place in the early 1930's and are still in existence with most of the large insurance companies in the United States.

Irregardless of the method used to determine net worth, it only tells you how well you have done in the past but not how well you will do in the future. We must look upon the current net income and earnings of a company, or let's say a thrift, to determine its future ability.

In the banking community the primary capital ratio allows for inclusion of loan loss reserves—thrifts are not allowed to do this. They are not allowed to put their loan loss reserves in the net worth calculation.

In closing I want to commend the Pratt Federal Home Loan Bank Board and also the current Federal Home Loan Bank Board for their wisdom in adopting RAP accounting and also their wisdom for making sure that it was used properly. And I refer to this, the regulation that Chairman Gray introduced, putting a moratorium on using this beyond October 31, 1984.

Please find enclosed an analysis of one of the largest Wall Street firms which stresses using RAP net worth to gauge a financial institution's ability to perform in the market place.

I hope this can be helpful to you and your members of the Committee. Thank you.

Very truly yours,

HAROLD W. GREENWOOD, Jr.,
Chairman and President.

CAN NET WORTH BE REAL?

(By Craig A. Dabroski)

The financial press appears very concerned that the REAL net worth of thrift institutions has decreased so markedly in the last 48 months. Speakers on virtually every accounting and securities industry platform warn thrift institution management teams that they must look not at some inflated net worth figure, but rather should concentrate on REAL net worth.

While the casual observer will read the articles, listen to the speeches, and feel a sense of mission to maintain this REAL networth, the enlightened management teams will also read and listen but will feel only confusion. The enlightened management team realizes that the term REAL worth" has no definition. The term "REAL net net worth" is *real* only in the minds of the writers and the speakers.

Several versions of reality in net worth should be looked at. In order, the versions are (1) RAP (Regulatory Accounting Principles), (2) GAAP (Generally Accepted Accounting Principles) and SuperGAAP, (3) Tangible, (4) Liquidation and (5) Assumed Real.

RAP NET WORTH

Many people scorn RAP net worth as being too liberal in its computation. In fact, it can contain whatever the regulators say it should contain. As the major regulator for federally-insured institutions, the Federal Home Loan Bank Board (FHLBB) has allowed various items to be included in RAP net worth, usually in addition to items allowed under GAAP.

Appraised Equity Capital (AEC) is an excellent example. The FHLBB recognized that many thrift institutions have land and buildings (used for their offices) that have appreciated to far more than their book value. In an attempt to prevent the sometimes "desperation sale" of these facilities, the FHLBB allowed the institutions to include this appreciation on RAP net worth for a three-year period ending in 1985. GAAP allows no such thing. In order to recognize the gain or GAAP, the institution must sell the property and move, or sell the property and lease it back under a very short-term lease.

Deferred losses on the sale of loans and other long-term securities is another example of a RAP accounting technique that is not allowed under GAAP. Under this regulatory accounting procedure, an institution may sell its low- interest-rate loans and securities, defer and amortize the loss over the remaining term of the assets sold, and invest the proceeds in current-rate and shorter-term assets—a potentially smart move in periods of rising rates. However, under GAAP, the loss on the assets sold must be recognized in full at the time of the sale.

Loan fee accounting has been a potential source of GAAP RAP differences for several years. The FHLBB allows fees to be taken into current income, and hence net worth, based on a formula expressed as a dollar amount and a flat percentage of the total loan. The GAAP method, on the other hand, allows the fees as current income based on overall direct underwriting costs of the institution. The two methods can produce markedly different results.

Regulatory certificates can be another source of RAP GAAP differences. They go by various names depending on their time of issuance. There are Income Capital Certificates and Net Worth Certificates. While the FHLBB has, through their power, deemed them includable in RAP net worth (a very handy power), the forces of GAAP and SuperGAAP have, at best, mixed emotions concerning their inclusion in net worth.

As a catchall, the FHLBB has the power to authorize virtually everything and anything as includable RAP net worth. Through FHLBB resolution or through FHLBB regulation, items may become includable on an institution-by-institution basis or for the industry as a whole, respectively.

Do the above differences add to or detract from the reality of the RAP net worth amount? Actually, no. RAP net worth is the REAL measure of net worth to the Federal Home Loan Bank Board when they are considering the viability of an institution. It should also be the REAL measure of net worth to depositors and management when they consider the viability of the institution. However, its reality is lessened when viewed by the GAAP accountants.

GAAP AND SUPERGAAP NET WORTH

By eliminating the effects of those items noted above, the net worth amount can be brought from RAP to GAAP. Net worth under GAAP is viewed with great favor by the public accounting profession, as well as most of the securities industry. The Securities and Exchange Commission (SEC) usually accepts GAAP. The rules for GAAP are extensive, well known, and slow to change. An entire organization, the Financial Accounting Standards Board (FASB), has been established to oversee the body of knowledge and authority known as GAAP.

With this superstructure of rules, rulemakers and rulekeepers, is GAAP net worth the REAL net worth? Not really. As with RAP net worth, the reality of GAAP net worth depends on the audience. To an underwriter of a stock offering, GAAP net worth is the REAL one. To a CPA preparing to opine on financial statements included in a 10-K, GAAP net worth is the REAL one. And typically to the SEC, GAAP net worth is the REAL one.

However, the SEC has the same type of accounting rulemaking power as the FHLBB. If the SEC believes that GAAP, as interpreted or as applied, is not adequate, they can create SuperGAAP. For example, in 1981 and 1982 when thrift mergers became popular, so did the use of purchase accounting under GAAP. By using purchase accounting, an amount of goodwill was sometimes created. The goodwill could be amortized, according to GAAP, over a period not to exceed 40 years. When many such mergers resulted in the maximum (40 year) life for goodwill, the SEC got involved in those cases where the related financial statements appeared in documents filed with the SEC. The SEC said "no" to 40 years and thereby created a form of SuperGAPP. In this case, GAAP was adjusted by the FASB in early 1983 to bring GAAP and SuperGAAP together again.

By being more strict than GAAP, does SuperGAAP therefore create REAL net worth? Once again, not really. It is REAL to the SEC, and, therefore, has very marked effects on the public accountants and the securities industry. A depositor, on the other hand, may still be better served by RAP net worth. A CPA, likewise, may prefer GAAP to SuperGAAP. Management must understand each net worth measurement and plan various actions according to the levels of each.

TANGIBLE NET WORTH

The word "tangible" implies a higher degree of reality. But what does tangible really mean? Usually it means that anything not separately saleable should be excluded. Therefore, "goodwill" and anything similar would not be allowed under this category of net worth. However, this category does not do anything with the underlying value of assets and liabilities which appear on the balance sheet. So while it excludes intangibles such as goodwill, it keeps the historic cost basis for the remaining tangible assets.

LIQUIDATION NET WORTH

Yet another measure of net worth relates to the liquidation value of an institution. This net worth is measured by determining today's sales price of all the assets of an institution and subtracting the amounts it would take today to pay to liquidate all of the institution's liabilities (deposits, borrowings and payables). The difference is a liquidation value of the institution's net worth. Because virtually all institutions have loan and securities portfolios which are worth far less than book value due to the low coupon interest rates of the portfolios, most institutions would have a negative liquidation value net worth.

Is this then the REAL net worth of an institution? You guessed it—probably not. Only if the desire were to determine a loss upon liquidation would this number have meaning and thereby be REAL.

A SIMPLIFIED EXAMPLE

Assume an institution with the following balance sheet:

Loans	$100,000,000
Deferred loan loss	3,000,000
Goodwill	1,000,000
Office land & buildings	2,000,000
Other assets	4,000,000
Total	110,000,000
Savings	84,000,000
Borrowings	10,000,000
Other liabilities	1,000,000
Net worth:	
Retained earnings	4,400,000
Appraised equity capital	600,000
Total	110,000,000

The various net worth measures would be calculated as follows:

RAP Net Worth	$5,000,000
Less:	
Appraised equity capital	−600,000
Deferred loan loss	−3,000,000
Regulatory certificates	None
Loan fee accounting differences	None
GAAP net worth	2,400,000
Less:	
Goodwill	−1,000,000
Other intangibles	None
Tangible net worth	1,400,000
Less:	
Depreciation in loan portfolio	[1] −14,000,000
Plus:	
Appreciation in land and buildings	600,000
Liquidation net worth	−12,000,000

[1] Assumed depreciation in portfolio.

ASSUMED REAL NET WORTH

This term describes the amount an investor believes an institution is worth. It can be calculated by determining the dollar amount of stock sold in a mutual-to-stock conversion and perhaps adding to it some amount of GAAP, RAP, or other measure of net worth before the stock sale. Obviously, it cannot be calculated very often. It is not a perfect measure. Rather, it is the marketplace's best guess, liberally tempered by generous douses of marketing, economic expectations, and various other almost-unrelated happenings. But it is a definite number.

Is the number the REAL net worth? Only to the investing public and only at a point in time.

A proper definition of REAL net worth is, therefore, impossible outside of the context of the user of the information. The regulators, the depositors, the investors, and other groups as well, have their own needs and, therefore, their own formulas for arriving at their own preferred version of net worth. The REALITY of net worth amount is dependent on the audience.

SUBJECT: METHODOLOGY FOR ANALYZING CREDITWORTHINESS OF THRIFT INSTITUTIONS

The purpose of this memorandum is to provide an overview of how the creditworthiness of thrift institutions can be assessed. The analytical methodology described below should enable one to distinguish a weaker thrift from a stronger one as well as to evaluate the likelihood of a thrift being able to remain financially solvent.

Historically, thrifts' operations were fairly homogeneous. Federal regulations strictly limited the type and cost of liabilities that were issued and how assets were invested. The differentiation that did exist among thrifts' financial positions was largely attributable to the economic viability of their market area. The deregulaton of the industry which has occurred over the last few years, however, has given institutions much wider latitude in running their operations. Management expertise has therefore taken on increasing importance, which suggests that the gulf between high performing and weak associations will likely widen.

When judging the financial condition of a thrift, five key areas need to be addressed:

(1) What is the future earnings capability of the thrift? Will the thrift be able to generate sufficient earnings to remain financially viable?

(2) How sensitive are the thrift's earnings to market interest rate movements? Will the thrift be able to weather an adverse interest rate environment? How effective will its asset/liability management plans be in reducing interest rate risk over time?

(3) What is the quality of the thrift's assets? Do current or expected lending/investment practices pose any serious credit risk concerns?

(4) Will the thrift have sufficient cash to meet its obligations? How liquid are its assets and how successful will it be in retaining and attracting funds?

(5) Is the thrift adequately capitalized? Does it have sufficient net worth and off-balance sheet resources to survive a prolonged period of high interest rates? In other words, how much staying power does it have?

By addressing these questions, the financial strength of the institution relative to other thrifts can be determined. More importantly, an evaluation can be made as to whether the institution will be a survivor.

MAJOR REAL ESTATE DEVELOPMENT ACTIVITIES

Like construction lending, this is an area that has high risks. The status of major projects under development should be reviewed.

USE OF TEASER RATES ON ARMS

By qualifying mortgagors at initial rates which are well below market, thrifts may be faced with major credit problems if the mortgagors' future incomes are not sufficient to handle the sharp rise in future loan payments. If the mortgagors cannot meet these higher payments, the thrift is faced with either losses on foreclosures or renegotiated loans at below market rates.

V. ADEQUACY OF CAPITAL

The amount of capital that a thrift has is a major factor in the evaluation of its creditworthiness. Capital provides the ability to withstand losses and thus gives a thrift the time to restructure its balance sheet to reduce interest rate risk. The extent to which a thrift is capitalized is therefore a key indicator of its ability to survive high interest rates during this restructuring period.

When evaluating adequacy of capital, the FHLBB definition of capital (i.e., regulatory net worth) should be used. Regulatory net worth, as opposed to net worth computed under generally accepted accounting principles (GAAP net worth) is a much better indicator of a thrift's staying power. Regulatory net worth, unless GAAP net worth, includes qualifying subordinated debentures and appraised equity capital (i.e., the unrealized value of fixed assets). Moreover, it excludes the effect of any deferred losses on asset sales.

The minimum net worth required by the FHLBB equals the sum of (1) three percent (3%) of average liabilities over the last five years, (2) 20% of scheduled items, and (3) two percent (2%) of any recourse liabilities resulting from the sale of any loans.[1] In addition, this requirement has been recently modified to call for a minimum net worth equal to three percent (3%) of any increase in liabilities after 12/31/83. This modification will gradually eliminate the authority to calculate net worth on a five year average basis.

So long as a thrift has sufficient net worth, barring any serious liquidity or asset quality problems, it should be able to continue operating even if it is recording massive losses. Once net worth falls below the regulatory minimum, however, it may be closed by the regulators unless it can demonstrate the ability to turn its operations around.

[From the Wall Street Journal, Mar. 12, 1986]

REGULATORS TO EASE ACCOUNTING RULES FOR CERTAIN LOANS

(By Monica Langley and Charles F. McCoy)

Federal bank regulators, in a major policy change, moved to ease the financial strains on the nation's banks and troubled borrowers by adopting a controversial plan to encourage banks to restructure problem loans.

The plan, originally designed to help agriculture banks, also will benefit banks with many problem loans, particularly in energy and real estate.

Officials from the Federal Reserve Board, Comptroller of the Currency and Federal Deposit Insurance Corp. told the Senate Banking Committee yesterday that they will carry out a three-pronged policy on problem loans "that will assist basically sound, well-managed banks to weather this transitional period."

The changes allow banks to use a more liberal accounting method for renegotiated problem loans, and they modify reporting and disclosure requirements for restructured debt so that banks aren't penalized for restructuring loans. These two steps apply to all types of problem loans from energy loans to international finance, regulatory officials said.

The regulators also said they would permit bank capital to slip temporarily below prescribed levels. The concession will apply only to agricultural banks, but the regulators indicated that they were considering expanding this "capital forbearance" policy to include banks with significant loans to energy concerns.

Currently, regulators require that banks keep on hand capital equal to 6% of total assets. Yesterday, regulators didn't specify how low they will allow capital requirements to fall, and one official said later there wouldn't be a uniform floor. "It will be determined on a case-by-case basis," the official said.

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[1] Up to three percent (3%) of "qualifying balances" may be used to reduce the amount of net worth required by up to ten percent (10%) of the amount of net worth otherwise required. Qualifying balances are defined as (1) interest bearing liquid assets maturing within one year, (2) 50% of all mortgages on which the interest rate may fluctuate, and (3) fixed rate borrowings other than certificate accounts permitting withdrawal before maturity having a remaining maturity of more than five years.

The moves represent a major departure from past bank regulatory practices and were immediately criticized by several banking experts. They suggested that the changes could open up a Pandora's box for banking policy.

"This kind of approach just doesn't make any sense, from the standpoint of a sound banking system," said Paul Horvitz, a finance professor at the University of Houston and a former FDIC research director. "It is a very dangerous precedent," he asked.

Banking experts fear that permitting banks to operate with below-normal capital not only eliminates an institution's margin for error but promotes reckless practices as well. "When an institution is operating without any capital of its own, it has every reason to take wild risks" in hopes of striking it big and earning its way out of trouble. Mr. Horvitz said: "There's nothing to lose."

That happened to some savings and loan institutions when federal thrift regulators relaxed capital and accountang standards in the early 1980's in an att%-p4 4/ h%,0 t(2)&ts through a period of skyrocketing interest rates. Some of those thrifts used the relaxed rules to engage in high-risk lending and questionable management practices that have since contributed to a string of costly failures.

PRESSURE FOR RELIEF

The three banking agencies agreed to the changes in response to congressional pressure for some relief on farm banks, which have been hurt by a growing number of defaults by farmers. But some energy and real estate lenders also are having difficulties that reflect the decline in oil and real estate prices, and some lawmakers yesterday asked whether these banks, too, would benefit from the new policy of capital forbearance.

"There should be one policy applicable to loans made in depressed areas of the country," said Sen. Phil Gramm (R., Texas). "(Capital) reserves are to be used on a rainy day, and it's raining like hell out there for agricultural and energy lenders."

Comptroller of the Currency Robert Clarke responded: "The regulators should sit down to see if the capital forbearance guidelines should be broader." Congressional and regulatory sources said regulators already are considering whether to ease capital requirements for banks with loans in other troubled sectors of the economy. And bankers will be encouraging the regulators to do so in the next couple weeks, a spokesman for the American Bankers Association said.

The permission for farm banks to operate below minimum capital requirements is conditioned on each bank's capacity to restore capital within five years, the banking agencies said in a joint statement.

But banks with low capital by definition have an abnormally high ratio of liabilities to earning assets and thus typically have serious trouble generating sufficient earnings to replenish capital.

There are about 4,000 farm banks—banks at which farm loans constitute at least 25% of total loans. A source at the office of the Comptroller of the Currency said that about 1,300 of the banks require some form of special supervision because of above-normal problem credits.

Hundreds of farm banks have more problem loans than capital, a condition considered by banking regulators to be a leading indicator of failure. In Iowa, alone, 80 banks have more troubled loans than capital, according to state regulators.

The other two points in the plan announced yesterday will help the financial picture that the banks present to the public. Specifically, the agencies created a classification for restructured loans, which until now have been classified as "nonperforming." They also will accept an accounting practice of giving borrowers easier terms on troubled loans without having to take large write-offs.

TIMING IS ASSAILED

Sen. Alfonse D'Amato (R., N.Y.) criticized the regulators for adopting a policy to help farm banks "after all this pain has already occurred . . . You've done a poor job to wait until now."

In addition, the bank regulators in their joint statement asked Congress to allow troubled banks and small failed banks to be acquired by out-of-state institutions "so as to maintain the banking services in farm communities."

Federal law prohibits acquisitions across state lines of troubled banks before they have failed and of failed banks with assets under $500 million.

Although regulators asserted that they would extend the capital leniency only temporarily and only to "well-managed" institutions that could restore their capital within five years, critics questioned whether they could pull that off.

For one thing, the agriculture and energy sectors face long-term problems that could persist. "Temporarily looking the other way while their capital is chewed up doesn't solve the problem, it only enlarges the ultimate cost," said one New York banking attorney.

SUPPORT OMNIBUS RIVERS LEGISLATION

HON. RICHARD STALLINGS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 9, 1986

Mr. STALLINGS. Mr. Speaker, I want to commend action taken by the House yesterday, April 8, in passing an omnibus rivers bill that will protect five rivers and authorize study of three others including the Henry's Fork, in my State of Idaho, under the Federal Wild and Scenic River System.

This legislation, H.R. 4350, was introduced on March 6 by the subcommittee chairman, Representative Bruce Vento, Democrat of Minnesota. I was the original sponsor of an earlier bill, H.R. 2569, to study the Henry's Fork River in eastern Idaho, which has now been incorporated into the omnibus bill approved by the House.

H.R. 4350 will mandate a study of a 42-mile stretch of the Henry's Fork consisting of the upstream segment of approximately 11 miles from Big Springs downstream to Island Park Reservoir and the lower segment of approximately 31 miles from Island Park Dam downstream to the confluence with Warm River. This study is needed to inventory the spectacular and varied resource values on the river and to recommend future management strategies that will provide adequate protection for these resources. The study process should also recognize existing water rights and uses and ensure that these uses are protected.

In addition to mandating a study of the Henry's Fork, this bill also contains a number of generic amendments to the Wild and Scenic Rivers Act that will allow greater flexibility for the Federal agency in its management of a particular wild and scenic river and its streamside lands.

I believe it is extremely important to note that this is the first omnibus rivers bill in 8 years to enjoy strong bipartisan support in the House. We need to call on our colleagues in the Senate to lend their support to this important piece of legislation.

UPON THE RETIREMENT OF BUN BRAY

HON. CHARLES WHITLEY

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 9, 1986

Mr. WHITLEY. Mr. Speaker, I would like to pay tribute to my good friend and fellow North Carolinian, Mr. Benton Bun Bray, who is also a native of Siler City, NC, and who has had a long and lustrous career in both the executive and legislative branches of Government. He was also executive director of the Federal Managers Association here in Washington.

Bun Bray was feted at a retirement banquet in his honor by the Federal Managers Association, and I would like to insert the tribute to Bun by my good friend and colleague, Hon. MORRIS K. UDALL of Arizona, for the benefit of my colleagues here in the House of Representatives.

TRIBUTE TO BUN BRAY—REMARKS OF REPRESENTATIVE MORRIS K. UDALL, MARCH 6, 1986

Before you all get settled down for my glowing tribute of a man who is a legend in his own mind, let me make an announcement:

Waiters will soon be distributing small plastic cups so that your mandatory urinalysis contribution can be picked up after the dinner at the coat check room. As a consequence of the Gramm-Rudman bill, there will be a slight charge for the cup.

We are gathered here tonight to pay homage to a man who served his government long and hard before the mandatory lie detector tests and drug tests and all the other kind of tests were foisted upon us.

I don't have to go into Bun's life story—anyone who has met him has had to listen to it—but I do want to make a few comments about Bun's contributions to his country, to his organization, and, especially, to all those great Americans who work so hard and so diligently to make this incredibly complex animal called the Federal Government of the United States work.

I first met Bun Bray as a rather raw young freshman Congressman who had won a special election and received an appointment to the House Post Office and Civil Service Committee. An appointment which, I might add, was not my first choice.

But an old timer told me in the cloak room that I shouldn't be disappointed, that I would find the work rewarding and, besides, I could build a new post office in every town in my district.

Well, I have found the work to be interesting and even controversial, and Arizona has

more new post offices per capita than any other state.

Bun Bray was already a power on the Post Office Committee in his capacity as the staff director of the Manpower Subcommittee. His reputation had already been established as a champion of federal worker rights.

Bun's efforts earned the honorary title of "ombudsman of government employees" and "Mr. Manpower". He was instrumental, along with his Chairman, my good friend David Henderson, in focusing attention on misuses of military personnel in civilian positions, excessive contracting out, the revolving door hiring of military officers in blue chip civilian jobs, and a fair wage scale.

Due in no little part to Bun Bray's efforts, the abuses and unfairness of federal employment of the past few decades gave way to making federal service dignified, fair-paying, and with a set of attractive benefits that drew talented first rate people into service of their government.

Yes, the 60's and 70's saw great progress in reducing the old abuses. And Bun was there when you and I needed him.

When Bun left the House Committee in 1972 to begin his stint with the Federal Managers Association, we lost a diligent and tireless worker. Our loss was the Association's gain. And what a gain.

His seemingly inexhaustible energies were turned onto the fledgling organization.

When initially organized, the Federal Managers Association had 41 chapters nationwide with 5,000 members. Today, when Bun takes his leave, there are 160 chapters with more than 20,000 members.

That in itself is quite a tribute.

His knowledge of federal employee matters and his reputation as a fearless advocate of worker rights led several national organizations to urge him to be their president.

I remember that Jules Sugarman, a former key official of the Office of Personnel Management once said, to our honoree, "Bun, you not only know where the skeletons are; you attended most of the funerals."

Bun resisted those tempting offers. His loyalty to the Federal Managers and his dedication to your cause kept him at the helm of the Managers Association from 1972 until the present.

He has been there during the fight for a fair and equitable civil service reform, and during the past five years, during a time when budget cuts and an administration with a harsh view of government employees have been axing away at hard won benefits and working conditions. This concerted effort has led to a drain of talented and dedicated workers away from federal employment to the private sector where the benefits and the opportunities are brighter and safer.

I opened these remarks with some light discussion of drug testing and lie detector tests. But there is a very, very serious side to this matter. I feel it shows a bias by this administration against federal employees. It shows a degree of mistrust and suspicion. And, clearly, it shows a shameful insensitivity to basic civil liberties.

But this assault on public employees doesn't stop with drug testing and lie detectors. As you all know, the effects of the administration's budget policies mean real hardship to current federal employees who are watching helpless as the wage differential grows wider and are worried about a renewed attack on present and future retirement benefits, a change in the high three concept and a tax on annuities.

But that's not all.

While we don't know the full implications of Gramm-Rudman-Hollings until the Supreme Court rules on the lower court decision finding a key element unconstitutional, we all know that the administration is wasting no time in singling our federal workers for an unfair amount of its budget cuts.

And we are hearing more and more about "privatization." If the Reagan administration had its way it would contract out to General Dynamics for a blue water Navy, to Lockheed for an Air Force, and to the Contras for an Army.

It is clear to me, ladies and gentlemen, perhaps more than at any time in the 25 years I have served in the Congress, that the federal employee is undergoing the most serious and sustained attack on basic rights, earnings, and benefits since the Depression.

For the past 30 years or so, Bun Bray has been in a position—either with the Congress or with the Federal Managers Association—to help advance the cause of the federal worker. His methods have been a blend of Southern charm and Yankee toughness.

We will miss him in that he will not be representing you as your Executive Director, but I know, and you know, that as long as Bun Bray can draw a breath, he'll be in the thick of the fight.

And Bun, we wouldn't have it any other way.

So, for all of us on Capitol Hill, and for all your colleagues and many friends, congratulations for a job well done, and as for me, thank you, old friend.

GEM CITY CHAPTER OF SWEET ADELINES

HON. TONY P. HALL

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 9, 1986

Mr. HALL of Ohio. Mr. Speaker, I rise to call attention to one of the great choruses of the world, the Gem City Chapter of Sweet Adelines, Inc. The Gem City chapter is based in the Dayton area, which includes the Third Congressional District.

The Gem City chapter has the distinction of being the only chorus to win more than once the title of International Chorus Champion. In November, the chorus captured the title for the fourth time.

Such an achievement is an outstanding tribute to the singing and dancing talent of the members of the group, as well as to their exceptional dedication.

In addition to singing in competition, the 115-member chorus performs throughout the year for hospitals and charitable organizations in Ohio.

The Gem City chapter was formed in 1970 under the direction of Jean Barford. Since that time, it has scaled the highest heights of acclaim with its dynamic and exciting performances.

The Dayton area is proud of the Gem City chapter and the honor it has reflected on our community.

SOVIET HUMAN RIGHTS ABUSES

HON. BOBBI FIEDLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 9, 1986

Ms. FIEDLER. Mr. Speaker, one of the most important events of a Jewish young adult's life is the joyous event of bar or bat mitzvah. This is the day when he or she is accepted into the adult congregation of the Jewish community.

In late December, Jonathan Steven Rudnick of Palm Springs, CA, went to the Torah for his bar mitzvah. There was another participant in this ceremony, but he was 10,000 miles away. Jonathan also went to the Torah on behalf of 13-year-old Bagrat Prober, who lives in Odessa, U.S.S.R.

Bagrat has no chance of celebrating his own bar mitzvah. The Soviet Union in furtherance of its policy of cultural genocide, prohibits such traditional religious and ethnic observances. Our brothers and sisters there must hide their religious celebrations behind a cloak of secrecy, and live in the fear of punishment for the crime of teaching their religious beliefs to their children.

But through a new program called "twinning" the Soviet Jewish community can have their religious and cultural traditions perpetuated. Twinning is the pairing of a free youngster who is able to celebrate his or her bar or bat mitzvah with a Soviet Jewish adolescent who is unable to do so. The program that Jonathan and Bagrat participated in is coordinated by the Bay Area Council for Soviet Jewry in San Francisco.

I wish to congratulate both Jonathan and Bagrat on this momentous occasion in their lives. My hope is that continued congressional attention to the widespread pattern of Soviet human rights abuses, especially their reprehensible persecution of ethnic and religious minorities, will motivate them to curb these abuses.

SENATOR LAWTON CHILES TO RECEIVE AAHA'S DISTINGUISHED SERVICE AWARD

HON. CLAUDE PEPPER

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 9, 1986

Mr. PEPPER. Mr. Speaker, I would like to call to the attention of my colleagues an event occurring this week which deserves our support—the 14th Annual Spring Conference of the American Association of Homes for the Aging [AAHA].

AAHA is the national representative of over 2,700 nonprofit homes and facilities which provide health care, housing, and community services to more than half a million older persons throughout our Nation. Administrators, other key staff, and trustees of AAHA member facilities have come to the Nation's Capital to participate in a comprehensive educational program, to visit with many of their elected officials, and to gain a Washington perspective on significant Federal initiatives affecting the

delivery of supportive services to older Americans.

On Thursday, April 10, LAWTON CHILES, my distinguished colleague from the State of Florida, is being honored as the recipient of AAHA's Distinguished Service Award in recognition of his leadership and efforts on behalf of America's elderly. Senator CHILES has been a leader in the battle to perserve the Federal Government's commitment to programs which provide vitally needed services to America's older citizens.

The Senator has represented the State of Florida well in over 25 years of public service. He was first elected in 1959 to Florida's Legislature and served in both its chambers. A unique 1,000-mile campaign walk covering the State helped him win election to the U.S. Senate in 1970.

His constituency includes the largest percentage of older Americans in the Nation and he has represented them on the Senate Special Committee on Aging throughout his 15 years in that body. In fact, Senator CHILES has the distinction of being the only Senator to serve both as chairman and ranking minority member of the Aging Committee.

Few, if any, of his Senate colleagues can claim the knowledge and involvement with Government spending as Senator CHILES. He is the ranking Democrat on the Senate Budget Committee, a member of the Appropriations Committee, and a member of the Committee on Government Affairs. He has used this expertise to protect the interests of older Americans in our State and throughout the Nation. During these times of near-hysteric preoccupation with deficit reduction, Senator CHILES remains a rational voice and a major advocate for America's elderly and for the poor.

In recognition of his numerous endeavors to protect the well-being of elderly Americans, AAHA has conferred upon LAWTON CHILES its Distinguished Services Award. I join the association in commending this dedicated public servant.

A TRIBUTE TO JOHN B. PATUZZI

HON. ROBERT J. MRAZEK

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 9, 1986

Mr. MRAZEK. Mr. Speaker, on the evening of May 21 the education community of Carle Place, Long Island, will gather to honor one of its own at the retirement ceremony in honor of John B. Patuzzi.

Mr. Patuzzi, a resident of Jackson Heights, Queens, has served the students and the community of Carle Place for 30 years. However, even his retirement from teaching will not mean the end of his service. As Henry Brooks Adams once wrote, "A teacher affects eternity; he can never tell where his influence stops."

For three decades, Mr. Patuzzi has touched the lives of the Carle Place community with acts of generosity, consideration, and humanity. In 30 years of caring and sharing, he has brought a respect for learning to his young charges. More than this, however, he and his wife Ginette have been friends to those whose lives they have touched.

Mr. Speaker, I am sure that all of my colleagues will join with me in wishing Mr. Patuzzi a long and pleasurable retirement. I congratulate him on an outstanding career in service to the education community in Carle Place and, most importantly, to the hundreds of students who will carry his influence forward.

TRIBUTE TO RAY J. MADDEN

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 9, 1986

Mr. BIAGGI. Mr. Speaker, just over a month ago, a number of my colleagues paid a very special tribute to one of this august body's most distinguished former Members, Ray Madden. The tribute was in honor of Ray's 94th birthday. Unfortunately, I was unable to participate in that salute, but I would like to take this opportunity to associate myself with the tribute to Ray and I would like to add some special thoughts of my own.

From 1943 to 1977 Ray Madden served as an able and admired Member of the House. During 4 of those 34 years, Ray distinguished himself as chairman of the Rules Committee, a post as consuming as it is important. Yet, it is a true testimony to Ray's ability that he performed exemplary work as chairman of the Rules Committee while never allowing his attention to those important matters to diminish his concern for the needs of his constituents. That, my colleagues, is the mark of a Congressman's Congressman.

Ray began his career of public service as a 23-year-old municipal judge, but soon resigned the post to serve in the Army during World War I. Before his election to Congress in 1943, Ray also served as city comptroller of Gary, IN., and treasurer of Lake County, IN.

During his tenure, Ray distinguished himself as a friend of the working man, a fighter for the rights of veterans and a statesman of compassion. He was especially responsive to the problems of the poor, elderly and ill—those who need our help the most.

It pleases me to know that the "Man That Gets Things Done," as Ray once accurately billed himself, is still getting things done. Only now, he is busy enjoying the blessings he earned through many years of public service.

Happy birthday, Ray Madden, and many more to come.

PATRIARCH ATHENAGORAS—MAN OF PEACE

HON. OLYMPIA J. SNOWE

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 9, 1986

Ms. SNOWE. Mr. Speaker, I would like to join with others throughout the Western Hemisphere in honoring the 100th anniversary of the birth of the late Ecumenical Patriarch Athenagoras I of the Greek Orthodox Church. Archbishop Iakovos, primate of the Greek Orthodox Church in the Americas, has declared 1986 as the Athenagorian Year and a year of peace in memory of the accomplishments of this great man of God.

Prior to his enthronement as 262d ecumenical patriarch of Constantinople in 1949, Athenagoras served nobly for 17 years as archbishop of North and South America. In his capacity as archbishop of the Americas, Patriarch Athenagoras oversaw the organization and dramatic growth of Greek Orthodox communities in the Western Hemisphere.

In the years following 1949, Patriarch Athenagoras and Archbishop Iakovos worked together in bringing about a historic reconciliation between the Greek Orthodox and Roman Catholic Churches, the two Sees of Christendom. In 1959, Archbishop Iakovos served as Patriarch Athenagoras' personal emissary to Pope John XXIII. This was the first meeting between the Pope and a Greek Orthodox bishop in 350 years.

Three years later, Archbishop Athenagoras invited Pope Paul VI to meet with him on the Mount of Olives in the Holy Land. During this historic meeting, which took place on January 5 and 6, 1964, the two leaders agreed to end 933 years of mutual excommunication between the Greek Orthodox and Roman Catholic Churches.

Because of his lifelong devotion to God, peace and reconciliation, it is appropriate that we commemorate the 100th anniversary of the birth of Archbishop Athenagoras, and remember his contributions to all Christendom.

INTRODUCTION OF THE BILINGUAL EDUCATION ACT AMENDMENTS

HON. WILLIAM F. GOODLING

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 9, 1986

Mr. GOODLING. Mr. Speaker, I am pleased to be an original sponsor of the Bilingual Education Act Amendments of 1986. This legislation would allow funds available under this act to be used for programs designed to best meet the needs of limited English proficient students. The traditional bilingual education approach would continue to be eligible for funding along with the alternative instructional methods currently being utilized around the country. It is my hope that this legislation will stimulate educators to develop new approaches to educating students for whom English is not their native language.

My primary concern when addressing any piece of education legislation is whether it will lead to increased student performance for a population of students who might otherwise fail to achieve. It is in this spirit that I support these amendments. That is, regardless of the instructional method funded under this legislation, the goals of the Bilingual Education Act are to help students become fluent in English while providing for their continued academic growth. It is not sufficient for one to occur without the other.

During the reauthorization of the Bilingual Education Act in 1984, Congress strengthened the evaluation and research provisions of the act. These features of the program remain critically important as we move toward

a period of greater program diversity. What is being tried? With what populations? How effective are they? As ranking Republican member on the Education and Labor Committee, I will expect the Department of Education to provide guidance and enforcement so that we have the answers to these questions in a timely fashion.

The demographics of our Nation's classrooms are changing rapidly. Increased numbers of students with language difficulties is only one of the challenges facing the schools of this country. Programs such as the Bilingual Education Act symbolize the resolve of Congress to assist schools in providing every student in America with a high quality education.

YOUTH POLICY INSTITUTE 50 MILES CHALLENGE WALK: SORE FEET FOR A GOOD CAUSE

HON. BOB EDGAR

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 9, 1986

Mr. EDGAR. Mr. Speaker, this Saturday, April 12, the Youth Policy Institute is sponsoring a challenge issued from two of our greatest Presidents—Theodore Roosevelt and John F. Kennedy. It is the Fifth Annual Fifty Mile Challenge Walk to help the Youth Policy Institute achieve self-sufficiency as a public service resource for youth and youth-serving organizations around the country.

The Youth Policy Institute is a nonprofit, nonpartisan organization dedicated to providing a unique experience for young people from around the world. The institute combines the dual benefits of hands-on publishing experience, including research, writing and production, with first hand exposure to public policy in Washington.

Established in 1978 under the auspices of the Robert F. Kennedy Memorial, the institute—now independent—has become a stepping stone for many of the brightest, most dedicated young people in the field of public service. Under the direction of David Hackett, over 500 young people have worked at YPI learning the diverse pieces of our national youth policy. The institute publishes three objective and comprehensive journals designed to disseminate information to youth and family serving organizations around the country.

The challenge walk originated in 1908 when President Theodore Roosevelt issued an Excutive order proclaiming that marines should be able to march 50 miles in 20 hours. Fifty-five years later, President John F. Kennedy suggested that marines in his army should be put to the same test.

President Kennedy promised that members of his administration would accompany the marines to demonstrate that his men were as much action as they were talk when it came to physical fitness. Although many of President Kennedy's administration started the walk, only his brother, Attorney General Robert Kennedy, finished the trek.

Five years ago, young people at the Youth Policy Institute decided to take the challenge. Every year since then, a band of enthusiastic challenge walkers has gathered on an early spring morning at Fletcher's Boathouse in Georgetown. From there they set out on the C&O Canal towpath along the scenic Potomac River for Seneca, MD. Around noon, it's about face for the long trek back to Georgetown.

It is an endeavor from which we all could learn, for it illustrates a kind of youthful idealism and spirited voluntarism that some say are missing from today's young people. The challenge walk is a tribute to the spirit of public service, and deserves our endorsement and participation.

Anyone interested in taking the challenge this Saturday, April 12 should call the Youth Policy Institute at 202/635–6087.

STUDY TAX CHANGES CAREFULLY

HON. CARROLL HUBBARD, JR.

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 9, 1986

Mr. HUBBARD. Mr. Speaker, on March 20 I received an excellent letter from my friend and constituent Jimmie J. Ellington, president of Graves County Bank at Wingo, KY, which I would like to share with my colleagues at this time.

Although the House passed its tax reform legislation just before the end of the 1sr session of the 99th Congress, I urge my colleagues to carefully consider Jimmie Ellington's comments that tax changes, while appearing to be harmless, will indeed adversely affect financial institutions and the communities and citizens which they serve.

GRAVES COUNTY BANK,
Wingo, KY, March 20, 1986.

HON. CARROLL HUBBARD, JR.,
Rayburn House Office Building, Washington, DC.

DEAR REPRESENTATIVE HUBBARD: Regarding the tax reform bill, please be aware of the following points if the interest expense deduction to carry tax-exempt investments is lost to the banks:

1. Interest rates on municipal bonds will go up.
2. Cost of building schools and other municipal improvements will go up.
3. This will create pressure to raise costs of all municipal services.
4. There is no savings in this Treasury proposal. Savings to the Federal Government will simply be offset by the additional cost inevitably borne by the local taxpayer.

Please consider these points carefully.

Sincerely,

JIMMIE J. ELLINGTON,
President.

CLASHING RELIGIOUS PERSPECTIVES ON CENTRAL AMERICA

HON. HENRY J. HYDE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 9, 1986

Mr. HYDE. Mr. Speaker, over the last several weeks, Members of Congress have been contacted by opponents of the Reagan administration's Central American policy. Many are dedicated religious and lay leaders affiliated with North American Catholic and Protestant churches. The sincerity of these individuals is unquestionable, but their understanding of what is happening in Central America flies in the face of the harsh reality experienced by some of their religious counterparts in places like El Salvador and Nicaragua.

With that as background, Mr. Speaker, I invite my colleagues' attention to a recent article that appeared in the Hartford Courant. It was written by Lawrence Tracy, a Jesuit educated, U.S. Army colonel now serving in the State Department.

The article follows:

TODAY'S PILGRIMS TO CENTRAL AMERICA FALL PREY TO A DOUBLE STANDARD

(By Lawrence L. Tracy)

There are probably no more sincere and vocal opponents of U.S. policy in Central America than religious and lay leaders of North American Catholic and Protestant churches. Motivated by a belief that their government is following a misguided policy, they oppose military aid to El Salvador and all aid to the anti-Sandinista resistance movement in Nicaragua.

These leaders manifest an almost zealous faith that the Sandinistas and their guerrilla brethren in El Salvador are on the side of Christian virtue.

Today's Christian leaders who criticize government's policy as immoral are following a path trod frequently in history. Some church leaders in the 1930s saw Josef Stalin as a new kind of Christian leader, and Fidel Castro was admired in the 1960s for his "humane revolution."

Idealism and the desire for a more perfect world clouded the judgment of Christian leaders of those times, just as it does today's pilgrims to Central America.

But what do Central American church leaders themselves say about their countries, and about their North American counterparts? A hint of the exasperation, the Catholic Church in El Salvador feels about interference by North American visitors was revealed in a Dec. 8, 1985, editorial in Orientación, the official paper of the Diocese of San Salvador:

"It no longer is so easy to condemn the shipment of arms by the United States, since disarming the Salvardoran army logically furthers a guerrilla triumph. We conclude that this would not be just, given how many times the people have demonstrated their will. This is the truth and we do not understand why other people, entities or persons pretend to decide our future."

Salvadoran church leaders, whose flocks have indeed suffered at the hands of various governments over the years, now see change and improvement and a far different El Salvador than do American religious visitors, who seem to have a romantic sympathy for the guerrilla cause.

In August 1985 the Salvadoran bishops issued a pastoral letter on the political situation. They described the guerrillas as having little popular support in the country, and commented that the guerrillas "resort to violence and sabotage as vital weapons in their struggle, placing themselves in a situation we cannot approve."

The bishops have also gone on record that the arms to carry out this "violence and sabotage" come from Nicaragua. So have the Carter and Reagan administrations, the bipartisan Kissinger Commission and the U.S. Congress.

But we hear not a word from American church leaders who support the Sandinstas about this international outlawry, or of Sandinista abuse of the Nicaraguan people. Guillibly accepting what the *comandantes* tell them, these Christian leaders turn a deaf ear to what moral heroes of the revolution of 1979 say about the betrayal of the Sandinistas.

One of these is Ismael Reyes, formerly director of the Nicaraguan Red Cross, who was eventually driven to exile by the same Sandinistas he helped come to power with his courageous denunication of the Samoza regime. After being forced to flee his country, he wrote: "In the American continent, there is no regime more barbaric and sanguinary, no regime that violates human rights in a manner more persistent and permanent than the Sandinista regime."

Yet the double moral standard of many American church leaders permits them to remain silent when Reyes and others like him speak, but applaud when the Sandinistas proclaim their dedication to Christian virtues. When asked why North American Catholics seem supportive of the Sandinistas, Cardinal Miguel Obando y Bravo, then archbishop, said:

"The first thing that the North American church needs is good information. They receive a lot of information from the (Popular Church) and the Sandinistas—which is the same thing. The government here manipulates all the groups that come . . ."

It is not only the Catholic majority that has been persecuted by the Sandinistas. Evangelicals, Moravians and the tiny Jewish community have felt the sting of the Sandinistas. The chief architect of the manipulation of American religious visitors is Minister of Interior Tomás Borge, a professed Communist. He receives church leaders from the United States in an office adorned with Bibles and crucifixes.

The office where he discharges his day-to-day duties has no such religious artifacts, but pictures of Marx and Lenin. Borge furthers his deception by having his special police arrange "casual encounters" of American visitors with "ordinary" Nicaraguans full of praise for the Sandinistas. A former top aide who left Nicaragua in July, Alvaro Baldizon, says Borge refers to American religious leaders as his "army of useful fools."

That American Christians have frequently contributed to human misery in the recent past in Latin America has been affirmed by Armando Valladares, a Cuban poet imprisoned by Castro in 1960 for writing poetry critical of the revolution. Finally released in 1982, Valladares said Castro used statements of American religious leaders to demoralize his prisoners, and "that was worse for the Christian political prisoners than the beatings or the hunger. Incomprehensibly to us, while we waited for the embrace of solidarity from our brothers in Christ, those who were embraced were our tormentors."

The Sandinistas are manipulating visitors to Nicaragua in the 1980s with the same techniques Castro used in the 1960s. Christians in the United States must ask themselves if they are willing to accept responsibility for "embracing the tormentors" of the Nicaraguan people, and for strengthening the Salvadoran guerrillas by weakening a Salvadoran government that Salvadoran bishops describe as representing the will of the Salvadoran people.

If the experience of Cuba is repeated in Central America, these American pilgrims will bear on their consciences a large share of the blame for the fate that may await fellow Christians in these countries.

WEBSTER GROVES LIONS CLUB: OVER 60 YEARS OF DEDICATION TO THE COMMUNITY

HON. RICHARD A. GEPHARDT

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 9, 1986

Mr. GEPHARDT. Mr. Speaker, it is appropriate at this time to recognize an organization that has given a lot to the St. Louis community. The tireless efforts of the members of the Webster Groves Lions Club will leave a mark on the history of the area.

For over 60 years, the club has donated money for projects locally, statewide, and nationally. The Webster Groves club is one of 37,033 Lions Clubs from around the world. Internationally, the clubs fund a disaster relief and emergency fund program and concentrate on fostering fellowship among people and service to those in need.

Locally, the club has been the driving force behind local scholarship funds and needed additions to Memorial Field, such as a sprinkler system and lights. The club has contributed more than $400,000 to community projects, civic improvements and charitable needs throughout the organization's history.

In this day of fast-paced, highly technological communication, it is refreshing to see commitment and conviction from an organization like the Webster Groves Lions Club. Our community, our State, our Nation, and our world can only benefit from organizations who care enough to do something about the problems we face in the future.

TRIBUTE TO LINCOLN HIGH SCHOOL BASKETBALL TEAM

HON. JOE KOLTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 9, 1986

Mr. KOLTER. Mr. Speaker, today I rise to honor the Lincoln High School basketball team for the achievements it and its individual players have made this season. The team, coached by Al Campman with assistance from varsity coaches Anthony Pietrcollo and Jeffery Meehan, had a record of 25 wins and 5 losses. This was the best record of any basketball team in the history of the school. The team also advanced the farthest it ever has in the Western Regionals, led by brothers Dan and Frank Aloi. Dan, a junior with 1,166 points scored, broke the all-time career scoring record for the school and his own single season scoring record previously held by Darrin Morella with 1,076.

Dan also was named most valuable player in section 11 selected for the first string of the all-section teams, while Frank, a senior, made the second string of the all-conference teams. Senior Paul Fec made first string all-conference, while Nick Carusone received an honorable mention. Although these awards and accomplishment are noteworthy, there is more to the story.

Both the Aloi brothers made the Beaver County All-Academic Team with a 4.0 out of a possible 4.0 grade point average.

As a former high school teacher, I realize more than most, the great tragedy of athletes who go through school totally on their athletic ability. So I want to take this opportunity here before my colleagues in the U.S. House of Representatives to commend the Lincoln High School basketball team for its accomplishments and want to recognize Dan and Frank Aloi for their achievements both on and off the court.

REPRESSION IN ROMANIA

HON. WILLIAM O. LIPINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 9, 1986

Mr. LIPINSKI. Mr. Speaker, I rise to inform my colleagues that there is no religious freedom in Romania today. Romanian citizens can worship only at the great risk of physical harassment and abuse by the Communist authorities. Churches have been torn down for alleged violations of building code laws, pastors have been subject to intimidation—some have disappeared without a trace—and worshippers have been arbitrarily arrested. What is remarkable about the situation in Romania is that the churches are growing. In the face of one the most repressive regimes in Eastern Europe, especially in terms of religious freedoms, more and more Romanians are attending church services. It is testimony to the courage and spiritual yearning of the Romanian people that they are willing to pay such a heavy price.

Mr. Speaker, it is hard for us to understand what it means to be afraid to worship freely. Yet, this is the situation Romanians face. I believe that the United States should use its economic leverage against the systematic repression going on in Romania. A country that so flagrantly violates the religious liberties of its people should not receive most-favored-nation status from our country. The granting of that status implies that the United States looks with favor upon the actions of the Romanian Government. If any signal is given by our country, it should be one that clearly condemns religious repression in Romania.

I would like to include in my statement an excerpt from the February/March 1986 News-Wire of the Slavic Gospel Association that documents specific cases of abuse directed at Christians:

ROMANIAN JUSTICE

On April 19, 1985, Constantin Sfatcu was stopped while driving his pastor's car. A police search revealed a cache of Christian literature and the 33-year-old Baptist was arrested. Although his arrest was obviously prompted by the books found in the car, this literature never figured into Sfactu's trial. In typical fashion, the government ignored the religious angle in order to bring a trumped-up criminal charge against him: attempted murder of a policeman!

The case had to be tried twice because the prosecutor bungled his first presentation so

badly. By the evidence, Sfactu did not even resist arrest, let alone try to kill anyone. The policeman in question had only a small scratch on one hand as "proof" of the alleged assault.

Nonetheless, Sfactu was convicted and sentenced to seven and a half years' imprisonment. His appeal last September was partly successful: the charge was reduced to "violence," for which he received a sentence of four and half years (the maximum is five). He has already been forcibly drugged and beaten by his jailers to the point of physical collapse. How he will fare during the rest of his term is uncertain.

At least Constantin Sfactu's family knows where he is. The families of other Romanian Christian leaders are not always so fortunate—Petru Popescu's family, for instance. This pastor and critic of the government's religious policies survived many interrogations by the secret police. Then, on April 26, 1985, he disappeared from a train station. Is he being held without trial, or was he murdered in secret and thrown in an unmarked grave, no one knows.

Holding believers without charge is a common tactic in Romania. Ilie Neamtu, 49, a construction foreman from a small town near Bucharest, has been detained since July 1, 1985. His wife and seven children have no idea what crime, if any, he might be accused of. They do know that, as an elder in the local Brethren assembly, Neamtu has been conducting unofficial evangelistic meetings for his fellow workers. This is undoubtedly his real "crime" in the eyes of the authorities.

And there are many others whose stories deserve to be told here: Rev. Petru Dugulescu, who was warned by the Securitate that he might have an "accident," and then suffered multiple fractures when an unmarked bus rammed his car; members of the Blaj Baptist Church, whose building was bulldozed into rubble despite official promises to the contrary; and Brethren leader Elisei Rusu, who was arrested, beaten and convicted of handling Christian literature.

NEW GI BILL

HON. G.V. (SONNY) MONTGOMERY

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 9, 1986

Mr. MONTGOMERY. Mr. Speaker, a Vietnam era veteran contacted me recently expressing his strong support for the new GI bill. Dr. J. Clay Smith, Jr., agrees that a meaningful educational assistance program is necessary to attract high quality recruits. Additionally, he stresses the importance of the GI bill to the individual and thus to the Nation.

Dr. Smith's letter is particularly powerful because he speaks from personal experience. He served in the U.S. Army, went to school under the Vietnam era GI bill, and is now a professor of law at Howard University. His is truly a success story and one that will be repeated time and again if the new GI bill is not prematurely terminated, as recommended by the President.

I have alway maintained that the new GI bill will benefit the individuals who go to school under this program as well as the military service. This education benefit was not designed solely as a recruitment and retention tool. The new GI bill is also designed to provide young people with the means to pursue educational opportunities that might otherwise not have been available to them. Congress must not take the administration's proposal to repeal this program seriously. It means too much to our young men and women who elect to serve their country.

I commend Dr. Smith's very articulate letter to my colleagues.

HOWARD UNIVERSITY,
SCHOOL OF LAW,
Washington, DC, March 21, 1986.

Hon. G.V. MONTGOMERY,
Chairman, House Veterans' Affairs Committee, Cannon House Office Building, Washington, DC.

DEAR CONGRESSMAN MONTGOMERY: Please know that I support your stand to preserve G.I. Benefits against the know-nothing budget-cutters in the Office of Management and Budget. See Wilson, Lawmakers Goes To War To Preserve GI Benefits, Wash. Post, March 21, 1986 at A21, col. 1. I find it difficult to reconcile how the Administration can argue for a strong national defense in an era of voluntary services with few incentives to join the military.

I am a Black American, a Republican and Vietnam era United States Army Veteran who benefitted from the G.I. Bill both from an educational point of view and as a property owner. The G.I. Bill has helped many Black Soldiers in the past. Indeed, it has helped many Americans to become educated and productive citizens. It should not be touched by persons who have probably never donned the uniform, or who believe that with high levels of unemployment in the nation that there is no need to offer soldiers G.I. benefits to encourage them to join the service.

Black Americans stand behind their armed forces because our women and men are often disproportionately called to service in the times of national crisis. Therefore, we believe that it is in the national interest that the current G.I. Bill be maintained, and be made a permanent value for all Americans who chose to serve in the various armed forces.

Sincerely,

J. CLAY SMITH, Jr.,
Professor of Law.

BOB GRIESE WINS ANNUAL "JOE THOMAS" AWARD

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 9, 1986

Mr. KEMP. Mr. Speaker, I rise today to recognize the accomplishments of a good friend and former adversary in the pro-football world, Bob Griese. As quarterback of the Miami Dolphins, Bob led his team to three straight Super Bowls before his retirement from football 5 years ago. Bob continues to be active in pro-football through his work as a commentator with NBC–TV. This year, he was named as the recipient of Football News' annual "Joe Thomas" award in recognition of his many outstanding contributions to his sport, his community, and his country. I congratulate Bob on this honor, and commend the following article to the attention of my colleagues as an example of the tremendous example Bob sets as a former pro-football player who serves his community and country.

GRIESE WINS JOE THOMAS AWARD

Former Miami Dolphin star quarterback Bob Griese, now a football color man for NBC-TV, has been named the winner of Football News' annual Joe Thomas Award.

The award is named in memory of the man who is credited with building three NFL teams into Super Bowl contenders, while being recognized as one of the best judges of talent in NFL history. Thomas died in 1983.

Griese, ironically, was one of Thomas' most sigificant acquisitions. Thomas selected him in the Dolphins' 1967 draft over popular Heisman winner Steve Spurrier.

Bob went on to lead the Dolphins to an unprecedented three straight Super Bowls and became one of the greatest quarterbacks in NFL history. He retired five years ago and should soon be named to the Pro Football Hall of Fame.

The Joe Thomas Award goes to Griese for his outstanding performance as an NBC color announcer. Griese, always the thinking man's quarterback, has brought to NBC that same type of class performance. He doesn't overwhelm the viewer with cliches but instead makes pertinent comments that fully explain what's going on. His approach is the direct opposite to those color men with bombastic styles who yell and scream their comments in an irritating fashion.

Joe Thomas over the years was an unsung hero. He never received the publicity he deserved for his accomplishments. Griese is a true disciple.

Bob and his wife, Judy, live in a Miami, Fla., suburb. They have three handsome sons.

Griese is a successful businessman who contributes much of his time to many civic endeavors in the South Florida area.

We salute him as FN's 1985 Joe Thomas Award winner.—Roger Stanton.

IN TRIBUTE TO RUTH AND KARL BECKH

HON. MEL LEVINE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 9, 1986

Mr. LEVINE of California. Mr. Speaker, I rise today to pay tribute to two remarkable people, Ruth and Karl Beckh, on the occasion of their 60th wedding anniversary.

Mr. and Mrs. Beckh have long been two of Richmond, VA leading citizens. They have raised three children, and have been blessed with nine grandchildren and five great grandchildren.

Anyone familiar with the Beckhs knows that they deserve the respect and admiration which their friends and families have for them. Few people have done as much for their family and their community.

A short visit with the Beckhs and their family reveals the love and commitment which forms the nucleus of a strong marriage and devoted family.

Known affectionately as "Big Mama" and "Big Daddy" by their grandchildren and great grandchildren, the Beckhs' home is filled with reminders of what makes them such remarkable people. Karl Beck spends hours fashioning

models, doll houses, and toys for his grandchildren and great grandchildren. The time and care he devotes to these creations makes every visit to their home a treat.

At a time when more than half of the marriages in this country end in divorce, the Beckhs serve as an example to young and old alike that love, patience, and commitment can overcome many of the difficulties which destroy too many marriages.

Mr. Speaker, the Beckhs are an example of many of the things which make our country great. I ask my colleagues to join with me in paying tribute to these two extraordinary people.

NATIONAL HOSPICE MONTH

HON. WILLIS D. GRADISON, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 9, 1986

Mr. GRADISON. Mr. Speaker, today I am introducing a joint resolution to designate the month of November 1986 as National Hospice Month. I am very pleased that my distinguished colleague from California, LEON PANETTA, and over 50 of our colleagues have joined me in sponsoring this resolution.

I have selected the month of November to commemorate hospice—the innovative, comprehensive, compassionate approach to caring for the terminally ill—because November 1, 1986, marks the third anniversary of the hospice Medicare option. The implementation of hospice Medicare benefits has made it possible for hospice care to become a viable alternative to traditional acute care for many Americans. Similar resolutions, which I introduced in 1984 and 1985, received overwhelming bipartisan support and were enacted as Public Law 98-423 and Public Law 99-125 respectively.

This year is particularly important for hospice programs. Earlier this week, the President signed the fiscal year 1986 reconciliation bill, H.R. 3128, which contained a proposal my colleague from California and I had sponsored to remove the hospice Medicare benefit's sunset date of October 1, 1986, and make the benefit permanent.

The new reconciliation law also contains provisions we sponsored that would increase the hospice Medicaid benefit per diem payment levels and make hospice an option under the Medicare Program.

The hospice concept is centered around the belief that the dying are usually better served in the familiar surroundings of their own homes or, if necessary, in a comfortable inpatient facility which allows them to spend their final days in peace and dignity. The critical component of hospice care is the delivery of services by an interdisciplinary team of physicians, nurses, social workers, therapists, clergy, and specially trained volunteers. Over 1,400 programs, utilizing thousands of professionals and trained volunteers, are dedicated to promoting the hospice concept.

This humanitarian method of care has proven to be an excellent way for patients and their families to cope with the immeasurable stress and emotion of terminal illness. While understanding of and support for the hospice concept has grown dramatically in the last few years, there is still a need for public education regarding the benefits of hospice care. It is also appropriate that we recognize the significant contributions made by those involved in the provision of hospice services and in the advancement of the hospice movement.

The public education and recognition programs conducted during National Hospice Month will continue to expand the knowledge of and support for hospice care.

THE 75TH ANNIVERSARY OF IMPERIAL IRRIGATION DISTRICT

HON. DUNCAN HUNTER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 9, 1986

Mr. HUNTER. Mr. Speaker, I rise today to call attention to an important anniversary for the 45th District of California. This year marks the 75th anniversary of the Imperial Irrigation District [IID] in Imperial County. This body has quite literally transformed the desert into a rich, productive agricultural resource.

Blessed with ample sunshine and the relative proximity of the Colorado River, the Imperial Valley was a natural location for farming. But until adequate, dependable supplies of water could be made available, there was little chance of developing this potential resource.

Several pioneers, like Dr. Oliver M. Wozencraft and William P. Blake, recognized the potential for irrigation, but they lacked the resources and technology to bring it to fruition. It was not until 1896, when the California Development Co. was formed by Charles Rockwood, Anthony Heber, and others, when the irrigation of the valley became a possibility. George Chaffey built the first Alamo Canal from the Colorado to Imperial Valley in 1901. In the space of a few months, 1,500 acres were served by the system.

Setbacks plagued these early pioneers and the California Development Co. declared bankruptcy. On July 14, 1911, the people of the Imperial Valley voted to allow the Imperial Irrigation District to acquire the assets of the failed firm. In the space of a few years, the IID had consolidated all the mutual water companies in the area.

In the thirties, construction began on the All American Canal and the Imperial Dam. By 1942, Imperial Valley was receiving water from the Colorado River through these vital waterworks. In the forties, the IID became an electrical utility, thanks to its hydropower capabilities. Major improvements to the power system have come on line in 1953, 1957, 1982, and 1984.

Since then, the IID has moved in to new areas, including nuclear energy and experimental technology such as geothermal power. Thoughout its 75 years of service, the IID has concentrated on conservation and effective management of the area's resources.

I know my colleagues join me in saluting the Imperial Irrigation District and its dedicated, talented employees on this important anniversary. It is indeed fitting that they have chosen the motto "Facing the Future . . . Proud of our Past." It exemplifies what the IID does and what it means to the people of the Imperial Valley.

Mr. Speaker, 1986 is an important year for the Imperial Valley. Its citizens are fortunate to be served by the IID and I am sure that my colleagues share my congratulations to the Imperial Irrigation District for 75 years of service and best wishes for continued success.

1986 SPECIAL OLYMPICS TORCH RELAY

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 9, 1986

Mr. BIAGGI. Mr. Speaker, I am very pleased and proud to introduce a resolution today to authorize the 1986 Special Olympics Torch Relay to be run through the Capitol Grounds.

The Torch Relay, which will be run this spring and again in 1987, is designed to raise funds for the Special Olympics, which was founded in 1968 by Eunice Kennedy Shriver. The Special Olympics provides year-round training and competition in 14 sporting events to any individual age 8 or older who is mentally retarded. The Special Olympics provide a very rewarding experience for more than 1 million athletes in over 20,000 communities in the United States and 50 foreign countries.

The Torch Relay is supported by the International Association of Chiefs of Police and is sponsored by the Armour Food Cos. Logistical support will be provided by the "Good Sam Club," a national network of recreational vehicle owners. As a former police officer, I am particularly proud to note that law enforcement officers from around the country are organizing the intrastate relays.

The District of Columbia run will culminate at opening ceremonies for the District of Columbia Special Olympics Spring Games to be conducted at Gallaudet College on May 30-31. The District Columbia Special Olympics Games will have some 750 athletes competing in five athletic areas: aquatics, track and field, gymnastics, volleyball, and softball.

Mr. Speaker, I am a longtime supporter of the Special Olympics and view the Torch Relay as a very positive way of promoting interest in this very worthwhile endeavor, while also raising much needed funds to ensure that the Special Olympics experience can continue to grow.

At this time, Mr. Speaker, I wish to insert the full text of my resolution:

H. CON. RES. 311

Concurrent resolution to permit the 1986 Special Olympics Torch Relay to be run through the Capitol Grounds

Resolved by the House of Representatives (the Senate concurring),

SECTION 1. RUNNING OF SPECIAL OLYMPICS TORCH RELAY THROUGH CAPITOL GROUNDS.

On May 30, 1986, or on such other date as the Speaker of the House of Representatives and the President pro tempore of the Senate may authorize jointly, the 1986 Special Olympics Torch Relay may be run through the Capitol Grounds as part of the journey of the Special Olympic torch to the

District of Columbia Special Olympics Spring Games to be conducted at Gallaudet College, in the District of Columbia.

SEC. 2. AUTHORITY OF CAPITOL POLICE BOARD.

The Capitol Police Board shall take such action as may be necessary to carry out the first section of this resolution.

BILL TO CLARIFY INTERNATIONAL ASSISTANCE AUTHORITIES OF INTERIOR DEPARTMENT AND ADVISORY COUNCIL ON HISTORIC PRESERVATION

HON. JOHN F. SEIBERLING

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 9, 1986

Mr. SEIBERLING. Mr. Speaker, I am today introducing, along with 21 cosponsors, legislation to clarify and strengthen the authorities of the Secretary of the Interior and the Advisory Council on Historic Preservation to provide technical assistance aimed at promoting the wise use and conservation of natural and cultural resources throughout the world.

The legislation would establish a rational framework in which the international activities of the Interior Department and the Advisory Council on Historic Preservation can be administered. At present, one finds varying degrees of authority among the Department's constituent agencies. For example, the Fish and Wildlife Service as well as the National Park Service derive their mandate to contribute to the conservation of plant and animal species and their habitats abroad from the Endangered Species Act. Both the Fish and Wildlife Service and National Park Service provide technical assistance to the governments of Central America under the Western Hemisphere Convention. The Park Service assists in implementing the World Heritage Convention under the provisions of title IV of the National Historic Preservation Act Amendments of 1980. The Bureau of Land Management responds to requests channeled through the Agency for International Development, but it has no separate authority of its own to provide technical assistance to other countries.

Both the Secretary of the Interior and the Advisory Council on Historic Preservation have expertise within their respective agencies to provide needed technical assistance to other countries, and both already have done so on a limited basis. However, their authority, where it exists at all, is vague, inconsistent and inadequate. As a result, their international assistance is usually provided on an ad hoc, unpredictable basis without established criteria or priorities.

Our legislation would establish a uniform set of guidelines for the Department and the Council. Recent hearings by the Public Lands Subcommittee, of which I am chairman, have convinced me that such uniformity is needed. It will promote better, more integrated policies and programs, consistent with existing United States statutory and treaty obligations and Executive agreements.

ASSISTANCE BENEFITS UNITED STATES

International technical assistance activities aimed at conserving the natural and cultural resources of other countries benefit the United States in many ways. Indeed, we have learned over the past few years that the issues confronting the United States in conservation and resource protection are not limited to our borders. For example, desertification, acid rain, deforestation, groundwater contamination and other environmental problems transcend national boundaries. Many of our so-called "native" songbirds are in danger of extinction because their winter habitats in Central and South America are rapidly being destroyed.

The United States also benefits from international programs that provide us with access to foreign technology and resource management practices that may improve our own. These programs are also a mechanism for the implementation of U.S. foreign policy.

Because science and technology are integral to the development and conservation of natural resources, the technical agencies of the Interior Department have been involved for about 50 years in cooperative efforts with other nations. These cover a wide range of activities, including the identification and assessment of secure sources of critical and strategic minerals and of nonrenewable and renewable energy; preservation of endangered species and their habitats; preservation of natural areas and places of cultural significance; and provision of technical services to foreign countries for water, energy, fish and wildlife and other natural resource conservation and development.

Similarly, although on a very modest scale, the Advisory Council on Historic Preservation has provided professional expertise and coordination among the agencies and private sector groups that are concerned with international preservation. The Advisory Council provides advice to the State Department, coordinates the U.S. participation in the International Center in Rome [ICCROM] and contributes to the preservation of cultural resources through other groups such as US/ICOMOS.

These domestic agencies also perform essential functions in providing the technical and professional services needed for the United States to fulfill its commitments under various statutory and treaty obligations and executive agreements. Included among these are the Convention on International Trade in Threatened and Endangered Species of Wild Flora and Fauna, Convention on Nature Protection and Wildlife Preservation in the Western Hemisphere, migratory bird treaties with Canada, Mexico, Japan, and the U.S.S.R. and the Convention Concerning the Protection of World Cultural and Natural Heritage.

OVERVIEW OF THE BILL

The bill we are introducing today sets out congressional findings that it is in the interest of the United States to encourage and promote programs within domestic Federal agencies such as those administered by the Secretary of the Interior or by the Advisory Council on Historic Preservation, which assist in the wise use and conservation of natural and cultural resources throughout the world. The stated purpose of the bill is to clarify and strengthen the authorities of the Secretary and the Council to provide such assistance.

In consultation with the Secretary of State, and consistent with implementation of statutory and treaty obligations and executive agreements, the Secretary and the Council would be authorized and directed to take six general actions. They would expand their operational coordination with domestic and international organizations and agencies through joint or coordinated technical assistance, research, financial assistance, provision of equipment or facilities, exchange of information, cooperative agreements and other appropriate activities. They would work with other nations to stimulate and promote the wise use and conservation of natural and cultural resources, including the provision of technical assistance and stationing of appropriate personnel. They would continue to assist the Agency for International Development, and other appropriate organizations and institutions, with advice and programs directed at developing countries.

Additionally, they would maintain and develop within their own agencies highly qualified and experienced professionals, scientists and technicians; disseminate information on their international programs; and provide such technical assistance and advice on a reimbursable or nonreimbursable basis as is necessary.

In carrying out these authorities, the Secretary and the Council would insure that they comply with all relevant laws and regulations of the United States. They would be directed to give priority to actions which have long-term environmental benefits and which enhance protection and avoid damage to natural and cultural resources. To be assisted, projects must be environmentally sustainable and contain provisions for continued implementation by the foreign country in which they are carried out.

The bill would also clarify the Secretary's and Council's authorities for implementing the World Heritage Convention, and would direct the preparation and submission of annual reports to the President and the Congress on the activities they have carried out pursuant to the act during the previous fiscal year.

The Comptroller General of the United States would be directed to prepare and transmit to the Congress a report no later then 60 days after the third annual reports of the Secretary and the Council. The Comptroller's report would describe the progress which had been made in coordinating the activities of the Secretary and the Council and an assessment of the effectiveness of their activities.

The terms defined in the bill would be those for "technical assistance," "public and private institutions," "international organization," "Secretary" and "Council."

HELPING TO SOLVE GLOBAL PROBLEMS

In conclusion, Mr. Speaker, this legislation attempts to bring the Interior Department and the Advisory Council on Historic Preservation into the 1980's with regard to global environmental concerns. We have witnessed in recent years a growing commitment by the U.S. Government to enter into agreements aimed at the solution of such serious problems as desertification, destruction of fauna and flora, and air and water pollution. Yet the Interior Department, which employs the largest number of specialists in these and many other subject areas, is constrained from making its most efficient contribution because

of a crazy-quilt—and inadequate—set of authorities.

The increased authority for the Secretary and Council will not require additional funding authority; assistance to other governments or international entities can continue under existing operational authorities on a reimbursable as well as a nonreimbursable basis.

An Environmental and Energy Study Institute Task Force, of which I was a member, issued a report in October 1985 titled "A Congressional Agenda For Improved Resource Management in the Third World: Helping Developing Countries Help Themselves". It called on us to enact new initiatives to strengthen resource management and promote long-term sustainable development in Third World nations.

The legislation we are introducing today does this. It will both contribute to the solution of serious global problems and demonstrate to the world our commitment as a world leader in resource conservation and the provision of international technical assistance.

I urge all Members to support the legislation.

RECOGNITION OF NATIONAL AUCTIONEERS WEEK

HON. JOE KOLTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 9, 1986

Mr. KOLTER. Mr. Speaker, today I rise to mark the observance of National Auctioneers Week, which is April 6 through 11. Auctioneering is one of the fastest and most effective methods of selling personal property and real estate, in addition to being one of the oldest methods of selling. Auctions date back to the time of the ancient Babylonians in the 500 B.C. period, which was followed by the Romans' use of auctions.

In American history, auctions first came into prominence after the Civil War as a method for Army colonels to dispose of war booty. Since that time, auctioneers and the auction profession in general have developed progressive education institutions and an organization to unite auctioneers concerned with the professionalism of auctioneering. In 1949, the National Auctioneers Association was formed through the leadership of a small group of auctioneers. The group's membership has grown steadily, now including more than 6,200 members across the United States, Canada and other foreign nations. NAA members abide by a Code of Ethics that was established to maintain the highest standards of the auction profession and bestow a common responsibility for integrity and honor among auctioneers.

The purpose of National Auctioneers Week is to inform the public of the efforts of NAA to better the auction profession in general by improving the skills of its members. Such is the case with Sherman Hostetter, Jr., one of my constituents in the Fourth District of Pennsylvania. He and his brother Lee will be at Indiana University at Bloomington for the Certified Auctioneers Institute during the week to further their education and skills of auctioneering.

It is an honor to applaud the efforts of NAA and members Sherman Hostetter, Jr. and Lee Hostetter to better the auctioneering profession as I stand here before the U.S. House of Representatives today.

OUR NATION'S LIBRARIES

HON. WILLIAM HILL BONER

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 9, 1986

Mr. BONER of Tennessee. Mr. Speaker, since this is National Library Week, I would like to take this opportunity to express my views on the importance of libraries.

I am very concerned about the President's fiscal year 1987 budget proposals which greatly affect our libraries. Despite the fact that funding for our libraries is such a minute part of the overall budget, the administration is recommending zero funding for the Library Services and Construction Act, and has further recommended a rescission of all fiscal year 1986 library grant funds not already committed or allocated.

Mr. Speaker, libraries have always been a vital component of our educational structure. Not only are they a source of information, but they provide so many services to the disadvantaged—who will be most affected by the President's proposals.

In my hometown of Nashville, the library system provides a daily 18-hour "talking library" broadcast for the blind and physically handicapped through a subcarrier of our public radio station WPLN. Over 300 volunteers read the newspaper—from current events to shopper specials—and books to these people. Our bookmobile provides large print books to homes for our elderly. Also, for the first time this year, our library is charged with the job of preserving the historic documents relating to the founding of our city and will archive all official documents of the city government.

Our libraries provide a worthwhile pastime for youth and the elderly. Nashville has approximately 1,500 homeless people, and each day in the winter, when the library doors open, 30 or 40 of them will be standing in line to enter. They make the libraries their daytime home.

I urge my colleagues to support continued funding for the Library Services and Construction Act and oppose the administration's rescission recommendation.

IN HONOR OF KIT COWDREY

HON. MEL LEVINE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 9, 1986

Mr. LEVINE of California. Mr. Speaker, I rise today in honor of Kit Cowdrey, a well-known writer and community activist, who will be the recipient of the Pacific Palisades Lions Club Community Recognition Award on April 17. This prestigious award is the greatest honor the Lions can bestow upon a non-Lion who deserves to be recognized for his or her outstanding contributions to society and humanitarian pursuits.

Kit is a third generation newspaper person. She began her career in elementary school writing a weekly bulletin and continued writing for school papers, including junior and senior high schools and her 4 years at Case-Western Reserve University, Cleveland, OH, which she attended on a scholarship.

Kit claims to have majored in her "future husband," Frank Cowdrey, and they were married in 1935. Following World War II, Frank was the west coast executive mechanical and sales engineer with Parker-Hannifin Corp. from 1948 to 1976. The company transferred Kit and Frank to Los Angeles in 1948.

The family moved with three children—Barbara, Andrea, and Frank Jr.—to Pacific Palisades in 1953. Kit immediately taught Sunday school and wrote the weekly newsletter of Pacific Palisades Community Methodist Church.

She worked on publicity for the March of Dimes, Brownies, Cub Scouts, Girl Scouts and "for anyone who asked me." In 1954, Kit joined the staff of the Palisadian, the Pacific Palisades first newspaper, as society editor and remained until 1961, when she became a staff writer covering Pacific Palisades, Malibu, and Topanga at the Evening Outlook of Santa Monica.

After only 2 weeks with the Outlook, Kit had the privilege of writing a feature article on the last interview Mrs. Eleanor Roosevelt gave the press, who in 1961 was considered "the most important woman in the world." Other famous people she has featured in articles included Robert Kennedy, Bob Hope, Buckminster Fuller, designer of the geodesic dome, Pulitzer Prize winners Will and Ariel Durant, Debbie Reynolds, Crown Prince Akihfito and Princess Michiko of Japan, Mrs. Nat King Cole, Vivian Vance of "I Love Lucy," President Ford, Bobby Vinton, Larry Hagman, Robert and Betts Rockwell, when he was the star of "Our Miss Brooks," and many more.

Kit feels one of her greatest accomplishments was the inclusion for the first time of her "Owl" newspaper article in the 1964 Christmas Book of the Braille Institute of America given to every blind child requesting it around the world.

Kit has donated her time and talents to public relations work for the American Heart Association, American Cancer Society, Crippled Children's Society, Religion in Media, Santa Monica Bay Auxiliary of the Children's Hospital, CROP Walk, and a founder of AWARE—American Women's Active Return to Education—1984 Summer Olympics, World Games for the Deaf, and others.

After the death of her husband in 1984 Kit was invited to be the staff writer at the Malibu Times. In addition, she continues her reporting and writes a weekly column for the Evening Outlook.

It is an honor to bring Kit's accomplishments to the attention of my colleagues in the U.S. House of Representatives. I ask that the Members of this body join me in saluting this very special American as she receives this prestigious award.

SUPPORT GROWS FOR CREDIT CARD INTEREST RATE CAP

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 9, 1986

Mr. BIAGGI. Mr. Speaker, there is a growing public outcry throughout the country about exorbitant credit card interest rates. There is good reason for this concern. While the rate banks pay to borrow their money from the Federal Reserve has dropped from 14 percent in August 1981 to just 7 percent today, the rate banks charge their credit card customers to use that same money when up during that same period from 17.78 percent to approximately 18.6 percent.

There appears to be only one possible explanation for the rise in credit card interest rates—greed on the part of credit card issuers. A New York Times article awhile back reporting on the discrepancy between the cost of money to banks versus consumers was appropriately headlined, "Big Banks Basking in Profits." My own recent survey showed that of the 10 largest bank card issuers—as reported by the Nilson report—nine reported substantial earnings increases for 1985 over 1984. This certainly should not come as any great surprise, especially since consumers are paying some $6 billion a year in credit card interest rate charges. That is about $2 billion a year more than they would be paying if a bill—H.R. 1197—I have authored to cap credit card rates at lower levels were enacted.

Mr. Speaker, I am very pleased to note that my good friend and distinguished colleague from Illinois, Mr. ANNUNZIO, has scheduled a markup on legislation to cap credit card interest rates for April 15. I want to commend him and his Subcommittee on Consumer Affairs and Coinage, for giving this issue the high priority attention it deserves. Such action clearly demonstrates his longstanding and unwavering concern for the welfare of our Nation's consumers.

Further, Mr. Speaker, I want to point out that due to the serious attention this issue is receiving here in the Congress, more and more States and localities are becoming concerned as well. Consider, for example, that in my own congressional district, the Yonkers (NY) City Council unanimously passed a resolution on March 11, 1986, endorsing my legislation to cap credit card interest rates. I welcome this support and wish to insert in the RECORD for my colleagues' review:

RESOLUTION No. 75-1986

Whereas, millions of American consumers are paying an average of 18.6 percent in interest each year for the use of credit cards, and

Whereas, the interest charged for the use of credit cards is significantly higher than interest charged for any other type of consumer loan including home mortgages, and

Whereas, Congressman Mario Biaggi has introduced legislation in the House of Representatives (H.R. 1197) which would place a national cap on credit card interest rates as has been done in the State of Arkansas, and

Whereas, the legislation introduced by Congressman Mario Biaggi would place the maximum rate for credit card interest at five percentage points above the bank borrowing rate, which under current conditions would mean a rate of 12.5 percent, now

Therefore be it resolved, the Yonkers City Council hereby supports the concept of placing a cap on credit card interest rates as stated in Congressman Biaggi's bill, and

Be it further resolved, the Yonkers City Council requests the New York State Legislature to develop legislation modeled on the Arkansas law for New York, and

Be it further resolved, the Yonkers City Council directs the City Clerk to forward certified copies of this resolution to Congressman Mario Biaggi, Governor Mario Cuomo and the State legislators who represent the City of Yonkers.

U.S. MUST AID DEMOCRATIC FORCES IN NICARAGUA

HON. MICHAEL G. OXLEY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 9, 1986

Mr. OXLEY. Mr. Speaker, today we face a challenge. Are we willing to condone another Communist dictatorship in our hemisphere or are we willing to support the freedom loving, democratic people who are fighting against the Communists in Central America? I believe the choice is clear.

A negotiated solution will not occur in Nicaragua without United States assistance. The Sandinistas are self-proclaimed Marxist-Leninists. I quote Humberto Ortega, the Nicaraguan Minister of Defense: "Marxism-Leninism is the scientific doctrine that guides our revolution, the instrument of analysis of our vanguard to understand the historical process and to create the revolution. Our doctrine is that of Marxism-Leninism." The Sandinistas have exiled Somoza's democratic opponents, such as Adolfo Calero, Arturo Cruz, and Alfonso Robelo, and are entrenching themselves with the full apparatus of a totalitarian state—secret police, a military machine, and block committees. They are armed by the Soviet Union, trained by Cubans and East Germans, and aided by the Libyans. Such a government has never negotiated itself out of power, nor will it—unless the U.S. convinces it to do so.

The political philosophy of the United States is based upon freedom, which allows every man to decide for himself where he wants to live, what he wants to do for a living, where he may travel, and, most importantly, what he thinks. Marxism-Leninism is a totalitarian philosophy where the state decides everything for the individual. The state snuffs out the individual. We cannot turn our backs on a democratic resistance force and condemn that country to tyranny. We must aid the democratic forces and encourage them to fight against communism.

By aiding the Nicaraguan freedom fighters, Congress may well save another country from the clutches of communism. We were unable to help the Hungarians, Czechs, or Poles when they rebelled against tyranny. We can do little for the boat people in Southeast Asia. We could do nothing at all for the Cambodians beset by the Khmer Rouge. In Afghanistan, we can only raise the cost of Communist conquest. We can, however, help Nicaragua become a democratic, pluralistic society. Under the circumstances, the $100 million investment requested by the President is a price we must be willing to pay now to avoid paying a potentially greater cost later—that is, the lives of American servicemen. We can finally do something, and we must not fail in this mission.

Thank you.

BANKING ON ENTERPRISE ZONES

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 9, 1986

Mr. KEMP. Mr. Speaker, the March, 1986 issue of Ozark magazine included a very interesting and timely article about the activities of many States in designating urban and rural enterprise zones. It is long past the time when Congress should have enacted enterprise zones at the Federal level; I commend the following article to the attention of my colleagues and urge swift action on the Kemp-Garcia Enterprise Zone proposal.

[From the March 1986 Ozark Magazine]

BANKING ON ENTERPRISE ZONES

(By Julian Weiss)

Chicago Heights has one, and so does Elkhart, Indiana. St. Louis, Missouri, Duluth, Minnesota, Dayton, Ohio, and scores of other Midwestern cities are also getting on board the enterprise zone train. The question now is whether it is an express to economic growth or a caboose following business along uncertain tracks. The train is out of the station and enterprise zones are crisscrossing both big cities and small town across the region.

"Looking at Midwestern states, there is room for cautious optimism on the zones," says Miles Friedman, director of the National Association of State Development Agencies. "Many of these states have gone past the experimental stage—and done so very quickly. The zones are now an integral part of economic development for much of the Midwest."

Enterprise zones (EZs) are a relatively new idea, and supporters are hopeful that early momentum can feed on itself. "We call them 'competitive zones' in our state," says Patrick Connoy at the Minnesota Department of Energy and Economic Development. "They provide certain areas with competitive features and tax incentives that help create an infrastructure for business."

The zone concept is simple: Target a section of town, a rural county or part of a major city. Grant concessions, tax abatements and other lures, in the expectation that economic growth in this relatively small area will achieve lift-off. Exempt firms located in the area, and others considering moving there, from taxes and labor regulations and *voila!*—these targeted areas can flourish. In April 1982, Missouri became one of the first states in the country to authorize establishment of EZs. "Enterprise zones represent the broadest sets of powers used to start new businesses," says Robert C. Simonds, manager of Missouri's state-sponsored drive. Bob DeHart in Kansas City, Missouri, where an EZ is barely cele-

brating its first birthday, speaks for many: "A zone's direct benefits can be small, but they may tip the scale" by adding a few vital percentage points to a company's profits ledger.

Tracts or enumeration districts must meet certain criteria to qualify as an EZ. But the benefits of having been designated an EZ in most states go beyond tax incentives to include employee training credits and the waiver of burdensome regulations.

Missouri's enterprise zone program, for example, offers more than a tax incentive package. Under its program, the infusion of new business development is accompanied by improved community planning and citizen involvement to build the broad-based community support that business needs to prosper.

Stringent guidelines are used to determine which areas would receive enterprise status. Different states and cities use zones for different objectives. Gene McNary, county executive in St. Louis, explains his area's particular goals. "Our mission is to attract business, and the [enterprise zone] incentives are doing just that," McNary says. In other parts of the country, primarily small and struggling companies in depressed areas are the intended beneficiaries. "It's largely economic development, but the community revitalization aspects aren't overlooked either," says Lawrence Bianchi, executive director of the Streator, Illinois, zone.

The incentives idea—whether an "on-paper" theory or a bottom-line reality—does have its enthusiasts. Entire states are slated to become zones, with Louisiana moving toward the lofty direction. (China watchers learned early in 1985 that China's quasi enterprise zones, the fabled "Special Economic Zones," may one day take in a third of that country's land area!) Kansas allows its cities to proclaim specially mandated sites unless the state itself takes action within sixty days of the declaration. Illinois and other Midwestern states are taking a more modest route, but legislatures are approving an ever-increasing number of sites—and the Midwest topped the 120 mark last year. Only Michigan is taking a wait-and-see attitude.

Many types of businesses are setting up shop in the zones. Venture capital start-ups, heavy industry, light manufacturing and services are relocating or sprouting up at the sites. "When we get calls like the one from the May Company," says Simonds, "and others in retail and distribution, we know the idea's working." May Company recently announced plans for a move to Joplin's zone.

Enterprise zones are a British innovation transplanted to the United States largely through the work of Dr. Stewart Butler at The Heritage Foundation, a conservative think-tank based in Washington, D.C. While Britain originated the concept in 1978, it has taken a few years for action to begin in this country. Legislation sponsoring creation of federally approved zones has floundered in Congress, but nearly half the states are taking their own initiative.

There are zones, and then there are zones. On the international trade side, a proliferation of foreign-trade zones has taken place since the late seventies. These specially designated sites are used to promote American exports by giving tax breaks on customs and levies when goods are reassembled in U.S. territory.

EZs have a domestic mission that is no less dramatic. For years, federal money poured into urban areas in an effort to promote renaissance, and results are mixed. If the enterprise zones idea takes off, it comes at a good time, for those same federal programs are being slashed (and in some cases abandoned).

Leaders such as Simonds speak of an "evolution" in the zone movement. "We started from ground zero three years ago," he says, and today nearly 4,000 direct jobs have been created in ten existing zones. Another 14 are on stream and will greatly increase the almost $140 million for investment in plant and equipment seen in the original ten. Of the 620 new jobs that emerged in Hannilbal during 1985, two-thirds were in enterprise zones. St. Louis alone saw 600-plus jobs, and Kansas City, where a new enterprise zone is slated, hopes to repeat that performance. "We have some real turnaround stories, too," assures Simonds. He insists that the process is happening "uniformly" around the state.

"This is the beginning, and people sense things are picking up," he says.

A comprehensive plan adopted by the state's lawmakers provides for property tax abatements over periods ranging from ten to twenty-five years. Halving the corporate income tax and offering employment credits are another device. There are variations in place throughout the Midwestern region. For example, Indiana provides businesses located in zones with easy credit terms in a revolving fund. According to Diane Lupke, director of the state program, access to tax increment financing funds are available for firms settling on Hoosier sites.

Illinois tries to lure prospective firms with packages extending twenty years. Patrick O'Grady directs the zone program. "our industrial development agency can give up to $100 million in loans," he tells *Ozark*. Here, as elsewhere, what he describes as "modifications" in local zoning and in an assortment of regulations are dangled before companies. "Local support is the key to success," he adds.

Criteria for zones are established by states and cover local poverty levels, unemployment rates and other issues. To determine which cities or counties receive the state-mandated incentive packages, for example, Indiana requires that 25 percent of area residents fall below poverty levels in the last census (1980). "We ask for things like a local crime prevention plan, and a plan for improvements in infrastructure," explains Lupke, director of the state program. Ohio EZs can exist in areas where, among other things, population has declined and unemployment is 50 percent above the national average. Howard Wise in Columbus is the manager of the Buckeye State's Industrial Development program. "They [EZs] are tools that can lower welfare burdens, but they are not treated as a panacea, so our standards are geared in a practical direction," says Wise.

One city manager, who wishes to remain anonymous, is not completely pleased with the standards. "In our state, too many people went out for zone status at the same time," says the city manager. "I think that the standards are probably a little too rigid, or too tight, for some deserving areas to get a zone implemented."

Some observers wonder if competition between rural and urban communities sparks an incentives "war," finding companies packing up to literally move next door. Tony Perry, an administrator of the Kankakee River Valley EZ in Illinois, disagrees. "Community support has been total, even though we represent three towns with three different levels of incentives," Perry says. One car dealership was about to leave one member of the trio for another, but a potentially explosive situation was defused when all three agreed that this kind of movement was inevitable, and that an expanding pie in the River Valley region helped everyone. "That type of cooperation says a lot, really, because that type of business can mean $100,000 or so in local taxes."

There are varieties of EZs, with enough models proliferating over the past few months that custom-tailored sites are being launched. Lawrence Bianchi's zone is unusual because it is not a project sponsored by local or state development agencies. It's supported by some $65,000 in private contributions. In-kind support allows for free space, while the state provides minimal direct support for promotional aspects of the campaign. Bianchi earns the lofty sum of $1 per year from the city. He and a single part-timer guide the effort to transform three-and-a-third square miles of industrial Streator (population fifteen thousand) and its immediate outlying area (population twenty-four thousand). Widespread support from officials at several levels of government will enable the site to expand to eleven-and-a-half square miles.

Established in July 1984, the Streator Area Enterprise Zone, or SAEZ, is "past the point where we're feeling our way, says Bianchi. Not all leads have produced results, but it takes time to gain visibility, asserts Bianchi. He reckons that the SAEZ's locale some ninety miles southwest of Chicago will please prospective firms thinking of new manufacturing sites: the Burlington-Northern passes through town, and Streator is the only spot where Conrail and Santa Fe intersect each other. A new Chrysler-Mitsubishi plant is less than an hour's drive away, and nearby interstates crisscross the region.

With plenty of spots for companies relocating or getting off the ground to choose from, depressed areas are taking another look at previously untapped—or underutilized—local resources, trying to plug them into manufacturing or commercial needs. Bianchi points to one way in which local resources could be tapped. Oglesby Community College is small but has "unique" capabilities in robotics, and it proved itself when General Motors awarded it a $24-million contract in computer-assisted design.

Fort Wayne, Indiana, combined mostly private funds with some government money in order to foster its EZ, which is in fact a 600,000-square foot "incubator." Termed an Enterprise Center, this zone, although less than a year old, established its own venture capital fund.

In Evansville, Hoosiers thought they could sweeten the pie for Zayre Corporation by annexing a large tract of land formally outside city limits and bestowing an EZ title on it. At stake was a $55-million investment, as well as 1,500 new jobs, and Indiana legislators approved a $1.2-million training program for new workers on top of $600,000 in road and drainage improvements. For their part, city leaders pumped nearly $200,000 into infrastructure around the Zayre-dominated EZ.

The company pledges to pay $38,000 a year for ten years as a means of supporting youth employment training, a useful gesture because many targeted young people reside within the enterprise zone. Cooperation came from the building trades council, too, as plans for the new facility were finalized.

When Thief River Falls, Minnesota, lost its largest single employer (a snowmobile firm) five years ago, 1,800 lost their jobs. In a town of 8,500, this was a catastrophe. One of the rescue plans emerging called for an EZ in a 350-acre site that included the old plant that once produced snowmobiles. Lured by a host of incentives, a new firm rose Phoenix-like on the ashes of the old, smaller in scale but with more than 300 on the payrolls. The rest of the deserted manufacturing facility was converted into an industrial mall.

With the EZ movement past the starting gate, most agree that the tangible gains thus far are worthy of future commitments. Tony Perry has strong feelings about incentives. He saw joblessness soar in his highly industrialized area, but more than one thousand jobs were created in twelve months at his zone. Most of what was 3.5 million square feet of vacant industrial space has been absorbed in the River Valley area. "We need some incentives tied to paychecks," Perry says, "incentives that go directly to companies hiring the jobless. Another layer of goodies—federal tax breaks complementing what state and local governments grant business—is needed."

The perception of EZs remains fuzzy, but states like Missouri may join the parade that is leapfrogging Congress, taking bold initiatives on their own. These "Made in the Midwest" solutions can serve the region well.

[Julian Weiss is a freelance writer whose work appears regularly in U.S. and Asian business publications. He has observed operations at enterprise zones, and has written about EZ counterparts in South America, Asia and elsewhere. Weiss received an award in 1985 for a series comparing zones and other incentives.]

TRIBUTE TO VOLUNTEERS OF SWEETWATER UNION HIGH SCHOOL DISTRICT

HON. DUNCAN HUNTER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 9, 1986

Mr. HUNTER. Mr. Speaker, I rise today to honor the volunteers of the Sweetwater Union High School District of Chula Vista, CA. Through their organization and service, they embody the dedication we all seek to the education of our youth.

The Sweetwater Union High School District's Board of Trustees and the Sweetwater Education Association will come together to sponsor the 10th Anniversary Appreciation Tea on April 24, 1986, to honor their volunteers. This event coincides appropriately with National Volunteer Week.

These particular volunteers serve 36,000 students through a program called Project LEAP [Learning-Experience-Achievement-Price]. They are from all walks of life—senior citizens, parents, business, and professional persons, each sharing their own individual talents to better the school system and the students' opportunities and education. The program has even been extended to include adoption of districts by local businesses and organizations.

Mr. Speaker, I know my colleagues join me in congratulating the volunteers, teachers, and administrators involved in Project LEAP. This festive day pays tribute to their concerted and continuous team-effort in helping youth. Because of their contribution, our students are developing their personal and academic potential so that they may act constructively as contributing citizens in our society.

JOSEPH H. KANTER JOGGING AND EXERCISE CENTER

HON. WILLIS D. GRADISON, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 9, 1986

Mr. GRADISON. Mr. Speaker, springtime is here, and those of us who jog down Capitol Hill along the Mall may have noticed a new exercise facility under construction at 4th Street and Independence Avenue SW., adjacent to the National Air and Space Museum at the Smithsonian Institution.

Joseph H. Kanter, a businessman, philanthropist, and fitness enthusiast, has donated a new facility commonly known as a "Parcourse" to the National Park Service, Department of the Interior. It will be officially dedicated on April 23, but already dozens of Members and staff are using the equipment.

Joe Kanter has been jogging for over 40 years, and is about to complete a cumulative total mileage equaling the circumference of the Earth. A long believer that sound minds and bodies go together, he wanted to make this fitness facility available to all Government workers and all Americans. It is being paved for special access to the handicapped, among others.

I urge my colleagues to join in extending our thanks to Joe Kanter for his generous donation to the people of America.

FEDERAL ASSISTED HOUSING PROGRAMS

HON. BILL SCHUETTE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 9, 1986

Mr. SCHUETTE. Mr. Speaker, I take this opportunity to address the subject of Federal assisted housing programs.

In the 10th Congressional District of Michigan, I know how important the Federal commitment to elderly housing has been over recent years. Many low-income and handicapped elderly in mid-Michigan benefit from the section 202 and section 8 housing assistance offered by HUD. In addition, HUD provides low-income and subsidized housing; a majority of the beneficiaries are elderly.

It has been noted that the number of our Nation's frail elderly, those over age 85, will triple over the next 30 years. It is crucial that we provide adequate housing for these seniors, outside institutions. Many seniors do not require institutionalization, but merely need affordable housing and services. However, because of the lack of independent housing settings, families, spouses and guardians are often left with no other alternative but placing the frail elderly into institutions. I cannot stress how devastating this can be to an individual who may only be functionally limited or lonely, and does not need intensive health care or supervision of an institution.

Through our commitment to housing for the elderly, we will encourage independence, self-esteem and stability for millions of Americans.

THE BETTER COMMUNICATIONS FOUNDATION: SERVING THOSE WITH LIMITED VISION, HEARING, AND READING SKILLS

HON. MICHAEL D. BARNES

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 9, 1986

Mr. BARNES. Mr. Speaker, I would like to bring to my colleagues' attention an organization called the Better Communications Foundation of Silver Spring, MD, which is designed to meet the special needs of persons with limited vision, hearing, and reading skills.

In a recent hearing held by the House Select Committee on Aging, Mr. Ralph testified that, according to estimates of the American Optometric Association, approximately 20 million people wear glasses and contact lenses with prescriptions no longer suited to their vision needs. Another 20 million need some type of visual correction but either do not know it or cannot afford it. The Medicare Program and most hospitalization policies do not pay for corrective lenses unless they follow cataract surgery.

Mr. Ralph also stated that the safety of these individuals is jeopardized daily because of the possibility that they might not understand the instructions on consumer product labels and that vision and comprehension often worsen as individuals grow older. With the increase in the median age of our society, it is clear that this group of citizens needs special attention.

The Better Communications Foundation is currently developing and promoting guidelines to make printed and video information easier to read and comprehend for the elderly and other persons with similar needs.

The foundation offers technical assistance in the form of published guidelines and training seminars, free to the general public, particularly those who currently have difficulty seeing, hearing, or understanding information in its present form.

The very successful work of the Better Communications Foundation and of others should be encouraged so that everyone has the opportunity to enjoy the benefits of mainstream society.

A CONGRESSIONAL SALUTE TO CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 9, 1986

Mr. ANDERSON. Mr. Speaker, on April 19, California State University, Dominquez Hills

will be celebrating a truly momentous occasion—its 25th anniversary. It is my distinct honor today to rise and pay tribute to this quality institution and to those who have been affiliated with the university over the years.

The California State College, Dominguez Hills was authorized in 1960 by the State College Board of Trustees, of which I was a proud member at the time. The college served the needs of the South Bay area for 17 years, but in 1977, its name was changed to California State University, Dominguez Hills. Today, as a member of the 19-campus California State University sytsem, California State University, Dominguez Hills offers a quality educational experience to its 7,650 students.

Located just minutes away from downtown Los Angeles and nearby South Bay beaches in one of the Nation's most diverse socioeconomic and cultural communities, California State University, Dominguez Hills offers many of the advantages of a smaller private college while maintaining the low student fees of the California State University system. With an emphasis on quality teaching, this fine institution offers strong programs in professional areas and the liberal arts in a truly caring and supportive atmosphere.

Mr. Speaker, it is with great pride that my wife, Lee, joins me in commending California State University, Dominguez Hills on its Silver anniversary, and I am especially proud to have lent a hand in the creation of this great university. The school has honorably served its students and our community for the past 25 years, and it is our distinct pleasure to recognize California State University, Dominguez Hills for a job well done and to wish the university and all those affiliated with it all the best in the years ahead.

BILINGUAL EDUCATION PROGRAM

HON. BILL LOWERY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 9, 1986

Mr. LOWERY of California. Mr. Speaker, I am taking this opportunity to commend Mr. JEFFORDS for introducing legislation today which would improve the bilingual education program in America. I am also pleased to be sponsoring this important measure.

Mr. Speaker, the Bilingual Education Act of 1968 represents the legislative vehicle through which the Federal Government attempts to meet the unique needs of students with limited proficiency in English. Unfortunately, as amended in 1984, the act requires that 96 percent of Federal funds be allocated to programs which emphasize the transitional approach to bilingual education. Many believe that this approach places too much emphasis on the foreign language and may not be as successful as other innovative programs being experimented at the local level.

The legislation being introduced today would simply remove the 4-percent cap on funding for alternative educational approaches. Mr. Speaker, I support this bill because I believe the local schools are in a far better position than the Federal Government to choose the method of education for their students with limited proficiency in the English language. My district encompasses San Diego which has a substantial Spanish-speaking population. It is vital that the San Diego Unified School District, as well as the other districts across the country, be given the flexibility to select the most suitable bilingual education program for their students.

With funding for this and all other Federal programs limited due to Gramm-Rudman, it is crucial that every taxpayer dollar be spent in the most effective and resourceful manner. I am convinced that passage of this legislation would further the cost-effectiveness of the entire bilingual education program by encouraging new and innovative teaching methods.

Again, I commend Mr. JEFFORDS for this fine bill, and I urge my colleagues to join in this important endeavor.

IN HONOR OF ERNEST LEFF

HON. MEL LEVINE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 9, 1986

Mr. LEVINE of California. Mr. Speaker, I rise today on behalf of Ernest Leff, who on April 19 will receive the prestigious Quality of Life Laurel Award from the United Stroke Foundation.

Ernest Leff is a man who was recognized by President Johnson for his work on behalf of the savings and loan industry and who argued successfully before the U.S. Supreme Court to win a landmark decision benefiting the entire industry.

He is also a man who moved into the forefront of a concerted national effort to create better understanding and awareness of stroke and stroke prevention.

He was instrumental in the development and distribution of a new, concise layman's booklet on stroke and its prevention, titled "Are You the Target for a Killer?" It is being hailed as one of the finest publications of its type.

In addition to his activities on behalf of the United Stroke Foundation, Mr. Leff has always maintained a significant posture in a variety of worthy philanthropic causes.

In the business world, he heads Leff & Jensen, a major law firm specializing in firiancial matters, with offices in Beverly Hills and Costa Mesa, CA, and Washington, DC.

Ernest and Ada, his wife of 31 years, live in Beverly Hills. They have two children, a son Andy, a recent law school graduate and a daughter, Laurel, a journalist specializing in business affairs who lives in Florida with her husband, Jeremy Paul, a professor at the University of Miami Law School.

I trust my colleagues will join me and the United Stroke Foundation in honoring this man of compassion—Ernest Leff.

PLAINS LIONS CLUB CELEBRATES 40TH CHARTER NIGHT

HON. PAUL E. KANJORSKI

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 10, 1986

Mr. KANJORSKI. Mr. Speaker, it is a great pleasure for me to take this opportunity to congratulate the members of the Plains area Lions Club on the 40th anniversary of their charter.

The International Lions Club has established a strong reputation for its good works throughout the years. After 40 years of service, the Plains Lions Club has become an institution, organizing special projects which enrich the Plains community. Under President Joseph Florio, the club helped to establish the Volunteer Ambulance Association and purchased the first ambulance in 1965. Current projects include providing fruit baskets to the elderly and shut-ins of Plains, holding an annual Easter egg hunt, and "Old Home Week," an annual carnival.

The Plains Lions Club was chartered on March 3, 1947. Frank Falchek and William Pierce are two charter members and life members who are still contributing to the club and will be joining in the celebration of the club's 40th Charter Night. These two original members have witnessed the Plains Lions Club grow from a good idea into an active civic organization in the finest spirit of voluntarism.

Mr. Speaker, the 40-year history of the Plains Lions Club attests to the American spirit of community activism. Civic organizations such as the Lions Clubs make the communities of America better places to live.

CONGRESSIONAL TRIBUTE TO JOSEPH C. "JOE" GILL

HON. BILL CHAPPELL, JR.

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 10, 1986

Mr. CHAPPELL. Mr. Speaker, it is with great pride that I call attention today to an individual from my Fourth Congressional District of Florida. A leader who has distinguished himself through a lifetime of upright and contributory involvement in the business and civic mainstream of his community.

Rarely in the history of my service in the Congress, have I had the opportunity to note such a splendid and enviable record of achievement as in the case of the life's work of my constituent and friend Joseph C. "Joe" Gill of Ponte Vedra Beach, FL.

Joe Gill has been a sustaining influence in so many business and philanthropic undertakings during his decades of service that it is almost impossible to cite all his accomplishments.

This tribute will be suitably displayed in the business wing of the Jacksonville Beaches Public Library. This is being done with the knowledge that the record of Joe Gill will serve to inspire future generations to do good work both in business and civic affairs.

Joe Gill, during his long and successful career, accepted only the best in performance from himself, while continually seeking to uplift his fellow man. I would like at this time to enumerate some of the highlights of the works of Joseph C. "Joe" Gill so that all assembled here may share in my pride in these grand accomplishments:

Founder, President and Director, Ocean State Bank;

Senior Vice President and Director, American National Bank;

Founder and Director of the American Federal Savings and Loan Association of Duval County;

Founder and Director, Amelia Island Bank;

Founder and Director, Baymeadows Bank;

Director and Vice-Chairman, Jacksonville Port Authority;

Past President and Director, Jacksonville Beaches Area Chamber of Commerce;

Director of the Gator Bowl Association;

Director, University of Florida Gator Boosters;

Founder and Director, Duval County Taxpayers Association;

Disaster Chairman, American Red Cross during the 1964 Hurricane Dora emergency;

Director and Treasurer of the San José Country Club;

Director, Save-A-Stop, Incorporated;

Treasurer, Director and Member of the Executive Committee, of the Jacksonville Baseball Club which brought Double-A baseball to Jacksonville;

Director and Member of the Executive Committee of the Jacksonville Beaches Area Committee of One Hundred;

Founder, Beaches Area Ladies Golf Association.

Joe Gill was also a moving force in charity drives such as the annual Cancer, Heart Association, Multiple Sclerosis, and other eleemosynary undertakings. He was one of the point men responsible for the completion of the splendid Fletcher High School football stadium, working with the Jaycees in seeing that project through to completion.

Some men in life are takers. Joe Gill is a giver, and we are richer by far by the fact that he walks among us. His record speaks out to all who will view it in the future. It is one that will long stand as a beacon to those who seek the higher path of service to man. For it can be said that Joe Gill is a true pioneer; a man who carved out of a young and new area, monuments to business and public service which have created a history of commerce, and a record of community service, truly enviable as we view it today.

AMERICAN SECURITY THREATENED BY DROP IN OIL PRICES

HON. JAMES R. JONES

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 10, 1986

Mr. JONES of Oklahoma. Mr. Speaker, America is facing today a crisis, the dimensions of which will not be felt immediately outside of a few States, but which will be felt soon enough by all Americans.

American security is threatened by the precipitous drop in the price of oil. As one oilman said recently, an energy war is being waged and we are losing by default. We are stacking oil rigs faster than any peacetime army has ever stacked its rifles, faster than any navy has drydocked its ships, or an air force has cosigned its war planes to the boneyard.

Many of my colleagues will ask, "What is wrong with cheap oil?"

Mr. Speaker, there is nothing wrong with cheap oil when the price is a function of natural market forces, but when it is a function of manipulation of the market by an international cartel, there is a lot wrong with it.

In December, oil was selling for $31 per barrel. This was not a great situation for many oil producers or the economies of oil producing States, but it was one we could live with. We are used to the cyclical nature of the oil industry. Beginning in December, though, the Saudi Arabians began to increase their daily production by 2 million barrels per day, and the price of oil on the world market has plummeted to about $12 per barrel.

The intention of this action by the Saudis was to depress the price of oil, which can be produced a lot cheaper in Saudi Arabia than it can in the United States, thereby increasing the market share which they have lost in recent years.

Mr. Speaker, American oil producers, the majority of whom are small businessmen, are encumbered by a number of disadvantages when competing against the Saudis: their profits are taxed at a rate higher than any other domestic industry; oil in America is more difficult, and therefore more expensive, to obtain; and they do not belong to a cartel, such as OPEC, which can control prices.

It is not profitable for our domestic producers to operate when oil is $12 or $14 per barrel, and if the price remains at this level, many will go out of business, and the United States will lose a large portion of our domestic oil production.

Some people say, "So what? that's free enterprise." Well, for the reasons I mentioned earlier, it is not free enterprise. It's manipulation by cartel. But more important, we are losing an important resource, and becoming more dependent on imported oil. We are going to be forced to rely on foreign sources of oil. We will be forced to rely more heavily on volatile world markets, which have proven themselves to be extemely unstable.

Manipulation of the world market by the Saudis was a leading cause of the so-called energy crisis of the 1970's, and the skyrocketing cost of oil was one of the major causes of the runaway inflation we saw back then.

We cannot afford to increase our dependence on foreign oil, but if we do not take some action to stabilize our domestic petroleum industry, we will inevitably find ourselves at the mercy of the international oil cartel.

In addition to providing security to our country, the oil industry provides jobs to hundreds of thousands of Americans in oil patch States, and the livelihoods of millions of others in oil and gas States depend on oil and gas indirectly. We must remember the human cost of the cartel's manipulation of the oil market.

The administration has shirked its responsibility in providing leadership on this issue. The only thing more unpredictable today than the price of crude oil is the Vice President's position on the price of crude oil. Or, the question of whether the President has a position on the price of crude oil.

I am introducing today a bill which will provide a measure of stability to the domestic oil and gas industry. My bill, the Secure Energy Supply Act of 1986, has seven points aimed at providing incentives for development of domestic energy sources and increasing our ability to compete in the world market while also providing a measure of stability to the domestic energy industry.

The Secure Energy Supply Act will strengthen our security, save hundreds of thousands of jobs, and restore stability to the economies of States which have suffered from the free fall in oil prices over the past 3 months.

SUMMARY OF THE SECURE ENERGY SUPPLY ACT OF 1986 BY CONGRESSMAN JAMES R. JONES

1. *Oil Import Fee.* A fee will be imposed on imports of crude oil and refined petroleum products. The fee will be set at a variable rate, depending on the differential between the worldwide market price and the designated base price. Decline in the world price will automatically increase the amount of the fee. An increase in world price will reduce the amount of the fee, with increases beyond the base price eliminating the fee altogether. The fee will sunset.

2. *Energy Operating Losses.* For every dollar that the removal price of oil is below the windfall profit tax adjusted base price, producers will be allowed to treat such differential as a current operating loss, refundable against previous tax liability. NOLs, given in recognition of current energy losses, will not exceed total windfall taxes previously paid. The carryback period will extend to the date of enactment of the windfall profits tax.

3. *Strategic Petroleum Reserve.* Renewed purchases, reflective of national security goals originally stated for the program, will be undertaken. Purchases will be from domestic stripper well oil. The oil will be purchased at the adjusted base price level established under the Windfall Profits Tax Act. The program will operate only for a short-term, emergency time period. Priority will be given to stripper well oil that will otherwise be shut-in due to declining oil prices.

4. *Repeal Windfall Profit Tax.* Very little windfall profits tax is being collected due to the fact most operators' removal prices are less than established adjusted base price amounts set under the Act. Since virtually no revenue is being collected from producers, the tax will be repealed, thereby avoiding unnecessary filing requirements established under the Act.

5. *Deregulate Natural Gas.* Recent proposed rule changes handed down by the Federal Energy Regulatory Commission wreak havoc on natural gas producers. This is a vivid illustration of the need for total deregulation of natural gas. Market distortions caused by partial regulation cannot be tolerated. Natural gas will be deregulated.

6. *Repeal the Fuel Use Act.* This Act effectively shuts off several efficient uses for natural gas creating inflated utility rates. Both producers and consumers suffer because of this legislation. The Act will be repealed, including sections which forbid the construction of gas-burning electric power plants.

7. *Financial Institution Regulation Reform.* The Act will permit financial institutions to reschedule, stretch out, or mark down energy loans. It will also allow banks to amortize losses from loan restructuring over a number of years rather than forcing the financial institutions to take the loss in the year of restructure.

PINELLAS COUNTY IDENTIFIED AS NATIONAL LEADER IN INNOVATIVE CORRECTIONAL FACILITY CONSTRUCTION

HON. C.W. BILL YOUNG

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 10, 1986

Mr. YOUNG of Florida. Mr. Speaker, the Pinellas County, FL, Board of Commissioners and Sheriff's Department have been recognized by the National Institute of Justice for being a national leader in the development of innovative construction techniques for correctional facilities.

Under the leadership and direction of the Commissioners and Sheriff Gerry Coleman, the county was able to complete construction of a new 192-inmate jail in just 10 months. The county used a prefabricated concrete module technique that proved to be not only the most efficient, but cost-effective method. According to the National Institute of Justice March 1986 Construction Bulletin, "The county commissioners have demonstrated an impressive commitment to improved conditions in Pinellas County jails. * * * The Florida story shows that critical deadlines can be achieved through the use of modern construction methods."

I recommend the National Institute of Justice report to law enforcement and correction officials throughout our Nation. The innovation and efficiency of the Pinellas County Board of Commissioners and Sheriff Coleman in this, and other law enforcement matters, might provide a useful source of information in the effort to solve many of our Nation's criminal justice needs and concerns.

RICHARD CLARKE'S 30 YEARS OF ACHIEVEMENT

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 10, 1986

Mr. RANGEL. Mr. Speaker, 1986 will mark Richard Clarke's 30th year in the business of minority recruiting. During this period, he has been instrumental in finding jobs for thousands of young men and women in engineering, computer science, finance, accounting, law, and human resources. His clients include two-thirds of Fortune's 500 companies, quasi-public agencies, as well as Federal, State, and city governments.

It is a milestone for a small business to have been successfut over a period of 30 years. It is indeed a milestone for a minority business founded in Harlem in 1957, now at Seventh Avenue in New York City, to survive and prosper. Not only has Richard Clarke been responsible for the placement of many young people, he has also provided training and employment for dozens of people on his staff, some of whom have moved on to careers in the field of human resources.

Richard Clarke is also an active civic worker. Not only is he chairman of the board of the Studio Museum in Harlem, he is also a valuable member of the New York State Council on the Arts. He has served as a member of the board of directors of the Freedom National Bank at a critical time in that bank's development. Clarke was, for over a decade, a member of the board of directors for 100 Black Men, an organization made up of New York's most influential black men. Clarke currently serves on the board of directors of Queens City Broadcasting.

Mr. Speaker, Richard Clarke is indeed an outstanding citizen. I congratulate him on his 30 years of outstanding service to his community and his country.

BECAUSE WE CARE

HON. PAUL E. KANJORSKI

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 10, 1986

Mr. KANJORSKI. Mr. Speaker, I am proud to take this opportunity to inform my colleagues in the House of Representatives of a very special day.

Wednesday, April 2, 1986 has been designated Because We Care Day to remember American veterans who are hospitalized in medical facilities throughout the United States. Sponsored by the American Veterans of World War II, Korea, and Vietnam, Because We Care Day honors those men and women who yet bear the emotional and physical scars of serving their country in war. More than a million American veterans enter VA facilities for medical attention each year. Having risked their lives to protect our Nation's freedom, these men and women now face personal struggles of illness, pain, and loneliness.

In my own congressional district in northeastern Pennsylvania, the Wilkes-Barre chapter of AMVETS is encouraging civic, religious and youth groups in the Wilkes-Barre area to plan special activities in honor of the veterans at the Wilkes-Barre VA Medical Center. These volunteers, with the medical facility's regular staff, will work to reach every veteran on a personal basis and let him know that he is remembered and appreciated.

Too often we Americans allow ourselves to forget the enormous contribution our devoted veterans have given to preserving the freedoms and ideals of the United States. Many continue to suffer from physical and emotional injuries sustained during their wartime efforts. By designating the first Wednesday of each April Because We Care Day, AMVETS has provided us all with the opportunity to remember American veterans who have given so much for all of us.

Mr. Speaker, I am proud to be a part of the AMVETS commemoration of our veterans, and I am sure that my colleagues join me in showing our appreciation for those veterans in VA medical centers across the Nation.

ACID RAIN

HON. GERRY SIKORSKI

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 10, 1986

Mr. SIKORSKI. Mr. Speaker, every day more than 176,000 tons of sulfur dioxide and nitrogen oxide—the equivalent of 4,144 fully loaded freight cars—are shot into the skies of North America—every 24 hours. And, the law of gravity still applies: what goes up comes down. And it comes down in the form of acidic rain, snow, sleet, precipitation or dry deposition. It's called acid rain. And it destroys lakes and lungs, forests and farmlands, hunting and fishing, our environment, and our economy.

For too long, those who pollute and those who side with them have said we don't know enough, we need more studies. We know that over 3,000 lakes and 23,000 miles of streams have been acidified. We know that thousands of trees and millions of acres of cropland are at risk. Finally, after over 5,000 studies and reports from the White House Office of Technology and United States and Canadian envoys, it's time to act.

Although some have tried, it's hard to argue with a dead fish.

Today, I'm pleased to introduce the House consensus Acid Deposition Control Act of 1986, H.R. 4567, with my colleagues Congressmen WAXMAN, CONTE, TAUKE, UDALL, BOEHLERT, GREEN, RICHARDSON, JEFFORDS, and others. I stress consensus because this bill, like no other bill in the history of acid rain legislation, has a solid and aggressive, bipartisan, geographically broad base of support. It's the first bill ever to bring together the interests of the West and the Midwest, the South and the East under one legislative umbrella. It's the first bill ever to mesh solid environmental policy with job protection, cost-efficiency, and flexibility.

This bill has five major components:

First, reduces sulfur dioxide and nitrogen oxide annual emissions by 14 million tons by 1997.

Ten million tons are sulfur dioxide emission reductions achieved in a two-stage process: 5 million tons by 1993 with States meeting an averaged emissions rate of 2 lbs/mbtu for utility emissions, and 5 million tons by 1997 with States meeting an averaged emissions rate of 1.2 lbs/mbtu for utility emissions.

Four million tons are nitrogen oxide emission reductions achieved by 1997 by tight controls on autos and trucks, tighter NSPS for new utilities and a 0.6 statewide nitrogen oxide emission average in effect by 1997.

Second, the Governors of affected States have full discretion in achieving the sulfur dioxide and nitrogen oxide emission reductions, with States using any mix of emission reduction strategies available.

Third, an interest subsidy would be available to ensure that residential ratepayers do not have more than a 10-percent increase in utility rates as a result of utilizing acid rain control technology. That fund will be administered by the EPA and financed by an electricity user fee, not to exceed one-half mil, not more than

25–50 cents for an average residential customer.

Fourth, emissions from industrial processes will be inventoried and, if technologically and economically feasible, reductions will be mandated by 1997. Smelters must comply with the Clean Air Act by 1988 and further extensions for noncompliance will not be granted. The Mexican smelter, Nacozari, will likewise be addressed.

Fifth, there will be a 1993 midterm report on acid deposition. Phase II will follow unless congressional action arrests it.

The introduction of our bill and the coalition embracing it are testimony that we no longer have to choose between the high life and a good life. We do not have to choose between heating our homes, lighting our streets, driving our cars, and breathing clean air. We do not have to sacrifice our needs and our comforts so that our children and our grandchildren will have clean lakes, green forests, and fresh air.

Without a doubt, this acid rain train is leaving the station. All of us on board can be proud of the success we've had in building our coalition, stoking the fire, and creating the momentum. You can be sure that this train will reach its final destination.

BAN THE BOND

HON. BRIAN J. DONNELLY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 10, 1986

Mr. DONNELLY. Mr. Speaker, those of us involved in drafting the tax reform bill will recognize the phenomenon described in the article from the New Republic I am today submitting to the RECORD.

The explosive growth in the volume of municipal bonds, from $14 billion in 1971 to $198 billion in 1985, costs the Treasury $27 billion annually. Only $12 billion goes to traditional public purpose bonds. H.R. 3838 does not affect such traditional public purpose bonds, and places only very limited restrictions on other bonds. Yet Congress is besieged by organized groups making dire predictions of disaster for every city, town, and taxpayer if tax reform goes forward.

I urge my colleagues to closely scrutinize those claims, and who is making them. According to this article, most municipal bondholders have incomes over $280,000 a year. It is clearly not the average taxpayer who would be affected by changes in tax treatment of municipal bonds. It is the wealthiest taxpayer in America, and those who make money from the sale of municipal bonds, bond lawyers and investment bankers, who are mounting this campaign against tax reform. True tax reform must curb the growth of the municipal bond market. I hope we can recognize the self-serving cries of alarm from those who have a financial stake in the municipal bond market, and resist them. The vast majority of taxpayers deserve no less.

BAN THE BOND

The municipal bond market took one look at Senator Bob Packwood's version of tax reform, gasped, reeled, and collapsed. Two sentences in the 250-page document proposed to make all municipal bond interest subject to the so-called "alternative minimum tax." The Senate Finance Committee took the reaction to mean that their chairman had erred, and hastily voted, 19 to zero (Packwood included), that he didn't really mean it. I took the market's tizzy last month as dramatic evidence of who really benefits from municipal bonds. After all, the alternative minimum tax affects only high-income people with lots of loopholes. Most municipal bondholders (that's right, most) have incomes over $280,000 a year and average holdings of half a million dollars—in municipal bonds alone.

Some scandals are protected by secrecy, but some are protected far better by a thick wall of complexity and tedium. Just about the only people who trouble to penetrate the mysteries of municipal bonds are those who profit from them. The trade association of municipal bond investment banks is spending more than a million dollars a year fighting against tax reform. It has hired a four-star list of Democratic and Republican infuence-peddlers. This is extraordinarily selfless if, as the industry's propaganda suggests, the sole beneficiaries of current arrangements are poor people and struggling local governments.

The point of municipal bonds is to save money for local governments because tax-exempt bonds can be sold at a lower interest rate. Of course, the federal government loses tax revenues, and common sense says that people will buy the bonds only if they save more in taxes than they give up in lower interest rates. And in fact, studies confirm the obvious. According to President Reagan's tax-reform plan of last May, "The revenue loss to the Federal government is approximately 33–50 percent higher than the benefits received by the borrower."

This would be idiotic enough. But a couple of decades ago clever lawyers and bankers started inventing ways for local governments to act essentially as "fronts" for private borrowing. First came "industrial revenue bonds," used to supply tax-exempt financing for factory and commercial construction. Cities and states use IRBs in attempts to steal business from one another—a perfectly futile zero-sum game financed by the feds. There soon followed tax-free bonds to finance rental apartments, single-family homes, student loans, and a variety of other amiable endeavors.

As a result of these creative new techniques, the issuance of new municipal bonds has exploded from $14 billion in 1971 to $198 billion last year. The congressional Joint Tax Committee figures that tax-free bonds are costing the federal treasury over $27 billion a year. Only $12 billion of that is for traditional "public purpose" bonds to finance such things as roads and sewers. The rest is for "private purpose" bonds of the sort invented in recent years.

A typical absurdity is the so-called "mortgage revenue bond," invented in the late 1970s. The city or state floats a tax-free bond and uses the money to supply low-interest mortgages for home buyers. A 1983 General Accounting Office study concluded that the average beneficiary got a subsidy worth $3,400, at a cost to the federal government of $13,300. In total, during the previous two years, the federal government had lost $2.6 billion in revenue while supplying only $600 million in credit subsidies to home buyers. And over half these home buyers had above-average incomes. In the case of rental-housing bonds, the main beneficiaries are rich real estate developers.

Floating municipal bonds is a lucrative business: about three percent of the take, or six billion dollars last year. It would be illegal, of course, to simply bribe city officials for this business. But it is not illegal to hire them. (Remember TRB's law of scandal: the scandal isn't what's illegal, it's what's legal.) Former New York City Council president Carol Bellamy is now a vice president at Morgan Stanley. A lifelong pol, what could she possibly know about investment banking? The question, though, isn't what she knows but who she knows in city and state governments. Likewise Ivanhoe Donaldson, former deputy mayor of D.C. He recently pleaded guilty of outright graft. But if he'd been slightly less greedy, he would still be leading a lucrative life as a vice president of E.F. Hutton. Walter Mondale's former campaign manager, Jim Johnson, is now a vice president of Shearson Lehman Brothers—valued, it's said, for his political contacts among Democratic governors.

Campaign contributions are also not illegal. The *Los Angeles Herald Examiner* reported in February that Mayor Tom Bradley had raised $100,000 for his governor's race from the "New York Bradley Roundtable," composed largely of firms that had handled $2.5 million in Los Angeles municipal bonds.

When a racket gets completely out of hand like this, reform efforts usually take the form of curbing "abuses." In recent years Congress has tried capping the amount of nongovernment bonds any jurisdiction can offer; forbidding the use of tax-free bonds for specific businesses such as suntan parlors; and writing formulas to direct the benefit of housing bonds toward low-income people. Each of these reforms has made the law more complex, further enriching the lawyers who maneuver around them (often taking the precaution of lobbying loopholes into the reforms before they're enacted). No reform has slowed the hemorrhaging of federal tax revenues, and none has addressed the reality that the whole system is an abuse.

Reagan's tax-reform proposal would have cut through all the talk of "abuses" by simply forbidding future tax-free bonds for nongovernment purposes. The House tax bill returns us to the world of "caps" and complex formulas. Reagan's proposal would save the government an estimated $17 billion over five years, the House bill barely three billion dollars.

Municipal bonds are a paradigm of the central flaw in pluralist democracy. On one side of the debate is a rich variety of narrow interests that have bought into current arrangements. On the other side, protecting the general interest, is a wan brigade of green-eyeshade types, we unhappy few, ineffectually waving our pocket calculators and whining about revenue loss. Not surprisingly, the prospect is for further "compromise" in the Senate.

POLICE SUPPORT REASONABLE GUN CONTROL LAWS

HON. ROBERT A. BORSKI

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 10, 1986

Mr. BORSKI. Mr. Speaker, I rise in strong opposition to the McClure-Volkmer bill and urge my colleagues to join me in defeating this anti-law enforcement legislation.

I support the efforts of Congressman WILLIAM HUGHES and the Judiciary Committee to develop a compromise bill, H.R. 4332, which represents a bipartisan, balanced, and reasonable effort to strengthen the 1968 Gun Control Act and relieve sportsmen and dealers of excessive burdens without compromising the safety of law enforcement officers.

Despite what the NRA claims, the Judiciary bill has nothing to do with the right of hunters or law-abiding citizens to bear arms. What we're talking about is criminals and convicted murderers getting a hold of concealable weapons that kill innocent citizens and police officers. Unfortunately, the strong-arm tactics of the NRA have undermined the efforts of Congress to aid law enforcement in a responsible manner.

Every law enforcement group in the country opposes McClure-Volkmer. The job of police officers is difficult enough without approving a bill that they clearly view as life threatening. There is little Congress can do to help law enforcement; but it can vote against weakening necessary and effective gun control laws.

The changes offered by McClure-Volkmer pose an immediate and unwarranted threat to the law enforcement community. Police officers are particularly concerned about easing recordkeeping and licensing requirements because the changes mandated by McClure-Volkmer would make it harder to trace weapons and would undercut State and local laws. McClure-Volkmer will make it easier for criminals to do their work and harder for police to do theirs.

Just 10 days ago, the Philadelphia Police Department and the people of Philadelphia were hit with a glaring reminder of why tough gun control laws are needed. Sgt. Ralph Galdi, a 20-year veteran of the Philadelphia police force, was fatally struck down by a convicted felon with a .357 magnum handgun.

Galdi and his partner had been driving back to headquarters when they came upon a car whose driver had caused a series of automobile accidents in a crowded Philadelphia commerical neighborhood. When the driver attempted to flee, Galdi jumped out of his car and apprehended the man. As Galdi was about to frisk the suspect, the man turned and shot him twice in the chest and abdomen. Sergeant Galdi died on a hospital operating table after surgeons battled for more than 2 hours to save his life.

The man charged with firing the shots that killed Sergeant Galdi, Pedro Vega, was a fugitive with a pending bench warrant for his arrest issued in June 1985 after he failed to appear in court on drug charges. Previously, Vega had been prosecuted in New Jersey on two separate charges of receiving stolen cars and was sentenced to 1 year in jail and 3 year's probation.

If there had been a background check when Vega bought his gun, Sergeant Galdi would be alive today. Instead, a dedicated 20-year veteran of the Philadelphia police force is dead today because our laws did not protect him.

The violent handgun death of Sergeant Galdi illustrates the urgent need for stronger laws to protect our police and citizens. In fact, Philadelphia Police Commissioner Kevin Tucker called for stiffer standards for gun permits to reduce the danger of citizens being hurt when large numbers of weapons are easily available. In Pennsylvania, once a permit is issued, the license holder has the right to carry any type and number of weapons. Commissioner Tucker is concerned that rather than being used to stop crime, the weapons would end up being used improperly or lead to shootings injuring or killing innocent people.

This is not the time to weaken handgun sales restrictions. Passage of the McClure-Volkmer bill permitting interstate sales of handguns poses a serious threat to law-abiding citizens and to law enforcement officers by making it easier for criminals to obtain handguns, by loosening gun dealer record-keeping requirements and by making it almost impossible to verify the legality of sales involving out-of-State residents.

The McClure-Volkmer bill completely guts the only handgun law we have, and allows the interstate sale of handguns without any restrictions, regulations, or background checks. That means that convicted murderers back out on our streets will have even easier access to guns than they have now.

Today's vote is really very simple: you're either for police officers and law-abiding citizens or you are against them.

NATIONAL LIBRARY WEEK

HON. PETER H. KOSTMAYER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 9, 1986

Mr. KOSTMAYER. Mr. Speaker, this week many of us met with librarians and concerned citizens from our districts who came to Washington for the 20th annual observance of National Library Week. Our visitors had many success stories to tell us, and I join them in celebrating the tremendous contributions libraries have made in our communities.

The message which my constituents brought to Washington, however, was not an altogether happy one. Our libraries, the main source of information and self-education for the majority of Americans, are facing a very serious threat to their futures.

The administration's budget for fiscal year 1987 represents a broad assault on our Nation's libraries. Virtually every major Federal library program faces elimination, and others are threatened with deep cuts.

The administration has once again proposed eliminating all funding for the Library Services and Construction Act [LSCA], as well as rescission of all fiscal year 1986 library grant funds. LSCA is the main source of Federal funding for libraries.

The Federal Government can be proud of its past role in improving our public libraries. Through LSCA library services have been extended to countless citizens who would otherwise be deprived of these rich resources because of physical handicap, literacy level, age, limited proficiency in speaking English, or residence in an outlying area. The Department of Education has estimated that 94 percent of all public libraries have received at least benefits from title I of LSCA.

In my own district, the Eighth District of Pennsylvania, LSCA grants have played an integral role in the development of our libraries. In the past 5 years the Bucks County free library system has received 11 LSCA grants totaling $238,548. These funds were used for many important projects to improve services and purchase new materials. A title I grant enabled the Pennswood Branch Library to buy books, periodicals, and audiovisual materials for and about handicapped and exceptional individuals. Another title I grant was used by the Free Library of New Hope and Solebury to install microcomputers for local small business owners to use. Title III funds enabled the county library system to share bibliographic and computer informational system.

The Bucks County Free Library has applied for a number of LSCA grants for 1986–87, including an application for construction funds. The library headquarters and the main library for the central county are housed in a building about the size of my office in the Cannon Building. I am sure that I do not need to explain to my colleagues or their staffs how important it is to move the library from these cramped quarters. Federal assistance is desperately needed for this construction project, not only as a funding base, but also to generate State matching funds and private contributions.

The elimination of LSCA grants, or drastic cuts in the program, would have a devastating effect on libraries across the Nation. In addition, the administration has proposed recission of funds for library training and research, and elimination of the postal "revenue foregone" subsidy for free mail for the blind and reduced rates for local newspapers, libraries and schools, and for charitable and nonprofit groups. Severe cuts in the budget for the Library of Congress will also affect local libraries, which depend upon the Library of Congress comprehensive catologing data.

These cuts are particularly damaging because the cost of maintaining a library has increased dramatically. Since 1967 the cost of printed materials has risen faster than the Consumer Price Index. The cost of the average U.S. periodical rose by 8.6 percent in 1985, well over twice the CPI of 3.8 percent. New computer technology which has increased information access for library users has also increased library expenses tremendously.

Mr. Speaker, in times of budget constraints, many people look upon libraries as a luxury. At a time when 1 out of 5 people, or 60 million Americans, are unable to read well enough to function in society, I firmly believe that libraries are a necessity. It would be criminally negligent to end Federal support for library construction and literacy programs. I look forward to working with my colleagues to preserve these vital programs.

A DEDICATED PUBLIC EMPLOYEE: RUTH A LOBIEN HONORED

HON. PAUL E. KANJORSKI

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 10, 1986

Mr. KANJORSKI. Mr. Speaker, it is my pleasure to draw your attention to the faithful service Ms. Ruth A. Lobien has given to Carbon County, PA, for the past 40 years.

A lifelong resident of Jim Thorpe, PA, Ms. Lobien graduated from Mauch Chunk High School and the Allentown School of Business. She was originally hired on January 10, 1946, by the recorder of deeds office, where she worked for 2 years. She then transferred to the commissioner's office and served the Carbon County Commissioners for the next 12 years. She has been working in the controller's office since 1960 and currently holds the position of chief accountant.

According to Carbon County Controller John R. Williams, Sr.,

Ms. Lobien can be counted on to put in the hours when the work needs to be done. She has been a faithful and dedicated employee of the county for the past 40 years.

As the longest-serving employee of Carbon County, Ms. Lobien was honored with a testimonial luncheon on the 40th anniversary of her employment.

Mr. Speaker, the success of every level of our American government depends upon the hard work of dedicated employees like Ruth Lobien. We are indeed fortunate to have individuals committed to public service, and it is my great pleasure to take this opportunity to recognize Ms. Lobien's lifetime of service.

IN SUPPORT OF THE ACID DEPOSITION CONTROL ACT OF 1986

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 10, 1986

Mr. FLORIO. Mr. Speaker, I am pleased to join my colleagues in cosponsoring the Acid Deposition Control Act of 1986 in an effort to combat the damage that acid rain is wreaking on our Nation's streams, lakes, rivers, and forests. I would like to especially commend the initiative taken by my colleague. Congressman HENRY WAXMAN, in introducing this legislation and in moving forward to address this key environmental concern.

As chairman of the House Subcommittee on Commerce, Transportation and Tourism and as a member of the Subcommittee on Health and the Environment, I have followed closely the debate on implementing and financing a national acid rain control program. One of the most important environmental issues that has caused tremendous debate is acid rain. Acid rain, however, is a national problem that must be resolved by reaching a national consensus.

Ten years ago, acid rain was a problem for scientists and theorists. There is now no doubt that acid rain has damaged our environment. Estimates indicate that over 18 percent of the lakes and 21 percent of the stream miles in the Eastern United States have been irrevocably altered and that another 37 percent of the lakes and 21 percent of the streams are at risk of permanent change. Our Nation's 9,000 lakes and 50,000 miles of streams are at stake because of higher sulfur-dioxide and nitrogen-oxide emissions. The threat of acid rain is also quickly spreading to the Western States.

For a number of years, the Environmental Protection Agency [EPA] has been content to simply research the problem without putting forth any solutions. The more we delay by leaving acid rain indefinitely under EPA's microscopes, the worse consequences will become.

I was pleased to see some movement in this area on the part of the administration through the $5 million clean coal demonstration program that has been proposed. However, this demonstration program will not be directly used to reduce emissions but rather to research methods of reduction. Emission reduction will simply be a byproduct of this lengthy process.

We have the evidence and sufficient research to prove that high SO_2 **and NO emissions have already caused irreparable damage to our Nation's environmental resources. We must now take the step and move forward and implement plans to reduce these emissions and save our environment from further destruction.**

I am pleased to join today in cosponsoring this bipartisan proposal that will help our Nation take that step and reduce the threat of acid rain. As a cosponsor of the Udall-Cheney acid rain control proposal in the past, I am supportive of several key principles that have been incorporated in this legislation. In particular, this bill provides for an aggressive emission reduction of 10 million tons of sulfur dioxide and 1.2 million tons of nitrogen oxide by 1997 and allows for a midcourse correction 5 years into the program should this be necessary.

Significantly, this bill incorporates freedom of choice for the method of reduction and does not mandate that any particular technology be used. The installation of expensive scrubbers may not always be the answer to the problem and other techniques such as coal washing or switching to a lower sulfur content coal may be more effective. With this flexibility, which is subject to a determination by each State, utilities and other industries would attain emission control without transferring an undue economic burden to the consumer.

In addition, the bill provides for reductions on the part of industry and tougher performance standards on the part of new powerplants. In order to ensure that all possible sources of high emissions are encompassed, the bill provides for emission reduction by new cars and trucks and directs EPA to issue regulations lowering the amount of sulfur in diesel fuel.

When undertaking a national cleanup and control effort, it is vital that the method of financing be carefully considered and incorporate the principle of equity and fairness. I have and will continue to oppose a national tax paid for by victims of this acid rain problem in order to finance the cleanup costs incurred by polluters.

The bill introduced today has taken an innovative approach toward funding this national emission program by mandating a fee that would be used to fund the interest on money borrowed by the polluters to finance the cost of reduction. The money would be available, at the discretion of the EPA Administrator, in order to keep any rise in utility rates below 10 percent.

Although I am cosponsoring this legislation, I remain concerned about this particular provision. As a representative of a State that has already made strong achievements in reducing emissions but is increasingly the victim of high emissions from the Midwestern States, I am opposed to any financing program that would impose a double burden on the victims of acid rain. I have discussed my concern with my colleagues and I will be working with them during the hearing process to ensure that any financing program adopted retain the essential goal of shifting the principal cleanup burden to the polluter and not to the innocent ratepaying public.

It is true that the Northeast has been hurt heavily by acid rain. But that is no reason why the citizens of these States should be forced to pay to stop the irresponsible policies of the polluting States. It would amount to forcing a mugging victim to pay for the rehabilitation of his assailant.

New Jersey ranks third lowest in SO_2 emissions, having heavily invested in air pollution controls. Unlike the Midwestern polluter States, New Jersey has steered a responsible course in SO_2 emission controls and I hope that we will continue to do so. A national tax or fee could penalize New Jersey and the Northeast while giving polluter States a free ride. I will be working with my colleagues on this proposal in the coming weeks to ensure that a degree of equity is adopted and that the burden rightfully fall on the polluters and not the consumers.

There will always be a price to pay for sweetening our Nation's acid rain. However, like the shopper at the store, we must continue shopping for bargains. I support the commendable goals of this legislation and commend Mr. WAXMAN for his initiative. I look forward to working with him in a constructive way to ensure that our Nation's acid rain policy moves forward in the right direction.

CALDWELL COLLEGE SALUTES DISTINGUISHED ALUMNA EILEEN JONES

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 10, 1986

Mr. RODINO. Mr. Speaker, on March 21, I was pleased and honored to join Caldwell College in its salute to a most distinguished alumna, Ms. Eileen Jones, Esq., of East Orange, NJ.

Ms. Jones' many career and academic achievements make her a truly deserving recipient of the Caldwell College Veritas Award, and I was proud to present it to her.

Ms. Jones was Caldwell's first black graduate, earning a B.A. in social studies in 1957. She went on to earn a law degree from St. John's University School of Law in New York.

Ms. Jones began her distinguished career in the Social Security Administration. In 1968 she became an adjudicator with the Newark Regional Office of the Veterans' Administration. In 1974 Ms. Jones went to work with the VA in Washington. In 1977 she was appointed chief of the administrative review staff for compensation and pensions. Ms. Jones was the first woman named to this post. In 1981, Ms. Jones returned to Newark as assistant director of the Veterans' Administration, the highest ranking Federal female employee in the State of New Jersey.

Ms. Jones has earned three superior performance awards from the Veterans' Administration, the Chief Benefits Director's Service Award, and the Disabled American Veterans National Commander's Award. She has extensive community activity including: the Arts Council of Orange, on which she sat as president; the Newark Museum, and the Civic Action League.

Ms. Jones served a term as vice-chairperson of the Community Advisory Board, Economic Opportunity Fund Program at Caldwell College.

Mr. Speaker, I am truly proud to have Ms. Jones as my constituent and I commend to you the following article in the Caldwell College ceremonies, published in the Newark Star-Ledger on March 26.

CALDWELL COLLEGE SALUTES 3 ESTEEMED ALUMNAE

(By Michele A. Schulze)

Three women who have distinguished themselves in the diverse careers of science, government and acting received the first Veritas Awards presented by their alma mater, Caldwell College, at the Essex Fells Country Club.

Accepting a brass replica of the "Dominican Flame of Truth" were Dorothy J. Cunningham, class of '49, of New York, for achievement in research science and education; Eileen Jones, class of '57, of East Orange, for accomplishments in government, and Beth Fowler Witham, of Bogota, class of '62, for achievement in the performing arts.

Cunningham, who also holds a doctorate from Yale University, is a professor of physiology at Hunter College, New York, and is a research affiliate in environmental health in the Department of Epidemiology at Yale University School of Medicine and the John B. Pierce Foundation Laboratory, and an adjunct professor at the Institute of Environmental Medicine, New York University Medical Center. She was the first laywoman to serve on the college's board of trustees.

"We are fortunate that there is recognition of women today," she said. "Caldwell College gave me my early encouragement."

Jones, as assistant director of the Veteran's Administration Regional Office in Newark, is one of the highest ranking female federal employees in the state. She also holds a law degree from St. John's University, New York. Jones was vice chairwoman of the college's Community Advisory Board and Economic Opportunity Fund, and was the first black graduate of the college.

"Everybody has something to achieve at every level," she said, "and if you have capabilities, find your niche and set your goals."

Witham has appeared in many Braodway productions, as well as summer stock, cabarets and commercials, and can be seen in an upcoming television movie, "A Deadly Force." She was a music teacher at the elementary level before going into acting full time.

"I was really thrilled and pleased to receive this award," she said. "The Dominicans at Caldwell College are wonderful role models, and not just in religious life. I am very proud of Caldwell."

Founded in 1939 and run by the Dominican Sisters, the college has graduated about 4,000 women. In September, it will become coeducational.

"I am so proud of them and the values they hold," Sister Vivien Jennings, college president, said of the honorees.

Serving on the committee were Mr. and Mrs. Gregory Castano of West Caldwell, Mr. and Mrs. James Fitzsimmons of Livingston, Mr. and Mrs. Norman Menz of Chester, Madeline Peyko of Kearny, and Peggy Harris, Marietta Reilly, Sister Patrice Werner and Jennings, all of Caldwell.

HONORING THE NEW YORK SOCIETY FOR THE DEAF

HON. BILL GREEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 10, 1986

Mr. GREEN. Mr. Speaker, I rise today to honor an outstanding community organization, the New York Society for the Deaf. The 75th anniversary of the society is being celebrated on April 15 of this year.

The New York Society for the Deaf was founded in 1911 by a group of deaf individuals and concerned friends to provide comprehensive social services to deaf persons in the New York metropolitan area. There programs have expanded to serve 2,200 deaf or deaf-blind individuals in the social service programs and have provided 41,000 hours of interpreter services to assist the deaf.

Various services include providing housing for the elderly deaf and deaf-blind, job placement services, a substance abuse program, sign language classes, counseling and an interpreter referral service. The society also works in conjunction with New York hospitals and social service agencies in an attempt to reach out to the deaf and deaf-blind and to inform them of the society's programs.

It is not often that I have an opportunity to pay tribute to such an excellent organization. In an era when governmental funds for social service programs are hard to come by, it is increasingly necessary for privately run groups like the New York Society for the Deaf to provide essential services to needy people. I applaud the New York Society for the Deaf for its work with the deaf, and I fervently hope that the society will continue that work for another 75 years.

D.C. ACT 6-136, AMENDMENTS TO THE DISTRICT OF COLUMBIA INTERSTATE BANKING ACT OF 1985

HON. STEWART B. McKINNEY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 10, 1986

Mr. McKINNEY. Mr. Speaker, as my colleagues are well aware, virtually all legislation proposed by the District of Columbia must undergo a 30-day congressional review period before becoming law. During that period, should the Congress find fault with the proposed legislation, a resolution of disapproval can be introduced which, if passed, prevents enactment. This is a procedure which has not been frequently used in the formative years of home rule. Only twice has Congress rejected local legislation.

In order to effectively deal with these matters, the Committee on the District of Columbia has developed guidelines which permit a totally objective consideration. We have developed three questions which address the legitimate reasons for disapproval. If the answer to any of the questions is in the affirmative, support for disapproval is warranted. These questions are:

First, does the action of the city violate the U.S. Constitution?

Second, does the action of the city exceed the authority granted in the Home Rule Act and other laws?

Third, does the action of the city infringe on a legitimate and valid Federal interest?

With that preface, Mr. Speaker, I would note that today marks the final day of the congressional review period for D.C. Act 6-136, the District of Columbia Interstate Banking Act of 1985 Amendments Act of 1985. This is a piece of local legislation which has generated some concern in Congress. An analysis of the provisions of this legislation conducted by the American Law Division of the Congressional Research Service raises questions on a series of provisions which may violate provisions of the Home Rule Act and other Public Law. This concern was sufficient to result in serious contemplation of a resolution of disapproval. The very simple reason that such a resolution was not pursued was timing. Quite frankly, it was realized that in this week immediately following the recess period there would not be sufficient time to have both the House and Senate hold hearings and consider the matter on the floor. But I would quickly add that the only reason such action was not taken was the unfortunate timing.

I think this situation points to a serious problem that the District Government and the Congress will be forced to face in the immediate future. Currently, there is only one option available to Congress should it find a piece of local legislation faulty, and that option is outright rejection through the existing disapproval mechanism. But what happens when 95 percent of a local law is valid and worthwhile, but the remaining 5 percent is inappropriate or ill-advised? There should be some way for Congress to express its concern to the local government short of being placed in the position

of being challenged to exercise its disapproval powers. Up to now, we have on occasion been able to accomplish this on an ad hoc basis, working with the local executive or legislative branch. I regret to say that with regard to D.C. Act 6-136 we have not even been able to begin discussions to achieve some form of accord.

Earlier I mentioned the three criteria that our committee uses in analyzing the merits of efforts to disapprove local legislation. The one very ambiguous criteria is an infringement of a legitimate Federal interest. With respect to D.C. Act 6-136, I believe there is a valid and legitimate Federal interest that is being violated. Based on the analysis by the Congressional Research Service, I believe there are several questions as to whether the District has exceeded powers granted to it, on several counts. Confronted with these problems, I sought a remedy, or at least an open and frank discussion with appropriate local officials.

Regrettably, the expressions of concern made by this Member and others were received by certain elected District officials as unwarranted meddling by the Congress. In a cavalier fashion, a challenge was issued. Congress was dared to attempt an overturning of the act. Efforts to achieve an understanding and a clarification were met with a decidedly confrontational attitude.

Where are we now? Who has won on this issue? Well, I would predict that tomorrow, when D.C. Act 6-136 becomes effective, there will be certain members of the Council of the District of Columbia who will pat themselves on the back claiming a victory over congressional interference in local matters. I hope they enjoy whatever glory they are able to muster, because their victory will be short lived. The actions taken by the city in this legislation are on very shaky legal ground, and I am confident that the matter will shortly be in the courts. The caution and thoroughness which should have been exercised by the elected officials of the District will now have to be exercised by those parties interested in participating in certain banking activities in the city.

I can predict that in the future, this matter will be brought before the courts as establishing a precedent. It will be said that by failing to disapprove D.C. Act 6-136, Congress gave its approval to each and every provision of the legislation. I cannot let such statements be made without a challenge. I wish to have the record show that Congress did raise questions about this matter, and that the questions went unanswered. The courts will now decide if the Council has violated the Home Rule Act by permitting itself to compel an executive action by resolution, rather than by an act. The courts will now decide if the Council has improperly assumed authority over a Federal agency. When such a decision is made, it should not be under the false impression that Congress was either unaware of the potential shortcomings, or silent on the matter.

Finally, Mr. Speaker, I bemoan the impact this will have on the relationship between the Congress and the District of Columbia. The level of home rule that has been achieved to date can best be described as a very delicate balance which permits a unique local government to peacefully coexist with a preeminent Federal government. This balance is disrupted when either the Congress oversteps, as it certainly has on occasion to dictate in purely local matters, or when the District commits the same fault by actions which infringe on legitimate Federal matters. Maintaining this balance during the first 10 years of home rule has focused on efforts to discourage Congress from legislating on local matters, which is a stated purpose of granting home rule. Recent developments lead me to believe that the next decade of home rule will be characterized by efforts to prevent the city from overstepping its authority by taking actions which infringe on a legitimate Federal interest. D.C. Act 6-136, in this Member's mind, is an example of the failure of the city to deal with the Congress in a manner which preserves the balance of home rule. There should be no joy in Mudville, Mr. Speaker. While certain elected officials in the city may claim a victory, perhaps Casey has struck out.

MAYOR ANDREW MAURIELLO HONORED

HON. PAUL E. KANJORSKI

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 10, 1986

Mr. KANJORSKI. Mr. Speaker, it is my pleasure to draw your attention to Andrew Mauriello, who has recently been honored with a testimonial dinner commemorating his 20 years of service as mayor of the Borough of Exeter.

A lifelong resident of Exeter, PA, Andrew Mauriello graduated from Exeter High School. He belongs to the St. Anthony's Holy Name Society and Emanon Country Club. A charter member of the Exeter Lions Club, he served as president of the Lions' Little League for 15 years. He is a life member of Exeter Hose Company Number 1, where he serves as a volunteer fireman.

Mayor Mauriello's devotion to serving his community was recognized in 1954 when the Borough of Exeter chose him as "Man of the Year." He began his first term as mayor in 1965 and is currently serving his sixth term. Lou Reigle, a resident of Exeter and a personal friend, says of Mayor Mauriello, "You cannot find any person more honest than Andy." Mayor Mauriello's wife, Helen, of 38 years adds, "He is indeed a humble man who is very civic minded."

Mr. Speaker, the success of every level of our American government depends upon the dedication of public servants like Mayor Andrew Mauriello. It is a great pleasure for me to take this opportunity to honor Mayor Mauriello for his 20 years of faithful service as mayor of the Borough of Exeter.

IT'S TIME TO CONSIDER A MARSHALL PLAN FOR AMERICA

HON. HELEN DELICH BENTLEY

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 10, 1986

Mrs. BENTLEY. Mr. Speaker, after World War II, America moved into war ravaged Europe and Asia taking not only American tax dollars, but American technology and manufacturing expertise. It was a gigantic effort. Labor union representatives worked side by side with business managers. Democrats and Republicans mounted a bipartisan effort to put back together a world torn apart by years of war.

It was a noble undertaking. No other nation in history ever treated its enemies in such a humanitarian manner. And politically, we probably saved half of Germany and the rest of Europe from falling to communism.

We recognized that unemployed people and destroyed or desolate factories are fertile ground for revolutionary actions. That if an economy cannot generate wealth in jobs required to pay for the needs of a society, there is always a dictator waiting in the wings to promise a government that will take care of all needs. Slavery as a condition of "full care coverage" is never mentioned.

We taught not only economic freedom, we spread political freedom and guaranteed it with American troops and armaments. Our commitment is marked by the graves of our sons and daughters from one end of the world to the other.

Today the countries which we saved for democracy and capitalism have surpassed the teacher in their skills. Of the 10 major manufacturing nations in the world, America ranks ninth in manufacturing growth. Only little Norway lags behind us.

Japan leads the industrial world in export sales and wealth creation. Last year their economy produced $5 to $8 billion above what was needed for investment inside Japan, for their own capital needs. Much of that excess money came into this country in investments both in U.S. Government bonds and in corporate securities.

The tide of history has turned. We no longer send money abroad to help bankrupt, wartorn nations, those nations have recovered and we are now depending upon them for money needed inside our economy to service the debt and fill our consumer credit needs. Not money which they are giving to us, but money which must be paid back—which draws high interest rates and contributes to the growing balance-of-payments deficit which siphons our wealth offshore.

We are also adding to that deficit monthly with the money flowing out for manufactured items produced abroad. This flow is creating a vortex, spinning money out, which enriches the foreign economic bases, allowing those nations to underwrite the costs of manufacturing, so that their companies can sell into this country at prices not representative of the true cost of manufacturing.

This foreign government support of many heavy industries, such as steel, creates unfair

competition with our American industries. The European Economic Community underwrote the European steel industry to the tune of $2 billion last year.

This makes a mockery of free trade in steel. It also makes the provisions of GATT and any idea of an equal trading partnership in steel with the European countries totally empty.

As these conditions accelerate in other product lines both with the EC and Southeast Asia, the offshore flow of U.S. manufacturing seeking cheaper manufacturing climates in order to become more competitive erodes not only our industrial base, it is destroying the taxing base. This creates a need to borrow more money abroad to pay the increasing deficits of our Government.

There are other major losses. Since 1980, 190,000 jobs have been lost in the steel industry. Since 1979, 300,000 jobs have been lost in the textile industry. Eight out of ten of the nuts, bolts, and screws used in this country come from abroad and 90 percent of all strategic ball bearings under 30 millimeters are imported.

Loss of jobs in these industries and in the shoe and furniture industry, in the radio and television manufacturing industry, in chemicals and agriculture related industries has yet to be totally counted. The list can be endless—watches, machine tools, electrical equipment, microchips, and on and on.

It must stop. No nation can exist in a leadership position in the world without being industrialized. No nation can afford a modern defense without a growing industrial base which can supply—on shore—the basic needs of manufacturing military weaponry.

I want us to examine all laws—taxes, trade, defense, labor—with the idea in mind of reindustrializing America. It should be made more attractive to manufacture in America, to hire workers in America. We can begin anew with legislation already in place. A few trucks and changes with the idea in mind that America must be rebuilt as the leading industrial nation of the world.

It's our turn now for a Marshall Plan for us. We've earned it, we've paid for it a thousand times over for other countries. Let's do it here. Let's begin now, in this session of the Congress.

HIGH MEAT SURPLUSES DEVASTATING AMERICAN'S CATTLEMEN

HON. RON MARLENEE

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 10, 1986

Mr. MARLENEE. Mr. Speaker, at a time of high stress within the agricultural economy, it is always depressing when an extra financial burden is placed upon a particular sector of the agricultural community.

High meat surpluses resulting from the dairy whole herd buy-out program are devastating America's cattlemen.

The buy-out has totally disrupted normal cattle marketing. Many beef cattle producers who sold animals during the past week experienced price drops averaging $2 to $3 per hundred pounds.

I will be introducing a resolution today to force the U.S. Department of Agriculture to help beef producers and improve cattle markets in the wake of the dairy whole herd buy-out program.

This legislation is needed because of the unexpectedly large participation in the USDA's dairy buy-out program. The big sign-up caused drops in the cattle futures market.

The resolution would tell USDA to make its meat purchases in coordination with the slaughter of dairy cattle in the program. For example, under this legislation, if two-thirds of the dairy cattle enrolled in the program are terminated during a certain time period, then two-thirds of the required meat purchases must be made during the same period. This will guarantee at least a minimum of market stability to out cattle producers.

Second, under current law, USDA must buy 400 million pounds of meat to help absorb the impact of the dairy herds being sold for slaughter. Under this legislation, USDA would be forced to increase the amount of beef purchased, increase beef exports or decrease beef imports. USDA could choose one of the options or use any combination.

AMERICAN LEGION NEW YORK STATE 49TH ANNUAL ORATORICAL CONTEST WINNERS

HON. JOSEPH J. DioGUARDI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 10, 1986

Mr. DioGUARDI. Mr. Speaker, I rise to bring to the attention of my colleagues the winning speeches from the American Legion New York State 49th Annual Oratorical Contest held on March 1, 1986. The first-place winner was Kedra Small of Buffalo, NY. Kedra attends City Honors High School in Buffalo. I am honored to announce that the second-place winner is from the 20th Congressional District, Megan Ouchterloney of Bronxville. The people of Westchester are proud of Megan.

Both speeches shed light on the U.S. Constitution and its importance in securing the rights of its citizens. Each voices its concern about citizens taking these rights for granted, thereby allowing them to be lost. The importance of citizens remaining involved with their governmental ties will ensure the preservation of America's freedom.

Through reading these speeches from the American Legion's oratorical contest, one can gain insight into the ideas held about our Government by America's youth. Congratulations to Megan for her fine work which follows:

AMERICAN LEGION SPEECH—1986

(By Megan Ouchterloney)

Have you ever wondered what it would be like to live in a Communist country? If you were to say anything against the government, you would risk your liberty, or even your life. You would not be able to leave the country, or to choose your own career. You would not even own your own house—you would lease it from the State for 99 years.

But we Americans take these rights of life, liberty and property for granted because they are provided for by the Constitution in the Fifth and the Fourteenth Amendments. The Fifth Amendment states that "no person shall be denied the rights of life, liberty or property without the due process of law." This is the due process clause of the Fifth Amendment and protects our rights from the Federal Government. In the same fashion, the Fourteenth Amendment declares that "no state shall deprive any person of life, liberty or property without the due process of law." Thus, an individual's rights are protected from interference by the State and the Federal Government.

But what are our rights?

The rights of life, liberty and property are difficult to define. Governor Jerry Brown tried to define the right of life in the following statement: "Life just is. You have to give yourself to the moment. Flow with it. Let it happen."

Chief Justice Charles Even Hughes tried to define the right to liberty. He said: "Liberty is much more than an individual's right to freedom, liberty is the cornerstone for all in American society."

Abraham Lincoln gave the following meaning to the right of property: "Property is the fruit of all labor. Property is desirable. Property is a positive good."

These descriptions of our inherent rights seem inadequate. However, if such astute men cannot define these terms, I am not even going to try. The writers of the Constitution did not attempt to define life, liberty, or property; thus they provided us with flexibility in our interpretation of the due process clauses.

Due process has served the United States in two ways, procedural and substantive.

Procedural due process is concerned with the method in which our court system arrives at a decision. Its three traditional elements are notice, hearing, and impartial jury. Due process deals with the rights of the accused. These rights can only be taken away after a series of procedures in which the guilt of the accused has been proven beyond a reasonable doubt. Depending upon the severity of the crime being tried, an individual's rights of liberty and life are at stake. A guilty verdict could result in years of imprisonment, or even death. In such cases, there can be no mistakes. Therefore, proper procedure must be upheld to insure that these rights are not taken away without justification.

Due process, however, not only establishes the rights of the accused, but it establishes the rights of you and of me through substantive due process.

To understand the relationship between substantive and procedural due process . . . picture a house. This house represents your substantive rights of life, liberty and property. Surrounding the house is a fence used for protection. This fence represents your procedural due process rights. If you remove the fence, you still have your house with its basic rights, though they are unprotected. However, if you remove the house, you have no rights at all.

Substantive due process extends the rights of life, liberty and property to all American citizens. And it is substantive due process which is our basic constitutional rights.

Yet it is these basic constitutional rights, which are too often forgotten. We have become accustomed to thinking of our constitutional rights as the procedural rights of the accused. However, a good way to understand what our substantive rights are is to look at the victim of a crime. The robber's victim has been denied his right to property. The residents of our city who are afraid to walk on the streets because they fear their safety exemplify an infringement upon their right to liberty. The murder victim has been denied the most basic right of all, the right to life.

Substantive due process clearly states that it is the duty of our government to protect those rights guaranteed to every American citizen, yet our Government seems to be caught up in following proper procedures while it overlooks the substantive rights of all Americans. An obvious example of this neglect occurred recently in New York. After a series of criminal, violent disturbances by a woman found not only to be a threat to herself but to others, the Court placed this woman in a State institution for rehabilitation. This woman was then released against her doctor's wishes. The judge who signed her release was forced to do so because her institutionalization was an infringement upon her procedural right to liberty. A few days after her release, this woman pushed a young secretary to her death on the subway tracks of New York City. It was the Government's duty to keep such a disturbed woman under the proper care and to prevent her from taking away the substantive rights of another American citizen.

But how can we protect our substantive rights?

Allow me to present two steps, which I feel if taken would begin to secure our substantive rights.

First, methods must be established to control the parole of criminals, either from jail or mental institutions. In the same way that these individuals were convicted, they must not be released if there exists a reasonable doubt suggesting that they will commit another crime.

Another method to secure these rights is through education. If more people are aware of what their substantive rights are, they might be more inclined to protect and respect these rights. They would be supportive of the government, taking positive steps towards the maintenance and protection of our substantive rights.

It is 1986, and the United States has come so far in promoting the rights of all American citizens. We have made great progress, especially in the area of the rights of the accused. But now it is time that we look back to the Constitution and to re-emphasize those substantive rights guaranteed to every American citizen. Franklin Delano Roosevelt once said: "The function of Government must be to favor no small group at the expense of its duty to protect the personal freedoms and private property of all its citizens". It is this fundamental American belief in which the protection of the rights of life, liberty, and property surpasses all other functions of government. And it is these rights which you, as American veterans have fought for; which we, as American citizens, cherish; and which the Fifth and the Fourteenth Amendments to the Constitution guarantee.

WILLIAM NORBERT, THE VOICE OF DEMOCRACY CONTEST WINNER FROM MAINE

HON. JOHN R. McKERNAN, JR.

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 10, 1986

Mr. McKERNAN. Mr. Speaker, as you know, the Veterans of Foreign Wars and its ladies auxiliary conduct an annual Voice of Democracy Contest. The theme for this year's contest was "New Horizons for America's Youth."

I am pleased to say that the winning entrant from the State of Maine, William S. Norbert, resides in my district. William, son of Stanley and Joanne Norbert of Portland, is a senior at Portland High School, where he is active in many school activities. He has an avid interest in government, and has won several literary awards.

It is a pleasure to submit William's essay for insertion in the CONGRESSIONAL RECORD.

NEW HORIZONS FOR AMERICA'S YOUTH

Children are the World's most valuable resource, and its best hope for the future. John F. Kennedy.

In America, today, exciting possibilities exist for our youth. We can expect to live longer, have a higher standard of living, receive a better education, and pursue virtually any job we choose. Many of these avenues were non-existent for our parent's and grandparent's generations. Numerous opportunities are increasingly available to children of all social classes, as well. It is no longer an impossible dream for a young girl in Harlem to aspire to be a great concert pianist, or for a farmer's son in Iowa to one day become an astronaut on the Space Shuttle. Now a black from the Deep South can dream realistically of becoming Governor of his State, or even President of the United States. These kinds of dreams have come true for many already, and as the years progress, America's technological and societal advancements only make these hopes even more realistic. Indeed, it is an exciting age for the youth of today nothing seems impossible to the willing heart.

I remember sitting in my fifth grade history class, listening to my teacher speak of the conditions for children in early America. He spoke in facts and figures about the children of the pioneers, whose daily routines consisted of the morning chores, building sod houses, lugging buckets of water from the creek, little time for schooling, and even less time for play. And I recall learning about the children of the early 1900's, who in this same country were working in factories and sweat shops before their twelfth birthday! Children were putting in over sixty hour weeks, receiving wages unfit for living, and working in unbearable surroundings, so that their families might simply live. Even closer to our times, I was told of the hardships for the blacks in the sixties, who had to fight for their right to be educated, and for a water fountain that they might share with white lips.

All of this struck a sensitive chord within me, as I realized that while these were historical facts about my country's past they were also about real lives of everyday children like myself; children who, like me at that age, should have had as their greatest worry whether or not they were picked last for the sandlot baseball team, and not whether they would be able to last another week without collapsing from exhaustion. I also realized that, had I been a child at this time, I too, may have been in these same situations, and this frightened me. "What kind of life was this for a child?" I asked, "What did they live for—what could they look forward to?" Perhaps, I thought, a better life for their children.

However, as I sit in history class at high school, today, I have a good understanding of America's past—where it has been, but I have an even better concept of its future—where it is going, and I am excited by this. Certainly, I feel fortunate that my generation need not worry about child labor and diseases such as cholera and polio, and that, with America's great steps forward, we can look forward, with hope, to an even better future for our children. There do exist, though, great problems and issues that our ancestors did not worry about—that our generation can be nothing less than preoccupied with. The ominous cloud of nuclear war hangs over our heads daily, and there are social concerns such as apartheid, famine and military involvement that will undoubtedly, need to be addressed by us. We must, then, take what we have learned from history's past, sensibly and conscientiously apply it to our knowledge of today, and hopefully secure a safer for our descendants.

Amidst these concerns and great responsibilities, there does remain a strong light of optimism on the horizon. So many of the constraining barriers of the past have been knocked down, and so many previously undeveloped chances for personal success now exist, that the outlook for the average child's future is bright, indeed! As a youth who is excited by the future, I believe William Allen White conveyed my personal feelings when he said, "I am not afraid of tomorrow, for I have seen yesterday and I love today." Tomorrow will come for we youths—it will be our new today, and there will be new tomorrows to aim for. These horizons will be met with new outlooks and different approaches from a New Youth. These vistas, like those we face today, must be met with careful consideration and buoyant enthusiasm, for our world can be as great as we make it. It is an awesome responsibility facing our generation, but let us begin.

LEAKING UNDERGROUND STORAGE TANKS ARE MAJOR ENVIRONMENTAL PROBLEM

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 10, 1986

Mr. FLORIO. Mr. Speaker, it has become increasingly clear that leaking underground gasoline storage tanks pose major environmental problems that pose an immediate threat to our Nation's precious and vulnerable ground water supplies. Last December, the House passed a Superfund bill that establishes a new program to clean up such tanks. The program is an essential adjunct to legislation signed into law last year—the Hazardous and Solid Waste Amendments of 1984—that establishes a regulatory program designed to prevent such leaks in the future. Unfortunately, the Senate Superfund bill does not contain a comparable provision.

A recent article in the Bergen Record describes the serious implications of such leaks and I commend it to my colleagues' attention.

DEP: GAS LEAKS THREATEN WATER

(By Karl Stark)

Gasoline and other petroleum products leaking from underground storage tanks are threatening well-water supplies, state and federal officials say.

Underground tanks "are of the major sources of ground-water contamination in New Jersey," said Rob Nugent, who heads the state's fledgling program to regulate the tanks. Yet "we don't really know what's out there."

The U.S. Environmental Protection Agency reports that many of the tanks were built in the 1950's and are beginning to deteriorate at an alarming rate. A preliminary EPA report issued last year estimated that 35 percent of all underground storage tanks may be leaking.

The petroleum industry called the EPA estimate an exaggeration, asserting that closer to 2 percent of underground tanks are leaking.

Nevertheless, most experts agree the problem is growing. Local inspectors already spend at least half their time investigating leaks from underground tanks, said Tony Cavalier, a local enforcement chief for the state Department of Environmental Protection.

If the problem is not addressed, officials fear the underground tanks will continue to pollute ground water and ultimately threaten the drinking supplies of towns that depend on well water. Nearly half the state's 7 million residents rely on ground water for their drinking supply.

A proposal before the state legislature would create a low-interest loan fund for service-station owners ordered to install new tanks, said Assemblyman Byron M. Baer, D-Englewood, one of the bill's co-sponsors. The measure calls for double liners and leak-detection systems on all new tanks and the upgrading of existing facilities over the next five years.

Nearly every town in North Jersey has had some contamination from underground tanks. The problem occurs at abandoned gasoline stations whose tanks were never emptied and at operating stations with faulty or corroded tanks:

In West Milford last year, gasoline from an underground tank was found to have contaminated a 115-acre area, forcing scores of residents to begin drinking bottled water. Though residents were subsidized by a $2.3-million state grant, they still must spend $3,000 apiece to connect into another water supply.

In Fair Lawn, gasoline additives were found last year in two wells that supply 13 percent of the borough's dairy water needs.

Eight businesses were evacuated for two days this week after several inches of gasoline were found in the basement of a Ridgefield Park firm. The suspected source has been narrowed to two nearby underground gasoline tanks.

In Edgewater, gasoline seeped into the sewer line two years ago, causing vapors to rise to flammable levels in the apartment of a 74-year-old woman. A pilot light eventually ignited the vapors, causing heavy damage to the woman's apartment and forcing the evacuation of 16 residents.

Gasoline also has leaked from underground tanks in Englewood, Fort Lee, Paramus, Totowa, Wayne, Hackensack, Little Ferry, Lyndhurst, Tenafly, Upper Saddle River, and Leonia.

DEP officials have begun a program to register large underground tanks without waiting for the state legislature to agree on a final bill.

The DEP is seeking to register an estimated 3,000 to 5,000 tanks containing hazardous substances, and 18,000 to 21,000 tanks holding motor fuels. The state also will oversee an estimated 50,000 heating-oil tanks larger than 2,000 gallons.

Nugent stressed that residential heating-oil tanks will not have to comply with the expensive, new regulations. Furthermore, apartment houses, hotels, and large residences will only have to register their tanks and complete basic paper work.

HAPPY BIRTHDAY TO MRS. EMMA MATTHEWS

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 10, 1986

Mr. RODINO. Mr. Speaker, on April 4, I was privileged to attend a special birthday tribute for a very special lady, Mrs. Emma Matthews of Newark.

Mrs. Matthews was born on April 4, 1886 in Marion County, VA. She has 10 grandchildren, 15 great-grandchildren and 1 great-great-grandchild.

For those of us who aspire to match Mrs. Matthews' record of longevity, she offers her secret to living a long, happy life: "Live to help others."

Mr. Speaker, I commend Mrs. Emma Matthews for her compassion, and I join her fine family in wishing her many more years of happiness and good health.

RABBI MOSHE FEINSTEIN, 1895–1986

HON. BILL GREEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 10, 1986

Mr. GREEN. Mr. Speaker, the 15th Congressional District of New York suffered an irreparable loss in the passing of Rabbi Moshe Feinstein, one of its most illustrious residents ever since his arrival on these shores some 50 years ago when he fled religious persecution in the U.S.S.R. Here in the United States he established himself as the unchallenged authority on Jewish law to whom queries were addressed from all over the world. His immense learning was matched only by his modesty and kindness. He remained most accessible to the learned and the ordinary men and women alike, giving instruction, guidance, and comfort. His fame traveled the world, but he remained in the area which had given him shelter. There he established the Talmudical Academy, Mesifta Tifereth Jerusalem, and there he wrote the tomes which spread his fame.

America and world Jewry grieve at the departure of a sage to whom the adage that "From Moses to Moses there was none like Moses" can fittingly be applied.

THE 60TH ANNIVERSARY OF WORLD TRADE WEEK

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 10, 1986

Mr. ANDERSON. Mr. Speaker, I rise today in recognition of the 60th anniversary of World Trade Week, which falls this year during the week of May 19–24, 1986. As you may know, the celebration of World Trade Week began as a local observance of the Los Angeles Chamber of Commerce in 1926.

Six years ago, the leaders of the Los Angeles Chamber of Commerce established World Trade Week in order to focus on the existing international trade evnironment and to call attention to the need to promote our exports. World Trade Week was a tremendous success in Los Angeles, and 8 years after it was first celebrated, the Chamber of Commerce of the United States assumed official sponsorship of World Trade Week. At that time, the week was set aside by Presidential proclamation to be commemorated annually during the same week that includes National Maritime Day.

Today, on a local level, World Trade Week is celebrated by calling attention to the role that international trade plays in advancing the well-being and economy of the United States. In fact, the activities surrounding World Trade Week have flourished, such that it has really become World Trade Month, with seminars, meetings, luncheons, headline speakers, harbor tours, and other activities throughout the month of May. In my area of southern California, the World Trade Week activities are sponsored by the Ports of Los Angeles and Long Beach, Los Angeles International Airport, the three area railroads—Union Pacific, Sante Fe, and Southern Pacific, along with the Los Angeles Chamber of Commerce.

Additionally, the Department of Commerce through its International Trade Administration enthusiastically demonstrates its support for the goals of World Trade Week. Year after year, through its district offices, the ITA sponsors numerous activities to publicize its programs and initiatives to promote our export trade.

My wife, Lee, joins me in congratulating the Los Angeles Chamber of Commerce on the 60th anniversary of World Trade Week—a tradition that they started in 1926, and in recognizing the contribution that World Trade Week makes toward improving the international trade environment.

PERSONAL EXPLANATION

HON. ESTEBAN EDWARD TORRES

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 10, 1986

Mr. TORRES. Mr. Speaker, I was not present for rollcall votes 68 through 71 on Wednesday, April 9. Had I been present on the House floor, I would have cast my votes in the following manner:

Rollcall No. 68, approval of the Journal "yea."
Rollcall No. 69, House Resolution 403, rule for consideration of H.R. 4332, "yea."
Rollcall No. 70, Hughes amendment to Volkmer substitute to H.R. 4332, "aye."
Rollcall No. 71, Hughes amendment, "aye."

IN MEMORY OF JOE HUDGENS

HON. DON SUNDQUIST

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 10, 1986

Mr. SUNDQUIST. Mr. Speaker, last month we lost a great patriot. My friend, Joe Hudgens of Brentwood, TN, was fatally injured in an automobile accident.

Joe's entire adult life was dedicated to service to the veterans of our country. Following his World War II service with the 16th armored Division, he returned to Tennessee and began his work for veterans.

He began this career as a field representative and later as a claims specialist with the Tennessee Department of Veterans' Affairs. He rose through the ranks to become the director of that department in 1961.

He was actively involved with the American Legion on a local, State and national level. Following his retirement, he was elected and served as a National Executive Committeeman for the Legion. He was dedicated to his work and in his frequent visits to our Nation's Capital, he worked the Halls of Congress, always with the goals and objectives of veterans' programs. He made a point of talking with Members and staff of the Veterans' Affairs Committee, letting us know how he and his organization stood on issues affecting veterans.

Joe was on Capitol Hill on Legion business the week of the tragedy. He left Washington for Indianapolis to participate in a meeting of the American Legion Oratorical contest representatives and the tradegy occurred enroute to that meeting. It is somehow fitting that Joe left us as he lived, working proudly for veterans. He was a great American and we will miss him.

THE 3-YEAR BASIS RECOVERY RULE RESOLUTION

HON. HERBERT H. BATEMAN

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 10, 1986

Mr. BATEMAN. Mr. Speaker, as we continue to study the effects of the House version of tax reform H.R. 3838, I urge my colleagues to join with me to insure that the 3-year basis recovery rule for the taxation of civil service employee benefits not be eliminated as section 1122(c)(1) of H.R. 3838 will require. I am introducing a resolution which will express the sense of the House of Representatives that the current 3-year basis recovery rule for the taxation of employee benefits be continued.

As you probably know, Mr. Speaker, the House version of tax reform, H.R. 3838, included a provision that would eliminate the tax-free period upon retirement that individuals currently receive while they recoup the portion they contributed to their pension. Instead, retirees will pay taxes on their pensions immediately following retirement. Although this cannot be considered a "double tax," it will result in higher taxes being paid over the life of the retiree.

Civil service employees have contributed to their pension funds in good faith and this change in current law would be an unnecessary compromise of the integrity of the system. In addition, there are approximately 210,000 active Government workers currently eligible to retire. A change in the 3-year recovery rule could result in the retirement of many of these eligible workers, including some of the most qualified public servants with management and technical expertise whose experience would be difficult and expensive to replace. High wage-earners will be especially hard hit by this change, which could leave the Federal as well as State and local governments with a shortage of qualified, experienced top-level professionals.

In addition, Mr. Speaker, it is quite possible that the tax revenues gained by this change in taxation of employee benefits could be significantly offset by increased Government expenditures for pension benefits in addition to continued salaries for personnel replacing retired workers. This disruption to Government services is unnecessary and would place a needless burden on the Government as well as the citizens of the United States who deserve continued efficient Government service.

The resolution that I am introducing today expresses the sense of the House that the benefits that had been guaranteed to our 19 million public employees will not be arbitrarily reduced by tax reform legislation. In our effort to reduce the Federal deficit, one group of citizens should not be singled out to bear a disproportionate share of the burden. I urge my distinguished colleagues to join with me in a bipartisan effort to support this resolution and provide our civil service workers the security they deserve.

PERSONAL LEAVE EXPLANATION

HON. ANDY IRELAND

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 10, 1986

Mr. IRELAND. Mr. Speaker, I would like to take this opportunity to explain my personal leave of absence on April 10 and at the same time express my support for the Volkmer substitute to H.R. 4332, the Federal Firearms Reform Act. Unfortunately, I was unable to be in Washington today to cast my vote in support of the Volkmer substitute, as my wife was undergoing surgery in Worcester, MA, and I felt my place was with her.

I strongly believe in the right of law-abiding citizens to keep and bear arms and was an original cosponsor of Mr. VOLKMER's bill, H.R. 945. I feel very strongly about the need to guarantee and protect a firearm owners' constitutional rights, civil liberties, and rights to privacy. During my tenure in Congress the vast majority of my constituents have made it clear that they support these reforms to the Gun Control Act of 1968, and I was one of the first Members to add my name to the discharge petition forcing the measure to the floor for long overdue consideration. I cannot, in good conscience, support or condone legislation and amendments that attempt to infringe on our basic right to possess firearms as guaranteed by the U.S. Constitution.

The Volkmer bill represents a fine balance between protecting the rights of law-abiding citizens and upholding valid law enforcement techniques. I am pleased that the House of Representatives voted to approve the Volkmer substitute to H.R. 4332.

AN APPEAL FOR PEACE

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 10, 1986

Mr. STARK. Mr. Speaker, I would like to include in the RECORD at this point an extremely thoughtful statement from the 1986 Report of the Inter-American Dialog.

I would hope that the reasoned thoughtfulness of this position paper would prevail in next week's second vote on $100 million in funds for violence in Central America.

[From the Los Angeles Times, Apr. 9, 1986]

AN APPEAL FOR PEACE

(The following is excerpted from "Rebuilding Cooperation in the Americas," the 1986 report of the Inter-American Dialogue, which was released today in Washington. The Dialogue is a group of several dozen opinion leaders from throughout the Western Hemisphere with experience in government, business, labor and education.)

More than 160,000 Central Americans have been killed in the last decade. Two million have been displaced from their homes. The combination of armed conflict and economic stagnation frustrates efforts to build democratic politics and to remedy the deep inequities underlying the region's struggles.

The solutions to Central America's problems lie in economic and social development and political dialogue, not in more weapons and military advisers.

We are greatly concerned about the internal situation in Nicaragua under the Sandinistas. Few of us believe that the restrictions of civil liberties are justified as a response to the contra threat.

The international behavior of the regime is also troubling. With Cuban and Soviet support, Nicaragua has aided revolutionary movements beyond its borders. Neighboring countries fear and resent this. Nicaragua's military buildup is also menacing, and has accelerated a local arms race. We deplore the Sandinistas' growing ties to the Soviet Union, which further entangle Central America in the East-West struggle.

We are disturbed as well by the response of the United States to Nicaragua's challenge. Thus far it has been ineffective and, most of us believe, counterproductive.

There is no realistic basis for believing that the contras can or will drive the Sandinistas from power. On the contrary, the Sandinistas have stepped up their acquisition of weapons, tightened their bonds with the Soviet Bloc and imposed greater restraints on their internal opposition.

We oppose all military and paramilitary support for the contras' campaign against the Sandinista government. We also oppose so-called humanitarian assistance, which is used to help the contras wage war.

Under the current circumstances, essential steps toward peace are unlikely to be taken as unilateral initiatives by either the United States or Nicaragua. They can, however, be accomplished within the framework offered by the Contadora process. [This effort was begun in 1983 by the governments of Mexico, Venezuela, Colombia and Panama, and recently acquired the active support of Argentina, Peru, Brazil and Uruguay. Last weekend's meeting of the 13 Latin American governments involved was adjourned for lack of an agreement.]

Although the United States does not formally participate in the Contadora process, no agreement can be implemented without Washington's concurrence. For some time now, U.S. actions have been inconsistent with the spirit of the negotiating process and at odds with specific requests made by the Contadora nations. The Contadora peace effort cannot succeed as long as the United States insists on fundamental changes in the Sandinista regime as a prior condition for any agreement on security matters.

We call on the U.S. government to modify its position. It should work closely with the Contadora countries, and also revive direct discussions with the Nicaraguan government.

And we call on Nicaragua to end its state of emergency, lift restrictions on freedom of the press and association, respect the rights of national miniorities and begin an active dialogue with the full range of opposition.

It is important that the United States and other countries of the hemisphere press Nicaragua to move in these directions. But we believe that efforts to achieve workable regional security arrangements should not be held hostage to the accomplishments of internal political reform in Nicaragua.

Progress toward peace in Central America depends on the willingness of both Nicaragua and the United States to compromise. As specified in the proposed Contadora treaty, Nicaragua must make verifiable commitments to live peaceably with its neighbors. It must reduce the military ties with Cuba and the Soviet Bloc nations by agreeing to the withdrawal of military personnel, and to restrict arms acquisitions from those nations. At the same time, the United States must agree to accept a verifiable security agreement achieved through negotiations, rather than trying to overthrow the Nicaraguan government.

We welcome the initiative of the current U.S. Administration to discuss issues of regional security with leaders of the Soviet Union. Such discussions could help to prevent superpower competition from intensifying. In the same vein, we believe that it is worth exploring whether discussions between the United States and Cuba might advance the cause of peace.

Unless peace can be negotiated (the wars in Nicaragua and El Salvador) will continue to take 5,000 to 10,000 lives annually, and to displace hundreds of thousands more people from their homes. They will continue to lay waste to Central America's economies. Hopes for recovery and democratic development will dwindle.

The prime requisite for making peace in Central America is not more aid, more weapons or more advisers, but political will. Some basic choices have to be made. The Sandinistas must decide whether they will respect the sovereignty of their neighbors, and remove their nation from the East-West struggle, as part of a settlement that assures Nicaragua's own sovereignty. The United States, in turn, must decide whether to prolong a war to undo the Nicaraguan regime. We believe that the United States should concentrate first on guaranteeing its legitimate strategic interests and the security interests of its allies, and then promote democracy and pluralism inside Nicaragua through nonviolent means.

We are convinced that neither democracy nor security in the hemisphere would be jeopardized by a carefully framed and verifiable peace treaty with the government of Nicaragua.

The alternative to a negotiated peace is protracted warfare, which does, indeed, threaten the security of the Americas.

Among the Inter-American Dialogue participants were:

Co-chairman Sol M. Linowitz, former U.S. ambassador to the OAS, and Galo Plaza, former secretary general of the OAS; Terence C. Canavan, executive vice president, Chemical Bank; Robert S. McNamara, former president of the World Bank; William G. Milliken, former chairman of the National Conference of Governors; Ralph A. Pfeiffer Jr., chairman, IBM World Trade Americas/Far East Corp.; Elliot L. Richardson, former secretary of defense; Franklin A. Thomas, president, Ford Foundation.

Former Presidents Nicolas Ardito Barletta of Panama, Osvaldo Hurtado of Ecuador and Daniel Oduber of Costa Rica; Oscar Camilion, former foreign minister of Argentina; Jorge Fontaine, president, Federation of Production and Commerce, Chile; Pedro-Pablo Kuczynski, co-chairman, First Boston International; Leopoldo Solis, chairman, Council of Economic Advisors, Mexico.

LEGISLATION CLARIFYING TRADE REMEDY LAWS PERTAINING TO CERTAIN PROCESSED AGRICULTURAL PRODUCTS

HON. GUY VANDER JAGT

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 10, 1986

Mr. VANDER JAGT. Mr. Speaker, it is a distinct pleasure to cosponsor with Congressman RICHARD GEPHARDT the introduction of legislation to amend the Tariff Act of 1930 to clarify the intent of Congress regarding the application of the antidumping and countervailing statutes involving certain processed agricultural products.

This legislation is designed to address the very serious problem of subsidized imports which have been severely harming our domestic agricultural producers. Congress clearly intended to resolve this problem in the 1979 Trade Agreements Act, but has been thwarted by recent determinations made in trade cases involving agricultural commodities by the International Trade Commission. The legislation that we are introducing, therefore, merely attempts to clarify the treatment of agricultural products under these trade laws in a manner consistent with the intent of Congress.

A good example of the problem which has arisen is a recent case involving pork from Canada. A high tariff exists on live hogs from Canada which are subsidized. To escape this tariff processed pork was sent to the United States. When United States pork producers brought a trade remedies case citing injury to our pork industry due to the influx of subsidized fresh, chilled, and frozen pork from Canada, however, the International Trade Commission ruled that processed pork products were not part of the same industry as live hogs, and therefore, countervailing duties should not be imposed on the pork, which they determined was not directly subsidized. In light of the intent of Congress, we believe that this was a very questionable decision, underlining the importance of clarifying Congress' original legislative intent. This is even clearer when we realize that the result of this unfortunate decision has been that while the import number of live hogs from Canada was reduced by 7 percent last year, fresh and chilled imported pork from Canada has increased 22 percent, thereby overwhelming all benefits of the countervailing duty placed on live hogs. Michigan, being a next door neighbor to the Canadians, has taken in more than its share of this Canadian pork.

Industry officials have worked closely with the administration to address many of their concerns, raised last year in response to the introduction of similar legislation, H.R. 3328. Our new bill would clarify the original intent of Congress by requiring that producers of raw and processed agricultural products linked through a single continuous line of production be treated as representative of the same industry, provided that there is a coincidence of economic interest between such producers.

In addition, this measure would also require the ITC to consider the impact that duties imposed on either the raw or the processed product—but not both—would have upon imports of the other product, in determining whether imports constituted a threat of material injury to the industry.

In total, this legislation is merely an effort to make our trade laws work more efficiently so that we can ensure an even playing field, and to keep subsidized agricultural products from impacting harshly and unfairly on our domestic producers.

OHIO VOICE OF DEMOCRACY WINNER

HON. BOB McEWEN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 10, 1986

Mr. McEWEN. Mr. Speaker, each year the Veterans of Foreign Wars of the United States and its Ladies Auxiliary conduct the Voice of Democracy essay contest. "New Horizons for America's Youth" was the theme for the 1986 competition. More than 250,000 high school students competed for the six national college scholarships awards. Thomas Bown, a senior at West Carrollton Senior High School, in West Carrollton, Ohio, was the winning contestant from our State.

Mr. Speaker, I am pleased to share with my colleagues the composition written by Mr. Bown. It is encouraging to see such enthusi-

asm and promise in America's youth. They understand the plethora of opportunities which are provided to every citizen by our republic. It is my strong hope that he and other young Americans will continue to share their vision of a hopeful future and work to ensure its fulfillment.

NEW HORIZONS FOR AMERICA'S YOUTH

During the 16th and 17th centuries, lookouts in coastal cities would stand in watch towers, scanning the horizon for approaching ships. They wouldn't expect to see the whole ship at first, but just the masts as the ship come over the horizon. The lookout would try to make out the flag the ship was flying at the top of that mast, and from this tell what the ship was to bring.

I am now scanning the horizon, the new horizon for America's youth, and there, three flags are flying.

The first bears s skull and crossbones, and belongs to a man of war. What does this ship have in store for us? It tells the story of two great nations, one based on capitalism, the other on socialism. Both of these nations think their system should be the system of the world. One nation rules with freedom, the other with oppression. The youth of the free nation know they may have to fight to protect their freedom, and are ready to do so as gallantly and righteously as those who fought before them, but they also see alternatives to the slaughter, and possiblities of avoiding it altogether. They see peace in strength, while the youth of some other nations think weakness will solve their problems. War may be on the horizon for America's youth, and they will try to avoid it, but they will be ready for whatever happens.

The second flag holds a computer, and what great things this ship as in store for us! Science is advancing on all fronts, promising to make life longer and more comfortable for all of us. America's youth are going to space, and will accomplish many things for the first time. Such things as space manufacturing, asteroid mining, and even interplanetary travel are within their grasp. On earth they will be able to conquer the great diseases, and make food production so cheap none will go hungary. They will make our society richer, the arts will flourish; all this is on the horizon for America's youth. But that is not all that this ship brings; technology often creates as many problems as it solves. One problem that will have to be faced is that as manufacturing becomes more efficient, we will need fewer workers; mostly mostly because they will be replaced by robots. Many other jobs will also become obsolete, forcing America's youth to have the flexibility to retrain for several jobs in their life times. This is a great challenge, one that must be overcome, but also one that once conquered would reap spoils beyond belief. America's youth are up to the challenge, and will take a good shot at making this ship a great one for mankind.

The third ship bears a dove, a symbol of a nation becoming more conscious of it's neighbors, realizing their needs, and balancing them with ours. Through such organizations as the United Nations, our youth will work to solve world problems by democratic means. They have already shown their charity through such events as Live-Aid. They are getting better educations. In 1940, one out of every 17 people age 25-29 held a college degree; today, one out of every five such people hold a degree. Today's youth realize the value and necessity of an education.

Armed with this, they will see the world through understanding eyes. Not only will they see the problems of the world, they will see the possible solutions, and take the action to implement them. America's youth are the future diplomats and leaders; they have the capability of making our world better for everyone, of making our nation a member of a world community where everyone works together selflessly, diligently, and for the good of all.

Obviously, not all of these ships will land at the same time. Some may not land at all, sinking at sea, the result of a violent storm, or perhaps a broadside from one of it's neighbors. The horizon holds great possibilities for America's youth. Possibilities of great successes, and great failures. What will happen is up to them, and me. Let's hope, America's youth, that tomorrow will be a success, and do the work to make it one.

INVERTED TARIFFS

HON. MARTY RUSSO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 10, 1986

Mr. RUSSO. Mr. Speaker, today I am introducing legislation to correct an inequity in the tariff schedules caused by the inverted tariff between carbon steel pipe and tube products and carbon steel sheet and plate. An inverted tariff exists when the tariff applied to a particular product's raw materials or inputs is greater than the tariff for the higher valued, downstream product. In the case of carbon steel pipes and tubes, tariffs on their inputs, sheet and plate, are significantly higher than tariffs on pipe and tube products. My legislation would remedy this inequity.

Inverted tariffs are not common or desirable within the Tariff Schedules of the United States [TSUS]. For most steel products as well as other basic industries, as value is added to a product, the tariff rate increases. For example, the duty on cold-rolled steel sheet is higher than the duty on hot-rolled sheet. Galvanized sheet is higher than cold-rolled and stainless sheet is higher than galvanized. In copper, the duties on copper wire are much higher than the duties on copper rod, and the duties increase when copper wire is insulated. The reasoning behind this policy is simply to encourage the importation of raw materials so that the value added for finished goods takes place in the United States.

The U.S. policy to apply higher duties for higher value-added products is also adhered to by our major trading partners. The European Community charges a 6 to 7 percent duty on sheet and a 9 to 10 percent duty on pipe and tube. Japan's duty on sheet is 5 to 5.7 percent compared to a pipe and tube duty of 5.7 to 8.8 percent. The South Korean's impose 20 percent tariffs on sheet and 25 percent tariffs for pipe and tube. In fact, every major steel exporter charges a duty for pipe and tube imports that is greater than or equal to the duty for sheet imports.

The inverted tariff on pipe and tube products occurred as an oversight and an accident of inflation after the United States converted to the TSUS. In 1952, the duty on carbon steel sheet and plate was lower than the duty on pipe—0.175¢/lb. compared to 0.375¢/lb. for pipe. In 1960, the tariff for carbon steel sheet and plate was changed to an ad valorem rate of 10 percent while the duty for pipe remained at the 1958 specific rate of 0.30¢/lb. With steel selling for approximately $50 a ton in 1958, this means that at the time of the tariff change, the duty on sheet and plate was approximately $5 a ton compared to a $6 a ton duty on pipe.

During the inflationary era of the 1970's, the specific rate duty for pipe products could not keep up with the tariffs on sheet and plate which were based on the increasing value of the steel. By 1975, steel prices had more than quadrupled and the duties on steel sheet and plate were over $20 a ton compared to the constant $6 a ton on pipe. In 1982, pipe and tube duties were changed to an ad valorem rate ranging from 0.5 to 4.8 percent. In the same year, plate and sheet duties ranged from 7.1 to 8.4 percent.

Over the last decade, imports of pipe and tube products into the United States have surged and only the most efficient domestic producers have been able to survive against the foreign competition. About 80 percent of the companies that produce pipes and tubes in the United States are independent fabricators who purchase their raw materials, plate and sheet steel, in the open market. These companies can compete with pipe and tube products made anywhere in the world given a level playing field. My legislation will help to equalize one unfair advantage foreign producers enjoy due to the tariff inversion.

There are approximately 120 companies producing steel pipes and tubes in the United States today. Pipe facilities are located throughout the United States with Illinois, Pennsylvania, Ohio, California, and Texas accounting for the bulk of production. The industry employs around 15,000 workers, down from 25,000 workers 5 years ago.

While imports of all steel products have captured approximately 25 percent of the U.S. market, imports in recent years have taken more than half of the U.S. pipe and tube market. In 1979, import penetration for all pipe and tube products amounted to 26.1 percent. By 1984, imports had increased dramatically capturing a record 56.2 percent of the market. The steel VRA Program reduced import penetration in the pipe and tube market to 52.5 percent in 1985.

The inverted tariff is a major factor behind these intolerably high import levels. The inverted tariff encourages foreign producers to convert steel sheet into pipe for export to the United States in order to reap the benefits for adding value in the foreign country and to take advantage of the lower duties for pipe exports to the United States.

In addition, every steel voluntary restraint agreement entered into by the United States contains certain flexibility provisions allowing a degree of shifting among the various steel product categories covered. Our foreign trading partners who are participating in the VRA Program have used their flexibilities to shift their exports from sheet into pipe and tube.

I propose to correct this inverted tariff by equalizing the duties on pipe and pipe and tube products with the duties on sheet steel.

My proposal would result in a column 1 duty for pipe products of 5.3 percent compared to the current levels ranging from 0.5 to 4.8 percent. In addition, the duty on galvanized tubing would equal the duty on galvanized sheet which is 6.9 percent.

This legislation, if adopted, would prove of benefit to the entire steel industry. I urge my colleagues to support this proposal.

SPORTSMEN FINALLY GRANTED RELIEF

HON. ROBERT C. SMITH

OF NEW HAMPSHIRE

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 10, 1986

Mr. SMITH of New Hampshire. Mr. Speaker, today the House of Representatives, in one of the most important votes of the 99th Congress, adopted the Volkmer substitute. This landmark legislation will free law-abiding gun owners, dealers, and collectors from regulations that have been burdening them for years, and I was proud to support it.

The debate today and yesterday essentially gave us a choice between two competing philosophies. On the one side, there was the philosophy that we ought to continue to burden the law-abiding citizen with needless paperwork requirements and bureaucratic redtape. On the other side, there was the philosophy that our law enforcement resources ought to be directed toward capturing and convicting criminals.

Unfortunately, the bill reported from the House Judiciary Committee, H.R. 4332, sided with the philosophy of regulation. It did little to change the status quo and to lessen the burden upon law-abiding gun owners. Although the bill contained a number of provisions intended to satisfy supporters of gun owners' rights, it simply did not go far enough. The substitute offered by Mr. VOLKMER, however, represents a significant step forward in protecting law-abiding gun owners, while redirecting our precious law enforcement resources toward criminals.

The substitute includes a specific definition of "engaged in the business" that will not force private gun collectors and owners to obtain a license to sell a firearm, thus protecting them from being unfairly prosecuted for selling a weapon. H.R. 4332 did not. The substitute will make technical violations punishable only if committed "willfully," thereby protecting dealers from being prosecuted for unknowingly violating gun laws. H.R. 4332 did not. The substitute permits the interstate transportation of any firearm that is legally owned. H.R. 4332 did not. The substitute will protect gun owners from the unjust seizure of their firearms. H.R. 4332 did not.

Mr. Speaker, in short, the Volkmer substitute will mean that taxpayers' dollars will no longer be spent harassing law-abiding citizens. At the same time, it will impose tough sentences upon those who use guns during the commission of a crime. It will also prohibit individuals, not just dealers, from selling guns to felons.

Finally, I, personally, have received over 1,500 letters, phone calls, and postcards from constituents in support of the approach embodied in the Volkmer substitute. The law-abiding citizens of New Hampshire have spoken on this issue, and I am glad that they will finally get the relief they rightfully deserve.

LONG-AWAITED ACID RAIN LEGISLATION

HON. NICHOLAS MAVROULES

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 10, 1986

Mr. MAVROULES. Mr. Speaker, finally, a breath of fresh air. The bill introduced today by Congressman WAXMAN and Congressman CONTE, the Acid Deposition Control Act of 1986, can potentially clear our skies of the dreaded phenomenon of acid rain. I am proud to be an original cosponsor of this landmark legislation which is of particular importance to the environmental health of my region, and ultimately to the Nation as a whole.

We of the Massachusetts delegation have been working for years to pass legislation dealing with the problem of acid rain and sulfur dioxide emissions. Massachusetts has already taken a step ahead by legislating its own reduction requirements for sulfur dioxide and other acid rain producing chemicals.

Although the bill in front of us today may not be as stringent as past acid rain bills, I understand it has an excellent chance of being passed intact by the Energy and Commerce Committee and then the full House. Bipartisan sponsorship in Congress and the endorsement of many environmental groups demonstrate that this bill has a broad base of support.

We have known, without a doubt for many years now, that acid rain is caused by sulfur dioxide and nitrogen oxides from coal-fueled powerplants, cars, and other manmade sources. We have known for even longer of the irreversible, toxic effects of acid rain, which range from the acidification of lakes and the death of all fish and aquatic life in them, to decomposition of forests, to pockmarks on city buildings. Even our Capitol needs a facelift to repair the damages caused by acid rain.

All the conclusive evidence points to the necessity to reduce emissions of the toxic sulfur dioxide and nitrogen oxides. The technology is there—we know of smoke stack scrubbers and clean coal processing methods that have been proven effective. All we need now is action.

The legislation being introduced by Congressmen WAXMAN and CONTE is the vehicle for that action. It calls for the reduction of over 10 million tons of sulfur dioxide and 4 million tons of nitrogen oxides emissions. It also tightens emission standards for cars and trucks. I am very excited about this bill and I wholeheartedly support it.

ACID RAIN LEGISLATION

HON. DEAN A. GALLO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 10, 1986

Mr. GALLO. Mr. Speaker, today I join with 150 of my colleagues to sponsor comprehensive acid rain legislation.

This bill has strong bipartisan support in this body and will create a 10-year program to attack acid rain.

Acid rain is one of the most critical environmental concerns we face in today's world. This strong bipartisan support for this comprehensive approach is proof that we not only recognize the problem, but we are prepared to do something about it.

Now that we have reached a consensus on the problem, we require timely legislative review of the measure.

As assembly minority leader in New Jersey, I voted in support of efforts by Assemblywoman Maureen Ogden to push Congress to act. Now, as a Member of Congress, I am pleased to translate that concern into action with this legislation.

I said then, and I still believe, that we need a regional approach to this problem. This bill sets a Federal standard, but gives our States a lot of power to develop cooperative programs to meet those standards.

This bill sets Federal standards to reduce the levels of sulfur dioxide and nitrogen oxide emissions and creates a program to protect ratepayers from excessive increases in their utility bills to cover the cost of the program.

Acid rain is destroying our forests and our lakes. It poses a long-term threat to our environment and to the well-being of our children and grandchildren.

After a careful review of the evidence, we are now ready to take action on this critical problem.

Our bill would require reductions of 14 to 16 million tons of emissions believed to cause acid rain, would tighten standards for auto and truck emissions and would create an acid rain trust fund to cover a portion of the cost of the cleanup program.

Our bill creates a 10-year program to require a national commitment to the cause of protecting our natural resources and ensuring the continued health of the planet.

Mr. Speaker, I urge you and my colleagues on the committees reviewing this legislation to give your utmost attention in the weeks and months ahead. Time is running out. The time to act is now.

ENERGY SECURITY ACT OF 1986

HON. JOHN B. BREAUX

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 10, 1986

Mr. BREAUX. Mr. Speaker, recent events have proved once and for all that the Reagan administration's blind adherence to Republican ideology is, if not totally bankrupt, shortsighted and intent on bankrupting a vital segment of this Nation's economy and an indus-

try critical to our national security—namely, the oil and gas industry. By its short-sightedness, this administration is playing right into the hands of OPEC. We all remember OPEC—that group of countries that supposedly taught all of the free world a costly lesson about a sanguine dependence on imported oil some 13 years ago. OPEC, we all recall, first tried to destroy western economies by raising the price of crude oil, causing a global recession that we have only recently begun to recover from.

Now that we have lessened our dependence on their oil, they have begun to employ a new tactic, flooding the world marketplace with oil. This tactic is driving the price down to levels that are literally destroying our domestic industry, shutting in crucial production—much of which will never be replaced—making it impossible to spend the exploration dollars necessary to make new discoveries, and making it attractive, if not inevitable, for us to once again purchase enormous amounts of their oil to fuel our economy.

It is apparent to me that our beleaguered energy industry will not receive any help from this Republican administration. After several false starts, this administration has made it clear that it cannot agree on policies that would allow the United States to chart its own energy future. The comments made by various members of the administration surrounding Vice President BUSH'S recent trip to Saudi Arabia are truly astounding and illustrative of the Catch-22 this administration finds itself in when it attempts to deal with a real problem ideologically.

First, it appeared that the Vice President was intending to seek a stabilization of OPEC oil production, as a means of stabilizing prices. To quote the Vice President" My plea will be for stability of the marketplace." Their remedy would, of course, benefit no one but OPEC. Why anyone in this Administration would even talk about taking steps that would benefit the oil exporting nations of OPEC is beyond belief.

Second, and compounding this misstep, other administration officials fell all over each other in an attempt to clarify the Vice President's remarks. Treasury Secretary James Baker, while denying that the United States is "in the business of sitting down with OPEC and talking about price levels for oil," also stated that the administration believes "in letting the free market operate." White House Chief of Staff, Donald Regan, says that the administration doesn't have any intention of interferring with oil market prices. And the President's press secretary says that he believes "that real price stability will be obtained by allowing the free market forces to work."

Now, who around here believes that OPEC in general, or Saudi Arabia specifically, operates under free market principles? In the United States, we have laws that protect one or more U.S. companies against the concentrated efforts of another company or companies who are engaged in a practice called predatory pricing. Thus, it is illegal to dump products on the market, lowering the price of that commodity with the express design of forcing competitors out of the marketplace. And that, Mr. Speaker, is exactly the course that is being pursued by the Saudi's and OPEC. It has been estimated that the world supply of oil this month will exceed demand by 4.2 million barrels a day, two or three times the imbalance recorded in January and February. Again, does this sound like the work of free market forces? The Saudi goal, as stated by Sheik Yamani, is to maintain the current glut situation as a means of securing for OPEC a wider world market share, presumably a share in line with that which allowed them to set world prices throughout the 1970's.

But wait, Mr. Speaker, the administration thinks it might have a solution to this critical problem. It is reported that the administration is considering a repeal of the Windfall Profits Tax Act! Now that's a great solution. As misguided as I believe that tax is, and I would support its repeal, the fact of the matter is that almost no revenue is currently being paid under that tax, because the price of oil is being driven to extreme lows. The removal of this tax, while providing a small measure of relief, is simply too little, too late.

Mr. Speaker, today I am introducing legislation that says to OPEC: "We in the United States will not allow you to destroy our energy industry and compromise our national security. We in the United States will determine the rational price for crude oil. And, we in the United States will receive the benefits of a rational pricing policy."

My legislation would establish a sliding tariff on imported crude oil and certain refined petroleum products. The amount of the tariff would, generally, be the difference between the average world price for these commodities and a base price of $25 per barrel for crude oil and the equivalent of $30 per barrel for the covered refined petroleum products. The benefits of such an approach have been debated at great length recently, but I would note that this approach will:

First, place a safety net under the price of domestic oil that will reverse the disastrous events that have recently occurred in our domestic industry and which continue to unfold every day;

Second, promote continued energy conservation while protecting consumers against unreasonable prices; and

Third, raise substantial sums of money at a time when we in Congress continue to search for ways of addressing the enormous Federal deficit without gutting essential Government services and programs.

Mr. Speaker, various commentators have noted that an import fee makes so much sense that Congress probably will not pass one. I hope that these commentators are wrong, that we in Congress do have the foresight to legislate in this rational manner.

DR. SPENCER SMITH

HON. THOMAS P. O'NEILL, JR.

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 10, 1986

Mr. O'NEILL. Mr. Speaker, during our just concluded recess, the House lost one of its most valuable staff members, and I lost an old and good friend. Dr. Spencer Smith, economist on the Democratic Steering and Policy Committee, died March 29.

Many of us knew that Spencer was ill but it was a mark of his character and strength that he continued with his duties, despite a recurrence of cancer that the doctors said was inoperable and terminal.

Spencer was my strong right arm in pursuit of a solution to the complicated and stormy budget and tax reform issues. He labored long and diligently to advise me on these issues and his counsel will be sorely missed.

Spencer joined the staff of the Steering Committee in 1975 and served our distinguished former Speaker, Carl Albert, as well as he did me. A major project that Spencer and Dr. Joseph McMurray took on for Speaker Albert in 1976 was the drafting of a proposed Democratic party platform which was presented to the Democratic National Committee. Key proposals in the document, centering on the environment, economy, and joblessness, were adopted by the national convention in that year.

He was awarded his doctorate degree in economics by the University of Iowa. He taught economics at the universities of Iowa, Maryland, Minnesota, and Kansas and in 1952 he went to work for the Office of Price Stabilization. He was in charge of the Food and Restaurant Division and supervised a force of 1,500 employees.

Spencer's expertise was in the field of economics, but his heart was in preserving and protecting the environment. He served full time as secretary of the Citizens Committee on Natural Resources. In subsequent years he was chairman of the board of trustees and executive committee of the National Park and Conservation Association; chairman of the C&O Canal and River Rights Council; and chairman of the Citizens Permanent Conference on the Potomac River Basin. Just last year, he was named an honorary member of the Accokeek Foundation for his effort in protecting Piscataway Park.

Spencer was also active in his community and church. He was a former president of the Virginia State Parent-Teachers Congress of PTA's. He was also a member of the Mount Olivet United Methodist Church in Arlington and he taught a men's Bible study class.

I was notified while out of the country of Spencer's passing and I felt deep regret that I could not be present for the funeral services. One of our colleagues who was there, the distinguished majority whip, TOM FOLEY, noted during his memorial speech that "Had there not been a congressional recess at this time, this church would be filled with Members of Congress, such was the respect and affection that so many Members had for Spencer."

Millie and I offer our sympathy to Spencer's wife, Elaine, and his two daughters, Victoria Barrett of Painesville, OH and Kristi Caplan of Arlington.

TO CONTROL THE THREAT OF ACID RAIN

HON. TIMOTHY E. WIRTH

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 10, 1986

Mr. WIRTH. Mr. Speaker, scientists from this and other countries have been warning us of the growing threat of acid rain. Countless scientific reports have been issued—one only last month by the National Academy of Sciences—documenting a real and present danger to the survival of lakes, streams, and forests across this country. Other studies show that this problem is spreading to the Rocky Mountain West. And these reports leave little doubt about the urgent need for action.

Today more than 150 of my colleagues and I are introducing legislation to bring the acid rain threat under control. This legislation represents an historic step forward in the Nation's commitment to protecting our lakes and forests from the silent danger of acid rain.

The bill that we are introducing today is a broad-based response to the rapidly accumulating evidence that acid rain is a threat that respects no boundaries and that can not be corrected unless the Federal Government, States, and industry work together. In that spirit, this bill combines the best features of a number of bills that I and other Members have supported in the past. As a result, Members from both parties and from all parts of the country have joined in introducing this legislation.

Mr. Speaker, we have a special concern in the West, where recent scientific research on acid rain in the Intermountain West has produced alarming results. The high country of the Rocky Mountains cradles more than 7,000 lakes. Many of these lakes lie on granite bedrock, surrounded by the sheer walls of glacial cirques. We have learned that high altitude lakes in the Rockies, and the Sierras and Cascades as well, have very little "buffering capacity," or the ability to neutralize acids. This means that these lakes could be acidified by air pollution that is only one-tenth as severe as acid deposition levels that have resulted in acidification of lakes in the Northeast.

It is imperative that we act before our mountain lakes and streams begin to show the effects of acid rain. It would be a tragedy if we discovered one day that cutthroat trout no longer can survive in Rocky Mountain National Park's lakes, and that we are left with still and lifeless expanses of water. If these lakes could be restored at all, it would be only at costs that stagger the mind. We simply can not afford to gamble on the survival of these high mountain ecosystems.

Let me briefly review the elements of this innovative piece of legislation. First and most important, it assures that emissions of sulfur dioxide or SO_2, which form sulfuric acid in the atmosphere, will be reduced by more than 10 million tons annually. This is an enormously important step forward in preventing the acidification of thousands of lakes in the Northeast and in Canada. However, since Colorado utilities already have installed state-of-the-art pollution control technology at most facilities, Colorado already is in or very near compliance with this legislation.

At the same time, this bill leaves to the Governors of the individual States complete discretion in deciding how each State's emissions reductions will be achieved. For example, a Governor could decide to switch from high-sulfur coal to low-sulfur coal. Or he could choose to install scrubbers that remove SO_2 from the gases emitted through smokestacks. Or he could choose a combination of these and other emission control strategies.

This flexibility especially important to Colorado and other Western States, since fuel switching may be a much less expensive way to reduce SO_2 emissions than are scrubbers. And as a westerner, I do not believe we can afford to shortchange low-sulfur coal as a viable and practical option for reducing SO_2 emissions.

Another point, of equal importance to Colorado, is that this bill does not establish a fee to subsidize pollution control in other States. Although this bill does include a provision to protect electrical energy customers from rate shock, the EPA Administrator must first determine that the costs of pollution control will lead directly to rate hikes of more than 10 percent for residential customers of a specific utility. Then, and only then, the Administrator could decide to impose a fee on generation of electrical energy to cover only the interest component of capital improvements needed for pollution control.

Of special importance to the West, I have insisted that this bill include strong provisions that are vital to preventing acid rain damage in Colorado and throughout the Rocky Mountains.

First, this bill reiterates that copper smelters in this country must comply with air pollution laws. In the Intermountain West, copper smelters contribute nearly 70 percent of the total SO_2 emissions from all sources combined. These emissions lead directly to acid rain in the high elevation areas of Colorado, Utah, and Wyoming. All but two of the smelters are in full compliance with Federal antipollution laws for reducing SO_2 emissions into the regional airshed. This bill makes clear that all smelters must reduce their SO_2 emissions to the level Congress set as long ago as 1977. Just bringing these two smelters into full compliance with the Clean Air Act will result in a 400,000 ton reduction in SO_2 emissions.

Second, we can not ignore the enormous copper smelter that is being constructed in Mexico, a few miles from our border. The uncontrolled emissions from this smelter, at Nacozari, would wipe out all of the clean air improvements that will be gained by this bill, and more. This simply is not acceptable. For that reason, this bill includes a provision that instructs the Secretary of State to negotiate an agreement with the Mexican Government to insure that emissions from Nacozari are fully controlled, just as they would be if the smelter were being built in this country. That is only fair, since the air pollution from Nacozari will end up in this country.

Finally, this bill takes a first step toward addressing the brown cloud problem that confronts the city of Denver in my State, and other cities as well. This bill includes provisions to tighten up on car and truck tailpipe emission standards for both particulates and nitrous oxides—two of the principal contributors to the photochemical smog that Colorado is trying so hard to eliminate along the front range. These new requirements codify what EPA already is planning to do in controlling mobile source emissions. As a result, this bill ensures that we don't slip backward—so we continue to make progress in cleaning up the air in our urban areas.

Mr. Speaker, I rise in support of this legislation, and I urge all of our colleagues who have not yet joined as sponsors to do so. This is a fair, balanced, and bipartisan measure to address a serious national problem. It truly is an historic step, and it deserves our support.

WORLD FOOD DAY

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 10, 1986

Mr. GILMAN. Mr. Speaker, today I am introducing House Joint Resolution 595 which would designate October 16, 1986, as "World Food Day." World Food Day celebrates the founding of the Food and Agriculture Organization of the United Nations in 1945. For the past 5 years Congress has supported this commemorative day which has been an effective tool in increasing the public's awareness of the global problems of hunger and malnutrition.

As public concern about world hunger grows, the importance of special days like World Food Day increases. Hundreds of colleges, universities, and other organizations participated in various activities to help educate their communities on the problem of hunger last year. These individual activities add up to the huge worldwide movement that will give the hungry the support they need to succeed. Public concern has already created enormous resources for Africa and is stimulating the political commitment needed to achieve long-term success.

By designating October 16, World Hunger Day, Congress will join these communities and initiatives in a committed national effort to alleviate hunger in the world.

Mr. Speaker, at this point, I am inserting the full text of the House Joint Resolution 595 to designate October 16, 1986, as "World Food day."

SUPER SIXTIES

HON. MICHAEL BILIRAKIS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 10, 1986

Mr. BILIRAKIS. Mr. Speaker, this weekend a "super" idea is being celebrated for the ninth consecutive year in Clearwater. It's called "Super Sixties" and began as a special ministry for senior adults by the Trinity Baptist Church.

Under the leadership of Pastor William Kline, "Super Sixties" provides a nondenominational ministry that is upbeat and positive

and highlights special services and opportunities for our senior adults. Those who participate enjoy programs ranging from financial advice to old-fashioned sing-alongs. Each weekly program lasts from 9:30 a.m. until noon with those attending receiving a free lunch at the end of the program.

I am proud to say that this very successful program receives no Federal, State, or local funding and, instead, operates through donations received at the door as well as special fundraising drives. Their newspaper recycling program alone brings in more than $1,000 each time the three tractor-trailers are unloaded.

This innovative and exciting program for senior adults began 9 years ago with 125 charter members. It is now believed to be the world's largest church-related senior adult ministry with an average of 1,000 people participating each week. In addition, Pastor Kline and his "Super Sixties" coordinators have established seminars on how to develop a senior adult ministry, having already shared that information with fellow Americans as well as individuals from Australia, Korea, Europe, and Canada.

Mr. Speaker, I want to commend Pastor Kline and members of Trinity Baptist Church for establishing this very successful program for our senior adults. As they commemorate that success at their annual banquet on April 12, they should know that all America applauds their efforts and appreciates their leadership. "Super Sixties" is, indeed, a "super success."

TRIBUTE TO ANTHONY M. TARABOCCHIA

HON. ROBERT G. TORRICELLI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 10, 1986

Mr. TORRICELLI. Mr. Speaker, I rise today to honor Mr. Anthony M. Tarabocchia. On April 13, 1986, Mr. Tarabocchia will be honored with a testimonial dinner by UNICO National and the Italian-American Forum of Lodi.

Mr. Tarabocchia is truly deserving of the title humanitarian. He has undertaken numerous efforts on behalf of senior citizen, youth and sports progams at the community and county levels. Tony has been directly responsible for raising thousands of dollars to benefit such worthy causes as the UNICO High Hopes College for the musically talented, mentally disabled and the Boys Towns of Italy. Tony truly exemplifies the spirit of UNICO's motto of "Service Above Self."

In recent years, Tony's interests and accomplishments have been recognized with many awards. He has had the honor of receiving the highest award which UNICO National can bestow, the Antonio R. Rizzuto Award. Tony has been presented with the Star of Gold of the Republic of Italy and named "Man of the Year" by the Italian-American Forum. The town of Lodi has even given Tony the keys to the city and proclaimed a "Tony Tarabocchia Day."

The many achievements of Tony Tarabocchia would fill several volumes. He has combined a successful business career with a lifetime of caring for others. His spirit and dedication deserve to be recorded in history as part of the CONGRESSIONAL RECORD.

It is with great honor and pleasure that I join with so many of Tony's friends in honoring him with this testimonial dinner.

AID FOR THE AGED

HON. DAN MICA

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 10, 1986

Mr. MICA. Mr. Speaker, 6 years ago, Abe Meltzer, an industrialist and a resident of Boca Raton was watching television news. The commentator reported it as just another human interest story—the camera was showing poverty stricken people in their seventies and eighties, in the twilight of their lives, groveling through garbage cans behind supermarkets for some scraps of food. This news story showing the agony of poverty in the midst of the wealthiest country in the world, deeply touched Mr. Meltzer. He founded a public charity entitled Aid For The Aged, Inc. to meet the needs of these elderly poor.

For the last 6 years, this charity, based in Boca Raton, has been distributing help to social service agencies servicing the elderly from Miami to West Palm Beach. The gold coast of Florida is not golden if you are old, poor and in need of basic services. Aid For The Aged has been an important part of our community alleviating these needs.

Aid For The Aged has been concerned with the broad spectrum of aging problems—the basic needs of food and transportation, the loneliness of the aged when spouses die and family is not there, the real fear of dying and the pain of terminal illness, the struggle to avoid institutionalization and to maintain dignity and usefulness to the end, and most important the challenge to remain young in spirit and continue to be a useful part of this society.

After Abe Meltzer's death, his widow Florence assumed the presidency of Aid For The Aged this past year. She has carried on the good work of this charity and has expanded its support within the community. This year Aid For The Aged has provided grants for 15 programs ranging from a meals program provided by the Ascension Lutheran Church to an emerging Alzheimer's Disease Association, to Crisis Line, to Hospice to the Jewish Family and Children's Service. Their grants reflect the broad range of services to the elderly within our community in the 14th Congressional District.

I am proud to salute Aid For The Aged and its president, Florence Meltzer and its officers, Albert Gortz, Benjamin Ossman, Emanuel Siedeman, and Rabbi Bruce Warshal. I commend this fine public charity for community support.

SENATE—*Friday, April 11, 1986*

(Legislative day of Tuesday, April 8, 1986)

The Senate met at 9 a.m., on the expiration of the recess, and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

Let us pray.

Father in Heaven, we thank You for mental, emotional, and physical health—incomparable assets in fulfilling our destiny as individuals. When any of these resources break down or burn out, our ability to function effectively is greatly diminished. Help us to take seriously our responsibility to ourselves—to nurture mental, emotional, and physical strength so that we may fulfill private and public missions to the ultimate of our potential.

We thank You for the security and stability strong family relationships provide. Help us not to take these for granted and allow them to deteriorate to the detriment of public service. Save us Lord from destructive indifference to these fundamentals. In Jesus' name we pray. Amen.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. The able majority leader, Senator DOLE, is recognized.

SCHEDULE

Mr. DOLE. Mr. President, under the standing order, the leaders will have 10 minutes each. I do not think we intend to use that time as we have a rather tight schedule. That will be followed by special orders for Senator HAWKINS, Senator PROXMIRE, Senator QUAYLE, Senator CRANSTON, and Senator MELCHER. The remarks of Senator HAWKINS will be delivered by Senator HATCH.

Routine morning business will follow the execution of the special orders, not to extend beyond the hour of 9:30 a.m.

Right at 9:30, we hope to resume S. 1017, the regional airports bill under a unanimous-consent agreement, providing for final passage no later than 12 noon.

Mr. President, there could be as many as four votes between now and then, so I would advise my colleagues to be alert. Because of the time constraints—this is a rather tight agreement—we are going to limit the rollcall votes to as close to 15 minutes as possible. I would urge staff who may be tuned in this morning to advise their Senators that rollcall votes will be 15 minutes. There could be some exceptions, but that is our present intention.

Mr. President, a number of Members have other official duties later this afternoon. We would like to be able to finish our business no later than 2:30.

Following the regional airports bill, we will take up the hydro-relicensing bill. Hopefully, we can work that out, maybe, without a vote. I am not certain about that.

That will hopefully be followed by the crime bill, S. 1236, which will be followed by S. 1774, the Hobbs Act. I doubt that we will finish the Hobbs Act today. We may not even get on the Hobbs Act today. However, that is on the list.

Mr. President, we will be in session and there will be votes. Again, I am certain there will be votes. I do not want to mislead anyone suggesting that perhaps there will not be votes. There will be votes, and they will probably start as early as 9:45 this morning. We could have votes up to around 2 or 2:30 this afternoon.

RECOGNITION OF THE ACTING MINORITY LEADER

The PRESIDING OFFICER (Mr. GRASSLEY). The acting minority leader is recognized.

Mr. CRANSTON. Mr. President, I reserve the time of the minority leader.

SENATOR HAWKINS' SPECIAL ORDER

The PRESIDING OFFICER. Under the previous order, the Chair recognizes the Senator from Utah [Mr. HATCH] to speak on behalf of the Senator from Florida [Mrs. HAWKINS] for a period not to exceed 5 minutes.

Mr. HATCH. I thank the Chair.

Mr. President, I rise this morning to pay tribute to Senator HAWKINS and wish her the very best. I know that all of our hearts and prayers are with her as she recuperates from a very serious operation which was necessitated because of an accident. I am very proud to deliver this message this morning on her behalf.

BOLIVIA: A CRISIS OF WILL

Mrs. HAWKINS. Mr. President, this morning I wish to make a few comments about Bolivia's failure to take the minimal steps called for in the Hawkins-Gilman provision of the 1984 foreign aid bill to prevent a cutoff of American foreign aid.

The Hawkins-Gilman provision simply requires drug producing countries to eradicate 10 percent of their drug cultivation in order to continue to be eligible for foreign aid. The Bolivians have not complied so now we hear them shouting to the heavens about their sovereignty, and how the United States is trying to impose itself on an independent country. Well, I say fine. Be independent. Be sovereign. But do it without the hard earned tax dollars of America's taxpayers.

Maybe the Bolivians do not know it, but foreign aid is not a God-given right. It is not manna from heaven. It comes from the sweat of our farmers, from the creativity of our entrepreneurs, from the energy of our factory workers, and it is made possible because of the sacrifices of our veterans and military retirees. Without these things we would not have a prosperous America that can, out of its generous spirit and sense of mutual interests, provide foreign aid for nations less prosperous than ourselves.

Another lesson the Bolivians might learn is that it does not make sense to throw good money after bad. No American is going to stand idly by and watch his money be thrown down a deep, dark, black hole. It is a shame, too, because the people of Bolivia are hardworking and diligent. But all that hard work and diligence is wasted because of a drug network whose tentacles reach into every aspect of the nation draining it of its vitality.

I have looked into the eyes of the children of Bolivia and it breaks my heart to see a government unwilling to take even the minimal actions necessary to save these poor children from a future of despair. According to a study released several weeks ago in Bolivia, and prepared by Bolivians, 80 percent of the coca cultivated in Bolivia goes for foreign consumption. But with a country literally awash in cocaine, how can they hope to escape or even survive the violence and corruption that inevitably follow the narcotraffickers. Well, the answer to that is that they cannot and they have not.

According to the Report on Drug Abuse and Drug Trafficking by the President's Commission on Organized Crime:

"Official corruption has seriously hindered anti-drug efforts throughout South America, especially in Bolivia and Peru. Throughout Bolivia during the 1980's regime of Gen. Garcia Meza, corruption among high-level officials charged with drug enforcement was so rampant that 'the Government itself became an international drug trafficker.' Despite the subsequent efforts of the current Bolivian Government to more effectively enforce drug control laws, corruption at all levels of the Bolivian Government remains a major problem. In 1984, for example, Bolivian authorities arrested two suspected traffickers with a small amount of cocaine and confiscated a 14,000 acre ranch and two airplanes belonging to them. Two weeks later, the men were transferred to the authority [of] a local prosecu-

tor who subsequently released them and returned their possessions. According [to] the reports, at least $250,000 in bribes were paid to Bolivian police and Government officials for the release of the two traffickers."

The Bolivians say the aid cutoff is unfair. I say why has every other country that is effected by the Hawkins-Gilman provision met the required eradicaton targets.

The Bolivians say we do not understand their situation. I say we understand their situation all too well. They have a well-entrenched drug network and they are not willing to stand up to it for the sake of their country and their children. They have an economy in desperate need of rejuvenation, but it will never provide the prosperity desired so long as the narco-traffickers continue to suck the life-blood from the economy. They talk about the benefits of the high price for the farmers of coca as compared to other crops when they should be talking about the costs of violence, corruption, and inefficiency on all Bolivians. I say we understand all too well.

The Bolivians complain that we do not give them enough money to really go after the traffickers. I say, "prove that you can spend the money that we give you effectively, and then we will give you more."

We in this body have a trust. We have a trust with the American people. It is our job to make sure that their tax money is well-spent, and that it is spent on necessary programs.

Given the record of inactivity in Bolivia, I would rather spend their foreign aid money on our children, our farmers, our poor, or our elderly. We have plenty of programs in this country that can use the money. Until Bolivia gets its act together, I say we give it to them instead.

The Bolivians want to be independent; they want to be sovereign; they want to do their own thing? OK, be independent, but do it without our money. But I also say that, "if you change your mind and want to begin behaving like a civilized, rational, compassionate country, then we stand prepared to turn the spigot back on and restore our cooperation and our foreign aid to appropriate levels." If Bolivia is willing to enter the war on drugs, then they deserve to be treated as an ally.

RECOGNITION OF SENATOR PROXMIRE

The PRESIDING OFFICER. Under the previous order, the Senator from Wisconsin is recognized for not to exceed 5 minutes.

Mr. PROXMIRE. I thank the Chair.

THE APPALLING COST OF LIFTING STAR WARS INTO SPACE

Mr. PROXMIRE. Mr. President, there are far more mountains to climb to put an antimissile defense into space than the lengthy hearings and articles on star wars have begun to consider. This morning I shall discuss just one of these. For star wars to work, we have to lift much of its immense hardware into space. I have yet to hear a Member of Congress even discuss this on the floor of either body. It would be a mammoth task. Consider just a few figures.

At the present time, our equipment to lift material into space consists of three shuttles. We lost one, the *Challenger*, a few weeks ago. It will cost us a couple of billion dollars to replace that one shuttle. So far in our experience with lifting materials into space, we have succeeded in our biggest year in pushing less than a million pounds into space.

How does the problem of lifting star wars into orbit compare with this past experience? The weight for star wars, taking the SDI baseline, would be about 57 million pounds. It could go as high as 200 million pounds. Is 200 million pounds the maximum? No, indeed. The weight could increase beyond that if we succeed in developing star wars weapons that we can harden or equip to shoot back at attackers, or make more maneuverable to evade hostile fire.

What does it cost today to lift a pound of material into space? Answer: from $1,500 to $3,000 per pound. So the cost to put the baseline star wars system into space will go between $85 and $170 billion at present prices. Keep in mind, Mr. President, this includes nothing for the cost of producing this complicated and expensive equipment such as battle stations and satellites. These tens of billions of dollars are strictly for simply lifting the equipment. That is all. Also, I have not included the cost of maintaining the equipment once we deploy it. And I have said nothing about the cost of modernizing the equipment as the offensive technology moves along. Just plain old simple lifting of the full top-of-the-line star wars model will cost hundreds of billions of dollars.

Some will say, ah, but if we lift tens of millions of pounds into space, we can develop economies of scale. They will say the cost per pound will diminish. Will it? When has military equipment of any kind or description or its transportation dropped on a per-copy or per-pound basis as the volume increased? Some have said this will require a revolution in space transportation like Henry Ford's revolutionary assembly line. It will take just that to do the job at any price. But it is doubtful if any revolution will cut the per-pound cost. This Senator would argue that the cost will increase—and by leaps and bounds.

No matter how the cost increases, it will take a very long time to deploy 57 million pounds in the right orbit. First, deployment cannot begin until we have finished research and development of the hardware. Some cockeyed optimists argue we can do that early in the 1990's. It will very probably be later. Then we have to test the equipment for a couple of years. After that, we have to produce it. How long will that take? Five years? Ten years?

Once we have the hardware produced we can transport it. Now consider: If we simply triple our present lift capacity, it will take 19 years to lift our deluxe star wars system into space. If we increase the lifting capacity by a massive factor of 10, it will still take 7 years for deployment.

Can anyone believe that 25 years from now, when we get that star wars system nicely deployed in space, our adversary, the Soviet Union, will not have developed a new offensive technology that can overwhelm it, spoof it, penetrate it, destroy it. After all, the design of the star wars system will have to be established and set 15 or 20 years before it is fully deployed. What does that mean? That means the lift of 200 million pounds will not be a one-time cost. It will go on indefinitely, with constant complicating improvements.

Will these improvements increase the cost of deployment? Generally, of course they will. They will also increase the cost of production. Will the huge increase in the volume of transportation in space sharply reduce the per-pound cost? Maybe, but probably not. Why not? Because the same factors that have driven fighter plane costs from the $150,000 per-copy level in World War II to $50 million per copy today will continue to be at work. In peace or war, military procurement has never been efficient. It has never been truly competitive. It has consistently had one sure and predictable element: The cost rises. It soars. Why should this vast effort to lift the most complex equipment the world has ever seen be any different?

Mr. President, what this Senator has talked about in this speech is only a part of the cost, a small part. In the next few days, I intend to detail some of the additional cost of star wars. I have barely started.

THE MYTH OF THE DAY

Mr. PROXMIRE. Mr. President, the myth of the day is that the administration wants to reduce large deficits. The Office of Management and Budget has said, "We must now bring the deficits under control or risk losing the major economic achievements of the past 5 years."

That statement reflects the administration's public position. But its actions are at odds with its words. News reports indicate that the White House is not interested in negotiating a budget. It fears a compromise would mean a tax increase, more domestic spending, and little or no increase in military spending.

How real are these fears? The Senate Budget Committee has reported a budget resolution which recommends raising $75 billion in additional revenues over the next 3 years. That sounds like a lot until it is put in perspective. It is a revenue increase of less

than 3 percent. The administration has argued that its domestic cuts are reasonable because they amount to about 5 percent of such spending. If a 5-percent cut is reasonable, why not a 3-percent increase in revenues based on requiring those who now avoid paying their fair share of taxes to pay them.

As for defense, spending has jumped from $157.5 billion in 1981 to a recommended $280 billion in 1987, an increase of over 60 percent after adjusting for inflation. Congress has pumped money into the Pentagon so fast that even the mammoth bureaucracy is unable to spend it. They now have about $300 billion in unspent money. Only a wastrel could argue that the Pentagon needs still more money, given the size of the deficit.

Finally, we come to domestic spending. Here, the administration has a strong case. Many domestic programs have either outlived their usefulness or are little more than welfare for the well-to-do. But even the Republican-controlled Senate will not cut these programs to pay for more military spending and more tax loopholes. The administration would stand a much better chance of getting its domestic cuts if it went after military spending and tax expenditures with the same fervor. This, they will not do.

Where does this leave us? It raises the very real possibility that deficits will not be controlled and the economic expansion will be endangered. That eventuality, unfortunately, is no myth.

Mr. President, I yield the floor.

The PRESIDING OFFICER (Mr. MCCLURE). Under the previous order, the Senator from California [Mr. CRANSTON] is recognized for not to exceed 5 minutes.

Mr. CRANSTON. I thank the Chair.

NO STINGER MISSILES FOR SAUDI ARABIA

Mr. CRANSTON. Mr. President, 200 years ago, during its revolution, France suffered through what historians call a reign of terror.

Today, the world is suffering from a reign of terrorism—with Americans a primary target.

Muammar Qadhafi, the leader of Libya, is strongly suspected of being behind much of this terrorism.

And he threatens more.

Is this the time for the United States to be supplying 2,600 more missiles to Qadhafi's friends—the Saudis—as the administration proposes?

Saudi Arabia, which has repeatedly supported Qadhafi at pan-Arab conferences:

Which had sided with Qadhafi against the United States in every confrontation.

Which has offered to make good Qadhafi's economic losses because of the American boycott.

Which bankrolls PLO terrorists and Syria.

Which has thwarted every effort by Jordan to join in the peace process and which still doesn't have diplomatic relations with Egypt because of Camp David.

Two years ago, President Reagan used his emergency powers to send 400 Stingers to Saudi Arabia when Congress refused to go along.

Is this the time to supply the Saudis with 800 more Stinger missiles and reloads?

I say no.

Imagine if even one of these weapons should fall into the hands—or be placed in the hands—of one of the multitude of terrorist-fanatics who abound in the Middle East!

The Stinger is a highly portable, shoulder-launched missile.

It is extremely effective.

With one of these advanced heat-seeking weapons, you could fire at an oncoming aircraft from more than 5 miles away.

That gives you plenty of time to escape and avoid detection if you are a terrorist and your target is an American airliner.

Stingers have been called the "ideal terrorist weapon," "the terrorist's weapon of choice," "the terrorist's delight."

Fifty years ago, Robert Sherwood won the Pulitzer Prize for his play forecasting World War II.

It was called idiot's delight.

Congress should refuse to play a role in the latest version of "idiot's delight"—sending 800 more Stinger missiles, "the terrorist's delight," into the Arab world.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. TRIBLE). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MELCHER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECOGNITION OF SENATOR MELCHER

The PRESIDING OFFICER. Under the previous order, the Senator from Montana [Mr. MELCHER] is now recognized for not to exceed 5 minutes.

CAUTION BUT NOT DISTRACTION

Mr. MELCHER. Mr. President, I urge caution in the Mediterranean in the use of our naval vessels and aircraft in retaliation against Libya. It appears to be conclusive to U.S. intelligence that there is definite linkage between Libya and the bomb killing of one American Armed Forces sergeant, injuring more than twoscore of U.S. servicemen, two of them still on the very critical list, and causing the death of a woman. President Reagan has made it clear that he intends retaliation against Libya. I repeat, caution in his orders are essential because retaliation easily leads to escalation. So any retaliation orders by President Reagan must be premised first on convincing evidence of Libya bombing the Berlin disco and then it must be carefully weighed as to appropriate action for U.S. interests.

President Reagan and Congress cannot be distracted from the work here at home.

Low commodity prices for agriculture, energy, mining, metals producers, and others threaten the U.S. economy into more liquidations and bankruptcies. Both U.S. trade and Federal deficits worsen and still there is no action here in Congress on the budget. The Senate Budget Committee has reported out a bipartisan budget that appears to cut Federal spending to curb some of the waste in Pentagon and foreign aid spending but comes close to preserving the integrity and vitality of education, health, Medicare, research, agriculture, and economic programs across the country.

That budget should be considered immediately in the Senate. Waiting on the President is like waiting for rain in Montana, my own State. It is unpredictable.

We should wait no longer for President Reagan to correct the U.S. trade imbalance. If he is not going to act, Congress must act. The United States—that is us—imports too much. The United States—that is us—does not export enough. The deficit is running at $12 billion to $14 billion per month. The President and his Cabinet sit idle while the imports pour in from abroad. The President and his Cabinet sit idle—in fact, they block U.S. exports—and all this time U.S. commodity prices are plunging lower and lower. We are going broke—that is us. Congress and the President indeed have a lot of work to do here at home helping our own U.S. economy.

Mr. President, I yield the floor.

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, there will now be a period for the transaction of routine morning business not to extend beyond 9:30 a.m., with statements therein limited to 5 minutes each.

S. 2286—STINGERS AND SECURITY CONTROLS

Mr. DECONCINI. Mr. President, as politics is the art of the possible, foreign policy often is a vehicle to define and solve difficult problems. The administration and the Congress are currently seeking to produce sound politics and practical answers to combating communism and arming democratic resistance forces. Benjamin Franklin estimated the cost-effectiveness ratio of prevention to treatment at 16 to 1: An ounce of prevention is worth a pound of cure. The purpose of this bill is to ensure ahead of time that we implement the same security controls on Stinger sales to friendly nations as when we transfer them to democratic resistance movements.

These surface-to-air missiles, referred to as Stingers, would presumably be used against Soviet-made helicopters. These missiles are fired from the shoulder and cost $60,000 each. They have a range of 3 miles and can reach a height of 4,500 feet. In addition to these dangerously lethal capabilities, the Stinger missile is separated from the launcher and transported in separate vehicles with armed guards. Meticulous arrangements are made to protect these missiles from falling into the hands of terrorists.

What is my concern, you might ask, if we are fighting wars against repressive and authoritarian regimes? These Stinger missiles are also part of the proposed package arms sale to Saudi Arabia. While I oppose this sale, these missiles have been sold before to the Saudis. These missiles are so lethal and valuable that they are separated into components and stored in two distinct facilities to protect against falling into terrorist hands. There are pages of safeguards that a country purchasing these missiles must sign in order to finally acquire the Stinger.

Now, we propose to give these to resistance movements whom we have no control over and who have loyalties to Arab nations closely aligned with terrorist activities. These weapons cannot, Mr. President, fall into the hands of terrorists who might eventually use them against the United States. While I will not get into all the complexities of the Stinger and Redeye capabilities, or my reservations, I would urge the administration to ensure that the Stinger missile is safeguarded with the same controls we sign in government-to-government contracts with friendly recipient nations.

The Stinger is the ultimate terrorist weapon. When the Senate contemplated the sale under strict security controls to the Saudis, my colleague, Senator PACKWOOD, said "* * * not a single airplane or airport in the civilized world will be safe if these weapons fall into the wrong hands."

Mr. President, Ben Franklin's adage of prevention should be adhered to for the safety of every American citizen.

I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the text of the bill was ordered to be printed in the RECORD, as follows:

S. 2286

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That notwithstanding any other provision of law, no Stinger antiaircraft missiles may be sold, donated, or otherwise provided, directly or indirectly, to democratic resistance forces in Angola and Afghanistan unless the President certifies to the Congress that the proposed recipient has agreed to the following conditions:

(1) Physical security of such missiles shall consist of the following:

(A) Magazines of reinforced concrete, arch-type, and earth-covered whose construction is at least equivalent in strength to the requirements of the Chief of Engineers (Department of the Army) drawings, 652-686, through 652-693, 27 Dec. 1941 as revised 14 Mar. 42, shall be provided.

(B) Lighting shall be provided for exterior doors and along perimeter barriers.

(C) Exterior doors shall be class 5 steel vault doors secured by two-key operated high security padlock and hasp (mil spec P-43607), and keys shall be secured separately to insure effective two-man control of access.

(D) Fencing shall be 6-foot (minimum) steel chain link on steel or reinforced concrete posts over firm base, and clear zones shall be established inside and outside fencing.

(E) A full-time guard force or combination guard force and intrusion detection system shall be provided.

(2) Such missiles shall be accounted for as follows:

(A) A 100 percent physical count shall be taken monthly with two-verifications, and records shall be available for United States inspection.

(B) A United States Military Training Mission shall conduct the United States inspector and inventory annually, and weapons expended outside of hostilities shall be accounted for.

(3) Movements shall meet United States standards for safeguarding classified material in transit.

(4) Access to such missiles and to classified information relating thereto shall be as follows:

(A) Access to hardware and related classified information shall be limited to military and civilian personnel who have the proper security clearance and who have an established need-to-know. Information released shall be limited to that necessary for assigned functions or operational responsibility and, where possible, shall be oral or visual only.

(B) No maintenance shall be authorized which required access to the interior of the operational system. Such maintenance shall be performed under United States control.

(5) The recipient shall report to the United States by the most expeditious means any instance of compromise, loss, or theft of any material or related information. This report shall be followed by prompt investigation and the results provided to the United States.

(6) The recipient shall agree that no information on Basic Stinger shall be released to a third government or any other party without United States approval.

(7) The security standards applied by the recipient to protection of Basic Stinger information and material shall be at least equivalent to those of the United States at the identified security classification.

(8) The recipient shall use the information on Basic Stinger only for the purpose for which it was given.

(9) United States officers shall be allowed to inspect and assess physical security measures and procedures established for implementation of these security controls on an announced random access basis.

(10) Damaged launchers shall be returned to United States Armed Forces for repair or demilitarization prior to disposal by United States authorities.

(11) Two principal components of the Stinger system, the gripstock and the missile in its disposable launch tube, shall be stored in separate locations. Each location shall meet all physical security requirements applicable to the Stinger system as a whole. The two locations shall be physically separated sufficiently so that a penetration of the security at one site shall not place the second at risk.

(12) The principle components of the Stinger system, the gripstock, missile, and launch tube, may be brought together and assembled only under the following circumstances:

(A) In the event of hostilities or imminent hostilities.

(B) For firing as part of regularly scheduled training (only those rounds intended to be fired shall be withdrawn from storage and assembled).

(C) For lot testing (only proof round(s) shall be withdrawn and assembled).

(D) When Stinger systems are deployed as part of the point of defenses of high priority installations or activities.

(13) Field exercises or deployments wherein the use of Stinger system is simulated shall not create conditions for the assembly of the system.

TRIBUTE TO MINORU YAMASAKI, PRIZE-WINNING AMERICAN ARCHITECT

Mr. MATSUNAGA. Mr. President, I rise to pay tribute to the memory of the late Minoru Yamasaki, one of America's foremost architects. Mr. Yamasaki, perhaps best noted for his 110-story, twin tower, World Trade Center in New York, was a second generation American of Japanese ancestry whose genius, hard work and perseverance propelled him to the front ranks of his profession.

Mr. Yamasaki, the son of immigrant parents from Japan, was born and raised in Seattle, WA, where poverty and racism scarred his youth. He managed to put himself through the College of Architecture at the University of Washington by packaging salmon at Alaskan canneries for wages averaging $50 a month.

Partially to escape rising anti-Japanese sentiment on the west coast, young Yamasaki moved to Manhattan, NY, in 1934 with $40 in his pocket and

a dream to design. In the city where his most famous building would someday reshape the skyline, Yamasaki earned his livelihood by wrapping China dishes for an importing company.

In 1935, Mr. Yamasaki landed his first architectural job while pursuing graduate studies and teaching watercolor courses at New York University. In 1949, he joined the firm which later became his own.

In 1951, Mr. Yamasaki won the American Institute of Architects First Honor Award for his design of the St. Louis Airport, a commission which began a trend to have leading architects design airports. In 1963, after he was chosen to design the World Trade Center—known by its admirers as "Democracy at Work"—Mr. Yamasaki became one of the new architects to be featured on the cover of Time magazine.

Mr. Yamasaki's most notable design accomplishments, other than the St. Louis Airport and the World Trade Center in New York City, include the Century Plaza Complex in Los Angeles, CA, the U.S. Consulate in Kobe, Japan, the Federal Reserve Bank in Richmond, VA, and the King Fahd Airport in Dhahran, Saudi Arabia.

Mr. Minoru Yamasaki, often described as "deceptively serene as a sunning panther" once said: "Man needs a serene architectural background to save his sanity in today's world; you want to build hope and aspirations that will make people delighted and happy." As a personal friend and one of the millions of beneficiaries of the beauty Minoru Yamasaki created, I extend my heartfelt condolences and deepest sympathy to his surviving family members. They can be proud that Minoru made his mark in American history by helping to make this great Nation of ours greater and proving once more that here in America even those of the humblest origin can dream great dreams and make them come true.

THE 10TH ANNIVERSARY OF THE MAGNUSON ACT

Mr. MURKOWSKI. Mr. President, 10 years ago, the United States adopted one of the most significant pieces of legislation in Alaskan history—the Fishery Conservation and Management Act.

Signed into law on April 13, 1976, this act has since added hundreds of millions of dollars into the economy of Alaska and the United States.

Two men played vital roles in the passage of the act—Senator TED STEVENS of Alaska and former Senator Warren Magnuson of Washington. Without their efforts it is doubtful this important legislation would have become reality.

Senator STEVENS originally introduced the legislation and later worked closely with Senator Magnuson to ensure its passage in Congress.

In 1980, Senator STEVENS sponsored an amendment to rename the act to the Magnuson Fishery Conservation and Management Act to commemorate the Washington Senator's dedicated work toward developing a national policy on fishery development.

Prior to the Magnuson Act, foreign fishermen from Japan, the U.S.S.R., and South Korea were fishing as close as 12 miles off the Alaska coast, catching billions of pounds of our bottomfish—cod, pollock, perch, and sole. In 1972, foreign catches off Alaska accounted for 2.4 million metric tons worth more than $210 million.

However, because of the Magnuson Act, foreigners now can fish within our 200-mile zone only by permit and take only fish that American fishermen cannot utilize. The decline of foreign bottomfish catches and the increase in American catches has been staggering. Foreign catches have decreased steadily from an annual rate of $212 million in 1972 to $106 million last year. U.S. fishermen have increased their take from zero to over $92 last year alone.

The United States has now become the fourth largest fish producing nation in the world.

Before the 1976 act, the North Pacific's fishery stocks were decreasing at an alarming rate, to the detriment of U.S. fishing interests. The Magnuson Act reversed that trend and accomplished several important objectives:

It extended the United States fishery management jurisdiction to 200 miles and immediately halted unregulated foreign fishing by Japan, the U.S.S.R., and South Korea. The act also gave the United States control over an additional 2 million square miles of the Pacific Ocean and 15 to 20 percent of the world's fishery resources.

It established fishery management councils to regulate and manage the domestic and foreign fishing to prevent overfishing.

It established management guidelines to encourage and give preference to domestic fishermen and processors in the development of our newly acquired fishery resources.

In addition, U.S. observers must be onboard most foreign fishing vessels and the U.S. Coast Guard has increased surveillance of our waters and increased penalties for all violations.

The Northwest and Alaska bottomfish processing industry is coming on line and slowly but surely displacing the foreign processing of our fish. Bottomfish processing is expected to triple this year over last year's production. Alaska's shoreside processing reached $38 million in 1985 and is expected to increase this year. Our second surimi processing plant has just opened in Dutch Harbor and a third plant is scheduled to open later this year. A surimi factory trawler is also being planned. And with rising prices for cod and surimi, lower fuel prices and low interest rates, we can expect to see a surge of American processing activity and development in Alaska in the next couple of years.

But much still needs to be accomplished. Along with Senator STEVENS, I have been working to increase the marketing opportunities for Alaska seafood as our shoreside plants process previously unutilized bottomfish. This includes the creation of the National Seafood Marketing Council, which would establish a coordinated national program to expand markets for fisheries products. It is important that we continue to develop new approaches to stimulating our Nation's fishery development.

I have also sponsored a surimi tariff bill which would begin to equalize the marketing positions of United States and Japanese surimi processors.

In legislation currently before the Senate Commerce Committee, I have cosponsored amendment to the Magnuson Act which would:

Implement a 50-percent cut in bottomfish allocations to nations found guilty of high seas salmon fishing violations;

Phase out all foreign fishing in our 200-mile zone by 1990;

Extend U.S. management jurisdiction beyond the 200-mile zone for fish stocks that straddle the 200-mile line, allowing for more comprehensive management of these fish;

Increase foreign fishing fees to reflect the true value of our fishery resources and put the U.S. fishery industry on a more equal operating cost basis.

Encourage the use of U.S. support services by foreign nations.

There is an explosion in U.S. seafood consumption taking place across America, with more and more Americans eating seafood for health and nutritional reasons. Americans are demanding high quality, inexpensive seafood, and providing a golden opportunity for U.S. fishermen and processors to benefit. The Magnuson Act has given us control of the fishery resource, now let's take advantage of it and totally "Americanize" the fisheries within our 200-mile limit.

UNITED STATES-SAN MARINO RELATIONS

Mr. PRESSLER. Mr. President, recently it was my honor and privilege to attend a ceremony observing the change of the two Captains Regent of the Republic of San Marino. In one of the oldest, continuous democratic traditions in the world, the people of San

Marino have elected these two highest officials of their republic every 6 months since 1244.

San Marino is a small country, but for more than seven centuries they have succeeded in protecting their independence and democratic institutions. The new distinguished Captains Regent, Marino Venturini and Ariosto Maiani, are the latest in the long line of people who have been elected to head the Government of the proud citizens of San Marino.

I also was honored to meet with San Marino's Secretary of State for Foreign and Political Affairs, the Honorable Giordano Bruno Reffi. Mr. Reffi is well known throughout Europe, and he played a valuable role in the lengthy negotiations leading to the adoption of the Helsinki human rights accords.

Mr. President, I ask unanimous consent that correspondence from Secretary Reffi to me be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

SAN MARINO, *March 27, 1986.*

DEAR SENATOR: I am in receipt of your letter dated 20th February, and it is my great pleasure to learn of your attentive and timely interest in the smaller European states and in the useful, firmer relations that such countries could well have with the United States.

First and foremost, I am in total sympathy with your basic approach which both recognizes and seeks to implement the fundamental premise underlying correctly conducted international relations, namely, that all states are equal regardless of territorial size; the Helsinki accord makes this quite plain. This much said, allow me to express my feelings on the individual points raised in your letter.

1. Relations have existed between San Marino and the United States now for many years, and could not be described as being other than friendly. This is especially true in the case of the several thousand San Marino citizens who live and work in America, most notably in the states of Michigan and New York, playing their part in her continuing progress and development. There can be no better relations than those springing from contact at the human level, and it is certain that the idea of cementing "entente" between the United States and San Marino constitutes the most suitable spur to consolidating such relations and further enhancing their friendly nature.

2. An improvement in relations can come about—and should, in my own view—precisely within the context of the philosophy with which you have seen fit to examine the attendant problems. The smaller Western European States (San Marino especially) are in a position to offer a solid moral and idealistic contribution in the biggest of battles undertaken by the United States on the international scene. A nation, and a neutral nation, which has based its very existence and vocation on the ideal of peace, cannot be anything less than dedicated to the ideal; in the same way, a nation whose very roots are sunk in the notion of respect for the rights of the individual, and whose democracy is founded on that principle, cannot be other than a sincere upholder of human rights and liberty. With this in mind, it seems clear that the larger nations might do well to call for the cooperation of the smaller at the international level, in pursuing those longed-for aims of establishing and maintaining peace, and creating internal regimes that fully respect the liberty and the rights of the individual—aims still widely unachieved, sad to say.

To conclude on this point, I believe that the long, useful and fruitful activity of smaller nations belonging to the Neutral and Non-aligned states which participate at the Conference on Security and Cooperation in Europe, more than expresses the effectiveness of the minor Western European States in playing mediative and conciliatory roles between opposing factions, both encouraging and creating the opportunity for dialogue.

3. In the matter of bilateral relations between San Marino and the United States where specific agreements or understandings are concerned, there are talks in progress even now (extremely slowly) on a social security program. Should you wish to know more about this particular undertaking, I will gladly arrange for details to be forwarded.

4. As regards the improvement of relations between San Marino and the United States, it is my belief that, beyond those specific matters which could be pin-pointed and agreed upon mutually, there exists the firm possibility—and the desirable objective—of cooperating on a wider international level within the scope of the organizations and conferences which San Marino attends, on the questions of world peace and disarmament, and to the end of promoting human progress such as will guarantee full rights and liberty of the individual. San Marino is in fact currently evaluating the possibility of joining UNO, trusting in the full support of the United States. The feeling in San Marino is that such cooperation could be made possible were there to be permanent relations between us at the highest political level.

I look forward very much to our meeting in San Marino shortly and discussing the important questions raised, so auspiciously and seasonably, by your interest in the republic.

Allow me to extend my very best regards.

GIORDANO BRUNO REFFI,
The Secretary of State.

Mr. MELCHER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll to ascertain the presence of a quorum.

The bill clerk proceeded to call the roll.

Mr. EXON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. SIMPSON). Without objection, it is so ordered.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is closed.

METROPOLITAN WASHINGTON AIRPORTS TRANSFER ACT

The PRESIDING OFFICER. The Senate will now resume consideration of S.1017, which will be stated by title.

The legislative clerk read as follows:

A bill (S. 1017) to provide for the transfer of the Metropolitan Washington Airports to an independent airport authority.

The Senate resumed consideration of the bill.

The PRESIDING OFFICER. The Senator from Nebraska is recognized.

AMENDMENT NO. 1769

(Purpose: To modify the membership of the Airports Authority)

Mr. EXON. Mr. President, I send an amendment to the desk, and I ask for its immediate consideration. I understand that there is a time limitation on the amendment of 15 minutes, equally divided.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Nebraska [Mr. EXON] proposes an amendment numbered 1769.

Mr. EXON. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 35, line 5, strike out all through line 15, on page 36 and insert in lieu thereof the following:

(9) governed by a board of thirteen members, as follows:

(A) Three members shall be appointed by the Governor of Virginia, three members shall be appointed by the Mayor of the District of Columbia, three members shall be appointed by the Governor of Maryland, and four members shall be appointed by the President with the advice and consent of the Senate; the Chairman shall be appointed from among the members by majority vote of the members and shall serve until replaced by majority vote of the members.

(B) Members shall (i) not hold elective or appointive political office, (ii) serve without compensation other than for reasonable expenses incident to board functions, and (iii) reside within the Washington Standard Metropolitan Statistical Area, except that the members appointed by the President shall not be required to reside in that area.

(C) Appointments to the board shall be for a period of 6 years; however, initial appointments to the board shall be made as follows: each jurisdiction shall appoint one member for a full 6-year term, a second member for a 4-year term and a third member for a 2-year term. The President shall make an initial appointment of one member for a 6-year term, a second member for a 5-year term, a third member for a 4-year term, and a fourth member for a 3-year term. All subsequent appointments by the President shall be for a 6-year term. Such Federal appointees shall be subject to removal for cause.

(D) Seven votes shall be required to approve bond issues and the annual budget.

Mr. EXON. Mr. President, this amendment seeks to change the makeup of the Airports Authority

board ratio, thereby creating a truly balanced membership. The amendment provides for three representatives from Virginia, three from the District of Columbia, three from Maryland, and four appointed by the President.

Mr. President, from the very beginning of the consideration of this bill by the Commerce Committee, I have been deeply concerned with the Airports Authority ratio as is currently provided for in the bill.

Even with the good faith efforts of Senator PRESSLER whose amendment increased the members appointed by the President by two, I remain convinced that the board is too heavily weighted in favor of Virginia.

Last evening, I had a brief discussion on the floor of the Senate with the junior Senator from Virginia at which time he assured me that my concerns regarding the membership of the airport board had been resolved by adoption of the Pressler amendment and that the Pressler amendment was indeed the same as the one I had offered in committee during markup of S. 1017. The facts of the matter are that this is simply not accurate. The Pressler amendment, which was accepted by the majority managers of this bill, without rollcall vote, is not the same by far as that which I offered in committee and most certainly does not adequately address the concerns I continue to have with the Airports Authority membership.

I would hope that all Members of the Senate, if they are not here listening to this, would be listening on their boxes back in their offices.

Let us, for a moment, examine the makeup of the Airports Authority under the terms of S. 1017 as amended.

Is it not interesting that Virginia, and if there is any doubt about the advantages to that State from this proposal, I have reference to the interesting front page story this morning in the Washington Post, but in addition to the beneficiaries of the real property in this bill, are also the beneficiaries in sheer numbers of the newly-created board. Five, I repeat, Mr. President, five of the members of that board are from the State of Virginia and there are only 13 members in total. My math tells me that five is just two short of the number needed to approve bond issues and the annual budget. With this advantage, there can be little doubt that the Virginia board members will have little difficulty finding those two additional votes from the District of Columbia's three members, or someone else.

As I previously indicated, during the Commerce Committee's markup of this bill, I offered an amendment to restructure the makeup of this Airports Authority in an attempt simply to balance these things out. This Senator thought this amendment was extremely fair. In fact, fair to a fault.

I must say, that I had somewhat miscalculated. Representatives of the Holton Commission informed the committee that if my amendment were adopted, Virginia would withdraw its support for the bill, insuring its demise. It seemed that the Senator from Nebraska, in his efforts to find common ground, had uncovered a hornet's nest as he began to look for common turf for common understanding. It became crystal clear, after the defeat of my amendment, that Virginia wanted it all!

Thus we once again find ourselves faced with this unresolved problem. Even with the good faith effort of my colleague from South Dakota, this Senator continues to firmly believe that the airport board membership is unbalanced and patently unfair.

Mr. President, many have already questioned why this Senator from Nebraska, whose State has no evident direct interest in this sale, would be so concerned with this matter.

Every Member of the Senate outside of Maryland, Virginia, and the residents of the District of Columbia, who have no Senators, should be as concerned as is this Senator. Our State has no direct interest in the sale.

I can tell my colleagues that I believe I have a responsibility and they all have a responsibility to this Nation to insure that their assets in the form of National and Dulles Airports are protected in whatever action this body takes, and I think that is a must. Clearly, under the terms of S. 1017 in its present form, the people's assets are not protected and that is why this Senator from the Midwest believes so strongly in and supports this amendment.

Mr. President, the airport board is vitally important in the overall plan as to whether or not all people of this Nation are going to have fair access to their Nation's Capital by air.

The authority will be making vitally important decisons which will impact on these national airports and I believe that no one jurisdiction deserves more representation than another. I also believe that since National and Dulles Airports have and are public property, the people of this Nation should have the edge on board numbers. Mr. President, this is exactly what the amendment I have introduced will provide. All three local jurisdictions will have three representatives and the people of the Nation, the owners of these two airports now, will have four representatives appointed by the President with the advice and consent of the Senate.

Mr. President, this is fair, this is equitable and this is sound policy. I ask my colleagues for their support.

Mr. President, I reserve the remainder of my time.

How much time do I have remaining?

The PRESIDING OFFICER. The Senator has remaining 1 minute and 39 seconds.

Mr. EXON. I reserve that time.

I yield the floor.

Mr. WARNER. Mr. President, the issue of the composition of the board was addressed by the Senate previously. If you will recall, the Senator from South Dakota [Mr. PRESSLER] raised the issue and as an outgrowth of that debate the managers of the bill acceded to the addition of two Presidential appointees to the board.

At that time, Members of the Senate who are interested in this issue worked on it, and I felt that this was a fair and equitable compromise.

I regret that we are being asked again to revisit this issue at this time. I feel that we have made such adjustments as reflect the view of the Senate on this issue.

I strongly recommend that the amendment be rejected.

Mr. EXON. Mr. President, my good friend from Virginia has once again adequately stated the interest of Virginia. I have no particular quarrel with him. I suspect if I were the Senator from Virginia, I would be doing the same thing he is doing.

The so-called compromise that he said was made really did not do anything significant at all to change the votes that are necessary to make major policy decisions on the Commission.

Under the amendment that is before us, as I have said before, there would be three representatives from Virginia, three representatives from the District of Columbia, three from Maryland, and four appointed by the President of the United States. That would mean that seven members of that Board are going to have to agree before the important decisions that that Board or Commission will make goes into effect. Certainly 3-3-3-4 is much fairer for the Nation as a whole without doing any real harm to the legitimate interests of Virginia. I cannot understand why they object to this measure.

Mr. President, I say that if there is no need for further debate I am prepared to yield back the remainder of my time, if the opposing side is ready to do likewise, and we can proceed with a vote.

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. If neither side yields time, time runs equally against both sides.

Mr. EXON. Mr. President, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. EXON. Mr. President, I renew my request. If we want to expedite matters, I am prepared to yield back the remainder of my time.

Mr. MATHIAS. Mr. President, will the Senator yield me one minute?

Mr. EXON. How much time do I have remaining?

The PRESIDING OFFICER. The Senator has 3 seconds remaining.

Mr. EXON. I yield whatever remainder of the time I have to my friend from Maryland.

Mr. MATHIAS. Mr. President, I support the amendment of the Senator and urge other Senators to do likewise.

Mr. SARBANES. Mr. President, this is a balanced approach to the composition of the regional authority. It recognizes an important Federal interest and, it seems to me, offers a greater opportunity for some comity and consensus in the region as we address the airport problem.

I support the Senator's amendment.

The PRESIDING OFFICER. The remaining time is under the control of the Senator from Virginia.

Mr. TRIBLE. Mr. President, this amendment does not require substantial debate. Indeed, this question has been fully addressed by the Senate and dealt with decisively. Senator PRESSLER of South Dakota offered an amendment that was essentially the same as this initiative and it was rejected. It was tabled by a vote of 52 to 44. So the Senate has spoken once on this issue. And I apologize to my colleagues that we are called on to address it once again.

The composition of the board is very carefully crafted to represent the interests of a diverse constituency. The composition was based on the use of these airports by travelers from Virginia, Maryland, and the District of Columbia. Twenty percent of the passengers at Dulles and National originate their flights from Maryland and Maryland receives essentially 20 percent of the representation on the board, 40 percent from Virginia, and 40 percent from the District of Columbia. Those numbers are reflected in the composition of the board, with the additional recognition given to the fact that these airports lie in Virginia. Thus we have a composition of five for Virginia, three from the District of Columbia, and two from Maryland.

Originally this legislation provided for one representative, one board member, to be appointed by the President. Many Senators expressed their concern that this did not give adequate weight to the national interests here and suggested that there should be additional representation. Therefore, we have readily agreed to increase that representation. Indeed, yesterday, on the floor, Senator EXON said that he thought the board should have one or two Federal representatives more, and that has been accomplished by agreement. The result is a board that is balanced and that fairly represents the diverse interests of the region.

Moreover, we have endeavored to protect fully the national interest by means of a lease agreement, during which time this Congress will have oversight jurisdiction and the Airports Authority will have to abide by the rules and regulations and limitations set forth in this legislation.

Finally, in requiring a nine-vote majority for substantial actions, such as the adoption of a budget and capital expenditures, we have ensured that no one jurisdiction can act alone. Indeed, Virginia would have to reach across the Potomac and seek support from Maryland, the District of Columbia and the national representatives in order to undertake substantial actions.

The Senate has spoken decisively on this question. We should quickly resolve this amendment now before us so we can move ahead and dispose of this bill once and for all.

I would at this point yield back the balance of my time.

The PRESIDING OFFICER. The question is on the amendment.

Mr. TRIBLE. I would at this time also move to table the Exon amendment and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Virginia [Mr. TRIBLE] to table the amendment of the Senator from Nebraska [Mr. EXON]. The yeas and nays have been ordered and the clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. JOHNSTON (after having voted in the affirmative). Mr. President, on this vote, I have a live pair with the distinguished Senator from Vermont [Mr. LEAHY]. If he were present and voting, he would vote "nay". I have already voted "yea." Therefore, I withdraw my vote.

Mr. SIMPSON. I announce that the Senator from North Dakota [Mr. ANDREWS], the Senator from Colorado [Mr. ARMSTRONG], the Senator from Florida [Mrs. HAWKINS], the Senator from Delaware [Mr. ROTH], and the Senator from Vermont [Mr. STAFFORD] are necessarily absent.

Mr. CRANSTON. I announce that the Senator from New Jersey [Mr. BRADLEY], the Senator from Iowa [Mr. HARKIN], the Senator from Colorado [Mr. HART], the Senator from Massachusetts [Mr. KENNEDY], the Senator from New Jersey [Mr. LAUTENBERG], the Senator from Vermont [Mr. LEAHY], the Senator from Hawaii [Mr. MATSUNAGA], the Senator from New York [Mr. MOYNIHAN], and the Senator from Arkansas [Mr. PRYOR] are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 52, nays 33, as follows:

[Rollcall Vote No. 62 Leg.]

YEAS—52

Abdnor	Grassley	Nunn
Boren	Hatch	Packwood
Boschwitz	Hatfield	Pressler
Chafee	Hecht	Quayle
Cochran	Heinz	Rockefeller
Cohen	Helms	Rudman
D'Amato	Inouye	Simpson
Danforth	Kassebaum	Stennis
Denton	Kasten	Stevens
Dole	Laxalt	Symms
Domenici	Long	Thurmond
Durenberger	Lugar	Trible
East	Mattingly	Wallop
Evans	McClure	Warner
Garn	McConnell	Weicker
Gore	Metzenbaum	Wilson
Gorton	Murkowski	
Gramm	Nickles	

NAYS—33

Baucus	Dodd	Mathias
Bentsen	Eagleton	Melcher
Biden	Exon	Mitchell
Bingaman	Ford	Pell
Bumpers	Glenn	Proxmire
Burdick	Goldwater	Riegle
Byrd	Heflin	Sarbanes
Chiles	Hollings	Sasser
Cranston	Humphrey	Simon
DeConcini	Kerry	Specter
Dixon	Levin	Zorinsky

PRESENT AND GIVING A LIVE PAIR, AS PREVIOUSLY RECORDED—1

Johnston, for.

NOT VOTING—14

Andrews	Hawkins	Moynihan
Armstrong	Kennedy	Pryor
Bradley	Lautenberg	Roth
Harkin	Leahy	Stafford
Hart	Matsunaga	

So the motion to lay on the table amendment No. 1769 was agreed to.

Mr. TRIBLE. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. SIMPSON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. Who yields time?

AMENDMENT NO. 1770

(Purpose: To provide that the determination of hypothetical indebtedness shall be at least the amount of the audit finding of the Comptroller General or $108,600,000)

Mr. MATHIAS. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Maryland [Mr. MATHIAS], proposes an amendment numbered 1770:

On page 30, line 6, strike out the period and insert in lieu thereof "within six months after the date of enactment of this Act. In no event shall the determination of hypothetical indebtedness by the Federal Aviation Administration pursuant to this

paragraph be an amount which is less than $108,600,000 or the audit finding of the Comptroller General of the United States if it is different.

Mr. MATHIAS. Mr. President, this amendment simply puts a floor under the price to be paid for the lease by the new Airport Authority. We would fix it at $108.6 million, which is the minimum—and I would underscore the word minimum—figure that the Comptroller General of the United States arrived at in computing the hypothetical indebtedness. Under the amendment in its original form the lease payment could have been no less than this figure even if the final figure computed by the Comptroller General was less. I think this new amendment is a little bit fairer. I have consulted with the distinguished Senator from Virginia in making this modification. It specifies that the lease payment will be the Comptroller General's preliminary minimum figure, $108.6 million, unless the Comptroller General arrives at a different final figure, in that case, the lease payments will be based on a final figure computed by the Comptroller General regardless of whether the final figure is greater or less than the minimum figure.

Now, I think this is totally fair. This is simply trying to give to the taxpayers of the United States a total element of fairness. We submit all issues to the Comptroller General. We submit all disputed matters of accounting and evaluation to the Comptroller General. This is simply one more. We are saying to the Comptroller General, "Figure out what we ought to receive and that will be the amount." Now, to Members of the Senate, I simply say that in this particular regard we are trustees. We are in a fiduciary capacity. The Government of the United States holds the title to this property as trustees for the people of the United States and we have some fiduciary responsibility to be fair. This is not foreign aid. This is not charity. This is a business transaction and we have to be fair about it.

This is a fair amendment. It simply says just call the shots as you see them. We ask the Comptroller General, whose job it is to make those very decisions, to make this determination. So I think this is an amendment the Senate can well adopt.

Mr. WARNER. Mr. President, I did indeed discuss this amendment with my distinguished colleague in an effort to try to reach an accommodation, but we were unable to do so. I pose a question to him, which question is directed at whether or not the amendment is necessary because we have now changed the bill to provide for a lease and at such time in that lease period as the Secretary of Transportation desires, he or she can enter into a negotiated settlement with the authority and then come before the Congress.

Mr. MATHIAS. The Senator from Virginia is exactly right.

Mr. WARNER. And at that time the price that they negotiate would be reviewed by the Congress.

Mr. MATHIAS. Yes. Well, now, I will tell the Senator I would not want to buy a horse from the Senator from Virginia if he is going to try to make a deal like that because what has been done under the Trible amendment is to extend the lease from 35 years to 50 years.

Now, that is pretty nice. That is like telling the fellow who buys a car, you do not have to buy it back in 3½ years. You can use that car for 5 years before you pay. Now, which is the sweeter deal? The sweeter deal is the one that you put off the evil hour of payment. Under the amendment previously adopted that gives you 50 years, you are in an even better position. So I think to say simply that we are going to let the Comptroller General determine the price if it is different from the $108 million figure set in this amendment. That, to me, is fair. The Comptroller General may say it is much less. He could say it is more. Whatever it is, let the chips fall where they may. But in the meantime you have already got the 15 extra years. You put off the evil hour. That is really horse trading.

Mr. WARNER. Mr. President, I have long since given up horse trading. I may have to go back to it someday. But I feel that what we have done now is to enter into a lease arrangement and I tell my distinguished colleague and friend at such time as the Secretary of Transportation is ready to sit down and negotiate a price, who knows what it may be 35 years from now or 5 years from now and then it comes before the Congress and the wisdom of Congress is brought to bear on that price. Now, that to me is a fair and equitable situation given the uncertainty of the economics of this airport system as it is operated today and given the uncertainty of the national economy.

Mr. MATHIAS. I would think, if the Senator from Virginia will yield, that he would really embrace this amendment from the point of view of the bankers who are going to have to deal with the bond issue here. A much higher degree of certainty would be placed on this whole transaction by vesting the authority and the responsibility in the Comptroller General, who has a reputation, whose institution is expert in these matters. That, to me is more responsible than dealing with this kind of speculative figure. This is fair. This is right. This ought to be adopted.

Mr. WARNER. Mr. President, what is the time remaining?

The PRESIDING OFFICER. The Senator from Virginia has 5 minutes and 8 seconds. The Senator from Maryland has 5 minutes and 49 seconds.

Mr. WARNER. Mr. President, I yield the floor.

Mr. MATHIAS. Mr. President, I yield to my colleague from Maryland.

Mr. SARBANES. Mr. President, I rise in support of the amendment which my colleague has offered and point out that it addresses itself to the question which this body has considered more than once in consideration of this bill. In fact, by a very close vote on yesterday, a margin of only two votes, this body decided not to take an approach that had the prospect of a much higher price than what is talked about here for the lease period. Now, this effort to arrive at a fairer price, it seems to me, is an elemental one of fairness to the Federal taxpayer. The Senator from Maryland has made a provision for the Comptroller General audit in an effort to be scrupulously fair in this matter.

I am, to some extent, surprised that the managers of the bill are not prepared to accept the amendment, given the fairness embraced within it. But for those Members who have repeatedly voiced concern about the value being placed on the transfer that is taking place here, this is an important amendment. My own view is that the value is even much greater that this, but we tested that yesterday and, by a very narrow margin, that view was not adopted.

I hope my colleagues will consider this issue very carefully. It is one of the central issues involved in this legislation, and this seeks to correct one of the main deficiencies contained in the legislation.

I strongly support the amendment.

Mr. TRIBLE. Mr. President, I rise in opposition to this amendment. I suggest that it is an attempt to get an additional pound of flesh—as the case might be, several thousand pounds of flesh. Let me explain.

This Airports Authority will be required, under the terms of this legislation, to pay $117 million for the right to use these properties—not an insubstantial sum of money—plus, under the terms of this legislation, the Airports Authority will be required to incur obligations approaching $1 billion to improve and modernize these airports.

In days past, the opponents of the bill could come here and argue, with some force, that the figure was inadequate because at the end of the lease term, these properties were to be turned over, lock, stock, and barrel, to the Airports Authority. That however, was not central to our purpose, which was to move these airports from Federal control and operate them more ef-

fectively. In order to allay those concerns, we have provided these leases for 50 years.

Surely, if the Senate rejected an amendment to increase the cost before, when these properties would have been turned over to the Airports Authority, we will overwhelmingly reject this initiative, because it makes much less sense today. The sum of money provided for in this bill is substantial; and when one considers that we are talking now about a lease term and not a sale, it is more than adequate compensation.

This amendment suggests that the Comptroller General render an opinion. But the amendment, by its terms, is unwilling to adhere to that opinion. Perhaps the reason is that the Comptroller General has already passed judgment on the $47 million figure of hypothetical debt embodied in this legislation and found it to be fair. In hearings before the committee chaired by Senator MATHIAS, the Comptroller General's Office indicated that the amount in this bill of FAA estimates of the Federal cost was fair.

The $108 million figure embodied in the Mathias amendment includes the estimated $47 million hypothetical debt already in our bill, but it drives up the figure by including costs for the development of a prototype of the mobile lounges used at Dulles and the construction of the Dulles access road. That is unfair.

The FAA correctly determined long ago that the cost of these items should not be passed on to the airport users because they benefit a much larger universe. The mobile lounges are used at many other airports, and all other users should share in the cost. That ought not be charged strictly to the users at National and Dulles.

Moreover, the access road does not serve only this airport, anymore than the Baltimore-Washington Expressway, paid for by the taxpayers, serves only BWI. These airports serve a large body of people in the Washington metropolitan region.

It is unfair and unnecessary to do this. We are placing a huge burden already on this Airports Authority, and to do this will only complicate the task of the authority to get on with the mandate of this legislation: to incur a debt approaching $1 billion and expand, modernize, and enhance these airports and improve service to all our citizens.

The PRESIDING OFFICER. Who yields time?

Mr. MATHIAS. I yield such time as I may consume.

Mr. President, the General Accounting Office has not endorsed the figure of $47 million. The General Accounting Office, using the administration's hypothetical indebtedness method, suggested, after a preliminary investigation—and for the third time, I underscore "preliminary"—that the airports may be worth $108 million.

The Grace Commission, I say parenthetically, thought it was $341 million; and Rothschild, the merchant bankers of London, think it is worth $1 billion. So there is a wide range of opinion as to what it is worth. At any rate, everybody thinks it is worth more than $47 million. Nobody thinks it is worth $47 million. Everybody thinks it is more.

The problem with the FAA figures—and this was pointed out in testimony before the Senate Government Affairs Subcommittee on Government Efficiency and the District of Columbia—is that the calculation of hypothetical indebtedness, as the Senator from Virginia has suggested, did not include all the costs that went into the construction of these airports.

It may be a matter of opinion whether or not the Dulles access road should be included, but clearly that is a facility which was vitally necessary to the operation of Dulles. Without an access road, there would not be any planes landing there or any traffic going there. The development of mobile passenger lounges, which was a substitute for the construction of satellite facilities, and, therefore, just as much part of the airport as the satellite areas have been, was deemed to be a nonrecoverable cost. The Federal expenditure on these two items was $61 million.

So it seems to me that it is fair to say to the Comptroller General: "You are an expert. You have all the facts and figures. You figure the amount."

The Senator from Virginia throws out the sum of $117 million as the cost figure. That is subject, I think, to a little analysis.

What he is talking about, for example, is not the real estate price of $47 million. He wants to include there the payments to employees, the vested sums that are due to employees. How can you throw that sum into the real estate cost? You are talking about a going business now; and when you are talking about a going business, there is a real estate element; there is a certain amount of fixtures; there is a certain amount for other elements of the business.

And to say that you are going to throw in the cost of doing the right thing, the fair thing, and just thing, by including funds reserved for employees as part of the real estate price, simply begs the question.

I think the right thing to do is to leave this to the Comptroller General.

That is all this amendment proposes. I urge the Senate to adopt this fair and just practice.

Mr. TRIBLE. Mr. President, let me conclude by simply saying that we are not buying a business here. Rather, we are talking simply about leasing property to be used as an airport on a nonprofit basis. This is not a sale. This is not a transfer. These airports will remain in the hands of the Federal Government.

The $117 million is a fair price for a lease. Indeed, this body determined it was a fair price for a transfer at some future time. But it is surely fair for a lease. It is the $36 million to Maryland, $37 million for pensions, and $44 million for the hypothetical debt which fairly represents those moneys that must be repaid to the taxpayers to make them whole.

To require more to increase the price would simply be punitive. It would impose an unrealistic burden on the users of this airport, not on Virginia, not on Maryland, not on the District of Columbia, not on the Airports Authority, but rather on the people who will use this airport.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. MATHIAS. Do I have any time, Mr. President?

The PRESIDING OFFICER. The Senator has 8 seconds remaining.

Mr. MATHIAS. I yield back the remainder of my time.

Mr. TRIBLE. Mr. President, I move to table the amendment now pending and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Virginia to lay on the table the amendment of the Senator from Maryland.

On this question, the yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. INOUYE. Mr. President, on this vote I have a live pair with the distinguished Senator from Vermont [Mr. LEAHY]. If I were permitted to vote, I would vote "yea." If Mr. Leahy were present and voting, he would vote "nay." Therefore, I withhold my vote.

Mr. SIMPSON. I announce that the Senator from North Dakota [Mr. ANDREWS], the Senator from Colorado [Mr. ARMSTRONG], the Senator from Arizona [Mr. GOLDWATER], the Senator from Florida [Mrs. HAWKINS], the Senator from Delaware [Mr. ROTH], and the Senator from Vermont [Mr. STAFFORD], are necessarily absent.

Mr. CRANSTON. I announce that the Senator from New Jersey [Mr. BRADLEY], the Senator from Iowa [Mr. HARKIN], the Senator from Massachusetts [Mr. KENNEDY], the Senator from New Jersey [Mr. LAUTENBERG], the Senator from Vermont [Mr. LEAHY], the Senator from Louisiana [Mr. LONG], the Senator from New York [Mr. MOYNIHAN], and the Senator from Mississippi [Mr. STENNIS] are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 46, nays 39, as follows:

[Rollcall Vote No. 63 Leg.]

YEAS—46

Abdnor	Gore	Murkowski
Boren	Gorton	Nickles
Boschwitz	Grassley	Packwood
Chafee	Hatch	Pressler
Cochran	Hatfield	Quayle
Cohen	Hecht	Rockefeller
D'Amato	Heinz	Rudman
Danforth	Helms	Simpson
Denton	Johnston	Stevens
Dixon	Kassebaum	Symms
Dodd	Kasten	Thurmond
Dole	Laxalt	Trible
Domenici	Lugar	Wallop
Durenberger	Matsunaga	Warner
East	McClure	
Garn	McConnell	

NAYS—39

Baucus	Ford	Mitchell
Bentsen	Glenn	Nunn
Biden	Gramm	Pell
Bingaman	Hart	Proxmire
Bumpers	Heflin	Pryor
Burdick	Hollings	Riegle
Byrd	Humphrey	Sarbanes
Chiles	Kerry	Sasser
Cranston	Levin	Simon
DeConcini	Mathias	Specter
Eagleton	Mattingly	Weicker
Evans	Melcher	Wilson
Exon	Metzenbaum	Zorinsky

PRESENT AND GIVING A LIVE PAIR, AS PREVIOUSLY RECORDED—1

Inouye, for.

NOT VOTING—14

Andrews	Hawkins	Moynihan
Armstrong	Kennedy	Roth
Bradley	Lautenberg	Stafford
Goldwater	Leahy	Stennis
Harkin	Long	

So the motion to lay on the table the amendment (No. 1770) was agreed to.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the amendment was laid on the table.

Mr. TRIBLE. Mr. President, I move to lay that motion on the table.

The motion to lay on the table is agreed to.

Mr. BYRD. Mr. President, I would like to ask the distinguished majority leader as to whether or not he foresees any rollcall votes following the vote on final passage, and, if so, how many and on what.

The PRESIDING OFFICER. The Senate will be in order.

Mr. DOLE. Mr. President, as I understand, there will be votes on S. 426, the so-called hydro-relicensing bill. There is a time agreement. We do not believe it will take 4 hours, but there are 4 hours equally divided, 1 hour on all first-degree amendments with the exception of an amendment to be offered by Senator METZENBAUM and Mr. McCLURE dealing with antitrust issues limited to 30 minutes, with 1 hour on a Hart substitute.

It is my understanding that the principals involved have been working with a lot of Members. I do not anticipate many votes, but maybe one or two after this is disposed of.

The other bill we had scheduled was the crime bill, but we can do that any time. It does not have to be done today.

Mr. BYRD. For the information of the distinguished majority leader, I know of no objection on this side to going to the relicensing bill, but I do anticipate a rollcall vote on final passage on that measure.

Mr. DOLE. Perhaps we can do that by voice vote. The distinguished chairman of the committee is here. I know he has been working with a number of Members on both sides.

Mr. McCLURE. Will the Senator yield?

Mr. BYRD. I yield.

Mr. McCLURE. To the best of our knowledge, there are two and possibly three amendments with the possibility of a substitute, which has not been verified, and the amendment between Mr. METZENBAUM and myself has been worked out. I do not know that a vote will be required on that.

From my standpoint, I do not have any request for a vote on final passage. I would anticipate that perhaps it would not be necessary.

Mr. BYRD. Mr. President, it will be necessary to have a rollcall vote on final passage.

Does that cause the distinguished majority leader to revise his earlier prediction?

Mr. DOLE. Well, the prediction then would be that there will be a vote.

Mr. BYRD. Yes, but what I am asking is, Will that rollcall vote occur today?

The reason I am asking that is that I am not sure that that rollcall vote can occur today. I hope it will be helpful to the distinguished majority leader to understand that.

Mr. DOLE. If we can go as far as third reading, we could agree on a vote for next Monday.

Mr. President, let me indicate to the distinguished minority leader if there is a demand for a vote, and certainly everybody has a right to request a vote, we could go down to third reading and agree to have a vote at a time certain on Monday or Tuesday. That would be satisfactory with the majority leader and I believe all the principals involved.

Mr. McCLURE. Mr. President, if the Senator will yield.

Mr. BYRD. Yes.

Mr. McCLURE. If we could move through the amendments and all that is left is final passage, I would certainly have no objection to putting off until some time certain, if that accommodates the needs of other Senators.

Mr. BYRD. One other question: I assume the distinguished Senator from Idaho will be managing the bill.

Mr. McCLURE. That is correct.

Mr. BYRD. Does he anticipate rollcall votes on amendments?

Mr. McCLURE. I only know of one amendment that might require a rollcall vote. I do not know that it will be required. It is an amendment to be offered by Senator EVANS. It may or may not require a rollcall vote.

On the others, I do not know of any rollcall vote that would be required. I think we will know very shortly, after we start on the bill, as to whether or not that will be required.

Mr. BYRD. I thank the majority leader and I thank the Senator.

Mr. METZENBAUM addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. BYRD. Is time controlled?

Mr. DOLE. Yes.

Mr. BYRD. I ask for 1 minute.

Mr. TRIBLE. I yield 1 minute.

Mr. METZENBAUM. Mr. President, I rise for 1 minute to commend the Senator from Virginia [Mr. TRIBLE] and the Senator from Maryland [Mr. SARBANES]. We have been engaged in debate on this legislation now for several weeks. Both the Senator from Virginia and the Senator from Maryland have brought to the issue a sense of commitment and determination that we have witnessed on occasion in the past. But quite often in the past when we have seen that kind of confrontation, nerves get frazzled and the parties get irritable with each other. But in this instance, without any question, both Senator TRIBLE and Senator SARBANES have certainly conducted themselves in such a manner as to bring a special respect from all of us who have been participants.

I just wanted to say a word of commendation to both the Senator from Maryland and the Senator from Virginia. I think they have elevated the level of debate and conduct of this body by the manner in which this legislation has been handled.

I might say I must include Senator WARNER, also, because he has certainly handled the matter in an equally commendable way. It sort of makes me rather proud to be a Member of this body and see how this rather difficult issue has been handled by three of the main participants.

Mr. SARBANES. If the Senator will yield, I would like to say to the Senator I am most appreciative of his remarks.

Mr. TRIBLE. If the Senator will yield, I must say I am deeply gratified by his remarks. I have learned a lot during the process.

Mr. WARNER. Mr. President, I join my colleague in expressing our appreciation, not only to the Senator from Ohio but really to all Members of the body who have been very patient as we deliberated these issues.

I would certainly like to include the distinguished senior Senator from Maryland [Mr. MATHIAS] also who has been an active participant throughout.

Mr. METZENBAUM. I did not mean to overlook Senator MATHIAS. I totally agree with the Senator.

Mr. WARNER. Mr. President, I would like to acknowledge the participation of the Governor of Virginia, Governor Baliles, and the Mayor of the District of Columbia, Mayor Barry.

They have been active in this matter and I think have helped to provide a constructive analysis.

Mr. TRIBLE. Mr. President, there is a long list of people who ought to be commended at some point. I hope that we can turn to that after successfully resolving this matter.

I understand that my friend from Maryland [Mr. SARBANES] has one remaining amendment. I hope we can turn to that amendment now and resolve it promptly. Then I can tell my colleagues that we can move forward very quickly to passage of this measure.

Mr. SARBANES. Mr. President, I yield 2 minutes to the distinguished Senator from Arkansas.

Mr. BUMPERS. Mr. President, I thank the Senator from Maryland for yielding to me. I do not choose to speak on the amendment which the Senator from Maryland [Mr. SARBANES] will offer, but rather to echo what the Senator from Ohio has said about the level of debate on this issue. It has been excellent on both sides, particularly, by both Senators from Virginia and both Senators from Maryland. It has been edifying.

What I want to state is my position on this bill. There are very persuasive arguments on both sides of this issue and sometimes I wish I could vote half yes and half no.

But I am convinced, and I have been lobbied by Secretary Dole—who is very persuasive on this matter. She makes a very good case. But on balance, I think this is bad policy.

I cannot imagine why, after roughly 40 or 50 years of the operation of National Airport and all the money we poured into Dulles Airport, suddenly, somehow, it has been bad. I know that Secretary Dole spends a lot of time on operating these two airports, but this could be easily cured. Maybe we should have a division within the Department of Transportation to handle these airports. But to give up properties—and I come down on the side of Senator HOLLINGS on this—which in my opinion are easily worth $1 billion, for $45 million or $46 million or $49 million, is irresponsible and not in the taxpayers' best interest.

The only thing that I can say is if we wanted to set up an authority, say, and allow Virginia to operate Dulles, that would make some sense. But to literally give both of these airports away at fire-sale prices will haunt us later. I promise you if you stay in this body long enough, you are going to live to regret the passage of this bill.

I simply want to say I think this is bad public policy and it is bad economic policy.

AMENDMENT NO. 1771

(Purpose: To provide that revenues may exceed costs directly related to certain developments)

Mr. SARBANES. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Maryland [Mr. SARBANES] proposes an amendment numbered 1771.

On page 37, strike out lines 1 through "such" on line 3.

Mr. SARBANES. Mr. President, I yield myself 3 minutes.

Does the Senator have 5½ minutes remaining?

The PRESIDING OFFICER. The Senator has 5 minutes remaining.

Mr. SARBANES. I yield myself 2½ minutes.

Mr. President, this amendment is very simple. What it does is preclude commercial building development on the property that is necessary for additional runway development and property that serves as a perimeter buffer area at Dulles Airport. That is all it does. It is very simple.

If you do not accept this amendment, in effect, what you are arguing is that it ought to be possible to do commercial building development on property that is necessary for additional runway development and property that serves as a perimeter buffer area.

Anyone who knows about airports knows that you have to protect potential runway development in buffer area zones; otherwise, if you allow development to creep into those areas, what you are really doing is crippling its capacity to serve as an airport.

The very fact that this bill allows such commercial development to take place in areas necessary for runway development and perimeter buffer is some indication, I think, of much of the thinking behind this legislation in terms of what is going to take place at Dulles Airport.

I am for economic development in the vicinity of Dulles Airport. It takes place in the vicinity of every airport in the country. One of the strong arguments made for airport development is its related economic development. But to go as far as this bill goes and in effect to permit it to take place in areas necessary for runway development or needed perimeter buffer area is going too far.

The PRESIDING OFFICER. The Senator's 2½ minutes have expired.

Mr. SARBANES. I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time? Without any time yielded, therefore, the time will be yielded back.

Mr. SARBANES. Mr. president, what is the time situation?

The PRESIDING OFFICER. The Senator from Virginia has 7½ minutes. The Senator from Maryland has 3 minutes and 21 seconds.

Mr. SARBANES. Mr. President, is it the intention of the Senator from Virginia that we should use up all our time before he addresses the amendment?

Mr. TRIBLE. No, that is not the Senator's intention. In fact, in a minute, I shall speak to this amendment. I shall do so briefly and we can move to the vote very quickly.

I just looked a copy of the amendment. The Senator did share that with me. I want to review it one last time before I speak to it. I see the distinguished senior Senator from Maryland wishes to speak. Let us let him speak and then I shall speak to the amendment.

Mr. SARBANES. I yield to my colleague from Maryland.

Mr. MATHIAS. Mr. President, I think this is a very straightforward amendment and it makes a lot of sense. It says there shall be no commercial development in those areas that are necessary for the safety of the public; you will not encroach in those areas that are necessary for the safe operation of aircraft by commercial development; that you will not build the kind of structures that make it less safe for travelers to take off from Dulles Airport. That is all my colleague from Maryland is proposing.

It is not a complicated issue. It is simply that that is the way it is: We are trying to take care of the traveling public. If there were extraordinary technological developments in the future, if short takeoff and landing planes become available and commercially useful, if there are other technological developments of that kind, Congress will be in session and can address them. But for the moment, I think the danger is that this property will be commercially developed in order to raise money. That danger is at its highest point in the early days of development and this protection which the Senator from Maryland proposes is going to be most useful in the early days of development.

It is a safety amendment, an air safety amendment, it is in the interest of every traveler at Dulles, every citizen of the United States who comes to the Nation's Capital through the Dulles gateway. Every Member of the Senate has an interest in it. I would think the managers of the bill would be more than happy to accept the

amendment. Opposition to the amendment is simply an advertisement that you are going to encroach on safety areas for the purpose of commercial development. I hope the Senate will accept the amendment.

Mrs. KASSEBAUM. Mr. President, I wish to address a question to the senior Senator from Maryland.

Is this not an issue, however, that every regional airport authority has to answer? They have to make these decisions and we hope they will do it in the best interest of the long run of that airport. Why should they not be allowed to make that same decision that we feel confident they would regarding Dulles or National?

Mr. MATHIAS. I think there is some indication at Dulles that there may be encroachments. I think we are on notice. I think that we have a particular responsibility. This is land which belongs to the people of the United States. It is in our custody; we are the trustees of it.

The PRESIDING OFFICER. The Senator's 2 minutes have expired.

Mrs. KASSEBAUM. I thank the Senator.

The PRESIDING OFFICER. Who yields time?

Mr. TRIBLE. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. Six minutes 58 seconds.

Mr. TRIBLE. Let me say my reason for my additional delay in responding to the Senators from Maryland is that yesterday, the Senate approved a Metzenbaum amendment that already precludes all nonaviation use of these properties. The terms of the amendment provide specifically that the properties can only be used for "activities necessary and appropriate to serve passengers or air cargo and air commerce or for nonprofit and public use of facilities."

I accepted that amendment because I agree with the proposition that the perimeter should not be used for commercial purposes. But I do believe the airport should have the right to use these properties for activities that bear on the operation of the airport—such as general aviation maintenance facilities, fuel farms, these kinds of things.

I wonder, quite frankly, whether, first, this amendment is necessary in view of the Metzenbaum amendment or, second, whether it does go beyond that, because I would have to insist that the airport have the right to use the perimeter for purposes that are important to airport services. But as I say, we by our action yesterday have already foreclosed the possibility that these properties could be used for nonaviation use.

Mr. SARBANES. Will the Senator yield?

Mr. TRIBLE. Yes, I will be happy to yield.

Mr. SARBANES. It is not altogether clear in my judgment that that has been achieved. In other words, this amendment may in fact not be necessary, but I do not think that is certain by any means because the language in the bill on page 36 states:

> The real and personal property constituting the airports shall be used only for airport purposes.

It then says:

> In addition, property that is necessary may not be devoted to commercial building development.

But it then has an exception under which such property can be devoted to commercial building development, and that is to be found at the top of page 37, lines 1 through 3. It is that exception I am seeking to knock out of the bill. So it would be very clear. I would simply read:

> In addition, property that is necessary for additional runway development and property that serves as a perimeter buffer area at Washington Dulles International Airport may not be devoted to commercial building development.

It would not then go on to have a qualifier which would allow certain kinds of commercial building development. It seems to me that language ought to come out and make it very clear there is not going to be any commerical building development on property that is necessary for additional runway development, property that serves as a perimeter buffer area.

Mr. TRIBLE. I say to the Senator that if his purpose is to insure that the perimeter properties will not be used for commerical purposes, that has been accomplished by the Metzenbaum amendment. What troubles me is that this amendment would go beyond that and preclude those kinds of legitimate activities that are necessary for the proper operation of this airport. It is for that reason I am reluctant to accept the Senator's amendment.

Mr. SARBANES. I simply say to the Senator, unless we do this, I think there is a loophole left in this legislation that is going to allow commercial building development, under the qualifying circumstances at the top of page 37, to take place in the runway area and the perimeter buffer area.

Mr. TRIBLE. How much time remains?

The PRESIDING OFFICER (Mr. ABDNOR). The Senator from Virginia has 3 minutes, the Senator from Maryland has 30 seconds.

Mr. TRIBLE. I suggest the absence of a quorum.

The PRESIDING OFFICER. On whose time? The time of the Senator from Virginia?

Mr. TRIBLE. Yes.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. TRIBLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TRIBLE. Mr. President, having run out of time on this amendment, I ask unanimous consent that I may speak to this amendment for such time as I require, from the time reserved to the manager of the bill at the end.

The PRESIDING OFFICER. Is there objection?

Mr. SARBANES. Mr. President, could the Senator just ask for 2 minutes, and then a minute for me to respond? There will not be any time left after a rollcall vote.

Mr. TRIBLE. I willingly and happily agree to 2 minutes on my side and 1 minute on my friend's side.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TRIBLE. Mr. President, I had hoped that we could resolve this without a vote, but it appears that we cannot.

The concern is that in some way these perimeter properties will be used for commercial purposes. That is not our intention.

By accepting the Metzenbaum amendment yesterday, we made it very clear that these properties would not be used for commercial purposes. Rather they could be used only for activities necessary to serve passengers or cargo in air commerce for nonprofit public use facilities.

I am concerned that to go beyond that, by way of this amendment, will prohibit the airport from using these perimeter properties, not for commercial use—that is not intended and that is not permitted by this bill—but, rather, for legitimate operations that support these airports, such as hangars, general aviation maintenance facilities, fuel farms, and that kind of thing. We cannot exclude these activities. We cannot deny total use of these properties.

Therefore, I oppose the amendment, and at an appropriate time I will move to table the amendment.

Mr. SARBANES. Mr. President, as my colleague has stated, the amendment is very simple. It says that there shall not be commercial building development in property necessary for runway development or sources of perimeter buffer area.

For the life of me, I cannot understand why you would want to have commercial building development take place on that property. It flies in the face of every safety requirement. It flies in the face of every requirement for future development of the airport.

We are told there is no intention to do commercial building development and then we are told that an amendment that makes it clear that it may

not be devoted to commercial building development is not acceptable. What is at work here? What is going to be done with these properties that is going to constitute commercial building development? The way the language is now written, such development would be allowed.

Mr. TRIBLE. Mr. President, the Metzenbaum amendment adopted yesterday forecloses for all time the possibility that these properties could be used for commercial purposes. But, very likely, Senator METZENBAUM recognized that we should not restrict the use of these properties for those activities necessary and appropriate to serve passengers, air cargo, air commerce. We should not go beyond that. We should reject this measure.

I move to table the Sarbanes amendment, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to table the amendment. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. BOREN. Mr. President, the Senator from Vermont [Mr. LEAHY] is necessarily absent today. Were he present, he would have voted "no." I have been recorded in the affirmative and, therefore, I withhold my vote.

Mr. SIMPSON. I announce that the Senator from North Dakota [Mr. ANDREWS], the Senator from Colorado [Mr. ARMSTRONG], the Senator from Florida [Mrs. HAWKINS], the Senator from Pennsylvania [Mr. HEINZ], the Senator from Delaware [Mr. ROTH], the Senator from Pennsylvania [Mr. SPECTER], and the Senator from Vermont [Mr. STAFFORD] are necessarily absent.

Mr. CRANSTON. I announce that the Senator from New Jersey [Mr. BRADLEY], the Senator from Iowa [Mr. HARKIN], and the Senator from Vermont [Mr. LEAHY] are necessarily absent.

The PRESIDING OFFICER (Mr. CHAFEE). Are there any other Senators in the Chamber who desire to vote?

The result was announced—ayes 57, nays 32, as follows:

[Rollcall Vote No. 64 Leg.]

YEAS—57

Abdnor	Garn	Lautenberg
Bentsen	Glenn	Laxalt
Boschwitz	Gore	Long
Chafee	Gorton	Lugar
Cochran	Gramm	Mattingly
Cohen	Grassley	McClure
D'Amato	Hatch	McConnell
Danforth	Hatfield	Metzenbaum
Denton	Hecht	Moynihan
Dodd	Heflin	Murkowski
Dole	Helms	Nickles
Domenici	Humphrey	Packwood
Durenberger	Inouye	Pressler
East	Kassebaum	Quayle
Evans	Kasten	Rockefeller
Rudman	Symms	Warner
Simpson	Thurmond	Weicker
Stennis	Trible	Wilson
Stevens	Wallop	Zorinsky

NAYS—32

Baucus	Exon	Melcher
Biden	Ford	Mitchell
Bingaman	Goldwater	Nunn
Bumpers	Hart	Pell
Burdick	Hollings	Proxmire
Byrd	Johnston	Pryor
Chiles	Kennedy	Riegle
Cranston	Kerry	Sarbanes
DeConcini	Levin	Sasser
Dixon	Mathias	Simon
Eagleton	Matsunaga	

PRESENT AND GIVING A LIVE PAIR, AS PREVIOUSLY RECORDED—1

Boren, for.

NOT VOTING—10

Andrews	Hawkins	Specter
Armstrong	Heinz	Stafford
Bradley	Leahy	
Harkin	Roth	

So the motion to lay on the table the amendment (No. 1771) was agreed to.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. TRIBLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DANFORTH. Mr. President, I take this opportunity to commend my colleague on the Commerce Committee, the Senator from Virginia [Mr. TRIBLE] for his outstanding performance as the committee leader and floor manager of S. 1017, the Metropolitan Washington Airports Transfer Act.

This bill was introduced 1 year ago this month. As an original cosponsor, Senator TRIBLE did a masterful job guiding the bill through several committee hearings and two complicated executive sessions. The committee vote on this measure, 12 to 4, is a tribute to Senator TRIBLE's negotiating talents.

Mr. President, it's not often that a first term Senator has the opportunity—and the challenge—of managing such a complex piece of legislation on the Senate floor. We have spent 9 days debating this measure. Senator TRIBLE's tenacity and endurance have been remarkable. He has patiently worked through a variety of procedural obstacles, including two cloture petitions on the motion to proceed. His skillful and knowledgeable approach to opponents' arguments and amendments is truly commendable.

I would be remiss if I failed to mention the efforts of Senator WARNER, whose expertise on this issue, dating back to the Holton Commission, has been invaluable to this endeavor. My sincere congratulations to my two colleagues from Virginia for a job well done.

Mrs. KASSEBAUM. Mr. President, the National-Dulles Airports transfer legislation is an important effort which has been successfully concluded in the Senate. I believe that Mr. TRIBLE and Mr. SARBANES have contributed in the very best tradition to a most constructive debate, which has informed the Members of the Senate on all aspects of the issue. Whether one would agree or disagree with the final outcome, it has been a successful and productive debate.

For me, the matter of transferring authority over National and Dulles Airports from the Federal Government to a regional authority is one of practicality and common sense. While there are many concerns in this matter, I believe the legislation shaped by our debate here is sound policy and in the best interests of the Nation and the capital area.

Mr. TRIBLE. Mr. President, in 10 days of debate, everything that needs to be said has been said time and time again. Now is the time for the Senate to work its will.

I yield back my time.

Mr. HEINZ. Mr. President, I rise today to express concern about S. 1017, a bill to transfer control and ownership of the Metropolitan Washington Airports to an independent airport authority.

My concern is not that I oppose the transfer of the airports in principle, not that I oppose the underlying purpose of the bill—to facilitate needed capital construction projects at National and Dulles Airports. Rather, Mr. President, I rise today because I believe that this bill represents the second attempt in as many months to engage in a fire sale of Federal assets on the floor of the Senate. This bill would transfer ownership to an independent airport authority, for the price of $47 million, airports that have been valued at $300 million by the Grace Commission. It would also allow the independent airport authority to issue tax-exempt bonds for capital construction that the Congressional Budget Office estimates would represent $366 million in foregone revenues to the taxpayers of this Nation. These foregoing revenues are particularly disturbing when one considers that with a simple authorization bill these same capital construction projects could be funded out of the airport and airway trust fund, which currently has a $7 billion budget surplus.

Obviously, there are many ways that one can add the figures in question here. But taking the simplest method of computation, we can fairly estimate that the transfer of these airports will result in a net loss to the taxpayers of $319 million—$366 million in foregone tax revenues less the $47 million purchase price.

I find this scenario all too reminiscent of another piece of legislation considered recently on the Senate

floor at the behest of the Department of Transportation.

The bill to which I refer authorized the sale of Conrail to a private bidder. As some of my colleagues will remember, there was a real controversy raised here on the Senate floor regarding whether or not the Federal Government and the American taxpayers were receiving the best deal, financial and otherwise, for Conrail. The controversy arose because at the time the bill to sell Conrail to Norfolk-Southern was being considered, there were two outstanding alternative offers to this proposal—the Morgan Stanley proposal, which was $200 million higher than Norfolk-Southern and would have entailed none of the tax losses or foregone revenues that would result from Norfolk-Southern offer and that we appear to be ready to accept in this airport bill, and the Allen & Co. bid, which would have provided $450 million more than the Norfolk-Southern offer. I might add that the Congressional Budget Office [CBO], in its analysis of the President's proposed budget for fiscal year 1987, has estimated that the Government would lose approximately $1.5 billion over the next 5 years under a sale of Conrail—$500 million in lost tax revenues and $1 billion in interest and dividend payments from Conrail. By subtracting from this figure the $1.25 billion that CBO estimates the Government will receive from Norfolk-Southern Corp. for Conrail, one can calculate that the net financial effect of this transaction on the Federal Government would be a $250 million loss.

The Conrail bill was the first bill considered by the Senate in the 2d session of the 99th Congress. The reason for this haste, according to the bill's proponents, was that we needed to get the Government out of the railroad business, which is of course all part of an overall effort to shrink the size of the Government and reduce our deficits and the burdens on our taxpayers. It did not seem to matter then, as it does not appear to now, that there was significant dissent from such bodies as, in the case of Conrail, the U.S. Department of Justice and the Interstate Commerce Commission, and in the case of the regional airport bill, the General Accounting Office and the highly esteemed Grace Commission. In fact we are being faced with a similar plea for urgency from the Department of Transportation—that this bill needs to be enacted in order to get the Federal Government out of the airport business.

What especially disturbs me is that both of these bills are being taken up ostensibly because we are pursuing lofty and important goals in the interest of the American public and the American taxpayer—to shrink the size of the Federal Government as a means to reduce our Federal budget deficit—goals so lofty that we can afford to rush to judgment in the face of well-documented facts and judgments of Federal agencies. Yet at the same time very few of us seem to be asking a far more fundamental and basic question. And that question is, At what cost are these properties being sold by the Federal Government? The answer in both cases, of course, is that both Conrail, and now the Washington airports, are being sold off by the Federal Government not at a profit, but at a significant cost—roughly $300 million in each case.

Mr. President, I believe that the Department of Transportation is making a mockery of the Senate's legislative process here. It has urged a deliberative body to move with haste, it has patently disregarded the reasoned and well-researched advice of several Federal and independent agencies, and in doing so, is acting in direct contradiction to its stated goals—to reduce the size and budget of our Federal Government. This type of legislation is entirely inconsistent with the imperative need to reduce Federal budget deficits.

When I first learned that the airport bill was scheduled to come before this body early in the session, so soon after the Conrail bill, I seriously considered offering an amendment to require the loss that the Federal Government will sustain through the sale of the airports be made up through an increase in the sale price for Conrail. Although I've decided not to offer this amendment, I think that it is important for all of us to stop and think for a minute about exactly what we are doing when we consider such legislation without considering the real costs involved.

I am concerned that the airport bill and the Conrail bill send the wrong signal to the administration and to the American taxpayer. To the administration, these bills suggest that when it comes to the privatization of Federal assets, we are a rubber-stamp Senate. I fear that sending this signal will only result in more sales of public assets at bargain basement prices.

To the American taxpayers, these bills say that we are not really serious about deficit reduction. It is as if the Government is saying, "we know that you agree with the principle of reducing the size of our Federal Government, so you won't mind if we take $300 million of your money each time we sell a railroad or a couple of airports." Mr. President, that is not the signal we should be sending.

I hope that on this bill, and on other such proposals that come before the Senate, that my colleagues will take a moment to think about whether the U.S. Senate should be engaged in conducting bargain basement fire sales of valuable public property.

Mr. HOLLINGS. Mr. President, as we prepare for final disposition on S. 1017, the Washington metropolitan airports transfer, I would like my colleagues to carefully consider exactly what they will be voting to do.

In recent months we've heard a great deal of talk in this Chamber about fiscal responsibility in Government. We talk about bringing the deficits down. We talk about balancing the budget. We vote for Gramm-Rudman-Hollings and nearly two-thirds of us vote for a balanced budget amendment. And then we all go home and tell the folks how fiscally responsible we are. Worse, we rail about waste, fraud, and abuse—then start $462 million of waste, fraud, and abuse right here on the floor of the Senate.

Today we have a chance to find out if we really do as we say, or whether all that talk was just a bunch of baloney.

In this era when the Federal Government is going deeper and deeper into debt—when we now spend $500 million a day just to pay the carrying charges on the national debt—I simply cannot believe what we are being asked to do today.

We are being asked to sell off Federal assets worth hundreds of millions of dollars for a mere $47 million.

We are being asked to endorse a plan for making $250 million in improvements at National and Dulles Airports at a total cost of $712 million.

And, most incredibly, we are being asked to do these things when we now have over $7 billion sitting in a trust fund that was created for the purpose of improving airports.

This proposal is more than just a giveaway of valuable Federal assets and a waste of the taxpayers' money. It is also a divestiture of Federal responsibility in an important area—the maintenance of first class air service in the Nation's capital.

What we really should be asking ourselves is this—"What would be the quickest and most cost-effective way to make the needed improvements at National and Dulles Airports?" "What would best benefit the taxpayers and the travelling public?"

The legislation before us today is not the answer. With congressional resolve and a commitment from the administration, we could do what needs to be done. We could take the needed $250 million from the airport and airways trust fund and perform the necessary renovation and expansion at the two airports. Why are we not considering this alternative?

The answer, sadly enough, is that no one wants to take the responsibility—not the Congress, not the President, not the Secretary of Transportation. Instead of taking the bull by the horns and making the needed airport improvements in the best way possible, we won't even ask for the money. Rather, we consider legislation to

transfer the responsibility to Richmond.

Mr. President, after months of rhetoric about fiscal responsibility here in this Chamber, it is time for the Senate to act accordingly. The issue is how to make millions of dollars' worth of improvements to the Washington area airports. Will we choose the one that will end up costing the taxpayers $712 million? Or will we look for a better way?

If we should pass S. 1017, then I really see no hope for us. We'll just continue to sell everyone who's still listening what a great bunch of fiscal conservatives we are, and then in the meantime turn around and perpetrate the kind of waste, fraud, and abuse that is characteristic of the legislation we are about to vote on.

I urge my colleagues to think carefully about what they are about to do. And I implore them to vote against S. 1017.

Mr. ROCKEFELLER. Mr. President, the extended debate over this measure in the Senate has raised many arguments—ranging from economic competition between Maryland and Virginia, philosophies toward privatization and the sale of public assets, whether or not the terms of the transfer reflect the taxpayers' interest, and considerations of airport noise and other matters of concern to residents of the metropolitan area. But none of this has shaken my basic belief that the transfer of authority for the airports is the best means available of upgrading facilities at these airports and facilitating air travel to and from the Nation's Capital.

To me, the main issue is the urgent need to make substantial capital improvements at both National and Dulles. I don't fault the FAA's daily management of these airports, but I really don't think there's any chance—in the current budget environment—that the Federal Government will commit the resources needed to expand facilities at National and Dulles.

It's not just a matter of the Reagan administration refusing to ask for such resources. How likely, in the midst of tense debates over budget priorities, is it that the Congress will appropriate over half a billion dollars needed for terminals, parking, roads, and other improvements at National and Dulles Airports? I'm confident that the proposed regional authority will obtain the financing needed for these improvements and turn these airports into first-class facilities.

I recognize that the transfer proposal has been opposed as favoring one part of the metroplitan area—northern Virginia, at the expense of another—Maryland. It's true that airports tend to be magnets of growth: that commercial development of the areas surrounding airports can bring great economic benefits to a local area. But the evidence doesn't support the fears of Maryland that its airport is destined to lose passengers to Dulles: on the basis of recent experience, at least, there is enough growth to keep all three airports busy and economically strong.

In principle, I have considerable reservations about proposals for privatizing functions of Government. I certainly don't support any large-scale turning over of public assets to private interests—or the general notion that most public services can necessarily be provided more efficiently by the private sector.

But I don't see the proposed airport transfer as setting a precedent for adopting the rest of the administration's privatization proposals. What this legislation represents is an effort to operate National and Dulles in the same way that virtually every other major airport in this country is operated. Airports, in fact, are typically operated by local or regional authorities—not units of Government. Aside from National and Dulles, the only other exceptions are the Baltimore and Honolulu Airports.

There is a legitimate issue, I think, as to whether the terms of the transfer are fair—and reflect the interest of the taxpayers who built and invested in these airports over the years. Since airports rarely change hands, there isn't much market experience on which to determine a suitable price. Under the legislation, the price to be received by the Federal Government would be $117 million: $44 million for the costs to the Federal Government that haven't already been recovered from airport users; $37 million as the cost of Federal retirement obligations and $36 million to Maryland. Alternative figures have been mentioned, but the methods of deriving them aren't necessarily based on the premise that the airports will continue to be operated as airports, on a nonprofit basis.

For example, I consider the proposal floated by a group of British investors last month to buy National and Dulles Airports for a price approaching $1 billion as wholly irrelevant to our debate. The intentions of these British investors would be to run the airports as private, profit-making businesses, which should be unacceptable to us. By the same token, I don't think it matters how much the land at National or Dulles is worth if put to some other use—if our purpose is to see them maintained as airports.

Finally, I'm troubled that the opponents of the pending transfer bill have not put forward alternative proposals which meet this area's needs for improved airport facilities. If there were a practical, alternative means of obtaining the required financing without relinquishing the Government's authority over the airports, I would be happy to consider it. But I don't think the traveling public is well served by perpetuating substandard conditions at National Airport or constraining the development of Dulles. The proposed regional authority, in my view, offers the best hope of meeting these needs, and I will support the transfer legislation.

AIR SAFETY SHOULD BE TOP CONCERN

Mr. BIDEN. Mr. President, I supported the amendment offered by the distinguished Senator from New Jersey, Senator LAUTENBERG, during debate on this bill. That amendment was not about whether the Congress should urge the President to rehire workers he rightly fired 4 years ago. Rather, the amendment correctly recognized that American travelers now face a dangerous situation in the skies, and the administration should not remain locked to a rigid policy while the air travel industry has gone through dramatic change.

Let me make one point clear—the air traffic controllers were wrong to strike and put public safety at risk. But now we are in a situation in which the public is again at risk. Demands on air traffic controllers have increased, the level of experience of controllers in the tower has not reached hoped-for levels, control tower equipment has not been able to meet demand, and as many as one-third of air traffic controllers—the ones with the most experience—are up for retirement in the next several years.

Mr. President, after the crash of Delta flight 191 near the Dallas-Fort Worth Airport last year, the Dallas Times Herald printed an in-depth series of articles on air safety issues. Those articles asked a very basic question: "'How safe are the skies?" Unfortunately, the answer was "not as safe as they could be." The Times Herald series showed that the shortfall in air travel safety is not caused by a single problem, but is the combination of a number of factors, including maintenance, relaxed or inconsistent regulations, human factors, the effects of deregulation and increasing strain on air traffic controllers—the problem we are addressing today.

With so many other problems in need of attention, improving conditions in airport control towers is not the only answer to improving the safety record of air travel and rehiring the fired controllers will not, by itself, answer all the problems that are based in the towers. But it is an important first step.

It has been argued, with some reason, that rehiring the fired controllers will cause turmoil in the ranks, will possibly create a morale problem. But the Lautenberg amendment was flexible: it allowed the Department of Transportation to adjust for this potential conflict. It was not a blanket

amnesty. Only those who could fit in well and could be expected to contribute to increased safety conditions would be allowed back.

Two important measures of air traffic controller effectiveness, incident, and near-miss reports, increased dramatically last year. These are danger signals we cannot continue to ignore. Public safety demands that we review the ban on rehire, and weigh it against the lives that can be saved. This resolution would have sent a message to the administration that it should consider all reasonable options in working to correct the growing concern over air safety.

Mr. DOLE. Mr. President, I would like to take just one moment to reaffirm my support for passage of the regional airport bill.

There are a few things the Federal Government—and only the Government can do well. Running local airports is not one of them.

Transferring control of National and Dulles Airports makes good sense from every aspect. Economically both the Federal Government and the consumer should benefit. And it should help to provide the best transportation system for the Washington metropolitan area—one of the fastest growing and most mobile in the Nation.

I understand the concerns of Senators SARBANES, MATHIAS, HOLLINGS, and others. But I believe everyone would agree, that this issue has been fully debated. I appreciate their hard work. And I want to especially acknowledge Senators DANFORTH, TRIBLE, WARNER, and their diligence on the bill.

Mr. President, final passage on this measure has been a long time coming. But now that we are here, I would like to urge my colleagues to vote for S. 1017.

BETTER AIR SERVICE FOR THE WASHINGTON REGION

Mr. SARBANES. Mr. President, the current debate in the Senate about the future of National and Dulles, which along with Baltimore-Washington International, are the region's three major airports, has raised a number of controversial issues. All agree that major improvements at the two federally owned airports are needed, but whether the airports should be transferred from Federal ownership and, if so, how and on what terms are more difficult questions. Unfortunately, the airport transfer bill now before the Senate is not the answer. It fails to recognize the fact that all three airports serve the National Capital area and that a fair competitive airport policy will result in better air services.

In 1984, Transportation Secretary Dole directed a Commission, chaired by former Virginia Governor Linwood Holton, to devise a plan for divesting the Federal Government of National and Dulles. Regrettably, the final report, not supported by a single Maryland representative on the Holton Commission, ignored a viable and sensible proposal put forth by the Maryland members.

The Maryland proposal recommended transfer of National to an interstate authority composed of three members each from the District of Columbia, Virginia, and Maryland, and representatives of the Federal Government in recognition of the national interest in the central airport serving the capital. Dulles would be transferred to Virginia, which could develop it in the same way Maryland has developed BWI, thus allowing those two airports, which compete with one another directly, to do so on an equal footing.

Placing National under a regional authority and selling Dulles to Virginia would avoid the deficiencies in the transfer bill now before the Senate. These deficiencies include:

First, unequal representation on the authority board governing the airports.

Second, cross-subsidization, permitting the authority to use profits from one airport to subsidize the other—for example, the highly profitable National underwriting Dulles—in unfair competition with BWI.

Third, an incredibly low price for both facilities in which hundreds of millions of dollars have been invested.

Fourth, the potential use of thousands of acres of land at Dulles for nonaviation business or activities.

Fifth, the power of the authority after the lease period to use the transferred properties for purposes other than an airport.

Sixth, A lack of adequate protections for the present employees at the two airports.

Seventh, the prospect of significantly increasing nighttime use and hence noise at National.

By focusing exclusively on National and Dulles and treating them as a single unit, the bill sets up a competitive situation unfair to BWI and places in jeopardy BWI's ability to provide high level service for the benefit of the entire region. At the heart of this problem is cross-subsidization between National and Dulles allowing revenues at one to be used to underwrite costs at the other.

Acknowledging the unfair competitive nature of such a practice, the airport transfer bill contains some provisions seeking to limit direct cross-subsidization. Unfortunately, these provisions contain a loophole, wide as a hangar door, that permits any revenues at one airport to be used for capital costs, like debt service and depreciation, at the other and permits some revenues, like concessions and leases, at one airport to be used for any costs at the other. Clearly, the loophole swallows the limitation.

If the cross-subsidization provision raises the prospect of unfair competition between Dulles and BWI, the selling price for the two airports makes the situation even worse. The authority established by the bill to buy and operate National and Dulles would be required to pay only $47 million over a 35-year period, to be financed with tax-exempt bonds.

Whatever the arguments for or against selling the airports, $47 million is hardly a serious price. Estimates of the two airports' value have ranged in the hundreds of millions and a group of private investors has offered $1 billion for them. While the issue of privatizing the airports is complex, the offer only underscores the ridiculously low price established by the bill.

While the cutrate price would be controversial in any circumstance, it is downright irresponsible in the context of today's deficit pressures on the Federal budget. Furthermore, the use of tax-exempt bonds represents additional significant revenue loss to the Treasury. Curiously enough at a time when the administration is seeking to end the use of tax-exempt bonds, it is proposing their use in this instance. All in all the sales package adds up to the Federal equivalent of a fire sale, and at a time when National and Dulles are increasingly profitable.

From both the fiscal and competitive perspectives, therefore, the proposed transfer is indefensible. It is further unacceptable because it would open the way to repeal of the limits on nighttime noise which Washington area residents fought long and hard to obtain.

Apart from a few, well-defined exceptions a 10 p.m.-7 a.m. curfew is now in effect at National. To minimize the impact of noise on the densely populated areas surrounding the airport, the required approach and takeoff patterns all follow the Potomac River; but the points at which pilots leave these patterns are located in large part over Maryland. All the communities which have successfully fought for the curfew now face the stark fact that the bill gives the authority power to ease the hard-won restrictions on operating hours and noise levels. They may, in time, Face round-the-clock airport operations.

The composition of the independent authority only adds insult to injury. Of its 13 members, 5 would be appointed by the Governor of Virginia, three by the Mayor of the District of Columbia, two by the Governor of Maryland, and three by the President. The airport transfer bill rides roughshod over the regional, and indeed national, interest in airport facilities serving the National Capital area. BWI and Dulles are, after all, equidistant from down-

town Washington, and both have important roles to play in the region's air transportation network.

BWI is proof that a State authority can turn a struggling airport into a stunning success. Fourteen years ago, Maryland purchased Friendship Airport from Baltimore, and with vision, hard work, and an investment in current dollars, of over $250 million, created an efficient and convenient airport. Virginia can certainly do as much with Dulles, and Maryland would welcome the competition Dulles would provide. Since National is a vital concern to residents of the District, Maryland, and Virginia alike, it belongs under a truly triparte local authority.

In sum, the problems facing our regional airports are real but they require fair and sensible solutions. These are not found in the airport transfer bill. It would be better for all the parties to seek a more balanced and constructive proposal, which would command a regional consensus. Then we could all get on with the job of providing quality air service for the National Capital area.

Mr. President, I yield to my colleague from Maryland.

Mr. MATHIAS. Mr. President, S. 1017, the bill to transfer Washington National and Dulles International Airports to a regional authority, clearly does not serve the public interest. The public in question is the local, national, and international constituency of the three airports serving the Washington metropolitan area.

While certain refinements were made as the bill progressed through the legislative process, we still have not eliminated the basic flaw in the bill—that is, the isolation of one of the three airports serving the Washington metropolitan area, the Baltimore-Washington International Airport.

The bill does not provide a balanced approach to all three airports serving the Washington metropolitan area. Instead of promoting harmony among the three airports, as it should, the bill threatens to promote a disquieting discord.

By serving to codify the isolation of BWI, the bill still gives Dulles a competitive advantage over BWI. National would be used as a "cash cow" to underwrite the user fee structure at Dulles. Our hopes of addressing that problem unfortunately were dashed yesterday when the Senate rejected the amendment to prevent cross-subsidization between the two airports.

The board, composed of representatives of Maryland, Virginia, the District of Columbia, and the Federal Government, will have difficulty functioning with BWI isolated from the scheduling of flights and other operational decisions at National and Dulles. Voting blocs are almost certain to develop in ways that will reduce effectiveness.

Beyond the equity problem, the bill is defective from the standpoint of the local community. It unravels the carefully crafted Washington Metropolitan Area National Airports Policy by lifting the 1,000-mile perimeter rule, eliminating the passenger cap and freezing the number of airline slots, and leaving open the possibility that the nighttime noise restriction may fall by the wayside.

The public needs a safe and convenient air travel system. Flight schedules at the three airports should be complementary. Competition should prevail between air carriers, but not between airports. The large demand today will grow steadily as we near the year 2000, and must be anticipated. We need to plan for the coordinated operation we need. The bill falls short of accomplishing that goal. I urge my colleagues to vote against S. 1017 when it is considered by the Senate today.

Mr. SARBANES. Mr. President, I yield to the Senator from South Carolina.

Mr. HOLLINGS. Mr. President, we know that National and Dulles are well run and that is why the Congress has not paid any attention. We do have needs for expansion. The money is there in the airport and airway trust fund.

I put in a bill over a year ago, but you learn how to act as a minority. We cannot get it out. Otherwise, what we are doing now is waste, fraud, and abuse. In order to get the $250 million by way of bonds, it costs $712 million. So it is a $462 million waste, fraud, and abuse measure.

So do not come around voting for a balanced budget amendment and then waste the public's money right here on the floor. As John Mitchell said, "do not watch what we say, watch what we do."

Mr. WARNER addressed the Chair.

The PRESIDING OFFICER. The Senator from Virginia.

Mr. WARNER. Mr. President, I wish to thank all colleagues for their patience and understanding on this issue. We had a fair, clear deliberation.

I urge adoption of the measure.

The PRESIDING OFFICER. All time on the measure has expired.

The bill is open to further amendment. If there be no further amendment to be proposed, the question is on agreeing to the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The PRESIDING OFFICER. The question is on the engrossment and the third reading of the bill.

The bill was ordered to be engrossed for a third reading, and was read the third time.

Mr. TRIBLE addressed the Chair.

The PRESIDING OFFICER. The Senator from Virginia.

Mr. TRIBLE. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass? On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. SIMPSON. I announce that the Senator from North Dakota [Mr. ANDREWS], the Senator from Colorado [Mr. ARMSTRONG], the Senator from Florida [Mrs. HAWKINS], the Senator from Pennsylvania [Mr. HEINZ], the Senator from Delaware [Mr. ROTH], the Senator from Pennsylvania [Mr. SPECTER], and the Senator from Vermont [Mr. STAFFORD] are necessarily absent.

I further announce that, if present and voting, the Senator from Pennsylvania [Mr. HEINZ] would vote "no."

Mr. CRANSTON. I announce that the Senator from New Jersey [Mr. BRADLEY], the Senator from Iowa [Mr. HARKIN], and the Senator from Vermont [Mr. LEAHY] are necessarily absent.

I further announce that, if present and voting, the Senator from Vermont [Mr. LEAHY] would vote "nay."

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 62, nays 28, as follows:

[Rollcall Vote No. 65 Leg.]

YEAS—62

Abdnor	Gorton	Murkowski
Bentsen	Grassley	Nickles
Biden	Hart	Nunn
Boren	Hatch	Packwood
Boschwitz	Hatfield	Pell
Chafee	Hecht	Pressler
Cochran	Helms	Quayle
Cohen	Inouye	Rockefeller
Cranston	Johnston	Rudman
D'Amato	Kassebaum	Sasser
Danforth	Kasten	Simpson
Denton	Kerry	Stevens
Dixon	Lautenberg	Symms
Dodd	Laxalt	Thurmond
Dole	Long	Trible
Domenici	Lugar	Wallop
Durenberger	Matsunaga	Warner
East	McClure	Weicker
Evans	McConnell	Wilson
Garn	Metzenbaum	Zorinsky
Gore	Moynihan	

NAYS—28

Baucus	Glenn	Melcher
Bingaman	Goldwater	Mitchell
Bumpers	Gramm	Proxmire
Burdick	Heflin	Pryor
Byrd	Hollings	Riegle
Chiles	Humphrey	Sarbanes
DeConcini	Kennedy	Simon
Eagleton	Levin	Stennis
Exon	Mathias	
Ford	Mattingly	

NOT VOTING—10

Andrews	Hawkins	Specter
Armstrong	Heinz	Stafford
Bradley	Leahy	
Harkin	Roth	

So the bill (S. 1017), as amended, was passed, as follows:

S. 1017

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Metropolitan Washington Airports Transfer Act of 1986".

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Sec. 10. Relationship to and effect of other laws; appropriations.
Sec. 11. Conclusions of the full term of the lease.
Sec. 12. Study relating to certain taxes.
Sec. 13. Separability.

FINDINGS

SEC. 2. The Congress finds that—

(1) the two federally owned airports in the metroplitan area of Washington, District of Columbia, constitute an important and growing part of the commerce, transportation, and economic patterns of the Commonwealth of Virginia, the District of Columbia, and the surrounding region;

(2) Baltimore/Washington International Airport, owned and operated by the State of Maryland, is an air transportation facility that provides service to the greater Metropolitan Washington region together with the two federally owned airports;

(3) the Federal Government has a continuing but limited interest in the operation of the two federally owned airports, which serve the travel and cargo needs of the entire Metropolitan Washington region as well as the District of Columbia as the national seat of government;

(4) operation of the Metropolitan Washington Airports by an independent local agency will facilitate timely improvements at both airports to meet the growing demand of interstate air transportation occasioned by the Airline Deregulation Act of 1978 (Public Law 95-504; 92 Stat. 1705);

(5) all other major air carrier airports in the United States are operated by public entities at the State, regional, or local level;

(6) any change in status of the two airports must take into account the interests of nearby communities, the traveling public, air carriers, general aviation, airport employees, and other interested groups, as well as the interests of the Federal Government and State governments involved;

(7) in recognition of the limited need for a Federal role in the management of these airports and the growing local interest, the Secretary has recommended a transfer of authority from the Federal to the local/State level that is consistent with the management of major airports elsewhere in the Nation;

(8) an operating authority with representation from local jurisdictions, similar to authorities at all major airports in the United States, will improve communications with local officials and concerned residents regarding noise at the Metropolitan Washington Airports;

(9) a commission of congressional, State, and local officials and aviation representatives has recommended to the Secretary that transfer of the federally owned airports be as a unit to an independent authority to be created by the Commonwealth of Virginia and the District of Columbia; and

(10) adequate congressional oversight of airport operation and development in the Federal interest can be provided through a lease-transfer mechanism which also provides for increased local control and operation.

PURPOSE

SEC. 3. (a) It is therefore declared to be the purpose of the Congress in this Act to authorize the transfer under long-term lease of the two Metropolitan Washington Airport properties as a unit, including access highways and other related facilities, to a properly constituted independent airport authority to be created by the Commonwealth of Virginia and the District of Columbia, in order to achieve local control over the management, operation, and development of these important transportation assets.

(b) Nothing in this Act shall be construed to prohibit the Airports Authority and the State of Maryland from entering into an agreement whereby Baltimore/Washington International Airport may be made part of a regional airports authority, subject to terms and conditions agreed to by the Airports Authority, the Secretary, the Commonwealth of Virginia, the District of Columbia, and the State of Maryland.

DEFINITIONS

SEC. 4. DEFINITIONS.—In this Act, the term—

(1) "Airports Authority" means the Metropolitan Washington Airports Authority, an agency to be created by the Commonwealth of Virginia and the District of Columbia consistent with the requirements of section 7 of this Act, for the purpose of operating the Metropolitan Washington Airports under the terms of the lease and transfer agreed to in accordance with this Act;

(2) "date of transfer" means the date established for transfer by the Secretary and memorialized in the lease authorized by section 5 of this Act;

(3) "employees" means all permanent Federal Aviation Administration personnel employed on the date of transfer by the Metropolitan Washington Airports, an organization within the Federal Aviation Administration;

(4) "Metropolitan Washington Airports" means Washington National Airport and Washington Dulles International Airport, and includes the Dulles Airport Access Highway and Right-of-way, including the extension between the Interstate Routes I-495 and I-66;

(5) "Secretary" means the Secretary of Transportation;

(6) "Washington Dulles International Airport" means the airport constructed under the Act entitled "An Act to authorize the construction, protection, operation, and maintenance of a public airport in or in the vicinity of the District of Columbia", approved September 7, 1950 (64 Stat. 770); and

(7) "Washington National Airport" means the airport described in the Act entitled "An Act to provide for the administration of the Washington National Airport, and for other purposes", approved June 29, 1940 (54 Stat. 686).

TRANSFER OF METROPOLITAN WASHINGTON AIRPORTS AND PERSONNEL

SEC. 5. (a) The Secretary is hereby authorized and directed to undertake all necessary actions to negotiate a long-term lease and related agreement for the transfer of authority over the Metropolitan Washington Airports and transfer of employees to a single, independent airport authority that conforms to the requirements for an "Airports Authority" set forth in section 7 of this Act. Authority to enter into a lease and agreement under this Act shall lapse two years after the date of enactment of this Act.

(b)(1) In consideration for the transfer of the Metropolitan Washington Airports, the Airports Authority shall make payments to or for the account of the United States, as specified in this subsection.

(2) Basic lease payments sufficient to repay to the United States the amount of hypothetical indebtedness of the Metropolitan Washington Airports shall be made to the Treasury of the United States, as determined by the Federal Aviation Administration as of the date of transfer in accordance with appropriate Federal financial directives, and at the imputed interest rate for such indebtedness on that date, within 35 years. The Comptroller General of the United States shall conduct an audit of the Federal Aviation Administration's determination of hypothetical indebtedness, and shall also report on any costs incurred for the Metropolitan Washington Airports not included in such determination.

(3) In addition to the consideration required for lease and acquisition of the Metropolitan Washington Airports under paragraph (2) of this subsection, the Airports Authority shall, not later than one year after the date of transfer, pay to the Treasury of the United States, to be deposited to the credit of the Civil Service Retirement and Disability Fund, an amount determined appropriate by the Office of Personnel Management to represent the actual added costs incurred by the Fund due to discontinued service retirement under section 8336(d)(1) of title 5, United States Code, and an amount to represent the present value of the difference between (A) the future cost of benefits payable from the Fund and due the employees covered under section 9(e) of this Act that are attributable to the period of employment following the date of transfer, and (B) the future contributions that will be made by the employees and the Airports Authority under section 9(e) of this Act. In determining the amount due, the Office of Personnel Management shall take into consideration the actual interest such amount can be expected to earn when invested in the Treasury of the United States.

(4) In addition to the consideration specified in paragraphs (2) and (3) of this subsection, the Airports Authority shall, not later than 1 year after the date of transfer, pay $36,000,000 to the State of Maryland, to be deposited to the credit of the Transportation Trust Fund.

(c) Transfer of employees shall conform to the requirements of section 9 of this Act.

(d) The lease of the real property that constitutes Washington Dulles International Airport and Washington National Airport, including access highways and any other facilities related to the airports, shall include provisions that conform to the re-

quirements of section 8 of this Act and shall further meet the following conditions:

(1) Operation, maintenance, protection, promotion, and development of the Metropolitan Washington Airports as a unit and as primary airports serving the Metropolitan Washington area; and

(2) Such terms and conditions applicable to the parties to the lease as are consistent with and carry out the provisions of this Act.

(e) The transfer of all Federal property held by the Metropolitan Washington Airports not described in subsection (d) of this section shall be consistent with the provisions of this Act.

CAPITAL IMPROVEMENTS, CONSTRUCTION, AND REHABILITATION

SEC. 6. It is the sense of the Congress that the Airports Authority should—

(1) pursue the improvement, construction, and rehabilitation of the facilities at Washington Dulles International Airport and Washington National Airport simultaneously; and

(2) to the extent practicable, cause such improvement, construction, and rehabilitation to be completed at both of such Airports within 5 years after the earliest date on which the Airports Authority issues bonds under the authority required by section 7 of this Act for any of the purposes identified in this section.

INDEPENDENT AIRPORTS AUTHORITY

SEC. 7. The Airports Authority shall be a public body corporate and politic, having the powers and jurisdiction as are conferred upon it jointly by the legislative authority of the Commonwealth of Virginia and the District of Columbia or by either of the jurisdictions and concurred in by the legislative authority of the other jurisdiction, but at a minimum shall be—

(1) authorized to acquire, maintain, improve, operate, protect, and promote the Metropolitan Washington Airports for public purposes;

(2) independent of the State and local governments of the two jurisdictions;

(3) authorized to issue bonds from time to time in its discretion for public purposes, including the purpose of paying all or any part of the cost of airport improvements, construction, rehabilitation, and the acquisition of real and personal property, including operating equipment for the airports, which bonds—

(A) shall not constitute a debt of either jurisdiction or a political subdivision thereof; and

(B) may be secured by the Airports Authority's revenues generally, or exclusively from the income and revenues of certain designated projects whether or not they are financed in whole or part from the proceeds fo such bonds;

(4) authorized to acquire real and personal property by purchase, lease, transfer, or exchange, and to exercise such powers of eminent domain within the Commonwealth of Virginia as are conferred upon it by the Commonwealth of Virginia;

(5) a corporation constituted solely to operate both Metropolitan Washington Airports as primary airports serving the Metropolitan Washington area;

(6) authorized to levy fees or other charges: Provided, That all revenues generated by the airports will be expended for the capital or operating costs of the airports;

(7) authorized to make and maintain agreements with employee organizations to the extent that the Federal Aviation Administration is so authorized on the date of enactment of this Act;

(8) subject to a conflict-of-interest provision providing that members of the board and their immediate families may not be employed by or otherwise hold a substantial financial interest in any enterprise that has or is seeking a contract or agreement with the Airports Authority or is an aeronautical, aviation services, or airport services enterprise that otherwise has interests that can be directly affected by the Airports Authority; exceptions to this requirement may be made by the official appointing a member at the time the member is appointed: Provided, That any such interest is fully disclosed and the member does not participate in board decisions that directly affect such interest; the Airports Authority shall include in its code developed under section 8 of this Act the standards by which members will determine what constitutes a substantial financial interest and the circumstances under which an exception may be granted; and

(9) governed by a board of thirteen members, as follows:

(A) Five members shall be appointed by the Governor of Virginia, three members shall be appointed by the Mayor of the District of Columbia, two members shall be appointed by the Governor of Maryland, and three members shall be appointed by the President with the advice and consent of the Senate; the Chairman shall be appointed from among the members by majority vote of the members and shall serve until replaced by majority vote of the members.

(B) Members shall (i) not hold elective or appointive political office, (ii) serve without compensation other than for reasonable expenses incident to board functions, and (iii) reside within the Washington Standard Metropolitan Statistical Area, except that the members appointed by the President shall not be required to reside in that areas.

(C) Appointments to the board shall be for a period of 6 years; however, initial appointments to the board shall be made as follows: each jurisdiction shall appoint one member for a full 6-year term, a second member for a 4-year term and, in the case of Commonwealth of Virginia and the District of Columbia, a third member for a 2-year term. The Governor of Virginia shall make the final two Virginia initial appointments for one 2-year and one 4-year term. The President shall make initial appointments as follows: one member for a 6-year term, one member for a 4-year term, and one member for a 2-year term; subsequent appointments by the President shall be for a period of 6 years with all such Federal appointees subject to removal for cause.

(D) Nine votes shall be required to approve bond issues and the annual budget.

MINIMUM TERMS AND CONDITIONS OF LEASE

SEC. 8. (a) The lease authorized by section 5 of this Act shall be for a term of 35 years and shall, at a minimum, conform to and be consistent with the following requirements:

(1) The real and personal property constituting the Metropolitan Washington Airports shall, during the period of the lease, be used only for airport purposes. In addition, property that is necessary for additional runaway development and property that serves as a perimeter buffer area at Washington Dulles International Airport may not be devoted to commercial building development which would return to the Airports Authority revenue in excess of the Airports Authority's costs directly related to such development. For the purposes of this paragraph, the term "airport purposes" includes a use of property interests (other than a sale) for aviation business or activities, or for activities necessary and appropriate to serve passengers or cargo in air commerce, or for nonprofit, public use facilities. If the Secretary determines that any portion of the land leased to the Airports Authority pursuant to this Act is used for other than airport purposes, the Secretary shall (A) direct that appropriate measures be taken by the Airports Authority to bring the use of such land in conformity with airport purposes, and (B) retake possession of such land should the Airports Authority fail to bring the use of such land into a conforming use within a reasonable period of time, as determined by the Secretary.

(2) The Airports Authority shall furnish without cost to the Federal Government for use in connection with any air traffic control and navigation facilities or weather-reporting and communication activities related to air traffic control at these airports, such areas of land or water, or rights in buildings, at the airports as the Secretary considers necessary or desirable for these purposes, including construction at Federal expense of additional space or facilities. In addition, all airport facilities shall be available to the United States for use by Government aircraft in common with other aircraft at all times without charge, except, if the use by Government aircraft is substantial, a charge may be made for a reasonable share, proportional to such use, of the cost of providing, operating, and maintaining the facilities used.

(3) All of the facilities of the Metropolitan Washington Airports shall, during the term of the lease, be available to the public, including commercial and general aviation, on fair and reasonable terms and without unjust discrimination, as these terms are used in section 511(a)(1) of the Airport and Airway Improvement Act of 1982 (49 App. U.S.C. 2210(a)(1)).

(4) In acquiring by contract supplies or services for an amount estimated to be in excess of $200,000, or awarding concession contracts, the Airports Authority shall obtain, to the maximum extent practicable, full and open competition through the use of published competitive procedures: *Provided*, That by a vote of nine members, the Airports Authority may grant exceptions to the requirements of this paragraph.

(5) All regulations of the Metropolitan Washington Airports (14 CFR 159) shall become regulations of the Airports Authority upon transfer of the Metropolitan Washington Airports in accordance with this Act, and shall remain in effect until modified or revoked by the Airports Authority under its own procedures: *Provided*, That regulations concerning new-technology aircraft (14 CFR 159.59(a)), violations of Federal Aviation Administration regulations as Federal misdemeanors (14 CFR 159.191), and the Federal Aviation Administration air traffic regulations designated 14 CFR 93.124 (Modification of Allocation: Washington National Airport) shall cease to be in effect on the date of transfer and no limitation may be imposed on passenger levels: *Provided further*, however, during the term of the lease, that the number of operations authorized by the High Density Rule (14 CFR 93.121, et seq.) for air carriers at Washington National Airport may be changed only for considerations of safety.

(6)(A) Except as specified in subparagraph (B) of this paragraph, the Airports Authority shall assume all rights, liabilities, and

obligations (tangible and incorporeal, present and executory) of the Metropolitan Washington Airports at the time of transfer of authority and jurisdiction over the airports under the lease and transfer agreement, including leases, permits, licenses, contracts, agreements, claims, tariffs, accounts receivable, accounts payable, and litigation relating to such rights and obligations, regardless whether judgment has been entered, damages awarded, or appeal taken. Before the date of transfer, the Secretary shall also assure that the Airports Authority has agreed to cooperate in allowing representatives of the Attorney General and the Secretary adequate access to employees and records when needed for the performance of functions related to the period before the effectiveness of the lease. The Airports Authority shall assume responsibility for the Federal Aviation Administration's Master Plans for the Metropolitan Washington Airports.

(B) The procedure for disputes resolution contained in any contract entered into on behalf of the United States prior to the date of transfer shall continue to govern the performance of the contract unless otherwise agreed to by the parties to the contract. Claims for monetary damages founded in tort, by or against the United States as the owner and operator of the Metropolitan Washington Airports, arising prior to the date of the transfer, shall be adjudicated as if the transfer of authority did not occur.

(C) The Federal Aviation Administration shall remain responsible for reimbursing the Employees' Compensation Fund, pursuant to the provisions of section 8147 of title 5, United States Code, for compensation paid or payable after the date of transfer in accordance with chapter 81 of title 5, United States Code, with regard to any injury, disability, or death due to events arising prior to the date of transfer, whether or not a claim has been filed or is final on the date of transfer.

(D) Before the date of transfer, the Secretary shall assure that the Airports Authority has agreed to a continuation of all collective bargaining rights enjoyed before the date of transfer by employees of the Metropolitan Washington Airports.

(7) The Comptroller General of the United States may conduct periodic audits of the activities and transactions of the Airports Authority in accordance with generally accepted management principles, and under such rules and regulations as may be prescribed by the Comptroller General. Any such audit shall be conducted at such place or places as the Comptroller General may deem appropriate. All books, accounts, records, reports, files, papers, and property of the Airports Authority shall remain in possession and custody of the Airports Authority.

(8) The Airports Authority shall develop a code of ethics and financial disclosure in order to assure the integrity of all decisions made by the board and its employees.

(9) Notwithstanding any other provision of law, no landing fee imposed for operating an aircraft or revenues derived from parking automobiles—

(A) at Washington Dulles International Airport may be used for maintenance or operating expenses (excluding debt service, depreciation, and amortization) at Washington National Airport; or

(B) at Washington National Airport may be used for maintenance or operating expenses (excluding debt service, depreciation, and amortization) at Washington Dulles International Airport.

(10) The Airports Authority shall compute the fees and charges for landing general aviation aircraft at the Metropolitan Washington Airports on the same basis as the landing fees for air carrier aircraft, except that the Airports Authority may require a minimum landing fee not in excess of the landing fee for aircraft weighing 12,500 pounds.

(b) The district courts of the United States shall have jurisdiction to compel the Airports Authority, its officers, and employees to comply with the terms of the lease. An action may be brought on behalf of the United States by the Attorney General, or by any aggrieved party.

FEDERAL EMPLOYEES AT NATIONAL AND DULLES AIRPORTS

SEC. 9. (a) Not later than the date of transfer, the Secretary shall ensure that the Airports Authority has established arrangements to protect the employment interests of employees during the 5-year period commencing on the date of transfer. These arrangements shall include provisions—

(1) which ensure that the Airports Authority will adopt labor agreements in accordance with the provisions of subsection (b) of this section;

(2) for the transfer and retention of all employees who agree to transfer to the Airports Authority in their same positions for the 5-year period commencing on the date of transfer, except in cases of reassignment, separation for cause, resignation, or retirement;

(3) for the payment by the Airports Authority of basic and premium pay to transferred employees, except in cases of separation for cause, resignation, or retirement, for 5 years commencing on the date of transfer at or above the rates of pay in effect for such employees on the date of transfer;

(4) for credit during the 5-year period commencing on the date of transfer for accrued annual and sick leave and seniority rights which have been accrued during the period of Federal employment by transferred employees retained by the Airports Authority; and

(5) for an offering of not less than one life insurance and three health insurance programs for transferred employees retained by the Airports Authority during the 5-year period commencing on the date of transfer which are reasonably comparable with respect to employee premium cost and coverage to the Federal health and life insurance programs available to employees on the day before the date of transfer.

(b)(1) The Airports Authority shall adopt all labor agreements which are in effect on the date of transfer. Such agreements shall continue in effect for the 5-year period commencing on the date of transfer, unless the provisions of the agreement provide for a shorter duration or the parties agree to the contrary before the expiration of that 5-year period. Such agreements shall be renegotiated during the 5-year period, unless the parties agree otherwise. Any labor-management negotiation impasse declared before the date of transfer shall be settled in accordance with chapter 71 of title 5, United States Code.

(2) The arrangements made pursuant to this section shall assure, during the 35-year lease term, the continuation of all collective bargaining rights enjoyed by transferred employees retained by the Airports Authority.

(c) Any transferred employee whose employment with the Airports Authority is terminated during the 5-year period commencing on the date of transfer shall be entitled, as a condition of any lease entered into in accordance with section 8 of this Act, to rights and benefits to be provided by the Airports Authority that are similar to those such employee would have had under Federal law if termination had occurred immediately before the date of transfer.

(d) Any employee who transfers to the Airports Authority under this section shall not be entitled to lumpsum payment for unused annual leave under section 5551 of title 5, United States Code, but shall be credited by the Airports Authority with the unused annual leave balance at the time of transfer, along with any unused sick leave balance at the time of transfer. During the 5-year period commencing on the date of transfer, annual and sick leave shall be earned at the same rates permitted on the day before the date of transfer, and observed official holidays shall be the same as those specified in section 6103 of title 5, United States Code.

(e) Any Federal employee hired before January 1, 1984, who transfers to the Airports Authority and who on the day before the date of transfer is subject to civil service retirement law (subchapter III of chapter 83 of title 5, United States Code) shall, so long as continually employed by the Airports Authority without a break in service, continue to be subject to such law. Employment by the Airports Authority without a break in continuity of service shall be considered to be employment by the United States Government for purposes of subchapter III of chapter 83 of title 5, United States Code. The Airports Authority shall be the employing agency for purposes of section 8334(a) of title 5, United States Code, and shall contribute to the Civil Service Retirement and Disability Fund such sum as is required by such section.

(f) An employee who does not transfer to the Airports Authority and who does not otherwise remain a Federal employee shall be entitled to all of the rights and benefits available under Federal law for separated employees, except that severance pay shall not be payable to an employee who does not accept an offer of employment from the Airports Authority of work substantially similar to that performed for the Federal Government.

(g) The Airports Authority shall allow representatives of the Secretary adequate access to employees and new employee records of the Airports Authority when needed for the performance of functions related to the period prior to the effectiveness of the lease. The Secretary shall provide the Airports Authority access to employee records of transferring employees for appropriate purposes.

RELATIONSHIP TO AND EFFECT OF OTHER LAWS; APPROPRIATIONS

SEC. 10. (a) In order to assure that the Airports Authority has the same proprietary powers and is subject to the same restrictions with respect to Federal law as any other airport, except as otherwise provided in this Act, during the period that the lease authorized by section 5 of this Act is in effect—

(1) the Metropolitan Washington Airports shall qualify as a "public airport" under the terms of the Airport and Airway Improvement Act of 1982 (49 App. U.S.C. 2201 et seq.), shall be eligible for Federal assistance on the same basis as any comparable public airport operated by a regional authority,

and shall be considered to have accepted a grant on the date of transfer;

(2) the Acts entitled "An Act to provide for the administration of the Washington National Airport, and for other purposes", approved June 29, 1940 (54 Stat. 686), "An Act to authorize the construction, protection, operation, and maintenance of a public airport in or in the vicinity of the District of Columbia", approved September 7, 1950 (64 Stat. 770), and "An act making supplemental appropriations for the support of the Government for the fiscal year ending June 30, 1941, and for other purposes", approved October 9, 1940 (54 Stat. 1030), shall not apply to the operation of the Metropolitan Washington Airports, and the Secretary shall be relieved of all responsibility under those Acts;

(3) notwithstanding any other provision of law other than the provisions of this Act, the retention by the United States of fee simple title to the Metropolitan Washington Airports shall not subject these airports and the Airports Authority to any requirement of law that would not apply to an airport or airports not owned by the United States;

(4) the Commonwealth of Virginia shall have concurrent police power authority over the Metropolitan Washington Airports, and the courts of the Commonwealth of Virginia may exercise jurisdiction over the land described in "An Act to provide for the administration of the Washington National Airport, and for other purposes", approved June 29, 1940 (54 Stat. 686); and

(5) the authority of the National Capital Planning Commission, as provided in section 71d of title 40, United States Code, shall not apply to the Airports Authority: *Provided*, That the Airports Authority shall consult with the National Capital Planning Commission and the Advisory Council on Historic Preservation before undertaking any major alterations to the exterior of the main terminal at Washington Dulles International Airport, and with the National Capital Planning Commission before undertaking development that would alter the skyline of Washington National Airport when viewed from the opposing shoreline of the Potomac River or from the George Washington Parkway.

(b) Unobligated balances and obligated but unexpended balances of appropriations on behalf of the Metropolitan Washington Airports remaining in the fiscal year that includes the date of transfer shall transfer to the Airports Authority, but only to the extent that the Airport Authority agree to add an identical amount to the hypothetical indebtedness it assumes in accordance with section 5(b) of this Act.

CONCLUSION OF THE FULL TERM OF THE LEASE

SEC. 11. (a) the Airports Authority may extend the lease entered into under section 5(a) of this Act for an additional term of 15 years for the sole purpose of continuing to operate the airports under the terms and restrictions established in this Act.

(b) During the period of the lease the Secretary and the Airports Authority may negotiate a contract of sale for the transfer of the properties constituting the Metroplitan Washington Airports. Such properties shall not be sold until the Congress approves legislation implementing the terms of such contract.

(c) Upon approval by the Congress of legislation implementing the terms of such contract—

(1) title to all real property shall pass to the Airports Authority: *Provided*, That real property that is not then in use for airport purposes as defined in section 8 (a)(1) of this Act shall instead be reported to the General Services Administration for disposition under the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 471 et seq.);

(2) the United States shall relinquish all jurisdiction (concurrent and exclusive) over the Metropolitan Washington Airports to the Commonwealth of Virginia; and

(3) the Acts entitled "An Act to provide for the administration of the Washington National Airport, and for other purposes", approved June 29, 1940 (54 Stat. 686), "An Act to authorize the construction, protection, operation, and maintenance of a public airport in or in the vicinity of the District of Columbia", approved September 7, 1950 (64 Stat. 770), and "An Act making supplemental appropriations for the support of the Government for the fiscal year ending June 30, 1941, and for other purposes", approved October 9, 1940 (54 Stat. 1030), shall be repealed.

STUDY RELATING TO CERTAIN TAXES

SEC. 12. (a) the Airports Authority shall conduct a study to determine whether and the extent to which the government of Arlington County, Virginia, should impose personal property and leasehold taxes at Washington National Airport.

(b) The Airports Authority shall submit to the Congress the results of the study required by this section within 12 months after the date of enactment of this Act.

AIRPORT SLOTS

SEC. 13. (a) The Secretary and the Administrator of the Federal Aviation Administration (hereinafter referred to as the "Administrator") shall—

(1) repeal the final rule regarding Slot Allocation and Transfer Methods at High Density Traffic airports, issued on December 20, 1985 (50 Fed. Reg. 52180), as in effect on the date of enactment of this Act; and

(2) after the date of enactment of this Act, not promulgate any rule or regulation or issue any order (other than on an emergency basis) relating to restrictions on aircraft operations at high density traffic airports designated in Subpart K of part 93 of title 14, Code of Federal Regulations (14 CFR 93.121 et seq.), that is inconsistent with the provisions of this section.

(b) Consistent with aviation safety, the Administrator shall, not later than 120 days after the date of enactment of this Act, provide by rule or otherwise for the recall and subsequent allocation pursuant to subsection (c) of this section of any air carrier or commuter operator instrument flight rule takeoff and landing operational privilege at high density traffic airports, hereinafter in this section referred to as a "slot", that is substantially unused. The provisions of this subsection shall not apply to any slot reserved for international operations or for essential air transportation (as defined in section 419 of the Federal Aviation Act of 1958 (49 App. U.S.C. 1389)).

(c)(1) Consistent with aviation safety, the Administrator shall, not later than 120 days after the date of anactment of this Act, establish by rule or otherwise, after affording the opportunity for and considering public comment, a mechanism for the equitable allocation of slots to which Subpart K of part 93 of title 14, Code of Federal Regulations, applies, in accordance with the provisions of this subsection.

(2) The allocation of slots (other than on a basis consistent with paragraph (4) of this subsection) shall be made by a separate air carrier and commuter air carrier scheduling committee established for each of such high density traffic airports. The Administrator shall establish the composition of each such scheduling committee.

(3) The scheduling committee shall allocate and reallocate slots according to a time schedule to be established by the Administrator.

(4)(A) The Administrator shall, no later than 120 days after the date of enactment of this Act, and after affording the opportunity for and considering public comment, establish a special mechanism for the allocation of slots, to be utilized in the event that any scheduling committee is unable to reach agreement on the manner in which it will allocate slots within the time period established by the Administrator. Such special mechanism may include commitment of the issues involved to binding arbitration, lottery, lease by the Administrator (by auction or other market mechanism) of some or all of the slots currently in use at such airports, or any other non-market mechanism determined by the Administrator to be appropriate. The duration of any such lease or other allocation of slots shall be determined by the Administrator, after giving due consideration to the need for maintaining competition between and among airlines at high density traffic airports, the capital investment of existing users of slots at such airports, and the need for adequate air service to such airports from small- and medium-sized communities, except that no such lease or other allocation of slots shall remain in effect after December 31, 1988. Notwithstanding any other provision of law, the revenues generated by any lease of slots by the Administrator under this paragraph shall be credited to the Airport and Airway Trust Fund established in section 9502 of the Internal Revenue Code of 1954 (26 U.S.C. 9502). The Administrator shall also formulate a mechanism to allocate all new slots, voluntarily returned slots, and unused slots.

(B) Any allocation mechanism established by the Administrator under this paragraph shall be adequate to ensure the opportunity for new entry, to maintain essential air transportation, and to protect the access rights of commuter operators. In addition, the Administrator shall employ a method for the withdrawal of slots currently in use that ensures that no carrier incurs the loss of an undue proportion of its slots.

(d) No mechanism formulated or utilized under section 93.123 of title 14, Code of Federal Regulations, as in effect on February 1, 1986, or under this section shall be construed to create a permanent property right in any slot. Any such slot shall be public property, and its use shall represent a nonpermanent operating privilege within the exclusive control and jurisdiction of the Administrator. Any such privilege may be withdrawn, recalled or reallocated by the Administrator for reasons of aviation safety or airspace efficiency, or to enhance competition in air transportation.

(e)(1) Other than on an emergency basis, the Administrator shall not promulgate any rule or regulation or implement any practice that restricts aircraft operation by means of slot controls at any airport or air traffic control facility other than those specified in section 93.123 of title 14, Code of Federal Regulations, as in effect on February 1, 1986, unless the Administrator first transmits to the Congress a written report justifying the need for such rule, regulation

or practice not less than 90 days before the effective date of such rule, regulation or practice.

(2)(A) No later than January 1, 1987, and every two years thereafter, the Secretary shall conclude a rulemaking to reauthorize or eliminate all high density traffic airport slot controls specified in section 93.123 of title 14, Code of Federal Regulations, and any other slot control created subsequent to such date by the Administrator. Each such rulemaking shall include a report to Congress concerning the extent to which the retention of slot controls at any airport, or the creation of new slot controls, is required in the public interest. Such report shall describe possible improvements in facilities or related air traffic control facilities or procedures that would allow slot controls to be reduced or eliminated, and shall describe any action taken by the Administrator to reduce or eliminate the need for such controls.

(B) No regulation imposing slot controls to which this paragraph applies shall have the force and effect of law after two years from the date on which it becomes effective, unless such regulation is reauthorized pursuant to subparagraph (A) of this paragraph.

(f) The Secretary and the Administrator shall make timely recommendations to the Congress regarding any additional statutory authority they consider necessary or appropriate to carry out the purposes of this section. In addition, the Secretary and the Administrator shall report annually to the Congress on the extent to which the allocation mechanisms established pursuant to subsection (c) of this section and any slot control regulations reauthorized pursuant to subsection (e) of this section have minimized barriers to entry at high density traffic airports.

SEPARABILITY

SEC. 14. If any provision of this Act or the application thereof to any person or circumstances is held invalid, the remainder of this Act and the application of such provision to other persons or circumstances shall not be affected thereby.

SEC. 15. (a) Notwithstanding any other provision of this Act, or any other law, or any regulation issued pursuant thereto, a person shall not be prohibited from operating an air carrier aircraft nonstop between Washington National Airport and any other airport which is located within 1,250 miles of Washington National Airport.

(b) Notwithstanding any other provision of this Act or any other law, the Airports Authority shall have no authority to issue any regulation imposing any such prohibition referred to in subsection (a) of this section.

SEC. 16. (a)(1) As recently as February 4, 1985, the Office of Management and Budget projected that deficits for Fiscal Years 1986 through 1990 would increase the federal debt by $697,289,000,000.

(2) Congress sought to remedy this problem of escalating debt by enacting the Gramm-Rudman-Hollings deficit reduction program, which was passed by both Houses of Congress and signed into law by the President on December 12, 1985;

(3) Even under Gramm-Rudman-Hollings, the federal debt is projected to grow to $2,323,100,000,000 in fiscal year 1987, $2,523,000,000,000 in fiscal year 1988, and $2,697,700,000,000 in fiscal year 1989;

(4) As a result, even Gramm-Rudman-Hollings will produce a federal debt which, by fiscal year 1989, will represent well over $10,000 for every man, woman, and child in the United States;

(5) The financial markets of the United States and the other industrialized nations of the world look to the government of the United States for leadership in the resolution of its deficit crisis; and

(6) The consideration of tax reform by the Senate of the United States without first making serious efforts to control the deficit will only succeed in enhancing the uncertainty in financial markets which those deficits create; Now, therefore,

(b) It is the sense of the Senate that tax reform should not be considered or debated by the United States Senate until a firm, definite budget agreement has been reached between the President and the Congress of the United States.

SEC. 17. The Food Security Act of 1985 established a milk production termination program intended to reduce the current oversupply of milk products, and

The Food Security Act of 1985 also provided that the Secretary of Agriculture should make purchases of specified amounts of red meat in order to offset the effects of the milk production termination program on the red meat market, and

The implementation of the milk production termination program has resulted in substantial declines in both current prices of red meat and future prices for red meat, and

Both cattle and dairy farmers would benefit from more stable red meat prices, and

Immediate action is necessary to counteract the adverse effects of the dairy diversion program: Now, therefore,

It is the sense of the Senate that the Secretary of Agriculture should immediately take the following steps to address the current instability in the red meat market—

(1) The Department should increase the present purchase of red meat and defense distributions during the first bid period, which has been announced by the Department to be from April 1, 1986 to August 31, 1986. The purchase should proportionately reflect the presently scheduled 633,176 cows; 216,970 heifers; and 165,900 calves, which are to be slaughtered during each disposal period in the program. The red meat purchases should reflect the number of cattle that are slaughtered each disposal period in the program:

Specifically, the Department should immediately begin purchasing more of the 200 million pounds of red meat that are to be purchased during the milk production termination program during the first disposal period. This purchase amount is in contrast to the 130 million pounds that the Department is presently scheduled to purchase during the first disposal period. Further, the Senate expresses its concern that the Department has not scheduled the present purchase of 130 million pounds until April 14, 1986 for canned meat and April 21 for frozen ground beef. These purchases do not correspond to the April 1 starting date of the first disposal period.

The Department should accomplish this purchase goal by expediting school lunch purchases and domestic feeding program purchases to begin in April rather than the traditional month of July. Toward the same end, the Department should act immediately on the provision of the law that requires that the meat be channeled through the Department of Defense.

(2) The Department should move approximately two hundred thousand dairy cows and corresponding heifers and calves, which are presently scheduled during the first disposal period, to later periods by moving those producers who submitted multiple bids at the same price. The move should be conducted on a voluntary basis. Any changes in the disposal period should be consistent with the existing contracts with dairy producers who are participating in the program.

(3) The Department immediately should take additional steps as necessary to alleviate the concerns in the red meat industry regarding the adverse impact on total red meat supplies due to the additional dairy cattle that are being slaughtered. The Department should implement a plan to encourage proportional spacing of dairy cattle slaughter within each disposal period for producers in the program. This could include monthly and weekly targets for dairy cattle slaughter during the disposal periods to minimize jamming of slaughter house facilities occurring in some parts of the country.

(4) The Department also should take further steps that would offset any further damage to the red meat industry. Producers should be assured that the Federal Government will purchase a pound of red meat to offset every pound of red meat which enters the market as a result of the milk production termination program, and that the Department is taking other steps to provide for the orderly marketing of dairy cattle slaughtered under the program.

SEC. 18. (a) the Senate also finds and declares that—

(1) the Food Security Act of 1985 established the Dairy Termination Program intended to reduce the current oversupply of dairy products, and

(2) the Food Security Act of 1985 directs the Secretary of Agriculture to minimize the adverse price effect of the Dairy Termination Program on red meat producers through the use of timely and judicious administrative actions, and

(3) the implementation of the Dairy Termination Program has resulted in substantial declines in both the current and future prices for meat, and

(4) immediate corrective action by the Secretary of Agriculture, utilizing the broad discretionary authority available to the Secretary under the Food Security Act of 1985, is necessary to abate the precipitous decline in meat prices:

(b) it is therefore the sense of the Senate that the Secretary of Agriculture should immediately significantly modify the Department of Agriculture's policies relating to the Dairy Termination Program, report to the Congress not later than April 15, 1986, what corrective actions have been taken, and what legislative changes, if any, are necessary to further modify this program to abate the decline in meat prices in a reasonable and judicious manner.

Mr. TRIBLE. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. WARNER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. TRIBLE. Mr. President, people have talked about this action for years and they said it could not be done. I thank my colleagues for their patience, for their attention, and for their resounding vote in favor of the airports legislation. By a majority of

over 2 to 1, by a vote of 62 to 28, our colleagues have decisively approved this legislation. That result reflects the fact that this bill is fair, is balanced, and it serves the best interests of all our citizens.

I note, Mr. President, that the Senate has dedicated 9 days to this enterprise; that we have spent 44 hours and 22 minutes on this initiative; that there have been 15 rollcall votes and 23 amendments and motions considered. I want to say a word of thanks to a number of people.

First, to the majority leader for sticking with us and for giving us the time to make our case;

To Senators DANFORTH and KASSEBAUM, the leaders on the Commerce Committee, for permitting me to shape this bill and guide its passage through the often treacherous waters of the Senate;

To my partner and friend JOHN WARNER of Virginia, for his active support and good counsel;

To Senator SARBANES and to Senator MATHIAS both able adversaries, whom I have learned to respect for their intellect, their persuasive powers, and their grace;

To Senators INOUYE and ROCKEFELLER, my thanks for making a bipartisan bill possible;

To Gov. Linwood Holton for his able leadership in crafting the consensus that makes this day possible.

Then to a bright and very able group of folks that I would characterize as "The Team." They include:

From the Department of Transportation, Rebecca Range, Shirley Ybarra, Greg Wolfe, Dean Sparkman, Tad Hearlihy;

From the Commerce Committee, Pamela Garvie, Steve Johnson, Mary Pat Bierley, Kevin Curtin, and Allen Moore;

From my own staff, my able administrative assistant and right arm, Mark Greenberg;

And, of course, from Senator WARNER's staff, Lee Califf.

To all of these individuals, my special thanks. They are bright, they are precise, they are hard charging, and they are always there when needed with wise counsel.

To the Metropolitan Washington Airports leaders, Jim Wilding, the Director, and Dave Lawhead, my thanks for their advice and counsel as well.

It is a good result. It reflects the hard work and contribution of a lot of good folks. For that, I am most grateful.

Mr. WARNER. Mr. President, I join my distinguished colleague [Mr. TRIBLE] in praising Governor Holton, Greg Wolfe, Lee Califf, and the many others who worked on this bill.

I was privileged to be a member of the Holton Commission. I also extend my appreciation to the members of that Commission who crafted the foundation documents that led to the successful passage of this legislation.

Those of us who have fought hard for this bill also owe a great debt of gratitude to former Governor Robb of Virginia and Governor Baliles and the Mayor of the District of Columbia, Marion Barry.

As to my distinguished colleagues, the senior Senator from Maryland [Mr. MATHIAS] and the junior Senator [Mr. SARBANES], I thank them for their fairness and their cooperation, and we admire them for having represented their constituency with distinction.

Last, Mr. President, to my colleague, Mr. TRIBLE, whom I have been privileged to work with these many years, he has always admired a certain set of buttons that I have that I got from the U.S. Navy.

Mr. TRIBLE, I say to you, well done. As we say in the Navy, 4 to 0. You have won your buttons.

Mr. TRIBLE. I thank the Senator.

I happily yield the floor to whoever wants it.

ORDER OF BUSINESS

The PRESIDING OFFICER. The Senator from Idaho.

Mr. McCLURE. Mr. President, it is my intention to call up the hydrorelicensing bill which I have been directed by the majority leader to bring up at this time. Before doing that, I want to indicate that we are trying to work out all of the amendments that we are aware of in such a fashion that rollcall votes will not be required and, in the expectation that we shall be able to do that, to go as close to third reading and passage of the bill as it is possible to do in a very short period of time this afternoon.

Then if we accomplish that, I hope to set over the rollcall on passage of the bill to a time certain early next week. If we are capable of doing that, and I believe we can be, then we shall avoid any rollcall votes this afternoon. But I am in no position to announce that and I am certainly not announcing that there will not be rollcall votes this afternoon.

ELECTRIC CONSUMERS PROTECTION ACT

Mr. McCLURE. Mr. President, I ask unanimous consent that the Senate now turn to the consideration of Calendar No. 355, S. 426, the hydrorelicensing bill.

The PRESIDING OFFICER. Is there objection? Hearing none, it is so ordered.

The clerk will state the bill by title.

The assistant legislative clerk read as follows:

A bill (S. 426) to amend the Federal Power Act to provide for more protection to electric consumers.

The Senate proceeded to consider the bill, which had been reported from the Committee on Energy and Natural Resources, with an amendment to strike out all after the enacting clause, and insert the following:

That this Act may be referred to as the "Electric Consumers Protection Act of 1985".

SEC. 2. Section 7(a) of the Federal Power Act (16 U.S.C. 800(a)), as amended, is further amended—

(a) by inserting "original" after "hereunder or"; and

(b) by striking "and in issuing licenses to new licensees under section 15 hereof".

SEC. 3. Section 10 of the Federal Power Act (16 U.S.C. 803), as amended, is further amended—

(a) in existing subsection (a) after "water power development,", by inserting "for the adequate protection, mitigation, and enhancement of fish and wildlife,";

(b) in existing subsection (a) after "including", by inserting "irrigation, flood control, water supply and"; and

(c) by redesignating existing subsection (a) as paragraph (a)(1) and by inserting the following new paragraphs:

"(2) In order to ensure that the project adopted will be best adapted to the comprehensive plan described in paragraph (a)(1), the Commission shall consider:

"(A) the extent to which the project is consistent with a comprehensive plan (where one exists) for improving, developing, or conserving a waterway or waterways affected by the project that is prepared by—

"(i) an agency established pursuant to Federal law that has the authority to prepare such a plan; and

"(ii) the State in which the facility is or will be located; and

"(B) the recommendations of Federal and State agencies exercising administration over fish and wildlife, flood control, navigation, irrigation, recreation, and cultural resources of the State in which the project is located, and the recommendations of Indian tribes affected by the project.

"(3)(A) Upon receipt of an application for a license, the Commission shall solicit recommendations for proposed terms and conditions to be included in the license from the agencies and Indian tribes identified in paragraph (a)(2) of this section.

"(B) If any recommendation for a proposed term or condition is received by the Commission at least thirty days prior to issuing any license under this section, the Commission shall explain in writing its reason for rejecting or modifying any such proposed term or condition.".

SEC. 4. Section 15 of the Federal Power Act (16 U.S.C. 808), as amended, is further amended—

(a) by striking subsection (a) through "terms and conditions to a new licensee," and inserting in lieu thereof:

"SEC. 15(a). If the United States does not, at the expiration of the existing license, exercise its right to take over, maintain and operate any project or projects of the licensee, as provided in section 14 of this Act, the Commission may issue a new license to the existing licensee upon such terms and conditions, taking into account existing structures and facilities, as may be authorized or required under the then existing laws and regulations, or to another applicant under said terms and conditions. If the existing licensee applies for a new license, the Commission shall issue a new license to such ex-

isting licensee unless the Commission determines that the plans of another applicant are better adapted to serve the public interest. If the existing licensee does not apply for a new license, the Commission shall issue a new license to the applicant the plans of which are best adapted to serve the public interest. In either case, the Commission shall not issue a license unless it is satisfied that (1) the applicant is able to carry out such plans and (2) the plans represent a cost effective approach to achieving the benefits to be derived therefrom.

"(b) The Commission shall make its determination of which plans are best adapted to serve the public interest on the basis of—

"(1) how each plan would develop, conserve, and utilize the water resources of the region in accordance with the provisions of section 10(a) of this Act;

"(2) the relative economic impact upon customers served by each applicant upon the failure of such applicant to receive the license, including an assessment of the economic impact upon the customers of an applicant that is the existing licensee that would result from the difference between the compensation to be paid under subsection (c) of this section and the cost of replacement power;

"(3) the economic impact, in the case of a nonutility license holder, upon the operation and efficiency of the dependent industrial facility or related activity, its existing employees, and the surrounding community, if the existing licensee fails to receive the new license;

"(4) the ability of each applicant to operate and maintain the project in a manner most likely to provide efficient, reliable electric service; and

"(5) the need of each applicant for the electricity generated by the project or projects to serve its existing customers including customers served by any electric utility which receives power from the existing licensee.";

(b) by redesignating the remainder of subsection (a) as subsection (c);

(c) by striking "which license" and inserting in lieu thereof "A license issued under this section";

(d) by redesignating existing subsection (b) as subsection (d);

(e) by adding a new subsection:

"(e) A new license may only be issued for a period not to exceed thirty years unless the Commission determines that a longer period is necessary due to substantial new construction or significant redevelopment of the project in question. In no case shall a new license be issued for a period of more than fifty years."; and

(f) by adding a new subsection:

"(f) Notwithstanding any other provision of this section, for projects using tribal lands embraced within Indian reservations, the original license for which was issued prior to October 1, 1985 and for which a new license has not yet become effective by such date, the Commission shall not consider the factors set forth in sections 15(b)(2) and 15(b)(5) in evaluating the plans of Indian tribes to which such lands belong that apply for a new license.".

SEC. 5. The amendments made by this Act shall not apply to any relicensing proceeding in which the Federal Energy Regulatory Commission has issued an order awarding a new license on or before July 31, 1985, regardless of whether such order is subject to judicial review, nor shall they operate to diminish the amount of the annual charge to be paid pursuant to section 10(e) of the Federal Power Act to Indian tribes for the use of their lands within Indian reservations.

SEC. 6. Section 30 of the Federal Power Act (16 U.S.C. 824), as amended, is further amended by striking subsection (b) and inserting in lieu thereof the following new subsection:

"(b) Exemptions granted under subsection (a) of this section shall be granted for a period not to exceed thirty years unless the Commission determines that a longer period is necessary due to substantial new construction or significant redevelopment of the project in questions. In no case shall an exemption be granted for a period of more than fifty years. The Commission may not grant any such exemption to any facility the installed capacity of which exceeds 15 megawatts.".

SEC. 7. Section 405 of the Public Utility Regulatory Policies Act of 1978 (16 U.S.C. 2705), as amended, is further amended in subsection (d) by inserting at the end thereof: "Exemptions shall be granted for a period not to exceed thirty years unless the Commission determines that a longer period is necessary due to substantial new construction or significant redevelopment of the project in question. In no case shall an exemption be issued for a period of more than fifty years."

SEC. 8. Section 6 of the Federal Power Act (16 U.S.C. 799), as amended, is further amended after "fifty years" by inserting "unless the Commission determines a shorter period is desirable".

SEC. 9. The amendments made by sections 6 and 7 of this Act shall apply only to exemptions granted after the date of enactment of this Act.

SEC. 10. Section 3(17) of the Federal Power Act (16 U.S.C. 796(17)), as amended, is further amended—

(a) by adding a new paragraph (B) as follows:

"(B) Notwithstanding paragraph (A), no hydroelectric project shall be considered a small power production facility (other than for purposes of section 210(e) of the Public Utility Regulatory Policies Act of 1978) if such project impounds or diverts the water of a natural watercourse other than by means of an existing dam or diversion, unless:

"(i) such project is located at a Government dam; or

"(ii) such project meets terms and conditions set by fish and wildlife agencies under the same procedure as provided for under section 30(c) of the Federal Power Act;

"(iii) for the purposes of this paragraph, the term 'existing dam or diversion' means any dam or diversion that is part of a project for which a license has been issued on or before the enactment of this paragraph, or which the Commission determines does not require any construction or enlargement of impoundment structures (other than repairs or reconstruction) except for the addition of flashboards (or similar adjustable devices);"; and

(b) by redesignating the existing paragraphs.

SEC. 11. Section 26 of the Federal Power Act (16 U.S.C. 820), as amended, is further amended—

(a) by redesignating existing section 26 as "section 26(a)"; and

(b) by adding the following new subsections:

"(b) The Commission may—

"(1) after opportunity for a hearing on the record revoke for significant violation of its terms any permit, license, or exemption issued pursuant to this part; and

"(2) issue such other orders as it deems necessary to ensure compliance with the provisions of this part, or of any lawful regulation or order promulgated thereunder, or of any permit, license, or exemption issued pursuant to this part.

"(c) The Commission may institute proceedings in the district court of the United States in the district in which the project or part thereof is situated for the purpose of enforcing an order of the Commission under subsection (b) of this section. The court shall have the same powers as provided for under subsection (a) of this section.".

SEC. 12. Nothing in this Act shall be construed as authorizing the appropriation of water by any Federal, State, or local agency, Indian tribe, or any other entity or individual. Nor shall any provision of this Act—

(a) affect the rights or jurisdictions of the United States, the States, Indian tribes, or other entities over waters of any river or stream or over any groundwater resource,

(b) alter, amend, repeal, interpret, modify or be in conflict with any interstate compact made by the States, or

(c) otherwise be construed to alter or establish the respective rights of States, the United States, Indian tribes, or any person with respect to any water or water-related right.

Mr. McCLURE. Mr. President, I am pleased that the Senate has turned to consideration of S. 426, the Electric Consumers Protection Act of 1985. This is important legislation, because it resolves a number of issues affecting the Federal Government's issuance of new licenses for certain hydroelectric power projects upon expiration of each initial license. The relicensing process, and particularly the selection of one licensee from competing applicants, has extremely important economic consequences for the electric utility ratepayers who presently benefit, or seek to benefit, from this Nation's hydroelectric resources.

Hydroelectric power is a major renewable energy resource available to millions of Americans, and it has the advantage of being immune from the whims and vagaries of world energy prices. During the decade of the 1970's, when a series of energy shocks swept our Nation, our awareness of the value of hydroelectric power was considerably heightened.

The true value of the hydroelectric resource can be measured in terms of its relatively lower cost of production, and its stabilizing influence on the cost of electricity to the consumer. We recognize the exceptional value of this energy source, and we must ensure the fair and equitable distribution of the benefits of that resource to consumers. Nothing could be gained by encouraging an arbitrary selection system that would award the benefits of hydroelectric power solely on the basis of the nature of the entities seeking those benefits.

Unfortunately, the relicensing issue addressed by S. 426 has become clouded by the misconception that this is a private power versus public power

controversy. That is not the case at all. This is a resource issue, and in that context S. 426 favors neither public nor private power interests. As reported by the Committee on Energy and Natural Resources, S. 426 is neutral as to public versus private power concerns, but the legislation does take a strong stand in favor of the customers of existing licensees. It is a simple fact that loss of a license by either a privately owned or publicly owned utility would not only increase electricity rates to its customers, it might also adversely affect the utility's overall system reliability. Thus, the committee concluded that the public interest would be best served by legislation which tends to favor existing licensees, whether privately or publicly owned, rather than another entity.

Mr. President, at this point I shall describe in greater detail the so-called preference issue, which is the major issue resolved by the bill. Pursuant to the Federal Power Act, licenses are issued by the Federal Energy Regulatory Commission [FERC] to non-Federal public and private entities for the construction and operation of hydroelectric power projects. Such licenses may be issued for a term of up to 50 years. At the end of the term of the initial license, a new license may be issued for the project, or the United States may take over maintenance and operation of the project. If a new license is issued, it may go to the original licensee or to a new licensee.

Section 7(a) of the Federal Power Act recognizes that the issuance of a license may be the subject of competition between applicants, and it directs the Commission to choose that application which it finds best adapted to develop, conserve, and utilize in the public interest the water resources of the region. In the event that the Commission finds competing applications equally well adapted, the act directs the Commission to give preference to the applications of States and municipalities.

In 1980, the FERC concluded that the municipal preference applied to relicensing proceedings. Three years later, it reversed its position. The issue is now pending before the U.S. Court of Appeals for the District of Columbia Circuit. The crux of the issue is who will receive the extremely valuable rights to the power production from a facility up for relicensing.

It is evident that the loss of a hydroelectric license would result in higher electric prices for the customers of the licensee. For a utility gaining a new license to an existing facility previously operated by another licensee, a windfall would be received.

Interest in this issue has been heightened because of the large number of licenses which are due to expire in the next few years. Between now and the year 2000, 294 licenses will expire which involve 502 dams with a production capacity of 3,629 megawatts. These licenses are held by both investor-owned utilities and municipalities. Approximately 40 percent of the total installed licensed capacity in the United States is held by public power corporations; 55 percent is held by investor-owned utilities; and the remainder is held by direct industrial end-users, other private developers, and rural electric cooperatives.

These facts readily demonstrate the importance of the preference issue. A large number of utilities and other entities hold hydroelectric project licenses that either have expired or will expire within the next few years. Each of these licensees must continue to plan its future operations, and the question of the license renewal is an important—if not critical—element of that process. Certainly, each licensee is entitled to be able to assess, with a reasonable degree of accuracy, the prospects for renewal of its license. S. 426 would enable licensees to conduct that assessment, by clarifying the preference issue as it relates to the relicensing process.

Mr. President, through the concerted efforts of the senior Senator from Wyoming [Mr. WALLOP], and the ranking minority member of the committee [Mr. JOHNSTON], the Senate is able to consider this important measure at this time. As chairman of the Committee on Energy and Natural Resources, I extend my sincerest appreciation for their efforts and express my admiration for their spirit of cooperation in dealing with and resolving this important and potentially divisive legislative issue.

Mr. President, I thank the members of the Energy and Natural Resources Committee for the assistance that they have given in resolving the issues both within the committee and in the markup and since with respect to agreed-upon amendments which will be offered and accepted this afternoon. I particularly commend the distinguished ranking minority member, the junior Senator from Louisiana [Mr. JOHNSTON] for his usual consistent assistance in getting matters of this kind brought to the floor in an expeditious way.

Mr. JOHNSTON. Mr. President, it has been a real pleasure to work on this bill with the distinguished chairman of the Energy Committee as well as the Senator from Wyoming [Mr. WALLOP]. Mr. WALLOP and I initially started out on this issue from different directions and met on a compromise which we think serves the interests of the Nation and the particular economic and electricity concerns that are inherent in the bill. We think we have a very good bill.

Mr. President, the problem of hydro relicensing has to do with those hydroelectric dams built 30, 40, maybe even 50 years ago that now are supplying electricity, by and large, to a group of investor-owned utilities. Those licenses are now expiring and the question is who should get the license upon the expiration. Of course, the utilities which now have those licenses think they ought to get it and get it automatically because they built it; they have it; they are operating it; their customers have an interest, they think a vested interest, in a continuation of that.

The city group, the municipal group, thinks there ought to be a municipal preference so that at the expiration it should transfer over to the cities and transfer over to them with the payment of little or no compensation—well, really, under the law very little compensation.

Either one of those alternatives, Mr. President, seemed unjust, unworkable and improper to us. We thought that the test ought to be the public interest, and consequently we fashioned a bill which involves a test of the public interest, which we think is about as precise as the mind of man, at least the minds of men of reasonably limited ability, that is, Senator WALLOP and I, could devise after a lot of work. I think it is a pretty good test. What it says is that the Commission shall decide this matter based on a number of factor such as, first, how each plan, that is, the plan for taking over the dam, would develop, conserve and utilize the water resources of the region. Second, the relative economic impact upon customers served by each applicant upon the failure of such applicant to receive the license, including an assessment of the economic impact upon the customers of an applicant, that is, the existing licensee that would result from the difference between the compensation to be paid under section C and the cost of the replacement power. In other words, you look at the economic impact upon the customers if you get the license or if you do not get the license. Third, the economic impact in the case of a nonutility license holder upon the operation and efficiency of the dependent industrial facility or related activity, its employees and the surrounding communities. Fourth, the ability of each applicant to operate and maintain the project in a manner most likely to provide efficient, reliable electric service, and finally the need of each applicant for the electricity generated by the project or projects to serve its existing customers including customers served by any electric utility which receives power from the existing licensee.

So what we do is we look at the customers, we look at the reliability of the electricity, we look at the economic impact upon everyone. It is not an exact mathematical test because

indeed a mathematical test is impossible to confect in this kind of situation. But it is a situation that in effect measures the greatest good for the greatest number according to what you might call sandlot justice.

We think it is in that respect a good and fair and workable bill.

Mr. President, hydroelectric generation—the use of falling water to produce electricity—is one of our most desirable energy resources. It's clean and inexpensive compared to other alternatives. For these reasons everybody wants it. Today we move to consider legislation which will determine how a significant portion of the Nation's hydropower is going to be shared in the future. S. 426, The Electric Consumers Protection Act of 1985, would specify the rules under which existing hydroelectric projects not owned by the Federal Government are to be relicensed. The stakes for electric consumers in this matter are high. The gain or loss of a project by a utility as a result of relicensing will generally have a corresponding effect on its electric rates.

Those of the Nation's utilities that control or could potentially control existing non-Federal hydroelectric projects have focused intense concern on Congress' deliberations. On one side of the relicensing debate, electric utilities owned by municipal and State governments claim that as public bodies they have a special right to obtain existing projects for their own customers, regardless of the rate increases that would befall electric consumers already served by those projects. On the other side, investor-owned utilities argue that projects should remain with those who presently control them, whether publicly or privately-owned, unless the award of a license to another entity would better serve the public interest. In order to understand the merits of these positions, some explanation of Federal hydroelectric regulation is helpful.

The Federal Power Act requires nearly all hydroelectric projects now owned by the Federal Government to be licensed by the Federal Energy Regulatory Commission [FERC]. Hydroelectric licenses are issued for a maximum of 50 years, convey the exclusive right to operate a project, and may be the subject of competition between different license applicants. At the end of a license term, a project may be relicensed to the existing licensee or transferred to another applicant upon payment of minimal compensation.

In the initial competitive licensing of a project, FERC is required to issue a license to the applicant whose plans for a proposed project are best adapted to serve the public interest. However, if two license applicants submit plans which are equally meritorious—that is there is a tie, and if one of the applicants is a municipal or State entity, FERC is required to issue the license to the municipal or State applicant.

Mr. President, the principal question now before Congress is whether the tie-breaker preference that favors public power entities in initial licensing should apply in relicensing as well. That question is also before the D.C. Circuit Court of Appeals in the Merwin case. A decision by the court in favor of a public power preference is likely to result in a flood of relicensing applications by publicly-owned utilities and ultimately the transfer of significant numbers of existing hydroelectric projects away from investor-owned utilities and the customers they serve. Unless Congress acts, the court will probably decide the matter based on evidence of Congress' intent in 1920 when the predecessor to the Federal Power Act was enacted. Given the dramatic and unexpected changes that have taken place in the world since 1920, the question of preference in relicensing should not be left to a determination of past legislative intent.

Mr. President, the Committee on Energy and Natural Resources has concluded that a public power preference should not apply in relicensing and that the public interest would best be served by providing a tie-breaker preference for existing licensees, regardless of whether they are publicly or privately-owned. Accordingly, the committee voted 16 to 1 to report S. 426 favorably.

I strongly support enactment of S. 426 because I believe that simple fairness demands a tie-breaker in favor of existing licensees. Unless a competing license applicant can show superior stewardship under a broad public interest standard, there is simply no good reason for the customers of an existing licensee to suffer a rate increase as a result of project transfer, merely so that the rates of a competing applicant can go down. The arguments advanced by public power interests to support a contrary position are wholly unpersuasive.

It has been claimed that a tie-breaker in favor of municipal and State applicants is necessary in order to ensure that State and municipal utilities—which tend to be smaller than investor-owned utilities—have the incentive to compete for existing projects. Such competition is good, it is argued, because it ensures that relicensing results in project improvements.

Mr. President, hydropower is a public resource, and project improvements are a worthy goal. However, the practical opportunities for project improvements in relicensing are limited by the fact that the projects are already built and are thus difficult to alter in any fundamental way. The opportunities that do exist, while potentially significant, are likely to be apparent to all parties, including FERC. FERC has the existing legal duty to require improvements in the public interest regardless of competition. Thus, the value of competition is diminished in the context of relicensing.

Furthermore, as established in testimony before the Committee on Energy and Natural Resources, the fact that the opportunities for project improvements in relicensing are generally apparent means that ties among competing applications are likely. In short, Mr. President, the provision of a tiebreaker preference for publicly-owned utilities would make possible what one newspaper has called the public power "power grab."

Public power supporters have additionally argued that municipal and State utilities should be favored because they are operated for public benefit, whereas investor-owed utilities and other private corporations are operated for private gain. This consideration may have some validity in the context of intial licensing—although municipal and State utilities must themselves generally obtain private sources of capital and provide a return. However, in the context of relicensing the distinction is immaterial. Investor-owned utilities earn negligible profits on their projects currently coming up from relicensing due to the age of the projects and the manner in which the profits of investor-owned utilities are regulated. For all practical purposes, investor-owned utilities pass on the full cost benefits of hydroelectric projects to their ratepayers.

Ultimately, therefore, relicensing presents a conflict between different groups of consumers rather than the different kinds of utilities that serve them. The equities of that conflict hardly favor consumers served by public power.

One might think, Mr. President, that municipal and State utilities are somehow have nots with respect to licensed hydropower. To the contrary, however, public power entities and investor-owned utilities presently control comparable amounts of existing non-Federal hydroelectric capacity—39 percent and 50 percent respectively. Yet public power serves only a small minority of the Nation's electric consumers, and thus, on a per customer basis, publicly owned utilities control approximately four times more licensed capacity than their investor-owned competitors. As a result of this and other substantial advantages, notably tax-exempt financing and preferential access to all federally generated hydropower, the customers of publicly owned utilities enjoy average retail rates that are nearly 30-percent less than those of investor-owned utilities.

Given all these facts, the provision of a tie-breaker preference in relicens-

ing for publicly owned utilities is indefensible. It would amount to nothing less than a taking from the many for the benefit of the already privileged few.

Having said all this, Mr. President, I hasten to emphasize that S. 426 is not directed against public power. To the contrary, the bill would ensure that the customers of publicly owned utilities, as well as those of investor-owned utilities, are protected against the economic disruption of project transfers unless the award of a license to a new licensee would better serve the public interest. I believe that publicly owned utilities are a valuable and essential part of the system we have in this country for generating and delivering electricity. Let no one make the mistake, therefore, of thinking that S. 426 is the first step toward privatizing the Federal power marketing administrations, for example, or doing away with the power marketing preference enjoyed by public power. I certainly would oppose any such efforts.

Mr. President, I have focused on the relicensing preference issue and its relationship to investor-owned and publicly owned utilities because I believe it is the most important matter resolved by S. 426. I would be remiss, however, if I did not mention some of the other significant provisions of S. 426. The bill would specify a set of specific criteria to be used by the FERC in evaluating competitive relicensing applications in the public interest. In addition, S. 426 would make a number of improvements with respect to the treatment of environmental considerations in hydroelectric development. For example, the bill limits the availability of PURPA benefits for projects at new dams, requires more comprehensive consideration of State resource agency license recommendations, and gives FERC greater enforcement powers over licenses.

In closing, Mr. President, I would like to thank the sponsor of S. 426, my good friend from Wyoming, Senator WALLOP, for his dedication to achieving a just resolution of the relicensing issue. I also want to thank the distinguished chairman of the Energy and Natural Resources Committee, Mr. MCCLURE, for his leadership in helping to bring S. 426 to the Senate floor. The bill has been crafted in a spirit of bipartisan cooperation. I am gratified to have been part of that undertaking.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. METZENBAUM. Mr. President, first I would like to ask for the yeas and nays in connection with the bill.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. METZENBAUM. Mr. President, one of the good things about this body is that two people can look at the same piece of legislation, in this case three people, and come up with a totally different perspective as to its value. This Senator believes that this bill should be called the "Private Utility Protection Act." Its purpose is simple and direct, to give private utilities a perpetual stranglehold on a valuable public resource and to crush public power competitors.

Now, we are told this is proper consumer legislation. That matter probably belongs before the Federal Trade Commission because it is false advertising.

In the short term, rates of some existing customers may be maintained; in the long run, though, this legislation limits competition. It reduces the likelihood of new entrants challenging existing private power monopolies; as a result, the downward pressure on rates that robust competition would exert will never materialize. We all know what that means: Fatter profits for utilities and higher rates for consumers.

We will hear a lot of rhetoric about how the present law will result in a massive transfer of licenses to municipals and huge rate hikes.

Indeed, that has been the basis of the lobbying campaign on this bill.

But now the truth is coming out; those claims were sophisticated, trumpted-up deceptions designed to cloak this bill in a pro-consumer mantle.

Utility executives have publicly admitted that the threat of wholesale transfer and subsequent rate increases never existed; now that they have mislead and scared the Senate into acting, they are cleansing their consciences by telling the real truth. But going to confession on Sunday is not sufficient to cleanse the record with respect to their acts the other 6 days of the week.

In a recent Wall Street transcript, the chairman of Pacific Gas & Electric, the most indiscriminate purveyor of the transfer/rate hike claim, stated:

If the law does not go through the Congress, and the law remains as presently interpreted by the courts that there is such a preference, that doesn't mean ipso facto that municipals get to take over the project, because it still is clear in the law that the FERC applies the preference only if the two applicants are in equally good standing in what they propose to do with the project.

If one applicant would develop the river resource in a more comprehensive, beneficial, economic way than the other, that party gets the project.

And we would expect to prevail on that basis by showing that our plans for the future development of these projects are superior to those of our competitors. We expect to win on that basis.

Well, let us take a look at that.

"We expect to win on that basis." What happened to this question of massive transfers that he and the utility industry have been talking about? What happened to the claims that current law was biased to municipalities? With the law as is, this gentleman indicates that we expect to win on that basis.

The original claims have apparently disappeared on the eve of passage.

Besides destroying competition in the industry, this bill will result in less efficient use of public resources.

It does so by creating standards that are so skewed to incumbents that no prudent municipal will invest the millions necessary to seek a license.

Once again, the public loses and private power wins.

The record is clear that vigorous compentition for hydro licenses has resulted again and again in a wiser, more efficient use of the public's water resources.

The GAO has documented that competition over existing sites has resulted in improvements in power production potential, new fish and wildlife mitigation measures and new or improved recreational facilities.

Private license holders have been forced by challengers to amend and improve their original applications; with this bill, the impetus for such amendments will disappear.

The requirement to establish financial and technical feasibility could be used against challengers to incumbent licensees. For example, the technical capability standard works against a newly formed public power company with no prior experience in operating a hydroelectric facility.

In its Merwin decision, FERC made it clear that it will always favor a company with a proven track record against the promises of a challenger:

Although we find it difficult to balance PP&L's (the private applicant) good operating record against JOA's (the municipal) lack of such record, we have concluded that PP&L's demonstrated performance is more convincing that JOA's promises.

Further, the phrase "cost effective approach" is ambiguous. Suppose one applicant's plans are more cost effective with respect to power production and another applicant's plans are more cost effective with respect to environmental and recreational factors?

The economic test contemplated in the bill is vague and unworkable. It will be reduced to a numbers game where the winner will always be the applicant serving the most customers. In almost every case, that favors the IOU's.

The language "relative economic impact upon customers served by each applicant upon the failure to receive the license" (section 15(B)(2)) is confusing. Suppose the rates of one applicant's customers would come down 5 cents while the rates of the competing applicant's customers would come down $1? Who does that favor? Also, customers are not defined. Are we talking about customers directly

served by the utility or also wholesale customers?

The second part of the economic impact test—"an assessment of the economic impact upon customers of an applicant * * * that would result from the difference between the compensation to be paid and the cost of replacement power"—is biased toward incumbents.

A current holder who has benefited from cheap hydro for 50 years will always be able to show some negative impact upon loss of the license. For a competitor, failure to receive the license simply means maintenance of the status quo, which is not, by definition, a negative impact.

Also, competing applicants have had to develop alternatives to not having the power in question for 50 years, including long term wholesale contracts and energy conservation programs. On the other hand, current licensees will claim tremendous negative impacts which may never occur because there is no requirement that their ability to implement conservation programs and to continue receiving power at cost from the site be taken into account.

Continuing, the term "replacement power" is vague. How do you determine the cost of replacement power? Would it not make more sense to refer to the least expensive alternative sources of energy and to explicitly state that savings from conservation should be taken into account?

Over what period do you calculate relative economic impact? Can it be calculated 50 years in advance? Even FERC confessed in its Merwin opinion that—

> The record does not permit a determination of precise costs and rate impacts on PP&L and JOA of relicensing the Merwin project upon which the Commission could reasonably rely with confidence.

In fact, even PP&L conceded in its filing that:

> The circumstances of the case preclude a neat arithmetical calculation determining the exact economic impact in each of the next fifty years.

The "ability to operate and maintain" standard will, like the technical capability test, always favor incumbent license holders against newly formed municipals.

The need standard is also overwhelmingly favorable to incumbents, because it includes wholesale customers as part of a utility's needs. Bulk sales occur when there is excess capacity. Why should that be considered part of a utility's needs? Excess capacity should weigh against a licensee, not in favor of them. Further, there is no requirement that FERC consider the extent to which the challenger will meet the needs of the wholesale customers—as well as the direct customers.

What if a wholesale customer is the competing applicant? Why should a private utility be allowed to count their needs as part of its own.

There is much more to criticize. Suffice it to say that, in the final analysis, it is the special interests who are served by this bill, not the public interest.

With regard to new environmental and comprehensive planning requirements in section 3 of the bill, I was pleased at the inclusion of new language by the committee. I was most dismayed, however, that the committee report accompanying the bill sought to minimize the importance of this language by saying "section 3 does not impose any new duties or obligations beyond those which the FERC is already subject to under existing law now would it modify current FERC practice" (p. 8).

While strong argument can be made that FERC should be developing plans and coordinating closely with the plans of other agencies of all levels of government with regard to how hydropower licensing is handled in a river basin wide context, it is totally false to suggest that FERC is doing this in practice.

The committee heard much testimony to the effect that FERC has long operated as something of a "lone wolf," much to the frustration of many who have had to experience working with it.

The committee report, by implication, appears to endorse current FERC "practice," even though the agency over the past 2 years, has had an abominable record defending its practices below the courts.

The 1984 Escondido Supreme Court decision repudiated FERC's contention that it could override Federal land management agencies' conditions.

The subsequent Tulalip Tribes decision by the ninth circuit voided FERC's overbroad interpretation of its exemption authority, and the Confederated Tribes and Bands of the Yakima—Rock Island Dam—decision soundly criticized FERC's NEPA practices and its manner of handling fishery issues in relicensing. Other more recent cases have underscored concerns that the hydroelectric programs at FERC have major problems in their implementation.

This, I simply cannot agree that the committee report accurately describes the circumstances regarding the Commission's "practices" as affected by testimony we heard which underscored the committees' adoption of the new language.

Mr. President, is the manager of the bill prepared at this point to move with respect to the amendment I am prepared to offer, or are there other opening statements?

Mr. McCLURE. Mr. President, the Senator from Washington indicated that he desires to make an opening statement before the amendments are offered.

Mr. METZENBAUM. I will withhold until he has concluded his statement.

The PRESIDING OFFICER. The Senator from Washington.

Mr. EVANS. Mr. President, my opening remarks will be short.

The three Senators who have spoken before me have spoken wisely, I think, and all have a view of the bill with which I agree in part. So I find myself, perhaps, with a fourth opinion on the relative importance of the elements of this bill.

One thing I do know is that this bill will be of more importance to Washington State than any other State in the Nation. There are a larger number of hydroelectric projects in my State which would be covered by relicensing. Such projects create more electricity and there is a balance currently between publicly and privately owned utilities with licenses that would cause us to be more affected than any other part of the country. While Washington State is involved directly to a larger extent than other States, the Northwest region, with its integrated power distribution system through Bonneville, is certainly affected. And, of course, the whole Nation will be affected by this bill.

This is a much more important bill than the title might indicate. Hydro relicensing is a subject which would send most people outside the Chamber with rapidity. But it is important for the industrial future of the Pacific Northwest, terribly important for the economic well-being and stability of our State. And it is important to try to moderate, if we cannot end, the fights between public and private power utilities which have gone on for years, decades, generations, in this Nation.

In fact, I cut my political eye teeth more than 25 years ago, as a member of the Washington State legislature, on just such a bitter, difficult fight between publicly owned and privately owned utilities over who should have rights to a certain valuable public resource.

The question of who should get a license, however, is less important than the issues surrounding the increasingly competitive uses of our water resources. We think of water as a common resource, except in the arid parts of this country, as relatively abundant. But it has unquestionably become increasingly valuable, and today there are increasingly numerous and competitive uses for the same water.

In the great river systems of the Pacific Northwest, we have created the largest generating capacity and distribution system for hydroelectricity this Nation, and perhaps the world, has ever seen. But those same rivers and that same water harbors one of the

largest fish runs, or used to harbor one of the largest fish runs, of any in the world—that of the Columbia River system. Those runs have been seriously damaged by the construction of hydropower dams.

In the Pacific Northwest, we are attempting to bring those resources back by the wise use of water and making the passage of fish and the generation of electicity more compatible. But that is not all this water is used for. It is a major transportation system to bring agricultural products from Idaho, eastern Oregon, and eastern Washington down the Snake and Columbia River system to the deep-water ports at the mouth of the Columbia. Those dams have created very large and successful flood control benefits for the downstream population. Water from these streams has created enormously productive agricultural areas in the great Inland Empire of eastern Washington, some of the most productive anywhere in the country. Of course, people from all over the country use the waters of this system for recreation.

So the question really ought not be a fight between publicly and privately owned utilities, for certainly that is only a minor portion of what should be the major issue before us. The broader concern is over the wise use of this increasingly valuable resource—water. We cannot and should not descend into bitter squabbles between publicly and privately owned utilities. By doing so, we miss the important and main concerns of this legislation.

I am pleased that in the Energy and Natural Resources Committee we took actions, through adoption of various amendments, to move us toward this larger concern. We added proposals that, in my view, will bring the fish and wildlife responsibility to the fore and treat it as an important factor in any relicensing proceeding before the FERC.

We have narrowed the term of licensing from 50 to 30 years under most circumstances. I offered that amendment for the reason, that each generation, or every 30 years, we ought to have the opportunity to take another look, to see if the current use fo that water resource for hydroelectric energy is still the highest priority and the best use of that water.

In these and many other ways, I believe we have crafted a bill that does address these broader interests. I do not believe, however, that we have, at least as yet, gone far enough. Therefore, I hope that during the course of the debate on this bill there will be further amendments agreed to by the managers on both sides. If not, I will pursue at least a couple of amendments which will further this important goal—the important goal of recognizing water as a resource—and not just confine ourselves to this narrower and contentious problem of who, a privately or publicly owned utility, should receive a new license.

Mr. McCLURE. Mr. President, I take this time only to add one footnote to the conversations that have taken place here.

I think the Senator from Washington, whose State is as much affected by this legislation and these policies as any State in the Union, would also recognize instantly the truth of what I am about to say, and that is that this bill does not affect the licenses only of investor-owned utilities. It regulates the competition between competing utilities, be they investor-owned or public bodies. Am I not correct?

Mr. EVANS. The Senator is correct. In fact, we may well find that in future relicensing applications the competition may well be not just between a public owned and privately owned utility. It may be among several privately owned utilities or between two publicly owned utilities.

Mr. McCLURE. And some of the more severe impacts in the Senator's State or in my State might be competing applications in which the existing license is held by a public body and another public body is the competing applicant?

Mr. EVANS. The Senator is correct. I think that is perhaps the most likely case in many of the projects in our State.

Mr. McCLURE. I take the time to say that only because I do not want it to be cast solely in the terms of the old public versus private debate. It is a different kind of a problem and this bill addresses it and produces a different kind of a result.

Mr. EVANS. I think the Senator is correct in pointing that out. I would add those intraparty squabbles, if you will, between competing publicly owned utilities are just as deleterious to our region as the kind of squabbles that might break out between a privately owned and a publicly owned utility or, for that matter, two privately owned utilities.

The issue and the concern is much broader and much deeper and we ought not to let our focus drift away from that.

Mr. BURDICK. Mr. President, may I ask the Senator from Louisiana what is the intent of this legislation?

Mr. JOHNSTON. I thank the Senator from North Dakota. This bill is intended to reaffirm the preference for States and municipalities in original licensing of hydroelectric projects, while making that policy inapplicable in the relicensing of these projects.

Mr. BURDICK. Does this bill affect the development, pricing, or marketing of power from Federal dams?

Mr. JOHNSTON. No, it does not. I fully support the continuation of the marketing preference afforded States, municipalities, rural electric cooperatives, and public agencies as well as the Federal role in developing these projects, and current Federal power marketing practices.

Mr. BURDICK. I thank the Senator from Louisiana.

Mr. JOHNSTON. Mr. President, I thank the Senator from Maryland.

Mr. THURMOND. Mr. President, the legislation before us today, S. 426, is needed to clarify existing law regarding relicensing applications for hydroelectric projects. Over the past few years, the courts and the Federal Energy Regulatory Commission have seesawed back and forth in decisions as to whether municipally owned or investor-owned utilities should be granted a preference in relicensing procedures. This measure would amend the Federal Power Act to specify that preference in a relicensing application be granted to the existing license holder if the two competing applicants are equal. Such preference for existing license holders is equitable and should be made law.

Mr. President, this measure has strong bipartisan support as evidenced by the 16 to 1 vote it was approved by in the Energy and Natural Resources Committee. S. 426 has the backing of consumers across our Nation as it protects them from electric rate increases which could result from the transfer of hydroelectric projects. I urge my colleagues to support the swift adoption of this legislation.

Mr. D'AMATO. Mr. President, I rise today to reiterate my support for S. 426, the Electric Consumers Protection Act. I commend my colleague, Senator WALLOP, for his leadership on this issue. This bill responds to an issue of basic fairness and equity for millions of consumers. At stake are billions of kilowatt-hours of low-cost hydroelectricity. That inexpensive power could be taken away from the vast majority and made available to only a small segment of this country's consumers who, by geographic happenstance, are served by government-run State or municipal utilities if this legislation is not enacted

This is a matter of extreme importance to New Yorkers, since our State is rich in hydroelectric power. This important consumer issue is arising with increasing frequency in the relicensing of existing projects throughout the country. Congress must ensure that no Americans are forced to pay higher electric bills due to a preferential policy that would allow government-run utilities to take away this low-cost energy from millions.

A little background will help to make clear the inequities inherent in such a preferential policy. Hydroelectric projects are licensed by the Federal Energy Regulatory Commission for periods of up to 50 years. When the initial license expires, the existing licensee must file an application with

FERC for a new license if it wishes to continue to operate these valuable projects. At the time of relicensing, other applicants may file applications for the new license in competition with the existing licensee. If a competing application is judged on the merits by FERC to be better adapted to develop the resource, the competitor should, and would, receive the new license for the project.

Because of a lack of clarity in the Federal Water Power Act of 1920, now the Federal Power Act, and several conflicting interpretations by the Federal Energy Regulatory Commission in recent years, the law is now unclear whether competing State and municipal utilities are to be given a preference against existing private licensees at the time of relicensing these projects. If State and municipal licensees have a preference, they will be able to take away hydroelectric projects from existing licensees and their customers simply by filing plans to develop the water resource that are only as good as the existing licensees, not better. Thus, by reason only of the government status of such potential competitors, the low-cost hydroelectric power would be transferred from millions of consumers of existing licensees to the relatively small segment of consumers who happen to live in an area served by a State or municipally operated electric utility. This arbitrary transfer of benefits does not make sense.

If the existing licensee has had a good track record of operating these projects in the public interest and FERC determines the licensee would continue to do so in the future, it should receive the new license. Why cause the economic hardship and disruption associated with transferring ownership of these valuable assets when the public interest in utilizing the resource would not be served as well by the new owner?

The unfairness is readily apparent. In March 1985, for example, municipal competitors were trying to take away 11 hydroelectric projects from private utilities that had developed, operated, and maintained them for the benefit of their customers for periods of up to 50 years or more. Over 8.5 million customers benefited from these 11 projects operated by the existing licensees. The competing municipal utilities had only 955,000 electric customers. This is a 9-to-1 ratio. Using 1983 prices and data, those 8.5 million customers realized, in that year alone, fuel-cost savings based on equivalent fossil fuel generation of approximately $308 million, and such equivalent fuel-cost savings occur year after year. With approximately 177 investor-owned utility hydro projects coming up for relicensing by December 31, 1993, and more after that, these same comparisons will be arising across the country.

In New York State, Niagara Mohawk Power Corp., New York State Electric and Gas Corp., and Rochester Gas and Electric Corp. hold licenses for 33 projects. The licenses for 15 of those projects, representing 39 individual plants and approximately 380 megawatts of capacity, are up for relicensing between now and 1994. Fuel cost savings from these projects for the consumers of New York State amount to tens of millions of dollars each and every year.

Why should Congress allow a policy that could have the effect of making the vast majority of electric consumers in New York worse off for the sake of a handful who will benefit? Already, customers of State and municipal utilities, which represent approximately 13 percent of the electric customers in the country, have preferential access to 68.3 percent of the hydroelectric project capacity in the country. This is because Federal law already give them: First, a preference to obtain initial licenses to develop new hydroelectric sites and, second, a preference to purchase low-cost power generated at federally owned and operated hydroelectric projects. Because the customers of private utilities, which represent 76.5 percent of the country's electric consumers, have none of these preferences, they have only 31.6 percent of the country's hydrolectric capacity. Given these facts, I do not believe it is good public policy for the small segment of electric consumers served by municipal utilities to receive through a relicensing preference even more of such inexpensive electricity simply because of the government ownership status of the electric utility that provides them service.

In New York, hydroelectricity helps to moderate the cost of electricity for millions of consumers served by the New York investor-owned utilities having a generating mix that includes more expensive fossil or nuclear generation or both. If these utilities lose their hydroelectric projects, their cost of electricity will increase. Consumers should not be forced to bear the burden of increased electric rates, no matter what the amount, in order to benefit a relatively small segment of preferred consumers whose only claim on the resource is that they happen to be served by State or municipal utilities.

During the course of congressional hearings on this subject, Mr. William T. Bagley rendered a statement on behalf of the National Association of Regulatory Utility Commissioners with regard to the public policy question of whether a preference should exist. In expressing his support for the House version of the Electric Consumers Protection Act, Mr. Bagley observed that never have so few tried to take so much from so many for so little.

Congress must act now to protect the vast majority of electric consumers by ensuring fair competition for this valuable, low-cost form of electricity in order that it be spread equitably among as many consumers as possible. S. 426, the Electric Consumers Protection Act, would do just that. I am pleased to join in supporting this important legislation.

AMENDMENT NO. 1772

(Purpose: To amend section 10(h) of the Federal Power Act regarding anti-trust laws and policy)

Mr. METZENBAUM. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Ohio [Mr. METZENBAUM] for himself and Mr. MCCLURE proposes an amendment numbered 1772.

Mr. METZENBAUM. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered. The amendment is as follows:

At the end of the Committee Amendment insert the following:

"SEC. 13. Section 10(h) of the Federal Power Act (16 U.S.C. 803(h)) is amended by redesignating section 10(h) as 10(h)(1) and adding a new section 10(h)(2) as follows:

(2) That conduct under the license that: A) results in the contravention of the policies expressed in the antitrust laws; and B) is not otherwise justified by the public interest considering regulatory policies expressed in other applicable law (including but not limited to those contained in Part II of this Act) shall be prevented or adequately minimized by means of conditions included in the license prior to its issuance. In the event it is impossible to prevent or adequately minimize the contravention, the Commission shall refuse to issue the license to the applicant."

Mr. METZENBAUM. Mr. President, this amendment is the product of painstaking negotiations between Senator JOHNSTON, Senator MCCLURE, and myself. It is a compromise in the truest sense of the word.

I think it is extremely significant that it mitigates some of the anticompetitive aspects of this bill.

Finally, I wish to single out and commend the work of Bill Conway, of the Energy Committee minority staff, and Gary Ellsworth and Jim Beirne of the majority staff, for work done on this amendment.

I know at times the negotiation resembled the torture chamber and I appreciate everyone sticking with the process.

The amendment which I have offered is intended to clarify the application of antitrust laws and policies ex-

pressed therein to hydroelectric licensing and relicensing proceedings.

Mr. McCLURE. I commend the Senator from Ohio for his amendment which does provide clarification. However, I do have one question. Does this amendment require a nexus between conduct under the license and a contravention of the policies expressed in the antitrust laws?

Mr. METZENBAUM. yes, it does. FERC shall consider all relevant administrative and judicial precedents in making this analysis.

Mr. McCLURE. I thank the Senator and appreciate his response.

I would also like to make clear that this amendment is not a criterion to be applied in selecting an applicant in a relicensing proceeding. It merely required conditions to be imposed on a selected applicant in appropriate circumstances. The amendment does indicate that FERC shall refuse to issue a license in the event it is impossible to prevent or adequately minimize a contravention of the policies expressed in the antitrust laws which is not otherwise in the public interest. However, frankly I cannot conceive of a situation in which appropriate conditions could not be set.

I would like to make clear that this amendment does not alter in any way the public interest standard which is applied in selecting an applicant in an initial licensing proceeding.

Mr. METZENBAUM. Mr. President, I urge the adoption of the amendment. I think that the managers are prepared to accept it.

Mr. McCLURE. Mr. President, the Senator is correct.

I think anybody looking at this amendment would be amazed that it is the product of 4 months of intense negotiations because on the face of it it does not look that way, but it seriously is that, and I think it is a good product.

I thank the Senator from Ohio, the Senator from Louisiana, and their respective staffs and the committee staff for having made it possible to reach this agreement. I appreciate the cooperation of all those who have been involved in it.

I support the amendment as offered and indeed I am a cosponsor of the amendment.

Mr. JOHNSTON. Mr. President, I am delighted that this very contentious and difficult matter could be worked out amicably. It did indeed require 4 months because it is a difficult matter and it has been settled.

In that spirit, I wish the Senator from Ohio could say some nice things about the bill as a whole now that it will contain his handiwork. It makes a great bill even greater.

Mr. METZENBAUM. The Senator from Louisiana makes a reasonable request, but I am not quite in a position to indicate that kind of enthusiasm for the bill.

But as some way of accommodating his wanting me to offer greater praise, I do want to say that it was not I who sat through those torturous negotiations, but Doug Lowenstein, of my staff, who was a party to it, and deserves much of the credit with the others I have previously mentioned for having brought about that result.

Having said that, I will say this amendment makes a bad bill a little better but does not really make it very good.

Mr. JOHNSTON. Mr. President, I am informed by my staff who did negotiate with the Senator's staff and with Doug Lowenstein on this matter that he indeed did do an excellent job, does deserve a lot of the credit, and I might suggest that he stand in for the Senator on the floor. This matter might be handled with greater expedition if he does.

Mr. METZENBAUM. I have no problem with his doing that. If I could get unanimous consent to that effect, I am sure he will handle it well.

The PRESIDING OFFICER. Is there further discussion on the amendment,

Mr. GORE. Mr. President, I wish to speak on the bill itself.

The PRESIDING OFFICER. Will the Senator withhold? We are now on the amendment which we are just proceeding to adopt.

Mr. GORE. I withhold.

The PRESIDING OFFICER. Is there further discussion on the amendment?

Without objection, the amendment (No. 1772) is agreed to.

Mr. McCLURE. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. METZENBAUM. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from Tennessee is recognized.

Mr. GORE. Thank you, Mr, President.

I rise to speak against this legislation. I commend those who have worked long and hard to bring it to the floor of the Senate, and I commend those who have worked hard to improve it.

But in spite of the negotiations that have taken place and in spite of the amendments that have been agreed to, this is still fundamentally a bad bill, in my opinion, and should not be enacted into law.

I realize that it will be enacted into law and I realize that my views are in the minority within this body but I would, nevertheless, like to state my views: It is a poor proposal essentially for four reasons:

First, it undercuts the basic premise that the Nation's rivers belong to all its citizens and cannot be ceded in perpetuity to private parties.

Second, it rejects the principle that competition for licenses is an effective means for insuring comprehensive water development in the public interest.

Third, it ignores the real-world implications of monopoly tendencies in the electric utility industry.

Fourth, it discards the historical reasoning that resulted in passage of the Federal Water Power Act of 1920 to protect the public interest.

Today, we take for granted that the Nation's waterways belong to the people. But that was not a universally accepted idea at the turn of the century. On the contrary, private power companies maintained that ownership of the land adjacent to the rivers gave rise to rights to use the rivers which were subserviant only to Federal interests in navigation. Congress refused to accept this theory, and eventually the idea of public ownership of the resource was reflected in the Federal Water Power Act of 1920, which established public preference in licensing and relicensing and the Federal recapture provisions of the law.

That law codified the concept that the water resources of our country are owned by the people and should be developed in so far as possible for their benefit.

A second major theme in the long history of the act—the end result of nearly two decades of congressional struggle—was the refusal to allow perpetual control. This thought was stated in 1908 in the veto of the Rainy River bill by President Theodore Roosevelt. President Roosevelt spoke at that time about the award by Congress of special permissions to use certain river reaches. He said this in his veto message:

> The present policy pursued in making these grants is unwise in giving the property of the people and the flowing waters to individuals or organizations practically unkonwn, and granting in perpetuity these valuable privileges in advance of the formulation of definite plans as to their use.

Existing law reflects President Roosevelt's point of view by limiting the term of the permit awarded for use in a particular site and insuring opportunity of new users to benefit from use of the location.

Another central element in the development of water power legislation was the fear of monopoly control over water and over the generation and distribution of electric energy.

The report of the Inland Waterways Commission to President Roosevelt in 1908 expressed the concern in the following was:

> In the light of recent progress in electrical application it is clear that over wide areas the appropriation of water power offers an unequalled opportunity for monopolistic control of industries.

President Roosevelt and Congress reacted to that concern by not only limiting license terms but also by setting up antimonopoly preference provisions for public bodies to prevent potential abuse of monopoly power by private parties.

The comprehensive development test was a fourth feature of the 1920 law which retains its validity today.

Public policy makers recognized that the rivers were clearly suitable for a multiplicity of uses from power production to navigation to irrigation to recreation. But only power production produces revenue. There was a fear that private companies would seek only to exploit power production to the detriment of other useful purposes to which the river might be put, and that profit maximizing might block full use of the potential of the waterway.

For that reason, the 1920 statute directed the Government to issue licenses to those applicants whose plans are "best adapted to a comprehensive plan for improving or developing a waterway or waterways for the use or benefit of interstate or foreign commerce, for the improvement and utilization of water power developments, and for other beneficial public purposes. * * *" Because many believed that public agencies would be better trustees of this public resource than private corporations, they were accorded a licensing preference.

Thus, history shows us four major themes embodied in the existing law which governs licensing of hydroelectric plants—public ownership of the resource, control of monopoly power, prohibition against perpetual rights, and a commitment to comprehensive development.

S. 426 does damage to all four ideas.

It takes away the preference granted to smaller, nonprofit, consumer-owned electric utilities in the licensing of hydroelectric projects and substitutes an assurance that existing licensees will keep a public resource forever. By effectively eliminating competition by public bodies, the bill abandons the comprehensive development test and enhances the monopolistic position of the Nation's largest private power companies.

A quarter of a century ago, a man I never met but whose words I admire—Gus Norwood, former executive director of the Northwest Public Power Association—said this:

> Within the common law a large body of laws, principles and precedents has become established on the subject of perpetuities.
>
> The gist is that perpetuities are contrary to the public interest.
>
> A similarly large body of law and tradition has grown in the United States on the subject of monopoly.
>
> The gist is that monopolies are against public interest.
>
> It follows that a monopoly in perpetuity is doubly against the public interest.

If the United States intends to relicense automatically all outstanding licenses issued by the Federal Power Commission, then there is no point in discussing the terms of the license. Practically, the term is perpetual. Some people think 50 years is already too close to perpetuity.

The legislative history of the Federal Power Act not only does not support the idea of licenses in perpetuity, but indeed is focused sharply on preventing and abolishing the idea of licenses in perpetuity. That's what this is all about.

It is well also to understand just what a license amounts to. There is much confusion on the meaning of an FPC license. Firstly, it is not a sale of the dam site or a sale of the water. Secondly, it is not a contract, lease or rental arrangement. Thirdly, it is a privilege to occupy a site and produce power. Ownership in the dam site and rights to its use remains in the people of the United States. It is part of the public domain.

These are simple, straightforward words which explain some very large, important concepts which are violated by S. 426.

There is no need for this legislation. Private power company interests who have pushed it admit this themselves. Listen to the chairman of Pacific Gas & Electric Co., as quoted on preference in relicensing in the Wall Street Transcript:

> If the law does not go through the Congress, the law remains as presently interpreted by the courts that there is such a preference, that doesn't mean ipso facto that municipals get to take over the project, because it still is clear in the law that the FERC applies the preference only if the two applicants are in equally good standing in what they propose to do with the project. If an applicant would develop the river resource in a more comprehensive, beneficial, economic way than the other, that party gets the project. And we would expect to prevail on that basis by showing that our plans for the future development of these projects are superior to those of our competitors. We expect to win on that basis.

Only a handful of license applications are contested. But where they are, the competition has pushed private utilities to amend their applications with improved plans, including expanded power production, new fish and wildlife protection measures, and better recreation facilities for the public.

S. 426 uses an economic impact test to stack the deck in favor of the companies winning licenses. One "might-makes-right" element even suggests that the utility with the largest number of customers is the automatic victor, a principle which would assure that General Motors got every Government car contract and that Exxon fueled each such vehicle.

In short, Mr. President, S. 426 is giveaway legislation. It gives away public protections that have guarded our water resources for nearly three-quarters of a century. It is unnecessary and undesirable. And, in spite of the fact that I realize it has strong support here in this body, for reasons that I believe I understand, I will vigorously oppose this bill while, nevertheless, working with my colleagues to try to improve its eventual impact.

I yield the floor.

(Mrs. KASSEBAUM assumed the chair.)

Mr. BURDICK. Madam President, will the Senators from Idaho and Ohio affirm my understanding of the Metzenbaum amendment that nothing in this subsection shall be construed to vest the Commission with primary, exclusive jurisdiction over any allegation, claim, or other matter which could arise under antitrust laws? I address the question to the Senator from Ohio and the Senator from Idaho.

Mr. McCLURE. Madam President, will the Senator yield?

Mr. BURDICK. Yes.

Mr. McCLURE. The answer to the question is, the Senator is correct. I think, from my discussion with the Senator from Ohio, he agrees that that is correct.

Mr. BURDICK. I thank the Chair.

Mr. MELCHER. Madam President, I, too, want to make a comment on the amendment worked out on antitrust by the Senator from Ohio, Senator METZENBAUM, and the Senator from Idaho, Senator McCLURE. I commend them on addressing what I believe to have been a rather serious flaw in the bill itself. Having made that correction, there is a reason to be confident that some of the serious antitrust problems that might arise can be either eliminated or taken care of properly.

There is one other point in the bill that is lacking as of now that I believe is essential, and that is to address wheeling services. I shall offer an amendment at some point which would balance the bill by addressing some of the problems smaller utilities have had in obtaining transmission or "wheeling" services from larger utilities.

This hydrorelicensing bill provides an opportunity to solve many of the transmission problems of smaller public and private utilities and rural electric cooperatives. This opportunity should not be wasted. Broader wheeling provides for efficient and fair distribution of electricity at reasonable rates to all consumers.

The amendment that I shall offer does not create a new wheeling requirement; instead, it amends the existing wheeling provisions of the Public Utilities Regulatory Policy Act of 1978 to remove the unduly restrictive aspects of these provisions which, to date, have prohibited the Federal Energy Regulatory Commission from issuing any wheeling orders under PURPA.

We had the act in 1978, and since then the Federal Energy Regulatory Commission has not issued any wheel-

ing orders, not one. So somehow we failed.

The PURPA provisions have been interpreted by the courts very narrowly to bar a wheeling order if the utility seeking the order is presently a customer of the utility that would be ordered to wheel.

In light of this restricted interpretation it seems to me to be very necessary to strike the provisions of section 211 of PURPA which requires that a wheeling order "reasonably preserves existing competitive relationships."

Those five words read very well to me. But yet, without an amendment to PURPA competition in the market for wholesale power will continue to be seriously deterred. In addition, the amendment which I shall offer makes several technical changes to facilitate wheeling while protecting the ratepayers of existing licensees.

I believe we need to strike the provision which bars a wheeling order to a utility which currently provides to an applicant power subject to a rate schedule on file with FERC. My amendment will not alter the restriction which bars a wheeling order to a utility required to provide power to an applicant pursuant to an existing contract. I do not believe that we should authorize FERC to issue a wheeling order that interferes with an existing power contract.

So the sum and substance of the amendment which I shall propose is a rather narrow wheeling amendment. The utilities should not be allowed, as seems to be the case now, to refuse to wheel power to an applicant in perpetuity simply because it filed a rate schedule at FERC with respect to a licensed applicant.

Finally, the amendment that I shall offer provides that a wheeling order not unduly affect the cost of service provided by the licensee.

That, obviously, is to protect consumers by requiring that a wheeling order not unduly affect the cost of service. This kind of amendment does not change the important provisions of PURPA which protect the customers of large utilities which are required to wheel power. Any utility applying for a wheeling order would still be required to demonstrate that wheeling is in the public interest, and would: First, conserve a significant amount of money: Second, significantly promote the efficient use of facilities and resources; or third, improve the reliability of any electric utility system to which the order applies.

In addition, the wheeling order could not be issued if it impaired an existing transmission contract which is inconsistent with State law, or providing for transmission of energy directly to an alternate consumer.

Finally, an order would not be issued if it places undue burden on or unreasonably impairs the reliability of any electric utility affected by the order, or would impair the ability of any electric utility affected by the order to render adequate service to the customers. That, obviously, is to make sure the continued reliable and efficient electrical service would continue for all ratepayers.

I strongly believe that the wheeling issue should and must be addressed by Congress if hydrolicensing legislation is to be fair. I urge my colleagues to support this amendment, and correct the problems which have developed in the application of the PURPA wheeling provision, and in assuring that Congress does not pass legislation whose sole impact would be to reduce competition and enhance the privileged position at the expense of other utilities and their ratepayers.

Madam President, there is nothing very mysterious about all of this. It is in the public interest. We have somehow gotton into sort of a crevice that says, well, PURPA passed in 1978 took care of anything to do with wheeling. Who wants it? What advantage would there be to amend it again?

First, of all, the act passed in 1978 had not provided for any wheeling. Not one single order for wheeling since 1978 has been given out of FERC.

Where is the wheeling? What did PURPA do to help wheeling? And wheeling is not difficult to understand. It is this simple: If there is some room on a transmission line to transport, say, a rural electric's power, then that transmission line will carry that power. There has to be room. And it has to be paid for.

We have on the question of oil pipelines and gas pipelines a requirement for what we call the common carrier provision—the same provision.

If there is room on a pipeline, then you have to carry that additional oil or gas. It is paid for. You might say, why do we need the law on that. We need the law on that simply because sometimes it was competitively better for the owner of the pipeline not to transport anybody's oil or gas. We found it in the public interest to make certain that could happen.

I want to reopen wheeling. I want to reopen it on a very narrow basis. I think this amendment that I shall offer does that. But there may be others here in the Chamber now, or who will read the RECORD, or hear the debate, and hear of my proposal who may take umbrage with it and may disagree. If that is the case, I would like to understand what the disagreements are, and why this would not be in the public interest. That is what I would like to understand.

If I can be convinced that it is not in the public interest, then I would not offer the amendment. Or perhaps there is something I have overlooked in the amendment, or am not familiar with, or do not understand correctly. If that is the case, I would correct the amendment on the oversight or the misunderstanding.

But surely what I have described here in these past few months is clearly in the public interest. Therefore, I hope when we do get to a vote on the amendment that we have it in the proper form because I do believe this bill has come a long way, and can be termed a bill that is well balanced and necessary providing we can take care of this wheeling situation.

Madam President, I yield the floor.

Mr. McCLURE addressed the Chair.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. McCLURE. Madam President, I know the Senator has not yet submitted an amendment. I will respond not to the detail of the amendment, which I have not seen.

To respond in general terms to the thrust of the statement of the distinguished Senator from Montana, the Senator from Washington has already indicated that he is grateful, as the Senator from Idaho is grateful, that we have not gotten into the public versus private power fight, that we have skirted that issue and avoided that issue in this legislation. I am grateful for that because it makes the legislation possible and makes resolution of a very difficult issue possible.

It may be possible to construct some kind of a limited wheeling arrangement that would not, in my judgment, destroy our opportunity to legislate.

As I listened to the Senator from Montana, I believe that what the Senator has suggested would thrust us back into the same kind of a long embedded fight that has been going on for so long that the results of that fight are predictable. To try to resolve the broad questions of wheeling in this legislation would be fatal to the legislative effort.

I am going to make a statement at this point and I do not know that it will be of any help to the Senator from Montana.

I believe that transmission arrangements between utilities that deal with both their competitive positions and their opportunities to serve consumers, and the flip side of that, the opportunity for consumers to have access to blocks of electric power, is where a lot of the economic business and legislative activity may be focused over the next decade.

In the last 10 years we have seen just exactly that kind of a discussion going on in the gas pipeline industry, where there are questions of common carriage, which are within the jurisdiction of the Commerce Committee and which have been debated there at length, and they have been debated in the context of contract carriage within the context of an omnibus natural gas

bill which we tried to fashion in this committee.

Just as we have before the Federal Energy Regulatory Commission today those questions of contract carriage, common carriage, freeing up the market to more competition and more access to supply having been the recent debate in the natural gas industry, I think it will likely be the future debate of the electric utility industry.

Having said that, the parallels are not exact. The electric utility industry is not the natural gas industry. It is structured differently, its relationships are different, the regulatory processes have evolved in different lines and, therefore, the similarities, while obvious, are limited. The differences are also obvious.

I anticipate that what the Senator from Montana is doing is not only a continuation of the old debates that have been very evident over the last several decades but also a precursor of the debates that will sharpen the policy choices that will be discussed over the next decade, or within the next decade.

I do sincerely hope that the Senator from Montana will decide that, although it is a serious issue, this is not the time or the place to resolve it, and that indeed it will probably be impossible to resolve it in the context of this legislation. I hope he will not offer the amendment.

Mr. JOHNSTON address the Chair.

The PRESIDING OFFICER. The Senator from Louisiana.

Mr. JOHNSTON. Madam President, this little simple-sounding amendment is what we call in the trade a killer amendment because cloaked in these few words is a great deal of mischief and a fundamental change in policy in the way public utilities operate.

It would build unfairness upon inequity upon great expense to utilities and all clothed in very simple, mild, fair-sounding language.

Ultimately at issue here, Madam President, is the question of what we call wheeling. Wheeling is, of course, what might be the obligation of a utility to use its lines or wires, if you will, to carry electricity from someone else to someone within their territory.

If we may use the example of the U.S. Capitol here in Washington, DC., in a territorial area served by Pepco, let us suppose that the Capitol decides they do not want to be served by Pepco, that they have a deal where they can get power from the city of Warrenton, VA, let us say. So the Capitol goes to Pepco and says, "Will you wheel that power to me from Warrenton? I have a better deal from Warrenton."

Under the Senator's amendment that would be permitted or in some cases required to be done.

One of the fundamental problems with his amendment, Madam President, is that under State law, and maybe my example is not too good because this is the Dictrict of Columbia, though I think the District of Columbia is similar to State law, State law will usually require that all customers within a geographic area, in this case the Capitol, would be entitled to power from Pepco at any time. That means that even though the Capitol made a deal with the city of Warrenton to get power wheeled in at some cutrate price for some period of time, Pepco would still be required under State law to furnish the power, what you might call backup power, standby power, or ready-to-serve power to the Capitol.

What is the significance of that?

The significance of that, Madam President, is that Pepco has all the cost without getting compensated, because the cost is in being ready to serve.

It is like the fire department. The fire department has its costs going on whether it has to fight a fire or not. In this case, Pepco, or your utility whoever it is around the country, would have its costs in standby obligation to serve. This amendment makes not one whit or one jot or tittle of a suggestion as to how that compensation would be taken care of. The fact of the matter is it would not be.

It would be an enormous inequity and a great expense to utilities in the kind of situation I referred to.

The fact of the matter is, Madam President, that electricity and wheeling is an enormously complicted subject. We did deal with that in earlier legislation. We had agonizing, difficult, and protracted hearings dealing with this very esoteric subject. It is not at all like a pipeline. In a pipeline, oil is shipped from point A in a straight line through the pipeline to point B. Electricity does not act like that. Electricity goes through a grid and goes through the point of least resistance, the point that is carrying at that point in time the least voltage or the least power. So to get from point A to point B the electricity may take a couple of loops around the alphabet before it gets from A to B because that is the way the electricity is flowing on that day.

In the process of doing that, it displaces power throughout the alphabet that I have just described; it displaces the ability of others to transport that electricity.

All of these intricate relationships, Madam President, are entitled to be taken care of and they ought to be considered, where necessary compensated, with provisions made for that.

A wheeling obligation would affect not only the fairness and the economics of the situation but would also affect the reliability of power transmissions.

Mr. WALLOP. Will the Senator yield at that point?

Mr. JOHNSTON. Yes.

Mr. WALLOP. The point the Senator is making is very important, with one tiny expansion, and that is who is getting compensated. The "who" is the consumer of the power which is being wheeled and taken.

It is not the company, it is the consumers who are, under these programs, obligated to continue to pay for the retirement of the debt that exists on the hydroelectric installation. So it is not a question here of leaving Pepco, for example, uncompensated, but the very consumers of Pepco uncompensated. It means a rise in their rates in order to compensate for mandatory dispersal of the power they are entitled to because of the fact that they are the ones who are building it.

Mr. JOHNSTON. Madam President, I thank the Senator for making what is a very fundamental point. Sometimes when we deal with a bill, we forget the forest for the trees.

The Senator's point is exactly the point. That is, it is the Pepco customers who would have to pay for that obligation to have the standby power uncompensated. I really do appreciate his making that point. It is fundamental to this bill.

Madam President, we knew what we were doing in the Senate when we passed PURPA because those amendments to section 16 U.S.C. 824(k) were Senate amendments which were passed as part of PURPA. As I say, it was passed after long hearings. This provision with respect to wheeling goes way beyond and indeed has little to do with the question of hydrorelicensing. It is like putting an abortion amendment on a simple appropriation bill. It is designed to sink—well, it may not be designed to, may not even be the purpose or motive to sink the legislation, but that would be the effect.

I hope, Madam President, that my dear friend, the Senator from Montana [Mr. MELCHER], would offer this matter up in a discrete piece of legislation to give us time to hold hearings on it to determine the intricate relationships between the customers of the various utilities, to treat them fairly and equitably and without upsetting these relationships.

It has no place on this legislation. It has no place being considered on the Senate floor until the difficulties which it poses are considered in hearings.

Mr. WALLOP. Madam President, I ask unanimous consent that Senator HOLLINGS be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WALLOP. Madam President, I rise in complete support of S. 426 which I introduced on February 7, 1985 with 12 original cosponsors. As

we consider the bill today, and with the addition of Senator HOLLINGS, the bipartisan support of this legislation has almost tripled to 33.

Before we immerse ourselves in the heart of any debate on this bill, I want to especially thank both Senators JOHNSTON and MCCLURE for the hard work they have personally put into the Wallop-Johnston compromise we passed out of the Energy Committee on October 2, 1985, and which is the version we are presently considering today.

This compromise came about as the result of extended debate between Senators MCCLURE, JOHNSTON, and myself as well as with other members of the committee. The compromise was offered in recognition of the fact that form, not substance, separated Senator JOHNSTON's bill, S. 403, and my original bill. As a matter of policy, both bills were identical in my mind. By fine tuning the new relicensing evaluation criteria offered in the S. 403 approach to relicensing, existing licensees should have a reasonable opportunity to retain the projects they built and paid for in a relicensing proceeding against competitors for the license. In our view in a relicensing proceeding free-for-all competition is simply not in the public interest. What is important is protecting electric consumers from potential power disruptions based on greed, and not need. In relicensing the project represents power in use.

This compromise version also clarifies that the municipal preference clause does not apply in relicensing. Also, new public interest criteria are added which the Federal Energy Regulatory Commission [FERC] must utilize in determining which applicant has the best adapted plan in a relicensing proceeding.

A new feature added by the compromise bill requires applicants to be economically and technically capable of carrying out the plans it proposes in a relicensing proceeding. The plans must also be cost-effective in their approach to achieving the benefits to be derived therefrom. In other words, artificial bidding up of the proposed plans by a competitor who is seeking to take over the project in order to get the windfall gains represented by the actual value of the hydro projects over their takeover price under the net investment test in existing law will be disallowed.

This provision, along with new evaluation criteria requiring that FERC consider in its economic impact criteria that if a license transfers new replacement power will have to be acquired at a much higher cost, allowed me to drop the provision in the original version of S. 426 which would have required that "just compensation" be paid to an existing licensee if a license transferred. Together, these elements in the substitute stop the "raids" on hydro licenses based on windfall profits which I was seeking to avert with my "just compensation" provision.

This compromise also moves us into the 20th century in a relicensing situation by establishing solid relicensing criteria which the Commission must exclusively use in a relicensing proceeding. These standards have been carefully thought out, and they are much broader in dimension than the standards presently used by FERC in initial license proceedings.

Last, but not least, a proviso has been added which would allow litigants currently trying relicensing cases to proceed under existing law. This has been done at the express request to both parties to the Merwin Dam proceeding.

On behalf of the millions of electric consumers served by the 180 investor-owned utility hydroelectric projects which will come up for relicensing before 1994, I urge the Senate to pass this important legislation.

Madam President, I compliment the Senator from Louisiana on the argument he made. There is one other problem with all this. That is the uncertainty that would be created by the adoption of the amendment of the Senator from Montana. First, if utilities are required not to serve major consumers and are left with only the poorest of consumers, then there is real question as to whether or not local regulatory agencies, whatever they may be called in a given State, would pass on this uncompensated use of power to the consumer, the lower-income consumer. All then is a matter of rates between the industrial consumers and otherwise.

It is likely that you would have some diminution of use of that power which evolves then down to uncompensated taking from stockholders or, worse still, uncompensated taking requiring diminution of efficiency.

As the Senator correctly pointed out, it is really a very complex issue where power goes and who gets to use it and how those relationships are maintained. We have in this country, I think it is fair to say, perhaps the cheapest unsubsidized electric power in the world. To distort this with what are perhaps good ideas but that are not fully developed in concept is to begin to make disruptions in the system which I think we would all regret, but particularly the most regrettable instance in all of that would be the electric consumer. That I think we ought not to lose sight of in this process.

Madam President, I thank the Senator from Louisiana.

Mr. JOHNSTON. Madam President, I do not know whether the Senator was here earlier when I praised him and complimented him for being so effective in putting this legislation together and in working together on fashioning a compromise. I really think it was legislation at its best which the Senator from Wyoming has exemplified, along with the chairman of our committee [Mr. MCCLURE].

Having put together this one compromise and seeing that there is no amendment now pending, I hope that maybe the Senator from Montana is ready for passage.

Mr. MELCHER. Madam President, I think we are going to get closer to an understanding of the issue and this discussion has been so far instructive, though not too helpful.

First, both the managers of the bill have had the amendment before their staffs. I do not know how much attention was given to it, but at least their staffs have had this amendment. My purpose in discussing it this afternoon is to get some specifics. If this amendment does not do just what I described a few moments ago, I would appreciate learning where it fails.

Mr. JOHNSTON. Would the Senator yield at that point?

Mr. MELCHER. Not at this point. I hope the distinguished Senator from Louisiana will not get discouraged, because I shall yield in just a few moments.

It seems we are not even discussing the same thing so far. PURPA was passed in 1978. It has a section 211 which, among other things, requires that a wheeling order would reasonably preserve the existing competitive relationships.

1978 was 8 years ago and so far, because the courts have interpreted it rather narrowly, there has not been a wheeling order issued. So somehow, we bobbled, in section 211 of PURPA, any possibility, any likelihood, any chance for a wheeling order.

Mr. JOHNSTON. Madam President, will the Senator yield on that point?

Mr. MELCHER. I am sure the Senator from Louisiana would not want me to yield to lose my train of thought or anything. I know it is important, so I am going to yield.

Mr. JOHNSTON. Just on this question of how many orders have been issued, Madam President, the staff advises me that the Senator is correct that there have been no orders issued, or perhaps one order issued. I am also advised, however, that there have been many, many voluntary wheeling arrangements entered into and those have been voluntarily entered into for two reasons.

First of all, because of the existence of this provision which makes wheeling possible under the circumstances as set forth in the act, and where they would be liable to get it ordered anyway, they tend to do it voluntarily.

Second, and perhaps most important, under the antitrust laws, the wheelers, prospective wheelers, sense

in some cases an anticompetitive obligation to wheel, which I think impels them to voluntarily do so. So the voluntary use of the wheeling device has been very wisely entered into, and it has been done without a resort to these provisions.

Those are the two main points. One additional point. There is just not a huge amount of transmission capacity available for wheeling. The indication we have is that it is rather narrow in scope and to the extent that it is available it is voluntarily used to a large extent.

If I may add one more point, our chairman has just indicated to me that if the Senator would put this in as freestanding legislation, he could guarantee hearings on it because it is a very serious question. The Senator says if he is not right, he would like to know the answers. Well, correspondingly, if we are not right, we would yield to evidence to the contrary, which the hearing process would establish. I hope the Senator would take a promise of prompt hearings on this legislation as being the best way to solve a very difficult, complex, and challenging issue.

Mr. MELCHER. I thank my friend from Louisiana. I want to take that last point first in my discussion. First of all, it is a serious enough issue to be addressed. Second, there has been plenty of time to hear from everybody on this. We had this bill before us I think sometime in November or October. We are not raising anything new here. Third, there are people who would like to see this in this bill. Now, they are not very strong in terms of dollar value. They really do not have a lot of clout. Some rural electrics—I do not know how many of them, perhaps all of them in the United States—would like to see this provision put in the bill. Some small utility companies would like to see this provision put in the bill. Some municipalities would like to see this provision put in the bill.

On this matter, if there had even been one order issued by FERC since the 1978 passage of PURPA for wheeling, I would like to know about it—even one.

The Senator from Louisiana certainly is positively correct that there have been some wheeling agreements, voluntary wheeling agreements, and should there not be. They get paid for it. They get paid for doing it. It is profitable. It is not something shoveled on them. It is profitable.

So the question naturally comes up: Why would they not do it? Why would they not do it voluntarily?

The answer to that I suspect can be put in one word. There may be other reasons, but I suspect that the main reason is they want to prevent some competition.

Now, we had some discussion about who is going to pay for this. Well, of course the consumer pays for it. But what are they paying for? The consumer pays when rates are raised. As I described the amendment that I shall offer, we have that protected. It could not possibly be ordered in to raise somebody's rate. And so really the question evolves, if we do not put it in, who pays? Does somebody have to pay more? Well, the answer to that is if somebody is not wheeling just because they do not want the extra competition somebody pays. So the amendment is not causing consumers to pay more.

That is why I want the amendment. It is in the public interest, I believe. It is in the public interest. It is not so confusing. It is rather elementary. When was greed confusing? That is what anticompetitiveness is—greed. We would not have common carrier provisons in Federal law if it was not to strike down some anticompetitive obstacle.

They are in the public interest. We are not repealing those common carrier provisions. This is not a very broad provision that I an offering. It is a very narrow one. If these comments are not correct—I made them earlier—if they are not correct, I would like to know why they are not correct.

Specifically, the amendment which I will offer does not alter the restrictions which bar a wheeling order to a utility required to provide power for an applicant pursuant to an existing contract. It is obvious why we want that. They could not possibly ask for that. I do not believe that we should authorize FERC to issue a wheeling order that interferes with an existing power contract. That would go against my grain. I would not offer such an amendment, so I do not believe the amendment does that.

But I do not believe we should allow utilities to refuse to wheel power to an applicant in perpetuity simply because it filed a rate schedule at FERC with respect to a licensed applicant. I think all my colleagues would share that view. And then the amendment specifically provides that a wheeling order not "unduly affect the cost of service provided by the licensee."

So it is an amendment to protect consumers. It is an amendment to help those consumers of the small utility, rural electric, that would need wheeling.

Finally, I should repeat that in those instances where wheeling would be directed by FERC to conserve a significant amount of energy, that is in the public interest, and a wheeling order issued by FERC would have to significantly promote the efficient use of facilities and resources.

Mr. JOHNSTON. Will the Senator yield at that point?

Mr. MELCHER. Let me give the final response.

Also, it has to improve the reliability of any electric utility system to which the order applies. That is in FERC.

I yield to the Senator from Louisiana.

Mr. JOHNSTON. Madam President, the Senator asks what is wrong with the language that says that in the case of any electric utility affected by the order it is not unlikely to unduly affect the cost of service provided to its customers.

As I say, that on its face seem to answer the question. It seems to be fair. It seems to be good. Of course, initially, it was a question of what "unduly" means, and that is a very wide question. But the principal problem with that is that it is not FERC's right or obligation to set the power rates. Rather, it is the duty and obligation of the State to set those power rates.

I think the State, in effect, will make that determination after FERC has already ruled, and FERC cannot have any idea what the State is going to do, and the State would not be bound by this phrase here, "likely to unduly affect the cost of service." That does not bind the State at all. As a matter of fact, the thought is that the State will set those rates as they always have, and that is, set the rates without respect to wheeling.

Mr. MELCHER. The Senator from Louisiana is absolutely correct. The States are going to set the rates.

The point is that FERC is going to hear the evidence. The point is that it could be reopened. Even after giving the wheeling order, it could be reopened. FERC does not set rates—we understand that—and they are not going to set rates under this bill, under any amendment I should offer, or anything else. But the argument that it would increase rates would nullify any chance of a wheeling order.

If the argument were fictitious and could be proved to be fictitious to FERC's satisfaction, it might issue the wheeling order.

What the Senator from Louisiana is leading up to is that, after a while, some public service commission, even in my State, would say, "Look, you made a mistake."

By the way, Montana Power is a privately owned utility and sees no harm in having the wheeling provision in this act.

If FERC granted one and the Montana Public Service Commission said, "You can't raise the rates because you have the wheeling provision there," if the rates had to be raised, that would certainly trigger the opportunity of FERC to deny the wheeling order that they might have already granted.

My friend from Louisiana and I agree on the fundamentals. But what

we have to find out is, having agreed on the fundamentals, why we cannot devise something whereby we agree on the principles of wheeling. Perhaps there is some reason why wheeling is bad in Louisiana or all the South, or it might be bad east of the Mississippi or it might be bad somewhere. But it is not bad in my country. It is good in my country.

Mr. JOHNSTON. I say to the Senator from Montana that wheeling is not necessarily bad. Indeed, since the passage of PURPA, wheeling has increased by 75 percent. Most or virtually all of that is voluntary wheeling. Wheeling can be done in some circumstances fairly, and in all these circumstances it has been done voluntarily.

The problem is that when you order wheeling and you change the competitive position of the different parties, but everybody is trying to anticipate what a public utility commission may or may not do, it is an impossible job for FERC to do. The Senator says that FERC could wait until after the State rules or fails to rule and then come in and stop the wheeling order. I say to my friend that that is a terribly inexpedient, improper, and inefficient way to do it. It would be a very uneconomical way to do it, to order the wheeling, to allow the contractual relationships to go forward, and then to have to come in and undo them.

If that is what the Senator would have in mind, then why not simply preempt State law in this respect and say that in ordering the wheeling, FERC could set the compensation to be ordered, along with the wheeling which they would order? There may be objections to doing that, but it is the kind of issue that ought to be looked at in hearings and not decided here on the floor.

I believe I was chairman of the Senate conferees on that PURPA at the time we enacted it, and I can say that it is a very subtle, very difficult, very farreaching, and very controversial provision; and if it appeared that it was going to pass, you would hear reverberations all around this country because the States are so great on the issue of wheeling.

Mr. McCLURE. Madam President, will the Senator yield?

Mr. JOHNSTON. I yield.

Mr. MELCHER. Madam President, I do not want it to be confusing. I did yield to the Senator from Louisiana. Do I still have the floor?

The PRESIDING OFFICER. Yes, the Senator from Montana has the floor.

Mr. MELCHER. I yield to the distinguished Senator from Idaho.

Mr. McCLURE. Madam President, I want to take this time now, for a couple of reasons. One is to suggest that rather than debating the wheeling arrangements endlessly, and since no amendment is now pending on that subject, we perhaps attempt to move to some other amendments and resolve as many issues as we can, and in the meantime discuss with the Senator from Montana a way to resolve this issue.

Pending that, I want to comment that the Senator from Louisiana rightfully pointed out that FERC, in making an order for wheeling, might well be asked to calculate the cost or the rate for wheeling. But there are other aspects as well. One is the transmission line capacity and the other decisions that might be made by the utility, as to whether it would require them to build another transmission facility and increase their expenses. Even though that would be outside FERC's jurisdiction or responsibility, the State regulatory commission might have to do that, too.

They might also have to look at not just the cost to consumers as a direct result of the wheeling arrangement. That affects the need for power calculation which is not within the responsibility of FERC, either under this amendment or otherwise, but is under the responsibility of the State regulatory commission.

Mr. MELCHER. First of all, I would not offer the amendment if it in any way preempted the State's authority over rates. That is No. 1.

Second, the provision would not even be considered—the wheeling application would not even be considered—if it were no capacity; also, if it appeared that the capacity that was now vacant was only temporarily vacant.

Mr. McCLURE. Madam President, will the Senator yield on that point?

Mr. MELCHER. I yield.

Mr. McCLURE. FERC has one responsibility, and that is to make one calculation. The State regulatory agency has the responsibility to make decisions based on precisely the same facts, and they might come to different conclusions.

So you might have FERC making one finding and the State regulatory commission making exactly the opposite finding on the same set of facts with the possible result of requiring construction of additional transmission facilities and perhaps also affecting the State regulatory commission decision with respect to another unrelated application for the construction of new power-generating facilities which has rate impacts which would be out of the purview of FERC's review.

Mr. MELCHER. That is correct. That would be out of FERC's purview.

Mr. McCLURE. But it could have an impact upon the ratepayers that flow from the action taken by FERC even though FERC could not properly review that?

Mr. MELCHER. What the learned chairman has presented is a situation where the applicant for the wheeling and the utilities that had the transmission capability of wheeling would not present accurate arguments to FERC.

Mr. McCLURE. If the Senator will yield further, not just where they presented inaccurate arguments but where FERC came to a different conclusion based upon the same arguments from that which the State regulatory commission would conclude.

Mr. MELCHER. I cannot conceive of it happening but if the learned chairman and the ranking member on the Democratic side of the committee could conceive of it happening, as part of the purpose of the discussion this afternoon, we could easily say that FERC's order would have to be approved by the State commission that was involved. That would be agreeable to me. But this is a very narrow amendment and if you want to make it narrower that is all right with me, too.

I believe the major objective of my efforts is to correct this bottleneck in PURPA after the courts have made some decisions interpreting it very narrowly, to correct that problem and to allow section 211 to be effective as it was intended in FERC.

I repeat, I do believe there is some real merit to addressing this issue, and I agree with the chairman there may be other amendments or other provisions that can be considered now because this one certainly has not been resolved. I would hope that before we complete action on this bill, we will have resolved, satisfactory to all of us, this point, and we do hope a narrow wheeling amendment can be adopted in this particular bill.

I thank my friends, the Senator from Idaho, Senator McCLURE, and the Senator from Louisiana for this colloquy and discussion we have had this afternoon. I will be happy to work with him in the next few hours and the next few days to draft something that is satisfactory to all of us.

AMENDMENT NO. 1773

Mr. McCLURE. Madam President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Idaho [Mr. McCLURE] proposes amendment No. 1773.

Mr. McCLURE. I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Section 11 of the Committee amendment is amended by:

(1) deleting "pursuant to this part" in subsections (b) (1) and (2) and inserting in lieu thereof "pursuant to this Act, whether granted under this Act or another provision of law"; and

(2) by adding the following new subsection at the end thereof:

(c) Section 13 of the Federal Power Act, as amended, is further amended by striking the final sentence thereof.

(d) Section 26(a) of the Federal Power Act, as amended, is further amended—

(1) by striking the first sentence and inserting in lieu thereof the following sentence: "The Commission, or the Attorney General on request of the Commission or of the Secretary of the Army, may institute proceedings in equity in the district court of the United States in the district in which any project or part thereof is situated for the purpose of revoking for significant violation of its terms any permit or license issued hereunder or any exemption from any requirement of this Act, whether granted under this Act or another provision of law, or for the purpose of remedying or correcting by injunction, mandamus, or other process any act of commission or omission in violation of the provisions of this Act or of any lawful regulation or order promulgated hereunder." and

(2) by adding at the end thereof the following new sentence: "In the case of revocation of an exemption from any requirement of this Act, whether granted under this Act or another provision of law, the courts may exercise the same powers as they have under this section with respect to revocation of a license.".

(e) Section 402(a)(2)(A) of the Department of Energy Organization Act, as amended, is further amended by inserting between "4," and "301" the following: "5, 13, 26, 30,".

(f) The amendments made by this section shall apply to licenses, permits, exemptions, rules, regulations, and orders issued before, on, or after the date of enactment of this Act.

Mr. McCLURE. Madam President, this amendment is a technical and clarifying amendment to section 11 of S. 426. The amendment responds to a number of concerns raised by the staff of the Federal Energy Regulatory Commission following its review of S. 426, as reported by the committee. The Commission staff pointed out that section 11, as reported, contains language that could be read to diminish the Commission's enforcement authority, particularly its authority under part III of the Federal Power Act. That certainly was not the intent of the committee, and this amendment would remove that ambiguity.

Section 11 is intended to enhance the Commission's enforcement efforts by expanding the Commission's authority to revoke liceneses administratively. Section 11 would empower the Commission to revoke a license administratively for any significant violation of its terms. This change would substantially aid the Commission in its efforts to ensure compliance with the provisions of the Federal Power Act relating to hydroelectric projects.

Currently, under section 13 of the Federal Power Act, the Commission can revoke a license administratively only if the licensee does not commence construction of the project on time. Otherwise, the Commission must request that the Attorney General institute an action in Federal district court for revocation of the license.

The first provision of the amendment would modify the language in new subsection (b) of section 26 of the Federal Power Act to make clear that the Commission's revocation authority is not limited to permits, licenses or exemptions issued or granted pursuant to only part I of the Federal Power Act. Rather, the revocation authority would apply to permits, licenses or exemptions issued pursuant to any provision in the Federal Power Act or granted under another provision of law. This subsection, as amended, would make explicit the Commission's implicit exisiting authority to revoke , for violation of its terms, any exemption from the requirements of the FPA, whether issued under the FPA or another provision of law, such as PURPA.

The amendment would add four additional subsections to section 11, starting with new subsection (c). Subsection (c) would modify section 13 of the Federal Power Act by striking the final sentence, which specifies that if a licensee begins construction, but does not complete it within the time specified in the license, the Attorney General, upon request of the Commission, shall institute judicial proceedings for the revocation of the license. The deletion of this provision makes section 13 consistent with section 26 of the FPA, as amended by section 11(d) of this amendment.

Subsection (d) would amend section 26 of the Federal Power Act, which provides for judicial revocation of licenses for violations of terms. Under section 314 of the FPA, the Commission currently has authority to bring enforcement actions in the Federal district courts, with the exception of actions to revoke licenses. Section 26 currently provides that actions to revoke licenses must be brought by the Attorney General. Section 11(d) authorizes the Commission to institute on its own behalf judicial actions to revoke licenses under section 26 of the FPA. The amendments to section 26 are not intended to limit the Commission's existing authority under section 314.

Under the existing provisions of the FPA and PURPA, the courts lack explicit authority to revoke exemptions from the requirements of the FPA issued under those acts. Section 11(d) also amends section 26 by (1) authorizing the Commission to institute court actions to revoke exemptions from the FPA, whether issued under the FPA or another provision of law, such as PURPA, and (2) giving the Federal district courts express authority to revoke exemptions. In this connection, the courts are authorized to exercise the same powers with respect to judicial revocation of exemptions as they have with respect to judicial revocation of licenses.

Subsection (e) would amend section 402(a)(2)(A) of the Department of Energy Organization Act, which lists the sections of the FPA under which the Commission has express authority to exercise powers. In order to implement section 11(d) of this amendment, section 26 of the FPA is added to the sections listed. In addition, sections 5, 13, 30 of the FPA are added to those listed in order to make explicit the Commission's existing authority to cancel preliminary permits pursuant to section 5, to revoke licenses pursuant to section 13 in cases in which construction of project works has not begun on time, and to issue exemptions pursuant to section 30. Subsection (e) is not intended to affect the Commission's authority under other sections of the FPA.

Subsection (f) provides that the amendments made by section 11 shall apply to licenses, permits, exemptions, rules, regulations, and orders issued before, on, or after the date of enactment of this amendment.

Mr. JOHNSTON. Madam President, the Senator from Idaho correctly described this amendment. We endorse it.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 1773) was agreed to.

Mr. McCLURE. Madam President, I move to reconsider the vote by which the amendment was agreed to.

Mr. JOHNSTON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 1774

(Purpose: To clarify the intent of Section 3(c) of S. 426)

Mr. McCLURE. Madam President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Idaho [Mr. McCLURE] proposes amendment numbered 1774.

Mr. McCLURE. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Beginning on page 4, line 19, strike all through page 5, line 3, and insert:

"(3)(A) Upon receipt of an application for a license, the Commission shall solicit recommendations from the agencies and Indian tribes identified in paragraph (a)(2) of this section for proposed terms and conditions for the Commission's consideration for inclusion in the license;

"(B) If any recommendation for a proposed term or condition is received by the Commission within 120 days of the public

notice of any license application under this section, the Commission shall explain in writing its reasons for adopting, rejecting or modifying any such proposed term or condition."

Mr. McCLURE. Madam President, the amendments to proposed new section 10(a)(3)(A) of the Federal Power Act are designed to clarify the intent that the Commission must exercise its independent judgment, as guided by the principles set out in the act, in fashioning the appropriate terms and conditions for inclusion in a license issued under the act. While proposed new section 10(a)(3)(B) will require the Commission to pass upon recommended terms and conditions received from interested agencies and Indian tribes based upon a record developed in a licensing proceeding and to explain its decision in writing, the Commission's authority and responsibility to fashion a license's terms and conditions balancing the competing concerns of the broad public interest should not be ambiguous. In this regard, the "to be included" language of the original version may create some ambiguity, whereas the "for the Commission's consideration for inclusion" allows of no such ambiguity. The reordering of the prepositional clauses is designed solely for grammatical clarity.

The amendments to proposed new section 10(a)(3)(B) are designed to cure unintended procedural difficulties that would be raised by the original version. The substitution of the clause "within 120 days of the public notice of any license application" for the clause "at least 30 days prior to issuing any license" allows the licensing process to proceed in a more efficient and orderly manner.

In order for the Commission to make a reasoned decision in judging any and all recommended terms and conditions, those terms and conditions must be proposed at the front end of the licensing process to permit creation of a record on those recommended conditions. This timeframe is reasonable since under the Commission's recently revised consultation requirements in its license application regulations, interested agencies will have been contacted regarding their concerns about the project at least 12 to 15 months before the "120 days from public notice" period proposed by this amendment. Moreover, the agencies will have had at least 8 months to review a complete draft application, which application must include the results of any studies or analyses requested by those agencies and a complete environmental report.

Requiring the Commission to address in writing any recommended term and condition received up to 30 days prior to license issuance—under current Commission procedure staff work on licensing decisions must be finalized and presented to the Commission at least 30 days before the proceeding can be considered on the agenda—would be disruptive to an efficient administrative process, inequitable to both project proponents and opponents seeking to address all concerns raised in the proceeding, susceptible to abuse, and inconsistent with the intent of requiring the Commission to undertake an on-the-record measured and reasoned analysis of license proposals.

The addition of the word "adopting" to the final clause of this subsection is designed to clarify that the purpose of this subsection is to require a reasoned decision in writing from the Commission regarding its actions on any recommended terms and conditions. Subsection (3)(B) is not intended to create any presumption for or against any recommended term and condition. This addition will clarify the neutrality of the subsection.

Mr. JOHNSTON. Madam President, we also endorse this amendment and it was correctly described.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 1774) was agreed to.

Mr. McCLURE. Madam President, I move to reconsider the vote by which the amendment was agreed to.

Mr. JOHNSTON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 1775

(Purpose: To provide a transition rule for the application of Section 10 of S. 426.)

Mr. McCLURE. Madam President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Idaho [Mr. McCLURE] proposes an amendment numbered 1775.

Mr. McCLURE. Madam President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 10, following line 16 add the following new Section 11 and renumber subsequent sections accordingly:

"SEC. 11. The amendments made by section 10 of this Act shall not apply to any hydroelectric project for which an application for a license or preliminary permit was filed with the Federal Energy Regulatory Commission on or before April 11, 1986."

Mr. McCLURE. Madam President, this amendment is intended to remove some ambiguity and set some standards with respect to the grandfathering provision on licenses that are pending or applications that are pending and setting a standard that will remove an ambiguity.

Excuse me. The application of the PURPA provision. I misstated that. The staff corrects me. And they, of course, are correct. It is the application of the PURPA provision.

I urge the adoption of the amendment.

Mr. JOHNSTON. Madam President, as restated, the Senator is correct and we endorse the amendment.

The PRESIDING OFFICER. The question is on the amendment.

Mr. EVANS. Madam President, will the Chairman yield? I am sorry. That was a brief explanation and I would like a little more clarification of just what this amendment would do.

Mr. McCLURE. Madam President, does the Senator have a copy of the amendment?

Mr. EVANS. No, I do not.

Mr. McCLURE. I perhaps could have saved time by permitting that the amendment be read rather than asking that the amendment not be read. It is a very short one. It says:

The amendments made by section 10 of this Act shall not apply to any hydroelectric project for which an application for a license or preliminary permit was filed with the Federal Energy Regulatory Commission on or before April 11, 1986."

It is designed to indicate at which time the provisions of section 10 would apply. So it would remove that ambiguity.

The question is, When would the pending applications be under the provisions of this bill? If they are pending prior to today, they would be under the old law; if they are after today, they would be under the provision of the new statute.

Mr. EVANS. Could the Chairman enlighten me as to what would be the effect if this amendment were not to be adopted?

Mr. McCLURE. There would be some question as to the date at which it would be effective and there might be a rush between now and the effective date of the statute to move applications or to assert before FERC that applications were active or that they were in the process of application. This is simply a way of defining which ones fall under the ambit of the new law and which ones would be under the old law.

Mr. JOHNSTON. Will the Senator yield?

Mr. McCLURE. I am happy to yield.

Mr. JOHNSTON. I am advised that some applications are pending to which as much as a half million dollars have been expended fashioning that application under the old law. And if those pending applications were required to come under the new law, there would be some question as to whether they would have to be pulled down and restructured all over again

and resubmitted, causing, as I say, perhaps a huge expense. So we just simply picked the date of April 11 as the date, which, in effect, is the effective date of the act with respect to applications.

Mr. EVANS. Could the Senator from Louisiana tell me how many are likely to be affected by this act and how extensive it might be? In essence, am I correct in saying this is really a grandfathering clause and it will separate out those who will apply under the existing rules as compared to those who will apply under the new rules that are set forth in this act?

Mr. JOHNSTON. Madam President, I am advised through staff that there may be somewhere in the neighborhood of 150 to 300 applications at new dams pending. So we are talking about a sizable investment in applications under the existing law.

Mr. EVANS. Well, that may be true with some. But are we grandfathering in under the old law a large number of applications which are nothing more than a filing which may not require any money or any expenditure? All the amendment says is "for which an application for a license or preliminary permit was filed with the Federal Energy Regulatory Commission." It does not take a whole lot of money to file at the beginning, it is my understanding. Do we have some danger that that will be the case?

Mr. McCLURE. If the Senator would yield, the question is whether or not you have retroactive or prospective application of new standards.

Mr. EVANS. I think that is correct.

Mr. McCLURE. What we attempted to do in this instance is to say that if they are pending and they have been active prior to this date, then they apply under the old law. We will not attempt to make this particular set of provisions in this bill apply retroactively.

Mr. EVANS. I would be much more comfortable if I knew, however, what share of the some 150 applications are large ones or small ones, and what share of those are nothing more than just a paper application where no particular work has been done. In such a case, there certainly would be no penalty to the applicant to come under the new rules and there would be substantial benefits to the people of the region or the country if they were to come under the new rules. I presume that all of us believe the provisions in S. 426 will make a better law than the current one.

Mr. McCLURE. Will the Senator yield?

Mr. EVANS. Yes.

Mr. McCLURE. Before an application for a license or a preliminary permit may be filed, the applicant has expended some substantial amount of money to get to that point. The question is one of equity, as to whether or not those who have already, prior to this date, moved in accordance with the statute which is currently on the books should find their position substantially changed as the result of a new action by the Congress. It seems to me that there is a question of equity that we are trying to solve by saying, in effect, let us give some guidance as to when we believe the new criteria should apply. We chose the standard of application for license or preliminary permit as this date, even though this is prior to the effective date of the statute.

Mr. EVANS. I understand.

Mr. McCLURE. But at least those persons who are out there looking at this are put on notice that if, from this day forward, even before this act can become effective, they then wish to move forward, that they will be under the provisions of the statute as revised by this pending legislation.

Mr. EVANS. Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. McCLURE. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McCLURE. Madam President, during the quorum call we have had the opportunity to discuss with the Senator from Washington some of the potential questions with trying to establish any discreet or absolute threshold in the licensing process. Very honestly, we do not know that this amendment is the only possible formulation but there is certainly no apparent better solution.

I suggested to the Senator from Washington that we go ahead and adopt the amendment as offered here, and those provisions being in the House rules be a matter before the conference, and indeed if we could work up a better definition of a threshold than is contained in this amendment, we would work through that conference process to write that better definition.

I think, if I understand the distinguished Senator from Washington, that is a suitable arrangement.

Mr. EVANS. Madam President, if I may respond to the chairman, I do have a continuing concern that we not inadvertently exclude from this bill's provisions many hydro sites that have been filed upon but for which no extensive work has yet been done. We are trying to craft a better bill, one that will provide much more explicit conditions as we go through this licensing process.

And I am certainly willing to accept the chairman's assurance that we continue to seek a better, more explicit dividing line that does not penalize those who have made substantial investments in applications and yet attempts to perhaps bring in some of the additional applicants who have made no substantial investment and who probably ought to be covered by provisions of this bill.

Mr. McCLURE. I agree with the statement the Senator from Washington has made. I hope on that basis we can adopt the amendment.

The PRESIDING OFFICER. Is there further debate on the amendment? If not, the question is on agreeing to the amendment of the Senator from Idaho.

The amendment (No. 1775) was agreed to.

Mr. McCLURE. Madam President, I move to reconsider the vote by which the amendment was agreed to.

Mr. JOHNSTON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. MATSUNAGA addressed the Chair.

The PRESIDING OFFICER (Mr. McCLURE). The Senator from Hawaii.

Mr. MATSUNAGA. Mr. President, what is the parliamentary situation?

The PRESIDING OFFICER. The bill is open to amendment.

Mr. HUMPHREY addressed the Chair.

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. HUMPHREY. Mr. President, I intend to offer an amendment at this point. The Senator from Hawaii is seeking recognition. Is he prepared to offer an amendment?

Mr. MATSUNAGA. Mr. President, I just want to proceed as if in morning business for a unanimous-consent request.

Mr. HUMPHREY. My amendment will not take very long. On the other hand, if the Senator from Hawaii requires a moment or two, I would be happy to wait.

Mr. MATSUNAGA. I will await the Senator's amendment.

AMENDMENT NO. 1776

(Purpose: To provide timely notice to land owners of the filing of a license application)

Mr. HUMPHREY. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from New Hampshire [Mr. HUMPHREY], proposes an amendment numbered 1776.

Mr. HUMPHREY. Madam President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 12, following line 2 add the following new Section 13:

"SEC. 13. Section 4(e) of the Federal Power Act (16 U.S.C. 797(e)) is amended—

(a) by striking *"And provided further"* and inserting in lieu thereof *"Provided further"*; and

(b) by striking the final period "." and inserting in lieu thereof the following:

": *And provided further,* That upon the filing of any application for a license the Commission shall seek to notify by certified mail the owner or owners of the property within the bounds of the project, and any State, municipality or other local governmental entity likely to be interested in or affected by such application.' "

Mr. HUMPHREY. Madam President, I say at the outset that this amendment has been cleared on both sides.

The amendment simply and directly resolves the problem associated with the licensing procedures for hydroprojects. The amendment would require that upon the filing of an application with Federal Energy Regulatory Commission [FERC] for a hydroelectric project, the Commission shall seek to notify by certified mail the owner or owners of the property within the bounds of the project, as well as any State, municipality, or other local governmental entity likely to be interested in or affected by an application.

Under present law, notification of proposed hydroelectric projects is required through public notices in newspapers published in the regions surrounding the proposed project.

However, it has become clear to me, through my personal involvement with several hydroelectric-related projects in the State of New Hampshire, that the present public notification procedures are not enough. One particular case comes to mind. In the village of Davisville, NH, a couple, Melville and Joan Ruggles, bought a retirement home on 15 acres of property bordering both sides of the Warner River. In March 1981, several months after they had purchased the property, developers who the Ruggleses did not know, submitted an application for a preliminary permit to redevelop a dormant hydrofacility on the Warner River. The effect of the proposed project, it was later learned, would have reduced the Ruggles retirement property to the size of a small city lot.

However, though notice was published in the local newspaper, the Ruggleses did not see the notice, and it was not until 3 months later that the Ruggleses, by chance, learned that a preliminary permit had been filed.

Similarly, when the developers applied for an actual license to develop the site, the owners of property most directly affected by the project were kept in the dark, as there is no requirement for property owners to be formally notified. As Mr. Ruggles wrote to me more than 4 years after the application for license was filed, "Under present FERC procedures, it is quite possible for a landowner to remain ignorant of any intent to build a hydroelectric installation on his property until served notice that his land will be seized under eminent domain * * * we have never, to this day, been personally notified by FERC or any other Federal or New Hampshire authority that either a preliminary permit or an application for a license had been field with FERC for building a hydroelectric installation on our property—the latter to be subject to seizure by eminent domain."

This is the essence of the problem which my amendment seeks to resolve. Clearly, if property owners are to be directly affected by a proposed hydroelectric project, they should have the right to be notified directly and in writing about the project. Under this amendment, FERC would develop procedures to ensure that such property owners would be notified.

Mr. President, I understand that the amendment has been approved by managers on both sides.

Mr. President, I ask unanimous consent that materials relating to this amendment be placed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

APRIL 11, 1986.

RE: Amendment to S. 426, hydro relicensing bill.

To: Senator Humphrey.

From: Gordon MacDonald.

Attached is our proposed amendment to S. 426, the hydro relicensing bill.

Our amendment would require that the Federal Energy Regulatory Commission notify affected landowners by mail of a hydroelectric project near their property.

The amendment has been cleared on both sides of the Energy and Natural Resources Committee.

MELVILLE J. AND JOAN TRON RUGGLES, DAVISVILLE DAM, NEW HAMPSHIRE (f.e.r.c. #4456), APRIL 10, 1985

NOTIFICATION: CHRONOLOGY, SPRING 1981 TO SPRING 1985

1. March 27, 1981: Developers submitted application for a preliminary permit for Davisville Hydroelectric Project.

2. May 6, 1981: FERC issued a notice which was published in the *Monitor* on May 19, May 26, June 2, and June 9, indicating that this application had been filed. (We know that the New Hampshire Water Resources Board received a copy of this notice on May 15th. No landowners affected by the proposal received this notice.)

3. June, 1981: We learned, by chance, that this notice had appeared in the *Concord Monitor.* (We occasionally saw New Hampshire newspapers at this time—we had only recently moved to New Hampshire—but it never occurred to us to read the public notices, since we knew of no reason to read them.) We also learned at this time that a "comment" was being prepared by some upstream neighbors (due July 9 according to the notice) and we joined those who signed this "comment."

4. September or October 1981: The developers appeared at our door telling us that they "had just learned" that the entire project was to be developed on land owned by us. They gave us assurances (verbal) that we would be little, if at all, affected (these assurances proved to be untrue).

5. March 18, 1983 Developers filed an Application for Short Form License (despite our requests in our comment of July, 1981; we were never informed that the preliminary Permit had been granted, nor were we notified at this time that the application for a permanent license had been filed).

6. May 1983: We learned, by chance, that the primary signer of the "comment" had recently received a copy of the application for a license, which we saw on loan.

7. June 6, 1983: We received a copy of this document from Senator Rudman's office.

8. October 24 and 11: Notice of this application appeared in the *Monitor* (this we saw since we then knew that we should look).

9. December 6, 1983: We filed as Intervenors.

10. December 6, 1983: Developers met with us and agreed to submit written proposal on disposal of our property after the holidays, and confirmed that agreement in a letter, December 9, 1983.

11. Spring 1984: Developers phoned us to say they had not submitted written proposals because the fate of the PSNH was uncertain at that time, but that "within two weeks" they would respond, as promised.

12. May 1, 1984: FERC's Environmental Assessment Statement was issued. (Despite the fact that we were intervenors, it was not sent to us.)

13. August 29, 1984: Senator Humphrey's office sent us a copy of this document. Reading the Environmental Assessment (plus an accompanying document from the Department of the Interior Fish and Wildlife Service). It was clear to us that some drastic changes had been made between the initial application document (March, 1983).

14. Fall 1984 (probably October): We received a copy of a letter from Humphrey's office written by developers to FERC in September 1983. It related to Tom Pond (of which we had never heard). As a result of our efforts, Tom Pond landowners filed as intervenor in Jaunary 1985.

15. October-November 1984: Developers called to say that intervenors plus New Hampshire State agencies demand for survey based on data from Environmental Assessment meant that they would not offer us payment for our property until they learned what these latest developments would cost them.

16. January 25, 1985: Supervisor of the New England Office of U.S. Fish and Wildlife Service sent letter to FERC requesting that, in light of 9th U.S. Circuit Court of Appeal decision for Rock Island, his office "anticipates that the studies for his project should be conducted *before* a decision is made on the license application (FERC has not sent us a copy of this letter, although we are intervenors).

17. January 26 to April 10, 1985: No word from FERC or developers, either to us or our neighbor/intervenors.

COMMENTS

General

Under present FERC procedures, it is quite possible for a landowner to remain ignorant of any intent to build a hydroelectric installation on his property until served notice that his land will be seized under eminent domain.

We acquired our property in Warner/Webster early in January 1981, though we did not move from Washington, DC until late in March 1981. In the autumn of 1981 Dimos and Katsekas knocked at our door, unannounced, told us that they had just learned that we owned the property on which they intended to build a hydroelectric installation, and wanted to discuss the terms under which they would acquire the portion of our property they needed. This was the first and only personal notice we ever received from a legally involved person or organization that our property was vulnerable to expropriation. We have never, to this day, been personally notified by FERC or any other Federal or New Hampshire authority that either a Preliminary Permit or an Application for a License had been filed with FERC for building a hydroelectric installation on our property—the latter to be subject to seizure by eminent domain.

1. We think that developers should be required to send, simultaneously, a copy of each application to FERC and to the Board of Selectmen of the town involved and that the latter be required to notify landowners likely to be affected.

2. We have not been able to find out when FERC approved this application. We should have been notified, particularly since FERC's approval automatically granted Dimos and Katsekas the right to roam on our property for two years, inspecting, measuring, testing whatever they wished. "No Trespassing" signs (we had many posted) were invalidated by FERC Fiat, but we were not so informed. This was a violation of our privacy. Incidentally, FERC's policy of non-notification could place developers at some risk. Many landowners are sensitive about intrusion of their land by strangers, especially if they are using transits, cameras and other measuring or detecting devices. Some landowner might have nervous trigger fingers.

3. Each month the Registry of Deeds in Concord reports to New Hampshire towns any change in ownership of land within the town's jurisdiction. If the developers had been interested in the identity of the owner of the property they wished to acquire, they could have obtained the information from the Board of Selectmen's office in Warner any time beginning with February 1981.

4. We 'phoned FERC in an attempt to obtain a copy of the Application'. The engineer assigned to this project refused; though knowing that we were 'phoning from New Hampshire' he told us that if we wanted to see this document we could come to FERC's office in Washington and read it there.

5. The Application does not mention that the land involved is owned by anyone. In the unpaginated section E.1 "Project Description" a map (Figure 3) shows the proposed dam, penstock, access road, generating units, etc. and shows several nearby houses, including a single-room shack (labelled "small camp") about 200 feet upstream from our house. It does not show that our house, a substantial structure, exists. The same map was made part of FERC's public notice. This notice stated that we "owned the dam," not mentioning, however, that we own all the land, including water rights, upon which the proposed installation would be placed.

6. We attach letters from our attorney, Joseph Ransmeier, to Dimos and Katsekas, and two letters from the latter two addressed to us. These should demonstrate how much "good faith" the developers were exerting in "trying" to reach an agreement with us as to the disposition of our property. Nearly a year has passed since the developers last promised to "finalize our proposal with the alternates and hopefully will be meeting with you some time next week."

7. Two or three weeks later FERC granted us status as intervenors. Our neighbors immediately upstream were granted the same status soon after. The Dimond Lake (Tom Pond) landowners were accepted by FERC shortly after they applied in early January, 1985. None of us received anything of substance from FERC.

HOLDING THEIR GROUND—COUPLE FIGHTS HYDRO PLAN THAT WOULD TAKE THEIR LAND

(By Diane Loiselle)

Since Melville and Joan Ruggles retired in 1981 and moved from Washington, D.C., to the woods of New Hampshire, they have fought a hydroelectric project that could force them to sell their land.

The Ruggleses learned how serious the proposal was in May 1983, when they saw a map of the proposed Davisville Dam Hydroelectric Facility. The Londonderry-based developers, Zoes Dimos and James Katsekas, are awaiting a license from the Federal Energy Regulatory Commission.

"It includes three-quarters of our land, all of our waterfront, on both sides of the (Warner) river," Joan Ruggles said.

According to the developers' application for a license, a law called the New Hampshire Mill Dam Act "gives any person the right to private eminent domain by permitting one party to make use of another's land for his own benefit." A court would rule on the price of the sale of the two parties could not agree.

The Ruggleses, who both worked as editors in Washington, own about 15 acres near Route 127, on either side of the Warner River. They live in a rustic brown house with bright yellow shutters.

"When we decided we were going to retire, we made a list of various things that we thought we'd like," Joan Ruggles said. "We wanted to live in the country. We wanted to live on water." They also had grandchildren in Henniker.

"We were only about a week looking," she said. "And as soon as we got here and heard this water, we got excited."

They especially like the porch, an attached gazebo. The eight-sided room is perched above the river, with windows on seven sides looking over the water as it rushes past rocks and trees.

They moved to the house in March 1981. This week the gazebo was cluttered with documents, notes, letters and maps they have collected in their three-year battle to stay informed and to have a say in what happens to their property.

The proposed project would place the penstock, or pipe, about 100 yards upstream from the home, the turbines about 100 yards downstream. The land the developers want does not include their home but would make it difficult to sell, Melville Ruggles said. It would reduce the property to the size of a conventional city lot.

Melville Ruggles said he feels powerless in the face of the eminent domain law. "What I think is the most distressing, un-American and devastating aspect of the whole system is that by federal law and New Hampshire law they can seize our property for the purpose of profit," he said.

The Ruggleses found out about the project just there months after they arrived, when the developers placed a legal notice in the newspaper announcing their application for a preliminary permit.

At the time they believed the plan would affect only residents upstream, and a group of concerned homeowners rallied to protest. The Ruggleses joined the group as complainants. They became intervenors in December 1983 when it became obvious that the project would affect their property.

The status of intervenor entitles them to information on the proposal and the right to comment, but the Ruggleses say the federal commission has not kept them informed. Sen. Gordon Humphrey complained to the commission that the Ruggleses and other intervenors did not get a commission study of environmental impact, completed in May, until September.

Melville Ruggles said his own contact with the commission was often fruitless. When he asked an engineer for a copy of the license application, the engineer refused.

"Do you know what he said? Knowing that I was calling from New Hampshire, he said, 'You can consult this document by coming down here and reading it in our office.'"

The Ruggleses also have never seen a written offer for their land. The developers promised to put some proposals in writing early this year and then failed to contact the couple until May, when they announced that there would be further delay, Joan Ruggles said. This fall they told the couple they would not put anything in writing until they knew what restrictions the commission would impose.

"I can't see where what they pay us should be related to what FERC is going to cost them, since our land is worth what it's worth," Joan Ruggles said.

Melville Ruggles noted the list of agencies the developers must deal with in the licensing process. "You'll see listed agencies having to do with wildlife protection, but not a single agency that has to do with human beings," he said.

Mr. JOHNSTON. Mr. President, this is a good amendment. It does require notice to those who may be affected by flooding from a dam. We support the amendment and urge adoption.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 1776) was agreed to.

Mr. JOHNSTON. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HUMPHREY. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. McCLURE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. MATHIAS). The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. McCLURE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DURENBERGER. Mr. President, as a cosponsor of S. 426, the Electric Consumers Protection Act, I am pleased that this legislation has

been brought to the floor and commend the distinguished chairman of the Energy Committee for his leadership.

I would also like to congratulate members of the Energy Committee for their fine work in clarifying the Federal Energy Regulatory Commission's licensing responsibilities under section 10 of the Federal Power Act.

I am particularly pleased with these changes as they relate to State river management programs. At the present time 28 States have initiated statewide river conservation programs, protecting 317 river segments and over 12,000 river miles. This represents a considerable investment on the part of the States in both time and money to keep some of their rivers flowing free.

While all State scenic river programs provide some degree of State-level protection against construction of dams, they have encountered numerous problems when trying to get the Federal Energy Regulatory Commission to consider their views when proposing to license a project located on river included in their river protection program. From the State's standpoint, FERC operates with the apparent authority to override State and local resource management if it deems the hydropower project to be in the national interest.

Mr. President, in amending section 10(a) of the Federal Power Act, to require FERC to consider "the extent to which the project is consistent with a comprehensive plan for improving, developing or conserving a waterway or waterways affected by the project or projects that is prepared * * * by the State in which the facility is or will be located," is it the committee's intent to assure States that when they raise a question as to whether a Federal hydro activity will be consistent with a comprehensive State plan, FERC must specifically consider and address that concern and respond in writing in order to give a State the assurance that its desires to limit hydro development on State protected rivers are seriously and adequately considered?

Mr. McCLURE. I appreciate the Senator from Minnesota's support. I am aware of the Senator's strong interest in, and desire to promote State river programs. The Senator is correct. This provision will create a statutory procedure under which the FERC is required to consider the extent to which a proposed project is consistent with a State's comprehensive river protection program and plan, as established by an act of the State legislature and developed, implemented and managed by an appropriate State agency. The FERC is directed to solicit and consider recommendations from the State in which the project is located.

Mr. DURENBERGER. I thank the distinguished chairman for this clarification.

Mr. MURKOWSKI. Would the distinguished chairman take a moment to respond to a question I have as to the possible impact that enactment of S. 426 would have on the Metlakatla Indian Community in southeastern Alaska?

Mr. McCLURE. I would be pleased to respond to the junior Senator from Alaska.

Mr. MURKOWSKI. Mr. President, as chairman of the Subcommittee on Water and Power of the Senate Committee on Energy and Natural Resources, it was my privilege to preside over the hearings on S. 426, the Electric Consumers Protection Act of 1985. I am personally pleased, both as subcommittee chairman, and as a cosponsor of S. 426, that the legislative process has worked to bring this legislation before the full Senate. I compliment the efforts of the distinguished chairman and the senior Senator from Wyoming and the junior Senator from Louisiana.

It is my view that the provisions of S. 426 as reported by the committee and as amended today will not affect or alter in any way the decision of the Federal Energy Regulatory Commission that it is without authority to require the Metlakatla Indian Community to obtain a license for hydroelectric power development within the Annette Island Indian Reservation in Alaska.

Mr. McCLURE. The opinion of the gentleman from Alaska is correct. This legislation does not have any impact on the decision by the Federal Energy Regulatory Commission regarding the Metlakatla Indian Community and the Annette Island Indian Reservation.

AMENDMENT NO. 1777

Mr. EVANS. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Washington [Mr. EVANS] proposes an amendment numbered 1777.

Mr. EVANS. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On pages 9-10, strike section 10 and insert in lieu thereof the following new section:

"SEC. 10. Section 3(17) of the Federal Power Act (16 U.S.C. 796(17)), as amended, is further amended—

(a) by adding the following new subsection (B):

"(B)(i) Notwithstanding subsection (A) of this section, no hydroelectric project shall be considered a small power production facility (other than for purposes of section 210(e) of the Public Utility Regulatory Policies Act) if such project impounds or diverts the water of a natural watercourse other than by means of an existing dam or diversion, unless such project is located at a Government dam.

(ii) For the purposes of this paragraph, the term "existing dam or diversion" means any dam or diversion that is part of a project for which a license has been issued on or before the date of enactment of this subsection, or which the Commission determines does not require any construction or enlargement of impoundment structures (other than repairs or reconstruction) except for the addition of flashboards (or similar adjustable devices).".

Mr. EVANS. Mr. President, I do not intend to pursue this amendment to its conclusion, but I did intend to offer it so it would be made part of the record.

The PURPA Act of 1978 has had some impacts which I do not believe were intended at that time. Those impacts in many cases have required many utilities to purchase power at unwarrantedly high rates. The act has spawned a number of new, small hydroelectric projects which have not, in every case, been to the benefit of either the locality in which they were located, to fish and wildlife resources on that particular river, nor the utility which was forced to purchase power at rates they found not terribly economic.

Mr. President, as I said, I do not intend to pursue this amendment now, but I would like to engage in a colloquy with the chairman of the committee, the Senator from Idaho.

I would ask if the 1978 PURPA Act was really intended at that time by Congress to spawn an explosion of new hydrodevelopment requiring the impoundment and diversions of natural watercourses. It was really intended at the time, as I understand it, primarily to provide incentives for hydrodevelopment at existing dams, although not necessarily exclusively.

Mr. McCLURE. If the Senator will yield, that is my understanding. I believe that is true, although certainly as the Senator has indicated, there was nothing in the legislation nor in the legislative history, nor is there anything in my memory, that would indicate we intended to limit it strictly to those existing dams or impoundments.

I could also perhaps constructively enlarge that to indicate also that there are some places in which there is no impoundment but the water may have been diverted into a pipe which, for a variety of reasons, would have some head of pressure on that water. That was also envisioned, I believe, at the time the original act was passed.

Mr. EVANS. Mr. President, does the Senator from Idaho also agree that in a number of instances, the result of this has been to require utilities to purchase power at rates which were

probably not in their best interests or not economic at the time?

Mr. McCLURE. The Senator again is correct. I think one of the problems that became obvious was that State regulatory commissions, looking at avoided cost, oftentimes put avoided cost at very high figures and at times did not attempt to limit the application at all. I think that particular aspect of the problem has diminished recently as State regulatory commissions have accepted and used authority which they were reluctant to accept and use, but they are applying it now.

Mr. EVANS. With that explanation, Mr. President, it seems to me that perhaps, after 7 years of this act, it does deserve a review to see how well it has worked, to see what aberrations, as addressed by this amendment, may have crept into the act. I ask the Senator from Idaho if it would be appropriate at some time in the near future to embark on a series of hearings on the PURPA Act and any possible changes to it.

Mr. McCLURE. If the Senator will yield, I do agree with the distinguished Senator that not only an oversight of the operations of the act but of its effects, with a view to possible legislative action if, indeed, those hearings should indicate the necessity for corrective action, is in order.

Mr. EVANS. I thank the chairman.

Mr. President, with that, I withdraw the amendment.

The amendment (No. 1777) was withdrawn.

Mr. EVANS. Mr. President, if I may address a question to the chairman.

Mr. McCLURE. Yes, Mr. President.

Mr. EVANS. I have a concern that the provisions regarding the economic impact tests in subsection 15(b)(2) are too vague and subject to a variety of conflicting interpretations. In particular, I am concerned about the inherent difficulties in the concept of developing a consensus view on what is "replacement power."

For example, applicants outside the area of the Pacific Northwest could assert that they face unrealistically high replacement costs while certain utilities in the Pacific Northwest face very low replacement costs due to the power provided by the Bonneville Power Administration. This could skew the balances artificially to the disadvantage of existing licensees in the Pacific Northwest.

Is it the chairman's understanding that the provisions of section 15(b) are not intended to encourage utilities located outside of the Pacific Northwest to bid for projects located in the region served by the Bonneville Power Administration?

Mr. McCLURE. Will the Senator yield?

Mr. EVANS. Yes, Mr. President.

Mr. McCLURE. The Senator is correct. If I may also take this opportunity to correct the statement that was made earlier, if I understood correctly. The distinguished Senator from Tennessee [Mr. GORE] in his comments—again if I heard correctly—had made some comment about this bill tending toward the possibility of favoring a utility service area that had a great number of consumers in contest with a utility that has a very low number of consumers within its service area, in the contest over an application for a license.

If I heard the distinguished Senator from Tennessee correctly, that statement was incorrect, because there is nothing in the bill—as a matter of fact, we went in the other direction to make certain in the language in the bill that we would not inadvertently have that kind of result. We took great care and pains to make certain that there was not an automatic preference for a utility that has a very high number of consumers as against a utility that might have a very low number of consumers.

I think that also addresses the question which the distinguished Senator from Washington has raised in this particular exchange. I agree with the Senator completely.

Mr. EVANS. I thank the Senator from Idaho. I do understand and would agree with him wholeheartedly in his interpretation of the proposed bill to the effect that it would not result in the conclusions that the Senator from Tennessee had perhaps feared.

Mr. President, I then ask in addition, I understand the difficulty in some cases of defining precisely what constitutes a region. But in the case of the Pacific Northwest, there is a well-defined region described in the Bonneville Project Act of 1937 and subsequent Federal legislation. I also understand that the purpose of such laws is to develop the water resources of the region in which the project is located as referenced in subsection 15(b)(1). of S. 426 as passed by the committee.

Mr. McCLURE. The Senator is correct. That is my understanding as well.

Mr. EVANS. I thank the Senator.

The PRESIDING OFFICER. What is the will of the Senate?

Mr. MURKOWSKI. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

AMENDMENT NO. 1778

Mr. EVANS. Mr. President, I ask unanimous consent that further provisions under the quorum call be dispensed with.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. EVANS. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Washington [Mr. EVANS], proposes an amendment numbered 1778:

On page 4, line 18 before the period insert the following: "; and (c) if the applicant is an electric utility, its plans for energy conservation through energy efficiency programs".

Mr. EVANS. Mr. President, in my opening remarks today I said that this act is far more than an act to sort out the licensees, whether they be public or private, in terms of original or relicensing. It is in far greater respect a question of the wisest use of our water resources, an opportunity at each licensing and relicensing to make decisions and to modify previous decisions as they relate to wise use of our water resources. This amendment would add to the other considerations the committee in my view wisely has already included in the proposed act the consideration for energy efficiency or, in other words, conservation. This would apply only when the applicant is a utility, recognizing that it is exceedingly difficult, if not impossible, for a non-utility applicant to have energy efficiency or conservation programs in many cases.

I believe this is a very important addition to the act. It gives FERC a chance to consult with applicants, the utility applicants, to ensure that the most effective use of this increasingly rare water resource is being made. By making the most efficient use of that water resource, we can better accommodate the competing needs and requirements for water.

Mr. President, I urge the adoption of this amendment. I understand that it has been cleared on both sides.

Mr. McCLURE. Mr. President, it is my understanding that the placement of this language is now with relation to the comprehensive plan. It is my further understanding that it is not, therefore, an independent selection criterion, nor is it a term or condition of the license, but it is merged into an evaluation of the comprehensive plan.

With that understanding, I have no objection to the adoption of the amendment.

Mr. EVANS. The Senator from Idaho is correct. It is to include the consideration of energy conservation among the other factors that the Commission must consider.

Mr. JOHNSTON. Mr. President, with the same understanding of this measure that my colleague from Idaho has, we also approve this amendment.

The PRESIDING OFFICER. If there is no further debate on this amendment, the question is on agreeing to the amendment.

The amendment (No. 1778) was agreed to.

Mr. McCLURE. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. EVANS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. McCLURE. Mr. President, I think the distinguished Senator from California has an amendment, and I believe it is in order to consider it at this time.

I yield the floor.

AMENDMENT NO. 1779

Mr. WILSON. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from California [Mr. WILSON] proposes an amendment numbered 1779.

Mr. WILSON. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place in the bill, add the following new Section:

SEC. . ELECTION CONCERNING OTHER CONTESTED PROJECTS SUBJECT TO LITIGATION.

(a) APPLICATION OF SECTION.—This section applies to any relicensing proceeding initiated prior to October 1983 at the Federal Energy Regulatory Commission involving the following projects: Mokelumne (No. 137), California; Phoenix (No. 1061), California; Rock Creek/Cresta (No. 1962), California; Haas-King (No. 1988), California; Poole (No. 1388), California; and Rush Creek (No. 1389), California. The numbers in this subsection refer to Federal Energy Regulatory Commission project identification numbers for the existing licensee. This subsection shall also apply to any subsequent relicensing proceeding for any such project involving the same parties which results from the rejection, without prejudice, of an application in any of the proceedings specified in this subsection.

(b) ELECTION BY COMPETING APPLICATIONS.—In the case of each project named in subsection (a), a license applicant competing against an existing licensee must elect within 90 days after the enactment of the Act to either:

(1) withdraw the competing application and agree to be subject to the provisions of this section, or

(2) refuse to withdraw the application, in which case the relicensing proceeding for such project shall be continued and a new license issued solely in accordance with the Federal Power Act, as amended by this act.

(c) COMMISSION ORDER.—If an election is made, the Commission, after notice and opportunity for a hearing, shall issue an order requiring the existing licensee to compensate the competing applicant in an amount representing the reasonable costs plus interest (at a rate determined by the Federal Energy Regulatory Commission in accordance with its regulations governing refunds in proceedings involving electric rate schedules) incurred by the competing applicant, which are related to—

(1) the cost of preparing, filing and maintaining the license applications for the hydroelectric project through the date of enactment;

(2) the cost of seeking to apply, and preserve the application of, Section 7 of the Federal Power Act to the pending relicensing proceedings through the date of enactment;

(3) the cost of preparing, filing and maintaining an application for compensation pursuant to this section through the date of payment; and

(4) the incremental costs the competing applicants will incur or have incurred as a result of any delay in pursuing alternatives to securing hydroelectric power sought by the competing applicants in their license applications.

Mr. WILSON. Mr. President, the amendment I am offering today is intended to provide fair compensation to California cities involved in the hydroelectric relicensing proceedings currently pending before FERC. These cities relied in good faith on existing law in competing for these projects. Since the changes made by S. 426 would effectively guarantee renewal of the existing licensee's license, I believe it only fair that the existing licensee compensate the competing applicant for all of the costs they have incurred or will incur in connection with the relicensing process.

This amendment identifies five costs that should be reimbursed including:

(1) Costs associated with preparing, filing and maintaining the license applications for the hydroelectric project through the date of enactment;

(2) Costs associated with seeking to apply, and preserve the application of section 7 of the Federal Power Act to the pending relicensing proceedings through the date of enactment;

(3) Costs associated with preparing, filing and maintaining an application for compensation pursuant to this section through the date of payment;

(4) The incremental costs the public applicants will incur or have incurred as a result of any delay in pursuing alternatives to securing the hydroelectric power sought by the California cities in their license applications;

(5) Interest through the date of payment on the amounts specified in (1)–(3).

All of the costs are related to the seeking of the hydro licenses. All of the costs represent economic losses to the California cities resulting from the retroactive application of the changes contained in S. 426. It would be unfair and inequitable to force the affected California ratepayers to shoulder the economic burden created by the retroactive application of this bill.

Mr. President, I ask my distinguished colleague, the Senator, from Idaho [Mr. McCLURE], whether he agrees with me that the California cities should be fully reimbursed for all of the costs identified in my amendment.

Mr. McCLURE. Let me assure my distinguished colleague that I share his concern. The competing public applicants have spent substantial sums in good faith reliance on existing law. But because the changes made by the bill we are considering today are to apply retroactively, thereby diminishing significantly their chances of succeeding in these relicensing proceedings, it would clearly be inequitable not to provide for reimbursement of their costs. While I have not had sufficient opportunity to study specific language offered by my colleague, I do believe that the costs he has just described are reasonable and should be reimbursed, and I will support inclusion of a provision providing for reimbursement of those costs in the conference report.

I will state, further, that the provisions in the House bill that deal with this subject do make this matter fully conferenceable, and I hope we can arrive at an appropriate conclusion in the conference.

Mr. WILSON. I thank the Senator from Idaho.

I note that the provisions in the House bill not only make this conferenceable but also go beyond what is described in my amendment. I will say for the record that it is my intention and purpose to try to make the cities whole but not to give them a windfall.

I thank the Senator from Idaho, and I am much assured by his statement. With that assurance, I see no need to pursue this amendment, and I withdraw it at this time.

The PRESIDING OFFICER. The amendment is withdrawn.

Mr. McCLURE. Mr. President, at this point, I believe we have disposed of every amendment or discussion, with the exception of three.

Senator HART has an amendment or a complete substitute which he desires to offer. Senator MELCHER and the managers of the bill have been discussing at some length the question of an amendment or amendments dealing with wheeling. I had made arrangements with the distinguished Senator from Montana [Mr. BAUCUS] for a colloquy which was to be entered into the RECORD this afternoon. I believe that those are all the remaining items.

I also understand that Senator MURKOWSKI and Senator EVANS are going to engage in a colloquy, which apparently will be satisfactory to them, and I believe it can be and will be resolved satisfactorily.

We are seeking any information from any source of the correctness or lack of accuracy of the statement that I have just made. I believe if that is accurate, that we will be able to propound a unanimous-consent agreement by which we would stop the con-

sideration of the bill at this time, return to it at the hour of 10 o'clock on next Tuesday for the consideration of amendment or amendments by the Senator from Montana, to turn to the amendment or substitute to be offered by the Senator from Colorado at the hour of 2 o'clock under a 1-hour time agreement to be equally divided and no other amendments to be in order, with final passage to follow the disposal of the Melcher amendments, if they are disposed of, and the Hart amendment.

That would also leave room for the Baucus colloquy and the colloquy with Senator MURKOWSKI because they would not have to be covered by a specific unanimous-consent agreement.

Pending the clearance of the unanimous-consent agreement and any other advice that we can get from any other source as to any other issue that might be pertinent to this legislation, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. McCLURE. Mr. President, I ask unanimous consent that further proceedings under the quorum call be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

UNANIMOUS-CONSENT AGREEMENT

Mr. McCLURE. Mr. President, I am about to propound a unanimous-consent request which I understand has been cleared on both sides of the aisle. I ask unanimous consent that during the remainder of the Senate's consideration of S. 426, the hydrorelicensing bill, the following amendments be the only amendments in order: a Hart substitute dealing with making Federal recapture of privately-licensed projection automatic, limited to 1 hour, to be equally divided in the usual form; an undetermined number of amendments to be offered by Senator MELCHER dealing with wheeling of power, with no time restraints for debate; the pending committee substitute; an undetermined number of amendments in the second degree to be offered by the Senator from Ohio [Mr. METZENBAUM] to the Melcher amendments, which must be germane to the first-degree amendments they propose to amend.

I also ask unanimous consent that at 10 a.m. on Tuesday, April 15, the Senate resume consideration of S. 426, and at that point the Senator from Montana [Mr. MELCHER] be recognized to offer his amendments on wheeling of power.

I further ask unanimous consent that the Senate stand in recess between the hours of 12 noon and 2 p.m. on Tuesday, in order for the weekly party caucuses to meet.

I further ask unanimous consent that when the Senate reconvenes at 2 p.m., the Senator from Colorado [Mr. HART] be recognized to offer his substitute under the time agreement mentioned above.

I further ask unanimous consent that at 3 p.m. on Tuesday, the Senate proceed to vote in relation to the Hart substitute, without any intervening debate or action and, if agreed to, it be considered original text.

I further ask unanimous consent that following the disposition of the Hart substitute, the Melcher amendments and any second-degree amendments offered by Senator METZENBAUM, the Senate proceed to vote on the committee substitute, as amended, without any intervening action or debate, and that no motions to recommit with instructions be in order, and that there be 5 minutes on any debatable motions, appeals, or points of order.

Finally, Mr. President, I ask unanimous consent that following disposition of the committee substitute, the bill be advanced to third reading and final passage of S. 426, as amended, occur without any intervening action or debate.

The PRESIDING OFFICER. Is there an objection?

Mr. BYRD. Mr. President, reserving the right to object.

The PRESIDING OFFICER. The distinguished Democratic leader.

Mr. BYRD. Mr. President, I reserve the right to object. May I ask the distinguished Senator who proposed the agreement, is it understood that the amendments which are being specified in the agreement go to the committee substitute and that the bill itself will not be open to amendment other than by the committee substitute, as amended, if amended?

Mr. McCLURE. That is my understanding.

Mr. BYRD. In regard to the 5 minutes on any points of order, it it understood that the Senator is making that request only in the case of points of order submitted to the Senate by the Chair for consideration and debate?

Mr. McCLURE. The Senator is correct.

Mr. BYRD. Mr. President, will the distinguished Senator suggest the absence of a quorum at the moment?

Mr. McCLURE. I would be very happy to. Without the ruling on the unanimous-consent request or without withdrawing it, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistance legislative clerk proceeded to call the roll.

Mr. McCLURE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. Mr. President, I withdraw my reservation.

The PRESIDING OFFICER. Without objection, the unanimous-consent request is agreed to.

The text of the unanimous-consent agreement is as follows:

Ordered, That during the remainder of the Senate's consideration of S. 426, the hydro-relicensing bill, the following amendments be the only amendments in order to the substitute, and that amendments to the underlying bill not be in order:

Hart substitute dealing with making Federal recapture of privately licensed projection automatic, limited to 1 hour, to be equally divided and controlled in the usual form;

An undetermined number of amendments to be offerd by the Senator from Montana [Mr. MELCHER] dealing with wheeling of power, with no time restraints for debate;

The pending committee substitute;

An undetermined number of amendments in the second degree to be offered by the Senator from Ohio [Mr. METZENBAUM] to the Melcher amendments, which must be germane to the first degree amendments they propose to amend.

Ordered further, That at 10 a.m. on Tuesday, April 15, 1986, the Senate resume consideration of S. 426 and the Senator from Montana [Mr. MELCHER] be recognized to offer his amendments on wheeling of power.

Ordered further, That the Senate stand in recess between the hours of 12 noon and 2 p.m. on Tuesday, April 15, 1986.

Ordered further, That when the Senate reconvenes at 2 p.m. on Tuesday, April 15, 1986, the Senator from Colorado [Mr. HART] be recognized to offer his substitute, under the time agreement mentioned above.

Ordered further, That at 3 p.m. on Tuesday, April 15, 1986, the Senate proceed to vote in relation to the Hart substitute, without any intervening debate or action, and if it is agreed to, it be considered original text.

Ordered further, That following the disposition of the Hart substitute, the Melcher amendments, and any second degree amendments offered by Senator METZENBAUM, the Senate proceed to vote on the committee substitute, as amended, without any intervening action or debate.

Ordered further, That no motions to recommit with instructions be in order, and that there be 5 minutes debate equally divided on any debatable motions, appeals or points of order which are submitted to the Senate.

Ordered further, That following the disposition of the committee substitute, the bill be advanced to third reading, and final passage occur on S. 426, as amended, without any intervening action or debate.

Mr. McCLURE. Mr. President, I ask unanimous consent that S. 426 be set aside temporarily, pending its resumption under the unanimous-consent request just agreed to.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McCLURE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. RUDMAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE CALENDAR

Mr. RUDMAN. Mr. President, I would inquire of the Democratic leader whether he is in a position to pass a number of calendar items. I will read which ones they are.

Calendar Order No. 580, S. 2054; Calendar Order No. 589, Senate Resolution 332; Calendar Order No. 598, Senate Resolution 352; Calendar Order No. 599, Senate Joint Resolution 281; Calendar Order No. 600, Senate Joint Resolution 284; Calendar Order No. 601, Senate Joint Resolution 300; Calendar Order No. 602, Senate Joint Resolution 303; Calendar Order No. 603, Senate Joint Resolution 306; Calendar Order No. 604, Senate Joint Resolution 307; Calendar Order No. 605, Senate Joint Resolution 309; Calendar Order No. 606, Senate Joint Resolution 315; Calendar Order No. 607, Senate Joint Resolution 188, and Calendar Order No. 608, Senate Joint Resolution 199.

Mr. BYRD. Mr. President, I am happy to respond to the distinguished acting majority leader. Those items that the Senator enumerated have been cleared on this side and we are ready to proceed.

Mr. RUDMAN. If that is so, Mr. President, I ask unanimous consent that the calendar items just identified be considered and passed en bloc and that all committee-reported amendments and preambles be considered and agreed to.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

CONTRIBUTIONS AND DONATIONS FOR A SPACE SHUTTLE

The Senate proceeded to consider the bill (S. 2054) to provide that the National Aeronautics and Space Administration may accept gifts and donations for a space shuttle which may be named *Challenger II,* which had been reported from the Committee on Commerce, Science, and Transportation, with an amendment:

On page 2, line 13, strike "shuttle", and insert the following: "shuttle or the Administrator does not, either pursuant to any provision of law or as a result of a determination by the Administrator, undertake and complete construction of such space shuttle—".

So as to make the bill read:

S. 2054

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That title II of the National Aeronautics and Space Act of 1958 (42 U.S.C. 2471 et seq.) is amended by adding at the end thereof the following new section:

"DONATIONS FOR SPACE SHUTTLE

"SEC. 208. (a) Notwithstanding the provisions of paragraph (4) of subsection (c) of section 203 of this Act or any other provision of law, the Administration is authorized to accept gifts or donations of services, money, or property, real, personal, or mixed, tangible or intangible, and expend such gifts and donations for the construction of a manned space shuttle. Such shuttle may be named Challenger II.

"(b) If the manned space shuttle program is discontinued before the completion of construction of such space shuttle or the Administrator does not, either pursuant to any provision of law or as a result of a determination by the Administrator, undertake and complete construction of such space shuttle—

"(1) the authority of the Administration to accept gifts or donations pursuant to subsection (a) shall be terminated; and

"(2) all such gifts or donations not expended, shall be treated as gifts and donations pursuant to paragraph (4) of subsection (c) of section 203 of this Act and may be expended by the Administrator for the activities of the Administration.".

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

HONORING THE "CHALLENGER" SPACE SHUTTLE ASTRONAUTS

The Senate proceeded to consider the resolution (S. Res. 332) to honor the *Challenger* space shuttle astronauts, which had been reported from the Committee on Commerce, Science, and Transportation, with amendments.

The amendments were agreed to.

Mr. ARMSTONG. Mr. President, the tragedy of the *Challenger* space shuttle disaster and the loss of our seven astronauts is still very much in the hearts and minds of Americans as well it should be.

We had become complacent. For most of us, the wonder of sending human beings into space had worn off, and we took it in stride every time shuttles were launched, carried out their missions and returned safely to Earth.

That complacency ended abruptly when the seven brave men and women of the *Challenger* space shuttle died in the pursuit of greater knowledge for the benefit of us all. Since that time, we have begun to understand the difficulty of sending man into space and the courage of the individuals who seek to be a part of the space program.

Recently, I introduced Senate Resolution 332 which urges the International Astronomical Union to name seven of the moons, satellites, or surface features of Uranus after the seven who died upon the *Challenger*—Michael Smith, Francis (Dick) Scobee, Judith Resnik, Ronald McNair, Ellison Onizuka, Gregory Jarvis, and Christa McAuliffe. As with many of the efforts to honor the *Challenger* astronauts, this one began with a suggestion from a private citizen, Bob Palmer, a prominent TV newscaster in Colorado. He saw this as a way to express national recognition of the seven astronauts who died on January 28, 1986, and for all those who dedicate their lives to space exploration.

This particular shuttle launch was even more unique in that a teacher, Christa McAuliffe, was to have taught the first school lesson from space. Instead, her death and that of the six other astronauts taught us a much more difficult lesson—that of the remarkable courage of those who travel into space, knowing they are risking their lives in the pursuit of greater knowledge. Such dedication should not be forgotten.

I am pleased that the Committee on Commerce, Science, and Transportation has favorably reported Senate Resolution 332 and that 33 of my colleagues here in the Senate have joined me in seeking to honor the seven *Challenger* astronauts. It is one way to express our national sense of regret and sorrow at the loss of these brave Americans and how deeply we respect their courage.

As President Reagan said, "The future does not belong to the faint-hearted. It belongs to the brave." Today, we seek to show, in one small way, our sense of humility toward those who fearlessly sought to conquer new horizons in space. Their sacrifice serves as a lesson to us all.

Mr. BAUCUS. Mr. President, I rise today in support of the resolution by the Senator from Colorado, Senate Resolution 332, to honor the *Challenger* space shuttle astronauts.

On January 28, 1986, our entire Nation was brought together by a tragedy that still seems incomprehensible more than 2 months later. The space shuttle *Challenger,* embarking on its 10th mission into the heavens, exploded—ending the lives of seven courageous astronauts.

We have not forgotten the shock and sadness that we all felt that day. We continue to grieve the loss of those seven lives. Our hearts go out to the families of the astronauts, who have suffered through a private event in a very public way.

Senate Resolution 332 memorializes the seven heroes whose lives were taken on that sad day by calling for the naming of the newly discovered moons of the planet Uranus, or features of the moons, for the seven men and women who died aboard the space shuttle *Challenger.*

This resolution is a fitting reminder of their courage and their quest to explore space for the benefit of all mankind.

Mr. President, as the author of a similar measure, Senate Resolution 318, and as a cosponsor of the Armstrong resolution, I hope that the Senate will approve passage of this resolution so that the names of the *Challenger* seven will live on, as their memory will live on in our hearts.

The PRESIDING OFFICER. The question is on agreeing to the resolution, as amended.

The resolution (S. Res. 332), as amended, was agreed to.

The preamble was agreed to.

The resolution, as amended, and the preamble, are as follows:

S. RES. 332

Whereas words cannot adequately express our deep sense of regret and sorrow to the families of those brave men and women who have lost their lives pursuing the exploration of space;

Whereas in the words of President Reagan, "The future does not belong to the faint-hearted. It belongs to the brave. The *Challenger* crew was pulling us into the future, and we will continue to follow them.";

Whereas space exploration holds limitless promise for greater knowledge and the advancement of all mankind;

Whereas without the courage of our space pioneers, our last great frontier would remain beyond our reach;

Whereas those who are fearlessly dedicated to space exploration should be considered no less than modern-day heroes;

Whereas in this time of sorrow for the astronauts who have perished we are conquering a new horizon in modern space exploration—the remarkable discovery of new celestial bodies orbiting the planet Uranus; and

Whereas we mourn the tragedy of today, we recognize that space exploration holds continued promise for the future: Now, therefore, be it

Resolved, That it is the sense of the Senate that—

(1) seven of the newly discovered celestial bodies orbiting the planet Uranus or other suitable features discovered by the *Voyager* spacecraft at Uranus should be named after those individuals who have lost their lives in the quest of space. They are the men and women who died aboard space shuttle *Challenger*, on January 28, 1986: Michael Smith, Francis (Dick) Scobee, Judith Resnik, Ronald McNair, Ellison Onizuka, Gregory Jarvis, and Christa McAuliffe; and

(2) the Senate recommends to the International Astronomical Union that the celestial bodies or other suitable features be so named.

COMMEMORATION OF BICENTENNIAL OF THE SENATE OF THE UNITED STATES

The Senate proceeded to consider the resolution (S. Res. 352) relating to the commemoration of the bicentennial of the Senate of the United States.

Mr. BYRD. Mr. President, I am pleased and proud to announce that the Senate Judiciary Committee, of which I am a member, has reported out S. Res. 352, which establishes the Commission on the Bicentennial of the United States Senate.

This commission was called for in the recommendations of the study group on the commemoration of the United States Senate bicentenary in 1982. And now it is close to becoming reality.

In my remarks on February 26, at the time I introduced S. Res. 352, I outlined the numerous and various projects both planned and already underway to celebrate the bicentenntial of the Senate. These projects include valuable and important publications, restoration projects, and commemoration ceremonies.

It is appropriate that we take such actions to recognize the creation of the American Government. Under the system of Government created by our Founding Fathers during the Constitutional Convention of 1787, and inaugurated in 1789, this Nation has grown from 13 badly divided and underdeveloped States into the premier world power, and the wealthiest and most influential nation in the world. And yet, our form of government remains remarkably close to the system of government devised by the framers of the Constitution in Philadelphia 200 years ago.

As I said when introducing the resolution to create the commission, the continuation of our National Government and the preservation of our rights and freedoms under that Government have served as an inspiration to the world. We cannot forget, or take for granted, those accomplishments. It is proper that we begin now to commemorate them with the thoughtful deliberation and dignity that are in keeping with the best traditions of the U.S. Senate.

The establishment of this commission will be a major force and factor in ensuring these goals. For, as the resolution states, the purpose of the commission will be:

To coordinate ceremonial events and related activities as appropriate * * * [and] oversee the development of projects and activities as outlined in the final report of the study group on the commemoration of the United States Senate bicentenary. It shall seek to coordinate Senate bicentennial activities with related organizations outside the Senate, including the Commission on the United States House of Representatives Bicentenary and the Commission on the Bicentennial of the United States Constitution.

I hope that the Senate will move swiftly to accept this report in order that we may begin planning for the celebration of this very significant event in the history of our Nation and the world.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 352) was agreed to

The preamble was agreed to.

The resolution, with the preamble, is as follows:

S. RES. 352

Whereas the Senate of the United States in the year 1989 will celebrate the two hundredth anniversary of its establishment under the Constitution;

Whereas the Senate's historical development has been inextricably bound to the development of our national heritage of individual liberty, representative government, and the attainment of equal and inalienable rights;

Whereas it is appropriate and desirable to provide for the observation and commemoration of this anniversary;

Whereas the Study Group on the Commemoration of the United States Senate Bicentennary in 1982 recommended a "coordinated program of publications, ceremonial events, conferences, and a film to inform the Nation on the role of the Senate" to be undertaken within the Office of the Secretary of the Senate by the Senate Historical Office and the Office of the Senate Curator; and

Whereas the Study Group further recommended that the Senate on the eve of the one hundredth Congress might "wish to establish a special bicentennial commission to coordinate specific activities of the bicentennial period 1987-1989": Now, therefore, be it

Resolved, That there is hereby established a Commission on the Bicentennial of the United States Senate (hereafter in this resolution referred to as the "Commission") to coordinate ceremonial events and related activities as appropriate.

SEC. 2. The Commission shall be composed of the following members:

(1) the President pro tempore of the Senate;

(b) the majority leader and minority leader of the Senate;

(c) two Members of the Senate to be appointed by the majority leader; and

(d) two Members of the Senate to be appointed by the minority leader.

SEC. 3. The majority leader shall designate one of the members of the Commission to serve as Chairman of the Commission, and the minority leader shall designate one of the members of the Commission to serve as Vice Chairman of the Commission. Four members of the Commission shall constitute a quorum for the transaction of business.

SEC. 4. Any vacancy in the membership of the Commission shall be filled in the same manner as the original appointment.

SEC. 5. The Commission shall oversee the development of projects and activities as outlined in the Final Report of the Study Group on the Commemoration of the United States Senate Bicentennary. It shall seek to coordinate Senate bicentennial activities with related organizations outside the Senate, including the Commission on the United States House of Representatives Bicentennary and the Commission on the Bicentennial of the United States Constitution.

SEC. 6. The Commission shall be staffed by the Senate Historical Office and the Office of Senate Curator, under the jurisdiction of the Secretary of the Senate, and with the assistance of the United States Senate Commission on Art and Antiquities.

SEC. 7. The routine administrative expenses of the Commission shall be paid from the Contingent Fund of the Senate, out of the account of Miscellaneous Items, upon vouchers approved by the Chairman of the Commission. For any fiscal year, not more than $100,000 shall be expended for such purposes.

SEC. 8. The Commission shall seek to assemble a private sector task force to explore ideas and funding from private sources for appropriate projects to commemorate the bicentennial.

SEC. 9. The Commission may submit periodic reports on its activities to the Senate and shall submit a final report at the time of its termination.

SEC. 10. The Commission shall cease to exist at the end of the one hundred and first Congress, unless otherwise provided by law or resolution.

SENIOR CENTER WEEK

The joint resolution (S.J. Res. 281) to designate the week of May 11 through May 17, 1986, as "Senior Center Week," was considered, ordered to be engrossed for a third reading, read the third time and passed.

The preamble was agreed to.

The joint resolution, and the preamble, are as follows:

S.J. RES 281

Whereas senior centers act as a catalyst for mobilizing the creativity, energy, vitality, and commitment of older Americans to help themselves and others in their communities;

Whereas, through their wide array of services, programs, and activities, senior centers empower older Americans to contribute to their own health and well-being and to the health and well-being of their fellow citizens of all ages;

Whereas senior centers foster a philosophy of independence, self-reliance, and community spirit, thereby representing another expression of American ingenuity, determination, self-help, and neighborliness;

Whereas the month of May has historically been proclaimed as Older Americans Month, as a time to recognize our rich treasury of older Americans; and

Whereas the national theme for Senior Center Week shall be "Senior Centers are Wellness Centers": Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the second week of May, May 11 through May 17, 1986, be designated as "Senior Center Week" calling upon the people of the United States to recognize the special contributions of senior centers and their participants, and the special efforts of senior center staff and volunteers who work every day to enhance the well-being of older persons in communities throughout the country.

BETTER HEARING AND SPEECH MONTH

The joint resolution (S.J. Res. 284) to designate the month of May 1986, as "Better Hearing and Speech Month," was considered, ordered to be engrossed for a third reading, read the third time and passed.

The preamble was agreed to.

The joint resolution, and the preamble, are as follows:

S.J. RES. 284

Whereas more than fifteen million Americans, of all ages experience some form of hearing impairment, ranging from mild hearing loss to profound deafness;

Whereas more than ten million Americans of all ages experience some form of speech or language impairment;

Whereas the deaf, hard of hearing, and speech or language impaired have made significant contributions to society in virtually every occupational category and profession;

Whereas those with communication disorders continue to encounter impediments and obstacles which limit their education and employment opportunities; and

Whereas the remaining barriers which prevent the communicatively handicapped from fulfilling their potential must be recognized and eliminated.

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the month of May 1986 is designated "Better Hearing and Speech Month" and the President is requested to issue a proclamation calling upon the people of the United States to observe such month with appropriate ceremonies and activities.

RECOGNIZING AND HONORING THE 350 YEARS OF SERVICE OF THE NATIONAL GUARD

The joint resolution (S.J. Res. 300) to recognize and honor 350 years of service of the National Guard, was considered, ordered to be engrossed for a third reading, read the third time and passed.

The preamble was agreed to.

The joint resolution, and the preamble, are as follows:

S.J. RES. 300

Whereas three hundred and fifty years ago, the first settlers organized militia units to defend their property and lives, establishing the tradition of the citizen-soldier in the United States;

Whereas citizen-soldiers evolved into the National Guard and have answered the call to duty in virtually every conflict in which the United States has been involved; and

Whereas the National Guard has always been ready to serve by saving lives and property when disaster has struck in peacetime: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the Congress recognizes the National Guard for three hundred and fifty years of service, and honors the Army and Air National Guard for services rendered to communities, to States, and to our Nation.

FAIR HOUSING MONTH

The joint resolution (S.J. Res. 303) to designate April 1986 as "Fair Housing Month," was considered, ordered to be engrossed for a third reading, read the third time and passed.

The preamble was agreed to.

The joint resolution, and the preamble, are as follows:

S.J. RES. 303

Whereas the year 1986 marks the eighteenth anniversary of the passage of title VIII of the Civil Rights Act of 1968, commonly referred to as the "Fair Housing Act", declaring a national policy to provide fair housing throughout the United States;

Whereas the Federal Fair Housing Act prohibits discrimination in housing on the basis of race, color, religion, sex, or national origin;

Whereas fairness is the foundation of our way of life and reflects the best of our traditional American values;

Whereas invidious discriminatory housing practices undermine the strength and vitality of America and the American people; and

Whereas in this eighteenth year since the passage of the Fair Housing Act, all Americans must work to continue to improve the Fair Housing Act by strengthening enforcement provisions, by extending the protections of the Act to all our citizens, by assuring there are no victims of discriminatory housing practices, and by making the ideal of fair housing a reality: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is authorized and requested to issue a proclamation designating April as "Fair Housing Month" and to invite the Governors of the several States, the chief officials of local governments, and the people of the United States to observe the month with appropriate ceremonies and activities.

NATIONAL ADOPTION WEEK

The joint resolution (S.J. Res. 306) to designate the week beginning November 23, 1986, as "National Adoption Week," was considered, ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was agreed to.

The joint resolution, and the preamble, are as follows:

S.J. RES. 306

Whereas the week of November 23 has been commemorated as "National Adoption Week" for the past ten years;

Whereas we in Congress recognize the essential value of belonging to a secure, loving permanent family as every child's basic right;

Whereas approximately fifty thousand children who have special needs—school age, in sibling groups, members of minorities, or children with physical, mental, and emotional handicaps—are now in foster care or institutions financed at public expense and are legally free for adoption;

Whereas the adoption by capable parents of these institutionalized or foster care children into permanent, adoptive homes would insure the opportunity for their continued happiness and long-range well-being;

Whereas public and private barriers inhibiting the placement of these special needs children must be reviewed and removed where possible to assure these children's adoption;

Whereas the public and prospective parents must be informed of the availability of adoptive children;

Whereas a variety of media, agencies, adoptive parent and advocacy groups, civic and church groups, businesses, and industries will feature publicity and information to heighten community awareness of the crucial needs of waiting children; and

Whereas the recognition of Thanksgiving week as "National Adoption Week" is in the best interest of adoptable children and the public in general: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the week of November 23 through November 29, 1986, hereby is designated "National Adoption Week", and the President of the United States is authorized and requested to issue a proclamation calling upon the people of the United States to observe such week with appropriate ceremonies and activities.

NATIONAL CARPET AND FLOOR COVERING WEEK

The Senate proceeded to consider the joint resolution (S.J. Res. 307) to authorize and request the President to designate the week of April 18, 1986, through April 27, 1986, as "National Carpet and Floor Covering Week."

Mr. MATTINGLY. Mr. President, a rapidly changing global economic environment is forcing U.S. producers to increasingly compete against unfairly subsidized or dumped foreign goods and foreign trade barriers that discriminate against U.S. exports. As Congress considers responses to the current international trade climate, it is appropriate to recognize a sector of a beleaguered U.S. industry that has met today's challenges and has managed to maintain its competitive position. I am referring to that portion of the U.S. textile industry devoted to the manufacture of carpet and other floorcovering. The carpet and floor covering industry fully realizes the value, indeed the necessity, of technological innovation and improved efficiency. American-made carpets, rugs, and floorcoverings are able to compete successfully on the merits of their product thanks to state-of-the-art production and aggressive marketing and promotional strategies. I applaud the efforts and success of this industry and urge my colleagues to support Senate Joint Resolution 307 to designate the week of April 18, 1986, through April 27, 1986, as "National Carpet and Floor Covering Week."

The joint resolution (S.J. Res. 307) was considered, ordered to be engrossed for a third reading, read the third time and passed.

The preamble was agreed to.

The joint resolution, and the preamble, are as follows:

S.J. RES. 307

Whereas since its founding more than two hundred years ago, this Nation has promoted the concept of prosperity through a free enterprise system;

Whereas American business has traditionally prospered and flourished through fair pursuit of free enterprise, but finds itself now beset by increased unfair competition from overseas;

Whereas American carpet and floorcovering producers represent one of the last remaining areas of strength for the United States textile industry;

Whereas in the spirit of marketing and promotion that has helped make the United States the world's premier industrial power, an unprecedented national promotional effort is to be made in conjunction with "National Carpet and Floorcovering Week," April 18 through April 27, 1986;

Whereas this annual event has become known as the United States largest carpet and floorcovering event showcasing the enormous variety and excellent quality of goods offered by American fiber producers, mills, distributors, and retailers;

Whereas these efforts have been specifically designed to bring to the consumers' attention the vast array of American floorcovering products on the market and to heighten public awareness as to the design and fashion uses of American floorcoverings; and

Whereas it is only with resourcefulness, determination, and perseverance similar to that shown by the American carpet and floorcovering producers that United States industry can continue to meet the demands and needs of the world's consumers in what are increasingly competitive national and international marketplaces: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President of the United States is authorized and requested to issue a proclamation designating April 18, 1986, through April 27, 1986, as "National Carpet and Floorcovering Week," and calling upon the people of the United States to observe that week with appropriate programs and activities.

NATIONAL INTELLIGENCE COMMUNITY WEEK

The joint resolution (S.J. Res. 309) to designate the week of June 1, 1986, through June 7, 1986, as "National Intelligence Community Week," was considered, ordered to be engrossed for a third reading, read the third time and passed.

The preamble was agreed to.

The joint resolution, and the preamble, are as follows:

S.J. RES. 309

Whereas the work of the men and women of the intelligence community is essential to the national security of the United States and to the cause of freedom and democracy throughout the world;

Whereas the dedication of the men and women of the intelligence community to the service of their country in difficult and dangerous circumstances abroad, and in arduous intellectually challenging analytical assignments at home, is deserving of special recognition by the Senate and House of Representatives of the United States;

Whereas efforts should be made to foster an understanding and appreciation on the part of the American people that intelligence is the first line of national defense and that an effective intelligence capability is vital to the safety and well being of the United States; and

Whereas it is particularly appropriate to recognize the continuing contribution of our intelligence officers during the week of the anniversary of the birth of Nathan Hale, an early patriot, hero, and practitioner of American intelligence, who symbolizes the selfless dedication of our Nation's intelligence personnel: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,

That the week beginning June 1, 1986, through June 7, 1986, is hereby designated as "National Intelligence Community Week", and the President is authorized and requested to issue a proclamation calling upon the people of the United States to recognize the week of June 1, 1986, through June 7, 1986, as "National Intelligence Community Week".

OLDER AMERICANS MONTH

The Senate proceeded to consider the joint resolution (S.J. Res. 315) designating May 1986, as "Older Americans Month."

(By request of Mr. DOLE, the following statement was ordered to be printed in the RECORD:)

● Mrs. HAWKINS. Mr. President, today, I am joined in my sponsorship of Senate Joint Resolution 315 proclaiming May 1986, as "Older Americans Month" by over 30 of my colleagues. From as early as 1950, States have chosen May as the month to commemorate the contributions of our senior citizens through special local activities, programs, and ceremonies. In 1963, Older American's Month was nationally observed—and has been recognized since that time. Honoring our senior citizens, who give so much to our society, has become an important May tradition.

During Older Americans Month, we take time to consider all that older adults add to the richness of our individual lives and the life of our Nation. We must not forget the deeds and experiences of older Americans, many of whom have survived the Great Depression, defended our democratic society in times of war, and worked and sacrificed to shape our Nation's land and industry.

My home State of Florida has the largest number of senior citizens per capita in the Nation. Our climate is warm, opportunities abound, and Florida has become the "Venice" for a great number of this Nation's retiring and senior citizens. May I add that Florida has greatly benefited from the expertise and wisdom of senior citizens with a wide range of experiences and knowledge.

Last year Florida instituted a variety of innovative programs highlighting the contributions of our senior citizens. There were senior fairs offering everything from dancing, to fashion shows, to blood pressure and hearing testing. Senior citizens were encouraged to write and participate in theatrical performances. Quality-crafted quilts and other crafts from seniors were displayed in public buildings. And senior centers conducted marriage renewal celebrations for those celebrating their golden wedding anniversaries. Fast food chains offered bumper stickers and trayliners praising the elderly. And one poster portraying seniors in their exercise class stated, "Don't be a Senior Sit-i-zen."

Most people may not be aware that at age 100, Grandma Moses was still painting. That at 81, Benjamin Franklin effected the compromise that led to the adoption of the U.S. Constitution. That at 90 Pablo Picasso was producing drawings and engravings. And that at 89 Albert Schweitzer directed a hospital in Africa.

A little closer to home, our President Ronald Reagan is 73 years old. Supreme Court Justice William Brennan,

Jr., is 78, and runner Johnny Kelley, 76, has competed in 53 Boston marathons.

Mr. President, our Nation's senior citizens have so much to contribute to the future of this country. I hope and pray that throughout the month of May all of us will realize their significance as the purveyors of values, knowledge, and our culture.●

The joint resolution (S.J. Res. 315) was considered, ordered to be engrossed for a third reading, read the third time and passed.

The preamble was agreed to.

The joint resolution, and the preamble, are as follows:

S.J. RES. 315

Whereas older Americans have contributed many years of service to their families, their communities, and the Nation;

Whereas the population of the United States is comprised of a large percentage of older Americans representing a wealth of knowledge and experience;

Whereas older Americans should be acknowledged for the contributions they continue to make to their communities and the Nation; and

Whereas many States and communities acknowledge older Americans during the month of May: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That in recognition of the traditional designation of the month of May as "Older Americans Month" and the repeated expression by the Congress of its appreciation and respect for the achievements of older Americans and its desire that these Americans continue to play an active role in the life of the Nation, the President is directed to issue a proclamation designating the month of May 1986 as "Older Americans Month" and calling on the people of the United States to observe this month with appropriate programs, ceremonies, and activities.

NATIONAL AIR TRAFFIC CONTROL DAY

The joint resolution (S.J. Res. 188) to designate July 6, 1986, as "National Air Traffic Control Day," was considered, ordered to be engrossed for a third reading, read the third time and passed.

The amendments to the preamble were agreed to.

The preamble, as amended, was agreed to.

The joint resolution, and the preamble, as amended, are as follows:

S.J. RES. 188

Whereas July 6, 1986, marks the fiftieth anniversary of the establishment, by the United States Bureau of Air Commerce, of an airways traffic control system to assure adequate spacing between airplanes flying along established air routes and to prevent congestion at airports;

Whereas the volume of traffic using the United States Airspace System has increased one hundred eighty-fold from two hundred-ninety-four thousand five hundred twenty-eight en route flight movements in 1938, to fifty-three million three hundred twenty thousand nine hundred thirty-one total air route traffic movements in 1983;

Whereas the safety, efficiency, and technical sophistication of the United States National Airspace System is now unparalleled in the world, and the preeminence of the United States in pioneering the technology of air traffic control is universally recognized, and emulated, by other nations throughout the world;

Whereas this Nation's civil and military air traffic control personnel daily guide unprecedented volumes of traffic safely and efficiently through the National Airspace System; and

Whereas in order to increase public awareness of the excellence and preeminence of the United States National Airspace System, and because the people of the United States desire to express their gratitude and respect to the pioneers of the technology of air traffic control, and the air traffic control personnel—past and present—who have dedicated their lives and careers to development, safety, and efficiency of the National Airspace System: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That July 6, 1986, is designated as "National Air Traffic Control Day". The President is requested to issue a proclamation calling upon the people of the United States and upon interested associations and organizations to observe such a day with appropriate ceremonies and activities.

NATIONAL ELKS VETERANS REMEMBRANCE MONTH

The Senate proceeded to consider the joint resolution (S.J. Res. 199) to designate the month of November 1985 as "National Elks Veterans Remembrance Month," which had been reported from the Committee on the Judiciary, with an amendment:

On page 3, line 3, strike "1985", and insert "1986"

The amendment was agreed to.

The joint resolution was ordered to be engrossed for a third reading, read the third time, and passed.

The amendment to the preamble was agreed to.

The preamble, as amended, was agreed to.

The title was amended so as to read "Joint resolution to designate the month of November 1986 as 'National Elks Veterans Remembrance Month'."

The joint resolution, as amended, and the preamble, as amended, is as follows:

S.J. RES. 199

Whereas there are one million, six hundred and fifty thousand members of the Benevolent and Protective Order of Elks, assembled in fifty State groups;

Whereas the fraternal and benevolent society, founded in 1868, has demonstrated a strong commitment to the veterans of the Nation;

Whereas the pledge of the Elks National Service Commission first made in 1946, remains, "So long as there are veterans in our hospitals, the Benevolent and Protective Order of Elks will never forget them.";

Whereas the Elks and the Ladies Auxiliaries of the Elks provide many services and programs to hospitalized veterans;

Whereas the Elks National Service Commission provides volunteer services and assistance in all one hundred and seventy-two Veterans' Administration medical centers, and nursing homes and domiciliaries;

Whereas in addition to providing entertainment, occupational therapy assistance, and comfort to hospitalized veterans, the Elks have given financial support to hospital committees and have engaged in recruitment activities for the Armed Services;

Whereas the numerous contributions of the Benevolent and Protective Order of Elks on behalf of the veterans of the Nation deserve greater public recognition and awareness; and

Whereas recognition of the Elks by the Congress and President throught enactment of legislation declaring the month of November 1986 as "National Elks Veterans Remembrance Month", would serve to create greater public recognition and awareness of the contributions of the fraternal society, to express the appreciation of the Nation for the service of the Elks, to inspire more responsive care to veterans of the Nation, and to reinforce that duty to American veterans is the responsibility of all: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the month of November 1986 is designated as "National Elks Veterans Remembrance Month", and the President is authorized and requested to issue a proclamation calling upon all citizens, community leaders, interested organizations, and Government officials to observe such month with appropriate programs, ceremonies, and activities.

Mr. RUDMAN. Mr. President, I move to reconsider the vote by which the various measures were passed or agreed to.

Mr. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

JUDICIAL IMPROVEMENTS ACT

Mr. RUDMAN. Mr. President, I would inquire of the Democratic leader whether he is prepared to move to Calendar Order No. 572, H.R. 3570.

Mr. BYRD. Mr. President, the Calendar Order No. 572 has been cleared on this side. We are ready to proceed.

Mr. RUDMAN. I thank my friend.

Mr. President, I ask unanimous consent that the Senate turn to Calendar No. 572, H.R. 3570, to improve Federal Justices and Judges Survivors' Annuity Program.

The PRESIDING OFFICER. The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (H.R. 3570) to amend title 28, United States Code, to reform and improve the Federal justices and judges survivors annuities program, and for other purposes.

The Senate proceeded to consider the bill, which had been reported from the Committee on the Judiciary, with amendments, as follows:

(The parts of the bill intended to be stricken are shown in boldface brack-

ets, and the parts of the bill intended to be inserted are shown in italic.)

H.R. 3570

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Judicial Improvements Act of 1985".

SEC. 2. JUDICIAL SURVIVORS' ANNUITIES AMENDMENTS.

(a) BENEFIT REFORMS.—Section 376 of title 28, United States Code, is amended as follows:

(1) Subsection (a)(1) is amended by striking out "or (iii) the date upon which the Judicial Survivors' Annuities Reform Act becomes effective;" and inserting in lieu thereof "(iii) January 1, 1977; or (iv) January 1, 1986;".

(2) Subsections (b) and (d) are each amended by striking out "4.5 percent" each place it appears and inserting in lieu thereof "5 percent".

(3) Subsection (c) is amended to read as follows:

"(c)(1) There shall also be deposited to the credit of the Judicial Survivors' Annuities Fund, in accordance with such procedures as the Comptroller General of the United States may prescribe, amounts required to reduce to zero the unfunded liability of the Judicial Survivors' Annuities [Fund]. *Fund; Provided, That such amounts shall not exceed the equivalent of 9 percent of salary or retirement salary.* Such deposits shall, subject to appropriation Acts, be taken from the fund used to pay the compensation of the judicial official, and shall immediately become an integrated part of the Judicial Survivors' Annuities Fund for any use required under this section.

"(2) For purposes of paragraph (1), the term 'unfunded liability' means the estimated excess, [determined by the Comptroller General on an annual basis,] *determined on an annual basis in accordance with the provisions of section 9503 of title 31, United States Code,* of the present value of all benefits payable from the Judicial Survivors' Annuities Fund, over the sum of—

"(A) the present value of deductions to be withheld from the future basic pay of judicial officials; plus

"(B) the balance in the Fund as of the date the unfunded liability is determined.

In making any determination under this paragraph, the Comptroller General shall use the applicable information contained in the reports filed pursuant to section 9503 of title 31, United States Code, with respect to the judicial survivors' annuities plan established by this section.

"(3) There are authorized to be appropriated such sums as may be necessary to carry out this subsection.".

(3) Subsection (h) is amended—

(A) in paragraph (1)(B), by striking out clauses (i) and (ii) and inserting in lieu thereof the following:

"(i) 10 percent of the average annual salary determined under subsection (1)(1) of this section; or

"(ii) 20 percent of such average annual salary, divided by the number of children;";

(B) in paragraph (1)(C) by striking out clauses (ii) and (iii) and inserting in lieu thereof the following:

"(ii) 20 percent of the average annual salary determined under subsection (l)(1) of this section; or

"(iii) 40 percent of such average annual salary amount, divided by the number of children;"; and

(C) in paragraph (2) by inserting immediately after "remarriage" the following: "before attaining age 55".

(4) Subsection (l) is amended—

(A) by striking out "1¼ percent" and inserting in lieu thereof "1.5 percent";

(B) in paragraph (2) by striking out the colon after "subsection" and inserting in lieu thereof a semicolon; and

(C) by striking out the proviso and inserting in lieu thereof the following: "except that such annuity shall not exceed an amount equal to [55] *50* percent of such average annual salary, nor be less than an amount equal to [30] *25* percent of such average annual salary. Any annuity determined in accordance with the provisions of this subsection shall be reduced to the extent required by subsection (d) of this section.".

[(5) Subsection (a) is amended—

[(A) in paragraph (1)(C) by inserting "or Deputy Director" immediately after "Director"; and

[(B) in paragraph (2)(C) by inserting "or Deputy Director" immediately after "Director".]

(b) BENEFICIARIES.—The benefits conferred by section 376 of title 28, United States Code, by reason of the amendments made by this section shall apply only to individuals who become eligible for annuities under such section on or after the effective date of this section, except that—

(1) such annuities shall be computed in accordance with the provisions of section 376 of title 28, United States Code, as amended by this section, notwithstanding contributions or deposits made in accordance with applicable law at lower rates; and

(2) no additional liability shall be created with respect to deposits made in accordance with applicable law before the effective date of this section, or after such effective date pursuant to an agreement entered into before such effective date.

(c) REVOCATION.—(1) Within 180 days after the effective date of this section, any judicial official who, before such effective date, made an election under section 376 of title 28, United States Code, to come within the purview of that section, shall be entitled to revoke that election. Such revocation shall constitute a complete withdrawal from the judicial survivors' annuities program provided for in such section 376. No such revocation shall be effective unless it is submitted in writing to the Director of the Administrative Office of the United States Courts, and until such writing is received by the Director. Upon receipt by the Director of such writing, any rights to survivorship benefits for the survivors of such judicial official shall terminate, and all amounts credited to the individual account of such judicial official under section 376(e), together with interest at 3 percent per annum, compounded on December 31 of each year to such date of revocation, shall be returned to that judicial official in a lump-sum payment.

(2) Any judicial official who makes a revocation under paragraph (1) of this subsection and who thereafter becomes eligible to make an election under section 376(b) of title 28, United States Code, may make such election only if such judicial official redeposits, to the credit of the Judicial Survivors' Annuities Fund, the full amount of the lump-sum payment made to such judicial official under paragraph (1) of this subsection, together with interest at 3 percent per annum, compounded on December 31 of each year from the date of such revocation until the date upon which that amount is so redeposited.

(3) Any judicial official who fails to revoke an election in accordance with paragraph (1) of this subsection shall be deemed to have irrevocably waived the right to make that revocation.

(d) ANNUITIES FOR FORMER SPOUSES.—

(1) Section 376 of title 28, United States Code, is amended in subsection (a)—

(A) by striking out the period at the end of paragraph (5) and inserting in lieu thereof "; and"; and

(B) by adding at the end the following new paragraph:

"(6) 'former spouse' means a former spouse of a judicial official if the former spouse was married to such judicial official for at least 9 months.".

(2) Section 376 of title 28, United States Code, is amended by adding at the end the following new subsections:

"(s) A judicial official who has a former spouse may elect, under procedures prescribed by the Director of the Administrative Office of the United States Courts, to provide a survivor annuity for such former spouse under subsection (t). An election under this subsection shall be made at the time of retirement, or, if later, within 2 years after the date on which the marriage of the former spouse to the judicial official is dissolved. An election under this subsection—

"(1) shall not be effective to the extent that it—

"(A) conflicts with—

"(i) any court order or decree referred to in subsection (t)(1), which was issued before the date of such election, or

"(ii) any agreement referred to in such subsection which was entered into before such date; or

"(B) would cause the total of survivor annuities payable under subsections (h) and (t) based on the service of the judicial official to exceed 55 percent of the average annual salary (as such term is used in subsection (l)) of such official; and

"(2) shall not be effective, in the case of a judicial official who is then married, unless it is made with the spouse's written consent.

The Director of the Administrative Office of the United States Courts shall provide by regulation that paragraph (2) of this subsection may be waived if the judicial official establishes to the satisfaction of the Director that the spouse's whereabouts cannot be determined, or that, due to exceptional circumstances, requiring the judicial official to seek the spouse's consent would otherwise be inappropriate.

"(t)(1) Subject to paragraphs (2) through (4) of this subsection, a former spouse of a deceased judicial official is entitled to a survivor annuity under this section if and to the extent expressly provided for in an election under subsection (s), or in the terms of any decree of divorce or annulment or any court order or court-approved property settlement agreement incident to such decree.

"(2) The annuity payable to a former spouse under this subsection may not exceed the difference between—

"(A) the maximum amount that would be payable as an annuity to a widow or widower under subsection (l), determined without taking into account any reduction of such annuity caused by payment of an annuity to a former spouse; and

"(B) the amount of any annuity payable under this subsection to any other former spouse of the judicial official, based on an election previously made under subsection (s), or a court order previously issued.

"(3) The commencement and termination of an annuity payable under this subsection shall be governed by the terms of the applicable order, decree, agreement, or election, as the case may be, except that any such annuity—

"(A) shall not commence before—

"(i) the day after the judicial official dies, or

"(ii) the first day of the second month beginning after the date on which the Director of the Administrative Office of the United States Courts receives written notice of the order, decree, agreement, or election, as the case may be, together with such additional information or documentation as the Director may prescribe,

whichever is later, and

"(B) shall terminate no later than the last day of the month before the former spouse remarries before becoming 55 years of age or dies.

"(4) For purposes of this section, a modification in a decree, order, agreement, or election referred to in paragraph (1) of this subsection shall not be effective—

"(A) if such modification is made after the retirement of the judicial official concerned, and

"(B) to the extent that such modification involves an annuity under this subsection.".

(3)(A) Subsection (l) of section 376 of title 28, United States Code, (as amended by subsection (a)(4)(C) of this section) is amended by striking out the period at the end of the last sentence and by adding at the end the following: ", and by the amount of any annuity payable to a former spouse under subsection (t)."

(B) Subsection (n) of section 376 of such title is amended in the last sentence by inserting after "equity," the following: "except as provided in subsections (s) and (t),".

(C) Subsection (o) of section 376 of such title is amended in paragraphs (2) and (3) by inserting "or (t)" after "subsection (h)" each place it appears.

(4) Payments of retirement salary as defined in section 376(a)(2) of title 28, United States Code, which would otherwise be made to the judicial official upon whose service the retirement salary is based, shall be paid (in whole or in part) to another person if and to the extent expressly provided for in the terms of any court decree of divorce, annulment, or legal separation, or the terms of any court order or court-approved property settlement agreement incident to any court decree of divorce, annulment, or legal separation. Any payment under this paragraph to a person bars recovery by any other person. This paragraph shall apply only to payments made after the date of receipt by the Director of the Administrative Office of United States Courts of written notice of such decree, order, or agreement, and such additional information and documentation as the Director may prescribe. As used in this paragraph, "court" means any court of any State or the District of Columbia.

(e) CREDITABLE SERVICE.—Section 376(k)(1) of title 28 is amended by deleting the phrase "subsection (b) of".

[(e)] *(f)* EFFECTIVE DATE.—This section shall take effect on October 1, 1986.

SEC. 3. REMOVAL JURISDICTION.

(a) SECTION 1441 AMENDMENT.—Section 1441 of title 28, United States Code, is amended by adding at the end the following new subsection:

"(e) The court to which such civil action is removed is not precluded from hearing and determining any claim in such civil action because the State court from which such civil action is removed did not have jurisdiction over that claim.".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply with respect to claims in civil actions commenced in State courts on or after the date of the enactment of this section.

[SEC. 4. TRAVEL EXPENSES OF JUSTICES AND JUDGES.

[(a) SECTION 456 AMENDMENT.—Section 456(a) of title 28, United States Code, is amended by striking out "for any continuous period" and all that follows through the end of the subsection and inserting in lieu thereof the following: "(1) all necessary transportation expenses; and (2) a per diem allowance for travel at the rate which the Director establishes not to exceed the maximum per diem allowance fixed by section 5702(a) of title 5, or actual and necessary expenses of subsistence actually incurred, notwithstanding the provisions of section 5702 of title 5, United States Code, in accordance with regulations which the Director shall prescribe with the approval of the Judicial Conference of the United States. In determining necessary expenses, the Director shall take into account the reasonable costs of transportation and subsistence generally incurred for travel to the geographic area involved.".

[(b) EFFECTIVE DATE.—The amendment made by this section shall take effect on October 1, 1986.]

SEC. [5.] *4.* COLLECTION OF FEES FOR THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF COLUMBIA.

(a) SECTION 1914 AMENDMENT.—Section 1914 of title 28, United States Code, relating to district court fees, is amended by striking out subsection (d).

(b) AMENDMENTS TO DISTRICT OF COLUMBIA CODE.—

(1) Section 15-701(a) of the District of Columbia Code, relating to compensation taxed as costs, is amended by striking out "clerk of the United States District Court for the District of Columbia,".

(2) Section 15-702 of such code, relating to docket fees, is amended—

(A) by striking out "(a)" and all that follows through "(b)"; and

(B) by striking out the section heading and inserting in lieu thereof the following:

"§ 15-702. Attorney fees taxed as costs"

(3) Section 15-703 of such code, relating to deposit and security for costs, is amended—

(A) by striking out "(a)" and all that follows through "(b)" and inserting in lieu thereof "(a)";

(B) in the undesignated paragraph by inserting "(b)" immediately before "A nonresident"; and

(C) in the section heading by striking out "Deposit for costs; security" and inserting in lieu thereof "Security".

(4) Section 15-704 of such code, relating to advance payment of costs and fees, is amended—

(A) in subsection (a) by striking out "(a)" and by striking out "the clerk of the United States District Court for the District of Columbia and"; and

(B) by striking out subsection (b).

(5) Section 15-706 of such code, relating to clerk's fees in the United States District Court for the District of Columbia, is hereby repealed.

(6) Section 15-709(a) of such code, relating to fees and costs in Superior Court, is amended by striking out the second sentence.

(7) The table of contents for chapter 7 of title 15 of such code, relating to fees and costs, is amended—

(A) by striking out the item relating to section 15-702 and inserting in lieu thereof

"15-702. Attorney fees taxed as costs."; and

(B) by striking out "Deposit for costs; security" in the item relating to section 15-703 and inserting in lieu thereof "Security".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to any civil action, suit, or proceeding instituted on or after the date of the enactment of this Act.

SEC. [6.] *5.* JUDICIAL REVIEW OF FEDERAL MARITIME COMMISSION AND MARITIME ADMINISTRATION ORDERS.

(a) SECTION 2342 AMENDMENT.—Section 2342(3) of title 28, United States Code, is amended to read as follows:

"(3) all rules, regulations, or final orders of—

"(A) the Secretary of Transportation issued pursuant to section 2, 9, 37, 41 or 43 of the Shipping Act, 1916 (46 U.S.C. App. 839); and

"(B) the Federal Maritime Commission issued pursuant to—

"(i) section 23, 25, or 43 of the Shipping Act, 1916 (46 U.S.C. App. 822, 824, or 841a);

"(ii) section 19 of the Merchant Marine Act, 1920 (46 U.S.C. App. 876);

"(iii) section 2, 3, 4, or 5 of the Intercoastal Shipping Act, 1933 (46 U.S.C. App. 844, 845, 845a, or 845b);

"(iv) section 14 or 17 of the Shipping Act of 1984 (46 U.S.C. App. 1713 or 1716); or

"(v) section 2(d) or 3(d) of the Act of November 6, 1966 (46 U.S.C. App. 817d(d) or 817e(d));".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply with respect to any rule, regulation, or final order described in such amendment which is issued on or after the date of the enactment of this Act.

SEC. [7.] *6.* TECHNICAL AMENDMENTS.

(a) REDESIGNATION OF DUPLICATE SECTIONS.—

(1) TITLE 28 AMENDMENTS.—Chapter 85 of title 28, United States Code, is amended—

(A) in the table of sections by striking out

"1364. Senate Actions.

"1364. Construction of references to laws of the United States or Acts of Congress."

and inserting in lieu thereof the following:

"1365. Senate Actions.

"1366. Construction of references to laws of the United States or Acts of Congress.";

(B) by striking out the section heading

"§ 1364. Senate actions"

and inserting in lieu thereof the following:

"§ 1365. Senate actions"; and

(C) by striking out the section heading

"§ 1364. Construction of references to laws of the United States or Acts of Congress"

and inserting in lieu thereof the following:

"§ 1366. Construction of references to laws of the United States or Acts of Congress".

(2) CONFORMING AMENDMENT.—Section 705(a) of the Ethics in Government Act of 1978 (P.L. 95-521; 2 U.S.C. 288d(a)) is amended by striking out "1364" and substituting "1365".

(b) DELETION OF INCORRECT REFERENCES.—Paragraph (3) of section 620(b) of title 28, United States Code, is amended—

(1) by striking out "referees,"; and

(2) by substituting "magistrates" for "commissioners".

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act.

Mr. RUDMAN. I yield to the Democratic leader.

AMENDMENT NO. 1780

(Purpose: To provide full life insurance coverage for retired Federal judges)

Mr. BYRD. Mr. President, I send an amendment to the desk in behalf of Senator STENNIS and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from West Virginia [Mr. BYRD] for Mr. STENNIS proposes an amendment numbered 1780.

Mr. BYRD. I ask unanimous consent that further reading be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place, add the following new section:

"SEC. . The Bankruptcy Amendments and Federal Judgeship Act of 1984 (98 Stat. 333) is amended as follows:

"(1) section 206 is revised to read as follows:

'SEC. 206. Sections 8706(a), 8714a(c)(1), 8714b(c)(1), and 8714c(c)(1) of title 5, United States Code, are amended to insert immediately after the first sentence in each of those sections a new sentence which reads as follows: 'Justices and judges of the United States described in section 8701(a)(5)(ii) and (iii) of this chapter are deemed to continue in active employment for purposes of this chapter, and

"(2) section 207 is revised to read as follows:

"SEC. 207. The amendments to chapter 87 of title 5, United States Code, made by section 206 of this Act shall apply in the case of any justice or judge who is retired under section 371(a) or 371(b) or 372(a) of title 28, United States Code. The amendments apply to those who retire on or after January 1, 1982.".

Mr. THURMOND. Mr. President, I have offered two amendments to H.R. 3570, the Judicial Improvements Act of 1985. One amendment, offered on behalf of Senator STENNIS, would allow fully retired Federal judges to continue to carry the full amount of their regular and optional life insurance, without diminution beginning at age 65. The premiums would be deducted from their salaries. This provision was part of the Bankruptcy Amendments and Federal Judgeship Act of 1984 (P.L. 98-353); 98 Stat. 350), which was enacted into law on July 10, 1984. Several judges made career decisions based on the original amendment; however, the Office of Personnel Management later interpreted the language to have no effect at all.

It ruled that the amendment only clarified who an "employee" is for purposes of insurance coverage under title 5 of the United States Code. Consequently, the judges who retired after July 1984, in the expectation of carrying over their full insurance coverage, were thwarted. Subsequently, two lawsuits were filed, *Winner* v. *Cornelius*, C.A. No. 85-LW-1103 (USDC Colo., July 22, 1985), and *Moynahan* v. *United States*, C.A. No. 85-147 (USDC E.D.Ky., September 20, 1985). In both cases congressional intent was upheld. The Office of Personnel Management does not intend an appeal. This amendment will provide a legislative clarification of the intent of Congress in the 1984 amendment.

Only two retired judges are living today who are not covered by the amendment passed in 1984. This amendment, by making the effective date January 1, 1982, would allow both of these judges to take advantage of this option which currently is available to all of the other retired Federal judges.

The second amendment is purely technical. It lists the citations to the United States Code of rules, regulations or final orders of the Secretary of Transportation which are subject to judicial review in the U.S. Courts of Appeals.

Mr. President, I understand there is no objection to either of these amendments and I urge their adoption.

The PRESIDING OFFICER (Mr. GRAMM). The question is on agreeing to the amendment.

The amendment (No. 1780) was agreed to.

Mr. BYRD. I move to reconsider the vote.

Mr. RUDMAN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 1781

(Purpose: Technical provision)

Mr. RUDMAN. Mr. President, I send an amendment to the desk in behalf of Senator THURMOND and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from New Hampshire [Mr. RUDMAN], for Mr. THURMOND, proposes an amendment numbered 1781.

On page 16, line 2 delete "or" and insert in lieu thereof: "and".

On page 16, line 3, delete "(46 U.S.C. App. 839);" and insert in lieu thereof: "(46 U.S.C. App. 802, 803, 808, 835, 839 and 841(a));".

Mr. RUDMAN. Mr. President, if there is no further debate, I move the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 1781) was agreed to.

Mr. RUDMAN. I move to reconsider the vote.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. RUDMAN. I ask unanimous consent that the committee amendment in the nature of a substitute, as amended, be agreed to.

The PRESIDING OFFICER. If there be no further amendment to be proposed, the question is on agreeing to the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute as amended was agreed to.

The PRESIDING OFFICER. The question is on the engrossment of the committee amendment, as amended and the third reading of the bill.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed.

Mr. RUDMAN. I move to reconsider the vote.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. RUDMAN. Mr. President, I ask my friend, the Democratic leader, if he is ready to move forward on a House message number on S. 1282.

Mr. BYRD. Mr. President, there is no objection.

HEALTH SERVICES AMENDMENTS ACT OF 1986

Mr. RUDMAN. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on S. 1282.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

Resolved, That the bill from the Senate (S. 1282) entitled "An Act to revise and extend provisions of the Public Health Service Act relating to primary care", do pass with the following amendments:

Strike out all after the enacting clause, and insert:

SECTION 1. SHORT TITLE: REFERENCE TO ACT.

(a) SHORT TITLE.—This Act may be cited as the "Health Services Amendments Act of 1986".

(b) REFERENCE TO ACT.—Whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or a repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Public Health Service Act.

SEC. 2. MEDICALLY UNDERSERVED POPULATIONS.

Section 330(b) (42 U.S.C. 254c(b)) is amended—

(1) by striking out the second, third, fourth, and fifth sentences of paragraph (3); and

(2) by adding at the end thereof the following:

"(4) In carrying out paragraph (3), the Secretary shall by regulation prescribe criteria for determining the specific shortages of personal health services of an area or population group. Such criteria shall—

"(A) take into account comments received by the Secretary from the chief executive officer of a State and local officials in a State; and

"(B) include infant mortality in an area or population group, other factors indicative of the health status of a population group or residents of an area, the ability of the residents of an area or of a population group to pay for health services and their accessibility to them, and the availability of health professionals to residents of an area or to a population group.

"(5) The Secretary may not designate a medically underserved population in a State or terminate the designation of such a population unless, prior to such designation or termination, the Secretary provides reasonable notice and opportunity for comment and consults with—

"(A) the chief executive officer of such State;

"(B) local officials in such State; and

"(C) the State organization, if any, which represents a majority of community health centers in such State.

"(6) The Secretary may designate a medically underserved population that does not meet the criteria established under paragraph (4) if the chief executive officer of the State in which such population is located and local officials of such State recommend the designation of such population based on unusual local conditions which are a barrier to access to or the availability of personal health services.".

SEC. 3. MEMORANDUM OF AGREEMENT.

Section 330 (42 U.S.C. 254c) is amended by redesignating subsection (h) as subsection (i) and by inserting after subsection (g) the following new subsection:

"(h) In carrying out this section, the Secretary may enter into a memorandum of agreement with a State. Such memorandum may include, where appropriate, provisions permitting such State to—

"(1) analyze the need for primary health services for medically underserved populations within such State;

"(2) assist in the planning and development of new community health centers;

"(3) review and comment upon annual program plans and budgets of community health centers, including comments upon allocations of health care resources in the State;

"(4) assist community health centers in the development of clinical practices and fiscal and administrative systems through a technical assistance plan which is responsive to the requests of community health centers; and

"(5) share information and data relevant to the operation of new and existing community health centers.".

SEC. 4. AUTHORIZATION OF APPROPRIATIONS.

Paragraphs (1) and (2) of section 330(g) are amended to read as follows:

"(1) There are authorized to be appropriated for payments pursuant to grants under this section $400,000,000 for fiscal year 1987 and $400,000,000 for fiscal year 1988.

"(2) The Secretary may not in any fiscal year—

"(A) expend for grants to serve medically underserved populations designated under subsection (b)(6) an amount which exceeds 5 percent of the funds appropriated under this section for that fiscal year; and

"(B) expend for grants under subsection (d)(1)(C) an amount which exceeds 5 percent of the funds appropriated under this section for that fiscal year.".

SEC. 5. PRIMARY CARE BLOCK GRANTS.

Part C of title XIX (42 U.S.C. 300y—300y-11) is repealed.

SEC. 6. MIGRANT HEALTH CENTERS.

The first sentence of section 329(h)(1) (42 U.S.C. 254b(h)(1)) is amended by striking out "and" after "1983," and by inserting before the period a comma and "$45,400,000 for fiscal year 1987 and $45,400,000 for fiscal year 1988".

SEC. 7. TECHNICAL AMENDMENT.

Section 329(d)(2) (42 U.S.C. 254(d)(2)) is amended by inserting before the semicolon "and the costs of repaying loans made by the Farmers Home Administration for buildings".

Amend the title so as to read: "An Act to amend the Public Health Service Act to revise and extend the programs of assistance for primary health care.".

Mr. HATCH. Mr. President, I am pleased to submit to the desk for immediate consideration S. 1282, the Health Service Amendments of 1986, a bill which will reauthorize Federal funding for community health centers and migrant health centers. This legislation sustains, as a categorical Federal health program, funding for health clinics which provide basic primary and preventive services for the most needy of our citizens.

The Senate approved this bill, without amendment on voice vote on July 19, 1985. The House called up the Senate bill on March 5 of this year, and made minor modifications—they lowered the authorization level to current authority, which wisely recognizes the importance of budgetary constraints, and eliminated a new primary care research grant authority. Although I would prefer the research authority be maintained, giving States who are interested an opportunity to better identify and provide for their primary health care needs, I believe it is now more prudent to accept the bill, as amended. The administration has clearly recognized the worth of these programs in that the President's proposed budget for 1987 maintains support for community health centers and migrant health centers. However, the administration would prefer that these programs be included as part of a new block grant, providing funds to States to operate these clinics. After lengthy discussions in 1984 and 1985, on the merits of creating a block grant related to this legislation, a strong consensus was developed in Congress that these programs, at least for the time being, are best operated by direct Federal funding. In fact, the House of Representatives just last month, defeated on a rollcall vote of 400 to 9 an amendment which would have created such a block grant.

Mr. President, these programs have been successful. They provide access to care for economically disadvantaged and minority populations. They inevitably save enormous cost to local, State and Federal Governments by nipping in the bud illnesses, which, if untreated may develop into serious and costly health problems. It is appropriate and necessary that we maintain these programs. However, this does not mean we should not conduct serious scrutiny of the effectiveness of these community and migrant health centers in each region of the country. In fact, in this legislation there is language requiring a memorandum of agreement between States and the health and human services agency which requires each State analyze their current needs for primary care services, and plan to meet those needs in an effective and timely manner. It is the intent of members of the Labor and Human Resources Committee in the Senate and our colleagues in the House of Representatives that States work toward assuming more responsibility for these important basic health services. They also need to carefully evaluate just what constitutes a medically underserved area, with particular consideration given to the increasing number of health providers. The criteria used to define an underserved area may need to be changed considerably as we enter a more competitive and entrepreneurial era in health care. The bottomline is we must identify those most in need of care and unable to obtain it and make sure that intent of Congress is met by providing basic primary and preventive health services to these individuals.

I would also like to bring to the attention of my colleagues a particular problem which has surfaced in my State of Utah but which is hardly unique, and that is a problem with providing sufficient funds for remote rural clinics. The director of the Utah State Department of Health, Dr. Suzanne Dandoy informed me in March that three, small rural community health centers were in jeopardy of being closed because of a change in policy proposed by the bureau of health care delivery and assistance. While I am not in favor of maintaining the status quo, and ongoing Federal support for all existing programs, this proposal could cut off basic health services to people living in very remote regions of our country. Dr. Dandoy requested that I seek legislative changes in our bill to ensure support for these rural clinics; however, after talking with representatives of

the administration I believe these clinics can be sustained with a modification in the proposed policy. I ask to have in the RECORD a copy of a letter I received recently from Dr. Ed Martin, Acting Deputy Administrator of the Health Resources and Services Administration. This explains their intention to assure there will be no reduction in the proportion of funds available for small, rural clinics.

The letter follows:

HEALTH RESOURCES AND SERVICES ADMINISTRATION,
Rockville, MD, March 27, 1986.

Hon. ORRIN HATCH,
U.S. Senate,
Washington, DC.

DEAR SENATOR HATCH: Your staff requested that the Public Health Service provide you with some written assurance that the concerns expressed by Dr. Dandoy in her letter of March 19 would be addressed by the Bureau of Health Care Delivery and Assistance (BHCDA).

By way of background, let me say that all Community Health Centers (CHC) grantees are being reviewed in the areas of governance, clinical systems and financial/administrative structure. These reviews are intended to ensure that centers meet all statutory and regulatory requirements prior to receiving grant funding. In addition, in view of funding constraints, the Public Health Service (PHS) has established priorities for funding.

All CHCs must be governed by a community board with center users comprising a majority of members. The board must fulfill all functions and responsibilities specified in legislation and regulations. Centers which meet these requirements through a coapplicant arrangement, where the community board is not the recipient of the grant, are a lower priority for funding then those whose board receives the grant directly.

Regarding clinical systems, a CHC must provide to the residents of its catchment area the statutorily required primary care services, available and accessible promptly, as appropriate, and in a manner which will insure continuity. In addition, a CHC must provide sufficient staff, qualified by training and experience, to carry out its activities. In implementing these requirements, the PHS gives priority to systems of care that have appropriate physician coverage, including appropriate after-hours coverage and hospital arrangements.

In the financial/administrative area, CHCs must maximize nongrant revenues and utilize, to the greatest extent possible, other Federal, State and local, and private resources.

The three small rural CHCs in Utah cited by Dr. Dandoy have not been marked for defunding. They have been identified, however, along with a significant number of other projects throughout the country, for an indepth review. This review is for the purpose of determining whether the current delivery system is the most appropriate and efficient model to meet the needs of that particular community. It may be possible for example, to strengthen a CHC's clinical system through shared services or consortia arrangements with other CHCs and private providers. In this context, we are looking at the uniqueness of "frontier" areas. This process began in early 1985 with the establishment of a frontier medicine task force comprised of Federal, State and project personnel from the western region of the country.

We expect to complete a draft policy paper, addressing frontier health issues, by early April. We will circulate this policy paper to a broad spectrum of interested people for input including: State Health Agencies; State Primary Care Associations; National Rural Health Care Associations; and National Association of Community Health Centers. We expect to issue a final document by the end of April which would establish the basis for reviewing frontier sites in terms of Federal grant support (CHC) or manpower support (National Health Service Corps). This document will assure no reduction in the proportion of available grant support for projects falling under this definition.

It remains our intent to maintain the current rural/urban split in appropriated funds. You may be interested to know that expenditures in rural areas increased by 11.1 percent from Fiscal Year 1984 to Fiscal Year 1985 while total appropriation increased by 8.2 percent.

I have assured Dr. Sundwall that any proposed decisions at the regional office level which might be viewed as adversely affecting frontier projects in Utah, will be carefully reviewed by me personally prior to any proposed adverse action. Should you have questions or continued concerns about our approach to the unique circumstances of "Frontier" projects, I will be pleased to respond further to them.

Sincerely yours,

EDWARD D. MARTIN, M.D.,
Assistant Surgeon General,
Acting Deputy Administrator.

Mr. President I encourage all of my colleagues to join with me in approving this bill immediately. I have assurances from the administration that this bill will be signed into law, maintaining the authority for these important clinics.

REAUTHORIZATION OF THE COMMUNITY HEALTH CENTERS AND MIGRANT HEALTH CENTERS PROGRAM

Mr. KENNEDY. Mr. President, I rise in support of the reauthorization of the Community Health Centers and Migrant Health Centers Programs, and urge the Senate to adopt the bill already passed by the House.

This legislation before us today will help ensure the continued development and vitality of community-based health centers. Community health centers have provided essential health services to those most in need for more than 20 years. Study after study has shown that community health centers provide high-quality, cost-effective care to those who would otherwise lack access to essential health services.

Last year alone, community health centers were the primary source of health care services to more than 5 million Americans. Because community health centers are such attractive and effective providers of primary care services, the Federal grant dollars provided leverage services valued at more than twice as much as the direct Federal grants, including funding by Medicare, Medicaid, State programs, private insurance, and patient fees.

The need for community health centers is greater today than ever before. The number of Americans without health insurance has increased 48 percent since 1977, from 25 million people to 37 million. The number of the poor and near poor without Medicaid coverage has increased from 37 percent to more than 50 percent during the same period. Community health centers obviously cannot fill all these gaps, but they are a key resource in providing care to the poor and the underserved at a time when other institutions in our society are doing less and less to meet these important needs.

In addition to reauthorizing the Community Health Centers Program, this legislation includes several important improvements. It encourages expanded activities by State governments in primary health care by establishing a new program of grants to the States for planning and development of primary care services. At the same time, the legislation includes several provisions designed to encourage even more effective coordination of State and Federal primary care activities.

Just as the community health centers have provided essential health services to the poor and underserved in urban and rural areas throughout the country, migrant health centers have provided health services to one of the most deprived groups in our society—migrant farmworkers. For this group in particular, the services of health centers have often literally meant the difference between life and death.

I am disturbed by the authorization levels of $400 million included in this bill for fiscal year 1987 and fiscal year 1988. This is substantially below the Senate level and only slightly above the fiscal year 1986 appropriations. In view of the growing crisis in access to health care, I believe additional increases in the Community Health Centers Program are warranted.

Despite my concern over these authorization levels, I am supporting this bill because I have been informed that the House bill will be signed by the President. Higher authorization levels might not pass the House and might not be signed if passed. Because this program is so essential, its maintenance should be our highest priority. Nevertheless, I believe serious consideration should be given to raising the authorization levels next year.

As the Community Health Centers Program enters its third decade, we, in the Congress, can express our satisfaction with their accomplishments and our recognition of the continued need for a Federal commitment to health care for the poor and underserved by prompt passage of this legislation.

Mr. RUDMAN. I move to concur in the House amendment.

The motion was agreed to.

Mr. RUDMAN. I move to reconsider the vote.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

COMMEMORATION OF DAYS OF REMEMBRANCE OF VICTIMS OF THE HOLOCAUST

Mr. RUDMAN. Mr. President, I inquire of the Democratic leader whether he is prepared to move forward on a resolution offered on behalf of the Senator from Florida [Mrs. HAWKINS].

Mr. BYRD. As I understand it, this is a concurrent resolution authorizing the rotunda of the United States Capitol to be used for a ceremony commemorating the days of remembrance of victims of the Holocaust?

Mr. RUDMAN. The Democratic leader is correct.

Mr. BYRD. Mr. President, there is no objection.

Mr. RUDMAN. Mr. President, I then send the concurrent resolution to the desk.

The PRESIDING OFFICER. The concurrent resolution will be stated by title.

The legislative clerk read as follows:

A concurrent resolution (S. Con. Res. 126) authorizing the rotunda of the United States Capitol to be used on May 6, 1986, for a ceremony commemorating the days of remembrance of victims of the Holocaust.

The PRESIDING OFFICER. Is there objection to the present consideration of the concurrent resolution?

There being no objection, the Senate proceeded to consider the concurrent resolution.

(By request of Mr. DOLE, the following statement was ordered to be printed in the RECORD.)

● Mrs. HAWKINS. Mr. President, as a member of the U.S. Holocaust Memorial Council, I am pleased to sponsor this resolution authorizing the use of the Rotunda for the council's annual commemoration ceremony. Senators PELL, KASTEN, LAUTENBERG, MATTINGLY, and I invite our colleagues to attend what will prove to be a moving ceremony commemorating the victims of the Holocaust. The ceremony will occur at noon on May 6, 1986, as part of a weeklong observance of the Days of Remembrance of the Victims of the Holocaust.

Mr. President, it is important that we never forget the lessons of the Holocaust. I commend the entire Holocaust Memorial Council organization, and particularly chairman of the Council Elie Wiesel, for their constant vigilance. Their constant effort and hard work will ensure that we never forget the bitter lessons of the Holocaust. Again, I commend the entire Holocaust Memorial Council for the hard work they have done in preparing for the ceremony on May 6, and urge my colleagues to attend. Also, I would like to thank Senators MATHIAS and FORD for allowing the expeditious handling of this matter, along with the distinguished majority leader.●

Mr. RUDMAN. Mr. President, I move adoption of the concurrent resolution.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The concurrent resolution was agreed to. The preamble was agreed to.

The concurrent resolution, with its preamble, is as follows:

S. CON. RES. 126

Whereas, pursuant to the Act entitled "An Act to establish the United States Holocaust Memorial Council" and approved October 7, 1980 (94 Stat. 1547), the United States Holocaust Memorial Council is directed to provide for appropriate ways for the Nation to commemorate the days of remembrance of victims of the Holocaust, as an annual, national, civic commemoration of the Holocaust, and to encourage and sponsor appropriate observances of such days of remembrance throughout the United States;

Whereas, pursuant to such Act, the United States Holocaust Memorial Council has designated May 4 through May 11, 1986, as "Days of Remembrance of Victims of the Holocaust"; and

Whereas the United States Holocaust Memorial Council has recommended that a one-hour ceremony be held at noon on May 6, 1986, consisting of speeches, readings, and musical presentations as part of the days of remembrance activities: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That the rotunda of the United States Capitol is hereby authorized to be used on May 6, 1986, from 10 o'clock ante meridiem until 3 o'clock post meridiem for a ceremony as part of the commemoration of the days of remembrance of victims of the Holocaust. Physical preparations for the conduct of the ceremony shall be carried out in accordance with such conditions as may be prescribed by the Architect of the Capitol.

Mr. RUDMAN. Mr. President, I move to reconsider the vote by which the concurrent resolution was agreed to.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

PREDATORY TIDE AID CREDITS

Mr. RUDMAN. Mr. President, I ask the distinguished Democratic leader whether or not he is now prepared to move to a concurrent resolution offered in behalf of the Senator from Pennsylvania (Mr. HEINZ).

Mr. BYRD. Mr. President, I am prepared. It is my understanding the resolution relates to predatory tide aid credits.

Mr. RUDMAN. The Democratic leader is correct.

Mr. BYRD. There is no objection.

Mr. RUDMAN. I then send the concurrent resolution to the desk on behalf of the Senator from Pennsylvania (Mr. HEINZ) and ask for its immediate consideration.

The PRESIDING OFFICER. The concurrent resolution will be stated by title.

The legislative clerk read as follows:

A concurrent resolution (S. Con. Res. 127) relating to predatory tide aid credits.

The PRESIDING OFFICER. Is there objection to the present consideration of the concurrent resolution?

There being no objection, the Senate proceeded to consider the concurrent resolution.

Mr. HEINZ. Mr. President, this resolution expresses support for efforts by the Secretary of the Treasury to negotiate an end to foreign predatory export credits that are costing the U.S. exports and jobs. Several weeks ago, the Banking Committee reported a bill, S. 2246, that will establish a $300 million war chest facility, allowing Treasury and the Export-Import Bank to match mixed credit offers by other countries and to initiate mixed credits. The purpose of the war chest will be to eliminate the competitive advantage now enjoyed by other countries offering mixed credits and thus bring these countries to the negotiating table. If U.S. efforts are to be successful, it is essential to move this legislation through Congress as quickly as possible.

Next week the Treasury Secretary will attend a meeting of the OECD Ministers at which the mixed credit issue will be a major negotiating item. Given the requirements of the legislative calendar, it is unlikely that the war chest can be enacted into law prior to next week's negotiations. Nevertheless, it is imperative that Congress send Treasury negotiators off with the strongest possible statement of support. We want other countries to realize that our patience is not infinite when foreign government credit subsidies are putting Americans out of work.

So far the United States has invested considerable time in the hope that the mixed credit negotiations would successfully end the use of mixed credits for predatory commercial purposes. Instead of resolving the problem, however, the negotiations and the pledge of more negotiations have been used by the French and others to put off resolving the problem. We have been misled by repeated promises from countries using mixed credits that they will soon curtail their use of mixed credits—just as soon as they win a few more multibillion dollar projects at the expense of U.S. exporters. The time has come to let other countries

know that we are serious about ending mixed credits by refusing to let these countries benefit from such predatory financing.

While everyone favors a situation in which U.S. exporters can compete internationally based on quality, price, and service, without any need for export credit subsidies, this is not the type of world market United States exporters face. Not only do other countries' mixed credit offers cost the United States jobs and exports; they also cost us control of our own economy. As foreign governments take export markets away from U.S. producers, our economic structure and level of exports will ultimately come to reflect the export subsidy strategies of other governments, not the industrial structure our free market system would have generated.

We must address this challenge to free markets in world trade by eliminating or neutralizing foreign mixed credit subsidies. While eliminating mixed credits through negotiation is our goal, we must show that we will counter foreign mixed credits so that other countries will gain no competitive advantage. That may be the only way to convince other governments to take mixed credit negotiations seriously. This resolution makes it clear to the rest of the world that the U.S. Congress is watching very closely this next phase of negotiations. I am sure, however, that the Congress will be ready and willing to defend U.S. markets with additional steps if successful negotiations are not concluded.

Mr. GARN. Mr. President, today I join Senator HEINZ in introducing a resolution supporting the Treasury Department's efforts to negotiate an end to foreign predatory mixed credits.

The predatory use of mixed credits has been the subject of U.S.-led negotiations in the OECD export credit arena for several years. I applaud the administration's persistence in continuing to negotiate with other countries to eliminate this market distortion. I appreciate the need for one more attempt to convince other governments that mixed credits are costly and that they are ultimately harmful to the countries receiving the mixed credits because they distort their economic decisions.

But just as it is foolish to disarm before peace talks are concluded it would be foolish for the United States to disarm its export credit system prior to reaching an acceptable mixed credit agreement. This resolution provides our negotiators with congressional backing to convince other governments that we are serious about eliminating mixed credits.

Other countries may be tired of our reminders that mixed credits are an unsatisfactory way to do business internationally. But we are tired of lost U.S. exports and reduced U.S. economic growth, while our negotiators are being given the run-around in Paris.

I believe countries blocking mixed credit negotiations recognize that they are in an untenable position. All nations understand that mixed credit subsidies distort the international trading system. At a time when governments around the world must focus on reducing their expenditures and increasing economic efficiency mixed credit subsidies just do not make sense.

I am optimistic that our OECD counterparts now realize the risks they are taking by continuing to offer mixed credits. I think we can realistically expect negotiating progress, as other countries recognize that mixed credits are expensive. I am hopeful that we can soon enact the mixed credit war chest bill, so that our competitors can be denied any benefits from their mixed credit offers. In the meantime, there should be no mistake about where the Congress stands on the need to eliminate predatory commercial mixed credits on a comprehensive basis.

Mr. RUDMAN. Mr. President, I move adoption of the concurrent resolution.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The concurrent resolution was agreed to. The preamble was agreed to.

The concurrent resolution, with its preamble, is as follows:

S. CON. RES. 127

Whereas tied aid and partially untied aid credits with low levels of concessionality are used by several governments as a predatory method of financing exports and result in market-distorting effects;

Whereas these distortions have caused the United States to lose export sales, with resulting losses in economic growth and development;

Whereas the Congress is preparing legislation intended to support the efforts of the Secretary of the Treasury to negotiate a comprehensive arrangement restricting the use of tied and partially untied aid credits for commercial purposes; and

Whereas these negotiating efforts of the Secretary of the Treasury are fully supported by the Congress of the United States: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That it is the sense of the Congress that—

(1) a successful conclusion of an arrangement to regulate tied aid credits, so that their use for predatory commercial purposes is ended, would eliminate the need for the Congress to enact a special tied aid credit program;

(2) the Secretary of the Treasury should use the full resources of his office to promote such a successful conclusion to the negotiations; and

(3) the President should make the use of predatory tied aid credits a major topic of discussion at the Tokyo Summit.

Mr. RUDMAN. Mr. President, I move to reconsider the vote by which the concurrent resolution was agreed to.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

REMOVAL OF INJUNCTION OF SECRECY

Mr. RUDMAN. Mr. President, I ask the Democratic leader if he is now prepared to move forward on a rather unusual procedure. It is entitled "Injunction of Secrecy."

Mr. BYRD. No objection.

Mr. RUDMAN. I will read it because it is not really as ominous as it sounds.

As in executive session,

I ask unanimous consent that the injunction of secrecy be removed from two ILO conventions transmitted to the Senate today by the President of the United States:

ILO Convention No. 144 Concerning Tripartite Consultations to Promote the Implementation of International Labor Standards (Treaty Document 99-20), and ILO Convention No. 147 Concerning Minimum Standards in Merchant Ships (Treaty Document 99-21).

I also ask that the treaties be considered as having been read the first time; that they be referred, with accompanying papers, to the Committee on Foreign Relations and ordered to be printed; and that the President's messages be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The messages of the President are as follows:

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith a certified copy of the Convention (No. 144) Concerning Tripartite Consultations to Promote the Implementation of International Labor Standards, adopted by the International Labor Conference at Geneva on June 21, 1976. I transmit also for the Senate's information a certified copy of the recommendation (No. 152) on the same subject, adopted by the International Labor Conference on that same date, which amplifies some of the Convention's provisions. No action is called for on the recommendations.

The report of the Department of State, with a letter from the Secretary of Labor, concerning the Convention is enclosed.

I support fully the principle of tripartite consultations among government, employers, and workers on matters relating to the International Labor Organization. This principle is fundamental to the existing structure of both the ILO and of the consulta-

tive mechanisms that have been established within the United States with respect to ILO matters. Ratification of Convention No. 144 therefore would require no change in the way the United States has organized to deal with the ILO.

Because the United States is party to so few ILO conventions, we are vulnerable to criticism when we seek to take others to task for failing to adhere to instruments we ourselves have not ratified. Ratification of Convention No. 144 would reduce this vulnerability. I therefore recommend that the Senate give its advice and consent to the ratification of ILO Convention No. 144.

RONALD REAGAN.

THE WHITE HOUSE, *April 10, 1986.*

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification of the Convention (No. 147) Concerning Minimum Standards in Merchant Ships, adopted by the 62nd session of the International Labor Conference, at Geneva, on October 13, 1976, I transmit herewith a certified copy of that Convention. I transmit also for the Senate's information a certified copy of the recommendation (No. 155) concerning the improvement of standards in merchant ships, adopted by the International Labor Conference at the same time as the Convention. No action is called for on the recommendation.

The report of the Department of State, with a letter from the Secretary of Labor, concerning the Convention is enclosed. The Department's report also contains the texts of five proposed understandings. It is proposed that these understandings be included in the United States instrument of ratification, should the Senate give its advice and consent.

Adoption of the Convention and the recommendation was the culmination of a long negotiating process in which the United States participated actively and vigorously supported the drafting of a comprehensive and effective instrument to achieve minimum standards in merchant ships. I believe that the United States ratification of this Convention is in the national interest and in the interest of the world community as a whole, and I, therefore, recommend that the Senate give its advice and consent to ratification, subject to the understandings mentioned above.

RONALD REAGAN.

THE WHITE HOUSE, *April 10, 1986.*

EXECUTIVE SESSION

Mr. RUDMAN. Mr. President, I then inquire of the minority leader if he is in a position to confirm any of the following nominations on the Executive Calendar:

Under the Army, Calendar Nos. 736, 737, and 738; under the Marine Corps, Calendar Nos. 739 and 740; Calendar No. 741, J. Roger Mentz; Calendar No. 743, Marian Blank Horn; Calendar No. 744, Ralph D. Morgan; Calendar No. 745, John R. Kendall; Calendar No. 746, Emery R. Jordan; Calendar No. 747, K. William O'Connor; Calendar No. 748, Donald W. Peterson; Calendar No. 749, H. Allen Holmes; Calendar No. 750, Otto J. Reich; Calendar No. 751, Ronald S. Lauder; Calendar No. 752, Henry F. Schickling; Calendar No. 753, Carlos Salman; and all nominations placed on the Secretary's desk, with the exception of the nomination under "Foreign Service" of Edwin G. Corr.

Mr. BYRD. Mr. President, there is no objection on this side.

Mr. RUDMAN. I thank the distinguished Democratic leader.

Mr. President, I ask unanimous consent that the Senate go into executive session to consider the nominations identified, and that they be considered en bloc and confirmed en bloc.

There being no objection, the Senate proceeded to the consideration of executive business.

The nominations considered and confirmed en bloc are as follows:

IN THE ARMY

The following-named officer to be placed on the retired list in grade indicated under the provisions of title 10, United States Code section 1370:

To be lieutenant general

Lt. Gen. David K. Doyle, [redacted] age 54, U.S. Army.

The following-named officer under the provisions of title 10, United States Code, section 601, to be assigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be lieutenant general

Maj. Gen. Thurman D. Rodgers, [redacted] U.S. Army.

The following-named officer to be placed on the retired list in grade indicated under the provisions of title 10, United States Code, section 1370:

To be lieutenant general

Lt. Gen. Nathaniel R. Thompson, Jr., [redacted] age 58, U.S. Army.

The following-named officer under the provisions of title 10, United States Code, section 601, to be assigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be lieutenant general

Maj. Gen. Henry Doctor, Jr., [redacted] U.S. Army.

The following-named officer to be placed on the retired list in grade indicated under the provisions of title 10, United States Code, section 1370;

To be lieutenant general

Lt. Gen. Robert L. Moore, [redacted] age 55, U.S. Army.

The following-named officer under the provisions of title 10, United States Code, section 601, to be reassigned to a position of importance and responsibility designated by the President under title 10, United States Code, Section 601:

To be lieutenant general

Lt. Gen. Lawrence F. Skibbie, [redacted] U.S. Army.

The following-named officer under the provisions of title 10, United States Code, section 601, to be assigned to a position of importance and responsibility designated by the President under title 10, United States Code, Section 601:

To be lieutenant general

Maj. Gen. Peter G. Burbules, [redacted] U.S. Army.

IN THE MARINE CORPS

The following-named officer to be placed on the retired list in the grade indicated under the provisions of title 10, United States Code, section 1370:

To be general

Gen. John K. Davis, [redacted] U.S. Marine Corps.

The following-named officer, under the provisions of title 10, United States Code, section 601, to be assigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be general

Lt. Gen. Thomas R. Morgan, [redacted] U.S. Marine Corps.

DEPARTMENT OF THE TREASURY

J. Roger Mentz, of New Jersey, to be an Assistant Secretary of the Treasury, vice Ronald Alan Pearlman, resigned.

THE JUDICIARY

Marian Blank Horn, of Maryland, to be a judge of the U.S. Claims Court for a term of 15 years.

DEPARTMENT OF JUSTICE

Ralph D. Morgan, of Indiana, to be U.S. Marshal for the southern district of Indiana for the term of 4 years, reappointment.

John R. Kendall, of Michigan, to be U.S. Marshal for the western district of Michigan for the term of 4 years, reappointment.

Emery R. Jordan, of Maine, to be U.S. Marshal for the district of Maine for the term of 4 years, reappointment.

K. William O'Connor, of Virginia, to be U.S. attorney for the district of Guam and concurrently U.S. attorney for the district of the Northern Mariana Islands for the term of 4 years.

DEPARTMENT OF COMMERCE

Donald W. Peterson, of Missouri, to be Deputy Commissioner of Patents and Trademarks.

DEPARTMENT OF STATE

H. Allen Holmes, of the District of Columbia, a career member of the Senior Foreign Service, class of Career Minister, to be an Assistant Secretary of State, new position.

Otto J. Reich, of Virginia, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Venezuela.

Ronald S. Lauder, of New York, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Austria.

U.S. INTERNATIONAL DEVELOPMENT COOPERATION AGENCY

Henry F. Schickling, of Pennsylvania, to be a member of the Board of Directors of the Overseas Private Investment Corporation for a term expiring December 17, 1988, reappointment.

Carlos Salman, of Florida, to be a member of the Board of Directors of the Overseas Private Investment Corporation for a term expiring December 17, 1988, reappointment.

NOMINATIONS PLACED ON THE SECRETARY'S DESK IN THE AIR FORCE, ARMY, MARINE CORPS, NAVY

Air Force nominations beginning Nina K. Rhoton, and ending Janet C. Flournoy, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of March 20, 1986.

Air Force nominations beginning Janet C. Flournoy, and ending Charles A. Culver, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of March 20, 1986.

Air Force nominations beginning Warrren O. Abraham, and ending Laura M. Zukowski, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of March 20, 1986.

Air Force nominations beginning Thomas E. Applegate, and ending Christopher M. Zahn, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of March 24, 1986.

Army nominations beginning Melvin Abercrombie, and ending Douglas B. Tesdahl, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of March 14, 1986.

Army nominations beginning Charles R. Savely, and ending Robert Russell, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of March 27, 1986.

Marine Corps nominations beginning Michael T. Barry, and ending Paul C. Schreck, Jr., which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of March 14, 1986.

Navy nominations beginning Michael S. Anisowicz, and ending Gale J. Wolff, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of March 20, 1986.

Navy nominations beginning Timothy Higgins, and ending David D. Buckley, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of March 24, 1986.

Navy nominations beginning Jeffery J. Iovine, and ending Barry L. Hunter, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of March 24, 1986.

Navy nominations beginning Kathryn K. Murray, and ending John F. Wilker, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of March 26, 1986.

(By Request of Mr. BYRD, the following statement was ordered to be printed in the RECORD:)

J. ROGER MENTZ

● Mr. BRADLEY. Mr. President, I am very pleased that the Senate has confirmed the nomination of Roger Mentz to serve as Assistant Secretary of the Treasury for Tax Policy.

The office for which Roger has been nominated is one of the most important positions in Government. It is an office that must be filled by someone whose educational and professional achievements leave no doubt as to their understanding of the Tax Code. But mastering of the technical details is not enough. The Assistance Secretary must also display sound judgment and a keen sense of the larger policy issues involved in the writing of our tax laws. Finally, he or she needs an ample store of patience and good humor just to survive the fractiousness that seems an inevitable component of the tax legislative process.

Perhaps at no other time has so much responsibility fallen on the Assistant Secretary's shoulders. We have undertaken a historic endeavor in trying to reform our unfair, inefficient, unduly complicated tax system. We will need all the help we can get.

Weighty as this responsibility is, Roger Mentz is well qualified for the office. He has distinguished himself intellectually and professionally in the tax field. More important, I believe he will bring to the Department of the Treasury the technical expertise and mature judgment we need. Most important, I am confident he will fulfill the Assistant Secretary's traditional role as an advocate for sound tax policy.●

RONALD S. LAUDER

Mr. MOYNIHAN. Mr. President, I rise today to express my wholehearted support for the confirmation of Mr. Ronald S. Lauder as Ambassador to Austria. During his past 3 years of service as Deputy Assistant Secretary of Defense for European and NATO Policy, Mr. Lauder distinguished himself through his contributions to allied security. He played a leading role in negotiating defense cooperation and basing agreements with a number of NATO members. He also orchestrated a series of NATO initiatives to upgrade the alliance's conventional capabilities and air defenses.

Together with his successes in other high-level negotiations, and his longstanding familiarity with European issues, Mr. Lauder is eminently qualified to become Ambassador to Austria. Mr. President, the Senate has never faced an easier task in offering its advice and consent. Confirming Ronald Lauder as Ambassador to Austria will ensure that the United States continues to benefit from his expertise and patriotism.

Mr. RUDMAN. Mr. President, I move to reconsider the vote by which the nominations were confirmed.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. RUDMAN. Mr. President, I ask unanimous consent that the President be immediately notified that the Senate has given its consent to these nominations.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. RUDMAN. Mr. President, I ask unanimous consent that the Senate return to the consideration of legislative business.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF PROCEDURE

Mr. RUDMAN. I advise the Democratic leader that I have been advised that there may be one other item that may be ready to clear. We are waiting for a call on that. So, for a very short period of time, unless the Democratic leader wishes to proceed with other business, I was going to propose to suggest the absence of a quorum.

I ask the leader that question.

Mr. BYRD. All right.

Mr. RUDMAN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. RUDMAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RULES CHANGE

Mr. RUDMAN. Mr. President, Senate Resolution 45 adopted under a unanimous-consent agreement on January 30, 1975, governs the referral of impoundment legislation in the Senate. Under this order, all special messages from the President pursuant to title X of the Congressional Budget and Impoundment Control Act and all bills and resolutions introduced with respect to such messages are referred concurrently to the Appropriations Committee, the Budget Committee, and to the appropriate authorizing committee. Section 1011 of the Impoundment Control Act provides that deferral disapprovals take the form of a simple resolution of one House. This is no longer a proper course of action, given the Supreme Court decision in INS versus Chadha that the one-House legislative veto is unconstitutional. Deferral disapprovals must now take the form of a bill or joint resolution.

Given this, I ask unanimous consent that the second paragraph of the standing order governing the referral of matters dealing with rescissions and deferrals be revised, as of January 21, 1986, to allow the re-referral of bills and joint resolutions disapproving deferrals to the same committees now having jurisdiction over title X impoundment resolutions.

The second paragraph of Senate Resolution 45, adopted under a unanimous-consent agreement on January 30, 1975, is revised to read as follows:

2. That bills, resolutions, and joint resolutions introduced with respect to rescissions and deferrals shall be referred to the Appropriations Committee, the Budget Commit-

tee, and pending implementation of section 410 of the Congressional Budget Impoundment Control Act and subject to section 401(d), to any other committee exercising jurisdiction over contract and borrowing authority programs as defined by section 401(c)(2) (A) and (B). The Budget Committee and such other committees shall report their views, if any, to the Appropriations Committee within 20 days following referral of such messages, bills, resolutions, or joint resolutions. The Budget Committee's consideration shall extend only to macroeconomic implications, impact on priorities and aggregate spending levels, and the legality of the President's use of the deferral and rescission mechanism under title X. The Appropriations and authorizing committees shall exercise their normal responsibilities over programs and priorities.

I ask the Chair to consider that unanimous-consent request.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. RUDMAN. Mr. President, I had hoped there was one other item that we might be able to clear, but evidently we are not able to do that.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Saunders, one of his secretaries.

ANNUAL REPORT ON ACTIVITIES OF U.S. GOVERNMENT AGENCIES IN THE FIELDS OF SCIENCE AND TECHNOLOGY—MESSAGE FROM THE PRESIDENT—PM 130

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Foreign Relations:

To the Congress of the United States:

In accordance with Title V of the Foreign Relations Authorization Act for Fiscal Year 1979 (Public Law 95-426), I am transmitting the Administration's Annual Report on the international activities of U.S. government agencies in the fields of science and technology for Fiscal Year 1985. The report was prepared by the Department of State in cooperation with other relevant agencies, consistent with the intent of the legislation.

During 1985, science and technology played a prominent role in our diplomacy. The United States is increasingly seen as the world leader in this field. National leaders and the general public see science and technology as a key to the solution of a wide variety of national and international problems. Such views are neither narrowly partisan nor without foundation. Indeed, it is significant to note that regardless of political ideologies or stage of development, many countries are not only anxious to engage in government-to-government cooperation with us, but also genuinely appreciative of cooperative scientific programs.

International science and technology cooperation, for the United States, takes place primarily in the private sector and outside the purview of government-to-government agreements. This cooperation can take the form of scholarly exchanges or research funded by private business and corporations. The Executive branch funds research where long lead time, large amounts of resources, and difficulty of capturing results make such efforts appropriate for government activities. It also funds research in essential areas not covered by the private sector, such as national defense and major parts of the space program. The international components of federally funded programs in the domestic agencies provide opportunities for unique collaboration or cost-sharing to extend the limited resources available. All are supportive of our domestic programs and priorities.

The international science and technology activities of agencies should demonstrate comparable technical merit, and return for the resources expended, to activities that take place within the United States. In this way, the United States is assured that the resources committed provide solid, technical returns. It is also the best way of ensuring that international cooperation is positive and more likely to produce foreign policy benefits. Experience has shown that international science and technology cooperation, where it is proposed primarily for foreign policy reasons, and with little inherent scientific or technical benefit, is not productive and does not sustain support in the agencies and the Congress. Foreign policy benefits are best assured if international activities are soundly grounded in technical benefits for the missions and programs of the agencies that fund them.

Programs in science and technology have become an increasingly valuable tool in the conduct of our relations with both developed and developing nations and, during 1985, they continued to play a meaningful role in the diplomacy of the United States. Through our cooperation with developed nations, we benefit from intellectual collaboration with other highly trained scientists and technical experts, and cost-sharing of expensive experimental facilities in advanced scientific areas. Our partners also gain from the collaboration and access to new technologies that have the potential to fuel economic growth. In 1985, our cooperation with developing nations also emphasized the contributions of science and technology to economic growth; however, the technologies emphasized were those appropriate to solving the problems of developing societies. We believe that bilateral arrangements with developing countries are one of the most effective ways of obtaining foreign policy benefit for the United States.

Major focuses for our cooperative programs in 1985, particularly with developed countries, were in areas of high mutual scientific interest. The space program is one such example. In addition to international participation in the space shuttle programs, 1985 also saw the signing of a Memorandum of Understanding on the Space Station Project with Canada, Japan, and the European Space Agency, establishing a basis for cooperation over the next 2 years. As we enter the 21st century, we should note that U.S. leadership in space is fostered by international cooperation which has enhanced the standing of the United States in the world community.

Among the developing nations, our major, high visibility programs continue to be in the People's Republic of China and India. Our maturing science and technology cooperation with China, a cornerstone in our expanding relationship, is now in its eighth year and is our largest government-to-government program. Not a part of our foreign assistance program, science and technology cooperation is based upon mutual benefit as are our other international exchanges. The Chinese have also added additional activities more attuned to their own interests on a reimbursable basis. We credit the doors opened by our successful science and technology program with contributing positively to the recent reforms made by the Chinese.

Our science and technology program with India functions on two levels—one is the continuation of our long-term cooperation in many fields, the other is the more focused Presidential Initiative, which because of its success was extended for an additional 3 years in 1985.

Our bilateral science and technology relationship with the Soviet Union saw some positive movement during 1985. At the Geneva summit meeting, we and the Soviets issued a joint statement encouraging further U.S.-Soviet collaboration in science and technology. In addition, we began a careful evaluation of how science and technology can and should be used to improve bilateral relations with the Soviets.

Our international science and technology activities continued as an integral and important part of our foreign policy during 1985 in many forms and on many levels as described in detail in the report I am transmitting. We have looked for ways to pool resources for high-cost projects. We have emphasized collaboration as the means for finding solutions to problems that are international in scope. Our efforts sought to assist the developing countries in their quest for a better life and

to strengthen our alliances. Finally, our international science efforts underscored our commitment to maintaining the United States as a world leader in scientific and technological excellence for peaceful purposes and for the benefit of mankind.

RONALD REAGAN.

THE WHITE HOUSE, *April 11, 1986.*

REPORT ON ADMINISTRATION OF RADIATION CONTROL FOR HEALTH AND SAFETY ACT—MESSAGE FROM THE PRESIDENT—PM 131

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Labor and Human Resources:

To the Congress of the United States:

In accordance with Section 360D of the Public Health Service Act, I am submitting the report of the Department of Health and Human Services regarding the administration of the Radiation Control for Health and Safety Act during calendar year 1985.

The report recommends that Section 360D of the Public Health Service Act that requires the completion of this annual report be repealed. The Senate, in passing S. 992, the "Congressional Reports Elimination Act of 1985," included a provision repealing this requirement. All of the information found in this report is available to Congress on a more immediate basis through Congressional committee oversight and budget hearings and the FDA Annual Report. This annual report serves little useful purpose and diverts Agency resources from more productive activities.

RONALD REAGAN.

THE WHITE HOUSE, *April 11, 1986.*

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-2909. A communication from the acting chairman of the Farm Credit Administration, transmitting, pursuant to law, the annual report of the Farm Credit Administration under the Freedom of Information Act for calendar year 1985; to the Committee on the Judiciary.

EC-2910. A communication from the chairman of the Board of Governors of the Federal Reserve System, transmitting, pursuant to law, the annual report of the Federal Open Market Committee of the Federal Reserve System under the Freedom of Information Act for calendar year 1985; to the Committee on the Judiciary.

EC-2911. A communication from the Director of the Bureau of Labor Statistics, Department of Justice, transmitting, pursuant to law, the annual report of the Bureau under the Freedom of Information Act for calendar year 1985; to the Committee on the Judiciary.

EC-2912. A communication from the Acting Director of the Selective Service System, transmitting, pursuant to law, the annual report of the System under the Freedom of Information Act for calendar year 1985; to the Committee on the Judiciary.

EC-2913. A communication from the Freedom of Information Act Director of the Federal Home Loan Mortgage Corporation, transmitting, pursuant to law, the annual report of the Corporation under the Freedom of Information Act for calendar year 1985; to the Committee on the Judiciary.

EC-2914. A communication from the Director of the Equal Employment Opportunity Commission, transmitting, pursuant to law, the Commission's annual report on the Employment of Minorities, Women, and Handicapped Individuals in the Federal Government for fiscal year 1983; to the Committee on Labor and Human Resources.

EC-2915. A communication from the Secretary of Education, transmitting a draft of proposed legislation to amend the Rehabilitation Act of 1973 and the Helen Keller National Center Act to reauthorize activities through fiscal year 1991, to authorize development of transition services and supported employment assistance to disabled individuals, and for other purposes; to the Committee on Labor and Human Resources.

EC-2916. A communication from the chairman of the board of the Student Loan Marketing Association, transmitting, pursuant to law, the annual report of the Commission for calendar year 1985; to the Committee on Labor and Human Resources.

EC-2917. A communication from the Secretary of Education, transmitting a draft of proposed legislation to extend and amend the Higher Education Act of 1965, to establish a financial assistance program emphasizing student self-help, to improve access to postsecondary education for the neediest students, to preserve the educational choices of the neediest students, and make loan repayment more manageable, to enhance the equity and effectiveness of Federal programs in support of higher education, to improve debt collection activities and default recoveries, to reduce collection costs and program abuse, to increase institutional flexibility and simplify higher education programs, and for other purposes; to the Committee on Labor and Human Resources.

EC-2918. A communication from the Secretary of Education, transmitting, pursuant to law, the 1986-87 Guaranteed Student Loan Family Contribution Schedule; to the Committee on Labor and Human Resources.

EC-2919. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report on the Financial Audit of David R. Ramage, Inc., Financial Statements—August 31, 1984 and 1983; to the Committee on Rules and Administration.

EC-2920. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report on the financial audit of Thomas J. Lankford, Inc., financial statements, September 30, 1984 and 1983; to the Committee on Rules and Administration.

EC-2921. A communication from the Administrator of Veterans' Affairs, transmitting, pursuant to law, a report on cases granted equitable relief during calendar year 1985; to the Committee on Veterans' Affairs.

EC-2922. A communication from the Administrator of Veterans' Affairs, transmitting a draft of proposed legislation to amend title 38, United States Code, to extend the authority of the Veterans' Administration to provide contract care to U.S. veterans in the Veterans Memorial Medical Center, and to provide grants to States for State veterans homes, and for other purposes; to the Committee on Veterans' Affairs.

EC-2923. A communication from the Secretary of Health and Human Services, transmitting a draft of proposed legislation to extend and amend programs under the Head Start Act, and for other purposes; to the Committee on Labor and Human Resources.

EC-2924. A communication from the chairman of the Advisory Council on Historic Preservation, transmitting, pursuant to law, the annual report of the Council for fiscal year 1985; to the Committee on Energy and Natural Resources.

EC-2925. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, a report on the experience of the Department in implementing the Freedom of Choice Waiver Provisions of the Social Security Act; to the Committee on Finance.

EC-2926. A communication from the Acting Administrator of the National Aeronautics and Space Administration, transmitting, pursuant to law, a report on NASA's plan to report to the General Services Administration certain excess real property; to the Committee on Governmental Affairs.

EC-2927. A communication from the Secretary of Education, transmitting, pursuant to law, final regulations—College Housing Program—Loan Discount; to the Committee on Labor and Human Resources.

EC-2928. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, the annual report on compliance by States with personnel standards for radiologic technicians for 1985; to the Committee on Labor and Human Resources.

EC-2929. A communication from the Presiding Officer, Advisory Council on Education Statistics, Department of Education, transmitting, pursuant to law, the annual report of the Council for fiscal year 1985; to the Committee on Labor and Human Resources.

EC-2930. A communication from the Acting Comptroller of the United States, transmitting, pursuant to law, a report on the status of certain budget authority; pursuant to the order of January 30, 1975, referred jointly to the Committee on the Budget, the Committee on Appropriations, and the Committee on Commerce, Science, and Transportation.

EC-2931. A communication from the Acting Comptroller General of the United States, transmitting, pursuant to law, a report on the President's third special message for fiscal year 1986; pursuant to the order of January 30, 1975, referred jointly to the Committee on Appropriations, the Committee on Armed Services, the Committee on Banking, Housing, and Urban Affairs, the Committee on the Budget, the Committee on Commerce, Science, and Transportation, the Committee on Energy and Natural Resources, the Committee on Environment and Public Works, the Committee on Finance, the Committee on Foreign Relations, the Committee on Governmental Affairs, and the Committee on Labor and Human Resources.

EC-2932. A communication from the Assistant Secretary of Defense (Comptroller) transmitting, pursuant to law, selected acquisition reports and selected acquisition summary tables for the quarter ended December 31, 1985; to the Committee on Armed Services.

EC-2933. A communication from the Acting Director of the Defense Security Assistance Agency, transmitting, pursuant to law, a report on the Departments of the Army, Navy, and Air Force proposed letter of offer to Saudia Arabia for defense articles estimated to cost in excess of $50 million; to the Committee on Armed Services.

EC-2934. A communication from the Secretary of Commerce, transmitting a draft of proposed legislation to amend the Export Administration Amendments Act of 1985 to authorize appropriations to carry out the provisions of title II of such act for fiscal years 1987 and 1988, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

EC-2935. A communication from the Secretary of Commerce, transmitting a draft of proposed legislation to terminate the U.S. Travel and Tourism Administration, to repeal the International Travel Act of 1961, as amended, and for other purposes; to the Committee on Commerce, Science, and Transportation.

EC-2936. A communication from the Acting General Counsel of the Federal Emergency Management Agency, transmitting a draft of proposed legislation to authorize appropriations for activities under the Disaster Relief Act of 1974, as amended; to the Committee on Environment and Public Works.

EC-2937. A communication from the Administrator of the Environmental Protection Agency, transmitting a draft of proposed legislation to amend and extend title I of the Marine Protection, Research, and Sanctuaries Act, as amended, for 2 years; to the Committee on Environment and Public Works.

EC-2938. A communication from the Administrator of the Environmental Protection Agency, transmitting a draft of proposed legislation to amend and extend the Toxic Substances Control Act, as amended, for 2 years; to the Committee on Environment and Public Works.

EC-2939. A communication from the Deputy Assistant Secretary of Defense (Administration) transmitting, pursuant to law, a report on a new Privacy Act System of records; to the Committee on Governmental Affairs.

EC-2940. A communication from the Deputy Assistant Secretary of Defense (Administration) transmitting, pursuant to law, a report on a new Privacy Act system of records; to the Committee on Governmental Affairs.

EC-2941. A communication from the chairman of the Occupational Safety and Health Review Commission, transmitting, pursuant to law, a report on the system of internal accounting and administrative controls in effect during calendar year 1985; to the Committee on Governmental Affairs.

EC-2942. A communication from the Deputy Assistant Secretary of Defense (Administration) transmitting, pursuant to law, a report on a new Privacy Act system of records; to the Committee on Governmental Affairs.

EC-2943. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, the annual report with the respect to actions taken to recruit and train Indians to qualify for positions which are subject to preference under Indian preference laws; to the Select Committee on Indian Affairs.

EC-2944. A communication from the Freedom of Information/Privacy Officer of the Interstate Commerce Commission, transmitting, pursuant to law, the annual report of the Commission under the Freedom of Information Act for calendar year 1985; to the Committee on the Judiciary.

EC-2945. A communication from the Director of the Administrative Office of the U.S. Courts, transmitting, pursuant to law, the report of the proceedings of the Judicial Conference of the United States, held in Washington, DC March 6 and 7 and September 17 and 18, 1985, and the annual report of the Director of the Administrative Office of the U.S. courts for fiscal year 1985; to the Committee on the Judiciary.

EC-2946. A communication from the President of the American Academy and Institute of Arts and Letters, transmitting, pursuant to law, the annual report on the activities of the Academy for calendar year 1985; to the Committee on the Judiciary.

EC-2947. A communication from the Director of the Administrative Office of the U.S. Courts, transmitting a draft of proposed legislation to renew authority to contract for the detection and treatment of drug-dependent offenders, and for other purposes; to the Committee on the Judiciary.

EC-2948. A communication from the Asistant Attorney General (Office of Justice Programs) transmitting, pursuant to law, the first annual report of the Assistant Attorney General for Justice Programs, covering fiscal year 1985; to the Committee on the Judiciary.

EC-2949. A communication from the Secretary of Education, transmitting a draft of proposed legislation to authorize the establishment of an endowment fund at Galludet College and the National Technical Institute for the Deaf, and for other purposes; to the Committee on Labor and Human Resources.

MESSAGES FROM THE HOUSE

At 1:54 p.m., a message from the House of Representatives, delivered by Mr. Berry, one of its reading clerks, announced that the House has passed the following bill, with amendments, in which it requests the concurrence of the Senate:

S. 49. An act to protect firearms owners' constitutional rights, civil liberties, and rights to privacy.

ENROLLED JOINT RESOLUTION SIGNED

At 4:02 p.m., a message from the House of Representatives delivered by Ms. Goetz, one of its reading clerks, announced that the Speaker has signed the following enrolled joint resolution:

S.J. Res. 261. Joint resolution to designate the week of April 14, 1986, through April 20, 1986, as "National Mathematics Awareness Week."

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. CHILES (for himself, Mr. DURENBERGER, Mr. BENTSEN, Mr. BAUCUS, and Mr. ROCKEFELLER):

S. 2288. A bill to amend title XIX of the Social Security Act to permit States the option of providing prenatal, delivery, and postpartum care to low-income pregnant women and of providing medical assistance to low-income infants under one year of age; to the Committee on Finance.

By Mr. McCLURE (by request):

S. 2289. A bill to enhance effective administration of certain Federal lands, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. FORD (for himself and Mr. BUMPERS):

S. 2290. A bill to amend the Communications Act of 1934 to prohibit the encoding of satellite-transmitted television programming until decoding devices are fully available at reasonable prices; to the Committee on Commerce, Science, and Transportation.

By Mr. BIDEN:

S. 2291. A bill to amend the Energy Reorganization Act of 1974 to create an independent Nuclear Safety Board; to the Committee on Environment and Public Works.

By Mr. GRASSLEY:

S. 2292. A bill to amend the Food Security Act of 1985 to require the Secretary of Agriculture to take certain actions to reduce the adverse effect of the milk production termination program on red meat producers, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. LUGAR (by request):

S. 2293. A bill to authorize appropriations for the African Development Foundation; to the Committee on Foreign Relations.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. RUDMAN (for Mrs. HAWKINS (for herself, Mr. PELL, Mr. KASTEN, Mr. LAUTENBERG, and Mr. MATTINGLY)):

S. Con. Res. 126. Concurrent resolution authorizing the rotunda of the United States Capitol to be used on May 6, 1986, for a ceremony commemorating the days of remembrance of victims of the Holocaust; considered and agreed to.

By Mr. RUDMAN (for Mr. HEINZ (for himself and Mr. GARN)):

S. Con. Res. 127. Concurrent resolution relating to predatory tied aid credits; considered and agreed to.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. CHILES (for himself, Mr. DURENBERGER, Mr. BENTSEN, Mr. BAUCUS, and Mr. ROCKEFELLER):

S. 2288. A bill to amend title XIX of Social Security Act to permit States the option of providing prenatal, delivery, and post partum care to low-income pregnant women and of providing medical assistance to low-income infants under 1 year of age; to the Committee on Finance.

INFANT MORTALITY PREVENTION ACT

● Mr. CHILES. Mr. President, I am today introducing the Infant Mortality Prevention Act of 1986 a [IMPACT 86]. The bill seeks to alleviate one of the more tragic problems this Nation faces: infant mortality.

In this Nation, where we take pride in our standard of living, medical care and technological advances, nearly 10 white babies, close to 20 black babies, and nearly 17 other nonwhite babies die before their first birthday for every 1,000 who are born. Overall, we have an infant mortality rate that is higher than Asian nations like Japan and Singapore, Western European countries like Norway or Great Britain, as well as Canada and Australia.

We are making some progress. The United States improved its infant survival rate from 17th in the world in 1983 to 16th in 1984. But I am not satisfied.

When you look behind the averages, when you look at the specifics of the survival rates for black babies versus whites, and a baby's chance for survival in the Southeast versus the rest of the Nation, we see not only do we have a long way to go, we are actually losing ground in the battle against infant mortality on some fronts:

In 1983 the incidence of low birthweight increased for both blacks and whites, and the annual rate of improvement would have to be about 300 percent to meet the Surgeon General's goal of reducing low birthweight to only 5 per 100 live births.

The gap between black and white rates of infant mortality is getting wider. In 1983 this difference was the widest in 40 years.

The percentage of women getting no prenatal care, or delayed care in the third trimester, is increasing. Our rate of progress to achieve the Surgeon General's goal of 90 percent of women getting care in the first trimester would have to be 650 percent per year until 1990.

Death rates are rising for infants who survive the first month of life. These deaths are most closely associated with preventable factors due to poverty. And yet in 1983 we had the worst situation we have had in 20 years in postneonatal deaths, and provisional data indicates these deaths are projected to rise again in 1984.

Finally, our rate of decline in infant mortality has slowed to about 3 percent per year between 1981 and 1983.

For over a year now, I have been looking at the issue of infant mortality. I have visited prenatal care centers and neonatal intensive care units all over the State of Florida. I have held hearings in Miami, Pensacola, and Washington.

The chief thing I have learned from physicians, nurse midwives, public health officials, and most importantly, young mothers, is that early and effective prenatal care makes a difference. In human terms, I have seen the babies who benefited from good maternal health care, counseling, and nutrition, whether they were born in the migrant stream, the Liberty City section of Miami, or to a middle-income teenager.

I have also seen the joy on a young mother's face as she held her first healthy baby after eight miscarriages and stillbirths. And I have seen the tragedy of young parents and their children who did not have access to such care and suffered preventable handicapping conditions.

The bill I am introducing today could bring this essential health care to thousands of low-income pregnant women. It would provide for a new Medicaid categorically needy program to permit States, at their option, to extend Medicaid coverage for preventive prenatal, delivery and postpartum medical services to low-income women during pregnancy and for 60 days after delivery, and to their infants up to 1 year of age.

My goal is to provide this essential preventive health care to all pregnant women with family incomes up to the full Federal poverty level. The bill would achieve that goal within the third year after enactment.

Pregnant women with family incomes below 65 percent of the Federal poverty level—$5,750 maximum countable income for a three-person family—would be eligible for this new maternity benefit converage in the first year of operation. The bill provides for an eligibility ceiling of 80 percent of the poverty level in fiscal year 1989.

Mr. President, I would have liked to start out with coverage for all pregnant women and small children up to the full Federal poverty level right away. This is what we need to do, and this is the best way, I am convinced, to lower infant mortality rates and keep our commitment to a national goal of healthy mothers and healthy babies.

I am convinced that in the long range such an initial expenditure on preventive health care will result in significant overall Federal and State Medicaid savings. But there will be startup costs, and as yet we do not have good cost estimates for coverage for this full population. We set aside a target amount of approximately $100 million a year in additional Medicaid spending in the budget resolution reported by the Senate Budget Committee for a new infant mortality initiative.

This is a realistic goal, something that we can achieve this year. My commitment is to doing the most we can right away—not putting off this important initiative until we feel we've got our tremendous budget deficits under control.

It is my hope that as the authorizing committees of Congress and the Congressional Budget Office spend more time with the possibilities of such an initiative, we will find that we can start out with an eligibility level much higher than 65 percent of the Federal poverty level. This is one area in which I wouldn't mind seeing this bill substantially changed before it comes to the Senate floor for final action.

I also want to see any final legislation in this area providing the maximum incentive for States to choose to exercise the option for expanded Medicaid coverage for pregnant women and infants.

One of the most important elements of this bill is that States would have the option of providing this new benefit without increasing their AFDC standards of need or payment levels. For the first time, we would be giving States the flexibility to target their resources to provide preventive health care to a specific, high risk population group.

As currently drafted, however, the bill would require a State to maintain its AFDC payment levels in place as of the date of enactment of this new legislation if it chooses to exercise the new Medicaid option.

To avoid a costly new administrative process, States also would be able to use their current AFDC income and eligibility determination process to decide eligibility for the new Medicaid benefit. There are two specific exceptions to current AFDC eligibility determination rules, however.

First, the bill provides that the guidelines used to determine maximum allowable assets and resources other than cash income should be those now used in Medicaid medically needy programs. In general, current law provides for the more liberal of the AFDC or SSI resource standards to be used to determine eligibility in Medicaid medically needy programs, and this same precedent would be applied to the new optional coverage.

Second, to prevent a situation in which a pregnant woman would lose her Medicaid coverage in the middle of her pregnancy because of a slight increase in income, as could happen with AFDC earned income disregard provisions and other tests, a minimum benefit period would be established to ensure coverage through the entire period of the pregnancy.

Mr. President, I'd like to point out that this new program we are proposing is actually a very limited benefit. But because it is so precisely targeted to a very high risk population, low-income pregnant women and their infants up to age 1, it can have tremendous impact.

In economic terms, we are talking about an investment averaging about $600 for routine prenatal check ups and counseling, versus neonatal intensive care that can cost as much at

$120,000 to $200,000 for an extended period. These costs do not even include the expense of handicapped education, vocational rehabilitation, or welfare for lifelong handicapping conditions.

In human terms, it's the least we can do for our children.●

● Mr. BENTSEN. Mr. President, I am pleased to join my colleagues from Florida and Minnesota as an original cosponsor of the Infant Mortality Prevention Act [IMPACT] of 1986.

The purpose of this legislation is to offer States the option of extending prenatal, delivery and postpartum care to women whose incomes fall below the poverty level, but who fail to qualify for coverage under current law because they exceed the State's income eligibility threshold. In addition, States would be allowed to extend health care to infants of less than 1 year of age.

The genesis of S. 2288 was the final report prepared by the Southern Governors' Task Force on Infant Mortality, under the chairmanship of South Carolina's Gov. Richard Riley. Recognizing that the incidence of infant mortality is highest in the southern region of the country, Governor Riley, members of the task force, and an able group of professional staff members developed a number of specific legislative recommendations designed to expand the tools available to elected officials concerned about reducing the number of infant deaths in their States.

The National Academy of Sciences Institute of Medicine study on low birthweight has shown that significant cost savings can be achieved by providing low cost prenatal, delivery and postpartum care to young mothers. In fact, IOM estimates a cost-benefit ratio of $3.38 saved in the first year of a child's life for $1 spent in prenatal care. Yet, in the United States, most especially in the southern region, we have been slow to recognize that an early investment in the health of the mother pays dividends for the long term well-being of mother, child, and the community at large. As a consequence, the price we have paid, in dollars and lost human potential, has been far too high.

To be more specific, 10 of the 11 States with the most severe infant mortality rates are in the South. In the southern region, it is estimated that 1 of every 15 mothers is likely to have a child with a discernible mental or physical handicap. While the national average is 6.8 percent, 7.6 percent of all babies born in the Southern States are low in birthweight. And, as most of my colleagues are already aware, low birthweight is closely associated with a statistically significant increase in the incidence of lifelong handicapping conditions, such as learning disabilities, autism, cerebral palsy, epilepsy, chronic lung problems and mental retardation.

In an effort to comply with the funding limitations placed on this initiative in the budget resolution, the bill calls for a gradual increase in the income threshold, providing coverage for women who fall below 65 percent of the Federal poverty level in the first year, below 80 percent in the second year, and below 100 percent in the third year. In the event that Congressional Budget Office estimates of the cost to implement this legislation permit acceleration of the proposed timetable, I hope that members of the Finance Committee will be prepared to adjust this particular provision to afford States the opportunity to expand coverage to the entire target population as quickly as possible.

For those who may be concerned about disengaging eligibility for health services under Medicaid from the payment of aid to families with dependent children [AFDC], let me stress that the legislative language was carefully drafted to ensure that benefit payments are not reduced in order to finance State participation in the IMPACT option.

In sum, Mr. President, enactment of S. 2288 will allow States to improve access to health care for an especially vulnerable population. These changes in the Medicaid statute are especially important for the southern tier of States, where the need for services is greatest.

To quote Governor Riley:

> We in the South must develop our full potential if we are to achieve the hopes and plans we share for our future. One of the most critical opportunities we can offer our people is a good start.

Let us join together in support of that goal by relaxing Federal restrictions that inhibit the ability of States and communities to structure their health services according to local priorities. S. 2288 is a good beginning.●

By Mr. McCLURE (by request):

S. 2289. A bill to enhance effective administration of certain Federal lands and for other purposes; to the Committee on Energy and Natural Resources.

FEDERAL LANDS ADMINISTRATION ACT

● Mr. McCLURE. Mr. President, I send to the desk legislation recommended in an Executive communication transmitted by the Secretaries of the Interior and Agriculture and referred to the Committee on Energy and Natural Resources. The legislation would provide for the interchange of lands between the two Departments involving an estimated 25 million acres. I ask unanimous consent that copies of the legislation, and the section-by-section analysis letter of transmittal which accompanied it be printed in the RECORD at the conclusion on my remarks.

I have long been a supporter of the concept of interchange. I believe that it will improve both the management of Federal lands and the ability of State, local, and private interests to work with Federal land managers. Having said that, however, I do have several reservations about this particular proposal. I am not certain that it is the best approach to accomplish an effective interchange.

I would note at the outset that any proposal to exchange lands will inevitably produce expressions of concern from individuals who are apprehensive as to the potential effects of the exchange. Will the new land manager be as responsive to problems? Will new planning requirements be implemented? Will my livelihood be affected? These are legitimate concerns, and I am pleased with the efforts which both the Bureau of Land Management and the Forest Service undertook to explain the proposal to affected localities. Eighty-five public meetings were held and there have been significant changes made as a result of those and other meetings and discussions. I think both agencies should be commended for that effort. If they have not resolved all the problems at least they have tried to do so.

One of the very real concerns is how the consolidation of functions will affect the various offices which the two agencies now have. The legislative impact statement which the agencies prepared goes into considerable detail, and we will need to carefully consider their conclusions.

For example, the proposal assumes a net reduction of 34 staff positions in the Burley office in Cassia County, ID, with an "induced change in local employment" of 16 positions. The analysis indicates that this proposal would "compound an unemployment rate already above the national average" of 7.7 percent in Burley. The analysis further states:

> A mitigating factor is that employees have stated that they would commute to Twin Falls rather than move out of Burley if their positions were eliminated. They would therefore continue to spend some portion of their salaries in Burley and contribute to Burley's tax base.

I am not satsfied with that, and I have obtained a commitment from the Director of the Bureau of Land Management that the Burley office will not be closed. I intend to examine closely each of the potential or planned consolidations to ensure that all communities are adequately protected. In addition to Burley's 7.7 percent unemployment, unemployment is estimated for other affected Idaho communities at 12.4 percent for Cottonwood and 13.3 percent for Salmon. While the proposal assumes far less of an impact in those communities than it did in Burley, nevertheless I intend to examine those impacts very careful-

ly before any proposal is reported from the committee.

As I stated at the outset, I support the concept of the interchange. From the standpoint of the State of Idaho, I intend to look very closely at the specific lands subject to interchange and continue my discussions with people in the State to determine whether this is the best proposal or whether it could be improved. I expect that my colleagues will be having similar discussions with respect to the acreage involved in their States, and I anticipate that they will also have suggestions to improve this proposal.

Beyond the question of the acreage, I have several concerns which I plan to explore as this proposal moves through the legislative process. I have some concern over the transfer to the Forest Service of responsibility for 204 million acres of subsurface estate and the amendments to the Multiple-Use Sustaind-Yield Act and other statutes which are required to implement that decision. It may be that this is a good idea and we should reverse the decision made in the Reorganization Plan No. 3 of 1946 to transfer such responsibility from the Department of Agriculture to the Department of the Interior. This proposal may provide for better land management and a more integrated planning process. It may not. I intend to examine this issue closely.

I also intend to carefully review the various transfers of legislative authority from one agency to another that are proposed in this legislation, especially where the authorities do not run just with the lands being transferred, but are extended to all lands under the jurisdiction of the Department receiving the new authority. I understand and fully appreciate the concern that the lands being transferred should continue to be managed in the same manner as they were prior to the transfer. Accomplishing that may entail the exercise by one agency of certain statutory authorities normally reserved to another. That objective does not mean, however, that this proposal should be an excuse for agencies to extend such authorities to other lands nor to modify current law.

This does not mean that some of these ideas may not be beneficial. Extending the authority of the Small Tracts Act to all lands under the administration of the Department of the Interior rather than just to the lands transferred from the Department of Agriculture may be a good idea, but then again it might not. Providing the Department of Agriculture with certain authorities under the Desert Land Entry Act, the Carey Act, the Recreation and Public Purposes Act, Federal Land Policy and Management Act, and other statutes may be a good idea for the transferred lands, and it may improve management. But then again it might not.

Part of the rationale for the interchange is to provide more uniform land management by consolidating stewardship within one agency in any given area. While the Color of Title Act is extended throughout the Forest System, the other statutes would continue to apply only to the transferred lands. We will need to be certain that we have not interchanged one management problem—multiple agencies—for another—different management by a single agency on intermingled lands. The hearing process should provide the committee and my colleagues with ample opportunity to explore these issues.

Some areas I do intend to focus on are the provisions dealing with wilderness review, how these areas are incorporated into the planning process of the new agency, and the provision on water rights. Both agencies have made an effort to be absolutely neutral, but the remaining areas where we will need to be extremely careful especially in light of the ability of courts to read what we think is clear language in new and novel ways.

When the Bureau of Land Management and the Forest Service submitted their first interchange proposal last year, there was great concern in Western States that there would not be an opportunity for the public and affected groups to have a chance to air their views before the legislation was enacted. If my recent discussions with the people of Idaho are a barometer, that concern still exists.

So let me give this assurance to my colleagues and those affected groups. No legislation will be sent to the full Senate for consideration until there has been a full and complete opportunity for public comment and review. There will be hearings in Washington, and I'm sure there will also be several field hearings in affected States as well. Given the kind of effect which this legislation would have on land management in the West, full public participation and comment is not only desirable, it is essential.

I intend to spend at least one hearing on the issue of water rights. While the language is designed, as the section-by-section analysis states, to be absolutely neutral and neither create nor relinquish any rights of Federal, State, or private parties, I think that the Congress needs to be completely satisfied that the language will accomplish that result. I know that both Departments intend that result and I can assure my colleagues that before any legislation is reported by the committee to the Senate, we will also be satisfied.

Mr. President, I am pleased to introduce this legislation and I hope that all Members will give it very careful consideration. It offers the possibility of significantly improving the Federal stewardship of our lands with some commensurate budget savings. Whatever flaws are found in the legislation will I hope be fully explored and remedied as the legislation is considered. I certainly hope that our discussions can be focused on the concept of interchange and what is necessary to accomplish that interchange. There is an implicit danger in the extensions of authority that some may seek to undertake a comprehensive review of the management authorities of both agencies. I hope we will resist that temptation.

I believe that the concept of the interchange is good for Idaho, and I think that once my colleagues have examined this legislation, they too will conclude it is a good one for their States.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 2289

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Federal Lands Administration Act of 1986."

TITLE I—PURPOSES, DEFINITIONS AND MAPS

PURPOSES

SEC. 101. The purposes of this Act are to—

(a) improve service to the public in the administration of certain federally owned lands;

(b) increase efficiency in the management of federally owned natural resources and increase cost effectiveness by consolidating land jurisdiction and administration in the agency with the predominant presence in an area; and

(c) consolidate the management of the surface and subsurface resources in the agency responsible for the surface.

SEC. 102. Without altering in any way the meaning of the following terms as used in any other statute, whether or not such statute is referred to in or amended by this Act, as used in this Act—

(a) the term "Secretaries" means the Secretary of the Interior and the Secretary of Agriculture;

(b) the acronym "FLPMA" means the Federal Land Policy and Management Act of 1976, as amended (90 Stat. 2743, 43 U.S.C. 1701, et seq.);

(c) the terms "land" and "lands" includes surface, subsurface, water, minerals, and interests therein;

(d) the term "public lands" has the same meaning as defined in section 103(e) of FLPMA (43 U.S.C. 1702(e));

(e) the term "newly established public lands" means lands or interests in lands which were formerly in the National Forest System and by this Act become public lands;

(f) the term "National Forest System" has the same meaning as defined in section 11 of the Forest and Rangeland Renewable Resources Planning Act of 1974, as amended (88 Stat. 480, 16 U.S.C. 1609(a));

(g) the term "newly established national forest lands" means lands or interests in lands which were formerly public lands and by this Act become national forest lands and a part of the National Forest System;

(h) the term "withdrawal" has the same meaning as defined in section 103(j) of FLPMA (90 Stat. 2746, 43 U.S.C. 1702(j));

(i) the term "person" includes an individual, partnership, coporation, association, public or private organization, Indian Tribe or State or political subdivision thereof;

(j) the term "date of transfer" means the date of the beginning of the first pay period of the Bureau of Land Management and Forest Service following one hundred and eighty (180) days after the date of enactment of this Act; and

(k) the term "O&C Lands" means the Oregon and California Railroad and Coos Bay Wagon Road Grant lands which are subject to the Act of August 28, 1937 (50 Stat. 874, as amended), and the Act of May 24, 1939 (53 Stat. 753).

SEC. 103. Incorporated by reference into this Act are a series of maps entitled "Interagency Land Transfers—February 1986" (hereafter "maps") which delineate the areas of lands for which adminstration is transferred by this Act. The maps shall be on file and available for public inspection in the offices of the Chief, Forest Service, Department of Agriculture, and the Director, Bureau of Land Management, Department of the Interior. Changes may be made to the maps to correct technical errors.

TITLE II—TRANSFER OF LANDS TO THE FOREST SERVICE

SEC. 201. Effective on the date of transfer, jurisdiction over public lands designated on the maps for management by the Forest Service is transferred to the Secretary of Agriculture, and the lands are withheld and reserved as national forests and shall be administered in accordance with this Act and the laws, rules and regulations applicable to the national forests.

MODIFICATIONS OF NATIONAL FOREST SYSTEM UNIT BOUNDARIES

SEC. 202. (a) The Secretary of Agriculture is authorized to establish, extend or otherwise modify the boundaries of units of the National Forest System in order to facilitate planning, management or administration. Any boundary modifications shall become effective ninety days following publication of notice of such modifications in the Federal Register and notification of the appropriate committees of Congress. Exercise of this authority shall not affect valid existing rights.

(b) For the purpose of section 7 of the Land and Water Conservation Fund Act of 1965 (16 U.S.C. 4601-9), the boundaries of newly established national forest lands, and the boundaries of National Forest System lands as they may be modified pursuant to subsection (a) of this section or section 403 of this Act shall be treated as if they were boundaries in existence as of January 1, 1965.

NATIONAL FOREST PLANNING

SEC. 203. Until such time as plans are specifically developed for newly established national forest lands in accordance with the Forest and Rangeland Renewable Resources Planning Act of 1974 (88 Stat. 476, as amended; 16 U.S.C. 1601), such lands shall continue to be managed in accordance with plans in effect on the date of transfer. Newly established national forest lands shall be managed under land management plans developed pursuant to section 6(f)(5) of the aforementioned Act when appropriate plans are revised. If no plans are in effect on the date of transfer, the lands shall be managed in a manner consistent with other National Forest System lands in the vicinity until a plan is developed under applicable provisions of law. Nothing in this or any other Act shall require the amendment or revision of the plans governing newly established national forest lands or of the plans relating to national forest affected by the addition or deletion of lands transferred by this Act.

WILDERNESS REVIEW

SEC. 204. (a) For roadless areas of newly established national forest lands, the Secretary of Agriculture shall:

(1) adopt all recommendations of the Secretary of the Interior with regard to wilderness suitability of lands reviewed for wilderness by the Bureau of Land Management prior to the date of transfer pursuant to sections 202 and 603 of FLPMA; and

(2) undertake or complete wilderness consideration utilizing the wilderness review standards applicable to other national forest lands for wilderness study areas for which there are no recommendations of the Secretary of the Interior in effect on the date of transfer.

(b) Subject to valid existing rights, any roadless areas of newly established national forests lands which were in wilderness study areas identified by the Secretary of the Interior pursuant to section 603 of FLPMA shall be managed by the Secretary of Agriculture in accordance with the provisions of section 603(c) of FLPMA until either (1) Congress designates the areas as wildernes, or (2) Congress releases the areas from wilderness consideration.

(c) Subject to valid existing rights, any roadless areas of newly established national forest lands recommended for wilderness by the Secretary of the Interior pursuant to section 202 of FLPMA or any roadless area identified for wilderness study under section 202 of FLPMA and recommended for wilderness by the Secretary of Agriculture pursuant to subsection (a)(2) of this section shall be managed in a manner so as to maintain their presently existing wilderness characteristics and potential for inclusion in the National Wilderness Preservation System until the areas are designated as wilderness or released from wilderness consideration: *Provided*, That the Secretary of Agriculture may authorize the continuation of types of existing uses insofar as such uses would not disqualify the area for designation as wilderness.

(d) Any roadless areas of newly established national forest lands which have been considered but not recommended for wilderness pursuant to section 202 of FLPMA or subsection (a)(2) of this section, except as provided in subsection (b) of this section, shall be deemed to have been adequately considered for wilderness for the purposes of the initial land management plans hereafter required for such lands by section 6 of the Forest and Rangeland Renewable Resources Planning Act of 1974, as amended, and the Secretary of Agriculture shall not be required to manage the land to preserve wilderness values or to review the wilderness option prior to the revision of the plans, but shall review the wilderness option when the plans are revised.

(e) A recommendation of the President for designation as wilderness shall become effective only if so provided by an Act of Congress.

LAND ENTRY PROVISIONS

SEC. 205. The following Acts pertaining to entry and disposal of the public lands are amended as follows:

(a) the Act of March 3, 1877 (19 Stat. 377, as amended; 43 U.S.C. 321), pertaining to desert land entries, is amended as follows:

(1) in section 1, delete in the first sentence the words "Secretary of the Interior of" and insert in lieu thereof the words "appropriate Secretary for";

(2) in section 3, delete the period at the end of the sentence and insert a colon and the following proviso: "*Provided*, That the Secretary of the Interior shall exercise the authorities under this Act with respect to public lands, and the Secretary of Agriculture shall exercise the authorities with respect to newly established national forest lands designated pursuant to the Federal Lands Administration Act of 1986: *Provided however*, That the Secretary of the Interior shall issue all patents to such desert lands on his own initiative with respect to public lands or at the request of the Secretary of Agriculture with respect to newly established national forest lands."

(b) Section 4 of the Act of August 18, 1894 (28 Stat. 422, as amended; 43 U.S.C. 641) pertaining to grants of desert lands to States for reclamation, commonly known as the Carey Act, is further amended by adding the following unnumbered paragraph at the end therof:

"Newly established national forest lands designated by the Federal Lands Administration Act of 1986 shall remain available to the States for the purposes set forth in this Act: *Provided*, That the Secretary of Agriculture shall exercise the authorities of this Act with respect to grants of desert lands to States on such forest lands: *Provided further*, That patents shall be issued only by Secretary of the Interior at the request of the Secretary of Agriculture."

(c) The Act of February 28, 1891, which amended Revised Statutes § 2276 (26 Stat. 796, as amended; U.S.C. 852), pertaining to indemnity selections by the States, is amended as follows:

(1) in the first sentence of section 2(a), insert after the words "unsurveyed public lands" a comma followed by the words "or from newly established national forest lands designated pursuant to the Federal Lands Administration Act of 1986,"; and

(2) insert at the end of subsection 2(a) the following new numbered paragraph:

"(6) With regard to lands which are designated as newly established national forest lands pursuant to the Federal Lands Administration Act of 1986, the Secretary of Agriculture shall administer the provisions of this Act except that patents shall be issued only by the Secretary of the Interior at the request of the Secretary of Agriculture."

(d) The Recreation and Public Purposes Act of June 14, 1926 (44 Stat. 741, as amended; 43 U.S.C. 869) is amended by adding a new section 7 at the end thereof:

SEC. 7. Notwithstanding the provisions of section 1 of this Act, the Secretary of Agriculture shall exercise the authorities granted herein to the Secretary of the Interior to dispose of newly established national forest lands designated pursuant to the Federal Lands Administration Act of 1986, except that patents shall be issued only by the Secretary of the Interior at the request of the Secretary of Agriculture."

(e) The Act of December 22, 1928 (45 Stat. 1069, as amended; 43 U.S.C. 1068), commonly referred to as the Color of Title Act, is amended as follows:

(1) delete the words "of the Interior" wherever used;

(2) delete the words "public land" wherever used and substitute in lieu thereof the words "Federal land";

(3) in section 1, delete the word "issue" the first time used and substitute in lieu thereof the words "cause to be issued by the Secretary of the Interior"; and

(4) add a new section 4 as follows:

"SEC. 4. For the purposes of this Act, (a) the word "Secretary" shall mean the Secretary of the Interior where public lands are involved, and the Secretary of Agriculture where National Forest System lands are involved, and (b) the words "Federal land" shall mean lands which are public lands as defined by section 103(e) of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1702(e)), and lands which are part of the National Forest System as defined in section 11(a) of the Forest and Rangeland Renewable Resources Planning Act of 1974, as amended (16 U.S.C. 1609(a))."

(f) Notwithstanding any provision of this Act, nothing herein shall be deemed to affect the powers and responsibilities of the Secretary of the Interior pursuant to the Grand Ronde Restoration Act (97 Stat. 1064) except that Federal real property in Oregon to be transferred for the benefit of the tribe pursuant to any reservation plan may be from newly established national forest lands in addition to other available public lands which were otherwise eligible for transfer prior to the date of transfer.

LAND SALES

SEC. 206. Areas of newly established national forest lands identified by the Secretary of the Interior on or before the date of transfer as suitable for sale under the provisions of section 203 of FLPMA or identified as suitable for sale after the date of transfer through land management planning may be sold by the Secretary of Agriculture in accordance with the procedures of said section 203: *Provided*, That patents shall be issued only by the Secretary of the Interior at the request of the Secretary of Agriculture.

AMENDMENTS TO FLPMA

SEC. 207. (a) Section 103(g) of FLPMA is amended to add a new sentence at the end thereof: "For purposes of sections 204, 209, and 211 the term 'Secretary' shall mean the Secretary of the Interior where public lands are involved, and the Secretary of Agriculture where National Forest System lands are involved."

(b) Section 204 of FLPMA is amended by adding a new subsection at the end thereof:

"(m) Upon request of the Secretary of Agriculture where National Forest System lands are involved, and with the concurrence of any other affected agency, the Secretary of the Interior shall make, modify or revoke any withdrawal transferring lands from one Federal agency to another: *Provided*, That nothing herein shall affect the authorities of the Secretary of Agriculture with respect to interchanges of lands with the Secretary of a military department pursuant to the Act of July 26, 1956 (70 Stat. 656; 16 U.S.C. 505a, b)."

TITLE III—TRANSFER OF LANDS TO THE BUREAU OF LAND MANAGEMENT

SEC. 301. Effective on the date of transfer, jurisdiction over National Forest System lands within areas indicated on the maps for management by the Bureau of Land Management is transferred to the Secretary of the Interior to be administered in accordance with this Act and the laws, rules and regulations applicable to the public lands, except that the areas are withdrawn from any sale or disposal under the public land laws or other authority unless such law or authority otherwise applied to the areas prior to the date of transfer.

SEC. 302. (a) All contiguous areas of newly established public lands of 10,000 acres or more which had a specific name indentification prior to enactment of this Act are hereby designated as conservation areas. Such lands shall remain unavailable for disposal under the public land laws, unless otherwise provided in this Act. The Secretary of the Interior shall assign an appropriate definitive name to each such conservation area which will recognize the location of the conservation area or its specific significance or characteristics, and may modify or adjust their boundaries.

(b) Section 522(e)(2)(B) of the Surface Mining Control and Reclamation Act of 1977 (91 Stat. 445; 30 U.S.C. 1272(e)(2)B)) is amended by deleting the words after the "*And provided further,*" and inserting in lieu of such deletions the words: "That no surface coal mining operations may be permitted on public lands which were formerly within the boundaries of the Custer National Forest as such boundaries existed on August 3, 1977."

(c) Title III of the Bankhead-Jones Farm Tenant Act (50 Stat. 522, as amended; 7 U.S.C. 1010-1012), is further amended as follows:

(1) in section 31, after the word "Secretary" insert the phrase "and the Secretary of the Interior for lands acquired under this Act and transferred to the Department of the Interior for administration as public lands";

(2) in section 32, after the phrase "Secretary is authorized" insert the phrase "and the Secretary of the Interior for lands acquired under this Act and transferred to the Department of the Interior for administration as public lands is authorized pursuant to subsection (b), (c), (d), and (f) of this section";

(3) in subsections 32 (c), (d), and (f) wherever the words "Secretary" or "Secretary of Agriculture" appear, insert the phrase "or the Secretary of the Interior as to lands such Secretary administers pursuant to this Act"; and

(4) in subsection 32(e), add a new unnumbered paragraph at the end thereof to read: "The provisions of this subsection shall not be exercised by the Secretary of the Interior."

(5) In section 33, delete the words "calendar year" and insert in lieu thereof the words "fiscal year", and after the word "Secretary" insert the phrase "or the Secretary of the Interior as to lands said Secretary administers pursuant to this Act".

LAND MANAGEMENT PLANS

SEC. 303. (a) Until such time as plans are specifically developed for newly established public lands in accordance with FLPMA, such lands shall continue to be managed under plans in effect on the date of transfer. If no plans are in effect on the date of transfer, the lands shall be managed in accordance with applicable existing regulations of the Secretary of the Interior or with other procedures adopted by the Secretary of the Interior for this purpose until a plan is developed under applicable provisions of law.

(b) Nothing in this Act shall be deemed to require amendment or revision of the plans in effect on the date of enactment of this Act governing newly established public lands.

WILDERNESS REVIEW

SEC. 304. (a) For roadless areas of newly established public lands, the Secretary of the Interior shall:

(1) adopt all recommendations for wilderness or additional study with regard to lands reviewed by the Secretary of Agriculture pursuant to section 6 of the Forest and Rangeland Renewable Resources Planning Act of 1974, as amended; and

(2) complete wilderness consideration for inventoried roadless areas which have not been released from consideration through the process prescribed by section 6 of the Forest and Rangeland Renewable Resources Planning Act of 1974 (88 Stat. 476, as amended; 16 U.S.C. 1601) or by an Act of Congress, and for which there were no recommendations by the Secretary of Agriculture in effect on the date of transfer. After review utilizing the procedures specified in section 3(d) of the Wilderness Act of 1964 (16 U.S.C. 1132(d)), those areas found suitable for wilderness designation under the criteria of section 2(c) of that Act (16 U.S.C. 1131(c)) shall be protected for their wilderness characteristics until Congress acts on recommendations for wilderness designation.

(b) Subject to valid existing rights, any roadless areas of newly established public land recommended by the Secretary of Agriculture for wilderness, or remaining areas required by Act of Congress to be studied for wilderness pending congressional designation or release, shall be managed by the Secretary of the Interior in accordance with the provisions of section 603(c) of FLPMA, or other specific statutory direction.

(c) Lands not recommended for wilderness or additional study as a result of the process prescribed by section 6 of the Forest and Rangeland Renewable Resources Planning Act of 1974, as amended, the process prescribed in subsection (a)(2) of this section, or that have been released by Act of Congress for any specified period shall be deemed to have been adequately considered for their suitability for inclusion in the National Wilderness Preservation System and the Secretary of the Interior shall not be required to review such lands for their wilderness characteristics and suitability except as required in the planning process developed pursuant to section 202 of FLPMA, or in accordance with the requirements of any law that released said lands from wilderness consideration.

(d) A recommendation of the President for designation as wilderness shall become effective only if so provided by an Act of Congress.

SMALL TRACTS

SEC. 305. The Act of January 12, 1983 (96 Stat. 2535; 16 U.S.C. 521c-521i) is amended as follows:

(a) in section 1, delete the period and insert in lieu thereof a comma followed by "where National Forest System lands are involved, or the Secretary of the Interior of the United States where public lands are involved.";

(b) in the first sentence of section 2, clause (1), delete the words "National Forest System lands" and insert in lieu thereof the words "Federal lands under his jurisdiction";

(c) in the second sentence of section 2, delete the words "National Forest System" and insert in lieu thereof the words "Federal lands", and delete the words "lands within the System" and insert in lieu thereof the words "Federal lands";

(d) in the third sentence of section 2, insert after the word "Secretary" the words "of Agriculture"; and

(e) in section 3, delete the words "National Forest System" and insert in lieu thereof the words "Federal lands".

SEC. 306. The Secretary of the Interior may require the purchasers of timber from the public lands to make deposits of money in connection with the payments for the timber, to cover the costs to the United States of any or all of the following activities: (1) disposing of brush and other debris resulting from cutting operations; (2) planting (including the production or purchase of young trees); (3) sowing with tree seeds (including the collection or purchase of such seeds); (4) cutting, destroying, or otherwise removing undersirable trees or other growth on the public lands cut over by the purchaser, in order to improve the future stand of timber; or (5) protecting and improving the future productivity of the renewable resources of the lands on sale areas, including the sale area improvement operation, maintenance and construction, reforestation and wildlife habitat management. Such deposits shall be covered into a separate fund in the Treasury. There is authorized to be appropriated from such fund, to remain available until expended, such sums as may be necessary to cover the costs of the activities specified in this section.

TITLE IV—GENERAL PROVISIONS

PUBLIC NOTICE

SEC. 401. (a) The Secretaries shall publish notice in the Federal Register when the transfer of the lands pursuant to sections 201 and 301 of this Act has been appropriately noted in the official land status records maintained in the appropriate offices of the Bureau of Land Management.

(b) The Secretary of the Interior, in consultation with the Secretary of Agriculture, is authorized to correct errors in the notations on the land status records made in accordance with subsection (a) of this section. Such corrections shall be published in the Federal Register and shall have the same force and effect as if enacted in this Act.

NATIONAL SYSTEMS

SEC. 402. Notwithstanding any other provision of law, components of the National Wilderness Preservation System, National Wild and Scenic Rivers System, and the National Trails System shall continue to be administered under the laws applicable to those areas except that such areas shall be administered by the Secretary to whom administration of the lands has been transferred by this Act.

INTERAGENCY TRANSFER AUTHORITY

SEC. 403. The Secretary of Agriculture with respect to National Forest System lands and the Secretary of the Interior with respect to the public lands are authorized to transfer jurisdiction over contiguous areas of land not exceeding 2,500 acres in size, without reimbursement or transfer or funds, whenever they determine that such transfer will facilitate land management. Such transfer shall be effective 90 days after publication of notification in the Federal Register with an opportunity for public comment, and notification of the appropriate committees of Congress. Upon transfer, lands shall be managed by the Forest Service or Bureau of Land Management, as appropriate, and shall be subject to this Act and the laws, rules and regulations administered by the Secretary to whom jurisdiction has been transferred. A change of jurisdiction under this provision shall not affect valid existing rights or authorizations.

EXISTING RIGHTS AND AUTHORIZATIONS

SEC. 404. (a) Nothing in this Act shall affect valid existing rights under any authority of law as of the date of enactment of this Act.

(b) Authorizations to use lands transferred by this Act which were issued prior to the date of transfer shall remain subject to the laws and regulations under which they were issued: *Provided,* That such laws and regulations will be exercised by the Secretary to whom jurisdiction over affected lands has been transferred. However, renewals and extensions shall be subject to the laws and regulations pertaining to the agency which has jurisdiction of the land at the time of renewal or extension. The change of administrative jurisdiction resulting from the enactment of this Act shall not in itself constitute a basis for denying the renewal or reissuance of any such authorization.

WATER RIGHTS

SEC. 405. With regard to lands transferred by or under authority of this Act, any existing water rights of the United States under State or Federal law which the United States had or may be determined to have had by purchase, reservation, or otherwise prior to the date of enactment of this Act shall not be expanded or diminished: *Provided,* That the designation and withdrawal of newly established national forest lands under authority of this Act shall not create any additional reserved water rights in the United States as to those lands: *Provided further,* That nothing in this Act shall otherwise affect the right of the United States or of any person to acquire or dispose of water or water rights under applicable law.

WITHDRAWALS

SEC. 406. Except as specifically provided for in this Act, nothing herein shall affect any withdrawal in effect as of the date of transfer.

CLAIMS

SEC. 407. Nothing in this Act shall affect any claim by or against the United States, nor shall this Act create any right, claim, remedy or cause of action which did not exist prior to enactment of this Act.

DISBURSEMENT OF RECEIPTS

SEC. 408. (a) After the date of transfer, all monies from newly established national forest lands or newly established public lands shall be credited to the appropriate accounts in the Treasury of the United States applicable to the status of such lands after the effective date of transfer.

(b) For lands transferred pursuant to this Act, all monies received prior to the date of transfer shall be distributed by the collecting agency in accordance with the laws relating to those lands at the time of collection.

(c) Section 10 of the act of June 28, 1934, amended (48 Stat. 1273, 43 U.S.C. 315i) is amended to delete in subsection (a) "12½ per centum" and to insert in its place "25 per centum", and to delete in subsection (b) "50 per centum" and to insert in its place "25 per centum".

(d) Section 3 of the Act of July 31, 1947, as amended (61 Stat. 681, 30 U.S.C. 603) is further amended to delete the period at the end of the paragraph and to add the following "and except that moneys received from the sale of timber on the public lands shall be distributed 25 per centum to the State in which the timber producing such moneys received is situated, to be expended as the State legislature of such State may prescribe for the benefit of the county or counties in which the timber producing such moneys received is situated: *Provided,* That if the timber is situated in more than one State or county, the distributive share to each from the proceeds shall be proportional to its area compared to the total area entitled to share in the moneys received, and 75 per centum to the special fund in the Treasury known as the 'reclamation fund'."

ADMINISTRATIVE APPEALS

SEC. 409. (a) Any formal administrative appeal, adjudication or review pending on the date of transfer shall be completed by the agency in which it is pending: *Provided,* That the Secretary to whom jurisdiction over the lands involved is transferred by this Act may exercise final administrative review.

(b) To provide for uniform application of the mining and mineral leasing laws or to promote efficiency in the administration of such laws, the Secretaries shall establish joint mechanisms and procedures for administrative adjudications or reviews upon such terms and conditions as the Secretaries may prescribe through regulations or interdepartmental agreements.

REGULATIONS

SEC. 410. (a) The Secretary charged with administration of a tract of land transferred by this Act may, by publication of notice in the Federal Register, adopt in whole or part any regulation of either the Secretary of Agriculture or Secretary of the Interior applicable to such transferred land that was in effect as of the date of transfer without complying with the provisions of the Administrative Procedure Act (5 U.S.C. 533) or other requirements for the issuance of new regulations. any adoption of regulations pursuant to this section shall not be deemed a major federal action significantly affecting the quality of the human environment for purposes of compliance with the National Environmental Policy Act (42 U.S.C. 4321).

(b) The Secretaries are authorized to promulgate such joint or separate regulations as either or both deem necessary or desirable to implement the provisions of this Act.

SEC. 411. Nothing in this Act shall affect the existing authorities of the Secretary of the Interior to maintain and administer the official land title records of the United States.

TITLE V—MINERAL RESOURCES

SEC. 501. The Congress declares that it is the policy of the United States that coordinated management by the Secretary of Agriculture of the renewable and the nonrenewable resources of lands within the National Forest System will benefit the public and promote the optimum combination of resource uses. In addition, Congress finds that certain efficiencies and improved public services will result from the Secretary of Agriculture managing such federally owned subsurface resources in areas where the Secretary has been given management responsibility by this Act.

SEC. 502. The Multiple-Use Sustained-Yield Act of 1960 (74 Stat. 215, as amended; 16 U.S.C. 528–531) is amended as follows:

(a) in section 1, insert after the comma following the word "timber", the word "minerals,".

(b) in section 2, delete the first sentence and substitute in lieu thereof, "The Secretary of Agriculture is authorized and direct-

ed to develop and administer for multiple uses the renewable and nonrenewable resources of the National Forest System and, with regard to renewable resources, for sustained yield of the several products and services obtained therefrom."

(c) in section 4, subsection (a), delete the word "surface" and substitute in lieu thereof the words "and nonrenewable".

SEC. 503. For purposes of the Forest and Rangeland Renewable Resources Planning Act of 1974, as amended, the nonrenewable resources shall be given equal consideration with the renewable resources in compliance with the requirements of sections 3, 4, 6, and 8 of that Act.

SEC. 504. For any mining claim located on National Forest System lands pursuant to the mining laws of the United States, the Secretary of Agriculture is authorized to evaluate such claim and initiate and prosecute an appropriate administrative contest or other actions to obtain a determination regarding the validity of such claim. Only the Secretary of the Interior shall issue any patents for valid mining claims wherever located.

SEC. 505. For all National Forest System lands, there is hereby transferred to and vested in the Secretary of Agriculture all authorities heretofore exercised by the Secretary of the Interior contained in those statutes and all acts heretofore and hereafter enacted which are amendatory or supplementary thereto which authorize the leasing and administration of Federal leasable minerals, including:

(a) the Act of February 25, 1920, as amended (41 Stat. 437; 30 U.S.C. 181), commonly known as the Mineral Lands Leasing Act of 1920;

(b) the Act of February 7, 1927 (44 Stat. 1057; 30 U.S.C. 281-287);

(c) the Act of April 17, 1926 (44 Stat. 301; 30 U.S.C. 271-276);

(d) the Mineral Leasing Act for Acquired Lands (61 Stat. 913; 30 U.S.C. 351-359);

(e) section 402, Reorganization Plan No. 3 of 1946 (5 U.S.C. Appendix) which transferred functions of the Secretary of Agriculture relative to the leasing or other disposal of minerals to the Secretary of the Interior, and as supplemented by section 3 of the Act of June 28, 1952 (66 Stat. 285);

(f) section 3 of the Act of September 1, 1949 (30 U.S.C. 192c) which authorized the issuance of mineral leases or permits for the exploration, development and utilization of minerals, other than those covered by the Mineral Leasing Act of Acquired Lands, in certain lands added to the Shasta National Forest by the Act of March 19, 1948 (62 Stat. 83);

(g) the Act of June 30, 1950 (16 U.S.C. 508(b)) which authorized leasing of the hardrock minerals on national forest lands in Minnesota;

(h) the Act approved June 8, 1926 (44 Stat. 710; 30 U.S.C. 291-293).

(i) the Act of June 28, 1944 (58 Stat. 483-485);

(j) the Act of March 3, 1933 (47 Stat. 1487);

(k) the Geothermal Steam Act of 1970 (84 Stat. 1566; 30 U.S.C. 1001-1025);

(l) acts where the Congress authorized mineral leasing, including the leasing of nonleasable minerals in the manner prescribed by section 10 of the Act of August 4, 1939 (43 U.S.C. 387) in the following national recreation areas:

(1) Whiskeytown Unit of the Whiskeytown-Shasta-Trinity National Recreation Area, the Act of November 8, 1965 16 U.S.C. 460q-5);

(2) Ross Lake and Lake Chelan National Recreation Areas, the Act of October 2, 1968 (16 U.S.C. 90c-1(b));

(m) the Act of May 21, 1930 (30 U.S.C. 301-306) pertaining to oil and gas deposits underlying certain rights of way;

(n) subsections 522(b) and (e)(2) of the Surface Mining Control and Reclamation Act of 1977 (30 U.S.C. 1272(b), (e)(2)); and

(o) the Federal Oil and Gas Royalty Management Act of 1982 (30 U.S.C. 1701, et seq.).

SEC. 506 Subsection (c)(2) of section 28 of the Mineral Leasing Act of 1920 (30 U.S.C. 185) is further amended as follows:

(a) Delete the first sentence of said subsection 28(c)(2) and insert in lieu thereof, "Where the surface of Federal lands involved is administered by the Secretary of Agriculture and by a Federal agency other than an agency of the Department of the Interior, then the Secretary of Agriculture is authorized after consultation with the agencies involved, to grant or renew rights of way or permits through the Federal lands involved. In all other cases where the surface of the Federal lands involved is administered by the Secretary of the Interior and another agency, then the Secretary of the Interior is authorized, after consultation with the agencies involved, to grant or renew rights of way or permits through the Federal lands involved."

(b) In the second sentence of said subsection 28(c)(2), insert the word "appropriate" before the word "Secretary."

SEC. 507. The Act of June 11, 1960 (74 Stat. 205) is amended by deleting subsections 2(a) and 2(c).

TITLE VI—TRANSFER OF O&C LANDS

SEC. 601. Incorporated by reference into this Act is a map entitled "Forest Service-Bureau of Land Management Transfer of Oregon and California Grant Lands (February, 1986)" which is on file and available for public inspection in the offices of the Chief, Forest Service, and the Director, Bureau of Land Management, and such regional or field offices as the Chief or Director may designate: *Provided*, That changes may be made to the map to correct technical errors.

SEC. 602. Effective of the date of transfer, jurisdiction over O&C Lands which are designated on the map referenced in section 601 for transfer to the Forest Service is transferred and the lands shall be administered by the Secretary of Agriculture in accordance with the laws, rules and regulations pertaining to national forests.

SEC. 603. Effective on the date of transfer, jurisdiction over national forest lands which are designated on the map referenced in section 601 for transfer to the Bureau of Land Management is transferred and the lands shall be administered by the Secretary of the Interior as O&C Lands in accordance with the Act of August 28, 1937, as amended (50 Stat. 874), and the Act of May 24, 1939 (53 Stat. 753).

SEC. 604. The provisions of this Title IV of this Act shall apply to lands transferred by Title VI of this Act with the exception of sections 403 and 408 which shall not apply.

TITLE VII—SEVERABILITY

SEC. 701. If any provision of this Act or the application thereof is held invalid, the remainder of the Act and the application thereof shall not be affected thereby.

SECTION-BY-SECTION ANALYSIS

The enacting clause states that the bill may be cited as the "Federal Lands Administration Act of 1986."

TITLE I

Title I sets forth the purposes of the legislation, defines terms, and provides for maps depicting the Federal lands and interests in lands described by the bill and the areas of jurisdiction of the Forest Service, Department of Agriculture (USDA), and the Bureau of Land Management, Department of the Interior (USDI).

Section 101 states that the purposes of the legislation are, with regard to the Federal lands and interests in lands affected by the legislation, to: (a) improve service to the public, (b) increase efficiency and cost effectiveness in the management of federally owned natural resources, and (3) consolidate the management of surface and subsurface resources in the agency responsible for the surface.

Section 102 defines certain terms used in the bill. Of particular significance to the legislation are the terms "newly established public lands," meaning lands formerly in the National Forest System (as that term is defined in section 11 of the Forest and Rangeland Renewable Resources Planning Act of 1974, as amended by the National Forest Management Act of 1976) which would become public lands, and "newly established national forest lands," meaning public lands (as that term is defined in the Federal Land Policy and Management Act of 1976 (FLPMA)), which would become national forest lands and a part of the National Forest System; "land or lands," which include surface, subsurface, water, minerals, and interests therein; and "date of transfer," meaning the date on which jurisdiction over the lands would be transferred between the agencies, specified as the beginning of the first pay period for the Bureau of Land Management and the Forest Service following 180 days after the date of enactment.

Section 103 would incorporate by reference into the legislation a series of maps, which would include a nationwide map supported by individual State maps, and which delineate the geographic areas of responsibility for the management of the surface and subsurface resources by the Forest Service and Bureau of Land Management and identifies those lands which would be transferred by the legislation. This action further requires that these maps be available for public inspection in the Washington, D.C., offices of the Forest Service, USDA, and the Bureau of Land Management, USDI.

TITLE II

Title II sets forth those provisions applicable to those public lands to be transferred to the Forest Service, USDA.

Section 201 provides that the jurisdiction over public lands identified on the maps referred to in section 103 for management by the Forest Service would be transferred to the Secretary of Agriculture effective on the date of transfer. The public lands so transferred (newly established national forest lands) would be withheld and reserved as national forests and administered in accordance with the Federal Lands Administration Act of 1986 and the laws, rules, and regulations applicable to the national forests. The reservation and withholding of these public lands as national forest lands would not create additional water rights by virtue of the withholding (see section 405).

Section 202 authorizes the Secretary of Agriculture to establish, extend, or otherwise modify the existing boundaries of units of the National Forest System to facilitate the planning, management, or administra-

tion of these units. Any boundary establishment, extension, or modification would become effective 90 days after publication of a notice in the Federal Register announcing such modification and notification of appropriate committees of Congress. This provision would permit the Secretary to accommodate the inclusion of the newly established national forest lands into existing units whose boundaries have been established by law or Secretary's regulation but which could not otherwise be modified except by law. Any modification of a unit boundary would not affect valid existing rights. This section also provides that the boundaries of the newly established national forest lands or of the national forests as they may be modified under this section would be considered the boundaries in existence on January 1, 1965, for purposes of section 7 of the Land and Water Conservation Act of 1965. This would permit the provisions of that section of the 1965 Act, regarding land acquisition for recreational purposes, to apply.

Section 203 provides that until plans are specifically developed for the newly established national forest lands in accordance with the provisions of section 6 of the Forest and Rangeland Renewable Resources Planning Act of 1974, as amended (RPA), these lands would be managed according to the plans in existence on the date of transfer. If no plan is in existence (or if the plan is not final), these lands would be managed in a manner consistent with the management of other National Forest System lands in the vicinity until such time as the overall plan for that National Forest System unit is placed in effect. Thereafter, the planning for and management of these lands would be either on the basis of a separate planning unit or incorporated into the land management plans for the existing National Forest System unit, as those plans are reviewed and revised according to the requirements specified in section 6(f)(5) of RPA, as amended. That provision requires plans to be revised "from time to time" when conditions in the unit have changed significantly, but at least every 15 years. However, the addition or deletion of Federal lands transferred by the legislation would not of itself require the amendment or revision of plans relating to the affected national forests.

Section 204 of the bill would provide for review and management of roadless areas by the Secretary of Agriculture within newly established national forest lands. The section would assure that the Secretary of Agriculture incorporates existing recommendations, completes wilderness reviews, and manages these roadless lands in a manner that results in no significant change to existing recommendations of the Secretary of the Interior of the way these lands would have been reviewed or managed by the Secretary of the Interior under provisions of FLPMA. The following is a more detailed description of the provisions of section 204.

Subsection (a)(1) would require the Secretary of Agriculture to adopt all recommendations of the Secretary of the Interior with regard to newly established national forest lands reviewed for wilderness by the Bureau of Land Management prior to the date of transfer pursuant to sections 202 and 603 of FLPMA. The recommendations referred to in this section are either those to recommend an area be designated as wilderness or those to recommend an area not be designated as wilderness.

Subsection (a)(2) would require that the Secretary of Agriculture undertake a wilderness evaluation and review for newly established national forest roadless lands if one has not already been initiated by the Secretary of the Interior. If study of wilderness suitability is already underway for an area, but there are no recommendations of the Secretary of the Interior existing on the date of transfer, then the Secretary of Agriculture would complete that wilderness review. In either situation, the Secretary of Agriculture would use wilderness review standards applicable to other national forest lands, which are those being used in Forest planning under section 6 of RPA, as amended. This subsection would apply to lands considered under either section 202 or 603 of FLPMA.

Subsection (b) would assure that, subject to valid existing rights, any roadless areas of newly established national forest lands which were in wilderness study areas identified by the Secretary of the Interior pursuant to section 603 of FLPMA (Wilderness Study) would be managed by the Secretary of Agriculture in accordance with the provisions of section 603(c) of FLPMA until (1) Congress designates the area as wilderness, or (2) Congress releases the area from wildnerness consideration. This subsection applies to only those wilderness study areas identified pursuant to section 603 of FLPMA.

Section (c) would assure that, subject to valid existing rights, any roadless areas of newly established national forest land recommended for wilderness by the Secretary of the Interior pursuant to section 202 of FLPMA, or by the Secretary of Agriculture under studies made pursuant to section 202 of FLPMA and recommended for wilderness pursuant to section 204(a)(2) of this proposed legislation, shall be managed in a manner so as to maintain their presently existing wilderness characteristics and potential for inclusion in the National Wilderness Preservation System until the areas are designated as wilderness or released from wilderness consideration. The Secretary of Agriculture would be authorized to allow continuation of existing uses insofar as such types of uses would not disqualify the area from designation as wilderness.

Subsection (d) provides direction for review and management of roadless areas of newly established national forest lands which have been considered but not recommended for wilderness pursuant to section 202 of FLPMA or under section 204(b), except as provided in subsection (b) of this proposed legislation. The subsection states that these roadless areas shall be deemed to have been adequately considered for wilderness for the purposes of the initial land management plans required for such lands by section 6 of RPA, as amended. It further provides that the Secretary of Agriculture shall not be required to manage the land to preserve wilderness values or to review the wilderness option prior to the revision of the plans, but shall review the wilderness option when the plans are revised.

Subsection (e) provides that a recommendation of the President for designation of lands covered by this section would become effective only if provided for in an Act of Congress.

Section 205 provides for the application of certain public lands regarding land entry and disposal to the newly established national forest lands. The Secretary of Agriculture would be given those authorities now exercised by the Secretary of the Interior for the public lands. The issuance of patents under the land entry laws amended by this section and in section 206 would continue existing procedures whereby the Secretary of the Interior issues patents to those Federal lands derived from the public domain. Patents for lands under the administration of the Secretary of Agriculture would be issued only by the Secretary of the Interior at the request of that Secretary.

Subsection (a) would amend the Act of March 3, 1877 (the Desert Land Entry Act) to direct the Secretary of Agriculture to exercise the authorities contained in that Act with respect to the newly established national forest lands which qualify under the 1877 Act as desert lands. Qualified applicants would be able to obtain up to 320 acres of desert lands which would be newly established national forest lands from the Secretary of Agriculture upon meeting the requirements of the 1877 Act. Desert lands are defined by the 1877 Act as all lands exclusive of timber and mineral lands which will not, without irrigation, produce some agricultural crop. Patent to the land would be issued only by the Secretary of the Interior upon request by the Secretary of Agriculture.

Subsection (b) would add a new paragraph to section 4 of the Act of August 18, 1894 (the Carey Act), which pertains to grants of desert lands to the States, to provide that newly established national forest lands would remain available for grants to States by the Secretary of Agriculture for patenting by actual settlers who would irrigate the lands. Patent to the lands granted to the States would be issued only by the Secretary of the Interior upon request by the Secretary of Agriculture.

Subsection (c) would amend the Act of February 28, 1891, to provide that newly established national forest lands shall remain available for selection by and granting to the States when public domain lands in sections 16 and 36, granted to the States by other public land laws, have been patented to settlers. In amending the 1891 Act, this subsection would provide that applications by the States for newly established national forest lands would be made to the Secretary of Agriculture who would administer the provisions of the 1891 Act insofar as these lands are concerned. Patents to any lands selected by the States would be issued only by the Secretary of the Interior upon request by the Secretary of Agriculture.

Subsection (d) would add a new section 7 to the Recreation and Public Purposes Act of June 14, 1926, to direct the Secretary of Agriculture, insofar as newly established national forest lands are concerned, to exercise that Act's authorities pertaining to the disposal of public lands to a State, county, municipality, Federal agency, or a nonprofit corporation or association for recreational or public purposes. The Secretary of the Interior would issue the patents to such lands, upon the request of the Secretary of Agriculture.

Subsection (e) would amend the Act of December 22, 1928, the Color of Title Act, to broaden its provisions to encompass lands of the National Forest System (in its entirety; not limited to newly established national forest lands) and would authorize the Secretary of Agriculture to administer the provisions of this Act insofar as these lands are concerned. Thus, tracts of up to 160 acres of National Forest System land held in peaceful, adverse possession under claim or color of title by a claimant could be conveyed by the Secretary of Agriculture upon payment by the claimant of $1.25 per acre. Patent to

the land conveyed would be issued by the Secretary of the Interior.

Subsection (f) establishes that this legislation would not affect the authorities granted to the Secretary of the Interior by the Grand Ronde Restoration Act. Federal lands in the State of Oregon which are made available by that Act to the Confederated Tribes of the Grand Ronde for the purpose of establishing a tribal reservation would remain available. Thus, public lands identified by the tribe which would subsequently become newly established national forest lands by this legislation would be available for conveyance to the tribe.

Section 206 would extend the provisions, of section 203 of FLPMA, regarding the sale of public lands, to those public lands which would become newly established national forest lands by this legislation. Such lands could be sold by the Secretary of Agriculture. However, sales of newly established national forest lands would be limited to those which were identified as suitable for sale in plans prepared by the Bureau of Land Management under the provisions of section 203 of FLPMA or in plans prepared by the Forest Service pursuant to section 6 of RPA, as amended. The Secretary of the Interior would issue patents to the lands to be sold upon request of the Secretary of Agriculture.

Section 207(a) would amend section 103(g) of FLPMA, which defines the word "Secretary," to include the Secretary of Agriculture for the purposes of sections 204, 209, and 211 of FLPMA, insofar as the lands of the National Forest System are involved. By this action, the Secretary of Agriculture would exercise the authorities contained in these sections to withdraw lands (section 204), reserve and convey minerals (section 209), and convey to States and political subdivisions unsurveyed public lands (those lands omitted from the public land surveys) (section 209) on lands of the National Forest System. The authorities that would be granted by this section would be applicable to the entire National Forest System.

Section 207(b) would add a subsection to section 204 of FLPMA (Withdrawals) to clarify the authority that would be extended to the Secretary of Agriculture under subsection (a) regarding withdrawals of National Forest System land that involve the transfer of Federal land from one Federal agency to another. Upon request of the Secretary of Agriculture where National Forest System lands are involved, the Secretary of the Interior would make, modify or revoke any withdrawal transferring lands from one Federal agency to another. This provision would not affect the authority of the Secretary of Agriculture, contained in the Act of July 26, 1956, regarding interchanges (exchanges) of National Forest System lands with military departments of the Department of Defense.

TITLE III

Title III sets forth those provisions applicable to those national forest lands to be transferred to the Bureau of Land Management, USDI.

Section 301 provides that the jurisdiction over National Forest System lands identified on the maps referred to in section 103 for management by BLM would be transferred to the Secretary of the Interior effective on the date of transfer. These lands (newly established public lands) would be administered in accordance with the Federal Lands Administration Act of 1986 and the laws, rules, and regulations applicable to the public lands. However, the lands so transferred would be withdrawn from sale or disposal under the public land laws or other authority unless such sale or disposal authority applied to the lands prior to the date of transfer.

Section 302(a) would designate as conservation areas all contiguous areas of newly established public lands of 10,000 acres or more which had a specific name identification prior to enactment of this legislation. These areas would remain unavailable for disposal under the public land laws, except as may otherwise be provided by this legislation. This section would also authorize the Secretary of the Interior to assign an appropriate definitive name to each conservation area designated that would recognize its location, or specific significance or characteristics, and to modify or adjust its boundaries.

Subsection (b) of section 302 would extend the prohibition on surface coal mining on the Custer National Forest set forth in section 522(e)(2)(B) of the Surface Mining Control and Reclamation Act of 1977 to those newly established public lands.

Subsection (c) would amend Title III of the Bankhead-Jones Farm Tenant Act of 1937 to extend the authorities of that Title regarding the retirement of submarginal land (with the exception of section 32(e) concerning the establishment of an aquaculture program) to the Secretary of the Interior for lands acquired by the Federal Government under the provisions of the 1937 Act and subsequently transferred to the Department of the Interior either as a result of this legislation or other earlier actions under the authority of the 1937 Act. Thus, the Secretary of the Interior would have authority to protect, improve, develop, administer, and construct improvements; to sell, exchange, lease, or otherwise dispose of for public purposes; to make dedications or grants for any public purpose; and to regulate use and occupancy of all Title III lands that that Secretary administers under the 1937 Act. This would apply to all Title III lands transferred to the Secretary of the Interior by the Secretary of Agriculture. Provisions of the 1937 Act regarding the distribution of 25 percent of the net revenues from the use of the lands to the counties in which these lands are located would be applicable as well to the Secretary of the Interior. This receipt-sharing authority (section 33) would be amended to require payment to counties of 25 per cent of receipts on a fiscal year rather than a calendar year basis, making it comparable to other USDA and USDI receipt-sharing authorities.

Section 303 provides that newly established public lands would be managed under land management plans in effect on the date of transfer until plans are specifically developed for these newly established public lands in accordance with FLPMA. If no plan is in effect on the date of transfer for the public land unit to which the newly established public lands become a part (or if a plan has not been made final), then the lands would be managed under applicable Department of the Interior regulations or other procedures adopted by the Secretary of the Interior until a plan is developed under applicable law. However, the legislation would not, of itself, require amendment or revision of plans for public lands that are in effect on the date of enactment.

Section 304 of the bill provides for review and management by the Secretary of the Interior of roadless areas within newly established public lands. The section would assure that the Secretary of the Interior incorporates existing recommendations, completes wilderness review, and manages these roadless lands in a manner that result in no significant change to existing recommendations of the Secretary of Agriculture or the way these lands would have been reviewed or managed by the Secretary of Agriculture under provisions of section 6 of RPA, as amended. A more detailed description of the provisions of section 304 follows.

Subsection (a)(1) would require the Secretary of the Interior to adopt all recommendations for wilderness or additional study with regard to lands reviewed by the Secretary of Agriculture pursuant to section 6 of RPA, as amended. The recommendations referred to in this section are either those to recommend an area be designated as wilderness or those to recommend an area not be designated as wilderness.

Subsection (a)(2) would require the Secretary of the Interior to complete wilderness consideration for inventoried roadless areas which have not been released from consideration through the process prescribed by section 6 of RPA or by an Act of Congress, and for which there are no recommendations of the Secretary of Agriculture in effect on the date of transfer. The review would utilize the procedures specified in section 3(d) of the Wilderness Act of 1964. Those areas found suitable for wilderness designation under the criteria of section 2(c) of the Wilderness Act would be protected for their wilderness characteristics until Congress acts on recommendations for wilderness designation.

Subsection (b) would assure that, subject to valid existing rights, any roadless areas of newly established public land recommended by the Secretary of Agriculture for wilderness, or remaining areas required by Act of Congress to be studied pending congressional designation or release, shall be managed by the Secretary of the Interior in accordance with the provisions of section 603(c) of FLPMA, or other specific statutory direction.

Subsection (c) provides direction for lands not recommended for wilderness or additional study as a result of the process prescribed by section 6 of RPA, as amended, or as a result of the review required by subsection (a)(2), or that have been released by Act of Congress for any specified period. The section states that roadless areas shall be deemed to have been adequately considered for their suitability for inclusion in the National Wilderness Preservation System, and the Secretary of the Interior would not be required to review such lands for their wilderness characteristics and suitability except as required in the planning process developed pursuant to section 202 of FLPMA, or in accordance with the requirements of any law that released said lands from wilderness consideration.

Subsection (d) provides that a recommendation of the President for designation of lands covered by this section would become effective only if provided for in an Act of Congress.

Section 305 would amend the Act of January 12, 1983 (commonly known as the "Small Tracts Act"), to broaden its provisions to include all public land administered by the Secretary of the Interior through the Bureau of Land Management. Currently, this Act authorizes the Secretary of Agriculture to sell, exchange or interchange, under specified conditions, tracts of National Forest System which are: (1) parcels of 40 acres or less interspersed with or adjacent to lands which have been transferred out of

Federal ownership under the mining laws (mineral fractions); (2) parcels of 10 acres or less encroached upon by improvements occupied or used by persons who in good faith relied upon an erroneous survey, title search, or land description; or (3) road rights-of-way, reserved or acquired, which are no longer needed by the United States.

Section 306 would authorize the Secretary of the Interior to require purchasers of timber from the public lands to deposit into a separate fund in the Treasury amounts in addition to payments for the timber. This fund would be used to cover the costs of activities incurred by the Department of the Interior to dispose of brush and debris resulting from the timber harvest, prepare the harvested site for reforestation, plant trees or sow seeds, improve remaining stands of timber, and insure the continued productivity of the area. Amounts in the fund would be subject to annual appropriations in such sums as may be necessary; funds appropriated would remain available until expended. This provision would provide to the Department of the Interior an authority similar to authorities applicable to National Forest System lands contained in the Act of August 11, 1916, and the Act of June 9, 1930 (Knutsen-Vandenburg Act).

TITLE IV

Title IV sets forth those general provisions involving the transfer of jurisdiction of the lands which would be common to both Departments.

Section 401 provides that the Secretary of the Interior and the Secretary of Agriculture shall publish a notice in the Federal Register when the transfer of lands between the two Departments authorized by the legislation has been recorded in the official land status records maintained in the field offices of the Bureau of Land Management. This would maintain the existing procedures that place with BLM the responsibility for recording all changes in status to those Federal lands that evolved from the public domain. Forest Service would continue to notify BLM of land status changes on those National Forest Systems lands that were formerly a part of the public domain. This section would also authorize the Secretary of the Interior, after consultation with the Secretary of Agriculture, to correct errors in the recordation of the land transfers and to require publication of a notice in the Federal Register documenting such corrections.

Section 402 provides that this legislation would not affect the administration of components of the National Wilderness Preservation System, National Wild and Scenic Rivers System, and the National System of Trails. These areas would continue to be administered under the laws applicable to these Systems except that they would be administered by the Secretary to whom administration of the lands has been transferred.

Section 403 authorizes the Secretary of Agriculture, with respect to National Forest System lands, and the Secretary of the Interior, with respect to the public lands, to transfer jurisdiction of contiguous areas of land under their respective administration of up to 2,500 acres when they determine that a transfer to the other Secretary will facilitate land management. A transfer of jurisdiction would be made without transfer or reimbursement of funds and would become effective 90 days after notification of the appropriate committees of Congress and publication in the Federal Register. Any lands so transferred would be subject to all the laws, rules, and regulations applicable to the Federal lands to which they become a part, but the change in jurisdiciton would not affect valid existing rights or authorizations. This provision would permit consolidation and adjustments of boundary for units of public and National Forest System lands to insure efficient management after the overall interchange of jurisdiction has occurred.

Section 404 deals with the disposition of rights and authorizations that exist on the lands before the transfer of jurisdiction. Subsection (a) provides that valid rights existing at the time of enactment would not be affected by this legislation.

Subsection (b) provides that authorizations to use lands that would be transferred by this legislation, such as permits and contracts, and which were issued prior to the date of transfer would remain subject to the laws and regulations under which they were issued, but the administration of these authorizations would be exercised by the Secretary to whom the lands so affected had been transferred. However, any renewals or extensions of the authorizations would be subject to laws, rules, and regulations of the Secretary that receives jurisdiction of the lands. The transfer of jurisdiction would not in itself be a basis for denying the renewal or reissue of any authorization.

Section 405 prescribes the effect of the legislation on water rights. It would provide that any water right which the United States has on the date of enactment as a result of purchase, reservation, or otherwise would not be expanded or diminished by enactment of the legislation. Specifically, water rights which already exist on the date of enactment would not be affected as a result of the administration of the land being transferred from one agency to another. In particular, there will be no additional water rights reserved to the United States. As of the date of enactment, newly established public lands would have a reserved water right as of the date of the initial reservation of those former national forest lands from the public domain. (These reservations were generally made between 1897 and 1905.) In addition, there may be other water rights which the United States acquired under State law. None of these water rights would be divested of the United States as a result of the national forest lands being transferred to BLM and becoming newly established public lands. Newly established national forest lands would have whatever water rights the United States may have acquired under applicable law. Upon designation and withdrawal of newly established national forest lands, the existing water rights would still accrue to those lands but there would not be any additional reserved water rights created by virtue of the transfer—whatever water rights the United States had before the enactment of the legislation would be retained and would not be either expanded or diminished.

The legislation would not affect in any way the existing State laws pertaining to the appropriation of water rights. The legislation would not affect the Supreme Court's holding in United States v. New Mexico, 438 U.S. 696 (1978), pertaining to limitations on water rights reserved for national forest purposes. Further, it would not affect the right of the United States or of any person to acquire or dispose of water or water rights under applicable law.

Section 406 would specify that the legislation would not affect any withdrawal of lands covered by the legislation that would be in effect on the date of transfer, except as specifically provided for in the legislation.

Section 407 provides that the legislation would not affect any claim by or against the United States nor would it create any right, claim, remedy, or cause of action which did not exist prior to enactment of the legislation.

Section 408 would provide for the disbursement of receipts which derive from newly established public and national forest lands. Subsection (a) would provide that after the date of transfer, receipts derived from activities on newly established national forest lands or newly established public lands would be credited to accounts in the Treasury of the United States that are applicable to those lands. Subsection (b) would require that receipts collected prior to the date of transfer would be distributed by the agency to whom the lands are transferred in accordance with the laws applicable to those lands at the time of collection. This would mean, for example, that receipts collected from national forest lands (which would become newly established public lands) would be held in the National Forest Fund (established under the Act of March 4, 1907) and 25 percent of those amounts would be distributed to the States and counties under the Act of May 23, 1908, and the Act of March 1, 1911. Likewise, amounts collected from activities on those public lands which would become newly established national forest lands would be held in the Treasury account applicable to those lands and would be distributed to the counties where those lands are located under receipt-sharing authorities applicable to BLM.

Subsections (c) and (d) would amend those authorities pertaining to distribution of receipts derived from the public lands to States and counties to increase to 25 percent the amount of receipts shared. The Act of June 28, 1934 (Taylor Grazing Act) would be amended to raise from 12½ percent to 25 percent the amount of receipts shared with the States under that Act and which are derived from grazing fees within a grazing district. A reduction from 50 percent to 25 percent would be made in the amount of receipts derived shared with the States derived from grazing fees outside of grazing districts. The Act of July 31, 1947, which in part requires payment to States of 4 percent of receipts from the sale of "materials," which encompasses certain vegetative materials, including timber and common variety minerals, on the public lands would be amended to require payment of 25 percent of such receipts which are derived from the sale of timber only.

Section 409 would establish the procedures for handling administrative appeals existing on the date of transfer and affecting the lands transferred. Subsection (a) would provide that any formal appeals and adjudication or review of appeals that are pending on the date of transfer would be completed by the agency in which they are pending even though the lands may have been subsequently transferred under the provisions of the legislation. However, the Secretary administering the transferred lands could exercise final administrative review.

Subsection (b) would be directed specifically to appeals procedures regarding the mining and mineral leasing laws as would be affected by Title V of the legislation. It would authorize the two Secretaries to establish joint mechanisms and procedures through regulations or interdepartmental

agreements for administrative adjudications or reviews of appeals arising from application of the mining and mineral leasing laws.

Section 410 provides for the development of regulations to implement the legislation. Subsection (a) would authorize either Secretary, after publishing a notice in the Federal Register, to adopt in whole or part any regulation of the other Secretary that was in effect on the date of transfer and applicable to the land transferred, without complying with the provisions of the Administrative Procedure Act or other requirements for the issuance of new regulations. The adoption of regulations under this subsection would not be deemed a major Federal action for purposes of compliance with the National Environmental Policy Act. Subsection (b) authorizes the Secretaries to promulgate joint or separate regulations as either or both deem necessary to implement the provisions of the legislation.

Section 411 would provide that this legislation would not affect the existing authorities of the Secretary of the Interior to maintain and administer the official land title records of the United States.

TITLE V

Title V would transfer to the Secretary of Agriculture all authorities, currently vested solely in the Secretary of the Interior, to manage the nonrenewable resources owned by the Federal Government underlying National Forest System lands, other Federal lands, and private lands that are within the geographic area of responsibility of the Forest Service as depicted on the maps provided for in section 103.

Section 501 would set forth a congressional declaration that it is the policy of the United States that coordinated management by the Secretary of Agriculture of the nonrenewable and the renewable resources of National Forest System lands will benefit the public and promote the optimum combination of resource uses. The section also declares a finding of Congress that efficiency and improved public service would result from the Secretary of Agriculture managing the federally owned subsurface resources underlying other Federal lands or where there are federally owned resources underlying non-Federal lands in areas where the Secretary of Agriculture would be given the responsibility for management by the legislation.

Section 502 would amend the Multiple-Use Sustained-Yield Act of 1960 to make that Act's provisions consistent with section 501; namely, to add minerals to the list of resources for which the national forests are established and are to be administered, and, further, to refer to both renewable and nonrenewable resources in connection with the National Forest System.

Subsection 503 would supplement the Forest and Rangeland Renewable Resources Planning Act of 1974, as amended, to require that nonrenewable resources be given equal consideration with the renewable resources in the preparation of the Renewable Resources Assessment, Program, National Forest System planning, and the Statement of Policy required by sections 3, 4, 6 and 8, respectively, of the 1974 Act.

Section 504 would authorize the Secretary of Agriculture, for any mining claim located on National Forest System lands pursuant to the mining laws, to evaluate such claim and initiate and prosecute an appropriate administrative contest or other action to determine the validity of the claim. This authority, however, would not affect the authority of the Secretary of the Interior to issue patents for valid mining claims wherever located.

Section 505 would transfer to and vest in the Secretary of Agriculture all authorities that have heretofore been exercised by the Secretary of the Interior with regard to National Forest System lands and which are contained in acts authorizing the leasing of federally owned minerals, including acts passed before and after the enactment of this legislation which are amendatory or supplementary to the Federal mineral leasing laws. These acts include the following:

(1) the Mineral Lands Leasing Act of 1920:

(2) the Act of February 7, 1927, concerning the leasing of deposits of chlorides, sulphates, carbonates, borates, silicates, or nitrates of potassium;

(3) the Act of April 17, 1926, concerning the leasing of deposits of sulphur in the States of Louisiana and New Mexico;

(4) the Mineral Leasing Act for Acquired Lands, enacted on August 7, 1947;

(5) section 402 of Reorganization Plan Number 3 of 1946 regarding the transfer of functions from the Secretary of Agriculture to the Secretary of the Interior relative to the leasing or other disposal of minerals, as supplemented by section 3 of the Act of June 28, 1952;

(6) section 3 of the Act of September 1, 1949, concerning the leasing of minerals on certain lands of the Shasta National Forest in California;

(7) the Act of June 30, 1950, concerning the prospecting, development and utilization of hardrock mineral resources on the national forests in Minnesota;

(8) the act of June 8, 1926, concerning the leasing of certain gold, silver, or quicksilver deposits in confirmed private land grants;

(9) the Act of June 28, 1944, regarding the purchase by the Secretary of the Interior of land and mineral deposits from the Choctaw-Chickasaw Nation of Indians;

(10) the Act of March 3, 1933, concerning the selection of public lands by the State of California for State park purposes subject to the reservation of minerals by the United States and the right to lease such minerals;

(11) the Geothermal Steam Act of 1970, as amended;

(12) acts where Congress authorized mineral leasing, including the leasing of nonleasable minerals, in the following National Recreation Areas:

(a) section 6 of the Act of November 8, 1965, concerning the Whiskeytown Unit of the Whiskeytown-Shasta-Trinity National Recreation Area;

(b) title IV, Section 402 of the Act of October 2, 1968, concerning the Ross Lake and Lake Chelan National Recreation Areas;

(13) the Act of May 21, 1930, concerning the leasing of oil and gas desposits underlying railroad and other rights-of-way;

(14) subsectiosn 522(b) and (e)(2) of the Surface Mining Control and Reclamation Act of 1977 concerning surface coal mining; and

(15) the Federal Oil and Gas Royalty Management Act of 1982, insofar as authorities delegated to the Bureau of Land Management are concerned.

Section 506 would amend section 28(c)(2) of the Mineral Leasing Act of 1920, regarding the issuance of rights-of-ways for pipelines, to clarify the responsibilities of the respective Secretaries in instances where a pipeline right-of-way may involve lands administered by two or more Federal agencies.

Section 507 would amend the Act of June 11, 1960, to delete sections 2(a) and (c) of that Act that require the Secretary of Agriculture to obtain the advice and approval of the Secretary of the Interior in national forest land exchange actions involving the disposal of minerals, or to otherwise dispose of minerals on such lands.

TITLE VI

Title VI transfers certain lands in Oregon now under the juridiction of the Secretary of the Interior or the Secretary of Agriculture and administered by BLM or FS to the jurisdiction of the other Secretary.

Section 601 incorporates by reference into the legislation a map entitled "Forest Service-Bureau of Land Management Transfer of O & C Lands," dated February 1986.

Section 602 would transfer approximately 24,000 acres of Oregon and California Grant Lands designated on the maps referred to in section 601 from the jurisdiction of the Department of the Interior to the Department of Agriculture, effective on the date of transfer. These lands would be administered under the laws, rules, and regulations pertaining to the national forests.

Section 603 would transfer approximately 15,000 acres under the jurisdiction of the Secretary of Agriculture and administered by the Forest Service under the Act of June 24, 1954 (which pertains to O & C lands), and approximately 12,000 acres of National Forest System lands, as designated on the maps referred to in section 601, to the Secretary of the Interior to be administered as Oregon and California Grant lands under the provisions of the Act of August 28, 1937 and the Act of May 24, 1939. This action would also be effective on the date of transfer.

Section 604 would make the provisions of Title IV, with the exception of section 403 (Interagency Transfer Authority) and section 408 (Disbursement of Receipts) applicable to the lands transferred by Title VI.

TITLE VII

Title VII, Section 701 would provide that if any provision of this legislation or the application thereof is held invalid, the remainder of the legislation would not be affected.

DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SECRETARY,
Washington, DC, February 14, 1986.

Hon. GEORGE BUSH,
President of the Senate, Washington, DC.

DEAR MR. PRESIDENT: Transmitted herewith for the consideration of Congress is a legislative proposal to interchange management of certain Federal lands under the jurisdiction of the Bureau of Land Management (BLM), Department of the Interior, and the Forest Service (FS), Department of Agriculture.

The Departments of Agriculture and the Interior strongly urge introduction, prompt consideration, and enactment of the draft bill.

Our legislative proposal, entitled the "Federal Lands Administration Act of 1986," results from several years of discussion, analysis, and review by the two Departments of a concept, called interchange, in which Federal lands, including the subsurface estate, administered by BLM and FS would be transferred. The concept was announced on January 30, 1985. The proposal would involve about 24 to 25 million acres of public and National Forest System lands, and federally owned interests in land, throughout the United States, although the majority of the lands and interests affected are in the West. The purposes of the interchange of jurisdiction of these lands, as set forth in the legislation, are to: (1) improve

service to the public, (2) increase efficiency and cost-effectiveness of natural resource management by consolidating land jurisdiction, and (3) consolidate the management of the surface and subsurface resources in the agency responsible for the surface.

In developing the proposal, we followed these assumptions:

(1) either agency has the potential to manage any of the lands and their resources, regardless of classification or designation;

(2) intensity of land management would remain the same regardless of jurisdiction;

(3) there would be minimal change in on-the-ground management, regardless of which agency had management responsibilities;

(4) offices would remain in the communities in which either FS or BLM are now located, although consolidation of offices would take place;

(5) neither "acre-for-acre" nor "value-for-value" considerations would be criteria for judging interchange proposals;

(6) existing land use planning would continue as scheduled and current land use plans would be followed until updated through normal revision schedules of the receiving agencies; and

(7) impact on agency personnel would be minimized.

Our goal in developing the legislation has been simplicity, including only those provisions needed to accomplish the purposes of the interchange program. We have not attempted major change in the basic laws applicable to National Forest System or public lands.

The legislation is presented in seven titles. A summary of the draft bill follows; a more complete description of its contents is in the enclosed section-by-section analysis along with material showing this proposal's effect on existing law.

Title I of the draft bill sets forth the purposes of the legislation and defines terms. Title II transfers approximately 15 million acres of public lands to the Secretary of Agriculture for administration by the Forest Service. These lands are termed "newly established national forest lands." Title III transfers approximately 10 million acres of National Forest System lands to the Secretary of the Interior for administration by the Bureau of Land Management. These lands are termed "new established public lands." The transfer of lands that would be accomplished by Title II and III would be based on maps, including a national map and a series of State maps, that delineate the areas of federally owned land for which administration would be transferred by this legislation. Each of these Title list requirements that would be applicable to the transferred lands, such as land management planning and wilderness review. Also, certain laws now applicable to the public lands or to the National Forest System lands are amended or supplemented to apply to those lands which would become new established public or national forest lands. Title IV contains those general provisions applicable to both types of interchanged lands. Included here is language giving direction to both agencies on such matters as existing rights and authorizations, claims, and disbursement of receipts. Concerning the personnel effects of interchange, current law provides extensive protections for employees who might be affected by the interchange. Under subchapter VI of chapter 53 of Title 5, U.S. Code, for example, any employee downgraded as a result of the proposal would be entitled to grade and pay retention. In addition, 5 (U.S.C. 8336(d) authorizes the Office of Personnel Management (OPB) to provide early retirement authority for any agency facing a major reduction or reorganization. In an exchange of letters with the Departments of Agriculture and the Interior, OPM has indicated its willingness to act expeditiously on any request from the Departments for such authority resulting from enactment of this proposal. OPM also stated it would work with the Departments in developing early retirement requests which would meet statutory requirements.

Title V transfers the responsibility for management of the federally owned mineral resources underlying National Forest System, other Federal, and private lands in the areas where the Secretary of Agriculture would have management responsibility, as delineated on the maps showing each agency's area of responsibility. The transfer is made by a declaration of policy, and amendments to the Multiple-Use Sustained-Yield Act of 1960 and several mining laws to reflect the new responsibilities of the Secretaries. The authority that would be provided by this Title would not be limited to newly established national forest lands.

Title VI transfers about 24,000 acres of Oregon and California Grant (O & C) lands from the Secretary of the Interior to the Secretary of Agriculture to be administered as national forest lands, and transfers about 27,000 acres of land administered by the Secretary of Agriculture to the Secretary of the Interior to be administered as O & C lands. All of these lands are located in western Oregon and are delineated on maps. Title VII provides for severability if any provision of the legislation is held invalid.

The legislative proposal has been drafted to cause the minimum disruption to the agencies' programs and would, to the maximum extent possible, maintain the status quo regarding land and resource management and use. It would accomplish the important public purposes we have set forth. Improved service to the public would be achieved by enabling the users of these lands to obtain grazing, right-of-way, and recreation permits or mineral authorizations from one instead of two Federal offices. Efficiency of natural resource management would be improved by merging organizational units within the same geographic area, thus reducing personnel needs and duplication of offices, overhead, travel, and administrative functions. More efficient maintenance of recreation sites, roads, and communication networks; long-term efficiencies in land use planning; and data collection and utilization of resource expertise would also result. These efficiencies would lead to reduction in costs. We estimate that the annual savings to the agencies following implementation would be $14 to $15 million. The public would also save money and time dealing with one office and one set of permits and regulations instead of two.

We would like to emphasize that public consultation has been a cornerstone in the development of the interchange proposal. Following the announcement of the interchange proposal in January 1985, we sought the advice of State and local governments, Federal land users, and interested organizations on the location of the boundaries of each agency's area of jurisdiction and on development of State-by-State guides to implement the proposal. Some 85 public meetings, 600 recorded consultations, and numerous individual sessions were held, including several with Members of Congress. The State implementation guides, outlining the basic details of the program, and a revised map of the areas of jurisdiction were made available to the public on June 7, 1985, for a 30-day formal comment period. During that period, 30 formal public hearings were held throughout the Nation. About 2,350 responses were received during the hearings and comment period. These comments were analyzed and have been used in the preparation of the final interchange proposal and draft legislation. A summary of the public responses was prepared, and a copy has been provided to each affected Member of Congress. Generally, respondents supported the goals/purposes of the interchange proposal, but objected to specific elements, particularly on how it would affect a local or site-specific area. All public responses have been retained and are available for review.

A brief supplemental statement that presents background information and a history of this proposal is enclosed.

A legislative environmental impact statement has been prepared in accordance with the National Environmental Policy Act of 1969 and implementing regulations (40 CFR 1506.8) and procedures. This statement is being transmitted to Congress under separate cover. The decision to prepare the statement is in response to comments received during the comment period that the proposal was a "major Federal action" having significant resource, administrative, social, and economic impacts.

A copy of the national map delineating the areas of federally owned lands to be managed by the Bureau of Land Management and Forest Service is enclosed. The full series of maps referred to in the draft legislation will be provided to the appropriate Committees along with more detailed National and individual State summaries of the overall proposal.

This legislative proposal has also been sent to the Speaker of the House.

The Office of Management and Budget advises that there is no objection to the presentation of this proposal and that its enactment would be in accord with the President's program.

Sincerely,

JOHN R. BLOCK.
DONALD PAUL HODEL.

SUPPLEMENTAL STATEMENT—DEPARTMENT OF AGRICULTURE/DEPARTMENT OF THE INTERIOR LEGISLATIVE PROPOSAL, "THE FEDERAL LANDS ADMINISTRATION ACT OF 1986"

HISTORY AND BACKGROUND ON PUBLIC AND NATIONAL FOREST SYSTEM LANDS

The Federal Government administers about one-third of the land area of the United States. The Bureau of Land Management [BLM] and the Forest Service [FS] have the responsibility for managing the majority of these lands. In the 48 contiguous States, each agency manages about half of the approximately 343 million acres of Federal lands. In addition, the BLM manages the federally owned mineral resources underlying a large area of public and private land.

The present pattern of landownership and management in the United States is the product of many separate and often unrelated actions. Except for Texas, Hawaii, and the original 13 colonies, most of the lands in the United States were once owned by the Federal Government. The United States acquired these lands as public domain through purchase, treaties, and wars. Na-

tional policy during most of the nineteenth century promoted settlement and development of the West by disposing of more than one billion acres of the public domain to private individuals and organizations. Land sales, homesteading, land grants to railroad companies, mineral patenting and agricultural settlements were some of the many means of disposal of the public domain. In addition, when States were created, they received blocks of public domain land as grants to support public education and land-grant colleges.

While enacting legislation to dispose of the public domain, Congress also provided authority to the President to withdrew certain of these lands for specific purposes, including parks, forests, Indian, and military reservations. Beginning in the 1890's several Presidents withdraw land for Forest Reserves (now designated as National Forests). Collectively, these actions affecting the public domain resulted in widely fragmented land patterns and the intermingling of the remaining public lands, especially those national forest lands reserved from the public domain now administered by the FS and the remaining public domain lands administered by the BLM. In many instances, similar land areas administered by FS and BLM share the same land management problems and resources values. The two agencies often work with the same people on similar issues concerning use of Federal lands. Both agencies often have offices in the same communities. This situation causes undue complication for the public and unnecessary administrative costs.

HISTORY OF USDI/USDA PROPOSAL

Proposals to transfer lands between the two agencies to overcome the inefficiencies of intermingled lands have been made several times in the last 40 years. Some land transfers were made, but each agency still manages many areas of land that could be managed more effectively by the other. The most recent effort, in response to Presidential direction, led to the establishment of a specific jurisdictional transfer program in 1980. This program resulted from a plan presented by the Secretaries of the Interior and Agriculture entitled "Coordination of Natural Resources Programs of the Departments of Interior and Agriculture." The program called for identifying public lands where the transfer of jurisdiction between BLM and FS had potential for increasing efficiency and cost-effectiveness of Federal land management and benefits to the public. Two recent major outside studies reinforced the need to move ahead on these proposals: (1) the President's Private Sector Survey on Cost Control (J. Peter Grace Commission), and (2) the General Accounting Office's 1984 report entitled "Program To Transfer Land Between Bureau of Land Management and Forest Service Has Been Stalled." Since 1980, the two agencies have been developing the information necessary to develop the proposal.

The statutory authorities that govern the management of public and National Forest System lands are similar. Both agencies manage the majority of the lands and resources under their jurisdiction on the basis of multiple-use and sustained yield. The agencies must, by law, insure the long-term productivity of the land and of the quality of the environment are protected. Management is guided by land management plans developed by each agency to provide coordinated management of all resource values. Certain lands, such as wilderness and wild and scenic rivers, have specific congressionally mandated management direction that restricts use of these lands to their designated purpose.

While surface management of both agencies is essentially the same, subsurface minerals management responsibilities for National Forest System land reserved from the public domain lie primarily with the BLM. The Bureau issues all mineral patents under the mining laws and all mineral leases under the mineral leasing laws. The Forest Service performs certain prelease and postlease analyses and evaluations of National Forest System lands. For acquired National Forest System land, the Secretary must consent to any mineral leasing. Under the proposal, the Forest Service would have responsibility for management of subsurface resources within its area of jurisdiction.●

By Mr. FORD (for himself and Mr. BUMPERS):

S. 2290. A bill to amend the Communications Act of 1934 to prohibit the encoding of satellite-transmitted television until decoding devices are fully available at reasonable prices; to the Committee on Commerce, Science, and Transportation.

RURAL SATELLITE DISH OWNERS PROTECTION ACT

● Mr. FORD. Mr. President, I am pleased to join with Senator BUMPERS in introducing the Rural Satellite Dish Owners Protection Act. This bill is similar to H.R. 3989 introduced by Representative MAC SWEENEY on December 18, 1985. I have received thousands of letters from Kentuckians endorsing H.R. 3989 and I am pleased to offer this legislation as a solution to the current scrambling crisis.

There are many parts of Kentucky that have never received good television coverage. It is hard to understand what it is like to have limited television channels when most citizens have the choice of at least three network affiliates. The terrain of some areas in Kentucky has long kept citizens from enjoying broadcasting diversity. At least half of the State will never be wired for cable because of the distance and low-population density; it is just not economically feasible. The development of the backyard satellite dish has been a remarkable development for many rural Kentucky citizens; for the first time they have a choice as to what to watch. I am amazed when traveling in the State at the number of backyard satellite dishes I have seen. It is estimated that there are now over 30,000 dishes in Kentucky and a large majority of dish owners are beyond the reach of cable or even normal television broadcasts.

Satellite dishes have been the technological phenomena of the 1980's. With the invention of the satellite dish, rural citizens can enjoy the same diversity as urban citizens which has long been a goal of the Federal Communications Commission's policy. The sales figures for video cassette recorders and home satellite dishes prove that Americans want, and are willing to pay for, program diversity. Since the passage of the Cable Communications Policy Act of 1984—Public Law 98-549—I have never seen such confusion on an issue. Noncommercial interception of satellite programming was declared legal by the act provided that the satellite signal is not scrambled. Since HBO scrambled last January, many of the previous cable programmers have announced they will also scramble this year.

A vast number of satellite dish owners in Kentucky, who have contacted me, want basic guarantees to protect their investment in their backyard satellite dish. Most owners have paid at least $2,000 for their dish and are frightened that their investment would end up as a birdbath. I believe it is time for the Senate to take a look at the scrambling issue. My constituents do not seek to change the Cable Act; they want scrambling to take place with reasonable guidelines.

This bill will provide fundamental protections for the backyard dish owner. Most backyard satellite dish owners are willing to pay to receive premium channels and want and deserve protections. The bill that Senator BUMPERS and I are introducing will solve many of the issues now surrounding the scrambling issue with limited Federal intervention.

The bill addresses the decoder availability issue and sets three conditions for scrambling. The bill will standardize the decoder with a standard set by the Federal Communications Commission. I do not believe that this is a burdensome requirement as the FCC has set standards for other forms of communications equipment, particularly television sets. I realize that most potential scramblers and HBO have chosen the M/A-Com encryption system, but there is potential for other systems. Backyard dish owners need a guarantee that if they choose to purchase a decoder, which is now being sold for $400, they will not have to purchase another decoder to receive a different channel.

The bill requires that the decoder must be available within 60 days of scrambling for sale or lease. The cable industry will have to better assess the availability of decoders before scrambling any other channels. Because of the uncertainties surrounding this issue, decoder sales have been slow. The announcements of approximately 12 other programmers in the next few months will certainly increase the demand. I recently noticed in Broadcasting that M/A-Com is committed to producing 100,000 units by the end of May and another 100,000 by the end of the year. As of March, M/A-Com had shipped 20,000 decoders. I wonder what the approximate 2 million owners of backyard satellite dishes will do when the 12 programmers

scramble this year. There has to be some reasonable availability of decoders before most of the premium programmers scramble.

The third provision requires that the decoder be reasonably priced. We have not defined "reasonable," but it is certainly an area which can be addressed by the FCC, as again they have expertise in this area. I really wonder if the current price of $400 is reasonable and the FCC should be able to ascertain the cost of manufacturing and the markup.

The fourth provision in H.R. 3989 requires that the subscription fee is not to exceed cable's fee in the same area and the programming be available through other sources other than just cable companies. We have, on purpose, left out this section as it is the most difficult to address. I believe that backyard dish owners should not be forced to pay more than cable subscribers, but requiring a federally mandated rate lessens the chances for movement of this bill. The rate should be reasonable and the fact that backyard dish owners have to go through a cable operator to subscribe is the major sticking point in this issue. There is no competition in the distribution of satellite programming to backyard dish owners. It is hoped that other groups seeking to provide a subscription service will not be turned down by programmers. This is the one area where the solution is most likely in the marketplace and programmers must use prudence and, therefore, not limit competition by only providing their product through cable operators. There is currently a monopoly on marketing the programs and if attempts by noncable groups continue to fail, then it will be necessary to add to this bill.

A suggestion to further competition has been to add a new section which would mandate that if cable programmers provide their signal to cable distributors for distribution then the cable programmer should not restrict the signals availability to other qualified distributors. This is certainly an approach which should be considered in addressing the competition problem.

Finally, the bill provides that aggrieved parties may bring a civil action in a Federal court. The court may grant temporary and final injunctions against scrambling if any of the three provisions of the bill are violated.

I keep reading that the marketplace will sort out all the problems of the backyard dish owners. This has not happened—in fact, talks between the cable industry and the owners of backyard dishes have not even taken place. If both groups would sit down and just talk about some of these issues, there would be no need for legislation. All I have seen in the press is a hard line on the issue. I believe that it is in the best interest of the cable industry to negotiate with dish owners. I am going to seek hearings on scrambling in the Senate because I fear talks will never take place. There is confusion and misinformation on both sides and it is time to resolve the issue. If marketplace and industry-negotiated solutions come about, there is no reason for this legislation.

This is a simple bill and I believe very reasonable to both cable programmers and backyard dish owners. The bill does not contain a federally mandated rate or address the network feed scrambling issue. I urge my colleagues to join in support of this bill and hopefully resolve the scrambling issue.

I ask unanimous consent that this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2290

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE

This Act may be cited as the "Rural Satellite Dish Owners Protection Act".

SEC. 2. AMENDMENT TO THE COMMUNICATIONS ACT OF 1934.

Section 605 of the Communications Act of 1934 (47 U.S.C. 705) is amended—

(1) by redesignating subsections (c), (d), and (e) as subsections (d), (e), and (f), respectively; and

(2) by inserting after subsection (b) the following new subsection:

"(c)(1) No person shall encrypt any satellite cable programming for private viewing on or after 30 days after the date of enactment of the Rural Satellite Dish Owners Protection Act unless—

"(A) such encryption is conducted in accordance with uniform standards for encryption of such programming approved by the Commission;

"(B) devices for decryption of such programming are available for sale or lease to any and all interested persons within 60 days after submission of a request for such sale or lease;

"(C) the purchase or lease price of such devices is reasonable in relation to the cost of manufacture and distribution of such devices; and

"(2) Any person aggrieved by any violation of paragraph (1) of this subsection may bring a civil action in a United States district court or in any other court of competent jurisdiction. Such court may—

"(A) grant temporary and final injunctions on such terms as it may deem reasonable to prevent or restrain such violations; and

"(B) direct the recovery of full costs, including awarding reasonable attorney fees, to a prevailing plaintiff.".

● Mr. BUMPERS. Mr. President, I am pleased to be an original cosponsor of the Rural Satellite Dish Owners Protection Act. I think this legislation is necessary to ensure that the diversity and variety of television available in most urban areas today will be made available to the estimated 24 million Americans that live in rural settings beyond the bounds of normally broadcast programming or existing systems. I think my colleagues will agree that this bill is fair to rural satellite dish owners, cable operators, programmers, and broadcasters.

Satellite broadcast technology developed in recent years has made television programming formerly available only over cable systems available to those who live beyond the bounds of cable. The information and entertainment carried over this novel form of communication will certainly be a boon to rural dwellers. It is now necessary that Congress enact legislation to ensure that the market structures to accompany these technological developments are fair to the owners, distributors, and manufacturers of the satellite antennas. The legislation is also sound public policy.

I am convinced that this bill will accomplish these goals. This legislation is very similar to a bill introduced in the House of Representatives by Congressman MAC SWEENEY on December 18, 1985. Hearings were held in the House on this issue on March 9, 1986, and the Sweeney bill was very well received. A clear conclusion of that hearing was that the market structures that have arisen in the wake of the Cable Communications Policy Act of 1984 have been inadequate to meet the legislative needs of rural satellite dish owners. The present scrambling crisis inhibits the further development of satellite antenna technology in rural areas of our country, and makes passage of this legislation imperative. The uncertainty about scrambling has caused satellite antenna sales in my state to plummet from a boom level last year to virtually none this year.

It is important to state at the outset that no one expects fee television to be made available free to rural dwellers. Further, most people agree that scrambling is a legitimate way to prevent the unintended reception of fee television. The many owners, distributors, and manufacturers of satellite dishes that I know have expressed these principles to me on numerous occasions. What this legislation seeks to accomplish is a fair method of marketing programs to ensure the availability and reasonableness of the cost of programming without infringing on the rights of cable operators, programmers, and broadcasters.

The legislation is brief and simple and has three major provisions pertaining to scrambling of television signals broadcast over satellites. It would ensure that only one decoder is necessary to receive the full breadth of encrypted programming by standardizing decoder technology in accordance with regulations established by the Federal Communications Commission. It would ensure that the cost of such decoders are reasonable in relation to

the cost of production and distribution. It would ensure that decoders are made available to all those who wish to purchase programming within 60 days of scrambling for sale or lease. A final provision of the bill allows aggrieved parties to seek redress in the courts.

Representative Sweeney's bill in the House contains a fourth provision that has been left out of this legislation. That provision would require that the subscription fee for programming is not to exceed the fee that cable franchises charge their own customers in the same area and that programming be made available through sources other than cable companies or programmers. I personally believe that these changes should not exceed fees charged others on cable subscriptions. I would not vote for this bill unless such fees are very reasonable in comparison to what cable customers pay for the same service. This provision has been left out because my colleague believes this matter can best be resolved in hearings where it will receive greater attention. It is possible that this issue will be resolved by the market, and if that happens, it is preferable to legislation.

I support this very simple legislation because I believe that rural satellite antenna owners need relief. I believe that this bill is fair to rural satellite dish manufacturers and owners, cable operators, programmers, and broadcasters. I have always maintained that this issue deserves the benefit of a full hearing in the Senate, and I once again urge that action. This is a reasonable bill that represents a good compromise on this issue, and I urge its adoption by the Senate.●

By Mr. BIDEN:

S. 2291. A bill to amend the Energy Reorganization Act of 1974 to create an independent Nuclear Safety Board; to the Committee on Environment and Public Works.

NUCLEAR SAFETY BOARD ACT

● Mr. BIDEN. Mr. President, I am introducing legislation today to improve the ability of the Nuclear Regulatory Commission [NRC] to investigate accidents at nuclear powerplants, and to reduce the chances of similar mishaps occurring at other plants.

My interest in this issue stems from problems that occurred at the Salem nuclear powerplant in New Jersey, across the river from my hometown of Wilmington. In 1983, the Salem 1 reactor failed to perform its most important and basic function—it failed to shut down, even though the highly automated system detected a dangerous situation.

To make matters worse, plant personnel and supervisors did not even notice that Salem had experienced the first-ever "anticipated transient without scram," as technicians call it, in a licensed nuclear reactor in the United States. Three days later, another failure in the same system was noticed and an investigation was started by the NRC.

Two findings of the Salem investigation are worth noting.

First, a record fine of $850,000 was levied on the operators of Salem because of the pervasive management failures that led up to the pair of system failures. Clearly the size of the fine shows the NRC found the problems at Salem to be quite serious.

Second, the NRC investigation concluded that the operations at the Salem plant were typical of the industry. In other words, the lackadaisical attitude toward safety at the Salem plant could be found in nuclear plants all over the country.

An additional result that showed up in the Salem investigation, although it was not noted in the report, was a case history of the haphazard and poorly directed way in which the NRC conducted its investigations of nuclear accidents. For example, one of the key components in the system failure was sent to its manufacturer to find out what the problem was. When the NRC went to look for the part, it was not to be found in the plant. After it was located, the NRC did have its chance to look at the part, but only after it had been taken apart and put back together as part of the manufacturer's study.

Mr. President, I am not implying that the manufacturer in this case tried to alter the part or obstruct the NRC investigation, but problems are bound to develop when confused, conflicting investigations fail to ask the necessary questions and miss vital pieces of equipment. There have been simply too many NRC investigations that have not met basic standards to assure public safety for us to allow a continuation of business-as-usual.

And let me make clear that the Salem investigation is not alone in its shortfalls. A report prepared for the NRC looked at several other recent accidents, including ones at Quad Cities, Browns Ferry and Hatch-2, and found problems in the timeliness of reports, the focus of investigations, and the potential for investigatory bias. What I discovered at Salem was not unique and cannot be blamed on isolated troubles. It is an issue that deserves careful review by every one of my colleagues.

Near the end of the last Congress the Senate adopted an amendment I sponsored calling for more in-depth study of NRC investigatory practices, and how they could be improved. The report, prepared by the Brookhaven National Laboratory, was clear in its criticism of NRC investigatory practices, and recommended changes in the NRC structure to address its shortfalls.

The purpose of my bill is to establish a safety board, along the lines of the one described in the Brookhaven report but independent of the NRC, to investigate major accidents at NRC-licensed facilities. A consensus has developed that NRC inquiry capabilities are limited in effectiveness by the structure of the agency and need to be reformed. The safety board proposal would clear up many of these weaknesses by consolidating the main responsibility for accident investigation in one office.

As an example, if there were an accident at a nuclear powerplant, the safety board staff would be on the scene as soon as the reactor or plant was stabilized to start the investigation into the causes of the accident. The safety board would conduct the initial inquiry, and could follow up this preliminary research with public hearings to allow experts from all sides to testify. The safety board would make recommendations based on its findings and, perhaps most importantly, would act as a watchdog to see them put into effect.

Additional important advantages would result from the creation of an independent safety board. First, the members of the safety board would be the organizers of any investigation of a nuclear accident. As I described earlier, past investigations by the NRC have proven to be ineffective because several departments of the NRC may each conduct their own, separate reviews. These confused and overlapping investigations have caused vital information to be lost and important reactor equipment to be mishandled, and they have produced, at best, uncertain results.

I would like to emphasize that these criticisms of NRC investigations are recognized widely in the nuclear industry.

The NRC has taken tentative steps to correct these shortfalls, but while the incident investigatory teams [IIT] address some of the problems described in the Brookhaven report, an independent safety board clearly retains the benefits of the IIT, and then adds more.

Allowing a safety board to lead accident investigations will build the experience in one office that is needed for effective investigations. A former head of the National Transportation Safety Board, after which the Nuclear Safety Board is modeled, commenting on the safety board proposal noted that investigations "are as much an art as a science; thus special education, training and indoctrination are needed to make them effective." Safety board members and staff would be prepared, not surprised, to receive the call that an investigation is needed. An independent safety board would put veter-

ans, rather than rookies, in charge of these important investigations.

Placing the safety board outside the NRC removes any question in the public's mind that there may be a conflict in an NRC staff-led inquiry into an accident that could possibly have been caused by NRC errors. Again, the Brookhaven report raised this issue by citing probes that missed crucial factors leading to the accident, and acknowledged that a perceived conflict of interest is a problem. The recommendations of an inquiry team outside of the NRC will carry greater weight with the public and industry, and will be more likely to be put into place.

Finally, in addition to investigations immediately after an accident, the safety board will have the authority to conduct longer term investigations into minor problems of the day-to-day operation of powerplants that may be precursors to more serious problems. As with many jobs, this will not be the most glamorous part, but it is as important as finding the causes of accidents for the safety of nuclear power.

I expect there will be some initial objections to establishing an independent safety board at a time when Federal agencies are threatened with cutbacks, and savings are being sought throughout the Federal budget. However, it should be clear that the safety board will reduce overall demands on the NRC. Changes could be made within the NRC to offset the increase in employees of the safety board.

Inside the NRC is a department called the Office for Analysis and Evaluation of Operational Data [AEOD]. I believe the AEOD could be used as the base for building an independent safety board. This office's current job is to collect and evaluate safety information from NRC-licensed facilities, and prepare reports on trends which indicate potential safety problems. Moving it outside the NRC, and adding the primary investigation responsibility, will result in a safety board that can pursue the short- and long-term reviews with competence and impartiality, and that will be a visible and respected advocate for the public.

Mr. President, demands on the NRC have changed as the nuclear industry has evolved. I believe this proposal is a reform Congress can make to square the NRC with the new demands placed upon it. Without a doubt, it is a step that needs to be taken to raise public confidence and make the entire nuclear regulatory structure work better.●

By Mr. GRASSLEY:

S. 2292. A bill to amend the Food Security Act of 1985 to require the Secretary of Agriculture to take certain actions to reduce the adverse effect of the Milk Production Termination Program on red meat producers, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

ADVERSE EFFECT OF MILK PRODUCTION TERMINATION PROGRAM ON RED MEAT PRODUCERS

● Mr. GRASSLEY. Mr. President, the bill I am introducing today will help to solve some of the problems that have been created by the Whole Herd Dairy Buyout Program. First, this bill will require the Secretary of Agriculture to develop a more orderly marketing procedure for the dairy cattle that will be brought to market as a result of the Whole Herd Dairy Buyout Program. This marketing process' objective is to minimize the adverse impact of the Milk Production Termination Program on the beef, pork, and lamb producers. This action is critical since many farmers have experienced severe problems as a result of the USDA's poor implementation of this program. Prices in some areas have fallen 10 percent in less than a week. This hurts a farmer's profits, cash-flow, and net worth, which is particularly devastating on many already financially strapped farmers. Orderly marketing should have been the USDA's top priority and instead it has been almost completely neglected.

Second, this bill will require the Secretary to buy 400 million pounds of red meat or the quantity of meat that can be bought with $400 million, whichever is higher. Under present law the Secretary is only required to buy 400 million pounds of red meat without any reference to the amount of money which should be spent. In effect, this allows the Government to save money from the free falling cattle prices which are the result of poor Government policies. I do not believe that the Government should make a profit off a crisis it has caused. This provision will force the Government to help eliminate some of the excess supply of meat by requiring it to buy more meat if the price falls below $1 per pound, which is what has already been budgeted.

Third, the bill will require the Secretary to use any money saved in the Dairy Price Support Program as a result of the accelerated schedule in the Whole Herd Dairy Buyout to be used for the buying of red meat. The cattle industry has never wanted to be involved in Government programs but now that we have forced them into this situation we should make an effort to help them out. By using this money saved in the Dairy Price Support Program for the buying of red meat, we are giving back to the cattlemen a little of what we have taken away. This is only fair, since much of these savings are at the expense of the cattlemen in the first place.

Fourth, my bill will require the Secretary to buy meat under section 104 of the farm bill at the same rate as the cattle are brought to market under the Whole Herd Dairy Buyout. This is returning us to what Congress had intended when it passed the farm bill. Common sense should tell us not to cause a glut of meat and then, when it is too late, use the tools we have to prevent the crisis. Instead it is obvious that we should coordinate the two efforts to keep the impact on the market to a minimum.

Finally, this bill stresses the importance of exports in section 104 and requires that these Government purchases of meat are in addition to purchases that would take place normally by the Secretary or any other persons or entities. The present law does not prevent these purchases from displacing purchases that would take place on other levels other than the Federal level. Local entities may use this meat bought by the Secretary to replace purchases that they would normally make, thereby defeating the purpose of the program which is to increase the over all demand for meat through these purchases.

Mr. President, it is my hope that the Secretary acts administratively to correct the problems this bill attempts to address. I have written the Secretary outlining some of my concerns, as I know other Senators and Representatives have, in order to get him to solve the problem without legislative action. I am also a cosponsor of a resolution, which has passed the Senate instructing the Secretary to correct these problems. It is important, however, that he knows legislation is ready to go if necessary.

I strongly encourage my colleagues to support this bill and other actions that may be necessary to help our Nation's livestock farmers.●

By Mr. LUGAR (by request):

S. 2293. A bill to authorize appropriations for the African Development Foundation; to the Committee on Foreign Relations.

AFRICAN DEVELOPMENT FOUNDATION AUTHORIZATION

● Mr. LUGAR. Mr. President, by request, I introduce for appropriate reference a bill to amend the International Security and Development Cooperation Act of 1980 (22 U.S.C. 2151) with respect to the African Development Foundation.

This proposed legislation has been requested by ADF and I am introducing it in order that there may be a specific bill to which Members of the Senate and the public may direct their attention and comments.

I reserve my right to support or oppose this bill, as well as any suggested amendments to it, when the matter is considered by the Committee on Foreign Relations.

I ask unanimous consent that the bill be printed in the RECORD at this point, together with the letter from the President of the African Develop-

ment Foundation to the President of the Senate dated March 24, 1986.

There being no objection, the bill and letter were ordered to be printed in the RECORD, as follows:

S. 2293

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

AUTHORIZATION OF APPROPRIATIONS

Section 510 of Title V of the International Security and Development Cooperation Act of 1980 (22 U.S.C. 2151) is amended by deleting "$3,872,000 for fiscal year 1987" in the first sentence, and inserting "$6,500,000 for fiscal year 1987, and such sums as may be necessary for fiscal year 1988" in lieu thereof.

AFRICAN DEVELOPMENT FOUNDATION,
Washington, DC, March 24, 1986.

Hon. GEORGE H.W. BUSH,
Vice President of the United States and President of the Senate, U.S. Senate, Washington, DC.

DEAR MR. PRESIDENT: I herewith transmit a bill to amend Section 510 of Title V of the International Security and Development Cooperation Act of 1980 to authorize the appropriation of $6,500,000 for the African Development Foundation for Fiscal Year 1987, and such sums as may be necessary for Fiscal Year 1988.

The Office of Management and Budget advises that there is no objection to the presentation of this proposal to the Congress and that its enactment would be in accord with the program of the President.

Sincerely yours,

LEONARD H. ROBINSON, Jr.,
President.●

ADDITIONAL COSPONSORS

S. 426

At the request of Mr. HOLLINGS, his name was added as a cosponsor of S. 426, a bill to amend the Federal Power Act to provide for more protection to electric consumers.

S. 524

At the request of Mr. ARMSTRONG, the names of the Senator from South Carolina [Mr. THURMOND] and the Senator from Arizona [Mr. DECONCINI] were added as cosponsors of S. 524, a bill to recognize the organization known as The Retired Enlisted Association, Inc.

S. 1223

At the request of Mr. ARMSTRONG, the name of the Senator from Virginia [Mr. TRIBLE] was added as a cosponsor of S. 1223, a bill to authorize the erection of a memorial on Federal land in the District of Columbia or its environs to honor members of the Armed Forces of the United States who served in the Korean war.

S. 1793

At the request of Mr. KENNEDY, the name of the Senator from Maine [Mr. MITCHELL] was added as a cosponsor of S. 1793, a bill to amend the Public Health Service Act to establish a grant program to develop improved systems of caring for medical technology dependent children in the home, and for other purposes.

S. 1847

At the request of Mr. MITCHELL, the names of the Senator from Rhode Island [Mr. PELL] and the Senator from Mississippi [Mr. COCHRAN] were added as cosponsors of S. 1847, a bill to provide for a Samantha Smith Memorial Exchange Program to promote youth exchanges between the United States and the Soviet Union, and for other purposes.

S. 1873

At the request of Mr. SPECTER, the name of the Senator from Hawaii [Mr. INOUYE] was added as a cosponsor of S. 1873, a bill to require the Secretary of Health and Human Services to make grants to, and enter into contracts with, community based health care organizations in order to support disease prevention and health promotion projects.

S. 1980

At the request of Mr. THURMOND, the name of the Senator from Louisiana [Mr. JOHNSTON] was added as a cosponsor of S. 1980, a bill to amend title 17, United States Code, regarding the conveyance of audiovisual work, and for other purposes.

S. 2046

At the request of Mr. MCCONNELL, the name of the Senator from Texas [Mr. GRAMM] was added as a cosponsor of S. 2046, a bill to provide limits and procedures in certain civil cases.

S. 2064

At the request of Mr. WARNER, the names of the Senator from Arizona [Mr. GOLDWATER], the Senator from Indiana [Mr. LUGAR], the Senator from Georgia [Mr. NUNN], the Senator from Rhode Island [Mr. PELL], the Senator from Arkansas [Mr. BUMPERS], the Senator from Maine [Mr. COHEN], the Senator from Arizona [Mr. DECONCINI], the Senator from Minnesota [Mr. DURENBERGER], the Senator from Nebraska [Mr. EXON], the Senator from Ohio [Mr. GLENN], the Senator from Tennessee [Mr. GORE], the Senator from Colorado [Mr. HART], the Senator from Louisiana [Mr. JOHNSTON], the Senator from Wisconsin [Mr. KASTEN], the Senator from Hawaii [Mr. MATSUNAGA], the Senator from Delaware [Mr. ROTH], and the Senator from California [Mr. WILSON] were added as cosponsors of S. 2064, a bill to require the President to make an annual report on the national strategy of the United States Government to certain committees of Congress and to require joint committee meetings to be held on such report.

S. 2103

At the request of Mr. MCCLURE, the name of the Senator from Oregon [Mr. HATFIELD] was added as a cosponsor of S. 2103, a bill to clarify the application of the Clayton Act with respect to rates, charges, or premiums filed with State insurance departments or agencies.

S. 2166

At the request of Mr. DURENBERGER, the name of the Senator from Oklahoma [Mr. NICKLES] was added as a cosponsor of S. 2166, a bill to amend the Internal Revenue Code of 1954 to modify the tax treatment of tax-exempt municipal bonds, and for other purposes.

S. 2187

At the request of Mr. DECONCINI, the name of the Senator from Hawaii [Mr. MATSUNAGA] was added as a cosponsor of S. 2187, a bill to amend title 38, United States Code, to exempt from sequestration certain benefits for veterans and dependents and survivors of certain veterans which are paid based on the service-connected disability or death of veterans.

S. 2208

At the request of Mr. KASTEN, the names of the Senator from Hawaii [Mr. INOUYE], the Senator from Illinois [Mr. SIMON], the Senator from North Dakota [Mr. ANDREWS], the Senator from Massachusetts [Mr. KERRY], and the Senator from Hawaii [Mr. MATSUNAGA] were added as cosponsors of S. 2208, a bill to establish the African Famine, Recovery and Development Fund for the relief, recovery, and long-term development of sub-Saharan Africa, and for other purposes.

S. 2261

At the request of Mr. HUMPHREY, the name of the Senator from Nebraska [Mr. ZORINSKY] was added as a cosponsor of S. 2261, a bill to amend the Service Contract Act of 1965 to reform the administration of such act, and for other purposes.

S. 2271

At the request of Mr. DENTON, the name of the Senator from Alaska [Mr. STEVENS] was added as a cosponsor of S. 2271, a bill for the relief of Jens-Peter Berndt.

SENATE JOINT RESOLUTION 112

At the request of Mr. PELL, the names of the Senator from West Virginia [Mr. ROCKEFELLER], the Senator from North Dakota [Mr. BURDICK], and the Senator from Arkansas [Mr. PRYOR] were added as cosponsors of Senate Joint Resolution 112, joint resolution to authorize and request the President to call a White House Conference on Library and Information Services to be held not later than 1989, and for other purposes.

SENATE JOINT RESOLUTION 134

At the request of Mr. BIDEN, the names of the Senator from Florida [Mr. CHILES], the Senator from Alabama [Mr. DENTON], and the Senator from Arizona [Mr. DECONCINI] were added as cosponsors of Senate Joint Resolution 134, joint resolution to des-

ignate "National Safety in the Workplace Week."

SENATE JOINT RESOLUTION 274

At the request of Mr. GRASSLEY, the name of the Senator from Michigan [Mr. RIEGLE] was added as a cosponsor of Senate Joint Resolution 274, joint resolution to designate the weekend of August 1, 1986, through August 3, 1986, as "National Family Reunion Weekend."

SENATE JOINT RESOLUTION 280

At the request of Mr. HEINZ, the names of the Senator from Michigan [Mr. RIEGLE], and the Senator from South Dakota [Mr. ABDNOR] were added as cosponsors of Senate Joint Resolution 280, joint resolution designating the month of November 1986 as "National Alzheimer's Disease Month."

SENATE JOINT RESOLUTION 281

At the request of Mr. NUNN, the names of the Senator from Alabama [Mr. DENTON], and the Senator from Arizona [Mr. GOLDWATER] were added as cosponsors of Senate Joint Resolution 281, joint resolution to designate the week of May 11, 1986, through May 17, 1986, as "Senior Center Week."

SENATE JOINT RESOLUTION 300

At the request of Mr. GLENN, the names of the Senator from Virginia [Mr. TRIBLE], the Senator from Illinois [Mr. SIMON], the Senator from Georgia [Mr. MATTINGLY], the Senator from Arkansas [Mr. BUMPERS], the Senator from South Carolina [Mr. THURMOND], the Senator from West Virginia [Mr. BYRD], and the Senator from Virginia [Mr. WARNER] were added as cosponsors of Senate Joint Resolution 300, joint resolution to recognize and honor 350 years of service of the National Guard.

SENATE JOINT RESOLUTION 307

At the request of Mr. MATTINGLY, the name of the Senator from New Jersey [Mr. BRADLEY] was added as a cosponsor of Senate Joint Resolution 307, joint resolution to designate the week of April 18 through April 27, 1986 as "National Carpet and Floorcovering Week."

SENATE JOINT RESOLUTION 315

At the request of Mrs. HAWKINS, the names of the Senator from Minnesota [Mr. BOSCHWITZ], the Senator from Illinois [Mr. SIMON], the Senator from Indiana [Mr. LUGAR], and the Senator from Mississippi [Mr. COCHRAN] were added as cosponsors of Senate Joint Resolution 315, joint resolution designating May 1986 as "Older Americans Month."

SENATE RESOLUTION 304

At the request of Mr. TRIBLE, the name of the Senator from Tennessee [Mr. GORE] was added as a cosponor of Senate Resolution 304, resolution to express the sense of the Senate that the present 3-year basis recovery rule on taxation of retirement annuities be maintained.

SENATE RESOLUTION 368

At the request of Mr. GORE, the names of the Senator from Kentucky [Mr. FORD], the Senator from Pennsylvania [Mr. SPECTER], the Senator from Maryland [Mr. SARBANES], the Senator from West Virginia [Mr. ROCKEFELLER], the Senator from Arkansas [Mr. BUMPERS], the Senator from New Jersey [Mr. BRADLEY], the Senator from North Dakota [Mr. BURDICK], the Senator from Iowa [Mr. GRASSLEY], the Senator from Michigan [Mr. RIEGLE], the Senator from Minnesota [Mr. DURENBERGER], the Senator from Oklahoma [Mr. NICKLES], the Senator from South Dakota [Mr. PRESSLER], the Senator from Hawaii [Mr. MATSUNAGA], and the Senator from Hawaii [Mr. INOUYE] were added as cosponsors of Senate Resolution 368, resolution to express the sense of the Senate that Federal funding to States for cooperative extension service programs for fiscal year 1987 be restored to at least the level approved in the 1986 budget resolution, except for reductions required in such programs by the Balanced Budget and Emergency Deficit Control Act of 1985.

SENATE RESOLUTION 381

At the request of Mr. DECONCINI, the name of the Senator from Oklahoma [Mr. BOREN] was added as a cosponsor of Senate Resolution 381, resolution expressing the sense of the Senate with respect to United States corporations doing business in Angola.

SENATE CONCURRENT RESOLUTION 126—AUTHORIZING THE USE OF THE U.S. CAPITOL ROTUNDA FOR A CEREMONY COMMEMORATING DAYS OF REMEMBRANCE OF VICTIMS OF THE HOLOCAUST

Mr. RUDMAN (for Mrs. HAWKINS, for herself, Mr. PELL, Mr. KASTEN, Mr. LAUTENBERG, and Mr. MATTINGLY) submitted the following concurrent resolution; which was considered and agreed to:

S. CON. RES. 126

Whereas, pursuant to the Act entitled "An Act to establish the United States Holocaust Memorial Council" and approved October 7, 1980 (94 Stat. 1547), the United States Holocaust Memorial Council is directed to provide for appropriate ways for the Nation to commemorate the days of remembrance of victims of the Holocaust, as an annual, national, civic commemoration of the Holocaust, and to encourage and sponsor appropriate observances of such days of remembrance throughout the United States;

Whereas, pursuant to such Act, the United States Holocaust Memorial Council has designated May 4 through May 11, 1986, as "Days of Remembrance of Victims of the Holocaust"; and

Whereas the United States Holocaust Memorial Council has recommended that a one-hour ceremony be held at noon on May 6, 1986, consisting of speeches, readings, and musical presentations as part of the days of remembrance activities: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That the rotunda of the United States Capitol is hereby authorized to be used on May 6, 1986, from 10 o'clock ante meridiem until 3 o'clock post meridiem for a ceremony as part of the commemoration of the days of remembrance of victims of the Holocaust. Physical preparations for the conduct of the ceremony shall be carried out in accordance with such conditions as may be prescribed by the Architect of the Capitol.

SENATE CONCURRENT RESOLUTION 127—RELATING TO PREDATORY TIED AID CREDITS

Mr. RUDMAN (for Mr. HEINZ, for himself, and Mr. GARN) submitted the following concurrent resolution; which was considered and agreed to:

S. CON. RES. 127

Whereas tied aid and partially untied aid credits with low levels of concessionality are used by several governments as a predatory method of financing exports and result in market-distorting effects;

Whereas these distortions have caused the United States to lose export sales, with resulting losses in economic growth and development;

Whereas the Congress is preparing legislation intended to support the efforts of the Secretary of the Treasury to negotiate a comprehensive arrangement restricting the use of tied and partially untied aid credits for commercial purposes; and

Whereas these negotiating efforts of the Secretary of the Treasury are fully supported by the Congress of the United States: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That it is the sense of the Congress that—

(1) a successful conclusion of an arrangement to regulate tied aid credits, so that their use for predatory commercial purposes is ended, would eliminate the need for the Congress to enact a special tied aid credit program;

(2) the Secretary of the Treasury should use the full resources of his office to promote such a successful conclusion to the negotations; and

(3) the President should make the use of predatory tied aid credits a major topic of discussion at the Tokyo Summit.

AMENDMENTS SUBMITTED

METROPOLITAN WASHINGTON AIRPORT TRANSFER

EXON AMENDMENT NO. 1769

Mr. EXON proposed an amendment to the bill (S. 1017) to provide for the transfer of the Metropolitan Washington Airports to an independent airport authority; as follows:

On page 35, line 5, strike out all through line 15, on page 36 and insert in lieu thereof the following:

(9) governed by a board of thirteen members, as follows:

(A) Three members shall be appointed by the Governor of Virginia, three members shall be appointed by the Mayor of the District of Columbia, three members shall be appointed by the Governor of Maryland, and four members shall be appointed by the President with the advice and consent of the Senate; the Chairman shall be appointed from among the members by majority vote of the members and shall serve until replaced by majority vote of the members.

(B) Members shall (i) not hold elective or appointive political office, (ii) serve without compensation other than for reasonable expenses incident to board functions, and (iii) reside within the Washington Standard Metropolitan Statistical Area, except that the members appointed by the President shall not be required to reside in that area.

(C) Appointments to the board shall be for a period of 6 years; however, initial appointments to the board shall be made as follows: each jurisdiction shall appoint one member for a full 6-year term, a second member for a 4-year term and a third member for a 2-year term. The President shall make an initial appointment of one member for a 6-year term, a second member for a 5-year term, a third member for a 4-year term, and a fourth member for a 3-year term. All subsequent appointments by the President shall be for a 6-year term. Such Federal appointees shall be subject to removal for cause.

(D) Seven votes shall be required to approve bond issues and the annual budget.

MATHIAS AMENDMENT NO. 1770

Mr. MATHIAS proposed an amendment to the bill S. 1017, supra; as follows:

On page 30, line 6, strike out the period and insert in lieu thereof "within six months after the date of enactment of this Act. In no event shall the determination of hypothetical indebtedness by the Federal Aviation Administration pursuant to this paragraph be an amount which is less than $108,600,000 or the audit finding of the Comptroller General of the United States, if it is different".

SARBANES AMENDMENT NO. 1771

Mr. SARBANES proposed an amendment to the bill S. 1017, supra; as follows:

On page 37, strike out lines 1 through "such" on line 3.

PROTECTION TO ELECTRIC POWER CONSUMERS

METZENBAUM (AND McCLURE) AMENDMENT NO. 1772

Mr. METZENBAUM (for himself and Mr. McCLURE) proposed an amendment to the bill (S. 426) to amend the Federal Power Act to provide more protection to electric consumers; as follows:

At the end of the Committee Amendment insert the following: "SEC. 13. Section 10(h) of the Federal Power Act (16 U.S.C. 803(h)) is amended by redesignating section 10(h) as 10(h)(1) and adding a new section 10(h)(2) as follows:

(2) That conduct under the license that: (A) results in the contravention of the policies expressed in the antitrust laws; and (B) is not otherwise justified by the public interest considering regulatory policies expressed in other applicable law (including but not limited to those contained in Part II of this Act) shall be prevented or adequately minimized by means of conditions included in the license prior to its issuance. In the event it is impossible to prevent or adequately minimize the contravention, the Commission shall refuse to issue the license to the applicant."

McCLURE AMENDMENT NOS. 1773 THROUGH 1775

Mr. McCLURE proposed three amendments to the bill S. 426, supra; as follows:

AMENDMENT No. 1773

Section 11 of the Committee amendment is amended by:

(1) deleting "pursuant to this part" in subsections (b)(1) and (2) and inserting in lieu thereof "pursuant to this Act, whether granted under this Act or another provision of law"; and

(2) by adding the following new subsections at the end thereof:

(c) Section 13 of the Federal Power Act, as amended, is further amended by striking the final sentence thereof.

(d) Section 26(a) of the Federal Power Act, as amended, is further amended—

(1) by striking the first sentence and inserting in lieu thereof the following sentence: "The Commission, or the Attorney General on request of the Commission or of the Secretary of the Army, may institute proceedings in equity in the district court of the United States in the district in which any project or part thereof is situated for the purpose of revoking for significant violation of its terms any permit or license issued hereunder or any exemption from any requirement of this Act, whether granted under this Act or another provision of law, or for the purpose of remedying or correcting by injunction, mandamus, or other process any act of commission or omission in violation of the provisions of this Act or of any lawful regulation or order promulgated hereunder."; and

(2) by adding at the end thereof the following new sentence: "In the case of revocation of an exemption from any requirement of this Act, whether granted under this Act or another provision of law, the courts may exercise the same powers as they have under this section with respect to revocation of a license.".

(e) Section 402(a)(2)(A) of the Department of Energy Organizaiton Act, as amended, is further amended by inserting between "4," and "301" the following: "5, 13, 26, 30,".

(f) The amendments made by this section shall apply to licenses, permits, exemptions, rules, regulations, and orders issued before, on, or after the date of enactment of this Act.

AMENDMENT No. 1774

Beginning on page 4, line 19, strike all through page 5, line 3, and insert:

"(3)(A) Upon receipt of an application for a license, the Commission shall solicit recommendations from the agencies and Indian tribes identified in paragraph (a)(2) of this section for proposed terms and conditions for the Commission's consideration for inclusion in the license;

"(B) If any recommendation for a proposed term or condition is received by the Commission within 120 days of the public notice of any license application under this section, the Commission shall explain in writing its reasons for adopting, rejecting or modifying any such proposed term or condition."

AMENDMENT No. 1775

On page 10, following line 16 add the following new Section 11 and renumber subsequent sections accordingly:

"SEC. 11. The amendments made by section 10 of this Act shall not apply to any hydroelectric project for which an application for a license or preliminary permit was filed with the Federal Energy Regulatory Commission on or before April 11, 1986."

HUMPHREY AMENDMENT NO. 1776

Mr. HUMPHREY proposed an amendment to the bill S. 426, supra; as follows:

On page 12, following line 2 add the following new Section 13:

"SEC. 13. Section 4(e) of the Federal Power Act (16 U.S.C. 797(e)) is amended—

(a) by striking "And provided further" and inserting in lieu thereof "Provided further"; and

(b) by striking the final period "." and inserting in lieu thereof the following ': *And provided further*, That upon the filing of any application for a license the Commission shall seek to notify by certified mail the owner or owners of the property within the bounds of the project, and any State, municipality or other local governmental entity likely to be interested in or affected by such application.' "

EVANS AMENDMENT NO. 1777

Mr. EVANS proposed an amendment to the bill S. 426, supra; as follows:

On pages 9-10, strike section 10 and insert in lieu thereof the following new section:

"SEC. 10. Section 3(17) of the Federal Power Act (16 U.S.C. 796(17)), as amended, is further amended—

(a) by adding the following new subsection (B):

"(B)(i) Notwithstanding subsection (A) of this section, no hydroelectric project shall be considered a small power production facility (other than for purposes of section 210(e) of the Public Utility Regulatory Policies Act) if such project impounds or diverts the water of a natural watercourse other than by means of an existing dam or diversion, unless such project is located at a Government dam.

"(ii) For the purposes of this paragraph, the term "existing dam or diversion" means any dam or diversion that is part of a project for which a license has been issued on or before the date of enactment of this subsection, or which the Commission determines does not require any construction or enlargement of impoundment structures (other than repairs or reconstruction) except for the addition of flashboards (or similar adjustable devices).".

EVANS AMENDMENT NO. 1778

Mr. EVANS proposed an amendment to the bill S. 426, supra; as follows:

On page 4, line 18 before the period insert the following: "; and (c) if the applicant is an electric utility, its plans for energy con-

servation through energy efficiency programs".

WILSON AMENDMENT NO. 1779

Mr. WILSON proposed an amendment to the bill S. 426, supra; as follows:

At the appropriate place in the bill, add the following new section:

SEC. . ELECTION CONCERNING OTHER CONTESTED PROJECTS SUBJECT TO LITIGATION

(a) APPLICATION OF SECTION.—This section applies to any relicensing proceeding initiated prior to October 1983 at the Federal Energy Regulatory Commission involving the following projects: Mokelumne (No. 137), California; Phoenix (No. 1061), California; Rock Creek/Cresta (No. 1962), California; Haas-King (No. 1988), California; Poole (No. 1388), California; and Rush Creek (No. 1389), California. The numbers in this subsection refer to Federal Energy Regulatory Commission project identifcation numbers for the existing licensee. This subsection shall also apply to any subsequent relicensing proceeding for any such project involving the same parties which results from the rejection, without prejudice, of an application in any of the proceedings specified in this subsection.

(b) ELECTION BY COMPETING APPLICATIONS.—In the case of each project named in subsection (a), a license applicant competing against an existing licensee must elect within 90 days after the enactment of the Act to either:

(1) withdraw the competing application and agree to be subject to the provisions of this section, or

(2) refuse to withdraw the application, in which case the relicensing proceeding for such project shall be continued and a new license issued solely in accordance with the Federal Power Act, as amended by this act.

(c) COMMISSION ORDER.—If an election is made, the Commission, after notice and opportunity for a hearing, shall issue an order requiring the existing licensee to compensate the competing applicant in an amount representing the reasonable costs plus interest (at a rate determined by the Federal Energy Regulatory Commission in accordance with its regulations governing refunds in proceedings involving electric rate schedules) incurred by the competing applicant, which are related to—

(1) the cost of preparing, filing and maintaining the license applications for the hydroelectric project through the date of enactment;

(2) the cost of seeking to apply, and preserve the application of, Section 7 of the Federal Power Act to the pending relicensing proceedings through the date of enactment;

(3) the cost of preparing, filing and maintaining an application for compensation pursuant to this section through the date of payment; and

(4) the incremental costs the competing applicants will incur or have incurred as a result of any delay in pursuing alternatives to securing the hydroelectric power sought by the competing applicants in their license applications.

JUDICIAL IMPROVEMENTS ACT

STENNIS AMENDMENT NO. 1780

Mr. BYRD (for Mr. STENNIS) proposed an amendment to the bill (H.R. 3570) to amend title 28, United States Code, to reform and improve the Federal justice and judges survivors' annuities program, and for other purposes; as follows:

At the appropriate place, add the following new section:

"SEC. . The Bankruptcy Amendments and Federal Judgeship Act of 1984 (98 Stat. 333) is amended as follows:

"(1) section 206 is revised to read as follows:

"SEC. 206. Sections 8706(a), 8714a(c)(1), 8714b(c)(1), and 8714c(c)(1) of title 5, United States Code, are amended to insert immediately after the first sentence in each of those sections a new sentence which reads as follows: 'Justices and judges of the United States described in section 8701(a)(5)(ii) and (iii) of this chapter are deemed to continue in active employment for purposes of this chapter, and

"(2) section 207 is revised to read as follows:

"SEC. 207. The amendments to chapter 87 of title 5, United States Code, made by section 206 of this Act shall apply in the case of any justice or judge who is retired under section 371(a) or 371(b) or 372(a) of title 28, United States Code. The amendments apply to those who retire on or after January 1, 1982.".

THURMOND AMENDMENT NO. 1781

Mr. RUDMAN (for Mr. THURMOND) proposed an amendment to the bill H.R. 3570, supra; as follows:

On page 16, line 2 delete "or" and insert in lieu thereof: "and".

On page 16, line 3, delete "(46 U.S.C. App. 839);" and insert in lieu thereof: "(46 U.S.C. App. 802, 803, 808, 835, 839 and 841(a));".

NOTICES OF HEARINGS

COMMITTEE ON RULES AND ADMINISTRATION

Mr. MATHIAS. Mr. President, I wish to announce that the Committee on Rules and Administration will meet in SR-301, Russell Senate Office Building, on Wednesday, April 16, 1986, at 5:30 p.m., to consider legislation relating to official mail costs.

The committee will be marking up S. 2059, to control franking costs; S. 2255, to prohibit the expenditure of Federal funding for congressional newsletters; and Senate Resolution 374, to limit the amount that may be expended by Senators for mass mailings during the remainder of fiscal year 1986. The committee held a hearing on these items on April 9, 1986.

For further information concerning this business meeting, please contact Ron Hicks of the Rules Committee staff on x40290.

SUBCOMMITTEE ON PUBLIC LANDS, RESERVED WATER AND RESOURCE CONSERVATION

Mr. WALLOP. Mr. President, I would like to announce for the information of the Senate and the public the scheduling of a hearing before the Subcommittee on Public Lands, Reserved Water and Resource Conservation of the Committee on Energy and Natural Resources on Tuesday, June 17, 1986, at 9:30 a.m. in room SD-366 of the Senate Dirksen Office Building, Washington, DC 20510. Testimony will be received on S. 2055, to establish the Columbia Gorge National Scenic Area, and for other purposes.

Those wishing to testify should contact the Subcommittee on Public Lands, Reserved Water and Resource Conservation of the Committee on Energy and Natural Resources, room SD-308, Dirksen Senate Office Building, Washington, DC 20510. Oral testimony may be limited to 3 minutes per witness. Written statements may be longer. Witnesses may be placed in panels, and are requested to submit 25 copies of their testimony 24 hours in advance of the hearing, and 50 copies on the day of the hearing.

For further information, please contact Patty Kennedy or Tony Bevinetto of the subcommittee staff at (202) 224-0613.

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. McCLURE. Mr. President, I would like to announce for the information of the Senate and the public that the Committee on Energy and Natural Resources has scheduled a hearing on Tuesday, April 22, 1986, at 10 a.m., in room SD-366 of the Dirksen Senate Office Building in Washington, DC, to receive testimony on S. 2073, to encourage the standardization of nuclear powerplants, to improve the nuclear licensing and regulatory process, to amend the Atomic Energy Act of 1954, and for other purposes.

Those wishing to testify or who wish to submit written statements for this hearing should write to the Committee on Energy and Natural Resources, U.S. Senate, Washington, DC 20510.

For additional information regarding this hearing, you may contact Marilyn Meigs on the staff at (202) 224-4431.

SUBCOMMITTEE ON ENERGY RESEARCH AND DEVELOPMENT

Mr. DOMENICI. Mr. President, I would like to announce for the information of the Senate and the public that the Subcommittee on Energy Research and Development of the Committee on Energy and Natural Resources has scheduled a hearing on Tuesday, April 29, 1986, at 10 a.m. in room SD-366 of the Dirksen Senate Office Building in Washington, DC, to receive testimony on the Department of Energy's nuclear research and development programs.

Those wishing to testify or who wish to submit written statements for this hearing should write to the Subcommittee on Energy Research and Development, Committee on Energy and Natural Resources, Washington, DC 20510.

For additional information regarding this hearing, you may contact Marilyn Meigs on the subcommittee staff at (202) 224-4431.

AUTHORITY FOR COMMITTEES TO MEET

SUBCOMMITTEE ON PUBLIC LANDS, RESERVED WATER, AND RESOURCE CONSERVATION

Mr. TRIBLE. Mr. President, I ask unanimous consent that the Subcommittee on Public Lands, Reserved Water and Resource Conservation of the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate on Friday, April 11, to hold a hearing on S. 977, to establish the Hennepin Canal National Heritage Corridor in the State of Illinois, and for other purposes; S. 1374, to establish the Blackstone River Valley National Heritage Corridor in Massachusetts and Rhode Island; S. 1413 and H.R. 3067, to validate conveyances of certain lands in the State of California that form part of the right-of-way granted by the United States to the Central Pacific Railway Co.; S. 1542, to amend the National Trails System Act by designating the Nez Perce (Nee-Me-Poo) Trail as a component of the National Trails System; S. 1946, to designate the west branch of the Farmington River as a study area for inclusion in the National Wild and Scenic Rivers System, and for other purposes; S. 2265, to authorize the establishment of the Burr Trail National Rural Scenic Road in the State of Utah, and for other purposes; and H.R. 3556, to provide for the exchange of land for the Cape Henry Memorial site in Fort Story, VA.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON MILITARY CONSTRUCTION

Mr. TRIBLE. Mr. President, I ask unanimous consent that the Subcommittee on Military Construction of the Committee on Armed Services, be authorized to meet during the session of the Senate on Friday, April 11, in order to receive testimony on home porting.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON PREPAREDNESS

Mr. TRIBLE. Mr. President, I ask unanimous consent that the Preparedness Subcommittee of the Committee on Armed Services be authorized to meet during the session of the Senate on Friday, April 11, in open session, followed by a closed session to conduct a hearing on ammunition readiness.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON STRATEGIC AND THEATER NUCLEAR FORCES

Mr. TRIBLE. Mr. President, I ask unanimous consent that the Subcommittee on Strategic and Theater Nuclear Forces of the Committee on Armed Services be authorized to meet during the session of the Senate on Friday, April 11, in closed session, to be immediately followed by an open session, to hold a hearing on Strategic Command, Control, and Communication; and Federal Emergency Management Agency.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

FINANCING OUR ADVERSARIES

● Mr. GARN. Mr. President, each day is bringing new indications of the degree to which the United States and our allies are financing the Soviet Union and its global activities. As Roger W. Robinson, former National Security Council staff member responsible for international finance, recently pointed out, it is difficult to understand how the Soviet Union is able to support its entire external empire with total annual hard currency earnings of only $32 billion. For the second largest economy in the world these are rather marginal earnings, representing only one-third the annual revenues of Exxon, for example. Yet it is largely this margin that must meet the Soviet Union's hard currency needs, and that includes almost all of its external activities in a world where the ruble will not go very far. Obviously, there must be additional sources of financing, and that is primarily borrowing from the West.

The largest component of Soviet hard currency earnings has been their earnings from oil exports. With both Soviet oil production declining and world oil prices dropping sharply the Soviets are facing a severe shortage of hard currency.

This would be good news for the free world, particularly for the targets of Soviet adventurism, were it not for the fact that the shortfall in Soviet earnings has coincided with a dramatic increase in Western lending to the Soviet Union. Last year United States commercial banks syndicated at least $1.3 billion in loans to Soviet bloc countries at what were generally recognized as very generous interest rates; $200 million of that amount was in lending directly to the Soviet Union, the first United States commercial lending to the Soviets since the crackdown on Solidarity.

When financial constraints on the Soviets could have an important impact toward reducing their international activities and therefore reducing international instability, at what should be a particularly fortuitous time for world peace, Western banks appear eager to step in and help the Soviets conduct their business as usual.

What can the President of the United States do about this? The President has under current law, short of a national emergency, no authority to do anything about it. That is why I have introduced, along with several of my colleagues, legislation to give the President authority to regulate financial transfers to our adversaries at times when it would be in the national interest to do so. That bill, S. 812, has already been the subject of hearings in the Banking Committee. With each day the need for this legislation becomes more apparent.

Mr. President, when the national interest overrides the importance of loan syndication fees the President of the United States should have authority to exert that national interest. Today he cannot. Even when the Soviets are looking for billions of dollars in Western loans, so that their activities around the world can continue well fed instead of starve due to lack of hard currency to fund them, the President cannot even require that loans to the Soviets be for specific projects that are not detrimental to our security or foreign policy interests. It is time that we gave the President that power.

I ask that the text of a speech given by Roger W. Robinson, Jr., delivered at the Heritage Foundation on February 11, 1986, be included in the RECORD.

The speech follows:

EAST-WEST TRADE AND NATIONAL SECURITY

(By Roger W. Robinson, Jr.[1])

I think it would surprise most people were they to step back and assess how many of the more publicized issues and challenges which the United States faces in the world today are directly or indirectly underpinned by the East-West economic and financial equation. I make this assertion because, like most endeavors in the human condition—whether it be at the individual, state, or national level—the proverbial "bottom-line" of the ability to get things done rests upon economics and particularly finance.

Having said that, I must confess that after a dozen years of active involvement in this policy area, I continue to be somewhat troubled by the lack of a more common understanding in the Western Alliance concerning the key elements of the strategic or security side of East-West economic and commercial relations. I have long referred to what I believe to be the three most important components of strategic trade with the East as the "Triad." They are: 1) the illegal acquisition by the Soviet bloc of militarily relevant Western technology; 2) Western energy security—specifically, the ongoing Soviet strategy to dominate Western Europe's nat-

[1] Roger W. Robinson, Jr., is President of RWR, Inc. and former Senior Director for International Economic Affairs at the National Security Council (1982-1985). Mr. Robinson spoke at The Heritage Foundation on February 11, 1986. ISSN 0273-1155. Copyright 1986 by The Heritage Foundation.

ural gas markets; and 3) untied and nontransparent Western financial flows to the Warsaw Pact countries. These components of the Triad are, in my view, the principal avenues of the West's windfall contributions to Soviet military-related innovation, the USSR's hard currency earnings structure, and the Soviet Union's ability to maintain and expand its costly global commitments.

For example, has it not struck most Western policy makers as odd that the Soviet Union, which has a total annual hard currency income of only about $32 billion from all sources (including arms sales), can sustain a global empire which can directly rival the United States? More specifically, how does the USSR support such a vast array of third country commitments—many of which must be hard currency financed—with annual earnings equivalent to only about one-third of Exxon's annual revenues for 1985? These are central questions which I believe call for more thorough examination. Although the brevity of my remarks today will not permit a detailed attempt to answer these questions, I might at least offer a framework to advance the search.

In the area of finance, I have often been curious why I have never come across a security-oriented cash flow analysis of the USSR, a page divided down the middle with "sources" of hard currency or the left side—for example, oil and gas exports and the sales of arms, gold, diamonds—and "uses" of hard currency on the right side—such as imports from the West, technology theft, underwriting Cuba and other client states, KGB/GRU operations, and other expenditures. My own guess is that a detailed security cash flow analysis of this kind would show a formidable annual hard currency shortfall that presumably has to be financed through Western borrowings. Declining Soviet oil production and plummeting prices for both oil and gas—composing approximately two-thirds of the USSR's total annual hard currency earnings structure—should result in an even more active Soviet presence on the world credit markets than the roughly $3 billion in new credits attracted in 1985. The fact is that the level of Soviet indebtedness remained largely unchanged during the period 1979–1984 despite the fact that the USSR's hard currency needs apparently grew significantly. I believe this discrepancy can be explained, at least in part, by substantial Soviet reliance on a rather hidden borrowing source in Western financial markets.

This less visible borrowing activity takes place in the vast and amorphous interbank market where the Soviet Union has been a major player for many years. The interbank market is global in scope and is formed by the established practice among the world's banks of depositing cash with one another to facilitate the efficient flow of funds and to earn income on excess cash. The London Interbank Offering Rate (LIBOR) serves as a benchmark rate at which these deposits are offered to prime potential borrowers, and usually floats at roughly 1 percent below the U.S. prime rate. Interbank transactions can either be arranged by a money broker or directly between banks. A typical transaction might have bid and offer rates of 7⅛ percent and 8 percent respectively, with the higher rate representing the price at which a bank would offer, for example, a six-month time deposit to another bank. Prior to concluding an interbank transaction, the bank offering the funds will check the credit limit for the particular bank taking the funds as well as the "country exposure limit" for the country in which the bank is domiciled. It is not necessarily standard practice to check the "country exposure limit" for the country which owns the "taking" bank.

The six Soviet-owned banks located in the West, along with their branches, have been major beneficiaries of this global flow of interbank funds. The largest Soviet-owned banks in the West include Banque Commerciale pour l'Europe du Nord or Eurobank in Paris, Moscow Norodney Bank, London (which often serves as the coordinating point for other Soviet banking institutions in the West), and Ost-West Handlesbank in Frankfurt. Other 100 percent Soviet-owned banking institutions are located in Luxembourg, Zurich, Vienna, and Singapore. The latter is a branch of Moscow Narodney. The Soviets go to some lengths to obscure their complete ownership of these institutions. For example, these banks are incorporated under the laws of the countries in which they are domiciled, have foreign nationals in management positions, have what appears to be a diverse group of shareholders, and even maintain representative offices in Moscow similar to those of Western banks.

These Soviet banks engage in other banking activities outside the interbank market and even place some of their own deposits with major Western banks. This does not, however, offset the enormous advantage to the Soviets of having access to a large amount of hard currency at an interest rate which is below the U.S. prime rate and which can be used at their sole discretion. Similar to an individual who would use his or her cash reserve bank line to bridge shortages of cash in a regular checking account, interbank deposits provide the Soviets with needed liquidity on the margin to meet their pressing cash requirements. Access to these Western deposits also permits the Soviets to avoid more expensive and visible forms of Western financing. After all, why should the USSR step up its modest use of bankers acceptances or go more often to the syndicated loan market when they can tap a largely invisible pool of Western deposits at interest rates below U.S. prime?

It is very difficult to estimate the precise amount of such Western funds on deposit with the Soviet Bank for Foreign Trade, the COMECON banks, the State Bank of the USSR, and Soviet-owned banks in the West. Nevertheless, as the Soviets maintain correspondent banking relations with virtually every sizable banking institution in the world, a ballpark estimate of the aggregate amount of Western deposits with Soviet-owned banks in West would be roughly $5 billion. I would estimate that several billion dollars more in Western deposits have been attracted directly by the Soviet Bank for Foreign Trade and the State Bank of the USSR. Individual East European banks also enjoy the same favorable access to this untied, low-cost financing source. Although these deposits must eventually be repaid, similar to loans, they still represent a major reservoir of cheap money. I think that it would be very illuminating for the Administration and Congress to get a better handle on the role of interbank deposits in the funding of the Soviet Union's global activities.

Returning for a moment to the first leg of the strategic trade Triad—the Soviet acquisition of militarily sensitive technology—we can take satisfaction in knowing that this problem is far better understood today than ever before. The President instructed the bureaucracy early in his first term to redouble its efforts to stem the flow of strategic technology to the Warsaw Pact countries. This past fall the Department of Defense, in coordination with the CIA, released an unclassified White Paper which made a valiant effort to quantify, where possible, the magnitude of our technology losses. The paper sought to identify the estimated savings achieved by the Soviet military research and development establishment as well as the direct costs incurred by U.S. taxpayers to defend against these Western-sponsored advances in Soviet military strength. Whether or not one accepts the estimates in the Department of Defense White Paper, most informed observers would have to concede that U.S. taxpayers are penalized to the tune of billions of dollars annually.

Concerning the second leg of the Triad—Western energy security, and specifically the carefully crafted Soviet game plan to dominate the natural gas markets of Western Europe—again, the President demonstrated what will be judged by history to be impressive vision and courage when he urged his allied counterparts, at the Ottawa Summit in July 1981, to limit their level of dependency on Soviet gas supplies. Subsequent to the Ottawa meetings, he dispatched two high-level U.S. delegations to Europe (the first one in the fall of 1981 and the second in early 1982) to persuade the allies to identify and develop secure, indigenous natural gas reserves (particularly the Troll gas field in Norway) and to halt the expansion of subsidized credits to the Soviet bloc for energy development and other purposes. The declaration of martial law in Poland in December 1981 added urgency to these undertakings, since the Alliance needed to send a unified signal that continued repression in Poland would not be cost-free.

The President immediately decided to implement economic sanctions against the USSR by embargoing U.S. origin oil and gas equipment destined for the Soviet energy industry. In June 1982, with no movement toward reconciliation in Poland and insufficient allied unity on a response to this situation, the President extended these sanctions to include U.S. subsidiaries and licensees located abroad. This decision temporarily crippled progress in the construction of the USSR's major gas export pipeline. Intensive allied consultations were then undertaken at the ministerial level with a view toward achieving the President's goal of forging a durable allied consensus on the security dimensions of East-West trade.

The positive outcome of these ministerial deliberations led the President to decide in November 1982 to lift the oil and gas equipment sanctions, but only after the allies had agreed to undertake urgent work programs in the key strategic trade areas, including enhanced Western energy security, which were to be completed by the Williamsburg Summit in May 1983. Progress was swift in coming. The practice of offering subsidized credits was eliminated by an understanding achieved within the OECD. An agreement signed by some 25 nations in the International Energy Agency in May 1983 also represented a major accomplishment for the Administration. The language of that agreement effectively deprives the USSR of major European participation in construction of the anticipated second strand of the Siberian gas pipeline which is currently underway or will be imminently. If abided by, this agreement will not only block Soviet

domination of Western Europe's gas markets but will also deny the USSR between $5 to $10 billion in annual projected hard currency earnings from the second strand in the mid- to late 1990s and beyond.

I think it is important to emphasize that the mission of the Poland-related sanctions was not, as so often reported in the world press, to block the first strand of the Siberian gas pipeline project. The administration was aware that the first pipeline was a fait accompli. The Administration's extension of the Poland-related sanctions represented a last-resort, tactical decision by the President to penalize Soviet repression in Poland and to forge a new consensus within the Alliance on the security aspects of East-West economic relations. All of the security-minded objectives which the President outlined to his counterparts in Ottawa in 1981 were achieved.

POLICY PRESCRIPTIONS

I would like to use the remainder of this talk to offer some specific policy recommendations which address each of the three legs of the strategic trade Triad.

First, on technology transfer, I recommend the continuation of the effort to quantify the impact on the West of what these losses mean to our long-term security, to our taxpayers, and our intensive efforts to reduce the U.S. budget deficit. The potential Gramm-Rudman trigger mandating reductions in our own defense expenditures adds urgency to this task. The infrastructure of COCOM, the multilateral organization which controls strategic technologies, must be substantially bolstered from its woefully inadequate present status. In addition, an expanded array of incentives and disincentives should be brought to the table by the U.S. in negotiations with the allies and neutral countries in an effort to finally subordinate commerical benefit to our common security. The U.S. should also continuously develop new methods designed to assist the trucking and identification of stolen technology so that would-be diverters will operate in an uncertain environment.

In the area of Western energy security, the Administration should send an early signal to the allies that despite the fall in demand for Soviet gas, we will insist that the May 1983 International Energy Agency agreement be strictly observed, particularly when the Soviets begin to contact Ruhrgas, Gaz de France, and others for below-market second strand gas deliveries during a future period of increased demand. In addition, the positive direction of the current negotiations for the accelerated development of the Nowegian Troll gas field, as a substitute for Soviet gas, should be politically reinforced at the highest levels. The Administration should also do whatever it can to defuse the dangers inherent in West Berlin becoming 10 percent dependent on Soviet gas stemming from an agreement signed in 1982 and the likelihood that Turkey will become approximately 95 percent dependent on Soviet gas if current negotiations with the USSR come to fruition. Also, allied willingness to provide the West's most sophisticated oil and gas equipment and technology to the USSR and actively assist in the extraction, processing, and transmission of Soviet energy resources should be, in some way, factored into allied efforts to increase emigration from the USSR and achieve equal and verifiable reductions in nuclear weapons. The other elements of the Triad should likewise be considered in this context.

Finally, the Administration can play an important role by examining the practice of untied or so-called balance of payments lending to potential adversaries and scrutinizing the extent to which the Soviets rely on interbank deposits. Certain principles or guidelines should also be considered for voluntary adoption by the Western banking community, if they have not already been instituted. Specifically, each loan to a potential adversary should have an identified and verifiable purpose—be it an equipment purchase, a specific project (with loan drawdowns calibrated to project expenditures) or a short-term commodity transaction such as grain. Every loan should have a maturity that is strictly matched against the duration of the underlying transaction. For example, a grain transaction should be financed with a maximum loan maturity of 180 days rather than 3 years which would otherwise de facto provide the Soviets with 2½ years of cash for their discretionary use. Finally, U.S. banks should aggregate their interbank deposit exposure to all Soviet-owned entities and periodically report these aggregate exposures to U.S. ban regulators, if they are not already doing so. The same practices should be applied to East European entities. In this connection, I am not arguing for the discontinuation of interbank activity with the USSR—only that specific information be developed on the amounts and the proper use and maturity of such deposits.

These proposed principles to govern financial flows to potential adversaries are prudent from a commercial as well as security perspective, and therefore, it is hoped, will not present major problems for the Western banking community. The Administration should urge our allies, through the OECD, to monitor the implementation of similar guidelines. In the event that the Administration and Congress are disappointed by the lack of allied cooperation in adopting these commercially prudent lending principles, more information should be gathered to determine the respective levels of allied involvement in untied, non-transparent financial flows to potential adversaries and what, if anything, should be done about it. To illustrate why we need a coordinated allied approach to this issue, we should ask the allies whether they view it as appropriate to make available even $10 million in untied Western cash to Colonel Qadhafi for his sole discretionary use. This particular issue brings to mind the sound advice offered by John Le Carre in his novel "The Honorable Schoolboy," which is embodied in three simple words—"Follow the money."

In conclusion, there do not have to be any "losers" in the West as a result of these policy recommendations. Legitimate, nonstrategic trade can go forward and expand; the U.S. can continue to streamline and expedite its export licensing procedures and trim the COCOM list of controlled technologies, where indicated, to ensure enhanced U.S. export competitiveness; Western loans can continue to support specific trade transactions and projects; and incentives for greater Soviet geopolitical cooperation can be created through expanded East-West economic and commercial relations. Nevertheless, we simply cannot avert our eye from those economic and financial practices which are deleterious to our long-term security interests; nor can we side-step the need to develop a more comprehensive picture of how the Soviet Union funds itself and its global activities.

I would hope that the U.S. security community, The Heritage Foundation, and other like-minded organizations will dedicate more resources and talented people to undertake further analyses of these issues. I would also recommend that consideration be given to the establishment, through legislation, of an Assistant Secretary of Defense for International Economic Security specifically to deal with the critical security aspects of trade and energy relations, and global finance. If property structured, such a new position need not interfere or overlap with existing positions or functions which are, for example, responsible for the complex issue of technology transfer.

Finally, it is imperative that we successfully come to terms with the enormous Western contribution to the economic and financial vitality of the Soviet Union and its client states, particularly at a time of budget-related austerity at home.●

ENCOMIUM OF FREE PAPERS

● Mr. D'AMATO. Mr. President, since the days of our forefathers, independent, free circulation papers have represented a superlative tradition in America's free enterprise system: They fill a need, and they provide a choice in the media marketplace.

Free papers are a strong, grassroots publishing force, filling the gap in cities and towns that do not receive full coverage by larger, paid papers. The American businessman has always needed a forum for advertising products and services, for sharing community news, and for disseminating information to a broad audience. In all cases, whether free newspapers, shopping guides, or pennysavers, free circulation papers fill this need. They offer a choice to local businesses and members of the community—providing the media support that keeps cities, small towns, and neighborhoods prospering.

Just how far back in history have American free papers been circulating? As far back as Benjamin Franklin. Benjamin Franklin was, in fact, the first free-paper publisher; his circulars and flyers were the first such publications. The number of free papers increased exponentially during the 1920's; and even more appeared in the 1930's as a direct response to the special needs arising from the Great Depression. After World War II, these papers were flourishing. More and more businesses wanted to reach every home in the community, and free circulation papers were the answer.

Today, it is estimated that 3,000 free community papers are published in the United States, attracting advertisers with their guarantee of blanket, door-to-door circulation. From New York to California, free papers are circulated to every home in the marketplace, providing all consumers with comprehensive buying information. In New York State alone, there are a total of 55 publishers in the free newspaper industry, reaching roughly 3 million homes across the State. They contribute to the growth and prosperity of business in the communities they serve.

Today's free-paper publisher continues to follow the spirit and dedication toward business exemplified by Benjamin Franklin. Many publishers are small "mom and pop" operations; in many cases, free-paper businesses have been passed down from generation to generation. They have witnessed their communities change and, with that, have strengthened their product to keep pace with reader and advertiser needs. Even large communications companies have carved a niche in their operations for free circulation papers, recognizing their reader strength and profitability.

Mr. President, I have called the attention of my colleagues to the benefits and services of free papers today because I believe their publishers deserve our recognition and respect.●

DR. LEON GINTZIG ANNUAL FORUM

● Mr. MATHIAS. Mr. President, it has been 2 years since the death of Dr. Leon Gintzig, a Marylander and a leader in the field of hospital administration. Dr. Gintzig was educated in Massachusetts, Illinois, and Iowa and went on to forge a distinguished career at the George Washington University. He did not, however, devote himself solely to his own career. He also volunteered his services for some 15 years to the Hospital Commission of Prince Georges County, MD, and the Prince Georges General Hospital. Dr. Gintzig's colleagues feel keenly the loss of his concern, expertise and particularly his friendship.

Now, however, we have another reason to remember Dr. Gintzig. Through private donations, a fund has been established which will underwrite an annual forum in Dr. Gintzig's name. There, the Nation's leading hospital administrators will gather each year at the congress of the American College of Healthcare Executives to exchange ideas and renew their commitment to building an efficient, fair, and affordable health care network. The first such meeting was held recently in Chicago and its success lends encouragement to all who have high hopes for its future. I believe this tribute is worthy of Dr. Gintzig and is worthy of note by the Senate today.●

ADVANCE NOTIFICATION—PROPOSED ARMS SALES

● Mr. LUGAR. Mr. President, section 36(b) of the Arms Export Control Act requires that Congress receive advance notification of proposed arms sales under that act in excess of $50 million or, in the case of major defense equipment as defined in the act, those in excess of $14 million. Upon receipt of such notification, the Congress has 30 calendar days during which the sale may be reviewed. The provision stipulates that, in the Senate, the notification of proposed sales shall be sent to the chairman of the Committee on Foreign Relations.

Pursuant to an informal understanding, the Department of Defense has agreed to provide the committee with a preliminary notification 20 days before transmittal of the official notification. The official notification will be printed in the RECORD in accordance with previous practice.

I wish to inform Members of the Senate that such a notification has been received.

Interested Senators may inquire as to the details of this advance notification at the office of the Committee on Foreign Relations, room SD–423.

The notification follows:

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, DC, April 9, 1986.

Dr. M. GRAEME BANNERMAN,
Staff Director, Committee on Foreign Relations, U.S. Senate, Washington, DC.

DEAR DR. BANNERMAN: By letter dated 18 February 1976, the Director, Defense Security Assistance Agency, indicated that you would be advised of possible transmittals to Congress of information as required by Section 36(b)(1) of the Arms Export Control Act. At the instruction of the Department of State, I wish to provide the following advance notification.

The Department of State is considering an offer to a Northeast Asian country tentatively estimated to cost $50 million or more.

Sincerely,

GLENN A. RUDD, *Acting Director.*●

PROPOSED ARMS SALES

● Mr. LUGAR. Mr. President, section 36(b) of the Arms Export Control Act requires that Congress receive advance notification of proposed arms sales under that act in excess of $50 million or, in the case of major defense equipment as defined in the act, those in excess of $14 million. Upon such notification, the Congress has 30 calendar days during which the sale may be reviewed. The provision stipulates that, in the Senate, the notification of proposed sales shall be sent to the chairman of the Foreign Relations Committee.

In keeping with the committee's intention to see that such information is immediately available to the full Senate, I ask to have printed in the RECORD at this point the notification which has been received. The classified annex referred to in the covering letter is available to Senators in the office of the Foreign Relations Committee, room SD–423.

The notification follows:

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, DC, April 9, 1986.

Hon. RICHARD C. LUGAR,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b)(1) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 86–30 and under separate cover the classified annex thereto. This Transmittal concerns the Department of the Army's proposed Letter(s) of Offer to the Netherlands for defense articles and services estimated to cost $45 million. Shortly after this letter is delivered to your office, we plan to notify the news media of the unclassified portion of this Transmittal.

Sincerely,

GLENN A. RUDD,
Acting Director.

Attachments.

TRANSMITTAL NO. 86–30—NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b)(1) OF THE ARMS EXPORT CONTROL ACT

(i) Prospective Purchaser: Netherlands.

(ii) Total Estimated Value: Major Defense Equipment,[1] $36 million; other, $9 million total $45 million.

(iii) Description of Articles or Services Offered: Four AN/TPQ–37 Radar Sets with supporting test equipment, generators, spares, tool kits and publications.

(iv) Military Department: Army (VRC).

(v) Sales Commission, Fee, etc., Paid, Offered, or Agreed to be Paid: None.

(vi) Sensitivity of Technology Contained in the Defense Articles or Defense Services Proposed to be Sold: See Annex under separate cover.

(vii) Section 28 Report: Case not included in Section 28 report.

(viii) Date Report Delievered to Congress: April 9, 1986.

POLICY JUSTIFICATION

NETHERLANDS—AN/TPQ—RADAR SETS

The Government of the Netherlands has requested the purchase of four AN/TPQ–37 Radar Sets with supporting test equipment, generators, spares, tool kits and publications. The estimated cost is $45 million.

This sale will contribute to the foreign policy and national security objectives of the United States by improving the military capabilities of the Netherlands; furthering NATO rationalization, standardization, and interoperability; and enhancing the defense of the Western Alliance.

The Netherlands needs the AN/TPQ–37 Radar Sets to continue an ongoing effort to upgrade its artillery counter-battery capability. Acquisition of these radars will enable the Netherlands to locate enemy long-range artillery and rocket launcher positions and to relay the information needed for counterfire. The Netherlands will have no difficulty absorbing these sets into its armed forces.

The sale of this equipment and support will not effect the basic military balance in the region.

The prime contractor will be the Hughes Aircraft Company of Fullerton, California.

Implementation of this sale will require the assignment of one contractor representative to the Netherlands for one year.

There will be no adverse impact on U.S. defense readiness as a result of this sale.●

GRANT DOREL CATARAMA AMNESTY

● Mr. SIMON. Mr. President, a young man and his parents living in Chicago hold out hope every day they will soon

[1] As defined in Section 47(6) of the Arms Export Control Act.

see their brother and son who languishes in a Romanian prison.

The prisoner is reported to be tortured and beaten regularly and he rarely gets enough to eat. He is not even allowed a Bible, his family says.

Viorel Catarama and his parents agonize over the fate of their beloved brother and son, Dorel Catarama, the Romanian prisoner.

The Cataramas and human rights groups are convinced Dorel is being persecuted for his Seventh-Day Adventist beliefs. The Romanian Government says Dorel broke Romanian law and is justly serving his sentence after being convicted of embezzlement and possession of foreign currency.

Reliable reports indicate there is no solid evidence to support the conviction.

Romanian officials allowed Dorel's wife to see him in February and for that we are grateful. Still, she waits in Romania for the day when she will be reunited with her husband and they can live as a family once again.

I ask the Romanian Government for a humanitarian gesture and grant Dorel Catarama amnesty. He poses no threat to Romanian society and only asks to be able to join his loved ones and worship his God in peace.

Such a gesture would strengthen the harmonious relations between our two countries.●

TRIO PROGRAMS

● Mr. RIEGLE. Mr. President, I rise today to express my support of the TRIO programs which provide low income youth and adults a realistic opportunity to escape cycles of poverty and achieve the upward mobility afforded by higher education. Congressional support of the TRIO programs was formally expressed in a recently passed concurrent resolution that I cosponsored, which designated February 28, 1986, as "National TRIO Day."

The special programs for students from disadvantaged backgrounds, commonly referred to as TRIO, were first authorized in 1965 and have since consistently proven their effectiveness in providing special supportive services for qualified low-income individuals and/or first generation college students.

TRIO includes five programs funded under the special programs for the disadvantaged which provide postsecondary outreach programs. These are: Educational Opportunity Centers, Special Services for Disadvantaged Students, Talent Search, Upward Bound and a training program for TRIO staffs. These programs provide low-income students the supportive services they need such as counseling, basic skills instruction, tutoring, and information about college admissions and financial aid in order to attend college.

The President's proposed budget requested a drastic 55 percent reduction for TRIO programs. I am pleased to say that the Senate Budget Committee, of which I am a member, in a bipartisan effort, passed a compromise budget proposal which maintains funding at present levels. The administration's desire to cut funding for valuable educational programs such as TRIO is not a new trend. The administration has frequently advocated drastic reductions and eliminations of educational programs since taking office in 1981. Fortunately, Congress continues to display its support of our Nation's educational system by opposing these proposals and funding educational programs at levels higher than those requested by the administration.

In the Senate's higher education reauthorization bill, funding for TRIO programs is $188 million. This is a 10-percent increase over the 1986 post-sequestration level of $169 million and more than double of what was requested in the President's fiscal year 1987 budget proposal for this program.

TRIO enjoys a praiseworthy record of success in providing young people the opportunity to achieve their full potential, rather than being swept into a cycle of poverty which destroys their chance to contribute to society. Special services students who receive counseling, tutoring, and basic skills instruction are more than twice as likely to remain in school than do those students who are not involved in the program. Graduates of Upward Bound are more than four times as likely to graduate from college as similar students not included in the program. TRIO programs provide key incentives and encouragement to make possible a meaningful educational experience. Nationwide, over 460,000 disadvantaged students receive TRIO services.

When some members of society are educationally neglected, we as a Nation are failing to live up to the higher standards of a world leader. I feel strongly that we must continue to provide the proper means to an education for all those who seek one.●

NATIONAL ASSOCIATION FOR EQUAL OPPORTUNITY IN HIGHER EDUCATION

● Mr. SIMON. Mr. President, during this week the National Association for Equal Opportunity in Higher Education [NAFEO] will hold its 11th national conference on blacks in higher education here in Washington. The association was founded in October 1969 as a voluntary, independent association of public and private 2- and 4-year institutions. Graduate and professional schools are counted among its member institutions in 21 States, the District of Columbia and the Virgin Islands.

NAFEO is a membership organization of 116 historically and predominantly black colleges and universities. NAFEO has as one of its major objectives, the responsibility to serve as a coordinator in black higher education. As such, NAFEO's annual national conference has become the most prestigious and important conference discussing issues affecting black higher education in America. The conference which attracts an audience of some 2,000 top leaders and decisionmakers of the Nation, including 8 black college/university presidents/chancellors, representatives from 400 institutions from all of the States and abroad, as well as 100 of the 300 black college alumni chosen—from among the 1 million graduates of black colleges—to receive NAFEO's annual distinguished alumni citation.

Recently, one of the presidents of the Nation's historically black colleges celebrated his 61st birthday. Dr. M. Maceo Nance, Jr., president of South Carolina State College for 19 years will also retire at the end of this academic year. He has served the Nation, the State of South Carolina, and black higher education with distinction. As a member of the board of directors of the office for black public colleges at the National Association for State Universities and Land Grant Colleges and the educational testing service's HBC-ETS black college collaboration, he has been instrumental in fashioning national policy on behalf of black colleges and universities and blacks in higher education. We will miss his contribution and South Carolina State will miss his leadership.

My distinguished Republican colleague from South Carolina, with whom I have the pleasure of serving on the Judiciary and Labor and Human Resources Committees, spoke at Dr. Nance's birthday celebration. Senator THURMOND has been a longstanding supporter of historically black colleges and universities, regularly introducing a resolution commemorating historically Black Colleges Day. He has also been a strong advocate and supporter of my legislation to create the Black College and University Act, which has been included in S. 1965, the Higher Education Act Amendments of 1985 as reported by the Committee on Labor and Human Resources.

I ask that his remarks be printed in the RECORD.

The remarks follow:

ADDRESS BY SENATOR STROM THURMOND AT THE DR. MACEO NANCE BIRTHDAY CELEBRATION

It is indeed a pleasure to be here tonight to pay tribute to a role model for young people, a National leader in higher education, the moving force behind the modernization of a great college, and a good friend, Dr. Maceo Nance.

In 1968, South Carolina State College was the focus of racial tensions in this Country. The enrollment was less than two thousand students. There was no School of Business or School of Engineering. The curriculum here did not include studies in nursing or agribusiness. There was no Martin Luther King, Jr. Auditorium, Smith-Hammond-Middleton Physical Education Center, I. P. Stanback Museum and Planetarium, Donma Administration Building, Nance Hall Classroom Building, or Sojourner Truth Residence Hall for Women. There was no sports program for women.

All of this was before the man whom we honor tonight became President of South Carolina State College.

As I reflect on the period of time between 1968 and 1986, I sincerely believe that no State has made more progress to ensure that the rights and opportunities of all citizens are safeguarded than South Carolina. The contributions which Dr. Nance made to this great achievement will not be forgotten.

The enrollment at South Carolina State has more than doubled during the Nance era. Thirty buildings on this attractive campus have either been constructed or improved since 1968. No mathematical computation can accurately gauge the expanded educational opportunities or improved quality of education presently available at South Carolina State College.

Although it was not highly publicized, March 19, 1986 was an important date to those of us who care about South Carolina State College, and all other institutions which provide higher education opportunities to low income, educationally disadvantaged young people. On that date, the Senate Labor and Human Resources Committee, of which I am a member, voted in favor of the Higher Education Reauthorization Act. Included in that bill was a five-year reauthorization of what used to be known as the "Title III—Institutional Aid Programs." These important programs recognize the contributions which Historically Black Colleges and Universities have made to this Nation.

I am proud to have actively worked with Senator Paul Simon to reauthorize these programs. This bill establishes a new "Part B" which is authorized exclusively for Historically Black Colleges. The United Negro College Fund and the National Association for Equal Opportunity in Higher Education (NAFEO) strongly support this legislation.

In two weeks, I will be one of several members of Congress honored by NAFEO for efforts on behalf of Historically Black Colleges. Although I appreciate such recognition, it is accepted with the knowledge that my commitment to these institutions has been gained through observing the valuable contributions made by these colleges, and because of my personal respect and deep admiration for leaders in Higher Education, like Dr. Maceo Nance.

Dr. Nance, we are proud of what you have accomplished here. Although you are retiring, I am sure that your influence in making South Carolina State College such an outstanding institution will be felt for many years. I wish you a happy birthday, and many more filled with good health in the future.●

BENAZIR BHUTTO RETURNS TO PAKISTAN

● Mr. KENNEDY. Mr. President, the people of Pakistan have been living under military rule since General Mohammad Zia ul-Haq seized power in a military coup in 1977. But today it appears that Pakistan has made some progress in the effort to return to democracy. Last December, President Zia announced the lifting of martial law and the return of civilian rule. And yesterday, Benazir Bhutto was allowed to return—in safety and in freedom—to her homeland.

The response of the Pakistani people has been overwhelming. I have received reports from Pakistan that 300,000 people greeted Ms. Bhutto when she arrived at the airport and that 1 million Pakistanis gathered in downtown Lahore to hear her speak and to welcome her home. Ms. Bhutto's return and her continued ability—freely and safely—to participate in the political affairs of her nation will test the commitment of the Pakistani Government to fundamental democratic principles.

In returning to Pakistan, Benazir Bhutto has shown great personal courage. It is clear that she commands the support of large numbers of Pakistani citizens, and if it was not clear before her return to Pakistan, it should be clear now that she is a major political leader who has a serious claim to political power—if democracy is permitted to run its course.

Pakistan and the United States have been close friends and have worked together on many common projects throughout the years. Our ties continue to be close. For that reason, we should make sure that the United States does not allow itself to be perceived as an enemy or an adversary of democracy inside Pakistan, and that we exercise whatever influence we have to make certain that human rights are respected and that the progress toward democracy continues. We will be watching very closely how the Pakistani Government deals with Benazir Bhutto, and we can only pray—for the future peace and well-being of the Pakistani people—that she is continued to be free to participate in the political affairs of her country without fear for her personal safety or for her freedom.

I ask that the newspaper reports of Benazir Bhutto's return to Pakistan—from the New York Times and from the Washington Post—be inserted in the RECORD.

The material follows:

[From the New York Times, Apr. 11, 1986]

A DAUGHTER RETURNS TO PAKISTAN TO CRY FOR VICTORY

(By Steven R. Weisman)

LAHORE, PAKISTAN, April 10.—Hundreds of thousands of people thronged the streets today demanding the ouster of President Mohammad Zia ul-Haq in the biggest anti-Government rally in Pakistan since General Zia seized power in a military coup in 1977.

The immense crowd turned out peacefully to cheer their loyalty instead to Benazir Bhutto, 33-year-old daughter of Prime Minister Zulfikar Ali Bhutto, who was overthrown and later executed by General Zia. Miss Bhutto arrived here this morning from a long self-imposed exile to proclaim herself heir to her father's once powerful political movement.

"Zia out! Zia must go!" the crowd shouted and chanted as Miss Bhutto declared, "The time has come to be united and push out the dictator who has ruled us for these nine years."

Others in the throng shouted, "Zia is a dog!" and along the route of a nine-hour procession through the broad streets of this historic city many Pakistanis burned American flags and shouted "down with America!" and other anti-American slogans. Their anger was a reflection of the widespread view in the opposition that General Zia has been propped up for many years by encouragement and economic and military assistance from Washington.

CROWD BEYOND EXPECTATION

The size of the crowd went far beyond the expectation of many politicians, diplomats and other analysts who had doubted that Miss Bhutto could galvanize the kind of support for which her father was famous. Before she arrived, however, Miss Bhutto's supporters were asserting that she could oust General Zia the way President Corazon C. Aquino has ousted Ferdinand E. Marcos in the Philippines.

Picking up on this theme, Miss Bhutto told the crowd that 1986 was "a bad year for dictators" because of what happened in both the Philippines and Haiti. "Marcos is gone, the president of Haiti is gone, and now another dictator must go," she declared as the crowd roared its delight.

But despite the enthusiasm of the opposition, it remained unclear whether Miss Bhutto would be able to translate her evident popularity into an actual drive to throw out Mr. Zia. The tone of her speech was emotional but it did not call for an actual public uprising or confrontation with the Government. At the rally's conclusion, the crowd drifted off peacefully in a festive but nonviolent mood. "I have not come here to take revenge," she told them.

RELAXED ENVIRONMENT REFLECTED

The fact that the rally was permitted to take place was a reflection of the relaxed political environment in Pakistan and what some say is the growing confidence of the country's recently installed civilian leaders that their Government can withstand a challenge from Miss Bhutto.

General Zia ruled under martial law from 1977 until last Dec. 30, when he formally restored civilian rule but retained his position as president and army chief of staff. The actual running of the Government—setting foreign and domestic policy, administering the bureaucracy, regulating political activities and maintaining order—is in the hands of a civilian cabinet led by Prime Minister Mohammad Khan Junejo.

The civilian leaders, elected a year ago, have been trying to establish their credibility in the eyes of potential supporters of Miss Bhutto. Earlier this week, Prime Minister Junejo held a rally in Lahore where he announced a scheme to hand over land to urban squatters. But the size of his rally was dwarded by Miss Bhutto's crowd today.

IN EXILE OR DETENTION

Miss Bhutto has spent most of the last nine years in exile or under detention here. She returned to Pakistan last summer briefly to attend a funeral for her slain brother,

Shahnawaz. The funeral drew tens of thousands of mourners. But many politicians said this was far fewer than had been expected. Later Miss Bhutto was put under house arrest for supposedly engaging in opposition activities, but she was permitted to return to exile in London.

For months, politicians have openly questioned whether she had the support to lead the opposition. Even her own party, the Pakistan People's Party, has been split over whether to cooperate with or confront General Zia's regime. The larger coalition of parties opposed to Mr. Zia is also divided over whether to accept her leadership.

But with her rally today, Miss Bhutto appeared to sweep aside these doubts and open a new chapter in the country's turbulent history. After arriving from London and spending the day on top of a truck in the city streets she spoke in the shadow of the old Red Fort and Lahore Mosque built by the Mogul emperors. Earlier, Miss Bhutto appeared to many to look uncertain and reticent, but at the end of her one-hour speech, she was shouting, grinning broadly and leading the crowd in chants.

EVOKES HER FATHER

Everywhere in the streets there were pictures of her and especially of her father, a charismatic politician from Sind province who came into power in 1971 after Pakistan lost a war with India. Prime Minister Bhutto was hanged in 1979 by General Zia's Government, which charged him with plotting the murder of a political foe.

Today Miss Bhutto evoked her father again and again, at one point declaring to the crowd: "Seeing you, the people, makes me feel that Bhutto is alive before my eyes. He told me at our last meeting at Rawalpindi jail that I must sacrifice everything for my country. This is a mission I shall live or die for."

At the end of the speech, Miss Bhutto seemed exhausted. Her voice was hoarse, but she seemed elated with the response.

Although all of Lahore seemed caught up in the mood of the rally, there was very little disorder. The police remained mostly on the sidelines and army troops remained in their barracks.

It appeared that the Government of Prime Minister Junejo was pinning its hopes on the possibility that the rally today would let off steam among the opposition without leading to further turmoil in the streets, which have been a feature of Pakistan's history.

The country has had martial law three different times when the situation in the streets erupted with protest, and many politicians fear this could easily happen again. That is why not all of those opposed to the Government favor an approach of raising a challenge in the streets. Instead some of these opponents are calling for foes of General Zia to wait until the next elections in four years, register their parties legally and try to oust Mr. Zia through the democratic process. Miss Bhutto has already rejected that approach, but it remained unclear what she would do next with her newly proclaimed support.

[From the Washington Post, Apr. 11, 1986]

PAKISTANI CROWD HAILS RETURN OF EXILED OPPOSITION LEADER

(By James Rupert)

LAHORE, PAKISTAN, April 10.—Hundreds of thousands of Pakistanis roared their condemnation of President Mohammed Zia ul-Haq and their support for Benazir Bhutto today as the opposition leader returned from political exile.

The return of the daughter and political heir of former prime minister Zulfiqar Ali Bhutto appeared to mark Zia's most serious domestic political challenge. She has vowed to campaign for Zia's resignation and for immediate national elections to replace the man who overthrew her father in 1977 and then saw him executed.

Before her return, Bhutto, 32, had told interviewers in London that she would not launch a "frontal attack" on Zia's government. But, speaking at a massive rally in Lahore's old city tonight, Bhutto said that if Zia refused to step down and schedule new elections, "the people will pursue their own line of action."

The massive welcome—which many local residents judged the largest gathering in Lahore since Pakistan's formation—confirmed that Bhutto retains a powerful hold over a substantial segment of the population for which her father remains a political hero.

Inching through the often frantic crowds, her motorcade needed 10 hours to travel the eight miles from the airport to the rally. Bhutto supporters stripped the flowers from public gardens along the route to toss them at Bhutto's truck, at foreign correspondents and each other.

The crowd was sometimes euphoric but more often angry, chanting slogans against Zia and U.S. support for him, "America is the murderer of [Ali] Bhutto and Pakistan," they chanted.

At one point—amid a forest of red, green and black flags of Bhutto's Pakistan People's Party—a half dozen U.S. flags waved above the demonstrators before bursting into flame, one by one.

"We knew she would get the largest crowd," said Mohabbat Ali Dogar, a Lahore lawyer and a senior official of Prime Minister Mohammed Khan Junejo's Moslem League party. "She is very popular here in Punjab, and the government is keeping its hands off" the demonstration.

In 1977, Zia overthrew Ali Bhutto in a military coup and immediately declared martial law. Zia lifted the martial law last December as part of a controlled return to civilian rule.

With the encouragement of the Reagan administration, Zia last year held nonpartisan elections to a National Assembly—elections that Bhutto's party and other opposition groups boycotted as unfair. The elections gathered a respectable turnout, however, and produced a conservative assembly from which Zia appointed Prime Minister Junejo and a civilian Cabinet.

Bhutto's party and the 11 smaller members of the opposition Movement for the Restoration of Democracy have been permitted to resume political activities under civilian rule, but have insisted on new elections, which they say cannot be fair under Zia's authority.

Bhutto landed shortly after dawn at Lahore International Airport, where other flights were canceled, as riot police were deployed and barbed-wire barricades were set up to hold back thousands who had gathered overnight to greet her. Although the authorities had called in thousands of police from surrounding areas, they were kept out of view during the day in an attempt to avoid provoking the often hostile crowds.

During today's motorcade, the crowd's most consistent chant proclaimed, "Zia is a dog," and demonstrators laughed at a man who portrayed the Pakistani ruler by crawling along the street with a leash around his neck. Demonstrators shouted over the constant beat of drums and the chanting crowd to explain their anger.

"The reason we support Benazir is because Zia has brought us years of martial law and repression," shouted Parvaiz Gill, a Lahore veterinarian. Referring to the name Pakistan, which translates as "land of the pure," Gill said, "Zia has given us not a democratic Pakistan but his own Pseudostan."

"There have been no human rights under Zia's martial law," said Tariq Rahim, a university engineering student. "Zia claims to rule in the name of Islam, but his martial law is anti-Islamic."

During the motorcade, Bhutto showed neither the anger nor the euphoria of her supporters. Appearing self-conscious, she waved and saluted to the crowd with the same gestures her father once used, and periodically readjusted a scarf over her head when it slipped to her shoulders.

Arriving this evening at Lahore's independence monument to address the rally, Bhutto was nearly crushed among her supporters packed tightly around the podium. Angered at being pushed, she suddenly lashed out at a young man, shouting at him as she grabbed him by the hair and slapped him.

Her voice often shrill, Bhutto repeated a comparison she has made in recent weeks between Pakistan and the Philippines, whose people recently deposed an authoritarian president, Ferdinand Marcos. "Marcos had to run from the Philippines," she said, "and after this evening another dictator will have to run."

Bhutto declared that her massive welcome represented a popular referendum in Lahore against Zia.

Bhutto tried to reinforce her traditional appeal to many Pakistanis as the political successor to her father—and as a woman who, with her family, has suffered under Zia. She told of promising her father, in their last conversation before his execution, to pursue the populist political themes that made him almost a cult figure for many in this country.

The longstanding anti-American stance of the Bhutto party—beginning with Ali Bhutto, who accused the United States of engineering his downfall—was symbolized by a massive portrait, hung near the podium, that showed Bhutto clasping hands triumphantly with Libya's Col. Muammar Qaddafi. But in her speech, Benazir Bhutto left out the anti-American rhetoric of many of her supporters, and noted that she had visited both Washington and Moscow in the weeks before her return.

Responding largely to criticism from leftists in the opposition who suggested she might be coopted by the United States, Bhutto insisted that she held a balanced position between the two superpowers and had acted only "as the agent of the Pakistani people."●

THE EGYPT-ISRAEL TREATY, 7 YEARS LATER

● Mr. SIMON. Mr. President, recently our former Ambassador to Israel, Samuel W. Lewis, had an item in the New York Times that I think is important for Members of this body to read.

Since Egyptian-Israeli relations are not as completely cordial as we would

like, there are some who say that the whole Camp David process and the whole Egyptian-Israeli peace effort was meaningless or worse.

That sentiment is expressed sometimes by people here and sometimes by people in Israel and Egypt.

The reality is that things have not gone as well as we had hoped, but that agreement has totally changed the map of the Middle East.

The momentum prior to this agreement was in the direction of war. Now the momentum, however slow it is sometimes, is in the direction of peace.

Ambassador Lewis has made an important contribution to our understanding with this article, which I urge my colleagues to read, and I ask that it be printed in the RECORD.

The article follows:

[From the New York Times, Mar. 23, 1986]

THE EGYPT-ISRAEL TREATY, 7 YEARS LATER

(By Samuel W. Lewis)

WASHINGTON.—Seven years have passed since that chilly afternoon in late March 1979 when a festive crowd gathered before the north portico of the White House to witness a historic drama—the signing of the first peace treaty between Israel and an Arab state. A new era was dawning, or so it seemed. The pageantry of peace-making silenced, for a heady moment, the doubts and fears of the skeptics.

Seven years later, the Egyptian-Israel peace treaty appears a lonely relic of shattered dreams. Anwar el-Sadat is gone, Menachem Begin in seclusion, Jimmy Carter far from power. Their successors do, on occasion, politely commend their achievement, but today's preoccupations lie elsewhere. In both Israel and Egypt, there is widespread disillusionment with the peace, though few in either country speak of overturning it.

Both President Hosni Mubarak and Prime Minister Shimon Peres—preoccupied with other matters, at home, in the Arab world and over the West Bank and Gaza—grope for some way to rekindle the warmth that has gone out of this peace. As yet, the results are meager, though negotiators still meet, and meet, and meet again.

Nonetheless, peace it is, in a tormented region where peace is rare and warfare and terror seem endemic. The largest, most populous, most powerful Arab state has an open border with Israel, which had never in its modern history seen its citizens crossing any of its land frontiers as simple tourists. Hundreds of thousands of Israelis have by now been photographed by the pyramids and befriended by anonymous Egyptians in coffee houses, hotels and homes. A thin trickle of Egyptians have in turn ventured to Tel Aviv, Jerusalem, Haifa—not many, but some.

Egypt's bustling Embassy in Tel Aviv is, after the United States mission, the largest, most active diplomatic establishment in Israel. The continued absence of an Egyptian ambassador, recalled in the wake of the Sabra and Shatila massacres near Beirut in September 1982, deeply rankles Israeli sensitivities. Yet Egypt's able charge d'affaires ranges far and wide among Jews and Arabs alike—on television, at academic conferences, in frequent meetings with senior Cabinet ministers.

Israel's Embassy in Cairo is much more isolated, prey to an unacknowledged near-boycott by Egyptian officialdom. Even so, Ambassador Moshe Sasson, fluent in Arabic, moves widely, with his staff, in unofficial Egyptian circles. The Israeli flag flies in Cairo and the Embassy plays an important role in analyzing the political, economic and social currents flowing alongside the Nile.

There is little trade, except in oil; Israel buys much of its energy from Egypt. There could and should be more trade if negotiations revivify some of the many now moribund normalization agreements of 1981 and 1982. The two economies are, however, scarcely complementary, and trade potential is limited.

The border is peaceful, yet watched carefully by a 3,000-man multinational force. Tourists cross it uneventfully by bus, taxi and car at two points, hampered only by outmoded Egyptian bureaucratic practices. A daily flight leapfrogs the intervening desert in one hour; the overland trip takes about eight. Today, the planes fly three-fourths empty, but they fly.

Disputes, misunderstandings, suspicions, random tragedies like the shooting last autumn of Israeli tourists in Sinai by a fanatical Egyptian policeman, unfulfilled promises, bitter media attacks—all continue to roil the peace. Just last week, terrorists killed two Israeli diplomats in Cairo and wounded others. Yet leaders reaffirm their fidelity to peace, exchange visits and encourage their negotiators to keep trying.

In truth, this "peace' is not much different from the kind of "peace" enjoyed by other nations around the world: colder than most, but warmer than many—India and Pakistan for instance, Greece and Turkey, or the United States and the Soviet Union. It is peace—a first for the region—and it is broadly supported by the common people of both countries who have lost too many sons in fruitless wars to want to fight again. And since it serves the basic interests of both nations, the treaty is a sturdy plant that will not easily be uprooted, even if icicles at times weigh it down.

Egypt's leaders sustain it for another reason: pride prohibits their admitting to Arab critics that Mr. Sadat's choice, to exchange peace for lost lands, might have been mistaken. Israel's leaders embrace it because it realizes a part of the Israelis' fervent dream—acceptance by its neighbors. And, of course, peace in the south frees energy to confront Syria in the north.

Why, then, the disillusionment?

For Israelis, the answer lies in the gap between the dream and the reality. Never having known any peace at all in the 31 years of existence that predated this treaty, Israelis naïvely imagined that peace would mean warmth and friendship, not merely the absence of war. Many subconsciously took the American-Canadian peace as the model. When reality was different, Israelis felt irrationally betrayed—and the idea of peace itself seemed diminished in value.

That disillusion has produced a damaging side-effect: The Israeli public is now less, not more, convinced that giving up strategic depth in territory is worth the risk—if the result is only a "cold peace," hardly more in reality than the de facto state of "nonbelligerency" that already exists on Israel's eastern border with Jordan. "Territory for peace" is a controversial slogan in Israeli politics at best—and the "cold peace" with Egypt makes it less attractive today.

For Egyptians, there has also been disillusionment. Mr. Sadat led them to believe that peace would help overcome their economic hardships, that a settlement of the Palestinian problem would follow, that the Arab world would copy Egypt's example and Egypt would regain its traditional place as Arab leader.

None of that occurred. Instead, a negotiating stalemate thwarted fulfillment of the part of the agreement intended to provide a transitional period of real autonomy for the West Bank and Gaza, while Israeli forces struck at the Iraqi nuclear reactor and the Palestine Liberation Organization in both Beirut and Tunis. Egyptian counsel was ignored in Jerusalem, and Egypt did not become a bridge between Israel and other Arab states. Most important, inexorable population growth and Arab economic sanctions left the Egyptian people still desperately poor and with decreasing hope.

Nevertheless, the peace stands intact after seven blustery years. It survived a vicious war in Lebanon and the Isaeli occupation of a great Arab capital. It withstands the strain of an unresolved border dispute over Taba, on the Red Sea, and endures Syrian and Libyan efforts to undermine it. It is not what was once dreamed of, but it is peace—real peace, buttressed by United States support for both nations.

In a region where peace has been determinedly elusive, the Egyptian-Israeli treaty is a mountain peak in a sea of sand. There is no stomach in either people to overturn it. And nothing will again be the same in the Middle East in its wake.●

SENATE JOINT RESOLUTION 226, WORLD HEALTH WEEK

● Mr. BINGAMAN. Mr. President, on March 27, 1986, Senate Joint Resolution 226, a resolution to designate the week of April 6, 1986, through April 12, 1986, as "World Health Week," and to designate April 7, 1986, as "World Health Day"—became Public Law 99-268. At this time I call this law to the attention of my colleagues and I commend Senator RIEGLE for sponsoring the measure.

World Health Week is a reminder to us all that the health of a nation depends on the health of its people. The United States accepts the principle stated in the constitution of the World Health Organization that by improving the health of Americans we contribute to world health, which in turn contributes to the health of our Nation. Countries of the world, acting through the World Health Organization, are committed to the goal of "Health for All by the Year 2000." This week we recognize that effort by designating a commemorative week and day to call attention to what individuals and governments can do to promote health. I strongly support this effort.

I am especially committed to improving the health of Americans through health promotion and disease prevention as a means to improve individual health. Becoming concerned with health promotion is justified because of the need for this country to become more productive and remain competitive in our global economy. Currently, we spend close to 11 percent of our gross national product on health care

costs. This expenditure drains our resources and should alert us to look toward prevention rather than treatment as a way to control rising health care costs. Health promotion and disease prevention must be an essential part of our strategy to develop a more productive and more competitive America.

As we recognize this week as "World Health Week" I hope we all are mindful of the continuing need for all Americans to lead healthier lives. We should also continue to be aware of the links between health care costs, health promotion, and our national competitiveness.●

INNA AND NAUM MEIMAN: A MIND IS A TERRIBLE THING TO WASTE

● Mr. SIMON. Mr. President, we, as Americans, are fortunate to be able to choose the profession we wish to pursue. In some cases, training takes months; in highly professional careers, we go through arduous years of training. When the training is finally complete and employment is obtained, we expect that we will be given ample equipment, staff, and supplies required to perform that job. In most cases, those expectations are met.

In the Soviet Union, however, a man named Naum Meiman sits at home, idle, deprived of professional contacts, despite his past years of brilliant work as a physicist. Although Naum is over 70, it is not his years that keep him from his work. It is the Soviet Government. Because Naum and Inna, his wife, have applied to leave the Soviet Union, the Government decided that the Meimans should be shunned by Soviet society at all levels. Naum was fired from his job.

Naum tries to work at home, but without constant interaction with his colleagues he cannot use his training as a physicist to contribute to the march of science. All Naum and Inna wish to do is to leave the Soviet Union to live quietly in Israel.

I urge the Soviet authorities to allow the Meimans to go to Israel.●

CAMPAIGN FINANCE REFORM

● Mr. BOREN. Mr. President, late last year, as the Senate adjourned at the end of the first session of the 99th Congress, we approved, S. 655, the Central States Low Level Radioactive Waste Compact, without final consideration of my amendment—cosponsored by 10 of our colleagues—dealing with campaign finance reform.

At that time, it was agreed that for the first couple of months of 1986, the Rules and Administration Committee would be given time to hold hearings in consideration of this legislation, as well as the bills sponsored by the Senator from Pennsylvania, Mr. HEINZ, and the Senator from Maryland, Mr. MATHIAS.

It was further understood, that because of the overwhelming vote of 84 to 7, not to table my bill, the Senate was clearly serious about campaign finance reform. Members of this body paid great verbal service to calling for reform of the campaign laws which govern the integrity of our democracy. Yet, out of a desire to have possible solutions carefully weighed through the committee process prior to floor action, the Senate then voted only to symbolically call for reform.

In an effort to keep debate completely open for others to add to and strengthen our bill, S. 1806, and in light of the importance of the committee process, I agreed to allow the Central States Compact to be approved by the Senate in return for an assurance of committee consideration and the right to have S. 655, which is now a shell of a bill, to remain on the Senate Calendar. Therefore, should a committee proposal not be reported in time for Senate and House action this year, we could bring S. 1806 back to the floor, as an amendment to S. 655.

Mr. President, let me commend the chairman of the Rules and Administration Committee for arranging a quick hearing upon the Senate's return in January. Another hearing was held 2 weeks ago, and hopefully, further action will take place very soon.

In light of the possibility that no committee recommendation may come forward, or if progress toward such a proposal is not apparent, I think it only fair that I advise my colleagues of my intention to again bring my legislation before the full Senate. I have contacted the majority leader to advise him of my intentions and to ask his assistance in bringing a proposal to the floor.

The seriousness of the problems in our election process are too severe to allow the passing of yet another election cycle. As I told my colleagues in December, I will push for this reform again, and again, and again, until the focus of the Senate is firmly set on this crisis of liberty.●

PC CLASS OF '61—A QUARTER CENTURY!

● Mr. PELL. Mr. President, I rise to offer congratulations to the class of 1961 at Providence College which this year is celebrating the 25th anniversary of graduation.

It was a quarter of a century ago that this group of talented young men, most of them residents of Rhode Island, left "PC"—as it is affectionately known in my State—to pursue careers, marry and raise families, and embark on a multitude of ventures and adventures.

For all of this they were admirably prepared by the fine education which Providence College and its Dominican Fathers have been providing to the young men and, in the last 15 years, women of my State since 1919.

And the members of this class have indeed distinguished themselves. They are among Rhode Island's most prominent attorneys, physicians, businessmen, educators, and public servants. And many of them are contributing significantly to other States to which they have moved since leaving Providence College.

I cannot help mentioning the fact that the year of their graduation has special meaning for me, for in January 1961 I was sworn in as a Member of this body. I remember that time as if it were yesterday. It was a time of great hope and excitement in our State and our country, the state of a new decade. And we were specially excited and challenged by a young President from a neighboring State who embodied so many of our hopes and dreams.

So, Mr. President, I congratulate these men and wish them a happy reunion, full of warm memories and renewed friendships. And I wish them and their families continued success and happiness in the years to come.●

ORDERS FOR MONDAY, APRIL 14, 1986

Mr. RUDMAN. Mr. President, I ask unanimous consent that once the Senate completes its business today it stand in recess until the hour of 12 noon on Monday, April 14, 1986.

Further, I ask unanimous consent that, following the recognition of the two leaders under the standing order, there be special orders in favor of the following Senators for not to exceed 5 minutes each: Senator HAWKINS, Senator PROXMIRE, Senator WEICKER, and Senator CRANSTON.

Following the special orders just identified, I ask unanimous consent that there be a period for the transaction of routine morning business not to extend beyond the hour of 1 p.m., with Senators permitted to speak therein for not more than 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. RUDMAN. Mr. President, at the conclusion of routine morning business, the Senate could turn to any of the following: the motion to proceed to S. 1774, the Hobbs Act; S. 1236, technical amendments to the crime bill; or any other legislative or executive calendar items that can be cleared for action.

I now ask my friend, the distinguished Democratic leader, if he has anything that he would like to address to the Chair or to the body before we call for a recess today on Friday.

Mr. BYRD. Mr. President, I thank the distinguished Senator for his characteristic courtesy.

CONDOLENCES TO ALAN FRUMIN

Mr. BYRD. Mr. President, I wish to take this moment to extend my sincere condolences to Alan Frumin, the Senate's Assistant Parliamentarian, whose mother Nanette Frumin passed away yesterday.

Alan has been with the Parliamentarian's office since January 1977 and has from the beginning served the Senate in a courteous, thorough, and most able way. I am confident that I speak for all who know Alan, both Senators and staff alike, when I express our sympathies and say that our prayers go with Alan and his family in this their time of grief.

Mr. RUDMAN. Mr. President, I wish to thank the Democratic leader, certainly on behalf of everyone on this side of the aisle, for those sentiments.

ORDER OF PROCEDURE

Mr. RUDMAN. Mr. President, I understand there may be one item that is now ready to be brought to the floor that has been cleared. I am going to wait just a short time to see if that is accomplished. If not, I will ask that the Senate recess. In the meantime, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. RUDMAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL MONDAY, APRIL 14, 1986

Mr. RUDMAN. Mr. President, there appears to be no further business to come before the Senate. Therefore, I move, in accordance with the previous order, that the Senate stand in recess until Monday, April 14, 1986, at 12 noon.

The motion was agreed to, and at 5:25 p.m., the Senate recessed until Monday, April 14, 1986, at 12 noon.

CONFIRMATIONS

Executive nominations confirmed by the Senate April 11, 1986:

DEPARTMENT OF THE TREASURY

J. Roger Mentz, of New Jersey, to be an Assistant Secretary of the Treasury.

DEPARTMENT OF STATE

H. Allen Holmes, of the District of Columbia, a career member of the Senior Foreign Service, class of Career Minister, to be an Assistant Secretary of State.

Otto J. Reich, of Virginia, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Venezuela.

Ronald S. Lauder, of New York, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Austria.

U.S. INTERNATIONAL DEVELOPMENT COOPERATION AGENCY

Henry F. Schickling, of Pennsylvania, to be a member of the Board of Directors of the Overseas Private Investment Corporation for a term expiring December 17, 1988.

Carlos Salman, of Florida, to be a member of the Board of Directors of the Overseas Private Investment Corporation for a term expiring December 17, 1988.

The above nominations were approved subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

THE JUDICIARY

Marian Blank Horn, of Maryland, to be a judge of the U.S. Claims Court for a term of 15 years.

DEPARTMENT OF JUSTICE

Ralph D. Morgan, of Indiana, to be U.S. Marshal for the southern district of Indiana for the term of 4 years.

John R. Kendall, of Michigan, to be U.S. Marshal for the western district of Michigan for the term of 4 years.

Emery R. Jordan, of Maine, to be U.S. Marshal for the district of Maine for the term of 4 years.

K. William O'Connor, of Virginia, to be U.S. attorney for the district of Guam and concurrently U.S. attorney for the district of the Northern Mariana Islands for the term of 4 years.

DEPARTMENT OF COMMERCE

Donald W. Peterson, of Missouri, to be Deputy Commissioner of Patents and Trademarks.

IN THE ARMY

The following-named officer to be placed on the retired list in grade indicated under the provisions of title 10, United States Code, section 1370:

To be lieutenant general

Lt. Gen. David K. Doyle, [redacted], age 54, U.S. Army.

The following-named officer under the provisions of title 10, United States Code, section 601, to be assigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be lieutenant general

Maj. Gen. Thurman D. Rodgers, [redacted] U.S. Army.

The following-named officer to be placed on the retired list in grade indicated under the provisions of title 10, United States Code, section 1370:

To be lieutenant general

Lt. Gen. Nathaniel R. Thompson, Jr., [redacted], age 58, U.S. Army.

The following-named officer under the provisions of title 10, United States Code, section 601, to be assigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be lieutenant general

Maj. Gen. Henry Doctor, Jr., [redacted], U.S. Army.

The following-named officer to be placed on the retired list in grade indicated under the provisions of title 10, United States Code, section 1370:

To be lieutenant general

Lt. Gen. Robert L. Moore, [redacted], age 55, U.S. Army.

The following-named officer under the provisions of title 10, United States Code, section 601, to be reassigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be lieutenant general

Lt. Gen. Lawrence F. Skibbie, [redacted], U.S. Army.

The following-named officer under the provisions of title 10, United States Code, section 601, to be assigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be lieutenant general

Maj. Gen. Peter G. Burbules, [redacted], U.S. Army.

IN THE MARINE CORPS

The following-named officer to be placed on the retired list in the grade indicated under the provisions of title 10, United States Code, section 1370:

To be general

Gen. John K. Davis, [redacted] U.S. Marine Corps.

The following-named officer, under the provisions of title 10, United States Code, section 601, to be assigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be general

Lt. Gen. Thomas R. Morgan, [redacted], U.S. Marine Corps.

IN THE AIR FORCE

Air Force nominations beginning Nina K. Rhoton, and ending Janet C. Flournoy, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of March 20, 1986.

Air Force nominations beginning Janet C. Flournoy, and ending Charles A. Culver, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of March 20, 1986.

Air Force nominations beginning Warren O. Abraham, and ending Laura M. Zukowski, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of March 20, 1986.

Air Force nominations beginning Thomas E. Applegate, and ending Christopher M. Zahn, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of March 24, 1986.

IN THE ARMY

Army nominations beginning Melvin Abercrombie, and ending Douglas B. Tesdahl, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of March 14, 1986.

Army nominations beginning Charles R. Savely, and ending Robert Russell, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of March 27, 1986.

IN THE MARINE CORPS

Marine Corps nominations beginning Michael T. Barry, and ending Paul C. Schreck, Jr., which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of March 14, 1986.

IN THE NAVY

Navy nominations beginning Michael S. Anisowicz, and ending Gale J. Wolff, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of March 20, 1986.

Navy nominations beginning Timothy Higgins, and ending David D. Buckley, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of March 24, 1986.

Navy nominations beginning Jeffery J. Iovine, and ending Barry L. Hunter, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of March 24, 1986.

Navy nominations beginning Kathryn K. Murray, and ending John F. Wilker, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of March 26, 1986.